UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 86th CONGRESS
SECOND SESSION

VOLUME 106—PART 10

JUNE 14, 1960, TO JUNE 22, 1960
(PAGES 12497 TO 13902)

UNITED STATES GOVERNMENT PRINTING OFFICE, WASHINGTON, 1960

J
11
.R
v. 106
pt. 10

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 86th CONGRESS, SECOND SESSION

SENATE

TUESDAY, JUNE 14, 1960

The Senate met at 12 o'clock meridian, and was called to order by Senator GEORGE D. AIKEN, of Vermont.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Father of all mercies, with the unsatisfied desires of our yearning hearts, we turn unfilled to Thee.

Like the flowers in June gardens uplifted to the sun, like still waters that mirror the eternal stars, so we would lift our needy souls to Thee, our light and our life. Without Thee, our science but whets the sword to a sharper edge, and would destroy us with our own wheels and wings.

Without Thee, even learning cannot redeem us, for we know now that the mere sharpening of the intellect, the massing and mastery of facts and figures, may but fit men to be tenfold more masterful in the awful art of slaughter.

And so we pray that Thou wilt shatter our delusions, shine through our blindness, and shame our pride, that in folly we stray not away from Thee and the things that belong to our peace.

We ask it in the name of the Prince of Peace. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 14, 1960.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. GEORGE D. AIKEN, a Senator from the State of Vermont, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. AIKEN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 13, 1960, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 10021. An act providing a uniform law for the transfer of securities to and by fiduciaries in the District of Columbia;

H.R. 10921. An act to amend section 35 of chapter III of the Life Insurance Act for the District of Columbia;

H.R. 10952. An act to authorize the National Society Daughters of the American Colonists to use certain real property in the District of Columbia as the national headquarters of that society;

H.R. 11931. An act to amend the act of March 3, 1901, with respect to the time within which a caveat to a will must be filed in the District of Columbia;

H.R. 12055. An act to incorporate the Metropolitan Police Relief Association of the District of Columbia;

H.R. 12520. An act to amend the act of August 11, 1939, so as to authorize Group Hospitalization, Inc., to enter into contracts with certain dental hospitals for the care and treatment of individuals, and for other purposes;

H.R. 12584. An act to amend the Uniform Narcotic Drug Act for the District of Columbia; and

H.R. 12597. An act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the District of Columbia:

H.R. 10021. An act providing a uniform law for the transfer of securities to and by fiduciaries in the District of Columbia;

H.R. 10921. An act to amend section 35 of chapter III of the Life Insurance Act for the District of Columbia;

H.R. 10952. An act to authorize the National Society Daughters of the American Colonists to use certain real property in the District of Columbia as the national headquarters of that society;

H.R. 11931. An act to amend the act of March 3, 1901, with respect to the time within which a caveat to a will must be filed in the District of Columbia;

H.R. 12055. An act to incorporate the Metropolitan Police Relief Association of the District of Columbia;

H.R. 12520. An act to amend the act of August 11, 1939, so as to authorize Group Hospitalization, Inc., to enter into contracts with certain dental hospitals for the care and treatment of individuals, and for other purposes;

H.R. 12584. An act to amend the Uniform Narcotic Drug Act for the District of Columbia; and

H.R. 12597. An act to amend the District of Columbia Motor Vehicle Parking Facility Act of 1942.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Foreign Relations Committee and the National Policy Machinery Subcommittee of the Committee on Government Operations were authorized to meet during the session of the Senate today.

On request of Mr. MANSFIELD, and by unanimous consent, the Roads Subcommittee of the Public Works Committee, the Finance Committee, and the Antitrust Subcommittee of the Committee on the Judiciary were authorized to meet during the session of the Senate today.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to consider executive business, to consider the nominations on the Executive Calendar, beginning with the nominations of U.S. marshals.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

T. Harold Scott, of Colorado, to be an Associate Commissioner of the Indian Claims Commission, vice Arthur V. Watkins.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Executive E, 86th Congress, 2d session. A Treaty of Mutual Cooperation and Security Between the United States of America and Japan, signed at Washington on January 19, 1960 (Ex. Rept. No. 8).

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the calendar, beginning with the U.S. marshal nominations, will be stated.

U.S. MARSHALS

The Chief Clerk proceeded to read sundry nominations of U.S. marshals.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the U.S. marshal nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

DISTRICT OF COLUMBIA UNCLAIMED FUNDS ACT FOR LIFE INSURANCE COMPANIES

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to provide for the administration of unclaimed funds held and owing by life insurance companies in the District of Columbia (with an accompanying paper); to the Committee on the District of Columbia.

AMENDMENT OF THE DISTRICT OF COLUMBIA REDEVELOPMENT ACT OF 1945

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Redevelopment Act of 1945, as amended, and the act approved December 20, 1944, as amended, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

AMENDMENT OF SECTION 960, TITLE 18, UNITED STATES CODE

A letter from the Secretary of State transmitting a draft of proposed legislation to amend section 960 of title 18 of the United States Code (with accompanying papers); to the Committee on the Judiciary.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Administrator, General Services Administration, Washington, D.C., transmitting, pursuant to law, a report of the Archivist of the United States on a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The ACTING PRESIDENT pro tempore appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the committee on the part of the Senate.

RESOLUTION OF WEST CENTRAL TELEPHONE ASSOCIATION OF WADENA, MINN.

Mr. HUMPHREY. Mr. President, members of the West Central Telephone Association of Wadena, Minn., have unanimously approved a resolution calling for elimination of the Federal excise tax on telephone service. I ask unanimous consent that this resolution, approved at the association's annual meeting on June 6, 1960, be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

Whereas the 10-percent wartime Federal excise tax was imposed as a temporary measure; and

Whereas that, unlike jewelry, furs, and liquor, the telephone is not a luxury item, but is an everyday necessity, and, therefore, should be classified as an essential service along with other utilities such as water, gas, and electricity; and

Whereas Congress voted last year to drop the Federal excise tax on local telephone service June 30, 1960: Now, therefore, be it

Resolved, That the Congress be asked not to rescind the repeal action of last year and the Federal tax on local service be eliminated.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

S. Res. 329. Resolution to provide additional funds for the Committee on Interior and Insular Affairs; referred to the Committee on Rules and Administration.

By Mr. LONG of Hawaii, from the Committee on Interior and Insular Affairs, without amendment:

S. Res. 330. Resolution to study the conditions in American Samoa; referred to the Committee on Rules and Administration.

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 11706. An act to authorize an extension of time for final proof under the desert-land laws under certain conditions (Rept. No. 1568).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 6456. An act concerning payment of debts out of compensation for trust land on the Lower Brule Sioux Reservation taken by the United States (Rept. No. 1578);

H.R. 6498. An act concerning payment of debts out of compensation for trust land on the Standing Rock Sioux Reservation taken by the United States (Rept. No. 1579);

H.R. 6529. An act concerning payment of debts out of compensation for trust land on the Crow Creek Sioux Reservation taken by the United States (Rept. No. 1580);

H.R. 9028. An act to provide that certain funds shall be paid to the Kickapoo Tribal Council of Oklahoma (Rept. No. 1581); and

H.R. 10639. An act to amend section 3(b) of the act of May 9, 1958 (72 Stat. 105), relating to the preparation of a roll of the members of the Otoe and Missouria Tribe and to per capita distribution of judgment funds (Rept. No. 1582).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 11161. An act to donate to the pueblos of Zia and Jemez a tract of land in the Ojo del Espiritu Santo grant, New Mexico (Rept. No. 1577).

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

S. 3319. A bill to authorize the Administrator of General Services to release the recapture provisions contained in the conveyance of certain real property to the city of Little Rock, Ark., and for other purposes (Rept. No. 1569); and

S. 3486. A bill to authorize Government agencies to provide quarters, household furniture, and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes (Rept. No. 1570).

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

S. 3439. A bill authorizing the President of the United States of America to present a gold medal to Robert Frost, a New England poet (Rept. No. 1572).

By Mr. FREAR, from the Committee on Banking and Currency, without amendment:

S. 3158. A bill to exempt State controlled banks belonging to the Federal Reserve System from the statutory limits on the number of their directors (Rept. No. 1571).

By Mr. DOUGLAS, from the Committee on Banking and Currency, with an amendment:

H.R. 12052. An act to extend the Defense Production Act of 1950, as amended, for an additional 2 years (Rept. No. 1573).

By Mr. TALMADGE, from the Committee on Finance, with amendments:

S. 3549. A bill to amend the act of September 14, 1959, with respect to sales and use taxes imposed by States on sales and other business activities in interstate commerce, and authorizing studies by congressional committees of this type of taxation (Rept. No. 1574).

By Mr. HILL, from the Committee on Appropriations, with amendments:

H.R. 11390. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes (Rept. No. 1576).

HOUSING ACT OF 1960

Mr. SPARKMAN, from the Committee on Banking and Currency, reported an original bill (S. 3670) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, and submitted a report (No. 1575) thereon, which was read twice by its title and placed on the calendar.

ADDITIONAL COPIES OF REPORT ENTITLED "DOCUMENTATION, INDEXING, AND RETRIEVAL OF SCIENTIFIC INFORMATION"

Mr. McCLELLAN, from the Committee on Government Operations, reported an original resolution (S. Res. 333) to print additional copies of the report entitled "Documentation, Indexing, and Retrieval of Scientific Information," which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the report entitled "Documentation, Indexing, and Retrieval of Scientific Information", prepared by the staff of

the Committee on Government Operations, be printed with illustrations as a Senate document, and that four thousand three hundred additional copies be printed for the use of that committee.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG of Ohio:

S. 3668. A bill relating to the gift and estate tax treatment of the relinquishment of certain powers in the case of reciprocal and other trusts; to the Committee on Finance.

By Mr. HILL:

S. 3669. A bill to amend the Public Health Service Act to authorize grants-in-aid to universities, hospitals, laboratories, and other public or nonprofit institutions to strengthen their programs of research and research training in sciences related to health; to the Committee on Labor and Public Welfare.

By Mr. SPARKMAN:

S. 3670. A bill to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes; placed on the calendar.

(See reference to above bill when reported by Mr. SPARKMAN, which appears under the heading "Reports of Committees.")

CONCURRENT RESOLUTION

WAGE DIFFERENTIALS: THE NEED FOR FAIR COMPETITION IN INTERNATIONAL TRADE

Mr. BUSH submitted a concurrent resolution (S. Con. Res. 110) relative to consideration of certain tariff reductions and wage differentials at the coming GATT Conference, which was referred to the Committee on Finance.

(See the above concurrent resolution printed in full when submitted by Mr. BUSH, which appears under a separate heading.)

RESOLUTION

Mr. McCLELLAN, from the Committee on Government Operations, reported an original resolution (S. Res. 333) to print additional copies of the report entitled "Documentation, Indexing, and Retrieval of Scientific Information," which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. McCLELLAN, which appears under the heading "Reports of Committees.")

WAGE DIFFERENTIALS: THE NEED FOR FAIR COMPETITION IN INTERNATIONAL TRADE

Mr. BUSH. Mr. President, I submit, for appropriate reference, a concurrent resolution to express the sense of the Congress that the representatives of the United States to the forthcoming tariff negotiations under the auspices of the General Agreement on Tariffs and Trade must not only put into effect the President's recommendation to withhold reductions on tariffs on products made by workers receiving wages which are substandard in the exporting country, but should also consider wage differentials, in order to protect American labor and industry, and work for the development of fair labor standards in exporting countries in the interests of fair competition in international trade.

Mr. President, the concurrent resolution gives Congress the opportunity to express itself concerning the growing problem created by imports from foreign countries in which wages and labor standards are far below those prevailing in the United States.

I am glad that this problem is now being recognized by the labor unions in my own State of Connecticut. The third constitutional convention of the Connecticut State Labor Council, AFL–CIO, in September 1959, adopted a resolution on international trade policy which calls attention to the unfair competition from foreign imports based on unduly low wages and labor standards in exporting countries.

Mr. President, I ask unanimous consent that the concurrent resolution, a letter I addressed to Mr. Joseph M. Rourke, secretary-treasurer of the council, in response to his request for my comments upon the council's resolution, and that resolution, may be printed in the RECORD following these remarks.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred; and, without objection, the concurrent resolution, letter, and resolution will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 110), submitted by Mr. BUSH, was referred to the Committee on Finance, as follows:

Whereas the preservation of existing jobs in American industry is vital to the national economy, and the expanding population of the United States requires the constant creation of new employment opportunities; and

Whereas the general levels of wages paid to industrial workers in foreign countries are substantially below levels prevailing in the United States, thus increasing the competitive standing of foreign producers in international trade; and

Whereas foreign labor unions generally have weaker bargaining powers than those of this country, which makes closing of the wage cost differential between foreign and domestic producers a difficult and slow process; and

Whereas the Eighty-fifth Congress passed the Trade Agreements Extension Act in August 1958, authorizing the President within the four-year period ending June 30, 1962, to reduce existing customs duties in stages by any one of three alternative methods as follows:

1. Reducing the rate existing on July 1, 1958, by not more than 20 per centum, provided that no more than a 10 per centum reduction may be made effective in any one year;

2. Reducing the rate existing on July 1, 1958, by not more than 2 per centum ad valorem (or the ad valorem equivalent, in the case of a specific rate or a combination of ad valorem and specific rates), provided that no more than a 1 per centum reduction may be made effective in any one year;

3. Reducing to 50 per centum ad valorem or its equivalent a rate which is in excess of that level, provided that no more than one-third of the total reduction may be made effective in any one year;

Whereas an international conference held under the auspices of the General Agreement on Tariffs and Trade will be convened in Geneva, Switzerland, in September 1960, and continue into 1961; and

Whereas the Interdepartmental Trade Agreements Organization, consisting of the Departments of State, Treasury, Defense, Agriculture, Commerce, Labor, and Interior, the United States Tariff Commission, and the International Cooperation Administration, has published a Notice of United States Intention to Negotiate and a List of Products to be Considered for Possible United States Concession, subject to modifications following a "peril point" investigation by the United States Tariff Commission; and

Whereas the President has recommended that the United States "withhold reductions in tariffs on products made by workers receiving wages which are substandard in the exporting country" and that the United States seek to raise labor standards in foreign countries "through consultative procedures and cooperation in international conferences such as those sponsored by the International Labor Organization": Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the representatives of the United States to the forthcoming tariff negotiations under the auspices of the General Agreement on Tariffs and Trade must not only put into effect the President's recommendation to withhold reductions in tariffs on products made by workers receiving wages which are substandard in the exporting country, but should also consider wage differentials, in order to protect American labor and industry, and work for the development of fair labor standards in exporting countries in the interests of fair competition in international trade.

The letter and resolution presented by Mr. BUSH are as follows:

U.S. SENATE,
COMMITTEE ON ARMED FORCES,
February 25, 1960.

Mr. JOSEPH M. ROURKE,
Secretary-Treasurer, Connecticut State Labor Council, AFL–CIO, Hamden, Conn.

DEAR JOE: When I dictated my letter to you yesterday concerning the Connecticut State Labor Council's resolutions on post office workers, I was not aware that your letter to me also enclosed a resolution on international trade policy and did not see the latter resolution until my reply was placed before me for signature.

I am glad, indeed, to comment on the resolution on international trade policy, which I thoroughly approve. I must confess that I read it with a smile, for I recall very vividly the days in 1953 when, as a newly appointed member of the Randall Commission, I vainly sought advice from the Connecticut AFL and CIO, then separate organizations, as to their positions on the issues the Commission was facing. I was told, as I recall, that the opinion of your membership was so divided on these controversial questions that an official expression of views could not be made. I might say that I got the same reaction from the Connecticut Association of Manufacturers, and the Connecticut Chamber of Commerce.

So, as a member of the Randall Commission, I had to face the issues without guidance from the groups in our State most immediately affected—the labor unions, and the manufacturers and businessmen. I went ahead on my own, and, at the risk of appearing immodest, I believe that my persuasion, at least in part, led to the Commission's recommendation to retain the "peril point" and "escape clause" safeguards in the Trade Agreements Act, and to the paragraph in the Commission's report which is quoted in

the Connecticut State Labor Council's resolution. I refer to the paragraph urging that in tariff negotiations, representatives of the United States "should simply make clear that no tariff concessions will be granted on products made by workers receiving wages that are substandard in the exporting country."

Indeed, former Congressman John Vorys, of Ohio, and I went further in a concurring statement. We took the view that our negotiators should consider not only substandard and depressed wage levels in the exporting country, but also wage differentials, as between American and foreign industries, in order to protect American labor. You will find our statement on page 63 of the Commission's formal report.

As I interpret paragraphs on the second page of your Council's resolution, it appears that your Council is now very nearly in accord with the views expressed 6 years ago by Mr. Vorys and myself. I refer to the paragraph pointing to the danger of "unfair competition from foreign imports based on unduly low wages and labor standards in the exporting country" and the following paragraph urging that "where it is clearly demonstrated that jobs are being lost by American workers as a result of such imports, consideration be given to the placing of adequate protective tariffs and quotas on typewriters and other products that are affected by foreign imports which now enter this country free and clear of any import duties."

I think it should be pointed out, however, that a foreign industry's wage rate may be standard, or even above standard, in its own country, and yet be far below the wage rate paid by a competing industry in this country. In such cases, I believe it is proper to consider the imposition of tariffs and quotas to protect American labor producing the goods affected, whether or not the competing imports are now entering duty-free.

I agree, of course, with your council's view that wage differentials cannot be controlling, but I believe this is a factor which should always be considered, especially in cases involving American industries particularly vulnerable to imports from countries with very low prevailing wage rates.

Finally, Joe, I hope that you will give this letter wide circulation among the members of the constituent unions of your council. As one who has often been marked "wrong" on Cope's voting scoreboards—on the basis, in my opinion, of politically slanted choices of issues—I'd like Connecticut union workers to know that on this issue—and a very important one for the protection of their jobs and wage standards—I was "right."

With kindest personal regards, I am,

Sincerely yours,

PRESCOTT BUSH.

RESOLUTION ON INTERNATIONAL TRADE POLICY

(Resolution adopted by the third constitutional convention of the Connecticut State Labor Council, AFL–CIO, September 10, 11, 12, 1959)

The past several years have seen the economic recovery of many industrial nations of the non-Communist world, in many cases greatly aided by U.S. help in the form of Marshall plan aid, and other forms of economic assistance. As these countries reentered the world market, they have sent more and more products to the U.S. market in direct competition with manufactured goods produced by domestic industries.

In Connecticut the competition offered by many of these products has had an adverse effect on the total business of Connecticut firms, because of the lower prices of the imported products; and some manufacturers have urged unions representing their employees to seek the imposition of higher tariffs or import quotas to limit the amount of competing goods which could be sold in U.S. markets. Among the Connecticut industries which have felt the effects of this import competition are the textile, hat, apparel, flatware, typewriter, sewing machine, brass fabricating, and rubber footwear.

The policy of high protective tariffs has previously been tried and found ineffectual, as late as the 1930's, when the Smoot-Hawley tariff measure succeeded in reducing the volume of imports but also resulted in reciprocal high tariffs in foreign countries. This cut down our substantial export trade to a fraction of its previous volume, thus eliminating additional industry and jobs in this country. The high protective tariff policy was abandoned after the great depression and was followed by the reciprocal trade agreements program.

1. AFL–CIO POLICY

The American labor movement has vigorously supported the reciprocal trade agreements program from its very inception more than two decades ago. This traditional support was reemphasized in the resolution unanimously adopted at the 1957 convention of the AFL–CIO. The resolution urged extension of the Reciprocal Trade Agreements Act for a period of at least 5 years with reenforcement of "the basic goal of the Reciprocal trade program, the gradual reduction of barriers to trade without undue hardship to American industries or American workers. The achievement of this goal must be sought, however, in the light of present-day conditions in our own Nation and in the nations allied with us in the common struggle for the preservation of freedom and democracy."

2. FAIR LABOR STANDARDS

The labor movement has also long advocated the principle that fair competition in international trade requires fair labor standards in exporting industries. This principle has been given at least some official recognition in recent years.

In its January 1954 report, the President's Commission on Foreign Economic Policy (Randall Commission) stated: "The clearest case of unfair competition is one in which the workers on a particular commodity are paid wages well below accepted standards in the exporting country. In such cases, our negotiators should simply make clear that no tariff concessions will be granted on products made by workers receiving wages which are substandard in the exporting country."

If this is the objective we are seeking, then our course should be to determine tariff policy in accordance with a liberal trade policy, but for those items made in industries where there are unfair labor standards in the exporting countries, existing concessions should be conditional upon sincere efforts in the exporting country to eliminate unfair labor standards. Failure of the exporting country to take steps to eliminate unfair labor standards should be grounds for withdrawal of the concession.

As a first step, U.S. representatives to the General Agreement on Tariffs and Trade Agency (GATT) should urge acceptance of a clause on fair labor standards in international trade similar to the one proposed in 1953. Toward this end, and in preparation for the multilateral tariff negotiations to take place in 1960, U.S. representatives should ascertain the facts regarding wage levels and working conditions in industries in exporting countries. In such negotiations, specific recognition should be given to the level of labor standards in such industries in any tariff concessions the United States may be prepared to offer.

In making these recommendations, we are fully aware that it is neither desirable nor feasible that wage levels be equalized in all countries. We recognize that the stage of development of a country's economy and the productivity of its industries may limit the level of wages that can be paid. Therefore, it is to be expected that wage differentials will continue to exist, and such disparities should not impede international trade. But we insist that wages and working conditions in exporting industries fully reflect the productivity and technological advance of the industry and the national economy. Substandard wage levels or working conditions are clear evidence of the existence of unfair competition in international trade and should be eliminated as rapidly as possible.

Development of a fair labor standard in international trade will benefit workers and employers in the United States because it will assure them that they will not be faced by unfair competition from foreign imports based on unduly low wages and labor standards in the exporting country. In the exporting countries themselves, promotion of fair labor standards will contribute significantly to advancement of living standards and economic growth. The people of those countries will find, as we have found in America, that decent wages and decent working conditions promote domestic purchasing power, industrial productivity and sound economic growth.

We also urge that where it is clearly demonstrated that jobs are being lost by American workers as a result of such imports, consideration be given to the placing of adequate protective tariffs and quotas on typewriters and other products that are affected by foreign imports which now enter this country free and clear of any import duties.

This third constitutional convention of the Connecticut State Labor Council, AFL–CIO, therefore goes on record as urging our representatives in Congress to support most actively the adoption of the policy set forth in this resolution.

DESIGNATION OF DOUGLAS McKAY DAM AND RESERVOIR, OREG.—AMENDMENT

Mr. LUSK. Mr. President, I submit for appropriate reference an amendment to H.R. 7634, to name the Detroit Dam and Reservoir on the North Santiam River, Oreg., after Oregon's late Governor and former Secretary of the Interior, Douglas McKay.

The Senate, on August 19, 1959, passed S. 2440, providing that the Green Peter Dam and Reservoir be named the Douglas McKay Dam and Reservoir. In the House, however, an amendment was adopted which provided that the Detroit Dam and Reservoir be named after Douglas McKay. A further amendment was adopted which has nothing to do with the naming of any Oregon dam. That amendment seems to be controversial and has resulted in no final action being taken on the proposal to name the dam after the late Douglas McKay.

I ask unanimous consent that a portion of the printed House committee report on S. 2440, prepared and submitted by the Interior Committee appear in the RECORD at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

DOUGLAS M'KAY DAM AND RESERVOIR

The Detroit Dam is located on North Santiam River 60 miles above its confluence with South Santiam River. The North and South Santiam Rivers unite to form Santiam River, which 10 miles downstream enters the Willamette River. The main Detroit Dam is a concrete gravity structure about 454 feet high and 1,522 feet long. The reservoir has a usable storage capacity of 340,000 acre-feet. The project also provides for a reregulating structure 3 miles downstream at the Big

Cliff site. This structure, also concrete gravity type, is approximately 172 feet high and has a usable storage capacity of 2,430 acre-feet. The power-generating facilities at the main site include two units of 50,000 kilowatts each. The reregulating structure has a power installation of 18,000 kilowatts.

The project was selected for construction under the authorization contained in the Flood Control Act of June 28, 1938. The Flood Control Acts of December 22, 1944, and July 24, 1946, modified the project to provide for recreational facilities, and the Flood Control Act of June 30, 1948, authorized installation of power facilities including construction of the reregulating structure. The cost of the completed project was $62,730,000.

Douglas McKay was born in Portland, Oreg., in 1893. He served as mayor of Salem, Oreg., served several terms in the Oregon State Senate, and as Governor of Oregon from 1949 to 1953. He was appointed Secretary of the Interior on January 21, 1953, and resigned from that position in May 1956. He was appointed as Chairman, International Joint Commission, in August 1957, and served until his death on July 22, 1959.

Mr. McKay was a distinguished political leader of Oregon for more than a quarter of a century. He was always interested in the development of the natural resources of the Nation, particularly the water resources. He was Governor of Oregon during the time the major projects in the Columbia River Basin were authorized. In his capacity as Chairman of the International Joint Commission, he served with distinction, and deserves much of the credit for the progress which has been made in reaching an understanding with Canada with respect to the use of the Columbia River waters.

The committee believes it fitting that the Detroit Dam and Reservoir be named for Mr. McKay in recognition of his long and outstanding service to the State of Oregon, the Pacific Northwest, and to the Nation.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO EXEMPTION FROM INCOME TAX FOR SUPPLEMENTAL UNEMPLOYMENT BENEFIT TRUSTS—AMENDMENT

Mr. CASE of New Jersey submitted an amendment, intended to be proposed by him, to the bill (H.R. 8229) to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts, which was ordered to lie on the table and to be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE AND RELATED AGENCIES APPROPRIATION BILL

Mr. FONG submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11390) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes, the following amendment, namely: Page 19, line 2, after the word "titles:", insert the following: *"Provided further,* That, notwithstanding any other provision of law, allotments under title III of said Act for grants to States and loans to nonprofit private schools for science, mathematics, or modern foreign language equipment and minor remodeling of facilities and for grants to States for supervisory and other services, shall be made in such manner as to extend the benefits thereof to the State of Hawaii on the basis of equality with the other States."

Mr. FONG also submitted an amendment, intended to be proposed by him, to the bill (H.R. 11390) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. FONG also submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11390) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes, the following amendment, namely: Page 21, line 19, after the word "year:", insert the following: *"Provided further,* That, notwithstanding any other provision of law, allotments under section 2 of the said Act shall be made in such manner as to extend the benefits of such section to the State of Hawaii on the basis of equality with other States."

Mr. FONG also submitted an amendment, intended to be proposed by him, to the bill (H.R. 11390) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. FONG also submitted the following notice in writing:

In accordance with rule XL, of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11390) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes, the following amendment; namely, page 28, line 15, after the word "herein", insert the following: *"Provided further,* That, notwithstanding any other provision of law, allotments under such parts C and G shall be made in such manner as to extend the benefits of such parts to the State of Hawaii on the basis of equality with the other States."

Mr. FONG also submitted an amendment, intended to be proposed by him, to the bill (H.R. 11390) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1961—AMENDMENT

Mr. KERR. Mr. President, I submit an amendmnet to H.R. 11390, the appropriations bill for the Department of Health, Education, and Welfare.

The amendment provides $7,362,000 for payment to school districts for fiscal year 1959. This is the amount of the entitlement of the school districts of the United States which was unappropriated and unpaid under Public Law 874.

I shall ask unanimous consent to have printed in the RECORD at the end of my remarks a tabulation showing the loss of funds, under Public Law 874, resulting from the 5-percent deficit for the fiscal year 1959. The tabulation shows, by States, the total number of applicants and the total entitlement remaining unpaid at this time. It also lists the school districts having a loss of over $10,000 in each State.

I am happy to be joined by 38 Senators as cosponsors, and I have the assurance of many more of their support of this amendment.

Mr. President, if we are not to appropriate the full amount of the entitlement to the school districts who have made application under existing law, then we should amend the law to provide that they are not entitled to the full amount which they have been told they would receive on the basis of the Federal impact upon their school districts.

This appropriation, in my estimation, must be passed, if we are to keep faith with the districts which had every reason to believe that they are entitled to these funds, and who were paid only 95 percent of that to which they are entitled under the law enacted by this Congress and signed by the President of the United States.

I urge support of the amendment.

Mr. President, I ask unanimous consent that the amendment may lie on the desk until the opening of the Senate tomorrow, to enable other Senators to become cosponsors, if they see fit.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KERR. Mr. President, I ask unanimous consent, also, to have printed as a part of my remarks a tabulation entitled "Loss of Funds Under Public Law 874 Resulting From 5-Percent Deficit for Fiscal 1959." That is the deficit which this amendment is calculated to reimburse.

The ACTING PRESIDENT pro tempore. The amendment will be received, printed, and will lie on the table; and, without objection, the tabulation will be printed in the RECORD.

The amendment, submitted by Mr. KERR (for himself, and Senators MONRONEY, JOHNSTON of South Carolina, YARBOROUGH, COOPER, ENGLE, GREEN, TALMADGE, BEALL, MCNAMARA, HART, PASTORE, RANDOLPH, CASE of South Dakota, YOUNG of North Dakota, CHURCH, MORSE, GRUENING, MCGEE, MUNDT, CHAVEZ, SCOTT, LONG of Hawaii, FULBRIGHT, ERVIN, FONG, SYMINGTON, BENNETT, MANSFIELD, SCHOEPPEL, KEFAUVER, CARROLL,

ANDERSON, BARTLETT, HARTKE, CANNON, MOSS, HENNINGS, MURRAY, and KUCHEL), was ordered to lie on the table, as follows:

For an additional amount for "Payments to school districts," fiscal year 1959, $7,362,000.

The tabulation presented by Mr. KERR is as follows:

LOSS OF FUNDS UNDER PUBLIC LAW 874 RESULTING FROM 5-PERCENT DEFICIT FOR FISCAL 1959

School districts having a loss of over $10,000 are listed individually.

	Loss in dollars
Alabama:	
Total applicants 53	177,200
Huntsville City	24,100
Montgomery County	22,800
Mobile County	38,900
Alaska:	
Total 20 applicants	144,000
Territory of Alaska	75,900
Anchorage ISD	29,500
Arizona:	
Total 109 applicants	176,500
Fort Defiance	15,600
Tucson ESD	29,400
Tucson HSD	13,300
Fort Huachuca accom	14,900
Page accom	11,800
Arkansas:	
Total 36 applicants	44,700
Pulaski County spec. SD	12,700
California:	
Total 398 applicants	1,335,800
Monterey City	30,700
Folsom Jt. Unif	13,200
Monterey UHSD	10,100
Coronado Unif. SD	11,200
San Juan ESD	13,400
Rio Linda USD	14,300
Vallejo Unif. SD	36,700
Alameda Unif. SD	19,900
Grant UHSD	11,100
Mount Diablo Unif. SD	13,000
Oceanside-Libby USD	13,800
China Lake Jt. SD	18,600
Chula Vista City	13,300
Crystal USD	10,700
Sweetwater UHSD	12,100
Lompoc USD	11,800
Kern County Jt. UHSD	10,800
San Diego Unif. SD	132,900
City of San Bernardino	17,300
City of San Bernardino HSD	10,500
Lancaster SD	13,700
Sacramento City USD	18,900
San Francisco Unif. SD	42,900
Antelope Valley Jt. UHSD	13,100
Long Beach Unif. SD	57,700
Riverside City	12,000
Torrance Unif. SD	13,900
Oakland Unif. SD	34,300
Muroc Unif. SD	12,600
Colorado:	
Total 80 applicants	212,700
Lakewood	13,100
Colorado Springs	31,900
Denver	55,800
Pueblo	13,000
Fountain	16,100
Adams-Arapahoe Jt. SD	17,400
Connecticut:	
Total 39 applicants	75,900
Town of Groton	24,100
Delaware: Total 9 applicants	9,100
Florida:	
Total 18 applicants	208,200
Escambia County	28,300
Brevard County	36,600
Bay County	11,000
Monroe County	16,100
Duval County	38,200
Okaloosa County	19,800
Hillsborough County	11,400
Orange County	12,300
Georgia:	
Total 76 applicants	200,200
Cobb County	20,200
Bibb County	19,000
Houston County	19,000
City of Savannah	10,700
Muscogee County	27,000
Richmond County	16,800
Dougherty County	12,000
Hawaii: 1 applicant	145,700
Idaho:	
Total 36 applicants	58,800
Mountain Home	11,600
Illinois:	
Total 88 applicants	125,600
North Chicago	19,400
Rantoul City	16,700
Mascoutah Comm. Unit	11,900
Indiana: Total 106 applicants	37,000
Iowa: Total 25 applicants	20,200
Kansas:	
Total 200 applicants	199,500
Junction City	16,900
Wichita City SD	49,300
Fort Leavenworth	11,400
Kentucky:	
Total 52 applicants	51,400
Jefferson County	11,900
Louisiana:	
Total 10 applicants	45,200
Bossier Parish	14,000
Maine:	
Total 63 applicants	61,900
Town of Limestone	19,600
Maryland:	
Total 14 applicants	293,200
Harford County	26,600
Anne Arundel County	33,000
Montgomery County	89,800
Prince George's County	79,900
St. Mary's County	13,800
Washington County	12,400
Massachusetts:	
Total 139 applicants	205,500
Town of Ayer	10,500
City of Springfield	11,100
City of Chicopee	19,700
Bourne SD	14,200
Michigan: Total 75 applicants	38,100
Minnesota: Total 32 applicants	19,000
Mississippi:	
Total 22 applicants	58,500
Biloxi Mun, Sep	13,400
Missouri:	
Total 130 applicants	93,600
Waynesville Reorg, SD	12,400
Montana: Total 77 applicants	53,300
Nebraska:	
Total 35 applicants	70,700
Omaha	11,100
Lincoln	20,800
Bellevue	20,000
Nevada:	
Total 11 applicants	52,700
Clark County	28,800
New Hampshire:	
Total 30 applicants	40,800
City of Portsmouth	25,300
New Jersey:	
Total 114 applicants	121,400
Pemberton Township	17,200
Eatontown	11,000
New Mexico:	
Total 51 applicants	183,200
Alamogordo Mun	17,200
Albuquerque Mun	59,500
Las Cruces	18,100
Gallup-McKinley Counties	17,100
New York:	
Total 161 applicants	182,000
Rome City SD	21,100
North Carolina:	
Total 30 applicants	84,100
Craven County	13,000
Fayetteville	11,100
Cumberland County	12,400
Onslow County	13,700
North Dakota: Total 24 applicants	13,500
Ohio:	
Total 163 applicants	192,400
Dayton	26,700
Fairborn	11,900
Columbus	35,200
Oklahoma:	
Total 278 applicants	280,400
Midwest City	40,000
Lawton	36,400
Tulsa	22,400
Oklahoma City	35,700
Oregon: Total 89 applicants	40,300
Pennsylvania:	
Total 138 applicants	190,000
Philadelphia	91,600
Rhode Island:	
Total 21 applicants	69,500
Newport	18,500
Town of Middletown	12,800
Town of North Kingstown	15,500
South Carolina:	
Total 30 applicants	122,500
North Charlestown	21,500
Columbia	11,100
Beaufort County	11,200
Aiken County	14,200
South Dakota:	
Total 53 applicants	81,400
Rapid City	15,400
Douglas	16,900
Tennessee:	
Total 49 applicants	81,900
Shelby County	10,100
Knox County	10,100
Texas:	
Total 263 applicants	478,000
Fort Worth	38,500
Ysleta	19,200
El Paso	49,400
Killeen	18,500
Edgewood	11,200
San Antonio	50,300
Randolph Field	12,200
Fort Sam Houston	15,700
Abilene	11,100
Arlington	11,000
Corpus Christi	12,000
Utah:	
Total 12 applicants	69,200
Tooele County	10,400
Weber County	12,300
Ogden City	12,600
Davis County	24,300
Vermont: Total 4 applicants	3,900
Virginia:	
Total 45 applicants	542,500
County of Princess Anne	39,500
City of Portsmouth	21,400
City of Hampton	20,300
County of Arlington	72,000
County of Fairfax	130,900
County of Norfolk	36,400
City of Norfolk	83,700
City of Alexandria	29,500
County of Prince William	12,600
Washington:	
Total 192 applicants	327,300
Clover Park	18,100
Highland	13,400
Bremerton Cons. SD	21,700
Moses Lake	12,300
Tacoma	19,200
Dupont-Ft. Lewis SD	18,200
Seattle	39,800
Spokane	10,000
West Virginia: Total 5 applicants	6,000
Wisconsin: Total 45 applicants	26,000
Wyoming:	
Total 17 applicants	22,700
Cheyenne	11,200
Guam	30,000
Virgin Islands	2,200

AMENDMENT OF NATIONAL LABOR RELATIONS ACT, RELATING TO FEDERAL-STATE JURISDICTION—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of June 7, 1960, the name of Senator MCNAMARA was added as an additional cosponsor of the bill (S. 3633) to amend section 14(c) of the National Labor Relations Act relating to Federal-State jurisdiction, introduced by Mr. DOUGLAS on June 7, 1960.

FOREIGN COMPETITION WITH AMERICAN INDUSTRY—ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Under authority of the order of the Senate of June 13, 1960, the names of Senators HICKENLOOPER, WILEY, HRUSKA, COTTON, DWORSHAK, BUSH, KEATING, AIKEN, JAVITS, PROUTY, BENNETT, SCOTT, BRIDGES, SALTONSTALL, SCHOEPPEL, SMITH, CASE of New Jersey, and CARLSON were added as additional cosponsors of the joint resolution (S.J. Res. 208) to provide for a commission to study and report on the influence of foreign trade upon business and industrial expansion in the United States, introduced by Mr. DIRKSEN on June 13, 1960.

Mr. JAVITS. Mr. President, it gives me great pleasure to join in cosponsorship of the joint resolution introduced by the Senator from Illinois [Mr. DIRKSEN] to create a Commission on International Trade which would be designed to study the influence of foreign trade upon the U.S. economy.

I stress these thoughts at this time, however. I hope the Commission will not only take into consideration the domestic and foreign-policy implications to the United States in terms of its economics, but also in terms of its peace leadership, for the political and diplomatic implications of the U.S. trade policy in our struggle to cope with the massive and many-faceted Communist challenge, in my opinion, is at least equal to those in their importance.

This must be emphasized because, in foreign trade as in so many other aspects of our national life, we are going to have to make some sacrifices in order to keep the world free.

Furthermore, I know such a Commission will avail itself of the manifold resources and talent available in such agencies of the U.S. Government as the Bureau of Foreign Commerce of the Department of Commerce, the Department of State, the Department of Agriculture, the Tariff Commission, and other agencies of government, as well as private agencies. The experience and the information that has been accumulated in these organs of government will, I am sure, provide invaluable assistance to the work of the Commission.

A TOAST TO THE FLAG

Mr. BYRD of West Virginia. Mr. President, this being Flag Day, it is well that we recall the story of how our flag got its nickname, Old Glory.

One bitterly cold day in 1830, the *Charles Dagett* stood ready to set sail in Salem Harbor. The captain, William Driver, was about to begin the ceremonies for the embarkation.

A sailor passed to him the flag folded in the form of a triangle, and said:

> Sir, in the days gone by, it was the custom of sailors embarking on a journey to dedicate the flag to the Trinity—God, the Father; God, the Son; and God, the Holy Ghost. Then, after benediction, the flag was unfurled and raised, and the sailors would shout "Glory, glory, glory."

As Captain Driver looked up at the flag being hoisted, he cried out:

> To thee, let me call thee "Old Glory."

Thirty years later, during the Civil War, the city of Nashville, Tenn., fell to soldiers of the North. Ceremonies were planned to fly the Stars and Stripes, but the flag in use for the occasion was too small.

Captain Driver, still in possession of "Old Glory," was there. He offered the flag for the ceremony. A cry went up from the crowd. Someone shouted "Old Glory"; and the famous nickname stuck. It has been the popular name for the American flag ever since.

Mr. President, today being Flag Day, I wish to quote the words from "A Toast to the Flag," by John Daly:

> Here's to the red of it.
> There's not a thread of it,
> No, nor a shred of it,
> In all the spread of it
> From foot to head,
> But heroes bled for it,
> Faced steel and lead for it,
> Precious blood shed for it,
> Bathing it red.
>
> Here's to the white of it.
> Thrilled by the sight of it,
> Who knows the right of it,
> But feels the might of it,
> Through day and night.
> Womanhood's care of it
> Made manhood's dare for it;
> Purity's prayer for it
> Keeps it so white.
>
> Here's to the blue of it.
> Heavenly view of it,
> Star-spangled hue of it,
> Honesty's due of it,
> Constant and true.
> Here's to the whole of it,
> Stars, stripes, and pole of it,
> Here's to the soul of it,
> Red, white, and blue.

ONE HUNDRED AND EIGHTY-FIFTH ANNIVERSARY OF ESTABLISHMENT OF U.S. ARMY

Mr. GREEN. Mr. President, today, June 14, commemorates the 185th anniversary of the establishment of the U.S. Army by authority of the Continental Congress. From the date of its establishment in 1775 through the years, the relationship which has existed between the legislative branch of the Government and the Army has been a close one. The action of the Continental Congress in 1775 enabled the freedom-loving people of the Thirteen Original Colonies to wage war successfully for their independence and to set an example for the entire world.

The action of the Congress in strongly supporting our Army is the symbol of its high respect for the Army and the fine job it has done over the years and is doing now. It must be comforting to the citizens of the United States and of the free world to know that Congress realizes the great importance of a strong Army.

As capable as our Army is today, the Congress must be always on guard to see that it is maintained modern, efficient, and ready to strike rapidly in event of aggression.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to query the acting majority leader about the calendar and the business for today, and for tomorrow, if possible.

Mr. MANSFIELD. Mr. President, I am delighted to respond to the query of the distinguished minority leader and state that, contrary to what I said yesterday, Calendar No. 1586, H.R. 7634, the public works authorization bill, will not be brought up today, but will be brought up later in the week, possibly on Thursday, although I cannot make a definite commitment in that respect.

It is contemplated that, at the conclusion of the morning business, the Senate will turn to the consideration of Calendar No. 1374, Senate Resolution 279, to authorize additional expenditures by the Committee on Government Operations; Calendar No. 1375, Senate Resolution 310, to increase the limit of expenditures for hearings before the Committee on Armed Services; Calendar No. 1376, Senate Resolution 305, to provide for a study of the uses of Government-licensed media for the dissemination of political opinions, news, and so forth.

Those three resolutions are from the Committee on Rules and Administration, to repeat what I said on yesterday, in which the distinguished senior Senator from Louisiana [Mr. ELLENDER]—who, incidentally, I learn, has no opposition this year—is interested.

At the conclusion of the consideration of those measures, we will turn to Calendar No. 1163, Senate Joint Resolution 170, a joint resolution to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations, to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment of U.S. delegates to such conventions, and for other purposes.

Then it is quite possible that, at the conclusion of the consideration of that measure, if there is time, we shall turn to the consideration of Calendar No. 1411, S. 2929, a bill to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief.

It is anticipated that tomorrow the Senate will turn to the consideration of the Defense appropriation bill, Calendar No. 1614, H.R. 11998.

Mr. DIRKSEN. May I ask the acting majority leader whether these measures will be called up in the order of the

calendar numbers given; namely, 1374, 1375, 1376, 1163, and 1411?

Mr. MANSFIELD. That is the anticipation, and that is what will be done, if it meets with the approval of the minority leader.

Mr. DIRKSEN. Very well.

RELATIONS WITH CUBA

Mr. YOUNG of North Dakota. Mr. President, there has always been the warmest feeling on the part of the people of the United States toward Cuba and its people. As a result of close association and the confidence the people have for each other, Americans have invested billions of dollars in Cuba. Because of this, Cuba enjoys a standard of living higher than that of any other Latin American country.

Much of this feeling of friendship, as well as investments by citizens of the United States in Cuba, has been jeopardized since Fidel Castro rose to power in Cuba and launched his hate-monger campaign against the United States. His actions have caused people in this country to give a great deal of thought as to what to do about sugar legislation and the favorable position Cuba enjoys under this program. Recently Castro has adopted an even more vicious anti-American attitude and has been tying Cuba ever closer to Communist Russia.

Mr. President, I doubt if any country in the history of the world has ever been more tolerant of criticism than we have been of the Castro regime. This cannot go on forever. The attitude of Premier Castro indicates a complete lack of gratitude for the invaluable assistance his country receives from the United States through the sugar program. It is imperative that the Congress schedule legislation extending the Sugar Act for early action and also that additional consideration be given to greater quotas for farmers of the United States who are plagued with surpluses of virtually every crop they raise and need alternative crops.

Mr. President, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, an article entitled "Communists Take Over 90 Miles From United States," which appears in the June 20, 1960, issue of U.S. News & World Report, including the brief biographical sketches of Premier Castro's chief advisers. I wish to commend the editors of the U.S. News & World Report for another outstanding article. This is one of the most sensible discussions of the Cuban situation I have ever read. It points up very graphically the impossible situation in which we find ourselves as concerns Cuba and our aid to this country through our sugar program. I hope, Mr. President, that the article will be widely read.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMUNISTS TAKE OVER 90 MILES FROM UNITED STATES—HOW THEY DID IT—WHAT IT MEANS

(Castro's Cuba is now exposed in its true role—a Communist satellite offshore from the United States.

(After months of careful preparation Red dictatorship is in full control, backed and guided by Moscow. It is cut to the classic pattern: "politburo" in charge, filling jails with all who resist; press leashed to the Communist line; plots against neighbors; collective farms; an end to private property.

(All this is causing official U.S. concern at last. Communists, with Cuba nailed down, are branching out, spreading "hate America" through the hemisphere, eyeing military sites that can be converted into Red bases.)

Communists now have taken full control in Cuba—an island located strategically only 90 miles from the United States.

The Communist takeover—long discounted by the U.S. State Department—is beginning now to be recognized and admitted.

A dictatorship of the proletariat is firmly fixed. This dictatorship looks to Soviet Russia and to Communist China for political guidance and for support.

All opposition to the Communist dictatorship, where it rises, is suppressed. Secret police spy on the people, spreading fear. Thousands of political prisoners crowd jails.

The last of Cuba's independent newspapers have been taken over or suppressed. The government controls all broadcasting. It now is a crime to make any statement unfavorable to communism or to the government.

Private property, more than $300 million worth of it American owned, has been seized by the government without tangible compensation. Large amounts of property remain to be seized.

Only one political party, the Popular Socialist—Communist—Party, is permitted to exist.

VISITORS FROM MOSCOW

It is against this background that Nikita Khrushchev, Soviet dictator, has agreed to visit Cuba. Anastas Mikoyan, Soviet No. 2 man, already has visited the island to do business. Both the Soviet Union and Czechoslovakia are opening large embassies in Havana. A mutual defense treaty is being mentioned.

Cuba's rulers intend soon to recognize Communist China. They plan to ask Chou En-lai, Red China's Premier, to visit the island. Chinese Communists are increasingly active in Cuba.

The communization of Cuba is being pushed in all fields.

The New York Times, which has been friendly to the Castro government, reported in a dispatch from Havana dated June 6:

"The Castro regime is bending every effort to capture the minds of youth.

"The pattern of training is similar to that used by many totalitarian governments. It includes indoctrination in schools, on radio and television, and in the press; military training from 7 years of age; a hate campaign, this time directed against the United States; the organization of work brigades of boys from 14 to 18; and meetings and fiestas, all with a political purpose.

"The Government feels that, once the youth of Cuba is indoctrinated with hatred toward United States, the relations between the two countries will be permanently damaged."

The Associated Press, in a dispatch from New York City dated June 7, said:

"Three exiled Cuban newspaper publishers declared today that the Fidel Castro government is a puppet regime of the Soviet Union. * * * The three publishers, now living in the United States, all expressed agreement when asked if they considered the Castro regime a puppet of the Soviet Union."

The AP, in an article from Caracas, Venezuela, dated June 7, said:

"Enthusiastic demonstrations greeted Dorticós (Cuban President Osvaldo Dorticós) last night on his arrvial at Maiquetia Airport from Lima, Peru, and in the working-class sections of Caracas."

Dorticós has been on a tour of six Latin American nations, selling anti-Americanism to workers, students, and peasants.

HEMISPHERIC BASE

Use of Cuba as the base for Communist operations in the Western Hemisphere is beginning to be recognized by the U.S. Government as of great and growing importance to the Soviet Union.

Communists, earlier, had gained control in two countries of this hemisphere—Guatemala and British Guiana. The British Government in 1953 threw out a Communist administration in British Guiana. In 1954, a revolution in Guatemala drove out the pro-Communist regime. Communists are looking for a comeback in British Guiana once independence is given to that British outpost.

The Soviet base in Cuba is described as of vastly greater importance than earlier bases.

Here, on the doorstep of the United States, is an island country 780 miles long, offering potentials for military operations as well as for propaganda offensives directed at a whole continent.

Military possibilities, related to Communist purposes, are no longer being discounted.

The U.S. naval base at Guantánamo Bay, important to defense of the Caribbean area in time of war, is being harassed. Its removal is an objective of the Communist rulers of Cuba.

The Panama Canal already is in the line of political fire. There, too, Communists are active from their base in Cuba. Cubans staged an abortive invasion of Panama in 1959. Political means are expected to be employed from now on to try to force the United States to give up rights in this vital area.

In Cuba itself, Soviet "geologists" are making a complete survey of the island.

Important U.S. military officials believe that these "geologists" are studying possibilities for submarine and missile bases in this strategic area—up against the so-called soft underbelly of the United States. Officials are convinced that, as of the present, Soviet submarines are not being supplied from Cuba, although they are operating in Cuban waters.

In recent months, Cuba's Communist Government, already heavily armed, has invested up to 100 million more dollars in new weapons.

INVASION STRATEGY

Haiti, only 45 miles away, lives in constant fear of invasion. The Government of Guatemala charges that the Cuban Government is training forces that will try to put Communists back in power in that country. Reliable sources report that Cuba is training troops in the Sierra Maestra for a landing in the Dominican Republic.

The plan is said to be this: Before the end of 1960, an internal uprising or military coup will be staged against Generalissimo Rafael Trujillo. When this happens, Castro will announce that the help of Cuba has been asked, and will move in on the Dominican Republic to establish a Communist Government.

Cuba alone, U.S. officials realize, is not the final objective of the Kremlin.

It is through Cuba that the Soviet Union expects to create trouble and to outflank the United States in the Western Hemisphere. Soviet Russia, highly sensitive to U.S. bases on its own periphery, is greatly interested in finding a way to show the United States what it feels like to have a potentially hostile military base next door.

THE FINANCIERS

How much money the Soviet Union and Communist China are prepared to invest in their Cuban satellite remains a question.

To date, Russia has accomplished her objectives at no cost. Instead, the Soviet

Union has saved some money by purchasing a substantial amount of Cuban sugar at below the world price. Russia then sold this sugar to her people at a profit.

Castro's Communist Government is paying the Soviet Union and Red China a high price for the technicians, "geologists," and others who are moving in to remake Cuba into a Socialist state.

Means to finance the communization of Cuba actually are being provided on a large scale by the United States.

U.S. consumers in 1960 will contribute $128 million to Cuba as a subsidized price for sugar. That total may rise to $140 million through diversion of unfilled portions of sugar quotas to Cuba. In addition, American companies have contributed goods and services amounting to between $100 million and $150 million for which they have not been paid.

In 1 year, official observers point out, the United States is putting up about a quarter of a billion dollars to finance a regime that is openly hostile.

On top of that, the Communists in Cuba have confiscated more than $300 million worth of American property. An additional $500 million worth of American property is in danger of being taken over. The fiction of payment is created by offering some Americans bonds of the National Institute of Agrarian Reform in amounts far less than the real value of the properties. Bankers describe these bonds as having little value.

Communists are pictured in Havana as enjoying the spectacle of the United States financing a Communist revolution—while under violent attack by the Communist rulers it is helping.

The U.S. Congress has balked at a recommendation from President Eisenhower that he be given authority to reduce the subsidy to Cuba.

Resources from the United States are helping a government that is actively engaged in promoting the success of Communist movements throughout Latin America.

AGITATION TARGETS

In the field of agitation and subversion, Cuban agents are highly active. Labor unions, student groups, journalists, professors, landless peasants and nationalist movements of all kinds are primary objectives of Communist penetration from Havana.

In Venezuela, Cuba's leaders are striving to gain hold of the powerful Oil Workers Union. Labor unions of Cuba have been taken over by the government. Their leadership is in Communist hands. The Reds have had some success in breaking the influence of more-conservative labor organizations in a number of South American countries. Chile, in the same way as Venezuela, is a major target for Communist penetration of unions.

All through Latin America, Cuban embassies are centers of Communist activity. American officials describe these embassies as areas of infection from which Communist doctrine and activity are spread.

In private conversations, officials show growing concern. One pointed out that Chile's big Communist Party is now 100 percent for Castro. Said the defense chief of another Latin-American country: "Castro is sending agents all over South America. He is backed, and presumably financed, by Russia. He's being taken as a serious threat."

The Federation of University Students of the University of Havana is active among student groups in many Latin-American countries. Students, in turn, are leaders in the attacks upon the United States and in supporting Communist causes. Financing of this activity that had come almost entirely from the Soviet Union now is supplemented by support from Cuba.

In the field of propaganda, Cuba's activity is even more intense.

Attacks upon the United States and glowing accounts of the socialization of Cuba are beamed by powerful radio stations out of Havana to listeners throughout South and Central America. These stations are Government operated. Their No. 1 product is anti-American propaganda.

A Cuban news service, Presna Latina—staffed largely by Communists—is furnished free to newspapers of Latin America. This is a full-fledged press service—costly to produce and transmit. Part of the bill is picked up by the Castro Government in Cuba and, it is understood, part by Moscow.

Cuban officials are constantly on the move in the hemisphere. Their attention is directed not at the governments of Latin-American countries increasingly hostile to the Cuban revolution, but to disgruntled groups within nations where political stability is rare.

THE LAND REFORM

Socialization of Cuba itself is proceeding at a rapid rate.

Basically, Cuba is an agricultural country. Its socialization is being carried out under INRA—the National Institute of Agrarian Reform. INRA has become a superstate. It holds more than 4 million acres of land—about half of it taken from American owners and the other half from Cubans. It holds feed mills, packing plants, the entire fishing industry, many factories, about 600,000 cattle. INRA has seized or established more than 2,000 rural stores, now called "stores of the people."

Plans call for INRA to take over all privately owned sugar mills, including American ones. The agency already holds about a fourth of the country's mills. INRA's plans also call for creation of a government-owned iron and steel complex, with plants to be supplied by the Soviet Union.

At first the talk was of "land reform." Peasants were to be given the land of big landowners—many from the United States. This idea drew widespread support from commentators in the United States.

Actually, INRA is creating giant cooperative farms—along Soviet lines. Instead of owning land, most peasants are ending up as wage earners, in the same or a less desirable state than before the theft of what had been privately owned land.

INRA's executive director, Antonio Nuñez Jiménez, on a recent trip to Moscow, arranged for Soviet experts in large numbers to carry forward his program, now in a disorganized state.

Under socialism, as brought to Cuba by Castro and his Communist aids, the people are not faring too well. The loyalty of the peasants and of many workers, however, is being held by promises of many good things to come.

Pay of workers, in fact, has been reduced by "voluntary contributions" to revolutionary activity. Inflation is beginning now to eat into standards of living as wages are controlled and prices move higher. Goods of many kinds are beginning to run short. Replacement of these goods is more difficult as American suppliers begin to balk at making gifts of their products.

In the middle class and among some groups of wage earners, including construction workers, there is growing dissatisfaction and alarm. Here, methods taught by the Soviet Union are applied to keep people in line.

BRIMMING JAILS

Spies and informers are on every side. Waiters in cafes and bars, barbers, beauty-shop operators, store clerks, taxi drivers, bellhops and servants report any criticism of the regime to intelligence agents. Children in the juvenile patrols—which the Government organized to replace boy and girl scouts—are instructed to inform on their parents and neighbors.

Arrest swiftly follows these denunciations. Cuban prisons are jammed with political prisoners. The largest prison, on the Isle of Pines, holds about 5,000 with two prisoners in cells intended for one. Food is bad, sanitary facilities worse. Reading is prohibited. Common criminals are given better treatment than political prisoners.

Communist techniques are applied in all fields to try to socialize Cuba.

There are growing doubts whether a Communist Cuba can be made to work. These doubts would increase further, some officials believe, if the United States should decide not to subsidize the venture into communism taking place next door. It now is doubted that American businessmen will continue to supply goods to Cuba without certainty of payment.

The question being raised is whether Soviet Russia, guiding Cuba to communism, will come forward with the volume of aid that would be required to prevent an outbreak of violence among the people. American officials say that the Soviet Union never has been noted for making outright grants of aid on a large scale.

Russia obviously is playing for bigger stakes than Cuba. Through a communized Cuba, the Soviet rulers are described as aiming to penetrate and to get a firm foothold in the larger nations of South America. Once they are in the Americas on a firm footing, trouble confronting the United States could be immense.

IS THE MONROE DOCTRINE DEAD?

What the Monroe Doctrine is: A warning to the rest of the world to keep its hands off the Western Hemisphere. Issued in 1823 by President James Monroe—partly to stop Russian moves of that day in the Americas.

What the Monroe Doctrine says: The American continents "are henceforth not to be considered as subjects for future colonization by any European powers."

Also—

The United States would consider "any attempt" by European powers "to extend their system to any portion of this hemisphere as dangerous to our peace and safety."

The question now raised: Does the Monroe Doctrine apply to the Communist takeover in Cuba? Or is this 137-year-old policy dead, in practical terms?

A proposed "New Monroe Doctrine": Historian Samuel Flagg Bemis has urged that Congress add to the Monroe Doctrine a resolution declaring the United States would be "justified * * * in taking steps to forestall intervention, domination, control, and colonization by international communism in the New World." The Bemis resolution has been introduced in Congress, but no hearings have been held, because of State Department opposition. The State Department argues that Latin Americans might resent a U.S. declaration of intent to "intervene" in a Latin country, and that Communist penetration has to be handled by joint efforts of the American nations.

THE "POLITBURO" NOW RULING CUBA

Fidel Castro: Rabble-rouser, influenced by other members of "politburo." Like them all, a bitter hater of United States. Out to communize Cuba, spread communism through Latin America with Soviet help.

Raúl Castro: Fidel's younger brother, first in line of succession. Communist trained and married to a Communist. Once kidnaped U.S. marines and got away with it. Shrewd and devious.

Ernesto (Ché) Guevara: President, National Bank. Known as agent of international communism. Goes armed to bank meetings. Holds dictatorial power over national finances.

Antonio Núñez Jiménez: Economic dictator, as head of INRA (National Institute of Agrarian Reform). Known as a Communist. Importing Soviet experts to try to make socialized industries work. Seizing private property on vast scale.

Osvaldo Dorticós: President. Former private secretary to Communist Party chief. Heads anti-U.S. propaganda mission through Latin America. Is consulted on important decisions.

Augusto Martínez Sánchez: Labor czar. Far to left, with Red connections. Runs government-controlled unions with power over hiring, firing, wages. Has power to seize businesses involved in real or trumped-up labor troubles.

Juan Marinello: Veteran head of Popular Socialist (Communist) Party. Stays out of limelight, but is a powerful influence on ruling "politburo" of Cuban Government.

Carlos Rafael Rodríguez: Dedicated Communist, editor of Communist paper "Hoy." Close adviser to Fidel Castro. Helps to shape anti-U.S. line of propaganda for radio station and press service directed to all of Latin America.

MEDICAL AID WILL SAVE SENIOR CITIZENS FROM CONSTANT FEAR

Mr. PROXMIRE. Mr. President, how much longer can we, as a nation, permit a situation to exist where millions upon millions of our senior citizens live with the cost of medical assistance that can bring life and health beyond their reach?

No problem of old age is as great as that of health. Illness is the focal point of fear among our older people. As their health declines, their insurance rates climb. Forced by low fixed incomes to adhere to rigid budgets that do not and cannot provide for any emergency, these people know that any serious illness can wipe out what little security they have.

The U.S. Senate is under extreme moral obligation to recognize this grave situation and to cope with it through effective legislation just as quickly as possible.

I have here a letter, typical of hundreds I have received, which tells in simple and thoughtful language the plight of our senior citizens. I ask unanimous consent, Mr. President, that it be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR: It is indeed frightening when one attempts to visualize the future where earning ability has ceased and the needs of life must be met with a very meager income. Where a person's humble security can be changed to a condition of want by one short period of illness and exorbitant medical and doctor bills. Too few persons are fortunate enough to earn sufficient income to provide assurance against such an uncertain future and a way must be provided now so that all can systematically build a fund for what lies ahead.

There are millions in this same predicament. The proposed Forand bill is the first step to provide assurance of care when we are unable to bear the burden.

We sincerely urge your support of this legislation which will assist those unable to assist themselves when it becomes needed most.

With best wishes, I remain,

Yours respectfully,

——— ———.

REVISED DEFENSE MANPOWER POLICY NO. 4

Mr. PROUTY. Mr. President, along with the distinguished senior Senator from Kentucky [Mr. COOPER] and the distinguished junior Senator from Pennsylvania [Mr. SCOTT], I filed a minority report in the volume which contains the report of the Special Committee on Unemployment Problems.

The minority made a number of recommendations to aid the unemployed, particularly the unemployed in distressed areas. On page 183 of its report, the minority recommended, that—

The Federal Government direct all Federal agencies, defense and nondefense, to give preferential treatment to areas of substantial labor surplus in their purchasing and contracting.

The minority also recommended, that—

All Government agencies, both defense and nondefense be directed to give special consideration to placing new installations in areas of substantial labor surplus when locating or expanding outside of Washington.

Mr. President, I am pleased to say that on June 7 the Director of Civil and Defense Mobilization announced the issuance of a revised policy dealing with the placement of Government contracts and Government-financed facilities in areas of high unemployment.

The majority report contained no recommendation of this nature.

So that all Senators will be familiar with the character of the Revised Defense Manpower Policy No. 4, I ask unanimous consent that a press release which explains the policy revision be inserted at this point in the RECORD:

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF CIVIL AND
DEFENSE MOBILIZATION,
Washington, D.C.

Director of Civil and Defense Mobilization Leo A. Hoegh announced today the issuance of a revised Defense Manpower Policy No. 4, dealing with the placement of Government contracts and Government-financed facilities in areas of high unemployment.

The revised policy provides that the preference given to surplus labor areas under DMP No. 4 for purposes of Government procurement and facilities construction or expansion will be offered first to areas of persistent high unemployment levels. The Department of Labor will classify these persistent surplus labor areas separately from other areas with substantial current unemployment levels.

Another policy revision encourages prime contractors to award subcontracts to firms which will perform a substantial portion of the production involved in the persistent surplus labor localities. A change in certification procedures provides that the national office of the Labor Department will issue certificates of eligibility to firms in localities too small to be regularly classified as to unemployment status. These certificates are now being issued by State employment security offices.

In announcing the revision, Mr. Hoegh stated that the action was taken to improve the policy as a device to maintain skills important to defense industry in areas of substantial unemployment. He said that every effort will be made by Federal procurement agencies to assist such areas, but the effect is likely to be limited by the lack of appropriate plant facilities in many such areas.

The full text of the policy will appear shortly in the Federal Register. It becomes effective on July 6. Defense Manpower Policy No. 4 was one of a number of manpower measures instituted during the Korean mobilization period.

CONSTRUCTION AID TO COLLEGES

Mr. PROUTY. Mr. President, I was delighted to have an opportunity to read, a short time ago, an article by the distinguished junior Senator from New York [Mr. KEATING] which appeared in the Albany Times Union. The article deals with the all important problem of making room in our Nation's colleges and universities for the many young people who wish to pursue studies in institutions of higher learning.

This article merits the attention of all Senators, and for this reason I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KEATING URGES UNITED STATES STEP UP CONSTRUCTION AID TO COLLEGES

(By KENNETH B. KEATING)

We must face the growing crisis in American higher education, brought on by dramatic increases in the number of young people seeking admission to college and compounded by the financial pressures which beset the Nation's colleges and universities. Colleges and universities have existed in the United States for more than three centuries, and have flourished in a situation in which funds for their support have been derived principally from private, philanthropic sources and local and State governments. The question that now faces us is, essentially, can these traditional sources of support be relied upon to sustain American higher education in its hour of crisis?

I think it is generally agreed that we would all like to see our rich pattern of higher education maintained in this great tradition of autonomy and independence, just so long as it is humanly possible to do so. And I have great confidence in the willingness and ability of traditional patrons of higher education to rise to the present challenge.

There is, on the other hand, a belated but growing recognition that there is a profound national interest in American higher education. No longer can we afford to overlook the fact that what goes on in our colleges and universities—or more importantly, what does not go on in our colleges and universities—has profound implications for the national welfare, and more specifically, for the national defense. It was largely because of this important link between a vigorous system of higher education and the national defense that an impressive majority of Members of Congress voted to enact the National Defense Education Act of 1958.

MOST VITAL IN CENTURY

In the field of higher education, this act directs its attention to certain imbalances which are the particular concern of those whose responsibility is to carry on the affairs of the Nation. It seeks to avoid the loss of able manpower in our educational system by providing financial assistance to deserving students at both the undergraduate and graduate levels, and it seeks to reestablish

the study of modern foreign languages in our total educational system, recognizing that Uncle Sam, in order to conduct effectively his international affairs, must have "more than one tongue in his cheek."

This legislation has been described as the most important single Federal action in higher education since the passage of the so-called "Land-Grant Act" in 1862, which brought into being those vigorous colleges of agriculture and mechanic arts which now contribute so substantially to the breadth and quality of our higher educational system. I was pleased, as a Member of the House of Representatives, to lend my support to the passage of the National Defense Education Act, because the legislation as adopted embodied the important principle of Federal stimulation and leadership, without Federal control. The scope of the act is limited to areas in which the Federal Government has a legitimate concern, and is so written that it will not weaken the basic fabric of support upon which our colleges and universities have so long been dependent.

While the National Defense Education Act, through its graduate fellowship program, addresses itself to one of the most pressing problems facing the Nation's colleges and universities today—the need to recruit and train sufficient faculty of high quality—much more needs to be done to make it possible to retain such individuals. Moreover, the need to provide the physical facilities in which collegiate instruction is to take place remains to be met effectively. The question is basically the degree to which the Federal Government should participate in the effort to meet these two most pressing needs.

I must express at the outset my grave concern regarding the prospect of having the Federal Government participate in the payment of teachers' salaries. I regard the tradition of autonomy and independence among our colleges so highly that I would view with alarm any tendency to have this spirit undermined by a sense of dependency upon a Federal agency.

SEES GREATER DANGER

I do not say that Federal control would follow automatically upon the payment of instructional salaries, or payment of other current operating expenses, but I do not hesitate to say that the danger is greater in this area than it is in others. If it is true that "he who pays the piper calls the tune," it would be easy for some to argue that since the Federal Government was paying the salaries of college teachers, it should have some say as to what they teach. Nothing could be more destructive of the spirit of our educational enterprise, and nothing could be more destructive of the essential strength of our Nation.

I see as a much more likely prospect, and as a much safer prospect, the participation by the Federal Government in a program to assist colleges and universities in providing the physical facilities that surely are to be needed in the years to come. The "bricks and mortar" concept of Federal aid is by far the sounder concept. This avenue of potential Federal assistance seems to me both safer and more promising.

There is an old adage, to which I happen to subscribe, to the effect that it is important not only to do the right thing, but to do it the right way. I think it is of importance, therefore, that in our common desire to have the Federal Government assist our colleges and universities in meeting the profound challenge that now confronts them we do all in our power to see to it that what the Government does it does in the right way. We must not be so carried away by an emotional desire to do good that we surrender some of the most precious values we have in our higher educational system.

DEBT SERVICE GRANTS

For these reasons, I am much interested in the proposal submitted to the Congress by President Eisenhower which would authorize the Federal Government to make grants for debt service retirement to colleges and universities, both public and private, for the construction of residential and related facilities and academic facilities, where there existed a true need for such facilities, and where it is necessary to borrow funds for the purpose. Under this program, the Federal Government would make annual grants (representing 25 percent of principal) to participating institutions in equal installments over a period of 20 years, to assist them in the retirement of long-term construction obligations. In addition, under the proposal of the President, a Federal guarantee of non-tax-exempt bonds would be offered to colleges and universities.

I believe that the President has succeeded in pointing out to the American people and to their Congress ways in which the Federal Government can be lastingly and soundly helpful to the cause of improved education. I am extremely hopeful Congress will take action on this proposal, and that it will also devote considerable study to other pressing needs of our institutions of higher learning. I am personally very interested in the problem of insuring reimbursement to colleges and universities of an amount more nearly approaching the actual indirect costs involved in Government-supported research and training programs.

TAX LAW REVISION

I am also studying means for revising our tax laws in order to provide greater incentives for private individuals, organizations, and businesses to contribute to higher educational institutions. It strikes me that by careful changes in the present laws, perhaps in the form of special tax credits, we can stimulate the flow of voluntary funds which are essential if our colleges and universities are to live up to their grave responsibilities in our democratic society.

These, then, are some of the things the Federal Government can and should do for American higher education. There is no task to which Congress and the American people can devote themselves which will, in the long run, pay greater dividends for our country and the free world.

AWARD TO SENATOR MARGARET CHASE SMITH BY GENERAL FEDERATION OF WOMEN'S CLUBS

Mr. AIKEN. Mr. President, last evening the General Federation of Women's Clubs gave awards to seven outstanding American women for their work in various fields. The Senate was signally honored by the selection of Senator MARGARET CHASE SMITH, of Maine, to receive one of these awards in the legislative field.

Mr. President, I first became acquainted with MARGARET SMITH during the days of World War II, when, as a Member of the House from Maine, she was fighting vigorously and successfully to secure dairy feed for the farmers of her State. From that time to this day the farmers of Maine have had a consistent champion in Senator MARGARET CHASE SMITH, who has supported beneficial and sound agricultural legislation. However, Mr. President, it is not the farmers alone who owe a debt of gratitude to MARGARET CHASE SMITH. As we all know, she is one of the most effective legislators in this body. She has been particularly effective in the fields of education and national defense, and her work on the Committee on Appropriations over the past few years has been outstanding.

The favorable publicity which MARGARET SMITH has brought to the State of Maine probably could not be purchased for a million dollars a year. I think she has not only reflected great credit upon her State but also upon the Senate. For that reason I am paying tribute to her today.

SOUTH DAKOTA HIGH SCHOOL EDITORS SPEAK OUT AGAINST OBSCENE LITERATURE RACKET

Mr. MUNDT. Mr. President, the traffic in mailing and distribution of obscene literature is of growing concern to Americans in every walk of life with the exception of those who are wallowing in the works of filth which they are disseminating throughout the country.

The perpetrators of this despicable practice of printing and circulating illicit literature have been and are violating the decency and morality of the youth of our land. There is no question in my mind that the unconscionable creatures who carry on this gutter operation long ago abdicated both the responsibilities and the privileges of a citizenship which is predicated on a freedom which has made this Nation one in which the greatest of liberties are enjoyed.

The children of America comprise the foremost target of the peddlers of pornography and obscene literature. Therefore, I think it is highly significant that among the voices rising up in protest against these vile practices are those of responsible young people who are fully aware of the dangers confronting our country if the obscenity racket is not halted.

Mr. President, I deem it both a pleasure and high privilege to be able to bring to the attention of the Senate today the viewpoints of several young Americans who have given this matter their earnest consideration and have taken the time to write statements on this problem.

A number of high school newspaper editors in South Dakota have written editorials, and I request that these outstanding articles be printed in the RECORD.

Before placing the editorials in the RECORD, Mr. President, I should like to add a few words of commendation to these youngsters for what I think are excellent contributions to assist in our consideration of the problems of the smut racket. I certainly feel that a salute is in order for each of the editors for bringing this subject to the attention of not only their classmates but to parents and others in their home communities.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

THE GROWING MENACE OF MAIL ORDER OBSCENITY

(By Winifred Joann Harris, editor, Aga Times, St. Agatha High School, Howard, S. Dak.)

Today, approximately 1 out of every 35 students in grade and high school is the object of a deadly "game" through which he

receives unordered lewd and obscene literature. His silent "playmate" is an emotionally insecure and mentally incompetent person who deals in the worst possible kind of filth. But, the game is not for innocent recreation and does not provide the recipient of this material with educational or enjoyable reading. The smut merchant is hardly the kind of person parents wish their children to have any dealings with, yet the Post Office Department predicts that that number could be 1 out of every 18 within a few years unless action is taken.

These vile racketeers have hidden behind postal laws made for the protection of the common people and the sanctity of first-class mail. This illegal function which deals in obscenity and pornography by mail is doing business at an estimated half billion dollars a year. According to estimates by the Post Office Department, these extensive operations will double within the next 4 years.

The far-reaching effect of this underworld activity is becoming increasingly evident. By contacting children at such an impressionable age, they are slowly but efficiently deteriorating the moral fiber of a whole Nation. Sadistic material has been a prevalent cause of juvenile delinquency and crime in the United States as has been observed by noted authorities.

That a function of the Federal Government should, knowingly or unknowingly, willingly or unwillingly, be a party to such corrupt activity, is a constant source of shame and embarrassment to decent-minded citizens. But, this function can be only what the citizens make it. Adult America owes their children a life free from the threat of horror and filth. Today, the victim is the child next door; tomorrow, another "innocent" will be seized in its ruthless grasp. A matter of such consequence as this deserves the attention of every person who wishes to maintain the moral strength of our Nation and preserve the standards upon which democracy is based.

WE ARE THE PRINCIPAL TARGETS

(By Margaret Devitt, coeditor, Maroon and Gold, Harrisburg High School, Harrisburg, S. Dak.)

Senator MUNDT recently called to the attention of Congress a serious moral problem facing our Nation today, the mail order obscenity racket. He has introduced a bill in the Senate which would do much to curb the peddling of obscene and indecent literature.

Although Senator MUNDT stressed the fact that parents and other community organizations should be alerted to the dangers of this menace, it is actually we teenagers and young people who are the principal targets of these smut merchants. The racket, which has reached a sales level of over a half billion dollars, openly solicits anyone whose name they can obtain through "fake" business fronts, purchase of mail, or any other deceitful manner.

We, who are most affected by this, must become aware of the dangers of this vile racket and do everything in our power to do away with this threat.

These racketeers, who use the defense of "freedom of the press" in conducting the sale of obscene literature are misinterpreting this freedom as a part of our democracy. Such use of this basic American right will be a destroyer of democracy itself by weakening the morals of the people, making them more susceptible to the threats which could overtake our Nation.

We, as American youth, who will be the adults of tomorrow, will characterize the moral fiber of the Nation in years to come by our own moral standards which we build today.

JOIN FIGHT AGAINST OBSCENE LITERATURE

(By Loretta Mohr, feature editor, the Beaver Chatter, Alexandria High School, Alexandria, S. Dak.)

In compliance with a request received from KARL MUNDT urging active participation in the matter of salacious literature and pictures coming through U.S. mail the Beaver Chatter is printing this editorial to tell parents more about this situation and how they can help stop it.

Until August, 1958, obscenity laws kept the Government tied by permitting it to prosecute the guilty persons only at the mail's point of origin. In August, 1958, an amendment was enacted and was signed by President Eisenhower allowing prosecutions to take place where the obscene material was received.

One out of every 35 grade and high school students receives this mail whether interested or not. The racketeers mail material to every name they can obtain, even names answering advertisements to innocent items such as baseball bats or toy automobiles, or they obtain names of students joining youth clubs or social groups.

It is estimated that 700,000 to 1 million American children will receive unsolicited obscene and pornographic literature through the mails this year. In a raid by postal inspectors in New York City, 17 tons of printed and filmed materials were found. Mailing lists of thousands of high school graduates whose names were obtained from yearbooks were also found.

Investigation of armed robbery, extortion, embezzlement and forgery show that those guilty of the crimes usually have been exposed to this material.

If obscene material is mailed to your home, you are urged to turn it in. All you have to do is save all materials received, including the envelope and all exposures and give the materials to the local postmaster, either in person or by mail.

Postmaster General Summerfield said, "We are, in effect, declaring war on these purveyors of filth, big and little, high and low. We are launching an intense and unrelenting effort to stop this monstrous assault on the Nation's children in every way possible. And we are confident that, with adequate public and legislative support this job can be done."

Let's join the fight against obscene material. By giving the postmaster all materials you receive you can do your part to stop the mailing of this material and thus help to end this racket. Help make America's teenagers clean-minded teenagers; help stop obscene mail.

HELP WIPE OUT DELINQUENCY

(By Esther Brown, editor, the Cardinal and Black, Arlington High School, Arlington, S. Dak.)

Juvenile delinquency is often blamed on the child's environment or on his parent's negligence. This may sometimes be true, but there are likely to be several other factors that have led the individual into delinquency.

One of these seeds of evil is obscene literature that is sent through the mail to unsuspecting adolescents. If the companies who print such trash can interest young people in reading it, they have started a very profitable racket at the expense of the youth of today.

Circulation of this literature sheds a rather dim light on the future of America. If the leaders of tomorrow are exposed to and learn to enjoy such filth, America can look forward to a very insecure future.

It is the responsibility of alert parents to make sure their child doesn't read such material. Every adolescent should be acquainted with the dangers of reading obscene magazines; and if the material comes into the home, the parents should see to it that proper authorities are notified.

If you receive any of this literature in the mail, save it, including the wrapper it came in, and give it to your postmaster. If everyone will cooperate in the drive that is now being promoted by Postmaster General Arthur E. Summerfield we can stop the "smut racket" and rid our great Nation of this threat to decency.

FULL SCALE WAR

(By Johannas Asmussen, editor, the Scribbler, Agar High School, Agar, S. Dak.)

Parents, if your child received obscene or pornographic material, would you know it? What would you do about it if you did? Hide it? Throw it away? Report it?

Children, if you received obscene or pornographic material would you hide it? Throw it away? Read it and send for more? Show it to your parents?

Are you now saying to yourself, "These questions are not for me?" Just hear me out and you may change your mind.

The racket in vile material has reached an estimated sales level of more than half a billion dollars a year. The smut merchants prey on the young of the Nation, corrupting the very core and future of our United States, for that is what the Nation's youth is. Every youth who has had his name in a school year book, answered an ad for free or reduced merchandise, or done numerous other things, things that are normal and right, may be sent this type of literature. You need not ask for it, if the smut merchants have your name and address you may receive their merchandise.

The Post Office Department cannot begin to stop this racket because one of our unalienable rights is the privacy of the mails and to stop this racket they would have to infringe upon this right. Rather than do this we must fight on another front, the home front. The Post Office Department is launching a full-scale war against smut on the home front, but to launch a war they must have men and equipment to fight the battle. The Post Office Department cannot use conscription, it must rely on volunteers. Parents can and must explain to their children in simple but direct language what the material is and what to do with it if they should receive it and why. The why is a big factor; don't overlook it. Work with your civic groups to help educate everyone and defeat this enemy.

If you think that these peddlers of smut can do no lasting harm, hear what Postmaster General Summerfield said and I quote: "Unquestionably, these large, defiant barons of obscenity are contributing to the alarming increase in juvenile delinquency, as many noted authorities have publicly observed on repeated occasions." Senator KARL E. MUNDT also stated, "Repeatedly, in the investigations of armed robbery, extortion, embezzlement and forgery, authorities find that those guilty of the crimes were early collectors of obscene pictures and films. Authorities also point out that sex criminals and sex murders almost always prove to have a long record of addiction to pornographic and sadistic material."

How did you answer the questions asked? I hope the answers went something like this. Parents, if your child received obscene or pornographic material would you know it? Yes. What would you do about it if you did? Report the matter immediately to the local postmaster, and turn in all the material received, including the envelope, and all enclosures. Also explain to your child the reason for material being unfit. Don't

frighten your child by cross-examining him or making him feel he has done something wrong. Making an issue out of it will raise its value and importance in his eyes.

Children, if you receive obscene or pornographic material would you hide it? No, it is nothing to be ashamed of or feared, but it is disgusting. Throw it away? This would be good if only you were involved but the Post Office Department needs it as evidence. Would you read it and send for more? No. Show it to your parents? Yes.

It is the parents, the citizens of the community, who will benefit from a "full-scale war" on the smut material and its peddlers.

Join the forces and help make war on smut merchants. Directly or indirectly their corruption is felt in all our lives.

CONSIDER THE COST TO YOUR CHILD

(By Judy Anderson, assistant editor, Viking Voice, Midland High School, Midland, S. Dak.)

If an official public estimate was made proving that milk served at school lunchrooms and cafeterias would expose 1 out of every 18 children to a crippling disease, you would be very concerned.

You should also be concerned by the fact that if the present trend is not checked, 1 out of 18 children will be receiving some form of indecent literature or film which will cripple his mind.

To stop this trend, you as parents should save all such material and immediately turn it in to your local postmaster. Without this action the senders and publishers cannot be traced.

This type of reading matter is very harmful to a child. Repeatedly, in investigations of armed robbery, extortion, forgery, and sex crimes, the criminals and murderers have been proven to have a record of addiction to a pornographic and sadistic material.

Join the Post Office Department and your Congressmen in their war against these purveyors of filth, which can harm your child as much as a crippling disease.

THE MENACE OF THE OBSCENE

(By Gerald Lee Kotas, editor, the Tripp Wildcat, Tripp High School, Tripp, S. Dak.)

Recently, a syndicated column in one of the leading Midwest newspapers carried the story of a 17-year-old boy, of average circumstances, who received through the mail several packets of obscene literature and perfumed love letters in response to his answering an ad for stamp collectors. His immediate reaction, due to his Christian upbringing, was to burn this trash and forget the incident. However right his reaction may have appeared, he could still have served better purpose; possibly even an obligation; merely by saving the material, including the enclosures, and turning the same over to his local postmaster.

Although most of us rather conform to the wrong than to fight it, this is one duty that we as Americans and recipients of pornographic writings must not pass by lightly. For every day hundreds of innocent children as well as teen-agers are the victims of the merchants of filth as they are preyed upon through the media of the mails. It is not common for 8 or 9 year olds to be the recipients of trash, dirt, and filth such as is delivered to those 18 or 19 year olds. And the smut racket is growing, growing, growing, fattening itself on the pennies, nickles, and dimes of children. The kids in the neighborhood; the ones next door; the ones right at home.

The dealers of pornographic material have many ways of obtaining your child's address, none of them highly secretive. High school yearbooks, newspaper stories, replies to ads offering anything from stamps to free toys are all good sources for compiling a mailing list. And from there it's anyone's guess as to how much smut the dealer will peddle until he is reported, tracked down, and arrested, an increasingly complicated job. But with the help and cooperation of the parents of America the dirt and smut delivered to your door via the mailbox can be stopped.

Resistance to obscene materials can best be obtained by watching your children's mail. If anything curiously different appears, check it. Or, since your child or teenager may already be receiving pornographic literature, watch their reactions, for you as their mother or father can tell if they might be concealing such items.

Upon finding or receiving obscene literature, remember the following:

First, save all the items enclosed; books, letters, envelopes, and papers as well as the original wrapper. Then turn those materials in to your local postmaster immediately, either in person, or by mail. It is important that you cooperate fully with the postmaster, even so far as to write come on letters to further lure the racketeer from seclusion or as evidence for prosecution.

Besides that, we can all help by informing friends, neighbors, and relatives of the methods of detecting obnoxious materials and of keeping on the alert. Tell them that a poisoned mind is worse than a poisoned body.

If you want to keep America strong and right, this is your chance to play an important part in the future of our country. Most obscene literature is received by those persons who are someday going to be the citizens of America. Do you want this country run by sex maniacs, racketeers, and buyers and sellers of filth?

HELP TODAY'S YOUNG PEOPLE

(By Ruth Anne Moller, editor, the Westonian, Wessington High School, Wessington, S. Dak.)

Recently I received a letter from Senator KARL MUNDT, Republican of South Dakota, asking if I would write an editorial on the terrible racket that affects one out of every 35 children—the sending of obscene literature through the mail. Because it is sent first class, nothing can be done about inspection. Young people do not have to show any interest in the writings and pictures to receive it, for names can be obtained from many innocent things, such as membership records and advertisements.

Many young people are impressionable, and sometimes go to any lengths to continue receiving the pornography if once subjected to it—even going so far as selling it to others.

Why do the people distribute this? They purposely want to give America's young people a bad name for such reasons as communistic motives and to promote juvenile delinquency.

What can be done to get rid of this type of writings and pictures? First, I think young people should be told of this type of thing. If any such material is received it should be turned over at once to the post office.

In a few years one out of every 18 young people could be on the mailing list. The racket must be stopped. It is important all civic organizations work against it to help today's young people grow up in a better way.

STOP IT BEFORE IT'S TOO LATE

(By Arlene Fritz, co-editor, the Pep-A-Graph, Lennox High School, Lennox, S. Dak.)

Have you been a recipient of the obscene literature which has been frequenting the mail the last few years? This question must be given very thoughtful consideration, for this problem has been growing and will continue to increase unless it is stopped. Too easily we may say, "Why should I worry? I'll never receive any of this pornography unless I submit my name to a mailing list or send in for it outright." But this is a mistaken impression too many people have gained. Agents who spread the filth on our mail today obtain names from yearbooks, newspaper articles, enrollments of youth organizations and countless other ways. Younger children may be put on a mailing list when they send for a toy or a doll collection from a magazine advertisement.

We remember the fuss made over cranberries last fall. Everyone hesitated to eat them, fearing they would be poisoned. Is not a poisoning of the mind and morals as horrifying as a poisoning of the body? Yet, we do not give it the attention which it deserves.

The destruction of the ideals and morale of the American youth is a very important step in the spread of communism. Obscene literature is doing the job for them. Juvenile delinquency and crime in later life very often stem from a childhood with exposure to this filthy material. Like a narcotic, it seems with some teenagers that once they have sampled the material, they become addicted to it and will do almost anything to obtain more of it.

Parents play a significant role in stamping out this dreadful racket. They are asked to keep any such material which enters their homes and report it to their local postmaster, turning the material over to him.

This is a problem of the people of our Nation and therefore must be handled by them. The Post Office Department has done much to stamp out this racket, but privacy of mail is an American right which they respect and so must depend on reports from the receivers of this obscene material. Educational leaders, parent-teacher organizations, extension clubs and religious leaders are performing magnificent works to end the threat to the Nation. Congress has passed an act to combat the sending of this material, but they cannot perform the job alone. We are an important instrument in the battle against this literature. Through our efforts, only, will the spreading smut racket be obliterated. Are we, as American teenagers, going to remain exposed to this public enemy of our Nation?

FLAG DAY

Mr. MUNDT. Mr. President, I am delighted to call attention to the fact that this is the 183d anniversary of our flag's adoption by the Continental Congress on June 14, 1777.

On this Flag Day we mark another significant transition, for in our homage to our national emblem we mark another firm step in national progress in officially flying our 49-star flag for the last time. In less than a month, on Independence Day, to be precise, we shall raise to the top of the mast the brilliant colors of this great Republic containing 50 stars.

So I think it is appropriate on this Flag Day that we not only pay tribute to our colors, but also that we add a salute to those newest of States, Alaska and Hawaii.

These are proud days for our new sister States. And they are proud days for the Republic. Flying high over the Nation is the emblem which has for 183 years symbolized the foresight, the dedication, the independence, and the God-fearing spirit of our forefathers, who in

their determination and zeal gave to this land a form of government which brought to us the greatest freedoms ever enjoyed by a civilized society.

On this day as we pay homage to our flag, let us not forget that in our remembrance we also must render tributes of the highest order to those who have fought and shed their blood so dearly in defense of the colors.

I think perhaps one of the most heroic of all deeds which brighten the illustrious pages of American history occurred on that little far-off island in the Pacific during World War II.

To me, the flag raising at Iwo Jima by a handful of U.S. Marines, captured in the never-to-be-forgotten photograph of Joe Rosenthal, of the Associated Press, and permanently enshrined as one of our most beautiful monuments across the Potomac from the Nation's Capitol, stands as one of those moments in history when the true spirit of man dedicated to preservation of our ideals reached full bloom.

As Adm. Chester Nimitz said, in speaking of the gallant action of the Marines, "Uncommon valor was a common virtue."

Our history is filled with similar stories of such dedication by Americans. So today our tributes are more than a salute to our national emblem, we also pay homage to those of the past who have made it possible for us to sit in this Chamber today beneath the fluttering of the Stars and Stripes, truly the flag of freedom.

I would be remiss, Mr. President, if in my brief remarks, I did not extend my personal commendation to those patriotic and loyal organizations which today are joining in commemoration of Flag Day.

In my home State of South Dakota, and I am sure throughout the land, three such organizations are holding special commemorative services. These are the Elks lodge and the various American Legion and Veterans of Foreign Wars posts.

Mr. President, I believe it is most fitting to extend our congratulations today to these organizations on the important part they are playing in leading the Nation in ceremonies paying proper respect and tribute to our colors, which are symbolized most effectively in the Elks' theme of the observance to demonstrate to the world that in our land there is "unity in the face of international tension."

Mr. CASE of New Jersey. Mr. President, today is the 183d birthday of our American flag. The flag itself has changed in its design over the years—and will again change this year with the addition of a 50th star for the admission of Hawaii to statehood—but the flag itself has remained constant as the emblem of our thought, our purpose, our unity, and our power as a Nation.

The United States Flag Foundation has long worked hard to foster the proper display of our flag. Mr. President, on this anniversary of the American flag I ask unanimous consent to have printed in the RECORD the following article about the United States Flag Foundation which appeared in the Plainfield Courier-News on Thursday, April 9, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The United States Flag Foundation of New Jersey, a nonprofit society to further the work of the late Gridley Adams, of Weehawken, has been incorporated with Harry E. Foster, of 161 Somerset Street, listed as trustee-director.

The foundation's incorporation has been recorded in Somerset County. Its purpose is one of advancing education about the U.S. flag, what it symbolizes and how it should be displayed and used.

Foster was associated for several years with Adams before Adams' death June 23, 1958, at the age of 90. Adams was author of the booklet, "So Proudly We Hail." He devoted many years of research to authenticity of flag traditions and procedures and was chairman in 1922 of the national flag code committee, representing 112 patriotic and fraternal societies.

He was instrumental in securing revision by the 77th Congress of laws relating to the flag.

Foster was left all of Adams' material at the time of the older man's death. He said today that the booklet Adams wrote would continue to be available to the public and that it was his desire to advance the newly incorporated foundation to a national level.

Copies of "So Proudly We Hail" have been sent to every State, to South America, several European countries and to the Vatican, Foster said.

Adams had been in the process of incorporating the foundation in New Jersey at the time of his death. He was then its director general.

REVIEW OF UNITED STATES-JAPANESE RELATIONS

Mr. WILEY. Mr. President, President Eisenhower has now embarked on a Far Eastern tour to bring messages of friendship and pledges of cooperation by the United States to the people in the Orient. With him go the best wishes and blessings of the American people.

For the most part, I am deeply confident that—as evidenced by previous trips—this tour of the Far East will help to further improve U.S. relations in that area of the globe. The tremendous reception which President Eisenhower is receiving in the Philippine Islands again symbolizes the warm affection for our President and great respect for our country inherent in people all over the globe.

Unfortunately, however, the flareup in Japan reflecting anti-U.S. sentiment, creates a serious situation. We recognize, of course, that the riots are prodded, agitated, and directed by leftwingers and Communists. Too, there may be internal factors—including political crosswinds—affecting the situation.

However, the big question confronting the Japanese people is: Will they allow a rabble-rousing minority to jeopardize United States-Japanese relations and determine criteria for national conduct for the Japanese people—in effect, present their "face" to the world.

As a national policy, we do not interfere with the internal affairs of other nations. However, we have a great stake in Japan—one of ideals, and one written in the blood of over a million wounded and dead in World War II.

The reestablishment of good relations between the two nations—in the aftermath of an all-out conflict—is, of course, a sensitive, difficult task.

Realistically there may be scars of the Second World War that have not healed and vanished. No doubt, the agitators are playing on any "under the surface" feelings that still exist. Nor can it be forgotten that we, as a nation, also have scars.

In the postwar era, however, we have been willing to demonstrate—as a people—a new kind of conduct in international affairs. Following World War II, the United States adopted a policy—unique in world history—not of pillaging, raping, and grinding "under its heels" the vanquished; to the contrary, we attempted to reconstruct Japan, promote a climate of respect for its people, and enable it, as a nation, to assume a significant role in world affairs.

Realistically speaking, this was not altogether altruistic. By experience, we have learned that if there is to be permanent peace, then all people must be accorded respect for their national integrity and opportunity, as nations, to play proportionate roles in world affairs.

Fundamentally, however, it must be recognized that that the U.S. policy evolved out of a traditional humanitarian "will of its people," as well as the nonaggressive, nonexpansive policy—symbolized by the fact that, despite a major role in two World Wars, have not taken for ourselves one foot of new territory.

A big question arises: Will history record U.S. postwar policy as an error? I sincerely hope and pray that it will not.

During the days ahead, we will be closely watching developments in Japan. The security of our esteemed, beloved President—the future of United States-Japanese relations—the stability of economic and military conditions in the Far East—all of these depend to a degree upon the conduct of the Japanese people and their Government in the days ahead.

The vast majority of the people—who, I feel, do not support the current anti-U.S. demonstrations—ultimately must make their voices heard for the reestablishment of peace and order within that country.

Unless this is done, however, the United States will need to take a new look at its overall policies in relation to Japan, on the edge of the Communist orbit, and the Far East generally.

The free world now looks to the Japanese people for signs and action to reaffirm our confidence in their dedication to peace, to preserving a free democracy, and to demonstrate their capability to maintain internal order in the face of Communist pressures.

MEMORIAL DAY FLAG DISPLAY

Mr. DIRKSEN. Mr. President, I have in my hand a copy of the Southtown Economist of Sunday, June 5, 1960, published in Chicago, Ill., and I draw attention to a picture of a row of American flags flying from the residences in

the 2800 block of West 102d Street in commemoration of Memorial Day this year. I should like to draw this to the attention of my colleagues because I find that in our Nation's Capital this last Memorial Day there was a disheartening, if not disgraceful, lack of recognition of the honors so much deserved by our valiant war dead. There were endless blocks in which not one flag was flown and hardly enough in the entire District of Columbia to indicate this day was different from any other holiday.

Memorial Day was established, as everyone knows, pursuant to a military order by a great Illinois general, John A. Logan, and it is one day when the reverent spirit should rise in souls everywhere in the country, and the day should be fittingly observed.

I should like to ask unanimous consent for the article to appear in the RECORD—and I express my regret that the picture cannot be reproduced—so that other people may know that there is at least one community in this country, and I am proud that it is in Chicago, where the citizens have a plan for showing their pride in the country and their respect for its soldier dead, not just on Memorial Day, but on Flag Day, June 14, and Independence Day, July 4.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Without objection, it is so ordered.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"ALL AMERICAN" BLOCK

Desire of residents of West 102d place, from South California to South Francisco Avenues, to fly the American flag more frequently than has been the custom in recent years has received an assist from the Economist newspapers.

An Economist employee who lives in the area told them of the Economist flag offer and through his cooperation almost all of the residents obtained flags which they flew in front of their homes over the Memorial Day weekend.

The photograph shows the attractive picture the flag display made in the neighborhood.

Residents said they plan to fly their flags again on Flag Day, June 14, and on July 4.

The Economist newspapers' offer, of which they took advantage, is still in effect. Flags shown in the photograph are 5 feet by 3 feet, with 13 stripes. They can be bought for only $3, with an Economist newsboy's subscription receipt, and represent a $2 savings.

A second flag for display in windows at home or in a car can be bought for only $2 and an Economist subscription receipt.

The flags can be bought at any of the three Economist offices, which are located at 728 West 65th Street, at 9444 South Western Avenue, and at 1716 East 79th Street. The offices are open week days from 9 a.m. to 5 p.m., and on Saturdays from 9 a.m. to noon.

THE 21ST ECUMENICAL COUNCIL, AND PROMINENT CROATS AT PREVIOUS COUNCILS

Mr. DIRKSEN. Mr. President, I have an old, long-time, durable friend in Chicago, an attorney, by the name of Vincent L. Knaus. He is a former president, I believe, of the South Chicago Bar Association. Last year he was very active on the Ecumenical Council Committee of the Illinois Knights of Columbus. He is a past grand knight of the Santa Maria Council No. 1511 of the Knights of Columbus. He is of Croatian descent. The interest he has manifested in community affairs and in the security of his country is one of those things that warms the heart.

Recently he wrote an article for the issue of the Junior Magazine of the Croatian Fraternal Union of America, entitled "Forthcoming XXI Ecumenical Council, Standout Croats at Previous Councils." I am very happy that Vincent Knaus gives so freely of his time to this great work, and I ask unanimous consent that the article may appear in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FORTHCOMING XXI ECUMENICAL COUNCIL, STANDOUT CROATS AT PREVIOUS CONCLAVES

(EDITOR'S NOTE.—As the whole world, Christian and non-Christian, knows by now, Pope John XXIII has called the 21st Ecumenical Council for 1961–62. The preparations for this great gathering are many, worldwide, and monumental. Our own CFU member, the prominent Chicago attorney, Vincent L. Knaus, has been signally honored by being named as the Illinois State Director of the Ecumenical Council Committee of the Illinois Knights of Columbus. Brother Knaus was good enough to prepare the following treatise for your Junior Magazine.)

CROATS AND THE COUNCILS OF THE CHURCH

Records show that the first Ecumenical Council in which Croats participated was the XV at Vienne, France, in 1311–12 under Pope Clement V. It condemned crimes and errors imputed to Knights Templars, Franticelli, Beghards, and Beguines; declared soul to be substantial form of the body; issued decrees for reformation of clergy and teaching of oriental languages.

The Croatian participant was blessed Augustine Kazotic O. P. bishop of Zagreb and Lucera, Italy.

John Cardinal Stojkovich, O. P. 1390–1443, participated in the XVII council—Basle-Ferrara-Florence, 1431–45, during the reign of Pope Eugene IV. This council effected a short-lived reunion with Greeks; dealt with extirpation of heresy, peace of Christendom, and reform of the church.

Ivan Stojkovich of Dubrovnik was the first Croat to be elevated to that exalted post—to become a Prince of the Church—Cardinal. He was the Procurator General of the Dominicans and was created a Cardinal in 1440 by Eugenius IV. He presided at some of the sessions of the Council in Basel in 1431. He was particularly effective in crushing the Hussite heresy. For eight mornings he spoke against its doctrines and finally defeated all that was reprehensible in it.

The third Croat prominent in an Ecumenical Council was George Dragisic. He was active in the Lateran Council of 1512–17 during the reigns of Pope Julius II and Leo X. This conclave enacted reform decrees; defended immortality and individuality of the soul; denied that philosophical truth is independent of revealed dogma.

Page 66 of "Znameniti Hrvati" tells us that he was tutor to the sons of Lorenzo de Medici. He was also minister of the Tuscan Province of the Franciscan Order. In 1497 he returned to Dubrovnik and subsequently to Rome where he became first, a bishop and then an archbishop.

Another participant of Croatian extraction or nationality was Simon Kozicic-Begna, 1460–1536. He spoke on the reforms of the church and on the Turkish occupation of his own country.

At the XIX Ecumenical Council held 1545–63 at Trent under the reigning Popes, Paul III, Julius III and Pius IV the errors of Luther were condemned as were other Heresiarchs. The council also issued many important doctrinal and disciplinary decrees. The noted Croat, George Cardinal Draskovic was present and active at this council. For his conspicuous part in this conclave's meetings he received the Cardinal's hat.

Cardinal Juraj Draskovic was a nephew of Cardinal Juraj Utjesinovic. He became bishop of Zagreb and Ban (governor-viceroy) of Croatia. At the Council of Trent he distinguished himself as an orator and signed the official documents of the council in 1562 with the name: "Ego Georgius Draskovitius Croata." He was created a Cardinal by the Croatian Pope, Sixtus V in 1585 (p. 60, A Review of Croatian History).

The fifth standout Croatian at an Ecumenical Council was that illustrious clergyman, statesman and patriot—Josip Juraj Strossmayer. He participated in the XX such conclave in the Vatican 1869–70 during the reign of Pope Pius IX. This council issued decrees on divine revelation and relationship of faith and reason; defined Papal infallibility.

Page 63 of "A Review of Croatian History" has this to say about this great Croat: "A great champion of church unity. * * * The famous Croat churchman of the last century was Bishop Josip Juray Strossmayer, one of the greatest Latin orators and a great advocate of the union of Orthodox churches with the Catholic Church. He built, at Djakovo, a magnificent cathedral which is the most beautiful church in southeastern Europe. He is immortal in Croatian history for his patriotic and educational endeavors. He led the group of bishops and prepared the arguments against papal infallibility and delivered the papers in Latin. He became world famous and was considered the greatest Latin scholar and orator of the 19th century.

The Zagreb University, the oldest and most renowned university in southeastern Europe, opened in 1874, chiefly because of the endeavors of Josip Juraj Strossmayer.

At the Vatican Council he was one of the most notable opponents of papal infallibility and distinguished himself as a speaker. The Pope himself praised Strossmayer's "remarkably good Latin."

After the council Strossmayer maintained his opposition longer than all the other bishops. On December 26, 1872, however, he yielded and published the decrees of the council in his official paper. At a later date he repeatedly proclaimed his submission to the Pope, as in his pastoral letter of February 28, 1881, on Sts. Cyril and Methodius expressing his devotion to the Holy See, at times, in extravagant language.

In politics he was an active supporter of the Croatian National Party and Pan-Slavism.

The theme of the coming XXI Council is Reunion of the Churches and so we may mention George Krizanic and what page 62 of "A Review of Croatian History" has to say about him: "For the Conversion of Russia"—"The Croat Jesuit Juraj Krizanic (1618–1683) was obsessed by a desire to win to the church the Orthodox Russians. He went to Moscow to persuade the Russian Czar to become a Catholic. Shortly after his arrival in Moscow he was exiled to Siberia, where he spent 16 years. When he was freed, he joined the Dominicans in Lithuania and as chaplain joined the army of King John Sobieski to fight the Turks at Vienna, where he was killed in 1683.

THE ARMY BIRTHDAY

Mr. MARTIN. Mr. President, in an era of rapidly changing technology and with the development of weapons of war that stagger the imagination, too often we tend to forget the men who comprise our U.S. Army and the vital role that they are playing in maintaining peace throughout the world.

Today, June 14, 1960, marks the anniversary of the establishment of the U.S. Army. For 185 years this Army has maintained a continuous record of contribution to our Nation's security, welfare, and growth. The 145 battle streamers that fly from the Army flag are evidence of the devoted service and selfless duty that have been so characteristic of the U.S. Army during our wars. The navigable rivers and harbors of our Nation are evidence of the continued service of our Army Engineers. The relief to millions of sufferers during periods of disaster are evidence of the Army's close association with the citizens of our Nation.

In war and in peace the Army serves with distinction and pride and, in wishing them well on this 185th birthday, I am sure that I am echoing the sentiments of a grateful Nation.

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENT OPERATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1374, Senate Resolution 279.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 279) authorizing additional expenditures by the Committee on Government Operations.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

FOREIGN AGRICULTURAL SERVICE

Mr. AIKEN. Mr. President, I believe in giving credit where credit is due.

Many of the truly remarkable accomplishments of the executive branch of our Government come from relatively small agencies.

These agencies perform their work year after year with such competence and so little fanfare that sometimes we forget that they exist.

One of these smaller agencies which merits our appreciation and support is the Foreign Agricultural Service of the Department of Agriculture.

It was 30 years ago that the Foreign Agricultural Service was established.

This agency is the foreign arm of agriculture.

And as such it develops foreign outlets for U.S. agricultural products; it administers export programs such as Public Law 480 and our food-for-peace programs; it represents the Department of Agriculture at international conferences, such as the Food and Agriculture Organization, and General Agreement on Tariffs and Trade; it analyzes foreign agricultural trade; and it does many other important tasks which I would like to touch on today.

Initially and through most of its life, FAS operated primarily as a fact-gathering and reporting agency. However, in 1954 it broadened its scope and became a dynamic action agency.

The year 1954 is a key date for this agency because of two events. First, the Agricultural Attaché Service was put back into the Department of Agriculture and placed in the Foreign Agricultural Service. Second, Public Law 480 was enacted.

Because Public Law 480 has been well administered it is now considered one of the more successful of the U.S. action programs.

THE AGRICULTURAL ATTACHÉ

When responsibility for the Agricultural Attaché Service was transferred back to the Department of Agriculture in 1954, President Eisenhower said that the purpose of the transfer was "to sharpen the effort to find new world markets for our agricultural products" thereby establishing a new role for the agricultural attaché. This activity has received major emphasis since that time.

The agricultural attaché is often referred to as the "eyes, ears, and voice" of U.S. agriculture abroad. Some people call him "the good right arm" of U.S. agriculture abroad. However you describe him, much of what the Foreign Agricultural Service accomplishes depends upon the agricultural attaché.

One of his prime responsibilities is to report on important developments in foreign agriculture which might affect the U.S. farmer and the U.S. agricultural trade. This is "agricultural intelligence."

He reports on the production and consumption of agricultural products, and significant changes that are developing or are in the making; he reports on the agricultural policies of the country, and generally keeps alert for particular trends which the U.S. farmer and the U.S. agricultural trade need to know. He develops his information through a variety of sources.

Few countries maintain crop reporting services of the kind available in the United States. Therefore experience, knowledge, and considerable ingenuity are required if the attaché is to accurately reflect the agricultural situation in the country to which he is assigned.

He must be alert and travel extensively to check crop conditions and marketing movements, and maintain close contact with buyers and sellers of agricultural products within his areas. This firsthand observation of crops and trade situations is vital to the accuracy and timeliness of his information.

The agricultural attaché has the important responsibility of promoting markets for U.S. agricultural products.

This becomes more and more important because of the ability of U.S. farmers to produce abundantly.

Those of us who travel abroad are aware of the many other tasks the attaché must perform. He represents the U.S. farmer and as such must achieve an understanding and acceptance of U.S. agricultural policy among our customers abroad. He arranges contacts and itineraries for businessmen.

He is a key figure in the U.S. Embassy in administering Public Law 480 functions abroad; he participates in the exhibition of commodities in trade fairs; and supervises market development projects which are conducted abroad to expand markets for U.S. products.

I shall elaborate on market development activities later.

We have 76 attachés in 52 posts. They prepare more than 1,000 so-called regular reports and 3,000 voluntary reports annually.

The regular report is one which fits into scheduled official publications on foreign crops and markets.

The voluntary report is one the attaché makes when there are significant developments such as drought, flood, disease outbreaks, or possible government action which will result in a substantial change in the outlook for foreign trade. Time is of the greatest importance on reports such as these, frequently demanding on-the-spot evaluation and use of cable and telephone communication.

The agricultural attachés are not only performing essential work under the wing of the Department of Agriculture where they belong but they also serve as good-will ambassadors abroad. They mingle with people in all walks of life and generally enjoy the confidence of the citizens of their assigned countries.

PUBLIC LAW 480

In 1954, Public Law 480 was enacted as a comprehensive and yet an experimental approach to the use of agricultural surpluses. In almost 6 years of operation, the program has emerged as a major U.S. agricultural program to utilize our agricultural abundance to help the free world. It is among the most successful U.S. programs. The Foreign Agricultural Service has been the key agency in its administration.

The program has moved more than $6 billion worth of commodities at world market prices. In terms of price support costs, this would amount to about $9 billion. We have to convert these dollar amounts into quantities in order to appreciate the magnitude of the program.

One-and-a-half billion bushels of wheat have been exported under Public Law 480. This is about 1½ times our average annual production. It is about

three times the quantity of wheat the American people use every year as food.

Another 630 million bushels of corn, barley, grain sorghums, and oats have been exported; 3 billion pounds of nonfat dry milk and the same quantity of vegetable oil; 50 million bags of rice; and more than 6 million bales of cotton. These are figures to stagger the imagination.

Most of these quantities have been moved under title I of Public Law 480, which authorizes the sale of surpluses for foreign currencies. Foreign currency sales are made largely to friendly developing countries or to countries in poor financial condition and as such have become a vital foreign policy instrument.

In the case of Formosa and Korea, for example, title I sales directly augment the mutual security program. Commodities are moved to these countries to support their economies and most of the currencies generated are used for military assistance.

Title I of Public Law 480 probably has been the major factor in U.S. support to Turkey, one of our strongest allies. The furnishing of wheat particularly has enabled that country to stand firm at the doorstep of the U.S.S.R.

The title I currencies are contributing to the economic development of many South American countries. They are being used to improve highways and ports in Chile, for electric power and steel-manufacturing in Brazil, and for irrigation and land development in Peru.

The classic example of how title I of Public Law 480 works and the greatest demonstration of the use of food for peaceful purposes will be found in India.

The title I agreement negotiated last month with India involves the shipment of 17 million tons of wheat and rice to India over a 4-year period. It means nearly 600 million bushels of wheat and 22 million bags of rice. This is more than the quantity of wheat and rice the United States consumes as food annually. Stated in another way, it means that an average of more than one shipload of 11,000 tons of grain will leave the ports of the United States for the ports of India every day for the next 4 years.

The agreement means more than that, however. It is designed to help this large key country in the struggle between the free world and communism by establishing substantial food reserves.

One-quarter of the wheat and all the rice will be stockpiled in India to help meet any emergency that might arise there—be it a crop shortage or an emergency from drought, food, or other natural disaster.

Also, a large part of the rupees that will be paid to the United States for these commodities will be loaned or granted to the Government of India for economic development purposes to finance essential projects such as power development, irrigation, and industrial works.

It means large direct support to India's third 5-year plan which will begin in March 1961.

Rupees generated under previous title I transactions with India are now being used on a loan basis to expand their economy.

A typical example of this rupee use is the building of a 250,000 kilowatt-hour thermoelectric plant near Calcutta. It will be the largest of its type in India.

Currencies are also being used to help meet construction costs for the Utter Pradesh Agricultural University, a new State agricultural school patterned after U.S. land-grant colleges and universities. It is scheduled to open in July, near Rudrapur.

And Public Law 480 currencies are assisting in the eradication of malaria in India.

Currencies are also being loaned to private business firms, to expand their plants.

Loans to the Indian affiliates of the Goodyear and Firestone tire and rubber companies will give employment to about 1,500 workers. The Goodyear plant will produce about half of India's present requirements for rubber.

Another loan is helping to finance the Hindustan aluminum reduction plant. The capacity of the plant will be 20,000 tons per year which will increase India's aluminum production capacity by two-thirds.

The initial press reaction in India to the new agreement demonstrates the foreign policy aspect of title I agreements.

In the Bombay area, for example, the Bangalore Prajavani stated:

> Present agreement is memorable event in history of Indo-United States friendly relations.

The Times of India said:

> No Government has ever been more generous in dealing with an underdeveloped country than the U.S. administration in negotiating this agreement.

The Industan said:

> In other words, this agreement is a living example of mutual help and cooperation between the two free, democratic, and progressive nations of the world.

Even Communist-oriented local language newspapers concede the tremendous impact of the agreement.

MARKET DEVELOPMENT

I was pleased with the President's message of March 17, 1960, concerning the program being developed by the administration to promote the growth of U.S. export trade.

The President said:

> Expanded exports can add substantially to the millions of jobs already generated for our people by export trade.

He cautioned that world markets now are highly competitive, and a more vigorous effort is required by both government and business to expand exports under these circumstances.

The President specifically directed the expansion of the agricultural trade promotion activities of the Department of Agriculture.

The Secretary of Agriculture on April 12 announced that the Department was conducting an overall review of current export policies, programs, and activities, in efforts to further expand the agricultural trade promotion activities. At that time he pointed out that much already had been done in the agricultural sector in this respect.

Much of what has been done has been accomplished through the Foreign Agricultural Service. The FAS has been promoting agricultural trade for several years through market development projects financed by title I, Public Law 480 currencies and market analyses made by its commodity specialists. The FAS has pioneered this activity in the agricultural field. It was undertaken in cooperation with U.S. trade and farm groups, in recognition of the fact that responsibility for market promotion rests with these groups.

Since 1955, it has developed 370 such cooperative projects in 40 countries. The equivalent of $29 million is being spent under these projects in cooperation with 60 U.S. trade and farm groups.

The Foreign Agricultural Service has made $22 million available in Public Law 480 currencies, and $7 million has been made available by trade groups as matching funds.

This involves a substantial trade promotion effort.

However, I am convinced that Agriculture should use a greater share of the Public Law 480 currencies in this connection, because one of the primary objectives of the act is to promote U.S. agriculture exports. The Congress emphasized this in the extension of Public Law 480 last year, by inserting a provision that not less than 5 percent of title I sales proceeds and loan repayments should be made available for agricultural market development work. This should assure that the FAS can use increased amounts in its program of cooperation with trade groups to expand markets.

Market development projects involve various promotional techniques—surveys and studies of market potential and needs, advertising campaigns, translation and distribution of promotional and educational leaflets, studies of consumer demand, exchange visits of management and technical personnel of United States and foreign trade groups, and basic promotional techniques, such as contests and public appearances of our dairy "maids" and cotton "queens."

An especially dynamic trade fair program has been developed.

So far, FAS has put on about 50 fairs, reaching 25 million people.

To cite a few, commodities were exhibited at the Fine Foods Fair in Cologne, Germany, to acquaint European buyers and the public with the quality and availability of U.S. agricultural products.

Successful exhibit of the use of U.S. feed grains has been made in several locations in Italy and in Greece.

Exhibits have been held in the Spanish Agricultural Fair in Madrid, showing U.S. soybean products, frozen poultry and tobacco, and included a full-scale recombining plant, making samples of milk and ice cream available to the public.

These projects and trade fairs have made foreign buyers conscious of the quality of U.S. farm products; and the response to these efforts is heartening. Let us look at some results.

One of the most dramatic stories in market development concerns the strides

which have been made in the export of U.S. frozen poultry.

A few years ago exports of U.S. poultry were extremely small. Now the United States is the world's leading exporter of poultry meat.

In Switzerland, for example, exports of poultry rose from virtually nothing in 1955, to more than 20 million pounds last year, with a further increase expected this year. This resulted simply and purely by having the FAS convince Swiss grocery cooperatives to make trial orders of broiler chickens. When Swiss food chains saw how the product was purchased by the Swiss people, orders for frozen poultry grew at a fantastic rate.

The same story was true in West Germany, where again poultry exports rose from nothing prior to 1955 to 50 million pounds in 1959.

Market development projects helped raise exports of soybeans to Italy from a half million bushels in 1954–55 to about 5½ million bushels during the current marketing year.

Market promotion, along with improved processing practices in the United States, has helped maintain tallow exports to Japan at more than 200 million pounds annually.

Tobacco exports have increased to Thailand, through the same type of market promotion.

Similar results are being achieved for other commodities and other markets.

The Foreign Agricultural Service, with the help of the agricultural attachés and U.S. traders and farm organizations, has sales promotion projects for dairy products; breeding stock, including beef and dairy cattle, swine, and sheep; wheat; cotton; soybeans; and the whole gamut of farm products.

The total agricultural export picture reflects the vigor and success of promotion activities put on by the Foreign Agricultural Service. During the 2 years prior to 1954, total agricultural exports fell short of $3 billion each year. The return of the agricultural attachés, aggressive promotion work, and special export programs resulted in rapidly increasing exports.

Agricultural exports have averaged more than $4 billion during each of the past 3 fiscal years.

In the fiscal year which ends June 30, the value of U.S. agricultural exports will total about $4.5 billion.

Of this $4.5 billion, about $3.3 billion is expected to be straight commercial dollar sales which would be close to the best year we've ever had in dollar sales.

From the standpoint of individual commodities, the export situation is bright.

Exports of wheat have been extremely heavy this spring, and will approach 500 million bushels for the marketing year or nearly half the 1959 crop.

Cotton exports should total about six and a half million bales, again nearly half of the 1959 crop.

Exports of soybeans again will set a new record, running at least 20 million bushels ahead of last year when 103 million bushels were moved.

Feed grain exports will also set a new record of about 13 million tons.

Fruit and vegetable exports and most animal products movements are above those of last year.

PUBLICATIONS AND REPORTS

A special word needs to be said about the publications and reports that come out of the Foreign Agricultural Service.

Based on the agricultural attaché reports I discussed earlier, and on visits of marketing specialists, FAS publishes timely and well-written reports and publications dealing with an extremely wide range of subjects.

A typical example is a recent report on the market in Japan for U.S. livestock and meat products.

Another type of report is a competition study made of Russian cotton production, consumption, and trade.

The report shows that these aspects of Russian cotton have increased steadily in postwar years, placing that country second only to the United States in all three categories prior to 1958, when Communist China probably moved into second place.

Along the same line, a study was made of Communist China cotton textile exports indicating that it has made a concerted effort to reenter and expand trade with free world countries.

And with cotton textiles an important item in this trade drive, the volume of Communist China's cotton textile exports has adversely affected U.S. exports of raw cotton to some of our most important customers.

A study was made of Brazil's wheat expansion program to determine prospects for continued expansion and production and other developments likely to affect the future competitive status of U.S. wheat and flour in that market.

Although Brazil increased production sevenfold in the last 20 years, and this is an outstanding accomplishment, the increase was outdistanced by population growth and increased consumer demand.

It is estimated that, at current consumption levels, Brazil will need 4 million tons of wheat annually by 1970.

Other reports include a study of foreign government wheat production and trade policies, the competitive position of U.S. hides in world markets, the position of U.S. hops in world markets.

The mention of some titles illustrates the variety of subjects looked into—"The Greek Raisin Industry," "The Role of Farm Products in U.S. Aid to Spain," "West Africa's Fats and Oils Industry," "The Agriculture of Ceylon."

CONCLUSION

The virtue of the Foreign Agricultural Service that impresses me is the manner in which it operates with its limited amount of personnel and budget expense.

It has about 800 employees, of which about 135 are foreign nationals working with agricultural attachés overseas, and a current budget of about $7 million.

What with the Public Law 480 programs, market development obligations, reporting responsibilities, and many other functions spread out all over the world, it is indeed gratifying that this agency is performing so effectively and efficiently.

While its programs have grown large, Foreign Agricultural Service has made only modest increases in staff, whereas many agencies would mushroom under similar circumstances.

In the brief rundown I have made of this efficient agency, I have not touched on some of its important activities—seeking trade liberalization is one of them.

The agency is hitting hard on the further removal of restrictions against U.S. agricultural exports.

It is studying the Common Market as it relates to farm trade.

In short, it is studying, analyzing, watching all aspects of foreign trade that affect the American farmer and trader.

The Foreign Agricultural Service deserves a vote of thanks from the American people and the Congress.

ENFORCE ECONOMY IN GOVERNMENT—PLUG TAX LOOPHOLES—REPEAL OPPRESSIVE EXCISE TAXES

Mr. YOUNG of Ohio. Mr. President, American people very properly resent paying each month a 10-percent excise tax as telephone users.

This outrageous 10-percent tax has been added to the telephone service charge and to all charges for local and long-distance telephone calls since 1941.

Nearly 20 years ago, while I was serving in the House of Representatives, this tax was introduced and passed as a wartime measure to raise additional revenue to meet the threat of aggression from Adolf Hitler's Germany.

During the last session of the Congress, this unjust tax on telephone use and on local telephone tolls was extended to June 30 of this year. It is my hope that this atrocious tax will be permitted to expire.

I assert, Mr. President, that this 10-percent tax, which, of course, is passed on to telephone users, should not be permitted the sort of permanency that it has. It is a burdensome tax and, in fact, lays the heaviest burden upon people in modest circumstances or persons engaged in business who must necessarily make regular use of telephone service.

An excise tax is, of course, a sales tax. Sales taxes invariably tax those who have the least.

Unfortunately, Eisenhower administration officials have recommended that the tax on local telephone calls be extended for another year. By reason of this recommendation, the Committee on Ways and Means of the House of Representatives has reported to that body a bill continuing this tax for an additional year.

Mr. President, I contend there will never be a better time for the lawmaking body of this country to act in a forthright manner and end this abominable tax, than right now.

I use the word "abominable" advisedly for the reason I feel there are so many other ways in which our Government could obtain more feathers with less squawking than by imposing this sort of a tax which burdens those in modest circumstances.

Mr. President, I have always been opposed to this excise, or sales, tax, which places a heavy burden on persons making telephone calls. Telephone service is certainly a household, as well as a business, necessity.

This sort of excise, or sales, tax is discriminatory. It was imposed on the American people at the same time taxes on luxury items, such as nightclub entertainment, jewelry, expensive furs, and liquor, were imposed. I assert taxing telephone users in the home, factories, and offices is not in the same category as taxing these luxury items. I assert this is an atrocious tax.

Furthermore, admittedly, telephone service is a public utility service. Yet, do other public utilities—water, electricity, and gas—suffer by the imposition of such a discriminatory tax?

The Ohio Bell Telephone Co. and other telephone companies are, in reality, not the actual sufferers from the imposition of this discriminatory tax. The sufferers are the citizens who use telephones. This sort of sales tax, or excise tax, violates every sound principle of just taxation. It is regressive. It burdens most those who have least. It is not in accord with that sound principle of just taxation that taxes should be levied by our Government upon its people based upon their ability to pay.

Mr. President, the urgency of bringing this matter to the attention of the public is heightened and increased by this new proposal to extend this sales, or excise, tax, and by the likelihood of its becoming a permanent burden on those who use telephones.

Here is highlighted one great problem presented whenever the Congress is called on to levy new taxes. Despite statements that such Federal sales, or excise, taxes are only temporary in character to meet a certain emergency, the merciless facts are that once a tax is promulgated and enforced, despite statements to the contrary, it is usually continued on the statute books and remains there as a permanent form of taxation.

As Ohio Congressman-at-large, I voted against the imposition of a sales tax upon purchases made in the District of Columbia. That was many years ago. It was then stated that there was a necessity for a 2 percent sales tax to meet a temporary emergency, and that when the emergency came to an end, the tax would be repealed. The cruel facts are, this sales tax in the District of Columbia—the same as the 3 percent sales tax in Ohio—has become a permanent form of taxation.

Persons who are poor, or in moderate circumstances, spend all of their incomes for living purposes, and they bear a greater burden than do those persons who receive high incomes and save a substantial portion of their earnings.

It is later than we think.

Now is the time to end this unfair, detestable, burdensome, and discriminatory excise tax. If we fail to do this now, it will burden our people for many years to come. In fact, it will, without doubt, burden them permanently.

Furthermore, Mr. President, at this time I give notice that I am unalterably opposed to the imposition of any general Federal sales tax, as has been advocated constantly by the National Association of Manufacturers and by the U.S. Chamber of Commerce.

Mr. President, let us enforce economy in Government. Economy in Government, like economy in an individual, I apprehend, means going without some of the things we would like to have but do not absolutely need.

The duplication and waste in our Defense Establishment is appalling. This is without doubt the most wasteful branch of Government. It is estimated that $5 billion has been squandered each year during the Eisenhower administration partly because of lack of unification of our Armed Forces.

Only yesterday the distinguished senior Senator from Illinois [Mr. DOUGLAS] illustrated this point by showing, among other things, that the Navy Department paid $21.10 each for thousands of small lamp sockets which he purchased for 25 cents each in a retail store. He displayed a set of wrenches which cost the Army $29 each and which he purchased for $3.89.

Senator DOUGLAS displayed and discussed numerous other examples of inexcusable waste and inefficiency in the procurement practices of the Armed Forces. For example, a headset cable for which the Air Force paid nearly $11 each and which he purchased at a local electric store for $1.50; an electric delay line purchased in quantity by the Air Force at $250 each which was offered him at $25; a small blower for which the Air Force paid $50 and which was quoted to him at $3.66 each if bought in quantity; an electric plug for which the Air Force paid $11 each and which was appraised at from 25 to 50 cents; and metal gage plugs for which taxpayers, via the Air Force, paid $10 each and which are offered at a Washington machine shop for 50 cents each.

It is evident that the Pentagon procurement system is so wasteful that billions of taxpayers' dollars have been squandered unnecessarily each year during the Eisenhower administration.

The law is clear that negotiated contracts should be utilized only in emergencies and limited circumstances, but this law has been violated and the Air Force, Army, and Navy have in many instances been paying from 6 to 100 times the retail value of many products.

Each branch of the armed services acts as if it alone were the sole savior of the country. Each bids against the other. As a result, contractors benefit and taxpayers suffer.

Here is a place where we can really save taxpayers' money. This administration and any future one would do better to direct its efforts toward accomplishing real unification of the Armed Forces rather than imposing discriminatory excise taxes on the American people.

Mr. President, instead of continuing the telephone excise tax, we should make every effort to utilize to the fullest our present revenue producing laws—in other words, to plug the loopholes in our present tax structure.

Taxpayers who, at present, are struggling under our loophole-riddled tax laws, are entitled to a break.

It is estimated that an additional $1 billion per year could be produced in income taxes by spending a modest amount for more Internal Revenue Service investigators. Slower service to taxpayers entitled to refunds and much lower income tax payments result from present inadequate examination and scrutiny of income tax returns.

Too many recipients of large incomes deduct too much for expenses or "swindle sheets." Deductions for members of the family on so-called business trips, transportation to conventions held in convenient locations abroad, company cars, airplanes, yachts, vacation and hunting lodges in Canada, Florida, and California, and lavish expense accounts at plush nightclubs and theaters are just a few of today's permissible tax dodges.

More investigators and revenue agents will result in bringing in more income taxes, more fair dealing to all taxpayers, and quicker refunds. For each additional $1,000 spent on their salaries, our good Uncle can look forward to receiving $30,000 in increased revenue.

Mr. President, since 1926 oil and gas producers have been permitted to deduct 27½ percent annually as a depletion allowance regardless of the actual depletion involved. There is no loophole in the tax laws so inequitable as the excessive depletion exemptions now enjoyed by oil and gas corporate interests.

If this depletion allowance were reduced from 27½ percent to 15 percent, $500 million would be added to our annual revenue, and in my judgment, no corporation would be dealt with unjustly.

Mr. President, these are just a few of the more flagrant loopholes in our income tax laws. Others could be mentioned, including preferred treatment for dividend income, capital gains formula, loss carryovers, and the withholding of income tax on dividends at the source.

The average hard working citizen should not be burdened with excise taxes on his necessities, including local and long-distance telephone calls. Nor should other taxpayers, individual or corporate, be permitted to make millions through tax loopholes.

Let us plug loopholes in our present revenue laws so as to channel additional taxpayments into the Federal Treasury, At the same time, let us eliminate unfair, unsound, and atrocious excise taxes which tax most those who have least.

Mr. MORSE. Mr. President, will the Senator yield for a question or two?

Mr. YOUNG of Ohio. I gladly yield to the distinguished senior Senator from Oregon.

Mr. MORSE. I wish to commend the Senator from Ohio for the speech he has just delivered in the Senate. It is a speech that is sorely needed.

Referring to the Senator's comment on excise taxes, is the Senator aware of the fact that as early as 1947 the Committee for Economic Development, at that time headed by Paul Hoffman, a great industrialist, made the first in a series of recommendations that it has since made

proposing the elimination of a good many of our excise taxes and a substantial reduction in most of the others? Is the Senator aware of that position taken by the Committee for Economic Development?

Mr. YOUNG of Ohio. I do recall that position, but I did not realize that, unfortunately for the American people, 13 long years have elapsed since that time.

Mr. MORSE. It was that year, 1947, that the senior Senator from Oregon introduced the first of his bills to reduce excise taxes and the elimination of many of them. My bill merely proposed to put in black and white the recommendation of these very outstanding representatives of business in this country.

That report of 1947 asserted—and the observation has been repeated in subsequent reports—that when excise taxes were levied during the war, Congress pledged that when the war was over it would remove the excise taxes because they were levied for two purposes. One purpose was to discourage civilian production and, of course, excise taxes do so. They discourage production not only in time of war, but also in time of peace.

Discouragement of civilian production has been one of the results of the levying of the excise taxes. Of course, during the war we did not want civilian production. We wanted a minimum of civilian production; we wanted a maximum of war production. They were levied for that purpose.

There were levied for a second purpose, which was to raise some emergency funds based not upon the principle of ability to pay but convenience of collection. Convenience of collection is the best argument that can be made for an excise tax. It is easy to collect, but it is not collected on a fair basis because it does not tax those who have the greatest ability to pay. I know of no tax that is more unfair to the general consumer of the country than an excise tax.

Since 1947 I have sought to get the Senate to act in this field at least seven or eight times, as year after year I offered a series of amendments.

I welcome the help of the Senator from Ohio. I am delighted to associate myself with his remarks today in the Senate. I ask him, in view of the fact that certain politicians made these pledges to which I have referred during the war, if he disagrees with me when I make the observation that politicians ought to keep their pledges, too.

Mr. YOUNG of Ohio. In answer to the question of the distinguished Senator from Oregon, who is a great Senator, and who certainly manifested splendid leadership in 1947 and has continued to do so in urging the repeal of these abominable taxes, I say that politicians should comply with the pledges they make and should absolutely adhere to them.

May I add that I am very happy to follow, as a humble private in the ranks, the great leadership of the Senator from Oregon on this subject. In the short time that I have been a Member of the Senate I have found that the judgment of the senior Senator from Oregon is usually excellent.

Mr. MORSE. Mr. President, will the Senator yield briefly further?

Mr. YOUNG of Ohio. Yes.

Mr. MORSE. I appreciate the very kind remarks of the Senator from Ohio. I always have great respect for political courage. The Senator from Ohio has demonstrated such courage time and time again since he came to the Senate, and he demonstrated it again today.

Great courage is required to stand up against the powerful oil and gas combine of this country, which exercises such a powerful influence in the Halls of Congress that it is able to continue to steal from the American people on a political basis—and that is what it amounts to—the shocking amount of a depletion allowance of 27½ percent.

I hope that the American people will wake up finally. I do not know what more we can do but to point out to the American people how the oil and gas industry robs them year after year. The industry is supported by Members of Congress who do not represent the people of this country, but who really represent the gas and oil interests. It is about time that the people call for an accounting from these politicians who are selling them out by robbing the people with this kind of handout to the gas and oil industry.

As a member of the Foreign Relations Committee of the Senate I say, too, that the oil and gas interests of America are exercising an undue influence upon the foreign policy of this Republic, and it is about time that we had an accounting from the oil and gas interests, both in regard to their escapism in avoiding the taxes they ought to pay, and in regard to the undue influence they are exercising in American foreign policy.

Here is one U.S. Senator who would rather leave the Senate than to sit here as a representative of the oil and gas interests of America.

Mr. YOUNG of Ohio. I thank the distinguished Senator from Oregon for his kind reference to me. Again I say that I agree with the views he has expressed on this vital public issue.

Mr. President, on this matter it is later than we think.

ADDITIONAL EXPENDITURES BY THE COMMITTEE ON GOVERNMENT OPERATIONS

The Senate resumed the consideration of the resolution (S. Res. 279) authorizing additional expenditures by the Committee on Government Operations.

Mr. YOUNG of Ohio. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the resolution.

Mr. DIRKSEN. I understand that the distinguished Senator from Louisiana [Mr. ELLENDER] has some questions on the resolution, although no real objection to it.

Mr. ELLENDER. I do not have any objection to Calendar No. 1374, Senate Resolution 279, which I understand is a resolution to augment the regular appropriation of $10,000 made to the Committee on Government Operations. Each standing committee of the Senate is allowed $10,000 per year for its regular investigative operations. I understand that the Committee on Government Operations has expended its regular allowance for this work and wishes to augment that amount by $10,000.

Mr. MANSFIELD. That is correct.

Mr. ELLENDER. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

Resolved, That the Committee on Government Operations is hereby authorized to expend from the contingent fund of the Senate, during the Eighty-sixth Congress, $10,000, in addition to the amount, and for the same purposes specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

INCREASE IN LIMIT OF EXPENDITURES FOR COMMITTEE ON ARMED SERVICES

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1375, Senate Resolution 310.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 310) increasing the limit of expenditures for hearings before the Committee on Armed Services.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ELLENDER. I understand that the purpose of the resolution is merely to augment the regular appropriation to the Armed Services Committee for its operation by an additional $10,000. This money would be used to pay for the regular operations of the committee.

Mr. MANSFIELD. It is for routine purposes.

Mr. ELLENDER. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 310) was agreed to, as follows:

Resolved, That the Committee on Armed Services hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-sixth Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

STUDY OF GOVERNMENT LICENSED MEDIA FOR THE DISSEMINATION OF POLITICAL OPINIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate

proceed to the consideration of Calendar No. 1376, Senate Resolution 305.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Res. 305) providing for a study of the uses of Government licensed media for the dissemination of political opinions, news, and so forth.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 16, after the word "committee", to strike out "from February 1, 1960," and insert "from date of approval of this resolution", so as to make the resolution read:

Resolved, That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) Federal policy on uses of Government licensed media for the dissemination of political opinions, news, and advertising, and the presentation of political candidates; and

(2) a review and examination of information and complaints concerning the dissemination of news by such media.

SEC. 2. For the purposes of this resolution the committee, from date of approval of this resolution to January 31, 1961, inclusive, is authorized (1) to make such expenditures as it deems advisable; (2) to employ on a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with its recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1961.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $45,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, in support of Senate Resolution 305, I point out that it provides a modest amount of money for the work of the so-called watchdog subcommittee of the Committee on Interstate and Foreign Commerce.

The fundamental objective of the Radio Act of 1927 was to require equality of treatment of political candidates by broadcasters. As a result of that act, certain limitations were placed upon broadcasting stations—in fact, strict limitations were placed upon them—which were applicable equally to TV stations. The requirement was that all candidates were entitled to equal time in the use of the airwaves.

The Lar Daly decision, emanating from Chicago, Ill., held that the equal time provision applied to comments made in radio news broadcasts. It provided that news broadcasting comments relating to one candidate should apply equally to other candidates.

As a result of that decision, Congress, at the last session, passed an act amendatory of section 315(a) of the Communications Act of 1934. It amended the equal-time provision, insofar as it applied to news broadcasters, as follows:

Appearance by a legally qualified candidate on any—

(1) bona fide newscast.

(2) bona fide news interview,

(3) bona fide news documentary (if the appearance of the candidate is incidental to the presentation of the subject or subjects covered by the news documentary), or

(4) on-the-spot coverage of bona fide news events (including but not limited to political conventions and activities incidental thereto),

shall not be deemed to be use of a broadcasting station within the meaning of this subsection

That was the equal-time subsection.

That relaxing of the requirement that candidates receive equal time was very sharply and bitterly debated in the Committee on Interstate and Foreign Commerce. There was a sharp discussion of the matter on the floor of the Senate.

At that time, the chairman of the Subcommittee on Communications, the distinguished Senator from Rhode Island [Mr. PASTORE], pointed out that there were two limitations in the bill. While S. 2424 provided for the relaxing of the equal-time amendment with reference to news broadcasts, the chairman of the Subcommittee on Communications had placed in the bill sections 2(a) and 2(b). Section 2(a) provided that at the end of a 3-year period following the effective date of the enactment of the act, which was 1959, the law would be reexamined by Congress. The declaration of intent in the law was to ascertain whether the remedy provided by such amendment had proved to be effective and practicable in getting to the people news of the candidates, but not to blackout the news in a race where there were 18 candidates. Knowing from every possible test that one candidate will receive very few votes, it would do away with the requirement that he be given equal time. If there are 18 candidates for office, and 2 candidates get 98 percent of the vote, and 10 get one-half of 1 percent of the vote, if we take the 10 candidates who receive one-half of 1 percent of the votes between them, and give them equal time with the 2 major candidates who are receiving 98 percent of the votes, we will virtually destroy comment about that race by the news broadcasters.

So the second safeguard in the act is a requirement that the Federal Communications Commission shall report to Congress within 15 days after the close of the year beginning on the date of the enactment of this act, and within 15 days after the close of each 2 following years. That is under the requirement of the law that Congress reexamine the amendment to section 315(a) after 3 years.

In a discussion on the floor last year between the chairman of the Committee on Interstate and Foreign Commerce, the distinguished Senator from Washington [Mr. MAGNUSON], and the distinguished Senator from Rhode Island [Mr. PASTORE], it was stated that a watchdog subcommittee would be created to observe the effect of the amendment to section 315(a) on a broader scale, and that the watchdog committee would also study the fairness of the dissemination of news by news medium.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. ELLENDER. As I recall, this matter was thoroughly discussed last year when we amended the Communications Act of 1934.

Mr. YARBOROUGH. That is correct.

Mr. ELLENDER. As the Senator from Texas stated, there was some objection in the committee itself as to who should police the whole matter. It is my recollection that it was understood that the industry itself would police the matter. Am I correct in that understanding?

Mr. YARBOROUGH. It was stated on the floor at that time, in a colloquy between the Senator from Washington and the Senator from Rhode Island, that perhaps a governmental watchdog agency might be created. Immediately following that, in September 1959, the chairman of the Committee on Interstate and Foreign Commerce created the so-called watchdog subcommittee. It had no money with which to operate. As a practical matter, we have been a "paper" subcommittee, having no funds, no staff, and no means with which to operate. We have been in existence, technically, since September 1959, but have not had any funds.

Mr. ELLENDER. It is an entirely new committee, is it not?

Mr. YARBOROUGH. It is a new subcommittee of the committee. It was created last September and then ratified by the unanimous vote of the full committee early this year.

Mr. ELLENDER. What does the Senator propose to do with the funds? What will be the duties of the new subcommittee?

Mr. YARBOROUGH. The duties of the subcommittee are set forth in the resolution.

It is resolved that it will be a subcommittee—

To examine, investigate, and make a complete study of any and all matters pertaining to

(1) Federal policy on uses of Government licensed media for the dissemination of political opinions, news, and advertising, and the presentation of political candidates; and

(2) A review and examination of information and complaints concerning the dissemination of news by such media.

Mr. ELLENDER. Was not that very purpose carried out last year and the year before by the subcommittee headed by the Senator from Rhode Island [Mr. PASTORE]?

Mr. YARBOROUGH. The Senator from Rhode Island is chairman of the Subcommittee on Communications. The watchdog subcommittee is a subcommittee of the Subcommittee on Communications. There is no conflict between them. We operate under the Subcommittee on Communications and under the full committee.

Mr. ELLENDER. The Senator from Texas has indicated to us what the subcommittee proposes to do. My question is, Has not the same thing been done by the subcommittee headed by the distinguished Senator from Rhode Island?

Mr. PASTORE. Mr. President, will the Senator from Texas yield?

Mr. YARBOROUGH. I yield.

Mr. PASTORE. The answer is, No; not exactly so.

Mr. ELLENDER. How does it differ?

Mr. PASTORE. In this regard. The legislation which was passed a year ago came about as a result of a decision made by the Federal Communications Commission concerning a rule under section 315 of the law, which has to do with the allotment of equal time to opposing candidates.

A situation arose in Chicago, Ill., where the mayor was exposed on a newscast. At that time an individual named Lar Daly was an opponent of the mayor. He requested equal time, and he was granted equal time.

The minute that that flexibility was given to the interpretation of the law—that is, section 315—a serious question arose. It was felt that if that decision should persist, we would destroy the effectiveness of television and radio exposure of persons who are nominees or who are candidates for elective office. I thought at that time that the Federal Communications Commission was wrong in its interpretation of the law. Be that as it may, that was the interpretation for all intents and purposes, and it was final.

Therefore, in order to correct that interpretation, it became necessary to correct the law. That was done without prolonged hearings. As a matter of fact, I think the hearings took place over a period of a week or two. The committee proposed an amendment to the law. That amendment, in the form of a bill, was reported by the committee and adopted by the Senate.

There was apprehension on the part of many Members of the Senate. It was felt that the door might actually be opened too far; or, conversely, that the door might be closed so tight that equal opportunity for exposure on the part of the candidates of the various parties would be destroyed. Congress amended the law.

In order to give assurance to those who had apprehension concerning the matter, the suggestion was made at that time—it was not made by the junior Senator from Rhode Island—that there be a watchdog committee, whereupon the junior Senator from Rhode Island responded very, very quickly that we were not equipped to assume that responsibility because we had only one staff member; and the subcommittee is quite an involved one, and has an extremely large amount of work to do. The best evidence of that is to be found in the number of bills and other measures it has produced this year.

At that time I suggested that if the job of being a watchdog and checking effectiveness of the enforcement of this law was undertaken, we would have to have an assigned subcommittee set up to do it.

DEVELOPMENT OF WILDLIFE, FISH, AND GAME CONSERVATION

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The hour of 2 o'clock has arrived; and the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 2565) to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations.

STUDY OF GOVERNMENT LICENSED MEDIA FOR THE DISSEMINATION OF POLITICAL OPINIONS

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield, in order that I may propound a unanimous-consent request?

Mr. YARBOROUGH. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of Senate Resolution 305.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate resumed the consideration of the resolution (S. Res. 305) providing for a study of the uses of Government licensed media for the dissemination of political opinions, news, and so forth.

Mr. PASTORE. Mr. President, if the Senator from Texas will yield to me——

Mr. YARBOROUGH. I yield.

Mr. PASTORE. Let me say that as a result of the suggestion of the junior Senator from Rhode Island, it was considered that possibly it would be best to initiate a distinct watchdog subcommittee.

I think the subcommittee has a very purposeful job to do. I believe the amount of money being sought at this time is a rather modest one. We do not now have the staff which must be enlisted if the task is to be done; there is much work to be done by the subcommittee.

In answer to the question the Senate has asked, let me say that last year we did not do this job. All we did was amend the equal-time law; and because it was amended, it was feared my some that we might have gone too far, and that we might have made it possible for the broadcasting companies to discriminate.

That is the genesis of this proposal, which calls for an entirely new task.

Mr. ELLENDER. But I understand that when the law was amended last year, there was an understanding that the policing was to be done by the industry itself.

Mr. PASTORE. No; the purpose of this subcommittee is to police the industry.

Mr. ELLENDER. My understanding was that the industry would police itself.

I wonder what two investigators would be able to do? I understand that it is proposed that two investigators be employed. According to the report, there would be one professional staff member for the majority, and one for the minority. One would be paid almost $15,000 a year. The other would pe paid a little more than $13,500 a year. What is it proposed that those two men do? What would be their function?

Mr. YARBOROUGH. First, in answer to the question of the Senator from Louisiana about having the industry police itself, let me say that would be like saying we will abolish the highway patrol, and will make all the automobile drivers police themselves, as regards observing the speed limit.

In the second place, the staff will be very small. It will be difficult to do the work with so small a staff. But it will be better to have a small staff than none. This subcommittee has been in existence since September, but has been hampered and hamstrung because of a lack of staff. The staff now proposed is the least the subcommittee should have—one for the majority, one for the minority, and a competent secretary. Of course the work will be done partially in connection with the complaints which are received.

I received a very bitter complaint from my State. A young man was elected to the legislature; and once he was elected, the television station began to use him as its "weatherman." On the television programs, he was called Mr. Weatherman. He obtained a great deal of publicity in that way. His opponent complained bitterly, and said the television station had not given fair treatment. The station replied that it had not mentioned the man by name, but had just referred to him as Mr. Weatherman. Nevertheless, in that way Mr. Weatherman received a great deal of publicity, and his opponent never received equal treatment. That case is an example of the complaints we have received.

I understand that in West Virginia a candidate for sheriff had a program on television, and there was complaint as to the time provided and to the lack of equal treatment. He had a weekly program. I think the result in that case was a different ruling, as compared with the ruling in the Mr. Weatherman case; and I think that resulted partly from the criticism in our committee and in the Senate about the Mr. Weatherman ruling, in which it was held that it was perfectly all right for the television station to permit the candidate to partic-

ipate in the broadcasts of the weather reports, in connection with which he was called Mr. Weatherman. But as a result of all the publicity he received in that way, he was reelected.

The purpose of this subcommittee work will be to deal with complaints of that kind.

Mr. ELLENDER. Has the committee received any complaints except those from the Senator's State?

Mr. YARBOROUGH. The subcommittee has not been able to function.

Mr. ELLENDER. But the subcommittee has been in existence; has it not?

Mr. YARBOROUGH. On paper only. After holding one or two meetings, we could not obtain a staff, and we were hamstrung, and could not do the job we should do. Either the subcommittee should be abolished or it should be given a proper staff. Without a proper staff, what can either committees or individual Senators do?

For instance, I should be at a committee meeting now. All of us need staff members, particularly this year, when we face a great national election. All of us need competent assistants. Certainly it would be a mistake to assume that broadcasters are less fallible than we are. We make mistakes, and so do the broadcasters.

The basic purpose of the subcommittee, in connection with its work, is to see that equal treatment is provided candidates who participate in radio and television broadcasts. All of us know that certain broadcasters have their preferences. Some broadcasters think one candidate is more colorful than the other, and thus they refer most often to the candidate they regard as the more colorful. They are not necessarily trying to elect that candidate, but they simply like his colorful manner, and so they mention him frequently, and neglect the other candidate.

Under section 315 there is a requirement, with respect to certain news broadcasts, that equal time be provided. That requirement no longer obtains, but the element of fairness must receive serious consideration.

Furthermore, we do not have sufficient funds to be able to do the work the Senator has mentioned. We have been seeking grants from foundations in order to do that work.

Mr. ELLENDER. Does the Senator want the subcommittee to act as a watchdog?

Mr. YARBOROUGH. Yes. The candidates' television programs should be monitored; and the only way to know whether equal treatment and fair treatment is given is to listen to the programs constantly.

After one complaint was made, it was found that although the television station said it did not favor a certain candidate, nevertheless, the station arranged to have that candidate appear on the television program immediately following a news broadcast in which the broadcaster had been placing great emphasis on the platform of one of the two political parties; and the platform the broadcaster had been emphasizing "just happened" to be the platform of the particular candidate who then appeared on the program.

In other words, the purpose of this subcommittee is to make sure that there is fairness in connection with the news media.

This resolution calls for a small, timid beginning; but certainly a small beginning is better than none, and certainly some beginning must be made.

It is a fallacy to have a so-called watchdog subcommittee, but not permit it to have any staff. The subcommittee must have a staff if it is to determine whether equal television or radio time is granted to the various candidates and parties.

Mr. ELLENDER. Of course the Senator knows the evil which would follow from the appointment of a watchdog committee to see to it that all the laws were strictly obeyed, and so forth. If we were to do that, we would have myriads of subcommittees. If fact, we have too many now.

As I understand, the subcommittee is to have until January 31, 1961, to do its work. Is that correct? That is in accordance with the wording of the resolution.

Mr. YARBOROUGH. That is the same base that the other committees have.

Mr. ELLENDER. Do I correctly understand that the work of the subcommittee can be completed by then?

Mr. YARBOROUGH. I do not think so; I think it will take longer.

Mr. ELLENDER. In other words, the subcommittee would be more or less a permanent one, would it?

Mr. YARBOROUGH. I do not think so. I think the crucial time for the subcommittee is this year, during the great national election.

Mr. ELLENDER. Is it the view of the Senator that after the coming national election there will be no need for the subcommittee?

Mr. YARBOROUGH. Well, in the bill the Congress passed last year, amending the Communications Act of 1934, Congress declared its intention to be to reexamine the amendment of section 315 (a) of the Communications Act of 1934, made by the first section of that act, at or before the end of the 3-year period beginning on the date of the enactment of that act. That was last year. So, at some time during the 3-year period, the Congress is to reexamine that question. One year has already passed; 2 years remain. I do not know whether the Congress will wish to wait until the end of the 2 remaining years before it reexamines that question. But certainly the Congress should not wait more than 2 years.

Certainly it would end before the end of the period in which the Congress of the United States has declared it will reexamine the question to see whether there is fairness of treatment in news commentaries, news documentation, on-the-spot coverage of news, or panel discussions.

Mr. DIRKSEN. Mr. President, I ask for recognition.

The PRESIDING OFFICER (Mr. Moss in the chair). The Senator from Illinois is recognized.

Mr. DIRKSEN. This is a very unusual resolution. I say that for a number of reasons. In the first place, the public law to deal with section 315, providing for equal-time facilities for candidates, actually became public law in September 1959. That was about 9 months ago. Insofar as I know, there were no elections in September of 1959. I know of no elections in October or November or December of that year, unless they were special elections.

Now a campaign is beginning, and, of course, it has got a rather ardent start—maybe it got an ardent start in 1959—but it is a little amazing, 9 months after this kind of legislation was put on the statute books, that the Senate would undertake to set up a special monitoring committee, with very broad powers, to have authority starting with the date of the approval of the resolution and ending on the last day of January 1961. That will be a period of about 7 months, and certainly it will embrace the period from now on that will be coextensive with the presidential, senatorial, and congressional campaigns.

As I read the language of the resolution, it provides for authority to examine, investigate, and make a complete study of all matters pertaining to Federal policy on uses of Government licensed media for the dissemination of political opinions, news, advertising, and the presentations of political candidates.

As I have pointed out, the law has been on the statute books only since September of last year. How many complaints could actually have arisen? And when will the complaints be made, unless they are made after the coming campaign is over? But are we going to have a Senate committee dipping right in the middle of a campaign to determine whether or not Republicans or Democrats were favorites with respect to the use of time on television or radio? Are we going to have a committee, even if it is a small committee, with a clerical staff of three, going around the country, poking into this matter, and, by the very existence of the committee, exercising an influence in the campaign itself? This is just as transparent as a plate glass window, in my book, and it is quite obvious that it has a very definite political purpose.

Somebody may object to that statement, but I let the language speak for itself, and I let the timing speak for itself. The committee is going to last only 7 months. If it were going to be a real oversight committee, it would, after the campaign was over, dispassionately and rather calmly make its finding on the basis of the abuses that may have been brought to light and the complaints that may have been filed.

It is rather interesting that the Federal Communications Commission, for the new budget year, asked for $300,000 for monitoring purposes. That means, of course, monitoring of radio and television. That is the regulatory agency which was created by the Congress for that purpose, and if there is anything wrong with it, then let Congress aim its guns at the regulatory agency, and not set up a political committee that will

have a life of 7 months and end in January, 9 or 10 or 11 days after the inauguration of the new President of the United States.

Mr. PASTORE. Mr. President, will the Senator yield for a moment?

Mr. DIRKSEN. I yield.

Mr. PASTORE. I think everything the Senator from Illinois is saying could truthfully be said about the resolution unless we tied it in or associated it with what transpired a year ago in our Senate history, when we amended section 315 of the Communications Act.

The monitoring the Senator is talking about, with reference to the appropriation, has particularly to do with deception in some of the commercialization in broadcasting that goes out over radio and television, and is not in connection with section 315 of the law, which has to do with equal time.

This resolution was not the idea of the junior Senator from Rhode Island.

Mr. DIRKSEN. I know it was not.

Mr. PASTORE. But let me say I think it is a good resolution in this respect: Unless we had initiated this sort of watchdog committee, I doubt very much we would have been able, in 1959, to amend section 315 of the Communications Act, as a result of the Lar Daly case, with which the Senator from Illinois is familiar.

Mr. DIRKSEN. Very familiar.

Mr. PASTORE. Many persons thought we could expect chaos in this particular field if Congress did not amend the law. I think the history of 1959 will bear me out in this statement. There are many present who were rather apprehensive and felt we should not amend the law. The broadcasters took the position that Congress should repeal section 315 entirely. Very frankly, I am inclined to lean that way. I think the broadcasting systems today have reached a position of integrity and good judgment so that they can very well parcel out time without the assistance of any law. But I think the resolution would lean in this direction. There is a question as to how far we should go and whether we have gone far enough. I do not think there is any ulterior motive involved in this proposal. I do not think it is connected with the campaign of 1960 and intended merely to spy on Republicans or Democrats. That was not the purpose of the proposal at all. There was confusion at the time we amended that law in 1959 as to whether or not we might be going in the right direction. The suggestion was made that we should have a watchdog committee. I stated at that time the junior Senator from Rhode Island was not equipped in the subcommittee to undertake that responsibility and do an adequate job. That is the genesis of this particular resolution.

A lot can be said on both sides of the question in connection with what we did in 1959. There is no ulterior motive involved here. There is no intention of spying. The resolution will serve a good purpose because it will clarify the whole question of equal time under section 315.

Mr. DIRKSEN. Mr. President, I do not know where we are going, if we amend the law as we did in respect to section 315 and then, within a few months, set up a watchdog committee, when there are not even any dogs to be watched as yet.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. PASTORE. With a watchdog committee, it is the dogs who do the watching and I know there are a lot of candidates to be watched.

I will say this: The complaints will come. I think this committee will serve a very useful purpose. We will know definitely, when we meet again in January, whether section 315 is necessary at all, whether we have gone too far or whether we have not gone far enough in amending the law. All of this was discussed at the time we amended the law last year.

I repeat: Had the promise not been made to watchdog this whole activity, I doubt very much that we would have pulled ourselves out of the dilemma which the Lar Daly decision put us in.

Mr. DIRKSEN. Mr. President, there were no printed hearings on this bill.

I do not know who appeared before the committee. I do not know if the committee heard the members of the Federal Communications Commission. I do not know if representatives of the industry were called in.

I know there are no printed hearings. I know there is no source to which we can go to find some background upon this thing.

I know that this is a request for an oversight committee, for a watchdog committee, to become effective from the day the resolution is approved, even if it is approved today, until the 31st of January, right in the middle of a presidential, a senatorial, and a congressional campaign.

Why should we not wait for the development of some background? Why should we not wait for some complaints? Why should we not wait for some abuses? Why should we not wait to see whether the FCC will do its job as a monitoring agency? Why should we not wait to see whether the industry will impartially, fairly, and equitably carry out the intent, the purpose, and the spirit of section 315, as it was amended?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the distinguished Senator from Montana.

Mr. MANSFIELD. Mr. President, with the permission of the distinguished Senator from Illinois, I should like to ask two questions of the Senator from Rhode Island.

First, what is the expiration date of the resolution?

Mr. PASTORE. It is January 31, 1961.

Mr. MANSFIELD. The second question is: Does the Senator think the work contemplated by the so-called watchdog committee can be completed by January 31, 1961?

Mr. PASTORE. I know in saying this I am going to be disagreeing with my distinguished colleague from Texas, but I am inclined to think so. As a matter of fact, if there is anything left which spills over into 1961, I think it can be considered by the regular Subcommittee on Communications.

In answer to the observation made by the distinguished Senator from Illinois, I think the complaints will come during the progress of the campaign. That is the period when one hears from a host of candidates who feel they are not being given equal opportunities. Perhaps next year will be too late to consider the matter. That has been the trouble right along.

Section 315 has led us into an area of tremendous confusion. I think the confusion ought to be eliminated once and for all. I have every confidence that this action will help immensely to do that. I would not want to see the work continued beyond that time. That is my personal feeling. I know others feel differently, and that is their privilege.

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished Senator from Colorado [Mr. ALLOTT], who is a member of the Committee on Appropriations, whether it is not correct that the Federal Communications Commission has asked for $300,000 for monitoring services?

Mr. ALLOTT. It is true that in the hearings about a week ago the Federal Communications Commission appeared before the committee and requested that $300,000 be restored of a $315,000 cut made by the House of Representatives, for the purpose of establishing an investigatory area or committee, for the purpose of watching and monitoring radio stations.

I have been waiting to answer the statement made by the Senator from Rhode Island. I would not want to say that this is exclusively for one purpose. I would not say this is exclusively for the purpose of political broadcasting, but it is for the specific purpose of monitoring TV and radio broadcasts, to see that the law in all respects—in all respects—is complied with.

Under the showing which was made before the committee, under the showing which was made to us, this type of action would come under the law, as well as all technical and other violations of the Federal Communications Act.

Mr. PASTORE. If the Senator will yield to me, I do not dispute that statement one single iota. I am more or less familiar with the activities of the FCC, as the Senator from Colorado well knows.

Mr. ALLOTT. I do well know it.

Mr. PASTORE. Let me state the reason behind the monitoring. This all comes about from the quandary of the quiz shows, which have been investigated, and the misleading advertising and deception of the public, which has come to light. These things have given the genesis for the appropriation. I do not think the appropriation is particularly connected with section 315.

Mr. ALLOTT. I do not say it is particularly connected with it, but it is not limited to the areas the Senator has indicated.

Mr. PASTORE. That is true.

Mr. ALLOTT. Under the showing made by the Federal Communications Commission, the authority would include

these actions as well as every other phase of violations of the Communications Act.

Mr. PASTORE. I agree with the Senator. I agree.

Mr. DIRKSEN. Mr. President, I point out that 26 years ago we created the Federal Communications Commission. I was a Member of the other body when that was done. From that day to this the law has been amended and has been amplified. The functions and responsibilities of the Commission have been expanded.

We created the Commission for the purpose of getting some order out of chaos in the whole communications field. Now do we wish to undertake, by means of a Senate committee, to displace the Federal Communications Commission and its responsibilities under the law which the Congress wrote? The Commission has monitoring responsibilities, and it can carry them out not only in the advertising field but also in this field as well, if the Congress will only supply the Commission with the necessary funds and the necessary personnel with which to do its job.

In addition, this is supposed to be an objective committee. Obviously, this work is going to have to be done in a political atmosphere. How can we escape that? Politics is in the air. It is going to be in the air from now until the last vote is cast and counted in November. We cannot get away from it. The political fever is with us. It breaks out all over the place, like bugs in June.

I simply do not want to see another instrumentality, another weapon to mar the quiet, tranquil political surface which has been maintained so felicitously so long.

I do not want to see this kind of instrumentality created, which is going to frighten the radio and TV people, and is going to make them pull in their horns, and put a micrometer upon the calendar and upon the clock, to see whether we get a little more or a little less time. That is going to be one of the inevitables which will go along with the solemn committee which will send its staff abroad and examine into complaints. Pretty soon it will begin to stir up a rather bitter partisan feud.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. This has all the earmarks of that kind of an instrument.

I yield with pleasure.

Mr. PASTORE. I do not wish to prolong this interchange unduly, but the distinguished Senator from Illinois knows pretty well that the last person in the world who would want to frighten or to upset anyone is the junior Senator from Rhode Island. That is not proposed at all.

It is true that all of this is born in the atmosphere of politics. That is all section 315 deals with—candidates for political office. Section 315 relates specifically to candidates for political office. I do not think we can separate ourselves from this whole atmosphere of politics, if we are talking about section 315, because that is just what it deals with. It relates to the granting of equal time to candidates for political office. Naturally it is shrouded in politics. We cannot escape it.

Mr. DIRKSEN. Exactly so.

What is the urgency of this matter? Who has come in with entreaties? Who has come in on bended knee to address supplications to the committee and say, "Please. This is a world-shaking matter, and we have to have it done now. The law must become effective from the day the Senate solemnly places its stamp of approval upon the resolution."

Who has been in to demand this, I want to know?

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. PASTORE. I repeat that all this information was given in September of last year when we amended the law. Senators, at that time, were quite apprehensive about amending the law, and possibly would not have done so unless a promise had been made that the whole matter would be supervised. Such action gave birth to the idea. I repeat that the resolution is not mine. If the Senator from Illinois is opposed to it, he ought to vote against it, but I have stated the reason for its presentation. We have tried to explain it as candidly as we can.

There is no world-shaking importance to this resolution. We say merely that, in view of the fact that section 315 has caused so much disturbance to so many, the resolution should be adopted. The junior Senator from Rhode Island has not been disturbed. I have never had any trouble with the newspapers; I have never had any trouble with broadcasters. They have always given me equal time. As a matter of fact, perhaps I have often received more than equal time. I am not disturbed about the situation at all. But there are many Senators who feel that whenever the names of their opponents are mentioned, their names should also be on the same line.

I believe to quiet this apprehension on the part of a few we made a promise in 1959 that the whole matter would be supervised. That is the reason for the resolution. That is why the resolution has been submitted. If Senators are in favor of its adoption, they should vote for it; if they are opposed to it, they should vote against it. There is nothing in the resolution which is going to change the destiny of mankind, whether it is adopted or not. But I think that if the resolution is adopted, it will make the junior Senator from Texas [Mr. YARBOROUGH] very happy.

Mr. DIRKSEN. I am sure it would. I ask my distinguished friend from Rhode Island to whom the assurance was given.

Mr. PASTORE. To the Senate at large.

Mr. DIRKSEN. I did not hear any assurance that would be supervision.

Mr. PASTORE. The Senator from Illinois was not here, but the statement appears in the RECORD.

Mr. DIRKSEN. The Senator from Illinois has been out of the Washington, D.C., area only 1 day since the present session of the Senate convened.

Mr. PASTORE. The Senator from Illinois was not here when we were talking about the promise. It is in the RECORD, and I suggest that if the Senator will look at the RECORD, he will find it.

Mr. DIRKSEN. I should like to see the statement.

Mr. PASTORE. All the Senator needs to do is to look it up.

Mr. SCOTT. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield to the Senator from Pennsylvania, without losing my right to the floor.

Mr. SCOTT. I have no interest in obtaining the floor permanently.

I rise not to make the junior Senator from Texas happy, although I should be delighted to see him of good cheer at all times. I rise as one who was originally against the resolution and now supports it.

I am not unaware of the political ins-and-outs as affected by the use of television and radio, and I am not unaware of the functions of the Federal Communications Commission and of the application of section 315 as amended.

I had many misgivings about the resolution and the freedom of information subcommittee, but as I am the only member of the minority party to serve on this subcommittee, I have had occasion to attend hearings and to learn of the reasons for the existence of the subcommttee and to keep myself informed as to whether or not this is a good proposal.

The Federal Communications Commission has many powers. The one under discussion I believe is one that it would be most hesitant to make use of, unless we have the benefit of the authority vested in this subcommittee of three. The purpose of the subcommittee is to make certain that equal time will be given to candidates for office this fall, for the office of President in particular, and while I think some of our friends on the other side of the aisle feel that they have at times less time than the Members on this side, in my opinion that is not the case. There is always the accusation that someone is "more equal" than someone else.

I think it is a good thing to monitor this campaign and satisfy everyone of the fairness and of the equal treatment to be accorded to rival candidates, but I changed my opinion with respect to this subcommittee at another time and for another reason, and that had to do with the auxiliary committees which appear frequently, well financed, for the purpose of advocating the election of one candidate or another to the Presidency. I have in mind citizens' committees, business advisory committees, committees of COPE, the agency of the AFL–CIO, and committees representing various other labor organizations.

There has been litigation on that question, notably in a famous case in Michigan, in which the Supreme Court to my mind came very close to deciding, and may yet decide, that under the first amendment to the U.S. Constitution there can be no limitation whatsoever on corporations or labor unions in the expenditure of money in behalf of the election of candidates.

I think perhaps that might be an unfortunate extension of the freedom of speech provisions of article I, but the

Supreme Court has certainly given indications that it is at least leaning in that direction, in view of the obiter dicta which occurred in the opinions of certain of the justices. Therefore, I am anxious to see that none of the auxiliary organizations which I mentioned advocating any particular candidate for the Presidency gains an unfair advantage over the other political party and its auxiliaries.

In other words, when a group appears on television and says, "We advocate the election of So and So," the time ought to be charged to that presidential candidate, whether it be used by a business group or a labor group. When they say, "We advocate the election of the other fellow," the argument equally applies. With great deference to my leader—and he knows I rarely disagree with him, and that I appreciate his reasoning and particularly enjoy his humor and his oratory—I hope he will forgive me for my deviation. But I did want to make the statement that I hope the resolution will pass. I thank the Senator for yielding.

Mr. DIRKSEN. Mr. President, my heart is suffused with nothing but charitable impulses as I see my friend persist in a pathway of error.

Mr. SCOTT. I shall return to the good sheep in due time.

Mr. DIRKSEN. I do not wish to disturb the tranquillity of a presidential campaign. I do not wish the caliper to be used to measure the time that may have been given to the President of the United States since the first of January to see if paragraph 9 on page 4 had any political implications, and whether, perhaps, some time ought to be given to the other side.

If, as my friend indicates, all manner of broadcasting is to be investigated, even when it is done by a labor organization or some other organization that has a preference for a candidate, I can see nothing but disturbance and difficulty before we get through.

So I hope that the Senate in its wisdom will not give its approval to a watchdog committee until there is some "doggery" to be watched. I leave the subject at that point. I have spoken my piece.

Mr. SCOTT. Mr. President, will the Senator yield to me briefly?

Mr. DIRKSEN. I yield with pleasure.

Mr. SCOTT. My concern is there may be some "sleeping doggery" around which ought to be observed.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I offer the amendment which I send to the desk.

On page 3, line 10, I propose to change the figure of $45,000 to $28,000.

It is apparent from what the distinguished Senator from Rhode Island stated that this subcommittee will probably be able to complete its work by January 31, 1961. Since there are 7 months remaining for the committee to do its work, and since the budgeted expenditures are a little under $4,000 a month, I believe that the sum of $28,000 would be sufficient.

I invite the attention of the Senate to the fact that it is proposed to hire only three persons: One professional staff member for the Democrats, one professional staff member for the Republicans, and a clerical assistant at a salary of under $5,000. There being only 7 months remaining, it strikes me that the sum of $28,000, or perhaps $30,000 to get an even figure, would be sufficient.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YARBOROUGH. Will the Senator make the amount $35,000?

Mr. ELLENDER. Perhaps $30,000 would be sufficient.

Mr. YARBOROUGH. I am thinking of the expenses that will be involved.

Mr. ELLENDER. Mr. President, I modify my amendment to provide for $35,000.

The PRESIDING OFFICER. The Senator modifies his amendment accordingly.

Mr. YARBOROUGH. I will accept the amendment calling for $35,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Louisiana.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The resolution is open to further amendment.

Mr. ELLENDER. Mr. President, in connection with my remarks, I ask unanimous consent that the budget of the committee, appearing at page 3 of the report, be incorporated in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Budget of the Committee on Interstate and Foreign Commerce providing for a study of the uses of Government-licensed media for the dissemination of political opinions, news, etc., pursuant to S. Res. 305, for the period of Feb. 1, 1960, through Jan. 31, 1961

Position	Number	Base salary (per annum)	Gross salary (per annum)	Monthly salary (gross)	Total for period of budget (gross)
STAFF					
Professional staff member	1	$8,000	$14,979.45	$1,248.28	$14,979.45
Professional staff member (minority)	1	7,200	13,671.57	1,139.29	13,671.57
Clerical staff: Clerical assistant	1	2,040	4,499.50	374.95	4,499.50
Total	3				33,150.52
ADMINISTRATIVE					
Contribution to civil service retirement fund (6½ percent of total salaries)					2,154.78
Contribution to employees health benefit programs (Public Law 86-382, effective July 1, 1960)					121.68
Travel (inclusive of field investigations)					3,000.00
Hearings (inclusive of reporters' fees)					3,000.00
Stationery, office supplies					300.00
Communications (telephone, telegraph, and postage)					1,200.00
Newspapers, magazines, and documents					200.00
Contingent fund					1,873.02
Total					11,849.48
Grand total, S. Res. 305					45,000.00

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to.

The preamble was agreed to.

PARTICIPATION IN AN INTERNATIONAL CONVENTION OF CITIZENS FROM THE NORTH ATLANTIC TREATY NATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1163, Senate Joint Resolution 170.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (S.J. Res. 170) to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment of U.S. delegates to such conventions, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum, without losing my right to the floor.

Mr. ALLOTT. Mr. President, will the Senator withhold that request for 2 minutes?

Mr. MANSFIELD. I withhold it.

A TIME OF DECISION

Mr. KENNEDY obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the understanding that the Senator from Massachusetts does not lose his right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, May 17, 1960, marked the end of an era—an era of illusion, the illusion that personal good will is a substitute for hard, carefully prepared bargaining on concrete issues, the illusion that good intentions and pious principles are a substitute for strong creative leadership.

For on May 17, 1960, the long-awaited, highly publicized summit conference collapsed. That collapse was the direct result of Soviet determination to destroy the talks. The insults and distortions of Mr. Khrushchev and the violence of his attacks shocked all Americans, and united the country in admiration for the dignity and self-control of President Eisenhower. Regardless of party, all of us deeply resented Russian abuse of this Nation and its President, and all of us shared a common disappointment at the failure of the conference. Nevertheless, it is imperative that we, as a nation, rise above our resentment and frustration to a critical reexamination of the events at Paris and their meaning for America.

I do not now intend to rehash the sorry story of the U–2 incident. The Senate Foreign Relations Committee has raised, in a constructive manner, the questions which must be raised, if we are to profit from that unfortunate experience. Nor do I wish to exaggerate the long-range importance of the U–2 incident or the Khrushchev attacks in Paris.

For the harsh facts of the matter are that the effort to eliminate world tensions and end the cold war through a summit meeting—necessary as such an effort was to demonstrate America's willingness to seek peaceful solutions—was doomed to failure long before the U–2 ever fell on Soviet soil. This effort was doomed to failure because we have failed for the past 8 years to build the positions of long-term strength essential to successful negotiation. It was doomed because we were unprepared with new policies or new programs for the settlement of outstanding substantive issues. It was doomed because the Soviet Union knew it had more to gain from the increasing deterioration of America's world position than from any concessions that might be made in Paris. Only Mr. Khrushchev's intransigence and violent temper saved the United States from an embarrassing exposure of our inability to make the summit meaningful.

Trunkloads of papers, I am told, were sent to Paris, but no new plans or positions were included. Our unwillingness to go to the summit had changed, but the steady decrease in our relative strength had not changed. Our allies and our own people had been misled into believing that there was some point to holding a summit conference, that we were prepared to say more than what changes in the status quo we would not accept, that by a miracle of personal charm and public relations the Russians could be cajoled into yielding some of their hard-won positions of strength, that we had some conception of alternative settlements that were both acceptable to us and possibly acceptable to the Soviets.

But the truth of the matter is that we were not prepared for any such negotiations and that there was no real success which the summit could have achieved, for words and discussions are not a substitute for strength—they are an instrument for the translation of strength into survival and peace.

We are, in short, in a sense, fortunate that the violent manner in which the Soviets carried out their determination to wreck the summit made it clear to the world that the blame for the collapse of the conference rests on Mr. Khrushchev. And we shall also be fortunate if the violence of the Paris encounters shocks American leaders and the American people into a renewed awareness of the perils we face, the sacrifices we must make, and the urgency of our need for leadership.

This is the real issue of American foreign policy today, not the ill-considered timing of the U–2 or the inconsistent statements of our Government. The real issue—and the real lesson of Paris—is the lack of long-range preparation, the lack of policy planning, the lack of a coherent and purposeful national strategy backed by strength.

This is an issue worthy of a great debate, a debate by the American people through the media of their political parties—and that debate must not be stifled or degraded by empty appeals to national unity, false cries of appeasement, or deceptive slogans about "standing up to Khrushchev." For the issue is not who can best "stand up to Khrushchev" or who can best swap threats and insults. The real issue is who can stand up and summon America's vast resources to the defense of freedom against the most dangerous enemy it has ever faced.

If the 1960 campaign should degenerate into a contest of who can talk toughest to Khrushchev, or which party is the "party of war" or the "party of appeasement," or which candidate can tell the American voters what they want to hear, rather than what they need to hear, or who is soft on communism, or who can be hardest on foreign aid, then, in my opinion, it makes very little difference who the winners are in July and in November, the American people and the whole free world will be the losers.

For the next President of the United States, whoever he may be, will find he has considerably more to do than "stand up to Khrushchev," balance the budget, and mouth popular slogans, if he is to restore our Nation's relative strength and leadership. For he will find himself with far-flung commitments without the strength to meet them or to back them up. He will inherit policies formed largely as reactions to Soviet action, their limits set by budgeteers without regard to world conditions or America's needs, their effectiveness often undercut by overlapping or competing agencies. He will inherit membership in alliances of uncertain stability and in international organizations of obsolete structure. He will inherit programs which have been frequently administered by shortsighted, unsympathetic men opposed to the very programs they are administering, awaiting their own return to private industry, and so lacking in compassion for our domestic needs as to be incapable of compassion for the desperate needs of the world's peoples. He will face a world of revolution and turmoil armed with policies which seek only to freeze the status quo and turn back the inevitable tides of change.

To be sure, we have, in 1960, most of the formal tools of foreign policy: We have a Defense Establishment, a foreign-aid program, a Western alliance, a Disarmament Committee, an information service, an intelligence operation, and a National Security Council. But, except for the brilliant legislative inquiry being conducted by the subcommittee of the Senator from Washington [Mr. JACKSON] we have failed to appraise and reevaluate these tools in the light of our changing world position. We have failed to adapt these tools to the formulation of a long-range, coordinated strategy to meet the determined Soviet program for world domination—a program which skillfully blends the weapons of military might, political subversion, economic penetration, and ideological conquest. We are forced to rely upon piecemeal programs, obsolete policies, and meaningless slogans. We have no fresh ideas with which to break the stalemate in Germany, the stalemate over arms control, the stalemate in Berlin, and all the rest. We have as our grand strategy only the arms race and the cold war.

Our conferees have consistently gone to the international bargaining table ill staffed, ill prepared, and ill advised. Coordinated efforts—with all agencies and all allies—have faltered without strong direction from the top; and strong direction from the top has often faltered because the President was not kept fully informed. The fact of the matter is that long-range problems in foreign affairs cannot be faced effectively by a party which is unwilling to face long-range problems at home. The destinies of a fast-changing world cannot be shaped effectively by a party traditionally opposed to change and progress. Coherent direction and purpose for the free world cannot be provided effectively by a party which does not provide them for our own people.

As a substitute for policy, President Eisenhower has tried smiling at the Russians; our State Department has tried frowning at them; and Mr. NIXON has tried both. None have succeeded. For we cannot conceal or overcome our lack of purpose and our failure of planning, by talking tough; nor can we compensate for our weaknesses by talking smoothly and by assuming that the righteousness of our principles will ensure their victory. For just as we know that might never makes right, we must also remember that right, unfortunately, never makes might.

Thus, neither our smiles nor our frowns have ever altered Mr. Khrushchev's course, however he may alter his expression. His real goals have remained unmoved, his interests unchanged, his determination unending. And so long as Mr. Khrushchev is convinced that the balance of world power is shifting his way, no amount of either smiles or toughness, neither Camp David

talks nor kitchen debates, can compel him to enter fruitful negotiations.

So let us abandon the useless discussion of who can best "stand up to Khrushchev," or whether a hard or soft line is preferable. Our task is to rebuild our strength and the strength of the free world—to prove to the Soviets that time and the course of history are not on their side, that the balance of world power is not shifting their way—and that, therefore, peaceful settlement is essential to mutual survival. Our task is to devise a national strategy—based not on the 11th-hour responses to Soviet created crises—but a comprehensive set of carefully prepared, long-term policies designed to increase the strength of the non-Communist world. Until this task is accomplished, there is no point in returning to the summit—for no President of the United States must ever again be put in the position of traveling across the seas, armed only with vague, speculative hopes, in order to provide an occasion for public humiliation. And unless this task is accomplished as we move into the most critical period since the founding of our Nation, our national security and our survival itself will be in peril.

The hour is late, but the agenda is long.

First. We must make invulnerable a nuclear retaliatory power second to none—by making possible now a stopgap air alert and base-dispersal program—and by stepping up our development and production of the ultimate missiles that can close the gap and will not be wiped out in a surprise attack—Polaris, Minuteman, and long-range air-to-ground missiles—meanwhile increasing our production of Atlas missiles, hardening our bases, and improving our continental defense and warning systems. As a power which will never strike first, we require a retaliatory capacity based on hidden, moving, or invulnerable weapons in such force as to deter any aggressor from threatening an attack which he knows could not destroy enough of our force to prevent his own destruction. And we must also critically reexamine the farflung oversea base structure on which much of our present retaliatory strength is based. We must contribute to the political and economic stability of the nations in which our vital bases are located—and develop alternative plans for positions which may become untenable.

Second. We must regain the ability to intervene effectively and swiftly in any limited war anywhere in the world, augmenting, modernizing, and providing increased mobility and versatility for the conventional forces and weapons of our Army and Marine Corps. So long as those forces lack the necessary airlift and sealift capacity and versatility of firepower, we cannot protect our commitments around the globe—resist nonnuclear aggressions or be certain of having enough time to decide on the use of our nuclear power.

Third. We must rebuild NATO into a viable and consolidated military force capable of deterring any kind of attack, unified in weaponry and responsibility. Aiming beyond a narrow military alliance united only by mutual fears, a return to mutual consultation and respect—and a determined American effort to create a free world economy—can help overcome schismatic economic rivalries between the Continent and Britain, and the Common Market and the Outer Seven, as well as other Western differences in military and political policy. We need a common effort to protect vital international reserves, to adopt more consistent tariff policies on both sides of the Atlantic, and—perhaps most important—to merge Western contributions to the underdeveloped areas.

Fourth. We must, in collaboration with Western Europe and Japan, greatly increase the flow of capital to the underdeveloped areas of Asia, Africa, the Middle East, and Latin America—frustrating the Communist hopes for chaos in those nations—enabling emerging nations to achieve economic as well as political independence and closing the dangerous gap that is now widening between our living standards and theirs. Above all, it is vital that we aid India to make a success of her new 5-year program—a success that will enable her to compete with Red China for economic leadership of all Asia. And we must undertake this effort in a spirit of generosity motivated by a desire to help our fellow citizens of the world, not as narrow bankers or self-seeking politicians. Our present foreign aid programs have neglected the great, visionary, partnership principles of the Marshall plan and point 4—they have been subordinated to narrow, expedient, and temporary ends. Money has been poured into military assistance programs, and in many cases has been wasted, at the expense of vitally necessary economic development. The next President will have to devise an entirely revamped foreign aid program which will make the long-term commitments essential to successful planning—a program whose administration will not be hampered by waste and mismanagement or by unsympathetic and unqualified administrators. And part of this program must be a new and expanded effort to use our food surpluses to feed the world's hungry, storing these surpluses in "food banks" abroad.

Fifth. We must reconstruct our relations with the Latin American democracies, bringing them into full Western partnership; working through a strengthened Organization of American States, increasing the flow of technical assistance, development capital, private investment, exchange students, and agricultural surpluses, perhaps through the large-scale "operation Pan-America," which has been proposed by the President of Brazil, and pursuing practical agreements for stabilizing commodity prices, trade routes, and currency convertibility. A return to the good neighbor policy is not enough. Dollar diplomacy is not enough. A patronizing attitude, taking for granted their dedication to an anti-Communist crusade, is not enough. We will need a whole new set of attitudes and emphasis to make the nations of Latin America full partners in the rapid development of the Western Hemisphere.

Sixth. We must formulate, with both imagination and restraint, a new approach to the Middle East—not pressing our case so hard that the Arabs feel their neutrality and nationalism are threatened, but accepting those forces and seeking to help channel them along constructive lines, while at the same time trying to hasten the inevitable Arab acceptance of the permanence of Israel. We must give our support to programs to help people instead of regimes—to work in terms of their problems, as well as ours, and seek permanent settlement among Arabs and Israelis based not on an armed truce but on mutual self-interest. Guns and anti-Communist pacts and propaganda and the traditional piecemeal approach to the Middle East are not enough—refugee resettlement and a regional resources development fund in full partnership with the Middle Eastern nations, are all parts of a long-range strategy which is both practical and in the best interests of all concerned.

Seventh. We must greatly increase our efforts to encourage the newly emerging nations of the vast continent of Africa.

And, as chairman of the Subcommittee on African Affairs of the Committee on Foreign Relations, let me remind the Senate that in a few years, the countries of Africa will control one-quarter of all the votes in the General Assembly of the United Nations. We must greatly increase our efforts to persuade them that they do not have to turn to Moscow for the guidance and friendship they so desperately need—to help them achieve the economic progress on which the welfare of their people and their ability to resist Communist subversion depends. We can no longer afford policies which refuse to accept the inevitable triumph of nationalism in Africa, the inevitable end of colonialism, and, fortunately, colonialism will end, not only in Africa, but, in the long run resistance to colonialism and the rise of nationalism will be the basic influence which will undermine the great Communist colonial empire. Nor can we afford policies which refuse to accept the unyielding determination of the new African states to lift their people from their age-old poverty and hunger and ignorance. The case history of the newly formed country of Guinea is a warning of what can happen to other countries of Africa if the United States remains indifferent to their pressing needs. We must answer the critical African need for educated men to build the factories, run the schools, and staff the governments, by sending a growing stream of technical experts and educators to Africa—and by bringing far greater numbers of African students—future African leaders—to our own universities for training.

Agricultural experts must be sent into areas where the land is unproductive and where modern methods of agriculture are unknown in order to raise subsistence levels of farming and insure adequate supplies of food—and while this is being done we must use our own food surpluses to prevent hunger. We must establish a multination economic development loan fund—a full working partnership between the nations of the

West and the nations of Africa—to provide the capital necessary to start African economic growth on its way.

And finally, if our policies toward Africa are to be effective, we must extend this aid in terms of America's desire to bring freedom and prosperity to Africa—not in terms of a narrow self-interest which seeks only to use African nations as pawns in the cold war.

Eighth. We must plan a long-range solution to the problems of Berlin. We must show no uncertainty over our determination to defend Berlin and meet our commitments—but we must realize that a solution to the problems of that beleagured city is only possible, in the long run, in the context of a solution of the problems of Germany and, indeed, the problems of all Europe. We must look forward to a free Berlin, in a united Germany in a Europe where tensions and armaments have been reduced—where perhaps the suggestions of General de Gaulle and Premier Adenauer requiring Soviet withdrawal behind the Urals can be accepted. Such a solution is far from a reality today—but both our good faith and our will to resist are dependent on our willingness to face the total problem of tension and conflict in this section of Europe. We must remain precise in our determination to meet our commitments until a change in Soviet policy permits a constructive solution. In the meantime, we should explore how the moral authority of the U.N. could be used to strengthen the security presently provided to the people of West Berlin.

Ninth. We must prepare and hold in readiness more flexible and realistic tools for use in Eastern Europe.

Such tools are contained in the legislation sponsored by the Senator from Vermont and myself which the Senate passed last summer, and which would provide the President with discretion to give economic aid to disaffected Iron Curtain countries. The policy of liberation, proudly proclaimed 8 years ago, has proved to be a snare and a delusion. The tragic uprising in East Germany, in Poland, and in Hungary demonstrated clearly that we had neither the intention or the capacity to liberate Eastern Europe and the false hopes raised by our promises were cruelly crushed. We must now begin to work slowly and carefully toward programs designed to encourage discontented Iron Curtain countries to permit the spread of what Thomas Jefferson called the disease of liberty—to nourish the seeds of liberty in any cracks appearing in the Iron Curtain by reducing economic and ideological dependence on Russia.

There are already opportunities in Poland for greater American initiative, aid, trade, tourism, information services, student and teacher exchanges, and the use of our capital and technology to advance the standard of living of the Polish people. Closer relationships can in time be offered in other so-called captive nations as well—showing a creative interest, not a closed mind, by the nation that represents their one great hope for freedom.

Why should we permit the Soviet Union to work, night and day, to subvert the determination of the people of Africa to remain free, while at the same time our policies make it impossible for us to carry out any effective relationships with the countries of Eastern Europe—the most vulnerable part of the Soviet Empire? To give Soviet Russia a free hand in her vulnerable areas, while Russia is permitted to move unhampered in Africa, Asia, and South America, both is shortsighted and unwise.

Tenth. We must reassess a China policy which has failed dismally to move toward its principal objective of weakening Communist rule in the mainland—a policy which has failed to prevent a steady growth in Communist strength—and a policy which offers no real solution to the problems of a militant China. We need to formulate proposals for a reduction of tension in the Formosa Straits—at the same time making clear our determination to defend that island and to meet our treaty commitment. We must act through an Asian regional development organization to stabilize the nations of non-Communist Asia both politically and economically, so as to strengthen their resistance to Communist pressures. And, although we should not now recognize Red China or agree to its admission to the United Nations without a genuine change in her belligerent attitude toward her Asian neighbors and the world—and regrettably there is evidence that her belligerence is rising rather than receding—we must nevertheless work to improve at least our communications with mainland China. Perhaps a way could be found to bring the Chinese into the nuclear test ban talks at Geneva, for if we reached an agreement which did not bind Red China, then atomic tests could be continued on the mainland of China without inspection—and Red Chinese possession of atomic weapons could drastically alter the balance of power. If that contact proves fruitful, further cultural and economic contact could be tried. For only in this way can we inform ourselves of Communist activities, attempt to restore our historic friendship with the Chinese people, and—perhaps most important—make sure that we are not plunged into war by a Chinese miscalculation of our determination to defend all of free Asia. Today we have no affirmative policies—only an attitude of negative resistance in the face of a growing danger of hostile action resulting from mutual miscalculation. This cannot last in a world where the Red Chinese are increasingly important, increasingly menacing, and increasingly impossible to omit from effective international agreements on subjects such as arms control.

Eleventh. We must begin to develop new, workable programs for peace and the control of arms. We have been unwilling to plan for disarmament.

We have had less than 100 people working in the entire administration on the subject of disarmament, and we have always left the initiative in the hands of the Russians. An Arms Control Research Institute—or a Peace Institute, as suggested by the Senator from Minnesota [Mr. HUMPHREY] could undertake the technical studies needed before we can detect and monitor the vast and complex weapons systems of modern warfare. The entire world hopes that the collapse at the summit has not destroyed man's hope for a nuclear test ban. But if such a ban is achieved, it must only be the first step toward halting the spiraling arms race which burdens the entire world with a fantastic financial drain, excessive military establishments, and the chance of an accidental or irrational triggering of a worldwide holocaust. At the same time, we must move toward the eventual rule of international law by working to strengthen the United Nations and to increase its role in resolving international conflicts and planning for international scientific and economic development.

Twelfth, and finally, we must work to build the stronger America on which our ultimate ability to defend ourselves and the free world depends. We must increase our own scientific effort—not only by strengthening and revamping existing research programs in all fields, including the exploration of space—but by building an educational system which can produce the talent and skill on which our future strength and progress depends. We must work to create an America with an expanding economy, where growth is not dissipated in inflation, and consumer luxuries are not confused with national strength—an economy capable of supporting our massive needs and our new programs. And we must also work to create an America of equal opportunity and economic justice for all men of all ages, races, and creeds—an America which will be, as this country was intended by the Founding Fathers to be, a living example of freedom to the world.

This is a large agenda—a challenging agenda—and yet I do not pretend that it is, in any sense, complete. For if there is one certain thing in a world of change, it is that the coming years will bring new problems, undreamed-of challenges, unanticipated opportunities.

The next President will confront a task of unparalleled dimensions. But this task will not be his alone. For just as he must offer leadership and demand sacrifices, the American people must be willing to respond to these demands.

I realize also that the length of this agenda is in sharp contrast with the rosy reassurances of the administration. "America is today," the Vice President told his national committee Saturday, summarizing our position in the world, "the strongest country militarily, the strongest country economically, with the best educational system and the finest scientists in the world, over all." To feed that kind of diet to the American people during the coming months—to confine our national posture to one of talking louder and louder while carrying a smaller and smaller stick—is to trade the long-range needs of the Nation and the free world for the short-term appearance of security.

For all America—its President, and its people—the coming years will be a time of decision. We must decide whether we have reached our limit—whether our greatness is past—whether we can go no further—or whether, in the words of

Thomas Wolfe, "the true discovery of America is before us—the true fulfillment of our mighty and immortal land is yet to come."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I wish to commend the distinguished Senator from Massachusetts for the maturity and courage he has shown in his speech today, a maturity and courage which he has also consistently shown in the field of domestic policy as well.

I think the Senator is to be commended also for the realism and the honesty with which he has addressed the Senate on this occasion, pointing out the fact that for years to come, if not for decades, we face a period of extreme tension.

I am glad also that the Senator brought to light once again the use of terms in this country of ours—such terms as "the party of war," "the party of appeasement," and so forth and so on. I will say that neither party is the party of war, and neither party is the party of appeasement.

The Senator has also pointed out that the inheritance of the next President, to use the Senator's words in that respect, is going to be a difficult one indeed, and that the sooner we as a Nation and as a people face up to the difficulties the better off we are going to be. It will take sacrifices. It may require more in the way of taxes. It may result in fewer radios, TV sets, and automobiles. However, I think we ought to face up to the realities of what the world really is, and not look back to the kind of world we wish it were.

I will say also that, wide ranging as was the Senator's speech, it left much ground, as the Senator recognized, still uncovered.

I compliment and commend the Senator from Massachusetts for taking the floor this afternoon, and I also wish to compliment the Senate for giving him its sober attention on this occasion.

Mr. KENNEDY. I thank the Senator from Montana. As the Senator suggests, the dialogue in the coming debate, if it is going to serve a useful national purpose, should be concerned with how we can develop sufficient national strength to meet our goals and to protect our security. It should not be confined to heaping invective upon either party.

As the Senator has said, neither party is the party of war or appeasement. No Member on this side of the aisle, when the President invited Mr. Khrushchev to meet with him at Camp David or when he agreed to attend a summit meeting, made charges that the Republican administration or the President was soft on communism or that the Republican Party was the party of appeasement. We applauded the President's effort to work out a solution to the very difficult problems which mark the relationship between the Soviet Union and the United States.

It seems to me that the debate of this campaign should relate to how we can strengthen our country. We should not attempt to mislead the American people by suggesting that any party or any group of Americans is less determined to protect our security and to meet our commitments than any other party or group.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to say to the Senator from Massachusetts that the address he has delivered represents the kind of comprehensive, integrated thinking on foreign policy and national security policy which is required for a nation with our responsibilities.

I have heard the Senator from Massachusetts address himself to these topics individually and sometimes in groupings on many occasions, and the points which were outlined by him, without necessary detail, but in their broad scope, represent the kind of totality of thinking that is necessary for the formulation of overall national strength. I compliment the Senator.

I believe, as the Senator from Montana has said, that the greatest compliment the Senator from Massachusetts has had today is the attention of Senators on both sides of the aisle and the fact that the galleries are filled with people who are interested not only in the Senator from Massachusetts, but in his message.

I believe the Senator will agree with me that the one subject which commands the attention of the American people, regardless of political party, regardless of geographical location, and regardless of cultural or ethnic background, is the subject of our national security, the subject of our national policy, and the Senator from Massachusetts [Mr. KENNEDY] in characteristic fashion—and I say that because of the speeches he has made on such controversial subjects as Algeria, for example—has again pointed out some of the leads we need to follow. We need a reexamination of our China policy, for example.

There is also the question of Berlin and its relationship to central Europe. His speech outlined long-range American policy. It was a good speech, a thoughtful one, and it is surely one which I can embrace and find very reassuring, and, at this moment of our history, very helpful.

Mr. KENNEDY. I thank the Senator from Minnesota very much for his generous statement, which is the kind of statement he always makes.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. LONG of Louisiana. The Senator has spoken of the flow of American investments to underdeveloped countries. I believe the Senator knows that the administration made proposals to encourage the flow of capital into such areas as early as 1953, but failed to fight for them. At the present time, there is before the Senate Finance Committee a bill passed by the House, the so-called Boggs bill, which would seek to take a stride in that direction. Support of that measure, however, has been so ineffectual, and there has been such lack of faith in the measure, that it appears the bill will hardly move at all.

Mr. KENNEDY. I do not believe that we should make direct foreign investments in the extracting industries, such as oil and minerals. Second, we should not encourage American capital investment abroad merely as a device to avoid labor costs at home.

This kind of investment is not productive of the kind of development which is needed. And private investment is needed because, regardless of the size of the Development Loan Fund, it could not provide enough capital to the underdeveloped portions of the world to meet all their needs.

Mr. GORE. Mr. President, I congratulate the Senator upon his thoughtful address. In the concluding paragraph of his speech the Senator said that we must decide whether we have reached our limit and whether our greatness is past. The able Senator has addressed most of his remarks to international relations. Unquestionably those dangers are acute. Unquestionably those problems are pressing. But if the question is to be answered as to whether our greatness is past, and if it is measured in comparative terms, does not the Senator think equal emphasis must be placed upon education, the rate of economic growth, and the fruition of freedom in the United States?

Mr. KENNEDY. Definitely. As I said, in my address:

> We must work to build the stronger America on which our ultimate ability to defend the free world depends.

Obviously, unless our economy achieves a greater rate of growth—so we can afford to do the things which need to be done to build our strength abroad and meet our needs at home—then quite obviously we are going to fall behind in the 1960's.

I believe that last year our economic growth was lower than the rate of growth of any other major industrialized society in the world. I believe that is one of the facts which greatly influences the countries to the south of us, and the countries of Africa and Asia, which are attempting to determine whether a free society is an effective way of mobilizing their resources, and developing their economy.

The reason for Franklin Roosevelt's great success in foreign policy, was the domestic policy which he carried out—a policy which gave the impression of a vital society in the United States and which served as a magnet to the people around the world who were attempting to decide what road they should travel. If we are not vital at home, we give the impression that the future belongs to the Communist world rather than to the free world.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. KENNEDY. I yield.

Mr. GORE. Freedom itself is one of the most revolutionary political concepts that has come to mankind. I agree with the Senator from Massachusetts that if its vitality and fruition can be demonstrated, its appeal will be made stronger.

I wish to ask the Senator from Massachusetts a question relating to the question and the remarks of the able junior Senator from Louisiana [Mr. LONG]. Does not the Senator from Massachusetts think that the next administration, whatever its identity, will early in its term of office face the vital and pressing necessity of a reassessment of foreign economic policy—including tax incentives which may or may not serve the foreign policy objectives or economic interests of the United States, international trade, foreign aid, military policy, and, indeed, the whole complex of economic relationships between the United States and the nations of the world, including the balance of payments?

Mr. KENNEDY. The Senator is correct. Economic policies everywhere are interrelated. For example, there is strong evidence that the major effect of the Common Market in Western Europe is going to be felt not in the United States but in Latin America. There may be an increasing shift in western European purchases from Latin America to Africa because of the Common Market policies aspect of Europe. Such a shift will greatly increase the problems facing the United States in maintaining vital economies in Latin America.

The Senator is correct in saying that the problems he mentioned will be at the top of the agenda of the next President. They concern many matters of domestic policy in which the Senator from Tennessee has been particularly interested—the problem of balance of payments, the whole question of interest rates, and all the rest.

Mr. GRUENING. I should like to express my enthusiasm for the masterful and comprehensive presentation of this tremendous subject by the able Senator from Massachusetts, and its proper placing in focus of the failures and errors that have characterized our foreign policy in recent years. I note particularly with approval his statement that the next President will have to devise an entirely new approach to the foreign aid program.

I believe that much opposition to foreign aid stems from the poor way it has been administered and the lack of true consultation and cooperation with the Congress. It has been too much of an executive proposition, without collaboration with the legislative branch of Government that really has the constitutional authority to provide the funds for that purpose. Traditionally, in foreign affairs, the Senate merely advises and consents, and that has been a more or less perfunctory performance, of giving approval to treaties and approval to foreign service and State Department appointments. However we have in recent years witnessed an entirely new instrument of foreign policy, the using of tremendous sums of money. That never occurred before the initiation of the foreign aid program.

There is the place where I believe Congress has fallen short of its duty and to which the next President as well as the Congress will have to give their fullest consideration. I share the views which the distinguished Senator from Massachusetts has expressed in his colloquy with the Senator from Tennessee [Mr. GORE], that the great success of President Franklin Delano Roosevelt's foreign policy was that he set an example with his domestic policy. He did not insist that the one was sacrosanct and that the other for our own resource development was wasteful and unnecessary.

I believe that the 12th and last proposal of the Senator from Massachusetts, that we must build a stronger America and must develop our own natural resources, points to one of the great failures of the Eisenhower-Nixon administration. It is naturally difficult to convince the American people that Federal aid to education, that legislation to remove the pollution of our rivers, for adequate housing, and our natural resource conservation and development programs, are inflationary, extravagant, wasteful, and unnecessary and will unbalance the budget, as the administration contends, whereas identical projects in foreign countries it proclaims are absolutely essential. That is applying a double standard. The same standard should at the very least be applied to both the foreign aid program and the domestic programs for our own people.

This is why I congratulate the distinguished Senator from Massachusetts on his excellent presentation, which I believe sets a new high standard for the debate that is bound to come in the coming months.

Mr. KENNEDY. I thank the Senator.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CHURCH. I, too, wish to join my colleagues in the Senate in commending the Senator from Massachusetts for the excellent address he has made on the floor of the Senate this afternoon. The Senator has very well documented the proposition that American power has been suffering a serious decline. That is not a partisan proposition. An eminent Republican, the Governor of New York, Mr. Rockefeller, said as much only a few days ago.

I wonder if the Senator would not agree with me that in addition to the question of American power there is also at stake the question of American prestige in the world. We live in a time when the world is not only in upheaval, but is increasingly polarized about two gigantic adversaries, the United States and the Soviet Union. If it is true that the Soviet Union is communism on exhibit, is it not also true that the United States is necessarily the showcase of democracy?

This is an age of science, where men tend to equate national excellence with scientific achievement.

It is ironic that the United States, which has been unquestionably the most highly industrialized and technologically advanced country in history, could ever lose out in a competition that was based upon technological achievement. Yet does it not have to be admitted that in the past 8 years this is precisely what has happened to us? Somehow we have lost and have never recaptured the Russian lead in the conquest of space. The Russians were the first to launch a satellite. They were the first to strike and photograph the backside of the moon. They were the first to orbit the sun.

I believe that we underestimate the impact of these triumphs at our own peril. Public opinion pollsters in our own newspapers, having taken the necessary surveys abroad, state that the average man on the streets of Paris, Cairo, Bombay, or Tokyo is of the opinion today that the Soviet Union has become the leading scientific country of the world. In the primitive and underdeveloped countries of Africa and Asia, where men's hopes for a better life depend solely upon the promise of modern science, what could constitute a more grievous blow to American prestige? Therefore, I should like to ask the Senator, in view of this, how can the American people possibly conclude that those who have been most closely associated, during the past 8 years, with what has become a growing debacle, could be best fitted to direct American affairs in the coming 4 years?

Mr. KENNEDY. I will let the Senator from Idaho answer that question.

Mr. CHURCH. My answer is the same as that of the Senator from Massachusetts. The American people will not accept that argument, and that is the reason why I believe they are going to elect a Democrat at the next presidential election.

Mr. KENNEDY. I may say to the Senator that the points he makes are excellent indeed. The Senator will recall that Mr. Khrushchev's description of the United States, which he gave at his meeting with members of the Committee on Foreign Relations—and which he repeated later on his visit to China—was that the United States was a sick, dying, faltering horse, and was about to collapse.

Therefore, I would say that what we do in the United States—the national vitality which we demonstrate—is really the best answer to Russian insults and propaganda.

In concluding my remarks, I would say that, as the Senator from Montana [Mr. MANSFIELD] has said, there are many other areas of our foreign policy which could profitably be discussed in the coming months. There are other subjects which might hold our attention. The Senator from Alaska [Mr. GRUENING] is about to speak on the Middle East and suggest policy changes there. It is my hope that we may devote our energies to these vital questions, so that whoever is successful in the election in November will be equipped as President, to invoke a new policy for the preservation of freedom and maintenance of peace. And I hope that neither party will engage in invective and personal abuse of one kind or another, which will not advance either the political interests of a party, or the interests of the American people.

The suggestions which I have made may be wrong, and I would be delighted to hear alternate suggestions put forward by Members from the other side of the aisle. But I would be reluctant and most dismayed if their responses were—

as they have been on recent occasions—in the form of charges that one Member or another is not as interested as they are defending American commitments and strengthening the security of the United States. This debate should be on the basis of how we can advance the security of our country, make our country stronger, and bring peace to the world. We will not solve that problem by questioning the loyalty of any Member of the Senate.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield for a question.

Mr. CAPEHART. Yes. Is it not a fact that practically all the problems that have been confronting this administration for the last 8 years, such as the Berlin situation, the East German situation, the cold war, and all the problems that the able Senator from Massachusetts has discussed in his speech were inherited by the present administration, which has been endeavoring to solve the problems which existed 8 years ago?

Mr. KENNEDY. Yes, I agree that the problem of Berlin was inherited. I would also agree that nothing has been changed, except a diminishing of the ability to bring about any difference in the status of Berlin and to insure greater security to the people.

My basic criticism of the administration's policy is that the real power and strength of the United States, militarily, scientifically, and in terms of economic production, has declined in relation to the Sino-Soviet bloc. Therefore, our ability to enforce agreements and to meet our commitments has been impaired during the past 8 years.

Mr. CAPEHART. Mr. President, I do not find, anywhere in the able Senator's speech, where he said he would correct that. Was he not merely calling the attention of the American people and the Senate to that which they already knew?

Mr. KENNEDY. The Senator from Indiana and I have been around and around in this situation. I recall when the Senator from Indiana requested that the Senate galleries be cleared when I suggested that the United States might move into a period of a missile gap from 1961 to 1963. The Senator from Indiana said that I revealed information beneficial to the Soviets. As a matter of fact, what I said was information which had already been revealed in General Gavin's book, which had been published a week or two before, and which had appeared in Life magazine.

I know that it struck the Senator from Indiana with the force of a thunderbolt; but the information had been public information for many months and had been the subject of many investigations.

I may say to the Senator from Indiana that the dialog in the coming debate should be a discussion between the two parties as to how we can strengthen the United States. I have suggested certain policies designed to strengthen the nation. That was the purpose of the speech. If the Senator from Indiana will read the speech with care, I am confident that he will see that some situations have changed in the past 8 years.

Mr. CAPEHART. I am one who for many years has felt that we pay entirely too much attention to Russia. We put information into Russia's hands with which she propagandizes us and hits us over the head. That is why I have objected to the speeches to which the Senator referred a moment ago. I have objected also to things which the administration has done in that respect.

I do not find anything in the Senator's speech which is particularly new. I do not particularly find anything which he said that was not a problem 8 years ago, following the recognition of Russia in 1933, the conferences which were held at Tehran and Yalta, and the concept of an administration which created the situation in which Berlin now is. Part of the control of Berlin was given to the Communists, and the entire city of Berlin was surrounded by East Germany, which is controlled by the Communists.

Those are things which were accomplished by former administrations. The present administration has tried to do something about them for 8 years. Frankly, I will admit that the efforts of this administration have not been very successful.

Mr. KENNEDY. That is correct.

Mr. CAPEHART. I do not know of anyone at the moment who has any idea how to handle them.

I cannot quite compliment the Senator from Massachusetts, as some Senators did, upon his speech. I think he covered the entire waterfront. I think he promised something to everybody in the world. He covered the entire field.

I do not know where we would get enough money to do the things he talks about. I do not know how we could do them. Frankly, I believe that kind of speech leaves false hopes in the minds of the world. I think that is what has got us into trouble today. We have made so many, many promises and speeches of this kind that the people of the world have listened to and read about that now they are disappointed because we do not have the resources and the ability to follow through and keep the many promises which have been made. Therein lies one of our great weaknesses.

In my opinion, we ought to quit promising a world with a fence around it to the people of the globe. I do not believe we have the resources to do that. We do not have the money or the resources.

If I understood the Senator's speech correctly, he was promising everything to Latin America, to Africa, to India, and to nations all over the world. He was going to solve the problems of those people. I think that leaves false hopes. It does more harm than good.

Mr. KENNEDY. I understand. In fact, I am complimented by the fact that the Senator from Indiana has not complimented my speech. [Laughter.]

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. LONG of Louisiana. I congratulate the Senator from Massachusetts upon what I believe to be a forthright declaration. The Senator has taken a position on a great number of issues and has made direct recommendations concerning what he proposes to do about them.

I hope the Senator's program would not involve an increase in budgetary spending, so far as the balancing of income and payments is concerned, because there are certain areas in which a great amount of effectiveness can be achieved without additional spending.

One item of that kind relates to the fantastic amount of duplication and triplication and interservice rivalry which exists among the Army, Navy, and Air Force. Also, even now, in the Space Agency, certainly fantastic amounts could be saved if we could ever achieve what has been declared to be the purpose of the Government for a great many years, namely, the true unification of all the services which relate to defense.

Mr. KENNEDY. The Senator from Louisiana is quite correct. So far as additional expenditures are concerned, I think a greater effort should be made in the missile field. The Senator from Arkansas, the Senator from Minnesota, and I, 2 years ago sponsored an amendment which we hoped would strengthen the Development Loan Fund, which we hoped would become the major agency of the Government for the administration of foreign aid on a loan basis.

A third point was that I hoped the Western European countries themselves would play the role which we have a right to expect them to play in assisting the underdeveloped countries with the solution of their urgent economic problems. These countries have not yet met this responsibility.

The Senator from Indiana said that I promised the world everything. If the Senator from Indiana will reread my speech with the attention that we have come to expect from him, he would see that that is not my intention. My promise, in a sense, is a promise to the entire free world, and the burdens of maintaining our freedom are mutual.

Mr. LONG of Louisiana. As an example of things that can be done, we have three ranges for firing missiles. The expense of maintaining them is tremendous. The ranges have to be many thousands of miles in length. In matters of that kind, we are trying to eliminate overlapping functions, particularly in the Defense Establishment, where the Army wants one, the Navy wants one, and so does the Air Force. In matters of that kind, tremendous savings could be achieved.

Mr. KENNEDY. I thank the Senator from Louisiana for his contribution to the discussion.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PROXMIRE. I have heard many speeches on the floor of the Senate, but this is one of the most constructive, positive, specific speeches I have heard. There was a series of 12 recommendations. In some cases they were fresh proposals. In all cases, they were carefully documented.

Contrary to the position expressed by the distinguished senior Senator from

Indiana [Mr. CAPEHART], I should say that the speech by the Senator from Massachusetts was unusually constructive. Not only did it call upon the American people for sacrifice, and point out that we cannot be providing the kind of America that the world must have, if we are to achieve peace, unless we are strong; but it seems to me that the speech delineated very precisely our goal when it emphasized, in point 11, that we must work and work much harder toward peace. The speech did not simply say that in general terms; it was precise.

The Senator from Massachusetts pointed out that we have less than 100 people now working on what is one of the most important and most troublesome problems in the world, the achievement of peace in a nuclear world. He proposed an arms control research institute. He pointed out that unless a test ban is achieved a holocaust of nuclear destruction is a terrible prospect for the world.

It seems to me that this is one of the most constructive and useful speeches I have heard in a long time. I am sure it will be widely read. I enthusiastically congratulate the Senator from Massachusetts upon having delivered it.

Mr. KENNEDY. I thank the Senator from Wisconsin.

Mr. GRUENING. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. GRUENING. I was wondering whether the distinguished Senator from Indiana [Mr. CAPEHART] in referring to promises, was not referring to the promises to liberate the enslaved satellites, to unleash Chiang Kai-shek, and to use massive retaliation. Those were pretty reckless promises. They were never fulfilled; but, as I recall, they were made by the Senator's own administration. If I am incorrect, I hope the Senator from Indiana will correct me.

Mr. KENNEDY. The journeys which the President has taken in the last year of his administration to India, Pakistan, Latin America, Africa, and Western Europe are trips which have raised the hopes of the people involved that American action will be more convincing. I wish those trips had been taken by the President earlier in his administration, so that they could be followed with action. Instead, only hopes have been raised. The same hopes which have been raised, fortunately, for more than 150 years. The United States has always represented the center of hope for the people of the world.

I do not share the view of the Senator from Indiana that by raising hopes we shall disillusion the people of the free world. We stimulate hope that they, too, can both be free and maintain a vital economy. Our function in the 1960's is to try, by cooperative effort, to make those hopes come true.

Mr. GORE. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. GORE. Unless the hopes of the uncommitted one-third of the world's humanity can be vested in the United States, what hope is there for maintaining American leadership?

Mr. KENNEDY. Exactly. I think the Senator is quite correct. I regard the statement by the Senator from Indiana as pointing out a very important point—perhaps by inadvertence—namely, that we do represent the hope of these people. Some people may say it is unfortunate that they have hope in us; others may say that is a source of strength for us. I hold the latter view. However, we often observe modern Americans are rarely quoted by the people of the emerging and developing nations; but they quote Jefferson, Woodrow Wilson, and Franklin Roosevelt. I hope in the future we shall once again provide the leadership and vision which will offer hope to the world.

Mr. GORE. Mr. President, will the Senator from Massachusetts yield further?

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Does the Senator from Massachusetts yield again to the Senator from Tennessee?

Mr. KENNEDY. I yield.

Mr. GORE. The able senior Senator from Indiana stated that the problems which the able junior Senator from Massachusetts has discussed today faced the country 8 years ago. Undoubtedly the threat of communism existed 8 years ago, and undoubtedly it exists today. But there is a difference between the approach which the junior Senator from Massachusetts has suggested and the record of the administration for the past 8 years.

There are some other differences. Eight years ago we had not embarked upon haphazard and dangerous personalized summitry; the world had not witnessed the worst diplomatic debacle which human experience affords; the credibility of the United States of America had not been held up to scorn by a whole series of official falsehoods; we had not fallen behind in the exploration of space, to which the junior Senator from Idaho has referred; the Soviet Union had not outstripped the United States for a period of years in economic growth; not to mention a number of other differences.

The Senator has stated that the next President will inherit problems of gigantic importance, some of which unfortunately have been the result of unplanned and unwise policies; other have resulted from lack of coordination and lack of realistic administration.

Mr. KENNEDY. The Senator from Tennessee is correct.

Mr. President, I yield the floor.

AUTHORIZATION FOR FOREIGN RELATIONS COMMITTEE TO FILE REPORT ON EXECUTIVE E, THE TREATY WITH JAPAN

Mr. MANSFIELD. Mr. President, I ask unanimous consent that notwithstanding the adjournment of the Senate following the session today, the Committee on Foreign Relations be given leave to file its report on Executive E, the treaty with Japan.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

Subsequently, Mr. FULBRIGHT, from the Committee on Foreign Relations, submitted the following favorable report:

Executive E, 86th Congress, 2d session. A Treaty of Mutual Cooperation and Security between the United States of America and Japan, signed at Washington on January 19, 1960 (Ex. Rept. No. 8).

PARTICIPATION IN INTERNATIONAL CONVENTION OF CITIZENS FROM NORTH ATLANTIC TREATY NATIONS

The Senate resumed the consideration of the joint resolution (S.J. Res. 170) to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment of U.S. delegates to such conventions, and for other purposes.

Mr. CHURCH. Mr. President, it is my understanding that Senate Joint Resolution 170 is now the pending business.

The PRESIDING OFFICER. That is correct.

Mr. CHURCH. I ask unanimous consent that Mr. Ray Wolfinger, who has been associated with my office, and has worked closely in connection with the pending measure, may be permitted the privilege of the floor during this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ADMINISTRATION'S MIDDLE EAST POLICY: WORDS THAT ARE NULLIFIED BY ACTIONS

Mr. GRUENING. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I am very happy to yield to my good friend, the junior Senator from Alaska.

Mr. GRUENING. I thank the future Democratic keynoter, the distinguished junior Senator from Idaho.

Mr. President, one of the crucial areas of tension and turbulence which threaten the peace of the world lies in the Middle East. It arises wholly from the determination of the Arab countries to destroy Israel.

The fact is that little Israel is the one true democracy in the Middle East.

The fact is that it is a free country and its people are free people.

The fact is that it is an oasis of civilization in a desert of backwardness.

The fact is that it has established itself as such by qualities and actions that should have earned not only the admiration and respect of the free world, but also its active support, and especially that of the United States, whose basic professions and principles Israel embodies more than does any country outside of North America and Europe, for the enlightened philosophy and attitudes of Israel coincide with those of our own "land of the free and the home of the brave." And the Israelis, likewise, are not only free, but also brave. They have so demonstrated this by resisting successfully to date, with tremendous efforts, all-out sacrifices, and constant

vigilance, the lethal menace of hostile forces 20 times more numerous and occupying an area 50 times as large.

The Israelis further demonstrated their bravery and, indeed, their prowess in their brief, masterful, and victorious reprisal for Nasser's aggression and seizure of the Suez Canal—a triumph of arms unfortunately nullified by the action of the Eisenhower administration before the United Nations, which converted what had been a crushing defeat for Nasser into a victory for him, and thereby resurrecting his dictatorship. The least that could properly have been expected of U.S. action at that time—an action taken in great haste, not only against Israel, but also against our traditional and stanchest allies, Britain and France—would have been to insist, as a quid pro quo for our action and that of the United Nations, which followed, upon an unequivocal guarantee of freedom of passage through the Suez Canal for all nations. The United States did not effectively seek or secure such a guarantee. The result has been contained and mounting tension and a condition which the Arab dictators frankly declare to be a state of war between their countries and Israel.

The situation is thrown into relief at this moment by the publication of a letter, from Vice President NIXON, which has been made the subject of a press release from Washington, and therefore has become generally known. It was reported in the New York Times of June 13, under the heading: "NIXON Gives Aims of Mideast Policy," and with a subhead: "Says the United States Must Promote Arab-Israel Accord and Free Access to Suez."

Vice President NIXON's views on this important question were contained in a letter, dated June 7, to President Label A. Katz, of B'nai B'rith. In the course of this letter, the full text of which I shall ask to have printed at the conclusion of my remarks, the Vice President said:

> It is the policy of our Government to protest discriminatory acts in international trade which militate against American citizens and American shipping. With regard to the matter of the Suez Canal, the United States has unequivocally affirmed its support of the principle that there should be freedom of transit through the canal for all nations, including Israel. This policy has been enunciated publicly and repeatedly. I believe that we must continue to press for the effective implemention of the principle of freedom of the seas and free access to international waterways, and the protection of the interests of American seamen and shipping now being discriminated against by the Arab boycott and blacklisting policy.

Mr. President, no one can quarrel with the sentiments expressed in the Vice President's letter. The difficulty, it seems to me, is that here, as in so much else under this administration, there is a wide disparity between word and deed. These worthy utterances come from on high; but the actions taken by the same high administration officials, or the actions not taken, nullify the effectiveness of their spoken words.

Only a few months ago, the International Bank for Reconstruction and Development made a loan of $50 million to Nasser, for improvements on the Suez Canal. No words by any representative of the administration could begin to equal or even to approach in the way of policy this striking action. I made inquiry at the time about the justification for this action, so contrary even at that time to the administration's professions, and received from the Acting Assistant Secretary for Congressional Relations, of the Department of State, a letter which I shall also ask to have printed at the conclusion of my remarks.

The State Department admitted that the United States was not unmindful that restrictions placed on Israeli shipping in the Suez Canal might call into question the propriety of proceeding with the loan, and added:

> I can assure you this consideration was given full weight in the U.S. Government's decision to support favorable action on the loan. We have consistently upheld the principle of freedom of transit through the Suez for all nations, and the Secretary of State reiterated this support at the United Nations General Assembly on September 17.

Here, Mr. President, we have, in two successive sentences, a perfect illustration of the administration's double standard. Here, we have a typical example of action negating words. We have, says our Government, consistently upheld the principle of freedom of transit, but on the other hand it has turned over millions of American taxpayers' dollars to the man who is principally responsible for violating and nullifying that principle of freedom.

The International Bank for Reconstruction and Development is allegedly an international agency, but there can be little question that if the United States wished to exercise its influence in matters of high policy in regard to loans on which it felt keenly and involved a matter of high principle, its views would carry great weight and would no doubt be effective. We note that the president, the three vice presidents, and the treasurer of the Bank are all American citizens. But while decisions are made by a majority of the 18 executive directors and alternates, who represent a variety of countries, the fact is that the American representatives all voted for the loan. A simple word from the White House to the Bank's officialdom indicating that it was policy not to grant such a loan without a commitment on the part of the Egyptian Government to allow free passage to the ships of all nations, would have been accepted at least by the U.S. officials. Either the commitment to allow freedom of transit would have been made, or the loan would not have been made. Would there have been anything unreasonable or improper for the United States to make such a request and to take such a position? I cannot conceive such a request to have been other than reasonable, proper, and in accord with our declared purposes.

It is difficult to conclude that such a position would not only have been fair and reasonable, but would have furnished evidence to a listening world that the United States means what it says; that it tries to implement its words with actions; and that there is something more to its policies than, to quote the Vice President's words: "to unequivocally affirm its support of the principle that there should be freedom of transit through the canal for all nations, including Israel."

Moreover, when the Senate, with a worthy desire and purpose to implement such professions, inserted a moderate statement to that effect in the foreign aid authorization bill a few weeks ago, we in the Senate were informed, in no uncertain terms, that the administration violently opposed such a statement. What was this statement? I quote it:

> (f) It is the sense of the Congress that inasmuch as—
>
> (1) the United States favors freedom of navigation in international waterways and economic cooperation between nations; and
>
> (2) the purposes of this Act are negated and the peace of the world is endangered when nations which receive assistance under this Act wage economic warfare against other nations assisted under this Act, including such procedures as boycotts, blockades, and the restriction of the use of international waterways;
>
> assistance under this Act and the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be administered to give effect to these principles, and, in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this Act or arising under the Agricultural Trade Development and Assistance Act of 1954, as amended, these principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application.

Fortunately, despite the administration's efforts to reverse this action, this expression of the sense of the Congress stayed in the Mutual Security Act. But let it be noted that it is not even binding on this administration, for its concluding sentence states:

> These principles shall be applied, as the President may determine, and he shall report on measures taken by the administration to insure their application.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure to the distinguished junior Senator from Louisiana.

Mr. LONG of Louisiana. What the Senator is describing is clearly what I believe to be a fair example of economic aggression, where there is an international waterway and a treaty commitment to make it available for use by the entire world. Is that not correct?

Mr. GRUENING. That is entirely correct.

Mr. LONG of Louisiana. So far as I know, the United States has no such commitment with regard to the Panama Canal, but we have followed the principle that any ship of any nation can go through the canal. Is that correct?

Mr. GRUENING. We do follow that principle.

Mr. LONG of Louisiana. Is not that policy completely at variance with what Communists and Communist sympathizers would call economic aggression in this hemisphere, when this Government possibly proposes to buy more sugar from nations that are more friendly to it than other nations are?

Mr. GRUENING. The Communists would call it economic aggression, but they would not label these acts of their Arab allies or sympathizers in the Middle East as aggression, nor their own acts in their satellite countries as aggression, although clearly those are aggressive acts.

Mr. LONG of Louisiana. The fact is that we have no treaty with regard to our purchase of sugar or coffee. We have complete freedom to buy sugar from whomever we might want to buy it. Yet Mr. Castro would have us believe it would be economic aggression if we, having no treaty obligation and no executive agreement, merely undertook to buy more sugar from our friends.

Mr. GRUENING. The Senator knows, of course, that not only are these acts against Israel acts of economic aggression, but that economic aggression reaches into our own country and tells us whom American companies doing business in the Middle East shall employ, carrying this dictation sometimes to the second and third degree. In addition, these Arab countries frankly declare that they are at war with Israel. Consequently, it seems to me the policy of the United States should be crystal clear and that these noble declarations of high principle should be buttressed by action, which we are capable of taking, due, in large part, to the right to spend or loan our American taxpayers' dollars where we wish. The President is given discretionary power to withhold such grants or loans. We can expect he will not heed the wishes of Congress; that we shall continue to hear high-sounding statements by the Vice President and other administration officials about principles, but we may fear that no action will be taken to carry out those principles.

Mr. LONG of Lousiana. As one Senator who previously voted against the amendment which stated it was the sense of the Senate that no loan should be made to Egypt so long as she denied the ships of any country free passage through the canal, I must say had the matter been pinpointed as clearly as the Senator from Alaska has done in his speech, I would have been compelled to vote the other way.

Mr. GRUENING. One is always grateful for a convert.

How simple, therefore, if the administration means what it says and the Vice President wishes to square actions with words to see that this policy is strictly carried out and that there be no aid to nations engaged in what they declare to be a war, an integral tactic of which is the denial of the use of the international waterway called the Suez Canal, to whose owners the United States recently helped give $50 million. I repeat that that action, authorized and sanctioned by the administration, speaks far louder than any words, no matter how often uttered or affirmed.

It should be noted also that in the mutual security appropriation bill—not the authorization bill passed by both Senate and House and signed by the President to which I have referred, but the mutual security appropriation bill—over in the House, dated June 13, section 113 says:

> It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title these principles shall be applied as the President may determine.

It will be observed again that, as in the wording of the Senate authorization bill, the carrying out of this sense of the Congress is left to the determination of the President.

Mr. President, the United States is dedicated to peace. It has it within its power, by actions wholly consonant with our traditions, with our longstanding professions, with our oft declared purposes, to achieve peace with justice for the world, to put an end to this Middle East war, in which a number of nations have banded together to destroy one little people, in large part composed of refugees from persecution and even from extinction elsewhere, whose purpose, whose existence, and whose very life hang in the balance.

The two Houses of Congress have affirmed their views on the subject, at least as unequivocally as has the Vice President, but, in addition to affirming them, have indicated a policy which might make that affirmation a tangible reality. It will be interesting to see whether the Eisenhower-Nixon administration, which is making an all-out claim for a total appropriation of $4,150,000,000 for foreign aid, will carry out the declared mandate of the Congress, eliminate the wide disparity between words and action, and make the most important contribution to peace in an important and crucial section of the world than can possibly be made.

I ask unanimous consent that the article referred to, which appeared in the New York Times of June 13th; the letter of Vice President NIXON to Mr. Label Katz of B'nai B'rith; an article from the Reporter magazine, entitled "The Noose Around Israel," which deserves reading because it makes clear the far-reaching character of the attempt to strangle the Republic of Israel, and the extent to which this effort reaches into American lives and interferes with the normal functions of American business concerns, both at home and abroad; an editorial from the Christian Science Monitor entitled "The Clamp on Suez"; an editorial from the New Bedford Standard Times entitled "Money Without Morality"; an article from the San Francisco Chronicle, entitled: "Suez Breach of Faith"; an article from the Oakland Tribune by Raymond Lawrence, entitled: "Blockade of Suez Canal"; and the letter from the Department of State dated December 22, 1959, signed by the Acting Assistant Secretary for Congressional Relations, Mr. John S. Hoghland 2d, be printed in the RECORD at this point in my remarks.

There being no objection, the articles, letters, and editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 13, 1960]

NIXON GIVES AIMS OF MIDEAST POLICY—SAYS THE UNITED STATES MUST PROMOTE ARAB-ISRAEL ACCORD AND FREE ACCESS TO SUEZ

WASHINGTON, June 12.—Vice President NIXON said in a letter made public today that the United States, while seeking to promote a mutually acceptable Arab-Israeli settlement, must keep on pressing to open the Suez Canal to Israeli shipping and to protect American interests from Arab boycott and blacklisting.

The Vice President also spoke of the need to attempt "with diligence and patience" to change the situation in Saudi Arabia, where American servicemen of Jewish background are excluded from the U.S. installations at Dhahran airfield.

The Vice President's letter, dated June 7, was to Label A. Katz of New Orleans, president of B'nai B'rith. Mr. Katz made it public in a speech at Chicago today before the annual convention of B'nai B'rith's District Two. The organization released it here also.

ANSWER TO LETTER

Mr. Katz had written the Vice President following a meeting he and Maurice Bisgyer, executive vice president of the Jewish service organization, had had with Mr. NIXON several months ago. They met again with Mr. NIXON last week.

Mr. NIXON reiterated U.S. policy, which, he said, recognizes "that the independence and integrity of Israel and the Arab countries of the area are of vital concern to the United States."

Mr. NIXON wrote:

"Our Government must continue to use every suitable occasion, both within and outside the United Nations, to facilitate progress toward a mutually acceptable solution of the Arab-Israeli conflict, based on amity and recognition of each other's existence and independence."

He said that the Government had "unequivocally affirmed," "publicly and repeatedly" its support of freedom on Suez Canal transit for all nations, including Israel.

CITES FREEDOM OF SEAS

"We must continue to press for the effective implementation of the principle of freedom of the seas and free access to international waterways, and the protection of the interests of American seamen and shipping now being discriminated against by the Arab boycott and blacklisting policy, he said.

This is a boycott at Arab ports of ships that have stopped or are bound for Israel ports.

"The United States," Mr. NIXON said, "neither recognizes nor condones the Arab boycott. Consistent with this policy, he said, "we must, by every available and effective instrument, continue to pursue every means to restore and protect completely private American interests in international commerce."

Mr. Katz, in his letter to the Vice President, contended that the Government had taken "no resistive action" to discriminatory practices imposed by Arab States on Americans of the Jewish faith.

"Moreover," Mr. Katz wrote, "there have been disclosures in recent months that agencies of the Federal Government had acceded to these discriminatory policies in an affirmative manner."

SEES CAPITULATION

The B'nai B'rith leader said there had been "persistent capitulations of the State and Defense Departments" in surrendering to Saudi Arabia's discriminatory demands in the Dhahran agreement.

The Vice President described the Dhahran airfield issue as "an unsatisfactory state of

affairs—one which we cannot merely accept as unavoidable, and one which we shall continue, with diligence and patience, to try to correct."

Although use of the airbase leased from Saudi Arabia is "vital from the standpoint of our national security," Mr. NIXON acknowledged "a serious drawback in the arrangements" in that American troops assigned to Dhahran require visas, which Saudi Arabia denies to Jewish servicemen.

Mr. Katz told the 900 delegates at Chicago that he "welcomed the Vice President's forthright expression of his views on these critical matters."

OFFICE OF THE VICE PRESIDENT,
Washington D.C., June 7, 1960.

Mr. LABEL A. KATZ,
President, B'nai B'rith,
Washington, D.C.

DEAR MR. KATZ: I very much appreciated the opportunity I had recently to visit so pleasantly and constructively with you, and it was very thoughtful of you to follow up our conversation with your candid letter setting forth your position in detail with respect to the matters we discussed.

As I indicated in our conversation, I share fully your firm conviction that any discriminatory practices on the grounds of race or religion are entirely inconsistent with the fundamental principles upon which our Nation was founded, and which represent in essence the greatness of America. When I visited Poland last year, I had occasion to lay a wreath at the memorial marking the remains of the Warsaw Ghetto. More than ever, on that occasion, I recognized that racial or religious discrimination ends in the destruction of human values by which our civilization must live if it is to endure. For this reason, I shall never be satisfied until peaceful and workable measures have been found and adopted to eliminate every trace of such practices against our citizens, and I shall continue to devote my efforts wholeheartedly toward that goal.

I think you will agree with me that the problems encountered in combating discrimination become even more difficult and complex when they present themselves in an international context. Our use of the Dhahran Airfield is a good case in point. Clearly the operational privileges we have there through an executive agreement are vital from the standpoint of our national security. We have to recognize however, that there is a serious drawback in the arrangements, arising from the fact that American servicemen assigned to the base must have valid Saudi Arabian visas. As a result, while nothing in the agreement excludes American servicemen of Jewish faith, in fact the Saudi Arabian Government has done so indirectly, in exercising its sovereign right to control internal matters, by refusing to issue them visas. This is admittedly an unsatisfactory state of affairs—one which we cannot merely accept as unavoidable, and one which we shall continue, with diligence and patience, to try to correct.

It is the policy of our Government to protest discriminatory acts in international trade which militate against American citizens and American shipping. Our Government's concern and good intentions in this area are demonstrated in the matter of the "Haifa Clause" which, until recently, the Navy included in its shipping contracts. The use of this clause, which was designed to assure the efficient operation of the fleet, was discontinued in February 1960, lest it be misconstrued as acquiescence in the Arab boycott.

Similarly, in the matter of transporting Public Law 480 cargoes, we note with approval that no agency of our Government is a party to such discriminatory contracts.

Consistent with the policy that the U.S. Government neither recognizes nor condones the Arab boycott, we must, by every available and effective instrument, continue to pursue every means to restore and protect completely private American interests in international commerce.

With regard to the matter of the Suez Canal, the U.S. Government has unequivocally affirmed its support of the principle that there should be freedom of transit through the canal for all nations, including Israel. This policy has been enunciated publicly and repeatedly. I believe that we must continue to press for the effective implementation of the principle of freedom of the seas and free access to international waterways, and the protection of the interests of American seamen and shipping now being discriminated against by the Arab boycott and blacklisting policy.

As I know you are aware, the U.S. Government has been most directly concerned with the problems of peace, security, and economic development in the Middle East. We have recognized that the independence and integrity of Israel, and the Arab countries of the area are of vital concern to the United States. I believe that our Government must continue to use every suitable occasion, both within and outside the United Nations, to facilitate progress toward a mutually acceptable solution of the Arab-Israeli conflict, based on amity and recognition of each other's existence and independence.

Again I want to tell you how much I enjoyed the welcome opportunity I had to talk over with you personally matters of mutual interest and concern, and to express my appreciation for the devoted efforts which you and the members of your organization are making to eliminate discriminatory practices against any group of Americans.

With kind regards.

Sincerely,

RICHARD NIXON.

[From the Reporter magazine, Apr. 14, 1960]

THE NOOSE AROUND ISRAEL

(By William S. Ellis)

BEIRUT.—On a narrow, sun-washed street just off the Bay of St. George, in Beirut, a wealthy Palestinian refugee dismissed his chauffeur and climbed two flights of stairs in a dumpy, gray-white building. Entering the office from which he directs a successful retail furniture and household appliance business, he deposited a string of clear blue prayer beads on the desk and then adjusted a glass-framed sign on one of the walls.

Its single line of characters looked like an advanced mathematical formula, but in Arabic it expressed the Arab world's major weapon against Israel: "The noose gets tighter and tighter and tighter."

"I won't take that sign down until I am able to return to my home in Palestine," the furniture dealer said.

The strands of the hanging rope are clearly marked—Lebanon, Jordan, Saudi Arabia, the United Arab Republic, and Iraq; in short, the nations of the Arab Middle East. The noose has been tied by nations noted for their bickering. The long end of the rope is in the hands of the Arab League's Boycott Israel office, and there the standing order is "Pull, pull, pull." Israel admits that the rope is being drawn tighter day by day.

Flushed with success, the boycott office decided some time ago to widen its activities. It did so with ostentatious bluff and bluster, but the Arabs seemed to be making headway when the U.S. Navy began to penalize tankers under contract to supply it with fuel for any delays caused by their being held up by the Arabs for having called at Israeli ports—thus effectively discouraging such calls. Recently the Navy has rescinded this clause in its contracts.

As much as U.A.R. President Nasser likes to boast of the military strength of his forces in Egypt and the First Army in the Syrian region, he knows full well that intra-league rivalries tend to undermine it.

In any case, the economic blockade has done what two Arab armies failed to do: strike hard and effectively at small, enemy-locked Israel. It is not possible to gage the damage of the boycott to Israel's economic development, but a conservative estimate would be many million dollars.

From central headquarters in Damascus, Dr. Karim Aidi, general commissioner of the boycott, directs the operation. Driven by a dedication bordering on fanaticism, Dr. Aidi, considers everything from ships to movie stars fair game. He plays no favorites, and when it comes to tackling such giants as International Business Machines, he goes about his business unimpressed by the company's reputation in American financial pages.

IBM was, in fact, placed on the boycott list in February. That same day another American firm, Helena Rubinstein, was told that it also was banned from selling its products in Arab countries. The reason given for both actions: "Violating the Arab boycott-Israel regulations," which could mean anything from Thomas Watson, Jr., having lunch with Premier Ben-Gurion to a performer at an Israel bond rally wearing a certain type of lipstick.

PROFIT OR LOSS

The action, while seemingly harmful only to the companies, usually follows a course reserved for Arab winners in the race for influence between Zionism and Nasserism. IBM, it is figured, will have to look to its books and start tallying the figures. If more typewriters and calculating machines are sold in Israel than in the U.A.R., Lebanon, Jordan, Iraq, and Saudi Arabia combined, then the boycott might gather dust in the bluff and bluster file. But if the reverse is true—as it usually is—the company will either have to abide by the boycott rules or lose money. Arab officials like to believe that IBM is a concern more dedicated to sound business habits than to a national Jewish homeland.

France's Government-owned Renault automobile company turned to its books after the boycott struck and found that from an economic standpoint, it was better to mollify the Arab States. In 1955 Renault had signed a 3-year contract with the Kaiser-Frazer company for the assembly of its cars in Israel. Notice of cancellation of the pact was given in September 1958, according to Renault's president Pierre Dreyfus. Dreyfus said the decision to stop assembly operations in Haifa was strictly business. He added that the Arab boycott was a consideration. Renault agreed to abide by the boycott rules and the ban was lifted.

In Israel, meanwhile, Efraim Ilin, chairman of Israeli Kaiser-Frazer, was preparing to bring suit for $2 million against Renault, charging breach of contract. Even if judgment is awarded it may well be that Renault will still stand to gain, for the basic fact in the matter is this: In 4 years Renault sold fewer than 4,000 cars in Israel, while in Lebanon alone sales of cars just for private use average more than 300 a month. "The decision by Renault," said Nadim Hallak, chairman of the boycott office in Beirut, "represents a major victory for Arab countries and for the idea of the boycott."

The boycott covers the high seas, too. Hardly a day goes by when the Arab press fails to carry lists of freighters newly assigned to the fleet of the banned.

The classic case of shipping boycott is, of course, the *Inge Toft*. The Danish freighter has sailed now, but not before it lay moored in the inner basin of Port Said for 9 months. The vessel's cargo of potash, cement, and copper, which was taken aboard at Haifa last May, was unloaded. The boycott office again sounded its victory yell, and Egyptians,

watching the ship slip out of the basin, laughed and pointed at the seaweed and barnacles clinging to the hull.

Rules for getting on the shipping blacklist—and getting off it—have been drafted so as to give the captain or the ship's agent several choices of action. Full blacklist membership is available, along with half blacklist membership. Finally, there are the rules to be followed if a ship wishes to move from full blacklist to half blacklist, and from both to a ban-free status.

A vessel is placed on the blacklist if it:

Carries materials to be used to strengthen the "Israeli war effort."

Calls at an Israeli port and at an Arab port during the same voyage. This does not apply to ships carrying passengers only, in which case the vessel has to call at the Arab port first and furnish the regional boycott office a complete statement of arrival and departure times at the ports.

Is chartered by Israeli companies or organizations (this was the case with the *Inge Toft*).

Carries immigrants to Israeli.

Had originally been of Israeli nationality and was sold to another country (such a vessel has no hope of ever getting off the blacklist).

Carries Israeli industrial, agricultural, and commercial products.

Refuses to submit within 15 days the certificates and manifests requested in respect of previous voyages.

There is one other method of getting on the full blacklist, and that is by infringing the rules for the second time after removal from the list. There is no third chance.

To be placed on the half blacklist, it is necessary for the vessel's agent to submit a statement to the effect that infringement of the boycott rules will not occur again. Freedom from both lists comes when the agent promises the ship will never deal with Israel again.

Penalties for breaking the rules include depriving the ship from loading, discharging, and bunkering, and from taking on water supplies and other provisions. No member of the crew is allowed to disembark at any Arab port, and the vessel is not allowed to take on crew members at Arab ports. Ships on the half blacklist are given just enough provisions to allow them to continue to the next port of call.

With an average of 51 ships passing through the Suez Canal each day, the boycott office is aware that the vessel blacklist is the nuclear weapon in its anti-Israel economic arsenal. "No matter how hard Hammarsjkold tries to convince Nasser that the Suez Canal should be isolated from politics, the boycott will continue, and Israeli cargoes will not pass," a high-ranking official of the Lebanon Government said.

Nasser himself reconfirmed his stand on Suez during his visit to the Syrian region of the U.A.R. in mid-February. He asserted that not only would the ships be stopped but that the cargoes would be confiscated and donated to Palestinian refugees.

MISS MONROE IS TABOO

Back on land, Arabs, who like movies almost as much as they do soda pop, are finding one activity of the boycott office extremely annoying. More and more film stars are being placed on the blacklist, and as a result, theater owners are finding their choice of presentations being narrowed down to bad Egyptian films starring, more often than not, an ex-girl friend of Farouk, and productions from Russia that the Peking Government would call "films representing a step forward."

Elizabeth Taylor is banned, and the boycott office is not impressed by the fact that she has been named to star in "Cleopatra." Films featuring Danny Kaye can no longer be shown in Arab states. The list stretches on and on—Edward G. Robinson, Eddie Fisher, Marilyn Monroe (and she was a big favorite with the Arabs), Jerry Lewis.

Most of the stars were banned for participating in rallies for the sale of Israel bonds. In the case of Louis Armstrong, it was first reported that he had been banned because he was "a spy for Israel." When the absurdity of the allegations finally struck home, the reason was altered to read "aiding the cause of Zionism." What had actually happened was that Armstrong had simply performed in Israel.

"Ben Hur" will not be shown in Beirut or in any other Arab city. The reason: Haya Harareet, who once won the title of Miss Israel, has a role in the production.

When asked what he thought about the film ban, Spyros Skouras, president of 20th Century-Fox, who was in Beirut recently, said, "Well, I'm against mixing art and politics." The ironic thing is that the majority of Arabs, especially those living in Lebanon, agree with him.

Lebanon is regarded as the weak sister in the anti-Israel boycott campaign. The Government denies that, of course, but there were many red faces when Monaheem Saadi, a Beirut merchant, was arrested for importing a brand of watches made by a blacklisted factory. And then there was the time, late last year, when 256 Italian motor scooters made by a factory that deals with Israel were seized in Beirut.

When the ban against Danny Kaye was announced, a theater owned in Beirut, who was showing a Kaye film at the time, took the position that the ban doesn't become effective until our schedule calls for a change of films.

Beirut blushed again recently, but this time it was because of a bit of anti-Israel strategy seemingly calculated to evoke disgust. Even the boycott office forbore to take credit for the action. An apparatus for artificial breathing had been shipped from New York to Israel. Before it left New York, however, a Lebanese official in the United States (the government was careful not to reveal his name) somehow convinced the shippers that the apparatus was to be channeled through Beirut. When it got to the Lebanese capital it was, of course, confiscated.

Two young men who work as translators for a newspaper in Beirut were discussing the matter the day after the confiscation was announced. One, a Lebanese from a village near Tripoli, said, "We certainly have nothing to be proud of as far as this is concerned." The other translator is a Palestinian refugee. He said: "In war, everything is fair game."

The two remarks tell the whole story of the boycott simply and briefly.

[From the Christian Science Monitor, Apr. 23, 1960]

THE CLAMP ON SUEZ

The owner of an international waterway is under something of a public duty to keep it open to the commerce of the world at large. In the light of history this is especially true of the United Arab Republic and the Suez Canal.

When Secretary General Hammarskjold of the United Nations finds, as he recently has done, that an action of the Cairo government "goes against" the principles of the UN Charter, one may be sure he has ground for doing so. He had reference to the stopping of the Greek freighter Astypalea and the confiscation of a cargo of cement from Israel.

In view of the intensity of feeling behind the Arab boycott of Israel, it may be too much to expect that the U.A.R. should permit passage of Israeli ships through the canal. But it does seem that there should be, in Mr. Hammarskjold's phrase, "workable practices" to allow goods which are the property of non-Israelis to be shipped through the canal in vessels of other nations even though going to or from an Israeli port. It was assumed that such arrangements had been made when the Astypalea set out.

Through international agencies the United States assisted financially in reopening the Suez Canal to traffic. Various forms of American technical assistance are being extended in Egypt and Syria, with every desire to help the people of these areas. However, the House Committee on Foreign Affairs has proposed an amendment to the Mutual Security Act which would authorize the President to take into account the interests of economic cooperation and freedom of navigation in administering foreign aid. The United States can hardly afford to subsidize a restriction on international trade.

[From the New Bedford (Mass.) Standard-Times, May 5, 1960]

MONEY WITH MORALITY

The Eisenhower administration sustained what may prove to be an important defeat in connection with Senate passage of new foreign-aid spending authority. By a vote of 45–39, the Senators overrode State Department protests and approved an anti-Arab declaration in the bill's policy statement.

The disputed amendment gives the President discretionary authority to withhold mutual security assistance to the United Arab Republic if the UAR continues to boycott Israeli shipping in the Suez Canal.

In opposing this amendment, Senator FULBRIGHT, Democrat, of Arkansas, chairman of the Foreign Relations Committee, said it presented a test between "the best interests of the U.S. foreign policy and a pro-Israel pressure group."

Douglas Dillon, Acting Secretary of State, in a letter supporting FULBRIGHT'S position, declared the declaration would be interpreted as "demonstrating favoritism for Israel, an attempt to tie strings to U.S. economic aid, and a threat to use aid as an instrument of political coercion."

Dillon added everybody already knew the United States favors free transit in the canal, and the amendment would not make the Arabs end their boycott against Israel anyway, but would just make Nasser angrier.

Why did the Senate approve the amendment in the face of these arguments?

Since 1957, Cairo has been under a pledge to the United Nations to permit free transit of the canal and to keep canal operations "insulated from politics." The United States is committed to seeing this policy enforced.

But Egypt has gone back on its promise. It denies use of the canal to Israeli shipping, in an action legally and morally indefensible and motivated by politics.

As Senator DOUGLAS, Democrat, of Illinois noted, "the State Department wrings its hands and says, 'Oh, yes, we stand for free access,' but it does nothing."

The United Nations, which has primary responsibility in this situation, also does nothing.

So the U.S. Senate did something, moved by DOUGLAS' plea, "Are we to go on with conversations, or are we to try to get some sense that there are moral laws in the world?"

It's a good question, and now that the Senate has established the fact that the United States does not have to give its taxpayers' hard-earned dollars to everybody who asks—saint or sinner, friend or enemy—a new era may have begun for foreign aid.

Perhaps from now on, American help will go exclusively to those nations that share with us a belief in the right to life, liberty, and the pursuit of happiness.

It may be that Congress is ready to take a more critical look at those countries opposed to everything American except U.S. handouts.

Surely it is better to "tie strings" to such aid than to subsidize tyranny, opportunism, and irresponsibility, to the detriment of those whom we profess to be helping.

[From the San Francisco Chronicle, April 14, 1960]

SUEZ BREACH OF FAITH

The repeated refusal of the Nasser government in the United Arab Republic to let Israeli ships use the Suez Canal is well known. Equally well known, we think, should be President Nasser's recent flouting of his own agreement for the passage of a Greek ship carrying a part-Israeli cargo. He had made this agreement with the Secretary General of the United Nations, Dag Hammarskjold, and his breach of it therefore is not a slap at just Israel but also at the world authority.

The Greek ship is the *Astypalea*. She sailed from Haifa last December with 400 tons of Israeli cement bound for Djibouti. This news was hushed by the Israelis to comply with the Hammarskjold understanding, but the *Astypalea* was nevertheless halted at Port Said by the Egyptians. In January, Hammarskjold went to Cairo to press for the release of the ship and her cargo, but without effect. Early this month the owners of the *Astypalea* gave up hope, and after unloading her cement cargo the ship turned about and sailed back toward Greece.

This development, Hammarskjold has observed, "goes against the principle upheld by the United Nations." It is another faithless act of the Nasser government in pursuit of its long and tedious legalistic controversy about the existence of a state of war with Israel.

[From the Oakland Tribune, Apr. 17, 1960]

FOREIGN AFFAIRS: BLOCKADE OF SUEZ CANAL

(By Raymond Lawrence)

The United Nations faces a challenge from Egypt on the Suez Canal that strikes at the Organization's authority and prestige.

Once more Egypt has refused permission for a ship bearing an Israeli cargo to travel through the canal.

The voyage of the Greek vessel which had loaded cement at Haifa was kept secret and the first news to the world at large came from Cairo when it was announced the *Astypalea* had been halted at Port Said and its cargo confiscated.

The United Nations is directly involved not only because of the original Suez convention, but because U.N. Secretary General Hammarskjold had made a special trip to Cairo to work out free passage arrangements with President Nasser of the United Arab Republic.

AGREEMENT VIOLATED

The Secretary General was given definite promises by Nasser that Israeli-originated cargo would be allowed passage. That agreement was reached on Mr. Hammarskjold's personal trip in January of this year. It has thus been flagrantly violated on Nasser's orders.

This is not the first time that Israeli cargoes have been stopped. The blockade was instituted at the beginning of 1959 after several years of partial stoppage.

The whole business is a violation of the Security Council's resolution adopted in 1951.

One of the recent ships was the Liberian freighter *Captain Manolis*. Its Israeli-originated cargo was confiscated by the Egyptian authorities.

Then in March 1959 the West German ship *Lealott* was held up at Port Said and the cargo confiscated. In May the Danish ship *Inge Toft* was detained and held up for 9 months because the captain refused to acquiesce in the demand of the Egyptian authorities that he should unload his cargo, which eventually was confiscated.

FREE PASSAGE PACT

Under both the international convention and the resolution of the U.N. Security Council, the United Arab Republic is required to allow Israeli ships to pass through the Suez Canal.

Also, under the United Nations action in respect to the Palestine war, Egypt is required to make peace with Israel. This has not been done, despite repeated peace gestures on the part of the Israeli Government.

This kind of calculated piracy ought to give pause to the Western governments that have since last December lent $56 million to the U.A.R.

ACTION BY CONGRESS

Reaction to the U.A.R. blockade of the canal was reflected in Congress when the House Committee on Foreign Affairs approved an amendment to the Mutual Security Act which opposes aid to nations that wage economic warfare such as boycotts, blockades, and restrictions on the use of international waterways.

This is not a categorical ban, since the amendment leaves it up to the President to decide whether we should subsidize the Suez blockade with millions in surplus foods and loans.

Congress thus has laid down a principle about which the President must report regarding its application.

It is one that should cause some serious thinking in Cairo about the need for intelligent and constructive efforts to settle the central problem of the Middle East.

DEPARTMENT OF STATE,
Washington, D.C., December 22, 1959.

The Honorable ERNEST GRUENING,
U.S. Senate.

DEAR SENATOR GRUENING: Recalling your previous expressed interest in the question of a loan by the International Bank for Reconstruction and Development to the United Arab Republic for the purpose of effecting improvements on the Suez Canal, I should like in this letter to review considerations which led to our Government's support of this proposal when the matter was brought before the IBRD Board of Directors. The Bank acted favorably on the proposal on December 21, 1959.

The following factors prompted the U.S. Government's attitude toward the Suez Canal loan:

(a) The project is sound technically. It has been planned for a number of years. Studies undertaken by the International Bank confirm that, from an engineering standpoint, the proposals which envision the deepening and widening of the canal represent a sound and feasible program for improvement of the canal as an international waterway.

(b) It is a sound project economically. Canal receipts in foreign exchange are and will be more than adequate to service a loan. It is clearly a bankable development project of precisely the type for which the IBRD was established.

(c) The project has international benefit. The canal improvements will be of value to the world trading community, and in particular the Western European nations for whom the canal is almost an indispensable artery.

(d) The IBRD is an international lending agency whose loans are granted primarily on a basis of usefulness economically and soundness financially. The injection of non-economic considerations into the Bank's assessment of the credit-worthiness of an application would, in our view, impair the Bank's integrity as an international financial institution, particularly in the eyes of the less fully developed nations of the world whose needs the Bank is primarily designed to serve. To maintain the IBRD's well-deserved international prestige it is, in our opinion, important to avoid circumstances which would expose the Bank to allegations that it is a political instrument rather than a bona fide international lending agency devoted to the promotion of economic development for the welfare of the peoples of the world.

(e) Sound economic development should be encouraged. The Suez Canal development project is regarded by the United Arab Republic as an important element of its total development program. It is clearly in the free world's interest to try to be helpful in such cases rather than, by default, to furnish an opportunity to be exploited by the free world's enemies.

In recognizing the merits of the foregoing considerations, the U.S. Government was not unmindful that restrictions placed on Israel's shipping in the Suez Canal might call into question the propriety of proceeding with the loan. I can assure you this consideration was given full weight in the U.S. Government's decision to support favorable action on the loan. We have consistently upheld the principle of freedom of transit through the Suez for all nations, and the Secretary of State reiterated this support at the United Nations General Assembly on September 17.

You may be sure that our Government will continue its efforts to do what it appropriately can to facilitate a solution to the problem which still confronts Israel vis-a-vis the Suez Canal. In this connection, we understand that the United Nations Secretary General has been closely following developments connected with the recent incident involving a Greek-flag vessel and is continuing his efforts to assist in bringing about a resolution of the transit problem. It remains our hope that the good offices of the United Nations, which are energetically being addressed to this problem, will bear fruit. The constructive action which the IBRD has taken with respect to the Suez loan may itself provide example and encouragement for progress toward ultimate solution of Near Eastern problems.

In view of your past inquiry regarding this question, I thought you might be interested in the foregoing outline of the attitude which our Government adopted. Having regard for all factors, we believe this attitude to be in the best interests, not only of our own Nation, but of the free world as a whole.

Sincerely yours,

JOHN S. HOGHLAND 2d,
Acting Assistant Secretary for Congressional Relations.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure to my able and distinguished friend from Minnesota.

Mr. HUMPHREY. I thank the Senator. First, I apologize to the Senator from Alaska for having to leave the Chamber a few moments during his speech. The Senator knows I asked that he send for me at the Committee on Foreign Relations meeting when he took the floor, since I wished to hear him speak, because I had received an advance copy of the Senator's statement. His office was very kind in making it available. I thank the Senator for that.

The Senator has made a cogent statement of a most difficult problem, and it is a sincere and honest statement of what ought to be an honest policy on the part of our Government, namely, the fulfill-

ment of commitments in terms of the free access to international waterways, including the use of the Suez Canal and, indeed, the necessity for the executive branch of our Government to acknowledge what has been the firm resolution of the Congress, as was pointed out by the Senator in his recitation of the action of the other body in respect to the mutual security appropriation bill, section 113, where the House of Representatives expressed the sense of the Congress relating to the protection of personal and commercial access and other rights of U.S. citizens. I shall not read the particular section, for it is in the RECORD.

I am sure the Senator knows that many of us in this Chamber for a long time have been deeply concerned over what appears to be a double standard in American policy.

Mr. GRUENING. That is quite true.

Mr. HUMPHREY. As the Senator so aptly describes it in his address today, on the one hand it is stated, as the Vice President stated in his letter of June 7 to the president of B'nai B'rith, Label A. Katz, concerning the policy of our Government to protest discriminatory acts in international trade which militate against American citizens and American shipping:

> With regard to the matter of the Suez Canal, the United States has unequivocally affirmed its support of the principle that there should be freedom of transit through the canal for all nations, including Israel.

After having made this rather pious pronouncement the follow-through on the part of the administration leads one to an interpretation of a contrary policy.

I have been one of those in the Senate who have felt and who have said repeatedly that the State of Israel is here to stay. It is a sovereign nation. It was established by the United Nations. It has been recognized by the United States and by a majority of the nations of the world. It has demonstrated its capacity for self-government. It has fulfilled many of the objectives we have laid down as the better characteristics of a nation; namely, a capacity to defend itself, a capacity and a willingness to improve the lot of its citizens, a willingness to enter into international responsibilities and negotiations and to fulfill those responsibilities, and a willingness to share in the responsibilities of international law and order.

Since Israel has that kind of a record, it seems to me the least our Government can do is to stand steadfast for the principles we believe to be sound and reasonable and to insist that these principles be applied.

I happen to believe that the executive branch of the Government in this matter has been weak, uncertain, and indefinite, and has not really exercised the influence and power of the United States of America. I have reason to believe that we have all too often been more concerned with some commercial interests in the Middle Eastern area than we have been concerned with sound international principles of law, of decency, and of justice.

The Senator from Alaska, with his characteristic candor and his personal and public integrity has again laid the issue on the line and has exposed for all to see what on the one hand is a fine, noble, high-sounding statement of principle and on the other hand is a weak, tired, vacillating policy which leads only to confusion and doubt among friends and foes alike. The Senator has done a good job for the country today. I commend him.

Mr. GRUENING. I greatly appreciate the kind remarks of my friend from Minnesota. I would say that if the administration wants to pursue the correct policy, instead of—perhaps "conniving" is too strong a word—not opposing these boycotting actions which aim at destroying a free people, it would say to these backward countries, "Why not emulate little Israel? Irrigate the deserts. Build up industries. Educate your people. Improve their condition. It is a wonderful example Israel is giving to the surrounding countries."

Instead of following that example set by Israel these nations wish to destroy Israel.

I agree with the Senator from Minnesota, it is distressing to hear the pious proclamations of high principle and to see the same administration following a course of action which is directly opposite in character.

I think when the history of this administration is truly written it will go down in history as the administration of piety, pollution, and payola.

Mr. HUMPHREY. Mr. President, I hesitate to ask the Senator to yield on the fine note which he has uttered, but another factor which has to be taken into consideration, I am sure the Senator would agree, is the fact that the Members of the Congress of the United States as representatives of the American people, have repeatedly expressed their will with respect to the policy which should be followed. For example, I remember the proposed amendment of the former U.S. Senator from New York, Mr. Lehman, to the Mutual Security Act, relating to discrimination which was being practiced by certain foreign nations against Americans of the Jewish faith. I remind Senators that those nations were not even permitting an American in the uniform of the U.S. Armed Forces to set foot in certain countries, even though we had diplomatic, military, and commercial relations with those countries.

We expressed the will of Congress. We said to the administration that it should do what the late William Howard Taft as President of the United States did. I would have the Senate remember that when Czarist Russia refused to grant certain privileges and rights to Americans of a particular faith under a treaty that had been signed between the two nations, the then President of the United States, Mr. Taft, abrogated the treaty and said that the treaty was null and void, taking the stand that American rights, which had been made a part of the treaty were to be recognized and respected.

Congress knows this. We on the Foreign Relations Committee have considered this subject a half dozen or more times, and we have tried to express the intent and the will of the representatives of the people. We have always been told by the State Department, however, that it cannot be done. I suggest that the State Department tell certain conferees that, "We are sorry, but though there are some things that we as diplomats might want to do, those fellows in Congress say, 'No.'" Congress has the right, the privilege, and the duty to express the conscience of the American people. That is what we are here for.

When we express our policy in a manner which is desirable, decent, and wholesome, the least that can be done, particularly when it is in the tradition of our country, is that those who are responsible for the execution of that policy or its administration should follow it.

But what happens? A press release and a pious pronouncement by letter follow, and then the diplomats who work overseas and those who are carrying out the day-to-day duties of Government say, "The administration has satisfied the Congress. We have written a letter to Mr. Katz; we have written a letter to Mr. Jones. We have issued a press release to the New York Times. We have taken care of everything." They then proceed as they did before.

What the Senator from Alaska has said is that we insist that those who are in Washington writing letters to American constituents should also write a letter to the State Department, or send it duplicate copies of letters, saying, "This is the policy to be followed."

Mr. GRUENING. Can the Senator from Minnesota imagine how differently a great Republican President, Theodore Roosevelt, would have handled this situation? The Senator will remember that in one of his statements to one of the Arab States which had kidnapped a naturalized citizen of Greek origin, Perdicaris, who had been kidnapped by a bandit named Raisuli, Theodore Roosevelt sent a curt ultimatum: "Perdicaris living or Raisuli dead." He got results.

Mr. HUMPHREY. Theodore Roosevelt was a great President. He spoke in a language the world understood. Americans understand, as the Senator from Massachusetts said today, that the administration talks loud. However, Theodore Roosevelt used to say, "Speak softly and carry a big stick." The administration now says, "Talk loudly and saw the stick off."

The Senator put his finger on the point again by alluding to Theodore Roosevelt, whose memory is celebrated, but whose policies, I regret to say, have been placed in cold storage.

Mr. GORE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure to my friend from Tennessee.

Mr. GORE. The able Senator from Alaska has merited the congratulations and appreciation of his colleagues for his able and thoughtful speech. Only about an hour ago I heard the Senator engage in colloquy with the junior Senator from Massachusetts [Mr. KENNEDY] on a different subject. During the forenoon I listened to the able junior Senator from

Alaska testify before the Senate Committee on Foreign Relations in an able, attention-gripping manner on a treaty relating to Antarctica. Because of these observations in 1 day of the activities of the junior Senator from Alaska I wish to compliment him upon his ebullience, upon his intellectual curiosity, his inquisitiveness, his concern for the many problems facing our people, and his willingness to contribute from the wisdom that he possesses, from his judgment, from his vast experience, and, most of all, from his mental capacity and scholarly attainments.

Mr. GRUENING. I certainly would be remiss if I did not express my appreciation for this very gracious and undeserved tribute. I am very grateful that the able Senator from Tennessee has these views and has been willing to express them. I thank him.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. PROXMIRE. I certainly cannot top what the Senator from Tennessee has said, but I have tried again and again to convert the junior Senator from Louisiana [Mr. LONG] on one or two of the very few points upon which we differ, with no success. The Senator from Alaska has done a magnificent job of converting him, and I think that speaks volumes for his eloquence and the persuasiveness of his excellent speech this afternoon on this particular issue.

I should like to clarify one point in his speech which puzzled me. I thought it was a fine speech, and I approve of it wholeheartedly. The Senator from Alaska points out that in 1956, at the time of the Suez crisis when we entered the conflict to save Nasser, we failed to secure an unequivocal guarantee of passage through the Suez Canal. I wish to make sure that the Senator from Alaska is not implying that there was not an ample precedent in international law.

In fact, there was triple precedent in international law for freedom of passage. There was the 1888 Suez Convention; there was the 1951 decision of the Security Council; and there was the assurance of Nasser at the time of the nationalization of the canal that there would be freedom of passage. So we have ample basis for insisting on freedom of passage through the canal.

What we need is exactly what the Senator from Alaska is calling on us for, namely, action by our Government to make international law meaningful, and I think he made an exceedingly forceful, vigorous, and effective plea for that kind of action.

I wish to underline this point by saying that the Senator from Alaska is performing a real service in not letting this subject die. The Foreign Affairs Committee of the House, by an overwhelming vote, which I think was 19 to 3, voted for this kind of resolution. The Senate voted against the administration and against the chairman of the Foreign Relations Committee by a smashing majority in favor of the resolution, and it seems to me we should hammer it home over and over again that it is the position of the U.S. Senate, including an even greater majority, now that we have the junior Senator from Louisiana on our side, that international law should be lived up to, and that when we make a loan or a gift to a country, at the very least we should insist on compliance with international law and of fair dealing with another good friend and good ally of real democracy in this country in the Republic of Israel.

Mr. LONG of Louisiana. The Senator from Louisiana has been thinking over the designation of the Senator from Alaska of the situation as one of piety, pollution and, if I recall the third, payola. I know the Senator from Alaska wants to be fair. This administration did not create pollution; it merely refused to do anything about it and blocked all efforts to do something about it.

Mr. GRUENING. As in the case of the Suez Canal.

Mr. LONG of Louisiana. But it was not the administration which created the pollution. It found the condition that way and has tried its dead level and earnest best to keep it that way.

Mr. GRUENING. That is correct.

Mr. LONG of Louisiana. I ask the Senator from Alaska if pollution is the same problem in Alaska as it is in a State such as Louisiana, where we have a relatively larger population and vast streams flowing through our most populated areas.

It was my impression that pollution could not possibly be the problem in Alaska that it is in most other States of the Union, inasmuch as most areas in Alaska have not experienced the development and therefore have not experienced the pollution that exists in other parts of the Nation.

Mr. GRUENING. That is correct; we are a much less developed part of America and we are still a frontier. Our great rivers, like the Yukon, Kuskokwim, and Susitna do not run through industrial centers or urban communities where pollution originates and is carried downstream, as is the case with the Mississippi River which runs through the Louisiana Senator's State.

However, we are desirous that that situation should not come about in Alaska, and would like to have the administration cooperate with the States in eliminating pollution in other parts of the country. We do not have such a provincial or parochial feeling that we are not in favor of pollution control in other parts of our country because it is not a problem in Alaska. We believe that what is good for the whole Nation is good for Alaska, and vice versa.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. For the information of the Senate, if we complete consideration of the Defense appropriation bill tomorrow, it is anticipated that we will take up the mutual security treaty with Japan on Thursday.

THE RIGHT TO CRITICIZE

Mrs. SMITH. Mr. President, on May 23, 1960, there was read into the CONGRESSIONAL RECORD excerpts purporting to be documentation from the Maine grassroots on the attitude of the people of Maine toward the President of the United States. The following day I made a statement in the Senate challenging that claim and recording my disagreement with it. I stated that it was my opinion that the overwhelming majority of the people of Maine supported rather than condemned the President of the United States.

I want to report to the Senate the response made by the people of Maine to my speech of May 24, 1960, defending the President of the United States and expressing my belief that the overwhelming majority of the people of Maine support him. I do so by quoting from the letter which I wrote on June 10, 1960, in response to letters I received from Maine.

My mail is evidence of this. You will be interested in the following analysis of my mail. Prior to my speech of May 24, 1960, I had received 10 letters from Maine residents expressing themselves on the U–2 affair and the summit meeting. Of those letters, six were critical of the President and four were commendatory of him.

Subsequent to my May 24, 1960, speech defending the President of the United States against these slurs, I have received 78 letters. Of this number 76 praised the President of the United States and my defense of him against such slurs—and only 2 condemned the President and my defense of him. These letters came from 15 of Maine's 16 counties.

When the slurring expressions were inserted in the CONGRESSIONAL RECORD on May 23, 1960, at page 10794, they were represented and offered as documentation from the Maine grassroots as the Senator who placed them in the CONGRESSIONAL RECORD stated: "The documentation which I now offer the Senate is from the grassroots—from the Maine grassroots."

Subsequently, the newspapers reported that the office of the Senator making this representation stated that at the time he had received a total of four letters.

I would not presume the role of authoritative documentation "from the grassroots of Maine" even on the total of the 88 letters I have received. But I do believe that a total of 88 letters from 15 of Maine's 16 counties is somewhat more representative than a total of 4. And the division of the overall 88 letters I received shows an 80-to-8 margin in favor of the President. With such a 90 percent recorded approval of the President and recorded condemnation of slurs charging that he had disgraced the United States and reflecting upon his mentality, it is difficult to conclude that the claimed "documention * * * from the Maine grassroots" made on May 23, 1960, is a justified claim.

AUTHORITY FOR BANKING AND CURRENCY COMMITTEE TO FILE ITS REPORT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Banking and Currency may have until midnight to file its report on the housing bill.

The PRESIDING OFFICER (Mr. GORE in the chair). Without objection, it is so ordered.

Subsequently, Mr. SPARKMAN, from the Committee on Banking and Currency, reported an original bill (S. 3670) to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes, and sub-

mitted a report (No. 1575) thereon; which bill was read twice by its title and placed on the calendar.

WHEAT LEGISLATION

Mr. BENNETT. Mr. President, during the debate on the wheat bill—S. 2759—last Thursday, I was unable to be present for a vote on one amendment and the vote on final passage of the bill. I should like to have the RECORD show that I would have voted "yea" on both of these rollcalls. The first vote was on the amendment identified as "6–8–60—H," submitted by the Senator from Louisiana [Mr. ELLENDER] and the Senator from Florida [Mr. HOLLAND]. The amendment provided that wheat price supports be reduced from the 80 percent called for in the bill to 75 percent over the next 3 years, as fixed by law; and in return the acreage be cut 20 percent. In addition, the farmer will receive 50 percent payments in kind for the wheat he would have produced on the 20 percent of acreage cut.

Mr. President, I would have preferred the adoption of the first price support Ellender amendment (No. "6–8–60—G"), which would have provided that the price support shall be 75 percent of parity for 1961, 70 percent of parity for 1962, 65 percent of parity for 1963, and all succeeding years. However, since this amendment was defeated, I then would have voted for the compromise approach represented by the second Ellender price support amendment.

I also wish to be recorded as favoring final passage of the bill. The bill is not all that I would have desired in the way of wheat legislation, but I think it represents the best bill we could hope to get from this Congress. I thus wish to be recorded as favoring final passage of S. 2759.

Mr. CHURCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

COMPARISON OF SOVIET AND WESTERN DISARMAMENT PROPOSALS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD a table which I have had prepared as chairman of the Subcommittee on Disarmament.

This table compares three comprehensive disarmament proposals: the Soviet proposal of September 17, 1959; the Soviet proposal of June 2, 1960, which modifies the September 17 proposal; and the Western proposal of March 15, 1960. The table describes the types of weapons, and the suggested reduction and control measures, which are contemplated in each proposal and in which of three stages the reduction and control would occur.

It is my understanding that neither the Western plan of March 15 nor the Soviet statement of June 2 has been offered on a take it or leave it basis. Both papers are presented as documents for negotiation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DISARMAMENT PROPOSALS—COMPARISON OF SOVIET PROPOSALS SEPT. 17, 1959, AND JUNE 2, 1960; AND WESTERN PROPOSAL, MAR. 15, 1960

SOVIET PROPOSAL, SEPT. 17, 1959	SOVIET PROPOSAL, JUNE 2, 1960	WESTERN PROPOSAL, MAR. 15, 1960
1st stage	*1st stage*	*1st stage*
Armed forces reduction: To reduce under appropriate controls the strength of the armed forces of the U.S.S.R., United States, and Communist China to the level of 1,700,000, and 650,000 each for United Kingdom and France; to reduce the forces of other states to appropriate levels.	Armed forces reduction: (Removed to 2d stage and only U.S.S.R. and United States specifically mentioned.)	Armed forces reduction: Initial force-level ceilings to be 2,500,000 for United States and U.S.S.R. and agreed appropriate force levels for certain other states. Collection of information on present force levels.
Armaments reduction: To reduce armaments to the extent that the remaining quantity would correspond to the determined level of armed forces.	Armaments reduction: Joint study to effect cessation of production of chemical and bacteriological weapons and on destruction of stockpiles of such types of weapons.	Armaments reduction: Each state shall store in its own territory under international supervision agreed types and quantities of conventional armaments specified in the agreement.
Missiles and other delivery systems: (No mention.)	Missiles and other delivery systems: All means of delivering nuclear weapons to be destroyed and their manufacture stopped including: strategic and tactical missiles; pilotless planes of all types; all military aircraft capable of delivering nuclear weapons; surface warships capable of being used to carry nuclear weapons; submarines of all classes and types; all artillery systems and other means of carrying nuclear weapons. The penetration of warships beyond the limits of territorial waters and the flights beyond limits of their national territory of military aircraft capable of carrying weapons of mass destruction shall be prohibited.	Missiles and other delivery systems: Joint study to assure compliance with an agreement on prior notification of missile launchings. Joint study of measures to give participating states greater protection against surprise attack including aerial inspection, ground observers, overlapping radar, notification of aircraft flights.
Nuclear weapons: (No mention.)	Nuclear weapons: Joint study to effect cessation of production of nuclear weapons and on destruction of stockpiles of such weapons. States having nuclear weapons shall not transfer them or information necessary for their manufacture to states which do not possess such weapons. Nonnuclear powers shall refrain from manufacturing nuclear weapons.	Nuclear weapons: Joint study to effect cessation of production of fissionable material for weapons purposes under proper controls. Study of ways to effect transfer of fissionable material from weapons stockpiles to peaceful purposes.
Withdrawal of foreign troops, dismantling of bases: (No mention.)	Withdrawal of foreign troops, dismantling of bases: All foreign troops shall be withdrawn. Foreign bases and depots shall be abolished.	Withdrawal of foreign troops, dismantling of bases: (No mention.)
Outer space: (No mention.)	Outer space: Space vehicles shall be launched only for peaceful purposes in accordance with agreement on inspection of launching sites. Launching into orbit or placing in outer space of special devices shall be prohibited until after final destruction of all means of delivering nuclear weapons.	Outer space: Prior notification to IDO (International Disarmament Organization) of proposed launchings of space vehicles and the establishment of cooperative arrangements for communicating to the IDO data obtained from available tracking facilities. Joint study of measures to assure compliance with agreement that no nation shall place into orbit or station in outer space weapons of mass destruction.

DISARMAMENT PROPOSALS—COMPARISON OF SOVIET PROPOSALS SEPT. 17, 1959, AND JUNE 2, 1960; AND WESTERN PROPOSAL, MAR. 15, 1960—Con.

SOVIET PROPOSAL, SEPT. 17, 1959—con.	SOVIET PROPOSAL, JUNE 2, 1960—con.	WESTERN PROPOSAL, MAR. 15, 1960—con.
1st stage	*1st stage*	*1st stage*
Control measures: (No mention.)	Control measures: International on the spot control shall be established over the destruction of missiles, military aircraft, surface warships, submarines and other devices which could be used to carry atomic and hydrogen weapons. International inspection teams to be sent to military bases and troops on foreign territories to supervise elimination of these bases and withdrawal of troops to within national boundaries. Destruction of missile launching sites except for peaceful purposes. Control also established at airports and harbors. Right of inspection of all plants, factories, and shipyards involved in military production. By mutual agreement, permanent control groups may be set up at certain plants and installations. Right of inspection teams to examine rocket devices being launched for peaceful purposes and to be present at time of launching. Inspectors shall communicate with control council through existing channels of communication.	Control measures: Joint studies on all aspects of control. Establish International Disarmament Organization (IDO).
Keeping the peace: (No mention.)	Keeping the peace: (No mention.)	Keeping the peace: Joint study of means of preventing aggression and preserving world peace and security, as national armaments are reduced, by an international organization, to be an organ of, or linked to, the United Nations.
2d stage	*2d stage*	*2d stage*
Armed forces reduction: Completion of the liquidation of armed forces retained by the states.	Armed forces reduction: Reduction of the armed forces of all states to agreed levels, United States and U.S.S.R. reduced to not more than 1,700,000.	Armed forces reduction: Force level ceilings for all military significant states and appropriate inspection and verification measures to go into effect simultaneously with the establishment of force level ceilings of 2,100,000 for the United States and U.S.S.R. Conference with other states to include their acceptance of force level reductions, etc.
Armaments reduction: (No mention.)	Armaments reduction: Conventional weapons released by force reduction to be destroyed or used for peaceful purposes and destruction of all stockpiles. Prohibition of chemical and biological weapons production.	Armaments reduction: Participating states shall agree to place in storage depots agreed types and quantities of arms in agreed relation to force level ceilings.
Missiles and other delivery systems: (No mention.)	Missiles and other delivery systems: (No mention in 2d stage.)	Missiles and other delivery systems: Prior notification to IDO of proposed launchings of missiles and declarations of locations of launching sites and places of missile manufacture. Establishment of measures to protect against surprise attack.
Nuclear weapons: (No mention.)	Nuclear weapons: Complete prohibition, cessation of production, and destruction of existing stockpiles of all nuclear weapons.	Nuclear weapons: Cessation of production of fissionable materials for weapons purposes immediately after establishment of control system. Agreed quantities of fissionable material from past production to be transferred under international supervision and control to nonweapons purposes.
Withdrawal of foreign troops and dismantling of bases: Liquidation of all military bases on foreign territories. Troops and military personnel to be withdrawn from foreign territories to their own territories and are to be disbanded.	Withdrawal of foreign troops and dismantling of bases: (No mention in 2d stage.)	Withdrawal of foreign troops and dismantling of bases: (No mention.)
Outer space: (No mention.)	Outer space: (No mention in 2d stage.)	Outer space: The prohibition against placing into orbit or stationing in outer space vehicles capable of mass destruction to be effective immediately after the installation of agreed control system.
Control measures: (No mention.)	Control measures: Inspectors shall verify destruction of existing stockpiles of nuclear, chemical, and bacteriological weapons. Rights to inspect all production of atomic materials or atomic energy. Inspection by military specialists of disbanding of troops. Control organization to have free access to all material on military budgets.	Control measures: Establishment of measures to verify budgetary information. Further progressive development of the IDO. Inspection and verification measures on force levels, nuclear weapons production and outer space launchings.
Keeping the peace: (No mention.)	Keeping the peace: Joint study on measures to insure compliance with the treaty on general and complete disarmament after all measures provided for in treaty have been completed. Joint study on measures to maintain peace and security in accordance with the U.N. Charter. Control organization to report on progress toward disarmament to U.N. Security Council and General Assembly.	Keeping the peace: Initial establishment of the international organization to preserve world peace.

DISARMAMENT PROPOSALS—COMPARISON OF SOVIET PROPOSALS SEPT. 17, 1959, AND JUNE 2, 1960; AND WESTERN PROPOSAL, MAR. 15, 1960—Con.

SOVIET PROPOSAL, SEPT. 17, 1959—con.	SOVIET PROPOSAL, JUNE 2, 1960—con.	WESTERN PROPOSAL, MAR. 15, 1960—con.
3d stage	*3d stage*	*3d stage*
Armed forces reduction: War ministries, general staffs, all military and paramilitary establishments and organizations shall be abolished. All military training terminated. Military education unlawful. All forms of military services abolished.	Armed forces reduction: completion of the disbandment of the armed forces of all states. States shall retain only agreed upon police (militias) with small arms for internal law and order.	Armed forces reduction: Reduction of national armed forces and armaments for progressive safeguarded steps to levels required for internal security for fulfillment of obligations under U.N. Charter to the end that no single nation or group of nations can effectively oppose enforcement of international law.
Armaments reduction: All stocks of chemical and bacteriological weapons in the possession of states shall be removed and destroyed under international control. Scientific research for war purposes and the development of weapons and war materials shall be prohibited.	Armaments reduction: All remaining conventional arms whether held by armed forces or in stockpiles shall be destroyed or used for peaceful purposes. Military production shall be wound up except for limited output of small arms to be retained by states after completion of program of general and complete disarmament.	Armaments reduction: Reduced to levels required by states for internal security and fulfillment of obligations of U.N. Charter. Prohibition of chemical and biological weapons production.
Missiles and other delivery systems: Liquidation of materiel of Air Force.	Missiles and other delivery systems: (No further mention.)	Missiles and other delivery systems: Control of the production of agreed categories of military missiles and existing national stocks and their final elimination.
Nuclear weapons: Destruction of all types of nuclear and rocket weapons.	Nuclear weapons: (No further mention.)	Nuclear weapons: Prohibition of production of nuclear weapons. Further reduction of existing stockpiles, further transfer for peaceful uses, further steps to achieve elimination of these weapons.
Withdrawal of foreign troops, dismantling of bases: (No mention.)	Withdrawal of foreign troops, dismantling of bases: (No further mention.)	Withdrawal of foreign troops, dismantling of bases: (No mention.)
Outer space: (No mention.)	Outer space: (No further mention.)	Outer space: Measures to insure the use of outer space for peaceful purposes only.
Control measures: To control the implementation of measures on general and complete disarmament, there shall be established an international control body. The scope of control and inspection shall correspond to the extent of the phased disarmament of states. Control organization may set up a system of aerial observation and aerial photography over territories of states. Upon the attainment of complete and general disarmament the international control body shall have full access to all objects under control.	Control measures: Control organization can send inspectors to verify abolition of military establishments. As necessary, institute a system of aerial observation and aerial photography over the territory of states. Shall have right to send mobile inspection teams to any point and to any facility in the territories of states.	Control measures: Control over production of all remaining types of armaments to insure production is limited to that required for internal policing and obligations under U.N. Charter. Control of missile production. Control over military budgets.
Keeping the peace: (No mention.)	Keeping the peace: Measures to maintain peace and security in accordance with the Charter of the U.N. shall be carried out. States shall undertake to place at the disposal of the Security Council, when necessary, formations from the contingents of police (militia) retained by them.	Keeping the peace: Completion of the establishment of international organizations and arrangements to preserve world peace.

THE PEOPLE'S STAKE IN CONSERVATION

Mr. HUMPHREY. Mr. President, America has had such an abundance of natural resources throughout our history that the possibility of exhausting these resources is really quite difficult for us to imagine. But water, energy, forests, and even the air we breathe can be either used up or polluted in such a brief time that our Nation could be one of the "have-not" nations within 50 years. This is the point of an excellent brief summary of our natural resources balance at the moment prepared by the Public Affairs Institute for its "Washington Window" column dated June 10, 1960.

Mr. President, I ask unanimous consent that "The People's Stake in Conservation," a survey of our present resources picture and recommendations for the future, be printed in the RECORD.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

THE PEOPLE'S STAKE IN CONSERVATION

It's one thing to know that we are using up our natural resources so fast that in many ways we will be a "have-not" Nation within 50 years. It's another thing to do something about it.

Only as we put conservation to work in specific projects can we make the future look right for the next generation. For the big squeeze is on between the demands of our rapidly growing population and dwindling natural resources, and conservation holds the key to our future.

Here are some of the main problems, and what we can do about them:

1. Water: We are now using over two-thirds of our available fresh water for drinking and domestic uses, and to meet the demands of agriculture and industry. The experts tell us that within 20 years the East and Midwest will be using all available water, and be forced to reuse it, too. Unless we find ways to increase the supply and control the use of fresh water, many millions of people will be forced to use, and even to drink, purified sewage water.

Practically everything that can be done to change this situation is in the hands of government—local, State, regional, or national. Here they are:

Develop new supplies of fresh water and bring it to the places needing it. This means laws, engineering projects, finance running into billions, determination of best uses between industry and agriculture, river basin compacts because natural boundaries don't fit neatly into man-made county and State lines.

It means a program to desalt sea water to meet the needs of coastal cities, getting the costs down to where this is practical. It means, too, a rapidly expanding program of pollution control. Now the Federal Government puts up $1 for every $5 the cities invest in sewage treatment plants, but this doesn't even allow making any serious inroads on the immensity of the pollution problem, and contamination of our rivers and lakes is gaining ground.

With local tax sources overburdened, despite the President's veto of the antipollution budget, more Federal money is needed badly now. All these matters not only concern all citizens, but they can do something about them in an election year when candidates have to state their position on such issues.

2. Recreation has become a No. 1 conservation problem. It is a multimillion-dollar business, too, as people find their leisure time hanging heavy on their hands and the great outdoors beckons. Boating, fishing, hunting, hiking, camping, bird watching, golfing, picnicking, horseback riding—the whole range of healthful outdoor recreation is vitally important not only to us but to the next generation to follow. It has to be planned for now.

Already overcrowded facilities and natural recreational sites giving way to industry make costs mount while raising the issue of providing more space and perserving more natural beauty for the enjoyment of all the

people regardless of their ability to own them individually. But with another 100 million people joining us in the next 40 years, the demands on our public outdoor recreational facilities will be staggering.

What is needed right now is a well coordinated and properly financed program to acquire local, State and national parks, to establish and operate more public picnic and camping facilities, to create wilderness areas where nature can have its way. An inventory of the sand dunes, forests, lakes, sea and river shores has been made. If the public does not acquire them now, commercialization and speculation in such properties will drive the price up high. Even a slowly conservative, step-by-step effort to buy these natural recreation sites has met with the stubborn and successful resistence of a budget-minded President. The U.S. Park Service wanted $86 million in 1960 to begin the program, but the administration cut the figure to $16 million even before allowing the proposal to go to Congress. Here again the voters can have their say in the election year 1960.

3. Forests are at the crossroads where sawtimber is fast becoming scarcer and costlier as demand increases and we pay the price of the cut-and-get-out policies of the past. It is only a matter of a few years now before the cost of constructing tens of millions of new homes leaps skyward just because of scarce lumber.

Right now we need a national program of constructing access roads through forests to get out the mature and down timber, and to protect new and standing growth from fires and other hazards. We need to get started planting the 50 million acres of forest land now carrying too few or inferior trees.

A system of arranging long-term, low-interest-bearing loans to forest farmers which will be paid back out of the increased trees production requires Federal legislation. Most of our remaining forest reserves are on farm lands, presently little or poorly managed. We need to give these farmers both the technical and financial assistance that will produce sound conservation practices which will keep the country green and help us keep our living costs down.

4. The air now becomes a problem of major concern. Air pollution by factories, refineries, auto exhausts, trash burning, furnace smoke, is proving harmful to humans and animals, to plants and trees. Its control reaches beyond local communities, on even to the Federal Government level. New laws and new enforcement procedures are required.

5. Energy sources are poorly distributed and increasing in cost. There is still four-fifths of the hydroelectric power potential of our falling waters needing development. Yet no new starts have been undertaken by this administration during its almost 8 years in office. And the development of our energy resources has been held back a full generation. The failures of the Federal Power Commission to act in behalf of the consumers in regulating natural gas and electricity can cost the consumers millions of dollars. Already the mayors and Governors have protested to the Congress that the only consumer-minded member of the FPC was refused reappointment by the President.

Here are five big areas of conservation, all needing the attention of the voters in this election year. Here are concrete, practical proposals requiring your attention.

HEALTH FOR PEACE

Mr. HUMPHREY. Mr. President, the House Committee on Interstate and Foreign Commerce has favorably reported House Joint Resolution 649, a modified version of Senate Joint Resolution 41, the health for peace bill, which this body approved in May 1959.

The New York Times, in an editorial entitled "Health for Peace," published on June 7, 1960, the day the House committee was to consider the bill, strongly urged its approval not only because of the need for a broadened world program of health and medical research but also because the area of health cooperation is "one of the few remaining areas of United States and Soviet agreement"—a communications link which should be maintained.

However, the Times failed to give proper credit for initiation and development of the health for peace idea to our great colleague, the senior Senator from Alabama [Mr. HILL]. Certainly more than any other person, LISTER HILL gave inspiration, purpose and finally a legislative framework to the idea of cooperative international research in health, medicine and rehabilitation. Admittedly, the administration has supported this idea, but the imagination and determination—the moving force—behind the plan were provided by our good and respected friend, LISTER HILL.

Mrs. Albert D. Lasker, a most outstanding leader in health research in our Nation, last week released a report pointing out that disease and disability take an annual toll of $35 billion which is 88 times the amount spent on medical research by the Federal Government. That means that we spend only pennies for prevention in contrast to the cost in dollars to American citizens who are ill and disabled.

Certainly, to achieve the great objectives of international cooperation and good will and the relief of human suffering, it is imperative that health for peace be made a national policy and program.

Mr. President, I ask unanimous consent that the New York Times editorial of June 7, 1960, entitled "Health for Peace," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HEALTH FOR PEACE

Today the House Committee on Interstate and Foreign Commerce is scheduled to vote on House Joint Resolution 649. This resolution would broaden U.S. support of international research in health, medicine, and rehabilitation. It is the House version of the Senate's health-for-peace bill, approved 63 to 17 in May 1959.

The bill's objections are to encourage and support research, the exchange of information on research, the training of research personnel, and the improvement of research facilities throughout the world. It has been enthusiastically endorsed by our Nation's top scientific leaders and by all voluntary health agencies. The Subcommittee on Health and Safety of the House committee approved it unanimously.

The health-for-peace bill is a direct outgrowth of President Eisenhower's proposals in his 1958 state of the Union message. His proposal was welcomed by Soviet Premier Khrushchev. Since the disastrous and short-lived summit meeting in Paris, the health-for-peace program is one of the few remaining areas in which there is United States and Soviet agreement. It is imperative that the House of Representatives committee take affirmative action today on this legislation and so maintain this link of communication.

ARMY ANNOUNCEMENT IMPLEMENTING HUMANE SLAUGHTER ACT

Mr. HUMPHREY. Mr. President, last Friday on the floor of the Senate I called attention to an announcement by the Military Subsistence Supply Agency that it would require certification of compliance with the provisions of the Humane Slaughter Act only in contracts exceeding $2,500.

As the sponsor of this legislation, I was disturbed to learn that the Army was attempting to exempt certain suppliers from the strict provisions of the act. I pointed out to the Senate that the act most explicitly provides that there are to be no exceptions or exemptions. All suppliers of livestock products to Federal agencies are required to certify that they are in accord with the law—subject to criminal penalty for making a false statement.

This morning, I am pleased to report I received a letter from the Assistant Secretary of the Army—Logistics—Courtney Johnson, informing me that the Army intends to comply with the act, and that the "Notice to the Trades" as published by the Military Subsistence Supply Agency was being amended so as to remove the exemption for contracts under 2,500.

I commend Mr. Johnson for his prompt action in correcting this notice once it was called to his attention. I ask unanimous consent that the original "Notice to the Trades" as issued by the Military Subsistence Supply Agency on June 1, together with the letter I received today from Mr. Johnson, be printed at this point in the RECORD.

There being no objection, they were ordered to be printed in the RECORD.

HEADQUARTERS,
MILITARY SUBSISTENCE SUPPLY AGENCY,
Chicago, Ill., June 1, 1960.

Headquarters Notice No. 20(60).
Subject: Humane methods of livestock slaughter.

NOTICE TO THE TRADE

GENTLEMEN:

1. All contracts after June 30, 1960, will be made under the provisions of the act entitled "Humane Methods of Livestock Slaughter," title 7, United States Code, sections 1901–1906. Section 1903 of said act concerns itself with Government contracts and is as follows:

"SEC. 1903. The public policy declared in this chapter shall be taken into consideration by all agencies of the Federal Government in connection with all procurement and price-support programs and operations, and after June 30, 1960, no agency or instrumentality of the United States shall contract for or procure any livestock products produced or processed by any slaughterer or processor which in any of its plants or in any plants of any slaughterer or processor with which it is affiliated slaughters or handles in connection with slaughter livestock by any methods other than methods designated and approved by the Secretary of Agriculture (hereinafter referred to as the Secretary) pursuant to section 1904 of this title: *Provided*, That during the period of any national emergency declared by the President or the Congress, the limitations on procurement required by this section may be modified by the President to the extent determined by him to be necessary to meet essential procurement needs during such emergency. For the purposes of this section a slaughterer or processor shall be deemed

to be affiliated with another slaughterer or processor if it controls, is controlled by, or is under common control with, such other slaughterer or processor. After June 30, 1960, each supplier from which any livestock products are procured by any agency of the Federal Government shall be required by such agency to make such statement of eligibility under this section to supply such livestock products as, if false, will subject the maker thereof to prosecution, section 287 of title 18."

2. In implementing the act, the Military Subsistence Supply Agency will include a new contract clause in all contracts for articles of food derived from livestock products. The clause is attached as exhibit 1. The clause will appear in all notices of intent to purchase scheduled for closing after June 30, 1960. Contractors are required to submit the signed statement, exhibit 2, to each regional headquarters with which it desires to contract, prior to June 30, 1960, in order to remain on the active mailing list of that headquarters as a source of supply. As contractors qualify by submitting a signed statement they will be placed on the mailing list.

The statements will be retained by each regional headquarters and it will be unnecessary to submit further statements for each contract. The contract clauses and the statement have been designed to make the statement applicable to each subsequent contract awarded and to claims presented thereunder. Invoices submitted are claims.

3. The act is broad in scope and many different situations may arise where interpretation is necessary. As a guide and until more authoritative interpretations are available the Military Subsistence Supply Agency intends to interpret the act as follows:

(a) The words "livestock products" are defined to mean any article of food, or any article intended for or capable of being used as food, for either humans or animals, which is derived or prepared in whole or in part, from any portion of any cattle, calf, swine, sheep, goat, horse, or mule. Supplies, the animal product portion of which is less than 5 percent by weight of the net unit weight, are not included in the above definition.

(b) The product delivered must under all conditions emanate from livestock which have been slaughtered by a complying slaughterer.

(c) A slaughterer complies only when it slaughters all species of livestock humanely in all of its plants and its affiliates do likewise.

(d) A multiplant slaughterer complies only if all of its plants slaughter all species humanely even though some of its plants are not under USDA jurisdiction or inspection, and are not concerned with production of the items to be delivered.

(e) A slaughterer-processor which slaughters in compliance with the act cannot deliver a product slaughtered by a slaughterer which does not comply.

(f) A slaughterer-processor which does not comply is not eligible even though it processes for delivery a product, the components of which were obtained from a complying slaughterer.

(g) A slaughterer-processor which slaughters all species humanely may process products from a nonhumane slaughterer, not an affiliate for non-Government business, and still comply, so long as these products are not furnished the Government.

(h) A nonslaughtering processor or other source of supply must deliver a product emanating from a complying slaughterer.

(i) A nonslaughtering processor may process products from a nonhumane slaughterer, not an affiliate, for non-Government business and still comply, so long as these products are not furnished the Government.

(j) The requirements of the act do not apply to livestock products emanating from livestock slaughtered outside the United States, its territories, possessions, and Puerto Rico.

(k) In determining whether a slaughterer complies with the act, only those slaughtering operations conducted by the slaughterer and its affiliates which take place within the United States, its territories, possessions, and Puerto Rico will be considered.

4. The Secretary of Agriculture has designated humane methods of slaughter. This designation is set out in part 180, title 9, Code of Federal Regulations. These regulations have been published in the Federal Register as follows: 24 F.R. 1549, March 3, 1959; 24 F.R. 4952, June 18, 1959; and 24 F.R. 6434, August 11, 1959.

5. Contractors are seriously warned to consider the full effect of signing the required statement. The act quoted above required that false statements be made subject to prosecution under section 287 of title 18, United States Code. The statement and contract clause have been prepared so as to provide for such prosecution. Section 287 of title 18 provides as follows:

"Whoever makes or presents to any person or officer in the civil, military, or naval service of the United States, or to any department or agency thereof, any claim upon or against the United States, or any department or agency thereof, knowing such claim to be false, fictitious, or fraudulent, shall be fined not more than $10,000 or imprisoned not more than five years, or both."

Statements should be signed by authorized persons only after careful consideration of the act and the particular circumstances of the signer's business.

6. Your cooperation is earnestly solicited so that there will be a minimum of interruption with this agency's supply mission. This agency will be pleased to answer any questions which you may have insofar as it is able. It must be recognized that in the absence of judicial interpretation there exists an area of uncertainty in interpretation.

Sincerely yours,

JOHN F. DILLON,
Lieutenant Colonel, QMC,
Chief, Purchasing Division.

CONTRACT CLAUSE

Humane methods of livestock slaughter (applicable to contracts in excess of $2,500):

(a) In compliance with the act entitled "Humane Methods of Livestock Slaughter," title 7, United States Code, section 1901–1906, no livestock products delivered in performance of this contract shall have been produced or processed by any slaughterer or processor which in any of its plants or in any plants or any slaughterer or processor with which it is affiliated, slaughters, or handles in connection with slaughter, livestock by any methods other than methods designated and approved by the Secretary of Agriculture pursuant to section 1904 of the said act.

(b) The contractor shall have furnished the Military Subsistence Supply Agency a statement of eligibility before award of this contract and such statement is hereby incorporated by reference. Such statement shall be considered in connection with, and as a part of, any and all claims by the contractor, under this contract, upon or against the United States or any department or agency thereof as required by section 1903 of said act.

(c) The words "livestock products" are defined to mean any article of food, or any article intended for or capable of being used as food, for either humans or animals, which is derived or prepared in whole or in part, from any portion of any cattle, calf, swine, sheep, goat, horse, or mule. Supplies, the animal product portion of which is less than 5 percent by weight of the net unit weight, are not included in the above definition.

(d) A slaughterer or processor shall be deemed to be affiliated with another slaughterer or processor if it controls, is controlled by, or is under common control with such other slaughterer or processor.

STATEMENT OF ELIGIBILITY

In accordance with the provision of the act entitled "Humane Methods of Livestock Slaughter," title 7 United States Code, section 1901–1906, and in particular with section 1903 thereof:

(Name of contractor)

of ---
(Address of contractor)

states that any livestock products delivered under contracts entered into after June 30, 1960, with the Military Subsistence Supply Agency, except contracts not in excess of $2,500, will not have been produced or processed by any slaughterer or processor, which in any of its plants, or in any plants of any slaughterer or processor with which it is affiliated, slaughters, or handles in connection with slaughter, livestock by any methods or other than methods designated and approved by the Secretary of Agriculture pursuant to section 1904 of said act.

--- hereby
(Name of contractor)

agrees that this statement is to be incorporated by reference in each of such contracts and agrees further that it is to be considered a part of each and every claim by ---
(Name of contractor)

upon or against the United States or any department or agency thereof arising under these contracts.

This statement is made with full knowledge that it will be relied upon by the Military Subsistence Supply Agency in entering into contracts for livestock products and in payment of claims thereunder.

(Name of contractor)

By ---

Title

Address

Witness: ---

(NOTE.—In case of corporation, witnesses not required but certificate below must be completed. Type or print names under all signatures.)

Warning: Section 1903, title 7, United States Code, expressly provides that statements of eligibility will be such that, if false, the maker will be subject to prosecution under section 287 of title 18, United States Code which provides as a penalty for false, fictitious, or fraudulent claims a fine of not more than $10,000 or imprisonment for not more than 5 years, or both.

CERTIFICATE

I, ---, certify that I am the --- of the corporation named as contractor herein; that --- who signed this statement on behalf of the contractor was then --- of said corporation; that said statement was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

DEPARTMENT OF THE ARMY,
OFFICE OF THE ASSISTANT SECRETARY,
Washington, D.C., June 13, 1960.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: I have noted your comments regarding the Army implementation of the Humane Slaughter Act in the CONGRESSIONAL RECORD for June 10, 1960.

I assure you of our full cooperation in the implementation of this law. Consequently the Department of the Army circular which is being published implementing the law makes no provision for any exemption of purchases of livestock products under $2,500. Purchases of all dollar amounts, which are made in the United States and its possessions, are subject to this law insofar as the Department of the Army is concerned.

I have taken the necessary action to have the notice to the trade which was published by the Military Subsistence Supply Agency amended to comply with the policy I have stated above.

Sincerely yours,

COURTNEY JOHNSON,
Assistant Secretary of the Army (Logistics).

AWARD OF SCHOLARSHIP TO SHARON PAULSEN, HOOD RIVER, OREG.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an article published in the Oregon Legionnaire of June 1960, announcing the award of a scholarship to Miss Sharon Paulsen of Hood River, Oreg.

Miss Paulsen has received a $1,000 scholarship from the National American Legion Auxiliary and is the recipient of one of 10 such awards throughout the Nation. Miss Paulsen plans to attend Willamette University in Salem, and I am delighted to know that she hopes to becomes a schoolteacher.

As this story indicates, these scholarships are available only to daughters of deceased veterans.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOOD RIVER STUDENT WINS AUX NATIONAL SCHOLARSHIP

Sharon Paulsen of Hood River is the State winner of the National President's scholarship of $1,000 given by the National American Legion Auxiliary, Dorothy Oswald, education and scholarship chairman announced.

Miss Paulsen has been a top scholastic student in her 4 years at Wy'east High School in Hood River. She was chosen valedictorian of her class and has been in several activities in her school including vice president of the Honor Society, Latin Club, Girls League, president of the Future Teachers of America, German Club, and Student Council. She attends the Odell Methodist Church where she teaches Sunday school.

Miss Paulsen plans to go to Willamette University in Salem. She will major in English or history. Her desire is to become a schoolteacher.

Her application was submitted by the Department of Oregon of the Auxiliary to the Western vice president for judging. There are two $1,000 awards given to each of the five divisions in the Nation. This scholarship is open only to daughters of deceased veterans.

Virginia Whiting of Oregon City placed first in the Oregon contest and will receive $300. Second place winner is Miss Rosemary Suckow of Grant High School, Portland, and will receive $150.

Judges for the scholarship were five faculty members from Willamette University, with Mrs. Robert Ewalt, chairman. Character, Americanism, leadership, scholarship, and basis of need were the qualifications for the selection.

PURCHASE OF FURNITURE BY STATE DEPARTMENT

Mr. DIRKSEN. Mr. President, I should like to make some response to my very lovable friend, the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], who on yesterday took umbrage and said some things about the Secretary of Commerce.

One point the Senator from Wisconsin made yesterday was that the Secretary of Commerce is one of seven members of the so-called Foreign Service Buildings Commission, which was established by act of Congress in 1926. However, the important thing he did not say—and I feel certain he did not know it—is that the Commission has not actually met in the last 10 years. So, notwithstanding the membership of the Secretary of Commerce on the Commission, it could have no effect if the Commission never met.

I point out also that the chairman and the ranking Republican member of the Senate Committee on Foreign Relations and the chairman and ranking Republican member of the House Committee on Foreign Affairs are members of the Commission.

Then I point out that by the President's Reorganization Plan No. II, effective July 1, 1939, all the functions of the Foreign Service Buildings Commission were transferred to the State Department, except advisory functions. But since the Commission has not met in 10 years, obviously it could have no influence; it could have no effect. That is the first item which deserves emphasis.

The second item in the statement made by my esteemed friend, the Senator from Wisconsin, is that the furniture for the American Embassy at Caracas was purchased without proper legal authorization. The Department of State possesses this authority, because in Public Law 547, 79th Congress, approved July 25, 1946, the pertinent language reads:

> Sums appropriated pursuant to this act shall be available for the purposes and subject to the conditions and limitations of the above acts, except that there shall be no limitation on the amount to be appropriated in any one year and that expenditures for furnishings shall not be subject to the provisions of section 3709 of the Revised Statutes.

That is the provision which calls for competitive bidding. But the Comptroller General evidently had reference to the 1926 act, not to the 1946 act.

As to the third item which was emphasized—namely, that competitive bids were not solicited in connection with the procurement of furniture for the Embassy, in violation of established practice and the law—the State Department points out that it first checked with four additional American firms, for prices on comparable items of basic office furniture, to establish that the prices quoted by the Mueller Metals Corp. were competitive. The Department of State says, further, that its records in this transaction indicate that this check was made during July 1959.

The fourth item which the distinguished Senator pointed out was that the Foreign Service Buildings Commission granted nine contracts to the Mueller Metals Corp. for furniture. The fact is that the Commission did not grant any contracts. The contracts were granted by the State Department; and it does confirm that nine such contracts were made, totaling $89,400, of which $60,000 was for the Embassy at Caracas.

The fifth item is that the operator of the company, Mr. Frederick Mueller, was flown to Caracas at Government expense. In part, that is true, in the sense that he flew the furniture on Flying Tigers Airline from Grand Rapids to Caracas, to assemble and to install the furniture. The Department of State did pay for the return trip by a commercial airline.

The sixth item is that the Department incurred excessive transportation costs on the furniture shipment to Caracas. The basic fact is that the new Embassy building was ready for occupancy on November 1, 1959. The Department was committed to pay $11,000 a month rental on the building, through the lease-option to purchase. Having concluded with the private owner the contract under which the building was constructed, and when faced with the necessity to transport, assemble, and install 35 tons of office furniture in Caracas, and with a longshoreman's strike in progress, these alternatives were presented to the State Department: First, wait out the strike, and run the risk of having a brand new building stand idle, at a cost of $11,000 a month, and continue to pay rent on the old properties at $3,796 a month; or, second, incur extra costs of shipment by air, in the amount of $7,785, and obtain full benefit of the new building at the earliest possible date.

The seventh item was that the furniture should have been acquired from Venezuelan firms. The fact of the matter is that we have no Venezuelan currency and no credits. Venezuelan money is hard money; as a matter of fact, it is at a premium, so far as I know, insofar as the American dollar is concerned. When the State Department is confronted with a situation of that sort, it likes to acquire furniture and furnishings from American firms, when prices and delivery schedules and other considerations are reasonable.

It is recognized that costs in Venezuela are among the highest in the world. And if the furniture had been bought there, its cost would have exceeded the $2.45 per square foot which my distinguished friend from Wisconsin mentioned with respect to furniture from Denmark and Sweden.

So, Mr. President, it is apparent that the junior Senator from Wisconsin was mistaken in his facts with regard to the transaction.

I think it behooves each Member of Congress to be meticulously careful in ascertaining all the facts, before making serious charges involving a member of the President's Cabinet, although I must say for the distinguished Senator from Wisconsin that he did say the Secretary of Commerce had no fiscal or other iden-

tity with the Mueller Metals Co. But I think a careful scrutiny of all the facts involved shows that the State Department did exercise good judgment in the matter, and that there is no apology to be made.

I emphasize this one very essential fact: The Secretary of Commerce has only nominal identity with the Foreign Service Buildings Commission, which has not met in 10 years; and I do not know why it exists, except in an advisory capacity. So obviously, there could be no connection between the Secretary of Commerce and the State Department's procurement of this furniture for the new Embassy in Caracas.

So that is the rest of the story, and I think it puts the matter in far better light.

I will not say that my friend is not meticulous, because he had his statement delivered to my office at exactly 11:51 a.m., yesterday; and I know that whoever brought it there asked that my office sign for it and indicate exactly the hour and minute when it was delivered; and that was 9 minutes before the session on yesterday convened. I do not quarrel about that; the Senator was under no obligation to send me the statement.

I have only one interest in the matter, and that is that the whole story be told.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER (Mr. GORE in the chair). Does the Senator from Illinois yield to the Senator from Wisconsin?

Mr. DIRKSEN. I yield.

Mr. PROXMIRE. Mr. President, the Senator from Illinois has disputed me on seven specific points. I think I can show my statement yesterday was correct on every single one of them.

The first point was in regard to the membership of the Secretary of Commerce on the Foreign Service Buildings Commission. What I was insisting on—and I did so consistently—was that he was a member of the Commission, which still has the legal responsibility under the law for furnishing embassies. That has never been changed. It is true that the Commission has not met for a long time. But the point is that the Secretary of Commerce has been the number 1 hatchet man of the administration in attacking waste and spendthrifts. He has the responsibility and the authority by law to act in this particular field. I pointed out that when the State Department purchased furniture from his son's company and flew it to Venezuela, for $30,000—the furniture itself was worth $70,000—the Secretary of Commerce, who has been so much interested in economy, had an opportunity to show his interest in economy, and to show it responsibly, because he has this legal power.

Mr. DIRKSEN. The point is that the Commission has no power; it can act only in an advisory capacity. And it has not met for 10 years. So what can the Senator make out of all that?

Mr. PROXMIRE. I make out of it the fact that the Commission can meet and can exercise its functions. And certainly Mr. Mueller as a member of the Commission, and as Secretary of Commerce can protest and I am sure correct this extravagance so close to home, his home.

Mr. DIRKSEN. But the Commission has no power.

Mr. PROXMIRE. But the Commission can use the authority it has by law.

The next point of the minority leader was that my charge that competitive bids were not solicited in the procurement of the furniture for the Embassy at Caracas, was wrong; that the State Department was not in violation of established practice and the law, that the Comptroller General had overlooked the 1946 law passed by the 79th Congress, and had reference to the 1926 law.

The fact is that the Comptroller General in his letter to me specifically cited the law of 1946, when he wrote to me as follows:

> 5. The Department cites Public Law 547, 79th Congress, which amended the Foreign Service Buildings Act of May 7, 1926, as the authority of the Secretary of State to deviate from established rules of competitive bidding. As we stated in our letter of May 6, 1960, we find nothing in this act or in the pertinent appropriation act which would authorize the Department to negotiate contracts for the purchase of furniture; and we are not aware of any reason for the deviation by the Department in this case.

Mr. DIRKSEN. The Comptroller General should adjust his bifocals, because the language I read a moment ago, from the appropriation bill, is as clear as crystal that there is an exception to the basic statute 3709.

Mr. PROXMIRE. I am sure there may be an exception.

Mr. DIRKSEN. That is the point.

Mr. PROXMIRE. But the point of the Comptroller General—and it is a completely valid point—is that in this particular case that exception apparently did not apply; in this particular case there is no reason why the State Department should not have sought competitive bids. There are many hundreds of manufacturers of steel furniture in the United States, and there may be some in Venezuela; but no attempt was made to find whether they could supply this furniture to the Embassy.

Mr. DIRKSEN. But the Department checked with them.

Mr. PROXMIRE. The State Department and the Comptroller General tell me they did not check, and that there was no effort to check with firms in Venezuela.

The Senator knows that four additional United States firms were checked.

Mr. DIRKSEN. That is correct.

Mr. PROXMIRE. For I put that information into the RECORD.

The very interesting point is that they checked only on five or six items; and on most of them, the Mueller Co. was high, not low.

In connection with the State Department's selection of the four firms, the Department was able to find that on only two items the Mueller firm was low. It seems to me it is a very weak argument, on that basis, to say that competitive bids in this case were not necessary.

Mr. DIRKSEN. Let me ask my friend—and this question tends to put him on the spot a little—when we have no Venezuelan credits——

Mr. PROXMIRE. But the fact is that we do have Venezuelan credits. I have just checked with the State Department, and, as of May 31, 1960, they had $138,000 of Venezuelan bolivars under Public Law 480.

Mr. DIRKSEN. But are they not limited?

Mr. PROXMIRE. This was a transaction with Mexico.

Mr. DIRKSEN. I give the Senator their language:

> No Venezuelan currency or credits were available to the Department of State in Venezuela for the purchase of office furniture.

Mr. PROXMIRE. According to the Comptroller General, no attempt was made by the State Department even to determine whether they could purchase it there.

The fourth point made by the Senator from Illinois is that the Foreign Service Buildings Commission granted nine contracts. The fact is that the State Department granted them.

Mr. DIRKSEN. Certainly, it did.

Mr. PROXMIRE. The State Department granted nine contracts to Mueller Metals Corp.

Mr. DIRKSEN. The Foreign Service Buildings Commission has no jurisdiction or authority to grant contracts at all.

Mr. PROXMIRE. The State Department granted those contracts since Mr. Mueller came into the Government as a top official.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. HUMPHREY. What is the rationalization for the payment of $30,000 in air freight on $70,000 worth of furniture? I read in the press the Senator's remarks relating to this interesting instance of extravagance. I was visiting with a group of businessmen in my city of Minneapolis. When they learned that $30,000 was paid for air freight they were a little surprised. They wondered what was the rush for furniture to the point of shipping it by air freight, when there seem to be good ocean connections. There are many ships traveling from the United States to Venezuela. Will the Senator take time again to tell us a little about that?

Mr. PROXMIRE. The Department says the situation was that it had to get the furniture to Caracas as of November 1, because there was the threat of a longshoremen's strike. It said, because of that threat there might be some danger the furniture could not be transported there by ship. The fact is that the longshoremen's strike ended by October 9. The furniture did not have to be down there on November 1. It did not have to be down there until November 30. The fact is that the Department had a contract to continue to occupy

the old building until November. It did not have to be vacated until November 30. There was not a penny of saving by getting the furniture down there at the end of October. It could have gone down there by the end of November, there was no saving to the Federal Government not a nickel in getting the furniture down to Venezuela quickly.

Mr. HUMPHREY. Does the Senator know how long it takes to transport furniture by ocean freight from a port in the United States to Caracas?

Mr. PROXMIRE. It takes a matter of days, not a matter of months.

Mr. HUMPHREY. Could it be done in 2 weeks?

Mr. DIRKSEN. Does the Senator mean furniture can be gotten from Grand Rapids to Caracas in 2 weeks?

Mr. PROXMIRE. It was a matter of getting it there in 7 weeks.

Mr. DIRKSEN. More likely, it might have taken 2 months, but the State Department emphasizes the fact that the building was ready for occupancy on the first of November. There was a longshoremen's strike. To be sure, it was settled. But the Department could not wait until the last minute in order to make provision for the furniture. In the meantime, there was an empty building on which we were paying $11,000 a month, and $3,700 a month on the old building. Those were the alternatives.

Mr. PROXMIRE. Here are the facts. On October 9 the longshoremen's strike ended. The first batch of furniture was not put on the plane and flown to Caracas until October 15, and the second until October 22. What is the matter with the State Department on October 9 when the strike is over cancelling the air flight and sending by boat?

Mr. DIRKSEN. How could the Department tell when the strike was going to end?

Mr. PROXMIRE. After October 9 it had ample time in which to cancel the order. It is very easy. That happens all the time in business. Any business concern would make the saving. It is the efficient and obvious way to handle it.

Mr. HUMPHREY. What was the monthly charge on the old building?

Mr. DIRKSEN. Three thousand seven hundred dollars.

Mr. HUMPHREY. And on the new building?

Mr. DIRKSEN. Eleven thousand dollars a month.

Mr. HUMPHREY. So even if the Government had paid the rent for a month and left the furniture there, the rent would be less than the cost of the shipment of the furniture by air freight.

Mr. DIRKSEN. Several alternatives faced the Department. The question was what to do in order to get the quickest possible occupancy of the Embassy building with the longshoremen's strike in process at the time these arrangements were being made. It could not tell when the strike was going to end, but there was a building it could not occupy. It added up all of the considerations in terms of dollars and cents, convenience, and everything else, and said, "This is the proper thing to do."

Mr. PROXMIRE. There was not one single penny saved by flying the furniture down to Caracas. The fact is that the Department had to occupy the old building until the end of November. It was just as easy to occupy the old building until the furniture could come down by ship. Instead of that, the Department chose to fly the furniture down. It had ample time, after October 9, to cancel the flight by plane. It did not choose to do that. It incurred the additional cost of flying the furniture down.

Mr. DIRKSEN. Frankly, I talked with the public buildings official in the State Department and had him come to see me. He is a very reliable and honest sort of person. I think, faced with those alternatives, a perfectly proper judgment was made in the circumstances. So that is the whole story.

Mr. PROXMIRE. The Senator from Illinois has said that the son of the Secretary of Commerce was flown to Caracas, at Government expense. He went there to install the furniture.

Mr. DIRKSEN. Yes, he was flown there with the furniture. I flew with furniture once in Asia. I will never do it again as long as I live.

Mr. PROXMIRE. The final two points made by the Senator from Illinois, thanks to the Senator from Minnesota, have now been cleared up. The assertion was made that some $11,000 was saved by flying the furniture to Caracas. I should like to point out that not a penny was saved by flying the furniture there. The rent still had to be paid on the two buildings during all this time. The fact is that it was an excessive cost.

Mr. DIRKSEN. Mr. President, I think yesterday the Senator from Wisconsin did pretty well with an extremely weak case.

Mr. PROXMIRE. Let me say to the Senator from Illinois that I know of no man in the country who can do more with no case at all than can the distinguished minority leader. Anyone who could be minority leader of the Republican Party for the past 2 years, in view of the record of this administration, and do the magnificent job the Senator from Illinois has done deserves the profound thanks of the country, as well as of the Republican Party; it is an amazing performance.

Mr. DIRKSEN. I thank the Senator.

Mr. HUMPHREY. The Senator's case might have been more appealing yesterday, but when one takes the case he has made today and contrasts it with the evidence put forth by the Senator from Illinois as submitted by the State Department, the case of the Senator from Wisconsin looks like the Rock of Gibraltar—solid. It is like Prudential itself.

Mr. PROXMIRE. I thank the Senator from Minnesota.

Mr. President, as we conclude the discussion, let me point out there was no attempt to secure competitive bids; and, in the judgment of the Comptroller General, that is at variance with the law. This viewpoint may be disputed, but the fact is there were no competitive bids.

Second, the furniture was flown to Caracas unnecessarily and at highly excessive cost. As compared to the cost of similar furniture in similar Embassies, the cost of the furniture was much higher.

Third, the president of the furniture company which sold the furniture to the Government without competitive bidding is the son of a very high, very influential official of the Government, a powerful critic of Democratic waste.

THE U–2 INCIDENT AND SUMMIT FAILURE

Mr. MUSKIE. Mr. President, over the past few weeks, there have been several references in the RECORD relative to the reaction of my constituents to the U–2 incident and the summit failure. For that reason, I ask unanimous consent that there be printed at this point in the RECORD, my latest newsletter, which deals with this subject.

There being no objection, the news letter was ordered to be printed in the RECORD, as follows:

NEWSLETTER FROM THE OFFICE OF SENATOR EDMUND S. MUSKIE, JUNE 8, 1960

What consideration should a Senator give to letters which he reecives from constituents?

It has been my policy always to read them thoughtfully, whether or not they expressed points of view different than my own, whether or not they were critical of me in whatever degree, and whether or not the writers expressed themselves in ways pleasing to me.

This will continue to be my policy because I have found it to be a useful one. It has been useful for at least the following reasons:

1. Such letters have drawn my attention to points of view which might otherwise have escaped my attention.

2. They have shaped or influenced my judgment on pending legislation.

3. They have indicated the extent and depth of concern felt by Maine citizens on given public questions.

4. They have injected a healthy sense of humility in this Senator's views of his own actions and judgments.

I continually learn valuable lessons from these letters. An experience of the past 2 weeks is a case in point.

Following the failure of the summit meeting in Paris, the initial letters I received from Maine constituents were unanimously and rather harshly critical of the President's handling of our affairs before and after the U–2 incident.

I considered them carefully and, on what appeared to be an appropriate occasion, shared some of them with my colleagues in the Senate in order to indicate the depth of the concern felt by at least some of my constituents.

Subsequently I received other letters, at least equally harsh in their criticism of me for giving such attention to the first group, and quite vehement in their defense of the President.

Neither group of writers was large, and one or two in each group wrote with moderation; but the remainder in each group wrote in what could hardly be described as the language of restraint. Nevertheless, I felt that the writers, in both groups, were entitled to use language which, in their judgment, would adequately convey their feelings, even though I might prefer a more moderate approach.

Apparently they are not always inclined to be as tolerant of each other; and it is

not safe for a Senator to let one group know what the other group is saying to him.

Constituents ought to know and appreciate the fact that, however strongly they may hold a point of view on an issue, there are probably other constituents who are equally vehement on the other side of the issue, and that a Senator feels dutybound to listen to both.

Moreover, if a constituent writes to his or her Senator, I assume the intent is to influence, not only that Senator, but, through him, other Senators. More than once I have conveyed the views of constituents to other Senators, to Senate committees, and to executive agencies, at times at the explicit request of the constituent, and at other times because I felt the constituent made his own case best in his own words.

Returning, for a moment, to the U–2 incident, let me state my own views, lest they be confused with those of my correspondents.

First, some general comments:

1. Espionage, or intelligence, activities are a fact of modern national life which we have no choice but to accept. Maximum precautions in the interests of national security and survival require it. It is the grossest kind of cynicism for the Russians to pretend otherwise.

2. With respect to use of the "spy plane" as an instrument of such activities, the value of intelligence obtained by such means must be weighed against the risk that such a plane, appearing as an unidentified "blip" on a Soviet radar screen, might trigger Russian missiles and the start of that nuclear war which nobody can win. How would we want our continental defenses to react under similar circumstances? Have we, or the Russians, had an effective means of determining whether such an unidentified plane or planes are armed with nuclear weapons about to be fired in anger?

It should be noted that Malinovsky, Soviet Defense Minister, recently announced that he has ordered immediate rocket strikes at the takeoff base of any such spy plane. Fortunately, this policy does not appear to have been in effect over the past 4 years.

And, of course, the President has now ordered a discontinuance of such flights.

3. It is reasonable to conclude that the Russians were happy to have the U–2 incident as an excuse for wrecking the summit conference. It is not as easy to judge whether they would have found one as satisfactory as a coverup of Soviet intransigence if this incident had not occurred.

4. Khrushchev in Paris was crude, brutal, arrogant, and completely cynical because he thought the weight of world opinion would hold that he was justified in the light of the U–2 incident. Fortunately, from our point of view, he overplayed his hand and the effect was to solidify the Western Allies.

5. We should leave no doubt in the Soviet mind that Americans are united in the face of the Soviet threat, whatever form it may take.

6. The President is quite right in saying that, notwithstanding the recent setbacks, we must continue to seek ways to eliminate points of friction and to reduce tensions. Negotiations through traditional diplomatic channels are likely to be the principal instrument for this purpose through the foreseeable future. I sense that most Americans, including official Washington, share serious doubts that a trip to the summit should again be undertaken.

7. A rather grim sort of satisfaction to be drawn from the current state of affairs is that we need no longer debate whether Soviet smiles are sincere or not. There are no smiles. This is a harsh world, and perhaps a more realistic one than the one we knew during the "spirit of Camp David" period.

If the foregoing comments are valid, what remaining questions are there to be asked and answered? In order to maintain the national unity to which I have referred, we should ask and seek answers only to those questions which meet one of the following tests:

1. Does it touch upon a national policy which ought to be reviewed in the interests of national security?

2. Does it touch upon an organizational relationship which might need correction, possibly of a legislative nature, in the interests of national security?

3. Could the answer, without breaching the safeguards of classified information, contribute to increased public confidence in the management of our affairs?

The objectives suggested by these three questions are, in my judgment, highly appropriate and much to be desired. The following are illustrative of the questions which have been raised by people interested in these objectives:

1. At what level of Government was this specific U–2 flight authorized?

2. What was the nature of the intelligence (and this should be disclosed only with strict security precautions) which, on balance, justified this specific flight at such a sensitive time?

3. Was there any advance thinking or planning as to what our reaction should be in the event the plane should be brought down in the Soviet Union; if so, were such plans followed?

4. Why did we change our story? It does not seem reasonable to suppose that we planned in advance, under any circumstances, to publicly confess that we were spying. Were we, then, caught in a situation which we had not anticipated and, if so, were there no reasonable alternatives to the public confession?

5. Secretary Herter did not say the flights would continue but that implication was drawn from his statement. Did he intend that the implication should be drawn? If so, why? If not, why did he not correct it?

These and other questions can be asked in an objective and constructive way. They should be asked in no other way.

I know this to be the attitude of Senate committees now making inquiries, with the approval of the President and congressional committees on both sides of the political aisle, and including the Subcommittee on National Policy Machinery, of which I am a member. The initial, heated flurry of partisan controversy on both sides has subsided; and we can seek to benefit from a very difficult national experience in an atmosphere of relative restraint.

The days and weeks are slipping by rapidly here in Washington. It has been the hope of everyone concerned that we might clean up our work and adjourn the session by July 2. That is a little more than 4 weeks away; and I am afraid that there is a great deal of unfinished work yet to be completed.

My mail indicates the greatest concern with the following: (1) Medical care for the aged; (2) Federal aid for public schools; (3) amendments to the minimum wage law; and, (4) the mutual security program.

I will say further that my mail is basically favorable to action in each of these fields, although there are strong voices in opposition.

In addition, there are several major appropriations bills, the Omnibus Rivers and Harbors bill, the Housing bill and many others of varying importance yet to be considered. The Rivers and Harbors bill, incidentally, will include ten projects of importance to various Maine coastal communities.

If we do adjourn as planned, I expect to attend the Democratic National Convention on July 11 and then return to Maine the latter part of July for the rest of the summer. You cannot imagine how I look forward to the possibility of spending several weeks on China Lake, drinking deep of an incomparable Maine summer. You may recall that I missed it almost completely last year inasmuch as we did not adjourn until mid-September.

PARTICIPATION IN INTERNATIONAL CONVENTION OF CITIZENS FROM NORTH ATLANTIC TREATY NATIONS — UNANIMOUS-CONSENT AGREEMENT TO LIMIT DEBATE

Mr. MANSFIELD. Mr. President, in order to keep things from becoming too political, after having discussed the matter with the distinguished minority leader and with interested Members on this side of the aisle, I offer for consideration a unanimous-consent agreement.

The PRESIDING OFFICER (Mr. HART in the chair). The proposed unanimous-consent agreement will be read for the information of the Senate.

The Chief Clerk read the unanimous-consent agreement, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Wednesday, June 15, 1960, at the conclusion of routine morning business, during the further consideration of the joint resolution (S.J. Res. 170) to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment of U.S. delegates to such conventions, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said joint resolution shall be received.

Ordered further, That on the question of the final passage of the said joint resolution debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said joint resolution, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

JUNE 14, 1960.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement? The Chair hears none; and, without objection, the unanimous-consent agreement is agreed to.

ORDER FOR ADJOURNMENT

Mr. DIRKSEN. Mr. President, may I query the acting majority leader as to whether he has asked for an order to convene the Senate tomorrow?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the

Senate concludes its business today it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESS BY THE SENATOR FROM MASSACHUSETTS

Mr. DIRKSEN. Mr. President, I thank the Senator from Idaho for being so gracious. I apologize to the Senator for invoking such a long and spirited colloquy on his time.

Mr. President, I listened, insofar as I could, with as much attention as possible, due to some interruptions, to the address by the distinguished Senator from Massachusetts [Mr. KENNEDY]. I thought the Senator displayed a little bad timing and a little bad judgment, because it sounded something like an attack on the President while the President is away from the country, particularly so when he is moving into a rather explosive area.

I thought the judgment was a little questionable also in heaping rather unkind terms on an absent President when he is abroad in behalf of his country.

I think at some subsequent time I shall certainly desire to address myself with some vigor and some care to the whole speech, for, as I envision it, I thought it was all-world inclusive and world embracing, and I could not see that a single thing was omitted from the speech.

I leave it at that point, Mr. President.

THE DOLLY MADISON MIRROR

Mr. LONG of Louisiana. Mr. President, will the Senator from Idaho yield to me?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. CHURCH. I am delighted to yield.

Mr. LONG of Louisiana. Having heard the debate about furniture purchased for use in Venezuela, it occurs to me it might be appropriate to make available for the RECORD part of the history of the Vice President's office in the U.S. Capitol Building, one paragraph of which reads as follows:

> Dolly Madison mirror: Over the clock in the Vice President's Office is a small gold mirror which is known as the Dolly Madison mirror. As the story goes, Mrs. Madison, the wife of President James Madison, was visiting in Paris while her husband was there on official business. She bought the mirror at a store for $50 in American money. When she arrived back at the port of New York there was a $30 customs fee due on the mirror, and Mrs. Madison, not thinking, charged it to the official account, and the Government paid the fee. At that time, the White House expenses and salaries were paid through the Senate Disbursing Office, and the Senate, through its audit committee, checked the expenses that the President and Mrs. Madison had incurred on their trip and came across the item of the mirror. There was no authorization by the Senate or the committee for such an expenditure, and an investigation was started as to whether or not Mrs. Madison had done anything wrong. This investigation cost $2,800 and was finally canceled.

That was an expenditure of $2,800 for an investigation of a $50 mirror. I hope that the matter of furniture under consideration will not result in a cost of investigation to exceed by that ratio the amount of money involved in the cost of the furniture.

Mr. DIRKSEN. $2,800 to investigate a $50 mirror?

Mr. LONG of Louisiana. That is correct.

Mr. DIRKSEN. That seems a little like the resolution we approved today, authorizing $35,000 to investigate the dogs which nobody knows exist, so far as political television and radio are concerned. It all becomes a little "doggie," even as it did in other days.

PARTICIPATION IN INTERNATIONAL CONVENTION OF CITIZENS FROM NORTH ATLANTIC TREATY NATIONS

The Senate resumed the consideration of the joint resolution (S.J. Res. 170) to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment of U.S. delegates to such conventions, and for other purposes.

Mr. CHURCH. Mr. President, now that the Senate has entered into a unanimous-consent agreement to limit debate upon the pending measure, such agreement to take effect at the conclusion of morning business tomorrow, and inasmuch as I have been asked by the Committee on Foreign Relations to present this matter to the Senate, I think it might be useful for a statement to be made at this time in support of Senate Joint Resolution 170, which will be in the RECORD for the Members of the Senate to peruse tomorrow.

Mr. President, the only hopeful aspect of the recent summit conference in Paris was the impressive display of unity among the Western nations emerging from it. It was a forceful reminder that mutual loyalty is one of our most precious diplomatic assets. But steadiness in a moment of crisis should only emphasize our need for more consistent, continuing cooperation among the free nations of the West.

When the Communist coup d'etat in Czechoslovakia awakened the West to the danger of Soviet military aggression in Europe, we joined with the threatened nations to form the North Atlantic Treaty Organization. NATO stopped the Soviets in Europe because it confronted them with a solid front of determined nations, united in a common defense.

Eleven years have passed since the birth of NATO. The nature of the Communist threat, and of the problems which beset the Atlantic nations, has changed drastically. No longer is direct military aggression the overriding danger. Changes in Russian strategy, the requirements of closer association, and the rise of the underdeveloped countries have had an impact on all NATO nations.

These developments cry out for closer cooperation in broader fields of policy. In hearings of the Senate Foreign Relations Committee, witness after witness testified to this problem. General William H. Draper, Chairman of the President's Committee To Study the U.S. Military Assistance Program, testified:

> As a former U.S. permanent representative to the North Atlantic Council, I can testify from personal knowledge both as to the seriousness of the problems within the Atlantic Community and as to the overwhelming need for greater unity: Military, political, economic, scientific, and cultural.

Even in the military realm, which is the heart of NATO, there is need for greater coordination. But these steps cannot be taken within the present structure of NATO, for they involve going behind the defense line to the sources of the military power.

Responsible authorities in many countries have long been aware of these deficiencies. In fact, the likelihood of such developments was anticipated in the North Atlantic Treaty, which directs that further arrangements for cooperation among its members should be considered in the future. Efforts have been made to achieve greater unity of purpose, but they have had very little success.

Senate Joint Resolution 170 is a suggested solution to this situation. It represents an idea which is relatively new in international affairs, but which has been extremely successful on domestic matters in the United States and in other Western nations. When we want an independent survey of a national problem, we appoint a commission of leading citizens to study that problem and recommend solutions to the proper governmental authorities. The two Hoover Commissions are the most notable American uses of this technique; in Canada and England royal commissions have long had a similar function.

Senate Joint Resolution 170 would create a U.S. Citizens Commission on NATO, consisting of not more than 20 private citizens. This Commission would invite the legislatures of other NATO countries to appoint their own corresponding delegations to a convention to recommend ways of achieving greater political and economic cooperation among these nations. It is expected that the convention would not include more than 100 persons in all, and that it would meet for as long or as often as necessary.

The American Commission would take the lead in arranging for the convention as well as participating in it. It would be composed of eminent private citizens, appointed jointly by the President of the Senate and the Speaker of the House after consultation with the Senate Foreign Relations and House Foreign Affairs Committees. The resolution specifically states that the Commission is not in any way to speak for, or represent, the U.S. Government. Its members would serve without compensation. It would be authorized to employ a staff of not more than 10 members. The Commission would cease to exist on January 31, 1962. It is not intended that its life will be extended.

The resolution authorizes $300,000 to be appropriated to the Department of State for the expenses of the Commission. No more than $100,000 of this may be used as the Commission's share of any international conference. Members of the Commission will be reimbursed for expenses incurred in the performance of their duties. Funds will be paid only on vouchers approved by the chairman of the Commission, subject to the laws, rules, and regulations applicable to the obligation and expenditure of public funds. The staff will be employed on a temporary basis, and will not be paid at rates greater than the maximum authorized for employees of congressional committees. The Commission will make semiannual reports to Congress accounting for all expenditures.

This proposal was first introduced as a Senate resolution more than a year ago. It has been entirely rewritten by the Foreign Relations Committee which produced the resolution before the Senate this afternoon. It has received strong support from numerous experts in foreign affairs as well as from authoritative gatherings concerned with strengthening the NATO alliance. It was approved unanimously by two NATO Parliamentarians' Conferences. Last year the Atlantic Congress, a meeting of 650 leading citizens from NATO countries, recommended unanimously that the convention proposed by Senate Joint Resolution 170 be held as soon as possible. The State Department is in favor of this resolution, and has testified that it would certainly welcome any constructive and practical ideas that might emerge from the proposed convention.

Two years ago, the Foreign Relations Committee reported unanimously a resolution expressing the sense of the Congress that at the appropriate time such a citizens' conference should be held. I submit, Mr. President, that there is no more appropriate time than the present. The failure of the summit conference has made a stronger NATO more urgently necessary than ever. The values and interests which the Western nations share give us an opportunity to make the alliance more powerful by making the most efficient use of our resources, and agreeing on joint action to meet the various aspects of Communist penetration.

Mr. President, we have today an opportunity to plant a seed which may grow into great, constructive measures for the strengthening of the free world. To the best of my knowledge no one has denied the need for strengthening NATO. Instead, objections to Senate Joint Resolution 170 have dealt with the suitability of this method of dealing with the problem. I would like to discuss the more important objections which have been raised in committee hearings and elsewhere. Foremost among these is the fear that members of the Commission will in effect be conducting foreign policy in competition with the Government. The delegates to the convention would not represent the Government; they would be exchanging ideas with other delegates. They would have no power to commit this Government. The resolution specifically states that—

> The U.S. Citizens Commission on NATO is not in any way to speak for, or to represent, the U.S. Government.

To make sure that this is understood, we have limited membership on the Commission to private citizens. If there were the slightest danger that this Commission would be taken as an official voice of American foreign policy, the State Department would certainly object to its formation. The State Department has no such fears, however. Indeed, it supports this resolution and, as I have said, has testified that it would welcome any useful suggestions which might result from it.

Some critics of this resolution, while acknowledging the need for action in this field, complain that there is already a multiplicity of organizations which should be able to deal with this problem. This argument can best be discussed by examining the principal groups which might attempt such a task. The most obvious is the NATO Council. But the Council is conceived primarily as the governing arm of NATO, and as such is preoccupied with dealing with a narrowly circumscribed set of problems—which are largely military—in the light of existing policy. Each country's representative on the Council reflects his government's official position, and cannot deviate from it. Moreover, decisions of the Council must be unanimous; questions on which there is serious disagreement are left undecided and often are not even discussed. Many of these factors are matters of necessity for a body which essentially is the board of directors of a military alliance, but they do not encourage the imaginative searching which is required to find new solutions for difficult problems outside the scope of the Council's day-to-day operations.

The NATO Parliamentarians' Conference is another useful device which has been designed to serve a special and limited role and therefore is unsuited for the mission of the proposed convention. The annual conferences have operated under severe time limitations which would prevent adequate consideration of the kind of problems entailed or contemplated to be discussed under the resolution.

The Atlantic Congress, which convened last summer, had a somewhat similar handicap, since it met for only a week. In addition, it has more than 650 delegates, which makes it much too large a group for thoughtful discussion of complicated topics.

It has been suggested that we might turn to meetings of strictly private groups financed by private individuals or foundations, to consider the problems of NATO. Experience has shown, however, that citizens of the required eminence and ability have not been willing to devote sufficient time to such a task in the absence of a request from their Governments that they do so.

The convention contemplated by Senate Joint Resolution 170 is intended to go beyond the work of these various organizations. Avoidance of the difficulties under which they labor gives us added hope for its success.

It is, in short, to be a small, deliberative convention that has sufficient time to consider seriously and to debate at length, the weaknesses of the present NATO alliance, and thus to formulate thoughtful recommendations, to be returned to the various NATO governments, as to the steps that the delegates think best designed to give added unity and strength to the alliance.

Finally, Mr. President, we should ask what reason there is for expecting such a convention as is contemplated by this resolution to be productive of any real good. What right have we to expect serious and important accomplishments if such a convention is actually undertaken? In the course of our committee hearings one of the witnesses, General Draper, gave testimony bearing upon this point that is worthy of our serious attention. He said:

> As Chairman of the President's Committee To Study the U.S. Military Assistance Program, I can testify from personal knowledge as to the value of the studying of our common problems by a commission composed of eminent citizens such as is provided for in this concurrent resolution.
>
> Departments of the government deal constantly with national and international problems but our own Government has from time to time felt the need for a fresh and independent look at these problems by a commission of citizens. The Hoover Commission is a notable and successful example. The Committee of which I had the honor to serve as Chairman is one of the most recent ones.

For my own part, Mr. President, I would emphasize that the problem-solving procedures which this resolution would set in motion seem to me to be in the finest tradition of our own country, and of Western civilization generally. The chief glory of our society is the quality of the individuals it produces. This is what the doctrine of the state being the servant, not the master of the people is really about. This is why we have, and seek to maintain, an open society.

If this kind of society is to survive, it seems to me that we must find more effective ways to exploit its advantages. The central purpose of this resolution is to enable eminent, free citizens, products of this open society, to consider the present situation and recommend possible lines of action that would contribute to the strengthening of the free countries of the world in their common efforts to protect themselves against the Communist threat. It is precisely because they would constitute a citizen's conclave, free to speak and act independently of the official positions which their governments may heretofore have taken, that we could expect from them ideas and recommendations which would breathe new life into the struggle of Western man to retain his freedom. Established governments tend to get bogged down in ruts, and it becomes difficult for them to lift themselves out of these ruts—to break away from habits of vested interest and fixed position.

For this reason, the greatest advances of Western civilization have most often been initiated, not by governments, but by free citizens, thinking and acting in

ways made possible only by freedom; responsible, as free men are in the last analysis, only to their own consciences.

Whatever recommendations may come from the proposed convention will have no official status, no authority except what is given them by their intrinsic merit.

Mr. President, I see no basis for arguing that any harm can come from the kind of meeting which is here proposed. It seems to me, on the contrary, that it has in it the possibility of much good, that it is in the best tradition of free societies, and that it is the kind of initiative that we can properly take, and ought to take. I hope the Senate will approve the joint resolution.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to the Senator from Louisiana.

Mr. LONG of Louisiana. First I should like to congratulate the Senator from Idaho for the fine presentation he has made this evening, and also for the very diligent effort he has made to make certain that the measure before the Senate, or something along this line, should be acted upon by the Senate at this session.

The junior Senator from Louisiana was in the Senate and voted for the ratification of the North Atlantic Treaty. That treaty has been regarded as one of the very foundations of the security of this Nation. Much of it resulted from the leadership of the late Arthur Vandenberg, who was chairman of the Committee on Foreign Relations in the 80th Congress.

Yet here we see that, notwithstanding the fact that this organization has been a success, by general agreement of most Americans, I believe, many people are fearful of any additional strides toward strengthening and enlarging upon what has been a successful venture.

Most businessmen, when they see that their business is successful and showing a profit, usually like to expand it and make a greater investment in it, and broaden its activities. Yet the Senator from Idaho knows that there has been some fear expressed of what the possible consequences might be of considering new ideas such as those the resolution seeks to achieve. The resolution seeks to bring about some discussion by citizens of this Nation and citizens of our allied nations of ways and means whereby the NATO organization can be strengthened, so that suggestions and recommendations by those persons could be made with respect to what can be done along that line after these persons have had a chance to thoughtfully consider the subject.

I must say that I for one have been discouraged to see that there has been such a reluctance to consider or even to discuss ways in which this very successful undertaking can be enlarged upon. I very much hope that not only will the Senate pass the joint resolution, but that something will come of it as a result of the efforts the Senator is supporting.

I hope that those who will meet in this new organization will not only come forward with constructive suggestions, but will support them and help pursue them and also help muster public support for measures that will make NATO more effective.

There is no doubt that there are a number of things which could be done to strengthen the NATO alliance as far as military measures are concerned. Certainly, there must be some economic ways in which we can cooperate more fully.

I do not want the United States to make any concessions without gaining something by doing so. I would like to see the United States benefit, certainly, as much as the other members of the organization gain in a joint undertaking. I believe that as a result of this new organization, we might possibly achieve a greater matching by our partners of the effort we are making. The time has come when we have every right to demand that other nations make a greater contribution.

The Senator from Idaho has been one of those, in considering mutual security legislation, who have made the point that the North Atlantic Treaty countries have actually reduced their contributions to the overall defense, at a time when the United States has been increasing its contribution to that defense. I hope that a measure of this kind will not mean that America will give more and receive less from others. I hope that these ideas will be stressed as a part of the considerations and recommendations whereby the North Atlantic Treaty Organization can be strengthened.

Mr. CHURCH. I very much appreciate the fine support which is indicated by the remarks of the distinguished Senator from Louisiana. He is quite right when he says that the objective of this joint resolution is to seek out recommendations intended to give new strength and health to our NATO alliance. As a matter of fact, the preamble of Senate Joint Resolution 170 succinctly states the objective that is meant to be served. It reads:

> To authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment of United States delegates to such convention, and for other purposes.

That clearly states the objective that is sought by such a convention. I would only make the observation that no alliance can remain static. It either will tend to unravel, to become weaker, and, in the end, fail, as the years go by, or it will tend to become stronger and more closely knit, and thus succeed in the accomplishment of its objectives. It cannot remain static.

There is a sense of uneasiness about the state of health of the NATO Alliance, and a realization that we must find ways to implement what was originally intended by Article II of the Alliance, which directs attention to political and economic ways by which the NATO nations should cooperate.

The truth is that up to now the NATO Alliance has been merely a military alliance. One of the uses of the proposed convention would be to explore ways and means for implementing the clear intent of article II of the NATO Treaty.

I am so pleased to have this endorsement from the Senator from Louisiana. I am hopeful he might find it possible to make a statement tomorrow, in the course of the debate, in support of the resolution.

Mr. CASE of New Jersey. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I am happy to yield.

Mr. CASE of New Jersey. First, I express my appreciation to the Senator from Idaho for his very forceful and clear statement with respect to Senate Joint Resolution 170. He has been more than fair in explaining it, and in explaining the objections which have been raised to this idea, as well as in presenting very clearly what, to me, are the overwhelming advantages and desirabilities of this particular procedure.

As the Senator from Idaho knows, I am one of four Senators who joined in submitting Senate Concurrent Resolution 17 earlier in this Congress. The Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Kentucky [Mr. COOPER], and I joined in submitting it. Shortly thereafter we had a great accession to our ranks in the person of the distinguished Senator from Idaho [Mr. CHURCH], who carried it forward, and now brings it to the floor with very great persuasiveness.

I should like to say, on behalf of the Senators who cosponsored Senate Concurrent Resolution 17 originally, that the committee has, I believe, produced a better resolution than the one which we originally submitted. Great credit is due the Senator from Idaho, the Senator from Louisiana [Mr. LONG], and their other colleagues on the Committee on Foreign Relations.

The joint resolution is tighter, more specific, and clearer. It avoids the dangers and the possibilities into which the original concurrent resolution, although it was never intended to produce them, might perhaps have led us.

I cannot add anything to the basic argument which the Senator from Idaho has presented in behalf of the joint resolution, except possibly the point made by the Senator from Kentucky [Mr. COOPER] at the hearing. He said that we do not very often have a new idea in this whole area, and that the joint resolution, in addition to its substantive appeal, is perhaps that kind of fresh idea which in itself will give a lift to all of us who are deeply involved in the problem of trying to bring about a more stable world, a world in which the ideas of cooperation and brotherhood may have a little better chance to work among those of us to whom has fallen the great responsibilitiy of preserving and extending the values of Western democracy.

One other thing: A number of us have been working on this problem. Among them is the Vice President of the United States, who, when he was in the Senate, had a great interest in this whole area, and still retains it. I am authorized by him to say that he welcomes this initiative on the part of Members of the Sen-

ate; that he strongly believes it is extremely desirable for the countries of the Atlantic Community to engage in cooperative efforts of every sort to draw closer together, for many reasons, including, of course, the reason that if this is not done, the responsibility on those of us who are carrying the major load will become unbearable. But that is only one of the important reasons. The Vice President regards this action as a manifestation of the right kind of initiative in this area. If he were still a Member of this body and had a voice and a vote in its proceedings, he would actively subscribe to the procedure.

I thank the Senator from Idaho and again express to him my appreciation of his excellent and persuasive address.

Mr. CHURCH. I thank the Senator from New Jersey very much for his statement. I am happy that he emphasized the fact that the joint resolution has the approval and endorsement of the Vice President. Should a tie vote result tomorrow, we can thus be sure of prevailing.

I also am desirous of making the RECORD clear, before the debate closes today, that my part in this proceeding has been a very minor one. I have tried to support the joint resolution and move it through the committee. I am happy to have the chance to present it on the floor.

But the objective of this resolution has been supported for a number of years by such Members of this body as the distinguished Senator from Tennessee [Mr. KEFAUVER], as well as by the other sponsors of the original Senate Concurrent Resolution 17, out of which the committee put together Senate Joint Resolution 170, which is now the pending business. I think special credit should be given to the original sponsors of Senate Concurrent Resolution 17, the Senator from New Jersey [Mr. CASE], the Senator from Kentucky [Mr. COOPER], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Tennessee [Mr. KEFAUVER]. They deserve to be commended for the long and sustained interest they have given to this cause. I want to make certain that the RECORD bespeaks it.

Mr. CASE of New Jersey. Mr. President, I desire to express my appreciation on behalf of myself and all cosponsors, each of whom is far more entitled to credit for this venture than I. Indeed, if it proves successful, there will be credit enough for all and great gain for the country.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield to the Senator from Pennsylvania, my good friend and seatmate.

Mr. CLARK. First, I congratulate the Senator from Idaho on his very able presentation in support of the joint resolution. I note his usual modesty in deprecating the part he has played in bringing the joint resolution to the floor. I am confident that he is entitled at least to equal credit with the original sponsors, with all of whom I am happy to associate myself in this project.

Do I correctly understand that a unanimous-consent agreement has been entered into, and that no vote will be taken on the joint resolution tonight?

Mr. CHURCH. That is correct.

Mr. CLARK. I hope that the Senator from Idaho, if he controls the time, will yield me 4 or 5 minutes tomorrow to speak in support of the proposed legislation.

Mr. CHURCH. I shall be very happy to do so. I am pleased to learn that the Senator from Pennsylvania is willing to speak for the joint resolution.

Mr. CLARK. For the moment, I should simply like to say that I have not only listened to the Senator from Idaho, but I have read the report of the Committee on Foreign Relations and have given some consideration to the reasons advanced by the members of the committee who oppose the resolution for the position they take. It is very difficult for me to understand how those reasons can be taken very seriously. To me, they are not only not compelling, but are far from persuasive.

I am a little frightened at what the Senate is doing at this session in connection with our foreign relations. It occurs to me that we are living in a pretty rarefied atmosphere here and are not too well aware of what is taking place in the outside world.

I shall not detain the Senator further tonight other than to suggest to him that if the Senate cannot at this session pass this joint resolution, then indeed this body will have made it abundantly clear, in connection with many another action which we have either taken or failed to take, and I fear will take in the next few weeks, that we are not really very much interested in advancing, through the democratic technique of open discussion, the strength of the free world.

This attitude bothers me very much. I shall have occasion to speak about it on a number of other occasions during the course of the next month.

I hope the Senator from Idaho was speaking in jest when he talked of the possibility of a tie vote on the joint resolution being broken by the Vice President. Although I view with some chagrin the fact that the vote in the committee was 8 to 7, I hope the resolution can be passed with no dissenting votes. I see very little reason for opposing it. I hope I am not being ignorant or arrogant in saying this, but I am totally at a loss and am unable to understand the position of the opposition.

I shall speak tomorrow in behalf of the joint resolution.

I thank the Senator from Idaho.

Mr. CHURCH. I am very much pleased to learn that the Senator from Pennsylvania will speak tomorrow on behalf of the resolution.

Of course, I agree wholeheartedly with him that we should not have any fear of free men gathering together to debate ways and means to strengthen the unity of the Western democracies, if all they can do, as a result of their deliberations, is make recommendations to their respective governments, which, in turn, will evaluate them on the basis of their intrinsic merits.

Mr. CLARK. After all, what are we afraid of?

Mr. CHURCH. Yes; what are we afraid of? The deliberations will result in the formulation of ideas which the governments of the Western democracies can appraise, and pass upon as they see fit.

To defeat the resolution, to take the position that there should be no convention, and no deliberation by eminent free world citizens, would be to put on the blinders, as if that were some kind of virtue, when the dire fact of our situation is that the Western World is challenged today as never before, and therefore is called upon to plumb its resources and exert itself to the utmost, to find methods to strengthen the unity of purpose and the vitality of the Western World, to meet the threat that has been thrust upon it.

Therefore, I see nothing but good to come from such a convention. I do not believe any harm could possibly emanate from it.

So, Mr. President, I hope the Senate will concur, and will pass the resolution tomorrow.

Mr. LONG of Louisiana. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

Mr. LONG of Louisiana. I agree with the Senator from Idaho and with the Senator from Pennsylvania that a vote against the joint resolution could certainly be construed by many as fear on the part of this country of communication with other free peoples or fear of a good idea.

Mr. CHURCH. Yes.

Mr. LONG of Louisiana. Whereas the very basis of our type of democracy and that of our allies is, theoretically, the assumption that we have nothing to fear from exploring the other man's ideas, and discussing them and seeing how they can be improved upon, and that the answer to anyone's idea, if one does not agree with it, is to propose a better one.

Mr. CLARK. And the cliche that is used is "to hammer out the truth on the anvil of discussion."

Mr. CHURCH. Yes. No better method has yet been devised.

Mr. LONG of Louisiana. That is correct.

ADJOURNMENT

Mr. CHURCH. Mr. President, if there is no further business to come before the Senate at this time, I now move, under the previous order, that the Senate adjourn until tomorrow, at noon.

The motion was agreed to; and (at 6 o'clock and 2 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, June 15, 1960, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 14, 1960:

U.S. MARSHALS

James H. Somers, of North Carolina, to be U.S. marshal for the middle district of North Carolina for a term of 4 years.

Herbert E. Patrick, of Tennessee, to be U.S. marshal for the middle district of Tennessee for a term of 4 years.

Fred S. Williamson, of Alaska, to be U.S. marshal for the district of Alaska for a term of 4 years.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 14, 1960

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., June 14, 1960.

I hereby designate the Honorable JOHN W. MCCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

St. John 1: 9: *That was the true Light, which lighteth every man that cometh into the world.*

Almighty God, who hast created us in Thine own image and made us for Thyself, we pray that Thou wilt now evoke within us those desires which Thou dost delight to satisfy and remove from us everything that hinders our minds and hearts from following Thy leading.

Grant that our daily life may be animated and aglow with the spirit of our blessed Lord who walked our human way and revealed unto us the worth and dignity of human life and the supremacy of duty toward Thee and our fellow men.

May the record that we have of His words of grace and His works of mercy kindle our souls with a passion to be faithful in discharging the tasks and responsibilities of our high vocation to which we have given our plight.

Hear us in His name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate insists upon its amendments to the bill (H.R. 4192) entitled "An act to prohibit the examination in District of Columbia courts of any minister of religion in connection with communications made by or to him in his professional capacity, without the consent of the parties to such communications", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HARTKE, Mr. FREAR, and Mr. CASE of South Dakota to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4283) entitled "An act to amend the District of Columbia Income and Franchise Tax Act of 1947, as amended, to provide that certain additional specified officers of the executive branch of the Federal Government shall be exempt from such act," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FREAR, Mr. BIBLE, and Mr. BEALL to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10087) entitled "An act to amend the Internal Revenue Code of 1954 to permit taxpayers to elect an overall limitation on the foreign tax credit," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. ANDERSON, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 715) entitled "An act to amend the law relating to indecent publications in the District of Columbia," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HARTKE, Mr. FREAR, and Mr. CASE of South Dakota to be the conferees on the part of the Senate.

COMMITTEE ON FOREIGN AFFAIRS—SUPPLEMENTAL REPORT ON S. 1502

Mr. HAYS. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have permission to file a supplemental report on the bill S. 1502.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Communications and Power of the Committee on Interstate and Foreign Commerce be permitted to sit during general debate this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

MISSILE STRIKE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, I just listened to the statement by our delightful friend, the gentleman from Illinois [Mr. YATES] for what we have been doing abroad. For months, yes for years, we have been appropriating the taxpayers' money because someone from time to time frightens us and tells us there is a great emergency. So we go ahead and buy more bombers or missiles or something to protect us or authorize the expenditure for war material. In the papers today, we are told that tonight at midnight, the folks working on missiles in Florida and in California are going to tell us whether they will continue to work on production for war. How absurd can we be—appropriate the money because we are frightened half to death—we must get ready for war, a cold war or a hot war, and then permit these folks, sometimes the contractors and sometimes the workers, to hold up production until they get what they want. I am asking again—just how absurd can the Congress get before it does something about that kind of a situation?

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit today during general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ORDER OF BUSINESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that any rollcall votes today on amendments, motions to recommit, or passage of bills may be put over until tomorrow, following the disposition of House Resolution 537 and H.R. 9883, the Federal employee pay increase bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALEY. Mr. Speaker, reserving the right to object, I would like to know why the gentleman wants to put these rollcalls over. Is there a primary going on somewhere or is there some specific reason for this request?

Mr. ALBERT. The gentleman is correct. There is a primary today in South Carolina.

Mr. HALEY. Mr. Speaker, I will withdraw my reservation of objection, but I do want to call the attention of the distinguished gentleman to the fact that I was not protected in a similar situation just a short time ago.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CALL OF THE HOUSE

Mr. KASEM. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently, no quorum is present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 129]

Anfuso	Fisher	Magnuson
Ashmore	Flynt	Mahon
Barden	Fulton	Mitchell
Beckworth	Gallagher	Morris, Okla.
Bennett, Mich.	Gary	Moulder
Bentley	Glenn	Patman
Blatnik	Gray	Poage
Blitch	Hargis	Powell
Brooks, La.	Hemphill	Quigley
Brown, Mo.	Horan	Reece, Tenn.
Buckley	Ikard	Riley
Burdick	Jackson	Rivers, S. C.
Burleson	Jennings	Rogers, Tex.
Cahill	Jensen	Short
Carnahan	Jones, Mo.	Spence
Casey	Kearns	Stubblefield
Dawson	Kelly	Taylor
Diggs	Kilburn	Teague, Tex.
Dorn, N.Y.	Kilday	Teller
Dorn, S.C.	Kilgore	Thompson, N.J.
Dowdy	Kluczynski	Thompson, Tex.
Dulski	Lafore	Thornberry
Durham	Loser	Weis
Elliott, Ala.	McGinley	Widnall
Fallon	McGovern	Wright
Farbstein	McMillan	Young
Fino	Macdonald	

The SPEAKER pro tempore. On this rollcall 352 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

GRANTING REPRESENTATION IN THE ELECTORAL COLLEGE TO THE DISTRICT OF COLUMBIA

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 554 and ask for its present consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H.J. Res. 757) proposing an amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia. After general debate, which shall be confined to the resolution, and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the resolution shall be considered as having been read for amendment. No amendment shall be in order to said resolution except amendments offered by direction of the Committee on the Judiciary. Amendments offered by direction of the Committee on the Judiciary may be offered to any section of the resolution at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN] and now yield 10 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. BROWN of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALTER].

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr. WALTER] is recognized for 15 minutes.

Mr. WALTER. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE SCURRILOUS OBERDORFER-PINCUS ARTICLES

Mr. WALTER. Mr. Speaker, if the members of the Committee on Un-American Activities took the time necessary to answer the continuous attacks leveled against us by the Communists and Communist sympathizers, we would have no time left to conduct the affairs of the committee which, because of the intensification of Communist activity in the United States, necessitates more and more of our time in investigations, hearings, consultations, preparation of reports, and similar duties.

I have hesitated for quite some time before I decided to discuss the matter of the scurrilous series of articles which appeared under the byline of Don Oberdorfer and Walter Pincus in the Knight newspapers and in the Washington Post, as well as, in excerpts, in Life magazine. Along with many of my colleagues, I regard the Oberdorfer-Pincus series as a concoction of half-truths, untruths, smear, and innuendo adorned with adjectives used in lieu of facts.

I remained silent on that sorry subject until it became clear to me that the Oberdorfer-Pincus series could not be simply dismissed as another example of yellow journalism. I was silent until the cat was out of the bag, or rather—until the cat was out of the mailbag. By that I mean, until the Oberdorfer-Pincus duo devoted their longest article in the series to an investigation of the flood of Communist propaganda reaching the United States, an investigation conducted by the Committee on Un-American Activities.

It then became obvious to me that, at least that part of the Oberdorfer-Pincus series which directly played into the Communist hands by smearing the Committee on Un-American Activities, must be answered by that committee's chairman.

One of the Oberdorfer-Pincus articles was devoted to a "road show" which the Committee on Un-American Activities is charged with having conducted from city to city where, according to the articles, the same testimony and the same mail sacks of Communist propaganda are used—all for the purpose of wasting the taxpayers' money.

What is the truth? Several weeks ago, I was advised by the staff that the reporters were examining the vouchers and expense accounts of the committee and its staff. I immediately announced that we had nothing to keep secret with the exception of our security files and that I was not cognizant of a single item in the financial affairs of the committee which could not stand the closest scrutiny.

Mr. Pincus and Mr. Oberdorfer attacked the Committee on Un-American Activities, consisting of 9 members and a staff of 45 people, because of the hotel bills of 1 or 2 members of the committee, which bills are portrayed as excessive. With reference to my own expenses as chairman of the committee, even the Washington Post in its editorial a few days ago commented as follows:

The chairman, Representative FRANCIS E. WALTER, it should be acknowledged, has been pretty Spartan in his habits.

Let it be noted that of the 45 members of the staff, including the investigators who do the most traveling, there was not one item or a single voucher against which anything of a derogatory nature could be found. Regarding the personal expenses of one or two members of the committee the articles referred to "$45-a-day hotel rooms and restaurant bills" as though it is a common practice of all members of the committee and its staff to spend money lavishly and extravagantly while on committee investigations.

The truth is that the Committee on Un-American Activities, like all other committees of Congress, functions largely though subcommittees. The chairman of the subcommittee frequently will use, in addition to his own bedroom, a sitting room which is utilized for conferences with witnesses, the press, and Government officials. In signing for his hotel bill, the subcommittee chairman frequently signs not only for his own personal expenses but will sign the vouchers for those meals which the subcommittee members and the staff have together in the hotel.

It is an invariable policy of the committee that no member of the committee or its staff can charge against the committee accounts any personal expenses such as laundry, cleaning, or any personal entertainment or liquor expenses. If instances have occurred in which these items have been charged against the committee accounts—and I personally know of no such instances—they are obviously either in error or are wrong, and I would not begin to justify them. I cannot believe that any such instances of this kind are more than infrequent breaches which might occur in any operation as extensive as the operations of our committee, which cover the entire Nation. Aside from the personal expense accounts of one or two members used in the articles as a basis for the general indictment of the entire committee and its staff, the articles lay particular emphasis on two other items concerning which I shall now comment.

Mr. Pincus and Mr. Oberdorfer state that the members of the Committee on

Un-American Activities and its staff have taken from the Library of Congress a number of books and periodicals which were lost and paid for at taxpayers' expense. The articles list the books and their cost. The only reasonable interpretation of the article is that these books were taken in the recent past or at least during the existence of the Committee on Un-American Activities. The truth is that every one of these books was charged out from the Library of Congress in a period beginning in 1938 and extending until 1945 by the old Dies committee which was the predecessor of the Committee on Un-American Activities. I understand that these books were checked out of the Library of Congress by the old Dies committee from 1938 to 1945 as part of a great number of books which were being examined in connection with a project dealing with Communists who were writers.

Back in 1956 the Library of Congress completed an inventory of all of the books which had been checked out over many years but which had not been accounted for. In order to clear the records, I agreed as chairman of the successor committee that the charge for the books which had been unaccounted for by the Dies committee could be charged against the accounts of the present committee.

Mr. Pincus, the coauthor of the articles, was told prior to the time that he wrote his articles that these books had not been withdrawn or used by any member of the Committee on Un-American Activities or its staff and that the committee and its staff had no knowledge of these books, but, nevertheless, the article lists a number of the books by title and cost and conveys the clear impression that this committee and its staff have been promiscuously checking out books from the Library of Congress for personal use and charging the cost to committee accounts.

Another charge which the articles leveled against the Committee on Un-American Activities is to the effect that the committee spent taxpayers' money for limousine service, the clear impression being that it was done in an air of extravagance. The truth is that once or twice in New York City and again once in San Francisco during the course of the last several years the committee did engage limousines because the circumstances required the presence of several staff people as well as four or five members of the committee to conduct the hearings.

The limousines were used exclusively to transport the subcommittee and the staff from the hotels to the hearing rooms and return and were actually cheaper than taxicabs would have been to transport the same people. The use of limousines, moreover, permitted more careful adherence to a close schedule of committee operations. The implication of the articles, however, is that the members of the subcommittee and the staff, at taxpayers' expense, were joyriding around town in these limousines or using them for personal trips. This, of course, is a vicious distortion.

Now, permit me to comment respecting the article in the series which was devoted to the so-called roadshow in which it is charged that the committee goes from city to city with the same testimony by Mr. Irving Fishman of the Customs Service who opens the same mail sacks of Communist propaganda—all for the purpose of wasting the taxpayers' money.

The Washington Post in its editorial entitled "Wandering Minstrels" dated June 10, 1960, adds still another tidbit respecting this series of hearings by suggesting that the real reason for the hearings is to give the committee the names of "thousands of persons to whom mail happened to be addressed from Iron Curtain countries" so that the names of these persons can be added "in those bulging catchall files of the HUAC."

It was the same Washington Post which, in an earlier editorial, advocated the release of all impounded Communist propaganda mail and its immediate delivery to the addressees.

What are the facts? What I am now about to recite, Mr. Speaker, are not only facts known to me, but facts which were painstakingly told and explained to the authors of the Oberdorfer-Pincus series on three occasions prior to the time that their articles were written. Both authors were told that Communist propaganda literature is reaching this country in increasing volume through many ports of entry. They were told that the Communist poison is printed in many languages such as Chinese, Spanish, French, Polish and so forth. They were told that Communist propaganda literature is sent to ports of entry on the east coast, the west coast, the gulf coast, and to some ports on the Canadian border. They were told, also, that Communist newspapers, brochures and tracts are mailed to such ports of entry as serve certain areas of the United States where the local population or parts of it understand the language in which the material is printed.

It was for the purpose of tracing a pattern that hearings were held in New York, in San Francisco, in New Orleans, in Buffalo, and in other places where the foreign language mail is strategically divided and destined to what may be called target areas. It must have been perfectly clear to Mr. Oberdorfer and Mr. Pincus that the Committee on Un-American Activities did not "travel around with the same mailbag" but that our purpose was to show how the same source supplies different areas of our country with propaganda literature in many different languages, entering the United States through different postal conduits.

Mr. Irving Fishman, deputy collector of the U.S. Customs Service, has for several years specialized in developing information respecting this general area of Communist activity. His work has taken him to the four corners of the world. At the present time, he is in Asia in a cooperative enterprise with the Committee on Un-American Activities for which he is developing factual material respecting the sources of some of this Communist propaganda. I shall not attempt now even to give a broad survey of the tremendous scope of this problem or of the startling facts which we are constantly uncovering in its many ramifications. From time to time this subject matter is dealt with in our various publications.

In attempting to get at the facts the committee has on several occasions requested the U.S. Customs Service to assign Mr. Fishman to make a study at a particular port of entry in an area where the committee will be conducting a general investigation. We have found that the factual situation both as to source, destination, and volume of Communist propaganda varies over the Nation but that in content there appears to be a uniform pattern. The process by which we are trying to complete the mosaic is tedious and difficult.

The suggestion contained in the Oberdorfer-Pincus article—that this committee goes from place to place to repeat a presentation of the same testimony or to use the same material—is not only untruthful, but its presentation in this vein, after the authors were three times given a full explanation of the facts, is vile. Of course, the suggestion in the Washington Post editorial that our objective is to get the names of the recipients of Communist propaganda to be included in our files is likewise untrue. The facts are that most of the recipients of this Communist propaganda have not solicited it and many of them protested receipt of it. The only names we have of recipients of this Communist propaganda are the names of people who have addressed letters to the committee commending the committee for its efforts to cope with this poison which is being destined now to schools, colleges, and libraries as well as other groups and organizations across the Nation in increasing volume.

Mr. Speaker, I could go on with comments on still other misrepresentations appearing in these articles but I believe I have covered the principal items. I have never yet asserted that the Committee on Un-American Activities is above criticism. I readily assert that as a human institution we do make mistakes. We try to keep those mistakes to a minimum. I honestly feel that the overwhelming majority of the criticism against the committee and its work, however, stems either from those who have an ax to grind or are uninformed. I am convinced, likewise, Mr. Speaker, that the Committee on Un-American Activities is doing a vital work which has the approval of the House and the overwhelming majority of the American people.

Mr. BROWN of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 554, by the gentleman from Virginia [Mr. SMITH], makes in order, with 2 hours of general debate, the consideration of House Joint Resolution 757, a resolution which would amend the Constitution of the United States. The resolution provides not only for 2 hours of general debate but also for a closed rule under which no amendments, except those offered by the Committee on the Judiciary, may be considered. That was done because this joint resolution

deals with an amendment to the Constitution of the United States.

I think perhaps I also should point out that a two-thirds vote of the House and of the other body is required to approve a joint resolution of this type, submitting to the various States of the Union, for ratification, a constitutional amendment.

The House joint resolution, of course, does not require approval or disapproval by the President, but is first the action of the Congress and then later comes the action of ratification by the States. That ratification requires an affirmative vote of three-fourths of all the States, or 38 States.

This amendment to the Constitution, as proposed in the House joint resolution is a very simple one. It would give to the people of the District of Columbia who are legal residents—not residents of some other State, but legal residents of the District itself—the right and privilege to vote for President and Vice President, or perhaps I should say, rather, for not more than three electors to represent them in the electoral college which actually selects the President and Vice President, following the general election which is held in November each 4 years. This constitutional amendment would restrict to three the numbers of electors the District of Columbia would be permitted to have, which is the equal in number to that allowed the smallest State, but actually would be about the number the District would be entitled to on a population basis, if it were a State. But this resolution in no way creates the District of Columbia as a State. It simply confers upon the electors, the legal electors, the right to vote for President and Vice President.

The amendment does not carry any provision for delegates to sit in the House, or in either branch of the Congress. Neither does it have any connection whatsoever with the various home rule questions we have had before us for a long time.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Illinois.

Mr. MASON. Let us suppose that I land here in the District of Columbia and make it my home. I have come from Poland or some other place, and am not a citizen of the United States; would I have the right to vote?

Mr. BROWN of Ohio. No. The gentleman would have to be a citizen of the United States; he would have to meet all citizenship requirements, as I understand it.

Mr. Speaker, this resolution has received perhaps more consideration by the House Committee on the Judiciary than almost any piece of legislation which has come before this House in many, many years. There have been a great many constitutional and other legal questions raised in connection with this matter. I feel, as do most of the members of the Committee on Rules, that the Committee on the Judiciary has not only worked long and arduously, but has brought out a very simple and a very effective resolution which will in no way take away from the Congress of the United States the right and authority to control the affairs of the District of Columbia as the seat of the Federal Government, or give to the people of the District any powers except those which I have designated, to vote for electors for President and Vice President.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from Michigan.

Mr. MEADER. I should like to refer to the question directed to the gentleman from Ohio by the gentleman from Illinois [Mr. MASON], namely, whether or not residents of the District of Columbia who were not citizens might participate in the selection of electors. I think section 1 of the proposed amendment is very clear and reads as follows:

> The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct.

In other words, the answer of the gentleman from Ohio to the question of the gentleman from Illinois should have been that that entire matter was left to the Congress of the United States and was not specifically either provided for or prohibited in the terms of the amendment itself.

Mr. BROWN of Ohio. That is right. But the Congress of the United States has the power to fix those voting rights, just as the legislature of any State may fix them in any particular State.

As I pointed out a moment ago, this does not take away from the Congress the power to control the public activities within the District of Columbia, whatever they may be, whether it deals with transportation or whether with the right of suffrage. As we have it now, the District elects delegates to the party national conventions.

Mr. MEADER. The gentleman is absolutely correct on that point. I should like to call attention to the language I have just read in section 1. The proposed amendment is the same phraseology as appears in article II, section 1 of the Constitution of the United States. The only difference is that we put in the word "Congress" instead of "legislature." This is the language of the Constitution:

> Each State shall appoint, in such manner as the legislature thereof may direct—

And so forth. We have simply taken the pattern established in the Constitution of the United States and left it completely within the discretion of Congress to set up the qualifications of electors, and how electors for President and Vice President shall be selected.

Mr. BROWN of Ohio. I appreciate the gentleman making his clarifying statement. I had hoped and thought that I had made the situation clear, but certainly the gentleman's explanation leaves no doubt in the mind of anyone that the Congress retains to itself the powers provided under the Constitution to deal with District of Columbia matters.

Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. BROYHILL]

Mr. BROYHILL. Mr. Speaker, I rise in support of this rule and the joint resolution the rule makes in order. I see no earthly reason why we should not grant the same rights to the citizens of the District of Columbia who are American citizens to vote for President and Vice President as all other citizens of the United States have. In fact I would go so far as to say we should grant them the right to have full national representation, full representation in the House and the Senate, the same as all other American citizens enjoy. I have maintained that position for the past three Congresses. I have introduced similar resolutions in each Congress, one to grant the people of the District of Columbia the right to vote for President and Vice President, and the other to grant Congress the authority to give the people of the District of Columbia full voting representation in the House and the Senate.

The joint resolution which we will have before us is practically identical to the resolutions I have introduced in previous Congresses. It is, however, somewhat of a compromise, in that it limits the number of votes in the electoral college to no more than those of the least populous State. Of course it is a compromise. All major legislation gets through as a result of compromise.

It is unfortunate that while we are at it, going through the long, complicated process of a constitutional amendment, we do not do the job right and give them the full vote, the same vote they would have in the electoral college if they were a State of the same population. Yet, as I stated before, sometimes a compromise is necessary and I agree to this compromise.

I should like to address myself for just a moment to the confusion that has existed between this proposal for a constitutional amendment and the proposal for home rule in the District of Columbia. During the hearings the chairman of the Committee on the Judiciary admonished the witnesses, and properly so, not to confuse this issue with home rule, but it is confused. Not more than one out of a hundred Americans who are familiar with this problem really understand the difference between this constitutional amendment we are proposing today and the problem of home rule. I venture to say a very small percentage of the advocates of home rule really understand the difference between the two measures. The two measures are similar in only one respect, that is, they give the citizens the right to vote. That is what we want to do, to give the citizens of the District of Columbia the right to vote. The right to vote for President and Vice President does not infringe on the rights of the other people of this great Nation. If we granted the people of the District of Columbia representation in the House and Senate, it would not infringe on the rights of the other people of this Nation. However, if we attempt to turn over the government of the Nation's Capital to the people who live within its boundaries to rule and control, then we do impinge on the right of the other people of the Nation, because all the people of the States have a

stake and a vested right and interest in the government of the Nation's Capital.

Last week we were talking about a compact for interstate transportation. The gentleman from Missouri [Mr. CANNON] expressed great concern that we were setting up control over the taxicab rates here in the Capital and giving it to some outside agency.

He felt his constituents had a stake involved in the setting of taxicab rates here in the Nation's Capital. Last Monday, the House approved a bill introduced by the gentleman from Michigan [Mr. RABAUT] requiring that no more condemnation for urban renewal will take place until 50 percent of the people who had been evicted, as a result of previous condemnations, had been replaced. That was a proper bill and indicates the concern that the gentleman from Michigan had in the operation and conduct of the affairs of the Nation's Capital. I could give hundreds of other examples of how Members have expressed their interest and concern in the management of the Nation's Capital. Over and beyond the constitutional question involved, I maintain we do not have the right to turn over the control of the District of Columbia to the people living within its boundaries. Over and beyond that fact, we must recognize that 50 percent of all the property in the District of Columbia is owned by the Federal Government or by foreign governments. Of the 750,000 people living in the District of Columbia, they are largely transitory, Members of Congress, members of foreign governments, Federal executives, members of committee staffs. A large portion of the population does not have their grassroots and basic economic interests within the boundaries of the Nation's Capital. In the recent primary election here last month, only 21,000 people out of 750,000 population went to the polls to vote. So that indicates a very small percentage of those 750,000 really have any interest in the affairs of the Nation's Capital. So, if we granted home rule to the citizens of the District of Columbia, we would be turning over the Federal interest and the Federal rights to a very small percentage of the population. There is a precedent for not granting home rule or control of the local government here to the people who live within the boundaries of the Nation's Capital. On all military reservations throughout the country, we recognize the Federal interests are dominant. People living on military reservations have rights as other American citizens have. They can vote for President and Vice President, but they do not have any control or say-so as to how the affairs on that military reservation will be conducted. Regardless of what we do regarding home rule, we will still be responsible as to how the affairs of the Nation's Capital are conducted. In view of the fact that the right to vote is the predominant issue that we have here, I trust that the Congress will overwhelmingly approve this proposed constitutional amendment, giving the people the right to vote for President and Vice President and exercise some restraint on demanding that the House act on a measure that will turn over the control of the Nation's Capital to a few people who live within its boundaries. In fact, I hope some other Members will reconsider their previous action, and in the mannerism of Victor Borge, "Whisht," scratch their names off the discharge petition.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield to the gentleman from Maryland.

Mr. FOLEY. I rise in support of House Joint Resolution 757 and support the gentleman's position on this resolution. As the gentleman has stated in his original remarks, some confusion may exist in the minds of the Members as to this national representation effort that we are supporting, you and I and many others. I rise merely to point out that you and I are supporting this particular measure, House Joint Resolution 757, 100 percent. But you and I differ on home rule. I am a very strong supporter of home rule, but I will not take the time to debate that question at this point, but will merely highlight the fact that you and I differ on the question of home rule, but that we are 100 percent for this resolution providing to the citizens of the District of Columbia the right to vote for President and Vice President.

Mr. BROYHILL. The main thing that the American people are concerned about and in a sympathetic way is to give the people of the District of Columbia the right to vote. That is what this resolution does.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio [Mr. MCCULLOCH], the ranking member of the Committee on the Judiciary.

Mr. MCCULLOCH. Mr. Speaker, with the Civil Rights Act of 1957 and the Civil Rights Act of 1960, the law of the land now, in full force and effect, every qualified citizen of this country, except those legally domiciled in the District of Columbia, has the right to exercise the elective franchise so far as electors for President and Vice President are concerned.

The rule which is under discussion now will make in order a resolution submitting to the States for ratification a constitutional amendment which will give the people legally domiciled in the District of Columbia the right to vote for presidential and vice-presidential electors. This, indeed, is a historic occasion. I trust the rule will be adopted and that the resolution submitting the question to the States will have the unanimous approval of the House of Representatives.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time and yield back the balance of my time.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, this resolution has been thoroughly explained by those who have preceded me. It simply provides that the citizens of the District of Columbia shall be entitled to vote for the President and Vice President of the United States and to elect electors for the purpose of electing the President.

I hope the House will not confuse it with many of the confusing things concerning the District of Columbia, because it deals solely with the one problem of the right of these people who are citizens of the United States to vote for their President. It is an entirely different question, as has been mentioned before, from the present agitation about home rule in the District, because there you run into a constitutional prohibition which has not only constitutional but also historic reasons why the Congress should exercise, as the Constitution requires, exclusive legislation over the District of Columbia. I will not go into that, because it has no relationship whatsoever to the bill before us. I hope this resolution may be adopted and that the constitutional resolution also may be adopted by the House, because I can see no valid reason why any citizen of the United States should be denied the right to vote for President and Vice President.

The joint resolution requires a two-thirds vote. After studious consideration by the Committee on the Judiciary, it has been stripped down to the one, as I regard it, noncontroversial question; and in this late day of the session it is my hope that this may be gotten through and go to the States for ratification. It is the one chance, because if it is complicated further with other matters that do not directly relate to the question of the right to vote for President, the whole thing is going to fail in this late day of the session. I hope very much it can be enacted by the Congress.

If it is enacted, then the question of who can vote in these elections in the District of Columbia is a matter to be determined by the Congress; in other words, the qualifications of the voters and all the details with respect to voting will have to be dealt with in an additional act of Congress. I hope the joint resolution may be passed by the House without objection.

Mr. Speaker, I yield 3 minutes to the gentleman from Hawaii [Mr. INOUYE].

Mr. INOUYE. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. INOUYE. Mr. Speaker, several days ago, articles appeared in certain Washington dailies strongly implying that certain distinguished Members of Congress had improperly expended public funds while performing special congressional assignments. I refer particularly to the expenditures for meals in the Surf Bar of the Royal Hawaiian Hotel in the State of Hawaii. These articles strongly inferred that the Surf Bar was only a cocktail lounge, or a place where only alcoholic beverages were served, and thereby by inference and implication accused these distinguished Members of falsifying their meal vouchers.

Knowing from my personal experiences that food is served in the Surf Bar regularly, I made certain inquiries in

Honolulu and have received the following information:

The Surf Bar during the year 1957, the specific year the articles referred to, did serve alcoholic beverages to their patrons, but at the same time served meals every day of the week.

My colleagues may be interested to know that in the year 1957, 76,871 meals were served to patrons of the Surf Bar. In the year 1958, 62,200 meals were served to patrons of the Surf Bar. In the year 1959, 77,448 meals were served to patrons of the Surf Bar. This year, as of May 31, 29,947 meals were served to patrons of the Surf Bar.

I have cited these statistics because these newspaper articles strongly inferred that only liquor was being served in the Surf Bar. This inference is understandable because the name, "Surf Bar," would naturally imply that as a place designated as a bar, only liquor would be served. I am hoping that by citing these statistics I am able to indicate to my colleagues that meals are served in the Surf Bar, and by meals I do not mean hors d'oeuvre. I mean full meals. It may also be of some interest to my colleagues to note that across the courtyard from the Surf Bar is the main dining room of the Royal Hawaiian Hotel. This dining room is called the Monarch Room and, naturally, the Monarch Room serves meals, but in a more lavish manner. I feel that I need not tell you that the meals in the Monarch Room are much more expensive than the meals in the Surf Bar.

I purposely cited the existence of the main dining room, the Monarch Room, to point out the strong possibility that our colleagues in having their meals served in the Surf Bar were actually saving taxpayers money. I am certain that my colleagues at the Royal Hawaiian Hotel could have very legitimately had their meals in the Monarch Room at much more expensive rates, but it seems from the printed vouchers that our colleagues decided to have their meals in the Surf Bar at coffee-shop rates.

Mr. Speaker, I hope that this short presentation has brought some light to the Surf Bar incident.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. RABAUT].

Mr. RABAUT. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. RABAUT. Mr. Speaker, it is most fitting that we, the representative body of the Congress, pause this day to pay tribute to our flag. What we do and say here today, I pray, will make itself felt not only to our own citizenry, but to the rest of the world as well—for today we express our love for country, our dedication to the principles of human decency, our devotion to the basic concepts of freedom, our national dependence upon Almighty God by pledging, as a nation, our allegiance to the Stars and Stripes.

The story of our flag is the story of our Nation. Shining forth from that field of blue is a star for each of the 50 United States. That field of blue had a proud and courageous beginning, and each addition since then has written a glorious chapter to the story of America.

Wherever this banner is unfurled there is hope in the hearts of men who believe that God created man and destined him to be free. Freed to fashion his life, alongside his neighbor, but not at the expense of his neighbor—to join freely in community with other communities of similar ambition in the creation of the state that will govern judiciously the acts of its citizens—free to choose its leaders and administrators who exercise their mandate to govern. All these basic principles of democratic government are contained in a symbol—a symbol that shall forever be the inspiration of a free people who daily pledge, as did their forefathers—their lives, their fortunes and their sacred honor—to the maintenance of their chosen way of life.

Six years ago today, the President signed Public Law 396, which inserted the words "under God" in our pledge of allegiance to the flag. As author of the bill, I should like to reflect a moment, on this anniversary occasion, upon the significance of this amendment.

In the last 184 years this Nation has gradually increased its role among the free sister nations of the earth to the position of undisputed leadership. This leadership is not only material, but spiritual as well. For today we have been catapulted into the unique position where influence has shifted from the material world to the world of ideas. It has been quoted by many commentators of our contemporary scene that the big battle now is for men's minds.

The means of ultimate material destruction are at hand—the need now is for the deterrent force of Christian ideas to neutralize the preponderance of material know-how.

In many circles not a few informed people are saying that this country is losing this most important battle for free minds. We cannot afford to capitulate to the atheistic philosophies of godless men—we must strive to ever remind the world that this great Nation has been endowed by a creator, and that this concept finds expression in our declared way of life.

The revision inserting the words "under God" in our pledge of allegiance to the flag goes far toward fulfilling this obligation. As legislators of this Nation's laws, I feel that this task falls primarily upon us—let us be ever alert to the necessity of this duty.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

Mr. CELLER. Mr. Speaker, pursuant to House Resolution 554, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 757) proposing an amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution, House Joint Resolution 757, with Mr. TRIMBLE in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. CELLER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I deem it a great privilege, in fact I look upon it as a most notable milestone in my service as a Congressman, to sponsor this constitutional amendment which will give the people of the District of Columbia the right to vote in Federal elections. It seems incongruous that citizens as far away as Hawaii and Alaska have the right to vote while the residents of the seat of Government do not, especially when it is remembered that the men and women of the District of Columbia have all the obligations of citizenship, including the payment of Federal taxes, local taxes, and service in our Armed Forces.

The District of Columbia with more than 748,000 residents has a greater number of persons than 15 of our States, and a greater number of its sons and daughters served in our Armed Forces in World War II than served from one-third of our States. The District's population, in fact, exceeds the combined population of Alaska, Nevada, and Wyoming. As against 748,000 of the District, Vermont has 372,000, Delaware 454,000, Wyoming 319,000, Nevada 280,000, and Alaska only 191,000 inhabitants.

In 1948, the last time the District's tax contributions were reported separately, the District paid over $363 million in Federal taxes, more than the contributions of 25 States.

One may ask why have the residents of the District of Columbia been denied the right to vote for President and Vice President? A study of the constitutional debates of the Constitutional Convention of 1787 and also the contemporary writings of our leading statesmen of that day discloses that it was not the intention of the Founding Fathers to deny the District such rights. The denial stems, apparently, from an oversight or omission on their part, for nowhere in our fundamental instrument is there an express prohibition against voting by residents of the District. It is just that the Constitution simply does not provide for the right.

At the time the Constitution was being considered in Philadelphia in 1787 James Madison wrote in the Federalist, No. 43, that the inhabitants of the new Federal City should "of course have their voice in the election of the Government which is to exercise authority over them."

At that time it was not known where the seat of Government would be or what would be the size of the area ceded

to the Federal Government for that purpose. It might have been, for all the Founding Fathers knew, a very small area indeed, just enough to encompass the Federal buildings needed to carry out the business of government, with the residents around it retaining their State citizenship. In any event, no provision for suffrage was included. As the remarks of Madison suggest, the failure to do so was due to an oversight rather than to an intention by the framers to deny residents of the District the right to vote.

Technically, voting rights are denied District residents because the Constitution is said to provide the machinery only through the States for the election of Senators and Representatives to Congress and for the selection of the President and Vice President—see article I, section 2. Since the District is not a State or part of a State, there is no machinery through which its citizens may participate in such matters.

The correction of this omission is the sole purpose of my resolution, House Joint Resolution 757, which calls for a simple amendment to the Constitution which would authorize Congress to pass laws permitting District citizens to vote in national elections.

I wish to emphasize that my resolution does not conflict with or have any bearing on the question of home rule for the District of Columbia. This is not an "either-or" proposition. My amendment only provides for a vote in Federal elections. This resolution is not "home rule" nor is it a substitute for "home rule." It is a matter of public record that the residents of the District of Columbia have been campaigning for the right to vote almost since the time the land which became known as the District of Columbia was ceded by the States of Virginia and Maryland.

Their early campaigns for the franchise were supported by several Presidents. President James Monroe in 1818, Andrew Jackson in 1831, William Henry Harrison in 1841, and Andrew Johnson in 1866 urged national representation for the District in various forms.

In addition, there have been numerous resolutions over the years, some 75 in number. Of these, three were favorably reported by the Judiciary Committees of the Congress, in the Senate in 1922 and 1925 and by the House Committee on the Judiciary in 1940. I may mention that I supported and voted for the bill in 1940, which was favorably reported by this committee.

In this Congress for the first time a resolution has passed one of the Houses of Congress. The Senate on February 2, 1960, favorably acted on Senate Joint Resolution 39. This circumstance and the recent granting of statehood to Alaska and Hawaii lead me to be optimistic about succeeding in getting my amendment adopted by the House during this Congress.

The long struggle to get a vote to the District of Columbia has slowly but surely educated the American public to the point where there is little resistance to giving the vote to the citizens of the District, at least in Federal elections. This legislation will in no way lessen the control of Congress over the seat of government. Further, the number of electors provided for shall in no event exceed the number allotted to the least populous State. That means the District would have three electors, the equivalent number of two Senators and one Representative.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Arizona.

Mr. UDALL. I think the chairman should be commended for making a very concise and clear presentation of what the legislation does. I wanted to ask two or three questions, if I might, to establish in our minds what it does not do.

The bill and constitutional amendment passed by the Senate in February, as I recall, did provide in addition to voting rights for President and Vice President, that the residents of the District could elect two Congressmen. The amendment before us today does not do that. Am I correct?

Mr. CELLER. That is correct.

Mr. UDALL. The constitutional amendment passed by the Senate last February also had no limitation with regard to the electoral vote in the electoral college of the District. However, there is such limitation in this bill, is there not?

Mr. CELLER. That is correct.

Mr. UDALL. I might say to my colleague, the chairman of the Committee on the Judiciary, that I find this limitation an invidious one. I think all of the citizens of our country should stand on equal footing. For my own part, I will favor and will vote for this amendment, but I think this limitation does not do justice to the people of the District, nor does it square with my idea of the Constitution as an equalitarian document.

Mr. CELLER. I will say to the gentleman, he, apparently, is interested in an issue. I am interested in a cause—the cause of the ballot. I am what one would call a practical politician. I could not get through my Committee on the Judiciary nor could I get through this House all that the gentleman wants. Therefore, to use the words that often reflect compromise—half a loaf is better than no loaf at all.

Mr. UDALL. I have no argument with my colleague on this point. May I ask one other question of the chairman, if he will yield further? The citizen of the ordinary American city has a bundle of voting rights consisting of the right to vote for his municipal officials, State officials, the right to elect a Congressman—and also to vote for President and Vice President. It is that bundle of rights that we normally speak of when we talk of voting rights. There is only one of those four rights conferred here today, am I correct in that?

Mr. CELLER. The gentleman is correct.

Mr. UDALL. I think the chairman made it quite plain that this amendment does not confer the right of local self-government that the citizens of every capital in the Western World—except I think Washington and Baghdad—have to govern their local affairs—to determine how to dispose of sewage, how to run the police force, and other matters of local concern.

Mr. CELLER. I think Brasilia, the new capital of Brazil, is very much like our present District of Columbia. I think laws have been set up there by President Kubichek of Brazil and his colleagues, along the lines of the laws that appertain to our own District of Columbia.

Mr. UDALL. The only other question I would like to ask of my colleague, and I know he has fought long in his committee for a poll tax amendment, is this question: Is it not true that the other body in the series of constitutional amendments which it sent over contained an amendment sponsored by a Senator from the State of Florida to eliminate the poll tax by constitutional amendment?

Mr. CELLER. That is correct. I might add that the resolution which was passed by the Senate was three-pronged. It provided for a vote in the District of Columbia in Federal elections and for the election of a delegate or delegates. Secondly, it provided for the abolition of the poll tax. Thirdly, it provided for the selection by various governors of Representatives in Congress in the event of some holocaust or common catastrophe where a great many Representatives of the Congress might be exterminated. Again, being practical, I knew it would be very, very difficult to get such a three-pronged constitutional amendment through the House, much less through my Committee on the Judiciary, and I reasoned that it would be better not to have such a broad target at which opponents could aim their shafts of opposition, and, therefore, I tried to have this amendment as simple as possible and limit it to the joint resolution which you now have before you. I had a predilection to widen it a little bit, but I had to bow down to the wishes of my committee who are very astute and learned men and practical men. They offered amendments and we fashioned the proposed legislation that you now have before you. I think it is a good bill. On the way to the summit, we may have to visit a number of plateaus. This is one of the plateaus on the way to the summit.

Mr. UDALL. I might say to my colleague, I shall support his amendment. I just want to observe, however, that it seems to me the base of the amendment sent to us by the other body has been almost whittled away. I do not regard it as a generous proposal. I regard it as a minimum proposal, and I shall support it as such. I thank the gentleman for yielding.

Mr. CELLER. The bill, Senate Joint Resolution 39, which passed the Senate particularly contained the provision for the abolition of the poll tax. The distinguished and dedicated senior Senator from Florida, Senator HOLLAND, was the faithful and courageous sponsor of the poll tax repeal. He has assured me that in the interest of getting at least the vote for the District in national elections he would yield on his amendment. If

he does not make this sacrifice there might not be any bill passing the House. The Senator graciously yielded on his amendment. I hope that he will press for the poll tax repeal in the next session. I pledge every possible help to him in that repeal. I shall do all and sundry to support such repeal on the House side as he will on the Senate side.

The right, the privilege, the duty to vote—whatever characteristization you may ascribe to it—is the foundation upon which rests what is the essence of a democracy, namely, government by discussion. Therefore, unjustifiable segregation from political life is a cruel exercise in isolation.

Under Anglo Saxon concepts, since the year 1215 when the Magna Carta declared that exceptional feudal aids were not to be levied without the common counsel of the realm, the extension of the body of the electorate has been the universal goal. At first, the counsel demanded by the Magna Carta was given by an assembly consisting of great lords, ecclesiastical prelates and tenants in chief, but there were in essence local assemblies or town meetings. They met twice a year to determine questions of law, inflict criminal punishment and to transact other kinds of business. This was the skeleton of the true representative system.

In 1265 the leaders of the barons embattled with the king and called for a parliament of two knights out of each shire, two burgesses from the towns, and from five sports each, four men. Thirty years later, there was summoned what is known as the "model parliament" by King Edward I which consisted of 2 archbishops, all of the bishops, the more important abbots, 7 earls, 41 barons, and in addition to these, each sheriff "shall cause to be elected 2 knights from each shire, 2 burgesses each from 115 cities and boroughs." At first the clergy, the barons, and the commoners met separately. This, of course, could not work and gradually there evolved the House of Lords which was comprised of lords temporal and lords spiritual and a House of Commons representing all of the classes.

I have gone back to English history because our own institutions derived therefrom. In my review I am again struck with the thought that the extension of the franchise was the most civilizing element in the development of national entities.

The French Revolution and the American Revolution gave radical impetus to this extension of the franchise. Basic to our understanding is the historical statement in the Declaration of Independence "all governments derived their just powers from the consent of the governed."

It has been said another way, "Either no individual member of the human race has any real rights or else all have the same." Widening the electorate has been no easy victory. At the outbreak of the American Revolution there was not a colony which did not require the ownership of property for the privilege of voting. Eight colonies imposed religious or moral tests upon either officers or electors. New Hampshire excluded Roman Catholics; and South Carolina deemed unsafe all citizens who did not believe in God and a future life. Several required that assemblymen should be Protestants, while others demanded that they should believe in God and the divine inspiration of the Scriptures.

By 1830 it may be said that a broad, though not universal, suffrage had been acquired in practically all the Original Thirteen States. There were exceptions like North Carolina, or Rhode Island, where Dorr and his followers acquired the vote only by rebellion. Where a property qualification occurred in the State west of the Alleghenies, it was of little consequence, so long as an abundant supply of cheap land made it easy for all to obtain property. By the end of the Civil War, practically universal, manhood suffrage had been established for all whites.

It took until the second decade of the 20th century to remove the disqualification of sex. The paramount question therefore before us is—shall the citizens of the District of Columbia be classed with idiots, insane people, and persons convicted of serious crimes which today constitute the major classes of people who are disenfranchised? Great efforts have been made by this Congress to assure the right to vote to all inhabitants under the 15th amendment of the Constitution, although this amendment speaks of abridgements of the vote on racial groups. Our Civil Rights Act of 1957 through 1960 are based upon that amendment. There can be, therefore, no logic, no justification, no indifference to the disenfranchisement of the residents of the District of Columbia. Under this bill, the enfranchisement is a limited one.

The people of the District of Columbia want to participate in national elections, even if it were to be as abortive as such participation was back in 1924 when the Alabama Democratic delegation in Madison Square Garden said "24 for Underwood" through 103 ballots. Without any kind of vote, the people of the District of Columbia are mere wards of Congress. They are declassed. That reflects upon their dignity; it wounds their pride; they are disqualified, though qualified. They are written off like excess baggage.

What useful purpose would be served to deny them the right to vote at least in the presidential election? There is no skin off anyone's back in granting that right. None is hurt but many will be helped. We boast of our conception of fair play. It is not fair to have a whole Nation possessed of the ballot, but not the people of the District of Columbia. Why place a hex on them? Denial of any vote is not like cutting out a useless appendix; it goes to the heart and pride of the citizen, and pride is one of our most precious human emotions.

On an average, 40 percent of our people qualified to vote do not vote either through apathy or ignorance. I assure you the people of the District will not be guilty of either indifference or unwillingness or ignorance. They will vote to a man. Their hunger for the vote is too great—they would literally devour it.

For the reasons stated above, I hope the necessary two-thirds majority will be available to pass this resolution.

Mr. McCULLOCH. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, we have an opportunity today to do our part in conferring a fundamental American right—the right to vote for presidential and vice presidential electors—upon the citizens who reside in and have their legal domicile in the District of Columbia. It is indeed difficult to understand why, more than 180 years after the birth of our Nation, our Constitution has not been amended to provide such fundamental privilege. No one has explained why our fellow American citizens who choose to make their homes in the Capital City of the Nation should be denied the elective franchise in a representative republic. Therefore, we are presented not only with a rare historic opportunity but also with a basic historic challenge.

House Joint Resolution 757 proposes to amend the Constitution in only one particular—to permit the residents of the District of Columbia, who are legally domiciled therein, to vote for President and Vice President, or, more technically speaking, for presidential and vice presidential electors.

House Joint Resolution 757 does not include any of the other measures proposed by the other body in Senate Joint Resolution 39 and it does not contain any provision for the election of Delegates to the House of Representatives. In addition, the rule adopted by the House does not provide for any amendments except amendments offered by the Judiciary Committee.

No amendments will be offered. I am happy to make this statement in order to allay any fear of any Member who desires to support this measure but who could not support it in conjunction with unrelated measures which might be objectionable to any of my colleagues.

I might add that I am of the definite opinion that with anything as fundamental and lasting as a constitutional amendment I much prefer to confine consideration to one topic at a time.

The proposed amendment is necessary because the Constitution makes no provision for the selection of presidential and vice presidential electors by any political subdivision of the Federal Union other than States. Since the District of Columbia is not a State, there is no method short of a constitutional amendment which will permit the residents, legally domiciled in the District, to exercise the elective franchise.

The proposed amendment will simply authorize the District to select presidential and vice presidential electors in a manner similar to the method provided for the States in article II, section 1 of the Constitution. In fact, the language adopted is patterned after the language in article II. In addition, it contains the proviso that in no event shall the District be entitled to more electors than the least populous State. This proviso was adopted because it was thought that under no circumstances should the District, which is not a State, have a greater voice in selecting the President and Vice President than the least populous State.

Upon ratification of the amendment, the Congress will be empowered to enact enabling legislation setting forth the qualifications of the electors; the qualifications for District voters, and the manner in which elections are to be held. With respect to the States, these matters, under article II, section 1, are left to the respective State legislatures.

The proposed amendment next provides that the District electors "meet in the District and perform such duties as provided by the 12th article of amendment." This is the present provision of the Constitution which prescribes the manner in which the electors cast their ballots for President and Vice President. In the event the election is thrown into the House of Representatives, the District would not participate. In that contingency, the delegation from each State is entitled to one vote; and, since the District is not a State there is no method by which it could participate in such event. The committee considered this problem but thought it would be unwise to try to adopt language into this simple resolution which would give the District a vote in the House of Representatives, if such condition ever arose.

It is important to remember that the power of Congress to exercise exclusive legislation over the District under article I, section 8, clause 17, of the Constitution will not be affected. In other words, amending the Constitution to grant the right of franchise in presidential elections will in no way diminish the legislative power of Congress over the District.

There is strong argument that the Founding Fathers did not intend to deprive the citizens of the future District of the right to vote even though they did intend to create a separate seat for the Federal Government under the exclusive domain and control of Congress. To this extent adoption of the proposed amendment will not alter the character of the District as the permanent seat of the Federal Government.

Today the District has a population of about 750,000 people, which is more than the population of each of 13 of our States. The citizens of the District have fought and died in every U.S. war since the District was founded. Yet they cannot now vote in national elections because the Constitution has restricted that privilege to citizens who have a voting residence in one of the States.

The Founding Fathers did contemplate the creation of a Federal district but they neglected to make provision for the residents of the future District to vote for presidential and vice-presidential electors. In 1788 and 1789, Maryland and Virginia ceded the original territory to the Federal Government. In 1846, the Virginia portion of the District of Columbia was retroceded to Virginia. To my comprehension, it is inconceivable that the Founding Fathers, if they had contemplated the growth of the District as a permanent home for so many of our citizens, would not have made provision for them to vote. I believe, therefore, by adopting the proposed amendment we will be conforming the Constitution to present day reality, but in keeping with the spirit of our forebears who founded the Nation.

Finally, I should like to stress that this measure was given very careful consideration by the Judiciary Committee. It presents for your consideration a most important proposal. With its adoption by the Congress and its ratification by 38 States the legally domiciled residents of the District of Columbia shall at long last come of age. This is, indeed, a historic occasion.

Mr. HENDERSON. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I am happy to yield to my colleague from Ohio.

Mr. HENDERSON. I should like to commend the gentleman for his statement and his explanation of the resolution and the amendment which is provided in the resolution. In his remarks the gentleman referred to the 12th amendment, and it is also referred to in the body of the resolution itself. I should like to call to the attention of the gentleman from Ohio the following language which is a part of the first sentence of the 12th amendment:

> The electors shall meet in their respective States, and vote by ballot for President and Vice President, one of whom, at least, shall not be an inhabitant of the same State with themselves.

The amendment with which we are dealing this afternoon is an amendment not pertaining to a State but to the seat of government, or to a district, as it is called, the District of Columbia. May I ask the gentleman if the restricting language contained in this first sentence, which states, "one of whom, at least, shall not be an inhabitant of the same State with themselves," should be construed to apply to the electors of the District of Columbia, which itself is not a State.

Mr. McCULLOCH. I am of the opinion that the resolution before us if adopted would have no bearing on the question propounded by our colleague from Ohio. I am of the opinion, and we studied this question since the resolution was reported, that the President and Vice President would be limited so far as residences are required only and just as they have been limited in the past.

Mr. HENDERSON. I thank the gentleman.

Mr. WHITENER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I am very happy to support this resolution. If I gather the sentiment of the House, I would not be at all surprised that the suggestion of the gentleman from Ohio, who preceded me, would be followed by the House with a unanimous vote in support of this resolution.

I cannot understand how anyone could be opposed to giving the right to vote, the privilege to vote, to the residents of the District of Columbia.

There is no doubt that this resolution is a step in the right direction, but I must emphasize that it is only one step. I hope that no one who supports this bill will pretend that by so doing he has done all that need be done for the citizens of the District of Columbia. The right to vote is only one element that makes up the right of self-government. Giving the citizens of the District of Columbia the right to vote for President and Vice President of the United States is important, but it still does not give them the right to govern themselves within the District. It still does not give them the right to have an elective representative speak and vote for them in the Congress of the United States.

The right to representation in the Congress and the right to make local laws for their local self-government are encompassed within the home-rule bills before the House.

While it is safe to say that the sentiment for this measure now before us has been sparked and encouraged, at least in part, by the persistent action on the part of the sponsors of home rule, none who support this bill should assume that they have done their full duty by the citizens of the District of Columbia.

Having voted for this resolution, each of the sponsors thereof should then resolve to bring before the House for its action the home rule bill which will give to the residents of the District the other two rights which are just as important to them as the right to vote for President and Vice President, to wit, the right to be represented in the U.S. Congress and the right to make their local laws.

It is hard for me to understand how those who stand for States rights oppose home rule for the District. Although the District is not a State, States rights is merely a name for self-government. The State, or the Nation, is merely a fictional sovereign brought into being by the people as an instrumentality by which to govern themselves. To deny to the people of the District the right to govern themselves as to local matters, is to deny them the very rights which the supporters of States rights demand for themselves.

Let me call to your attention this inconsistency. There are seven discharge petitions at the desk. The discharge petition for home rule needs 13 more signatures. On one or more of the other discharge petitions there are at least 30 signatures of Members of the House whose names do not appear on the discharge petition for home rule. I wonder how they can justify withholding their signatures from the home rule petition. To do one's full duty by themselves and their country, those Members should sign discharge petition No. 2 for home rule for the District.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WHITENER. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, as a Member of the Congress it is, of course, my privilege to be, you might say, on the city council or the State legislature of the District of Columbia. I own a house in the District of Columbia in which I live during sessions of Congress. I have neighbors who have lived in the District of Columbia for many years, some who have lived in the District for many generations. One of my immediate neighbors is the Marbury family

which has been in this general area for, perhaps, 200 years.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-one Members are present, not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 130]

Addonizio	Fulton	Morris, Okla.
Alexander	Gallagher	Moss
Anfuso	Garmatz	Moulder
Ashmore	Gray	O'Neill
Auchincloss	Green, Pa.	Osmers
Ayres	Hargis	Patman
Bailey	Hébert	Poage
Baker	Hemphill	Powell
Barden	Holifield	Quigley
Beckworth	Holtzman	Rains
Bennett, Mich.	Ikard	Riley
Bentley	Jackson	Rivers, S.C.
Blitch	Jennings	Roberts
Boland	Jensen	Rogers, Tex.
Brown, Mo.	Jones, Ala.	Shelley
Buckley	Jones, Mo.	Short
Burdick	Kearns	Smith, Miss.
Burleson	Keith	Spence
Cahill	Kelly	Springer
Carnahan	Kilburn	Taylor
Casey	Kilday	Teague, Tex.
Daddario	Kilgore	Teller
Diggs	Kirwan	Thomas
Dingell	Kluczynski	Thompson, Tex.
Dorn, N.Y.	Lafore	Thornberry
Dorn, S.C.	Lesinski	Udall
Dowdy	Loser	Wallhauser
Durham	McGovern	Watts
Elliott, Ala.	McMillan	Weis
Fino	Macdonald	Withrow
Fisher	Magnuson	Wright
Flynt	Mahon	Young
Fogarty	May	
Forand	Mitchell	

Accordingly, the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration House Joint Resolution 757 and finding itself without a quorum, he had directed the roll to be called, when 332 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, I have had the privilege of temporary residence in the District of Columbia during many sessions of Congress, living in a house I own, with my family here with me and my children of school age going to school; so I have a good deal of experience in living in the District of Columbia.

I know what my neighbors feel about this. I have my own feelings on it. I think this is only a matter of sheer justice that this measure be enacted, and at the earliest possible moment.

Since the speaker before me made some reference to home rule, I should like to say that none of my neighbors favor "home rule" as those words are defined by most people who agitate for this. It has been my experience that most people who agitate for home rule are people far removed from the District of Columbia and they have theoretical ideas about what is proper for other people and have ideas as to what is of advantage to themselves for political, or other, reasons for becoming enthusiastic. In my opinion, it is not the desire of the majority of the people of the District of Columbia to have home rule. I find the majority of the people of the District of Columbia are very bitterly, violently, and vigorously opposed to the so-called home-rule provision; but they are in favor of the provision which is before us today. I hope it is enacted as soon as possible.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, we are about to adopt a resolution which if ratified by three-fourths of the States within 7 years, or 38 States, will become the 23d amendment to the Constitution of the United States.

I am a member of Subcommittee No. 5 of the Committee on the Judiciary, which held hearings on this and related resolutions. I attended all the hearings and participated in the deliberations of the subcommittee and the full committee.

I regard the amendment of the Constitution of the United States as an extremely serious matter. I think we ought to pause and reflect that this remarkable document, the Constitution, has proved workable and flexible enough to permit our Nation to grow in the century and a half of its existence without serious change in the phraseology of our original charter. This consideration is one which should give us all pause when we are contemplating modifying that basic document.

We ought to reflect also that if we regard the bill of rights, the first 10 amendments, as an integral part of the Constitution itself, the Constitution has really been amended permanently only 10 times. The 18th amendment we found necessary to repeal by the 21st amendment. The 22d amendment, the Presidential tenure amendment, after less than 20 years, is now under attack. There is a great deal of sentiment for, and I believe the Senate even commenced hearings on, another constitutional amendment to repeal the 22d amendment.

We should also remember that only five additional resolutions have been presented by the Congress to the States and have failed of ratification. Thus, we realize that when we are proposing to add a 23d amendment to the Constitution we are taking a very serious step.

For that reason, I approached this proposal with resistance, and probably with the least enthusiasm of any member of the subcommittee and of the full Judiciary Committee.

I should like to point out some of the aspects of this proposed constitutional amendment which the Members of the House should have in mind when they vote and which may contribute to the consideration by the several legislatures of this resolution, if it is passed by a two-thirds vote of both the House and the Senate.

First, I do not believe there is a Member of this body or the other body who wants to deprive any legally qualified citizen of his right to participate in the selection of agents to express his will in their government. But this amendment does not cure that.

This amendment will merely enable the Congress to provide the means whereby electors for the District of Columbia could participate in the selection of President and Vice President. But, it does not do anything for a lot of other citizens of the United States—for the 2,300,000 Puerto Ricans who are citizens of the United States or for the people of other territories such as Panama, the Canal Zone, Samoa, the Virgin Islands and Guam. They will not have their franchise granted to them by this amendment.

The resolution before us is piecemeal legislation and it is also compromised legislation. Even with respect to the residents of the District of Columbia, it does not provide for a full voice in the election of officials who will exercise governmental authority over them. They have no representation in the Congress of the United States and this amendment will not give it to them. They will have no representation in any territorial legislature or in any local unit of government. So this is only a partial franchise that you are granting to the residents of the District of Columbia.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Ohio.

Mr. McCULLOCH. It is true, is it not, that there is no constitutional authority needed in our system of government to give the District of Columbia a delegate or several delegates in the House, if we so desire to do?

Mr. MEADER. The gentleman, I believe, is correct as far as the constitutional authority of the Congress is concerned. We have provided by statute for delegates or commissioners from the territories, and we have that authority under the Constitution without further amendment.

There is considerable doubt, however, that the Congress could grant voting rights to any such representative of the District of Columbia. He could be here in the same sense that the Commissioner of Puerto Rico is here or the delegates that we used to have from the Territories of Hawaii and Alaska.

But, voting representation in the Congress either in the House of Representatives or the Senate or both, probably, could be provided for the District of Columbia only by a constitutional amendment. Indeed, the original form of this resolution did contain such a provision which would enable the Congress to provide for the election of delegates to the House of Representatives with the privilege of voting. But, that was stricken in the committee consideration of the measure.

Let me also point out that my attitude was that if this desirable objective; namely, granting the franchise to District residents, could be attained without amending the Constitution of the United States, but by mere statutory enactment, that we ought to explore all such possibilities carefully, thoroughly, and fully

before we take the unusual and important step of tampering with the Constitution of the United States.

Some questions were asked along that line during the hearings, and I just want to call them to the attention of my colleagues. The gentleman from Virginia [Mr. BROYHILL], who spoke earlier in the afternoon on the rule and who has sponsored legislation of this type for a number of years, was a witness before our committee on April 6, 1960. At page 28 of the hearings, I asked Mr. BROYHILL these questions and I received these answers:

Mr. MEADER. Mr. BROYHILL, you represent the area in Virginia which was previously at one time—I guess before 1846 or some such year—a part of the District of Columbia, the 10-mile square.

Mr. BROYHILL. A portion of my district was originally a portion of the District of Columbia—that is, Arlington County and Alexandria.

Mr. MEADER. Have there been any adverse effects that have come to your attention from the fact that the Federal Government did, by statute, relinquish or retrocede that portion of the District of Columbia back to Virginia?

Mr. BROYHILL. Any——

Mr. MEADER. Adverse effects so far as the National Government is concerned?

Mr. BROYHILL. No, indeed. The fact of the matter is that if you tried to get it back, you would meet with some resistance from people over there, I believe.

Some witnesses testified that retrocession was not popular either with the residents of the District or with the State of Maryland. I felt there should have been further exploration of the possibility of retrocession.

If the Maryland portion of the District, except for that portion which is now occupied by the principal Government buildings, the Federal Triangle, were retroceded to Maryland the residents of the District of Columbia would be given what? A partial vote? No, complete voting rights. They would have the right to vote for the Governor of the State of Maryland, for Representatives in Congress, and Senators, and their local city government.

The metropolitan area of Washington would not be artificially restricted by the District lines, but might become a normal metropolitan city. That possibility, in my judgment, although it is commented on in the committee report, was not thoroughly explored; it was superficially referred to.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Florida.

Mr. MATTHEWS. I want to congratulate the gentleman on his observations and to ask him a question. As the gentleman may know, I am a member of the much-criticized District of Columbia Committee. When we have hearings about home rule we always bring up the idea: Why do we not retrocede part of the District to Maryland, contracting the Federal City? The gentleman I am sure will be interested to know that we could find no enthusiasm whatseover for that point of view. I do want the gentleman to know, however, that that point of view has been thoroughly explored by the District Committee.

Mr. MEADER. I want to call attention to another important aspect of this resolution. The resolution before you, on page 2, section 1, starting in line 2, reads as follows: "The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct" a number of electors, and so on. That language was adopted by the committee. The original resolution, and I want you to pay close attention to the distinction, read as follows: "The people of the District constituting the seat of Government of the United States shall elect in such manner and under such regulations as the Congress shall provide by law" a number of delegates and electors.

There is a very important distinction in the phraseology. I might say to the members of the committee that I suggested the language as it appears in the resolution before you because it follows precisely the language of the Constitution, article II, section 1, providing for the electors for President and Vice President.

Article II, section 1, clause 2, states "Each State shall appoint in such manner as the legislature thereof may direct" a number of electors, and so forth.

I want to call your attention to the fact that the phrase I have quoted does not require popular election of electors for President and Vice President; the legislature is given complete authority in article II, section 1, to determine how presidential electors are to be selected. That is the same position Congress will be in if this resolution becomes an amendment to the Constitution.

What does that mean? After 38 States have ratified this resolution and it becomes amendment No. 23 of the Constitution, enabling legislation will be introduced to provide the manner in which residents of the District of Columbia shall select electors for President and Vice President. Do you have any idea where that bill will be referred? It probably will be referred to the District of Columbia Committee. I do not know whether we have accomplished very much or not if, having amended the Constitution, its implementation is referred to the District Committee, which some have accused of being unfriendly to the residents of the District of Columbia.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield.

Mr. ROGERS of Colorado. You will concede that once this amendment is adopted by the 38 States the Congress then has the power to provide a method for the selection of electors, does it not?

Mr. MEADER. That is what this amendment does; it authorizes Congress by legislation to provide for the selection of the presidential electors.

Mr. ROGERS of Colorado. There is nothing in this amendment that would authorize a so-called election for those electors; is that correct?

Mr. MEADER. It would be completely within the power of the Congress to decide in what manner these electors shall be appointed.

Mr. ROGERS of Colorado. Does the gentleman think that Congress could itself elect the electors without referring it to the people?

Mr. MEADER. Let me ask the gentleman whether under article II, section 1, the State legislatures might elect the electors or appoint the electors, if they so decided?

Mr. ROGERS of Colorado. Yes. I understand the gentleman's argument is that the State legislatures may now, if they so desire, provide the method of selection of the electors without referring it to a vote of the people; is that correct?

Mr. MEADER. I am simply reading the exact language of the Constitution. I do not intend to make any interpretation of it other than what the language imparts. I do not know whether the legislature of any State has ever provided for the selection of presidential electors or for the appointment, to use the constitutional phrase, of presidential electors in any other fashion than by a direct vote of the people. I know of no State where that has been done, and I do not know whether there is any litigation involving the interpretation of article II, section 1, or not. I am assuming, however, that this resolution will give Congress the same authority with respect to the appointment of electors that the State legislatures have under article II, section 1.

Mr. ROGERS of Colorado. Once this is adopted and Congress fails to act in setting up machinery for the election of electors or their selection, then are they to be considered as a part of the electoral college and would they constitute one of the 538 that will be in that college?

Mr. MEADER. I believe that the count would be 540, would it not?—437 Representatives, 100 Senators, then 3 additional for the District of Columbia.

Mr. ROGERS of Colorado. Except that whenever this census is over, as I understand it, we go back to the 535; that is, after the last census.

Mr. MEADER. That is still to be determined.

Mr. ROGERS of Colorado. But if the Congress fails to take any action whatsoever, the people would not be permitted to vote in the District of Columbia?

Mr. MEADER. I think it would take affirmative action by the Congress before anyone could vote for electors in the District of Columbia. Does not the gentleman agree with me?

Mr. ROGERS of Colorado. I agree it would take affirmative action, and that under the affirmative action the Congress could set the qualifications for electors or the voters.

Mr. MEADER. I believe that Congress could.

Mr. ROGERS of Colorado. For the District of Columbia and set up the method and qualifications of the electors; could it not?

Mr. MEADER. It could, subject to any provisions in the Constitution, governing the time and place of choosing electors.

Mr. ROGERS of Colorado. It could set up all of the election machinery if the selection is to be by an election?

Mr. MEADER. I believe that the Congress could.

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. MEADER. I have one other point. The District of Columbia being the seat of Government, a great proportion of the population is here only temporarily, being connected in one way or another with Government business. Many District residents actually exercise their franchise back home in States from which they come.

On that point I call the attention of the committee to page 34, Mr. McLaughlin's testimony, where he estimated the population of the District as 850,000 or so; but over 100,000 are estimated to have voted by absentee ballots in States from which they come.

In that connection I remind the committee that in the recent primary in the District of Columbia there was something less than 30,000 votes cast in the presidential preference primary.

I call attention also to the fact that the census statistics seem to indicate that the total number of persons 21 and over at the present time is estimated to be 553,000, of which a substantial number maintain voting residence in a State.

In that connection I call attention to the language of the report, and I must defer to my colleague the gentleman from Ohio [Mr. McCULLOCH] on this matter; that is, the committee inserted language which indicated in future censuses the committee does not intend to have those persons counted for the purpose of establishing the number of electors who maintain their domicile and their voting residence in other States and vote there. That matter can be taken care of by Congress under its control over the census laws.

Mr. WHITENER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I suppose that one of the most important duties that confronts one is when we are considering changing the basic document under which this country is governed. This decision as embodied in House Joint Resolution 757, will not only face the Members of the House and the Members of the other body. If two-thirds of the membership of the two bodies of the Congress approve this resolution, the general assemblies and legislatures of 50 States will within the next 7 years consider this change in the Constitution of the United States.

We have heard a great deal today about the provisions of this resolution. At the risk of boring some of my colleagues who have been so patient today I shall repeat what has been said in outlining the provisions of the resolution. It merely proposes an amendment to our Constitution empowering Congress later to provide for presidential and vice presidential electors for the District of Columbia, not to exceed the number of electors to which the least populous State in the Union may be now or hereafter entitled. This resolution should not be confused with the home rule agitation which has been so prevalent around the Capitol in recent days and for some time prior to the 86th Congress.

I think that as we consider this proposition we may, for the purpose of the record, consider some of the problems which will confront someone in the future in connection with this very simple resolution.

It has been pointed out in the committee hearings that there is some doubt as to what the actual population situation is in the District as compared to a sovereign State, by reason of some factors which are well known to all of us. In testimony before the committee the President of the Board of Commissioners of the District of Columbia, Mr. McLaughlin, testified that according to his best information—I believe that is on page 34 of the hearings—some 100,000 residents of the District participated in the last general election through the medium of absentee ballots in their respective States. Of course, Mr. McLaughlin and the other witnesses would not undertake to say how many nonparticipating voters there were in the District who were eligible to participate in elections back home under the laws of their States.

In North Carolina, my home State, there is a specific statutory provision which preserves the voting eligibility of a North Carolinian who is here in Washington, residing here and working for the Government. I would presume that the same is true in other States. So, when we talk about the eligible voting population of the District of Columbia we are dealing with a rather illusory matter.

In our committee report we said on page 4 that—

> It is the committee's intention regarding future enabling legislation to carry out the provisions of this constitutional amendment, that no District inhabitants (including minor dependents) who maintain legal domiciles or voting residences elsewhere, be included in the census computation insofar as determining the number of electors is concerned.

So we are faced with this practical problem, that the District of Columbia must of necessity, if the intent of the committee is carried out, become a favorite child in the census reports of the future and there will be a practical problem which seems to me to be insurmountable.

I think that points out the wisdom of this provision in the resolution—to which some opposition has been expressed—that the District should be limited to the number of electors enjoyed by the least populous State. In doing that we will in effect attempt to bar persons from having the right to vote both here and elsewhere and having them counted in the District as eligible people in determining the number of electors.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. WHITENER. I yield to the gentleman from Illinois.

Mr. MASON. In the regular elections between 50 and 60 percent of the regular voters or the legal voters of a State vote, and that is about all. Judging from that ratio if 100,000 voted from the District, that would mean that at least 180,000 or 190,000 had the right to vote in their own States, if they wanted to.

Mr. WHITENER. I may say to the gentleman that, of course, we are dealing in a rather imponderable realm when we talk of the population and the eligible population here in the District and its fictional characters who, some would say, are being taxed without representation.

The District Commission President in testifying before the committee just a few short weeks ago testified that he estimated the population of the District of Columbia to be between 830,000 and 850,000. As I am informed, just this week the Census Bureau has reported that the population was some 747,000. So when we have this limitation it is a very salutary one, and one which I think makes it possible for those of us who approach this proposal somewhat hesitantly to go along with it. I express the hope that a sufficient number of our colleagues will support it to make it possible to submit it to the several States for ratification.

Without that limitation, the so-called Cramer amendment, I would have serious doubt as to whether it would be the proper thing to let someone go around the city of Washington and count heads and say that therefore the District of Columbia would be entitled to have so many electors, because some of these that are counted are heads of people who are participating in political activity in their own States for both of the major political parties, and who desire to preserve their legal residence in North Carolina, Illinois, or some other State. It would not be proper, I think, to count them twice.

There is a great history about this constitutional provision. Some say it was an oversight on the part of the Founding Fathers that they did not provide for election of electors for President and Vice President within the District of Columbia. From the research I have been able to make, I do not believe that was an oversight because it seems to have been contemplated that this territory known as the seat of the Government, not to exceed, as the Constitution says, an area 10 miles square would be sort of a no-man's land, and that no one could interfere with its administration other than the elected Representatives of the people who serve in the Congress of the United States.

Madison presented the matter with a proposed constitutional provision. Pinckney of South Carolina, my neighboring State, presented another proposition. Out of these came the present provision, clause 17 of section 8 of article I of the Constitution. According to the recorded history this provision was very severely criticized in many States, including my own State of North Carolina. The great James Iredell, who later served on the Supreme Court of the United States, in the ratifying body of North Carolina satisfied the people of my State that we should not have the situation of conflicting authority as to the administration of the affairs of what was known as the seat of Government.

I say to you in conclusion that I think too many persons in our country today

under the false contention of liberalism would strike down constitutional principles which were carefully thought out, and which are not outmoded. Today as we deal with this measure we can pass it and amend our Constitution in the orderly manner provided in article V of the Constitution.

But we should not confuse it with home rule. In my judgment we should never engraft on the statute books or the Constitution so-called home rule for this area, which is now and should eternally be the seat of the Government, regulated and controlled solely by those who are elected to serve in the two bodies of the Congress of the United States.

Mr. GUBSER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-one Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 131]

Addonizio	Fisher	Mahon
Alexander	Flynt	Mitchell
Anfuso	Fogarty	Morris, Okla.
Ashmore	Forand	Moss
Auchincloss	Fulton	Moulder
Ayres	Gallagher	Patman
Bailey	Garmatz	Poage
Baker	Gray	Powell
Barden	Green, Pa.	Preston
Bass, Tenn.	Hargis	Quigley
Beckworth	Hébert	Rivers, S.C.
Bennett, Mich.	Hemphill	Roberts
Bentley	Herlong	Rogers, Tex.
Blitch	Holifield	Shelley
Boland	Holtzman	Short
Boykin	Ikard	Smith, Miss.
Brown, Mo.	Jackson	Spence
Buckley	Jennings	Springer
Burdick	Jensen	Steed
Burleson	Jones, Ala.	Taber
Cahill	Jones, Mo.	Taylor
Carnahan	Judd	Teague, Tex.
Casey	Kearns	Teller
Celler	Kelly	Thompson, N.J.
Daddario	Kilburn	Thompson, Tex.
Daniels	Kilday	Thornberry
Davis, Tenn.	Kilgore	Vinson
Dent	Kluczynski	Watts
Diggs	Lafore	Weis
Dorn, N.Y.	Landrum	Wharton
Dorn, S.C.	Loser	Willis
Dowdy	McGovern	Winstead
Durham	McMillan	Withrow
Elliott, Ala.	Macdonald	Wolf
Feighan	Machrowicz	Wright
Fino	Magnuson	Young

Accordingly, the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution House Joint Resolution 757, and finding itself without a quorum, he had directed the roll to be called, when 325 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. McCULLOCH. Mr. Chairman, I yield 6 minutes to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, it will not be my intention to be repetitious, but rather to discuss principally my amendment which was offered in and approved by the committee and which appears on page 2, line 8 of the resolution and reads "but in no event more than the least populous State."

That means that the residents of the District of Columbia would have a right to a number of electors equal to those of the least populous State in the Union. If the bill had been voted out as presented by the subcommittee without this amendment, it would have meant that the District of Columbia, not having the status of a State in this Union, would in effect have a larger number, unquestionably, of electors, meaning three, four, or five. If it were 5 it would have a larger number of electors than 13 States in the Union today. If it were three it would have an equal number of electors to four States in the Union. If it were 4, a number equal to 13 States and more than 4. It was likely under the anticipated population of the District (800,000) that it would at least have four electors as the subcommittee initially voted the bill out without my amendment. The District of Columbia would have a larger representation in determining who the President and Vice President of the United States should be than any one of the following States, and this is the reason it was thought as the bill came out of the subcommittee it was not really fair to those States that have full State status. For instance, Delaware has three, Nevada three, Vermont and Wyoming three. The following States have four. The District of Columbia under the initial bill would have had four and possibly five, so that the District voters would have more to say about presidential and vice-presidential electors than the four States I have named and at least an equal number of electors and an equal voice in saying who should be President and Vice President of the United States as the following States: Arizona, Idaho, Montana, New Hampshire, New Mexico, North Dakota, South Dakota, South Carolina, and Utah. Obviously, it is understood that the number of electors is determined by two for the U.S. Senators and one for each Representative in the House of Representatives.

Therefore, the feeling of many of us was that the District of Columbia would have a disproportionate voice in determining who the President and Vice President of the United States should be, and thus would possibly have an even greater say-so in those all-important offices than some 13 States, and assuredly equal to some 13 States in the Nation, depending on whether, under the subcommittee proposal the District would get four or five electors.

On the bill itself, let me say that this bill deals only with the question of the President and Vice President as chosen by the electoral college. This is not a home rule bill. I have not seen a home rule bill which I personally feel I could support. This is not a bill dealing with the question of Representatives in Congress. It has been agreed that the Congress has power to determine that issue by legislation without constitutional amendment any time in the future it sees fit to do so.

It also requires 7 years for ratification by three-fourths of the States. This is necessary legislation because the Constitution itself in article II, section 1, deals with this question of choosing the electors and only refers to the "States." Therefore the District of Columbia not being a State is in a no-man's land in a sense. Therefore a constitutional amendment is needed in order to permit the District of Columbia, in effect for this purpose alone under the Constitution, to choose electors.

At present the electoral college is set up with 537. It is anticipated it will be set up due to statehood of Alaska and Hawaii with 2 new Members in the House and 4 in the Senate for the 1960 election, adding 6 new electors over the previous 531 figure. It is expected the number this year for President and Vice President will be 537. If this proposal were effective, once it is ratified by the needed number of States, the District of Columbia would have 3 in addition to those 537. After 1960, it is probable that the number will go back to 535, depending on what Congress does in the future with regard to 2 Representatives from Hawaii and Alaska and the number of Members in the House of Representatives, which of course is a decision only Congress can make after the census is determined. But assuming the number remained at 537, then this bill would add 3 new electors. It would not diminish the number of electors the States presently have, which is the case in the event the Congress fixed the number of Representatives in the House, that is, that the District of Columbia would have three additional electors and there would not be three taken away from the States themselves.

That is the effect of the bill. With regard to the amendment itself again, the reason why this amendment was proposed, I having the privilege of offering it in committee, was that we were concerned about the District of Columbia having a greater status than the States in determining the number of electors and who should be the President and Vice President of the United States.

An additional reason is, it is to some extent a flexible formula. In other words, if the smallest State at any time should have in excess of three, which I might add is highly improbable, then, of course, the District of Columbia likewise would be entitled to that larger number. If the smallest State had a larger number, it does, and I think necessarily so, relate the question of new electors to relative electoral strength of the States themselves and the population of those States, and relates to the say-so that those States have at the present time and in the future as to who should be President. I do not think we can separate the question of the District of Columbia's right to make that determination from the rights the States have, and cannot afford to give it greater say-so than the States themselves have.

Also, I think it is a minimal number, but again it is no more than any of the smallest individual States would have.

For instance, as an example of the problem the committee had in reaching a decision, the State of Florida has 10 and has an anticipated expected population at the end of the census of 4,870,000 people, or an increase of 90 percent in population. This would, without this amendment, give the District of Colum-

bia half as many electors as the State of Florida. This would result in disproportionate voice of the 800,000 estimated people in the District, many of whom are not "residents," as compared to Florida as well as all other States. My amendment guards against this disproportionate District vote.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. CURTIN].

Mr. CURTIN. Mr. Chairman, I rise in support of House Joint Resolution 757, providing for legislation which is long overdue.

This resolution provides that an amendment be added to our Federal Constitution which will permit the residents of the District of Columbia to vote in presidential elections for their choice for President and Vice President.

One of the fundamental concepts of our Founding Fathers was that the new Government was to be a government by representation. Such representation, of course, should not be and was not intended to be restricted to certain electors, and that others should not participate just because they happen to reside in a certain locality. The recent civil rights bill was passed to insure the free right of suffrage to certain of our citizens who, it had been claimed, were being denied that privilege.

There is a group of our citizens, however, who are still being denied this fundamental right. I refer, of course, to those of our citizens who have their permanent home here in the District of Columbia, the Capital City of this great Nation, and, as such, the place where our Federal laws are made, which, among other responsibilities, are to guarantee and protect the rights of all of our citizens.

There seems to be no logical reason why these citizens should not have this Federal franchise. Certainly they are as interested in who is to be their President and Vice President as any other citizen. The denial of their right to vote for these offices seems to be more a matter of neglect than of intent. There is certainly no justification for this disenfranchisement of these good people.

Let us now pass this resolution, to start on its way an amendment that, when passed by the necessary three-fourths of the several States, will correct this oversight and give to the citizens of the District of Columbia this fundamental American right.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of House Joint Resolution 757. In my opinion, this constitutional amendment is very much needed and is long overdue. I feel very strongly that the citizens in the District of Columbia should have the right to vote for President and Vice President. These citizens are taxpayers and are subject to our Federal laws. They should have the right to participate in the selection of a President and Vice President to govern them.

This is only one of several needed steps. I hope that Congress will also soon recognize the need for granting home rule to the residents of the District of Columbia.

Mr. McCULLOCH. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, I support House Joint Resolution 757. This resolution, proposing an amendment to the Constitution, will grant representation in the electoral college to the District of Columbia. Simply stated, the resolution, if adopted by us and subsequently ratified by three-fourths of the States, would permit the residents of the District of Columbia to vote for President and Vice President. The bill is not perfect, because it contains one glaring shortcoming, which I shall discuss further in a moment. Nevertheless, I support it.

At times it is difficult to realize that the citizens of this great city are unable to express their preference at the ballot box for the office of President or Vice President. The people of the District are no different than those in the cities you and I represent. The Treasury consumes their tax dollar in the same fashion as they do any other revenue. No boy was disqualified from serving in the Armed Forces because he was a resident of the District of Columbia. The District has a population equal to or larger than several States and the tax revenues from it exceed that of 25 States.

The vitality of this city stems from its residents regardless of the fact that the principal industry of this city is government. Our concern is with these residents who are American citizens. As such they deserve the rights and privileges of Americans, and among them certainly the opportunity to vote in presidential elections.

Now, what is the shortcoming in this bill? The bill gives the District of Columbia "a number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State." It is this "but" clause—this limitation upon the number of electors—that is bad. It serves no useful purpose, it violates logic, and it smacks of spite. If there is merit and worth in the general proposal, why must it be done in such a manner as to impose, by constitutional language, a permanent inferior status upon the District's participation in the electoral college? It is no argument that there is a shifting population in the District, or that a census is not a true count of the voting population because there are residents of the District who vote by absentee ballot in the States. This same argument is applicable to a great many areas. In my own congressional district in Manhattan, for example, there are many residents who vote elsewhere—in Connecticut, in New Jersey, in upstate New York, and in Nassau and Suffolk Counties.

The bill comes to us under a closed rule which permits no amendments. Therefore, an amendment to strike out the limitation would be out of order. This is indeed unfortunate, and I fear we have written in language that we will one day regret. Perhaps a closed rule is necessary, as a practical matter, to get this bill enacted, bearing in mind that a two-thirds vote is required. But I fear we have overcompromised on this one point.

This bill of course does not grant home rule to the District of Columbia. That is another subject, but no less important. It is unfortunate that the home rule bill is not also before us for action.

Mr. McCULLOCH. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. HENDERSON].

Mr. HENDERSON. Mr. Chairman, I favor the resolution which will set in motion machinery which will permit the people of the District of Columbia to vote for President and Vice President. This resolution is brought to the consideration of the House today after many weeks of detailed study by a subcommittee of the Committee on the Judiciary and by the full Committee on the Judiciary. The resolution presents one issue, namely, should American citizens who are residents of the District of Columbia be permitted to vote for President and Vice President as are other American citizens? Other issues such as statehood with the accompanying right to representation in the Congress and the principle of local self-government are not being considered in this legislation. I know of no reason why this legislation should not receive the wholehearted approval of all of my colleagues. The language is clear. It is brief and unambiguous. I would like to point to the language of the resolution, and to the fact that in drafting it the committee has been very careful to follow the parallel language of other portions of the Constitution.

So that there cannot be any question about the meaning of the language, so that there cannot be any new issues raised that have not already been considered by the courts of the land, brevity in the drafting of legislation, brevity in drafting constitutional provisions is of paramount importance; because, as you increase the number of words you also proportionately increase the number of opportunities for misunderstanding and consequent lawsuits.

Congress as the legislative authority over the District of Columbia will determine the exact details of exercising the vote.

I want to emphasize that this is a constitutional amendment, not mere legislation upon which we are voting. It must be approved by the House by a two-thirds vote, by the Senate in similar fashion, and finally ratified by three-fourths of the States before it is a part of the law of the land.

I do not feel that this action is premature; rather, it is long overdue. If arguments should be advanced that it is unwise or premature the fact that it will be subjected to the scrutiny of many people for many months will afford ample opportunity for consideration and weighing of all factors. I want to request that my colleagues in the House

give their earnest consideration and approval to this very worthwhile and long-needed amendment.

Mr. McCULLOCH. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, I should like to congratulate the Judiciary Committee for bringing this very important piece of legislation to the floor. I think it will be recalled that during debate on the civil rights bill I offered an amendment to accomplish this same purpose. At that time the distinguished chairman of the committee, the gentleman from New York [Mr. CELLER], said a bill would be brought in providing this constitutional amendment, and I am delighted it is here. I shall support it.

I am disappointed that the District of Columbia will not have representation in the House of Representatives. The more I sit on committees having to consider the affairs of the District the more I am convinced that the people of the District should have some representation here to present their arguments and their position to the committees of Congress.

When we say we are giving the right to vote to the people of the District of Columbia we are, in fact, giving back to the people the right to vote, for the Federal city in my opinion is different than Guam, Puerto Rico, or the Canal Zone that have been spoken of. The area now occupied by the District of Columbia was at one time part of the States, and the people resident therein had the right to vote, had all the rights of citizenship, the right to elect Members of Congress. When we took from those States the original area of the District of Columbia we took away from the residents thereof their constitutional rights to vote for President, Vice President, Senators and Members of the House. We are now in fact giving back part of those things we took from them, and I hope that later we will give back to them more in the way of representation. I believe under the Constitution the House cannot grant home rule, but I do believe that this is a step forward. I hope the bill now pending will pass and I hope the 38 States will soon ratify this action of the great Judiciary Committee.

I shall urge the State of Ohio to ratify as soon as possible.

May I say further that the gentleman from Ohio [Mr. McCULLOCH] has done outstanding work on this bill as he has on the civil rights bill and all other legislation before his committee.

Mr. CELLER. Mr. Chairman, I yield 3 minutes to the gentleman from Maryland [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, I rise in strong support of House Joint Resolution 757 and urge unanimous passage by the Members of the Committee.

This is truly historic legislation. And today is a great day for the citizens of the District of Columbia. It is, also, a great day for the Members of the House of Representatives. For on this day, June 14, 1960, the House sets in motion the enfranchisement of the last primitive pioneer colonial, political dependents in the United States.

Closing this last voting gap in our citizenry has taken 160 years. Since 1800, the democratic ideals from our fountain of justice for the rights of individual persons, of responsibility by individual citizens for the nature and conduct of their own government, and of responsiveness by elected Government officials to the problems of the citizens served, have all flowed inexorably through the corridor of time to the peoples in the farthest reaches on earth. They have flowed to most everyone save those persons occupying the doorstep of the citadel of democracy. These are the citizens who more than any of our citizens have gazed daily and longingly upon the U.S. Capitol, holding forth as it does the Statue of Freedom.

This symbol has meant to the District of Columbia citizens freedom in every respect but freedom to participate in the elective representative government process. Lacking this essential freedom has meant that the District of Columbia citizens until now have been the most free political serfs in the world. They have not, for the past 160 years, been full-fledged American citizens.

Since the end of World War II, over 755 million persons have established their own independent governments. These are new nations flying for the first time the flag of freedom. True, they are underdeveloped economically, politically youthful, socially emergent, taking firm first steps on their own to combat illiteracy, disease, and poverty. But they are free people. They can determine and participate in the conduct of their governments. They are now outside the Communist bloc. We must continue to help them remain free and independent.

Thus there is, in addition to all others, an immediate and timely reason to pass House Joint Resolution 757. By enfranchising the citizens of the District of Columbia, we will, on this Flag Day in 1960, be completing our firm fabric of freedom. The Statue of Freedom fully embellished will glisten and gleam with a luster, new and fresh, having lost its last tarnish, the unsightly spot before its eyes of District of Columbia citizens prohibited from voting.

This freedom light inspires and will continue to inspire all free persons, confirming them in their entitlement. This light will keep alive the noble aspirations of all those hoping to be free.

I urge passage of House Joint Resolution 757, and having extended these rights to the citizens of the District of Columbia, Congress should provide home rule to them to make them full-bodied American citizens.

The definitive work on the subject of home rule is "Government of the District of Columbia," by W. J. Dodd. The following historical facts are related there.

On the first Monday in December 1800 the seat of the U.S. Government was transferred from Philadelphia to the Federal District on the banks of the Potomac. In a letter to Maj. Pierre Charles L'Enfant on September 9, 1791, the three Commissioners were appointed by President George Washington to lay out and survey, purchase or accept such lands as the President deemed proper for the use of the U.S. Government and to provide suitable buildings for the Congress, the President, and the public officers of the Government. In discharging their responsibilities the Commissioners stated to Major L'Enfant that "We have agreed that the Federal District shall be called the Territory of Columbia and the Federal city the city of Washington."

Between 1790 and 1801 the laws of the States of Maryland and Virginia remained in force in the parts of the territory ceded by these States as a seat of the Federal Capital. On February 27, 1801, the Congress provided that the laws of Virginia should remain in force in that part of the District of Columbia ceded by that State, and the laws of Maryland should remain in force in that part ceded by Maryland. The District of Columbia was erected into two counties; one lying east of the Potomac called the county of Washington, the other lying west of the Potomac called the county of Alexandria. The incorporation of the city of Washington by Congress on May 3, 1802, increased the number of governing bodies in the District of Columbia to five: First, the county of Alexandria; second, the town of Alexandria; third, the county of Washington; fourth, the town of Georgetown; fifth, the city of Washington.

As time passed the Federal Government did not find occasion to use the territories ceded by Virginia as a site for public buildings. The people of the town and county of Alexandria were from the first dissatisfied because of their failure to reap any advantages from their inclusion within the Federal District. No benefits accrued to them from the connection, but on the other hand they were subject to the hardship of disfranchisement except with reference to their local affairs, and because Congress had not had time to give to a systematic revision of their laws, they were still subject to the somewhat antiquated laws which were enforced in Virginia in 1800. In the early part of 1846 petitions were presented to Congress asking that the town and county of Alexandria be retroceded to Virginia. On July 9, 1846, Congress retroceded to Virginia all that part of the District lying west of the Potomac River, the question of retrocession being first submitted to a vote of the citizens of that territory. By Presidential proclamation of September 7, 1846, the town and county of Alexandria ceased to form a part of the District of Columbia.

The county of Washington was governed as a county under the laws of Maryland until 1812. In that year Congress, by law, provided that the governing body, a levy court, should be composed of seven members designated by the President from among the justices of the peace of the county. This form of government continued substantially the same until 1871.

The town of Georgetown was governed under the laws of Maryland until 1805. That year Congress provided that a board of common councilmen of 11 members was to be annually elected by the

free white male citizens of full age who had resided within the town for 12 months and had paid a tax to the corporation and 5 persons were elected by the same voters to serve as aldermen for a term of 2 years. These officials annually by joint ballot chose a mayor and a recorder. In 1830 Congress provided that the mayor should be biennially elected by the citizens qualified to vote for aldermen and common councilmen. In 1856, Congress authorized the town of Georgetown to levy an annual poll tax of $1 for school purposes and granted the right to vote to every free white male citizen who had attained the age of 21 years and resided within the limits of the town for 1 year and had paid the school tax for the year preceding the one in which he desired to vote.

On May 3, 1802, the city of Washington was divided into three wards. A council of 12 members was created, elected annually by ballot on a general ticket by the free white male inhabitants of full age who had resided in that city for 12 months and who had paid taxes therein within the year preceding the election. The councilors chose from among themselves five members to form a second chamber. The mayor of the city was annually appointed by the President of the United States. Ordinances passed by the council were submitted to the mayor for his approval, but if he should veto them they might be reconsidered and passed by votes of three-fourths of the two branches of the city council. In 1804 Congress provided that each chamber of the city council should consist of nine members, to be chosen annually on separate ballots. In 1812 Congress provided that the board of aldermen should consist of eight members, elected for a term of 2 years, two from each of the four wards into which the city was now divided. The board of common council was composed of 12 members, 3 being from each ward, for a term of 1 year. The mayor was annually elected by joint ballot of the common council and board of aldermen. The elective franchise continued to be restricted to white males who paid taxes. The mayor was required to be 30 years of age and a resident of the city for the 2 years immediately preceding his election. In 1820 the mayor became elective biannually by the people qualified to vote for members of the common council and board of aldermen. In 1848 the officers of assessor, register, collector, and surveyor of the city were made elective and the suffrage was extended to all free white males of 21 years of age who were subject to the school tax of $1 per annum and who had paid such tax and all other taxes.

On January 8, 1867, a change was made in the charters of both Georgetown and Washington. This provided that male persons above the age of 21 years should have the right to vote at elections in the District of Columbia, without any distinction on account of color or race, and thus, established universal male suffrage. A law made on March 18, 1869, repealed the provisions of the charters of Georgetown and Washington which restricted to white persons the right to hold office.

In the early part of 1870 a movement began in favor of establishing a centralized government for the District of Columbia. This movement was successful, and by an act of February 21, 1871, the separate governments of the cities of Washington and Georgetown were abolished, and a government for the District established, similar in organization to that provided for the territories of the United States. The executive power was vested in a Governor, appointed by the President of the United States with approval of the Senate for a term of 4 years. The Governor was given a veto upon all legislation, such veto to be overcome by the votes of two-thirds of all members of the Council and House of Delegates. Legislative power was vested in an assembly composed of a Council and a House of Delegates. There were 11 members in the council, all appointed by the President with the approval of the Senate. The House of Delegates was composed of 22 members elected for a term of 1 year. Twenty-two districts were formed for the election of the members of the House of Delegates. Members of the two legislative bodies were to reside in the districts from which they were appointed or elected. The suffrage was exercised by all male citizens of the United States of the age of 21 years who had resided in the District for 1 year and the legislative assembly was forbidden to limit the right to vote in any way.

The voters qualified to elect members of the House of Delegates were authorized to choose a Delegate to the House of Representatives to serve 2 years with the same rights and privileges as Delegates from the territories.

The most important organ of the new government was the board of public works which consisted of the Governor as president and four persons appointed by the President of the United States with the approval of the Senate. The board had entire control of and power to make all regulations for keeping in repair the streets and sewers of the city, and such other works as entrusted to it by the legislative assembly or by the Congress. The board was limited and had no power to make contracts to bind the District to the payment of any sums of money except in pursuance of appropriations made by law. And not until after such appropriations had been made. Early in 1872, certain citizens of the District of Columbia charged the board of public works with extravagance, violation of law, and corruption. A congressional committee majority report found no evidence of corruption or illegality. However, on August 19, 1871, the Congress limited the debt of the District of Columbia to $10 million. The new government of the District had inherited a debt of nearly $4 mililon and by May 1872, had added nearly $5 million to the original amount. The board of public works in 1872 made improvements upon and around Government property and on January 8, 1873, Congress appropriated $1,241,920.92 to pay for such improvements. At the same time Congress forbade the board to incur further liabilities on behalf of the United States. Notwithstanding this prohibition, the board of public works on November 1, 1873, claimed an indebtedness of the U.S. Government to the District of over $4 million.

The arbitrary conduct of the board toward individuals, the rapidly increasing debt of the District, and the undeniable jobbery prevalent in the letting of contracts aroused the people to petition Congress for another investigation into the affairs of the District. A joint congressional committee found that the treasurer of the board was the sole disbursing officer of the funds under its control and there was no check whatever upon his actions. He kept no cash account and the checks issued by him did not correspond with the amounts which he reported to have been paid. He had the power to draw his checks upon public moneys without the knowledge of any other member of the board. No record was made of audits by the board. The board itself had never verified the accounts of the offices of treasurer and auditor. The original plan of improvement by the board was for $16 million. However, without further basis for making contracts they expended over $12 million in excess of this sum. These extensive obligations were contracted without legislative authority and in the face of legal prohibition. The joint committee found that an attempt had been made to accomplish an extensive and much needed system of improvements in too short a time. Because of this haste, contracts were often let before the details of engineering, work, plans, and estimates had been properly made, and defective plans added to the extension of the original estimates. Contracts were let without open competition at a fixed scale of prices and were sometimes awarded to persons who did not expect to fulfill them but who sold them to others at a profit.

The committee further found that the board of public works had done a tremendous amount of work within a short time. It had changed the whole appearance of the city of Washington. It had created a beautiful city out of a straggling, dirty, and mean looking town. However, by 1874, the District of Columbia was bankrupt. The joint committee recommended what was practically the appointment of receivers to conduct its affairs and to settle its financial obligations. On June 20, 1874, the existing government was abolished. Three Commissioners appointed by the President were vested with all powers formerly exercised by the Governor and board of public works. An officer of the Engineer Corps of the U.S. Army was detailed to have control of all public improvements.

When the government by Commissioners was created, it was considered merely a temporary expedient. A joint select committee was appointed by the Congress to prepare a suitable form of government for the District. On December 7, 1874, the committee reported an elaborate bill of over 200 pages. The bill was tabled by the Congress. The debate revealed that the appointed

board of public works was the strongest organ of the territorial government and its abuse of power was the cause of the dissolution of that government. The defects of the territorial government did not arise from its elective portion. Finally, on June 11, 1878, the organic law of the District of Columbia establishing the present Commission form of government was passed by the Congress.

Under the Federal Constitution the Congress may grant and has granted to the Commissioners power to adopt local police, health, building, and other regulations. Congress can delegate only its powers which relate to purely local matters and must exercise directly its legislative powers with reference to subjects of general interest such as contracts, titles of real property, corporations, commerce, and marriage. Congress is and under the Constitution must remain the supreme legislative power of the District of Columbia. The Commissioners and other bodies exercising subordinate legislative power have only such powers as Congress may see fit to confer upon them. Under the Constitution, Congress cannot confer general powers of legislation upon the District. But it has not seen fit even to confer the full powers of a municipal legislature upon the present District Government. It now occupies toward the District of Columbia a twofold relation of a general legislature and municipal council. The legislative power of the Commissioners is largely negative in character. They may usually prevent legislation by the expression of their disapproval. The bills submitted by the Commissioners to the Congress are frequently not reported at all by the District committees, and if reported, are so amended as to defeat the objects which the Commissioners have in view.

Even when Congress does act, it often acts in an unsatisfactory manner. As an indication of the careless methods of legislation with reference to the District of Columbia, the compulsory education law of June 8, 1906, provided that inspectors under the child labor law should assist in the enforcements of its terms. No child labor law was enacted until May 28, 1908. The child labor law when enacted provided for two inspectors who should enforce its terms, but Congress made no appropriation for the payment of such inspectors.

Since 1949, home rule legislation has been considered by the Congress on several occasions. Four previous times in the intervening years the Senate has passed home rule bills. This year for the fifth time, the Senate has acted favorably. A number of companion bills before the subcommittee provide for establishing the territorial form of government for the District of Columbia. H.R. 4633 is my bill. No doubt many Members will file statements rather than to appear personally. I hope the subcommittee's deliberations will be conducted with dispatch and that this public-interest legislation can be considered on the House floor before this session of the Congress adjourns. To this end, I introduced House Resolution 320 on July 16, 1959, to facilitate consideration by the House of the territorial government proposals in this 1st session of the 86th Congress.

I do not presume today to discuss with the subcommittee the fundamentals of American democratic theory. But I do think that this is an appropriate time to reconsider and reiterate what we, as citizens of the United States, ought all to agree on as basic principles of political life in a free society.

We have a dual concept in our political theory which recognizes the reciprocal relationship between civic rights and civic responsibility. The American citizen is endowed by his Creator with certain unalienable rights in the conduct, policymaking, and management of his government. In exercising those rights he assumes a relatively large measure of civic responsibility to take an interest in the affairs of government and to participate actively in those affairs.

What civic rights do American citizens throughout the country have? They have the right to vote assuming they meet reasonable qualifications, for public officers of their own choosing, and to run for elective offices themselves if they wish to do so. Citizens of the United States are entitled, within the framework of wide discretion, to select for themselves the form and manner in which the government of their local affairs shall be conducted. They are entitled to participate in the election of local officials. They are protected by constitutional guarantees against arbitrary or unreasonable infringements of their political and civic rights.

Citizens of the United States, in exercising their civic rights, assume great responsibilities, far exceeding those assumed by citizens in an authoritarian dictatorship who are spoon-fed from a cafeteria of state directives over which they have absolutely no control. Our citizens are expected to inform themselves about governmental and political affairs, and to go to the polls to vote for candidates of their own choice. Our young people, through our schools and other educational activities, are taught and encouraged to learn how to be good citizens by taking an active part in politics. Our society endows our citizens with free civic and political rights, and it extracts from them a large measure of civic responsibility.

What of the citizen of the District of Columbia? In contrast to other Americans, he is not a citizen of any State, and thus does not, as all others do, hold dual citizenship. He is only a citizen of the United States. He lives in the United States, pays taxes to his Government, serves in the Armed Forces of his country. Yet, he is not entitled, through an act of Congress, to vote or to manage purely local affairs through local self-government. His only rights are solely those of the Constitution. From a legislative standpoint he can petition the Government for redress of grievances; he can join voluntary associations for the advancement of goals through collective action; he has freedom of expression by speech or by writing. He has no effective civic rights. The Congress has imposed upon him telling civic obligations. He is, in effect, a serf who periodically does fealty to his masters in the Federal Government. What different status does he have from all the colonials of history? Very little, except the guarantees of the Constitution.

Citizens living in the District of Columbia pay their annual tribute to the Federal Government in taxes, though they are not represented in the levying of those tributes. And they pay more than most Americans. From 1929 until 1941, per capita personal income in the District of Columbia was higher than in any other State in the entire Nation. Since then the District has been in the top four or five among States in per capita personal income. In 1957, per capita personal income in the District of Columbia was fifth in the Nation, exceeded only by the States of Connecticut, New York, Delaware, and California.

Per capita personal income among 5 highest States and the District of Columbia, 1957

State:	
Connecticut	$2,821
Delaware	2,740
New York	2,578
California	2,523
District of Columbia	2,514

Source: U.S. Department of Commerce, "U.S. Income and Output," 1958, pp. 158–159.

Such a high per capita income means that the resident of the District of Columbia pays, on a per capita, a higher proportion of Federal taxes than most Americans in other parts of the country. Yet the District citizen has no voice in the determination of how Federal funds appropriated for local purposes shall be allocated, and no voice in the management of government. Furthermore, in addition to personal income taxes, the District resident pays substantial personal property taxes, though he has no control over or voice in the allocation of or use of such funds. He is taxed, and pays far more than the average share, without being represented in any way. Our Founding Fathers believed that taxation without representation was the cruelest form of tyranny. The Congress has, since 1874, allowed this state of affairs to continue. It is respectfully submitted that in 1959, after 85 years of congealed citizenship, there should be a thaw. The rights of free people again should flow in the lives of the people of the District of Columbia. For these citizens of the United States deserve privileges as well as responsibilities.

In addition to dutifully paying his taxes on income and property to the Government, without representation, the citizen of the District of Columbia is liable to service in the Armed Forces. In this respect District residents have made an extraordinary contribution. In World War II, the District of Columbia contributed 105,000 young men and women to the Armed Forces, a greater number than that contributed by 14 of the States. An even higher proportion of District residents marched off to defend the freedom to which they were not themselves fully entitled during the Korean war, when 28,200 citizens of the District of Columbia entered the Armed Forces of

the United States. This is a greater number than that contributed by 22 States of the Union. The record proves that the citizens of the District of Columbia are outstanding citizens of the United States.

The Congress in imposing burdensome obligations upon citizens of the District of Columbia has refused them a share in the determination of their own local affairs. This denial of fundamental civic rights which would create widespread public abhorrence if they were refused to Americans living elsewhere in the country. Those who support local self-government—local integrity in the determination of purely local affairs—should, to be consistent with our traditional high principles, restore home rule for the District of Columbia. Restoring home rule would destroy the blighted area at the doorstep of the Capitol of freedom.

These residents of the District of Columbia are, I think, the last remaining citizens of the United States who are wards of the Congress. We have made our political peace with the Indian tribes. Citizens living on Indian reservations have the right to participate in politics and, in large measure, manage their local affairs.

Eighty-five years of disuse normally would result in complete atrophy of civic interests by any citizens. Apathy, indifference result from lack of exercise. But any indifference of the residents of the District of Columbia toward their governmental affairs, and their political life, is far exceeded by basic disinterest by most of past Congresses toward their political fate. And congressional indifference toward District affairs and District problems is not a recent development. Walter F. Dodd 50 years ago wrote in 1909 that—

> The system of congressional legislation works badly in great measure because of the want of interest in District affairs upon the part of the great body of Senators and Representatives. Important legislation to which there is no particular objection often fails simply because the pressures of other business which affects more closely the interests of the Members of Congress. (From "the Government of the District of Columbia: A Study in Federal and Municipal Administration," 1909, p. 66.)

The absence of civic rights for citizens of the District of Columbia has, in my opinion, the further consequence of stultifying the development of responsible municipal leadership and the active interest of citizens in their own fate—a kind of political nihilism has been forced upon these citizens of the United States.

The present three commissioner form of government was created by act of Congress, approved June 11, 1878. From 1879 through 1920, the Federal Government made what is called the Federal payment to the District of Columbia on the basis of 50 percent of the general fund appropriation. Thus, the local District of Columbia taxpayer paid 50 cents of each dollar appropriated to operate and maintain the District with the remaining 50 cents being paid by the Federal Government. The primary purpose of this Federal payment is to compensate for the fact that the Federal Government, as the principal employer and land user in the District, is tax exempt, thus depriving the city of major sources of tax revenue common to other cities.

The practice of paying 50 percent of the cost of operating the District government was discontinued by the Congress in 1921. Since that time, the percentage of costs borne by the United States has fluctuated from a high of 39.5 percent in 1924 to a low of 8.5 percent in 1954. Since 1956, the Federal payment has been slightly over 12 percent. It is significant that during all this time, that is from 1879 to date, the Federal Government has maintained 100-percent control over the lawmaking power for the District of Columbia.

The most recently authorized annual payment by the Federal Government to the District is $32 million. However, the Congress has never appropriated the full authorized amount. In 1958, the Federal Government appropriated only $20 million of the authorized $32 million. In this regard, the most important legislative proposal submitted by the Commissioners in their 1959 state of the Nation's Capital report to the Congress was a request for the creation of a territorial form of government. The drive for home rule for the District of Columbia has developed strong impetus in recent years with a broad base of support regardless of political party affiliation. In the present Congress, three separate proposals have been submitted. These are S. 659, the Bible bill, providing for a territorial form of government; H.R. 1379, the Wier bill, providing for a mayor and a council form of government; and H.R. 2321, the Auchincloss bill, providing for a commission form of government. A comparision of the significant differences in these bills is set forth below. It is important to keep in mind that the territorial and the mayor-council bills are identical except for the differences noted below:

EXECUTIVE

S. 659: Bible bill, Territorial	H.R. 1379: Wier bill, Mayor and Council	H.R. 2321: Auchincloss, Commission
Governor, $21,000 and $2,500: A. Appointed by President. B. 4 years.	Mayor, $15,000 and $2,500 expenses: A. Elected by people. B. 4-year term.	Mayor, $19,000 and $2,500: A. Elected by Commission. B. 1-year term.

LEGISLATIVE

I. Legislative Assembly: A. 15 members. B. $10,000. C. $12,000 (for Chairman). D. 2-year term. E. Elected.	I. Council: A. 9 members. B. $3,000. C. $5,000 (for Chairman). D. 2-year term. E. Elected.	I. Commission: A. 5 members. B. $19,000. C. President elected among Commission. D. Secretary appointed. E. 1 commission elected by people annually. F. 5-year term.
II. District delegate: A. 2-year term. B. Elected by people.	II. Board of Education: A. 9 members. B. $29 a meeting. C. 2-year term. D. Elected by people.	Title IV: A. Each act deposited with Congress. B. After 30 days, sent to President and if no congressional joint resolution approving, President can approve act.
	III. District delegate: A. Elected 2 years.	

It is hoped and expected that the 86th Congress will adopt a home rule measure. The territorial bill has the broadest base of political support and appears to have the best chance of adoption.

Within the past year the most significant governmental development concerning Washington and the surrounding areas was the establishment by Congress of the Joint Committee on Washington Metropolitan Affairs. This committee is made up of three Senators—Senator BIBLE, of Nevada; Senator MORSE, of Oregon; Senator BEALL, of Maryland—and three Congressmen—Mr. MCMILLAN, of South Carolina; Mr. SMITH, of Virginia; and Mr. BROYHILL, of Virginia. During 1958, the staff of the joint committee developed significant reports on water supply, sewage disposal, and economic forecasts for the Washington metropolitan area. The area encompassed by the studies includes the District of Columbia; Arlington County and Fairfax County, Va.; Montgomery County and Prince Georges County, Md.

The most significant decision made by the joint committee was the unanimous proposal submitted to Congress on January 31, 1959. The joint committee favors the establishment of two governmental bodies, one Federal in nature—the other locally constituted. The Federal agency is the Regional Planning Council. This would be a nine member body; three representatives from the District of Columbia, one from each of the four counties, and two "at large" representatives, one from Maryland and one from Virginia. These members would be appointed by the President of the United States. The council would assume the functions of the National Capital Planning Commission with no authority over zoning. It would be financed with Federal funds. The establishment of this council would manifest a strong Federal interest in the entire metropolitan area. This Federal interest to date has been limited solely to the District of Columbia territorial boundaries. The manifestation of this Federal interest is justified by the great growth in population in the area since World War II. A strong community of social, economic, and political interest exists among the citizens of the four counties and the District of Columbia. By way of example, many, if not most,

of the persons who live in Montgomery County are employed either in the District of Columbia or Virginia. Though the increased Federal interest in the entire area is justified and should be made manifest, it is important to emphasize that this governmental structure would not impinge upon the local autonomy of the four counties in the two States.

The second governmental agency recommended by the joint committee is the Washington Metropolitan Regional Conference. Membership on this conference would be by election conducted by the counties. The conference would establish general policy on regional projects involving transportation, water supply, and sewage disposal. It would take steps to establish such projects. Financing for the conference would be by way of taxes collected by each county and transmitted to the conference. At the outset there would be a small Federal appropriation to establish the conference.

The joint committee thus has recommended the establishment of a combined Federal and local bicameral regional organization to coordinate development projects in the Washington metropolitan area. It should be emphasized, however, that the establishment of these two agencies would not break down the present balance of political power between the Federal and local governments.

A further important recommendation of the committee is the establishment of the office of Coordinator of National Capital Affairs. The Coordinator would be the Presidential aide in the White House advising the President on matters pertaining to the District of Columbia and the metropolitan area.

There is a very strong likelihood that the recommendation of the joint committee will be accepted by the Congress and these two agencies will be established within the next 2 years.

Finally, some mention should be made of the existing District of Columbia Committee for the House of Representatives. This committee, which now is an important factor in the enactment of all laws pertaining to the District of Columbia, consists of 25 Members of the House of Representatives. There are 16 Democrats and 9 Republicans. The committee is subdivided into four subcommittees: No. 1 deals with fiscal affairs; No. 2 with judiciary, insurance, and public utility matters; No. 3 with police, fire, traffic, streets, crime, and court matters; and No. 4 with health, education, recreation, and banking matters. Any citizen of the District of Columbia today can feel free, under the existing system, to contact any one of the members of the committees on any matters pertaining to roads, streets, sidewalks, retirement pay, taxes, and everything that any citizen would take up with a city council. To free Congressmen and Senators for national problems, home rule legislation is feasible and necessary.

Section 8, clause 17 of article I of the U.S. Constitution provides as follows:

> Congress shall have power—
>
> To exercise exclusive legislation in all cases whatsoever, over such district (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States, and to exercise like authority over all places purchased, by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings.

And while the Founding Fathers of our Republic may not have foreseen all the needs of our District citizens, they certainly had no intention of disenfranchising them and relegating them to the unfortunate status of wards of the State. James Madison wrote in No. 43 of the Federalist Papers of the Federal District that "as the inhabitants will find sufficient inducements of interest to become willing parties to the cession; as they will have had their voice in the election of the Government which is to exercise authority over them; as a municipal legislature for local purposes, derived from their own suffrages, will of course be allowed them" then they will agree willingly to reside in the special Federal District acquired for the purpose of establishing a National Capitol. The Founding Fathers assumed that no Congress would, under the Constitution, deny citizens living in the Federal District the ordinary and widely respected rights of self-government.

I respectfully urge the Congress to restore local representative government to the District of Columbia. It is perhaps the most significant domestic political anomaly of all time that our Nation which properly proclaims to the world its belief in the democratic process of self-government through congressional action abrogated representative institutions at the seat of our Government.

I have cosponsored the so-called territorial home rule bill because I believe it is the legislation which is most compatible with the unique place the Capitol of freedom occupies in the world while providing constitutional representative local government. It has the support of the administration, the District Commissioners, and of citizens' groups in the District of Columbia who are fighting for their civic life. Home rule for the citizens of the District of Columbia should be provided as well as the right to vote for President and Vice President.

Mr. CELLER. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. TOLL].

Mr. TOLL. Mr. Chairman, this is really a great occasion, because for the fourth time this Congress, this great 86th Congress, is recognizing the universal right of suffrage.

First, in 1959, we recognized and extended through the leadership of the Congress the introduction of Alaska as a State, then it was extended to the introduction of Hawaii as a State, then in extending the right of franchise to all possible disfranchised people in the Civil Rights Act of 1957, it was extended so that all the people of the country would be given the right to vote.

Now, for the great glory of the 86th Congress, we are going to extend that same privilege to the people who live in the District of Columbia.

This is the greatest Congress in the history of America, and I congratulate its Members on having this opportunity to vote for the extension of this privilege to the people of the District of Columbia.

Mr. CELLER. Mr. Chairman, I yield 1 minute to the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER. Mr. Chairman, this is a mild resolution which should win the overwhelming support of all Members of this Congress. However, I wish that it went even further than it does. I concur in what the gentleman from New York, Mr. LINDSAY, said, that there is an unfortunate limitation on page 2 with reference to the number of electors. I do believe we should go much further and grant home rule and self-government and representation to the people of the District of Columbia. Here in the Nation's Capital we really ought to be the showcase of democracy for the free world.

Someone during this debate referred to those supporting home rule for the District of Columbia as agitators, with theoretical ideas. Mr. Chairman, I am proud to be called an agitator and am proud to wear that label. We would not be sitting here today were it not for some agitators at Bunker Hill and Valley Forge and those who wrote the Declaration of Independence. I love the theoretical ideas so boldly set forth in the Declaration of Independence and the Constitution of the United States. Self-government is a revolutionary principle for which I will keep right on being an agitator.

Nevertheless, I concur with the chairman of the Committee on the Judiciary that we must take one step at a time; therefore, I hope that this resolution will win the overwhelming support of the Members of this House.

In passing this resolution, it is most appropriate and fitting that we take this action—the first step in amending the Constitution—to allow citizens of the District of Columbia to vote for President and Vice President on this particular day, Flag Day. I am honored to join in this minor piece of agitation to extend democracy in the shadow of the Nation's Capitol.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, like others, I want to thank the distinguished chairman of the Committee on the Judiciary for bringing this measure before us. I certainly intend to vote for it. But I do want to take this time, Mr. Chairman, to point out some observations that perhaps have not been brought before the committee in some time.

We have talked considerably this afternoon and at various times about home rule for the District of Columbia. I certainly do not want my vote for this very worthwhile resolution to be considered as a vote for so-called home rule, and I say "so-called home rule" because the better term is "Capitol rule." I hold to the position just as sincerely as I can that a Federal city, reserved especially for the Capitol of the United States, is a responsibility of all the representatives of the United States and we cannot abrogate that responsibility. Some this af-

ternoon have talked about the political serfs in the District of Columbia, because they have been denied the right to vote for what we might call city government. May I remind you that if we abrogate our responsibility there will be literally thousands of political slaves behind an iron curtain who will not have any voice in government because there are literally tens of thousands of people all over America who have their legal residence in your State and mine who, because of their position, live in the District, who can never become bona fide citizens of the District. And yet we are suggesting that we take away from them the right of representation.

The gentleman from North Carolina [Mr. WHITENER] mentioned a few minutes ago, if I recall correctly, the fact that there were 100,000 people, approximately, who voted in a presidential election here in the District several years ago. I take it then that these people voted by absentee ballot and I pause to yield to the gentleman to ask if the figure I gave is approximately correct.

Mr. WHITENER. I will say to the gentleman that that was the testimony of the President of the Board of Commissioners of the District of Columbia as will appear on page 34 of the hearings.

Mr. MATTHEWS. I shall assume that for every adult there probably is at least one other person who is not an adult, in the same situation, living in the District but with legal residence elsewhere. And I should assume, as the gentleman from Illinois [Mr. MASON] pointed out, that there are many thousands of people who are legal residents of States back home who live in the District who could have voted in this presidential election, to which I have referred, and who did not. So I suggest to you that the total number of people in the District of Columbia who have legal residence in the various States probably amounts to hundreds of thousands. You talk about political serfdom. I repeat, Mr. Chairman, that you will have political slavery behind an iron curtain for many thousands of citizens if you give so-called home rule, such as has been envisioned by many of my colleagues—and I respect them and I love them and I admire them. But I cannot abrogate my responsibility for the Capital City because this city is different. Its problems are different. It is the seat of the National Government. Its many beautiful and ornate public buildings were built by taxpayers' funds from all over the United States. Just the other day in one of our appropriation bills as I recall, between one-third and one-half of all the money appropriated for public buildings—tax money of your constituents and mine, was spent in the District of Columbia.

Mr. Chairman, I wonder if we ever stop to think of how many thousands of people live in the District of Columbia who are employed by the Federal Government. There are the great problems of mass transit which will cost literally hundreds of millions of dollars, which problems cannot be solved by the District of Columbia alone. They must be solved also by you and me. And I intend to do my part in trying to solve these problems.

The pollution of the Potomac River: whose responsibility is it? It must be the responsibility of the whole Nation, I say to you. And so I could go on and on and on. So there are two points of view; one, the District of Columbia, a great city, belongs to all the people of America. And there is the other point of view; the District of Columbia would have its responsibilities divided between a sort of a Capital-rule type of government on the one hand and an acceptance of some responsibility on the part of the Federal Congress on the other.

I know not what course you may take, but as for me, I say sincerely and humbly, I shall always continue to look upon this beautiful Federal city as our Capital City. I am a member of the Committee on the District of Columbia now. I do not expect to be a member of it too much longer. I think that is a responsibility all of my colleagues ought to enjoy. But so long as I am on that committee, I shall take the responsibility of making decisions on the basis of what I think is best for all of this great beloved Nation of ours.

Mr. McCULLOCH. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, our distinguished colleague the gentleman from Michigan [Mr. MEADER], as I recall, referred to the committee report on page 4 with respect to future enabling legislation if this resolution is adopted by the House and ratified by three-fourths of the States. He did not have time to read the language to which he referred but, by reason of its importance, I take that time now and I quote from page 4 of the report:

> It is the committee's intention, regarding future enabling legislation to carry out the provisions of this constitutional amendment, that no District inhabitants (including minor dependents) who maintain legal domiciles or voting residence elsewhere, be included in the census computation insofar as determining the number of electors is concerned.

Mr. Chairman, I am happy to repeat that which I said at the beginning of the debate on this important proposal. It is a step forward, a historic step forward. It would serve a useful purpose if this resolution were unanimously adopted by the House.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the distinguished majority leader.

Mr. McCORMACK. All Congresses are very important and, as we know, very important legislation comes up in each Congress. It has in the last Congress, in the present Congress, and it will in future Congresses. But there are some Congresses that go down in history because of certain happenings that are historic in nature. The 86th Congress will be a historic Congress not for one historic event but for two: First, the admission of Hawaii as a State of the Union, and the other resolution now under consideration amending the Constitution. I join thoroughly with the remarks of my friend from Ohio in urging the adoption of this resolution.

Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, after listening to the gentleman who said this was the greatest Congress the country has ever had, and shortly thereafter the majority leader said substantially the same thing, I will have to buy a new hat in the morning. It may be that because it has been and is my privilege to be a Member of this Congress. We are a great Congress. No doubt about that. Certainly we have had more inefficiency and waste; if we believe what we see in the RECORD and the press this Congress is the greatest in some respects within the memory of anybody here. We have established a record of spending, of the use of counterpart funds, and, if the press has the record correct, other public money for our own personal advantage over any previous Congress. Sure, we are a great Congress. Our tax levies, our spending, our public debt has never been exceeded. We are leaving a legacy to coming generations that has never been approached. Future generations will certainly remember us—but with what thoughts?

It is easy to give away the money exacted from others—or use it as our own. What does the Good Book say about pride?

Mr. ALGER. Mr. Chairman, the Constitution should not be changed except by the amendment procedure specified in the Constitution itself. The zeal we display today for preserving the Constitution is commendable. At the moment we are all constitutionalists. We praise the flexibility of the Constitution which has lived through the years, almost unchanged. The truth is, that we have already stretched the Constitution out of all recognizable shape and that today we are displaying our constitutional concern only on a noncontroversial matter, the granting to residents of the District of Columbia of the right to vote for President and Vice President. Yet, over the years we have adopted laws of dubious constitutionality without raising the constitutional question; and with few qualms about the oath taken every 2 years by Members of Congress. Using the general welfare clause and the interstate commerce provision we have justified many such measures if and when we felt justification was necessary.

As to specific laws which are unconstitutional as I see it, let me name a few: The present income tax, under which up to 91 percent of an individual's earnings may be seized—effective confiscation—and employers are compelled to act as tax collectors and bookkeepers for the Government without compensation; the social security program, which has been sold to the public and within the Congress as an insurance program, but justified before the courts as another out-and-out tax program; the farm programs, under which free Americans may be told how much of what crops they may raise on how many acres of their own land; the minimum wage law and the Davis-Bacon Act, which empower the Federal Government to establish wage rates in areas of commerce quite remote

from any subject to proper Federal jurisdiction; foreign economic aid programs, under which money seized from Americans is redistributed abroad in social welfare schemes whose relation to our national defense is a little hard to grasp; and Government dabbling in business enterprises either directly or through subsidies with the taxpayers' money as in the fields of public housing and power development.

Mr. GEORGE. Mr. Chairman, "As the District of Columbia goes, so goes the Nation" could very easily become the new political slogan.

The only reservation I had with respect to House Joint Resolution 757 was that if the District of Columbia is granted the privilege of voting for President and Vice President and the election returns were broadcast while the polls were still open in the States to the west, the outcome of the election could very easily be affected. With the difference in time from here to Hawaii and the fact that the majority of people go to the polls in the late afternoon and evening, the returns of a presidential election in the Capital of the Nation—the Federal city—could have a tremendous psychological effect upon the results elsewhere in the Nation.

To those people who have never been in Washington and know nothing about its citizens or the compact nature of its population, together with their attitude of hostility toward the occupant of the White House regardless of his political affiliation, the vote in the District could be controlling. This unprecedented situation should be desired by no one.

A study of the resolution, together with the committee report and the explanation by the able chairman, plus the colloquy between the gentleman from North Carolina [Mr. WHITENER], and the gentleman from Colorado [Mr. ROGERS], both members of the Judiciary Committee and able lawyers, have resolved this question to my complete satisfaction. The debate this afternoon has made it clear that Congress would have the power to prohibit the counting of the ballots or the totaling of them on voting machines until after the polls had closed in our most western State. It is also clear that Congress would have such power and authority to determine when the results of a presidential election in the District of Columbia would be made public.

No doubt House Joint Resolution 757 will receive early approval by the Congress and will be signed by the President. The critical hurdle will be to secure the approval of three-fourths of the State legislatures on the proposed amendment within the 7-year period.

Many State legislators might very well oppose the adoption of the amendment were they not cognizant of the fact that the Congress could postpone the release of the District of Columbia returns until the last American had cast his ballot. The debate this afternoon should resolve all doubt as to the congressional power in this regard.

The Committee on the Judiciary and its great and sincere chairman deserve much credit for the measure now about to be approved by the House, and the rapidity with which House Joint Resolution 757 was brought to the floor for consideration. The distinguished chairman and the members of the Rules Committee are to be commended for their expeditious consideration.

The prompt action by these two outstanding committees, composed of members from different sections of the country and of different psychological viewpoints, demonstrates the desire and purpose of this body that no American should be denied the right to vote for the two highest offices in the land.

I am sure the vote in both bodies, Mr. Chairman, will be practically unanimous, and I join with my fellow Members in hoping that the requisite number of States act within the prescribed time.

Mr. MACK. Mr. Chairman, I strongly support House Joint Resolution 757 which proposes an amendment to the Constitution of the United States to provide voting rights for the residents of the District of Columbia by granting representation in the electoral college.

Mr. Chairman, the framers of the Constitution did a magnificent job in providing guidelines and protecting individual rights of the citizens of this great Republic. It is a true charter for free men living with one another in peace and harmony. No other constitution has stood such rigid tests or served as well so many men. This Constitution has served this Nation throughout its history with few major amendments. It has been used as a model by our many States and many independent countries. Therefore, I have no criticism to offer about the work of our Founding Fathers in the drafting of this important document. It is possible that the failure to provide a vote for the residents of the District of Columbia was an oversight but it is also possible that the Founding Fathers assumed that anyone working in the Federal city would have permanent residence in some other State. Regardless of the reason for this omission it is time that we take affirmative action in granting the right to vote to the residents of the District of Columbia.

Mr. Chairman, I strongly support the proposed constitutional amendment and hope that favorable action will be taken before this Congress adjourns.

Mr. HALPERN. Mr. Speaker, the adoption by the Senate and now the House of Senate Joint Resolution 39, proposing a constitutional amendment that would permit residents of the District of Columbia to vote in national elections is a most commendable step forward. I believe that the entire Nation welcomes this measure that would provide for three votes in the electoral college for the District of Columbia.

Those who have long been observers of the national political process will at last become participants when the amendment is ratified by the required 38 States.

Pleased as we all are with the adoption of the amendment by both Houses of Congress, it is somewhat disappointing that the second so-called District provision in the original Senate version of the resolution was not included in the final measure. This would have provided the District with two House Delegates in Congress to represent the views of the more than 750,000 residents of the Nation's Capital. I surely hope that the Congress will consider this feature next year.

Another vital measure that should be brought before Congress for consideration is the so-called home-rule bill. We have broken through the barrier and opened a way for democracy to flow into the District. But, it is only a beginning, since the privilege of the vote has still to be extended to include the election of local government officials and representatives in Congress.

The fact that the District is a "Federal city" in which all the citizens of the country have an interest is not, in my opinion, a sufficient reason for denying to its inhabitants control over their local problems, matters in which the people neither of New York nor California could possibly have any concern.

Those of us who have supported the constitutional amendment cannot assume that our task is finished. Self-government has always been the bulwark of our Federal system and any supporter of States rights should ardently favor the same prerogatives of local rule for the citizens of the District.

The home-rule bill discharge petition before the House requires just a few more signatures to bring the measure to the floor for debate. Action this session by the House can send a bill to the President for enactment into law. I urge that the bill be cleared and that we maintain our momentum to bring to the residents of the District the privileges of democracy.

Mr. CELLER. Mr. Chairman, I yield back the balance of my time.

Mr. McCULLOCH. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Under the rule, the joint resolution is considered as read and open to amendment. Also, under the rule, no amendments are in order except those offered by direction of the Committee on the Judiciary. Are there any amendments?

Mr. CELLER. There are no amendments, Mr. Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore having resumed the chair, Mr. TRIMBLE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 757) proposing an amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia, pursuant to House Resolution 554, he reported the joint resolution back to the House.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and (two-thirds having voted in favor thereof) the joint resolution was passed.

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S.J. Res. 39) proposing amendments to the Constitution of the United States to authorize Governors to fill temporary vacancies in the House of Representatives, to abolish tax and property qualifications for electors in Federal elections, and to enfranchise the people of the District of Columbia.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following articles are hereby proposed as amendments to the Constitution of the United States, and any one of which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"On any date that the total number of vacancies in the House of Representatives exceeds half of the authorized membership thereof, and for a period of sixty days thereafter, the executive authority of each State shall have power to make temporary appointments to fill any vacancies, including those happening during such period, in the representation from his State in the House of Representatives. Any person temporarily appointed to fill any such vacancy shall serve until the people fill the vacancy by election as provided for by article I, section 2, of the Constitution.

"ARTICLE —

"SECTION 1. The right of citizens of the United States to vote in any primary or other election for electors for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the United States or any State by reason of failure to pay any poll tax or other tax or to meet any property qualification.

"SEC. 2. Nothing in this article shall be construed to invalidate any provision of law denying the right to vote to paupers or persons supported at public expense or by charitable institutions.

"SEC. 3. The Congress shall have power to enforce this article by appropriate legislation.

"ARTICLE —

"The people of the District constituting the seat of the Government of the United States shall elect, in such manner and under such regulations as the Congress shall provide by law—

"a number of Delegates to the House of Representatives equal to the number of Representatives to which they would be entitled if the District were a State with such powers as the Congress, by law, shall determine; and

"a number of electors of President and Vice President equal to the whole number of Senators and Representatives in the Congress to which the District would be entitled if it were a State; such electors shall possess the qualifications required by article II of this Constitution; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and cast their ballots as provided by the twelfth article of amendment."

Mr. CELLER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CELLER: Strike out all after the enacting clause of Senate Joint Resolution 39 and insert the provisions of House Joint Resolution 757 as passed, as follows: "That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislature of three-fourths of the several States within 7 years from the date of its submission by the Congress:

" 'ARTICLE —

" 'SECTION 1. The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct:

" 'A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the 12th article of amendment.

" 'SEC. 2. The Congress shall have power to enforce this article by appropriate legislation'."

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from New York.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the joint resolution.

The joint resolution was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the joint resolution.

The question was taken; and (two-thirds having voted in favor thereof) the joint resolution was passed.

The title was amended so as to read: "Proposing an amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia."

A motion to reconsider was laid on the table.

House Joint Resolution 757 was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CELLER. Mr. Speaker, I ask unanimous consent that Members may have 5 legislative days in which to extend their remarks on the resolution just passed.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

DINOSAUR NATIONAL MONUMENT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 552) providing for the consideration of H.R. 6597, a bill to revise the boundaries of Dinosaur National Monument and provide an entrance road or roads thereto, and for other purposes, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6597) to revise the boundaries of Dinosaur National Monument and provide an entrance road or roads thereto, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, I yield one-half hour to the gentleman from Tennessee [Mr. REECE] and pending that yield myself such time as I may consume.

Mr. Speaker, the purpose of this resolution is clear from its reading. I know of no controversy on the rule and reserve the balance of my time.

Mr. REECE of Tennessee. Mr. Speaker, I have no requests for time, but I yield to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Speaker, I understand from the reading of the resolution that it waives points of order. Can the gentleman tell me why points of order are waived in this instance?

Mr. BOLLING. If I may respond to the gentleman, the reason that points of order are waived is because of the language on page 28 of the bill, lines 3 and 4, which reads "and funds appropriated for the National Park Service shall be available for these purposes."

We understand this is not an evasion of the appropriation process, but merely makes it possible after this bill is passed for them to use moneys already appropriated for this purpose.

The SPEAKER pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6597) to revise the boundaries of Dinosaur National Monument and provide an entrance road or roads thereto, and for other purposes.

The SPEAKER pro tempore. The question is on the motion.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6597, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Colorado [Mr. ASPINALL] will be recognized for 30 minutes and the gentleman from Pennsylvania [Mr. SAYLOR] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, although this is important legislation, it might have been brought up either under unanimous consent or on the suspension calendar, except for the reason that, as the House Committee on Interior and Insular Affairs was considering the legislation, the gentleman from Pennsylvania [Mr. SAYLOR], the ranking member of the committee, and the chairman of the full committee took opposite sides on an amendment which was adopted by the committee. So that we might present to this committee the two sides of the question involved, it was requested that a rule be granted. The members of the Committee on Interior and Insular Affairs are very appreciative of the fact that the Committee on Rules has permitted us to come before the House for this purpose. May I say as I start the discussion on this legislation that we shall be discussing one of those areas which is an integral part of the playgrounds of the United States of America, a part of the national parks system consisting of national parks, national monuments, historic sites, and other areas which the people themselves have the advantage of using. If it were not for this sort of program, which is comparatively new as far as our Government is concerned, we might have vast areas set aside for the recreation of individuals who are privileged because of circumstances to enjoy these places, while the traveling public, the ordinary citizen and family, the American people themselves, would not have the opportunities of such pleasure and enjoyment.

In this particular facility the United States is possessed of a fine playground and scientific research area which has been carved mostly out of the public domain. The reason the legislation is brought to the floor at this time is because the National Park Service and those sponsoring the bill wish to change the boundaries, provide for an approach road and administrative site, and establish a permanent status of national monument by statutory enactment. May I advise my colleagues that the boundaries will be so changed that there will be 960 acres fewer in the monument than there are at present. The access road will provide for an entrance road into that part of the park which is the playground, not that part from which the area gets its name, but that part which will afford recreational opportunities. The legislation also will provide that certain rights which are now permitted in the park for grazing will be continued in accordance with the plan established by the last Presidential order issued for this area.

This is not anything new, as the National Park Act itself provides for grazing within like areas. Where members of the committee differ, which will be brought out during the debate, is how we place a value, if any, on these grazing rights when they are terminated by action of Government.

And, now, may I say that this national monument was established by Executive order signed by former President Woodrow Wilson in 1915. It was established for the purpose of preserving this area which I now indicate on the map, a small tract where the dinosaur remains exist and where they are being set out in place by hewing away the rock in which the remains are buried, Then in 1935 former President Franklin Delano Roosevelt issued another order enlarging the boundaries of the park to include the area which is within the dark lines which I now indicate on this map, an area of approximately 209,000 acres. You may ask: Why such a large monument? In reply may I say that this is one of those unusual areas where the history of the world is very well written in rock and soil. One finds many fine phenomena of Nature's work as he visits this monument.

The fact is that this area has been so important in the minds of the American people, that in 1955 and 1956, when we were working on the Colorado River storage and development program, the sponsors of the bill, including the gentleman now speaking, endeavoring to have an irrigation project with a large dam and reservoir in this area known as the Echo Park project, were defeated in their efforts.

I now indicate the Colorado-Utah line. The part to the west of this line is in Utah. The larger area to the east is in Colorado. There is a fine headquarters in Utah where the dinosaur remains are found, and it is comparatively easy to visit the area. The visitor enters the park from the town of Jensen, Utah.

But to go from that area around to the playground area is practically impossible. There are no well-improved roads presently in the monument area. One can visit the interior of the monument area, of course, by pack train, wagon, horseback, boat or sturdy truck. It is easy to hire some boat operators and go down the two beautiful canyons that are in the area. The Canyon of the Green is to the north with beautiful Ladoe Canyon as a part of it. Much has been written about the area. Here to the east is the Canyon of the Yampa River.

You may well ask: How great in extent is the area? I would say that it is approximately 40 miles from east to west and 18 to 20 miles from north to south at the present time. Federal and State Highway 40 is located some 16 miles to the south of the southern boundary of the monument. This legislation will permit the building of a road outside the park from Highway 40 to the park area. As soon as it reaches the park area, then, of course, the construction of roads and trails would come under the jurisdiction which the National Park Service has at the present time.

The bill also provides for the acquiring of lands to the east, an area that is known as Lily Park, so that in time there may be a road from the east providing for travel both ways from east to west and west to east. There is a State road in that area at the present time. A visitor then could follow the rim of the Canyon of the Yampa down into the Steamboat Rock or the Echo Park area.

There is also a program which will be considered in years to come of building a road from the Steamboat Rock or the Echo Park area to the west along the canyon, which would then connect with the dinosaur area. But that must wait for further study and survey.

Mr. Chairman, for the remainder of my time I wish to explain the differences that exist between the gentleman from Pennsylvania and myself as to the reimbursement for the grazing rights which are present in the monument.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. ASPINALL. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, the cost is modest in view of the benefits to be achieved. The estimated cost of land acquisition is $50,000, and the entrance road from U.S. Highway 40 will cost about $1,500,000.

In the boundary adjustments, there are 20,455 acres of Federal lands to be included within the boundaries for the first time. Another 22,475 acres of Federal lands will be removed from the monument, but it is the 20,455 acres to be added to which I wish to call particular attention at this time.

Most, if not all, of these added lands are being grazed by livestock under grazing privileges evidenced by grazing leases, licenses, or permits. These grazing privileges date back to pioneer times in the history of the States.

This area was established over 100 years ago. The men who went there saw that the farming values were to be found in livestock operations. Until the Taylor Grazing Act was authorized and became law, these people used these lands for which they did not have title as they saw fit in livestock operations, both cattle and sheep. But with the passage of the Taylor Grazing Act in 1934, permits and licenses became necessary. In the determination of who should use these areas, of course the people who had ranch operations or livestock outfits were given grazing areas in close proximity to their fee lands and they have been using them by term lease continually since that time. They pay lease rentals to the Federal Government.

Investments have been made by the ranchers on the Federal ranges. Fences and water facilities have been constructed. Many areas have been reseeded. The grazing privileges and the investment inprovements in the range have been capitalized into the value of the base properties. This is why range users traditionally resist any sharp increase in grazing fees. This is why any sudden withdrawal of privileges for monument purposes without compensation would cause severe hardship to the range users. The policy of the Government recognizing vested interests in public grazing lands has been reaffirmed in departmental regulations just published in the Federal Register.

On June 8, at page 5085, there appears the revised section 160.12 of title 43, Code

of Federal Regulations. This section deals with compensation to grazing lessees for loss of range improvements. Before any application for the sale of public land is allowed, evidence must be furnished that the applicant has agreed to compensate the grazing lessee and the United States for any authorized grazing improvement placed on the land. Payment must be in an amount and manner to be mutually agreed upon.

Mr. Chairman, I bring this to your attention because it is recognized that there are values that go with these leased properties; although I think it only fair to advise you that in reality, as far as statutory authority is concerned, a person's right in this property can be said to end with the termination of his lease.

It is unfortunate, in my opinion, that this obviously reasonable requirement depends merely on regulatory authority and is not a part of the statutes. It is unfortunate also that there is no statutory provision requiring the Government itself to make an equivalent payment to the owner of authorized range improvements when a Government department, rather than a private citizen, is the land applicant. The Government ought to be willing and able to pay in the same manner and to the same extent as it requires its citizens to pay under like circumstances.

May I add here that, at my suggestion, a study to examine inconsistencies in grazing fees on various classes of Federal lands has just been undertaken. The study will be made jointly by the Departments of Agriculture and the Interior. This will be a long-range study, and I mention it here even though it does not directly bear upon the present bill.

Mr. Chairman, the committee's report contains the separate views on the grazing question of my friend and colleague, the ranking minority member of the committee, the gentleman from Pennsylvania [Mr. SAYLOR]. With all respect to my friend, I must state that the information on which he has based his views, in my opinion, is not in keeping with the legislation, although on the general principle involved I am in agreement with him.

The last proviso of section 3 of the bill, as introduced—appearing on page 29, lines 2–8—has the format of an authorization to the Secretary of the Interior so that, when he appraises the value of privately owned land within the limits of the monument to be acquired under the act, he may take into account the influence on such value of the appurtenance of Federal range.

I say, advisedly, that the proviso has the "format of an authorization," because in all probability the Secretary already has the same authority, or would necessarily have to exercise it, whether this proviso is included or not.

Mr. Chairman, I shall reserve the balance of my argument on the range proposition until the gentleman from Pennsylvania [Mr. SAYLOR] presents his views.

Mr. SAYLOR. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in 1915 Woodrow Wilson, then President of the United States, on the 4th day of October, following a study and discovery which had been made by certain American scientists who were exploring the canyons in western Colorado and in eastern Utah, issued a proclamation and set aside 80 acres wherein the fossil remains of dinosaurs had been discovered. From that time until the present that area and the area surrounding those 80 acres have been known as Dinosaur National Monument.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—A PROCLAMATION—1915

Whereas in section 26, township 4 south, range 23 east of the Salt Lake meridian, Utah, there is located an extraordinary deposit of Dinosaurian and other gigantic reptilian remains of the Jura-Trias period, which are of great scientific interest and value, and it appears that the public interest would be promoted by reserving these deposits as a national monument, together with as much land as may be needed for the protection thereof.

Now, therefore, I, Woodrow Wilson, President of the United States of America, by virtue of the power in me vested by section 2 of the act of Congress entitled "An act for the Preservation of American Antiquities," approved June 8, 1906, do hereby set aside as the Dinosaur National Monument, the unsurveyed northwest quarter of the southeast quarter and the northeast quarter of the southwest quarter of section 26, township 4 south, range 23 east, Salt Lake meridian, Utah, as shown upon the diagram hereto attached and made a part of this proclamation.

While it appears that the lands embraced within this proposed reserve have heretofore been withdrawn as coal and phosphate lands, the creation of this monument will prevent the use of the lands for the purposes for which said withdrawals were made. Warning is hereby expressly given to all unauthorized persons not to appropriate, excavate, injure or destroy any of the fossil remains contained within the deposits hereby reserved and declared to be a national monument or to locate or settle upon any of the lands reserved and made a part of this monument by this proclamation.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington, this fourth day of October, in the year of our Lord one thousand nine hundred and fifteen and the Independence of the United States the one hundred and fortieth.

WOODROW WILSON.

By the President:

ROBERT LANSING,
Secretary of State.

The area continued to have 80 acres until July 20, 1938, when Franklin D. Roosevelt, then President of the United States, on the 14th day of July 1938, issued a proclamation, published in the Federal Register on July 20, 1938, in which the boundaries of the Dinosaur National Monument were expanded and included 209,000 acres of land.

[From the Federal Register, vol. 3, No. 140, July 20, 1938]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—A PROCLAMATION

ENLARGING THE DINOSAUR NATIONAL MONUMENT, COLORADO AND UTAH

Whereas certain public lands contiguous to the Dinosaur National Monument, established by proclamation of October 4, 1915, have situated thereon various objects of historic and scientific interest; and

Whereas it appears that it would be in the public interest to reserve such lands as an addition to the said Dinosaur National Monument:

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, under and by virtue of the authority vested in me by section 2 of the act of June 8, 1906 (ch. 3060, 34 Stat. 225 (U.S.C. title 16, sec. 431)), do proclaim that, subject to all valid existing rights, the following-described lands in Colorado and Utah are hereby reserved from all forms of appropriation under the public land laws and added to and made a part of the Dinosaur National Monument:

LEGAL DESCRIPTION NOT COPIED

Warning is here expressly given to any unauthorized persons not to appropriate, injure, destroy, or remove any feature of this monument and not to locate or settle upon any of the lands thereof.

The reservation made by this proclamation supersedes as to any of the above-described lands affected thereby, the temporary withdrawal for classification, and for other purposes, made by Executive Order No. 5684 of August 12, 1931, and the Executive order of April 17, 1926, and the Executive order of September 8, 1933, creating water reserves No. 107 and No. 152.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management, and control of this monument as provided in the act of Congress entitled "An act to establish a National Park Service, and for other purposes," approved August 25, 1916 (39 Stat. 535 (U.S.C., title 16, secs. 1 and 2)), and acts supplementary thereto or amendatory thereof, except that this reservation shall not affect the operation of the Federal Water Power Act of June 10, 1920 (41 Stat. 1063), as amended, and the administration of the monument shall be subject to the reclamation withdrawal of October 17, 1904, for the Brown's Park Reservoir site in connection with the Green River project.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 14th day of July, in the year of our Lord 1938, and of the independence of the United States of America the one hundred and sixty-third.

FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,
The Secretary of State.

(No. 2290)

The Brown's Park Reservoir damsite is located within the confines of the Dinosaur National Monument.

President Roosevelt's proclamation stated that the land that was to be included in the monument would be subject to all valid existing rights. I point that out because in 1934 the Congress of the United States passed the Taylor Grazing Act. The Taylor Grazing Act had as one of its provisions the creation of grazing districts, and provided that the Secretary of the Interior should grant licenses to persons to graze cattle within these districts. It also had this provision:

But in the issuance of permits pursuant to provisions of this chapter shall not create any right, title, or interest in the land.

That is the condition that exists today.

The chairman of our great Committee on Interior and Insular Affairs, the Honorable WAYNE ASPINALL, introduced the bill which is presently being considered by the House, H.R. 6597, which

revises the boundaries of Dinosaur National Monument. With that part of the bill which contains the revision of the boundaries I am very much in accord. Our chairman has called attention to the changes wherein certain land was taken out of the boundaries of the monument and other land included. The new boundaries as near as possible conform to the topography of the land. These new boundaries will conform to the area which drains into the Green and the Yampa Rivers as they flow through the Dinosaur Monument. I certainly hope the committee will accept and approve that portion of this bill.

My only objections to this bill are contained in section 3. The first part of section 3 is necessary, but the last two provisos, in my opinion go too far. Members of the committee who were in Congress about 8 years ago will recall that the committee debated a bill which became known in the minds of the public as the D'Ewart bill or the stockmen's bill. At that time there was a deliberate attempt by the stockmen of the country to see that the provision of the Taylor Grazing Act, which specifically states that as a result of the license given to graze cattle on the public domain there was no property right given, was changed—an attempt to have the Congress change its view and say that if you obtained a license from either the Secretary of the Interior to graze on the public domain or on the Taylor grazing land, or from the Secretary of Agriculture to graze in the national forest, you had not a privilege or a license but you had a right—a right that could be transferred from father to son or could be bought and sold and become something which the Congress would recognize. Congress at that time defeated that proposition.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Colorado.

Mr. ASPINALL. It is probably for that reason, is it not, that we placed in our report on page 10 the last sentence, to show that this was not to be considered as a precedent or establish that sort of an idea for the general program?

Mr. SAYLOR. That is correct. On page 10 of the report we so stated. But I opposed in the committee the provision which appears on page 29 of the bill in line 2 with regard to private land that is within the boundary of the monument.

In the second proviso which was added in the committee bill, our committee states that these same rights must be considered for anyone who owns private land outside the Dinosaur National Monument but who has been given a license by the Secretary of the Interior to graze cattle within the monument.

I have not always been right in every one of my predictions of how our past actions will in the future haunt us, but I have said from time to time that even though a committee states in its report that this is not to be a precedent the departments downtown will invariably seize upon it, and sometime in the future you will find that the department, including the Interior Department or the Agriculture Department, will come up and point to this bill, saying that Congress on the 14th day of June 1960 passed a bill which established such a precedent. Therefore, I would ask the members of this committee to disapprove the committee amendment which appears on page 29 of the bill on line 8, which would extend to the property owners of private land outside of the monument, and who have grazing privileges in the monument, the provision authorizing the Secretary of the Interior to make a reasonable or equitable allowance to them for the value of such grazing privileges.

Then I would ask that the committee support an amendment which I will offer on page 29, line 2. After the word "default", strike the balance of the sentence. With this deletion from the bill, there would be no doubt in anyone's mind that there was an attempt to create for any property owner, who has a license for grazing privileges within the Dinosaur National Monument, a right for which he would be entitled to compensation.

The CHAIRMAN. The gentleman from Pennsylvania has consumed 10 minutes.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, the committee report states definitely the position of our State with regard to whether these grazing privileges are rights or privileges. Definitely, it has been determined they are privileges offered by the Government. That is the way they are considered legally. But there is something behind this privilege. We had to testify before the committee on this bill, Mr. Colton, a man who came here with Millard Marriott. They were partners in starting the Hot Shoppes. Mr. Colton told about his father settling in this area near Vernal in 1879. In those days when a settler stayed and improved property, he could homestead the property and it became his. When he used water from the creeks for irrigation, he obtained title by right of usage. I am not arguing that these are legal rights, but I am explaining to you the background of this situation because of the history of how we acquired water rights and how we acquired homestead rights and so on.

There are other cases similar to this where the Government has had to acquire property. I know of one instance where we had to have quite attractive land for a military base, and the Government did offer the cattle and sheep people some compensation for their grazing privileges and improvements in order not to bankrupt these people. There are people who own private property within this monument who range their cattle and livestock outside their own property, but on the monument. I think they should have some consideration for improvements at least because they would lose the value of that grazing right. It might seem farfetched that a person in Colorado who does not live on the monument, but who has a ranch outside would be injured, but if his grazing privileges are taken away from him and his summer range is taken from him, then his ranch is not of much use.

It was testified in committee that there are not more than 1,000 cattle being grazed. These are privileges and they are worth about $50 per head. They are sold back and forth. Then there are some sheep. I do not think it would cost the Government $70,000 in this whole situation to compensate these people and save them from ruin. There are not more than 10 or 12 livestock people affected.

Furthermore, we must have their good will around the monument. They have to be boosters for this park. They have to be hospitable and they have to do everything to make this park succeed. I have in the testimony quotations from Conrad Wirth, head of the Park Service, who says that this is one of the most important points.

Another thing, Mr. Chairman, when this area was made a monument, the people were given to understand fully that their grazing privileges and their right to put in irrigation dams and reclamation projects on that monument would not be interfered with. They have definite testimony to that effect, and they were willing to go into this proposition because they had the faith that the Government would keep its word that their grazing privileges would not be interfered with. There is no question in the world about the moral rights of these fine people who have gone in with the Government and cooperated and who Mr. Wirth says we need so much to continue to cooperate in order to build up these wonderful parks.

I, of course, am very much in favor of this bill. I hope the amendments proposed by the gentleman from Pennsylvania will not be passed, but that this Committee of the Whole will sustain the amendments offered by the great Committee on the Interior and Insular Affairs.

Mr. Chairman, I would like to express my support for H.R. 6597 with the committee amendments.

Let me say first of all that people of Utah are very suspicious of any legislation expanding the amount of Federal land ownership in our State, because 75 percent of the land of Utah is already owned by the Federal Government.

However, the people and the agencies of Utah have tried to be reasonable and cooperative although they disagreed with the committee about the inclusion of a site of land identified by No. 12 on some maps, in the boundaries of the monument, they are still willing to accept this bill. The reason they are willing to accept the bill is that they recognize the need for further development of the Dinosaur Monument which will be provided as a result of this bill.

Few areas in America can lay claim to so many wonders worth preserving as those located in the Dinosaur National Monument area.

Apart from the purely scenic beauty of the colorful and "rugged wilderness of deep canyons, dissected erosional benches, and bold promontories of exceptional grandeur," the area is im-

portant from a geological, scientific, and historic point of view.

First. Imbedded in the rock formations is the geological story of what took place on earth for a period estimated to cover 500 million years.

Second. It contains the most unusual collection of fossil forms ever found, including the world-famous dinosaur quarry.

Third. Many of the caves and canyon bottoms contain refuse heaps left by people who are estimated to have lived in the area nearly 2,000 years before the birth of Christ.

Fourth. I am told that nowhere in the country is there such an outstanding example of stream piracy, whereby one stream intercepts another and its course changes completely, as is included in the Dinosaur National Monument area with the Green River.

As the Congressman in whose district this scenic wonder lies, I extend an invitation to all of you to visit this monument. It will be one of the most breathtaking experiences you will ever have

Let me point out to the House that as the bill and the committee amendments have been developed they represent a delicate compromise of all parties concerned with the new monument.

I hope the House will accept the committee amendments, particularly section 3 pertaining to compensation of any people who may lose grazing privileges within the boundaries of the monument.

With the committee amendment the bill will permit the Secretary of Interior to take into account the reasonable value of grazing privileges appurtenant to privately owned land which is acquired within the monument. This is standard practice, and I do not believe there can be any objection to it.

The bill takes into account another type of loss for which compensation might also be given. This is the loss of grazing rights within the monument which are appurtenant to privately owned land outside of the monument.

I believe this provision is equitable and should by all means be adopted by the House for the following reasons:

First. Grazing of this land has become a longstanding tradition with the cattlemen of the area. The nearest town to the monument, Vernal, was settled in 1879 and cattle grazing became a major industry in the development of the western area. This grazing began long before there was ever any monument and before the Bureau of Land Management or Department of Agriculture started to grant grazing permits.

It should be pointed out that use of Federal lands in many other fields becomes the basis for acquisition of title. It is use of the land which permits it to be homesteaded without charge. It is the initial discovery and development of mining claims which permits them to be patented and the use of these lands for grazing is a longstanding tradition.

Second. These grazing privileges have come to develop a marketable value. Every week people buy and sell these grazing privileges. A typical cost of sale is $50 per head of cattle and $10 per head of sheep. Many of the people who are grazing now in the Dinosaur Monument paid this kind of money in order to buy that privilege from the person who previously held the privilege.

Third. It had been reported to the people who graze their land in the monument area that their grazing privileges would not be disturbed. Consequently to deny these privileges without equitable compensation would, as far as the permittees are concerned, constitute a breach of faith.

Fourth. The amount of money involved is extremely small. It may be many years before these grazing privileges are ever canceled, but in any case the total value of an extended period of time probably will not exceed $50,000.

Fifth. It is extremely important with the further development of the monument to have a cooperative attitude on the part of the citizens in the neighboring areas. Conrad Wirth, the Director of the Park Service, stated this philosophy at Vernal in hearings on May 24 when as part of his statement he said:

> We realize that in running this great national monument it is important that we have friendly relations with our neighbors and that they should be our best friends and business helpers in the job we have to do.

You all know that there has been a festering controversy about water development in the monument. And this controversy has not yet been finally resolved considering all of the contention and controversy that has gone on about Dinosaur Monument. I believe it is extremely important to accept this provision compensating the users of grazing privileges within the monument for the marketable value of their privilege.

This will be a major factor in creating very good relations between the community and the Government and administrators of the monument.

Sixth. Finally, it is very important to state that the compensation of these grazers because of the special unique reasons which have been listed does not establish an important precedent on the basic question of whether these grazing privileges should be regarded as rights or not. These grazers are suddenly being told that they will ultimately lose privileges that they have long held.

This is a basic change of their status of the type which Congress has previously recognized. Although Congress was not willing to pass the D'Ewart bill which would have recognized a universal legal right and equity in these grazing privileges Congress has recognized special cases. For example, the act of July 9, 1942 (43 U.S.C. 315(g)) authorized the military services to compensate stockmen with grazing privileges on lands that had to be taken over for defense purposes.

Similarly in Public Law 85–868 section I(g) recognized the special rights of cattle grazers who lost their privileges because of land being transferred to the Navajo Indian tribe. Consequently this act can be passed based on the special situation involved by the people who have been traditionally grazing in the monument without any way affecting or changing the fundamental law involving grazing privileges.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I am particularly pleased to see that this bill authorizes the construction of proper access roads into the major portion of the Dinosaur National Monument.

Six years ago it was my privilege to float on a rubber raft down through the entire length of the Yampa River through the entire national monument from Lily Park at one end on the east, out the monument on the other side, about a 6- or 7-day trip, an extremely unusual trip, a trip in which we studied the Indian petroglyphs on the walls and in which we found the tent poles, some lying in caves, used by Indians thousands of years ago, and saw many other extremely unusual characteristics of this national monument.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield.

Mr. DIXON. I am glad the gentleman mentioned the wonders of this area. It is remarkable, it is unusual, it is irreplaceable. I am glad the gentleman went down the Green by boat.

Dinosaurs are peculiar beasts. He had a brain in his cranium and one at the base of his spinal column so when an idea missed the first brain he had a saving afterthought, I have often wished we had the same equipment. But even with all that equipment he became extinct because he could not adapt himself to his changed surroundings.

I thank the gentleman for praising this area.

Mr. BALDWIN. It seems to me it is quite appropriate that in this bill adequate provision is made for access roads, because the facts are true as stated by the chairman of the committee, the gentleman from Colorado [Mr. ASPINALL], that there is practically no access to it from Highway 40. I drove by there last year. If you look you will find no invitations along the road or signs to actually direct you into the main part of the monument. The only actual sign you will find is the one that leads to the dinosaur remains, but it will be completely unrelated to the main portion of the monument which, in my opinion, has some extremely unusual and significant features. I think it is appropriate that the committee has taken this step to make available authorization for the construction of proper access roads to the main monument so the monument can be visited so people can enjoy Steamboat Landing and the other features of the monument that are so unusual.

Mr. ASPINALL. Mr. Chairman, I have no further requests for time.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, as we sit here day after day and month after month there seems to be a continuous effort all the time to spend the taxpayers' money on reclamation projects, parks—first one thing, then another. I have noticed that all these reclamation projects are fine and wonderful, but someone with a commercial

idea gets in and takes over the park, or the lake, or a part of its shore, and commercializes the project. That has been the case in park after park. Just the other day we had a bill up here for a project with $171,000, that amount carried in the bill for—shall I say entertainment? Well, you might call it entertainment; yes, that is what it was, it was so designated. Now, you may make these improvements the gentleman has spoken of and soon you will not have a park any more, or a monument, fine though those improvements may be, the original purpose of taking the land has been abandoned. You will have a paved parking lot, a restaurant, a movie show; and when you get those things you defeat the original purpose of having a park, the main purpose of which, as I have always thought and understood, was to show this generation and future generations what nature actually was. That was really the main purpose, to have some place where they could learn what had been. But that is what you are doing, as I read it—a place of entertainment instead of nature's product. I have two amendments at the desk to be offered at page 29 to strike out those provisions giving authority to make unlimited payments. I think they are similar to amendments to be offered by the gentleman from Pennsylvania [Mr. SAYLOR] who, being a member of the committee, I assume, will be recognized to offer similar amendments.

What we are doing is just what he said, we are attempting for the benefit of some of these people who live there, some of them within the park and some outside the park, to turn a license and privilege into a property right, then asking the Government to pay for it. Is that not what we are doing, may I ask the gentleman?

Mr. ASPINALL. There are only three people who live within the confines of this area and they have lived there I suppose for 60 years, or longer. This is the area where the old trading rendezvous was had with the Indians.

Mr. HOFFMAN of Michigan. You are not answering the question. You are converting a license into a property right; are you not?

Mr. ASPINALL. We are not changing anything in this particular area. All we are asking is to have this road built to the park boundary, so that people can use it. There will be no new park concessions, if that is what my friend wishes me to say. There will be no new park concessions whatever.

Mr. HOFFMAN of Michigan. Referring to the people in the park the gentleman spoke about as having grazing rights, when you take that you want to authorize the Secretary to pay them for the grazing rights, which was a privilege, not on their land but on park land. Then those who live outside, having grazing rights inside, you want to pay them, for the grazing land; is that right?

Mr. ASPINALL. The gentleman is correct.

Mr. HOFFMAN of Michigan. I might go along with the gentleman from Utah, Mr. DIXON, who made a real, sympathetic plea to help these poor folks out and keep them good natured and happy. That is all right, but it is a strange thing that we want to give our own people something instead of sending it abroad. I can accept that argument too. But why should the Government pay for grazing rights on land it owns?

Mr. ASPINALL. Would the gentleman be willing, or does he think it is right that if the Government, the National Park Service, sooner or later takes over the grazing rights, as it has a right to do, the Government should pay?

Mr. HOFFMAN of Michigan. They belonged to the Government in the beginning. All you did was to give some license to let their cattle eat grass there for a term—no permanent right.

Mr. ASPINALL. I would like to finish my question. Would the gentleman be in favor of permitting the Government to pay the user for the permanent improvements that the user paid for on those grazing lands while he was using them?

Mr. HOFFMAN of Michigan. He took his chances when he made the improvements but the Government should—and under the bill will—pay for improvements, but a grazing permit is not an improvement.

Mr. ASPINALL. Yes. But the gentleman does not answer the question.

Mr. HOFFMAN of Michigan. The Government is paying him for what the land is worth as improved. What you are trying to do with this bill is to pay for that grazing right which originally belonged to and still is the property of the Government and which you let him exercise for awhile. You let him graze his cattle for so many years and now you want to say that is an absolute right and the Government has to pay for it. I cannot agree.

Mr. SAYLOR. Mr. Chairman, I yield myself such time as I need to make this observation to the members of the committee in regard to Mr. Colton's testimony which the gentleman from Utah mentioned in his argument. In describing his property he said it is open range:

> There are a few drift fences here and there that either the permittees themselves have constructed or in cooperative agreement with the Bureau of Land Management they have cooperatively built fences. Outside of that it is open range.

That is the reason I oppose these amendments in which you say that for this open range people would be paid.

Mr. ASPINALL. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I am a little bit confused here, as was the previous speaker, the gentleman from Michigan [Mr. HOFFMAN], because I remember well when the D'Ewart bill several years ago came to the House floor it had already been marked as a giveaway bill. The giveaway part of the bill was a perpetuation of the real ownership of these leased lands. In other words, you could go into the business of leasing to relatives or to other people; that is, the right that you felt you had to this property by transfer or lease of it to other people. Would you say there is any of the D'Ewart language in this amendment that you are contesting?

Mr. SAYLOR. This amendment has, in my opinion, the same result as the language of the D'Ewart bill.

Mr. WIER. I can hardly believe the gentleman from Colorado is mixed up in a giveaway. That would be hard to believe. But is there anything in this bill that bestows certain rights upon a rancher, no matter whether he has been there 1 year or 20 years, as the gentleman from Utah [Mr. DIXON] said, who has put some dams in the creeks to hold water, or he has built a few fences, or he built a little irrigation ditch? That, in my opinion, would not necessarily mean he had acquired ownership or the right to re-lease, sell, or transfer that lease he had acquired; is that correct?

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield, the language is purely permissive. It permits the Secretary when these rights are terminated, if he sees fit, to place any value which he believes has accrued to the grazer because of improvements or for any other reason, that he has in that permit that he has been using.

Mr. WIER. Then is the crux of the difference between the gentleman from Colorado and the gentleman from Pennsylvania that the gentleman from Colorado's language is permissive, while the gentleman from Pennsylvania wants to make it very explicit?

Mr. ASPINALL. The gentleman from Colorado is not about to give away anything that belongs to the people of the United States. There are involved in this particular matter some 6,885 acres of rangeland in Colorado and 2,370 acres of private lands, as such, in Utah. With that go these grazing areas which, I might say, take 5 acres to take care of one cow for 1 month during the grazing season. These are the values that are involved. What the gentleman from Colorado thinks is that if these people who used this area and have built it up, have some values there that the Secretary of the Interior recognizes, then when these rights are terminated those users should be paid for those rights. Other than that the gentleman from Colorado and the gentleman from Pennsylvania [Mr. SAYLOR] are in accord. I am sure that the gentleman from Pennsylvania would admit that.

Mr. WIER. I thank the gentleman.

Mr. ASPINALL. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the boundaries of Dinosaur National Monument, established in pursuance of the Act of June 8, 1906 (34 Stat. 225; 16 U.S.C., 1952 edition, sec. 431), and administered in accordance with the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C., 1952 edition, sec. 1, et seq.), and Acts supplementary thereto and amendatory thereof, are hereby revised so that the monument shall include, subject to valid existing rights, those lands in the States of Colorado and Utah, encompassed within the following described boundaries:

Beginning at a point on the Utah-Colorado State boundary line at the northeast corner

of section 36, township 2 south, range 25 east, Salt Lake meridian, Utah—

thence westerly along the north lines of said section 36 and section 35, said township and range, to the north quarter-section corner of said section 35;

thence southerly along the north-south quarter-section lines of said section 35, said township 2 south, range 25 east, and sections 2, 11, and 14, township 3 south, range 25 east, to the north quarter-section corner of section 23, said township and range;

thence westerly along the north lines of said section 23 and sections 22, 21, and 20, said township and range, to the northwest corner of said section 20;

thence southerly along the west line of said section 20 to the northeast corner of section 30, said township and range;

thence westerly along the north lines of said section 30, said township 3 south, range 25 east, and section 25, township 3 south, range 24 east, to the north quarter-section corner of said section 25;

thence southerly along the north-south quarter-section lines of said section 25 and section 36 of said township and range to the northeast corner of the southwest quarter of said section 36;

thence westerly along the east-west quarter-section lines of said section 36 and section 35 of said township and range to the west quarter-section corner of said section 35;

thence southerly along the west line of said section 35, said township 3 south, range 24 east, to the southwest corner of said section 35, at a point on the north line of section 3, township 4 south, range 24 east;

thence westerly along the north line of said section 3 to the northwest corner of said section 3;

thence southerly along the west line of said section 3 to the northeast corner of southeast quarter of the northeast quarter of section 4, said township and range;

thence westerly along the north one-sixteenth latitudinal section lines of said section 4 and sections 5 and 6, said township 4 south, range 24 east, and unsurveyed section 1, township 4 south, range 23 east, to the northwest corner of the southwest quarter of the northeast quarter of said unsurveyed section 1;

thence southerly along the west line of the southwest quarter of the northeast quarter of said unsurveyed section 1 to the northeast corner of the southwest quarter of said unsurveyed section 1;

thence westerly along the east west quarter section line of said unsurveyed section 1 and unsurveyed section 2, said township and range, to the west quarter-section corner of said unsurveyed section 2;

thence southerly along the west line of said unsurveyed section 2 to the southwest corner of said unsurveyed section 2;

thence westerly along the south lines of unsurveyed sections 3 and 4 of said township and range to the north quarter-section corner of unsurveyed section 9, said township and range;

thence southerly along the north-south quarter-section lines of said unsurveyed section 9 and unsurveyed sections 16 and 21 and sections 28 and 33, said township and range, to the southwest corner of the northeast quarter of said section 33;

thence easterly along the east-west quarter-section line of said section 33, said township 4 south, range 23 east, to the thread of the Green River;

thence upstream along the thread of the Green River within said township and range and township 5 south, range 23 east, township 5 south, range 24 east, and township 4 south, range 24 east, to a point at its intersection with the south line of section 30, said township 4 south, range 24 east;

thence easterly along the south lines of said section 30 and sections 29, 28, and 27, said township and range, to the north quarter-section corner of section 34 of said township and range;

thence southerly along the north-south quarter-section lines of said section 34, said township 4 south, range 24 east, and section 3, township 5 south, range 24 east, to the southwest corner of the northeast quarter of said section 3;

thence easterly along the east-west quarter-section lines of said section 3 and sections 2 and 1 of said township and range to the east quarter-section corner of said section 1;

thence northerly along the east lines of said section 1, said township 5 south, range 24 east, and sections 36 and 25, township 4 south, range 24 east, to the southwest corner of section 19, township 4 south, range 25 east;

thence easterly along the south line of said section 19 to the southeast corner of said section 19;

thence northerly along the east line of said section 19 to the southwest corner of section 17 of said township and range;

thence easterly along the south lines of said section 17 and sections 16 and 15 to the northwest corner of section 23 of said township and range;

thence southerly along the west line of said section 23 to the southwest corner of the northwest quarter of the southwest quarter of said section 23;

thence easterly along the south one-sixteenth latitudinal section lines of said section 23 and fractional section 24, said township 4 south, range 25 east, Salt Lake meridian, Utah, to a point on the Utah-Colorado State boundary line.

thence southerly along the Utah-Colorado State boundary line being the west line of fractional section 23, fractional township 6 north, range 104 west, sixth principal meridian, Colorado, to the southwest corner of lot 12, said fractional section 23;

thence easterly along the south one-sixteenth latitudinal section lines of said fractional section 23 and section 24, said fractional township and range, to the northwest corner of the southwest quarter of the southeast quarter of said section 24;

thence southerly along the north-south quarter-section line of said section 24 to the south quarter-section corner of said section 24;

thence easterly along the south lines of said section 24, said fractional township 6 north, range 404 west, and section 19, township 6 north, range 103 west, to the northwest corner of section 29, said township and range;

thence southerly along the west line of said section 29 to the southwest corner of the northwest quarter of the northwest quarter of said section 29;

thence easterly along the north one-sixteenth latitudinal section lines of said section 29 and section 28 of said township and range to the southwest corner of the northwest quarter of the northeast quarter of said section 28;

thence southerly along the north-south quarter-section line of said section 28 to the southwest corner of the northwest quarter of the southeast quarter of the said section 28;

thence easterly along the south one-sixteenth latitudinal section lines of said section 28 and section 27, said township and range, to the northwest corner of the southwest quarter of the southwest quarter of section 26, said township and range;

thence southerly along the west lines of said section 26 and section 35, said township and range, to the west quarter-section corner of said section 35;

thence easterly along the east-west quarter-section lines of said section 35 and section 36, said township and range, and sections 31, 32, 33, 34, 35, and 36, township 6 north, range 102 west, sections 31, 32, 33, 34, 35, and 36, township 6 north, range 101 west, and sections 31, 32, 33, 34, 35, and 36, township 6 north, range 100 west, sections 31 and 32, township 6 north, range 99 west, to the southeast corner of the northwest quarter of said section 32;

thence northerly along the north-south quarter-section lines of said section 32 and section 29, said township and range, to the southwest corner of the northeast quarter of said section 29;

thence easterly along the east-west quarter-section lines of said section 29 and sections 28 and 27, said township and range, to the southeast corner of the northwest quarter of said section 27;

thence northerly along the north-south quarter-section lines of said section 27 and section 22, said township and range, to the northeast corner of the southwest quarter of said section 22;

thence westerly along the east-west quarter-section line of said section 22 to the east quarter-section corner of section 21, said township and range;

thence northerly along the east line of said section 21 to the northeast corner of said section 21;

thence westerly along the north line of said section 21 to the southeast corner of unsurveyed section 17, said township and range;

thence northerly along the east line of said unsurveyed section 17 of the east quarter-section corner of said unsurveyed section 17;

thence westerly along the east-west quarter-section line of said unsurveyed section 17 to the southeast corner of the northwest quarter of said unsurveyed section 17;

thence northerly along the north-south quarter-section lines of said unsurveyed section 17 and unsurveyed section 8, said township and range, to the north quarter-section corner of said unsurveyed section 8;

thence westerly along the north line of said unsurveyed section 8 and unsurveyed section 7, said township 6 north, range 99 west, sections 12, 11, 10, 9, and 8, township 6 north, range 100 west, to the southeast corner of section 6, said township and range;

thence northerly along the east line of said section 6 to the east quarter-section corner of said section 6;

thence westerly along the east-west quarter-section lines of said section 6, said township 6 north, range 100 west, and unsurveyed sections 1 and 2, township 6 north, range 101 west, to the east quarter-section corner of unsurveyed section 3, said township and range;

thence northerly along the east section lines of said unsurveyed section 3, said township 6 north, range 101 west, and section 34, township 7 north, range 101 west, to the east quarter-section corner of said section 34;

thence westerly along the east-west quarter-section line of said section 34 to the east quarter-section corner of unsurveyed section 33, said township and range;

thence northerly along the east section lines of said unsurveyed section 33 and unsurveyed section 28, said township and range, to the east quarter-section corner of said unsurveyed section 28;

thence westerly along the east-west quarter-section lines of said unsurveyed section 28 and unsurveyed sections 29 and 30, said township 7 north, range 101 west, and unsurveyed sections 25, 26, 27, and 28, township 7 north, range 102 west, to the east quarter-section corner of unsurveyed section 29, said township and range;

thence northerly along the east section line of said unsurveyed section 29 to the northeast corner of said unsurveyed section 29;

thence westerly along the north lines of said unsurveyed section 29 and unsurveyed

section 30, said township and range, to the north quarter-section corner of said unsurveyed section 30;

thence northerly along the north-south quarter-section lines of unsurveyed sections 19 and 18 and sections 7 and 6 of said township 7 north, range 102 west, to the south quarter-section corner of section 31, township 8 north, range 102 west;

thence easterly along the south lines of said section 31 and section 32, said township and range, to the south quarter-section corner of said section 32;

thence northerly on the north-south quarter-section line of said section 32 to the southwest corner of the northeast quarter of said section 32;

thence easterly on the east-west quarter-section lines of said section 32 and section 33, said township and range, to the east quarter-section corner of said section 33;

thence northerly on the east line of said section 33 and sections 28, 21, and 16, said township and range; to the east quarter-section corner of said section 16;

thence westerly on the east-west quarter-section line of said section 16 to the east quarter-section corner of section 17, said township and range;

thence northerly on the east section lines of said section 17 and section 8 and unsurveyed elongated section 5, said township 8 north, range 102 west, to a point in the south line of section 33, township 9 north, range 102 west;

thence easterly along the south line of said section 33 to the south quarter-section corner of said section 33;

thence northerly along the north-south quarter-section lines of said section 33 and sections 28, 21, and 16, said township and range, to the north quarter-section corner of said section 16;

thence westerly along the north line of said section 16 and sections 17 and 18, said township and range, to the north quarter-section corner of said section 18;

thence southerly along the north-south quarter-section lines of said section 18 and section 19, said township and range, to the north quarter-section corner of section 30, said township and range;

thence westerly along the north line of said section 30 to the northwest corner of said section 30;

thence southerly along the westerly line of said section 30, said township 9 north, range 102 west, to the northeast corner of section 36, township 9 north, range 103 west;

thence westerly along the north line of said section 36 to the northwest corner of said section 36, said township and range;

thence southerly along the west line of said section 36, said township 9 north, range 103 west, to a point in the north line of elongated section 2, township 8 north, range 103 west;

thence westerly along the north line of said elongated section 2 to the northwest corner of lot 6, being a mid-point of the north line of said elongated section 2;

thence southerly along the north-south line dividing said elongated section 2 to the north quarter-section corner of section 11, said township and range;

thence southerly along the north-south quarter-section line of said section 11 to the south quarter-section corner of said section 11;

thence westerly along the south line of said section 11 and the north line of section 15, said township and range, to the northwest corner of said section 15;

thence southerly along the west lines of said section 15 and sections 22 and 27, said township and range, to the northeast corner of section 33, said township and range;

thence westerly along the north line of said section 33 and section 32, said township and range, to the northwest corner of said section 32;

thence southerly along the west lines of said section 32, said township 8 north, range 103 west, and section 5, township 7 north, range 103 west, to the northeast corner of section 7, said township and range;

thence westerly along the north lines of said section 7, said township 7 north, range 103 west, and section 12 and fractional section 11, fractional township 7 north, range 104 west, sixth principal meridian, Colorado, to a point on the Utah-Colorado State boundary line, being a point on the east line of township 3 south, range 25 east, Salt Lake meridian, Utah;

thence northerly along the Colorado State boundary line, being the said east line of township 3 south, range 25 east, and the east line of township 2 south, range 25 east, Salt Lake meridian, to the northeast corner of section 36 of the said township 2 south, range 25 east, Salt Lake meridian, Utah, the point of beginning.

The tract as described contains approximately 214,500 acres subject to adjustment to lines of public land surveys.

Mr. ASPINALL (interrupting the reading). Mr. Chairman, I ask unanimous consent that section 1 of the bill be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 2, line 3, strike out from line 3 down to and including line 17 on page 14 and insert in lieu thereof the following:

"Beginning at a point on the Utah-Colorado State boundary line at the northeast corner of section 12, township 3 south, range 25 east, Salt Lake meridian, Utah—

"thence westerly along the north lines of said section 12, and section 11, said township and range, to the north quarter-section corner of said section 11;

"thence southerly along the north-south quarter-section lines of said section 11, and section 14, township 3 south, range 25 east, to the north quarter-section corner of section 23, said township and range;

"thence westerly along the north lines of said section 23 and sections 22, 21, and 20, said township and range, to the northwest corner of said section 20;

"thence southerly along the west line of said section 20 to the northeast corner of section 30, said township and range;

"thence westerly along the north lines of said section 30, said township 3 south, range 25 east, and section 25, township 3 south, range 24 east, to the north quarter-section corner of said section 25;

"thence southerly along the north-south quarter-section lines of said section 25 and section 36 of said township and range to the northeast corner of the southwest quarter of said section 36;

"thence westerly along the east-west quarter-section lines of said section 36 and section 35 of said township and range to the west quarter-section corner of said section 35;

"thence southerly along the west line of said section 35, said township 3 south, range 24 east, to the southwest corner of said section 35, at a point on the north line of section 3, township 4 south, range 24 east;

"thence westerly along the north line of said section 3 to the northwest corner of said section 3;

"thence southerly along the west line of said section 3 to the southwest corner of said section 3;

"thence westerly along the south lines of sections 4, 5, and 6, said township 4 south, range 24 east, and unsurveyed sections 1, 2, 3, and 4, township 4 south, range 23 east, to the north quarter-section corner of unsurveyed section 9, said township and range;

"thence southerly along the north-south quarter-section lines of said unsurveyed section 9 and unsurveyed sections 16 and 21 and sections 28 and 33, said township and range, to the southwest corner of the northeast quarter of said section 33;

"thence easterly along the east-west quarter-section line of said section 33, said township 4 south, range 23 east, to the mean high water mark on the north or right bank of the Green River;

"thence upstream along the mean high water mark on the north or right bank of the Green River within said township and range and township 5 south, range 23 east, township 5 south, range 24 east, and township 4 south, range 24 east, to a point at its intersection with the south line of section 30, said township 4 south, range 24 east;

"thence easterly along the south lines of said section 30 and sections 29, 28, and 27, said township and range, to the north quarter-section corner of section 34 of said township and range;

"thence southerly along the north-south quarter-section lines of said section 34, said township 4 south, range 24 east, and section 3, township 5 south, range 24 east, to the southwest corner of the northeast quarter of said section 3;

"thence easterly along the east-west quarter-section lines of said section 3 and sections 2 and 1 of said township and range to the east quarter-section corner of said section 1;

"thence northerly along the east lines of said section 1, said township 5 south, range 24 east, and sections 36 and 25, township 4 south, range 24 east, to the southwest corner of section 19, township 4 south, range 25 east;

"thence easterly along the south line of said section 19 to the southeast corner of the said section 19;

"thence northerly along the east lines of said section 19 and section 18 of the northeast corner of said section 18 of said township and range;

"thence easterly along the south lines of sections 8 and 9 to the northwest corner of section 15 of said township and range;

"thence southerly along the west line of said section 15 to the west quarter-section corner of said section 15;

"thence easterly along the east-west quarter-section line of said section 15 to the center of said section 15;

"thence southerly along the north-south quarter-section line of said section 15 to the south quarter-section corner of said section 15;

"thence easterly along the south line of said section 15 to the northwest corner of section 23, said township and range;

"thence southerly along the west line of said section 23 to the southwest corner of the northwest quarter of the southwest quarter of the said section 23;

"thence easterly along the south one-sixteenth latitudinal section lines of said section 23 and fractional section 24, said township 4 south, range 25 east, Salt Lake meridian, Utah, to a point on the Utah-Colorado State boundary line;

"thence southerly along the Utah-Colorado State boundary line, being the west line of fractional section 23, fractional township 6 north, range 104 west, sixth principal meridian, Colorado, to the southwest corner of lot 12, said fractional section 23;

"thence easterly along the south one-sixteenth latitudinal section lines of said fractional section 23 and section 24, said fractional township and range, to the northwest corner of the southwest quarter of the southeast quarter of said section 24;

"thence southerly along the north-south quarter-section line of said section 24 to

the south quarter-section corner of said section 24;

"thence easterly along the south lines of said section 24, said fractional township 6 north, range 104 west, and section 19, township 6 north, range 103 west, to the northwest corner of section 29, said township and range;

"thence southerly along the west line of said section 29 to the southwest corner of the northwest quarter of the northwest quarter of said section 29;

"thence easterly along the north one-sixteenth latitudinal section lines of said section 29 and section 28 of said township and range to the southwest corner of the northwest quarter of the northeast quarter of said section 28;

"thence southerly along the north-south quarter-section line of said section 28 to the southwest corner of the northwest quarter of the southeast quarter of the said section 28;

"thence easterly along the south one-sixteenth latitudinal section lines of said section 28 and section 27, said township and range, to the northwest corner of the southwest quarter of the southwest quarter of section 26, said township and range;

"thence southerly along the west lines of said section 26 and section 35, said township and range, to the west quarter-section corner of said section 35;

"thence easterly along the east-west quarter-section lines of said section 35 and section 36, said township and range, and sections 31, 32, 33, 34, 35, and 36, township 6 north, range 102 west, sections 31, 32, 33, 34, 35, and 36, township 6 north, range 101 west, and sections 31, 32, 33, 34, 35, and 36, township 6 north, range 100 west, sections 31, and 32, township 6 north, range 99 west, to the southeast corner of the northwest quarter of said section 32;

"thence northerly along the north-south quarter-section lines of said section 32 and section 29, said township and range, to the southwest corner of the northeast quarter of said section 29;

"thence easterly along the east-west quarter-section lines of said section 29 and sections 28 and 27, said township and range, to the southeast corner of the northwest quarter of said section 27;

"thence northerly along the north-south quarter-section lines of said section 27 and section 22, said township and range, to the northeast corner of the southwest quarter of said section 22;

"thence westerly along the east-west quarter-section line of said section 22 to the east quarter-section corner of section 21, said township and range;

"thence northerly along the east line of said section 21 to the northeast corner of said section 21;

"thence westerly along the north line of said section 21 to the southeast corner of unsurveyed section 17, said township and range;

"thence northerly along the east line of said unsurveyed section 17 to the east quarter-section corner of said unsurveyed section 17;

"thence westerly along the east-west quarter-section line of said unsurveyed section 17 to the southeast corner of the northwest quarter of said unsurveyed section 17;

"thence northerly along the north-south quarter-section lines of said unsurveyed section 17 and unsurveyed section 8, said township and range, to the north quarter-section corner of said unsurveyed section 8;

"thence westerly along the north lines of said unsurveyed section 8 and unsurveyed section 7, said township 6 north, range 99 west, sections 12, 11, 10, 9, and 8, township 6 north, range 100 west, to the southeast corner of section 6, said township and range:

"thence northerly along the east line of said section 6 to the east quarter-section corner of said section 6;

"thence westerly along the east-west quarter-section lines of said section 6, said township 6 north, range 100 west, and unsurveyed sections 1 and 2, township 6 north, range 101 west, to the east quarter-section corner of unsurveyed section 3, said township and range;

"thence northerly along the east section lines of said unsurveyed section 3, said township 6 north, range 101 west, and section 34, township 7 north, range 101 west, to the east quarter-section corner of said section 34;

"thence westerly along the east-west quarter-section line of said section 34 to the east quarter-section corner of unsurveyed section 33, said township and range;

"thence northerly along the east section lines of said unsurveyed section 33 and unsurveyed section 28, said township and range, to the east quarter-section corner of said unsurveyed section 28;

"thence westerly along the east-west quarter-section lines of said unsurveyed section 28 and unsurveyed sections 29 and 30, said township 7 north, range 101 west, and unsurveyed sections 25, 26, 27, and 28, township 7 north, range 102 west, to the east quarter-section corner of unsurveyed section 29, said township and range;

"thence northerly along the east section line of said unsurveyed section 29 to the northeast corner of said unsurveyed section 29;

"thence westerly along the north lines of said unsurveyed section 29 and unsurveyed section 30, said township and range, to the north quarter-section corner of said unsurveyed section 30;

"thence northerly along the north-south quarter-section lines of unsurveyed sections 19 and 18 and sections 7 and 6 of said township 7 north, range 102 west, to the south quarter-section corner of section 31, township 8 north, range 102 west;

"thence easterly along the south lines of said section 31 and section 32, said township and range, to the south quarter-section corner of said section 32;

"thence northerly on the north-south quarter-section line of said section 32 to the southwest corner of the northeast quarter of said section 32;

"thence easterly on the east-west quarter-section lines of said section 32 and section 33, said township and range, to the east quarter-section corner of said section 33;

"thence northerly on the east lines of said section 33 and sections 28, 21, and 16, said township and range, to the east quarter-section corner of said section 16;

"thence westerly on the east-west quarter-section line of said section 16 to the east quarter-section corner of section 17, said township and range;

"thence northerly on the east section lines of said section 17 and section 8 and unsurveyed elongated section 5, said township 8 north, range 102 west, to a point in the south line of section 33, township 9 north, range 102 west;

"thence easterly along the south line of said section 33 to the south quarter-section corner of said section 33;

"thence northerly along the north-south quarter-section lines of said section 33 and sections 28, 21, and 16, said township and range, to the north quarter-section corner of said section 16;

"thence westerly along the north lines of said section 16 and sections 17 and 18, said township and range, to the north quarter-section corner of said section 18;

"thence southerly along the north-south quarter-section lines of said section 18 and section 19, said township and range, to the north quarter-section corner of section 30, said township and range;

"thence westerly along the north line of said section 30 to the northwest corner of said section 30;

"thence southerly along the westerly line of said section 30, said township 9 north, range 102 west, to the northeast corner of section 36, township 9 north, range 103 west;

"thence westerly along the north line of said section 36 to the northwest corner of said section 36, said township and range;

"thence southerly along the west line of said section 36, said township 9 north, range 103 west, to a point in the north line of elongated section 2, township 8 north, range 103 west;

"thence westerly along the north line of said elongated section 2 to the northwest corner of lot 6, being a midpoint of the north line of said elongated section 2;

"thence southerly along the north-south line dividing said elongated section 2 to the north quarter-section corner of section 11, said township and range;

"thence southerly along the north-south quarter-section line of said section 11 to the south quarter-section corner of said section 11;

"thence westerly along the south line of said section 11 and the north line of section 15, said township and range, to the northwest corner of said section 15;

"thence southerly along the west lines of said section 15 and sections 22 and 27, said township and range, to the northeast corner of section 33, said township and range;

"thence westerly along the north lines of said section 33 and section 32, said township and range, to the northwest corner of said section 32;

"thence southerly along the west lines of said section 32, said township 8 north, range 103 west, and section 5, township 7 north, range 103 west, to the northeast corner of section 7, said township and range;

"thence westerly along the north lines of said section 7, said township 7 north, range 103 west, and section 12 and fractional section 11, fractional township 7 north, range 104 west, sixth principal meridian, Colorado, to a point on the Utah-Colorado State boundary line, being the northeast corner of section 12, township 3 south, range 25 east, Salt Lake meridian, Utah, the point of beginning.

"The tract as described contains approximately 208,760 acres, subject to adjustment to lines of public land surveys."

Mr. ASPINALL (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD at this point and open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. (a) In order to provide suitable access to Dinosaur National Monument and facilities and services required in the operation and administration of the monument, the Secretary of the Interior is authorized to select the location of an entrance road or roads to the monument and to points of interest therein, from U.S. Route 40, including an entrance and related administrative headquarters site of not more than four hundred acres, and he may provide, upon lands donated outside of the monument, connections between Dinosaur National Monument park roads. To carry out the purposes of this Act the Secretary of the Interior may acquire non-Federal lands or

interests in lands by donation, purchase, or exchange: *Provided*, Lands and interests acquired for said entrance roads and connections shall consist of the fee title to a right-of-way of not more than an average of twenty-five acres per mile and of scenic easements on lands adjoining the right-of-way, said easements not to exceed an average of one hundred acres per mile. Said roads and administrative site shall constitute a part of Dinosaur National Monument and be administered pursuant to such special regulations as the Secretary of the Interior shall promulgate in furtherance of the purposes of this section.

(b) The Secretary of the Interior is hereby authorized to construct, reconstruct, improve, and maintain upon the land so acquired or otherwise in Government ownership an entrance road or roads and connections of parkway standards, including necessary bridges and other structures and utilities as necessary, and funds appropriated for the National Park Service shall be available for these purposes.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 27, line 7, after "acres," insert "and he may provide, upon lands donated outside of the monument, connections between Dinosaur National Monument park roads."

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment, page 27, line 13, after "roads" insert "and connections".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 28, line 1, after "roads" insert "and connections".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 28, line 2, after "bridges" insert "and other structures and utilities as necessary".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. Where any Federal lands included within the boundaries of Dinosaur National Monument as revised pursuant to this Act were legally occupied or utilized on the date of approval of this Act for grazing purposes pursuant to a lease, permit, or license issued or authorized by any department, establishment, or agency of the United States the person so occupying or utilizing such lands, and the heirs, successors, or assigns of such person, shall upon termination of such lease, permit, or license be entitled to have the privilege so possessed or enjoyed by him renewed from time to time, subject to such terms and conditions as the Secretary of the Interior shall prescribe, for a period of twenty-five years from the date of approval of this Act, and thereafter during the lifetime of such person and the lifetime of his heirs, successors, or assigns, but only if they were members of his immediate family on such date, as determined by the Secretary of the Interior: *Provided*, That grazing privileges appurtenant to privately owned lands located within Dinosaur National Monument shall not be withdrawn until title to the lands to which such privileges are appurtenant shall have vested in the United States, except for failure to comply with the regulations applicable thereto after reasonable notice of default: *Provided further*, That in the acquisition by purchase or exchange of any privately owned land within Dinosaur National Monument, the Secretary of the Interior is authorized to make equitable and reasonable allowances, as determined by him, for the value of any grazing privileges appurtenant to such privately owned land.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 29, line 8, strike out the period, and insert a colon and the following: "*And provided further*, That in the event grazing privileges within the Dinosaur National Monument appurtenant to lands outside the monument are retired, then the Secretary of the Interior is authorized to make equitable and reasonable allowances, as determined by him, for the value of such grazing privileges."

Mr. SAYLOR. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, this is the proviso which states that if you own land outside the monument, and have a license to graze cattle within the monument, the Secretary is authorized to make an equitable or reasonable allowance as determined by him for the value of the grazing privileges. This to me is a direct attempt by the stockmen to make sure that the principles of the D'Ewart bill are inserted for the first time in legislation. As I called to the attention of the members of the committee, this is in direct contravention of the Taylor Grazing Act, which specifically states that the Secretary of Agriculture is not allowed to give any value to these grazing privileges. I sincerely hope that this committee amendment is defeated.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Minnesota.

Mr. WIER. Is the gentleman referring to the defeat of the whole amendment or just this part?

Mr. SAYLOR. This is just an amendment which is added by the committee, on page 29, line 8. It concerns merely lines 8 through 13 on page 29. It does not apply to all of section 3.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. May I ask the gentleman if this issue has not been up before the Congress?

Mr. SAYLOR. This isue was up before the Congress several years ago under the bill which has been referred to as the D'Ewart bill. At that time the Congress stated that this grazing privilege was not to become a property right, and it was overwhelmingly defeated. I sincerely hope that this amendment is overwhelmingly defeated by the Committee.

Mr. ASPINALL. Mr. Chairman, I rise in support of the amendment. It comes to us from the committee. I take issue with my friend from Pennsylvania. He states this is an outgrowth of the Congressman D'Ewart legislation a few years ago. It is true that if this were a matter of general policy that would apply to all the public lands of the West, I would have to admit that the gentleman's argument would be sound. But in the committee report there is a statement that this is not to be considered a statement of principle; in fact, it is not to be considered as establishing a precedent. All that this provision would do, and I might add also, all that the preceding proviso would accomplish would be to permit the Secretary, if he saw fit, to make payment for any values that he found present in the grain at the time of the taking. Those values might be the establishment of water resource development facilities, they might be some fencing, some corrals, or reseeding. Whatever the values were, this would permit the Secretary to acknowledge them. If he saw fit to acknowledge any value in the grazing permits he could do so. It is a permissive provision in the legislation as it is now before us.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Minnesota.

Mr. WIER. Let us assume that the Saylor amendment to strike out these few lines in this particular amendment prevails, what damage is done to the bill?

Mr. ASPINALL. No damage is done to the bill particularly. It might deny to some of the livestock people—they are not all cattle people, there are some sheep people involved—settlement for some of the improvements they have made and values which they feel they possess.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Iowa.

Mr. GROSS. But leaving these few lines in the bill, you have a nibbling process, do you not?

Mr. ASPINALL. I do not like to accept my colleague's definitive term. Nevertheless, I can see that in his reasoning that it might amount to that.

Mr. DIXON. There is a great possibility and likelihood that these people who have grazing privileges could be given other privileges in nearby areas without any cash payment so that they would not be ruined.

Mr. ASPINALL. I think the gentleman is correct. Perhaps, that will be the result, anyhow. But here we are establishing what we thought was some language to set forth certain equities to be found in the grazing privileges.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. KYL. Mr. Chairman, in fairness it should be pointed out that there are probably no more than a dozen instances in the United States similar to this. Yet, I have some reservation, which has been indicated by others as well, about the matter of establishing a precedent. The legislative history which is set forth in the committee report indicates that this is not to be a precedent. Yet, in the hearings we have these words by a member of the committee, which I think

might be considered as in some respects the legislative history of this proposal. May I quote this language:

> In other words, they have a value which they feel has accrued to them over the years and it is something that rightfully belongs to them. I personally do not believe this committee should take the position they would close out something which these people feel belongs to them and make no provision that they be compensated for it.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a special pleader, the gentleman from Colorado has no equal in this House. Note what he says—he lays down the general doctrine with which he agrees but which he does not wish applied in the present instance—he says this bill will not establish a precedent because of that statement in the hearings which he quoted. The doctrine is all right he agrees. He does not want this amendment to establish a precedent. What he is doing is creating an exception for his people; do you not see? That is just exactly what he is doing. The principle involved is correct, but do not adhere to it in the bill. There is no disposition and there is no language in the bill that would deprive anyone who owns land either within or without, the park if it is taken by the Government, of the value of the improvements that have been made on it. But what it amounts to, as was stated earlier, is that it just simply is creating a temporary privilege or turning a privilege into a permanent property right for which someone in the Government is given authority to pay. How much? There is no limit. We have heard in the last few days, and we have read in the RECORD how in the other body the gentleman who is one of the representatives of Illinois has just been giving us fits about the way the military people have been spending and wasting money. Here is an authorization which will permit another Secretary to go ahead and use his own judgment. Spend high, wide, and handsome. How long will it be before that charge of waste comes up again? If there is anything of value to the individual, it is his good name and good reputation. The same is true with the Congress. Yet, we read day after day first in one paper and then in another, and for weeks we have heard over the radio about all these charges against Members of Congress and about the misuse of tax money. It seems to me we should close every door and every crack where there is any possibility of anyone making a deal with someone to pay them more than they are entitled to receive. I have nothing against the stockmen. They are all right so far as I know. They as a group are as honest as anybody else. But, they have tried this thing before and here is the nose in the door, the beginning of something that will never end. It is about time the Congress began to protect its own good name and to see to it that there is no opportunity afforded not only for waste and inefficiency but opportunity to do something that is downright, as a Member of the other body in just the last few days has charged, absolutely dishonest.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was rejected.

Mr. SAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. SAYLOR: On page 29, line 2, after the word "default" strike out the colon, insert a period and strike the balance of the section.

Mr. SAYLOR. Mr. Chairman, this amendment merely strikes from the bill the same provision with regard to private lands that are within the boundaries of the monument, stating that if those people have a grazing privilege it cannot become a right and be compensated for by the Secretary of the Interior. I would like to call to the attention of the members of this committee the statement of Mr. Colton, whose testimony has been referred to. Mr. Colton represented the stockmen and I asked him whether or not this grazing license was a right or a privilege. I stated, in my opinion, that this was a privilege—these permits which they received from the Secretary of the Interior or the Secretary of Agriculture were privileges.

I asked him whether or not that was correct, and this was his answer:

> Congressman, that is today. But it is a long story, these rights or privileges. I think they are rights.

In other words, unless the second amendment is adopted the stockmen believe that they have, as a result of the grazing license or permit, a right which they actually sell to one another in the area. I hope this amendment will be adopted.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. SPRINGER. Just to clarify this, I understand this is the committee amendment applied to those who are outside of the monument, allowing those who are outside the monument to graze inside.

Mr. SAYLOR. That is correct.

Mr. SPRINGER. Your amendment will apply to those who are inside the monument and allow them to graze inside the monument.

Mr. SAYLOR. That is correct.

Mr. SPRINGER. In other words, the principle is the same in your opinion in both cases.

Mr. SAYLOR. In both cases, that is correct.

Mr. ASPINALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think the logic made by the gentleman from Illinois is correct as far as that is concerned.

Mr. ASPINALL. Mr. Chairman, my opposition to the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR], primarily is that the amendment, by striking out certain language, will remove from the bill a perfectly proper and workable provision which merely declares that the Secretary of the Interior must carry out well known constitutional requirements in the acquisition of privately owned lands.

I refer to that portion of article V of the Constitution which provides that private property shall not be taken for public use without just compensation.

The language that would be stricken by the pending amendment reads as follows:

> *Provided*, That in the acquisition by purchase or exchange of any privately owned land within Dinosaur National Monument, the Secretary of the Interior is authorized to make equitable and reasonable allowances, as determined by him, for the value of any grazing privileges appurtenant to such privately owned land.

The committee's report—Report No. 1651—describes the meaning of this language as follows:

> The second proviso authorizes the Secretary of the Interior, in fixing the price to be paid on acquisition by the Government of privately owned lands newly included within the boundaries, to include an allowance for added value arising from Federal land grazing privileges appurtenant thereto. This latter provision, the committee has been advised, is in accord with the standard appraisal practice in public land grazing areas which recognizes that buyers and sellers, in bargaining for the sale of base ranch properties, take due account of the added productivity and value arising from relationship to appurtenant Federal range.

In opposition to this language, in his separate views in the committee's report, the gentleman from Pennsylvania stated:

> The last proviso of section 3 authorizes the Secretary of the Interior in the case of purchase or exchange of privately owned lands within the monument, to make equitable and reasonable allowances for the value of any grazing privileges appurtenant to such privately owned land. This discretion vested in the Secretary, in my opinion, goes too far.

I must differ with my colleague from Pennsylvania on this point. The practice set forth in the language merely conforms to the standard real estate appraisal practice in public land grazing areas. This practice is accepted by the Lands Division of the Department of Justice. It is recognized in decisions of the Federal courts, and I cite as directly in point the case of *United States* v. *Jaramillo* (C.C.A. 10, 1951, 190 F. 2d 300). This case dealt with the valuation of certain condemned privately owned base ranch lands in New Mexico to which were appurtenant certain national forest grazing lands administered by the Forest Service. The court held in part as follows:

> In the judicial determination of fair value as just compensation for the land taken, the highest and most profitable use for which it is reasonably adaptable may be considered, "not necessarily as the measure of value, but to the full extent that the prospect of demand for such use affects the market value while the property is privately held." *Olson* v. *United States* (292 U.S. 246, 255, 54 S. Ct. 704, 109, 78 L. Ed. 1236). See also *Boom Co.* v. *Patterson* (8 Otto 403, 98 U.S. 403, 408, 25 L. Ed. 206); *Mitchell* v. *United States* (267 U.S. 341, 344, 45 S. Ct. 293, 69 L. Ed. 644); *McCandless* v. *United States* (298 U.S 342, 56 S. Ct. 764, 80 L. Ed. 1205); *United States ex rel. T.V.A.* v. *Powelson* (319 U.S. 266, 275, 63

S. Ct. 1047, 87 L. Ed. 1390); (2 Lewis Eminent Domain, 3d ed., sec. 707, p. 1233). All rights, easements and privileges appurtenant thereto should be considered in estimating its fair value or compensation to be paid, taking into account also the possibility of their being discontinued without resulting obligation (2 Lewis Eminent Domain, 3d ed., sec. 721, p. 1262). In determining the adaptability of the lands as a ranch, it was therefore proper to take into consideration the availability and accessibility of the permit land as an appurtenant element of value for ranching purposes, provided that consideration is also given to the possibility that the permits could be withdrawn or canceled by the Government at any time without constitutional obligation to pay compensation therefor.

This case has not been overruled or superseded, and is reported by the Lands Division, Department of Justice, as being the rule in effect today.

I trust, even though the pending amendment should be adopted, and the language is not later restored, that the Secretary nevertheless will have authority to observe constitutional principles in the valuation of properties, since in the condemnation of the land, should it be necessary, those principles certainly will be applied by the courts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SAYLOR].

The amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore, having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6957) to revise the boundaries of Dinosaur National Monument and provide an entrance road or roads thereto, and for other purposes, pursuant to House Resolution 552, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

MUTUAL SECURITY APPROPRIATION BILL, 1961

Mr. YATES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, I had intended to file additional views to the report of the Appropriations Committee on the bill making appropriations for mutual security which was considered by the committee yesterday, but I learned too late that this would have required special permission from the House. I am therefore using this means of making my viewpoint known.

I find myself in disagreement with the committee particularly in respect to sections 107 and 109. Section 107 prohibits the use of funds to carry out the provisions of section 404 of the Mutual Security Act of 1954 which makes funds available to carry out the agreement of the United States to contribute toward settlement of the Indus River Basin controversy between India and Pakistan.

Section 109 prohibits the use of funds for the construction of any building, structure, or other similar facility in connection with the Special Program for Tropical Africa.

The possibility of establishing peace between the heretofore irreconcilable nations of India and Pakistan through an agreement for sharing the waters of the Indus River has been hailed throughout the free world as a monumental achievement. The controversy has raged since 1947 when India was partitioned. The Indus Basin has been one of the principal food sources of the area and its use was understandably of concern to both nations. The prospective agreement reached marks the completion of long years of negotiation by the International Bank for Reconstruction and Finance and by our Foreign Service. The United States is being given justifiable credit for her role as a peacemaker in this dispute.

Section 107 of the bill disrupts the proposed settlement. In my opinion, this action was shortsighted for two reasons. First, it was harmful to our own national interest in shattering a constructive program for bringing a peaceful solution to a bitterly hostile relationship between two great Asiatic nations. Doubt will now be created throughout Asia of the sincerity of our proposals and our desire to promote peace through rational negotiation.

Second, it will terminate the first major cooperative effort between the great nations of the free world to initiate a program of joint contributions for helping solve the economic difficulties of underdeveloped nations. The objection has frequently been made that the United States has long carried too much of the burden of assisting new nations to help themselves. It has been rightly suggested that this responsibility should be borne as well as by other nations which have recovered from the devastation of the last war and are now enjoying a prosperous economy. The Indus Basin proposal is such a multilateral undertaking. While it is true that the United States would still carry a major portion of the financing arrangements, the fact remains significant contributions would also be made by other nations. The committee's action requires the postponement of the joint undertaking.

The Special Program for Tropical Africa is essentially an educational program for training the personnel to carry on affairs of government in the new nations. In my opinion this is the best kind of technical assistance that a nation can give if we want to cement closer relationships with a newly born nation.

Mr. Speaker, I think both sections 107 and 109 should be stricken and I shall offer proposed amendments to do so.

A BILL TO EXTEND AND AMEND THE SUGAR ACT OF 1948

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Speaker, I have today introduced a bill which extends and amends the Sugar Act of 1948. I intend to offer the language of this bill as a substitute to H.R. 12311, the sugar bill as amended and reported by the Committee on Agriculture on June 6.

The committee bill contains two provisions. The first is a 1-year extension of the act, and the second is an authorization for the Secretary of Agriculture to reduce the quota of a country or area which is unable to fill its quota. The Secretary may reduce the quota by the amount of the deficit for 1 year only.

My substitute contains both of the provisions included in the committee bill, and it contains three additional and important items.

The first is the grant of authority to the President to act only when the 86th Congress is not in session. Under this provision, the President must first find action necessary either in the national interest or to insure an adequate supply of sugar. If Congress is not in session, he would send his recommendations to Congress. If Congress has adjourned, the President could reduce the quotas of foreign nations—except the Republic of the Philippines which is covered by treaty. The Secretary of Agriculture would be charged with the responsibility of obtaining such amounts of sugar elsewhere and insofar as practical would follow the pattern of quotas set forth in the act.

The second additional provision in my substitute will prevent a windfall to Cuba which will occur unless the act is changed. This year Puerto Rico and Hawaii have been unable to fill their quotas. It now appears that there will be a total deficit of 500,000 tons from these areas. Under present law about 156,000 tons of this deficit will be assigned to Cuba. This would be worth between $15 million and $16 million to that country. My substitute will prevent this windfall. I for one do not think Castro should be rewarded for his previous conduct.

The final additional provision in my substitute is to bring our new State of Hawaii into full statehood as far as the sugar act is concerned. It strikes out of the act all references to Hawaii as a "Territory."

PROTECT AMERICAN JOBS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Indiana [Mr. BRAY] is recognized for 15 minutes.

Mr. BRAY. Mr. Speaker, I wish to bring to the attention of the House the fact that the Ways and Means Committee has taken no action on House Concurrent Resolution 610, which is merely a resolution to be passed by the House and Senate that the United States should grant no further tariff reductions in the forthcoming tariff negotiations. The gentleman from West Virginia [Mr. BAILEY] and several other Members of this body have introduced similar resolutions. Frankly, American labor and business are being severely injured by the importation of foreign-made goods—goods that are manufactured by labor that receives only a fraction of what American labor receives.

I fear that our zeal to assist manufacturing and production in foreign countries has caused us to forget that the principal duty of any country is to first look after the interests, welfare, and security of its own citizens. I have voted against every reciprocal trade bill since I have been in Congress, because in each instance I felt that the welfare of the American workingman and American industry was secondary. I spoke against the reciprocal trade bill on June 10, 1958, and at that time pointed out the growing problems of unemployment caused by unfair foreign competition. The developments in the last 2 years have shown that I was accurate in my estimate of future developments, as imports have cut deeper and deeper into our economy.

At that time I mentioned that the importation of rubber clothing and raincoats from abroad was going to destroy a thriving American business in Washington, Ind. Within the last month or so I have received over 300 communications from workmen in the United States Rubber Co. plant at Washington, Ind., protesting that if something was not done they were going to be out of work. I also received letters from the management of that firm. A few days ago I met here in Washington with representatives of workers from the rubber industry throughout the country to discuss these same problems. I recently had conferences with workers in the glass industry and also with workers in the shoe industry from Vincennes, Ind. Conditions in those industries are also becoming critical and unless we take action in the near future these industries will be damaged beyond our assistance. This year there will be 1 million boxes of sheet glass imported into the United States from the cheap labor areas of Europe. This is one-third of the U.S. production. The glass industry must get the tariff on glass increased, yet, I am informed that there will be attempts made to again cut the tariff on glass.

I learned from my meeting with the shoeworkers that there must be some quota imposed on the importation of shoes or this industry will be destroyed. The veneer, tile, battery, and all types of electronic equipment industries are facing a serious future unless our Government recognizes the problem before it is too late. The same applies to the ladies garment industry. The textile and watch industries are rapidly becoming nonexistent in this country. The importation of residual oil is greatly damaging the coal industry.

The bill which I have introduced is the very minimum of what we should do. In fact, we should go far beyond what this bill suggests. Such bills to go much further have been introduced—including my bill H.R. 5776 introduced in March 1959—but no committee action has been taken on them. I do not claim that my resolution will cure this problem. It should keep conditions from getting much worse in the immediate future. We must in the next session take constructive legislation to give American labor some real protection.

In my opinion Congress made a great mistake when it gave up all control over tariffs. I am proud that in each instance I fought to restore this control to the Congress to such a degree that we could save such industries from irreparable harm. No one political party is responsible for this situation, for leadership of both parties has been favoring the granting to foreign countries unusual concessions to encourage the importation of their goods into this country. This philosophy violates the ancient principles of trade. The normal course of international trade is for a country to import those items which are scarce and export those which it produces in surplus. The products which I have mentioned are those which we certainly have in surplus. No one would object to our importing coffee, silk, sugar, tropical wood and the like into America; however, I do not believe that anyone expects Japan to import silk, Italy to import spaghetti, or Brazil to import coffee, but we in the United States have been following a course equally as absurd.

I am well aware that we who are fighting this battle to protect American industry seem to be in the minority, but I trust that we will soon be in the majority.

FURTHER COMMENTS ON ALLEGATIONS IN MR. VANIK'S SPEECH OF JUNE 2, 1960

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from California [Mr. GUBSER] is recognized for 60 minutes.

Mr. GUBSER. Mr. Speaker, first let me briefly recap the history of the controversy to which I shall address myself. On June 2 the gentleman from Ohio [Mr. VANIK] addressed the House, claiming that a procurement contract for M–113 armored personnel carriers was "rigged."

On Friday, June 10, Assistant Secretary Douglas as well as Assistant Secretary Perkins McGuire repudiated these charges in a factual memorandum.

On yesterday I utilized some of the material compiled by Assistant Secretaries Douglas and McGuire along with certain factual information known to me which further repudiated the charge made by the gentleman from Ohio.

May I summarize briefly the points I made yesterday?

First, no one knows or should know the outcome of the bid competition for the contract under discussion. Therefore, any charge of rigging is pure speculation until the contract is actually awarded.

Second, the competition has been conducted in strict accordance with Army Service Procurement regulations, Budget Bureau 60–2, section 4532–A, title X of the United States Code.

Any impression given in any bidders' conference that these previously established rules would be ignored is unjustified. The simple fact remains that no new ground rules were made for this competition. They were in existence prior to the bidders' conference and have been rigidly followed. To say this contract was rigged is about as ridiculous as it would be for the Washington Senators to show up at Griffith Stadium expecting the right to field 12 men instead of 9 because somebody on the street corner had said it would be all right.

Third, the gentleman from Ohio [Mr. VANIK], has repeatedly stated that the Ford Motor Co., employed at a fee of $338,000 to survey Government-owned facilities, determined that the M–113 production should take place at the Cleveland Arsenal. The gentleman from Ohio [Mr. VANIK] has quoted the Army as approving this finding. As I have repeatedly stated to the gentleman from Ohio [Mr. VANIK], he has misinterpreted the facts.

First, I quote Secretary Douglas in the letter which the gentleman from Ohio [Mr. VANIK] inserted in the RECORD yesterday:

> The Ford Motor Co. was employed to serve selected Government-owned plants that had been predetermined by the Department of the Army as part of a concept for the establishment of a production base for combat vehicles. It was not intended and did not take into consideration the capability of private industry to produce equipment.

In another paragraph of the same letter Mr. Douglas states:

> The Department of the Army is familiar with the contents of this letter, and agrees with the statements made.

Now, this is repudiation enough of Mr. VANIK's contention, but I have more authority. Assistant Secretary of the Army for Logistics, Courtney Johnson, said this morning:

> I will say emphatically that we do know of both statements in Secretary Douglas' letter and agree with both of them.

Mr. Johnson informed me that this was his understanding, even at the time the contract was awarded Ford Motor Co., and he said further:

> I did not request them to go into private plants except insofar as necesary to determine what was needed for production in these Government-owned facilities.

Thus, Mr. Speaker, the gentleman from Ohio, Mr. VANIK's charges of rigging in this contract are nothing more than sheer fantasy.

Personally, I would be ready and willing to end this controversy and let the facts speak for themselves, as they do so conclusively. However, it is regrettable that on yesterday the gentleman from Ohio [Mr. VANIK] had more to say. Confronted with factual repudiation of

his charge of rigging, he resorted to a technique which unfortunately is often seen on Capitol Hill. In order to becloud the issue and throw up a smokescreen to obscure the true facts, he has countered with reckless statements, erroneous figures, and even implied vilification of an individual's character. Some of these are so ridiculous that I shall not dignify them with an answer, but I shall reply with factual evidence to statements of specific facts which are clearly in error.

Yesterday, during my colloquy with the gentleman from Ohio [Mr. VANIK], he stated clearly that the original research and development contract with Food Machinery for development of the M–113 vehicle was for $1½ million, and he stated further that the U.S. Government was forced to bail out Food Machinery with an augmentation of $10,600,000, bringing the total cost of the research and development contract to $12,100,000.

Mr. Speaker, the gentleman from Ohio [Mr. VANIK] must get his figures from a foggy crystal ball, because they are not correct.

The original contract number was DA 04–200–ORD 536. The original bid was not for $1½ million but for a figure in excess of $2,331,000. After the successful bid, changes were ordered during the negotiation process, some of which added to the cost and some of which subtracted. The final contract amount was not $1½ million but $2,459,000. The actual amount expended under the contract was less than the contract price, namely, $2,331,000.

Under this contract several handmade prototype vehicles were produced and tested but, as is normal during the process of a research and development contract, the experts of the Army, as well as the Food Machinery engineers, fulfilled their true mandate under a research and development contract to develop the best possible vehicle. These combined brains—and may I include the Army for a just share of those brains—found that thickening the armor was desirable and also found that it was entirely possible that using a water-cooled engine instead of an air-cooled engine could reduce costs. It was also felt that using off-the-shelf commercial components might further reduce the costs. Accordingly, the Army very wisely decided that even though their first prototype vehicles were satisfactory, they could be made better. This is not unusual in any research and development activity. In fact, improvement of existing weapons is the general basis of research and development.

Convinced that further cost reductions were possible, the Army amended the original contract for an additional $2,465,000 and here is the result of that amendment. The armor was thickened. A water-cooled engine, available from inventories, was installed. The need for special engine manufacture, special parts and special tools, was eliminated. The standard Allison TX–200 truck transmission was used instead of the expensive special development originally contemplated. And what was the gain to the taxpayer of this amendment? A total saving of $5,681 per vehicle, a saving of 20 percent. This saving amounted to $5,112,900 on the first 900 vehicles and the same saving when projected through the 1,380 vehicles now out for bid will represent a total saving to the taxpayers of $12,962,900.

I would say that this research and development contract as amended paid handsome dividends to the taxpayer, and the Army as well as Food Machinery can well be proud of its decision.

Mr. Speaker, the total expenditure in research and development for the M–113 vehicle was $4,996,000. I ask you and I ask the gentleman from Ohio [Mr. VANIK], how in the world did he dream up the figure of $12.1 million? This, Mr. Speaker, is a classic example of the most slippery of slippery arithmetic. It is used as a side issue to becloud the fact that the bidding of which he speaks was not rigged. But as a side issue it is just as ridiculous as the first charge because his facts and his figures will not stand the light of day.

As another smokescreen to hide the ridiculous statements of yesterday, the gentleman from Ohio [Mr. VANIK] has stated that a champagne party was scheduled to celebrate the award to Food Machinery of this bid. Once again the charge is without basis in fact.

In the first place, there will not be any champagne or liquor. It was never intended that there should be. I have learned that the ceremony now in progress or almost concluded at this time to celebrate the initiation of production on the last contract awarded Food Machinery for 900 vehicles was suggested last October; and by whom? By the Army Chief of Information. The program was planned to secure beneficial public relations for the Army in pursuing its program of modernization. This was suggested in October, and the original bidders conference was not until December 17. It was originally scheduled to be held in March, but because the chairman of the board of Food Machinery was in India it could not be held, and the only available date was today, June 14. The ceremony today is to commemorate the delivery of the first production of the M–113 to field troops.

May I remind the gentleman from Ohio [Mr. VANIK] that such parties to inaugurate production facilities are common practice. I understand that a similar occasion was held at the Willys plant in Toledo, Ohio, and they have been held in many other places.

Mr. Speaker, some of the other charges made yesterday were just as ridiculous as the ones I have referred to. I shall not dignify them with a response. Insofar as I am concerned, I will refuse to engage in future debate on unfounded shotgun charges which have no bearing on the basic issue. This basic issue, I repeat, is whether the established, written procedures have been followed in the competition for construction of the M–113 vehicles. The facts clearly show that they have, and I will rest my case on fact instead of fancy.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from Ohio.

Mr. VANIK. I am sure the gentleman did not expect me to be sitting here in the Chamber and not have a reply ready at this time, because otherwise we could not get to the very heart of the issues that are involved here. I think the gentleman has completely overlooked, perhaps conveniently so, the issues which are clearly on the record upon which I contend that through this so-called process of evaluation and setting up of ground rules the bidding can only occur in a way which can direct the contract ultimately to only one prospective bidder, the Food Machinery Corp.

Mr. GUBSER. I must interrupt the gentleman. He, in anticipation, has reserved a special order following mine, so I can presume to interrupt him when I have yielded to him. I think it would be very useful for the gentleman and I here and now to get at what the issue is. This whole controversy arose when the gentleman said this competition was "rigged."

Mr. VANIK. Exactly.

Mr. GUBSER. Now, I ask the gentleman this question: Is there any ground rule, to use the gentleman's term, by which this competition has been conducted which was not in writing before the invitation to bid was issued?

Mr. VANIK. That is correct. At the bidders conference in December 1959, the bidders were told they could build on the Government plant and there would be no penalty for using the Government plant and facilities, and thereafter——

Mr. GUBSER. I must ask the gentleman this question in order to finish this issue.

Mr. VANIK. If I may finish the statement, if the gentleman will permit.

Mr. GUBSER. I yield.

Mr. VANIK. Thereafter, in order to deliver this contract to only one possible bidder, these impossible obstacles were written into the specifications. The Army was told to put them in.

Mr. GUBSER. May I ask the gentleman, these impossible obstacles are the terms of Budget Bureau Bulletin No. 60–2; is that not correct?

Mr. VANIK. They are arbitrary obstructions which constitute an abuse of discretion.

Mr. GUBSER. They are the requirements of 60–2; is that correct?

Mr. VANIK. No; they are not.

Mr. GUBSER. Then what are they?

Mr. VANIK. The gentleman refers constantly to 60–2, which is the Budget Director's regulation. Now, the change in specifications in which these roadblocks or obstacles to fair and equal competitive bidding—these obstacles were written in, theoretically, all relating to 60–2, but they constitute a misapplication of 60–2 and are arbitrary. I might say it is an abuse of discretion on the part of those people in the Pentagon who ordered the Army to make specification changes. The Army has not really spoken to this point. Nowhere does the gentleman refer to a statement made by the Army. The Defense Department says the Army approves of this position, or that the Army is aware of this position. But the Army, the Secretary of the Army, Wilber Brucker, is the one who must

sign this contract and comply with the law. Nowhere do we find that anyone responsible for the Army has taken the position or concurred in or ratified the procedure which is now imposed upon the Army.

Mr. GUBSER. I am not going to yield to the gentleman for a speech, but I shall only quote, as I quoted in my earlier remarks, Mr. Courtney Johnson, Assistant Secretary of the Army for Logistics, who told me this morning that this statement in this letter from Secretary Douglas which you have inserted in the RECORD was his understanding even at the time the contract was awarded to the Ford Motor Co.

Mr. VANIK. You are talking about one facet of this, the Ford survey; but you do not deal with the change in evaluations, the change in specifications which was imposed upon the Army by higher authority in the Pentagon after the bidders' conference in December of 1959.

Mr. GUBSER. The gentleman is referring to 60–2 and its interpretation; is that correct?

Mr. VANIK. I am referring to the ground rules which provide this, and I will just enumerate, if the gentleman will please be patient.

First. The ground rules provide that if the Government plant were to be used, a rental charge would have to be added to the bid. The bidding would have to be increased by a rental figure based upon the acquisition cost of the plant, ignoring the factor of depreciation, and upon some recommendation by the local real estate board. That rental figure comes to 5½ cents per square foot for the total plant regardless of what part the producer or manufacturer who had used that plant would use.

Mr. GUBSER. The gentleman is in error on that point. The bid specifications do not call for payments for the entire plant but only for that part used.

Mr. VANIK. Will the gentleman quote his authority?

Mr. GUBSER. One of the bidders.

Mr. VANIK. I do not know who he is, but I do have other information on that score. The gentleman has, I might say, more access to this Pentagon information, because Mr. Johnson's conversation or writing to you is something exclusively in your possession, and I do not have any information of that type.

Mr. GUBSER. The gentleman has a telephone in his office exactly the same as I have, and all he needs to do is to pick it up and call, and I am sure he would get the same answers that I get.

Mr. VANIK. I might say to the gentleman from California that in my office I try not to do business by telephone. I like to make it a matter of record. I like to do it by an official communication so that I have something I can document and have something that I can include in the RECORD rather than something that I can allude to.

But, the second item in which the impossible barrier was set up for the use of the Cleveland plant provided that if the equipment and the tools and machinery in this plant were used, they would be evaluated on the basis of a 19-month period, a full calendar term rather than the productive period. Now when any corporation evaluates the cost of its productive equipment, they take into consideration the time that the machine is in production on that job, and they certainly cannot charge any other bidder fairly for a 19-month use of a piece of equipment which is only used in the plant, perhaps, a total of 18 hours on the whole production contract. This makes it impossible for the taxpayers of America to get any reasonable use or benefit from their investment in the public facilities.

The third consideration was a matter of special tools which the gentleman and I discussed yesterday, which were paid for by the taxpayers of America in the Food Machinery plant and which are withheld from any other producer who seeks to use a Government-owned facility. If the gentleman can condone this kind of waste in the interest of bringing something to his district, it seems to me I cannot reconcile it with the gentleman's past positions on this floor and in this Congress when he has always been advocating economy.

Mr. GUBSER. I can assure the gentleman that this is his last filibuster that I shall permit on my time. But I would like to say in response to the gentleman that 60–2 which is rather clear cut and specific was in existence as of September of last year, prior to the time that invitations were sent out. I would like to point out this bidding has been strictly in adherence to regulations or 60–2 and I would like to point out that the mistaken impression that the provisions of 60–2 would be ignored for this competition was apparently given out erroneously by someone who did not have the authority to do so.

This made the meeting, in February, of the bidders necessary in order to correct this impression and in order to inform them that the established rules and regulations were to be followed.

60–2 calls for a fair rental payment for the use of Government facilities. I believe the gentleman is in error when he says the entire plant would have to be paid for; I do not believe that is true, but that is something we will have to prove or disprove at a later date.

May I remind you that this regulation is imposed against all bidders, including Food Machinery & Chemical Corp., and that they have to pay an adequate rental for any Government facilities which they are now using on exactly the same terms and at exactly the rate as would the potential user of the Cleveland Arsenal.

Insofar as tools are concerned which you say are not made available and are presently Government-owned and in the plant of Food Machinery, and are not made available for use at the Cleveland Arsenal, I hope the gentleman does not think that the M–113 is the only defense equipment that is constructed by Food Machinery. There are five or six different versions of this vehicle which are being constructed there. There are missile launchers, there are other tanks, there are all sorts of defense items which are being manufactured there and in which these tools would have to be used. So if you were to equip this old worn-out bomber plant that the Government built for bombers in the first place with the tools which are currently producing elsewhere in the United States you would be robbing Peter to pay Paul.

I repeat, the same requirements were imposed upon any bidder as were imposed upon a potential user of the Cleveland Arsenal. These were the ground rules which were established in advance, and one cannot say that the contract was rigged.

If you want to argue the philosophy of 60–2 that is another subject, but the issue here is: Was there anything which had been previous practice, and which was included in the M–60 and M–80 programs? My answer to the gentleman and the evidence from authorities who support me is that there was not.

Mr. VANIK. Mr. Speaker, will the gentleman yield further?

Mr. GUBSER. I will be glad to yield, but the gentleman has a special order of 30 minutes to follow mine. I had not intended to us all my time. Would the gentleman like to take his special order now, or will this suffice for it?

Mr. VANIK. This will suffice. I do not want to hold the matter up. Let us wisely use whatever we have to get the issue threshed out.

In the colloquy the gentleman from California referred to the extra payment that was made to the Food Machinery Corp. which he said was in the sum of approximately $2,600,000. I have not had an opportunity to check on it. Obviously this is double the amount, more than double the amount of the original bid.

Personally, I am concerned about these extra charges that are fastened onto a contract on the basis of alleged changes. It seems to me that if changes are going to be made in a contract for research and development, and the creation of several prototypes of a weapon, that changes that would involve doubling the cost of the original contract, or exceeding it by 110 percent, certainly indicate that something was paid to help this corporation out on its original contract.

It is inconceivable to me how the changes which the gentleman discussed and the change which he said would save the taxpayers so many millions of dollars in the long production run, it is difficult for me to understand how these changes compare so drastically in cost in comparison to the entire development contract, more than 110 percent of the original contract.

Does the gentleman contend that this is ordinary, justifiable, proper practice by the Department of Defense or by the Army in its relationship to Food Machinery Corp.?

Mr. GUBSER. I say this, and I regret to say to the gentleman, but in all frankness I must say it: The gentleman has betrayed a complete ignorance of the concept of research and development.

Development is a thing which progresses; as you learn one thing the next step down the road may be entirely different based upon what you have learned.

Any industrial corporation of this country which develops machinery finds this to be true, and it is true in practically every defense contract.

I do not think the gentleman should imply that this first development contract as it was originally signed was not carried out. It was carried out, and it was successful; but jointly, the Army and the Food Machinery Corp. engineers saw on the basis of their experience something better down the road.

Now, Food Machinery could have gone ahead and produced a prototype which had been tested and found to be successful. What would have happened?

Here is the kick in the teeth the taxpayers would have gotten. They would have paid for each one of those vehicles the sum of—I cannot find the exact figure now, but as I recall it—$5,681 more per vehicle, or a 20-percent increase. Based upon this saving, because the Army and Food Machinery saw a new road ahead, based upon what they have learned, and that is development; it is learning, because of that when the next 1,380 vehicles are produced along with the 900 currently being produced, we will see a saving to the taxpayers of this country of $12,962,900.

I ask the gentleman, Do you think it would have been good business for the Army and Food Machinery jointly, when the first research and development contract was completed, to have shut off their minds and said: We have reached the ultimate in learning, we cannot progress further, and if we can save $12 million we do not want to because we do not want to admit there is anything better than we have now? That is what the gentleman is arguing.

Mr. VANIK. I think the gentleman reaches out into space on the $12 million saving. Did not the Army in entering into this contract pay 110 percent more than its original contract? Did it not fail to save $2 million that could have been saved if they had given the contract to the next lowest bidder who agreed to do the whole job for $3 million? The next lowest bidder had never in previous history assessed any additional charge upon the Army, for any modifications or changes, which are as slight and minor and as insignificant as those indicated by the gentleman in the research and development contract of the M–113 by Food Machinery.

Mr. GUBSER. This was not in any sense of the word a lack of fulfillment of the contract. If the gentleman goes down to a clothing store, he can buy a suit with one pair of pants. He can walk out and in a couple of weeks he thinks he should have gotten the other pair of pants and he says: "I want to amend my contract and get another pair of pants."

That is all we are doing here. We found out something we ought to have and something we need on the basis of our experience, and we said we want that and it is mighty lucky we got it because the net profit to the taxpayers is over $10 million.

Mr. VANIK. Referring to the pants, I want to point out that in the first contract with Food Machinery the Government got pants that were moth eaten. I think they were completely inadequate to perform the function for which they were intended.

Mr. GUBSER. There were a lot of fellows who hit the beaches in the South Pacific, and a lot of them who went to foreign shores in World War II who thought they were riding a pretty good vehicle, and there are a lot of them walking around today who maybe would not have been walking around if it had not been a good vehicle.

Mr. VANIK. You discussed the so-called production celebration. My belief and concept is that Food Machinery, located in the gentleman's district, had full satisfaction that this contract was coming its way. I want to read a telegram which I hold in my hand and which I want to submit to an appropriate congressional committee if I am given the opportunity, and it states as follows. This is a bidder:

> Since there is an existing manufacturing source for this vehicle, the M–113, and since we have been advised a second source is not required—

This goes on to say——

Mr. GUBSER. May I have the name of that individual?

Mr. VANIK. No. I will submit this telegram to an appropriate committee. The gentleman can take my word for it. I will be happy to submit it to a congressional committee.

Mr. GUBSER. It has no validity unless he is willing to give the name of the signator.

Mr. VANIK. I agreed to submit it to an appropriate congressional committee.

Mr. GUBSER. Is the floor of the House a proper place or is a committee a more proper place?

Mr. VANIK. I would not want to expose any particular bidder to the harassment he might receive at the hands of the Department of Defense for crossing up what the Department of Defense has planned. The Department said that it had someone in mind for this contract, there is no use for others to bid.

If you can get a better example of rigging, I want to you to produce it.

Mr. GUBSER. The point the gentleman is making, I am sorry to say, is made more for the benefit of the newspapers than it is to cast light upon this discussion here today. I maintain you have no right to introduce something as evidence unless you are willing to qualify that evidence and give the name of the signator. I think the gentleman has done a disservice in saying that.

Mr. VANIK. I think the gentleman recognizes this is not the proper tribunal. This is not the place at all, and the gentleman is aware of that. The place where the evidence should be submitted and weighed, and where the matter can be thoroughly gone into and investigated is in an appropriate congressional committee which has the power to subpena and which has the power to call witnesses before it.

Mr. GUBSER. And which gets its authority from this body.

Mr. VANIK. The gentleman may be sure that I will be delighted to produce all of the evidence I have in my file, including some evidence which I have not discussed in this case up to this point; because I am trying to get the appropriate congressional committee alerted by this discussion to what I consider the rigging processes that are going on in the Pentagon, to award these contracts in an unfair way, under unfair rules, to bidders or producers who they have predetermined should get the job. I say to the gentleman that I am only seeking economy for my Government, I want to see that the taxpayers' dollar buys the maximum amount of defense and I want to be sure that the bidding procedures are fair so that every bidder and every community in America has an equal opportunity to participate in the matter of defense production.

Mr. GUBSER. May I say for the benefit of my colleagues here that though this discussion between the gentleman from Ohio [Mr. VANIK] and myself has become rather heated and a little vociferous at times, I want it clearly understood that there is absolutely no personal animosity on my part; and I think the gentleman from Ohio feels the same way. We each hold the other in completely high regard. But, as he says, we are both arguing for economy in Government. I intend to conclude my remarks by simply pointing to the record over the years of Food Machinery which has taken the predecessor of the M–113, the M–59, cut the price of it in half through sensible engineering techniques and which today is producing a vehicle, half as heavy, better in every respect, for less than half the money. I maintain that that is a real record. I maintain that if their price is low, after they pay for the use of Government tools and Government facilities, the same as anyone else, and if it appears that they can continue to give the fine record of performance that they have always given to this Nation and its Armed Forces, then they will be justified in receiving the contract.

As I said yesterday, if it happens to be in the gentleman's district, and Cadillac of General Motors or any other bidder happens to be low, and the taxpayer saves the most dollars through their bid, after all proper factors of evaluation are taken into consideration, then I say to Cadillac or to the successful bidder, "Congratulations, and best wishes." We are out to save money. Let the lowest bid get the business.

CONTRACT FOR THE M–113

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Ohio [Mr. VANIK] is recognized for 30 minutes.

Mr. VANIK. Mr. Speaker, continuing this colloquy with my distinguished colleague from California [Mr. GUBSER], I want to point out that it is not my intention to take all of the time. I merely want to discuss some of the high points in rebuttal to the argument he has made today.

First of all, the gentleman raised the question about Budget Bureau Regulation 60–2 which is cited by Secretary

Douglas and by Courtney Johnson and other people at the Pentagon as being the governing regulation in this matter. I want to point out for the RECORD that in my opinion the Budget Director's Regulation 60–2 does not supersede and is subordinate to the Federal Code which provides that production, as far as the Army is concerned, shall take place in a Government-owned facility so far as those factories can make those supplies on an economical basis. The purpose of 60–2—and it has some commendable purposes—was to eliminate competition between the Government and private enterprise. It was not intended to eliminate competition between other members of private enterprise. And in this argument, in the use of the Government-owned facility at Cleveland, we have a plant which anybody in America can operate. There is no intention anywhere in this proceeding that the Government should operate the arsenal in Cleveland for the manufacture of the M–113 personnel carriers. The only issue involved is whether or not this facility should be used by any of the interested producers who are qualified as bidders on this contract. Earlier the gentleman from California made the point I had nothing to be excited about, that the contract has not been awarded. Does he think I would be on better ground to come here after the contract had been awarded when I would be in the position of expressing sorrow or regret that the economy factor involved and my communities production facilities have been overlooked. I am here at this time because I want to prevent the Defense Department from doing something which will increase costs to the taxpayer, which will disregard the law, the intent of Congress, that insofar as the Army is concerned the Government facilities will be used.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from California.

Mr. GUBSER. I must ask the gentleman, Has he seen the bid figures? If not, how does he know that if this award goes to Food Machinery, and I do not know whether it is or not, the taxpayer is going to lose money? How does he know that 4532(a) will be violated?

Mr. VANIK. The gentleman is fully aware of the fact that if Food Machinery is using its plant, it is using plant and equipment for which it must assess a charge. I do not believe for one moment that the Food Machinery Corp. is going to be so philanthropic as to fail to charge the Government in its bid for duplicating the same facilities at its San Jose plant. Certainly it is going to charge the Government. It is going to charge the Government at least the $6,500,000 figure which I previously quoted on this floor.

Mr. GUBSER. It is my contention the gentleman has proven my point. Yes, I presume that as a good business concern of course Food Machinery will charge the Government for proper amortization and depreciation and interest on its own investment. I presume that. I presume any company bidding does that.

Mr. VANIK. Does the gentleman also take into consideration the duplicating of facilities which are in being in the Cleveland Ordnance Plant?

Mr. GUBSER. There are Government facilities in the San Jose plant and they are subject to the identical requirements that the facilities in the Cleveland plant are. I say this: No one in the world except possibly one or two people in the Pentagon knows whether or not any money is going to be lost if this goes to Food Machinery. I say you cannot know until you see the figures. 4532(a) says you have to make these supplies on an economical basis. You do not know which is the most economical basis until the bids are opened and the contracts are awarded.

Mr. VANIK. It is quite obvious the gentleman completely overlooks the fact that if these same facilities which will be used in the San Jose plant of the Food Machinery Corp., for which he so ably speaks today, were used, obviously the great cost of those facilities will simply be added to the cost of the facilities which the Government already owns and which are in being in the Cleveland plant. It is duplicating a facility which is unnecessary and unneeded and which is an added cost to the taxpayer.

Mr. GUBSER. The gentleman talks about duplication of facilities. We have a tank production line, an M–113 production line in being. It is opening. It is being celebrated today. Tanks are rolling off the end of the line. At Cleveland you have an empty building with a few tools which might be utilized but to a lesser extent than the gentleman thinks. Now if you are going to talk about duplication of facilities here you are proposing to build another one that is expensive.

Mr. VANIK. I must say to the gentleman that these tools and the equipment which he says are in being at the Food Machinery plant were duplicated, an unnecessary expense to the taxpayers because somebody in the Pentagon insisted that this work be done at the San Jose plant of the Food Machinery Corp.

Mr. GUBSER. Back in World War II and Korea we needed plants to build defense items. They are up in the gentleman's district, they are up in Detroit, they are all over the United States. Government machine tools are all over the place. This is an old company that has been making defense items for a good long time. I should like to point this out to the gentleman, and it will take me only 30 seconds. Originally there were two buildings in the ordnance department belonging to the Federal Government. I should like to point out to the gentleman that the Food Machinery Chemical Corp. purchased one of those buildings and is under contract to purchase the other. Many of the machine tools have also been purchased by private industry. So we have private capital doing this defense work instead of keeping it as a burden on the taxpayers.

Mr. VANIK. Private capital would be doing the defense work in Cleveland using the ordnance plant and using all the facilities which have already been bought and paid for by the taxpayers. As a matter of fact, the Food Machinery Corp. or any other corporation is qualified to come in and bid on the use of these facilities.

I want to point out something that was not answered in any way by the gentleman in his colloquy. The Ford survey which was made of Government-owned facilities and private facilities, and by his own admission they included the Food Machinery plant, determined it would be most economical and feasible to produce this vehicle in the Cleveland Ordnance Plant. This is how they came to that conclusion. The Ford engineers determined, and they are independent and impartial in this matter, determined that these vehicles were unique in production and in application and that they would not lend themselves to commercial production. Therefore, considering all aspects of the situation and the unique nature of this weapon, and in view of the mobilization base that is required, that is, the capacity to expand production in the event of a mobilization emergency—considering all of these factors in that survey study, this job should have gone to Cleveland and nowhere else. That is the substance of the Ford survey report. This has not been refuted. But it has been ignored. Does the gentleman presume for one moment that this survey would have been ordered simply to have been cast aside and thrown off into the wastebasket? What was its purpose? Can the gentleman tell me? What was the purpose of authorizing a $338,000 survey to determine the feasibility of production in a plant that was apparently never considered seriously for this job? What was the purpose of this survey? Why undergo and undertake this tremendous expense to determine the economic productive points for this production—if they did not intend to follow the recommendations?

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. VANIK. I yield.

Mr. GUBSER. The gentleman has again unequivocally stated that the Ford study showed that this production should be carried on at the Cleveland Arsenal and nowhere else. He is in direct contradiction to the statement made by Assistant Secretary of the Army Courtney Johnson at about 11 o'clock this morning. This we cannot resolve. I cite my authorities. You cite yours.

Mr. VANIK. Will the gentleman, at this point, please find out for me why, if he has this telephone relationship with Mr. Johnson, if he can find out for me on an official basis; why the $338,000 was spent for a survey which has apparently been discarded by the Pentagon.

Mr. GUBSER. The gentleman is an effective representative of his people and has ample ability to get the same information I do. I am sure he will do it. If he chooses not to do so, I shall be happy to assist him. However, I just have to point out to the gentleman that private industries were not considered as a possibility in this case, and I will speculate with the gentleman as to the reason why the Army ordered this survey.

It was because they were developing a plan. Every day the Joint Chiefs of Staff develop war plans in case certain eventualities occur. As we all know, 99 percent of those plans are scrapped. But those plans must be in being. As I understand it, and I am not speaking for the Army—as I understand it, this was a mobilization study and the proposition of whether the Government arsenals should be utilized for production was under consideration. It was necessary to determine what each of these Government arsenals could do. Under this determination, it was determined that the Cleveland Arsenal could do this M–113 job, but not a thing in the world was said which would indicate that some private company could not do it better and cheaper.

Mr. VANIK. Then, I cannot understand the purpose of the survey. It is completely unreasonable for me to assume that this survey and this great expense would have been undertaken if it would be an incomplete survey and if it was only to take into consideration publicly owned facilities, as the gentleman has said.

I want to point out in closing that in my original charge I stated that the bids were completely rigged against using the Government-owned plant and facilities. I further contend they are designed to increase costs by paying for plant and facilities of another bidder, a second time, by sending this contract to his plant. It is my contention, under the law, under the section of the Code that we have previously cited, that the Army is bound and compelled to use Government facilities—60–2 notwithstanding. Budget Regulation 60–2 provides specifically that if a Government-owned plant was used, there would be competition between private bidders as to who should operate the Government plant. This is how the contract was rigged. The gentleman has asked that this be explained. I want to put this in the RECORD. If the Government-owned plant is used, the rental evaluation must be added to the bid based upon an appraisal, based upon acquisition costs. This completely overlooks the depreciation factor which is considered by every private bidder on his own plant. Thus, anyone who uses the Government-owned plant in Cleveland is penalized by a rental for the entire plant on the basis of 5½ cents per square foot per month regardless of what part of the plant is used in production.

The charge is computed on a 19-month basis notwithstanding the fact that this production contract is for a lesser period of time.

I address this to the gentleman: The rental evaluation I used on the Cleveland plant is based on a 19-month production period notwithstanding the fact that the production period is considerably less. This is admitted by the insertion in the RECORD which the gentleman made from the Food Machinery Corp.'s own statement on yesterday.

Mr. GUBSER. Mr. Speaker, will the gentleman yield?

Mr. VANIK. Let me finish.

Mr. GUBSER. Does not the same rule apply to Government-owned tooling for Food Machinery?

Mr. VANIK. I will go into that later. Now, this rental evaluation completely ignores the $760,000 which every year is paid to maintain the Cleveland plant in a state of idleness. This should certainly be applied and deducted from the rental charged.

I charge that the bids were rigged for the benefit of the Food Machinery Corp. because the use of Government-owned facilities and equipment would require in addition rental based on acquisition cost prorated for the full calendar period of 19 months, whether they may be used several hours a week or 18 or 20 hours for the entire life of the contract. It is not possible on these terms to use Government-owned facilities in the Cleveland plant.

The proper charge for the use of these public facilities should be based on the actual time these facilities are used for production and only for such time. This is the only basis on which a charge should be made, not the "jimmied" evaluation procedure. I say it is "jimmied." It is totally unfair in the use of Government facilities to charge a 19-month rental for equipment which may be used only 20 hours during the entire 19-month period. It is eminently, basically, and obviously unfair to penalize the user of Government facilities on a full-time calendar rental without considering the time the equipment is actually used. That is not the generally accepted industrial concept in this regard.

I think the gentleman will agree with me that the bids are rigged when the research and development contractor, which in this case was the Food Machinery Corp., was adequately, completely, and, in my judgment, overly and excessively paid for its work in research and development of this tank. It is unfair when this bidder has exclusive use of the special tools which were paid for by the Federal Government and which are not available to any other bidder under the terms of these specifications. It is impossible, it is absolutely impossible for any other bidder to determine the cost of producing these special tools.

The procedures in this bidding method are clearly established to create a monopoly in the production not only of the M–113, but the entire light tank family, to concentrate that production in the hands of one manufacturer who does not have the mobilization base to take care of this Nation's needs in the hour of mobilization. This is not only much more expensive to the taxpayer, but also it threatens the national security. That is why the Army was so anxious to keep in custody, to keep under control, to keep in use the Cleveland Ordnance tank plant. In this plant we have the ability to concentrate production not only in the orderly and proper needed peacetime requirements of this weapon but in the mobilization day's need if and when that should occur.

So I say to the gentleman that the rigging of these bids is obviously designed to eliminate any chance of using the Government-owned facility in Cleveland and to direct the contract to only one prospective bidder, and that is the bidder the gentleman has defended.

I hope the gentleman will join me if he wants to clarify the matter. If he wants to get down to the bottom of this problem, I hope he will join me in urging that the appropriate congressional committee take this matter in hand so that the facts can be placed in the RECORD under oath, as they should be, as they must be, so that the appropriate people from the Pentagon can be brought in and have their statements placed into the record so they can be studied. In the interests of national security and economy, I hope that the right thing will be done.

Mr. Speaker, I yield back the balance of my time.

ADDITIONAL VIEWS OF HON. SILVIO O. CONTE—I. REGARDING AMENDMENT PROHIBITING USE OF MSP FUNDS FOR INDUS WATERS PROJECT, SECTION 404, MUTUAL SECURITY ACT OF 1954—II. USE OF CONTINGENCY FUND

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Massachusetts [Mr. CONTE] is recognized for 30 minutes.

Mr. CONTE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. CONTE. Mr. Speaker, the minority report on the mutual security appropriation bill did not include additional views by individual members. Because of a technicality, I was unable to present my views yesterday on what I consider a most vital international project. Therefore, I am taking this opportunity to present my additional views and to give substantial reasons for my deep concern over a grave situation which could produce serious consequences.

Section 107 of the bill, which would deny the use of mutual security funds for U.S. participation in a multilateral effort to finance the development of the Indus Basin, is singularly shortsighted in terms of the interests of the United States.

The controversy between Pakistan and India over the use of the Indus Basin waters has been one of the major international conflicts in the past decade. Bitterness and violence have characterized the situation and the possibility of military conflict has been a real one.

Through the good offices and protracted efforts of the International Bank for Reconstruction and Development, 9 years of patient negotiation have resulted in virtual agreement on the terms of settlement of the controversy. Final agreement depends on firm assurances from friendly countries of essential financial assistance required to construct the system of works recommended by the Bank.

The Bank itself plans to contribute to the costs of the development, and five other nations—the United Kingdom, Canada, Australia, New Zealand, and West Germany—in addition to Pakistan and India have signified their willingness and intention to join in the funding of this project. U.S. participation, which would involve over a 10-year period the provision of $177 million of grant assistance and $103 million in loan assistance, plus the provision of local currency arising from sales of agricultural surpluses from the United States, is essential to the successful completion of this giant international effort.

The provision of funds for this purpose not only would serve to contribute in a major way to the economic development of the vast subcontinent of Asia but would materially contribute to the improvement of relations between the two countries. In the absence of a settlement, no one can predict what the outcome will be; but certainly, the possibility of bitter and prolonged dispute and eventual military conflict could not be excluded. We have an opportunity to make a major contribution to world peace, to strengthen the orientation of over 500 million people to the West, and to secure the participation of other industrialized nations in financing the costs. To cast aside this opportunity would be contrary to the political and security interests of the United States.

Because of the grave consequences which would result should this restriction be allowed to remain in the bill, Thursday of this week I will offer an amendment to delete this limitation. I trust that the House of Representatives, in its wisdom, will concur in the elimination of section 107 of the mutual security appropriation bill.

In addition, I would like to discuss another provision contained in the mutual security appropriation bill as reported. I am referring to section 451(b), the so-called contingency fund, which provides $150 million for assistance under this section. The amount, which is $5 million less than provided last year for these purposes, appears reasonable.

However, the bill contains a restrictive provision:

> That none of the funds appropriated in this paragraph shall be used for any project or activity for which an estimate has been submitted to Congress.

The report accompanying the bill describes this language as "designed to preclude Executive nullification of specific congressional reductions."

This action suggests, first, that the Executive has heretofore used these funds in a manner contrary to that authorized by the Congress, or second, that the authorization previously given and affirmed in this session, is too broad.

As to the first point—that of the authority granted—I believe it is clear that the legislation permits the Executive to use these funds, and I quote "in furtherance of any of the purposes of such acts, when the President determines that such use is important to the security of the United States." This authority clearly permits the President to use the Contingency Fund to provide military or economic assistance in addition to amounts specifically otherwise authorized for such purposes. The distinguished chairman of the Subcommittee on Foreign Operations has himself recognized that the law provides this authority.

Presumably, from the bill and the report, the majority of the committee considers the authority, provided in the authorizing legislation, to be excessive and that it requires limitation by appropriate action. What standards or criteria are proposed?

The existing law provides that the funds may be used when the President determines that such use is important to the security of the United States if such use was for a project or activity for which an estimate was submitted to the Congress. In other words, no adjustment whatsoever in the programs presented to the Congress is to be made through the use of these funds. This assumes an accuracy of judgment as to the future, of which neither the Executive nor the Congress is capable. It provides a measure of rigidity and inflexibility which is neither warranted nor sensible. It is a limitation which prevents responsiveness to changing conditions.

The contingency fund is less than 5 percent of the total appropriations recommended. A margin of 5 percent to permit adjustments in aid when the President determines the national security so requires, is a minimal degree of flexibility.

It is noteworthy that the committee fails to cite any specific instances where it believed the use of contingency funds was not in the security interest of the United States. The record of such uses, which was available to the committee, clearly indicated that each use was justified and that it served our national interests. Rather, the complaint conceals a desire to deny the Executive any real ability to deal with flexibility with any volatile and unpredictable international situation.

During the current year, these funds enabled the President to provide additional military and defense support assistance to Laos when Communist subversion and attack threatened. Under the proposed provision this would not be possible because estimates of requirements for these purposes are included in the presentation to the Congress. Similarly, the President could not have given added support to Greece when its economy began to fail unexpectedly. Added support for Iran's military defenses when threatened by Communist pressures would not have been possible. Additional amounts to assure base rights could not have been provided. In sum, our security interests are not to be measured by a current Presidential assessment, but are limited to previous estimates, however inaccurate they prove to be.

The deletion of the limiting provision is essential if any reasonable degree of flexibility is to be permitted our Government in combating the pressures of international communism. Its inclusion will seriously and adversely hamper the effective use of this program to advance our security interests.

In essence, by inserting this limitation, the Appropriations Committee is telling the executive branch of the Government, "please don't tell the committee how you are going to spend your money, because if you do we will not allow you to use the contingency fund at some future date." This is a bit ridiculous especially when the responsible Appropriations Committee is so opposed to the principles of back-door spending.

The contradiction contained within the provision for the use of the contingency fund must be removed.

[From the Washington Post, June 14, 1960]

HAMSTRINGING FOREIGN AID

If there were a better understanding here and abroad of the complexities of American Federal budgetary processes, it might be possible to shrug off at least some of the reduction in foreign aid funds voted by the House Appropriations Committee. Assuming that the administration would use every avenue open to it—such as drawing more heavily upon past appropriations than had been planned—it might be possible to get by on the $3.4 billion in new funds which the committee approved in place of the $4.1 billion requested by President Eisenhower, leaving aside certain crippling restrictions.

But whatever the technical and bookkeeping opportunities that may exist for running an adequate mutual security program in the short term without full-fledged congressional support, such methods would in the long run tend to compromise public confidence in administration and perhaps do truly serious damage to the basic underpinning of the mutual security concept.

The House committee has written into the bill and its report a number of specific restrictions that perhaps do more serious damage to the program than the reductions in funds. The most unfortunate single example of this attempt to manage the details of foreign aid from Capitol Hill is the wholly unwise prohibition against any assistance for the Indus River project. Many years in the planning, and still the subject of negotiation by India and Pakistan, the program for the Indus is to be underwritten by the United States, Australia, Canada, Germany, New Zealand, Britain, India and Pakistan, as well as the World Bank. Of the $1 billion, 10-year outlay that has been envisaged, only $177 million would be in American grants, with additional U.S. help in the form of surplus commodities and repayable, interest-bearing loans. About half the cost would be borne by other governments and the World Bank.

Clearly, if this country were now to withdraw its support, the prospect of solving the Indus waters dispute, which has lately looked so promising, would be measurably lessened, and the framework of free world cooperation on the venture could be shattered. It is scarcely possible to imagine a more insidious scheme to destroy world confidence in American intentions toward the underdeveloped nations than the committee's proposed sabotage of the Indus project.

Equally serious are the body blows which the committee would strike at aid to the emerging nations of tropical Africa. By requiring advance committee approval of every individual project, the House group would rule out for a year or more any start on technical assistance for 10 or a dozen new African nations. Experience has shown that such a void is quickly and effectively filled by the Soviet Union, whereas a timely initiative in such countries often can forestall damaging Soviet inroads.

The reductions in special and technical cooperation funds would fall heavily upon the African programs, since firm commitments to other areas would use up the reduced appropriations proposed. And, as if to foreclose any attempt to ameliorate mistakes that Congress might make in the administrative role that the House Committee has assumed, the committee would prohibit use of contingency funds to make up for specific cuts that might turn out to have serious consequences for this country's interests.

All in all, the House committee's treatment of mutual security would—if it went unchallenged—make democratic calls for "new initiatives" and "bold programs" in foreign policy look pretty transparent. There is virtually unanimous agreement among the experts that the next short-term threat from the Communist bloc will arise in Asia. Yet it is Asia and Africa that the House committee seems to single out for calculated neglect. Congress must right this mischief or forfeit any just claim to wisdom in foreign policy matters.

AMENDING FEDERAL TRADE COMMISSION ACT BY PROVIDING ASSISTANCE TO SMALL BUSINESS

Mr. VANIK. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. LESINSKI] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LESINSKI. Mr. Speaker, the two bills which I have introduced, H.R. 12626 and H.R. 12627, would amend the Federal Trade Commission Act by providing assistance to small business in its struggle to overcome unfair trade practices in industry and commerce.

The hearings which have been conducted by the House Small Business Committee's Special Subcommittee on Small Business Problems in the Dairy Industry have made it clear that the practice of selling dairy products at unreasonably low prices and frequently as loss leaders far below the level of cost, is widespread. Only a few days ago, it was reported that a large concern was selling milk in Florida at 1 cent per half gallon. Other instances have been brought to the attention of Members of Congress where milk has been retailing at less than one-quarter of the cost of producing the product. Small business concerns are much alarmed about this practice and its effect toward eliminating them and creating monopolies in this great industry. Many States have enacted legislation to combat this practice of selling at prices below cost. Courts have upheld the State laws, but due to the fact that the law of any State does not reach beyond the State line, it can have no application to transactions in interstate commerce. Therefore, the need for Federal legislation on the subject to fill this void is apparent. It is believed that H.R. 10235 will fill this need, and, as I have stated, today I have introduced H.R. 12626, a companion bill identical to H.R. 10235.

Also it is apparent that there is need for legislation which would provide small businessmen with immediate, effective relief from these destructive practices. H.R. 10235 will strengthen the substantive law to provide relief, but it leaves untouched the procedural law. Small businessmen need immediate, injunctive relief from these destructive practices. Therefore, one of the bills I have introduced, today, H.R. 12627, is identical with the provisions of H.R. 8841. It would empower the Federal Trade Commission to enter temporary cease and desist orders while the issues under its complaint are being litigated. In this way, many small business concerns could be saved during the prolonged litigation of cases which evolve sales at prices below cost.

LEGISLATIVE EXPENSE ACCOUNTING ACT OF 1960

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at this point in the RECORD and may include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, I have introduced a bill in the House of Representatives today, H.R. 12628, which proposes enactment of what would be known as the Legislative Expense Accounting Act of 1960.

For the information of the membership of the House concerning this proposed legislation, I submit for inclusion at this point in the RECORD an analysis of the bill as introduced:

ANALYSIS OF BILL TO BE KNOWN AS LEGISLATIVE EXPENSE ACCOUNTING ACT OF 1960, INTRODUCED BY CONGRESSMAN GLENARD P. LIPSCOMB

1. This measure would be known as the Legislative Expense Accounting Act of 1960.

2. Section 2 would add a new section to the law to regulate payments from the contingent fund of the House of Representatives. This section would—

(a) Provide that no payment could be made from the contingent fund except in accordance with regulations issued by the House Administration Committee and on vouchers approved by the committee.

(b) Provide that no payment could be made from the contingent fund as additional salary to any officer or employee of the House.

(c) Provide that vouchers (together with all documentation therefor) approved for payment from contingent fund would be available for public inspection.

3. Section 3 of the bill would provide for the Comptroller General to audit all disbursements from contingent fund of the House.

(a) Audits would be not less frequently than once each 6 months.

(b) Comptroller General would report to House Speaker and House Administration Committee the results of each audit not later than 30 days after audit completed.

4. Section 4 is to provide for reports on expenditures by Members of the House and Senate for foreign travel. Provides that within 30 days after return by Member of House or Senate from foreign travel for investigation, study, meeting, or conference (outside United States, District of Columbia, U.S. territories and possessions), such Member would—

(a) File with Senate Committee on Rules and Administration or House Administration Committee a statement of expenses incurred by him or her.

(b) Such statement would include accounting of counterpart funds used for Member's expenses, number and identity of persons in party (including information as to wife or husband of Member, any of their expenses paid from Government or counterpart funds, and services, if any, performed by such person for the Government).

5. Section 5 is to provide that the expense statement required under section 4 of the bill would be included in statements required under present law (Title 2 U.S.C. 102) by Secretary of the Senate and Clerk of the House of Representatives at the commencement of each session of Congress, and would be printed as a House Document. Present law requires statements covering report on employment of clerks and other persons during preceding year in the respective Houses, and a detailed statement of the manner in which the contingent fund for each House has been expended during the preceding year.

6. Section 6 of the bill amends and repeals certain present law as necessary. Under present law, basically payments from the contingent fund of the House and Senate are regulated under a provision contained in an 1888 appropriation act (25 Stat. 546; 2 U.S.C., secs. 68 and 95). The pertinent section of the 1888 law, which applies to both the House and Senate, provides that no payment shall be made from the contingent fund of House and Senate unless sanctioned by the Committee on House Administration and the Senate Committee on Rules and Administration; provides that payments made on vouchers approved by these committees shall be deemed, held, and taken, and are declared conclusive on all the departments and officers of Government (commonly known as the finality clause); provides no payment shall be made from contingent fund as additional salary for officers or employees of either body.

(a) Section 6(a) of the bill, in effect, repeals that part of the 1888 law which applies to the House by rewriting that provision so that the law as it applies to the Senate is left unchanged.

(b) Section 6(b) repeals a provision contained in an appropriation act of March 4, 1911 (36 Stat. 1318; 2 U.S.C. 95). The 1911 provision, in providing that payments made from the contingent fund of the House on vouchers approved by the Committee on Accounts shall be deemed, held, and taken, and are conclusive on all departments and officers of Government, for no apparent reason repeats (only with reference to the House) certain provisions in the 1888 act. It is therefore also repealed.

(The net result of section 6 (a) and (b) of the bill, therefore, is to repeal certain sections of present law regulating payments from the contingent fund so far as the House is concerned, but leaves intact the law as it applies to the Senate.)

(c) Section 6(c) of the bill provides that sections 6(a) and (b) would apply only to expenditures made from the contingent fund of the House to pay obligations entered after enactment of the bill, so as to provide that it would not apply to obligations in being.

7. Provides that the bill would take effect 30 days after enactment. This will allow the House Administration Committee time to prepare adequate and suitable regulations as required in section 2 of this bill.

REQUEST TO WITHDRAW PAPERS

The SPEAKER pro tempore. The Chair lays before the House the following personal request.

The Clerk read as follows:

JUNE 14, 1960.

Mr. LANE requests, pursuant to rule XXXVII, leave to withdraw from the files of the House papers in the case of Jean K.

Simmons (H.R. 4825) original affidavit of Agnes Dunn, subscribed to on July 27, 1959, 86th Congress, no adverse report having been filed thereon.

THOMAS J. LANE.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

RIGHT OF UNION TO CONVENE AND ELECT ITS OFFICERS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALPERN. Mr. Speaker, in line with the American tradition of democracy in action and its aspects of guaranteeing to every individual the opportunity to be heard and to express his opinion, I appeal that any duly constituted body, including unions, functioning in compliance with existing law, be assured of its basic right to convene, not only on a local level, but in national convention, and to elect its officers. I state this in response to the considerable number of letters that I have received from rank-and-file teamsters residing in my district appealing for the right to hold a convention to elect officers and adopt programs.

In answer to these letters, I wish to make my position clear. To me the important consideration is the principle of freedom of assembly and regardless of whether the members of one or a dozen groups are involved the principle should be applicable wherever rights are denied. This is a fundamental privilege guaranteed by law and specifically and clearly spelled out in recent legislation passed by Congress which states:

Equal rights: Every member of a labor organization shall have equal rights and privileges within such organization to nominate candidates, to vote in elections or referendums of the labor organization, to attend membership meetings, and to participate in the deliberations and voting upon the business of such meetings, subject to reasonable rules and regulations in such organization's constitution and bylaws.

Freedom of speech and assembly: Every member of any labor organization shall have the right to meet and assemble freely with other members; and to express any views, arguments, or opinions; and to express at meetings of the labor organization his views, upon candidates in an election of the labor organization or upon any business properly before the meeting, subject to the organization's established and reasonable rules pertaining to the conduct of meeting: *Provided*, That nothing herein shall be construed to impair the right of a labor organization to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and to his refraining from conduct that would interfere with its performance of its legal or contractual obligations.

Every national or international labor organization, except a federation of national or international labor organizations, shall elect its officers not less often than once every 5 years either by secret ballot among the members in good standing or at a convention of delegates chosen by secret ballot.

Regardless of how one feels about the controversy surrounding any particular circumstances, it only seems fair that the rank-and-file members of trade union be given the opportunity under democratic processes to carry out their rights to convene and hold elections, as set forth under the laws.

The officers who are elected would have to comply with the requirements of the Labor-Management Act of 1959, and any derelictions from duty would subject them to the penalties of the act. Suppression of the rights of the rank and file which have been granted by Congress through legislation is not the way of America.

I hope that, wherever and whenever any instance of denial of such rights occurs, it will be remedied immediately in line with our American way of life.

FRANKLIN, KY., WINS AGAIN

Mr. NATCHER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, it certainly is with a great deal of pride and pleasure that I cite the fact that Franklin, Ky., has won first place in group 2 of the Kentucky Chamber of Commerce 5-year community development contest. For this victory, which attracted the competition of cities of 3,500 or more in population, an award of $1,000 will be presented to Franklin in September at the State fair on Kentucky Chamber of Commerce Day.

This award marks the happy completion of 5 successful years of Franklin's participation in this long-range community planning contest with year-to-year continuity and certainly this city, which is the county seat of one of the outstanding counties in Kentucky—Simpson County—is fully deserving of this distinction and merits heartiest congratulations. Franklin captured three first places and two seconds over a 5-year period, and the total earnings of $5,400 have been put to good use in furthering the community's development.

Many accomplishments have made possible this victory for Franklin—notably among these is a new junior high school building, the opening of several new industrial plants and numerous stores, as well as the development of a number of attractive residential subdivisions. Moreover, the people of Franklin have demonstrated that they know their responsibilities as good citizens by annually cooperating in approving an adequate budget for their schools. Scrapbooks, which were also included as entries in the contests over the years, were well prepared by the Franklin Business and Professional Women's Club.

It is crystal clear that the residents of Franklin have not permitted themselves to become so absorbed in the privileges of American citizenship that they forget the responsibilities and duties that go with this blessing. I am sure that none of those who live in this fair city have ever taken their community for granted—they know that there is no magic that can automatically solve the inevitable problems that arise and so they have, as it were, adopted a "do-it-yourself" spirit to promote their city's progress and improve the local economy. These efforts have indeed brought enviable results and proved once again that communities—large and small—can always profitably take inventory of their local potentials, looking toward bolstering the economy and enhancing community conditions generally.

Franklin, Ky., is indeed fortunate in having as its mayor, Mr. Paul B. Massey, a thoroughly dedicated public official, who is equally fortunate in having highly qualified individuals serving with him in the city's government. Assisting these officials in all their endeavors are the various civic clubs, the local chamber of commerce, the Franklin Favorite, one of Kentucky's outstanding weekly newspapers, radio station WFKN, and the Franklin Industrial Board.

Certainly this small city, conspicuous for its excellent school system, lovely homes and churches, may well be proud of this latest honor and I want to reaffirm the genuine happiness that I derive in being privileged to represent Simpson County in the Congress of the United States. May the guidance of providence lead Franklin onward to even greater and brighter achievements.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BENTLEY (at the request of Mr. HALLECK), for Wednesday, June 15, on account of medical reasons.

Mr. GREEN of Pennsylvania (at the request of Mr. BYRNE of Pennsylvania), for June 14 and 15, on account of death in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CONTE, for 30 minutes, today.

Mr. HALPERN, for 10 minutes, today.

Mr. PORTER (at the request of Mr. ALBERT), for 1 hour, tomorrow.

Mrs. ROGERS of Massachusetts, for 30 minutes, on Wednesday, June 15.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BROCK and to include extraneous material.

Mr. SAYLOR, to include in the remarks made in the Committee of the Whole today the proclamation of President Wilson of 1915 and the proclamation of President Roosevelt of 1938.

Mr. LANE.

(At the request of Mr. ALBERT and to include extraneous matter the following:)

Mr. FLOOD.

Mr. MULTER.

Mr. BURKE of Massachusetts.

Mr. BRADEMAS in two instances.

(At the request of Mr. CURTIN, and to include extraneous matter, the following:)

Mr. DERWINSKI in two instances.

Mr. WESTLAND.

Mrs. WEIS.

Mr. ARENDS.

Mrs. ST. GEORGE.

Mr. SCHWENGEL.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1961

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ADJOURNMENT

Mr. VANIK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 25 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 15, 1960, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2257. A letter from the Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

2258. A letter from the Acting Chairman, U.S. Atomic Energy Commission, transmitting a draft of proposed legislation entitled "A bill to amend section 5 of the Euratom Cooperation Act of 1958"; to the Joint Committee on Atomic Energy.

2259. A letter from the Secretary of State, transmitting a draft of proposed legislation entitled "A bill to amend section 960 of title 18 of the United States Code"; to the Committee on the Judiciary.

2260. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1960, submitting a report, together with accompanying papers and illustrations, on Redwood River at Marshall, Minn., requested by a resolution of the Committee on Public Works, U.S. Senate, adopted on June 20, 1957, and authorized by the Flood Control Act, approved June 22, 1936 (H. Doc. No. 417); to the Committee on Public Works and ordered to be printed with two illustrations.

2261. A letter from the president of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to provide for the administration of unclaimed funds held and owing by life insurance companies in the District of Columbia; to the Committee on the District of Columbia.

2262. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the District of Columbia Redevelopment Act of 1945, as amended, and the act approved December 20, 1944, as amended, and for other purposes"; to the Committee on the District of Columbia.

2263. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to provide for the withdrawal from the public domain of certain lands in the Ladd-Eielson area, Alaska, for use by the Department of the Army as the Yukon Command training site, Alaska, and for other purposes"; to the Committee on Interior and Insular Affairs.

2264. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to provide for the withdrawal from the public domain of certain lands in the Big Delta area, Alaska, for continued use by the Department of the Army at Fort Greely, and for other purposes"; to the Committee on Interior and Insular Affairs.

2265. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to provide for the withdrawal from the public domain of certain lands in the Granite Creek area, Alaska, for use by the Department of the Army at Fort Greely, Alaska, and for other purposes"; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HAYS: Committee on Foreign Affairs. S. 1502. An act to provide for adjustments in the annuities under the Foreign Service retirement and disabilities system without amendment (Rept. No. 1626, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. S. 2174. An act to permit the filing of applications for patents to certain lands in Florida; without amendment (Rept. No. 1819). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. S. 3226. An act to amend section 809 of the National Housing Act; without amendment (Rept. No. 1820). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 900. A bill to amend section 7 of the act of August 18, 1941, to provide that 75 percent of all moneys derived by the United States from certain recreational activities in connection with lands acquired for flood control and other purposes shall be paid to the State; to validate certain payment; and for other purposes; with amendment (Rept. 1821). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 2178. A bill to authorize the Secretary of the Army to make certain changes in the road at Whites Branch, Grapevine Reservoir, Tex.; with amendment (Rept. No. 1822). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALTER: Committee on the Judiciary. H.R. 10598. A bill to clarify certain provisions of the Criminal Code relating to the importation or shipment of injurious mammals, birds, amphibians, fish, and reptiles (18 U.S.C. 42(a), 42(b); and relating to the transportation or receipt of wild mammals or birds taken in violation of State, National, or foreign laws (18 U.S.C. 43), and for other purposes; with amendment (Rept. No. 1823). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. H.R. 11813. A bill to amend the Menominee Termination Act; with amendment (Rept. No. 1824). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 12346. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; without amendment (Rept. No. 1825). Referred to the Committee of the Whole House on the State of the Union.

Mr. KILDAY: Committee on Armed Services. H.R. 12417. A bill to amend title 10, United States Code, to bring the number of cadets at the U.S. Military Academy and the U.S. Air Force Academy up to full strength; with amendment (Rept. No. 1826). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 12465. A bill to provide for a simpler method of determining assessments under the Federal Deposit Insurance Act, and for other purposes; without amendment (Rept. No. 1827). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 12530. A bill to authorize adjustment, in the public interest, of rentals under leases entered into for the provision of commercial recreational facilities at the John H. Kerr Reservoir, Virginia-North Carolina; without amendment (Rept. No. 1828). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 12532. A bill to provide compensation for certain property losses in the Tuttle Creek Reservoir project, Kansas; without amendment (Rept. No. 1829). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 12564. A bill to authorize multiple-purpose development at Victory Reservoir site, Vermont; without amendment (Rept. No. 1830). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 3106. An act to change the title of the Assistant Director of the Coast and Geodetic Survey; without amendment (Rept. No. 1853). Referred to the Committee of the Whole House on the State of the Union.

Mr. COOLEY: Committee on Agriculture. H.R. 10876. A bill to amend section 22 (relating to the endowment and support of colleges of agriculture and the mechanic arts) of the act of June 29, 1935, to increase the authorized appropriation for resident teaching grants to land-grant institutions; without amendment (Rept. No. 1854). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 3900. A bill to permit the use of foreign-built hydrofoil vessels in the coastwise trade of the Commonwealth of Puerto Rico; with amendment (Rept. No. 1855). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on Foreign Affairs. H.R. 808. A bill to authorize the Secretary

of State to evaluate in dollars certain financial assistance loans expressed in foreign currencies arising as a result of World War II and for other purposes; with amendment (Rept. No. 1856). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee on Foreign Affairs. S. 3072. An act to authorize the Secretary of the Treasury to effect the payment of certain claims against the United States; without amendment (Rept. No. 1857). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Interstate and Foreign Commerce. S. 1283. An act to regulate the interstate distribution and sale of packages of hazardous substances intended or suitable for household use; with amendment (Rept. No. 1861). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Tennessee: Committee on Public Works. H.R. 12539. A bill to implement section 4 of the act approved December 22, 1944 (Public, No. 534, 78th Cong.), as amended; without amendment (Rept. No. 1862). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee of conference. H.R. 12117. A bill making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes (Rept. No. 1863). Ordered to be printed.

Mr. O'NEILL: Committee on Rules. House Resolution 556. Resolution for consideration of S. 1898, an act to amend the Communications Act of 1934 with respect to the procedure in obtaining a license and for rehearings under such act; without amendment (Rept. No. 1864). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 557. Resolution for consideration of H.R. 11123, a bill to increase the authorization of appropriations for construction and equipment of facilities for the Gorgas Memorial Laboratory; without amendment (Rept. No. 1865). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 558. A Resolution for consideration of H.R. 2467, a bill to amend the act of September 7, 1950, to authorize the Secretary of Commerce to reimburse owners and tenants of lands acquired for Chantilly Airport for their moving expenses; without amendment (Rept. No. 1866). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 559. Resolution for consideration of H.R. 7624, a bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to authorize the use of suitable color additives in or on foods, drugs, and cosmetics, in accordance with regulations prescribing the conditions (including maximum tolerances) under which such additives may be safely used; without amendment (Rept. No. 1867). Referred to the House Calendar.

Mr. LANE: Committee on the Judiciary. H.R. 12620. A bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes; without amendment (Rept. No. 1868). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 1671. A bill for the relief of Hans E. T. Hansen; without amendment (Rept. No. 1801). Referred to the Committee of the Whole House.

Mr. SMITH of California: Committee on the Judiciary. H.R. 2117. A bill for the relief of Ireneo D. Brodit and Antonio D. Brodit; without amendment (Rept. No. 1802). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 2124. A bill for the relief of Mrs. Teruko Teri Miyamoto (nee Ikeda); with amendment (Rept. No. 1803). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 2705. A bill for the relief of Bernardo Paternostro; without amendment (Rept. No. 1804). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 2716. A bill for the relief of Miss Elisabeth Hollander; without amendment (Rept. No. 1805). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 2944. A bill for the relief of Luciano Di Franco; without amendment (Rept. No. 1806). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 3534. A bill for the relief of Epifanio Trupiano; without amendment (Rept. No. 1807). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 3804. A bill for the relief of Rosolina Ciuferri; with amendment (Rept. No. 1808). Referred to the Committee of the Whole House.

Mr. SMITH of California: Committee on the Judiciary. H.R. 4236. A bill for the relief of Woo Bow Land; with amendment (Rept. No. 1809). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 4555. A bill for the relief of Anatolijs Janitis; with amendment (Rept. No. 1810). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 4970. A bill for the relief of Haralambos Groutas; with amendment (Rept. No. 1811). Referred to the Committee of the Whole House.

Mr. SMITH of California: Committee on the Judiciary. H.R. 5647. A bill for the relief of Wong Gee Sing; without amendment (Rept. No. 1812). Referred to the Committee of the Whole House.

Mr. SMITH of California: Committee on the Judiciary. H.R. 6804. A bill for the relief of Mary Elizabeth Tighe Crespo; with amendment (Rept. No. 1813). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary: H.R. 7425. A bill for the relief of Mrs. Humiko Ross; without amendment (Rept. No. 1814). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 8253. A bill for the relief of Pierre R. DeBroux; with amendment (Rept. No. 1815). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H.R. 8384. A bill for the relief of Otto Small; without amendment (Rept. No. 1816. Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 9610. A bill for the relief of Sister Frances Cabrini (Virginia Bilbao); with amendment (Rept. No. 1817). Referred to the Committee of the Whole House.

Mr. SMITH of California: Committee on the Judiciary. H.R. 10002. A bill for the relief of Ida Exle (nee Ida Sterio); without amendment (Rept. No. 1818). Referred to the Committee of the Whole House.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 1765. An act to authorize and direct the Treasury to cause the vessel *Edith Q.*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with full coastwise privileges; with amendment (Rept. No. 1831). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 762. An act for the relief of Manuel Alves de Carvalho; without amendment (Rept. 1832). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2089. An act for the relief of Henry K. Lee (Hyun Kui); without amendment (Rept. No. 1833). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2106. An act for the relief of Emiko Nagamine; without amendment (Rept. No. 1834). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2528. An act for the relief of John Lipset; without amendment (Rept. No. 1835). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2639. An act for the relief of Mo Tong Lui; without amendment (Rept. No. 1836). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2646. An act for the relief of Lloyd C. Kimm; without amendment (Rept. No. 1837). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2681. An act for the relief of Yi Young An; without amendment (Rept. No. 1838). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2768. An act for the relief of Frederick T. C. Yu and his wife, Alice Siao-Fen Chen Yu; without amendment (Rept. No. 1839). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2886. An act for the relief of Nikolija Lazic; without amendment (Rept. No. 1840). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2918. An act for the relief of Boris Priestley; without amendment (Rept. No. 1841). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2942. An act for the relief of Eugene Storme; without amendment (Rept. No. 1842). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2964. An act for the relief of Kang Sun Ok; without amendment (Rept. No. 1843). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2991. An act for the relief of Ah See Lee Chin; without amendment (Rept. No. 1844). Referred to the Committee of the Whole House.

Mr. CHELF: Committee on the Judiciary. H.R. 1588. A bill for the relief of Julius F. Steinhoff; with an amendment (Rept. No. 1845). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 1681. A bill for the relief of Maurice Devlin; with amendment (Rept. No. 1846). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3016. An act for the relief of Walter F. Beecroft; without amendment (Rept. No. 1847). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3038. An act for the relief of Jung Hi Pak; without amendment (Rept. No. 1848). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3049. An act for the relief of Oh Chun Soon; without amendment (Rept. No. 1849). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3091. An act for the relief of Pasquale Mira; without amendment (Rept. No. 1850). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3130. An act for the relief of Anne-Marie Stehlin; without amendment (Rept. No. 1851). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 3235. An act for the relief of Cecilia Rubio; without amendment (Rept. No. 1852). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2740. An act for the relief of Julia Sukkar; with amendment (Rept. No. 1858). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2941. An act for the relief of Mrs. Ming-Chen Hsu (nee Nai-Fu Mo); with amendment (Rept. No. 1859). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2967. An act for the relief of Huan-pin Tso; with amendment (Rept. No. 1860). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER:

H.R. 12620. A bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes; to the Committee on the Judiciary.

By Mr. BAILEY:

H.R. 12621. A bill to provide for the humane treatment of animals used in experiment and tests by recipients of grants from the United States and by agencies and instrumentalities of the U.S. Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BUDGE:

H.R. 12622. A bill to amend chapter 85 of title 28 of the United States Code relating to the jurisdiction of the U.S. district courts, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMSON of Wyoming:

H.R. 12623. A bill to amend chapter 85 of title 28 of the United States Code relating to the jurisdiction of the U.S. district courts, and for other purposes; to the Committee on the Judiciary.

By Mr. HOEVEN:

H.R. 12624. A bill to extend the Sugar Act of 1948, as amended, for 1 year; to authorize Presidential action during the time Congress is not in session if such action is in the national interest or is necessary to insure an adequate supply of sugar; to stabilize the quota for Cuba; and for other purposes; to the Committee on Agriculture.

By Mr. KARTH:

H.R. 12625. A bill to amend the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, and to amend the act entitled "An act to protect trade and commerce against unlawful restraints and monopolies," approved July 2, 1890, for the purpose of prohibiting loss leader sales; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 12626. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease and desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

H.R. 12627. A bill to amend the Federal Trade Commission Act to strengthen independent competitive enterprise by providing for fair competitive acts, practices, and methods of competition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LIPSCOMB:

H.R. 12628. A bill relating to the reporting by Members of the House of Representatives of expenditures from the contingent fund of the House of Representatives and of expenditures of counterpart funds by Members of Congress; to the Committee on House Administration.

By Mr. SHEPPARD:

H.R. 12629. A bill for the establishment of a Resources Planning Commission for the Lower Colorado River Basin, to study the multipurpose resources of public lands and other land and water areas in and near the Colorado River between Hoover Dam and the Mexican boundary, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. UTT:

H.R. 12630. A bill for the establishment of a Resources Planning Commission for the Lower Colorado River Basin, to study the multipurpose resources of public lands and other land and water areas in and near the Colorado River between Hoover Dam and the Mexican boundary, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H.R. 12631. A bill to reimburse the city of New York for expenditure of funds to rehabilitate slip 7 in the city of New York for use by the U.S. Army; to the Committee on the Judiciary.

By Mr. HENDERSON:

H.R. 12632. A bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 12633. A bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes; to the Committee on the Judiciary.

By Mr. KIRWAN:

H.R. 12634. A bill to authorize the Secretary of the Interior to construct a National Aquarium in the District of Columbia; to the Committee on the District of Columbia.

By Mr. KOWALSKI:

H.J. Res. 763. Joint resolution to establish a Joint Committee on Central Intelligence; to the Committee on Rules.

By Mr. CELLER:

H. Con. Res. 700. Concurrent resolution to designate the first day of May each year as Law Day in the United States of America; to the Committee on the Judiciary.

By Mr. KOWALSKI:

H. Con. Res. 701. Concurrent resolution to establish a Joint Committee on Central Intelligence; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARR:

H.R. 12635. A bill for the relief of Tio Sien Tjiong; to the Committee on the Judiciary.

By Mr. BROCK:

H.R. 12636. A bill for the relief of Dr. John Lopinto Arzaga; to the Committee on the Judiciary.

By Mr. CONTE:

H.R. 12637. A bill for the relief of Marieta Fernandes Patricio; to the Committee on the Judiciary.

By Mr. DINGELL:

H.R. 12638. A bill for the relief of Bishara Hanna Iqal; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H.R. 12639. A bill for the relief of Imre Tokodi, Piroska Tokodi and Eva Tokodi; to the Committee on the Judiciary.

By Mr. HAGEN:

H.R. 12640. A bill for the relief of Jacinto Machado Ormonde; to the Committee on the Judiciary.

By Mr. HALPERN:

H.R. 12641. A bill for the relief of Jeffrey J. Powder; to the Committee on the Judiciary.

H.R. 12642. A bill for the relief of Mrs. Eleonore Sidi; to the Committee on the Judiciary.

H.R. 12643. A bill for the relief of Miss Liu Lai Ching; to the Committee on the Judiciary.

By Mr. JONAS:

H. R. 12644. A bill for the relief of Robert H. McNeill; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 12645. A bill to provide tax relief for the annuity fund of the slate, tile, and roofing industry of New York City and the contributors thereto; to the Committee on the Judiciary.

By Mr. McDOWELL:

H.R. 12646. A bill for the relief of Vicente Rodriguez; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 12647. A bill for the relief of Joseph (Giuseppe) Frija (Frijia); to the Committee on the Judiciary.

By Mr. RABAUT:

H.R. 12648. A bill for the relief of Ryoko Shiozaki; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 12649. A bill for the relief of Anna B. Prokop; to the Committee on the Judiciary.

By Mr. SANTANGELO:

H.R. 12650. A bill for the relief of Ho Ching Chen; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 12651. A bill for the relief of Jozef Gromada; to the Committee on the Judiciary.

By Mr. YOUNGER:

H.R. 12652. A bill for the relief of Jorge Alberto De Sousa Freitas; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

492. By Mr. CUNNINGHAM: Petition of Edith McCauley Provost and other members of the Omaha Tribe, in opposition to H.R. 11782; to the Committee on Interior and Insular Affairs.

493. By Mr. DOOLEY: Resolution adopted by the New York Board of Trade, New York, N.Y., expressing its opposition to the passage by the U.S. Congress of any bills now before it which would extend medical, surgical, and hospital care to those persons now covered by the Social Security Act; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Stupidity or Madness?

EXTENSION OF REMARKS
OF
HON. LAWRENCE BROCK
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 14, 1960

Mr. BROCK. Mr. Speaker, the collapse of the recent summit meeting and the events preceding and subsequent thereto have been distressing to all of us, the Members of Congress, the executive branch, and the American public.

Time and history alone will eventually relate the circumstances, the fault, or the blame, if such can be properly characterized, for the incidents which the Soviet Union so conveniently utilized to disperse the scheduled talks dwelling upon peace in the troubled world, dispelling the cold war and lowering the Iron Curtain.

In all this history of international relations, and particularly those involving the very personages of the heads of government, has there been such abuse and vilification heaped upon the head of a sovereign people, as has occurred in the series of irresponsible, vitrolic, and extremely vulgar utterances by Premier Khrushchev of the Soviet Union.

While we, as officials of this Government, and the citizens of this great Republic have the constitutional right to our thoughts and expressions, if you will, as to the rights or wrongs leading to the summit collapse, we should meditate very seriously on the immediate tensions that have arisen out of this situation. Further, this is the time that, "we, the people," should unite and stand fast in support of our Chief Executive and our Government until these tensions subside and the vitriolic and polluted air is cleared.

We should bear in mind that right or wrong, he is our President and this is our Government. United, we stand but divided, we shall fall.

Mr. Speaker, I would call to your attention and to the attention of my colleagues in this House the purpose of an editorial published on June 6 in the Norfolk Daily News, Norfolk, Nebr., a progressive daily with an enterprising editorial staff.

The editorial, entitled "Stupidity or Madness?" is an excellent treatise on the summit and postsummit actions and utterances of one Nikita Khrushchev. It is a courageous piece of writing, one that endeavors to reflect our national thinking on the ultimate results therefrom.

May I, therefore, Mr. Speaker, and with the consent of my colleagues in the House, include these portions of a fine editorial in the CONGRESSIONAL RECORD, where it may be available for all to read and give sober reflection to the threat about us.

The article, in part, reads:

> The world, or, at least, that decent portion of it which still believes in manners and morals, was gagged by his vitriolic attack on President Eisenhower at Paris following the collapse of the summit meetings. But his freelance repeat performance in Moscow the other day was even worse.
>
> Khrushchev has been so arrogant and ill mannered against the man whose efforts for peace have given the world its great hope that he no longer can be regarded as a responsible leader of a major nation.
>
> The world hasn't seen such a disgusting display of irresponsibility since Adolf Hitler was spouting curses at all who stood in the way of his designs for world conquest.
>
> Immediate war was Hitler's aim. We cannot believe that Khrushchev really wants war. The only conclusion to be drawn is that we are watching the spectacle of a world leader roaring into the winds, cloaked in a mantle of stupidity and madness.

President Eisenhower Thanks Democratic Congressmen for Their Assurance of Support of Mutual Security Funds

EXTENSION OF REMARKS
OF
HON. JOHN BRADEMAS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 14, 1960

Mr. BRADEMAS. Mr. Speaker, today is a day of great importance to the security of the United States and the defense of the free world, for we are to begin debate on the bill providing appropriations for the mutual security program.

Mr. Speaker, I was glad to be one of a group of Democratic Members of Congress who on May 25, 1960, wrote a letter to President Eisenhower assuring him that, in spite of criticisms we felt with respect to the handling by his administration of the foreign policy of our country, we would oppose any unwise cuts in the mutual security appropriations bill.

We told the President of our pride in the support which the Democratic Party has given to the Marshall plan, the Truman doctrine, point 4 and the mutual security program. We concluded:

> We wish to reaffirm the policy of the Democratic Party in past years of resisting the encroachment of communism and stimulating the advance of democracy in the underdeveloped areas of the world.

Mr. Speaker, under unanimous consent, I include at this point the text of the letter to President Eisenhower to which I have referred:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 25, 1960.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We, the undersigned Democratic Members of Congress, are writing to you concerning the mutual security appropriations bill shortly to be considered by the House of Representatives.

We take note of the letters many of us have received from your Deputy Assistant expressing your gratification and appreciation for our support of the mutual security authorization bill. We take note as well of the action of the Vice President in urging Republican Members of the House Appropriations Committee to resist massive reductions in this program.

We have for the past 7 years been critical of the handling by your administration of the foreign policy of our country and in recent days we have been deeply distressed by the conduct of our affairs before the summit meeting. Indeed, some of us have just written to you a series of questions concerning the collapse of the summit conference.

We nonetheless believe the mutual security program an indispensable part of our foreign policy and we wish to advise you that we shall oppose any unwise cuts in the mutual security appropriations bill.

We are proud of the support which the Democratic Party has given to the Marshall plan, the Truman doctrine, point 4 and the mutual security program. We wish to reaffirm the policy of the Democratic Party in past years of resisting the encroachment of communism and stimulating the advance of democracy in the underdeveloped areas of the world.

Respectfully,

CHET HOLIFIELD, 19th District, California; CHESTER BOWLES, Second District, Connecticut; STEWART L. UDALL, Second District, Arizona; JAMES ROOSEVELT, 26th District, California; CLEMENT W. MILLER, First District, California; CHARLES O. PORTER, Fourth District, Oregon; HUGH J. ADDONIZIO, 11th District, New Jersey; MARTHA W. GRIFFITHS, 17th District, Michigan; EMANUEL CELLER, 11th District, New York; GEORGE A. KASEM, 25th District, California; CHARLES C. BIGGS, JR., 13th District, Michigan; ROBERT N. GIAIMO, Third District, Connecticut; THOMAS J. LANE, Seventh District Massachusetts; LEONARD G. WOLF, Second District, Iowa; LEE METCALF, First District, Montana; FRANK THOMPSON, JR., Fourth District, New Jersey; JOHN BRADEMAS, Third District, Indiana; EDITH GREEN, Third District, Oregon; JEFFREY COHELAN, Seventh District, California; JOSEPH KARTH, Fourth District, Minnesota; JOHN A. BLATNIK, Eighth District, Minnesota; LEONARD FARBSTEIN, 19th District, New York; HERMAN TOLL, Sixth District, Pennsylvania; RALPH J. RIVERS, At Large, Alaska; JAMES G. O'HARA, Seventh District, Michigan; JOHN R. FOLEY, Sixth District, Maryland; EUGENE J. KEOGH, Ninth District, New York; WILLIAM J. GREEN, JR., Fifth District, Pennsylvania.

Mr. Speaker, Mr. FRIEDEL, of Maryland, also asked to be associated with the letter.

Under date of May 31, 1960, I received, as the signatory of the May 25 letter on behalf of my colleagues, a letter from President Eisenhower expressing his appreciation for our assurances of support for this program.

Said President Eisenhower, "It is gratifying to me, and reassuring, that we are in full accord in respect to this activity so basic to our security and the future of freedom everywhere."

Mr. Speaker, under unanimous consent I include at this point in the RECORD

President Eisenhower's letter of May 31, 1960:

THE WHITE HOUSE,
Washington, May 31, 1960.

Hon. JOHN BRADEMAS,
House of Representatives,
Washington, D.C.

DEAR MR. BRADEMAS: I hope you will advise the cosigners of your May 25 letter of my appreciation of their assurance, and of yours, that your group will steadfastly support adequate funds for the mutual security program. Of course I am aware that we may differ on certain aspects of the Nation's affairs, but it is gratifying to me, and reassuring, that we are in full accord in respect to this activity so basic to our security and the future of freedom everywhere.

With best wishes.

Sincerely,

DWIGHT EISENHOWER.

REPUBLICAN EX-CONGRESSMAN STRONG ON WORDS, WEAK ON DEEDS

And, Mr. Speaker, if I may be permitted to make a personal reference, as I listen to some of the criticism directed at me by my Republican predecessors in Congress because I am among those Members of Congress from both sides of the aisle interested in having more facts about the U–2 incident—as I listen to some of my Republican predecessor's criticisms, I am constrained to point out that the voice of the demagog is once more heard in the land.

For the Republican ex-Congressman who seeks to cover with a blanket of silence an honest and essential discussion of foreign policy events that may deeply affect the security of our country is very strong on words but very weak on deeds in the support of freedom against the menace of communism.

REPUBLICAN EX-CONGRESSMAN VOTES AGAINST EISENHOWER PROGRAM

For, Mr. Speaker, the Republican ex-Congressman to whom I refer on May 14, 1958, voted for the mutual security authorization bill but on July 2, 1958, turned right around to vote against the mutual security appropriation bill. This Republican ex-Congressman thus cast his vote against a program which President Eisenhower has repeatedly insisted is essential to the defense of the free world against the forces of communism.

Mr. Speaker, I voted for the mutual security authorization bill and I shall vote for the mutual security appropriations bill as well. The times are too dangerous to be able to afford the doubletalk of voting for the first and against the second.

Mr. Speaker, under unanimous consent I insert at this point the text of a letter to me dated May 17, 1960, from Bryce N. Harlow, deputy assistant to the President, concerning my vote in support of the mutual security authorization bill:

THE WHITE HOUSE,
Washington, May 17, 1960.

Hon. JOHN BRADEMAS,
House of Representatives,
Washington, D.C.

DEAR MR. BRADEMAS: On Saturday last, as he completed preparations for the summit conference in Paris, President Eisenhower requested me to send to you, in his behalf, this note of gratification and appreciation for your support of the mutual security authorization bill. He stressed once again his profound conviction that this program is indispensable to our own and free world defense against Communist imperialism, and indispensable also in encouraging struggling millions in less fortunate nations in their effort to live their lives in freedom. It is a program requiring, he said, unreserved support by all of our informed citizens and officials, and he feels it would be the height of folly to allow isolated administrative shortcomings and disappointments, or local considerations, political or otherwise, to tempt anyone to jettison or cripple the entire undertaking.

Especially the President voiced this hope, and asked that it be communicated to you in his behalf: that your responsible act of support for the mutual security authorization be matched by a determined resistance to any effort to effect massive reductions in the mutual security appropriations soon to be considered by the House. Massive reductions, he pointed out, can be accomplished only by undermining our own security, free world security, and the cause of human freedom everywhere in the world.

The President asked me to explain that he would have advised you himself of these views had his time permitted before leaving for Paris.

With best wishes.

Sincerely,

BRYCE N. HARLOW,
Deputy Assistant to the President.

Mr. Speaker, I hope very much that we Democrats will support adequate funds for the mutual security program. It is in the interest of our country and of the cause of human freedom that we do so.

"Genocide Day" for Baltic Peoples

EXTENSION OF REMARKS
OF
HON. EDWARD J. DERWINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 14, 1960

Mr. DERWINSKI. Mr. Speaker, the understanding of current world problems is facilitated by placing them in a historical sequence since the events of the past, when duly documented, are a great aid to us in the consideration of current problems and plans for the future.

Today, June 14, sadly and with a sense of frustration, we make note of what is historically described as Genocide Day. In June 1941 the forces of the Soviet Union conducted mass deportations of Latvians, Lithuanians, and Estonians to central Russia from which area very few ever returned to their homeland. The purpose of these deportations was to complete the consolidation of control of the Communists over these previously independent Baltic peoples. Each of the three Baltic States, Estonia, Latvia, and Lithuania, had a long history of nationalistic opposition to Russian control, inspired, in a great part, by the religious structures of the countries which provided the people additional strength and the will to resist. In the previous period from 1918 to 1940, they made remarkable strides in developing as free nations.

Mr. Speaker, we, in these days of renewed international tensions should reiterate our solemn promise to these brave peoples that the conduct of our foreign policy pledges us to work so that they may eventually regain their freedom from the present oppressive Communist slave regime.

Million Filipinos Greet President Eisenhower

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 14, 1960

Mr. FLOOD. Mr. Speaker, relevant to the visit of the President to the Far East including the Philippines, there appeared a leading editorial in the Journal of Commerce of New York in its issue of Tuesday, June 7, 1960. Under leave to extend my remarks in the RECORD, I include herewith this timely editorial:

A PARTICULAR IMPORTANCE

In a letter to Senator WALLACE BENNETT, Republican, of Utah, last week, President Eisenhower said he attaches "particular interest" to congressional enactment of a 4-year extension to the Sugar Act together with flexible authority for the President to change U.S. quotas for foreign producers.

We should think he would attach particular importance to it. We should think Congress would, too, including the House Agriculture Committee, which just voted a simple 1-year extension of the act, and the Rules Committee, which is now considering what priority, if any, the subject should be given on the floor.

For as matters stand today, what the Agriculture Committee has done has been to vote a handsome dividend for Mr. Fidel Castro, that well-known exponent of the democratic way of life in Cuba, while threatening to deprive the President of something that could prove very valuable to him and to American foreign policy generally in the course of his forthcoming visit to the Philippines and the Far East.

As the law stands today, and as it would stand until the end of 1961 under the 1-year extension of the Sugar Act approved by the Agriculture Committee, whenever any domestic sugar-producing area cannot fill its assigned quota, the Secretary of Agriculture must award a substantial proportion of the shortfall to Cuba.

And right now it looks as though Puerto Rican output will fall short of its quota by 300,000 tons and the Hawaiian crop by 200,000 tons.

So the prospect is that unless Congress as a whole overturns this ill-advised move on the part of the House Agriculture Committee, Dr. Castro's regime will automatically get a bonus of 160,000 tons as a reward for his confiscatory attacks on American business and for his incessant vilification of the United States and its institutions. This assumes, of course, that Cuba could actually supply that much, which is very doubtful.

As we previously remarked in discussing this subject, if anyone has ever demonstrated the need for an extensive overhaul of U.S. legislation on sugar quotas, it is Dr. Castro. It is ridiculous that U.S. controls should be so rigidly fixed that they cannot be adapted to changing circumstances in general, and to deal with as consistently bad an actor as Castro in particular.

But the shortcomings in the present Sugar Act were evident long before the present Cuban regime shot its way into power.

President Eisenhower himself called attention to some of these when in signing the present act 4 years ago, he said explicitly that in any further extensions of the act, provision ought to be made to permit the Philippines to enjoy the same proportionate share of increasing American consumption as is enjoyed by other countries.

Not only is the present system too rigid, but its rigidity is fixed in such a way that it discriminates painfully against a country whose steady friendship and cooperation is of the utmost importance to the United States.

It would be one thing to be caught in a situation in which a rigid system of controls permitted no change to be made for a period of years, as might be the case if, say, the Sugar Act had 2 or 3 years to run.

But it is quite another to find the way open to such a change, and then fail to make it. The way is now open, for the 1956 Sugar Act (which was of 4 years' duration) expires at the end of this year, so Congress must deal with it in one way or another during 1960 or the whole quota system will collapse.

But here we face a peculiar situation. Congress has ordered the administration to stop all foreign aid to Cuba—an action we thought and still think unwise because we believe the administration should have more discretion in such matters. Now, the House Agriculture Committee, and some other legislative circles, seem bent on refusing the President the discretionary powers he needs to cut down on the quota bonuses that would automatically go to Cuba under the existing law. Moreover, he is still frustrated in his efforts to achieve a better break for the Philippines, which certainly deserve one.

It certainly doesn't make sense, unless it is expressed in terms of a conviction that Congress is better-equipped than the President to handle the day-to-day twists in our foreign relations, economic as well as political, a conviction from which we heartily dissent.

We very much hope that more responsible quarters in the Senate and House will grasp that "particular importance" of passing a sensible 4-year sugar bill, and of doing so before the President sets off for the Philippines.

On Sunday, June 12, the New York Times carried two articles datelined Havana entitled "Reds Stepping Up Missions to Cuba" and "American Hotels Seized in Havana."

How much more of the Castro regime can the American people stand?

On the other hand, we were told a few days ago by Secretary of State Herter who spoke before the SEATO Council, that further Communist activity in the Far East is likely as an aftermath of the failure of talks at the summit. We have our firm friend and ally, the Republic of the Philippines, with 600 million Chinese Reds breathing down the back of her neck. It is time, Mr. Speaker, that we had a reevaluation of the world situation with respect to the United States and the millions of our friends in the Far East, especially the Republic of the Philippines.

Philippine-American relations have rather been subjected to a rough beating. Long unresolved problems between the two countries have generated irritants which in turn have developed into big thorns in the side of Philippine-United States friendship. Most of these irritants are caused by misunderstandings. President Eisenhower can do much to dispel these misunderstandings.

As a matter of fact, in the statement made by President Eisenhower as his reasons for the trip he stated and I quote:

I am going to these countries: Because with the Republic of the Philippines we have the closest ties of association beginning six decades ago, and because it was in the Philippines many years ago that we launched our first major program to help a developing people achieve a prosperous independence.

PHILIPPINE SUGAR

Every American is aware of the sacrifices of our friend and ally, the Republic of the Philippines made during World War II. The sacrifices of the Philippine sugar industry because of its experience during World War II is even more pronounced when you consider that sugar lands and processing factories were devastated and destroyed. Recovery and rehabilitation were slow because of the shortage of machinery and the lack of cane seeds, work animals, and agricultural implements. It actually consumed more than the proverbial 7 lean years by Philippine sugar producers to attain their prewar position. In the period from 1941–53, the Philippines shipped to the United States only 4,433,501 short tons out of what would have been their share of 12,376,000 short tons. Other foreign sources, principally Cuba, supplied the difference of almost 8 million tons lost by the Philippine sugar interests through no fault of their own. The facility with which U.S. sugar users were able to obtain the sugar supply curtailed by the war in the Fart East is commendable and has been recognized and rewarded. The Philippine sugar industry by the same token should not be deprived of its opportunity to come back to some extent through sharing with other foreign suppliers the increased demand in U.S. sugar consumption.

During 8 years after the liberation of the Philippines, sugar lost its preeminent position as a Philippine export product and ranked second to copra in importance. Today, however, the sugar industry is again on its prewar productive capacity and from now on will provide the country with a source of dollar income of $100 million annually. Moreover, the industry is a major source of revenue to the Philippine Government. According to recent estimates 25 percent of its total receipts is derived from the sugar industry.

Among all foreign suppliers no other country occupies the position of the Republic of the Philippines in its relationship with the United States and no fair analogy might be drawn between United States-Philippine relations and other international connections and loyalties. For more than 50 years the Philippines to all intents and purposes were a part of the United States and the continuing interest of the Government and citizens of the United States in promoting the welfare of the relatively new Government of the Philippines has been manifested in many generous gestures. To detach sugar legislation from a broad program of diplomatic, legislative, political, economic and social collaboration and cooperation, and to adopt standards based on such considerations as the payment of duties, the assistance to other countries in exploitation of agricultural resources or in other respects on an arms length basis affords an anomaly in U.S. official and unofficial conduct.

At this point it may be well again to clarify what seems to be an impression, mistaken though it is, that the fixed Philippine quota of 980,000 tons annually cannot be increased due to the provisions of the Sugar Act and the trade agreement in force between our country and the Philippines. Article II of the Philippine Trade Agreement Revision Act of 1955 specifically provides:

The establishment herein of the limitation on the amounts of Philippine raw and refined sugar that may be entered, or withdrawn from warehouse, in the United States for consumption, shall be without prejudice to any increases which the Congress of the United States might allocate to the Philippines in the future.

There are many other strong economic and political reasons for including in any revisions which this Congress makes of the Sugar Act for the period commencing January 1, 1961, an increase in the Philippine quota commensurate with other foreign suppliers to meet the annual increased sugar needs of the United States. I shall not elaborate upon them, but point again only to the moral obligation which we have to act in this manner in fulfillment of the promise of the President of the United States reflected in the editorial which I have quoted to the effect that at this very time we would allow the Philippines to share in increased consumption.

Address by James C. Oliver Before the Ahepa Tristate Convention

EXTENSION OF REMARKS
OF
HON. JAMES A. BURKE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 14, 1960

Mr. BURKE of Massachusetts. Mr. Speaker, on Sunday, June 12, 1960, at the Ahepa Tristate Convention, Portland, Maine, our distinguished colleague, the gentleman from Maine [Mr. OLIVER], made a noteworthy address which I feel could give inspiration to all of us and which I deem a pleasure to include in this RECORD. The address follows:

Mr. Chairman, it is with a deep sense of humility that I speak here today before you, a distinguished assembly of American citizens of Greek-American extraction.

Yet, it is most appropriate that I, as an elected public official, holding office through the indulgence of a free electorate in one of the greatest, if not the greatest, of all assemblies of free men, the U.S. House of Representatives, should take advantage of this great privilege which you have accorded me to address you, the dedicated members of Ahepa.

For, as your freely elected Representative, here in this meeting assembled today, I take this opportunity to speak to you of liberty and freedom, as fought for and practiced by the ancestors of all of us. I, also, must avail

myself of this opportunity to warn you that the threat of loss of freedom hangs heavily over us and, in fact, over the entire world.

Today we face a common foe, not only in Greece and in America but in every section of the world, more ruthless, more cunning, more determined, more barbarously willing and eager to enslave mankind than were the Huns, the Slavs, the Persians, and all the other power-drunk conquerors of the ages.

The Soviets and the Red Chinese, ladies and gentlemen, have never changed their spots. These despoilers of freedom are dedicated to the conquest of peace-loving and freedom-worshipping peoples of the Western World. Their boast that they will bury us is no idle talk. This is no game which they are playing for mere marbles of gain. They are playing in deadly earnest and for keeps. We are fat, we are complacent, we are unwilling to listen to the hard facts and the harsh realities of the world in which we live today.

Your family ancestors in Greece for centuries faced up to the facts of life, as for example at Thermopylae and Salamis. A small and battered slab of marble discovered about a year ago in Troizen, just south of Athens, tells, through its inscription, of the battle orders issued by Themistocles when the Persians were on the march from Sardes, the seat of their government.

This slab and its inscription of fighting words has been described by its discoverer as the Athenian equivalent of our Declaration of Independence.

In truth, this battle order cut in marble backgrounds the crucial victory of the Greeks that followed at Salamis over the greatest empire of that period of history. It gave your ancestors command of the sea. It restored their freedom to pursue their ideals of liberty and made possible their golden age for which mankind has ever since gained the political and cultural inspiration which will never be extinguished.

So, my friends, we know from the past that we must fight for freedom and the heritage of liberty which, in fact, have been passed to us in this generation on a silver platter and which we are destined to lose if we fail to wake up to the threatening clouds which are becoming ever blacker, almost daily.

Then, again, as we refer in rather inadequate words to another episode in the glorious history of your great fatherland, we are once more inspired by the bravery and the indomitable courage of the Greek people and its leadership of the past.

It was 139 years ago when Archbishop Germanos of Patras raised the standard of revolt in his monastery at Kalavryta against the Turks on March 25, and his people joined him in this national struggle against their oppressors, his daring act ushered in a new day for the Greek people. That courageous deed by a stouthearted dignitary of the Greek Church marked a sharp break from the events of preceding centuries when Greeks were subjected successively to the Romans, the Frankish kings and the Turks. That day became the independence day of the Greeks.

We in this country have always held the Greeks in exceptionally high esteem. We have always had great sympathy for them, and have done our utmost to help them whenever we could. In their fight for freedom and independence against the tyranny of the Turks, and especially in their desperate struggle to maintain their independence against fascism, nazism, communism, and all forms of totalitarianism, they have counted upon our sympathy and on our aid. We are proud to say that fortunately we have been in a position to help them and have not disappointed them. And this has been true in the past as it is at present.

In the early days of the Greek war of independence a number of philhellenic groups were formed in this country for the purpose of raising funds and thus extending material aid to the fighting Greeks. A wave of philhellenic enthusiasm swept over America. President Monroe himself was not immune to the contagion of this philhellenism. This is clearly shown in his annual message on December 3, 1822, when he gave some reasons for our interest in the Greek cause. "The mention of Greece," he said, "fills the mind with the most exalted sentiments and arouses in our bosoms the best feelings of which our nature is susceptible. Superior skill and refinement in the arts, heroic gallantry in action, disinterested patriotism, enthusiastic zeal and devotion in favor of public and personal liberty are associated with our recollections of ancient Greece. That such a country should have been overwhelmed and so long hidden, as it were, from the world under a gloomy despotism has been a cause of unceasing and deep regret for ages past. It was natural, therefore, that the reappearance of those people in their original character, contending in favor of their liberties, should produce that great excitement and sympathy in their favor which have been so signally displayed throughout the United States. A strong hope is entertained that these people will recover their independence and resume their equal station among the nations of the earth."

This was an eloquent and welcome explanation. As the elected head of the government of this country, he expressed the feeling of our people. No less eloquent was Daniel Webster, perhaps the most illustrious statesman-orator of his day, when he characterized the Greek War of Independence as part of a greater struggle between the absolute and the regulated governments. He stated that America could not and should not hold aloof from world affairs, and it was time for the people and the Government of this country to take a stand. "As one of the free states among the nations," he declared, "as a great and rapidly rising republic, it would be impossible for us, if we were not disposed, to prevent our principles, our sentiments, and our example from producing some effect upon the opinions and hopes of society throughout the civilized world." "Our side of this question," he added, referring to the Greek War of Independence, "is settled for us, even without our own volition. Our history, our situation, our character, necessarily decide our position and our course before we have even time to ask whether we have an option. Our place is on the side of free institutions."

There are many fine thoughts and noble ideals in these few sentences of that inimitable orator-statesman, but the core is found in the last sentence, for it reflects the full and free American spirit; our place is, and has always been, on the side of free institutions, erected and kept erect by free men. And the Greeks were among the forerunners of free men who founded free institutions and fought for their preservation.

Nor has our expression of sympathy and our show of kinship of ideas with the Greeks been limited to mere words and declarations. It is well known that whenever Greeks have been in trouble, in need of material aid, we have been generous in helping them. This has been particularly true at the end of the First World War, and, of course, more so during and since the end of the last war. Early in the course of that war, when Greece was overrun by the Axis forces, our wartime President, the late Franklin Roosevelt, declared confidently that Greece would be liberated and rewarded for her heroic fight on the side of democracies against the forces of barbarism and darkness. He certainly echoed the true and genuine sentiment of the people of this country when he said: "I am glad to have the opportunity to reassure my friends of Greek origin and Greek birth everywhere that it is the desire of the American Government to help Greece to the utmost of its capabilities."

Our postwar role in Greek affairs, our aid to Greece, both financially and militarily, is rather widely known and I need not dwell upon them in detail. As soon as circumstances permitted, toward the end of the last war, we were more generous in aiding Greece than at any time in our history. In March 1947 when we were asked by the hard-pressed Greek Government for urgent emergency and military assistance, we felt that it was our duty to comply with this request. The then President Truman felt that it was our solemn responsibility to give all we could to save Greece from the tightening clutches of communism. In his message to Congress on March 12, the President declared: "I do not believe that the American people and the Congress wish to turn a deaf ear to the appeal of the Greek Government."

Here again the President was echoing the sincere wishes of our people. We could not turn a deaf ear to the appeal of the Greek Government, even though we had already expended more than $500 million in the form of supplies, lend-lease aid, and under the United Nations Relief and Rehabilitation Administration. Fortunately, we had some more expendable dollars, and we did not seem to mind to add close to $3 billion worth of aid to the Greeks. Yes, the Greeks have deserved well of us. I am indeed glad to say that we were able and willing thus to pay at least a part of our intellectual debt which we all feel humanity owes to Greece and to the Greek genius.

In their enthusiasm for creative things of lasting value, the attainments and accomplishments of the Greeks remain unsurpassed and unequaled. In their fervent enthusiasm for liberty and democracy, they have struggled against great odds, have fought bravely and have guarded their democratic institutions tenaciously. For almost 2,000 years, from 146 B.C. to A.D. 1821, Greece was ruled by the Romans, the Frankish kings, and by the Ottoman Turks. From the Battle of Corinth in 146 B.C. when Greece was overrun by Roman legions to the Battle of Navarino in 1827 when the tyranny of the Ottoman Turks was finally brought to an end in Greece, Greeks lived under alien rule, but during those centuries their spirit of freedom was not extinguished; their dauntless will to fight never deserted them. And the best proof of that was the long, often despairing, and almost endless fight which they carried on for 8 years before they could attain their freedom and independence.

While we are discussing the Greek heritage to the civilization of the free world it would be most remiss of me to neglect a brief reference to the tragedy of Cyprus where the Greek majority have been frustrated for too long in their legitimate fight for this preponderantly Greek area. The gallant struggle, symbolized by the dedicated efforts of that great patriot, Archbishop Markariys, will eventually succeed and the ends of justice will be served. Of this, I feel certain.

Today, my friends of Ahepa, these memorable events of history inspire us to defend our freedom and liberty, eternally, against the impending and potential dangers of totalitarian tyrants.

I should speak, if time permitted, of the great contributions which have been made to America by those in your families who came to our shores and now comprise in every center of population in the United States the core of God-loving, law-abiding, public spirited citizenry, which has helped to make and will continue to help to keep America great.

I would speak, my friends, if time permitted of the cultural contributions which America has gained from the illustrious his-

tory of Greece and its people down through the centuries. For these America is profoundly grateful.

But the greatest contribution of all is the philosophy of the dignity of man and of the freedom of the individual. It is for these that freedom loving people all over the world must be the most grateful. It is for these priceless values that we must prepare to fight when threatened. It is for this heritage which our forefathers died to preserve that we will fight to defend against any and every enemy of human self-respect wherever and whenever he shows his ugly head and his rocket rattling belligerency.

In closing, ladies and gentlemen, my friends of Ahepa, may that day never come again when we shall be compelled to fight in defense of these greatest of all assets of mankind, freedom and liberty, but, if, God forbid, it does come then in the philosophy of the song of the Greek heroes of the ages, we shall find this to be our one and only reply:

I may have a rock for my pillow
And only the snow for my cover
But I will never serve as a slave!
Dig a grave for me
Large and deep,
That I may stand with my gun—
Ready to fight.

The Baltic Peoples and Their Tragic Fate in 1940

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 14, 1960

Mr. MULTER. Mr. Speaker, the modern history of the Estonians, Latvians, and Lithuanians has been fraught with much tragedy relieved by occasional triumph. Centuries before World War I they had lost their independence and lived under foreign regimes.

The end of that war ushered in a new era for these peoples. All three regained and proclaimed their independence in 1919, established their own democratic governments. These governments were duly recognized by other countries and they became members of the world community of nations.

During the period of freedom which they enjoyed during the interwar years, they rebuilt their war-ravaged countries, and were perfectly content with their lot. Unfortunately, however, in the larger world of international politics and diplomacy they were not masters of their fate.

With the rise of totalitarian governments both in Germany and in Russia the Baltic peoples found themselves in a very precarious position. They succeeded in maintaining their independence until the outbreak of the last war, and then brute Soviet force became the arbiter of their fate.

As the friends of these peoples in the West became involved in the war, the Soviet Union felt free to deal with the Baltic peoples as its dictator wished—to occupy and annex these countries and enslave their inhabitants. This was done not only in a high-handed manner but by resorting to barbaric methods.

By early June 1940 these countries were occupied by the Red army and at about the middle of the month the Soviet authorities in these countries rounded up all those suspected of opposing communism, numbering hundreds of thousands, and exiled them to the distant corners of the Soviet Union. From that day to this, 20 years after that tragic event, we still do not exactly know the fate of these helpless and unfortunate people who were arrested, herded into freight cars and destined to incarceration, servitude, and even death in desolate parts of the Soviet Union.

Today it is possible that some of these people, who survived the terrible years in exile, have returned to their homeland, but it is more probable that most of them have died in exile and misery, far away from their beloved homeland.

In observing the 20th anniversary of that tragic event, the Soviet deportations of men, women, and children by the hundreds of thousands in 1940 from the Baltic States, we pray for the souls of these brave but helpless people.

Sound Debt Management

EXTENSION OF REMARKS
OF
HON. JACK WESTLAND
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 14, 1960

Mr. WESTLAND. Mr. Speaker, last week the gentleman from Texas [Mr. PATMAN] took note of the recent Treasury offering to exchange up to $5½ billion of new 4-year notes and 8-year bonds for outstanding securities maturing on November 15, 1961. The gentleman views this offering as a giveaway, inasmuch as the existing bonds are earning interest at 2½ percent, whereas the new notes and bonds will earn rates of 3¾ percent and 3⅞ percent, respectively.

The gentleman's predilection for perpetually low interest rates, which could only lead to disastrous inflation, are well known to us, and need not be repeated at this time. It is important that the record be set straight, however, and that the current Treasury operation be judged for exactly what it is—a sound and imaginative debt management transaction that will ease the task of the next administration and benefit the American people.

The facts are these. On November 15, 1961, $11.2 billion of 2½-percent bonds come due, of which almost $11 billion are held by public investors. This huge amount is the largest publicly held maturity now outstanding. The easiest course for Secretary of the Treasury Anderson to take would be to do nothing, but simply ignore the problem that will confront the Treasury in November 1961.

If the size of this maturity is not in some way reduced, the pressure on the Government securities market in November 1961 could be almost unbearable. As anyone even vaguely familiar with the market mechanism knows, $11 billion of securities is simply too much to refinance efficiently at one time. Any attempt to do so would shoot interest rates upward and could greatly disrupt the market. This could do serious damage to the cause of sound Government finance. It would not be responsible for Secretary Anderson to ignore this problem.

The gentleman from Texas implies that it is foolish to offer securities with higher interest rates for outstanding bonds with lower rates. He attempts to compare the situation with an individual who might voluntarily refinance a home mortgage or an automobile loan at a higher rate. But I am sure that all of us would agree that such an action, rather than being improvident, would be quite appropriate if the individual were confronted, as is the Treasury, with a huge amount of debt coming due all at once. Such an individual would be wise to arrange for refinancing some of the debt well in advance, even if he had to pay a little more in interest to do so. Moreover, there is no assurance at all that the Treasury will be paying more interest for this necessary debt extension than if it waited until November 1961 to meet the problem. In fact, the necessary rate of interest to refinance $11 billion of securities at one time could be very high indeed.

There is another important reason for the Treasury offering. The refusal of the Congress to remove the 4½-percent interest rate ceiling has forced the Treasury to sit by while the outstanding marketable debt has grown shorter and shorter in maturity. Today, almost 80 percent matures within 5 years. This progressive shortening of the debt cannot be viewed with complacency; it is highly dangerous. It forces the Treasury to come into the market more frequently and for larger amounts, and it complicates the problems of avoiding inflation, because the shorter a security gets, the more like money it is.

Thus, the current offering is a sensible and well-designed attempt to stretch out some of this ever-shortening debt. The Treasury is offering a coupon rate of 3⅞ percent on the new 8-year bond. It is willing, as stated many times, to sell a reasonable amount of such bonds, and would have done so in the past year, but the 4½-percent ceiling has prevented such action.

The record should also be set straight on the net interest cost of this operation. The gentleman from Texas maintains that the extra interest payable between June 23, 1960, and November 15, 1961, to those holders who elect to exchange will come to $130 million on the whole $5.5 billion. The gentleman's arithmetic confuses me, because I come up with an additional cost, for that period alone, of about $99 million. But this is not the significant figure, if we agree, as we should, that some debt extension at this time is imperative, lest our huge public debt grows ever shorter in maturity. The true net cost, then, must be judged in terms of what it would cost the Treasury today to obtain the debt extension beyond November 1961

represented by the new 4-year notes and 8-year bonds. Assuming market conditions in November 1961 are as they are today, such securities would have to carry interest rates no less than 4½ percent and 4⅛ percent, respectively. On this basis, the net cost to the Treasury of achieving this valuable debt extension is less than $25 million, a modest amount indeed in view of the good that will be achieved.

Finally, note should be made of the reference of the gentleman from Texas to this offering as a "big giveaway." If such were the case, we would expect current holders of the 2½-percent bonds to be clamoring to exchange for the new securities. But the New York Times noted the other morning—June 9—that, as the books opened yesterday, "dealers in Government securities continued to sense that the Treasury invitation would meet largely with indifference." This is hardly a picture of a gigantic giveaway.

Mr. Speaker, the man who occupies the position of Secretary of the Treasury in November 1961, regardless of party, will owe a large debt of gratitude to Secretary of the Treasury Anderson for his courage and imagination in making this current offering. Rather than criticizing this action, the Members of this body should rise up with a resounding vote of thanks.

Captive Nations Week

EXTENSION OF REMARKS
OF
HON. EDWARD J. DERWINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 14, 1960

Mr. DERWINSKI. Mr. Speaker, due to the insistence on the part of the Democratic Party leaders to ignore the taxpayers and suspend congressional work for purpose of their preconvention activity, I would call the attention of the Members to a very important commemorative occasion which deserves our complete attention and support.

I hope that we can all put aside partisan feelings and cooperate in the observance of Captive Nations Week, July 17–23, to display to the world the concern of individual U.S. Congressmen for lack of freedom that exists in these unfortunate countries now engulfed behind the Iron Curtain.

I need not remind you of the tragic consequences of the Yalta and Potsdam agreements that drove these people into political slavery. Groups of dedicated American citizens who are concerned with the plight of people in Rumania, Hungary, Bulgaria, Czechoslovakia, Poland, Lithuania, Latvia, Estonia, Yugoslavia, East Germany, Ukraine, and other segments of the Russian Empire will be using that week to remind all Americans of the desire to maintain interest in these Iron Curtain countries and work effectively toward their eventual freedom.

Since freedom is such a precious thing, we who often take its blessings for granted could learn much observing and understanding the suffering of those who have lost their freedom to the ruthless atheistic Communist regimes.

Captive Nations Week must be remembered by all of us. I appeal to you to give it your attention in the period between the national conventions.

Massachusetts 1960 Convention of Veterans of World War I

EXTENSION OF REMARKS
OF
HON. THOMAS J. LANE
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 14, 1960

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include part of my remarks as guest speaker at the department of Massachusetts 1960 convention held on June 11, 1960, at Springfield, Mass.:

Greetings, the Veterans of World War I, of the U.S.A., is less than 2 years old.

Even though the average age of our membership is in the sixties, we believe that our greatest period of growth is just ahead of us. In fact, there will be a few of our comrades left to remind the Nation of our service, and to our ideals, in the year 2000.

To those who say that our organization exists for one purpose only, I say that during the next 10 to 20 years we shall develop a fullbodied program to strengthen our national heritage, and to protect our freedom.

In line with this, we have taken steps toward the creation of a memorial to the veterans of World War I.

It is likely that it will be built in the vicinity of Washington, D.C., near the site of a famous Civil War battlefield. Its proximity to Arlington National Cemetery and other heroic shrines will emphasize the courage which unites all who have fought in defense of our liberties, through the generations.

This is a good beginning.

World War I had its special goals, that gave a new vision to our national purpose.

Under the farseeing leadership of President Wilson, we were in step with the future. Although the cause for which we fought and bled was betrayed by politics at home, and by conspiracies abroad, we know that we did not sacrifice in vain. The enemy of 1917–18 is the friend of today—and one of the allied powers of those days, seized by the new tyranny of communism—has become the oppressor that would conquer the world.

In this age of swift communications, and of missiles that leap across the oceans, the need becomes more imperative for a world organization to eliminate warfare. And when that time comes, the world can look back to Woodrow Wilson and to the men who fought to make the world safe for freedom.

Before we achieve that goal we shall have to overcome many dangers, and to learn new techniques for turning back the Communist challenge to our survival.

Around the clock, communism is waging war against us with economic and political, and psychological weapons.

And because of this invisible but unrelating strategy, many of our people find it hard to comprehend that we are presently engaged in a war where we could suffer defeat and slavery without a shot being fired.

The zigs and zags of Communist policy are directed against the minds of the free world in order to confuse, disarm, and demoralize us for the Communist takeover.

We were shocked and dismayed when Khrushchev sabotaged the summit conference and insulted the President of the United States.

But we should have been prepared for any eventuality, including that one, and should have been ready with measures to counteract it.

Our great weakness is the belief that the Communists will respond to reason, when we should know by this time that they will exploit every sign of weakness or indecision on our part.

In the field of psychological warfare we sometimes help them without realizing it.

When Khrushchev wrecked the summit conference it was news—sensational news—but we did not have to play it up to the extent that we did. I noticed on one day that a highly respectable New York newspaper carried six separate stories on its front page, each one of them containing the name of Khrushchev in its headlines. This overemphasis gave to the Communist dictator the recognition and the prestige that he does not deserve. In other words, he scored a propaganda victory, and this newspaper helped him to exploit it—by featuring him in six front-page stories.

This is but one example of how the Communists play upon your gullibility, and use us to further their own ends.

For several years I have been disturbed by our preoccupation with the defense. This is a negative frame of mind, that gives every advantage to the Communists. It betrays fear of initiative, and fear of mounting the counteroffensive to win the minds of men.

The Communists spend on brainwashing, $2 a year for every person in the free world, while we spend only 2 cents for each person within the Communist orbit in an effort to reach them with the truth.

To expose the lies of Communist propaganda which so often hypnotize innocent people and then to advance the missionary work of freedom, we must enlarge and intensify our program not only to help the underdeveloped countries, but to nourish and strengthen the underdeveloped minds, in the West as well as in the East.

Remember how the Communists promoted the so-called Stockholm peace petition a few years ago and induced millions of well-meaning people in the free world to sign it? Under the cloak of the word "peace" which appeals to most of humanity, they sought to lull the free world into a sense of false security. Fortunately, more realistic minds saw through this clever maneuver, and were not fooled by it.

Although myself and a few other Congressmen vigorously protested against the invitation of the White House to have Khrushchev visit the United States, we opened the doors of our hospitality to him.

Many Americans deluded themselves with the hope that he would be impressed and softened by the evidence of our material prosperity. But in one of his tantrums at Los Angeles he threatened to "bury us," if we failed to appease him by concessions that would mean surrender on the installment plan.

Soviet diplomacy is not diplomacy in the accepted meaning of that term. It is a principal weapon among the many used by Soviet propaganda. "Every form of exchange between Communist and other countries, whether diplomatic, cultural, commercial or technical, is conceived and worked out with propaganda in mind." According to Suzanne Labin who wrote "The Unrelenting War," a study of the strategy and techniques of Communist propaganda and infiltration.

"All members of Soviet missions abroad are trained primarily to charm and hoodwink high political or financial circles in the countries they are to undermine."

J. Edgar Hoover, Director of the FBI, aptly described the Communists as "masters of deceit."

But, in spite of these warnings, too many Americans are apathetic toward the danger.

The Congress is forcing the administration to strengthen our retaliatory power in order to discourage and prevent a massive surprise attack upon the free world.

But this is not enough.

Our one, dangerous, unprotected front is psychological, political.

On the battlefield of "the war of minds" it is folly to sit back and wait. We must advance toward definite goals and with firm purpose.

Earlier in my remarks, I mentioned the need of a well-rounded and positive program for the Veterans of World War I, of the U.S.A.

As we are the older veterans, we must assume the responsibility of leadership in order to make our country strong and to keep it vigilant.

But we also have needs of our own, and those needs have been neglected by the Federal Government. Our self-respect requires that we battle to overcome the benefits deficit that has discriminated against the veterans of 1917–18.

We shall attain equality with our fellow veterans of other wars only when we finally succeed in winning a service pension for all honorably discharged veterans of World War I.

The Trail of Hoover's Life an American Heritage—Speech at the Dedication of the Hoover Boy Scout Trail at West Branch, Iowa, Saturday, June 11, 1960, by Congressman Fred Schwengel

EXTENSION OF REMARKS

OF

HON. FRED SCHWENGEL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 14, 1960

Mr. SCHWENGEL. Mr. Speaker, on Saturday, June 11, I was privileged to be the principal speaker at the dedication of the Hoover Trail for the Boy Scouts of Iowa at Herbert Hoover's birthplace in West Branch, Iowa.

On this occasion it was only fitting that I pay tribute to the wonderful force for good which President Hoover has been, not only in the Boy Scout program, but in the lives of all Americans.

It is my feeling that Herbert Hoover is one of the greatest living Americans and the attributes which have marked his distinguished career provide guidelines for all of us in becoming better citizens and in dedicating ourselves in serving our fellow man.

With that thought in mind, I would like to bring my address to the attention of my colleagues and under leave to extend my remarks, ask that the speech appear in the CONGRESSIONAL RECORD.

THE TRAIL OF HOOVER'S LIFE, AN AMERICAN HERITAGE

(Speech at the dedication of the Hoover Trail, June 11, 1960, by the Honorable FRED SCHWENGEL)

This dedication of this Hoover Trail is a historic, meaningful event in the life of this Nation and it will prove to be a picturesque feature of your Boy Scout program.

The appeal of Iowa's countryside is strong, but the citizenship values that we can get from appropriate thoughts during this dedication can likewise be very important.

The combination of the life of Herbert Hoover, the Scout program, and the Iowa woodlands and countryside is a rare and beautiful combination that should give to us a special message of confidence in and hope for the future of America.

It is my desire that we may receive from this dedication a little of what the surroundings of West Branch gave to Herbert Hoover as a boy, and in turn what Herbert Hoover has given to America and the world. He has already testified to the early influence of this community on his life.

I invite you to explore with me for a few moments the trail that President Hoover took through life—a trail that began in this peaceful and charming community.

For centuries before the advent of Herbert Hoover, his ancestors had been Quaker pioneers. The American part of their story started in 1725—half a century before the Boston Tea Party. America was still the red man's country White settlements, except for the outposts of fur traders and explorers, were scattered only along the Atlantic coast. Trails were important then—not only as routes to adventure, but as the routes of travel—there were no roads as we know them today.

It was in 1725, according to family tradition, that three small boys landed in Boston from a sailing vessel just in from England. Their father and mother had died during the hard 3-month voyage, and they were taken into religious, kindly, stern New England homes. Papers in their baggage showed their name to be Minthorn and the oldest of the three, William, was Herbert Hoover's great-great-great grandfather—his first ancestor to live in America.

Many trails were followed by the Minthorns and the Hoovers from the eastern seaboard into Maryland, Virginia, North Carolina, Ohio, and eventually across the Mississippi to a spot they decided to call home. The little community in Iowa named West Branch grew quickly. It was not long before there appeared a Quaker meeting house, frame homes, stores, and a blacksmith shop. These were in the midst of some of the most fertile land in America.

West Branch and surrounding settlements never became a metropolis but it did grow into a pleasant, prosperous town and the good Quakers carried their faith into their relations with one another. They did not consider written agreements necessary to bind any business deed—an oral promise was all that was asked. And as the boy Herbert Hoover grew to manhood, his world held high the Quaker tradition of honesty.

The ability to stand and walk erect is the most distinguishing characteristic of man. The best books of travel have been largely views afoot. One gets only passing views and superficial knowledge from automobiles, planes, and trains. There is no other way to acquire a true love of nature or an intimate acquaintance with birds and flowers and rocks and trees. Trails are a necessary laboratory to the study of botany and biology.

The trail also has an intimate social side. It tends to develop comradeship and intimacy. One can walk 10 miles on a trail with less fatigue than would grow out of a 5-mile hike on the concrete.

The boyhood of Herbert Hoover in the atmosphere of West Branch of that time taught him to follow the trail, to stand erect, to dig deeply for the knowledge that lies alongside the path, to hold with high regard comradeship and respect for the dignity of his fellow man, and to let the trail yield beneath his feet as a source of relaxation and introspection.

A great deal of America has been lost to view. It is behind our fences, over our hills, down our old tangled trails. The broadening aspects of exploring, as the Scout well knows, the education to be had from nature at firsthand, the joy one gets from being in the open, all were a part of Herbert Hoover's youth. In later years President Hoover said of the Scout program, "I know of no other form of Americanization that so produces real Americans."

In 1927 in a speech to the Iowa Society in Washington, D.C., Mr. Hoover spoke of the old swimming hole near West Branch under the railroad bridge "which needs to be deepened" because it was "hard to keep from pounding the mud with your hands and feet when you shove off for the 30 feet of a cross-channel swim." He spoke of fishing with his friends in the creek for "sunfish, suckers, and catfish with a willow pole, a line of butcher's string, a cork salvaged from a rubbish heap, an angleworm and a 1-cent hook." He recalled in the wintertime "sliding down Cook's Hill in a homemade sled and thawing our young chilblains with ice water." He remembered the tasty wild strawberries and wild grapes to be had for the picking along the trail he followed; the skating in winter over the frozen swimming hole on a pair of heelplate skates and the collection of fragments of coral, agate, or other bright-colored stones from the ballast along the railroad tracks. Perhaps here is the introduction of Herbert Hoover, the mining engineer.

Apart from these outdoor pastimes and school attendance there was the quiet, gentle, home life, with its family Bible reading at the day's close. But you good people of West Branch know the detailed story of Herbert Hoover better than most.

Herbert Hoover followed the trail across America to Oregon when his parents died. He earned his way through Stanford University, graduating with a degree in geology and engineering. He was employed in mines in several Western States and then in Australia, and held numerous important mining jobs around the world.

It was when World War I broke out that Mr. Hoover's trail took him to Europe. Thousands of Americans were stranded in London. Herbert Hoover organized resources to help them back home, and then worked to send relief to the overrun population of Belgium and France. His success in this endeavor brought him wide fame and led to his appointment as U.S. Food Administrator in 1917. He was able to get cooperation from the United States and successfully supplied the Allied food demands. The war over, he headed the American Relief Administration and when that agency was liquidated he raised a private fund for the same purpose.

Ambassador Walter Hines Page wrote President Wilson when Hoover had completed the refugee job:

"Life is worth more, too, for knowing Hoover. * * * He's a simple, modest, energetic man who began his career in California and will end it in heaven; and he doesn't want anybody's thanks."

A Secretary of Commerce under both Harding and Coolidge, Hoover reorganized the Department and sought to maximize its usefulness to business. At the same time he organized several famine relief campaigns. Four years later, in 1928, he was the Republican nominee for President and won the election.

Many of the disturbing factors prevailing in 1929 were international in character while others were manifestations of domestic trends in particular countries. Basically, World War I had thrown the economic and financial organization of the entire world completely out of balance. It was difficult to maintain the balance of economic and financial equilibrium in the United States.

Before he took the oath of office as President, Mr. Hoover stated and I quote that he "conceived the Presidency more than an administrative office; it is a power for leadership bringing coordination of the forces of business and cultural life in every city, town, and countryside. The Presidency is more than executive responsibility. It is the symbol of America's high purpose. The President must represent the Nation's ideals and he must also represent them to the nations of the world."

After 4 years in the White House Herbert Hoover still regarded the Presidency "as a supreme obligation."

A basic tenet of his faith in the American way of life—a phrase which he is said to have originated—was "voluntary cooperation within the community." It included perfection of the social organization, care of those in distress, advancement of knowledge, scientific research, education, and the many phases of economic life.

"This," and I again quote President Hoover, "is self-government outside of government; it is the most powerful development of individual freedom and equal opportunity that has taken place in the century and one half since our fundamental institutions were founded."

Mr. Hoover believed in voluntary cooperation of all the people in all of the Nation's communities, along with a growing sense of individual responsibility, rather than an extension of government into our social and economic life which would find the correct "solution of many of our complex problems."

He once stated before a group of Young Republicans:

"While the inspiration to reform comes from the human heart, it is achieved only by the intellect. Enthusiastic hearts have flooded us with illusions. Ideals without illusions are good. Ideals with illusions are no good."

This advice is timeless, indeed, and we with the complexities of our age could really make something of this earth if we approached the solutions of our problems with high ideals and advanced programs with intelligence and enthusiasm.

Enthusiasm is an earmark of youth. It is an earmark of the Boy Scouts of America. As the Scouts of this area grow in stature to man's estate, it is my fond hope that they will study the life of Herbert Hoover so that they may become intimate with the trail that he has followed throughout his great and good life—a life he has shared with so many with completely unselfish motives.

Mr. Hoover has always been concerned with the kind and sort of men we place as leaders of America's youth. His stamp of approval would be placed upon those leaders who are sterling, clean, genuine—successful men, capable men, leaders in their own field—sympathetic and patient with boys. He has recognized that scouting is more than building a fire without a match along life's trail. That is only a part of the initiative needed to keep America strong.

During Herbert Hoover's term as President of the United States he was honorary president of the Boy Scouts of America. As you know, it is the custom of scouting to confer this honor and privilege upon the President of the United States. He is currently your honorary vice president. It is interesting, however, to glance over our shoulders today and recall a message from Honorary President Hoover which came from his heart in 1929—the first year of his Presidency. I quote as follows:

"I have gladly assumed the honorary presidency of the Boy Scouts of America because the first ideal of our democracy is that each individual shall have opportunity to take that position of leadership in the community to which his character, his ability, and his ambition entitled him; and because the progress of our country is thus directly related to the training in leadership we can give to the youth of the Nation. In meeting the vital need that when the oncoming generation takes over our national affairs it shall be a generation bulwarked with character, the Boy Scout movement plays a most useful part. I wish all success to the boys themselves and to the scoutmasters who lead them, and I commend both to the unwearied support of the public that they so inspiringly serve."

The American Boy Scouts have done millions of good turns, from helping someone to cross the street to saving lives; but the greatest achievement is the millions of better men they have made, or are making of themselves by daily discipline and struggle toward an ideal. I refer especially to that quiet and determined discipline and struggle which Herbert Hoover learned so well from the trails he followed as a boy around West Branch.

Many years ago—it was either in the late twenties or early thirties—Herbert Hoover composed a "bill of rights" for boys which I give you today:

"1. Like everybody else, he has a right to the pursuit of happiness.

"2. He has the right to play that will stretch his imagination and prove his prowess and skill.

"3. He has a right to the constructive joy from adventure and thrills that are a part of an opening life.

"4. He has a right to affection and friendship.

"5. He has a right to the sense of security in belonging to some group.

"6. He has a right to health protections that will make him an inch taller than his dad.

"7. He has the right to education and training that amplifies his own natural bents and that will fit him into a job.

"8. He has a right to a chance in getting a job."

Mr. Hoover has commented that these are not all the "rights" of an American boy, but they are the ones which should be of deep concern to all.

The direction which individuals and nations have traveled has always been of tremendous concern to Mr. Hoover. The direction of the trail that he took through life has continued to keep him active and interested in public affairs through his boyhood days into the present. He was born August 10, 1874, in West Branch, and we now find him in his 86th year, still alert with the characteristics that took him to the White House, to head the Hoover Commission, and again in more recent years as Chairman of a Famine Emergency Committee to serve the food requirements in 38 countries around the globe.

I could do no greater service to you today in the dedication of this Herbert Hoover Trail than to close with the following words from an address prepared by Mr. Hoover in February of this year. He wisely advised America and I quote:

"In looking over the current scene in our national life, if we take a worm's-eye view of the crises and forces which surround us, we may worry that we are approaching the decline and fall of the greatest nation in history. If we take a bird's-eye view, we see the fundamental strength of the American people."

These words of admonition come from one who followed the trail with an aim so high and so clear, with the spirit of the out-of-doors filling his being, that his usefulness to mankind will continue to reverberate for years to come.

Learning from the life and work of men like Herbert Hoover and the training and experiences that shaped their destinies can be very important in retaining and promoting those ideals that made and can keep us the great nation that we are.

Results of Poll on President and Issues in Third Congressional District of Indiana

EXTENSION OF REMARKS

OF

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 14, 1960

Mr. BRADEMAS. Mr. Speaker, in April I mailed questionnaires to some 160,000 registered voters in the Third Congressional District of Indiana, asking my constituents to register their opinions on major issues facing this Congress and also requesting them to indicate their preference for President of the United States. More than one of every eight persons receiving the poll responded.

Because the Third District of Indiana is considered a representative cross-section of public opinion, I believe the tabulation of the 23,485 replies may be of interest to my colleagues.

POLL PREDICTS ACTUAL PRIMARY VOTE WITHIN 1 PERCENT

I point to the fact that the poll, which was taken before the May 3 presidential preference primary in Indiana, predicted within 1 percent the actual Democratic and Republican Party votes in the Third District.

The poll showed 55 percent of the voters indicating a preference for President favoring Democratic candidates while 45 percent favored Republican candidates. The actual primary vote in the district on May 3 in the presidential race was 56 percent Democratic and 44 percent Republican.

The apparent accuracy of the poll's presidential results strongly suggests that the answers to questions on issues should provide a fair and reliable measurement of public opinion in my district.

SUMMARY OF SOME RESULTS ON MAJOR ISSUES

Mr. Speaker, let me summarize some of the more interesting results of the poll. Substantial voter approval was given to such programs as health insurance for the elderly, Federal support of education, loans and grants to depressed areas, and amendments to the minimum wage law.

Nearly two-thirds of all voters were for using Federal funds for classroom construction. Democrats favored such aid by a margin of 5 to 1, Republicans by 5 to 4, and independents by 5 to 3; 53 percent of all voters approved the use of Federal help to improve teachers' salaries as well.

Voters strongly supported—by 2 to 1—a Federal program of health insurance for social security beneficiaries—70 percent approved an increase in the minimum wage from $1 to $1.25 an hour as well as extension of coverage to more workers.

Opinions were most divided on the issues of agricultural policy and the missile gap. Nearly one-third of the voters expressed "no answer" on the complex issue of farm policy. A slim majority of

51 percent felt the United States was keeping up with Russian space and missile developments.

Because voters were asked to indicate their party preference, the following tables of the results of the poll are divided into these categories: Democratic, Republican, independent, and total of all replies.

TABLE 1

Questions	Democratic			Republican			Independent			Total of all replies (23,485) and percentages					
	Yes	No	No answer	Yes	No	No answer	Yes	No	No answer	Yes	Percent	No	Percent	No answer	Percent
1. Do you favor legislation to guarantee all Americans, regardless of race or color, the right to vote in State and Federal elections?	8,699	445	199	5,233	278	117	7,754	492	268	21,686	92	1,215	5	584	3
2. Do you favor reducing the national debt in preference to cutting taxes if the budget shows a surplus?	5,681	3,243	419	4,317	1,112	199	6,036	2,056	422	16,034	68	6,411	27	1,040	5
3. Do you favor an agricultural program providing:															
A. Price supports and limitations on production?	3,750	2,889	2,704	1,141	2,595	1,892	2,003	3,647	2,864	6,894	29	9,131	39	7,460	32
B. No supports and unlimited production?	4,353	1,955	3,035	3,645	824	1,159	5,151	1,245	2,118	13,149	56	4,024	17	6,312	27
4. Do you favor providing health and hospitalization insurance to social security beneficiaries?	7,507	1,702	234	2,564	2,852	212	4,841	3,325	348	14,912	63	7,879	33	794	4
5. Do you feel confident that the United States is keeping up with Russian space, missile, and other defense developments?	3,843	4,779	721	3,658	1,451	519	4,596	2,885	1,033	12,097	51	9,115	39	2,273	10
6. Provided there is a guarantee against Federal control, do you favor Federal support of State and local efforts to:															
A. Build more classrooms?	7,503	1,460	380	2,928	2,460	240	4,947	3,095	472	15,378	65	7,015	30	1,092	5
B. Improve teachers' salaries?	6,000	2,528	815	2,424	2,871	333	4,069	3,697	748	12,493	53	9,096	39	1,896	8
7. Do you favor a program of loans and grants to areas of serious and persistent unemployment?	6,862	1,912	569	2,299	2,846	483	4,302	3,375	837	13,463	57	8,133	35	1,889	8
8. Do you favor:															
A. Raising the minimum wage to $1.25 an hour?	7,801	1,145	397	3,126	2,171	331	5,451	2,515	548	16,378	70	5,831	25	1,276	5
B. Extending coverage of workers not now covered?	7,533	832	968	3,449	1,507	672	5,638	1,672	1,204	16,620	71	4,011	17	2,844	12
9. Do you believe we should seek an agreement with the Russians for nuclear disarmament with effective inspection?	7,203	1,660	480	4,333	1,030	265	6,357	1,589	568	17,893	76	4,279	18	1,313	6

TABLE 2.—*Results of presidential preference poll*

Candidates for President	Democrats	Republicans	Independents	Total	Percent
Humphrey	866	26	330	1,222	5
Johnson	331	35	173	539	2
Kennedy	4,572	232	1,488	6,292	27
Nixon	382	4,789	2,897	8,068	34
Rockefeller	165	276	416	857	4
Stevenson	1,201	29	431	1,561	7
Symington	1,003	19	302	1,324	6
No answer	823	222	2,477	3,522	15

Mr. Speaker, I attempted to present these questions on issues as fairly and objectively as possible, and I am glad to say that the reaction of my constituents as well as the press in this regard was excellent. I cite the following editorial which appeared in the LaPorte, Ind., Herald-Argus on May 20 as an example of the nonpartisan reception given the poll:

BRADEMAS' POLL

For several years Third District Congressmen have sent questionnaires to register voters of the district to try to get voter reaction on various issues. Returns on the recent one of Congressman JOHN BRADEMAS were the most extensive of all with 23,485 persons responding. This represented about one out of every eight to whom the questionnaire was sent.

Questionnaires which require straight yes or no answers are not wholly satisfactory. A weakness of any such query is also that so few voters out of the total electorate respond at all. Once a Congressman gets the returns, he will if he is honest with himself be somewhat in doubt as to just what he has on his hands.

However, just as only a relatively small percentage of the registered voters go to the polls in any election so the fact that only one of eight voters responded to the questionnaire does not mean it is valueless. That 34 percent of those responding indicated Nixon as their choice for President seemed to dampen the effectiveness of any charge that inasmuch as BRADEMAS is a Democrat only Democrats would respond to the queries.

If we can accurately assume that those replying constitute a cream of the crop of registered voters in that they give more attention to issues and tend to think them through and are willing to express themselves, then the results give some solid food for political thought.

Substantial majorities of those replying favor hospital and health insurance for social security beneficiaries, Federal aid for more school classrooms and improvement of teachers' salaries, legislation to guarantee full voting rights in Federal and State elections for all persons regardless of race or color, raising the minimum wage from $1 to $1.25 an hour, Federal loans and grants to areas of serious and persistent unemployment.

In short, those replying feel rather strongly that responsibilities of the Federal Government for the general welfare should be extended rather than cut back. Those replying in this Third District poll apparently don't take seriously the cries of those Hoosiers who would turn back the calendar to a rapidly receding States rights era.

The 185th Birthday of the U.S. Army

EXTENSION OF REMARKS

OF

HON. KATHARINE ST. GEORGE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 14, 1960

Mrs. ST. GEORGE. Mr. Speaker, 185 years ago today, on June 14, 1775, the Continental Congress established the U.S. Army to protect the freedom of our Nation. Since this date, the Army has met every test both in peace and in war. Today, in a world unsettled by tension due to threats of war and the ever-present specter of communism, our Army continues to provide for our freedom by guarding the frontiers of the free world.

To celebrate this occasion here in Washington, the Army is holding a special retreat review at Fort Myer, Va., at 5 p.m., to which the public is invited and a One-Army Birthday Ball at the Willard Hotel at 9 p.m.

I rise to extend congratulations to the U.S. Army on the occasion of their 185 years of faithful service to our Nation and to wish them well in all future undertakings.

The 185th Birthday of the Army

EXTENSION OF REMARKS

OF

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 14, 1960

Mr. ARENDS. Mr. Speaker, today June 14, 1960, marks the 185th anniversary of the establishment of the U.S. Army. The Continental Congress in 1775 established the U.S. Army and since that date the relationship between the Congress and the Army has been both close and cordial.

I wish to extend my heartiest congratulations to the Army on this anniversary

of their 185 years of faithful service to our great Nation. In the celebration of this event, marked in our Capitol by a retreat parade at historic Fort Myer this afternoon at 5 p.m. and at the one Army birthday ball this evening at the Willard Hotel, the best wishes of a grateful Nation should be extended to the dedicated men of the U.S. Army who are today continuing to provide for the security of our country by standing firm on the borders of freedom throughout the world.

Words To Tell Our Story

EXTENSION OF REMARKS
OF
HON. JESSICA McC. WEIS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 14, 1960

Mrs. WEIS. Mr. Speaker, my friend and colleague, the Honorable CATHERINE MAY, of the State of Washington, on May 28, 1960, delivered the commencement address to the graduating class of Marjorie Webster Junior College here in Washington, D.C. Because I feel that this address carries a message of great importance, not only to our youth, but to every American, under unanimous consent I insert it in the CONGRESSIONAL RECORD:

CAN YOU SELL THE TRUTH?

(Hon. CATHERINE MAY'S commencement address given May 28, 1960, Marjorie Webster Junior College, Washington, D.C.)

Graduates, Dr. Webster, Dean Dumas, Mrs. Smart, parents and friends, I am honored to be the speaker for your 1960 commencement. This is an important day in the lives of you young women who are members of the graduating class, and I am proud to share it.

Traditionally, commencement speakers refer to this day as a milestone, a point of departure into a new life. Timeworn as the statement may be, it is very true—this day is the door into your world of tomorrow. And you will go by many different paths on to more education perhaps, many of you into careers, and most of you eventually into marriage and motherhood. Wherever you go, you will have an influence on those around you. You will become the center of an orbit where, very much like a pebble dropped into water which sends ever-widening circles onto the water's surface, your words and actions will reach out to touch the lives of others. And those lives, thereby, will be changed and influenced to some degree. Thus, I feel that my responsibility as your graduation day speaker, is to convey to you, if I can, in the next few minutes some special message, an idea, an inspiration that you may carry away with you today to be used as a contribution to your world of tomorrow.

Now, as members of the 1960 graduating class of the Marjorie Webster Junior College, already you have been well educated and trained to contribute much to the good of society here at home and abroad. To this special knowledge and preparation for your life ahead there is probably little I could add that would not be duplication. But, the other day as I sat in my office trying to string together some thoughts for this address to you, I recalled a meeting I attended in June of last year in London. In particular, I remembered with great clarity sitting in a room with 30 or 40 other people, men and women from many nations, and discussing with them the youth of our countries. Because this was a meeting of the Atlantic Congress where 14 member nations of NATO—in other words, 14 of our free world countries—had sent over 600 citizen delegates to discuss, among other things, how well we were doing in the great war that rages, as you well know, out in that world you are about to enter—the war for men's minds. The war between two great ideologies—that of freedom, as exemplified by our American way of life versus the Communist doctrine. Now, as it happened, as a delegate to this Atlantic Congress from the United States, I was appointed to work on a subcommittee which had as its subject of study a most fascinating and frightening subject—Communist propaganda.

The work of our committee was based on some excellent depth studies that had been made on the extent of the Communist propaganda penetration into our free world countries, as well as our uncommitted countries. The studies presented proven and factual information on the thousands of agents and provocateurs who were trained and sent out by the Soviet into the world to spread Communist propaganda. It presented the actual figures of the millions of dollars being spent by the Soviet on their propaganda program alone. In addition, the material on the extent of the success of Communist propaganda penetration pointed up the fact that the youth of Russia were highly trained as Communist crusaders. A basic aim of Russian education for its youth is to instill in them a burning dedication to the Communist way of life. As a result, young men and women of Soviet countries are extremely effective, convincing and articulate in persuading youth of other nations to their beliefs.

It was then that we started this discussion which made such an impression on my memory. We had just agreed that we should be providing more opportunities for our citizens and our young people to go into uncommitted countries, to youth festivals, to cultural exchange meetings so they might tell the story of freedom.

Then, a delegate from Norway pointed out, "Ladies and gentlemen, I think we are agreed that the doctrine of a free world democracy has far more appeal for humanity than the Communist doctrine. And, I know the young people of my country are just as dedicated to their beliefs as are the young Communists. But, when it comes to telling and selling the great truth of a free way of life I don't think they are prepared. I am afraid a great many of them could not find the words.

"Tell me, is this true of the young people in your countries?"

A thoughtful silence followed his words. Then, one of the other delegates spoke up and said: "I am afraid it's quite true, not only of our youth, but of our adult citizens, too." And, one by one, all of us nodded in serious and even shocked agreement.

I think by now you young women know what message and what idea I wish to try and leave with you today. You see, this episode I have just related taught me first of all something about myself that I had not known. In evaluating how well we Americans do as ambassadors for our country and its free way of life, I was brought to the shocking realization that I myself was sadly lacking in effective word weapons to fight against the Communist ideology. To admit this on behalf of myself, as well as my fellow countrymen, was both puzzling and frightening. Puzzling, because I knew I was a patriotic American, a loyal American, with a deep and abiding love for my country. Frightening, because for many years now we have recognized that the great world struggle in which we are engaged is not alone one of military might. Beyond that, and even bigger than that, is the power of an idea. And our opposition in this struggle is so well organized that they can train and support their spokesmen all over the world while they spread their Red death among the brain cells of humanity.

Since my return from the Atlantic congress, I have brought this subject up for discussion and study wherever I could. I have done this, because it seemed to me that I had no more significant contribution to make my country as a result of this free world meeting than to try and influence the young people of America to prepare themselves to sell the truth better than their elders have done.

Now, in bringing you a few thought-provoking ideas on how you might best do this:

In one group where we were discussing this, a friend of mine said: "We Americans are a funny lot. We have such great dedication to freedom, for others as well as ourselves, that we would fight for it and even die for it, but, by gum, we can't tell others what it is." Partly, I think we can agree, this is because we've had the plain good fortune to be born Americans. We have just always taken for granted the air of freedom which we breathe. There may have been a time when it was apathy, but, with two great world wars in the past, and with the present serious international tension, I cannot believe this is true now. I am certain that the generation which you young women represent does not look at what's going on in the Iron Curtain countries and say smugly, "This cannot happen here." I think that is perhaps why I have such high hopes that some of the ideas I leave with you will fall on fertile ground. With things as they are today, and as they have been since the day you were born, never has a generation in this country had a heavier burden of responsibility for learning to sell the truth laid upon them.

I can't give you any set words to use for expressing your beliefs, but I think maybe I can try to set up a few thinking guidelines for you.

First, I would sincerely hope that, in the busy lives that lie ahead of you, you would take some time out and search deeply into your hearts and minds for the answer to the question, What do I truly believe? Start with thinking of the basic beliefs which all of the free world countries engaged in this struggle against communism have in common—respect for the freedom of the individual, for the dignity of human nature, and a simple faith in God. Then, go behind these words in a search for their real meaning. Because, at this point, I would remind you of what I hope you already know—that the words of the Communist manifesto are beautiful words, too, apparently offering a wonderful life to those who would follow the creed, unless one went behind them and realized how the goals were to be accomplished.

So, having found the words for our basic beliefs, how then do we communicate to someone else what we in America mean by freedom and democracy, as opposed to what Communists mean by these words? We know that, in the hearts of all men, there is a universal and unquenchable longing for an atmosphere of freedom, for equality of opportunity, and the establishment of human dignity. How can we communicate the truth that these goals can be reached only through nontotalitarian government—with words that are the same words that the enemies of this way of life also use?

One night, when a group of us were discussing this problem, we came up with what I think is a pretty good idea. It was decided that we might start with the material approach to life, because something that everyone understands, regardless of race or language barriers, is hunger and cold and the desire for possessions and good things around us.

Frankly, I have never been exposed to a debate with a dedicated Communist over the virtues of a totalitarian form of government versus democracy, but, since the episode I related earlier in my talk to you, I've put myself through a lot of mental practice as to what I might say if such an occasion should arise. And, by the way, I recommend this mental exercise to you. It's not only challenging, but it's kind of fun.

But, to go back to preparing myself for this imaginary debate, one day I discovered a book that to me provides the perfect approach to telling our freedom story so that anyone can understand its basic truth. That book is called "The Mainspring of Human Progress," and it was written by Henry Grady Weaver. And, after reading it, I decided that I would present my argument as he does by posing a question to my imaginary opponent in this way: Why did men die of starvation for 6,000 years? And, why is it that we in America have never had a famine? For 60 known centuries, this planet we call earth has been inhabited by human beings not much different from ourselves. Their desire to live has been just as strong as ours. They have had at least as much physical strength as the average person of today, and among them have been men and women of great intelligence. But, down through the ages, most human beings have gone hungry, and many have always starved. The ancient Assyrians, Persians, Egyptians, and Greeks were intelligent people, but, in spite of their intelligence and their fertile lands, they were never able to get enough to eat. The Roman Empire collapsed in famine, the French were dying of hunger when Thomas Jefferson was President of the United States. As late as 1846, the Irish were starving to death, and, it is only within the last century that Western Europeans have had enough food to keep them alive. Even in this century, famines have killed multitudes, in China and India and Africa, and, as late as the 1930's thousands starved to death on the richest farmlands of the Soviet Union.

Down through the ages, countless millions, struggling unsuccessfully to keep bare life in wretched bodies, have died young in misery and squalor. Then, suddenly, in one spot on this planet, people eat so abundantly that the pangs of hunger are forgotten. Just think, for 6,000 years, men died of starvation. For 6,000 years, families lived in caves and floorless hovels without windows or chimneys. Then, within a few generations, we in America take floors and rugs and chairs and tables for granted, and regard electric lights, refrigerators, running water, and porcelain bathtubs as common necessities. For 6,000 years, men and women and children toiled desperately from dawn to dark to eke out their meager existence, and then, suddenly, in one place on earth, there is an abundance of such things as radios and TV sets, nylon hose and shower baths, and ice cream sodas and lipstick, and permanent waves. If you just think about it, it's almost incredible. In less than 100 years, Americans have conquered the darkness of night, from pine knots and candles to neon lights and fluorescent tubes, from fireplaces and stoves to automatic burners and air conditioners. We are conquering pain and disease and prolonging life. We've made stupendous attacks on space, from oxcarts to airplanes, and attacks on time, from pony express to telephone and television.

Now, it's true that many of these developments originated in other countries, but new ideas are of little value in raising standards of living unless and until something is done about them. The plain fact is that we in America have outdistanced the world in extending the benefits of inventions and discoveries to the vast majority of people in all walks of life. How did it happen? Well, perhaps the best way to find the answer is to first rule out some factors that were not responsible. To say that it was because of our natural resources is hardly enough. The same rich resources were here when the mound builders held forth. Americans have had no monopoly on the metals. China, India, Russia, Africa all have great natural resources. Crude oil oozed from the earth in Baku 4,000 years ago. And, when Julius Caesar marched west into Gaul, Europe was a rich and virgin wilderness inhabited by a few roving savages, much as America was when the Pilgrim Fathers landed at Plymouth.

Is it because we work harder? Again, the answer is no, because in most countries people work much harder on the average than we do.

Can it be that we are people of inherent superiority? That sounds fine in after-dinner oratory, and goes over big at election time, but the argument is difficult to support. Our own ancestors, including the Anglo-Saxons, have starved right along with everyone else.

Can it be that we have more energy than any other peoples of the world? That's not the answer either, but it's getting pretty close. We are not endowed with any superior energy, mental or physical. But, it is a fact that we in the United States of America have made more effective use of our human energies than have any other people on the face of the globe anywhere or at any time. That's the answer, the real answer, the only answer.

Now, I would remind you that I'm saying all this in my mythical debate with a dedicated Communist in trying to explain what we mean in America by freedom. But, I think you gather that my real purpose is to offer you here today a starting place in your thinking and in your search for words to sell the truth.

Let me lead you down this path a little further, before I set you out on your own. Why does human energy work better here than anywhere else? Well, now the answer here is actually a study in physics with which I won't attempt to bore you. But, as simply as I can tell you, it is that the nature of human energy is controlled by yourself—nothing else can control it. The decision to use your energy to act or not act is always under your own control. And, this leads to two important points. One is that individual freedom is the natural heritage of each living person. And, second, freedom cannot be separated from responsibility. Your natural freedom—your control over your own life energy—was born in you along with life itself. It is a part of life itself. Any time you try to turn the control over to someone else, or any time anyone tries to take the control of your energy from you, something happens. It just can't be used effectively. For centuries, it's been tried. Every conceivable form of authority has been tried. Every conceivable form of unified control that takes this individual's use of his own energy away from him. But, each time, the experiment has failed, because only an individual human being can generate human energy, and only an individual human being can control the energy he generates.

The lack of understanding of these simple basic truths has for over 6,000 years stagnated human progress, kept the vast majority of people underfed, poorly clothed, and embroiled in wars and dying from famine and pestilence.

Don't take my word for it. Just take some time to study world history, going back to the pagan days, right up through all this whole history of all the dictator forms of government that rose and fell over a span of 6,000 years. And, then think of the history of your own Nation, which had its beginning just a little over 160 years ago. As John Gunther once said: "Ours is the only country deliberately founded on a good idea."

I realize that, by this time in your education, you've had a pretty good grounding in American history. But, I promise you that, if you'll spend sometime going back over this rich and wonderful heritage of every American, you'll find it very exciting to find out how every move our Founding Fathers made was with this great idea in mind.

I think with this approach you'll see the history of your country with entirely different eyes. You'll realize, maybe for the first time, that the great fact of our history is that the American Revolution had no leader. To again quote from Mr. Weaver's book—"This fact is the hope of the world, because human freedom is a personal matter. Only the individual can protect human rights in the infinite complexity of men's relationships with each other. Nothing on earth is more valuable than the person who knows that all men are free and who accepts the responsibilities that go with freedom." As I said, the war for American independence was begun by an individual. He was asleep in bed when someone pounded on his door, and shouted in the night—"The Redcoats are coming." Well, what could he do? He was not a king or a governor. He was not rich or important. He was just one little man, unknown to anyone outside his neighborhood. Should he take the initiative? Such things usually cleared up. They always had. He must keep calm, consider the practical aspects, think of his family. Most men felt that way. They knew they could do nothing, and they had better sense than to try. And, that night in Lexington, many of them stayed in bed.

But, the unknown individual chose between submission that looked like safety, and rebellion that seemed utterly helpless. He had the courage of his convictions. He got up, put on his clothes, took his gun, and went out to meet the British troops. And, I like to think that he had a good wife there helping him put on his boots, as she said: "This is the right thing, and you must do it, John."

Not acting under orders, not being led, or wanting to be the leader, he stood on his own feet, a responsible, self-controlling person, and fired the shot heard round the world. And, the sound of that shot said that man is a free agent, that government is the servant, rather than the master. You know, it's men like this, and the thousands of others we find in the pages of history—the Washington and Lincoln and Jefferson and Lee—with whom you and I walk today, and we walk because of them carefully and proudly and also humbly, lest we fail them. And, because of this knowledge of our past, with a keen sense of the present and the future, we should each say to ourselves: "I am an American, and therefore, what I do, however small, is of importance."

It just seems to me that, once we grasp this root idea of our freedom, it becomes much easier to explain the tree of liberty that has grown from it.

For instance, words to explain to somebody about the form of government we set up to protect our idea of freedom. "Mainspring" says it this way: "America was to be set up as a republic, which means that the laws would be made and administered by representatives chosen directly or indirectly by the people to protect the interests of all the people. In the last analysis, any government, regardless of what it may be called, must be one man or a small group of men in power over many men. That being the case, how is it possible to transfer the power of the ruler to each man of the multitude? The answer is that it's not possible. The only solution lies in the direction of destroying power itself. The only way in which men can remain free and left in control of

their own individual energies is to cut the power of the government to its smallest degree."

The answer was simple, once it was found by our Founding Fathers. The head of a state is a human being, and a human being's thinking and deciding and acting and judging are inseparable. But, in this new American Republic, no top official would ever be permitted to act as a whole human being. The function of government would be divided into three parts:

1. The first part was to think and decide, and it would be called Congress.

2. The second part was to be responsible for getting action. It would be headed by the Chief Executive, the President.

3. And the third part was to serve as a judge or a referee, known as the Supreme Court.

Each of these three parts was to act as a check on the other two, and over the three was set a written statement of political principles, intended to be the strongest check on them all. There was to be government by law, with clearly defined rules of the game, rather than government by whim—the Constitution. The dangers of dictatorship must be avoided for all time to come. No one person or small group of persons must ever be permitted to get too much power, and the minority, even down to the last individual citizen, must be protected against oppression by the majority, or by any organized pressure group.

And these objectives made it possible for our American Revolutionary leaders to draw the blueprints for this new and completely different political structure—our unique form of government, not only in the world of today, but in all time.

I said when I began this that all I would even try to do this afternoon was to offer you a few guidelines to follow on your search for words to sell the truth. My mission is accomplished if I start you on that exciting journey. It is accomplished if I have succeeded in getting you to look at your country and your birthright of freedom with new eyes—eyes that are both critical and understanding, because it is very important that you know that America is far from perfect.

And, I'm sure you do. Otherwise, we wouldn't get from your generation what our country must always have to keep progressing—ideas for a much better world. But, as you find our shortcomings, and think of plans to overcome them, be sure you always ask to what degree are our shortcomings traceable to the form of political structure under which our country was founded—are they due to having drifted away from that concept, and how does our record compare with the records of countries which have tried to operate under the opposite philosophy?

Godspeed you, graduates of 1960, in your world of tomorrow. As students seeking more knowledge, as successful career girls, as happy wives and mothers, and as enthusiastic ambassadors for freedom. If you understand, and believe because you understand, you will find the words, and I guess I don't have to tell you how very important it is for you and the young people of all free world nations to find those words. Because it may well be that, in your generation, this great war for men's minds will be decided. Remember, your battleground is wherever you go. Use your voice, with your heart and beliefs behind it, among your fellow citizen and fellow workers, family and friends, and—very importantly—on the children you raise.

Thank you again for giving me the privilege of sharing this important day with you. You have my congratulations on winning your diplomas, and my very best wishes for your future.

SENATE

WEDNESDAY, JUNE 15, 1960

The Senate met at 12 o'clock meridian, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of our fathers, help us to be spiritually aware that when Thy voice was heard in ages past it did not cease to speak. Give us to know that for those who become quiet enough to listen, Thy word for this day resounds clear and sure above all the tumult and shouting of the confused babel of human folly.

In all our deliberations and appraisals of the affairs of state having to do with the tangled relationships of men, forbid that we should be insensitive to voices other than our own, and which make the world about us a whispering gallery telling of divine realities that surround us.

Give us open ears, alert and quick to hear each whisper of Thy word.

With hearts tuned to the unseen presence which enfolds our days with a love that never forgets, a light that never fails, and a life that never ends, may we face life's changing scenes with the radiant faith that—

> This is my Father's world,
> He shines in all that's fair.
> In the rustling grass
> I hear Him pass—
> He speaks to me everywhere.

To that glad truth our hearts respond, "Speak, Lord, for Thy servant heareth." Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 14, 1960, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Foreign Relations.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the joint resolution (S.J. Res. 39) proposing amendments to the Constitution of the United States to authorize Governors to fill temporary vacancies in the House of Representatives, to abolish tax and property qualifications for electors in Federal elections, and to enfranchise the people of the District of Columbia, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 6597) to revise the boundaries of Dinosaur National Monument and provide an entrance road or roads thereto, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 6597) to revise the boundaries of Dinosaur National Monument and provide an entrance road or roads thereto, and for other purposes, was read twice by its title and referred to the Committee on Interior and Insular Affairs.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Upon request of Mr. MANSFIELD, and by unanimous consent, the Committee on Foreign Relations was authorized to meet during the session of the Senate today.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, early today we hope to complete action on the NATO joint resolution (S.J. Res. 170), on which we have a unanimous-consent agreement.

Then we expect to proceed to consider the Kennedy-Clark loyalty measure.

We have ready the Department of Defense appropriation bill. It is a very important measure, and we want to get to it as early as we can. We shall meet early and shall remain in session late, if necessary, in order to take action on that bill this week.

We also would like to proceed with consideration of the housing bill, and the postal and classified workers pay increase bill.

Then there is the proposed constitutional amendment relating to the District of Columbia, which will be before us.

So I should like to say to all Members of the Senate that I think they can count on long meetings for the remainder of this session and much hard work, including Saturday sessions and early morning meetings and late evening meetings, if necessary.

At this time I am not prepared to set forth to the Senate any long list of bills, because, in the first place, it would be presumptuous on my part to try to say what the collective judgment of the Congress would be; and Senators will have to determine what measures will be reported by the committees, and what measures will be passed; and, in the second place, I have never found that we could expedite the work of the Congress by displaying mimeographed lists of so-called must bills. I think that merely deters us and delays us.

Nevertheless, I think most people know that Congress is going to face up to the issues, and that we are going to pass a substantial number of very important bills between now and the time when we leave for the conventions. There is a great deal of important work to be done; and we shall have to work long and hard in order to finish it before that time.

Therefore, I plead with each Senator to examine very carefully his schedule and try to arrange his personal appointments so that he can take part in the consideration of the various measures which will be before the Senate. If he is unable to do so, I hope he will not ask that the consideration of these measures be held over until he returns to town. By way of illustration, let me say that as regards one of the very important bills we shall take up this week, I was told this morning by one Senator that it would not be convenient for him to be here either Friday or Saturday. Of course, that would mean postponing the consideration of that measure until Monday. However, we cannot afford to postpone for one or more days the consideration of important bills in order to accommodate any Senator. I do not think we can properly set aside the consideration of any bill so late in the session. I shall not ask the Senate to do so, and I hope other Senators will not ask the Senate to do so.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. I was called out of the Chamber just before the Senator from Texas began his statement. Do I correctly understand that he said that after the NATO joint resolution, the pending business, is disposed of, the Senate will proceed to the consideration of the proposed legislation relating to the loyalty oath?

Mr. JOHNSON of Texas. Yes; we would like to do so if we can.

Mr. MANSFIELD. I am especially interested in the schedule for consideration of the Department of Defense appropriation bill, because I was assured by the Senator from New Mexico [Mr. CHAVEZ] that that measure would not be brought up today.

Mr. JOHNSON of Texas. I cannot say. Perhaps Senators will talk at length; I do not know. That bill is available, and it is important, and it has priority; and we should take it up as soon as possible.

We also had word from the Senator from Massachusetts [Mr. KENNEDY] and the Senator from Pennsylvania [Mr. CLARK] that they wish to have the Senate take up the loyalty bill on Wednesday.

I wish to be as accommodating as I can.

Mr. MANSFIELD. All I can say is when the Senator from New Mexico comes in, be prepared.

Mr. JOHNSON of Texas. I try to be prepared, because we have these measures outlined, and we have said to the authors of the bills that we shall take up the NATO joint resolution, and then the loyalty bill, and then the Department of Defense appropriation bill. I made no commitments otherwise. Of course, if there were to be extended debate on those bills, we would have to adjust to it.

Our big problem is the seeming necessity to get all the work of the week done on Wednesday and Thursday. I am trying to get away from that. I believe it important that we realize that at this time in the session there are always a number of very important major measures which must be considered.

We shall have conference reports, and we shall have the Japanese Treaty.

Mr. FULBRIGHT. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. FULBRIGHT. Will request be made that the Senate take up the Japanese Treaty on tomorrow?

Mr. JOHNSON of Texas. I wish to talk to the Senator about that. I want to be agreeable to anything the Senator wishes. We have a difficult problem, because we have commitments which have been made prior to the time when we had any commitment on the Japanese Treaty. But I understand the Senator's problem, and I shall try to meet it.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON REVIEW OF ATOMIC ENERGY COMMISSION CONTRACT WITH UNION CARBIDE NUCLEAR CO., URAVAN, COLO.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of Atomic Energy Commission contract AT(05-1)-36 with Union Carbide Nuclear Co., Uravan, Colo., for the procurement of uranium concentrates, December 1959 (with an accompanying report); to the Committee on Government Operations.

WITHDRAWALS FROM THE PUBLIC DOMAIN OF CERTAIN LANDS IN ALASKA

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to provide for the withdrawal from the public domain of certain lands in the Ladd-Eielson area, Alaska, for use by the Department of the Army as the Yukon Command Training Site, Alaska, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to provide for the withdrawal from the public domain of certain lands in the Big Delta area, Alaska, for continued use by the Department of the Army at Fort Greely, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

A letter from the Secretary of Defense, transmitting a draft of proposed legislation to provide for the withdrawal from the public domain of certain lands in the Granite Creek area, Alaska, for use by the Department of the Army at Fort Greely, Alaska, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

AMENDMENT OF EURATOM COOPERATION ACT OF 1958

A letter from the Acting Chairman, U.S. Atomic Energy Commission, Washington, D.C., transmitting a draft of proposed legislation to amend section 5 of the Euratom Cooperation Act of 1958 (with accompanying papers); to the Joint Committee on Atomic Energy.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the South Carolina State Association of Life Underwriters, remonstrating against the use of insurance terminology in the Social Security Act; to the Committee on Finance.

Two petitions signed by Eugenia Vasiliev, and sundry other anti-Communist American citizens of Russian descent, relating to amendments to Public Law 86-90, concerning the Week of Subjugated Nations; to the Committee on the Judiciary.

RETIREMENT OF SENATOR MURRAY—RESOLUTION

Mr. CHURCH. Mr. President, when our good friend and distinguished colleague, the senior Senator from Montana [Mr. MURRAY] announced his plans for retirement, both the Members of this body and the press of the Nation extolled his record of yeoman service to the Nation.

They were unanimous that he had made a great contribution to the welfare of his country, just as we are unanimous in the realization that next year we shall be most aware of his absence from this floor and the committee rooms where he accomplished so much.

But I think that perhaps nowhere were these thoughts more aptly expressed, and the affection and esteem of his home State more singularly demonstrated, than by a group from the Fort Belknap Indian Community. The community council at Harlem, Mont., unanimously approved a resolution thanking—as they put it—their "great and true friend."

I ask unanimous consent that this significant and welcome resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"RESOLUTION OF THE GOVERNING BODY OF THE FORT BELKNAP INDIAN COMMUNITY, AN INDIAN-CHARTERED CORPORATION

"Whereas the Honorable JAMES E. MURRAY, senior Senator from Montana, has served the people of the State of Montana and the people of the United States of America for 24 years; and

"Whereas on the 28th day of April 1960, he announced his intention not to seek reelection; and

"Whereas the Honorable JAMES E. MURRAY has for his entire period of service in the Senate of the United States shown a special

interest in the problems of the Indian people of his State and of his Nation; and

"Whereas there is on the statute books of the United States, hundreds of laws benefiting the Indian people of the United States; and

"Whereas through his entire service in the Senate of the United States, the Honorable JAMES E. MURRAY has been a friend of the people of the Fort Belknap Reservation and always attentive to their needs; and

"Whereas the Honorable JAMES E. MURRAY has given unselfishly of his time to assist the individual members of the Fort Belknap Community and the Tribal Council of the Fort Belknap Community: Now, therefore, be it

"Resolved, That the Tribal Council of the Fort Belknap Community, representing every member of the community, go on record as expressing their appreciation for the services rendered to this community and their love and affection for a great Senator and fellow Montanan; and be it further

"Resolved, That the tribal council, expressing for themselves and their people, wish to the Honorable JAMES E. MURRAY, senior Senator from Montana, their hope that he will live long and well and that he will forever remember that the people of this community will carry him in their hearts and their prayers and remember him forever as a great and true friend."

CERTIFICATION

I, the undersigned, as secretary of the Fort Belknap Indian Community Council of the Fort Belknap Indian Reservation, hereby certify that the Fort Belknap Community Council is composed of 12 members, of whom 10 members, constituting a quorum, were present at a meeting thereof, duly and regularly called, noticed, convened, and held this 4th day of May 1960; that the foregoing resolution was duly adopted at such a meeting by the affirmative vote of 10 for, 0 against, 2 absent, 0 not voting; and that the said resolution has not been rescinded in any way.

J. MATT BELL,
Chairman, the Fort Belknap Indian Community.

JAMES HAWLEY,
Secretary-Treasurer, Fort Belknap Agency, Harlem, Mont.

The following are the members of the Fort Belknap Community Council and hereby endorse this resolution: J. Matt Bell, chairman; Frank Kirkaldie, vice chairman; Gilbert Horn, council member; David J. Hawley II, Jr., council member; Preston Bell, council member; Rufus Warrior, council member; James Hawley, secretary-treasurer; George J. Fox I, sergeant at arms; Marguerite Cole, council member; Herbert Fish, council member; Andrew Gray, council member; Richard King, council member.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Government Operations, without amendment:

S. 3485. A bill to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the United States, and for other purposes (Rept. No. 1584); and

S. 3579. A bill to authorize agencies of the Government of the United States to pay in advance for required publications, and for other purposes (Rept. No. 1583).

By Mr. McCLELLAN, from the Committee on Government Operations, with an amendment:

S. 2712. A bill to authorize the Administrator of General Services to convey all lands comprising Fort Dearborn, Rye, N.H., and Rye Air Force Base, Rye, N.H., to certain former owners of such lands (Rept. No. 1586);

S. 3487. A bill to amend the "Anti-Kickback Statute" to extend it to all negotiated contracts (Rept. No. 1585); and

H.R. 766. An act to amend section 5 of the act of July 16, 1914, relating to penalties for the use of Government-owned vehicles for other than official purposes (Rept. No. 1587).

By Mr. CHAVEZ, from the Committee on Public Works, with amendments:

S. 2919. A bill to provide that the Secretary of the Smithsonian Institution shall study and investigate the desirability and feasibility of establishing and maintaining a national tropical botanic garden (Rept. No. 1589).

By Mr. WILLIAMS of New Jersey, from the Committee on Banking and Currency, with an amendment:

S. 3278. A bill to amend section 701 of the Housing Act of 1954 (relating to urban planning grants), and title II of the Housing Amendments of 1955 (relating to public facility loans), to assist State and local governments and their public instrumentalities in improving mass transportation services in metropolitan areas (Rept. No. 1591).

By Mr. PROXMIRE, from the Committee on Agriculture and Forestry, with an amendment:

S. 2917. A bill to establish a price-support level for milk and butterfat (Rept. No. 1592).

ADJUSTMENT OF COMPENSATION OF CERTAIN FEDERAL OFFICERS AND EMPLOYEES (S. REPT. 1590)

Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, reported an original bill (S. 3672) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, and submitted a report thereon; which bill was read twice by its title and placed on the calendar.

REPORT ENTITLED "GOVERNMENT COMPETITION WITH BUSINESS: LIQUID OXYGEN PRODUCTION" (S. REPT. 1588)

Mr. BIBLE. Mr. President, on behalf of the Senate Small Business Committee, I send to the desk a report entitled "Government Competition with Business: Liquid Oxygen." This is based upon hearings held on May 12 and 13 by our Subcommittee on Relations of Business With Government and is a unanimous committee report. I ask that the report be printed.

The VICE PRESIDENT. The report will be received and printed, as requested by the Senator from Nevada.

JUVENILE DELINQUENCY—EXTENSION OF TIME TO FILE INDIVIDUAL VIEWS

Mr. HRUSKA. Mr. President, it is my understanding that there will be submitted to the Senate today, from the Committee on the Judiciary, a report entitled "Juvenile Delinquency" pursuant to Senate Resolution 54, as extended.

I ask unanimous consent that the report be held open for the filing of individual views until midnight a week from Friday, which will be June 24, in order to make possible the printing of the report and the individual views in one document.

The VICE PRESIDENT. Without objection, it is so ordered.

REPORT ENTITLED "JUVENILE DELINQUENCY" (S. REPT. 1593)

Mr. HART. Mr. President, on behalf of the Senator from Missouri [Mr. HENNINGS], from the Committee on the Judiciary, pursuant to Senate Resolution 54, as extended, I ask unanimous consent to submit a report entitled "Juvenile Delinquency" and ask that it be printed subject to the unanimous consent agreement, previously agreed to.

The VICE PRESIDENT. Without objection, the report will be received and printed, pursuant to the unanimous consent agreement previously entered into.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce:

Robert E. Lee, of the District of Columbia, to be a member of the Federal Communications Commission.

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service:

Eighty-eight postmaster nominations.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ELLENDER (by request):

S. 3671. A bill to facilitate the administrative operations of the Department of Agriculture; to the Committee on Agriculture and Forestry.

By Mr. JOHNSTON of South Carolina:

S. 3672. A bill to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes; placed on the calendar.

(See reference to the above bill when it was reported by Mr. JOHNSTON of South Carolina, which appears under the heading "Reports of Committees.")

By Mr. MAGNUSON (by request):

S. 3673. A bill to provide emergency authority for priorities in transportation by merchant vessels in the interest of national defense, and for other purposes; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. KERR (for himself and Mr. MONRONEY):

S. 3674. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Waurika reclamation project, Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. HUMPHREY:

S. 3675. A bill to establish a Peace Corps of young men to assist the peoples of underdeveloped areas of the world to learn the basic skills necessary to combat poverty, disease, illiteracy, and hunger; to the Committee on Foreign Relations.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. MOSS:

S. 3676. A bill for the relief of Sirkka Terasvuori; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 3677. A bill to amend the Federal Food, Drug, and Cosmetic Act to redefine the term "new drug" and to provide for the licensing of persons engaged in the propagation, manufacture, or preparation of drugs dispensed only upon prescription, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. KEFAUVER when he introduced the above bill, which appear under a separate heading.)

EMERGENCY AUTHORITY FOR PRIORITIES IN TRANSPORTATION BY MERCHANT VESSELS

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to provide emergency authority for priorities in transportation by merchant vessels in the interest of national defense, and for other purposes. I ask unanimous consent that the letter from the Under Secretary of Commerce, requesting the proposed legislation, together with a statement of the purpose of the bill, be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter and statement will be printed in the RECORD.

The bill (S. 3673) to provide emergency authority for priorities in transportation by merchant vessels in the interest of national defense, and for other purposes, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter and statement presented by Mr. MAGNUSON are as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., June 6, 1960.

The PRESIDENT OF THE SENATE,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There are enclosed herewith four copies of a proposed bill, together with a statement of purpose and need for legislation, to provide for emergency authority for priorities in transportation by merchant vessels in the interest of national defense, and for other purposes.

The proposed legislation would authorize a system of ship warrants. It is based upon previous experience in World War II under Public Law 173, 77th Congress, approved July 14, 1941 (55 Stat. 591), and repealed July 25, 1947 (61 Stat. 449). The bill is strengthened in the light of certain shortcomings of the World War II law, which were met by administrative action and provision for which should be incorporated in the frame of the legislation.

The Department recommends enactment of this legislation. In addition to being an important authority as part of the readiness program in the interest of security, the legislation is desirable to meet the commitments on the part of the United States for exercising this authority in coordination with authority already adopted by various member nations of the North Atlantic Treaty Organization, in the event that coordination efforts of these nations become necessary.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this legislation to the Congress.

Sincerely yours,

PHILIP A. RAY,
Under Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED FOR LEGISLATION TO PROVIDE FOR EMERGENCY AUTHORITY FOR PRIORITIES IN TRANSPORTATION BY MERCHANT VESSELS IN THE INTEREST OF NATIONAL DEFENSE, AND FOR OTHER PURPOSES

The draft bill would authorize the President, during any period in which vessels may be requisitioned under section 902 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1242), whenever he deems and proclaims it to be in the interest of national security or the maintenance of essential supplies and services, to prescribe regulations for the issuance and revocation of warrants and governing the use of services and facilities under the act with respect to any vessel using or seeking to use such services or facilities. Whenever the warrant system is prescribed, it shall terminate upon proclamation of the President to that effect, or as Congress by concurrent resolution may provide, and in any event the act itself will terminate 5 years after date of enactment.

The system of warrants for merchant vessels under the act is designed to enforce priorities in congested ports to those vessels of greater importance to our national security, to secure the maximum economic use of available vessels and port facilities and services, to prevent the waste of scarce materials and supplies in servicing vessels which might be engaged in activities harmful or less essential to the interest and programs of the United States, and to prevent unreasonable increases in charter hire and freight rates for ocean transportation. Such coordination in time of war or active mobilization is of high critical importance to the United States and to its allies or associates who will be exercising similar controls in the event that coordinated efforts of nations become necessary. Under the bill, vessels desiring to use the shore and port services or facilities or marine insurance services of this country would be required to secure a warrant or similar document as a condition to the use of such facilities or services. The use of these facilities or services would be prohibited to any vessel not having such a warrant.

As a condition on the receipt of a warrant, the vessel operator would be required to enter into undertakings with respect to the trade in which the vessels of the operator are employed, the voyages undertaken thereby, the passengers or cargoes to be carried, and to abide by fair and reasonable maximum charter and transportation charges. In determining such rates and charges, the President is directed to give due consideration to the valuation principles prescribed in section 902 of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1242). A breach of any undertaking would subject the operator to the forfeiture of his warrant and thereby the loss of use of port and shore facilities and services, as well as insurance for ship and cargo.

In considering applications for warrants, the President is authorized to consider certain circumstances, including the origin and previous operating history of the vessel, the price and terms upon which the vessel may have been sold or transferred, as well as the operating practices of the applicant. Such provision for withholding of warrants in cases where there is a history of failure to assist the Government or of activities hampering the Government's programs and objectives, has the objective of securing the most tonnage for services contributing to the purposes of the act.

The regulations under the act may be made applicable to the use of any facilities for loading, discharging, lightering, or storage of cargo, any facilities for the furnishing of oil, coal, or other fuel, supplies, stores, or food, or any facility for the overhauling, drydocking, reconditioning, or repair of vessels, or furnishing marine insurance. The President may except from the regulations types of vessels the control of which he determines not to be required for the purposes of the act.

The proposed system of ship warrants for use in war or national emergency is not new or untried but is based upon previous experience in World War II under Public Law 173, 77th Congress, approved July 14, 1941 (55 Stat. 591), and repealed July 25, 1947 (61 Stat. 449). The bill is strengthened in the light of certain shortcomings of the World War II law, which were met by administrative action and which should be incorporated in the frame of the legislation.

In any emergency period requiring mobilization of the Nation's shipping and other resources involving great acceleration of the use of supply and repair facilities for shipping, ports will be subject to congestion and strain. In such times it will be vitally important to carefully control the use of vessels in the movement of cargoes. The international character of shipping makes special provisions of law desirable in order to prevent deterioration in the situation of our country and any allied or associated countries. To have statutory authority available will have the ultimate advantage of securing for the United States and cooperating nations the use of tonnage from the world's supply. The existing large Government-owned reserve fleet of merchant vessels is now 12 to 18 years old and is not in itself a guarantee of national safety so far as shipping facilities in time of war or defense emergency are concerned. No matter how well maintained a reserve fleet may be it takes at least some days to move it into operation. Tonnage and control of operating tonnage will be immediately vital in the event of attack which, it must be assumed, will be sudden and sweeping in scope.

The bill contains several sections of a supplementary or administrative character which will be noted section by section.

Section 3 provides that operators of listed facilities in the United States and places within its jurisdiction shall be governed by the regulations regardless of existing contracts.

Section 5 provides that it shall be the policy of the United States to coordinate the authority granted by the act with the exercise of similar authority by allied or associated nations.

Section 6 defines the word "person" so as to include any entity capable of entering into a contract.

Section 7 is an interpretative provision to prevent the imposition of any condition, that a vessel owner relinquish the care and supply of his vessel to any other person.

Section 8 is designed to preserve the coastwise laws of the United States from modification, but does not exempt vessels engaged in coastwise trade from the provisions of the act. This section also provides that the act is in no way to affect authority already granted by the Defense Production Act (extended in part until June 30, 1960). A severability clause is included.

Section 9 authorizes the President to delegate any power and authority conferred on him by the act (except the issuance of proclamations) to the Secretary of Commerce or the head of a department or agency deemed appropriate by the President, and authorizes redelegation of such authority to

appropriate officials in the department or agency. Provision is also made for interdepartmental coordination in carrying out programs under the act in relation to other programs of the Government.

Section 10 exempts the functions exercised under the act from the requirements of the Administrative Procedure Act (except as to section 3 thereof, which contains requirements as to notice to the public, and provides also that no secret matter need be published).

Section 11 provides penalties for violation of the act, the regulations, or orders issued, with a maximum penalty of $10,000 fine and 2 years' imprisonment. U.S. courts having territorial jurisdiction are given jurisdiction over offenses.

Section 12 relieves persons who comply with rules, regulations, or orders issued under the act, from damages or penalties resulting from compliance, notwithstanding that such rule, regulation, or order may be declared invalid by judicial or other competent authority.

The Department recommends early consideration and enactment of this legislation. In addition to being an important emergency authority as part of the readiness program in the interest of national security, the legislation is desirable to meet the commitments on the part of the United States for exercising this authority in coordination with authority already adopted by various member nations of the North Atlantic Treaty Organization, in the event that coordinated efforts of these nations become necessary.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1961—AMENDMENTS

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. JACKSON (for himself, and Senators AIKEN, ENGLE, ERVIN, THURMOND, and CANNON) submitted amendments, intended to be proposed by them, jointly, to House bill 11998, supra, which were ordered to lie on the table and be printed.

DETENTION OF MAIL FOR TEMPORARY PERIODS—ADDITIONAL COSPONSOR OF BILL

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the name of the Senator from Colorado [Mr. CARROLL] may be added as an additional cosponsor of the bill—S. 3654—to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes, introduced by me on June 9, 1960.

The VICE PRESIDENT. Without objection, it is so ordered.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1961—ADDITIONAL COSPONSORS OF AMENDMENT

Under authority of the order of the Senate of June 14, 1960, the names of Senators HUMPHREY, CLARK, and BUTLER, were added as additional cosponsors of the amendment, intended to be proposed by Mr. KERR (for himself and other Senators), to the bill (H.R. 11390), the Departments of Labor and Health, Education, and Welfare appropriation bill, 1961, submitted on June 14, 1960.

TO PRINT AS A SENATE DOCUMENT REPORT BY COMPTROLLER GENERAL ENTITLED "REFUSALS TO THE GENERAL ACCOUNTING OFFICE OF ACCESS TO RECORDS OF THE EXECUTIVE DEPARTMENTS AND AGENCIES" (S. DOC. NO. 108)

Mr. McCLELLAN. Mr. President, I submit herewith a report prepared by the Comptroller General of the United States on "Refusals to the General Accounting Office of Access to Records of the Executive Departments and Agencies," and ask unanimous consent that it be printed as a Senate document.

The information contained in this report was compiled by the Comptroller General in order that interested committees of the Congress might be fully informed relative to certain difficulties he has encountered in obtaining information from agencies of the Federal Government required in exercising his statutory responsibility to provide the Congress with information relative to the fiscal operations of Federal departments and agencies.

The report, consisting of only 13 pages, has been approved unanimously by the Committee on Government Operations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

NOTICE OF HEARINGS ON CERTAIN NOMINATIONS BY COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to announce that a hearing has been scheduled for 10:30 a.m., Thursday, June 23, 1960, in room 2300, New Senate Office Building, on the nominations of Edward C. Sweeney, of Illinois, to be a member of the Subversive Activities Control Board for the remainder of the term expiring August 9, 1960, vice R. Lockwood Jones, resigned, and a term of 5 years expiring August 9, 1965.

At the indicated time and place all persons interested may make such representations as are pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Illinois [Mr. DIRKSEN], and myself, as chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SALTONSTALL:

Address entitled "The Fullness of Life," delivered by Senator FONG of Hawaii, at Tufts University commencement exercises, Medford, Mass., June 12, 1960.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 1185. An act to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam;

S. 1358. An act to authorize the Secretary of the Interior to provide a headquarters site for Mount Rainier National Park in the general vicinity of Ashford, Wash., and for other purposes;

S. 1892. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, and for other purposes;

S. 2327. An act to amend the act entitled "An act to provide for the better registration of births in the District of Columbia, and for other purposes";

S. 2439. An act to authorize certain teachers in the public schools of the District of Columbia to count as creditable service for retirement purposes certain periods of authorized leave without pay taken by such teachers for educational purposes;

S. 2954. An act to exempt from the District of Columbia income tax compensation paid to alien employees by certain international organizations;

H.R. 10000. An act to amend further certain provisions of the District of Columbia tax laws relating to overpayments and refunds of taxes erroneously collected;

H.R. 10183. An act to amend the Fire and Casualty Act regulating the business of fire, marine, and casualty insurance in the District of Columbia;

H.R. 10684. An act to amend sections 1 and 5b of the Life Insurance Act for the District of Columbia;

H.R. 10761. An act to provide for the representation of indigents in judicial proceedings in the District of Columbia; and

S.J. Res. 42. Joint resolution to establish an objective for coordinating the development of the District of Columbia with the development of other areas in the Washington metropolitan region and the policy to be followed in the attainment thereof, and for other purposes.

NEEDED: MORE EFFECTIVE YOUTH DEVELOPMENT PROGRAMS AS "ANTIDOTES" TO DELINQUENCY

Mr. WILEY. Mr. President, today the Juvenile Delinquency Subcommittee of the Judiciary Committee issues its annual report. As a member of that subcommittee, I am particularly concerned with the revelation of the report reflecting a regrettable waste of human resources—in this case, youth, the Nation's most precious asset.

For the past 10 consecutive years, for example, there has been an increase in juvenile crime.

There are, of course, different views on the cause and cure of problems in this field. However, I believe there is a greater need for public understanding, as well as interest in and action toward resolving the problems confronting youth.

Overall, the report, I believe, will help to serve this objective.

Fundamentally, the study represents a factual, comprehensive report on the multitude of complex problems in this field. It is a unique assemblage of information, and includes coverage of:

The broad scope of complex problems of juvenile delinquency and the need for more comprehensive programs to deal with them;

A compendium of techniques now being utilized in communities throughout the country for coping with differing situations;

Recommendations for the care and feeding—that is, the handling and rehabilitation—of juveniles;

Of great significance, a review of youth development programs serving as antidotes to the spread of delinquency; and other invaluable information.

In reviewing the national picture of juvenile delinquency, legislative history, survey of current programs, and making recommendations for the future, the report, I believe, will helpfully serve Members of Congress in their efforts in this field.

In addition, the study will serve as a handy guide-manual for the many individuals, organizations, State and Federal agencies, and others of the general public who are attempting to cope with and resolve the difficult challenges.

Overall, the report reflects the far-reaching efforts of the subcommittee to obtain a comprehensive picture of the field through hearings in Washington and across the country; consultations with authorities on delinquency; broad research effort, including analyses of studies previously undertaken in the field; questioning of interviewees, including a great many youth out of step with society, falling into the category of delinquents; surveys through questions to obtain the views of judges, social workers, and other authorities in the field; and other efforts.

All of us realize, of course, that a study such as the annual report, issued, then perhaps forgotten and buried in file drawers or the archives, does not help Congress or the youths involved in this problem or the general public.

Recognizing these important factors, I wish to commend the distinguished chairman, the Senator from Missouri [Mr. HENNINGS], and the staff director of the subcommittee, Mrs. Frankie Childers, for a splendid annual report, as well as an outstanding job of focusing the public eye and mind on the report and its value.

By an enterprising technique of prereleasing major findings of the subcommittee—data now highlighted in the annual report—it has been possible to bring to public and nationwide attention the findings and recommendations of the subcommittee. The objective—to a remarkable degree successfully achieved—has been to maximize interest in and, we hope, encourage and inspire efforts to deal with these great challenges.

I ask unanimous consent to have printed at this point in the RECORD a 10-point program for better meeting the problems of juvenile delinquency.

In addition, I ask unanimous consent to have printed the following articles reviewing constructive efforts in Wisconsin to deal with problems of delinquency:

First. An article, published in the Janesville Daily Gazette, written by Bernice Warner and entitled "Probation Officer Says Juvenile Delinquency Is 'Product of the Times.' "

Second. An article, from the Green Bay Press-Gazette, written by Leigh Caldwell and entitled "Committee Studies Problems of Youth."

There being no objection, the statement and articles were ordered to be printed in the RECORD, as follows:

TEN-POINT PROGRAM FOR MEETING PROBLEMS OF JUVENILE DELINQUENCY

(By Senator WILEY)

The Nation cannot afford to waste its most precious asset—youth. To the contrary, constructive, creative programs are needed not only for dealing more effectively with delinquency but also for sponsorship of more youth development programs as antidotes to delinquency.

Fundamentally, and most fruitfully, I believe we must take a positive, not a negative-approach to the challenges in this field. Among other objectives, these include more effective programs designed to challenge the talents, energies, imaginations and ingenuity into creative—not destructive—activities.

As President Eisenhower stated at the recent National Youth Conference:

"We must beware of a tendency to generalize pessimistically about our youth—to attribute to the many, the failures of the few. Such terms as 'lost,' 'misguided,' or 'offbeat,' each have had their counterpart in earlier generations.

"Civilization is a matter of spirit; of conviction and belief; of self-reliance and acceptance of responsibilities; of happiness in constructive work and service; of devotion to valued tradition. It is a religious faith; it is a shared attitude toward life and living which is felt and practiced by a whole people, into which each generation is born and nurtured through childhood to maturity."

In our earnest efforts to deal with the problems of delinquency, we must not be so concerned with the problem child or youthful offenders that we forget that the great majority of our youth is devoted to the pursuit of positive values—to self-improvement, the betterment of education and the fuller exploitation of human and spiritual resources.

Recognizing that there has been a regrettable increase in delinquency, however, the Nation—at local, State and, as necessary, Federal levels—must take action to deal with this problem. Basically, I believe that a constructive approach includes the following factors:

1. First and foremost, antidelinquency efforts are the responsibility of the home—of parents of America;

2. If the problem gets beyond the home on a broad-scope basis, then naturally the social forces in the community should take hold of the situation. These include churches, schools, parent-teacher associations, fraternal services, and veterans groups and other organizations, many of which are already doing a fine job in this field.

3. Local-State social services—in delinquency-struck communities—should undertake further efforts not only to deal with the delinquent child but also to provide counsel for the parents, in necessary cases.

4. Our courts and penal and correctional institutions need to be modernized, modified, and adequately staffed with judges and other trained personnel, in order more effectively to meet the unique problems of youth in a fast changing age.

5. As necessary, Federal laws need to be strengthened, to prohibit traffic of materials—including weapons, narcotics, obscene literature, and other items—that contribute to delinquency. In addition, tougher laws need to be enacted to punish violators of laws.

6. Call a halt to "adult delinquency" which often results in abandonment, if not in all cases, of the children themselves, or at least of a portion of their physical, psychological, and emotional needs.

7. The children of today—contrary to the popular concept that society owes them a living—should have instilled in them the realization that they, themselves, have an obligation to their parents and to society.

8. Delinquency knows no social, economic, environmental, or other boundaries. Consequently, there is a need for each community to analyze its own special needs and to design special programs to cope with the problems.

9. As a nation, we need to encourage high standards of presentation by our information media, including television, "funny" papers, "funny" books, radio, and other mediums, which, if presenting the wrong kind of "stuff," can adversely affect the youthful mind.

10. Our society, too, must not fail to stress in its news reporting and community-recognition programs the fact that more than 95 percent of our youth are conducting themselves dutifully, constructively, and creatively as keystones in home and community life.

Overall, it is highly important for us to create the kind of environment in which our youth—the most precious asset of our Nation—can have opportunity to fulfill a great, promising destiny.

[From the Janesville (Wis.) Daily Gazette]

PROBATION OFFICER SAYS JUVENILE DELINQUENCY IS "PRODUCT OF THE TIMES"

(By Bernice Warner)

A "razor strop" approach to the problem of juvenile delinquency in the era of the electric razor just doesn't make sense to Robert MacMaster, who has been county juvenile probation officer long enough to know what he's talking about.

"The same men who recommend using the razor strop and the old-fashioned woodshed to reestablish much needed parental control are the ones who have bought the latest model electric razor and are heating their modern homes with gas or oil," MacMaster says.

Yet, while he decries the use of old-fashioned solutions for a modern problem, MacMaster's own personal prescription for curing juvenile delinquency ills is probably the oldest on record: "Live up to the 10 Commandments." Which, he admits, is much easier said than done.

Much of MacMaster's adult life has been spent working with the youth of the area, both in an official and unofficial capacity. County juvenile probation officer since July 1, 1944, he sees the present situation as a reflection of the times, with its tensions, its insecurities—and its prosperity.

BLAMES PROSPERITY

It's the prosperity, he feels, that is one of the greatest villains in the case.

The depression had its own problems, but it had the saving virtue of knitting families closely together, he points out. There was no money to spend on going out to find amusement, so many families made their own fun at home with the result that parents not only knew where the children were, they knew what they were doing.

That's just one of the angles which MacMaster likes to explore as a contributing cause of juvenile delinquency. There are many more, but they're all interrelated. In his opinion, other factors, not necessarily in the order of their importance, are:

Lack of parental control.

Failure of parents to accept total responsibility for their children.

Modern transportation.

"Easy" money.

Mental and emotional instability among young people.

Working mothers.

Fathers who work the night shifts.

Lack of strong religious principles, accompanied by a general lowering of moral standards.

The lack of parental control, which MacMaster puts high on the list, is an adult problem rather than a juvenile one. Those parents who teach their children a healthy respect for authority—and for property—whether in the home or outside it—almost automatically reap the benefits of parental control, he says. He is shocked by the general disrespect with which many young people treat those in authority, a disrespect which is often shown even in the courtroom.

"If a child doesn't learn respect at home, where will he learn it?" MacMaster asks. He himself learned it the hard way, he admits, but the habit of courtesy became so ingrained that to this day he uses the term "sir" automatically when talking to those in authority.

Orphaned at the age of 5, MacMaster was raised by an uncle and aunt, Mr. and Mrs. Charles Greene, in Chicago. His late uncle, associated with the Chicago Tribune for many years, was a stickler for courtesy and demanded that his young nephew address his elders as "sir" and "ma'am."

FORMER SALESMAN

As a boy, MacMaster attended Senn Technical School in Chicago and sold newspapers on the streets of Chicago to earn spending money. He attended Dunwiddie Institute, a technical training school for engineers, in Minnesota. Because of his health, he was advised to seek work that would allow him to be out-of-doors, and as a young man, MacMaster went on the road as a factory sales representative for the Maytag Co.

His traveling days came to an end when he married the former Elizabeth Caaps of Galesburg, Ill., and settled in Beloit. Always interested in young people, MacMaster soon became active in the YMCA and other organizations working with youth. He got into his present line of work through the side door directly as a result of his interest in young people. While MacMaster was bailiff of the Beloit Municipal Court, Judge Chester H. Christensen, then municipal judge, became familiar with his youth activities and asked if he would volunteer to help with the growing juvenile problem in Beloit. He sat in on conferences with the judge, met with the young people, heard their problems, and made suggestions to the court.

Soon he was devoting more and more time to working with juveniles who had gotten into trouble with the law. Eventually he was named probation officer and took over those duties on a full-time basis.

Then, with the outbreak of war, there was an alarming increase in juvenile delinquency. Mothers left their homes and families to work in defense plants, often earning more money than their husbands; fathers began going into service; there were many hasty war marriages with resultant divorces and broken homes, often involving children.

That, MacMaster feels, marked the period when family responsibility began to deteriorate. In an effort to keep up with the Joneses, many parents began seeking amusement away from the home, attempting to make up for their neglect of the children by giving them material advantages.

"Some of the worst parents are those who were children during the depression and had to get along without a lot of the things they thought were important," in MacMaster's opinion. "They make up their minds that their children are going to have all of the things their own parents couldn't afford to give them. They just don't seem to realize that children would rather have love, attention, and a sense of security."

By 1944, the Rock County Board of Supervisors, alert to the growing situation as to juvenile delinquency, voted to establish the post of juvenile probation officer to act as an arm of the Beloit and Janesville juvenile courts. MacMaster was appointed and for the next 6 years hundreds of delinquents, most of them boys, came under his guidance and jurisdiction.

MacMaster prefers to think of his work as coming under the heading of guidance rather than under its official name of county juvenile officer and spends much of his time working with the youthful offenders for their rehabilitation.

DEPARTMENT EXPANDED

By 1950, the number of girls placed on probation had grown to such an extent that the county authorized hiring an assistant, Mrs. Natalie Lyons, who is still with the department, in order to deal more effectively with that problem. The department now has another assistant, Peter Reese, an office secretary, Mrs. Priscilla Hamilton, and a student from Beloit College, Kay Kaminski. Under a recently inaugurated program, a college senior is selected by the department and by the college for a year's intraining service and this has worked out exceptionally well, the student receiving credit for his work and the department having the advantages of the student's services and youthful viewpoint.

"The students seem to be able to make contact with the youngsters very readily, probably because the age difference is smaller," MacMaster observes. "They can meet the boys and girls on their own ground and often succeed in gaining their faith and confidence. That's the important thing in working out their problems."

Often a juvenile must be removed from his own home and placed in new surroundings before anything can be accomplished, and in this area MacMaster finds his early training as a salesman comes in pretty handy. Finding foster homes for the youngsters constitutes one of the more difficult aspects of his job. It is also one of the most important, for often a youngster can be guided back into good, useful citizenship with the proper training and environment. MacMaster feels that Rock County has some wonderful people who have opened up their homes and their hearts to boys and girls who might otherwise never have the opportunity of knowing normal family relationships. In addition to private homes, juveniles from Rock County have been admitted to such institutions as the Lutheran home in Milwaukee, the Norris Farm School for Boys at Big Bend, the House of Good Shepherd, Milwaukee, and St. Michael's at La Crosse.

STRESSES INDIVIDUALISM

Rock County has an unusually low number of juveniles committed to State institutions, primarily because MacMaster feels that commitment is a "last ditch" measure. With State institutions overcrowded and understaffed, MacMaster thinks the situation is better handled on the local level whenever possible; as a matter of fact, he feels that each individual case must be solved individually and that there is no such thing as a mass answer to the problem.

Right now, MacMaster is concerned with detention facilities for juveniles, now quartered in the Rock County jail. When the old jail was declared unfit for the juvenile purpose by State officials, a detention home was established in a private home in Milton Junction and became such an outstanding project that it was widely publicized as being an effective means of rehabilitation. However, when the new jail was completed, separate quarters were provided in it for juveniles and the detention home was discontinued.

MacMaster would like to see a four-county detention home supported and used by Rock, Green, Jefferson, and Walworth Counties where juveniles could be given training and where rehabilitation work could be done effectively. Neither is possible under the present setup.

MacMaster is also perturbed about the increase of delinquency in the villages, small towns, and rural areas and with the indication that emotional and mental instability is becoming more apparent. Diagnostic center facilities are being used more frequently now than in the past, MacMaster says, laying the blame again on "the times" with the stresses and anxieties being transmitted to the young people.

PLENTY OF HEADACHES

While he admits that the department has had its failures, it has also had some successes in dealing with boys and girls under its jurisdiction and these are the cases that more than make up for the many headaches of being juvenile officer. And there are plenty of headaches, MacMaster admits, explaining that the only way one can continue in the work is to "leave the problems in the office."

Mondays he spends in the county at large; Tuesdays and Thursdays at Beloit, and Wednesdays and Fridays in his office in the Rock County Courthouse. His assistants also follow a varying schedule that provides complete county coverage.

An enthusiastic member of the Rotary Club, MacMaster was named governor of District 210, Rotary International, in 1954. Mr. and Mrs. MacMaster have three children, two daughters, Mary Elizabeth, 20, in her second year of nurses' training at Madison; Ruth Roine, 18, who will graduate from Beloit High School in June; and a son, John, 10, a fourth grader at Cunningham School in Beloit, where the family lives.

[From the Green Bay (Wis.) Press-Gazette of June 7, 1960]

COMMITTEE STUDIES PROBLEMS OF YOUTH—EIGHT OCONTO COUNTY PEOPLE CONSIDER FUTURE CITIZENSHIP

(By Leigh Caldwell)

OCONTO—"How can the youth of today be given the opportunities they deserve which will best prepare them for the future?"

That was the question uppermost in the minds of eight Oconto County citizens when they organized an advisory committee for youth in January 1959. "Can we as citizens make a better community for our children?" the committee asked itself.

Attacking the problem were these members of the committee: Herb Buseman Gillett, chairman; Pat Gauthier, Suring; Art Odau, Robert Shellman and E. A. Moede, Oconto Falls; Bernard Stodola, Coleman; Janice Heineman, Pulaski, and Mrs. Reuben Timm, Gillett.

The committee sought to establish what problems existed, what alternative solutions were available, and then to suggest procedures for solving the problems.

An early demand was to know the present situation by the use of facts. The Welfare Department was called upon to establish the degree of delinquency in the county. The Rev. Merlin Sasman, child welfare worker, and James Leschke, juvenile probation officer, gave background information on the national, State and county situation.

MAJOR PROBLEMS LISTED

After thoroughly discussing how important each youth opportunity is, and their varied reactions in the lives of young people, these major problems were identified:

1. Parents need education on the needs of youth and how to effectively satisfy their needs. (The youth situation in Oconto County is to be used to alert parents to the problems.)

2. Delinquency has increased and the number of cases requiring court action has increased in Oconto County as well as the Nation.

3. Teenagers have too much money to spend and not enough guidance in the use of their money. Advertising is suggested on such problems as drinking, smoking, and automobiles.

4. Teenagers are not given enough recreational opportunities that are wholesome and appealing.

PARENTS ARE LAX

5. Parents are lax in setting standards for youth.

6. Parents lose control of their children when the children are too young.

7. Youth are not properly informed about the reasons for a law being stated as it is.

8. Society has encouraged conformity among groups which has discouraged the "brain" as well as the correction among problem groups.

9. There is not enough parental leadership for youth groups.

10. Prospective members and parents of prospective members as well as parents of members of youth groups are not properly informed or convinced of the values of youth organizations and the role that they must assume.

PANEL IS PLANNED

The youth committee gained a good understanding of problems as viewed by people in different areas of the county. A panel discussion is being planned to discuss such questions as the part parents can play toward building good citizenship, public service and improving community activities that help to mold the future of their children and how are parents delinquent.

The panel to discuss these and similar questions will include a teacher, youth leader, church representative, welfare worker, and youth representaives. The panel will get the facts, compile the information and offer the program to any interested groups.

SERIES OF CLASSES

A second recommendation was to plan a series of classes on understanding the needs of youth. Topics for which training would be given include: How can parents, lay people, citizens and educators help improve the community, how can youth inform their parents of their failings, how do we understand youth, and how do we sell them on the fact that we are trying to help them.

Another suggestion was for the forming of study groups with references and bibliographies for studying child development.

The youth committee has made known that its sincere desire is to help parents and to build a better community in which Oconto County children can grow up.

PROBLEM OF OUR FOREIGN CURRENCIES

Mr. FULBRIGHT. Mr. President, in the May issue of the Atlantic, Prof. Edward S. Mason, of Harvard, has written an article entitled "Foreign Money We Can't Spend." This article deals with one of the most abstruse and difficult subjects with which this body has to deal, that is, the problem of our foreign currencies, especially those accumulating under the operations of Public Law 480. I believe there is much misunderstanding of this subject, and I urge my colleagues to take the time to read this article, which is the best I have seen on the subject.

I ask unanimous consent that it be printed in the body of the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN MONEY WE CAN'T SPEND

(By Edward S. Mason)

During the early days of the Marshall plan in Europe, a comforting belief developed that a way had been found to make one dollar do the work of two. American dollars appropriated by Congress to promote European recovery were spent for U.S. exports of food, petroleum, and other goods to supply Europe's needs. When these goods arrived abroad, they were sold for pounds, francs, or lire, and the proceeds of these sales accrued to the governments in question as additional revenues. Thus, the countries being assisted acquired American goods, and their governments received the dollar equivalent of these goods in the form of local currencies that then became available to finance reconstruction and recovery.

The currencies received by foreign governments as a result of these transactions were called counterpart funds, and although they were owned by the governments in question, the United States retained a veto on their use. The support in this country for the veto power arose in part from the belief that the United States should participate in determining not only the use of the first dollar, spent for American goods, but also the use of the second dollar generated from the sale of these goods. If $2 worth in recovery was being accomplished for every dollar spent, why should the United States not participate to the full in what was, after all, a mutual recovery program?

Now it does not take much reflection—nor did it then—to discover that, in fact, one dollar cannot do the work of two. The only addition to European resources was the receipt of goods from abroad financed by the Marshall plan appropriations. To be sure, the sale of these goods increased the revenues of governments in pounds, francs, or lire. But the receipt of these currencies added nothing further to available resources. Moreover, these governments were, in general, free to acquire additional quantities of their own currencies by taxation, by borrowing from their citizens or from the central bank, or by printing money.

The most conspicuous exception was Germany. The havoc of war had so disrupted the fiscal and banking system that the German Government, initially in the hands of the occupying powers, was unable by taxation or borrowing to acquire control of adequate quantities of its own currency. The proceeds of sales of Marshall plan deliveries provided a useful supplement.

In Britain the fiction of double-duty dollars was from the beginning recognized as a fiction. The United States wisely never attempted to influence the use by the British Government of its revenue receipts. Elsewhere, and particularly in France and Italy, attempts to influence the Governments' use of counterpart were easily circumvented, and usually resented.

It is worth recalling this early experience with Marshhall plan counterpart funds because, in its current programs of assistance to underdeveloped areas, the United States seems to be engaging in a colossal piece of self-deception. The double-duty dollars are back on the scene in a big way, and as American holdings of rupees, kyats, rupias, and rials accumulate around the world, all sorts of grandiose schemes for saving humanity through the use of these currencies are being concocted.

Counterpart funds, whatever their basic irrelevance to the problem of European recovery, had at least the merit of being self-liquidating. Although the United States possessed a veto power with respect to their use, once an agreed use was found they were spent and thus were written off the books so far as we were concerned. By the end of fiscal year 1958, counterpart funds held by European countries had been reduced to $255 million and were declining rapidly. And although counterpart funds held by Asian countries were substantially larger, their disposition represents no insuperable problem.

This is not true of U.S.-owned foreign currencies, which in some countries are accumulating at a devastating rate. Currently we own slightly more than $3 billion in local currencies, mainly Asian, and our holdings are, or will shortly be, increasing at the rate of $2 billion a year. In another 4 years we shall probably own $10 to $11 billion, and if our aid program continues at the present rate for another 25 years we may well own all of Asia. Of course, this ownership is as phony as a $3 bill, but the potential political repercussions are not at all phony, either in Asia or the United States.

The large-scale accumulation of U.S.-owned local currencies may be said to have begun in 1954 with the enactment of current legislation to dispose of our agricultural surplus. This enactment more or less coincided with a rather pronounced shift in our foreign aid programs away from grants in the direction of loans. At present, Public Law 480, which governs the disposal of agricultural surpluses, and the Development Loan Fund are the principal generators of local currencies. Public Law 480 currently generates about $900 million a year, and the DLF generates $500 to $600 million more. But this is not all. Local currencies once accumulated by the United States are lent and re-lent to the receiving countries at 4-percent interest. Moreover, until recently Public Law 480 loans were accompanied by a maintenance-of-value clause, which said, in effect, that if the borrowing country depreciates its currency, the amount owed to the United States shall be increased proportionately. DLF loans still carry this provision. This combination of large annual accretions plus interest payments plus maintenance of value may be expected to increase American holdings of foreign currencies at an extremely rapid pace.

The insistence on selling agricultural surpluses and the shift in economic assistance from grants toward loans represented a rather strong political reaction in this country against giveaway programs. Once political leaders who recognized the importance of economic assistance to the foreign policy of the United States became convinced that appropriations could be most easily maintained and increased by accenting loans and sales rather than grants and gifts, the line hardened. By now Public Law 480 and the Development Loan Fund are, speaking generally, the most acceptable parts of our economic assistance policy. And strong political forces have coalesced around them.

It may be useful at this point to reflect for a moment on the meaning of "giveaway." The sale abroad of American goods for currencies that can be used to finance American imports is obviously not a giveaway. But the currencies now being accumulated by the United States in connection with economic assistance cannot be so used. A loan abroad in expectation of repayment of interest and principal in dollars is clearly not a giveaway. But DLF local currency loans are made with little hope of dollar repayment. Whether Public Law 480 sales and DLF local currency loans are giveaways

in the economic sense of the term depends on whether the local currencies acquired have any economic value to us.

In fact, we are lending and selling for currencies which, in a number of countries, are of little present or potential future value. Regardless of the words used or their political connotation, we are still, in the economic sense of the term, engaged in a giveaway program. And in pursuit of the impossible economic quid pro quo, we are adopting measures and pursuing methods that inevitably sabotage the real objectives of foreign assistance. We continue to lend at a 4-percent return in currencies that have no value to us, while the Russians lend at 2 or 2½ percent for currencies they can use. We are piling up our unusable holdings of these currencies on a scale that will inevitably cause alarm and resentment in the countries affected.

Rupees, kyats, baht, rupiah, and the like look like money and feel like money, but in the form of U.S. holdings abroad and under the conditions on which they are held, they are, in the main, not money for our purposes. We can use this money for Embassy expenditures, the local costs of economic and military missions, the acquisition of additions to our already redundant raw material stockpiles, and loans to American firms operating abroad. This may account for 35 percent of our holdings. What about the other 65 percent? American holdings of Indian rupees are now approaching the equivalent of $800 million. In the course of the next 3 years, these holdings can easily approach $2.5 billion. Now $2.5 billion in relation to the Indian national income is roughly equivalent to $35 billion in this country. Imagine the reaction in the United States if a foreign country, no matter how friendly, held $35 billion in our currency. The inevitable reaction to the currently much smaller holdings is already in evidence in Asia, not necessarily from governments, but from the Communists and from opposition parties.

Faced with this reaction, American representatives abroad make every effort to get these holdings off the book by lending them to the local government. It may be suggested in Delhi that, if the Indian Government does not borrow the local currency proceeds of surplus crop sales, agricultural commodities may not be available for local currency purchases next year. The Indians must know, considering the anxiety in the U.S. Department of Agriculture to get rid of these surpluses, that this is a fairly empty threat. But the representatives of Asian governments in Washington are generally aware of the necessity of playing the game. If they borrow what they are told to borrow, then current American holdings of local currencies will not be so embarrassingly large.

It should be obvious that, at best, this is a temporary expedient. Why, apart from playing the game, should a country having an adequate fiscal and banking system want to borrow its own currency at 4 percent and have to listen to American advice on how this currency should be used in the bargain? In Burma, a recent request that the Government borrow from the U.S. holdings that were getting uncomfortably large met with the reply that the Burmese Government could borrow from its own Central Bank at 1 percent.

The accumulation of American-owned local currencies not only causes anxiety abroad; it is the source of difficulties at home. When the administration goes annually to Congress for foreign aid appropriations, the question is invariably asked: Why do you need more, when you already have $2 billion plus uncommitted and unspent in foreign parts? Then begins the difficult task of unsaying what has been said on another occasion. It is explained that, although the agricultural surpluses were sold and not given away, the money acquired by the United States cannot be used to assist in further development. Local currencies accumulated are no substitute for dollars.

If we attempt to use our stock of, say, Pakistani rupees for a world health program, in effect it means that the very scarce supply of resources available for Pakistan's economic development is diverted to other purposes. This sort of diversion is tolerable within the context of a foreign assistance program only if it takes place on a very small scale, as, for example, in the Fulbright program. Here, small amounts of local currencies are used to cover the costs of American students and scholars abroad or the local currency expenses of foreign students coming to the United States, to purchase foreign books for American libraries, and for other purposes. This diversion of a country's resources is tolerable because it is small, but any attempt to use our currencies on a large scale for these or other worthy purposes would be a serious negation of a development program.

The disposal of agricultural surpluses abroad can, and frequently does, make a highly important contribution to maintaining minimum standards of living and promoting economic growth. Development programs in many countries are inflationary, and the injection into the economy of food shipments from the United States can have a moderating influence on the upward movement of prices. Countries like India and Pakistan which are deficient in food production find it possible, because of the U.S. disposal program, to save for development purposes scarce foreign exchange that would otherwise have to be used for food imports.

If we wish to make a further contribution to the development of the receiving country, we have a choice between financing, through local currency loans, either projects which the receiving country planned to undertake in any case or projects which lie outside the country's own development program. If we do the former, we may, it is true, permit the receiving country to retire some of the domestically held debt in favor of increased local currency obligations to the United States, or perhaps to moderate the level of taxation, but so far as real resources are concerned, the picture is unchanged. If, instead of supporting a planned development project, we insist that our local currency loan be used for purposes outside the development program, we are probably promoting inflation as well as diverting scarce foreign exchange away from uses that the receiving country considers more important.

The development programs of almost every underdeveloped country are large enough to produce inflationary consequences. Almost all of these countries are attempting to invest more than voluntary savings plus tax receipts will permit. There is therefore a continuous upward pressure on prices. If we were content to supply goods under our foreign aid programs without spending the local currency proceeds, we could exercise a helpful moderating influence on this upward movement. If we lend these proceeds for purposes to which the receiving country is already committed, the moderating influence is still exerted, though we will in time accumulate large volumes of local currencies. If we lend for purposes outside the development program, we not only overaccumulate but we prevent our assistance from moderating serious inflationary tendencies.

All things considered, the best disposition of the vast bulk of local currency accumulations would be for us to grant them back for debt retirement or any other purpose deemed proper by the receiving country. Alternatively, we could burn them, though this would involve the country in the additional expense of printing new currency notes. A recent suggestion by Undersecretary Dillon that U.S. counterpart in Greece be used for debt reduction met with a storm of protest. Why, it was implied, should currencies held or controlled by the United States be used for debt retirement abroad when the American Government is forced continually to add to its debt at home? This attitude is one of the consequences of treating local currency holdings or counterpart as something of value, as real money. Whether the Greek Government uses American counterpart to retire debt or not, the American debt position remains the same.

There are, however, two matters of legitimate concern to Congress and to American citizens that frequently arise in local currency discussions. Since political objectives are of primary concern in our foreign aid policy, it is both legitimate and important that we make what political capital we can from our assistance. And since the chief route to all our objectives in the underdeveloped world is economic growth, we have a deep interest in ensuring that our assistance is reasonably related to economic growth. There is every reason that the citizens of these countries should know about our assistance and, for far as possible, be permitted to see its tangible results.

This does not, however, seem to be the way we go about it. Instead, we make every effort to convince ourselves and everyone else that we are not giving assistance at all but are engaged in a hard headed program of sales and loans for value received. And we kid ourselves into the belief that with the local currencies we receive from these loans and sales we are in a position to exert great and favorable influence on public opinion and on economic growth.

Why can't we, it is asked, use our local currency holdings to build a series of up-to-date hospitals throughout southern Asia? This would be tangible evidence for all to see of American concern with the well-being of the downtrodden, a great propaganda gesture. Certainly Asia needs hospitals. But more considerations impinge on a decision of this sort than meet the eye. First, the resources required for the building and equipping of modern hospitals are not all available in most Asian countries. A substantial part of these requirements would have to be imported, and U.S. local currency holdings are, by agreement, not convertible into foreign exchange. Second, although Asia needs hospitals, it needs everything else too, and a large hospital program, desirable as this may be, does not necessarily represent the best use of resources. Third, the construction of hospitals, and of almost everything else, originates a continuous requirement for maintenance and staffing that the host country may be unwilling or unable to assume. Examples are not lacking in Asia and elsewhere of U.S.-encouraged enterprises that have fallen into disuse because the receiving country was loath to assume the burden of continued operation.

The point of all this is not that the United States should refrain from insisting on a use of its aid which is considered to be politically advantageous to us. But the assistance and the proposed direction of use should be manifested at the time that the host country is receiving something it considers of value. Furthermore, the bargaining position of the United States is likely to be better if our aid is recognized as aid and not disguised as a phony sale. In any case, the occasion on which the United States attempts to lend the receiving country its own currency is not the appropriate time for us to begin to throw our weight around.

We can, of course, refuse to lend for what we consider to be undesirable purposes, through the Development Loan Fund, Export-Import Bank, and such influences as we have on the International Bank. But it is always possible for the country in question to use our loans and grants for mutually agreed purposes and divert its own resources

into channels considered by us to be inappropriate. If we are to exercise any substantial influence on the overall direction of a development program, it can only be through the process by which goods and services are provided via loans, grants, or "sales." The local currencies accruing from these loans and sales provide us with no additional bargaining power.

Finally, the lending of local currencies is accompanied by legal restrictions that are frequently a source of extreme irritation. Since the fiction is maintained, at least in the United States, that these currencies have value, loans are made with all the usual conditions laid down by Congress and applied by the General Accounting Office. A sizable percentage of these loans are made to finance publicly owned enterprises. And since these enterprises are tied in closely with Government departments and ministries, a close exercise of the auditing functions is likely to lead U.S. investigators rather deeply into the affairs of the borrowing government—a situation which engenders further resentment.

It has been implied so far in this discussion that the United States can make little use of the local currency generated by aid shipments, either to help countries receiving assistance or to help us. In general, this is true. But there are exceptions. In a number of Far Eastern countries lacking adequate fiscal and banking systems, the local currency generated by the sale of U.S. goods is the principal support of government services. In Vietnam, for example, approximately three quarters of the minimum import requirements are covered by the shipment of U.S. goods. And the sale of these goods for Vietnamese currency provides the local government with about two-thirds of its revenue receipts. In the absence of this source of funds the government would collapse, with serious consequences to our security position in southeast Asia. The situation in Laos and Cambodia is roughly similar.

Assistance to these three countries and to certain others mainly takes the form of defense support. Here the local currency generated by the sale of assistance imports is granted as counterpart to the countries in question. But defense support, as a category of foreign aid, is meeting increasing resistance in Congress. The predilection for loans, even when repayment is out of the question, continues to grow. If its own currencies were lent rather than granted to the Vietnamese government, its source of revenues would be the same as at present. The only difference is that the United States would accumulate these currencies at the rate of about $250 million a year, with no hope of repayment now or in the future.

At the other end of the development scale are countries to which local currency loans offer some—albeit remote—prospect of repayment in dollars. These countries are few, and the amounts involved are small. Yet these highly untypical situations tend to be used as the general justification for local currency loans. The advantage of such loans, the argument runs, is their flexibility. Developing countries, it is true, are unable to service loans in dollars at present, but with development their ability to do so will increase. At some future time, the argument runs, we can reassess the whole situation, take our repayments of principal and interest in dollars where it is possible to do so without checking development, and write off the rest.

This might be a plausible course of action if the continuous accumulation of massive local currency holdings had no adverse repercussions at home or abroad, if the fiction of loans and sales were not an obvious impediment to the attainment of our political and security objects, and if the persistent process of lending and accounting for local currencies could be carried on without irksome intervention and surveillance in the borrowing countries. As it happens, however, none of these conditions can be fulfilled. The fact that certain small quantities of local currencies in certain countries can perhaps be recovered in dollars can no longer be used as a justification for the accumulation now looming on the horizon.

The first and most obvious corrective step that needs to be undertaken is to eliminate the phony sales of agricultural surpluses. Although this form of economic assistance needs to be used with careful regard to the interests of other exporting countries and to its impact on agricultural development in receiving countries, there are enormous opportunities here for an effective contribution toward meeting the problems of the underdeveloped world. A wise use of our agricultural surpluses can contribute not only to our long-run objectives, but can yield more immediate political capital. But a sale of these surpluses, followed by attempts to lend the local currency receipts, goes far to cancel most of these potential advantages while piling up large stocks of unusable money.

The other principal generator of U.S.-owned local currencies, the Development Loan Fund, can lend both for dollars and for local currencies, but four-fifths of the loans made to date are of the latter character. And they should be, if the Fund is to make its proper contribution to economic development. The Development Loan Fund is a relatively new institution, and, therefore, the process of repayment and relending of local currencies at 4 percent, which will inevitably accentuate our excessive accumulation, is not yet well under way. Consequently, if we take immediate steps to cancel the effect of the sales of Public Law 480 surpluses, we shall have time for a serious reconsideration of the terms on which economic assistance through the DLF can effectively be provided. But unless and until this is done, Uncle Sam's foreign funny money will continue to expand like a tub full of Asian steamed rice.

TRIBUTE TO FOREST SERVICE

Mr. GOLDWATER. Mr. President, it is easy to criticize, and finding fault with the different bureaus of Government and with their employees seems at times to gain the proportions of a national pastime. It is, therefore, very pleasant to be able to extend accolades to a division of our Government, and particularly to the people who run it. It is with great pleasure that I rise today to salute the Forest Service, and in particular a number of its officials who have by their understanding created, with the cooperation of a group of citizens in Arizona, a very unique playground out of land that was of little value to either the citizenry or the Forest Service prior to this venture.

Early in 1950 a group of individuals living in McNary and Pinetop, Ariz., two very small communities in northeastern Arizona, seeking to diversify the recreational attractions of that area, attempted to promote a golf course there. Because of lack of transportation, communication, and definite knowledge of requirements, they gave up this project, and it lay dormant until 1953. Again in that year these same people contacted one of Arizona's greatest sportsmen, Mr. Milton Coggins, of Phoenix, for his advice on reviving this idea. Mr. Coggins met with Mr. Hollis Palmer, of the Forest Service, and looked over a triangular area of approximately 1,000 acres, bordered on the south by the Apache Indian Reservation and on the east and north by the highway between Pinetop and McNary. This was forest land that had been cut over many times and was of very little commercial value. Because of the terrain and the tremendous amount of rock, the undertaking looked almost impossible, but the group was assured by the Forest Service of complete cooperation.

Late in 1953 another meeting was held with Mr. C. K. Spaulding and Mr. Hollis Palmer, both of the Forest Service, stationed in Holbrook, and Mr. John A. Sierker and Ed Cliff, out of the Washington office. They again assured the group that they would more than cooperate in any manner possible to promote this golf course and a summer home area.

It is well to point out that this area was generally known as the back country and while it has always offered fine fishing and hunting, there has been nothing for the fisherman's or hunter's family to do and no golf facilities for the attraction of the general public. This area, I might say, has a delightful summer climate, as one would expect it to have, nestled 7,000 feet above sea level on the slopes of the White Mountain. This feature alone, if facilities were available, would attract thousands of people from the hot dry deserts 150 miles to the south.

After the full cooperation of the Forest Service was assured, a nonprofit corporation was formed, known as the White Mountain Country Club. Some 300 memberships were sold, and early in the spring of 1955 construction began. With the full cooperation of the Southwest Lumber Mills, local residents, and several Arizona contractors, the club completed a nine-hole golf course estimated to be worth some $80,000. Homesites were surveyed around the course, and by the end of 1956 there were approximately 100 summer homes constructed and being occupied. By 1957 the number of homes exceeded 200, and in 1958, with the continuing assurance of the Forest Service, in the form of a visit by Mr. Fred Kennedy, the regional forester, and Mr. Zane Smith, of his office, further homesites were developed. So popular had this cooperative development become by the end of 1957 that the small nine-hole golf course was accommodating 12,000 rounds of golf a season, the season lasting roughly from May 1 through Labor Day.

In the interim, contributions from the members of the club had made possible a swimming pool and the clubhouse facilities had been increased. The club facilities, however, were badly overcrowded, and in 1958 a group of the members agreed to borrow the money necessary to complete the second nine holes of the course. The Forest Service arranged to lease 35 acres for the first 9 holes at 50 cents an acre, and the second 9 holes, or 50 acres, is leased on a percentage basis, which will give one an idea of how the value of the land has increased due to the development of this recreational area. Of course, being constructed on forest land, it is

semipublic in nature in that it is open to the people who are not members of the club.

My purpose in complimenting the Forest Service on this fine example of cooperation is to point out that if this same attitude prevailed throughout the United States, many acres of less valuable timberland could be similarly developed to the overwhelming benefit of those directly concerned, the public in general who will flock to these areas, and to the immediate towns located in the areas. This has been the stimulus that is developing the White Mountain region of Arizona into one of the greatest recreational areas in the entire United States, and I wish to express the satisfaction of Arizona citizens for the help, consideration, and cooperation of the U.S. Forest Service, and in particular those men in the regional and local offices who made this possible.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

MEDICAL CARE HOPES NOW REST SOLELY ON SENATE ACTION

Mr. PROXMIRE. Mr. President, letters continue to pour into my office asking what has happened to congressional action on medical aid for aged—and I must give these constituents a simple and honest answer, one that all of us in the Senate must face.

Adequate legislation for health insurance for the aged, on which millions upon millions of our senior citizens have pinned their hopes for adequate medical care in their declining years, has been seriously endangered by committee action in the House.

The last chance of all these people, and, indeed, the great and unavoidable moral responsibility for early and effective action now rests squarely with the Senate.

I ask unanimous consent, Mr. President, that a typical letter expressing the desperate hope of our senior citizens be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR: With hospital rooms costing as much as $20 a day and doctors charging all the traffic will bear, what happened to the Forand bill which was to add medical and nursing compensation to social security.

If the Government can allot billions for foreign aid why should the American taxpayers be given only a few crumbs at a time when they are no longer wanted by industry or commerce, nor do their children want to share the responsibility of their care if they are unfortunate enough to get sick. Many oldsters face abandonment, neglect and despair at a time when they are no longer able to fend for themselves.

Don't forget most of them paid taxes for more than 50 years.

Sincerely,

——— ———.

MASS DEPORTATIONS OF MEN, WOMEN, AND CHILDREN FROM BALTIC NATIONS A CRIME OF GIGANTIC MAGNITUDE

Mr. PROXMIRE. Mr. President, in the year 1940 there occurred a crime of such magnitude that its full dimensions have never been grasped by the people of the world. I refer to the mass deportations of many thousands of men, women, and children to Siberia from Estonia, Latvia, and Lithuania.

Only for a short time in the course of their modern history were the unhappy peoples of the three Baltic countries allowed to live in peace and relative prosperity in their homelands. After suffering under alien yokes for centuries, at last they regained their freedom and independence at the end of World War I. Then for about two decades they lived at peace, seeking happiness in their work of rebuilding their war-ravaged homelands and in strengthening democratic institutions there. But international forces over which they had no control brought tragedy to the Estonian, Latvian, and Lithuanian peoples.

Soon after the outbreak of the last war Stalin's Red army treacherously attacked and occupied these three countries, and then deported hundreds of thousands of the inhabitants, in June of 1940, to desolate parts of the Soviet Union. It is the sad anniversary of that event that is being observed today, and I join these brave peoples in the commemoration of that tragic event, the forced deportation of the Baltic peoples by the Soviet authorities from their historic homes.

FLAG DAY, 1960

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that remarks which I prepared for delivery yesterday and was unable to present, be incorporated in the body of the CONGRESSIONAL RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FLAG DAY 1960—STATEMENT BY SENATOR SCHOEPPEL

While Flag Day rightfully is an occasion for colorful orations, I would like to confine myself for a few moments to a discussion of a portion of the history of the American flag.

Our Continental Congress appointed a committee to design a banner for the then young Republic, and a member of that committee is credited with writing the following description of the significance of the different parts of that flag.

It would do us all well in these troubled times and at a period when our President is in the Far East, to ponder over the words which that gentleman wrote back in 1777:

"The stars of the new flag represent the new constellation of States rising in the West. The idea was taken from the constellation of Lyra, which in the land of Orpheus signifies harmony. The blue in the field was taken from the edges of the Covenanter's banner, in Scotland, significant of the league—covenant of the United Colonies against oppression, incidentally involving the virtues of vigilance, perseverance, and justice.

"The stars were disposed in a circle symbolizing the perpetuity of the Union; the ring, like the serpent of the Egyptians, signifying eternity. The 13 stripes showed, with the stars, the number of United Colonies, and denoted the subordination of the States to the Union, as well as equality among themselves. The whole was the blending of the various flags of the army and the white ones of the floating batteries.

"The red color, which in Roman days was the signal of defiance, denoted daring; and the white purity."

It is small wonder then, that, as senior Senator from Kansas I take great and justifiable pride in the knowledge that the star of Kansas, my native State, has been a part of this flag for nearly 100 years.

Kansas became a State on January 29, 1861, and the star was added on July 4, 1861, at a time when our Nation was in the throes of internal conflict.

Today we are a united Nation, not an aggressive one, but ready at all times to defend the right.

Let us all thank God that we have prospered as we have and that, because of our constant belief in the true principles of Christianity, have been able to withstand the pressure that would wreck not only the United States, but the civilization of the world.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

RECENT TRIP TO MIDDLE EAST

Mr. FULBRIGHT. Mr. President, for several years I have sought an opportunity to visit the Middle East.

Long an admirer of the many religious, cultural, intellectual, and scientific contributions of the peoples of this area, I have searched my mind for explanations of why it is that today so many citizens of the Atlantic Community consider the Middle East an underdeveloped area, a tinderbox, a ripe ground for the growth of communism or other totalitarian forms of government.

My interest was kindled again in 1955 when the United States offered to assist Egypt in the construction of the high dam at Aswan. The subsequent withdrawal of that offer, the seizure of the canal by the Egyptians, the attack on Egypt by the French, the British, and the Israeli, and the enactment of the Eisenhower doctrine, led me to propose a thorough examination of our policies in the Middle East.

Some colleagues will recall that at the end of that examination, I presented my views to the Senate.

Having recently reviewed those conclusions, I believe they have stood the test of time; and I ask unanimous consent, therefore, that the principal conclusions set forth in my remarks in the Senate on August 14, 1957, be inserted in the RECORD at this point.

There being no objection, the conclusions were ordered to be printed in the RECORD, as follows:

On the basis of the secret and top secret documents which the Department of State has provided—which, as I have said, apparently provide a satisfactory basis on which to judge U.S. policy—I have reached the following conclusions:

First. The Aswan Dam project was a sound project from the point of view of engineering feasibility, and it was a reasonable risk for economic development loans. Sources of capital other than those involved in the offer which was made to Egypt, both private sources and other Government sources, were definitely interested in pursuing the project.

The reason the United States first offered to make a contribution to the project was because it was recognized that the Aswan Dam or some other Nile River development program on a comparable scale was vital to the future of Egypt. The Aswan Dam is a symbol of Egypt's potential development. Without such a development, Egypt, with its increasing population, may be expected to suffer a constantly lowering standard of living. This is likely to cause much social and political unrest in Egypt and may endanger the unstable peace of the Middle East.

Second. After many surveys and long negotiations, which were participated in by the International Bank for Reconstruction and Development, the United Kingdom, and the United States, a comprehensive plan for financing the Aswan Dam was substantially agreed upon with the Government of Egypt. This plan was based on estimates that the dam would cost $1.3 billion, a sum which would include the cost of irrigation and drainage works, powerlines, and other accessorial costs. The plan contemplated that Egypt, from its own resources, would pay for the full cost of the dam except for $400 million in foreign exchanges. The International Bank was willing to lend Egypt $200 million. The United States and the United Kingdom jointly were to grant Egypt the remaining $200 million, of which the United States was to contribute 75 percent and the United Kingdom 25 percent. These payments were to be made over the period of construction of the dam, which was estimated to be between 10 and 15 years.

For the United States this offer would have meant making contributions to the project averaging $15 million a year for 10 years. On December 16, 1955, the United States offered to furnish $54.6 million toward the first stages of construction of the dam and to consider sympathetically additional financial support later. It was this offer which was withdrawn by the administration 7 months later on July 19, 1956.

Third. The administration's decision to withdraw the offer to Egypt was made against the advice of the U.S. Ambassador to Egypt, and the President of the International Bank for Reconstruction and Development. President Eisenhower appears, according to the State Department documents to have participated very little in the decision, except to approve Secretary Dulles' recommendation. There was apparently no consideration of the question by the National Security Council.

Fourth. The reasons given to the public for the withdrawal of the offer were not, in my opinion, valid reasons. They were as follows:

First, that other Nile riparian states had not agreed to the project. The fact is, however, that there is no evidence that such agreement was not possible, or even probable. Moreover, the lack of agreement on this score was not a valid reason for withdrawing the American offer because Egypt itself had agreed with us not to go forward with construction until agreement was reached with the Government of the Sudan, the principal other country involved.

The second reason given for withdrawing the offer was that the ability of Egypt to devote adequate resources to the project had become uncertain since the time of the offer 7 months before. The fact is, however, that the major drain on Egypt's resources—namely, the mortgaging of part of her cotton crop in exchange for Communist arms—had occurred prior to the time of the United States offer on the dam. Contrary to the statement of the Department of State, there was no substantial evidence of a radical worsening in Egypt's economic condition at the time of the withdrawal of the offer. Certainly the International Bank had not urged that the arrangement be called off. Furthermore, there appears to have been no consideration of the imaginative use of U.S. surplus food supplies to counteract the inflationary effect which the commencing of construction would have had in Egypt.

Fifth. In public statements made subsequent to the announcement of the withdrawal of the offer to help with the Aswan Dam, Secretary Dulles has given as an additional reason the fact of congressional opposition to the project. There is no evidence, however, that the administration ever made any serious effort to persuade the few Members of Congress, who had expressed opposition, that the Aswan Dam project was sound. On the contrary, the evidence is that the administration itself began to reconsider the offer only a few weeks after the offer was made.

Sixth. The administration's judgment, based on facts known to the administration at the time of the withdrawal of the offer, seems to me to have been faulty for the following reasons:

First, the Russians had made an offer to help finance the Aswan Dam on terms more attractive than those offered by the United States, the United Kingdom, and the International Bank. There was no evidence that the administration believed that the Soviet Union was not prepared to follow through on its offer. The Secretary of State was nevertheless willing, by withdrawing the U.S. offer, to take the risk of massive Soviet penetration in Africa with no compensating advantage to the United States in taking such a risk. I might say here parenthetically that it is not possible to be sure, on the basis of the documents furnished by the Department of State, whether Secretary Dulles deliberately sought to force a showdown with the Soviet Union on their offer. In this connection, we do have the evidence in Mr. Beal's biography of Secretary Dulles in which Mr. Beal states: "It was necessary to call Russia's hand in the economic competition."

Mr. President, I ask unanimous consent to have printed at this point in my remarks two newspaper items discussing John Robinson Beal's treatment of this question in his biography of Mr. Dulles.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

"[From the Washington Post of April 1, 1957]

"MATTER OF FACT—THE DULLES WHITE PAPER

"(By Stewart Alsop)

"It is not the usual function of a political reporter to review books, but occasionally a book comes along which is also important news. Such a book is John Foster Dulles: A Biography, by John Robinson Beal of Time magazine.

"The book is news for two reasons. First it contains a fascinating account of what had previously been only rumored or suspected—a calculated decision by Secretary Dulles to force a showdown in the Middle East. The account of this startling episode is undoubtedly based on interviews with Dulles himself. Second, the book will no doubt have important international repercussions, since it not only opens all the old half-healed wounds caused by the Suez crisis, but also pours great dollops of salt in them.

"The Beal book is thus likely to cause as much uproar as the account based on an interview with Dulles of the Dulles brink-of-war theory, by another Time man, James Shepley.

"In his introduction Beal, while absolving Dulles of responsibility for the book, states that 'it benefits from personal interviews with him which provided insight into his official actions, for which I thank him.'

"Repeatedly, Beal described Dulles' views with an authority which could only have come from such personal interviews. The book will certainly be regarded, therefore, as a kind of personal Dulles white paper on his Middle East policies, unofficial but authentic.

"Beal confidently describes the manner of Dulles' withdrawal of American offer of aid to Egypt in building the Aswan Dam as a calculated slap in the face for Egypt's President Nasser, consciously designed to bring on a showdown. The Beal account should be read in full, since it is an authoritative report of one of the most amazing exercise in diplomacy in recent history. But the following excerpts give the gist:

"For Dulles, a moment of cold-war climax had come. It was necessary to call Russia's hand in the game of economic competition. It was necessary to make the demonstration on a grand scale. Nasser combined the right timing, the right geography and the right order of magnitude for a truly major gambit in the cold war. Why did (Dulles) turn down Nasser so brutally, without a chance to save face? Since the issue involved more than simply denying Nasser money for a dam, a polite and concealed rebuff would fail to make the really important point. It had to be forthright, carrying its own built-in moral for neutrals in a way that the ormolu of applied propaganda would not cheapen.

"In short, Dulles withdrew the American offer as insultingly as possible, not in a moment of temporary aberration, as many thought at the time, but because he planned it that way.

"Beal's version of the Dulles decision to force a showdown parallels almost word for word the version of the decision previously offered by still another Time-Life man and Dulles admirer, former Presidential Adviser C. D. Jackson.

"When the Jackson version of the Dulles decision was made public, it was widely assumed that it was in fact the Dulles version. Now there can be no reasonable doubt of it—an experienced reporter like Beal could not conceivably describe the Secretary of State's reasoning and motivation in such authoritative detail simply by guesswork.

"Beal makes it clear, moreover, that Dulles was aware of the dangers involved in forcing a showdown: As a calculated risk the decision was on a grand scale, comparable in the sphere of diplomacy to the calculated risks of war in Korea and Formosa. But his experience at sailing in diplomatic waters convinced him that the breeze would be better if he took a new and independent tack.

"The chapters which follow, which also clearly benefit from insight into his official actions, are designed to prove that the Dulles

decision to force a showdown was a brilliantly successful diplomatic coup. This proves a trifle difficult, even for so able an advocate as Beal, since it is uncomfortably obvious that the Middle Eastern breeze has not been better, but a great deal worse since Dulles forced his showdown.

"The difficulty is overcome by the simple device of blaming everything that has gone wrong on our allies—while the Dulles policy was moral, and consistent and purposeful, our allies' policies were both stupid and dishonest. This theory of the crisis, which deserves further examination, will be studied with pained attention abroad, in view of the authority with which the author clearly speaks."

"[From the Washington Post of April 2, 1957]

"OVER THE BRINK

"Just when you begin to think that Mr. Dulles has moderated his brinkmanship, along comes another article or book based on conversations with the Secretary of State to prove you wrong. There are many passages in John Robinson Beal's adoring biography, John Foster Dulles, that will cause heated controversy and indignation through the free world, but the most provocative is the assertion that Mr. Dulles carefully planned the manner in which last summer he withdrew the offer to help Egypt build the Aswan Dam. As Mr. Beal describes the situation. 'It was necessary to call Russia's hand in the game of economic competition. * * * Nasser combined the right timing, the right geography, and the right order of magnitude for a truly major gambit in the cold war.'

"This is a shocking indictment, although Mr. Beal patently did not intend it as such. Communist arms going to Egypt in large quantities, and an increasing number of anti-Western moves on the part of Colonel Nasser, made the decision to withdraw the aid offer logical enough in itself. Yet up until recently the general assumption had been that Mr. Dulles' insult to Nasser in his conversation with the Egyptian Ambassador was more or less accidental, and that the Egyptian reaction was not anticipated. The British, for example, knew of and supported the decision to cancel the offer; they understood, however, that the dam project would merely be indefinitely postponed.

"But no. According to Mr. Beal:

" 'Since the issue involved more than simply denying Nasser money for a dam, a polite and concealed rebuff would fail to make the really important point. It has to be forthright, carrying its own built-in moral for neutrals in a way that the ormolu of applied propaganda would not cheapen. As a calculated risk the decision was on a grand scale, comparable to the calculated risks of war taken in Korea and Formosa.'

"It is of course always possible that Mr. Beal overstates the case, if not as to the facts, at least as to motivations (no one would quarrel with the basic judgment that Nasser was intractable). Nevertheless, the account squares with a recent speech by C. D. Jackson, also of Time and Life and a former White House special assistant. It fits into the pattern of Mr. Dulles' three other brinks in Korea, Indochina, and Formosa. Mr. Beal adds a significant footnote to Formosa policy by telling of a hitherto secret letter from President Eisenhower to Chiang Kai-shek 'satisfying him that the United States would help defend Quemoy and Matsu'—a tacit commitment in which Congress ought to be intensely interested.

"All of this serves to paint Mr. Dulles as the most reckless sort of gambler. Always before it has been possible to regard the Aswan-Suez episode as an accident. Now Mr. Dulles is portrayed as the champion of purposeful irresponsibility, the inventor of the calculated blunder. The tale places on Mr. Dulles an additional share of the blame, not only for Nasser's nationalization of the Suez Canal Co., but also for the increasing desperation in Britain and France, the Suez invasion and the drastic erosion of Western interests.

"It is hard to believe that Mr. Dulles could be so totally Machiavellian. But he will have a difficult time climbing out of this hole; and there will properly be increasing demands for a white paper on the whole story of relations with Nasser. If the Beal account is correct, is it any wonder that Mr. Dulles is mistrusted abroad?"

The second reason why the administration's judgment was poor, even on the facts known at the time of the withdrawal of the offer, was that it did not appreciate the significance to the United States of the vigor of the nationalist and neutralist drive in Egypt. I believe the Secretary of State confused Egyptian nationalism and neutralism on the one hand with communism on the other. Despite the judgment of able State Department career officials indicating that Nasser had some appreciation of the dangers of dealing too closely with the Soviet Union, Mr. Dulles seemed to believe that Nasser had become a Soviet puppet. He did not recognize that Egyptian nationalism was a powerful force which could, if recognized for what it was and carefully handled, be directed toward political freedom instead of communism.

Thirdly, the Secretary of State failed to appreciate the importance of the Aswan Dam to the economic future of Egypt. He also failed, in my opinion, to appreciate the tremendous emotional importance which all Egyptians attached to the building of the dam. He did not appreciate the effect the building of the dam would have had upon the entire Arab world as an example of our willingness to help them help themselves. The Secretary of State failed to appreciate these facts, although he had adequate reports on these points from the field.

Seventh. The administration's decision to withdraw the offer to help with the Aswan Dam was not, in my opinion, in the best interests of the United States for the following reasons:

First, the withdrawal of the dam offer was the direct cause of the seizure by Nasser of the Suez Canal. This action led, in turn, to the Israeli-United Kingdom-French attack, to the serious deterioration in our relations with our leading allies, to the severe oil shortages in Europe, and to economic dislocations in other parts of the world. So far as cost is concerned, it was recently reported in the press that $174 million has been spent under the authority of the Eisenhower doctrine, more than our contribution to the dam would have been in 10 years.

Second withdrawal of the offer served to increase the influence of the Soviet Union. The Soviet toehold in Egypt has become a hammerlock on a country which otherwise might well have stayed relatively free from influence by the Communist orbit.

Third, settlement of the conflict between the Arab States and Israel, without which no peaceful economic and political progress in the Middle East is possible, has been rendered much more difficult. To have helped Egypt concentrate on internal development instead of foreign adventures would have helped to create stability throughout the area.

Fourth, the withdrawal of the Aswan Dam offer has created an impression which is hard to erase that we as a nation are interested in the economic development of other nations only if that assistance serves to put the recipient nation under the political bondage of the United States. It suggests we are not interested in the economic and political freedom of other peoples unless they are willing to adapt their policies to suit our political needs.

Fifth, withdrawal of the offer has foreclosed what may be the primary salvation of Egypt's economic problems in the long run. The Aswan Dam—an essential element of stability in the Middle East—has been indefinitely postponed. The day when the Egyptian people might seek to build a democratic government on a solid economic base has been delayed.

Sixth, withdrawal of the Aswan Dam offer and the consequent war in the Middle East diverted world attention from the revolution in Hungary. This, of course, is a second guess. Nevertheless if the world had not been absorbed by the danger in the Middle East and if the Western Powers had not been on opposite sides in that conflict, the Soviet Union might never have intervened in the Hungarian revolution, or the response of the West to the Soviet intervention might have been more effective. We lost a golden opportunity to promote freedom in the world of the Communist orbit and we handed communism a key to the Middle East.

Mr. President, these are my conclusions. I believe that the documents which have been supplied to the committees of the Senate by the Department of State support these conclusions.

PROBLEMS OF MIDDLE EAST

Mr. FULBRIGHT. Mr. President, the situation in the Middle East is a matter of deep concern for us.

There is the problem of the refugees from Palestine, now over 1 million men, women, and children, living in poverty and dependent upon continued grants—mostly from the United States. There is the situation in Iraq, where President Kassim walks a tightrope between Communist influences that have penetrated his government and forces of pan-Arabism which likewise threaten his rule. There is the situation in Jordan—a country so nonviable that its very survival is dependent upon annual foreign subsidies. There are the occasional clashes between the forces of Israel and those of neighboring states. There is an uneasy truce, but no peace, with the consequent impact on transit through the Suez Canal with economic penalties hitting hard at Israel, but scarring relations with all seafaring nations with interest in the untrammeled use of the canal.

Despite these problems, I could not but be impressed to see the real and substantial efforts being made to improve the living conditions of the people—Arab and Jewish alike. It is in this simple fact—that peoples and governments in the area are working hard for a better life in the future—that I find my basic hope. Given time, as well as assistance and understanding by the developed nations, there may be a gradual improvement in economic conditions in the area. And on that base, there may be created political institutions capable of promoting peaceful settlement of the many problems that plague the Middle East.

NATURE OF MY VISIT TO MIDDLE EAST

Despite my long and deep interest in the Middle East, it was not until late this spring that I had opportunity for a short visit to the area. I had expected to visit the United Arab Republic last January, but the press of Senate business prevented that until Senate action

had been completed on the Mutual Security Act.

I might add that had my interest in the area tended to slacken because in recent months there had been a detectable improvement in relations between the Arab States and the United States—without at the same time a corresponding worsening of our relations with Israel—the *Cleopatra* incident and the action of the Congress in adopting the Douglas-Keating amendment to the Mutual Security Act, once again roused my interest.

Colleagues will recall that during consideration of the Mutual Security Act I expressed myself on the dangers to which the conduct of our foreign policy was exposed when private groups in the United States sought by economic means to force the United Arab Republic to change its policies with respect to transit of the Suez Canal. Furthermore, although I expressed my support for freedom of transit through the Suez Canal, I strongly opposed adoption of the Douglas-Keating amendment on the ground that it constituted taking sides in a bitter strife between Israel and the United Arab Republic. I felt that by tying a political string to our economic aid program to the United Arab Republic, we would exacerbate antagonisms and render even more difficult a rational and peaceful settlement of the basic conflicts of the area.

Needless to say, despite my opposition to the picketing of the *Cleopatra* and to the Douglas-Keating amendment on a basis which I felt served the foreign policy interests of the United States, my views had an impact upon my reception in the Middle East. I was viewed somewhat as a hero in the Arab countries and somewhat as an opponent in Israel. I am sure that Senators DOUGLAS and KEATING would have found the situation reversed had they visited in the area with me.

During my visit to the Middle East I spent 4 days in the United Arab Republic, 1 day in Jordan, and a day and a half in Israel. In the United Arab Republic I visited the site of the high dam at Aswan, the power station and new fertilizer plant near the old Aswan Dam, Port Said, and portions of the Suez Canal. I also held lengthy conversations in the United Arab Republic with President Nasser, Foreign Minister Fawzi, and with other officials there. I was favorably impressed by the vigor and determination of these officials, and by the magnitude and difficulty of the task they have undertaken. In Jordan I met briefly with Foreign Minister Nasir and with the Governor of Jerusalem. I also visited refugee camps in Jerusalem and its vicinity in the company of the United Nations Relief and Works Agency Director, Mr. John Davis.

In Israel I visited the Lahish colonization area, Kirya-Gat—a new immigrant area—and training center at Kalmania in which technical assistance is being given Burmese families in Israel. These projects appear to be intelligently planned and vigorously directed. I also had lengthy conversations with Prime Minister Ben-Gurion and with Foreign Minister Golda Meir, intelligent and dedicated leaders of their people.

I am under no illusion that short visits of this kind provide one with information adequate to reach profound and assured opinions. At best, such visits may simply confirm opinions reached on the basis of information gained in other ways, or may, on the contrary, create doubts about one's earlier conclusions.

Nevertheless, in the hope that my observations and comments on U.S. policy in the Middle East may be of interest, I make this oral report.

BASIC U.S. ATTITUDES

It seems to me that as Americans consider the multitudinous problems of the Middle East it is important that we try to set forth basic facts upon which most of us could probably agree. With that thought in mind, I suggest the following:

First, although we recognize that there is a basic conflict between Israel on the one hand, and the Arab States on the other, we desire to have friendly relations with all states in the Middle East.

Second, we do not seek relationships with any state in the area on any basis other than that of mutual respect. We recognize the right of each state to determine its own policies, domestic as well as foreign. In other words, we do not believe that any action of the United States should seek to put any nation in a dependent status. We do not seek satellites. We believe peace in the area is dependent upon political independence.

Third, in our relationships with states in the Middle East we do not ask that they adopt political or economic forms of organization similar to those that have developed in Western Europe or the United States. We recognize that forms of government or economic concepts that flourish in one environment may perish in another.

It is our hope, however, that the economic or political concepts developed in this area may promote maximum individual freedom and dignity.

Democracy as a political concept originated in the Mediterranean area. Given time, stability, and economic development, it is our hope that the peoples of the Middle East will decide that democratic forms of government are more suitable for their development than totalitarian forms of government.

Fourth, and in summary, as stated in the Mutual Security Act, we recognize "the basic identity of interest which exists between the people of the United States and the peoples of other lands who are striving to establish and develop politically independent and economically viable units and to improve ways of living by methods which reflect the popular will" and we have declared it to be a "primary objective" of the United States and consistent with our "tradition and ideals, to share these strivings by providing assistance, with due regard to our other obligations, to peoples willing to work energetically toward these ends."

U.S. policies cannot, however, be formulated solely on the basis of generalities in which we believe. Equally important are the situations in the Middle East with which we must deal.

Without doubt the most all-pervasive situation which influences the formulation of U.S. policy in the Middle East is the conflict between Israel and her neighbors. Many of the citizens of Israel are convinced that the Arab nations will not rest until Israel has been destroyed, and frequent statements in the Arab States provide basis for such fears. On the other hand, many of the citizens of the Arab States are convinced that Israel contemplates expansion at the expense of her neighbors, and the continued influx of refugees into Israel and her attack on the U.A.R. in 1956 provide a basis for such fears.

Until there is acceptance on the part of the Arab States that most of the nations of the world could not stand idly aside if world peace were endangered by any attempt to drive the Israeli into the sea, and until there is acceptance on the part of Israel that efforts to expand her borders by forceful means will not be tolerated, the main ingredients of peaceful economic or political development of the Middle East will be lacking.

Furthermore, so long as this condition exists, U.S. relations with states in the area will be most difficult. With Middle East emotions closely bordering those which exist in time of war, almost any positive act of U.S. foreign policy, or, for that matter, almost any statement of individual Members of Congress relating to the Middle East, will be tortiously interpreted by one side or the other as evidence of support or opposition.

I was frequently amazed, during my short visit, to find some statements I have made in the United States torn out of context to prove that I was partisan in my views or magnificently lacking in objectivity. Statements by other Members of Congress with whom my views have not coincided have also been misunderstood or given an importance totally unwarranted by their tenor and context.

While I have suggested that the emotional overtones of the Israeli-Arab conflict have affected the ability of governments and peoples there to understand our policies, one of the ironies of U.S. policies in the Middle East is that, over the last decade and a half, our relations with the area have been characterized by extremes, sometimes, I fear, more motivated by emotion than by logic. While our relationships with Israel have been relatively constant and friendly, except for the brief period during the attack on the Suez Canal, our relations with the Arab States and with Egypt in particular have not been nearly as constant and friendly.

RECAPITULATION OF U.S. RELATIONS WITH THE MIDDLE EAST

Consider, briefly, the ups and downs of our relations.

The intense anti-American sentiments that ran throughout the Arab world for a period after the United States supported the creation of the State of Israel, and in May 1948 recognized Israel—as did the Soviet Union—gradually waned until shortly after the Egyptian revolution and the election of President Eisenhower. In 1951, technical cooperation

agreements were signed with various Arab States, and, all in all, a genuine rapprochement with Egypt seemed in the making when Secretary Dulles in early 1953 presented Colonel Naguib with a silver pistol from President Eisenhower. In September of 1954, Egypt's Revolutionary Command Council issued a policy statement emphasizing its support of the West and declaring that the only major threat to the area would be an invasion by the Soviet Union. An agreement was signed for economic assistance.

In August of 1955, however, Secretary Dulles announced that he had heard of Soviet arms offers to Egypt, and in September, after the United States had refused to supply arms to Egypt on terms deemed equitable by the Egyptians, a cotton-Czech arms barter arrangement was agreed to by Egypt.

Despite arms shipments from bloc countries to Egypt, negotiations for Western assistance in construction of the high dam at Aswan continued through late 1955, until July 19, 1956, when the United States withdrew its offer to assist Egypt in construction of the high dam. The grounds for withdrawal were that other Nile riparian states had not agreed to the project and that Egypt apparently would not be able to devote sufficient financial resources to it.

The withdrawal of this offer was, in my opinion, the proximate cause of President Nasser's seizure of the Suez Canal on July 26, 1956.

At this point, U.S. influence in Egypt reached an all time low.

Three months later, in October and early November 1956, there occurred the attack on Suez by French, British, and Israeli forces. The United States, honoring its earlier commitments to oppose any aggression in the area, took the lead in encouraging United Nations intervention to bring about a cease-fire and to force withdrawals from Egypt.

By this action, U.S. prestige in the Arab States rose appreciably, but not for long. Adoption of the Eisenhower doctrine in early 1957, continued blocking of Egyptian funds, Radio Cairo attacks on the United States, and the virtual isolation of the U.S. diplomatic community, all attested to the fact that our relations with the United Arab Republic were on the downswing.

Soviet commitments to assist in the construction of the Aswan Dam, the fall of the pro-Western Government of Iraq, and the landing of Marines in Lebanon, all contributed again to a decline of U.S. prestige in the Arab countries.

During the past year, however, our relations with the Arab States seemed gradually to improve, despite apparent United Arab Republic unwillingness to be more accommodating in permitting canal transit. A temporary setback in our relations developed as a consequence of the *Cleopatra* incident and the adoption of the amendment to the Mutual Security Act, which was construed in the Arab world as Israeli-inspired.

I am under no illusion that the ups and downs of our relations with the United Arab Republic, in particular, over the last decade are solely attributable to fluctuations in U.S. policies toward the area. Certainly the United Arab Republic has not always been temperate in its press and radio comments. Certainly there have been instances when reactions to official or unofficial expressions of U.S. views have been less than understanding. Arab obsession with World Zionism has on occasion distorted Arab reactions toward U.S. policies.

At the same time I would be less than candid were I to fail to note that censorship in Israel, as well as in the United Arab Republic, and a less than balanced coverage of Middle East news, may color U.S. public opinion.

NEED FOR CHANGED EMPHASIS

Having said these things, however, it does seem to me that U.S. policies toward the problems of the Middle East have not always been characterized by clear vision, tempered by understanding, and uninfluenced by economic and political forces interested in the Middle East.

Take, for example, our fear of Soviet military intervention in the Middle East which gave rise in 1951 to an abortive attempt to establish a Middle East Command—with Egypt—to the creation of the Baghdad Pact in 1955—without Egypt—and to the promulgation of the Eisenhower doctrine in 1957. It seems to me that our overemphasis on the dangers of Soviet military intervention in the area tended to blind us to the dangers of Soviet economic penetration.

We had opportunity to supply arms to Egypt, and hence orient her needs for spares and replacements toward the West. We had a genuine opportunity to assist in the construction of the Aswan High Dam, with the consequent economic impact on Egypt. We failed to grasp these opportunities for a variety of reasons—a failure to distinguish between communism and nationalism, a failure to appreciate the possibility that states can be neutral without being anti-United States, an obsession with the necessity of military pacts, a lack of understanding that the failure of a country to develop immediately in a democratic pattern, or to promote a capitalist economic system, does not mean friendship is not possible, and last, but not least, we failed to understand that Egypt faces toward the West.

We have had tendencies in the past to confuse nationalism with communism, neutrality with anti-Americanism, and to believe that the regimes with which we may currently have relations are better than anything different. These tendencies have led us into unnecessary troubles in the Middle East, and unless we check them, they may serve us ill in the future.

In this connection, it would do us no harm, and it might be good, if we were to cogitate a bit on our own historic past. Our brand of 18th century nationalism, which culminated in the Revolutionary War, was viewed by England as pure and simple revolution. Our brand of American neutrality provoked the War of 1812 and the burning of this Capitol Building, led to the enunciation of the Monroe Doctrine, and found legislative expression as late as the Neutrality Act of 1937.

I leave it to my colleagues to apply these lessons to the concepts of nationalism and neutrality which often affect our relations with newly developing nations in general, and with the countries of the Middle East in particular.

I cannot help but believe that a marked improvement in our relations with the Middle East would result from some changes in attitude. A greater recognition of the dignity of newly independent nations and a small dose of humility would be deeply appreciated by most new nations.

Perhaps as a southerner I am in a better position than some of my colleagues to appreciate the need for such qualities. We of the South have, until recent years, been the undeveloped portion of the United States. In my own State of Arkansas, as late as 1940, our annual per capita income was approximately $250, a figure which has now risen to about $1,300—still well below the national average.

We in the South were an occupied territory for a time, and the scars of war are still found in the emotions of the American people—in the widely held conviction, for example, that no man from the Deep South can aspire to the Presidency, no matter what his qualities or virtues.

I refer to these facts only to make the point that our experiences in the South give us some background for more than a national average insight into the sensitiveness of the states of the Middle East to feelings that they have been exploited by foreign ownership of the canal, by oil and mineral concessions, by absentee ownership of means of production, and suspicion of foreign capital.

We have felt a deep resentment when the changing mores of our communities have been violently disrupted by attempts to fix the beady eye of sanctimonious charges of discrimination on the South, as if discrimination existed nowhere else in the Nation. We would indeed have appreciated a bit more humility in dealing with the problems of the South just as, I am sure, the peoples of the Middle East would appreciate less preoccupation on our part with assertions of our own righteousness and fewer self-judging conditions tied to our aid.

REFUGEES FROM PALESTINE

I turn now, Mr. President, to one problem in the Middle East that has occupied the attention of the Senate annually for more than 10 years; namely, the plight of the Arab refugees from Palestine.

Most students of Middle East affairs are in agreement that if some progress could be made toward the settlement of this problem, which is a source of constant irritation to international relations in the area, there might then be movement toward the economic and political stability essential to peaceful development in the Middle East.

As long ago as 1953, the Committee on Foreign Relations created a subcommittee under the chairmanship of the late Senator Taft to examine the problem of Arab refugees. At that time, over $150 million had already been authorized for assistance.

Senator Taft concluded his report with these words:

> The American people are moved by strong humanitarian motives, but they cannot be expected to bear indefinitely so large a share of the burden involved in this situation when Israel and the Arab States show so little initiative in helping to settle the matter among themselves. There is a very real danger that the longer the United States continues to supply relief money, the less desire there will be on the part of the states in this area to make any real efforts on their own to liquidate the problem.

The facts show that Senator Taft was absolutely correct in predicting our contributions would continue. We have now provided nearly $300 million of hard currencies—enough to have provided the hard currency component for construction of the Aswan Dam, or enough to have developed the basin of the Jordan River to bring water to vast areas of the desert.

Despite these expenditures, the number of people on relief has increased. The problem seems no nearer solution today than it was 10 years ago.

The basic reason no progress has been made is that neither the Arab nations nor Israel have been willing to take the first step. The Arabs insist that every refugee has a right to return to Israel or to receive compensation. The Israeli have argued that the refugees left Israel voluntarily and fear that, if repatriation offers were made, there might be such an influx of Arabs as to constitute a security threat to Israel.

I do not propose to examine the refugee problem with all its ramifications, since the subject recently received careful and objective treatment in a study prepared by the staff of the Committee on Foreign Relations.

What is needed now is less recrimination about the past, and more planning for the future. To get the problem in proper perspective for settlement, it is essential that the Arabs reconsider the view that the refugees are a political asset to be used against Israel, but an economic liability in Arab lands. The Arabs must realize that to seek to make refugees serve a political purpose will in time become counterproductive. Moreover, to continue to view these refugees as an economic liability is to ignore their potentialities as human resources for the cultivation of the land and for help in the economic development of the Arab countries. The start now being made in training some of the younger generation in trades and handicrafts is a move in the right direction.

So far as the Israeli are concerned, it is essential that they realize the very existence of refugees from Palestine will appeal to the humanitarian instincts of peoples all over the world—just as did the Jewish refugees from Hitler. I cannot help but feel that the longer this problem remains unsolved, the greater the likelihood that responsibility for the problem will be viewed as resting on Israel, regardless of what one may conclude with respect to the facts.

The time has come for real political sagacity and leadership to be evidenced by both Arabs and Jews. I am hopeful, because my conversations led me to believe that leaders on both sides of this issue are considerably more rational in their private statements than they are in their public pronouncements.

I know the refugee problem has been studied to death. I cannot help but wonder, however, whether it might not now be possible for quiet, off-the-record conversations to be held so that some agreement might be made which would move the problem off dead center. Perhaps the Israeli could agree to repatriation or compensation, as the United Nations has recommended, with the understanding that the numbers who might accept repatriation would be of manageable size over a period of years. Perhaps the Arabs could indicate a willingness to help resettle those who might decide against repatriation if reasonable compensation is agreed upon.

If states within the area can make no progress on this problem, they might enlist the assistance of neutral, nonpolitical elements in the world community, agreeing in advance to give most serious consideration to such settlement proposals as might be submitted. Might it not be possible, for example, to seek the aid of competent social scientists, economists, retired diplomats, and educators from countries having no political or economic interest in Israel and the Arab States?

Mr. President, I have not begun to exhaust the Middle Eastern subjects which merit consideration by the Senate—the canal, oil, water, cotton, Communist penetration, propaganda—almost every subject of this kind has aspects of controversy. Yet if one returns to what I described as the most pervasive situation which influences U.S. foreign policy in the area, he will find that the present state of conflict between Israel and the Arab States is crucial.

The most hopeful aspect of our relations with the area is found in the statement in the recent Senate study on the Middle East:

> In their present mood, neither the Arab nor the Israeli leaders desire war. On both sides, there is preoccupation with economic matters, recognition that armed conflict could—probably would—militate against all concerned.

The two most powerful potential antagonists in the area are the United Arab Republic and Israel. President Nasser and Prime Minister Ben Gurion are both able, dedicated men, who command respect within their own nations. Probably each would object to my audacious or indelicate inclusion of their names in the same sentence. Nevertheless, I do so because I believe that each of these men has the ability to lead his own people, as well as those qualities which enable true statesmen, by reason, to overcome irrational emotion.

PARTICIPATION IN INTERNATIONAL CONVENTION OF CITIZENS FROM NORTH ATLANTIC TREATY NATIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate for consideration.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the joint resolution (S.J. Res. 170) to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment of U.S. delegates to such convention, and for other purposes.

The PRESIDING OFFICER. Under the unanimous-consent agreement 2 hours have been allotted for debate on the joint resolution and 1 hour on each amendment, to be divided equally.

Mr. MANSFIELD. I yield 5 minutes to the Senator from Indiana [Mr. HARTKE].

Mr. HARTKE. Mr. President, the collapse of the summit conference, toward which many millions in many lands had looked with hope, makes it more imperative than ever that we take effective action to strengthen and unify the Atlantic Alliance.

Mr. Khrushchev has blocked the progress in negotiation which many had expected at the summit. He has the power to halt negotiations, to vituperate, and to threaten. But Mr. Khrushchev is quite powerless to prevent us and our NATO allies from reinforcing the solidarity of the West. Indeed, since a central policy of the Communists is to bring about the disintegration of NATO, immediate action to solidify NATO will demonstrate conclusively to Mr. Khrushchev that the kind of summitry he pursued at Paris has boomeranged against this central Communist policy.

The Congress of the United States can take such action to strengthen and unite NATO by passing Senate Joint Resolution 170 this session. Although the Convention of NATO citizens to explore means by which the greater unity, for which it provides, can be developed, and careful preparation will be required before it can meet, the passage of this resolution alone would be a telling answer to Mr. Khrushchev. And this new initiative toward greater unity within NATO will encourage our allies and strengthen our ties with them as well as exert a far-reaching psychological influence throughout the free world. Too often has it been said that our action is usually a reaction to the moves of the Kremlin. Here we have an opportunity to initiate action that is both positive and constructive.

Mr. President, a year ago I served as one of the delegates from the United States to the Atlantic Congress. This meeting of 650 citizens from the NATO nations was unprecedented in the history of the Atlantic community. Though it met for only 5½ days, it accomplished much good, as has been widely recognized.

I came away from the Atlantic Congress convinced of the great value of such meetings of NATO citizens. And I am convinced now that the smaller convention provided for in this resolution, which would meet not just for 5 days, but for as long as necessary to

perform its task, has exceedingly great potentialities for good. The more extended its consideration of our problems, the sounder its recommendations will be.

One of the main resolutions of the Atlantic Congress, one considered so important by the delegates that it was added by action from the floor to the short final declaration of that body, called for a meeting similar to the convention. It requested the NATO governments to bring about "a special conference composed of not more than a hundred leading representative citizens, directed to convene for as long as necessary in order to examine exhaustively, and to recommend as expeditiously as possible, the means by which greater cooperation and unity may best be developed within the Atlantic Community."

Mr. President, last November I served on the U.S. delegation to the fifth NATO Parliamentarians' Conference here in Washington. The original recommendation for such a conference or convention of NATO citizens "directed to convene as often as necessary in order to examine exhaustively and to recommend" how greater unity may best be developed had been unanimously adopted by the third NATO Parliamentarians' Conference in 1957. Last November the fifth NATO Parliamentarians' Conference renewed this recommendation. Referring to the action of the Atlantic Congress and to this joint resolution as originally introduced into the U.S. Congress, it unanimously recommended "that this special conference be brought about as early as possible in 1960."

This resolution has wide bipartisan support. The administration strongly supports it, as was indicated in the following statements in the testimony of the Department of State before the Foreign Relations Committee:

> The Department considers that meetings such as the one proposed in this resolution might well serve a good purpose. We in the Department of State would certainly welcome any constructive and practical ideas which might emerge * * *. We particularly welcome the thought expressed in the resolution that the delegates to the proposed convention should be free to explore the problem fully as individuals.

Mr. President, this resolution would carry out these three unanimous requests of representative bodies of legislators and citizens of the NATO countries. As I have indicated, it is one constructive step we can take immediately which Mr. Khrushchev is powerless to block. It is also a step where the cost is insignificant but the potentialities for good are exceedingly far reaching.

In recent weeks every American, of every degree of political difference, has joined forces behind our President in a show of moral strength and national unity seldom witnessed in any other nation of the world.

Let us pass this resolution, Mr. President, and extend the fiber of this moral strength and unity to the entire Atlantic Alliance.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator suggest that the time for the quorum call be taken from the time of both sides equally?

Mr. MANSFIELD. Yes; from the time of both sides, on the joint resolution.

Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM—ORDER FOR THE SENATE TO MEET AT 9:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I yield myself 2 minutes.

After the Senate completes action on the NATO resolution, we will proceed to the consideration of S. 2929, the loyalty oath bill.

Immediately after we finish consideration of the loyalty oath bill, we will proceed to the consideration of the Defense appropriation bill.

The chairman of the Committee on Foreign Relations [Mr. FULBRIGHT] has asked the leadership to schedule the Japanese treaty for consideration tomorrow.

Because of these important bills, the leadership would like to inform all Senators that we must come in early and stay late for the balance of this week.

The housing bill will follow the Defense appropriation bill.

I ask unanimous consent that when we meet tomorrow, we meet at 9:30 o'clock in the morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PARTICIPATION IN INTERNATIONAL CONVENTION OF CITIZENS FROM NORTH ATLANTIC TREATY NATIONS

The Senate resumed the consideration of the joint resolution (S.J. Res. 170) to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment of U.S. delegates to such convention, and for other purposes.

Mr. MANSFIELD. I yield 2 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, as a member of the Senate Foreign Relations Committee, I heard much of the testimony in support of Senate Joint Resolution 170, calling for a convention of delegates from the Atlantic countries.

First, I wish to commend the junior Senator from Idaho [Mr. CHURCH] for his active work in behalf of this resolution.

The Senate Foreign Relations Committee heard many witnesses on the proposed resolution, and wrote into it many changes from the original resolution. After hearing this testimony, and after much discussion in executive session, the committee has reported a resolution which would create a United States Citizens Commission on NATO, consisting of not more than 20 private citizens.

This Commission would invite legislators of other NATO countries to appoint their own corresponding delegation to meet and discuss ways of achieving greater cooperation among these nations on matters that are important to their security as well as their economic welfare.

The selection of the delegates from the United States participating in this Convention would be made on the suggestion of the President of the Senate and the Speaker of the House, in consultation with the Senate Foreign Relations Committee and the House Foreign Affairs Committee.

The Commission appointed to represent the United States would not in any way officially speak or represent the U.S. Government. It would be a Commission appointed for the purpose of meeting with other like commissions from other NATO countries to discuss programs of vital interest to these nations and report informally to their respective governments.

This would be strictly a meeting of what might be recognized as a citizens' group, and in my opinion could be helpful in making suggestions that would be important if we are to protect ourselves against the Communist threat.

It will be argued that there are, presently, many organizations, official and unofficial, that are meeting on these problems.

The State Department in testifying before the Senate Foreign Relations Committee stated:

> The Department considers that meetings such as the one proposed in this resolution might well serve a good purpose. We in the Department of State would certainly welcome any constructive and practical ideas which might emerge * * *. We particularly welcome the thought expressed in the resolution that the delegates to the proposed convention should be free to explore the problem fully as individuals.

In these difficult and trying times, it seems to me that we should secure the services of citizens who are willing to devote some of their time in behalf of the welfare of our Nation and other nations who have similar problems. It is for that reason that I am supporting this resolution.

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the distinguished Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I always regret the necessity of opposing the position of many of my good friends, especially those on the Committee on Foreign Relations who see otherwise than I do on some of our problems. However, I am definitely opposed to the pending joint resolution.

It is all right to be for peace, and it is all right to seek methods of establishing peace and perpetuating peace. We are all for that. Nevertheless, it seems to me that in the last few years there has developed a great flood of pressure groups that want to get on committees; that want to get some kind of official standing; that want to get Federal appropriations in order to have their meetings here, there, yonder, and everywhere else, but which really, in the long run, have no official standing, accomplish no

particular concrete result, and spend substantial amounts of Federal money in the aggregate.

I have been familiar, as a member of the Committee on Foreign Relations, with this joint resolution in its various lives. It has had about nine lives. It has been altered, changed, amended, and substituted so that the resolution we are at present considering is in no real way like the original resolution which was proposed. This leads me to the opinion that all that was wanted, in the first place, was a resolution, because the contents have been changed so definitely and so substantially.

The resolution provides for an unofficial board of persons—some 20 in number—to be appointed by the President of the Senate and the Speaker of the House of Representatives. Then they are to consult with the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House. It is to be called the United States Citizens Commission on NATO.

Well, we have the NATO Parliamentarians Organization, which meets every year. It has some official standing. No doubt it produces some beneficial results. Also, there are various NATO consultative groups. We have officials in our diplomatic corps, and elsewhere, who take care of the NATO situation.

But now comes a proposal for the United States Citizens Commission on NATO. The joint resolution provides that the commission cannot bind the United States; that is stated in the resolution. It will not, of course, bind the United States. However, regardless of what is said, this so-called unofficial group, meeting abroad with unofficial groups of other nations, can indeed, in the eyes of many people of the world, commit the United States to a moral position, which is not an official position or which is not a calculated or studied position of the United States.

The purposes of the Commission are altruistic; yes. They are to seek for peace and to seek formulas on which peace can be based. But a citizens' committee can do this without spending $300,000 or $400,000 of public funds, and without consulting under the guise of an official commission, when it is not, in fact, an official commission. A citizens' committee can now go to Europe or anywhere else it wishes to go, under its own steam, without benefit of this particular resolution.

Mr. President, I believe we are simply piling up committees, piling up groups, piling up unofficial organizations of people who, in the long run, will probably confuse the issue—because the committees are created by a resolution of this sort—rather than clarify it.

Citizens' committees can do much good if they operate truly as citizens' committees. I do not object to a group of 20 or a group of 40 private citizens doing everything they can to assist in achieving peace, or to the formation of 50, 100, or any other number of groups.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Mr. HICKENLOOPER. May I have 1 more minute?

Mr. MANSFIELD. I yield 2 additional minutes to the Senator from Iowa.

Mr. HICKENLOOPER. I think such groups may be able to bring people closer together. I think groups like International Rotary and International Lions have done much good and have assisted in creating international understanding.

What I object to is putting the stamp of official approval on an unofficial group and sending them abroad at Government expense to discuss international affairs. In the eyes of many people of the world, such a committee will commit the United States to a course of action which is not, indeed, an official course of action, and is not, indeed, a course of action sponsored by Congress, by the Department of State, or by the administration, but is purely the action of a private organization.

I have been opposed to the resolution in committee for these reasons. I think it is unwise. I do not think we should adopt it. I hope the resolution will not be passed by the Senate.

I thank the Senator from Montana for yielding time to me.

Mr. CHURCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Idaho will state it.

Mr. CHURCH. Do I have control of the time of the proponents of the pending measure?

The PRESIDING OFFICER. Under the terms of the unanimous consent agreement, the majority leader and the minority leader have control of the time.

Mr. MANSFIELD. Mr. President, I yield the time in the control of the majority leader to the Senator from Idaho for him to use as he sees fit.

Mr. CHURCH. I thank the distinguished Senator from Montana.

Mr. President, I yield 10 minutes to the distinguished Senator from Pennsylvania.

Mr. CLARK. Mr. President, I do not suppose any Senator would rise on the floor and state that he is opposed to the NATO alliance. I do not suppose there is a Senator who would not willingly admit that the NATO alliance is a greater protection to the free world in general, and to the United States in particular, than any other international agreement now in existence. So I take it that the only question before the Senate is whether the joint resolution will help to strengthen the NATO alliance. If it will, it is clear that we must pass it. If it will not, we should reject it.

I am quite confident that every Senator wants to strengthen the NATO alliance. What is the purpose of having a citizens' group meet to discuss with other citizens' groups, from other NATO countries, how our alliance can be strengthened? The purpose, I take it, is very clear. It is to help to hammer out, on the anvil of discussion, through the workings of the democratic process, ways and means of strengthening freedom. It ill behooves those who live in a democracy to suggest that citizens have no role to play, either in our foreign policy or in strengthening our alliance.

What are we afraid of? Are we afraid of the workings of democracy? Why are we concerned to have distinguished citizens, appointed by the Vice President of the United States and the Speaker of the House of Representatives, meet with distinguished citizens of other countries in order to devise ways and means of strengthening our most precious alliance?

Are we afraid of the processes of democracy itself? Who are the pressure groups which, it is alleged, would attempt to convert to their own glory the convention called for by the joint resolution? Do my friends on the other side of the aisle not trust the Vice President, or do we on this side of the aisle not trust the Speaker of the House of Representatives, to assure that our representation at the convention will be composed of dedicated and distinguished citizens who are concerned only with the good of the country? It is difficult for me to believe that there would be such doubts.

Some seem to be afraid of the results of the meeting called for by the joint resolution. Mr. President, the sponsors of the resolution want to have a meeting of interested citizens held, and the sponsors of this measure have been ready and willing to amend the terms of the original joint resolution in order to meet any legitimate objections which might have been raised to it. Their purpose is to make possible the holding of the proposed meeting.

Mr. President, are we so sure that all wisdom resides in the parliamentary groups of NATO? Are we so sure that all wisdom resides in the State Department and in the foreign offices of our allies?

Some who oppose the joint resolution say that all such matters should be handled only through the United Nations; and they prefer to have action through the United Nations to meet the challenge which NATO is the greatest bulwark in resisting. Mr. President, we need more than governmental action; we also need an informed citizenry. This is the entire basis of our exchange program, by means of which the brains of the free world are exchanged and ideas are fertilized.

I suggest that the opposition to the joint resolution—impliedly, of course, not explicitly—stems from a feeling that we cannot trust the best brains of the free world to go to work on free world problems.

Mr. President, it is impossible for me to conceive how anyone can seriously contend that the representatives of the United States at the proposed convention would represent anyone except themselves—free, dedicated, distinguished citizens of the United States of America.

In the joint resolution itself and in the speeches which have been made in support of it, it has been made abundantly clear that the proposed body will not be an official one. The world is full of unofficial bodies. Every NATO country has them. We have scores of them.

Mr. President, again I say that the proposed group is to be a civilian group to help select the best brains of the free

world to strengthen our most important single alliance; and this group cannot do an adequate job if it is not adequately staffed. The members will serve without compensation.

They will donate, without charge, the most valuable thing they can possibly donate—namely, they will give to the meeting the benefit of their excellent, highly trained minds. Cannot we at least provide an adequate appropriation, in order to make sure that they will be adequately staffed, housed, and fed? In my judgment, the requested appropriation is indeed modest.

So, Mr. President, I shall conclude as I began: What are we afraid of? Do we not believe in the processes of democracy? Do we believe that the Vice President and the Speaker of the House of Representatives will let our country down? If be believe that, then this is a sad day for the United States.

I hope very much the pending joint resolution will be passed by an overwhelming majority.

Mr. President, let me inquire how much time remains under my control.

The PRESIDING OFFICER. The Senator from Pennsylvania has 3 minutes remaining.

Mr. CLARK. Mr. President, I yield back the remainder of the time under my control.

Mr. CHURCH. Mr. President, I believe it would be appropriate at this time for one of the opponents of the resolution to speak, in order that not all of the time available to our side will be used at once.

Mr. CASE of New Jersey. Mr. President, I am in favor of the joint resolution, but I am in control of the time in opposition to it.

Mr. ERVIN. Mr. President——

Mr. CASE of New Jersey. Mr. President, I am happy to yield now to the Senator from North Carolina whatever time he may require.

Mr. ERVIN. I shall need perhaps 7 minutes.

Mr. CASE of New Jersey. Mr. President, I yield 10 minutes to the distinguished Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 10 minutes.

Mr. ERVIN. Mr. President, I realize that any person who opposes a joint resolution of this nature renders himself subject to the charge that he is not in favor of using all methods of promoting peace. Nevertheless, I cannot refrain from rising in opposition to the joint resolution, notwithstanding the fact that I readily concede the good motives which prompt those who favor it.

Mr. President, when I became a Member of this body, I took an oath to support and defend the Constitution of the United States. I find it impossible to reconcile this joint resolution with my oath to support and defend the Constitution of the United States. I have reached this conclusion for two reasons. The first is based upon clause 7 of section 9 of the first article of the Constitution, which provides:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

It has been well settled by numerous decisions of the Supreme Court of the United States that under this section of the Constitution Congress does not have the power to make appropriations of public moneys, save and except for public purposes.

The proponents of the joint resolution say the group of people, who would travel and act under the terms of the joint resolution, would not be public officials, but would merely be private citizens, and would not be representing the Government of the United States. If that be true, then the joint resolution conflicts with the constitutional provision I have just now read, because the joint resolution would undertake to authorize the appropriation of tax moneys to pay the private expenses of private citizens engaged in a private mission; and I cannot reconcile this joint resolution with that constitutional provision.

Furthermore, I cannot reconcile the joint resolution itself with the interpretation placed upon it by its proponents. Notwithstanding the language of the joint resolution and the arguments of its proponents, the Congress has no authority under the Constitution to name agents to represent the private citizens of the United States. The persons proposed to be appointed under the joint resolution would have no authority from the private citizens of the United States to do anything for them. They would receive all their authority from the Congress of the United States. When we consider that interpretation of the joint resolution—and it is the only interpretation I can give to it consistent with the truth—we run into another constitutional provision.

Clause 2 of section 2 of article II of the Constitution provides:

> He—

That is, the President—

> shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he—

That is, the President—

> shall nominate, and by and with the advice and consent of the Senate, shall appoint Ambassadors, other public ministers and consuls.

Under this provision of the Constitution, the sole power to conduct the foreign affairs of the United States belongs to the President of the United States. The Congress is aware of that fact. The Congress is so aware of that fact that it has passed what is popularly known as the Logan Act, which makes it a crime for any private citizen to attempt to carry on negotiations with any foreign country.

The pending resolution provides that private citizens—so its proponents say—deriving no authority from any private citizens of the United States, but deriving whatever authority they have from the Congress of the United States, shall consult at public expense with persons of other NATO nations to see whether or not they cannot make arrangements for an international convention to the end that the United States may get greater unity between those countries and itself by economic and political means.

Here is a group of persons, having no political power under the laws of the United States, who are to be sent abroad by the Congress to try to bring NATO allies closer together by economic and political means. So we have this situation: Although the Constitution of the United States provides that the only person who has charge of the foreign affairs of the United States is the President of the United States. The pending measure constitutes an effort to bypass the constitutional authority vested with the power to deal with the foreign affairs of the United States and to permit some private citizens to receive authority to do so from the Congress, which itself has no power, under the Constitution of the United States, to deal with matters of this kind.

Mr. President, I believe in peace. I believe that we should strengthen the NATO allies. But I believe we should strengthen the NATO allies by procedures which conform to the Constitution of the United States. And the pending measure is an effort—call it what you may, Mr. President, call these persons to be appointed by congressional authority private citizens, which they are not, and say they are representing other private citizens, which they are not—call it what you may, Mr. President, this is an effort on the part of the Congress of the United States to appoint its own Ambassadors, its own foreign ministers, to deal with the foreign affairs of the United States, insofar as they relate to the NATO countries.

And all of the sophistry and all of the talk about peace cannot wipe out the plain fact that this is an effort on the part of the Congress of the United States to take charge of the foreign affairs of the United States, in violation of the plain letter and the living spirit of the Constitution. All it can do is to cause confusion and cast doubt in the minds of Europeans upon the authority of those who are now in power to represent the United States, both diplomatically and militarily, in connection with the NATO treaty.

Although the resolution has a high-sounding name, and although its proponents have lofty motives, I cannot reconcile the resolution with the Constitution of the United States; and for that reason I shall vote against it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of New Jersey. Mr. President, does the Senator from Idaho now desire to have someone speak in the time under his control?

Mr. CHURCH. I had made a commitment to the Senator from Connecticut to yield 5 minutes to him, in order that he might speak in support of the joint resolution.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 5 minutes.

Mr. DODD. Mr. President, I am grateful to my distinguished colleague, the Senator from Idaho, and I thank him for affording me the privilege of speaking on this important resolution. I thank him

more particularly for his interest in this matter and for his leadership on behalf of it. I was not able to be present last night when he spoke on the resolution. I am sorry, because I always like to hear him speak on any subject, and particularly on matters of this kind. I have been in the Senate just long enough to observe his great interest in international affairs, and I have always known him to make wise, sensible, and thoughtful comments. I had an opportunity this morning to read hurriedly the remarks he made yesterday. I wish to say publicly and in this forum that I think he made a great speech in support of the resolution, and he deserves our gratitude for that speech and for having sponsored the resolution.

Mr. President, I rise in support of the resolution. In the few minutes I have, I should like to make clear why I support the resolution, and why I hope it will pass.

The distinguished Senator from North Carolina [Mr. ERVIN], who has just spoken, and for whom I have the greatest respect and admiration—as a great lawyer and as a great legislator—made reference to the Logan Act, which hits a very sensitive place with me, because I made some reference to it not too long ago, in relation to another individual who I thought then, and I think now, was and is in violation of the Logan Act, because of his meddling in foreign affairs. I refer, of course, to Cyrus Eaton. However, I say, with the greatest respect to my colleague and friend from North Carolina, that I think he misunderstands or misapplies the concept of the Logan Act as related to this resolution. I should like to explain why.

The Logan Act, in my judgment, prohibits anyone not authorized from carrying on negotiations or discussions of any kind with officials of foreign governments in matters having to do with the foreign policy or foreign relations of the United States. Under the pending joint resolution, private citizens, who would make up the U.S. delegation, would be authorized by Congress and selected by the leaders of Congress to meet only with private citizens of other NATO countries, and they would not, in any sense, be unlawfully interfering in foreign affairs. I do not think the Logan Act applies to the present situation; and I say that with great respect to the Senator from North Carolina.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. DODD. Yes; I am happy to yield.

Mr. ERVIN. I did not say that the Logan Act applied in this instance. I cited the Logan Act as being a recognition by the Congress that the power to deal with foreign affairs of the United States belongs to the President and to no one else, not even to the Congress itself.

Mr. DODD. I thank the Senator for clarifying a misunderstanding in my mind.

In any event, I think the Senator will agree with me—that the spirit of the Logan Act really is not involved in considering of this resolution. What we are trying to do is to make some progress toward the attainment of an ultimate ideal situation in the world.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. DODD. Mr. President, will the Senator yield to me 2 more minutes?

Mr. CHURCH. Mr. President, I am glad to yield 3 more minutes to the distinguished Senator from Connecticut.

Mr. DODD. I thank the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for an additional 3 minutes.

Mr. DODD. Mr. President, what we are trying to do is to take a small step toward that situation we must reach, and which I am confident we shall reach, when all of the peoples of the world, through their properly selected representatives, can meet together and decide disputes in the world, without recourse to the violence of war or aggression of any kind. That is what we are trying to do. We cannot do it all at once, for a number of reasons. The Church resolution provides a means to further this kind of process among our friends and allies of the free world.

I have no hesitancy in saying to my colleagues that I am a world federalist. World federation at the right time and on the right basis is the answer to peace or war. I do not think world federation is now attainable because of Communist deceit and treachery and because of uncompromising Communist hostility to the free world and its institutions. But I think it is ultimately the only sensible solution to the problem of peace and war in the world.

The resolution we are considering seeks to take another step forward in that direction by at least getting people together, by getting private citizens of the NATO countries to get together to talk about common problems and to find out how we can strengthen the alliances we now have, which are not worldwide but which are really regional and founded on free world principles. We can succeed here because we start out with a broad area of shared common principles. That is all we are trying to do.

This will cost a little money, $300,000 or $400,000. I know the value of the dollar, but $300,000 or $400,000 in these days of millions and billions of dollars is a drop in the bucket. If we can make any progress at all toward the ultimate goal of peace on earth, because men are able to sit down and talk out their problems rather than fight them out, then I say we ought to be willing to spend this small sum and to devote our time and the time of our representative citizens in that effort.

We do this at home. We have citizens' committees for all kinds of activities, as the Senator from Idaho pointed out last evening. The Hoover Commission is an outstanding example, and there have been many others, in all of which private citizens organized into committees have frequently led the way forward. I hope the joint resolution will be passed.

Mr. CHURCH. Mr. President, I thank the Senator very much for his remarks.

Mr. MANSFIELD. Mr. President, will the Senator yield me 1 minute?

Mr. CHURCH. Mr. President, I am happy to yield 1 minute to the distinguished Senator from Montana.

Mr. MANSFIELD. Mr. President, regardless of what the result is with regard to passage of the joint resolution, I wish to take this occasion to commend and to congratulate the distinguished junior Senator from Idaho for the initiative he has shown and the responsibility he has undertaken.

I wish to point out that in the hearings on Senate Concurrent Resolution 17, in the first instance, and later Senate Joint Resolution 170, there are statements by various Members of this body in favor of this proposal. As to whether the Department of State is in favor of the passage of the resolution, I would suggest to the Members that they should read the communications from the Assistant Secretary of State, William B. Macomber, Jr., to the chairman of the Committee on Foreign Relations.

The resolution also has the support of a good number of outstanding citizens, such as Gen. William Draper, W. L. Clayton, of Houston, Tex., and our former colleague in the House, Robert Hale, of Maine, as well as others too numerous to mention.

My purpose in rising at this time and in asking for this brief minute is to pay my respects to the distinguished Senator from Idaho, and to again commend and to congratulate him for the initiative he has shown and the responsibility he has undertaken.

Mr. CHURCH. I thank the Senator very much for his remarks. I appreciate them more than I can say.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CHURCH. I yield to the Senator from Minnesota.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. CHURCH. Mr. President, I am very pleased to yield 5 minutes to the distinguished Senator from Minnesota, who has long been associated with this proposal, and who has sponsored it in previous Congresses, as well as in the present Congress.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. HUMPHREY. Mr. President, I wish to join the acting majority leader [Mr. MANSFIELD] in commending the Senator from Idaho [Mr. CHURCH] for his diligence in pursuing the objectives of the joint resolution and in obtaining the concurrence of a majority of the Senate Committee on Foreign Relations, thereby having the resolution reported to the Senate favorably.

It has been my privilege over several years, along with a number of other Senators, to sponsor a resolution—Senate Joint Resolution 17—with the same objective. I believe this resolution—Senate Joint Resolution 170—is a better one. It meets many of the objections which were raised to previous resolutions.

I invite the attention of the Senate to the fact that in March of 1959, along with the Senator from Tennessee [Mr. KEFAUVER], the Senator from Kentucky [Mr. COOPER] and the Senator from New

Jersey [Mr. CASE] I sponsored Senate Concurrent Resolution 17, and the sponsorship was later joined by the Senator from Idaho [Mr. CHURCH] and other Senators. That resolution contained some flaws in language, I believe, which have been properly corrected, as the result of hearings, in the resolution which is now before the Senate. Senate Joint Resolution 170 is Senate Joint Resolution 17 revised and amended.

Mr. President, there is no doubt that Atlantic unity, the North Atlantic Community, is vital to the security of the United States. In fact, the NATO alliance has been properly termed our most significant alliance.

There have been many expressions of thought to the effect that NATO ought to be expanded. It not only should rest upon the military features of the alliance, but also should be undergirded, strengthened, and expanded in terms of the possibilities of other cooperation among the NATO nations. There could be economic cooperation and scientific cooperation, as well as greater cooperation on trade. There could be cooperation in the development of underdeveloped areas, economic assistance overseas, and a host of activities which are presently being carried on by the independent nation states. These programs could well be carried on by the alliance called NATO.

The failure of the summit conference has made more effective unity within NATO more urgently necessary than ever.

Passage of this resolution by Congress—one forward step which Khrushchev is powerless to block—would immediately create new solidarity and hope for the future among the NATO peoples.

The NATO governments have sought more effective unity since 1949, but with only partial success.

A fresh and independent survey of this problem is now urgently needed.

In fact, I have considered it to be needed fcr several years.

When we want such a fresh and independent survey of a national problem, we appoint a national commission of experienced citizens—such as the Hoover Commission or the Harriman Commission.

The Hoover Commission and the Harriman Commission performed their work well; the Hoover Commission in regard to reorganization of the executive branch of the Government, and the Harriman Commission in respect to the foreign aid program, at that time the Marshall plan.

The convention provided for in the resolution would be similar to a national commission operating on an international NATO basis.

Its members would similarly be officially appointed yet act as individuals, free to express their views but unable to commit their governments.

Its function—inquiry, report, and recommendation—would be the same.

Like a national commission also, the convention would meet long enough to conduct a serious examination of our problems.

Such a serious examination has not been possible in meetings of NATO citizens—like the Atlantic Congress—lasting less than a week.

While the NATO Parliamentarians' Conference serves a valuable purpose, it also meets for less than a week each year.

I wish to underscore the fact that we do have a NATO Parliamentarians' Conference, which, despite the few days of its meetings, has produced recommendations and results that have been beneficial to the Congress. The Senate Foreign Relations Committee has studied carefully the recommendations of the NATO parliamentarians, and those recommendations have been helpful to us in designing our foreign policy. In some aspects of foreign policy, the Congress of the United States is a coordinate or cooperative branch.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CHURCH. I am happy to yield 2 minutes further to the Senator from Minnesota.

Mr. HUMPHREY. A convention of NATO citizens for this purpose has twice been unanimously recommended by the NATO Parliamentarians' Conference, in 1957 and 1959.

It was recommended unanimously in 1959 by the approximately 650 NATO citizens at the Atlantic Congress.

It is welcomed by the executive branch of the Government, which stated in its testimony on this resolution:

> The Department considers that meetings such as the one proposed in this resolution might well serve a good purpose. We in the Department of State would certainly welcome any constructive and practical ideas which might emerge.
>
> We particularly welcome the thought expressed in the resolution that the delegates to the proposed convention should be free to explore the problem fully as individuals.

This resolution would carry out these three unanimous requests of representative bodies of NATO legislators and citizens.

I conclude my plea for the passage of this resolution on the basis that while it is indeed a responsibility of the President of the United States and the executive branch to conduct foreign policy, there is no prohibition in or out of the Constitution against the citizenry advising and consulting on the formulation of foreign policy. In fact, the Congress has a special responsibility in this day and age, in which economic assistance, trade, tariffs, scientific research, education, and information are so much a part of foreign policy. The passage of the resolution creating a U.S. Citizens Commission on NATO can strengthen our security and foreign policy.

Therefore it seems to me the Commission that is recommended fulfills a long-needed aspect of congressional activity. The Commission will report its findings and recommendations to the Congress, and therefore the funds that are proposed to be allocated under the resolution are within the spirit of the Constitution. The proposed function of the Commission surely meets the requirements of the Constitution.

Mr. CHURCH. Mr. President, in order that the opponents of the resolution may have a full opportunity to present their arguments, and inasmuch as considerably more of the time allocated to the proponents has been consumed than is the case of the time allocated to the opponents, I suggest the absence of a quorum.

Mr. KEATING. Mr. President, will the distinguished Senator from Idaho withhold his request for one moment?

The PRESIDING OFFICER. Does the Senator from Idaho withhold his suggestion of the absence of a quorum?

Mr. CHURCH. I withhold the request in order that the Senator from New York may make a statement.

Mr. KEATING. Mr. President, I do not wish to interfere in any way with the plans in reference to the resolution, but I should like to speak for approximately 7 or 8 minutes on another subject. I ask unanimous consent to proceed on another subject without reference to the time element on the resolution, if that is satisfactory.

Mr. CHURCH. Mr. President, that is very satisfactory.

The PRESIDING OFFICER (Mr. McGEE in the chair). Is there objection?

Mr. CHURCH Reserving the right to object, may I inquire whether the distinguished Senator from New York has placed his request in such form that the time he consumes will not be charged against either side in this debate?

The PRESIDING OFFICER. The Chair rules that his request has been placed in such form.

Mr. CHURCH. I have no objection.

MUTUAL SECURITY

Mr. KEATING. Mr. President, I am shocked at the recent action of the House Appropriations Committee in slashing nearly three-quarters of a billion dollars from the mutual security bill.

The air is still ringing with Khrushchev's offensive attacks on this country and on President Eisenhower. The shattering collapse of the summit conference has revealed with painful clarity how deeply hostile, how dangerously unpredictable are Russia's leaders.

Yet, at this moment of renewed crisis for the whole free world, the House Appropriations Committee is cutting away at one of the pillars of its defense. This action will come as a shock to America's allies all over the world. It will weaken the influence of pro-American leaders the world over. It will strengthen the voices of neutralists and professional anti-Americans who claim that this country is not sufficiently responsible for world leadership. If these cuts are not restored, either here or by the House, then American prestige as well as free world security will take a nose dive.

The cuts that have been made in the President's program seem to be deliberately chosen to injure U.S. long-term aims most deeply. I am particularly disturbed by the arbitrary elimination of any U.S. assistance for the Indus River development project. For 10 years the United States and U.S. citizens have been struggling, both officially and unofficially, to bring India and Pakistan together in cooperative development of

the Indus waters. It was the supreme achievement of World Bank President Eugene Black that agreement had been reached on a program which will play a crucial role in the economic growth of India and Pakistan.

The project is important because it will bring India and Pakistan together on a matter of vital concern to both, which is of supreme importance to the entire free world. The tensions which exist in that area can be realized only by those who have lived in the area of India and Pakistan, as I did for 3 years. It is extremely important that those two nations be brought closer together and that the tensions between them be relaxed.

The project is important also because it provides for cooperative financing by six other nations of the free world and by the World Bank. Australia, Canada, Germany, New Zealand, and Britain had planned to participate as well as the United States. American aid to the billion-dollar project would have amounted to about half spread over 10 years. But only a small portion of that, only $177 million, would be in grants, the rest in interest-paying loans.

In other words, the Indus River project as envisaged by the State Department and as approved in the original authorization bill, is one of the most hopeful steps in international economic development that has emerged for a long time. It would strengthen the position of the whole free world in Asia and it would pave the way for a wider sharing among industrialized nations of the costs of helping less developed countries. All this the House committee has chosen to disregard.

Elsewhere the cuts seem to be aimed at those parts of the world that are already most vulnerable to Communist infiltration. In a meddlesome and wholly unwarranted interference with the conduct of foreign affairs by the executive branch of the Government, the committee is trying to require advance congressional approval of every single project. This could easily hold up U.S. aid to the newly emerging countries of Africa for over a year.

Meanwhile, flocks of so-called Soviet experts and technicians are arriving in Africa every day, full of promises for unlimited Russian help.

Incomprehensibly, the committee has put another restriction on assistance to Africa. None of the $20 million appropriated for technical assistance in Africa south of the Sahara is to be used for construction purposes. Thus while the Soviet Union is boastfully constructing a big new school in Guinea, United States experts are expected to teach the Africans outdoors under the trees.

Altogether, it is clear that the committee's action, either unwittingly or wittingly, will hamstring the administration in the conduct of foreign aid. By requiring advance congressional consent before any project is undertaken, the committee would make it almost impossible for the country involved to make any suggestions of its own for development aid. ICA negotiators would have no flexibility whatever in the negotiating of project contracts. They would be terribly handicapped in efforts to meet sudden crises like floods, earthquakes, and harvest blights. And, still a further obstacle is put in their way by refusing to allow the use of contingency funds to make up some of the cuts.

The committee's cuts represent a false economy if ever there was one. By eliminating flexibility from the program, they make waste and inefficiency almost inevitable. The committee has even cut to the point of seriously handicapping the budget of the office of comptroller of the foreign aid program. This office was only set up last year at the insistence of the Foreign Affairs Committee to keep an eye on the very type of extravagance that the Appropriations Committee is attacking.

Moreover, a word about the committee's cuts on the military side of mutual security. If we do not help our allies to maintain their own defenses now against the advancing technology of the Russians, we will have to pay a whole lot more later to defend them ourselves. The Korean war should be a grim reminder of what happens when we do not make it clear that we mean business in the defense of our allies. The money spent now on mutual security within our alliance system will mean a future saving not only of dollars and cents but also and, even more important, of the precious lives of American servicemen. As President Eisenhower pointed out, our own security as well as the defense of the free world is jeopardized by these cuts.

I am as anxious as anyone to save the American taxpayers money. And I agree that there is a certain amount of waste and inefficiency in the aid program that can and should be cut out. There have been some indications that the procurement processes of the military are not all they should be. Military transportation policies appear to allow a good deal of unnecessary extravagance. And some of our diplomats are developing an expensive habit of substituting easy giveaway deals for the more arduous negotiations of diplomacy. In all these areas there is room for improvement. And congressional vigilance is the proper way to cut down on many such excesses.

But, and I cannot emphasize the point too strongly, the House Appropriations Committee has substituted for the careful pruning which is desirable, a policy of axing away at the whole concept of mutual security. We must not play politics with the Nation's safety. Just because the mutual security program has no constituency within the country, because it serves the country as a whole and does not bring particular benefits to any one state or region, it is vulnerable to political hacking.

This attempt to loosen American bonds with the free world at the very time that the President may be facing Communist-inspired mobs in Asia who have the same object, is extremely dangerous. In the words of an editorial in this morning's New York Times, it is a "knife in the back" of our President. It is also a cruel blow to our allies. It will undermine our future security as a great Nation. I hope the Senate will repudiate this sabotage of the mutual security program and restore the drastic cuts that have been made.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. CASE of New Jersey. I thank the Senator for his penetrating and persuasive speech. I associate myself with him utterly. The action taken by the committee in the House, if it prevails in the House and substantially affects the final outcome of the appropriation bill, will be disastrous. The Senator from New York is to be commended very highly indeed for bringing this matter to our attention.

Mr. KEATING. I appreciate the remarks of the Senator from New Jersey.

PARTICIPATION IN INTERNATIONAL CONVENTION OF CITIZENS FROM NORTH ATLANTIC TREATY NATIONS

The Senate resumed the consideration of the joint resolution (S. J. Res. 170) to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment of U.S. delegates to such convention, and for other purposes.

Mr. CASE of New Jersey. Mr. President, I understand that the Senator from Ohio [Mr. LAUSCHE] is ready to proceed. I shall be glad to yield to him such time as he may desire.

Mr. LAUSCHE. Mr. President, how much time does the Senator have remaining?

The PRESIDING OFFICER. Thirty-three minutes remain on the Senator's side.

Mr. LAUSCHE. I shall not need anything like that amount of time.

Mr. CASE of New Jersey. To start with, I yield 10 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, as a member of the Committee on Foreign Relations, I voted against Senate Concurrent Resolution 17. In the casting of that vote, I joined other Senators in declaring that the adoption of the joint resolution would not be in the best interest of our country. The vote finally cast was eight in favor of the resolution and seven against it.

That division very clearly demonstrates the doubt that exists in the minds of the members of the committee about the possibility of making the concurrent resolution effective in law.

I directed a number of questions to the witnesses who appeared before the committee. At the very beginning, my thinking in opposing the resolution was rooted in the proposition that under the resolution there would, in effect, be created a third agency which would participate in the formulation of foreign policy. The resolution contemplates the creation of a commission made up of private citizens, who would meet, would analyze what NATO was doing, and then, if it so desired, make recommendations of courses of action to be followed by NATO other than the courses of action it was

following. That statement of fact immediately threw me into a quandary concerning the situation that would exist in the event the President and the State Department felt that one course of conduct was necessary to best promote the national interest of the United States, and the commission of private citizens declared policies and made recommendations which were in conflict with the position taken by the Government.

On page 28 of the hearings I asked Mr. Draper this question:

> Now, let us assume that our U.S. Government at NATO dissents while the other 14 agree. Assume that you have this agency in existence, and they meet, and the delegates appointed by this legislative body of the United States, take a position contrary to what our duly constituted authorities under the Constitution took in passing on a question. You believe that will be healthy?
>
> Mr. DRAPER. I do not know that that would happen, but that would be an expression of their own views. I would not think that that would be harmful if they gave their views publicly and the American people and Congress can draw their own conclusions.
>
> Senator LAUSCHE. Our Constitution contemplates that the foreign relations shall be conducted by the President of the United States, through his duly appointed officials, subject to whatever restrictions the Constitution places upon that power, and vests in the Senate; is that correct?
>
> Mr. DRAPER. That is correct.

I then posed the question:

> Are you not proposing now the establishment, for the first time in the history of our country, of a separate citizens' group that will begin conducting foreign relations and which may conduct them in a manner that will be completely inconsistent with what the President contemplates the foreign relations should be?

Those questions and answers are reflective of the reasons why I believe the joint resolution should not be passed. I care not whether the appointees to the commission are of the best and most prudent in the Nation. The fact is that they are to be responsible to no one. They will owe no responsibility to the President or to Congress. When once they are appointed, they, in assembly, can make declarations of what ought to be done, and make recommendations, even though such declarations are hopelessly and indefensibly in conflict with the course which the duly constituted authorities are following.

In a democracy, nothing is more essential than to have public officials answerable to the people. The members of the proposed commission will not be answerable to the people. In accordance with the answers given, they will be responsible only to their consciences. Consciences are very elusive things. Some are good; some are bad.

I remember when I was studying the subject of equity, in the early history of the law of equity the query was made: "How does a chancellor decide issues?"

The counsellor before the court said: "He decides them on the basis of conscience."

One of the chancellors declared: "That is a peculiar law. The consciences of individuals differ just as do the size of toes. Some are large; some are small."

The primary point at issue is to make certain that whoever is attempting to declare policy and make recommendations shall be answerable to the people of the United States. I am quite certain that none of the proponents of the joint resolution will challenge my statement that after the commission enters upon the performance of its duties, it will not be limited in any degree in what it does by a power or authority exercised over it, either by Congress or by the President. When once the members of the commission are appointed, they will continue in office. The President cannot remove them; Congress cannot remove them; nor will the people have anything to say about the matter.

At the risk of repeating, if my arguments are disregarded, there can be no indifference shown to the fact that seven members of the committee voted against the favorable recommendation of the joint resolution. While I am not certain, there is a strong possibility that one member of the committee voted in favor of the resolution solely to get it before the Senate for final disposition.

Mr. President, I believe it would be a mistake to create the commission. I can see no useful purpose it would serve. Already there is too much confusion with regard to our foreign policy. The creation of the advisory commission would merely contribute further to it.

I pose this question: The President declares one course to be the policy. The commission advises a different course. How do we stand before the world? How do we stand in the minds of the people of our own country?

I think the safe thing to do is to adhere to the traditional approach, as declared by the Constitution; namely, that the foreign policy shall be conducted by the President and by the officials of the State Department. If there is to be a change in the manner in which our foreign policy is to be conducted, it should be done, in my judgment, only through a change in the Constitution. It should not be done by the backdoor method you proposed.

I urge Senators to vote against the joint resolution.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, the time for the quorum call to be charged to both sides.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I am happy to yield to the distinguished Senator from New York [Mr. JAVITS] 5 minutes from the time available to the proponents of the joint resolution.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, I desire to speak in support of the joint resolution.

Perhaps I will be pardoned if I say that I have had very considerable experience with the operations of NATO, especially inasmuch as I had the honor to be a representative, designated by the Vice President, to the NATO Parliamentarians Conference. This is the 3d year I have served in that capacity. I also had the privilege last year of attending the Atlantic Congress, which has been prominently mentioned in this debate.

Mr. President, I believe the world has entered a new era, following collapse of the summit conference in Paris and the exacerbation of international tempers. There is also the great concern of the entire world over the violence of the language and the approach which accompanied the blowup at Paris.

What has caused singular unanimity of opinion in our country, regardless of party, has been a realization of the fact—which Khrushchev has proved—that today the free world must combine and unify to a far greater extent than previously had been considered as necessary.

It seems to me we are witnessing an extremely effective reaction to that situation. For example, I noticed with very great interest that in the long and detailed speech made in this Chamber yesterday by a leading Democratic Senator, the junior Senator from Massachusetts [Mr. KENNEDY], who is very prominently mentioned in his party for possible nomination to be its candidate for President of the United States, he emphasized that very point—namely, that whatever may be the differences of opinion between the administration and himself in regard to what should be done, or whatever may be the differences of opinion and the differences of approach between the two political parties, certainly it is agreed by all that we must increase our cooperation with the rest of the free world.

Economic matters are also of great importance in connection with this situation, Mr. President, because it appears that the gross national product and productive power of the 15 other NATO countries amount to approximately 15 percent of the gross national product and productive power of the United States. In fact, the gross national product of those 15 NATO countries amounts to approximately one-quarter of a trillion dollars.

In addition, enormous trade responsibilities are now being considered and negotiated among the NATO countries. For instance, all of us are familiar with the problems being reconciled between the Inner Six and the Outer Seven.

I believe I can state authoritatively, as chairman of the Economic Committee of the NATO Parliamentarians, that, in the immediate future, economic cooperation of the most intensive character between ourselves and our European allies is absolutely indispensable in order to achieve real success in the cold war. For instance, we are faced with very grave problems in connection with the kind of economic warfare the Soviet Union could wage upon the free world, especially in individual primary commodities, including such items as tin,

flax, and fuel oil. We are familiar with many of those problems, especially in connection with the new underdeveloped countries of Africa. All of these problems will have to be handled in a collective manner between ourselves and the European countries which are the principal consumers of the commodities.

In addition, the Atlantic Community controls the overwhelming proportion of the world trade, and certainly must take steps to deal adequately with the problems of trade competition. We are beginning to realize in a very definite way, in all branches of our economic system, the importance and the effects of the problems presented by both imports and exports, insofar as the United States itself is concerned.

The proper handling of all these problems requires far more in the way of contacts and interrelationships with our European allies than has heretofore been accepted as the norm; at this time we are considering membership in the Organization for Economic Cooperation and Development, to replace the Organization for European Economic Cooperation, which was the European organization for cooperation in regard to the Marshall plan.

The PRESIDING OFFICER. The time yielded to the Senator from New York has expired.

Mr. CHURCH. Mr. President, I am happy to yield 2 additional minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 additional minutes.

Mr. JAVITS. Mr. President, these developments will result in greatly increased intimacy of relationships as regards trade, aid, prices, and other economic problems between ourselves and the European countries.

Finally, Mr. President, we are looking forward to partnership with the European countries in order to help aid the less developed areas of the world—areas which, despite all we have done, including the work of the International Development Association, are still insufficiently developed to meet what everyone concedes to be the legitimate desires of their peoples to improve their standards of living. All of us recognize that the extent to which we take action to meet these needs will be the gage as to which way these underdeveloped countries will turn—either to the free world or to the Communist bloc.

Mr. President, under all these circumstances, it seems to me that a technique as beneficial as the one called for by the pending joint resolution, which employs the grassroots spirit—which is the way I define the joint resolution—will definitely help in connection with the desire to attain world peace. It is necessary in terms of the security of the United States, the security of the entire free world, success in the cold war, and success in the post summit period, when such great emphasis is placed upon the necessity for coordination and unification of the free world to the maximum extent possible.

Mr. President, it seems to me that the joint resolution offers us an ideal approach, as a first step in dealing with what must be—if we are to succeed—the greater role of the entire NATO organization in enabling the entire Atlantic Community to cooperate more closely, and yet in practicable and completely constitutional ways.

So I hope very much the Congress will not forgo the opportunity to support this measure given by our colleagues who sponsor it.

The PRESIDING OFFICER. The additional time yielded to the Senator from New York has expired.

Mr. JAVITS. Mr. President, I thank the Senator from Idaho for his courtesy in yielding to me.

Mr. CHURCH. I thank the able Senator from New York for his fine presentation.

Mr. President, at this time I am happy to yield to the distinguished senior Senator from Tennessee [Mr. KEFAUVER], such time as he may require. He has long been associated with this cause, and he is well known for his outspoken support of the objectives of the joint resolution.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. KEFAUVER. I thank my distinguished colleague very much for his courtesy in yielding to me.

Mr. President, I rise to add my voice in support of Senate Joint Resolution 170 to create a U.S. Citizens Commission on NATO and to authorize its members to participate, on an international basis, in meetings with similar conventions from other countries, to explore means of promoting greater cooperation among NATO countries.

The events at the summit conference have convinced me that the No. 1 goal of Khrushchev is to destroy the North Atlantic alliance. This would seem quite natural on his behalf, as this alliance stands as the most potent defense against the U.S.S.R. today.

Mr. President, most of us have long been engaged in seeking out ways to strengthen our NATO alliance. We know this to be most necessary for peace and security. Along with a number of other Senators on both sides of the aisle, I sponsored the resolution which made the United States a member of the NATO Parliamentarians Conference. I have served as chairman of one of the major committees of the Conference.

I joined in writing and working for the resolution in the NATO Parliamentarians Association which brought about the Atlantic Congress in London last year. I have served as chairman of one of the major committees of the conference. I believe that a great deal of good came of this meeting of citizens of all of the free nations.

Both the NATO Parliamentarians and the Atlantic Congress have strongly recommended the establishment of a smaller body which can meet for longer periods of time, and which can give intensive study to the possible means of strengthening our NATO ties.

To this end, I joined with a number of other Senators, in 1959, in sponsoring Senate Concurrent Resolution 17. Hearings were held on this resolution early this year, and the final decision was to replace this resolution with Senate Joint Resolution 170.

The purposes of this resolution are summarized clearly and succinctly in the following paragraph which is taken from the report of the Foreign Relations Committee which accompanies this resolution:

> Senate Joint Resolution 170 would create a Commission of not more than 20 private U.S. citizens to be appointed jointly by the President of the Senate and the Speaker of the House after consultation with the Foreign Relations and Foreign Affairs Committees. The Commission would be directed to seek to arrange and participate in a convention attended by similar citizens' commissions from the other NATO countries for the purpose of developing paths toward greater political and economic cooperation within the alliance. Members of the Commission would serve without compensation, but would be authorized to employ and remunerate a staff of not more than 10 members. While in no way enabled to represent the United States officially, the Commission would report, and account for its expenditures, to the Congress. Not to exceed $300,000 would be authorized to be appropriated for the resolution's purposes; not more than $100,000 of that sum would constitute the Commission's share of expenses in any international conference. The Commission would cease to exist on January 31, 1962.

It has been argued that a convention of national commissions on NATO would mean duplicating the work of the NATO Parliamentarians' Conference and the Atlantic Congress. I believe that this argument is without merit.

The NATO Parliamentarians' conferences, as valuable as they are, consist only of legislators, last only a week at a time, and lack a certain amount of continuity.

The Atlantic Congress, as valuable as it was, consisted of a single session, and had an unwieldy membership of 650 delegates.

The proposed NATO Convention of National Citizens' Groups would consist of approximately 100 leading citizens, who would confer together for whatever period of time might be necessary to study NATO problems and to develop new solutions for them.

In my view the Convention would serve, in the international field, a purpose very similar to that served by the Hoover Commissions and similar commissions with respect to national governmental organization.

I think it should be emphasized again that the U.S. Citizens Commission on NATO would not speak for or represent the U.S. Government, and that its members would be appointed from among leading private citizens.

Such a commission would possess a most varied background and would bring a most valuable experience to bear upon the questions of what is sound and what is possible.

During its early years, NATO was held together primarily by the Soviet military threat.

We all know that that threat still exists, but the best military arrangements depend on political and economic

discussions and agreements. The machinery for holding such discussions and making such agreements must be perfected.

The nature of the Communist effort for world domination has shifted to a considerable extent to the economic, political, and propaganda fields. The democracies can meet this new challenge with success only if they have workable mechanisms for consultation.

They must also have community of action. The adoption of this resolution will be a vital step in the creation of this action.

The continued success of the NATO alliance may very well depend on what we do here today.

The United States, and particularly the Senate today, is called upon to take the lead in this step for which other NATO nations have shown their support.

The President of the United States, the Secretary of State, and the Chairman and most of the members of the Foreign Relations Committee think that we should take this forward step.

I hope that the Senate will give it enthusiastic backing.

I wish to commend and congratulate the distinguished Senator from Idaho [Mr. CHURCH] and the distinguished Senator from Arkansas [Mr. FULBRIGHT], Chairman of the Foreign Relations Committee, for reporting this resolution. I also congratulate Senators on both sides of the aisle who have joined so wholeheartedly with the Senator from Idaho and the sponsors of the resolution in presenting it so effectively to the Senate today.

Mr. CHURCH. Mr. President, I am happy to yield 2 minutes to the distinguished Senator from Alabama [Mr. SPARKMAN].

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SPARKMAN. Mr. President, I doubt that I can add anything to the discussion which has been going on now for some time, but I am in favor of the joint resolution which is under discussion. This proposal is not something new. It has been around here for a long time. Certain suggestions were made by the administration. It has been worked out in its final form in a way that was acceptable to the administration, and, in fact, to me.

For several years I have felt we needed something to bring together more closely the NATO countries. I have heard our military leaders in NATO say that one thing badly needed was a greater underpinning, politically and economically, of the countries; that they are very well unified from a military standpoint, but that they could never attain their full strength until they were brought together more closely with better political and economic understanding.

There is another thing that impresses me. Over the last year or two there has developed some talk of a trade war. I do not know whether it is right to call it a trade war, but certainly it is correct to refer to trade conditions as between two different groups of European countries. Anything we can do to help prevent a trade war, which could be destructive to the well-ordered trade of the world, as well as the good understanding which prevails among the various NATO countries, we ought to do.

After all, the resolution simply provides for an exploratory role, and it comes on the heels of recommendations made by those who have attended the various NATO parliamentarian conferences. The people who attended got together last year in London. The proceeding is exploratory in nature. It would utilize the service and thinking of some of the best brains in the country. I think it is a good undertaking and that the Senate ought to approve it.

Mr. CHURCH. Mr. President, how much time remains to the proponents?

The PRESIDING OFFICER. Twelve minutes remain to the proponents.

Mr. CASE of New Jersey. Mr. President, how much time remains to the opposition?

The PRESIDING OFFICER. Twenty-one minutes remain to the opposition.

Mr. CASE of New Jersey. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. CHURCH. Mr. President, in view of the fact that so much more time remains to the opposition, I would ask, if it is agreeable to the opposition, that the time for the quorum call be taken from the time remaining to the opposition.

Mr. CASE of New Jersey. Mr. President, I want to be fair. I have had no additional requests for time in opposition. Therefore, I accede to the suggestion of the Senator from Idaho.

Mr. MANSFIELD. Mr. President, may I ask the Senator from Idaho if he intends to use any more of his 12 minutes?

Mr. CHURCH. It is my understanding the Senator from Kentucky desires to speak in support of the resolution; and then I should like to make some concluding remarks.

Mr. CASE of New Jersey. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, will the Senator yield that I may ask for the yeas and nays?

Mr. CHURCH. I yield to the Senator from Ohio 1 minute from the time of the opposition.

Mr. LAUSCHE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CHURCH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHURCH. How much time now remains to the proponents of the joint resolution?

The PRESIDING OFFICER. Thirteen minutes.

Mr. CHURCH. Mr. President, I am happy to yield to the distinguished Senator from Kentucky [Mr. COOPER] 3 minutes to speak on behalf of the resolution.

Mr. COOPER. Mr. President, as one of the original sponsors of the resolution, I am glad to support it today in the Senate. We must recognize that it is indispensable that members of the North Atlantic Treaty Organization and their peoples should be more closely bound together than ever before. This is not a new interest. It has existed since the formation of NATO.

But certainly the events surrounding the summit conference make it imperative that the people of the NATO countries understand the policies of the NATO and that they support them.

In 1950 I had the unique experience of attending two meetings of the Council of the North Atlantic Treaty Organization in company with the then Secretary of State, the Honorable Dean Acheson. I remember the debate which occurred at the second meeting of the Council, held in London, with respect to the means by which Germany might be brought into the North Atlantic Treaty Organization. The process was commenced by making Germany a member of the OEEC.

At the third meeting, in Brussels in December 1950, the decision was made that it was necessary that American troops should be committed to the defense of Europe, and General Eisenhower was chosen as supreme commander of the NATO forces. The Brussels meeting was followed by the great debate in Congress in 1951 on the issue of committing troops to Europe. I believe that if such an organization as is contemplated by the resolution before us had been in existence at that time, and the questions to which I have referred could have been discussed by private citizens of the NATO countries, the governmental decisions could have been made more quickly and accepted and understood by the peoples of the countries which are members of the North Atlantic Treaty Organization.

I see this Organization as one in which there can be established a better understanding of the policies of the North Atlantic Treaty Organization. But my chief reason for giving the joint resolution my support is that from the discussions and considerations of able men and women who will be delegates there will be brought to bear upon the countries that are members of the North Atlantic Treaty Organization new ideas and the best thoughts of their people.

Those who were delegates to our Constitutional Convention were not bound by the views of any political party. They were free to bring to bear upon the Convention their best thoughts, their ideas, and their genius. Governments by their very nature are limited. We should not be afraid of the full scope and the best ideas of the peoples of our countries. The resolution will give opportunity to the best minds of our country and of other countries which make up the North Atlantic Treaty Organization to advance ideas, perhaps better ideas than may be held by those who are in power at a particular time—to join our countries more powerfully—economically, militarily, and in values which affect the opinion of the world.

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. COOPER. May I have an additional minute?

Mr. CHURCH. I yield 1 additional minute.

Mr. COOPER. I was interested in reading the speech of the Senator from New Jersey [Mr. CASE] and I direct my remarks to those who are on this side of the aisle. The distinguished Senator from New Jersey [Mr. CASE] said:

> A number of us have been working on this problem. Among them is the Vice President of the United States, who, when he was in the Senate, had a great interest in this whole area, and still retains it. I am authorized by him to say that he welcomes this initiative on the part of Members of the Senate; that he strongly believes it is extremely desirable for the countries of the Atlantic Community to engage in cooperative efforts of every sort to draw closer together.

I concur in Senator CASE's statement. I earnestly hope that the joint resolution will be passed.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield 2 minutes to the distinguished Senator from Connecticut.

Mr. BUSH. Mr. President, I am happy to associate myself with the views expressed by the able senior Senator from Kentucky [Mr. COOPER] and the able senior Senator from New Jersey [Mr. CASE]. The subject before the Senate is one I have discussed on and off over a period of the past 10 years with a very distinguished citizen of my own State, Mr. Elmo Roper, who testified in support of the joint resolution before the Foreign Relations Committee. I believe that it would be well for us to pass this joint resolution today. I believe that a good case has been made for it.

The Senator from Kentucky has made a good case for it. I was very much interested to note in Mr. Roper's testimony before the committee that the much-maligned Director Emeritus of the Budget Percival Brundage is quoted as saying: "I support enthusiastically Senate Concurrent Resolution 17, consider very important budgetwise."

I believe that our friends on the other side of the aisle should, when the Budget Bureau is not opposed to it, give the Bureau of the Budget a little round of applause.

I was very much impressed by the fact that the Vice President of the United States has firmly and enthusiastically endorsed the resolution.

As I say, having considered the subject generally over a period of 10 years, I believe the resolution has now gotten into the shape where the Senate should adopt it. I therefore join the distinguished sponsor, the Senator from Idaho [Mr. CHURCH], in urging the Senate to adopt the resolution this afternoon.

Mr. CHURCH. Mr. President, may I inquire whether there are further speakers to be heard in opposition to the resolution?

The PRESIDING OFFICER. The Chair knows of none.

Mr. CASE of New Jersey. That being so——

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. CHURCH. I yield to the Senator from New Jersey for such comments as he desires to make.

Mr. CASE of New Jersey. There being no request pending for time in opposition, I am glad to yield back the time in opposition.

Mr. LAUSCHE. Mr. President, will the Senator from New Jersey refrain from doing that at this time?

Mr. CASE of New Jersey. I shall be glad to suspend my request.

Mr. CHURCH. How much time remains?

The PRESIDING OFFICER. The opponents have 3 minutes. The proponents have 7 minutes.

Mr. CASE of New Jersey. I should like to ask if the Senator from Ohio wishes me to yield to him some time now?

Mr. LAUSCHE. No. There may be some assertions made that ought to be answered.

Mr. MANSFIELD. I believe the reason why the Senator from New Jersey made his suggestion was to permit the sponsor of the joint resolution to conclude the debate, which is a legitimate request.

Mr. CASE of New Jersey. That indeed was the purpose. If there is no objection, I yield back the balance of my time.

Mr. CHURCH. Mr. President, I yield myself such time as may be necessary to summarize the arguments in favor of the adoption of the resolution.

The arguments which have been raised against the pending resolution seem to me to fall into two categories. There have been those who have said that the joint resolution somehow interferes with the constitutional power vested in the President to conduct American foreign relations. I believe that, with all due deference to those who have made this argument, the facts simply do not support it. Certainly, if there were any shred of substance to this contention, the joint resolution now before us would be opposed by the President, who is naturally jealous of the powers of his office, and there would be objection to it also by the State Department. Yet the very contrary is true. The resolution has the blessing of the administration and the approval of the State Department.

Why does the resolution constitute no interference with the power of the President to conduct American foreign relations? It seems to me that the answer is simple. It is because no power is conferred upon the delegates who will attend the proposed convention. They merely will be sent to exercise their prerequisites as free citizens of the countries which comprise the NATO alliance, to deliberate and to reach conclusions with respect to how this alliance can be strengthened and how the unity of the free nations can be enhanced. This is a fundamental right of free citizenship.

The delegates cannot bind the governments which send them. The resolution states that our delegates will not represent, nor speak for, the Government of the United States; they may merely deliberate and bring forth recommendations which seem to them to be suited to the objective sought, the strengthening of the NATO alliance. Then those recommendations, carried back to the respective governments, can and will be evaluated on their intrinsic merits, and accepted or rejected as the governments see fit.

The State Department, in commenting upon the resolution, has made it clear why it feels that recommendations emanating from a convention of this kind might be very fruitful. I quote the language of the Department of State:

> The Department considers that meetings such as the one proposed in this resolution might well serve a good purpose. We in the Department of State would certainly welcome any constructive and practical ideas which might emerge * * *. We particularly welcome the thought expressed in the resolution that the delegates to the proposed convention should be free to explore the problem fully as individuals.

Therefore, I submit there is no support for the argument that the resolution in any way interferes with the constitutional prerogatives of the President to conduct our foreign affairs.

The second argument which has been advanced is that the resolution is somehow unprecedented, that it opens up new doors, and therefore we should be cautious about approving it. I submit this is not so. Citizens' commissions are precedented, and we have used them to good advantage right here in the United States. The Hoover Commission was a citizens' commission. It made recommendations that were highly useful and productive. The Government of Great Britain has used royal commissions with excellent results.

All we do in the resolution is to lift our sights and apply the precedent that we have used so well in other fields to the common problems faced by the NATO nations in strengthening the NATO alliance.

I submit that the resolution is in the best tradition of free societies. Our individual citizen is the finest product of Western civilization. Let us use him to the best advantage. Let us remember that the most important advances which have been made in our long quest for freedom have not been the acts of duly constituted governments, but have been the actions taken by free citizens in conventions assembled. Therefore, inasmuch as the joint resolution is supported by the administration, the State Department, the Vice President, and has been endorsed by the NATO parliamentarians' conference, and unanimously endorsed by the Citizens' Atlantic Conference in London last year, and has the majority support of the Committee on Foreign Relations, it ought properly to be approved by the Senate as a whole. I hope it will be so approved in the coming vote.

The PRESIDING OFFICER. The joint resolution is open to amendment. If no amendment is to be offered, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 170) was ordered to be engrossed for a third reading, and was read the third time.

Mr. RUSSELL. Mr. President, I suggest the absence of a quorum.

Mr. MANSFIELD. Mr. President, will the Senator withhold that request?

Mr. RUSSELL. I withhold it.

The PRESIDING OFFICER. All time for debate has expired.

Mr. RUSSELL. I withdraw my suggestion of the absence of a quorum.

The PRESIDING OFFICER. The question is on the passage of the joint resolution. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Wyoming [Mr. O'MAHONEY] is necessarily absent.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Missouri [Mr. HENNINGS], if present and voting, would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent.

The Senator from South Dakota [Mr. MUNDT] is absent on official business.

The Senator from Wisconsin [Mr. WILEY] is detained on official business. If present and voting, the Senator from Maryland [Mr. BUTLER] and the Senator from South Dakota [Mr. MUNDT] would each vote "nay."

The result was announced—yeas 51, nays 44, as follows:

[No. 217]

YEAS—51

Bartlett	Hartke	Magnuson
Beall	Hayden	Monroney
Bush	Hill	Morse
Carlson	Humphrey	Morton
Carroll	Jackson	Moss
Case, N.J.	Javits	Murray
Church	Johnson, Tex.	Muskie
Clark	Keating	Pastore
Cooper	Kefauver	Proxmire
Dodd	Kennedy	Randolph
Douglas	Kuchel	Scott
Engle	Long, Hawaii	Smathers
Fong	Long, La.	Sparkman
Fulbright	Lusk	Symington
Gore	McCarthy	Williams, N.J.
Gruening	McGee	Yarborough
Hart	McNamara	Young, Ohio

NAYS—44

Aiken	Dirksen	McClellan
Allott	Dworshak	Mansfield
Anderson	Eastland	Martin
Bennett	Ellender	Prouty
Bible	Ervin	Robertson
Bridges	Frear	Russell
Brunsdale	Goldwater	Saltonstall
Byrd, Va.	Green	Schoeppel
Byrd, W. Va.	Hickenlooper	Smith
Cannon	Holland	Stennis
Capehart	Hruska	Talmadge
Case, S. Dak.	Johnston, S.C.	Thurmond
Chavez	Jordan	Williams, Del.
Cotton	Kerr	Young, N. Dak.
Curtis	Lausche	

NOT VOTING—5

Butler	Mundt	Wiley
Hennings	O'Mahoney	

So the joint resolution (S.J. Res. 170) was passed.

Mr. CHURCH. Mr. President, I move that the vote by which the joint resolution was agreed to be reconsidered.

Mr. CASE of New Jersey. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. McCLELLAN. Mr. President, about a week ago—I think it was a week ago today, or yesterday—I gave notice that on tomorrow, at 10 o'clock, the Subcommittee of the Judiciary, to which Senate bill 3548, to amend the Norris-La Guardia Act, the National Labor Relations Act, and the Railway Labor Act, had been referred, would begin a series of hearings on that bill. I did not know at that time, of course, that it was contemplated—if it was contemplated then—that the Senate would go into session tomorrow at 9:30 a.m. In view of that development, it appears necessary for the subcommittee to get consent of the Senate for it to proceed with hearings tomorrow, if the hearings are to proceed.

I may state this is a bill of considerable interest to many people, both those supporting the measure and those opposing it. I had hoped we could make a little progress in the hearings.

For reasons stated, Mr. President, I ask unanimous consent that the subcommittee of the Judiciary Committee to which I have referred may proceed tomorrow with the hearings as scheduled, notwithstanding the fact that the Senate will convene at 9:30 o'clock a.m. tomorrow.

The PRESIDING OFFICER (Mr. McGEE in the chair). Is there objection?

Mr. MORSE. Mr. President, I object.

The PRESIDING OFFICER. There is objection.

DEVELOPMENT OF WILDLIFE, FISH AND GAME CONSERVATION

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 2565) to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation in military reservations.

ELIMINATION OF AFFIDAVIT OF DISLOYALTY

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar 1411, Senate bill 2929.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2929) to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

LEGISLATIVE PROGRAM—DEFENSE DEPARTMENT APPROPRIATIONS

Mr. JOHNSON of Texas. Mr. President, the Senate has just voted to proceed to the consideration of Senate bill 2929; and I hope we may be able to act on that measure before we conclude our deliberations this evening. I would expect the Senate to stay in session this evening, if necessary, in order to vote on that bill.

I expect our consideration of Senate bill 2929 to be followed by consideration of the Department of Defense appropriation bill, Calendar 1614, House bill 11998. It is a very important bill, and it will need to go to conference. If there is any unreasonable delay, we might have to set aside any pending business in order to proceed to the consideration of that bill.

Mr. President, I ask unanimous consent that during the consideration of House bill 11998, the Department of Defense appropriation bill—and let me say that I have talked about this matter to the chairman of the subcommittee [Mr. CHAVEZ], to the minority leader [Mr. DIRKSEN], and to other members of the Appropriations Committee—there be a time limitation of not to exceed 40 minutes, on each amendment and not to exceed 3 hours on the bill, to be equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. CASE of South Dakota. Mr. President, reserving the right to object——

Mr. JOHNSON of Texas. I yield.

Mr. CASE of South Dakota. Is it expected that the Department of Defense appropriation bill will be called up yet today?

Mr. JOHNSON of Texas. No; unless we proceed much faster than we anticipate. But we do not think so.

Mr. CASE of South Dakota. Then I withdraw the reservation.

Mr. PROXMIRE. Mr. President, reserving the right to object, do I correctly understand that the Senator from Texas has requested unanimous consent that the time available for debate on the Department of Defense appropriation bill be limited to a total of 3 hours, and that there be a limit of 40 minutes on each amendment, with the time available to be equally divided?

Mr. JOHNSON of Texas. Yes. The chairman of the committee suggested a total of 2 hours on the bill and 30 minutes on each amendment. We talked to various members of the committee, and we thought that if we provided more time on the bill, we would be able to yield some of the time available on the bill in order to provide additional time for the consideration of certain amendments for which further time might be desired.

So, at the suggestion of the members of the committee, we propose to increase to 3 hours the time available for debate on the bill, and to increase from 30 minutes to 40 minutes the time available for debate on each amendment.

Mr. PROXMIRE. Do I correctly understand that the bill calls for appropriations of approximately $41 billion?

Mr. JOHNSON of Texas. Yes.

Mr. CHAVEZ. $40,384 million.

Mr. LONG of Louisiana. Mr. President, I do not believe we should enter into a time limitation in regard to debate on that bill before we see what Senators will offer amendments and before we understand what the amendments amount to. I do not have any amendments in mind, but at this time I feel constrained to object.

The PRESIDING OFFICER. Objection is heard.

ELIMINATION OF AFFIDAVIT OF DISLOYALTY

The Senate resumed the consideration of the bill (S. 2929) to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief.

Mr. DIRKSEN. Mr. President, has Calendar 1411, Senate bill 2929, been made the pending business?

Mr. JOHNSON of Texas. Yes.

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. I understand it is the so-called loyalty oath repeal bill, to repeal the disclaimer provision in connection with the loyalty oath under the National Defense Education Act.

Mr. JOHNSON of Texas. That is correct.

Mr. DIRKSEN. I understand that measure is now the pending business, and I also understand there is no time limitation on the debate on the bill.

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. I should like to say that we hope to conclude our action on that bill this evening, if we can do so, or as early as we can.

There is no certainty we shall not lay it aside from time to time for any conference report that might come before us, if it is urgent, or any matter of the highest priority, but we do want to get to a discussion of this bill as soon as possible.

Mr. DIRKSEN. I might say, insofar as my own information goes, there are at least a half a dozen speeches to be made, several of them rather extended, and this debate may run on for quite a while today, and, depending entirely on how late the Senate works tonight, could extend into tomorrow.

While I am about it, I should like to ask the majority leader whether an hour for convening tomorrow has been set.

Mr. JOHNSON of Texas. Yes.

The PRESIDING OFFICER. An order has been agreed to that the Senate meet at 9:30 in the morning.

Mr. CHAVEZ. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, the Defense Department Subcommittee of the Committee on Appropriations has been working practically from the first of February until now on the Defense Department appropriation bill. It is the largest appropriation bill that ever comes before the Senate. As chairman of the subcommittee, and I believe I have the support of the members of the subcommittee on both sides of the aisle, I wish to say it is necessary that we pass this bill at the earliest possible moment. It is a national security bill, and no other bill that comes before this body has more to do with our security than this appropriation bill. So I should like to beg the indulgence of the Senate to get to work on it. I do not care how long it takes, or how many Senators want to speak on it, but I should like to have the Senate start on its consideration.

I am sure the Senator from Massachusetts [Mr. SALTONSTALL] will support me in my statement.

Mr. SALTONSTALL. Mr. President, if the Senator will yield, the Senator from New Mexico is entirely correct. The sooner we get to it, the better.

MEDICAL CARE AND THE PRIVATE ECONOMY—ADDRESS BY SENATOR JAVITS

Mr. SCOTT. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD, following my remarks, an address by the distinguished senior Senator from New York [Mr. JAVITS], at the centennial commencement of the New York Medical College and Flower Fifth Avenue Hospital on June 7.

I wish to call attention to this fine presentation for two particular reasons:

The senior Senator from New York has seized an excellent opportunity to tell an important segment of the medical profession the facts about and the need for legislation on health insurance for the aged. It is necessary that we have the understanding and cooperation of the medical profession in working out a solution to this problem.

It also gives me an opportunity, as one of the cosponsors of S. 3350, the Javits health insurance bill, to repeat my plea, from the floor of the Senate, for hearings before the Senate Labor and Public Welfare Committee. The eight cosponsors of S. 3350 have repeatedly asked for hearings so that we may have an exploration of the different proposals and their relative merits.

I trust this request will be granted by the distinguished chairman, the senior Senator from Alabama [Mr. HILL], who has assigned these bills to the subcommittee chairman, my friend the senior Senator from Michigan [Mr. MCNAMARA], who has so well demonstrated his devoted interest in the welfare of our senior citizens.

The Senate should have its own bill up for discussion, particularly in view of the fact that the revised House bill for such purpose is tied in with social security amendments legislation, although in themselves the health insurance features have no connection with the social security tax. What the prospects for this proposal are in the House, or before the Senate Finance Committee, are conjecture at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MEDICAL CARE AND THE PRIVATE ECONOMY

(Address by Senator JAVITS)

We stand on the threshold of a revolution in health care not only for our senior citizens but also for all adult Americans. I believe we are on the way to the highest medical standards on earth. We can achieve that objective by the expansion and extension of our country's medical school and hospital facilities to keep pace with the growth of our population; by increasing the size and scope of our medical research effort; and by Government-private cooperative action to achieve effective health care for our older citizens.

Part of this revolution is being brought about by the Federal Government's recognition of its share of the responsibility for the well-being of the people. In the last 30 years public spending for health care has risen to more than 13 times the 1929 level while private spending has increased only 5 times.

Today $1 out of every $20 in the Federal budget is allocated for health and health-related purposes; the total amount of Federal funds in this for fiscal 1961 is $3.8 billion. Out of this total, $531 million is being spent for medical research, and 12 Federal agencies are engaged in this medical research. In addition to this activity on the home front, the United States is also a member of three intergovernmental organizations which have major worldwide health programs and a member of 11 other organizations with limited health programs. In these international efforts the United States spends a total of $130 million a year.

These are startling statistics, but they represent only a beginning on the job we must do if we are to provide for the health care requirements of our country and establish a level of health services in keeping with our standard of living and our national goals.

Chief among these needs is a health care program for our senior citizens. This is "must" legislation that Congress must adopt before the close of this session. The voluntary plan which I have introduced with Senators COOPER of Kentucky, SCOTT of Pennsylvania, AIKEN and PROUTY of Vermont, CASE of New Jersey, FONG of Hawaii, and KEATING of New York, is the only bill now before the Senate on which it can take action because it is not a tax measure like the bills which use the social security approach and therefore must be initiated first in the House of Representatives. My bill is before the Senate Committee on Labor and Public Welfare ready for action.

Never before has there been such widespread recognition that support from the Federal Government is essential for any adequate program of health care for the older citizen. I do not believe that this inevitably leads to socialized medicine or Government domination of the doctor-patient relationship. On the contrary, I have demonstrated through my bill that it can be accomplished on a voluntary basis by the use of existing cooperative health plans, group practice units, prepayment insurance and other private plans with full accommodation to the doctor-patient relationship.

The needs of the people can best be met by cooperative programs between the States and the Federal Government and the beneficiaries. This is the sound principle espoused by the administration's program as proposed by the Secretary of Health, Education, and Welfare, Arthur S. Flemming. I prefer my bill because it makes possible greater benefits and practically no deductibility due to subscriber participation more in

accord with subscriber's means. My health insurance bill provides for the establishment of State programs to which the Federal Government will contribute on a matching basis and the benefited individual will also contribute if financially able to do so. It puts the emphasis on preventive care, as sound medical practice dictates, and thereby offers a way out of the danger of overutilization of hospital and other institutional facilities by making physician's care practical and simple to obtain. The bill does not compel physicians to send their patients to hospitals in order to get the benefit of the law.

Let me cite for you briefly the reasons why I believe the bill which I have introduced with my seven colleagues can become law at this session of the Congress:

First, my bill provides medical security rather than social security for persons 65 years of age and over—as well as their spouses no matter what their age. It is based on the differing medical facilities available in each of the 50 States. Availability of doctors, nurses, hospitals, nursing homes, laboratories and other health facilities varies greatly from State to State—compare medical costs and facilities in New York with Oklahoma, Arizona or Mississippi and you will readily understand why it is impossible to specify by law in Washington, D.C., exactly what medical aid should be equally available in the necessary quantity and quality in all the States from coast to coast. The bill, therefore, gives to State agencies—and they know local conditions—the primary responsibility for health care provided that the State plan includes certain minimum services and standards subject to the approval of the Secretary of Health, Education, and Welfare.

Second, there is no other proposal before the Congress which meets all the desirable conditions and would provide all the benefits to as many people and as quickly as this bill. It is estimated that good basic coverage of health care for people over 65 can be provided on a nationwide group basis annually for not more than $156 per person even in the high-cost parts of the country. At least one-third basic health coverage under this program will include care in the physician's office or in your own home. This is the kind of coverage senior citizens need more than any other, because modern medicines can do a great deal preventively to keep aging persons well enough to make institutional care unnecessary. Doctors can treat many conditions better and less expensively in the home.

Moreover, hospitalization or the equivalent cost care in the nursing home or homes for the aged, surgery, laboratory tests, diagnostic X-rays, drugs, visiting nurse service, and other benefits will also be available under this bill.

Third, this is a voluntary plan—no one is compelled to take just one plan of insurance coverage or to participate in any plan at all. This freedom of choice is the American way and we should guard it zealously in all that we do. Moreover, this plan permits the State to become its own insurance carrier or to build on existing agencies, companies, and facilities within each of our 50 States or any combination of these—and it does this without establishing a large bureaucracy to do the job. By permitting the State itself as well as private groups, nonprofit cooperatives, group practice units, and prepayment health insurance companies—all under State supervision to come in under the plan, it makes use of the practical experience and existing facilities developed to deal with this problem.

Now, there has been a good deal of talk about how difficult it will be to get 50 States to set up their health care plans, and how long it will take to get the program going. These critics ought to take a good look at the record of Federal-State cooperation. What this bill proposes is nothing new. It is patterned on the Hill-Burton Hospital Construction Act of 1946, one of the most successful health programs we have had. The record shows that within 2 years after it became law, all but one of the States were operating within the program under their own plans. You can't do much better than that with any program of this size and scope. The record of the new health care program for over 2 million Federal employees and their estimated 2 million dependents is also a major illustration of the practicality of my bill and of the Flemming program.

Where a program is so urgent, and the emergency so generally recognized, how can anyone assume that the individual States will not be as responsive to the needs of their citizens as the Federal Government?

Since the founding of the Public Health Service in 1798, the Federal Government has recognized its responsibility toward promoting the health and welfare needs of the general public. Through the Public Health Service the Federal Government has pioneered in many areas of research, hospital construction and other areas where major needs could not have been met without such assistance. Today, however, we face an emergency situation which calls for accelerated action based on hard facts and considered judgment.

With the enactment of a major health care bill by the Congress, almost immediately an enormous burden will be placed on this Nation's medical resources and its personnel, no matter what safeguards against overutilization are included. Congress will have to anticipate and make provision to meet this situation.

My bill to establish a Health Services Study Commission, which is pending before the Senate Committee on Labor and Public Welfare, would study our health service needs, determine the effect of health care insurance on our medical personnel and facilities and pinpoint the areas which must be expanded. For example, there is need for a continuing study of hospital costs and hospital utilization. Medical science has made tremendous strides in the last decade, there is greater availability of various specialized services, and our medical institutions have kept pace. At the same time, however, costs have gone up and in spite of the fact that hospital salary levels are notoriously low, payroll expenditures have increased substantially. Despite all efforts to reduce the cost of illness to patients, we can expect that the per diem cost of hospital care will continue to increase in the years ahead.

There is also great need for more professional personnel. We need more doctors, we need more nurses, and we need more money for construction of medical facilities of all kinds. The growing recognition of this is attested to in a report issued by the Surgeon General's Consultant Group on Medical Education, entitled "Physicians for a Growing America." It calls for a $1 billion, 10-year program to expand and extend our country's medical school facilities. At least 20 to 24 new medical schools are contemplated under this program, and at least 22 new dental schools are also recommended. The cost of this program would be met over a 10-year period with the Federal Government providing $500 million and the remainder to come from States, industry, private foundations and other philanthropic groups.

I have introduced legislation in the Congress to provide an additional $250 million in loans for construction of college, student-nurse, and intern housing. The Federal college housing loan program has been enormously popular, and under my bill, $25 million would be earmarked for new housing facilities for nurses and interns and another $25 million for related facilities.

In addition to Federal and State efforts to close the gap in medical needs, concerted drives must be made to raise the present level of individual giving and private philanthropy to support hospitals and related facilities. About 3 percent of our total medical bill is paid for by voluntary contributions, but that represents an increase of less than 1 percent in giving from these sources in the three decades since 1929. There have been vast changes in the construction of our society since that time and a tremendous increase in our standards of living. But it is obvious that the awareness of the need to support voluntary health organizations has not kept the pace. This awareness must be increased in every segment of our population, and a much larger share of the responsibility must be assumed by the community if we are to sustain our traditional practice of relying on local and State agencies as well as private groups for the largest part of the Nation's health needs.

The rich benefits which the health, medical, and related sciences can provide toward a better life should be made available equally to all ages of people and all economic groups. Top priority should, of course, be given to the prevention of disease and disability, but we must also make medical care and hospital care of the highest quality available to all who need it.

For more than a decade, I have been vitally interested in health legislation which would provide adequate health care, medical research, and construction of facilities to keep pace with the growing needs of our population. I have supported sound planning to increase the effectiveness of our health service system and to improve and expand public health services and research.

I strongly believe that the three major areas which I have outlined in this address call for urgent action at this session of the Congress. I want a Federal law that will help provide health care for our older citizens—not a political issue.

I want a Federal law that will step up our building of new health service facilities and provide more medical personnel to meet the need which our population will face in the immediate future.

And I want a Federal commission to be set up which will have the responsibility of making a continuing study and assessment of what we have and where we are going in health care so that our people will be provided with health services compatible with a nation that enjoys the highest living standards in the world.

ESTABLISHMENT OF PEACE CORPS

Mr. HUMPHREY. Mr. President, I introduce, for appropriate reference, a bill to establish a Peace Corps of American young men to assist the peoples of the underdeveloped areas of the world to learn the basic skills necessary to combat poverty, disease, illiteracy, and hunger.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3675) to establish a Peace Corps of young men to assist the peoples of underdeveloped areas of the world to learn the basic skills necessary to combat poverty, disease, illiteracy, and hunger, introduced by Mr. HUMPHREY, was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. HUMPHREY. Mr. President, I realize that the introduction of this bill is very late in the session. I wanted the bill to be printed and appropriately re-

ferred so that it could be the subject of discussion and the subject of intensive study during the coming months, prior to the convening of the first session of the 87th Congress. It is my hope I may be here to further the objectives of the bill.

The purpose of this bill is to develop a genuine people-to-people program in which talented and dedicated young American men will teach basic agricultural and industrial techniques, literacy, the English language, and other school subjects, and sanitation and health procedures in Asia, Africa, and Latin America.

A respected American diplomat said recently before the Senate Subcommittee on National Policy Machinery that the Soviet Union does not understand words at diplomatic conferences quite so easily as it understands situations. In other words, the specific situation of the United States enjoying good relations with non-Communist countries and helping them along to economic self-sufficiency is much more persuasive to the Soviet Union than the most articulate statement prepared for a foreign ministers' or summit conference.

One of the most explosive situations today is that the rich nations are getting richer and the poor nations are getting poorer. Communism is nurtured not so much by poverty as it is by frustration. The peoples of the underdeveloped countries have seen our magazines and our movies, and they say, "Why cannot we live like that?" They see the gap growing greater rather than less, and they desperately desire to break through the sound barrier of modernization. In this type of a situation, communism can often look attractive. It is for this reason that we must offer them a suitable alternative.

And yet, Mr. President, I wish to make it very clear that the bill I am introducing is not meant primarily as an anti-Communist measure. If Marx and Engels had never lived, there still would be just as much need for action to develop the potential of the underdeveloped nations. We in the West must not only think about negative policies to stop communism—but also about creative efforts which reflect our own elevating visions of the kind of world in which we would like to see mankind live.

We are living in the most revolutionary epoch in the history of mankind. Events which used to take centuries to develop are now taking place in a few years. The imagination and boldness of our plans must be consonant with the greatly accelerated pace of our age. It is with this in mind that I have introduced this bill.

Before discussing the bill's provisions, let me say that a Peace Corps is something that I have discussed publicly for 2 years. Whenever I have mentioned the proposal, it has received an overwhelmingly favorable response. I have received a steady flow of letters on this subject, and I have yet to receive one letter in opposition to this proposal.

Several months ago, Representative HENRY REUSS, of Wisconsin, and the late Senator Richard Neuberger introduced a bill, which has subsequently been passed as an amendment to the Mutual Security Act, which calls for a study looking toward such a Peace Corps. I applaud their vision and statesmanship in introducing such a bill. I am in complete accord with its principles. My bill differs in that, instead of asking for a study of the Peace Corps, it asks for the Peace Corps itself. There is sufficient evidence now in hand to justify moving directly to the formation of such a corps now, rather than waiting for a study to be made.

As to the provisions of the bill, the Peace Corps will be a separate agency, but will work in the closest cooperation with the Department of State, the U.S. Information Agency, and especially the International Cooperation Administration. Discretionary provisions are included so that the President could place the agency within an existing department or agency for administrative purposes. This would allow the President flexibility in the administration of our overall foreign aid program. However it is administered, I wish to emphasize the fact that the whole orientation of the corps and Director must be toward the people-to-people approach. The basic people-to-people orientation is sometimes missing in the way our foreign aid program is carried out.

A maximum of 500 would be enlisted into the corps the first year. Thereafter, the corps would be gradually increased so that there would be no more than 5,000 the fourth year.

It is desirable to begin with the smaller number of 500 so that the inevitable kinks can be worked out the first year. If, after 4 years, the Congress deemed that the corps could usefully be expanded, then the Congress could amend the act.

The term of enlistment would be 3 years. The first year would consist of an intensive area and language-study program. Members of the corps will learn from Government officials, foreign lecturers, and members of the academic community about the economic, social, cultural, and political factors of the particular areas where they will be stationed. Further, they will receive a thorough grounding in American public policy and contemporary thought. If our young people are to be good representatives of the United States, they must have a sound knowledge of American policy and the principles which underlie that policy. Finally, the members will undergo an intensive language training in the particular tongue of the area in which they are to serve. It is of the utmost importance that our people be able to communicate, if this is to be a people-to-people program in the best sense of the word. Approximately the first 6 months of the orientation course will be in the United States. The second 6 months will be in the areas where the particular members will serve. During the second 6 months, the Youth Corps member will concentrate more on language study and practical field training.

The administrator of the corps should endeavor to gain the cooperation of institutions of higher learning in granting academic credit for participation in the orientation course.

The year's orientation is a most essential part of the whole program. It would be better not to have the program at all than to send out people who are ill-prepared and unfamiliar with the job which lies ahead. The necessity for a 3-year enlistment should also be clear. As the orientation takes a year, they should spend at least 2 years in the field.

Entrants into the corps would be chosen with great selectivity.

Every bit of evidence at hand suggests that there will be many applicants for every one opening. The International Voluntary Services, a private organization with somewhat the same type program—but on a more limited basis—can only take 1 out of 10 applicants.

Aspirants selected must not be less than 21½ years of age at the time of induction. They must be highly qualified in a particular skill and must demonstrate enthusiasm and dedication to the objectives of the Peace Corps program. They should be willing to serve in relatively primitive areas. They must be essentially adaptable persons, be physically fit, and emotionally and intellectually mature.

For every team of Peace Corps members, there would be an older and more experienced group leader.

One of the critical projects the members would undertake would be to teach literacy. Surely, there is no greater need in the world today than that of teaching people to read. Over two-thirds of the people of Asia, Africa, and Latin America are illiterate. There is no nation on the face of the earth which can compete in today's world without a literate population. One cannot read the simplest instructions on a seed packet or directions on how to run an uncomplicated machine without being literate. The half of the world today which is in poverty and hunger and disease also happens to be the illiterate half.

Further, democracy itself rests upon the premise that there is a literate, well-informed electorate.

There is a terrific hunger all around the world to learn how to read and write. Thus, many of the Peace Corps members could teach literacy. Nine-tenths of the world's languages are easier to teach than English, and it is an established fact that one need not even know a particular language in order to teach people how to read it.

Another great need is for English-speaking teachers. School systems in, for example, former British colonies in Africa need qualified American college graduates to teach until such a time as those countries educate enough of their own people to be teachers. Especially, there is a burning need for teachers to instruct in the English language. For example, the former French colony of Guinea is the one country in Africa in which the Soviet Union has made substantial incursions. The only ace we have in the deck is that the Guinean Government wants to make English the country's second language, and they desperately want English teachers. As of this moment, the American Government has been able to supply exactly one English teacher for the whole country. The

country of Liberia has asked us for 60 English teachers.

Besides the necessity of supplying teachers and literacy instructors, there is also, of course, the compelling need for training in basic agricultural and industrial techniques. This is so manifestly obvious that I do not think the point needs elaboration. I should only point out that our helping the people to help themselves can have dramatic effects on their increase in industrial productivity and agricultural yield.

There are other programs on which the Peace Corps could embark, including community development, youth organizations, social welfare, vocational education, and sanitation and health programs. Members of the corps who had obtained degrees in public health or who had graduated from medical schools could suggest ways in which even simple improvements might drastically reduce the disease rate of particular areas.

A 3-year term of service in the Peace Corps would be considered as fulfilling peacetime military obligations except for Reserve requirements. And, of course, corps members would be liable to the draft in times of war or national emergency. A comparatively small percentage of the men of selective service age are now being inducted into the armed services, and since, at the most, 1,650 a year would be inducted into the corps, this would be no great drain on the available manpower reserve of the military.

Anyone seeking to avoid peacetime military service would be further discouraged from joining the corps, because: First, the term of service is 3, instead of the normal 2 years for the Army; secondly, there are no veterans' benefits involved; thirdly, members will often live in primitive areas and have more arduous tasks than they normally would in peacetime service; four, if the members are discharged from the Peace Corps for disciplinary reasons, they are then liable to the provisions of selective service; and, fifth, salaries would be roughly equivalent to those paid the enlisted rank.

Members of the Peace Corps would only serve in a particular country on the invitation of a foreign government. A bilateral commission consisting of persons from the United States and the host government would be established so that the participating nation could advise the United States of the major needs of the country. In this way, the other country would be participating in this program as a partner, not as a charity case.

Before concluding, Mr. President, I wish briefly to allude to the International Voluntary Services, the organization which has the experience most directly relevant to the proposed Peace Corps. IVS is a private nonprofit organization, and it takes contracts from ICA and foundations. IVS employs young men 22 years or older to work in agricultural and other projects in the newly developing areas. These idealistic, talented young men are oriented toward the people-to-people approach, and according to every account, they have enjoyed extraordinary success. Two examples will suffice.

A team of eight IVS agricultural specialists set up an experimental station in Laos. In a country where the per capita annual income is less than $100 a year, they developed a fiber which would bring in $1,500 per acre. The Lao Government was so impressed that it has requested 11 more teams just like that one, one for each province.

Two IVS young men operated a 33-acre experimental farm in Egypt. When the Suez crisis broke out in 1956, our Government evacuated them. One of the first requests that the Egyptian Government made of ours after the crisis had subsided was, "Get those 2 men back there, and give us 10 more just like them. Their fame has spread up and down the Nile."

The IVS men, being young and without families, spend most of their spare time with the local populaces. In most cases, they have been invited to participate in community cultural affairs. In their off hours, they have been besieged by people to teach them the English language. In short, they have been goodwill ambassadors of the best sort.

IVS has been able to operate at a cost of $6,000 per man, including overhead, as compared to a cost of $25,000 per man in ICA. This is partly because of the lower salaries. Thus, there is every assurance that the Peace Corps program would get a maximum mileage from a minimum amount of cost.

I conclude with these thoughts, Mr. President. There is a great body of idealistic and talented young men in this country who are longing to have their energies harnessed. The Peace Corps would tap those vital resources. There is nothing which will build greater people-to-people and government-to-government relationships than to have fine young American men helping the people of the emerging countries to help themselves. They will not only act as instructors but also will show that they are not afraid to dirty their hands in their common endeavor.

There is also the fact that the graduates from the Peace Corps will form a large pool of experienced young men, trained in some of the more remote languages and knowledge of the emerging areas, from which our Foreign Service, ICA, and USIA can draw.

Mr. President, in this turbulent decade of the 1960's we need imaginative and constructive plans for action which are consonant with the greatness and humanitarian ideals of this Nation. It is for this reason that I have proposed the Peace Corps.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a commentary by the noted radio commentator of the American Broadcasting Co., Mr. Edward P. Morgan, in his analysis of the proposal made by Representative REUSS and my own proposal to establish the Peace Corps.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

In a Senate speech last week, Chairman WILLIAM FULBRIGHT of the Foreign Relations Committee described the administration's mutual security program, on which final action is pending in Congress, as a "plate of warmed-over grits." Defending the principle of foreign aid as being as necessary to the country as a life insurance policy to a family, FULBRIGHT scored the administration for lack of initiative and long-range planning which he held essential to the program's successful continuity. Still, he conceded, there is nourishment in warmed-over grits and reluctantly he endorsed the legislation as better than nothing.

In this package, however, there is at least one germ of a promising idea. It is to give eligible young Americans a chance to work on foreign aid projects in the field as an alternative to the military draft. The Senate bill includes a $10,000 item to study the feasibility of recruiting 10,000 youths for a 2-year hitch on technical assistance jobs. This approach was cosponsored by Congressman HENRY REUSS, of Wisconsin, and the late Senator Richard Neuberger, of Oregon, both Democrats. Minnesota's Senator HUBERT HUMPHREY argues a study is unnecessary, says we already know what the problems are, and he is preparing a bill for direct action—a 3-year tour (a year longer than the draft but at basic Army pay without veterans' benefits) beginning with 500 the first year and building eventually to 10,000.

The response on various campuses which have caught wind of it has been enthusiastic but the unofficial State Department and International Cooperation Administration reaction so far is something as follows: "It's a nice idea but, gee, we already have all these other problems."

Interestingly enough, the exciting experiences of a small private outfit in this field called International Voluntary Services, may eventually bring the bureaucrats around. IVS, run largely by ex-missionaries on a nonsectarian basis, has contracted with foundations and ICA to man such projects as agricultural experiment stations in Laos and Egypt. Already both Governments have requested more of these young unugly Americans. The two trying new crops along the Nile are beseeched by Egyptians to teach them English in their spare time. Apparently this person-to-person contact on the grassroots level is one of the secrets of success for IVS, whose candidates are carefully selected not only for their skills but for a kind of pioneering spirit; only 1 in 10 qualifies.

In an article in the current issue of Commonweal magazine on his plan for a "Point 4 Youth Corps," Congressman REUSS writes that "too often we seem to emphasize military alliance with corrupt or reactionary leaders; furnishing military hardware which all too frequently is turned on the people of the country we are presumably helping." (Shades of Turkey and Korea.) REUSS speaks of "grandiose and massive projects" and hordes of American officials living aloof in enclaves in the country's capital." And he asks: "Would we not be farther along if we relied more heavily on a group of some thousands of young Americans willing to help with an irrigation project, digging a village well, or setting up a rural school?"

One of the things which steamed up Senator HUMPHREY's enthusiasm originally was this kind of modern pioneering concept. Applicants would have to have three main assets: real skill, real enthusiasm, and a certain political and social maturity with a minimum age of 22. The recruits would take a 1-year training course, half in the United States, half in the country where they were assigned. Their jobs? Teaching literacy, teaching English, basic agricultural and industrial skills, sanitation and health techniques and many other functions.

Carefully applied, this approach to foreign aid could do a great deal to transform the program from a plate of warmed-over grits to a large nourishing helping of frontiersmanship in a rich American tradition.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. This is an excellent proposal. It is constructive. I should like to ask the Senator from Minnesota some questions in regard to the proposal. I think it raises some interesting questions.

As I understand the proposal, it would provide an alternative for a few very carefully selected young men, who would be otherwise subject to the draft, who would be enabled to serve for a period of time instead in the Foreign Service of the United States. Is that correct?

Mr. HUMPHREY. Only for peacetime service. It would not exclude anyone from military service in case of national emergency or in case of hostilities, nor would it exclude anyone from Reserve requirements.

Mr. PROXMIRE. Would the Senator from Minnesota mind repeating what are the provisions which would prevent this proposal from becoming an opportunity for young people to dodge the draft, to obtain a softer service and escape their obligations to their country?

Mr. HUMPHREY. Yes, indeed. I shall read from the description of the bill.

First, I point out that there is a 3-year term of service in the Peace Corps, instead of the normal 2 years for the Army.

The participants would be liable for the provisions of Selective Service in time of war or in time of national emergency. Likewise, they would be liable for Reserve requirements upon completion of their service in the Peace Corps.

There are no veterans' benefits involved.

Members might be required to live in primitive areas.

If these men were discharged from the corps they would be immediately liable under the provisions of the Selective Service Act.

Finally, the salaries would be roughly equivalent to those paid to enlisted men in the armed services.

In other words, we are proposing to take only 1,650 men a year, which is a very limited number, in Selective Service. If the need were stepped up and if there should be a national emergency, then these men in the Peace Corps would be immediately liable for any call of their country for military service, as well as anyone else.

Mr. PROXMIRE. Would the Senator please indicate what kind of a specific need there is for the services these young men would perform in the underdeveloped countries such as in Africa and in Asia?

Mr. HUMPHREY. Well, one great opportunity we have is to let these young people go particularly into the areas where there is a great degree of illiteracy, as teachers and trainers, so to speak, of the native populations, at a cost which does not encompass the figures involved in the present ICA program.

As I have indicated, it requires approximately $25,000 a year now to support a person in the ICA in the technical service program. The proposed program is estimated to cost about $6,000 a year per person, which is a saving of a substantial amount.

Additionally, the program is designed as a people-to-people program, and one that has limited functions to perform, such as in public health, education, and in community development, and not in the broad economic aspects, such as the ICA.

Mr. PROXMIRE. The Senator is then saying the proposed program cannot in any sense replace or displace what the ICA is doing; it would supplement that program; is that correct?

Mr. HUMPHREY. The proposed program does supplement the ICA program, and it should not be looked upon as something to supplant. It is not something "in place of." It is something to add to what we are presently doing. In the first year of operations 500 trained men would be selected from the entire United States. They would be trained in public health, trained in education, or trained in some skill. They would be selected on the basis of qualifications. Those 500 men would be told, "If you are willing to give 3 years of your time, we are willing to assign you to certain areas of the world."

Such a program of long-term commitments to certain areas of the world is exactly what is needed.

Mr. PROXMIRE. The quid pro quo would be that for this service of 3 years they would discharge their obligation to the Federal Government to serve in the Armed Forces.

Mr. HUMPHREY. Subject, however, to serving in the Reserve.

Mr. PROXMIRE. I understand.

Mr. HUMPHREY. During a national emergency or wartime, however, they would be subject to being called up for active duty just as other young men are. If there was any disciplinary action taken, those disciplined would be immediately liable for military service.

At present a young man in college is exempt from military service for the period of time he is in college. Many students are relieved from military service because of the limited calls under the current Selective Service program. So, for all practical purposes, the proposed program would not remove the obligation of military service. Members of the corps, upon completion of 3 years of service, would in time of peace still be subject to serve in the Armed Forces Reserve. And in time of war they would be subject to the call to duty under Selective Service the same as anyone else.

Mr. PROXMIRE. Is it not true that there is a great deal of enthusiasm for this kind of opportunity on college campuses all over the country, and that there are literally thousands of young people who are very eager to have an opportunity to serve their country in this particular way? As the Senator from Minnesota has pointed out, the bill would not eliminate their obligation to serve their country in the event of war or in the event of emergency. They would still be liable for that kind of service.

Mr. HUMPHREY. That is correct.

Mr. PROXMIRE. As I understand, the proposed legislation provides that instead of peacetime training in the military forces, or peacetime service, young men under the program would have 1 year of training, particularly in foreign languages, or a specific language, which would give them a particular kind of usefulness abroad. Then for the wage of any Army private they would serve as teachers or in other vitally necessary jobs in some underdeveloped country.

Mr. HUMPHREY. Exactly.

Mr. PROXMIRE. May I complete the thought which I started by saying that I have found the desire on the part of young people to engage in such a program as is proposed to be great. Idealism is common to youth. This kind of idealism and desire to serve one's country, to do so in a practical way, to do so in a way which would permit them to return to America, to marry, to settle down, and to engage in the kind of career that most Americans have, is a great national resource. The bill provides an unusual and wonderful opportunity to tap and use this resource by permitting our young people to serve their Nation and mankind. It seems to me the idealism we have is not being tapped. It is seeking an outlet in a constructive, practical, and economical way. It seems to me that the proposal of the Senator from Minnesota very usefully and sensibly takes advantage of this desire for and on behalf of our country.

Mr. HUMPHREY. My observation is that young people are very desirous to obtain this program and to engage in this kind of work. However, the number involved is minimal. We would not have a peace corps of 2 million men, such as we have in the armed services. The total which is contemplated in the first year would be only 500. The proposed legislation would increase that number to as high as 5,000. Those who would come under the program would be highly selected. I limit the number because I think the Congress will wish to review the program no matter what may happen under the terms of the proposed legislation.

The bill would in no way weaken the military security of our country. It would strengthen it. It in no way would remove the obligation of military service in time of critical need for the participants. The bill merely provides that in peacetime we would wage war on disease, hunger, illiteracy, and poverty, and that to do so we enlist a certain number of talented, capable, trained young people to wage war on the real enemies, the real enemies being ignorance, fear, prejudice, hatred, hunger, and disease.

We say to those young men, "We offer you a program with an obligation for 3 years. You are under strict discipline. You have to prepare yourself. You must be over 21 years of age. You must have a skill that is needed. You must be willing to go into the primitive areas of the world and live under native conditions. You must fulfill your full term of service. If you do not complete such term of service, you will leave immediately for peacetime military service, and even after you have fulfilled your term of service overseas in the peacetime corps, you are

placed in the Reserve and subject to active military service in time of national emergency or war."

I suggest to the Senator that such a program would put manpower to work in the real war, in the struggle that we need to win in Indonesia and elsewhere.

Mr. PROXMIRE. If the Senator will yield on that point, I shall conclude my part of the colloquy by saying that the purpose of serving in the Armed Forces, of course, is to help us achieve peace. The pursuit of peace, a just peace with freedom is the reason these young men in the Armed Forces are being trained. The Senator from Minnesota is proposing a direct way for some young men to serve exactly the same purpose by working for their country by seeking peace with justice and freedom in foreign service. If we talk to young people, we discover that this kind of program is what they feel we should have, that we should maintain America's strength so we can provide for peace.

The Senator from Minnesota proposes that our young people be provided an opportunity to work positively, constructively, and directly for peace, eliminating the ignorance, poverty, and misunderstanding which are the causes of war, and in doing so, to provide colonies of dedicated, idealistic, young Americans who can be the best possible kind of missionaries or salesmen, depending upon one's viewpoint, for this country.

Mr. HUMPHREY. The Senator is correct, and I thank him.

ACTIVITIES OF THE FEDERAL AVIATION AGENCY

Mr. SCHOEPPEL. Mr. President, during the past several weeks, I have received many letters from physicians in Kansas and elsewhere who are protesting a Federal Aviation Agency regulation, effective June 15, 1960, requiring private pilots to take their qualifying physical examinations only from physicians designated by the Agency. This very matter is one of the subjects considered in hearings just completed by the Aviation Subcommittee of the Committee on Interstate and Foreign Commerce.

Also, recently, I have been receiving a barrage of communications protesting the requirement of the Federal Aviation Agency that during in-flight inspections of jet operations, the FAA inspector sit in the seat immediately behind the pilot and copilot. Some of the pilots on Eastern Airlines, in particular, assert that by contract, that particular seat must be occupied by a third pilot, even though the aircraft is certificated for operation without him.

The communications I have received from the physicians and pilots have certain qualities in common. They are unusually well written. They are carefully reasoned. They express genuine woe about activities of the FAA's Administrator, Elwood Quesada. But they also contain evidence that they have been cleverly inspired by sophisticated lobbyists. Those lobbyists have slanted the information furnished to the people who have been in touch with me.

No man's opinion or judgment can have higher quality than the information from which that opinion or judgment rises. In consequence, I expect to find bias in communications from people whose principal information about the FAA comes from biased sources.

I regret that I have not been able to attend all of the hearings of the Aviation Subcommittee during its review of the Aviation Act of 1958. However, the transcripts of the hearings have been available to me and I know the points made by the various witnesses. In my judgment, the hearings have failed to demonstrate that Administrator Elwood Quesada is an arrogant tyrant, as so many of my correspondents claim. Neither have they shown that he is lawmaker, prosecutor, judge and jury, as is likewise asserted.

What the hearings have shown is that the Administrator of the FAA, as head of an Agency with some 36,000 employees, has used them well in carrying out the mandate of the Congress. That mandate included a direction to make flying safe—for passengers, for people on the ground, and for the air crews themselves. It implied support for whatever action might be necessary to control the flier who thinks it is nobody's business if he wants to risk his own neck. If Administrator Quesada has erred, it is in a public-relations way; he has hurt the feelings of the executives of certain organizations by declining to accept them as exclusive spokesmen for all who fly or as the sole arbiters of the public good.

I have been disappointed that organizations with an honorable record of dedicated service to aviation now present a public image of churlish resentment against constituted authority. They are entitled to consideration and redress of sound grievances, but they ill prepare the way for such consideration when they engage in vest-pocket revolts against Federal authority or snipe at Federal officials.

The Aviation Act of 1958 was a major undertaking designed to meet the needs of an aviation industry that has grown almost explosively. The act gave the Federal Aviation Agency a single head because decisiveness was and is a prime requirement. As a result, actions have come fast. But there has been nothing to indicate that any regulation has been promulgated solely to harass, punish, or annoy anybody, or that bureaucracy needlessly has been throwing its weight around.

There may be ways in which the Aviation Act of 1958 needs amending. Our Aviation Subcommittee hearings have revealed some rough spots on which our committee may want to work next year. Unfortunately, the hearings have also revealed a studied effort on the part of a few people to propagandize their way to domination of the Agency that is supposed to regulate them. In the process they have been intemperate to the point of abusiveness and have sought to badger Administrator Quesada into resigning. Fortunately for all of us, he has had the courage to resist and to answer calumny with reason.

THE 1959 CITIZEN OF THE YEAR AWARD TO SENATOR YOUNG, OF OHIO

Mr. CLARK. Mr. President, on Saturday evening, June 11, our distinguished colleague, the Senator from Ohio [Mr. YOUNG] received the 1959 Citizen of the Year Award from the American Veterans Committee. In what seems to me to be one of the very best speeches I have read in at least a year, Senator YOUNG outlines his views about patriotism, about America of today, and about some of the foibles and fancies which a number of our so-called patriotic organizations are only too apt to fall into. I ask unanimous consent that Senator YOUNG's speech may appear at this point in my remarks. I commend it to all my colleagues in the Senate.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR YOUNG, OF OHIO

This evening I meet with you feeling a happy glow over the magnificent honor you have given me.

This organization is a very special sort of association. Every man in this room has worn the uniform of his country in time of grave national peril. There is reason to hope that future generations of Americans will receive a greater impulse of patriotism because of the loyalty and sacrifices of men such as you, who left comfortable homes and loved ones and responded to a national duty.

We hope, as a result of your war service, shared with millions of other fine Americans, and of your continuing service for your country in time of peace, coming generations of Americans may more zealously safeguard the free institutions you defended.

Some of you men participated overseas in great offensives that will be long remembered.

Many of us lived through days and nights when we thought the last vestige of decency, humanity, and kindness had disappeared altogether from the face of the earth.

People from far places will remember those who helped turn back the forces of dictatorship aggression and restored to oppressed people the world over their simple dignity as creatures of God.

On occasions like tonight, it is well for us as citizens to rededicate ourselves in the determination that there must be a good future for everyone. There was no future in the combat zone. However, oversea service gave perspective. The shortcomings of our Government stood out in bold relief.

With your background, experience and training it would be well for each of you to participate aggressively in all things to promote the general welfare of our country, and to help provide for all our people—freedom, security, contentment and permanent peace.

In this space, missile and jet age of challenge, there is need for all Americans to protect and assert their civil liberties. We must manifest the pioneering spirit of free and courageous men and women intent on maintaining our way of life and adhering to the guarantees of our Constitution.

There is need for reawakening of sound judgment and courageous action to preserve American institutions and American ideals.

Late last year, a county council of the American Legion of Ohio had the effrontery to issue a news release in the following offensive language:

"The Hamilton County Council of the American Legion of Ohio expresses its disapproval and censures Stephen M. Young for his scheduled appearance as guest speaker

in New York City on December 15 under the sponsorship of the Emergency Civil Liberties Committee."

The jerk who evidently took leadership in formulating this un-American resolution, signed his name "Neil E. Wetterman, Americanism chairman." His concluding statement is as follows: "We strongly urge the Senator from Ohio to reconsider and withdraw from such participation so as not to become a tool of the Communist apparatus."

I don't like people who seek to play God with other people's patriotism. Also, I don't like it that these self-proclaimed superduper professional veterans secured widespread publicity on their resolution on December 3d, but failed to have the decency to furnish me a copy until December 9th. I wrote Wetterman as follows:

"I repudiate your resolution, Buster, and your pompous, self-righteous, holier-than thou title of 'Americanism chairman.' Why don't you as 'Americanism chairman' read and try to understand that cornerstone of our liberties, the Constitution of the United States?

"If, in your press release, you asserted, or implied, that I am likely to become a tool of the Communist apparatus, you are a liar.

"Another thing—why don't you puffed up patriots write my American Legion post demanding my expulsion? Or, do you self-appointed vigilantes demand that I submit list of speaking engagements for clearance by your outfit before I, as a Senator of the United States, open my mouth in public?"

Well friends, these fellows have, in fact, submitted a resolution to the Department of Ohio demanding that I be expelled from the American Legion. If they succeed, I hope I receive back $6 of the $8 I recently sent my post as dues.

Of course, I made that speech in New York.

Also, at about that time, Congressman GORDON SCHERER, of Ohio, jumped into the act, saying that he "could not understand how any loyal American could address a group such as the Emergency Civil Liberties Committee." Congressman SCHERER in another reckless statement, accused Representative JIMMY ROOSEVELT of following the Communist line. JIMMY ROOSEVELT was second in command of Carlson's Raiders and was in sticky situations in the South Pacific while GORDON SCHERER was safe as safety director of Cincinnati.

Incidentally, friends, the Emergency Civil Liberties Committee is not listed on the Attorney General's list of 306 organizations as being Communist-front, or subversive.

Frankly, although I do know that some Fascist-minded directors of the National Association of Manufacturers and the U.S. Chamber of Commerce are, in reality, enemies of our free enterprise system and our way of life, I would accept, if invited, an opportunity to address one of their banquets.

May I read also the concluding paragraph of an editorial in the New York Herald Tribune? The editorial stated: "Not only did YOUNG deliver the speech, which included a denunciation of the evils of communism, he also called his adversaries 'loud-mouthed publicity-seeking veterans,' 'puffed up patriots,' and 'self-proclaimed super-duper 100 percent America-firsters.'"

The editorial concluded: "Whatever other significance may be found in this little episode, it means that a U.S. Senator has spoken out sharply for the right of a citizen to speak his mind when he pleases and to whom he pleases. And if the Bill of Rights means anything, it certainly means that."

The Berkshire, Mass., Eagle stated: "The Senator's outburst was on target. It cleared the air. It drew attention to the vestiges of McCarthyism still abroad in national life. And it served as a warning to name-calling 'puffed-up patriots' that with YOUNG around, they would get as good as they gave."

The Toledo Blade stated editorially: "It is rare that a U.S. Senator resorts to such blistering rhetoric in communication with constituents. Senator YOUNG's choice of words may have been intemperate, but in this case there is justification. The Legion's resolution was not only uncalled for, but was insulting."

Friends, unfortunately, the debris of the witch-hunts, the so-called McCarthyism, still is with us. Much of the debris of that period has been cleaned up, but it may take a generation to remove all this rubbish. We have recovered somewhat from that era, which we should like to forget, of pointless suspicion, fear, character assassination and ruined careers.

However, some practices of this period are still in existence.

Just recently we learned of the existence of an Air Force training manual linking communism with our churches and among the clergy, and questioning the right of Americans to know, and I quote, "What is going on." This outrageously false manual went so far as to say that Communists have successfully infiltrated our churches and that clergymen, unnamed of course, of certain of our churches are card-carrying Communists.

It is disturbing to learn that the technique of condemnation by innuendo is still with us.

Friends, we must be always on guard that none of our liberties granted to us in the Bill of Rights is sacrificed for the sake of unreasoning fears.

We must repudiate the fearmongers, those men of little faith plotting the inquisition, investigations into our schools, colleges, and even churches—into all institutions of a free society.

Loyalty cannot be coerced or compelled.

It may be dangerous to permit certain opinions to be expressed, but it is more dangerous to attempt to suppress the expression of such opinions.

To attempt to prevent an explosion in a boiler by sitting on the safety valve is obviously foolish. It invites disaster. That was the method of the Czars of Russia and the Bourbons of France. They failed miserably. You cannot exterminate ideas with clubs; you only scatter them.

Fear of speaking our minds can do much more harm to our Nation than the Communists or Fascists could ever hope to do.

Communists form one-twentieth of 1 percent of the people of the United States. The odds, therefore, are 1,999 to one in favor of free institutions. Assuming the Cleveland stadium was filled with 80,000 people witnessing a football game, on this basis 40 would be Communists and 79,960 would not. What should we do to prevent these 40 from destroying 79,960 of us who have on our side also the city and State police, the FBI and the entire Armed Forces of our country—Army, Navy, Air Force, and Marines—shades of Valley Forge and Normandy Beach. Are we no longer the land of the free? Are we no longer the home of the brave?

Without free speech—without free debate—all other liberties which Americans cherish would be in jeopardy. Let us protect all the people all the time in the exercise of all their right; and if we do that, eye hath not witnessed nor finite mind conceived the future grandeur and glory of our country.

While we must be ever vigilant to protect our civil rights and liberties at home, we must pursue every means to assure permanent peace and liberty abroad. Today, the issue of peace towers over all others.

It is a fact that man has outgrown war. He has made it both impossible and impractical. The wonders of science have made it worse than folly, worse than calamity, worse than tragedy. They have made it insanity.

Disarmament is the only answer.

The leap-frog game of the arms race—where first one nation is ahead, then another—certainly cannot be the answer indefinitely.

History of the 20th century to this good hour demonstrates that armaments races between nations led to World Wars I and II. We must end the armaments race with the Soviet Union and Red China by definite agreement with adequate safeguards, else the most terrible of all world wars might be precipitated.

Despite the collapse of the summit conference in Paris, we must continue to pursue every possible means toward disarmament and peace by diplomatic negotiation and face-to-face conferences with dictators of the Soviet Union and Red China.

My view is that the common people everywhere seek peace and want disarmament. They hope to devote energies and resources to improving their own condition.

But to speak disarmament is easier than to achieve it. We must be prepared for long, tedious — often discouraging — face-to-face negotiations, as well as protracted diplomatic conferences. Years of negotiations, if they achieve the goal, will repay us with relief, with security, with safety, and with the comforting assurance that mankind will endure and will not commit the final and irrevocable insanity of total self-destruction.

Friends, until and unless an effective disarmament program with adequate safeguards is agreed to between this Nation, the Soviet Union, and Red China, we in America must live in a war economy and spend billions for our Armed Forces.

The Soviet Union has been outstripping us in production of operational intercontinental ballistic missiles and rockets with nuclear warheads, and in space exploration.

We must close the missile gap with the Soviet Union. We must go forward with the greatest urgency. Being second best in a cold war, or in a shooting war, is costly and dangerous. You who are poker players know that a second best poker hand leads to trouble.

It is a fact that our Government is not made great by those comparatively few of us in positions of authority in Washington. Our Nation is made great by the intelligence, courage, enterprise, and industry of you from whom that authority comes.

Today there is a pressing need for all of us to be aware of the problems which confront us in this space age of challenge.

As we enter the 1960's, America is adrift. Much of our enormous reservoir of energy, power, and good will is untapped. We must release that energy for the benefit of our people.

We must direct our efforts not only to the production of consumer goods to make our lives more comfortable, but to enterprises that will make our lives more fruitful.

Our so-called present prosperity is a trickle-down affair which has fattened the few, with the leftovers going to the many. In the midst of this so-called prosperity, nearly one-fourth of our people are living at, or near, the poverty level—unable to afford good health care, good housing, good food, or good clothing.

These are the facts about personal poverty. They must be faced and dealt with. We must deal, too, with the poverty affecting all Americans—the poverty reflected in inadequate schools, highways, housing, medical care, and social service programs; our blighted cities, our depleted and abused natural resources, our polluted rivers and streams.

Is it unreasonable to assume that the first duty of the Federal Government is to provide for the general welfare of our people, and to encourage our country's growth and progress?

Americans today are restless because they know that America cannot stand still and

continue to grow. We may honor the monuments of the past, but we must build beyond them to an ever-expanding future.

We must proceed with the greatest urgency and devote our strongest efforts to the grave tasks which lie ahead. This is a time of privilege and dedication.

You, and all of us, are trustees of the confidence of free men and women the world over.

America has an abundance of scientific talent. We have the pioneering spirit to take leadership in this space age of challenge. We also have the wealth, but we must use it wisely.

We want to get on with forward-looking programs. We want America to breathe again, to advance mankind's hopes for justice and peace.

The graveyard of history is crowded with the remains of nations that had good intentions but lacked the imagination and drive to transform them into reality.

It is not enough for a nation to wait for events to happen and then react to them. A truly great country must march at the forefront of events and, by foresight, produce all the events that it wants.

We look forward to the day when men and women the world over live in peace, dignity, and comfort.

The winds of freedom are blowing throughout the world in a manner and to an extent almost beyond belief. Across the China Sea, in Indonesia, on the African Continent, and everywhere the toiling masses and the underprivileged are striving to achieve economic and political freedom—just as in generations gone by we achieved political and religious freedom.

Though Senators of the United States are not technical men, it is fair to say this: in our own way, a very large part of our membership has sensed the revolutionary character of the times and the great role which scientific research and development are to play in determining our fate.

It is not enough that scientists, engineers, and the people of government are concerned about our future. In this age of space, missiles and rockets, you, from whom our strength flows, must also be concerned and must be fully informed.

We are only at the threshold of a new world age. Years will come and go before there will emerge a world civilization based upon the eternal principles of law, justice, brotherhood, and human rights.

We are seeking that sense of direction and skill to carry to fulfillment a policy to provide economic security and contentment, and to maintain permanent peace.

We seek to preserve the fundamental concept of America and to improve upon the structure of government.

Friends, your public officials must have the courage to be liberal when the public well-being requires it.

We must have the courage and integrity to be conservative when responsibility demands it.

For the tomorrow of America, we must all speak our purposes plainly, for Americans are eager to hear again the straightforward language of a confident, prepared America.

We seek peace through vigilance, and to maintain our freedom through strength.

We respect our allies.

We cherish our neighbors.

We stand for an America at work; an America marching forward.

We seek expanding opportunity for all; a nation where farmers, businessmen, and working men and women may trust and love their Government and be trusted by it; a nation where no one is forgotten, where the young have faith and the aged have hope; where all stand equal without discrimination and possessed of all civil liberties.

COMMENCEMENT ADDRESS DELIVERED BY THE GOVERNOR OF PENNSYLVANIA AT LINCOLN UNIVERSITY

Mr. CLARK. Mr. President, on Tuesday, June 7, 1960, the distinguished Governor of Pennsylvania, David L. Lawrence, delivered the commencement address at Lincoln University, Oxford, Pa.

Lincoln University, an integrated institution of learning but founded and to a very large extent supported by members of the Negro race, is one of our fine educational institutions.

Governor Lawrence made an outstanding address with respect to the problems which will confront us in this year of decision, 1960. I ask unanimous consent that the Governor's address may be printed in the RECORD at this point in my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY GOVERNOR DAVID L. LAWRENCE AT THE LINCOLN UNIVERSITY COMMENCEMENT EXERCISES, OXFORD, PA., TUESDAY, JUNE 7, 1960

Let me begin today with a confession. In some measure, I am guilty of that common transgression to which we all succumb at one time or another, and that is envy.

I envy you, the class of 1960. I am envious of your splendid record of intellectual achievement here at Lincoln University, of your proud heritage which boasts the company of such great alumni as Thurgood Marshall, Langston Hughes, Hildrus Poindexter, and Solomon Hood.

Most of all, I envy you for the great adventure each one of you is about to undertake.

This is a great year in which to graduate. Never before, I would say, has college training held out so many expectations. Seldom has a baccalaureate diploma taken on such meaning—not only to yourselves and your family but to your countrymen and to the world at large.

Barely 5 months gone, the year 1960 has given us a series of dramatic happenings that might challenge the imagination of our most daring thinkers.

I leave the chronicle of events to the official record but generally we may concede that 1960 bears the marks of both pain and promise.

The pain is derived from the timeless struggle of oppressed against oppressor. For us there has been the severe shock of learning that such struggles are not taking place entirely in that half of the world where oppression is a natural condition, nor solely in countries of doubtful devotion to democratic principles but, worst of all, in regions of our own homeland.

The war in Algeria, the massacres in south Africa, the rioting in Turkey and Korea, the sitdown demonstrations in the South are all part of a reaction against a way of life that is becoming increasingly intolerable for millions of human beings.

As a result, America's role or, in a remote sense, her moral attitude toward each of these situations serves to complicate and disrupt an already complicated world situation.

The question continually emerges: By whom do we stand?

When the Middle East, where I recently visited, continues to divide into warlike camps, Jew against Moslem and Moslem against the world, do we continue to seek favors from both, holding spiritual kinship on a par with crude petroleum?

Day by day, as the tension between Washington and Moscow grows, a side issue such as this has a ponderous bearing on the eventual outcome.

There can be no doubt that the collapse of the summit conference in Paris has struck into the average American an awareness of his international responsibilities such as he has never known before.

The man in the street no longer blurts out, "I don't know," when asked how he feels about the State Department's handling of the U–2 incident. In either support or condemnation, his answer is direct and forthright.

At one time or another in the quiet of his thoughts he must ask himself the question: "How close are we to going over the brink?"

This, then, is a most pivotal year. Between now and the end of December we will have judged the wisdom and ability of two men and have chosen one of them to be our next President.

I venture to declare that for a great number of you this will be your first occasion to cast a ballot for a President. Once again I say I envy you. In most cases you will come to the task of selecting your man without an excess of prejudgment.

Few segments of our citizenry are better prepared to make that selection than the class of 1960 now emerging from campuses like Lincoln's. After 4 years of higher education, you should be in an intellectual position to think—carefully, thoroughly, purposefully. Even when that education has been directed toward mastery of a vocation, it has failed if it has not trained the intellect in the making of important decisions.

It is this core of intellectual responsibility, sometimes called judgment, that led philosopher Mortimer Adler to define "liberal education" as "the education of free men."

As free men—and free women—the class of 1960 has some very serious decisions to make between now and the time it steps behind the curtains of a polling booth in November.

There is certainly no want of issues. Platform carpenters in both political parties will be kept hammering well into dawn's early light in an attempt to cover all the points. But regardless of the numerical count, the issues fall into three major categories.

The first I have touched upon a moment ago. It is America's role in world affairs.

To my mind there is no issue of greater importance now than the U.S. conduct toward the other nations of the earth. Failure in any quarter of our dealings, whether with our adversaries or our allies, can mean swift and unrelenting catastrophe.

This is the deadly game. This is the pistol at the heads of us all. Whatever the outcome of the confusion and the furor, the United States of America, in the eyes of her adversaries and her allies, is not the same Nation it was a year ago. To whatever degree you wish to measure it, our ability to inspire confidence has been diminished.

I have often said that disagreement on America's foreign policies should stop at the water's edge. And I still say it. But I do not agree with those who hold that this issue should not be debated at all. Most certainly it should be debated—loud and clear, with fervor and energy.

This is the year when Americans make their choice, not only of a man but of his plans and his hopes and his philosophy. We want to know in sharp and precise terms what are the principles by which our Nation shall be guided in her relations with others; with whom we stand and why. I am sure that you young men and women, soon to resolve this issue in your minds, want to know these things. And you, with the largest stake in the future, have every right to know.

The second great issue to weigh upon our judgment is the direction we shall take here at home. There are two aspects of our domestic policy. One affects the economy; the other affects our society.

Swirling around the Nation's domestic economic policy is a quiet but nonetheless highly important debate. It involves what the economists like to term "the public sector" and "the private sector." The public sector is that area of economic responsibility assumed by Government; the private sector, that assumed by corporate enterprise. The issue of the debate is simply this: "How much of its present wealth should our prosperous Nation dedicate to public service?"

Here is how the question applies: Today it costs just about the price of a medium-size automobile to give a Pennsylvania child a basic education through high school. If we cannot have both, to what extent do we want to sacrifice the one to foster the other? For the simple fact of the matter is this: Our public plant is falling into a deplorable state of disrepair. Older portions of our center cities are becoming dilapidated and in danger of becoming the home of those rich enough to afford it, or those too poor to escape it. Municipal and urban problems which strike at the vitals of society go unsolved.

As our hospital waiting list grows longer, our supply of nurses and technicians grows shorter.

Our roads are choked and overused and our public transportation is rusted and underused.

Our schools are overcrowded and understaffed.

We are faced with dwindling water resources and inadequate recreation facilities.

And we are plagued by juvenile delinquency, depressed areas, and slum growth.

If we can't solve these problems when the horn is full, when can we?

The promise of prosperity goes unfulfilled. Its challenges clamor for solution and go begging for response. We may have learned how to sustain prosperity, or at least its trappings. We certainly have not learned how to use it well. We have produced consumer goods with reckless abandon and made the private sector of our economy fat and sleek. But we have neglected the public sector until it has become lean and hungry.

There is an increasingly unequal allocation of resources between the private and public sectors of our economy. If it continues, we shall inevitably dribble our plenty away until we are once again brought face to face with want, depression, and despair.

These are the problems of the sixties, just as want, privation, and economic insecurity were the problems of the thirties. These are the problems of prosperity, or better, of the fuller yield of prosperity.

Thus I would say to the class of 1960 that one domestic issue on which every presidential candidate must stand revealed is precisely that: How to balance our economy between the public sector and the private sector. It is an economic question. It is intricate and infinitely complicated. It requires much thought. Fortunately, you are used to thinking.

The other aspect of our domestic issue concerns moral values, which are at the very core of our national conscience. Just as 100 years ago Abraham Lincoln was elected to office in the conviction that this Nation could not survive half slave and half free, so we Americans must resolve whether this Nation is to continue half free and half "almost" free.

It is a bitter and disgraceful fact that 6 years after the Supreme Court ruling on the integration of public schools, only 3 percent of all such schools in Southern States have been integrated.

It is a bitter and disgraceful fact that millions of native-born Americans, with a heritage and culture extending into colonial times, are still unable to vote.

It is a bitter and disgraceful fact that millions of Americans are systematically exploited through their labor, through their housing facilities, through their opportunities for self-improvement and education.

These facts are not America's skeleton in the closet. They are known the world around—in Asia, in India, in Africa, in the Latin countries. So long as our movement to correct these moral wrongs is even slower than the present rate of "all deliberate speed," we are subject to charges of hypocrisy by those we seek as friends and allies.

In this year of 1960 the American people will make their decision on the course our Nation will pursue, not for just 4 years, but for decades to come. It is a year like 1932 when new and vital economic measures brought us to maturity. It is a year like that just one century ago when America found its soul and set the principles of union and justice and freedom higher than any it would seek to attain.

I envy you, class of 1960. I envy your spirit of adventure, your courage, your enthusiasm. This is your year and you shall make the best of it, strong in the liberal education you have been given, the education of free men. Use it, as your college mate Langston Hughes has suggested in his poem, "Freedom's Plow," to make a furrow across the field of history:

"Into that furrow the freedom seed was dropped.
From that seed a tree grew, is growing, will ever grow.
That tree is for everybody.
For all America, for all the world.
May its branches spread and its shelter grow,
Until all races and all people know its shade."

REDEVELOPMENT OF EASTWICK

Mr. CLARK. Mr. President, we will shortly be dealing with the housing bill which was reported by the Committee on Banking and Currency yesterday. I believe it is pertinent to call to the attention of my colleagues in the Senate, in connection with the urban renewal program, which is a part of the bill, the redevelopment of the Eastwick area in Philadelphia. This is the Nation's largest urban renewal project. It is about to go into construction. The development of Eastwick will be one of the greatest developments in Philadelphia's history.

Most of the credit for this development should go to the present mayor of Philadelphia, Richardson Dilworth, for his inspiring leadership in putting flesh on the bare bones of the Eastwick plans, which were barely apparent while I was mayor of Philadelphia. The result will be a very fine public improvement indeed.

A modern community of 60,000 will replace an area which has long presented problems to the city of Philadelphia. Much of the area was swampland; many structures were little more than shacks; junkyards and auto graveyards abounded, not to mention sewage-laden streams running through the area because it was too low for an underground sewage system.

Last June, hydraulic fill began to be poured into large sections of Eastwick. In August the first demolition contracts were let, and work on razing existing structures began. Only a handful of buildings in stage I are left to be cleared.

Philadelphia's Redevelopment Authority has just announced that it has chosen an aluminum company, Reynolds Metals, and two Philadelphia builders, Samuel and Henry Berger, to undertake the redevelopment. They will have the responsibility of translating into brick, mortar, and metal the plans for this community.

There will be more than 10,000 homes in the new Eastwick—carefully placed in settings of parks, boulevards, greenways, shopping centers, schools, churches, and playgrounds, as well as an industrial park covering more than a third of the 2,506-acre tract, but shielded from it by a green belt. The redevelopment plan was produced by Dr. Constantinos Doxiadis, one of the world's great community designers.

The Doxiadis plan envisions a series of residential sectors of "superblocks" connected by a central greenway along which community facilities will be conveniently spaced. Pedestrians will be able to travel on foot to all parts of their "superblocks" without running the danger of heavy traffic. Spine streets will carry major traffic around the residential sectors, and small streets will lead into the interior. The smallest streets along which residents will drive to and from their homes will end in cul-de-sacs, thus effectively keeping out through traffic.

The first new houses in Eastwick are expected to be built in 1961. It may be a decade before all 10,000 new homes are completed, and the community reaches its estimated total population of 60,000.

Eastwick represents a gross cost of $96 million to the city and Federal Governments, with private investment expected to bring the total outlay to more than a third of a billion dollars. The city of Philadelphia expects to recoup its $35 million share of the initial cost through the creation of new tax sources returning millions of dollars annually in real estate, mercantile and wage taxes, in addition to benefits arising from the well-being of its citizens through good living conditions and jobs in the new industries. It is estimated that the city can ultimately expect an increase in revenue of more than $4 million a year in real estate taxes alone, and a boost of nearly $3 million a year in school taxes. Industrial, commercial, and institutional enterprises are expected to provide about 23,000 jobs with an annual payroll of more than $105 million a year. This does not take into account the increased revenue resulting from general stimulation of business.

Contrast this outlook with the fact that in 1958 there were so many tax-delinquent properties in this area that the city collected only $200,000 in tax revenues.

The redevelopment of Eastwick will be one of the greatest achievements in Philadelphia's history. Future generations of Philadelphians will have cause to be thankful for the foresight and courage of the city government in conceiving and undertaking the task.

MUTUAL SECURITY APPROPRIATIONS

Mr. CLARK. Mr. President, we will shortly be dealing with appropriations for the mutual security program.

The comment has been made that our mutual security appropriations adversely affect the balance-of-payments question. I do not believe this to be the case. A group of distinguished citizens in Pittsburgh, Pa., known as Action for Foreign Policy, comprising business and professional men and educators, of both political parties, who meet regularly to study current issues in the foreign policy field where legislation is projected, have sent me a memorandum on the subject, which I feel is so helpful that I commend it to my colleagues, and I ask unanimous consent that it may be printed at this point in my remarks, together with the signatures of those who concurred.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

Appropriations bills for the mutual security program will soon be considered by the Congress. Opponents of these bills argue that these programs should be curtailed because of a dangerous increase of the imbalance of payments. They point out that in 1959 the imbalance rose to $3.7 billion from the 1958 high of $3.4 billion.

We respectfully submit that the balance of payments problem is being adjusted by other appropriate measures and that reduction of the mutual security program, in any event, will not in fact substantially reduce the U.S. payments imbalance.

Without any substantial change in the mutual security program for the fiscal year 1959–60, the Commerce Department reports that during the first quarter of 1960 the deficit was cut by about $400 million. It is estimated that the deficit in the balance of payments may be reduced this year to approximately $2 to $2.5 billion, a sharp drop from $3.7 billion in 1959 and $3.4 billion in 1958.[1]

Even if there were the prospect of no alleviation of the problem of the balance of payments we believe that the mutual security program should be supported for reasons of national policy independent of the current balance of payments deficit situation. MSP is a vital instrument of U.S. foreign policy in strengthening and developing the free world, and it should not be emasculated for fiscal reasons short of a national emergency which in itself will threaten national security.

Significantly, the contribution of the mutual security program to the deficit is relatively minor. The vast portion of foreign aid which is recorded under the balance of payments accounting system as foreign payments returns in the short-term as receipts to the United States. For fiscal year 1960 it is estimated by Mr. John O. Bell, of the State Department's Office of Deputy Coordinator for Mutual Security, that only $150 million of the nonmilitary part of the MSP payments abroad will fail to return as balance of payments receipts to the United States in the short term. The reason for this is that foreign beneficiaries of MSP funds buy substantial quantities of goods and services in the United States and remit MSP funds or credits created in turn by those funds, in payment.

One of the reasons for the balance of payments deficit has been a decline in U.S. exports. Realizing this, President Eisenhower and the executive branch announced on March 17, 1960, the establishment of a national export expansion program by which the Departments of State, Commerce, and the U.S. Export-Import Bank initiated a series of coordinated measures to enlarge American export business and thus to overcome the balance of payments problem by the affirmative steps of increasing the amount of American business overseas and amount of American jobs thus created. Over the long term it should be noted that the MSP develops foreign markets and thus should increase American exports and thereby our payments position.

Another aspect of the balance of payments deficit should be noted in the words of Mr. Carl P. Blackwell, Director, International Economic Analysis Division, U.S. Department of Commerce, who says that "It is essentially a matter of short-term deficit for long-term gain."[2] Thus in 1958, $1.1 billion in U.S. direct private investment abroad was recorded as outgoing payments. Actually this amount classed as an expenditure is a long-term capital investment abroad which will some day return substantial dividends and royalties to the United States as balance-of-payments receipts. Meanwhile, this outflow of capital is of great strategic and humanitarian value to the United States and the free world.

CONCLUSION

For the foregoing reasons we urge that the Congress take all appropriate action to reduce the balance of payments deficit by measures designed to strengthen and enlarge American exports; and we oppose as unwise and shortsighted alleged solutions of balance of payments problem by curtailment of the mutual security program.

Respectfully submitted.

Stanley Ruby, Stephen Blickenstaff, Robert E. Mertz, Oscar S. Gray, William J. Barton, Chandler G. Ketchum, Thomas M. Kerr, Samuel K. McCune, Putnam B. McDowell, Stanley Shep Ungar, John K. Tabor, John B. Henderson, Kenneth S. Smith, Albert M. Pitcher, Jr.

THE SIGNERS

Stanley Ruby: Fellow scientist, Westinghouse Electric Corp., Radiation and Nucleonics Laboratory.

Stephen Blickenstaff: Program director, program Instep (Indian steel training and educational program), Carnegie Institute of Technology.

Robert E. Mertz, Esq.: Attorney, Buchanan, Ingersoll, Rodewald, Kyle & Buerger.

Oscar S. Gray: Secretary-treasurer, Nuclear Materials & Equipment Corp., Apollo, Pa.

William J. Barton: Assistant to the president, Alcoa International, Inc.

Chandler G. Ketchum: Partner, Babb & Co. (insurance brokers).

Thomas M. Kerr, Jr., Esq.: Attorney, Westinghouse Electric Corp.

Samuel K. McCune, Esq.: Partner, Kirkpatrick, Pomeroy, Lockhart & Johnson.

Putnam B. McDowel: Vice president, Pittsburgh Coke & Chemical Co.

Stanley Shep Ungar: Personnel manager, Fashion Hosiery Shops.

John K. Tabor, Esq.: Partner, Kirkpatrick, Pomeroy, Lockhart & Johnson.

John B. Henderson, Esq.: General attorney, Aluminum Co. of America.

Kenneth S. Smith: Staff reporter, Wall Street Journal.

Albert M. Pitcher, Jr., Esq.: Attorney, Westinghouse Electric Corp.

The above individuals speak only for themselves, and they do not purport to express the views of the businesses and firms with which they are associated.

[1] Forbes magazine, Apr. 15, 1960; Journal of Commerce, Mar. 21, 1960; New York Times, Apr. 28, 1960.

[2] Address, World Trade Council, Pittsburgh Chamber of Commerce, Mar. 9, 1960.

THE RULE OF LAW

Mr. CLARK. Mr. President, a little while ago the distinguished Senator from Maryland [Mr. BUTLER] made some comments in the RECORD about the activities of Prof. Louis B. Sohn, of Harvard Law School, who has been active both in support of the repeal of the Connally amendment and in support of the principle of world peace through world law. He, with Mr. Grenville Clark, a distinguished New York lawyer, are the authors of a book entitled "World Peace Through World Law," which I have had the pleasure of recommending to many people throughout the country and also to my colleagues in the Senate.

The distinguished Senator from Maryland took a rather dim view of this work and also Mr. Sohn's activities.

I ask unanimous consent that a letter which I have received from Professor Sohn, commenting on what Senator BUTLER said, and on his views with respect to the international situation, may appear at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LAW SCHOOL OF HARVARD UNIVERSITY,
Cambridge, Mass., March 24, 1960.

The Honorable JOSEPH S. CLARK,
U.S. Senate, Washington, D.C.

DEAR SENATOR CLARK: Thank you for sending me a copy of the statement by Senator BUTLER about my efforts to advance the rule of law.

I doubt very much that I have had any influence on the decision taken recently by the house of delegates of the American Bar Association. On the other hand, I support wholeheartedly that resolution and, in general, the repeal of the self-judging clause in our declaration accepting the obligatory jurisdiction of the International Court of Justice.

While I have rendered some assistance to the special committee of the section of international and comparative law of the American Bar Association, this assistance was limited to the historical background and the conclusions of the committee are entirely its own.

As far as my personal views on the subject are concerned, they are stated in an article entitled "International Tribunals: Past, Present, and Future" published in the American Bar Association Journal in January 1960. I enclose a copy of that article and a copy of the editorial in the same issue which comments upon my article. Both seem to indicate, I think, that my influence was a moderating one and did not give support to any radical approach to the subject.

As for Senator BUTLER's references to my book with Mr. Clark entitled "World Peace Through World Law," I would like to point out that this book relates to an entirely different situation. It envisages an agreement between the United States and the Soviet Union that the dangers of the rule of law are smaller than the dangers of a continuing armament race. In the long run, the security of the United States requires a disarmed Soviet Union and China, even if the price to pay for it is disarming the United States at the same time. But any such agreement must provide for strict supervision and control, and such supervision would require the establishment of special United Nations courts able to enforce the disarmament regulations against any offenders. I am sure that anyone who thinks the matter through would agree that special international tribunals would be necessary to ensure that, on the one hand, any vio-

lators of the disarmament agreement are properly punished and that, on the other hand, proper protection is granted against any abuse of power by the international disarmament authority. We would need a bill of rights to protect the individual against any such abuse and we would also need courts to enforce this guarantee.

My book with Mr. Clark is not a blueprint for utopia. It is a realistic appraisal of the requirements for the survival of the human race. Many thinking men in the United States and abroad are now trying to analyze the problem and to find an adequate solution. Our book is intended to stimulate further discussion, but we would be the first to admit that it is not intended to be the final text. What we need now is not a complete disregard of these problems but a thorough investigation of them by the most competent people in the country. For that reason, I endorse wholeheartedly in the proposal made by Senator HUMPHREY (S. 2989) for the creation of a national peace agency. The problems of peace are even more complicated than the problems of war and we need even greater efforts to win the peace than we are making in preparation for a future war. For if this war ever occurs, it will not be won by any one nation, but will be lost by the human race as a whole.

Sincerely yours,

LOUIS B. SOHN,
Professor of Law.

U.S. RELATIONSHIPS WITH RUSSIA

Mr. CLARK. Mr. President, I ask unanimous consent to have printed at this point in the RECORD two articles which I believe to be pertinent to and to contain stimulating comments on the present debate with respect to our relationships with Russia. One is entitled "Mr. K. and the Democrats," written by Walter Lippmann, and published in the Washington Post and Times Herald of June 9, 1960. The other is entitled "Some Folks Spying Just Isn't Cricket," written by Art Buchwald, and published in the Washington Post and Times Herald of June 12, 1960.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 9, 1960]

MR. K. AND THE DEMOCRATS

(By Walter Lippmann)

Mr. Khrushchev's sustained fury against Mr. Eisenhower is more than a case of bad temper and bad manners. It is, it seems to me, a calculated campaign, addressed primarily to the Communist world. Its object is to destroy the image of President Eisenhower—of the benevolent Ike who is the bringer of peace to mankind—and to purge Mr. K. himself of his association with it.

The President's own image of himself has been that of the victorious general who became a peacemaker. Until May 16 this was also Mr. NIXON's and the Republican Party's image of the election campaign of 1960. The outlines were sketched in a year ago beginning with Mr. NIXON's visit to Moscow. The full picture was to be completed this month, when it would become incandescent with a triumphal tour of peace and good will to Moscow and to Tokyo.

To the making and the promotion of this image of Ike the peacemaker, Mr. K. has during the past year been a powerful contributor. The Soviet Union is at a point in its internal development where it has a vital interest in a detente. Mr. K. chose to base the tactics of his policy to achieve the detente on the belief that he could reach a personal understanding with Mr. Eisenhower. And, in the face of skepticism, criticism, and opposition from the orthodox Communists, he played Eisenhower as his trump card.

His prolonged fury against Mr. Eisenhower personally must be related directly to the size of his investment in the personality of Mr. Eisenhower. Mr. K. had done something which is most un-Marxist, something that no other Communist leader has ever done before. He had staked his prestige upon the personality of the anti-Communist head of an anti-Communist state, a deeply conservative general presiding over a highly capitalistic administration. After the U–2 affair—when the President had justified the overflights as necessary national policy—Mr. K. was in a position which is intolerable for a dictator. He had been made to look ridiculous, gullible, and weak, in the presence of the Communist world.

Accordingly, I do not share the view of those who say that the U–2 was merely a pretext, that the Western decision to stand pat in Berlin was the real reason why Mr. Khrushchev broke up the summit meeting. For him the U–2 affair was a far more serious threat to his power and his prestige than would have been an inconclusive negotiation about Berlin followed by an agreement to continue the negotiation at another summit meeting. In my view, after the U–2 affair, Mr. K. did not dare to negotiate with Mr. Eisenhower. He had been his chief sponsor to the Communist world, and without an enormous loss of face, he could not sit down with him and negotiate.

Strictly speaking, what Mr. K. has done is to break relations with President Eisenhower personally, and to suspend serious negotiations during his term of office. Mr. K. has done nothing about Berlin except to proclaim a moratorium good at least for another 8 months. He has refused to accept the President's personal assurance that the overflights are suspended. He has delivered an ultimatum to all our allies that he will attack any base from which an illegal flight takes off. He has focused his quarrel on Mr. Eisenhower personally and on his heir, Mr. NIXON.

Mr. Khrushchev's quarrel with the Republicans is embarrassing to the Democrats. For he has said that there can be no serious negotiation until there is a Democratic administration. No political party likes to be endorsed by a foreign government, least of all by a Communist government. No party likes to be endorsed during a propaganda campaign in which by the insults to the man, the office which he holds is defamed.

But the embarrassment of the Democrats at being preferred by Mr. K. is superficial and of no consequence. For the basic position—as defined by Stevenson, Kennedy, Symington, and in some measure by Johnson—is quite invulnerable to the charge that they are "softer" on communism and more "appeasing" than the Eisenhower Republicans. The thesis of the Democrats in this election is that the Eisenhower administration, because of a false economic philosophy, has been failing to meet the Soviet challenge in national defense and in all the main elements of national power.

The promise of the Democrats is that they intend to meet the Soviet challenge. They mean to increase the Nation's military power. They mean to invest more heavily in the Nation's vital and neglected public needs, in education and in the specialized training of scientists and technicians, in the advancement of research, in the protection of health, in the redevelopment of the cities, in the use of natural resources. To support all this, they intend to promote and encourage an increase in the rate of growth, which is now much too low, of the national production.

An administration which has that purpose will in relation to the rest of the world, primarily the Soviet Union and China, be able to negotiate from a position of growing strength. It is the weak, those whose relative power is declining, who find they must choose between surrender and standing pat. The strong, having confidence in themselves and commanding respect, can negotiate. For to negotiate it is necessary to be firm, and it is necessary also to be flexible.

[From the Washington Post, June 12, 1960]

SOME FOLK'S SPYING JUST ISN'T CRICKET

(By Art Buchwald)

We were sitting in the Sun Ya Restaurant in Hong Kong last week nibbling on bear claw, when a man in a tweed suit, smoking a pipe, sat down at the next table. He ordered a bowl of bird's nest soup, and when it arrived he started to develop a roll of microfilm in it.

When he saw us staring at him, he said very quietly, "Beeswhipple, British intelligence."

We stuck out our hand. "Buchwald, Lockheed Aircraft."

"I knew you were one of us the minute I sat down," he said confidentially.

"How could you have possibly known?"

He smiled. "Your oxygen mask is sticking out of your undershirt."

We looked down and hastily shoved the mask back in.

"I see where one of your chaps got his hand caught in the cookie jar the other day," he said.

"Yup," we said. "But it could have happened to anybody."

He ordered a bowl of braised fish lips. "I dare say not. It could have never happened to us."

"Why not?" we asked, sticking a chopstick into a shark's fin.

"We have a different attitude toward such things. You Americans don't seem to understand too much about this business. If one of our chaps had been caught, we would have played it entirely different."

"How's that?"

"Well, the first thing we would have done is announce that somebody stole one of our weather planes from a Turkish airport and Her Majesty's Government was offering 100 guineas reward for the return of the plane and the pilot."

"But that would be lying," we said, trying to keep the shock out of our voice.

"Precisely, my dear fellow."

"But, we're not allowed to lie in the American intelligence system. It encourages bad character. The State Department would never stand for it."

Beeswhipple poured some jasmine tea on the tablecloth and the linen suddenly turned into a map showing every military airfield in southwest China. He pocketed the tablecloth, popped a tuna fish eyeball into his mouth and said, "We're not saying you should lie. We're not saying you should say anything. But after all, you could show a little indignation when someone steals one of your aircraft."

"But he didn't steal it," we said. "He was told to fly over Russia and take pictures. We've been doing it for 4 years. Frankly, we were afraid no one would ever hear about it. Now the air is cleared. All of this is part of President Eisenhower's open spies policy."

Beeswhipple picked up a fortune cookie and when he broke it open he took out the order of battle for the North Korean Army. We couldn't help feeling a pang of jealousy.

"My dear fellow," Beeswhipple said, "no one admires candor more than the British, but we treat the stealing of unmarked airplanes as a very serious offense. And we certainly take a dim view of someone making his escape over the Soviet Union."

"You just don't seem to understand," we protested. "Lying in spying is the coward's way out. If we tell lies, then the Russians will tell lies. You've got to call a spy a spy.

"This is only the begininng. It's our hope that in the not too distant future we'll have spy exchange fellowships, and the Russians will send us their spies and we'll send ours on a Fulbright fellowship. Until this exchange can be worked out, we'll just have to keep flying over their territory."

Beeswhipple unscrewed the top of the soy sauce bottle and pried out a blueprint of the latest Russian spaceship.

"I can hardly agree with you," he said. "If the chap was really working for the CIA, as the Russians ridiculously claim, how do they explain the candy bars they found on him? It's obvious he was mixed up in a lollipop racket and this was not a case for the State Department but for Interpol."

We were becoming angry. "There is no sense talking to you. You just weren't brought up in the American tradition of fair play. When we get caught doing something, we believe in making a clean breast of it. Charles Van Doren has showed us the way."

We gave the waiter our CIA Diner's Club credit card, paid the check, and left Beeswhipple trying to get a model of an atomic submarine out of a sweet and sour lobster. What he didn't know about espionage could fill a book.

COMMENCEMENT ADDRESS BY JOSEPH RUSSIN, OF LARAMIE, WYO.

Mr. McGEE. Mr. President, this month marks the conclusion of the annual series of commencement appearances, commencement addresses, and programs recognizing the attainments of scholarship around the country. Many of us have participated in all forms of these very fascinating and rewarding ceremonies. Sometimes it is the custom to assume that pedestrian remarks are related on such occasions, particularly if those remarks are invited from the students themselves, and more especially if they come from high school students.

I call the attention of the Senate to the address of a high school student on a commencement occasion which is the most perspicacious I have had the privilege of listening to and then of reading, so far as I can recall. This address was delivered at the commencement exercises of University High School, in Laramie, Wyo. I was in attendance at those exercises because my son was among the graduates that night. It is the address delivered by the outstanding scholar of the class, a young man named Joseph Russin.

Joe Russin has been back to Washington at almost regular intervals this year because of his attainments in the realm of competitive academics, in provocative speech promotion, in spelling out new ideas for our youth, and in other ways recognized by many of our national organizations. But of all the dissertations characteristic of Joe Russin, I know of no set of remarks so worthy of the attention of the Senate as his on that commencement evening.

I believe the most penetrating thought to be derived from his remarks is that they made his elders uncomfortable on the night of the ceremonies; uncomfortable because one does not expect deep-rooted thought on a commencement occasion, all too often. Yet here was a young lad who raised questions which his elders sometimes found it convenient not to raise, or else to sweep under the rug.

For the scope of his remarks and the depth of the ideas they contain, I commend his address to the attention of the Senate. I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

KNOWLEDGE—NOW OR NEVER

(By Joseph Russin)

Recently, an unarmed American plane was shot down over the territory of the Soviet Union. The plane was flying an espionage mission to detect any preparations for a surprise military attack on the free world. An attack to world peace came, but in the form of a volcanic eruption at the summit, the plane being only a convenient catalyst for the eruption.

The summit explosion and the subsequent tidal waves of threats were in some way to be expected. We live on an earth that is neither safe for democracy nor for peace. Instead of floating simple minefields in the oceans, we now contemplate portable nuclear missiles on floating launching pads. Twenty years ago, the American President had over 2 years from the time that Hitler fired his first shot in which to prepare the Nation's course of action. Today we may have a vast span of 15 minutes in which to act to save our world.

We feel all the tensions of the world acutely. Because we are so aware of these troubles, it is sometimes felt that trouble is unique to our age. I do not think this is so. The human forces that do trouble us today—nationalism, totalitarianism, dictatorship, desire for world domination, poverty, prejudice, and ignorance—have been with us for a long time. We have never been forced to be so concerned with them. No, the problems are not basically different—just the urgency for their immediate solution.

The world that we, the class of 1960, grow into is a troubled one; and one which cannot sustain itself in this condition much longer. We literally cannot afford many more blunders by today's world leaders, leaders who have shown an inability to cope with the problems which confront them—many of their own creation. More than ever in history, effective diplomacy, imaginative leadership, an informed public, and, most important of all, a genuine application of the principles of democracy all over the world are necessary. We maintain that no detection system or bomb will ever be as effective in solving the problems that face us as these more important human resources.

An appropriate question then might be: Are we preparing ourselves in these vital areas? Peace is too important to be left to the generals of the world. The president of Columbia University, Dr. Kirk, says he has the "haunting feeling that our educational system is not now producing men and women adequately equipped to maintain in the future the leading position in world affairs that we have had in the recent past."

As a fresh graduate (and fortunately no longer a freshman) of one of the better secondary schools, I must confess that I tend to agree with Dr. Kirk. My views are, of course, conditioned by intimacy, but perhaps for this reason they are also somewhat pertinent.

During my high school years I have been privileged to go to Washington four times and participate in national and international conferences of student leaders. These leaders felt that they and their contemporaries were not receiving the challenge they needed, in fact, wanted. These students were uncertain as to whether the training they were receiving was really sufficient to prepare them for the problems they would have to solve. Nearly all of the young people to whom I talked said that they had noticed a marked improvement in their school since the first Soviet sputnik, but they all felt that there still was much to be done. Most of the improvement was in the sciences.

While science is certainly important to our well-being, science is not necessarily a guarantee of peace. The Nazis and the Communists have been tragically proficient in the sciences. Obviously more is needed. The high school leaders of today want curriculums with significant depth and scope. They want classes that will give them the tools to understand and handle the complex machine of democracy. This plea was the strongest of all. As leaders, it seemed clear to them that our schools' weakest areas—the humanities and social sciences—were precisely the ones that are most needed to obtain the knowledge for true peace.

At a time democracy must fight for its life, many students amazingly are quite apathetic about such things as civil liberties. A recent Purdue University poll has shown that, while most students say they believe in the Bill of Rights, they really do not endorse its guarantees in day-to-day life. Large percentages see nothing wrong with strong-arm police methods. Many advocate strong restrictions on the freedoms of speech and religion.

But what else can be expected? How can students be expected to practice real religious freedom when many schools violate the doctrine of the separation of church and state? Some students have never even heard of the concept. It sounds like a radical notion to them. And why not—it is not always practiced in the realm of their experience.

The poll further showed that many students favored some kind of censorship of political thinking for the so-called average man. To me, the danger of our citizens' losing sight of the true values of our democracy through ignorance and misuse is a far more dangerous threat to our society than any Soviet propaganda.

We, the youth of our Nation, feel it is imperative that our schools become real teachers of democracy and the values that ideally operate in a democratic community. It is in the schools that our society must develop its basic strengths.

We want schools where everyone is allowed to attend. We do not think, for example, that color is a just criterion of intelligence. We want schools where academic excellence is held above all else in emphasis, expenditure, and real importance.

We want schools where the Bill of Rights makes sense, so, for example, the meaning of the first amendment is truly understood in a real separation of religion from the school.

We want schools where a love of democracy is fostered by the encouragement of student government organizations.

We want schools that offer curriculums that can prepare us to meet the challenge of the world. We do not quite see the place of such course work as table setting and studies of "One Handed Push Shots in the High Schools of Southern Indiana."

We want schools where individual study and thorough reading are considered of prime importance.

We want schools where students may gain an acquaintance with the fine arts and music, so that they may live richer lives.

We want schools where the humanities are encouraged on a par with, if not even more than, physical science; for it is in the humanities where the arts and techniques must be learned for the obtainment of real peace.

In short, we want schools that emphasize the values of democracy, and provide us with the skills to practice it.

With our limited experience, we of the class of 1960 can offer no sweeping solution or way to achieve these objectives; we can only pose the problem. The answer is as difficult to reach as it is simple to postulate; unless the human race learns sufficient wisdom to really practice democracy, it will vanish from the earth in the spiraling cloud of a thermonuclear bomb.

The great hope of the world is the example of the practice of true democracy by America. Where better can America build democracy than by constantly observing and practicing it in its schools? America and the world can no longer afford the luxury of mistakes; the price of error has risen beyond the ability of mankind to pay and survive.

ELIMINATION OF AFFIDAVIT OF DISLOYALTY

The Senate resumed the consideration of the bill (S. 2929) to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief.

Mr. KENNEDY. Mr. President, the issue before the Senate is the repeal of that portion of the National Defense Education Act which requires every student who applies for a loan under that act to sign an affidavit declaring that he does not believe in and does not support any organization that believes in the overthrow of the U.S. Government by illegal or unconstitutional methods.

The bill before the Senate would continue the requirement that the student take the usual oath or affirmation to bear true faith and allegiance to the United States. This is the oath we all take when entering upon public service.

The bill would eliminate the disclaimer affidavit, or, as it is sometimes called, the affidavit of nonbelief. There is little reason for its inclusion in the law. The colleges of the contrary, through their representative organizations are virtually unanimous in opposing its inclusion in the National Defense Education Act. The President of the United States has recommended its repeal. Both the Secretary of Health, Education, and Welfare and the Budget Bureau have reiterated the President's recommendations. And the committee has found that the provision offers no protections not already in other statutes.

No one can quarrel with the principle that all Americans should be loyal citizens and should be willing to swear allegiance to our country.

But the disclaimer affidavit singles out students—and only those students who need to borrow money to continue their education—as a group which must sign, in addition, a rather vague affidavit as to their beliefs.

There is a very real danger that this unnecessary, futile gesture toward the memory of an earlier age will defeat the purposes of the National Defense Education Act. Twenty-one universities—and they are some of the most outstanding colleges and universities in the United States—feel so strongly about it that they refuse to participate in the program. Unlike the Soviets, we cannot take steps to keep our brightest minds in scientific careers, but we might take steps that keep them out. Surely this is not the way to "catch up" with the reputed Russian excellence in education, science, and research.

Finally, this requirement imposes an intolerable burden upon the institutions which must administer it. They are responsible for its enforcement. And few, if any, are equipped to assume this responsibility.

I hope the Senate will support the repeal of this provision.

Mr. PROUTY. Mr. President, will the Senator from Massachusetts yield?

Mr. KENNEDY. I yield.

Mr. PROUTY. Does not the Senator believe that the mere fact that the universities have refused to participate in the program has prevented many persons who wish to abide by the law from taking the oath and signing the affidavit, persons who would be entitled to an education in those institutions? Is not that in itself an abridgement of academic freedom?

Mr. KENNEDY. This is their judgment, because very special responsibilities are placed upon universities under the law, in the first place.

In the second place, this provision has placed universities in a very difficult situation. On the one hand, they are reluctant to deny students the opportunity to participate in the program, as the Senator from Vermont has suggested; on the other hand, they regard this provision as totally obnoxious; as really a limitation on the purposes of a university and the purposes of free education.

That is because they feel it is against scholarship by singling out students, from all Americans who receive assistance from the Government, requiring them to take an oath before a notary that they are not members of the Communist Party or do not hold disloyal beliefs or opinions. I think the colleges and universities regard that requirement as obnoxious. They have, therefore, refused to participate in the program. They are operating within their rights.

Mr. PROUTY. Mr. President, will the Senator further yield?

Mr. KENNEDY. I yield.

Mr. PROUTY. I intend to offer an amendment later, and to develop my position at some length. I shall try to prove that under the Senator's bill a bona fide card-carrying member of the Communist Party can qualify under the National Defense Education Act. I shall not discuss that matter now, but I shall develop it later. I feel certain the Senator does not want that kind of activity to happen.

Mr. KENNEDY. No. I think the problem before us is to weigh the courses of possible action we might take. One is to continue the law, and possibly—although there is some disagreement on the question—make it more difficult for a Communist to enter a college as a freshman and receive a loan. It might be very possible that the Senator from Vermont is correct.

On the other hand, there are already at least 21 distinguished universities, including Harvard, Yale, and Princeton, stretching all the way across the United States, which refuse to participate in the program.

I believe hundreds of students who are loyal Americans are not participating in the program because of the strong feeling on the part of universities and faculties. It is very possible that Communists—card-carrying Communists—are participating in other programs which the Government sponsors. They may be receiving assistance under programs of Federal grants in aid; they may be dependent mothers; they may be farmers who are receiving subsidies; they may be newspaper publishers. There may be thousands of Americans who are receiving subsidies and who are members of the Communist Party. But I do not take the view that the United States is soft on Communists.

Mr. PROUTY. This provision is a part of the National Defense Education Act.

Mr. KENNEDY. I speak today with the full support of this statement by the President of the United States:

> This affidavit requirement is unwarranted and justifiably resented by a large part of our educational community which feels that it is being singled out for this requirement.

The repeal of the affidavit has been recommended by the Vice President of the United States. Its repeal has been recommended by the Republican Secretary of Health, Education, and Welfare. They are loyal Americans, as are all of us.

I hope the Senator from Vermont will consider the effect which this provision is having. If he will turn to page 4 of the report, he will see the list of the colleges which have already withdrawn from the program. They are some of the most outstanding colleges in the United States—Amherst, Antioch, Bennington, Brandeis, Goucher, Grinnell, Harvard, Oberlin, Radcliffe, Reed College in Oregon, St. John's College, Maryland, Sarah Lawrence, Smith, the University of Chicago, Wilmington College in Ohio, Wesleyan University in Connecticut, and Yale university.

Then there are institutions which have declined to participate in the student loan program because of the disclaimer affidavit. They are Beloit, Bryn Mawr, Haverford, Mills, Princeton, Swarthmore, the University of Richmond, Va., and Wellesley.

Then there is a list of institutions whose presidents or boards have publicly stated their disapproval of the disclaimer affidavit, but which continue to participate in the student loan program, for reasons which were stated by the Senator from Vermont. The list is almost endless. It continues for several pages. It includes the University of Washington, the University of Pittsburgh, Notre Dame, the University of Pennsylvania, the University of North Carolina, the

University of Hawaii, and universities and colleges stretching across the United States.

I believe the weight of opinion and the responsible course of action call for continuing the oath and repealing the affidavit.

Mr. PROUTY. I intend to cover the entire situation very thoroughly, insofar as it relates to the security program generally and as it confronts such students individually. My amendment will not require the taking of the loyalty oath or the signing of an affidavit. However, I believe my amendment will be much stronger than the existing law.

Mr. KENNEDY. If the Senator is to offer an amendment which he believes will be stronger than the Security Act, why does not he favor applying it to all Americans who receive assistance from the Government?

Mr. PROUTY. I shall point out how many Americans are subject to that requirement at the present time. The Senator voted for the Labor-Management Act the last time; and that act provides that a Communist cannot hold office in a union, and that a person who has been a Communist in the past cannot hold office in a union. However, union officials are not involved in the Federal Government in any way, shape, or manner.

At the proper time I shall point out several examples.

The pending measure is a national-defense measure. The ROTC students sign a loyalty oath during their first 2 years of college; and during their junior and senior years they are required to answer very detailed questions which are much stronger than the affidavit.

I may say to the Senator that without the affidavit now in the law, the present law would be meaningless. I shall point that out in some detail at the proper time.

Mr. BUSH. Mr. President, will the Senator from Vermont yield for a question?

Mr. PROUTY. Certainly.

Mr. BUSH. Was there any substantial opposition to inclusion of the affidavit in the labor-management bill, to which the Senator has referred?

Mr. PROUTY. Not that I recall.

Mr. BUSH. But there is a great deal of opposition to its inclusion in the education bill, is there not?

Mr. PROUTY. I am afraid that too many of those in some of our schools and colleges are so much engaged in philosophic abstractions, perhaps, that they seem to feel—although I do not think they mean it—or they seem to suggest that they are actually proposing the destruction of the Bill of Rights, and of doing so in the name of freedom. The Bill of Rights is not a national suicide pact; and I think we must recognize that fact.

Mr. KENNEDY. I doubt that the purpose of those in the academic field to whom the Senator has referred is to destroy the Bill of Rights, in the process of engaging in philosophic abstractions.

Mr. PROUTY. I do not think that is their purpose; but I think that is the effect.

Mr. KENNEDY. But let me say that it is exactly the suspicious attitude the Senator expresses, as reflected in the affidavit, that is causing such discontent and division, whereas there should be unity and harmony. Certainly our universities and our citizens who are active in the academic world will grow in importance during the next 10, 20, and 30 years. I believe it would be inimical to the national interest to continue this affidavit, which has caused such great concern among so many patriotic Americans in our academic institutions; and I believe that the national defense effort and the national interest would not be served by continuing the oath. The Senator from Vermont thinks otherwise; and he will have to make his own presentation.

Mr. PROUTY. Let me say that my amendment will not outlaw the Communist Party. But my amendment will prevent any person who is knowingly a Communist or any person who supports the purposes or the objectives of the Communist conspiracy from receiving one cent of money provided by the American taxpayers.

I believe the inclusion of such a provision is wholly justified.

In due course I shall submit the amendment.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. RUSSELL. Mr. President, if this matter had been presented in its present form when the bill was originally before the Senate, I am frank to say that I would have thought the oath that is provided in the pending bill would have been adequate. However, conditions are not the same now as they were then. Since the original bill was proposed this matter has been widely discussed throughout the entire length and breadth of the United States. It is one of those things that cannot be taken back to the American people, in an ordinary news article or in a radio broadcast or in a brief television appearance or news release, and be explained in detail.

In the last analysis, Mr. President, the vote we shall cast on this bill will be understood by the American people as action by the Senate of the United States on the question of repealing a loyalty oath which is required of students who participate in a loan program financed by appropriated funds. That is the way the issue will stand before the American people.

Mr. President, in the light of that circumstance and that fact, I shall not undertake to split hairs here today in dealing with the difference between this Kennedy bill and the original Kennedy bill, which the Senate considered last year and recommitted to the Labor and Public Welfare Committee.

In this critical hour of American history, I shall oppose the taking of any affirmative action by the Senate of the United States which could be considered anywhere on the face of the earth as constituting a protest by the young people of this country against reaffirming their faith in the American system and against stating their abhorrence of the system of collectivism and communism that prevails behind the Iron Curtain.

Mr. CLARK. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. Yes, I am glad to yield.

Mr. CLARK. I am sure the Senator from Georgia inadvertently stated that this bill would repeal the loyalty oath.

Mr. RUSSELL. I did not state that.

Mr. CLARK. I think the Senator did not mean to.

Mr. RUSSELL. And I did not do so.

Mr. CLARK. But I believe he did. Of course the record will speak for itself.

Mr. RUSSELL. I am sure it will. But I made no such statement. I said it would be construed as action to repeal the loyalty oath.

Mr. CLARK. But surely the Senator is aware that if this bill is passed, each student who participates in the program will have to take, and to subscribe to, an oath or affirmation as follows:

> I do solemnly swear that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all of its enemies, foreign and domestic.

Mr. RUSSELL. Yes, I am well aware of that.

Mr. CLARK. I thank my friend.

Mr. RUSSELL. Mr. President, the bill now is in substantially the shape it finally reached last year, after it had been amended, and just before it was recommitted, as I recall.

Mr. KENNEDY. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I am glad to yield to the Senator from Massachusetts.

Mr. KENNEDY. As I recall the point the Senator made last year—and he has covered it in his first statement—it was that it was extremely important that we include in the bill the oath which we now have included in it.

Regardless of how it may appear—of course anything may appear to be something it is not—in weighing the difficulties which this provision has encountered among the academic institutions in the United States, as opposed to the danger that Communists will obtain such loans for education, where does the Senator feel the national interest lies?

Mr. RUSSELL. Let me say that I have not undertaken to weigh that on any scales, and I have not considered that. The academic community, the leaders of some of the colleges—though not all of them—the college faculties of the country, are not in any wise unanimous in this opinion. Undoubtedly great institutions like Harvard, where the distinguished Senator from Massachusetts trained, and Princeton, if the Senator from Pennsylvania may have graduated there——

Mr. CLARK. I object.

Mr. RUSSELL. I apologize, but not to any Princetonian who might be present. I regret I made the error. But the Ivy League, let us say, has headed a movement which has caused other colleges to discontinue taking these loyalty oaths. But, in answer to the Senator, I have not weighed it. I do say this: I do not believe any considerable number of young Americans who might receive fi-

nancial assistance to help them in their college training—under a program that is officially designated as a national security measure—and that is the title of the act which provides these loans, it is the National Defense Education Act—feel that they are being imposed upon by being required to reaffirm their faith in the American system or their opposition to the Communist system. I do not believe they have any objection to reaffirming their loyalty to this Nation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK. The Senator is aware, is he not, that among the associations which have protested the disclaimer affidavit is the National Student Association, which represents student councils in the universities across the length and breadth of the land?

Mr. RUSSELL. No; I was not aware of that. I doubt that the action was in any wise unanimous. Despite the fact that students seem to be running governments of a great many nations today—some of them to their great detriment—I do not think that is any expression of a last-ditch opposition to this requirement by students. It is more or less of a reaffirmation of their confidence in the presidents of the institutions which inaugurated the attack upon the so-called loyalty provision.

Mr. President, at one time, as I have said, I was inclined to go along with the so-called compromise bill that was brought to my attention, I believe, during the latter days of the last session dealing with this question; but I have repeatedly stated that I cannot, for the life of me, see any substantial objection to either one of these oaths. The more I have thought about it, the more I have begun to wonder, indeed, to marvel, at some of the arguments that have been advanced for the repeal of all or part of the oath requirement.

I cannot understand, and I totally reject the idea, that there is any impropriety in asking a loyal American to affirm his allegiance and to avow his loyalty to his country. I say that whether it be a benefit to a farmer, a doctor, a merchant, or a small loan to a manufacturing enterprise.

Mr. President, in today's world, it behooves all of us who believe in the American system, which has given us the greatest culture and the highest standard of living the world has even known, to welcome the opportunity to express our faith in that system. And it will be a sad and sorry day in this country if it ever becomes generally considered improper for one not only to pledge allegience to the Stars and Stripes, but to avow one's faith in the American system.

I hope, Mr. President, that I never see the day when the majority of the American people believe that it is improper for an American citizen to denounce the Communist system and to extol the American system of government. If that day ever comes, we will have certainly lost the contest which is being waged today for the minds and hearts of men and women all over the world.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. RUSSELL. Yes.

Mr. BUSH. It seems to me, if I may say so to the Senator from Georgia, that the bill in its present form does extol the American system when the oath that is suggested says:

> I solemnly swear that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and the laws of the United States against all enemies, foreign and domestic.

I do not know how one can pledge his devotion to the American system in any better language.

Mr. RUSSELL. What, then, is the Senator's objection to the other part of the oath?

Mr. BUSH. The objection is that thousands and thousands of educators and students in universities are being singled out on the basis that their devotions is questioned, and that they, in the field of education, as distinct from all others who receive a subsidy from the United States in one form or another, or a handout in one form or another, through the social security system, through the farm handout—which, Heaven knows, is very big—should be singled out. That is the principal source of objection to this requirement.

Mr. RUSSELL. That is not the case at all. It should be pointed out here that for almost 10 years the National Science Foundation Act has operated under the identical loyalty oath provisions that are contained in the Defense Education Act. It is my understanding, in fact, that these provisions were lifted bodily from the Science Foundation Act and placed in the Defense Education Act.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. In just a moment.

I understand that about 50,000 applicants under the Science Foundation program have taken the oath of allegiance and have filed the non-Communist affidavit since the program was inaugurated in 1952. Nothing is heard about that being unfair. Nothing is heard about this being an undue imposition on those who are seeking benefits from the National Government. A large number of scholars, many of whom have already obtained their degrees in the ordinary arts and sciences, have applied for advanced study and research in scientific fields. I have not heard, of all those who have written to me, from one who feels he has been placed under the pall of suspicion or who feels he has been singled out for all kinds of unequal treatment or has had advantage taken of him because he was compelled to comply with the loyalty oath requirements. Doubtless some of them have come before the committee, but I know of none from examining my own mail.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. Yes.

Mr. CLARK. The Senator, of course, is correct that this disclaimer affidavit still remains——

Mr. RUSSELL. If the Senator is going to make this change, why not reach into the National Science Foundation Act and do the same thing there? It is because those who direct the universities did not raise the issue. The applicants did not have to come to them to handle the oaths or affidavits; they were filed with the Government instead of with the university officials.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. RUSSELL. Yes.

Mr. CLARK. I cannot, of course, agree with the reasoning of my friend, but this is something on which we can agree to disagree.

Mr. RUSSELL. I hope in good temper.

Mr. CLARK. I am sure it will be in good temper, as is always true with my good friend from Georgia.

Mr. President, it occurs to me that the National Science Foundation affidavit can hardly be considered a precedent for extending a similar disclaimer affidavit, which I personally think is unwise in that instance, to the entire student body of the United States, who, by and large, with some exception, represent the best brains of young America. We should not single out these students as against the farmers of America, the mortgagors of America, the borrowers at the banks of America—all those who get every other kind of Federal handout and Federal funds. We do not ask all of those people to subscribe to the disclaimer affidavit. Why do we require the disclaimer affidavit only for the brains of the country?

Mr. RUSSELL. Mr. President, I for one do not agree that all of the brains of this country are found either in the faculties or in the student bodies——

Mr. CLARK. Nor did I say so——

Mr. RUSSELL. Of all the educational institutions in the country.

Mr. CLARK. Nor did I say so.

Mr. RUSSELL. I say to the Senator, if I had my preference I would apply the loyalty requirement to all of them, instead of repealing it in this instance and sending the word around the world that the young men and young women of America are ashamed to take this position and to stand back of the American form of government as opposed to the Communist system.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PROUTY. I wish to point out that the members of the committee had an opportunity to vote for such an amendment—namely, an amendment to make this apply to all groups—and that amendment was turned down.

Mr. RUSSELL. I am glad to have that information from the Senator.

Mr. CLARK. Mr. President, will the Senator yield to me so that I may reply to that statement?

Mr. RUSSELL. Mr. President, I did not intend to become involved in extended debate on this matter. I merely wished to make a brief statement of my views. However, I am glad to yield to the Senator from Pennsylvania.

Mr. CLARK. I promise the Senator I shall not interrupt again.

Did I correctly understand the Senator from Vermont to say that the extension of this provision to everybody else was turned down by the Senate last year?

Mr. PROUTY. I think the amendment required an affidavit on the part of everybody who received Federal funds.

Mr. CLARK. I happen to be the author of that amendment, and I proposed it in a lighter vein, more than in any other way, because it was so obviously silly. The proposal was debated upon the floor for a substantial amount of time, and then I asked the Senator from South Dakota [Mr. MUNDT] whether he would accept my amendment, and the Senator said "no," so I withdrew it, having, I thought, made the proposal seem a little silly.

Mr. PROUTY. I am not talking about the Senator's amendment. I am talking about the amendment offered in the committee. I believe the Senator was there at the time.

Mr. RUSSELL. Mr. President, I was not in the committee, and I do not recall the Senator's amendment. But I will say that before I sound the retreat and make even the slightest confession of doubt, on the part of large numbers of our people, that the American system is the best on earth, I will vote to apply this to any person receiving any kind of benefit, be it silly or not. I think that would be a better precedent.

I have great respect for the leaders of our academic communities, the administrators and members of the faculty of our institutions of higher learning. I have known many of them over many years. I have seen them as mistaken and as wrong in their positions time and time again as even a Senator of the United States can be. [Laughter.] They can be mistaken, exactly the same as anyone else can be.

Some of these arguments against the affidavit I think are almost specious. We are told that students are being singled out and set aside and made to avow their allegiance to this country. It has already been said that this provision is found in an act which is supposed to be one of the pillars of our national defense. I see no reason why any student should hesitate to take the oath in either one of its forms, though I admit, as I said at the outset of my remarks, if the original bill had contained only the oath which is required of officers and those going into the ROTC and programs of that nature, I think it would have been adequate. However, I do not propose at this time and under these circumstances to undertake any action by my vote which will indicate not only a lack of faith in the American system, but also a lack of faith in the constancy, fidelity, and patriotism of the thousands of young people who will avail themselves of these loans.

Mr. President, I cannot see that this oath in any wise interferes with academic freedom. If I did, I would stand foursquare in favor of repeal of the entire provision of the law.

I must confess that academic freedom, while it is not specifically mentioned in the Constitution of the United States, is undoubtedly involved in all of the freedoms which are spelled out in the Bill of Rights, as a part of them.

I regret that some 20 institutions—universities and colleges—have already announced their refusal to cooperate in the student loan program. I think, Mr. President, those institutions are the ones which are wronging the young people of this country. I say that in full knowledge of the fact that within this list of 20 we find some of the most renowned and distinguished institutions of learning in this Nation. These are names which have been connected with education over a period of time. I recognize the greatness of these institutions. I accept it as their full right to refuse to participate in the student loan program, if that is their desire. However, I find it very difficult to square their refusal to participate in this program with their devotion and dedication to the principles of academic and intellectual freedom.

I say that, Mr. President, because of these impecunious students of whom we hear so much. We will find a lower percentage of students in those circumstances on the campuses of these institutions than on the campuses of other institutions in this country. There is not a large number of impecunious students wandering around the halls of Harvard, of Princeton, and of Yale. Those institutions all have great foundations and benefactors of tremendous wealth who can help them with their scholarship programs.

Mr. President, I say this with respect even to those institutions: By their arbitrary action, these schools have denied to their students the right to decide for themselves whether they wish to participate in this loan program and whether they find the loyalty provisions of this program offensive. When the president of Harvard calls together his executive committee and says, "We refuse to participate in the program," what has he done to the few impecunious students who are on his campus? He has told them, "I take away from you the right to decide whether you are willing to or welcome the opportunity to sign both of these affidavits."

This action has created a double standard in these institutions. On the one hand they defend the freedom of thought; and on the other hand they deny to their students the right to exercise that freedom of thought and to apply it in the case of these loans. If that statement can be successfully controverted, I should like to have someone do so. It is a strange contradiction. It has shocked some members of the academic community, including no doubt some of those who conscientiously are opposed to the present loyalty requirement of the law.

I was very much impressed by a letter to the New York Times magazine from Dr. Richard Martin Lyon, of Notre Dame University. I do not recall whether Notre Dame is one of the schools which has withdrawn from the program.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK. Notre Dame has not withdrawn, but it is one of the institutions which has protested and has advocated repeal.

Mr. RUSSELL. I am glad to know that Notre Dame respected academic freedom enough to refuse to deny its students the right to apply for loans if they wished to do so, and not to follow in the footsteps of Yale, Harvard, and Princeton, which have taken away from impecunious students the right and opportunity to apply.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. KENNEDY. It may be interesting to note that the president of Notre Dame, Father Hesburgh, was one of the three college presidents who waited on the Vice President in Chicago in February and asked the Vice President his position on the affidavit, and it was on that occasion that the Vice President announced that he opposed the continuation of the provision in the bill. So I say for the Senator's information that at least the president of the University of Notre Dame, speaking in his authority as president, opposes the affidavit.

Mr. RUSSELL. I did not say that Notre Dame was not opposed to the affidavit. Likewise I am not particularly impressed, may I say to the Senator from Massachusetts, in respect to the position of the Vice President of the United States. I am speaking now of a double standard of academic freedom that is being applied in Harvard, Yale, Princeton, and other institutions that have said to their students, "We will not even permit you to exercise your desire to sign these affidavits and apply for the loan." Any impecunious student, as referred to in the report, would be required either to depart from those halls or else to obtain a loan elsewhere.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CLARK. The Senator has been gracious indeed in the publicity he has afforded my alma mater—Harvard.

Mr. RUSSELL. They may claim no notoriety from me.

Mr. CLARK. I hope that as he continues his remarks he will include among those universities which refused to permit students to engage in the program because of the disclaimer affidavit of the Interdenominational Theological Seminary of Georgia.

Mr. RUSSELL. Yes, I heartily condemn each and all of them, and their decision in this matter. I think it is unwarranted. I think it is a denial of the freedom of any young man or woman who may be in any of these schools of their rights as American citizens to say, "I do not object to either of these loyalty requirements, and I wish to obtain a loan."

The institutions that have taken this action undoubtedly think it would be their one last chance to get into the Ivy League, and to be able to join the class of Yale, Harvard, or Princeton.

Mr. President, the letter from Dr. Richard Martin Lyon to the New York

Times magazine is important enough to be read and not merely printed in the RECORD.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BUSH. I wish to ask him about his apprehensions regarding the effect that a repealer might have upon Europe and other countries in the world. As the Senator from Georgia stated the matter, would it not appear that we were backsliding in our loyalty? I ask the Senator if he does not consider this point of view a valid one. In other countries, notably in Europe, respect for education and for educators is at a high level, probably at a higher level than it is in the United States.

I believe that there is better discipline in their schools, generally speaking, and in general greater respect for education and all that goes with it. Such respect is very high in friendly countries of the free world.

Accordingly, I rather incline to the view that the action which I hope the Senate will take on this bill will increase our stature in the eyes of the educators in the free countries of the world. Far from demeaning us, our stature would be enhanced if we recognized the tremendous emotional and spiritual interest which the educators of this country have in the pending measure. I feel the Senator is a little harsh on us when he feels that the proposed measure would demean us in the eyes of the world. I rather hold to the view that it would increase our prestige.

Mr. RUSSELL. The Senator says our prestige would be increased in the minds of the members of the faculty of foreign institutions.

Mr. BUSH. They are the opinion makers and the thought leaders of the great countries in the free world to a very large extent.

Mr. RUSSELL. I doubt very much if there is any educational institution in any country of Europe which plays as large a part in the affairs of the government of those nations as certain institutions in this country play in the Government of the United States. However, that is a question which is beside the point here.

Mr. BUSH. I agree.

Mr. RUSSELL. I am talking about what people in the streets, in homes, and on the farms think, not merely what the members of the academic communities think.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CHAVEZ. I did not attend Princeton, Yale, or Harvard. The first words of English that I learned were taught to me at a Presbyterian mission school in New Mexico. They taught me about America, and I believe that is what the Senator is now talking about, our system of government. Is that not correct?

Mr. RUSSELL. That is correct.

Mr. CHAVEZ. The Senator from Georgia is trying to continue the system of government as it is. Likewise, I am happy with it.

Mr. RUSSELL. This is what I had in mind. A great struggle between communism and the American way of life and the American system has been greatly accentuated by events of the past few months. The tragic collapse at Paris of the summit meeting to which peoples of the world had looked with hope to bring about an end to the threat of the destruction of civilization has brought instead an intensification of the cold war.

In the face of these developments we have now laid aside the Defense appropriation bill, which we should be considering, and are debating the measure before us because of the clamor that has arisen in these halls. We are told that we must repeal a provision that requires a person who applies for a loan under the National Defense Education Act to take a loyalty oath.

Mr. President, I now desire to read the letter from Dr. Richard Martin Lyon, of the faculty of the University of Notre Dame. It appeared in the New York Times Magazine of January 10, 1960:

> President Griswold ably defends the position of many universities and colleges which have refused to participate in the Federal scholarship program under the National Defense Education Act. University opposition is based on the loyalty affidavit required of the applicant for an educational loan. It may have been arbitrary, discriminatory and unwise for Congress to insert this condition in the act. Is it not equally arbitrary, discriminatory and unwise, for university administrators to deny the individual student the right to decide for himself whether he desires to apply for Federal aid under the conditions provided by the act?
>
> For university officials to make such a fundamental decision on the tenuous ground that under the law the university is required to invest 10 percent of its scholarship funds—normally contributed by alumni—in each loan, raises two questions: (1) Whether it is proper for university administrators to act as a superlegislature and deny qualified students the opportunity to seek the benefits under a public law designed to aid them individually; and (2) whether such officials are not by administrative fiat depriving the students of the very freedom they seek to preserve.

Senators who are content to accept the argument that is made, which would deny to the impecunious student the right to decide for himself whether he will subscribe to such an affidavit should ask themselves whether they are not adopting a dual standard in striking down one academic freedom, in the name of establishing and defending another academic freedom.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. KENNEDY. It seems to me that the writer of the letter which the Senator has quoted makes it clear that in the opinion of the writer the affidavit itself was unwise, not that the universities were unwise.

Mr. RUSSELL. The Senator from Massachusetts can get that impression out of the letter, if he wishes. I do not get it.

Mr. KENNEDY. Did not the writer use three adjectives?

Mr. RUSSELL. He said it may have been arbitrary, discriminatory, and unwise. Oh, yes, of course, that is his fear. I do not say that the man is not opposed to the affidavit. Perhaps the Senator knows this gentleman.

Mr. KENNEDY. I do not know him.

Mr. RUSSELL. The Senator travels among intellectuals much more than I do.

Mr. KENNEDY. I am in the company of one now.

Mr. RUSSELL. I thank the Senator. I am totally disarmed. [Laughter.]

I have respect for these great educators. I have respect for Dr. Griswold and all the other college presidents.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BUSH. The Senator has twice mentioned Dr. Griswold.

Mr. RUSSELL. Yes. He wrote this article. He has been the leading spokesman of his point of view. I did not mention him in any invidious manner.

Mr. BUSH. I understand.

Mr. RUSSELL. I believe he is from Yale, which is located in the Senator's State.

Mr. BUSH. I wish to ask a favor of the Senator from Georgia. Inasmuch as the Senator has twice referred to President Griswold, I should like to know if he would object to my asking unanimous consent to insert President Griswold's statement on this subject, which appeared in the New York Times book review section some months ago, at the conclusion of the Senator's remarks, and after he has yielded the floor.

Mr. RUSSELL. That would be quite all right. I should think the Senator would wish to use it in his own statement.

Mr. BUSH. I intend to do so.

Mr. RUSSELL. If it will reassure the Senator to do it twice, I shall be very glad to have the Senator make that insertion.

Mr. BUSH. I believe that those who will read the Senator's eloquent remarks and his references to President Griswold of Yale University should have the benefit of Dr. Griswold's statement.

Mr. RUSSELL. President Griswold has been the spokesman of those who feel as the Senator feels. I congratulate the Senator. Yale has not been doing too well with Harvard and Princeton, and Yale has naturally put its man out front.

Mr. BUSH. The Senator, I believe, is talking about a mundane thing called athletics. The faculty of Yale has always been at the top.

Mr. RUSSELL. Some of the greatest claims to fame of some graduates of these institutions have been based on their athletic prowess while they were students at those institutions.

Mr. BUSH. That is probably correct.

Mr. RUSSELL. I hope no one will charge me with a lack of respect for education or for Dr. Griswold. Dr. Griswold has been the principal spokesman for those who have advocated the program of denying to impecunious students in educational institutions the

right to decide for themselves whether or not they will apply for these loans. Dr. Griswold did it in the name of academic freedom. I care not what his name may be or what institution he may preside over. I say that it is inconsistent to deny, in the name of academic freedom, a student in an institution the right to decide whether he wishes to take the loyalty oath, and thereby perhaps deny a poor student an opportunity to receive an education in those hallowed halls.

As much as I respect these great educators, I have even more respect for the future that I believe lies with the hundreds of thousands of young men and women who comprise the student bodies of our colleges and universities.

It is they, after all, who are directly affected by the program and by the refusal of some educational institutions to participate in it. I am advised that approximately 125,000 individual loans have already been made during the brief time that this program has been in operation. It is quite obvious that there have been large numbers of young people who have not felt that it was any imposition on them to say: "I swear that I will not try to overthrow the Government of the United States by force and violence." When it is boiled down, that is what this amounts to.

I cannot believe that a majority of the young manhood and young womanhood of America have joined the cult of cynicism of those few who deplore old-fashioned patriotism. I believe that the heart of our youth is sound. I believe that the majority of our young people are ever ready to prove their patriotism again and again, as they have done in the past, and to cement their loyalty to the Nation with their own blood. I do not believe that the great masses of our young people are disturbed by or are resentful of these provisions of law.

I do not believe the great majority of them are demanding that they be relieved of this provision. I think they consider it an honor to express—on any occasion—their love, devotion, and allegiance to the flag and to the Constitution, and to declare their abhorrence of any cell, group, or organization which professes to overthrow the Government by force and violence.

Mr. BUSH obtained the floor.

Mr. GOLDWATER. Mr. President, I was trying to get recognition so that I might ask a question or two of the Senator from Georgia.

Mr. RUSSELL. Mr. President, does the Senator from Connecticut object to the Senator from Arizona asking me a question?

Mr. BUSH. I do not object, provided I do not lose my right to the floor.

Mr. GOLDWATER. Had I been a little more attentive, I would have observed that the Senator from Georgia was preparing to end his remarks.

I simply wish to ask the Senator from Georgia if he recalls that last year the identical bill was recommitted to committee for further study.

Mr. RUSSELL. Yes. I adverted to that fact earlier in my remarks.

Mr. GOLDWATER. I ask the Senator from Georgia if he does not recall saying, on July 23, of last year, as appears in the CONGRESSIONAL RECORD, volume 105, part 11, page 14097:

> The bill should be recommitted, to give the committee an opportunity to bring back to the Senate a bill which will more adequately deal with the subject.

Does the Senator further recall, on the same day, July 23, the following statement by the distinguished Senator from West Virginia [Mr. RANDOLPH], who is a member of the Committee on Labor and Public Welfare, which appears in the CONGRESSIONAL RECORD, volume 105, part 11, page 14098:

> I, for one, as a member of the Committee on Labor and Public Welfare, would welcome the opportunity for the further consideration of the pending matter. There is always an area of understanding and effective compromise by which Senators can create a new awareness of citizenship responsibility which is in no manner offensive to our youth or to our people as a whole.

I further ask the Senator from Georgia if he does not recall the following statement by the Senator from Oklahoma [Mr. KERR], on July 23, 1959, which appears in the CONGRESSIONAL RECORD, volume 105, part 11, page 14098:

> I should think that we could make no mistake—rather that we would have all to gain and nothing to lose—by recommitting the bill and letting the committee study it further, in the hope that if they report it to the Senate again it will be in a form in which Senators will not be in confusion as between making a selection between chains and fetters which do not exist, and preserving our country, which I know is the determination of every Member of the Senate.

I ask the Senator from Georgia if he does not recall, on the same day, July 23, 1959, a statement by the Senator from South Dakota [Mr. MUNDT] to the same effect, and which appears in the CONGRESSIONAL RECORD, volume 105, part 11, page 14099:

> So I urge my colleagues—and I urge it with all the force at my command—to vote to recommit this measure, so that the committee will be able to reexamine it and, if the committee so decides, it will be able to report the measure to the Senate at a later time, when the Senate will be able to vote on it with much better information at hand and with more specific facts before it.

The last statement I shall read was made by the Senator from Louisiana [Mr. LONG]. I ask the Senator from Georgia if he does not recall this statement, made on July 23, and reported in the CONGRESSIONAL RECORD, volume 105, part 11, page 14100. The Senator from Louisiana made the motion to recommit, and said:

> I submit that if the bill is recommitted, thereafter the committee will be able to report to the Senate a better bill than this one, and certainly one with which we would be better satisfied when we passed it.

My purpose in reading those remarks was to ask the Senator from Georgia, who certainly has no peer in this body as it relates to the intent of motions to recommit—in fact, the Senator's entire knowledge of the parliamentary procedure in this body is unsurpassed by anyone—if it would not be his clear understanding that it was the absolute intent of the Senate that the bill be recommitted for further study.

Mr. RUSSELL. I said earlier in the day that when the bill came before the Senate originally—last year—it proposed to repeal both the loyalty oath and the non-Communist affidavit—the disclaimer of intent to overthrow the Government by force and violence; that it was then amended so as to strike out the repeal of the ordinary oath which is required of ROTC students and others; and then was recommitted to the committee for further study.

I may say that, having made a few remarks when the bill was on the floor last year, a compromise bill was brought to me toward the end of the last session. I had thought that that was what the committee was to consider. But the bill now before the Senate is substantially the bill which was recommitted last year.

Mr. GOLDWATER. I am glad the Senator from Georgia has recognized that fact, because that would have been my next question.

I do not know whether the Senator has read the minority view. If he has, he will find, on page 13 of the report, the statement of the minority. I shall read it in part now and shall discuss it more fully later.

> It is interesting to note that the new bill was introduced on January 28 of this year, and only 5 days later, on February 2, without any hearings being held or any other consideration being given to it, the full committee, after limited discussion, ordered it favorably reported.

Mr. RUSSELL. I regret to say that I had not read all the committee report or the minority views, but I certainly accept the statement which the Senator from Arizona has made. The Senator is an outstanding member of the Committee on Labor and Public Welfare, which has been handling the bill. He should be familiar with it.

Mr. GOLDWATER. I desired to bring to the attention of the Senator from Georgia, early in the discussion, the fact that the committee totally disregarded the instructions of the Senate, instructions which, to me, were so clear that we could not avoid seeing the intent.

The bill as it has been reported to the Senate is substantially the bill which was recommitted last year for further study. Yet not one witness was called, and no hearings were held. There was no discussion other than a very limited discussion within the committee 5 days after the bill was introduced.

I suggest to the Senator from Georgia that this is, indeed, a rather peculiar byplay upon the prerogatives of the Senate and upon its rules. It was the desire of the Senate to have a further study made of the bill, so that we might be able to act intelligently upon it. I am at a loss to understand why the majority and minority members of the Senate committee were denied the right to interrogate witnesses.

I simply desired to bring this matter before the Senate, so that we might have a very clear understanding of the instructions which the Senate issued on July 23 of last year.

Mr. RUSSELL. I had thought that perhaps additional hearings might be held. However, the Senator from Arizona understands the embarrassment which would have come to those who were promoting the bill if hearings had been held. This is an inspired bill, and a demand has been made that this provision be stricken because it is an infringement on academic freedom in this country. The overwhelming majority of the Senate was determined not to strike both provisions. So the committee, I suppose in order to permit just a little infringement on academic freedom, decided to strike the disclaimer and to leave the loyalty oath. Some of those who generated the fight against the requirement perhaps were demanding that both go down—the loyalty oath and the disclaimer of Communist sympathy or the determination to overthrow the Government by force and violence.

Mr. GOLDWATER. I thank the Senator from Georgia for permitting me to ask these questions, and I thank the Senator from Connecticut for having allowed me to interrogate the Senator from Georgia at this point, so that there could be continuity in the debate.

Mr. BUSH. Mr. President, I may say, in the light of what has just been said about the hearings, and so forth, that I, too, wish hearings had been held. I do not know why they were not held; but I feel very confident that if there had been hearings, the bill would be in better favor before the Senate than it is right now. I believe the weight of opinion which would have been brought to bear in favor of the bill would have been very great, indeed, and that there would be a much better understanding among Senators who are opposed to the bill as to why educational institutions and the great leaders in the field of education feel so deeply and strongly about the matter. Unfortunately, they cannot come to the Senate floor. So I agree with the Senator from Arizona that we would be better off; but I agree with him for different reasons.

I agree that we would be better off if hearings had been held so as to point up the matter. But the subject has been rather widely debated in the public press during the past 6 months. It is not as though we were taking up an issue with which the Senate has not been familiar; because, as has been pointed out, the subject was very fully debated last year.

The other thing I should like to say is that the able Senator from Georgia [Mr. RUSSELL], in his remarks, paid many tributes to the Ivy League and to the great colleges which are endowed as private institutions.

I am glad there are some institutions that are so endowed, so that all the educational institutions will not have to be sustained by the taxpayers.

But among the institutions whose presidents or boards of directors have publicly declared their disapproval of the disclaimer affidavit, even though they continue to participate in the student loan program, are those listed on page 6 of the report—some 20 State universities; and I now read from the list: Arizona, Colorado, Connecticut, Delaware, Hawaii, Illinois, Iowa, Kansas, Michigan, Minnesota, New Hampshire, North Carolina.

The University of Notre Dame is also listed, but I presume it is not included in that group.

Also in the group are Pennsylvania, Pittsburgh—the University of Pittsburgh—Rhode Island, the University of Rochester, the University of the South—in Tennessee—Washington, and Wisconsin.

So it is hardly fair to reach the conclusion—and possibly the Senator did not mean to do so—that this is an Ivy League bill or anything of the sort, because it is not.

Mr. RUSSELL. I do not think I used the expression more than once. The Senator said I used it a number of times, and it is possible I may have.

But this movement had its beginning in the colleges which are referred to as the Ivy League colleges. I do not understand the term "Ivy League" to be a term of opprobrium; I regard it as an appellation of reverence. The Ivy League institutions are supposed to be the last word in academic institutions of very high standing. I did not know there was any sensitiveness at all about the use of the term "Ivy League."

Mr. BUSH. No; and evidently I did not clearly express my meaning. Possibly that is my fault.

But the bill is not sponsored chiefly by the privately endowed institutions, by any means, because I have just read from the long list of State universities whose heads are in full agreement with the position taken by President Griswold, of Yale, and other university presidents, all of whom strongly support the bill.

Mr. RUSSELL. Will the Senator from Connecticut yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Connecticut yield to the Senator from Georgia?

Mr. BUSH. I yield.

Mr. RUSSELL. Why did the Senator decide to give them only half the loaf they requested? They wanted both repealed; but the Senator's bill repeals only one of them. They felt that both the loyalty oath and the disclaimer of Communist Party membership or membership in an organization dedicated to overthrowing the Government of the United States by force or violence were an infringement upon academic freedom. Certainly the Senator from Connecticut, who is a product of one of the great Ivy League universities, one of which is located in his own State, would be expected to support the position taken by those universities.

Mr. BUSH. Of course the whole issue is why is there objection to the Communist disclaimer. It is offensive because it says to the universities, "You are suspect, and you are singled out, from all others who receive benefits from the United States. You are singled out because you are educational institutions and because you teach students and because the educational institutions in this country are suspect." They do not like that, and I do not blame them for not liking it.

Mr. RUSSELL. But the decision to include both the loyalty oath and the Communist disclaimer was a political decision which was made in the Senate, by the Members of the Senate who hold political office. On the other hand, some of those who hold educational office have denounced both the requirement for the taking of the loyalty oath and the requirement for the Communist disclaimer, and they wish to have both of them removed from the law. But the decision to include both of them in the law was a political decision which was made on the floor of the Senate after the bill was brought before the Senate. However, at this time the Senator from Connecticut favors letting one of them remain in the law, but deleting the other one from the law.

Mr. BUSH. Mr. President, in answer to the Senator's inquiry, let me say the universities' position is fully stated by President Griswold in the insertion which I have received approval to make in the RECORD. But the point is that one is an affirmative statement that "I will defend the Constitution of the United States," whereas the second is an affirmation that one has never been subversive and never has been a member of the Communist Party, and never has engaged in any enterprise favoring the overthrow of the Government of the United States. Those are two very different things.

Mr. BRIDGES. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. I yield.

Mr. BRIDGES. The Senator from Connecticut has stated his position very clearly. But if the two requirements are separate and distinct, why did the same group favor striking both provisions from the first bill, S. 819, which we recommitted last year? When S. 819 was first before us, as sponsored by the Senator from Massachusetts [Mr. KENNEDY], it called for striking out both of these requirements; and it was said at that time that the proposal to eliminate both the oath and affidavit had the support of several Ivy League colleges and a handful of other institutions.

Mr. BUSH. My answer is that they consider both unnecessary, because each singles out educational institutions for this treatment. However, they do not find objectionable an affirmative declaration of loyalty. They do find the anti-Communist affidavit objectionable, because it singles them out as possible suspects of having been members of the Communist Party or members of an organization dedicated to the overthrow of the Government of the United States. That is the difference.

Mr. BRIDGES. How does it single them out? The Senator from Connecticut takes an oath, and so does every employees of the U.S. Government.

Mr. BUSH. But the farmers do not take it, and those who receive the social security payments do not take it, and the airlines who are subsidized do not take it.

Mr. BRIDGES. But the farmers and the airlines are not being educated for the defense of the United States of

America. This measure is the National Defense Education Act.

Mr. BUSH. Certainly the airlines are helping to prepare for the defense of the United States; and the farm bill is represented as having a defense angle to it, in order to get it by this body.

Mr. BRIDGES. This measure is the National Defense Education Act, and it is so labeled. In view of this why should not an oath of allegiance and a disclaimer affidavit be included in an act, the purpose of which is stated in its title. Why did the opponents of these provisions of the National Defense Education Act wait for a year before they began to find fault? And when they began to find fault, they wanted to do away with both the loyalty oath and the antisubversive affidavit.

I think they received such an unfavorable reaction from across the country regarding their opposition to the loyalty oath that they now feel it is wiser to favor the loyalty oath. I think they were wrong then, when they opposed both provisions; and I think they are wrong now, when they oppose only one—the disclaimer.

Mr. BUSH. The Senator asked me why we should make the change. I think the best reason is that the affidavit is highly offensive to a highly responsible group of thousands of educators, the heads of many of our great institutions, clear across the land. To me, that is a very good reason.

Mr. BRIDGES. But more than 1,300 colleges and universities have accepted these requirements and are participating in the student loan program. Why should a few educators be so sensitive when the great bulk of the educators of the country have accepted these requirements.

Are the Ivy League colleges particularly sensitive?

Mr. BUSH. No. There are 26 State universities, as listed in the report, that strongly object to it.

Mr. BRIDGES. They are wrong, too.

Mr. BUSH. But they do object to it.

Mr. McCLELLAN. Mr. President, will the Senator from Connecticut yield to me?

Mr. BUSH. I yield.

Mr. McCLELLAN. In all good conscience, what is wrong with requiring such persons to take an oath that they are not against the government of their country? What is fundamentally wrong with that?

Mr. BUSH. There is nothing wrong with it, and the bill contains a requirement for the taking of the oath of allegiance.

Mr. McCLELLAN. But the Senator from Connecticut objects to a requirement that such persons take an oath that they do not favor the overthrow of the Government of the United States by force or violence. What is fundamentally wrong with the requirement that such persons take that oath, when they seek to benefit from this Government? What is fundamentally wrong with the requirement that such a person take that oath before we reach into the pockets of the American taxpayers and spend their money to give that person a personal benefit? I simply cannot understand the opposition. What kind of patriotism have we, today?

Mr. CLARK. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. CLARK. Mr. President, as a member of the Committee on Labor and Public Welfare, I should like to set straight a few facts, for the RECORD.

In the first place, there are only eight Ivy League colleges. It is true that all of them support the present proposed legislation. There are 131 educational institutions whose presidents, faculties, or boards of trustees have objected to the disclaimer affidavit requirement.

Second, the vote by which the bill was recommitted last year was far from overwhelming. It was by a vote of 48 to 42.

Third, the recommittal motion, as I recall—and the Senator from Arizona will correct me if I am wrong, because he has the RECORD before him—was a straight recommittal motion.

Fourth, the Senate Committee on Labor and Public Welfare, and its various members, in many an informal discussion, in which I participated, including several which I had with the distinguished Senator from Arizona, gave this question careful thought during the remainder of the last session, discussed the subject with many educators, receiving voluminous amounts of correspondence on the subject, and brought the matter, under the leadership of the junior Senator from Massachusetts, to a full committee meeting, where we had a quite extensive discussion as to what should be done. I can remember the points raised at that discussion by the Senator from Vermont, the Senator from Arizona, and the other 2 members of the minority, who did not agree with the 11 members of the majority in sending back to the floor a far different bill than the one that was rejected last year.

I regret that I cannot agree with the Senator from Arizona that the Committee on Labor and Public Welfare did not give careful consideration to the bill which has been brought out and is now on the Senate floor. I think it did.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. BUSH. In just a moment.

In answer to the question directed to me by the distinguished Senator from Arkansas, I should like to point out the difference once more between the oath of allegiance and the affidavit, because the Senator apparently is not quite familiar with the difference between the two oaths under question.

Mr. McCLELLAN. I read them. I saw them in the report. I think I know the difference.

Mr. BUSH. I should like to point out to the Senator and for the RECORD that there is a very important difference. Some persons cannot see it; some can. Those who can, feel it very deeply, and they are just as patriotic and loyal to this country as those who do not see it. I think it is due to a difference in attitude. It may be due to a difference in background. But it is not due to a difference in loyalty to the United States.

In the one case the money is denied unless an individual has executed and filed with the Commissioner an affidavit, a signed statement, that he does not believe in and is not a member of and does not support any organization that believes in or teaches the overthrow of the Government of the United States by force or violence or by any illegal or unconstitutional method.

In other words, he has to say, "I am suspect. I have to sign an affidavit. Nobody else has to do it who gets funds from the Federal Government, but because I am at an educational institution, I have to sign an affidavit saying that I have never been a member of any party or belonged to any organization that advocates the overthrow of the Government."

But the difference between that affidavit and the oath of allegiance is very great. The oath of allegiance is affirmative. It says, "I am devoted to the United States. I do swear that I will bear true faith and allegiance to the United States and will support and defend the Constitution and the laws of the United States against all enemies, foreign and domestic." It seems to me that is an affirmative position for a man to take, and that is all he ought to be asked to take. If he is a Communist or has been a member of a Communist organization, he is going to lie about it if he wants to get his scholarship. But why should we want to offend the heads of institutions and faculties? Hundreds of them have sent in petitions for this repeal, because they say the affidavit is extremely offensive to them.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. BUSH. I yield to the Senator from Arkansas.

Mr. McCLELLAN. Following the logic of the statement the Senator has made, is there not an implied assumption that every time we ask anyone to take an affirmative oath, or every time I am asked to take the oath of office, I am suspect, because I have to take the oath of office?

Mr. BUSH. No.

Mr. McCLELLAN. What is the difference?

Mr. BUSH. There is a great deal of difference.

Mr. McCLELLAN. There is not a difference in the world.

Will the Senator yield further?

Mr. BUSH. I yield.

Mr. McCLELLAN. Is the Senator willing to tax the American people to educate any youth or anyone else for the purpose of defending the U.S. Government when that person is sensitive to taking an oath that he is not a member of and does not support an organization which has as its purpose the overthrow of this Government?

Mr. BUSH. The difference is that between an affirmative position and being offended by being suspected of having been connected with the Communist Party. These persons are sensitive about being singled out from all others getting funds from the U.S. Government and being told, "You must sign an affidavit saying you are not a member of

the Communist Party or any other organization which advocates the overthrow of the U.S. Government."

Mr. McCLELLAN. I am willing to do it. I am willing to take an oath in the Senate, and before God, that I do not subscribe to and do not believe in the overthrow of my Government by force or violence. But I am unwilling to say that I will tax the American people to support someone in education, in the defense of this country, who is unwilling to say that he is a patriot to the extent that he is not a member of any organization and does not support any organization that believes in the overthrow of this Government by force or violence.

Mr. BUSH. Certainly, nobody will question the loyalty of the Senator from Arkansas.

Mr. McCLELLAN. I do not see how we can reconcile our patriotism by taxing the American people to educate, for the national defense, those who are unwilling to take an oath that they do not belong to such an organization.

Mr. BUSH. I suggest that they are willing to take an affirmative oath of allegiance to defend the Constitution and this form of government.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BUSH. Yes.

Mr. JAVITS. This argument did not appeal, not only to the heads of colleges, but to the Senate, I may point out. What has not been brought out is that the Senate voted, by a vote of 46 to 45, to amend the measure exactly as we offered. The only reason why the amendment went by the boards was, when there were further arguments, very much of the type we are hearing this afternoon, the Senate voted to recommit, 46 to 45. The Senate thought it was a fair solution of the problem.

In addition, Mr. President, so has the President of the United States thought this way. In addition, so has the Vice President of the United States.

Mr. President, I should like to make these facts very clear for the RECORD. This happened after the Senate debate and after these votes. On December 12, 1959, the New York Times headlined the story, "Eisenhower Hits Student Aid Oath." On November 26 the New York Herald Tribune headlined the story, "NIXON Opposes Disclaimer in Student Loans." And the Governor of my own State, Governor Rockefeller, took the same position on this matter last year, in December 1959. The newspaper story is headed "Rockefeller Urges Red Oath Repeal."

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JAVITS. I do not have the floor. I am not through.

Mr. BUSH. Mr. President, I yield to the Senator if I may do so without losing the floor.

Mr. BRIDGES. The Senator from New York has quoted President Eisenhower, Vice President NIXON, and Governor Rockefeller. Does not the Senator think they can be wrong once in a while?

Mr. JAVITS. They certainly can be wrong once in a while.

Mr. BRIDGES. Will the Senator——

Mr. JAVITS. If I may answer the question, yes, they can be wrong once in a while. They are human beings, like the Senator from New Hampshire, who can be wrong every once in a while also.

The point is that this whole matter has been put upon the narrow basis that some highbrow, esoteric college presidents or college professors have decided they do not like this, and some fussy students have decided they will not take the money in this way.

The President of the United States may be wrong, but he is a pretty good authority. He is cited as being a pretty good authority on both sides of the aisle. So is the Vice President. So is the Governor of my own State.

I am simply buttressing the authority which has already been cited by the Senator from Connecticut with some authority which is entitled, certainly, to receive respectful attention from the Senate. The authority could be wrong, but it is entitled to receive respectful attention from the Senate.

Mr. BRIDGES. Mr. President, I desire to ask the Senator from New York another question. Who does the Senator think stirred up this controversy, anyway? Does the Senator think the President of the United States, the Vice President, or Governor Rockefeller, raised this uproar after we passed the act in good faith and it worked perfectly for a year. Does the Senator think it was stirred up by some "fussy" professor and some "fussy" students, or does the Senator think it developed out of thin air?

Mr. JAVITS. I think this is one of the essences of our society. People who are dissatisfied with a certain thing stir up the question, and if their position appeals to reason it begins to appeal to us, to other officials of the Government, and to people generally, and then something is done about it.

I wish to point out, Mr. President—and I am sorry to intrude upon the Senator's time, but I think it is pertinent to the argument—that the National Defense Education Act was passed not for the benefit of individual young fellows who are meritorious. The act was passed to obtain the best talent in the United States to help fight the cold war. This is in the national interest and in the national service.

I say that the disclaimer affidavit is not worth losing a whole bunch of these young people, who are bright and able, because their stomachs turn at this particular oath. It is not worth it to lose them, for we have on the statute books the Smith Act, and the Smith Act says that any person is guilty of a felony if he advocates the overthrow of the Government by force.

Why should we write the provision in this law, where it may deprive us of the very talent which we are trying to win to our side? I think that is the essential argument which has induced me to join in favor of the bill, as it was amended.

I thank my colleague for yielding.

Mr. GOLDWATER. Mr. President, will the Senator yield to me?

Mr. BUSH. I yield for a question.

Mr. GOLDWATER. Mr. President, I merely wish to set the record straight.

We have been talking about the number of colleges and universities which have opposed this provision. I am sure the Senator would not object to my questioning him in regard to the matter.

Is it not true that as of May 12, 1960, which is the latest date I have seen for a list—there may be a revamped list which would bring the figures more up to date—the institutions which have withdrawn from the student-loan program because of the disclaimer affidavit total 18?

Mr. BUSH. Yes.

Mr. GOLDWATER. The institutions, which have declined to participate in the student-loan program because, the disclaimer affidavit, total eight.

Mr. BUSH. That is correct.

Mr. GOLDWATER. The institutions whose presidents or boards have publicly stated disapproval of the disclaimer affidavit, but which institutions continue to participate in the student-loan program, total 85?

Mr. BUSH. I will say to the Senator, when we add all those up, we get a very high percentage of the college and university population of the United States.

Mr. GOLDWATER. I was about to come to that question. This totals about 10 percent of the total university population in the United States. [Laughter.]

Mr. BUSH. I would like to see the Senator's proof of that statement.

Mr. GOLDWATER. If my memory serves me correctly, there are some 1,300 institutions of higher learning in this country.

I had not finished my questioning. If we add to the number I have already discussed the 20 institutions whose faculties have expressed disapproval of the disclaimer affidavit, we have a total of 131, which in my book is approximately 10 percent of such institutions—10 percent is not an overwhelming percentage, no matter whether one is in politics or in the field of colleges objecting.

I desire to make that perfectly clear. I am sure the Senator would not object to it, because the actual number of colleges and universities which have taken what we might call the extreme action in this case is 26, out of some 1,300. There are 85 which simply detest the daylights out of the disclaimer affidavit, but they surely do like the money, and they continue to take it.

There are 26, I will say—and these include some great colleges and universities—which have the courage of their convictions and which have turned it all down.

If the Senator is not too impatient and will indulge me, I have another question.

Mr. BUSH. I shall be glad to yield to the Senator, but I should like to reply to the comments the Senator has posed as a question in regard to the college and university population and so forth.

I do not think the Senator has made a very good case for the 10 percent. At any rate, the Senator has neglected also to point out that other organizations protest this affidavit and support the bill, and those include some pretty big constituencies. The Senator will observe

that those are listed at the top of page 7 of the report. They include the following:

The American Association for the Advancement of Science.

The American Association of Land-Grant Colleges and Universities.

The American Association of University Professors.

The American Civil Liberties Union.

The American Council of Learned Societies.

The American Council on Education.

The American Jewish Congress.

The Association of American Universities.

The Association of Graduate Schools.

The National Council of Churches of Christ.

This does not sound like such a narrow area of support, I will say to my very dear friend. It sounds to me like a very broad area of support.

Finally, there is the New England Society of Newspaper Editors. I do not know what is the matter with the American Society of Newspaper Editors, but they probably did not get around to this, since they were so busy politicking in Washington, D.C.

It seems to me the area of support is very, very broad indeed among the people who are the heads of these organizations, as well as the members of these organizations. Certainly these are intelligent people.

Mr. President, I do not desire to monopolize the floor. I shall be glad to answer one more question for the Senator.

Mr. GOLDWATER. Mr. President, will the Senator yield at that point?

Mr. BUSH. I yield.

Mr. GOLDWATER. I did not include the associations and organizations purposely, because if I had done so I would have had to mention, on the opposite side, the American Legion and the Veterans of Foreign Wars. Those may not be very large organizations, but I think the American Legion alone probably has two or three times the membership of all the groups my friend has mentioned. If the American Legion does not have, we can add in the Veterans of Foreign Wars, as well as a large number of religious organizations and other associations.

Mr. BUSH. I will say to the Senator, like the Senator from Arizona, I am a member of the American Legion and of the VFW. I do not expect to be thrown out for taking the position I take today, nor do I believe that the officers of those organizations necessarily speak for the large constituencies.

Mr. GOLDWATER. I suggest, then, we could eliminate this whole area of argument by saying that none of the heads of these organizations speak for 100 percent of their membership.

Mr. BUSH. That is probably true.

Mr. GOLDWATER. Any more than any college presidents or college professors speak for any large number of students.

I have knowledge of an organization in Washington, D.C., which represents students all over the country who fervently support the disclaimer affidavit and the oath.

I think we have to consider not simply what the college presidents or the college students desire to do, or what the American Legion or the American Civil Liberties Union desires to do, but we must consider what is best for the United States of America, as determined by the Senate in the debate.

Mr. BUSH. I am impressed when I see a petition signed by 98 percent of the members of the faculty of Wesleyan University of Middletown, Conn.—98 percent of the members of the faculty signed the petition, which gives me some conviction that the faculties generally in that area, at least, are sympathetic with the bill which is before us now.

I believe the colleges and universities we talk about in the report represent a very high percentage of the population in the academic community.

In conclusion, I can understand the difficulty that some of my friends have with this question. The question is one of the spirit and of the mind. It is very difficult to explain why a man in the academic world feels as he does about that which is so precious to him, called academic freedom, but it is wrapped up in the argument that we are having this afternoon. He does not want to be singled out or to have his associates or his students singled out as suspect because they are members of an educational institution of higher learning. They resent that, and on their behalf I resent it. That is the reason that I take the position that I take this afternoon. I do not believe that the United States will be one bit more in danger if we pass the bill. On the other hand, I believe we shall be better off because we shall bring back into this program some of the institutions which are very able to contribute to it through their faculties.

So I conclude by expressing the very strong hope that the bill will pass today.

Mr. President, I ask unanimous consent that the order authorizing the insertion of the article by President A. Whitney Griswold, of Yale, be rescinded, and I ask unanimous consent that the article be inserted at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LOYALTY: AN ISSUE OF ACADEMIC FREEDOM

(By A. Whitney Griswold)

(President Griswold, of Yale, explains why many universities, including his own, have refused Federal funds for student loans in protest against loyalty affidavits.)

A debate of large dimensions is going on over the issue whether loyalty oaths and affidavits shall be required of college students seeking Federal loans. But the central issue is not always entirely clear to those directly involved, and is blurred and confused in the public mind. It is not a question of being for or against the Constitution, for or against loyalty. It is a case of two different groups of Americans talking at cross purposes about the same thing—namely, the security and welfare of the Nation and the means of strengthening both through higher education. These are the only terms in which the central issue of the controversy can be accurately identified and understood.

Since the National Defense Education Act went into effect a year ago last September, the great majority of the Nation's colleges and universities have raised their voices in criticism of one particular provision. This is the disclaimer affidavit that accompanies the oath of allegiance, and that is required of all recipients of the act's benefits. The affidavit requirement appears in title X, section 1001(f), the full text of which reads as follows:

"No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments or loans to any individual unless such individual (1) has executed and filed with the Commissioner an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods, and (2) has taken and subscribed to an oath or affirmation in the following form: 'I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic.' The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such affidavits."

Individually, and through such representative organizations as the Association of American Colleges, the Association of American Universities, the American Association of Land Grant Colleges and State Universities, the American Association of University Professors, and the Association for Higher Education of the National Education Association, the colleges and universities have protested this affidavit and have urged its repeal.

The Government has not been unresponsive to their views. Last winter the Secretary of Health, Education, and Welfare, Mr. Flemming, testified in their support, and Senators Clark, of Pennsylvania, and Kennedy, of Massachusetts, introduced a bill repealing section 1001(f) in its entirely. Hearings on this bill, which had the approval of the Department of Health, Education, and Welfare, were held before the Senate Committee on Labor and Public Welfare in April and May, and the committee reported the bill favorably by a vote of 12 to 3.

After debate in late July, however, the bill was amended to eliminate the disclaimer affidavit but retain the oath of allegiance, and then sent back to committee. Finally, on December 2, on the eve of his departure for his trip abroad, President Eisenhower spoke out categorically in favor of the affidavit's repeal. There the matter rests awaiting reconsideration by Congress when it assembles next month.

The colleges and universities are not protesting the oath of allegiance. They do question its appropriateness as a condition to financial aid for college students, as distinct from its traditional usage in conection with the assumption of a public office or trust; and they also question whether more general use may not wear it thin.

Too, they are mindful of the historic fact that any oath required by the State can be misused. Nevertheless, they accept the oath of allegiance. By itself the oath is no more than an affirmation of the duties every citizen owes to his country, whether he takes the oath or not. It is thus coextensive with and expressive of the basic law of the land. The disclaimer affidavit, on the other hand, extends beyond the basic law of the land into the realm of belief and conscience, where definitions are vague and actions become matters of debate. What the colleges and

universities are objecting to is this disclaimer affidavit.

Unfortunately, these are not the terms in which the issue is commonly presented. Although the position of the colleges and universities is extensively documented in the printed hearings on the Clark-Kennedy bill and in the CONGRESSIONAL RECORD, and has attracted widespread press attention, what comes through to the public is an oversimplified impression of fastidious intellectualism finding fault with the law, of the egghead refusing to accept the common lot of the citizen and the patriot.

What's wrong with loyalty oaths? We have all pledged allegiance to the flag as schoolchildren. Everyone who takes out a passport swears to uphold the Constitution. Why should anyone hesitate to take such an oath in any circumstances? Why should any American object to disclaiming beliefs abhorrent to all Americans? These and less temperate questions imputing subversiveness and disloyalty are evidence of a wide gulf of misunderstanding between the public and the colleges and universities.

A natural reason for the position of the colleges and universities is that no one enjoys being doubted when everyone else is trusted. Yet this is the way the colleges and universities are made to feel by the disclaimer affidavit. The affidavit originated in the Taft-Hartley Act. From this act it was written into the National Science Foundation Act of 1950, and then into the National Defense Education Act of 1958. Farmers, veterans, and beneficiaries of social security (to say nothing of other recipients of Federal benefits, such as the officials and employees of railroads, steamship lines, and airlines) have never had to make a disclaimer affidavit. In 1959 it was dropped out of the Taft-Hartley Act. This means that the only recipients of Federal benefits to whom it now applies are students and teachers in colleges and universities.

To the latter, this seems like the short end of the stick. They do not see why their students and faculties should be treated differently from any other individuals, groups, professions, or occupations that receive Federal subsidies or loans. And it is all the harder for them to appreciate the justice of this when they reflect on the role they are being asked to perform and the manner in which they are being asked to perform it. In one and the same breath they are told that they are the Nation's first line of defense—and the Nation's poorest security risk. They are called upon to put forth their best effort in the name of national security; yet they alone are obliged to submit to certain qualifications concerning their loyalty.

To them, this seems worse than discrimination in the ordinary sense of the word. It seems like a vote of no confidence from the very party that is asking them to come to its aid, at the very moment and in the very circumstances in which that aid is most urgently needed.

Is this the result of a native anti-intellectualism that stubbornly survives even the most serious crises? Whatever its origin, the fact is that the most important act of Congress to identify education with the national interest since the Land Ordinance of 1785 and the Morrill Act of 1862 singles out higher education from all professions and occupations as a dubious loyalty risk—which goes far to explain the objections of the colleges and universities.

Feeling as they do, the colleges and universities are all the more averse to being parties to the discriminatory practice. Yet this, too, is forced upon them by the terms of the National Defense Education Act. In the student loan program the institution is required to invest 10 percent of its own funds in each loan, and to administer the disclaimer affidavit and oath of allegiance to each recipient.

Thus the institution not only becomes an active agent in administering an affidavit of which it does not approve; it also is forced to adopt a double standard for its students, as only those who need financial assistance are required to take the affidavit and oath. This places the institution in a moral dilemma which none enjoys, and which a number have decided they could resolve only by refraining from or withdrawing from participation in the loan program.

It is true that repeal of the affidavit will not wholly relieve the colleges and universities of the discriminatory practices of which they complain. Students and faculty accepting benefits under the terms of the National Defense Education Act will, presumably, still be required to take the oath of allegiance, while others will not. But, as already pointed out, the colleges and universities regard the oath of allegiance as a far less onerous requirement than the disclaimer affidavit, and one that, in present circumstances, is supportable.

Another and purely practical reason for the objection of the colleges and universities to the disclaimer affidavit is their belief that it is inherently futile. They know that similar affidavits have led to some convictions for perjury. But they do not think the affidavit can be relied upon either as a safeguard against disloyalty or as a means of inculcating loyalty.

That no truly subversive or treasonous person would hesitate to use it—or the oath of allegiance, for that matter—as a cloak for his intentions has been proved, rather than disproved, by the perjury convictions.

On the other hand, the affidavit cannot create loyalty. Loyalty cannot be coerced or compelled. If men are born loyal, the only kind of loyalty that survives infancy in any thinking person is the kind that survives curiosity and withstands criticism and even doubt. Such loyalty may and usually does have an instinctive base; but if the opportunity to satisfy curiosity and answer criticism is limited, or qualified, or made conditional upon the acceptance of restraints, the instinctive base of loyalty is undermined.

The only loyalty upon which true reliance can be placed is the kind evoked by the inherent virtue of the cause or institution or individual toward which the loyalty is felt. In creating this kind of loyalty, oaths of any sort are of little value compared to the devotion of a man who has been free to examine and evaluate the evidence and, on the strength of that experience, in Cromwell's words, "knows what he fights for and loves what he knows."

While the oath of allegiance may have the effect of recalling or stimulating such a sense of loyalty in the person who takes it, that effect is hardly strengthened by the accompanying affidavit. When a man pledges his allegiance to the Government and the Constitution, either we take him at his word (in which case the disclaimer affidavit becomes tautological) or we doubt his word and say to him (as the affidavit seems to say), "Even though you have just affirmed your allegiance to the Government and the Constitution, you are still not to be trusted." In the latter case the affidavit implies perjury in taking the oath of allegiance. In either case it is difficult for the colleges and universities to see how it will inspire loyalty in the rising generation.

The question now presents itself, Why are the colleges and universities objecting to the affidavit in the National Defense Education Act, when for nearly a decade they have acquiesced in it in the National Science Foundation Act?

The answer is that, although they have not liked it in either act, in the National Science Foundation Act the affidavit was the responsibility of the individual receiving the benefit. But in the National Defense Education Act, through investment in the loan program and administration of the affidavit, the institution itself is involved.

Again, the broader scope of the National Defense Education Act, its trailblazing character, and its weightier impact on the younger generation make the affidavit stand out more prominently as a matter of principle. It was also felt that the National Defense Education Act might be establishing the pattern for Federal support of higher education and setting the example for governmental relations with the colleges and universities for the indefinite future; and in this context matters of principle assumed special importance. When the framers of the National Defense Education Act followed the precedent of the Taft-Hartley and National Science Foundation Acts, and the disclaimer affidavit seemed about to be frozen into the system, the colleges and universities decided the time had come to make their opposition known.

But the case of the colleges and universities rests on more than mere discomfort at being objects of and parties to discriminatory practices. One possible remedy for any such practice is to generalize it. If every recipient of Federal benefits and all students in higher education were required to make the affidavit, the colleges and universities could no longer plead that they were suffering from discrimination.

The truth is they would find this cure no better than the disease. Justice Holmes once said that questions like this were better answered by a page of history than a volume of logic. The fundamental position of the colleges and universities is rooted in history, and it is only through an understanding of that history that we can fully understand what they are driving at today. The gravamen of their case against the affidavit is that, in juxtaposition to the affirmative oath of allegiance, it distorts the combination and imbues it with the nature of a political test oath.

This is the historic way in which such oaths have been constructed. They invariably begin with simple declarations or affirmations of allegiance, like the ancient oath of fealty or the present oath of allegiance. They are then expanded (as by the disclaimer affidavit) to include more and more avowals or disavowals of beliefs, doctrines, and associations, as well as denials of unpopular or criminal acts. Thus they project the authority of the state into the realm of belief and conscience where, according to our political tradition, it has no business; and the individual may be forced to acquit himself of crimes and offenses left so vague that he can be convicted on the mere appearance of evil if he cannot be convicted of its practice.

Experience has taught us lessons about political and religious test oaths which are all too easily forgotten. It was under the scourge of these oaths that our Protestant ancestors emigrated from England to settle in America; that our Catholic ancestors lost their lands and lives; that Sir Thomas More died telling his daughter, "It was a very hard thing to compel me to say either precisely with it against my conscience to the loss of my soul, or precisely against it to the destruction of my body"; that Puritan dissenters and Quakers went to jail, sat in the stocks and had their ears cut off.

The oaths that caused these sufferings grew to be over a page long, and, in the words of Sir Frederick Pollock, became "swollen with strange imprecations and scoldings," until in 1868 they were at last abolished in favor of the simple oath of allegiance.

"I, , do swear that I will be faithful and bear true allegiance to Her Majesty

Queen Victoria, her heirs, and successors, according to law. So help me God."

These things are easily forgotten, but colleges and universities, where history is studied and the past is ever present, remember them. They were fresh in the minds of the framers of our Constitution, fresh enough for Alexander Hamilton to denounce test oaths as "a subversion of one great principle of social security, to wit: That every man shall be presumed innocent until he is proved guilty."

Their effect, said Hamilton, "was to invert the order of things, and instead of obliging the state to prove the guilt, in order to inflict the penalty, it was to oblige the citizen to establish his own innocence to avoid the penalty. It was to excite scruples in the honest and conscientious, and to hold out a bribe to perjury." All this, Hamilton concluded, was "repugnant to the true genius of the common law" and "unknown to the Constitution. * * *"

The colleges and universities recall more recent experiences with test oaths than those which began with the marital troubles of Henry VIII. They recall the oaths of religious conformity that bound the early American colleges in the 18th century and were not finally sloughed off until the 19th (by Oxford and Cambridge in the middle of the 19th)—oaths that militated against Catholics and Protestant sects dissenting from the established religion of the institution.

They recall, too, the loyalty oaths imposed by Congress in the Reconstruction period after the Civil War, of which Lincoln declared: "I have found that men who have not even been suspected of disloyalty are very averse to taking an oath of any sort as a condition to exercising an ordinary right of citizenship."

In the words of the Supreme Court (in *Ex Parte Garland*), "All enactments of this kind partake of the nature of bills of pains and penalties, and are subject to the constitutional inhibitions against the passage of bills of attainder, under which general designation they are included."

For the benefit of a generation which, fortunately for it, has less knowledge of them than the men who drafted the Constitution, bills of attainder were arbitrary bills which extinguished the civil rights of an individual and enabled the state to impose upon him such penalties as loss of property, prison, and death, without benefit of trial by jury. Bills of attainder and test oaths grew up together in the same country, in the same period of history and, although they are not identified with one another in modern law, they partook of the same essence in their day and served the same brand of justice.

That oaths of allegiance, even without the objectionable features of the historic test oaths, can be misused as instruments of oppression was proved by Hitler. He merely required that civil servants and professors swear allegiance to him. That was all he needed to give the semblance of legality to whatever coercive steps he chose to take to compel their adherence to the Nazi Party line.

It was in no small measure his use of the oath that drove many German university professors into exile—among them many of the leading nuclear scientists who enabled the United States to produce the atomic bomb instead of Germany. They and their fellow exiles in other fields of learning, finding posts in American universities, have testified to the dangers of all oaths, however innocuous their beginning, in a way that has undoubtedly made their American colleagues sensitive to those dangers.

The colleges and universities do not believe that the oath of allegiance in the National Defense Education Act will be used as Hitler used his oath of allegiance. Indeed, as I have already said, they have accepted it. But the German experience, with its peculiarly direct and intimate significance to our college and university community, and that community's continually fresh memory of the political and religious test oaths in Anglo-American history, make it that much more anxious lest the disclaimer affidavit bend the present oath of allegiance in the direction of either. Hence it is that much more critical of the affidavit and more strongly in favor of its repeal.

Underlying this concern with test oaths, in fact underlying the whole position of the colleges and universities in this controversy, is their concern for freedom. For centuries, in Europe as well as in England and America, they have struggled for the right to pursue learning for its own sake without interference by church or state. They have done so not because they thought society owed them this right as a mark of respect or a special privilege, but because they have regarded it as a functional necessity identical with freedom of the press and similar to freedom of speech, freedom of religion, and freedom of assembly.

In this historical perspective, they see a consistent use of oaths like the disclaimer affidavit as instruments of coercion, conformism, and oppression, which are enemies of learning as much as they are opposites of freedom. If, now, our colleges and universities are to serve the cause of freedom and discharge the solemn duties with which the public, through the National Defense Education Act, has vested them, they can do so effectively only through procedures consistent with both freedom and learning.

Again and again history affords object lessons of what happens to learning when it is denied the freedom that is its natural medium. Nazi Germany is a glaring example. A nation that cannot trust its intellectuals cannot trust itself. A people that is afraid to expose its political and social institutions to the curiosity and criticism of the rising generation is not free; by whatever method it whispers this fear to itself, it shouts its insecurity to the world.

It is not the disclaimer affidavit that will make our colleges and universities bulwarks of our security, nor even the oath of allegiance, which they accept. It is our trust in them to pursue the course the Nation has set for them—a course they can pursue in freedom and in no other way.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, and that the House receded from its disagreement to the amendments of the Senate numbered 4 and 6 to the bill, and concurred therein each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL PLACED ON CALENDAR

The bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, was read twice by its title and placed on the calendar.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL—CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of June 15, 1960, p. 12725, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 12117, which was read as follows:

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes",

That the House recede from its disagreement to the amendment of the Senate numbered 4, and concur therein with an amendment, as follows: In lieu of the figure "1962" in said amendment insert "1963".

That the House recede from its disagreement to the amendment of the Senate numbered 6, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"CONSTRUCTION OF FACILITIES

"For construction of facilities and acquisition of the necessary land therefor by donation or exchange, $2,550,000, to remain available until expended."

Mr. RUSSELL. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 4 and 6.

The motion was agreed to.

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a comparative table of appropriations for 1960, and estimates and amounts recommended in the bill for 1961.

There being no objection, the table was ordered to be printed in the RECORD.

Comparative table of appropriations for 1960 and estimates and amounts recommended in bill for 1961

REGULAR ACTIVITIES (TITLE I)

Agency and item	Appropriations, 1960	Budget estimates, 1961	Recommended in House bill, 1961	Amount recommended in Senate bill, 1961	Conference allowance, 1961
Agricultural Research Service:					
Salaries and expenses:					
Research	$67,721,500	$68,981,700	$67,934,000	$70,247,600	$68,827,200
Plant and animal disease and pest control	49,800,600	48,775,600	52,011,000	52,236,000	52,236,000
Meat inspection	21,324,900	21,562,700	21,562,000	21,562,000	21,562,000
Total, salaries and expenses	138,847,090	139,320,000	141,507,000	144,045,600	142,625,200
Salaries and expenses (special foreign currency program)	12,056,500	15,131,500	15,131,000	15,131,000	15,131,000
Construction of facilities		900,000		3,700,000	2,550,000
State experiment stations:					
Payments to States and Puerto Rico	31,553,708	32,553,708	31,553,000	32,553,708	32,553,000
Penalty mail	250,000	250,000	250,000	250,000	250,000
Total, State experiment stations	31,803,708	32,803,708	31,803,000	32,803,708	32,803,000
Total, Agricultural Research Service	182,707,298	188,155,208	188,441,000	195,680,308	193,109,200
Extension Service:					
Payments to States and Puerto Rico	53,715,000	56,580,000	55,715,000	57,715,000	56,715,000
Retirement costs for extension agents	5,674,375	5,961,000	5,875,000	5,961,000	5,961,000
Penalty mail	2,491,307	2,491,307	2,490,000	2,490,000	2,490,000
Federal Extension Service	2,242,540	2,392,660	2,255,000	2,275,000	2,265,000
Total, Extension Service	64,123,222	67,424,967	66,335,000	68,441,000	67,431,000
Farmer Cooperative Service	615,800	644,650	620,000	620,000	620,000
Soil Conservation Service:					
Conservation operations	82,322,000	82,882,000	83,132,000	83,132,000	83,132,000
Watershed protection	22,750,000	27,750,000	32,000,000	37,000,000	35,000,000
Flood prevention	18,000,000	15,000,000	18,000,000	18,000,000	18,000,000
Water conservation and utilization projects	75,000				
Great Plains conservation program	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total, Soil Conservation Service	133,147,000	135,632,000	143,132,000	148,132,000	146,132,000
Agricultural Conservation Program Service: Agricultural conservation program	241,500,000	242,600,000	242,000,000	242,000,000	242,000,000
Agricultural Marketing Service:					
Marketing Research and Service:					
Marketing research and agricultural estimates	15,412,500	16,571,500	16,315,000	16,605,000	16,515,000
Marketing services	26,054,600	26,570,400		26,579,900	26,579,900
Total, Marketing Research and Service	41,467,100	43,141,900	16,315,000	43,184,900	43,094,900
Payments to States and possessions	1,195,000	1,195,000	1,195,000	1,195,000	1,195,000
School lunch program	[1] 110,000,000	[1] 110,000,000	[1] 110,000,000	[1] 110,000,000	[1] 110,000,000
Total, Agricultural Marketing Service	152,662,100	154,336,900	127,510,000	154,379,900	154,289,900
Foreign Agricultural Service:					
Salaries and expenses	[2] 3,518,300	[2] 4,637,300	[2] 4,447,000	[2] 4,487,000	[2] 4,487,000
Salaries and expenses (special foreign currency program)	5,843,378	14,621,800	14,621,000	14,621,000	14,621,000
Total, Foreign Agricultural Service	9,361,678	19,259,100	19,068,000	19,108,000	19,108,000
Commodity Exchange Authority	909,500	941,325	930,000	941,325	940,000
Commodity Stabilization Service:					
Acreage allotments and marketing quotas	[3] 40,535,000	40,135,000	40,135,000	40,135,000	40,135,000
Sugar Act program	71,500,000	74,500,000	74,500,000	74,500,000	74,500,000
Conservation reserve program	335,000,000	361,783,000	310,000,000	335,000,000	330,000,000
Total, Commodity Stabilization Service	447,035,000	476,418,000	424,635,000	449,635,000	444,635,000
Federal Crop Insurance Corporation: Operating and administrative expenses	6,376,700	6,376,700	6,376,000	6,376,000	6,376,000
Rural Electrification Administration: Salaries and expenses	9,632,000	9,632,000	9,632,000	9,632,000	9,632,000
Farmers Home Administration: Salaries and expenses	30,744,750	31,467,650	30,500,000	31,467,650	31,050,000
Office of the General Counsel	3,162,025	3,358,845	3,358,000	3,358,000	3,358,000
Office of Secretary	2,881,000	2,899,500	2,899,500	2,899,500	2,899,500
Office of Information	1,431,665	1,478,685	1,478,000	1,523,000	1,488,000
Library	831,900	895,660	895,000	895,000	895,000
Total, regular activities	1,287,121,638	1,341,521,190	1,267,809,500	1,335,088,683	1,323,963,600

CORPORATIONS (TITLE II)

Federal Crop Insurance Corporation: Administrative and operating expenses	($2,330,000)	($2,830,000)	($2,630,000)	($2,630,000)	($2,630,000)
Commodity Credit Corporation:					
Restoration of capital impairment	[4] 2,110,424,413	1,325,000,000	1,226,500,000	1,226,500,000	1,226,500,000
Reimbursements for special activities:					
International Wheat Agreement	63,875,000	49,042,000	32,572,000	32,572,000	32,572,000
Emergency famine relief	104,508,000	115,000,000	107,094,000	107,094,000	107,094,000
Sales for local currencies (Public Law 480)	968,016,000	881,000,000	881,000,000	881,000,000	881,000,000
Migratory waterfowl feed	35,000	35,000	18,000	18,000	18,000
Bartered materials for stockpile	129,000,000	422,950,000	422,950,000	422,950,000	422,950,000
Animal disease eradication	1,056,500				
Grading and classing activities	1,607,000	715,000			
Total reimbursements for special activities	1,268,097,500	1,468,742,000	1,443,634,000	1,443,634,000	1,443,634,000
Administrative expense limitation	[5] (42,400,000)	(48,428,000)	(44,726,000)	(45,726,000)	(45,726,000)
Total, corporations	3,378,521,913	2,793,742,000	2,670,134,000	2,670,134,000	2,670,134,000

RELATED AGENCIES (TITLE III)

Limitation on administrative expenses: Farm Credit Administration	[6] ($2,310,000)	($2,480,000)	($2,480,000)	($2,480,000)	($2,480,000)
Total, titles I, II, and III	4,665,643,551	4,135,263,190	3,937,943,500	4,005,222,683	3,994,097,600

[1] In addition, $43,657,248 transferred from sec. 32 funds in fiscal year 1960, transfer of $40,000,000 budgeted for fiscal year 1961, and $45,000,000 recommended in bill for 1961.

[2] In addition, $2,493,000 transferred from sec. 32 funds in fiscal year 1960, transfer of $2,539,000 budgeted for fiscal year 1961, $2,493,000 recommended in House bill, and $2,539,000 recommended by Senate, and agreed to in conference.

[3] Includes $1,400,000 appropriated in Second Supplemental Appropriation Act, 1960.

[4] Includes $675,000,000 appropriated in Second Supplemental Appropriation Act 1960.

[5] Includes additional $400,000 authorized in Second Supplemental Appropriation Act, 1960.

[6] Includes additional $185,000 authorized in Second Supplemental Appropriation Act, 1960.

Loan authorizations

Agency and item	Authorizations, 1960	Budget estimates, 1961	Recommended in House bill, 1961	Amount recommended in Senate bill, 1961	Conference allowance, 1961
Rural Electrification Administration:					
Electrification	[7] $136,000,000	$110,000,000	$110,000,000	$110,000,000	$110,000,000
Telephone	[7] 104,000,000	80,000,000	80,000,000	80,000,000	80,000,000
Total, Rural Electrification Administration	240,000,000	190,000,000	[8] 190,000,000	[9] 190,000,000	[8] 190,000,000
Farmers Home Administration:					
Farm ownership	26,900,000	20,000,000	26,900,000	26,900,000	26,900,000
Farm operation (production and subsistence)	197,100,000	154,000,000	197,100,000	197,100,000	197,100,000
Soil and water conservation	2,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Total, Farmers Home Administration	[9] 226,000,000	177,000,000	[10] 227,000,000	[10] 227,000,000	[10] 227,000,000
Total, loan authorizations	466,000,000	367,000,000	417,000,000	417,000,000	

Permanent authorizations

Agency and item	Authorizations, 1960	Budget estimates, 1961	Increase or decrease
Agricultural Research Service: Animal quarantine station, Clifton, N.J.	$30,000		−$30,000
Agricultural Marketing Service:			
Removal of surplus agricultural commodities (sec. 32)	251,446,365	$318,000,000	+66,553,635
Perishable Agricultural Commodities Act fund	670,000	670,000	
Total, Agricultural Marketing Service	252,116,365	318,670,000	+66,553,635
Commodity Stabilization Service: National Wool Act	50,050,313	51,000,000	+949,687
Total, permanent appropriations	302,196,678	369,670,000	+67,473,322

[7] Includes $25,000,000 contingency authorized in 1960 Appropriation Act, but not requested in budget, 1961.
[8] In addition, contingency of $50,000,000 authorized for each program for 1961 in House bill, raised to $60,000,000 by Senate, and agreed to in conference.
[9] Includes $20,000,000 contingency authorization provided in 1960 Appropriation Act, but not requested in budget, 1961.
[10] In addition, contingency of $40,000,000 authorized for 1961.

ELIMINATION OF AFFIDAVIT OF DISLOYALTY

The Senate resumed consideration of the bill (S. 2929) to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief.

Mr. GOLDWATER. Mr. President, I should like to keep the record straight, and we are going to try to keep it straight as we go along. I should like specifically to refer to other areas where education is provided with Federal funds and where oaths are required. I read from the Congressional Digest of April 1960, volume 39, No. 4:

At the request of the Senate Committee on Labor and Public Welfare, the Legislative Reference Service of the Library of Congress performed a survey of all the departments and most of the agencies of the Federal Government to determine which ones require loyalty oaths or disclaimers of subversive affiliation.

I am not going through all of these statements, but only enough in order to keep the record straight. We will put more in as the record is bent a little.

II. OATHS AND DISCLAIMERS SPECIFICALLY REQUIRED BY STATUTE

NATIONAL SCIENCE FOUNDATION

The only requirement of this nature administered by the National Science Foundation is contained in section 16(d) of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), which requires a loyalty affidavit and oath of allegiance from persons receiving payments under foundation scholarships or fellowships.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. BRIDGES. Is it true that the National Science Foundation has been in operation for 10 years?

Mr. GOLDWATER. Just about 10 years.

Mr. BRIDGES. And does the United States of America, through the National Science Foundation, provide education for certain young people?

Mr. GOLDWATER. That is correct.

Mr. BRIDGES. In all that period of time has the Senator from Arizona heard any great objections to that program?

Mr. GOLDWATER. The Senator has never heard any complaint about it.

Mr. BRIDGES. As a matter of fact, following the subject a step further, the National Science Foundation requirements are very similar to those of the National Defense Education Act. There is no legislation introduced relating to these provisions in the National Science Foundation Act, which was enacted in 1950. And the National Defense Education Act was in effect about a year before all the furor started. Is this not correct?

Mr. GOLDWATER. The Senator is correct.

Mr. BRIDGES. I compliment the Senator. He is always forthright and courageous. I am glad that he mentioned the fact that a national organization of college students exists in this country with headquarters here in Washington and with representatives in colleges throughout the country. This organization is composed of young men and women who stand up without fear and do not hesitate to take the oath of loyalty to the United States or to sign an anti-Communist affidavit or disclaimer. I salute the membership of this organization.

Mr. GOLDWATER. Mr. President, to proceed a little further, when the year 1960 ends I will have visited with 55 different educational organizations at the student level, either in a classroom or in my own office, and such a small number of those people express dissatisfaction with this program that it would be impossible for me to give the complaints any value which would approach 1 percent.

In reading through this list I see the name of my own school. It is not my alma mater because I never graduated from a college. I refer to the University of Arizona. I recall speaking at the annual meeting of the Arizona Pioneer Historical Society at the university last year, and the president sat next to me. I had gone through my library, remembering that I had it in my possession, and I found a loyalty oath and disclaimer that had been sworn to by that illustrious American, John C. Fremont, before he became Governor of Arizona. In fact, it was before 1880. I jokingly said to the president, who is a good friend of mine, that if it was good enough for a Governor of Arizona, it was good enough for a student.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. CLARK. Did the affidavit which John C. Fremont took have reference to the Communist Party?

Mr. GOLDWATER. I do not recall that it spelled out Communists, but it talked about advocating the overthrow of the U.S. Government. I am trying to find it. When I find it I will put it in the RECORD and the Senator can see it. It is a much more substantial oath than the one we are asking students to take.

To continue my remarks concerning the study that was made by the Legislative Reference Service of the Library

of Congress under the heading "Department of Defense," we find the following:

Section 624 of the Department of Defense Appropriation Act, 1959 (recurring appropriation act provision) reads:

"No part of the funds appropriated herein shall be expended for the support of any formally enrolled student in basic courses of the senior division, reserve officers training corps, who has not executed a certificate of loyalty oath in such form as shall be prescribed by the Secretary of Defense."

Under the Department of Health, Education, and Welfare regulations under the Vocational Rehabilitation Act it is provided that in order to be eligible for a traineeship award under section 7(a)(3) of the act, an individual must "have executed and filed with the Office of Vocational Rehabilitation an affidavit that he does not advocate, and, is not a member of any organization that advocates or teaches, the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods."

Under the regulations of the Public Health Service Act there is a requirement for a loyalty oath and disclaimer in order to be eligible for regular Public Health Service Research fellowships and for National Institutes of Health traineeship awards.

My whole purpose in reciting the few cases that I have recited is to point out that not only are there precedents under acts which carry the words "national defense" in their titles, but that it is also the historic procedure used in government all through the country. It is nothing new to require students to take such an oath. I cannot for the life of me understand why some of our educators—and I might say some of them are among our most learned and highly respected educators—have taken the attitude that they have taken on this particular subject. That is the extent of the remarks I care to make on this subject. I suggest the absence of a quorum.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. GOLDWATER. I withhold my suggestion. I yield to my friend the Senator from South Carolina.

Mr. THURMOND. I should like to ask the distinguished Senator if it is not true that every member of the staff and every Member of the Senate and House signs an affidavit which is substantially the same as the non-Communist affidavit provided in the National Defense Education Act?

Mr. GOLDWATER. I think it is substantially the same. We swear to defend the Constitution against all enemies, foreign and domestic. I certainly believe that covers it.

Mr. THURMOND. The language of the affidavit which is subscribed to by every staff member in the Senate is as follows:

No person shall accept or hold office or employment in the Government of the United States or any agency thereof, including wholly owned Government corporations, who—

(1) advocates the overthrow of our constitutional form of government in the United States;

(2) is a member of an organization that advocates the overthrow of our constitutional form of government in the United States, knowing that such organization so advocates;

(3) participates in any strike or asserts the right to strike against the Government of the United States or such agency; or

(4) is a member of an organization of Government employees that asserts the right to strike against the Government of the United States or such agencies, knowing that such organization asserts such right.

Is not this oath substantially similar to the oath required under the National Defense Education Act? If that is the case, if every person who works for the Government of the United States, including every secretary who works for a Member of Congress, takes such an oath, why should there be any question about anyone who is to get a grant or a loan to go to school to pursue further learning in an institution making such an affidavit? Why should there be any question about any student or any teacher making such an affidavit?

If a person is not a Communist, and if he does not advocate the overthrow of our Government by force or violence, why does he not have the courage to say so? Why should he wish to hide behind something? There may be the insinuation that he is a Communist. Frankly, I believe that some of them are Communists. I believe that is the reason why some teachers and students refuse to take the oath.

I do not say that all the students and teachers who oppose the oath are Communists, but it is my firm opinion that some of the leaders in this movement in some of these institutions who are trying to get the oath requirement repealed are Communists. I believe some of them are fellow travelers. I believe they are pushing this program in order to foster the cause of communism in this country.

I know there are a great many good people who believe in the contention that is made with respect to the affidavit on the ground of academic freedom. They feel that academic freedom and freedom of speech are involved. They believe that the rights of an individual should not be violated.

However, in this day and age, when we are threatened with communism, which is the greatest threat that our country has ever faced, it is no time to quibble, it is not time for the American people to show any patience toward anyone who is not for 100 percent Americanism in the making of a loan or grant to a person. Otherwise, we would be merely furthering the education of such a person, who has a warped mind or is a Communist or a fellow traveler, and who will use his further knowledge to harm this country.

I do not believe there is any excuse for changing the affidavit. I am amazed that the proponents of the bill should come back this year after we recommitted the bill last year. I am completely surprised that they should come back again and ask the Senate to repeal this non-Communist affidavit.

It makes no difference to me if the proponents cite every college and university in the country as being opposed to the affidavit. They have gone to great pains to break down into different categories the opposition to the affidavit. They list institutions which have withdrawn from the student loan program because of the disclaimer affidavit; institutions which decline to participate in the student loan program because of the affidavit; and institutions whose presidents have stated that they disapprove of the disclaimer affidavit but which continue to participate in the student loan program. Then they show colleges and universities whose faculties have expressed disapproval of the affidavit. They also list associations and organizations reported to protest the disclaimer affidavit.

I believe it is about time for Congress to take a strong and unyielding stand for Americanism. It is a good time for us to show our colors. It is time for us to set an example in this country by saying to the young people of this country, and to the older ones, too, who want to get these grants and loans: "If you are not willing to take an oath that you do not favor overthrowing the country, and that you are not a Communist, the Government of the United States has no grant or loan to give you."

Mr. GOLDWATER. In answer to the Senator's question and statement I wish to recognize him as a Senator who displays a natural showing of patriotism. It is a display of patriotism which we seldom see in this country. I am extremely proud that the Senator from South Carolina is a friend of mine and I am a friend of his.

The act contains almost the exact words read by the Senator when he quoted from the affidavit which every employee of ours in the Senate must make and swear to before he can be paid out of Federal funds.

The language that is used in the act, under section 1001(f) reads:

No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments or loans to any individual unless such individual (1) has executed and filed with the Commissioner an affidavit that he does not believe in, and is not a member of, and does not support any organization that believes in or teaches, the overthrow of the United States Government by force or violence or by any illegal or unconstitutional methods.

That is the portion of the act to which certain educators have objected most strenuously. I feel rather certain that if that provision were eliminated, many of the objections would be removed, because when I read the second proviso, I am certain the Senate will understand why.

But I cannot understand what is the motivation of the protest. Does it come under the guise of fear of abuse of freedom of speech? I cannot believe that. Does it come under the guise of destroying freedom of association? I cannot believe that, because I do not believe it was ever the intent of the framers of the Constitution to encourage the membership of any American in an organization which would advocate the overthrow of the American Government.

Are the educators afraid of Federal control? No, I cannot believe that these particular educational institutions which protest most violently would be afraid of Federal control. If I am not mistaken, the most zealous advocates of Federal control come from those colleges, either in the form of professors or past students.

I am at a loss to know what goes through the minds of those persons. I know some of them. I know, for example, the president of my university. He is one of the most dedicated Americans. He is a southerner by birth and by instinct. He holds American traditions high. But for some reason, known only to him, he opposes this provision.

If we retained only the second part, I think this would be a different story. Let me read what the second proviso is.

"I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic." The provisions of section 1001, title I, United States Code, shall be applicable with respect to such affidavits.

Certainly, in answer to the Senator's basic question, the answer would have to be, Yes, the provisions of both are the same.

Mr. THURMOND. I should like to ask the distinguished Senator from Arizona this question. I notice on page 2 of the report the following statement:

S. 2929 simply removes the redundant, ineffectual, and undesirable disclaimer of disloyalty.

Is it the opinion of the distinguished Senator from Arizona that the present act is not effectual? Last year, when the debate was taking place, I invited the attention of Senators to section 1001, title 18, of the Code of Criminal Procedure, which reads as follows:

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, factitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than $10,000 or imprisoned not more than 5 years, or both.

That provision of the United States Code, section 1001 of title 18, provides punishment for a person who makes a false or fraudulent statement. So there is a way to enforce the provision which the committee wants to eliminate. Yet it is claimed that it is ineffective. Why is it ineffective, if there is a way to punish a person with a $10,000 fine or imprisonment of 5 years, or both? Is the Senator from Arizona in accord with that statement?

Mr. GOLDWATER. I am in accord with that statement. If the Senator from South Carolina will read the minority views submitted by the Senator from Illinois [Mr. DIRKSEN], the Senator from North Dakota [Mr. BRUNSDALE], and myself, he will find our agreement with the question he just put to the junior Senator from Arizona expressed all the way through.

We feel that stronger penalties should be provided in the act than are provided. We feel that the penalties provided in the existing act are not strong enough. We should like to see them strengthened. We feel that this is our opportunity to amend the proposal so that it will have teeth. I shall read what the Senator from Louisiana [Mr. LONG], who was the author of the motion to recommit, said last year. He summed up the arguments for recommittal as follows:

The country is entitled to something better, and the Senate is entitled to something better than the delusion that we have done something to restrain Communist activities, when all we have done is to give a wide open invitation to Communists by passing a futile, meaningless gesture favoring patriotism. I should hope that the committee might find some substitute offering a slight hope of putting a Communist in jail for being disloyal to America.

That statement appears in the CONGRESSIONAL RECORD, volume 105, part 11, page 14097.

I repeat, because the Senator from South Carolina was not in the Chamber when I spoke earlier to this point, that while no specific instructions were issued by the Senate at the time of the recommittal of the bill to the committee, nevertheless one must gather from the rather voluminous debate preceding the vote on which action was taken that it was the intent of the Senate that the committee give the subject further study.

As I related earlier, no hearings were held on the subject. The committee had a very short, informal discussion of the bill prior to reporting it. In fact, the bill before the Senate today is identical with the bill which was recommitted to the committee last year.

Mr. THURMOND. Last year, it seems, there were those who favored the repeal of the provision and who were merely looking for some excuse to repeal it, without there being any merit in their case. They alleged that it did not constitute an effective national security measure. But as I have pointed out, it is effective, because there is a way to enforce it.

Another point that was made was that the provision cast unfounded doubts upon the loyalty of members of the educational community. As I have pointed out, anybody who works for the Government takes a similar oath. Why should the educational community be singled out for exclusion from an oath when millions of employees on the Government payrolls can get on them in the first place only by taking such an oath?

Mr. GOLDWATER. Again, I cannot understand the reasoning behind the objection. I pointed out earlier, and I can point out to the Senator from South Carolina, if he will peruse the document he has in his hand, the results of the study made by the Legislative Reference Service of the Library of Congress with respect to other acts which require such oaths.

For 10 years applicants for fellowships and traineeships under the National Science Foundation have been required to execute both the disclaimer and the oath.

The Vocational Training Act, which is one of the oldest educational acts on the statute books—if I am not mistaken, it dates back to 1916, and applies to persons of all ages—requires some type of oath and disclaimer before the applicants can benefit under the act.

So there is nothing new about this proposal. It goes back a good number of years to establish a precedent. If there had been objection to it, I think the objection could well have been raised many years ago, rather than at the present moment, when we are locking horns, so to speak, with the Bear of Russia, and find ourselves in need, so some think, of a stepped-up educational program.

Yet when we provide a stepped-up educational program, we cannot be too choosy about it; we cannot say to a person, "If you are not willing to make it adequately clear that you are a complete American, you cannot benefit under the act."

As I pointed out earlier, too, these objections come from a very small minority of American universities, colleges, and other institutions of higher learning. The total, as I pointed out earlier, unless the figure has been corrected since May 12, of this year, is 131. If my memory is correct, there are about 1,300 institutions of higher learning in the United States. Twenty-six have taken no positive action, such as refusing to take funds. The others are willing to object, but are still willing to take the money.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield to the Senator from Pennsylvania.

Mr. CLARK. Does the Senator from Florida wish me to yield to him?

Mr. HOLLAND. I rise merely to say that I think one of the things which is being done in the debate is to attribute to large numbers of young Americans an attitude which they do not support or defend, and which it is unfair to impute to them.

I do not like to bring my own connection with education too much into the picture, but I have been for many years, and am now, a member of the board of Emory University, which has some 3,500 or 3,600 students.

I am now, and I have been, off and on, for years, a member of the board of trustees of the Florida Southern College, which has approximatly 2,000 students.

I am now, and I have been for more than 30 years, a member of the executive council of the alumni of the University of Florida, which has approximately 13,000 students.

I have official relations with some other colleges which I shall not mention.

I know literally hundreds and, I believe, several thousand of the young men from my area and other areas who attend these institutions. I have not received a single letter that I can recall from any of those young men, and many of them are receiving these loans—com-

plaining of either the disclaimer or the loyalty oath. I have received from them many letters in which they complain that some educators and some students are taking a position which attributes to them and to other students a position which they would not take, and which they think should not be imputed to the young people of America.

Mr. President, I am glad to extend my remarks to apply to young people other than those of my own area. I do not know how many Senators have heard from the National Students Committee for the Loyalty Oath, which has its office here in Washington, D.C. I know that the chairman of that committee, Mr. Douglas Caddy, is of Georgetown University, one of the fine, old, highly regarded institutions of learning here in the Capital area. The executive secretary is Mr. David Franke, of George Washington University, another large and highly reputable institution of learning.

I shall not read all of the letter into the RECORD; but I wish to read two paragraphs which make the same point which has been made to me in dozens of letters from young men of my own area who resent the fact that there is being imputed to the students and the student youth of the Nation a desire to evade or escape responsibility for taking this oath and disclaimer.

The letter is addressed to me; it is dated February 15, 1960, and is signed by Mr. Caddy. It reads, in part, as follows:

As you are well aware, the Senate Labor and Public Welfare Committee recently voted to report out favorably Senator JOHN KENNEDY'S bill, S. 2929, to repeal the nonsubversive affidavit presently required of college students participating in the National Defense Education Act. It now appears that the Senate will act upon the bill in the near future.

I continue to read, but not consecutively:

Supporters of S. 2929 cry out that college students are being discriminated against by the current NDEA affidavit. This is not true. There are 155,871 college students currently enrolled in Reserve Officer Training Corps (ROTC) units on their campuses who have taken the same affidavit. Only 68,152 students are currently participating in the NDEA and have taken the affidavit. Yet the cry has never been raised that ROTC students were being discriminated against. The 12,000 college students who have participated in the National Science Foundation Act of 1950 have also been required to take the affidavit. Federal employees and private citizens who volunteer for civil defense work must also take the affidavit at the present time.

Mr. President, I digress to say that during World War II, at a time when, as Governor, I was head of the civil defense organization in my own State of Florida, 338,000 of our citizens were rendering that service.

I continue to read from the letter:

Can it truthfully be said, then, that college students are being singled out by the NDEA affidavit?

Mr. President, I have quoted a part of the letter; and the statement which I have made is, in its entirety, designed simply to have the RECORD show what I believe to be a fact—namely, that the vast majority of the young people of this Nation do not take the position that either of these requirements—either the loyalty oath, which was included last year in this same act, or the disclaimer affidavit—should be repealed; but, to the contrary, they have gone ahead and have executed these documents, and are, by the thousands, enjoying the generosity of their country, which is extended for one reason only, and that is to better qualify them and better assure our country of good service in the event of our being faced with heavy emergency in the fields of security and defense.

Mr. President, I think all of us must recognize the fact—as just now stated by the Senator from Arizona—that the present request is based upon the attitude of a very few of the individuals who are affected. I repeat that in my area of the country not a single patriotic organization of men and women or a single civic organization of men or women has, to my knowledge, taken a position endorsing this bill, as regards these two requirements; but, to the contrary, their position is reasonable and fair and properly recognizes the sense of loyalty and patriotism of the young people of America who, in the very great majority, believe just as the more mature citizens do.

I thank the Senator from Arizona.

Mr. CLARK. Mr. President, will the Senator from Arizona yield to me?

Mr. GOLDWATER. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. I thank the Senator from Arizona for his courtesy.

Of course I completely disagree with what my friend the Senator from Florida has said. But at a later date, and in my own time, I shall reply to what he has said.

Let me ask whether the Senator from Arizona has available a list of the institutions of higher learning which have written in or have expressed support for the present disclaimer affidavit.

Mr. GOLDWATER. I must say that I am not aware that any such list exists. I have no such list of my own. The only list I have is a list of patriotic organizations—including the American Legion, and others—which support our position, and the number of students—and I am trying to find the number now—who have expressed a desire to retain these requirements. These students are in the organization the Senator from Florida has mentioned, but I have no idea how many there are.

Mr. CLARK. I understand that perhaps one or two or four or five institutions have expressed support for the affidavit. I have not been able to identify them, and I thought perhaps the Senator from Arizona could do so.

I suggest to him, in all friendliness, that perhaps the fact that none of the institutions which he has mentioned as not having opposed the affidavit has written in in support of it, is one which the Senate should consider in the course of the debate.

Mr. GOLDWATER. I can understand perfectly how my friend would reach that conclusion, but I could not agree with him.

I find that the American people who are particularly happy with things the way they are, as they pertain to themselves, do not take the trouble to write to us; and I think the same is true of all institutions. I have not made an effort to solicit the opinions of universities which have not written in. I only say that of the 1,300-odd institutions of higher education in the United States, only 26 have by any positive action indicated that they really mean business on this matter; and a total of 131—which is approximately 10 percent—have indicated dissatisfaction with it. In the absence of any expressions of disapproval, I must assume that a great majority of the remaining 90 percent find nothing wrong with the requirement that the students take the oath.

It is unfortunate that we did not hold hearings this year, because that in view of the excitement which has been generated in this country since the passage of this act, I believe we could have brought out, in the course of adequate hearings, the objections to and the support of the various positions. But the committee held no hearings; and the bill was reported within a few days from the time when it was introduced on the floor of the Senate; and only the customary argument between the majority and the minority took place within the committee itself.

I think it most unfortunate that that was done. As the Senator knows, I have discussed this problem with him on numerous occasions, as I have with the distinguished Senator from Massachusetts. I feel there is a way in which we can work out a satisfactory approach to this problem, but I must say that both the Senator from Pennsylvania and the Senator from Massachusetts have been adamant in insisting that we completely remove the disclaimer and loyalty oath. With that attitude, I am afraid we cannot come to an amicable agreement. I feel we could have settled this problem weeks or months ago had the brilliant mind of the Senator from Pennsylvania been held ajar enough so that it might have accepted some of our arguments.

Mr. CLARK. Mr. President, I appreciate the kind remarks of the Senator from Arizona. Obviously, two persons looking at the same scene from different points on the landscape are apt to draw different conclusions. I certainly feel acute distress at the suggestion of my friend that I have been inflexible or firm. I would not want to have the pot calling the kettle black in this regard. I think the Senator from Massachusetts and I have been sweet reason itself in an effort to compromise. The Senator from Arizona, I am sure, has the same feeling. I think that is probably the best way to leave it.

Mr. GOLDWATER. In the hearings before the Subcommittee on Education of the Committee on Labor and Public Welfare to amend the act of 1958——

Mr. CLARK. Does the Senator have the page?

Mr. GOLDWATER. If the Senator will look through the appendix, I think he will find a number of institutions listed there. I would not say the list is

large in number, but I have glanced quickly at it. I might mention some of them. The Veterans of Foreign Wars——

Mr. CLARK. I was concerned with institutions of higher learning.

Mr. GOLDWATER. Alliance College, in Cambridge Springs, Pa.; Norwich University; Wheaton College; Eastern Michigan College.

Mr. CLARK. I shall be happy to take a look at the list, as my friend has suggested.

Mr. GOLDWATER. I think the Senator could tell much more quickly if he would read this list. It is not an imposing list. But I still get back to my thesis that since we have not heard from approximately 90 percent of the universities, and I know they have been prevailed upon to write by the various organizations who are listed in the report, we must assume, I think correctly, that they have no interest in it one way or the other.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. GOLDWATER. Yes.

Mr. CLARK. My own judgment on that question would not be in accord with that of the Senator from Arizona, because it would occur to me that the members of the associations and organizations which did protest to the committee against the disclaimer affidavit, whose names are set forth on page 7 of the report, many of whose members are set forth on page 32 and following of the hearings before the subcommittee, would naturally assume the position taken by the association to which they belong as the one with which they concurred, unless they wished to violently dissent.

I think the Senator from Arizona will find that among the organizations which have expressed their objection to the disclaimer affidavit are organizations representing the overwhelming majority of the higher institutions of education.

Mr. GOLDWATER. I would not want to leave the RECORD stand this way. I, myself, am a member of several organizations. Sometimes I agree with what they do, and sometimes I do not.

One thing that has been very amusing to me during my career in the Senate is the inability of liberal organizations to be consistent. I notice on the list the Civil Liberties Union. I know it believes very strongly in civil liberties and the right of people to use their liberties. I think it was yesterday, when the Texas Democratic Convention was held in Austin, that one of the great victories obtained by the majority leader of the Senate was over the liberal wing of the Democratic Party, which demanded a signed pledge from each State delegate to support the Democratic Party's nominees in the November election. Here they are insisting upon a pledge and they are insisting upon an oath, but these same liberals will turn around and say, "Oh, no, we cannot require Communists to take an oath or a young American to declare his loyalty to his country." One of the interesting things I have noticed in my 8 years in the Senate is that the people who speak the loudest about rights, about stepping on other people's toes, are the very first to demand the very same prerogatives when it is advantageous for them to do so.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield to the Senator from Florida.

Mr. HOLLAND. I merely wanted to call the attention of both distinguished Senators engaged in the present colloquy to the fact that a sizable number of colleges and universities which declined to have any part in this program originally, as well as of those who have withdrawn, are institutions supported by churches which do not favor serving in the Armed Forces of the Nation. For example, in the group of institutions which declined to participate, I notice two of our very fine academic schools which have that background; namely, Swarthmore and Haverford. If the Senator will look at the list, he will see other institutions of that kind. What I have said is without derogation of them. They are fine academic institutions, with a good record of civic service and service in other fields that the people of that particular religious persuasion have rendered.

I am merely calling attention to the fact that it should not be a source of surprise to us that institutions of that kind would not want to participate in a defense program.

Mr. CLARK. Mr. President, will the Senator yield to me for the purpose of making a comment on what the Senator from Florida has said?

Mr. GOLDWATER. Yes.

Mr. CLARK. The Senator from Florida mentioned Swarthmore and Haverford, which are in the Commonwealth of Pennsylvania. So is Bryn Mawr. My daughter is at present a student at Bryn Mawr. While these institutions have a background in the Society of Friends and were originally organized by the Society of Friends, not a single one is supported at the present time by the Society of Friends, or is connected, on any legal basis, other than perhaps a sentimental interest in the past, with pacifist views of that fine Pennsylvania institution, the Society of Friends.

Mr. HOLLAND. I thank my good friend for that comment. I had the pleasure recently of spending a summer vacation at Buck Hill Falls, at an institution supported by one of the Quaker groups, the other branch has one on the same grounds nearby, as the Senator well knows. I refer to the fall of 1958. I was not surprised to find there that the attitude toward service in the Armed Forces, at least of the grand and conscientious people to whom I talked while there, was quite the same as I have found among the Society of Friends all my life. I say this without any reflection on that institution, because I recall one very fine ambulance organization that served in my war, the war in which I served, which is the one before the war in which the Senator from Pennsylvania served. That ambulance organization was composed, as I understood, entirely of members of that religious belief, and no one could have been braver.

I merely wish to call attention to the fact that it is not surprising that schools such as the ones the Senator has mentioned—and there are others on the list, which the Senator will recognize—have felt it was against their deep and conscientious convictions to participate in a program of this kind.

I thank the Senator for yielding.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield to my friend from Colorado.

Mr. ALLOTT. I compliment the Senator from Arizona for the position he has taken in this debate. I cannot help recalling when we passed the National Defense Education Act. As the Senator from Arizona knows, at that time I was a member of the Committee on Labor and Public Welfare. I believe I was the ranking minority member of the Subcommittee on Education. I not only had a great deal to do with the National Defense Education Act, but I also participated very strongly in regard to its passage by the Senate and through the conference committee.

I cannot forget that at the time there was a great deal of opposition to the bill in the U.S. Senate. I was one of those who felt we had to give our education processes, particularly as they related to defense, a big push. I felt that we had grown lackadaisical—perhaps apathetic—about our educational system. I came to the floor of the Senate at that time, with the Senator from Alabama and some others, and fought for the National Defense Education Act.

Upon what basis did we fight for that act? We fought for it upon the basis that we had to do something to get these people going, which would contribute to the defense of our country.

In such a situation I, like most other Senators, have taken an oath to my country, on several occasions. I took my first oath in the National Guard, when I was 16 years old. I took another when I went into the Air Force. I took an oath when I became Lieutenant Governor of Colorado, and I took one when I became district attorney. I took an oath when I entered the Senate. I may have taken others.

I cannot see how any American could feel that this would limit his mental capacity, his opportunity to have free thought or free study, and to be free in his objective thinking.

Last year I heard most of the arguments on this question, and I participated in the discussion. I should like to ask my friend a question. The arguments we heard last year were primarily to the effect that, "After all, if a man is a Communist, he will sign this affidavit and it will not mean anything, anyway." While I have been in the committee today, I suppose this argument has recurred on the floor of the Senate, or that it will recur. This is the type of cynical, frustrated thinking which I personally cannot condone. It seems to me that if one is to use such an argument, which was used extensively against the affidavit last year, one might as well say, "There is no use in administering an oath of office in the Senate, when Senators take office." We might as well say, if we

want to extend the thought, "There is no use in administering an oath to a witness who goes on the witness stand, because that witness may try to save his hide," or "may try to save himself from incarceration," or "may try to save himself from a very large judgment."

If we adopt this decadent philosophy—which it is—that a person does not mean what he signs, then we might as well stop administering oaths in the Senate. We might as well stop having our secretaries and employees of the Senate, as the Senator from South Carolina suggested, take oaths. We might as well do away with the entire procedure and rely upon the good will of everyone to do his best for his country.

The oath has a tradition of hundreds of years.

I note that the faculty of the University of Colorado is listed as disapproving of this affidavit. I know there are many members of that faculty who approve of it as strongly as others may disapprove of it. I cannot speak with regard to other institutions from personal knowledge, but I am sure that is true with respect to others.

Because this issue involves defense, we must try to build up the strength which will enable us to defend our country. We must develop mathematicians, scientists, and others who are proficient in foreign languages, so that we can communicate with other peoples of the world.

Despite this, the purpose of the bill before us is to say, "It does not matter whether these people have any concept of loyalty to the Government or not, they should not be imposed upon by being made to take such an oath." If we are imposing upon such people by requiring them to take an oath, I say we should let them go somewhere else, that we do not want them under the National Defense Education Act, because this is of vital concern and necessity to our country.

I deplore the decadent, frustrated, and cynical philosophy which says that when a person signs such an oath it does not mean anything. If we have reached that point in this country I say, "Heaven help us."

I thank my friend from Arizona, who has done such a beautiful job, for yielding these few moments to me.

Mr. GOLDWATER. Mr. President, will the Senator permit me to ask him a question?

Mr. ALLOTT. I shall be happy to have the Senator do so.

Mr. GOLDWATER. I recall with great pleasure that the Senator from Colorado served on the Committee on Labor and Public Welfare. I add that I wish the Senator were still with us, because we miss his strength and his judgment.

Is it the recollection of the Senator from Colorado that there is any act which carries the words "national defense" in the title, with respect to which money is to be disbursed, as is true in this case, which carries a similar oath or affidavit as a requirement?

Mr. ALLOTT. I could not answer that question completely, because I have never made a complete study of the question, but I can recall no instance in which such is not true.

Mr. GOLDWATER. Mr. President, I am not certain that is a truism. Thinking about several acts, I can see a pattern which must repeat itself in other acts.

Mr. ALLOTT. When the Senator was asking the question I was trying mentally to run over the acts in my mind. I can think of no circumstances where it is not true, although there may be some.

Mr. GOLDWATER. I thank my friends.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I am happy to yield.

Mr. HICKENLOOPER. I am sorry I was not able to follow all of the argument this afternoon, since the bill came before the Senate, but I have been occupied with committee matters which are rather important. I was able to come to the floor only a little while ago.

I should like to ask the Senator if I am correct in interpreting the measure now before the Senate. The measure now before the Senate, the Kennedy bill, S. 2929, in effect proposes to leave in the present act the so-called oath of allegiance to the United States, the oath to support and defend the Constitution, but proposes to eliminate from the present provisions of the National Defense Education Act the so-called disclaimer affidavit, the statement to the effect that the recipient of the loan does not belong to an organization which advocates overthrowing the Government of the United States by force or violence or by illegal or unconstitutional means; is that correct?

Mr. GOLDWATER. The Senator is absolutely correct. That is the intent of the proposed legislation.

Mr. HICKENLOOPER. That is my understanding. The thing which is completely mystifying to me is why anyone would desire to take that statement out of the act and not take out the oath of allegiance. It is utterly illogical to me, and completely ununderstandable.

I have said before that the only supportable argument which I know for eliminating the whole disclaimer affidavit and loyalty oath might be placed on the basis that certain other people who get Federal money do not have to take it. I refer to loans such as farm loans. I do not think it is a completely logical argument, but I say it is the only possible supportable argument. To eliminate the oath of disclaimer would in effect, unless the entire requirement were taken out and it was put on the basis of complete equality, say to teachers and others who advocate the provision being taken out, "Yes, go ahead and teach subversion. Go ahead and teach the philosophy of overthrowing the Government of the United States by force or violence or by illegal or unconstitutional means."

I should like to verify my understanding with the Senator from Arizona. The disclaimer, as I understand, as it exists in the law today, does not prevent any teacher from advocating orderly, constitutional, or legal change in the form or the legislative structure of this Government. Is that correct?

Mr. GOLDWATER. The Senator is eminently correct.

Mr. HICKENLOOPER. There is nothing in the law that provides a teacher cannot stand up and say, "I advocate or teach that a certain provision of the Constitution of the United States should be changed, but changed in the orderly due process provided by the Constitution." There is nothing in the law that prevents such teaching.

As I look over the list of colleges, I am shocked to see those that have taken a position opposing the disclaimer. There are some colleges in my home State that have taken such a position.

I do not recall having received a single letter from a student objecting to taking the oath or to signing the disclaimer. I have, on the other hand, received a substantial number of letters from college professors in two or three colleges in my State taking great offense, not because they are required to sign any such affidavit, but because students under them, who will be the citizens of tomorrow, are required to make this statement. So far as I can determine, the students are not objecting. There is not the least objection from students.

But we have a pedagogical philosophy that opposes the oath that seems to run rampant through our colleges, and the only way I can interpret the actions of such pedagogs is that they feel it is perfectly all right for them to stand in the classroom if they wish to do so and to teach the overthrow of this Government by force or violence or by unlawful, illegal, or unconstitutional means.

Such philosophy is completely beyond my ken. I cannot imagine any loyal citizen taking such a position or tolerating it in the United States of America. We have ample ways of changing our laws if we do not like them. If we want to change a policy—even if we want to change the Constitution—which we have done many times, we have the means to do so in an orderly manner.

I ask the Senator from Arizona if he thinks it would be proper for a teacher in a classroom to teach students how to do second-story work, to rob, to get into houses, and how to shoot a gun properly in the commission of a crime. Does the Senator think such teaching would be acceptable?

Mr. GOLDWATER. No, the junior Senator from Arizona thinks such teaching would be quite wrong, although from the amount of crime in this country I must suspect that there are such institutions.

Mr. HICKENLOOPER. I do not believe that even those who so loudly ask for the elimination of the disclaimer provision would stand up and say, "I ought to be able to teach in the classroom how to do second-story work, how to commit robbery, how to hijack trucks, or how to commit fraud or teach the arts of forgery."

Mr. GOLDWATER. Or to stuff ballot boxes.

Mr. HICKENLOOPER. Yes, or to stuff ballot boxes, although I do not believe they would go quite that far. But it is just as logical, under the heading of liberty of education and liberty of teaching, to say that teachers ought to be free to teach how to commit crimes of various kinds as it is to say that teachers ought to be permitted to teach the overthrow of the Government by force or violence or by illegal or unconstitutional means. I think the country is not aware of the language in the bill that these institutions are trying to get thrown out. There is nothing in that language which prevents freedom of teaching, within orderly, legal, and constitutional bounds, and it is only the teaching of the overthrow of the Government by illegal or unconstitutional means as such that the disclaimer proscribes.

I say it is incomprehensible to me why any American citizen should possibly object to such a statement. There is something more insidious behind this proposal than appears on the surface.

I do not know whether the Senator from Arizona agrees with me or not, but I think it is an ominous situation. In my experience we have seen periodic outbursts of so-called freedom of education proposals by people who object to any restraint on teaching communism and the militant overthrow of the Government. The subject has arisen periodically. Whether it is like the 17-year locust or not, I do not know, but it comes up about that often.

This is a provision that I simply cannot rationalize as an American citizen, and I do not believe thinking students can rationalize it. The only support that it seems to have comes from certain faculty members who seem to think that they ought to be free to teach philosophies that advocate the overthrow of this Government if they wish to, and they argue for it under the guise and the excuse of educational freedom. I cannot quite comprehend their reasoning. I thank the Senator from Arizona.

Mr. GOLDWATER. It is impossible for me to comprehend the workings of the academic mind as completely as I should like to, because I was exposed to them only for the better part of 1 year. I sometimes regret that I did not avail myself of the full collegiate career, but when I hear educators complaining about this provision of the law, I am rather glad that I put off my education until a later time.

Mr. HICKENLOOPER. I may say I was exposed to a little more college education than 1 year, but I think perhaps in many ways the Senator was fortunate, because in my own experience I have known certain teachers who literally taught subversion of the American system of government, sometimes in a very tactful way and sometimes in a very blunt way. What I have said does not apply to all teachers. The overwhelming number of teachers in this country are loyal, perfectly fine and perfectly rational teachers so far as the American system of government is concerned. But we do have a small coterie in many institutions in this country that keep festering with this philosophy under the guise of educational freedom. I have been exposed to some of them in the past.

I was exposed, prior to World War I, to a group of teachers who had been sent out to a college I was attending. They had been sent out from a university in this country which has since become rather well known for its so-called left-wing views. The teachers had been sent to the college that I was attending. If anyone ever saw a group which had a single purpose, namely, the weakening of basic confidence in the Constitution of the United States, it was that group.

They had their effect, I will say, on a number of students at that time. That has happened many times since.

However, the overwhelming number of teachers are just as stable, just as sound, and just as loyal to the United States and its system of government and its Constitution, as any citizen can be. I have received a number of letters from teachers advocating the rescission of this particular provision under discussion by us. I have received letters from more teachers, however, quietly saying that they see no reason at all for repealing this section; on the contrary, they see a great deal of good in retaining it.

So, so far as the teachers are concerned, I believe it is a small minority which is advocating the rescission, but, unfortunately, they have had an effect on faculty action in a number of colleges.

Mr. GOLDWATER. I thank my good friend. In conclusion, I wish to read a very brief part of an article appearing in the magazine the New Leader, which at its best cannot be considered a conservative publication. I should like to quote from an article written by Carl A. Auerbach, who is a professor at the University of Wisconsin, and has written frequently on the subject of civil rights. He makes a very good point when he says:

> I do not see how anyone can take the oath in good faith who believes in the overthrow of the United States by force or violence or by any illegal or unconstitutional methods. The oath seeks not only to elicit a promise of future behavior but also of future belief—to "bear true faith and allegiance to the United States." What is explicit in the disclaimer is implicit in the oath. If the oath is unobjectionable, so is the disclaimer affidavit; if the affidavit is objectionable, so is the oath.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KEFAUVER. Mr. President, with the permission of the acting majority leader, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. CLARK. Mr. President, reserving the right to object—and I shall not object—I am not the acting majority leader.

Mr. GOLDWATER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The clerk will continue the call of the roll.

The Chief Clerk resumed the call of the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and I ask further unanimous consent that I may retain the floor after the call is dispensed with.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, reserving the right to object, I was on my feet, addressing the Chair, before the Chair ruled.

The PRESIDING OFFICER. The Senator must object or fail to object.

Mr. CLARK. May I address a parliamentary inquiry to the Chair?

The PRESIDING OFFICER. The Senator may not.

Mr. CLARK. I object.

The PRESIDING OFFICER. Objection is heard. The clerk will proceed with the call of the roll.

The Chief Clerk resumed the call of the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that I may retain the floor.

The PRESIDING OFFICER. The Senator must make one request at a time.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GOLDWATER. Mr. President, I yield to the Senator from Tennessee.

AMENDMENT OF FEDERAL FOOD, DRUG, AND COSMETIC ACT

Mr. KEFAUVER. Mr. President, I introduce a bill for appropriate reference, and I ask unanimous consent that it may remain at the desk for 4 days, in order that other Senators may join as cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk as requested.

The bill (S. 3677) to amend the Federal Food, Drug, and Cosmetic Act to redefine the term "new drug" and to provide for the licensing of persons engaged in the propagation, manufacture, or preparation of drugs dispensed only upon prescription, and for other purposes, introduced by Mr. KEFAUVER, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. KEFAUVER. Mr. President, the reason for my asking that the bill lie on the desk for 4 days is that I have not had an opportunity to study the bill with members of the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary. The bill relates to matters which have been under discussion in connection with the investigation of the manufacture of ethical drugs, an investi-

gation which is being conducted by that subcommittee. Perhaps after such a discussion, other Senators, after examining the bill, may wish to join as cosponsors.

Hearings before the Antitrust and Monopoly Subcommittee on the administered pricing practices in the ethical drug manufacturing industry have not been completed. Yet facts now in the record that I, individually, have heard and considered show that some legislation should not await their completion. Hence, I have prepared and am sending to the desk for appropriate reference a bill to amend the Federal Food, Drug, and Cosmetic Act. It would redefine the term "new drug" and provide for the licensing of persons engaged in the propagation, manufacture, or preparation of drugs dispensed only upon prescription.

The term "new drug" would be redefined so as to require that new drugs would not only have to be safe but efficacious. The bill would also vest in the Secretary of Health, Education, and Welfare the duty of licensing persons engaged in the manufacture and sale of prescription drugs.

The drug hearings disclosed that the 20 largest drug manufacturers spend a large percentage of sales to promote the prescription of their products by doctors by brand names. As I have previously explained to this body, when a doctor prescribes a drug by brand name, the druggist can fill the prescription only with the brand the doctor specifies, even though he has other brands which are identical generically that are considerably less expensive. Despite the fact that different brands are identical generically, the contention was made at the hearings that identical products which met the safety requirements of the law, nevertheless, were for various reasons not equal in therapeutic quality or efficacy. I am satisfied that much of the high cost of drug products has come about as a result of this claim, whether it is fact or fiction. Hence, the requirement of this bill that the Food and Drug Administration pass on the efficacy as well as the safety of new drugs should make it more difficult to contend successfully that there is a difference between two brands which are identical generically and both cleared as to safety and efficacy. Thus, promotion costs of new drugs attributable to this contention could be saved and the price of new drugs lowered accordingly.

We cannot afford anything but the best drugs. There is not and should not be any room in America for first-, second-, and third-class drug products. In passing on efficacy as well as safety in new drug applications the Food and Drug Administration could go a long way toward eliminating any basis for the contention that there are second- and third-class drugs. Also of great importance is the section of my bill under which the Secretary of Health, Education, and Welfare is charged with the responsibility of issuing licenses to manufacturers of drugs which are sold only on prescription. Ample authority is also given the Food and Drug Administration to obtain the necessary and proper information upon which to base the issuance or the continuation of such a license. The bill also provides the necessary opportunity for judicial review of the licensing procedure.

Mr. President, I am satisfied that the enactment of the licensing section of this bill will result in great benefit to the public. If there are irresponsible "bathtub" manufacturers of prescription drugs, they can be eliminated or brought into line under appropriate licensing standards. No longer could one drug manufacturer say to the practicing physician that its products are better than another manufacturer's products if both are making the identical drug product under identical processes and procedures. Think, Mr. President, of the money being wasted today by promotional practices regarding brands that might be saved and reflected in the price to the ultimate consumer if this bill is enacted into law. I am satisfied that large numbers of physicians would prescribe drug products by generic names if this bill is enacted. If this were done, competition might very well come into play within the industry.

Mr. President, in offering this bill today I am fully aware that there are other areas where corrective legislation is needed in order to restore competition in the drug manufacturing industry. I am presently considering such legislation and it is my intention to prepare and introduce it at a later date. I know of no area where corrective legislation is more needed, not only to benefit the industry but the public as well.

Mr. President, I was much gratified that Mr. Flemming, Secretary of Health, Education, and Welfare, made several important legislative recommendations, many of which we have been talking about, in rough form, for some time.

We will welcome Mr. Flemming's suggestions and criticisms of the bill and his suggestions as to other legislative proposals. We hope we may work in cooperation with him toward the enactment of legislation which will bring down the cost of prescription drugs, so that they may become available to more persons who need them.

ELIMINATION OF AFFIDAVIT OF DISLOYALTY

The Senate resumed consideration of the bill (S. 2929) to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief.

Mr. GOLDWATER. Mr. President, I yield the floor.

Mr. PROUTY. Mr. President, I send to the desk an amendment in the nature of a substitute, which I am proposing on behalf of myself, the senior Senator from South Dakota [Mr. MUNDT], and the senior Senator from Wisconsin [Mr. WILEY]. I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause, and insert in lieu thereof the following:

That subsection (f) of section 1001 of the National Defense Education Act of 1958 (20 U.S.C. 581) is amended to read as follows:

"(f) (1) No person may apply for or receive any grant, payment or loan under this Act while he is a member of the Communist Party or any other organization having for one of its purposes or objectives the establishment, control, conduct, seizure, or overthrow of the Government of the United States, or the government of any State or political subdivision thereof, by the use of force or violence, and has knowledge of such purpose or objective of that party or other organization.

"(2) No person who within five years has been a member of the party or any other organization of the kind referred to in paragraph (1) may apply for or receive any grant, payment or loan under this Act unless his application for such grant, payment or loan is accompanied by a written statement, executed under oath, containing a full and complete disclosure of the facts concerning his membership in that party or other organization and the knowledge possessed by him during the period of his membership therein with regard to the purposes and objectives thereof.

"(3) Whoever knowingly violates paragraph (1) or paragraph (2) of this subsection shall be fined not more than $10,000, or imprisoned not more than five years, or both."

It is proposed to amend the title so as to read: "A bill to amend section 1001(f) of the National Defense Education Act of 1958."

Mr. PROUTY. Mr. President, I ask unanimous consent that, without losing the floor, I may be permitted to yield to the distinguished junior Senator from Connecticut [Mr. DODD].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DODD. Mr. President, I thank the Senator from Vermont.

Mr. President, I intend to vote for the removal of the disclaimer affidavit from the National Defense Education Act. But I do so without enthusiasm and indeed with a certain reluctance. I think there are some reasons which are of sufficient weight to justify the removal of this affidavit. But I also feel that most of the arguments on behalf of this bill are spurious ones. I disagree with the basic philosophy behind them and for that reason I wish to make my position clear and to suggest an alternative to the bill before us today.

I oppose the present disclaimer affidavit for two reasons. The first is that it is vaguely worded and loosely drawn. It requires a student to certify "that he does not believe in, and is not a member of and does not support any organization that believes in or teaches, the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods."

When we consider that teenage youths who sign this affidavit in bad faith are liable to criminal prosecution, it seems to me that the affidavit is extremely vague. What do we mean by "believe in"? Are we to try to punish beliefs as distinguished from acts? What do we mean by "support"? What are "illegal or unconstitutional methods" as distinguished from the use of "force or violence"?

We all recall that during the recent civil rights debate, it was not uncommon for the opponents of various amendments to describe those amendments as attempts to overthrow the Constitution

by unconstitutional or illegal means. And so I oppose this affidavit because it does not go directly to the mark, because it is unclear, vague, and subject to a variety of interpretations. And I oppose it for a second reason.

There is something rather distasteful about requiring our young people to sign a rather elaborate affidavit denying that they are Communists or subversives. But I do not make too much of this point. I believe the Government has a legitimate right to require a disclaimer affidavit if it serves a sufficient purpose. Nor do I believe that students ought to feel abused, or put upon, or maligned, or discriminated against if they are asked to sign such an affidavit as one of the qualifications for receiving valuable public benefits. I believe that if they approached their Government for help in the proper spirit of humility and allegiance, they would be able to sign such an affidavit without any grave misgivings. But there is something about this affidavit which seems to me to violate good taste. It is unnecessarily officious.

For these reasons, I will support the elimination of this affidavit. But in doing so, I would also like to point out my opposition to a number of arguments which have been brought forth against the loyalty oath and the affidavit which, in my judgment, do not hold water.

These arguments are used interchangeably against both the oath of allegiance and the disclaimer affidavit. We should remember that the bill which the committee brought to the floor last year eliminated both the oath of allegiance and the disclaimer affidavit. The report which the committee issued last year condemned both with fine impartiality although this year the report supports the oath of allegiance.

The broadsides issued by educators and groups opposed to this section of the act originally condemned both the oath and the affidavit and used the same arguments against both. This year, obviously as a tactical maneuver, many of these complainants say they can live with the oath, but it is clear that they are accepting it only as an act of expediency. They are unhappy with it and that once they get the affidavit eliminated, they will then move on against the oath itself. For this reason, my remarks today pertain both to the oath and the affidavit.

Mr. THURMOND. Mr. President, will the Senator from Connecticut yield to me?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Connecticut yield to the Senator from South Carolina?

Mr. DODD. Yes, I am happy to yield.

Mr. THURMOND. Is it not a fact that originally the proponents of the bill advocated abolishing both the oath of allegiance to the Constitution of the United States and the non-Communist affidavit?

Mr. DODD. That is correct, and that is what I referred to a moment ago. I made that point.

This situation intrigues me—namely, that the same arguments which now are made against this ugly disclaimer—and I say, and repeat, that I believe it is distasteful; I want that point to be clear—were also made, last year, against the oath of allegiance, although those who formerly protested against the oath of allegiance now say—this year—they will accept the oath of allegiance. I find that attitude on their part a suspicious one, and I have my doubts about their position.

Mr. THURMOND. And we find that those who formerly opposed both are now stating that they are willing to accept the oath of allegiance, do we not?

Mr. DODD. Yes.

Mr. THURMOND. Is it not the fear of the Senator from Connecticut that, later, some of them will try to have the oath of allegiance requirement repealed?

Mr. DODD. Yes, I think some of them will. I realize, of course, how dangerous it is to indulge in blanket generalizations and, particularly, blanket denunciations; and I know the Senator from South Carolina feels as I do about that.

But in answer to his question, I say that I am more than suspicious; I am fairly well convinced that, in the present situation, some of those who are behind the present proposal to repeal only the disclaimer affidavit really desire later to do away with the oath of allegiance, and will attempt to do so when they think they can get away with that.

Mr. THURMOND. As a matter of fact, when we analyze the situation, we find there is really no valid objection to either the oath of allegiance or the non-Communist affidavit. Does not the Senator from Connecticut think this bill grows out of a desire on the part of some of the people in this country to call themselves great liberals and to claim academic freedom, and so forth, whereas, as a matter of fact, this type of philosophy is inspired by Communists and fellow-travelers, and a lot of people have been misguided, and some warped minds have been misled into joining this movement?

Mr. DODD. I say to the Senator that is highly possible. However, I say again, because I want him to understand it clearly, that I do not believe in the disclaimer affidavit. I do not think the Senator was here when I made that statement. I said I thought it was officious. I could not find another word to fit. I have been searching my vocabulary. It is officious. It is repugnant to me. I do not think it is right to ask people to say under oath that they are not disloyal or that they are not members of a party advocating the overthrow of this Government.

My argument tonight is that, while I am against the affidavit of disclaimer, I do not want the RECORD to appear that I—and I think this is true of many other Senators here—have been "taken in" by what I think is a change of tactics. This is why, a little later, I shall have something to say about another proposal, which I hope will merit the support of the Senator from South Carolina.

Mr. THURMOND. I wish to thank the Senator from Connecticut for yielding, but I want to say that, so far as the Senator from South Carolina is concerned, he is in favor of retaining both requirements in the National Defense Education Act.

Mr. DODD. I understand. I thank the Senator.

The argument of these groups runs as follows: the device of loyalty oaths and affidavits is an invasion of academic freedom; it enforces an odious conformity; it is a tactic of the totalitarian state; it undermines true patriotism; it discriminates against and points a finger of suspicion at the entire educational community; it discriminates against the needy student by setting up a "double standard" within our colleges; and it creates suspicion and animosity between the U.S. Government and our educational community. This is a formidable list of charges, all of which I believe are not substantiated.

Does section 1001(f) of this bill constitute an invasion of academic freedom? If it does, the only implication to be drawn from this assertion is that the U.S. Government has no right to ask a student to affirm loyalty or to renounce any ideology whatever, or any organization whatever, as a condition for participation in Government-sponsored programs. I reject this interpretation of academic freedom. Under appropriate circumstances, the Government has every right to require of a student, a teacher, or anyone else a pledge of loyalty and an assurance of opposition to those forces that would destroy our Government by force or violence. This is a basic allegiance from which no American is exempt.

The educators who have written to me on this subject generally take the position that the student's right to inquire freely, to satisfy his intellectual curiosity, to criticize his political system, is challenged by the loyalty oath and the affidavit. I think this argument is specious. Freedom of inquiry is not even remotely at issue here. The student who presently signs up under the national defense education loan program has the same academic freedom as all other students. He may inquire into anything he chooses; he may satisfy his intellectual curiosity to the full; he may criticize his Government to his heart's content. But as a willing participant in a Government program aimed at strengthening the Nation's defense, he must be willing to affirm basic loyalty to our country and certify his opposition to treasonable acts against it. If the vociferous minority among the educational community that has blown this issue up into a major controversy contends that academic freedom embraces even freedom to engage in treasonable activities, they should say so, and make as good a case for that strange doctrine as they can. But unless they contend that academic freedom includes freedom to engage in treason, they have no justification whatever for dragging this issue into the current controversy.

The student has no legitimate reason for objecting to this oath on the grounds of academic freedom. But even if he does object, he is free to follow his false notion of academic freedom by remaining outside of the program.

Remember this. The Government established this program to promote the national defense. No one is required to participate. The Government stretches

out its hand for no one. Instead it is the Government that is sought out by the student. The student asks the Government to finance his education on the grounds that his contribution as an educated man to the total national strength will justify the Government expense involved in educating him. Having sought out the Government for aid, has the student the right to object to the exceedingly modest qualifications required by the Government?

There is an implication in the statements of some educators that the student ought to be absolutely free from all allegiance in order that he might pursue his scholarly inquiry unimpeded by any restrictions or reservations whatever. No one is free from all allegiance.

Neither the student, nor the clergyman, nor the doctor, nor the businessman, nor the laborer, nor the farmer is free from the obligation of professing this patriotism, and of defending the Nation against its enemies. None is spared from this obligation—least of all those who wish the Government to finance their education in order that they may more fully contribute to its preservation.

The next argument made in learned articles, and indeed in the committee report, is the implication that the loyalty oath is the tactic of the totalitarian state. The hideous specter of Hitler and the loyalty oath he required of the German academic world has been brought forth and equated with the provisions of this act. The record of other tyrannies is cited as evidence against this loyalty oath. There is an attempt to create the impression that the loyalty oath is bad of itself, that it is a tool of despotism and accompaniment of tyranny. Can anyone honestly see any valid resemblance between the oath that the criminal Nazi regime forced upon its academic world and the loyalty oath which our free Government requires as a qualification for voluntary participation in an educational program founded upon the needs of national defense?

A loyalty oath can be good or bad depending upon the object of the profession of loyalty. It can be sublime or it can be satanic. It can be noble or ignoble depending upon the thing to which loyalty is sworn. If vows of allegiance have been used by tyrannical governments, they have also been used by all free governments. If this is a practice of illicit groups, it is also the practice of religious organizations and the most worthy of fraternal and patriotic groups. If it is used by the forces of ignorance, it is also employed by the forces of enlightenment.

The compulsion by force of oaths of loyalty to a bad regime is wrong. The needless requirement of loyalty oaths to a good regime is absurd and foolish. But the modest requirements of an oath or an appropriate disclaimer as a qualification for voluntary participation in a Government program geared to the national defense is so obviously right and just and reasonable that any comparison between it and anything remotely connected with Hitler is inexcusable, and ought not to pass unchallenged.

Page 7 of the committee report states the following:

> The wholesale extension of loyalty oaths to free citizens will ultimately and most insidiously weaken rather than strengthen loyalty to the Nation. For loyalty is not to be equated with formal outward expressions. Historically, we know that it is precisely those societies which have been most tyrannical that have insisted on frequent and formal expressions of loyalty by its citizens. Loyalty to country is a spiritual quality; it cannot be coerced nor is it strengthened by automatic, unthoughtful responses to stock questions.

There is a whole series of irrelevancies in this paragraph which I would like to point out.

First of all, the present act as it stands today does not involve any wholesale extension of loyalty oaths. It is a selective extension to a selective group of volunteers for a specific purpose. None are required to participate; all who do so participate on their own initiative. There is here no coercion, no "automatic, unthoughtful response to stock questions."

It is the intent of this oath, and the affidavit as well, that it be taken with careful thought and with serious reflection. The committee report itself regards the oath as so serious a matter that it considers the false taking of such an oath as a sufficient reason for imprisonment. And as for the rest of that paragraph, I ask my colleagues, was your loyalty insidiously weakened by the morning pledge of allegiance which you took each day as a school child? Was your loyalty undermined by the repeated singing of our national songs in school or at the ball park or at political meetings? Was your loyalty weakened by the repeated oaths of office, all of which the committee apparently place in the category of "automatic, unthoughtful responses to stock questions"?

Another argument made is the assertion that this act involves discrimination against the educational community. It is said that no other programs involving the extension of Government benefits require a loyalty oath and a disclaimer of disloyalty and that to level this requirement at the educational community alone is discriminatory and points the finger of suspicion at education.

There are three answers to this assertion. The first is that the aid given under the National Defense Education Act is not to be equated with other general Federal aid programs. In this instance, the educational community is treated differently because the nature of this program is different. The object of this program as I have said repeatedly before is, "to insure trained manpower of sufficient quality and quantity to meet the defense needs of the United States." It is not a general aid to education statute such as the Senate passed a few months ago, without any loyalty oath requirement.

The second answer to the charge that this act is discriminatory against education is that there is a sound reason for the distinction between what is required of the beneficiary under the National Defense Education Act as opposed to the requirements of beneficiaries of the farm program, the FHA program, and the social security program which are most commonly cited as comparable examples.

Participation in the social security program requires a complete disclosure of one's income status and compulsory taxation irrespective of the wishes of the person involved.

Participation in the farm support program requires the farmer to put up his crop as collateral for the loan the Government gives him.

In the case of the FHA beneficiary, his house is collateral.

No such requirement is made of the student. The only collateral that the Government can hope for from him is his good faith, his loyalty, his patriotism, his devotion to the country which is educating him in the interests of its own defense.

If he is unwilling at the start to make a formal statement of such good faith, whether because of disloyalty or because of mixed-up ideology, then he can hardly be considered a good risk. For our Government to fail to make some attempt to satisfy itself as to the good faith of the beneficiaries of its loans would appear to me to be gross negligence.

The third response to this point of discrimination is that in the field of education, unlike that of the farm program or the social security program or the housing program, a person's basic philosophy is of necessity a crucial element. Whether the farmer or the homeowner or the social security beneficiary as such is dedicated to our concept of government is irrelevant to the success of those particular programs. But whether the man or woman who is educated to enhance the contributions he can make to the defense of his country is loyal is of fundamental importance. The student is expected to make an ideological contribution to society. He is expected to contribute to the world of ideals, of concepts, and as such, his philosophy on the one fundamental question of loyalty to his country is legitimate and highly relevant and ought to be determined insofar as it is possible to do so—before Government money is expended on his education.

To those who say that a loyalty oath or disclaimer of disloyalty will not inculate patriotism, I say that no one has argued that this is its fundamental purpose.

Section 1001(f) is not aimed at creating loyalty. The Government assumes that except in rare cases a person taking the oath is already loyal, although it considers it worth while to remind him of his obligations and his responsibilities to his country.

The purpose of this section of the act is rather to deter the disloyal from attempting to get Government benefits. It may well be that this form of deterrence is inadequate. If so, we should try to make it more adequate. But I believe that those who have a record of disloyalty and who are immune from the Smith Act under the gravely weakened status of that act arising from Supreme Court decisions would be reluctant to run the risk of providing the Government with a means of prosecuting them. I do not expect these provisions to be too

effective but I think they would have some effect, and if we made no attempt at all to deal with this problem we would be negligent in our duty.

Then we have the argument that this act discriminates against the needy students by setting up a double standard which requires loyalty oaths of the needy but leaves the other exempt and undefiled. This is rather a laughable argument coming from those supposedly trained in logic. It could be said with just as much sense that the Government sets up a double standard and discriminates against a large body of students when it finances the education of some and does not finance the education of others. The use of the word "discrimination" in this context obviously refers to the dictionary definition "an unfair or injurious distinction." It is a symptom of something seriously wrong with a segment of our educational community that they should protest against an oath of allegiance to their Government and a renunciation of its enemies on the grounds that it demeans such a student by requiring him to perform an odious, unfair, and injurious act.

Is it not truer to say that the Government under this act singles out the needy student in order to help him? Is it not truer to say that it singles him out for benefits rather than burdens, for preferment rather than mistreatment? And that the loyalty oath is merely an obvious necessity arising from this preferment?

The only group discriminating against the needy student so far as this issue is concerned are those few colleges which have abolished the loan program by which the needy students might have received an education in the college of their choice.

Finally, we have the argument that this act has unnecessarily stirred up friction, suspicion, and resentment between the educational community and the U.S. Government. The fact is that a minority of about 30 or 40 colleges in the land—out of 1,350—have withdrawn from the loan program. The fact is that this minority has stirred up resentment against the U.S. Government and blown up this controversy to as great a size as it could. The fact is that a minority of colleges and universities are boycotting the U.S. Government and, having done so, they have the gall to claim that they are the offended parties, that they are the innocent victims of the friction and suspicion and resentment.

The tactics of these colleges and educational spokesmen have been one of the reasons why I am reluctant to make any change in this act. This act has only been on the books for less than 2 years. The loyalty oath and affidavit provisions were inserted in the act rather perfunctorily, according to the remarks of the junior Senator from Massachusetts last year on the floor of the Senate. There was no intent by the Congress to offend the educational community or arouse its resentment. Had the representatives of that group come to the Congress in a reasonable manner and quietly sought to work out their differences, I have little doubt but that the Congress would have gone very far to meet their objections.

But instead they chose to repudiate a Government program. Instead they chose to stir up the students against this act which was aimed to benefit them and the Nation's defense. Instead they chose to liken our Government to the Nazi regime of Hitler, to shed crocodile tears, and to put on an air of persecution.

If there is friction between the academic world and the Government as a result of this oath controversy, it is the academic world which must take the major blame.

I am very reluctant to yield to this kind of tactics. My tendency would be to let these colleges and universities that are boycotting their Government continue to do so. Let them stay out of this program and all future Government programs aimed at helping students and schools.

But I would much prefer an alternative under which the legitimate requirements of the Government can be satisfied in a way least offensive to what I consider are the misguided spokesmen of a minority of the educational world.

Last year, this bill was sent back to committee because the Senate was dissatisfied with it as it stood. The committee was expected to hold further hearings and to return with a bill which provided more safeguards against the disloyal applicant than is contained in the mere oath of allegiance as it is presently worded.

In the face of this the committee held no public hearings, made no changes in the bill, and has returned to us for consideration the exact bill we recommitted last year.

Therefore, I believe that the Senate should do here on the floor what the committee was expected to do. To that end, I introduce and send to the desk an amendment to amend the present wording of the loyalty oath by including in it an express definition of the enemies of the United States against which the student pledges to defend our country in the present oath.

I agree that loyalty in its significant form cannot be brought about by the taking of oaths. But neither can it be encouraged by the calculated avoidance of all manifestations of loyalty. Loyalty to our Government is a moral and rational obligation binding upon every American. And the open profession of this loyalty is also an obligation binding upon all Americans under appropriate circumstances. The oath in the present bill is an appropriate expression of loyalty. And I therefore support it and seek to strengthen it. The affidavit, in the present bill, is legitimate in concept but objectionable in its present wording and unnecessary to achieve the legitimate objectives it seeks. I believe that the solution which I propose will preserve the just claims of the Government against the unwarranted assumptions of some of the academic world and will at the same time remove whatever legitimate grievances this group may have while yet protecting in some measures the national defense education program from being misused for the benefit of disloyal Americans.

I prepared an amendment, which I shall place in the RECORD. The amendment stands between those who believe that we should have a disclaimer affidavit and those who believe it should go out. It is a moderate position. I doubt now, from what I heard a few minutes ago, that it will be acted on. However, since I spent some time on it, and perhaps because the question may arise again, I should like to make the amendment and the explanation I had proposed as a part of the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

AMENDMENT INTENDED TO BE PROPOSED BY MR. DODD TO THE BILL S. 2929

Following the word "domestic" on line 3 of page 2, strike out the period and add a comma followed by the words "including the Communist Party and any organization which advocates the forceable overthrow of the Constitution or the laws of the United States of America."

EXPLANATION OF DODD AMENDMENT

The present oath of allegiance required in the National Defense Education Act reads as follows:

"I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic."

My amendment would add to the end of this oath the following phrase: "including the Communist Party and any organization which advocates the forceable overthrow of the Constitution or the laws of the United States of America."

I offer four reasons for the adoption of this amendment.

First, it seems to me logical that an oath which includes a pledge to defend our Constitution and laws against all enemies, foreign and domestic, should include at least a basic definition of what is meant by foreign and domestic enemies.

Second, the committee report lists as one of its reasons for eliminating the affidavit the contention that the oath of allegiance itself provides sufficient protection against the use of this act by disloyal persons. The committee report contends on page 3 that should a member of the Communist Party or of any other subversive organization take the oath of allegiance contained in this act, he would be subject to criminal prosecution for nondisclosure of such membership. The committee further contends that even if the student were not a member of any such organization at the time of his loan application but later joined the Communist Party, he would be liable for prosecution at the time he joined the Party if he were still receiving loan installments.

Under these circumstances, I believe that the wording of the oath should be so clear-on this subject as to prevent any confusion on the part of the student or leave any pretext for the excuse that the student took the oath in good faith without realizing its full implications. My amendment, by singling out the Communist Party as an enemy of the Nation and by clearly defining as enemies all organizations which seek the forceable overthrow of our Government, removes this vagueness in the present oath of allegiance.

Third, in his minority views on page 18 of the report, the able junior Senator from Vermont, Mr. PROUTY, quotes Freeman W. Sharp of the American Law Division of the Legislative Reference Service, who points out that there is grave doubt that membership in the Communist Party would be construed by the courts as a violation of the present oath of allegiance but that the Communist Party member who signed the affidavit, which goes further in defining what

are the enemies of the United States, would be in violation of the false swearing provisions of section 1001 of the U.S. Criminal Code.

Therefore, if the committee majority is right in maintaining that Communist Party membership would constitute criminal violation of the oath of allegiance, we owe it to those taking the oath to clearly single out what we mean by enemies of the United States. If, on the other hand, Senator PROUTY and the sources he quotes are correct in contending that a clearer definition of foreign and domestic enemies is needed than that contained in the present oath, we owe it to the country to provide that clearer definition as I have done in my amendment.

Fourth, the elimination of the disclaimer affidavit, if not compensated for by other action, would leave the impression that the right of our Government in this matter is limited to calling for a vague, affirmative oath of allegiance and that the Government may not also require a clear statement of opposition to the unquestioned enemies of our country. This is a concession that it is not necessary to make and that I am unwilling to make.

In summary, my amendment merely defines the enemies against which the loan applicant pledges to defend the Constitution and laws of the United States. This addition to the oath implies no disloyalty nor does it go beyond the oath itself in requiring what some people resent as negative disavowals.

Mr. DODD. Mr. President, because of certain advice which I have received, I shall not offer my amendment. I have read it into the RECORD.

I shall conclude by saying that I hope we can clear up this situation and be done with it. I hope that never again shall we have this kind of furor raised in this country, with a great many people frightened and intimidated and confused, not by the forces of government, but by some people inside academic communities and outside academic communities who have axes to grind.

Mr. DIRKSEN. Mr. President, we have had some discussion with reference to the Prouty amendment, and it is my understanding that with a few slight modifications the amendment is acceptable to the proponents and sponsors of the repeal bill which is before us. We are agreeable to these modifications, and I think I speak for the Senator from Vermont.

Mr. PROUTY. Yes.

Mr. DIRKSEN. In respect to those whose names are on the agenda to speak, I ask unanimous consent that their remarks may be inserted in the RECORD, since the schedule was unpredictable, and they had some commitments. With that understanding, I have no particular desire to have a quorum call or even to ask for a yea-and-nay vote. We can approve this bill; as I suggested to the Senator from Massachusetts, and if any refinements or modifications are necessary, there will still be an opportunity to do so, either here are in conference.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I understand that the amendment is in the nature of a substitute. Is that correct?

Mr. DIRKSEN. Yes.

Mr. KENNEDY. I accept the amendment. I still prefer the bill that was reported by the committee. I think the substitute follows the precedent we followed in the case of the labor bill which was passed last year, when we enacted a similar section and when we were unable to repeal the affidavit the year before. My judgment is if we accept the language of the amendment of the Senator from Vermont we will have a better chance of carrying this effort through to successful completion this year. After all, our objective is not merely action in the Senate, but by the House also.

It is my judgment that in the atmosphere which exists in Congress in June of this year, we have a much better prospect of carrying the amendment in the nature of a substitute, offered by the Senator from Vermont, through the Senate and the House than we would have in carrying the committee bill. I think, therefore, that the amendment in the nature of a substitute will be greatly preferable to the present law. It will result in the repeal of the oath and the affidavit. It will subject those who accept money from the Government, and who are members of the Communist Party, to severe penalties, the same as is provided in the committee bill.

I express my appreciation to the Senator from Vermont for suggesting what I consider to be a happy compromise.

Mr. PROUTY. I appreciate the statement of the Senator from Massachusetts. I point out that while I myself have had no objection to the loyalty oath or the disclaimer affidavit in existing law, nevertheless I know there are objections, for various reasons, in the minds of some persons who are very sincere.

I shall not take much time. I know many Senators wish to leave because of the lateness of the hour. However, I point out in the speech which I had intended to deliver, but which I shall insert in the RECORD, that I think it is quite conclusive that the amendment which I have offered, while it removes the objectionable procedures which are in the minds of some persons, is still much stronger than existing law.

I treat that at some length and discuss it in detail. I discuss the relationship of the amendment with the Smith Act, the Internal Security Act, and various other facets of the security program. Nevertheless, I believe the amendment protects the American people. Actually, it is tougher, so far as subversives are concerned, than the present law. It does away with the features of the affidavit and the loyalty oath.

Mr. President, I think that at this time I should ask to modify my amendment in a very mild form.

On page 1, line 4, of the amendment, which is at the desk, I propose to strike out "establishment, control, conduct," so that the language will read, "having for one of its purposes or objectives the seizure or overthrow of the Government of the United States."

The PRESIDING OFFICER. The amendment will be so modified.

Mr. DODD. Mr. President, will the Senator yield?

Mr. PROUTY. I yield.

Mr. DODD. I have seen a copy of the amendment. Do I correctly understand that the Senator's amendment actually does away with both the oath and the affidavit?

Mr. PROUTY. That is correct.

Mr. DODD. So the bill is left without any provision for an oath?

Mr. PROUTY. That is correct; there is no oath whatsoever. I am sorry I have not had an opportunity to make my speech in full. If the Senator from Connecticut will read the individual views in the report, he will find a set of questions which I presented to the Department of Justice and also to the Legislative Reference Service of the Library of Congress.

Both those agencies suggest that the oath is absolutely worthless; that a Communist could not be convicted under it. They point out, for example, that one who was not a Communist and who took an oath in good faith, but who 3 or 4 months later became a Communist, could not be guilty of a crime.

They also point out that one who is actually a Communist could take an oath of office today, based on court decisions and statutes at the present time. It is rather convincing that both agencies believe that the oath does not carry very much weight.

Mr. DODD. Is it to be understood, then, that the purpose of the oath was only to lay a foundation for criminal prosecution? Does it not have any other value?

Mr. PROUTY. I do not believe it does even that, according to the best legal talent with whom I have been in contact.

I call the attention of the Senator to the question which I posed on page 16 of the report:

> Would an individual, who is not a member of a subversive organization at the time he makes application for benefits under the National Defense Education Act, but who later joins such an organization while receiving benefits under the act, be guilty of a criminal offense if he had executed the oath of allegiance set forth in S. 2929?

I raised this point with the Department of Justice, and John D. Calhoun, Assistant Deputy Attorney General, had this to say:

> We are unaware of any criminal statute which would be applicable to the facts as set forth in your letter. Generally, the provisions of the statutes relating to perjury and false statements are applicable to statements which are alleged to be false at the time they were made, and, in our judgment, they would have no application to activities in derogation of the oath at a date subsequent thereto.
>
> Moreover, even though the oath of allegiance set forth in S. 2929 be construed as a promise for future conduct, there is serious doubt whether in the circumstances described in your letter, an individual would be liable to criminal punishment for a subsequent failure to abide by the oath.

The Legislative Reference Service of the Library of Congress subscribes to the same opinion, and there are innumerable court cases which, I believe, sustain those views.

Mr. DODD. Then it seems to me that all we have done is to effect a compromise. We have abandoned the oath on the ground that it is not enforcible;

on the ground that one who took the oath could not be punished.

Is there not something more to an oath of allegiance than the possibility of punishment for falsely executing it? I was brought up to believe that an oath of allegiance was an act of loyalty and faith in and support of something which was worthwhile.

Mr. PROUTY. I have no objection whatsoever, and never have had, to an oath of allegiance or to an affidavit. I have taken such an oath many times.

Mr. DODD. I do not believe the Senator ever has had objection, but I feel certain there have been persons who have had. In a subtle way they have conjured up or dragged up many other arguments about the nonenforcibility of a criminal statute, and they may have won a great victory through sabotage of the bill tonight by having the Senate abandon the simple oath of allegiance to the country.

Mr. PROUTY. I cannot entirely agree with the Senator that subversive influences have won a great victory, because the law, as provided in my amendment, will be stronger and more realistic than the provisions of existing law.

I am sympathetic to the Senator's attitude with respect to persons who hesitate or decline to take the oath of allegiance. Such action cannot be justified on any ground. Nevertheless, we must face up to the reality. We will have a law which will be stronger than existing law. It will protect the Government against subversive influences, whereas the existing law, in many instances, does not.

Mr. KENNEDY. Would the Senator from Connecticut want to have it go out to the country that if the Prouty amendment is accepted, the forces of subversion will have won a great victory in the Senate?

Mr. DODD. I did not say anything of the kind. What I said, was that some persons are active for the repeal, in the first place, of the oath of allegiance.

The program a year ago was to accomplish exactly what will be done by the Prouty amendment if we strike out or abandon the oath of allegiance and disclaimer of disloyalty.

I said earlier, while the Senator from Massachusetts was not in the Chamber, that I thought there was something distasteful about a disclaimer of disloyalty, but that I thought an oath of allegiance or loyalty was a very simple and decent thing.

I said I thought there were people who were using the same argument against the oath of allegiance as they were using against the disclaimer of disloyalty. That was the point I raised in connection with the amendment of the Senator from Vermont.

Mr. KENNEDY. I was confident of that, but I did not want to have any misreading of what the Senator from Connecticut had said, or any misreading of his intention. As the Senator from Connecticut knows, the bill which the committee reported to the Senate contained an oath of allegiance. Personally, I do not object to continuing the oath of allegiance, if there is a feeling in the Senate that that would be desirable.

Mr. PROUTY. I certainly have no objection.

Mr. KENNEDY. If the Senator from Connecticut would like to propose that as an amendment to the substitute, I would accept it.

Mr. DODD. I would. I think it is an entirely right action for us to take.

Mr. DIRKSEN. Mr. President, will the Senator from Vermont yield?

Mr. PROUTY. I yield.

Mr. DIRKSEN. When this matter came before the Senate in July of last year, the great controversy which arose was over the disclaimer, not over the oath; and the only effort made at that time was to repeal the disclaimer. The bill went back to the committee, as I understand, on a recommittal vote of 49 to 42; but at no time was there any real discussion about taking out the oath. At one time it was said that it was not required of other groups which received loan funds from the country. But never was there any real objection to the oath itself.

I think this entire situation can be cured if the Senator from Vermont, instead of offering his proposal as a complete substitute for the bill, will offer his proposal as an amendment to the bill which now is before us, which preserves the oath. Then we shall have the oath and also an enforceable provision with respect to any applications for loan funds by persons who belong to or have belonged to subversive organizations, but have not disclosed that fact. I believe that in that way the difficulty would be cured. I respectfully make that suggestion to the distinguished Senator from Vermont.

Mr. DODD. I concur in the suggestion.

Mr. PROUTY. Mr. President, I ask that I may submit my amendment, instead of an amendment in the nature of a substitute for the entire bill, as an amendment to the bill.

The PRESIDING OFFICER. The Senator from Vermont has a right to modify his amendment; and it will be modified accordingly.

Mr. KENNEDY. Mr. President, certainly the Senator from Vermont has a right to modify his amendment; and I believe the Senator from Connecticut has made a valuable suggestion.

Mr. DODD. I thank the Senator from Massachusetts for the compliment.

Mr. PROUTY subsequently said: Mr. President, I ask unanimous consent that the remarks I intended to make be printed in the RECORD just prior to the taking of the vote.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PROUTY

In the interest of self-preservation, an element in any society, in the interest of guarding our republican form of government guaranteed to the States by article IV, section 4, of the Constitution, in the interest of providing for the common defense and securing the blessings of liberty, the Federal Government has the right and the duty to avoid taking any action which would further the interests of those inimical to the United States.

The duty of the General Government was made unmistakably clear in the writings of James Madison in the "Federalist Papers." This is what the father of the Constitution had to say:

"In a confederacy founded on republican principles and composed of republican members, the superintending government ought clearly to possess authority to defend the system against aristocratic or monarchial innovations * * * but who can say what experiments may be produced by the caprice of particular States, by the ambition of enterprising leaders, or by the intrigues and influence of foreign powers?"

The history of mankind has taught the unforgettable lesson that excessive and misguided protection of individual privilege ill serves the cause of freedom. Without some legislative restraints on individual privilege, there is neither law nor liberty.

If there is one overriding issue in the debate which is now taking place, it is whether the Federal Government should permit Communists and other subversives to partake of benefits under a statute which was adopted in order to strengthen our defenses and to assist in the development of our scientific capabilities to meet the cold war which may currently become a hot war.

In some ways, it is ironic that the Senate should be considering such legislation at a time when the tensions between the East and the West have reached an all-time high. The National Defense Education Act of 1958 was adopted in order to assist students who would otherwise financially be unable to pursue courses that would enhance their effectiveness in the defense of the United States.

Title I, section 101 of the National Defense Education Act reads as follows:

"The Congress hereby finds and declares that the security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women. The present emergency demands that additional and more adequate educational opportunities be made available. The defense of this Nation depends upon the mastery of modern techniques developed from complex scientific principles. It depends as well upon the discovery and development of new principles, new techniques, and new knowledge.

"We must increase our efforts to identify and educate more of the talent of our Nation. This requires programs that will give assurance that no student of ability will be denied an opportunity for higher education because of financial need; will correct as rapidly as possible the existing imbalances in our educational programs which have led to an insufficient proportion of our population educated in science, mathematics, and modern foreign languages and trained in technology.

"The Congress reaffirms the principle and declares that the States and local communities have and must retain control over and primary responsibility for public education. The national interest requires, however, that the Federal Government give assistance to education for programs which are important to our defense.

"To meet the present education emergency requires additional effort at all levels of government. It is therefore the purpose of this act to provide substantial assistance in various forms to individuals, and to States and their subdivisions, in order to insure trained manpower of sufficient quality and quantity to meet the national defense needs of the United States."

This statement establishes the fact that the Congress in enacting this legislation was concerned with promoting our national se-

curity and not with a general program of aid for education. American technology, particularly in the applications of science, has been acclaimed throughout the world. It is too often forgotten, however, that most of the fundamental sciences upon which this technology rests were first developed abroad. This applies to the basic laws of physics formulated by Galileo, an Italian; Newton, an Englishman; and more recently, Einstein, a German.

Every Member of the Senate is well aware of the advances in the chemical industry which were made by the Germans during the latter part of the 19th century and the first quarter of the 20th century. In fact, until after World War I America's chemical industry was not of too great importance in our economy. When German dyes, pharmaceuticals, and other products were denied to us, American efforts developed a preeminent chemical industry.

While America was the first Nation to apply atomic energy, the basic scientific research in nuclear fission stems from the studies of Rutherford of England, Niels Bohr of Denmark, Planck of Germany, Madame Curie of France, Enrico Fermi of Italy, and countless other gifted scholars. The enactment of the National Defense Education Act was in part a result of America's awareness of the need to advance our basic knowledge following Russian successes in the exploration of our space. Here again, we were assisted by the experience of Wernher von Braun, a gifted German scientist who became a loyal U.S. citizen.

All of those who provided the fundamental scientific knowledge upon which our advanced technology rests received a disciplined education in these basic fields in other countries that was not available in most of our educational institutions until recent years. We had a vast new country to develop and exploit, and our efforts were devoted to training engineers who could invent and develop equipment which applied the knowledge already available. Our educational institutions were concerned with the development of those instruments of production that were necessary to make the maximum use of our vast resources.

I am still a firm believer in the fact that our own technology is superior to the Russians because under our security system we do not reveal all that we have accomplished for propaganda purposes. On the other hand, since we do enjoy a free press, any failures are immediately noted and brought to the attention of the entire civilized world. This, in a large sense, explains Russia's claims to outdistancing America's performance in the exploration of outer space. Yet, once again, it is important to maintain our perspective, and it should be noted that most of the satellites presently in orbit were launched by the United States of America, and not by Russia. Furthermore, they have far more advanced equipment to record and transmit pertinent data which enhances our knowledge of the outer atmosphere than their Russian counterparts. Our military capabilities have been demonstrated by the successful launching of an Atlas missile on Friday, May 20, which covered a range from Cape Canaveral to the Indian Ocean below the southern tip of Africa.

A report submitted by the President's Science Advisory Committee on May 24, 1959, reviews the position of science and technology in the world of today. Portions of this document, which was prepared by a group of our leading academic scientists including Dr. James R. Killian, Jr., chairman of the Massachusetts Institute of Technology, formerly Special Assistant to the President for Science and Technology, as well as the present occupant of that post, Dr. George B. Kistiakowsky, read as follows:

"Science, engineering, and technology have obviously been responsible for a host of conspicuous changes at all levels of our modern civilization. There is much reason to expect that such changes will continue, and will indeed accelerate. There is no way to turn back the clock or to turn off scientific advance. There will be no international moratorium on science or technology. The people of the United States, on the most practical grounds, must accept and support these propositions. By ignoring them, or by fostering them only with reserve, they could doom their Nation to unnecessary weakness and backwardness in a world where other nations are not so foolish. Alfred North Whitehead said in 1916:

" 'In the conditions of modern life the rule is absolute: The race which does not value trained intelligence is doomed. Not all your heroism, not all your social charm, not all your wit, not all your victories on land or at sea, can move back the finger of fate. Today we maintain ourselves. Tomorrow science will have moved forward yet one more step, and there will be no appeal from the judgment which will then be pronounced on the uneducated.'

"This is even more forcibly apparent in 1959 than it was in 1916. It follows that we must educate more, and especially we must educate better scientists and engineers. But this is not enough. We must have trained specialists in many fields. Even then we would not be successful if, having such specialists, the American people were merely to applaud and reward them for their contributions while still thinking of them as useful strangers, dimly understood and more feared than admired. Hence, we must also cultivate a widespread dedication to and respect for learning in all fields, and a deep understanding between the public and the experts.

"GROWTH OF SCIENCE

"The story of man has from the very beginning involved his progress in the conquest of nature, and, less successfully, his effort to understand himself and to live amicably with his fellow men. Here we are concerned with the accelerating conquest of nature which began in prehistory and proceeded in spite of superstitions, of magic, and of taboos. Yet modern science had its beginnings only 300 years ago, and since then our ability to understand nature has grown by leaps and bounds and at an ever-accelerating rate. Twentieth-century advances in the techniques of research in applied science, replacing the simpler process of invention, have aided the explosive growth of modern industrial societies.

"Science affects the life of every contemporary man every day. It conditions decisions that need to be made by his government on many matters, including national defense, foreign policy, and public health. It affects the decisions made by individuals on business problems, on selecting a community in which to live, on choosing an automobile, a record player, or perhaps even a dentifrice. If an individual is ignorant of science he must guess what to do or else believe what he is told. Even if he is told what to do by an expert, he has no way to check on this advice or even to understand it. This unhappy predicament is precisely that of most citizens of the United States today. Their fate in important matters and in trivial matters alike may thus be decided without their participation. And it will not be otherwise so long as they remain illiterate about science and technology.

"The march of science and technology is of growing importance to every American as a citizen. Congress regularly appropriates huge sums for scientific research and even larger ones for engineering and development; yet a majority of the voters have little grasp of what this is all about. Do we, for example, seek to make shots at the Moon, or send vehicles to Mars, in order to extend scientific knowledge alone—and, if so, how much is that effort worth? Is our primary purpose to launch such vehicles before the Russians do for the sake of impressing the rest of the world? Then how much are such achievements worth? To what extent do these space ventures attain primarily a strengthening of our military capabilities? If our space ventures essay all of these purposes simultaneously, we must still have judgment on the weight to be given to each purpose. To be able to think beyond the press releases and publicity statements, to understand the background of national debate requires a greater comprehension of space problems than that provided by science fiction or the comic strip.

"Yet the field of space research is only one important field of modern technology which is of concern to the average citizen. There are other fields involving communications, transportation, and human health. But are there still others which we do not recognize at all? Is it because no comparable sputnik has awakened us? The shocks provided by achievement elsewhere may not be an adequate guide to our progress or our efforts. A national effort is required to strengthen our scientific and technological efforts in all fields, aimed at the advance of knowledge and the enhancement of the general welfare. In a democracy such an effort can succeed only if it has widespread public understanding and support.

"In a frontier society, such as that of America of 100 years ago, it was natural that physical prowess and bravery, inherent in the pioneer, should have been held in high esteem. Today the frontier is intellectual; the scholar, the research worker, the scientist, the engineer, the teacher are the pioneers.

"Until recent years the total intellectual capacities of our Nation have never really been fully challenged. But they are being challenged today. Our intellectual resources will be adequate to meet our needs only if all the brain power of our population is fully developed and utilized. Well-trained minds are among the most critical of our present national assets among the scarcest and most valuable of our resources.

"Fortunately, Americans of high talent can be found in every field of human endeavor, in teaching and in music, in art and in craft, in science and in economics; we have produced brilliant clergymen and philosophers, engineers and lawyers, doctors and politicians. We need high-quality leadership in all these fields; we need to make sure that the young potentials for such high-quality leadership are developed and not wasted. To this end intellectual excellence needs to be fostered, rewarded, and applauded. Though the star athlete may remain a hero, it is now evident that an even deeper recognition ought to be given to the scholar. An enhancement of the Nation's desire to learn and an increase in its respect for intellectual excellence have become essential to national progress, and even to survival. Whatever importance we may attach to the acquisition of physical and mechanical or social skills, they must not be mistaken for, or replace, the acquisition of intellectual competence.

"It is true that as the schoolchild grows into the adult, he must accept adult responsibilities as a member of a family, a member of society, and a wage earner. But it does not follow that schools should overemphasize vocational skills or personal adjustment and social techniques at the expense of intellectual subjects. When social and technological change took place more slowly than it does now, it was sometimes possible for one generation directly to teach the next the practical skills that experience

had developed. But social and technological change are now taking place too rapidly for this kind of instruction to be the best method of preparation for adult responsibilities. The vocational necessities remain, but the best help our schools can now give many students is an intelligent understanding of the world in which they live—a basis on which they can begin to think and learn for themselves so that they will not be lost or supine in the changing world of tomorrow.

"There is much more to learn than there was 100 years ago and hence the learning process must be made more efficient at every level. Time is precious in each student's life so there is an evident necessity to examine our methods of teaching and learning and to work imaginatively on every possible way of improving them. But at this point we face the distressing fact that good teachers are now in short supply in all fields and at all levels and that they are going to be in shorter supply in the future.

"At the college and university level, teachers with Ph. D. degrees are important because of their more extended training in scholarship and research. In the recent past some 40 percent of such faculties have held Ph. D.'s, but the prospects for the future are that there will be a further decline.

"The National Science Foundation, in 1956, estimated that we must have 300,000 or more new college teachers by 1970 if we are to keep pace with our needs. Prospects for filling even 40 percent of these positions with Ph. D. recipients are very slim. Some authoritative sources have indicated that we will provide only 20 or 25 percent. In fact, the National Education Association has found in studying newly employed college teachers, that the percentage holding earned doctor's degrees dropped steadily from 31.4 percent in 1953–54 to 23.5 percent in 1956–57.

"There were only 250 students in the country in 1957–58 who took Ph. D.'s in mathematics; 500 in physics; 1000 in chemistry; 650 in all engineering fields; many of these, of course, will not go into teaching at all.

"High school science teachers come from teachers' colleges, from liberal arts colleges, and from universities where they have taken either a major or a minor in science, with perhaps some education courses to meet certification requirements. The present corps of full and part-time high school teachers of science and mathematics of all kinds numbers about 140,000 and the annual loss is about 10 percent. Thus merely to replace those who leave, and taking no account of increased student population, 14,000 new teachers would be needed each year. But secondary school populations will increase at least 50 percent by 1969. Thus merely to maintain our present inadequacies we will need to increase input each year until by 1969 it is at least 21,000 new science teachers each year."

The statements from the report of the President's Science Advisory Committee clearly show the need of our developing our potential of gifted youth so that not only can we compete effectively in the contest with the Russians, but also secure the support of the underdeveloped countries who will look to us for leadership in today's world of technology.

We all remember that when sputnik came people in all walks of life in this country became determined that we would as a nation reduce any possible scientific gap that might exist between the United States of America and the Soviet Union.

Sputnik proved that the Russians were far more advanced in the fields of rocketry and space exploration than America had estimated. In the light of this situation Congress would have been derelict in its duty had it not enacted legislation within its power to protect the national welfare.

The enactment of the National Defense Education Act into Public Law 864 of the 85th Congress on September 2, 1958 marks a new era in our efforts to promote science and technology. Previously the Federal Government, through the National Science Foundation and the Atomic Energy Commission, had granted fellowships to further our general position in the fields of atomic energy and the natural and social sciences.

We all recall that when the National Defense Education Act became law it contained the requirement that every individual who seeks benefits under the act shall have to take an oath of allegiance and execute a non-Communist affidavit.

A hubbub was raised last year in some academic circles about the oath and affidavit requirements and as a consequence thereof the Labor and Public Welfare Committee reported a bill which would repeal both the oath and the affidavit. The recommendations of the committee met strong objections on the Senate floor and there was a regrouping of forces behind a so-called compromise proposal which called for repeal of the non-Communist affidavit only. A slim majority of the Senate quickly ran up the hill to approve the compromise and after taking a look at it became dissatisfied with its action and the Senate then proceeded to send back the whole controversy to the Senate Labor and Public Welfare Committee.

In a speech in support of his motion to recommit the bill repealing the non-Communist affidavit the distinguished Senator from Louisiana summed up the mood of the Senate when he said:

"It seems to me that when the loyalty, the security and the safety of a nation are involved, if the Senate can come no nearer to agreeing than to decide the issue by the margin of a single vote, it is evident that sufficient consideration has not been given to the issue, because certainly there is no division among us on the question of our desire to protect this Nation."

The Long motion to recommit the bill was agreed to by the Senate by a vote of 49 yeas to 42 nays.

In February 1960 a majority of the Senate Labor and Public Welfare Committee ordered reported S. 2929, a bill which would leave the oath of allegiance requirement in the National Defense Education Act but remove the non-Communist affidavit requirement. This proposal is nothing new. It is the same old so-called compromise which the Senate finally deemed unacceptable last year.

It is indeed ironic that a majority of the Senate Labor and Public Welfare Committee now finds itself in the unenviable position of having to advance concepts and language it has hitherto roundly condemned as discriminatory and ineffective.

Last year the committee opposed the loyalty oath requirement observing (1) that it is ineffective as a security measure, (2) that it interferes with the operations and objectives of the National Defense Education Act, (3) that it casts doubt upon the loyalty of the members of the educational community, and (4) that it raises a serious constitutional problem.

I asked this question in my individual views contained in the committee report and I ask it again now: How can the committee counsel us to follow a path it has found to be strewn with inequity and unrighteousness?

I agree with my colleagues on the Labor Committee that affidavits have their shortcomings as security measures but I do not believe that we should remove the affidavit requirement from the law until a more protective device has been found to replace it.

I do not think that a majority of the American people want members of the Communist Party or other subversive organizations to get grants or loans under a program which was set up to improve our national defense. This is the reason I intend to speak at length today.

The Communist conspiracy, which seeks to destroy all of the rights of the individual which we cherish and hold dear, has always approached America as a special target.

In an article which appeared in a national magazine, J. Edgar Hoover, Director of the Federal Bureau of Investigation, drove sharply home the grim facts about Communist penetration of our national life.

This is what Mr. Hoover had to say:

"Never a day passes that I do not receive reliable reports on Communist activities in many different parts of the Nation. Almost no field of our society is immune to them."

In their untiring efforts to shape the thinking and attitudes of what they term the "masses," Director Hoover says, and I quote: "The Reds have always devoted much attention to idea-molding fields, such as education, the press, radio, and television. Here, too, they are still dangerously active."

Mr. Hoover makes it unmistakably clear that the vast majority of American teachers are loyal citizens. Yet, he points out that there is evidence that the Communist Party has members at work in every kind of educational institution. This is how he characterizes the Red strategy:

"Being good tacticians, the Communists realize that one concealed party member in education may be worth a dozen in less strategic fields, and some of their more successful propagandists in this area have influenced, and are influencing, the ideas of thousands of young people."

In January of 1960, Director Hoover of the FBI appeared before the Senate Internal Security Subcommittee to discuss the 17th National Convention of the Communist Party USA. This is the warning Mr. Hoover gave on that occasion:

"Profaning the very meaning and spirit of the 'Star Spangled Banner' by opening its sinister conclave with our national anthem, Communist Party USA convened its 17th national convention on December 10, 1959, in a hotel in New York City's Harlem section. Four days later the same 200 delegates representing other Communists throughout our Nation, adjourned in a state of jubilance.

"And well they might feel in high spirits—because the Communist Party USA emerged from this convention more powerful, more unified, and even more of a menace to our Republic."

In the view of the Federal Bureau of Investigation, the most significant achievement of the Communist Party convention was the welding of the party into a solidly unified, aggressive force, behind the militant, devious, and ruthless leadership of Gus Hall, ex-convict and an avowed enemy of the American way of life.

J. Edgar Hoover drew the attention of the Senate Internal Security Subcommittee to the radio and television interviews conducted at the Communist Party convention wherein Gus Hall, party leader, stated that the American public definitely has underestimated the size and influence of the Communist Party U.S.A. According to Hoover, Hall added that the Communists in this country should make even greater strides toward increasing its already growing number of members. Hall boasted that the party is "growing in industry and youth" due mainly to the change in political climate.

Andrew Ilyinski of New York City, an employee of the Bureau of Customs of the U.S. Treasury Department, displayed to a House of Representatives committee last year, samples of typical Communist propaganda periodicals published abroad and sent into the United States destined to student groups in schools and colleges. Mr. Ilyinski

stated that every school and college in the United States is directly or indirectly the recipient of some of these Communist propaganda publications.

A spot check of the volume of Communist propaganda destined to schools and colleges in the United States was made over a 12-month period in 1959 by the Bureau of Customs, Mr. Ilyinski stated. The result of the spot check showed that at least 300,000 packages of Communist propaganda destined to schools and colleges in the United States were processed through the port of New Orleans during this 12-month period. Mr. Ilyinski further stated that the port of New Orleans, where the spot check was made, is one of the lesser ports of entry from the standpoint of Communist propaganda, and that a heavier volume of this material is coming into the United States by way of approximately 40 other ports of entry. It is clear from the statement of this distinguished Customs official that last year upward of 12 million packages of Communist propaganda went to American colleges and universities.

I again quote from Mr. J. Edgar Hoover's comments on the proceedings of the 17th National Convention of the U.S. Communist Party in December 1959. He said:

"If for a moment any American considers the Communist to be blind to opportunity, let him consider this vile tactic which came out of the 17th national convention:

"It is obvious to the Communists that, if its party is to survive, it must attract the youth of this Nation. As newspapers and other media reveal almost daily, many of America's juveniles are in a state of upheaval—adult authority and morality have been spurned to the point where juvenile arrests in this country in 1958 increased 8 percent over the preceding year.

"During the convention, an Illinois Communist took note of the juvenile delinquency situation and proposed that if 'we' provide them with a place to go and with activities, they will not be so delinquent, 'we' (the Communists) can move them in a positive direction.

"What can be more despicable or dangerous to our democracy than this sort of Red Pied Piper trickery?"

It is obvious that the Communists will stop at nothing in order to penetrate every segment of our society. One of the prime targets of the Communist conspiracy is our youth. It has always occupied a top position in Communist activities, and the resolution recently passed at the December 1959 convention of the Communist Party clearly illustrates the new designs and plans for the subversion of our young people. The resolution states:

"The incoming national committee within a period of no more than 30 days after the adjournment of this convention, shall appoint a full-time director of youth affairs and establish a functioning national commission on youth affairs composed of youth and adult members. This commission, amongst other things, shall issue a regular national party youth bulletin. We urge that in a brief period of time those State committees which have not done so, shall establish political and organizational responsibility for youth affairs."

What does all this mean? It means in the words of Mr. Hoover himself that "the Communist Party remains deeply interested in the American college student."

The aim of the Communist Party to rob young people of their birthright by destroying their faith in our Republic was clearly stated in an appeal to the college students by the FBI chief entitled "Communism and the College Student":

"You, the college student, whether or not you realize it, are the rich earth which the Communist conspirator hopes to kill. Your mind is the soil in which he hopes to plant alien seed. Your subsequent acts are the products whose growth he strives to direct. The harvest which he seeks is the destruction of our democratic processes of government."

It is inconceivable to me, to strike out the non-Communist affidavit from the National Defense Education Act without adopting another means of affording the Federal Government some measure of protection against those who may be recipients of benefits while advocating the overthrow of our constitutional form of government by illegal methods.

Because I believe that a majority of the American people do not want members of the Communist Party or other subversive groups to get grants or loans under a program which was set up to improve our national defense, I intend to speak at length today in opposition to the committee bill.

During the course of my remarks, I shall advance, to the best of my ability, several contentions which I feel are well documented. These contentions may be enumerated as follows:

First. I contend that the Federal Government conditions its financial assistance to a great number of groups with security requirements and that the argument that putting security provisions in defense education programs is discriminatory, is an argument without foundation in fact.

Second. I contend that contrary to the impression created by those who support the committee-reported bill, what is involved here today is not only the possible repeal of the non-Communist affidavit provision as it applies to undergraduate students seeking loans, but also the repeal of the non-Communist affidavit provision as it applies to four different categories of graduate students who get cash grants under the National Defense Education Act.

Third. I contend that S. 2929 will not protect the interests of the United States because, if enacted into law, individuals who join the Communist Party while receiving National Defense Education Act benefits would be guilty of no criminal offense.

Fourth. I contend that even if a person were a Communist at the time he made application for a national defense education grant or loan, he might still be able to avoid conviction if S. 2929 is enacted into law.

Fifth. I contend that although the oath and affidavit provisions in the National Defense Education Act could be utilized to punish an individual who was a member of the Communist Party at the time he made application for a grant or loan, there is grave doubt about the fact that an individual could be punished if he joined the Communist Party after he had made application for such benefits.

Sixth. I contend that existing internal security statutes are not adequate to protect the Federal Government from individuals who apply for or receive benefits under the National Defense Education Act while belonging to the Communist Party.

Seventh. I contend that my amendment has more merit than the provisions presently in the National Defense Education Act because it requires no oath or affidavit to which some people object for religious or other reasons, and my amendment will have an impact only upon the guilty and the innocent are affected by both the committee bill and the existing provisions of the National Defense Education Act.

Eighth. I contend that under my amendment it would be a crime for a member of the Communist Party or another subversive organization to apply for or accept grants or loans under the defense education program while—on the other hand—individuals who join the Communist Party, after making application for grants or loans, could escape conviction under both existing law and the committee-reported bill.

1. THE FEDERAL GOVERNMENT CONDITIONS ITS FINANCIAL ASSISTANCE TO A GREAT NUMBER OF GROUPS WITH SECURITY REQUIREMENTS AND THE ARGUMENT THAT PUTTING SECURITY PROVISIONS IN DEFENSE EDUCATION PROGRAMS IS DISCRIMINATORY IS AN ARGUMENT WITHOUT FOUNDATION IN FACT

Now, let us turn to my first contention—that the Federal Government conditions its financial assistance to a great number of groups with security requirements and that the argument that putting security provisions in defense education programs is discriminatory is an argument without foundation in fact.

Mr. President, I have been throughout my lifetime a supporter of academic freedom—but I distinguish academic freedom from academic special privilege. And I contend that if anything academic is at issue today it is special privilege and not freedom.

The rafters of the Senate Chamber have rung with a cry that the non-Communist affidavit required by the National Defense Education Act is discriminatory; the rafters of the Senate have also been shaken with the cry that the Federal Government does not condition its assistance to other groups, only students under the National Defense Education Act. Mr. President, nothing could be further from the truth.

Federal employees

Loyalty oaths and disclaimers of subversive affiliation are required of all Federal employees. Public Law 330 was an enactment, in permanent form, of a previous restriction against the employment of subversive persons in the Federal Government which appeared in appropriation acts. This law states:

"No person shall accept or hold office or employment in the Government of the United States or any agency thereof, including wholly owned Government corporations, who—

"(1) advocates the overthrow of our constitutional form of government in the United States;

"(2) is a member of an organization that advocates the overthrow of our constitutional form of government in the United States, knowing that such organization so advocates."

Public Law 330 provides that everyone entering Federal employment must execute an affidavit to the effect that his employment does not and will not constitute a violation of the act.

Department of Defense

Section 624 of the Department of Defense Appropriations Act of 1959 (recurring appropriation act provision) reads:

"No part of the funds appropriated herein shall be expended for the support of any formally enrolled student in basic courses of the Senior Division, Reserve Officers Training Corps, who has not executed a certificate of loyalty, or loyalty oath in such form as shall be prescribed by the Department of Defense."

At the present time, according to the Department of Defense figures, there are about 155,000 college students enrolled in ROTC units across the Nation during the current school year. Interestingly enough, the number of ROTC students is more than double the total number of college students benefiting from the Federal loan program—68,152 students as of November 1, 1959. There has been no hue and cry that our ROTC students are discriminated against, and as far as I know, not one single Senator has received a letter indicating that these students should not have to take the loyalty oath and non-Communist affidavit.

Office of Civil and Defense Mobilization

Section 403(b) of the Federal Civil Defense Act of 1950 provides that each person, other than a Federal employee, who is appointed to serve in a State or local organization for Civil Defense, shall, before entering upon his duties, take an oath in writing before a person authorized to administer oaths, which oaths shall be substantially as that cited in the section.

In other words, any civil defense person, even though not employed by the Federal Government, has to take an oath, notwithstanding the fact that it is highly unlikely that he will have any contact whatsoever with secret material.

National Science Foundation

Loyalty oath and nonsubversive affidavit requirements are found in the National Science Foundation Act of 1950. The statute requires a loyalty affidavit and oath of allegiance from persons receiving payments under Foundation scholarships or fellowships.

Department of Interior

Section 376.2.6 of the Departmental manual states that a prospective representative who wants to represent employees in labor-management negotiations may be required to submit affidavits of nonaffiliation with the Communist Party or other subversive organizations.

Atomic Energy Commission

Public Law 85–766 specifies that appropriations made to the Atomic Energy Commission shall not be used to confer fellowships on certain individuals. The terms of appointment, which the prospective fellow agrees to in a letter of acceptance, include a declaration that he will support and defend the Constitution of the United States, that he is not a Communist or Fascist, that he does not advocate and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence. In addition, the prospective fellow is required to complete a personnel security questionnaire.

Department of Health, Education, and Welfare

The regulations under the Vocational Rehabilitation Act provide that in order to be eligible for a traineeship award under section 7(a)(3) of the act, an individual must have "executed and filed with the Office of Vocational Rehabilitation an affidavit that he does not advocate, and, is not a member of any organization that advocates or teaches, the overthrow of the U.S. Government by force or violence, or by any illegal or unconstitutional methods."

Another section of the regulations imposes an identical requirement with respect to eligibility for a research fellowship under section 7 of the Vocational Rehabilitation Act.

The regulations under the Public Health Service Act require a loyalty oath and disclaimer in order to be eligible for regular Public Health Service research fellowships and for National Institutes of Health traineeship awards.

Workers in private industry

It is not commonly known but under the language of the Internal Security Act of 1950, the Secretary of Defense is authorized to proclaim a list of private enterprises, such as plants, factories, mines, railroads, etc., in which it would be unlawful for any member of a Communist organization to hold office or employment. This is true even though the workers in these private facilities get no benefits at all from the Federal Government.

We should all remember very distinctly that until last year all officers of labor organizations were required to file loyalty oaths with the National Labor Relations Board in order for their unions to make use of the Board's authority to settle employee representation and unfair labor practice disputes.

Yes; Congress did away with the non-Communist affidavit requirement affecting union officials but it replaced it with provisions of law that are far more sweeping and far more effective.

The Kennedy-Landrum bill, which became law last year, makes it a Federal crime for any Communist to hold office, however petty, in labor organizations and in groups or associations of employers dealing with any labor organization.

Section 504 of the Labor Management Reporting and Disclosure Act of 1959 contains the significant prohibition in these words:

"No person who is, or has been, a member of the Communist Party * * * shall serve—

"(1) as an officer, director, trustee, member of any executive board or similar governing body, business agent, manager, organizer, or other employee (other than as an employee performing exclusively clerical or custodial duties) of any labor organization, or

"(2) as a labor relations consultant to a person engaged in an industry or activity affecting commerce, or as an officer, director, agent, or employee (other than as an employee performing exclusively clerical or custodial duties) of any group or association of employers dealing with any labor organization,

during, or for 5 years after the termination of his membership in the Communist Party.

"Any person who willfully violates this section shall be fined not more than $5,000, or imprisoned for not more than 1 year, or both."

The provision in the new labor reform law which makes it a crime for a Communist to hold office in any association of employers or labor union was inserted by the House of Representatives. Interestingly enough, not one single motion was made in conference or in the House of Representatives to strike the antisubversive feature of the new law.

Not only is it a crime for a man to hold office in a labor union or employer association if he is presently a Communist, but the new law also makes it a crime for an ex-Communist to serve in this capacity if he was a party member within 5 years prior to the time he got his position.

Employees of the Government

At the request of the Senate Committee on Labor and Public Welfare, the Library of Congress performed a survey of all the departments and many of the agencies of the Federal Government to ascertain which ones require loyalty oaths or disclaimers of subversive affiliation. This survey indicates that there are a number of agencies which I have not mentioned today, including the Veterans' Administration, the General Services Administration, the Foreign Claims Settlement Commission, and the Department of the Treasury, which require claimants, or other people who are not working for the Federal Government, to complete affidavits concerning subversive activities or affiliations.

For the benefit of Members of the Senate, I submit for the RECORD the following pertinent portions of the Library of Congress survey:

"PUBLIC LAW 330 AND EXECUTIVE ORDER 10450

"Public Law 330 was an enactment in permanent form of a previous restriction against the employment of subversive persons in the Federal Government which appeared in appropriation acts. This law states that "no person shall accept or hold office or employment in the Government of the United States or any agency thereof, including wholly owned Government corporations, who—

"'(1) advocates the overthrow of our constitutional form of Government in the United States;

"'(2) is a member of an organization that advocates the overthrow of our constitutional form of Government in the United States, knowing that such organization so advocates.'

"Except for persons employed by the Government of the United States for less than 60 days for sudden emergency work involving the loss of human life or the destruction of property, Public Law 330 provides that everyone entering Federal employment must execute an affidavit to the effect that his employment does not and will not constitute a violation of the act.

"Section 8(a) of Executive Order No. 10450 of April 27, 1953, as amended (Federal employee loyalty security program), based in part on Public Law 733, 81st Congress, provides:

"'The investigations conducted pursuant to this order shall be designed to develop information as to whether the employment or retention in employment in the Federal service of the person being investigated is clearly consistent with the interests of the national security. Such information shall relate, but shall not be limited, to the following:

"'* * *

"'(4) advocacy of use of force or violence to overthrow the Government of the United States, or of the alteration of the form of Government of the United States by unconstitutional means.

"'(5) membership in, or affiliation or sympathetic association with, any foreign or domestic organization, associations, movement, group, or combination of persons which is totalitarian, Fascist, Communist, or subversive, or which has adopted, or shows, a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or which seeks to alter the form of Government of the United States by unconstitutional means.'

"Standard forms 61 and 61a—Appointment affidavits—cover the provisions in Public Law 330 and Executive Order No. 10450, and state in part:

"'A. Oath of office: I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely without any mental reservation or purpose of evasion; that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God.

"'B. Affidavit as to subversive activity and affiliation: I am not a Communist or Fascist. I do not advocate nor am I knowingly a member of any organization that advocates the overthrow of the constitutional form of the Government of the United States, or which seeks by force or violence to deny other persons their rights under the Constitution of the United States. I do further swear (or affirm) that I will not so advocate, nor will I knowingly become a member of such organization during the period that I am an employee of the Federal Government or any agency thereof.'

"The oath of office set out above is required of all officers and employees of the Federal Government, except the President, by Revised Statutes 1767 (5 U.S.C. 16). A number of statutes which require specific officers and employees to take an oath of office have come to our attention: e.g., section 18 of the Taylor Grazing Act and various oaths required of territorial officers, mentioned in the attached letter from the Department of the Interior. Statutes of this type have not been treated in this memorandum. There is also a requirement for any person prosecuting a claim, either as an attorney or on his own account, before any of the departments or bureaus of the United

States, to take the oath of allegiance, and to support the Constitution as required of persons in the civil service. Revised Statutes 3478 (31 U.S.C. 204).

"Standard Form 57—Application for Federal Employment—includes the following questions:

" '23. Are you now, or have you ever been, a member of the Communist Party, U.S.A., or any Communist organization?

" '24. Are you now, or have you ever been, a member of a Fascist organization?

" '25. Are you now, or have you ever been, a member of any foreign or domestic organization, association, movement, group, or combination of persons which is totalitarian, Fascist, Communist, or subversive or which has adopted, or shows, a policy of advocating or approving the commission of acts of force or violence to deny other persons their rights under the Constitution of the United States, or which seeks to alter the form of government of the United States by unconstitutional means?'

"Similar questions are asked in Standard Form 60—Application for Federal Employment, Short Form—and Standard Form 86—Security Investigation Data for Sensitive Position.

"Letter of inquiry

"The text of our letter requesting the information was as follows:

" 'The Senate Committee on Labor and Public Welfare is seeking information concerning loyalty oaths and disclaimers of subversive affiliations required of persons by the U.S. Government. We have been requested by the chairman of the committee to contact each department and agency of the Federal Government to obtain copies of all laws, orders, regulations or internal directives administered by them which require such oaths or disclaimers.

" 'We shall very much appreciate your cooperation in providing us with this information as it applies to the ————, other than the requirement of Public Law 330, 84th Congress (5 U.S.C. 118p–118r). Inasmuch as it is needed in connection with pending legislative consideration of section 1001(f) of the National Defense Education Act of 1958, we must have this material by Saturday, April 25, 1959.'

"Results of survey

"The following agencies and departments stated that they administer no loyalty oaths or disclaimers other than those referred to in the preceding material. Certain of the departments and agencies, such as the Defense Department and the three military departments, make use of additional oath or disclaimer forms which apply only to their own personnel. We have not included these additional requirements because they did not seem pertinent to the inquiry at hand:

"Department of Agriculture.
"Department of Commerce.
"Department of Labor.
"Bureau of the Budget.
"Civil Aeronautics Board.
"Export-Import Bank of Washington.
"Farm Credit Administration.
"Farm Credit Banks.
"Federal Aviation Agency.
"Federal Coal Mine Safety Board of Review.
"Federal Communications Commission.
"Federal Deposit Insurance Corporation.
"Federal Home Loan Bank Board.
"Federal Mediation and Conciliation Service.
"Federal Power Commission.
"Board of Governors of the Federal Reserve System.
"Federal Trade Commission.
"General Accounting Office.
"Government Printing Office.
"Housing and Home Finance Agency.
"Library of Congress (oral).
"National Aeronautics and Space Administration.
"Panama Canal Company.
"Post Office Department.
"Railroad Retirement Board.
"Renegotiation Board.
"Saint Lawrence Seaway Development Corporation.
"Securities and Exchange Commission.
"Selective Service System.
"Smithsonian Institution.
"Subversive Activities Control Board.
"Tennessee Valley Authority.
"U.S. Information Agency.
"U.S. Tariff Commission.

"I. Oaths and disclaimers specifically required by statute:

"National Science Foundation: 'The only requirement of this nature administered by the National Science Foundation is contained in section 16(d) of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), which requires a loyalty affidavit and oath of allegiance from persons receiving payments under Foundation scholarships or fellowships. The language of this requirement is very similar to section 1001(f) of the National Defense Education Act of 1958, which, I understand, was based in large measure upon section 16(d) of the Foundation Act.' (William J. Hoff, General Counsel.)

"Office of Civil and Defense Mobilization: 'Section 403(b) of the Federal Civil Defense Act of 1950 provides that each person other than a Federal employee who is appointed to serve in a State or local organization for civil defense shall, before entering upon his duties, take an oath in writing before a person authorized to administer oaths, which oath shall be substantially as that cited in the section.

" 'Also attached is a copy of an oath, based upon section 403(b), taken by persons other than Federal employees who enroll at the OCDM Civil Defense Staff College which was established for the purpose of training State and local employees and other individuals in specialized defense plans, programs, and services.' (Charles H. Kendall, General Counsel.)

"Department of Defense: 'Section 624 of the Department of Defense Appropriation Act, 1959 (recurring Appropriations Act provision) reads: "No part of the funds appropriated herein shall be expended for the support of any formally enrolled student in basic courses of the Senior Division, Reserve Officers Training Corps, who has not executed a certificate of loyalty or loyalty oath in such form as shall be prescribed by the Secretary of Defense." '

"The oath prescribed under this section is as follows: 'I do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign or domestic; that I will bear true faith and allegiance to the same; and that I take this obligation freely, without any mental reservation or purpose of evasion; so help me God.'

"Department of Justice, Immigration and Naturalization Service: Naturalization oath of section 337 of the Immigration and Nationality Act states:

" '(a) A person who has petitioned for naturalization shall, in order to be and before being admitted to citizenship, take in open court an oath (1) to support the Constitution of the United States; (2) to renounce and abjure absolutely and entirely all allegiance and fidelity to any foreign prince, potentate, state, or sovereignty of whom or which the petitioner was before a subject or citizen; (3) to support and defend the Constitution and the laws of the United States against all enemies, foreign and domestic; (4) to bear true faith and allegiance to the same; and (5)(A) to bear arms on behalf of the United States when required by the law, or (B) to perform noncombatant service in the Armed Forces of the United States when required by the law, or (C) to perform work of national importance under civilian direction when required by the law.'

"II. Oaths and disclaimers based on administrative regulations implementing legislation which denies rights or privileges because of subversive activities or affiliations:

"Atomic Energy Commission: 'Section 145 (b) of the Atomic Energy Act of 1954 (42 U.S.C. 2165(b)) requires the Commission to make certain findings before an individual may be employed by the Commission or be granted access to restricted data. Each individual who seeks such employment or access is accordingly required to complete Form AEC–1 (Personnel Security Questionnaire) attached herewith. Questions 17–20 of this form refer to possible subversive activities, and the individual is required to certify that his answers to all the questions are correct and complete.

" 'Public Law 85–766 specifies that appropriations made to the Atomic Energy Commission shall not be used to confer fellowships on certain individuals. The terms of appointment, which the prospective fellow agrees to in a letter of acceptance, include a declaration that he will support and defend the Constitution of the United States, that he is not a Communist or Fascist, that he does not advocate, and is not a member of an organization that advocates, the overthrow of the Government of the United States by force or violence. In addition the prospective fellow is required to complete a Personnel Security Questionnaire.' (Edwin E. Ferguson, Deputy General Counsel.)

"Foreign Claims Settlement Commission of the United States: 'The Commission is impressed with the statutory duty of inquiring into whether or not applicants before it have at any time voluntarily, knowingly, and without duress, given aid to or collaborated with or in any manner served any hostile force. This requirement relates to claims which arose during World War II and the Korean conflict and may be found where marked in the enclosed copy of Public Law 615, 83d Congress. It may also be found at section 312 of Public Law 285, 84th Congress. Appropriate inquiries are made in the respective application forms (enclosed) designed to implement these statutes.' (Andrew T. McGuire, General Counsel.)

"Veterans' Administration: 'Although seemingly not pertinent to the inquiry, you may be interested to know that in connection with the administration of the forfeiture provisions of section 3504, title 38, United States Code, the Administrator, by regulation, requires that claimants for benefits "who in time of war resided in territory of or under the military control of an enemy of the United States or its allies will be required to execute VA Form 8–508". See 38 C.F.R. 4.108. (The form in current use is VES–4169.) By this means information is elicited as to past associations with pro-Japanese, pro-German or anti-American-Filipino organizations, a number of which have been identified as Nazi, Fascist, or Communist. Any further information desired relating to the use of such forms will be furnished,' (David A. Turner, Associate General Counsel for the General Counsel.)

"Department of State: 'Under section 212 (a)(28) of the Immigration and Nationality Act, 8 U.S.C. 1182, certain classes of subversive aliens are ineligible to receive visas. Section 222(a) of the same act, 8 U.S.C. 1202(a), requires that applicants for immigrant visas file an application which shall include a statement as to membership in any excludible class of aliens and section 222(e) requires that the application be under oath, 8 U.S.C. 1202(e). Regulations in implementation thereof are found in 22 C.F.R. 42.30–42.35. Section 42.30(g) requires that the application be under oath.'

" 'Although the regulation contained in 22 C.F.R. 51.142 authorizing the Passport Office or the Board of Passport Appeals to require of passport applicants an affidavit concerning membership in the Communist Party has not been revoked, it is considered without authority of law by reason of the decision of the Supreme Court in *Kent* v. *Dulles*, 357 U.S. 116, and is no longer being applied.' (Loftus Beckar, the Legal Adviser.)

"Interstate Commerce Commission: 'The Commission under its employee training program established under 5 U.S.C., section 2301, has employed as instructor in management and supervisory techniques. In accordance with 5 U.S.C., section 2313, which prohibits training through facilities advocating overthrow of the Government, it has required the instructor to certify that he is not affiliated with any subversive organization and that he does not teach or advocate the overthrow of the Government as set forth in the provisions of this section. The Commission does not require any other loyalty oaths or disclaimers of subversive affiliations other than that as set forth in 5 U.S.C., sections 118p–11r.' (Robert W. Ginnane, General Counsel.)

"The Civil Service Commission commented on the Government Employees' Training Act provision as follows: 'Section 14 of the Government Employees' Training Act prohibits use of training facilities or personnel which teach or advocate overthrow of the Government. Contracts for training service are made by the agencies. The Commission does not require an oath or disclaimer, relying instead on standard investigative procedures.' (L. V. Meloy, General Counsel.)

"International Cooperation Administration: 'This agency requires of each employee, at the time of appointment, a written certification that he is not now and has never been a member of any organization listed by the Attorney General under the mandate of Executive Order 10450, section 12. The certificate is not sworn and is not required by law. (A copy of the certificate form is attached.)

" 'This disclaimer of subversive affiliations is required as a matter of unwritten agency policy. Its purpose is twofold:

" '1. Under section 8(c) of Executive Order No. 10450 as a part of such investigation.

" '2. Under section 531 of the Mutual Security Act of 1954 (Public Law 665, 83d Cong.) as amended, the Director of the International Cooperation Administration must certify in writing, as to each employee (with certain specific exceptions) that the Director "* * * believes such individual is loyal to the United States, its Constitution, and form of government, and is not now and has never knowingly been a member of any organization advocating contrary views. The disclaimer aids the Director in making the required certification." ' (John G. Burnett, General Counsel.)

"III. Oaths and Disclaimers Required Administratively:

"Department of Health, Education, and Welfare: 'Excluding Public Law 330, 84th Congress (5 U.S.C. 118p–118r) and section 1001(f) of the National Defense Education Act, there are no statutes administered by the Department which specifically require loyalty oaths or disclaimer of subversive affiliations. There are no orders, regulations, or directives except for those relating to the above statutes and except as described in the following paragraphs.

" 'The regulations under the Vocational Rehabilitation Act (29 U.S.C., ch. 4) provide that, in order to be eligible for a traineeship award under section 7(a)(3) of the Act (29 U.S.C., 37(a)(3)), an individual must "have executed and filed with the Office of Vocational Rehabilitation an affidavit that he does not advocate, and, is not a member of any organization that advocates or teaches the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods." (45 CFR 401.82(d). Another section of the regulations imposes an identical requirement with respect to eligibility for a research fellowship under the above-cited section of the Vocational Rehabilitation Act. (45 CFR 401.88(d)). There are no further instructions regarding these oaths, but the forms upon which such oaths are obtained are attached.

" 'Also, although the applicable regulations do not require a loyalty affidavit or statement under the grant program for training (sec. 4(a)(1) of the Vocational Rehabilitation Act (29 U.S.C. 34(a)(1)), in practice the attached OVR 9 is used for short courses (as distinguished, we understand from regular university courses) supported under that section. In such cases the last page which calls for the loyalty statement is not crossed out.

" 'The regulations under the Public Health Service Act (42 U.S.C., ch. 64) require a loyalty oath and disclaimer in order to be eligible for regular Public Health Service research fellowships (42 CFR sec. 61.9(e)) and for National Institutes of Health traineeship awards (42 CFR sec. 63.5(c)). A copy of the pertinent provisions of these regulations is attached.

" 'Essentially the same kind of oath and disclaimer requirements are imposed in the administration of the traineeship programs for professional public health personnel (42 U.S.C., sec. 242d) and for professional nurses (42 U.S.C., sec. 242e). This is done, however, not by regulation but by certain provisions included on the application forms (copies attached).' (Reginald G. Conley, Assistant General Counsel.)

"Department of Defense: 'The Defense Department industrial security program. All employees of private corporations doing contract work for the Defense Department who are to handle classified information are required to submit a Form DD48–1 entitled "Certificate of Nonaffiliation With Certain Organizations." The organizations referred to are those contained in the Attorney General's List of Subversive Organizations.'

"General Services Administration: Under GS Manual I–1, sections 407.05 and 408.04, consultants, bidders, contractors, subcontractors, and the officers, employees, associates, or any authorized representatives who because of their contractual relationship with the GSA are required to have access to classified defense information must fill out GSA Form 176 which includes a disclaimer of subversive affiliation.

"Department of the Interior: Paragraph 376.2.6 of the Departmental Manual states that a prospective employee representative seeking to represent employees in labor-management negotiations may be required to submit affidavits of nonaffiliation with the Communist Party or other subversive organizations. The affidavit requirement reads as follows:

" 'Affidavit: A request may be made on the petitioner (if an organization) for copies of its constitution and bylaws and the names and titles of its officers. The petitioner may also be required to file a statement (by an individual, or by each officer of an organization) that he is not a member of the Communist Party or affiliated with that party and that he is not a member of and does not believe in any organization that believes in or teaches the overthrow of the U.S. Government by force or by any illegal or unconstitutional methods: *Provided*, That any labor organization which is an affiliate in good standing of a national federation or other labor organization, whose policies and activities have been directed against these advocating the overthrow of the U.S. Government by force or violence, will be presumed, prima facie, to satisfy this requirement without filing a statement.'

"Department of the Treasury: 'Applicants for a special validation endorsement for emergency service as a merchant mariner must make application at a Coast Guard Marine Inspection Office and complete a document entitled "Specially Validated Merchant Mariner's Documents Application Questionnaire." This document must be signed by the applicant under oath, and contains questions concerning subversive activities or affiliations.'

" 'Applicants for a Coast Guard Port Security Card are required to complete a "U.S. Coast Guard Security Card Questionnaire, under oath, which contains similar questions.'

"Civil Service Commission: 'The International Organizations Employees Loyalty Board requires execution of Form ILB–2, which includes questions on affiliations (Nos. 15, 16, 17, and 18) form attached. The requirement is pursuant to section 7 of its regulations and E.O. 10422, January 9, 1953, as amended by E.O. 10459, June 2, 1953, and E.O. 10763, April 23, 1958.' (L. V. Maloy, General Counsel.)"

2. CONTRARY TO THE IMPRESSION CREATED BY THOSE WHO SUPPORT THE COMMITTEE-REPORTED BILL, WHAT IS INVOLVED HERE TODAY IS NOT ONLY THE POSSIBLE REPEAL OF THE NON-COMMUNIST AFFIDAVIT PROVISION AS IT APPLIES TO UNDERGRADUATE STUDENTS SEEKING LOANS, BUT ALSO THE REPEAL OF THE NON-COMMUNIST AFFIDAVIT PROVISION AS IT APPLIES TO FOUR DIFFERENT CATEGORIES OF GRADUATE STUDENTS WHO GET CASH GRANTS UNDER THE NATIONAL DEFENSE EDUCATION ACT

I should like to proceed now to my second contention that contrary to the impression created by those who support the committee-reported bill, what is involved here today is not only the possible repeal of the non-Communist affidavit provision as it applies to undergraduate students seeking loans, but also the repeal of the non-Communist affidavit provision as it applies to four different categories of graduate students who get cash grants under the National Defense Education Act.

Let us take a look at the graduate fellowship program, for example, and bear in mind the fact that this affects only people who have already got their college degree and want to go on to study for 3 more years.

The graduate fellows get 3 years of study paid for by the Federal Government. This isn't a loan; it is a grant. The individuals involved will get about $2,500 each year for 3 years or a total of about $7,500, in cold cash.

Let us take another example—the modern foreign language fellowship program.

The individuals involved in this program have already graduated from college and the Federal Government is paying their way for additional study to the tune of about an average of $3,525 per year. This is no loan; it's cash on the barrelhead.

There is a third program for people who have already graduated from college. This is a program for those who want to attend foreign language institutes. The individuals involved in this program either go just during the summertime or throughout the school year. In either case they receive about $96 a week. There are a lot of people employed by the Federal Government who don't make anywhere near this kind of money and they have to sign a non-Communist affidavit. But the proponents of the committee bill say it's all right for the Federal employee but not this fellow who's getting $96 a week to study foreign languages. Bear in mind, again, that this isn't a loan—it is a grant in cold hard cash.

There is still another program for people who have already graduated from college and want to go on to further study. This is the counseling and guidance program.

Those who want to go on to counseling and guidance training institutes after they graduate from college can do so under the

National Defense Education Act at Federal expense. Whether they go just in the summertime or throughout the school year, these individuals get on an average of about $108 a week. Contrast this with the salaries paid some people who work on Capitol Hill and who have signed the non-Communist affidavit, and you will find that in many cases the people under the National Defense Education Act are doing a little bit better from a financial standpoint. Nevertheless, it is argued here today that it would impinge upon their freedom to sign the affidavit.

What am I saying here? I am simply saying that notwithstanding the wind of oratory which has been circulating around the Chamber, if we repeal the affidavit requirement for undergraduates we are repealing it for four graduate groups as well. Let there be no mistake about that.

3. S. 2929 WILL NOT PROTECT THE INTERESTS OF THE UNITED STATES BECAUSE, IF ENACTED INTO LAW, INDIVIDUALS WHO JOIN THE COMMUNIST PARTY WHILE RECEIVING NATIONAL DEFENSE EDUCATION ACT BENEFITS WOULD BE GUILTY OF NO CRIMINAL OFFENSE

I do not believe that the non-Communist affidavit presently required of college students who receive benefits under the National Defense Education Act should be removed unless something effective is put in the law to replace it.

If the Senate approves the committee-reported bill, S. 2929, an individual who made application for benefits under the Defense Education Act, and who later joined the Communist Party while receiving benefits, would not be guilty of a criminal offense merely because he had executed the oath of allegiance set forth in S. 2929.

I presented this situation to the Department of Justice and John D. Calhoun, Assistant Deputy Attorney General, replying for the Department, had this to say:

"We are unaware of any criminal statute which would be applicable to the facts as set forth in your letter. Generally, the provisions of the statutes relating to perjury and false statements are applicable to statements which are alleged to be false at the time they were made, and, in our judgment, they would have no application to activities in derogation of the oath at a date subsequent thereto.

"Moreover, even though the oath of allegiance set forth in S. 2929 be construed as a promise for future conduct, there is serious doubt whether, in the circumstances described in your letter, an individual would be liable to criminal punishment for a subsequent failure to abide by the oath."

If there is a department any more qualified to pass on the efficacy of our criminal statutes than the U.S. Department of Justice, I have yet to hear of its name.

So that it will be clear to all Senators that if they vote for S. 2929 they are voting for a bill which would allow members of the Communist Party to accept benefits under the National Defense Education Act and get off without any punishment whatsoever, I quote the entire text of the letter which I received from Assistant Deputy Attorney General Calhoun of the Department of Justice:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY
ATTORNEY GENERAL,
Washington, D.C., February 5, 1960.

Hon. WINSTON L. PROUTY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is in response to your letter of February 2, 1960, concerning the bill (S. 2929) "To amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief." You requested the views of this Department as to whether an individual who is not a member of a subversive organization at the time he makes application for benefits under the National Defense Education Act, but who later joins such an organization while receiving benefits under the act, would be guilty of a criminal offense if he had executed the oath of allegiance set forth in S. 2929.

S. 2929 would amend section 1001 of the National Defense Education Act of 1958 by striking out subsection (f) which requires an affidavit relating to the applicant's membership in an organization that believes in or teaches the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods, and inserts in lieu thereof a provision requiring that the applicant subscribe to an oath of allegiance to the United States.

We are unaware of any criminal statute which would be applicable to the facts as set forth in your letter. Generally, the provisions of the statutes relating to perjury and false statements are applicable to statements which are alleged to be false at the time they were made, and, in our judgment, they would have no application to activities in derogation of the oath at a date subsequent thereto.

Moreover, even though the oath of allegiance set forth in S. 2929 be construed as a promise for future conduct, there is serious doubt whether, in the circumstances described in your letter, an individual would be liable to criminal punishment for a subsequent failure to abide by the oath.

Sincerely,

JOHN D. CALHOUN,
Assistant Deputy Attorney General.

It occurred to me after reading Mr. Calhoun's letter dated February 5, 1960, that the Department of Justice might possibly have overlooked the membership clause of the Smith Act, 18 United States Code 2385. I, therefore, wrote Mr. Calhoun asking whether the Department of Justice had considered the Smith Act provisions when it reached the conclusion that no criminal statute would apply to an individual who joins the Communist Party while receiving benefits under the National Defense Education Act.

On April 20, 1960, Assistant Deputy Attorney General Calhoun gave me firm assurance that in reaching its conclusions on the whole problem the Department of Justice had given full consideration to the language in the Smith Act. This is what Mr. Calhoun had to say in the April 20 letter:

"This is in response to your letter of April 12, 1960. You inquired whether the hypothetical situation posed in your letter of February 2, 1960, would be punishable under the Smith Act, 18 United States Code 2385.

"The hypothetical situation is whether an individual who is not a member of a subversive organization at the time he makes application for benefits under the National Defense Education Act, but who later joins such an organization while receiving benefits under the act, would be guilty of a criminal offense if he had executed the oath of allegiance set forth in S. 2929. By letter of February 5, 1960, we advised you that we knew of no criminal statute that would be applicable to the above facts. You are correct in assuming that we considered the possible applicability of the Smith Act.

"We assume you had in mind the possible applicability of the so-called membership clause of the Smith Act. However, even under this clause it is necessary to prove, in addition to membership in a subversive organization, that the organization teaches and advocates forcible overthrow of this Government in language of incitement, the individual's knowledge thereof, and his intent to assist the organization in achieving this goal."

To carry on this line of inquiry further, I asked the American Law Division of the Legislative Reference Service whether an individual would violate criminal section 1001, or any other section of the Criminal Code, if he took the oath prescribed in S. 2929, assuming its enactment, in good faith, and later, while receiving benefits under the National Defense Education Act, became a member of the Communist Party, or some other group which has a similar desire to overthrow the Government by illegal or unconstitutional means.

Freeman W. Sharp, legislative attorney, American Law Division, gave this response:

"An oath of this nature taken in good faith at the time would only be violated by a future action contrary to the oath. It would be very difficult to convict a person of violation of such an oath. Actually, violation of the oath would be in the nature of treason which, as you know, requires two witnesses to the same overt act for conviction. It is my belief that should the Government prosecute for violation of the oath required to be taken, the courts would require proof of intention to violate it at the time the oath was taken. Since your question presupposes that the individual * * * took the oath in good faith at the time, the answer would seem to be that he could not be convicted under section 1001 of the Judicial Code."

I am sure it is clear from the statements I have read from the U.S. Department of Justice and from the Library of Congress that if an individual joins the Communist Party after he takes the oath prescribed in S. 2929, he can receive money under the National Defense Education Act and there won't be anything in the statute books to stop him from doing so.

4. EVEN IF A PERSON WERE A COMMUNIST AT THE TIME HE MADE APPLICATION FOR A NATIONAL DEFENSE EDUCATION GRANT OR LOAN, HE MIGHT STILL BE ABLE TO AVOID CONVICTION IF S. 2929 IS ENACTED INTO LAW

Now, I turn to my next contention that even if a person were a Communist at the time he made application for a national defense education grant or loan, he might still be able to avoid conviction if S. 2929 is enacted into law.

I ask the Library of Congress whether an individual would violate section 1001, or any other section of the Criminal Code if he were a member of the Communist Party at the time he made application for benefits and took the oath provided in S. 2929.

The opinion of American Law Division, Legislative Reference Service, makes it unmistakably clear that it may be possible for an individual to avoid conviction even though at the time he applies for money under the national defense education statute, he is a card-carrying member of the Communist Party. I quote below excerpts from the opinion of Freeman W. Sharp, American Law Division, Library of Congress, at this point:

"You will note that section 1001 of the Criminal Code only applies to knowingly and willfully falsifying, concealing, or covering up a material fact or making a false statement or representation or making a false writing or document, etc., while the oath in S. 2929 is a future promise to bear true faith and allegiance to the United States and to support and defend the Constitution and laws thereof in order to receive certain benefits under the National Defense Education Act. It should be noted further that because section 1001 is a penal statute it will be strictly confined by the courts within the fair meaning of its terms, *U.S.* v. *Moore* (1950) 185 F. 2d 92.

"I am unaware of any legal decision or statute which specifically holds or provides that mere membership in the Communist Party is, in fact, either a failure to bear true faith and allegiance or to support and defend the Constitution and laws of the United States or even to specifically declare mere membership in that party illegal.

"Contrast this with the present requirement of section 1001(f), the National Defense Education Act (U.S.C. 20:581(f)) which requires the individual in part to make an affidavit that 'he does not believe in, and is not a member of and does not support any organization that believes in or teaches the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional method.' A present member of the Communist Party who executes such an affidavit under the act would seem to be, in fact, violating criminal section 1001."

I know that Senators will be interested in the cases on non-Communist statements under criminal section 1001 of the United States Code, and I submit for the RECORD the following citations of cases, on which the Library of Congress relied for a part of its opinion: *U.S.* v. *Marzani* (1947), 71 F. Supp. 615, affirmed 162 F. 2d 133, affirmed 335 U.S. 895, and adhered to on rehearing 336 U.S. 653; *U.S.* v. *Schneider* (1942), 45 F. Supp. 848; (Nazi Party) *U.S.* v. *Barra* (1945), 149 F. 2d 489; (Nazi Party) *U.S.* v. *Dawe* (1945) 149 F. 2d 491; *Frasier* v. *U.S.* (1959), 267 F. 2d 62; *Sells* v. *U.S.* (1959), 262 F. 2d 815, cert. denied 360 U.S. 913; *Bryson* v. *U.S.* (1956), 238 F. 2d 657, rehearing denied 243 F. 2d 837, cert. denied 355 U.S. 817, rehearing denied 355 U.S. 879.

I think the American Law Division opinion which I have just quoted brings sharply to focus the fact that the non-Communist affidavit which the committee reported, S. 2929, would remove, is a far more protective device than the loyalty oath requirement which it retains.

The very able lawyer and distinguished junior Senator from Louisiana shares the opinion of the American Law Division on this question, for he is quoted in the Congressional Digest, April 1960, as saying the following:

"What would we have? We would have merely an oath of allegiance to the United States, which any Communist on earth can take. After he takes it, if he is prosecuted for it, or found to be a Communist, all he will have to say will be that 'Just for that one brief moment when I took the oath of allegiance, I did intend to be loyal to the United States, and I changed my mind the moment I had signed the paper.' That is all he needs to do.

"Anyone who has ever handled criminal prosecutions knows what I am talking about. The burden would be on the Government to prove beyond a reasonable doubt, before a jury, which must decide the case unanimously, that the particular person, during the brief moment when he took the oath of allegiance, did not mean to be loyal to America. It would have to be proved beyond a reasonable doubt in order to convince a jury of 12 persons that the particular individual did not intend, during that brief moment, to be loyal to the United States."

I do not believe that the Constitution of the United States is a suicide pact in the view of the American people, but I feel that as Members of the U.S. Senate we will be making a mockery of our constitutional responsibility if we foster the careers of people dedicated to the overthrow of our form of government by giving them money and other benefits under the National Defense Education Act.

I have demonstrated, I think, that although it does have some shortcomings, the non-Communist affidavit provision in the law makes a greater contribution to our national security than the loyalty oath feature.

Although I will concede that both oaths and affidavits have their weaknesses from a security standpoint, I do not intend to vote for the repeal of either until better provisions are found to replace them.

The quotations I have read previously from legal authorities at the Department of Justice and Library of Congress indicate rather clearly that it wouldn't matter whether a man is a Communist at the time he applies for benefits or at the time he receives them; he would be completely eligible for such benefits and get off scot free.

When the Senate Committee on Labor and Public Welfare made its report on S. 819, the predecessor to S. 2929, the majority of the committee stated, "It is folly to pretend that this oath and disclaimer provide any protection against subversion."

Surprisingly enough this year a majority of the committee has taken an entirely different tack and argues that the oath requirement would offer some protection against misuse of defense education funds by members of the Communist Party.

Let us turn to page 3 of the committee report and take a close look at what the majority has to say:

Starting with the second paragraph on page 3, the report deals with covering up, concealing, or nondisclosure of a material fact. The statute (sec. 1001 of the Criminal Code) is quoted to the effect that it applies to a person dealing with the Government who knowingly and willfully "falsifies, conceals, or covers up * * * a material fact." It also states that the statute applies to nondisclosure and cites: *U.S.* v. *Uram* (148 F. 2d 187 (1945)), where defendant, in applying for an FHA loan, did not reveal that he had a prior loan which was in default, and *U.S.* v. *Heine* (149 F. 2d 485 (1945)), in which an alien was convicted for failure to disclose his Nazi Party membership on his application for an alien certificate of identification.

Let us consider whether the fact of Communist Party membership would be a material fact in deciding whether or not a loan is to be granted under the NDEA as amended by S. 2929. Corpus Juris Secundum volume 37, Fraud, section 18 has this to say concerning "a material fact":

"A false representative to be actionable, and likewise, a false concealment to be actionable, must relate to a matter material to the transaction involved; that is the false representation or concealment must be the efficient, inducing, and proximate cause, or the determining ground, of action or omission. Thus representations are material if the transaction would not have occurred in their absence or with knowledge of their falsity, and if they are related directly to the transaction involved. Likewise, the concealment of facts which, if known, would have influenced a party to refrain from action causing injury has been held material. A representation is immaterial if the same thing would have been done in the same way in the absence of such representation; and, in general, failure to disclose facts which did not substantially affect the transaction have been held immaterial."

Consider the two cases cited in the memorandum. The Uram case involved appeal from a conviction under certain Federal criminal statutes. Defendant, when applying for an FHA loan, failed to reveal that a prior loan was in default. An important point to remember is the fact that on his application for credit, the defendant was specifically asked to list all prior loans and failed to fill in the proper information.

This case does not in any way support the arguments which supporters of S. 2929 are trying to make because if they are successful in getting the bill through individuals will no longer be required to sign any statements regarding their membership in subversive organizations.

As in the Uram case, the defendant was supposed to put on his application form the fact that he had a prior housing loan, so, too, under existing law is a student supposed to tell the truth in making statements about his affiliations with subversive organizations.

If the Kennedy bill is adopted, individuals will simply have to take a loyalty oath and sign no statement about subversive beliefs or affiliations. If *United States* v. *Uram* makes a case for anything, it is a case for retention of the affidavit or adoption of my amendment.

Now the majority report is so written that it suggests, contrary to what I have just stated that *United States* v. *Uram* was a case involving simple nondisclosure of a fact about which the defendant was never questioned. Suppose that were true, although, in fact, it was not. There is some kind of a logical relationship between granting a loan to one whose credit is good and not granting a loan to one whose credit is not good due to a prior defaulted loan. This unquestionably would be a material fact upon which the FHA would logically base its decision whether to grant the loan.

The Uram case could conceivably meet the definition of a "material fact" which I read you from corpus juris. The question here, however, is whether the fact of Communist Party membership is so related to the extension of benefits under the NDEA as to be "material" under that act as amended by S. 2929.

The purpose of the National Defense Education Act is stated in title 1, section 101 of the act (20 U.S.C. 401) as follows:

The Congress finds and declares that the security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women. The present emergency demands that additional and more adequate educational opportunities be made available. The defense of this Nation depends upon the mastery of modern techniques developed from complex scientific principles. It depends as well upon the discovery and development of new principles, new techniques, and new knowledge.

We must increase our efforts to identify and educate more of the talent of our Nation. This requires programs that will give assurance that no student of ability will be denied an opportunity for higher education because of financial need; will correct as rapidly as possible the existing imbalances in our educational programs which have led to an insufficient proportion of our population educated in science, mathematics, and modern foreign languages and trained in technology.

The Congress reaffirms the principle and declares that the States and local communities have and must retain control over and primary responsibility for public education. The national interest requires, however, that the Federal Government give assistance to education for programs which are important to our defense.

To meet the present educational emergency requires additional effort at all levels of government. It is therefore the purpose of this act to provide substantial assistance in various forms to individuals, and to States and their subdivisions, in order to insure trained manpower of sufficient quality and quantity to meet the national defense needs of the United States (Public Law 85-864, title I, sec. 101, Sept. 2, 1958, 72 Stat. 1581).

The act says that the "security of the Nation requires the fullest development of the mental resources and technical skills of its young men and women," etc. Nowhere in the act is a particular group barred until we reach section 1001(f) (20 U.S.C. 581) which at present bars those who have not both executed a disclaimer affidavit, which at present cannot truthfully be executed by party members, and also taken an oath of allegiance. If the provisions of S. 2929 were in effect, only those who have not taken the oath would be barred. Party members could take such an oath. It could then be argued that, Congress having eliminated the

specific bar against party members in S. 2929, the fact of membership would no longer be material.

With respect to the fifth paragraph on page 3, there is some question as to the extent to which party membership would afford a legal basis for denying a loan. Party membership would not seem to be illegal and Congress, by enacting S. 2929, would specifically lift the ban on such members. The purpose of the act, as amended, would be to achieve the fullest development of the mental resources and technical skills of the Nation's young men and women who have taken the oath of allegiance required by section 1001(f).

With respect to the "congressional purpose which has emerged from the debates on this bill," the courts would probably follow the rule of statutory interpretation which provides that as long as the statute is clear and unambiguous on its face the courts will give the natural and ordinary meaning to its provisions. They will resort to the reports, debates, etc., only if there is a patent ambiguity. There would seem to be no ambiguities on the fact of the act.

The fifth paragraph of the report on page 3 also refers to the omission or concealment of the fact of party membership as being made a material fact "especially in the light of the Secretary of HEW's expressed intention to deny loans to applicants who are members (CONGRESSIONAL RECORD, vol. 105, pt. 11, pp. 14088 and 14089). The mere intention of the Secretary to deny a loan cannot make the omission a material fact, unless the Secretary has at least colorable authority to deny. The paragraph also states that "even if the Secretary did not have actual authority to deny a loan on grounds of such membership, it has been held that such absence of authority cannot be attacked in a prosecution under section 1001, so long as the Secretary's general authority is apparent, *U.S.* v. *Meyer* (140 F. 2d 652, 2d Cir. 1945)." The question may be raised, however, whether the Secretary would have any authority at all, since Congress, in adopting S. 2929, would have eliminated all authority to bar party members on mere membership, as long as they had taken the oath of allegiance.

The situation here would differ materially from that in the Meyer case. In that case the validity of the constituted tribunal was raised (p. 655). The Court said:

"The courts have consistently held that the unconstitutionality of the operation or proceeding in relation to which a deception was practiced is not a defense in a prosecution for such deception. As long as a department or agency has colorable authority to do what it is doing, the constitutionality of the statute or order granting the authority in the first place is immaterial. * * * And here the combination of Executive Order 9066, Public Proclamation Nos. 1 and 2, and the rules for exclusion proceedings surely vests the Exclusion Board with ample apparent authority.

There the overall authority to exclude persons from the military area continued and was apparent, while here the overall authority would be specifically repealed by the Congress in enacting S. 2929. That case and the cases cited by it in the paragraph partially quoted involved false statements and representations. Here only the omission of a fact which Congress specifically dispensed with is involved.

What has been said thus far also applies with equal force when the party member receives any installment of the benefit.

The case of *United States* v. *Heine*, on which the committee relies in its report, does not in any way give any support to its arguments.

In the Heine case the defendant was convicted because he answered "none" when asked to name the organizations to which he belonged. He actually had been a member of the Nazi Party.

Under the new version of S. 2929, an individual isn't required to state that he does not belong to subversive groups so therefore he cannot be convicted for falsifying a statement in that regard, and too, as I have demonstrated previously, once the Committee bill is adopted, the fact of Communist Party membership can no longer be considered a material fact in deciding whether or not a loan is to be granted under the national defense education statute.

5. ALTHOUGH THE OATH AND AFFIDAVIT PROVISIONS IN THE NATIONAL DEFENSE EDUCATION ACT COULD BE UTILIZED TO PUNISH AN INDIVIDUAL WHO WAS A MEMBER OF THE COMMUNIST PARTY AT THE TIME HE MADE APPLICATION FOR A GRANT OR LOAN, THERE IS GRAVE DOUBT ABOUT THE FACT THAT AN INDIVIDUAL COULD BE PUNISHED IF HE JOINED THE COMMUNIST PARTY AFTER HE HAD MADE APPLICATION FOR SUCH BENEFITS

I now turn to my next contention that—although the oath and affidavit provisions in the National Defense Education Act could be utilized to punish an individual who was a member of the Communist Party at the time he made application for a grant or loan, there is grave doubt about the fact that an individual could be punished if he joined the Communist Party after he had made application for such benefits.

Dr. Freeman W. Sharp of the Legislative Reference Service, pointed out in a memorandum prepared on the National Defense Education Act that a present member of the Communist Party who executes the non-Communist affidavit under the act would be violating criminal section 1001 of the United States Code.

However, the Department of Justice points out that the provisions of statutes relating to perjury and false statements are applicable to statements which are alleged to be false at the time they were made. So, therefore, even with the affidavit provision left in the National Defense Education Act an individual could not be punished if he signed the affidavit in good faith and later joined the Communist Party after he had made application for benefits.

6. EXISTING INTERNAL SECURITY STATUTES ARE NOT ADEQUATE TO PROTECT THE FEDERAL GOVERNMENT FROM INDIVIDUALS WHO APPLY FOR OR RECEIVE BENEFITS UNDER THE NATIONAL DEFENSE EDUCATION ACT WHILE BELONGING TO THE COMMUNIST PARTY

My next contention is that existing internal security statutes are not adequate to protect the Federal Government from individuals who apply for or receive benefits under the National Defense Education Act while belonging to the Communist Party.

The membership clause in the Smith Act (18 U.S.C. 2385) provides as follows:

"Whoever organizes or helps or attempts to organize any society, group, or assembly of persons who teach, advocate, or encourage the overthrow or destruction of any such government by force or violence; or becomes or is a member of, or affiliates with any such society, group, or assembly of persons, knowing the purposes thereof—shall be fined not more than $10,000, or imprisoned not more than 10 years, or both, and shall be ineligible for employment by the United States or any Department or Agency thereof, for the 5 years next following his conviction."

With such a broad provision of law as this on the statute books, one might properly inquire why it is necessary to insert in the National Defense Education Act language which would make it a criminal offense for a Communist to accept funds provided under the defense education programs.

I shall try to answer this question as clearly and succinctly as I can.

First, may I point out that there is a real possibility that the Supreme Court will declare the membership clause of the Smith Act a nullity, not on constitutional grounds, but on the theory that another statute has repealed the Smith Act membership clause by implication.

In the *Yates* case (354 U.S. 298), the Government brought charges against 14 leaders of the Communist Party in California. The charges brought were for conspiring (1) to advocate and teach the duty and necessity of overthrowing the Government of the United States by force and violence, and (2) to organize as the Communist Party of the United States a society of persons who are so advocated.

The Government wasn't able to prove either of these two charges with respect to five defendants and the Supreme Court could have limited itself to saying just that and no more, but look at what it said by way of dicta:

"For all purposes relevant here, the sole evidence as to them was that they had long been members, officers, or functionaries of the Communist Party of California; and that standing alone, as Congress has enacted in section 4(f) of the Internal Security Act of 1950, makes out no case against them. So far as this record shows, none of them has ever made a single remark or been present when someone else made a remark, which would tend to prove the charges against them.

I think that the dicta in the Yates case indicates the Supreme Court is giving very serious consideration to the possibility of deciding that section 4(f) of the Internal Security Act bars prosecution under the membership clause of the Smith Act.

There is further evidence of this possibility in the fact that on June 29, 1959, the U.S. Supreme Court in the case of *Julius Irving Scales, Petitioner* v. *The United States of America*, in setting down the case for reargument, specifically directed Government counsel to address itself to the question of whether section 4(f) of the Internal Security Act bars prosecution under the membership clause of the Smith Act.

What does section 4(f) of the Internal Security Act say? It reads, in part, as follows:

"Neither the holding of office nor membership in any Communist organization by any person shall constitute per se a violation of subsection (a) or subsection (c) of this section or of any other criminal statute."

I, myself, do not believe that Congress ever intended to render to a state of impotency the membership clause of the Smith Act when it enacted the Internal Security Act of 1960, yet, the Supreme Court feels that the question is of such significant merit that it ought to hear arguments from the Federal Government on it.

This brings me to the second point I wish to make regarding the inadequacy of existing security statutes to protect the Federal Government from the subversives who receive benefits under the National Defense Education Act.

Suppose the Supreme Court holds that the membership clause in the Smith Act was not repealed by section 4 of the Internal Security Act. Would then an individual who joins a subversive organization while receiving benefits under the National Defense Education Act be guilty of a criminal offense if he had executed the oath of allegiance set forth in S. 2929? I put this question to the Department of Justice and John D. Calhoun, Assistant Deputy Attorney General, replying for the Department on February 5, 1960, and I quote:

"We are unaware of any criminal statute which would be applicable to the facts as set forth in your letter. Even though the oath of allegiance set forth in S. 2929 be construed as a promise for future conduct,

there is serious doubt whether, in the circumstances described in your letter, an individual would be liable to criminal punishment for a subsequent failure to abide by the oath."

I was so shocked to hear from the Department of Justice that a member of a subversive organization could receive benefits under the National Defense Education Act if S. 2929 were adopted, that I wrote the Department again on April 12, 1960, to inquire whether the Department, in reaching its conclusions, had considered the possible applicability of the Smith Act.

Again replying for the Department of Justice, John D. Calhoun, Assistant Deputy Attorney General, said:

"We assume you had in mind the possible applicability of the so-called membership clause of the Smith Act. However, even under this clause it is necessary to prove, in addition to membership in a subversive organization, that the organization teaches and advocates forcible overthrow of this Government in language of incitement, the individual's knowledge thereof, and his intent to assist the organization in achieving this goal."

7. MY AMENDMENT HAS MORE MERIT THAN THE PROVISIONS ALREADY IN THE NATIONAL DEFENSE EDUCATION ACT BECAUSE IT REQUIRES NO OATH OR AFFIDAVIT TO WHICH SOME PEOPLE OBJECT FOR RELIGIOUS OR OTHER REASONS—AND—MY AMENDMENT WILL HAVE AN IMPACT ONLY UPON THE GUILTY. THE INNOCENT ARE AFFECTED BY BOTH THE COMMITTEE BILL AND THE EXISTING PROVISIONS OF THE NATIONAL DEFENSE EDUCATION ACT

My amendment has more merit than the provisions already in the National Defense Education Act because it requires no oath or affidavit to which some people object for religious or other reasons—and—my amendment will have an impact only upon the guilty. The innocent are affected by both the committee bill and the existing provisions of the National Defense Education Act.

Dr. William P. Fidler, speaking for some members of the American Association of University Professors, asked Congress to repeal the non-Communist affidavit in the National Defense Education Act. During the course of his remarks, Mr. Fidler had this to say:

"Time and again this question has been put to me: Why should a person who receives money raised by taxes from loyal Americans refuse to declare himself free of disloyalty? Or, in practical terms, why should not the sword of prosecution be hung over the heads of disloyal liars?

"I would be forced to agree that this is not a bad idea if the requirement directly and exclusively affected only persons of the kind aimed at. But the requirement does not do this and cannot because it is a bad and confused means to an end. It is a shotgun blast discharged into a crowd in the hope of bringing down guilty persons. That is no kind of law to have."

You will note that the very essence of Dr. Fidler's objection to the affidavit provisions in existing law is the fact that it applies to the innocent as well as the guilty.

I am pleased to say that in contrast to the Kennedy amendment, which requires a loyalty oath of both the innocent and the guilty, and in contrast to the provisions in existing law, which requires an oath and affidavit from both innocent and guilty, my amendment requires neither oath nor affidavit.

The amendment simply provides that if an individual applies for or accepts benefits while belonging to the Communist Party or another subversive organization, he will be guilty of a crime. The innocent won't have a thing to worry about.

My amendment is totally consistent with the action which Congress took last year when it removed the oath and affidavit requirements affecting labor organizations and substituted therefor a new provision of law which simply makes it a crime for a labor union official or an official of an employers' association to be a member of the Communist Party.

I think that many Members of the Senate have been misled to believe that the vocal minority in academic circles which has opposed the presence of the affidavit requirement in defense education programs is a majority. I would point out, however, that the American Federation of Teachers, AFL–CIO, conducted a survey among college presidents and what were the results of that survey? The "affidavit" was approved by a majority of the university and college presidents that responded to the survey.

Let us keep uppermost in our minds the fact that while 20 institutions have refused to participate in some portions of the defense education programs because of the oath and affidavit, more than 1,300 other schools are actively participating. Unfortunately, some people's version of "liberty" depends on the old maxim about whose ox is being gored.

I contend that those few universities who have refused to cooperate in defense education programs are, in effect, impinging upon the freedom of choice of students who might want to go to college or do graduate work under the NDEA. These few college officials have taken the attitude—we don't care whether you, as an individual, want to sign the non-Communist affidavit or not—we're not going to let you make that decision.

I do not condone this attitude but I have tried to understand it and that is why I have advanced an approach that requires neither oath nor affidavit and which reaches the guilty and not the innocent.

8. UNDER MY AMENDMENT IT WOULD BE A CRIME FOR A MEMBER OF THE COMMUNIST PARTY OR ANOTHER SUBVERSIVE ORGANIZATION TO APPLY FOR OR ACCEPT GRANTS OR LOANS UNDER THE DEFENSE EDUCATION PROGRAM WHILE—ON THE OTHER HAND—INDIVIDUALS WHO JOIN THE COMMUNIST PARTY, AFTER MAKING APPLICATIONS FOR GRANTS OR LOANS COULD ESCAPE CONVICTION UNDER BOTH EXISTING LAW AND THE COMMITTEE-REPORTED BILL

My next contention is that under my amendment it would be a crime for a member of the Communist Party or other subversive organization to apply for or accept grants or loans under the defense education program while—on the other hand—individuals who join the Communist Party, after making application for grants or loans could escape conviction under both existing law and the committee-reported bill.

"(1) No person may apply for or receive any grant, payment or loan under this act while he is a member of the Communist Party or any other organization having for one of its purposes or objectives the establishment, control, conduct, seizure, or overthrow of the Government of the United States, or the government of any State or political subdivision thereof, by the use of force or violence, and has knowledge of such purpose or objective of that party or other organization."

I think it is unmistakably clear from a reading of this paragraph of the amendment that any individual who applies for or receives any grant, payment or loan while belonging to the Communist Party, or any other subversive organization, will be performing an unlawful act.

It will be recalled that earlier in my speech I pointed out that the only protective features in the National Defense Education Act at the present time are the oath and affidavit. I pointed out also that it was the view of the Department of Justice and the American Law Division of the Library of Congress that prosecutions for false swearing in the affidavits could deal only with statements false at the time they were made and would have no application to activities in derogation of the oath at a subsequent date.

What applies to the oath and affidavit in the National Defense Education Act also applies to the oath in the reported bill, S. 2929, and in the light of the opinions of the Justice Department and the Library of Congress, it is apparent that any one who takes the oath and signs the affidavit in good faith could join the Communist Party while receiving benefits and not be punished.

Now, let us take a look at the second paragraph of my amendment. It reads as follows:

"(2) No person who within 5 years has been a member of the party or any other organization referred to in paragraph (1) may apply for or receive any grant, payment or loan under this act unless his application for such grant, payment or loan is accompanied by a written statement, executed under oath, containing a full and complete disclosure of the facts concerning his membership in that party or other organization and the knowledge possessed by him during the period of his membership therein with regard to the purposes and objectives thereof."

If we examine this paragraph very carefully, we will note that the innocent fellow doesn't have to file any statement about what organizations he has belonged to. You will note further that the innocent individual does not have to swear that he has never been a member of the Communist Party, or any other subversive organization. Any individuals who have in the past belonged to subversive organizations have to file a written statement disclosing the facts about such membership. Once the facts are disclosed, it will be up to the people considering the person's application to determine whether this activity, together with other factors, would warrant disapproval of a request for a grant or loan.

The last paragraph of the amendment is the penalty paragraph, and it provides that anyone who violates paragraph (1) or paragraph (2) shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.

This penalty is the same penalty that would attach if a person committed perjury in completing any Government application form.

My amendment does not make it a crime to be a member of the Communist Party as would the Humphrey-Kennedy proposal which was offered in the Senate in 1954

What I and those who support me are trying to do today is to take every step possible to discourage members of the Communist Party from attempting to apply for or accept money under a defense statute, the National Defense Education Act.

We all know that the purpose of the national defense education law, in the words of the act itself, is—

"To provide substantial assistance in various forms to individuals, and to States and their subdivisions, in order to insure trained manpower of sufficient quality and quantity to meet the national defense needs of the United States."

My amendment does not make it a crime to be a member of the Communist Party; it simply states that it shall be a crime for a Communist Party member to try to get or receive money under a law devised to advance the security and defense of this Nation.

Many Senators presently serving in this body will recall that when the Communist

Control Act of 1954 was under consideration, the distinguished Senator from Minnesota [Mr. HUMPHREY], and the distinguished Senator from Massachusetts [Mr. KENNEDY], who is now the floor manager of S. 2929, offered an amendment in the Senate which would make mere membership in the Communist Party a Federal crime. A number of Senators cosponsored that amendment and it was agreed to by a vote of 84 to 0.

It is worthy of note that all of the members of the Senate Labor and Public Welfare Committee who served in the Senate in 1954 voted for this measure, including Senators HILL, MURRAY, KENNEDY, MORSE, GOLDWATER, COOPER, and DIRKSEN. I am confident that those members of the committee whose service in the Senate commenced at a later date would certainly have joined their colleagues if they had been given the opportunity to do so.

CONGRESSIONAL RECORD, volume 100, part 11, page 14208, contains the actual text of the Humphrey-Kennedy amendment and I should like to take the liberty of reading section 3 of that amendment which made it a crime to join the Communist Party.

The pertinent portion of the amendment reads as follows:

"SEC. 3. (a) Whoever knowingly and willfully becomes or remains a member of (1) the Communist Party, or (2) any other organization having for one of its purposes or objectives the establishment, control, conduct, seizure, or overthrow of the Government of the United States, or the government of any State or political subdivision thereof, by use of force or violence, with knowledge of the purpose or objective of such organization, shall upon conviction be punished as provided by the penalty provisions of section 15 of the Subversive Activities Control Act of 1950 (50 U.S.C. 794).

"(b) For the purposes of this section, the term 'Communist Party' means the organization now known as the Communist Party of the United States of America, the Communist Party of any State or subdivision thereof, and any unit or subdivision of any such organization, whether or not any change is hereafter made in the name thereof."

It will be noted from a careful reading of the words I have just quoted that those who sponsored the Humphrey-Kennedy amendment wanted the Congress to go way beyond anything I am proposing today. My amendment simply makes it a crime for a Communist to accept defense money. The Humphrey-Kennedy amendment made Communist membership itself a Federal offense. Therefore, even if a citizen never got a nickel from the Federal Government, he could have been put in jail under the Humphrey-Kennedy amendment for joining the Communist Party.

During the course of the debate, the junior Senator from Massachusetts pointed out, and I quote:

"That one of the great difficulties has been our treatment of the Communist Party as a legitimate political party."

He stated that situation would be ended if the amendment proposed by Senator HUMPHREY and him were adopted.

Senator PASTORE was equally eloquent on that occasion. I quote from his remarks:

"Is it not a fact that what we are trying to do through this substitute is to recognize the fact that the Communist Party is a party of an international conspiracy to destroy our Bill of Rights and our American institutions? By this action are we not saying that everyone who belongs to it is a criminal in the eyes of Americans?"

The senior Senator from Oregon, Mr. MORSE, pointed out on August 12, he thought the Humphrey amendment which he had cosponsored should be adopted. I quote from the comments of Senator MORSE:

"In my judgment, this amendment should bring the conservatives and the liberals together, because we have always been of one mind on the issue of communism. As constitutional liberals, on the one side, and as constitutional conservatives on the other, we have all been dedicated to a common patriotic motive; namely, that our constitutional system of Government shall persevere in the history of the United States."

The senior Senator from Minnesota, the principal sponsor of the amendment, Senator HUMPHREY had this to say in a very moving attack on the Communist Party:

"Do we believe it is a party dedicated to the destruction of this Republic? Is it a force dedicated to the destruction of this Government as we know it? If it is, then Senators should vote for this amendment.

"If Senators do not believe that the Communist Party is such a conspiratorial force, let them vote against the amendment. There is no way in the world in which one can cloak himself in nice legal phrases."

I am not one who sees a Communist under every bedpost, but I do think the Senate ought to give great weight to the comments J. Edgar Hoover made only a few months ago to the Internal Security Subcommitttee about the status of the Communist Party today:

"The Communist Party today is more powerful, more unified, and even more of a menace to our Republic than it has been in the past."

I hope that the Senators impelled by patriotic motives to demand, in 1954, that Congress make mere membership in the Communist Party a crime, will support my amendment today, which would only make it a crime for a Communist to accept money under a defense statute.

Senators will remember that the Humphrey-Kennedy amendment which said, in effect, join the Communist Party and we'll put you in jail, was an amendment which was adopted by the Senate unanimously but which was altered significantly in conference. Senators will recall also the seriousness with which Congress viewed the defense problem after the appearance of sputnik. Some Senators who had long opposed Federal aid to education voted for the National Defense Education Act because its purpose was so directly related to the long-term security of this country. Nothing more clearly expressed the congressional purpose behind the National Defense Education Act than the preamble of the statute itself which made repeated references to "the security of the Nation," "the defense of this Nation," and the "national interest."

Even if my amendment went so far as to outlaw the Communist Party, as did the Humphrey-Kennedy amendment offered in 1954, it would still be in harmony with the Constitution and Supreme Court decisions interpreting the Constitution.

The Supreme Court has not often considered the constitutionality of laws forbidding membership in certain organizations. But where it has, the Court has upheld their validity without regard to the specific intent or activity of individuals involved.

In *Bryant* v. *Zimmerman* (278 U.S. 63), a New York statute aimed at the Ku Klux Klan punished membership in certain oath-bound associations which had failed to register. The Supreme Court held that to forbid individual members to attend meetings or retain membership did not violate due process of law.

In *Whitney* v. *California* (274 U.S. 357), the defendant was charged with violations of the California Syndicalism Act by reason not only of her participating in the organization of the California Communist Labor Party, but also her membership in it. One of the questions before the Supreme Court was her claim that, in fact, she personally opposed the illegal aims of the organization and that they were adopted over her objections. Dealing with this claim, the U.S. Supreme Court, without exploring her own intentions, placed reliance on the fact that she had knowingly kept her membership after the aims of the party had become clear. The majority of the Court felt that there was nothing inconsistent with the 14th amendment in punishing knowing membership in the Communist Labor Party even without the element of specific intent to carry out the objectives of the association.

The membership clause in the Smith Act, which makes it a crime to organize any group or become a member of any group which advocates the overthrow of the Federal Government, was discussed by the Court of Appeals for the Fourth Circuit in *Frankfeld* v. *U.S.*, 198 F. 2d. The court had this to say:

"So far as membership in an organization advocating destruction or overthrow [of Government] is concerned, such membership is condemned only where there is knowledge on the part of the accused of the unlawful purpose of the organization. Membership in an organization renders aid and encouragement to the organization; and when membership is accepted or retained with knowledge that the organization is engaged in an unlawful purpose, the one accepting or retaining membership with such knowledge makes himself a party to the unlawful enterprise in which it is engaged."

A petition of certiorari was filed with the Supreme Court in the Frankfeld case but the petition was denied. It is my understanding that the same construction of various State syndicalism laws has been approved in the State courts (*People* v. *Ruthenberg* (229 Mich. 315), writ of error dismissed by Supreme Court, 273 U.S. 782).

I think it is clear from the decisions to which I have referred that my amendment would be in keeping with the spirit of the Constitution even if it outlawed the Communist Party, which it most certainly does not.

The proposal which I have submitted for the Senate's consideration is one designed to deny to members of subversive organizations the benefits available under the National Defense Education Act.

Does the Federal Government have the power to deny Federal benefits to subversives? The answer is a resounding "yes."

In *American Communications Association* v. *Douds* (339 U.S. 382), the Supreme Court upheld the "non-Communist oath" provision of the Taft-Hartley Act, which withdrew the benefits of the act from unions whose officers had failed to file an oath that they did not believe in the violent overthrow of the Government and did not then belong to the Communist Party or any organization that so believed.

Speaking of the oath formerly required of union officials under the Taft-Hartley Act, the Supreme Court made the following important point:

"We think that the 'belief' provision of the oath presents no different problem from that present in that part of the section having to do with membership in the Communist Party. Of course, we agree that one may not be imprisoned or executed because he holds particular beliefs. But, to attack the strawman of 'thought control' is to ignore the fact that the sole effect of the statute upon one who believes in overthrow of the Government by force or violence—and does not deny his belief—is that he may be forced to relinquish his position as a union leader."

The Court made it perfectly clear that the principle that one should not suffer the loss of any right or privilege because of his beliefs could be reduced to an absurdity. This is what the Court had to say:

"Suppose, for example, that a Federal statute provides that no person may become a member of the Secret Service force assigned to protect the President unless he swears that he does not believe in assassination of the President. Is this beyond the power of Congress, whatever the need revealed by its investigation? An affirmative answer hardly commends itself to reason unless, indeed, the Bill of Rights has been converted into a 'suicide pact.'"

In the same case, *American Communications Association* v. *Douds* (339 U.S. 382), Justice Jackson wrote a powerful concurring opinion in which he discussed the nature of the Communist conspiracy.

Under the topic head "Every Member of the Communist Party Is an Agent To Execute the Communist Program," Mr. Jackson made this cogent observation:

"Membership in the Communist Party is totally different [from membership in lawful political parties]. The party is a secret conclave. Members are admitted only upon acceptance as reliable and after an indoctrination in its policies, to which the member is fully committed. Moreover, each pledges unconditional obedience to party authority. Adherents are known by secret or code names. They constitute 'cells' in the factory, the office, the political society, or the labor union. For any deviation from the party line, they are purged and excluded.

"Inferences from membership in such an organization are justifiably different from those to be drawn from membership in the usual type of political party. Individuals who assume such obligations are chargeable, on ordinary conspiracy principles, with responsibility for and participation in all that makes up the party's program."

The Supreme Court, deciding in favor of the constitutionality of the oath in the Taft-Hartley Act, decided that the oath was designed to protect the public against what Congress has concluded Communists have done and are likely to do again.

Let us look at some more cases dealing with the power to deny privileges to members of subversive organizations.

In *Garner* v. *Board of Public Works* (341 U.S. 716 (1951)), the U.S. Supreme Court sustained the Los Angeles loyalty oath, which required each employee to file an affidavit with respect to his Communist Party membership and to swear that he did not now advocate and had not within 5 years from enactment of the ordinance advocated violent overthrow of the Government and did not and had not within such period belonged to an organization which so advocated. This oath went way beyond the Taft-Hartley oath in that it applied to past advocacy and past membership.

One of the attacks made on the oath in this case was that it violated due process because its negation was not limited to organizations known by the employee to be within the proscribed class.

The Supreme Court rejected this argument because it felt justified in assuming that scienter or knowledge was implicit in each clause of the oath.

In *Adler* v. *Board of Education* (342 U.S. 485), the Supreme Court upheld a New York statute which prohibited employment in the public schools to persons who advocated overthrow of the Government or who belonged to organizations which so advocate. The new Feinberg law requires State officials to make a listing of the proscribed organizations. The Supreme Court, in upholding this legislation, took note of the fact that the New York courts had construed the statute to require knowledge of organizational purpose before the regulations could apply.

Members of the Senate will note that my amendment makes it a crime for members of the Communist Party and other Communist groups to get benefits under the National Defense Education Act only if they have knowledge of the aims or purposes of the subversive organization to which they belong.

Therefore, the amendment is clearly in keeping with the holdings in the Garner and Adler cases.

It is true that some State loyalty oath statutes have been struck down by the Supreme Court but these statutes were poorly drafted and did not meet, as my amendment meets, the requirements laid down in the Garner and Adler cases.

Take, for example, *Wieman* v. *Updegraff* (344 U.S. 183). This case involved an Oklahoma statute which required each State officer and employee to take a loyalty oath that he is not and has not been for the preceding 5 years a member of any organization listed by the Attorney General of the United States as Communist front or subversive.

As construed by the Supreme Court of Oklahoma, it excludes persons from State employment solely on the basis of membership in such organizations, regardless of their knowledge concerning the activities and purposes of the organizations to which they had belonged.

The Supreme Court, in its opinion, pointed out that it had rejected an attack on the oath in the Garner case because it felt justified in assuming "that scienter was implicit in each clause of the oath."

The Supreme Court also emphasized the fact that although it had upheld the legislation being attacked in *Adler* v. *Board of Education* (342 U.S. 485), in upholding it, it expressly noted "that the New York courts had construed the statute to require knowledge of organizational purpose before the regulation could apply."

The Supreme Court went on to say that under the Oklahoma statute before the Court "the fact of membership alone disqualifies."

In the majority opinion, Justice Clark noted that membership in a subversive organization may be innocent and it was on the question of knowledge that the case turned.

The Court held that the Oklahoma statute violated the due process clause of the 14th amendment.

The clause, it said, does not permit a State, in attempting to bar disloyal persons from its employment on the basis of organizational membership, to classify innocent with knowing association.

The power of the Federal Government and of State governments to deny privileges to subversives upheld so clearly in the Adler and Douds cases, is broad in scope.

In both Adler and Douds, a principal argument was that the legislation involved violated the first amendment rights of those affected. Justice Minton threw this argument out saying:

"If they do not choose to work on such terms, they are at liberty to retain their beliefs and associations and go elsewhere * * * his freedom of choice between membership in the organization and employment in the school system might be limited, but not his freedom of speech or assembly, except in the remote sense that limitation is inherent in every choice."

My amendment does not forbid anyone to join the Communist Party; it simply states that you can't be a Communist and get defense money, too.

Chief Justice Vinson was rather frank in the Douds case which upheld the constitutionality of the loyalty oath as applied to union officials. This is what he had to say:

"Congress has undeniably discouraged the lawful exercise of political freedoms as well * * * men who held union offices often had little choice but to renounce communism or give up their offices."

The National Defense Education Act confers benefits not only on students but on college graduates who are already in the teaching profession. Justice Minton pointed out in the Adler case the harm that can be done in the classroom by one disloyal to the United States. Justice Minton made this well-reasoned statement:

"A teacher works in a sensitive area in a schoolroom. There he shapes the attitude of young minds toward the society in which they live. In this, the State has a vital concern. It must preserve the integrity of the schools. That the school authorities have the right and the duty to screen the officials, teachers, and employees as to their fitness to maintain the integrity of the schools as a part of ordered society, cannot be doubted."

Even Associate Justice Douglas, who disagreed with the majority opinion in the Adler case, admitted that "the school systems of the country need not become cells for Communist activities; and the classrooms need not become forums for propagandizing the Marxist creed."

There is no question in my mind about the fact that the Federal Government is not obligated by good constitutional law, good morals, and, particularly, good sense, to allocate money set aside for education connected with national defense to promote the careers of people who have joined the Communist conspiracy.

The clear and present danger test as applied to my amendment sustains its constitutionality.

Certainly there is support in the majority opinions in *Gitlow* v. *New York* (268 U.S. 652), and in *Whitney* v. *California* (274 U.S. 357), for the proposition that where Congress has dealt directly with aspects of speech, as in a sense my amendment does, by limiting defense benefits to those without membership in subversive associations, the issue is properly one of whether the congressional determination of the necessity of the restriction is reasonable and, if it is, there is no occasion to apply the clear and present danger test.

The Court of Appeals for the Fourth Circuit, in dealing with a membership clause, had this to say about the application of the clear and present danger test to such a clause:

"The defendants contend that these provisions [literature and membership clause] of the statute are unconstitutional because they do not require a 'clear and present danger' as a condition of criminality; but it would be little short of absurd for a statute to forbid advocacy of the destruction of the Government or membership in an organization formed for the purpose of such advocacy only in the event that they result in 'clear and present danger.' This would be to make the mere success of an attempted crime the criterion of criminality for making the attempt."

It is my firm belief that if the "clear and present danger" doctrine were ever applied to the amendment which I offered, that it would be applied with regard to the danger to be anticipated from the Communist Party rather than from the individual who violated the amendment by getting defense benefits while a Communist. All our security statutes would be absolutely meaningless if the Government had to prove that it is in danger of overthrow from the activity of any one individual. It is the individual Communist's contribution to his party together with that of his comrades that gives the party power.

Turning to *American Communications Association* v. *Douds* (339 U.S. 382), this is what the Supreme Court states:

"The attempt to apply the term 'clear and present danger,' as a mechanical test in every case touching first amendment freedoms, without regard to the context of its application, mistakes the form in which an idea was cast for the substance of the idea, although the first amendment provides that Congress shall make no law abridging the freedom of speech, press, or assembly, it has long been established that those freedoms themselves are dependent upon the power of constitutional government to survive. If it is to survive, it must have power to protect itself against unlawful conduct and, under some circumstances, against incitements to commit unlawful acts."

Chief Justice Vinson pointed out in a Taft-Hartley loyalty oath case that the legislation was not designed to prevent incitements to revolution but rather to forestall the havoc which individuals who advocate disloyalty may bring about if placed in positions of authority and responsibility.

In "Speech: Public and Private," an article in the Columbia Law Review, Morris L. Ernst and Arthur J. Katz draw a significant distinction between public speech which can be dealt with in the marketplace of ideas, and secret speech which cannot be evaluated in terms of immediate danger to the country because of the very fact that it is concealed. Mr. Ernst and Mr. Katz had this to say:

"It is obvious that in dealing with secret speech as opposed to public speech, the Court is faced with a problem to which the established standards of clear and present danger are not readily applicable. Secret speech, particularly when combined with concealed political activity, never yields an opportunity for the kind of consideration of the issues by the citizenry which it is the purpose of the first amendment to secure. There can be no competition in the marketplace of thought if the people are not informed of the ideas, aims, or identity of a group until after these ideas have been translated into action."

In their very excellent article, Morris L. Ernst and Arthur J. Katz further clarify the difference between public and secret speech by this example:

"The man who mounts a soapbox in a municipal park to urge the overthrow of the Government is entitled to the protection of the first amendment unless the circumstances surrounding his speech makes it clear that his listeners will forthwith arm themselves and march on city hall. Here the test of danger is a practical, workable one which can be applied in terms of the time and opportunity available for the expression of diverse opinions, for the consideration of the issue by those to whom the speech is addressed and for self-defensive action by the Government, if necessary. On the other hand, political plans secretly conceived and executed, or executed under the guise of activity apparently remote from the ends sought, do not (and, we can assume, are not meant to) provide time or opportunity for consideration, choice, or proper counteraction. The very use of stealth in a society that protects public speech negates the protection of the first amendment."

The thinking expressed by the Court in the Frankfeld decision appears to be very much in accord with the arguments advanced by Mr. Katz and Mr. Ernest.

In the Frankfeld decision the Court remarked:

"The question presented is not one as to freedom of speech or as to the right to organize for proper political purposes, but goes to the power of the Government to outlaw and punish conspiracies whose purpose it is to overthrow the Government itself by force and violence. Modern history is replete with instances of the danger to the Government inherent in such conspiracies; and there is nothing in the Constitution or in any sound political theory which forbids it to take effective action against that danger."

The late distinguished Chief Justice Vinson in the Dennis case gave a strong and persuasive answer to the argument that the Smith Act should be held invalid in its application to the defendant because of the "clear and present danger" rule. Listen to the words of Chief Justice Vinson, who was speaking for the U.S. Supreme Court:

"Obviously, the words cannot mean that before the Government may act, it must wait until the putsch is about to be executed, the plans have been laid, and the signal is awaited. If Government is aware that a group aiming at its overthrow is attempting to indoctrinate its members and to commit them to a course whereby they will strike when the leaders feel the circumstances permit, action by the Government is required."

Harry L. Wallace, writing in the Indiana Law Journal, summed up the whole relationship of the question of free speech to the question of denying public benefits to subversives when he said:

"Because the Government may not lock up an advocate of disloyalty if there is time to expose the fallacy of his ideas in the marketplace, it does not follow that it must necessarily employ him in the schools to expound those fallacious ideas to the children with whose care he would be entrusted."

Had the present controversy been existing when Mr. Wallace wrote the article, he might have said that just because the Congress has not outlawed the Community Party it does not follow that it must necessarily allow Communists to get loans and other benefits under a defense statute.

Supreme Court cases make it unmistakably clear that my amendment in no way conflicts with the bill-of-attainder provision in the Constitution

"A bill of attainder is a legislative act which inflicts punishment without a judicial trial."

This is the definition of a bill of attainder which has been given by the U.S. Supreme Court and adhered to since the time of its definition.

In order to qualify as a bill of attainder a statute must apply either to named individuals or to an easily ascertainable group. However, just because an individual or group is named in a statute does not in and of itself mean that the law is a bill of attainder. In *American Communications Association* v. *Douds*, the unions argued that the loyalty oath in the Taft-Hartley Act was a bill of attainder, and the unions cited the familiar cases, *United States* v. *Lovett* (328 U.S. 303 (1946)); *Ex parte Garland* (4 Wallace 333 (1867)); and *Cummings* v. *Missouri* (4 Wallace 277 (1867)). The majority of the Supreme Court dealt with the unions' arguments in the following words:

"Those cases and this also, according to the argument, involved the proscription of certain occupations to a group classified according to belief and loyalty. But there is a decisive distinction: In the previous decisions the individuals involved were in fact being punished for past actions; whereas, in this case they are subject to possible loss of position only because there is substantial ground for the congressional judgment that their beliefs and loyalties will be transformed into future conduct."

The Supreme Court pointed out that disloyal individuals were not forever disbarred from union office. This is what the Court had to say:

"There is no one who may not, by a voluntary alteration of the loyalties which impel him to action, become eligible to sign the affidavit. We cannot conclude that this section is a bill of attainder."

The courts have pointed out time and time again that if every statute which applied to specific individuals or groups were a bill of attainder it would be impossible to pass any criminal or regulatory legislation which applied to anything less than all persons within the jurisdiction.

In *United States* v. *Lovett*, the case involved a rider on an appropriation bill which prohibited payment of further compensation to three named Federal employees. The Court interpreted this as a permanent proscription from any opportunity to serve the Government and considered the rider a bill of attainder. Whereas, in *American Communications Association* v. *Douds* the Court upheld a loyalty oath as stated previously because there was no one who could not by a voluntary alteration of his loyalties become eligible to sign an affidavit and hold union office.

In the concurring opinion of Justice Frankfurter in the Lovett case, Mr. Frankfurter sketches out a theory that a prospective statute could not be a bill of attainder because it did not punish past conduct.

The theory that a statute imposing unavoidable disqualifications is a bill of attainder was smashed to the ground by *Hawker* v. *New York* (170 U.S. 189 (1898)). In that case the U.S. Supreme Court upheld a statute disqualifying convicted felons from the practice of medicine as applied to an abortionist convicted prior to the passage of the statute. The Court reasoned that a State might rightfully require good character of those who had practiced medicine and that it could reasonably determine that conviction of a felony was conclusive evidence of poor character.

In *Garner* v. *Board of Public Works* (341 U.S. 716 (1951)), the Court was faced with a situation which involved a Los Angeles city charter provision which barred from city offices and jobs, persons who were associated with subversive organizations. An ordinance adopted pursuant to the charter provision required all city employees to take an oath that they had not advocated subversive views or been associated with any subversive organization within 5 years prior to enactment of the ordinance.

The Supreme Court upheld the oath. In spite of its retrospective features the Court refused to find a bill of attainder holding that the charter and ordinance simply "declared general and prospectively operative standards of qualification and eligibility for public employment."

My amendment does not disqualify applicants for benefits under the National Defense Education Act on the basis of past conduct. It does state that in the future it will be a crime for Communists or other subversives to apply for or accept them.

As in *American Communications Association* v. *Douds* the union official was faced with the choice of renouncing communism or losing his job. So, too, is an individual faced under my amendment with a choice. This is the choice: to be loyal to the United States and be eligible for benefits or to be disloyal and ineligible for such benefits.

The Members of the Senate will recall that during the last session of Congress we enacted the labor reform law which contained in section 504 a provision very similar to my amendment. The labor reform provision to which I refer bars Communists from holding office in labor organizations and in groups or associations of employers dealing with any labor organization.

The distinction between that provision of law and my own amendment is the fact that the labor reform bill language goes way beyond it and prohibits anyone from serving as a union leader or employee of certain business associations not only on the basis of

present membership in the Communist Party but on the basis of past membership as well. This feature of the Kennedy-Landrum bill was never objected to in the House of Representatives or by the Senate conference group headed by the distinguished junior Senator from Massachusetts.

Since my amendment requires only a disclosure of past membership in the Communist Party on the part of those who seek defense education benefits, and since the amendment does not provide for automatic denial of benefits on the basis of past membership, it is clearly in harmony with the ex post facto provisions in the Constitution.

An ex post facto law is a law which inflicts a greater punishment for an offense than was annexed to the crime when committed (*Calder* v. *Bull* (1798) 3 Dallas 386, 390). Accordingly, if the proposed disqualification would be an additional punishment for offenses committed before its enactment, it would be invalid. But a statute is not deemed to be penal if it imposes a disability—not to punish—but to accomplish some other legitimate governmental purpose (*Trop* v. *Dulles* (1958) 358 U.S. 86, 96).

In American Communications Association v. *Douds* ((1950) 339 U.S. 382), the Supreme Court, as stated earlier, upheld a statute denying certain benefits under the National Labor Relations Act to unions whose officers had not filed non-Communist affidavits. In that case Chief Justice Vinson wrote:

"Power is never without responsibility. And when authority derives in part from government's thumb on the scales, the exercise of that power by private persons becomes closely akin, in some respects to its exercise by government itself."

It was the Supreme Court view that Congress could exclude from union office those classes of persons whom it feared would misuse powers lodged in them. It is my view that Congress may also exclude from benefiting under a defense statute those individuals dedicated to the overthrow of the Government that provides the benefits.

There are now in effect Federal statutes which deny the right to engage in certain activities to persons who have been convicted of specified crimes. The Federal Alcohol Control Act, for example, forbids the issuance of a basic permit to any person who, within 5 years prior to the application, has been convicted of a felony under Federal or State law, or has, within 3 years, been convicted of a misdemeanor under any Federal law relating to liquor. The Investment Company Act of 1940 makes it unlawful for any person who, within 10 years, has been convicted of any felony or misdemeanor relating to certain securities dealings, to serve as an officer of any registered investment company.

In all of these situations individuals are deprived of certain rights because of past conduct. In each case the courts have upheld the statutes involved.

My amendment does not deny benefits to those who in the past have belonged to questionable organizations. It simply requires the disclosure of prior membership in subversive organizations.

In the Garner case referred to previously, the loyalty oath was upheld even though it required as a condition precedent to getting a Los Angeles City job that the individual applicant had not been associated with a subversive organization prior to enactment of the ordinance.

The relevancy of past loyalty to future conduct was brought sharply to focus by the words of the Supreme Court in the Garner case. In that case the Court said:

"Past conduct may well relate to present fitness; past loyalty may have a reasonable relationship to present and future trust. Both are commonly inquired into in determining fitness for both high and low positions in private industry and are not less relevant in public employment."

CONCLUSION

The unfortunate developments of the past week clearly show that the statement by the Soviet Premier, Nikita Khrushchev, in June of 1957 when he calmly assured a nationwide television audience that one day the United States would be a Communist nation is still his basic belief. He stated, and I quote:

"I can prophesy that your grandchildren in America will live under socialism. And please do not be afraid of that. Your grandchildren will not understand how their grandparents did not understand the progressive nature of a socialist society.

A number of years before this statement was made by Mr. Khrushchev, the Communist intent was more graphically described. The Communist Party's 1921 constitution proclaimed its purpose:

"To destroy the bourgeois state machinery; to establish the dictatorship of the Proletariat in the form of Soviet power; to abolish the capitalist system and to introduce the Communist society."

These words reveal the nature of the Communist conspiracy which has, within the past four decades, engulfed almost 40 percent of the world's population and 25 percent of the earth's surface. The ultimate and tragic aim of the Communists is to control and dominate this Nation, and eventually to conquer the world.

Many people today tend to discount the menace of domestic communism. They believe, because of a decline in its membership, that the Communist Party in this country is no longer an influential organization. Some go so far as to say "the party is almost over." Those who believe this are only deluding themselves and others. It is a mistaken policy which has already done considerable harm and which may bring even more disastrous results. We must keep in mind in estimating the influence of this well-organized and aggressive group that each party member or sympathizer must be evaluated in terms of his political, social, and economic weight and influence and the fact that he has the backing of a major foreign power. William Z. Foster, former national chairman of the Communist Party of the United States, stated that "Communist strength cannot be measured even approximately by statistics. The Communist Party's strength runs far beyond all formal measurements."

Founded in 1919, the American Communist Party is a Russian-inspired, Moscow-dominated, anti-American conspiracy against our Government, our ideals, and our freedoms. It is, in fact, simply the American branch of the Russian Communist Party; an organic part of the Communist movement seeking world conquest and more specifically the destruction of the American Government as its chief obstacle.

I am aware that there are many conscientious individuals who are not in any way subject to Communist discipline who object to the present so-called non-Communist affidavit. In fact, President Eisenhower himself in his budget message for the fiscal year starting July 1 stated that:

"I am recommending repeal of the provision of the National Defense Education Act that prohibits payments or loans from being made to any individual unless he executes an affidavit that he does not believe in or belong to any organization that teaches the illegal overthrow of the Government. This affidavit requirement is unwarranted and justifiably resented by a large part of our educational community which feels that it is being singled out for this requirement."

Frankly, if there is this much feeling with reference to the act, it is proper to raise a question as to whether a better method might not be adopted to insure the allegiance of those who are receiving benefits from the Federal Government to advance their own education while at the same time promoting our security. In fact, under the existing legislation it would be possible for an individual to swear that he was a loyal citizen at the time that he embarked upon his educational program, but he could later join a subversive organization and still receive benefits under the act without being liable to any criminal punishment.

It was my hope in preparing remarks that I have read today that I would treat this whole issue in the most objective manner possible. I have endeavored to secure the best advice of the Department of Justice, the American Law Division of the Legislative Reference Service, and other qualified persons and agencies. I feel, as I have explained earlier, that I am submitting language to the Senate which would prevent anyone from applying for, or accepting, benefits under the National Defense Education Act while a member of a subversive organization. My proposal does not require the signing of any affidavit nor the taking of any oath. It will, I think, safeguard the interests of the United States.

There are many sources of financial support for individuals who wish to pursue an educational program without requiring assistance from the Federal Government. Those who are unwilling to submit to the discipline imposed by my amendment should be required to finance their education without recourse to the taxpayer.

Mr. DIRKSEN subsequently said: Mr. President, earlier I suggested, with respect to Members who wished to be heard on this matter, that I would ask unanimous consent that their remarks be printed in the body of the RECORD. Therefore, I now ask unanimous consent that the remarks of the distinguished Senator from New Hampshire [Mr. BRIDGES] appear in the body of the RECORD, in the course of the debate prior to the vote.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LESSONS IN LOYALTY

(Statement by Senator BRIDGES)

During my 24 years as a Member of this body, I have witnessed a number of teapot tempests in this Chamber.

One of the more recent debates of this particular nature occurred during the first session of this Congress when the Senate spent considerable time discussing the merits of S. 819. This bill sought to delete the loyalty oath and disclaimer affidavit provisions from the National Defense Education Act.

I was dismayed by the amount of time devoted to this piece of legislation last year but gratified by the end result when the bill was recommitted to committee. I am sure that many of my colleagues shared my hope at that time that S. 819 and its objectives would thereafter rest in peace.

WATERED-DOWN VERSION STILL OBJECTIONABLE

Unfortunately, such was not the case. The sponsors of the bill apparently saw fit to slice up S. 819, sweeten it with verbal sauce and serve it to the Senate in sections.

The sweetened portion before us today is no more palatable, however, than the original serving. To my way of thinking, S. 2929 is still a distasteful piece of legislation.

Rather than removing both the loyalty oath and disclaimer affidavit like its ill-fated

predecessor, S. 2929 attacks only the affidavit provision.

But it still boils down to the time-worn proposition of six against a half dozen.

NO BASIS FOR OBJECTIONS TO AFFIDAVIT

Quite frankly, I see absolutely no reason why any patriotic American should find cause to object to an affidavit which states, in substance, that he does not believe in, and is not a member of, and does not support, any organization that believes in or teaches the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods.

I have given a good deal of thought to this matter.

I have looked at the affidavit from all angles.

I have tried diligently to see the other side of the coin.

But it still saddens me that Americans should be so concerned over such a simple repudiation of any collusion with the enemy.

LET'S EXAMINE THE ARGUMENTS

My purpose is not solely to state my opposition to this legislation. The fact that I am opposed to it surprises no one, I am sure.

I shall direct my remarks today to the arguments presented by the proponents of S. 2929. I shall attempt to analyze their objections to the disclaimer affidavit to see if any of them hold water.

IS ACADEMIC FREEDOM THREATENED?

First of all, some advocates of the bill have claimed that the affidavit is a threat to academic freedom.

Now, let us examine this claim.

For a number of reasons, it simply does not bear up under close scrutiny.

The most obvious reason is that all students are not required to sign an anti-Communist affidavit. Only those students who are seeking financial assistance from the Federal Government are required to comply with this provision of the act.

Therefore, any student who finds that the disclaimer is obnoxious or objectionable has only to seek another benefactor in order to pursue his education without being bothered with such a requirement.

GOVERNMENT ASKS SIMPLE GUARANTEE

In effect, the Federal Government is saying to the prospective student: "I am prepared to assist you financially and the only thing I ask in return is a written guarantee that you have no intention of using this education to assist my enemies in their attempts to destroy me."

This hardly strikes me as an abridgement of academic freedom.

If for some reason beyond my perception a student feels that he can honestly object to the disclaimer procedure, the Federal Government does not withdraw his right to further education. The Government merely asks that the prospective student obtain his financial assistance elsewhere.

DEFECTING COLLEGES ABORT FREEDOM OF CHOICE

The only infringement of academic liberty which I have noted in this entire controversy was not committed by the Federal Government. On the contrary, it was perpetrated by those college presidents and administrators who saw fit to withdraw from participation in the National Defense Education Act student loan program.

These self-styled "freedom-fighters" have actually closed their doors to worthy students who need Federal assistance in obtaining a college education.

They are saying, in substance, that any student who, through financial necessity, must turn to the student loan program for assistance, cannot enter their institutions of learning.

I should add here, that only a handful of misguided educators have chosen to abort academic liberty in this fashion. The overwhelming majority have displayed the kind of clear thinking which one might expect of intelligent, well-educated men.

Beyond that, we must remember that the educator opposition to the affidavit has reached the saturation point, while educator support is mounting steadily. I am convinced that the pendulum of educator opinion began swinging in the opposite direction some time ago.

According to the U.S. Office of Education, a total of 1,360 colleges and universities are participating in the loan program during the current academic year. There are conflicting reports as to exactly how many colleges have withdrawn from the program, or have expressed their intention to withdraw, because of the disclaimer affidavit. The report of the Committee on Labor and Public Welfare lists 18 institutions which have withdrawn and 8 others which have declined to participate because of the affidavit.

The sum of both these categories hardly makes a dent in the total number of participating colleges.

Like everything else, there are always a few dissenters who object to any rules, regulations or requirements.

ARE WE SINGLING OUT STUDENTS?

Now let's examine another popular objection to the disclaimer affidavit.

Some of the champions of S. 2929 believe that the affidavit singles out students for suspicion.

This seems to me to be a little ridiculous.

Do these critics mean that the Federal Government should not require any individual or group to do anything without imposing the same requirement on 180 million Americans?

Perhaps what the opponents of the affidavit are saying is that all beneficiaries of Government assistance should be required to sign a similar affidavit.

While I am not advocating such a policy, I would certainly have no objection to it. If these individuals feel that every person receiving Government subsidies should come under this requirement, it is all right with me.

The fact of the matter is that Government employees are required to execute an affidavit to the effect that their employment does not constitute a violation of Public Law 330 of the 84th Congress. The wording of this Public Law is remarkably similar to the National Defense Education Act affidavit. Despite this requirement, I have heard no complaints that Government employees are being singled out for suspicion.

Thousands of Americans employed in private industry sign such an affidavit because their companies are engaged in Government contract work but no screams are coming from that quarter.

I might add that students at our service academies must meet this requirement, but no hue and cry is being raised by these young men. And our academies are always filled to capacity.

Additionally, it is interesting to note that the National Science Foundation Act has been in force for 10 years and has been successful in such activities as the awarding of scholarships and graduate fellowships in the sciences. However, this 1950 act requires a loyalty oath and an oath of allegiance from persons receiving assistance under these programs. Nevertheless, I hear no anguished reports about this act.

In short, I hardly think that there is sound reasoning behind this claim and I dismiss it for lack of good logic.

ARE THE STUDENTS OPPOSED TO IT?

Then there is a group which justifies passage of S. 2929 on the grounds that college students, in general, are opposed to the provision in question.

To begin with, this is at best a flimsy basis for remedial legislation.

In addition, on closer inspection the claim appears to be without foundation.

Let's examine the facts. The first year the student loan program was in operation, approximately 28,000 loans were made. During the 1959–60 academic year, which is now drawing to a close, the program swelled to more than 70,000 individual loans. Also, it is estimated that this program will attract about 125,000 loan applications during the next academic year.

If the students are opposed to this provision, their opposition is certainly not reflected by these figures.

Speaking as one U.S. Senator who has received a large amount of mail on this subject from college students, I want to stress that my correspondence from young men and women on this topic has been overwhelmingly in favor of retaining both the loyalty oath and the disclaimer affidavit.

I have in my possession—and I should be happy to produce them should any of my colleagues so desire—the names of 3,718 college students who have taken a stand in favor of the affidavit and in opposition to the legislation we are now considering.

STUDENT COMMITTEE ORGANIZED

Earlier this year, an organization known as the National Student Committee for the Loyalty Oath was started by a group of students here in the District of Columbia. This group has snowballed into a nationwide organization of men and women of college age, students at universities and colleges from Maine to California, all of whom are opposed to this bill under consideration.

I really do not think that this indicates a feeling of resentment to these provisions.

IS THE AFFIDAVIT UNNECESSARY?

I have also heard the argument that it is unnecessary for the Government to extract such a guarantee from students.

To find an answer to this claim, let's inspect the mechanics of the bill itself.

I feel there is no need for me to dwell on the fact that this act was passed initially to promote the national defense. Its very name should be sufficient evidence of that fact.

IT IS MERELY GOOD BUSINESS

In the final analysis, this act places the Federal Government in the position of an agency loaning money to needy scholars for continuance of their educations. And I think we can all agree that sound lending institutions do not scatter money to the four winds without first obtaining certain guarantees from the borrowers.

Under NDEA, however, the Government makes no demands with respect to collateral and is willing to accept without question the good intentions of its debtors to repay the loans.

In fact, the only requirement for eligible students is the taking of the loyalty oath and the signing of the antisubversive affidavit.

IS THE AFFIDAVIT INEFFECTIVE?

Objectors to the affidavit also claim that it is ineffective; that subversives can still sign it and reap the benefits of the NDEA.

They can, but I question whether or not they will.

Section 1001(f) of the National Defense Education Act states in its final sentence—and I quote—"The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such affidavits."

If a Communist were to check on this reference to the United States Code, he would find the following words:

"Whoever, in any matter within the jurisdiction of any department or agency of the

United States, knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statement or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than $10,000 or imprisoned not more than five years, or both."

To be sure, there is no absolute guarantee that an enemy of our country would decline to sign such an affidavit. But, if he did, he would do so with full knowledge that he would be running the risk of subsequent imprisonment on the grounds of perjury. I feel certain that this risk would be a very effective deterrent to any would-be student loan applicants from the ranks of the Communist Party.

IS IT SUPERFLUOUS OR BURDENSOME?

Finally, there are a few persons who have claimed that loyalty oaths and disclaimer affidavits are superfluous and burdensome.

I do not know of anything that annoys me more than this kind of thinking among supposedly loyal Americans.

It seems to me that loyalty, like patriotism, and any other outward sign of allegiance to one's country has become "old hat" in this day and age.

I, personally, consider it a pleasure to doff my hat when the American flag goes by; an honor to join in the singing of the national anthem; a privilege to repeat the pledge of allegiance; to take a loyalty oath or sign a disclaimer document. Because of this, however, some of our supersophisticates or pseudointellectuals or fuzzy-brained internationalists might consider me to be eccentric or at least somewhat amusing. But, if such outward manifestations of patriotism indicate eccentricity, then we should all be thankful that our forebears were eccentric along these lines of patriotism.

S. 2929 SHOULD BE DEFEATED

In closing, I cannot help but indicate a little disgust over the fact that the Senate of the United States should be required to take time out from the pressing legislation which is needed in other fields to spend time on such a needless bill as S. 2929. I trust that my colleagues will treat it with the contempt it deserves; that it will be defeated with speed and dispatch; and that we can get back to the important business of the Senate.

Mr. McGEE subsequently said: Mr. President, I ask unanimous consent that remarks I had prepared for discussion on the loyalty oath be included in the RECORD at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The statement is as follows:)

STATEMENT BY SENATOR MCGEE

What is the purpose of a loyalty oath requirement for college student loans? Is it to prevent subversives from obtaining student loans? Is it to inspire loyalty in students?

If it is any one of these things, then it cannot succeed in accomplishing its purpose.

Even the Senators supporting the oath requirement admitted it would not keep Communists from getting loans. I cannot imagine a devoted Communist hesitating to sign a loyalty oath. In fact he might be eager to sign.

As a college professor for many years, I am sure that the routine administration of an oath during a financial transaction will not inspire students to a higher regard for their country.

To demand, rather than expect, loyalty from any class of citizens is to weaken this Nation's democratic ideals.

There is nothing inherently wrong or improper about loyalty oaths. If the recitation of a loyalty oath inspires patriotism in an individual, let him take an oath when he so desires. But let us not require oaths of those who find them personally distasteful for routine matters.

Recently I took my first oath as a Senator. It was a solemn moment and one I shall remember always. I was swearing to dedicate myself to my new job, an affirmation of acceptance of solemn responsibility.

It is entirely proper that Senators begin their term of office by swearing an oath of allegiance, and all are proud to do so. But it is not necessary to take an oath to obtain an FHA home loan or to receive Government crop supports.

No one expects a loyalty oath to be connected with these financial transactions with the Government. Why then do we single out student loans as more important than other loans?

Never have I doubted the loyalty of 99.9 percent of the American people. This is a loyalty not of laws or codes but of individual belief in the rightness of the American system and respect for the rights and dignity of every person. As long as this loyalty exists in this country, we need no laws to protect it. If it disappears, no law will ever restore it.

Communism is "soft" on truth. It's time we got tough with the Communists. Instead of coddling them with statutes which protect them from exposure to our most devastating weapon—unrestrained and unlimited education—let's hit them hard where it hurts. Let's throw the books at them.

But our attention is focused upon students in our universities. These students fall into one of two categories. Either they are loyal or they are Communists. If loyal, they are no problem. If not—if by chance and in spite of all existing precautions, a Communist should slip into one of our colleges, what then?

I submit that even under these improbable circumstances we have much less to fear than some suggest.

It is clearly established that the most vulnerable aspect of communism is its inability to stand the tests of criticism and truth. This is communism's "softest" or weakest side.

From our point of view in the United States, ideas, truth, and freedom of criticism are our greatest weapons in the struggle against totalitarianism around the world.

The Communists themselves offer the most dramatic evidence. In the Soviet Union, both propaganda and severe censorship shield the Russian people from the truth. The Communists fear unlimited, unrestricted education because it seeks the truth and the truth exposes the false premises of communism.

Instead of worrying quite so much about the one or two Communists who might slip into our colleges in spite of all existing precautions, we should close in on them with the searching light of truth inherent in our educational system.

The Communist system cannot withstand this searchlight which our system turns upon despotism wherever it occurs.

Even the most avid supporters of the disclaimer affidavit requirements which have been scorned by several of our major colleges, universities, and educational leaders, admit that the signing of such a document will not deter a single Communist. Why not then throw the books at whomever might slip into our educational system and instead of shielding them from our great educational processes, subject them to truthful analysis? Education represents our most powerful weapon against communism.

Mr. McGEE. I ask unanimous consent, moreover, that correspondence I have received on this question likewise be included in the RECORD following my remarks. It includes a statement from the Wyoming Chapter of Sigma Xi, an honorary scientific fraternity, opposing the loyalty oath; one from the Western Association Graduate Schools, opposing the loyalty oath; and one from the President of the Wyoming Chapter of the American Association of University Professors, likewise opposing the loyalty oath.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

WYOMING CHAPTER OF SIGMA XI,
THE UNIVERSITY OF WYOMING,
Laramie, Wyo., February 12, 1960.

Hon. GALE W. MCGEE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGEE: The Wyoming Chapter of the Society of the Sigma Xi approved the following motion in their regular meeting last night:

"The chapter secretary shall notify the Wyoming Congressmen in Washington that it is the consensus in the Wyoming Chapter of Sigma Xi that the requirement for a disclaimer affidavit relating to subversive activities should be eliminated from the National Defense Education Act."

The Society of the Sigma Xi is an organization whose aim is to encourage original investigations in science. Its membership is composed of men and women engaged in or devoted to scientific research. The Wyoming Chapter now has 173 active members including teachers and research workers in most of the scientific discipline.

Sincerely yours,

JOHN S. BALL,
Secretary.

WESTERN ASSOCIATION
OF GRADUATE SCHOOLS,
Boulder, Colo., March 16, 1960.

Hon. GALE W. MCGEE,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MCGEE: At its annual meeting on March 1, 1960, in Berkeley, Calif., the Western Association of Graduate Schools, which is composed of 49 graduate schools in colleges and universities located in every Western State, including Alaska and Hawaii, unanimously adopted the following resolution, which I am instructed to transmit to you:

"Whereas the requirement of affidavits of disbelief or disclaimer oaths as a condition for receiving fellowships or loans is an unwarranted interference with freedom of expression and is ineffective: Now, therefore, be it

"*Resolved,* That the Western Association of Graduate Schools urge the Congress of the United States to eliminate the affidavits of disbelief or disclaimer oaths which appear in the National Science Foundation Act of 1950 and the National Defense Education Act of 1958."

Respectfully yours,

DAYTON D. MCKEAN,
Secretary, Dean of the Graduate School, University of Colorado.

THE UNIVERSITY OF WYOMING,
Laramie, Wyo., February 16, 1960.

Hon. GALE W. MCGEE,
U.S. Senate, Washington, D.C.

DEAR GALE: The University of Wyoming chapter of AAUP has completed a vote on the following proposition:

"The Wyoming chapter of AAUP should forward a statement to Senator GALE MCGEE informing him of the chapter's opposition to

the disclaimer affidavit of the 1958 National Defense Education Act, and urging that this affidavit be eliminated from the act."

This resolution was passed with only one dissenting vote. This action by the chapter confirms a resolution by the chapter forwarded to the national office of AAUP in February 1959.

I might say that the vote was taken by mail and was intended to be anonymous. Nearly all of the members, however, did sign their ballots, a sign, I believe, of their strong feelings in the matter.

As president of the local chapter, I am forwarding the results of this ballot to you, knowing you are doing all that you can to help eliminate the disclaimer affidavit.

Cordially yours,

JOHN K. MATHISON,
Professor of English, President, Wyoming Chapter, AAUP.

Mr. MOSS. Mr. President, one of the most eloquent and thoughtful statements I have seen on the disclaimer affidavit provision of the National Defense Education Act is the resolution which was adopted recently, with only one dissenting vote, by the Brigham Young University Chapter of the American Association of University Professors.

This resolution, coming as it does from the faculty of Utah's largest and a most highly respected private educational institution, which is the pinnacle of the widespread education system of the Church of Jesus Christ of Latter-day Saints, is most noteworthy. I ask unanimous consent to place it in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the National Defense Education Act of 1958, includes a provision (sec. 1001(f), title X) which reads: "No * * * funds * * * shall be used to make payments or loans to any individual unless such individual (1) has executed and filed with the Commissioner an affidavit that he does not believe in, and is not a member of and does not support any organization that believes in or teaches the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods"; and

Whereas this provision invites serious objections because of the vagueness of its language, its possible impingement upon areas of freedom guaranteed in the first amendment, its ineffectiveness against genuine threats to national security, its imputation of a need for special loyalty checks on the academic community, and its implications for Federal control in the field of education; and

Whereas this provision has prompted many prominent American universities, such as Harvard, Yale, Amherst, and Princeton, to refuse to participate in the NSDA program and inspired requests for the repeal of the provision from many other great universities, such as Columbia, Dartmouth, Minnesota, and Wisconsin; and

Whereas resolutions calling for the repeal of this provision have been adopted by such organizations of stature and responsibility as the American Association for the Advancement of Science, the American Association of Law Schools, the Association for Higher Education, the Association of American Colleges, the National Students Association, and the American Association of University Professors; and

Whereas the President of the United States in his January 18, 1960, budget message called for the repeal of the disclaimer affidavit proviso; and

Whereas there is now pending before the Congress of the United States a bill (S. 2929) providing for the repeal of the disclaimer affidavit: Therefore be it

Resolved, That the Brigham Young University Chapter of the American Association of University Professors records its opposition to the disclaimer affidavit provision of the National Defense Education Act and urges the Members of Congress of the United States from the State of Utah to vote for its repeal.

Adopted at a meeting of the B.Y.U. chapter at Provo, Utah, on May 23, 1960, by a substantial majority but not unanimously.

RICHARD D. POLL,
President, B.Y.U. Chapter, AAUP.

Mr. DIRKSEN. Mr. President, I ask that the question be put.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Vermont. [Putting the question.]

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2929) was passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1001 of the National Defense Education Act of 1958 is amended by striking out subsection (f) and inserting in lieu thereof the following:

"(f)(1) No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments or loans to any individual unless such individual has taken and subscribed to an oath or affirmation in the following form: 'I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic.'

"(f)(2) No person may apply for or receive any grant, payment, or loan under this Act while he is a member of the Communist Party or any other organization having for one of its purposes or objectives the seizure or overthrow of the Government of the United States, or the government of any State or political subdivision thereof, by the use of force or violence, and has knowledge of such purpose or objective of that party or other organization.

"(3) No person who within five years has been a member of the party or any other organization of the kind referred to in paragraph (1) may apply for or receive any grant, payment or loan under this Act unless his application for such grant, payment or loan is accompanied by a written statement, executed under oath, containing a full and complete disclosure of the facts concerning his membership in that party or other organization and the knowledge possessed by him during the period of his membership therein with regard to the purpose and objectives thereof.

"(4) Whoever knowingly violates paragraph (2) or paragraph (3) of this subsection shall be fined not more than $10,000 or imprisoned not more than five years, or both."

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1961

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1614, House bill 11998.

The PRESIDING OFFICER. The bill will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. MANSFIELD. Mr. President, I wish to announce to the Senate that there will be no further legislative business this evening; but if Senators have statements to be printed in the RECORD I suggest that they submit them now, before I suggest the absence of a quorum.

Mr. DIRKSEN. Mr. President, first, let me ask the acting majority leader whether the previous order for the Senate to convene at 9:30 a.m. tomorrow still stands.

Mr. MANSFIELD. It does, indeed.

MILITARY ASSISTANCE AND MUTUAL SECURITY—RELEASE BY THE SECRETARY OF DEFENSE

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD a press release issued today by the Secretary of Defense, the Honorable Thomas Gates, with respect to action on the mutual security program, particularly the military assistance portion thereof.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

The Department of Defense released today the following statement of the Secretary of Defense, Thomas S. Gates, Jr.:

"I am deeply concerned over the fate of the military assistance program.

"The President requested a $2 billion appropriation for military assistance for fiscal year 1961, to provide weapons and military equipment to strengthen our alliances and to promote our own national security. The Joint Chiefs of Staff all stated that they would not take one dollar away from the military assistance program in order to augment the funds for their own services. Military assistance is just as much a part of our own national defense as are the appropriations for our Army, Navy, Air Force, Central Intelligence Agency, and the Atomic Energy Commission.

"I have testified before the Congress, as have other Defense Department witnesses, in support of the $2 billion request. We have discussed frankly every aspect of the program. We have responded to every question and criticism. We have a sensible, sound, well-administered program. Yet the House

Appropriations Committee recommends that the appropriation be reduced by 20 percent.

"In spending military assistance funds, it is necessary first to maintain existing allied forces in good working order and conserve the investment already made. Therefore the proposed reduction must come from cutting down on force improvement, that is, postponing indefinitely the newer weapons: 80 percent of any cut below the budget request must be absorbed in equipment for force improvement, which includes missiles, electronic equipment, modern aircraft, and ships, modernized tanks, and combat vehicles and the like.

"The impact of the proposed cuts would fall most heavily on NATO, which also bore the greatest weight of last year's appropriation cut.

"We must lead the free world without hesitation.

"We must contain the Communists, but we cannot do it with imaginary weapons.

"We must continue to sustain the capability and determination of our allies to defeat both aggression and internal subversion.

"We must provide for the military assistance program as an integral part of our national defense required by our national interest.

"Before departing for the Far East, the President said in telegrams to House leaders: 'This (cut) cannot but jeopardize our own security and the defense of the free world.'

"I urge the House of Representatives, when it debates this appropriation on Thursday, to restore the full $2 billion intact."

PURCHASES BY FOREIGN SERVICE BUILDING COMMISSION—LETTER FROM SECRETARY OF COMMERCE

Mr. DIRKSEN. Mr. President, I ask unanimous consent to have printed in the RECORD a release issued by the Secretary of Commerce, the Honorable Frederick H. Mueller, with respect to certain observations made on the floor of the Senate by the Senator from Wisconsin [Mr. PROXMIRE] and by me.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

DEPARTMENT RELEASES SECRETARY MUELLER LETTER TO SENATOR PROXMIRE

The U.S. Department of Commerce released today a letter from Secretary of Commerce Frederick H. Mueller to Senator WILLIAM PROXMIRE, of Wisconsin. Text of the Secretary's letter follows:

JUNE 15, 1960.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Your public attacks earlier this week, and your renewal of them on the floor of the Senate yesterday, prompt this letter.

As a father, I have very great personal interest in my son and I do not intend to remain silent while you, in your efforts to discredit me, continue to try to hurt him.

My son's independent furniture company has done business over the years with private individuals and firms and various public agencies. As Secretary of Commerce, I did not follow its transactions or ever solicit Government business for his or any firm. But, since your attacks, I requested and received thorough information as to the incident from both the State Department and from him.

From these facts, I believe that any fair-minded person would recognize that my son has not asked or received treatment from the State Department beyond its procedures for anyone engaged in a similar business transaction. The record shows that both parties conducted their affairs in a proper manner and in the public interest.

For example, the mode of transportation of furniture was found to be the most desirable for the Department under all the circumstances and was used to save extra expense that faced the Government in rentals of the unfurnished new building and of old properties. The Department prior to executing the contract for furniture made a check with four additional American firms of prices for comparable items of basic office furniture.

A reading of the documents in the CONGRESSIONAL RECORD, and of transcripts of your radio remarks on the case, fortifies my belief that through ignorance you twisted the truth.

For example, in radio broadcasts you said:

"Now the fact is that the Secretary of Commerce is a member of the Foreign Service Building Commission, which is responsible for this kind of purchase."

And again:

"The Secretary of Commerce, of course, in authorizing the Foreign Service Building Commission to go ahead and buy from his son's company, * * * it seems to me is engaging in a—what I think is a very irregular practice."

I never authorized such action—and I cannot but feel that you could have found that out.

Had you asked anyone familiar with the situation, including members of the Senate Foreign Relations Committee, you would have learned that the functions of the seven-member Commission were taken away by President Roosevelt in 1939 through a reorganization project and very properly transferred to the State Department's Office of Foreign Buildings. You also would have discovered that no meetings have been held by the inoperative unit for at least 10 years—long before my day.

I have confidence in my son, who is running a small business of his own. I felt proud to see him stand up to the unfair attacks of a U.S. Senator and to reply convincingly to your charge by saying in the press that you were using "half-facts and innuendos * * * in attempting the destruction of a small business whose dealings over the years have been and always will be honorable."

In assuming the right to discuss this matter publicly, you certainly undertook an obligation to act and speak fairly. Since you have failed to do so, my purpose in responding is to set the record straight in the public interest.

Sincerely yours,

FREDERICK H. MUELLER,
Secretary of Commerce.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REQUEST FOR AUTHORIZATION FOR JUDICIARY COMMITTEE SUBCOMMITTEE TO MEET DURING SESSION OF THE SENATE TOMORROW

Mr. HART. Mr. President, I ask unanimous consent that a subcommittee of the Judiciary Committee be authorized to meet tomorrow, at 10:30 a.m., to hold a hearing on the nomination of Hyman Freehof, of the District of Columbia, to be an Examiner in Chief of the U.S. Patent Office. Notice of the scheduled meeting was filed on Monday of this week.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, reserving the right to object, did I correctly understand the Senator from Michigan to ask for authorization for a subcommittee of the Judiciary Committee to meet tomorrow morning, to hold a hearing on a nomination?

Mr. HART. That is correct.

Mr. MANSFIELD. Mr. President, I have to object, because today the senior Senator from Oregon asked me to object to any requests for the holding of hearings by the Judiciary Committee.

The PRESIDING OFFICER. Objection is heard.

Mr. DIRKSEN. Mr. President, let me add that I shall find myself compelled to object to requests for the holding of committee meetings or subcommittee meetings from this point on, when the Senate is in session.

CAPTIVE NATIONS WEEK

Mr. DOUGLAS. Mr. President, at this time of tension and doubt created by the bluster and threats of the Soviet Union, it is of first importance that the cause of the captive nations be kept in mind by all freedom-loving people.

The widespread observance of Captive Nations Week, as created by Congress in its resolution of July 17, 1959, will be a worthy means for attaining this objective. I have been delighted to receive from the mayor of Buffalo, the Honorable Frank A. Sedita, a letter announcing their plans for setting up a citizens' committee to observe Captive Nations Week.

In order to give full information about this to those who may be prompted to take similar action, I ask unanimous consent to insert in the RECORD a copy of a letter which Mayor Sedita has written to me on this subject, together with the enclosures outlining the plans for his citizens' committee.

There being no objection, the letter and enclosures were ordered to be printed in the RECORD, as follows:

CITY OF BUFFALO,
OFFICE OF THE MAYOR,
June 7, 1960.

Hon. PAUL H. DOUGLAS,
Senate Office Building,
Washington, D.C.

DEAR SENATOR DOUGLAS: I thought you might be interested in the observance of Captive Nations Week which is planned for the city of Buffalo. A citizens' committee has been appointed and is preparing plans for sports, music, dances, and other appropriate events during the week of July 17–23.

So that you may know something of the thinking that lies behind this movement, I am attaching copy of letter of invitation to committee members, and copy of letter to other mayors throughout the country, informing them of our activities.

Very truly yours,

FRANK A. SEDITA,
Mayor of Buffalo.

CITY OF BUFFALO,
OFFICE OF THE MAYOR,
May 11, 1960.

DEAR ———: I am sure you are aware of the importance and meannig of the Captive Nations Week resolution enacted by Congress last July. When President Eisenhower signed this resolution on July 17, 1959, making it a law of our country (Public Law 86–90), he issued a proclamation designating the week of July 19, 1959, as "Captive Nations Week." The Presidential proclamation read in part as follows:

"I invite the people of the United States of America to observe such week with appropriate ceremonies and activities and urge them to study the plight of the Soviet-dominated nations and to recommit themselves to the support of the just aspirations of the peoples of those captive nations."

The law provides that the third week of July for each succeeding year be designated as "Captive Nations Week," until such time as freedom and independence shall have been achieved for all the captive nations of the world. Last year we had no opportunity to plan in advance for the ceremonies and activities which this law calls for. This year I am taking the initiative to make certain that the citizens of Buffalo will have every opportunity to demonstrate their support of the aspirations of the people of the captive nations for freedom and independence. To that point I am appointing a Citizens Committee to Observe Captive Nations Week.

The committee will have these responsibilities:

1. To plan appropriate public ceremonies which will draw attention to the struggles of the captive nations for their freedom and independence and the historic relationship of their aspirations to the victory of our Founding Fathers which brought liberty and national independence to the United States.

2. To promote activities which will bring greater public appreciation of the rich and distinct cultures, folklore, customs, and music of each and all of the captive nations.

3. To develop public understanding that the desire for liberty and independence by the overwhelming majority of the peoples of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace.

I take pleasure in extending to you an invitation to become a member of the Citizens Committee To Observe Captive Nations Week. Will you please let me know if it will be convenient for you to serve? The first meeting of the committee will be called soon and I look forward to seeing you then.

I am confident that Buffalo has the spirit and the enterprise to carry out the high purposes of Public Law 86–90. We have always been proud of the fact that our city is made up of people of diverse national and religious backgrounds, all working in harmoniously unity for the common good. It is natural, therefore, that our people should have warm sympathy for the oppressed in the captive nations set forth in the law.

Sincerely yours,

FRANK A. SEDITA,
Mayor.

CITY OF BUFFALO,
OFFICE OF THE MAYOR,
June 6, 1960.

DEAR MAYOR: I thought you would be interested in the advance preparations being made in Buffalo to commemorate Captive Nations Week as provided in Public Law 8690. It is my understanding that President Eisenhower will issue a proclamation, as he did last year, designating the week of July 17–23 "Captive Nations Week."

Last year there was little time available for advance preparations to commemorate this week, due to the fact that Congress enacted this law but a few days in advance of the third week of July. This year I felt advance preparations should be made so that appropriate ceremonies and activities would be carried on in the city of Buffalo. To this end, I established a Citizens Committee to Commemorate Captive Nations Week, appointing to it individuals representing each of the nations named in the law, and other outstanding citizens. My letter of invitation to serve on this committee sets forth what I believe to be the basis for a suitable program for the week. A copy of this letter is enclosed for your information.

Unless similar action is taken by the mayors throughout the country, it is my conviction that the intent of the law, which is to alert the American people to the importance of keeping the spark of freedom alive behind the Iron Curtain, will not be fully implemented.

At this moment of history, when the question of peace with justice looms so large in the minds of all of our people, it is important to note that Congress made a finding, the effect of which is that the striving of these people of the captive nations for their independence and freedom is a powerful deterrent to war, and one of the best hopes for a just peace. Certainly there is a compelling objective and one which I am sure all Americans support.

If you establish a citizens' committee along similar lines, I can assure you that the members of our Buffalo committee and I will be happy to share our plans and program developments with you.

Very truly yours,

FRANK A. SEDITA,
Mayor of Buffalo.

ELIMINATION OF AFFIDAVIT OF DISLOYALTY

Mr. DIRKSEN and Mr. HOLLAND addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIRKSEN. Mr. President, there may be some misunderstanding as to the action of the Senate a moment ago on the bill that was under consideration today. To be sure, the so-called Prouty substitute was a substitute for the entire Kennedy bill, but before action was taken, it was changed and made an amendment to the bill so that the loyalty oath remains in the act, and this is, in addition, in lieu of the disclaimer requirement which was the subject of controversy both last year and this year. This is an enforcible provision, in my judgment, and leaves the loyalty oath intact.

Mr. HOLLAND and Mr. RUSSELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. RUSSELL. Mr. President——

Mr. HOLLAND. Mr. President——

Mr. DIRKSEN. I have the floor.

Mr. HOLLAND. Mr. President, who was recognized?

The PRESIDING OFFICER. The Chair recognized the Senator from Florida in error, because the Chair did not realize the Senator from Illinois had not yielded the floor.

Mr. HOLLAND. Very well.

Mr. DIRKSEN. I yield to the Senator from Georgia.

Mr. RUSSELL. I wish to ask the Senator a question. This substitute, on its face, shows it strikes out both the loyalty oath and the disclaimer of Communist affiliation.

Mr. DIRKSEN. That is correct, and that is why the Senator withdrew his amendment as a substitute and offered it as an amendment to the bill, so that the result was the retention of the loyalty oath, and it is in lieu of the disclaimer affidavit.

Mr. RUSSELL. If that is the action taken, very well. I think the criminal statute is more effective against Communists, but I had been told the substitute struck down the entire loyalty oath, and the copy on my desk indicates that.

Mr. DIRKSEN. Mr. President, to clarify the situation officially, I ask that the Chair, after conference with the Parliamentarian, advise the Senate as to exactly what action was taken.

The PRESIDING OFFICER. The amendment was offered so as to make an amendment to the bill, as opposed to a substitute for the bill.

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER. In other words, the statement made by the Senator from Illinois is correct.

Mr. DIRKSEN. Will the Chair repeat it, so Senators may hear?

Mr. KERR. Let the Senator from Illinois repeat it, and let the Parliamentarian listen and decide whether it is correct.

Mr. MANSFIELD. I understood the Presiding Officer to say that the explanation given by the Senator from Illinois was correct.

The PRESIDING OFFICER. The statement of the Senator from Montana is correct.

Mr. KERR. The Senator from Montana did not ask if the statement of the Senator from Montana was correct. He asked the Presiding Officer if the statement of the Senator from Illinois was correct.

Mr. MANSFIELD. That is correct.

The PRESIDING OFFICER. The answer, in either case, or in both cases, is "Yes."

Mr. HOLLAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Illinois yield?

Mr. DIRKSEN. I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

Mr. HOLLAND. I thank the Presiding Officer. It may well be that the situation is exactly as the Senator from Illinois has stated. I certainly would not want to express the slightest disagreement to it, but I think those of us who were waiting—and there were several of us waiting—for the quorum call, with the understanding from the clerk in charge that the Senator from Vermont was going to speak for a long time, were waiting so we could vote on final passage, are entitled to examine the substitute and see what it does.

For that reason, I shall move to reconsider the vote, and have the motion go on the calendar.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

Mr. HOLLAND. Mr. President, is that in order? I have asked that it go on the calendar. Business has been transacted since action on the bill. That is not the order of business at this time. I have moved to reconsider and asked

that my motion go on the calendar, and I shall insist on that motion.

Mr. MANSFIELD. Mr. President, I move to table the motion.

The PRESIDING OFFICER. The Senator from Florida, the Chair is advised, may enter the motion to reconsider, which is privileged.

Mr. HOLLAND. The Senator from Florida understands the procedural matter. He has a right to enter the motion to reconsider, which is done, and it goes to the calendar, but then it requires a motion to take it up, debate on that motion, and a vote upon that motion, before the motion to reconsider can be brought up. I claim the right to look at what has been done in my absence. I had been advised by those in charge of the debate that there was going to be a sizable debate. I simply went to an adjoining room, along with other Senators who feel, as I do, that this matter is of great importance and wanted to be here when action was taken, to find that action had been taken when we were outside.

Mr. MANSFIELD. Mr. President, I ask for an interpretation.

Mr. BIBLE. Mr. President, may we have order, so we can get the ruling of the Presiding Officer?

The PRESIDING OFFICER. The Senate will be in order.

After the motion to reconsider has been entered, another Senator may move to proceed to the consideration of the motion to reconsider, and that motion is debatable.

Mr. HOLLAND. That is exactly the way I understood the situation. I shall debate it if that motion is made now. I do not think I shall debate it in the morning. I want an opportunity to see what was done in the absence of several of us who have a vital interest in the legislation. I think we are entitled to see what was done, particularly when we were wrongly advised—and I am not charging any deliberation—that the argument of the Senator from Vermont was to take a long time, and we would be safe in going to an adjoining room and waiting for a quorum call before final action was taken.

Mr. DIRKSEN. Mr. President, if the Senator from Florida will consider this, I ask unanimous consent that the motion made to reconsider, to go on the Calendar, be taken over until the session tomorrow, with the full understanding that the Senator from Montana or any other Senator will not be prejudiced in his right to make the motion, and that it will not be considered as intervening business for that purpose.

Mr. HOLLAND. Mr. President, so far as I am concerned I am willing to make the motion to reconsider, but I do not propose to have taken away from me the right to see what has been done with respect to a matter in which I am greatly interested and in which the people of my State are greatly interested.

I think all Senators can observe the situation. I am not going to be obstinate about it. I am not going to be ugly about it. However, I am going to insist upon my right under the rule to have the matter on the Calendar. If the distinguished Senator wants to oppose that, I shall oppose his position at some length, but I shall be glad to make the motion myself tomorrow.

Mr. MANSFIELD. Mr. President, I think the Senator from Florida understands the situation fully, in the light of what the Senator from Illinois, the minority leader, has stated.

The PRESIDING OFFICER. The motion will go to the Calendar.

Mr. HOLLAND. I thank the distinguished Presiding Officer, the distinguished acting majority leader, and the minority leader. I think we are all entitled to have the rules prevail and to know what we are doing before we accede to actions.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate go into executive session for the consideration of the nomination for the Indian Claims Commission.

The motion was agreed to; and the Senate proceeded to consider executive business.

The PRESIDING OFFICER. If there be no reports of committees, the Clerk will state the nomination on the calendar.

INDIAN CLAIMS COMMISSION

The legislative clerk read the nomination of T. Harold Scott, of Colorado, to be Associate Commissioner of the Indian Claims Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. The President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the information of the Senate, after consultation with the distinguished minority leader, I wish to announce that it is anticipated there will be a number of votes tomorrow. There will be a number of votes on amendments to the Defense Department appropriation bill, which is now the unfinished business. There will be a vote on the Japanese peace treaty. If we get to it, there will possibly be votes upon the housing bill reported by the distinguished Senator from Alabama.

The Senate will meet at 9:30 tomorrow morning. I anticipate a late session tomorrow evening.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 15, 1960, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 1185. An act to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam;

S. 1358. An act to authorize the Secretary of the Interior to provide a headquarters site for Mount Rainier National Park in the general vicinity of Ashford, Wash., and for other purposes;

S. 1892. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, and for other purposes;

S. 2327. An act to amend the act entitled "An act to provide for the better registration of births in the District of Columbia, and for other purposes";

S. 2439. An act to authorize certain teachers in the public schools of the District of Columbia to count as creditable service for retirement purposes certain periods of authorized leave without pay taken by such teachers for educational purposes;

S. 2954. An act to exempt from the District of Columbia income tax compensation paid to alien employees by certain international organizations; and

S.J. Res. 42. Joint resolution to establish an objective for coordinating the development of the District of Columbia with the development of other areas in the Washington metropolitan region and the policy to be followed in the attainment thereof, and for other purposes.

ADJOURNMENT TO 9:30 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move that the Senate stand in adjournment until 9:30 o'clock tomorrow morning.

The motion was agreed to; and (at 8 o'clock and 23 minutes p.m.) the Senate adjourned, pursuant to the order previously entered, until tomorrow, Thursday, June 16, 1960, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 15, 1960:

UNITED NATIONS

The following-named persons to be representatives of the United States of America to the 15th session of the General Assembly of the United Nations to serve no longer than December 31, 1960:

Henry Cabot Lodge, of Massachusetts.

GEORGE D. AIKEN, U.S. Senator from the State of Vermont.

WAYNE MORSE, U.S. Senator from the State of Oregon.

Francis O. Wilcox, Assistant Secretary, International Organization Affairs, Department of State.

Mrs. Oswald B. Lord, of New York.

The following-named persons to be alternate representatives of the United States of America to the 15th session of the General Assembly of the United Nations to serve no longer than December 31, 1960:

Mrs. Zelma Watson George, of Ohio.

Arthur F. Lamey, of Montana.

Frederick Blake Payne, of New York.
Charles Rosenbaum, of Colorado.
Miss Frances E. Willis, Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

CONFIRMATION

Executive nomination confirmed by the Senate June 15, 1960:

INDIAN CLAIMS COMMISSION

T. Harold Scott, of Colorado, to be Associate Commissioner of the Indian Claims Commission.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 15, 1960

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

II Corinthians 4: 11: *That the life of Jesus may be manifested in our mortal flesh.*

Most merciful and gracious God, with eager and earnest hearts we are invoking Thy blessing and dedicating ourselves anew unto Thee through the merits and mediations of our Lord and Saviour.

May the spirit of the lowly Man of Galilee, His love, His faith, His humility, His compassion be incarnated in us and become the sovereign and supreme reality in the mind and heart of humanity.

We humbly acknowledge that we so frequently fail to embody and express His spirit and do not make vivid and vital the beauty of His life which our character and conduct should reveal.

Grant that in these troublous and bewildered times we may manifest the influence that His spirit has upon us and have the courage to make greater trial of His way of life, trusting Thee as He did, loving our fellow men and seeking their welfare as He always did.

To Thy name we ascribe all the praise. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

CALL OF THE HOUSE

Mr. WILLIS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 132]

Barden	Green, Oreg.	Powell
Bentley	Holifield	Rivers, S.C.
Blatnik	Jensen	Short
Buckley	Kearns	Steed
Burdick	Loser	Taber
Carnahan	Mitchell	Taylor
Durham	Morris, Okla.	Teller
Fisher	Moulder	
Gray	Patman	

The SPEAKER. On this rollcall, 406 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SALARY INCREASES FOR POSTAL AND OTHER FEDERAL EMPLOYEES

The SPEAKER. The Chair recognizes the gentleman from Louisiana [Mr. THOMPSON].

Mr. THOMPSON of Louisiana. Mr. Speaker, pursuant to the unanimous-consent agreements of June 8 and 9, 1960, and clause 4, rule XXVII, I call up motion No. 6, to discharge the Committee on Rules from the further consideration of House Resolution 537, providing for the consideration of the bill H.R. 9883, to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

The SPEAKER. Did the gentleman sign the petition?

Mr. THOMPSON of Louisiana. I did, Mr. Speaker.

The SPEAKER. The Clerk will report the title of the resolution.

The Clerk read the title of the resolution.

The SPEAKER. Under the rule, the gentleman from Louisiana [Mr. THOMPSON] is recognized for 10 minutes; and if the gentleman from Kansas [Mr. REES] desires time, he will be recognized for 10 minutes.

Mr. THOMPSON of Louisiana. Mr. Speaker, I merely want to thank all Members on both sides of the aisle for having given consideration to the discharge petition. The petition is entirely within the bounds of the rules of the House. It is not uncommon that such a petition be passed by this body. It is a matter of great urgency that this matter be disposed of at the earliest possible moment.

We all know this is going to be a short session. We know, other than over this route that we have taken, that the Members have so graciously helped with, that these long-suffering people, these Federal employees, would not have been given the relief to which they are entitled.

I want to thank the members of the Committee on Post Office and Civil Service for having taken up and, in their own judgment, done what should be done to dispose of this matter satisfactorily. I do hope that we will vote on this in the shortest possible time, and that the House will give favorable consideration to the measure so that the other body may act upon it at the earliest date.

Mr. REES of Kansas. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. I understood the gentleman from Kansas yielded 5 minutes to the gentleman from Iowa. Would that be within his rights?

The SPEAKER. The gentleman from Iowa is recognized for 5 minutes.

Mr. THOMPSON of Louisiana. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. Will the gentleman from Iowa yield for a parliamentary inquiry?

Mr. GROSS. I yield for that purpose, Mr. Speaker.

Mr. THOMPSON of Louisiana. The gentleman from Louisiana particularly wishes to know if he can still yield his remaining 5 minutes to the gentleman from Louisiana.

The SPEAKER. The gentleman has control of the remaining time.

Mr. GROSS. Mr. Speaker, I have been in Congress some 12 years and I do not recall at any time such highhanded action on the part of a committee as that demonstrated this morning in the House Committee on Post Office and Civil Service when the Morrison amendment was offered and adopted.

The gentleman from Louisiana [Mr. MORRISON] offered an amendment that makes drastic changes in the pending pay bill. Do not labor under the illusion that the amendment will provide the same bill to which you affixed your signatures on the discharge petition, even with the percentage figure changed from 9 to 7½ percent, because this is not the case. But let the gentleman from Louisiana [Mr. MORRISON], who railroaded what amounts to a new bill through the committee, explain the details if he can.

He offered his amendment and then immediately moved the previous question. There was no copy of his bill in my possession in the committee room and it was not until 12:30 that copies were made available on the House floor. This is the first opportunity I have had to read the amendment. There was no explanation whatsoever in the committee until after the vote had been taken which adopted the amendment. Then out of the goodness of the hearts of the majority, members were permitted to ask a few questions.

I reiterate that I have never witnessed more highhanded action on the part of a committee, especially in dealing with a $700 million bill, and if I am reelected to the next Congress and go back on the Committee on Post Office and Civil Service next year I will remember the treatment accorded to some of us today. This method of operation in a committee of Congress is wrong and it is intolerable. It is injurious to the public welfare and does violence to orderly and sane procedure.

Mr. REES of Kansas. Mr. Speaker, I yield myself 5 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield for a question?

Mr. REES of Kansas. I yield.

Mr. HOFFMAN of Michigan. Was the action taken today acceptable to the lobby that put across the signing of the discharge petition?

Mr. REES of Kansas. I have heard no complaint from the lobby so far.

Mr. HOFFMAN of Michigan. Is it acceptable to them now?

Mr. REES of Kansas. I did not ask them. They are not so far away, if the gentleman wants to make inquiry.

Mr. Speaker, this legislation is one of the biggest pieces of legislative manipulation I have seen in a long while. The Committee on Post Office and Civil Service held rather long hearings on a proposal whereby certain employees, the greater segment of them in the postal service, if that bill were passed would get about 23 percent. The others would have received from 16 to 15, to 14, down to 10 percent.

The committee held these hearings for quite a while, for several weeks. As a matter of fact, finally, when they closed the doors and considered the matter in executive session, the committee all at once decided by a majority vote to strike out the whole bill and just say in substance "give every employee in the Government a 9-percent increase in salary except for a $350 minimum for postal and classified workers." That means everybody. It means the folks who work in your office who work on Capitol Hill. If you can find me a Government employee who is not included in the bill, let me know because the chairman himself when I asked him whether certain groups were in the bill, said that he was not sure and he said, "If they are not in, we will put them in." They took care of that. So, as I said a moment ago, there is a 9-percent increase for everybody. Just last Monday, the day before yesterday, I was informed of a meeting of the Committee on Post Office and Civil Service to consider an amendment to the bill because, as you know, this bill does not come in in the regular way. It comes to the floor of the House by a petition which, of course, Members have a right to do and 219 of them signed that petition and said that they wanted this bill considered. So last Monday a meeting was called, or ordered by our chairman to consider, and of course not in writing, a proposed increase to employees of 9 percent or to reduce the 9 percent to 7½ percent. So just a while ago, at 11 o'clock, they came up with the committee print on H.R. 9883 to be offered as a substitute. So this morning the substitute was approved by the committee. I have not had time to read it all. I read a part of it. I tried to get the chairman to read it to us, but there was not the time. So we got around to it and looked the thing over. It may be agreeable to all of you—I do not know. But, the committee changed the 9 percent to 7½ percent and leaving the bulk of postal employees at a little over 8 percent. Then they put in a few extra pieces of legislation. We put in about four or five new employees in the service in the higher grades. When you get through with this bill, you are going to spend something over $700 million. You are going to get to vote on it up or down, and that is all. If you want it—take it. You cannot amend it at all under the rule.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Illinois.

Mr. ARENDS. Does the committee action this morning do more than change the 9 percent to 7½ percent?

Mr. REES of Kansas. Oh, yes; I think, perhaps, the author of the bill can explain that.

Mr. ARENDS. Certainly, we are entitled to know and we should know what is in the committee amendment. I hope the gentleman who is offering the committee amendment, although he has over the past weeks changed his position many times, will tell us what is in the committee amendment.

Mr. REES of Kansas. Speaking of changing positions, I can also tell you we did not get to vote on the first bill introduced at all when the committee first met in executive session. We did not even discuss the contents of the original bill. The thing was all stricken out except the enacting clause and we wrote a new measure providing for 9 percent across the board.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I wonder if it is not true that the statement made by the gentleman from Illinois expresses a desire and a right of the House of Representatives, which was denied to the members of the committee this morning, namely, the right to know what was in the amendment.

Mr. REES of Kansas. We tried to find that out and it was voted down. We did not get to find out what was in the bill except in a general way. There are a good many changes, and I hope when the time comes the distinguished Member, the gentleman from Louisiana, the chairman, will fully explain the bill.

The SPEAKER. The time of the gentleman has expired.

Mr. THOMPSON of Louisiana. Mr. Speaker, I yield 6 minutes to the gentleman from Louisiana [Mr. MORRISON].

Mr. MORRISON. Mr. Speaker, since some remarks at the outset today were directed at me, I wish to state that this legislation was very carefully considered by our full committee for over 6 weeks. We took all due and deliberate time to work out just about every detail that any Member wanted to bring up concerning this bill. We finally reported out a bill providing increases of approximately 9 percent across the board with a $350 annual minimum for postal and classified employees. That the bill as reported out was the one subject to the discharge petition. The committee voted by a yea-and-nay vote, and I believe that vote was 17 to 5 when it was voted out of our committee. The discharge petition carried 219 signatures.

A committee meeting was scheduled for today at 11 o'clock. I suggested to the chairman that perhaps it would be better to meet at 10, for I wanted to discuss my amendment fully. I gave the chairman of our committee a copy of my amendment last night, approximately an hour after I had completed it. In the 2 hours of general debate that will be allowed for the consideration of this bill we will discuss it very thoroughly.

At the committee meeting this morning time left, after discussing parliamentary procedure, was too short to allow an adequate discussion of the details of my amendment.

In effect this is what the amendment does, and I will be glad to explain it fully to the membership when we go into debate on it. The amendment that was offered in effect changes the amount of the general increases from 9 percent across the board to approximately 7½ percent across the board with $5 a year added for each step of the first six postal field service salary levels.

This bill was voted out by a yea-and-nay vote by our committee this morning. My amendment for 7½ percent was voted by a clear-cut majority of 17 to 4, and the committee worked its will. I am sorry the committee did not have more time to allow me to explain it in detail. Frankly, I think this 7½ percent, taking everything into consideration, is a good, fair, and moderate pay raise that is certainly justified. That the majority of the membership of the House feels that way is evidenced by the fact that 219 Members affixed their names to the discharge petition. They want this bill to come to the floor for debate and to be voted on. I can assure the membership that the full membership of the House Committee on the Post Office and Civil Service did vote on this. They voted on several other motions and they tabled several other amendments. During the whole time I have been here, and, as far as I can ascertain from the beginning of the proceedings of the House, the same rule of the will of the majority has prevailed. The overwhelming majority of our committee voted that they want this amendment for a 7½-percent, across-the-board increase.

Mrs. BLITCH. Mr. Speaker, will the gentleman yield?

Mr. MORRISON. I yield to the gentlewoman from Georgia.

Mrs. BLITCH. The gentleman has explained what the lowest salaried employee would obtain under this bill; will he please tell us what the highest salaried employee will obtain under this bill?

Mr. MORRISON. It will be a 7½-percent, across-the-board increase with a maximum of $18,500 for the top classified salary.

Mrs. BLITCH. Has the gentleman figured out the number? I cannot make mathematical calculations that quickly.

Mr. MORRISON. I do not know the number of supergrades we have in the Government, but I will be glad to get it for the gentlewoman. This amendment, in essence, is a straight 7.5 percent across-the-board increase, offered as a substitute for the 9 percent pay raise bill which is the subject of the discharge petition.

Mr. REES of Kansas. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Speaker, I do not know what is in this new bill which is to be offered as a committee amendment, but I am going to talk on the bill that was on the discharge petition and which was the only thing before us up until this hour.

Mr. Speaker, if for no other reason—and there are many—this bill should be

recommitted to the committee for the elimination of that portion which applies to legislative employees.

If there is any group of employees either in or out of Government who are on the whole adequately compensated, it is the employees of Congress, and if there is any place—and again there are many—where there should be selectivity rather than an across-the-board increase, it is among the employees who serve Congress.

I think most Members of Congress are aware, and certainly all of us should be aware of the complicated formula under which the salaries of most of our employees are computed, and this in itself subjects Congress to criticism, if not ridicule. The very idea of starting with a base salary which has been increased by various and sundry devices not less than eight different times, employing flat increases, percentage increases, all predicated upon the gross rather than the base salary, lends itself to a charge of finagling, and there is every basis for the criticism that Congress is trying to confuse, if not mislead, the public in the operation of the legislative branch of the Government. Any further percentage increase would only tend to increase the inequities which now exist.

The very fact that literally hundreds of employees are kept on the payroll, some at substantial salaries, while Congress is not in session and while there are no duties to be performed by many of these employees, is to me a convincing argument that these employees are in an entirely different status from other Government employees.

In the case of employees in congressional offices, as all of you are aware, the pay cannot only be adjusted up or down by the Member, but the employment can even be terminated without notice. The fact that the total amount which can be spent for secretarial and clerical hire in the office of each Member is predicated on the so-called base salaries, is, to say the least, most misleading, and I doubt if there is a Member on this floor today who can tell you both the base and gross salary being paid to the employees in his own office, without referring to the Rube Goldberg formula under which these salaries are computed.

I realize there are many Members who assume the attitude that it is no one's business how we operate the business of Congress, but I would remind you that it is the same taxpayers' dollars that we spend here that we appropriate for other branches of our Government. Economy, efficiency, and, above all, fiscal responsibility should begin here—right here in this House today. Oh, I know someone will attempt to justify his action by what the other body does, and I hear the old song that the public does not get to see the records in the other body. We are responsible for what happens here in the House of Representatives, and it is time that we begin to meet this responsibility.

It will be interesting to hear how some Members will attempt to justify their vote on a bill which will add thousands of dollars to the cost of operating the House of Representatives, when instead we should be taking steps to reduce the expenses which could be done at a savings at not less than $5 million a year right here in this body, without affecting the efficiency one iota, and I might add without disrupting any of the practices of an overwhelming majority of the Members of this body.

Many Members have told me that they were not aware that this bill applied to legislative employees. I would say to them that before you vote for this bill you had better find out what all it does include. Other Members have told me that they felt confident that the bill would be vetoed. To me, that is all the more reason why this bill should be recommitted. If we are honest in our desire to provide pay increases where they are justified, let the committee bring out a realistic bill which can be supported enthusiastically and which the President will have no reason to veto. I, too, believe this bill will be vetoed, and I believe the veto would justifiably be sustained, and that is just another reason why I will not vote for it.

Mr. THOMPSON of Louisiana. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I must disagree with the gentleman from Missouri [Mr. JONES] and others who are not inclined to favor this increase in salary. I think the majority of this House believes that this increase is justified.

I might also say to the gentleman from Missouri that it is entirely within his discretion what salary he gives his employees. If his employees are not worth the salary they are getting, certainly he should pay them commensurate with the work they do.

Mr. JONES of Missouri. That does not apply to employees of committees or other employees of the House.

Mr. THOMPSON of Louisiana. The chairmen of committees can set the salary of committee employees. I say that the people who work in Washington, on the Hill, especially, are the lowest paid employees considering what they do. I am not going to kid myself at all. I depend upon my very competent staff, and I do not believe we could accomplish 50 percent of our work if it were not for the faithful employees we have.

Mr. JONES of Missouri. I agree with the gentleman that we do have many faithful employees; but I have two employees in my office who will do more work than five employees in many other offices.

Mr. THOMPSON of Louisiana. Would the gentleman care to name one?

Mr. JONES of Missouri. Name one what?

Mr. THOMPSON of Louisiana. One other office where five employees would not do as much as your two.

Mr. JONES of Missouri. I am not going to call names. I am not trying to tell what other people do. I know you have certain opportunities. I have the opportunity to pay the employees what I think they are worth, and I do it, and I am not ashamed of the salaries they are paid.

Mr. THOMPSON of Louisiana. Mr. Speaker, I may say in closing that I have been in the public service for 26 years. I have known what it is to live on wages that are much lower than the industrial wages paid during times of inflation. I know that these people suffer great hardships and they could get better jobs on many occasions, but they have seen fit to stay with the Government because they are loyal employees who recognize their responsibilities and discharge them.

Mr. Speaker, I hope we can pass this resolution immediately.

The SPEAKER. The question is on the motion of the gentleman from Louisiana [Mr. THOMPSON] to discharge the Committee on Rules from the further consideration of House Resolution 537.

The motion was agreed to.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution, the Speaker shall recognize Representative James H. Morrison, or Representative John R. Foley, or Representative Joel T. Broyhill, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed two hours to be equally divided and controlled by the Member of the House requesting the rule for consideration of said H.R. 9883, and a Member who is opposed to said bill to be designated by the Speaker; the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except those offered by direction of the Committee on Post Office and Civil Service. Amendments offered by direction of Committee on Post Office and Civil Service may be offered to any part of the bill but shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. This special order shall be a continuing order until the bill is finally disposed of.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MORRISON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9883) to adjust the rates of basic compensation for certain officers and employees of the Federal Government, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 9883, with Mr. BOGGS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MORRISON. Mr. Chairman, I yield myself such time as I may desire.

Mr. Chairman, in many respects the circumstances under which this legislation is being considered by the House are familiar to most of the Members. As remarked by a Member several years ago, the situation is somewhat like an old movie shown on television. You watch it thinking you have never seen it, but nevertheless you have a strong feeling it has all happened before.

And so it is with this bill, except for one important difference. In my memory, there has never been such uniform and overwhelming support among the Members for salary increases for postal and other Federal employees.

Mr. Chairman, the only question, as I see it, is as to the amount of the increase. As I was explaining to the membership before the adoption of the rule, our committee reported out a bill after 6 weeks of hearings during which either side that wanted to could be heard. We came out with a bill and reported it to the House which called for a 9-percent pay increase straight across the board with a $350 minimum for the postal field service, rural carriers, and classified workers. That bill as reported to the House was amended today by a committee amendment which will be offered at the proper time. This committee amendment is very simple. In general, it does not do anything to the original bill that was reported out except to change the amount from 9 percent to 7½ percent. It covers all the people who were covered in the original bill as reported by our committee—the bill which was subject to the discharge petition. The change, as I said, is that it cuts the 9 percent straight across the board increase to 7½ percent straight across the board. In some instances, in the postal field service for the first 6 pay levels it gives $5 a year extra for each of the automatic salary steps.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to my distinguished colleague from Virginia.

Mr. GARY. Was any change made in the minimum amount of the pay raise?

Mr. MORRISON. Yes; the minimum of $350 was taken out completely. There is no minimum of $350 in the amendment that is to be submitted to the Committee of the Whole at the proper time.

Mr. GARY. Does the bill in addition make permanent the 2½ percent increase we granted last year which will expire on July 1 unless it is made permanent?

Mr. MORRISON. It makes that 2½ percent increase permanent.

Mr. GARY. And the 7½ percent is in addition to the 2½ percent which is made permanent?

Mr. MORRISON. Yes; that is right.

Mr. GARY. The gentleman referred to some increases in the lower brackets. Was that action designed to take the place of the minimum?

Mr. MORRISON. It does not nearly come up to the $350 minimum. But in effect it does give the very low-salaried employees a little better than 7½ percent. But I believe in each case it is well below 9 percent, and the slight extra allowance is only for those in the lower grades.

Mr. GARY. I thank the gentleman for the information.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman.

Mr. CHELF. Mr. Chairman, I should like to ask the gentleman whether his amendment which was adopted this morning provides for a 5-cent postage stamp.

Mr. MORRISON. No.

Mr. CHELF. Do any of the other amendments that were adopted provide for an increase in the postal rate?

Mr. MORRISON. No.

Mr. CHELF. I thank the gentleman.

Mr. MORRISON. The 7½ percent is not what the committee voted out at first. Now, to show the interest of the Members of this House in this matter, more than 80 Members introduced pay raise legislation that was considered by our committee. I want the membership to know that every viewpoint on both sides of the aisle, and of all concerned, was considered by the committee. Everybody had his day in court, so to speak, and was permitted to testify before the committee.

I know of no instance, in the nearly 18 years that I have been here, when anybody made a more constructive or substantial or more forceful argument for a pay raise for Federal workers than was made, in our hearings, when comparisons were submitted between Government pay and pay for similar work in private enterprise. In every one of those cases that was cited before our committee it was shown that workers in private industry doing comparable work receive higher salaries than postal and other workers in the Federal Government.

I can further say that the testimony that was brought out showed one example of a newspaper advertisement for people to apply as janitors. Actually they were offering to pay janitors in the larger cities far more money, as starting salaries, than the postal carriers and clerks get who have been working months and years for the Post Office Department.

I can further state in support of this wage increase that the whole weight of testimony that was in favor of it more or less dwelt on the fact that here we are, in this great Nation of ours, not paying our Government workers the fair and just salaries that workers get in similar employment in private enterprise.

I think the committee studied this amendment well. It was adopted by a tremendous majority. I think 17 to 4, which was today's vote, will certainly show that by far the vast majority of the committee that went into detail on this thought that a very excellent case had been made for the proposed salary increase.

All of us know that the time is getting short. We all know we have to be practical about this. Frankly, I felt that whereas I was personally in favor of the 9 percent, and I still think it was highly justified, this compromise of 7½ percent will be far more acceptable to some of the Members of the House. I am sure the same situation prevails over in the Senate. And so, I felt that by bringing out this amendment today, which will be considered at the proper time, the 7½ percent is certainly the proper thing to do under the circumstances—if we are going to be realistic and practical about this legislation and give the House and the Senate a chance to vote on it and give the President a chance to act on it one way or another.

There were many who said the President would veto any pay-raise bill this year. I do not know what the President is going to do, and I do not think anyone else knows what the President is going to do. But I think when you have this bill as it will be amended today, coming within the time we have before adjournment, it will have an opportunity to go to the White House. If it is signed, that ends it. If it is vetoed, we will have a chance to override that veto.

Mr. FULTON. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from Pennsylvania.

Mr. FULTON. I congratulate the committee on coming up with this successful compromise. The question is really the amount of the pay raise, not whether there should be one, because if we are going to have the postal and other Government workers move along with private industry we must give some sort of a pay raise at this time. Is that correct?

Mr. MORRISON. That is correct.

Mr. HOLLAND. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from Pennsylvania.

Mr. HOLLAND. Is it not true most of the wives of the postal workers have to go to work to help support their families?

Mr. MORRISON. The witnesses who testified before us showed us example after example where both the husband and the wife were working. The husband was working for the postal service and the wife had to have another job in order to make ends meet, so to speak.

Mr. HOLLAND. The postal workers had to work at night to supplement their salaries to keep their families.

Mr. MORRISON. That is correct.

Quite frankly, in my opinion, increases considerably higher than those in the committee amendment are justified. My original bill so provided. But we all realize, particularly those of us who have served many years in the Congress, that the views of others deserve full consideration. All major legislation more or less represents a compromise as between different convictions, in the highest tradition of our democratic process.

Many of the members of the Committee on Post Office and Civil Service have put aside their individual preferences in a true spirit of compromise to

bring to the House floor a bill to provide a moderate and fair pay raise which should generally be acceptable.

After careful and diligent study of all evidence developed in the hearings and in full consideration of the many different opinions, the committee decided that the amendment to be proposed represents a solution to which we could all agree. It is a real tribute to the tireless and conscientious work of every committee member that there is such overwhelming committee support for this amendment.

The committee amendment which I will have the honor to offer, which I will place before the House at the proper time, grants a 7.5 percent salary increase, in lieu of 9 percent provided by the reported bill, to all of the groups covered by the reported bill, with the provision, as I stated before, for slightly over 7.5 percent to those in the lower postal levels.

I would also like to call to the attention of the House the cost of this bill compared to what they said my original bill would cost, that is, $1,600 million. There was a great deal to do about that in our hearings. As I say, the bill that will be before the House for eventual passage after this amendment is presented, and if the committee amendment is adopted, will call for 7 5 percent overall increases and that will cost between approximately $680 million and $700 million. This is the best figure I have been able to obtain from the committee counsel—that is, between $680 million and $700 million.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield.

Mr. HALEY. Would the gentleman be willing to support a tax measure or an increase in the postal rates to take care of this increase in expenditures by the Federal Government?

Mr. MORRISON. I am the type of person who crosses a bridge when he comes to it. That question is not before the House today. That is still before the committee. Frankly, I think my distinguished friend, the gentleman from Florida, will agree that we should certainly know what propositions are brought before our committee before we finally act on a bill. I assure him I will try to do justice to myself and to my people, in trying to represent them, and that I will vote according to their wishes. How I will vote I do not know until I have something to vote on.

Mr. HALEY. The gentleman realizes, of course, that this will bring us further into deficit financing. Do you not think that somewhere along the line this Congress, and do you not think that you as chief sponsor of this bill, has some responsibility to bring a bill here to pay for it?

Mr. MORRISON. I appreciate the gentleman calling me the chief sponsor, but I have over 79 other gentlemen who are with me on it, and I am not all alone in bringing this legislation before this session of Congress. But as I say, frankly that is not before the House now. I think at the proper time the House will take up that bill. The committee is just about to wind up action on it. What the committee does and what the House does is a matter on which the gentleman's guess is as good as mine.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield.

Mr. JOHANSEN. I do not want to be unfair to my very able and distinguished friend, but do I understand from what the gentleman is saying that it means the gentleman will in committee support a postal rate increase of some kind?

Mr. MORRISON. I did not say what I would do, and I do not believe I will ever say what I will do before I see the bill that is presented to the committee and before all the amendments come up. Frankly I do not commit myself to my own constituents nor can I commit myself to the gentleman or to any other Member of the House as to what I will do on any proposal, before I have it before me.

Mr. JOHANSEN. I thank the gentleman.

Mr. GRAY. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield.

Mr. GRAY. If suggestions are in order, I suggest to the gentleman that the cost of this bill be taken out of the $4 billion surplus that the President is telling the people of the country we are going to have. Why do we need to raise the postal rates?

Mr. MORRISON. We are not taking up postal rates today; they are not germane and cannot be taken up today. So if the membership will allow me, I would like to explain further the bill and the amendment adopted by the committee this morning.

This increase will affect some 535,000 postal Federal service employees, 930,000 employees under the Classification Act, 8,100 Foreign Service employees, 19,300 employees in the Department of Medicine and Surgery in the Veterans' Administration, and 15,000 Agricultural Stabilization and Conservation Committee employees; 5,000 employees in the judicial branch; and 7,500 in the legislative branch.

The amendment contains provisions of the reported bill extending to these employees that I have just enumerated a very moderate pay increase.

I would like to cite some of the effects of this bill as far as the hourly wage is concerned. The average salary of our letter carriers is $2.23 an hour, or $370 a month. The committee amendment will increase this by about 17 cents an hour, or $28 a month. But this is the gross salary increase. This is not the take-home pay, it is not the amount included in his pay check. As I said, it is not take-home pay.

The average letter carrier is one of the finest family men in America. The family, of course, is the basis of our economy and our economic and our social system. The average letter carrier's family consists of husband, wife, and three children, a family of five. From the gross monthly salary of $370, before the employee receives anything, there is $26.64 deducted to pay his fringe benefits, and $17.17 for Federal and State income taxes. This reduces his monthly take-home pay to $326 a month, or $1.96 an hour.

Under the committee amendment his gross monthly salary would be $398. Deductions would be $28.64 to pay for his fringe benefits and $21.89 to pay for the Federal and State income taxes, leaving a net monthly take-home pay of $347.22, or $2.09 an hour. Now, this is after this 7½-percent increase is put into effect. In other words, carried down to the fundamental question of take-home pay, the committee amendment would grant an increase of 13 cents an hour in the average take-home pay of a postal letter carrier. This is the additional amount the letter carrier will have with which to buy meat, groceries, and milk, and to buy clothing for his family, to make payments on his mortgages, or whatever he has to do with it.

Certainly it is only fair to grant this moderate salary increase in recognition of the conscientious and efficient public service rendered by our postal employees.

A moment ago I told you about an advertisement that was in a paper. I would like to be specific and quote from this want ad. It appeared in a paper at Detroit, Mich., where many employees in the postal field service work and live. It reads:

> Wanted: Janitor for city hall. Examples of work: Sweep, mop, scrub, and polish floors; clean and maintain lavatories, replace light bulbs. Starting salary, $4,450; $5,050 after 2 years.

Frankly, I feel that no more need be said to demonstrate that the salary adjustments proposed by the committee amendment are extremely moderate and should be approved and granted to these Federal employees.

Some reference has been made, during our pay deliberations, to fringe benefits for Federal employees—usually by way of implying that they are so liberal that they can take the place of salary. This is a myth. I am proud of the fringe benefits we have been able to gain for Federal employees and am sure that they and their families deeply appreciate these benefits. But they are not to be confused with hard cash in the pay envelope. They are not considered negotiable by shopkeepers or bill collectors or mortgagees. It is much easier to get along with these people when we should show them the color of our money.

Nor are Federal employees' fringe benefits by any means so liberal that they can replace justified pay raises. If anything, they lag further behind similar benefits in private enterprise than is the case with Federal employees' salaries. The Cordiner committee disclosed in 1957 that Federal employees personally contribute more than their fellow workers do in private enterprise for fringe benefits. According to the report, employees of 356 firms covered by one study paid an average of 4.5 percent, and employees of 1,000 firms covered by another study paid only 3.5 percent, of their

salaries for fringe benefits. Federal employees pay 7.2 percent.

Another factor largely overlooked, or given too little weight in the administrative consideration of salary legislation, is the record of productivity by postal and other Federal employees. When postal rate increases or appropriations are being sought, the proponents quite often argue brilliantly and forcefully of improved service and efficiency to justify the rate increases or appropriations. The history is told in glowing terms of a 15 or 17 percent increase in mail volume in recent years, with little or no increase in such man-years of work as are within management control.

In truth and in fact, we all know that this fine record of efficiency is attributable to the performance of more and more work by the 535,000 postal employees. Yet opponents of salary legislation give it no weight at all as justifying pay raises for the very employees who have done the work. The employees are commended indirectly and by words—not by supporting reasonable pay raises in recognition of their efficiency. This failure to give full credit where credit is due in my judgment can become one of the most damaging blind spots in employee-management relationships and in the administrative consideration of salary problems. It tends to create a climate closing off the best avenues of communication and exchange of views between employer and employee—except as a one-way street for the views of the employer.

I strongly urge the Members to vote for the committee amendment providing this 7½ percent pay raise for postal and other Federal employees.

Mr. MERROW. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from New Hampshire.

Mr. MERROW. I want to congratulate the gentleman on his very able presentation today. I am glad that we are going to have an opportunity to vote for a pay raise for Federal employees. I was one of those who introduced a pay raise bill and I was very happy to sign the petition to discharge the Rules Committee from further consideration of the subject. Personally, I feel as does the gentleman, there should be a 9-percent increase. I would like to ask this question: Does not the gentleman agree with me that regardless of what the rates may be for postage the people who are working in the Postal Department should have adequate compensation for the work performed, and that the people working for the Government in other Departments should have adequate compensation for the work performed comparable with what can be obtained in industry?

Mr. MORRISON. The gentleman is correct, and I thank him for his contribution.

Mr. MERROW. We are living in an age of constant peril, and every realistic appraisal of the future indicates that this condition will continue for a long time. At the same time, almost every aspect of society and government is growing more complex and is demanding a progressively higher degree of expertness. Under these circumstances, the Government must do everything possible to assure itself of the services of the most competent people.

The questions of employee morale and, even more, of the recruitment and retention of intelligent, imaginative, and experienced employees have long constituted a major problem for the Federal Government. To fail now to adopt this well-merited pay raise will needlessly and unjustifiably intensify this problem.

The pay schedule for the Federal service continues to lag, not only behind the costs of living, but also behind the salary levels being paid in private enterprise. Since the last Government pay raise in 1958, wages in private industry have risen considerably. At the same time, studies in productivity have shown that the increase in work output among Federal employees compares very favorably with that of private industry.

Congress, therefore, has a special moral and legal obligation to investigate the needs of Federal employees and to act promptly to rectify any inequities that may exist. These investigations have now been completed. Both Houses of Congress have held hearings on the question of Federal compensation, and both of these hearings have demonstrated conclusively that a pay raise at this time is both deserved and urgently needed.

The time has now come for action. As Members of Congress, we have a responsibility to these Federal employees that we can neither ignore nor delegate to anyone else.

Mr. GEORGE P. MILLER. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from California.

Mr. GEORGE P. MILLER. I want to pay my respects to the gentleman and congratulate him upon the introduction of this bill and for the fine exposition he has made of the subject. Moonlighting among Government employees is something that must be avoided. A man's loyalty should be to his first job, not to his secondary position. Moonlighting is too prevalent at this time, and by "moonlighting" I mean that a Federal employee must secure a second job in order to be able to have an adequate income.

While I am on my feet, I would like to pay my respects to your colleague, the gentleman from Louisiana [Mr. THOMPSON], who placed this petition on the desk. Whenever the chips are down and the Federal workers need assistance, it seems they go to Louisiana, to you or to Mr. THOMPSON. I think it is a great compliment to the gentleman from Louisiana that he was able to get 219 Members of this House to sign that petition. It indicates the respect in which we hold him and the high position he has earned in the House. During the 8 years Mr. THOMPSON was able to work with people and coordinate efforts. I serve on the Merchant Marine and Fisheries Committee with him and I know the great things he has done for your State of Louisiana.

Mr. MORRISON. I thank the gentleman for his contribution.

Mr. LANE. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from Massachusetts.

Mr. LANE. Mr. Chairman, I, too, want to congratulate the gentleman from Louisiana [Mr. MORRISON] for his very able and intelligent statement made on a very, very important bill.

Mr. Chairman, many post office employees have complained to me, claiming that their postal pay increase bill is being kicked around for personal or partisan or selfish advantage as the countdown toward adjournment begins. They are cynical and bitter for they believe that Congress is only going through the motions.

Much as they resent it, they know where they stand with the President who is flatly opposed to any pay increase for postal workers, and by extension, for all classified employees of the Federal Government, during 1960. But they are suspicious of the legislative maneuvering in the Congress whereby the impression is conveyed that Congress is seeking to ingratiate itself with over 2 million Federal employees for the record, while privately writing off hopes for a pay increase bill at this session.

"It is not enough," the postal employees insist, "for Congress to vote for a pay increase, and then wash their hands of it. What we want to know is whether Congress means business about this, and whether it is prepared to go all the way and vote to override the Presidential veto, before this session adjourns."

That is the issue. From several disillusioning experiences in the past, they have learned much. This time they will be watching, not only the vote for the bill, but the vote to override the President.

For the Congress cannot have it both ways on this bill which is necessary to relieve the economic handicap under which Federal employees must work. The indifference of Government toward the bread and butter problems of its own employees, is undermining their morale and their efficiency. To overcome this lack of understanding and appreciation, it is urgent that the many friends of Federal employees in the Congress should intensify their efforts to line up the commanding support that is necessary to override the veto.

The good faith of the Congress itself is at stake here, for the Federal employees have no recourse but to appeal to us for help. As they compare their lot with the consistently improving pay standards of private industry, they realize that their own position is steadily deteriorating.

We have seen how the United States has lost prestige and power in its relations with the rest of the world through the misleading emphasis on economy, to the detriment of public progress, in recent years. This pennywise conservatism, desperately hugging the status quo, has deprived our Nation of the means necessary to maintain its leadership. At home, this sterile fixation on budget balancing has cramped the progress of Federal employees.

If it were possible for them to transfer their civil service retirement system

credits to coverage under private employment, many would immediately avail themselves of the better opportunities available elsewhere.

As it is, Federal workers are dissatisfied, and rightly so. When they are not paid what they deserve, their job performance is bound to suffer.

To prevent further deterioration we must open the way for an improvement in the wage standards of Federal employees by passing the postal pay raise bill—with votes to spare on this round—and ready to beat the veto.

Mr. COHELAN. Mr. Chairman, will the gentleman yield?

Mr. MORRISON. I yield to the gentleman from California.

Mr. COHELAN. Mr. Chairman, I congratulate the gentleman from Louisiana [Mr. MORRISON] on his statement on behalf of his measure providing salary adjustments for certain Federal workers.

As one of those who has supported this legislation all along, has introduced a companion to the original bill, and has signed the discharge petition which brought the bill to the floor, I urge full support for H.R. 9883 on the floor today.

Opponents of the bill say that postal workers have received seven pay raises in the past 15 years, and would have us conclude from this that everything is fine and no new attention to the Federal wage scale is needed. The fact is, however, that seven pay raises in 15 years is in no way out of line, that there has actually been only one pay raise after that granted in 1955 and, most important of all, that the wage of the average post office worker and the average classified employee is still below that of his counterpart in local government or private industry.

In the committee report, on page 5, a comparison of salaries of letter carriers to policemen and firemen in various large cities shows that the former is lower paid in every case. As I testified before the committee, the problem is particularly acute in the city of Oakland, Calif., a major portion of which I represent. In Oakland the automatic salary range for police and firemen ranges from $6,396 to $6,828 and this indicates so very clearly that in Oakland the letter carrier's range of $4,035 to $4,875 leaves him in a more inequitable position even than elsewhere.

The need for the salary increases provided in H.R. 9883 is clear. They are justified. I urge full support for the bill.

Mr. HOLLAND. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOLLAND. Mr. Chairman, the other evening I visited a shoestore with my daughters. While the clerk was trying on the shoes, he asked me if anything was being done for his raise. I replied: "What raise?" He said, "The postal workers." I then learned from him after he leaves the post office he is forced to work from 5 until 9 at night in a shoestore to supplement his income so that he can furnish the necessities of life for his family of five children.

I was quite alarmed to find this was true in many, many cases, and having an office in the Federal building in Pittsburgh, I checked with other workers and learned of their plight in trying to raise an American family. I found postal workers employed in filling stations at night, in garages doing odd jobs, yes—and tending bar in clubs.

Some of these workers spend 16 hours away from their family doing extra work so that they can receive sufficient money to clothe, feed, and house their families.

In many cases, I found that their wives were forced to work as clerks in stores, offices, factories, and restaurants to supplement their husbands' wages.

This is a pitiful case in America where a man is penalized for being a Government worker and denied the pleasure of an enjoyable evening at home with his family like other American families do, who work for private enterprise.

This is a disgraceful condition, and we the Congress of the United States permit it to exist. We who pose before the world as a benevolent government do not show it to our own employees. In this session I have heard about billions of dollars which must be appropriated for peoples of other lands, and to raise their standard of living. I have always supported aid to raise the standard of living in other countries, but I am convinced now that it is time to think of our own, and at least give to our employees the right to enjoy American homelife.

This bill will cost the Government considerably less than what they have appropriated to the peoples of any one country in the world. To hear objections from the administration that a 7½ percent raise is too much for their own employees is an insult to the conscientious and dedicated postal workers of our own country.

The administration has forgotten its own employees too long.

This big business administration seems to be only interested in seeing that the big corporations make higher profits and the banker gets higher interest on the money loaned to the Government's underpaid workers. For the President of the United States to threaten he will veto any raise given to the Government workers is an insult to those who are devoted to Government. In fact, it is the Government workers who are responsible for the efficiency of our Government. You will not find them on the golf course when they have a job to do.

Mr. Chairman, I am sorry that this bill has been cut to 7½ percent from 9 percent, for I believe that every man and woman working for the Government deserves and earned the 9 percent increase. Let the Members of Congress at least recognize their plight, pay them a decent wage so that the family life so long denied them can be enjoyed in the American way.

I, for one, Mr. Chairman, not only support this bill on this vote, but I promise the Government workers of America if it is vetoed by the President I shall vote to override it.

Mr BARRETT. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRETT. Mr. Chairman, as one of the early signers of discharge petition No. 6, I respectfully urge all the Members here on the floor today to vote for the passage of H.R. 9883, the Federal employees pay increase bill, because these men and women not only deserve this recognition, but are in need of larger paychecks to properly support their families. I feel confident we have the votes to overwhelmingly pass this bill and I am hoping the President will not veto it.

Inasmuch as the Congress plans to adjourn early in July, I further respectfully request that additional bills be scheduled for debate that will improve the economic standards of our American families.

An excellent start in this direction would be the passage of my bill, H.R. 5868, to increase the present hourly minimum wage from $1 to $1.50. At today's prices, which continue to rise, I cannot conceivably understand or know how a man with a wife and two or three children can properly shelter, clothe, and feed them on a weekly salary of $40 or $50. We all know food costs are high and rents in our metropolitan area of Philadelphia are exorbitant for desirable living accommodations.

While it is true you can rent substandard homes and apartments in the $50 to $75 price range, the fact remains that the location is usually very undesirable for the raising of a family. What is needed at this time is legislation to provide additional low-cost housing units in Philadelphia and other cities at nominal rentals in well planned communities for those people who have limited budgets and cannot afford to pay high rents. I, therefore, urge you gentlemen to accept the housing bills presented by my committee, which will destroy blighted areas and create communities of comfortable houses and apartments for our middle- and low-income families with adequate school facilities for their children.

Mr. Chairman, millions of children throughout the country today are receiving an inadequate education simply because there are not enough classrooms available for them. In many of our cities and towns these very same children are attending school in split shifts. In these days of the cold war, when we are fighting for our very survival, the education of our children is one of our greatest assets. They will become our leaders of tomorrow and, therefore, we cannot permit them to continue to be crowded into poorly equipped schools.

Another major item in my program for the American family is the need for legislation to provide medical and hospital care for our elderly citizens who, because of restricted pension checks and limited assets, are unable to cope with emergency illnesses. There are several proposals pending before us to give help

to these very deserving citizens and I urge all here today to back my plea for their immediate passage.

I sincerely and honestly believe my program for the betterment of our American way of life is sound in every detail. It is not an expensive giveaway proposal and will benefit every American citizen.

As representatives of these citizens, I am requesting your support of this program.

Mr. REES of Kansas. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, I realize that my opposition to this measure is futile, since the majority of the Members of the House have already signed the discharge petition on this pay legislation. I am opposed to the measure. I think it is not justified and should not be approved. But, of course, it is going to be approved by the House.

Mr. Chairman, let me say something about the conduct of certain lobbyists on this piece of legislation. This morning when I went to the committee room of the Committee on Post Office and Civil Service, I had difficulty getting to the room because of the great swarm of lobbyists outside in the hall. There must have been 75 of them. I had to pry my way through to get into my own committee room. And I have never seen such tactics employed as these lobbyists have been using during this fight for the pay bill. I think it is high time for the Members of the Congress to stand up and let these lobbyists know that they are not to be controlled by them, not to be dictated to by them. If we do not, it will be a sorry picture regarding any future pay legislation.

Today, Mr. Chairman, we have a national debt of over $285 billion. We pay $9.5 billion in interest each year.

Our Federal payroll is over $13 billion a year, over $1 billion a month.

In the last 15 years the salaries of Federal employees have been increased a total of 83.6 percent. There have been 8 pay raises in the last 15 years, for Federal employees. Besides, there is no group of employees in private industry that receives the fringe benefits that Federal employees are getting today. These fringe benefits amount in compensation to about 30 percent of their salaries. They have such liberal fringe benefits as life insurance, health insurance, retirement, hospitalization, and medical expenses. This Government has certainly been fair and liberal to our employees.

Mr. Chairman, we have a $285 billion debt, on which we pay interest each year of $9.5 billion. It is high time we stopped these reckless expenditures. I say that it is not in keeping with a sense of fiscal responsibility to increase the salaries of these employees today.

I am sorry to see the influence that these postal lobbyists exercise upon certain Members of Congress and particularly upon certain members of my committee. I regret it. I think that unless Congress stands up and lets them know that we will exercise our own judgment, this condition will get worse instead of better. I am sick and tired of the tactics of these lobbyists. I, for one, have never been controlled by them and do not propose to be controlled by them.

There is little I can say further, because I know this bill is going to pass. I think we are making a mistake. I do not think it should pass. But I do not care to argue the matter any longer. I am strongly opposed to the bill, but I am sure that will not have any effect.

Mr. REES of Kansas. Mr. Chairman, I yield 7 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, the gentleman from Tennessee [Mr. MURRAY] is a realist. I certainly am a realist on this occasion. I have no illusions about what is going to happen to this bill. It will be passed by the House of Representatives today. But I want to tell you that in my opinion, as it is now written and as it will have to be voted upon under this gag rule that was petitioned out, it is not going to become law.

Having said that, I would like to point out that through the years I have been here I have supported pay increases for Federal employees both in the classified and in the postal service. So far as the postal service is concerned I have been concerned about the deficit in the Post Office Department. In the Republican 80th Congress, in which I was privileged to be the majority leader, we gave the employees the greatest single annual increase in pay they had ever had.

But with that pay increase we had a rate increase designed to keep the Post Office Department out of the red as far as we could. What happened in the 80th Congress, as far as pay increases are concerned, has been happening in the Congresses since that time. Increases have been voted from time to time. In 1958 we had a rate increase. In addition, as the gentleman from Tennessee has so well said, fringe benefits have been voted that I understand would amount to about an 18 percent pay increase.

I realize, of course, that everyone would like to have more pay, anyone who works for a living, but when those of us who have the responsibility to fix that rate of pay get ready to do something, everybody would like to be openhanded, but we have a responsibility otherwise. One Member on the other side of the aisle in the interruption of another speaker said:

> Take the pay increase out of the proposed surplus.

That is one philosophy of government. But I say to you that we should not go overboard because we have a little surplus that might be applied on the national debt to keep the credit of this country good and to keep us strong here at home.

This bill will add $700 million a year additional to the cost of our Government. It really has been a strange development, with 20-percent bills introduced, and a 9-percent bill petitioned out under a gag rule with no opportunity to correct things in this bill that I think are glaringly wrong. We are foreclosed from that opportunity.

Referring to the Post Office Department, there is presently a deficit of about $600 million a year. This bill in the Department alone will add an estimated $225 million a year. The author of the bill was asked about the rate increase that has been pending before the committee for a long time and he was reluctant to say what his position on that would be. That is understandable. But the fact is that a proposal for rate increases has been pending before that committee, given to the committee by the President of the United States, for months and months and months, and I have not seen any activity in respect to it and I do not suppose there is going to be any. In other words, the committee has ignored that recommendation, so we will add $225 million to an already existing deficit of $600 million.

People talk about the cost of living situation. My understanding is that the cost of living has gone up about 2 percent since we voted the last pay raise. That is not 7.5 percent. Again I want to point out that through the years since certainly about 1953 the cost of living has gone up about 10 percent and the pay increases have averaged out to a total of about 20 percent, and that does not take into account the 18 percent for fringe benefits.

One other point: We appropriated $500,000, as I understand it, to appoint a commission and to enable that commission to make a study of this whole Federal employee situation and to report back to us. It does seem to me that more attention might have been given to the matter of waiting for a report from that commission.

I said when I started that I did not think this measure would become law. I do not need to tell you that it is not in accord with the President's program. As the gentleman from Tennessee pointed out, the administration witnesses before the committee take the position that the circumstances at the time did not justify a pay increase. So I say to you on my individual responsibility, because the President has never committed himself as to what he would do, I have no question in my mind as to what his action will be on this measure if and when it reaches the White House.

Mr. MORRISON. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I want at this time to say I respect very highly the chairman of our committee, the gentleman from Tennessee [Mr. MURRAY]. We have served together in the House for 18 years. There have been many times we have not agreed upon issues, but I want to say in the handling of the committee the gentleman from Tennessee [Mr. MURRAY] has always, in my opinion, handled it according to the rules of the House and the rules of the committee. When presented with a parliamentary situation, he has had the honesty, the character, and the integrity to make his rulings in accordance with the House rules or the committee rules, and if they were questioned and appealed, he would abide with the decision of the majority of the committee. The committee was called together this morning at 11 o'clock. Our normal time of meeting is 10 o'clock. The 1 hour that

was given to us was, therefore, from 11 o'clock to 12 o'clock, at which time we had to rise under the rules of the House; the rules do not allow the Committee on Post Office and Civil Service to sit while the House is in session, therefore the majority of the committee found it necessary to avail themselves of the rules of the House in order to bring before the House for its consideration the legislation which you have before you. When they did avail themselves of the rules of the House, I must say the chairman responded to those rules and upheld them as he does in most instances, at least in all instances for which I have knowledge.

Mr. Chairman, we have heard some talk in the well of the House about the lobbyists in the hall outside the committee room. It has been my experience in the Congress that a lobbyist is a person who opposes something you are for, but if he is for something that you are for he becomes either a public relations man or a representative of a friendly group. So all of us have the right to label these men who appear in behalf of the different groups as either lobbyists or public relations men. But I want to point out something to you that I know you know, and that is there are over a million employees classified and postal employees, yes, close to 1,500,000 employees, and they are denied the right of collective bargaining. I am not arguing that point at this time. But they do not have the right to bring the force of collective bargaining to bear for increases in their wages. They must depend upon the Congress of the United States when they want a pay raise. They come to you and to you and to you for an adjustment of their wage scale commensurate with that of people in outside industries who have the right of collective bargaining. Therefore, this Committee on the Post Office and Civil Service has a peculiar obligation to see that these people are not left wanting, that they do have their day in court. Today is their day in court, before the Congress of the United States. There has been no move other than that permitted under the rules of the House to bring this subject before you for consideration. You have the responsibility to vote it up or vote it down. I have complete confidence that every Member of this House will act on his own responsibility when the roll is called.

Mr. Chairman, let us see about some of the merits of this case. President Eisenhower appointed committees to study this. He has appointed many committees. The Cordiner Committee was one that studied the rates of pay of these people in Federal employ. This was in 1957. Dust has gathered on that study. Then the O'Connell Committee was appointed. Here is what the O'Connell Committee said:

> Salaries fixed by statutes have not been adjusted in a timely and adequate manner in response to general changes in non-Federal salary levels.

There is the guts of the situation.

Federal employees' salaries have not been adjusted commensurate with salaries of non-Federal positions. What do I mean by that? Let us just look at the record.

The average gross monthly salary of a letter carrier is $370—that is gross salary. When you deduct the fringe benefits and tax deductions he gets $1.96 an hour—$1.96 an hour, or $89 a week; he gets $89 a week take home pay.

What is the average weekly earnings in industry? In the transportation business it is $118; in coal production and the petroleum industry, $116; in printing and publishing, $105; in machinery, $105; in chemicals, $100.84; in electrical machinery, $92.84; in stone, clay, and glass products, $91.30.

The average overall industry wage is $15 a week or $780 a year higher than that of Federal employees doing the same type of work.

We are before you on this day asking you to do something about this. You can quote figures about the increase in cost of living since the last time they had an increase in the cost of living, but Congress always lags behind in giving Federal employees their wage increases. When we grant this raise we still will not bring them up to the average wage outside of the Federal Government. We always lag behind, and regardless of whether the cost of living has gone up 2 percent or 3 percent since their last raise, they started with an inequitable wage balance to begin with. When we pass this bill today and if it should become law, it would still be behind pay for the same type of work, the same caliber of work in outside industry.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield for an inquiry, please?

Mr. HOLIFIELD. In just a moment.

The gentleman from Indiana [Mr. HALLECK] has said to this House that he has private information that this will not become law. We have reduced the 9 percent in the committee bill to 7½ percent. We have tried to compromise as far as we can possibly go in the discharge of our responsibility. If the President vetoes this bill it is his responsibility, and it is the responsibility of those who vote against overriding his veto when it comes back to this House. I want you to know that I for one am going to discharge my responsibility by voting for this measure; and when the bill comes back, if it does come back vetoed, I am going to accept my responsibility again and vote to override the President's veto. There are 1,500,000 families who need a few paltry dollars more to pay their debts, to buy food and medication and the necessities of life. The President can discharge his responsibility, and I will discharge mine.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield for a question?

Mr. HOLIFIELD. Yes, I will yield.

Mr. JONES of Missouri. The gentleman knows about a study and report that was made on the salary of postal and classified employees, but can you tell us what report or what study was given to the legislative employees?

Mr. HOLIFIELD. The studies were given to the Federal employees outside of the Congress. The responsibility of the Congress is to make that study. If the gentleman wants such a study made I suggest that he introduce a bill and refer it to the Rules Committee. The House will be glad to consider the matter.

Mr. JONES of Missouri. I was just asking if a study had been made.

Mr. HOLIFIELD. Not that I know of.

Mr. JONES of Missouri. If a study has not been made how can the gentleman determine that a wage increase is needed or desirable for those people?

Mr. HOLIFIELD. Living has gone up. If the gentleman does not want to use the increase he can set the wages of his own employees. I may say I am not using all of my allowance for my salaried staff.

Mr. JONES of Missouri. Over half of the Members are not.

Mr. REES of Kansas. Mr. Chairman, I yield 7 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Chairman, the proposed increase of the salaries of postal and classified employees which is before the House at this time is in my opinion one of the urgent items on our legislative program. It is urgent because any measure which is intended to help men and women to improve their means of livelihood is urgent. It is designed to satisfy human needs and nothing could be of greater material importance.

I am deeply interested in the objectives of the entire bill—H.R. 9883, as it has been amended—I would like to record my support for the benefits it will provide for both postal and classified employees. All are well deserved and I am of the firm belief the bill in its present form should be enacted.

The plight of the postal employees has been ably presented in the hearings and on the floor of this House. An impressive argument can also be advanced for raising the salaries of employees under the Classification Act who are covered by title II of this bill, and I would like to comment on several of the sound arguments which may be advanced in support of an increase of the salaries of classified employees.

The case to be made for this raise is sound. It is in every sense a debt which this Government owes to these employees. The discharge of that debt is overdue and there is no valid reason why it should be further delayed.

This pay raise can be substantiated in many ways. It is not necessary to rely on an emotional appeal or to fall back on fallacious reasoning which misrepresents the real conditions supporting the soundness of this legislation. There is ample factual material available to justify the 9-percent increase provided in this bill, as well as the 7½-percent proposed amendment. I shall in the course of my remarks summarize several of the more meaningful points which can be made in support of this pay raise. Among them are the following:

First. The rate of wage increases has been substantially greater during the last 10 years for employees of large corporations than it has been for Federal classified workers.

Second. The pay for comparable jobs in private industry in many metropolitan

centers is above that of classified employees. Bureau of Labor Statistics data on these areas of heavy concentration of Federal employment are already available. We need not wait for more.

Third. The 9 percent is well supported by the advance in prices and productivity since January 1958, and to a greater degree during the last 10 years.

Fourth. The Federal Government's policy toward its wage board employees is more equitable and realistic.

Fifth. Altogether too great emphasis has been placed on the cost of this pay raise.

Sixth. An annual salary adjustment plan will provide the most desirable solution to this classified salary problem.

Now let us examine these six points in some detail.

First. The rate at which hourly wage rates of employees of some of the largest corporations have been increased during the last decade has been substantially greater than the rate of salary increases for Federal classified employees. To understand the extent to which this has taken place, it must be kept in mind that since 1950 Federal classified salaries were raised 10 percent in 1951, 7½ percent in 1955, and 10 percent in 1958, or a total of 30 percent, if the percentages are compounded. Let me repeat that figure—classified salaries increased 30 percent since 1950. In the last 2 years of that decade, there has been no increase. Now let us see what industry has done.

The hourly rates of employees of General Motors Corp. advanced 62 percent from January 1950 to February 1960. Of this increase 9.5 percent was received since January 1, 1958. During the same 10-year period the United States Steel Corp. raised wages 63 percent and the Aluminum Co. of America, 87 percent. The increase of the Steel Corp. in the last 2 years was 7 percent and of the Aluminum Co. 10 percent—the 2-year period in which the Federal Government has given no increase.

To mention other instances—Firestone and Goodrich Rubber Cos. raised wages 56 percent in 10 years, including 6.8 percent since the beginning of 1958. The increase of the Lockheed Aircraft Corp. was nearly 63 percent of which 13.7 percent was in the 2-year period.

These percentages are reliable, for they have been calculated by the Bureau of Labor Statistics. Even though they apply to a segment of industry, they have significance because the companies to which they refer represent a total employment of well on to 2 million, the majority of whom were involved in these wage statistics. They were the result of collective bargaining with several of the large unions. These increases in industry include only general increases of pay rates, cost-of-living and similar wage adjustments. They do not include incentive earnings, premium overtime pay, shift differentials or changes in skill level.

Second. Analysis of wage and salary trends in the metropolitan centers plainly indicates that the salaries of Federal classified employees are lagging behind those for comparable jobs in private industry. This disparity in pay is shown by a comparison of the average earnings of three representative office-type positions surveyed by the Bureau of Labor Statistics with the average of the comparable grade in the Federal classification salary schedule. The positions compared were stenographer, key punch operator and tabulating machine operator.

In a number of widely scattered cities in which the current BLS survey program has been completed, the average earnings for these positions exceeded the comparable Federal average. This was true of Buffalo, Cleveland, Detroit, Indianapolis, Jersey City, Newark, Pittsburgh, San Francisco, Seattle, and Washington, D.C. New York and Chicago have not been completed.

Throughout the hearings in both the House and Senate, emphasis was placed on the need to wait for the completion of the current BLS occupational wage surveys. I do not believe that is necessary. There are ample data now available. The 30 metropolitan areas for which final wage data have already been published have a Federal employee population of approximately 750,000 or close to one-third of all Federal employees. Sufficient data are available from many of the remaining 30 metropolitan areas to be completed by September to provide all the significant information needed. The cities which have been added to those previously surveyed are smaller cities and are not representative for purposes of classified salary analysis. Classified employees are to a great extent office clerical and professional employees who are employed in the larger communities. It is unfair and unsound to base the study of their salaries on labor market areas that are not metropolitan in character.

Third. The proposal to raise classified salaries 9 percent is also well justified by the advance that has taken place in consumer prices and productivity since January 1, 1958. The Consumer Price Index of BLS has advanced 3.2 percent from January 1958 to April 1960. If we assume that the postwar average increase in productivity of 3.1 percent a year from 1947 to 1958 has continued, we have the additional factor of a 6.2 percent productivity increase in the private sector of the economy. Thus our basis for urging the proposed salary increase consists of 3.2 percent for the price rise and 6.2 percent for productivity, or a total claim actually in excess of 9 percent.

If we take into account the fact that prices and productivity advanced more than Federal classified salaries from 1950 to 1958, there is even greater justification for a pay raise. During that period there was a combined increase in prices and productivity of 46 percent, but salaries were raised only 30 percent. There was, so to speak, a deficit of 16 percent. If that deficit is added to the increase of more than 9 percent of prices and productivity since 1958, we have an even greater basis for advocating a salary increase, but our 9-percent figure for the most recent 2-year period is sufficient for present practical purposes.

Fourth. There is another phase of the classified salary problem which deserves attention. It is the inconsistent policy of the Federal Government toward these employees as compared with its attitude toward those who are subject to wage boards. During the last 10 years classified salaries have been adjusted only three times. During that same period there have been annual wage adjustments for the nearly half million blue-collar workers in the Defense Department. Comparing the median hourly rate of a grade W–7 wage board employee with a GS–4 classified salary, the wage board rate increased 62 percent and the comparable classified rate 30 percent during that 10-year period.

On the basis of the same grade W–7 rate, the record shows that it was increased 6 percent in 1957, 5 percent in 1958, and 6 percent in 1959. What happened in these 3 years alone shows the very great inconsistency in the Government's policy. It also indicates that an important reason for wage board employees receiving added increases is that their rates are reviewed annually. And they should be. But why deprive classified employees of the same consideration?

Fifth. And this brings us to the next point of the need for more frequent review of classified salaries. Some method should be devised for making, if possible, an annual review of classified salaries. I believe such a system could be worked out successfully, and certainly it is needed to assure classified workers of the equitable treatment they deserve.

More frequent examination of these salaries would prevent the delay between classified increases—4 years in the case of 1955 pay raise. These delays are unfair to the employee because his rate of pay continues to lose purchasing power. A regular annual review would be administratively desirable for the Government. It would permit annual budgeting of the cost of whatever increase seemed desirable since the preceding year, and if done annually it would probably result in a smaller percentage increase falling within any single year while the employee would receive as much or more money over a given period. And, of course, the important fact is that he would receive it when he needed it—not 3 or 4 years later.

Sixth. There has been altogether too much emphasis on the cost of a classified salary increase. By that I mean that the principal consideration should be whether it is needed. If that can be demonstrated, it should be treated as having at least as much urgency as any other budgetary proposal. The important difference, of course, is that a pay raise has the purpose of helping people, and of greater importance, of helping our own Government employees.

To think first in terms of cost is the wrong approach. We should realize that a 9 percent pay raise will cost a good deal more today than it would have 10 years ago, and it will cost still more 10 years hence, if the price level continues to increase at the same rate. We should be prepared for these exigencies that are the result of economic change.

We should consider this proposal to raise classified salaries first for its benefit to the men and women who are serv-

ing the Government. But that is by no means the sole reason. We should consider it from the standpoint of national dignity and of administrative efficiency for it is upon the capabilities and the loyalty of our Government employees that much of the successful operation of this Government must depend. We cannot in good faith continue to ask the men and women of the career civil service to continue to perform the duties which each year become more exacting and more complex and at the same time refuse to accord them the simple justice of rates of pay which they have earned by any reasonable standard.

Mr. Chairman, in conclusion and in the way of a summary I would like to make three additional observations concerning this legislation.

First of all, as well pointed out by the gentleman from Louisiana [Mr. MORRISON], the legislation before us and the committee substitute which is pending is the result of a compromise. There is nothing unusual about that. Very often when we are considering major legislation which is somewhat controversial there always has to be a little give and take. I want to assure the membership of the House that the willingness on the part of us to compromise is not because we did not feel a higher increase was justified, because we know we can justify a higher increase; it was not because we did not desire to grant a higher increase to Federal employees, but it was in recognition of certain political facts of life. We realized we could get a great deal more support from Members for a 7.5-percent increase than we could for a higher amount. We have been reasonably assured that any legislation of this sort will be vetoed. We will certainly need support of the overwhelming majority of the Members of the House in order to act on a veto when this bill comes back.

My second point is this, and I make it as a statement of fact, and while it is repetitious I use it for emphasis. The Federal Government has not kept up with private industry insofar as the salaries of its employees are concerned. It has not nearly kept up. You can toy with statistics all you want to, but the record of the hearings on this legislation was full of proof in substantiation of my statement.

The Bureau of Labor Statistics presented evidence before the committee showing what the consumer price index was. It is up 113 percent since 1939. The figures of the Bureau of Labor Statistics show that all grades from grade 5 up of Federal employees have not received increases consistent with the increases in the cost of living since 1939. Approximately 60 percent of our classified Federal employees have not received salary increases since 1939 in keeping with the increased cost of living.

Employees of other industries have fared much better than employees of the Federal Government. Since 1950 we have granted increases to Federal employees in an amount of approximately 30 percent. It may be interesting to observe that the employees of major industries of this country have received over twice as much in the way of increases since 1950. General Electric has increased its employees 62 percent since 1950, United States Steel 66 percent, Aluminum Co. of America 87 percent, Firestone and Goodrich Rubber Companies have increased their employees 56 percent, Lockheed Aircraft has increased its employees 63 percent. These major industries employ approximately 2 million people. This shows that the increases have been consistent with the general increases that industries have paid their employees since 1950.

Since 1958 these same industries have increased their employees on an average of 10 percent.

Mr. Chairman, I had a very interesting personal observation to make in the committee when one of the witnesses pointed out or referred to the increase that the grocery clerks here in the Washington area received as a result of collective bargaining back last January or February. He pointed out that they received a settlement that amounted to $97 per week. Back in 1937 I worked for the Safeway Grocery Co. for a short time. It was then the Sanitary Grocery or the Piggly-Wiggly Grocery Co. They paid their employees $23 a week. Since 1937 the Safeway Grocery Co. has increased its employees to $97, amounting to a 320 percent increase. The postal employees in 1937, during that period, received an average of $2,038 a year. The postal employees today—I speak primarily of the letter carriers—are receiving an average of $4,640; in other words, an increase of 123 percent. I do not believe any Member of this body would like to recognize the Safeway Grocery Co. as having better employees or thinking more of the welfare of their employees than the Federal Government—certainly not that many times greater.

Now, the executive branch has recognized that there are inequities existing in our Federal employees pay scale. The minority leader has pointed out they have recommended a study be made. I think that we are all in accord with that. But the study comes too late. They have known that these inequities have existed for years, and they should have taken the initiative several years ago to propose a study and to propose a plan on which the Congress could act to correct these inequities. This is but a partial solution of the problem. After the study is completed we can come back and further improve the situation next year.

My third point is with reference to this estimated cost of $680 million. I would hate to think that all of us who support this legislation are not as equally concerned about the fiscal condition of this country as those who oppose it. I submit that this instrument we have before us today, this legislation itself, is not in itself what is causing the additional cost of $680 million. The reason why it is going to cost $680 million more is because the Federal Government has assumed certain responsibilities and certain obligations as a Federal Government and is rendering certain services to the people of this Nation. Since we have assumed these responsibilities and obligations, it requires the employment of approximately 2.3 million people. We cannot economize by merely refusing to pay these people a proper salary and a competitive wage. Anybody that has any experience with business, anybody that has had any experience with employee-employer relationships knows that you cannot economize in your business by the blood and sweat of your employees. To those who are stressing fiscal responsibility today I say if you want to economize, then we can reduce some of these Federal services or eliminate some of these Federal responsibilities that we have assumed. We can eliminate some of the Federal agencies. Certainly we can employ better manpower utilization. Incidentally, the subcommittee of the Committee on Post Office and Civil Service has been holding continuous hearings on manpower utilization to try and improve and get more effective use of our personnel. This argument that this pay increase is too costly has been used in every proposal during the past 10 years, and yet I do not believe any of the previous opponents will say today that we should not have granted those previous increases, because even after granting those previous increases, we are still very far behind. I predict that in the future, after we have granted this pay increase, the opponents here today will then recognize and might even acknowledge that this increase was necessary. We cannot overlook the increase in efficiency and morale and the improvement in our competitive position with other industries by acting favorably on this legislation today. This is a reasonable, a fair bill. As I stated before, it is the result of a compromise, a good compromise. I hope it will receive the overwhelming support and approval of the membership in order to insure that when the bill comes back up here, if it is vetoed, we will have the necessary votes to override the veto.

Mr. BALDWIN. Mr. Chairman, I rise in support of H.R. 9883. This pay increase for Federal classified and postal employees is very much needed. The Federal Wage Board or blue-collar employees in the San Francisco area of California have received increases totaling 11 percent in the last 18 months. These increases were 5.1 percent in December 1958, and 5.9 percent in December 1959. However, the Federal classified and postal employees have received no increases during the same period. As a result, numerous classified employees in the San Francisco area are receiving lower salaries than wage-board employees who are working under their supervision. This is highly undesirable from a morale or administrative standpoint. H.R. 9883 will aid in correcting this situation. I think this bill is worthwhile and very much needed. I urge its approval by the House.

Mr. REES of Kansas. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Along with a few minority members of the Committee on Post Office and Civil Service, and including the distinguished chairman and the ranking minority member, I have been fighting a steamroller today and for a

number of days past. I have no complaint about that. I have no quarrel with it, although I think some of the tactics of the steamroller reflect on the legislative processes of this country and of this Congress. I hope the American people will know as a result of this debate a little bit more about the system by which we juggle a $90 million percentage point of increase and kick it around when at the very same time there is a major scandal in the press, an effort to create the impression of a scandal, because of a $90 expense account. But I have no complaint about the fact I am in a minority.

Mr. Chairman, I rise in opposition to H.R. 9883, and before I go further let me say that I have voted for the two pay raises for postal employees that became law since I have been in Congress. I voted for one of the two classified pay raises that became law. And I hope, if I am here for some years to come, to vote for some more. But I am opposed to H.R. 9883.

I realize that I need to be a little bit more explicit, because there have been a number of 9883's kicking around this House and in the committee.

I oppose the newborn, minutes-old form, this so-called 7½-percent bill, as it comes to us this afternoon direct from the committee delivery room after a very violent Caesarean operation, and with it still red-faced and squalling, wrapped in swaddling clothes. I oppose this newest legislative offspring just as I opposed the original, H.R. 9883, which was greatly ballyhooed prenatally, and which was subsequently disowned and orphaned by its own parent or parents; they claim some 80 fathers to the bill. And I oppose this newest H.R. 9883 exactly as I opposed the offspring that came to this House under this discharge petition, which had a very short life, which was abandoned in the desert of committee reconsideration and left to gasp out its last breath all alone.

So let the record be clear that I am opposed to this bill. Now I am done with the obstetrical metaphors and I want to say some things in very blunt language. In doing so I address myself, Mr. Chairman, not so much to my colleagues here where the die is cast, but I address myself to the people of this country, to the taxpayers and to the Federal employees themselves, the two innocent bystanders in this tragedy-farce.

First of all this entire legislative undertaking has been an attempt to find out how much the traffic would bear and just how many political friends and votes could be picked up in the process of finding out how much the traffic would bear.

This is an attempt at successive, well directed, well engineered—and not all of the engineering and direction has come from within the Congress—a well directed and engineered attempt to retreat by successive steps to an ultimate victory of some sort.

I have great respect and regard for my friend from Louisiana and I do not criticize in the slightest his right to do what he did, but according to a report appearing in the publication of the National Association of Letter Carriers during a big super pay rally that was held here in Washington the first week of April, the gentleman is described as having said that he would fight to the limit to secure the passage of this bill, that is, the 12-percent and 23-percent bill. But even before the committee had completed its hearings the gentleman was asked by the chairman of the committee:

> You do not seriously insist on the 23 percent?

And his answer was:

> No, sir.

There was never a motion made by this gentleman in his own behalf or in behalf of these other gallant sponsors of this bill; there was never a motion made in committee to vote out this bill or even give it consideration in the executive session.

Mr. PILLION. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentleman from New York.

Mr. PILLION. Did the committee consider restricting the increase to salaries of $7,000 or less?

Mr. JOHANSEN. No, the committee did not, principally because the committee under the legislative principle that has been followed has not had a chance to consider very much of anything.

Mr. PILLION. Does the gentleman believe that salaries of $15,000, $16,000, or more should have this increase?

Mr. JOHANSEN. The persons up to the highest level in the classified service get the straight 7½ percent.

I will say in further response to the gentleman, and this goes to my second point, this is an election year, something for everybody on the Federal payroll bill. I will say to the gentleman that even the efforts of the minority in the committee to get separate consideration on the floor of this House in separate bills as between the postal employees and the classified received the same steamroller treatment as was given the entire effort on the part of the minority opposition to the bill.

Mr. PILLION. I thank the gentleman very much.

Mr. JOHANSEN. I want to go further and say this, the President of the United States immediately after the last 10-percent pay increase, at a time when the pay issue was not before the Congress, at a time when no one in good faith could accuse him of stalling tactics, recommended a Hoover Commission type of study to go into this whole program of Federal pay policy and pay procedure. That recommendation was repeated twice thereafter by the President of the United States.

I want to report to this House that on this very morning, as a member of the committee, the recommendation of the President of the United States was offered by the gentleman from Michigan as an amendment, and I will say to the committee that the recommendation of the President of the United States received considerably less courteous consideration than have the recommendations of some of the presidents of some of the organizations who represent the employees, and, of course, have a perfect right to do so.

I want to point out a third fact about this whole situation. This legislation involves the one kind of book burning which the liberals are in favor of and practice with great enthusiasm. I do not know whether the gentleman from Illinois [Mr. O'HARA] is on the floor or not, but I call your attention to the fact that on the 3d of June when we saw the spectacle of this House being enlisted in cooperation with the effort to secure the 219 signatures, the gentleman from Illinois [Mr. O'HARA] said, and I quote him accurately, I think, that:

> When it comes to human need I would never find the answer in a book of arithmetic.

I respect the gentleman's right to that view.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield to me?

Mr. JOHANSEN. Of course I will.

Mr. O'HARA of Illinois. I thank the gentleman for his courtesy. He quoted me correctly. Does the gentleman disagree? Does the gentleman contend that human needs should be left to the mathematical calculation of cold hearts?

Mr. JOHANSEN. I would be very glad to answer the gentleman.

Mr. O'HARA of Illinois. I wish the gentleman would.

Mr. JOHANSEN. I would be very glad to if the gentleman would permit me, but let me complete what I was saying and I think that will answer the gentleman. Let me say this, that I know of no sure way in which we can assure that this country, the people of this country, and the employees of this Government will know a more crucial and desperate need, I know of no sure guarantee that that will happen than if we continue persistently in this country to ignore and fail to find the answers in a book of arithmetic.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. JOHANSEN. I cannot yield further.

Mr. O'HARA of Illinois. The gentleman has mentioned my name. Is he afraid?

The CHAIRMAN. The gentleman declines to yield.

Mr. JOHANSEN. Is the gentleman implying that I am afraid?

Mr. O'HARA of Illinois. The gentleman from Illinois would never question the courage of his good friend, the gentleman from Michigan. But, on general principle, I take it that any man who does not want to yield after mentioning my name is afraid to face the issue. I, of course, would respect both the sincerity of his conviction and his caution in retreat.

Mr. JOHANSEN. I will be very glad to yield if the gentleman will make it very clear that he does not think the gentleman from Michigan is afraid.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. REES of Kansas. Mr. Chairman, I yield 2 minutes to the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, I particularly thank the ranking minority

Member on our side for granting me this time, because I am sure he knows that most reluctantly, most regretfully, but in my case most necessarily, I am going to take a position opposite to his, on this legislation. I am going to vote for this bill. And because it is so exceptional a rarity for me not to support fully the position of the administration on fiscal matters, and because I think my position parallels that of many in this House who share my constant concern for sound fiscal policy, I would like in 2 brief minutes to tell you why I am so voting. I am voting for this bill, Mr. Chairman, because this is the only avenue given to me after all the 17½ months of this Congress wherein I can keep not a spoken pledge but certainly an assurance that I gave to those Government workers in my own district whom I know to be deprived of what they need to live decently, particularly the many in the lower grades, without taking extra jobs and without having their wives also working outside the home to obtain a necessary supplementary income. I have made a personal study of the family budgets and salaries of the classified workers and the postal workers in the 13th District over the period of the last 4 years. I speak from definite knowledge of the inadequacies of the salaries and the subsequent unsalutary effect upon both the service itself and upon the morale and actual physical well-being of those who are attempting to raise families on inadequate salaries—or are forced to supplement those salaries to the extent of having a second position of their own and/or additional work outside the home on the part of the wife and mother. The difficulty of obtaining and of retaining trained workers has become increasingly difficult as competition continues to increase through the rapid development of new industries which offer a salary range that cannot fail to attract men of good intent whose first responsibility remains for the welfare of their families

Aside from the deleterious effect on the service through frequent turnover and disrupted and insufficient service, however, I deplore the additional effect upon the worker himself who must attempt to support his family on a wage which, in our area and similar areas where the cost of living is high, simply cannot meet even the simplest needs of family living.

The area which it is my privilege to represent has an exceptionally high cost of living index. In fact, an analysis of the price index of the entire Chicago area, according to the Consumer Price Index for all items as of January 1960 shows the great extent to which the Chicago area is above the national level.

The annual budgets that have been submitted to me in 1960 by postal workers in the 13th District bear mute but effective testimony to the effect of this high consumer price index on Government workers on low-fixed salaries. Of the budgets so submitted, only 7.5 percent showed any surplus after deducting the cost of basic necessities. Of this 7.5 percent, half of these represented single men and none within this category had more than two dependents.

Investigation further showed that almost 75 percent of the postal workers whose returns were analyzed were forced to seek additional income in order to meet basic living costs.

Some budgets presented to me showed, despite extreme care and an effort at thrift, a deficit of over $1,000 per year in meeting just the ordinary expenses of living. In certain post offices there is evidence that certain workers hold, in fact, three part-time jobs in addition to their basic postal work. Past raises in pay have been more than absorbed by the rising cost of living.

Mr. Chairman, were there time, I could quote from letter after letter from Government employees whom I know and trust. These letters attest the inadequacy of present pay, and deplore the effect of that inadequate pay upon both the branch of Government which they serve and pointedly upon their families.

In the face, therefore, of reports which I personally have investigated and know to be true and not exaggerated, I could not possibly deny an increase at this time.

In other words, Mr. Chairman, without taking time to go into the sociologically bad effect on both the community as well as the family involved when a government worker is forced to live on insufficient pay, I would repeat that the present measure offers to me and others in similar circumstances the only avenue through which I can help the Government workers involved to obtain the increase in income which I know they need.

It, therefore, today, cannot be with me just a question of whether this bill is completely right or the plan just as I myself would have sought to make it. It is not just a question of how much I may dislike the "gag rule" for which some of my colleagues condemn the measure. I only know that I cannot possibly refuse to bring to those in my own area, particularly to those in the lower grades, what I think the Government of the United States owes its workers—a living wage.

Mr. Chairman, I yield back the balance of my time.

Mr. MORRISON. Mr. Chairman, I yield 3 minutes to the gentleman from West Virginia [Mr. HECHLER].

Mr. HECHLER. Mr. Chairman, not long ago I received a letter from a postal worker which moved me very deeply.

For some time I have been very interested in the first Allied crossing of the Rhine during World War II at Remagen Bridge—which will go down as one of the greatest exploits in American military history. I have followed the record of the heroes of the Remagen Bridge carefully since 1945. I know all of these men like brothers. I have visited with them and eaten at their homes. They correspond with me regularly.

This letter comes from a mail handler in the New York City post office named Anthony L. Samele. Tony Samele is a big, optimistic fellow who married his childhood sweetheart. When Remagen Bridge loomed, he was a squad leader in the point infantry company. Not only did he lead his squad in the precarious crossing of the bridge, but he helped clean a German machinegun nest out of one of the big towers on the bridge. He was the third man in the American Army to hit the east side of the Rhine on that dramatic day of March 7, 1945. He writes to me:

Everything has not been going too well for me since my Army days. I'll explain, as briefly as possible, to tell you what my life has been like since leaving the Army.

I'm married to a swell girl and have two children. I've been a regular mail handler in the Post Office Department for the past 8 years. My salary is $4,450. After taking out pension money and taxes, there is hardly much left. I live in three small rooms, with poor heat and ventilation. As my family increased, demands became more and more, and I was forced to borrow, since my earnings were insufficient to cover expenses.

My wife worries about the health of the children and not being a well person to start with she became very sick mentally and physically.

My wife had lost the sight of her right eye at the age of 5 as the result of a bad fall. This week, she was rushed to the Bronx Eye and Ear Hospital for an emergency operation on her other (left) eye. I had taken her to see two eye specialists, and both of them agreed that an operation was the only thing to do or she would be completely blind. It's been 4 days now and we still do not know the outcome. The doctor will not commit himself. As I'm writing this letter to you, I'm hoping and praying that everything will be OK with me.

The doctor wants his money, the hospital wants their money, and me with no hospitalization plan of any kind or money to pay them.

KEN, I have never asked anyone for a favor big or small. I'm no hero. I tried my best for my country when I was in the service. I've tried my best to support and maintain a family. I've never approached anyone for a handout, I don't know how. If it's within your power to help me, I would appreciate it very much and be grateful to you for the rest of my life.

Now, here is one of World War II's outstanding heroes—one of the eight enlisted men to receive a Distinguished Service Cross for his courage. Yes; I will help him, and help thousands of other loyal and hard-working postal employees and I hope the membership will join in supporting H.R. 9383 to give these people a well-deserved raise in their wages. And if the President sees fit to veto this bill, I shall vote to override the veto.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, I asked for this time to discuss issues which are not going to arise. Personally, I should feel some sense of exaltation today because I told you very early in this debate on the salary issue that a 7½-percent increase was approximately correct, and I do congratulate all of those who have extended this necessary and desirable increase for having arrived at a figure which seems to me to be most realistic and which seems to me to be passable.

I think all of us recognize that when these bills do come to the floor including large numbers of people that there can be inequalities, there can be groups covered that should not be covered; there are groups which perhaps did not receive

all they should get; but we should remember that the Congress of the United States is a continuing body and that grievances can be adjusted at all times, corrections can be made when those in charge of a legislative program desire them to be made.

So, Mr. Chairman, I am simply rising here today to state that I am definitely in favor of this bill; that I think over all it is a good bill, that it can become law, and that it can result in necessary increases for all but a few of our employees.

I recognize, as some of you do, that the bill in all its aspects is not exactly as I would like to have it; but under all the circumstances which have prevailed I believe this is a bill which we can support in sincerity and honesty. Where individuals have objections they can go to work to make those objections felt in the year ahead.

Therefore, Mr. Chairman, I again urge that all of those who have any regard for the majority judgment of this committee which did work long and hard on this bill and which found itself confronted with nothing really new this morning, we all recognized that what has been in the papers, what has been discussed time after time was nothing new, and I do not think those arguments are very valid. No one should have been surprised by what was voted on.

So I am going to support this bill and urge my colleagues to do the same.

Mr. Chairman, I yield back the balance of my time.

Mr. REES of Kansas. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I want to make just one remark. This situation proves how ludicrous it is for the Congress to attempt to set salaries. Here in one week the committee reports a 9-percent salary increase, and then in a couple of weeks they report an amendment to 7.5 percent, with no basis in fact whatsoever. Until this Congress gets to a point of putting salaries under the control of a board and making them on a regional basis you will never have justice for the employees in high-cost areas, one of which I represent.

I am certainly sorry to see this spectacle on the part of the House making in one week a 9-percent recommendation and within the next week a 7.5-percent recommendation. It proves just how wrong we are in trying to set salaries on this kind of a basis.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, this bill comes before us in a very strange manner. I am very happy that I have been able to be here during the debate. In the committee this morning I heard absolutely nothing about the present bill, H.R. 9883, as amended, in the way of explanation. The gentleman who offered the amendment did not take time to explain it; he did not seem to consider that was at all necessary, although it is my recollection he was enthusiastically in favor of a 9-percent pay raise bill which was taken from the Speaker's desk by way of discharge petition. I voted for that 9 percent. Of course, I would like to know some good reason besides political reasons, which I think I know, why we should suddenly be brought face to face with a 7.5-percent increase.

Mr. Chairman, even the 9 percent was considered highly inadequate by all proponents of this legislation. We started out with 23 percent, then we went slowly and gradually down until finally with tears and groans and ice water in our veins we decided on 9 percent as the very lowest that could be offered. Here we appear with 7.5 percent. How do we explain such a situation? I think there are two ways of explaining it.

First of all, what the gentleman from California has just said is eminently correct. We have shown ourselves as a committee and as a body—that is, the Congress of the United States—to be completely unfit to set wages.

During a colloquy I had with one of the employee representatives I said to him what I would like to say to many of the proponents of the present bill, not the original 9 percent—that this is the finest argument I have ever heard in my life for private enterprise.

We have been told how wonderfully the great corporations treat their employees as compared with the U.S. Government, and I agree with that 100 percent. So I said to this gentleman:

> How would you feel about doing what the late John Wanamaker suggested many years ago? He said, "I will be very happy to take over the postal service of the United States. I will run it efficiently, I will have no trouble with my employees, and I will make money out of it."

Mr. Chairman, that is the situation, and I think it is a situation that we had better consider very seriously.

We get ourselves into this hassle, Mr. Chairman, to my certain knowledge, at least every 2 years and usually once a year. It is never a satisfactory solution. Everything we do is always too little and too late, and this is going to be much too little and much too late.

Some time ago I offered an amendment to this bill in the nature of an escalator clause, such as has been used very successfully in private industry. That would not be considered because, of course, we know perfectly well that the leaders of the employee groups do not want anything that would automatically take care of their people, so that they would be perfectly well off and would not have to come in year after year with this kind of a compromise bill which, apparently, we all agree is quite inadequate and insufficient.

Now, Mr. Chairman, I believe in the committee system and I believe in our system of government. And, I must say here and now that if we are to be governed by discharge petitions, I would suggest that we go right ahead on that basis; that we send the Congress of the United States back to other occupations for which they would probably be better fitted and that we leave this matter entirely in the hands of pressure groups and the Executive. But, this is certainly not what we, when we took our oath of office, believed we were doing. This is certainly not what I, when I first came to this Congress, expected to be called upon to do. I expected to work in committee, to understand what was being brought out of committee, not to have things shouted through the committee; not to have them brought out on the floor unexplained. Why, this bill was never on our desk in the committee until 11 o'clock this morning. I understand that some members of the committee did have copies last night. I understand that one member of the committee did not even have a copy this morning. This is no way to legislate.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. GROSS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I had hoped to be able to support a pay raise bill on behalf of postal workers who do not have the flexibility in their pay structure that is provided classified employees. I had hoped to be able to support a reasonable increase for postal fieldworkers, particularly in the lower brackets, but I am not going to be given that opportunity. I offered a motion in committee when the 9-percent bill was considered to separate postal field workers from title II of the bill, which brought in all other employees. My motion was defeated. I cannot support a 7½-percent increase across the board for all employees of the Federal Government.

The gentleman from Louisiana [Mr. MORRISON] and the gentleman from Virginia [Mr. BROYHILL] say that this is fair and reasonable legislation. Well, if it is, what label did they put upon their 23-percent bill and then their 9-percent bill? If this is fair and reasonable, what label did you put on those bills? Now, I would like to ask the gentleman from Louisiana [Mr. MORRISON], the leader of this movement, when hearings were held before our committee on the foreign service pay section of this bill?

Mr. MORRISON. Is the gentleman yielding to me?

Mr. GROSS. Yes. I am trying to get an answer to my question.

Mr. MORRISON. Well, it so happens that the chairman of the committee was conducting the hearings, and he conducted all the hearings, so I think the question should be addressed to him.

Mr. GROSS. If the gentleman attended the hearings on his own bill he must have known whether any witnesses appeared to justify an increase in pay for all foreign service employees.

Does the gentleman know or does he not know?

Mr. MORRISON. I was not there every minute of the time. It is possible that testimony could have been had when I was not there. All I did was introduce the bill which was considered by the committee. The chairman of the committee had control of the time, as to when witnesses would be heard who were for the bill and when witnesses would be heard who were against the bill. I am sure the gentleman has the same access to that information as I have.

Mr. GROSS. The gentleman can say whether they were there without going into a speech.

Mr. MORRISON. I am sure the gentleman knows as much as I do about who testified and who did not testify.

Mr. GROSS. The gentleman knows, if he attended the committee hearings, that not a single witness appeared on behalf of the State Department in behalf of a pay raise for all Foreign Service employees.

I would like to ask the staff member for the committee who is sitting next to the gentleman from Louisiana to answer the question, but I am sure that would be a violation of the rules of the House.

Does the gentleman know when hearings were held on the 25 supergrades that were put into this overnight bill? When were hearings held to justify the 25 supergrades that the gentleman has in the amendment he offered this morning?

Mr. MORRISON. That does not create 25 supergrades. It merely reallocates existing supergrade positions. The cost of title II not over $40,000 a year. And I might add that this is one thing in this bill that President Eisenhower wants, because that is what he requested. I am very hopeful that by giving him what he wants——

Mr. GROSS. Mr. Chairman, I refuse to yield further. I did not yield to the gentleman for a speech in behalf of the President of the United States. I doubt very much that the President approves this bill. But I cannot recall a single witness appearing before our committee in behalf of 25 more supergrades, nor do I remember a single witness appearing before our committee this year in behalf of a new $19,000 poo-bah in the Department of Health, Education, and Welfare. If any member of the committee knows when any witnesses appeared before the committee to justify these high priced employees, I wish they would tell me. I do not know who dreamed this up. I assume it was dreamed up along with some more of the stuff that was dreamed up last night and rammed through the committee this morning.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield for a question?

Mr. GROSS. I certainly do.

Mr. JOHANSEN. Is it not obvious that the reason why there were no hearings on these items is because these items were never in the bill until the amendment was put before us today?

Mr. GROSS. And yet they put a batch of supergrades in this bill and gave them nice, fat increases; supergrades calling for up to $18,500 a year. Under the terms of this bill they will get somewhere around a $1,000-a-year increase, some of them more.

But what is the increase for the 349,939 postal field service employees in level 4? Can the gentleman from Louisiana tell me how much he proposes to increase the top step in that level, while he is proposing to increase these supergrades and others by $1,000 to $1,200 a year? By how much is he going to increase these postal workers?

Mr. MORRISON. The gentleman has asked me a question which may be rather confusing. I wish to say that there are no more supergrades created. There are just 25 supergrades reallocated. Several other jobs are increased, at a cost of less than $40,000 a year and which the administration asked for. As far as the increases in the class to which the gentleman is referring, if he will get out his paper and pencil, he can get the answer by taking their present salary and increasing it by 7½ percent.

Mr. GROSS. The gentleman is the author of this bill and he ought to be able to tell me what the increase is in the top bracket of the supergrades, as well as the highest increase to be given in level 4 where there are almost 350,000 postal employees.

Mr. MORRISON. The answer is very simple, 7½ percent.

Mr. GROSS. You bet your life, 7½ percent. You give several hundred superdooper employees an increase of $1,000 a year or more while a level 4 postal worker gets around $300 a year or less; is not that correct?

I might add that it appears the amendment will increase the pay of secretaries to Senators to $17,500 a year or an increase of about $1,000 a year. Can it be that these employees and others are suffering far worse than other workers trying to support families on $5,000 and $6,000 per year?

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. MEADER. Can the gentleman tell the House how much this committee amendment is going to cost the Government annually?

Mr. GROSS. I saw it for the first time when I arrived on the House floor this afternoon.

Mr. MEADER. Has any estimate been made about that?

Mr. MORRISON. If the gentleman will yield, I can answer that. It is slightly under $700 million, or between $680 million and $700 million. It is $150 million less than the 9 percent bill which was the basis of the discharge petition.

Mr. MEADER. Will the gentleman give me the source of that $680 million figure?

Mr. MORRISON. The committee counsel.

Mr. MEADER. It was not made by the Budget Bureau, as was the estimate on the original bill? Is that correct?

Mr. MORRISON. No.

Mr. GROSS. The bill we are actually considering at this time is a 9 percent bill. What we are talking about in dealing with the 7.5 percent increase is the amendment railroaded through the committee that may or may not be adopted. I assume it will be. But what we are actually dealing with at this moment is a 9 percent increase, not 7.5 percent. That is the bill that the discharge petition went to, and then they walked off and left it as they did with the 23 percent increase on which all the hearings were held.

My objection to this bill is that it goes across the board. It gives to those who least need the increase the greatest increase, compounding the inequities that already exist, and with no opportunity or disposition to correct these inequities. That is why this bill is so wrong and why I cannot support it.

Mr. DULSKI. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. DULSKI. Mr. Chairman, I rise in support of the bill, H.R. 9883, as amended by the Committee on Post Office and Civil Service.

As a member of the committee, I had an opportunity to hear and to review all of the testimony offered during the extensive hearings on this legislation, and as a result of those hearings can only conclude that the increase provided in the bill before us is completely justified.

It should be obvious to anyone that postal and Federal employee wages have not kept pace with wages paid in private industry in the past 20 years. Despite this condition, those who oppose this legislation ask that we wait another year to take any action so that a study now in process may be completed. In view of the studies that have been made in recent years, particularly the study by the administration-sponsored O'Connell Committee, whose report, to my knowledge, has never been published, I am forced to conclude that this problem has already been studied to death. In the report of the O'Connell Committee, it is readily admitted that "Salaries fixed by statutes have not been adjusted in a timely and adequate manner in response to general changes in non-Federal salary levels." In the face of that conclusion—a conclusion upon which the administration took no action—I have no reason to believe that the study now being conducted would have any result.

Further, I think we should recognize that the current study, which has been rather widely described as a study by the Bureau of Labor Statistics, is not what it seems. In the first place, the Bureau of Labor Statistics is simply making a survey of white collar wages. For a number of years the Bureau has been making a study of white collar wages in some 20 areas, and is extending that survey to an additional 60 metropolitan areas. Once the figures are gathered, the Post Office Department and the Civil Service Commission, and not the Bureau of Labor Statistics, are going to make comparisons of the wages paid to postal and other employees in thousands of different positions.

Personally, I have no hope that either the Post Office Department or the Civil Service Commission will arrive at any conclusions as a result of the survey greatly different from those expressed to our committee. Since the survey is limited to about 29 white collar positions, 23 of which are commonly filled by women or girls in private industry, it is hardly likely that it will provide information upon which anyone could logically or fairly determine a comparable wage for post office clerks and letter carriers.

The Bureau of Labor Statistics already has all the figures anyone would need to determine what a fair wage

should be, and witnesses appearing before our committee demonstrated by means of these figures that since July 1951, average industrial wages have been increased approximately 70 cents per hour or 45 percent, while postal employee salaries have increased only 38½ cents per hour or 19 percent. To me this is sufficient evidence that there is an immediate need for postal and Federal employee salary increases. For that reason, as a member of the committee, I supported the majority opinion which is now before us.

My position is perhaps best summed up by a statement made by one of the witnesses appearing before our committee, Mr. E. C. Hallbeck, of the National Federation of Post Office Clerks, who presented facts which clearly demonstrated that—

First. Postal wage increases have lagged more than 25 percent behind wage increases granted in private industry since 1951.

Second. The productivity of post office clerks has continued to increase which in itself warrants salary increases.

Third. The administration by its part in the settlement of the steel dispute stands committed to further wage increases in private industry.

For these reasons, Mr. Chairman, I shall vote for the bill now before us. I hope that the President will approve this legislation. If he does not, I shall certainly vote to override a veto.

Mr. MORRISON. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. LESINSKI], a member of the committee.

Mr. LESINSKI. Mr. Chairman, I think it is very important to know that the administration has requested additional supergrades. Also increases in the upper levels. In past years when we had given an increase across the board, the result was to narrow the wage level difference between the upper and lower grades, bringing about a serious inequity in the salary structure and violating the accepted principle of equal pay for equal work and responsibility.

A further point I want to mention here is that the last Federal Pay Act of 1958 which amounted to an increase of 10 percent created a considerable amount of new purchasing power. The pay increase we are considering at the present time increases the purchasing power of the American public about $2 billion a year in terms of the gross national income.

The purchasing power of the American public is going down. We have unemployment in various sections of the country. This will be a stimulant to our national economy.

But disregarding that, the equity of this measure is that the Federal employee as such is in need of an increase in his take-home pay, so as to bring him closer to industry in the high cost of living area in which most reside.

Also, although the Postmaster has given us figures that they have a large number of applications requesting jobs in the Post Office Department, those are in areas where unemployment is high, like Detroit, and some in the low-cost-of-living areas where there is a large demand for postal jobs.

I hope the committee will act favorably upon this legislation. In order to keep good well-trained employees in the employ of the Federal Government we have to give them a fair salary commensurate with the work they do.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. LESINSKI. I yield to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. The gentleman from Michigan [Mr. MEADER], asked this question. On page 2 of the committee report the budget figure of the 9-percent raise was $846,306,500. That is on a 9-percent basis. If you take off 1½ percent of that, which is one-sixth of it, you take off approximately $141 million. Then there was another adjustment downward which amounted to about $8 million. So in round figures, and I am only giving round figures, the difference between this bill, and it is just as statistically justified as was the figure of $846 million because it is based on that figure, is about $150 million less than the 9-percent figure which was given to us by the Civil Service Commission and approved by the Bureau of the Budget.

Mr. LESINSKI. In other words, the gentleman from California is saying that the figures presented have been substantially verified by the Commission. I thank the gentleman from California for his contribution.

Mr. GROSS. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, in order to be plain I have first outlined my points in favor of this legislation for the postal workers and Federal employees' pay raise.

First. This pay raise will not unbalance the Federal budget nor cause a deficit.

Second. Twenty-five percent of this pay raise will come back to the Government in taxes.

Third. Our U.S. economy of $500 billion of gross national product this year must be a balanced economy, giving due regard to necessities of our working people, as well as the production of luxuries. We in America should stop starving our community services and provide adequately for the workers who provide these necessary basic services.

Fourth. Government employment should be a model for other employers and employees in our U.S. economy. Government employment and Government employees should not be continued as another chronic depressed area. Whether or not Government employment is officially designated as a chronic depressed area, it certainly carries the general public reputation.

Fifth. There is no doubt about the efficiency and loyalty of our American people working in the postal service, and in Federal employment. But there is and continues to be a large turnover of these Government employees which shows the need of a pay raise, and basic dissatisfaction over wages, salaries, fringe benefits, and conditions of employment. This turnover of Government employees is unnecessary, causes inefficiency, and higher costs to the Government and to the taxpayers.

Sixth. This bill is not inflationary, as the pay raise for Government employees will go to provide the minimum necessities for families, food, clothing, housing, education for children, and transportation.

Seventh. We in Congress have a special responsibility to our U.S. postal workers and Federal employees. We have a tradition in America that adequate pay for a good day's work is an American heritage. Congress has this responsibility for the public employees. Nobody can reasonably argue that the present level of pay is adequate. Recognition should be given to the loyal service given by postal and Federal employees because it is the special concern of the Congress, as the employer who sets the rates for those employees. We in Congress are their employers and the guardians of Federal employment. A fair day's pay for a fair day's work is basic to our U.S. free enterprise system.

Eighth. Congress should see that all groups in our Nation's economy move ahead and progress together. I do not believe that any one group, particularly Federal and postal employees should fall behind. Likewise, if the level of Government employment does fall behind the level of employment of private industry, Government efficiency and Government employees will suffer. Private industry will be in a position of competition that can only be disastrous to employment for necessary public programs. Government employment must therefore compare favorably with employment conditions in private industry.

Ninth. When we have a group that has been as loyal as these U.S. Government employees have been—there have been no strikes and no industrial trouble, and when they have uniformly provided efficient services day and night, we should give such worthy service to our American people, every recognition, and back this pay raise fully. I think the compromise of 7½ percent recommended by the Post Office and Civil Service Committee is certainly a minimum amount which we should approve promptly.

In conclusion, I urge strong support of the current pay raise bill, H.R. 9883, and recommend adoption of the proposed committee amendment as a compromise to insure action in this session of Congress.

All that our good postal workers and other Federal employees ever have asked of their Government is timely and fair salary provisions. They do not ask for any special or extraordinary treatment, but they rightfully expect not to suffer discrimination.

Review of the record before the Post Office and Civil Service Committee confirms the overwhelming weight of evidence presented, at the committee hearing on H.R. 9883 and over 80 companion bills, including H.R. 9997, which I introduced on January 27, 1960, that immediate and substantial Federal employee salary adjustments are necessary in the interest of efficiency in the Government and fairness to Government employees. I firmly believe that

all groups in our economy should move ahead economically at the same rate, and this pay raise is necessary to meet this test.

A man must receive a full day's pay for a full day's work, whether he works in private industry or the Government. The beneficiaries of this bill, our postal workers and Federal employees, can be no exception.

In the hearings before the committee, representatives of postal and other Federal employees clearly demonstrated that their salaries are well below salaries paid their fellow workers in private enterprise whose levels of responsibility are comparable. These employees proved that their salaries have been, and are today, far behind the U.S. national economy.

The Federal employees who are seen most by the general public, the taxpayers, the citizens of these United States, our fine letter carriers, whose motto, "Neither rain, nor hail, nor snow, nor black of night shall stay these couriers from their appointed rounds," are the direct public representatives of our Government, yet they cannot meet the rising cost of living as well as their neighbor who works in private industry, and cannot educate his child to be the engineer, scientist, or teacher which our Nation now needs.

The time for sympathy is past, the time for action is now. Now is the time to begin the end of this discrimination. Now is the time to vote for the bill, H.R. 9883, with the proposed compromise.

Mr. Chairman, I strongly urge the prompt adoption of the bill and the committee amendment.

Mr. MORRISON. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I add my voice to those who have spoken in support of H.R. 9883, which would bring a long needed and necessary pay increase to postal and other Federal employees.

I also take this occasion to commend most sincerely the sponsor of this bill, the gentleman from Louisiana [Mr. MORRISON], and those members of the House Committee on Post Office and Civil Service for their effective work in achieving a breakthrough in a most important area of legislation.

As a cosponsor of the Morrison proposal and as a signer of the discharge petition, I join those who point out that a reasonable increase of 9 percent is preferable to that of 7½ percent. However, although the facts are not on the side of the administration, I certainly realize that the original increase of 9 percent would without doubt incur a Presidential veto.

Additionally, I realize that the amendment calling for a 7½-percent increase should make the bill less vulnerable to a Presidential veto. This amendment has been offered in good faith by reasonable men so that such Presidential action may be stayed, and that the issue may be clarified should a veto unhappily occur.

It may well be that the administration will not assume its responsibility in approving the amended bill. I do not think this possibility should deter us from approval of the bill. Our responsibility is to act affirmatively since we must not lose sight of the fact that the provisions of H.R. 9883 are needed and needed now.

It would be "carrying coals to Newcastle" to repeat the extensive documentation, made in committee and on this floor during discussion of the sum and substance of the issue, on the practical need to improve the wage standard of our postal and other Federal employees, and the economic feasibility of doing it at this time.

I not only urge passage of this bill, but I urge that it pass so overwhelmingly—in both Houses—that a Presidential veto, if still forthcoming—can be readily overridden, as it should be.

Mr. Chairman, I would hope that the President would like to see the employees of the U.S. Government on a wage level in line with that prevailing in private industry. I would also hope that he join with the supporters of the increase in realizing that the wage structure of our Federal Government is closely related to the maintenance and attraction of competent personnel. This is sound budget thinking.

Our duty in Congress is clear. Let the record show that the duty of the administration is also clear.

Mr. MORRISON. Mr. Chairman, I yield such time as he may require to the gentleman from Minnesota [Mr. KARTH].

Mr. KARTH. Mr. Chairman, today 1.6 million Federal employees and their families are watching our deliberations to see if their Government, their employer, will courageously face up to the ugly economic fact that the record high cost of living has reduced their standard of living.

These employees and their families have confidence that the Congress will help restore to them some of the economic position which they lost relative to their counterparts in private industry. As was pointed out so capably in the committee's report submitted by the gentleman from Louisiana [Mr. MORRISON]:

> All that postal and other Federal employees ever have asked of their Government is timely and fair salary provisions. They do not ask for any special or extraordinary treatment, but they rightfuly expect not to suffer discrimination or to be sacrificed on the altar of personal or political ambitions. Committee deliberations on the salary problem this year demonstrate once more that the Federal employees can expect and obtain sympathetic and fair salary consideration only through appeals to their elected representatives in Congress. They cannot hope for proper recognition at high executive levels, in terms of fair compensation, for the loyal and efficient services they render.
>
> The House Post Office and Civil Service Committee has considered Federal salary legislation in each of the last four Congresses, including the 86th Congress. Only once in this 7½-year period has there been an administrative proposal for upward salary adjustments—a 5-percent increase during the 84th Congress. All other general salary increase bills have been bitterly opposed. Had the administrative recommendations been followed, over 500,000 postal workers and over 1 million other Federal employees might have received only a 5-percent increase in 7½ years. There have been three vetoes of pay raise legislation during this period.
>
> Notwithstanding constant administrative opposition, the Congress has succeeded in providing salary increases totaling nearly 20 percent for postal employees and slightly less for other Federal employees during this 7½-year period. Were it not for the intervention of Congress, therefore, Federal employees would be in even greater distress than they now find themselves.
>
> Review of the record confirms the overwhelming weight of evidence presented, at extended committee hearings on H.R. 9883 and over 80 companion bills, that immediate and substantial Federal employee-salary adjustments are necessary in the interest of efficiency in the Government and fairness to Government employees.

I think it is of the utmost importance that we unmask for all to see the ruthless attitude of this administration toward Federal employees. We ought to make clear to those of the public who are still misled by the slick Madison Avenue slogans that this much self-advertised "Administration with a heart" has tenderness in its breast—but only for bankers for whom it has every sweet solicitude and whom the administration has enriched to the tune of billions in unwarranted high interest rates paid by each of us.

During the hearings before the House Post Office and Civil Service Committee the administration, through its spokesmen, Maurice H. Stans, Robert B. Andersen, and Arthur E. Summerfield stanchly fought well-deserved pay raises for Federal employees, calling such increases inflationary, unjustified, fiscally irresponsible—and, yes, practically un-American.

I am confident that this Congress will again intercede for the many, many conscientious and loyal Government workers and make it unmistakably clear that to hold a Federal job a man or woman does not implicitly have to take a vow of poverty.

I strongly urge the passage of H.R. 9883 by such an overwhelming vote that any thought of a sustainable veto will be out of the question.

Mr. MORRISON. Mr. Chairman, I yield such time as he may require to the gentleman from Missouri [Mr. BROWN].

Mr. BROWN of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BROWN of Missouri. Mr. Chairman, our distinguished colleague, the gentleman from Missouri [Mr. MOULDER], is in Walter Reed Hospital today or he would have been here to vote for this bill.

Mr. MORRISON. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. GILBERT].

Mr. GILBERT. Mr. Chairman, as a member of the House Committee on Post Office and Civil Service, I had the opportunity to listen to the many witnesses who appeared at the hearings held on the pay-increase bill now before us for consideration. It was clearly proven, to my satisfaction, that an increase of at least 9 percent would have to be

granted if our postal and classified Federal employees were to be given adequate help.

They have been suffering real hardships; they have been struggling under the burdens of ever-increasing living costs and high taxes. Those with families to support have found it impossible to make ends meet, and meager living and deprivations have been their lot. In a high percentage of cases, postal employees have had to seek outside work in addition to their post office positions, in order to meet their obligations. This has meant the sacrifice of loss of time with their families and a lessening of their morale and sense of well-being. We find that many wives have had to leave their home duties and find jobs in order to help maintain a decent standard of living. All this is most unfair; surely, our faithful employees are entitled to a living wage, to time for recreation, to a just reward for the services they render.

I was happy to vote for the 9 percent increase and pleased when our committee took favorable action on the bill. Thereafter, when it appeared that there would be a serious delay in bringing the pay increase bill before the House for action, a petition was placed on the Speaker's desk to discharge the Committee on Rules from further consideration of the bill. Although I was engaged in a serious primary contest in my congressional district, I made a special trip from New York to Washington for the sole purpose of signing the discharge petition, and then returned immediately to New York to continue with my arduous campaign schedule. I wished to make this effort for our postal and classified Federal employees, because I appreciated the fact that it was imperative for Congress to take favorable action in their behalf without further delay.

Now it appears that the 9 percent increase voted by our committee is in grave danger of defeat; that the President would veto such a bill, and that we do not have enough strength to override the veto. A compromise appears necessary, and the increase of 7½ percent is now proposed. Although I feel that an increase of at least 9 percent should be granted, if that would mean complete defeat of a pay increases bill until next year, then I am compelled to go along with the compromise figure. While the 7½ percent figure is inadequate, it will alleviate somewhat the hardships which our postal and Federal classified employees are now suffering. They look to us for assistancce, and it is our duty to help them to the utmost of our ability.

I am fully cognizant of the fact that a pay raise is required for the employees covered by the bill. Therefore, in the event of a veto by the President, I shall vote to override the veto.

Mr. MORRISON. Mr. Chairman, I yield such time as he may require to the gentleman from Maine [Mr. OLIVER], a member of the committee.

Mr. OLIVER. Mr. Chairman, as I sat through the long—and, I must confess, sometimes tedious—hearings before our committee on pay legislation for postal and other Federal employees, I was struck forcibly by several points.

First of all, I would observe that the representatives of the employee groups and their associates certainly had done their homework; they presented the hard and incontrovertible facts. On the other hand, it seemed to me that much of the administrative opposition delved into as much fancy as fact.

As demonstrated in the committee report, the employees overwhelmingly proved not only their dire need for salary raises—now, not in the future—but also proved beyond question that their request is more than justified.

Administrative opposition, summed up in a nutshell, revolves almost completely around a proposal to delay action pending completion of a study.

Now I, for one, have had enough of administrative studies. As brought out in our hearings, during the past 10 years some 45 authoritative studies on Federal salary matters have been made. Every single one either reposes in a wastebasket or gathers dust in a forgotten file. There have been no tangible results at all.

And so, I think, may be the case with the study which we are now asked to await before granting salary increases. This study is completely beside the point. Even the proponents of the study acknowledge it will deal only with the higher, or supervisory, salary levels. Only a very small percentage of Federal employees possibly could be concerned in that study. Here, we are concerned with over 1½ million employees to whom the study will have very little significance.

The chief and the strongest opponent of any pay raise has been the Post Office Department. In answer to direct questions, departmental representatives as much as confessed they would not approve a 1 percent or 3 percent pay raise. Now let us see how this Department handles its own responsibilities.

This is the same Department that reported officially on its expenditures to a private management consultant for advice as to how the Department should be managed—that is, advice on how officials of the Department should do their jobs. This is the same Department that paid directors of the private consultant $400 a day for a 4¼-hour day. This is the Department that paid associates of the private consultant as much as $250 a day for a 4¼-hour day. This is the Department that willingly pays out these outlandish benefits to a private contractor to do work which postal officials should do; but will not agree that the letter carriers for example have earned 17 or 18 cents more an hour, as provided in the substitute amendment we will consider later.

This contracting out of administrative and management responsibilities of itself is highly questionable. The people to whom these vast sums are being paid are purported to be geniuses. It would be all right if they knew the answers, but in this instance, at least, the consultants had to go out and hire still other consultants to help them get the answers.

I hope that the Congress will see to it that our loyal and conscientious postal employees are given just a little bit of the fine consideration the Department lavished on these consultants to the consultants to the postal officials.

Mr. MORRISON. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I rise in support of the committee amendment to H.R. 9883. This bill provides for a 7½ percent increase across the board for all postal employees and makes permanent the 2½ percent temporary increase which the postal employees have been receiving since 1958.

I support this bill because I believe that the greatest force against communism within our borders is a satisfied Government worker who is proud of his employment, satisfied with his salary, and is faithful to his duties. I believe that a Government employee deserves a salary which will permit him to work in dignity, to obtain the basic necessities of life and to maintain his family as a unit. At the present time postal employees are paying this week's bill with next week's check or with borrowed funds. This condition must not be tolerated, it must not be permitted.

Let us examine the status of postal workers. Ninety-five percent of letter carriers are family men. Thirty-one percent must hold down a second job to try to meet their rent, their food expenses and to pay for the education of their children. Forty-three percent of their wives work and when they do their children are to a certain extent neglected. Ninety-three percent of all of the letter carriers operate at a deficit and must borrow funds. The annual deficit of an average letter carrier's family is $903. Credit unions have demonstrated that postal employees must borrow funds in order to meet their expenses.

This bill will cost our Government an additional $680 million. As a member of the Appropriations Committee I have had the privilege of voting to cut requests and to reduce funds of over a billion dollars for wasteful practices in agricultural projects, in military construction projects, and in wasteful foreign handouts. I have fought for economy but not for false economy. These increases are not inflationary nor are they conducive to inflation. These increases are for services and do not produce a product, the price of which is raised. These services will be rewarded by these increases to meet the inflationary spiral brought about by rising steel prices, by rising military purchases and wasteful administrative practices. Too long have Government employees subsidized with their substandard wages the bonanzas and windfalls which banks and financial institutions received by reason of our Government paying a higher rate of interest on Government bonds. Too long have Government employees subsidized warehousemen who are favored by this administration with high rates for storage of our surplus grain, cotton, and wheat. Too long have our Government employees subsidized with their substandard wages the employees of foreign governments and foreign businesses. We must help now.

While the wages of employees of private concerns rise, the wages of Govern-

ment employees have had percentage increases on originally low salaries. We must realize that if we continue to allow the relative position of postal and governmental employees to deteriorate, our postal service will decline.

We in Congress are the advocates of postal workers and governmental employees. They do not have the right to strike, they cannot resort to collective bargaining to correct inequities, they cannot sit down in the face of speedup systems. They can only come to us, to testify as to their needs, to implore their representatives for economic justice and to be treated as family men and Americans. We have heard their pleas and I for one shall not fail them. I trust that this bill will pass.

Mr. OSTERTAG. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Chairman, I rise in support of H.R. 9883, a bill to provide salary increases for postal and other Federal employees. Frankly, I believe that a pay increase for our Federal employees is in order, it is deserved, and desirable at this time, particularly as it applies to the postal workers.

Although I have consistently favored legislation for this purpose, I do regret that we find ourselves considering this proposal in this manner. I did not sign the petition for several reasons. As a matter of fact, I have never signed a discharge petition. It seems to me that this move to bring the bill, H.R. 9883, to the floor by this method, without giving adequate opportunity to employ the use of a rule, does more harm than good. There are inequities in this bill and the House is foreclosed from making such changes. As I said, I am for a pay raise and a reasonable raise at that. But we can go too far and perhaps destroy our actual objective.

In any event, I shall support this bill today and I am glad that the committee has at least considered giving the House an opportunity to act on a figure which has a more reasonable chance to become a reality. I hope that this issue and this problem can be resolved properly and well because I sincerely want the employees to receive the salary increase they deserve.

Mr. REES of Kansas. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I realize as much as you do the futility of further debating the question involved here. I realize I am not changing any votes.

It seems to me that when we are dealing with legislation to spend well over three-quarters of a billion dollars, the Members of the House should have an opportunity to agree to or disagree with provisions of the bill; however, those who are today the managers of this bill deliberately filed a resolution which was a closed rule—no amendments other than committee amendments could be offered—and then passed it off on the Members of the House whom they urged to sign a discharge petition as the only way they could get a vote for a pay bill. It should be clear that Resolution 537 provided for an open rule and Members of the House could have voted on various provisions of the bill which they felt should be perfected. The petition method boomeranged on the bill sponsors because they themselves found it expedient to amend the bill. To get this done they exercised every pressure and did not give the Members an opportunity for even an overnight reading of the bill before they forced action.

It is most unfortunate, in my judgment, to delude the million and a half employees into believing a pay raise is now assured. If we are to be guided by the testimony before our committee, the President will not approve this bill as presently written.

The experience of Congress thus far with respect to overriding vetoes is that the House and Senate are in favor of supporting the President. It seems to me that it is not proper to make Federal employees believe they are going to get increases that are not yet in sight. This is what I have tried to avoid.

I offered a 6 percent pay raise amendment in committee. I was prepared to do everything I could to convince the President that such an increase might be approved, but I could not, in the face of our testimony, do it for a bill of this sort which would further distort the pay structure by adding extra pay in certain grades.

Let me repeat, I am in favor of fair, adequate, and equitable pay for those who are employed in Government. I do not believe the bill we are voting on today meets these objectives.

Here is an interesting thing. You have been handed a bill that you have not even seen before. It consists of about 20 or 25 pages. You are going to vote on it without even reading it. You have not had a chance to read it. It involves expenditure of $700 million. It affects 2 million people in Government. And yet you are required to vote either for or against the bill without having a chance to offer a single amendment. It is rather a poor way of handling legislation in a representative form of government, as I see it. It sounds a little like a dictatorship, does it not? You can judge for yourself. I could add one more thing. You have not even had a chance to look at the hearings, and the worst of it is the leadership in charge of the bill does not seem too concerned. It would not be so bad if it were not so important.

We should recommit the amended bill. We should send it back to the committee, where it could be promptly and carefully considered.

FEDERAL PAY SYSTEMS CAN NEVER STAY FIXED

Mr. Chairman, I would like to add the following statement:

It has been my privilege to have served on a committee responsible for civil service affairs of Federal employees ever since I came to Congress in 1937. Through these years it has been my experience that it is indeed difficult to develop any one particular pay plan that will adequately serve the more than 2 million Federal employees. After all, our compensation procedures deal with people and, as such, the pay procedures and systems must change with the changing times. It was my privilege to be chairman of the Civil Service Committee in 1948 with the 80th Congress, and at that time a study was begun that eventually became the Classification Act as it is basically written today. It required some 2 years' study and work by the committee and its staff to develop the pay plan found in the Classification Act of 1949. Much has happened since then that would cause us to recognize a new pay program is necessary.

PRESENT PAY SYSTEM NEEDS CORRECTING

What is wrong with the present pay system? In the first place, the present pay procedure is actually no system at all. Several recent studies of our wage and salary procedures have brought out this point.

Another one of the most common objections to the present classified Federal salary system is that it is overrigid. This is reflected in the existence of conditions under which administrative and operating personnel encounter numerous impediments in the effective accomplishment of programs due to specific requirements of the law. The question may be raised, Have we spent too much time on minute details of job descriptions and have not given enough thought to a declaration of congressional policy on pay for Federal employees?

The value and the effect of exceptional or superior performance of individuals in Government civilian positions have been to a large degree overlooked in the Classification Act as it is presently administered. Each position is placed in a class, and each class is placed in a grade, and each grade by law is given a rigid set of salary rates.

It is now recognized that the step increases in the salary plan as provided in the present classified pay system fall short of realizing the full value of such a plan, both as an incentive for the recruitment of personnel or the retention of employees. It is quite possible a broader range within each grade might give more comparability with pay plans in private industry.

A close examination of the betweengrade differentials reveals the inadequacies and inconsistencies of our current pay and salary procedures. There is too little difference, salarywise, between a GS–12, for example, and a GS–13. This might very well retard the development of the abilities and qualifications of personnel, as well as the effective utilization of these employees.

Mr. Chairman, I am attempting to emphasize the point that the Classification Act of 1949, of which we were justly proud at the time it was passed, is in imperative need today for revision.

PROPOSED NEW PAY SYSTEM

Last year the Congress made available to the executive branch $500,000 to develop information for a new concept of compensation of Federal employees. We have been advised by the White House that this information will be available by this fall for study and that it will be available for the Congress January 1, 1961. We have proceeded to take the

first and one of the most important steps forward for a new pay plan.

I believe that one of the key principles needed in such a system will be the principle of comparability.

You may ask the question, what is comparability? Over the years we made no attempt to compare the pay of Federal employees with that in private industry—certainly in the classified jobs. During the 1920's and thirties there was a steady employment in the Federal Government which could not be found in any strict comparability with private industry. However, during the past 25 years labor contracts in such industries as steel, automobile, printing, transportation, and communications have featured the concept that those employees last on the job were the first off. This has meant that for the past quarter of a century there has developed in our private economy a concept of steady employment. It is now possible that we can realistically compare the Government worker, with his steady employment, with his counterpart in private industry.

Some of the other features for a new compensation system, being discussed by both legislative and executive people, would include:

First. Establish not only the principle that Federal salaries should be reasonably comparable with salaries paid by private industry for work of similar difficulty and responsibility but also provide the procedures to obtain on a regular annual basis valid salary and wage information for comparative purposes.

Second, Enable an annual review of Federal salaries and make appropriate adjustments on a timely and equitable basis.

Third. Provide for coordination among existing salary systems in the Federal Government, so that the principle of "equal pay for equal work" will have real meaning.

Fourth. Make such necessary reforms in the Classification Act salary structure as to make it a more effective tool of management and a more appropriate pay schedule of the employees.

This type of compensation plan would serve as a landmark in the history of Federal personnel actions, much as the Classification Act of 1949. However, if this Congress proceeds to go down the road of either a 9 percent or a 7½ percent pay raise, it will mean that this Congress has lost an opportunity to proceed with a lasting and equitable pay system for our Federal employees.

SUMMARY

In summary, I am opposed to either a 7½ percent or a 9 percent pay raise at this time. Evidence was not presented to our committee to justify either percentage increase.

An across-the-board pay increase of such size would merely accentuate current inadequacies in our salary and wage procedures. H.R. 9883, as amended, represents a patchwork approach to our compensaton systems when actually we need a new and basic change, as I have indicated earlier.

It has been my honor and privilege to work for almost a quarter of a century in the Congress for the civilian employees of the Federal Government. Over these years I have been impressed by their loyalty, sincerity, and desire to do a good job. The position I take today represents in the long run the constructive and equitable approach for the Federal employee, for the management of our Federal departments and agencies, and for the American taxpayer.

Mr. REES of Kansas. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, it has been my privilege as a new member of the Committee on Post Office and Civil Service to act as one of a group of directors over the largest communications system in the world, namely, the Post Office Department of our Government, which, as you know, represents 50 percent of the postal service of the entire world.

It has also been my privilege to be a member of the Civil Service Committee of the same Committee on Post Office and Civil Service and, as you know, the Civil Service Committee has more to do with the personnel of the largest group of people working for any one instrumentality than any other in the entire world.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I will be happy to yield to the distinguished gentleman.

Mr. WALTER. As I understand, there is nothing in the legislation under consideration which provides for an increase in the salary of the assistant U.S. attorneys. Now, I think it is indeed unfortunate because here is a class of hard working—and, I mean it, very hard working—dedicated public servants who receive no increase whatsoever. It would seem to me that your committee is overlooking a grave injustice when you report out a bill that does not provide for this group of Federal employees.

Mr. BARRY. I thank the gentleman for his observation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. MORRISON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. GRAY].

Mr. GRAY. Mr. Chairman, I rise in support of this very worthwhile legislation and I commend the distinguished gentleman from Louisiana [Mr. MORRISON], and the other members of the committee for this compromise in an effort to try to avoid a Presidential veto. If a veto should come we should by all means vote to override it.

Mr. Chairman, I introduced a salary increase bill calling for 12½ percent, and I sincerely believe the postal and Government workers are solely in need of that amount if they are to enjoy a decent living; however, the committee has faced the practical reality of trying to pass a bill that reflects a compromise and one that has a chance of being signed by the President or being overridden. For that reason we are supporting the 7½-percent amendment in an effort to take a slice of bread if we cannot have a whole loaf.

Mr. Chairman, we could advance strong arguments for this bill all day long. I have many postal workers in my district who are holding down part-time jobs in an effort to supplement their inadequate postal salaries, because if they did not they would not be be able to provide their families with the bare necessities of life and properly educate their children. In cases such as this the employee and the Government are both being cheated. The Government is being cheated because a man cannot work night and day and give his best to the postal service. The employee is being cheated because he has no time to spend with his family and contribute to his community. Furthermore, the postal worker who holds down two jobs is depriving some unemployed person of the second job that he needs so badly. Mr. Chairman, this is a disgrace to our Federal workers and the Government to force this type of situation upon our postal workers and Federal employees. A 7½-percent raise will not cure all the ills of pay inequity but it will go a long way toward that end. I strongly urge my colleagues to support this much needed legislation because I am confident everyone will benefit.

Mr. MORRISON. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, I have listened carefully throughout the debate this afternoon to see if things had changed any in the past 8 years, and they have not. The arguments of those in opposition have been the same; substantively the same. And, what are they? Well, the minority leader tells us it faces a certain veto. That was the same message conveyed by the same gentleman a number of years ago and repeated on each occasion since. No. 2, we were told the department had a deficit. Well, if we apply the same criteria to every department and agency of the Government, each and every one of them has a deficit. Now we are told we cannot afford it. Well, tomorrow we are going to be asked to vote multibillion dollars for the citizens of other lands. If we can afford that, we can afford to deal with equity and justice to those who work for us.

Now, the gentleman from Kansas says—and this is a reversal of his usual argument—that it gives too much to those at the top and too little at the bottom. For 4 years I heard on the committee that we should revise our approach, because we were creating an imbalance in the relationship of Federal employees by raising too much those on the bottom and not enough those on the top. This is a reversal of the gentleman's position. Now, he also said that he was for 6 percent. Well, I remember when he was for 4 percent and the House gave 8 percent. And the need for more is still there because we have never adequately adjusted salaries. We have never once undertaken a salary adjustment that reflected the many, many months of lag time.

We are told it is against the policy of the administration at this time. And yet this is the very administration which undertook to encourage a settlement in the steel strike which inevitably led this body to a consideration of the need for higher salaries in Federal employment if we were to be even half way reasonably competitive. The truth is, Mr.

Chairman, those who oppose are really opposed to a pay raise now as they have repeatedly been in the past. They have not contended the amount proposed to be excessive, they have fallen back on every other type of argument including the charge of steam rollering. Of course, that charge is not true either. The bill arrives on this floor in complete conformity with the rules of the committee and of the House. The legislation has merit, I urge its adoption.

Mr. REES of Kansas. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. RIEHLMAN].

Mr. RIEHLMAN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Chairman, although I shall vote for a pay increase bill on final passage today, I should like to register my acute dissatisfaction with the manner in which the leadership has handled this legislation. It is regrettable in the first instance that this legislation was so mishandled as to necessitate the filing of a discharge petition. Nevertheless, a sufficient number of Members saw fit to sign the discharge petition and bring a bill calling for a 9 percent pay increase before the House. Then, on the very day that we are asked to vote on this bill, it is announced that we are to be presented with a substitute version that will not only lower the pay increase to 7½ percent, but will also make other substantive changes in the original text. Now we are to have a bill before us that will be understood by only a handful of Members because no one will have had sufficient time in which to devote the amount of study that a bill of this magnitude demands. No one is absolutely certain as to what will be in the bill and what the effects of the bill will be. I am truly sorry that we must legislate in this fashion. It casts an unfavorable reflection not only on the ability and sincerity of the leadership, but also on the wisdom and deliberativeness of this entire body.

Notwithstanding the highly unorthodox manner in which this legislation has progressed toward final passage, I shall support it because of my sincere belief that the great majority of our Federal employees are conscientious, able, and hard working, and are fully entitled to an increase. My only regret is that we must achieve this worthwhile legislative goal in such an atmosphere of ineptitude.

Mr. REES of Kansas. Mr. Chairman, I yield such time as he may require to the gentleman from Illinois [Mr. DERWINSKI].

Mr. DERWINSKI. Mr. Chairman, in my humble opinion, those Members of Congress who signed the discharge petition on H.R. 9883, the postal pay increase, have really performed a disservice to the postal and Federal employees that they are seeking to aid, for this reason: the bill having reached the floor cannot adequately be amended to a figure consistent with fiscal responsibility.

Representing as I do a metropolitan area district, I sympathize and appreciate the plight of especially the post office employees in providing for their families under their present wage scale; however, the across-the-board increase, without taking into consideration local standards of living, continues to distort the situation.

Rumor has it that the majority party is deliberately appealing to the emotions of Government employees by promising a pay raise that they realize is impractical, using this issue as a means of drawing a Presidential veto in order to make political capital of the entire matter. This may be clever politics, but it is bad government. Certainly the postal employees deserve understanding and an honest attempt to give them the salary increase to which they are entitled.

Mr. REES of Kansas. Mr. Chairman, I yield one-half minute to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, I should like to conclude my earlier remarks by saying that never in corporate activity would a responsible management go about getting the kind of bill that is before us today. It would not be done. Management would be turned out of business were it to use the methods that were employed on this day in this House, before this Nation, in order to get the raise that is going to be voted by this Congress. This is said without regard to the merits of the matter.

The post office employees made a strong case for a much-needed increase in salaries. However, no such case was made by other employee groups who constitute approximately 1,500,000 Federal employees.

In fact, there is evidence to substantiate that certain existing inequities have become aggravated rather than cured by the present bill before us.

Until a thorough comprehensive method is evolved to establish Federal wage rates the many loyal Federal employees and the general taxpaying public will have to put up with the clumsy, inefficient, inequitable system in use by the present Congress. Some of us hope for better days.

Mr. MORRISON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the question of study groups came up. I would like to make this point clear, that since 1953, in the last 7 years, it is reliably reported that there have been 45 study groups on the question of Federal workers' salaries. I want to suggest this, that as far as the Government workers are concerned, they want less study groups and more salary.

I should also like to quote this from the committee report:

> The much-publicized steel strike settlement, with the aid of the Vice President of the United States and the Secretary of Labor, improved pay and fringe benefits for steelworkers who already were being paid $3.11 an hour before the strike. The postal clerk and the letter carrier with 20 years of service receives only $3 an hour.

Mr. CARNAHAN. Mr. Chairman, there are at this very moment thousands of dedicated men and women who continue to carry on their daily tasks of helping to provide good government for this Nation in a most exemplary manner in spite of the fact that each of these persons knows that the present wage structure is shot through with inequities. Now in looking for proof of this charge of wage structure inequity I need go no further than to quote the administration's most recent budget message. President Eisenhower told the Congress in his last budget message that—

> Review and coordination of the excessive number of pay plans are the most effective means of removing inequities which adversely affect the Government's ability to recruit and retain qualified personnel.

When Federal employees claim that their wages are substandard, thus inadequate, they need to quote only the Government's own figures. According to the latest published data which I am able to produce, the average median annual wage for the great bulk of Federal employees is $4,875. More significant is the fact that almost one-half of all so-called white-collar workers on the Federal payroll earn less than $4,500 a year.

Last February Secretary of Labor James Mitchell was quoted as saying that the "spendable earnings" of an industrial worker with three dependents has risen to $82 a week. The Postal Establishment offers the same worker approximately $18 a week less take-home pay.

There is ample evidence to show that the present schedule of Federal wages is shamefully inadequate. These standards set by the Federal Government are certainly below the commonly accepted requirement for a healthy and decent standard of living. Wages are below what employees fairly want, what their families need, what the Nation can afford, and what is needed to man our public service with skilled, conscientious, and efficient personnel.

In my 14 years in Congress I have become increasingly impressed with the fact that the civilian employees working for the Federal Government are first and foremost dedicated public servants. These thousands of men and women are daily serving this Nation and giving to the American people the very best kind of government that we can have. And since every laborer is worth his hire this devotion to the common good by these thousands of civilian employees of the Federal Government must be matched with adequate compensation. Living in an era when we are rightly concerned about standards of living in even the remotest corners of the earth and when we justly tax ourselves to provide funds not only for the military defense of the free world but for economic development and for the sharing of our technology and vast natural and material resources, we cannot sit idly by and watch the standard of living creep up among other segments of our economy and at the same time ignore the fact that Federal employees are generally the last to receive needed adjustments in their compensation—oftentimes long after most others in non-Government positions have received their adjustments to meet not only the cost-of-living rise which now seems to occur with almost regularity but also to enjoy an even higher standard of living.

Mr. Chairman, the Federal Government is constantly and rightfully using its power and influence to secure wage adjustments for and to help provide a higher standard of living for workers outside the Federal service. The Congress must not sit idly by and set standards for private industry and fail to meet these same standards when it comes to its own employees. To do so will be courting danger, real and eminent, and will certainly eventually lead to increased inefficiency and lessening of service to the people of all the States. Like wages in private industry, the Federal wage structure must be kept constantly under review so as to reflect sharp increases in the cost of living and so as to provide even more of the comforts and conveniences as well as the necessities for daily living that go to make up every man's life. As we advance technologically and as more products and services are made available to ease man's burden and raise his living standards, we must make certain that Federal workers are able to partake of these blessings.

In his state of the Union message last January the President told this Congress, "1960 promises to be the most prosperous in our history." This means higher production, higher employment, slowly rising prices, about a 2-percent increase in the Consumer's Price Index, a continued rise in profits and dividends, higher wages and salaries. This does add up to more prosperity except for the Federal employees unless the adjustments called for in this bill are enacted into law.

Mr. Chairman, this is worthy legislation, and I urge its approval.

Mr. McGOVERN. Mr. Chairman, it seems that the present administration is more in tune with the interests of the largest banking and industrial groups than it is with the interests of ordinary citizens. The farmers, the small businessman, the aged people all find that either the administration is opposed to the programs which are needed for their welfare, or it has no program whatever.

This same attitude extends to the field of public employment. For a number of years, postal and other Federal employees have been seriously underpaid. Today, I look forward to the opportunity to vote in favor of a long overdue and much needed increase in pay for these loyal public servants.

I am sorry that the bill before us took so long in reaching this stage. It is more than idle rumor to expect that the President will veto the bill we are about to pass, and that accordingly, the bill must be sent to the desk of the President quickly if we are to have a chance to escape a pocket veto.

The certainty of the veto is found in the statements made by official witnesses before the committees holding hearings on pay legislation, and also by the very character of the witnesses who arose in opposition to postal and other Federal employees' pay legislation.

Seasoned observers with long legislative records tell me they have never seen so many officials of Cabinet rank come to Capitol Hill to declare the administration's opposition to any pay adjustment.

The Postmaster General, himself, evaded a direct response to the question about whether he would favor as much as a 1-percent, across-the-board increase. Asked by the ranking majority member of the committee whether he would be in favor of such an increase, the Postmaster General responded:

> You know that is very interesting. I wish you might have asked me some of these questions earlier.

The Federal employees have been asking questions. They have been asking why it is that they, of all people, in the United States, should be singled out to suffer to a greater degree than others the impact of income deficit.

We have heard a great deal about the postal deficit and the way in which the increase before us would add significantly to that deficit.

It is appropriate to turn the question around and to ask, instead, of the administration, whether it has considered the ways in which the hundreds of thousands of Federal employees have suffered their own deficits and are even now unable to compete in the economic marketplace. The grocer does not give a special price to the Federal employee. Nor does the Federal employee live in endowed housing. Similarly he does not enjoy lower doctor bills or any other type of special considerations.

The only consideration upon which the Federal employee may rely is that which is forthcoming from the Congress of the United States. In House Report No. 1636, accompanying the bill before us, it is declared that in just 10 years Federal employees have been pushed 20 percent lower in their standards of living in comparison to their friends and neighbors in private enterprise. The report declares:

> There is only one place that the employees can come with any hope for remedial measures; that is to their Congress.

Today, we are about to undertake to give to the loyal Federal public servants a measure of the economic consideration they so desperately need. I shall be happy to vote for the pay bill, and I hope that it will be sent quickly to the President's desk in order that we may have an opportunity to take final action on the bill before Congress adjourns.

Mr. GOODELL. Mr. Chairman, I support reasonable pay increases this year. It will be sad, indeed, if the insistence on 7½-percent defeats all legislation in this field. The Congress has been irresponsible with the issue by not providing increased revenues to carry the cost of well-deserved pay increases. I am convinced that the President will have to veto an increase as high as 7½ percent and the workers may then end up with nothing at all this year. A 5-percent increase this year, pending a full study of all Federal payrolls next year, is the fairest approach to the problem. I am sorry that political maneuvering has placed our fine postal and classified employees in this kind of a bind, as there is reason to believe that the President could sign a 5-percent bill even under present circumstances.

Mr. ROBISON. Mr. Chairman, it has been no easy task to wade through the confusing and often conflicting statistics that we have had to look at in order to try to determine the justification for any salary increases at the present time. As for myself, I have attempted to supplement the doubtful value of those statistics with information obtained directly from postal workers in my own congressional district.

Some of this information I have acquired through personal interviews with them, and part of it from budget sheets which they have sent to me at my suggestion showing their earnings and normal living expenses. For the great majority of postal families with whom I have had such contact it is readily apparent that they are having a difficult time making ends meet. One of the best yardsticks of this would seem to be the following results of a survey I took of my major post offices in an effort to find out how many employees either had to supplement their Federal wage with outside jobs, or had to send their wives to work.

In Binghamton, N.Y., with 362 employees of which only 303 were checked, 59 men had outside jobs and there were 102 working wives. In Johnson City, N.Y., with 46 employees, there were 12 men with outside jobs and 5 working wives. In Endicott, N.Y., with 82 employees, only 14 of those employees had neither outside jobs or working wives. In Corning, N.Y., where there are 49 employees, 5 had outside jobs and 17 had wives with jobs. In Elmira, N.Y., with 171 employees, 58 had to supplement their wages with outside, after-hours employment, and 60 had wives who were working to add to the family income. In Hornell, N.Y., with 41 employees, 12 had outside jobs and 15 had wives with jobs. Finally, in my own hometown of Owego, N.Y., with 20 employees, 5 men had after-hours work and there were 12 working wives.

And so the pattern went. Even assuming that it is not unusual nowadays for many wives to work, if they are free of confining household tasks, even though their husbands earn an ample wage for the family needs, I was and am convinced that the case of need for a proper salary adjustment, at least in the lower income brackets, had been made. The question remained of how much?

On this point, no matter what we may do we will not and cannot satisfy everyone. We can only use our best judgment. I was of the opinion, and so frankly stated to my postal and Federal employee constituents, that a 9 percent, across-the-board raise at the present time was too much, particularly in high-salaried classifications. Speaking frankly again, I have serious reservations as to the wisdom of as much as 7½ percent, but since at this point that appears to be the only figure that will come before me I shall vote for it with some reluctance. In doing so, I shall also continue to hope for the day when these matters are removed from the political arena.

In this connection, may I remind my colleagues that the President in his budget message to the Congress last January stated:

> Continued patching of individual Federal salary systems is not satisfactory as a sub-

stitute for a comprehensive Federal pay policy, which should be developed either by authorizing a Joint Commission such as I proposed or by some other equally effective means. Pending development and adoption of such a comprehensive policy, a general pay raise would be unwarranted, unfair to the taxpayers of the United States, and inequitable as among employees compensated under different and unrelated pay systems.

That is a strong and realistic statement but there has been no action to establish a Joint Commission.

Neither has there been any serious consideration of the President's postage rate increase proposals which would partially finance a salary increase.

If the fate of this bill is a veto, the failure of the Congress to seek long-range solutions to Federal pay problems and the expedient insistence on patchwork measures in election years will be to blame. The postal and classified employees in the lower pay ranges will be the chief losers, penalized by shortsighted and fiscally irresponsible attitudes in the Congress.

Mr. DONOHUE. Mr. Chairman, following careful examination of the record, which confirms the overwhelming weight of evidence presented in extended committee hearings, I most earnestly hope that prompt approving action will be taken on this measure granting a reasonable cost of living pay adjustment to our postal and Federal employees.

Our Federal employees form a large and important part of our population. The various services they render are fundamental and essential to national progress.

It is only practical common sense and recognition of the facts of life that if our faithful postal workers and Government employees are encouraged, by reasonable cost of living salary adjustments, to meet their family obligations and face the future with a certain confidence, then there will be no doubt about their efficient duty performance, their loyalty as good Americans, and their repudiation of any and all Communist inspired propaganda.

The present bill we are considering can accomplish these good objectives in the national interest while at the same time extending fair and just treatment to Federal employees in comparison with similar responsibilities in private industry.

As you are well aware the salaries of our Government employees are set by law and it requires the action of the Congress to adjust their compensation. Let us fulfill the trust they have demonstrated in the Congress for fair play and fair treatment and let us approve this bill without further delay.

Mr. ASHLEY. Mr. Chairman, I rise in support of H.R. 9883, a bill which I believe to be not only well deserved but long overdue. Although I am not a member of the Committee on Post Office and Civil Service, I do have a large number of classified Federal employees and postal workers in my district and I know how increasingly difficult it has become for them and their families to make ends meet. The committee report, which I hope all Members have had an opportunity to study, makes this abundantly clear—especially the specious arguments against a pay increase set forth in the minority views.

The real fact of the matter, Mr. Chairman, is that the Post Office Department is the biggest business in the world, employing 550,000 people in 42,000 offices. Yet, despite the fact that personnel standards are high, both with respect to intelligence and character, three-quarters of all postal employees must exist on salaries of less than $5,000 and only after 18 years of continuous service can a postal worker receive $5,000 a year, and his maximum compensation after 25 years of service is $5,175 per annum.

Mr. Chairman, the issue before us goes to the very conscience of our Nation. Can we, as the minority report would have us do, view with complacency a Federal personnel policy based upon substandard wages. I think not. I must say it is beyond argument that the present administration's attitude is one of deliberate indifference in which pay increases for Federal workers have been sacrificed on the altar of an anticipated $4 billion budget surplus. Thus, as in so many other areas, it becomes incumbent upon the Congress to assume leadership in this area and to take action which we know to be necessary.

I say necessary, Mr. Chairman, because the average salary of a post office employee is only $4,600—not enough to clothe, feed, and provide shelter for families, let alone educate children and provide a minimum of entertainment and recreation. We must bear in mind, surely, that research studies have shown that an average family enjoying a normal standard of living must have an annual income of $6,600.

Clearly, if there is one group that has been left behind in the parade toward higher income to meet higher costs of living, it is our classified and postal workers. If anyone in this body has any question on this point, I wish they would come with me to Toledo, Ohio, and talk to some of our postal and other Federal employees who are willing to open up their family budgets and show that it simply is not possible for them to pay for needed medicine and other essentials. A college education for children of these families is simply out of the question unless they happen to qualify for a complete scholarship.

Mr. Chairman, all of us look back with shuddering and disgust at the economic exploitation which took place in this country a half a century ago in the meatpacking, coal mining, and other industries. Is the present status of our Federal employees so much worse?

Mr. WOLF. Mr. Chairman, I am happy to lend my support to the passage of H.R. 9883 to provide our postal and other Federal employees a much-needed pay raise. The facts speak for themselves. In a recent issue of Labor Week figures arrived at from basic data of the U.S. Department of Labor, Commerce, and Agriculture, pointed out that the average weekly real income of postal and other Federal workers was down 3.3 percent from last year.

While the increase in salary provided by this bill is modest, it will mean a great deal to a postal employee who is trying to feed, clothe, house and educate a family—in many cases a large family—on a weekly take-home pay of $82 to $87.

Under the present pay scale, the postal employee receives less pay than the unskilled worker. Three Presidential vetoes have put his pay rate several years behind that of his fellow workers in private industry. I hope that this time the President will approve this well-deserved recognition of devoted service.

Mr. JOHNSON of California. Mr. Chairman, I want to rise in support of the proposals set forth by the gentleman from Louisiana [Mr. MORRISON] on behalf of the faithful postal and classified Federal workers who are doing such a wonderful job for our Government despite the fact they are underpaid.

I know the committee in its careful consideration of H.R. 9883 heard many, many instances of how our Federal employees are forced to moonlight and take extra jobs, how their wives are forced to work, and other ways that they are trying to make ends meet.

I think that it is a disgrace that this should have to happen in the postal, and Federal services. We should pay our people a salary which will permit them to live and enjoy the American standard of living. No one should become a second-class citizen, economically, because he is patriotic enough to work for the Government.

I represent the great State of California, and in our State university we have a highly respected and completely independent group of economists, quite generally known as the Heller committee, which was set up for the purpose of research in social economics. The Heller committee operates on the concept that its purpose is to describe and present figures based on salary necessary for an employee to receive in order to live at what is currently recognized as comfortable living. Of course this committee goes beyond the rigid confines of cost-of-living in attempting to describe necessary wages for an employee and his family to have what is considered a comfortable living. They agree, as do I, that there certainly must be more in this life than a bare existence. The Heller committee is receiving and has received more than normal recognition in my State and throughout the United States as the outstanding authority in its field and I feel that its recommendations are of extreme value. Might I point out, Mr. Chairman, that the Heller committee, in its recent report, indicates that an employee with a wife and two children who owns his home, should receive a salary of $6,638 per year. A wage earner who rents his home should receive a salary of $6,271. These salaries are recommended by the Heller committee on the premise that they will meet the American standard of living—a reasonably comfortable living for an employee and his family.

I urge you gentlemen here to provide a decent living wage for our Federal workers. Thank you.

Mr. DOYLE. Mr. Chairman, this important debate has but a few minutes yet to claim the attention of the Members before we are called upon to vote upon the issue of whether or not there

shall be straight across the boards 7½-percent increases for the postal and other Federal employees. And, while it is stated by the committee there will be an amendment offered to reduce the percentage from 9 percent, as previously voted for by the committee, to the 7½ percent this morning voted by the committee, the basic reason justifying any proposed increase is the same. The report by our Post Office and Civil Service Committee, stated it was recommended as a strong and timely affirmation of the historic policy of the Congress that employees of the Government of the United States of America should receive fair compensation for the great public service they perform for the taxpayers of the United States.

Therefore, Mr. Chairman, I conclude that their considered recommendation of the 7½-percent increase straight across the boards for the postal workers and other Federal employees, constitutes a crystal-clear recognition that the historic policy of Congress, should be placed in practical terms and application in accordance with their recommendation that the increase be 7½ percent. They apparently recommend this because it has become apparent that there is no reasonable chance for the White House to approve so much of an increase as 9 percent. This recommendation of reduction to 7½ percent is, therefore, a necessary compromise. I not only respect our committee for making the recommendation to lower to 7½ percent under the circumstances, but I compliment them on doing so. For this 7½-percent recommendation is not one whit inconsistent with the firm policy which I basically believe in, to wit, that our post office and other Federal employees should be accorded salaries substantially in accord with those in private enterprise, for similar and comparable services.

For several years now, I have been pleased to take the time and make the effort of somewhat of a personal study of conditions under which many of the postal employees and their families in my congressional district live. I am frank to say, Mr. Chairman, to my personal knowledge, dozens of these postal workers are engaged in supplementary earning jobs, either before or after their regular post office work is completed. Of necessity, they have to seek supplemental jobs because their postal salary is not adequate and sufficient for them and their growing families to decently get by on. In many cases their wives, the mothers of growing children, necessarily leave the home during hours when they should be home giving supervision to their growing children; to also add to the family income for shoes, bread, and butter, and educational advantages for their children. Many wives leave their children in care of babysitters, or public kindergartens; or day nurseries, and go to work to help out. They have to.

The committee report specifies present earnings and anticipated earnings if this bill passes. It identifies the necessity of this 7½ percent as a minimum. The postal and other Federal workers have no recourse to obtain a decent salary increase excepting by action of Congress. They cannot present their just claims for decent salary increases excepting to committees of Congress and the full membership of Congress. The reasonable and constructive basis of collective bargaining is not available to them.

Mr. Chairman, I surmise that when this bill comes up for final passage, because this 7½ percent increase straight across the boards is recognized as so reasonable and necessary and just, that many Members of this great legislative body who inherently would like to support the position taken by the distinguished minority leader, the gentleman from Indiana [Mr. HALLECK], in opposing this raise proposal, will be found voting "aye." I surely hope so. I am reasonably sure that all the Members of the California delegation on both sides of the political aisle recognize that with the steady and sharp increase in the cost of living in California, the cost of the necessities of life in California, will justify an "aye" vote for this 7½-percent proposal. I shall vote for it even though the distinguished minority leader has stated on this floor, substantially, he did not believe the bill would finally be enacted into law. This would indicate that while he stated it was his own individual opinion, and that the President of the United States had not told him what his opinion was and what he would do, he expects a veto. Nevertheless, I intend to vote for what I conscientiously and firmly believe to be right and just in the premises.

The additional sum of less than $700 million will not increase inflation for it will be expended by these postal and other Federal workers for the necessities of life. It will not unbalance the budget. It will not be unjust or unfair to employees in private industry. It will not set an unreasonable or impractical minimum.

Mr. Chairman, it will give to the employees involved what they deserve and what is right and just for the taxpayers, acting through this great Congress, to extend to their fellow Americans in the postal and other Federal employment.

Mr. LINDSAY. Mr. Chairman, I rise in support of this legislation in its present form to provide salary increases for postal and other Federal employees. I shall vote for the bill.

In the congressional district I represent, the postal and other Federal employees compose one of the groups which suffers most because of the high cost of living. At present rates it is virtually impossible for postal employees to maintain a decent standard of living.

I have had many discussions with groups of postal workers and other Federal employees who live in New York City and I can attest that most of them are forced to take additional employment elsewhere during their off hours. Their wives work in order to meet essential needs. Is it too much to ask that these citizens be adequately compensated?

It is unfortunate that those Federal employees who live in large urban areas should be penalized. I am hopeful that one day we will enact Federal pay legislation that is realistically geared to a cost of living index around the country. What may be fair pay in a small rural community is not fair pay in New York City.

This bill, calling for a 7½-percent across-the-board increase is a fair compromise and I am happy to vote for it.

Mr. METCALF. Mr. Chairman, our Government has a tremendous responsibility today—greater than ever before. The quality of the discharge of this responsibility depends to a very great extent upon the 2,200,000 civilian employees of the Government.

There are a number of ways in which pay scales can affect the quality of the work the Government receives from its civilian employees: First, by attracting more and better qualified candidates for Government service; second, by encouraging experienced employees to remain in Government service; third, by providing incentive and increasing morale. We cannot afford today to have a demoralized civil service.

There has not always been a crisis. We have been fortunate to have employees of quality and dedication. We could have continued to underpay our employees and would still have had many who were dedicated and qualified—and only considerations of the justice of it all would have made us pay them more. But today, we are forced to consider more than justice.

We need to make Government service attractive to young people who will make it their career. Young people today are not so much interested in the things that are going to happen to them in 20 to 30 years from now as they are in the immediate present. They think not in terms of some future date, but in terms of today, in terms of present-day food and clothing and shelter, and education for their children. Unless the wage of postal and Federal employees is made and remains sufficiently attractive, the postal service and the Government generally are going to be unable to attract and, perhaps even more important, retain the best type of young people. Low pay scales force the prospective employee to choose between responsibility to his job interests or his loyalty to his Government and responsibility to the economic well-being of his family.

The "Report on Civilian Compensation in the Executive Branch of the Federal Government," compiled by the steering committee of the Interdepartmental Committee on Civilian Compensation in November 1957, stated in summary:

> Personnel turnover is increasing and quality is decreasing. Many jobs remain unfilled. Quality and quantity of applicants is inadequate.

Why are we failing to attract qualified applicants? Why are dropouts increasing? The committee hearings on Federal and postal pay raise bills are full of figures indicating that pay of Government workers is lagging seriously behind rates for comparable jobs in the private sector of the economy. For example, during the period between July 1951 and November 1959, post office clerks received wage increases averaging 38½ cents per hour, or approximately 20 percent, while production workers in manu-

facturing industries received wage increases averaging 70 cents per hour and in excess of 45 percent. In July of 1951, after the enactment of Public Law 204 of the 82d Congress, the entrance rate for a substitute post office clerk was $1.61½ per hour. This was about 1.8 cents per hour above the industrial average. By November of 1959 the entrance rate for a post office clerk was 27.2 cents per hour short of the industrial average.

The purchasing power of many Government employees today is substantially behind that of 1939. For G–5, G–7, G–9, G–11 and G–13 employees, a percentage wage increase of from 5.2 percent to 20.3 percent would be necessary to give them the purchasing power they had before the war.

A study of pay scales for policemen and firemen in large metropolitan centers, where 40 percent of all postal employees live and work, reveals that the lowest wage in 10 of 17 cities studied was greater than the highest wage which a letter carrier or clerk can receive according to the national postal salary schedule.

The evidence presented to the Committee on Post Office and Civil Service clearly shows, according to indicators such as purchasing power and comparative wages, that our Government and postal employees are underpaid.

A pay raise for Federal employees has been criticized as a contribution to inflation. We do not know if rising wages are a cause of inflation. Even if they were, merely equalizing wages of Federal employees would not push up other wages. Those wage demands which endanger stability are not the ones which equalize, but those which are excessive and unnecessary. It is definitely not excessive and unreasonable to ask that Federal employees be paid at rates "reasonably comparable" to those in private business. The administration cites reasonable comparability as a basis for judgment of Federal wage scales. If this is so, why do they not help us to make the wages comparable?

The administration suggests that we should wait for further studies of comparability. Many of us would like to see a comprehensive plan for coupling Government and postal pay increases to increases in the rest of the economy. But we cannot wait. Should we postpone a raise in salaries, we will have increasing difficulty in finding qualified applicants for Government service, increasing numbers of resignations, and increasing demoralization. Do we have the right to say once again to our Government and postal employees: "Just wait another couple of years and keep up your good spirits. As soon as we finish all our studies of the problem we will all agree on a comprehensive plan to provide regular salary increases. We are sorry, but we just do not know yet how to give you the salaries you deserve."

We need qualified workers in Government service. There, employees are performing functions which are crucial to the national defense, safety, economy, and welfare. Large numbers of them act in direct support of defense activities or in other equally important tasks wherein failure might adversely affect the entire Nation. Not only do we have a responsibility to our present employees, but it is necessary that we have a Government service which is efficient and up to the enormous responsibility which faces it. I would feel responsible to neither my fellow citizens who are Government workers nor to the citizens of the country who demand and deserve good government, if I did not continue to support a just rate of pay for Federal and postal employees. H.R. 9883 will go a long way toward making their salaries what they should be.

Mrs. GRANAHAN. Mr. Chairman, I strongly support and urge favorable action on H.R. 9883, a bill to reaffirm the historic policy of Congress that employees of the Government of the United States shall receive fair compensation for the great public service they perform.

To state the objective differently, the bill recognizes that the high quality of service which is required for the conduct of the Government's business warrants recognition, in terms of salaries and wage rates, at least equal to that which is given to comparable services in private enterprise which is protected and supported by the Government.

As originally reported by the Committee on Post Office and Civil Service, this bill would provide fair and reasonable compensation comparable to that enjoyed by employees in private industry by giving a 9-percent across-the-board pay increase to those categories of Federal employees consistently included in salary legislation. As now amended, it provides a somewhat lesser raise of 7½ percent, which is certainly not excessive in any event and represents a sincere effort to make sure that this legislation does not end in a stalemate between Congress and the Executive. If this bill is vetoed and the veto is not overridden, then it will be obvious to all that no compromise could possibly have been effected, since those of us concerned with this legislation have more than leaned over backward to try to pass a bill which can become law.

The evidence presented during the hearings on H.R. 9883 establishes beyond a doubt that a pay increase is warranted. During its consideration of the various pay bills, the committee was faced with the difficult problem of deciding what rate of increase should be proposed. It is my conviction that this decision should be based on a determination of the amount required to provide Federal employees with pay comparable to that in private enterprise. This view recognizes that all that postal and other Federal employees have ever asked of their Government is fair and timely salary provisions.

My motion in committee to amend H.R. 9883 to provide for a 9-percent across-the-board increase was approved by the committee on a conclusion that this amount of increase would achieve reasonable comparability.

The proposed pay increases would apply to slightly more than 1½ million employees of the Federal Government. The 9-percent raise would have meant an estimated cost of approximately $846 million. The lesser raise will cost about $680 million. It must be recognized that these 1½ million employees are the people responsible for performing the tasks incident to an annual Federal expenditure of well over $70 billion. It seems to me that the estimated cost is a completely reasonable price to pay to assure fair compensation to a group of employees who, in the aggregate, bear so great a responsibility.

The opposition to a pay increase has been based primarily on two arguments, neither of which, to me, is persuasive.

In the first place, the administration has argued that a pay increase at this time would have an unfavorable effect on its anticipated $4.2 billion budget surplus for next year. Certainly, there can be no argument against economical government or against the achievement of a budget surplus by legitimate economies. At the same time, reasonable people will agree, I think, that withholding pay from its work force is too high a price to pay for a budget surplus. This argument against pay increases raises a serious question whether the administration may be seeking to achieve personal objectives and political advantage at the expense of its civilian employees, who are clearly entitled to a salary increase at this time.

The second major argument has been that all efforts to adjust Federal salaries should await the results of a comparative study of Federal and private industry salaries, which has been recently undertaken by the Bureau of Labor Statistics. This argument, it seems to me, is completely specious in the light of the overwhelming evidence which shows that Federal employees generally are now far below the levels of comparable salaries in private enterprise. Administration representatives who now oppose pay increases have themselves consistently maintained that the Government has extreme difficulty in recruiting and retaining competent employees in the Government because of disparities in pay. In this connection, the Chairman of the Civil Service Commission, in testimony before the Subcommittee on Manpower Utilization on December 4, 1959, stated:

> In contrast, statutory increases in the Classification Act pay schedules have been much less frequent and have usually trailed far behind such changes in industry. The result has been an almost continuing unfavorable competitive position in the labor market for the kinds and quality of white collar employees needed to staff the varied and complex activities of our Government.

It is difficult to understand what purpose, other than mere delay, would be accomplished by awaiting the results of the Bureau of Labor Statistics' survey in the face of the clear evidence we have before us.

The evidence presented during the hearings on H.R. 9883 and a number of companion bills establishes without any doubt that immediate and substantial Federal employee salary adjustments are necessary in the interest of efficiency in the Government and fairness to Government employees. The evidence clearly shows that (a) Federal employees are substantially below the level of the national economy; (b) that the salaries paid Federal employees do not compare

favorably to salaries paid for comparable work in private enterprise; and (c) that the rates of salary increases for Federal employees have lagged far behind the rates of increases in private enterprise over a period of years.

The following are only a few of the many comparisons which were presented during the committee hearings and which convince me that pay increases are justified at this time.

The largest single group of employees in the postal service are the clerks and letter carriers. The responsibilities of their jobs have been compared to those of policemen and firemen. Postal clerks and carriers are paid in a salary range of from $4,035 to $4,875 per year. This is generally about $1,000 a year below the pay ranges of policemen and firemen in 60 large metropolitan centers. In one of the largest cities, for example, policemen and firemen are paid in a range of $6,396 to $6,828, roughly $2,000 more per year than postal clerks and carriers.

The average weekly earnings of postal letter carriers is $89.23. A recent Department of Labor publication shows that the average weekly earnings of production workers in various industrial groups ranges from a low of $91.30 to a high of $118.13. In other words, in January 1960 the lowest paid group of industrial workers earned $2 per week more on the average than did the postal employees. The highest paid group of industrial workers earned approximately 30 percent more than the average postal employee.

The same unfavorable comparison is shown between Federal employees in the classified service and employees on comparable jobs in private enterprise. For example, evidence has been presented to show that in 10 selected cities in the country tabulating machine operators earn an average of from $4,487 to $5,321 per year. Federal employees doing the same kind of work are paid $3,814 per year. Draftsmen in private industry earn from $5,686 to $6,443 per annum as compared to Federal pay for the same work of $4,560 per year.

A recent Bureau of Labor Statistics survey shows that guards in private industry in various cities are paid at rates ranging from $1.80 per hour to $2.45 per hour. The entrance pay for guards in the civilian service in the Government is $1.57 per hour and the maximum rate a guard can earn is $1.84 per hour.

I think these few examples of comparable salary rates are sufficient to show without any doubt that the current rates of pay for Federal employees are substantially below those of comparable workers in private enterprise. Equally conclusive evidence has been presented to show that the salaries paid to Federal workers have not kept pace with the increases and cost of living and as a result it is now necessary for far too many Federal employees to accept outside spare time employment in order to provide their families with the necessities of life.

It has also been shown, and this is admitted by administration representatives, that a great deal of the turnover of technical and professional people in the Government results from the Government's inability under existing salary scales to successfully compete with private industry for the services of those capable and well qualified necessary to perform many of the Government's functions.

I urge favorable action on this bill in order to recognize fairly and equitably the loyal, devoted service of the Government's civilian employees by giving them pay more nearly comparable to that enjoyed by their counterparts in private enterprise. Favorable action would further assure the Government's ability to recruit and retain the employees who have the qualifications and abilities to carry out the important responsibilities necessary to the preservation of the Government.

As the CONGRESSIONAL RECORD will show, I was the first Member of the House to join our colleague, Representative THOMPSON, in signing the discharge petition which succeeded in bringing this bill before us, a discharge petition I am glad to say that I persuaded many other Members of the House also to sign. It is unfortunate that we had to take this unusual means of obtaining signatures from a majority of the membership in order to overcome obstructions to the orderly consideration of this bill under normal procedures.

Those of us who favor fair treatment for Uncle Sam's rank-and-file employees have had to wage a constant battle against an unsympathetic administration which flatly opposes pay raises for the average worker. This has been the policy from President Eisenhower on down. Week after week, we sat in committee listening to the pros and cons on this legislation, and throughout the period of the hearings there was a constant drumbeat of administration propaganda against any pay increase whatsoever.

At this moment, we are being told that if we reduce the size of the proposed increase even further—say to 5 percent—and perhaps add higher postal rates to it, there is a possibility, or a remote outside chance, that the President may sign such a bill. It is all very nebulous. Yet, all of the time we were considering this legislation in committee, the administration laid down a flat rule of no raise at all for the rank-and-file of employees.

On the other hand, no administration has ever worked harder at trying to obtain pay increases for the policymakers of the Government—particularly those in politically appointive offices. The top level of civil service, in these recent years of the Eisenhower administration, has been changed almost entirely into a patronage pool for the Republican National Committee. Career Government employees are given to understand that it helps to have Republican ties if they expect to obtain promotion to the top posts in what is supposed to be the career service. I am sure if it could find a way to provide pay increases only for Government employees in so-called policymaking jobs—and under this administration that covers a multitude of employees with political sponsorship—the administration would gladly support such a bill. But this bill—to reward the entire classified and postal services—is bitterly opposed on grounds that the cost of living has not risen enough since the last pay raise to justify the proposed increases so why enable any Government worker to get ahead?

When organized labor was fighting for the principle of wage escalation to meet increases in living costs, many of the same people now deciding policy for this administration bitterly opposed the idea as something right out of Moscow. Actually, of course, collective bargaining as we know it is the farthest thing away from the Russian system, but you would not think so to hear some of the complaints about unions—all unions.

It is now an accepted part of our industrial economic structure, of course, that cost-of-living increases should be reflected in wage settlements. But that is by no means the only measure of justifiable wage settlements in industry. Industry and labor also agree on increases reflecting increased productivity, on increases based on increased complexity of the work, on increases based on higher educational requirements or longer periods of training and so forth.

Now why should none of these things be taken into consideration in determining the wages of our Government employees? According to the administration, the only gage should be living costs. I disagree. I do not believe we must have a static wage structure in Government since we certainly do not have one in any other field. It is not enough, under the American system, that a worker stay even with his earning power of 10 or 20 years ago in terms of real income. Our economy has prospered because most workers steadily, over the years, have been able to improve their standard of living—which requires increase over and beyond living cost increases.

In the postal system, I can say from firsthand knowledge that low wages are a major cause of poor employee morale and much turnover in personnel. We are forcing out good people who had intended to make their careers in the postal service. They cannot afford to remain. Those who take pride in the service, who have long years of seniority, and who grew up in the post office and have developed a dedication to the public service, have suffered real financial hardship in recent years as workers in other fields obtained, through collective bargaining, far better pay scales than the postal employee. Many postal workers are on double duty, taking other off-hour jobs in order to make ends meet. This is not fair to them or to their families, and it is not fair to the taxpayer who wants and expects alert and wide awake and conscientious service from the post office.

This is not the time, perhaps, to go into the other problems of the postal people under the weird operational policies now in effect, but the combination of low pay in comparison to other workers plus the aggravations of trying to keep up with the razzle-dazzle of post office directive and guidelines and ex-

perimentation in mail routing policies—policies which seem to be based on a program of change merely for the sake of change—make the postal service a most unhappy place these days. A wage raise will help, at least, to make it a little pleasanter until we can get rid of bungling and chaos in the Department.

For the career classified employee, the situation has not been quite as unhappy as it has been for the postal employee in recent years. The people brought in by the Eisenhower administration to run the other Government departments nearly all started out on the assumption that Government workers were drones and morons, but gradually changed their opinions after discovering to their surprise the quality of work done by the career employees and their conscientious devotion to duty. So it has not been fashionable lately in most agencies—as it has been during the past 7 years in the Post Office Department—to regard the Government employee as a brainless, slipshod, disinterested worker. Nevertheless, Government employment has not yet been restored to the professional prestige it enjoyed prior to this administration, and pay scales have not kept pace with the rates paid to people with similar skills in industry and the professions. This bill now before us will help to correct some of the inequality.

It is on the whole a good bill. We on the committee worked long and hard on it. It deserves not only the votes it will receive to assure its passage here today but sufficient additional votes to show we can overcome a veto. I hope every Member who sincerely believes in the importance of the work done by our classified and postal employees will make his convictions meaningful by supporting this bill. Regardless of our politics, we all know how devoted our postal employees have been in the past—how careful and conscientious and dedicated to service. That spirit is now unfortunately going out of the postal service—has been going out of the service—because of the way the career people have been treated by their top bosses in Washington. Many postal workers more and more take the attitude of "What's the use?" This trend must be reversed. The place to start is on pay scales—right now. I hope with new leadership in the Department in Washington we can take care of the other side of this problem—the operational chaos and bungling. Congress cannot solve that problem right now—the voters must act first. But we will solve it, I hope, next year.

Thank you.

The CHAIRMAN. All time has expired.

Under the rule the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments offered by direction of the Committee on Post Office and Civil Service and such amendments shall not be subject to amendment.

The Clerk will read the committee amendment.

The Clerk read as follows:

Strike out all after the enacting clause and insert:

"TITLE I—POSTAL FIELD SERVICE EMPLOYEES

"Short title

"SEC. 101. This title may be cited as the 'Postal Employees Salary Increase Act of 1960'.

"Postal field service schedule

"SEC. 102. The Postal Field Service Schedule contained in section 301(a) of the Postal Field Service Compensation Act of 1955, as amended (72 Stat. 145, 215; 39 U.S.C. 971 (a)), is amended to read as follows:

" 'Postal field service schedule

Level	Per annum rates and steps						
	1	2	3	4	5	6	7
1	$3,520	$3,635	$3,750	$3,865	$3,980	$4,095	$4,210
2	3,755	3,875	3,995	4,115	4,235	4,355	4,495
3	4,020	4,150	4,290	4,430	4,570	4,710	4,850
4	4,415	4,565	4,715	4,865	5,015	5,165	5,315
5	4,660	4,815	4,970	5,125	5,280	5,435	5,590
6	5,040	5,210	5,380	5,550	5,720	5,890	6,060
7	5,440	5,625	5,810	5,995	6,180	6,365	6,550
8	5,920	6,120	6,320	6,520	6,720	6,920	7,120
9	6,355	6,575	6,795	7,015	7,235	7,455	7,675
10	6,965	7,205	7,445	7,685	7,925	8,165	8,405
11	7,670	7,930	8,190	8,450	8,710	8,970	9,230
12	8,450	8,735	9,020	9,305	9,590	9,875	10,160
13	9,290	9,600	9,910	10,220	10,530	10,840	11,150
14	10,230	10,565	10,900	11,235	11,570	11,905	12,240
15	11,230	11,595	11,960	12,325	12,690	13,055	13,420
16	12,375	12,740	13,105	13,470	13,835	14,200	14,565
17	13,695	14,060	14,425	14,790	15,155	15,520	15,885
18	15,375	15,740	16,105	16,470	16,835	17,200	
19	16,815	17,180	17,330				
20	17,440						

"Rural carrier schedule

"SEC. 103. (a) The Rural Carrier Schedule contained in section 302(a) of such Act, as amended (72 Stat. 145; 39 U.S.C. 972(a)), is amended to read as follows:

" 'Rural carrier schedule

	Per annum rates and steps						
	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	$2,291.00	$2,362.00	$2,433.00	$2,504.00	$2,575.00	$2,646.00	$2,717.00
Compensation per mile per annum for each mile up to 30 miles of route	65.00	67.00	69.00	71.00	73.00	75.00	77.00
For each mile of route over 30 miles	24.00	24.00	24.00	24.00	24.00	24.00	24.00
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	2,291.00						
Compensation per mile per annum for each mile up to 30 miles of route	65.00						
For each mile of route over 30 miles	24.00						
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)

" '1) Basic compensation authorized for the regular carrier.'

"(b) Section 302(c) of such Act, as amended (69 Stat. 119, 72 Stat. 145; 39 U.S.C. 972(c)), is amended by striking out '$5,165 during the period referred to in section 304(c) or $5,035 thereafter' and inserting in lieu thereof 'the basic salary for the maximum step in the Rural Carrier Schedule for a route sixty-one miles in length'.

"Fourth-class office schedule

"SEC. 104. The Fourth-Class Office Schedule contained in section 303(a) of such Act, as amended (72 Stat. 146; 39 U.S.C. 973(a)), is amended to read as follows:

"'4th-class office schedule

Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7
$1,300 to $1,499.99	$3,023	$3,123	$3,223	$3,323	$3,423	$3,523	$3,623
$900 to $1,299.99	2,768	2,860	2,952	3,044	3,136	3,228	3,320
$600 to $899.99	2,267	2,343	2,419	2,495	2,571	2,647	2,723
$350 to $599.99	1,761	1,819	1,877	1,935	1,993	2,051	2,109
$250 to $349.99	1,261	1,302	1,343	1,384	1,425	1,466	1,507
$200 to $249.99	1,007	1,040	1,073	1,106	1,139	1,172	1,205
$100 to $199.99	755	779	803	827	851	875	899
Under $100	505	521	537	553	569	585	601'

"Related provisions covering postal field service employees

"SEC. 105. (a) Section 304(c) of such Act, as amended (72 Stat. 146; 39 U.S.C. 974(c)), is hereby repealed.

"(b) Section 401 of such Act, as amended (39 U.S.C. 981), is amended by adding at the end thereof the following subsection:

"'(d) Any increase in basic salary granted by law on or after the effective date of this subsection shall not be deemed to be an

equivalent increase in basic salary within the meaning of subsection (a) of this section.'

"(c) The annual rate of basic salary of any officer or employee whose basic salary, immediately prior to the effective date of this subsection, is at a rate between two scheduled rates, or above the highest scheduled rate, in the Postal Field Service Schedule, the Rural Carrier Schedule, or the Fourth-Class Office Schedule, whichever may be applicable, is hereby increased by an amount equal to the amount of the increase made by this title in the next lower rate of the appropriate level in such schedule. As used in this subsection, the term 'basic salary' has the same meaning as when used in the Postal Field Service Compensation Act of 1955.

"(d) Section 204(b) of the Postal Field Service Compensation Act of 1955, as

"'Grade

GS-1	$3,310
GS-2	3,605
GS-3	3,845
GS-4	4,105
GS-5	4,405
GS-6	4,895
GS-7	5,430
GS-8	5,965
GS-9	6,525
GS-10	7,095
GS-11	7,665
GS-12	9,080
GS-13	10,785
GS-14	12,380
GS-15	13,920
GS-16	15,470
GS-17	16,760
GS-18	19,000

amended (39 U.S.C. 964(b)), is amended by striking out 'thirty' wherever appearing therein and inserting in lieu thereof 'five'.

"(e) This title shall have the same force and effect within Guam as within other possessions of the United States.

"TITLE II—GOVERNMENT EMPLOYEES GENERALLY

"Short title

"SEC. 201. This title may be cited as the 'Federal Employees Salary Increase Act of 1960'.

"Salary increase for employees subject to Classification Act of 1949

"SEC. 202. (a) Section 603(b) of the Classification Act of 1949, as amended (72 Stat. 203; 5 U.S.C. 1113(b)), is amended to read as follows:

"'(b) The compensation schedule for the General Schedule shall be as follows:

	Per annum rates					
"'Grade						
GS-1	$3,405	$3,500	$3,595	$3,690	$3,785	$3,880
GS-2	3,700	3,795	3,890	3,985	4,080	4,180
GS-3	3,940	4,035	4,130	4,230	4,335	4,440
GS-4	4,200	4,305	4,410	4,515	4,610	4,725
GS-5	4,570	4,735	4,900	5,065	5,230	5,395
GS-6	5,060	5,225	5,390	5,555	5,720	5,885
GS-7	5,595	5,760	5,925	6,090	6,255	6,420
GS-8	6,130	6,295	6,460	6,625	6,790	6,955
GS-9	6,690	6,855	7,020	7,185	7,350	7,515
GS-10	7,260	7,425	7,590	7,755	7,920	8,085
GS-11	7,930	8,195	8,460	8,725	8,990	------
GS-12	9,345	9,610	9,875	10,140	10,405	------
GS-13	11,050	11,315	11,580	11,845	12,110	------
GS-14	12,645	12,910	13,175	13,440	13,705	------
GS-15	14,250	14,580	14,910	15,240	------	------
GS-16	15,735	16,000	16,265	16,530	------	------
GS-17	17,025	17,290	17,555	17,820	------	------
GS-18	------	------	------	------	------	------

"(b) The rates of basic compensation of officers and employees to whom this section applies shall be initially adjusted as follows:

"(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at one of the scheduled or longevity rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding scheduled or longevity rate in effect on and after such date.

"(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade in the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

"(3) If the officer or employee (other than an officer or employee subject to paragraph (4) of this subsection), immediately prior to the effective date of this section, is receiving basic compensation at a rate in excess of the maximum longevity rate of his grade, or in excess of the maximum scheduled rate of his grade if there is no longevity rate for his grade, he shall receive basic compensation at a rate equal to the rate which he received immediately prior to such effective date, increased by an amount equal to the amount of the increase made by this section in the maximum longevity rate, or the maximum scheduled rate, as the case may be, of his grade until (A) he leaves such position, or (B) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but, when his position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with such Act, as amended.

"(4) If the officer or employee, immediately prior to the effective date of this section, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955 and by section 2 of the Federal Employees Salary Increase Act of 1958, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, and (D) the amount of the increase made by this section in the maximum longevity rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this title or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purposes of section 208(b) of such Act of Septembr 1, 1954, to constitute a part of the existing aggregate rate of compensation of such employee.

"Employees subject to the Foreign Service Act of 1946

"SEC. 203. (a) The third sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended by striking out '$19,250' and inserting in lieu thereof '$19,800'.

"(b) The fourth sentence of section 412 of such Act is amended to read as follows: 'The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"'Class 1	$17,510	$17,990	$18,470	$18,950	$19,430	$19,650	$19,700	------
Class 2	15,110	15,470	15,830	16,190	16,550	16,910	17,270	------
Class 3	12,710	13,070	13,430	13,790	14,150	14,510	14,870	------
Class 4	10,795	11,095	11,395	11,695	11,995	12,295	12,595	------
Class 5	8,875	9,175	9,475	9,775	10,075	10,375	10,675	------
Class 6	7,315	7,555	7,795	8,035	8,275	8,515	8,755	------
Class 7	6,115	6,295	6,475	6,655	6,835	7,015	7,195	------
Class 8	5,160	5,340	5,520	5,700	5,880	6,060	6,240	$6,420'

"(c) The second sentence of section 415 of such Act (22 U.S.C. 870) is amended to read as follows: 'The per annum rates of staff officers and employees within each class shall be as follows:

"'Class 1	$12,830	$13,210	$13,590	$13,970	$14,350	------	------
Class 2	11,905	12,235	12,565	12,895	13,225	------	------
Class 3	10,935	11,245	11,555	11,865	12,175	------	------
Class 4	9,915	10,225	10,535	10,845	11,155	------	------
Class 5	9,155	9,420	9,685	9,950	10,215	$10,480	------
Class 6	8,385	8,620	8,855	9,090	9,325	9,560	------
Class 7	7,620	7,855	8,090	8,325	8,560	8,795	------
Class 8	6,855	7,090	7,325	7,560	7,795	8,030	------
Class 9	6,090	6,325	6,560	6,795	7,030	7,265	------
Class 10	5,580	5,775	5,970	6,165	6,360	6,555	$6,750
Class 11	5,070	5,225	5,380	5,535	5,690	5,845	6,000
Class 12	4,560	4,715	4,870	5,025	5,180	5,335	5,490
Class 13	4,070	4,225	4,380	4,535	4,690	4,845	5,000
Class 14	3,600	3,760	3,920	4,080	4,240	4,400	4,560
Class 15	3,370	3,490	3,610	3,730	3,850	3,970	4,090
Class 16	3,135	3,215	3,295	3,375	3,455	3,535	3,615
Class 17	2,900	2,980	3,060	3,140	3,220	3,300	3,380
Class 18	2,680	2,760	2,840	2,920	3,000	3,080	3,160
Class 19	2,445	2,525	2,605	2,685	2,765	2,845	2,925
Class 20	2,210	2,290	2,370	2,450	2,530	2,610	2,690
Class 21	1,975	2,055	2,135	2,215	2,295	2,375	2,455
Class 22	1,745	1,825	1,905	1,985	2,065	2,145	2,225'

"(d) Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this section at one of the step rates provided by section 412 or section 415 of the Foreign Service Act of 1946, shall receive basic compensation on or after the effective date of this section at the corresponding step rate as provided by such section 412 or 415 as amended by this section.

"Employees in the Department of Medicine and Surgery in the Veterans' Administration

"SEC. 204. (a) Section 4103(b) of title 38 of the United States Code, prescribing the annual salary of the Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out '$19,580' and inserting in lieu thereof '$21,345'.

"(b) Section 4103(c) of such title, prescribing the annual salary of the Deputy Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out '$18,480' and inserting in lieu thereof '$20,145'.

"(c) Section 4103(d) of such title, relating to the annual salaries of the Assistant Chief Medical Directors and the directors of service or chiefs of division of the Department of Medicine and Surgery of the Veterans' Administration, is amended—

"(1) by striking out '$17,380' and inserting in lieu thereof '$18,945'; and

"(2) by striking out '$14,545 minimum to $16,500 maximum' and inserting in lieu thereof '$15,855 minimum to $17,985 maximum'.

"(d) Section 4103(e) of such title, relating to the annual salaries of the Director of

Nursing Service and the Deputy Director of Nursing Service of the Department of Medicine and Surgery of the Veterans' Administration, is amended—

"(1) by striking out '$12,770 minimum to $13,970 maximum' and inserting in lieu thereof '$13,920 minimum to $15,230 maximum'; and

"(2) by striking out '$11,355 minimum to $12,555 maximum' and inserting in lieu thereof '$12,380 minimum to $13,685 maximum'.

"(e) Section 4103(f) of such title, relating to the annual salaries of the chief pharmacist, the chief dietitian, the chief physical therapist, and the chief occupational therapist of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"(f) The Administrator may appoint a chief pharmacist, a chief dietitian, a chief physical therapist, and a chief occupational therapist. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid a salary of $13,920 minimum to $15,230 maximum a year and the chief physical therapist and the chief occupational therapist shall be paid a salary of $12,380 minimum to $13,685 maximum a year.

"(f) Section 4107 of such title, relating to the maximum and minimum rates of annual salary of certain employees of the Medical Service, the Dental Service, and the Nursing Service of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"'§ 4107. Grades and pay scales

"'(a) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"'*Medical service*

"'Chief grade, $13,920 minimum to $15,230 maximum.

"'Senior grade, $12,380 minimum to $13,685 maximum.

"'Intermediate grade, $10,785 minimum to $12,090 maximum.

"'Full grade, $9,080 minimum to $10,390 maximum.

"'Associate grade, $7,665 minimum to $8,975 maximum.

"'Junior grade, $7,095 minimum to $8,075 maximum.

"'*Dental service*

"'Chief grade, $13,920 minimum to $15,230 maximum.

"'Senior grade, $12,380 minimum to $13,685 maximum.

"'Intermediate grade, $10,785 minimum to $12,090 maximum.

"'Full grade, $9,080 minimum to $10,390 maximum.

"'Associate grade, $7,665 minimum to $8,975 maximum.

"'Junior grade, $7,095 minimum to $8,075 maximum.

"'*Nursing service*

"'Assistant Director, $9,080 minimum to $10,390 maximum.

"'Senior grade, $7,665 minimum to $8,975 maximum.

"'Full grade, $6,525 minimum to $7,505 maximum.

"'Associate grade, $5,675 minimum to $6,720 maximum.

"'Junior grade, $4,825 minimum to $5,870 maximum.

"'*Administration*

"'(b) Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.'

"(g) Section 4108(d) of such title, prescribing the maximum amount of pay and allowances of medical, surgical, and dental specialists of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"'(d) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section, shall receive, in addition to his basic pay, an allowance equal to 15 per centum of such pay, but in no event shall the pay plus the allowance authorized by this subsection exceed $17,440 per annum.'

"Agricultural stabilization and conservation county committee employees

"SEC. 205. (a) The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by this Act for corresponding rates of compensation in the appropriate schedule or scale of pay.

"(b)(1) Section 2 of the Civil Service Retirement Act, as amended (5 U.S.C. 2252), is amended by adding at the end thereof the following new subsection:

"'(h) This Act shall apply to persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), subject to the following requirements:

"'(1) The Secretary of Agriculture is authorized and directed to prescribe and issue such regulations as may be necessary to provide a means of effecting the application and operation of the provisions of this Act with respect to such employees;

"'(2) The Commission is authorized and directed to accept the certification of the Secretary of Agriculture or his designee with respect to service, for purposes of this Act, rendered by such employees prior to the effective date of this amendment; and

"'(3) Service rendered prior to the effective date of this amendment as an employee of a county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be included in computing length of creditable service for the purposes of this Act only (A) if the employee has to his credit a total period of not less than five years of allowable service under this Act (including service allowable under this amendment) and (B) if, within two years after the effective date of this amendment, the employee shall have deposited with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the credit of the fund, a sum equal to the aggregate of the amounts which would have been deducted from his basic salary during the period of service claimed under this paragraph if during such period he had been subject to this Act.'

"(2) Notwithstanding any other provision of law, annuity benefits under the Civil Service Retirement Act resulting from the operation of this subsection shall be paid from the civil service retirement and disability fund.

"(c) Section 2 of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091), is amended by adding at the end thereof the following new subsection:

"'(d) Persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall, under such conditions of eligibility as the Commission by regulation may prescribe, come within the purview of this Act. The Secretary of Agriculture is authorized and directed to prescribe and issue such regulations as may be necessary to provide a means of effecting the application and operation of the provisions of this subsection with respect to such persons.'

"(d) Section 3 of the Federal Employees Health Benefits Act of 1959 (5 U.S.C. 3002) is amended by adding at the end thereof the following new subsection:

"'(f) Persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may, in such manner and under such conditions of eligibility as the Commission by regulation may prescribe, enroll in an approved health benefits plan described in section 4 either as an individual or for self and family, under the same terms and conditions as apply to other employees who are eligible to enroll in such a plan under this Act. The Secretary of Agriculture is authorized and directed to prescribe and issue such regulations as may be necessary to provide a means of effecting the application and operation of the provisions of this subsection with respect to such persons.'

"Employees in the judicial branch

"SEC. 206. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or sections 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2206(a)(6)), are hereby increased by amounts equal to the increases provided by section 202 of this title in corresponding rates of compensation paid to officers and employees subject to the Classification Act of 1949, as amended.

"(b) The limitations provided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by the amounts necessary to pay the additional basic compensation provided by this title.

"(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out '$7,095' and inserting in lieu thereof '$7,735'.

"Employees in the legislative branch

"SEC. 207. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 9 per centum of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

"(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on July 1, 1960, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

"(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of each of the elected officers of the Senate (except the Presiding Officer of the Senate), the Parliamentarian of the Senate, the Legislative Counsel of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief

Clerk of the Senate are hereby increased by 9 per centum.

"(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading 'SENATE' in the Legislative Appropriation Act, 1956 (69 Stat. 510; Public Law 242, Eighty-fourth Congress), is amended to read as follows:

" 'No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,880 per annum, or gross compensation at a rate in excess of $17,900 per annum, unless expressly authorized by law. This paragraph shall not apply to employees whose rates of compensation are subject to the limitations provided by the amendments made by subsections (g) and (h) of section 207 of the Federal Employees Salary Increase Act of 1960.'

"(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 9 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

"(f) The official reporters of proceedings and debates of the Senate and their employees shall be considered to be officers or employees in or under the legislative branch of the Government within the meaning of subsection (a).

"(g) The paragraph relating to rates of compensation of employees of committees of the Senate, contained in the Legislative Appropriation Act, 1956, as amended (69 Stat. 505; Public Law 242, Eighty-fourth Congress), is amended (1) by striking out '$8,040 per annum' and inserting 'any amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized for grade 16 of the General Schedule of the Classification Act of 1949, as amended', (2) by striking out '$8,460 per annum' and inserting 'any amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized for grade 17 of the General Schedule of such Act', and (3) by striking out '$8,880 per annum' and inserting 'any amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by the General Schedule of such Act'.

"(h)(1) The second proviso in the paragraph relating to the authority of Senators to rearrange the basic salaries of employees in their respective offices which appears in the Legislative Branch Appropriation Act, 1947, as amended (2 U.S.C. 60f), is amended to read as follows: *'Provided,* That no salary shall be fixed under this section at a basic rate of more than $5,100 per annum, except that (1) the salary of one employee may be fixed at a basic rate which, together with additional compensation authorized by law, will not exceed the maximum rate provided by the General Schedule of the Classification Act of 1949, as amended, (2) the salary of one other employee may be fixed at a basic rate which, together with additional compensation authorized by law, will not exceed the maximum rate provided for grade 17 of such schedule, and (3) the salary of one other employee may be fixed at a basic rate which, together with additional compensation authorized by law, will not exceed the maximum rate provided for grade 16 of such schedule'.

"(2) The basic clerk hire allowance of each Senator is increased by $1,020.

"(i) The basic compensation of the Administrative Assistants to the Speaker, Majority Leader, Minority Leader, Majority Whip, and Minority Whip, and of the Administrative Assistant to any Member of the House who has served as Speaker of the House, shall be at a per annum basic rate which, together with additional compensation authorized by law, is equal to the maximum rate authorized by the Classification Act of 1949, as amended.

"(j) Section 202(e) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(e)), is amended (1) by striking out '$8,880' where it first appears in such subsection and inserting in lieu thereof 'the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by the Classification Act of 1949, as amended,' and (2) by striking out '$8,880' at the second place where it appears in such subsection and inserting in lieu thereof 'the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by the Classification Act of 1949, as amended'.

"(k)(1) This subsection is enacted as an exercise of the rulemaking power of the House of Representatives with full recognition of the constitutional right of the House of Representatives to change the rule amended by this subsection at any time, in the same manner, and to the same extent as in the case of any other rule of the House of Representatives.

"(2) Clause 28(c) of rule XI of the Rules of the House of Representatives is amended (A) by striking out '$8,880' where it first appears in such clause and inserting in lieu thereof 'the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by the Classification Act of 1949, as amended,' and (B) by striking out '$8,880' at the second place where it appears in such clause and inserting in lieu thereof 'the highest amount which, together with additional compensation authorized by law, will not exceed the maximum rate authorized by the Classification Act of 1949, as amended'.

"(l) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 9 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

"(m) The limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 9 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

"(n) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

"TITLE III—GENERAL PROVISIONS

"Authorization of appropriations

"SEC. 301. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

"Effective date

"SEC. 302. The foregoing provisions of this Act shall become effective on the first day of the first pay period which begins on or after July 1, 1960."

Mr. MORRISON (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the committee amendment in the reported bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. HALLECK. Mr. Chairman, for the present, I object.

The Clerk resumed the reading of the committee amendment.

Mr. MORRISON (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the committee amendment in the reported bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MORRISON. Mr. Chairman, by direction of the Committee on Post Office and Civil Service, I offer a substitute for the committee amendment, which is at the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. MORRISON as a substitute to the committee amendment: Strike out all after the enacting clause and insert in lieu thereof the following:

"TITLE I—SALARY ADJUSTMENTS FOR GOVERNMENT EMPLOYEES

"Part A—Postal field service employees

"Short Title

"SEC. 101. This part may be cited as the 'Postal Employees Salary Increase Act of 1960'.

"Postal Field Service Schedule

"SEC. 102. The Postal Field Service Schedule contained in section 301(a) of the Postal Field Service Compensation Act of 1955, as amended (72 Stat. 145, 215; 39 U.S.C. 971(a)), is amended to read as follows:

" 'POSTAL FIELD SERVICE SCHEDULE

Level	Per annum rates and steps							Level	Per annum rates and steps						
	1	2	3	4	5	6	7		1	2	3	4	5	6	7
1	$3,415	$3,545	$3,675	$3,805	$3,935	$4,065	$4,195	11	$7,560	$7,820	$8,080	$8,340	$8,600	$8,860	$9,120
2	3,670	3,805	3,940	4,075	4,210	4,345	4,480	12	8,320	8,605	8,890	9,175	9,460	9,745	10,030
3	3,955	4,100	4,245	4,390	4,535	4,680	4,825	13	9,160	9,470	9,780	10,090	10,400	10,710	11,020
4	4,345	4,505	4,665	4,825	4,985	5,145	5,305	14	10,075	10,410	10,745	11,080	11,415	11,750	12,085
5	4,605	4,765	4,925	5,085	5,245	5,405	5,565	15	11,075	11,440	11,805	12,170	12,535	12,900	13,265
6	4,975	5,150	5,325	5,500	5,675	5,850	6,025	16	12,205	12,570	12,935	13,300	13,665	14,030	14,395
7	5,370	5,555	5,740	5,925	6,110	6,295	6,480	17	13,505	13,870	14,235	14,600	14,965	15,330	15,695
8	5,790	5,995	6,200	6,405	6,610	6,815	7,020	18	15,165	15,525	15,885	16,245	16,605	16,965	16,965
9	6,255	6,480	6,705	6,930	7,155	7,380	7,605	19	16,585	16,945	17,095				
10	6,870	7,110	7,350	7,590	7,830	8,070	8,310	20	17,200						

"Rural Carrier Schedule

"SEC. 103. (a) The Rural Carrier Schedule contained in section 302(a) of such Act, as amended (72 Stat. 145; 39 U.S.C. 972(a)), is amended to read as follows:

"'RURAL CARRIER SCHEDULE

"'Per annum rates and steps

	1	2	3	4	5	6	7
Carriers in rural delivery service:							
Fixed compensation per annum	$2,053	$2,132	$2,211	$2,290	$2,369	$2,448	$2,527
Compensation per mile per annum for each mile up to 30 miles of route	71	73	75	77	79	81	83
For each mile of route over 30 miles	24	24	24	24	24	24	24
Temporary carriers in rural delivery service on routes to which no regular carrier is assigned:							
Fixed compensation per annum	2,053						
Compensation per mile per annum for each mile up to 30 miles of route	$71						
For each mile of route over 30 miles	24						
Temporary carriers in rural delivery service on routes having regular carriers absent without pay or on military leave	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Substitute carriers in rural delivery service on routes having carriers absent with pay	(1)	(1)	(1)	(1)	(1)	(1)	(1)

"'1 Basic compensation authorized for the regular carrier.'

"(b) Section 302(c) of such Act, as amended (69 Stat. 119, 72 Stat, 145; 39 U.S.C. 972 (c)), is amended by striking out '$5,165 during the period referred to in section 304(c) or $5,035 thereafter' and inserting in lieu thereof 'the basic salary for the maximum step in the Rural Carrier Schedule for a route sixty-one miles in length'.

"Fourth-class office schedule

"SEC. 104. The Fourth-Class Office Schedule contained in section 303(a) of such Act, as amended (72 Stat. 146; 39 U.S.C. 973(a)), is amended to read as follows:

"'FOURTH-CLASS OFFICE SCHEDULE

Gross receipts	Per annum rates and steps							Gross receipts	Per annum rates and steps						
	1	2	3	4	5	6	7		1	2	3	4	5	6	7
$1,300 to $1,499.99	$2,979	$3,078	$3,177	$3,276	$3,375	$3,474	$3,573	$250 to $349.99	$1,242	$1,282	$1,322	$1,362	$1,402	$1,442	$1,482
$900 to $1,299.99	2,730	2,820	2,910	3,000	3,090	3,180	3,270	$200 to $249.99	993	1,025	1,057	1,089	1,121	1,153	1,185
$600 to $899.99	2,234	2,309	2,384	2,459	2,534	2,609	2,684	$100 to $199.99	745	769	793	817	841	865	889
$350 to $599.99	1,737	1,794	1,851	1,908	1,965	2,022	2,079	Under $100	495	511	527	543	559	575	591'

"Related Provisions Covering Postal Field Service Employees

"SEC. 105. (a) Section 304(c) of such Act, as amended (72 Stat. 146; 39 U.S.C. 974(c)), is hereby repealed.

"(b) Section 401 of such Act, as amended (39 U.S.C. 981), is amended by adding at the end thereof the following subsection:

"'(d) Any increase in basic salary granted by law on or after the effective date of this subsection shall not be deemed to be an equivalent increase in basic salary within the meaning of subsection (a) of this section.'

"(c) The annual rate of basic salary of any officer or employee whose basic salary, immediately prior to the effective date of this subsection, is at a rate between two scheduled rates, or above the highest scheduled rate, in the Postal Field Service Schedule, the Rural Carrier Schedule, or the Fourth-Class Office Schedule, whichever may be applicable, is hereby increased by an amount equal to the amount of the increase made by this part in the next lower rate of the appropriate level in such schedule. As used in this subsection, the term 'basic salary' has the same meaning as when used in the Postal Field Service Compensation Act of 1955.

"(d) This part shall have the same force and effect within Guam as within other possessions of the United States.

"Part B—Government employees generally

"Short Title

"SEC. 111. This part may be cited as the 'Federal Employees Salary Increase Act of 1960'.

"Salary Increase for Employees Subject to Classification Act of 1949

"SEC. 112. (a) Section 603(b) of the Classification Act of 1949, as amended (72 Stat. 203; 5 U.S.C. 1113(b)), is amended to read as follows:

"'(b) The compensation schedule for the General Schedule shall be as follows:

"'Grade	Per annum rates							"'Grade	Per anum rates						
GS-1	$3,185	$3,290	$3,395	$3,500	$3,605	$3,710	$3,815	GS-10	$6,995	$7,160	$7,325	$7,490	$7,655	$7,820	$7,985
GS-2	3,500	3,605	3,710	3,815	3,920	4,025	4,130	GS-11	7,560	7,820	8,080	8,340	8,600	8,860	------
GS-3	3,760	3,865	3,970	4,075	4,180	4,285	4,390	GS-12	8,955	9,215	9,475	9,735	9,995	10,255	------
GS-4	4,040	4,145	4,250	4,355	4,460	4,565	4,670	GS-13	10,635	10,895	11,155	11,415	11,675	11,935	------
GS-5	4,345	4,510	4,675	4,840	5,005	5,170	5,335	GS-14	12,210	12,470	12,730	12,990	13,250	13,510	------
GS-6	4,830	4,995	5,160	5,325	5,490	5,655	5,820	GS-15	13,730	14,055	14,380	14,705	15,030	------	------
GS-7	5,355	5,520	5,685	5,850	6,015	6,180	6,345	GS-16	15,255	15,515	15,775	16,035	16,295	------	------
GS-8	5,885	6,050	6,215	6,380	6,545	6,710	6,875	GS-17	16,530	16,790	17,050	17,310	17,570	------	------
GS-9	6,435	6,600	6,765	6,930	7,095	7,260	7,425	GS-18	18,500	------	------	------	------	------	------'

"(b) The rates of basic compensation of officers and employees to whom this section applies shall be initially adjusted as follows:

"(1) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at one of the scheduled or longevity rates of a grade in the General Schedule of the Classification Act of 1949, as amended, he shall receive a rate of basic compensation at the corresponding scheduled or longevity rate in effect on and after such date.

"(2) If the officer or employee is receiving basic compensation immediately prior to the effective date of this section at a rate between two scheduled or two longevity rates, or between a scheduled and a longevity rate, of a grade in the General Schedule, he shall receive a rate of basic compensation at the higher of the two corresponding rates in effect on and after such date.

"(3) If the officer or employee (other than an officer or employee subject to paragraph (4) of this subsection), immediately prior to the effective date of this section, is receiving basic compensation at a rate in excess of the maximum longevity rate of his grade, or in excess of the maximum scheduled rate of his grade if there is no longevity rate for his grade, he shall receive basic compensation at a rate equal to the rate which he received immediately prior to such effective date, increased by an amount equal to the amount of the increase made by this section in the maximum longevity rate, or the maximum scheduled rate, as the case may be, of his grade until (A) he leaves such position, or (B) he is entitled to receive basic compensation at a higher rate by reason of the operation of the Classification Act of 1949, as amended; but, when his position becomes vacant, the rate of basic compensation of any subsequent appointee thereto shall be fixed in accordance with such Act, as amended.

"(4) If the officer or employee, immediately prior to the effective date of this section, is receiving, pursuant to paragraph (4) of section 2(b) of the Federal Employees Salary Increase Act of 1955, an existing aggregate rate of compensation determined under section 208(b) of the Act of September 1, 1954 (68 Stat. 1111; Public Law 763, Eighty-third Congress), plus the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of

1955 and by section 2 of the Federal Employees Salary Increase Act of 1958, he shall receive an aggregate rate of compensation equal to the sum of (A) his existing aggregate rate of compensation determined under such section 208(b) of the Act of September 1, 1954, (B) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1955, (C) the amount of the increase provided by section 2 of the Federal Employees Salary Increase Act of 1958, and (D) the amount of the increase made by this section in the maximum longevity rate of his grade, until (i) he leaves his position, or (ii) he is entitled to receive aggregate compensation at a higher rate by reason of the operation of this title or any other provision of law; but, when such position becomes vacant, the aggregate rate of compensation of any subsequent appointee thereto shall be fixed in accordance with applicable provisions of law. Subject to clauses (i) and (ii) of the immediately preceding sentence of this paragraph, the amount of the increase provided by this section shall be held and considered for the purposes of section 208(b) of such Act of September 1, 1954, to constitute a part of the existing aggregate rate of compensation of such employee.

"Employees Subject to the Foreign Service Act of 1946

"SEC. 113. (a) The third sentence of section 412 of the Foreign Service Act of 1946, as amended (22 U.S.C. 867), is amended by striking out '$19,250' and inserting in lieu thereof '$19,800'.

"(b) The fourth sentence of section 412 of such Act is amended to read as follows: 'The per annum salaries of Foreign Service officers within each of the other classes shall be as follows:

"'Class 1	$17,250	$17,650	$18,050	$18,450	$18,850	$19,250	$19,650	-------
Class 2	14,900	15,255	15,610	15,965	16,320	16,675	17,030	-------
Class 3	12,535	12,890	13,245	13,600	13,955	14,310	14,665	-------
Class 4	10,645	10,945	11,245	11,545	11,845	12,145	12,445	-------

Class 5	$8,755	$9,055	$9,355	$9,655	$9,955	$10,255	$10,555	-------
Class 6	7,215	7,455	7,695	7,935	8,175	8,415	8,655	-------
Class 7	6,035	6,215	6,395	6,575	6,755	6,935	7,115	-------
Class 8	5,085	5,265	5,445	5,625	5,805	5,985	6,165	$6,345'

"(c) The second sentence of section 415 of such Act (22 U.S.C. 870) is amended to read as follows: 'The per annum rates of staff officers and employees within each class shall be as follows:

"'Class 1	$12,655	$13,030	$13,405	$13,780	$14,155	-------						
Class 2	11,740	12,065	12,390	12,715	13,040	-------						
Class 3	10,785	11,095	11,405	11,715	12,025	-------						
Class 4	9,780	10,909	10,400	10,710	11,020	-------						
Class 5	9,025	9,285	9,545	9,805	10,065	$10,325	-------					
Class 6	8,270	8,500	8,730	8,960	9,190	9,420	-------					
Class 7	7,515	7,745	7,975	8,205	8,435	8,665	-------					
Class 8	6,760	6,990	7,220	7,450	7,680	7,910	-------					
Class 9	6,005	6,235	6,465	6,695	6,925	7,155	-------					
Class 10	5,500	5,680	5,860	6,070	6,260	6,450	$6,640					
Class 11	5,000	5,155	5,310	5,465	5,620	5,775	5,930					

Class 12	$4,495	$4,650	$4,805	$4,960	$5,115	$5,270	$5,425
Class 13	4,010	4,165	4,320	4,475	4,630	4,785	4,940
Class 14	3,550	3,705	3,860	4,015	4,170	4,325	4,480
Class 15	3,325	3,440	3,555	3,670	3,785	3,900	4,015
Class 16	3,095	3,175	3,255	3,335	3,415	3,495	3,575
Class 17	2,860	2,940	3,020	3,100	3,180	3,260	3,340
Class 18	2,640	2,720	2,800	2,880	2,960	3,040	3,120
Class 19	2,410	2,490	2,570	2,650	2,730	2,810	2,890
Class 20	2,180	2,260	2,340	2,420	2,500	2,580	2,660
Class 21	1,950	2,030	2,110	2,190	2,270	2,350	2,430
Class 22	1,720	1,800	1,880	1,960	2,040	2,120	2,200'

"(d) Foreign Service officers, Reserve officers, and Foreign Service staff officers and employees who are entitled to receive basic compensation immediately prior to the effective date of this section at one of the step rates provided by section 412 or section 415 of the Foreign Service Act of 1946, shall receive basic compensation on or after the effective date of this section at the corresponding step rate as provided by such section 412 or 415 as amended by this section.

"Employees in the Department of Medicine and Surgery in the Veterans' Administration

"SEC. 114. (a) Section 4103(b) of title 38 of the United States Code relating to the annual salary of the Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out '$19,580' and inserting in lieu thereof '$21,050'.

"(b) Section 4103(c) of such title, relating to the annual salary of the Deputy Chief Medical Director of the Department of Medicine and Surgery of the Veterans' Administration, is amended by striking out '$18,480' and inserting in lieu thereof '$19,870'.

"(c) Section 4103(d) of such title, relating to the annual salaries of the Assistant Chief Medical Directors and the directors of service or chiefs of division of the Department of Medicine and Surgery of the Veterans' Administration, is amended—

"(1) by striking out '$17,380' and inserting in lieu thereof '$18,685'; and

"(2) by striking out '$14,545 minimum to $16,500 maximum' and inserting in lieu thereof '$15,640 minimum to $17,740 maximum'.

"(d) Section 4103(e) of such title, relating to the annual salaries of the Director of Nursing Service and the Deputy Director of Nursing Service of the Department of Medicine and Surgery of the Veterans' Administration, is amended—

"(1) by striking out '$12,770 minimum to $13,970 maximum' and inserting in lieu thereof '$13,730 minimum to $15,030 maximum'; and

"(2) by striking out '$11,355 minimum to $12,555 maximum' and inserting in lieu thereof '$12,210 minimum to $13,510 maximum'.

"(e) Section 4103(f) of such title, relating to the annual salaries of the chief pharmacist, the chief dietitian, the chief physical therapist, and the chief occupational therapist of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"'(f) The Administrator may appoint a chief pharmacist, a chief dietitian, a chief physical therapist, and a chief occupational therapist. During the period of his service as such, the chief pharmacist and the chief dietitian shall be paid a salary of $13,730 minimum to $15,030 maximum a year and the chief physical therapist and the chief occupational therapist shall be paid a salary of $12,210 minimum to $13,510 maximum a year.'

"(f) Section 4107(a) of such title, relating to the maximum and minimum rates of annual salary of certain employees of the Medical Service, the Dental Service, and the Nursing Service of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"'§ 4107. Grades and pay scales

"'(a) The grades and per annum full-pay ranges for positions provided in paragraph (1) of section 4104 of this title shall be as follows:

"'Medical Service

"'Chief grade, $13,730 minimum to $15,030 maximum.

"'Senior grade, $12,210 minimum to $13,510 maximum.

"'Intermediate grade, $10,635 minimum to $11,935 maximum.

"'Full grade, $8,955 minimum to $10,255 maximum.

"'Associate grade, $7,560 minimum to $8,860 maximum.

"'Junior grade, $6,995 minimum to $7,985 maximum.

"'Dental Service

"'Chief grade, $13,730 minimum to $15,030 maximum.

"'Senior grade, $12,210 minimum to $13,510 maximum.

"'Intermediate grade, $10,635 minimum to $11,935 maximum.

"'Full grade, $8,955 minimum to $10,255 maximum.

"'Associate grade, $7,560 minimum to $8,860 maximum.

"'Junior grade, $6,995 minimum to $7,985 maximum.

"'Nursing Service

"'Assistant Director, $8,955 minimum to $10,255 maximum.

"'Senior grade, $7,560 minimum to $8,860 maximum.

"'Full grade, $6,435 minimum to $7,425 maximum.

"'Associate grade, $5,600 minimum to $6,630 maximum.

"'Junior grade, $4,760 minimum to $5,790 maximum.

"'Administration

"'(b) Notwithstanding any law, Executive order, or regulation, the Administrator shall prescribe by regulation the hours and conditions of employment and leaves of absence of physicians, dentists, and nurses.'

"(g) Section 4108(d) of such title, prescribing the maximum amount of pay and allowances of medical, surgical, and dental specialists of the Department of Medicine and Surgery of the Veterans' Administration, is amended to read as follows:

"'(d) Any person, rated as a medical, surgical, or dental specialist under the provisions of this section, shall receive, in addition to his basic pay, an allowance equal to 15 per centum of such pay, but in no event shall the pay plus the allowance authorized by this subsection exceed $17,200 per annum.'

"Agricultural Stabilization and Conservation County Committee Employees

"SEC. 115. (a) The rates of compensation of persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be increased by amounts equal, as nearly as may be practicable, to the increases provided by this title for corresponding rates of compensation in the appropriate schedule or scale of pay.

"(b)(1) Section 2 of the Civil Service Retirement Act, as amended (5 U.S.C. 2252), is amended by adding at the end thereof the following new subsection:

"'(h) This Act shall apply to persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), subject to the following requirements:

"'(1) The Secretary of Agriculture is authorized and directed to prescribe and issue such regulations as may be necessary to provide a means of effecting the application and operation of the provisions of this Act with respect to such employees;

"'(2) The Commission is authorized and directed to accept the certification of the Secretary of Agriculture or his designee with respect to service, for purposes of this Act, rendered by such employees prior to the effective date of this amendment; and

"'(3) Service rendered prior to the effective date of this amendment as an employee of a county committee established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall be included in computing length of creditable service for the purposes of this Act only (A) if the employee has to his credit a total period of not less than five years of allowable service under this Act (including service allowable under this amendment) and (B) if, within two years after the effective date of this amendment, the employee shall have deposited with interest at 4 per centum per annum to December 31, 1947, and 3 per centum per annum thereafter, compounded on December 31 of each year, to the credit of the fund, a sum equal to the aggregate of the amounts which would have been deducted from his basic salary during the period of service claimed under this paragraph if during such period he had been subject to this Act.'

"(2) Notwithstanding any other provision of law, annuity benefits under the Civil Service Retirement Act resulting from the operation of this subsection shall be paid from the civil service retirement and disability fund.

"(c) Section 2 of the Federal Employees' Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091), is amended by adding at the end thereof the following new subsection:

"'(d) Persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall, under such conditions of eligibility as the Commission by regulation may prescribe, come within the purview of this Act. The Secretary of Agriculture is authorized and directed to prescribe and issue such regulations as may be necessary to provide a means of effecting the application and operation of the provisions of this subsection with respect to such persons.'

"(d) Section 3 of the Federal Employees Health Benefits Act of 1959 (5 U.S.C. 3002) is amended by adding at the end thereof the following new subsection:

"'(f) Persons employed by the county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may, in such manner and under such conditions of eligibility as the Commission by regulation may prescribe, enroll in an approved health benefits plan described in section 4 either as an individual or for self and family, under the same terms and conditions as apply to other employees who are eligible to enroll in such a plan under this Act. The Secretary of Agriculture is authorized and directed to prescribe and issue such regulations as may be necessary to provide a means of effecting the application and operation of the provisions of this subsection with respect to such persons.'

"Employees in the Judicial Branch

"SEC. 116. (a) The rates of basic compensation of officers and employees in or under the judicial branch of the Government whose rates of compensation are fixed by or pursuant to paragraph (2) of subdivision a of section 62 of the Bankruptcy Act (11 U.S.C. 102(a)(2)), section 3656 of title 18 of the United States Code, the third sentence of section 603, section 604(a)(5), or sections 672 to 675, inclusive, of title 28 of the United States Code, or section 107(a)(6) of the Act of July 31, 1956, as amended (5 U.S.C. 2203(a)(6)), are hereby increased by amounts equal to the increases provided by section 612 of this part in corresponding rates of compensation paid to officers and employees subject to the Classification Act of 1949, as amended.

"(b) The limitations provided by applicable law on the effective date of this section with respect to the aggregate salaries payable to secretaries and law clerks of circuit and district judges are hereby increased by the amounts necessary to pay the additional basic compensation provided by this part.

"(c) Section 753(e) of title 28 of the United States Code (relating to the compensation of court reporters for district courts) is amended by striking out '$7,095' and inserting in lieu thereof '$7,630'.

"Employees in the Legislative Branch

"SEC. 117. (a) Each officer and employee in or under the legislative branch of the Government whose rate of compensation is increased by section 5 of the Federal Employees Pay Act of 1946 shall be paid additional compensation at the rate of 7.5 per centum of his gross rate of compensation (basic compensation plus additional compensation authorized by law).

"(b) The basic compensation of each employee in the office of a Senator is hereby adjusted, effective on July 1, 1960, to the lowest multiple of $60 which will provide a gross rate of compensation not less than the gross rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if on or before the fifteenth day following the date of enactment of this Act the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased such notice shall be deemed to have been given.

"(c) Notwithstanding the provision referred to in subsection (d), the rates of gross compensation of each of the elected officers of the Senate (except the Presiding Officer of the Senate), the Parliamentarian of the Senate, the Legislative Counsel of the Senate, the Senior Counsel in the Office of the Legislative Counsel of the Senate, and the Chief Clerk of the Senate are hereby increased by 7.5 per centum.

"(d) The paragraph imposing limitations on basic and gross compensation of officers and employees of the Senate appearing under the heading 'SENATE' in the Legislative Appropriation Act, 1956 (69 Stat. 510; Public Law 242, Eighty-fourth Congress), is amended to read as follows:

"'No officer or employee whose compensation is disbursed by the Secretary of the Senate shall be paid basic compensation at a rate in excess of $8,800 per annum, or gross compensation at a rate in excess of $17,525 per annum, unless expressly authorized by law.'

"(e) The limitation on gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the Senate is hereby increased by 7.5 per centum. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent. The provisions of subsection (a) of this section shall not apply to employees whose compensation is subject to such limitation.

"(f) The official reporters of proceedings and debates of the Senate and their employees shall be considered to be officers or employers in or under the legislative branch of the Government within the meaning of subsection (a).

"(g) Each officer or employee of the House of Representatives, whose compensation is disbursed by the Clerk of the House of Representatives and it is not increased automatically, or is not permitted to be increased administratively, by reason of any other provision of this section, shall receive additional compensation at the rate of 7.5 per centum of the rate of his total annual compensation in effect immediately prior to the effective date of this section.

"(h) The limitations on gross rate per thousand and gross rate per hour per person provided by applicable law on the effective date of this section with respect to the folding of speeches and pamphlets for the House of Representatives are hereby increased by 7.5 per centum. The amount of each such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

"(i) The additional compensation provided by this section shall be considered a part of basic compensation for the purposes of the Civil Service Retirement Act (5 U.S.C. 2251 and the following).

"Part C—General Provisions

"Authorization of Appropriations

"SEC. 121. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this title and title II.

"Effective Date

"SEC. 122. The foregoing provisions of this title and the provisions of section 201 shall become effective on the first day of the first pay period which begins on or after July 1, 1960.

"TITLE II—EXECUTIVE AND SUPERGRADE POSITIONS

"SEC. 201. The Federal Executive Pay Act of 1956 be amended as follows:

"(1) Section 106(a) is amended by adding the following new subparagraph after subparagraph (45):

"'(46) Legal adviser, solicitor, or general counsel of an executive department (excluding the Department of Justice)'.

"(2) Section 106(b) is amended by deleting the present subparagraph (9) and by inserting in lieu thereof the following:

"'(9) General counsel of a military department'.

"SEC. 202. There shall be in the Department of Health, Education, and Welfare an Administrative Assistant Secretary of Health, Education, and Welfare who shall be appointed, with the approval of the President, by the Secretary of Health, Education, and Welfare under the classified civil service, who shall perform such duties as the Secretary shall prescribe, and whose annual rate of basic compensation shall be $19,000.

"SEC. 203. (a) Subsection (b) of section 505 of the Classification Act of 1949, as amended, is amended (1) by striking out 'fourteen hundred and twenty-nine' and inserting 'fourteen hundred and nine', (2) by striking out 'three hundred and seventy-one' and inserting 'three hundred and sixty-three', and (3) by striking out 'one hundred and fifty-three' and inserting 'one hundred and fifty-two'.

"(b) Such section is further amended by adding at the end thereof a new subsection as follows:

"'(1) The Interstate Commerce Commission is authorized, subject to the standards and procedures prescribed by this Act, to place a total of two positions in grade 18, ten positions in grade 17, and thirteen positions in grade 16 of the General Schedule. Such positions shall be in addition to the number of positions authorized to be placed in such grades by subsection (b).'"

Mr. MORRISON (during the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the substitute amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. HOFFMAN of Michigan. Mr. Chairman, reserving the right to object, will the gentleman tell us what the rest of it is, just briefly?

Mr. MORRISON. If the gentleman had remained here during general debate he would have heard it. It was debated for 2 hours, and we told exactly what was in it.

Mr. HOFFMAN of Michigan. I heard it all right, but it was kind of difficult to understand the way you put it.

Mr. MORRISON. I will try to do better next time.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. MORRISON. Mr. Chairman, I will not take up the Committee's time. I am sure they have heard everything contained in this substitute amendment. It in effect changes the amount of the pay raise from 9 percent across the board to 7.5 percent across the board salary raise for all Federal employees.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. MORRISON] as a substitute to the committee amendment.

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the committee amendment as amended by the substitute.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Mr. HOFFMAN of Michigan. Mr. Chairman, I have a preferential motion.

The CHAIRMAN. The motion comes too late.

The Committee will rise.

Mr. HOFFMAN of Michigan. I wonder if the Chairman could explain that, why it is too late, under the rule?

The CHAIRMAN. Such a motion is in order only when amendments are in order, and under the rule amendments are not now in order.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOGGS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, pursuant to House Resolution 537, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. REES of Kansas. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. REES of Kansas. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. REES of Kansas moves to recommit the bill, H.R. 9883, to the House Committee on Post Office and Civil Service, with instructions to report it back forthwith with a salary increase for those covered under the bill of 5 percent in lieu of the increase provided in the amendment.

Mr. MORRISON. Mr. Speaker, I make the point of order that there can be only a straight motion to recommit on this bill.

The SPEAKER. The rule specifically provided otherwise. The rule provides for a motion to recommit with or without instructions.

Mr. MORRISON. Mr. Speaker, I withdraw my point of order and move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. HALLECK. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 94, nays 324, not voting 14, as follows:

[Roll No. 133]

YEAS—94

Abbitt	Fisher	Mumma
Abernethy	Flynt	Nelsen
Alexander	Ford	O'Konski
Alger	Frelinghuysen	Passman
Allen	Gary	Pilcher
Andersen, Minn.	Goodell	Pillion
Andrews	Griffin	Poage
Arends	Haley	Poff
Avery	Halleck	Ray
Baker	Hardy	Reece, Tenn.
Barry	Harrison	Rees, Kans.
Bass, N.H.	Henderson	Rhodes, Ariz.
Bates	Herlong	Robison
Bennett, Fla.	Hess	St. George
Berry	Hiestand	Scherer
Betts	Hoeven	Schneebeli
Brown, Ohio	Hoffman, Ill.	Short
Budge	Hoffman, Mich.	Sikes
Brynes, Wis.	Jackson	Siler
Cederberg	Jonas	Smith, Kans.
Chamberlain	Keith	Smith, Miss.
Colmer	Kilburn	Smith, Va.
Curtis, Mo.	Kitchin	Taber
Dague	Lafore	Teague, Calif.
Derwinski	Laird	Teague, Tex.
Devine	Langen	Thomson, Wyo.
Dorn, S.C.	Latta	Tuck
Dowdy	McCulloch	Westland
Downing	McIntire	Wharton
Elliott, Pa.	McMillan	Whitten
Everett	Matthews	Winstead
	Meader	

NAYS—324

Adair	Blatnik	Burke, Mass.
Addonizio	Blitch	Burleson
Albert	Boggs	Byrne, Pa.
Alford	Boland	Cahill
Anderson, Mont.	Bolling	Canfield
Anfuso	Bolton	Cannon
Ashley	Bonner	Casey
Ashmore	Bosch	Celler
Aspinall	Bow	Chelf
Auchincloss	Bowles	Chenoweth
Ayres	Boykin	Chiperfield
Bailey	Brademas	Church
Baldwin	Bray	Clark
Baring	Breeding	Coad
Barr	Brewster	Coffin
Barrett	Brock	Cohelan
Bass, Tenn.	Brooks, La.	Collier
Baumhart	Brooks, Tex.	Conte
Becker	Broomfield	Cook
Beckworth	Brown, Ga.	Cooley
Belcher	Brown, Mo.	Corbett
Bennett, Mich.	Broyhill	Cramer
	Burke, Ky.	Cunningham
Curtin	Karsten	Powell
Curtis, Mass.	Karth	Preston
Daddario	Kasem	Price
Daniels	Kastenmeier	Prokop
Davis, Ga.	Kearns	Pucinski
Davis, Tenn.	Kee	Quie
Dawson	Kelly	Quigley
Delaney	Keogh	Rabaut
Dent	Kilday	Rains
Denton	Kilgore	Randall
Derounian	King, Calif.	Reuss
Diggs	King, Utah	Rhodes, Pa.
Dingell	Kirwan	Riehlman
Dixon	Kluczynski	Riley
Donohue	Knox	Rivers, Alaska
Dooley	Kowalski	Roberts
Dorn, N.Y.	Kyl	Rodino
Doyle	Landrum	Rogers, Colo.
Duiski	Lane	Rogers, Fla.
Dwyer	Lankford	Rogers, Mass.
Edmondson	Lennon	Rogers, Tex.
Elliott, Ala.	Lesinski	Rooney
Evins	Levering	Roosevelt
Fallon	Libonati	Rostenkowski
Farbstein	Lindsay	Roush
Fascell	Lipscomb	Rutherford
Feighan	McCormack	Santangelo
Fenton	McDonough	Saund
Fino	McDowell	Saylor
Flood	McFall	Schenck
Flynn	McGinley	Schwengel
Fogarty	McGovern	Scott
Foley	McSween	Selden
Forand	Macdonald	Shelley
Forrester	Machrowicz	Sheppard
Fountain	Mack	Shipley
Frazier	Madden	Simpson
Friedel	Magnuson	Sisk
Fulton	Mahon	Slack
Gallagher	Mailliard	Smith, Calif.
Garmatz	Marshall	Smith, Iowa
Gathings	Martin	Spence
Gavin	Mason	Springer
George	May	Staggers
Giaimo	Merrow	Steed
Gilbert	Metcalf	Stratton
Glenn	Meyer	Stubblefield
Granahan	Michel	Sullivan
Grant	Miller, Clem	Teller
Gray	Miller, George P.	Thomas
Griffiths	Miller, N.Y.	Thompson, La.
Gross	Milliken	Thompson, N.J.
Gubser	Mills	Thompson, Tex.
Hagen	Minshall	Thornberry
Halpern	Mitchell	Toll
Hargis	Moeller	Tollefson
Harmon	Monagan	Trimble
Harris	Montoya	Udall
Hays	Moore	Ullman
Healey	Moorhead	Utt
Hébert	Morgan	Vanik
Hechler	Morris, N. Mex.	Van Pelt
Hemphill	Morrison	Van Zandt
Hogan	Moss	Vinson
Holifield	Multer	Wainwright
Holland	Murphy	Wallhauser
Holt	Murray	Walter
Holtzman	Natcher	Wampler
Horan	Nix	Watts
Hosmer	Norblad	Weaver
Huddleston	Norrell	Weis
Hull	O'Brien, Ill.	Whitener
Ikard	O'Brien, N.Y.	Widnall
Inouye	O'Hara, Ill.	Wier
Irwin	O'Hara, Mich.	Williams
Jarman	O'Neill	Willis
Jennings	Oliver	Wilson
Jensen	Osmers	Withrow
Johansen	Ostertag	Wolf
Johnson, Calif.	Pelly	Wright
Johnson, Colo.	Perkins	Yates
Johnson, Md.	Pfost	Young
Johnson, Wis.	Philbin	Younger
Jones, Ala.	Pirnie	Zablocki
Jones, Mo.	Porter	Zelenko
Judd		

NOT VOTING—14

Barden	Durham	Moulder
Bentley	Green, Oreg.	Patman
Buckley	Green, Pa.	Rivers, S.C.
Burdick	Loser	Taylor
Carnahan	Morris, Okla.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Rivers of South Carolina with Mr. Bentley.

Mr. Green of Pennsylvania with Mr. Taylor.

Mr. Buckley with Mr. Burdick.

Mr. JENNINGS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MORRISON. Mr. Speaker, on this I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 378, nays 40, not voting 14, as follows:

[Roll No. 134]

YEAS—378

Abbitt	Daddario	Hull
Abernethy	Dague	Ikard
Adair	Daniels	Inouye
Addonizio	Davis, Ga.	Irwin
Albert	Davis, Tenn.	Jarman
Alexander	Dawson	Jennings
Alford	Delaney	Jensen
Andersen, Minn.	Dent	Johnson, Calif.
	Denton	Johnson, Colo.
Anderson, Mont.	Derounian	Johnson, Md.
	Derwinski	Johnson, Wis.
Andrews	Devine	Jonas
Anfuso	Diggs	Jones, Ala.
Ashley	Dingell	Judd
Ashmore	Dixon	Karsten
Aspinall	Donohue	Karth
Auchincloss	Dooley	Kasem
Avery	Dorn, N.Y.	Kastenmeier
Ayres	Dowdy	Kearns
Bailey	Downing	Kee
Baker	Doyle	Keith
Baldwin	Dulski	Kelly
Baring	Dwyer	Keogh
Barr	Edmondson	Kilday
Barrett	Elliott, Ala.	Kilgore
Barry	Elliott, Pa.	King, Calif.
Bass, N.H.	Evins	King, Utah
Bass, Tenn.	Fallon	Kirwan
Bates	Farbstein	Kitchin
Baumhart	Fascell	Kluczynski
Becker	Feighan	Knox
Beckworth	Fenton	Kowalski
Belcher	Fino	Kyl
Bennett, Fla.	Fisher	Lafore
Bennett, Mich.	Flood	Landrum
Betts	Flynn	Lane
Blatnik	Fogarty	Langen
Blitch	Foley	Lankford
Boggs	Forand	Latta
Boland	Forrester	Lennon
Bolling	Fountain	Lesinski
Bolton	Frazier	Levering
Bonner	Frelinghuysen	Libonati
Bosch	Friedel	Lindsay
Bow	Fulton	Lipscomb
Bowles	Gallagher	McCormack
Boykin	Garmatz	McCulloch
Brademas	Gary	McDonough
Bray	Gathings	McDowell
Breeding	Gavin	McFall
Brewster	George	McGinley
Brock	Giaimo	McGovern
Brooks, La.	Gilbert	McMillan
Brooks, Tex.	Glenn	McSween
Broomfield	Goodell	Macdonald
Brown, Ga.	Granahan	Machrowicz
Brown, Mo.	Grant	Mack
Brown, Ohio	Gray	Madden
Broyhill	Griffiths	Magnuson
Burke, Ky.	Gubser	Mahon
Burke, Mass.	Hagen	Mailliard
Burleson	Haley	Marshall
Byrne, Pa.	Halpern	Martin
Cahill	Hardy	Mason
Canfield	Hargis	Matthews
Cannon	Harmon	May
Casey	Harris	Meader
Celler	Hays	Merrow
Chamberlain	Healey	Metcalf
Chelf	Hébert	Meyer
Chenoweth	Hechler	Michel
Chiperfield	Hemphill	Miller, Clem
Church	Henderson	Miller, George P.
Clark	Herlong	
Coad	Hess	Miller, N.Y.
Coffin	Hiestand	Milliken
Cohelan	Hoeven	Mills
Collier	Hoffman, Ill.	Minshall
Conte	Hogan	Mitchell
Cook	Holifield	Moeller
Cooley	Holland	Monagan
Corbett	Holt	Montoya
Cramer	Holtzman	Moore
Cunningham	Horan	Moorhead
Curtin	Hosmer	Morgan
Curtis, Mass.	Huddleston	Morris, N.Mex.
Morrison	Robison	Thomas
Moss	Rodino	Thompson, La.
Multer	Rogers, Colo.	Thompson, N.J.
Mumma	Rogers, Fla.	Thompson, Tex.
Murphy	Rogers, Mass.	Thomson, Wyo.
Natcher	Rogers, Tex.	Thornberry
Nelsen	Rooney	Toll
Nix	Roosevelt	Tollefson
Norblad	Rostenkowski	Trimble
O'Brien, Ill.	Roush	Udall
O'Brien, N.Y.	Rutherford	Ullman
O'Hara, Ill.	St. George	Utt
O'Hara, Mich.	Santangelo	Vanik
O'Konski	Saund	Van Pelt
O'Neill	Saylor	Van Zandt
Oliver	Schenck	Vinson
Osmers	Schneebeli	Wainwright
Ostertag	Schwengel	Wallhauser
Passman	Scott	Walter
Pelly	Selden	Wampler
Perkins	Shelley	Watts
Pfost	Sheppard	Weaver
Philbin	Shipley	Weis
Pirnie	Sikes	Westland
Porter	Siler	Wharton
Powell	Simpson	Whitener
Preston	Sisk	Whitten
Price	Slack	Widnall
Prokop	Smith, Calif.	Wier
Pucinski	Smith, Iowa	Williams
Quie	Smith, Miss.	Willis
Quigley	Spence	Wilson
Rabaut	Springer	Winstead
Rains	Staggers	Withrow
Randall	Steed	Wolf
Reuss	Stratton	Wright
Rhodes, Pa.	Stubblefield	Yates
Riehlman	Sullivan	Young
Riley	Teague, Calif.	Younger
Rivers, Alaska	Teague, Tex.	Zablocki
Roberts	Teller	Zelenko

NAYS—40

Alger	Gross	Poage
Allen	Halleck	Poff
Arends	Harrison	Ray
Berry	Hoffman, Mich.	Reece, Tenn.
Budge	Jackson	Rees, Kans.
Byrnes, Wis.	Johansen	Rhodes, Ariz.
Cederberg	Jones, Mo.	Scherer
Colmer	Kilburn	Short
Curtis, Mo.	Laird	Smith, Kans.
Dorn, S.C	McIntire	Smith, Va.
Everett	Murray	Taber
Flynt	Norrell	Tuck
Ford	Pilcher	
Griffin	Pillion	

NOT VOTING—14

Barden	Durham	Moulder
Bentley	Green, Oreg.	Patman
Buckley	Green, Pa.	Rivers, S.C.
Burdick	Loser	Taylor
Carnahan	Morris, Okla.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Buckley with Mr. Bentley.

Mr. Green of Pennsylvania with Mr. Barden.

Mr. Rivers of South Carolina with Mr. Taylor.

Mr. THOMSON of Wyoming changed his vote from "nay" to "yea."

The vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MORRISON. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks, just prior to the vote on this bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DEPARTMENT OF AGRICULTURE AND FARM CREDIT ADMINISTRATION APPROPRIATION BILL, 1961

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 1863)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5 and 21.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 11, 12, 15, 17, 18, 19, 20, 24, 31, and 32, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$68,827,200"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$32,053,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$32,553,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$55,220,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$56,715,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,265,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$35,000,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree

to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$16,515,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$940,000"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$330,000,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$31,050,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,050,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$1,488,000"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "one hundred seventy four thousand and seven hundred and thirty six"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the matter proposed by said amendment insert "eighty-seven thousand and three hundred and sixty-eight"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$67,300"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4 and 6.

JAMIE L. WHITTEN,
FRED MARSHALL,
CLARENCE CANNON,
H. CARL ANDERSEN,
JOHN TABER,
Managers on the Part of the House.

RICHARD B. RUSSELL,
CARL HAYDEN,
LISTER HILL,
A. WILLIS ROBERTSON,
ALLEN J. ELLENDER,
MILTON R. YOUNG,
KARL E. MUNDT,
HENRY C. DWORSHAK,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

DEPARTMENT OF AGRICULTURE

Agricultural Research Service

Amendments Nos. 1 and 2—Research: Appropriate $68,827,200 instead of $67,934,000 as proposed by the House and $70,247,600 as proposed by the Senate. The amount agreed to includes the following increases above the funds approved by the House:

(1) $500,000 for research on spray residues, making a total of $750,000 additional for this purpose;

(2) $250,000 for utilization research, making a total increase of $950,000 for this purpose;

(3) A total of $272,500 for advance staffing of the cotton insect research laboratory and for additional research at three branch stations;

(4) $60,000 for initial staffing of two corn insect laboratories authorized last year;

(5) $350,000 for increased vegetable crops research;

(6) $75,000 for the Newell, S. Dak., research station;

(7) $20,000 for research on weeds of sugarcane at Houma, La.;

(8) $25,000 for pecan insect research at Albany, Ga.;

(9) $25,000 for research studies on salt cedars and other phreatophytes;

(10) $60,000 to increase poultry disease research at Athens, Ga.;

(11) $455,700 for staffing soil and water laboratories, which provides a total of $40,000 for the Humboldt River watershed in Nevada and $200,000 to expand research on hydrology problems in Oklahoma.

Amendment No. 3—Plant and animal disease and pest control: Appropriates $52,236,000 as proposed by the Senate instead of $52,011,000 as proposed by the House.

Amendment No. 4—Plant and animal disease and pest control: Reported in disagreement.

Amendment No. 5—Special fund: Restores House language stricken by the Senate.

Amendment No. 6—Construction of facilities: Reported in disagreement. The managers on the part of the House intend to offer a motion to recede and agree to the sum of $2,550,000 instead of $3,700,000 as proposed by the Senate. The amount agreed to provides funds for various research facilities as follows:

(1) $300,000 for initiating construction of the main laboratory and headquarters at the National Arboretum at a total cost of not to exceed $1,500,000;

(2) $250,000 for tobacco research facilities as provided in the House bill;

(3) $300,000 for planning and initiating construction of a facility at Athens, Ga., at not to exceed a total cost of $950,000 to conduct research on diseases and related problems affecting poultry;

(4) $200,000 for planning and initiating construction of a laboratory at not to exceed a total cost of $400,000 at Mississippi State University to conduct research in management and structures in relation to the prevention and control of disease and related methods of improving poultry quality in the Southeast;

(5) $300,000 for planning and initiating construction of a laboratory at not to exceed a total cost of $2,000,000 at or near the North Dakota Agricultural Experiment Station at Fargo, N. Dak., for research on metabolism of agricultural chemicals in insects, plants, and livestock, and to develop sterility techniques for control of insects;

(6) $250,000 for research facilities on improved practices for conservation farming and ranching at Bushland, Tex., as provided in the House bill;

(7) $200,000 for planning and initiating construction of a laboratory at not to exceed a total cost of $400,000 to conduct basic research on tillage, traction, and transport equipment and its effect on soil conservation at Auburn, Ala.;

(8) $250,000 for planning and initiating construction of a laboratory at not to exceed a total cost of $850,000 to develop technology for sound conservation practices in the Snake River Valley;

(9) $350,000 for planning and initiating construction of a laboratory at not to exceed a total cost of $500,000 to conduct research on plants, soil, and nutrition at Ithaca, N.Y.;

(10) $150,000 for construction of a laboratory to study soil and water management practices of the Northwest at Pullman, Wash.

Amendments Nos. 7 and 8—State experiment stations: Appropriate $32,553,000 instead of $31,553,000 as proposed by the House and $32,553,708 as proposed by the Senate.

Extension service

Amendments Nos. 9, 10, and 11—Payments to States and Puerto Rico: Appropriate $56,715,000 instead of $55,715,000 as proposed by the House and $57,715,000 as proposed by the Senate. The conferees have eliminated from the bill the requirement that the use of the additional funds be limited to the county level. The conferees are in accord, however, that such increase should be used in accordance with such provision. A number of States have used the substantial increases made in this item in recent years for additional personnel at the State and county levels. Many of these States have failed to maintain the salaries of county agents at a level comparable with agents in other States. In such States the funds in this bill should be used for the present number of employees at the county level to place salaries at a level comparable with other States. Testimony before the House committee indicates that salary increases are needed in 22 States to maintain comparable levels.

Amendment No. 12—Retirement costs for extension agents: Appropriates $5,961,000 as proposed by the Senate instead of $5,875,000 as proposed by the House.

Amendment No. 13—Federal Extension Service: Appropriates $2,265,000 instead of $2,255,000 as proposed by the House and $2,275,000 as proposed by the Senate. The extra $10,000 is provided for the employment of an additional auditor.

Soil Conservation Service

Amendment No. 14—Watershed protection: Appropriates $35,000,000 instead of $32,000,000 as proposed by the House and $37,000,000 as proposed by the Senate. The conferees are in agreement that $4,900,000 shall be used for investigations and planning.

Amendment No. 15—Flood prevention: Inserts statutory reference.

Agricultural Marketing Service

Amendment No. 16—Marketing research and agricultural estimates: Appropriates $16,515,000 instead of $16,315,000 as proposed by the House and $16,605,000 as proposed by the Senate. The amount agreed to includes funds to initiate lamb-on-feed reports, research on vegetables in the Southeast, and a pilot operation on estimates for tomatoes and celery. The conferees agree that the full $750,000 allowed by the House should be used to initiate the long-range program designed to modernize and improve the entire system of agricultural estimates.

Amendment No. 17: Changes punctuation.

Amendment No. 18—Marketing services: Appropriates $26,579,900 as proposed by the Senate. The conferees have allowed the full budget estimate for poultry inspection. The funds so approved are for poultry inspection as proposed by the budget.

The conferees have agreed to an increase for administration of the Packers and Stockyards Act in view of the Department's in-

creased regulatory responsibilities over livestock transactions at country points. However, concern has been expressed by livestock producers, country buyers, and local sales operators regarding the possible imposition of administrative regulations on selling and buying practices at the farm or local level which perhaps are appropriate for the larger markets but which are completely contrary to long-established and accepted customs, arrangements, and practices by parties at interest. It is the consensus of the conferees that vast differences have prevailed and will continue to prevail between sales by private treaty or at local community sales and transactions at the organized public and terminal markets. For this reason care should be exercised in the development of applicable regulations governing livestock transactions to provide for meeting these different situations in order that the right and freedom of producers to negotiate, bargain, and decide in their best interests shall be protected.

Foreign Agricultural Service

Amendments Nos. 19 and 20—Salaries and expenses: Appropriate $4,487,000 as proposed by the Senate instead of $4,447,000 as proposed by the House, and authorize the transfer of $2,539,000 from section 32 funds as proposed by the Senate instead of $2,493,000 as proposed by the House.

Amendment No. 21—Special foreign currency program: Eliminates language inserted by the Senate relative to the purchase of foreign currencies.

Commodity Exchange Authority

Amendment No. 22—Salaries and expenses: Appropriates $940,000 instead of $930,000 as proposed by the House and $941,325 as proposed by the Senate.

Commodity Stabilization Service

Amendment No. 23—Conservation reserve program: Appropriates $330,000,000 instead of $310,000,000 as proposed by the House and $335,000,000 as proposed by the Senate. Of the funds included for administrative expenses, not less than $10,000,000 shall be used for county expenses. Reductions required under the balance of the administrative funds shall be made primarily at the Washington level.

Rural Electrification Administration

Amendment No. 24—Loan authorizations: Authorizes $60,000,000 for the contingency fund for each program as proposed by the Senate instead of $50,000,000 as proposed by the House.

Farmers Home Administration

Amendments Nos. 25 and 26—Salaries and expenses: Appropriate $31,050,000 instead of $30,500,000 as proposed by the House and $31,467,650 as proposed by the Senate and authorize the transfer of $1,050,000 from the farm tenant mortgage insurance fund instead of $1,000,000 as proposed by the House and $1,100,000 as proposed by the Senate.

Office of Information

Amendments Nos. 27, 28, 29, and 30—Salaries and expenses: Appropriate $1,488,000 instead of $1,478,000 as proposed by the House and $1,523,000 as proposed by the Senate and provide for the printing of 174,736 copies of the 1961 yearbook "Seeds" and the reprinting of 87,368 copies of the 1959 yearbook "Food."

Commodity Credit Corporation

Amendment No. 31—Limitation on administrative expenses: Authorizes $45,726,000 as proposed by the Senate instead of $44,726,000 as proposed by the House, which provides an additional $1,000,000 for the contingency fund. The conferees are in agreement that cotton-quality evaluation and other research to be performed under CCC contracts should not be charged to this limitation. They further agree that all such research undertaken in fiscal year 1961 should be reported to the Committees on Appropriations of the House and Senate when initiated and should be provided for in the budget for fiscal year 1962.

Amendment No. 32—Limitation on administrative expenses: Eliminates language inserted by the House. The conferees have eliminated the following language from the bill: *Provided further,* That none of the funds herein appropriated shall be used to formulate or administer any program which does not provide for maximum use of Government-owned facilities for storing surplus commodities, consistent with the economical operation of the Corporation.

The charter of the Commodity Credit Corporation states: "That nothing contained in this subsection (b) shall limit the duty of the Corporation, to the maximum extent practical consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities and arrangements of the trade and commerce in warehousing commodities * * *." The conferees agree that commercial warehouse space for storing commodities be given preference, other things being equal; however, when existing Government storage is available and can be effectively used at less cost, taking into consideration all cost factors involved, including risk incurred, such space should be used in the interest of protecting the Treasury. Such practices as moving commodities from existing Government storage into commercial warehouse space is certainly not in the interests of protecting the assets of the Commodity Credit Corporation and is a waste of tax dollars. The conferees do not favor construction of further Government-owned storage facilities.

JAMIE L. WHITTEN,
FRED MARSHALL,
CLARENCE CANNON,
H. CARL ANDERSEN,
JOHN TABER,
Managers on the Part of the House.

Mr. WHITTEN (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I would like to say to the gentleman from Mississippi that I am a little concerned about one sentence in the report, the very last sentence which says that the conferees do not favor construction of further Government-owned storage facilities.

I would like to cite as the background for my question the fact that last year, the first year of the Benson corn program, we produced 4.4 billion bushels of corn. We consumed 3.8 billion bushels. Obviously the CCC is obligated under these circumstances to take over a considerable amount of corn. There is some doubt there is sufficient properly located storage in existence today, even when you add the commercial together with the Government-owned storage. This means that the Commodity Credit Corporation must secure some additional storage somewhere. If they cannot secure the storage at a reasonable price from the trade, obviously they are going to have to or should provide it with some Government-owned facilities.

In order to make the language in the report more clear, did the gentleman intend to discourage the construction of more Government-owned storage under these circumstances, or where it is necessary?

Mr. WHITTEN. May I say to the gentleman that the gentleman from Illinois [Mr. YATES] offered the amendment commonly known as the Yates amendment. I think he rendered a real service in offering that amendment. I think it was beneficial to the conferees in writing the conference report. Generally we have tried to carry out the intent of that amendment in our report, as I understand the intent, though the conference language speaks for itself.

As to the language to which the gentleman refers, I call attention again to the fact that we did not say government storage could not be built. We said only that we did not favor the construction of further Government-owned storage facilities. The intent, as I understand it, was that where commercial facilities can be made available or where the Government can promote the construction by commercial enterprise, on a reasonable cost basis, in those cases it should be done. But I do agree with the gentleman that under the price-support laws storage space must be made available in order to provide for the price-support program. In those cases where storage is not otherwise available the CCC would be duty bound to use this means of providing the price support benefits. Thus we come back to the fact that if commercial enterprises do not meet this need on a reasonable basis, there would be an obligation on the part of the Government to meet it. We do not favor doing that unless it should be necessary either because commercial warehousing was unavailable or because exhorbitant rates were demanded.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. YATES. Let me first thank the gentleman for his gracious comments on my amendment. I am still not clear as to what the meaning of the language used by the conferees is. I read from the conference report:

> The conferees agree that commercial warehouse space for storing commodities be given preference, other things being equal.

Suppose you have two facilities in an area. You have a Government-owned facility and you have a commercial facility, both of which are empty. It would be cheaper to store the surplus commodity in the Government facility. Is it the intent of your amendment that the Commodity Credit Corporation should store such grain as requires storage in the Government facility under those conditions?

Mr. WHITTEN. If we presume that it would be more economical to use the Government storage, it is our intent that it be used. We do point out in the language we use that there are certain cost

factors that should be taken into consideration in making the decision as to "most economical." The commercial warehouse agrees to deliver the same quality grain without deterioration. On the other hand, the Government under some circumstances might have no provision for loading and unloading and no provision for turnover. That in itself would not preclude Government-owned storage, but in determining which is most economical those different factors should be taken into account. Primarily what we say in the report is what I think the gentleman really intended in his amendment. We spell out some of the factors which are involved in the word "economical."

Mr. YATES. That was the intent of the amendment, to make the program be operated in the most economical way possible, and that is still the intent of the conference report, that the program be operated on the most economical basis possible, and that if the corporation has a choice between commercial and Government facilities and it would be more economical to use the Government facilities, the corporation is to use the Government facilities.

Mr. WHITTEN. It is my belief that would be required under the words of the charter, "Consistent with the efficient operation of the corporation." May I say the gentleman's efforts, I believe, will lead to considerable savings to the Government.

Mr. YATES. I thank the gentleman.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. MAHON. Has the action of the conferees been discussed with the officials of the Department of Agriculture having to do with the storage of grain, and do they think that this compromise arrangement is reasonably satisfactory from the standpoint of the farmer, the warehouse man, and others involved?

Mr. WHITTEN. We have not discussed this with the Department officials. We had quite lengthy hearings with the departmental officials earlier. This in my judgment is in line with the sound operation of the corporation. I do not believe anybody in the Department could differ with the language. After all, the Department's handling of the matter led to the adoption first of the amendment and now of the report. I think it is in line with what sound-thinking people in the Department believe, and I think it is thoroughly workable.

Mr. JOHNSON of Maryland. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. JOHNSON of Maryland. Mr. Speaker, I wish to commend the conference committee on their splendid report and to say that I appreciate their cooperation in having the funds for marketing services restored in the bill. As I told the House on May 11, the elimination of the appropriations for Federal compulsory poultry inspection would have a serious impact on the important poultry industry of the First Congressional District of Maryland. Members of the committee assured me that efforts would be made to restore these funds amounting to some $26 million, and I am happy that this has been accomplished.

We are proud of our Eastern Shore poultry industry. Our producers have remarkably increased their efficiency in the use of inputs in feed, labor, capital, and management, which have resulted in lower production costs. Our breeders and hatcheries have provided improved meat-type strains, and our processors have adopted modern methods and techniques. Collectively, the industry has promoted its products in the Nation's marketplace. In spite of these economies and good market practices, the margin of profit to the poultry industry has been reduced to the point where further investments in capital assets have been questioned.

For the past year, I have been pressing for more favorable freight rates on feed ingredients shipped from midwestern grain terminals to our district. Freight rates to other geographic areas of the same distance or more which produce poultry are for the most part considerably lower than those prevailing in my district. This inequity and discrimination is definitely unfair to the poultrymen on the Delmarva Peninsula. As an example, the Memphis area was at a $1.97 a ton advantage over our poultry district. A study is now under way on freight price differential in the northeast area and I see some hope that our great poultry industry will obtain this needed relief.

Another problem confronting the great Delmarva poultry-producing area is the need to deepen channels and improve harbor facilities in order to take advantage of cheaper water freight rates.

The Eastern Shore is one of the largest broiler-producing areas in the United States. Despite higher feed ingredient costs, higher freight rates, and higher operation costs generally, our poultry industry has held a respectable position because of its high degree of efficiency, good management, and quality birds. This great industry is and will continue as an important segment of the general economy of the district.

Mr. YATES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. YATES. Mr. Speaker, on May 11, when the Department of Agriculture appropriations bill was on the floor, I offered an amendment to require the Commodity Credit Corporation to use Government storage facilities to the maximum extent possible, consistent with economical operation of the Corporation, for the storage of surplus agricultural commodities. The reason for the amendment was obvious. As the committee pointed out, the storage charges for fiscal year 1959 totaled almost $482 million. For 1960, the storage charges for surplus commodities were estimated to be $612 million. For the next fiscal year, storage charges were expected to exceed $700 million. The Government itself owns facilities in which 985 million bushels of surplus commodities can be stored. According to the committee's hearings, these facilities are being used only to the extent of 65 percent.

Why is this important? Because of the great disparity between the costs of storage in Government facilities and commercial facilities. According to the hearings, the cost of using Government facilities is 5.1 cents per bushel as opposed to a cost of 16.3 cents per bushel in commercial facilities. And even with this tremendous difference in cost, it is the policy of the Department of Agriculture to require storage in commercial bins, even though empty Government storage space is available. It is clear that millions of dollars in storage charges can be saved if Government facilities are used to a greater extent.

Now the conferees have returned with their conference report which has stricken the amendment I offered in the House and which the House accepted. I know that the conferees had a most difficult task in trying to reconcile their support for the Yates amendment with the views in opposition of the Senate. However, after speaking to several of them earlier today on the intent of the language in the conference report which was substituted for my amendment, I believe its intent is the same. The language may be different, but the purpose is the same.

The purpose of the Yates amendment was to save money for the taxpayers through the efficient and economical operation of the Corporation's storage program. It had been shown that the Corporation was not making adequate use of Government facilities. On the contrary, it was utilizing much more expensive commercial facilities, when Government storage facilities were available. As I indicated before, the hearings of this subcommittee and of the Fountain Subcommittee of the House Committee on Government Operations show that the cost of storage was 5.1 cents for Government facilities, as opposed to 16.3 cents for commercial storage. No one on this subcommittee—not even those who objected to the Yates amendment when it was proposed, took issue with these costs when they were considered in committee.

In view of the statements just made by the chairman of the subcommittee that it is the intention of the conferees that the storage program be operated on the most economical basis, it would seem to me that the new language in the conference report must be construed to require practices which encourage economy. If Government facilities and commercial facilities are both available, and it is more economical to store the surplus commodities in Government facilities, I understand it to be the intention of the conferees that the commodities should be stored in Government warehouses. If in fact it can be shown that it is more economical to store the commodities in commercial facilities, the commodities should be stored in commercial facilities.

I have been assured by the chairman that the subcommittee intends to review the storage practices of the Commodity Credit Corporation during the next fiscal

year to see whether it will abstain from the extravagant practices of which it has been guilty in the past. I have been assured further that the committee intends to make sure that Government facilities are utilized in a manner which will permit the storage program to be operated as efficiently and economically as possible.

Mr. Speaker, the Yates amendment is a common sense amendment. The taxpayers are entitled to the protection it contains. I am sure the farmers themselves want the taxpayers to have such protection so that the entire farm program is not jeopardized by unnecessary and unwarranted expenditures. I am sure that they do not intend that the farm price-support program be a storage price-support program, as well. Common sense dictates that such costs be kept to a minimum. Common sense should be used in administering the surplus commodity storage program.

Mr. WHITTEN. Mr. Speaker, I yield 6 minutes to the gentleman from Minnesota [Mr. ANDERSEN] for the purpose of making a statement.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I am taking advantage of this opportunity to commend and compliment the leadership and those advocating the measure for the speed with which the pay-raise legislation for Government employees was brought to the floor and approved.

Just a few days ago a discharge petition was filed, and the Members stood in line in the well of the House to sign, and in 2 days the required number of signatures was obtained.

The pay-raise measure that we have approved has merit, and in addition it has popular appeal for more than 2 million Government employees. But what about the farmers, Mr. Speaker? Are American farmers any less deserving of their day in court?

It should be noted that the lowest entrance salary for civil service employees is now $2,960. That is a rather low salary today with the high cost of living and industrial wages averaging more than $90 per week. So we have just agreed to give all Government employees with salaries ranging from $2,960 to $17,500 a year a substantial raise. I believe they deserve it or I assure you I would not have voted for the bill.

But what about our farmers whose average net income per family is only $2,380 per year? The average farm operator and family today earns for labor, investment, and management ability a total amount $580 a year less than the lowest paid civil service employee to whom we have just voted a raise.

Two-thirds of the American farms, about 3 million of them, had incomes from farming last year amounting to $3,000 or less, according to the U.S. Department of Agriculture.

The average return to the dairy-farm operators and their families in the Central Northeast is below the present minimum civil service salary. The average return to cotton-farm operators in the southern Piedmont is only a fraction of that, and the average return to wheat-farm operators is also below the minimum civil service salary. They, too, must live off their dollar income like anybody else.

Are farm families any less deserving of consideration at our hands than the families of Government employees?

An income-reducing wheat bill was approved in the other body just the other day by a vote of 44 to 36 after an amendment sponsored by the majority to reduce price supports another 5 percent below the committee bill had been approved by a record vote of 48 to 34. Wheat farmers were shocked last week by the action in the other body and all farmers are appalled by the lack of any action here in the House of Representatives.

I am told that the Committee on Rules, with an 8 to 4 membership dominated by Democrats, has still not acted on the pending bill. I repeat, I am told that the Committee on Rules, with an 8 to 4 membership, dominated by Democrats, has still not acted on the pending farm bill. But I do not see the advocates of farm legislation, of that particular bill, filing a discharge petition, nor do I see the majority in control of the Congress by virtually a 2-to-1 margin doing anything about the farm-income problem.

On the one hand we see this quick and decisive action on behalf of 2 million Government employees, with salaries ranging from $2,960 to $17,500 a year, and on the other hand we see nothing being done—nothing being done for the 3 million farm families with incomes at or below the minimum civil service salary.

When I plead for action on a worthwhile farm measure, the leaders in control of legislation alibi that it might be vetoed. But the threat of a possible veto did not dismay a great majority of our colleagues here today when they signed the discharge petition earlier and now have cast their votes for a civil service pay raise.

Mr. HOFFMAN of Michigan. Mr. Speaker, I make a point of order that a quorum is not present.

Mr. Speaker, I withdraw that motion and make a point of order that the House is not in order.

The SPEAKER. The House will be in order.

Mr. ANDERSEN of Minnesota. I may say to the gentleman from Michigan that if the gentlemen on the other side of the aisle are not interested in farm legislation, that is their business. If their lack of order indicates their lack of interest in farm problems, let the record speak for itself. I am merely expressing my opinion here today in behalf of the farmers of the Nation. If some Members are not concerned, that is their business. That is about what the Democratic majority has done this year; they have not listened and they have not acted. They have that bill bottled up in the Rules Committee. They are waiting until the wheat bill comes over from the Senate and then they will say that our corn and feed grain green acres proposal is not germane because the bill would be wholly limited to wheat. That will be their strategy.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman.

Mr. HOFFMAN of Michigan. The gentleman is talking about the Rules Committee and our friends on the right over here. I was not thinking of them; I would like to hear what the gentleman says.

Mr. ANDERSEN of Minnesota. Thank you, sir.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. GROSS. The gentleman is talking about the Rules Committee.

Mr. ANDERSEN of Minnesota. I am just criticizing the Rules Committee, eight Democrats and four Republicans, for lack of action. We have been here more than 5 months, adjournment is staring us in the face with the turn of the page of our calendar, and campaign promises to the farmer apparently have been forgotten. The time for action on farm legislation is long overdue, Mr. Speaker. The House has just shown the Nation how fast it can act when the majority decides to do so, with little or no concern for a threatened veto.

Mr. Speaker, there is no alibi left for the dismal failure of this Congress in the field of farm legislation. The last, lame excuse of a possible veto was swept aside by the action of the House today in passing the pay raise bill.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: Page 4, line 5, insert ": *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for fiscal year 1962 that does not require minimum matching by any State of at least 40 per centum;".

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate No. 4, and concur therein with an amendment, as follows: In lieu of the figure 1962 in said amendment insert "1963".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 6: Page 6, line 1, insert:

"CONSTRUCTION OF FACILITIES

"For construction of facilities and acquisition of the necessary land therefor by donation or exchange, $3,700,000, to remain available until expended: *Provided*, That $300,000 of the amount appropriated herein shall be available for payment of expenses for construction of a headquarters-laboratory building at the National Arboretum, which is hereby authorized to be constructed under contract authorization in an amount not to exceed $1,500,000."

Mr. WHITTEN. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate No. 6, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert:

"CONSTRUCTION OF FACILITIES

"For construction of facilities and acquisition of the necessary land therefor by donation or exchange, $2,550,000, to remain available until expended."

Mr. WHITTEN. Mr. Speaker, I yield to the gentleman from Illinois [Mr. YATES].

Mr. ANDERSEN of Minnesota. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I ask unanimous consent that the gentlewoman from Washington [Mrs. MAY] may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mrs. MAY. Mr. Speaker, I am extremely gratified that, in accepting the conference report on the agriculture appropriations bill, the House of Representatives today included the sum of $150,000 for the establishment of a soil and water conservation research laboratory facility at Washington State University at Pullman.

This facility, one of five authorized for construction in fiscal year 1961, will enable scientists to cope with an acute erosion problem which is causing the loss of soil at an alarming rate, particularly in the rolling Palouse hills near Pullman where much of our Northwest wheat is grown.

As I pointed out in testimony before the Agriculture Appropriations Subcommittee, I have heard from a great number of individuals and interested farm organizations who believe, as I do, that a special laboratory for soil and water conservation research should be established within the State of Washington, and that it should be in harmony with the comprehensive report on "Facilities Needs—Soil and Water Conservation Research," the report of findings by the working group appointed by the Secretary of Agriculture. Within the State of Washington, our most urgent need is to expand materially Federal efforts in soil and water research.

I wish to commend the House and Senate for its action in approving this facility.

The SPEAKER. The question is on the motion of the gentleman from Mississippi.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

JUDICIARY AND JUDICIAL PROCEDURE

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12620) to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes.

The Clerk read the title of the bill.

Mr. LANE. Mr. Speaker, on July 9, 1959, the House passed H.R. 7577, a bill to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes. This bill was the culmination of much thought and serious consideration after full and complete hearings were held by the Judiciary Committee and all interested governmental departments were heard. All departments were generally in harmony in approving the nature and purpose of such legislation.

That bill was then passed by the Senate with an amendment in which the House concurred so that legislation, long sought and much needed, would not be deferred and on the further premise that the amendment by the other body is applicable only to the procedural aspects of the bill and not to the essence of the proposed legislation.

On June 11, 1960, H.R. 7577, as amended by the Senate, was vetoed by the President who in his veto message stated, among other things:

This amendment is unfortunate.

And:

Although unwilling, therefore, to approve this bill, I would gladly sign new legislation corresponding to H.R. 7577 as first passed by the House of Representatives.

H.R. 12620 is identical in every respect with H.R. 7577 which, before amendment, was pleasing and acceptable, in the main, by all interested parties who are concerned with the matters covered thereby, pondered the problems and considered their solutions and, as indicated in the veto message, was also acceptable to the President. I wish to express my appreciation to the Members of this House who, I hope, will give unanimous consent to its passage as it indicates that the Members are alert to speedy action when the need is evident and the merit of legislation is apparent.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. LANE]?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2679 of title 28, United States Code, is amended (1) by inserting the subsection symbol "(a)" at the beginning thereof and (2) by adding immediately following such subsection (a) as hereby so designated, four new subsections as follows:

"(b) The remedy by suit against the United States as provided by section 1346(b) of this title for damage to property or for personal injury, including death, resulting from the operation by any employee of the Government of any motor vehicle while acting within the scope of his office or employment, shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against the employee or his estate whose act or omission gave rise to the claim.

"(c) The Attorney General shall defend any civil action or proceeding brought in any court against any employee of the Government or his estate for any such damage or injury. The employee against whom such civil action or proceeding is brought shall deliver within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon him or an attested true copy thereof to his immediate superior or to whomever was designated by the head of his department to receive such papers and such person shall promptly furnish copies of the pleadings and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought, to the Attorney General, and to the head of his employing Federal agency.

"(d) Any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States for the district and division embracing the place wherein it is pending and the proceedings deemed a tort action brought against the United States under the provisions of this title and all references thereto. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the case so removed is one in which a remedy by suit within the meaning of subsection (b) of this section is not available against the United States, the case shall be remanded to the State court.

"(e) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677, and with the same effect."

SEC. 2. The amendments made by this Act shall be deemed to be in effect six months after the enactment hereof but any rights or liabilities then existing shall not be affected.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. GROSS. Mr. Speaker, reserving the right to object, it has been reported that we might come in early tomorrow to consider the foreign handout bill and an effort will be made to rush it through in 1 day. Will the gentleman enlighten me as to whether there will be any attempt made to come in early tomorrow?

Mr. McCORMACK. I was going to follow this request with another one that when the House adjourns today it adjourn to meet on tomorrow at 11 o'clock. Whether we get through in 1 day or not is something I cannot foretell. I want to frankly advise the gentleman in response to his inquiry what my intentions are.

Mr. GROSS. I might say that if we do come in early tomorrow it would seem to me that would be an invitation to ram the bill through in 1 day. I am opposed

to that, and I would be constrained to object to any request to come in early.

Mr. McCORMACK. I appreciate the gentleman's statement.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

ANNOUNCEMENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, may I say in response to the gentleman from Iowa that I appreciate his frankness. The gentleman says if I make the unanimous-consent request to meet at 11 o'clock on tomorrow he will object, is that correct?

Mr. GROSS. That is correct.

Mr. McCORMACK. I shall not make the request in view of the fact that my friend has so frankly advised me.

TREASURY AND POST OFFICE APPROPRIATION

Mr. GARY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. GARY. Mr. Speaker, I have called special executive sessions of the House Subcommittee on Treasury and Post Office Appropriations to begin next Tuesday, June 21, to take testimony regarding contracts let by the Post Office Department.

Information which the Department provided to the House Committee on Post Office and Civil Service indicates that the Department may be circumventing the law regarding consultant services. The law sets a maximum limit of $100 per day which can be paid to individual consultants by the Department; however, by making contracts with consulting firms, the Department has been able to pay at much higher rates.

For instance, the Department has paid one firm $400 per day, for 71 days, for the services of a survey director; and from $125 to $250 a day for associates. They were supposed to be studying "the effect of postal services and the impact of postal rates and fees on the users of the mail."

It is obvious, from such outlandish rates of pay for management consultant surveys, that the whole Post Office Department contract system must be thoroughly investigated by the Congress.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Mr. Speaker, I may say to the gentleman from Virginia, chairman of the Subcommittee on Appropriations handling funds for the Treasury and Post Office Departments, that if the facts are as stated by him the meeting of our subcommittee scheduled for next Tuesday is very much in order.

Mr. GARY. I thank the gentleman, and I will say that so far as the facts are concerned they are recorded. If there is any reasonable explanation the Post Office Department will have an opportunity to make it. Personally, I cannot see how there can be any.

D.C. TRANSIT SYSTEM CHARTER AND SIGHTSEEING OPERATIONS

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 525 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4815) to insure effective regulation of D.C. Transit System, Inc., and fair and equal competition between D.C. Transit System, Inc., and its competitors. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and myself such time as I may consume.

Mr. Speaker, this resolution makes in order, with 2 hours of general debate, the bill entitled "To insure effective regulation of D.C. Transit System, Inc., and fair and equal competition between D.C. Transit System, Inc., and its competitors."

Now, Mr. Speaker, the situation here is that some years ago, several years ago, in fact, Congress granted a monopoly of mass transportation to the Capital Transit System. Some time ago my attention was called to the situation which prevailed with respect to sightseeing transit where it appears that the Capital Transit Corp., not satisfied with the monopoly on mass transportation, is now seeking through the use of its facilities, to also engage in a situation with respect to sightseeing buses, and to run out of business these numerous little corporations that operate sightseeing facilities here in the District. They are doing it because of the fact that under their charter they are granted certain privileges and immunities by reason of their charter on mass transportation. They are using those privileges and immunities in order to drive the little sightseeing people out of business. I do not think that ought to be permitted. For instance, they have a certain provision in their charter which relieves them of the gasoline tax, which is quite a considerable item in the matter of the expense of operation of both mass operation and sightseeing transportation. Now, the sightseeing corporation, the little fellow, does not have that tax exemption of their gasoline. The transit system is using its mass transportation facilities, such as buses, help, and so forth, in the operation of this effort to drive the little people out of business.

I think the situation should be corrected. The committee having jurisdiction of this matter is the Committee on Interstate and Foreign Commerce. They went into the matter at considerable length with the Public Utility Commission and with others interested, including the mass transportation company itself. They came up with the proposal that the mass transportation company, which is the Capital Transit Co., should be prohibited from exercising this right to use its mass transportation facilities with the objective of destroying the small business people who are engaged in the sightseeing business. That is the sole object of the bill. It is very brief.

Mr. WIER. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. WIER. Under the strike settlement of some years ago the Capital Transit Co. was given certain privileges in operating its buses and streetcars, privileges having to do with the gasoline tax, among other things.

Mr. SMITH of Virginia. Yes.

Mr. WIER. I am told that the company has no intention of exercising those privileges of using untaxed gasoline in its chartered buses. They have two kinds of buses, sightseeing buses and buses which are chartered for these large groups that come to Washington and want certain bus service. I am told that they do not enjoy that privilege as to those buses.

Mr. SMITH of Virginia. I am informed that they not only enjoy them but exercise them to the fullest. I may have been misinformed, but the gentleman who held the hearings on the Interstate and Foreign Commerce Committee can advise the gentleman better than I can on that subject.

Mr. ALLEN. Mr. Speaker, although I understand there is some opposition to the bill itself, I know of no opposition to the rule. I have no requests for time. I reserve the balance of my time.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 4815) to insure effective regulation of D.C. Transit System, Inc., and fair and equal competition between D.C. Transit System, Inc., and its competitors.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House

on the State of the Union for the consideration of the bill H.R. 4815, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HARRIS. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Committee on Interstate and Foreign Commerce reported the bill H.R. 4815 with the recommendation that it be approved. This bill, as was stated by the gentleman from Virginia [Mr. SMITH] in his statement on the rule, provides that all assets and personnel of the D.C. Transit System of the District of Columbia used in providing mass transportation service shall be so used exclusively and shall not be used in any other service in competition with the service of any other company.

This bill, Mr. Chairman, was introduced and sponsored by our colleague, a member of the committee, the gentleman from Texas [Mr. ROGERS]. He has given a great deal of study to it and will amplify the statement and explain further the costs. However, I should like to give you a little of the background from my own experience with the problem.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from West Virginia.

Mr. BAILEY. How extensive were the hearings before the gentleman's committee on this legislation, and were the organized operators and workers on the D.C. Transit System permitted to testify, and did they testify?

Mr. HARRIS. The hearings were quite extensive and, as the gentleman will see by observing the printed hearings, the organization referred to by the gentleman from West Virginia did have ample opportunity and did testify at some length.

Mr. BAILEY. I thank the gentleman.

Mr. HARRIS. The subcommittee under the direction of the subcommittee chairman, the gentleman from Mississippi [Mr. WILLIAMS], held extensive hearings on this subject. The subcommittee did a good job in developing the record. The full committee considered the bill at some length in executive session. I will get back to the bill after I give you the background of this problem.

I would not want by what I am about to say to have anyone think I am not going to vote for the bill. The committee voted this bill out of committee and reported it to the House by an overwhelming vote. I feel somewhat obligated to support the committee in its action in view of the fact that as chairman at that time I did not take an adverse position under the circumstances. So regardless of what I am about to say, I am going to support the bill.

I think probably there is some merit in the contention of the sponsors and those who are interested in it.

This is a fight primarily and principally between the D.C. Transit Co. sightseeing and charter operation and the Gray Lines sightseeing and charter operation. It goes back to 1956 and prior to that time, when we had over a period of at least 2 or 3 years a terrific argument in this Congress over the D.C. Transit operation.

If you will recall back to 1953 or 1954 along in there, there was a request and urgency that we in the Congress approve a $20 million operation of a Federal Government transit operation for the District of Columbia. I was one of those who were opposed to that program. A majority of the District Committee, of which I was a member at that time, were likewise opposed to it. Under the leadership and direction of the then chairman, the gentleman from South Carolina [Mr. MCMILLAN], we adopted what I believe could be referred to as stopgap legislation for a period of a year or 2 years until we could have time to resolve the question.

Then the District Commissioners came up with their proposal to take over the D.C. Transit business and operate it with funds appropriated out of the Federal Treasury, the sum of about $20 million, and that went to the Committee on Interstate and Foreign Commerce. I, of course, was at that time a member of this committee also, and our late beloved friend Percy Priest at that time was chairman of the committee. We had quite a lengthy controversy and consideration. Finally, we came up with a plan to give a franchise to the present management, as they had offered to buy or purchase from the former management the transit system for the District of Columbia. Under that contract they had to purchase the D.C. Transit operation. We gave to the present D.C. Transit Co. a franchise. That franchise has a provision in it, I think it is section 6, whereby the transit company could continue or have the privilege to engage in sightseeing and charter operations. That is part of the franchise. The former company, Capital Transit Co., operated a limited service of charter and sightseeing operation. The old company did not engage to any extent in sightseeing and charter business.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. ROGERS of Texas. What I want to do is keep the record completely straight on this. The gentleman said the sightseeing and charter provision was a privilege in the previous franchise that was held by the Capital Transit Co.

Mr. HARRIS. That is correct.

Mr. ROGERS of Texas. I have never seen that franchise, and if my recollection serves me correctly it was never found out that there was any specific provision granting that to the former transit company. No one has ever produced it for me to see, even at the time that we were having the meeting in committee. I would like to see that provision if it is available.

Mr. HARRIS. I understand it is part of the old franchise or so interpreted. That is the reason this was included in the new franchise in 1956 as it was considered to be in the old franchise. The gentleman can get that. It is a matter of record.

Mr. ROGERS of Texas. If the gentleman would tell me where it is, I would love to see it, because I have hunted for it and have been unable to find it, and the staff has been unable to find it for me. I have requested it in the last 3 weeks and I have not found it. If the gentleman will recall, the matter was discussed in the joint committee that handled this situation of which both you and I were members. If I could see it, I would like to see it.

Mr. HARRIS. The gentleman will recall that during the course of the hearings on this bill it was discussed. They had this privilege before, and they had engaged only to the extent of about $40,000 a year in such business.

Mr. ROGERS of Texas. That is correct.

Will the gentleman yield further?

Mr. HARRIS. I yield.

Mr. ROGERS of Texas. It was determined at that time, so far as the record shows, that it was a matter of sufferance and was not a specific grant of a franchise. If there is any difference in that I would like to see the record on it, but I have not seen it yet.

Mr. HARRIS. The gentleman is as familiar with the record of the hearings as I am, and I am trying to relate the facts as they happened. If there is any question about the present franchise, I refer you to section 6 of the franchise itself which specifically authorizes it in the act of 1956. The gentleman has that and he is familiar with it.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield.

Mr. ROGERS of Texas. That is the provision that was placed in this present franchise which is in existence today. What I am referring to is the previous franchise held by the Capital Transit Co., which was a Wolfson enterprise.

Mr. HARRIS. The hearings developed that the Wolfson group operated sightseeing and charter business to the extent of only about $40,000 a year.

Mr. ROGERS of Texas. That is true.

Mr. HARRIS. Now that is the fact—they were not engaged to any extensive degree, but when the present management, under the franchise of 1956, took over, they started to increase the operation of sightseeing and charter business. In doing so they became competitive with the other smaller sightseeing operators in the metropolitan area. What they have done in doing this is to use their equipment in competition with the regular sightseeing and charter business.

In other words, they would take the personnel and equipment and put them on during the rush hours of the day, that is, the early morning and the late afternoon, and then during the other part of the day they would use the same equipment and the same personnel in their sightseeing and charter business.

In this kind of operation, and I emphasize it, the present D.C. Transit operation now is engaged to the extent of some $600,000 a year. Similar lines, the Gray Line and others around here, in their competitive situation claim that it is an unfair advantage and by their using personnel which they have to pay for anyway and equipment which they have to maintain anyway they virtually

operate it without additional cost and therefore can competitively put them out of business.

That is simply the argument that we have, that is the whole question.

We asked the Commissioners to deal with this problem, and I think under present law they can. The Commissioners failed to assume the responsibility that we thought they had and deal with the problem.

We reported this bill out last year. At the same time we adopted the resolution requiring that the Commissioners give us a report on the problem with the understanding that we would not file the report with the House until we had received this interim report. We were unable to get an interim report until the first part of this year, sometime about January February, or even later, I am not sure just when. But at that time they submitted a voluminous report and about all it said was that they were not in position to do anything about it, that they were not taking a tax advantage, that they had looked over their method of competition as it is explained in the report, how they arrived at the tax base, and so forth. Consequently they said that under the circumstances they were not going to do anything about it. Therefore, the question still remains unsolved.

Then we held up the report trying to work it out an even longer period of time, but nothing could be done. Therefore, I had no alternative except to file this report with the House and to consider it; and that is the sole question we have here today: Whether or not D.C. Transit System under the franchise of 1956 may now continue to operate a sightseeing and charter business with the same equipment and same personnel it uses in its regular D.C. Transit operations. This bill says they cannot do so.

Mr. SPRINGER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. DEROUNIAN].

Mr. DEROUNIAN. Mr. Chairman, the gentleman from Virginia [Mr. SMITH] was asked a question about exemptions. I would like to set the record straight. I quote from the testimony of Mr. James H. Flanagan, vice president, comptroller, and treasurer of the D.C. Transit System, Inc. He said at page 207 of the hearings:

> The allegation so often made that D.C. Transit System, Inc., is tax-exempt deserves some attention.
>
> Congress did relieve the company from liability for the antiquated gross receipts tax which formerly existed. Other bus companies in this area paid a 1-cent tax per mile of operation within the District in lieu of the gross-receipts tax. Congress has now relieved these other companies from liability for this 1-cent tax. Therefore, we are all even in this respect, so far as exemption from taxation is concerned.

He further states:

> The Commission found that the fuel tax payable by the company for July and August 1958 was $827.04, and so certified to the District Commissioners. This amount was paid immediately upon presentation of a bill by the District tax collector early in this month of May.
>
> I do not know of any other tax benefit enjoyed by D.C. Transit System, Inc., which gives it an unfair advantage in its charter and sightseeing operations over any other bus company similarly engaged.

There is indicated here the taxes which they pay, totaling some $1 million.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from New York.

Mr. MULTER. As a matter of fact, Mr. Chairman, the interim report to the Interstate and Foreign Commerce Committee on page 11 says:

> As hereinbefore indicated, the question of tax advantage under section 8 is of no substantial significance.

During the course of the hearings the attorney for Gray Line, Mr. Arnold, also testified that the tax exemption and the tax question was of no significance in connection with this bill, am I right?

Mr. DEROUNIAN. That is correct. This is a fight principally between Gray Line and D.C. Transit. It is a fight between business organizations. What this bill does is to try to tell the head of a business how he can use his equipment and his personnel to his economic advantage or disadvantage. Being one who is interested in maintaining private enterprise I am against the bill.

Mr. Chairman, I do not believe this bill is constitutional. I think it is special legislation; it is in the form of a private bill for the benefit of Gray Line and the other companies who agree with Gray Line.

To show you how discriminatory this bill is, may I quote from the testimony of Walter J. Bierwagen, president, National Capital Local Division 689, Amalgamated Association of Street, Electric Railway, and Motor Coach Employees of America, appearing on page 180 as follows:

> It should be noted that several competitors of D.C. Transit System for sightseeing and charter work in this area use their mass transportation equipment, assets, and personnel in sightseeing and charter service in the District of Columbia.
>
> These include the Washington, Virginia & Maryland Coach Co., which furnishes mass transportation service in Arlington and Fairfax Counties, Va., and between these points and the District of Columbia. Another competitor for sightseeing and charter work is the Alexandria, Barcroft & Washington Transit Co., which furnishes mass transportation in Alexandria, Va., and between Alexandria and downtown Washington. Another is Washington, Marlboro & Annapolis Transit Co., which furnishes mass transportation service in parts of Prince Georges County, and between points in Prince Georges County and downtown Washington. Still another is Suburban Transit Co., now being operated by Inter-County Transit Corp., which furnishes mass transportation service in parts of Montgomery County, Md., and between points in that county and downtown Washington.

A simple and logical question to be asked is, Why should there be different rules for the use of a company's equipment and personnel?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPRINGER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from California.

Mr. ROOSEVELT. Is it not true, as is my understanding, in the 1956 franchise this was specifically spelled out as being something that the D.C. Transit Co. should be allowed to do while under the proposal and under this legislation that right would be removed which was granted upon which the present interests in control of D.C. Transit went into the business?

Mr. DEROUNIAN. My recollection of the record is that the gentleman is correct. In fact, the head of D.C. Transit, Mr. Chalk, testified this was a very vital part of his consideration in purchasing D.C. Transit; that is, the fact they would have sightseeing and charter privileges.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. The gentleman is not correct. This does not put the D.C. Transit Co. out of the sightseeing business. It prevents the use of the District of Columbia franchise for the purpose of promoting the sightseeing business. It provides they will have to separate their sightseeing business from their other franchise business.

Mr. DEROUNIAN. If that is the case, this is the first time in mass transportation history that this is being done in the United States, because from available information all charter companies and sightseeing companies that are engaged in mass transportation use their equipment in the manner D.C. Transit is using theirs.

Mr. Chairman, this is an unfair way to legislate. This is a bad bill.

Let us give the Public Utilities Commission of the District the authority and let us jog them into doing the right thing. If the D.C. Transit is not accounting for its revenues properly, that is one thing, but let us not take corrective action which is unconstitutional and discriminatory. The Gray Line is the greatest monopoly there is in the United States so far as sightseeing and charter is concerned. They control about 12,000 hotel rooms in the District of Columbia alone.

Mr. ROOSEVELT. Mr. Chairman, if the gentleman will yield further, all I know is what I read. On page 6 of the hearings the gentleman from Mississippi stated:

> It is apparent that the purpose of the bills is to restrain the transit system from engaging in sightseeing or charter operations.

Now, that is the plain fact. It is there.

Mr. DEROUNIAN. I think the effect of this bill would be exactly that.

Mr. ROOSEVELT. Therefore, if they were knocked out at this time, at least a profitable part of this system would be knocked out, and it would almost, of necessity, raise the fares which, it seems to me, are already high enough.

Mr. DEROUNIAN. The gentleman's point is well taken, because the chairman of the Committee on Legislation of the Interstate Commerce Commission, Hon. Kenneth H. Tuggle, said this on

page 5, of the hearings, talking about getting separate equipment for sightseeing:

> Such duplication of facilities and restrictions against the interchange of personnel and equipment as between the types of services rendered would of course result in increased costs and possibly have an overall effect of giving rise to a need for increased fares for transit, or "mass transportation," services. The competitive advantage of D.C. Transit's tax exemptions would, however, appear to remain unaffected.

We shall not forget that we have to consider the people of the District of Columbia, their mass transportation system and the effect upon them. I am not worried about the Gray Line, D.C. Transit, or anybody else, but I do not want to pass any pointless legislation.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. The gentleman stated that this was operated like all other mass transportation systems throughout the country engaging in charter and sightseeing.

Mr. DEROUNIAN. I said that this is the modus operandi of mass transportation systems throughout this country.

Mr. ROGERS of Texas. Does the gentleman have any documentation to support that statement of fact in regard to other cities?

Mr. DEROUNIAN. I think you will find it in the record. I think our late departed colleague, Mr. Bush, who used to be in the bus business, asked searching questions about this, and I think the replies brought forth the situation as it exists.

Mr. ROGERS of Texas. Mr. Chairman, if the gentleman will yield further, I think you will find that this is a very unique situation and that there are only one or two companies in the United States that have any tax exemption coupled with a monopoly. This is a very unique situation.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I would like to know whether we are going to finish this legislation tonight or what the program is. That is what I want to find out. Will somebody on the majority side tell us? Some of your Members have been coming over here asking us to make a point of no quorum. I know you know how to do that. Are you going to finish tonight or what?

Mr. HARRIS. I have not had an opportunity to confer with the leadership, and at this moment I do not know just what this plan is. I will be glad to try to find out, I will say to the gentleman.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. DEROUNIAN. I yield to the gentleman from Michigan.

Mr. MEADER. Do I understand the gentleman to be saying that this legislation would compel the D.C. Transit Co., if it is to engage in sightseeing and charter operations, to operate in an uneconomical fashion?

Mr. DEROUNIAN. It would do exactly that. It would have to buy new buses if it wanted to transport children from Alexandria to Washington. It could not use the same driver, not the same bus, not use the same man to paint the different signs. It is ridiculous. It certainly does not militate in favor of efficient operation.

Mr. MEADER. May I ask the gentleman if the record shows anywhere what proportion of the sightseeing and charter business is now enjoyed by D.C. Transit and how much by Gray Lines? How much do the other operators in the District enjoy?

Is there evidence that D.C. Transit is using some favored position to drive others out of business?

Mr. DEROUNIAN. For the last available period Gray Lines showed twice the amount of charter and sightseeing business as did D.C. Transit. But, talking about a monopoly, here are some interesting statistics. Let us look at the wages that these various companies pay. D.C. Transit pays its employees in its sightseeing business $2.82½ an hour; W.B. & M. pays $2.65; A.B. & W. $2.56 an hour; Gray Lines, the main protagonist for this bill $2.27 an hour; W.M. & A. pays $1.87 and Suburban Transit pays $1.74. So that D.C. Transit pays the highest wages.

Mr. HARRIS. Mr. Chairman, the gentleman from Michigan [Mr. HOFFMAN] asked a question a few moments ago about how long we planned to run. I thought under the circumstances we could go until about 5:30. We could get that much of the debate behind us.

Mr. SPRINGER. Mr. Chairman, if the gentleman will yield for a moment, may I say for the edification of the chairman of the committee that I have only one more request for time; this is an indication of how long we will take on this side.

Mr. HARRIS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, the distinguished chairman of the Committee on Interstate and Foreign Commerce, in his usual fair and forthright manner, has presented to you precisely the issue that this legislation brings before the House. During the course of the remarks of the distinguished gentleman from Virginia [Mr. SMITH], in his presentation under the rule, he was asked about the facts underlying this legislation and he very properly said that he was stating the facts as they were submitted to him. Without in any way attempting to criticize the gentleman for his statement—and I am sure he presented the facts as they were submitted to him—I say that his presentation is not in accordance with the record. When I talk about the record, I want you to bear in mind that this matter was first presented to the Committee on the District of Columbia. And that is where it belonged. The Committee on the District of Columbia saw fit to take no action. Then it was presented to the Small Business Committee. The Small Business Committee conducted rather lengthy hearings, on May 12, 16, and 19, 1958. They were printed in two parts, aggregating 208 pages. The Small Business Committee rendered a report on the matter which was subsequently submitted to the House by the gentleman from Texas [Mr. PATMAN], as chairman of the Select Committee on Small Business. In his letter of transmittal of August 20, 1958, he said, "I am glad to transmit the report as the report of this committee."

There was no dissent to that report. The report confirmed the fact precisely as stated to you by the distinguished gentleman from Arkansas [Mr. HARRIS], that this legislation is the result of the fight waged by the Gray Lines, the biggest sightseeing company in the country, against D.C. Transit Co., a mass transportation company which also engages in sightseeing operations. Those operations are on a much smaller scale than that of Gray Lines.

The Small Business Committee indicated in its report that the law and the regulations vested with the Public Utilities Commission of the District of Columbia and with the Commissioners of the District of Columbia ample power to do anything and everything that might need to be done in order to prevent any unfair competition. They can regulate rates, if necessary, and do whatever might be called for in connection with that business to promote and protect the public interest.

There was an effort made throughout those hearings before the Small Business Committee—as there was before the Committee on Interstate and Foreign Commerce—when the gentleman from Texas [Mr. PATMAN] submitted his bill, H.R. 2316, identical with the Rogers bill which is before us here as H.R. 4815—the effort was made to show that there is some tax exemption or advantage given the D.C. Transit Co. that gives it an unfair competitive advantage over all of its competitors. When the facts were adduced at both sets of hearings, at which appeared representatives of the Gray Lines, their lawyers, and others, all concerned—and you will find this in the report of the Committee on Interstate and Foreign Commerce which is before you—that there is no tax consequence here that gives any unfair advantage to anybody.

As a matter of fact, everybody agreed that if D.C. Transit were losing money and therefore would get some tax exemption that might be an advantage to it but that would hurt no competitor. On the other hand if it were making money and paying taxes again no disadvantage accrued against a competitor. All affected had to agree that if there were tax benefits, then the solution was not try to change the D.C. franchise, or to change the law that gave them the franchise. The way to correct the unfairness to the other fellows, small or large, was either to give them the same tax exemptions or to take them away from D.C. Transit Co. We did enact legislation to give such tax exemption to the other sightseeing companies competing with D.C. Transit Co. But there are no taxes and no tax exemptions in this bill.

Mr. DEROUNIAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from New York.

Mr. DEROUNIAN. The gentleman mentions the Small Business Committee report on this matter. That committee in its report at page 3 stated:

> Gray Lines, Inc., is the largest of the sightseeing and bus chartering services in the District of Columbia when measured by volume of business derived from those services. No other operator has as farflung associations and affiliations throughout the country. No other has as many hotels in or out of the District tied up by exclusive contracts. Gray Lines, Inc., alone controls almost 12,000 hotel rooms in the District. Its nearest competitor, the D.C. Transit System, Inc., controls less than 1,500.

Mr. MULTER. Those are the facts that existed then, they are the facts that exist today, and they are the facts as they existed during the course of the hearings before the Committee on Interstate and Foreign Commerce. If you want to compare size, the Gray Lines in 1957 had a gross income of almost $1,300,000 and paid taxes and license fees of only $48,054. Compare that with taxes and fees of $364,270 paid by D.C. Transit Co. for the same period. During that period the sightseeing service of the D.C. Transit Co. was less than $500,000.

What is behind this? The facts and the documents before the various committees established beyond any peradventure of a doubt that Gray Lines is trying to use this legislation—and I cast no aspersion on any Member of the House who favors this legislation—to force D.C. Transit Co. to buy them out at an exorbitant price. That is the only reason for this legislation.

Permit me to direct your attention to these facts: The Small Business Committee has recommended against this legislation, the Public Utilities Commission has recommended against it, the District Commissioners have recommended against it, the District of Columbia Committees of both Houses have refused to take any action on it, and the Interstate Commerce Commission, while taking no position on the bill, says that to enact this bill, and I quote from page 5 of the hearings, "would of course result in increased costs and possibly have the overall effect of giving rise to a need for increased fares for transit or mass transportation services."

If you want to see the fares for the District of Columbia populace go up, then enact this bill. I hope you will not do so.

This bill is in fact a private bill which takes from D.C. Transit System, Inc., its charter and sightseeing operations. It does so at the instance of Gray Line, which is the largest sightseeing operator in the District of Columbia metropolitan area. It deprives D.C. Transit System of its property without due process of law and without compensation.

The technique employed by the bill is bad; the precedent dangerous. The public interest is best served by integrated mass transit and charter and sightseeing service. This is the longtime custom not only here but in practically every comparable community. Under this bill, other local transit companies may continue in the future, as they have in the past, to perform both operations. Only D.C. Transit and its employees—who will lose work opportunities—are discriminated against.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. ROGERS of Texas. Did I correctly understand the gentleman to say something about the Gray Line trying to force D.C. Transit to buy them out?

Mr. MULTER. Yes.

Mr. ROGERS of Texas. I should like to read a telegram I have received, because that statement was made to me several times and I made an investigation of it. This is a telegram that was addressed to me. It reads:

> This is to inform you that the undersigned and Col. Harry J. Dooley, president, and Miss Jewel Burton, secretary, were approached at least four separate occasions by D.C. Transit officials who sought to obtain the Gray Line franchise in Washington, D.C. The initial request for an appointment came from Morris Fox, first vice president of D.C. Transit, in May 1957. Mr. Fox sent representatives Leonard Wolf and Clayton S. Wells to our Chicago office following the May request. Messrs. Wolf and Wells stated that D.C. Transit had advantages in the sightseeing industry in Washington with which other operators could not compete. They also stated that these advantages were driving the Gray Line in Washington to failure and that D.C. Transit was therefore the logical representative in Washington. Messrs. Wolf and Wells sought to persuade Gray Line Sightseeing Cos., Associated, to transfer the franchise from the present member in the District of Columbia to D.C. Transit. D.C. Transit's proposal was rejected out of hand but subsequent requests were made by D.C. Transit in 1958 and in 1959.
>
> GRAY LINE SIGHTSEEING COS.,
> ASSOCIATED,
> JOHN A. CHAPIN, *Vice President.*
> CHICAGO, ILL.

Mr. MULTER. What is the date of that telegram?

Mr. ROGERS of Texas. It is dated June 6, 1960.

Mr. MULTER. May I say to my colleague I have no doubt the telegram was received by him and of course the gentleman quoted it accurately. But I would say to you, sir, and I say to this House that that is a belated effort by them to cover up their real purpose in sponsoring this legislation. I repeat that the testimony adduced before the Small Business Committee on which I then served and still serve established that Gray Lines sought to force D.C. Transit Co., Inc., to buy it out. Those efforts by a representative of the Gray Lines (of Washington—not of Chicago) continued after the filing of the Small Business Committee report on August 20, 1958, and I can personally attest to that fact.

Now, Mr. Chairman, let us see where the pressures are coming from with reference to this particular matter. As part of the printed record, we find this memorandum made by the gentleman who was in attendance at a meeting between Mr. Chalk and the distinguished chairman of the Small Business Committee, the gentleman from Texas [Mr. PATMAN], on July 10, 1958. This is an official memorandum of the conversations had at that time which are printed as part of the record. This is what the memorandum says, and I quote:

> The chairman mentioned that he had hoped some arrangement could be reached whereby the sightseeing business could be surrendered by Mr. Chalk (that is the D.C. Transit Co.), it being understood that he would be compensated therefor in some fashion which was appropriate.

It hardly comes with good grace to follow that with a bill, H.R. 2316, to strip D.C. Transit Co. of its sightseeing business and that without compensation and without due process of law.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. SPRINGER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. MULTER. I thank the gentleman.

Mr. Chairman, I would like to refer in a moment to the unconstitutionality of this bill. But, first, I want to call your attention to some further testimony, in addition to what the distinguished gentleman from California [Mr. ROOSEVELT] read from the opening statement of the chairman of the subcommittee, the gentleman from Mississippi [Mr. WILLIAMS], when the hearings got on the way.

The first witness in support of the bill was the gentleman from Texas [Mr. PATMAN]. He was asked by the distinguished subcommittee chairman, the gentleman from Mississippi [Mr. WILLIAMS]:

> In looking over these bills, it appears to me that the bills would provide that the transit system be restricted entirely to the transit operations, and not permitted, or not be permitted to engage in any other activity.
>
> Is that the purpose?

The gentleman from Texas [Mr. PATMAN] responded:

> The bills provide that the corporation shall not use its mass transportation facilities in competitive business. That is what is intended, Mr. Chairman.
>
> In other words, competitive business will be competitive. It will not put them out of business. It will not put the D.C. Transit out of business in any of these businesses, but it will place them on the same plane, with no special advantages.
>
> Mr. WILLIAMS. In other words, if these bills should become law, the D.C. Transit System would enjoy its special statutory tax privileges, insofar as mass transit is concerned, or public transit is concerned. However, in regard to its sightseeing operations and these other operations which you mentioned, it would not receive these tax benefits, but would be placed on exactly the same plane as competing systems.

Mr. Chairman, I have already indicated to you that all the parties involved must agree that there is no tax involvement in this bill. If you read the bill you will see there is not a word mentioned about taxes nor even any reference thereto.

All the bill seeks to do is to take from the D.C. Transit Co. its right to operate its sightseeing services.

As to the unconstitutionality of the bill, you will find on pages 368 and 369 of the printed record an opinion from the Library of Congress. It is fairly

long, but I will quote but one short excerpt from it and will omit the citations to the court decisions. The opinion concludes and I quote:

As property is the sum of all the rights and powers incident to ownership, including the right to control its use, and as confiscation may result from a denial of the "use of property" as well as from a taking of the "title to property," I believe S. 304 is unconstitutional.

Mr. Chairman, the bill S. 304 is the Senate counterpart of the bills H.R. 2316 and H.R. 4815, which is before you now.

There can be no doubt that this is not an attempt to help small business as against big business. This is not an attempt to create tax equality.

This is an attempt to take by so many words and by mention of the company—a right given by the Congress in its franchise to D.C. Transit, Inc. It is an attempt to take out of that franchise without compensation, without due process of law, by, if you please, a bill of attainder, to take from it, a very valuable property right, which it has acquired at the invitation of the Congress and which with its own money it has built up.

Mr. Chairman, we all remember that the transit situation in the District of Columbia was in one awful mess when Mr. Chalk was asked to come in, and he did come in. He took over a company that was inoperative, it was strike bound, it had old obsolete equipment. The service had been the worst in the country. He is now giving us good, clean transit facilities in the District of Columbia; we are getting good service at reasonable fares.

Mr. Chairman, I urge the defeat of this bill.

Mr. SPRINGER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I only want to dwell on one point as to why I believe this legislation is not generally in the public interest as far as the District of Columbia is concerned. There are several hundred pages of testimony in book form. In other words, the hearings were quite complete. The testimony that struck me most forcefully was that which dealt with why it was important for D.C. Transit to engage in the sightseeing business, and that may occur to you also. Why was that necessary? Why is it necessary today?

In the very nature of the transit business you have peaks and valleys in the use of your personnel and in the use of equipment. I think this will be admitted by both sides, that beginning at about 6:30 to 7 o'clock in the morning the peak starts from down at a low level, and it reaches this peak, according to my recollection, between 9 and 10 o'clock in the morning; then it goes down into the valley, which is quite sharp, between the hours of 10 and about 3:30. Now, here is an area, here is a time when there is almost no use of either personnel or equipment. It is this equipment and this personnel that D.C. Transit uses during these valley periods when there is little if any transit business.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I will yield; yes.

Mr. COLLIER. Is it not true that there are many different mass transit companies across the country who are faced with the same problem of peaks and valleys, that do not engage in extra curricular activities? And is it not also true that the D.C. Transit Co.'s fare of 25 cents is about the second highest of any mass transportation system in this country?

Mr. SPRINGER. I think the gentleman will find if he goes into the thing deeply enough, that there are many transit systems that do engage in it. On the other hand, I will say there is probably an equal number that do not. So to that extent the gentleman is correct.

I remember testimony and the gentleman probably will remember having received telegrams from transit companies over the country who do engage in the sightseeing business during the daytime and who have vested interests, they say, in the retention of the sightseeing business.

Mr. COLLIER. Mr. Chairman, will the gentleman yield further for a further observation?

Mr. SPRINGER. I yield.

Mr. COLLIER. The point I was trying to make is that there are other mass transportation systems in the country which do not engage in sightseeing or chartered transportation, who are rendering service at fares less than those charged by D.C. Transit and who are still in operation notwithstanding the fact they, too, have problems of peaks and valleys.

Mr. SPRINGER. The problem of peaks and valleys is in any system, I will say to the distinguished gentleman from Illinois. I merely bring it up today as a problem in discussing the cost. This is a very substantial amount. The gross revenue from this, according to my recollection of 2 years ago was about $520,000 a year.

That is a half million dollars. When you think of a gross revenue of the D.C. Transit System being probably in the neighborhood of $25 million a year, you can see that this is approximately 3 percent which would be taken away in the form of gross revenue. I believe this is an important property right they have. It is necessary for them to have it if you are to take the best advantage of the equipment and personnel that the company has.

There is just one other thing. There has been one rate increase last year. The D.C. Transit has given notice that if this right is taken away there will be no other alternative except to bring this to the attention of the Public Utilities Commission. I take it that means in case this right is taken from them in the form provided in this bill they intend to come in and ask for another fare increase.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SPRINGER. Mr. Chairman, I yield myself 4 additional minutes.

Mr. Chairman, this is a practical matter which the people of the District of Columbia, in my estimation, are immediately faced with and which the Public Utilities Commission of the District of Columbia will be faced with if this right is taken away in the bill.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. SPRINGER. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. I know the gentleman from Illinois has always been a great champion of small business, as is the gentleman from California [Mr. ROOSEVELT], who brought that same matter up a few minutes ago about the need for a mass transportation system to have these fringe benefits, so to speak, in order to operate at a profit.

Here is what you are doing when you take that position: You are saying that in order to provide a mass transportation system you have to furnish a corporation with the right to put a bunch of little independent businessmen out of business by undercutting them in every way in order to take over their business as a supplement to the mass transit system. If a subsidy is needed to provide a mass transit system it ought to be paid by all of the people and not by the people who are engaged in sightseeing and in the charter business and in the limousine business which the D.C. Transit Co. is moving into. That is exactly what is being done in this particular situation. They are using the tax exemption, they are using their equipment to undercut these smaller people in the business, including the little fellows at the foot of Capitol Hill and in front of the White House, they are practically putting them out of business. I have some letters I am going to read when my time comes which will show you what is happening to the little people.

Mr. SPRINGER. Here is my answer to the gentleman from Texas: If this sort of thing exists today, as the gentleman contends, then this right should not have been given to them in the first place. It is my belief, and I am not a great constitutional lawyer, in spite of what has been written in here on page 5 with reference to constitutionality, it would appear to me as a former judge, for whatever that title is worth, that there is a serious question of constitutionality when you take away from a company a right which they had at the inception and was vested in them. Now you seek to come along 3, 4, or 5 years later and take the right away without reimbursement. I think it is a question probably of what he is legally entitled to. If he is legally entitled to engage in it, it should have been enforced. That is a question for the future. But I think there is a serious question. This taking away, of course, is going to wind up in the courts anyway.

Mr. ROGERS of Colorado. The matter was brought up about this right by the joint committee when Mr. Wolfson went out of business and the D.C. Transit took over. Mr. Chalk at that time stated in answer to queries by me as to why he wanted to go into the business and he said he wanted to do about what the Capital Transit is doing, which was about $40,000 a year.

He has taken this situation and he has abused a privilege and a right that was given him in good faith by the Con-

gress. He is putting people out of business. The gentleman spoke about the constitutionality of it. If the Congress granted the right under section 6 of the franchise this is not taken away from him. He still has the right to operate any kind of a charter or sightseeing business he wants to, but he does not have the right to have an unfair advantage over his competitors. This bill would stop that.

Mr. HARRIS. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I asked for this time in order to express my vigorous opposition to this piece of legislation which, on the face of it, shows it is a violation of the franchise granted by the Congress to the D.C. Transit Co. only 4 years ago. It also brings in the question that it interferes with the bargaining agreement existing now between the D.C. Transit Co. and its several hundred employees here. The hearings disclose that the D.C. Transit Co. is paying as high as 80 cents an hour more than some of these other companies that desire to take over the business or take this business away from the D.C. Transit Co. I am speaking on behalf of the union members of the Amalgamated Association of Street Electric Railway and Bus Operators and their contract with the D.C. Transit Co. Even if it is only 5 percent, as the gentleman who just preceded me said, that it is going to cost, overall, the D.C. Transit System, it will affect scores of the present employees of the D.C. Transit Co., who will lose their jobs.

Mr. ROGERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Texas.

Mr. ROGERS of Texas. The fact of the matter is this, that the people I want to protect by this bill are the people who are small independent business people and who want to work, and they want to work for whomever they choose. But, as this matter turns out, it will not be long that they will not be able to work for anybody except the D.C. Transit people. I have had letters from people that had to give up stands on the corner because of the manner in which this thing has been operating, cutting underneath their prices, increasing the granting of these places for the use of their leads to where these people had to go to work for the D.C. Transit Co.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. HARRIS. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I have a deep concern over this piece of legislation. I am opposed to it and I shall vote against it. My reasons primarily are because—and God forbid that we have another streetcar strike in this community that we had to wrestle with for about 8 months a few years ago—this action on this bill could be a lead in that direction. As most of you know, I come from the city of Minneapolis. Minneapolis has a population of pretty close to 600,000. We have the Twin Cities Rapid Transit Co. in Minneapolis which serves both Minneapolis and St. Paul, intercity. We also have the independent bus companies there. And the fare for our riding public is 25 cents. I want to say, too, that we would be in a bad way because of the many events we have in the city of Minneapolis if we did not have the facilities of the Twin Cities Rapid Transit Co. in this very charter and sightseeing bus business. That applies also to the conventions that we have. These little bus lines are not able to take care of the conventions that come to Minneapolis, neither are the taxicabs nor any other mode of transportation able to take care of the Saturday afternoon crowds at big events. The Twin Cities Rapid Transit Co. is available to all who want to use the service on any occasion.

Mr. DEROUNIAN. Mr. Chairman, will the gentleman yield?

Mr. WIER. I yield to the gentleman from New York.

Mr. DEROUNIAN. Do they separate their physical facilities and their workmen for these two operations?

Mr. WIER. No. The very buses that carry the passengers to work in the morning go out to the baseball game in the afternoon. Our baseball park is quite a little distance outside the limits of Minneapolis; the same with our university football crowds. So, I hope that this bill is defeated.

Mr. HARRIS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H.R. 4815) to insure effective regulation of D.C. Transit System, Inc., and fair and equal competition between D.C. Transit System, Inc., and its competitors, had come to no resolution thereon.

THE ITEM VETO IN THE STATES

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, in further support of my efforts to convince the Congress that approval of the item veto authority for the President is an important step forward in achieving fiscal stability at the Federal level, I wish to review the history of the item veto as it has been used in the various States.

As you know, I have had my legislative research team at the State University of Iowa studying the item veto issue for over a year, and as a result of this study, I have introduced three joint resolutions as approaches the Congress might use in authorizing its use by the President.

On June 8 I addressed this body on the history of the item veto from the very inception of our Government. Today, I wish to dwell upon the wide use the item veto has had in most of the States. In doing this, I again want to call attention to the research which has made these remarks possible. The young men working for me at the State University of Iowa, under the direction of Dr. Russell Ross, have done a thorough and noteworthy study. I have had their findings checked by authorities in this field, and have been gratified with the praise which has been directed to the members of the team.

The veto of specific items in appropriation bills is very predominate in State constitutions. At the present time 42 of the 50 States have provisions for the item veto in their State constitutions. These States are Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Tennessee, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming, Alaska, and Hawaii.

The item veto was first adopted in the United States in the Provisional Constitution of the Confederacy. Article I, section 5 of that document states that—

> The President may veto any appropriation or appropriations and approve any other appropriation or appropriations in the same bill.

This was continued in the Permanent Constitution of the Confederacy, which states in article I, section 7, that—

> The President may approve any appropriation and disapprove any other appropriation in the same bill. In such case he shall, in signing the bill, designate the appropriations disapproved, and shall return a copy of such appropriations with his objections to the House in which the bill originated and the same proceedings shall then be had as in case of other bills disapproved by the President.

Only North Carolina of the Confederate States does not now have the item veto in its State constitution.

The first two States to adopt the item veto were also in the Confederacy. These were Georgia and Texas, both of which adopted it in 1868. Other early States to adopt it were West Virginia in 1872, Pennsylvania in 1873, Arkansas and New York in 1874, Alabama, Missouri, Nebraska, and New Jersey in 1875, Colorado and Minnesota in 1876, California in 1879, and Illinois in 1884.

State constitutions vary on the majority necessary to override the Governor's veto of an item in an appropriation bill. Thirty of the 42 States require two-thirds majority for overriding. Some require two-thirds of the total membership, some require two-thirds of members present and voting, and others make no definite provision for either. Those requiring two-thirds majorities are Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Kansas, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New Mexico, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Texas, Utah, Washington, Wisconsin, and Wyoming. Those specifying two-thirds of the members present

are Idaho, Montana, New Mexico, Oregon, South Dakota, Texas, Washington, and Wisconsin. Those with provisions for two-thirds of the total membership are Hawaii, Illinois, Louisiana, Michigan, Minnesota, Missouri, New Jersey, New York, North Dakota, Pennsylvania, Utah, and Wyoming. In Alaska vetoed appropriation items become law by affirmative vote of three-fourths of the membership of the legislature.

Six States, Alabama, Arkansas, Connecticut, Kentucky, Virginia, and West Virginia, have item vetoes which can be overridden by a majority of each house. Alabama, Arkansas, and West Virginia provide for a majority of total membership being necessary, while the others do not further define a majority.

Five States provide for a three-fifths majority. A three-fifths vote of the members present is sufficient in Rhode Island; a three-fifths vote of the members elected, in Delaware, Maryland, Nebraska, and Ohio.

Only one State, Virginia, provides for a different majority for overriding appropriations items than is necessary for overriding vetoes of other bills. A majority is required to override item vetoes, while two-thirds of members present is necessary to override vetoes of bills other than appropriations items. No State allows the veto of items in nonappropriation bills, which are generally required to be limited to one subject which must be expressed in the title of the bill. This provision in many cases gives the Governor and the people some protection, since it makes it impossible for the legislative body to lump two or more subjects together in a given bill. That is why there is less need in the States for an item veto for a nonappropriation bill.

Two States on which a considerable amount of study has been given to the workings and history of the item veto are Illinois and Pennsylvania.

Illinois adopted the item veto in 1883, under Gov. Shelby M. Cullom. Illinois mayors had been given this power in 1875, and an item veto bill narrowly missed being enacted in the 1881 session of the Illinois General Assembly. Governor Cullom advocated it to the assembly in 1883, and it was adopted, 35 to 7, in the State senate and, 107 to 2, in the house of representatives. It was approved by the people by a vote of 428,831 to 60,244 and, therefore, was formally placed as an amendment to the Illinois constitution in 1884.

The amendment stated:

> Bills making appropriations of money out of the treasury shall specify the objects and purposes for which the same are made, and appropriate to them, respectively, their several amounts in distinct items and sections; and if the Governor shall not approve any one or more of the items or sections contained in any bill, but shall approve the residue thereof, it shall become law as to the residue in like manner as if he had signed it. The Governor shall then return the bill with his objections to the items or sections of the same not approved by him to the house in which the bill shall have originated, which house shall enter the objections at large upon its journal and proceed to reconsider so much of said bill as is not approved by the Governor. The same proceedings shall be had in both houses in reconsidering the same as is hereinbefore provided in case of an entire bill returned by the Governor with his objections; and if any item or section of said bill not approved by the Governor shall be passed by two-thirds of the numbers of those elected to each of the two houses of the general assembly, it shall become part of said law, notwithstanding the objections of the Governor.

At first this provision was used very little in Illinois. Between 1884 and 1903, 19 years and nine sessions of the general assembly, the item veto was used only once. In 1899, Governor Turner rejected a $99,166.61 appropriation for the University of Illinois. Since then, however, there has been a close relationship between the increase in size of State budgets and the more extensive use of the item veto.

Illinois Governors have interpreted liberally the authorization to veto distinct items in appropriation bills. There are two ways in which this was liberally interpreted: Governors have stricken the phrase "per annum" in biennial appropriation bills, and in the reducing of items.

In December 1915, the Illinois Supreme Court in the case Fergus against Russel held that these two liberalizations were unconstitutional. The court also ruled that, since these reductions were unconstitutional and that no outright veto had been made, the entire appropriation should be permitted to stand.

The item veto in Pennsylvania is probably stronger than that of any other State. There the veto power includes the power to reduce any item. No other State has a constitutional provision that will permit this. The Governor may veto a bill within 10 days of passage. If he does not do so, the bill is approved automatically and becomes law unless this 10-day period falls, within 10 days of adjournment of the legislature. Bills passed less than 10 days before the end of the session become law 30 days follow-in adjournment unless they are vetoed. Even though the item veto in Pennsylvania includes the power to reduce items, it does not include the power to veto certain items of nonappropriaiton bills.

From 1939 to 1946 the Pennsylvania Legislature passed 2,174 bills, of which 229 were vetoed, 330 appropriations were reduced, and 23 appropriations struck out. During all but 2 years of that time both the legislature and the governorship were in the hands of the Republican Party. From 1941 to 1942 the Democratic Party controlled the house of representatives.

Because of the item veto and the reduction power the Governor's budget is enacted into law in much the same form as it is proposed:

[In thousands of dollars]

Session	Governor's budget	Amount passed by legislature	Amount vetoed	Total
1939	377,171	386,290	10,225	376,065
1941	361,944	408,102	50,990	357,112
1943	345,335	383,399	1,695	381,704
1945	479,688	538,651	21,808	516,842

Governors of Pennsylvania customarily do not give detailed reasons for vetoes of specific items or reduction in items. Only once has the legislature overridden a veto even though many items have initially passed the legislature by more than the required two-thirds majority. One reason for this is that few bills, and particularly appropriation bills, are passed until the last 10 days of the session. In 1924, 98 percent of all appropriation items of bills vetoed or reduced occurred in the 30-day period following adjournment. In 1945 only 14 of the 224 vetoes and 17 of the 337 item vetoes or reductions reached the legislature before adjournment.

The item veto has been used as a means for breaking deadlocks between the two houses of the legislature. In 1941 the Democratic-controlled house of representatives and the Republican-dominated senate were deadlocked on appropriations. The Republican senate passed an appropriations bill in the same form as the house of representatives "objectionable as some provisions are" and "left it to the Governor's constitutional power to correct such conditions as it can."

The growth of the item veto has been quite spectacular considering that in 92 years 42 States have adopted it. Most States writing new constitutions include it, as did our two newest additions to the Union, Alaska and Hawaii.

Next Wednesday, June 22, I have been granted permission to take the floor again so that I can review the arguments pro and con on the item veto. After the presentation of all of these facts, it is hoped that other colleagues will join me to press for action on this legislation.

DR. THOMAS DOOLEY, A MAN OF GOD, A SPLENDID AMERICAN, A DEDICATED DOCTOR

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the unselfish expression of love for our fellow man occurs with varying frequency in most of our lives. Few of us, however, can boast the daily devotion to humanity of Dr. Thomas A. Dooley. His dedication to the task of helping those in need knows no limit and the sacrifice of his personal safety to the cause of helping others to know a better and safer life is an example of human greatness which fills us with awe. I can think of no more fitting recipient of the Lay Churchman Award, and it gives me great pleasure to see the recognition given this great humanitarian by the Religious Heritage of America, Inc.

Dr. Dooley's recent personal tragedy has highlighted for the entire world his tremendous achievements in wiping out disease and sickness in Laos and other countries. Needless to say, Dr. Dooley's courage and devotion to humanity did not originate with his operation for cancer in August of last year. Since 1954, he has struggled against disease in Indochina—first as a Navy physician after

the fall of Dienbienphu and, after his discharge from the Navy in 1956, under the auspices of Medico in setting up his first hospital in Laos.

The magnitude of the challenge which faced Dr. Dooley in Indochina defies our imagination. As he describes it:

> These people have always thought that having something wrong with them is natural. Malaria is endemic here, and they don't think anything at all of some fever. We are changing that.

I find Dr. Dooley's description of his Navy experience in Indochina especially moving. He states:

> We saw simple, tender, loving care, and the crudest kind of medicine, inexpertly practiced by mere boys, change a people's fear and hatred into friendship. We saw it transform the brotherhood of man from an ideal into a reality. To me, that experience was like the white light of revelation. It made me proud to be a doctor—an American doctor who had been privileged to witness the enormous possibilities of medical aid in all its Christlike power and simplicity.

Instead of being discouraged by the enormity of the task before him, Dr. Dooley was fired up with hope and with practical energy. He founded a nonprofit, nonsectarian organization, Medico, to gather money, equipment, and personnel to enable him to do the work he saw must be done. He opened hospitals first in Laos and later six others in Asia, Africa, and South America.

Dr. Dooley's love for humanity, and his great vision of human needs is combined with a down to earth sense of what is possible. He says:

> I believe that those of us who attempt to aid in a foreign land must be content with small achievements.

He makes use of local residents as practical nurses, midwives, and orderlies whenever he can. He keeps the cost of the medical care he practices to a bare minimum—last year he treated more than 36,000 persons at a little less than $1 a year for each patient. But in a sense his very great realism in viewing his tremendous goals make his successes all the greater.

Dr. Howard Rusk writing on two different occasions in the New York Times has pointed up the tremendous potential of Dr. Dooley's contribution for the entire world. On August 23 he wrote of Dooley's work:

> His own fight against cancer he considers just a skirmish, when the tools of health and healing can combat the international cancer of communism.

One week later, Dr. Rusk stated:

> Tom Dooley has awakened anew our realization that healing is a priceless tool in the winning of men's minds for freedom. He has been not only a great emissary for healing, but for peace.

For Dr. Dooley, the fruits of his work are in themselves a sufficient reward. He describes his attitude with these words:

> All our Medico doctors are happy men. They have the happiness that comes to people who have found the path, the path that leads out of themselves and into involvement with mankind. They will be able to look back at the end of their lives and feel they've accomplished something important.

I wish to add my congratulations and admiration to those of many others who feel as I do that this award is richly deserved by a splendid American, Dr. Thomas Dooley. He has heard and truly followed the lesson of the two great commandments—love of God and love of neighbor.

In my remarks, I include a news item appearing in a recent issue of a Washington newspaper:

DR. DOOLEY, LAOS HOSPITAL FOUNDER, TO RECEIVE HERITAGE AWARD HERE

Dr. Thomas A. Dooley, the founder of jungle hospitals in Laos, will come to Washington June 16 to receive the annual Lay Churchman Award of Religious Heritage of America, Inc., the organization announced yesterday.

Others who will receive awards are: Ruth Youngdahl Nelson, churchwoman of the year; D. Elton Trueblood, clergy churchman of the year; and George W. Cornell, faith and freedom award in religious journalism.

The awards will be presented at a dinner in the Statler-Hilton Hotel. Paul Wooton, Washington correspondent of the New Orleans Times-Picayune, will be toastmaster.

Dr. Dooley, a graduate of the University of Notre Dame and the St. Louis School of Medicine, gained fame when his book "Deliver Us From Evil," describing his fight against disease in Haiphong, North Vietnam, became a best seller. He founded his first hospital in Laos with proceeds from the book and help from U.S. drug firms.

He returned to the United States last summer for a cancer operation and again this spring for a checkup. He is going back to Laos at the end of the month.

Mrs. Nelson is a writer of inspirational religious books. She was District of Columbia Mother of the Year in 1953, and Scandinavian Woman of the Year in 1954. She is a member of the National Board of Christian Higher Education of the Augustana Lutheran Church. Her husband, the Reverend Dr. Clarence T. Nelson, is president of the Council of Churches, National Capital area. She is a sister of Federal Judge Luther W. Youngdahl.

Dr. Trueblood interrupted a career as religious author and professor of philosophy at Earlham College, Richmond, Ind., in 1954, to serve 2 years as chief of religious information for the U.S. Information Agency. He is a former executive secretary of the Baltimore Yearly Meeting of Friends. His latest book, a religious best seller, is "Confronting Christ."

Cornell, a religious writer for the Associated Press since 1951, writes a weekly column called "Religion Today." His book, "They Knew Jesus," was published 2 years ago.

Announcement of the awards was made by Lisle M. Ramsey, president of Religious Heritage.

The awards dinner is a highlight of the Heritage's annual 3-day Washington pilgrimage. Previous award winners include President Eisenhower, Evangelist Billy Graham, and the late Cecil B. de Mille.

THE INTER-AMERICAN PEACE COMMITTEE'S HISTORIC REPORT ON TRUJILLO; IS CASTRO NEXT?

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, a week ago today the Inter-American Peace Committee transmitted its report of its investigation into "the flagrant violations of human rights by the Government of the Dominican Republic," to use the words of the charge made by Ambassador Marcos Falcon-Briceno for the Government of Venezuela.

While very important, the condemnation of Trujillo's barbaric tyranny by this distinguished Committee acting for the Organization of American States is secondary to the precedent established. If we are to have peace with freedom in the world, we will attain it only through this kind of collective intervention on behalf of the principles of freedom and democracy.

This historic report stands as a proud achievement for the OAS as it seeks to fulfill its purpose, the promotion of representative democracy and human rights in a peaceful, thriving hemisphere.

The United Nations can profit by this example. A world shocked by the abortive summit conference can properly take comfort from this action by the Inter-American Peace Committee.

This report, of course, is not the end in any sense. It is the basis and the beginning of further action with respect to Trujillo's foul government and others resembling it in the hemisphere. This collective intervention is only by words—strong, authoritative words, the power of which should not be underestimated. Steps should be taken now to publicize this report throughout Latin America and particularly in the Dominican Republic.

PUBLICIZE THE CHARGES

Let radio stations in Puerto Rico, Florida, Honduras, Cuba, Costa Rica, Venezuela, and elsewhere be the Joshua's trumpets to blast down the crumbling walls of Trujillo's doomed government. This clarion call comes, not from one individual or from one or two nations, but from virtually the entire hemisphere.

Trujillo refused to allow the Peace Committee to enter the Dominican Republic. He was, understandably, afraid. The committee heard testimony from many exiles and from others. It was my privilege to have a small part in helping some of these witnesses come before the committee.

The conclusion was no surprise:

> That international tensions in the Caribbean region have been aggravated by flagrant and widespread violations of human rights which have been committed and continue to be committed in the Dominican Republic.

What were some of these violations by Trujillo and his gang? They include denial of free assembly and of free speech, arbitrary arrests, cruel and inhuman treatment of political prisoners, and the use of intimidation and terror as political weapons.

These acts—

Said the report—

> constitute the denial of fundamental rights set forth in the American Declaration of the

Rights and Duties of Man, as well as of principles of the Charter of the Organization of American States.

TRUJILLO'S CRIMES ABROAD

The Committee found that these systematic violations by the Trujillo government increased the tensions existing in the Caribbean region. Reference was made to the illegal activities of agents of the Dominican Government abroad. I can cite, among others, the case of Jesus de Galindez, in which my own constituent, Gerald Lester Murphy, was unwittingly and fatally involved.

Trujillo gave the United States an insultingly false explanation of Murphy's death, an explanation which we formally rejected. No other was ever submitted.

The entire text of this epoch-making "Report of the Inter-American Peace Committee on the Case Presented by the Government of Venezuela" is set forth at the conclusion of these remarks. It is a document worth the close attention of every Member of Congress.

The Inter-American Peace Committee members, all outstanding men, were Ambassador John C. Dreier, representative of the United States, Chairman of the Committee; Ambassador Hector David Castro, representative of El Salvador; Ambassador Vicente Sanchez Gavito, representative of Mexico; Ambassador Carlos A. Clulow, representative of Uruguay; Minister Santiago Salazar Santos, representative of Colombia.

Hemispheric opinion, when expressed by these men in their roles as official investigators for the Organization of American States, can and should be very powerful. Wide and repeated publicity may be sufficient to finish the Trujillo government.

If more action is necessary to gain respect for human rights, the means are at hand. Once, not long ago, such a report could not have been made. Even to propose such a committee would have been to call down emphatic objections of intervention, followed by the express or implied statement that the United States was again interfering in the affairs of its sister states.

The United States has changed its ways in this respect. The OAS is not a facade for U.S. imperialism. It is a sovereign body of which the United States is one member. We can and we do lead on occasion but we have learned not to push or to try to dominate.

TRUJILLO SOON TO FALL

Other measures against the Trujillo Government can take the form of diplomatic and commercial sanctions, but these need not be considered at this time because it appears that they will not be necessary. Trujillo has his bags packed.

There are other nations in the hemisphere where systematic violations of human rights are being perpetrated and thus increasing tensions. Nicaragua and Paraguay both have governments which should be investigated by the Inter-American Peace Committee, but first its attention should be turned toward Castro's Government of Cuba. It is different but, in terms of tensions affecting the peace of the hemisphere, no less important.

Castro's promises of elections in 18 months have been laid aside in favor of mob approval. His one-time respect for a free press has vanished along with all the free newspapers. Anyone who disagrees out loud goes to jail.

Castro promised to carry out land reform under his law providing for inventories and payment, but many takings are confiscations from law-abiding citizens, or foreigners who have good records of productivity in the use of their lands and who did not support Batista.

Castro often said that he would protect the 26th of July revolution from being taken over by any other faction, including the Communists. Serious questions for investigation are whether Castro is allowing the transshipping of Communist arms to Communist-directed revolutionaries elsewhere in Latin America, and whether he is allowing Cuban anti-Americanism, in part understandable, to be exaggerated and used by the international Communists.

CASTRO IS NOT TRUJILLO

Would Castro allow an OAS Peace Committee to carry on an investigation in Cuba? I have heard that he would not. I hope I have heard wrong. Cuba today is not the Dominican Republic, and Castro with all his shortcomings as a chief executive, is no Trujillo.

Not long after I returned from a visit to Cuba in January 1959, shortly after Batista's overthrow, I said on the floor of the House that many Cubans who hated Batista were "sickened by the thought that Fidel Castro, perhaps in spite of himself, may end up just another Latin American strong man ruling for an interval by terror and tribute. This is by no means impossible."

Castro does not, as yet anyway, rule by terror in the way Batista ruled and Trujillo rules. He does use a lot of intimidation and this can all too easily and quickly edge into terror. Nearly everyone concedes that Castro is personally honest and that his government is incredibly uncorrupt. He is not "just another Latin American strong man."

Cuba was overdue for a social and economic revolution. The question is whether Castro's headlong and headstrong leadership can lead to anything but disaster. For the asking he could have had the strong and invaluable help of Gov. Luis Muñoz-Marín, of Puerto Rico, former President Jose Figueres of Costa Rica, and Romulo Betancourt, President of Venezuela. They hated Batista and they favored a social revolution in Cuba, but they like most Americans believe in free elections and individual rights.

Castro could have had friendly, generous help from a United States whose policies about dictators were, at the very moment when Castro came to power, changing drastically. Cuba would have profited by our improved policies and by our embarrassment for past shameful support of Batista. But public opinion in the hemisphere has turned against Castro. Unless he changes his attitude about free elections and individual rights, Cuban public opinion also will turn against him.

We have to face the situation as it is. An accurate, authoritative assessment can be made by the OAS Inter-American Peace Committee, preferably by an investigation within the boundaries of Cuba but, if necessary, right here in Washington by interviewing exiles and others with firsthand information about the state of human rights in Cuba today.

THE ROLL OF THE OAS

The historic precedent has been set by the report issued a week ago. The OAS must now continue to fulfill its great obligations to the peoples of this hemisphere in accordance with the principles set forth in its charter.

The hemisphere needs a definitive report about the tensions apparently emanating from Castro's government of Cuba. I wish I could be as calm and undisturbed about Cuba's immediate future as some seemingly well-qualified observers appear to be. Too many democratic friends of mine have been forced out of the Government or have withdrawn their support. Castro's repeated irrational rantings against the United States and his tolerance of Communists makes me shudder, not for our dignity but for what must soon be the sorry consequences in Cuba. There is much trouble ahead for the people of Cuba under a government led by a man who misrepresents and distorts facts, ignores his own laws, and fails to recognize that communism is a tyranny.

I have asked him many times, personally, by mail and by cablegram, about setting a date for elections, about permitting freedom of the press, about opposing Communist tyranny as he opposed Batista tyranny, about enforcing the terms of his own agrarian reform law, and about many other measures which I along with others felt in the best interests of the Cuban people. My suggestions and criticisms have largely been ignored.

No doubt there is much I do not know, perhaps much I cannot understand, about Cuba's deep, broad, and intense revolution. That is why I hope that the OAS Inter-American Peace Committee will go forward to carry on its historic mission and to proceed to investigate the status of human rights in Cuba.

The following, in addition to the complete text of the report by the Inter-American Peace Committee, are one editorial and several articles about Cuba. To some extent they only add to my mystification about Castro's government and the Cuban revolution, but the authors appear to be qualified, sincere witnesses whose testimony should be heard and evaluated along with testimony of those who hold different opinions.

REPORT OF THE INTER-AMERICAN PEACE COMMITTEE ON THE CASE PRESENTED BY THE GOVERNMENT OF VENEZUELA

The Government of Venezuela, in a note of February 17, 1960, signed by its representative on the Council of the Organization of American States, requested the Inter-American Peace Committee to investigate "the flagrant violations of human rights by the Government of the Dominican Republic, which are aggravating tensions in the Caribbean."

The Committee decided, first, that in view of the powers and functions which were

given it in resolution IV of the Fifth Meeting of Consultation of Ministers of Foreign Affairs, it was within its competence to consider the request of the Government of Venezuela. As will be recalled, that resolution, in entrusting to the Committee the study of the questions that were the subject of the convocation of the meeting of consultation, provides in article 1, paragraph (b), that the Inter-American Peace Committee shall examine—

"The relationship between violations of human rights or the nonexercise of representative democracy, on the one hand, and the political tensions that affect the peace of the hemisphere, on the other."

In this determination regarding its competence the representative of Venezuela, who had withdrawn from active participation as a committee member at the time when he presented his Government's request, did not take part. Colombia was designated as a substitute by the Council of the Organization, on March 1, 1960, in accordance with article 11 of the statutes of the Committee.

In order to gather as much reliable information as possible with respect to this case, the Committee requested information from the member states in a circular note of February 25, 1960, sent to all the representatives on the Council except those of the Dominican Republic and Venezuela, with whom the Committee has remained in contact.

The Committee considered that it would be desirable to visit the Dominican Republic in order to investigate on the scene the situation exising in that country. For that purpose the Committee decided to exchange points of view with the representative of the Dominican Republic on the Council. The corresponding invitation was extended by means of a note dated February 19, 1960, with which the Dominican representative received a copy of the note from the representative of Venezuela. The resultant conversations were initiated on February 24, 1960.

In the course of these conversations with the Dominican representative, the Committee requested and obtained from him information regarding the case under study and, in accordance with the provisions of article 2 of resolution IV of the Fifth Meeting of Consultation of Ministers of Foreign Affairs, asked him if his Government would be prepared to give its consent for the Committee to visit the Dominican Republic in order to carry out the investigations that it considered necessary.

During the session held on March 8, 1960, the representative of the Dominican Republic stated that his Government, in the exercise of its option provided for in article 2 of the above-mentioned resolution IV, did not give its consent for the Committee to visit the Dominican Republic. The reasons given by the representative of the Dominican Republic, on informing the Committee of the decision of his Government, were reiterated in a note which he sent to the chairman of the Committee on March 24, 1960.

In view of the interest which existed regarding its actions in this case, the Committee decided to issue a press release on March 18, 1960, making public the negative reply of the Dominican Government.

In its conversations held with the representative of the Dominican Republic, the Committee expressed its natural and particular interest in obtaining information regarding the arrests in his country of persons involved in the subversive movement put down by the Dominican authorities in January 1960. The Committee had received reports on this matter to the effect that there had been more than a thousand such arrests. In this regard, the representative of the Dominican Republic said that, in accordance with official reports of his Government, the number of persons who had recently been arrested in his country for activities directed against the security of the state amounted to 222; he referred to the acts of clemency of the Dominican Government in favor of these persons, such as the release of the women who had participated in the movement and the reduction of some of the sentences imposed by the lower courts; he gave the Committee a memorandum containing a chronological account of the cases of amnesty and pardon of persons condemned in the course of the last 25 years for acts against the security of the Dominican State; and he suggested the desirability of the Committee's studying the question of violations of human rights in the Caribbean region in its general aspects and not in relation to only one of the countries comprising that region.

In view of these statements of the Dominican representative and taking into account various reports and documents which by then had been received by the Committee—for example, the second pastoral letter of the Dominican bishops, dated February 28, 1960—the Committee believed that there was reason to hope that the Dominican Government would decree an amnesty for the political prisoners or would adopt some other measure of clemency in their favor, on the occasion of Easter, April 17, 1960. Desirous of avoiding any step which might adversely affect the fate of the political prisoners, the Committee deemed it desirable not to make any pronouncements on the case under study during the first days of April and decided in favor of issuing a report of a general nature, dated April 14, entitled "Special Report on the Relationship Between Violations of Human Rights or the Non-Exercise of Representative Democracy and the Political Tensions that Affect the Peace of the Hemisphere," in which, among other matters, questions related to the existence of political prisoners in the American Republics are considered.

The Committee's hopes regarding an amnesty turned out to be unfounded. In fact, it was not until May 31 that the Committee received a note from the Dominican representative, dated May 30, in which the Committee was informed that "within the Dominican Government's process of carrying out acts of clemency in behalf of persons involved in the subversive plots discovered at the beginning of the year, another group of 63 of the persons sentenced was set free on Saturday, May 28, 1960."

Despite the Dominican Government's having declined to give its consent for the Committee to visit its territory, the Committee decided to obtain, through means available to it, reliable information regarding the subject of the request presented by the Venezuelan representative.

The Committee received testimony from Dominican exiles who had recently left that country, as well as from nationals of other American countries who had been in the Dominican Republic during, or just after, the events which gave rise to the arrests that occurred beginning in the month of January 1960. Among the Dominican exiles interviewed by the Committee were representatives of different social and economic spheres of the country, such as educators, workers, former members of the armed forces, industrialists and businessmen. These interviews were held in closed sessions and the Committee does not consider it desirable to make public the names of the witnesses or the text of their statements.

In addition to the testimony of actual witnesses of the situation existing in the Dominican Republic, the Committee examined extensive and reliable press material and also made use of valuable information provided it by certain representatives of member states.

On the basis of the evidence which it has been able to gather, the Committee has reached the conclusion that international tensions in the Caribbean region have been aggravated by flagrant and widespread violations of human rights which have been committed and continue to be committed in the Dominican Republic. Among these violations, mention must be made of the denial of free assembly and of free speech, arbitrary arrests, cruel and inhuman treatment of political prisoners, and the use of intimidation and terror as political weapons. Some of the victims of these grave acts appeared before the Committee and made statements. These acts constitute the denial of fundamental rights set forth in the American Declaration of the Rights and Duties of Man, as well as of principles of the charter of the Organization of American States.

The relationship between the systematic violation of human rights and international political tensions that affect the peace of the hemisphere was analyzed by the Committee in its above-mentioned special report of April 14, 1960—Document CIP–2–60. The case which is the subject of the present report confirms, in the judgment of the Committee, the conclusions which it reached as a result of the above-mentioned analysis since it is evident that the violations of human rights in the Dominican Republic, just alluded to, have increased the tensions existing in the Caribbean region.

In the above-mentioned special report some observations were also made regarding the problems confronting the governments which give territorial asylum to the citizens of the countries governed by dictatorial regimes that do not respect the fundamental rights of the human individual. Those observations are particularly applicable to the situation created by the presence, at the current time, of many Dominican exiles in the countries of the Caribbean region, by the circumstance that in recent months there has been an increase in the number of Dominican nationals seeking refuge in foreign countries, and by the appreciable intensification of the activities of the exiles directed toward effecting a change in the government of their native country. Likewise, it should be mentioned that these groups of Dominicans, as well as numerous persons and organizations of different nationalities, are requesting, through the press and in public demonstrations, the adoption of international measures against the present Government of the Dominican Republic. This situation is the cause of serious concern, and has created difficult problems, for the governments of the countries receiving the refugees, where public opinion has for some time been aroused over the state of affairs in the Dominican Republic.

Regarding the foregoing, the committee must also refer to the repercussions resulting from the circumstance that public opinion has linked certain violent acts which have occurred in different American countries with illegal activities of agents of the Dominican Government abroad. The Committee has received and continues to receive reports concerning these cases, but, independently of any conclusions which it may reach on the matter, it considers it to be its duty to point out that existing tensions in the Caribbean have been heightened in an exceptional manner by this public reaction.

The Dominican Government has reacted very adversely to these developments. Among the manifestations of the foregoing are the attacks in the press, by radio and other means of propaganda of the Dominican Republic against those governments and chiefs of state who have shown sympathy for the cause of the Dominican exiles. As this subject exceeds the limited scope of the present report, the Committee will not analyze it at present. It must, however, express its opinion that this course of action, in turn, constitutes an additional element of disturbance in international relations in the hemisphere.

In view of all that which has been stated above, the Committee stresses the fact that international tensions in the Caribbean area, far from diminishing, have been increased and that, in its view, these tensions will continue to increase so long as the flagrant violations of human rights in the Dominican Republic persist.

JOHN C. DREIER,
Ambassador, Representative of the United States; Chairman of the Committee.
HECTOR DAVID CASTRO,
Ambassador, Representative of El Salvador.
VICENTE SANCHEZ GAVITO,
Ambassador, Representative of Mexico.
CARLOS A. CLULOW,
Ambassador, Representative of Uruguay.
SANTIAGO SALAZAR SANTOS,
Minister, Representative of Colombia.
JUNE 6, 1960.

[From the Christian Science Monitor, June 9, 1960]

CUBA: RESTRAINT BUT NOT INACTION

Cuba's Premier Castro is in much the same position as a little boy who knows that grownups aren't supposed to strike children who play pranks.

His recent announcement that Soviet Premier Khrushchev will visit Cuba—plus broad hints that Chinese Premier Chou En-lai may follow—constitutes a sort of diplomatic hotfoot for Uncle Sam.

The question is how serious a hotfoot is it? And how do Latin American onlookers interpret it?

Many persons in the United States have jumped to the conclusion that the danger from a major Cuban-Soviet or Cuban-Chinese tie lies mainly in the field of mysterious submarine or missile bases.

Such speculation tends to divert attention from more likely dangers: (1) that Dr. Castro can be persuaded by his Marxist allies to act as a transshipper of arms to Communist-directed revolutionaries elsewhere in Latin America; and (2) that his newly established network of Cuban propaganda offices and radio stations may sow anti-Americanism there.

It is easy to see that these two areas might tempt the Cuban revolutionary hero. Since his rise to power he has gradually moved away from strictly internal reform and begun dabbling in big-power politics—first as a declared neutralist, currently as a man determined to give Moscow the benefit of the doubt and Washington doubt for every benefit.

In the process, he has shown an increasing faith in the exportability of his revolution, which has meanwhile moved away from moderate socialist reforms toward arbitrary extremism.

This is a harsh assessment of a revolution that started out to be a new deal for Cuba, and has, in fact, made much desirable progress against illiteracy and an underdiversified economy. But it is an assessment that is becoming more widely recognized among leaders in the hemisphere. And the Khrushchev visit tends to confirm it.

But if this hotfoot is a symptom of something serious—and it is recognized as such by many Latin democratic leaders—what can be done?

Certainly economic or military retaliation against Havana is not the answer. Dr. Castro still maintains wide support at home. His reform successes, loudly trumpeted, are still magnetically popular with many constituents of the very democratic leftist reformers in Latin America who have themselves become disenchanted with Castro. U.S. intervention would martyrize Dr. Castro and reverse the eye-opening now going on.

But there are several other fields for positive action:

1. The United States can present more undistorted information about its support for reform and human rights, both by radio and in print in local languages of the landless and downtrodden. (It should not continue to let Moscow broadcast in Latin-American Indian dialects without competition.)

2. Working through the Organization of American States, Washington can support a tightened arms limitation agreement (limitation, not prohibition). It can help organize joint patrolling against sea- or air-borne arms smuggling.

3. Congress can give the President discretionary power to adjust sugar quotas should the hotfoot get too hot.

4. Washington can do much more through coordinated economic aid to help new democratic reform governments gain support from the underprivileged and discontented.

[From Social Order magazine, March 1960]

CASTRO AND CUBA—THE POLITICS OF ECONOMIC DEVELOPMENT

(By William P. Glade, Jr.)

Only a year ago cheers and applause greeted Castro's appearance in our movie newsreels. They have now, reports Miss Dorothy Kilgallen, changed to boos and hisses, the popular expression of a disenchantment daily more widespread.

Journalists who praised the barbudo's early successes have become vocal in opposition.[1] Congressional affirmations of sympathetic interest gradually diminished to a whisper, to be submerged altogether in recent weeks by mounting criticism and none-too-subtle references to sugar import quotas. After months of what appeared to be a studiously patient and conciliatory policy, toward the end of this past October, the State Department's attitude stiffened markedly and the first of a number of official protests was made.

The events underlying this growing apprehensiveness are, in their externals at least, too well known to require more than the briefest recapitulation.

After the first shock of the trials and executions, Castro's reckless call for an $80 billion Western Hemisphere "Marshall plan" seemed to epitomize the general disorganization of Cuban government. Promises of free elections grew increasingly vague and the suppression of dissent took on a harsher tone. A further ominous note was added by reports of a new secret police and neighborhood spy network. Censorship and bullying of the Cuban press together with mistreatment of U.S. correspondents virtually assured a bad press abroad.

Charges of Red influence came to seem plausible as the Cuban labor movement, crying American imperialism, pulled out of the ICFTU, as new laws expanded the scope of government intervention in the economy, and as expropriation of agricultural and mineral properties began. All the while, anti-U.S. feeling was being whipped up at mass rallies by a strident demagoguery reminiscent of Peron in his heyday.

In short, the bewhiskered youthful heroes of December 1958 came by December 1959 to seem to many rather more like aging juvenile delinquents, attired in jungle costumes and beatnik beards and with a strong bent for histrionics and violence.

The simplest interpretation of these events is that put forward by newsmen such as Dubois and Novins and by defecting revolutionaries aided by the publicity of congressional hearings: the Cuban revolution is being taken over by Communists and fellow travelers.

It would be foolish to deny the presence of Communists in Cuba.[2] They have been there for years and the deteriorating political and social conditions of the past decade were ready made for their agitation. Doubtless, too, many of the Communists are now wearing beards. Yet to call the Cuban developments communistic is, because of the emotion-arousing quality of that term, dangerously misleading as a guide to policy, for there is nothing in the changes effected so far which is distinctively or even primarily Marxist.

The potential menace of Communist infiltration which has been outlined in recent CIA reports is one thing; "leftist" policies which are not in and of themselves Marxist are quite another. To construe them as evidence of Red influence is to obfuscate important aspects of contemporary Cuban developments and to play into Communist hands by identifying communism with all important social change.

In part, this Marxist-in-the-sugarcane-field view probably stems from a failure to appreciate the singular differences between the Anglo-American approach and the Byzantine-Hispanic approach to economic matters. The wide latitude for intervention in economic affairs, for example, seems no more than a contemporary expression of the historic Iberian propensity to rely heavily upon state action to promote the public good. While state-operated enterprises have been set up to sell goods (largely foodstuffs) at prices designed to force drastic reductions in high retail markups, this sale of goods from public stores is an anti-inflation technique with repeated precedents throughout the long era of Spanish colonial rule. As such, it reflects not so much an ideological antipathy to private enterprise as a healthy and well-founded skepticism about the degree of competition prevailing in the market.

Similarly, the laws on expropriation and agrarian reform reflect essentially the contingent (rather than absolute) nature of property rights in the Hispanic legal tradition, a functional concept of property which stems from Byzantine law and medieval Catholic teaching.[3] Certain key sections of the agrarian reform law are, in fact, hardly more than restatements of land reform instructions issued two centuries ago by the

---

[1] Jules Dubois, a veteran correspondent who was one of Castro's stanchest supporters and who authored a highly complimentary biography of the Cuban leader, "Freedom Is My Beat" (Bobbs-Merrill, Indianapolis, 1959), published a series of articles in late November 1959 (Chicago Tribune Press Service) entitled "Cuba's Tragedy"—a bitter denunciation of allegedly "totalitarian" and "communistic" aspects of the revolution.

[2] "Reds Stealing Cuba's Revolution, Editor Reports," is a headline in the Jan. 15, 1960, Catholic diocesan press. The story is written by Jaime Fonseca, editor of Notiticias Catolicas, Spanish and Portuguese language service of NCWC News Service. Based on three visits to Cuba since Castro came to power, Mr. Fonseca reports that "there is a formal understanding between the Castro regime's leaders and the agents of international communism, according to keymen close to the Castro brothers during the underground days."—Ed.

[3] Readers unfamiliar with 19th and 20th century developments in Latin America should bear in mind, too, that, in the first place, the validity of most land titles to the larger estates is extremely questionable and that, in the second place, over against the present day expropriation of the landowner's property must be set the generations of landowner expropriation of the suprasubsistence production of rural labor.

Spanish crown to the intendants (high officials of the imperial bureaucracy). They are about as communistic as those notorious old Marxists, the Bourbon kings.

Even anti-U.S. sentiment can be discounted as evidence of Marxism, for it too has roots deep in the neo-Iberian culture of Latin America, reinforced in Cuba's case by the natural resentment a small and poorer country feels for its rich and dominating neighbor.[4]

Since at least the Moorish occupation and possibly during the anterior Visigothic invasions, a certain cultural arrogance and xenophobia have been characteristic of the Hispanic world. In modern times Latin Americans of a wide diversity of views on other subjects have united in seeing the Western Hemisphere in terms of civilized, Catholic Latin society of the south versus the barbarian, Protestant commercialism of the "Colossus of the North."[5] Nowhere has this view been better expressed than in the Uruguayan José Enrique Rodo's unforgettable portrayal of the Latin "Ariel" confronting the materialistic U.S. "Caliban."

Here again geography functions to reinforce a cultural bias, for the green shores of the Antillean pearl are only a U.S. rocket's range away from the neon-lit hedonism of Miami, while yanqui tourism, a basic prop of Havana's economy, and the main contact of many Cubans with U.S. life, has been notable for its focus on bordellos and gaming tables. These, in turn, have constituted in large part the foreign investment activities of U.S. gangster elements. Both the sugar and spice of Cuban life have been, therefore, ever-present reminders of yanqui control.

THE BASIS OF ANTI-AMERICANISM

Lastly, at least a part of the popular anti-Americanism in Cuba today can be explained by the simple expedient of placing our reiterated statements regarding the "traditionally cordial relations between the Governments of the United States and Cuba" against the historical record of the corrupt and dictatorial Cuban regimes with which, by self-admission, we have maintained such warm relations. The Cuban masses may well be excused for a certain skepticism about the keen interest of the United States in democracy and social justice. It is worth noting in this context that if the United States should persist in unrealistic and unreasonable demands for compensation for expropriated properties, as it has lately given evidence of doing, the situation could worsen materially. The plain fact is that there exists a real basis for Castro's charges that the United States has attempted to interfere with the internal affairs of Cuba, an accusation to be appraised later.

An alternative explanation of the events rests on historical precedent. What are involved, according to this view, are just the "normal" Jacobin excesses prior to the Thermidorean reaction, for as the historians of revolution have noted, the enthusiasm of the fighting spirit not infrequently carries over under its own momentum into the period of triumph. The positive, constructive tasks of political direction, of course, suffer distortion by subordination to the negative logic of combat.

In such cases, nationalistic leaders, imbued with plans to rebuild society, are quite apt to pull down the old abode before working out plans for building the new. Latin America, with its tradition of youthful radicalism among university students and its caudillo tradition, in which leaders are prone to succumb to the old Hispanic weakness of seeing themselves as actors in a drama, would seem to be especially susceptible to this sort of revolutionary excess.

So chaotic may be the consequences of this situation that one writer has aptly made reference to a "Samson complex" whereby nationalist leaders flex their muscles, lean against the economic pillars, and bring the house down on those whom they regard as the source of their troubles—and on their own heads at the same time.[6]

A closely related interpretation is the scapegoat theory which has been expounded, among other places, in the pages of the Wall Street Journal.[7] According to this view, antiforeign sentiment has been whipped up to conceal either a poverty of constructive ideas or of failures of domestic policy.[8]

The difficulty with the first variation, however, is that even if the Cuban leaders had no ideas of their own, by now the world is surfeited with proposals for reform and change. There exists, as it were, a vast inventory of social engineering projects, a common pool or stockpile upon which the would-be reformer is free to draw. In any case, moreover, the current objection to the Cuban revolution would seem pretty clearly to be not that it is directionless but that its direction is unacceptable (to the United States and to upperclass Cubans).[9]

As for the second variation—that anti-U.S. feeling is, along with repressive rule, a device for covering up failure—evidence of any really substantial failure is simply lacking.

It is perfectly true that various Havana business indicators are down—reflecting mainly a massive turnover in the civil service, high unemployment in the construction industry, and the slump in the tourist industry and auxiliary services—and that examples of economic gaucheries are not lacking in the agricultural field. But none of this is sufficient to indict the present Cuban Government as a failure. All are attributable to rather special circumstances.

REGIME IS HONEST

Because the old civil service was composed almost entirely of notoriously corrupt political appointees of the Batista regime, it was imperative to "clean house" and provide public functionaries loyal to the objectives of the new government. In recording the achievements of the Castro government, it is indicative of its high moral tone that even its bitterest critics have not accused it of the most glaring defect of previous regimes: a scandalously pervasive dishonesty in all branches of government. Efficient bureaucratic teamwork, however, is largely a matter of accumulated experience and ought not, therefore, to be expected while the new government is still in its infancy.

Construction, in prerevolutionary Cuba as elsewhere in Latin America, consisted primarily of urban work of an essentially nonproductive nature—the erection of palatial homes, luxury apartment houses, and overly elaborate office buildings—the cessation of which reflects no consequential loss in productive output to the national economy. Already some of the urban construction labor force (along with underemployed rural labor) have been directed into activities of a socially more constructive character. There is no real economic reason why the rest of the unemployed should not be similarly reabsorbed over the month ahead.[10]

Taking a long view, one is probably safe in assuming that the decline in tourism is only a temporary phenomenon. As domestic conditions become more stable and as the U.S. press turns its search for sensationalism to other areas of the globe, the food of dollar-toting travelers will in all likelihood resume, for the substantial natural advantages of the island have, of course, remained intact and the Government has slashed prices to add to their attractiveness. Insofar as a certain sedateness repels the tourist, the revival of this key sector of the economy may be somewhat delayed; but who would wish to quarrel with the Cubans on this score? Some of the auxiliary tourist services of the past, such as prostitution and wide-open gambling, rested on such a dubious moral basis that a return to the status quo ante is unthinkable.

Finally, it must be noted that neither is there to be detected evidence of any significant failure in agriculture. Some dislocations and maladjustments are inevitable during a period of sweeping change, but various reports would seem to indicate that while land redistribution is taking place quite quickly and, in some cases rather informally, all things considered, the transition seems on the whole remarkably smooth. Wages in agriculture have risen somewhat above their previously meager level (an essential step in creating a stronger internal market and providing more effective incentives for the rural labor force) and some of the new agricultural cooperatives appear to be receiving expert technical assistance.

In all of this the role of government has bulked large. Substantial governmental tutelage is likely to be a basic ingredient of agricultural reform for some time to come, and this for reasons which have little to do with ideology. Generations of peonage have

---

[4] Cuba gained its independence from Spain only to fall promptly under the influence of the United States. U.S. investments in sugar, minerals, tobacco, and public utilities came rapidly to control the Cuban economy and on several occasions provided the excuse for American military occupation of the island—all this, it must be remembered, in the 20th century. Today some 75 percent of Cuba's imports comes from its powerful neighbor and around 65 percent of its exports goes to the U.S. market.

[5] According to Tad Szulc, New York Times, Nov. 5, 1959, most of the current anti-U.S. feeling throughout Latin America is found among non-Communist groups.

[6] Indonesia might well provide the neatest "fit" to this concept. After first pulling down the Dutch pillar and finding that the house neither collapsed nor became noticeably roomier, the nationalist Samson has turned his attention recently to pulling down another major prop—the Chinese business community.

[7] See p. 1 of the issue of Oct. 27, 1959. The fairly extensive Cuban coverage in Time and U.S. News & World Report also plays heavily on this theme.

[8] Similar, for example, to the scapegoat use of Israel by the backward regimes of Jordan and Saudi Arabia.

[9] As Harold Lavine has pointed out in a noteworthy article in Commentary ("Social Revolution in Cuba," October 1959, pp. 324–328), the upperclass supporters of the Castro movement in its early days were aiming for the establishment of a conventional liberal democracy rather than the basic social revolution which has emerged increasingly as the paramount objective of the new regime.

[10] Some observers have charged, rather unconvincingly, that the Government's public works outlays are unproductive. It is difficult to see why the construction of rural roads and bridges does not represent important investments in social overhead capital and why even the provision of better worker housing should not be considered as directly conducive to higher levels of economic welfare and, very probably, indirectly productive because of the effect on worker morale. Such criticism stems in part from the old confusion between money costs and real costs and in part from a failure to contrast this type of expenditure with the prerevolutionary alternatives noted above. Is public expenditure on worker housing necessarily a less productive use of resources than private expenditure on fancy apartments?

scarcely prepared the impoverished and uneducated Cuban rustic [11] to assume forthwith the role of an independent rural entrepreneur; stern economic necessity therefore dictates the use of state controls to gear the output of new agricultural entities to overall objectives as well as to prevent the peasantry from consuming too much of its output. That mistakes will be made in this governmental guidance is a certainty, a fact which demonstrates merely the unavoidably experimental nature of initial planning efforts rather than the futility of such intervention.[12]

It should be observed in passing that a future decline in sugar output cannot be taken ipso facto as evidence of failure, though it is certain that a sizeable portion of the U.S. press will so interpret it in order to discredit the land reform program. Because of world market conditions, sugar sales were already sluggish in 1957 and 1958 while domestic stockpiles were growing. It is entirely conceivable, then, that sound economics might call for reductions in sugar output and increases in other crops, particularly since the premium price paid for Cuban sugar may no longer be forthcoming when the U.S. sugar interests are replaced by Cuban ownership.

ECONOMY FOUNDERING DOUBTED

In short, it is hard to find conclusive evidence that the revolutionary government is foundering on economic difficulties of its own making, though it is necessarily tackling sizeable economic problems inherited from the previous era and is up against some extraordinary difficult tasks in effecting the changes it has as its goals. Fundamental reorganization of a national economy is obviously not an overnight transformation.

All this is not to deny the possibility that the revolutionary program may eventually fail amidst general economic chaos, in which case either a Communist takeover or a reactionary coup would be a strong probability. It is, however, far too premature to pass such a judgment at present. To do so is to misread the record—or to betray either undue pessimism or wishful thinking.

It is the main contention of this article that the growing anti-United States feeling and the intensity of opinion formation by the Cuban Government reflect the successes of the revolution rather than its failures and are, moreover, well-nigh indispensible instruments in that success.

The present government stands publicly dedicated to two main projects: 1. effecting basic social reforms and 2. undertaking a reorientation of the economy by a development program of industrialization and diversification. Neither task is easy under the most favorable circumstances; both are of a sort to generate, even as they are successful or perhaps to the extent that they are successful, substantial stresses and strains within the socioeconomic structure. A somewhat leftist and highly regimented state is, in all probability, the most effective instrumentality for this simultaneous restructuring of both the economy and Cuban society.

Seen in this light, anti-Americanism and calls for continued revolutionary discipline may well be interpreted as means of masking, not failures in dealing with problems, but rather the necessarily painful nature of the solution of those problems. They are techniques, that is, for creating a popular rationale for the inevitable austerity period and the requirements of heightened effort and sacrifice during the difficult transition phase in agricultural reform and industrialization.

What has been largely obscured by the headline-winning flamboyance of the barbudos is the fact that side-by-side with the events noted at the outset of this article the Government has been making a serious and fairly consistent effort to move toward its chosen goals.[13]

In its monetary stabilization program, for example, the Government has succeeded, by means of strict controls over its dollar exchange reserves and other policies, in reversing the serious drain on gold and dollar reserves which developed during the Batista days—and this despite a sizeable capital flight as the moneyed classes voted, in effect, no confidence in the program of social reform.

RADICAL REFORM

In a related move, to carry through its economic programs in the face of a severe dollar shortage, the Government has imposed strict controls and high duties on various items to discourage the squandering of foreign exchange reserves on imports of consumer superfluities and to save funds for necessary investment in imports related to the development program.

Rent controls appear to have been used to halt the characteristically Latin American propensity to pour funds into luxury real estate construction and to free resources thereby for the public works program noted above.

Impending reforms in the banking system are likely to result in a more satisfactory distribution of credit to the rural sector than hitherto, formerly, as well as to the new industrial undertakings. The whole matter of savings, in fact, is apt to come up for review shortly, for with workers and peasants investing their limited capacity to save in "industrialization bonds," it will not be possible for the wealthy and middle classes to continue to drag their feet.

FORCED INDUSTRIALIZATION

An important move has been made in the industrialization program with the passage of the new mining law which, by levying a 5-percent tax on minerals extracted for sale in Cuba and a 25-percent tax on raw minerals extracted for export, seems designed to force the construction in Cuba of smelting and refining facilities. Mineral exports, it should be recalled, rank after sugar and tobacco as the third biggest dollar earner, though the nickel and cobalt exports have almost entirely been exported in raw form for processing in the United States. Where feasible, of course, the logical place for industrialization to begin is in the processing of a nation's raw materials.

Though land reform has moved swiftly (to prevent opposition to it from consolidating and retarding or halting it) and agricultural cooperatives have been established (to give the peasantry a "stake" in the new system), agrarian reform has been geared to development plans by the provision of technical advice and the establishment, for the time being, of delivery quotas at fixed prices for various crops.

FEVER VERSUS DISEASE

The objection has sometimes been raised that land reform per se merely treats the fever (agrarian discontent) without touching the disease (social and economic backwardness).[14] Apart from the fact that in Cuba the "disease" is also being treated, it is perhaps relevant to note that it is not unsound medical practice in many cases to bring down the fever as soon as possible, even independently of the treatment of the disease itself. The analogy would seem to apply in economics, for the social costs of continuing peasant unrest—the absence of what John R. Commons called "industrial goodwill"—can result in a sizable though hidden charge (in lackadaisical productive efforts and rural strife with its attendant damage to capital and output and lost man-hours of labor power) against the output of the economy. And it is only after the rural populace has been "won over" that further constructive changes stand much chance of success.

Obviously, the foregoing and other measures for accelerating socially beneficial economic growth entail both a considerable sacrifice on the part of the hitherto privileged groups and a greatly increased productive effort on the part of all. As Ruby H. Phillips recently observed:

"The launching of Castro's austerity program has jolted the free spending, free-wheeling Cubans, and they are already beginning to grumble. The people of this island have often known poverty but they are not conditioned to planned austerity." [15]

Against this background, three discernible functions emerge for the anti-United States and anticounterrevolutionary campaign.

PLANNED AUSTERITY

First, it serves as a sort of catalyst in effecting a revolution in cultural attitudes, a means of rousing the masses from their past apathy and limited mental horizons and emphasizing cooperative effort for new social goals.

Secondly, these campaigns are merely an application in the Cuban context of what other nations, including our own, have learned and employed before with respect to the psychology of production; namely, that there is nothing like the threat of an enemy from without (whether real or imaginary is beside the point) and his allies from within to create an esprit de corps and mobilize popular support behind a crash program to lift production to higher levels, and this either to win a war or to break through to sustained economic development.

Such a personification of the threat posed by the backwardness of inherited institutional arrangements is probably essential when dealing with an unsophisticated population little conditioned to self-discipline for abstract long-term goals. Without a concrete and continuing menace, it is likely

---

[11] It is significant that in his radio message to Cuba's first national Catholic convention, attended by more than 500,000 (including Fidel Castro), Pope John XXIII felt compelled to emphasize: "The face of the world could change if true charity were to reign. * * * It is the charity of the Christian man convinced that his wealth has a social function, and that it is his duty * * * to give what is above his own needs to those deprived of the bare necessities of life."

[12] Father E. K. Culhane, S.J., writing in America ("'Big Brother' Comes to Cuba," Jan. 23, 1960, pp. 502–503), deals vigorously but exclusively with these transitory difficulties, attempting thereby to build a case against the Cuban land reform program.

[13] Business Week is outstanding for having discerned this behind-the-scenes progress at an early date. See "Castro: Political Fireworks but Clear Economic Goals," August 1, 1959, pp. 70–74, for a sympathetic account of the constructive aspects of the economic recovery program: Labor peace, appointment of competent experts to key positions, the work of the Banco de Fomento Agricola y Industrial de Cuba.

[14] Archbishop Antonio José Plaza of La Plata, Argentina, told a national conference on agrarian reform sponsored by the Association of Professionals of Catholic Action last fall: "Lands that have been abandoned or virtually so, and lands which because of their owners' neglect have low yields, can legitimately be expropriated by the state—provided a just indemnity is given—and the ownership transferred to capable, enterprising families."—Ed.

[15] "Castro Gets the Bill," the Reporter, Oct. 29, 1959, pp. 23–24.

that such a population, holding the mistaken notion that the solution for its predicament is easy, might become impatient with the necessarily slow progress of the development program and overthrow the whole plan before it could begin to demonstrate its value. While it is certain that Cuba cannot in the long run sever its close economic ties with the United States, it may well be that in the attempt to reduce U.S. influence, the population can achieve a substantially higher level of productivity and economic welfare.

Moreover, as suggested earlier, the external threat is not altogether fictitious. Despite the nominal stand of the United States that Cuba has a clear right to undertake internal social and economic reforms, the official American position on the compensation issue must be viewed as inimical to the democratization of the Cuban economy.

The Cuban Government has already offered compensation for expropriated properties in 20-year Government bonds based upon valuations arrived at by mutual consent between U.S. interests and the Batista government. Unless, therefore, U.S. concerns wish to concede that they conspired with the Batista government to defraud the Cuban economy (which is very likely the case), the present quarrel must perforce focus upon the manner of payment rather than the amount of payment.

To press, as the U.S. Government has done, for immediate cash-on-the-barrelhead payment is manifestly so far out of the question in a country embarking upon a development program that it is tantamount to opposing redistribution of the land in the first place.[16] Such a policy of nominal neutrality but practical opposition is likely to fool no one—least of all in Cuba—and only confirms the impression abroad that the U.S. State Department is the political arm of U.S. corporations.[17]

Finally, it must not be forgotten that even if the threat of yanqui imperialism is partially fabricated, the threat of internal counterrevolution is undoubtedly real.

An abiding threat to Latin American movements such as Castro's has been the opposition to change on the part of the oligarchy (a Latin American expression for the entrenched elite of landowners, merchants, high military brass, and foreign capitalists). More than one Latin American social revolution has foundered as a consequence of delay in taking immediate steps to eliminate the power base of this opposition. Most often the delay proved fatal as it gave the oligarchy the opportunity to gather forces and, through the machinations of military cliques and palace revolts, to annul the revolution.

Psychological reconditioning and tight discipline become, therefore, indispensable instruments for consolidating the social gains of the revolution by holding in check the hostility of the privileged classes. In this transitional period, a free press and free elections, in both of which oligarchic influence would be paramount, are impractical until such time as the revolution is stabilized.

NO PRACTICAL ALTERNATIVES

U.S. readers who, from the comfort of their affluent society, cavil at the seeming harshness of Cuban policies for keeping down the opposition might well ponder the practical alternative of liquidation of the opposition through a resumption of internecine strife. Dislocations and stresses are bound to take place as reorganization of the socio-economic structure proceeds apace. To allow defectors and reactionary dissidents to prey upon them to undermine the basic goals of the revolution would appear unreasonable. The struggle has been too long and bitter and has cost too many lives already.

[From the Nation, May 28, 1960]

DIALOGS IN CUBA

(By Barbara Deming)

"In all my 38 years on the New York Times, I have never seen a big story so misunderstood, misinterpreted, and badly handled as the Cuban revolution."—Herbert Matthews.

Before my recent 3-week stay in Cuba, I had never played the role of journalist, and I had certainly never tried to play the role of amateur ambassador; but after a few days there, I found that I was exerting myself in both roles. The fact that I did so tells something about Cuba at this present moment. Nothing is more possible than to engage a Cuban these days in earnest conversation about the new regime, and about the misunderstandings between his country and ours. You have only to ask one question of a stranger sitting next to you in a bus, and before a minute is out, the bus will be a hubbub of discussion—every passenger eager to add his word. The only obstacle to communication that I encountered (aside from the fact that I speak a minimum of Spanish, and not all Cubans speak English) was that they are so eager to talk to Americans about what is happening, that I sometimes found myself trying to listen to two or three people at once. No one was indifferent. What is happening there is not something to which they passively submit, but something in which the great majority of Cubans feel actively engaged.

There is no blind following of Castro. Those who are most enthusiastic freely describe him as "loco" about some particular project, or term him "Superman" for wanting to think about everything himself. "We make jokes about everything, in Cuba," a young volunteer government worker told me. "Our joke about Castro is, we call him our kid. 'That kid, he's working too hard,' we say. It's very, very strange; we feel responsible for him." That attitude is also strangely contagious—so much so that, at the end of a week, having by then strong feelings about Cuba's relations with the United States, I found myself stepping into a taxicab and telling the driver that I would like, please, to talk with Fidel Castro.

When I admitted that I had no idea where Castro might be found, the driver pulled up to the curb and consulted some men who were chatting together. They advised me to ask directions at the main police station. There the matter was discussed again in an astonishingly informal fashion. I was advised to apply for an interview at the INRA building where, after explaining something of my purpose before a casual jumble of reception desks, I was suddenly taken in tow by a stranger who turned out to be an engineer, there this day to submit a rural electrification project to the government. Overhearing my explanations, he had decided that I had "good feelings" and so took it upon himself to steer me to the appropriate officials. It was not, of course, as easy as all that. The men in question were naturally busy. But I was asked to come back again; and the difficulty of getting to see Castro was explained to me in the simplest human terms: he'd been up working, the night before, until 5 a.m. Meanwhile the engineer led me off to meet some other people, of the press and radio, who might be able to arrange the interview for me.

It should be apparent to the reader by now that one widespread impression among us is mistaken: Cubans may be loudly critical of the present policy of our government, but they are not hostile toward the American people. Nor is their friendliness simply the friendliness of a people who want tourists. It is quite unstrained. No Cuban with whom I spoke treated with scorn my determination to try to see Castro. And when I finally did manage an interview in the manner that a number of people had begun to suggest—by catching his eye in a public place and asking whether I could talk with him—the attitude of the small crowd that soon surrounded us was curiously protective. After Castro left, many of them stayed round me for an hour more—asking me about myself and elaborating upon the words he had spoken.

The specific event that had caused me to prolong my stay in Cuba was the speech Castro made on March 6 at the funeral for the men killed in the explosion of the munitions ship, *La Coubre*. He had declared that he couldn't help suspecting that those who had tried to halt all shipments of arms to Cuba (which is to say, U.S. officials) were somehow responsible. His words had filled me with confusion. Back home, I had seen him described in public print as a little dictator in the making. But the vision of him in this role had been dissolved for me by then—confronted as I was by a population enthusiastic, yet without fanaticism. From one person after another I had heard, in effect, the same words: "For the first time we are full of hopes, we feel that life is possible." Even those few people with whom I had talked who were critical of Castro acknowledged that he was helping the great majority and that his regime was absolutely honest. A taxi driver who was furious at him, because he, the driver, depended on tourists for a living—"And they're not coming, they're not coming!" and Castro was to blame—described him, in his wrath, in these terms: "This island has always been called a paradise. Now he wants to actually make it one. He wants to make it a gol-den saucer. a gol-den saucer." (I told the cabbie I had never heard that expression. "It's my own," he said proudly.) The day of the funeral speech, however, revived in me the old doubts. Why should Castro mouth such suspicions—even while he admitted that he had no proof?

I had not been staying in Havana itself up to now, but now I moved in, and my second night there I suddenly had a chance to voice the objections of an American to Castro's charges. I wandered by chance into a crowd of people on the Prado who were being solicited for contributions for arms for Cuba. Everyone who donated something was allowed to speak a few words into a microphone, and a TV camera mounted on a truck would catch his picture for watchers throughout Cuba. Still troubled by my doubts, I hesitated to make my own contribution, but the eager faces of the girls asking for donations made my hesitation seem foolish, and I gave a few pesos. Instantly a number of people standing in line to take

---

[16] As most readers probably know, under the best of circumstances a program of rapid economic development is apt to create severe strains on a nation's balance of payments. Earnings of foreign exchange must by and large be earmarked for financing imports of capital goods and similar items needed to accelerate growth of domestic output. To divert a sizable portion of vital foreign exchange earnings into compensation payments means simply that capital is being repatriated at just the time when the need is greatest for more capital. Cash compensation would therefore be detrimental to Cuba's economic program while additional capital aid at this time would go far toward insuring the ability of Cuba to make good on bond redemptions later on.

[17] The expropriation-compensation issue also explains the above-noted forebearance of the State Department in the early days of the revolution: it was patient while the reform program was still in the talking stage but protested when the revolution began to make good its promises for economic and social reform.

their turns at the microphone, waved and smiled at me. "You are an American? That's wonderful. Thank you, thank you!" —and all beckoned to me to say something too. One after another of these people was crying a little speech into the microphone. Even little children squeaked out something with no shyness. (Fiery oratory, I noticed, is a national habit here.) I instinctively shook my head as they invited me to say my word. Then I decided that if I had a protest to make, I should make it here. So I asked the man who was passing the microphone whether he could translate for me, and I said: "Here's to Fidel Castro, and here's to your revolution. But may Castro come to speak less violently against the United States, and it may yet change its heart toward him." I rather expected my words to be disliked, but when I looked about me, people waved at me and cried again "Thank you!" and the next day, when I went to the Western Union office to send a cable, the head of the office hurried toward me, beaming, hand outstretched: "I want to thank you for your cooperation with the Cuban people. If I am not mistaken, I saw you on television last night."

That night, too, I began methodically to ask everyone I found who could speak English: Why did Castro make such violent charges? I had started asking this question on the day he made the speech, and the first answer I had been given had seemed strange to me. "Don't you see? He was so hurt," a young woman had explained to me. It had seemed strange to hear the statements of a head of state explained in such personal terms. And, I told her, most Americans felt that, in the face of Castro's abuse of us, our Government had behaved with astonishing restraint. In the coming days, however, I was to hear repeatedly the same expression, "You must understand, he was hurt," and to mark a look of wonder that I could not appreciate that human fact. Over these next 2 weeks—while I persisted, too, in my attempt to manage a conversation with Castro himself—I had long conversations about the relations between our two countries with scores of Cubans from all walks of life.

They would usually speak first of the refusal of our Government to sell Cuba arms, and of the strong pressure we had put on other governments to refuse them also. "Why are we not to be allowed to defend ourselves?" they would ask. Then they would bring up the raids over Cuba by planes flying from airfields in Florida. There was not a day, I was told, when at least one plane did not come over. Many acres of sugarcane had been destroyed by fire bombs "and sugar is our livelihood"; sugar mills had been attacked; even 100-pound bombs had been dropped; and a raid on Havana on October 21 had caused the death of 2 people, the wounding of almost 50. The United States did little to prevent these flights. I assured them: Our Government naturally deplored the raids, but it wasn't easy to prevent them. How was one to keep a pilot from lying about his destination? Again the response was a look at me and a smile—as though I were a child. If planes had been making similar raids into Canada, they said, they couldn't help feeling that the U.S. Government would have managed by now to stop them.

Everyone with whom I spoke would bring up the subject of the Batista henchmen to whom we allow asylum: Ventura, Laurente, Masferrer, Pedraza, others. These are not political refugees, they would say; they are known mass killers and sadists. There is a gesture in Cuba where the speaker touches the corner of his eye, meaning: I have seen it. This gesture was repeated for me many times. There is scarcely a person to whom one speaks whose family has been untouched by Batista's torturers. About 19,000 Cubans were murdered by them. In Havana alone, they castrated 300 men and boys, so people said. Some of the tortures they perfected are almost unspeakable. One woman told me with emotion of the treatment dealt out to her cousin. A Batista henchman had had a man jump up and down on the boy's stomach until everything inside him was broken. The fellow responsible "is now a leader of the anti-Communists in Miami," the woman told me. "There is your anti-Communist man. You must try to understand why we are so hurt."

When the Batista men were mentioned, I would urge the difficulties of forbidding asylum. And it was through a mistake, I would point out, that Pedraza had been allowed to enter the country. No such mistakes seemed to occur, they pointed out, when anyone tried to enter whom the United States had named a Communist. And the United States knew, they all said, that Batista's men were not idle there. Men known to be plotting against, say, the Government of England, would never be given such freedom.

It seemed unreal to all these people that we should be indifferent to the nature of these men now in our midst; and it seemed unreal, too, that we should be indifferent to the contrast between the Batista regime and the regime now. That contrast is for them a cause, still, of happy wonder. Person after person would remark to me how amazing it was to be able to look at a soldier or a policeman without fear. And in their eyes the youth I saw drilling in the streets have a very different significance than for the casual visitor. As one of the Catholic priests with whom I talked explained to me with feeling: Army barracks are being converted into schools all over the island. (This is one of the changes people talk most about.) And the militia that one sees everywhere is voluntary—"the first completely voluntary army in history," the priest boasted. "The army can no longer threaten the people of Cuba. The people of Cuba are the army."

It is not only the disappearance of terrorism that they speak of with wonder. Terrorism under Batista was matched by corruption. The facts of this, too, are vivid in every mind. Over and over someone would name for me the exact figures of some monstrous example of graft. Under Batista, a social worker told me, it used to be that a man would go into the government and within 6 months you could count on his being a millionaire. It was something strange, she said, if this didn't happen. One of the first things the heads of the present government did was to reduce their own salaries. Pride in this new honesty is one of the most conspicuous elements in the revolutionary movement. A man pointed out to me the little boxes being passed about for contributions for arms. "And nobody touches a penny," he cried; "this is holy." A girl opened one of the boxes to show me a diamond ring among the pesos contributed.

And so they look about with pride and relief at the difference between the two regimes, and cannot understand why we are suddenly full of protests about this one. They all conclude that the United States does not want Cuba to be independent; that it wants her to remain in the position of a colony.

By now I knew to what they referred when they explained Castro's words about the United States in terms of "hurt." It still seemed to me a strange explanation. Did they not expect diplomacy of their Prime Minister? When I finally did, by chance, late one afternoon, catch sight of him standing on the sidewalk outside the Sevilla Biltmore Hotel, I stepped up to him and asked my questions directly of him.

I introduced myself as an American distressed at the poor relations existing between our two countries. I did understand, I told him, that he had cause for bitterness; but, I said, his angry words were losing him friends in the United States—even those who might well be his friends. For several minutes his answers to me were a prolonged echo of all I had been hearing from other Cubans. "How would you feel—?" he asked me, and again: "How would you feel—?" naming again for me all the damaging acts, or omission of acts, that had been named for me by one person after another. "How would you feel?" His hand touched my arm. His appeal to me was personal—quite as though I had been trying, say, to reconcile him to a mutual friend who had disappointed him.

I reiterated: I understood why he was bitter. But wasn't he letting bitterness confuse his own actions now—when he went so far as to accuse the United States of complicity in the munitions-ship explosion, of actual crime? He was quick to deny this: he had not accused them. "The people around me, advising me, would never have let me say such a thing. I said that I had no proof. But," he added, "I have a right to wonder." A right to wonder out loud? I asked. The point was, he tried to explain, that if the United States had not attempted so persistently to block all sale of arms to Cuba, such a thing could never have happened. U.S. hostility had created an atmosphere in which the crime was possible.

I told him that I had recently read the speech he had made in October 1953, before the court which tried him for his early rebellion against Batista. (This speech, published under the title "History Will Absolve Me," I recommend to anyone wishing to make a considered judgment of Castro.) He said that I had often heard Americans worry that the might be a potential Mussolini or Hitler; I had decided that one who spoke as he did in that speech never could become another such figure. But listening to his words at the funeral, I had not been sure. Again, he looked at me hard.

The crowd had pressed us close together by now, and someone behind me was holding onto my waist, with warm hands, as though I were a child she or he were helping to speak up. It seemed to me, I said, that in his fight against Batista, his genius had been to win new adherents to his cause from the ranks of the opposition. That is how his army had grown. And in a recent talk to schoolchildren, I reminded him, he had urged the children, in their dealings with the children of those who spoke against the revolution, to "win them over with friendliness, not with contempt." Was he not forgetting that principle in his dealings with the United States?

In the beginning, he answered me now with emphasis, he had done just this—had tried to ask for understanding. But how was he to hope to reach the people of the United States, he asked, when between him and the American people was the American press? He spoke with a hopelessness conspicuously sincere. I persisted: it was not impossible to communicate with the American people. Must he not continue to try to make himself clear—thinking always, when he spoke, of those Americans who could understand him? He had gone on trying for a long time, he said. I asked, must he not keep on trying still? He looked at me then and shrugged his shoulders forward eloquently, "You would like me to be like Christ," he said. I answered: "I would like you to be like Gandhi in his conversations

with the British." "The people of Cuba are like Gandhi," he answered quickly.

I had referred once more to his funeral speech, when he suddenly put his hand on my arm again: "Don't you see? It is not to the United States that I am talking. I am talking to the people of Cuba." He spoke now at length and with feeling: "Don't you understand? I have to build up in the Cuban people a national conscience. I have to teach them what their true situation is. I have to make them aware of what lies before them, to be done and to be suffered. How did George Washington have to speak to his soldiers at Valley Forge?"

He was elaborating upon this theme when two NBC men, who had found their way through the crowd, asked him if he would grant them a televised interview the next day. He tried at first to decline; he was terribly busy; also, he spoke awkward English, and he might not say things well. I asked whether there couldn't be a chance for him to see the interview played back first, before approving it. Impossible, the reporter said, shortly. Castro turned to me suddenly now and patted me on the shoulder: "She's a good girl. She advises me not to get angry."

The newsmen then, pencils in hand, began to ask some of their own questions. The revolution, Castro tried to explain, was not really against the interests of the American people. It was true that a very small group of them would lose something. "We can't help this," he said. "You had a revolution once. There were changes, weren't there? And didn't the British lose something?" "We're reporters," said the NBC man. "We're here to ask you questions." Castro looked surprised. But he went on: The revolution was hurting the interests of a small group of monopolists. "Are you against monopolists?" asked the newsman quickly. "I'm not against!" Castro cried, with a helpless emphatic gesture; "I am for the Cuban people." (I noted that this outcry was omitted from the account of the interview in next morning's Havana Post, an English-speaking publication there.) "We are in favor of the Cuban people. We are against those who are not," he was simply reported as saying. Nor was there any account of what had been, for me, the heart of his self-explanation: His comparison of his own role to that of Washington at Valley Forge.

I came to believe that afternoon that Castro's words are not really weighed in terms of a reaction to them in the United States. I came to realize also that his very lack of diplomacy in speech, so disastrous where the relations between our two countries were concerned, had for his Cuban audience a special value. "Would you want him to be a hypocrite?" people had been asking me all these days. Batista had indeed been a "good politician," quite able to keep his mouth shut when it was diplomatic to do so. With Castro, Cubans feel secure in the knowledge that whatever comes into his head, he will say. When this leads to some exaggeration, they make allowances: "Remember, he is young." The point is: He is not trying to keep anything back from them. They feel that they share, for the first time, in what is going on. An edge of pride is no doubt involved, too. As the French wife of an exiled Haitian newsman said, with delight: "They have had to speak carefully for so long. This is an important moment for them."

THE PRESIDENT'S TRIP TO THE FAR EAST

The SPEAKER pro tempore. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 30 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have in my hand a picture that appeared in the Washington Post of President Eisenhower saying goodby to his little grandson at a Washington airport. In the picture are Secretary of State Christian A. Herter, Homer Gruenther, assistant to the President, Mary Jean and Barbara Ann Eisenhower, granddaughters of the President, Vice President Richard M. Nixon, and Mrs. Herter, wife of the Secretary of State.

You see it is a very moving picture. You can just see him saying goodby and telling his grandson to be a good soldier. That, of course, is what the President was when he started off on his extremely dangerous trip to foreign countries where there are inhospitable groups with vicious threats against him awaiting him. I know he was telling David to be brave and a good soldier, because that is what he has been always. He told his little grandson he would then be acting as the head of the family, since his mother and father, Colonel Eisenhower, the President's son, were going with the President.

Mr. Speaker, I should like to read a letter addressed to the President by the American Legion Auxiliary, department of Massachusetts. It reads as follows:

AMERICAN LEGION AUXILIARY,
DEPARTMENT OF MASSACHUSETTS, INC.,
Boston, Mass, June 7, 1960.

HON. DWIGHT D. EISENHOWER,
President of the United States,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: At the 41st annual department convention of the Massachusetts American Legion Auxiliary held at New Ocean House, Swampscott, on June 3, it was unanimously voted to adopt the following resolution:

"Whereas the dignity, patience, and understanding of President Dwight D. Eisenhower, during and subsequent to the ill-fated summit conference, has impressed us with his sincere desire for a just and lasting peace; and

"Whereas he has been subjected to indignity uncalled for in his position as President of the United States of America: Be it

"Resolved, That we express to the President our faith in his efforts and our admiration of his report to the Nation."

May we assure you of the love and devotion of 25,000 members of the Massachusetts department during the trying days you spent in Paris and may you be given the health and strength under God's guidance to meet the grave responsibilities which lie ahead.

Cordially yours,
ADELAIDE L. FITZGERALD,
Secretary-Treasurer.

Mr. Speaker, this is a very fine resolution. It is entirely nonpartisan, and there are probably more Democrats than Republicans. I rejoice in this resolution, Mr. Speaker, but I deplore that there are those today in this country who criticize the President of the United States. It is terribly belittling of them, instead of resenting with all their being the attacks by Khrushchev on the President of the United States, Gen. Dwight D. Eisenhower. He is our symbol of our country—he is our President. And in insulting him they insult the United States. No red-blooded, strong, loyal American, I think, can criticize the President or find excuses for Khrushchev. There is no redblooded, strong, loyal American who should not stand up for the integrity and honor and respect due to the United States of America.

REPORTING EXPENSES BY HOUSE MEMBERS

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks in the body of the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, yesterday my colleague, the gentleman from California [Mr. LIPSCOMB], a member of the House Administration Committee, and a public accountant, introduced a bill relating to the reporting by Members of the House of Representatives of expenditures from the contingent fund of the House of Representatives, and of expenditures of counterpart funds by Members of Congress.

The bill deals with an area where we have long needed reform. I am today introducing an identical bill to that of the gentleman from California [Mr. LIPSCOMB], and I trust the House will move rapidly ahead to tighten up in this area.

LITHUANIANS AND THEIR FATE IN 1940

Mrs. PFOST. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks at this point in the body of the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

Mr. DINGELL. Mr. Speaker, the Lithuanian people have had more than their share of misfortune and misery in their modern history, but the fate that was theirs in June of 1940 proved to be truly tragic. These robust and stout-hearted fighters for freedom had suffered under the oppressive Czarist regime of Russia for more than 100 years, and had regained their independence at the end of the First World War. Thenceforth, for about two decades, they were happy in their homeland, and in that relatively short time they had made Lithuania a model democracy in northeastern Europe. On the eve of the last war helpless Lithuanians were in a precarious position; they were not strong enough to defend themselves against their arch enemy, the Soviet regime. Soon after the outbreak of the war, Lithuania was attacked, overrun, and occupied by the Red army, and then the country became part of the Soviet Union. In attaining their goal, Soviet authorities resorted to some outrageous and inhuman methods. They deported all

able-bodied men whom they suspected of opposing Communist dictatorship and enslaved the rest of the population.

Even now it is impossible to say how many hundreds of thousands were uprooted from their native Lithuania and, in a mass deportation unprecedented in modern history, were driven to distant parts of the Soviet Union. On this day, 20 years after their deportation, we commemorate that day as one of misfortune and pray for those who died in some desolate part of the Soviet Union.

THE HONORABLE MRS. GRACIE PFOST

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to congratulate the gentlewoman from Idaho [Mrs. PFOST] on her overwhelming renomination to the Congress of the United States. She is a great and able Member of the Congress and a very loyal friend and loyal American. She is always very fair to Members on the Republican side as well as Members on the Democratic side. She sincerely wants to be helpful and just.

I know we in Massachusetts are deeply grateful to her. She has aided us in the passage of meritorious legislation in Massachusetts and in my own congressional district. She does this for both sides of the aisle, regardless of party, because she is dedicated to the proper development of this great country of ours. She is a great stateswoman and a great American. The Democrats can be extremely proud of her; I know I am, as a Republican. She is fortunate to have a fine husband who has great pride in her achievements and is constantly by her side, helping her in every possible way. I hope the citizens of Idaho appreciate her many talents, and her fairness in the great legislative job she is doing in the Congress.

Mrs. PFOST. I certainly thank the gentlewoman from Massachusetts [Mrs. ROGERS]. Those kind words coming from our dean of the women in the House of Representatives mean much to me. She has been a Member of this distinguished body for more than 35 years. She has served the people of her district faithfully and well. We, who know her, love her. I am gratified to be the recipient of her generous remarks.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mrs. GREEN of Oregon (at the request of Mr. ULLMAN) for today, June 15, 1960, on account of illness.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. MULTER, for 10 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

(At the request of Mr. CURTIN the following Members were granted permission to extend their remarks and include extraneous matter in the RECORD:)

Mr. CANFIELD.

Mr. DOOLEY.

(At the request of Mrs. PFOST and to include extraneous matter the following:)

Mr. ALFORD.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker.

H.R. 10000. An act to amend further certain provisions of the District of Columbia tax laws relating to overpayments and refunds of taxes erroneously collected;

H.R. 10183. An act to amend the Fire and Casualty Act regulating the business of fire, marine, and casualty insurance in the District of Columbia;

H.R. 10684. An act to amend sections 1 and 5b of the Life Insurance Act for the District of Columbia; and

H.R. 10761. An act to provide for the representation of indigents in judicial proceedings in the District of Columbia.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 1185. An act to provide for the preservation of historical and archeological data (including relics and specimens) which might otherwise be lost as the result of the construction of a dam;

S. 1358. An act to authorize the Secretary of the Interior to provide a headquarters site for Mount Rainier National Park in the general vicinity of Ashford, Washington, and for other purposes;

S. 1892. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Norman project, Oklahoma, and for other purposes;

S. 2327. An act to amend the act entitled "An act to provide for the better registration of births in the District of Columbia, and for other purposes";

S. 2954. An act to exempt from the District of Columbia income tax compensation paid to alien employees by certain international organization;

S. 2439. An act to authorize certain teachers in the public schools of the District of Columbia to count as creditable service for retirement purposes certain periods of authorized leave without pay taken by such teachers for educational purposes; and

S.J. Res. 42. Joint resolution to establish an objective for coordinating the development of the District of Columbia with the development of other areas in the Washington metropolitan region and the policy to be followed in the attainment thereof, and for other purposes.

ADJOURNMENT

Mrs. PFOST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 41 minutes p.m.) the House adjourned until tomorrow, Thursday, June 16, 1960, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2266. A letter from the Comptroller General of the United States, transmitting a report on the review of Atomic Energy Commission (AEC) negotiated fixed-price contract AT(05-1)-36 with the Union Carbide Nuclear Co. (Carbide), Uravan, Colo., for the procurement of uranium concentrates, December 1959; to the Committee on Government Operations.

2267. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to furnishing reports of additional facts in numerous cases involving the provisions of section 13 of the act of September 11, 1957; to the Committee on the Judiciary.

2268. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to authorize the Board of Parole of the District of Columbia to discharge a parolee from supervision prior to the expiration of the maximum term or terms for which he was sentenced"; to the Committee on the District of Columbia.

2269. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to provide for the establishment of a juvenile division within or in connection with the District of Columbia Youth Correctional Center, and to authorize the judge of the juvenile court of the District of Columbia to commit to such juvenile division, subject to the provisions of the Juvenile Court Act, children 15 years of age or older"; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. H.R. 12483. A bill to amend section 801 of the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901; without amendment (Rept. No. 1874). Referred to the House Calendar.

Mr. ROGERS of Colorado: Committee on the Judiciary. H.R. 12552. A bill to provide for the appointment of additional circuit and district judges, and for other purposes; without amendment (Rept. No. 1875). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 9600. A bill to authorize

and direct the transfer of certain personal property to State and county agencies engaged in cooperative agricultural extension work; without amendment (Rept. No. 1876). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS: Committee on Interstate and Foreign Commerce. H.R. 7593. A bill to amend sections 101 and 401(e) of the Federal Aviation Act of 1958 so as to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of service authorized, and for other purposes; with amendment (Rept. No. 1877). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 11499. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, so as to authorize the use of surplus personal property by State distribution agencies, and for other purposes; without amendment (Rept. No. 1878). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 12273. A bill to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation cost for persons selected for appointment to certain positions in the United States, and for other purposes; with amendment (Rept. No. 1879). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 12604. A bill to amend the "antikickback statute" to extend it to all negotiated contracts; without amendment (Rept. No. 1880). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H.R. 9079. A bill for the relief of William Radkovich Co., Inc.; with amendment (Rept. No. 1869). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 11486. A bill for the relief of Richard J. Power; without amendment (Rept. No. 1870). Referred to the Committee of the Whole House.

Mr. MOORE: Committee on the Judiciary. H.R. 4981. A bill for the relief of Mina and Henek Sznaider; with amendment (Rept. No. 1871). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H.R. 9960. A bill for the relief of Dr. Tze I. Chiang; with amendment (Rept. No. 1872). Referred to the Committee of the Whole House.

Mr. SMITH of California: Committee on the Judiciary. H.R. 10376. A bill for the relief of Adolf B. Jochnick; without amendment (Rept. No. 1873). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. Senate Concurrent Resolution 103. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens; with amendment (Rept. No. 1881). Referred to the Committee of the Whole House.

Mr. SMITH of California: Committee on the Judiciary. H.R. 9042. A bill for the relief of Anna Semechole Marcolina; without amendment (Rept. No. 1882). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TEAGUE of Texas:

H.R. 12653. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

By Mr. ALGER:

H.R. 12654. A bill relating to the reporting by Members of the House of Representatives of expenditures from the contingent fund of the House of Representatives and of expenditures of counterpart funds by Members of Congress; to the Committee on House Administration.

By Mr. BRADEMAS:

H.R. 12655. A bill to amend the Internal Revenue Code of 1954 to repeal the manufacturers excise tax on musical instruments; to the Committee on Ways and Means.

By Mr. CURTIS of Missouri:

H.R. 12656. A bill relating to the reporting by Members of the House of Representatives of expenditures from the contingent fund of the House of Representatives and of expenditures of counterpart funds by Members of Congress; to the Committee on House Administration.

By Mr. DEVINE:

H.R. 12657. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

By Mr. FLYNN:

H.R. 12658. A bill to amend the Federal Trade Commission Act to strengthen independent competitive enterprise by providing for fair competitive acts, practices, and methods of competition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. IKARD:

H.R. 12659. A bill to suspend for a temporary period the import duty on heptanoic acid; to the Committee on Ways and Means.

H.R. 12660. A bill relating to the application of the excise tax on club dues to amounts paid for certain capital improvements; to the Committee on Ways and Means.

H.R. 12661. A bill to provide for judicial review of administrative findings of the Secretary of Labor under title III of the Social Security Act, as amended, and chapter 23 (Federal Unemployment Tax Act) of the Internal Revenue Code of 1954, as amended, and for other purposes; to the Committee on Ways and Means.

By Mr. KARTH:

H.R. 12662. A bill to amend the Federal Trade Commission Act so as to prohibit any person, partnership, or corporation from disseminating advertisements falsely representing the prices at which commodities are offered for sale to be the wholesale prices of such commodities; to the Committee on Interstate and Foreign Commerce.

By Mr. LESINSKI:

H.R. 12663. A bill to preserve the rates of basic salary of postal field service employees in certain cases involving reductions in salary standing, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MORRIS of Oklahoma:

H.R. 12664. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Waurika reclamation project, Oklahoma; to the Committee on Interior and Insular Affairs.

By Mr. QUIGLEY:

H.R. 12665. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

By Mr. SAYLOR:

H.R. 12666. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

By Mr. WOLF:

H.R. 12667. A bill to amend the Federal Trade Commission Act to strengthen independent competitive enterprise by providing for fair competitive acts, practices, and methods of competition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BENNETT of Florida:

H.R. 12668. A bill to amend the District of Columbia Alley Dwelling Act by adding certain requirements with respect to low-rent housing projects in the southeast quadrant of the District of Columbia; to the Committee on the District of Columbia.

By Mr. FLYNN:

H.R. 12669. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

By Mr. GUBSER:

H.R. 12670. A bill to authorize the Secretary of Health, Education, and Welfare to enter into agreements with each of the States, Commonwealths, territories, and the District of Columbia to provide for a private, voluntary medical care insurance program for certain persons over the age of 65, and to authorize payments by the Secretary to States to cover part of the costs of such insurance; to the Committee on Interstate and Foreign Commerce.

By Mr. HERLONG:

H.R. 12671. A bill to change the definition of a nonqualified corporation, with respect to the allowance of 8-year carryovers of operations losses in computing the income taxes of new life insurance companies; to the Committee on Ways and Means.

By Mr. LAIRD:

H.R. 12672. A bill relating to the reporting by Members of the House of Representatives of expenditures from the contingent fund of the House of Representatives and of expenditures of counterpart funds by Members of Congress; to the Committee on House Administration.

By Mr. CLEM MILLER:

H.R. 12673. A bill to amend section 8(e) of the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, so as to provide for the extension of the restrictions on imported commodities imposed by such section to imported wines; to the Committee on Agriculture.

By Mr. HAGEN:

H.R. 12674. A bill to require full disclosure of expenditures of Government and counterpart funds by Members of Congress traveling in oversea areas, and for other purposes; to the Committee on House Administration.

By Mr. MITCHELL:

H.R. 12675. A bill to amend title 38, United States Code, to establish a Court of Veterans' Appeals and to prescribe its jurisdiction and functions; to the Committee on Veterans' Affairs.

By Mr. RANDALL:

H.R. 12676. A bill to amend the Federal Trade Commission Act to strengthen independent competitive enterprise by providing for fair competitive acts, practices, and methods of competition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROOSEVELT:

H.R. 12677. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide

coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the Act of $1.25 an hour, and for other purposes; to the Committee on Education and Labor.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLLIER:

H.R. 12678. A bill for the relief of Kazimiera Marek; to the Committee on the Judiciary.

By Mr. DEVINE:

H.R. 12679. A bill for the relief of George Sauter also known as Georgois Makkas; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 12680. A bill for the relief of Arthur N. Baril; to the Committee on the Judiciary.

By Mr. HIESTAND:

H.R. 12681. A bill for the relief of Manfull Dairy Farm, Inc.; to the Committee on Ways and Means.

By Mr. HOLTZMAN:

H.R. 12682. A bill for the relief of Mr. and Mrs. Stavros N. Nicolopoulos; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H.R. 12683. A bill for the relief of Mr. Earl H. Pendell; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

494. By Mr. MONAGAN: Petition of Connecticut Chiefs of Police Association in support of the Keating-Celler bill with regard to admissible wiretap evidence; to the Committee on the Judiciary.

495. By Mr. STRATTON: Petition of 203 citizens of the 32d Congressional District of New York urging speedy enactment of H.R. 4700, the so-called Forand bill, providing health insurance and other benefits for persons eligible under the old age and survivors insurance benefit program; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Federal Employees' Pay Increase Legislation

EXTENSION OF REMARKS
OF
HON. EDWIN B. DOOLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 15, 1960

Mr. DOOLEY. Mr. Speaker, I manifested my support of the Federal employees' pay increase legislation by signing the discharge petition some time ago. While I do not favor the discharge petition method of operation in the Congress, I think the situation was urgent enough in this case to warrant this procedure.

My interest in the legislation was motivated largely by reason of the fact that the postal workers in my area, at all levels, are receiving inadequate compensation for the job they do, particularly in the light of today's high cost of living and the depreciated value of the dollar.

The postal workers are among the most loyal of our Government employees. They perform arduous and trying tasks with great patience and skill. They are devoted to their jobs and to the Government which they serve. It is incumbent upon that Government, our Government, to see to it that they are properly compensated so that their families can live in reasonable comfort and not have to be harassed by the vexations of penury.

I know of cases where postal workers are working at two jobs in order to keep their households together, feed their families, and educate their children.

Fine men though they are, they are limited in their opportunities for financial growth because of the peculiar nature of their field of activity. The postal workers' one source of relief is in the hands of the Congress.

I am delighted that the motion to recommit was overwhelmingly defeated by a vote of 324 to 94 and that the motion to pass the measure finally was carried by such a convincing margin.

I would have voted for a 9-percent increase, but the Post Office committee thought it more equitable to reduce the amount to 7½ percent across the board.

Not only postal workers but all Federal employees will benefit by this measure if it becomes a law, and my feeling is that that is as it should be. Federal workers should be compensated at a rate comparable to that in private industry.

Mr. Jozsef Kovago

EXTENSION OF REMARKS
OF
HON. GORDON CANFIELD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 15, 1960

Mr. CANFIELD. Mr. Speaker, I had the privilege and pleasure of meeting Mr. Jozsef Kovago when he came to my district to speak under the auspices of Crusade for Freedom last month. Twice the freely elected mayor of Budapest, Mr. Kovago deeply impressed me and all those who were privileged to see and hear him.

I understand that this longtime fighter for democracy, who now resides in Wilmington, Del., will address the Federation of Women's Clubs tomorrow in the Sheraton Park Hotel here.

From my experience at Camp Kilmer in 1957 when the Hungarian refugees came to our shores, I know and will never forget the suffering they endured and the depth of their dedication to democracy. Mr. Kovago was a leader of these people. Last year he wrote a moving book about his struggles called "You Are All Alone."

That book recounts the story of Hungary from 1950 through the noble revolution of 1956, and it is at the same time the personal biography of Mr. Kovago. For more than 6 years this patriot suffered the agonies of imprisonment by the Communists—and he did not break. Released just before the outbreak of the revolution, he again placed himself in danger by working for the establishment of a multiparty system. On November 1, 1956, he was elected mayor of Budapest—the second time he had held the office—and 4 days later Soviet tanks rolled into Budapest and the revolution was crushed. With his wife and daughter, Mr. Kovago escaped to Austria.

In the years that have followed Mr. Kovago has become a leading spokesman for Hungary's case. He has told an eloquent story of his shackled, freedom-loving country in his book, in the United States and Europe, and before the United Nations.

One Hundred and Twenty-fourth Anniversary of the Admission of Arkansas Into the Union

EXTENSION OF REMARKS
OF
HON. DALE ALFORD
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 15, 1960

Mr. ALFORD. Mr. Speaker, today marks the 124th anniversary of the admission of Arkansas into the Union. On June 15, 1836, Arkansas became the 25th State. It is fitting indeed that we should pause and recognize this anniversary, for Arkansas has indeed been hailed as one of the outstanding States of this country.

Rich in heritage, Arkansas was first visited by the early European explorers in 1541 when Hernando de Soto crossed the Mississippi River and entered the Arkansas country. This early expedition occurred appoximately a half century after America was first visited by Columbus.

Other explorers who followed de Soto were Jacques Marquette and Louis Joliet. Then on April 9, 1682, Robert Caveleir, Sieur de la Salle claimed all the land drained by the Mississippi River for France. Henri de Tonti established Arkansas Post in 1686 and this became the oldest permanent white settlement west of the Mississippi. De Tonti has often been called the Father of Arkansas.

After Arkansas was admitted to the Union 124 years ago today, the State government was housed in the Old State House which now stands as one of the outstanding examples of Old South antebellum architecture. In the Old State House one finds one of the finest existing State museums, with a record of the var-

tous roles played by Arkansas in the history of America.

Arkansas today is rapidly gaining stature in many fields—industry, agriculture, education, recreation, and so forth. The State's official nickname, "The Land of Opportunity," was adopted in 1953 in recognition of the vast potential in Arkansas and the citizens of Arkansas have not been disappointed in this selection, as evidenced by a rapid and steady economic growth.

Arkansas rivers and springs provide one of the State's major resources. The primary rivers of the State are the Mississippi, St. Francis, White, Arkansas, Red, and Ouachita Rivers and their tributaries. All of these offer ample surface water for industrial and recreational use.

The variety of Arkansas' minerals is almost unlimited. The State is blessed with rich deposits of bauxite, coal, chalk, manganese, natural gas, petroleum, clay, gypsum, glass sand, novaculite, nepheline, and syenite. These minerals are now being produced on a commercial scale and several others are awaiting development. Arkansas is the only State in the Union with a diamond mine.

There are numerous other resources with which Arkansas is more than amply endowed and I think that most of us readily realize that Arkansas stands as a true land of opportunity in America. Arkansas looks to the future full of confidence and optimism, and I am most proud to call this anniversary to the attention of this great body.

The Fullness of Life

EXTENSION OF REMARKS

OF

HON. LEVERETT SALTONSTALL

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, June 15, 1960

Mr. SALTONSTALL. Mr. President, last Sunday the senior Senator from Hawaii [Mr. FONG] was awarded an honorary doctor of laws degree by Tufts University, in recognition of his notable achievements as lawyer, businessman, and legislator. I wish to take this opportunity to extend my heartiest congratulations to my distinguished colleague on being selected for this honor.

I also wish to commend Tufts University for strengthening the ties that bind Hawaii to New England. It is not well enough known that from 1820 to 1835 groups of Congregational missionaries from New England journeyed to Hawaii, where they settled permanently, teaching Christianity and contributing to the development and stability of Hawaii in education, government, and social responsibility.

In his address to Tufts graduates at the 104th commencement exercises, Senator FONG paid tribute to those New England missionaries who helped to create in the Pacific, "out of diverse tongues and cultures," a homogeneous American community. He urged college men and women to serve "in the noblest tradition of America as 20th century missionaries sowing the seed of neighborly love and freedom in other lands, bringing hope of a better life to a needy world, and laboring in the vineyard for peace on earth, good will to men."

Mr. President, I ask unanimous consent that the entire text of this stirring address be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FULLNESS OF LIFE

(Address by U.S. Senator HIRAM L. FONG at Tufts University commencement exercises, Medford, Mass., June 12, 1960)

President Wessell, distinguished guests, members of the faculty, candidates for degrees, students, ladies, and gentlemen, I am very happy to be here with you on this joyous occasion of your 104th commencement. I am grateful and thankful for the honorary doctor of laws degree you are bestowing upon me. To be associated with you as an honorary alumnus of Tufts University with its 107 years of glorious history is for me a high privilege and a great honor.

Having been advised that I will receive from you a diploma, without attending classes, study, examinations, and anxiety leaves me with a mixed feeling of guilt, delinquency, and immorality, especially when I know how hard you have worked for your diploma and how hard I worked as a Harvard Law School student. Your bestowing upon me this honor will continue what has been for me a happy and most rewarding association with New England.

Since early childhood, long before I attended Harvard, New England has been a part of me, for the influence of New England has been felt in my native Hawaii for 140 years. From 1820 to 1835, 12 groups of Christian Congregational missionaries left their homes in New England by sailing ships to bring the Christian Gospel to Hawaii. Their voyages by way of the Cape of Good Hope covered a distance of over 12,000 miles and took 5½ months to complete. Their journeys were fraught with much seasickness and hardship. The contributions of these sturdy New England missionaries you sent us have been enduring and many. They and their descendants have contributed greatly to our development and stability and their Puritan philosophy has deeply influenced our outlook and life.

Through their influence, the Hawaiian language was reduced to writing, the Bible was translated, and schools were established. Through their influence, the first written constitution was approved in 1840, creating a supreme court and a representative body of legislators elected by the people.

Through their influence, prohibition was placed on immorality, gambling, drunkenness, theft, and violation of the Sabbath. These prohibitions were strongly resisted by the sailing men. They demonstrated on several occasions against these Christian influences by armed riots, not against the natives, but against the missionaries and on one occasion they fired several cannon shots into the home of one of them.

Architecturally, too, New England has left its visible mark on Hawaii. Even today, it is not unusual to see a Cape Cod cottage on any one of the seven inhabited islands.

New England's influences on me have been quite personal. Besides being a graduate of the Harvard Law School, I am a graduate of the public school system which the Congregational missionaries helped to inaugurate. My name of Hiram is taken from the Reverend Hiram Bingham, leader of the first group of missionaries. By now you have surmised my religion is Congregational.

So, it is indeed a distinct honor and a great privilege for me to be speaking here today in New England, for to me it is in a sense in more ways than one, like returning home.

To me, it is opportune and seemly for you at this commencement occasion, to pause and thank with gratitude this school, its faculty, its benefactors, and all those who have contributed to its facilities to enable you to receive the learning and the knowledge you now possess.

It is opportune and seemly for you also to pause here and pay homage to parents, family, and friends who have labored and sacrificed for you to receive this day your degrees.

Today, you are, as college graduates and as men and women, the possessors of a great fortune. You are the inheritors of the accumulation over centuries of man's vast wealth of knowledge and culture, the beneficiaries of the civilizations which have preceded you.

The rights and privileges of freedom of speech, press, worship, and assembly and all of the freedoms and rights that your forefathers shed blood and died for—are yours full-blown, not by sufferance or whim, but by long-established law.

Educationally comprising the upper 5 percent of our population, you, as college graduates will have a decided advantage in potential earning power and in regularity of employment over noncollege workers. The job outlook this June for college graduates is excellent, with starting salaries higher by some 4 to 8 percent over a year ago. Long-range prospects are likewise auspicious. It is anticipated that within a few years if we do not have new methods and new machinery, there will be a shortage of manpower to produce the goods and services needed to sustain the American standard of living. Your talents will be in greater demand than ever.

The startling and provocative economic indicators of the next 15 years show that we will be a Nation of 240 million people, 60 million more than today, with a labor force of about 95 million producing goods and services totaling $900 billion.

Translated into other tangibles, these vital statistics mean that we will build millions of dwelling units, thousands of miles of roads, and many, many bridges, dams, and flood control projects. We will need some 77,000 more doctors, 34,000 more dentists, and a third of a million more nurses than we have today.

To educate 15 million more children, we will need 600,000 new schoolrooms in public schools alone and 500,000 additional teachers. We will have to triple the capacity of our present colleges and universities.

We will need a greater output of foodstuffs and of most basic raw materials, nearly three times our present production of electric power, and double the supply of our fresh water.

Not only are there jobs for everyone, but there is also a wide choice of careers. A few years ago, there were no electronics industries, no atomic energy projects, no missiles or rockets or space vehicles. New vocations created in the past 10 or 15 years run the full spectrum of man's pursuits and offer careers undreamed of only a few decades ago.

Sitting here today, as graduates, you are on the threshold of a very interesting, fascinating, and rewarding era, witnessing what promises to be the birth of a new golden age.

All around you life's pace has quickened. From sails to steamboats and from pushcarts to motor vehicles embraced thousands of years. Today, speed and power change within decades or less. In the first six decades of this century in America, changes have been greater than in all the thousands of years of mankind's history. It was only 18

years ago in 1942 that Enrico Fermi discovered the principle of atomic chain reaction that launched us into the atomic age. Scarcely had this era dawned when 15 years later in 1957, we found ourselves in the space age with the first sputnik.

Fifteen years from now, supersonic airplanes will bring Paris within 2 hours from New York and Geneva about 3 hours from Los Angeles. Space travel will approach reality. In 1961 we hope to launch our first man into space with safe return; about 1970, to transport an American astronaut to the moon; and perhaps by 1975, to other places.

Life's expectancy now has approached the seventies and will be longer once we conquer cancer and diseases of the circulatory system as we soon may do. Social security, unemployment compensation, and promised old-age health insurance have materially lessened the anxieties of unemployment and old age.

With minimal efforts, 5 days of work and 2 days of leisure per week, you can expect to meet the material needs of yourself and your family, home, food, car, vacation, and the upbringing and education of your children. Never before in the history of mankind have college graduates been more richly endowed than you nor more likely to succeed.

By now our 5-day workweek is typical of our contemporary American life, but, as educated men and women from whose ranks will be chosen many of our future leaders, you ought to be willing to devote to whatever you may choose to do longer hours and greater dedication. These extra efforts on your part, accompanied by further technological progress which we expect, will help to increase our Nation's productivity resulting in more leisure time for future generations.

Men of wisdom and learning throughout the ages have cautioned that the use of leisure time wholly for fun, pleasure, and comfort renders life narrow and empty. Gratifying only material wants does not satisfy the soul. Lasting satisfaction contributing to the fullness of life comes from cultivating in one's heart a spirit of charity and service toward all men and from devoting a portion of one's life to benefit mankind. Look to the lives of our great moral teachers, Jesus Christ, Buddha, Confucius, Mohammed, and others.

Therefore each of you ought to ponder how, with your particular talents and in your particular circumstances, you can serve family, friends, community, Nation, and mankind.

As long as millions of people in the world still suffer from the ravages of disease, from malnutrition, from undernourishment, and illiteracy, you, as favored men and women, owe a duty to extend a helping hand to those less fortunate than yourself. More than 90 percent of the world is less fortunate than you.

Last October and November, I made a 45-day tour of 14 countries of the Far East. The trip was most enlightening—it was fascinating—and yet somewhat disturbing. The Far East is a fantastic area. Here is situated more than one-half of the entire world's population—the new throbbing core of our continuing global struggle for peace. It is vast beyond our imagination. It is diverse to the extremes of ultramodern and utter primitive. We know it too little; we understand it far less.

With rare exception, I found mass poverty, illiteracy, economic and political instability, inadequate capital and technical know-how.

Prospects for improving the well-being of fellow men such as I found in the Far East fundamentally rest upon a world at peace, for war would further impoverish them. Indeed, the well-being of all of us likewise depends upon a world at peace. Each of you, therefore, has an abiding stake in preserving world peace.

Of paramount necessity to the preservation of peace are substantive actions to nourish, to clothe, to shelter, to heal, and to educate those in want. Men released from the grinding struggle for mere existence are more likely to possess the will to be free and to join other free men determined to strengthen the deterrent to war. Thus as we raise the standard of living of the less fortunate so will the prospects of peace be raised.

Similarly essential to lasting peace with justice are the easing of international tensions, the devising of enforcible bans on nuclear weapons tests, and the accepting of valid steps leading to disarmament.

In every conceivable way consistent with our national honor you should explore the possibilities not only of avoiding war but also of diminishing the threat of war.

Simultaneously as you work for peace maintain a watchful eye on your Government, insist on honesty and integrity in public and private matters, give loyalty and respect to government and keep on being a student.

By cultivating in your heart the spirit of charity and by contributing generously of your time and effort in the service of mankind to alleviate suffering, want, and disease, you will do your share for the molding of a peaceful, homogeneous world community, although diverse in nationality and culture but firmly unified with the love of freedom and liberty.

Thus, in some measure, you will be treading in the worthy footsteps of your illustrious forebears, those hardy, self-sacrificing New England missionaries who journeyed 5½ months—one-half way around the world, by sailing ships, to bring to Hawaii the concept of universal love, brotherhood of man, and fatherhood of God and who helped so substantially to create in the middle of the Pacific, out of diverse tongues and cultures, a happy, homogeneous American community living in understanding, amity, and concord.

You, as college men and women and as the elite of our country, even without leaving home, will be serving in the noblest tradition of America as 20th century missionaries sowing the seed of neighborly love and freedom in other lands, bringing hope of a better life to a needy world, and laboring in the vineyard for peace on earth, good will to men. A life thus spent will indeed be a full life.

SENATE

THURSDAY, JUNE 16, 1960

The Senate met at 9:30 o'clock a.m., and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal God, who across the ages hath put down the mighty from their seat and hath exalted the humble and the meek. In times heavy with crises Thou hast called us to play our part in this creative hour in human history, as testing problems seek out our every weakness.

We beseech Thee give understanding, humility, and charity to those who in Thy name and for the Nation's sake are entrusted in this Chamber with the power to act and speak for the Republic.

As stewards of the world's future, give them, O Lord, a steadfast faith, a firm hope, and a will to labor valiantly for the things for which we pray. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 15, 1960, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 12620) to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 12117) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes, and it was signed by the President pro tempore.

HOUSE BILL REFERRED

The bill (H.R. 12620) to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Public Lands Subcommittee of the Committee on Interior and Insular Affairs be authorized to meet during the session of the Senate today.

Mr. DIRKSEN. I object.

Mr. JOHNSON of Texas. I ask unanimous consent that the Interstate and Foreign Commerce Committee be au-

thorized to meet during the session of the Senate today.

Mr. DIRKSEN. I object.

Mr. JOHNSON of Texas. I ask unanimous consent that the Public Health, Education, Welfare, and Safety Subcommittee of the Committee on the District of Columbia be authorized to meet during the session of the Senate today.

Mr. DIRKSEN. I object.

Mr. JOHNSON of Texas. I ask unanimous consent that the Insurance Subcommittee of the Antitrust and Monopoly Subcommittee of the Committee on the Judiciary be authorized to meet during the session of the Senate today.

Mr. DIRKSEN. I object.

The PRESIDING OFFICER. Objection is heard.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AUTHORIZATION FOR BOARD OF PAROLE OF DISTRICT OF COLUMBIA TO DISCHARGE CERTAIN PAROLEES FROM SUPERVISION

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to authorize the Board of Parole of the District of Columbia to discharge a parolee from supervision prior to the expiration of the maximum term or terms for which he was sentenced (with an accompanying paper); to the Committee on the District of Columbia.

ESTABLISHMENT OF A JUVENILE DIVISION IN CONNECTION WITH DISTRICT OF COLUMBIA YOUTH CORRECTIONAL CENTER

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to provide for the establishment of a Juvenile Division within or in connection with the District of Columbia Youth Correctional Center, and to authorize the judge of the Juvenile Court of the District of Columbia to commit to such Juvenile Division, subject to the provisions of the Juvenile Court Act, children 15 years of age or older (with an accompanying paper); to the Committee on the District of Columbia.

ADDITIONAL ASSISTANT SECRETARY OF COMMERCE

A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation to authorize an additional Assistant Secretary of Commerce (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF THE INTERIOR

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on tort claims paid by that Department, in the fiscal year 1959 (with an accompanying report); to the Committee on the Judiciary.

REPORTS OF ADDITIONAL FACTS RELATING TO ADJUSTMENT OF IMMIGRATION STATUS OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports of additional facts relating to the adjustment of immigration status of certain aliens previously transmitted to the Senate (with accompanying papers); to the Committee on the Judiciary.

RESOLUTION OF OREGON STATE BAR ASSOCIATION

Mr. LUSK. Mr. President, I present, for appropriate reference, and ask unanimous consent to be printed in the RECORD, a resolution adopted by the board of governors of the Oregon State Bar at its regular meeting on May 20–22, 1960, endorsing H.R. 10089 which permits a civil action against an officer or agency of the United States to be brought in the judicial district wherein the plaintiff resides.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

"RESOLUTION

"Whereas under the laws of the United States, in an action for judicial review of an action of an agency of the United States, the superior officer of the agency is an indispensable party if the decree granting the relief sought will require the officer to take action, either by exercising directly the power lodged in him or by having a subordinate officer exercise it for him; and

"Whereas the venue for such action is in the judicial district of the United States in which the official residence of the superior officer of the agency is situated; and

"Whereas the official residence of the superior officer of each of the several agencies of the United States is situated, with few exceptions, in the District of Columbia; and

"Whereas the expense of maintaining such an action in the District of Columbia makes the remedy impractical to persons residing distant therefrom; and

"Whereas for the most part, facts in an action for judicial review are more conveniently, and less expensively, susceptible of proof in the judicial district in which the controversy arises; and

"Whereas H.R. 10089, introduced and now pending in the House of Representatives of the 86th Congress, 2d session, provides that a civil action in which each defendant is an officer of the United States in his official capacity, a person acting under him, or an agency of the United States, may be brought in the judicial district in which a plaintiff in the action resides, and further provides for services of process in such an action; and

"Whereas it appears to the board of governors of the Oregon State Bar that the enactment of such bill into law will eliminate the inequities hereinabove related, will serve the ends of justice and will benefit the United States and the people thereof: Now, therefore, be it

"*Resolved:*

"The board of governors of the Oregon State Bar, by this resolution, voices its approval of such proposed legislation; and

"Such board of governors actively urges the enactment of such proposed legislation; and

"A certified copy of this resolution shall be sent by the Secretary of the Oregon State Bar to each member of the Oregon legislative delegation to the 86th Congress, to the president of the American Bar Association, to the Washington, D.C., office of the American Bar Association and to the organized bars of the States of Arizona, California, Colorado, Idaho, Kansas, Montana, Nevada, New Mexico, Oklahoma, Utah, Washington, Wyoming, Alaska, and Hawaii."

CERTIFICATE

I, John H. Holloway, secretary of the Oregon State Bar, do hereby certify that the within and foregoing resolution is a true and correct copy of a resolution duly adopted by the board of governors of the Oregon State Bar at a regular meeting of said board duly called and held pursuant to law on May 20–22, 1960.

Dated this 22d day of May 1960.

JOHN H. HOLLOWAY,
Secretary, Oregon State Bar.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BEALL, from the Committee on Armed Services, without amendment:

H.R. 11952. An act to repeal the act of May 29, 1958, which authorized and directed the Administrator of General Services to provide for the release of restrictions and reservations contained in an instrument conveying certain land by the United States to the State of Wisconsin (Rept. No. 1594).

By Mr. CANNON, from the Committee on Armed Services, with an amendment:

H.R. 6479. An act to provide for the conveyance of certain real property of the United States to the village of Highland Falls, N.Y. (Rept. No. 1600).

By Mr. EASTLAND, from the Committee on Agriculture and Forestry, with an amendment:

H.R. 11646. An act to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, as amended, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision, and for other purposes (Rept. No. 1595).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, without amendment:

S. 3450. A bill to amend section 22 (relating to the endowment and support of colleges of agriculture and the mechanic arts) of the act of June 29, 1935, to increase the authorized appropriation for resident teaching grants to land-grant institutions (Rept. No. 1596);

S. 3665. A bill to authorize the Secretary of Agriculture to grant an easement over certain lands to the trustees of the Cincinnati Southern Railway, their successors and assigns (Rept. No. 1597); and

H.R. 12115. An act to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop (Rept. No. 1599).

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, with an amendment:

S. 3117. A bill to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage (Rept. No. 1598).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 3473. A bill to provide for advance consultation with the Fish and Wildlife Service and with State wildlife agencies before the beginning of any Federal program involving the use of pesticides or other chemicals designed for mass biological controls (Rept. No. 1601).

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 12381. An act to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates (Rept. No. 1602).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with an amendment:

S. 2711. A bill to quiet title to certain lands within the Nez Perce Indian Reservation, Idaho, and for other purposes (Rept. No. 1603); and

H.R. 4786. An act declaring certain lands to be held in trust for the Cheyenne River Sioux Tribe of Indians of South Dakota (Rept. No. 1604).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 7990. An act to convey certain lands of the United States in trust to the Citizen Band of Potawatomi Indians of Oklahoma (Rept. No. 1605).

By Mr. STENNIS, from the Committee on Appropriations, with amendments:

H.R. 12232. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes (Rept. No. 1606).

By Mr. CLARK, from the Committee on Banking and Currency, with an amendment:

S. 3292. A bill to provide for the establishment of a Department of Housing and Metropolitan Affairs, and for other purposes (Rept. No. 1607).

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. THURMOND. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nominations of 31 flag and general officers in the Army and Navy. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. LUSK in the chair). The nominations will be placed on the calendar, as requested by the Senator from South Carolina.

The nominations placed on the calendar are as follows:

Maj. Gen. Edwin Hugh John Carns, Army of the United States (brigadier general, U.S. Army), and sundry other officers, for appointment in the Regular Army of the United States;

Adm. Herbert G. Hopwood, U.S. Navy, to have the grade of admiral on the retired list;

Vice Adm. Ralph E. Wilson, U.S. Navy, and Vice Adm. William L. Rees, U.S. Navy, to have the grade of vice admiral on the retired list;

Vice Adm. John H. Sides, U.S. Navy, for commands and other duties determined by the President, in the grade of admiral;

Rear. Adm. Frank O'Beirne, U.S. Navy, Rear Adm. Laurence H. Frost, U.S. Navy, and Rear Adm. Howard A. Yeager, U.S. Navy, for commands and other duties determined by the President, in the grade of vice admiral; and

Maj. Gen. Lionel Charles McGarr, U.S. Army, to be assigned to a position of importance and responsibility designated by the President, in the rank of lieutenant general.

Mr. THURMOND. Mr. President, in addition, I report favorably the names of 1,917 officers in the grade of lieutenant colonel and below in the Army and Air Force. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk, for the information of any Senator.

The PRESIDING OFFICER. Without objection, the nominations will lie on the desk, as requested by the Senator from South Carolina.

The nominations, ordered to lie on the desk, are as follows:

Lester W. Abrams, and sundry other officers, for appointment and promotion in the Regular Army of the United States;

Johnny M. Barton, and sundry other persons, for appointment in the Regular Air Force; and

Sarah Evelyn Perkins, for appointment in the Regular Army of the United States, to be captain, Army Nurse Corps.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BENNETT:

S. 3678. A bill conferring jurisdiction on the Court of Claims to make findings with respect to the amount of compensation to which certain individuals are entitled as reimbursement for damages sustained by them as a result of the cancellation of their grazing permits by the U.S. Air Force, and to provide for payments of amounts so determined to such individuals; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 3679. A bill to provide for grants-in-aid to the States for the treatment of narcotic drug addicts in closed institutions; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. JAVITS (for himself and Mr. CASE of New Jersey):

S. 3680. A bill to improve the public health through revising, consolidating, and improving the hospital and other medical facilities provisions of the Public Health Service Act, authorizing grants for construction of medical, dental, osteopathic, and public health teaching facilities, providing special project grants for postgraduate public health training, providing for Federal guaranty of loans for construction of group practice medical or dental care facilities, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. GREEN (for himself and Mr. PASTORE) (by request):

S. 3681. A bill authorizing the Rhode Island Turnpike and Bridge Authority to combine for financing purposes the bridge across the West passage of Narragansett Bay with the Newport Bridge and any other project acquired or constructed by said authority; to the Committee on Public Works.

By Mr. BIBLE:

S. 3682. A bill for the relief of Orlando Gonfiantini; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 3683. A bill to amend section 302(1) of the Federal Aviation Act of 1958 to extend the period of time for which individuals may serve as members of Advisory Committees appointed by the Administrator; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. McNAMARA (for himself, Mr. CLARK, and Mr. RANDOLPH):

S. 3684. A bill to assist individuals to obtain retirement benefits protected against increases in the cost of living by providing for the issuance by the Treasury of a new series of bonds containing adjustments, under certain conditions, in maturity and redemption values to compensate for increases in the cost of living which may be purchased by individuals and eligible institutions; to the Committee on Finance.

(See the remarks of Mr. McNAMARA when he introduced the above bill, which appear under a separate heading.)

By Mr. FREAR:

S. 3685. A bill for the relief of John G. Tiedemann; to the Committee on the Judiciary.

By Mr. BIBLE (by request):

S. 3686. A bill to provide for the administration of unclaimed funds held and owing by life insurance companies in the District of Columbia;

S. 3687. A bill to promote safe driving and eliminate the reckless and irresponsible driver from the streets and highways of the District of Columbia by providing that any person operating a motor vehicle on such streets and highways while apparently under the influence of intoxicating liquor shall be deemed to have given his consent to a chemical test of certain of his body substances to determine the alcoholic content of his blood, and for other purposes; and

S. 3688. A bill to amend the District of Columbia Redevelopment Act of 1945, as amended, and the act approved December 20, 1944, as amended, and for other purposes; to the Committee on the District of Columbia.

RESOLUTION

RECESS APPOINTMENTS TO THE SUPREME COURT

Mr. HART submitted a resolution (S. Res. 334) opposing the making of recess appointments to the Supreme Court, which was referred to the Committee on the Judiciary.

(See the above resolution printed in full when submitted by Mr. HART, which appears under a separate heading.)

HOSPITAL CARE FOR NARCOTICS ADDICTS

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill which would make Federal aid available to help States meet the cost of caring for drug addicts based on compulsory commitment to a hospital. Similar legislation has been introduced in the House of Representatives by Representative VICTOR ANFUSO.

The curse of narcotics addiction is the inability to effect cures. So often narcotics addiction is a life sentence to torment and crime. To have any real progress in helping narcotic addicts effect permanent cures, the Federal Government must assume a greater share of responsibility in helping the States provide adequate medical care in proper hospital facilities. This proposed legislation would call for a $2 million appropriation the first year to be used as grants-in-aid for the payment of half the cost per bed patient in the case of drug addicts in closed institutions. Thereafter Congress would determine the funds required.

It is no secret that the "repeater" rate on addicts is fantastically high, according to the records of the Federal narcotics hospital in Lexington, Ky., with patients returning three, four, and more times for treatment. But the addicts who would receive medical help under the bill I am introducing today would have a far better chance of making a long-term recovery for these reasons:

First. The Federal funds will help pay for the hospital treatment of those addicts who have been committed through a State civil action which requires them to undergo treatment until released "as

having attained maximum medical benefits." Since last April, New York State, which has nearly half of the country's over 40,000 known addicts, has had a new law on its books providing for the compulsory detention of drug addicts for periods of up to 12 months in any State hospital equipped to give them care and treatment, and in addition, New York's legislature appropriated $300,000 for a new program to operate facilities for the care, treatment, cure, and rehabilitation of these patients. Addicts will not be able to leave voluntarily before being cured.

Second. The hospitals where addicts can be treated will be accessible to them—there will be no need to travel hundreds of miles to Lexington, Ky., and the Federal hospital there where commitment is voluntary. Some States like New York have noted a decline in the number of patients in mental hospitals and are now able to devote more of their resources to finding an effective and permanent place of treatment for narcotic addiction.

For decades, the emphasis has been placed on the stringent enforcement of laws to wipe out the illegal trade in drugs and cut off the addicts' source of supply. Despite the efforts of Federal, State, and local officials, the number of the Nation's addicts continues to increase. Therefore, without further delay all levels of government should combine forces to tackle the broadscale medical aspects of drug addiction. Thousands of addicts, now outcasts of society, may be rescued from the scourge of addiction and become useful, responsible citizens again if the right kind of hospital treatment is made available.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3679) to provide for grants-in-aid to the States for the treatment of narcotic drug addicts in closed institutions, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

HEALTH FACILITIES AND TRAINING ACT OF 1960

Mr. JAVITS. Mr. President, on behalf of myself and the Senator from New Jersey [Mr. CASE], I introduce, for appropriate reference, a bill entitled "Health Facilities and Training Act of 1960."

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3680) to improve the public health through revising, consolidating, and improving the hospital and other medical facilities provisions of the Public Health Service Act, authorizing grants for construction of medical, dental, osteopathic, and public health teaching facilities, providing special project grants for postgraduate public health training, providing for Federal guarantee of loans for construction of group practice medical or dental care facilities, and for other purposes, introduced by Mr. JAVITS (for himself and Mr. CASE of New Jersey), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. JAVITS. Mr. President, this bill was sent to the Congress by the administration through the Secretary of the Department of Health, Education, and Welfare. The object of this bill, as stated, is "to improve the public health through revising, consolidating, and improving the hospital and other medical facilities provisions of the Public Health Service Act, authorizing grants for construction of medical, dental, osteopathic, and public health teaching facilities, providing special project grants for postgraduate public health training, providing for Federal guarantee of loans for construction of group practice medical or dental care facilities, and for other purposes."

There is an urgent need for strengthening and improving the programs designed to expand the Nation's professional health personnel and facilities for the care of our citizens. We need more researchers, more doctors, more nurses, more construction of medical facilities of all kind. There is also need for continuing study of construction design, use of facilities, and costs of medical facilities.

Help toward meeting the health and welfare needs of the general public has long been recognized as a responsibility of the Federal Government, and through the Public Health Service, this administration has pioneered in many fields of research, hospital construction, and other areas where major needs could not have been met without such assistance.

Mr. President, I ask unanimous consent that there be printed in the RECORD the transmittal letter of Secretary Arthur S. Flemming to the Speaker of the House, the Honorable SAM RAYBURN, describing in detail the provisions and objectives of this proposed legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C. June 2, 1960.

Hon. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I am enclosing for your consideration a draft of a bill to strengthen and augment Federal and Federal-State programs directed toward improvement of the Nation's health resources in two critical fields—facilities for the provision of patient care and professional health manpower.

The proposed "Health Facilities and Training Act of 1960" comprises four titles, as follows:

Title I: Revision of title VI of the Public Health Service Act.

Title II: Grants for Medical, Dental, Osteopathic and Public Health Teaching Facilities Construction.

Title III: Project Grants for Graduate Training in Public Health.

Title IV: Guaranty of Loans for Construction of Group Practice Medical or Dental Facilities.

As explained more fully below, these four titles would (1) revise, consolidate, and improve the hospital and medical facilities construction grant programs now authorized by title VI of the Public Health Service Act; (2) amend title VII of that act to authorize a 5-year program of construction grants for teaching facilities which would expand the training capacity of our schools of medicine, dentistry, osteopathy and public health; (3) authorize a 5-year program of project grants to schools of public health, and to those schools of nursing or engineering which provide postbaccalaureate training of public health nurses or engineers, for the purpose of strengthening or expanding graduate public health training in such schools; and (4) authorize a 5-year program of Federal credit assistance in the construction of group practice facilities, with the Federal Government guaranteeing payment of the debt service on obligations issued to finance such construction.

Collectively, these proposals have been designed to further sound public and institutional planning for the facilities, the personnel, and the organization of services that will be needed to meet present and future requirements for health and medical services and programs. Such factors as the growing population, continued economic growth, the higher levels of education attained, greater industrialization and urbanization, and the increasing proportions of younger and older persons in the population, coupled with changing patterns of medical care and of family living, all point to the necessity for giving greater emphasis to planned expansion and better organization of medical and health resources.

In addition to these legislative recommendations (which will be explained in more detail in following sections of this letter) the President has recently submitted to the Congress an amended budget request to increase by $2 million our 1961 appropriation for "Assistance to States, General." These funds—which would be administered by the Bureau of State Services of the Public Health Service, in this Department—would be used to increase the amounts of grants made to States for support of basic State and local health services. The increase has been sought for the purpose of stimulating and assisting States and communities to initiate and expand programs to improve patient care and related services in nursing homes. Many of the nursing home beds in this country are in converted residences that are seriously below desirable standards; many provide only domiciliary care, rather than skilled nursing care. High quality nursing home care is a particularly important community resource in the case of the aged and other chronically ill persons. Moreover, to the extent that we can bring nursing homes up to standards that will qualify them for classification as skilled nursing homes, we will be providing a type of long-term care facility that could substantially relieve our requirements for more costly hospital beds.

REVISION OF TITLE VI OF THE PUBLIC HEALTH SERVICE ACT

Title I of the draft bill would substantially revise title VI of the Public Health Service Act (Hill-Burton program) which provides for assistance to States in the construction of hospitals and other medical facilities.

Since 1950, the Federal portion of the annual total dollar volume of civilian hospital construction has ranged from 5 to 11 percent. Except for the period 1954 through 1956, Federal funds constituted about 10 percent of the total. Since 1948, federally aided health facility construction has averaged about 30 percent of the dollar volume of all non-Federal health facility construction. With respect to that construction aided under title VI of the Public Health Service Act, every Federal dollar has, on the average, been matched by two non-Federal dollars.

Yet, even with this relatively modest Federal investment, this program has produced significant gains in quality as well as in

quantity. It has introduced systematic statewide planning of health facilities. It has helped smaller towns and rural areas to acquire hospitals and doctors where none, or few, were previously available. It has produced minimum standards of health facility construction which have become world recognized. It has bolstered State supervision of medical facility operation. The return on the Federal investment is an excellent one.

Despite these accomplishments, however, there remains a great unmet need. Contributing to the need for adjustments in the direction and emphasis of the program are:

1. The growing population of the Nation, with increasing numbers of aged persons and shifts from urban centers to suburban areas;

2. The increasing demand for hospital and related facilities as health insurance covers a growing percentage of our population;

3. Changes occurring in the practice of medicine because of scientific and technological advances;

4. The need for more precise planning and coordination of health facilities in communities, regions and States; and

5. The alarming rate of obsolescence of our health facilities, particularly in metropolitan areas.

The proposed amendments would not change the basic philosophy or administrative structure of the program. The only new program authorized would be one for special project grants to assist States and localities in planning coordinated hospital systems. The other major amendments would improve the existing program by (1) permitting and encouraging the States to give more attention and, in exceptional cases, higher priority, to projects for the modernization of hospital and public health center facilities; (2) authorizing increased Federal participation in research and experimentation for more effective use of the services and resources of hospitals and other medical care facilities; (3) placing greater emphasis on the construction of special facilities for the care of long-term patients by consolidating the two present categories of chronic disease hospitals and nursing homes and increasing the combined authorization by $10 million; and (4) liberalizing the conditions under which the construction of a mental health clinic or, in certain rural areas, a general medical-care clinic may be eligible for aid under the program.

Special project planning grants

The new grant program to be authorized by this title of the bill would make available, for fiscal year 1961 and the next 3 years, special project grants to regional, area, and local planning groups to coordinate the planning of hospitals and other medical facilities and services. Grants could also be made to State Hill-Burton agencies for projects of technical assistance and provision of basic data to these regional, area, and local groups in developing their plans for hospital coordination.

Grants would be made by the Surgeon General to cover part of the costs of projects, after approval of specific project plans submitted by the State agency, or submitted by the planning group with the approval of the State agency.

The effectiveness of the Hill-Burton program is becoming increasingly dependent on precise planning as each year brings a larger number and a greater variety of health facilities and services to the community. The present network of health facilities in most of our more populated areas has, for the most part, evolved without the benefit of any plan or design. Many facilities were erected to meet an immediate, localized need with little or no consideration of their relationship to each other or to the overall needs of the area. Development of a system of coordinated health facilities and services, therefore, represents one of the most challenging problems facing our States and communities today. The rising cost of hospital care dramatizes the necessity for cooperative planning to reduce unnecessary duplication of health facilities and services in some areas as well as to ensure the future provision of comprehensive balanced medical services.

While isolated attempts have been made in some cities to establish a system for efficient and economical planning of medical facility construction and the coordination of health services, the effect of these efforts has been limited since no financial incentive has existed to spur the widespread establishment of comprehensive planning units in our principal urban areas. The proposed special project grants would enable community leaders to organize and staff local planning bodies to study community needs, develop plans for coordinated health services, and prepare construction programs based on their findings designed to meet the present and future requirements of the population. Such planning reduces conflicting pressures within communities for scarce building funds and permits the development of a balanced program of construction ensuring full utilization of facilities.

Modernization of hospitals and public health centers

Health facilities throughout the country are fast becoming functionally or structurally obsolete. This is of particular importance in the large facilities in densely populated areas providing highly specialized services which cannot feasibly be offered in smaller communities. To help the States counter this trend toward increasing obsolescence of many of our health facilities, the bill would, effective after the first fiscal year, require each State to set forth in its State plan the relative need for modernization (defined as including alteration, major repair, remodeling, replacement and renovation) of existing facilities along with the relative need for construction of new hospital beds and public health centers. After the first year each State could also, if it so elected, divide its annual allotment for hospitals and public heath centers between projects for new beds and new centers, on the one hand, and projects for modernization of existing facilities for which an exceptional need exists, on the other, with a separate priority (based for each part of its allotment on the relative need for each type of project).

While modernization projects are now theoretically possible under the Hill-Burton program, the priority given such projects in most State plans is so low and the demand of competing projects for funds is so great that needed aid seldom reaches them. The channeling of these funds so largely into new construction has produced in many instances a pattern of modern and efficient small hospitals in regions surrounding metropolitan areas. On the other hand, the metropolitan areas themselves are often served by hospitals which are housed in structures 50 years old or more, and are otherwise so obsolete as to suffer a major loss of efficiency. This is particularly true in the case of some of the great urban hospitals to which we must look not only for a large volume of service, but also for the highest quality of care and for leadership in the hospital and health fields. Although the need for modernization of hospitals is concentrated mainly in the metropolitan centers, obsolescence is not merely a matter of age, for the rapid advances in medical techniques have rendered many institutions inefficient despite their relatively recent construction. The proposed amendments, consequently, would require all States to ascertain their modernization needs, and would permit them to give special priority to situations where the need is exceptional.

Increased research support

To strengthen the Federal role in the development of new and improved methods of care in the various types of medical facilities, the bill would remove the existing $1.2 million ceiling on annual expenditures for grants for hospital facilities research. Also, the research authority would be extended to include direct Federal grants from the Public Health Service for the construction of experimental or demonstration facilities designed to implement new principles of patient care. Finally, the bill would permit the Surgeon General to approve a project grant for periods beyond the fiscal year in which the project was submitted. This provision will make it possible for the recipients to plan and undertake their research and experimental projects with confidence that the projects will have the continuity of financing necessary to a realization of their full potential.

Despite the tremendous annual expenditure for hospital patient care in this country, little research is being conducted to determine methods for improving the design and use of medical facilities which would result in more effective and economical care. New patterns of hospital service have reached a stage of development which warrants Federal stimulus in research and experimentation in the construction of specially designed facilities. Many communities are reluctant by themselves to construct new and experimentally designed facilities. Thus, there is a need for Federal support of experimentation with newer and more functional designs.

Greater emphasis on special facilities

The bill would place a greater emphasis on long-term care facilities for chronically ill and disabled persons. This need has become urgent in view of the increasing number of aged in our population, the rising costs of general hospital care, and the growing recognition of the benefits of rehabilitation of the chronically ill and disabled. Greater Federal stimulus is required because of the difficulties of programing in this area in which the patterns of service and of payments for service are still evolving.

Two amendments are proposed which would give additional emphasis to and would increase the flexibility of provisions for facilities for chronically ill patients. The first would consolidate the chronic disease hospital and nursing home categories into a single long-term care facilities category with a combined construction authorization, bed ratio, and State allotment. The second proposed amendment would increase the consolidated construction authorization for long-term care facilities to $40 million annually ($10 million more than the total for the present two categories) and correspondingly decrease the annual authorization for diagnostic or treatment centers. Even with the proposed liberalization of sponsorship for diagnostic or treatment centers (which is described later), we believe this decrease in appropriation would not have an unduly adverse effect on the construction of needed diagnostic or treatment centers. The functions of chronic disease hospitals and nursing homes are still in an evolutionary process and attempts to plan separately for these two categories have not proved too satisfactory. Combining them would give the States more freedom in developing programs for long-term care adapted to their particular needs.

Tuberculosis hospitals

Another amendment would delete the present eligibility of tuberculosis hospitals for construction aid. For the country as a whole, the need for new tuberculosis hos-

pital beds has generally been met. In some areas, tuberculosis hospitals are being converted to other uses.

Transfer of funds

The bill would also permit transfer within a State of a portion of its allotment for one type of facility to that of another type of facility, with two exceptions. Funds could not be transferred (1) out of the rehabilitation category, or (2) into the allotment for hospitals and public health centers. The amendment would enable additional funds to be channeled into the construction of long-term care facilities, rehabilitation facilities, and diagnostic or treatment centers.

Diagnostic or treatment centers

The bill would create two exceptions to the present requirement that the sponsor of a diagnostic or treatment center, if a nonpublic agency, own and operate a nonprofit hospital. This requirement has disqualified a number of otherwise desirable sponsors.

One exception would permit sponsorship of diagnostic or treatment centers by nonprofit groups not connected with a hospital if the service area for the center has no hospital (and none is proposed in that area under the State's program). Also, the center must be for the provision of general diagnostic, or diagnostic and treatment, services and the ownership and control must be such as to assure communitywide interest in the operation of the center. This liberalization should help to overcome a basic problem in some rural areas by providing them with modern diagnostic and treatment facilities as a means of attracting and retaining qualified medical and dental personnel in the community.

A second exception would permit nonprofit voluntary associations, which do not own or operate a hospital but which are so broadly owned or controlled as to assure communitywide interest in their operations, to sponsor the construction of diagnostic or treatment centers for use as mental health, outpatient facilities. With the chances for recovery from mental illness being greater today than at any previous time in our history, the role of the community in providing early diagnosis and treatment and in offering followup care for patients released from mental hospitals is becoming increasingly important. The proposed amendment would enable community groups more easily to assume these responsibilities.

Rehabilitation centers

For further flexibility in the special facility field, another amendment would liberalize the eligibility requirements for rehabilitation centers. Grants could be made for facilities which would provide medical services in combination with either psychological, social, or vocational services. Unlike the present law, it would not be necessary that all four services be provided before a project could qualify for a grant. Provisions of the present law have prevented many worthwhile projects from receiving aid because the community was unable to support operation on such a broad scale—at least in the early years. The pattern of rehabilitation services is still in the process of development and many facilities are needed. We believe it is sounder policy to permit the development of centers under medical supervision in combination with only one or more of the other professional elements, while giving preference to fully integrated facilities operated in connection with university teaching hospitals.

Other changes

In addition to those described above, the draft bill also proposes to eliminate from the law the "separate but equal" alternative to the requirement of assurance that the facility receiving Federal aid under title VI provide service without discrimination because of race, creed, or color. Only a small number of "separate but equal" facilities have been approved for Federal aid under title VI. Of the 4,674 projects of all types approved for construction assistance under this law from the beginning of the program through September 30, 1959, only 66 projects, or 1.41 percent, were for separate facilities. Further, the percentage of projects approved for separate facilities has been diminishing in recent years.

The bill, in addition to technical or drafting changes, also makes a few other substantive changes of lesser significance than those discussed above. These changes are described in the enclosed detailed analysis of the bill.

The provisions of the bill would become effective on July 1, 1960. Applications approved by the Surgeon General prior to July 1, 1960, would be governed by the present law.

We believe that enactment of title I of this bill would greatly enhance the effectiveness of the hospital and medical facility construction program in stimulating the amount and kinds of health facility construction that are urgently needed

GRANTS FOR MEDICAL, DENTAL, OSTEOPATHIC, AND PUBLIC HEALTH TEACHING FACILITIES CONSTRUCTION

Title II of the enclosed draft bill would amend title VII of the Public Health Service Act to designate as "part A" the present provisions of the title authorizing a program of construction grants for research facilities, and to add a new part. The new part B would authorize a 5-year program of construction grants to accredited public and private nonprofit schools of medicine, dentistry, osteopathy and public health to assist in the construction of teaching facilities which would expand capacity for training in those professions.

Under procedure similar to those now in effect for the existing reseach construction grant program, Federal funds would be available (under the new part B) for up to 50 percent of necessary costs for construction of new schools and for that portion of the costs of expansion of teaching facilities at existing schools attributable to increases in their training capacity. Grant funds could not be used for costs of land acquisition or off-site improvements, or for projects eligible for aid under the hospital and medical facility survey and construction program.

The research construction grant program authorized by the Health Research Facilities Act of 1956 (P.L. 835, 84th Cong.) and later extended until June 30, 1962 (P.L. 85–777) provides Federal assistance for the construction of facilities for the conduct of research in the sciences related to health. While schools of medicine, dentistry, osteopathy, and public health participate in this program, along with nonschool, research institutions, and the science departments of universities, these grants are premised upon additions to, or improvements in, research capacity without regard to whether the proposed construction will also effect an increase in the applicant school's capacity to train physicians, dentists, osteopaths, or professional public health workers.

By contrast, the new program we are proposing in the draft bill would limit construction aid to new schools, or to existing schools for teaching facilities which increase the applicant's training capacity, and would establish priorities for grant approval based on relative effectiveness for such expansion. Unlike the existing authority for research construction grants, the proposed new part B of title VII of the PHS Act would not employ the concept of "proportionate use" of a multipurpose facility for the determination of construction costs to be included in calculating the amount of the grant. Costs of construction to be aided under this part would in all cases be determined solely on the basis of teaching requirements. The fact that a facility needed for teaching will have a collateral or incidental use for a related purpose, such as research, would not impair the eligibility of an application or reduce the amount of the grant; any additional space or equipment to be constructed or installed primarily because of its intended use for research would be eligible for aid only under the research construction grant authority in the newly designated part A.

Grant applications coming from schools in States that had established State agencies—or participated in regional or other interstate bodies—for such purposes as surveying training requirements and needs for construction of teaching facilities in these fields, or developing programs for meeting construction needs, for increasing training opportunities in these health fields for the youth in the State, or for promoting more effective use and seeking ways to assure adequate support of these training institutions, would be reviewed in the light of such State programs and plans and, of course, any comments submitted by the planning agency concerned. In addition, the Surgeon General would be authorized to provide assistance to such planning agencies in the form of technical advice and consultant services. In the case of regional or other interstate bodies, the Surgeon General would also be authorized to provide financial assistance for projects for the planning of such programs.

Sums authorized to be appropriated each year for grants under part B would be limited by aggregate ceilings for the 5-year period July 1, 1960, to June 30, 1965, of $75 million for grants to schools of medicine, osteopathy, and public health, and $25 million for grants to schools of dentistry.

The proposed Advisory Council on Medical Teaching Facilities would be separate from the existing Advisory Council on Health Research Facilities, which would continue to exercise its present functions in relation to grant applications for research construction made under part A. The new Council would exercise advisory duties with respect to grant applications for aid in the construction of teaching facilities, the preparation of regulations, and other policy matters arising in the administration of part B. It would include persons selected from among leading authorities in higher education generally, and at least four of them would have to be particularly concerned with training in medicine, dentistry, osteopathy, or the public health professions.

Experience with the Hill-Burton program, and over 3 years of experience under the research construction grant program, have clearly indicated the value of a Federal construction grant as a stimulus for badly needed construction. We can, therefore, confidently expect that a temporary grant program to assist in the construction and expansion of teaching facilities at schools of medicine, dentistry, osteopathy, and public health will be equally effective in encouraging the construction required to meet the essential needs for physical plant adequate to the training responsibilities of these institutions. Our requirements for additional numbers of physicians, dentists, medical scientists, and professional public health workers have been repeatedly documented. They are needed as practitioners, research workers, and teachers, and to staff public and voluntary programs in health fields. Maintenance of present physician-population ratios can be accepted as a minimum goal for training in medicine. The most recent estimate of the number of additional graduates required to accomplish this purpose was made by a group of consultants called together by the Surgeon General of

the Public Health Service. This consultant group concluded that to maintain this ratio we will need an expansion of medical school capacity to some 11,000 graduates a year by 1975, an increase of 3,600 over the present output.

The availability of assistance for the construction of teaching facilities will not only increase the schools' capacity to train the additional numbers of professional health personnel that we need. It will also, we are convinced, permit greater flexibility in institutional planning—a flexibility needed by the schools in order to achieve a desirable balance between their research and teaching functions.

The proposal we are recommending would, moreover, have the additional advantage of encouraging State (and interstate) participation in a cooperative effort to plan for and provide the necessary expansion of training capacity. State participation in the planning processes should stimulate greater recognition of responsibility for sharing in construction costs and for continued operation of these schools at an effective level. It would also increase general awareness of the need for more student places and of the construction and support problems of the schools, and thus stimulate further private efforts.

PROJECT GRANTS FOR GRADUATE TRAINING IN PUBLIC HEALTH

Title III of the enclosed draft bill would amend part A of title III of the PHS Act to add a new section 308 to provide a 5-year program of Federal project grants to strengthen and expand graduate public health training in schools of public health and in those schools of nursing and engineering that provide postbaccalaureate training for public health nurses and engineers.

The proposed new section 308 would authorize appropriation of such sums as the Congress may determine for each fiscal year, for the 5-year period beginning July 1, 1960, and ending June 30, 1965, and would delete, effective July 1, 1960, the provisions of section 314(c)(2) authorizing grants to schools of public health, which under the terms of current legislation, will expire June 30, 1960. The new project grant authority we are recommending would permit the Surgeon General to approve a project grant for periods beyond the fiscal year in which the project was submitted, thus assuring full Federal financing during the life of the project. This provision will make it possible for the recipient schools to plan and undertake projects to strengthen their programs of basic training and improve and enrich their curriculums, with confidence that the project will have the continuity necessary to a realization of its full potential for upgrading training program content, methods, and procedures.

There is an urgent need for strengthening, increasing, and improving the teaching programs providing graduate public health training in this country. A recent survey disclosed that more than 20,000 professional personnel now employed in public health agencies do not have the public health training they need to provide the public health protection for people which is possible in the context of today's technological developments. In addition, it was found that there were more than 2,500 vacancies in professional positions due to lack of trained personnel to fill them. Furthermore, it was estimated that, because of program expansion and population growth, an additional 6,000 trained personnel will be needed by 1964 to fill new positions.

These numerical findings of training needs clearly indicate that the graduate public health training programs must be expanded and improved to prepare personnel more adequately, and in greater numbers, if we are to meet the staffing needs of new and emerging public health programs. These new and expanded public health activities include such programs as those for chronic disease and aging, radiological health, accident prevention, rehabilitation, cancer, heart, and mental health. Successful inauguration, expansion, and operation of these and other programs of the future will depend on large measure on the availability of graduate public health training programs to prepare personnel for optimum effective service.

We believe that this problem is one that warrants Federal financial assistance and that such assistance can be most appropriately provided through a program of project grants. The project grant technique has proved successful in a variety of other training programs, as well as in our research grant operations. It is the technique which most nearly assures that funds will be directed toward growth and improvement.

As pointed out above, the current authorization for assistance to schools of public health will expire on June 30 of this year. Early enactment of the authorizing legislation for the new program proposed in title III of the enclosed draft bill is therefore of great importance.

GUARANTEE OF LOANS FOR CONSTRUCTION OF GROUP PRACTICE MEDICAL OR DENTAL FACILITIES

Title IV of the draft bill proposes a new program activity to encourage the development of group practice. There is increasing recognition of the value of physicians working together as a group in bringing more comprehensive services to the patient. By sharing common facilities, equipment, and records on a partnership basis, there are greater opportunities for medical specialists and general practitioners to combine their diverse skills in treating the medical needs of the whole patient rather than any one specialized category of illness. While recognizing the continuing, predominant role of the solo medical practitioner in providing medical care, the Department wishes to reduce the financial barriers experienced by many physicians who are interested in initiating group practice. Also, since groups offering prepayment plans would be eligible for assistance under this title, the program would stimulate the growth of private, voluntary systems providing comprehensive coverage of the costs of medical care.

Title IV therefore provides the statutory framework for a debt-service guarantee program to aid in financing the cost of construction of group practice medical or dental care facilities. The Surgeon General would be authorized during the 5 fiscal year period from July 1, 1960, to June 30, 1965, to guarantee, under certain circumstances, payment of principal and interest on debts incurred in the construction of such facilities whenever the borrower is unable to meet his obligations. By placing the credit of the Federal Government behind groups planning to build such facilities, the risk to the institution making the construction loan is reduced. The lenders, therefore, should be able to offer reasonable terms with regard to the amount of the loan, the interest rate charged, and the duration of the loan. Since a fee collected by the Federal Government for guaranteeing each loan would be used to cover costs of administration and to meet payments in the event of default, the program would be self-financing and involve no Federal subsidy.

The aggregate amount of guaranteed indebtedness outstanding at any one time would be limited to $30 million, or such lesser amount as may be specified in annual appropriation acts, and loans with maturities of more than 30 years would not qualify for guarantees. A revolving fund would be established, to be used by the Surgeon General to finance the costs, including administrative expenses, involved in carrying out the debt service guarantee program. The Surgeon General would prepare an annual budget in accordance with the Government Corporation Control Act, and maintain accounts for auditing by the General Accounting Office as in the case of commercial transactions, also in accordance with the Government Corporation Control Act. (Other technical details of this proposal are explained more fully in the enclosed analysis of title IV of the draft bill.)

We believe this proposal will provide a financially sound and desirable way of stimulating the formation of more group practice units. That there is growing recognition of values of this type of organization for the provision of medical and dental care is apparent from the numbers of such groups that have been established in recent years.

Together, the four titles of the enclosed draft bill present a proposal that would greatly facilitate and encourage the development of the physical plant, the expanded supplies of professionally trained personnel, and the improved planning and organization, for both facilities and services, that are greatly needed if we are to make available to the people in this country the public health protective services and the individual health and medical care that our contemporary ways of living call for.

Separate analyses of titles I, II, and IV of the draft bill are enclosed.

In compliance with Public Law 801, 84th Congress, there is enclosed a statement of cost estimates and personnel requirements (identified separately by titles of the bill) that would be entailed by enactment of this proposed legislation.

We would appreciate your referral of the enclosed draft bill to the appropriate committee for consideration.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely yours,

ARTHUR S. FLEMMING,
Secretary.

AMENDMENT OF FEDERAL AVIATION ACT, RELATING TO EXTENSION OF TIME FOR SERVICE ON ADVISORY COMMITTEES

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to amend section 302(i) of the Federal Aviation Act of 1958 to extend the period of time for which individuals may serve as members of advisory committees appointed by the Administrator. I ask unanimous consent that a letter from the Administrator of the Federal Aviation Agency, requesting the proposed legislation, be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3683) to amend section 302(i) of the Federal Aviation Act of 1958 to extend the period of time for which individuals may serve as members of advisory committees appointed by the Administrator, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

FEDERAL AVIATION AGENCY,
Washington, D.C., June 9, 1960.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: It is requested that the attached proposed bill be introduced in the Senate at your earliest convenience.

"To amend section 302(i) of the Federal Aviation Act of 1958 to extend the period of time for which individuals may serve as members of advisory committees appointed by the Administrator."

The purpose of this bill is to provide the Administrator of the Federal Aviation Agency with greater flexibility in the use of experts and consultants. In particular, this bill, if enacted, would enable the employment of consultants at the rate of $100 per diem for a maximum 1-year period. Under existing law the Agency is handicapped by section 302(i) of the Federal Aviation Act (Public Law 85-726, sec. 302(i), 49 U.S.C. 1343 (g)), which limits the Agency's use of experts and consultants to a period less than 100 days in any calendar year.

While this section (302(i) of the Federal Aviation Act) endeavors to confer the benefits of section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), which authorizes the employment of experts and consultants, and which permits compensation of such individuals at a statutory rate, it also limits their employment to 100 days in derogation of the same basic authority (5 U.S.C. 55a), which permits temporary or intermittent employment for a 1-year period.

The work program of the Agency, by its very nature, embraces projects requiring temporary and intermittent services for periods totaling more than 100 days and perhaps as long as 1 year. For this reason, we strongly urge enactment of this legislation.

The Bureau of the Budget has advised that there would be no objection to the submission of this draft bill to the Congress.

Sincerely,

E. R. QUESADA,
Administrator.

PURCHASING-POWER BONDS TO PROTECT AGAINST INFLATION

Mr. MCNAMARA. Mr. President, on behalf of myself, the Senator from Pennsylvania [Mr. CLARK], and the Senator from West Virginia [Mr. RANDOLPH], I introduce, for appropriate reference, a bill to assist individuals to obtain retirement benefits protected against increases in the cost of living. I ask unanimous consent to have printed in the RECORD a statement, prepared by me, relating to the bill, together with an analysis of the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the statement and analysis will be printed in the RECORD.

The bill (S. 3684) to assist individuals to obtain retirement benefits protected against increases in the cost of living by providing for the issuance by the Treasury of a new series of bonds containing adjustments, under certain conditions, in maturity and redemption values to compensate for increases in the cost of living which may be purchased by individuals and eligible institutions, introduced by Mr. MCNAMARA (for himself, Mr. CLARK, and Mr. RANDOLPH), was received, read twice by its title, and referred to the Committee on Finance.

The statement and analysis presented by Mr. MCNAMARA are as follows:

STATEMENT BY SENATOR MCNAMARA

In accordance with one of the basic recommendations of the majority membership of the Subcommittee on Problems of the Aged and Aging, I wish to introduce today a bill that attempts to meet—in large measure—the problem of retirement income of the increasing numbers of aged citizens in our country. It is a bill that would authorize the U.S. Treasury to issue, for retirement purposes only, a constant purchasing power bond.

While references to the idea have been made many times before, over the past 50 years or more, and in various congressional studies and reports, this is the first time—I believe—that a serious proposal along these lines has ever been actually introduced as a piece of legislation. I will not repeat the statistics on the pitifully low incomes of the vast majority of our retired men and women.

In its report of February 1960, the subcommittee majority said as follows:

"While wage increases provide protection against cost-of-living rises during the work life of men and women, pension plans ordinarily do not. It has been proposed that such protection could be provided through Government action by issuing Government bonds, redeemable at an amount adjusted to account for increases in the cost of living. By investing in such bonds, pension funds and retirement annuity companies would be able to adjust pension benefits to increases in living costs. Further, individuals could purchase such bonds for retirement purposes."

This bill is designed to remedy certain shortcomings of our present financial structure in its effects upon the retirement income of aged citizens.

Neither social security nor private pension plans automatically provide adequate protection against cost-of-living increases.

The bill would authorize the Secretary of the Treasury to issue bonds with a purchasing power guarantee—that is, bonds whose face value would be adjusted to keep pace with the increases in the cost of living. These bonds would be issued to individuals and eligible institutions in such a manner as to insure that the benefits derived from their cost-of-living clause could accrue only if used for retirement purposes, either by individual retirees or by administrators of pension funds. Bonds redeemed before a stipulated time or age would carry only a given interest rate, and not the purchasing power protection.

As a secondary, but equally important result, the issuance of such purchasing power bonds would have the much desired effect of increasing the sales and/or the holding of Treasury savings bonds. Redemptions of savings bonds before maturity have been a source of major concern which deserves governmental action.

Price fluctuations have an important bearing on the economic well-being of every citizen, but particularly for retired persons. Traditionally, people save—and are expected to save—to assure themselves a decent, comfortable old age. When people save for their retirement, their primary concern is the security of their savings. They want to have their money available when they need it—at the time, and for the purpose of their retirement. Consequently, for retirement purposes, people want savings instruments that are free from risk.

Bonds, particularly Government bonds, have long been looked upon as one of the best means of saving for retirement purposes, since they have a fixed monetary value which is not influenced by economic trends, by speculation, or by other sources of instability in our economic world. Unfortunately, at times when inflation is a matter of public concern, people shy away from investing in bonds, as the danger of inflation removes that most important characteristic of all bonds—their risklessness.

With the weakening of bonds as a form of riskless investment in times of inflationary expectations, a great segment of the saving public, especially the small, unsophisticated investor saving for his old age, is deprived of the only form of investment which he can understand, and with which he can cope in terms of his daily life and future expectations. The result is a reduced inclination to save for old age, and increased economic insecurity in old age.

In modern industrial society, the burden of providing for retirement does not, of course, rest solely on the availability of avenues for private individual saving. We do have governmental and private pension plans designed to assure a decent standard of living to an increasing number of our retired citizens. But in an age of inflationary fears, and fluctuating prices, a guarantee of a fixed monetary income upon retirement is not sufficient.

There is legitimate fear that, however promising a given retirement plan may look on paper, in reality it may be less than adequate, if the inflation of the intervening years eats away the purchasing power of the promised annuity.

This fear is the basis for the repeated attempts to write into pension contracts clauses that would tie the amount of annuities to the fluctuating price level. The reason for a lack of any appreciable success in this direction is the contention of management that no actuarially sound pension plan could provide a cost-of-living adjustment in pensions in the absence of proven ways of guaranteeing cost-of-living protection to the pension funds themselves.

Undoubtedly, management would take a much more favorable view of cost-of-living provisions in pension contracts, if pension funds could be invested in a way that would protect them from the erosion of inflation. The traditional practice of investing these funds in fixed-return investments—bonds—provides no such security any more; in fact, with the inflationary psychology during recent years, pension-fund portfolio managers have deserted the bond market to a considerable extent and entered the stock market—not for the purpose of trying to find means to provide cost-of-living protection to their beneficiaries, but simply to enable the funds to keep paying their fixed pension obligations.

There are definite limits to the investing of pension fund moneys in stocks. In fact, it is questionable whether the whole practice is at all sound, except to the extent that the investing takes place in really blue chip stocks. Consequently, it is not only the individual saver who has been deprived by inflationary expectations of his major avenue for saving, but also the employee who has placed his faith in the industrial organization for which he has worked for many years, if not a lifetime. He is denied the prospect of maintaining a decent standard of living in his retirement years by the inability of pension funds to protect him from the erosion of his pension's purchasing power.

An inflation-proof pension bond issued by the Treasury would increase the incentive of individuals to save for old age, either on his own part or through a labor-management pension plan.

Even though the idea of a purchasing-power bond is an old one, no serious effort has ever been made in this country to introduce it. One of the major reasons for this is the oft-repeated fear that the Government could not issue a purchasing-power bond without publicly admitting its inability to cope with inflation and, consequently, without undermining the confidence of the public in the currency.

No one denies that psychology—confidence—plays a very important role in economic, and especially in monetary, matters. But the lessons of the past several years should be sufficient proof that psychology alone is not enough to account for the presence, or absence, of inflation. Official attempts to exercise inflation by repeated and ceremonial professions of abhorrence have failed completely, and it is now time to realize what has really been obvious all along—that inflation is caused, above all, by fundamental factors operating in our complex economy.

There is, therefore, no reason to believe that the introduction of purchasing power bonds, if done on a relatively modest scale and with appropriate prudence, would have any adverse effect on public confidence. On the contrary, to the extent that they would induce individuals to save more, they might even have a dampening effect on inflationary tendencies underlying the economy. Even if we were to have further inflation in the future, the extra cost incurred by the Treasury through adjustments in the face value of these bonds would be more than compensated for by the real benefits to the economy derived from the ability of pensioners to maintain their purchasing power in times of inflation. This, in turn, would reduce the burden on public assistance agencies.

As the staff report on employment, growth, and price level, of the Joint Economic Committee, said recently:

"On balance, there is much to be said for the view that it is a proper function of the Government to provide the small, unsophisticated investor with a form of investment which contains protection against the erosion of his wealth through inflation."

The same can be said, no doubt, about providing the same protection for institutions that take care of the retirement years of the same honest, unsophisticated small man—the pensioner of our industrial and commercial corporations.

In the subcommittee report of last February, we pointed out that the emergence of an aged population on the scale we now have and will have in the future calls for new ideas and preparation today for the even greater scope of the issue in generations to come—even in this century. While most of the subcommittee's recommendations bear on the well-being of today's senior citizens, this particular bill has far-reaching potential beneficial provisions for the retirees of the next generation and beyond.

FAVORABLE COMMENTS BY ECONOMISTS AND ACTUARIES ON PRINCIPLE OF CONSTANT PURCHASING POWER BONDS

Milton Friedman, University of Chicago: "I strongly favor the issuance of a purchasing-power bond on two grounds: (a) It would provide a means for lower and middle-income groups to protect their capital against the ravages of inflation; (b) it would permit the Treasury to sell bonds without engaging in advertising and promotion that at best is highly misleading, at worst, close to being downright immoral. The issuance of purchasing-power bonds might increase voluntary savings because they would be more attractive than existing means of investing savings open to the general public. An additional minor advantage is that it might make the Treasury place greater emphasis on the important problem of preventing inflation."

Daniel K. Andrews, College of Commerce, University of Illinois, Navy Pier Campus: "Pension funds and other institutional investors would be attracted to such bonds. Insurance companies might use them as a basis for offering annuities more reliable in protecting purchasing power to the holder than present-day 'variable annuities' which fluctuate in dollar amount only with the ups and downs of the stock market, not necessarily with the cost of living, savings, and retirement plans could be protected with far greater certainty."

Ralph H. Blodgett, University of Florida: "The issuance of bonds, the value of which would be guaranteed in terms of purchasing power, is one thing about which I am enthusiastic. Interest rates on Government bonds would not have to be raised. People would buy bonds even at low interest rates if they were given security as to the purchasing power of their principal."

Earl R. Rolph, University of California, Berkeley: "I am a strong advocate of the issuance of Government securities which are guaranteed as to purchasing power. There is a great need in this country for a security which the average investor could buy and use to protect himself from losses in real terms. A beginning could be made by the issuance of annuities redeemable only upon the owner reaching a certain age."

Richard Goode, Brookings Institution: "A constant-purchasing-power bond would have an important social function in allowing savers to protect themselves against the risk of inflation and would be an especially attractive form in which to hold long-term savings for old age. At the present time, individual savers, pensions funds, and other investors can obtain a measure of protection against inflation by buying equities, but these investments are subject to other risks which many savers may not wish to assume."

ANALYSIS OF THE MCNAMARA PURCHASING-POWER-BOND BILL

Section 1 of the bill adds a new section, section 26, to the Second Liberty Bond Act.

Subsection (a) of the new section authorizes and directs the Secretary of the Treasury to issue purchasing power bonds subject, unless otherwise provided for in the bill, to the provisions of existing law.

Subsection (b) defines the pension and profit-sharing plans, and the institutions which are eligible to purchase the bonds, and requires that, in case of profit-sharing and pension plans, periodical adjustments be made in the paid-out benefits for the purpose of compensating for increases in the cost of living.

Subsection (c) states that the bonds to be issued—

1. May be interest-bearing (coupon) or discount type, or a combination of the two.
2. Shall mature in 20 years.
3. May be redeemed before maturity.
4. Shall bear interest rates identical with the going rate of interest on ordinary savings bonds.
5. Their denominations shall be geared to the needs of the purchasing individuals and institutions.
6. May be retained after maturity.
7. Shall be nontransferable.
8. May be purchased only by or for individuals and eligible institutions.

Subsection (d) limits the amount of purchasing power bonds that may be purchased by individuals to $10,000 annually, and the total holdings of individuals to $60,000 (both figures computed on the basis of purchase price); it also limits the purchase by, and holdings of, eligible institutions to amounts required to back their obligations under the pension and profit-sharing plans under their management.

Subsection (e) provides for the calculation of the cost-of-living adjustments in the face value of the bonds; it also specifies that such adjustments are to be made in case of individual holders only if the holders have either reached the age of 60 or have become permanently disabled, and in case of institutions only if the bonds are held to maturity or, if redeemed before maturity, if such redemption is necessary to enable the institutions to meet their obligations under the plans under their management.

Section 2 of the bill states that, for purposes of calculating the statutory debit limit, the face amount of the bonds—before cost-of-living adjustments—shall be considered the amount outstanding.

RECESS APPOINTMENTS TO THE SUPREME COURT

Mr. HART. Mr. President, on May 5, 1959, the Senate debated and consented to the nomination of Mr. Justice Potter Stewart to be an Associate Justice of the Supreme Court of the United States. Mr. Justice Stewart had taken his seat on the Court under an appointment by the President on October 14, 1958. He had participated in decisions of the Court from that date, was acting as an Associate Justice of the Court when he testified April 9 and April 14, 1959, before the Committee on the Judiciary, and was sitting as an Associate Justice when the Senate advised and consented on May 5, 1959.

When the Senate debated this nomination, I described the concern and problem of a member of the Committee on the Judiciary, and a Member of the Senate, who must pass on the nomination of a Justice of the Supreme Court when the nominee is sitting on that Court.

It is difficult to criticize or comment on problems of this nature at the time there is an actual nomination pending before the Senate because the general proposition then becomes inseparable from the individual, no matter how worthy. So in the year since that debate I have given thought to what course the Senate could follow to avoid, as far as is constitutionally possible, the difficulties faced when it must act on the nomination of a Justice who, under a recess appointment, has been and is participating in the work of the Supreme Court.

The history of recess or interim appointments to the High Bench is interesting. Fifteen Justices of the Supreme Court have been given recess appointments and were subsequently confirmed by the Senate. But for more than 100 years prior to the recess appointment of Chief Justice Warren in 1953, no recess appointee ever took his seat on the Court befores he had been confirmed by the Senate. And only twice prior to that did an interim appointee take his seat on the Court before confirmation. For 52 years, no recess appointments were made at all. Since the breaking of a century's precedent in the case of Chief Justice Warren, there have been two

more instances, Justice Brennan and Justice Stewart, where an interim appointee has taken his seat on the Court before confirmation.

Many of my colleagues, Mr. President, who have far more service than I in the Senate and on the Committee on the Judiciary, have expressed the very real difficulties of fulfilling the constitutional responsibilities placed on Members of the Senate when they must interrogate and consider the qualifications of the nominees to the Supreme Court at the time they are sitting on the bench.

The 86th Congress approaches its close. Whatever the outcome of the presidential election in November, a new administration will take office. None of us knows which political party will direct that administration. I suggest this is a most appropriate time for the Senate to record its extreme reluctance to see recess appointments made to the Supreme Court and its opposition to a recess appointee taking his seat on the Court until confirmed by the Senate.

The resolution I submit today would record this to be the sense of the Senate. In the confirmation proceedings of Justice Potter Stewart, I felt a considerable handicap in questioning the nominee when before the Committee on the Judiciary and a restraint in the debate during the consideration of his appointment by the Senate. I believe others suffered this same limitation as we sought to discharge our constitutional duty. This in no way should be taken to indicate that I believed Justice Stewart other than completely qualified, and he has fulfilled his responsibilities subsequently with great ability.

In summary, Mr. President, there would seem to be three very serious questions which argue against recess appointments:

First, there is the knowledge by the Justice that his decisions made prior to Senate scrutiny of his appointment could—indeed, almost must—come under study and be factors in the Senate's consideration. This in turn may suggest pressures on the nominee surely not in accord with objective justice for all involved.

Second, the Justice serving under recess appointment is not exempt from the possibility that he would be removed by the President from his recess post and replaced by another nominee, and thus necessarily lacks the independence with which we seek to invest our Federal judges.

Finally, the very opposite of the first and second points is possible: not wanting to appear to decide a case in a manner that might be misinterpreted as resulting from the timing of the situation, the Justice bends over backward to prove independence of both the Senate and the President and a litigant may suffer.

It is for these reasons that the Senate resolution I submit seems to be a direct and proper action. Hopefully, the next President, in all but the most exceptional circumstances, will refrain from making such recess appointments. I believe adoption by the Senate of this resolution would clearly advise the President, whoever he is, that this is the sense of the Senate. My regret is that I did not submit the resolution earlier. But a few weeks of the session remain, with much of importance and priority to be considered. I will understand if time for action on this matter should not be found. However, especially since it affects the whole country and not one State or region, the leadership may be able to bring it to decision.

I ask unanimous consent that the text of the Senate resolution be printed at this point in my remarks, together with an article by Mr. Arthur Krock, appearing in the New York Times of May 7, 1959.

The PRESIDING OFFICER. The resolution will be received and appropriately referred, and, under the rule, will be printed in the RECORD; and, without objection, the article will be printed in the RECORD.

The resolution (S. Res. 334) opposing the making of recess appointments to the Supreme Court was referred to the Committee on the Judiciary, as follows:

SENATE RESOLUTION 334

Whereas the governmental power of the United States has been entrusted by the Constitution to three coequal branches, the legislative, the executive, and the judicial; and

Whereas the judicial power of the United States is vested primarily in one United States Supreme Court; and

Whereas a Justice of that Court may serve for life after he has been nominated by the President and, by and with the advice and consent of the Senate, appointed to his office; and

Whereas the duties and responsibilities of the Senate with respect to giving or withholding its advice and consent to such appointments are most serious and most solemn and should be exercised in an atmosphere free from any pressures which are inimical to due deliberation; and

Whereas the nomination of a person to the office of Justice of the Supreme Court of the United States should be considered only in the light of the qualifications the person brings to the threshold of the office; and,

Whereas our Constitution recognizes and all the lessons of history teach us that justice is best served and most likely to be achieved when cases are heard by Judges whose tenure is in nowise dependent upon their decisions in particular cases; and

Whereas there has from time to time been public speculation on the independence of a Justice who sits in judgment upon cases prior to his confirmation by this body, which speculation, however ill founded, is distressing to the Court, to the Justice, to the litigants and to the Senate of the United States: Now, therefore, be it

Resolved, That it is the sense of the Senate that the making of recess appointments to the Supreme Court, though authorized by the Constitution, is not wholly consistent with the best interests of the Supreme Court, the nominee who may be involved, the litigants before the Court, nor indeed the people of the United States, and that such appointments, therefore, should be avoided except under most unusual and urgent circumstances. And, in all cases, such appointee should not take his seat on the Court until the Senate has advised and consented to the nomination.

The article presented by Mr. HART is as follows:

[From the New York Times, May 7, 1959]

JUDICIAL APPOINTMENTS IN THE ABSENCE OF THE SENATE

(By Arthur Krock)

WASHINGTON, May 6.—In the Senate debate that preceded the vote which confirmed the President's recess appointment last fall of Potter Stewart to the Supreme Court, in whose decisions, however, he has been participating as an unconfirmed judge, this administration's practice of creating such a dubious situation was critically reviewed. The prevailing judgment was expressed as follows by Senator HART, of Michigan:

"Interim appointments to the Court are most unfortunate and should be avoided except in the most extreme cases. Certainly the participation of such an appointee in Court work prior to Senate confirmation is unwise."

The unwisdom, of course, is implicit in the fact that the Senate may terminate a recess appointment by rejection, or simply by not acting on it before adjournment. As the event demonstrated, there was never any probability the Senate would reject Justice Stewart or the other two members of the Court to whom the President gave recess appointments: Chief Justice Warren and Justice Brennan. But there is always a possibility of rejection by either the positive or negative method. And if an unconfirmed judge has been participating in the work of the Court, the mental shadow of this possibility could impair the sense of total emancipation from worry over the effects of his decisions in the political community that life tenure for judges was intended to bestow.

And if ultimately he was rejected, his part in controversial decisions, particularly when he had been one of the five that made the opinions binding, would revive the public and legal controversy such rulings evoke.

A 5-TO-4 RULING

This week there was such a decision by a majority that included Justice Stewart and would have been a minority without him. It was the 5-to-4 holding, by Justice Frankfurter for the Court, that health inspectors may enter a private home without a warrant to search for sanitation conditions (suspected in this instance of violating a Baltimore City ordinance). The central issue was the fourth amendment, which forbids "unreasonable searches and seizures" by Federal officials and has been established by the Court as applicable to State and local officials as well.

The deep nature of the controversy among the Justices was revealed in this comment by Justice Douglas, writing for himself and three others: "The decision * * * greatly dilutes the right of privacy which every homeowner had the right to believe was part of our American heritage." And this protest was strengthened by the facts that a search warrant was readily available to the health officer, and that the householder lives in a community where, like others in the United States, there are police records that would justify the fear of admitting strangers into private houses, even in daylight, the time this inspector demanded admittance.

PROPOSED SOLUTION

Justice Stewart's confirmation removed from this particular decision the liability of its having been made possible by a member of the Court whose brief tenure, and by recess appointment, the Senate had constitutionally terminated. But this liability is always present in decisions by unconfirmed judges. And that properly was concerning Senator HART and others in a debate on a level worthy of the issue.

HART realized, he said, that abstention by an unconfirmed Supreme Court appointee may cause difficulties when the Court is evenly divided on many crucial cases, or undermanned for a crushing workload. He conceded this as a comprehensible reason for the President's recess appointments in the three instances. But he argued for a sounder practice in which this consideration would be obviated. So far as the Supreme Court is concerned several excellent suggestions to this purpose have been made to Chairman CELLER of the House Judiciary Committee by Cyril F. Brickfield of his staff and Louis Loeb of the Library of Congress.

Among these suggestions are: special Senate sessions; Senate rules revisions to provide for committee action during recess, committee disapproval being tantamount to rejection; and a subsequent time limit for Senate action if the committee has approved the recess appointment. Meanwhile the recess appointee would be barred from participation in the work of the Court.

CHANGE OF METHOD OF PAYMENT OF FEDERAL AID TO CERTAIN HOMES—INSERTION OF LETTER IN REPORT NO. 1547

Mr. MANSFIELD. Mr. President, on Friday last the Senator from Texas [Mr. YARBOROUGH] reported, from the Committee on Labor and Public Welfare, with amendments, the bill—H.R. 10596—to change the method of payment of Federal aid to State or territorial homes for the support of soldiers, sailors, airmen, or marines of the United States, and submitted a report thereon.

The report has not been printed, but, under an order of the Senate, is being held in the Secretary's Office awaiting the presentation of minority views.

By inadvertence, a letter from the Veterans' Administration, giving its views on the matter, was omitted from the report. On behalf of the Senator from Texas, I ask unanimous consent that the letter may be inserted in the report at the appropriate place.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF HEARING ON H.J. RES. 402 GRANTING THE CONSENT AND APPROVAL OF CONGRESS FOR THE STATES OF VIRGINIA AND MARYLAND AND THE DISTRICT OF COLUMBIA TO ENTER INTO A COMPACT RELATED TO THE REGULATION OF MASS TRANSIT IN THE WASHINGTON, D.C., AREA

Mr. HART. Mr. President, on behalf of a subcommittee of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 9:30 a.m., Friday, June 24, 1960, in the District of Columbia Committee room, 6226 New Senate Office Building, on House Joint Resolution 402, granting the consent and approval of Congress for the States of Virginia and Maryland and the District of Columbia to enter into a compact related to the regulation of mass transit in the Washington, D.C., metropolitan area, and for other purposes.

At the indicated time and place all persons interested in the proposed legislation may make such representations as may be pertinent. The subcommittee consists of the Senator from Colorado [Mr. CARROLL], the Senator from New York [Mr. KEATING], and myself, as chairman.

NOTICE OF HEARING ON S. 2075 AND RELATED BILL, S. 2852, TO ENCOURAGE THE CREATION OF ORIGINAL ORNAMENTAL DESIGNS FOR A LIMITED TIME AGAINST UNAUTHORIZED COPYING AND TO PRESERVE COPYRIGHT PROTECTION FOR CREATORS OF ARTISTIC WORKS IN WHICH COPYRIGHT SUBSISTS

Mr. HART. Mr. President, on behalf of and as acting chairman, for the purposes of this hearing, of the Subcommittee on Patents, Trademarks, and Copyrights of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for 9:30 a.m., Wednesday, June 29, 1960, in room 2228, New Senate Office Building, on S. 2075, a bill to encourage the creation of original ornamental designs of useful articles by protecting the authors of such designs for a limited time against unauthorized copying, and S. 2852, a bill to encourage the creation of original ornamental designs of useful articles by protecting the authors of such designs for a limited time against unauthorized copying and to preserve copyright protection for creators of artistic works in which copyright subsists.

The subcommittee consists of the Senator from Wyoming [Mr. O'MAHONEY], chairman, the Senator from South Carolina [Mr. JOHNSTON], the Senator from Wisconsin [Mr. WILEY], and myself, as acting chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Partial text of President Eisenhower's Manila address and editorial entitled "Nationalism in Asia," published in the Washington Post June 16, 1960.

By Mr. JACKSON:

Address delivered by Senator MANSFIELD at the 58th Annual Session of the Inland Empire Education Association held in Spokane, Wash., on April 8, 1960.

By Mr. COOPER:

Transcript of questions submitted to Vice President NIXON, and his answers, on the television program "Open End," telecast on May 15, 1960, published in the U.S. News & World Report of May 30, 1960.

POSTPONEMENT OF PRESIDENT'S VISIT TO JAPAN

Mr. JOHNSON of Texas. Mr. President, we all noted with deep regret this morning the decision of the Japanese Government to postpone President Eisenhower's trip to Japan.

Under all the circumstances, we must assume that the decision was a wise one. The Japanese Government felt that it could not guarantee the security of the President against a mob which, though it is a minority, is well organized and determined to riot.

Nevertheless, the action has some grave implications which we must consider carefully. And we should not come to any hasty conclusions or premature reactions.

In the view of competent observers, the great majority of the Japanese people are pro-Western. They have no desire to come under Communist domination. But history has demonstrated that the Communists do not look for majorities to make decisions. To them, the decision is made and enforced by brute strength.

Thus, to the Communists the fact that the Japanese Government was unwilling to risk the security of the President of the United States will be considered a victory. The fact that it was pure blackmail in its most outrageous sense will not dim the luster of their achievement in Communist eyes.

In a world in which the great majority of the people still cling to principles of morality, however, the lesson will be plain. The Communist objective is to divide the world and to prevent people from knowing each other and understanding each other. The Communists did not want the Japanese people to see an American President, representing a Nation whose basic desires are for peace.

The Communists were willing to go to any lengths to prevent that from happening. There is nothing in their code which bars violence as a means of conducting political and international relations.

As we are all aware, there have been some serious reservations expressed about this trip from the beginning. But that is now past history.

It is evident that this is a time to reexamine our policies and to determine whether they are effective in penetrating the walls which the Communists seek to build between men. It becomes more and more apparent that communism can succeed only by digging deep gulfs of misunderstanding between peoples, and this we must not allow them to do.

Mr. DIRKSEN. Mr. President, when the Japanese delegation was here some weeks ago in connection with the signing of the new Japanese-American Security Treaty, I had occasion to visit at considerable length with a member of the Foreign Affairs Committee of the Japanese House of Representatives. At that time the member assured me of the warm and deep regard of the vast majority of the Japanese people for this country, and insofar as it was within my power, I sought to assure him on that point with respect to our own people. But he did say on that occasion that there was a hard, monolithic, pro-Communist core in Japan which repudiated every effort to operate the government on a parliamentary basis. When I quizzed him about matters within their own parliamentary body, he told me about the violence that occurred there on the part of this pro-Communist group.

Notwithstanding all of that information, however, I am still glad that the President of the United States not only accepted the invitation but actually undertook the journey. I applaud him for doing so, because when the great leader of a free people has a deep conviction on the subject of peace and the development of good will among people everywhere, under no circumstances should he let surface and momentary fears dissipate that conviction. So I applaud our President now as I did when he announced that the journey was to be undertaken.

But the circumstances that have compelled the withdrawal of the invitation and the postponement of the President's visit certainly ought to be a flaming example to free people everywhere, and particularly to our own country, of what Communist tactics, Communist penetration, and Communist ruthlessness and brutality can really do when Communists undertake to subvert a people and to bore from within.

The lesson ought not be lost on us, because it must be crystal clear by now that the free American system, the American people, the American leadership, and our whole concept of freedom, is the top target of the Communist freedom-destroying ideology. If there is anything in the reports that have been sent out by the TASS News Agency, this incitement of mob violence is the first step. The second step would be to block the ratification of the treaty which is before the Japanese Diet at the present time. The third step would be to bring about the expulsion of Mr. Kishi as the Prime Minister. The next step, of course, would be to compel the expulsion of American troops from Japan.

All of this now seems to be crystal clear as a part of the pattern.

Though I do not particularly like to add this afterthought, there are some who recently thought perhaps it was an appropriate idea for the President of the United States to apologize to Khrushchev. There are some whose views have appeared in the various newspapers who believe that we should have made concessions to Khrushchev. If this lesson now is lost on them, then frankly I am about to give up.

I have one other thought to offer, and I do not apologize for it because it is definitely political. Two-thirds of one page of the Washington Post this morning was occupied by a statement over the signature of Eleanor Roosevelt. In that statement she said that if Vice President NIXON is the Republican nominee, we shall be in for a tough campaign. The time has come for some tough talking in America and for a tough campaign.

The whole concept of freedom is at stake; I do not intend to mince any words about it. Sometime later in the day I trust I shall find the time to make a few observations about the remarks made by the distinguished Senator from Massachusetts [Mr. KENNEDY] this week in the Senate. He may be out of town. I trust I will not be considered discourteous or impolite if I do make these observations while he is out of town. I could add one thought, that the Senator from Massachusetts made his remarks while the President was out of the country. Therefore, I trust I shall not be deemed to be discourteous if I make my remarks today.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. I do not question the right of the Senator from Illinois to say anything he desires at any time. I would express the hope and try to signal caution that we not involve the President's trip to Japan with any presidential race in this country.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SYMINGTON. The able minority leader once again has referred to a statement presumably made by the titular head of the Democratic Party, Gov. Adlai Stevenson. I remind the minority leader that Governor Stevenson has denied making that statement. I mentioned that fact previously when the accusation, unjustified, was made on the floor. I reemphasize that I do not believe it is in the best interest of the country to continue to assert that able and dedicated public servants have made statements which they have completely denied.

Mr. DIRKSEN. Mr. President, the record has been very carefully explored, and I think by now it speaks for itself, notwithstanding the denial that was made.

Mr. SYMINGTON. Mr. President, that is an unjust and unfair accusation against Governor Stevenson. I do not think it is worthy of the minority leader.

Mr. DIRKSEN. I cannot alter facts.

Mr. MANSFIELD. Mr. President, I am disturbed this morning that politics has entered into our discussions at this particular moment when the country in effect faces a crisis of sorts, and a possible reassessment and reevaluation of its policies.

I do not like the word "apology" applied to any Democrat with respect to the President's relations with Mr. Khrushchev at Paris. I repeat what I said previously. To the best of my knowledge, no Democrat has ever said that we should apologize to Khrushchev.

I do not like the idea, either, of the reference which has been made to concessions appearing in a newspaper article in a Paris newspaper.

I think that charge, despite the fact that the minority leader says the facts speak for themselves, has been answered on the floor, and it has been answered by the individual concerned.

It seems odd to me that a correspondent of a French newspaper should be able to visit a farm in the Midwest, not take any notes, and a month later be able to write in detail on what was said.

President Eisenhower has been compelled to cancel his visit to Japan at the request of Premier Kishi. The cancellation has nothing to do with the President's willingness to take risks for peace, to do whatever properly can be done to cement friendly relations with other nations. It most certainly has nothing to do with the United States putting its "tail between its legs" and running, as only recenly someone or other suggested that a cancellation might indicate.

There is a matter before the Japanese and American Governments which is far more significant than the visit and its cancellation. That is the signed treaty between the United States and Japan which is awaiting ratification by both nations. It ought not to be confused with what has now transpired.

The President was not on a journey of ratification. He was on a goodwill tour which, before the U–2 incident, was planned so as to take him through the Soviet Union on his way to Japan. One phase of that trip had already had to be changed. Now another phase of it, regrettably, has had to be changed.

The treaty, however, is another matter. It is an improvement over existing arrangements with Japan from the Japanese point of view, I believe, as well as from ours. The Committee on Foreign Relations has recommended unanimously that the treaty should be ratified. I see no reason, therefore, why the Senate should not proceed with due deliberation this session to consider the treaty and to approve or to withhold ratification as it sees fit. For my part, I believe the treaty is a proper one at this time and I have every intention of supporting its ratification.

As for ratification by Japan, that is for the Japanese to decide. If the Japanese Government moves to complete the process as we do that will bring the treaty into effect. If, in the light of their circumstances, they decide to postpone or to move more slowly on ratification, there is no reason for us to feel affronted. They have their internal problems and difficulties with which they know best how to deal. If ever there has been a time when patience and understanding on our part has been necessary, it is now.

The less said about what the Japanese should or should not do would be the best policy, I believe, for us to follow.

Our consideration of the treaty at this time had nothing to do with the internal situation in Japan or the President's trip, but only because of two factors:

First. The Japanese wanted to consider and debate the treaty first.

Second. We waited, deliberately, and approved it because we thought it was good for the United States and would better United States-Japanese relations.

Third. It is better than the treaty now in effect.

I repeat, if ever there has been a time when patience and understanding on our part has been necessary, it is now.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. DIRKSEN. I concur fully with the distinguished Senator from Montana, and I hope that the Senate will proceed as speedily as possible with the ratification of the treaty which is before the Senate.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I, too, would like to express my agreement with the Senator's statement. I had intended to say much the same thing. I believe we ought to

ratify the treaty. We have a deep sympathy and friendship for the Japanese people. I do not believe we should be disheartened. All of us should welcome the words just uttered by the Senator from Montana.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CLARK. I wish to associate myself with the remarks made on the floor a few moments ago by the distinguished Senator from Missouri [Mr. SYMINGTON] and also by the distinguished Senator from Montana [Mr. MANSFIELD]. It is incredible to me that Members of the opposition would stand on the floor and make attacks on patriotic Americans like Governor Stevenson and Senator KENNEDY and talk about the desirability of a great deal of tough talk in the present international situation. If this is not a time when we should speak softly and carry a big stick, I do not know when it will be. If my Republican friends expect to go into the coming campaign with the idea that they will elect a President because he can talk tough, I think that candidate will be defeated, because I believe the American people are far too mature to permit that kind of adolescent, childish approach to the serious problems which confront the world today to govern them in the choice of our next Chief Executive.

I hope the principles set forth to the American people by former Governor Stevenson, Senator KENNEDY, and Senator SYMINGTON, will become the majority views of the American people as they approach soberly the great political crisis which confronts us.

I congratulate both the Senator from Montana [Mr. MANSFIELD] and the Senator from Missouri [Mr. SYMINGTON] for the part they have taken in this colloquy.

Of course, the entire Senate will ratify the Japanese treaty. This is not a matter of controversy, but the conduct of public officials, including Members of this body, is a matter of controversy, and I deplore it.

Mr. SYMINGTON. Mr. President, I express appreciation to the distinguished Senator from Pennsylvania for his kind remarks.

Mr. MANSFIELD. I thank the Senator from Pennsylvania for his remarks; but I want it understood that I fully concur in what the distinguished majority leader has said relative to politics in the presidential campaign and politics as it affects presidential candidates. I want him to know that he has my gratitude for speaking up on this subject at this time.

Mr. MANSFIELD subsequently said:

Mr. President, I ask unanimous consent to have inserted in the remarks I made this morning relative to the withdrawal of the invitation of the President of the United States to visit Japan a letter received from Mike M. Masaoka, executive secretary, of the American Committee on Japan; a letter written by Mike Masaoka to the chairman of the Foreign Relations Committee; and also various other articles, statements, and newspaper editorials on this situation.

There being no objection, the letters and articles were ordered to be printed in the RECORD, as follows:

AMERICAN COMMITTEE ON JAPAN,
WASHINGTON OFFICE,
Washington, D.C., June 15, 1960.

Hon. MIKE MANSFIELD,
U.S. Senator from Montana,
U.S. Senate, Senate Office Building,
Washington, D.C.

DEAR SENATOR MANSFIELD: The recently organized American Committee on Japan, most of whose members are American citizens of Japanese ancestry with a special concern in keeping Japan within the free world alliance and as a friendly, cooperative ally of the United States, respectfully writes you this afternoon as a ranking member of the Foreign Relations Committee that unanimously reported yesterday the ratification of the Treaty of Mutual Cooperation and Security with Japan as the acting Senate majority leader, and as the Senator who has spoken out most frequently and positively on the merits of this bilateral agreement. We urge, once again, that you propose to your colleagues tomorrow overwhelming approval of this undertaking as clearly in the national and international interests of not only the United States but also Japan.

We know that you are familiar with the many and compelling arguments that commend Senate ratification of this treaty.

At the same time, as Americans who probably know better than most the real implications of ratification for both our country and that of our ancestry, may we simply enumerate a few that readily come to mind.

The United States is benefited in that we are allowed to continue to help in the defense of Japan, which is one of our westernmost bulwarks of our free world, against Sino-Soviet aggression, and, therefore, in our own defense. We are benefited too that Japan is encouraged to continue in military and economic alliance with us, instead of moving toward neutralism and even into the Communist camp, to our mutual advantage. Though it is difficult to express in words, it, nevertheless, remains of incalculable importance to us that Japan remain as an integral part of our main security line in the Far East.

As far as Japan is concerned, the benefits to her people and government are so obvious that it is most difficult for us to understand the objections raised to this new treaty, except that they are inspired by the fearmongers of Peiping and Moscow and those who ignore the harsh realities of the troubled world of today.

Japan, not the United States, requested that the present unilateral arrangement under which American troops are maintained in Japan, promulgated a year before the coming into force of the Peace Treaty in 1952, be revised and "liberalized" as far as Japanese interests are involved to reflect new Japan's sovereignty and the drastically changed world situation. Therefore, it is clear that this treaty was drafted to assure recognition of Japan's current status and to include concessions, as it were, on the part of this country regarding our Armed Forces in that nation. It is not a unilateral and arbitrary measure being forced upon a defeated or powerless state. Japan is specifically granted the right to be consulted on our military activities in the area of her greatest concerns. Japan is not obliged, because of her constitutional limitations, to come to the aid of the United States in case of attack, but the United States is committed to the defense of Japan against aggression from any external power. Japan or the United States may, after the prescribed 10-year life of the treaty, abrogate its provisions after 1 year's notice, instead of the indefinite period that is implicit in the present interim arrangements concluded in 1951.

We are convinced that on sober reflection the thinking people of Japan will continue to call for ratification of this treaty, for few Japanese would actually prefer to live under Sino-Soviet domination than in mutually advantageous alliance with the United States which, through all the post-World War II years, has given generously and contributed mightily in so many ways to Japan's current prosperous economy and individual freedom.

As for immediate Senate action, instead of postponing consideration until possibly the Japanese Diet has completed formal ratification procedures, may we express our judgment that the United States should conduct its own diplomatic and legislative affairs without improper reference to the parliamentary activities of another nation. We believe that Senate ratification now will serve notice that the United States will not be intimidated or coerced by mobs and demonstrations, that we will fulfill our commitments to friendly governments, without regard to threats and violence, in an orderly and lawful manner. In this way, we demonstrate our faith in representative and democratic government.

It may also be of moment to ratify this treaty without relating it to the actions of the Japanese Parliament, and thereby emphasize the independence of Senate consideration from the President's forthcoming good-will visit to Tokyo this Sunday.

You may recall that on May 31 we addressed a letter to Chairman W. J. FULBRIGHT of your Foreign Relations Committee; another copy is enclosed for your information. You may be interested to learn that we have received many letters commenting on our action as Americans of Japanese ancestry in urging early ratification of the Mutual Cooperation and Security Treaty. Most of them, including those from Japan, are laudatory, though a few quite expectedly were not. Most, however, confirmed our opinion that the overwhelming majority of the Japanese people are opposed to the current anti-American demonstrations and in favor of the new treaty. As United States Ambassador Douglas MacArthur II wrote us, for example, "There is no question in my mind but that the great majority of the Japanese people have a friendly feeling regarding the United States and support a continuation of the close ties with America which have served so well the enlightened self-interest of both Japan and the United States during the past 15 years."

As for those Japanese who believe that Japan can and should become a neutral, may we quote the perceptive observation of William Hosokawa, acting managing editor of the Denver Post who last visited Japan in the fall of 1958, who wrote as follows in the Pacific Citizen, weekly publication of the Japanese American Citizens League, for June 10: "I remember coming away from that interview (with the chief of the international affairs committee of the Socialist Party) wondering at the naivete of political leaders who believe that Japan could remain neutral in the struggle between East and West. Japan is far too valuable a prize—strategically and industrially—to be ignored for long by either side. If by unhappy choice the United States should drop Japan from its overall plans, it stands to reason the Communists would move swiftly into the political vacuum before the Socialists could shout Banzai.

"The trouble, I think, is that the Japanese Socialists are underrating the importance of their country. Japan today is a prize plum necessary to the West and coveted by the Red world. Of the two, there is no doubt that the masses of Japan would choose the

West as friends, mentors, and allies in the struggle for peace with honor and freedom."

His entire column, which explains why the Socialists are against the treaty, is enclosed for your information. So too is a thermofax copy of the testimony of Shintaro Fukushima, president of the influential Japan Times at the public hearings of this treaty at the Japanese House of Representatives last month, which explains in detail just how advantageous this treaty is to Japan and why it should be ratified by their elected representatives in the Diet.

Please excuse the length of this letter, but we felt it important that you, and through you, if you are so inclined, your colleagues in the Senate may understand the sincere concern of Americans of Japanese ancestry in the early ratification of the Treaty of Mutual Cooperation and Security with Japan. We believe that it is vital to our country and to Japan and we want both the American people and the Japanese people to know of our unequivocal endorsement of this treaty as essential to the peace and the prosperity of the Pacific.

With kindest personal regards.

Respectfully,

MIKE M. MASAOKA,
Executive Secretary.

AMERICAN COMMITTEE ON JAPAN,
WASHINGTON OFFICE,
Washington, D.C., May 31, 1960.

Hon. J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR SENATOR FULBRIGHT: May we, the members of the newly organized American Committee on Japan, urge your committee and the Senate to ratify on behalf of the United States the Treaty of Mutual Cooperation and Security with Japan which was signed here in Washington on January 19 by the Secretary of State Herter and Prime Minister Kishi and which was transmitted to the Senate on March 10 by the President.

Although we are laymen and not conversant with the technicalities of the treaty we agree with the President's analysis in this letter of transmittal that "The treaty constitutes the foundation for cooperation, a partnership with Japan, based on mutual confidence and sovereign equality, not only in the security field but in the political and economic fields. It reflects the broad area of mutual interest between the United States and Japan. The treaty is entirely defensive in character and intent and represents a threat to no country or people. It is in full conformity with the purposes and principles of the United Nations and reflects the dedication of both parties to strengthen the efforts of the United Nations to maintain international peace and security."

We believe that the present time is most appropriate for favorable action by your committee and the Senate of the United States.

The President has just issued a proclamation (May 18) designating "the year 1960 to be the United States of America-Japan Centennial Year" and urging "all agencies and officers of the Federal Government, upon the Governors of the States, and upon the American people to observe this year * * * through celebrations, visits, and other observances and activities, to emphasize both the historical event of a century ago and the inauguration of a new area in the relations between the two countries, founded on amity, common interest, mutual trust, and cooperation, with the view that intelligence, imagination, and wisdom among our respective peoples may be brought into full play to achieve a world at peace with freedom and justice."

At this very moment, a special mission from Japan, led by former Prime Minister Yoshida who helped forge Japanese-American relations into a vital link of free world security, who signed the treaty of peace in 1951 that restored Japan to the community of nations, and who was Japan's chief executive during the final period of the occupation and the early days of sovereignty, is in the United States participating in commemorative affairs marking a hundred years since the first Japanese Embassy was established in this country. Similarly, in Japan at this moment, a number of distinguished Americans are being feted as they too participate in events celebrating a century of diplomatic relations.

The President of the United States is scheduled to visit Japan beginning June 19 and the Crown Prince and Princess are slated to reciprocate that good will gesture this coming September by visiting the United States, both features of this centennial year that initiates the beginning of a new era in Japanese-American cooperation that is essential to the peace and the prosperity of the Pacific and of the world.

The long-deserving territory of Hawaii was admitted into statehood last summer, serving as a living demonstration of democracy in action to the peoples and nations of Asia, who see in Hawaii's population and achievements their ultimate destiny within the framework of liberty and free enterprise. Senator FONG and Congressman INOUYE, the elected representatives to the National Legislature of our newest State, are symbols of our acceptance of those of Asian ancestry as worthy partners in the democratic system.

Some 10 days ago (May 20), the Japanese house of representatives ratified the Treaty of Mutual Cooperation and Security after some 50 days of deliberate and irresponsible obstruction and even violence by leftist and "anti-American" elements both within and without the National Diet. The House of Councilors, the upper chamber, is expected to either ratify the treaty or allow its automatic ratification by June 19, the date of the President's scheduled arrival in Tokyo.

For the past several weeks, mobs have demonstrated against Prime Minister Kishi, against the Diet, against the treaty, and against the forthcoming visit of the President. We are of the opinion that these violent demonstrations do not reflect the sentiment of the overwhelming majority of the Japanese people. We believe, as expresesd by Chief Justice Tanaka of the Japanese supreme court, that the agitation was "influenced by foreign powers" which have in recent months not only warned but threatened Japan against ratifying the treaty with the United States. We are convinced that most of the people of Japan are firmly of the mind that her destiny lies in close cooperation and mutually beneficial ties with this country.

We know that the treaty pending before the Congress gives equality to Japan in the defense of her homeland which does not exist in the current security pact signed in San Francisco in 1951, prior to the coming into force of the Treaty of Peace in 1952. We also know that the present San Francisco treaty continues indefinitely at the will of the United States, whereas this new version may be abrogated by either side after 1 year's notice after the basic 10-year period for the instrument expires. In the light of these and other facts, all calculated to recognize and to put into effect Japan's current status as one of the leading powers of earth, it is difficult to understand the turmoil in Japan except for "foreign" intervention by the unfriendly partners of the Sino-Soviet bloc.

The American Committee on Japan was activated by a group of leading American citizens of Japanese ancestry and other Americans who have a special concern in promoting cordial relations and better understanding between Japan and the United States. Our membership is restricted to American citizens, native-born and naturalized.

Our Japanese American membership is a cross-section of Americans of Japanese ancestry in all sections of the Nation. Our honorary chairman is the honorable DANIEL K. INOUYE, Representative from Hawaii. Our national chairman is Saburo Kido, attorney of Los Angeles and one of the most respected Japanese Americans in our country. He was the World War II president of the National Japanese American Citizens League. A regional chairman is Hiroshi Miyamura of Gallup, N. Mex., the only living Japanese-American winner of the Congressional Medal of Honor. One of our non-Japanese-American members is George P. Griffith, of Atlanta, Ga., a former Navy officer who served in Japan and a descendant of Commadore Perry who, in 1853, "opened" Japan to the West, and to the United States in particular.

During the past several years, especially since the treaty of peace came into force 8 years ago, we have noted that the mutually beneficial commercial and trade interests of both nations have been promoted by trade and business associations. We have also noticed that cultural and goodwill activities have been encouraged by Japan-American societies and other similar groups.

But, we have been greatly disturbed that in the vital most important arena of all, the legislative and political, there has been no responsible, organized representation of the public national and international interest and concern.

We of Japanese ancestry have been embarrassed from time to time that we had no formal or informal organization to study the issues and problems as they arose and to suggest, as Americans, the most appropriate course of action. Perhaps of all Americans, because of our ancestry, we should be most cognizant of the necessity and the desirability of maintaining cordial relations between the United States and Japan. Certainly, because of our ancestry, most other Americans expect, and rightly so, that we have opinions and recommendations to offer on the major subjects of concern to both the United States and Japan. Most assuredly, to help retain Japan as a cooperative and able partner in our system of mutual and collective security can be a substantial contribution which we, as Americans of Japanese ancestry, can make to our country in these tension-filled, troubled times. And, at the same time, we can explain and demonstrate from our own experiences the workings of democracy and the American way in order that the Japanese people may be able to better understand our motives and our objectives.

The Japanese American Citizens League, the only national organization up to this time to represent Americans of Japanese ancestry in this country, is committed to concentrate its activities on the welfare of those of Japanese ancestry in this country. Up to this tragic hour in mankind's history, Americans of Japanese ancestry have defaulted in trying to express their feelings in the most vital of all areas today—the international field. Accordingly, an independent committee, many of whose officers and members are also members of the Japanese American Citizens League, was organized in the belief that it was our duty and our obligation as citizens of the United States to enunciate the sentiments and the conscience of Americans with a special concern for Japanese-American good relations on matters calling for legislative and executive judgment and discretion.

We are a nonprofit educational unit, bipartisan in our character, and composed of not only Christians and Jews but also of Buddhists and perhaps Shintoists. Many have friends and even relatives in Japan.

Many have business and other interests there. Many have served with honor in the U.S. Armed Forces in the Pacific. All are joined in the belief that the harsh realities of the world demand that the United States and Japan remain steadfast as friendly and helpful allies in the common defense against totalitarianism and Communist imperialism.

We candidly confess that we do not have all of the answers. But, as with any other responsible citizen group interested in a specific area of national responsibility, we shall study those problems and issues that may cause difficulties and differences between the United States and Japan and make known our views, as Americans dedicated to the preservation of peace and prosperity in the Pacific, to the appropriate agencies of our Government in the hope that our representations will aid in the satisfactory and mutually beneficial resolution of all outstanding questions.

As our first contribution, the American Committee on Japan respectfully urges the early ratification of the Treaty of Mutual Cooperation and Security with Japan. To delay ratification will not only play into the hands of the enemies of the United States in Japan and elsewhere but may well undermine the prestige and the position of our friends, also in Japan and throughout the Far East.

Respectfully,

MIKE MASAOKA,
Executive Secretary.

P.S.—For your information, enclosed is a short sketch of the officers of the American Committee on Japan.

AMERICAN COMMITTEE ON JAPAN OFFICERS

Honorary chairman: The Honorable DANIEL K. INOUYE, Honolulu, Hawaii. An attorney, he is the first American of Japanese ancestry to be elected to the Congress of the United States, first Representative elected by the 50th State of Hawaii to the National House of Representatives, one of the Ten Outstanding Young Men of America (1960) named by the United States Chamber of Commerce, a disabled and bemedaled veteran of the famed 442d Japanese American Combat Team of World War II, etc.

National chairman: Saburo Kido, Los Angeles, Calif. An attorney, he is also president and publisher of the New Japanese American News, a daily in both English and Japanese. World War II national president of the Japanese American Citizens League, he is respected as one of the leading Japanese Americans in the Nation.

Policy board chairman: Thomas T. Hayashi, New York, N.Y. Also an attorney, he is one of the community leaders. He is a past national officer of the Japanese American Citizens League.

Executive secretary: Mike M. Masaoka, Washington, D.C. An international trade and public relations consultant, he is best known as the long-time Washington representative of the Japanese American Citizens League. He is generally recognized for helping to secure corrective and remedial legislation for persons of Japanese ancestry after World War II, for helping in the judicial successes declaring unconstitutional many Federal and State statutes directed against persons of Japanese ancestry, and for helping to inspire the educational campaign that has won public acceptance for Americans of Japanese ancestry. He was named as the outstanding Japanese American for the decade 1940–50 and specifically as the Japanese American of the 1948–50 biennium. He and four brothers volunteered and served with the 442d Combat Team in World War II.

National treasurer: Samuel I. Ishikawa, New York, N.Y. An economist and trade specialist, he was in charge of raising funds for Japan relief after the surrender for the American Friends Service Committee (Quakers) and subsequently served as associate national director of the Japanese American Citizens League in the postwar years. He was also, at one time, a Jiji Press correspondent.

AREA CHAIRMEN

Hawaii: The Honorable Benjamin Tashiro, Lihue, Kauai, judge of the district court of the State of Hawaii. He was the first American of Japanese ancestry ever to be nominated for and confirmed to the Federal judiciary, when he was confirmed several years ago by the U.S. Senate to be a Federal district judge in the then Territory of Hawaii.

Thomas H. Takamune, Honolulu, Hawaii. An educator by profession and a former high school principal, he is the first American of Japanese ancestry to be named as executive secretary to a U.S. Senator, having been appointed by Senator OREN E. LONG, of Hawaii, to serve in this responsibility.

James Hirano, Hilo, Hawaii. A businessman and community leader, he was recognized last year as the individual responsible for the naturalization of more than a thousand resident Japanese as U.S. citizens.

Southern California: George J. Inagaki, Los Angeles, Calif. An investment adviser, he was the Japanese-American of the 1954–56 biennium. He also served two terms as the national president of the Japanese-American Citizens League and several terms as president of the Los Angeles Japanese-American Flower Market.

Northern California: Susumu Togasaki, San Francisco, Calif. An importer-exporter, a member of the board of directors of the Sumitomo Bank of California, of the Japanese Chamber of Commerce of Northern California ,of the Japan-America Society of San Francisco, etc., he is a respected community leader.

Pacific Northwest: William Mimbu, Seattle, Wash. An attorney, he too was a national officer of the Japanese-American Citizens League. A civic leader, he is currently chairman of the Washington State Committee to Repeal the Anti-Alien Land Law of Washington State.

Southwest: Hiroshi Miyamura, Gallup, N. Mex.: An automotive parts salesman, he is the only living Japanese-American Congressional Medal of Honor winner, being personally decorated by President Eisenhower for heroism in Korea. He was one of the 10 Outstanding Young Men of America in 1954, and the Japanese American of the biennium for 1952–54.

Intermountain: Henry Kasai, Salt Lake City, Utah. An insurance specialist, he is a naturalized citizen and a citizen of the community as named by the Salt Lake City Chamber of Commerce.

Rocky Mountains: William Hosokawa, Denver, Colo. The assistant managing editor of the Denver Post, he is probably the outstanding Japanese-American journalist and writer. A past president of the American Association of Sunday and Feature Section Editors and a member of the board of the Associated Press Managing Editors, he was named the outstanding Japanese American for 1956–58.

Western Plains: K. Patrick Okura, Omaha, Nebr. A psychologist, he was a personnel director of the city of Los Angeles, staff psychologist for Father Flanagans' Boys' Town for more than 10 years, and currently is the chief probation officer for the Douglas County juvenile court, and is credited with the establishment of that separate juvenile court.

Great Lakes: Dr. Gladys Ishida, Chicago, Ill. A professor of international relations, she is currently teaching at Wisconsin State College. Under a special grant, she recently conducted research in Japan.

Middle West: Dr. James T. Taguchi, Dayton, Ohio. A medical doctor, he is currently the acting chief of medicine for the Veterans' Hospital in Dayton.

Gulf States: Kiyoshi Saibara, Houston, Tex.: A pioneer rice grower, and a naturalized citizen, he was recently decorated by the Japanese Government for his activities in promoting Japanese-American friendship and trade.

Southern States: Sachihiko Butsuyen, White Oaks, Ga. A farmer-shipper, he too is a naturalized American. He has helped to sponsor many students from Japan in American colleges and universities.

Atlantic States: Dr. T. Scott Miyakawa, Boston, Mass. A professor of Far Eastern studies at Boston University, he was a Fulbright scholar in Japan recently. He is an acknowledged expert on the Japanese.

[From the Pacific Citizen June 10, 1960]

FROM THE FRYING PAN

(By Bill Hosokawa)

EXCITEMENT IN TOKYO

DENVER, COLO.—Whoever it was that said the Japanese are an orderly, disciplined people who mask their emotions has been proved completely wrong by the current series of demonstrations in Tokyo.

Able observers on the scene tell us the demonstrations are not essentially anti-American or anti-Eisenhower, but are directed against the proposed U.S.-Japan Mutual Security Treaty. This treaty was given preliminary ratification by the lower house of the Japanese Diet on May 20 after months of debate. The Socialists opposed the treaty bitterly, but Premier Nobusuke Kishi's Liberal-Democrat majority was able to ram it through when it finally came up for a vote.

Now, the Socialists are trying to embarrass Kishi by these demonstrations and force him to resign. If Kishi's government remains in office until June 19, the day Eisenhower is scheduled to reach Japan, the treaty becomes law. If the Kishi government falls, the treaty will be thrown out.

Kishi has stubbornly refused to resign. The danger in the demonstrations is that in the heat and excitement of political battle the rioting will get out of hand.

INTERVIEW

Why are the Japanese Socialists against the treaty? An interview granted me a year and a half ago by a leading member of the Socialist Party sheds considerable light on the current situation. The time was October 1958 and the place Tokyo. Mas Ogawa, influential, American-educated managing editor of the Japan Times arranged for me to see Sooji Okada, member of the House of Councilors (the upper house). Okada was chief of the international affairs committee of the Socialist Party, and the Socialists had a long reputation for hostility toward the United States. I wanted to find out what he had to say.

This week I dug through dog-eared old notes to refresh my memory of that interview, and this is what I found:

The Socialist Party, Okada said, is not necessarily anti-American.

"Our basic policy is neutralism," he said. "By that, I mean we believe we must not aline ourselves with any big power. The Socialist Party wants to avoid the U.S. sphere of power as well as the Soviet sphere.

The proposed United States-Japan Mutual Security Treaty is a military alliance. The Socialists will demand that Japan disentangle itself from the U.S. strategic and military sphere. We do not want to be dragged into the next war. Already Japan is being drawn against her will into the tense international picture because she is allied with the United States.

"Japan cannot defend herself by her own military strength. Poverty and social unrest would result from efforts to raise a military force strong enough to protect ourselves,

even if our Constitution permitted it. The only answer for Japan is strict neutrality. We want both East and West to guarantee Japan's security."

IMPRESSIONS

I remember coming away from that interview wondering at the naivete of political leaders who believed Japan could remain neutral in the struggle between East and West. Japan is far too valuable a prize—strategically and industrially—to be ignored for long by either side. If by unhappy chance the United States should drop Japan from its overall plans, it stands to reason the Communists would move swiftly into the political vacuum before the Socialists could shout Banzai.

The trouble, I think, is that the Japanese Socialists are under-rating the importance of their country. Japan today is a prize plum necessary to the West and coveted by the Red world. Of the two, there is no doubt that the masses of Japan would choose the West as friends, mentors and allies in the struggle for peace with honor and freedom.

[From the Japan Times, May 22, 1960]

THE ONLY ALTERNATIVE — SECURITY TREATY WITH UNITED STATES NECESSARY TO PROTECT PEOPLE'S INTERESTS

(By Shintaro Fukushima)

(Shintaro Fukushima, president of Japan Times, expressed the following views at the public hearings on the new Japan-United States Security Treaty at the House of Representatives on May 13. Fukushima was asked to testify by the Liberal-Democratic Party. The hearings were televised by NHK on its nationwide network.—EDITOR.)

It was argued when the existing Japan-United States Security Treaty came into being that it was forced upon Japan by the United States. The argument, it is believed, may have been true to a large degree, but can we say that the treaty, therefore, has no reason to exist?

The new Japanese Constitution was forced upon this country by the United States and many were dissatisfied with the way it was made. None, however, I believe, entertain doubt about the rationality of the principles it embodies.

It is so with the security treaty. I think that the people at large now approve the existence of the treaty itself, although they are aware that it has various defects.

The people of Japan, when the peace treaty was concluded and Japan recovered its independence, chose to reconstruct the country and maintain its independence through cooperation with the United States. The majority of the people approved this idea and few had doubts about it. This is why discussion about the security treaty has centered on its revision both within and without the Diet for the past several years. The press also held the same view.

WHAT MATTERS MOST

The public clamor for revision of the security treaty led Prime Minister Nobusuke Kishi and Foreign Minister Aiichiro Fujiyama to enter into negotiations with the United States for its revision. And a draft of the new treaty came out with nearly all points formerly at issue having been improved and corrected.

Public opinion made a sudden change of course when the draft treaty was laid before the national assembly. What matters at present is not whether the treaty needs revision but whether such a treaty is necessary for Japan or not.

We can well imagine how the no-treaty advocacy came into being while the matter of revision of the treaty became a political football between the conservative and renovationist forces. But it must be remembered that what is important is how to guarantee the security of this country and how to protect the people's interests.

We cannot approve the attitude of the Government and opposition parties to handle the security treaty issue as a mere domestic political issue for such a long time. As for the reports that various factions of the Government party have utilized it as a tool for their intraparty strife, we cannot but feel regrettable.

AIM OF TREATY

The people are free to oppose the Kishi administration. They are also free to denounce the Liberal-Democrats. But we do not want to have them analyze the international situation in an arbitrary way or try to distort the country's foreign policy merely for the sake of opposing them. We do not want to repeat the old mistake of being involved in war by making an inadequate analysis of the world situation.

The opposition once charged the Government that even if Japan wanted to revise the security treaty, the United States would not agree to it. The Government, however, managed to work out a revision and the opposition this time contends that Japan does not need such a treaty.

This, we believe, is the way the security treaty issue was handled in the Diet.

We do not believe that a real antipact opinion opposing cooperation with the United States and favoring a tieup with the Soviet Union exists on the Diet floor.

Fundamentally, I would like to ask what the aim of the security treaty is. Let me say once again that all depends upon judgment about how we should protect the interests of the people and the security of this country. What matters here is not the people's likes and dislikes but the means to guarantee the safety of this country. We should therefore, choose means that will prove most effective under existing circumstances. We do not want the Government and opposition parties to regard the matter as a mere political issue and gamble over it.

CHOICE OF TWO SIDES

The world of today is said to be a world of peace and war, of course between the United States and the Soviet Union or between the free and Communist camps.

There is no need to think of Japan taking the initiative in waging a war with either of these two camps. In order to defend its security, Japan has no choice, but to determine whether or not to take sides with either of the two.

There may be an opinion that Japan should adopt communism as a political system, side with the Soviet Union and Communist China and thereby become a member of the Communist bloc.

As seen in many cases of the birth of Communist states, any country which becomes a Communist state must live under the control of the Soviet Communist Party.

No one is treated as a human being except party members in the Communist world, which cannot be considered to be a democratic community in the true sense of the word. I believe that such a community is unacceptable to the majority of the Japanese people.

MATTER OF ECONOMICS

I do not know of any country which exists in the Communist bloc that does not adopt a Communist political setup. For Japan to join the Communist bloc, at least at present, amounts to severing its relations with the free countries.

Since Japan must feed its population of 90 million, I do not think that the Japanese economy can survive without being a member of the free world. Economic development and increased trade, I believe, are essential for Japan, which has no ambition of territorial expansion, to further its national prosperity.

Political problems are even more important than economic ones. I am convinced that the freedom we enjoy today—politics in which we are allowed to argue about the security treaty as freely as we do today—is a representative form of democratic politics. It is a political freedom which we have won after going through that devastating war. We would not like to part with it.

Joining the Communist bloc means abandoning this hardwon freedom. It is unimaginable that, for instance, the Soviet-China alliance was discussed in the Soviet Union as freely as we are now discussing the security treaty.

In this connection, it is recalled that the IPI (International Press Institute) conference in Tokyo last year did not admit participation of those countries where there is no freedom of the press.

NEUTRALITY UNSTABLE

I previously stated that Japan cannot become a Communist state because of its economic conditions. The problem of political concept counts more heavily. To me, any national policy which deprives Japan of free politics is unthinkable.

Then what about neutrality, if Japan is unable to enter the Communist bloc?

Is it possible for Japan to assume a neutral stand? The question is whether there is any possibility of either of the two worlds resorting to means that denies Japan's neutrality.

It is inconceivable from its history that the United States will attempt to control Japanese territory or force Japan to change its present political setup. In other words, it is unthinkable that the United States will press Japan to alter its present mode of living or political concept.

What about the Soviet Union and Communist China, then? There is no knowing what really exists behind the Iron and Bamboo Curtains. They may have no intentions of territorial expansion, but at least it must be remembered that the two Communist nations are taking interest in the progress of Communist movements in Japan.

It is possible that the Soviet Union and Communist China will tighten their strings on Communist movements in Japan, should Japan be isolated from pursuing a neutral policy.

That they are in a mood to do so is expressed in the utterances of their leaders, however. At least, it is undeniable that they want to communize Japan.

It can be easily imagined that there will arise friction with the Soviet Union or Communist China, if Japan, when isolated, does not want to become communized.

Undoubtedly, neutralism provides no stable course for Japan to follow as a matter of practical politics.

Japan which is the most modernized country in Asia, it seems, will prove a big temptation to the Communists, when isolated. Some point out in this connection that the Soviet Union is now engaged in a peaceful offensive and the world at large is now moving toward a so-called thaw.

The peaceful offensive, however, is nothing but a means to an end, as can be presumed from the Communist leaders' statements that such an offensive was only "for the immediate future." They said that they needed time to build up the economic strength of their country but that the ideological offensive would be continued at a higher pitch.

JAPAN RED TARGET

It can be expected, therefore, that even if Japan decided to rearm itself or pursue a neutral policy it would prove the biggest target of the Communists ideological campaign.

It is feared, moreover, Japan might be conquered economically by Communist China unless it maintains economic teamwork with the free world.

If Japan cannot hope to achieve stability either through cooperation with the Communist bloc or by upholding the principle of neutrality, the only way left for this country is to take part in a collective security system of the free world or for the time being, conclude a security treaty with the United States. The latest economic conditions in Japan show that Japan can achieve, by this method economic developments necessary for its existence.

The ideal method of maintaining peaceful coexistence may be to improve the function of the United Nations to such a lofty level and I believe this is possible. For the time being, however, I think there is no alternative for us but to support the security treaty formula and this will certainly serve our purpose.

TRUST AMERICANS

I recall in this connection a statement made by former Japanese Ambasador to the United States Hiroshi Saito a few days before his untimely death in Washington 23 years ago. The remark which sounded almost like a will or last testament was "Trust the common sense of Americans." His death occurred just when relations between Japan and the United States were fast deteriorating because of the Manchurian and Sino-Japanese incidents.

Various factors can be cited which caused the Pacific war. One of the most influential among them is Japan's misunderstanding of the world situation. The Japanese mistakenly thought at that time that Americans were a conglomeration of various different races and accordingly, once war broke out their unity would be lost, that Hitler would conquer the world and also that Japan should rather take up arms and deal a blow against the United States rather than remain idle and succumb to American imperialism.

Today we are at the crossroads between the United States and the Soviet Union and so it is desirable to use our common sense. We would like to follow the safe policy for the sake of the 90 million Japanese. It may not be interesting to remain sensible, but it is a matter of life and death for the entire population. One may feel that the principles of democracy, are slow and tedious. But am I alone in feeling that democracy, which is based on the principle of elections involving all the people, is better than the Soviet and Communist Chinese form of politics under which no election really deserving of that name is held?

TREATY A NECESSITY

The conclusion of my testimony is that under existing circumstances in which Japan is placed, I think the Japan-United States Security Treaty, if it is made the basis of Japan's foreign policy, will place this country on a safer basis. The ability of the Government and the Liberal-Democratic Party to revise the treaty cannot be wholly praised, but it can be said the new treaty and the administrative agreement, implementing it are better than the existing ones.

There is the opinion such as that held by Haruhiko Nashi, former Japanese Ambassador to London that this is not a suitable time to revise the security treaty. But the Japan-Soviet joint declaration itself notes the existence of the treaty and it is strange that the Soviet Union should have opposing views on it at this time. If there are any complaints, they are certainly forced.

If the security treaty is necessary for Japan, its revision should be improved as a step toward improving Japan's relations with the United States step by step. As such it is logical to ratify the revised treaty.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1961

Mr. SYMINGTON. Mr. President, it is my understanding that the defense appropriation bill will be considered by the Senate today.

The reason why the Japanese Government decided it could not adequately protect our President was that we in America have allowed our relative overall strength—economic and psychological, technical as well as physical—to decline steadily in recent years. If this willingness to put our complacency above our security continues, there will be steadily fewer countries in which the President will be welcome.

I hope the Senate will give consideration to this viewpoint as it considers the current inadequate defense request which has been submitted by this administration, and as it considers the mutual security bill.

Mr. President, everyone will have an opportunity to show how he feels about the latest success of the Communists when we, the richest people in the history of the world, decide shortly whether or not we can afford an adequate defense.

APPROVAL OF SENATE ACTION ON DEPARTMENT OF DEFENSE APPROPRIATIONS, 1961

Mr. BENNETT. Mr. President, I commend the chairman and the members of the Committee on Appropriations for the outstanding job which they have done in connection with Department of Defense appropriations for 1961.

The Senate Committee on Appropriations has certainly shown vision and foresight in adding over a billion dollars to the bill as passed by the House. This action not only restores many of the harmful cuts which had been proposed by the House, but in addition provides new funds in several important areas to help strengthen our defense efforts.

I am especially pleased with the action taken by the Senate Appropriations Committee in restoring funds for the Bomarc program. I quote from the committee report—pages 29 and 30:

During the course of the House and Senate committee hearings a revised air defense program was submitted by the Department of Defense, requesting a reduction in the Bomarc program of $381,100,000. The House in acting on this matter, reduced the Bomarc program in accordance with the Defense request, and in addition, made a further reduction of $40,400,000 in the 1961 program and an additional $253,600,000 in prior years' programs, or a total reduction from the revised request of $294 million. The Senate committee recommends full restoration of the $294 million and in addition has provided $75 million for the equipping of two additional Bomarc bases which have been partially constructed but were not included in the revised Department air-defense plan. These two bases are at Camp Adair, Oreg., and Paine Air Force Base, Wash. The committee has also approved the restoration of $73,560,000 for procurement generally.

The restoration of the Bomarc program is particularly important, because it would cost over a billion dollars to build as many manned interceptors to replace the Bomarc, as can be produced for the $294 million which the House eliminated from the defense appropriations bill. Furthermore, the maintenance and operating costs of interceptors is four times that of the Bomarc missile, and it would take in excess of a year longer for the planes to become operational. Then too, there is no other defensive weapon available or under development which is capable of providing the firepower or rate of fire of the Bomarc. It is a key weapon in our defense network and will remain so until other improved missiles become operational. Therefore, it is important that this program not be scrapped overnight, but be orderly phased out as recommended by the Defense Department.

In view of the increased tensions which have arisen in the world since Nikita Khrushchev kicked over the traces at the summit conference in Paris, it is most important that we continue to strengthen our military forces. Since we cannot hope to surpass the Communist nations in manpower, we must keep ahead of them in firepower. This can only be achieved through the continued development of new and improved missiles, and the strengthening of our Strategic Air Command.

The Senate Appropriations Committee has recognized that with the tremendous strides the United States is making in improving our arsenal of weapons, it is necessary for the Defense Department to have a wide area of discretion in the use and transfer of funds to accelerate development of any strategic or tactical missile or satellite program. I am, therefore, pleased with the action taken by the committee in granting authority to the Secretary of Defense to utilize an additional $150 million at his discretion for accelerating programs which he deems advantageous to the national defense.

Mr. President, in my opinion the Appropriations Committee of the Senate has accomplished an admirable job in reporting the defense appropriations bill, and I think the proposed legislation is deserving of the complete support of the Senate. I also fervently hope that when this bill goes to conference, the will of the Senate will prevail, so that our defenses might be further strengthened during the next fiscal year.

WOHLSTETTER CALLS FOR DEFENSE DOVETAILED WITH INTERNATIONAL AGREEMENTS TO ACHIEVE PEACE

Mr. PROXMIRE. Mr. President, Mr. Albert Wohlstetter, a top official in the famed Rand Corp., a research organization, has made a tough-minded and provocative contribution to the Life-Time debate on the national purpose.

Mr. Wohlstetter insists that it is not so much a dream or a mission that America needs; it is a recognition that we must make a difficult, onerous analysis of what we want, what we can do, and the efforts needed.

Wohlstetter, in my judgment, is most eloquent and useful in his discussion of the limitations and possibilities of international agreement. He begins by con-

tending that we must have the courage to contemplate some very unpleasant realities:

The crucial problem of thermonuclear war is frequently dispatched with the label "War is unthinkable"—which translated freely means we don't want to think about it. * * * But a purpose hammered out of connected and partially conflicting desires has to be the product of reflection and choice, and if the problems are profound the choice, once made, calls for exertion. There is, unfortunately, no highway leading to high purpose. We cannot resolve the conflict of ends by the simple device of choosing one and ignoring all the others. This is true even of such important ends as reducing the risk of annihilation, a fact which explains the almost universal disparagement of "mere survival" as a national goal. We want much more than simply to survive. To preserve and extend democracy inside our own boundaries and in other parts of the world is not just a nice thought; it is vital.

Then he says:

Today many influential people believe that disarmament is the shortest path to world government as well as the only hope of avoiding a worldwide nuclear war. I believe that arms control may achieve very useful ends, but only if its limitations are understood.

* * * * *

For agreements might slow the increase or dispersion of a military technology that favored aggression rather than defense. They might limit the size of various military forces, or their method and area of operation, or provide information as to their whereabouts. Such devices or agreements might lower the likelihood of a war's being started deliberately or as the result of an "accident" or misunderstanding. They could reduce aggressive capabilities or provide warning of an actual aggression or reassurance that no aggression is under way, and so make mutual deterrents more reliable.

Mr. Wohlstetter contends that they cannot, as he said, bring us within shouting distance of international government. He concludes by saying:

It is a hard truth that for the foreseeable future arms control arrangements can only complement national defenses.

I think that on the eve of our debate on this enormously important defense appropriation bill, this statement by Mr. Wohlstetter is extremely important. While I may disagree with his emphasis, and some of his conclusions, he has made a notable contribution to the national purpose. We should be giving careful consideration to just this kind of practical, thoughtful, sober analysis based on reality, which can help us to arrive at conclusions on the very difficult, undecided problems which confront us in the consideration of the $40 billion defense appropriation bill.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article entitled "National Purpose: Wohlstetter View," published in the New York Times for today, June 16, 1960.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 16, 1960]

NATIONAL PURPOSE: WOHLSTETTER VIEW—APPRAISAL OF THE NEED TO EXAMINE MEANS AS WELL AS ENDS

(By Albert Wohlstetter)

When we ask ourselves what has happened to our national purpose, we sound vaguely as if, in a moment of absentmindedness, we had mislaid it. In fact, our first self-conscious impulse is to see where we may have left it.

Shall we look in the Constitution? Will we perhaps find it in something Lincoln or Woodrow Wilson said?

What our Founding Fathers have said remains important and inspiring. Still, neglect of their teachings cannot be the whole story, for in the last decade or so, while our purpose is said to have been ebbing, their teachings have been less neglected than in preceding times.

Nonetheless, if the nationwide questioning of national purpose evokes uneasy stirrings, it is for this very reason useful. It indicates that we are in trouble, that a further questioning and debate are in order. But the limitation of the questions raised so far is that they ask for very general answers, for a statement of ends without any explicit weighing of means or costs.

They sometimes seem to imply, therefore, that our difficulties are not really complex, deep or particular, and that they can be solved by a simple reaffirmation—and of some one thing at that. To ask for our national purpose suggests that there is one high overriding aim waiting readymade, if not to be found by leafing through some documents, perhaps to be revealed effortlessly as in a dream, the American dream.

Even the word "mission," frequently used in discussions of national purpose, connotes revealed truth rather than working programs to be won by hard analysis of what we want and what we can do and the efforts needed.

While we may talk about national purpose in the singular, the first thing to observe about our aims is that we have many of them. They are connected; some depend on others; many conflict. Obviously two aims may conflict when each represents the interests of a different group. But even ends that the Nation as a whole can be said to share oppose other accepted national ends.

SURVIVAL VERSUS CONSUMER GOODS

Take "the common defense"—a purpose of nationhood recognized by the Founding Fathers, and even more critical today. We all want to avoid getting killed in a missile raid. On the other hand, most of us would like to see an increase in our present enjoyments. Yet reducing the chance of our demolition is at odds with getting the utmost in production of civilian goods and services.

Deciding to reduce the risk that we may have no future at all is only an extreme form of the choice between present and future enjoyments—a choice we make in the everyday act of saving—and there is a growing public recognition of the importance of that choice.

There are other conflicts. We want to make the new nations of the world more stable and help them abolish poverty by technical innovation—but innovation means change and instability.

We would like to increase democracy everywhere, but this conflicts with our desire not to interfere with the internal affairs of other nations.

We hope to propagate the peaceable uses of science and technology, but in doing so we spread information about methods of destruction.

We want to defend the independent non-Communist countries but this increases the hostility of the Communist world. In all these matters our desires are complex and partially conflicting.

To make fundamental choices, we must understand specific means as well as general ends. Today we need to learn about intricate and uncertain matters, like missiles and their implications. We must contemplate some extremely unpleasant possibilities, just because we want to avoid them and achieve something better.

Nobody, however, likes to think about anything unpleasant, even to avoid it. And so the crucial problem of thermonuclear war is frequently dispatched with the label "War is unthinkable"—which, translated freely, means we don't want to think about it.

But a purpose hammered out of connected and partially conflicting desires has to be the product of reflection and choice, and if the problems are profound the choice, once made, calls for exertion. There is, unfortunately, no highway leading to high purpose.

We cannot resolve the conflict of ends by the simple device of choosing one and ignoring all the others. This is true even of such important ends as reducing the risk of annihilation, a fact which explains the almost universal disparagement of mere survival as a national goal. We want much more than simply to survive. To preserve and extend democracy inside our own boundaries and in other parts of the world is not just a nice thought; it is vital.

If we did not take these goals seriously, physical survival might be easy. We could reduce the danger of thermonuclear attack on the United States by giving the Communists free anything they might want to take by aggression.

In fact, several eminent non-Communist Englishmen have suggested this alternative for our consideration. In rejecting it, however, we need not sound excessively disdainful about the value of keeping alive. Physical survival is necessary to achieve our other widely shared purposes, even though it is not enough.

When we have tended in the past to fix on one goal to the exclusion of others, we have in effect been evading the responsibility for taking greater pains. Since World War II our policy has been notable for both an extreme reluctance to call for national effort and a wild oscillation from one purpose to another, rather than a steady stress on some combination of goals.

For example, we have gone from supporting emergency economic aid for our allies to concentrating on their defense so exclusively that most economic aid had to be represented as defense support.

We have swung from unilateral disarmament—and a neglect of the Communist threat—to rearmament and even to a conception that negotiations with the Communists are futile, if not treasonable, and that liberation of the satellites should come first.

In recoil from this extreme and out of sheer fatigue, many of us have staked enormous hopes on the possibility of concluding broad agreements with the Russians soon, and our resolution to defend parts of the free world against Communist aggression has become subject to doubt.

Now the ghost of Paris has displaced the spirit of Camp David and the spirit of Geneva, and we may fear another emotional swing.

NO CHEAP ANSWERS SEEN

Throughout all these swings since the war, our wish for cheap answers concealed from us the depth of our problems. We adopted a technical assistance program as an inexpensive substitute for American capital to develop backward countries. A defense of our allies was based in nuclear threat rather than on matching the nonnuclear forces of our antagonists. Collections of gadgetry were hopefully supposed to provide a defense of our cities at modest cost. And now there has been a stripping of our air defense and a search undertaken for a method of deterring war with a minimum of effort and a maximum of hope.

For some, negotiations with the Russians were a labor-saving gadget to achieve stability at even lower defense levels. But the tremendous political and technical revolutions that rack the world today exclude any cheap or single solution.

We may fear that our achievements are menaced by the need to make an effort. I think this is wrong. They are threatened by the risks involved in failing to make an effort.

We have deep troubles, crises that call for resolution and leadership. It is worth saying, however, especially since laments about the quality of American life have become a ritual, that there are very large areas in our society that do not call for leadership and common purposes.

There may indeed be a crisis in American culture, as some of the contributors to this debate believe. I am not sure. Myself, I don't care for tail fins or Elvis or advertising jingles or even Coca-Cola, but I doubt that their popularity is a national danger.

MEDIOCRITY NOT UNIVERSAL

An immense sea of mediocrity surrounds but has not submerged poets such as Robert Lowell and Elizabeth Bishop, artists of the order of Alexander Calder, the choreographers Martha Graham and George Balanchine, and an Eero Saarinen, Gordon Bunshaft, Marcel Breuer, Walter Gropius, Richard Neutra and many others.

New York concert halls offer an extraordinary range of music from ancient to modern that is unmatched in Paris, London, or Rome.

The audience for the best in art, music, and literature may be limited, but so far it always has been, and I am more impressed than some with the wide accessibility of great works made possible by the long-playing record and the paper back. Perhaps, as Pablo Casals has said, when good music is easy to hear it can successfully compete with rock 'n' roll.

However, if it cannot, I doubt that anything our leaders have to say will help much. Whatever their differences on domestic and foreign policy, Mr. Truman's and Mr. Eisenhower's comments on contemporary art are similarly unflattering and would lead us nowhere I want to go. In any case I don't think we should all be going to the same place. In the area of our private enjoyments we can dispense with a single voice speaking for America.

There are, however, critical points at which private aims become a public concern. For example, as individuals we decide where to live, where to work, and how to travel to and from work; but if multiplied a millionfold without public guidance these decisions are not likely to be compatible at all. In fact, they have brought about intolerable congestion and an urban sprawl desired by no one.

Again, we are being forced to recognize that even individual decisions about where to eat or whom to serve in restaurants or to transport in buses are an urgent common concern. Clearly we must put high on our agenda a large extension of freedom and equality of opportunity especially to American minorities: the Negro, the Puerto Rican, the Indian, and the Asian.

Such a domestic purpose is worthy in its own right, and it also bears an obvious relation to our foreign policy. Race prejudice at home is an enormous handicap to any nation aspiring to lead a non-Communist world that is largely colored.

And foreign policy plays an increasingly important role in the American political scene. Most Americans seem to agree on the need for foreign economic and military aid. The growing recognition that our national ends must be international in scope is a sign of increasing national maturity.

To disperse the benefits of technology, to expand the forces of production so as to end poverty, and at the same time to extend political freedom and self-government in the world—these are great aspirations. As aspirations, they appear in the United Nations Charter, which was signed without embarrassment by some of freedom's sworn enemies.

To bring them down from the level of pious benevolence to something concrete enough to deserve the name of purpose requires the evolution of detailed and consistent policies. And we face enormous problems in assisting the non-Communist countries in their economic and political self-development, if at the same time we want to help them to remain free of Communist domination.

For a candid look at the free world suggests that the phrase, if not a euphemism, has a circumscribed meaning. It means "free from the domination of the Communist bloc," and covers nations with a tremendous variety of political institutions, ranging from those few that have an effective multiparty system and a considerable popular control to a very large number of authoritarian regimes. The truth is that in the world today there are only a few local enclaves of representative democracy.

In much of Latin America, more than a century after liberation from Spain and Portugal, dictatorships succeed one another and representative government, though symbolized in many constitutions, is an unrealized idea. And colonialism in Africa and Asia prepared its subjects no better for democratic self-rule.

While the technological revolutions underway will bring tremendous changes, few nations have institutions that permit internal shifts in political power without violence, and the time when such institutions will be general is a long way off. Even more remote is a world government insuring that revolutionary shifts in power among nations can take place without violence.

Today many influential people believe that disarmament is the shortest path to world government as well as the only hope of avoiding a worldwide nuclear war. I believe that arms control may achieve very useful ends, but only if its limitations are understood.

No arms agreement in prospect will bring us within shouting distance of world government. And while some agreed arrangements might add a little more stability to our present uneasy peace, others could make the balance even more precarious.

An examination of some of the great and complex issues will show why defining national purposes will take much hard thought and produce no panacea. We tend emotionally to associate peace and all that is good with treaties and international arrangements, just as we associate war and all that is bad with arms.

But our emotions mislead us in these simple equations. The principal goal of American arms today is to avoid war by deterring aggression. And history is replete with international agreements that have actually encouraged aggression.

Still it would be unfortunate if, reacting from our excessive wishfulness before the recent summit meeting, we now considered realistic agreements neither possible nor useful. For agreements might slow the increase or dispersion of a military technology that favored aggression rather than defense. They might limit the size of various military forces, or their method and area of operation, or provide information as to their whereabouts. Such devices agreements might lower the likelihood of a war's being started deliberately or as the result of an "accident" or misunderstanding. They could reduce aggressive capabilities or provide warning of an actual aggression or reassurance that no aggression is under way, and so make mutual deterrence more reliable.

Useful agreements are possible because not all our interests conflict with those of our opponents. But our mutual interests are limited, and any realistic agreement is likely to be a limited one and to contain safeguards against violation.

EARLIER PACTS RECALLED

There is no magic in agreement. In almost every year from the end of World War I to the start of World War II the United States, England, and France negotiated international agreements to limit armaments, but neglected controls and penalties. And their zeal was hardly diminished by the overt violations of these agreements and aggressions by the Japanese, the Germans, and the Italians.

The chronicle makes instructive reading today. Only a few months after the Japanese troops opened their offensive in Manchuria, 60 nations met in a general disarmament conference which, in time, drafted plans to limit warships, abolish submarines and, ultimately, to eliminate military aircraft. On March 7, 1936, Germany reoccupied the Rhineland, violating the Versailles and Locarno Treaties. Scarcely 2 weeks later, a treaty for the limitation of naval arms was signed at London by seven powers. On July 7, 1937, the Japanese invaded China; 10 days later the English concluded bilateral agreements with Germany and the Soviet Union. And so it went up to the eve of the war.

It is not too much to say that, for the Western Powers in the interval between World War I and World War II the international treaties were little more than formal records of their decisions to cut their own national budgets. The treaties were rationalizations for unilateral disarmament.

While it is true that arms have never staved off war indefinitely, the same must be said for arms-limitation agreements. An agreement cannot be taken as either good or bad without an examination of its contents. If both sides are wary, the arrangements instituted will be better for both sides than was the status quo before the agreement; and, more important, living up to the agreement will be better than violating it.

It is often asserted that the enormous dangers of the nuclear age make agreement easier now. They may make agreement more urgent, but in crucial respects it is harder. A wishful and careless plan would be much more dangerous than before the last war.

ADVANTAGE TO AGGRESSOR

Nuclear weapons offer an enormous advantage to the aggressor. They make retaliation much harder to achieve, thus giving no automatic assurance that an aggressor will be punished.

Even a partial disarmament, if one-sided, could invite the debacle. And total disarmament, in spite of its rhetorical usefulness, is really understood by both sides to be out of the question in a world of divided sovereignties.

In such a world, if one side were totally disarmed the concealment of even a few nuclear weapons by the other side would enable it to dominate. It is a hard truth that for the foreseeable future arms control arrangements can only complement national defenses.

Both sides recognize implicitly that some arms arrangements might worsen the chance of peace. The Russians fear that Western proposals for inspection will furnish the West with intelligence usable in aggression.

The West on the other hand fears correctly that, in the absence of adequate inspection, the Russians would be free to violate agreements secretly and so obtain the means to dominate.

Enthusiasts for agreement suggest, all too easily, that the parties opposed to arms negotiation are mad, or simply lacking in common sense. But to devise agreements that reduce rather than increase the possibilities for aggression will take great inventiveness and sober study. A realistic arms control arrangement has to be founded on a mutual interest and a recognition that this mutuality is only partial.

The West is quite right in saying that agreements should not be based on faith. If both sides had real faith, no agreement would be necessary. It would be more nearly accurate to say that sound arms control arrangements can be based only on an explicit and precise mutual distrust.

GOAL OF ARMS ACCORD

The best reason for any specific arms agreement is to reduce the risk of war. For us the most trivial, almost frivolous, motive for agreement is to reduce the defense budget—that is, the level of effort. But there is no evidence that a mutually useful agreement would permit less effort. Not counting the large cost of an adequate control system, any realistic agreement for reduction in one area is likely to call for increased effort in others. Nuclear disengagement in Europe, for example, might increase the stability of the peace, but it would require the reversal of our NATO military policy and a new emphasis on nonnuclear forces.

On no subject has discussion been more confused and inconsistent than on the abovementioned level of American effort. On the one hand we are told that Americans are fat, self-indulgent, undisciplined and at the highest peak of material prosperity. On the other, we hear the customary references to the "crushing economic burden of the arms race."

As fortresses are invariably "impregnable," risks "calculated" and disarmament "moral," so the burden of the arms race is always "crushing."

CITES DIREFUL PREDICTIONS

There have been direful predictions since the end of World War II that an attempt to defend ourselves would turn America into a garrison state. But, our defense budget has varied from 40 percent to 5 percent to 15 percent and down again to 9 percent of our gross national product, and our experience offers little confirmation for such fears.

The notion, repeated by Lord Russell, that present defense policies will "before very long reduce the population to subsistence levels" is simply nonsense. Whether or not Americans and Western Europeans are self-indulgent, they were never richer, and they consume more each year. The Government has estimated that our gross national product will increase from $500 billion to $750 billion in the next decade.

The most important implication of our great prosperity and rate of increase in productive power is that we can afford larger efforts for economic development, for reducing the risks of thermonuclear war and for protecting the political independence and self-development of the non-Communist world. Furthermore we may be able to do it with only a modest sacrifice.

In fact, I know of no responsible proposals for meeting these goals that have called for any reduction in our peak level of spending for immediate enjoyment. The widely discussed defense program recommended by the Rockefeller Brothers Fund, for example, could easily be accommodated by the growth in our gross national product predicted by the Government—with no decrease in consumer spending but only a temporary slowing in the rate of its growth.

Would the American public make this mild "sacrifice"? That seems to me to depend on what the public thinks the sacrifice is for. Rather too much has been made of the frivolity and self-indulgence of the fat American public.

An analysis of consumer expenditures hardly sustains the claim. Consumers have increased their spending for such sober purposes as medical care and education faster than the rise in their incomes and faster than the increase in spending for recreation or for the iniquitous tail fins. None of this seems foolish.

In particular there is no reason to believe that Americans would not make a greater effort to accomplish their major purposes if they understood that the risks of not making such an effort were large and the rewards for effort were great. But I doubt that the public of this country was ever less informed on matters directly affecting its life and death. On the contrary at each great crisis the public has been reassured that no further effort is required.

DISCUSSION IS URGED

Leaders of opinion have a large responsibility here to inform the public and widen discussion. The great issues of war and peace deserve to be treated candidly and objectively, without wishfulness or hysteria.

It is not only the politicians who have been deficient in these respects. In my view, the scientists also have performed poorly. They have been bitterly divided and both extremes have tended to use the authority of science rather than its method—to be wishful and impassioned rather than objective.

What is needed is sober thought about the concrete problems of extending democracy inside our own country, of helping the economic and political self-development of other countries, and of negotiating without illusion to settle differences with our antagonists while maintaining the military strength to discourage their use of force.

These are tall orders. They cannot be filled quickly, or finally, or by means of some semiautomatic gadget, or in one heroic burst of energy. Nor will the answer come to us in a dream.

I suspect that in the wide range of activities we must undertake, dreaming will require the least discipline and the least attention to diet. Our problem is more like that of training for a steep, rocky climb. If, as we are told, America is no longer a youth, we may yet hope to exploit the advantages of maturity: strength, endurance, judgment, responsibility, freedom from the extremes of optimism and pessimism—and steadiness of purpose.

A purpose is not the same thing as a wish. Or a dream. Or even a mission. But one fundamental purpose of a democracy is the exercise of reasoned choice, the conscious shaping of events. Even setbacks would be more meaningful if—to use Hamilton's phrase—instead of being ruled by "accident," we could govern ourselves by "reflection and choice."

If the hard problems of our time stir us to more reflective choice, then they will have helped us fulfill one important purpose of a democratic society.

ABOUT THE AUTHOR OF THIS ARTICLE

Albert Wohlstetter, 46, is associate director of projects at the Rand Corporation.

Since 1951 he has conducted studies for the Rand Corporation on the problem of deterring general war and the vulnerability of retaliatory forces. From 1956 to 1959 he was chairman of the strategic air power group of the Rand Corporation, dealing with problems of both offense and defense.

He was scientific adviser to the United States delegation at Geneva during the 1958 discussions with the Russians on the prevention of surprise attack. He has also been a consultant to the State Department.

Mr. Wohlstetter was educated in the New York public schools and Columbia University. In World War II he was a research associate at the National Bureau of Economic Research, a consultant to the War Production Board and an official of Atlas Aircraft Products.

MEDICAL CARE COST OFTEN ROBS ELDERLY OF BASIC DIGNITY

Mr. PROXMIRE. Mr. President, it is obviously and uncontestably impossible for elderly people on low fixed incomes to meet the high medical costs of these times. Even the briefest of hospital stays—and illnesses are neither brief nor infrequent among most of our senior citizens—can drain off a significant percentage of income desperately needed for the very necessities of life.

Here is a letter from a constituent intelligently analyzing the effect of a handful of days in a hospital has on a retired couple's ability to live in basic dignity and security.

I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SENATOR: There is a great need for some form of assistance for older citizens. I would like to tell you what my wife and I faced during the past 6 months, and ours is not an isolated case.

My wife was in the hospital for 3 days and I for 4 days for tests and observation. Our combined bill including hospital and doctor and medicine was $336. It's frightening to contemplate what a prolonged illness would do to our budget. Our income is about $2,200 a year. After taxes we have about $1,700 left to live on. During these inflated times no segment of our people is worse off than people on a fixed income. We try to do with less in order to make ends meet. We want to end our lives with dignity and in the security of our own homes, with the respect of our neighbors. Can't something be done to give us a break on costly medical bills.

Thank you for your kind consideration.

Sincerely,

——— ———.

RELATIONS WITH JAPAN

Mr. KUCHEL. Mr. President, several weeks ago, together with a number of my colleagues, I met and listened to the Premier of the Government of Japan. He spoke movingly of the desire of his Government and the people whom he represented to strengthen the bonds of amity and of friendship—and of our common purpose of man's liberty—with the Government and the people of the United States. Indeed, the mission which brought him to our Capital was to symbolize to the world two governments and two great peoples desiring to enter into an agreement of mutual security.

The Japanese are a great people. I pray and I hope, and I believe, that the great majority of them, like we Americans, intend to be free and intend to do that which is necessary to remain free, whatever the sacrifice, whatever the costs.

This is a melancholy moment in the history of the globe. Placed in proper perspective, the difficult decision made by the head of the Japanese Government with respect to the invitation to the Chief Executive of the American people must have been one which required realism and courage. I have no doubt that the decision of Premier Kishi was as difficult and as painful a one as he will ever be called upon to make in his life. Proceeding by an abundance of caution, he did not want any chance, however remote, for harm to be visited upon the leader of the cause of man's freedom on earth.

I aline myself with the comments made by you, Mr. President (Mr. MANSFIELD in the chair), when a few moments ago you said the Senate must now proceed to ratify the mutual security pact which pends before us and which will be our unequivocating demonstration that we desire to strengthen the bonds between our two countries, the head of the Japanese Government himself so movingly demonstrated when he was in this Capitol Building a few weeks ago.

The free world is indeed in peril. Strife has been fomented in almost every area of the globe. To the south, a youthful degenerate dictator has poured forth his ugly spleen upon the cause of freedom as we know it.

A high representative of the United States of America—and I make no political comment here—was spat upon by Communist sympathizers in a nation to the south a few months ago. And when the secretary to the President of the United States arrived in Tokyo, there were thousands of people singing the Communist Internationale as he drove from the airport to the city, demonstrating against the invitation to our President and demonstrating against the foreign policy of their own Government.

I cannot believe that those demonstrations, however ugly they may have been, represent the will of the peoples in the countries in which they occurred.

Mr. President, I look forward to voting in favor of the mutual security treaty with Japan.

Mr. JAVITS. Mr. President, I have in mind some comments upon the very grave situation we face in regard to Japan.

I am delighted to have had the opportunity to identify myself with the views of the present Presiding Officer [Mr. MANSFIELD] on the Japanese security treaty.

I believe there are two points in connection with this subject which the American people should today have very clearly in mind.

One is sympathy and friendship for the Japanese people.

The second is constancy in the policies of the United States. I believe that both of these are extremely important.

First, there is the sympathy and friendship of the American people for the Japanese people. The Japanese people have had their experiences in dealing with militaristic rule which got them into Pearl Harbor, and both of us into a devastating war in which they saw war, including the explosion of an atomic bomb, descend right upon their own homeland. Therefore, when efforts are made by the Communists to agitate the Japanese people, in terms of the possibility of a recurrence of that situation, through direct threats to them, one can understand why they would be worried and why this is so harmful to them—a harm inflicted by the Communists. But one can also understand why they, too, should be constant in resisting any such Communist efforts, because by now they have found that alliance with the free world, in defense of the values of freedom, is the only real way to have peace, and that surrender to an oppressive, despotic regime—like communism—often brings on war.

The Japanese people should by now be certain of the importance and the value of the ways of democracy. They should not be disheartened by what often is a thorny, difficult way in seeking democracy.

Thus the Japanese people should, and will, I believe, assert themselves strongly and definitely in favor of democracy.

The Japanese people have the power and authority, under their Constitution, to assert their will; and I believe that the great majority of the Japanese people understand that the hallmark of a democratic form of government is the fact that under it, it is not necessary to engage in riots and revolutions in order to bring about change—it can be done in an orderly legal way if they want it—but that, on the contrary, riots and revolutions only work against constructive change. Also, that riots may not be permitted to dictate a change—this is fatal to democracy.

So, Mr. President, first and foremost we must have sympathy and understanding for the Japanese people; and second, we must have constancy in our own policy.

There is no reason why we should hasten to reach any conclusions about U.S. bases overseas, based on what is happening in Japan. Analogies between India and Japan—and I heard one made on television this morning—are not apposite. They are not apposite, because of differences in geographical location, differences in regard to threats to liberty, and differences in regard to the previous histories of the two countries, particularly as regards the United States and Japan, insofar as both countries were locked in combat in the great World War II.

Mr. President, Japan is an industrial nation; and we know the cupidity of the Communist leaders with respect to a great industrial nation. Today, they are seeking to fasten themselves upon Japan in much the same way that they have sought to fasten themselves upon Germany, in the West; and West Germany affords Japan an excellent example of how constancy and devotion to progress in peace and the development of free institutions are of the greatest benefit to peoples who are subjected to the kind of pressures the Communists are now placing on Japan.

Mr. President, Japan is a very proud country; and I believe that, fundamentally, the pride of the Japanese people in their own traditions and in their own capabilities will assert itself most beneficially in this situation.

So far as we are concerned, I thoroughly agree with my colleagues that the United States-Japanese Security Treaty should be ratified. Also, we should not jump to any hasty conclusions about U.S. bases, unless those conclusions are dictated by the fundamental security of the free world, for which we bear such a heavy responsibility.

Mr. President, we are learning what it means to have world power. It is not uncomplicated, and it is frequently very dangerous, but the wise and constructive exercise of this power, without being rushed or panicked, is going to be determinative of whether this world will or will not be secure. And so, at one and the same time that we have sympathy and friendship for the Japanese people, we need to have a belief in ourselves and our own policy, to be constant in our policy, and not to be panicked, pushed, or threatened into a change which is adverse to the whole free world.

Mr. President, I shall vote for ratification of the United States-Japanese Security Treaty, and I hope we will ratify it promptly, and proportionately to the kind of challenge with which we are faced today.

Mr. President, on another subject——

Mr. JOHNSON of Texas. Mr. President, would it interfere with what the Senator has to say if he yields to me for a brief statement? I must go to the Foreign Relations Committee.

Mr. JAVITS. No. I yield.

Mr. JOHNSON of Texas. I should like to say, summing up the discussion this morning, that none of us are so naive as to believe that policies can be reexamined and decisions made to recast them overnight. That is a job that will take time, effort, and careful thought.

But there is always before us one immediate problem. It is to be certain that we do not fall into the trap that Premier Khrushchev has set for us all the way from Paris to Tokyo.

Our Japanese friends devised and became expert in a sport known as jujitsu. This is a form of wrestling in which an opponent is cleverly handled so that he uses his strength against himself. Premier Khrushchev has many qualities. One of these qualities is a highly developed skill in the art of political jujitsu.

I personally am not going to go into such questions as interviews in a Paris newspaper or the matter of who should send regrets to whom. I have made my position clear from the east coast to the west coast of this country. Neither am I going to go into charges of appeasement or peacemongering that may come from other directions.

It seems to me that the basic point is that we must not succumb to Premier Khrushchev's political jujitsu. We must evaluate the facts calmly and carefully, not because we are seeking scapegoats upon whom to vent our wrath, but because we are seeking the weak spots that must be shored up.

I said in the beginning, with regard to the Paris conference, that I felt Mr. Khrushchev had certain objectives, and that it was extremely important we do not do his job for him. That did not imply we should not assess the whole situation and examine into every question, as the committee has done, under the direction of the Senator from Washington [Mr. JACKSON], and as the Foreign Relations Committee, under the direction of the Senator from Arkansas [Mr. FULBRIGHT] has done. I think both of those have been models for the Senate, and I should like to see our committees emulate the performance that has taken place there.

We all realize we have a presidential campaign this year. That is a fact

which is known to all the world, and I do not think anybody knows it better than Premier Khrushchev, or that anyone is going to use it more than he will, if he can.

We can conduct that campaign, I think, without sacrificing one iota of America's traditional free speech, but we can also do it without helping Mr. Khrushchev and his political jujitsu.

I think the way to do it is the way we have done it in the Senate, through our appropriate committees, our outstanding experts, operating under our constitutional system, sweeping nothing under the rug, bringing the facts out where all eyes can see, but doing it in an atmosphere of judiciousness, and coolly and calmly assessing the whole situation.

The chairman of the Foreign Relations Committee stated, in my presence, this would be helpful to the country. I think the people of the country owe a debt of gratitude to the Foreign Relations Committee and the Jackson committee, and that when we have concluded deliberations relating to the President's good will trip and the Japanese peace treaty, the country will have the same high opinion of them that they now have in light of the Paris matter.

Mr. JAVITS. I wish to thank the majority leader for his comments. The Jackson subcommittee, with which I have personal experience, is conducting a hearing which is in the finest tradition of the Senate, emphasizing the bipartisan aspects of our national policy in foreign relations.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the minority leader.

Mr. DIRKSEN. I call attention to the fact that the distinguished Senator from Massachusetts [Mr. KENNEDY], when he addressed this body the other day, in a very formal statement, said:

> As a substitute for policy, Mr. Eisenhower has tried smiling at the Russians, our State Department has tried frowning at them, and Mr. NIXON has tried both. None has succeeded.

I do not know about this jujitsu business, but I know we are up against a very tough customer; and this matter was not intruded into this discussion by the minority leader. The minority leader was on the floor and heard the speech just quoted, and he is going to make some answer to it today. But here is a candidate for the Presidency who made this speech when the Chief Magistrate of this land was out of the country, on a good will mission. If it requires a little jujitsu, I am willing to undertake it.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. I would hope the Senator would withhold his comments at least until we can notify the Senator from Massachusetts, so he can be present, before the Senator goes into detail.

Mr. DIRKSEN. The Senator from Massachusetts is out of town. The Senator from Illinois has been in town right along. We have a defense bill up today, which is an appropriate time for me to make some observations. I cannot always cut the cloth to suit the time of a candidate. We may just as well be clear on that.

I thank the Senator from New York for yielding to me.

Mr. JAVITS. Both the minority leader and the majority leader have alluded to the President and his trip. I think the hearts of all Americans go out to the President today in his feeling with respect to the cancellation of the Japanese trip.

I think we ought to assure him—and I am sure this goes for all of us, without regard to party—of our continuing appreciation of the dignity, capacity, and tremendous understanding with which he is handling this very difficult job of representing the whole image and concept of the American people to the peoples of the world.

NAACP—FIFTY-FIRST ANNUAL CONVENTION

Mr. JAVITS. Mr. President, I wish to greet the National Association for the Advancement of Colored People on the occasion of its 51st annual convention. This is a milestone in the fight against racial and religious discrimination in the United States. I cannot emphasize too much the primary importance to the well-being of our Nation which I place upon this struggle, in which I took an active interest long before I entered public life. The NAACP has been in the forefront of this struggle and its distinguished record of civilian courage, determination, patriotism, and achievement is almost without parallel in the annals of our land. May the second 50 years of its existence see it fully effective in attaining the objective of full equality of opportunity for all Americans without regard to race, creed, or color.

Be assured, as always, of my continued support and cooperation.

NEED TO IMPROVE SEISMIC SEA WAVE WARNING SYSTEM

Mr. LONG of Hawaii. Mr. President, following the extensive damage and loss of lives in Hawaii caused by the recent seismic sea waves resulting from the Chilean earthquakes, I wrote to the Secretary of Commerce, who has jurisdiction over the U.S. Coast and Geodetic Survey, and to Dr. Alan T. Waterman, Director of the National Science Foundation, seeking information as to what can be done to improve the seismic sea wave warning system and to educate people on how to respond to those warnings when they are issued.

The replies are most informative and helpful. It is obvious from what Commerce Secretary Frederick H. Mueller states that additional funds are needed for our seismograph observatories which detect and locate earthquakes and for our tide stations which attempt to detect whether so-called tidal waves have been caused by the earthquakes. Lives depend upon early detection in both cases. As Dr. Waterman points out in his letter, seismic sea waves travel at the rate of 450 miles per hour in the Pacific Ocean. As described by him, the potential force of seismic sea waves is astonishingly great. His letter makes clear that a great deal more research is needed. Furthermore, he points out that the Soviets are experimenting with hydrophones, an experiment which Dr. Waterman states certainly should be investigated.

This is a problem which affects not only Hawaii, but also the west coast and Alaska, as well as other parts of the Pacific. When an earthquake in Chile can wreak death and havoc all the way across the Pacific to Japan—halfway around the world—it is no longer a local problem but one of great international significance.

Because I believe that all Members of Congress will be interested in the information supplied by Secretary Mueller and Dr. Waterman, I ask unanimous consent that their correspondence with me be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MAY 26, 1960.

Hon. FREDERICK H. MUELLER,
Secretary of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: The rising toll of deaths and property damage in Hawaii has demonstrated dramatically and tragically the urgency of a reliable seismic wave warning system and the urgency of proper precautions once a reliable warning is received.

It is obvious that something must be done to help prevent a recurrence of this apparently needless loss of life. Since the Coast and Geodetic Survey is in your jurisdiction, I am calling upon you to give this problem a most thorough study.

I do not imply by this request any criticism of the Coast and Geodetic Survey. In fact, from what information I have gathered so far, the Survey is to be complimented on the timely warnings which it did provide following the earthquakes in Chile in the past week.

I do request, however, that the appropriate experts in your Department be called upon to suggest what improvements can be made, not only within the warning system of the Coast and Geodetic Survey itself, but also in connection with any other agencies of government—Federal, State, and local.

I also respectfully request that the recommendations be based upon opinions of scientific experts and not on budgetary grounds. For instance, would it be beneficial to have additional tide stations in the Pacific, say, at Easter Island?

In addition, I would appreciate your views and the views of your experts on whether there should be greater international cooperation on seismic wave warnings. Since the Coast and Geodetic Survey has had years of experience in manning a warning system, I would hope that your experts could also come forward with some suggestions on how other Federal, State, and local agencies might better make use of these warnings once they are available.

The problem of warning and protecting citizens from seismic tidal waves apparently involves not only scientific instruments and judgments, but also the psychology of people. How can people best be educated to respond properly to adequate warnings? How can they be convinced that the Government is not crying "wolf" when a seismic wave warning is issued?

Although these problems may or may not be your immediate responsibility, I would appreciate your views, for what good is the best warning system in the world, if it is misused or ignored?

Your cooperation in response to this inquiry will be most sincerely appreciated. It is submitted to you in an effort to be constructive and to offer to you and your experts an opportunity to make recommendations which conceivably could save many lives in the future.

Sincerely yours,

OREN E. LONG.

THE SECRETARY OF COMMERCE,
Washington, D. C. June 9, 1960.

Hon. OREN E. LONG,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LONG: In acknowledgment of your letter dated May 26, 1960, I agree most emphatically regarding the urgency of a reliable seismic sea wave warning system and of proper precautions subsequent to the issuance of a reliable warning.

I am glad to assure you that the seismic sea wave warning system administered by the Coast and Geodetic Survey has successfully detected and issued timely warnings of every measurable seismic sea wave since its installation shortly after the 1946 tragedy at Hilo. Specifically, the disastrous wave of the early hours of May 22 was reported as an advisory to the military and civil authorities on Oahu more than 12 hours in advance of arrival. This advisory was changed to a full warning about 6 hours later.

Information now available in this office is not sufficient to ascertain the effectiveness with which the military and civil authorities disseminated the warnings to the public. This information may be directly available to you. However, the Coast and Geodetic Survey will solicit information from its Honolulu district officer, and I will be glad to forward additional information on this point when available.

I think we may state categorically on past performance that the warning system administered by the Survey is effective and reliable. The Survey officials, however, inform me that improved certainty of operation would be achieved by the addition of at least one assigned observer at each of three contributing seismograph observatories which are not now staffed strongly enough to permit uninterrupted watch to be maintained. Moreover, additional tide stations equipped with wave alarm devices would be helpful, particularly in the Aleutian Island area, where our coverage is now somewhat weak. Such a station at Easter Island would be notably helpful in the case of waves originating near South America.

The Coast and Geodetic Survey already enjoys some international cooperation, notably from Japan, New Zealand, Peru, and Chile, and it is not clear how the operation of the system could be substantially improved by additional emphasis on this aspect of the operation. Other Federal, State, and local agencies now cooperate effectively as far as we know. We issue technical advices to the military and civil authorities at Honolulu, and to the Federal Civil Defense Administration, region 7, which disseminates warnings in the western United States. We are not aware of other needs at present.

The most obvious fault of the existing warning system is our inability to make reliable predictions of the actual damage effects of waves once they have been detected. This results from a lack of present scientific knowledge of the wave effects. A program of exhaustive study and analysis of existing technical information may be productive and the Survey officials have indicated to me that they intend to carry out such a study. A model study would probably be even more useful, but we do not now have funds for this purpose. The damage effects of seismic sea waves are nevertheless so much a matter of local conditions and subject to so many factors that our ability ever to predict specific damage effects is in some doubt.

I believe the unfortunate casualties sustained at Hilo reflect some degree of indifference to the warnings. Dissatisfaction has been expressed in the Hawaiian press with past warnings of waves which created public disturbance but which caused no damage. I know of no way to combat such undesirable reactions except through vigorous and sustained public education by disaster agencies or public authorities.

Sincerely yours,

FREDERICK H. MUELLER.

U.S. SENATE,
Washington, D.C., May 26, 1960.

Dr. ALAN T. WATERMAN,
Director, National Science Foundation,
Washington, D.C.

DEAR DR. WATERMAN: The catastrophic seismic waves which earlier this week devastated communities on the Pacific from Chile across to Japan caused heavy losses of life and property in Hawaii, particularly in the city of Hilo.

Considering the frequency of seismic waves in the Pacific, I am addressing you to solicit your suggestions as to additional research which might be carried out to improve our knowledge of the causes of the tsunami and means of providing more adequate warning. Would it be useful to undertake research into methods of guarding port cities against seismic waves?

The success of the International Geophysical Year suggests to me that it might be possible to undertake research on seismic waves on an international basis. The recent waves hit virtually every large land mass from Chile to Alaska, and from New Zealand to Japan.

I am writing at the same time to the Secretary of Commerce, to determine if the present program of the Coast and Geodetic Survey for warning communities of impending seismic waves can be augmented. However, I am looking to the National Science Foundation for suggestions as to what research might usefully be undertaken to provide better understanding of the phenomenon. It seems to me that such understanding necessarily precedes more effective prevention.

Sincerely yours,

OREN E. LONG.

NATIONAL SCIENCE FOUNDATION,
OFFICE OF THE DIRECTOR,
Washington, D.C., June 10, 1960.

Hon. OREN E. LONG,
Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR LONG: As suggested in your letter of May 26, 1960, considerable additional research is required if we are to develop a reliable warning system for the seismic sea wave—the tsunami. Also, as you so rightly observe, a closely knit international system is urgently required if such a system is to be really adequate for the Pacific region as a whole. The present U.S. Coast and Geodetic Survey warning system is designed to protect only the west coast of the United States and the Hawaiian Islands. It is anticipated that important progress will be made on the problem of international cooperation at the forthcoming International Union of Geodesy and Geophysics meeting at Helsinki where it will be discussed at length.

It is well known that tsunamis are caused by large-scale disturbances of the sea floor—either the vertical displacement of large areas of the sea floor associated with tectonic earthquakes or, perhaps, by submarine landslides caused by an earthquake. The present net of seismograph stations can locate rather quickly the epicenter and estimate the magnitude of the shock; but this is not enough because only a very small percentage of observed coastal earthquakes are accompanied by tsunamis of sufficient magnitude to attract the attention of observers. The problem, then, becomes one primarily of determining which of the quakes will cause a destructive tsunami. This involves basic research on the mechanism of fault movements associated with submarine earthquakes and of submarine landslides triggered by an earthquake. What is really required here are detailed submarine topographic surveys in potential tsunami source areas before and after an earthquake. Seismological research is necessary to determine the limiting magnitudes and depths of focus of earthquakes that are capable of producing tsunamis. Perhaps we can some day answer the question as to why some quakes produce tsunamis and some do not. This would avoid false alarms such as accompanied the large earthquakes in 1958. It is important to determine if there are definite features on a seismogram which can be used to indicate a high probability of a tsunami.

Following the initial disturbance to the sea surface, gravity waves travel out in all directions. Their velocity depends on the depth of the water which varies in different parts of the oceans. An approximate value for speed across the Pacific is 450 miles per hour. The amplitude at the sea surface is measured in feet in deep water, but the principal wave length may be of the order of some hundreds of miles. Therefore, these waves are not noticed by ships well out at sea. Perhaps research on long-period wave recorders, such as that under the direction of Dr. Munk at the Scripps Institution of Oceanography, will enable us to estimate the amplitude of these waves and thereby predict their amplitude as they approach various coasts. It is possible that there are precursor waves that travel at greater speeds through the water, such as the T–phase, which may serve as definite warning of an impending tsunami. This problem has not been sufficiently studied.

The height of the tsunami wave depends considerably on the topography of the shore portions of the ocean and on the outline of the shoreline. When tsunamis approach shallow water close to shore, the amplitude increases, and in U- and V-shaped inlets, with broad mouths, sometimes reaches a height of nearly 100 feet. It is in low lying ground around such inlets that great damage is sometimes done. Frequently the wave front is a nearly vertical "water wall" or "ram" and the speed of onrush may be of the order of 30 feet per second. As in Miyako in 1896 and in 1933, such waves, having tremendous kinetic energy, sweep away everything movable. In such cases even massive concrete sea walls are broken and tossed around. On the Sanriku coast, the advancing wave exerted a pressure of 800 pounds per square foot. To stop it suddenly in water 15 feet deep would have required a force of about 6.5 tons per square yard. As the water depth decreases, and the wave breaks, the falling velocity of the crest then combines with the velocity of advance to develop greater pressures. These may be as much as 49 tons per square yard for a wave 30 feet high. Earth or concrete walls and groves of trees serve as sufficient protection for small waves, but if waves exceed 100 feet in height, the only sure protection is to build on high ground.

As for improving the warning system itself, it seems obvious that the seismic network should be sufficiently extensive and must utilize the most rapid of advanced techniques for determining the position of the epicenter, such as visible recorders and specialized processing devices. Tidal stations should be more numerous and perhaps have an automatic alarm system. The presence of an intense pressure wave should serve as the necessary identifying feature of the appearance of a tsunami. Hydroacoustic and mareographic observations must be investigated.

The Soviet system, according to Savarensky, employs hydrophones in the SOFAR Channel to record pressure waves produced by remote earthquakes. The speed of propagation of sound in the ocean is faster than that of the tsunami. He states that the hydroacoustic forerunners can be used in the same way as the seismic ones. The U.S. system, I believe, does not employ hydroacoustic posts nor do we know for certain that they would be valuable. However, it should certainly be investigated.

There are a number of scientists in the State of Hawaii who are interested in tsunamis, including people from the Coast and Geodetic Survey, Geological Survey, the Sugar Planters Association, and the University of Hawaii. As the Geophysical Institute of the university grows and develops, the study of tsunamis may well be one of its topics of major interest.

Sincerely yours,

ALAN T. WATERMAN,
Director.

POSTPONEMENT OF PRESIDENT'S VISIT TO JAPAN

Mr. KEATING. Mr. President, there has been and continues to be much speculation as to the causes of the disastrous riots in Japan which have now resulted in the postponement of President Eisenhower's visit. I think that about the most farfetched implication I have heard voiced was that by the distinguished Senator from Missouri, when he implied that the basic reason for the riots in Japan was the economic and military weakness of the United States.

Mr. President, if the United States had had an economic or military strength 20 times what it is today, we certainly would not have sent troops to Japan to put down the riots, and we would have or could have done nothing with our economic strength to that end.

The fact is that we are today the strongest Nation in the world economically, militarily, and I believe spiritually. To seek to assert that it was any weakness on the part of the United States which was the cause of the riots in Japan is little short of ridiculous.

Mr. President, it is apparent, it seems to me, that the Kishi regime is in very deep trouble. This is extremely regrettable. Premier Kishi has shown himself time after time to be a genuine friend of the West. We can express nothing but sorrow over the difficulty which a friend is suffering in this hour. He is an extremely able politician. If he were not, his regime might well have already fallen.

Certainly, if democracy is to survive anywhere in the world, we must learn how to cope with uncontrollable riots and mob violence as a technique used by a minority to promulgate political unrest and upheaval.

The second observation I have to make is that it seems to me apparent there is a relationship between the riots in Japan and the conspiracies and machinations of international communism. Many of the Japanese rioters are out-and-out Communists, as is apparent from their actions, and while they have been threatening violence to the President of the United States and have been engaging in riots, their next door neighbors, the Red Chinese, have not been idle. Communist radio propagandists, for example, have been working relentlessly to arouse radical elements in Japan. Since the beginning of June Red guns have been firing on the offshore islands of Quemoy and Matsu, not only on the odd numbered days, as was done in the past, but also on the even numbered days, in violation of a pledge which they had made, for whatever it was worth.

The Chinese Communists have shown themselves time and time again rapacious in their Asian ambitions, recently we have noted this along India's northwestern frontier. They have marched into Indian territory and have built roads and military airfields, which represent a direct attack upon the sovereignty of India.

Word from Tibet reveals that another Chinese offensive is under way against that unhappy land which has still not accepted the foreign rule of Red China.

These last few weeks should make it painfully clear to us, Mr. President, that in the Far East, as elsewhere in the world, the Communists are doing everything in their power to undermine peace and to put the United States in an unfavorable light.

The riots in Japan were certainly not a local, isolated incident. They were part of a coordinated worldwide effort inspired by international communism.

Mr. President——

The PRESIDING OFFICER (Mr. LUSK in the chair). The Senator from New York has the floor.

COMMEMORATION OF GENOCIDE DAY

Mr. KEATING. Mr. President, the history of man numbers days of glory and days of infamy. Surely one of the most infamous days recorded is that of June 14, 1941, now known as Genocide Day, when the brave Baltic nations of Estonia, Latvia, and Lithuania were literally enchained by brutal Communist tyranny. This week we marked the 19th anniversary of that fateful day when the cruel Soviet overlords tore many thousands of the Baltic peoples from their beloved homelands and deported them to slave labor camps.

The gross inhumanity of the Soviet regime has been displayed before the world on many occasions in the past, but none of these manifestations of savagery offers a more poignant and sorrowing picture than that of the valorous Baltic peoples torn from their homes and forced into enslavement.

Despite this cruel plunder of human lives, the Communist masters have never succeeded in extinguishing the bright flame of courage and of hope in the hearts of freedom-loving peoples they have subjugated. The enslaved citizens of Estonia, of Latvia, and of Lithuania have endured their imprisonment with a fortitude worthy of their great national heritages. Chained, but unbowed, they look forward to the day when the yoke of Communist tyranny will be thrown off, and they will be enabled once again to breathe the pure air of freedom in their native lands.

For our part, let us, on this memorable date, extend our pledge of a sustained and unending effort in behalf of this cherished cause of liberation. Let us commit ourselves to do all that lies in our power to the end that the sunlight of freedom will once again break across the darkened lands of these three courageous Baltic nations.

OUTSTANDING EXAMPLE OF INTERNATIONAL "SISTER CITIES" EXCHANGE

Mr. KEATING. Mr. President, one of the most significant and rewarding aspects of the people-to-people program of international exchanges, inaugurated in 1956, has been the establishment of city-to-city relationships. Under this plan an American city affiliates directly with an oversea community for the purpose of carrying out programs of mutual interest intended to foster international friendship and understanding. This experiment has met with such unqualified success, since its inception, that it represents a great and continuing forward step towards the climate of good will which is the prerequisite to true and lasting peace.

The opening contacts between international sister cities are normally made at the municipal level. Once this official relationship has been established, contacts may then be expanded between groups and organizations that have counterparts in the participating cities, such as in educational, cultural, technical, business, professional, social, civic, labor, religious, youth and hobby fields.

An excellent example of the practical working out of the sister city affiliations may be found in the relationship established between Rochester, New York, and Rennes, France. This affiliation has proved so markedly effective and exemplary that Rochester, together with Worthington, Minn., was selected to receive the first World Brotherhood awards for community activities promoting international understanding and friendship with overseas communities.

The Rochester affiliation with Rennes, in Brittany, has been made to grow and to prosper through the sheer dynamism and dedication of leading citizens of both cities. A most praiseworthy example of the results of such a living program came in the recent establishment in Rennes of a new American cultural center, the first of its kind in any European city.

In the course of a recent Rochester-Rennes committee meeting, honoring Bernard Morin, a Rennes journalist, Sol M. Linowitz, chairman of the mayor's committee on the "twinning" described the features of this unique new Franco-American center. It will contain books, exhibits, films, and other materials dealing with French and American life, art, literature, music, and other cultural activities. In addition it will serve as a clearinghouse for citizens of each nation seeking cultural information about the other.

Mr. Linowitz reported that the building in Rennes now housing a USIA library and the Franco-American Society has been purchased by USIA and will be remodeled for its new and expanded purposes. The decision to place this center in Rennes was largely dictated by the

fact of the existing close relationship between the Breton capital and Rochester.

An honorary planning convention of 10 Americans will be headed by Amory Houghton, U.S. Ambassador to France. A similar committee of 10 Frenchmen will be appointed by the Government of France. Serving on the U.S. committee will be members of the Rochester delegation which visited Rennes in 1958 to complete details of the sister city program. In addition to Mr. Linowitz they are Mayor Peter Barry, Dr. Cornelius W. de Kiewiet, president of the University of Rochester, Edward Peck Curtis, vice president of Eastman Kodak Co., and Paul Miller, publisher of the Rochester Democrat and Chronicle and the Times-Union.

In 1956, when President Eisenhower addressed the White House Conference convoked to establish the people-to-people program, he set the tone which has motivated such effective cooperative action as is illustrated by the Rochester-Rennes community relationship. The President stated:

> If we are going to take advantage of the assumption that all people want peace, then the problem is for people to get together and to leap governments—if necessary to evade governments—to work out not one method but thousands of methods by which people can gradually learn a little bit more of each other. It must have the active support of thousands of independent private groups and institutions and millions of individual Americans acting through person-to-person communication in foreign lands.

It is heartening, indeed, to note the manner in which patriotic and dynamic American citizens have, by their individual and group efforts, breathed life and meaning into the President's 1956 pronouncement. The initiative and vigor of the Rochester committee is typical of that displayed by hundreds of other community leaders throughout our Nation. As a result, the sister cities plan has enjoyed a truly inspiring rate of growth, and constitutes one of the most solid and most promising bridges of understanding now being erected between America and the world.

THE CLEVELAND ORDNANCE PLANT

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may proceed for 3 minutes in addition to the allotted 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG of Ohio. Mr. President, some time ago, in this Chamber, I listened with interest and enjoyment while the distinguished and articulate junior Senator from New York [Mr. KEATING] and the two outstanding Senators from California [Mr. KUCHEL and Mr. ENGLE] engaged in a prolonged debate over the New York Senator's allegation that California had been favored in securing defense contracts.

I listened with delight to the running debate engaged in by the three Senators—each one adverting to the advantages of his own State and maintaining to the uttermost that his State should have more, not less, Government and defense contracts, and each Senator giving reasons therefor that seemed impressive.

At that time I did not participate at all. Had I done so, doubtless I would have been a target for salvos from the junior Senator from New York [Mr. KEATING] and also from my colleagues, the hardworking and able Senators from California [Mr. KUCHEL and Mr. ENGLE].

Now, however, apparently chickens have come home to roost. The whims of top brass in the Pentagon, and the apparent unjustified harsh dealing relating to outstanding facilities in the suburbs of the city of Cleveland, where I live, compel me not only to sympathize deeply with the views expressed by the junior Senator from New York but to assert that again California has scored, and, in this instance, by reason of bidding procedures followed by Department of Defense officials which I challenge. We in Ohio are apparently the losers.

Officials of the Department of Defense apparently so worded the invitation for bids as to discriminate against us in Ohio.

A $42 million contract for the production of armored personnel carriers for the U.S. Army apparently will be awarded to a California corporation.

I cite this as a vivid example of a procedure adopted in the Department of Defense whereby a corporation in California benefits, and I believe the American taxpayers will be the losers, as a result of this military procurement method and procedure.

In Cuyahoga County, Ohio, within 10 miles of my home, there is a Government-owned Cleveland ordnance plant. This has been put in mothballs, so to speak. In other words, the plant is idle except for a small custodial force.

Here is a modern plant, formerly employing approximately 11,000 of my neighbors, giving in return for their hard work, steady employment, and some degree of prosperity to members of their families and to our community. This plant is and has been standing idle. It is a nonproducer. Yet it is costing taxpayers more than three quarters of a million dollars each year for maintenance and to keep the extremely valuable equipment and machinery from deteriorating. Not only is this plant a modern plant with late equipment, but in some respects it is a model plant.

This is a 28-acre structure and the machinery within it is said to be worth $130 million.

The Secretary of Defense has up to this good hour refused to surrender this plant to private industry. It has been retained by Pentagon officials on what is called a standby basis. In simple words—idle. This because big brass and administration officials will not use it; nor will they release it.

Civic leaders in my home city of Cleveland have felt all along that this is an outrageous situation and a discrimination against our community and the thousands of skilled workers who have heretofore been employed there.

Some months ago, along with my distinguished colleague, the senior Senator from Ohio [Mr. LAUSCHE], and at his suggestion, I accompanied him and Representatives VANIK and FEIGHAN, who ably and actively represent two of Cleveland's congressional districts, and we had a personal conference with the then Secretary of Defense at his Pentagon office. This followed a number of telephone talks and letter writing on the subject with various Defense Department officials.

The then Secretary of Defense, Mr. McElroy, informed us that this plant was ideal for the manufacture of armored vehicles.

At various times, Representative CHARLES A. VANIK, who has been most active and aggressive in his efforts to secure a fair deal, has spent many hours on this important matter and at all times has kept in touch with both of Ohio's Senators.

It appears to us that due to a lack of vision and good judgment, coupled with certain wording of offers to bidders for defense contracts, there has been a studied plan in the Pentagon to hang on to the plant but at the same time keep it in idleness.

The $42 million contract, which we had every reason to expect, if fairness had been exercised in the Pentagon, to cause reopening of this plant, seems likely to go to the Food Machinery and Chemical Corp. of San Jose, Calif.

This is notwithstanding the fact that our law provides that production of supplies for our Armed Forces shall be performed in Government plants wherever it is economically feasible to do so.

Last year the Department of the Army engaged the Ford Motor Co. at a cost of $338,000 to determine impartially the most suitable plant, either publicly or privately owned, for the economical production of vehicles of the airborne tank family, including the M–113 armored personnel carrier.

The Ford survey recommended the Cleveland ordnance plant on the basis of current needs, future mobilization requirements, and lowest cost to the taxpayers. Secretary of the Army Brucker approved this finding and recommended it be carried out.

In December 1959, the Department of the Army opened this contract to all prospective bidders with the option of using Government-owned plants and equipment or their own plant and equipment or both. The savings from the use of Government-owned facilities would have been passed on to taxpayers.

Two months later the Department of Defense—which has no authority or responsibility for the signing of Government contracts—mysteriously directed that production must be exclusively in the bidder's plant or exclusively in the Government-owned Cleveland ordnance plant.

However, if the Cleveland plant were used, the bidder would be required to pay 5.5 cents rent per square foot per month for the entire plant regardless of how much of it was actually used. This amounts to $67,200 a month or $1,280,000 over the life of the contract.

Furthermore, if Government-owned machinery is used, the bidder must pay a prohibitive rental based on original

acquisition cost, irrespective of actual depreciation. Finally, bidders are required to add to their cost figures the cost of special tooling needed for this project.

Each of these added requirements works to the disadvantage of any company which intends to bid on the basis of using the Cleveland ordnance plant. Together, they make it virtually impossible for any company to successfully bid with the intention of using this factory.

It happens that these restrictions work to the advantage of the California concern.

Mr. President, something is rotten in Denmark.

It is pretty clear that anyone but the most naive observer can see that someone or some group wants the California concern to receive this contract. They want it badly enough to disregard the $338,000 independent study made by the Ford Motor Co. and to ignore the concurrence in this study by the Secretary of the Army and the Army Ordnance Corps.

I certainly do not object to a reasonable and fair rental fee for the use of Government-owned facilities. However, I strenuously object to such a fee when it is used as a means of soaking the taxpayers for millions of dollars, as is the case here. I doubt that the Food Machinery & Chemical Corp. or any business concern for that matter, will be so generous as not to include in their bid a fee for use of their machinery, plant, and depreciation of both.

Congressman CHARLES VANIK, outstanding and able Representative from Cleveland, Ohio, has displayed great zeal and industry in ferreting out the facts of the scandalous affair, taking leadership in exposing it to full public view, and preventing its consummation. He is performing a real public service.

Congressman VANIK has estimated that if this contract is awarded to the Food Machinery & Chemical Co., the taxpayers stand to lose at least $6½ million. In addition, thousands of working men and women of Cleveland will be deprived of employment which would be theirs if this contract were awarded fairly.

Mr. President, this is not a question of Government versus private industry. Regardless of who wins the contract, private industry will do the job. The Cleveland plant should be open to use to all bidders.

It is, however, a question of economy in Government versus special interests who care little for taxpayers' hard earned money.

It is also a question of national defense. Are we to utilize our Government owned plants in line with future mobilization needs or are we to sacrifice these needs for the sake of special interest oriented officials in the Pentagon?

Before any further action on this contract is taken, I strongly urge that Secretary of Defense Gates carefully scrutinize and review the entire matter. The actions of the Department of Defense are in direct contradiction to the independent Ford Co. survey recommendations for which the Government paid $338,000. Was this money spent for nothing? Was this survey just a sham?

In view of the revelations made on the floor of the Senate last Monday by the distinguished senior Senator from Illinois [Mr. DOUGLAS] concerning military procurement mismanagement, we should insist that this contract involving $42 million be looked into thoroughly.

Although I would be less than frank if I did not admit that I would like to see the contract go to a firm doing business in Ohio, that is not my prime concern.

Our concern should be to see to it that taxpayers are dealt with fairly and that our national defense is given proper consideration. If this is done impartially and the California concern is still deemed to be the best for the job, then, of course, no one could properly have any objection to its being awarded this contract.

Mr. President, if it appears this contract is not awarded on that basis, then I shall certainly urge that the proper committee of the United States Senate conduct a full scale investigation of this entire affair.

SUEZ CANAL AND SENATOR GRUENING'S STATEMENT

Mr. SYMINGTON. Mr. President, I have read with great interest the remarks of the Senator from Alaska Tuesday on the curious Middle Eastern policy of this administration. Unfortunately I was unable to be on the floor at the time, but should like to add my congratulations on a concise and thoughtful analysis of the Arab-Israeli situation.

Senator GRUENING pointed up the ambiguous policy, or absence of policy, of the present Administration toward freedom of the seas.

We support the principle on the one hand, but refuse to take the practical steps necessary to assure free access for all nations to the sea lanes of the world.

I joined a majority of my colleagues recently in expressing the sense of the Senate that there shall be freedom of navigation in international waterways and economic cooperation between nations.

Conduct of foreign policy is, and should be, in the hands of the Executive. It is to be hoped, however, that expressions of congressional feeling will stimulate appropriate action by the President.

Steps should be taken by our Government to assure that all waterways, including the Suez Canal, are open to the ships of all nations, including Israel. Only this way can we work toward the international cooperation and understanding that leads to peace.

I congratulate the junior Senator from Alaska for the wise presentation he has made on this subject.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be permitted to comment for 3 minutes on the remarks of the senior Senator from Missouri.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator may proceed.

Mr. DOUGLAS. Mr. President, I congratulate both the Senator from Alaska and the Senator from Missouri for the statements which they have made on the necessity for the Suez Canal being opened to the traffic of all nations. This was provided for in the Convention of Constantinople of 1888. It was provided for in the declaration of the United Nations in 1951. It was pledged by Mr. Nasser in the fall of 1956 when he nationalized the Suez Canal. As both the Senator from Alaska and the Senator from Missouri have emphasized, our administration, while on the one hand it says it believes in this principle, on the other does nothing to effect it.

On the contrary, it approves of the granting of a $50 million loan by the International Bank, which in effect would permit the widening and deepening of the canal. This is running in both directions. I think it indicates that the State Department fundamentally is not concerned about the matter. Foreign aid is not the right of the receiving country. We have the right to withhold this aid from countries violating international law.

I do not charge the members of the professional Foreign Service with being anti-Israel. I wish to make that clear. However, I believe they have a pronouncedly pro-Arab bias. If one wants further proof of that fact, one has merely to turn to the history surrounding the recognition of the creation of the new State of Israel. That was a decision made by President Truman against the advice of the permanent Foreign Service officials. If we trace the history of the Foreign Service throughout the 12 years which have succeeded the recognition of Israel, I think it will be found to be consistently in this direction.

I know there is a school of thought in the United States which holds that the foreign policy should be directed by professionals, and that the citizens have no business interfering in such matters. I think this is a repudiation of the principle of democratic government. The Senate and House made a solemn declaration of policy that they believed foreign aid should not be granted to a nation which violates international law. The distinguished Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Foreign Relations, whom we all hold, and deservedly so, in the highest esteem, tried to reverse this decision on at least two occasions, but he was repudiated by crushing votes. It is now apparent that the Foreign Service and this administration have no intention whatsoever of following the recommendations made by the Senate.

While we gave to the President the ultimate authority in this matter, we believe that more serious consideration should be paid to the recommendations of Congress. I think there is a very real question as to who is fundamentally to control the foreign policy of the United States. Is it to be the people, through their elected representatives, or is it to be the inner circle of professional diplomats?

I hope, though I do not expect, that the Foreign Service, the Department of State, and the administration will take

due note of the very constructive statements made by the Senator from Missouri and the Senator from Alaska.

Mr. GRUENING. Mr. President, I express my appreciation to the distinguished Senator from Missouri and the distinguished Senator from Illinois for this helpful colloquy, which points up the situation which I discussed here the day before yesterday, illustrating the strange disparity in this administration between its words and high sounding pronouncements on the one hand and its deeds, on the other.

This matter was thrown into relief by a statement made by Vice President NIXON in a letter written by him to the president of B'nai B'rith, which was released to the press and which I subsequently placed in the RECORD. The Vice President wrote that the United States had unequivocally again and again affirmed its support of the principle that there should be freedom of transit through the Suez Canal for all nations, including Israel. He repeated that affirmation of support of that principle.

But what is the use of affirming such fine sentiments and proclaiming them to all the world, and then taking actions which distinctly nullify those wonderful sentiments which is what the Eisenhower-Nixon administration does.

As the distinguished senior Senator from Illinois [Mr. DOUGLAS] has pointed out, the International Bank, right in the face of these fine expressions in favor of the principle of freedom of transit through the Suez Canal for all nations including Israel, made a loan of $50 million to Nasser, with approval thereof by all the American delegates of the Bank, who thus registered the administration's support of the loan. They were aware of the boycott of Israel, and indeed it was so stated. They were aware of the violation by Nasser of his pledges. They were aware of Nasser's prevention of any traffic by or for Israel through the canal. They were aware of the fact that such a loan was a violation of our own Government's pronouncements. Yet they proceeded to make the loan to Nasser without even asking for any quid pro quo or any understanding from the Government of Egypt that in exchange for this assistance in widening and deepening the canal there should be freedom of transit for all nations.

So long as there is such a discrepancy between words and deeds, such a double standard of conduct I should say the administration's professions are not worth the paper on which they are written; they are utterly worthless. I emphasize the fact that again and again we see this administration's fine sentiments nullified by its actions.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. SYMINGTON. I thank the able Senator from Alaska for what he has said; and also the great Senator from Illinois for his kind comments.

Does not the Senator remember that shortly after the previous summit conference, which I believe was in July of 1955, the first action taken by the Communists was to arrange an arms deal between themselves and the United Arab Republic?

Mr. GRUENING. That is correct.

Mr. SYMINGTON. Since that time, have we not seen a relatively steady deterioration of our position all around the world?

Mr. GRUENING. That is correct. Almost no week passes without new evidence of the deterioration of our relations with some other country, whether it be Korea, Africa, Japan, or Cuba. We wonder where the foreign policy of this administration is leading us. Obviously it is downhill.

Mr. SYMINGTON. Not only is that true in the Far East and in Europe, incident to the increasing tensions around Berlin; in South America, incident to the recent trip of the Vice President; and in Central America, incident to the problem of Cuba; but it is also very clear that it is a growing problem in the Middle East.

Mr. GRUENING. That is certainly true. The Senator may recall that for many years and even to this day the Republican Party has talked about the Democrats losing China. I should like to ask the Republicans, Who has lost Cuba, at our very door, in a situation not comparable in complexity with that of China?

Mr. SYMINGTON. Does not the able Senator from Alaska believe that we are being flooded with oratory, but are seeing very little constructive action from the standpoint of the reestablishment of the position we have lost?

Mr. GRUENING. Precisely.

Mr. SYMINGTON. If we took a definite position in this matter, which would merely be a reassertion of the right of all nations to the freedom of the seas, that would help to maintain and strengthen our position throughout the world.

Mr. GRUENING. In all these instances, we could take actions which this administration has not the guts to take. I contrast the weak, timid, wishy-washy policies of this administration in such situations as that of the Suez Canal with what Theodore Roosevelt, a great Republican President, would have done. The Senator may recall the situation relating to an Arab chieftain who kidnaped an American citizen of Greek ancestry named Perdicaris.

Mr. SYMINGTON. President Theodore Roosevelt sent a message to the American consul at Tangier, in which he said:

Perdicaris alive or Raisuli dead.

Mr. GRUENING. That is correct. T. R. got action. We should revive his kind of "speak softly but carry a big stick" policy, instead of the reverse. If we did, we might get somewhere. The United States was respected throughout the world in those days although its relative strength as compared with other nations was much less.

Mr. SYMINGTON. I congratulate the Senator from Alaska.

Mr. GRUENING. I thank the Senator from Missouri.

A BALANCED BUDGET MAY NOT BE ENOUGH TO SAVE BERLIN—ADDRESS BY THOMAS G. LANPHIER, JR.

Mr. SYMINGTON. Mr. President, recently a great American, who has already done more for his country than most of us, resigned his position with a defense firm. One of his reasons for doing so was that when he gave the American people the truth about our inadequate and declining overall strength, he was smeared by some persons, who said his primary interest was the sale of defense materials.

Mr. President, this American has no estate. He is young. He has a war record which is unsurpassed. He has a gracious wife and five small daughters. Nevertheless, typical of his devotion to his country, he is now speaking throughout the Nation in an effort to bring to the American people the reason for the steadily declining position of our country with respect to its relationships with the rest of the world.

It is typical of him that he does not take any fees for these talks. He is donating the fees to a project in the interest of the United States which is being conducted at Stanford University.

Mr. President, his addresses are invariably constructive and stimulating. Therefore, I ask unanimous consent that an address entitled "A Balanced Budget May Not Be Enough To Save Berlin," by Thomas G. Lanphier, Jr., delivered to the Independent Bankers Association, at Denver, Colo., on May 25, 1960, be printed in full at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A BALANCED BUDGET MAY NOT BE ENOUGH TO SAVE BERLIN

(Address by Thomas G. Lanphier, Jr., to Independent Bankers Association, Denver, Colo.)

The city of Berlin, by virtue of a series of positions taken by Soviet Russia and the nations of the free world, has become the Rubicon of world war III. Not only because of the large garrison of American troops and their families residing in that city, but because of principles invested there by the United States and its allies.

Events are moving with ominous rapidity toward a moment early in this decade when the free world is going to be called upon by Soviet Russia to stand for what it has long professed to believe. Or let the name of Berlin join that of Munich in the history of the world each of us will leave to his children.

The third world war, which has been waging on political, economic, educational, and scientific fronts for years—publicly unrecognized by our Government—has these past several weeks flared once again into martial headlines.

The U–2 incident, coming just prior to the summit meeting, and affording Khrushchev the several propaganda gambits he exercised at Paris is, of course, cause for immediate concern.

The concern being whether Khrushchev, who is now going through the classic steps of conditioning his people and the world for preemptive war, will press his momentary advantage all the way to actual conflict in the immediate future. This is a remote but never entirely unlikely possibility.

More likely, he will use this opportunity to heighten Russian popular expectancy and acceptance of preemptive war at some future date, should the Kremlin find it necessary and feasible.

In any event, the U–2 incident and Khrushchev's performances in Paris and Berlin are the most recent of a series of current events which point up and, in themselves, are part of the criticality of the decade into which we are moving.

In is my personal conviction that it is long past time for the people of the United States and particularly for such people as you, in responsible executive positions, to make a hard-boiled appraisal of our national situation and objectives for the future. And to make an equally hard-boiled appraisal of the virulent, well-organized, and effective opposition working against us. An appraisal uncluttered by personal, political, or economic considerations to the extent each of us, as an individual, is capable of making it so.

My own such appraisal leads me to the temporary conclusion that my country, as a result of popular inattention and indolent government in the midst of a new kind of war, is losing its position of leadership on behalf of men who believe in the dignity and usefulness of the individual. And may be drifting indifferently toward a senseless nuclear war or, more likely, national disgrace.

Ten years ago the United States was acknowledged, even by the U.S.S.R., to be the nation in the world. Not necessarily the ideal nation, but certainly the most advanced society on earth in a material sense. A society which the Communists had set as their objective to surpass and destroy. A society which many another people aspired to emulate or join because of the freedom it afforded its individual members.

Ten years ago the United States was the most powerful military force in the world. We had the hydrogen bomb and a unique force of bombers with which to deliver it in retaliation against an aggressor. Russia did not have the hydrogen bomb. And the intercontinental ballistic missile was not yet heard of in the world.

Ten years ago the man in the moon was still a romantic figure. No one had yet dreamed that in our lifetime he might be identified as a Communist.

Ten years ago Tibet and Laos were still relatively free. The name of Nasser was little known outside of Egypt. And even Cuba hadn't heard of Castro. In fact, very few people this side of the Iron Curtain had ever heard of Nikita Khrushchev. A considerable number of people at that time even held to the hopeful hunch that when Stalin died, Communist Russia might somehow explode from within.

Ten years ago the gross national product of the United States was $350 billion and the gross national product of the U.S.S.R. was $80 billion.

Today, on the threshold of the 7th decade of the 20th century, things have changed significantly. The United States and the free peoples of the world have experienced a number of changes for the better, particularly in the materialistic field.

For instance, over the past decade the annual gross national product has increased from $350 billion to $500 billion a year. It has risen at an annual rate of 3.5 percent for the decade and 3 percent for the past 5 years.

However, over the same decade, the annual gross national product of the Soviet Union has increased from $80 billion to $185 billion. It has risen at an average rate of 8.7 percent per year for the decade, and 7 percent a year for the past 5 years.

Concurrently Russia has advanced at an impressive rate in the fields of education, of the arts, and even athletics. And, of course, in science. The United States, a decade ago technologically supreme in the world, now shares that supremacy with Soviet Russia in the eyes of hundreds of millions of Asians, Africans, and Europeans.

And, having added to its vast arsenal of conventional arms and submarines its intercontinental ballistic missiles plus the hydrogen bomb, the U.S.S.R. has moved, at least in its own mind, to a point of parity with the United States as a military power in the world.

Historically notable: Within the past 2 years the United States has had the novel experience of having an ultimatum openly delivered to it by the head of another great nation.

And, over the past month, a series of naked threats of force have been hurled against us by the leader of the Russian people. We, through our President, have been called treacherous and thieves and have been likened to a cat which ought to be shaken by the scruff of the neck or dashed to death against the nearest wall for actions displeasing to the Soviet Union.

Indeed, a great many things have changed in the past decade. And while no one can deny that the United States and the free world have made advances in that time it must be apparent to any objective observer that the Communist world has moved further.

Granted it had to start from a more retarded position in many areas, the fact is communism has come further and moved faster and is still moving with an impetus that promises to sweep on past democracy through the next decade—unless democracy renovates itself, clarifies its objectives, and steps up both the tempo and the pace with which its individual members act to preserve its freedom and perhaps its very life.

Against this backdrop: The current events which I think might be pertinent in analysis of our Nation's chance for survival or advancement through the next decade:

First event: Bertrand Russell, whom a great number of people, including himself, consider one of the most reasonable men alive, tells an international television audience that he would rather be a Communist slave than die in a nuclear war. His point apparently being that it is somehow more heinous to die in a war involving nuclear weapons than it is in some other kind of war.

Second event: A crowd of tens of thousands of Englishmen march on Trafalgar Square in protest of nuclear weapons; the great majority of them I assume innocently participant and most of them I am quite certain ingenuously so.

Third event: A professor at a southern university, polling his seven outstanding students on matters of international policy asks the question: If you were today responsible for the leadership of the United States and you were faced with a political action over a matter of principle which would require that you either resort to nuclear war, as you currently understand it, or surrender; which would you do? All seven students chose surrender.

Fourth event: A few weeks ago the President of France visited the United States, and, throughout his tour of our country, he was enthusiastically greeted by the greatest crowds of Americans who have ever turned out to welcome a foreign leader.

Fifth event: Early this spring the Pentagon's Deputy Comptroller, John M. Sprague, remarked that, "the United States economy today could support a larger defense program." But he maintained that that is not the real issue. He opined that the Nation's "most important weapon is a balanced budget or, if at all possible, a budget surplus."

Sixth event: Less than a month ago, in a major address on U.S. policy prior to the Geneva summit meeting, Undersecretary of State Douglas Dillon said peace or war may be involved unless the summit powers resolve the German problem by negotiation.

"Mr. Khrushchev and his associates will be profoundly disillusioned," he said, "if they assume that we will bow to threats or that we will accept their distorted picture of the German problem as a factual premise on which to negotiate."

Seventh event: About a week later, Defense Secretary Gates told the Associated Press meeting in New York that the United States is still the most powerful military nation on earth, is equipped to defend us in the event of either massive attack upon our country or limited war upon ourselves or our allies.

Eighth event: About a week after that, in Baku, Mr. Khrushchev told the Russian people that if the summit meeting did not include favorable action toward recognition of East Germany, that Russia would do so separately. And would support with force what he predicted would be East Germany's subsequent move to envelop Berlin and the allied garrison there.

Ninth event: Soon thereafter, in Moscow, Mr. Khrushchev first told the Presidium that an invading U.S. aircraft, the U–2, had been shot down. Subsequently, in a series of fast-breaking utterances, he has profiteered on this incident against a backdrop of rising popular indignation within Russia. And has threatened to use his missiles, which he describes as more accurate and reliable than bombers, against the United States and/or its allies if such aggression against Russia is continued.

Tenth event: A composite of actions taken by the executive branch of the U.S. Government in execution of our national interest in world war III beginning with May 1, when the U–2 went down into Russia, and ending with May 18:

Over these critical 18 days of stepped-up action in the unfamiliar conflict our Government has in succession been guilty of bad timing and bad luck at the outset; then having been caught in spying, lied about whether or not it was spying; has then been caught in the lie; thereafter at least given the world the definite impression it was going to continue spying flights; then told the world it wasn't going to spy any more, at least in the form of manned aircraft flights over Russia.

Adding to the agitation and dangerous excitement caused by this series of events, on the eve of the summit meeting our Secretary of Defense ordered an advanced form of alert without telling our allies of it, or in fact even advising authorities in Washington he was doing so.

Eleventh event: Last week a crowd of American citizens marched through the streets of New York into Madison Square Garden and filled it with exhortations, presumably to the U.S. Government, to ban nuclear weapons.

Twelfth event: On his way back to Moscow from Paris, Khrushchev stopped off in East Berlin to advise the East Germans their formal recognition will now be put off for 6 to 8 months—until after the American elections.

Hopefully, there are advantages to be gained from the troubles we've had in recent weeks. The principal advantage being an alerting of the American people to the real gravity of the threat against them. A spotlighting of the razor's edge upon which the whole world walks between uneasy peace and idiotic war. And, being alerted, perhaps notice of a pattern in current events such as the dozen I have outlined.

A pattern leading to three questions, the answers to which bear on whether or not our Nation may survive this decade—alive and free.

The first question: Does Mr. Khrushchev believe Mr. Dillon and Mr. Gates when they say we will and can fight over Berlin if Russia resorts to the device Mr. Khrushchev threatened at Baku?

Second question: If Mr. Khrushchev either concludes we are bluffing or decides we are not as strong as we think we are and moves on Berlin, what will we do?

And the third question: If we fight, can we survive?

The answer to all three questions lies in a combination of our Nation's physical defenses and our national determination to accept great risks and possibly great destruction in defending the principles for which we stand.

Of equal importance, the answer lies in the Kremlin's estimate of our physical defenses and our national will.

I have a foreboding that our physical and moral strength to support such a policy may be questioned in the Kremlin. Witness Khrushchev's performances in Paris and Berlin and especially over the subject of Berlin itself.

We are actually physically weaker, and Khrushchev knows it, than we were a year ago to meet any form of local aggression by the East Germans in and around Berlin. And you will remember that President Eisenhower himself attested at that time that we could not meet local aggression in Germany with conventional forces. And offered no other alternative than the possible use of nuclear weapons.

As to our national moral strength to agree to the use of nuclear weapons in reaction to localized aggression in Berlin, I believe the Kremlin would have a growing suspicion that we and our allies may not resort to what most of our people, rightly or wrongly, believe could be national suicide over the Berlin issue.

Witness the popular attitudes reflected in Bertrand Russell's remarks, the protesting crowd in Trafalgar Square, the unanimous seven students down South, and most recently, the rally in Madison Square Garden.

The Soviet Premier knows, far better than the American people do, the relative chances the Soviet people and the American people and their respective forms of government have to survive a nuclear exchange at this moment in history.

Khrushchev knows Soviet Russia has been preparing for over a decade to visit maximum destruction upon us and insure minimum loss of his own population in the event of our exchanging nuclear blows with him. And he knows that, while we have made a considerable effort to develop a retaliatory nuclear striking force for our protection, we have taken few steps to defend our civilian population in the event of nuclear war.

As to armed power: In light of the relative military forces available to the U.S.S.R. and to the free world—the so-called mix of missiles, bombers, submarines, and more conventional armed forces—I am concerned that the Kremlin may be persuaded that it has a more appropriate balance of these forces than ours at the moment and for the next 2 to 3 years.

Our fundamental requirements for physical defense are three:

That we maintain a well-protected, modernized, massive deterrent.

That we have some form of deterrent for limited war.

That we have a home guard for defense against aircraft, ballistic missile, and submarine attack—and some program for insuring survival of our populace in the event of such attacks.

The ominous fact is that we may be highly vulnerable in the first instance, and we have no significant strength in the second and third.

Our massive deterrent, which is vested in our Strategic Air Command bombers and a handful of ballistic missiles, sits in a highly vulnerable state upon less than 100 cramped bases on this continent and in advanced sites abroad. All of these sites are well within range of Soviet short range or intercontinental ballistic missiles. None of these sites has warning against attack by such missiles. And no official or our Government can positively say such an attack cannot be launched by Russia this year or next.

In the second instance, possible limited war, we actually have no force with which to effectively deter it. Secretary Gates recently argued that we do, and cited as instances of its effectivity: Lebanon and Quemoy.

At Lebanon there was no physical resistance either offered us or apparently contemplated since the one airfield we had to rely upon for all our support activity in and out of these was not even denied us by covert methods.

In the case of Quemoy, it is quite possible the brandishing of the massive deterrent may have had some effect in discouraging the enemy from crossing the Straits of Formosa. However, it must be recalled that in this instance the enemy was Communist China. China's day will certainly come, but it is not yet a military force of the modernized status of Communist Russia and the United States.

The inadequacy of our forces for deterring limited war were highlighted by President Eisenhower last spring when, about a month before Khrushchev's deadline on Berlin expired, the President was asked if we would use conventional forces to defend our garrison against East German aggression with similar forces.

The President replied that everyone knew that we could not. When asked if he might resort to nuclear weapons as an alternative, he replied that we would face that when he came to it.

He offered the American people and Khrushchev no other alternative but the two implied: nuclear war or capitulation. There is, of course, another. But it costs money. And concentrated allied effort in the construction of a modernized and mobilized deterrent to limited war in the area of NATO and elsewhere.

As to the home guard, our defenses against manned bomber attack are considerable, but not of major significance as a deterrent. If the bombers came in high we have warning of such attack and could destroy a percentage of them, though not enough to prevent frightful destruction on our continent. If the bombers came in low we would have some warning and little defense against them.

Such attacks as may come from submarines will be detected to a considerable degree. But we will have comparatively little defense against such attack which, itself, can reach a significant number of our SAC bases.

An attack from out of the atmosphere, that is, from intercontinental ballistic missiles, will meet with no resistance. We have no warning of such attack in the immediate future and will have nothing better than partial warning for several years to come. And we will have no significant active defense against such missiles even if and when the Nike-Zeus system is established around such local points as we feel we can afford to protect.

The foregoing inventory of our weaknesses does not necessarily add up to a fatal total. There are things we can do to improve our defenses quickly.

Our massive deterrent could be rendered considerably less vulnerable by the simple device of keeping a significant element of it hovering over the United States at all times; by the further device of rapidly increasing the number of relatively vulnerable but soon available intercontinental ballistic missiles in our arsenal, that is, Atlases and Titans; by accelerating the less vulnerable but not yet available mobile systems: the underwater Polaris and the land-based Minuteman; by resumption of underground testing of more appropriate warheads for these mobile systems; and by stepping up the development of the reconnaissance and warning satellites, Midas and Samos.

Our ability to deter limited aggression with localized forces could be developed within 2 to 3 years—with extraordinary action. Sufficient airlift, not now available, could be purchased in that time to support simultaneous limited situations. The development and production of modernized and appropriate weapons, including nonlethal gases, could also be expedited. And a resumption of underground testing of special weapons would also be helpful for the limited war deterrent.

Parenthetically, the added cost to our current rate of defense expenditure would, I estimate on the basis of some practical experience, run a minimum of $4 billion in fiscal 1961 (less than 3 days of our national income); should be between $8 billion and $9 billion in fiscal year 1962 (approximately 6 days of our national income).

Please bear in mind, in regard to the foregoing dollar estimates, that the Rockefeller report of a couple of years ago estimated the emergency as of 1958, 2 years ago, demanded a minimum additional expenditure over the current rate of $3 billion for fiscal year 1959, $6 billion for fiscal year 1960, and $9 billion for fiscal year 1961. And added that in the estimation of its signators (who included some of the outstanding financial men in the Nation) such additional expenditures would not jeopardize the solvency of the national economy.

While I am on the subject of money I would observe a phenomenon of our time that concerns me in the context of the war we are in: the almost Pavlovian reaction our stock market takes each time the Kremlin blows hot or cold upon us.

Most recent incident: the rush to buy defense stocks in reaction to Khrushchev's heated remarks just prior to and during the summit meeting and the slump in these same stocks following his statement that he will take the heat off Berlin for 6 to 8 months.

Such immediately manic and depressive responses to the utterances of a Communist dictator is of concern in several ways: it seems poor business method in the first instance; it shows a considerable lack of sophisticated understanding of the biggest business in America, i.e., the defense business; and perhaps most disturbing of all, it is an alarming acknowledgment that our national economy, not to mention some of our national policies, is subject to the calculated whim of a man or group of men in Moscow.

Parenthetically, such economic nervousness might be considerably minimized if the American people had cause to be more confident in their defenses and intelligently advised as to positions their Nation plans to take in the world.

Along such lines, we could begin to reorganize our defense establishment along the lines pertinent to the actual form of the physical threat. We could do this by unification of the services with a single promotion list, by creating an integrated retaliatory force, an integrated home defense against submarine and air attack, an integrated limited war deterrent, and an integrated logistic force.

We could begin to effect real economy of time, talent and money by revising our defense planning system toward a more appropriate objective. One in which the formal intelligence estimates of the threat against our defenses is officially used by both the

executive and legislative branches as the basis for constructing our perennial defense budget.

Certainly, the threat against our country has, over the past several years, obviously increased in tempo, in magnitude and has changed significantly in the character of weapons that might be launched against us. Yet the rigid budgetary domination of our defense planning has not changed; for years, under this administration, the allocation of moneys under the ceiling established by the Bureau of the Budget each year has remained exactly the same: 23 percent for the Army, 28 percent for the Air Force. I submit such inflexibility of planning in our defenses is out of joint with the hurrying and changing times.

On another and most important front we could, and long since should, have established a Government agency for the long-term purpose of planning arms control. In this regard, last fall President Eisenhower asked a group of private citizens called the Coolidge Committee to consider on an ad hoc basis possible American policy in the field of disarmament. The Coolidge Committee's report was rendered several months ago—I doubt you will ever see it. My doubt is based on a strong hunch that this report included, among others, the conclusions that—

(a) Arms control should be a matter of permanent rather than ad hoc consideration by the American Government.

(b) Arms control may, in the long run, cost as much if not more than our current defense effort does.

(c) It may be academic for the United States to seriously talk of arms control or disarmament until that day when it is once again strong enough to be listened to on the subject.

We could take broad and intelligent steps to acquaint the American people with the value of a civil shelter program as an element of our deterrent capability that would impress Khrushchev—who considers such things important in his factoring of our national attention to the facts of life or death in the age of nuclear weapons.

In the final analysis, an American people alerted to the conflict being waged against them and obviously working industriously and without fear to meet it would engender a national attitude which, in itself, would be the most impressive element of an effective and continuing defense against nuclear war or the political advances of communism.

For if the Kremlin can be impressed that the American people clearly understand the principles involved and are willing, if need be, to risk their national life to defend those principles—I doubt the risk need ever be taken.

Can the American Nation convert itself, in a brief space of time, to such an attitude? Can we switch from our current preoccupation with the good life to one more appropriate to the grim realities of the day without the violent impetus of actual war?

I believe we can. I have a feeling the people are inherently ready to better organize themselves to deal with this new form of conflict. I suspect this feeling can be coalesced with great rapidity by a leader who understands the conflict and who, himself, has the moral force to deal with the situation.

Witness the American people's reaction to Charles de Gaulle. And witness what De Gaulle and the French people together have done, in a couple of brief years, to come from a point of international condescension to a position of at least respectful consideration by Soviet Russia and the world.

I firmly believe that, despite the gloomy aspect of the moment, there are physical things we can do, there is intellectual attention we can pay, and there is a moral position we can take—all in time enough to insure the safe passage of our society through the decade we are now entering.

We can do these things if we, as a people, understand the threat; if we are willing to work extraordinarily hard to reorganize ourselves to meet that threat; and if the world, and particularly communism, understands we are willing to lay our national life on the line, if need be, to defend in the future the principles for which so many Americans have given their lives in our Nation's illustrious past.

Mr. SYMINGTON. Mr. President, I do not necessarily agree with each and every one of the observations made by Mr. Lanphier; but I hope the address will be read by every Member of this body. I wish it could be read by them before we decide on this all-important measure relative to our national defense.

As many of us have been saying for years, if we are wrong in regard to what we believe is needed, the United States will lose some money—perhaps 2 days of its annual income. However, if we are right, but if these policies are not changed, we may lose our country.

ORDER IN CONNECTION WITH RECONSIDERATION OF VOTE ON BILL ELIMINATING AFFIDAVIT OF LOYALTY

Mr. JOHNSON of Texas. Mr. President, I shall vitiate the order I am trying to obtain if, after it is entered, it is found that it is not agreeable to the minority leader. However, I must leave the floor; and, therefore, I ask unanimous consent that at 12:30 the Senator from Florida [Mr. HOLLAND] be recognized in connection with his motion to have the Senate reconsider the vote by which the loyalty bill was passed last evening, and that not to exceed 20 minutes be allowed for debate, with that time to be divided equally between the majority leader and the minority leader.

Mr. President, if there is objection to that proposal by any Member of the minority, I shall withdraw it.

The PRESIDING OFFICER (Mr. LUSK in the chair). Is there objection? The Chair hears none. Without objection, it is so ordered.

JOHN TATSEY WRITES AGAIN

Mr. MANSFIELD. Mr. President, in the past several months the Senate has discussed many serious legislative proposals of importance to the Nation and the well-being of our allies. It often seems that the proceedings of the CONGRESSIONAL RECORD are sometimes lacking in human interest material. I think it is about time that the thousands of people who read the CONGRESSIONAL RECORD are again treated to a selection of news columns by Montana's colorful news analyst, John Tatsey.

As many colleagues in the Senate will recall, John is the Blackfeet Reservation policeman at Browning, Mont., and writes a weekly news column for several of the local newspapers.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a series of news columns taken from the Glacier Reporter, of Browning, Mont., and the Hungry Horse News, of Columbia Falls, Mont.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Glacier Reporter, Jan. 7, 1960]

HEART BUTTE NEWS

(By John Tatsey)

The community dinner which was given on the 24th of December was well attended and had plenty to eat.

There were a lot of people at the midnight services Christmas Eve, some folks from town.

Mr. and Mrs. Joe Buggar went to Starr School for the Christmas dance and Joe strayed away in Browning. The day after Christmas Joe was seen walking down an alley with a lady. Mrs. Joe Buggar finally found him and took him home. That evening at supper Joe was mad instead of his wife. He took and threw some turkey and stuffings at his wife. She jumped behind her brother-in-law and he got the turkey on the cheek.

Wm. Comes at Night came home from Warm Springs for the holidays and will be going back this week.

Mrs. Francis Bull Shoe and daughter, Mrs. Eagle Feathers, came back from Flandreau where she spent Christmas with her son. Nice trip. Patty and Peter Tatsey, Jr., were along. Patty said she saw Crow Indians at Hardin. She said they were short and fat.

The school program was one of the best for a long time. The children did really fine and one boy by the name of Hot Dog had the crowd laughing all the time.

The Heart Butte dance was really a dance where everyone had a good time and a lot of people from all over. The dancers did not have much room. It was a real Indian dance. There were a few disturbances but they were soon taken care of.

Mrs. George Choate lost her car at Starr School. The driver parked the car and was picked up for fighting. The next night he got out of jail and was caught driving the car and was back in Jimmies Motel.

Mr. and Mrs. Joe Burdeau were at Heart Butte last Sunday for the stick game.

Mose, the trapper, was hired by Richard Heavy Runner to trap some beaver. He made his set and caught two that night. He told Richard he would take some wine for pay. If he did not get that he would turn the beaver loose.

Stoles did some trapping. He caught one large beaver. He brought it to town and asked big money for it but wound up getting $1.50 for it.

One night Stoles was wandering around town after the bars closed. Did not know where to find a friend but finally thought of J. H. Walters. So he headed up that way. When he got there everyone was in bed. An old lady told him to go in the office. The trustees gave him a mattress to lay on. Next morning Jim Walters came in and saw Stoles laying on the floor and asked what it was.

[From the Glacier Reporter, Jan. 21, 1960]

HEART BUTTE NEWS

(By John Tatsey)

Last week there was no news sent on account of the reporter being too busy to take time to write.

There was a lot of snow fell Sunday night which measured up to 8 inches on the level.

There was some elk meat sent out to Heart Butte last Saturday and people were glad to get it.

Ralph Larson from Big Badger trailed his sheep to his lease east of Heart Butte where the feed is still good, hills and ridges bare of snow.

Ed Gobert and Tatsey were driving around the community last Wednesday checking on

an assault and battery case which took place Tuesday night at a deserted cabin on White Tail Creek.

Wm. Comes at Night left last week for Warm Springs where he will stay till this summer and may be released.

Joe Running Crane motored to Valier and Conrad last week where he visited the Conrad packinghouse and came home with some entrails and gave himself a big supper.

Some of the folks went to Browning Tuesday for an open meeting at the agency barracks. Purpose of the meeting was on irrigation and ownership of the water; there were several speakers. Attorneys John P. Moore and Cedar B. Aranow tribal attorneys were present. Fish Wolf Robe of Moccasin Flat made the following statement, he said that he was 89 years old and knows that the Blackfeet Tribe owned the water which runs through the reservation and the reclamation came along and put in ditches and started running water to different parts of reservation and charged the Indians $1.80 per acre weather they used the water or not. The Indian was being charged for his own water. Fish said all water which runs from the Rockies east runs clear to New York and why don't the reclamation charge the people that use the water between here and New York.

Big Eagle told the reporter that Joe Running Crane took a notion to go hunting jack rabbits during the last snowstorm. Joe went on horseback; when he went he took a long stick and wire on the end. He shot a jack and used the stick and wire to get the rabbit. He could not get off his horse. If he got off he would not be able to get on. Nothing to stand on for a booster.

Stoles Head Carrier told Tatsey of his last big spree. One Sunday afternoon he was going home when he came to a bank along the creek. He said he did not know of being so close to the bank when he staggered and stepped off the bank. He rolled 15 feet down to the bottom. The only thing that saved him from going in the creek was a patch of birch. That's what saved Old Napi one time is birch.

Joe Running Crane came to the police quarter this morning and told the reporter that Big Eagle took a sneaker yesterday. He told his wife that he was going to the creek and chop a water hole. Never came home. His son went out and looked for him and found him at Victor Mad Plume home sick, sober, and sorry.

[From the Glacier Reporter, Feb. 18, 1960]

HEART BUTTE NEWS

(By John Tatsey)

It sure has been nice weather the last few days and many people were able to come to church. James Walters was out from town to attend the church services, he has more faith in the Heart Butte church.

A sheepherder went wild for several hours Monday. He had two, shotgun and rifle. He stuck the shotgun in the belly of his boss. The boss got away and came straight to the police quarters at Heart Butte. The Pondera officer came late in afternoon and drove out to the camp and got the man out in the open country. Tatsey was going to use Indian style on him—run circle around his sheep wagon.

Rodger Crawford heard of the excitement. Got home and was already for any one to show up. Checking over his rifle when a chicken flew up on the window he dropped his gun and hit for the next room.

The Conrad Junior basketball team came to Heart Butte and lost the game Sunday afternoon. The Browning Merchants came and lost to the Heart Butte Warriors. The score had a big gap in favor of the Warriors.

Sunday evening there was another game between the Warriors and Independents of Browning. Game going to Heart Butte 117 to 94.

Mose the trapper has not had any luck this winter. There is a little boy who lives near the school; one evening he got home when he noticed a beaver sign at the water hole. He got some baling wire which he used for a snare. Next morning he caught a blanket beaver.

Stoles Head Carrier has been hanging close to home. When he goes any place he goes at night so no one knows or see what he does.

The picture which showed up in the Reporter last week. People were wild over it wondering what it was. The old timers tell of such things like it which they call water people. The old timers have seen those things live and moving. A few days after the picture was seen the people still wondering what it was.

Mr. and Mrs. John Head Carrier was out visiting and were coming home late. While walking along White Tail Creek he saw a person standing in the creek through the ice. He could not go down or out. When John got up to him it was his uncle he pulled him out and he was drunk. He still had his wine and beer at Heart Butte. Everything is alive all real.

[From the Glacier Reporter, Mar. 10, 1960]

HEART BUTTE NEWS

(By John Tatsey)

Last week there was not much going on as every one was attending the all Indian Basketball Tournament in Browning, which was one to brag about.

Sunday was a nice day and were a lot of People come to church, and in the afternoon Wippert Place was also crowded.

John Tatsey was lucky in winning the TV set, first time in his miserable life won something.

Joe Running Crane invited John Tatsey to go to Conrad to get intrails, but they had not butchered.

The Heart Butte sewing club had a display of aprons, quilts, and dresses at Mrs. Geo. Wippert Place.

Stoles Head Carrier stayed in all during the zero weather and one day he got out in the brush to get wood. When two boys came by they saw something moving around among some willows. One said it was a porcupine. When they went to see it was Stoles.

The reporter is writing the story of how the Blackfeet got the name (Blackfeet), and also the Piegan name. It will be a week or two and might be interesting.

Francis Evans No. 2, Leonard Mt. Chief, Sammy Vielle were picked up on a theft charge. All posted bond.

Tatsey got a letter from a man from Brady inquiring about Stoles. He has a job as soon as it warms up. He forget to finish a few loads of rock.

[From the Hungry Horse News, Mar. 11, 1960]

COMES AT NIGHT OFF ON WRONG TRAIL

(By John Tatsey)

HEART BUTTE.—George Comes at Night got off on the wrong trail one Saturday evening. The wife was worried she had a search out for him but was found safety at Jas. H. Walters Place (the jail). It took him just 1 year to step off. He did alright.

Dave Marceau has come home from Washington where he spent a few years. Glad to see him back.

There was no news sent in last week on account of a 1 day change at the office.

The tribal council were at Heart Butte Wednesday the 23d of February where they had a meeting with the Heart Butte people.

The Heart Butte Warriors went to Cardston last week and had a basketball game with the Saint Marys school team and lost by the score of 75–74.

Last Sunday the St. Marys team came to Heart Butte and played in the afternoon and lost to Heart Butte by a score of 50–62 in favor of H.B.

The school basketball team went to east Glacier and came home with the trophy.

Last week Stoles Head Carrier was in town with his furs but came out short after selling but came home happy.

There was a young lady in Browning last week who was on the street. She had something in her hand which she wanted to soak for a few days. The victim look at it, it was a glass eye. Believe or not but its true.

[From the Glacier Reporter, Mar. 24, 1960]

HEART BUTTE NEWS

(By John Tatsey)

Last Sunday was a real beautiful day and they had a lot of People in church and afternoon People gathered at Geo. Wippert Place which went into morning.

Spring has showed that its really here. There were black birds and Killdeers around.

Tatsey drove to Cut Bank Tuesday with a boy that wanted to join the armed forces.

There has not been much going on at Heart Butte but should boom from now on and the weather gets better.

Mose the trapper has been hanging around Browning so the beaver are rather safe.

Stoles was out looking over his traps one morning and found a yearling heifer in a beaver dam drowned so he pulled it out and next 2 days used all his wind cutting dried meat and smoking it to keep the flys away. Remember the flys wont show up till it really warms up.

Pete Day Rider has been taken to the hospital for treatment.

Last week there was a young lady who was fighting her husband and a young girl so she ran down to Tatsey quarters to make a warrant. She started to run and soon she heard some thing behind her so she ran faster. When she got to the Police quarters she looked back and saw a big black dog following her. She thought it was her husband.

[From the Hungry Horse News, Apr. 22, 1960]

MARGARET BOY WEDS COMES AT NIGHT

(By John Tatsey)

Wilard Comes at Night and Margaret Boy were united in marriage Sunday in church. When they left the church they found their car with tin cans tied to the back end and writings such as big daddy.

Mose the trapper has moved to the Frank Johnson place on birch Creek. He has been getting trapped at Heart Butte. Over there are no human trappers.

Tatsey the Police was Patroling Big Badger Creek and saw some fresh signs of beaver and set a couple of traps. When he went to see the next morning there was a mallard in one of his traps.

Palm Sunday was warm and sunny and there were a lot of People in church and everyone was driving around enjoying the warm weather.

Stoles came back from Conrad Monday where the Party last saw him in a back alley with a quart of Gallo and one whole raw kidney. When they looked for him he was gone. Maybe he found a warmer alley and sleep. He don't forget to feed and take care of Stoles.

Mrs. Gorge Wippert said that she has finally got her deed and abstract to the land she is living on at Heart Butte.

Last Monday morning the Police was called that some boy was disturbing Peace up the creek. When found it was Calf Robe and was brought to Browning with some beaver hides.

The Heart Butte race track has been bladed out and leveled for the summer Races.

The committee held a meeting at the school Gym where Calvin Augare was present discussing the coming July Rodeo in Browning.

[From the Glacier Reporter, Apr. 21, 1960]

HEART BUTTE NEWS

(By John Tatsey)

Everybody had a happy Easter and enjoyed dinners at several homes.

Stoles spent his Easter in Browning and came home Easter Monday and doing all right. There might be a wedding we'll wait and see.

Bernie Wilson, Tatsey and two railroad men, Larson and Powell, were on the southside looking over things. The country was a little rough for railroad men.

Tatsey drove to Cardston last Monday evening to a Indian dance at the Gladstone dancehall. A beautiful building. Every one had a good time.

Richard Heavy Gun, John Head Carrier, Henry Bear headed to Cardston for the dance but were tanked up. They did not even go by the customs and were in a farmers pasture when the officer from Cardstone came. They faced a real judge. They will be over there awhile.

All tribal Police have the two-way radios in there cars and are really handy, so boys be more careful.

At the last law and order meeting it was suggested to arrange to send some of the bad wino cases to the Warm Springs. It might help a lot.

[From the Glacier Reporter, Apr. 28, 1960]

HEART BUTTE NEWS

(By John Tatsey)

The storm that came up Saturday sure disappoint a lot of folks because they could not get to church and there week end stick game. There was all of 3 feet of snow on the level.

Police Tatsey was stalled between Old Agency and Duck Head Hill and could not go either way. Lucky he had his two way radio. Porky Sellars came out only to get stuck but all got home O.K.

Mose the trapper headed toward Swift Dam before the storm to trap. He is trapped in there by the deep snow. There was a letter sent to the reporter asking if Mose would rather give up beaver trapping and go killing porcupine for the hide. Some money in it.

Stoles Head Carrier has been staying close to home. He can not walk in deep snow. He may loose some weight when the snow goes off.

Alfred Bouttier is out to Big Badger helping with cattle and sheep at the Tatsey ranch.

Dr. King was called out to the Richard Heavy Gun place Tuesday night where Richard got an attack of some sort and was very sick.

Mrs. Frank Comes at night rushed her little girl to the hospital Saturday afternoon.

Louie Red Head has been staying near the school all winter. Last Friday he went home west of Heart Butte about 4 miles. Sunday morning he saw that he was hemmed in by snow.

The storm was really hard on the loafers. Farmers and stockmen were happy. All worried before the snow came. All safe now.

There will be a music festival at Heart Butte School on May 5 by the school children.

George Wippert was rather lonely Sunday. No one come but had a few boys who played pool till late at night.

Old time doctors who first came to work among the Indians claimed that they could cure drunkenness by injecting horse blood in their veins. Maybe now it would be better to inject horse sense into their heads. Might help some.

Sam Horn was seen in Browning last Thursday first time all winter. He thought it was summer but found it different Sunday morning.

[From the Glacier Reporter, May 12, 1960]

HEART BUTTE NEWS

(By John Tatsey)

Thomas Weasel Head was jailed at Heart Butte, Sunday night and came to town Monday and was picked up by the city police—rather unlucky.

Stoles Head Carrier was in town Tuesday did his shopping and went home. No one knows what happened at home. Wait and see next week.

Mr. and Mrs. Francis Bull Shoe motored to Great Falls Saturday returned in the evening. Francis has started lambing.

John Aims Back has been sitting in the dark after the storm last week. After hunting on Monday in the mountains he got snowblind.

All roads to homes off the main roads were plowed out so everyone was able to move around.

No word has been received of the trapper Mose—he should have showed up on the first of the month.

Mr. and Mrs. John Little Dog were at Heart Butte Sunday evening for the stick game.

Geo Aims Back has been on a 180-day suspended sentence. He completed the sentence Sunday and took off on a celebration. Warrant coming up.

A late report has come in of Joe Running Crane emergency police help. Last Monday he started to walk to the store to get some stuff to eat. He was with his brother in law, he did not go far when he laid down and sent for his wife to go on where he left off and some one came along with a go devil, and rolled Joe on it and took him home.

Johnnie Calf Tail was picked up Monday for causing a disturbance at his home Sunday night. Judge Sharp sentenced him to 60 days.

Sunday was a big day at Heart Butte. A lot of people attended the morning services at the church and most everybody stayed around enjoying the nice weather.

Saturday must have been yard cleaning day for every house. Fires burning trash and the yards are nice and green and some had flower beds and some are out of the ground.

Some of the boys that do plant little grain are getting ready to work up their grounds.

People are all excited about a per capita payment. Heart Butte may have a hot time.

Mose the trapper showed up after the snowstorm and came out with beaver pelts and been staying in town waiting for payment.

Last Sunday was the first time Stoles showed up. He was dressed up and had a straw hat. He is a good looking man but wait until he gets the hundred dollars.

Stoles has stayed on the wagon during last month, but his partner, Crow Tail Feathers fell off somewhere.

Louie Jackson motored to Conrad to see Mr. Robert Kropp on business.

Joe Running Crane has been reporting at the tribal office as sergeant at arms, he fits the job perfect.

James H. Walters quarters look like big construction act last week the way men were moving around and shovels flying around. He works them too hard they don't stay too long.

[From the Glacier Reporter, May 19, 1960]

HEART BUTTE NEWS

(By John Tatsey)

Harry Morris deputy from Dupuyer was at Heart Butte last Tuesday on business.

John Tatsey the tribal police motored to Conrad last week.

People are wondering how they are all going to get to Browning when that time comes for the payment. The tribe should run a triweek railroad to Heart Butte so Stoles and some of his followers will have transportation. No one wants to have them.

Wm. and Helen Running Crane were called to Spokane, Wash., where their daughter Cecil is in the Saint Mary's Hospital. She broke her back in a car wreck which happened last Friday night.

The seven and eight grade children from Heart Butte School took a field trip to Hungry Horse Dam and on to Columbia Falls for dance.

Lower grades took a trip to East Glacier and to Medicine Lake.

There are some folks that are going to Flandreau Indian School for the graduation of some of the Blackfeet children who have been attending that school.

Women are getting wised up in collecting alimony money for their children where the father neglected them. There were three cases this week and more coming.

Chas. L. Jacobson from Conrad was at Heart Butte Sunday getting acquainted with the voters of Heart Butte. He will be around and talk to people in person. He may be a good man for our courts. He is young and good hearted so let's consider him and support him at the primary.

There is something the Indian never got over is that they are fast drinkers. They cannot just sit and sip. They take all they can in one shot. Before liquor was opened on the reservation they used to drink all they can before the police came.

Still doing it, take it easy boys.

There will be a committee meeting Saturday, May 21 to select the Fourth of July committee for the camp at Heart Butte. This is an Indian celebration so all are invited and help us put on a good celebration Saturday afternoon.

[From the Glacier Reporter, May 26, 1960]

HEART BUTTE NEWS

(By John Tatsey)

Some new happened last Sunday, just before the People went in the church two Spotted Eagles started scuffle or fighting which the Mrs. Spotted Eagle headed for Police. This took place in dizzy land, some good People and some bad.

There was a meeting held at Pete Stabs by Mistake home last Saturday where they elected there committees for the celebration camp in July. Sam New Breast, Lomie Red Head, John Tatsey, Joe New Robe, Leo Sure Chief, Paul Running Crane, Wm. Running Crane Treasurer. This group will hold another meeting next week and set there program in the line of Indian doings.

There are nine folks from Heart Butte landed in James Walters quarters while Jim was gone. Stoles bought a car Friday and was giving free rides. The first trip to town the officers nailed him and his riders with him. Stoles was good while on foot he covered too much territory in a car.

We see Posters and card scattered on the reservation with the name Margaret Walters seeking office Clerk of District Court. She is one our Browning citizens has been operating the Yegen Hotel. She has served the People well mainly the old folks so let's remember her on June the 7th, they serve some good boiled ribs.

Last week Stoles was seen at Twin Lakes laying by the shore had a fish pole with no line or hook but he had something else by him.

Last Sunday there was banquet held at the school dining room where the Parents were all Present. Had plenty to eat. So some never went home to eat they stayed with the stick game.

There is a couple that never mingle with Indian stuff but are regular comers now on Sundays at the hand games. Mr. and Mrs. Earl Olinger its OK.

Sorry readers last weeks news was not in the reporter. Maybe the editor may have mislayed it so will have to Jack him up about it.

[From the Glacier Reporter, June 2, 1960]

HEART BUTTE NEWS

(By John Tatsey)

Sunday was a nice day and there were a lot of people at the church and the rest of the day some were in Conrad for the radio and everyone enjoyed a good time.

Monday, Decoration Day, there were a lot of people taking care of their loved ones. The graveyard was a beautiful sight all day with flowers and flags for the soldiers.

Stoles Head Carrier was a visitor at the police quarters Tuesday, he was O.K.

Lost—Dan Calf Boss Ribbs was to put on a medicine pipe smoke. He went up to the store to buy some tobacco and landed in jail, and never came home for a week. He made his medicine at Walters Hotel.

All the folks that went to Flandreau all came home and report a fine trip.

Francis Bull Shoe took his son and others to Duck Lake to fish. Did not have any luck so drove to Cut Bank Creek where his grandson Rusty was fishing when a beaver came out from the bank and swam into his line and hooked it by the tail. The little boy got scared and ran.

Tuesday the funeral was held for Melvin Rutherford and there were a lot of people attended so it showed Melvin had a lot of friends.

Mose the trapper has not been around. He went to town and has not been home so may have to look for him.

"HOW TALL IS A GIANT"—DOCUMENTARY FILM ON LITTLE LEAGUE CHAMPIONSHIP BASEBALL TEAM FROM MONTERREY, MEXICO

Mr. MANSFIELD. Mr. President, on Monday night, I had the pleasure of witnessing on television one of the very few good shows put on through that medium. The show had to do with the Little League world's championship baseball team, from Monterrey, Mexico. I thought the show was both moving and factual as well as was outstanding.

As I recall the championship game, it was my impression at the time, and still is, that these Little Leaguers from Monterrey, Mexico, were, as a group, the best ambassadors the Republic of Mexico had ever sent to our country. They certainly were the Cinderella team of the series. They started as an organized team and in their first year, won the regional playoffs in Texas and Kentucky. They had to work and play under circumstances which were quite different, insofar as they were concerned, from the ones which they were accustomed to in Monterrey.

It is my hope that this documentary film, entitled "How Tall Is a Giant?" will be shown on as many networks as possible, because it will help bring about better understanding between our great neighbor to the south and our country.

I recall that after that team won the championship, the members were received by the President of the United States, in the White House, and also visited the Capitol. One picture which struck my fancy was that taken of the majority leader of the Senate, the senior Senator from Texas [Mr. JOHNSON], with Angel Macias, the star pitcher of the Mexican team.

Special credit certainly should go to Mr. Cesar Faz, who managed the team. He was born in the States, played minor league baseball, and proved himself to be an inspiration and an example to these youngsters. He was, and is, a real credit to both the United States and Mexico.

Also worthy of commendation is an American who was working in Monterrey at the time, Harold (Lucky) Hastings, who along with Mr. Faz, did much to get the team organized, and accompanied it on its various trips to the United States, and is to be commended for the part he played in bringing about a better cementing of the relationships between the Republic of the United States of America and the Republic of Mexico. Mr. Faz, Mr. Hastings, and all the members of the Monterrey world champions are giants in their own right. The Senate and the people of the United States are very proud of all of them.

Mr. President, I ask unanimous consent that an article written by Jack Gould, and published in the New York Times of June 16, be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TV: LITTLE LEAGUE HEROES—DOCUMENTARY ON MEXICAN TEAM THAT WON 1957 CHAMPIONSHIP SHOWN ON CHANNEL 4

(By Jack Gould)

A documentary reenactment of the storybook success of the Little League baseball team from Monterrey, Mexico, which in 1957 won the championship at Williamsport, Pa., made for a warm and absorbing film Tuesday over channel 4.

The small youngsters from poor homes in the Mexican community were shown clearing a lot for their first game and then steadily moving forward to greater triumphs, first in the regional playoffs in Texas and then in the Little League World Series.

The film related how the boys lived in their uniforms, walked 7 miles to their first game in Texas and in other ways fulfilled their designation as a Cinderella team. Through the film the problem of racial prejudice was gently introduced. The few unpleasant incidents were more than counterbalanced by acts of thoughtfulness and generosity on this side of the border.

The narrative weaving through the film was the role of Cesar Faz, who organized the Monterrey team with an American friend, Harold (Lucky) Hastings. Mr. Faz himself had had baseball ambitions. In his protege, Angel Macias, who pitched a perfect game at Williamsport, he saw the fulfillment of his own dreams. At times the secondary story seemed a shade overdone, if only because the large accomplishment of the youngsters spoke for itself.

Use of the film on the National Broadcasting Co.'s facilities represented something of a departure—and a welcome one—from usual network practice. The film appeared to have been shot on a silent basis, with the commentary of Mr. Faz and other dialogue dubbed in afterward. From the purely technical standpoint it might not be normally considered for a network special.

But the appeal of the film was enhanced by the absence of the familiar Hollywood slickness; the program had a naturalness and credibility often lacking in many of TV's simulated documentaries. Hugo Mozo, who directed, attained some striking shots of life in Monterrey and displayed considerable artistic ingenuity in making the film on a relatively modest budget.

"How Tall Is a Giant?" as the presentation was entitled, suggests that TV might find other programing material in the experiences of real people. Where the story values are strong, as they were Tuesday night in the courage and determination of the Mexican lads who made their hopes come true, production frills are not too important.

The presentation of the film coincided with Little League Week. No doubt the TV program further stimulated interest in the expanding organization of baseball for young boys. But in watching Tuesday night's show perhaps some viewers wondered a little about the wisdom of placing such extreme pressures on children. Asking youngsters of the age of 12 or 13 to play for a "world championship" would not seem to reflect maximum credit on the judgment of the adult generation.

COMMUNIST INFILTRATION

Mr. BRIDGES. Mr. President, I commend to my colleagues in the Senate a column written by David Lawrence in last night's Washington Evening Star.

It alerts us to a problem about which we have become indifferent or lax. It is the problem of Communist infiltration in this country and in countries abroad. This infiltration takes many forms. It might be spying and subversion or it might be in the guise of so-called student demonstrations.

Student demonstrations cannot be taken lightly whether or not they occur in San Francisco, Ankara, or Tokyo. This is certainly true today when we read in the news dispatches that student demonstrations have forced the Kishi government in Tokyo to withdraw its invitation to President Eisenhower to visit that country.

These Communist-inspired student demonstrations have become so potent in Japan that they threaten the stability of that country and they are expected to force the overthrow of the Government at any moment.

Mr. President, David Lawrence has pointed out the dangers of Communist infiltration and I commend his article to my colleagues in the Senate. I ask unanimous consent that this column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, June 15, 1960]

U.S. PERIL: COMMUNIST INFILTRATION—MANIPULATION OF COAST STUDENT RIOT AGAINST HOUSE PROBERS SAMPLE OF THREAT

(By David Lawrence)

Although the Secretary of State, Christian A. Herter, has reported to Congress that the Government of the United States knows the Soviet Government and its allies have 300,000 spies and subversive agents in Western countries, including the United States, this hasn't attracted much attention, even in Congress.

While the rise in Communist activity has been going on inside the United States in recent years, the battle to root out subversives has been flagging. "Student" demonstrations are being boldly organized in an attempt to influence public opinion to demand the abolition of the House Committee on Un-American Activities—an effective

means of exposure through publicity that can warn citizens against being duped and misled by the Communist apparatus.

The Communist menace, indeed, has been pooh-poohed in America recently to the point where indifference now takes the place of alertness. The American people have been lulled into a mood of acquiescence. This has been brought about by the attitude of many misguided persons who, though themselves loyal to America, have assailed all efforts to cope with communism as just "McCarthyism." Conceding that at times some Members of Congress have been overzealous or even oversuspicious about Communists, the facts nevertheless show that Communist activity inside the United States is certainly not a myth.

The favorite comment of those who minimize the Communist operations is to measure the Communist movement in terms of the relatively few members of the Communist Party itself. Actually, however, it takes only a few persons to infiltrate and directly to influence the speeches and comment of persons inside churches, the labor unions, the press, the theater, the colleges and the government.

Not long ago a "student" demonstration occurred in San Francisco. It got headlines because demonstrators sought to discredit the House Committee on Un-American Activities, which was holding a hearing there. Representative GORDON H. SCHERER, of Ohio, Republican, who presided at the California session, said in a speech to the House of Representatives on June 2:

"Let me state categorically that the shameful San Francisco city hall rioting was not a spontaneous outburst of student indignation against the House Committee on Un-American Activities, as many people would like for us to believe. Approximately 3 years ago the Communist apparatus decided that, if its operations in the United States were to be less hampered and more successful, it had to get rid of the Committee on Un-American Activities, discredit the great director of the Federal Bureau of Investigation, and generally weaken the FBI's influence and powers."

Representative SCHERER gave a detailed account of how persons admittedly members of the Communist Party had helped to steer civic and student organizations to participate in the demonstrations. Unfortunately, some churchmen of the leftwing groups have been assailing the House committee and its hearings. That's why Mr. SCHERER included in the speech a statement by a group of ministers who actually witnessed the demonstrations in San Francisco against the committee. This statement said in part:

"The shameful demonstration against law and order and against this duly constituted committee of the Congress defies description. It is our certain conviction that this indefensible demonstration against law and order was conceived, planned, and directed by a few hard-core Communist agitators who were carrying out their textbook orders on insurrection with classic success. Leaders of the mob included faculty members and well-known leftist lawyers for the fifth amendment Communists."

The real story of Communist activity among students in Japan is just emerging. The Tokyo correspondent of U.S. News & World Report in a dispatch last week said Japanese security officers were convinced that funds for student demonstrations there had come from Russian reserves built up in Japan through book sales and cultural tours.

Within the last 24 hours, the United Press International reported from Tokyo that "International communism poured hundreds of thousands of dollars into Japan to oppose President Eisenhower's visit and to fight the new Japan-United States security pact." The dispatch added:

"This confirmed earlier reports from Hong Kong which said the Chinese Communists were supplying huge sums to visitors to mainland China who returned to their homelands to promote the Communist line. Some of the funds went to assist unions which reluctantly supported the anti-American forces against their real wishes but which were in need of money."

When will the American people wake up to the fact that the biggest danger in the near future isn't a nuclear war, but Communist infiltration? Just at a time when exposure and full publicity on Communist methods and tactics are most needed, there is a tendency on the part of leftwing groups in this country to give aid and comfort to the Communist cause by trying to frustrate or abolish the only congressional machinery available for investigation and exposure of Communist intrigue in America.

RECLAMATION PROGRAMS—STATEMENT BY WILLIAM E. WELSH, SECRETARY-MANAGER, THE NATIONAL RECLAMATION ASSOCIATION

Mr. YOUNG of North Dakota. Mr. President, I think it safe to say that no domestic program of the U.S. Government is more important to the growth and prosperity of the West, the Nation's fastest-growing region, than the Federal reclamation program. Regulations and policies affecting this vital program must be kept abreast of changing circumstances and the national need. They must be realistic and sound with respect to the circumstances in which the program is intended to operate. In recent years there has been ground for belief that some of the policies applied to the reclamation program are such as to hamper, and even stifle, western progress, rather than guide and support it.

Last month the secretary-manager of the National Reclamation Association, Mr. William E. Welsh, testifying before the Senate Select Committee on National Water Resources, presented a brief and clear statement with respect to these matters. Since this statement very ably presents views which I believe are important to the welfare and future of the Nation, I commend it to the attention of the Members of this body, and ask unanimous consent to have it printed in the RECORD as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BEFORE THE SENATE SUBCOMMITTEE ON APPROPRIATIONS FOR PUBLIC WORKS BY WILLIAM E. WELSH, SECRETARY-MANAGER, NATIONAL RECLAMATION ASSOCIATION, WASHINGTON, D.C.

My name is William E. Welsh. I am secretary-manager of the National Reclamation Association. It has been my privilege to appear before this committee for the past 11 years in support of the reclamation program for the Western States in behalf of the National Reclamation Association. I wish at this time to express my appreciation to the members of this committee for the very courteous treatment and consideration that has been shown to me on these numerous occasions. Also, on behalf of the association, I wish to express our appreciation for the splendid treatment that has been given to reclamation by this committee over the years.

IMPORTANCE OF RECLAMATION

To a very large extent the future growth, development and prosperity of the West depends upon reclamation. Based upon information contained in the last annual report published by the Commissioner of Reclamation and recently made available to the public, the reclamation projects of the West last year enjoyed the greatest and most prosperous year in all of the history of reclamation.

As a major contribution to the economy of of the Nation it was revealed that the total crop values of all the crops raised on the Federal reclamation projects of the West almost reached the figure of $1 billion, namely, $987,441,504.

Repayment record: Another high spot in the annual report was the remarkable repayment record of the settlers on the reclamation projects. That record is simply fantastic. The amount due and unpaid on September 30, 1959, would make any banker envious of that account. The amount due on that date was $140,294,831.61 and the amount unpaid was only $4,174.80; to state it in a different way, the amount that was due and unpaid on September 30 was less than one three-hundredths of 1 percent of the total amount that was due on that date.

The total cumulative value of all crops raised on all reclamation projects from the time the reclamation law was enacted up to and including the crop year of 1958 was $14,265,102,495. This is more than three times the total amount appropriated for reclamation since 1902. In that connection, it should be pointed out, however, that many of the large projects for which large appropriations have been made are still under construction and have not yet started producing crops. A great many of the other remaining larger projects have been brought under cultivation only during the past decade or so. It is also interesting to note that the total annual value of crops produced is more than three times the total annual appropriation.

The total amount of land irrigated on reclamation projects in 1958 was 6,756,737 acres. Of this amount, 3,405,057 acres received a full water supply, while 3,254,388 acres received a supplemental water supply from the Federal projects. Some of the projects receiving supplemental water received a major portion of their water supply from other sources, but the production on most of the supplemental water projects would have been far less without the water supply they received from the Federal projects.

Increase in income taxes: Numerous economic studies made on several different reclamation projects have revealed a fact that is not too widely known—that the increase in Federal income taxes from the projects areas and the areas supported by the projects are, in many cases, sufficient to repay the cost of the project about every 4 years.

GENERAL INVESTIGATIONS

For quite some time there has been an apparent misunderstanding by the general public with respect to authorized reclamation projects. Just a short time ago, in response to my request, the Bureau of Reclamation made avialable to us a list of projects pending and under various stages of consideration. This reveals very definitely that there is not an adequate backlog of reclamation projects. In fact, outside of the Missouri River Basin and the Upper Colorado River Basin, there are only two authorized projects pending before the Congress on which construction could be started if funds were made available, and the advance planning has not been completed on those two projects. They are the Canadian River project in Texas and the Spokane Valley project in Washington. With the exception of those two, there are no authorized projects ready for construction in any of the other areas of the West. This situation very definitely points out the need for adequate funds for general investigations.

BUREAU OF RECLAMATION INVESTIGATIONS

The trend that has developed in recent years in appropriations for general investigations and planning activities is a matter of increasing concern. The budget now before the Appropriations Committees includes requests for a total of $7,842,000 for the Bureau's planning programs. This is broken down with $4,650,000 for the general investigations program, $2 million for the Missouri River Basin planning work, $938,000 for the Colorado River advance planning program, and $254,000 for the construction and rehabilitation advance planning program.

Taking into consideration anticipated contributions of $104,000 and the fact that the fiscal year 1961 request includes $250,000 for an engineering methods and materials research program which heretofore has been financed from other sources, the overall request for the planning programs represents a reduction of $440,000 below the level of the planning funds available this fiscal year and a decrease of $797,000 from the level of the program actually accomplished in fiscal year 1959. This reduction also is reflected in the number of investigations the Bureau is capable of carrying on. In fiscal year 1959, there were approximately 150 investigations under way. This has been reduced to 139 this fiscal year and, with the further reduction in funds for the next fiscal year, only 115 investigations will be active.

Most of this reduction has taken place in the funds for the general investigations program which is the heart of the Bureau's planning program. On the basis of the requests now before the committees, this program is being curtailed from a level of $5,323,000 of work actually accomplished in fiscal year 1959 to $4,754,000 in fiscal year 1961, including anticipated contributions. This represents a reduction of $569,000, or almost 10 percent. Again this is reflected in the fact there were some 109 investigations under way in fiscal year 1959 whereas only 89 investigations will be active in fiscal year 1961. Or, expressed in another way, there were 25 new investigations started in fiscal year 1959, but, with the limited funds for fiscal year 1961 and the need to concentrate those funds on the work already under way, there will be only 13 new starts in the planning program next fiscal year.

If this trend is to continue it is inevitable there will be a gradual "drying up" of the reclamation program. It is these planning studies that culminate in reports that are submitted to the Congress for authorization and, after authorization, that complete the detailed preconstruction studies to prepare those projects for construction. Again I wish to emphasize that with the exception of the Upper Colorado River Basin and the Missouri River Basin, the Bureau of Reclamation has no significant backlog of authorized projects. Even in those two basins, where there is a shelf of authorized projects, there are only a few developments on which the detailed advance planning work has been completed to the point where they are ready for construction. In the light of the tremendous growth that has taken place in the population of the United States in recent years and which is expected to continue in the future, it is essential this downward trend in the scope of the planning program be reversed.

In evaluating the need for planning and its relationship to the future needs of the Nation it must be kept in mind that most of the potential developments of today require several years of careful planning and the projects that are now under study will not reach full production for 10 to 20 years. It is evident that if the Nation is to meet this challenge it must be laying the groundwork now by carrying on an adequate planning program geared to long-range needs.

Another important consideration is the need for a stable and uniform planning program. The general investigation activity in the past has been characterized by wide fluctuations in annual appropriations. For instance, the total appropriations for the Bureau's planning program reached a low of $4,301,940 in fiscal year 1953. Over the next 5 years the appropriations for these activities were gradually increased to reach a peak of $8,834,000 in fiscal year 1958. Since that time the program has been gradually curtailed and the fiscal year 1961 request represents a reduction of almost $1 million from the 1958 level. This has resulted in inefficient and costly stop-and-go operations. With each reduction in appropriation, the Bureau loses highly trained technicians with many years of experience in water resources planning only to have to recruit and train new employees when the program is expanded. A stable program would enable the Bureau to maintain a more efficient organization.

Attached is a tabulation showing the appropriations for general investigations and advance planning over a period of years. This tabulation points out very clearly the fluctuations which have been most disturbing.

RESEARCH IN ENGINEERING

Under the heading of "General Investigations" there is a request for $250,000 for research in engineering methods and materials. This item is to provide nonreimbursable funds to conduct research which would develop the use of new engineering methods and the application of new materials to bring about lower costs of reclamation projects. This research is necessary to be performed on a nonreimbursable basis since it is for the benefit of all reclamation projects. We do not believe that this type of research should, in equity, be charged against any one going project since the benefits endure for use on other projects. As an example, research in the field of suppressing evaporation from our reservoirs will benefit all future reclamation projects and, similarly, research on new techniques. New materials, such as plastic canal linings, should not be charged to present projects. Also, much of the research work is published and made available for the benefit of all countries of the world.

Attached hereto is NRA Resolution 16 adopted at the last annual meeting of the association held in Denver, Colo., in October 1959 which fully sets forth the position of the NRA with respect to general research and laboratory costs and specifically urges that such costs should be made nonreimbursable.

NEW STARTS

We wish to express to this committee our very deep appreciation for the strong position taken a year ago in which a number of new starts were approved. We believe that those projects were extremely important and we strongly commend the committee for this reason. The budget recommendations this year include six new starts. We heartily endorse that recommendation and urge that the six new starts recommended in the budget be included in the bill to be reported out by this committee.

Attached hereto is a list of projects which were made available to us by the Bureau of Reclamation in response to a request which we submitted to them several months ago. This is a list showing the status of planning on proposed or potential reclamation projects. The first list, marked "A," includes "projects now authorized on which construction could be started if funds were made available." This is the same list of projects recommended for new starts in the budget. The list marked "B" includes "authorized projects on which advance planning will probably be completed during the fiscal year 1961."

If the planning on these projects should be completed in time so that they will be ready for construction, then we urge that funds be made available either in the regular or a supplemental appropriation bill.

The "C" list includes "other authorized projects on which planning will be under way during fiscal years 1960–61." At the present time, it is not known whether any of these projects will be ready for construction during the fiscal year 1960.

PROJECTS ALREADY UNDER CONSTRUCTION

While there may be one or two exceptions, we believe that the budget recommendations as a whole for projects now under construction are adequate to keep the construction program moving forward satisfactorily on those projects, and we recommend and urge that the amount recommended by the budget be approved by the committee.

With respect to projects which have been authorized and for which initial appropriations have been made, I wish to call to your attention NRA Resolution No. 21, which was adopted at the last annual meeting of our association.

THE AINSWORTH PROJECT

Sponsors of the Ainsworth project, Nebraska, have called my attention to a peculiar provision in Nebraska law to the effect that construction on a project must be started within 6 months after the Supreme Court has confirmed the contracts and finally approved the water rights. As they have explained it to me, this means that their money must be made available now, subject to confirmation of the contracts and final approval of the water rights; otherwise, they will lose their water rights. We believe this is a good project and urgently needed.

SMALL RELOCATION PROJECTS

The National Reclamation Association, we believe, has a right to be proud of this program. We worked for quite a number of years in order to get a satisfactory law enacted by the Congress. We believe that the program is now proving to be very helpful and quite satisfactory. We are especially appreciative of the fact that this committee has approved appropriations for every project which has met the requirements of the law and been submitted to the committee for consideration. We wish to endorse the recommendations contained in the budget for the small reclamation projects program. Also, we are advised that there are at least two projects which would have completed the 60-day waiting period before the Interior and Insular Affairs Committees and will be ready for consideration for appropriations before the adjournment of Congress. We would like to urge favorable consideration for these projects by this committee and request that funds be made available.

SUMMARY

In summary, there are several points which I wish to emphasize and point out in connection with our overall reclamation program for the entire West:

1. It requires many years, often a quarter of a century to bring a major reclamation project into agricultural production.

2. The Nation's population is increasing at the rate of about 3 million per year.

3. We are losing each year more than a million acres of good cropland to suburban developments, shopping centers, airports, industrial developments, municipal expansion, highways, and other uses.

4. Our agricultural surpluses, which represent approximately 6 percent of our total production, could easily be wiped out by 1 bad year of drought similar to that of the 1930's.

In fact, there were several years during that period when agricultural production dropped as much as 25 percent.

5. Reclamation projects produce only very insignificant amounts of our surplus crops.

It is estimated that the following percentages are raised on reclamation projects:

	Percent
Wheat	2.2
Upland cotton	5.3
Corn	.46
Tobacco	none
Rice	.54

6. Our total cropland being farmed has remained practically the same for the last 40 years and there is very little likelihood of any material increase.

In view of the foregoing, we believe that we are fully justified in urging that the reclamation program for the West which has accomplished such an outstanding record should be continued on a sound and orderly basis in order to meet the demands of the future.

Again, I wish to express to the members of this committee our very deep appreciation for the splendid support which you have given to the reclamation program over the years.

MEDICAL CARE FOR THE AGED

Mr. HUMPHREY. Mr. President, in today's Washington Post appears a fine discussion by Walter Lippmann on the problem of financing medical care for our older citizens.

Mr. Lippmann presents the choice we will have to make. We can finance medical care for retired people through social insurance with taxes paid during a person's working life before his income drops off.

This is the approach of the Forand bill. This is the approach of my own proposal, S. 1151, to provide hospital and nursing home care through the social security mechanism. And this is the approach of the McNamara bill, which I am proud to join in sponsoring.

The administration opposes this approach, but fails to offer a reasonable or humane alternative.

The Eisenhower administration proposes instead to finance medical care for our aged citizens by charitable doles to the very poor, paid for out of compulsory taxes collected by the National Government and the State governments, Mr. Lippmann points out:

> For reasons which he has never explained, the President regards compulsory social security taxes as unsound, socialistic, and rather un-American; on the other hand, he regards compulsory taxes to pay for doles based on a means test as somehow more voluntary, sounder, more worthy of a free society and more American.

Mr. President, I believe Mr. Lippmann gives a persuasive and convincing argument for extension of social insurance to finance the health care needs of our senior citizens in a reasonable, humane, and dignified manner, and I ask unanimous consent that his article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEDICAL CARE FOR THE AGED

(By Walter Lippmann)

Almost everyone realizes that a great mass of the old people do not have the savings, and cannot depend upon their children, to pay for the doctors, hospitals, nursing homes, and drugs which, because they are aging, they need more than do younger people.

There are a few eccentrics, professing to be conservatives, who think that in a truly rugged individualism these ailing old people would do without medical care if they can't pay for it, or would make their children mortgage the future to pay the medical bills.

But the country is not that ruggedly obtuse to the facts of life, and accordingly both the administration and the Democratic opposition are agreed that the need, which is obvious and urgent, must be met by Government measures.

Thus, this administration has prepared a program which the Director of the Budget, Mr. Stans, says will cost $1.5 billion by 1964 and $2.5 billion by 1970. For the Democrats, Senator MCNAMARA and some 19 Senators, including KENNEDY, SYMINGTON, and HUMPHREY, have introduced a bill that would add medical insurance to the existing old-age insurance. After the first year, the cost of this program would be $1.5 billion. Thus the two programs are approximately of the same size.

But between the two programs there is a basic issue of principle. On one side are the President and his advisers. On the other side are the preponderant mass of the Democrats and also a considerable minority of the Republicans led by Governor Rockefeller. They differ essentially on how the program shall be financed.

Shall it be financed by compulsory insurance, which means that throughout a person's working life he and his employer will be taxed to provide an insurance fund for his medical needs when he is retired and is no longer earning an income? This is the principle of the McNamara bill in the Senate, as it was of the Forand bill in the House, and it has the support of the leading Democrats and of Governor Rockefeller.

Or shall the program be financed, as the administration proposes, by charitable doles to the very poor, paid for out of compulsory taxes collected by the national and the State governments?

For reasons which he has never explained, the President regards compulsory social security taxes as unsound, socialistic, and rather un-American; on the other hand he regards compulsory taxes to pay for doles based on a means test as somehow more "voluntary," sounder, more worthy of a free society and more American.

Under the McNamara bill, medical insurance would be added to the existing old-age insurance system. During his working life, each person covered by the social security system would contribute an additional amount, as would also his employer, to supplement his retirement income to include medical services.

It is true that during the first few years benefits would be received by persons who had not contributed because the system did not exist when they were earning their living. These benefits would be paid for by the younger people. But as the younger people would be buying their own insurance, there is little inequity in this. Nobody will lose anything, although those who are already too old to have been contributors to an insurance plan will benefit. In a few years everyone receiving the benefits will have paid his share.

Why does the President feel so strongly opposed to the principle of compulsory insurance for medical care to supplement the insurance, which already exists, for old age? What is wrong about its being compulsory that a man should insure himself against the needs of his old age? What is so wonderful about a voluntary system under which a man who doesn't save for his old age has to have his doctors and his hospital bills paid for by his children or public welfare funds? There is nothing un-American in the principle that the imprudent shall be compelled to save so that they do not become a burden to their families and the local charities, so that they can meet the needs of their old age with the self-respect which comes from being entitled to the benefits because they have paid the cost out of their own earnings.

The President has been led to think, he says, that compulsory insurance is "a very definite step in socialized medicine." Why? In a system of compulsory insurance the Department of Health, Education and Welfare, which would administer the program, could and should use as its agents private organizations like the National Blue Cross Association in negotiating with hospitals and nursing homes and in dealing with claims and complaints. The system would be financed as insurance. But it would be worked not by a new Government agency but by the kind of private voluntary association which the President otherwise believes in.

In this connection it is interesting to remember that in the early 1930's when voluntary health insurance plans were inaugurated, our old friend, the American Medical Association, was declaring that they were communism and socialism and socialized medicine. Today, the American Medical Association is pointing to these same voluntary insurance plans as the solution of our present needs and the proper alternative to compulsory old-age medical care insurance.

Among the opponents of medical insurance there seems to be a vague and uncomfortable feeling that it is a new-fangled theory, alien to the American way of life and imported, presumably, from Soviet Russia.

The Founding Fathers were not subject to such theoretical hobgoblins. In 1798 Congress set up the first medical insurance scheme under the U.S. Marine Hospital Service. The scheme was financed by deducting from seamen's wages contributions to pay for their hospital expenses.

If that was "socialized medicine," the generation of the Founding Fathers was blandly unaware of it.

Mr. MANSFIELD. Mr. President, is morning business concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1961

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate for consideration.

The PRESIDING OFFICER. The Chair now lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes.

Mr. CHAVEZ obtained the floor.

Mr. GRUENING. Mr. President, will the Senator from New Mexico yield to me?

Mr. CHAVEZ. Yes, if it is understood that I may do so without losing the floor, because I wish to have the Senate proceed with the consideration of the Department of Defense appropriation

bill. We have been talking all morning about improving our foreign relations, and this bill will do a great deal to improve them.

MEDICAL CARE FOR THE AGED

Mr. GRUENING. Mr. President, one of the really vital problems confronting our Nation and this Congress before adjournment is that of providing adequate medical care for the aged.

Mr. President, the situation no longer is what it was half a century ago, when Federal taxes were negligible and when it was assumed—whether rightly or wrongly—that, with thrift and prudent management, most families could save enough to make possible the care of the infirmities of old age.

However, since enactment of the Federal income tax, nearly half a century ago and the steady increase in its rates it has become also increasingly difficult for the average American family to meet this problem. To this difficulty may be added not only the steady rise in the cost of living, but also, and even more pertinent, the mounting cost of medical care. The pyramiding costs of drugs is an additional factor which has been so effectively exposed by the distinguished Senator from Tennessee [Mr. KEFAUVER] who is rendering a great public service thereby. Mr. President, all these factors require that a new approach to this problem be made.

There are two points of view, and I believe they approximately represent the difference between the attitude of the Democratic Party and that of the present administration. The difference between those points of view is excellently shown in an article entitled "Medical Care for the Aged," which was written by the distinguished columnist Walter Lippmann, published today in the Washington Post. It is a valuable analysis of these two divergent points of view. I ask unanimous consent that the article be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEDICAL CARE FOR THE AGED

(By Walter Lippmann)

Almost everyone realizes that a great mass of the old people do not have the savings, and cannot depend upon their children, to pay for the doctors, hospitals, nursing homes, and drugs which, because they are aging, they need more than do younger people.

There are a few eccentrics, professing to be conservatives, who think that in a truly rugged individualism these ailing old people would do without medical care if they can't pay for it, or would make their children mortgage the future to pay the medical bills.

But the country is not that ruggedly obtuse to the facts of life, and accordingly both the administration and the Democratic opposition are agreed that the need, which is obvious and urgent, must be met by Government measures.

Thus, this administration has prepared a program which the Director of the Budget, Mr. Stans, says will cost $1.5 billion by 1964 and $2.5 billion by 1970. For the Democrats, Senator MCNAMARA and some 19 Senators, including KENNEDY, SYMINGTON, and HUMPHREY, have introduced a bill that would add medical insurance to the existing old age insurance. After the first year, the cost of this program would be $1.5 billion. Thus the two programs are approximately of the same size.

But between the two programs there is a basic issue of principle. On one side are the President and his advisers. On the other side are the preponderant mass of the Democrats and also a considerable minority of the Republicans led by Governor Rockefeller. They differ essentially on how the program shall be financed.

Shall it be financed by compulsory insurance, which means that throughout a person's working life he and his employer will be taxed to provide an insurance fund for his medical needs when he is retired and is no longer earning an income? This is the principle of the McNamara bill in the Senate, as it was of the Forand bill in the House, and it has the support of the leading Democrats and of Governor Rockefeller.

Or shall the program be financed, as the administration proposes, by charitable doles to the very poor, paid for out of compulsory taxes collected by the National and the State governments?

For reasons which he has never explained, the President regards compulsory social security taxes as unsound, socialistic, and rather un-American; on the other hand he regards compulsory taxes to pay for doles based on a means test as somehow more "voluntary," sounder, more worthy of a free society and more American.

Under the McNamara bill, medical insurance would be added to the existing old age insurance system. During his working life, each person covered by the social security system would contribute an additional amount, as would also his employer, to supplement his retirement income to include medical services.

It is true that during the first few years benefits would be received by persons who had not contributed because the system did not exist when they were earning their living. These benefits would be paid for by the younger people. But as the younger people would be buying their own insurance, there is little inequity in this. Nobody will lose anything, although those who are already too old to have been contributors to an insurance plan will benefit. In a few years everyone receiving the benefits will have paid his share.

Why does the President feel so strongly opposed to the principle of compulsory insurance for medical care to supplement the insurance, which already exists, for old age? What is wrong about its being compulsory that a man should insure himself against the needs of his old age? What is so wonderful about a voluntary system under which a man who doesn't save for his old age has to have his doctors and his hospital bills paid for by his children or public welfare funds? There is nothing un-American in the principle that the imprudent shall be compelled to save so that they do not become a burden to their families and the local charities, so that they can meet the needs of their old age with the self-respect which comes from being entitled to the benefits because they have paid the cost out of their own earnings.

The President has been led to think, he says, that compulsory insurance is "a very definite step in socialized medicine." Why? In a system of compulsory insurance the Department of Health, Education, and Welfare, which would administer the program, could and should use as its agents private organizations like the National Blue Cross Association in negotiating with hospitals and nursing homes and in dealing with claims and complaints. The system would be financed as insurance. But it would be worked not by a new Government agency but by the kind of private voluntary association which the President otherwise believes in.

In this connection it is interesting to remember that in the early 1930's, when voluntary health insurance plans were inaugurated, our old friend, the American Medical Association, was declaring that they were communism and socialism and socialized medicine. Today, the American Medical Association is pointing to these same voluntary insurance plans as the solution of our present needs and the proper alternative to compulsory old age medical care insurance.

Among the opponents of medical insurance there seems to be a vague and uncomfortable feeling that it is a new-fangled theory, alien to the American way of life and imported, presumably, from Soviet Russia.

The Founding Fathers were not subject to such theoretical hobgoblins. In 1798 Congress set up the first medical insurance scheme under the U.S. Marine Hospital Service. The scheme was financed by deducting from seamen's wages contributions to pay for their hospital expenses.

If that was "socialized medicine," the generation of the Founding Fathers was blandly unaware of it.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the proviso that following the quorum call the Senator from New Mexico [Mr. CHAVEZ] will have the floor.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Is there objection? Without objection, it is so ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from New Mexico is recognized.

Mr. CHAVEZ. Mr. President, the Senate will now consider the appropriation bill for the Defense Department, which originated in the House as H.R. 11998.

SENATE COMMITTEE ACTION

The bill that is presented for the consideration of the Senate today provides for $40,384,897,000. It is $1,049,897,000 over the budget, $1,047,030,000 over the amount allowed by the House, and $1,150,658,000 over the amount provided in 1960.

For the Army it provides approximately $9.5 billion; for the Navy, about $12.2 billion; for the Air Force, about $17.4 billion; for the Office of the Secretary of Defense, about $1.2 billion.

From the standpoint of general categories, it provides for military personnel, about $11.8 billion; for operation and maintenance, about $10.5 billion; for procurement, about $13.9 billion.

Mr. DOUGLAS. Mr. President, would the Senator from New Mexico be gracious

enough to be willing to answer a question about operation and maintenance items and the so-called procurement items?

Mr. CHAVEZ. Yes. If the Senator will permit me to complete my statement first, I shall be glad to answer any question, or try to, anyway.

Continuing with my statement: For research development, test and evaluation, about $4.2 billion.

Further statistical information will be found in the report which Senators have before them.

I ask unanimous consent to insert at the conclusion of my remarks a tabulation showing the major actions taken in the bill by appropriation title.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHAVEZ. The committee made 97 distinct changes in the bill. I cannot hope, nor would Senators wish me, I am sure, to detail each one. They are all outlined in the report. Instead, I shall confine my remarks to the major items in which there were important changes.

ARMY PROCUREMENT

I shall begin with the Army. Recognizing that the most important need of the ground soldier was modern equipment, the committee voted approximately $162 million above the budget for new equipment. According to Army testimony, this will provide $125 million above the House amount for equipment modernization, reinstating the availability of an estimated $120 million from off-the-shelf sales of military assistance program materiel to the program, as distinct from the appropriation.

Army Secretary Brucker was asked, if he had his wish, would he speed up Army modernization. The following are excerpts from his reply:

> You will see, as I go along, I urged it and I believe in it. I cannot emphasize too strongly the importance to the Nation—indeed to the whole free world, of providing the most modern arms and equipment to troops of the U.S. Army.

The committee regards this increase as an absolute must if we are to have a modern Army.

RESERVE COMPONENTS

For Reserve components, the House had already provided funds to maintain the Army National Guard at 400,000 and the Army Reserve at 300,000—or your committee would have done so, as we have in the past. To make certain that the Army Reserve components will not suffer the fate of the Marine Corps, we have added language to the bill which makes mandatory the above-named strengths, and which earmarks the increased funds solely for that purpose. The committee has also provided $7.5 million to increase the strength of the National Guard technicians program, which otherwise would have been reduced.

NAVY SHIP CONSTRUCTION

The committee has made substantial changes in the Navy shipbuilding program. Included are funds to construct a new conventional type aircraft carrier priced at $293 million. Testimony by Navy spokesmen was unanimous in placing this carrier as its No. 1 priority among Navy building necessities if we are to continue to have a strong, balanced program. The committee dealt with this matter at great length and the conviction was that if we wish to maintain the control of the seas, and to continue to exert a powerful deterrent, either for limited or nuclear war, then we must also continue to replace our fast aging and obsolescent World War II aircraft carriers. The demonstrated value of the versatile carrier force has been amply proved in the past 2 years of cold war. The purchase price is a pittance compared with the cost of what might have happened in Lebanon or off Formosa had there not been this bulwark of defensive readiness available for action.

Here are some statements culled from Admiral Burke's testimony:

> If it were a choice between the carrier and the other items, we would prefer the carrier. The attack aircraft carrier is the Navy's most powerful offensive weapon. It is the unit around which the strike force is built; they are not vulnerable to ballistic missiles. In a limited war in many places in the world they will be the only capability whereby you can bring air power to bear in support of our military forces, early enough, quickly enough, and strong enough in amount to accomplish the mission we will have to accomplish if the free countries are to remain free.

Secretary Gates stated that the need for the carrier is urgent. The committee agreed and recommends approval of this carrier as a necessity if we are to maintain a balanced modern Navy.

POLARIS AUGMENTATION

The committee approved the action of the House in providing increased impetus to the Polaris submarine program. The original budget submission in January contained funds for three complete Polaris submarines and for long leadtime items for three more. A later submission revised this request to provide long leadtime construction of an additional six—a 3-by-9 program, as it is called. The House strengthened this to provide a 5-by-7 program—five complete Polaris submarines and long leadtime components of seven more. This the committee has approved. The program is in addition to the nine Polaris submarines already funded, some of which it is expected will shortly be operational, and should prove to be among the most powerful offensive weapons we possess.

The committee also recommends approval of funds for the construction of three attack submarines for antisubmarine warfare. This is two more than in the revised request of the Department, one less than the number provided by the House, but the exact number of the original budget submission.

AIR FORCE AIRCRAFT PROCUREMENT

For Air Force aircraft, the committee has also made substantial changes which it believes will strengthen the future forces in being. The committee, while subscribing to the possible future threat of push-button warfare, does not believe it wise to overlook the value which the manned bomber will continue to have in the foreseeable future. The B–47 bomber is presently being phased out of inventory as newer models are being brought in. Budgeted funds are contained in this bill to provide additional B–58 aircraft and for equipping both B–58's and B–52's. But, looking, forward, the committee was impressed by the need for the development of the B–70 intercontinental supersonic strategic bomber. The Chief of Staff of the Air Force, General White, testified as follows:

> I stated with all the conviction at my command my belief that the B–70 is one of the most important weapons systems of the future, and it was turned down.

The committee included $285 million above the budget for this weapons system.

AIRLIFT MODERNIZATION

The House included in a separate item $250 million above the budget for airlift modernization. The committee recognizes the value of this contribution and has recommended an appropriation of $200 million of the House increases to be used for transport aircraft suitable for the movement of fully equipped troops and combat equipment. The chairman of the Subcommittee on Defense Appropriations personally inspected the operation Big Slam-Puerto Pine earlier this year in Puerto Rico and was convinced of the need for rapid and large-scale airlift augmentation. The funds provided will be found in the appropriation "procurement of aircraft."

The committee decided that the funds added by the House for an expanded airborne alert capability are not required at this time, believing the authority contained in the bill in section 512(b) is adequate to expand the program if the necessity arises.

Funds were also provided to procure F–27 cargo aircraft.

Section 512(b) is the one which gives the administration the authority, if an emergency develops in a hurry, to use up to $150 million for the emergency and to come to Congress for a deficiency appropriation.

AIR DEFENSE MEASURES

The Department of Defense, subsequent to the presentation of the budget, requested certain changes in the air defense program. Among these was a reduction in the Bomarc missile program of $381 million. The House approved this reduction, and reduced the total Bomarc program an additional $294 million, replacing it with an expanded F–106 fighter program. The committee heard a great deal of testimony on this controversial subject. The Department of Defense and the Department of the Air Force strongly supported the Bomarc restorations and requested that the additional funds amounting to $215 million for the F–106 program be deleted. Impressed by the statements of air defense authorities, the committee has deleted the additional amounts for the F–106 program and reinstated the Bomarc reductions included in the revised program. It also recommends $75 million

for two Bomarc locations which were included in the original budget submission and for which, since they are partially completed, funds would be wasted if construction is stopped.

Those two installations are in the Northwest, either Oregon or Washington.

SPACE SATELLITES

In addition to the amounts provided in the budget, the committee has made substantial increases in the Samos satellite program. The House added $33.8 million for Samos, and the committee, impressed by the value and immediate need for this surveillance vehicle, has added an additional $50 million.

For Midas, the heat-detecting, infrared space satellite, and for Discoverer, the space satellite, the committee recommends the House additions be reduced to the revised requests of the Department, an amount $61.4 million over the original budget estimate, but $20.2 million below the House figure.

DEPARTMENT SIDE ACTIONS

The House, during its consideration of the bill, made certain so-called across-the-board reductions. The committee has acted variously on these, making some further cuts, but generally recommending partial restoration. In one area in particular, that of procurement of defense weapons, the committee made full restoration of the House general procurement reduction of 3 percent to improve contractual practices. The committee is in complete agreement with the House objective, even though it did not agree with the method, and wishes it understood, as stated in the report, that a determined effort must be made to improve contractual procedures by the Pentagon.

In another area, the House made a 10-percent reduction in departmental administration. The Department agreed to accept a reduction of about 5 percent in civilian personnel in departmental administration and also volunteered to shift a like percentage of military personnel to field and operational work. The committee has restored most of the funds requested but wishes it clearly understood that, having deleted the limiting provisos, it expects the Department to carry out reductions in both civilian personnel and the administrative use of military personnel as testified.

In the field of communications, the committee made full restoration of the House reduction. Once again, this was done not because the committee disapproved of the purpose of the House reduction, but because it was indicated by the Department of Defense that many of the increased requirements for 1961 would not be affected by the establishment of an integrated communications system. Further, the Department has indicated that it will push communications consolidation vigorously and that it had already planned utilization of savings through consolidations. The committee expects the Military Establishment to begin immediately to expedite this program.

In other general areas—notably in the administrative use of aircraft, proficiency flying, motor vehicle hire, travel and dependents' education—the committee has made varying restorations. In the field of maintenance of family housing, it was believed that substantial economies could be effected and the committee acted accordingly.

Instead of allowing $600 a year for renovation and painting of houses, the committee allowed $500.

ACCELERATION OF MISSILE AND SATELLITE PROGRAMS

The committee has included again this year the provision to permit the acceleration of strategic or tactical missile or satellite programs. While adding nothing to the appropriations in the bill, the inclusion of this section enables the Department to intensify vital defense projects should the need arise.

In other language provisions, the committee has provided the same amount for congressional legislative liaison as was approved last year; included a limitation on officers receiving flight pay slightly higher in number than that proposed by the House; and provided new authority in connection with the sale of timber on military reserves.

PROGRAM IN DETAIL

It is the regret of the chairman of the subcommittee that I cannot detail in full the contents of the bill which will strengthen our defenses. As you have seen, to describe but briefly the more important changes which have been made by your committee is time consuming in itself. However, I shall attempt to describe many of the more salient points in the bill which have not been covered thus far.

During 1961, military forces of about the same size and composition as those planned for the end of fiscal year 1960 will be maintained. Overall, a Military Establishment of 2.5 million men and a Reserve of well over a million are contemplated.

ARMY

With funds provided in the bill, the Army will support 14 divisions, 5 armored cavalry regiments, 1 armored combat command, 2 infantry brigades, 9 battle groups, 3 Redstone missile groups, and 5 Army missile commands. This represents an increase of one missile command and one battle group over the fiscal year 1960 planned-end strength. The number of air defense battalions will increase by 2½. Continuing the trend of the last several years, the Army's active aircraft inventory will also increase. The active military personnel strength of the Army will be kept level during fiscal year 1961 at 870,000 men. In the case of the Reserve components, the drill pay strength of the Army National Guard and the Army Reserve funds are provided to maintain them at present strength, as I have stated.

Included in the total of $1½ billion for Army procurement are funds for the new Davy Crockett man-carried rocket system with nuclear capability, the new medium tank, the Hawk and Pershing missiles, an improved Honest John rocket, the solid-fueled longer ranged Sergeant, the new M–14 rifle, and the new M–60 machinegun. Continued modernization of the tactical truck fleet and the armored personnel carrier program is planned, as are procurements of new supply and transport aircraft. Tank recovery vehicles, amphibious vehicles, and large quantities of ammunition are also funded.

In the Army research and development program, substantial sums are included for the Nike-Zeus anti-missile-missile tactical ballistic missile system, the Mauler mobile surface-to-air tactical missile, the Goers transporter, a light weight self-propelled artillery carriage, the Shillelagh antitank weapon, and an armored reconnaissance airborne assault vehicle.

NAVY

During 1961, the funds recommended will support a Navy of 817 ships, including 382 warships, in the fleet, the same as that at the end of fiscal year 1960. The Navy will also maintain 16 attack carrier air groups, 11 carrier antisubmarine air groups and 41 patrol and warning squadrons. The Marine Corps will continue to maintain three divisions and three air wings. Moreover, because of personnel economies, the Marine Corps will activate two additional battalion landing teams while keeping its total strength level at 175,000. The Navy's active duty military strength will also remain the same as at the end of the current fiscal year—619,000. The drill pay of the Navy and Marine Corps Reserves will be kept unchanged during 1961 at 129,000 and 45,000, respectively. With newer and better aircraft entering service, the active aircraft inventory will decrease by about 300 planes to a total of 834.

The Navy's procurement budget includes a shipbuilding program of 22 new ships and 15 conversions. Half of the program, approximately, will contribute to the antisubmarine warfare program. In other procurement, new electronic ship-support communications equipment, the new Asroc antisubmarine weapons, the Zuni air-launched rocket, high-speed antisubmarine torpedoes, air-dropped submarine detection buoys, equipment for an additional Marine Hawk battalion, the shoulder-fired Redeye missile system and electronic modernization items are all included. The bill provides for over 600 aircraft and helicopters for the Navy.

The Navy research program includes the Eagle long-range air-to-air missile, the Typhon surface-to-air missile, the Corvus air-to-surface missile, Subroc, and Polaris. The new Missileer aircraft equipped with an Eagle missile, the Asroc ship-launched rocket-throwing weapon, and a new assault transport are also included.

MARINE CORPS

With respect to the modernization of equipment, the Marine Corps is in much the same situation as the Army. Because of the Marine Corps mission to provide promptly a combat capability in distant trouble spots, the GV–1 tanker assault transports provided in the Committee's recommendations are especially significant. This aircraft—a modification of the C–130—will enable the Marine Corps to move its combat elements

expeditiously or, alternatively, to refuel Marine Corps strike aircraft, thereby extending their range and tactical flexibility.

In 1961 the Marine Corps will increase its ground combat potential by reactivating two battalion landing teams within an overall strength of 175,000 men. The committee wishes to commend the Marine Corps for its good management and continued efforts to increase the proportion of its personnel in the combat elements.

AIR FORCE

The active duty military personnel strength of the Air Force is expected to be maintained at 825,000 during 1961—the same as at the end of the current fiscal year. The drill pay strength of the Air National Guard will remain level at the low level of 72,000 men, while the Air Reserve will increase by 1,000 over 1960 to 63,000.

For the strategic retaliatory forces, in addition to action taken on the B–70, the committee's recommendations provide for additional quantities of the B–52H heavy bomber, the B–58 medium bomber and the KC–135 jet refueling tanker. Also provided for are additional quantities of the Hound Dog air-to-ground missile and the Quail decoy missile, together with a large amount of electronic aids to improve the penetration capabilities of the manned bomber force. Funds for the procurement of the intercontinental ballistic missile—Atlas, Titan, and Minuteman—have been increased over the amount provided last year. Funds in this bill provide that the last 6 Atlas squadrons will have 12 missiles instead of 9 as in the earlier squadrons. Most of the later Atlas and all of the Titan squadrons will be protected in hardened underground sites. The quicker reacting solid propellent Minuteman, too, will be placed in protected dispersed positions or employed aboard railway cars—a technique already under development and being studied.

Reference has already been made to changes in the Air Defense program.

With respect to defense against ballistic missile attack, most of the programs trend sharply upward. For the Ballistic Missile Early Warning System, funding in 1960 was very heavy in order to enable the system construction to proceed at the fastest possible rate. Funds recommended by the committee will support early operational capability of the last two sites.

Similarly, development of the Midas infrared missile warning satellite will be speeded by new funds recently requested by the Department of Defense and which this bill provides, although not to the extent recommended by the House.

The Air Force includes in its research work continued work on Midas, the early warning system; Samos, the reconnaissance satellite, of which I have already spoken; the X–15, the very high altitude hypersonic research aircraft; and Dynasoar, the ground-launched manned flight vehicle.

The items listed, and others too numerous to mention, plus the day-to-day operations, including the costs of military and civilian personnel, and the maintenance of the farflung Military Establishment make up the costs involved in this requested appropriation of over $40 billion.

NEED FOR ADEQUATE DEFENSE

It is a large bill, as I have said. I believe it is quite a responsibility to pass judgment and to vote on $40 billion of taxpayers' money. Therefore I am trying to justify the bill.

Since the Senate Appropriations Committee filed its report on the Defense Department appropriation measure a year ago, much has transpired. At times it seemed that hopes were justified that there would be a relaxation of tensions making way for the attainment of a lasting peace throughout the world. At other times it would seem that these hopes were but one of the high points in the constantly fluctuating temperature of the cold war.

Regardless of encouraging overtures or discouraging actions, one fact is indisputably clear: In dealing with those whose primary tenet is that might makes right, there must be no relaxation of the guard, no diminution of overall strength until we are assured beyond all doubt that such action will in no wise jeopardize the future of the free world.

This has been the goal of the committee in its consideration of this important bill. Even more, the committee recognizes that it is one of the primary responsibilities of the Congress to satisfy itself as to the completeness of that defense. At the beginning of our hearings your chairman of the Defense Department Subcommittee said:

> I for one have always been a strong advocate of rigid economy in government, wherever possible. But of far greater import to us and to the free world is an American defense posture that brooks no doubts as to its adequacy, either in our minds or in the minds of a possible aggressor, or in the minds of the American people. * * * We must strive with all the resources at our command to provide a defense which will make foolhardy any aggressive action on the part of an adversary.

It is the hope of the committee that the funds herein to be appropriated will provide in the years ahead such a deterrent that the might of our forces will be sufficient to make any nation hesitate to unleash the forces of aggression. But when we speak of a deterrent, we mean to imply the full meaning of the word. We must make our forces so strong that there can be no doubt in the mind of the enemy but that he will lose all and gain nothing. A truly strong defense position guarantees that once the aggressor has struck us, our offensive might may be unleashed with no uncertainty as to the outcome. I believe we have such a force in being today. The effort your committee has made in strengthening this bill will, I believe, help to make it true tomorrow.

There can be, and are, honest differences of opinion as to what constitutes adequate defense. But as long as there are doubts expressed by our dedicated military leaders as to that adequacy, it ill behooves any of us to brush military preparedness aside in favor of other considerations. In the last analysis, the men who will direct the course of the missiles, aircraft, bullets, and ships are the experts on whose opinions we must rely. Under close questioning during the course of our hearings these experts, military men, have repeatedly expressed the wish to bolster their military programs but, like good soldiers, they indicated that they bowed to the dictates of higher authority. I for one hold that no necessary procurement or research should be squeezed out of program consideration because it could not be jammed under the magic line of a predetermined budget ceiling. Yet in response to close committee questioning the record is replete with instances directly substantiating this—Army modernization, Polaris, the B–70, fleet modernization, to mention only a few.

The Senate Committee on Appropriations has increased the bill by a little over a billion dollars. It did not do this in a partisan political mood. In my opinion there should be no partisan politics on defense matters. Democrats and Republicans alike voted for this bill as it stands before the Senate. We had our individual differences; they were not all unanimous votes. But by and large this is a committee bill, the expression of the entire committee. Also, we were fortunate enough to have the valuable assistance of members of the Armed Services Committee who also serve on Appropriations. We had a single purpose in mind: To provide more adequately for our national defense.

If there is one thing above all others which I wish could be made clear to those who carry out the laws of the Congress, it is this: When this bill is enacted into law, it is my hope that those who decide upon the allocation of appropriated funds will remember that it is the Congress which, under the Constitution of the United States, has the power to provide for the national defense. As the representatives of the American people we, who are here today, regard that power as a solemn duty. The executive branch of the Government is empowered to carry out the law. I hope that that will be done in this case, not a part of the law, but the whole law. It should not be necessary for the Congress to write mandatory language into a bill in order to have its provisions carried out. The appropriation of funds clearly defined in law and in the committee reports and floor history should be sufficient to indicate that mandate. Our defenses will be strengthened only if the funds are permitted to be used. It is my hope that they will be. In that regard, let us remember that monetary surpluses never stopped an offensive; that there can be no price tag on freedom; that this freedom today is, in effect, being challenged in every corner of the world. We must ever be alert to wipe out the waste, the duplication, the frills. But we must be even more alert to foresee the needs of the possible future conflict.

Before I close, I wish to express my sincere appreciation to all those who participated in the preparation of this bill. In particular, I wish to thank the

members of the Senate Appropriations Committee who, day after day, week after week during our deliberation on the bill, patiently explored the countless volumes of words and figures which were presented to us. We began our hearings on the 1st of February. Except for a few short exceptions, we have kept steadily at it until today, as the two volumes of our hearings will attest. To those faithful members, I give my thanks. Much of the credit for fashioning this bill into the strong defense measure which I believe it is, belongs to every member of the committee.

This bill is not a war bill. Were a a conflagration to start tomorrow, tremendous additional sums would be required almost immediately. I believe that it is a strong peace bill, stronger for the Senate additions which will help strengthen our position in the years ahead—until, in the final analysis, we can but hope that the forces of aggression will be stilled and a lasting peace will result. I know that it is the desire of all of us.

EXHIBIT 1

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1961 (H.R. 11998)

Comparative statement of appropriations for 1960 and estimates and amounts recommended in the bill for 1961

TITLE I—MILITARY PERSONNEL

Item	Appropriations, 1960	Budget estimates, 1961	Recommended in House bill, 1961	Amount recommended by Senate committee 1961	Increase (+) or decrease (−), Senate bill compared with—		
					Appropriations, 1960	Estimates, 1961	House bill, 1961
Military personnel, Army	[1] $3,233,063,000	[2] $3,261,000,000	[2] $3,244,448,000	[2] $3,247,548,000	+$14,485,000	−$13,452,000	+$3,100,000
Military personnel, Navy	[3] 2,476,700,000	[4] 2,528,000,000	[3] 2,507,055,000	[3] 2,508,244,000	+31,544,000	−19,756,000	+1,189,000
Military personnel, Marine Corps	[5] 620,600,000	607,000,000	[6] 604,577,000	[6] 605,146,000	−15,454,000	−1,854,000	+569,000
Military personnel, Air Force	[7] 3,918,000,000	[8] 4,030,000,000	[8] 4,013,460,000	[8] 4,019,676,000	+101,676,000	−10,324,000	+6,216,000
Reserve personnel, Army	231,700,000	200,000,000	233,115,000	233,998,000	+2,298,000	+33,998,000	+883,000
Reserve personnel, Navy	88,000,000	88,000,000	87,168,000	87,584,000	−416,000	−416,000	+416,000
Reserve personnel, Marine Corps	24,300,000	25,000,000	24,661,000	24,831,000	+531,000	−169,000	+170,000
Reserve personnel, Air Force	54,000,000	54,000,000	53,764,000	54,000,000			+236,000
National Guard personnel, Army	234,961,000	199,000,000	229,903,000	230,277,000	−4,684,000	+31,277,000	+374,000
National Guard personnel, Air Force	48,000,000	46,000,000	45,609,000	46,000,000	−2,000,000		+391,000
Retired pay, Department of Defense	715,000,000	775,000,000	775,000,000	775,000,000	+60,000,000		
Total, title I—Military personnel	11,644,324,000	11,813,000,000	11,818,760,000	11,832,304,000	+187,980,000	+19,304,000	+13,544,000

TITLE II—OPERATION AND MAINTENANCE

Operation and maintenance, Army	$3,075,390,000	$3,112,000,000	$3,116,555,000	$3,132,283,000	+$56,893,000	+$20,283,000	+$15,728,000
Operation and maintenance, Navy	2,611,220,000	2,550,000,000	2,499,388,000	2,525,354,000	−85,866,000	−24,646,000	+25,966,000
Operation and maintenance, Marine Corps	175,850,000	176,000,000	174,726,000	174,796,000	−1,054,000	−1,204,000	+70,000
Operation and maintenance, Air Force	4,195,006,000	4,282,000,000	4,172,404,000	4,240,732,000	+45,726,000	−41,268,000	+68,328,000
Operation and maintenance, Army National Guard	151,700,000	157,000,000	156,827,000	164,501,000	+12,801,000	+7,501,000	+7,674,000
Operation and maintenance, Air National Guard	169,000,000	176,000,000	175,892,000	187,291,000	+18,291,000	+11,291,000	+11,399,000
National Board for the Promotion of Rifle Practice, Army	300,000	300,000	300,000	501,000	+201,000	+201,000	+201,000
Operation and maintenance, Alaska Communication System, Army	5,676,000	7,000,000	7,000,000	7,000,000	+1,324,000		
(Indefinite appropriation of receipts)	(675,000)						
Salaries and expenses, Secretary of Defense	20,500,000	20,000,000	18,000,000	19,300,000	−1,200,000	−700,000	+1,300,000
Contingencies, Department of Defense	15,000,000	30,000,000	15,000,000	15,000,000		−15,000,000	
Claims, Department of Defense	16,500,000	16,575,000	16,575,000	16,575,000	+75,000		
Operation and maintenance, Olympic winter games—Department of Defense	800,000				−800,000		
Salaries and expenses, Court of Military Appeals	425,000	425,000	425,000	425,000			
Total, title II—Operation and maintenance	10,437,367,000	10,527,300,000	10,353,092,000	10,483,758,000	+46,391,000	−43,542,000	+130,666,000

TITLE III—PROCUREMENT

Procurement of equipment and missiles, Army	$1,407,300,000	$1,337,000,000	$1,374,102,000	$1,499,102,000	+$91,802,000	+$162,102,000	+$125,000,000
Aircraft and related procurement, Navy	1,961,644,000				−1,961,644,000		
Procurement of aircraft and missiles, Navy		2,113,000,000	2,141,760,000	2,208,000,000	+2,208,000,000	+95,000,000	+66,240,000
Shipbuilding and conversion, Navy	1,330,700,000	2,032,000,000	2,080,650,000	2,331,000,000	+1,000,300,000	+299,000,000	+250,350,000
Other procurement, Navy		434,000,000	420,980,000	434,000,000	+434,000,000		+13,020,000
Procurement of ordnance and ammunition, Navy	567,719,000				−567,719,000		
Procurement, Marine Corps	133,850,000	94,000,000	91,180,000	94,000,000	−39,850,000		+2,820,000
Aircraft procurement, Air Force	4,284,600,000	[9] 2,994,000,000	3,225,056,000	3,607,409,000	−677,191,000	+613,409,000	+382,353,000
Airlift modernization			359,288,000				−359,288,000
Missile procurement, Air Force	2,540,550,000	3,024,000,000	2,378,440,000	2,821,000,000	+280,450,000	−203,000,000	+442,560,000
Other procurement, Air Force	1,109,650,000	1,057,000,000	877,171,000	904,300,000	−205,350,000	−152,700,000	+27,129,000
Total, title III—Procurement	13,336,013,000	13,085,000,000	12,948,627,000	13,898,811,000	+562,798,000	+813,811,000	+950,184,000

TITLE IV—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Research, development, test, and evaluation, Army	$1,035,715,000	$1,041,700,000	$1,041,190,000	$1,041,286,000	+$5,571,000	−$414,000	+$96,000
Research, development, test, and evaluation, Navy	1,015,920,000	1,169,000,000	1,268,530,000	1,210,510,000	+194,590,000	+41,510,000	−58,020,000
Research, development, test, and evaluation, Air Force	1,159,900,000	1,334,000,000	1,542,668,000	1,553,228,000	+393,328,000	+219,228,000	+10,560,000
Salaries and expenses, Advanced Research Projects Agency, Department of Defense	455,000,000	215,000,000	215,000,000	215,000,000	−240,000,000		
Emergency Fund, Department of Defense	[10] 150,000,000	[10] 150,000,000	[10] 150,000,000	[10] 150,000,000			
Total, title IV—Research, development, test, and evaluation	3,816,535,000	3,909,700,000	4,217,388,000	4,170,024,000	+353,489,000	+260,324,000	−47,364,000
Grand total, titles I, II, III, and IV	39,234,239,000	39,335,000,000	39,337,867,000	40,384,897,000	+1,150,658,000	+1,049,897,000	+1,047,030,000

[1] In addition, $281,000,000 to be derived by transfer from stock funds.
[2] In addition, $260,000,000 to be derived by transfer from stock funds.
[3] In addition, $75,000,000 to be derived by transfer from stock funds.
[4] In addition, $60,000,000 to be derived by transfer from stock funds.
[5] In addition, $24,000,000 to be derived by transfer from stock funds.
[6] In addition, $500,000 to be derived by transfer from stock funds.
[7] In addition, $50,000,000 to be derived by transfer from stock funds. Also includes $6,000,000 appropriated in the Supplemental Appropriation Act, 1960.
[8] In addition, $30,000,000 to be derived by transfer from stock funds.
[9] Includes $120,400,000 which House has placed under new appropriation "Airlift modernization."
[10] In addition, $150,000,000 to be derived by transfer from other appropriations available for obligations in the respective fiscal year.

Mr. SALTONSTALL. Mr. President, will the Senator from New Mexico yield?

Mr. CHAVEZ. I yield.

Mr. SALTONSTALL. I have prepared some remarks which I shall make at a later time. At this time, I simply wish to join with the chairman of the Subcommittee on Defense Appropriations in supporting the bill before the Senate. While I do not agree with all the conclusions, I believe the measure as a whole is adequate for the support of the Armed Services for the fiscal year 1961.

I commend the Senator from New Mexico upon his faithfulness at the hearings, the fairness with which he presided, and also the care with which he has compiled the report he has just made to the Senate. It is an all-inclusive report. In an objective way, I believe it supports the actions of the committee.

Mr. CHAVEZ. I believe that not one dollar more should be added to the bill. We have provided for an adequate defense. We want to be ready. But if the Armed Forces cannot use a billion dollars, why give it to them? They have accumulated money. I think the bill does what it is intended to do—to keep us ready for defense, or offense if necessary.

Mr. SALTONSTALL. I agree with the statement of the Senator from New Mexico. The bill is all-inclusive and should be adequate in the next fiscal year for our defense purposes, and for any small wars, as that expression is used, which might arise. I believe it provides what is necessary for our overall security, and is adequate for that security.

Mr. CHAVEZ. I thank the Senator from Massachusetts.

Mr. DOUGLAS. Mr. President, will the Senator from New Mexico yield?

Mr. CHAVEZ. I yield.

Mr. DOUGLAS. First, I express the appreciation of those of us who are not members of the Committee on Appropriations for the hard work, diligence, and patriotism of the members of that committee and for the great care which they have shown in the preparation of the bill.

I should like to address a few factual questions to the very able chairman of the subcommittee, reserving for later in the day some comments about policy.

First, and preparatory to these questions, I heartily approve of the action of the committee insofar as the bill increases the combat strength of the Armed Forces. I think the appropriations for the modernization of the weapons of Army are certainly badly needed. Perhaps more money will be needed. The strengthening of the Air Force is excellent. Other features which will increase the striking power of our Armed Forces are badly needed and should be approved. As a matter of fact, I favor still further increases in the combat strength of the Armed Forces and in raising the strength of the Marine Corps from 175,000 to 200,000. So the questions which I am about to ask are not intended in any sense to work for a reduction in the total appropriations but rather are designed to help effect a better distribution of the appropriations and to see if it is not possible to eliminate some of the fat and to strengthen the muscle.

The first question is directed toward items on page 1 of the speech of the Senator from New Mexico, in which he said that the bill calls for appropriations for procurement in the amount of about $13.9 billion, and for operation and maintenance in the amount of $10.5 billion. Am I correct in understanding that the $13.9 billion is almost exclusively for weapons?

Mr. CHAVEZ. It includes all procurement, but, of necessity, weapons.

Mr. DOUGLAS. May I ask about the operation and maintenance item? Does this include appropriations for clothing, for shoes, for subsistence, for trucks, and so forth?

Mr. CHAVEZ. That is correct.

Mr. DOUGLAS. So the appropriation for total purchases and total procurement by the defense forces would be in excess of $13.9 billion?

Mr. CHAVEZ. Practically all the $13.9 billion is for procurement.

Mr. DOUGLAS. Yes, I understand; but I mean the total of all procurement.

Mr. CHAVEZ. It is all-inclusive. It could be used to purchase a sack of flour.

Mr. DOUGLAS. But in addition to the $13.9 billion, is there not a very large portion of the total set aside for operation and maintenance? Does not that consist largely of supplies?

Mr. CHAVEZ. Well, in procurement it is necessary to carry out operations and maintenance.

Mr. DOUGLAS. So the provision of clothing, food, shoes, trucks, and so forth, would be included in operation and maintenance, and hence would be in addition to the $13.9 billion?

Mr. CHAVEZ. The trucks are in a separate category. They are a separate item in the bill, not included in the $13.9 billion.

Mr. DOUGLAS. They are not included in the $13.9 billion?

Mr. CHAVEZ. No; not the trucks.

Mr. DOUGLAS. Last year, according to the Department of Defense, the total supplies purchased under contracts by the Department with firms within the United States cost $22.7 billion. That was under an appropriation approximately $1 billion less than the appropriation in the pending bill. Does not the Senator from New Mexico believe that the total volume of supplies purchased under the bill will be at least $22.7 billion, and possibly slightly in excess of $22.7 billion?

Mr. CHAVEZ. That is correct. It depends on where the supplies are bought.

Mr. DOUGLAS. That is correct. This amount was for supplies purchased within the United States.

Mr. CHAVEZ. If the purchases were made in the United States, my opinion would be that that amount would be about right.

Mr. DOUGLAS. That did not include any of the figures for 1959, so it is at least $22.7 billion, if we include any other items to bring the amount to $22.7 billion.

Mr. CHAVEZ. That is correct.

Mr. DOUGLAS. Is it not true that the House made a cut of $400 million for procurement; and is it not true that the Senate committee restored that cut?

Mr. CHAVEZ. I think the House was partially correct, too.

Mr. DOUGLAS. Did not the Senate committee also add language critical of the procurement practices of the Department?

Mr. CHAVEZ. The Senate committee also did that.

Mr. DOUGLAS. Nevertheless, $400 million was restored, was it not?

Mr. CHAVEZ. That is correct. I have a statement I should like to make on the procurement situation, if the Senator will permit me to do so.

Mr. DOUGLAS. Certainly.

Mr. CHAVEZ. It has to do only with procurement. In the figures the Senator used a little awhile ago, he also included the procurement of military aid for foreign countries.

Mr. DOUGLAS. The figure of $22.7 billion expended in 1959 included supplies purchased through contracts with firms within the United States.

Mr. CHAVEZ. But we purchase in the United States to aid foreign countries.

Mr. DOUGLAS. Yes.

Mr. CHAVEZ. There is no doubt in my mind that something should be done—something must be done—in regard to procurement generally and procurement contracts in particular. All too frequently evidence of waste, laxity in negotiation, carelessness, overpricing, lack of cost data, and the like, indicate weaknesses in the procurement process. Reports from the General Accounting Office are replete with examples of this.

The Department, in rebuttal, states that in a multibillion dollar procurement program, the largest in the world, there are bound to be some mistakes, but that they are constantly attempting to take corrective efforts. I do not doubt this.

On the other hand, it would seem to me that with the ample experience the Department has had in the field of negotiation and purchasing, more stringent regulations, sharper procedures, and penalties if need be should be provided. This is and should be an administrative matter. But I believe that it would be wise for the Congress to continue its studies to enact corrective legislation if the situation does not improve markedly in the very near future.

As Senators know, the House made an overall 3-percent reduction in procurement covering nine appropriations titles in an attempt to combat this administrative laxity. Your committee wholeheartedly approves the philosophy expressed by the House cut. But, on the other hand, we were faced with the realities of the situation.

Should we approve the House action, thereby cutting Army modernization, the very item which many of us agree needs strengthening? Should we reduce the Navy shipbuilding and conversion funds, which we have increased over the budget by about $300 million? Should we reduce the progress being made by the Navy and by the Air Force? Those are the things we had in mind.

Mr. SALTONSTALL. Mr. President, will the Senator from New Mexico yield, to permit me to make a comment?

Mr. CHAVEZ. I yield.

Mr. SALTONSTALL. I should like to make an additional answer to the question asked by the Senator from Illinois. I would say we voted to restore the 3-percent cut because we believe it was a meat-ax straight across the board, and could not be accomplished in 1 year.

We are in favor of putting into effect, insofar as possible, the recommendations of the Hoover Commission.

But I should like to call the attention of the Senator from Illinois to the fact that in the last 2 fiscal years the Department of Defense has reduced its supply system and inventory by $7.3 billion, or 14 percent. The volume of surplus property of the Defense Department is stated as $26.7 billion. But in the fiscal year 1959 the Department of Defense disposed, at the original acquisition cost, of $8.9 billion worth of property.

I could proceed further; but I wished to make that statement to supplement what the Senator from New Mexico has so ably said, in connection with pointing out that we could not make the overall 3-percent cut without interfering with some of the modernization which we wish to have made, and that the Department of Defense has taken this matter under very serious consideration, and has reduced its supply system and inventory by 14 percent during the last 2 years.

Mr. DOUGLAS. Mr. President, will the Senator from New Mexico yield?

Mr. CHAVEZ. I yield.

Mr. DOUGLAS. Is it not true that for at least 10 years various Members of the Senate and the House, including the Senator from Illinois, have called attention to the gross wastes in procurement, and that from time to time the two bodies issue to the Defense Department advice that it should improve its procurement practices and obtain more centralized purchasing? Is it not also true that this advice has almost totally been disregarded?

Mr. CHAVEZ. I shall not accuse the Department of completely disregarding it.

Mr. DOUGLAS. Well, has not the Department predominantly disregarded it?

Mr. CHAVEZ. Of course, the Congress appropriates the funds, and the Defense Department uses the funds pretty much as it pleases, in effect.

Mr. DOUGLAS. Is it not true that, as regards negotiated contracts, which were intended to be the exception to the rule, rather than the rule, in the last year 86 percent of the dollar volume of all contracts were not competitive, but were negotiated?

Mr. CHAVEZ. That is my understanding, and I believe that is correct.

Mr. DOUGLAS. Is it not also true that, far from diminishing during the last 2 years, the percentage of negotiated contracts has actually increased, and has increased from approximately 81 percent to approximately 86 percent?

Mr. CHAVEZ. Yes, and we have called that to their attention right along, and have practically begged them to take competitive bids, instead.

Mr. DOUGLAS. But that advice by us has been disregarded; and, as a matter of fact, the percentage of negotiated contracts has increased, so that at the present time six-sevenths of all the defense purchases are made by negotiation.

Mr. CHAVEZ. Well, I know that practically all they understand is money.

Mr. DOUGLAS. If that is true, then the best means of obtaining a correction of the practices of the Defense Department would be to make a cut in the field of procurement; and the Senator from New Mexico has just now provided most eloquent testimony in support of my suggestion.

Mr. CHAVEZ. No, not at the expense of the Nation's security.

Mr. DOUGLAS. Is it in the interest of the Nation's security to pay, under negotiated contracts, many times the price of what the articles obtained could be acquired for in the open competitive market? In my speech of Monday, I gave many horrible examples of these excess costs.

Mr. CHAVEZ. No, that is not in the interest of the Nation. But one mistake is no reason why we should deprive the military services of the weapons that are needed.

Mr. DOUGLAS. Let me make clear that I am not proposing to deprive the military of a single weapon. If, later today, there are offered on the floor amendments to increase the weapons complement of all the armed services, I intend to support those amendments. If there are offered amendments to increase the strength of the Marine Corps, I will support those amendments. So let it not be said that I am trying to weaken the strength of the Armed Forces of the Nation.

But I say that we can properly practice economies and get more competitive pricing and, therefore, have more funds with which to increase the strength of the combat forces.

Mr. CHAVEZ. Yes. I believe, with the Senator from Illinois, that there should be competitive bidding. I do not want them to negotiate for the new aircraft carrier. Instead, I want them to call for bids on it, so the shipbuilders of the Nation can do a proper job. But I do not want to deprive the Armed Forces of the weapons they need.

Mr. DOUGLAS. Mr. President, will the Senator from New Mexico yield further to me?

Mr. CHAVEZ. I yield.

Mr. DOUGLAS. The Senator from New Mexico referred to the reports made by the very distinguished and honorable Comptroller General of the United States, Mr. Joseph Campbell, who was appointed by President Eisenhower. Is the Senator aware that in at least 52 instances the Comptroller General has made investigations which have indicated gross negligence in the determination of negotiated contracts? On Monday, I placed in the RECORD those 52 letters of transmittal. I should like to have the distinguished Senator from New Mexico allow me the privilege, later today, of presenting a tabulation of the overcharges which the Comptroller General says occurred. That survey does not relate to all the contracts, but relates to only a few of them.

Mr. CHAVEZ. I realize that.

Mr. DOUGLAS. In virtually every instance, mismanagement, or worse, was discovered.

Let me say that I know that, if I were to move that a cut be made in the procurement appropriation and that a transfer be made to the combat forces appropriation, the amendment would be defeated, because I know that the members of the Appropriations Committee close ranks and oppose such amendments, and I know that the chairmen of the various Senate committees would join the chairman of the Appropriations Committee in opposing such an amendment. So would the administration stalwarts. So it is not my present intention to propose such an amendment.

But as the debate proceeds during the day, and as there is introduced the testimony in regard to the need for more weapons for the Army and the need for more men in the Marine Corps and the need to keep our airplanes in the air, so we can be in a greater state of alertness, and as there is shown the need for more Polaris submarines, I hope the committee will realize that one of the best places to get the funds needed for these purposes is from the waste and the extravagances which already exist. It is because they exist that it is said by the administration we do not have sufficient funds to maintain a strong Army and a strong Marine Corps or to have more Polaris submarines or to have an air alert, whereas we do in fact have the necessary funds if we will only make the economies which can be made.

So I hope very much that as the debate proceeds, those who are striving to strengthen the Armed Forces of our Nation—and I am sure the Senator from New Mexico is one of them—will turn to the sources from which that can be financed. I for one will support all these moves.

Furthermore, if these proposals are rejected by the Senate, I hope the House conferees will stand like a rock in insisting on the making of these economies.

I thank the Senator from New Mexico for his courtesy in yielding to me.

Mr. BIBLE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Does the Senator from New Mexico yield to the Senator from Nevada?

Mr. CHAVEZ. Mr. President, I shall be glad to yield; but first I should like to read a statement.

Mr. BIBLE. Certainly.

Mr. CHAVEZ. Mr. President, I read now from page 41 of the report:

> The committee notes with grave concern the numerous and admitted examples of waste and duplication in Defense procurement which have been reported to this and other congressional committees. The audit reports of the General Accounting Office show that these are not isolated examples; rather they underscore the urgency of integrating the "supply systems and service activities" of the military departments as repeatedly expressed as the intent of Congress. Such integration is provided for in the O'Mahoney amendment to the 1953 Defense Appropriation Act and the McCormack-

Curtis amendment to the Department of Defense Reorganization Act of 1958.

While some progress has been made in this direction, it has been far from satisfactory. The committee calls upon the Department of Defense to take immediate and vigorous steps to integrate its procurement, supply, and service activities in order to provide maximum utilization of the defense dollar.

Mr. DOUGLAS. Mr. President, I congratulate the committee on its statement. But is it not true that similar statements have been made year after year, in the past, but have had very little effect?

Mr. CHAVEZ. That is correct.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I should like to have the Senator from New Mexico reply to my question. Is it not true that it has very little effect?

Mr. CHAVEZ. Very little effect.

Mr. DOUGLAS. I am glad the Senator said that. How does he believe another statement will have any effect?

Mr. CHAVEZ. I have faith in human beings. I know Secretary Gates happens to be a Republican, but I trust him.

Mr. DOUGLAS. I do not care whether he is a Republican or a Democrat. I believe he said he wants to be bipartisan. I am perfectly willing to accept that statement. But does the Senator remember on two occasions we provided funds to bring the Marine Corps strength up to 200,000, and the Department asked us not to make it mandatory? We did not make it mandatory, and the increase in strength was not effected, and the appropriation was not spent. Is that correct?

Mr. CHAVEZ. That is correct.

Mr. DOUGLAS. Yet the Senator is saying, "Do not make it mandatory this time." Does not the Senator have very serious doubt about not making it mandatory?

Mr. CHAVEZ. In many instances, we have to trust someone, and I believe in the Secretary of the Defense Department. I have a lot of respect for Mr. Brucker, Secretary of the Army.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. CHAVEZ. Yes.

Mr. SALTONSTALL. May I respectfully reply to the Senator from Illinois? I know the Senator was a very brave member of the Marine Corps, and I know he is interested in this. General Shoup, Commandant of the Marine Corps, told us that with the present allowance of 175,000 men, by better organization he is going to build up two new fighting battalions.

Mr. DOUGLAS. I hope the Senator will not press that too far, and I hope I am not guilty of service egotism when I say we in the Marines have always sought to increase the proportion of combat troops and to diminish the administrative and supply overhead.

Mr. SALTONSTALL. That is right.

Mr. DOUGLAS. I may say I am a little discouraged at the way the other services fought the 10 percent reduction in personnel at the Pentagon, which is grossly overstaffed. I think we could squeeze, out of the service personnel, enough for at least two Army divisions. There is a waste of personnel as well as material.

I believe the Senator from Missouri has an amendment, which he will offer later in the day, to make mandatory an increase in the strength of the Marine Corps. I do not have the floor, but I shall be glad to sit down so he may address an inquiry to the Senator from New Mexico.

Mr. SYMINGTON. Mr. President, will the Senator from New Mexico yield to me for a moment so that I may reply to the Senator from Massachusetts?

Mr. CHAVEZ. Certainly.

Mr. SYMINGTON. First, I should like to congratulate the senior Senator from New Mexico. I have sat through the hearings with him. Nobody worked more faithfully, diligently, and patiently in those hearings than he. I do not agree with him on a couple of points, but that is the way it is; and he knows of my great respect for him and for the magnificent job he has done in presenting this bill to the Senate.

The statement of Gen. Wallace M. Greene, chief of staff for General Shoup, with respect to the Marine Corps is pertinent to what the Senator from Massachusetts has said:

> With a Marine Corps of 175,000—

That is the figure at which the Marine Corps is today—

> three Marine divisions can be maintained at 90 percent of their authorized strength; three Marine air wings at 80 percent; and combat support forces at between 65 and 70 percent strength.

With the world as it is today, I would think this Nation, with its great wealth, could afford to have the Marine air wings at full strength and the combat support forces at more than 65 to 70 percent strength.

As the able Senator from Illinois has pointed out, I do not see why we cannot have the three Marine divisions at 100 percent of strength. The Marines are generally in the front when a battle is in process.

Mr. SALTONSTALL. Mr. President, if the Senator will yield, the figures the Senator from Missouri has given are correct, but General Shoup did say, if my memory is correct, he was moving a number of men into fighting divisions, that the reserve strength was not as much as he would like, but that the actual combat units were enough.

Mr. SYMINGTON. If I may read further from the General's statement, he said that with a Marine Corps of 200,000—which, in my opinion, is the minimum figure we should have, and I am quoting—it is estimated each of the Marine divisions of all elements could be maintained at 100-percent strength—the three Marine air wings, with 200,000, could be maintained at 90 percent, and the combat support forces at 85-percent strength.

If the Commandant of the Corps is going to add to the Marine combat forces, he can take them away only from the combat support forces, which are already down to 65 to 70 percent of authorized strength. That is the point I wanted to make.

Mr. SALTONSTALL. I should like to read from what General Shoup said, as appears on page 172 of the hearings:

> All of these savings permit me to correct some of the personnel shortages in the Fleet Marine Forces. I plan to reactivate at least two of the six previously deactivated battalion landing teams and to activate a surface-to-air missile battalion to utilize the new Hawk missile.

Mr. SYMINGTON. I understand, but as long as the Senator brought it up, I am pointing out that, on the basis of present Marine Corps strength, according to the Marine Corps letter to me of June 6, we do not have full strength either in the divisions or air wings, and the combat support forces are down to 65 to 70 percent of authorized strength.

Mr. JOHNSON of Texas. Mr. President, first I want to compliment the Senator from New Mexico [Mr. CHAVEZ] for the thorough, outstanding, and intelligent manner in which he has presented the Department of Defense appropriation bill for 1961.

Those of us who have observed his long record of distinguished service in both the House and the Senate, recognize that he has few equals as a public servant, and no superior.

I believe the Appropriations Committee, for which he is an agent, also deserves the commendation of this body for the splendid job that has been done.

Frankly, I can recall few occasions when the merits and shortcomings of various proposals were discussed with greater deliberation and given more careful consideration than has been the case in the markup of this Defense Department appropriation bill.

I think the Senator from New Mexico deserves the respect and the compliments of the entire Senate for these results.

The high quality of his work is evident in the finished product now before us.

Obviously there will always be differences among us as to the degree of emphasis that should be given to individual programs. However, I believe that the bill recommended by the committee goes a long way to remedying many of the serious defects of the budget proposals that were presented to the Congress in January. I personally support this bill and believe it warrants the support of this entire body.

Earlier this session, the Preparedness Investigating Subcommittee, which I have the honor to serve as chairman, held a series of hearings on our missile, space, and other major defense programs. During these hearings, we received testimony from our key military leaders—including General Twining, Admiral Burke, General White, General Lemnitzer, General Shoup, General Power, General Schriever, Admiral Rickover, and Gen. Maxwell Taylor, the distinguished former Army Chief of Staff.

After hearing from all these distinguished military officials, we asked the Secretary of Defense to testify. If I may, I should like to quote a statement I made to him summarizing the import of the testimony we had received up to that

time. I should like to have this a part of the record of the consideration of this bill:

To date we have heard from each member of the Joint Chiefs of Staff, including the chairman, as well as other key military witnesses responsible for America's defense programs. These senior military officials have made it clear that while our defense posture today is adequate, our programs for the future involve a degree of risk which could affect the very survival of our Nation.

Some of our outstanding military experts warn us that we must act now to step up such key programs as the B–52 continuous airborne alert, Army, Navy, and Marine Corps modernization, airlift, Polaris submarines, dispersed, hardened, and mobile ICBM's and antisubmarine warfare.

We must take decisive steps to shorten, rather than lengthen, the leadtime for developing an operational aircraft to replace the B–52.

We must also accelerate the development of space satellites and the high-thrust engines vitally needed for our space programs.

General Power, commanding general of America's principal deterrent force, testified he was not satisfied that we were doing all we should to insure our future survival.

General Schriever said that the missile gap we now face results from failure to make the necessary decisions in the past. He also advised that we could increase our operational missile strength during the critical year of 1962 if necessary decisions were made now.

General White testified that there was immediate and continued need for more manned aircraft. He personally recommended more B–58's to replace our obsolescent B–47's and the rapid development of the B–70 hypersonic bomber as an operational weapons system.

Admiral Rickover testified about the Soviets that "Their program is world domination, and no Russian Communist leader has ever deviated from that principle. Our main enemy is wishful thinking. Only those who learn nothing and forget everything refuse to look at the record."

Admiral Burke testified that the Navy was approaching the breaking point with regard to obsolescence, but that restrictive budgetary guidelines had prevented the Navy from presenting its military requirements. He urged immediate expansion of the Polaris program.

General Lemnitzer testified that the Army was not modernizing as rapidly as it should and that only a small portion of the funds added by the Congress in 1960 for Army modernization had been released for this purpose. He voiced the need for more airlift and warned that the country has as yet no adequate defense against ICBM's.

General Taylor testified that unless heroic measures are taken now, this Nation faces a threat to its survival.

There has, of course, been a difference of opinion among individuals both as committee members and as witnesses.

I cannot help believe, however, that we are all agreed that preparedness and security are the necessary watchwords of this age of advanced and destructive weapons.

America must maintain a position of unquestioned strength to assure that world peace will not be broken by any aggressor tempted to gamble for world domination.

The path to a lasting peace lies through the strength of free nations, and America is the key strength in the free world.

As I have said before, there may be some disagreement on some points discussed before our committee, but one simple proposition remains absolutely clear.

If we speed up our defenses and they are not needed, all we lose is money. If we fail to step up our defenses and they are needed, we could lose our country.

In addition to the hearings held by the Preparedness Subcommittee, the Armed Services and Appropriations Committees of the House and Senate conducted long and intensive hearings into various aspects of the defense program. One simple conclusion emerged from all these hearings; namely, that there was justifiable cause for concern over the adequacy of the defense program, particularly with respect to our future military capabilities. It also became clear that the continued application by the executive branch of fixed budget ceilings made it impossible for our military leaders to press for consideration of valid military requirements.

It should be noted that the administration itself belatedly recognized some of the shortcomings of its defense program. Despite repeated attacks on the so-called parochial views of those patriotic military leaders who had testified to the deficiencies of the program as they saw it—and despite repeated statements that acceleration was either impossible or unnecessary—in April of this year the administration did endorse a number of program increases. Of course, it was specified that any increases had to be offset by decreases in other programs, so that there would be no increase in total defense expenditures.

Not only were the recommendations too little and too late, but for some reason they were never officially transmitted to the Congress.

Now, as we meet this afternoon, we all know that when the executive branch considers it necessary to change the budget estimates, while the appropriation request is still pending before the Congress, the simple and correct way to do this is to submit a budget amendment to the Congress. Only last year, the Appropriations Committee took the executive branch to task for its failure to submit budget amendments to cover a number of admitted deficiencies in the defense estimates. As a matter of fact, the committee made the following statement in its report:

I should like to have the RECORD show this, and to have Senators hear it:

The committee is emphatic in its belief that this deficiency should not again occur without the committee being promptly informed in accordance with the statutes on deficiencies.

With reference to the deficiency in the Air Force military personnel account for fiscal year 1959, there appears to be a definite violation of the provisions of the Antideficiency Act (sec. 3679, revised statutes) in the failure of the Bureau of the Budget to submit the detailed reports required by the statute, accompanied by the required supplemental estimates. Furthermore, the failure of the Bureau of the Budget to submit formally revised estimates to cover the admitted deficiencies in the Air Force military personnel account for fiscal year 1960 is in conflict with the applicable provisions of the Budget and Accounting Act of 1921, as amended.

It would seem that an administration which has appropriated for itself the slogan of "fiscal integrity" would pay attention to the simple request of Congress to obey the law. Unfortunately, once again this has not been the case. Despite the fact that the Secretary of Defense testified before the House Appropriations Committee in April endorsing and recommending certain changes in the defense program, no budget amendment was ever submitted to the Congress.

The failure to do so was not an oversight, but was a calculated decision. This was brought out clearly in response to a question raised by the very able chairman of the House Appropriations Subcommittee, my distinguished colleague from Texas, Mr. GEORGE H. MAHON. So there can be no doubt about this, I would like to read the exact testimony:

Mr. MAHON. Will a formal budget submission be made by the Director of the Budget with respect to the Air Force program which was submitted about 10 days ago and with respect to this program which you have presented, both of which you advise have the official approval of you as Secretary of Defense and the approval of the President?

Secretary GATES. Well——

Mr. LINCOLN. I can answer that, Mr. Chairman, if I may. I talked to the people in the Bureau of the Budget before I came up here and Mr. Stans would prefer to have it the way we set it up now, by the Secretary writing a letter to you.

Mr. MAHON. Do you have a letter?

Secretary GATES. Yes, sir.

Mr. MAHON. Does that cover both the Air Force program and the Polaris program?

Mr. LINCOLN. It does, sir.

Mr. MAHON. And, that is a letter from the Secretary?

Secretary GATES. From me to you, sir, as chairman of the committee.

Frankly, I do not understand this kind of fiscal hocus-pocus. I think it is unfortunate to have a situation which makes it look as though the Secretary of Defense and the Director of the Bureau of the Budget deliberately avoided asking the President to approve the program changes and submit a formal budget amendment to the Congress. Yet, there has been no explanation for avoiding the course of action which both the law, and respect for fiscal integrity, clearly require.

I would like to return now to the appropriation bill that is now before us. I do not propose to discuss the bill in detail, since this has been done so well by the distinguished Senator from New Mexico [Mr. CHAVEZ] and by the committee report. I do want to mention, however, that the full story is not told by the simple statistic that the Senate bill would appropriate $1,050 million more than the budget estimate. As a matter of fact, the bill provides $1,581 million above the budget estimate for 12 key programs which our military leaders advised the Preparedness Investigating Committee and other congressional committees are needed for our national security.

I would like to list these increases, so the American people can see clearly exactly what the Senate proposes to do to strengthen this Nation's defenses now.

First. Additional Army modernization, $162 million.

Second. Additional airlift capability, $200 million.

Third. Acceleration of the Minuteman ICBM, $27 million.

Fourth. Increase and acceleration of the Polaris program, $394 million.

Fifth. Increased research and development for antisubmarine warfare, $42 million.

Sixth. Acceleration of the Samos reconnaissance satellite program, $84 million.

Seventh. Acceleration of the Midas ballistic missile detection satellite, $76 million.

Eighth. Increase in the Discoverer satellite program, $35 million.

Ninth. Acceleration of the Atlas ICBM program, $136 million.

Tenth. Acceleration of the Ballistic Missile Early Warning System, $35 million.

Eleventh. Development of the B–70 as an operational weapons system, $285 million.

Twelfth. Maintenance of the Army National Guard strength at 400,000 and the Army Reserve strength at 300,000, instead of permitting a 10 percent cut, $105 million.

I would like to say a few words about one program that is not included in this list of dollar increases. As Senators know, the 1961 budget included $85 million for the procurement of spare parts for an "on-the-shelf" SAC airborne alert program. This program is planned to cover approximately one-eighth of the B–52 force.

In acting on the bill, the House added $115 million to cover the cost of procuring and storing additional spare parts which would increase the "on-the-shelf" capability by some 25 percent. In other words, these additional funds were proposed to expand the airborne alert program from one-eighth of the B–52 force to close to one-sixth of the B–52 force.

The Senate Appropriations Committee has deleted the $115 million added by the House from the bill. I cannot speak for the committee as a whole on this item, but I would like to make my position clear. I believe that General Power, the able commander of the Strategic Air Command, presented a convincing case for proceeding as rapidly as practicable with an actual airborne alert—not just an "on-the-shelf" capability—for one-fourth of our B–52 force. It is a sobering fact that if the Soviet Union proceeds to build up its missile strength during the next few years on the basis of its capabilities, the SAC airborne alert force would be our only umbrella to deter a possible deadly rain of missiles.

While this bill does not include the specific amounts added by the House for an expanded airborne alert, it does provide the means of carrying out the full program recommended by General Power. Section 512(b) reads as follows:

> Upon determination by the President that such action is necessary, the Secretary of Defense is authorized to provide for the cost of an airborne alert as an excepted expense in accordance with the provisions of R.S. 3732.

What this language does is to provide the President with a complete blank check to spend any and all amounts necessary for an airborne alert.

I submit that the President will not use the authority that we give him under the bill if he feels it is unnecessary. By the same token, however, he would not use any additional money which we might give him, which is a point that Congress should carefully consider. This is something that the Congress rarely does. I earnestly hope that the executive branch will review this situation carefully and will not let budget ceiling considerations inhibit the full use of the authority to initiate an expanded airborne alert.

I do not intend to use this occasion to discuss the U–2 incident and the failure of the summit conference. I cannot help but feel, however, that Mr. Khrushchev would not have felt so free to abuse and humiliate our President if he had had more respect for our future military strength.

The history of communism has made it clear that despite the millions of words that have been written about Marxist theory and philosophy, Communists basically still act and react to strength. They are "tough" when they feel they can get away with it; "soft" when they feel that they have no other alternative.

No set of alleged principles has ever prevented Communist aggression against a weak and helpless Nation. Similarly, no alleged set of principles has ever led the Communists to attack against strength—unless they have made a miscalculation.

By this, I do not wish to infer that military strength alone will ever bring us to peace. But it is clear that without strength we will not have the necessary shield against aggression, behind which we can make the moves that ultimately will lead this world to a true and just peace.

No one can claim to know the inner workings of Premier Khrushchev's mind at Paris or in any other spot. But we do know that he and his predecessors have only been conciliatory in situations where they had good reason to respect the power of the Western World.

In preparedness, as in all other matters, judgment must still be the governing factor. We cannot adopt a "sky is the limit" philosophy in determining the amount of funds that are necessary to keep our Nation strong. But neither can we adopt a philosophy that it is more important to save money than it is to support the programs that will save the Nation.

It seems to me that the bill now before us will supply us with the necessary margin of deterrence. It may be argued that more is desirable. But this is the kind of argument to which there is no terminal point.

I think that we have struck a balance to which reasonable men can subscribe. I would not foreclose the adoption of any amendment, although I do think the bill as reported is a good bill.

The action taken by the committee to provide additional funds for accelerating development of an operational SAMOS reconnaissance satellite system will save us a previous year's time. This will narrow—although it cannot eliminate—the intelligence gap resulting from loss of the U–2.

Finally, in summary, I firmly believe that the increased overall strength we are providing contained by the program increases in this bill will have a definite and desirable effect on the future conduct of Mr. Khrushchev and his cohorts.

I should like to make one further observation if I may before I conclude. The 1961 budget will be administered—at least for almost half of the fiscal year—by a new President. None of us knows who that will be. I am sure, however, that our next President will be in a position to act from strength if we provide him with the additional resources called for by the bill that is now awaiting our approval. I recommend that we approve it. Obviously, the next President can submit any revised suggestions he may have early in his term.

AMENDMENT OF NATIONAL DEFENSE EDUCATION ACT OF 1958—ELIMINATION OF AFFIDAVITS OF BELIEF

During the delivery of the speech of Mr. JOHNSON of Texas,

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The hour of 12:30 o'clock having arrived, the Senator from Florida [Mr. HOLLAND], under the order previously agreed to, is recognized to make a motion with respect to the motion entered yesterday to reconsider the vote by which Senate bill 2929, to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief, was passed.

Mr. HOLLAND. Mr. President, I gladly defer to the majority leader if he is approaching the end of his address.

Mr. JOHNSON of Texas. I have three or four more pages. If it would not inconvenience the Senator from Florida, I ask unanimous consent that I may be given 5 additional minutes to conclude.

Mr. HOLLAND. I certainly have no objection. However, there are other Senators present in the Chamber who are interested. I see them nodding. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I thank the distinguished Senator from Florida for his usual courtesy to me.

Mr. HOLLAND. I am always glad to accommodate the distinguished majority leader.

Mr. President, last evening, coming into the Chamber some minutes after the Senate had passed, by voice vote, S. 2929, I made a motion to reconsider the vote by which that measure had been passed. At the time I stated my reasons for making that motion. I shall not review them in detail. In brief, this is the situation:

An announcement had been made informally on the floor of the Senate that the distinguished junior Senator from Vermont [Mr. PROUTY] was prepared to speak for approximately 3 or 4 hours on an amendment which he had offered in the nature of a substitute for the pending bill.

Numerous Senators, of whom I was one, left the floor, some to adjoining

rooms, some to dinner, some to the office of the Sergeant at Arms, some to the Secretary's office, and some to the reading room. Suddenly we were advised that the matter had taken a new turn, and that the bill had been passed by voice vote.

My own reason for concern in the matter was not only my own very real interest in the legislation, but also my understanding that the amendment, upon which the junior Senator from Vermont had begun a long speech, would in effect strike out both oaths, that is, the so-called loyalty oath and the antisubversive statement. I felt that that course would go too far.

A number of Senators, including myself, desired an opportunity to examine closely as to what had been done At that time, I understand, and as the facts show, the Senator from Vermont changed his proposed amendment, which was originally in the nature of a substitute, to an amendment only to that part of the original bill which required an antisubversive statement on the part of the applicant.

Insofar as the Senator from Florida is concerned, he is happy that the loyalty oath has remained in the bill. He would not have supported the bill if it had not remained in the bill.

Insofar as the Senator from Florida is concerned, he would have preferred that the matter not be brought up, because he was not dissatisfied with the provisions of the original law.

However, I have studied the amendment proposed by the Senator from Vermont. I have conferred with distinguished lawyers in the Senate, such as the distinguished senior Senator from North Carolina [Mr. ERVIN], the distinguished junior Senator from South Carolina [Mr. THURMOND], the distinguished junior Senator from Mississippi [Mr. STENNIS], the distinguished junior Senator from Connecticut [Mr. DODD], and others, and they all seem to feel that the provisions retained in the bill last night merely as a substitute for the antisubversive statement constitute a very strong enforcement measure. Although some of them would not have favored its substitution for the strong language in the original bill, nevertheless, they feel it is a strong enforcement measure.

Therefore, the Senator from Florida is not disposed to insist upon his motion to reconsider the action of the Senate. He is gratified that he has had an opportunity to confer with all the Senators with whom he has had a chance to talk on this matter. He is only sorry that he did not have a chance to advise with all concerned. He sees on the floor of the Senate the senior Senator from New Hampshire [Mr. BRIDGES], who is rising to his feet, and who has great concern in this matter.

I have no intention of insisting upon my motion to reconsider. I feel that the question of reconsideration should be disposed of at this time, and therefore, after my remarks are concluded, and after other Senators have made their remarks, within the time allowed under the unanimous-consent agreement, I shall await the making of a motion to lay on the table, either by the distinguished majority whip, or whoever cares to make it; or I will make it myself, if no one else cares to make it. In other words, I am not seeking to hold up the bill, and I am not an obstructionist. I merely wish to say that the Senate should make certain in such a case that it does not act too quickly, without every Senator having a chance to understand what is going on.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. JOHNSON of Texas. I merely wish to say that the Senator from Pennsylvania will make a motion to table.

Mr. HOLLAND. I thank the Senator.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from New Hampshire.

The PRESIDING OFFICER. The Chair is advised that the Senator from Florida was recognized, but that in order for him to yield time, he must first make his motion to reconsider.

Mr. HOLLAND. Mr. President, I ask unanimous consent to take at this time from the calendar the motion to reconsider the vote by which the Senate passed S. 2929.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the question is on agreeing to the motion of the Senator from Florida that the Senate reconsider the vote by which Senate bill 2929 was passed.

Mr. HOLLAND. I yield to the Senator from New Hampshire.

Mr. BRIDGES. My feelings are somewhat along the line of those of the distinguished Senator from Florida. In the first place, I believe the National Defense Education Act as it was passed in 1958 was a good act. I see no reason for fuzzy-minded people in this country to object to it. And I see no reason why this controversy should be before the Senate at the present time in view of the fact that the sentiment of this body was clearly expressed less than a year ago when S. 819 was recommitted by a vote of 49 to 42.

Rather than the action taken last evening, I believe we should have either recommitted this bill, as we did last year's version, or we should have defeated it. I believe there was sufficient opposition to S. 2929 in this Chamber yesterday to do that. I was absent from the floor for a short time yesterday. I was told before I departed that the Senator from Vermont [Mr. PROUTY] had a 3- or 4-hour speech to deliver. I believe there were six names on the list of Senators who wished to speak. My name was the seventh. The distinguished junior Senator from Connecticut was on the floor and speaking when I stepped out of the Chamber.

Now, however, if the great lawyers in this body, and other capable Senators who feel as strongly about security matters as I do, are satisfied that the measure as it now stands contains a strong antisubversive penal provision in addition to the loyalty oath, it removes some of my doubts.

Nevertheless, I still think it would have been better if the original requirements remained intact. If the Senator were to move to reconsider the vote, I would certainly support his motion. However, I am very happy that at least we have retained the loyalty oath. A year ago an attempt was made to eliminate both the loyalty oath and the disclaimer affidavit. Many people gave the appearance of being against the loyalty oath. Finally, when the pressure became too great, they decided to let the loyalty oath stand.

The Prouty amendment, in its original form, would have deleted the loyalty oath but I am pleased that the oath was retained.

Although it would have been better to leave the National Defense Education Act in its initial form, I am glad that we were at least successful in salvaging the loyalty oath.

It upsets me to think that after 10 years of experience with the National Science Foundation Act, with no one objecting to its oath and disclaimer provisions, and after the National Defense Education Act was in effect for a year with no audible objections, all at once, in the face of a furor created by a handful of sophisticates, everyone runs to cover. We bow down to the demands of a few dissenters and change the law.

If the bill satisfies the lawyers in the Senate, whom I respect, it makes me feel a little better but I am far from satisfied.

Mr. HOLLAND. Mr. President, I accept the Senator's apology for not being a lawyer.

Mr. BRIDGES. If the Senator from Florida intends to proceed with reconsideration of the vote, I shall certainly support him; if he is not going ahead with it, I suppose the only thing we can do is to accept the bill as proposed, trust that it will be satisfactory, and hope that it provides the means to penalize any of this country's enemies who might seek to reap the benefits of this act.

I point out that under the Prouty amendment, any former Communist who has not been a member of a subversive organization during the past 5 years is not covered despite his prior affiliations and whether or not he has made a complete disclosure of the facts surrounding his membership in these organizations.

Mr. HOLLAND. I thank the Senator from New Hampshire for his comments.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. THURMOND. I am bitterly opposed to deleting the non-Communist oath from the law. In my judgment, it is a good law. There are two provisions: One, if a person receives a grant or a loan under the National Defense Education Act, he is required to take an oath to support the Constitution of the United States. The other is that he is required to execute a non-Communist oath; that is, he states that he is not a Communist and that he does not believe in the overthrow of the Government. I do not see how any true, patriotic American could oppose either one of those oaths. I do not see how any citizen, if he is not a Com-

munist and is not sympathetic with communism, could oppose either of those oaths.

I strongly favor the present law. However, the amendment of the Senator from Vermont [Mr. PROUTY] provides a criminal penalty, and that has a great deal of merit. After the amendment was offered last evening, and after the oath of allegiance was added to his amendment, then I had no special objection.

I think that possibly such a headline as that which appeared in the Washington Post and Times Herald today might be misleading to the American people. On page A–2, the headline reads: "Non-Red Oath Lifted From Education Act."

I think the action of Congress ought to be clear to the American people. We are not relenting one iota in our attitude toward Communists. We are strongly in favor of every measure to protect this country and the people of the Nation. We shall not lend money to anyone who has pro-Communist inclinations.

It is my opinion that under the amendment offered by the Senator from Vermont last evening to provide a criminal penalty, there will be, possibly, stronger enforcement than under the present law. Therefore, I did not object last night to the substitution.

We are not simply deleting the provision for the taking of an oath. We are substituting an enforcement provision for the non-Communist oath.

The Prouty amendment also provides that persons who have been members of subversive organizations within 5 years and who apply for or receive loans must in all faith make a sworn, written, full disclosure of their membership. I feel that that is important, too. If they have ever belonged to any organization which is not truly American—100 percent American—I think that before they receive any aid from the Government, they ought to make full disclosure of that fact. So the Prouty amendment has a double feature in that respect.

For these reasons, I did not oppose the adoption of the Prouty amendment last evening. However, because many Senators were out of the Chamber at the time, I felt that the matter should be reconsidered, so that Senators would have an opportunity to express their views. Therefore, I joined with the distinguished Senator from Florida [Mr. HOLLAND] in his motion last evening.

Mr. HOLLAND. I thank the Senator from South Carolina.

Mr. President, I promised to yield to the Senator from North Carolina [Mr. ERVIN].

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the time be extended for an additional 5 minutes, because other Senators desire to discuss the matter. I promised 5 minutes to the Senator from Pennsylvania [Mr. CLARK]. The extra time is needed.

Mr. HOLLAND. I certainly hope every Senator who wants to be heard on the matter will be given a reasonable time in which to speak. I would not want any Senator to be excluded from expressing his opinion on the subject.

Mr. GOLDWATER. Mr. President, reserving the right to object, may I ask what the request is?

Mr. JOHNSON of Texas. I have asked for an additional 5 minutes.

Mr. GOLDWATER. Was the Senate operating under controlled time?

Mr. JOHNSON of Texas. Yes.

The PRESIDING OFFICER. Does the Senator from Texas mean an additional 5 minutes for each side?

Mr. JOHNSON of Texas. Yes.

The PRESIDING OFFICER. Is there objection?

Mr. CLARK. Mr. President, reserving the right to object, how much time has been used?

The PRESIDING OFFICER. The proponents have used all but 3 minutes of the time under the original agreement, and the opponents have used none.

Mr. CLARK. I thank the Chair.

Mr. HOLLAND. Mr. President, if the Senator from Texas will permit me to do so, I should like to yield to the Senator from North Carolina.

Mr. JOHNSON of Texas. How much time does the Senator from Florida wish to yield?

Mr. HOLLAND. Three minutes.

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from North Carolina.

Mr. ERVIN. Mr. President, I commend the position of the able and distinguished senior Senator from Florida. I think it is a wise position to take in the light of the circumstances. It is very difficult to make a case of perjury in the courts, and that was the sole remedy which, under the original act, was available against one who made a false anti-Communist oath.

The Prouty amendment, as modified, as I understand, by the distinguished Senator from Vermont, at the request of the distinguished Senator from Connecticut [Mr. DODD], improves the original act, in my judgment, from a legal standpoint, because it retains the loyalty oath and substitutes for the anti-Communist affidavit a statutory crime which is easier of enforcement than a prosecution for perjury.

As a result of what has happened, I believe the original act has been improved, rather than injured, by the addition of the Prouty amendment, as modified. Therefore, I believe what the Senator from Florida has suggested is a wise course for the Senate to take.

Mr. HOLLAND. I thank the Senator from North Carolina.

Mr. STENNIS. Mr. President, will the gentleman from Florida yield?

Mr. HOLLAND. If I have time, I will yield. I had agreed to yield first to the Senator from Connecticut. Then I will yield to the Senator from Mississippi.

Mr. DODD. Mr. President, I commend the distinguished Senator from Florida for his attitude this morning. I think we have a good bill, and the Senator from Vermont [Mr. PROUTY] deserves much credit. We have been successful, at least, in putting some additional teeth into the statute. We have preserved what I call the oath of allegiance.

With respect to that, I direct my remarks to what the Senator from South Carolina [Mr. THURMOND] said. I think it is of the greatest importance that word go out that the Senate has preserved the oath of allegiance. I do not believe we retreated one whit last night. That is important.

I was opposed to the disclaimer affidavit, but not for the reasons advanced by the committee or by 99 percent of the advocates of the removal of the disclaimer affidavit. I think they were spurious reasons, as I tried to point out in considerable detail last night. The objective was good, but the reasons advanced were erroneous, in my judgment. I hope we can get to the people the true story of what we have done here. We have had trouble with some of our news outlets which obviously misunderstood our action last night. I hope we can get the information to the people through our explanations today.

Mr. HOLLAND. Mr. President, I now yield 1 minute to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Texas has control of the time.

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I desire to add this thought. I think a word ought to be said by someone who is proposing the change that the objections to the law as it now exists—certainly most of them—were made in good faith, and that the persons who objected are not to be censured or condemned. Such a course would cover many of the leading educators of the Nation, to whom we entrust our youth, and many others who are leaders in that field.

I am very happy to find that, upon analysis, the amendment adds strength to the purposes reflected in the present law.

The Senator from Florida has added greatly to the debate by bringing the matter up as he has. I highly commend him.

Mr. HOLLAND. I thank the Senator from Mississippi.

Mr. DIRKSEN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Texas has 4 minutes remaining; the Senator from Illinois has 15 minutes remaining.

Mr. DIRKSEN. Mr. President, I yield 4 minutes to the Senator from Vermont.

Mr. PROUTY. Mr. President, I know that many Senators were surprised at the action taken on the floor last night. I shall try to clarify it a bit, if I can.

I assured many Senators that I would speak at length—perhaps 3 or 4 hours—and I sincerely intended to do so. But the course of the debate took a very sudden and unexpected turn when the junior Senator from Massachusetts [Mr. KENNEDY] accepted the amendment which I had proposed, and which later was modified.

It was for this reason that we did not make the customary motions to reconsider and lay on the table. We knew that many Senators were away; they had not expected any action to be taken at that time and had been given assurance to this effect. That was why we felt they should have an opportunity to bring up the question today, if they so desired.

I am glad it has been brought up, because it gives us an opportunity to point out that the amendment I proposed will strengthen, rather than weaken, existing law. I was very glad to retain the loyalty oath, for while it constitutes no real ground for possible prosecution, it maintains the principle that every American should be willing to swear allegiance to his country, and certainly this is true if he is receiving from his Government funds to help him obtain an education.

I believe that if my amendment is adopted we shall have a stronger law and one which would be much easier to enforce than the affidavit provision in existing law.

For example, today a man could sign such an affidavit in good faith, but if later on he joined the Communist Party, he could not be prosecuted, because—as was pointed out to me by the Department of Justice—the provisions of the statute which relate to perjury and the making of false statements are applicable only to statements which are alleged to have been false at the time when they were made. I believe there are many court decisions which substantiate that point of view. I, myself, am not a lawyer; and sometimes legal technicalities can be confusing to a layman, but a great deal of thought, time, and effort went into the drafting of my amendment and I believe that all of us can support it in good conscience.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The time yielded to the Senator from Vermont has expired.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Arizona [Mr. GOLDWATER].

The PRESIDING OFFICER. The Senator from Arizona is recognized for 2 minutes.

Mr. GOLDWATER. Mr. President, I was not in the Chamber last night when the vote on the amendment was taken. I believe a yea-and-nay vote should have been taken, so as to show how the Members of the Senate feel in regard to such a change in the law.

I do not believe there is any need for such a change. I think it is ridiculous to permit 10 percent of the students in the institutions of higher learning to force through the Congress such a measure, when 99 percent of the American people believe the disclaimer affidavit is needed.

However, the amendment has been agreed to and the bill has been passed.

The Senator from Vermont [Mr. PROUTY] and other Senators have for a long time urged this change on the proponents of the Kennedy-Clark bill, but they refused to accept it. I anticipated that there would be long debate on the Kennedy-Clark proposal. But now the bill has been passed.

I think that in many respects the amendment improves the bill; but I never like to see the Senate take any action which would reduce the protection of the American people from communism.

Mr. DIRKSEN. Mr. President, I yield 3 minutes to the Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, I am a cosponsor of the bill, along with the Senator from Pennsylvania [Mr. CLARK] and the Senator from Massachusetts [Mr. KENNEDY]; and I take full responsibility for the inclusion of the amendment, although I was not on the floor at the particular time when the amendment was adopted. I think my colleagues proceeded correctly.

A great effort is now being made to show that we have not really accomplished anything by deleting the non-Communist affidavit. But I believe it should be said that we have done a great deal, because we have refrained from casting suspicion on all American young people who wish to receive aid under the National Defense Education Act, in connection with the national defense effort, as they proceed to obtain higher education; and in that connection, thousands and thousands of them were complaining about the law as it has stood on the statute books.

We have now voted to remove that part of the law; and we have substituted what I believe every normal American student agrees to. Perhaps we did not express it in the detail in which such matters are dealt with in other laws, including the Smith Act; but that is all right. The point is that no one wishes to have an American student receive aid from his Government while he is achieving higher education if he favors the overthrow of the Government of the United States and its institutions which are dedicated to protecting him. Therefore, the Prouty amendment is right, although it is not essential, whereas the non-Communist affidavit was wrong; and by adopting the Prouty amendment the Senate has taken a definite and practical step toward meeting the deep-seated feeling and conscience of thousands of American students and of great numbers of leading educators in the United States and also the associations which represent them.

I believe that the Senator from Pennsylvania [Mr. CLARK] and the Senator from Massachusetts [Mr. KENNEDY] have performed a useful service for the country and have rendered an accomplishment which the American students have had a right to demand, and have demanded; and I thank my colleagues for the effort they have made in that connection.

Mr. DIRKSEN. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senator from Illinois is recognized for 2 minutes.

Mr. DIRKSEN. Mr. President, I think there is a valid point in the observations which have been made by the Senator from Florida [Mr. HOLLAND]. Perhaps I may summarize them by saying that our view is that the Senate itself never is at fault, although sometimes its procedures are.

So, Mr. President, when, late in the day, an effort is made by both sides to reach agreement on a controversial matter, no one can quite determine how soon such an agreement can be contrived. It is quite true that it was anticipated that Senators would speak on that issue for at least 3 hours, and perhaps longer; and it may be that we should have alerted the Members of the Senate by having a quorum call before the vote was taken. But because many were anxious to meet other commitments, we did not have a quorum call or a yea-and-nay vote; and I am sure that many Senators who wished to be here when the vote was taken—and they include the senior Senator from New Hampshire—were foreclosed the opportunity of submitting their views at the time.

So there is a point in the motion to reconsider; and I am glad that I did not move, last night, that the vote be reconsidered, or did not move to have a motion to reconsider laid on the table, for if such action had been taken, Senators could not now be heard on this subject.

Mr. President, I have no more to say; and I am ready to yield back the remainder of the time available to me.

With respect to the measure itself, I can only say, from long experience on many committees and with our difficulties with persons who take the fifth amendment or put clothespins on their consciences, that there is one way to obtain some enforcement, and that is through a perjury statute. That is what we have undertaken to do.

So I think this measure, with the original oath in it, but with the disclaimer affidavit deleted, is, from the enforcement standpoint, stronger than the original bill.

I understand that the Senator from Pennsylvania [Mr. CLARK] has some concluding remarks to make. After he finishes, I shall offer a motion to lay on the table the motion to reconsider.

Mr. President, if no time remains available to those on the other side, I yield 5 minutes to the Senator from Pennsylvania.

Mr. JOHNSON of Texas. Mr. President, I believe I have some time remaining under my control.

The PRESIDING OFFICER. Yes, the Senator from Texas has 5 minutes remaining.

Mr. JOHNSON of Texas. I yield 5 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 5 minutes.

Mr. CLARK. Mr. President, the purpose of the proponents of Senate bill 2929 was to get rid of the disclaimer affidavit.

The compromise which was agreed to last night, and which is about to be confirmed at this time, achieves that purpose.

It is desirable to state briefly why many of us who supported the bill felt as we did.

First, we believed that the disclaimer affidavit singled out one group of Americans—namely, college students—from almost all of their fellow citizens, by requiring them not only to affirm their loyalty to our country, but also to dis-

claim any association with communism. This we believe to be an affront to the best brains of the Nation, as well as a restriction on their right of freedom of thought and action. As the Senator from Connecticut [Mr. BUSH] well said, last night, this is a matter of the mind and the spirit.

It is no answer to this argument to assert that a similar requirement exists in connection with some Federal employment and in connection with the National Science Foundation. The situations cited in the debate are quite different; and, in any event, serious consideration should be given to eliminating the requirement in these other areas where it presently exists.

Mr. President, there is no justification for making this requirement before a student is able to obtain a Federal grant or loan, whereas farmers, home buyers, and scores of other groups in our country are able to receive Federal subsidies without taking such an affidavit.

In the second place, we believe that the disclaimer affidavit writes into law an entirely unjustified suspicion of the loyalty of the college student body of our country. Unlike the students of certain other countries, America's college youth are intensely loyal to their Nation and its democratic form of government.

Third, we believe that the disclaimer affidavit is a symbol of the wave of immaturity and anti-intellectualism which swept the country during the decade from 1946 through 1956.

It was during this time of witch hunts that so much damage was done to our country by the movement which has come to be known as McCarthyism.

We wanted to destroy that symbol to show to the world that that discreditable part of our recent history is now over.

Fourth. We believe that the objections to the affidavit of the overwhelming majority of the colleges and the universities of our country justified the Congress in repealing the requirement.

It was stated several times in debate yesterday that only a small minority of the colleges of this country objected to the affidavit, but this, frankly, is not true.

I refer to the associations which specifically filed objections in one form or another:

First, the American Association of Land-Grant Colleges and Universities.

Second, the Association for Higher Education.

Third, the Association of American Colleges.

Fourth, the Association of American Universities.

Fifth, the Association of Graduate Schools.

Sixth, the Association of Land-Grant Colleges and State Institutions.

Seventh, the National Education Association.

Eighth, the State Universities Association.

Practically every college or university in this country belongs to one or more of those organizations, which is authorized to speak in their behalf.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. CLARK. I do not have the time to yield. I will yield when I am through.

Mr. BRIDGES. How will the Senator be able to yield then?

Mr. CLARK. I will yield at the end of my speech.

The PRESIDING OFFICER. The Chair requests the regular order. The Senator from Pennsylvania may proceed.

Mr. CLARK. Finally, Mr. President, we believe the affidavit is perfectly ineffective to accomplish its presumed purpose—that of disclosing the existence of Communists in our colleges. No one seriously controverts this contention.

In short, the disclosure affidavit is just plain silly.

Finally, we regret that it seemed desirable, in order to achieve our objective, to agree to creating another crime in the general area of espionage, sabotage, sedition, and subversive activities. Goodness knows, we have legislated adequately, if not excessively, in this field already.

I ask unanimous consent that there may appear at this point in my remarks a list which I have compiled of the various crimes and penalties in this field which are already a part of existing law.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CHAPTER 37 OF TITLE 18—ESPIONAGE AND CENSORSHIP

Section 792: Harboring and concealing persons.

Section 793: Gathering, transmitting, or losing defense information.

Section 794: Gathering or delivering defense information to aid foreign governments.

Section 795: Photographing and sketching defense installations.

Section 796: Use of aircraft for photographing defense installations.

Section 797: Publication and sale of photographs of defense installations.

Section 798: Disclosure of classified information.

Section 799: Violation of regulations of National Aeronautics and Space Administration.

CHAPTER 105 OF TITLE 18—SABOTAGE

Section 2152: Trespassing upon, injuring or destroying fortifications, harbor defenses, or defensive sea areas.

Section 2153: Destruction of war material, war premises, or war utilities.

Section 2154: Production of defective war material, war premises, or war utilities.

Section 2155: Destruction of national defense materials, national-defense premises or national defense utilities.

Section 2156: Production of defective national defense material, national-defense premises or national defense utilities.

CHAPTER 115 OF TITLE 18—TREASON, SEDITION, AND SUBVERSIVE ACTIVITIES

Section 2381: Treason (5 years; $10,000).

Section 2382: Misprision of Treason (7 years; $1,000).

Section 2383: Rebellion or insurrection (10 years, $10,000).

Section 2384: Seditious conspiracy (20 years, $20,000).

Section 2385: Advocating overthrow of Government (20 years, $20,000).

Section 2386: Registration of Certain Organizations (5 years, $10,000).

Section 2387: Activities affecting Armed Forces (10 years, $10,000).

Section 2388: Activities affecting Armed Forces during war (10 years, $10,000).

Section 2389: Recruiting for service against the United States (5 years, $1,000).

Section 2390: Enlistment to serve against United States (3 years, $100).

Subversive Activities Control Act of 1950 (50 U.S.C. 794): Penalties 5 years, $10,000.

Mr. CLARK. The new crime we have created adds little to existing law, is relatively unimportant, and of doubtful constitutionality. I suspect it will be a long, long time before any indictments are brought under it.

So the price we paid was well worth paying.

As it so often does in the course of debate, the Senate has ended a controversy with an acceptable compromise. I am happy to support it, as I am sure are the many other Senators, in all likelihood, a majority, who would have supported S. 2929 had it come to a rollcall vote.

I now yield to the Senator from New Hampshire.

Mr. BRIDGES. The point the Senator was trying to put across, as I understood it, was that these national associations of college professors he mentioned spoke for all the colleges in this country. Am I correct in this understanding?

Mr. CLARK. These are not associations of college professors; these are associations of colleges, and also one association of college professors. Every college belongs to one or another of these associations.

Mr. BRIDGES. Does the Senator mean they speak for every college in this country?

Mr. CLARK. The fact that only one small college in Pennsylvania objected is clear proof that these organizations do speak for them.

Mr. BRIDGES. I do not agree with the Senator at all.

Mr. CLARK. I would not expect the Senator to; he rarely does.

Mr. BRIDGES. This is a fact, and it is particularly true with respect to the issue before us today.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from Florida [Mr. HOLLAND].

Mr. HOLLAND. Mr. President, without laboring this question further, I want to show how completely the press has misunderstood the action of last night; and I hope my friend from Pennsylvania will follow me: For instance, in the Philadelphia Inquirer, which is a well-regarded paper, which ably reports the news.

Mr. CLARK. It is well regarded, indeed, although Republican in nature.

Mr. HOLLAND. It would seem to me they are well informed.

Mr. CLARK. Not necessarily.

Mr. HOLLAND. We find this headline for the article covering the action in the Senate last night: "Senate Votes To Kill Loyalty Affidavit in Student Loans Program."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HOLLAND. In the New York Times, another well-informed paper—I believe it is independent, or perhaps sometimes Democratic and sometimes

Republican, and I am not making this a political matter—we find an article on the same subject under the headlines, "Senate Votes End of Student Oath."

The point I am making is that the hasty action we took last night, without full disclosure on the floor of what we had done, has left baffled even the well-informed press correspondents who cover matters of this kind for the large newspapers of the country. I feel that the debate of this morning will do more to clarify this issue than anything that happened last night.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. DODD. Mr. President, will the Senator yield?

Mr. DIRKSEN. Does the Senator from Connecticut wish me to yield him some time?

Mr. DODD. I wished to ask the Senator from Pennsylvania a question.

The PRESIDING OFFICER. The Senator from Illinois has 2 minutes remaining.

Mr. DIRKSEN. I yield 2 minutes to the Senator from Connecticut.

Mr. DODD. Did the Senator from Pennsylvania, being the good lawyer that he is, suggest that he had great doubt about the constitutionality of the Prouty amendment?

Mr. CLARK. Yes, in view of the case of Speiser against Randall.

Mr. DODD. Does the Senator favor passage of an act when he has doubt about its constitutionality?

Mr. CLARK. Under the circumstances I thought it was justified. There are many on the floor who think the measure is constitutional.

Mr. DODD. I suggest to the Senator this is something new in my experience. I had always supposed it was our solemn duty, under our oath, not to pass any unconstitutional act, or even one about which we had serious doubt.

Mr. CLARK. If the Senator had been here even as long as I have, he would know we often do.

Mr. DODD. I am glad I have not been here long enough for that. I hope I do not see it happen again.

Mr. PROUTY. Mr. President, if the Senator will take time to read the rather lengthy statement I had inserted in the RECORD yesterday, I think it will resolve any doubts he has about constitutionality.

Mr. CLARK. I shall be glad to read it, because my friend from Vermont always has something worthwhile to say.

Mr. DIRKSEN. Mr. President, I move to table the motion to reconsider.

The PRESIDING OFFICER. All time allotted has expired.

Mr. COOPER. Mr. President, I wonder if the Senator from Illinois will yield me 3 minutes.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the Senator from Kentucky may be permitted to speak for 3 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Kentucky is recognized for 3 minutes.

Mr. COOPER. Mr. President, we are considering a basic issue. This may be the only opportunity I have to express myself on it, so I should like to speak for a few moments.

I do not want to appear perverse in being in opposition to good friends in the Senate who are loyal and patriotic Americans. Yet I must say I believe it is basically wrong for the Congress of the United States to impose oaths and affidavits upon the people of this country, unless there is some compelling reason to do so.

I have taken the oath of allegiance to the United States, as a State official and as a Member of this body. I have taken the oath of allegiance as a private soldier and as an officer of the U.S. Army, and I can say I was never prouder in my life than when I took these oaths. An official, and a member of the armed services bears a special relationship to the Government of our country. As for myself, I would be glad to take the oath upon any occasion. But I believe that it is a new concept to impose oaths upon young people, the young men and women, who are in our high schools and colleges.

Why do we do it? Do we distrust their loyalty to the United States? Are we requiring that this single group in our country prove their loyalty to the United States?

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. COOPER. I shall be glad to yield in just a moment.

Do we distrust the loyalty of the young people of the United States? Is there any reason why we should not trust them as we trust other people in the United States who take loans and grants from the United States? I do not think so. I do not want to see the distrust of any group in our country.

I know my views on the oath of allegiance and the disclaimer are contrary to the views of many in this body. But they are my views, and I felt I should express them.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. BRIDGES. Does the Senator not realize this is an act for the educational defense of this country? Does that not put these students in a little different category from the common mass of the citizenship?

Mr. COOPER. I do not think so. It is called the National Defense Education Act. But when one reads the act, one sees it includes vocational training. And scholarships are given to teachers so that they may obtain summer training. Scholarships are given to boys and girls who will take English, history, and general college subjects, including the sciences.

I know the patriotism of my distinguished friend, and I respect him, but I simply say I think we are taking a long step when we begin to require the people of the United States to hold up their hands and swear they are loyal to the United States—overwhelmingly, they are loyal to the United States.

Mr. BRIDGES. The Senator has been a Member of the Senate before. The students who take advantage of the National Science Foundation Act are required to do this same thing. Why did the Senator not object to that?

Mr. COOPER. I was not in the Senate when the bill was passed. And there may be some special reason for that provision. Those who come under the act may be doing a special kind of work, relating to security.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The time of the Senator from Kentucky has expired.

Mr. DIRKSEN. Mr. President, I move to table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois to table the motion of the Senator from Florida.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Illinois to lay on the table the motion of the Senator from Florida.

The motion to lay on the table the motion to reconsider the vote by which Senate bill 2929 was passed was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Is the Department of Defense appropriation bill before the Senate?

The PRESIDING OFFICER. Yes.

Mr. STENNIS. Mr. President, I shall not detain the Senate at length on this matter. I have no prepared address, except some very brief remarks on one point. I shall express briefly some general observations on the appropriation bill as it came from the committee to the Senate.

In the first place, Mr. President, there are contained within the bill, as it is now written, funds for a beginning of a substantial improvement in our military airlift program, which has been somewhat neglected over the last few years. I believe there are sufficient funds to provide what will be a substantial airlift for our ground fighting troops, a highly important phase of a well rounded-out military program.

This program has been delayed by planning and considering the use of civilian aircraft. Because of a lack of a sustained, well rounded-out drive for more funds, and because there was some division of responsibility within the different services concerning this problem, there has been some delay. The bill before us now contains funds for a real beginning of a substantial airlift program, which will make it possible to take our special infantry troops in large

numbers to any trouble spot speedily and to provide the airlift necessary to carry the armor, the light vehicles, the light tanks, and all other modern weapons the troops might need.

This will be independent of any other assigned mission. I think it represents one of the highly important parts of our mission in world affairs as of now. There is a need for a quick and effective striking force which can be put in motion on the very shortest of notice and taken to the point of trouble within the shortest reasonable time.

It makes no difference how good a force of Marines we may have or how strong are our regiments or divisions, if we do not have the airborne troops with an adequate airlift to take them to a given place. Such a lack automatically greatly reduces their effectiveness.

Mr. President, however much doubt there may be about so-called all-out war, I am one of those who believe that certainly for a considerable time there are going to be trouble spots and brush wars—we of course pray they will not reach even that proportion—at least threats and disorders in various parts of the world. What will be done about this will depend almost altogether upon our action. This airlift is an essential part of the plans, and has been deferred on the priority list and therefore largely neglected. I am very much pleased that funds have been provided to the extent they have been included in the bill before the Senate.

Mr. President, I shall say a word as to the background before I discuss the matter of the air alert.

Mr. PROXMIRE. Mr. President, will the Senator yield to me for a question in regard to the airlift, before he leaves that subject?

Mr. STENNIS. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Would the Senator indicate how much of an increase in appropriations the improvement in the airlift represents?

Mr. STENNIS. I do not have the exact figure before me at this time. I hesitate to state it from memory. I shall supply the figure within the course of my remarks on the airlift. I am sorry I do not have the information before me now. It is a substantial amount, to make a real start.

This is something which cannot be done overnight, as the Senator from Wisconsin understands. There is a lead-time involved. Preparations must be made. Decisions must be made as to the exact plane or planes which will be purchased.

I recall the interest of the Senator from Wisconsin in this subject. I recall the remarks the Senator made, which were very timely and forceful, during the course of our deliberations last year. I commend the Senator for his interest.

Mr. PROXMIRE. I am indeed interested. I am much interested in this subject. This sounds like an excellent contribution to the strength of the Nation.

Mr. STENNIS. Yes.

Mr. PROXMIRE. I should like to obtain a few more facts in regard to it. How much of an increase in airborne troops would the appropriation provide for?

Mr. STENNIS. I shall read, briefly, a paragraph from the report:

> Within the appropriation "Aircraft procurement, Air Force," for airlift modernization, the committee recommends an increase of $200 million over the budget and a reduction of $50 million from the increase of $250 million provided by the House. The committee has also included the following language in the bill: "Of which not less than $200,000,000 shall be for transport aircraft suitable for the movement of fully equipped troops and combat equipment."

In other words, this nails it down to the specific requirement of aircraft designed to transport fully equipped troops and combat equipment. An appropriation of $200 million is recommended. That is the amount of the Senate committee increase. The House bill provided $250 million over the budget.

Mr. PROXMIRE. Why was it that the Senate committee did not go as high as the House?

Mr. STENNIS. It was not because of a lack of interest in the subject matter. It was simply because of an apportionment of some of the overall funds. Also, it was learned there had been some delay in making decisions as to the type of plane which was gonig to be used. The Senate committee feels that it is going along with the program fully, as a practical matter, by providing these funds.

Mr. PROXMIRE. It is a matter of timing.

Mr. STENNIS. Yes. It is a matter of timing in planning and a matter of timing in procurement.

Mr. PROXMIRE. Is there any indication of the size of the proposed airlift increase specified in terms of a division, a regiment, or anything of that sort? Is that information available?

Mr. STENNIS. Will the Senator repeat his question?

Mr. PROXMIRE. I wonder whether the proposal means that there will be an additional division which will be subject to airlift?

Mr. STENNIS. No. The Senator's question is timely. The program as contemplated will not in and of itself add a division to the present Army complement. I point out that the proposed plan is the beginning of a real substantial implementation of the entire program.

Mr. PROXMIRE. When the program is further implemented to provide for the specific number of personnel required, whether it be an additional division, two divisions, or whatever it is, a further appropriation from Congress at a later date will be required?

Mr. STENNIS. This increase in airlift capability does not involve any increase in the total number of troops, however, it will greatly increase the capabilities of our ground forces.

Mr. PROXMIRE. I thank the Senator.

Mr. STENNIS. I thank the Senator for his inquiry.

As I said, I shall not detain the Senate at great length, but I should like to make a few brief remarks regarding the problem of air alert. Since January it has been my privilege to attend almost all briefings before the Preparedness Subcommittee of the Armed Services Committee, and to hear some testimony before the subcommittee of the Appropriations Committee which heard testimony on the bill, as well as the Space Committee.

I have heard in the military department the Secretary of Defense and all the Chiefs of Staff, including General Power, the head of the highly important Strategic Air Command, and General Kuter, who is in charge of air defense, and many others. I am very happy to report to the Senate that in my opinion the figures that appear in the bill presented by the Senator from New Mexico [Mr. CHAVEZ] cover in a very substantial way all of the essential requirements for a well-rounded military program.

After being alerted in the first part of this year by the Senator from Missouri [Mr. SYMINGTON], to whom I am indebted in many ways for suggestions and explanations of our military program, I listened with special interest to testimony with respect to the air alert. While I have a generous attitude toward the witnesses, I believe they failed to make out a case for funds beyond what the subcommittee has provided in the bill, and which the full committee approved.

We have hard money in the bill as recommended by the Defense Department and the Budget Bureau for on-the-shelf air alert, which will provide the necessary spare parts and certain training preparations. Then the chairman of the subcommittee, the Senator from New Mexico, wrote into the bill a special provision that should the President of the United States, in his wisdom, feel the need or cause to augment the air alert program in the course of the coming fiscal year, he is expressly authorized by this language to proceed with a program regardless of cost, and the Congress would thereby be committed to appropriate the money.

In other words, the President can make valid and binding contracts in behalf of the Government to install the air alert to whatever extent the President sees fit. I believe it is a happy solution to this vexing and uncertain problem.

I desire while I am on my feet to say a few words with reference to the highly important subject of Army modernization. My remarks will proceed along the same points that I have made with reference to an airlift for the Army. For several years everyone from the President on down, has been concerned about the modernization of weapons in the Army. The question has been one of priorities. When I say "Army modernization," I refer to the matter of having the most modern tanks, the most modern rifles, and the most modern ground-to-ground or tactical missiles and all the other modern, up-to-date weapons in an amount that might reasonably be needed in order to make our reorganized pentomic infantry divisions as effective as

possible with the most modern weapons. We have included in the bill figures with which I shall not encumber my presentation, because it is difficult to pull them out of the figures of current funds and transpose them over to the incoming budget. This is a continuing program, of course.

We must have funds remaining at the end of each year. Therefore, without untangling those figures in any way, I will summarize my point in this way: If the bill is left as it is in respect to Army modernization, we shall have at least $300 million more for Army modernization than we have for the current fiscal year that is about to end. Even though that amount of money is not as much as could be spent for this purpose, it is certainly a long start and a sizable sum of money and would go a long way toward meeting, not a weak point, but a lapse or a gap in our highly important military program. Something like $162 million, in round numbers, in additional new money over the budget, has been provided for those purposes. Such expenditure is in the face of the fact that we appropriate more money already than is being spent for those purposes. But when the hard money in the bill is added to the estimated reimbursements which are coming in and that will come in for the off-the-shelf sales in connection with the military assistance program, we shall have more than $300 million additional that can be spent for those purposes; and I think it should be spent.

Mr. PROXMIRE. I hesitate to interrupt the Senator from Mississippi for I know he wishes to make his presentation as concise as possible, and it is very persuasive.

Mr. STENNIS. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. I understand that the Army felt it was necessary to have about $1 billion in addition in order to provide a net gain in real modernization of equipment rather than a replacement of the equipment it then had. The House added $37 million; in addition to that increase, the Senate committee added another $125 million, making a total of $162 million. These figures would indicate that we are only about 16, 18, or 20 percent along the way toward the modernization of the Army which was actually requested.

Mr. STENNIS. Mr. President, before any percentages are arrived at, we must have a starting point. Some within the Army disagree among themselves as to what constitutes Army modernization. Those of us who have tried to wrestle with the problem have had to formulate a definition of our own. My definition can be illustrated in this manner: Whenever the Army buys a new, modern tank to replace an old one, that is what I call Army modernization.

They may call that a replacement and say that the costs should not be charged in that way. My concept is the bringing forward of more and more of the new modern weapons and bringing forth better weapons, better than the kind we have already, to do a better job. That is the best way I can explain this matter to the Senator from Wisconsin. I am satisfied that the pending bill carries over $300 million more than we provided last year, although it is true that the Army asked for about $926 million over the budget to carry out their definition of Army modernization.

Mr. PROXMIRE. Is it correct to say that that amount would not include the new M–14 rifle or the armored personnel carrier, and so forth?

Mr. STENNIS. My recollection is that we wrote a provision into the bill that the additional funds must be used only for Army modernization. I would like to read from the report. The first item is the new rifle using the NATO rounds. The amount put in the bill for these purposes was not the amount the Army had requested. If the Senator wishes, I can read from the report, to show just what items are included.

Mr. PROXMIRE. I wish the Senator would do that.

Mr. STENNIS. According to the report, the second item would be the NATO rounds for the new rifle and machine-gun. The third is a new armored personnel carrier. The fourth item is a fully mobile division artillery howitzer. Then there is the new extended range ammunition for the division artillery howitzer. There is also the fully mobile long-range gun, 175 millimeter. Then there is the ammunition for the new long-range gun. The next item is what we call the main battle tank. That is the Army's main or major battle tank. According to our records, at that point there is the cutoff.

Mr. PROXMIRE. Would it or would it not be accurate to say that what the committee did was to provide the most urgently needed equipment?

Mr. STENNIS. Yes, according to the priorities provided by the Army.

Mr. PROXMIRE. According to the priorities set up by the Army?

Mr. STENNIS. Yes.

Mr. PROXMIRE. The committee did not provide all the new types of equipment the Army said it needed. Is that correct?

Mr. STENNIS. That is correct. There are some items which are not included in the list given to us by the Secretary of the Army. Further on down on the priority list as submitted by the Secretary of Defense we get into the ground-to-ground rockets, or tactical rockets, that I mentioned a while ago. The funds that we provide do not get into those on as large a scale as the Army suggested. This is a very modern weapon, and it will be next on the list, no doubt, if we can make these funds stick.

Mr. PROXMIRE. I thank the Senator.

Mr. STENNIS. The Senator from Wisconsin has contributed to the debate by asking these questions.

I should like to say one word further on the Army modernization question. The fact that the committee did not include more funds is certainly not to be interpreted as any doubt of the program, or the soundness of it, or the need for it—in fact, the essential needs for it, but within the immediate future or as soon as it can reasonably be provided. We concluded that this was a reasonable balance. I am speaking for myself. The Senator from New Mexico and other Senators have spoken for the committee. I wish to emphasize that in my opinion this is one of the most important programs, and I believe that we make more headway by picking the proper parts of it at a time. The big consideration now is really to get it moving in a substantial way, and on such a base as that we can keep it going.

If the Senator from New Mexico wishes the floor, I will yield the floor now. I have a few remarks to make on the Samos.

Mr. CHAVEZ. I wish the Senator would proceed now.

Mr. STENNIS. Mr. President, I support the committee amendment concerning the funds for the satellite Samos.

We all know that we have no intention of starting a nuclear war by striking the first blow. On the other hand, we cannot risk another Pearl Harbor in this day of nuclear weapons.

It is imperative that we continue to maintain a defense posture which will provide us with maximum knowledge of potential enemy capabilities and warning of any possible attack.

Until recently, aerial photographs obtained by our U–2 planes provided one of our most important sources of information about Soviet military activities. This method of obtaining intelligence is no longer available to us.

There is general agreement that our Samos reconnaissance satellite offers the only foreseeable means by which we can get timely and accurate information about major Communist military movements and preparations. The Samos has no capability for harming any nation—it is a passive observer. It can be a powerful servant for world peace by providing information necessary to protect the free world. This system will provide critical information about targets, military capabilities, and changes in military activities—it will give us strategic warning of a hostile buildup.

It is vital to our national security that this program be pushed vigorously. All reasonable steps should be taken to increase the reliability of the Samos system and to achieve the earliest possible date of operational readiness.

The funding of this program as approved by the budget authorities allowed only for a "minimum essential" research and development program. Flight testing at this level would be very limited. Any unprecedented and unforeseeable malfunctions or accidents would cause a slip in the projected operational date. Invaluable time could be lost because spare vehicles would not be available. We cannot run such risks in this vital program.

The $83.8 million additional in the Senate bill will permit a greater number of component tests. This is the only way to increase the reliability of the small but vital parts whose failure can doom any flight.

These funds will also permit comprehensive engineering studies to capitalize on improvements discovered in the course of the research and development program. This will allow us to get the greatest return in the least possible time

from discoveries made during the research stage.

And last, perhaps, most important of all, the additional funds will carry the program through into the operational stage. It will provide for production of operational as well as test vehicles and equipment.

It is reliably estimated that adequate funding at this time will advance the date of operational readiness by about one full calendar year. That will make this system operationally available to us by 1962 instead of the late 1963 target date.

This is a rare opportunity to buy time in a vital program. By providing a saturation of necessary funds to see this promising and vital system through, we will avoid, now, the time lost by stops and starts which characterized many other defense development programs and contributed greatly to the so-called missile gap. I consider the earliest possible development of the Samos satellite to be one of the highest priority programs for the defense of our Nation. For this reason I urge the Senate to consider favorably the committee's recommendations for this program, and by this positive, affirmative action in the legislative branch express our clear intention that the executive branch take immediate action to develop an operational Samos reconnaissance system.

I hope the Senate will approve the inclusion of the full amount and that the House conferees, in consideration of the newly developed facts since the House passed the bill, will see fit to accept the amendment and that the entire funds contained in the Senate bill will be made available for these very essential and important purposes. The language in the bill permits the use of these funds for no other purpose. So if the program should not develop fast enough to use these funds, the funds will remain in the Treasury until they can be used.

That concludes my statement. I yield the floor.

Mr. BIBLE. Mr. President, I should like to direct my attention for a few minutes to one phase of the report on the defense appropriation bill, which is now before the Senate. It is the section which deals with the provision for liquid oxygen.

I was privileged, by assignment of the Senator from Alabama [Mr. SPARKMAN], the chairman of the Committee on Small Business, to conduct hearings before that committee on the plans of the Air Force to procure liquid oxygen generators. The hearings were held in mid-May and lasted 2 full days. They were the outgrowth of a number of complaints which the committee had received from the commercial producers of liquid oxygen to the effect that the new Air Force facilities represent a serious economic threat to the commercial producers.

Those hearings were a continuation of a series of hearings which the Committee on Small Business has held over the past number of years, since we have found that it is inevitably the smaller business which is constantly being threatened by the existence of commercial and industrial activities owned and operated by the Federal Government.

Over the course of the years, I know the chairman of the Subcommittee on Defense Appropriations has become well aware of this situation. There have been strong pronouncements from those in authority and strong statements from those in the defense installations that they would give small business a little larger share of the defense dollar. Many, many statements have emanated from them; but unfortunately the achievements do not seem to keep pace with the pronouncements.

We appeared before the subcommittee headed by the chairman, the Senator from New Mexico, in order to present our case in this particular field. It seems to me that a strong case was shown by the industry that the Air Force did not need some 70 new oxygen generators, which were line items in the defense budget for this year, at an expense of some $5.2 million.

I am happy to say that on yesterday I filed a unanimous report of the Committee on Small Business which agrees with our conclusions that the production of liquid oxygen is a small business enterprise which can be carried forward commercially rather than on base by the Air Force.

It was significant—and it came out in the testimony—that just 3 years ago the Office of Defense Mobilization urged these very producers to increase their production. In order to enable them to do so, the ODM issued a number of certificates of necessity providing for rapid tax amortization. Now, just 3 short years later, the Air Force has reversed its position and is attempting to create an on-base productive capacity of its own.

I think it should be very clear, and I think our committee felt it was very clearly shown, that liquid oxygen is an essential commodity. The Air Force must have it. But we learned a number of things in the hearing which I think should be reflected in the RECORD. Among them was a very fine recent advancement and improvement in the method of storing liquid oxygen. It is possible today to store liquid oxygen without any losses whatsoever. The Committee on Small Business felt, and I think the hearings made it abundantly clear, that this particular phase of the problem had not been adequately explored by the Department of Defense.

So that the RECORD may be very clear as to the conclusions which our committee reached as a result of the hearings, I should like to recite the five conclusions of the Committee on Small Business. In our unanimous report, we said:

1. Having assessed the information it obtained, your committee recommends that the Air Force hold up its procurement of 64 of the 70 liquid oxygen generators scheduled for purchase.

2. The Federal administration has on several occasions stated that it would follow a policy of procuring goods and services commercially wherever possible. Decisions of operations personnel that are contrary to basic policy should be reviewed at the secretarial level. At all levels, alternative courses of action should be considered and the tentative decisions of operational officers brought in line with administration and departmental policies.

3. The Air Force should consult representatives of private industry in its review of this problem.

I was shocked beyond words to find the testimony replete with evidence that the Air Force had never counseled with the industry people in this problem. The Air Force was not aware of the advances which had been made, for example, in the field of storage.

The final conclusions of the Committee on Small Business were:

4. The review should take cognizance of the impact upon private industry. To say that the Air Force will continue to procure liquid oxygen from commercial sources begs the question. Government agencies should not operate any commercial or industrial facilities unless commercial sources are clearly unable to meet their needs.

5. Both the Department of Defense and the Bureau of the Budget should revamp their procedures in reviewing commercial and industrial activities. This case illustrates that present procedures are ineffective.

Mr. CHAVEZ. I think the Committee on Appropriations was in complete agreement with what the Senator from Nevada had in mind. The committee would not accept the suggestion in the hearings; however, in the report we have made pretty plain what we had in mind.

Mr. BIBLE. I appreciate the Senator's statement.

Mr. CHAVEZ. That is, that the Air Force should buy from private enterprise at all times, except in the isolated instances when it is necessary for the Air Force to produce its own liquid oxygen.

Mr. BIBLE. Of course, we do not question that fact. As a matter of fact, the Department was asking for the procurement of 70 generators. I think it is very clearly shown that six were in isolated places.

I commend the chairman of the Subcommittee on Defense Appropriations, the subcommittee itself, and the full committee, for including the language that appears on page 43 of the report. I direct attention to the last sentence on this particular finding, which reads as follows:

The committee has not included this language in the bill, but does expect the Department of Defense to carry out the intent of the provision insofar as is possible by acquiring only such facilities as there is a demonstrated need for, using commercial supplies wherever possible.

I appreciate the committee's position, and I appreciate the fact that they have written this language into the report. This is my question: Is the word "expect" in the phrase "expect the Department of Defense" strong enough wording to constitute a directive to the Department to carry out this policy?

Mr. CHAVEZ. I believe the word "expect" can be defined as a directive to the Department to do just that. However, if there is any other word by which we can make it certain, I am willing to consider it.

Mr. BIBLE. So that we may be in a position to make legislative history, I think the response of the Senator from New Mexico is helpful. I construe the

language which I have just read—namely, the expectation which is expressed by the committee—to be a directive to the Department of Defense to carry out the intention of the committee.

Mr. CHAVEZ. It was so intended; and we have had word from the Department of Defense that they are trying to do that.

Mr. BIBLE. That is excellent.

Mr. CHAVEZ. Everyone was concerned about that proposition. We want to get the Government, including the Pentagon, out of business. Now we hope we can get the Government out of the business of producing liquid oxygen, except where it may be necessary in an isolated place.

Mr. BIBLE. The committee, in conducting the hearings, recognized and accepted this general rule; but we were very well convinced by the showing made to us by the available sources that the Department of Defense, more particularly, had not investigated the new technologies which have been developed in the matter of the storage of liquid oxygen. So we are hopeful—and we feel very keenly—that this directive should be followed through by the Department of Defense.

I believe, among other things, that the representatives of the Department certainly should meet with the members of the industry and at least bring themselves up to date on the advances which have been made in this field.

I appreciate the answers which have been made by the able chairman of the Subcommittee on Defense Appropriations. I know that the Senators from Alaska have a keen interest in the problem. The senior Senator from Alaska is in the Chamber now. Probably he has some comments to make on the subject.

I thank the Senator from New Mexico.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. BARTLETT. I was very happy to hear the Senator from New Mexico, the chairman of the subcommittee, state that, so far as he is concerned, the word "expect," as read by the Senator from Nevada from page 43 of the committee report, could be interpreted as a directive. I think this is most useful legislative history. It will be helpful.

It was my privilege to serve under the guidance of the distinguished Senator from Nevada [Mr. BIBLE] on the Committee on Small Business, which held hearings on this subject.

I wish to say that in my opinion the hearing was a model for an inquiry of that kind, because the Senator from Nevada made a most searching and objective inquiry into this proposition, and witnesses from the Government and witnessess from industry were heard at length.

Mr. CHAVEZ. Did witnesses for the Air Force appear before the committee?

Mr. BARTLETT. They did. But they failed to convince the Senator from Nevada and they failed to convince the Senator from Alaska of the justice or merit of the case of the Air Force.

I was rather disturbed by some of the testimony which was offered in behalf of the Bureau of the Budget. The Senator from Nevada recalls that some years ago the Bureau of the Budget had issued a directive which was intended to take the Government out of business, whenever and wherever that was possible. But, as I recall, it was stated before the Small Business Committee that in the cases involving the Department of Defense, whenever the words "national security" were offered by departmental representatives, in regard to any proposed activity which could be performed by private business, the Bureau of the Budget was not inclined to look behind the use of those words or to inquire further into the particular matter involved. But I believe that the Bureau of the Budget does have that right and that very positive duty. It has a duty insofar as the Department of Defense is concerned and every other department of Government.

I am very much gratified that the language referred to appears in the report; and, buttressed as it is by the chairman's use of the word "directed," instead of "expect," I believe it will be all the more instructive.

All of us know, as the Senator from Nevada has said, that the Air Force requires oxygen; it is an absolute requirement. But the Air Force also requires jet fuels. However, jet fuel refineries are not established on the Air Force bases, in order to provide that fuel. Instead, the fuel is purchased from other sources. The Air Force stores the fuel; that is all.

I think the testimony submitted before the subcommittee headed by the Senator from Nevada [Mr. BIBLE] demonstrated the fact that, except in isolated instances, commercial sources can furnish adequate amounts of liquid oxygen.

Mr. CHAVEZ. We received testimony to the same effect.

Mr. BARTLETT. Yes.

So I am happy that as regards the Alaska situations involved—and, of course, Alaska is only one of the many States concerned—this directive has been advanced to the Department of Defense.

Mr. CHAVEZ. I, for one, do not believe the Department of Defense means to do wrong; but it has many duties which it must perform.

Mr. BARTLETT. I must say that the Air Force is not yet completely out of the laundry and bakery businesses. The Air Force is engaged in many businesses in which it should not be engaged. But that is another matter.

On another subject, I understand that the language in section 513 is identical to the language in section 613 of last year's act. It requires the Department of Defense to adopt in Alaska, insofar as commissary price procedures are concerned, policies identical with those followed in the other States with regard to transportation costs. Last year's language never was implemented by the Department of Defense. Does the Senator know any justification for the Department's failure to implement the mandate from Congress?

Mr. CHAVEZ. I do not know of any justification; but the Department has not done so. The congressional policy under section 613 requires that extensive study and planning be carried out. However, although it seems that a year's time has already been wasted, still nothing has been done about the matter.

Mr. BARTLETT. I thank the Senator from New Mexico.

I should like to ask him a further question. This year, two witnesses on this subject appeared before the subcommittee headed by the Senator from New Mexico. They were Mr. Lanman, of the Department of Defense, and Mr. Suddock, of Anchorage, Alaska. Did not Mr. Lanman tell the committee that, regardless of the form of section 513, the position of the serviceman in Alaska would suffer no hardships? Did not the Department of Defense witness tell the Senate committee that under the language of section 513, as ultimately included, the serviceman in Alaska would suffer no financial hurt by reason of the inclusion of that language?

Mr. CHAVEZ. Mr. Lanman is the one who made that statement, as I recall—that they would suffer no hardships.

Mr. BARTLETT. Yes. Did not he say the servicemen would not suffer financially?

Mr. CHAVEZ. Yes.

Mr. BARTLETT. I should like to say that no one should be penalized or will be penalized by reason of the place of his military assignment, because of the inclusion of this language with reference to the commissary situation.

I wish to commend the committee for its understanding of the situation and for its desire to end a discriminatory procedure which has placed artificial barriers upon economic development in Alaska and the efforts of the Alaska community to reduce living costs.

Mr. President, in conclusion I wish to commend the Senator from New Mexico and his colleagues for bringing this bill to the floor of the Senate, for the bill is most important for the Nation and for the entire free world.

I know well the effort, the devotion, the dedication, and the plain hard work which, over a period of weeks, and even months, the Senator from New Mexico has devoted to this bill. He deserves our thanks, and he has received mine right now.

Mr. CHAVEZ. I thank the Senator from Alaska. Let me say that I received excellent help from Senators on both sides of the aisle, and they include the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. SALTONSTALL. I thank the Senator from New Mexico.

I should like to say that Alaska is a very important State, and I felt very strongly, as did the Senator from New Mexico, that Alaska should receive the same treatment and the same opportunities that all other States of the Union received.

Mr. BARTLETT. I thank the Senator from Massachusetts. I know he has been of great assistance in connection with this matter, not only to Alaska, but also, on a broader scale, to the entire Nation.

Mr. SALTONSTALL. I thank the Senator from Alaska.

Mr. ROBERTSON. Mr. President——

Mr. CHAVEZ. I yield to the Senator from Virginia for a question.

Mr. ROBERTSON. Mr. President, I do not wish to interrogate the chairman of the subcommittee. But after he concludes his remarks, I should like to make a few comments.

Mr. CHAVEZ. Certainly.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill, as thus amended, be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of the agreement to this order.

The PRESIDING OFFICER (Mr. HART in the chair). Is there objection?

Mr. CASE of South Dakota. Mr. President, reserving the right to object, let me say I have hoped we might take separate votes on three issues in the bill—namely, the B–70's, the aircraft carrier, and the mandatory size of the National Guard.

Therefore, I hope the amendments will not be agreed to en bloc. I should like to have the question divided, so we may take separate votes on the three items I have mentiond.

Mr. CHAVEZ. Mr. President, I do not think my request would preclude that at all, because the bill would still be subject to amendment, and any Senator who might wish to offer an amendment from the floor would be able to do so.

I may say to the Senator from South Dakota that I ask unanimous consent as I did heretofore, with the exception of the three items the Senator from South Dakota has in mind.

The PRESIDING OFFICER. Will the Senator designate the items he has in mind?

Mr. CASE of South Dakota. Those are readily identifiable amendments. I think the clerk can supply the references. But the consent granted could be to agreeing to all the amendments en bloc except those which pertain to the increase for providing the B–70 airplanes, the naval aircraft carrier, and the mandatory size and appropriations for the National Guard.

The PRESIDING OFFICER. The Chair desires to correctly understand the proposal.

Mr. CHAVEZ. The request is as follows: I ask unanimous consent that the committee amendments be agreed to en bloc, with the exception of the three referred to by the Senator from South Dakota, and that the bill as thus amended be considered as original text for the purpose of amendment, provided that no point of order shall be considered to have been waived by reason of consenting to this request.

The PRESIDING OFFICER. Is there objection?

Mr. PROXMIRE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PROXMIRE. I want to make sure what is happening here. Does it mean that if the pending proposal is agreed to the amendment relating to the aircraft carrier will be in the bill or will not be in the bill?

Mr. CASE of South Dakota. There will merely be a separate vote on it.

The PRESIDING OFFICER. The Chair is advised that these three identified amendments have not been acted upon.

Mr. PROXMIRE. They will not be in the bill. They will have to be put in on the basis of some later proposal.

Mr. CASE of South Dakota. They will be voted on separately.

Mr. PROXMIRE. They will be offered as committee amendments at a time?

The PRESIDING OFFICER. They will be stated as committee amendments.

Mr. CHAVEZ. But there will be a separate vote on each item.

The PRESIDING OFFICER. That is correct.

With that understanding, is there objection to the unanimous-consent request? The Chair hears none, and the committee amendments, with the three exceptions, are agreed to en bloc.

The amendments agreed to en bloc are as follows:

On page 2, at the beginning of line 13, to strike out "$3,244,448,000" and insert "$3,247,548,000", and in line 15, after the word "fund", to strike out the colon and *"Provided,* That no part of these funds shall be available for the pay and allowances of personnel assigned to departmental administration in excess of the number so assigned on December 31, 1959."

On page 3, line 4, after the word "case", to strike out "$2,507,055,000" and insert "$2,508,244,000", and in line 6, after the word "fund", to strike out the colon and *"Provided,* That no part of these funds shall be available for the pay and allowances of personnel assigned to departmental administration in excess of the number so assigned on December 31, 1959".

On page 3, at the beginning of line 20, to strike out "$604,577,000" and insert "$605,146,000", and in line 21, after the word "fund", to strike out the colon and *"Provided,* That no part of these funds shall be available for the pay and allowances of personnel assigned to departmental administration in excess of the number so assigned on December 31, 1959".

On page 4, line 11, after the word "case", to strike out "$4,013,460,000" and insert "$4,019,676,000", and in line 13, after the word "fund", to strike out the colon and *"Provided,* That no part of these funds shall be available for the pay and allowances of personnel assigned to departmental administration in excess of the number so assigned on December 31, 1959".

On page 4, line 23, after the word "law", to strike out "$233,115,000" and insert "$233,998,000", and, in the same line, after the amendment just above mentioned, to insert a colon and *"Provided,* That the Army Reserve shall be maintained at an average strength of not less than 300,000 for the fiscal year 1961: *Provided further,* That $35,000,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army Reserve at the strength provided for in this Act."

On page 5, line 12, after the word "law", to strike out "$87,168,000" and insert "$87,584,000".

On page 5, line 20, to strike out "$24,661,000" and insert "$24,831,000".

On page 6, line 3, after the word "law", to strike out "$53,764,000" and insert "$54,000,000".

On page 6, at the beginning of line 10, to strike out "$229,903,000" and insert "$230,277,000".

On page 7, line 3, after the word "law", to strike out "$45,609,000" and insert "$46,000,000".

On page 9, line 18, after the word "Government", to strike out "$3,116,550,000" and insert "$3,132,283,000"; in line 19, after the amendment just above stated, to strike out the colon and *"Provided,* That not to exceed $89,084,000 of this amount shall be available for departmental administration", and in line 21, after the amendment just above stated, to insert a colon and *"Provided,* That $18,100,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army Reserve at the strength provided for in this Act: *Provided further,* That $20,440,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army National Guard at the strength provided for in this Act."

On page 11, at the beginning of line 19, to strike out "$2,499,388,000" and insert "$2,525,354,000", and in line 24, after the word "stations", to strike out the colon and *"Provided,* That not to exceed $102,690,000 of the funds provided in this appropriation shall be available for departmental administration".

On page 12, line 23, after the word "salaries", to strike out "$174,726,000" and insert "$174,796,000", and in line 24, after the amendment just above stated, to strike out the colon and *"Provided,* That not to exceed $7,625,000 of this amount shall be available for departmental administration".

On page 14, line 21, after the word "Government", to strike out "$4,172,404,000" and insert "$4,240,732,000"; in line 22, after the word "not", to strike out "to exceed" and insert "more than", and in line 24, after the word "Academy", to strike out the colon and *"Provided,* That not to exceed $85,214,000 of the funds appropriated in this Act for the Air Force shall be available for departmental administration".

On page 15, line 22, after the word "aircraft", to strike out "$156,827,000" and insert "$164,501,000", and on page 16, line 9, after the word "Government", to insert a colon and *"Provided further,* That $200,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army National Guard at the strength provided for in this Act."

On page 17, line 8, after the word "Bureau", to strike out "$175,892,000" and insert "$187,291,000".

On page 18, line 1, after the word "Board", to strike out "$300,000" and insert "$501,000".

On page 18, line 24, after the word "conclusive", to strike out "$18,000,000" and insert "$19,300,000".

On page 20, at the beginning of line 23, to strike out "$1,374,102,000" and insert "$1,499,102,000".

On page 21, at the beginning of line 13, to strike out "$2,141,760,000" and insert "$2,208,000,000".

On page 23, at the beginning of line 3, to strike out "$420,980,000" and insert "$434,000,000".

On page 23, line 17, after the word "only", to strike out "$91,180,000" and insert "$94,000,000".

On page 24, after line 19, to strike out:

"AIRLIFT MODERNIZATION

"For development, construction, procurement, production, and modification of transport aircraft, including spare parts and accessories therefor; and procurement and installation of equipment, appliances, and machine tools in public or private plants; $359,288,000, to remain available until expended: *Provided,* That no part of the funds provided in this paragraph shall be available for the procurement of aircraft for assignment to passenger service."

On page 25, line 18, after the word "things", to strike out "$2,378,440,000" and insert "2,821,000,000".

On page 26, line 18, after the word "amended", to strike out "$877,171,000" and insert "$904,300,000".

On page 27, line 9, after the word "law", to strike out "$1,041,190,000" and insert "$1,041,286,000".

On page 27, line 22, after the word "law", to strike out "$1,268,530,000" and insert "$1,210,510,000".

On page 28, line 11, after the word "law", to strike out "$1,542,668,000" and insert "$1,553,228,000".

On page 33, line 4, after the word "of", to strike out "$270" and insert "$280".

In section 511, page 35, line 24, after the word "materiel" to insert "and for all expenses of production of lumber or timber products pursuant to section 2665 of title 10, United States Code".

In section 530, on page 45, line 3, after the word "for", to strike out "congressional" and insert "legislative", and in line 7, after the word "exceed", to strike out "$900,000" and insert "$2,650,000".

At the top of page 46, to strike out:

"SEC. 533. Not to exceed $660,000,000 of the funds made available in this Act shall be available for travel expenses in connection with temporary duty and permanent change of station of civilian and military personnel of the Department of Defense."

On page 46, after line 5, to strike out:

"SEC. 534. No part of any appropriation contained in this Act shall be used to provide flight pay at the rates prescribed in section 204(b) of the Career Compensation Act of 1949 (63 Stat. 802), as amended, for more than 97,546 officers (other than Reserve officers on active duty for training and officers receiving flight pay pursuant to section 514 of this Act)."

On page 46, after line 12, to insert:

"SEC. 533. Effective January 1, 1961, no part of any appropriation contained in this Act shall be used to provide flight pay at the rates prescribed in section 204(b) of the Career Compensation Act of 1949 (63 Stat. 802), as amended, for more than 99,362 officers (other than Reserve officers on active duty for training and officers receiving flight pay pursuant to section 514 of this Act and flying student officers)."

On page 46, after line 20, to insert:

"SEC. 534. During the current fiscal year, the Secretary of Defense, should he deem it advantageous to the national defense to accelerate any strategic or tactical missile or satellite program, may transfer, under the authority and terms of the Emergency Fund, an additional $150,000,000 for the acceleration of such missile or satellite program or programs: *Provided*, That the transfer authority made available under the terms of the Emergency Fund appropriation contained in this Act is hereby broadened to meet the requirements of this section: *Provided further*, That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority."

On page 47, after line 8, to insert:

"SEC. 535. Not to exceed 5 per centum of the appropriations for National Guard Personnel, Army, or for Operation and Maintenance, Army National Guard, may be transferred to the other appropriation, but neither shall be increased more than 5 per centum thereby."

On page 47, after line 13, to insert:

"SEC. 536. Not to exceed 5 per centum of the appropriations for National Guard Personnel, Air Force, or for Operation and Maintenance, Air National Guard, or Military Construction, Air National Guard, may be transferred to any other of such appropriations, but no appropriation shall be increased more than 5 per centum thereby."

On page 47, line 20, to change the section number from "535" to "537".

Mr. ROBERTSON. Mr. President, before discussing two changes made by the Senate Appropriations Committee in the House defense bill, which amendments will be presented separately, namely, the amendment relating to the aircraft carrier of the *Forrestal* type, which is of No. 1 priority with the Navy, and the one relating to the B–70 bomber, which is of No. 1 priority with the Air Force, I wish to pay tribute and express appreciation for the work that is done each year by the House subcommittee on the defense appropriations bill, under the leadership of one of the ablest Members of the Congress, the Honorable GEORGE H. MAHON, of Texas.

Since the House acted on this bill——

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ROBERTSON. For what purpose?

Mr. CASE of South Dakota. In view of what the Senator just said about the Air Force, I would like to second his tribute.

Mr. ROBERTSON. Mr. President, I would rather not yield at this time. After I have concluded my brief remarks, I shall be glad to yield, but in the meantime, I should like to make reference to the amendments relating to the aircraft carrier and the B–70 which have now been eliminated from the en bloc voting and which will have to be presented separately.

I cannot yield at this time.

Mr. CASE of South Dakota. I hope the Senator does not proceed on the assumption that I am opposed to these three items. Actually, I am in favor of them, but I wanted the Senate to go on record on each one of them. I did not want to be in the position later of a Senator offering a motion to strike in order to get a separate vote.

Mr. ROBERTSON. The Senator from Virginia is pleased to know that the purpose of keeping the amendments from being adopted is to get them adopted.

Mr. President, as I was saying, since the House acted on this bill we have had the advantage of expert advice on what would give us the best balanced defense program for the funds available, and there also have been serious developments that increase world tensions.

Therefore, in presenting to the Senate a bill that shifts the emphasis from a primary reliance on missiles to a better balanced program and substantially increases the funds in the House bill, we imply no criticism whatever of the splendid work done by Representative MAHON in the preparation and presentation of a defense bill which the House accepted without any change.

More than a month ago I reminded my colleagues in this Chamber of the urgent need for funds for the construction of a new attack aircraft carrier to bolster our Nation's defensive strength against potential aggression anywhere in the world.

As Senators will recall, the House had cut out of its military appropriations bill the $293 million the President had requested in his budget for the building of another conventionally powered carrier of the *Forrestal* class.

Since that time, the appropriation has been restored by the Senate Appropriations Subcommittee and by the full Appropriations Committee. It is before us now as part of an overall defense appropriations bill that the Congress must approve in full if it is to adjourn next month with any reasonable assurance that it has done its duty to provide for the Nation's safety.

The dramatic change in course and speed of world events in the last 5 troubled weeks has made all of us take a long, hard, sober second look at our country's military posture. We find the temperature of the cold war hotter than at any time since the death of Stalin. We hear new blasts of vituperation directed against the President with each new day that dawns. We have seen dramatic evidence in Japan of the ability of the Communists there to call out enormous mobs of disciplined agitators to demonstrate against the President and his personal representatives as symbols of free-world leadership in the Far East. This morning, the President was forced to cancel his visit because of these threats to his safety.

We have heard repeated threats from the Soviet military and party leaders of rocket attacks against airbases provided for our use in friendly countries around the periphery of the Soviet Union in the Middle East and in Northern Europe. The Chinese Communists have stepped up the pace of their ominous threats against the security of friendly or noncommitted nations throughout the Orient.

All these hostile alarms and excursions are part of a pattern designed to test our will and resolution, to intimidate our friends, and to pave the way for further military, political, and propaganda aggression against us.

We must prove again the strength of our resolution to stand firm and unflinching in the face of these attacks. We must rely on divine providence to lead us safely through the very valley of the shadow of death. But we must go fully armed and watchfully alert against the enemy who has threatened to bury us and who has demonstrated time and time again his capacity to bury our friends.

This voluntary undertaker is looking over our shoulders to watch the action we take here today. I am confident that we shall acquit ourselves as men and provide our Armed Forces with the means to do the same. One of our most vital needs at the moment is for a new attack aircraft carrier, which the U.S. Navy considers the life's blood of naval striking power for the immediate present and for the foreseeable future. These are some of the reasons:

Manned combat aircraft in naval warfare cannot be replaced by inflexible ballistic missile systems.

The modern carrier provides a mobile base to take jet planes to the scene of crisis or conflict, to concentrate this force where it is needed, to keep it there as long as the need exists, and then to move it to another location.

The modern carrier is the least vulnerable of any base for airpower, particularly in terms of surprise ballistic missile attack. Its very mobility provides effectively for its safety.

The carrier is essential to our balanced antisubmarine warfare effort. Carrier airpower provides the primary means of destroying sea-based enemy submarine support vessels.

The carrier is the most effective instrument of naval striking power. Each carrier can deliver from 40 to 60 nuclear weapons on target. A carrier can fight in any type of war, but is exceptionally important for limited objective wars.

A point of added importance which may be overlooked in this connection is that the aircraft carrier constitutes sovereign U.S. territory, which can be established off the shores of any country without treaties, commitments, or monetary grants.

Overall, the modern attack aircraft carrier represents a capital investment in security which pays dividends for well in excess of 20 years, a feature unique in this respect among U.S. weapons systems.

Now, Mr. President, the Navy has an inventory of 14 attack aircraft carriers, including 4 of the modern *Forrestal* class, 3 of the modernized *Midway* class, and 7 of the World War II *Essex* class. Under construction are two more carriers of the *Forrestal* class and one nuclear-powered carrier. In 1962, the Navy's operating carrier inventory will include six *Forrestal* type, one nuclear type, three *Midway* type and four *Essex* type class ships.

The Navy's prime need now is to start 1 additional *Forrestal* class carrier, with operating facilities for 90 modern jets and improved landing safety features, to replace 1 of the obsolete *Essex* type carriers. As new attack carriers join the fleet, they replace carriers which are then designated for antisubmarine warfare. Thus both the attack carrier strength and the strength of the antisub carrier fleet are kept at requisite levels through a single carrier building program.

As to the powerplant of the proposed new carrier, the Navy advises me that nuclear propulsion is far down the list in relative importance. The carrier deck and modern aviation facilities are of primary concern. Since the proposed new carrier is to be conventionally powered, an estimated $130 million has been freed for use in other programs.

Taking into account the leadtime involved in the construction of a ship of this size and complexity, we must appropriate for the foreseeable future, not merely for the present time. Four full years are required to construct a new carrier. If funds for a new one are not provided this year, there will be a gap of more than 3 years after the commissioning of the nuclear-powered *Enterprise* before the next modern replacement carrier could join the fleet.

By that time, the four remaining World War II ships still forced to operate as attack carriers will be on the brink of unserviceability for the operation of modern aircraft. This would constitute a serious deficiency in the Navy's readiness for either limited or nuclear warfare.

In considering the carrier fleet's readiness for action at any given time, a clear understanding also must be grasped of the magnitude of necessary maintenance and upkeep of these enormously complex mobile airbases and their complement of planes.

At any given point of time, two of our carriers will be laid up for overhaul, repair, and refitting. This means that the remaining 12 attack carriers must be deployed throughout our fighting fleets in areas of assignment best calculated to maintain for the United States her traditional position of supremacy on the seas.

Now, Mr. President, while we are strengthening our Navy at sea we must enlarge our arsenal of airborne weapons as well.

I urge the full development of the B–70 weapon system for the Air Force and the removal of its now limited development as a prototype.

I remind Senators of the budget history surrounding the efforts of the Air Force to provide continued modernization of our manned bomber force through the development of the mach 3 B–70 bomber. Two years ago, the Air Force's proposed program for jet speed combat ready units was reduced to conventional speed by a 50-percent cut in its proposed funds. Last year, those funds were again more than halved, and progress now barely exceeds the speed of the Kittyhawk developed by the Wright brothers. It is directed at one or two prototype, noncombat, flying machines.

In both of the above instances, because of the possibility of improving international relations. I was not inclined to challenge those limitations. However, thanks to Khrushchev's invectives and tirade last month and the failure of the summit, I am now convinced that we must put this weapon system back on the fastest possible pace. Thus, while many look gloomily on the ruins of the summit conference, I take an opposite view. I look upon that disaster as early warning providing an additional grace period and a challenge to awaken from an apathy which may well cost us our very survival.

That survival has been assured for these past years primarily through the dedication of the crews of the Strategic Air Command and the modernity of its equipment. Continued modernization of that manned force is required to maintain our national security, and the B–70 is the weapon system which best fulfills the vital requirement for a manned follow-on aircraft to the B–52. Missiles alone, fixed on concrete pads or in holes in the ground, are not enough. We must have the proper balance of manned aircraft and missiles.

We have been told by those responsible for our survival that the B–47's and B–52's are aging and more modern bombers should be available by the mid-sixties. This condition, coupled with an ever-increasing Soviet aggressive posture, requires continued modernization of our manned strategic capability. The B–70 is the weapon system best suited to fulfill that requirement. Its early attainment is well within the state of the art. It will travel the entire distance of its very great range at mach 3, which is roughly 2,100 miles an hour, and at tremendous altitudes. It transcends the heat barrier and opens the door for further major advances in aeronautical science. It is designed to carry a variable internal payload, which means that it can carry several large nuclear bombs or a great many very small nuclear or conventional ones. It can carry and fire the long-range air-to-surface ballistic missile which is now under development. Its maneuverability, speed, and large load-carrying capacity offer great potential as an antisatellite weapons carrier, an air defense missile platform, and as a carrier for Army troops and equipment.

Mr. President, this is not a time in our critical history to reduce our own security measures. The Soviet Union gave enough concrete evidence of its intentions last month to make us realize that the time is not yet arrived when we can relax our military might. Russian threats to dispatch rockets at bases in Western Europe, plus the granting of authority to fire those rockets to Soviet military commanders, should be sufficient to jolt us from any lingering complacency and apathy.

We in the Congress have the solemn duty and obligation to prepare this country for any military threats that might be directed against us. We have had enough experience in our history to indicate that delays in this area are dangerous. Fortunately for us in the past, time and geography were God-given gifts. After the initial warnings and rumblings, we had time to meet in these Halls, pass a draft act, hold a public ceremony to draw the first number and then give our people at least 6 months of military training. Such will not be the case in the next encounter. We do not even know if this Hall will be standing in which to meet; we do not know if we will even be able to gather a quorum to pass a draft act and we certainly would not have the luxury of pulling numbers from the draft gold fish bowl.

I urge the restoration of the B–70 program to its full development. It is a weapon of tremendous flexibility. It can operate completely independent of bases outside of our own country. It can be launched during periods of emergency and be invulnerable to enemy attack on our country. Unlike a missile it can be headed toward the enemy but be recalled at will. Unlike missiles it can carry repeated and enormous loads of weapons of tremendous explosive yield. It can fly over our allies during critical times as evidence of our capability and determination. It will provide a possible vehicle for future nuclear propulsion and too, it will be the forerunner of the supersonic commercial transport of tomorrow, an area in which we must maintain our lead. This must be our answer to Khrushchev—the answer which our President could not give in Paris and still maintain his dignity as the President of these United States.

But it is an answer our duty demands, the American people expect, and history will not excuse.

Mr. CASE of South Dakota. Mr. President——

Mr. ROBERTSON. Mr. President, I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. I said what I wished to say merely to make clear that the reason I asked for a separate vote was that I thought it was a good idea for the Senate to express itself individually on the amendments. I intend to vote for the B–70 amendment, the aircraft carrier amendment, and the amendatory language concerning the National Guard.

Mr. ROBERTSON. I appreciate that expression from the Senator. He is no doubt quite right. If we have a separate vote on the amendments and a large majority of Senators vote for both the carrier and the bomber, it will help us in conference to secure the adoption of those two items, which were not contained in the House bill, but which subsequent worldwide developments have indicated should be undertaken. The Appropriations Committee has indicated that these items should be added to our capability.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. PROXMIRE. What is the cost of the proposed aircraft carrier?

Mr. ROBERTSON. The cost is $293 million.

Mr. PROXMIRE. The appropriation is for $293 million?

Mr. ROBERTSON. Yes, but it will not all be spent because it is a 4-year project.

Mr. PROXMIRE. I understand that, but the bill provides $293 million for that purpose.

Mr. ROBERTSON. It provides for the funding of the whole item.

Mr. PROXMIRE. I am puzzled, for having gone over the transcript of the hearings, I ran repeatedly into this situation: I will take just a moment, with the Senator's indulgence, to refer to the hearings and ask for his clarification of this situation. On page 18 of the transcript of the hearings the Senator from New Mexico [Mr. CHAVEZ] said:

> Suppose your conclusions are correct, and I am not doubting them whatsoever, the Congress advanced $35 million for lead items for the carrier?
>
> Secretary GATES. That is correct.
>
> Senator CHAVEZ. You finally decided you were going to have a conventional carrier. Have you contracted for any lead items for even a conventional carrier out of the $35 million?
>
> Secretary GATES. No, sir.
>
> We have reserved that money and applied it to the cost of the conventional carrier requested in this budget and that, of course, will have to be approved by the Congress.

Later the Senator from Maine [Mrs. SMITH] said:

> I am not quite clear, Mr. Secretary, about the withholding of the $35 million which Congress appropriated last year for the lead items for a nuclear carrier. What happens to that $35 million?
>
> Secretary FRANKE. It has been applied in this budget as a reduction against the estimated cost of a conventional carrier.

One further reference makes the situation very clear to my mind, at least. Admiral Beakley said:

> The first slide is the "Attack Aircraft Carrier." We have one in the budget at a cost of $293 million.
>
> * * * * *
>
> Senator CHAVEZ. Admiral, before you proceed with the next item, $35 million was appropriated last year for long leadtime parts for a nuclear carrier.
>
> Admiral BEAKLEY. Yes.
>
> Senator CHAVEZ. Have you used that money?
>
> Admiral BEAKLEY. We have not. It is still in escrow.
>
> Senator CHAVEZ. What you are asking now is to use that money for the conventional carrier that you are requesting in the 1961 budget.
>
> Admiral BEAKLEY. It will come off the whole price of our bill; yes, sir.

It seems to me, on the basis of the colloquy which I read, that the Senate and the House conferees provided $35 million for an aircraft carrier. It was apparently not used for that purpose. The money was put in escrow and set aside. If we appropriate another $293 million, we shall end with $35 million too much, will we not?

Mr. ROBERTSON. Last year the Department asked for a conventional carrier, and the Senate Appropriations Committee provided funds for a conventional carrier. In conference with the House, in whose bill there was no provision for a carrier, the House conferees said, "If we are to have a carrier, it must be a nuclear carrier." Some conferees from the Senate said, "We would favor a nuclear carrier, but the nuclear carrier would cost too much."

So as a compromise, in order to get something started, we receded on the request for a conventional carrier. The nuclear carrier would cost $190 million additional. The House yielded on the point of any carrier, and we inserted in the bill $35 million for leadtime, but the Department would not commit itself to a nuclear carrier. In the first place, the Department thought it would cost too much. In the second place, it wished to try out the *Enterprise* and see how a nuclear carrier performs. It wished to know what the economy of operation would be and whether it is really as good as it thought it would be. It knows what the *Forrestal* type of carrier will do.

So this year we asked for the price of a conventional carrier, which the witnesses said was $293 million. They have not spent the $35 million, but the fact that they have not would not make the price of a new carrier any less. They simply did not spend the $35 million, and they will never spend that money for what it was appropriated for. All the Department will spend for the carrier is what the carrier is estimated to cost, which is $293 million, the amount we put in the bill. We reappropriated the $35 million into the $293 million, but that action does not mean they now have $35 million hanging loose that they can add to the $293 million.

Mr. PROXMIRE. This point is exactly the one I wish to nail down. It seems on the basis of the hearing that the $35 million that was appropriated last year is still held by the Navy and can be released at any time, probably through a committee, for use in constructing a conventional type carrier. If we appropriate an additional $293 million, it seems to me that we add the $293 million to the $35 million, making $328 million.

Mr. ROBERTSON. When an appropriation lapses, in the opinion of the junior Senator from Virginia, the Navy has no power to obligate that $35 million after the end of the fiscal year for which it was appropriated. In any event, there is not $35 million available in addition to the $293 million provided for a conventional type carrier.

Mr. PROXMIRE. I wished to make that legislature history, so we can be absolutely clear that if the Senate acts favorably on the committee amendment, and if the House recedes from its position, and the bill passes and is signed into law, $293 million will be made available for this carrier, and no more, and the $35 million that is held in escrow at the present time will probably be returned to the Treasury or, at any rate, will not be added to the cost.

Mr. ROBERTSON. That is absolutely correct.

Mr. PROXMIRE. I thank the Senator.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. GRUENING. I desire to associate myself with the remarks of the distinguished junior Senator from Virginia. This is no time to diminish our military strength. I wish to pay tribute to the Subcommittee of the Committee on Appropriations on the Department of Defense. The distinguished chairman and the members of the subcommittee have worked hard on the pending bill. We in Alaska are particularly gratified—as are also those from other States—for their statement about liquid oxygen. We do not believe that it is proper for the Air Force to compete with private business when that business is doing the job adequately. It is a time for the Air Force to concentrate on its essential duty, that of strengthening our defensive and offensive air weapons.

We are also grateful for the serving of fresh whole grade A milk to the troops in Alaska. Until this action was taken last year, the only GI's under the flag who were drinking reconstituted class C milk were those in Alaska.

There is one aspect of the defense picture which still gives us much concern, and that is the drastic reduction of our fighter interceptor strength in Alaska.

This has been done in spite of the fact that my distinguished colleague from Alaska [Mr. BARTLETT] and I have protested against the removal of nearly half of the fighter strength from Alaska, a plea warmly supported before the subcommittee by the distinguished Senator from Missouri [Mr. SYMINGTON], the former Secretary of the Air Force. We Alaskans might possibly be charged with a certain amount of localism or a certain amount of partiality. However, that is not the case. Our interest is in the national defense, and our facts are emphatically buttressed by the distinguished military commentator and ex-

pert of the New York Times, Mr. Hanson W. Baldwin, whose judgment is entitled to great respect.

Yesterday he published an article in the New York Times entitled "A Weak Line in Defenses." The subhead reads: "Alaska's Vulnerability Now Pointed Up by Plan To Abandon Two Fighter Squadrons." He refers to the virtual defenselessness of this vast area, larger than many of our 48 States, which results from this action.

I will not quote all of the article, but I will ask later to have it printed in full in the RECORD. He points out:

> In considerable measure, the responsibility for Alaska's weakness lies with the President's own defense policies, particularly his level budget concept, and the increasing tendency of the Air Force toward a "Fortress America" concept. The latter concept envisions the withdrawal of its principal installations into the continental 48 States.

This withdrawal seems incredible at this time. This my colleague and I expressed to the Chief of Staff of the Air Force, among others, at the Pentagon. Despite the eloquence of their statements to us presenting their point of view I must say that they left us completely unconvinced.

Mr. Baldwin points out the fact that the 449th Fighter Interceptor Squadron, which has been operating 25 Northrop F–89 fighters, all equipped with missiles which are armed with nuclear warheads, is to be inactivated within 6 weeks. Now, the point to remember, which he emphasizes, is that this squadron is the only one north of the Alaska Range, which means in an area two-thirds the size of Alaska—in other words, an area much larger than Texas—and the American area nearest the Soviet installations. It has been based on Ladd Air Force Base, near Fairbanks.

As Mr. Baldwin correctly states, this elimination leaves Alaska defended by only 33 F–102 fighter interceptors normally based at Elmendorf Air Force Base, near Anchorage and near the southern coast of Alaska.

The value of these fighter interceptor squadrons, as Mr. Baldwin correctly points out, is primarily for identification of unknown aircraft. There is, so far—as we all know, and as he points out—absolutely no substitute for this visual identification of enemy aircraft, and as Mr. Baldwin correctly says:

> There is no other U.S. territory where it is so badly needed as Alaska.

And he goes on to say that because of the proximity of Soviet bases and the overflights of many commercial lines, of bush pilots, and so forth, these unknown planes are recorded on the Alaska radar screens often after they are well within the coastline before they can be identified. If they happen to be Russian—and Russian planes have flown over Alaska on missions similar to that of the U–2—they turn back before the interception is made.

Now, Mr. Baldwin is obviously correct in his assertion that 33 aircraft cannot do the job as well as 58, and that of the remaining 33 fighter interceptors, which, for the moment, at least, the Air Force plans to keep in Alaska, perhaps only 6 planes can be kept on constant ground alert.

It is true that the Air Force has indicated that the squadron at Anchorage will rotate some of its planes to the Fairbanks area, and that Alaska will be defended from the continental United States. But, as he points out:

> Any such arrangements obviously reduce materially the effectiveness of the defense.

And that is the heart and essence of what this expert has to say.

This is not, therefore, despite the attempted Air Force's justification, a strategic redeployment designed to produce as good a result in other ways. The fact is that it does "obviously reduce materially the effectiveness of the defense," and that means the defense of the entire Nation.

Then, I quote the following paragraph from Mr. Baldwin's statement:

> The newest reduction in strength of our Armed Forces in Alaska was originally intended to be a modernization. The old F–89's at Fairbanks were to be replaced by modern F–101's.
>
> However, the strict administration ceiling on defense spending and the Air Force tendency to try to concentrate offense and defense within the United States led to the projected inactivation."

In other words, this is a budgetary decision.

I shall not summarize the remainder of the article, except to quote its logical and, if it be not too strong an adjective, damning conclusion:

> But the Air Force, in its strategic plans, is committed to an isolationist, "Fortress America" concept (technologically speaking), and Alaska, after the Panama Canal Zone, is the weakest command under the U.S. flag.
>
> The impending reduction in the 49th State's fighter-interceptor strength will leave both Alaska and the rest of the States weaker, not stronger. And no amount of the "gobbledegook" and doubletalk by which the cut was justified to a Senate Appropriations Subcommittee can change this fact.

I dislike to say this, but it is tragic to have a high official in the Air Force say to one privately, "You hate to testify in favor of something that you know is wrong." That is one of the most lamentable decisions that has ever been made, in time of gravest peril, this taking of the 449th Squadron from Alaska and not replacing it with better fighter-interceptors as it was first intended to do only a few months ago.

I hope this decision will be reversed. The committee has not recommended this in its report, but I hope that my comments and those of others will indicate that this is a vital matter and that this is no time to weaken our defensive and offensive strength in one of the most strategic parts of the Union. After all, Alaska is a part of the United States, which the Air Force seems now to be overlooking.

Mr. ROBERTSON. A part of that criticism does not relate to this bill at all.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. SALTONSTALL. I would say to the distinguished Senator from Alaska that I know of the discussion he has had on this subject. He had a discussion of it with the Senator from New Mexico and with me. I have the greatest sympathy for what he has been stating. There may be some difference of opinion as to the adequacy of the Air Force defenses in Alaska.

I know that the Senator from Alaska has the same information that I have. I only hope that as time goes on, with the development of the Minuteman, the development of missiles, and also the keeping of the bases in Alaska, our defenses in Alaska will not only be maintained, but improved. I hope that as time goes on the Senator will feel the same way too, although I know he feels concerned about the present situation, as I do.

Mr. GRUENING. I thank the Senator and I want precisely what he hopes for, the maintenance and, if possible, the improvement of our defenses in Alaska.

Mr. ROBERTSON. No member of our committee is unmindful of the need for the adequate protection of Alaska. We have not slowed down or eliminated in any way our warning programs. Our committee cannot control the dispersal of the present intercepter force of the Air Force. We had nothing to do with the removal of the squadron, if that is what is complained of.

Mr. GRUENING. I am aware of that.

Mr. ROBERTSON. This is a matter for the Air Force and the Defense Department. The distinguished commentator of the New York Times, Hanson Baldwin, for whom I have a great deal of respect, then moved from that point into another issue, and that is the question of which is better; to build a great many new F–106 interceptors or to put the money behind the Bomarc? The unquestioned testimony before us was that it would be more effective, cheaper to build, and far cheaper to maintain to put our money in the Bomarc rather than to step up and have a great production of the F–106.

So from a reading of that comment, Mr. Baldwin evidently moved from the first proposition, of taking a squadron of interceptors away from Alaska, over which our committee has no power or responsibility, to the action of our committee in putting our money on the Bomarc and the B–70.

Mr. GRUENING. The Senator is mistaken in assuming that Mr. Baldwin refers to the building of new F–106's. He merely urges that the plan to substitute the F–101's, which are already in existence, and for which a great number of parts have already been sent to Alaska, and are now in storage there, be not reversed, which is what the Air Force has done.

Mr. ROBERTSON. Again, that does not relate to the building of them; it relates to the policy of the Air Force.

Mr. GRUENING. I agree; but I believe the Senate is a proper forum for the airing of such views as these.

Mr. ROBERTSON. Oh, that is something else. The Senate is such a forum.

Mr. GRUENING. Mr President, I ask unanimous consent that the article entitled "A Weak Link in Defenses," written by Hanson W. Baldwin and published in the New York Times of June 15, 1960, together with a telegram which I sent to the President and two replies from his administrative assistant on this subject, be printed at this point in the RECORD.

There being no objection, the article and correspondence was ordered to be printed in the RECORD, as follows:

A WEAK LINK IN DEFENSES—ALASKA'S VULNERABILITY NOW POINTED UP BY PLAN TO ABANDON TWO FIGHTER SQUADRONS

(By Hanson W. Baldwin)

President Eisenhower's overnight stop in Alaska focused attention on a region that, in the President's words, "constitutes a bridge to the continent of Asia and all its people."

This traditional description of the strategic importance of Alaska is, however, vitiated by the military weaknesses of the forty-ninth State. The President's visit to the Anchorage area may, indeed, have provided an opportunity for Alaskans to impress on the Commander in Chief the virtual defenselessness of an area that is about one-fifth as large as the entire United States.

In considerable measure, the responsibility for Alaska's weakness lies with the President's own defense policies, particularly his level budget concept, and the increasing tendency of the Air Force toward a "Fortress America" concept. The latter concept envisions the withdrawal of its principal installations into the continental forty-eight States.

WEAKNESS NEWLY POINTED UP

This weakness has been reemphasized recently by an issue that has caused a storm in Alaska and elsewhere—the elimination and inactivation of one of the two fighter squadrons that had been assigned to the forty-ninth State, and the inactivation of the 71st Air Rescue Squadron.

The 449th Fighter-Interceptor Squadron, operating twenty-five Northrop F–89 fighters, equipped with missiles armed with nuclear warheads, is to be inactivated within 6 weeks.

This squadron, the only one north of the Alaska Range, was based on Ladd Air Force Base near Fairbanks. Its elimination leaves Alaska defended by thirty-three F–102 fighter-interceptors, normally based at Elmendorf Air Force Base, near Anchorage, where the President spent the night.

These air defense forces are part of the 10th Air Division, answerable to the North American Air Defense Command, with headquarters at Colorado Springs.

In addition, Alaska has two Nike-Hercules antiaircraft battalions, one near Fairbanks, one near Anchorage, and two Army battle groups. Its coast line is ringed with radar, and the scopes daily record the tracks of Soviet aircraft rising from fields just across the Bering Strait.

NO SUBSTITUTE FOR SEEING

The value of the fighter-interceptor squadrons in Alaska was primarily for identification of unknown aircraft. There is, so far, absolutely no substitute for this visual identification of enemy aircraft, and there is no other U.S. territory where it is so badly needed as Alaska.

Because of the proximity of Soviet bases, and the overflights of many commercial lines, "bush pilots," and so on—the unknowns recorded on the Alaskan radar screens are often within the coastline before they can be identified.

It is routine, in Alaska, to scramble fighter-interceptors three or four times each month to identify unknown aircraft before they approach vital centers. If they are Russian, as they sometimes are, they turn away before the intercept is made.

There is no substitute for this visual identification and it is idle to assert that 33 aircraft can do the job as well as 58. Thirty-three aircraft—those that will remain in Alaska—will be able to keep perhaps six planes on constant ground alert.

The Air Force has indicated that the squadron at Anchorage will rotate some of its planes to the Fairbanks area and that Alaska will be defended from the continental United States. But any such arrangements obviously reduce materially the effectiveness of the defense.

MODERNIZATION THE INTENT

The newest reduction in strength of our Armed Forces in Alaska was originally intended to be a modernization. The old F–89's at Fairbanks were to be replaced by modern F–101's.

However, the strict administration ceiling on defense spending and the Air Force tendency to try to concentrate offense and defense within the United States led to the projected inactivation.

If the F–89's had been replaced by weapons—planes or missiles—with an offensive capability, this would have made great strategic sense. Not a single fighter in Alaska has the range to reach and return from Soviet bases—just across the Bering Strait and in Kamchatka Peninsula.

Lt. Gen. Frank A. Armstrong, Jr., commander in chief of the Alaska Command, has long asked for some offensive capability in the form of a few intermediate range ballistic missiles or even light bombers, or longer range aircraft such as the F–101.

The Thor or Jupiter missiles are already proved and in place in England and elsewhere. Some of them emplaced in the uninhabited wilds of Alaska could do more to neutralize the Soviet bases across Bering Strait and in Kamchatka and to defend Alaska and the rest of the United States than a multiplication of our purely defensive strength.

COULD BE DIVERSIONARY

Moreover, missiles or long-range fighter-bombers or light bombers in Alaska would have a strategic diversionary effect upon Soviet plans; some of the atomic lightning would be attracted away from our shores by the Alaskan "lightning rod."

But the Air Force, in its strategic plans, is committed to an isolationist, "Fortress America" concept (technologically speaking), and Alaska, after the Panama Canal Zone, is the weakest command under the U.S. flag.

The impending reduction in the 49th State's fighter-interceptor strength will leave both Alaska and the rest of the States weaker, not stronger. And no amount of the "gobbledegook" and doubletalk by which the cut was justified to a Senate Appropriations Subcommittee can change this fact.

MAY 26, 1960.

The Honorable DWIGHT D. EISENHOWER,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Together with my fellow members of the Alaska delegation in Congress, I have been greatly shocked to receive information from the Air Force that the 449th Fighter-Interceptor Squadron will be removed from Ladd Air Force Base, near Fairbanks, Alaska, in August, thus leaving no fighter planes whatever north of the Alaska Range in my State. This announced withdrawal will reduce Alaska's fighter plane strength by 25, leaving only 33 fighter aircraft in all of Alaska, these being based at Elmendorf Air Force Base.

I call this matter to your attention and ask that you intervene to keep our guard up in the part of our Nation closest to our potential enemy. The decision respecting the 449th Fighter-Interceptor Squadron was announced to me May 10, which was before the sudden worsening of relations between our Nation and the U.S.S.R. as a result of the U–2 incident and the disgraceful manner in which Chairman Khrushchev addressed you at the summit conference at Paris.

I hope you agree with me that this is no time to reduce our Air Force's fighting strength in Alaska. The announced decision followed by less than 2 months notification from the Air Force that the 449th Fighter Interceptor Squadron would be strengthened by replacing its F–89 aircraft with more modern and effective F–101 aircraft. This reversal, on the eve of a great crisis in our international relations, certainly would seem to me to merit your personal review.

If, after that review, you find you agree with the announced policy of the Air Force that it is not necessary or advisable to maintain fighting strength north of the Alaska Range, I hope you will ask the Interior Department to draft legislation which would undo a feature of the Alaska Statehood Act which, you will probably recall, segregated almost half of Alaska north and west of a so-called Eisenhower line, within which the President has authority to create one or more national defense reservations. If we are to write off Alaska militarily, there would seem to be no reason remaining to perpetuate this division of my State. There is a practical aspect of this matter, even if you or your successors should not decide to create national defense reservations in Alaska, because the State is now prohibited by the Statehood Act from including any area north of the Eisenhower line in its selection of 103 million acres of land which the Federal Government is bestowing on Alaska in connection with statehood.

ERNEST GRUENING,
U.S. Senator.

THE WHITE HOUSE,
Washington, D.C., May 31, 1960.

The Honorable ERNEST GRUENING,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRUENING: This will acknowledge, for the President, your May 26 telegram respecting the 449th Fighter-Interceptor Squadron at Ladd Air Force Base in Alaska. I can assure you that a further reply will be forthcoming as promptly as possible.

Kind regards.

Sincerely,

EDWARD A. MCCABE,
Administrative Assistant to the President.

THE WHITE HOUSE,
Washington, D.C., June 8, 1960.

The Honorable ERNEST GRUENING,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRUENING: With further reference to your May 26 telegram to the President concerning the 449th Fighter-Interceptor Squadron at Ladd Air Force Base in Alaska, I wish to advise that the Secretary of Defense is currently reviewing the Air Force decision in this matter. I will of course be in touch with you again as promptly as possible after the completion of the review.

Kind regards.

Sincerely,

EDWARD A. MCCABE,
Administrative Assistant to the President.

Mr. SALTONSTALL subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD,

directly following the remarks of the Senator from Alaska [Mr. GRUENING], a brief memorandum which I have received from Maj. Gen. Howell M. Estes, Jr., Assistant Deputy Chief of Staff Operations, Air Force, with relation to revised plans for Air Force units in Alaska.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

In March of this year, the Chief of Staff, U.S. Air Force, recommended to the Congress certain changes in the U.S. Air Force programs, including items originally submitted in the President's fiscal year 1961 budget. In the main, these changes involved a reorientation of previous plans related to defense of the North American Continent against manned bomber attack. Prior to presentation to Congress, the major aspects of these changes were approved by the Joint Chiefs of Staff and the Secretary of Defense.

The essential purpose of the reassessment which led to these revisions was to realine U.S. Air Force force structure, while time is still available, in order to meet to the most effective degree possible within current and expected resources, the estimated overall Soviet threat in the midsixties and beyond.

Today, the predominant threat is unquestionably from the Soviet strategic bomber force. The threat from this force will continue to exist indefinitely into the future. As time progresses, however, the threat of the growing Soviet ICBM force will rapidly become our principal concern. U.S. Air Force analysis indicated that maximum achievable effectiveness against the total threat would result from an accelerated completion of a semiautomatic defense system against the manned bomber, substantially improved over that existing today, coupled with further concentration on timely deployment of systems designed to counter the ballistic missile threat.

Specifically, the revisions involved:

(a) Elimination or reduction in quantity of those components of the planned manned bomber defense system which could not become operational during the period of dominance of the manned bomber threat. This included reduction of the Bomarc program, curtailment of certain planned radar modernizations, and elimination of the supercombat center program.

(b) Modernization of the intercept capabilities of existing Century series fighter interceptors.

(c) Acceleration of ballistic missile warning systems such as BMEWS and Midas.

(d) Improvement of our deterred posture.

The substantial reduction in the Bomarc program will be offset, to a degree, by the fighter-interceptor modernization. Nonetheless, the decrease in total weapons available resulting from this curtailment of the Bomarc program made it necessary to reposition fighter-interceptor forces in consonance with the intended limited deployment of Bomarc and with other existing air defense weapons. A twofold objective guided planning in this repositioning of fighters. The first objective was to insure maximum defense capability along the most probable attack routes toward the most important national strategic targets; the second was to provide a rough equivalence in all areas of the United States as regards the relationship between weapons available, strategic targets to be defended, and enemy attack capabilities. This planning resulted in reducing the total number of weapons previously located in certain of the States and in other areas of the North American Continent. Alaska was among those States in which the previous number of fighter-interceptors was reduced.

It has been stated that Alaska, lying close to Soviet territory, is strategically located along a major attack route into the heart of the United States and, consequently, a large air defense force stationed in Alaska would be of great value in defending all other States of the Union. A detailed analysis of the known and estimated Soviet strategic airbase structure and long-range Air Force capabilities, however, demonstrates that the full weight of the Soviet bomber force can be thrown against the remaining States without overflying Alaska. Any air defense weapons placed in Alaska for this purpose alone could thus be either bypassed or taken under attack by accurate medium-range ballistic missiles preliminary to any manned bomber overflight.

In consequence, U.S. Air Force air defense weapons in Alaska are planned for defense of Alaskan strategic targets. The plans include:

(a) Inactivation of the 449th Fighter-Interceptor Squadron, now stationed at Ladd Air Force Base, in the immediate future.

(b) Increasing the numbers of F–102 fighter-interceptors now stationed in Alaska.

(c) Improving the capability of these interceptors in the near future through provision of the GAR–11, a guided, nuclear warheaded, air-to-air missile. The increased number of F–102's equipped with this new missile will provide, in the future, a greater total air defense capability in Alaska than that which exists today. This capability will be equivalent to that which will exist in many other areas of the United States.

(d) Maintaining continuous air defense alert with these interceptors in several strategic locations in Alaska, including Fairbanks.

Representations have also been made concerning the value of Alaska as a base for offensive weapons. Any analysis of the utilization of Alaska for this purpose must take into account the change which has occurred in weapon technology in the past few years. Not very long ago, all of our offensive weapons were severely range limited. To be capable of retaliating effectively to any attack on us, it was essential that our bombers and scanty tanker forces be positioned as far forward as possible. Today, the extensive range of the B–52, coupled with the advent of the jet tanker in quantity, has greatly reduced the need for forward basing of the strategic bomber force. Further, the ICBM is even more rapidly changing the strategic situation. Range of these new weapons in excess of 9,000 miles has been demonstrated. Technology has thus made it possible to base strategic offensive power where force survivability and economy can be maximized while still retaining full target coverage.

An example can be cited from a thorough study comparing IRBM's based in Alaska with Minuteman ICBM's based in the mainland of the United States. The study results indicate that, in approximately the same time period, over four Minuteman ICBM's could be deployed in areas of the United States other than Alaska for the same cost as one IRBM deployed in Alaska. Should it be desired to target Soviet bases near Alaska, it would therefore be possible, for the same dollar cost, to program either four Minuteman missiles against each base or one IRBM. The added flexibility which would be available because of the range of the Minuteman makes the comparison even more out of balance.

For essentially the same reasons as expressed above, the short range of tactical fighter bombers, such as the F–105, prevents their optimum application in an offensive role from Alaska. For the present, only the B–47 strategic bomber, maintained in an immediate alert status and warned by Alaskan radar coverage against bomber attack or by BMEWS against missile attack, can adequately and economically carry out an offensive role from Alaska.

In today's strategic situation as created by new weapon technology, therefore, Alaska serves as a vitally important base in a defensive role for early warning of manned bomber attack through Alaskan radar and DEW line extensions and of ballistic missile attack through BMEWS. Its importance in an offensive role is chiefly related to forward basing capability for the medium bomber force of the Strategic Air Command.

Mr. CANNON. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. CANNON. I compliment the Senator from Virginia on his excellent statement in relation to the carrier and also the B–70's. I have a few questions in my mind on matters which have not been brought out.

I think the Senator from Wisconsin [Mr. PROXMIRE] brought out the cost factor of the carrier. I should like to ask, What is the amount of the additional cost of the B–70 program?

Mr. ROBERTSON. $285 million.

Mr. CANNON. Is that in addition to the amount which was already in the bill for the skeleton program?

Mr. ROBERTSON. That is correct. But the prototype airplane does not get us anywhere at all, even if we had the engines to operate it. So we put in the entire system—everything that goes with the operation of the B–70. It is a quite expensive operation.

Mr. CANNON. In other words, the $75 million in the bill initially would provide only for the shell of the aircraft without a weapons system as such?

Mr. ROBERTSON. That is correct. But this puts the weapons system into the program. It includes a plane that can fly at the rate of 2,100 miles an hour, at an altitude of, say, 70,000 or more feet, and having a range of—I do not know for certain, but certainly 6,000 miles or more. Also, it can be refueled. It can be throttled down and refueled in the air. There is nothing in the world like it. We know how to build it.

Mr. CANNON. Will the $360 million which will now be provided, if the amendment shall be agreed to, provide for the full and complete development of the weapons system, based on the present estimate?

Mr. ROBERTSON. For 1 year.

Mr. CANNON. For how many aircraft?

Mr. ROBERTSON. I cannot say how many airplanes this money will provide for a complete weapons system.

Mr. CANNON. So we would have a complete operational unit rather than the shell of an aircraft which would be no good to us without a complete weapons system.

Mr. ROBERTSON. Absolutely. I can say without contradiction—and I got the information directly yesterday—that it is No. 1 on the program of the Air Force.

Mr. CANNON. I certainly agree with the Senator from Virginia on that point. I believe the Senator has made it very clear that this is the only follow-on aircraft which we have to follow the B–52. In other words, we have no other aircraft of that type in the research and development program.

Mr. ROBERTSON. The B–47 is practically obsolete now. The B–52, by the middle of the 1960's, should be phasing out.

This is the airplane of the future, not only to protect the peace, not only to participate in any kind of war, whether it be a brushfire or an all-out war; but it also tells us how to get mass transportation, which we do not now have, at three times the speed of sound.

Mr. CANNON. I believe the Senator has pointed out that the advantage of manned aircraft, which can be recalled and used, actually is psychological, in that it need not be headed on its way and continued in that direction once it is placed in movement.

Mr. ROBERTSON. If the distinguished junior Senator from West Virginia [Mr. BYRD] were here, he could probably quote the poem about how one can shoot an arrow into the air and get it back; but when the word is spoken, it is gone.

When a missile is cut loose, it is gone; we cannot get it back. But a B–70 can be started and can also be called back.

Mr. CANNON. I compliment the Senator. I thank him for his response.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. ENGLE. I, too, wish to compliment the Senator from Virginia on his interest in this important matter and his very fine discussion of it, together with the remarks made by the distinguished Senator from Nevada.

Most of the points I had intended to make have already been referred to. However, in line with the remarks made with respect to the speed of this airplane, I have a map which shows the distance that that plane can fly on 1 hour's range at a speed of approximately mach 3, which is a little less, incidentally, than that which the Senator from Virginia referred. However, in a little more than 2 hours, this airplane would be over Formosa from a standing start from a base on the Pacific coast.

Mr. ROBERTSON. That is correct.

Mr. ENGLE. In other words, the Chinese Communists could initiate an airborne invasion of Formosa. This airplane, from a standing start, would be there to catch the Communists in midchannel, from a standing start at an airbase in America.

The map shows that the airplane could fly clear to the end of South America in less than 3 hours. It could fly clear into the heart of Russia in less than 3 hours. It could fly clear into the heart of the Soviet Union from the east coast in less than 3 hours.

This is an extremely interesting chart. I shall make it available to the Senator from Virginia for his information. For instance, it could be in the Philippines in 4 hours from a standing start from a base on the Pacific coast.

Mr. ROBERTSON. That is all the way around the world.

Mr. ENGLE. That is correct. It would be absurd if we failed to develop this phenomenal weapons system.

Mr. ROBERTSON. All the information before our committee was that it is the most wonderful airplane that human ingenuity ever designed. We should not delay a day to get it started.

Mr. ENGLE. I am delighted to learn that the Senate committee saw fit to restore this item. I compliment the committee for doing so. This is the airplane of the future.

We went through the sound barrier. The next thing we had to get through was the heat barrier. This airplane takes us through the heat barrier. Once through the heat barrier, we can go 2,000 miles an hour, 3,000 miles an hour, perhaps 4,000 miles an hour. We do not know of any limitations.

Mr. President, inasmuch as the remarks which have been made in this discussion have mainly covered matters which I proposed to speak about independently a little later, with the permission of the distinguished Senator from Florida I should like to ask unanimous consent to have printed at this point in the RECORD my statement on this subject matter.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ENGLE

I should like to commend the Committee on Appropriations for the wisdom of its decision to recommend we provide $360 million for the continued development of the B–70 bomber as a weapons system—an increase of $290 million over funds provided by the House.

I rise to urge the Senate to vote its approval of these funds for developing the B–70 weapons system. Equally as important, I hope the Senate conferees will stand firm for the retention of these funds when they meet their counterparts from the House in conference to iron out differences between the bills as passed by the Senate and the House.

Ever since the administration announced its decision, while Congress was in adjournment last winter, virtually to eliminate the B–70 as a weapons system, I have been pointing out the folly of this decision, and urging that it be reversed.

I have spoken on this subject repeatedly on the floor of the Senate. I have told the people of California about it, in person, on radio and on television, through the newspapers. I have testified before the subcommittee of the Committee on Appropriations. In this effort, I have had the support of many of my distinguished colleagues in this body from both sides of the aisle, and I am grateful for it.

In a speech on the floor of the Senate on January 11, I pointed out that what the administration proposed was that we build one or two "bare bone" vehicles, and absolutely no matched subsystems involving radar, navigation and bombing, air date, electronic countermeasures, mission and traffic control, and power pods.

In other words, they proposed that we fit out this airplane capable of speeds of from 2,000 to 3,000 miles an hour with gear designed for one-third its speed, and cancel development of gear designed to match its speed. At the very least, this procedure would lose us years of invaluable time in the development of this invaluable weapons system.

I pointed out in that speech, and in the second speech of May 13 that the reason behind this gutting of the B–70 had nothing to do with the merits of the airplane, but had everything to do with the obsession of this administration to go out of office with a balanced budget.

I am glad to see that the Committee on Appropriations has recognized the fact that however desirable a balanced budget is, and however necessary it is to keep military appropriations at the lowest level consistent with national security, there are yet some programs which we cut only to our own great peril * * * and that the B–70 is one of these.

One of the most interesting and significant things which I have noted about all the testimony and discussion about the B–70 which has ensued during the last 6 months is unanimous agreement of professional Air Force men on the need for the B–70 intercontinental bomber.

Let me sum up very briefly these unanimously agreed to arguments in favor of our going forward with development of the B–70 as a weapons system:

1. The B–70 manned bomber possesses certain inherent advantages over a missile. It is recallable. It is reusable. It can change targets in flight. It can be used for a variety of missions, including reconnaissance, and low-level attack. It can be adapted to use a variety of weapons.

2. The unique characteristics of the B–70 including mach 3 speed at 70,000 to 80,000 feet, quick reaction to warning, and the most advanced reconnaissance systems the technology can provide, overstrain the defense system state of the art. It is both technically and economically feasible for our enemies to oppose lesser performance vehicles, but not the B–70.

3. The B–70 possesses phenomenal capability in the field of limited war. As an example, a squadron of B–70's could leave San Francisco after word was received that a waterborne invasion force had left mainland China bound for Formosa and overtake that force long before it reached its destination. The B–70 is the ideal global police cruiser.

4. The B–70 is not merely a drawing board dream, dependent upon the planning of events, or inventions, or scheduling of "breakthroughs" for success. Design has progressed to a point where fabrication of components of an aircraft has begun. The Air Force plans to bring the B–70 into operation during the mid-sixties when our aging B–47's and earlier B–52's will be phased out of Air Force inventories.

5. The B–70 represents a major aeronautical breakthrough since it transcends the heat barrier and opens the door to even faster speeds and further major aeronautical advances. Its development provides the basic engineering to the development of mach 3 and higher speed civilian transports.

The $360 million appropriation recommended by the Committee on Appropriations represents less than 1 percent of the total appropriations for the Department of Defense in this bill. But that fraction of 1 percent of this appropriation can mean the difference between our maintaining—and our losing—our leadership in the field of aeronautical science.

As General White has well said: "We must strive to conquer any so-called barriers to further progress in manned flight—not because it is a challenge, but primarily to develop the answer to the threat of exploitation of the same advancing technology—militarily or commercially—by others."

Again I urge the Senate to include this $360 million in this appropriation, as recommended to it by its Committee on Appropriations.

Again I urge the Senate conferees to stand firm on this point in conference with Representatives of the House.

Mr. ENGLE. Mr. President, I again wish to compliment the distinguished Senator from New Mexico [Mr. CHAVEZ], the chairman of the Subcommittee on Defense Appropriations, for taking this

action, and to compliment the great Senator from Virginia [Mr. ROBERTSON] for the fine speech he has made.

Mr. ROBERTSON. I thank the Senator from California.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, I have objected to a unanimous consent agreement to limit the debate on the bill. The majority leader has asked for a limitation of debate of 3 hours on the bill and 40 minutes on any amendment. He has come forth with another proposal also to limit debate.

I appreciate his position. I deeply sympathize with the difficult problem of acting on the tremendously important legislation which is before us and having it considered by the Senate before it is time to adjourn for the conventions.

At the same time, I simply feel that a bill of this importance, which provides for the appropriation of 40 thousand million dollars—$40 billion—having this enormous amount of money at stake and under consideration, and with the No. 1 issue, which perhaps has divided the parties, being in regard to the strength of our military forces, particularly at this time of great world crisis, for the Senate, the greatest deliberative body in the world, to limit itself in debate, so this measure could be handled in the course of an afternoon or 3 or 4 hours, would not, in my opinion, be proper, because I do not know enough now to be able to cast my vote on a number of issues in this $40 billion bill. Perhaps later I shall be able to agree to the request for such an order, but I cannot do so at this time. I regret that, for I do not like to inconvenience Senators. But I feel very deeply that all Senators have this responsibility, and I believe that is especially true of those of us who are not on the committee. Certainly we should obtain some answers before we proceed to vote on some of these very costly amendments.

Mr. President, I wholeheartedly agree with the presentation which has been made by the Senator from Virginia in regard to the B–70 bombers. From all I have heard and read, I believe his proposal is very sensible, and I believe it will greatly increase and improve our Nation's strength.

Nevertheless, I believe we must be discriminatory. It is possible that the armed services will request too much in some areas; and I feel very strongly that the Navy is requesting too much when it asks for another aircraft carrier in this day and age. The House deleted that item, after extensive hearings and consideration. I have heard from many Senators that this is the weakest request the Armed Forces are making. The proposed aircraft carrier would not be delivered for 4 or 5 years. We know that an aircraft carrier travels on the surface of the ocean at a constant altitude—that is sea level at about 35 knots, and is of enormous size as a target, as compared to an airplane, a submarine, or a missile. In that connection, reference has been made to the shooting down of missiles by the use of antimissile missiles. Obviously, in this atomic age an enemy would have very little difficulty in destroying an aircraft carrier, which operates on the surface of the ocean, and would be as long as three football fields end to end, and would travel at relatively slow speed, a wide open sitting duck; and certainly it would not be difficult for an enemy to destroy such a carrier 4 years from now in 1964.

Perhaps there is some reasonableness to the point that aircraft carriers are mobile and are useful in brushfire wars under certain limited circumstances.

But to appropriate $293 million for one ship which could be destroyed by one bomb, and would be a sitting duck, makes no sense to me.

I realize that utility in connection with nuclear war is only one part of the usefulness of an aircraft carrier; and everyone who is informed on the subject, to whom I have talked, states that nuclear war is the least important use of an aircraft carrier. They say the greatest usefulness of an aircraft carrier is in connection with situations such as that which has occurred in Lebanon or in the Formosa Straits.

But the proposed new carrier would not be an additional one; instead, it would be a replacement for an *Essex* class carrier, with a *Forrestal* class carrier. In other words, it would replace a carrier which was built near the end of World War II; but that replacement would not be made until 4 or 5 years from now.

Mr. ROBERTSON. Mr. President, will the Senator from Wisconsin yield?

The PRESIDING OFFICER (Mr. MCGEE in the chair). Does the Senator from Wisconsin yield to the Senator from Virginia?

Mr. PROXMIRE. I yield.

Mr. ROBERTSON. The testimony on that point was correct.

But it was testified that planes are being wrecked and valuable personnel are being killed by trying to handle modern planes on aircraft carriers which have small decks—for instance, carriers such as those of the *Essex* class—and that, therefore, we shall spend our money to better advantage and shall have more efficient operations if we provide for the construction of another carrier of the *Forrestal* type.

As to adding an item of $293 million to the bill, let me remind my colleague that we are proceeding on the basis of a somewhat different concept, in regard to how to use our funds in order to do the most good. The House took the position that provision should be made for submarines and for means to oppose submarine attacks, and included for that purpose an additional amount of $221 million, but the House deleted the item of $293 million for the aircraft carrier.

When the bill came to the Senate committee, the testimony before it was that we had better eliminate all that the House had done in regard to submarines, rather than fail to restore the item for the aircraft carrier. But we did not do just that; instead, we restored the item of $293 million for the aircraft carrier, but we also added an item of $99 million for the stepped-up submarine program. That helped increase the total called for by the Senate committee version of the bill, as compared with the total called for by the bill as passed by the House, by approximately $400 million.

However, in places such as Lebanon, the carriers can be of the greatest service.

Mr. PROXMIRE. Mr. President, the Senator from Virginia spoke, in making his first point, about safety; and I believe that is the strongest point or argument to be made in favor of the proposed new aircraft carrier. I concede that a new carrier will be safer.

However, Admiral Beakley stated, in the course of his appearance before the House Appropriations Committee, when he was referring to safety:

> This requires the commander to judge what he pushes these carriers into and how he operates them and the type of airplane you put aboard each one.

On page 690 of the Senate committee hearings, in connection with the report made by the Navy in regard to the accident rate, I notice the following:

> 7. The overall carrier accident rate has been reduced from 14.4 per 10,000 hours in fiscal year 1957 (first year for which records are available) to 9.7 in fiscal year 1959, and 6.2 in the first quarter of fiscal year 1950.

It seems to me that on the basis of that evidence, in view of the fact that there has not been any tremendous addition of *Forrestal*-class carriers and retirement of *Essex*-class carriers from the attack-carrier fleet, it is obvious that safety measures have been installed and more careful and more effective methods of operating carriers have been adopted, and have resulted in that reduction; and the safety record seems to have been greatly improved, and no longer seems to constitute a very serious problem.

Mr. ROBERTSON. Mr. President, I would call attention to the fact that they have brought into the service five of the new, modern carriers; and they have constituted a big factor in regard to increased safety.

Furthermore, the admiral said they could use only the smaller, older type planes on the small decks of the Essex-class carriers. Jet planes cannot be used on those carriers. The jet planes take off and land at very rapid rates of speed. But the testimony before us was that the Navy is not discarding the *Essex* class carriers; they will be good for piston-engine planes, in antisubmarine warfare, but not for the use of jet planes for attack purposes. We need large decked carriers for those purposes.

Mr. PROXMIRE. Yes.

My point was that it seems that the safety situation has been greatly improved during the last few years, and no longer amounts to as important a point as it did before.

Furthermore, it is exactly in situations such as that in Lebanon that the aircraft carrier can be useful, because it provides a base for the carrier-type planes and for our marines and also makes a favorable impression, as regards power and prestige, on the smaller countries.

But it seems to me that, for such purposes, it would make very little difference whether an *Essex* class carrier or a *Forrestal* class carrier were used. It is true that this now would be larger and

could handle a larger number of planes. But in terms of the mission to be performed—in other words, to do a satisfactory job in connection with a brushfire, limited war—it would seem, on the basis of every argument I have heard, that the *Essex* class carrier could do as well.

Mr. SALTONSTALL. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. I yield.

Mr. SALTONSTALL. I thank the Senator.

I think the point is that there are now seven *Essex* class carriers in the fleet, and almost all of them are coming to their full age, which is 20 years.

The Navy has 14 operating aircraft carriers, today. Seven are of the *Essex* class, three are of the *Midway* class, and four are of the *Forrestal* class.

Since 1957, the *Kittyhawk* has been authorized, and it will join the fleet, for a shakedown, in April 1961. The *Kittyhawk* is of the *Forrestal* class.

The *Constellation*, also of the *Forrestal* class, authorized in 1957, will join in late 1961.

The *Enterprise*, which is in a class by itself, and is a nuclear aircraft carrier, will join the fleet in 1962.

Consequently, the Navy's aircraft carrier inventory in 1962 will be one *Enterprise*, six of the *Forrestal* class, three of the *Midway* class, and four of the *Essex* class.

In other words, three of the *Essex* class will have been retired for obsolescence. If we do not appropriate for this new carrier this year, which will come into the fleet in 1963 or 1964, our carrier fleet may be down below the possible safe limit.

At the present time we have eight carriers in the Pacific Fleet, six carriers in the Atlantic Fleet. Of this total of 14 carriers, 2 are constantly being repaired and maintained for overhaul.

The Navy maintains—and I believe it is correct—it is absolutely necessary, if we are going to maintain our carrier fleet, to build a new carrier this year.

Mr. PROXMIRE. Let me say at that point that I went over every line of testimony I could find in the hearings. At no point did I find the Navy documenting the assertion that at the end of 20 years they have to sink a carrier, or have to take it out and dispose of it in some way. It seems to me this is a matter of its relative purpose and mission. I appreciate the Navy can say that the carriers have a life of approximately 20 years, but it is like the use of an automobile—it depends on how one drives it. Some people can wear out a car in 2 or 3 years. On occasion one finds a person driving a car which was built 50 years ago.

Mr. SALTONSTALL. Not only aircraft carriers, but other Navy ships are given a life, ordinarily, of 20 years. The Navy can modernize them, and it may take substantially less money than building a new ship. However, after a period, it does not pay to modernize them. The Navy can maintain them for approximately 20 years, but if it is to try to modernize a ship, it has to do it fairly early in the game. Otherwise, it is more prudent to build a new ship, because of modern inventions. It is easier to put them in, and maintenance is less expensive.

When I said that an aircraft carrier has a life of 20 years, I meant that the average warship has a life of 20 years. After 10 years, the Navy hesitates to modernize them because of the expense involved, although it is doing so.

Mr. PROXMIRE. I thank the Senator from Massachusetts.

Mr. President, this is a matter of relative priority and where we are to spend money. I appreciate that one can make a case that we will have some benefit out of a new carrier, but in this nuclear age, when we have been talking about the B–70, which flies at 2,000 miles an hour, and at an enormous altitude, and which would be tremendously difficult to hit and knock down, when we have a missile which we have been able to fire 9,000 miles, when we have a submarine which can stay submerged and be extremely hard to find and hit, that in this kind of world the flattop carrier that will operate roughly the same as it did 20 years ago is "over the hill," so far as use is concerned. For brushfire war use, it would seem to me, on the basis of all the testimony that has been put before the committee, an old carrier of the *Essex* type is virtually as useful as a new carrier would be.

In order to put this matter in perspective, Mr. President, it is necessary to compare the expenditure of $293 million—which may not seem like much in a $40 billion bill—with some of the alternatives.

This year we passed a depressed areas bill, which was of immense importance to many of us and to many sections of the country where people have been out of work for a long, long time. It was a sort of point 4 program for America. It was discussed widely in the press, and was vetoed largely because of its cost. But it cost less than this one single ship, which is of limited advantage, in my opinion.

In medical research this year we will appropriate $62 million for heart research. The $62 million constitutes about one-fifth of the amount we would pay for this one ship.

This Federal Government will spend $91 million for cancer research, less than one-third of the amount for the one aircraft carrier.

Sixty-eight million dollars for people who suffer from the No. 1 health problem, mental illness, less than one-quarter of what we are appropriating for this one single ship.

There has been discussion on the floor about safety. The most important argument one can make for the *Forrestal* type of carrier is that it may save lives. The amount we provide for medical research can save lives, too. The fact is that over 2 million lives have been saved since 1944, directly and provably as a result of medical research, which has been accomplished in substantial part by Government assistance.

The fact is that in 1959 the Government spent $192 million for hospital construction in every State of the Union—only a little more than half the cost for one aircraft carrier.

Let me refer to Federal aid to education. The House-passed bill would have cost about the same for 1 year as the total cost of this vital service.

Of course, there are many, many other bases of comparisons I could make, but if economy means anything, if alternative priorities mean anything, either within the Defense Establishment or the Government as a whole, it seems to me ridiculous for us to go forward and appropriate $293 million.

I understand a distinguished Member of the House has said that America today leads the world in bows and arrows, slingshots, and aircraft carriers.

The fact is that we are not in competition with the Soviet Union in aircraft carriers. They do not have any. Red China does not have any. It is not a matter of comparative obsolescence, because we are the only substantial power that has aircraft carriers. The only other ones would be our allies. So the argument for appropriating $293 million for one noncompetitive ship seems to me very limited.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Pennsylvania.

Mr. CLARK. I have listened with great interest to the argument of the Senator from Wisconsin, which has impressed me a good bit. Obviously, the mind of this administration is turned away from remedying domestic obsolescence in our economy. My friend from Wisconsin has given some very pertinent examples of that in the last minute or two.

I know he has made a very careful study of the hearings. I am not too clear as to whether he believes that this new aircraft carrier is obsolete for most purposes of modern war. Is that the case?

Mr. PROXMIRE. I would say that the aircraft carrier is not useful for all-out nuclear war, and its usefulness in brushfire wars does not appreciably exceed that of the aircraft carrier it would replace.

Mr. CLARK. Is it the view of the Senator from Wisconsin that we have an adequate number of carriers in the fleet or building to handle our brush-fire war requirements, so far as anybody can look ahead?

Mr. PROXMIRE. That is certainly my conclusion. That was the precise reason why the House rejected the request for the aircraft carrier, after most careful and thoughtful scrutiny.

Mr. CLARK. Is my friend of the view that there are a number of higher priorities in the field of national security and national defense than the priority for the new aircraft carrier?

Mr. PROXMIRE. There are, indeed. As a matter of fact, a short time ago the distinguished Senator from Mississippi pointed out that the Senate committee reduced the House request for the airlift from $250 million to $200 million. It seems to me, if we are going to fight brushfire wars, the effective way to fight them is with the airlift. If we are going to have any kind of airlift which means

anything, we ought to do our very best to go along with the Army's request.

At about the same time, there was some discussion as to whether we have provided adequately for modernizing the Army. Upon the basis of the best statistics which I can obtain, it seems that we have gone far less than halfway toward meeting the Army's request for modernization, although I think the Senator from Mississippi made an excellent case for the progress we are making with respect to Army modernization.

Mr. CLARK. The Senator is aware that the junior Senator from Washington [Mr. JACKSON] has an amendment which would substantially increase the appropriation for modernization of the Army, is he not?

Mr. PROXMIRE. I am aware of that.

Mr. CLARK. Is the Senator of the view that we are in need of more airlift than will be provided by the bill?

Mr. PROXMIRE. That is my judgment.

Mr. CLARK. Does the Senator think we have been deficient in terms of adequate defense against submarine warfare?

Mr. PROXMIRE. Yes, particularly in view of the fact that this is the principal naval weapon which our most likely opponent has.

Mr. CLARK. It is my understanding that Russia has at least 400 modern, well equipped submarines capable of offensive action not only against our shipping but also against our shores, to a substantial extent; is that correct?

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. CLARK. There has been a good deal of talk, has there not, about the so-called missile gap which will exist in the early 1960's, and many statements have been made on the floor of the Senate that we will be deficient in missiles in comparison with Russia?

Mr. PROXMIRE. What the Senator is saying is very sensible, because the Senator is talking about the weapons of the present and the weapons of the future. The submarines—particularly the nuclear-powered submarines—and the missiles are the weapons of the next war. In the event the next war has to be fought, these are the weapons with which it will be fought, unfortunately and very sadly.

The aircraft carrier is a weapon with which the last war was fought. Many people thought that by the end of the last war the aircraft carrier was reaching a state of obsolescence.

I am sure the Navy could make an excellent case for the battleship. The battleship is the most powerful naval vessel ever devised. It has an enormous fire power. However, the battleship has exactly the same kind of weakness, only to a greater degree, that the aircraft carrier has.

The point I am making is that the Senator from Pennsylvania is talking about modern weapons, to be used to give us the greatest possible strength in the future. The aircraft carrier will not be available probably until 1964, and perhaps later, upon the basis of past experience. By that time, of course, there will be missile and submarines and weapons of the future, such as the B–70 bomber, and these will be the dominant weapons.

Mr. CLARK. Not to mention the Polaris.

Mr. PROXMIRE. Not to mention the Polaris and the kinds of modernized weapons with which we are equipping the Army.

Mr. CLARK. Mr. President, the Senator from Wisconsin and I have frequently been assailed by our critics as being "wild-eyed spenders." I am one who is not reluctant to vote to provide every cent of money needed for our national security. I expect to support the efforts of the Senator from Missouri, of the Senator from Washington, and of other Senators to provide more money in these categories where our lack is so obvious. Hence I am prepared to support the Senator from Wisconsin in his move to strike the money for the aircraft carrier, because I agree with the Senator that there are other and greater needs for which this money should be spent.

I thank the Senator for his courtesy.

Mr. PROXMIRE. I thank the Senator from Pennsylvania.

Mr. President, I yield the floor.

Mr. SALTONSTALL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SALTONSTALL. Am I correct in my understanding that there are three committee amendments to be voted upon before any other amendments can be offered?

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAVEZ. Mr. President, I move that the committee amendment on page 6 of the bill be agreed to.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 6, in line 15, after the word "Code," it is proposed to insert a colon and *"Provided further,* That the Army National Guard shall be maintained at an average strength of not less than 400,000 for the fiscal year 1961: *Provided further,* That $31,700,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army National Guard at the strength provided for in this Act."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 6, line 15.

Mr. PROXMIRE. Mr. President, is this the amendment which would provide for the aircraft carrier in the bill?

Mr. CHAVEZ. No; this is the Army National Guard amendment.

Mr. PROXMIRE. I see. I misunderstood.

The PRESIDING OFFICER. The Chair is advised that this amendment does not pertain to the aircraft carrier.

Mr. PROXMIRE. I thank the Presiding Officer.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 6, line 15.

Mr. CHAVEZ. Mr. President, the Senator from South Dakota [Mr. CASE] is deeply interested in the amendment. I do not see the Senator in the Chamber at the present time. I would prefer to have him present. I ask unanimous consent that we may consider the next committee amendment, which is on page 22 of the bill.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 22, line 11, after the word "amended", it is proposed to strike out "$2,080,650,000" and insert "$2,331,000,000."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 22, line 11.

Mr. PROXMIRE. Mr. President, do I correctly understand that this is the amendment to provide for the aircraft carrier?

The PRESIDING OFFICER. This is the amendment to which the Senator refers.

Mr. PROXMIRE. I know a number of Senators are interested in this amendment, including the Senator from Pennsylvania, who has left the Chamber temporarily. I do not desire to delay the proceedings, if the Senator wants to proceed to another amendment. Perhaps that would be more expeditious.

Mr. CHAVEZ. There is only one other committee amendment, which is on page 24, at line 9. That amendment relates to the money for the new B–70's.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 24, line 9, after the word "things", it is proposed to strike out "$3,225,056,000" and insert "$3,607,409,000, of which not less than $200,000,000 shall be for transport aircraft suitable for the movement of fully equipped troops and combat equipment".

Mr. CASE of South Dakota. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 24, line 9.

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I move to reconsider the vote by which the committee amendment was agreed to.

Mr. SYMINGTON. Mr. President, I move to lay that motion on the table.

Mr. SALTONSTALL. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. CHAVEZ. Mr. President, I invite the attention of the Senator from South Dakota to the amendment relating to the National Guard, on page 6. I move that the amendment be agreed to.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 6, in line 15, after the word "code", it is proposed to insert a colon and *"Provided*

further, That the Army National Guard shall be maintained at an average strength of not less than 400,000 for the fiscal year 1961: *Provided further*, That $31,700,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army National Guard at the strength provided for in this Act."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. CASE of South Dakota. Mr. President, I think the amendment should be agreed to. I simply wanted to have a separate vote on the amendment, because I think the Senate should go on record as specifically agreeing to the amendment with reference to the Army National Guard. I do not desire to request a yea-and-nay vote, but I should like to have the amendment voted on specifically, as an expression of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 6, line 15.

The amendment was agreed to.

Mr. CASE of South Dakota. Mr. President, I move to reconsider the vote by which the committee amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

The PRESIDING OFFICER. The clerk will state the remaining committee amendment.

The LEGISLATIVE CLERK. On page 22, line 11, it is proposed to strike out "$2,-080,650,000" and insert "$2,331,000,000".

Mr. PROXMIRE. Mr. President, if we are to proceed to a vote, I shall suggest the absence of a quorum. I do not wish to hold up the proceedings. I understand that one Senator has a speech to make.

Mr. STENNIS. There is nothing further.

Mr. PROXMIRE. Then I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. Preseident, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. Mr. President, having asked for a separate vote on this amendment, I merely wish to take a moment to say that I thought this was another case in which the Senate should have the amendment specifically under consideration.

The subject of an aircraft carrier is one which has been discussed a great deal, both in the Congress and out of Congress. A year ago I favored the idea of a nuclear-powered aircraft carrier. Upon reconsideration by the Senate this year, both in debate within the Armed Services Committee and in the Appropriations Subcommittee dealing with the Defense Department appropriations, I was persuaded that the Navy was well advised in proposing that the aircraft carrier be conventionally powered. Nuclear power applied to a submarine has specific advantages which do not necessarily follow in the case of a surface craft like an aircraft carrier. In certain types of "brush" wars, or even in a major war, an aircraft carrier could have advantages. Personally I hope and pray that we may never have a nuclear war. An aircraft carrier offers an opportunity for much greater versatility than a fixed airbase. It provides a mobile base. The small fighter bombers that can be launched from an aircraft carrier may have a range of a thousand miles. I think they should be provided under the conditions we face, and I urge a favorable vote on the amendment.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. KEATING. I desire to associate myself with the cogent remarks made by the Senator from South Dakota.

Our military leaders have indicated that this aircraft carrier is a must if we are to achieve a balanced fleet. There is abundant evidence that the carrier would play a vital role should we become involved in any kind of a limited war or a nuclear conflict.

It seems to me that in the problems which we face in our national defense the mobility which is afforded by an aircraft carrier is becoming more and more apparent. There was a time, some years back, when I had serious reservations on this question. They are completely resolved now, particularly in view of the strong evidence in favor of the carrier which has been offered by our military experts.

I thus feel that it is highly important that we provide for this aircraft carrier in the context of the need for a modern and balanced defense establishment in these tense times and I support the position of the Senator from South Dakota.

Mr. CASE of South Dakota. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 22, line 11.

The amendment was agreed to.

Mr. SALTONSTALL. Mr. President, I move that the vote by which the committee amendment was adopted be reconsidered.

Mr. RUSSELL. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. CHAVEZ. That completes the committee amendments.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. THURMOND obtained the floor.

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from South Carolina wish to speak?

Mr. THURMOND. I suggest the absence of a quorum.

Mr. JACKSON. Mr. President, I offer my amendment, which is at the desk.

Mr. THURMOND. Mr. President, I just suggested the absence of a quorum.

The PRESIDING OFFICER. The Senator from South Carolina yielded for a quorum call.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 11, line 19, it is proposed to strike the figure "$2,525,354,000" and to insert in lieu thereof the figure "$2,527,354,000."

Mr. THURMOND. Mr. President, during the course of the fiscal year the Naval Air Reserve program is experiencing difficulty in remaining within its operating budget, while endeavoring to meet its training commitments. In the face of this, the amount requested in the 1961 budget is approximately $2 million less than the amount requested for 1960. I should like to have the attention of the chairman of the subcommittee.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. THURMOND. I am pleased to yield to the Senator from Georgia.

Mr. RUSSELL. The distinguished Senator from New Mexico [Mr. CHAVEZ] was compelled to leave the floor for a few minutes. He asked me to see that the business of the committee was carried on during his absence. I shall undertake to perform that chore.

Mr. THURMOND. The amount requested is $3 million less than the actual expenditures in 1959. This reduction of $2 million for flight operations in 1961 actually means a 20-percent decrease in flight hours for the training of our Naval Air Reserve.

The maintenance and operation of the aircraft assigned to the Naval Air Reserve similarly affects the Marine Corps Air Reserve since the aircraft are jointly assigned.

The Naval and Marine Corps Air Reserve requirements for the fiscal year 1961 stipulate the training of approximately the same number of pilots trained in 1960. The mobilization requirements have not been reduced. In fact the urgency of antisubmarine warfare developments demands increased operations to obtain increased effectiveness in training. This curtailment can only mean a reduction in naval and Marine Corps training and consequently in the mobilization capability of these two programs.

In view of the current emphasis on antisubmarine warfare training for the Naval Air Reserve this reduction in funds will, I understand, be applied to the Naval Reserve R–5D transport operations and to the Marine Corps Reserve jet fighter squadrons.

The Naval Reserve transport capability constitutes the only backup for the Navy's organic airlift in a national emergency. The Naval Air Reserve maintains these airplanes and their reserve personnel in the highest state of readiness. Both aircraft and personnel

are immediately available for mobilization at considerably less than the cost of active squadrons of the Regular Navy. In his statement to the House Armed Services Committee investigating airlift capabilities, Rear Admiral Cooper, representing the Chief of Naval Operations, gave the specifics of these aircraft and indicated that they would be urgently needed by the fleet on D-day.

The Marine Corps depends upon the Reserve jet fighter squadrons for both personnel and aircraft to establish their 4th Air Wing on mobilization.

In the light of the vital importance of these elements of the Naval and Marine Corps Air Reserve and the relatively insignificant funds involved, I urge the passage of this amendment to increase this item by the amount of $2 million.

Taking into account the importance of Polaris and other essential programs, I urge that this be done without compensatory reductions in other areas of the naval budget.

During the past 2 years, 10 Naval Reserve air stations have been disestablished due to the restrictions of operating funds. Unless this amount is added to the appropriations the Navy may be forced to reluctantly disestablish another one. In these perilous times such action is inexcusable and unthinkable.

I said it is only $2 million that is involved. I sincerely hope that the able and distinguished chairman of the Armed Services Committee will accept the small amount.

Mr. RUSSELL. Mr. President, it is always difficult to disagree with the distinguished Senator from South Carolina. He is not only an able member of the Senate Committee on Armed Services, but he is also one of the outstanding Reserve officers of the United States. This matter was considered by the committee and was rejected. I am therefore bound, acting on behalf of the committee, to oppose this appropriation.

I doubt very much that Naval Reserve flying will suffer very greatly if this appropriation is rejected. As the distinguished Senator has said, approximately 10 of the stations have been disestablished, and there has been a considerable reduction in the number of pilots in the Naval Reserve program over the past 2 years.

I wish to point out that the committee has presented the bill to the Senate with an increase of $11,184,000 above the figure that came to us from the other body for the purchase of fuel for the Naval Reserve flying program.

In the light of two factors which I shall now undertake to outline, there will undoubtedly be more fuel available for the pilots over the next year than was available in the current fiscal year.

The first item is the reduction in the number of pilots. The second is the fact that during the course of the hearings the budget estimates for fuel for planes, as submitted by the Department, reflected higher prices than those that are currently quoted. In other words, there has been a reduction in the price of petroleum products since the budget was formulated.

The funds in the bill were added by the committee. They amount to $11 million and nearly $200,000. They will, in fact, purchase more fuel than the Naval Reserve training program had been originally contemplated at the time of the formulation of the budget.

Our committee cannot be accused of being indifferent to the needs of the Reserves and of the National Guard. If there are two elements of the military service that we have undertaken jealously to guard, it is the Reserves and the National Guard, because we realize that they are not always looked upon with the greatest favor by the Regular Establishment.

Much as I regret to do so, I do not believe the committee would be justified in accepting the amendment. Under the procedures, and the fact that the committee rejected the amendment when it was proposed, I hope the Senate will reject the amendment.

Mr. THURMOND. I thank the Senator from Georgia for his kind remarks. I only wish that he could go along with this slight increase of $2 million for the Naval reserve pilot program.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. SALTONSTALL. If the Senator has some more remarks to make, I shall be glad to wait until he has completed his remarks. I merely wish to support what the Senator from Georgia [Mr. RUSSELL] has said. The committee gave this matter careful consideration and rejected a specific amendment on this point. The committee believed that there was a balance in the program between pilots and planes and that there was ample gasoline for the number of pilots and planes available.

Mr. THURMOND. Mr. President, I realize that we want to save every dollar we can. I believe the RECORD will show that last year among all the Democratic Members of the Senate, I stood No. 1 for economy. I certainly do not wish to vote for a single dollar more than is necessary. However, I believe that with world conditions as they are now, and considering the Communist aggression which exists today, we must leave no stone unturned. We must realize that if an emergency arises, we shall have to rely to a great extent on the Reserves. They must be trained. They must have the fuel if they are to fly.

Mr. President, on this subject, I read from page 1728 of part 2 of the hearings:

Senator CHAVEZ. Admiral Beardsley, this question is for you. Colonel Boyer of the Reserve Officers Association testified that the Naval Air Reserve had been cut $2 million prior to the submission of the budget on the procurement of gasoline. That means a 20-percent reduction in Naval Air Reserve training program for pilots. He requested that the funds be provided. Can you give us any comments with respect to this situation?

Admiral BEARDSLEY. In fiscal year 1959 we had a program of Naval and Marine Corps Reserve flying of 436,000 hours. In 1960 this was reduced to 362,000 hours and our program for 1961 is 316,000 hours. So you can see the program as approved in the President's budget which came up here is lower in 1961 than in 1960. In 1961 we also have fewer aircraft. For example, in 1959 we had 973 aircraft for Reserve flying. In 1960 we had 814; in 1961 it comes down to 786. The funds were reduced in the request that came to you here for Reserve flying. The dollars now provided in the bill will result in less flying in the Reserve program in 1961.

Senator CHAVEZ. General Shoup, does that affect you in any way?

General SHOUP. No, sir; not that I know of.

Senator CHAVEZ. I thought that Admiral Beardsley stated it would affect the Naval Reserve and the Marines.

General SHOUP. We are in the same Reserve flying program, but I don't know whether specifically the gasoline part of it—we operate from the Naval Air Stations and are with the Naval Reserve flying program.

Senator CHAVEZ. It will affect them?

Admiral BEARDSLEY. Yes, sir.

Senator CHAVEZ. Thank you. We thank you very much, Mr. Secretary.

Mr. President, this item is for only $2 million for the Reserve pilots in order to do their current flying, so as to be prepared in the event of an emergency. It is an important matter. This is not a large sum of money. I think the Senate would be very wise to provide this small amount of money for the Reserve pilots.

It costs the Government much less to maintain the reservists, who train only a few days out of the month, but who are qualified, and keep in condition to serve their country if an emergency should come.

It is much cheaper to train reservists than it is to maintain an immense regular establishment, although the regular establishment is not too large under present conditions.

I simply call these facts to the attention of the Senate because I feel that in this critical time we should not make any reductions in the Defense budget. This particular item is one which has been reduced by $2 million. The Navy believes it should be increased by $2 million, or to the amount which was appropriated for fiscal 1960.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was rejected.

Mr. JACKSON. Mr. President, I call up my amendment designated "6-15-60—B" and ask that it be read.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. On page 20, line 23, it is proposed to strike the amount "$1,499,102,000", and insert the amount "$1,639,202,000".

On page 20, line 24, strike the period, insert a colon in lieu thereof, and insert the following additional language: *"Provided,* That a minimum of $302,202,000 of which shall be used for modernization of the combat equipment of the Army.".

Mr. JACKSON. Mr. President, I ask unanimous consent that the Senator from Montana [Mr. MANSFIELD] and the Senator from Kentucky [Mr. COOPER] may be joined as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. CLARK. Would the Senator be willing to list me as a cosponsor?

Mr. JACKSON. Mr. President, I further ask unanimous consent that the Senator from Pennsylvania [Mr. CLARK] be joined as an additional cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, the deliberate scuttling of the recent summit conference by the Soviet Premier clearly demonstrated that the Sino-Soviet bloc is not ready to abandon its conquest of the free world. With this refusal to meet and to discuss the world problems, Mr. Khrushchev in effect served notice that cold war pressures and aggressive action against the weaker free world nations would continue unabated. This threat to our security is made clearer with the announcement that Mr. Khrushchev will visit Cuba, where the Communists are taking advantage of the troubled situation to make inroads into the Western Hemisphere.

In addition, the news of today follows the same line, namely, that the Communists are determined to make trouble for us everywhere in the world.

I want to congratulate the Committee on Appropriations and the able chairman of the Subcommittee on Defense Appropriations, the Senator from New Mexico [Mr. CHAVEZ], for reporting a greatly improved 1961 defense program. The committee has done constructive and discriminating work. The program increases recommended by the committee deserve the concurrence of the Senate. In addition, I hope we can still further accelerate Army modernization.

We must continue to deter a general nuclear war by the maintenance of the most invulnerable strategic retaliatory force we can build. But the Soviet leaders may not risk general war; they can continue to make progress in converting the world to communism by the threatened use of force or by the application of force in limited quantities. It is equally important, therefore, that we effectively block these channels for the expansion of communism through the provision of appropriate modern fighting forces, particularly ground forces. Our security requires an effective counter to each of the various techniques of aggression.

Mr. President, in recent years the Soviet Army has modernized and expanded its weapons inventory.

It has sufficient stocks of up-to-date material to equip and to support in combat for extended periods a large modern army. This equipment includes the means for fighting either nuclear or conventional wars anywhere on the Eurasian land mass, including the Middle East. In terms of quality, the Soviets almost equal our most modern equipment; they lag behind us in some items; they have drawn even in others; and they surpass us in still others. In terms of quantity, they overmatch us by a margin of 5 to 1. The really essential difference is that, while both nations have developed many modern weapons and other equipment, the Russians have theirs in the hands of troops, and we do not.

Mr. President, our troops in the critical areas of Korea and Berlin still do not have vital modern equipment, such as the new M14 rifle, when even some of our allies have that equipment.

Because of the high and stable production rates which the Russians have attained, some major items of Soviet army equipment have entered the second modernization cycle since World War II. For example, medium and heavy tanks, armored personnel carriers, trucks, and rocket launchers are now in the second round of modernization.

In the light of this Soviet progress, which is also reflected in the growing material strength of their satellite countries, it is of paramount importance to modernize the equipment in the hands of our U.S. Army troops as rapidly as feasible. The basic requirement here is for procurement funds—appropriations that many of us have advocated for several years.

Army leaders have consistently testified that an annual funding rate of approximately $2.5 billion would appear minimal to insure an orderly program. This amount may well be expressed in three increments—an average of $1.3 billion merely to replace wornout equipment, about $0.2 billion for fixed annual costs, such as transportation associated with production, leaving $1 billion to represent a net gain to Army inventories in the form of modern equipment.

The administration's budget includes $1.3 billion for Army procurement—just enough to meet wear-out costs with nothing left over for modernization. The House added $37 million for modernization. The Senate Appropriations Committee added $125 million, making a total of $162 million.

I have offered an amendment raising this amount to $302,200,000, less than one-third of the amount Army leaders say they require. I have been assured by Army authorities that if $302,200,000 is made available, it will be used to obtain hard, critically needed combat items to include the new M–14 rifle, the new M–60 tank, armored personnel carriers, rockets, antitank and antiair weapons for the combat units. All items will contribute directly to the firepower, mobility, and communication capability of the Army.

These are great sums of money of which I have been speaking. Yet, I must say, there is no cheap road to our goal of national security and world peace. Also, when these sums are viewed within the overall context of our defense requirements, they are relatively small.

Surely, it is obvious that a strong, effective strategic retaliatory force is essential to deter the possibility of general atomic war. However, it is equally obvious that our military preparations must not be so overweighted in this direction that we neglect the need for the strong, combat-ready ground forces which are essential for use in limited-war situations, as well as in general war, should deterrence fail.

My considered judgment is that the modernization of the Army is a top-priority requirement for the safety of the United States, and an obligation that the world's greatest and richest industrial nation owes to the men who wear its uniform on the farthest ramparts of freedom.

With these facts before us, I urgently propose the adoption of my amendment, which would provide an additional $140,100,000 for the critically needed modernization of the Army.

Mr. SYMINGTON. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. Yes, Mr. President, if I may do so without losing the floor. I request unanimous consent for that purpose.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JACKSON. Then, Mr. President, I yield now to the Senator from Missouri, as he has requested.

Mr. SYMINGTON. Mr. President, I congratulate the able Senator from Washington on his excellent presentation, and specifically for his reference in it to the sadly obsolescent and, in some respects, obsolete condition of our already very small Army.

I also congratulate again, the able Senator from New Mexico [Mr. CHAVEZ], the chairman of the Subcommittee on Military Appropriations, for the thorough and splendid job he did.

However, Mr. President, I would not be honest if I did not say that I do not think this budget is adequate from the standpoint of the security of our country.

In recent years, this country has been spending on its defenses a steadily decreasing percentage of its national income, and thereby has been increasing not only the risk of actual aggression, but also the risk of diplomatic blackmail.

Mr. President, in this connection I ask unanimous consent to have printed at this point in the RECORD an article entitled "Humiliating U.S. Defeat Seen in Visit Collapse—Red Victory Called Serious Threat to Vital Far East Defense Anchor." The article was written by John M. Hightower, and was published this afternoon in the Washington Star.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HUMILIATING U.S. DEFEAT SEEN IN VISIT COLLAPSE—RED VICTORY CALLED SERIOUS THREAT TO VITAL FAR EAST DEFENSE ANCHOR

(By John M. Hightower)

The United States suffered a humiliating and costly defeat today in the collapse of President Eisenhower's scheduled visit to Tokyo.

The Soviet-Chinese Communist bloc won a victory of menacing proportions.

It was the second time in exactly a month that a great international event has gone against the wishes of Mr. Eisenhower and along lines charted by the international Communist leadership. At Paris May 16 Soviet Premier Khrushchev killed the Big Four summit conference in its first meeting, leaving Mr. Eisenhower and his British and French allies to survey the wreckage of their hopes for some improvement in East-West relations.

Today's debacle in Tokyo is potentially more damaging to the United States and its

allies, and in the long run poses a greater threat to the balance of United States-Soviet relations, and therefore to world peace, than did the breakdown in Paris.

IMMEDIATE PROBLEM

The immediate problem before Mr. Eisenhower and Japanese Prime Minister Kishi, in fact, is how to handle the situation to minimize the injury to United States-Japanese relations and to the free world political position and defense structure throughout the Far East.

The great difference between the May 16 breakdown at Paris and the June 16 disaster in Tokyo is this:

The explosion of the summit conference coupled with Mr. Khrushchev's violent personal attacks on Mr. Eisenhower forced the Western allies closer together and strengthened their resolve to resist Soviet threat and bluster. But the cancellation of Mr. Eisenhower's trip to Tokyo threatens to undermine a vital anchor point of the system of anti-Communist alliances in the Far East.

Mr. Kishi's government, being compelled to confess its inability to maintain order, appears now to have no choice except to resign, which is what the riotous left-wing students have been demanding.

Mr. Kishi himself, it was noted here, said he would not quit or dissolve the parliament until a pending new United States-Japanese security pact is ratified this weekend. The ratification process will be completed automatically so long as parliament remains in session.

PACT MAIN TARGET

The security pact rather than Mr. Eisenhower's visit has been the prime target of leftwing and Communist opposition. By holding parliament in session, Mr. Kishi has the power to win the form of a victory on the issue of its ratification but it may prove to be an empty victory unless new political forces come into play in Tokyo now that the visit has been canceled.

In the present circumstances opponents of the new security pact appear to have gone a long way toward undermining the United States-Japanese alliance and discrediting the whole military-political arrangement between Washington and Tokyo. It is not only the form of a treaty but also the broad political accord which it represents that is virtually important.

The Communists did not create the anti-treaty, anti-Eisenhower furor in Japan. That grew originally and over a period of months from the emotional attitudes created by Japan's defeat in World War II and by the resolute determination of the United States itself during the occupation years to convince the Japanese people they should never have anything to do with war again.

RESENT U.S. BASES

U.S. officials say they were convinced by the millions. For years they have disliked the presence of U.S. forces in their country and they particularly resented the formation of a new pact with the United States which could continue American bases in Japan for at least another 11 years.

Mr. SYMINGTON. Mr. President, to the best of my knowledge, not one informed military expert believes the present budget is adequate.

Even if the Congress now adds to this budget, there is no assurance it will be spent.

On the Senate floor on May 23, I presented specific areas of great deficiency in our national defense.

These included: Airborne alert capability; modernization of our ground forces; continuation of manned aircraft development through the B–70 program; antisubmarine warfare capability; accelerated space development—Midas, Samos, and Discoverer; and accelerated procurement of strategic missiles—Atlas, Titan, Polaris, Minuteman, Hound Dog, and Skybolt.

These increases were presented for consideration to the Defense Appropriations Subcommittee, on which I sit as an ad hoc member. Some were approved. Some were not.

I shall now discuss, very briefly, some of the items for which adequate funds were not, in my judgment, provided.

Despite the obvious greater chance of limited conflict than nuclear war, despite the obsolescent and, in some cases, obsolete characteristics of our ground forces, and despite growing tensions all over the world, the increase recommended by the House for all Army modernization was $37 million, less than one-tenth of 1 percent of the proposed defense budget.

This amount was increased by the Senate Appropriations Committee by $125 million, about three-tenths of 1 percent of the military budget.

It is not enough based on possible trouble around places such as Korea, Formosa, West Berlin, and many others where our ground forces are facing the Communists.

Soviet Russia has over 12 times as many combat divisions as this country; and data from the Army and from the National Intelligence Community show we are outmanned, outtanked, and outgunned by the Soviet armies. Their divisions are modern. Most of ours are not.

But in a period of increasing international tension, with the importance of adequate ground forces steadily increasing, this administration is actually reducing the funds available for procurement of modern weapons and equipment.

The House increased them by $37 million; and the Senate Appropriations Committee added $125 million, or a total increase of $162 million.

This year the Army told the Congress it needed at least $928 million for the initial step in a phased, long-range modernization program.

My amendment would increase the funds for a specified list of priority items for Army modernization by $800 million, or $638 million above the bills as reported by the Senate committee.

Mr. President, at this time I am not offering the amendment to correct that deficiency.

Directly related also to our capability to deter, and if necessary handle, small wars, is the status of that great fighting organization—the U.S. Marine Corps. In view of the situation in which the world finds itself today, what possible justification can there be for causing this combat force to decline steadily in personnel strength?

Only a few years ago, there were 215,000 men—all volunteers—in the Marine Corps. This year, its strength has slipped to 175,000; and the Budget says the Marine Corps should remain at that figure.

Mr. DOUGLAS. Mr. President, will the Senator be willing to yield?

Mr. SYMINGTON. Mr. President, the Senator from Washington [Mr. JACKSON] has the floor. I shall yield if he approves.

Mr. JACKSON. Mr. President, I ask unanimous consent that, without my losing the floor, the Senator from Missouri may yield to the Senator from Illinois.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SYMINGTON. Very well; I am glad to yield.

Mr. DOUGLAS. Is it not true that on two occasions the Congress appropriated funds for a 200,000-man Marine Corps; and is it not also true that the administration refused to spend those funds and refused to carry out the intent of Congress?

Mr. SYMINGTON. Not only is that true, but the administration spent at least some of the money for purposes other than the ones for which the money was appropriated.

I thank the Senator from Illinois for his contribution.

Mr. President, I have recommended, and I now recommend again, that this be raised to a fiscal year 1961 end-strength of 200,000.

In response to my inquiry as to the significance of this increase, the Chief of Staff of the U.S. Marines has written me as follows:

> With a Marine Corps of 200,000 it is estimated that each of the Marine divisions with all elements activated could be maintained at 100 percent strength; the 3 Marine air wings at 90 percent strength and combat support forces at 95 percent strength. A Marine Corps so manned could meet all initial commitments including mobilization in event of a general war.
>
> With a Marine Corps of 175,000 the 3 Marine divisions can be maintained at 90 percent of their authorized strength, the 3 Marine air wings at 80 percent and combat support forces at between 65 and 70 percent strength. A Marine Corps of 175,000 is at the minimum strength necessary to perform its cold and limited war missions.

This increase in Marine personnel strength calls for $40 million over and above the amount requested in the budget. It would be divided into $34,500,000 for the military personnel account, plus $5,500,000 for the Marine Corps operations and maintenance account.

It seems to me incredible, the way the world is, that we, nevertheless, here on the floor talk about the budget being adequate when we talk about support forces of our Marine Corps at a strength, according to its Commandant, of between 65 and 70 percent of that authorized.

I have an amendment I would submit on this score, which I shall discuss later.

As to overall deterrent power, there are many actions which I believe should be taken.

Today I stress what appears the most urgent of these actions—airborne alert capability.

As Khrushchev rapidly increases his operational long-range nuclear missiles, we should establish an air alert for our chief deterrent force—the planes of the Strategic Air Command.

If we do not, it is entirely possible that in a short time the Soviets will be in a

position to destroy our capacity to retaliate against nuclear attack.

In any case, of one thing we can be sure. The Communists will use their growing relative strategic advantage at the bargaining table when they call the next conference, as they did at the last conference.

The cost of a minimum necessary air alert—$396.8 million—is less than one-third of 1 day's current annual income of the United States.

And it might be the difference between an all-out attack and no attack.

It is by far the greatest single increase to our deterrent strength we could make at this time, because the B–52 force represents the greatest strategic strength we now have, and will have, for some time to come.

During recent years, airbase dispersal and certain ground alert procedures have enhanced the SAC capability.

But they are not sufficient to cope with the increasing threat which faces the United States.

A sizable airborne alert capability offers the best and only real assurance for survival of our strategic retaliatory capability, because only an airborne force can be invulnerable to a "no warning" ICBM attack.

Last year, the Congress expressed its concern about the possible urgent need for an airborne alert by writing language into the Defense Appropriations Act, as follows:

> SEC. 512. Upon determination by the President that such action is necessary, the Secretary of Defense is authorized to provide for the cost of an airborne alert as an excepted expense in accordance with the provisions of R.S. 3732 (41 U.S.C. 11).

Mr. President, that is analogous to the case of a man who is willing, provided somebody is attacking his home, to give his wife credit to go down to the hardware store and buy a pistol the next day.

Despite the fact we know the Soviet ICBM potential has been steadily increasing, this provision has not been used. If and when needed, regardless of any language, nobody will be able to snap his fingers and obtain it.

Some of the equipment and trained personnel needed for an airborne alert would take 18 months to obtain.

What we are doing today is agreeing that we do not need to be prepared for an air alert. We may as well recognize that fact.

If it were decided before the next conference that an air alert was necessary, how would this language make it possible to have that alert?

It was decided by Secretary Gates in Paris a few weeks ago to declare a worldwide alert because the situation looked rather serious. Would it not have been better to have had a relatively small number of aircraft in the sky, as a routine matter? I might add it would be impossible to get the needed kind and amount of airborne alert for months after it was decided we wanted it.

Therefore, I believe the money should be appropriated now to develop an air-alert capability of a relatively small percentage of our Strategic Air Force—not over one-fourth.

My amendment would add $396.8 million to be used for this capability, but I do not offer it at this time for reasons which will soon be clear, if they are not already clear.

This total would be divided, as specified in the language of the amendment, into $332.2 million for procurement, $28 million for personnel, and $36.6 million for operations and maintenance.

The $332.2 million would provide for aircraft engines and aircraft spare parts in the fiscal year 1961 so as to attain an onshelf capability to conduct the operation from January 1962 on.

Anybody who knows anything about the procurement of aircraft engines knows how long it would take, from the standpoint of leadtime, to get the engines for an air alert, which, to the best of my knowledge, all the air experts seem to think we need now.

The largest single item among the thousands of items in this procurement is 160 engines.

The $28 million would provide funds for increased crew personnel, plus maintenance and support personnel.

The $36.6 million would provide the necessary funds for the training of this increased personnel.

It is a mystery to me how we can have trained personnel available at the snap of the finger in case we decide we need an air alert.

The Strategic Air Force is the keystone of our deterrent capability. There is now no other measure which can be taken to render this force invulnerable to surprise Soviet long-range ballistic missile attack.

We hear a lot about the Polaris, and we hear a lot about the Minuteman, and we hear a lot about the Titan and the Atlas. I saw a speech the other day which stated that the maximum number of missiles of those types that could be fired in retaliation of a surprise attack would be one Atlas.

That is another reason why an air alert is so necessary.

Even though Mr. Khrushchev is clearly embarked on his present course, he must be apprehensive that his threats to Berlin could again awaken the American and Western European Governments to their danger, as Korea did, and lead them to make appropriate preparations.

It is for us to see that this apprehension becomes a reality.

As I have said for years, and repeated in my last speech, it is past time for an aroused nation to face and act upon the daily increasing risks confronting us as the result of growing Soviet power.

It is now clear that the Soviets have gained operational capability ahead of us in the ICBM field and will continue to have that advantage over a period of years.

If I sent my amendment to the desk and offered it, I would be asking that the Congress appropriate $900 million over and above the budget request for acceleration of the Atlas-Titan, the Minuteman, the Hound Dog, and the Skybolt programs. Acceleration in the development of these weapons systems is essential if we are to develop and maintain an adequate strategic retaliatory strength, with land-based and air-based missiles.

The Soviets have 450 to 500 submarines. They are credited with more submarine missile launching capability than we have. Therefore, the antisubmarine warfare mission is one of the major jobs in the Navy. Unfortunately, also, the Navy has major deficiencies in this area. Antisubmarine warfare capability should be increased on a high priority basis.

I would recommend an increase of $465 million over and above the budget request for building up our capability in this field and, normally, I would also introduce an amendment for that purpose.

This money would provide additional attack submarines, specialized aircraft, sonobuoys, torpedoes, mines, depth charges, and a wide range of electronic equipment.

Mr. President, my initial request was to add $3½ billion above the defense budget for fiscal year 1961.

The bill now before the Senate includes provisions for some of the $3½ billion—such as money for the B–70, for the Polaris, and for space satellites.

The amendments I have ready would provide for the following additional amounts above the budget: $800 million for Army modernization—$638 million above Senate bill; $465 million for antisubmarine warfare—$370 million above Senate bill; $396.8 million for airborne alert—$396.8 million above Senate bill; $40 million to increase the marine personnel strength—$40 million above Senate bill; $900 million for acceleration of the development and procurement of strategic missiles—$1,103 million above Senate bill.

These increases would amount to $2,547,800,000 above the Senate bill. They total $2,601,800,000 above the budget request.

Mr. President, as an ad hoc member of the subcommittee of the Appropriations Committee, I became aware of the fact that the members of the committee did not desire to increase further the total bill or to add the money for these items in accordance with the recommendations I made. In the full Committee on Appropriations I presented some of these items to my distinguished colleagues, but my proposals were decisively defeated. Therefore, I have reluctantly come to the conclusion that inasmuch as the chairman of the committee and the leadership of both parties do not approve of the budget additions I have recommended there would be little use in taking the time of the Senate to go through the motions of offering these amendments at this time.

I say that with great respect for the Members of the Senate who do not agree with me on this matter. I am sure they are completely sincere in their position. I feel they, in turn, wish me to be frank about the way I feel about the serious deficiencies in the budget.

Mr. President, for the reasons I have given I shall not request a yea and nay vote on the items I have mentioned.

Last year I offered an amendment to help a resolution to modernize the U.S.

Army, and it nearly passed. The amount was $233 million and the vote was 43 to 48. This year the distinguished Senator from Washington [Mr. JACKSON] has offered an amendment to add $140 million to the modernization money provided. The House added $37 million for modernization, and the Senate Appropriations Committee added another $125 million.

Mr. President, as the situation around the world continues to deteriorate it is incredible to me that this body should believe we should exercise the right to draft our youth into uniform in peacetime, out of the cities and off the farms, when these young men do not desire to be drafted, and should not be willing at the same time to give them the best equipment and the best training, so as to afford them the best opportunity to return to their homes.

Mr. President, for those reasons I urge the Senate to agree to the amendment recommended by my able colleague from Washington, who has studied this matter carefully, and with whom I am in complete agreement as to the necessity for the money.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Wisconsin?

Mr. JACKSON. Mr. President, I thank the Senator from Missouri for his able support of the pending amendment.

I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I commend the Senator from Washington for a very persuasive and concise argument in favor of his amendment. I must confess I am not persuaded entirely, but the Senator has done a fine job. There are some questions I should like to ask.

Mr. JACKSON. I will yield for the purpose of persuading the Senator.

Mr. PROXMIRE. That is the reason why I desire to ask questions, to see if I can be persuaded.

The Senator from Washington raises a point which I raised a little earlier with the Senator from Mississippi, when he was discussing modernization and what the committee had done.

As I understand the situation, the Senator set forth $2.5 billion as the minimal amount of modernization which should be accomplished, and said that $1.3 billion was required simply for replacement. He seemed to take off from that point. The Senator said the House provided only $37 million; is that correct?

Mr. JACKSON. $37 million in the way of new equipment for modernization.

Mr. PROXMIRE. That is exactly the point I had in mind. When I discussed this matter with the Senator from Mississippi he said that replacement constitutes modernization. When we replace a wornout jeep with a new jeep, we modernize in the process of replacement. When we replace any kind of equipment we do not buy the old type, but we buy the newest type. Is this correct or not?

Mr. JACKSON. The Senator's understanding is correct. We are getting replacements for existing equipment, but we need, in addition, a long series of items which relate to new weapons systems. I can cite some of them, which are over and above replacement items.

Mr. PROXMIRE. The replacement part can be considered, to the extent that the bill does provide for replacement with newer, better, and more efficient equipment?

Mr. JACKSON. That is correct.

Mr. PROXMIRE. Very well. As to the type of equipment, the Senator from Mississippi informed me the committee went along with the first priorities. It seems to me they stopped at something like the land-to-land missiles.

The Senator from Washington listed some new rifles which had been purchased, and a number of other items of equipment which are listed by the Senator from Washington on page 3. Is it the position of the Senator from Washington that none of these weapons have been purchased, or simply that inadequate numbers of them have been purchased?

Mr. JACKSON. If the Senator will permit, I shall put it this way, as an illustration: The new rifle is the M–14, to replace the M–1, the old World War II rifle. Based upon the budgetary request, it will take 20 years at the present scale of budgeting to provide the existing 14 regular Army divisions, plus the Army Reserve divisions and the Army National Guard, with the M–14 rifle. This will give the Senator an example of the slowdown which will occur if we follow the budgetary figures.

Mr. PROXMIRE. I hope the Senator will permit me to interrupt on that particular item.

Mr. JACKSON. Yes.

Mr. PROXMIRE. If we proceed on the basis proposed by the Senator from Washington, could this modernization be accomplished in three or four years?

Mr. JACKSON. I do not know the exact time required, but we could speed up modernization, because the Army will have flexibility to use the funds for that purpose. There is not enough new money to accomplish modernization at a rapid enough rate.

Mr. SYMINGTON. Mr. President, will the Senator yield to me, for clarification of that point?

Mr. JACKSON. I yield.

Mr. SYMINGTON. I say to my good friend from Wisconsin that prior to the time General Taylor resigned he stated that the Army was in desperate shape from the standpoint of lack of modern equipment and that it would take $15 billion to modernize. General Taylor asked that the modernization be completed in a five-year period, with $3 billion a year being provided for five years. Later, of course, General Taylor had an opportunity to detail his proposal in the book he wrote, "Uncertain Trumpet," which to me is one of the most important books written about our security in some years.

As the Senator knows, there has been nothing like $3 billion a year provided for modernization of the Army. There was not that much provided this year, last year, or the year before, and there is nothing like that amount planned for the next year.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JACKSON. If the Senator will permit, I should like to complete the colloquy with the Senator from Wisconsin, and then I shall be happy to yield to the Senator from Pennsylvania.

I wish to point out another item to the Senator. The bill as it now stands, as it comes from the committee, provides some 260 of the M–60 tanks. The amendment I have offered would add 300 to that list and would provide the ammunition, which is another item.

Then we have the new weapons system which is very vital—namely, the Davy Crockett rocket—which of course involves the delivery of tactical nuclear warheads to support the troops in the field. This is a weapons system which can be operated by two men, and which can deliver a lethal blow with a nuclear warhead.

There are other new weapons systems that will be brought in. My main point is this: We have reduced our regular infantry divisions from 20 to 18, to 15, and now down to 14 divisions. We said at the time that we shall have a small striking force, but the force will be a modern mobile striking force. I submit that we have not moved at a satisfactory rate to provide for a truly modern striking force.

I indicated a little while ago that the news out of the Far East points up once again the Communist tactic to engage in the limited probe, the limited thrust; namely, the limited conflict. It does us no good to talk about a great stockpile of thermonuclear and nuclear bombs and massive delivery systems if we cannot cope with this nibbling process. I submit it is in this area that the Soviets will continue to wage their greatest effort. The sum total of nibbles may well mean the loss of the free world, which, of course, we want to avoid by providing the proper kind of national security posture.

Mr. PROXMIRE. As I understand, the minimal amount required, according to the Senator from Washington, is $2.5 billion, although the Senator from Missouri [Mr. SYMINGTON] has said that General Taylor has indicated $3 billion a year would be required to do the job in 5 years, is that correct?

Mr. JACKSON. The Senator is correct. General Taylor testified, incidentally, before the Subcommittee on National Policy Machinery the day before yesterday, and once again pointed out the need for a setup in the modernization program. He certainly has no ax to grind. He is retired from the Army. He is interested only in providing the kind of defense posture that the Nation needs.

Mr. PROXMIRE. It seems to me it would be fair to say that the committee has suggested an appropriation that goes about halfway or a little more than halfway. Perhaps that estimate is wrong, but I understand that $1.5 billion has been requested for the Army. The Senator from Washington, however, says

that only $1.3 billion of this is replacement and defines only the increment as being modernization.

Mr. JACKSON. The last estimate that we had submitted by the Army in response to requests made, as I recall, before the Senate Armed Services Committee, when General Lemnitzer testified with the Secretary of the Army as to the money needed for modernization, was an amount aggregating about $900 million. The amount of new obligational money that will be available under the bill as it now stands without my amendment aggregates approximately $160 million. My amendment would bring that amount up to $320 million, or about one-third of the new money that is needed for modernization.

Mr. PROXMIRE. I see. What I have been concerned about is whether it is fair to take what I think is an arbitrary position in saying that a certain amount represents only replacement, and that if modernization is desired, we must appropriate more than that amount. Replacement is not modernization. It is in a different category.

Mr. JACKSON. Replacement is modernization to the extent that we are getting a similar type of equipment that is newer and will last longer. But like everything else in this age, in which science plays such an important part in the field of national security, new weapons systems are being developed and new tanks are being developed, as an example.

Mr. PROXMIRE. Now I think I am getting near to the answer I seek. Is it true that only $167 million will be applied to new weapons, and that the replacement will be a replacement of an M–1 rifle with a new M–1, but not with an M–14 rifle? Is that the situation?

Mr. JACKSON. The new rifles which will be obtained by reason of the committee amendment which was adopted will amount to about 120,000 of the new M–14 rifles. I believe I have stated the amendment correctly. My amendment, however, will make possible a step-up of that effort.

Mr. PROXMIRE. How big a step-up?

Mr. JACKSON. It all depends on how the Army will use the appropriation. I assume it will give the rifle a fairly high priority. If we do not step up production of the rifle, we will not even get the M–14 rifle into the hands of our regular divisions, let alone the Ready Reserve divisions of the Army and the similar high priority divisions of the National Guard.

Mr. PROXMIRE. Is the Senator from Washington saying that when the Army replaces rifles it does so with an old-style rifle and not with a new-style weapon, and that an appropriation of $1.3 billion will not buy new modern equipment but will buy old style equipment?

Mr. JACKSON. No; I say, subject to correction by the chairman of the subcommittee, that the budgetary amount of $1.3 billion will not buy more than a very limited quantity of the M–14 rifles. There have been only a limited number manufactured. The committee added $125 million, which would provide for an additional 125,000 M–14 rifles.

Mr. PROXMIRE. The Army is then following a policy of buying what might be called obsolete or old equipment?

Mr. JACKSON. No, it is not buying more M–1 rifles, but the point is that it must put its money, when it is limited, into replacement items that are wearing out on a basis of priority. Obviously when it has a limited amount of funds and there are tanks that no longer operate, the money is used in the purchase of tanks.

Mr. PROXMIRE. Therefore, $1.3 billion, plus the $167 million, will be used entirely to buy equipment which is new in style and new in every other way, but will not constitute the kind of new weapons system that is needed.

Mr. JACKSON. The $162 million, as the budget now stands, will provide for new weapons systems. The other money that the Senator from Wisconsin referred to will be used to replace the existing systems with newer versions of the same equipment that is up to date.

Mr. PROXMIRE. I thank the Senator.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. CHAVEZ. I believe the Senator from Washington has lost a nibble of $300 million in his argument. Instead of $1.3 billion, the figure is $1.644 billion that is included in the 1961 budget in the Army buying program for modernization and replacement.

All of the procurement money is set aside to purchase new weapons. I hope, as the Senator himself stated, that whenever it replaces a truck, it will get a better one and one that is up to date, and that when the Army buys a gun, it will buy the best available at the time.

Mr. JACKSON. The Senator is, of course, referring to a carryover of $336 million. Let us analyze that situation. Only $175 million of the $336 million, as the chairman of the subcommittee knows, has been placed in reserve, as a high authority in the Army testified. The rest of that $336 million is subject to obligation, that is, it has been set aside but has not been formally obligated.

Mr. CHAVEZ. The Army had not even obligated some 1958 funds until December of last year, so it has a backlog of money.

Mr. JACKSON. I also call the attention of Senators to the fact that the backlog carryover for the Air Force amounts to $1 billion, and for the Navy it amounts to $1,200 million. There is always a carryover, as Senators know. Some of it is ready to be formally obligated, but the Army's carryover of $336 million I submit, is less than one-third of the total amount of the carryover for each of the other two services.

Mr. President, I believe that our responsibility is to make sure that adequate funds are made available, so that there will be adequate pressure to push the modernization program at a faster rate.

Mr. CHAVEZ. Yes; that is what the committee has tried to do. However, the Senator should not attempt to give them two or three hundred million dollars more, which they are not going to use anyway.

Mr. JACKSON. I have commended the chairman for the very able work he has done. What I am trying to do with the addition of this extra money is to put on some pressure for the apportionment of more funds than has been done in the past for the modernization of the Army.

Mr. CHAVEZ. The budget estimate for Army procurement of equipment and missiles was $1,337 million. The Senate committee recommends an appropriation of $1,499,102,000. This is an increase of $162,102,000.

Not included in this are unobligated balances of $336,900,000 from fiscal year 1960, making a total for the Senate available for obligations for Army programs of about $1,836 million. Not included also are estimated reimbursements from off-the-shelf sales to the military assistance program amounting to $120 million. This would bring the total available to $1,956 million. However, the estimated unobligated balance carried over into 1962 amounts to $149.9 million, so that the total Army procurement program for fiscal year 1961 amounts to $1,806,100,000.

The committee believed that this sum was sufficient to recommend for the next fiscal year.

Mr. JACKSON. As I pointed out, though, the money the chairman has referred to is a carryover and is in the process of being formally obligated. It is set up in allocations, other than the $175 million, which was put in reserve.

Last year we thought we were performing substantially the same modernization of the Army, but, when we got through, as I recall, we ended up with $43,600,000 that was left for Army modernization. That was for the fiscal year 1960.

Mr. RUSSELL. The Senator is in error. He is talking about what they actually spent. They had a great deal more than that. The distinguished Senator from Missouri [Mr. SYMINGTON] led the fight, and we all rallied round and appropriated around $400 million.

Mr. SYMINGTON. It is $382.6 million.

Mr. RUSSELL. Yes. We have no way of making the executive arm of the Government spend the money. They had the money. They put $164 million in some kind of foreign aid military program which I have never completely understood, although I have had it explained to me by a wide variety of experts. One hundred and sixty-four million dollars was lost in that deal. There is a great deal of money that has been left over. The Senator is correct in saying that only $175 million of it has been put in reserve. The other money might as well be put in reserve, because they have used $43.6 million. They have said they would spend it for this purpose or that purpose.

That is why I am opposed to further increasing this item. We are saying now that we are disappointed with the progress of the spending for the Army modernization program. We are allowing substantially the same $162 million above the budget estimate. We are saying, "We hope you will spend it and

reach back and get these other funds that have been already appropriated, and spend them for Army modernization."

I think our hope is vain. They will not spend all of it. At least we have endeavored to show the attitude of Congress toward the Army modernization program.

Mr. JACKSON. Mr. President, I should like to respond to what the distinguished Senator from Georgia, the able Chairman of the Committee on Armed Services, has said. Last year we appropriated $382,600,000 above the President's budget request for 1960.

Mr. RUSSELL. I did not recall the exact sum. I used the round figure of $400 million. I appreciate the Senator's giving the exact figure.

Mr. JACKSON. $175 million has been held in reserve during fiscal 1960. $164 million—the amount the able Senator mentioned a minute ago—was used to cover things which did not materialize. This is either the fault of the Department of Defense or the Bureau of the Budget. That leaves a balance of $43,600,000 available for Army modernization. Those are the figures I obtained from the Army.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. CASE of South Dakota. The junior Senator from South Dakota certainly cannot be charged with seeking to increase the budget in the defense field or anywhere else above what he is convinced is necessary. However, I am impelled under present circumstances to support the purpose of the amendment offered by the Senator from Washington. I am not satisfied with the amount, and I want to talk to him about it in a moment.

When the U–2 plane came down in Russia, events were set in motion which changed the entire military posture of the United States. On May 13, when the Senate was debating the military construction authorization bill, I pointed out that that bill carried a $160 million authorization for construction overseas.

I pointed out:

> The necessity, the importance, and the relative priority of some of that construction will be affected by what has happened in the past week. It has made the bill to some extent out of date.

I pointed to the questions that were arising in the various countries where we have military bases, and said:

> But, Mr. President, it must be obvious to anyone who gives that suggestion a second thought that this declaration of readiness on the part of the United States to go to the defense of any of our friends or allies does not remove the fears that have been generated or quench political fires which can be fanned by elements in some of those countries adverse to the government in power.

I said that "some of the authorizations in the bill for military construction abroad cannot be considered as very firm today." I said that on May 13. I continued:

> It authorizes limited military housing for Japan. But if Japan begins to define what can be done with, on, or from the bases on her soil, naturally the question arises as to how much new construction should be undertaken there.
>
> Is it sound for Congress to authorize the building of additional military housing in Japan if we are to be confronted with a statement by the Japanese Government that the use of the bases there which those housing units would support cannot be used for purposes which are determined upon by the Government or in accord with what we thought was understood at the time the base agreements were reached?
>
> The tenure of the Japanese bases is involved in the ratification of the new treaty now pending in the Japanese Diet. It would be naive to assume that the debate on the ratification will escape questioning on the use of the bases. The values to Japan will be discussed pro and con. I believe that eventually the treaty will be ratified both there and here in the Senate, but there could be some clarification of its provisions before this happens and this might take a little time.

That seems in the nature of an understatement today.

Mr. JACKSON. I commend the distinguished Senator from South Dakota for the statement he has again called to our attention. I remember several years ago when a similar prediction was made with reference to our bases in North Africa. We who serve with the Senator on the Military Construction Subcommittee know of his wise counsel and advice in connection with our policy on bases overseas and some of the serious situations we face in connection with the uncertain political problems in some of those countries.

Mr. CASE of South Dakota. I appreciate the Senator's comment. I pointed out a month ago that much of that $160 million worth of military construction which we were authorizing overseas probably would not be used, and that some adjustments would be made in its use. It is because I believe the military picture or the military posture is changing very considerably and very rapidly, but in ways which it is difficult to assess, that I am inclined to support the amendment offered by the Senator from Washington.

How much of the $160 million worth of oversea construction we authorized will be utilized or usable now, it is difficult to estimate. However, I see the very definite possibility that our military forces might be called upon, in ways which did not seem likely a month ago, or which we could not have predicted before the U–2 incident. If we could have counted firmly on the bases we have overseas for the purposes we had in mind when we entered into the base agreements, the situation would be one thing. But with the growing uncertainty about the use or availability of the bases at times when we might want them, the picture has been changed.

For that reason, I pointed out on the 13th of May that the authorization should be considered as somewhat flexible; and if the money or the authorization might not be used for what was indicated then, and especially if Congress should not be in session, there should be an understanding that there would be flexibility. I said:

> But recognizing the nature of this year and the hope of everyone to avoid special sessions, I venture the opinion that the Congress in January will not be too critical if some of the authorizations carried in this bill are not exercised and if some appropriations based hereon may be reprogramed within the general purposes that have been justified.

Considering the developments which are now before us, it seems to me it would be prudent to make it possible for the Department of Defense to use some money for modernization, and to modernize more rapidly, perhaps, in the Army than a month ago could have been argued with quite the same force or validity.

When the Secretary of the Army appeared before the Committee on Appropriations on a reclama, he pointed out:

> The Army does not agree with the committee statement—

That is, the House committee—

> that the bill will provide $207.6 million more for modernization than in the President's budget. By utilizing the $120 million in proceeds from the military aid sales, the committee used again an asset which was already considered in establishing the funding level for procurement of equipment and missiles, Army, in the President's budget.

That $120 million was to have been achieved by the sale of shelf items which the Army cannot replace in kind. Then Mr. Brucker went on to point out that there was an estimate or an assumption on the part of the House committee that there would be some procurement practice savings and some jeep slippage savings which would result in additional modernization. But he said:

> If these assumptions do not materialize, the bill will provide only $37,102 million above the President's budget in procurement of equipment and missiles, Army.

The Senate committee, in its deliberations, added $125 million for modernization; and the $125 million plus $37 million make the $162 million to which, as I understand, the Senator from Washington has referred.

I ask the Senator from Washington. If it should happen that the $50 million could be obtained in slippage, is it not possible that his figure is at least $50 million higher than it would need to be to encompass the program he has in mind?

Mr. JACKSON. If it is true that $50 million could be so obtained, but the problem is that the modernization effort in the Army has been slow in comparison with that of the adversary we may have to face, or its agents. I do not foresee any immediate contact with the Soviet forces; but we know that the Soviets are putting modern arms into the hands of their agents and their satellites. It is the rate of modernization which is so disturbing.

The Senator from South Dakota very properly calls to the attention of the Senate the problem of our overseas bases and the need to have greater mobility of equipment. Some of the items on which the Army is working—the various light pieces of equipment—are made of light metals and can be moved overseas by airlift.

These are some of the modernization efforts about which the Army is deeply

concerned. It is in that area, as an example, that I think we can help greatly.

I call the attention of the Senate to the need to step up production of the Davy Crockett weapons system, which will have a higher firepower, a power in excess of many artillery units which were available in the Korean war and World War II.

Mr. CASE of South Dakota. I may say, in concluding my remarks on this subject, that I believe events are forcing policies and forcing some adaptations. I hope we can provide enough mobility to the Army so that it may accomplish some of the tasks which it might have without forcing us to go to the employment of strategic weapons. I would rather see our Armed Forces take care of some situations with conventional weapons than to use strategic weapons.

I recognize that we cannot ask an army which is not modernized, which is not mobile, to handle incipient situations quickly enough and effectively enough if we do not give it the tools with which to do the job.

Mr. JACKSON. The Senator from South Dakota is absolutely correct. The basic thinking of the Army is, of course, the modernization of equipment which is capable of coping with a conventional conflict, or if conventional weapons fail in limited situations, then full employment of nuclear weapons.

Mr. CASE of South Dakota. I had hoped that the Senator from Washington might feel that the amount of his amendment could be reduced by $50 million so as to give credit for the possible slippage. I would prefer to see his amendment reduced by that amount, because I think there is some chance of recovering that amount along the line the House contemplated, and which the Secretary of the Army indicated might be accomplished.

In any event, the purpose of the Senator's amendment is, I believe, abundantly justified by the situation which has developed. There may be some difference as to the amount.

Mr. JACKSON. I am grateful for the Senator's comment and support.

Mr. SYMINGTON. Mr. President, the able Senator from Washington [Mr. JACKSON] has been conducting hearings before his Subcommittee on National Policy Machinery. Last February, among other persons, he had as a witness Mr. Robert C. Sprague, who called himself, in his prepared statement before the subcommittee, a conservative Republican who knew something about the economy because he was Chairman of the Federal Reserve Bank in Boston. Incidentally, Mr. Sprague also became chairman of the Gaither Commission. He made the following statement, in which I believe there is a good deal of prophecy with respect to the economy:

> We seem to have accepted a policy limitation that we are not going to put more than about $40 billion a year into our military effort. In 1957, when the Soviet GNP was $20 billion less than it is now, their effort approximately equaled ours.
>
> There is no solid basis to argue that the Soviet economy will not continue to grow at its present rate. We cannot assume that they won't continue to plow at least 25 percent of their GNP into military effort as they have been doing for the past 8 to 9 years. And they will still have enough left to meet minimum domestic needs and wage economic warfare abroad.
>
> If, for the 10 years ending in 1967, Russia continues to increase her military position by 6.5 percent per year, while ours remains fixed at $40 billion per year, then we will obviously fall far behind in relative military strength.
>
> It takes two to make peace, but only one to make a fight. We did not and do not want this contest with the Soviet Union. But Soviet policies leave us no alternative. We must either outperform them in the cold war, which includes as an essential element adequate military preparedness, or pay the price. And the price is defeat, perhaps in war if the military balance swings too far against us, perhaps without war. I do not think Mr. Khrushchev wants war if he can avoid it. No sane man would. Rather, he wants to establish a dominant power position, so that he can have peace—on his terms.
>
> Now, let us examine our response to the Soviet challenge. We are using less than 10 percent of our gross national product for all national security purposes, and the percentage is declining. Per capita disposable income—the amount we have left after paying taxes—is at an all-time high of nearly $1,900. It probably is $1,900 this quarter. It has risen about $325 (measured in 1958 prices) during the last decade. If we were to devote only one-tenth of this increase to national security purposes, it would permit an increase of over $5 billion per year in our programs for national security.
>
> We can see that the idea that an increase in spending for survival will bankrupt us is, to put a plain word on it, silly. The question is whether we are willing to use a small fraction of our increased wealth for the defense of our way of life.
>
> All of us know how the total budget has always been prepared—except in shooting wars. First, a budget ceiling is determined. This rests upon a judgment about national income, taxes and Federal debt, and the most recent levels of Government expenditures.
>
> Once the total budget ceiling is set, the more or less fixed costs of domestic programs are subtracted. What is left is available for national security. Only in time of shooting war do we begin by asking "What do we need?" The rest of the time we tailor the defense program to fit the budget. The ceiling is usually an arbitrary judgment figure.
>
> The point I am trying to make is that, whatever this country really needs to do, this country can do.

That testimony was given last February before the committee of which the able Senator from Washington is chairman.

Based on existing world conditions, highlighted in this afternoon's newspapers, that testimony would seem to have been based on keen foresight.

I congratulate the Senator from Washington on his position; and I hope his amendment will be agreed to.

Mr. JACKSON. I thank the Senator from Missouri.

Mr. CANNON. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. CANNON. In order to clarify the record in connection with some of the figures concerning the modernization of our Army, I should like to ask the Senator from Washington a few questions.

Mr. JACKSON. Certainly.

Mr. CANNON. Is it not true that we are prepared, under the terms of the appropriation bill now before the Senate, to vote on approximately $1.5 billion of new obligation authority for the Army, and that that amount includes a procurement program of essentially the same scale as that which has prevailed through the past few years—that is to say, without the amendment now proposed?

Mr. JACKSON. That is correct.

Mr. CANNON. Is it not also a fact that General Taylor, General Lemnitzer, and others testified that the Army needs approximately $1 billion more, each year, than it has been receiving—approximately $1 billion a year in addition to the previous level of appropriations to the Army thus far—in order to enable it to match, in terms of modernized equipment, the quality of the arms of the potential aggressor?

Mr. JACKSON. That is correct; and 60 percent of the equipment in the hands of our Regular Army today is either of Korean war vintage or World War II vintage or of vintage prior to World War II, and that ratio is even higher in the case of Army Reserve units and National Guard units.

Mr. CANNON. Is it not also a fact that the Army requested, this year, an additional $928 million, of which $162 million has now been allowed in this bill, insofar as the modernization program is concerned?

Mr. JACKSON. That is correct. I am not sure exactly what amount the Army requested, but I believe that is correct.

Mr. CANNON. Approximately $928 million, I believe—just short of $1 billion.

Is it not also a fact that, although, last year, the Army requested $1.2 billion for the fiscal year 1960, which it said would provide only 50 percent of its requirements, it was voted $382 million; and only approximately $43 million of that amount was made available and was used in the modernization program?

Mr. JACKSON. The Senator from Nevada is absolutely correct.

Mr. CANNON. So we are now in the position that the Army has been very greatly curtailed, as regards the modernization program, as regards the amounts which all the informed witnesses have testified are necessary?

Mr. JACKSON. The Senator from Nevada is correct. The net effect of the efforts to add additional funds has been a very limited amount of money actually obligated for new modernization.

Mr. CANNON. I do not see how we can prepare for an extended increase in the tensions of the cold war by having our Army prepared to go into the field, as the Senator from Washington has stated, with equipment of Korean war vintage or World War II vintage or of vintage prior thereto.

A few months ago I had occasion to visit a number of our Army installations along the Iron Curtain in Europe. I was very much impressed with the standard of training and the morale of our Armed Forces there at that time; but I was very much embarrassed to find the type of equipment they were provided with, as compared with the type of equipment directly across the border from our units, which are standing on the alert.

Let me ask the Senator from Washington whether it is not a fact now that the amendment proposed by him and by other Senators would provide only $302,202,000 of the $1 billion requirement for Army modernization?

Mr. JACKSON. That is correct.

Mr. CANNON. In other words, if the amendment is agreed to, we shall still have only $302 million of the $1 billion amount which General Taylor and General Lemnitzer have testified is necessary as an annual amount in order to provide the needed level of Army modernization; is that correct?

Mr. JACKSON. Yes; and the Senator from Nevada has put his finger directly on the point. We are talking about the rate of modernization. The Soviets have done a prodigious job, in comparison with our effort, in modernizing their ground forces, since World War II.

Mr. CANNON. I thank the Senator from Washington.

I believe that if we restored the full amount, it would be a rather cheap price to pay, because certainly we must be greatly concerned with the nature of the equipment of our Armed Forces in this period of cold war tensions.

Mr. JACKSON. The Senator is entirely correct, and I thank him very much for his helpful questions and comments.

Mr. MARTIN. Mr. President, will the Senator from Washington yield to me?

Mr. JACKSON. I yield.

Mr. MARTIN. Mr. President, I rise in support of the amendment submitted by the Senator from Washington, and identified as "6–15–60–B," because of the great need for modernization of our present Armed Forces, especially our Army.

A very serious situation confronts us, as regards keeping our Armed Forces abreast of those of other nations, insofar as modernization is concerned.

Our Army forces, deployed about the free world on the Sino-Soviet perimeter, are outnumbered, many times over, by the powerful Communist forces which are arrayed against them. Our Army outposts are backed up in reserve by the three division airborne forces of the Strategic Army Corps—more popularly known as Strac. Let us consider the need for modernization in this one important part of our Army.

This force has the planned capability of moving into action as rapidly and as decisively as modern military thought can provide, to reinforce our outposts and stamp out brushfire attacks before they can develop into the holocaust of a general nuclear conflagration.

Strac's limited manpower has been welded into units of unparalleled efficiency by arduous exercises and maneuvers which have taken them literally from the steaming tropical jungles of Panama to the frigid areas of the Arctic wastelands.

Strac to support our outposts, must have the ability to deploy rapidly by strategic airlift on the shortest possible notice. This Congress wisely seems to have made provision for this airlift, by funds voted by the other body of Congress and recommended by our own Appropriations Committee.

Strac, then, is well organized, is splendidly trained, its strategic transport has been provided; but the basic soldier's equipment, his weapons, have not been procured in sufficient, modernized quantities, because of a lack of funds.

Today, it is not enough to airlift or drop men, rifles, machineguns, mortars, and bazookas, as was done in World War II. It is imperative that vehicles and heavy weapons also be at least air transportable.

I have very great admiration for the efficiency of that force, as regards the matter of transport. But it is equally important that we provide modern arms to our troops, to be available for their use after they are transported.

Our troops, even in a minor brushfire attack in the vast reaches of Asia, will be faced by well-trained, implacably indoctrinated enemy soldiers armed with every modern military device that Soviet technology can provide. The benefits of Soviet military science have gone, not only to the Soviet European soldier, as such, but also have been extended gratuitously to augment the growing military power of the Red Chinese and the North Koreans, to say nothing of the growing military might of the Viet Minh. Requirements of the battlefield of the future make it imperative that our forces have with them the modern equipment they need to fight, survive, and win.

On the battlefield itself, tactical mobility, overwhelming firepower and effective communications will be of equal importance. The opposing forces will in all probability have equality in firepower through employment of the nuclear weapon. The final decision will, thus, probably go to the force which not only avoids the opponents' fire, but also utilizes its own, effectively and in time, at the point of decision. Modern combat forces will have to be able to locate, observe, and destroy an equally fluid enemy force. Strac, then, must not only have its own modernized tactical vehicles, both ground and air, which can operate under the most unusual of conditions of climate and terrain, but must also have modern, built-in equipment enabling the troops to locate critical targets, and to send and receive information and orders required for timely, effective, and destructive attacks. It is, in my opinion, mandatory that Strac have its own modern, self-contained tactical mobility and communications.

In this session of Congress, we have heard much of airlift. But the airlift is useless unless there is a means to transport the necessary equipment with this splendidly trained, efficiently organized group of American fighting men. We must place in their hands the weapons they need, to protect themselves, the United States, and the free world. To me, it does not make sense to provide the men and the transport, but to deny the basic need of the Army; namely, the modernized tools of the trade.

I have gone through two world wars which have stressed the importance of modernization. In those two world wars, our forces were not sufficiently modernized; and we cannot again face the possibility of going into a major war without having modern weapons in the hands of our Armed Forces at a time when their adversaries would be equipped with modern weapons. So it is extremely important that our Armed Forces have modernized equipment.

I wish to commend the Senator from Washington for his amendment and his sponsorship and able presentation of it.

We have heard about the need for an airlift, which is very outstanding, but we must have the weapons to go with that airlift.

To fail to appropriate additional funds for Army modernization is illogical and unwarranted. Therefore, we must support additional funds for procurement by the Army.

Mr. JACKSON. I thank the Senator for his very able support.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator from Pennsylvania.

Mr. CLARK. I have listened with great interest to the colloquy which has been going on between the Senator from Washington and a number of our colleagues in the past 45 minutes. The thought that impresses me most is why the Senator from Washington is asking for only $140 million in the light of the facts which he himself has developed and which other Senators in colloquy have developed. Is that not too small an amount?

Mr. JACKSON. The Senator from Washington tries to be realistic about these things in proposing a figure the Senate might adopt. The Senator from Washington realizes that the amount involved here, together with the funds previously allowed, will still be less than one-third of that which the Army has indicated it requires. The amount should be more than this. The Senator from Washington has merely tried to achieve a figure the Senate might accept, and which would be of some final help in modernizing our ground forces.

Mr. CLARK. I should like to ask the Senator a further question. Does he think the Army could effectively spend more than $140 million additional for modernization if it had authority to do so from higher up?

Mr. JACKSON. There is no question about it. The Congress has been quite generous in making funds available. A big part of the problem has been the apportionment of the funds after the money has been appropriated. That has been the big problem.

Mr. CLARK. There are members of the Armed Services Committee who are of the view that, even if the Army wanted to, it could not spend this amount of money. I take it the Senator from Washington is not in accord with that view.

Mr. JACKSON. As least this much is true: There will be an election in November, and there will be a new administration that may have a different point of view. This would be true, I understand from reading the newspapers, even in the case of a Republican being elected in November. I shall not enter

into a partisan discussion, but I think there are differences of opinion within both political parties on the question of the magnitude of the effort required. I noted with interest the comments of the Governor of the State of New York on the subject of national defense, as one example.

Mr. CLARK. The Senator has no doubt that if the Army were turned loose, it could spend usefully, this $140 million additional for modernization, without difficulty. Is that correct?

Mr. JACKSON. I think $140 million is a prudent figure. I would not want any of the services turned loose to spend money willy-nilly. The point I am trying to make is that the figure is a reasonable one, particularly in light of the world situation today, and it could be wholly inadequate if the world situation were to deteriorate more rapidly.

Mr. CLARK. I respect my colleague's judgment, and I shall join in his effort, even though it occurs to me it might not be enough.

I should like to ask the Senator if both the Rockefeller brothers report and the Gaither report, made a couple of years ago, advocated far more extensive spending for Army modernization than would be permitted even if the Senator's amendment were approved.

Mr. JACKSON. I know the Rockefeller Brothers Fund report advocated a substantial increase. I think it recommended about a $3 to $6 billion amount over and above the present budget.

Mr. CLARK. Of course, we did not see the text of the Gaither report, but it was leaked out to the Washington Post, and the Washington Post account indicated that the Gaither committee, too, felt that far more money should be spent for the modernization of the Army.

Mr. JACKSON. There have been rumors that the Gaither committee called for a substantial expenditure.

Mr. CLARK. We had introduced into the record the statement of Mr. Sprague, who was a member of the committee, along this line.

Mr. JACKSON. He was chairman.

Mr. CLARK. I shall detain the Senate only a moment longer. Last year, by a close vote of 43 to 48, we rejected an amendment proposed by the Senator from Missouri [Mr. SYMINGTON] which, as finally modified on the floor, would have added $233 million for Army modernization. I think every thoughtful Senator will agree that the situation today on the world scene is far more dangerous to the security of the United States than it was a year ago.

Mr. JACKSON. The Senator from Washington would like to inject at that point that the danger, particularly, of a limited conflict, a limited thrust, a limited probe, is greater than before. I think this is the significant factor we must take into consideration when we consider making a proper evaluation of the budget.

The situation in Japan is but one example of the problem we face in the Far East, as is the problem we have next door to us, in Cuba, and elsewhere. We cannot deal with these problems, I submit, Mr. President, by thinking only in terms of intercontinental ballistic missiles and how many thermonuclear warheads we have, which deal with the possibility of a general conflict and provide the only kind of retaliatory system we must have to deter a general nuclear war.

Mr. CLARK. The Senator is correct. I know he did not mention the islands of Formosa and Matsu. None of us can know what the President of the United States is going to do if those islands are attacked and a landing attempt is made. If the President should decide to go to the defense of those islands, we shall need help from the Army and Marine Corps. I hope that will not happen, but it is one possibility.

Mr. JACKSON. The Senator from Washington listed a long series of areas that could be involved, such imminent areas of trouble as Laos and Indochina, and the troublesome situation in the Middle East. One could go on at great length to call to the minds of the Members of the Senate the great number of commitments we have made diplomatically around the world.

Mr. CLARK. One final point, and I shall be through. My good friend from Washington, with his equable disposition and impartial attitude, is far less partisan than I am. I am confident we are going to have a Democratic President in the next election, and I think I know the four or five individuals from whom he is going to be selected well enough to know that the day he comes into office he is going to make abundantly clear to the Defense Department that he wants every nickel made available spent for the modernization of the Army and equipment. We have only 6 months more of this budget-minded administration to put up with. We Democrats should be forging now the tools with which our President of the United States will be able to make our country secure.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator from South Carolina.

Mr. THURMOND. I should like to commend the Senator from New Mexico, chairman of the subcommittee, and the members of his subcommittee for including in this appropriation bill $162,102,000 for modernization of the Army.

I wish to say, however, that in my opinion this is inadequate. There is no question about the fact that we are now passing through a critical period of world history. We must be prepared. Our Army must be prepared to fight a limited war. We are more likely to have a limited war or a war of limited aims than we are to have an all-out war.

Mr. President, I rise to support the so-called Jackson amendment, of which I am a cosponsor, to increase the amount appropriated for the Army modernization program by $140,100,000.

Mr. President, the importance of maintaining a strong deterrent force cannot be overemphasized. It is essential to maintain a military force which is capable of fighting both limited and general wars in any section of the globe. I do not find myself alined with those who would greatly reduce the quantity of our military personnel. Those who advocate such reductions are apparently guided by the belief that any future military conflict will be one of major proportions in which rockets and missiles will perform a role of overwhelming importance and any sizable number of ground troops will be of little or no importance. I cannot share this view. It is my opinion that the disastrous consequences of an armed conflict of major proportions is recognized by military and political leaders throughout the world, both in the Western Alliance and in the Communist countries; therefore, it is essential that material which is vital, not only to a war of major proportions, but to one of limited degree, be available in sufficient quantity and current in development.

Grave danger lies in our self-satisfaction that military retaliatory forces are a sufficient deterrent. We are in danger of planning more retaliatory defense forces around weapons of today. The administration's budget request of $1.3 billion for Army procurement illustrates the genuineness of such fear for the figure is only sufficient to meet wearout costs, with nothing left over for modernization.

It is essential that a forward-looking program of Army modernization be accelerated and maintained. In testimony before the Military Subcommittee of the House Appropriations Committee in January of this year, Secretary of the Army Wilber M. Brucker, stated that it will take from 3 to 7 years to get the basic items—rifles, machineguns, tanks, and armored carriers for the Army.

Mr. President, in some of the most critical areas of the world, including Korea and Berlin, American soldiers still do not have this vital modern equipment. This includes equipment such as the new M–14 NATO rifle. The Army had requested $14 million over the budget request for the purchase of 120,000 such rifles in the 1961 defense appropriations bill. The amendment offered by the Senator from Washington [Mr. JACKSON], myself, and other Senators will go far in supplying the funds necessary for the acquisition of this vital weapon.

Mr. President, it is imperative that the Army of the United States do more than meet the minimum requirements of equipment replacement. Ours is a time when no warning period will exist in the event of armed conflict, and accelerated programs for weapon production and modernization after the outbreak of hostilities is a thing of the past. Many major items of equipment employed by the Soviet Army have entered the second modernization cycle since World War II. This includes medium and heavy tanks, armored personnel carriers, trucks, and rocket launchers. By comparison, the Army has requested, in addition to budget figures, $17,700,000 for 600 M–13 armored personnel carriers, $45 million for 300 M–60 main battle tanks, and an overall figure of $93,700,000 for the modernization of combat vehicles and ammunition generally.

Mr. President, the administration's budget figure of $1.3 billion for Army procurement would have been insufficient for any substantial degree of modernization. Recognizing this fact, the House

has added $37 million, and the Senate committee an additional $125 million, making a total of $162 million. The amendment offered by Senator JACKSON, myself, and others, would raise this amount to $302,202,000. The appropriation of this figure is absolutely essential if any substantial degree of modernization is to be accomplished in the present fiscal year. Even this figure represents less than one-third of the amount Army leaders have testified that they require; however, this amount will enable the Army to obtain the more critically needed combat items which will contribute directly to the combat capability of the Army.

Mr. President, the adoption of this amendment is imperative for the continued safety and defense of our Nation and of the entire free world.

Mr. President, I congratulate the able and distinguished Senator from Washington for the magnificent fight he has made today for this important amendment, which in my judgment should be agreed to by the Senate. I urge the Senate to take favorable action upon this essential amendment.

Mr. JACKSON. Mr. President, I thank my distinguished friend from South Carolina for a very fine statement on this subject.

Mr. President, I now yield to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. Mr. President, today the American people and their Armed Forces are confronted with a situation completely different from any before in our history.

The battlefields of World War II have been silent for 15 years.

In Korea, the guns have been still for 7 years.

Yet, we are not living in a world at peace, but in an era of a tense and delicately balanced armed truce which is being almost continuously probed and threatened by the aggressive actions of totalitarian governments.

Joining with the other nations of the free world community to meet this global Communist threat, we have committed our national security and our military forces to a concept of collective security, based on a system of world-girdling military alliances.

In so doing, we Americans have pledged again "our lives, our fortunes, and our sacred honor."

However, the great historical difference is that we have renewed this pledge not only to maintain our own independence and freedom, but to insure the security, integrity, and independence of free nations everywhere against the threat of communism.

The living guarantee of our pledge to the free world and the visible symbols of our determination to stand shoulder to shoulder with our friends against the common enemy, are the military forces of the United States, and particularly the U.S. Army.

Wherever they are deployed about the world today—in troubled Korea, Berlin, or in the NATO shield in Western Europe—our Army troops are greatly outnumbered by the powerful Communist forces which they face.

To counteract this numerical superiority our forces must be provided with the best weapons and equipment which this Nation can furnish.

This is also true for those Army units here in the United States which would go to the aid of our forces overseas, should such be necessary, or which might be employed to suppress threatening situations endangering our national interests or our allies.

Unfortunately, it appears that our troops today are not so equipped.

Over the years, I have observed with growing concern the inflexible pattern of the administration's defense budget, and the continuing refusal of the administration to use those funds properly authorized by the Congress for the modernization of the Army.

Because of these actions, coupled with the increasing cost of new weapons and equipment, the U.S. Army today is forced to accomplish its assigned missions with weapons and equipment which are, to a large degree, obsolete.

In the climate of world conditions wherein the United States must discharge its international responsibilities, such a condition is morally untenable.

I say this because the recent actions and statements of Mr. Khrushchev and the Chinese Reds have made the nature of this climate clear to all of us.

These circumstances clearly establish the urgent requirement to modernize and produce the equipment and weapons which the Army should have in its hands and which already have been developed by our rapidly expanding technology and our extensive past investments in Army research and development.

I cannot emphasize too strongly that, remarkable as these new prototype weapons may be, they do not represent combat capabilities until they are in the hands of our troops in sufficient numbers.

ICBM's, atomic missile-launching submarines, great bombers, and other glamorous weapons capture the imagination with the potential of their fantastic destructive power.

Also, they overshadow the very real fact that the U.S.S.R. has had an almost continuous modernization of its ground forces in effect since World War II.

Moreover, the products of this program have been extended to the satellite states and to augmenting the growing military power of Red China.

During recent years there has been a strong tendency for the executive branch and the Congress to go overboard on the side of glamor, forgetting the fact that if war does come it will likely be the men of the Army that will bear the brunt of the fighting and do most of the dying.

No American soldier should ever go into battle with his chances for survival greatly reduced because of obsolete or inferior weapons and equipment.

There is a vital need for qualitative superiority of our Army forces in the light of the overwhelming quantitative advantages accruing to the Red Chinese-Soviet bloc through their massive modernized armed forces.

If we should permit our overall effectiveness in ground combat capability further to deteriorate to the status of permanent inferiority, the worldwide position of the United States could be eroded to the ultimate loss of our position and our eventual isolation.

Our pledge to the free world would be but an empty and dishonored gesture under such circumstances.

While we hope and pray for the success of disarmament conference and progress toward our goal of a peaceful world, we know that such a happy event lies far in the distant future.

We cannot, in clear conscience, expect the men in the Army to face a numerically superior potential enemy with any less than the best in modern equipment.

To do so, is to invite increased cold war tension and possible aggression.

The professional military leadership of our Army, who are responsible for its success or failure in war, have presented to the appropriate committees of the House and of this distinguished body, a priority list of arms and equipment whose procurement is essential during the coming fiscal year to overcome the growing obsolescence of Army materiel.

The price tag on this list is less than one and a half percent of the total defense budget.

This appears to be sound military judgment, representing the essential needs of the Army.

I therefore urge that the Senate give serious consideration to the approval of this priority list by authorizing the necessary funds for the Army to initiate procurement of the items thereon during the coming fiscal year 1961, even though it may be necessary to reduce the amount for more glamorous but unproved items of defense.

I support the amendment offered by the Senator from Washington.

Mr. JACKSON. I appreciate the statement of the able Senator from Vermont.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. JOHNSON of Texas. Will the Senator from Washington yield at this time to the Senator from New Mexico [Mr. CHAVEZ]? I wonder if the Senator from Washington would be willing to modify his amendment to reduce the amount of the increase to $90 million with the understanding that the chairman of the subcommittee would accept that amendment?

Mr. JACKSON. The Senator from Washington would be willing to accept such an amendment, which was suggested earlier by the junior Senator from South Dakota [Mr. CASE], and which would mean that the total amount provided would be $252,202,000 instead of $302,202,000.

Mr. CHAVEZ. I will accept such an amendment, and will fight for it.

Mr. JACKSON. I am glad to hear the Senator from New Mexico state that he will fight for the amendment, and I know he will fight vigorously for it. I believe the debate today indicates that the Senator agrees the Senate feels strongly on the subject.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. CASE of South Dakota. A while ago I proposed an amendment or suggested one to the Senator from Washington. I would like to know if the amendment now proposed is the one I suggested to the Senator from Washington?

Mr. JACKSON. The Senator from South Dakota gave me an amendment, which I have in my hand now. It has the same effect as the suggestion which has been made by the distinguished chairman of the subcommittee, the Senator from New Mexico [Mr. CHAVEZ].

Mr. CASE of South Dakota. I appreciate the statement of the Senator from Washington.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Texas? The Senator from Washington has the floor.

Mr. JACKSON. Mr. President, I ask unanimous consent, in line 2 of the pending amendment to modify it by striking out "$1,639,202,000", and inserting in lieu thereof "$1,589,202,000"; and in line 5, by striking out "$302,202,000" and inserting in lieu thereof "$252,202,000."

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington to modify the amendment?

Mr. JAVITS. Mr. President, reserving the right to object—and I shall not object—I thought I would have the privilege of voting on the yeas and nays for the amendment. I merely wish to express my support of the amendment. I think the Senator from Washington is doing exactly as he should in accepting the suggestion of the chairman of the subcommittee, and I withdraw my reservation.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator may modify his amendment accordingly, notwithstanding the fact that the yeas and nays have been ordered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The Senator from Washington has the floor.

Mr. JACKSON. Mr. President, the Senator from Michigan [Mr. HART] requested me to yield a while ago prior to the modification of the amendment. I yield to him at this time.

Mr. HART. Mr. President, I should like to ask whether there would be objection to having printed in the RECORD at this point a statement which I have prepared.

Mr. JACKSON. Mr. President, I ask unanimous consent that the request of the Senator from Michigan [Mr. HART] be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HART

In recent years our country has been fortunate in the caliber, experience, and stature of the uniformed heads of the U.S. Army. I refer especially to that distinguished soldier-statesman-scholar, Gen. Maxwell D. Taylor, and his eminent successor, Gen. Lyman L. Lemnitzer.

As Army Chief of Staff, General Taylor fought to achieve an adequate modernization program for the Army to combat the growing obsolescence of its equipment. On assuming office last year, General Lemnitzer has carried on this fight with equal vigor. Time and again these officers have emphasized the growing power of the Soviet armies and the fact that they have undergone an extensive and continuing equipment modernization program since the end of World War II. As a result, today the vast majority of the 175 active line divisions of the Soviet Army are largely mechanized or tank divisions, equipped with the most modern tanks, armored personnel carriers, and self-propelled artillery and missiles. Moreover, the benefits of this Soviet modernization effort have also been extended to augment the growing military power of Red China. During Khrushchev's visit to Peiping last year, following his tour of the United States, the Chinese Communist army paraded before him in late model Soviet T–54 tanks—the standard tank in the Soviet Army—as well as in other Soviet vehicles.

In Europe, the mobile defensive strength of our 7th U.S. Army is built around the striking power of its 2 armored divisions, its 3 armored cavalry regiments, and the organic armor of its infantry divisions which must bear the major burdens of battle should a Communist onslaught be launched.

The troops of the 7th Army are the most highly trained and combat ready major force that our Nation has ever fielded in peacetime. The 7th Army is the keystone in the NATO defensive system which extends across Western Europe. In East Germany facing the 7th Army and the allied armies of NATO, there are more than 20 Soviet first-line divisions, organized into a powerful, completely mechanized and armored force, as well as the substantial ground forces of the puppet East German state. Also to be counted are the Eastern European satellites of the Communist Warsaw pact, also well-equipped with up-to-date Soviet-supplied materiel.

Under these conditions it is essential that our Army be provided with the best modern materiel available. The modernization needs of the Army, as they have been expounded by General Taylor—as well as General Lemnitzer—embrace the entire spectrum of firepower, mobility, and communications. It is my understanding that armor brings all of these essential ingredients of success in modern ground warfare together in their most efficacious form, especially on a nuclear battlefield. However, this can only be true if our armored units have on hand in adequate numbers the most modern armored weapons and equipment relative to those enemies they may be called upon to face. As I read the considered military judgment of the Army's professional leaders, such is not the case today.

Thus, the Army has requested additional quantities of the new M–60 main battle tank and the new M–113 armored personnel carrier. The M–60 tank has a greatly increased operating range and more powerful gun than the current interim tank with which our troops are, for the most part, equipped. The M–60 tank is superior to the comparable Soviet tank in mobility, operating range and firepower, and has the capability of destroying any known armor which could appear on the battlefield in the foreseeable future.

The M–113 armored personnel carrier will provide the Army with a much improved, lighter, more mobile vehicle, with greatly increased operating range. The importance of adequate numbers of these carriers to enhance the battlefield mobility and protection of our infantry troops, cannot be overemphasized.

The Army has developed fast-moving tactical concepts for a greatly stepped-up tempo of operations on the battlefield, so as to both increase the effectiveness of our ground fighting forces and to conserve the lives of our troops in the accomplishment of their missions.

To make these tactical concepts meaningful, new self-propelled weapons are urgently required to provide the fire support for fast-moving armored and mechanized units and to move and keep up with these units in combat. The new 105 mm. and 155 mm. self-propelled artillery requested by the Army will provide lighter, more mobile, close fire support, with greater range and effectiveness in support of the dispersed formations moving rapidly about the combat zone. The new self-propelled 175-mm. gun will provide a new, highly mobile weapon with the additional range necessary to attack long-range Soviet artillery. This may be especially important in those operations where the employment of nuclear weapons may be neither militarily feasible or politically permissible.

To tie all of these new means of combat power together, the Army has also asked for new signal communication and battle area surveillance means which are essential for the command and control of mobile fighting forces.

These describe only a major segment of the total modernization requirements stated by our highest Army leadership over the years. There are other items on their priority list which are essential in the professional judgment and military wisdom of General Taylor and General Lemnitzer. It is men like these who bear the heavy burden of responsibility for the success or failure of our ground arms in battle. It is up to us to assist them in carrying this load. And I am grateful to the distinguished chairman and the able members of the Appropriations Committee and the Military Subcommittee for having recommended a step up in providing the best tanks, mechanized equipment, and other means requested. If we provide the money needed our Army can gain and maintain qualitative superiority anywhere against the massive, modern forces of the Sino-Soviet Communist empire. I believe adoption of the amendment of Senator JACKSON will bring our defenses further into position of strength; will permit us more confidently to say we have met our heavy responsibility. The distinguished majority leader, as he often does, eloquently made the basic point: if we step up our military strength and it is not needed all we lose is money; if we fail to maintain our strength, we may lose our freedom and our lives. In these words Senator LYNDON JOHNSON has put this whole, complex question into dramatic focus and I commend him for having made this basic understanding easy.

There are, in addition, two further aspects of this defense appropriation measure and the Jackson amendment upon which I should like to comment. First, there is a special aspect of the Army's modernization program which needs emphasis, not only because of its importance to defense but also because of its impact on an important segment of our economy. The second comment relates to the broader questions which persist because of the economic impact of our national defense effort.

In January of this year the operations research office of Johns Hopkins University released some previously classified material on the Army's production base. The core of the production base, of course, is the machine-tool industry. No industry has had a more mercurial life than this one. The onslaughts of World War II and the Korean conflict placed tremendous demands on the industry with commensurate buildups in capacity, only to be followed by subsequent valleys of decline. In Michigan, as in the

other centers of machine-tool fabrication, we have lived through this experience as a mixed blessing. What is one day an opportunity to serve and to grow becomes the next a struggle to survive. Now comes this new report with its astounding implications for national security and for this industry.

According to this report, "more than 40 percent of the Army's tools are overage now. At current procurement and disposal rates, 80 to 85 percent will be overage in 1963." The report goes on to say that "only 4 percent were bought since 1954. Few of the tools can use the advanced controls, high-power inputs, or improved cutters now available. Except for recent purchases for that purpose, few machine tools can meet the standards required in modern weapons production." The report points out that private industry, upon which the Army must depend during emergencies, has even older and more obsolete machine tools in use. It concludes: "Without corrective measures it is probable that the United States will enter the next emergency with inadequate metalworking resources, as it did in 1940 and 1951—more and more American machine-tool builders are either affiliating with, distributing for, buying into, or establishing foreign operations. They are going abroad in order to compete and exist. Continued long enough, this trend can seriously diminish U.S. capabilities and skills in a critical sector."

The recommendations of this report point clearly to the needs for modernization. Replacement of wornout, overage, and obsolete tooling is absolutely essential. To do this "the modernization program should be supported with a minimum of $175 million over a 5-year period." This would provide for "between 1,500 and 2,500 new machine tools annually in addition to the regularly budgeted funds." In addition, the replacement program "should be supported with a minimum of $20 million a year for 3 years in addition to regular funds."

Taking such action is demanded by realism. We live in too perilous a world again to be caught short in such a basic area.

An interesting recommendation of this Johns Hopkins report relates to the disposal of overage tools. It urges that "the Army should consider school needs, estimated at 100,000 units, and foreign aid in its disposal planning."

I have recently had some correspondence on this question with the Defense Department which I submit for inclusion in the RECORD at this point:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., June 8, 1960.

Hon. PHILIP A. HART,
U.S. Senate.

DEAR SENATOR HART: This is in further reference to your letter of May 23, 1960, forwarding the comments of Mr. E. H. H. Graf of the Detroit Broach & Machine Co., relative to Government machine-tool policy.

Mr. Graf's letter is certainly a thought-provoking one. At the outset we want Mr. Graf to be assured that the machine-tool industry and its products are more important today in the viewpoint of the Department of Defense, than ever before in history. The lessons learned from the machine-tool shortages in World War II and during the Korean emergency are vivid in the memories of our production staff. We in the military are doing everything within our power to guard against this ever happening again.

In order to do this we are doing everything possible to have on hand the machine tools and related production equipment needed to produce the modern weapons which would be used in a future emergency.

Of course Mr. Graf's reference to the Joint Chiefs of Staff deciding that machine tools should be dumped on the market is a great oversimplification of their role in this matter. It is true, however, that military planning to carry out the strategic concepts of the Joint Chiefs provides for the most modern weapons that we can furnish the military services. Unfortunately many of our older machines held over from World War II and Korea cannot efficiently or economically produce the weapons of tomorrow or even today. The number of machines needed to support our mobilization plans is also smaller. As an example behind the reason for this, it is obvious that missiles with their greater destructive power would not be needed in numbers approaching the manned aircraft of World War II. As a consequence we cannot afford to keep tools to make obsolete weapons for which there are no longer requirements and at the same time buy the new types of machines now needed and which are not in our inventories. These are the reasons why our machine-tool excesses have been larger than usual in recent years.

Mr. Graf's suggestion that we rebuild our excess machines and sell them, or give them to friendly foreign nations is being given further study. We already have programs to sell, at a nominal price, or to give production equipment to these countries and a not inconsiderable number of machines are disposed of in this way. It is quite true, however, that only the better machines are generally selected. At present we have no program of rebuilding excess machines for this purpose. The provision of production equipment to our allies has two aspects and two different Government agencies are involved. Aid for military purposes is the responsibility of the Department of Defense and is handled by the Assistant Secretary (International Security Affairs). We have already placed Mr. Graf's proposal in the hands of the appropriate staff members in that Office. There would be many details to be worked out in the conduct of such a program such as its funding and administration, the handling of the actual rebuilding work and the terms and conditions under which the rebuilt machines would be made available. These deliberations will take some time. You may, however, assure Mr. Graf that his proposal is being given the consideration which it deserves.

The provision of production equipment as well as other forms of assistance, for economic improvement is a function of the International Cooperation Administration. Tools which are excess to the needs of the Department of Defense can, and are already being, made available to that agency. To receive consideration of furnishing rebuilt excess tools to friendly foreign nations for economic improvement Mr. Graf's proposal should be forwarded to the International Cooperation Administration.

The other major point made by Mr. Graf dealing with more liberal tax depreciation rate for tax purposes is outside of the scope of activity and responsibility of the Department of Defense. It is a matter for the Internal Revenue Bureau. We understand that the Office of Civil and Defense Mobilization is currently studying this problem.

We trust that the foregoing provides you with the information that you desire. If we can be of further assistance to you at any time we will be happy to do so.

Sincerely yours,

THOMAS C. WERBE, JR.,
Deputy Assistant Secretary of Defense (Supply and Logistics).

This exchange grew out of some very interesting and constructive suggestions made to me by Mr. E. H. Graff, of the Detroit Broach & Machine Co. relative to Government machine-tool policy. I believe this correspondence is further evidence of the enormous economic implications which actions taken in the national defense have on our internal economy and our foreign relations, and I include a letter from Mr. Graff at this point in my remarks:

ROCHESTER, MICH., *April 12, 1960.*

Hon. PHILIP A. HART,
U.S. Senate Building,
Washington, D.C.

DEAR SENATOR HART: I am writing to you today for the purpose of calling to your attention some facts which I believe you to be already aware of. The subject is broad. I can't possibly go into it in detail here. However, following are the highlights.

I note comment from time to time that the next war, when and if it comes, will be of short duration and therefore will be over before our weight in producing machine tools, etc., can have any bearing on the outcome. I further note, to follow this to conclusion, that the Joint Chiefs feel that machine tools should be arbitrarily dumped on the market if they have no use in a short war. When tools are declared surplus by the Joint Chiefs, it is mandatory that they be sold.

I also note comment that the machine tool industry, from Government viewpoint therefore, is considerably less important than in the past. I call to your attention that in my opinion as an individual, and this opinion is as an indvidual and not as a vice president of a machine tool company, we as a people are not looking at all the facts. I feel that too many half-statements are made these days, by too many people, and that too few people take the trouble to look into these half-statements, but rather are led along the lazy path of complacency and conformity.

First, I think it follows that a strong machine tool industry makes for progress in all countries, and I think it follows that our Government should support it, not by subsidy but rather by improved tax legislation permitting replacement of obsolete equipment.

Second, I believe that Russia has pretty well proven that its machine tool industry must prosper in order for it to progress as a country. And it is apparently willing even to give direct concessions to the industry to make it formidable in world markets, as well as at home.

As you know, other European manufacturers are definitely after markets abroad, even to the extent of setting up service facilities in foreign lands. I further point out that here at home we don't want anyone, Government or otherwise, paying us for "not raising pigs." We think that our industry should be strong for the country's good and for its continuing progress.

The President suggests greater emphasis on "exports." How can we do the export job if all our efforts must go to holding our own here in a rather cyclical industry. Machine tool companies, for the most part, are individualists. We don't want handouts. If we had favorable depreciation laws, we would be strong and we would get over to Europe and spend our own money to do it. We would get back to basic selling and we would sell Asia, Africa, and South America our products, and this seems to me to be basic sense. We would sell competitively and more often than not, we would be successful since we have a reputation second to none when it comes to production equipment.

In other words, I don't think we should worry too much about fancy statements by fancier economists. I think there is a basic thing that has to be done. That is, we have to become Yankee peddlers, as were our grandfathers. These rules govern all business. True, we might not be able in the face of duties, common market countries, etc., to get as much of the world's business as we would like, but we certainly could do 25 percent better than we are doing now, and that's a sizable amount of money. We would need other things, true, such as Export-Import Banks, credits, etc. But let's just stick to the basic things, now, like

going out and peddling our wares. Better mouse traps for which the world will, I am sure, pay better money. Sooner or later the production of the world must equalize as living standards increase. At that time we'll all be reasonably equal. But what of now?

Now for the moment, back to the dumping of machine tools owned by the services on our home market. Would it not be a good idea to put these tools in shape, not perhaps into new condition, but reasonable shape, and use them all over the world to help our allies? Sell them, yes. But if necessary, give them to India, Africa, South America, or wherever it was wise and to our advantage. By doing this we create business at home and help our neighbors in the bargain.

Consider, please, that if the Government were to dump on the market 50 continuous broaching machines at approximately 5 cents on the dollar, that is about what they are going for, this would be equal to the total production of all broaching machine companies in this particular type of machine for 6 years.

As you can see, the subject is broad and my comments must necessarily be sketchy. Surely it would be reassuring to me and to many of our people to know that you were thinking about these matters. And if you feel that any of my suggestions has merit, I would certainly appreciate your pursuing it further. I would be very happy to have any comments you would care to make, at any time.

Sincerely,

E. M. H. GRAF.

Finally, Mr. President, last week, the administration acknowledged the growing seriousness of this economic impact when it announced a revision in the Office of Civil and Defense Mobilization's defense manpower policy No. 4. It announced that effective July 6, 1960, a more effective means of encouraging contract set-asides in areas where there is persistent unemployment will be provided.

I include the policy change at this point in the RECORD.

JUNE 6, 1960.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF CIVIL AND DEFENSE MOBILIZATION—DEFENSE MANPOWER POLICY NO. 4 (REVISED)

(DMP No. 4 (revised). Effective: July 6, 1960)

Subject: Placement of procurement and facilities in areas of persistent or substantial labor surplus.

I. Introduction

Success of the defense program depends upon efficient use of all our resources, including manpower and facilities, which are preserved through practice of the skills of both management and workers.

A primary aim of Federal manpower policy is to encourage full utilization of existing production facilities and workers in preference to creating new plants or moving workers, thus assisting in the maintenance of economic balance and employment stability. When large numbers of workers move to already tight areas, heavy burdens are placed on community facilities—schools, hospitals, housing, transportation, utilities, etc. On the other hand, when unemployment develops in certain areas, unemployment compensation costs increase and plants, tools, and workers' skills remain idle and unable to contribute to our defense program.

II. Purpose

It is the purpose of this Defense Manpower Policy No. 4 to direct attention to the potentialities of areas of persistent or substantial labor surplus, hereafter referred to as labor surplus areas, for the placement of procurement contracts or the location of new plants or facilities, and to assign responsibilities to specified departments and agencies of the Government to carry out the policy stated below.

III. Policy

It is the policy of the Federal Government to encourage the placing of contracts and facilities in areas of persistent or substantial labor surplus, with first preference being given in areas of persistent labor surplus, and to assist such areas in making the best use of their available resources in order to achieve the following objectives:

(a) To preserve management and employee skills necessary to the fulfillment of Government contracts and purchases;

(b) To maintain productive facilities;

(c) To improve utilization of the Nation's total manpower potential by making use of the manpower resources of each area;

(d) To help assure timely delivery of required goods and services and to promote readiness for expanded effort by locating procurement where the needed manpower and facilities are fully available.

IV. Implementation

By virtue of the authority vested in me by Executive Order No. 10480, as amended, and Executive Order No. 10773, as amended, and to carry out the purpose and policy objectives set forth above, the following assignments of responsibilities are made to the specified departments and agencies of the Government:

A. The Department of Labor shall:

1. Classify areas having a persistent or substantial surplus of labor, under standards to be established by the Secretary of Labor.

2. In cooperation with the States and labor surplus areas, provide labor market data and related economic information in efforts to assist in the initiation of industrial expansion programs in these areas.

3. Identify skills which are in surplus supply within such areas and make this information available to firms requiring such skills and interested in establishing new plants and facilities.

4. Identify occupations and skills for which labor will be needed by new or expanding industries, and in collaboration with other governmental agencies make assistance available to area institutions and manpower users in developing on-the-job apprentice or other training programs for developing skills of the work force.

B. All procurement agencies shall:

1. Use their best efforts to award negotiated procurement contracts to contractors who will perform a substantial proportion of the production on those contracts within labor surplus areas, giving first preference to contractors performing in persistent labor surplus areas, to the extent that procurement objectives will permit; provided, that in no case will price differentials be paid for the purpose of carrying out this policy.

2. Where deemed appropriate, set-aside portions of procurements for negotiation at prices no higher than those paid on the balance of these procurements exclusively with firms which will perform or cause to be performed a substantial proportion of the production on these contracts within labor surplus areas, giving first preference to firms in persistent labor surplus areas; provided further that firms which will perform in areas not meeting the minimum size qualifications for classification by the U.S. Department of Labor shall be eligible for participation in set-asides if these firms submit a certificate issued by the U.S. Department of Labor that a persistent or substantial labor surplus exists in the area in accordance with standards and procedures prescribed by the U.S. Department of Labor.

3. Assure that firms in labor surplus areas which are on appropriate bidders lists will be given the opportunity to submit bids or proposals on all procurements for which they are qualified. Whenever the number of firms on a bidders list is excessive, there will be included a representative number of firms from labor surplus areas.

4. In the event of tie bids or offers on any procurement, award the contract to the firm which will perform in a labor surplus area, other things being equal, giving first preference to firms in persistent labor surplus areas.

5. Encourage prime contractors to award subcontracts to firms which will perform a substantial proportion of the production on those subcontracts in labor surplus areas, particularly in areas of persistent labor surplus.

6. The preferential actions described in this policy shall be in addition to other such actions to which firms may be entitled because of performance in substantial labor surplus areas, such as additional preference under the Buy American Act.

7. Cooperate with other agencies listed herein in achieving the objectives of this policy.

C. The Department of Commerce shall:

1. In cooperation with State development agencies, the Department of Defense, the General Services Administration, and the Small Business Administration assist manufacturers in areas of persistent labor surplus in obtaining Government procurement business by (a) providing such firms with timely information on proposed Government procurements; (b) maintaining current information on the manufacturing capabilities of labor surplus area firms with respect to Government procurement and disseminating such information to Federal procurement agencies.

2. Urge firms planning new production facilities (where Federal assistance or interests are involved) to consider the industrial location advantages of labor surplus areas.

3. Provide technical advice and counsel to groups and organizations in labor surplus areas on planned industrial parks, industrial development organizations, expanding tourist business and available Federal aids.

D. The Small Business Administration shall:

1. Make available to small business concerns in labor surplus areas all of its services, endeavor to insure opportunity for maximum participation by such concerns in Government procurement, and give consideration to the needs of these concerns in the making of joint small business set-asides with Government procurement agencies.

E. There is hereby created within the Office of Civil and Defense Mobilization a Surplus Manpower Committee:

1. This Committee shall be chaired by the Deputy Assistant Director for Manpower of the Office of Civil and Defense Mobilization and shall include representation from the Department of Defense, including the three Military Departments, Department of Commerce, Department of Labor, General Services Administration and Small Business Administration.

2. The Committee shall advise the Director of the Office of Civil and Defense Mobilization and its member agencies on policies, procedures and activities in existence or needed to carry out the purpose of this policy.

3. When an entire industry, which sells a significant proportion of its production to the Government, is generally depressed or has a significant proportion of its production units located in areas of persistent or substantial labor surplus, the Committee may make appropriate recommendations relative to that industry in lieu of recommendations relative to specific geographical areas. In such cases, after notice to and hearing of interested parties, the Director of the Office of Civil and Defense Mobilization

will give consideration to appropriate measures applicable to the entire industry.

F. The regional directors of OCDM shall, with the advice and assistance of the regional Civil and Defense Mobilization Boards, recommend actions considered desirable to further carry out the purposes of this policy, to the Chairman of the Office of Civil and Defense Mobilization Surplus Manpower Committee.

G. All Federal departments and agencies shall give consideration to labor surplus areas, particularly to persistent labor surplus areas, in the selection of sites for Government-financed facilities expansion, to the extent that such consideration is not inconsistent with essential economic and strategic factors that must also be taken into account.

H. All agencies assigned responsibilities under this policy shall submit such reports on their activities as may be required in connection therewith to the Office of Civil and Defense Mobilization, and shall submit such additional information as may be necessary.

I. All existing notifications of labor surplus areas issued by the U.S. Department of Labor pursuant to Defense Manpower Policy No. 4 continue in force. Notifications Nos. 38, 39, 53, 57, and 58, dealing with the placement of procurement with the textile, shoe, apparel, shipbuilding, and petroleum and petroleum products industries, are continued in effect to the extent that they are not inconsistent with this revised policy.

This revised policy shall take effect on July 6, 1960.

LEO A. HOEGH,
Director, Office of Civil and Defense Mobilization.

The list of illustrations need not be continued. The problem is widespread. It affects industries of all kinds, widely scattered regions of the country, virtually every sector of the economy. Just as our security against enemy attack is the objective of the appropriations we are now considering, Mr. President, my plea is that we look inside as well as outside; that we find new ways to manage our national security program so that it contributes to our economic stability. While we prepare to meet the threats of aggression, we must also keep our industry and manpower skills balanced. If we can do this we will be better prepared, as well, for the day when we can implement a plan for peace.

Turning to the broader question of the economic impact of national defense, I want to emphasize again that the size of this appropriation and the rate of technological change in weapons requirements which it embraces have unprecedented effects on our country's industry and its workers and their families.

Last year I introduced Senate Resolution 150 calling for the creation of a select committee to undertake a comprehensive study and review of this problem. Since that time, several of the committees of the Senate have held hearings which have touched upon this problem in some of its aspects. Each of them has made a valuable contribution to our understanding of this new and unprecedented condition in which we find ourselves, where appropriations in the order of $40 billion plus for national defense appear a normal aspect of our national life for a period as far as we can see.

For example: In January, the Subcommittee on Defense Procurement of the Joint Economic Committee held hearings on "the impact of defense procurement."

In February, the Armed Services Committee held hearings on procurement practices.

In April, the Subcommittee on Government Procurement of the Senate Select Committee on Small Business held hearings on "negotiated and sole source procurement." Later that month they also published their "Case Study in Subcontracting by a Weapon System Contractor."

In May, the Armed Services Committee continued its hearings on procurement practices.

In June, the Subcommittee on National Policy Machinery of the Government Operations Committee started hearings on policy questions extending into this subject.

Perhaps the most specfic reference to this problem is contained in the report of the Special Committee on Unemployment which was made to the Senate on March 30 of this year. I submit for the RECORD a section of that report entitled "Government Procurement Policies":

"3. GOVERNMENT PROCUREMENT POLICIES

"The impact of defense spending on the Nation's economy is greater than that of any other single item in the Federal budget. Any study of unemployment would be incomplete without consideration of this factor because the magnitude of the defense budget and the rate at which large sums are spent affect not only the armament industries but nearly every other industry in the country.

"Defense procurement is difficult to coordinate with the rest of the economy because its amount and scope are constantly changing.

"The emergence of the United States as the leading power in the Western World has given our armament obligations unprecedented importance. The historic pattern of peace followed by disarmament has been broken by events beyond our control, and it is clear that national security programs, including international assistance, will continue to receive extraordinary emphasis. These programs involve not only the allocation of manpower for the Army, Navy, and Air Force, but the maintenance of a complex industrial production base, adequate stockpiles of strategic materials, and research and development in space, atomic energy and other fields.

"The magnitude of our commitments is unprecedented. For the past 8 years national security expenditures have amounted to more than $40 billion a year—almost 10 percent of our gross national product—and are likely to continue at this or a higher level. Expenditures of this dimension have an obvious impact on such diverse aspects of our economy as tax and monetary policy, development of natural resources, allocations for domestic needs within the Federal budget, and the development of new patterns of international trade. Nowhere, however, is the impact more apparent to the average citizen than in the area of employment and unemployment, as industrial producers shift to meet the rapidly changing needs of our military planners.

"The increasingly rapid rate of technological change in the methods and weapons of modern warfare has caused disruption and dislocation within our industrial base and has created serious problems of industrial reorganization, unemployment, and obsolescence of facilities and equipment. Our guns, airplanes, and missiles have often become obsolescent while still in production, or even while under development. It may almost be said that we are disarming all the time, and some of the economic problems related to disarmament are already upon us.

"The Regulus II missile and the F-108 long-range interceptor aircraft were discontinued as obsolescent even before they were deployed. Discontinued items such as these involve substantial commitments of facilities and manpower in many regions of the country—facilities and manpower which are unlikely to find their way quickly into other uses.

"At least two questions are raised. Is it possible to change the procurement system to avoid costly and painful dislocation and disruption while maintaining our national security? Could a larger share of the $40 billion spent annually for national security be put into areas of our Nation which most need the stimulation of greater economic activity?

"Employment shifts

"Officials of the automobile industry in Michigan testified before the committee on the effects of the change from wheeled vehicles to aircraft in military requirements. According to this testimony, General Motors employed 33,000 persons on defense work in Michigan in mid-1953. By the end of 1959 the company employed fewer than 1,700 on defense work. The Michigan Employment Security Commission estimated that in 1953 there were 200,000 persons in the State working on defense contracts. The figure today is less than 40,000.

"Employment in the aircraft industry dropped from about 800,000 workers in 1954 to 61,500 in August 1959, as the Air Force moved more and more into missiles.

"The missile industry itself is subject to sudden changes. When the Air Force canceled the Navaho missile project in July 1957, 6,300 employees of North American Aviation, Inc., were laid off in the Los Angeles area. The cancellation of the Regulus II had similar impact, and cancellation of the Jupiter missile program is expected to affect 10,100 Chrysler Corp. employees. The economic hopes of Denver are tied to the performance of the Titan missile developed by the Martin Co. there:

" 'Denver's stake is that about 9,000 regional residents are now employed by Martin alone—as against virtually none 4 years ago—and many thousand others are employed by subcontractors and by the construction firms which are building the huge launching complexes on the prairies.

" 'In other words, the city's prospects for material growth and progress have by now been largely pinned not only to the defense program, but to this one aspect of it—the development of the intercontinental missile.'

"This potential dislocation of large numbers of people raises the question of why Denver was selected. Could the job have been performed at other facilities, in urban centers which would not have to expand to furnish the home and community needs of new employees?

"Changing manpower requirements

"Technological change in military hardware has other effects on our manpower picture. Fortune magazine described the problem this way:

" 'All these changes in military requirements have touched off a vast upheaval in production and procurement techniques. Intensive production has been substituted for extensive production. Instead of large numbers of planes, the military is buying smaller numbers of very high-performance and high-cost units. Electronic equipment accounts for some 25 percent or more of the cost of the average military plane today, for example, and the proportion of engineers and other nonproduction employees to total aircraft employees has been rising steadily, from 27 percent in 1953 to 35 percent today.'

"These shifts are in line with long-range changes which have been taking place in the total industrial manpower picture. In areas of heavy defense manufacturing, they inevitably cause unemployment problems.

"Effect on business conditions

"The rate of defense spending appears to exert substantial influence on the economy as a whole. In the Fortune magazine study quoted above, the rate of defense spending was related to the recession which started in 1957:

" 'To be sure, defense is not the greatest force or prop in the U.S. economy, as is sometimes assumed. The cutbacks in the

second half of 1957 did not cause the recession. But they did contribute to its severity.'

"A report issued by the Secretary of Defense on June 1, 1959, showed that the level of defense spending in the first half of 1957 was almost $1.5 billion less than in the first half of 1956. During the second half of 1957, contracts for supplies, services, and construction were trimmed an additional $1 billion. During the first half of 1958, the rate of defense spending was increased by $5.4 billion, and has continued at about that rate.

"Testifying before the Joint Economic Committee of the Congress in February 1958, Assistant Secretary of Defense W. J. McNeil said that "the stepped-up placement of defense orders should have an important psychological impact on business" and that "the order placement would result in a gradual increase in spending which would have at least a stabilizing effect in defense industries."

"Military installations

"The Department of Defense maintains many establishments such as arsenals, shipyards, forts, bases, etc., in various parts of the country.

"In many instances, a Defense Department installation is the main source of income for a community, and many support-services financed by local governments and private enterprise grow up around the Military Establishment. A Department of Defense decision to cut back or close an installation can seriously disrupt the economic life of a community.

"F. E. Hernandez, mayor of Leesville, La., testified at hearings in Baton Rouge on the effects of such a decision on his community. In November 1955, the Army notified the State of Louisiana, the city of Leesville, and Vernon Parish of its intention to make Fort Polk, located in Leesville and Vernon Parish, a permanent installation. To support the installation, Leesville assumed bonded indebtedness of $500,000 to provide schools, roads, sewers, etc., while Vernon Parish undertook a similar program underwritten by a bond issue of more than $2 million. A number of private investing firms built housing developments in the Fort Polk area. On June 20, 1959, the Army announced its intention to close Fort Polk. As a result of the closing, Mayor Hernandez testified, more than half the peak population of 15,000 has left the area. In spite of this exodus, unemployment in the area has reached an all-time high. In November 1959, continuing claims for unemployment compensation numbered 3,314, compared with 1,777 in June 1959, before Fort Polk closed. Real estate values have been destroyed—90 percent of investment housing is vacant—and Leesville and Vernon Parish have been left with their heavy bonded indebtedness.

"Similar community dislocation occurred when the Army closed an arsenal near La Porte, Ind. Employment in the county dropped from 19,000 in 1958, to 12,500 in 1959, a decline of more than 30 percent. The closing caused wholesale disruption of the area's social structure as well as serious personal hardship.

"Existing policies

"Three governmental policies which have an impact upon the operation of our domestic economy have emerged since the Korean conflict. The first is the policy of procuring materials by negotiated rather than competitive bidding. This new policy has resulted in a radical shift in procurement away from competition based upon price. The Office of the Secretary of Defense reported that 86 percent of military procurement in 1958 was accomplished through negotiated bids. According to testimony presented to the House Committee on Appropriations on Department of Defense appropriations for 1960, 73 percent of this procurement, or $16 billion out of a total procurement of $22 billion, went to 100 companies.

"A second policy was developed in recognition of the trend to negotiated bids. The Small Business Act of 1958 encouraged the Department of Defense to channel procurement orders to small business firms. Extensive administrative apparatus has been devised to implement this policy, but in 1958 only 4.6 percent of the total contracts for major hard goods and services was awarded to small businesses.

"TABLE 7.—*Net value of military procurement actions for supplies, services, and construction by fiscal years[1] 1957, 1958, and 1959*

"[Amounts in thousands]

State	Fiscal year 1957		Fiscal year 1958		Fiscal year 1959		Percent of total U.S. population
	Amount	Percent	Amount	Percent	Amount	Percent	
Total, United States[2]	$19,855,801		$22,752,260		$23,902,014		
Not distributed by State[3]	1,663,117		1,743,447		1,983,084		
State total[4]	18,192,684	100.0	21,008,813	100.0	21,918,930	100.0	
Alabama	161,624	.9	163,220	.8	138,175	.6	1.81
Alaska	126,219	.7	105,931	.5	121,724	.6	.11
Arizona	175,217	1.0	189,314	.9	238,989	1.1	.70
Arkansas	23,523	.1	31,562	.1	16,012	.1	.99
California	3,381,927	18.6	4,457,666	21.2	5,282,659	24.1	8.30
Colorado	222,226	1.2	205,470	1.0	252,476	1.2	.95
Connecticut	977,889	5.4	897,283	4.2	920,309	4.2	1.37
Delaware	89,842	.5	127,021	.6	73,650	.3	.26
District of Columbia	122,934	.7	84,573	.4	98,477	.4	.48
Florida	249,652	1.4	308,891	1.5	404,693	1.8	2.70
Georgia	248,659	1.4	323,086	1.5	270,821	1.2	2.18
Hawaii	39,100	.2	35,821	.2	36,742	.2	
Idaho	6,747	(5)	12,050	.1	9,270	(5)	.38
Illinois	610,719	2.8	577,329	2.7	490,760	2.2	5.79
Indiana	405,521	2.2	421,046	2.0	388,990	1.8	2.63
Iowa	111,105	.6	106,199	.5	155,423	.7	1.59
Kansas	463,232	2.5	1,169,464	5.6	450,204	2.1	1.21
Kentucky	38,247	.2	34,422	.2	39,411	.2	1.77
Louisiana	170,530	.9	141,863	.7	151,486	.7	1.80
Maine	118,916	.6	87,237	.4	116,751	.5	1.54
Maryland	561,517	3.1	472,275	2.2	509,160	2.3	1.72
Massachusetts	604,688	3.3	734,514	3.5	1,150,522	5.2	2.81
Michigan	$431,234	2.4	$531,791	2.5	$782,914	3.6	4.51
Minnesota	222,276	1.2	155,891	.7	238,400	1.1	1.93
Mississippi	98,625	.5	42,589	.2	86,724	.4	1.24
Missouri	449,818	2.5	498,744	2.4	571,505	2.6	2.41
Montana	18,447	.1	35,184	.2	27,712	.1	.39
Nebraska	30,930	.2	47,025	.2	62,589	.3	.82
Nevada	13,307	.1	10,533	.1	10,828	(5)	.19
New Hampshire	38,435	.2	33,634	.2	41,313	.2	1.33
New Jersey	848,216	4.7	884,589	4.2	918,916	4.2	3.37
New Mexico	52,168	.3	77,397	.4	72,743	.3	.50
New York	2,219,654	12.2	2,424,043	11.5	2,408,734	11.0	9.35
North Carolina	376,723	2.1	329,537	1.6	321,272	1.5	2.57
North Dakota	47,712	.3	19,558	.1	17,416	.1	.36
Ohio	1,225,653	6.7	1,007,230	4.8	1,030,556	4.7	5.50
Oklahoma	136,053	.7	173,880	.8	134,562	.6	1.29
Oregon	31,873	.2	27,917	.1	31,486	.1	1.00
Pennsylvania	686,211	3.8	700,262	3.3	684,331	3.1	6.42
Rhode Island	36,838	.2	24,174	.1	27,478	.1	.50
South Carolina	51,609	.3	57,654	.3	38,323	.2	1.37
South Dakota	7,728	(5)	13,099	.1	12,315	.1	.39
Tennessee	79,835	.4	80,489	.4	106,096	.5	1.99
Texas	1,168,237	6.4	1,446,482	6.9	1,304,740	6.0	5.30
Utah	30,535	.2	76,391	.4	174,550	.8	.50
Vermont	12,064	.1	17,895	.1	13,645	.1	1.21
Virginia	198,216	1.1	220,947	1.0	292,576	1.3	2.26
Washington	693,235	3.8	1,202,354	5.7	961,238	4.4	1.60
West Virginia	18,202	.1	15,997	.1	19,834	.1	1.11
Wisconsin	128,314	.7	161,190	.8	168,221	.8	2.27
Wyoming	30,502	.2	6,100	(5)	41,239	.2	.18

"[1] See 'Notes on Coverage,' below.

"[2] Includes all contracts awarded for work performance in the United States, including its possessions, the Commonwealth of Puerto Rico, and other areas administered by the United States regardless of location of the procuring office.

"[3] Includes contracts of less than $10,000, all contracts awarded for work performance in the Commonwealth of Puerto Rico, U.S. possessions, and other areas administered by the United States, contracts which are in a classified location, and any intragovernmental contracts entered into overseas.

"[4] Net value of contracts of $10,000 or more for work in each State and the District of Columbia. Data on Alaska and Hawaii, which became States in January and July 1959, respectively, are shown separately for the 1st time in this report.

"[5] Less than 0.05 percent.

"NOTES ON COVERAGE

"It is emphasized that data on prime contracts by State do not provide any direct indications as to the State in which the actual production work is done. For the majority of the contracts with manufacturers, the data reflect the location of the plant where the product will be finally processed and assembled. Construction contracts are shown for the State where the construction is to be performed. However, for some contracts with large companies with more than 1 plant, and for contracts with service, wholesale, or other distribution firms, the location is usually the address of the contractor's main office.

"More important is the fact that the reports refer to prime contracts only, and cannot in any way reflect the distribution of the very substantial amount of material and component fabrication and other subcontract work that may be done outside the State where final assembly or delivery takes place.

"The report includes definitive contracts, and funded portions of letter contracts and letters of intent, job orders, task orders, and purchase orders on industrial firms, and also includes interdepartmental purchases, made from or through other governmental agencies, such as those made through the General Services Administration. The data include upward or downward revisions and adjustments of $10,000 or more, such as cancellations, price changes, supplemental agreements, amendments, etc.

"The report does not include that part of open-end or indefinite quantity contracts that has not been placed under specific purchase order, nor does it include that part of project orders (i.e., production directives to Government-owned and operated facilities) which has not yet been translated into contracts with industrial firms.

"The contract value data shown in this report differ from obligations data in Department of Defense fiscal reports on procurement and construction because (1) this report includes contract awards for services while the fiscal reports exclude obligations for this purpose; (2) contract data do not include obligations for project orders issued to military-owned and military-operated establishments, such as navy yards, unless and until those funds are used to finance contracts with private business firms or with other Government agencies; and (3) this contract report is limited to transactions within the United States whereas the fiscal reports include obligations on a worldwide basis.

"Source: Office of the Secretary of Defense, Dec. 10, 1959.

"A third policy, devised by the Office of Defense Mobilization in 1953 and revised in 1954 and 1955, is an attempt to give areas with substantial labor surpluses priority in the awarding of defense contracts. This policy directs the Department of Defense to place contracts with suppliers in labor-surplus areas, provided that prices are no higher than those obtainable elsewhere. Testimony at the committee's hearings showed, however, that little or no defense work had been acquired by local industries in many labor-surplus areas. Table 7, which shows the distribution of military procurement contracts among the States, reveals how little correlation exists between the awarding of contracts and the concentration of unemployment. West Virginia, which has consistently suffered one of the highest unemployment rates in the Nation, has received only one-tenth of 1 percent of total military procurement contracts for each of the last 3 fiscal years.

"It is undoubtedly difficult to make the labor-surplus preference system work. Military equipment needs must be balanced with local industrial capability in the face of fluctuating employment levels. The introduction of the weapons system of procurement has further complicated the problem. Under this system, most of the authority for coordinating and supervising the complex components of modern weapons is given to a single prime contractor.

"SUMMARY

"The problems raised by the committee's review of the effect of Government procurement policies on unemployment may be summarized as follows:

"1. Serious dislocation has occurred in arms-producing industries such as aircraft, automobile, and shipbuilding as a result of inevitable changes in military strategy and defense planning. These dislocations occur on both an industrial and a geographic basis.

"2. The military and scientific research programs of the Federal Government are producing demands for new skills and have the effect of accelerating the dislocation of unskilled workers.

"3. Fluctuations in the rate of defense spending appear to have an influence on the general economy and particularly on activities closely related to defense spending.

"4. Changes in the deployment of forces (forts, bases, air warning stations, arsenals, etc.) create special hardship in affected communities.

"In general, the military procurement system raises many questions about costs; the role of competition; the effect of the weapons system concept; the role of small business; the problem of labor surpluses, especially those caused by curtailed defense activities; and the duplication of facilities and equipment in various parts of the country. The committee recommends that an appropriate committee of the Senate study our military procurement and deployment policies, their effect upon employment stability and unemployment, and measures to ease unemployment which results from these policies."

That special committee, in one of its major recommendations, No. 6 to be specific, urged a study by an appropriate committee of the impact of military procurement and deployment policies upon employment stability and unemployment, and consideration of measures to ease resulting dislocations.

Unfortunately, Mr. President, the problems of which I speak are not diminishing and show no likelihood of diminishing in the future. We have had several recent illustrations. The Army announced less than a month ago award for the new M-60 tank. It was greeted with joy in my State because the production would be located there. It was greeted by my able colleague, Senator WILLIAMS, from Delaware, with something other than joy, because the production of this tank was being moved from his State.

My distinguished colleagues from Florida, in the last month, had occasion to brush with this problem when the National Aeronautics and Space Agency awarded a contract to a west coast firm for the second stage of the Saturn missile, at a cost differential near $20 million. The lower bidder, Chrysler Corp., builders of the successful Jupiter and Redstone missiles, had proposed fabricating the missile in Florida on a site adjacent to the missile engine plant and near Cape Canaveral where the missile will be tested.

Our colleague in the House of Representatives, Congressman CHARLES A. VANIK, this week has illustrated the kinds of dislocations that may result from the application of the Budget Bureau's Directive 60-2.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JACKSON. I yield first to the Senator from Minnesota, and then I shall yield to the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. HUMPHREY. Earlier today I asked the Senator from Massachusetts if he would yield so that I might join him in his support of the original amendment, and indeed now in the modified amendment. I have long felt that the program of modernization of the Army was a very essential part of our defense program, and I wish to commend the Senator from Washington for his initiative in the matter. This program is somewhat the same as the one that was advanced by the Senator from Missouri [Mr. SYMINGTON] last year. Both of those distinguished Senators have performed a great service in this effort to expand our modernization program.

Mr. President, I ask unanimous consent to have placed in the RECORD prior to the adoption of the amendment a brief statement that I have prepared.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUBERT H. HUMPHREY

The intense public interest in the recent events in Japan, and the relationship of the United States-Japanese treaty to the current agitation shaking the Japanese Government, causes me to reflect on the whole question of the planning of American military bases and commitments.

First of all, I shall read a brief statement which I made this morning in comment on the withdrawal of the Japanese invitation to the President:

"SENATOR HUBERT H. HUMPHREY: STATEMENT ON KISHI GOVERNMENT WITHDRAWAL OF INVITATION TO PRESIDENT EISENHOWER

"It appears to have been a wise decision that President Eisenhower will not visit Japan. Some days ago I expressed concern over the President's visit and urged that unless absolute guarantees as to his personal safety could be given by the Kishi government, the President should not go.

"The developments in Japan may well result in the collapse of the Kishi government and the coming to power of a government much less friendly to the United States.

"It appears to me that ratification of the American-Japanese Security Treaty should await action by the Japanese Government. For our Government to take the initiative might further complicate the situation and add to the troubles of the Kishi government. If the Kishi administration can secure ratification of the treaty and survive, then ratification by the Senate would be a constructive move.

"All of the rioting in Japan cannot be accounted for by Communist agitation. These riots appear to be less anti-American than they are anti-Kishi government—a domestic political disturbance which could mount to the proportions of a revolution. Except for the demonstration involving Mr. Hagerty, American property and American nationals have not been attacked. The attack has centered on the Japanese Parliament and Government officials.

"The whole subject of American military oversea bases needs constant review. In some areas American bases tend to strengthen the forces of law and order and democracy. In other areas, the establishment of a base can be made a major factor in domestic politics and can play into the hands of extreme left-wing and pro-Communist elements.

"Yet, we must recognize that to withdraw from an American base simply because of Communist agitation would only feed the appetites of Moscow and Peking, and encourage a rather negative neutralism among other nations.

"However, dependence on fixed oversea bases needs to be under constant review, not only because of their inherent vulnerability to political attack, but because of rapid changes in military technology. With such developments as the Polaris missile submarine, the rocket and missile cruiser, and the intermediate and intercontinental rockets and missiles, fixed bases may very well have less value militarily in the near future.

"Every military installation should be judged not only in terms of the needs of the military, but more significantly in terms of the impact on the political structure of the host country. It should be remembered that President Eisenhower has had his most enthusiastic and favorable reception in India where there are no American bases, no military alliances. Our relationships with India have been based on mutual trust and respect, with an emphasis on economic and technical assistance.

"In other words, there must be coordinated planning at the very highest levels, to insure that military planning contributes basically to the overall foreign policy objectives of the Nation."

Let me be quite clear—the American Government should not decide its policy or oversea military bases as a result of action by Communist-led mobs.

But on the other hand, we must recognize that the presence of fixed American bases—or indeed of fixed bases of any kind—can present the most complicated and difficult of political and economic problems.

Base by base, and country by country, a thoroughgoing review of the value of our military bases should be constantly in progress. Always there should be kept in mind the question: Does the existence of this particular military base contribute to or lessen the American effort in foreign policy, on balance.

Yet, while we remain constantly alert to the inherent limitations of fixed oversea bases during this era of rapid political change, America should always remember that no man, no nation, is an island. We are all a part of the whole. The bell does ring for us whenever a bit of the free world is assaulted.

Thus, the alternative to a program of fixed oversea bases in the long run must not, cannot, be permitted to become, a "fortress America" withdrawal to fixed bases on our own territory.

The great debate which has been going on so intensively among scholars and military planners in the United States as to the priorities of military spending has now shifted to the floor of the U.S. Senate. I,

for one, support a program of stepped up modernization of the Army, and expanded and modernization of our naval forces.

Typical of many thoughtful observations by American scholars in this field is a quotation by Oscar Morgenstern, who is among other things, professor of political economy at Princeton University, a consultant to the Atomic Energy Commission, and was an associate of and coauthor with the late Dr. John von Neumann of the classic work, "The Theory of Games and Economic Behavior." I believe that Dr. Morgenstern's comments are relevant to the discussion of the military appropriations bill. Here is what he says, in his book "The Question of National Defense":

"There is no getting away from it: The technological development of the last few years and the perfections in weapons delivery, by missiles fired either from the ground or from the air make all fixed military installations of any size anywhere in the world obsolete. Such is particularly the case for the heavy, strategic force of retaliatory power, the form of military organization we are primarily concerned with at this point. This is also true of our conspicuous and well-advertised missile bases here and abroad. This will apply furthermore to the planned future hardened bases, even to the still distant Minuteman installations.

"Holding our main retaliatory force at sea makes the greatest immediate contribution to the defense of the country; it protects the force proper and it frees the country thereby from direct and indirect effects of a possible attack on this force itself."

The debate over fixed and mobile bases has also reached the British Parliament, and I believe it will be interesting and instructive to quote briefly from the comments made recently by several Members of Parliament of both major political parties, addressing themselves to this question.

From remarks in the floor debate on defense appropriations made by Mr. Julian Critchley, of the British House of Commons, on March 1, 1960:

"The Minister of Defense said yesterday that he had received a postcard from the United States which he quoted. If I may, I will quote it again. It said:

" 'Move deterrents out to sea
Where the real estate is free
And where they are far away from me.'
(Official Report, Feb. 29, 1960; vol. 618, c. 859).

"Copies of that postcard should be in the pocket of every one of us this afternoon."

During that same debate, on February 29, 1960, the following statement was made by Mr. George Brown on the floor of the House of Commons:

"But it has always been clear to me that a fixed-site missile was an invitation and not a deterrent, that a liquid-fuel rocket vulnerable to a near miss could not be a possibility for us. I have always thought that fairly clear."

It is interesting to note that since this debate, Great Britain, on the recommendation of Mr. Harold Watkinson, Minister of Defense, has canceled its Blue Streak 2,500-mile liquid-fuel, fixed base ballistic missile program.

On the same date, February 29, Mr. John Litchfield said the following on the floor of the House of Commons:

"Another charge which has been mentioned is, strategically speaking, the shrinking in our oversea bases, a process which has already gone a long way and which looks like it is going a little further. That is why I am so glad that there are several references in the white paper to the importance of mobility. If we can get our forces on a basis of true mobility and flexibility, we shall have gone a long way to overcoming the serious strategic effect of the loss of bases which, for one reason or another, we have had to give up."

Also on that date, Mr. J. Grimond remarked the following on the floor of the House of Commons:

"I served under the honorable and gallant member for Worthing, Sir O. Prior-Palmer, during the war, and I have served opposite him in this House. He is a great expert on defense, and I will touch upon a few of the things he said during the course of my speech.

"First, I was extremely glad to hear him say that he is against the establishment of fixed nuclear weapons in this country. Second, I was also glad to hear him say that he is against the setting up of bases in countries whose future is uncertain, which bases often become hostages, and seem ultimately to dictate policy rather than serve it."

On March 1, the following remarks were made on the floor of the House of Commons by Sir J. Smyth:

"The dispersion and mobility of our deterrent weapons need improving. Obviously, if our potential enemy knows exactly where the deterrent weapons are, the effect of the deterrent itself is not so great."

On that same date, Sir A. Spearman spoke as follows on the floor of the House of Commons:

"I believe our influence in the world in the future will depend upon our economic strength, upon our possession of mobile forces to carry out our commitments and, above all, on our contribution to NATO."

And on March 1, Mr. Hugh Gaitskell asked the following question in the House of Commons:

"Why did the government take so long to realize the drawback of the fixed land-based liquid fuel missile? It is surely obvious that on grounds of vulnerability, on the ground of protection of the civilian population, there was everything to be said in favor of a mobile rocket."

I believe, Mr. President, that these few excerpts from the debate in Great Britain illuminate the rather striking shift in thinking on the nature of an effective deterrent to all-out war.

An ever-mounting emphasis on two words—"mobility" and "dispersal"—is found in almost every thoughtful statement concerned with the defense of our Nation against nuclear attack.

I raise these points today because we in the Congress now considering the military appropriations bill have a rare occasion to participate in the planning of our basic military structure, an opportunity for those of us whose principal interest is the advancement of American foreign policy to point out the relevance and the importance of considering military planning as only part of our overall foreign policy thinking.

Finally, I should like to read a statement from a recently published British book, "Defense Policy and Strategy," by Air Vice Marshall E. J. Kingston-McCloughry, a statement which reflects the thinking of an officer with long experience in the Royal Air Force, and who served as chief operations planner at the headquarters of the Allied Expeditionary Air Force for the invasion of Normandy during World War II.

"The mobility of these (aircraft) carriers will be greatly increased, particularly as they become nuclear powered, and this may well prove them less vulnerable than shore bases to attack by ballistic rockets. They could make a nation less dependent on foreign bases, a specially important consideration now that the United Kingdom has lost much of its influence in the Middle East. Already carriers can contribute in deterring an enemy from attacking a belligerent's homefront so long as there is at sea a powerful force ready to retaliate. Such a force would doubtless help to deter an enemy from beginning hostilities with nuclear weapons. On the other hand, the degree of offensive potential represented by the aircraft carrier is likely to draw attack by an enemy who see their destruction as of first importance. It seems, at least, that some very promising weapons for the protection of the aircraft carrier are under development. It also is reasonable to suppose that those very qualities which give the aircraft carrier its deterrent and offensive character, dispersal, mobility, and power of evasion, will contribute in no little measure to its own defense."

The emphasis on the value of aircraft carriers from an officer whose whole career has been spent in an air force which operated from fixed bases is of particular importance as we consider the defense appropriations bill. For in the efforts of some of us to rapidly increase the mobility of our deterrent force—to insure that we have a survivable second-strike force—we must not forget that the large aircraft carriers with their long-range strike aircraft and Polaris type submarines are increasingly important components of such a force.

My views on the need for modernizing and strengthening our conventional forces, for providing them also with greater mobility and heavier striking power, so that we can deal with less-than-all-out war have been frequently expressed. I support the proposal of the Senator from Washington. It represents sound policy. Suffice it to say also, at this time, Mr. President, that the size and caliber of our carrier striking forces is an important measure of the ability of our Armed Forces to deal with conventional attack. The strike carrier is a dual-purpose weapons system, which is useful as part of the deterrent either to all-out war or to conventional attack. I support the inclusion of the carrier funds in the current bill.

I conclude with the hope that as the Senate considers this tremendous expenditure of public funds represented by the defense appropriations bill, we will all give the most careful consideration to the scientific and political developments which have been taking place throughout the world in recent months, and which have made obsolete much of the thinking on basic military strategy of the past decade.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the distinguished majority leader.

Mr. JOHNSON of Texas. I asked unanimous consent that the amendment of the Senator from Washington be modified as requested, notwithstanding the order for the yeas and nays. Has the amendment been agreed to?

The PRESIDING OFFICER. It has not.

Mr. JOHNSON of Texas. I ask unanimous consent that it be agreed to.

Mr. SALTONSTALL. Mr. President, before action is taken on the modified amendment, I would like to make a statement. I have waited 2 hours to do so.

Mr. JOHNSON of Texas. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to insert in the RECORD at this point figures which show what we are doing.

The budget figures for Army procurement are $1,337 million.

With the unobligated balances from previous years the Army could contract for $1,524 million.

Less amount of contractual items not contributing to Army modernization, $360 million.

This left $1,164 million for Army modernization. The committee, under the leadership of the Senator from New Mexico [Mr. CHAVEZ], increased this amount by $162,102,000, to a total of $1,326,102,000, for modernization of equipment.

In addition, there is a certain amount of military assistance program reimbursements, which may or may not amount to about $120,000. What the figure is no one can tell until it actually comes in.

So there was made available by the committee $1,326,102,000, plus these MAP reimbursements.

The Senator from Washington has added $140,100,000 to what the committee did, making a total of $1,466,202,000, plus the MAP reimbursements. He has now modified that amount by $50 million less. So that the net amount that we are now voting for on Army procurement modernization is $1,416,202,000, plus whatever the MAP reimbursements may amount to.

I wish to make these figures clear, because the Senator from New Mexico is accepting the amendment of the Senator from Washington, and I wish to make it clear that the Army has practically $1,416 million available for modernization of its weapons.

Mr. JACKSON. Mr. President, I merely wish to clarify one point. My amendment has been reduced by $50 million from the amount which was initially proposed. It was done at the suggestion of the distinguished Senator from South Dakota [Mr. CASE]. I wish to express my thanks to him for his support of my original amendment and his suggestion of a modification that not only was helpful but acceptable to the committee.

Mr. CASE of South Dakota. I thank the Senator very much for his remarks.

Mr. JACKSON. I yield to the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, we have heard a great deal said about the modernization of the Army. The bill came to the Senate with a $37 million increase by the House of Representatives over the budget for the purpose of modernization. The House also provided that the money received from the sale of surplus material equipment to our allies would go into procurement for modernization which, however, the Army had anticipated in its original figures. What did the Senate do? I heard the Senator in committee bring it up and say that we should provide more for the modernization of the Army. I was in favor of it and therefore voted for the sizable increase the committee made.

I believe that the Committee on Appropriations acted wisely and well in its consideration of every subject, straight down the line. Efforts were made to increase appropriations for various items. We added various items. We added a carrier. We added the Bomarc. We put in the B–70's. In the matter of Army modernization we provided for an increase over the House of $125,000 thus making an increase of $162 million over the budget. I believe we were very fair. Personally I feel we should support the committee rather than, at the last minute during the debate in the Senate, be railroaded into increasing these appropriations. It is only fair that the committee be supported.

Apparently, from the word I have received, there is going to be an overwhelming majority that will vote for this amendment, and perhaps for other increasing amendments.

I believe the committee acted wisely and soundly, after hearings. The action of the committee is fully justified, and the Senate, with all due respect to the junior Senator from Washington, should support the committee and should not accept the amendment the Senator from Washington has offered even in modified form.

Mr. JACKSON. I merely wish to state that in my earlier remarks—and I do not believe the Senator from New Hampshire was present at the time—I praised at length the work of the committee and the work of the able chairman of the subcommittee. I said that the Committee on Appropriations had done a fine job in connection with the Defense appropriation bill. We can have honest differences of opinion as to certain items with respect to which we believe we can improve the bill. I yield the floor.

Mr. RUSSELL. Mr. President, I have had some little acquaintance with this issue and in dealing with it. I did not attend all the hearings before the Committee on Appropriations, but I did undertake to read the hearings, and to familiarize myself with the questions that were at issue.

The question of the modernization of the Army is not a new one in the Senate. We have been wrestling with it for the past 4 years, to my certain recollection.

I was a few minutes late getting into a meeting of the Committee on Appropriations, and when I came into the hearing the Senator from New Hampshire, as he correctly has stated, was raising the issue of the modernization of the Army. A Senator who was sitting by me—I have forgotten who it was—asked me what I thought about it. I said that we had been whipsawed on this issue for several years. I said we had appropriated funds for the modernization of the Army above the budget estimate, but that the funds had not been expended.

Time and again the committee and the Senate have been put in the position of being blamed for increasing the appropriations for defense or increasing the total budget—they have never pinpointed it by calling it defense—without increasing the armed might of the United States in any degree, because those who handle the appropriated funds have refused to expend the money.

For that reason, I favored a nominal increase above the budget. I made the motion to increase the amount by $125 million over and above what was carried in the House bill. I did it with full knowledge of the fact that there had been carried over from the previous year approximately $340 million of appropriations which had not been expended. Of that amount, $175 million had been impounded or reserved, or whatever the Budget Bureau does to funds appropriated by Congress. They had not even been earmarked or allocated for expenditure. So I did not desire to make a large appropriation, and increase the blame on the Democratic Congress for being prodigal spenders, because I knew by doing so we were not going to increase the armed might of the United States to any considerable degree.

I regret that we have found it expedient to accept this increase, not because the money could not be properly expended, but because it never will be expended. I ask Senators to watch this prediction. Congress will be blamed for prodigal appropriations when the moneys have been impounded.

Mr. President, I wish to refer to one or two things which were discussed by the Senator from Washington. I do this without any desire or intention to be critical of the Senator from Washington. The Senator has rendered one of the greatest public services I have seen in recent months by the hearings he has conducted with relation to the operation of the executive branch in planning for the national defense. The hearings have been marked by dignity and good judgment.

However, the Senator did not give the Senate the full picture concerning some of the figures he used. It is queer, but when we exceed the budget estimate the increased amount of the appropriation probably will not be spent. I know all of it will not be spent. The Army will issue a release as to what it will spend the money for, and the amount that can be used. But when the budget estimates are sent to Congress they are stamped "Secret."

The Senator from Washington referred to 300 tanks. I must say, in defense of the Committee on Appropriations, that I would not have the American people believe that that is the entire number of tanks provided for in the budget. Three hundred is the number of tanks which the Army intends to purchase with the increase the Senate committee made above the budget estimate. The Senator from Washington meant that, of course, but his statement was not clear.

Mr. JACKSON. The Senator from Georgia is correct.

Mr. RUSSELL. I appreciate the Senator's affirming it.

In addition to budget estimates being stamped all over with "Secret" in the original budget—I never have known just how far to respect that classification in a matter like this when the Army gives out what we put in, although we did not break it down and earmark it in committee and keep secret what was done—there is in the budget as it originally came to Congress more than twice that many tanks which will be in their program for next year. So we are making some progress in the modernization of our tank program.

The Senator from Washington likewise referred to the 120,000 new, smaller caliber rifles which have been made uniform, I understand, by all the NATO powers. I am not altogether happy about that rifle. I remember hearing a great deal during the war to the effect

that the 30-caliber equipment of the U.S. Marines and Army forces in the Pacific was much more lethal than the 25-caliber Japanese rifle. However, we have now adopted practically that caliber rifle in the new automatic gun.

Anyway, there is a large number of those rifles in the original budget stamped "Secret," in addition to 120,000 which the Army said they would acquire with the $162 million which is over and above the budget estimate. I say that not because I am content with the rate of progress of the modernization of our Army. But I do so in order that the American people will not think we are entirely negligent in our procurement program. I also do not want the American people to get the false impression that Congress is entirely derelict in attempting to measure up to its constitutional responsibilities to provide for the armed services of the United States.

I hope that the predictions of the distinguished Senator from Washington as to what will happen next year in the allocations of these funds will come to pass; but for the time being I am frank to say that I believe by increasing the funds we have subjected ourselves to increasing blame for vast appropriations without substantially increasing the armed might of the United States.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the yeas and nays, previously entered, be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, for a good many years, we have lived in a world made tense by the threat of totalitarian dictatorship bent on imperialistic expansion. This tension has been heightened by the exploring progress in the technology of destruction, and by the vast military strength, in all types of forces, maintained and increased by the source of this threat—the Communist bloc.

It is obvious that there is no cause for relaxation in the tension to which I refer. On the contrary, numerous recent events have had the effect of giving grounds for tension and concern to increase.

To illustrate my point, I need only mention the Soviet Premier's action in deliberately torpedoing the summit conference in Paris in this past May, followed by his violent, abusive, personal attacks—without any precedent on the part of a responsible chief of state—upon the President of the United States. Providing an ominous echo, there have been the missile-rattling threats of the Soviet Minister of Defense.

Aside from the actions of the Communists themselves, there have been the occurrences of recent months in Korea and Japan and Turkey. The unrest in these countries, which occupy key strategic locations on borders of the free world, provides cause for concern over the possible effect upon the stability of government in those critical areas—and therefore cause for concern over the possible effect upon the stability of the free world's ability to maintain a solid, effective and unbroken front against the incursions of communism.

As the leader of the free world, the United States has major responsibilities. To meet those responsibilities in the light of the difficult and threatening conditions which exist, we have created a framework of international agreements for mutual defense. We have subscribed wholeheartedly to the principle of collective security. In support of those agreements and that principle, we have sent our military forces overseas, to share with our allies the vital task of maintaining a constant guard along the Iron and Bamboo Curtains.

The part played in this task by U.S. Army units is especially important. They provide the nucleus of the free world forces which stand ready to oppose any aggression by the massive, modernly equipped ground forces of the Communist bloc. It is these free world forces to whom the people of allied countries look to preserve their territory from being overrun—to be defended, not liberated.

Now, what is the condition of these American forces upon which so much depends? Their individual members make up the most highly qualified, thoroughly capable Army which this country has ever mustered in time of peace. From this, we may all take pride. When we consider their arms and equipment, however, the same pride is not so justified. Our soldiers wear the uniform of the richest, most technically proficient, most scientifically advanced and most highly industrialized nation in the world. Yet it is a regrettable fact that in many key items, due to the lack of availability of funds for modernization, their weapons and material are badly worn through age and use, outmoded by advances in design, or available in less than satisfactory quantities.

This situation can be condemned on a number of grounds.

In the first place, it is unthinkable that American soldiers should be asked to fight with munitions which are in many cases inferior to those in the hands of their potential enemies.

In the second place, the numerical superiority of the Communist forces under arms makes it imperative that our own forces be at least the Communists' equal in quality.

Third, there is the effect upon the peoples of allied countries. For them to adhere to the common cause with maximum strength, they must be able to feel that there is justification for hope that this cause can prevail.

Finally, if our forces are to achieve their primary objective—which is to deter war—they must have the means which convince a would-be aggressor that his attack would be doomed to fail.

In sum, it is self-evident that reason, national self-interest, and the success of the collective security effort all dictate the thorough and speedy modernization of the weapons and equipment of the U.S. Army. Any one of these reasons would be sufficient in itself. Together, they provide a weight of evidence which cannot possibly be disregarded.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, of the Senator from Washington.

The amendment, as modified, was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I offer an amendment on behalf of myself and my colleague [Mr. FREAR].

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the appropriate place, it is proposed to insert the following:

Provided, however, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a competitive basis to the lowest responsible bidder.

Mr. WILLIAMS of Delaware. Mr. President, a similar amendment has been approved by the Senate on previous occasions. I have talked with the chairman of the Subcommittee on Defense Appropriations about it, and I understand he is agreeable to accepting it.

The amendment merely provides that, so far as practicable, all contracts made under the bill shall be awarded on a competitive basis to the lowest responsible bidder.

On numerous occasions the Comptroller General has called the attention of Congress sharply to the fact that many such contracts have been awarded on a negotiated basis, when in reality they could very well have been awarded on a competitive-bid basis. In many cases even when bids are solicited they are not always awarded to the lowest bidder.

We all recognize that some parts of the defense procurement cannot be placed on a competitive-bid basis; for instance, contracts for the development of new missiles or other new weapons. Procurement of these new weapons must be handled on a negotiated basis.

However, many articles are standard items, and they can be purchased on a competitive-bid basis. Therefore, I believe that in the interest of saving hundreds of millions of dollars annually, the amendment should be approved.

Only the other day, I called the attention of the Senate to the fact that the Defense Department had bought 272,000 standard-sized screws. The screws were produced for 5½ cents apiece by the manufacturer. Yet under a negotiated contract with the Air Force, the Air Force contracted to buy some 272,000 screws at a cost of $1 apiece. The Air Force thus paid $272,000, under a negotiated contract, for an article which the contractor itself had produced as a standard article for about $15,000.

Mr. President, such a waste of money is indefensible. The Comptroller General has strongly criticized this procedure, and evidence has been presented on many occasions that if the Defense Department would solicit competitive bids and award contracts to the lowest responsibile bidders, an estimated $1 billion a year could be saved. That amount would either provide $1 billion more for

defense, or could be passed on as a saving to the taxpayers.

As another example, the Chrysler tank plant at Newark, Del., recently lost a contract; yet its bid was $50,481 lower than that of the Detroit division which was awarded the contract. This is an indefensible waste of the taxpayers money and it should be stopped. I think that in all instances the lowest responsible bidder should be awarded the contract. I think the taxpayers are entitled to that protection and when this procedure is not followed it raises grave questions as to the propriety of the negotiations.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. JAVITS. The Senator from Delaware has introduced a bill on this subject, and I, together with my colleague from New York [Mr. KEATING], have introduced a similar bill.

If the Senator will allow me to do so, I should like to join with him in offering the amendment. At least, it is a step forward in a very trying area. We have insisted that even in the case of negotiated bids there is room for competition, and there ought to be competition. I am delighted to see the Senator from Delaware pursuing this line.

I hope it will be very clear, from the record, that negotiated bids also are included in the amendment which the Senator is offering.

Mr. WILLIAMS of Delaware. That is correct, it is intended that they be included. I appreciate your support.

Mr. President, I ask unanimous consent that the names of the senior Senator from New York [Mr. JAVITS], the senior Senator from Illinois [Mr. DOUGLAS], and the junior Senator from Wyoming [Mr. MCGEE] may appear as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. Is the wording of the Senator's amendment so clear that it includes competitive negotiations?

Mr. WILLIAMS of Delaware. It is. That is the intention of the amendment, and it is being made clear that this is the legislative intent. The amendment includes the words "except that, so far as practicable, all contracts shall be awarded on a competitive basis to the lowest responsible bidder."

It has been pointed out, and very properly so, that certain items purchased by the Defense Department cannot be purchased on other than negotiated terms. So we have provided discretionary authority, for cases where new weapons are being bought. Competitive bids would not be practicable in the development of a new missile for instance.

Mr. KEATING. As the Senator from Delaware knows, I have sponsored legislation and have testified before the Committee on Armed Services on this subject. It is my feeling that wherever possible, open competitive practices should be engaged in with regard to Government contracts. Such a policy is in keeping with our free enterprise system and the need to insure economical utilization of taxpayers' dollars.

I think that if the words "so far as practicable" are included in the amendment, that is something which leaves enough leeway so as not to hamper anyone in the field, and yet achieve the objective we seek.

I also recognize the fact that in many of these programs it is necessary to negotiate contracts. Nevertheless, it is very important that they not be negotiated with any single firm, but that many may have the opportunity to negotiate. That is the philosophy behind the legislation I have proposed in this field. Therefore, I support the Senator's amendment wholeheartedly, and I ask unanimous consent that I also may be joined with him as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PROXMIRE. I, too, join in complimenting the Senator from Delaware. This is a very important amendment, in view of the fact that in fiscal 1959, as I understand, out of $22,700 million of procurement, by the Defense Department, $19.6 billion was negotiated, and only $3 billion was subject to competitive bids. I may point out that this is a far smaller share——

Mr. STENNIS. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Mississippi will state it.

Mr. STENNIS. The Senate is entirely out of order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. PROXMIRE. Mr. President, I may point out that this is a far smaller share of procurement in competitive bidding than a very few years ago, and competitive bidding in Government contracts has been steadily declining. I may also state that of the negotiated bidding, the share of small business was only 11.8 percent, whereas the competitive bidding was approximately 47.5 percent.

This amendment is a very good one; and I hope the Defense Department will recognize that it is a very good amendment and should be adopted.

Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment.

Mr. WILLIAMS of Delaware. I thank the Senator for his support.

The PRESIDING OFFICER. Without objection, that will be done.

Mr. ALLOTT. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. ALLOTT. I thank the Senator from Delaware for yielding.

I have joined him before in sponsoring similar amendments; and I endorse this principle now, as I have done wholeheartedly in the past.

For the reason that I believe the sense of the Senate is now fairly well determined, I shall not speak further at this time; but I ask that my name be added as a cosponsor of the amendment.

Mr. WILLIAMS of Delaware. Mr. President, I request that the name of the Senator from Colorado be added as a cosponsor.

The PRESIDIING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. I appreciate the Senator's support; and I know that he, too, has worked hard toward having the Defense Department exercise sound business practices in their procurement program.

The adoption and the proper enforcement of this amendment will save the taxpayers millions of dollars annually.

Mr. BRIDGES. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. BRIDGES. I should like to join the Senator from Delaware in supporting and sponsoring the amendment, and I ask that my name be added as one of its sponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRIDGES. Mr. President, I have always advocated the principles of the amendment.

I wish to obtain the floor in my own right, a little later. But at this time I desire to compliment the Senator from Delaware for submitting the amendment, and I join in supporting it.

Mr. WILLIAMS of Delaware. I welcome the support of the Senator from New Hampshire.

Mr. CASE of South Dakota. Mr. President, I suggest the facts on the purchase the Senator mentioned be referred to the Justice Department and that action be instituted for fraud against the Government.

Mr. WILLIAMS of Delaware. The particular case to which I have referred has been referred to the Department of Justice, both on the basis of the report by the Comptroller General and on the basis of my own statement in regard to it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I promised to yield first to the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I am very glad to join the Senator from Delaware in supporting this amendment, because I believe it lays down correct principles.

Nevertheless, I think it proper to state that we should not expect too much from the amendment, which provides that competitive bidding shall be used "so far as practicable." That provision is an escape hatch which can be used by the armed services, just as they do in the case of the present law. For example, the present act provides that:

> All purchases and contracts for supplies and services shall be made by advertising, except that such purchases and contracts may be negotiated by the agency head without advertising if—

And then comes a series of approximately 10 exceptions. So there is ample law at the present time.

As a matter of fact, by an Executive letter President Truman, in transmitting that law to the various armed services

in 1948, said these escape hatches should not be used as a means of destroying the purposes of the law.

Nevertheless, as we have pointed out over and over again, the armed services have disobeyed the principle of the law—so much so, that 86 percent of the dollar volume of purchases is made under negotiated contracts.

I fear very much that this will likewise be the fate of this amendment; and, although I am very glad to support the amendment, we should not think we are disposing of this problem by adopting this amendment. It is valuable as a declaration of a continuing intent by Congress.

In addition, I wish to call attention to a recent report by the Comptroller General of the United States, dated May 19, on the administrative management of the ballistic missile program of the Air Force. His report is caustically critical of the mismanagement of that program; and on page 107 and the following pages he points out that the Air Force refused to permit the Comptroller General to see its records, and claimed executive privilege as against the Comptroller General; and when the records were finally made available, they had been carefully screened, and much material had been removed; and the Comptroller General was then compelled to make a duplicate investigation. I am informed that this cost $125,000, and even then it did not result in making available the material which would have been fully available in the Air Force files; and the results of the investigation were consequently badly delayed.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an excerpt from pages 107 and 108 of the statement or report by the Comptroller General.

There being no objection, the excerpt from the statement was ordered to be printed in the RECORD, as follows:

ACCESS TO SIGNIFICANT RECORDS DENIED

In contravention to statutory requirements, the Air Force has denied us access to basic information, records, and reports, including reviews by responsible officials of the progress of the ballistic missile program and the steps taken to identify and correct problem areas and delays in the program. These denials were made pursuant to policies and procedures of the Departments of Defense and the Air Force, not because of military security reasons but, instead, on the basis that the records contain "privileged" information which could be withheld by the executive branch of the Government. In our opinion, the information, records, and reports withheld from us are essential to the proper performance of our audits and reviews of the operations of the Department of the Air Force in the management of its ballistic missile program. These restrictions have impeded the progress of our audit and have prevented us from fully discharging our statutory responsibilities to conduct independent and searching examinations in order to report to the Congress and management officials conditions or circumstances which need attention and improvement so as to effectively accomplish the program and prevent the unnecessary expenditure of money, manpower, and material.

Those records which were made available to our staff were not released until they had been screened. This in effect resulted in removal from the official files of any material that the Air Force felt we should not have. This screening, editing, and censoring of information regarding the exercise of powers, the discharge of duties and responsibilities, the conduct of activities and financial transactions, and methods of business leaves us in the position of having to establish our findings, conclusions, and recommendations without access to pertinent facts and information which the Air Force decides to withhold from us rather than on all facts and information in possession of the Department. While the extent to which material had been withdrawn from official files prior to release of the files to us was not determinable by us, we noted instances where it was evident that information of a critical nature had been withheld.

This screening procedure not only resulted in the withholding of an undetermined amount of information but also was very wasteful. Considerable time and effort were required on the part of Air Force and contractor personnel to perform this screening and to forward any questionable material to higher echelons for review as to possible release to us. This in turn caused substantial delays in our review.

Mr. WILLIAMS of Delaware. Mr. President, I thank the Senator from Illinois for his support. I agree fully with him that the amendment does not do the entire job which must ultimately be done if we really correct this abuse. However, that can be done only by the enactment of legislation covering all procurement by the Government and I will continue to work with him toward that objective. It is indefensible for the Department of Defense to continue to purchase so much of its equipment by means of negotiated contracts, rather than competitive bids. It is true that this amendment can only cover the spending of the $40 billion in this one bill.

However, this amendment will be a major step in the right direction; and, at least, it will safeguard the expenditure of the funds provided under this bill which accounts for about one-half of our annual budget. It specifically instructs the Department of Defense to seek competitive bids and award the contracts to the lowest bidders.

I know that a more complete job needs to be done. The Senator from Illinois has sponsored legislation on previous occasions, and in which I have joined, but we have not been able to get our bills adopted.

This amendment being offered here today, while not covering procurement by all agencies of the Government, will cover the buying of the Defense Department. They are the largest buyers in Government and they have been the worst violators of this sound business practice.

Mr. LAUSCHE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. LAUSCHE. Mr. President, today I have been in committee meeting, and have not previously been able to be on the floor.

But no class of mail which I receive today exceeds in volume the mail in which complaints are made about the expenditures and the purchasing activities of the Department of Defense, particularly as regards its procurement practices.

So I should like to join the Senator from Delaware in sponsoring this amendment; and I ask unanimous consent that my name be added as one of its sponsors.

Mr. WILLIAMS of Delaware. Mr. President, I am glad to have the support of the Senator from Ohio.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, I do not believe a single Governor in the country would fail to be profoundly alarmed if his procurement officers were making purchases on the basis of negotiated contracts, instead of competitive bids.

Competitive bidding has been accepted as the sound method of doing the public business, for in that way all prospective vendors have a chance to bid, and the awards go to those who make the lowest bids. That system eliminates waste and fraud.

On the other hand, negotiation has a tendency to develop laxity and negligence.

I have been here only 3 years, Mr. President; but each year it has become rather painful for me to hear Senators beg the Department of Defense to use more widely the competitive system of awarding contracts.

So I wish to join my colleagues who have spoken on this subject today.

Mr. CURTIS. Mr. President——

Mr. WILLIAMS of Delaware. I yield to the Senator from Nebraska.

Mr. CURTIS. I thank the Senator from Delaware.

Mr. President, I desire to assure the Senator from Delaware that I support his amendment. The matter to which it relates is so elementary that it does not require detailed discussion. The amendment is businesslike, and I am glad to support it.

Mr. WILLIAMS of Delaware. I thank the Senator from Nebraska for his support. I am confident that our approval of this amendment and its proper enforcement will save the taxpayers millions.

Mr. JOHNSON of Texas. Mr. President, at this time I wonder whether we may have the yeas and nays ordered on the question of the passage of the bill, so that all Senators may know about that.

Therefore, Mr. President, on the question of the passage of the bill, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS].

Mr. HART. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. HART. The junior Senator from Michigan realizes how appealing it is to advocate that all contracts be awarded to the low bidder on a competitive basis. I support the amendment of the Senator from Delaware, provided I have from him his assurance that this phrase,

which already has been criticized, that it be done so far as practicable, leaves open to a conscientious Secretary of the Defense the opportunity, notwithstanding that somebody is a low bidder on a competitive basis, to award the contract to someone else. I know this is not a politically popular twist, but if, in the judgment of the Secretary of Defense, because of a series of awards to the low bidder, there were to be concentrated in a certain region of this country so much of the defense work that, if that region of the country were destroyed by act of God or enemy, we would be in trouble, it could be possible that we would have been so busy saving money by awards of contracts to the low bidder that, all of a sudden, we might discover all the defense business was in California or Michigan or Delaware. If one of those areas went into oblivion, we might have saved money, but it would be at a very tragic cost.

I hope, in our enthusiasm to assure that the Department of Defense will award contracts on low bids, we will not forget that is not, in all cases, the soundest discharge of the public business.

Mr. WILLIAMS of Delaware. I appreciate what the Senator from Michigan has said. However, I want the record to be very clear that, if the amendment is adopted the award must be made to the lowest responsible bidder. The purpose of the amendment is to make sure that contracts will not be passed around to friends in Delaware, Michigan, or in any other State, but will be awarded to the lowest responsible bidder. Under this amendment the Department will solicit bids for all contracts and then award the contract to the lowest responsible bidder except only in those cases where the solicitation of competitive bids would not be in the best interests of the United States, for instance in the procurement of a new type weapon upon which there has been no experience.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

Mr. KUCHEL. Mr. President, the explanation which was just given by the Senator from Delaware prompts me to ask if the text of the amendment might at this time be read.

The PRESIDING OFFICER. The amendment of the Senator from Delaware will be read.

The LEGISLATIVE CLERK. At the appropriate place it is proposed to insert the following:

Provided, however, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a competitive basis to the lowest responsible bidder.

Mr. KUCHEL. Mr. President, I take it, from the answer given by the Senator from Delaware, that the amendment would not put a pair of handcuffs on the Pentagon in discharging its responsibility for the defense of this country if, with respect to any type of weapon system, it was determined by the proper authorities that competitive bids were not in the public interest. Is that correct?

Mr. WILLIAMS of Delaware. The Senator is correct. It was pointed out by the Defense Department that in connection with some contracts competitive bidding is not practicable. We might use, as an example, the building of the Titan or Atlas. Bids could not have been solicited, in this case because there had been no experience in that line. But when the awarding of contracts is desired for standard products, and there are available several sources of supply, the amendment provides that there must be solicitation of bids, and the contract must be awarded to the lowest responsible bidder.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

Mr. BRIDGES. Mr. President, the perils this Nation and the free world face today make this the most important legislation to come before the Senate in this session.

First, I want to say that the bill as reported to the Senate is the result of close study under the dedicated chairmanship of the senior Senator from New Mexico [Mr. CHAVEZ].

The bill as reported is a sound bill. It is a balanced bill. It is a bill that is responsive to the defense needs of this Nation and the free world.

STAGGERING AMOUNT

The amount of the bill is $40.4 billion in round numbers—a staggering amount. It is about $1 billion more than the House approved. But it is needed.

Perhaps the day will come when we will not have to spend such huge sums for defense. But that day is not today, and it will not be tomorrow.

I am aware that there are those who think we should spend even more. My answer to that is this: The bill as reported goes far enough, without going too far. There has to be a limit, even in the field of national defense. Our defense program has to be one we can sustain. The committee bill offers such a program.

PARTICULAR ITEMS

Now I want to mention just a few items in the bill—items I am glad are included.

I am glad the bill includes $293 million, the budget estimate, for a conventionally powered aircraft carrier. The aircraft carrier can play a vital role in limited, as well as nuclear war. It has great striking power plus mobility. Both capabilities are extremely important.

For a similar reason, I am glad the bill includes $203 million over the budget estimate for more Polaris submarines.

I am also pleased that the committee has added $285 million to the bill for development of a complete B–70 weapons system.

By its action today the Senate has approved $252,202,000 for Army modernization above the budget request of $1,337 million for Army procurement. In addition, the Army will have available, under the Senate bill, all amounts of military assistance program reimbursements, estimated at $120 million.

Another important provision in the measure contains language saying that not less than $200 million of aircraft procurement money will be for transport aircraft suitable for the movement of fully equipped troops and combat equipment. We must be able to get troops armed with modern weapons and equipment to trouble spots in a hurry.

I want to mention just one other among the many items in this legislation of which I think all of us are in strong support. That is an additional $50 million above the House figure for maximum acceleration of the reconnaissance satellite program, Samos. We must have this program quickly to prevent surprise attack and to provide vital intelligence.

I intend to support the committee bill, and I hope my colleagues in the Senate will do likewise.

In conclusion, Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks a brief statement on the progress that has been made by our Nation's Department of Defense in the past 7 years.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE DEPARTMENT OF DEFENSE—1953–60

During the past 7 years, the Department of Defense has assisted the President in carrying out his original pledge "to give our Nation maximum safety at minimum cost." In achieving this objective, we Republicans have followed a steady, carefully planned course which avoided the waste that can be caused by groundless fears or by complacency.

In the reorientation of our military policy, emphasis was placed on maintaining flexible forces capable of countering any aggression, from limited emergencies to all-out nuclear war, and on taking full advantage at all times of the revolutionary advances in weapons technology.

In 1953, our strategic retaliatory forces consisted of propeller-driven B–36's and some medium-range B–47's. Today the B–36's have been replaced by B–52 jets, and supersonic B–58's are augmenting our B–47 striking power. After the feasibility of light-weight nuclear warheads became evident in early 1954, thousands of smaller land- and carrier-based aircraft also acquired a nuclear capability, and the development of long-range ballistic missiles assumed new promise.

The American people can be justly proud of the achievement of their scientists, industrialists, and Armed Forces in the ballistic missile field. Within the short span of 3 years, the Thor and Jupiter 1,500-mile missiles were brought from drawing board to operational availability. For the 5,500-mile Atlas, the time span was 5 years, and our programs call for Polaris-armed submarines to become available in 1960, advanced Titan missiles in 1961, and the second generation Minuteman in 1963. These programs, together with the retaliatory forces now in existence, assure the continued effectiveness of our strategic deterrent.

Similar substantial progress has been made in all other phases of our defense effort. In early 1953, no guided missile system was operational; today, surface-to-air and air-to-air missiles have many times increased the effectiveness of our air defense effort on land and at sea, and our ground forces with their surface-to-surface missiles have achieved unprecedented striking power. A new age in

ship propulsion was inaugurated in 1955 with the commissioning of the *Nautilus*, and nuclear power is being used since then whenever combat advantages justify the additional cost. The Army's new Pentomic divisions reflect the adjustment of its tactical doctrine to the nuclear age, and the Marine Corps perfected new vertical envelopment techniques for amphibious landings. Never have our Armed Forces experienced as radical a change in the art of warfare and never has their adjustment to such changes been more rapid.

The 2,500,000 men and women in the Armed Forces are backed by a revitalized Reserve Establishment, readier than ever before in our history for an emergency, and abroad over 40 nations are being assisted with arms and equipment, supporting with our help about 5 million ground troops, 2,500 combatant ships, and 30,000 aircraft, and making available for our use some 250 strategically located bases. This global cooperative effort provides a shield without which the free world could not pursue its vital programs for social and economic progress.

The policies and programs carried out during the past 7 years have given the United States a Defense Establishment ready to meet the challenge of any aggressor at any time. Current policies and programs assure the safety of our country in the years ahead.

Mr. BRIDGES. Mr. President, on the issues which have been discussed, whether it be the B–70, the Polaris submarine, the aircraft carrier, the modernization of the Army, satellites, or any other subject, the subcommittee rose to great heights and acted very nearly unanimously on very important issues. I think the chairman of the subcommittee is to be complimented. I want to pay a tribute to him and to all the members of the subcommittee, particularly the Senator from Massachusetts [Mr. SALTONSTALL], who is the ranking minority member of the subcommittee, for working so closely on the bill. I have never seen the committee produce a better bill, and I hope it will not be further amended.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, on behalf of myself and the Senator from Pennsylvania [Mr. CLARK], I send amendments to the desk, and ask to have them stated.

The PRESIDING OFFICER. The amendments offered by the Senator from Illinois, for himself and the Senator from Pennsylvania, will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 3, line 20, to strike out the amount "$605,146,000" and insert the amount "$639,646,000".

On page 3, line 25, it is proposed to strike the period, insert a semicolon in lieu thereof, and insert the following additional language:

Provided further, That the strength of the Marines at the end of fiscal year 1961 shall be not less than 200,000.

On page 12, line 23, it is proposed to strike the amount "$174,796,000" and insert the amount "$180,296,000".

The PRESIDING OFFICER. Does the Senator from Illinois desire that the amendments be considered en bloc?

Mr. DOUGLAS. Yes.

Mr. President, I am very happy that the distinguished Senator from Pennsylvania [Mr. CLARK] is a cosponsor of this amendment.

I think this is the best investment in national security which we could make, because the added $40 million would give us, at the end of the next fiscal year 25,000 more fighting members of the Marine Corps and would bring our combat units up to strength. I have checked these figures, and I believe them to be approximately correct.

Mr. President, we are properly concerned, of course, about the possibility of a ballistic missile attack by the Soviet Union upon us. This is a real danger. However, what is more likely to occur is a series of probing operations by the Communists on the outskirts of the free world. If we do not have adequate conventional ground forces, we are likely to find the free world being nibbled away. Great Britain has been reducing its ground forces very markedly in recent years. The French divisions are tied down in Algeria.

We in turn have, unfortunately, decreased our ground forces in recent years. The Army a few years ago consisted of 15 old-fashioned divisions, but this has been reduced. I noticed the statement was made today that the Army has 14 divisions. I cannot believe those are fully equipped and manned divisions ready to take the field. I think there is a good deal of padding in that figure, beyond question.

The Marine Corps has been reduced from a strength of 215,000 men. It is true that in times past Congress has twice declared it wanted to have the Marine Corps increased in strength to 200,000 men, and has appropriated funds which would have accomplished this purpose. This has been in the form of a mandate. It is true, however, that each time the administration has refused to carry out the mandate of the Congress.

A general feeling of frustration creeps over all of us in dealing with the administration in these matters. We appropriate money for more adequate national defense. We lay down a mandate. Then the administration disregards it. It is then said, "Why not abdicate, and let the administration run the show?" I do not think that is really the proper thing to do. We in Congress have a responsibility, also. I think we should try to provide the administration with sufficient funds and with a mandate, so that the administration may disregard it at its peril.

I think, under the Constitution, the President does not have the right to disregard the direct injunction of the Congress in these matters. I think he is acting unconstitutionally. I should like to see the issue tested in the courts, but apparently this is not to be done.

I think we should give a mandate to the President about the size of the Marine Corps, exactly as we have given a mandate with regard to competitive bidding on contracts rather than the negotiation of contracts.

We shall have a new administration in January. I hope it will be a Democratic administration. If it is a Democratic administration, I think it is probable that the mandate of the Congress will be carried out and not disregarded, and that we will have, therefore, a more effective and stronger Marine Corps if we will only give the word. I am sure this is highly desirable for the welfare of the country.

Mr. President, I hope very much that our good friend from New Mexico will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

Mr. CHAVEZ. Mr. President, no one is more sympathetic with or partial to the Marines than is the chairman of the subcommittee, but General Shoup, the commanding general of the Marine Corps, did not make very much of a showing in favor of an increase. It was General Shoup who convinced us he did not need more marines.

I am a marine at heart. My boy was a marine for 54 months, serving in the Pacific. Only 14 of the 72 assigned returned and he was one of the 14. We are thankful to the good Lord for that.

Nevertheless, I think this is not the time to do as the Senator suggests. There are several reasons. We have provided everything General Shoup said he wanted. He wanted no more. He is the one who convinced us.

The full committee acted on the proposal, and the full committee took the action now before the Senate. I do not feel justified in accepting the amendment. I would rather have a mandate from the Senate. I do not feel that I can accept the amendment and take it to conference.

Mr. DOUGLAS. The Senator would not vote against the amendment if it were submitted to the vote of the Senate, would he?

Mr. CHAVEZ. Of course I would not.

Mr. DOUGLAS. The Senator encourages me, then.

Mr. CHAVEZ. As I say, I prefer to have a mandate from the Senate.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. I express the hope that the distinguished chairman of the subcommittee will give very serious consideration to accepting the amendment and taking it to conference, because it implies the action we have taken several times before.

Mr. CHAVEZ. I believe the Senator from Massachusetts [Mr. SALTONSTALL] has some remarks to make with regard to the amendment. I will make a decision after the Senator speaks. He may convince me.

Mr. SALTONSTALL. Mr. President, as one who has the highest regard and respect for the Marine Corps, as one whose son was a member of the Marine Corps, as one who has attended many Marine Corps banquets and has always been a supporter of the Marines, I hesitate to take a position against what the Senator from Illinois proposes; but I feel compelled to point out that last year the President emphasized very, very strongly

that he could not accept any Department of Defense appropriation bill which carried a mandatory requirement that the strength of the Marines or of the Army should be increased to any certain number.

The amendment which the Senator from Illinois has offered states in perfectly clear terms that there shall not be less than 200,000 marines at the end of June next year. I point out that to provide for the amendment which the Senator has offered there will be required $47,995,000 in addition to the amount in the budget request.

I know the Senator from New Mexico feels that this problem can perhaps be worked out in conference. I know the Senate adopted such a provision in the bill last year. I know, however, the strong feelings of President Eisenhower against a mandatory provision with relation to the strength of the Armed Forces.

I point out that although I think the amendment will be taken to conference, I, as one of the conferees, will do my utmost to see that the mandatory provision with relation to the strength of the Marines—the requirement that the strength be 200,000 men by June 30, 1961—is eliminated from the bill.

From the testimony which has been given to us, there will be an average Marine Corps strength for the year of 187,000 men. In his testimony before the committee, General Shoup did not ask for the additional personnel. General Shoup said, as was pointed out this morning—I think by the Senator from Illinois or by the Senator from Missouri—that not all of the units would be filled up, but that by eliminating some of the Shore Establishment, by eliminating some of the establishment at embassies, and so on, there would be an increase of two battalions of Marines who would be available for immediate front-line duty.

General Shoup also testified that although he would like to have more equipment, he was satisfied with what was provided and he thought the Marine Corps procurement was proceeding at a satisfactory rate.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Pennsylvania.

Mr. CLARK. I should like to inquire of my friend, who is much more knowledgeable about the details of this problem than I, whether I did not hear clear testimony on the floor of the Senate from the Senator from Washington earlier today that as a result of the Marines being held down in strength—I think to 175,000 men—they would have only 90 percent of their combat troops available and only 68 percent of their combat support troops available, and consequently the three divisions of Marines would not be adequately manned and staffed for what I fear will be a pressing and almost immediate call to action, because of the very unsettled situation in the Far East?

Mr. SALTONSTALL. While I cannot give the exact percentage figures, I believe the Senator from Pennsylvania is not far from correct in what he has stated as to the percentages of the full Marine divisions.

General Shoup testified, I believe, that he had sufficient Marines at the present time short of a general conflict. If there was a general war and the Marines were called, he would have enough to get started but he would have to replenish his forces within the first 3 or 4 months.

Mr. CHAVEZ. May I quote the general's exact words from page 177 of the hearings? General Shoup said:

> We can do with the three combat division wings; we can put them into combat; we have the materiel and the manpower to keep them there for a considerable time. But then if, at that time and during that process, general war should occur we do not have anybody left in our posts and stations to do that other mission of handling Marine Corps mobilization which we are supposed to be ready to do.
>
> That is just exactly the holiday we have. That is exactly the risk we take by not having the 25,000 Marines.
>
> I suppose the logical question is, Is that an overpowering risk?
>
> I would like to point this out—that in my opinion, from my study of all the budget and all the hearings and everything, all the information I can get, to me it is an obvious conclusion that general war is not planned for fiscal year 1961.
>
> If it is planned, then I say openly that we ought to take the whole Defense Department, including me, out to sea and sink them, because there is nothing in any of these budgets that indicates that a general war is going to start in fiscal year 1961.
>
> If it is not going to start, then the Marine Corps can do all of the missions it has to do. If it is going to start, we cannot do it without 25,000 more Marines.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New Mexico accept the amendment?

Mr. CHAVEZ. Yes, I will accept it and take it to conference.

Mr. DOUGLAS. I thank the Senator very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, before the third reading of the bill, I wish to call attention to a section of the report which deals with small business procurement, and which states in its opening statement:

> The share of Department of Defense procurements being awarded to small business concerns in the form of prime contracts has developed into a serious situation. The percentage share of military prime contracts has spiraled downward from a high of 25 percent in fiscal year 1954 to 16 percent in fiscal year 1959. This affords a sad commentary on the effectiveness of the small business program of the Department of Defense.

Mr. President, that statement is a sad commentary, and it very materially affects my State and very materially affects other States which are in the same situation as we are. The whole balance of defense contracts has now shifted from the eastern part of the country to the west coast. We have been up and downhill upon this subject, and we admire the Californians for having been able to corral so much of this business. We are going to try to emulate them all we can.

But there is an area in which the East need not be neglected as it has been, and that is in the area of small business, especially in the area of subcontracting. It seems to me that when the committee feels moved to note a serious situation created in this field, those of us who have been disadvantaged and whose States have been seriously disadvantaged in respect to the defense contracts, have a right to draw attention to that condition and to demand of the Department of Defense that it do an infinitely better job than it has been doing, and to make the same demand of every other agency of Government that has to do with the allocation of procurement contracts to small business.

The committee goes on to suggest a very practical course in that regard. It suggests two things. First:

> Sole source procurements made with funds appropriated under this act should be kept at a minimum.

In other words, the maximum amount of subcontracting should be engaged in. I think it is up to those of us from States like my own to emphasize and underline the importance of the directive contained in the committee's report to the Defense Department. The State of New York pays almost 20 percent of the tax bill of the United States, and yet its share of defense contracts has slid down to about one-half of what it was.

As I have said, in a competitive situation, it is our job to sharpen our pencils and do a better job than we have done previously, but certainly in the area of subcontracting, where small business such as we have in New York, can be advantaged rather than disadvantaged, we have a right to demand of the Department of Defense better performance than the committee itself finds has been given in respect of this legislation.

The second suggestion made by the committee is:

> Determined effort should be made to increase the participation of qualified small companies in the vast area of research and development contracts.

On that score I call attention to the fact that section 9 of the Small Business Act of 1958 has a very material provision in it to enable small business to compete for research and development contracts, a provision which has been sadly unused. It provides that small businesses may combine, notwithstanding the antitrust laws, in order to get research and development contracts, and it gives the Attorney General authority to allow such combinations to take place, and, indeed, to keep an eye on them so he may withdraw his permission in the event that he finds that the privilege is being abused.

I have just obtained facts which show that there are only two pooling groups for research and development, and neither of them has a contract. One is in Denver, Colo., and involves 3 companies and 262 employees. The other is in Albuquerque, N. Mex., with 4 companies and 90 employees. There are eight other small business production pools,

and I am informed that none of these has contracts.

To some extent, of course, it is the fault of the small business concerns themselves, but we have charged at least two agencies of the Government—the Department of Defense and the Small Business Administration—with seeing that business gets a fair break in respect of Department of Defense procurements, of which we are constantly reminded.

There are expenditures of $22 billion a year, enough to change the climate for small business throughout the United States completely; and the committee itself finds that this job is not being done.

I have taken these brief few moments on the floor to register my demand, in which I hope Senators from other States like my own will join me, to register a demand that the Department of Defense get on the job and to do so at least in the way that the committee has suggested, considering the vast range of tools that we have, including the tools of the Small Business Act of 1958, which the Congress has made available, and considering the fact that this report represents in my view the manifest will of the Congress in this field.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. SALTONSTALL. Mr. President, I should like to speak very briefly. First I ask unanimous consent to insert in the RECORD statements on nine of the important matters that we have discussed today. They refer to Midas, Samos and Discoverer; the B–70 bomber; Army modernization; airborne alert; the aircraft carrier; airlift modernization; antisubmarine warfare; Polaris submarines; and Bomarc–F–106.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

MIDAS, SAMOS, DISCOVERER

For the Midas early warning satellite, the Samos reconnaissance satellite, and the Discoverer space research vehicle development programs the President's Budget contained $41 million, $199.9 million, and $15.1 million respectively. In addition, there are $60 million in the procurement account for application to these three programs, without allocation of that amount by program.

In the April 6 defense revision, the administration added $26.4 million to the Midas project and $35 million to the Discoverer project. The totals under the revised budget, therefore, were $67.4 million for Midas, $199.9 million for Samos and $50.1 million for Discoverer.

To these amounts the House added research and development funds of $10.2 million for Midas, $33.8 million for Samos, and $10 million for Discoverer.

The Senate committee did not approve the House add-on for Midas or Discoverer, but instead provided language in the bill authorizing transfer of up to $150 million to accelerate missile or satellite programs in the discretion of the Secretary of Defense.

In view of the suspension of further U–2 aircraft reconnaissance flights, the committee deems it of utmost urgency to accelerate to the maximum degree development of the Samos reconnaissance satellite program. Accordingly, we approved the $33.8 million added by the House and increased this by $50 million more. With the funds provided in the budget an operational capability was anticipated in calendar year 1963. The additional $83,800,000 provided by the committee may make it possible to attain operational capability fully a year earlier by increasing the number of Samos test launches and by accelerating the program.

B–70 BOMBER

While the President's budget provided $75 million for continued development of the B–70 manned bomber, these funds would only permit construction of two prototype airframes. By reprograming funds, the Air Force plans to apply $15 million develop the bomb-navigation system.

Gen. Thomas D. White, Air Force Chief of Staff, informed the Defense Appropriations Subcommittee that the two-prototype program is in trouble because of a shortage of about $20 million which are needed to keep the contractor on schedule. The subcommittee was also told it would require $285 million additional to the budget amount to permit the full B–70 weapon system development. The committee has allowed the full amount which will make possible an estimated first flight date of December 1962 and a first wing equipage date of August 1966.

Our present military forces consist of a mix of missiles and aircraft and it appears we will need to maintain a mixture of weapons in the foreseeable future, although the ratio of planes to missiles may change. Each weapon system has its advantages and disadvantages, which compels us to acquire both to meet the variety of threats which face us. Moreover, a variety of weapons for use in counterattacking an enemy greatly complicates his defense system.

For example, an airplane can be recalled; a missile cannot. If the alarm sounds indicating an enemy attack but this later proves to be false, the airplane can be diverted from its assigned target and its payload of bombs will not be dropped. With ballistic missiles, once shot, that is it.

A missile can be used once; manned aircraft over and over again.

Manned aircraft can obtain intelligence and damage assessment information essential to planning subsequent strikes. They also can attack mobile targets, which ballistic missiles cannot.

Aircraft can carry larger and greater yield weapons as well as multiple weapons; ICBM's at present can carry only one warhead and it is of relatively small yield compared to the payload of a bomber. Should nuclear weapons be banned at some future time, the load-carrying capability in terms of TNT of bombers assumes greater importance. Under such conditions missiles would be a very expensive means of delivering TNT against an enemy compared with the bomber.

Manned aircraft can seek out, discriminate, and attack targets with no sacrifice in accuracy and effectiveness; and they offer a greater range of flexibility in choice of targets. Furthermore, the pilot can use judgment when confronted with unexpected conditions, to disregard targets already destroyed and to use his weapons on alternate targets. In short, he has the ability to observe, think, and make unrehearsed decisions.

It is conceivable an arms control agreement may be reached, covering ballistic missiles, nuclear weapons, and space weapons. In such a situation, the manned bomber force may be our primary defense system. Therefore, we must continue with manned bomber development.

Piloted aircraft are useful in cold-war situations whereas ICBM's and IRBM's would have little application. The manned bomber force may be employed on a graduated scale without an irrevocable commitment to combat.

For these and other reasons, the committee was persuaded we should go full speed ahead on developing the B–70 bomber. This aircraft is being designed to travel its full range at mach 3, roughly 2,100 miles per hour. It represents a major aeronautical breakthrough, transcending the heat barrier. We were told that, in time of stress, a B–70 on alert over the polar regions could be over Moscow before an ICBM launched from the United States could reach the Russian capital.

The B–70 is expected to have good penetration capabilities, primarily because of its speed and altitude, and this would be enhanced by countermeasures, decoys, and air-to-surface missiles.

The B–70 is designed to carry several large bombs or a great many very small ones.

It is possible the B–70, designed with the crew far removed from the engines, may be adaptable for nuclear propulsion. It is also possible the B–70 could be used as a first stage space vehicle booster, from which space vehicles could be launched in midair rather than from the ground.

The maneuvering ability, speed, and large load-carrying capacity of the B–70 offers potential as an antisatellite weapons carrier and perhaps as a long-range platform for air-defense missiles.

The B–70 has potential as a rapid strategic airlift craft or as a mach 3 transport aircraft.

For all these reasons, the committee deemed it advisable to proceed with full development of the B–70 subsystems as well as the airframe so that the advanced aircraft would be available several years earlier than the budget contemplates. The House did not change the budget request of $75 million for the B–70.

ARMY MODERNIZATION

For procurement of modern equipment for Army troops, the Senate committee provided $162,100,000 more than the President's January budget request of $1,337 million and $125 million more than the House allowed.

The committee feels quite strongly that our troops should have the most up-to-date, effective armament and equipment available. There are thousands of items of equipment needed by our pentomic Army. The committee did not undertake to specify priorities among these many items for that is more properly an administrative function. The committee does, however, feel the Army should review its priority list to be sure the most urgent items are at the top of the list so that our troops will have in hand the most effective weapons with which to defend themselves and our country. The overwhelming sentiment of the committee is that the Army should divest itself of marginal procurement programs, some of which cost millions of dollars and do not provide commensurate increases in our military posture. The best defense is still the offense—and we should not indulge in glamor weapons at the expense of more urgent needs.

To understand the Army modernization picture better, it may be helpful to review the situation for the record. The Army testified that, except for $360 million of nonmodernization items, the entire amount in the Army procurement account is to buy new rifles, new vehicles, new missiles, new aircraft, and so on for the troops. Army witnesses told the Senate Defense Appropriations Subcommittee that the $1.337 billion in the President's budget, together with other financial resources of the Army, would finance an Army procurement program of direct obligations, or contracts, in fiscal year 1961 of $1.524 billion.

Of this amount, as I mentioned earlier, $360 million is for nonmodernization items,

leaving a total of $1.164 billion for Army modernization provided in the Budget figure. By adding $162,102,000 of cash to the budget, the Senate committee provided a total of $1.326 billion for Army modernization in fiscal year 1961. In addition to the cash, the Army will receive reimbursements from the military assistance program for off-the-shelf sales which the Army will not have to replace. Estimated at $120 million in fiscal year 1961, these reimbursements will also be available for purchase of modern equipment for Army troops.

It may also be helpful to clarify the action of the Senate committee on Army modernization with that of the House. The Senate committee added $125 million in hard cash to the House amount for Army procurement. According to the House committee report, $207,600,000 was added to the budget for Army modernization. But, at the same time, the House made a 3-percent overall cut in Army procurement, amounting to $42,498,000; made a $120 million cut directing the Army to retrieve that amount from MAP reimbursements; and made a further cut of $8 million in the jeep program. The net effect, therefore, of the House action on Army modernization was to add $37,102,000 to the budget request. As I stated earlier, the Senate raised this amount by $125 million to a total of $162,100,000 above the budget.

Airborne Alert

In the President's budget for fiscal year 1961 were $85 million to buy spare engines and other spare parts in preparation for a continuous airborne alert should it become necessary.

The House added $115 million for this purpose, to fund continuous flight of a greater portion of our long-range heavy bomber fleet which would be immune from surprise attack and which could then counterattack an enemy.

Not one of the military witnesses testified a continuous airborne alert is needed at this time, although their opinions varied as to when such alert might become necessary and as to how fast we need to stockpile parts and train crews for the assignment.

Gen. Thomas D. White, Air Force Chief of Staff, testified that Gen. Thomas S. Power, commander in chief of Strategic Air Command, had asked permission for an active airborne alert, but that General White said to get the spares, the fuel, the personnel so that it could be ordered at any time.

General Power, in fact, told the subcommittee: "I do not consider it is necessary to undertake a full-scale flying airborne alert program today. What I have asked for and recommended is the earliest capability so that it may be initiated when it is required."

Inasmuch as the continuous airborne alert is not a requirement at the moment, the committee decided the $85 million in the budget would suffice for fiscal year 1961, in conjunction with authority of section 512(b) of the appropriation bill which permits the President to incur a deficiency should the need for airborne alert arise later.

I wish to emphasize that, under this authority, the President is in no way obstructed should he deem it necessary to initiate continuous airborne alert at any time. He is empowered to incur whatever costs are involved and then to come to Congress later for replacement funds. We, therefore, deleted the $115 million added by the House.

Aircraft Carrier

The committee approved the Navy's highest priority shipbuilding request, $293 million for the construction of a new attack aircraft carrier of the *Forrestal* type, an item the House disallowed.

The attack carrier is the heart of naval striking power. It plays an extremely important role in limited warfare and constitutes an important addition to our nuclear war capability. To accommodate the modern jet aircraft phasing into the fleet, we must have carriers with large flight decks, with modern steam catapult equipment and with up-to-date arresting gear. The new carrier funded under the Senate bill will have all the latest equipment available to make it the most efficient and effective fighting carrier.

As to propulsion, the committee was persuaded that nuclear power did not offer advantages to the carrier that it does to submarines, which now are all construction with atomic-powered engines. Therefore, the committee agreed to the budget request for the $293 million conventional carrier.

Airlift Modernization

One of the programs of concern to the committee is modernization of the MATS airlift fleet to provide transport for Army troops and equipment. For fiscal year 1961, the budget requested $70.4 million for 25 C–130B cargo aircraft for Tactical Air Command and $50 million to finance design competition for a new long-range jet cargo aircraft for the MATS fleet.

Air Force witnesses informed the Defense Appropriations Subcommittee it would be 5 years before the new cargo aircraft would be available. The problem is how best to modernize the transport fleet in the meantime.

The committee added $200 million to the budget figure, earmarking this amount for transport aircraft suitable for the movement of fully equipped troops and combat equipment. This amount is $50 million less than the House figure for airlift modernization, but it is $50 million more than the Department of Defense requested in its reclama to the Senate.

For several years the airlift problem has been a vexatious and perplexing one, and, frankly, it is disappointing to me that the Air Force has not been able to settle on a suitable interim aircraft pending operational availability of a cargo aircraft of new and appropriate military design. I am sure I speak for all the committee when I say we will view with displeasure the accumulation of additional MATS aircraft which fail to meet Army airlift requirements.

Antisubmarine Warfare

The President's budget submitted in January requested a total of $1.865 billion for antisubmarine warfare, which was reduced under the April 6 defense revision by $114 million for two nuclear attack submarines which were dropped from the ship construction program of the Navy. This left a total of $1.251 billion for antisubmarine warfare.

The House added $321 million to the April 6 revised budget, consisting of $171 million for three nuclear attack submarines; $50 million for two destroyer escort vessels; and $100 million for ASW research and development.

Inasmuch as the Senate committee had concurred in the enlarged Polaris submarine program provided by the House, we did not believe that so many nuclear attack submarines were needed, and accordingly, we reduced the House amount by $57 million for one submarine. In addition, the Senate committee struck out the $50 million for the two destroyer escorts, but we accepted $41.886 million of the research and development add-on of the House, deleting $58.114 for that program.

I for one would like to urge the Navy to prosecute its research and development of antisubmarine equipment and techniques because this is an area of critical importance to our defense. Properly spent, the funds in the Senate committee should permit substantial progress in what is admittedly a frontier-of-science field.

Polaris Submarines

The Senate committee concurred in the House action adding $241 million to the Polaris submarine and missile program. This will fund construction of five submarines and procurement of long leadtime items for seven additional submarines, plus the full complement of Polaris missiles and other necessary equipment.

The President's original budget requested funds for building three Polaris submarines and long leadtime items for another three submarines. This was later augmented by the administration in a revised program of three fully funded Polaris submarines and long leadtime items for nine others. In prior years funds were provided to construct a total of nine Polaris submarines.

The additional $241 million for two fully funded submarines approved by the committee will move up the operational availability of these two ships by several months.

It is anticipated the results of the summer Polaris test programs will be quickly evaluated so that they may be applied to the accelerated Polaris shipbuilding and missile program.

Bomarc—F–106

For our defenses against manned aircraft and air-breathing missiles, the Senate committee restored the $294 million cut made by the House in the Bomarc B surface-to-air missile program. Our committee also added $75 million to equip two Bomarc squadrons on the west coast which are already under way. By its action, the House eliminated the administration's Bomarc B operational squadron program, although it permitted continuing Bomarc B research and development.

It should be recalled that the administration had voluntarily reduced the entire Bomarc program in its April 6 air defense revision, at the same time stepping up the fighter-interceptor program in a move to provide greater air defense against enemy bombers 2 years earlier than possible under the original Bomarc program.

The revised air defense plan projected a 9-squadron, 10-site Bomarc B program, including 2 sites in Canada and the remainder in the Northeast portion of the United States to protect our dense population and valuable industrial complex there. The revised plan contemplated 28 launchers and 30 missiles per squadron.

Needed to complete the Bomarc B research and development program are $50 million and to complete the operational squadron program $40.4 million of new money in fiscal year 1961.

The House not only knocked out the $40.4 million but cut deeper by $253.6 million, meantime allowing the $50 million research and development request. In place of the Bomarc B air defense program, the House added $215 million for 50 F–106 fighter-interceptor aircraft.

The Air Force Chief of Staff, Gen. Thomas D. White, told the Senate Defense Appropriations Subcommittee that to substitute fighter-interceptor aircraft for Bomarc B would give the Nation less defense capability at greater cost. We were advised that, to replace the Bomarc B program would require, not 50, but some 200 F–106 aircraft at a cost of $538.8 million—and even this would not give us the capability of the 9-squadron, 10-site Bomarc B program.

The testimony further disclosed a 200-fighter-interceptor program would require additional bases at an estimated cost for construction and operation of $25 to $40 million and 5,500 additional personnel. We were told the first F–106 delivery would be more than 1 year after the planned first deployment of Bomarc B. In addition, we were told that to proceed only with research and development now, with the idea of going into production later, would delay the program by about 3 years and would add almost one-half billion dollars to the present program cost.

Confronted with this appraisal by our chief military advisers of the Air Force the committee decided to restore the Bomarc B operational program and to deny the funds for 50 F–106's substituted by the House.

Mr. SALTONSTALL. I have one more comment to make. This morning the majority leader in his speech referred to the bill we have discussed today and said that it provided $1,581 million above the budget for 12 programs. Then he listed the programs. I should like to point out that he is entirely correct in saying that these amounts are above the formal budget submission.

However, during the course of the discussion of the budget before the House Appropriations Committee, Secretary Gates appeared and offered what was in substance a revised budget on certain figures.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SALTONSTALL. May I finish? Then I shall be glad to yield. The revised budget raised the amount requested for 5 of the 12 items which the majority leader discussed. He was entirely correct in saying that there was not a formal revised budget in the strict sense, but that this was a revision of the figures submitted.

Mr. JOHNSON of Texas. If the Senator will yield, I should like to point out that I agree with what the Senator says. Secretary Gates did do that, but in doing that he violated not only the intent but the actual letter of the law, in my judgment. Certainly the Senator from Massachusetts does not condone such action, because he was the author of the language in the committee report, which I read, and which called attention to the necessity of complying with the deficiency statutes.

Mr. SALTONSTALL. I do not question that this was an informal method of procedure.

Mr. JOHNSON of Texas. The Senator does not condone it, does he?

Mr. SALTONSTALL. I do not.

Mr. JOHNSON of Texas. I hope we will say to those responsible that we have a budget act, that they should not violate it, and that they should not slip in through the back door with a letter.

Mr. SALTONSTALL. Instead of the committee bill being $1,581 million above what the administration was willing to put into the budget, it is actually $1,119 million, or $462 million less than the $1,581 million. I say that because in his statement Secretary Gates asked the House to appropriate more than that for these five items which amounted to $462 million above the actual amount of the budget that was formally submitted.

Mr. JOHNSON of Texas. I agree with what the Senator has said. However, I refer the Senator to page 44 of the report and the table on that page entitled "Comparative Statement of Appropriations for 1960 and Estimates and Amounts Recommended in the Bill for 1961." He will see there the increases or decreases made by the Senate. They are compared with what? Are they compared with side-door letters, notes, memorandums? No. They are compared with the budget estimates.

I believe that Congress intended to have the Budget Director submit estimates. I do not believe we should fall into the very loose practice of a member of the executive department, one occupying the high position of Secretary of Defense, going to the Budget Director and saying, "I know that the official estimate is $100, but I will sign a pink slip or a letter and ask for money anyway." I think we ought to put it on the line and be honest about it. If the administration wants the money and needs the money and finds it necessary to have the money, and the Secretary of Defense feels it is justified, and the Budget Director feels it is justified, and the President approves, let us have the official budget sent to us, instead of these letters; and instead of having the Secretary of Defense coming to the chairman and saying that he is going to submit a letter.

I call attention to page 4 of my statement of this morning. Mr. MAHON, the chairman of the House Appropriations Subcommittee said:

> Will a formal budget submission be made by the Director of the Budget with respect to the Air Force program which was submitted about 10 days ago—

If not, why not?

Mr. SALTONSTALL. The only statement I have to make is that I assume it was too late to do it at that time.

Mr. JOHNSON of Texas. I should like to read the rest of that statement.

> Will a formal budget submission be made by the Director of the Budget with respect to the Air Force program which was submitted about 10 days ago and with respect to this program which you have presented, both of which you advise have the official approval of you as Secretary of Defense and the approval of the President?

What did Secretary Gates say? He said:

> Well——

That is all he said. He said:

> Well——
>
> Mr. LINCOLN. I can answer that, Mr. Chairman, if I may. I talked to the people in the Bureau of the Budget before I came up here and Mr. Stans would prefer to have it the way we set it up now, by the Secretary writing a letter to you.

That is going around the Bureau of the Budget. That is not the way to do it. It is giving a false impression to the people about what happened. They hold a private conversation down there. They do not send a budget estimate up on it. They send a little private letter up. They come up with a letter.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. SALTONSTALL. I invite the attention of Senators to the fact that there are really two ways by which the administration may change its budget, which as the Senator knows, is made up almost 9 months before it is submitted to us. The first is by making a statement before the committee of the changes in amounts that should be made, to correct the figures. The second is on reclamas.

When the Senate committee considered these matters, it had before it the increase made by the House, of about $1,500 million. Then it had the Defense Department request for restoration of $1,100 million of the House reductions. That is another method by which the administration can submit its figures.

Mr. JOHNSON of Texas. I wish to point out that the Secretary of Defense testified on April 6 of this year, and it was April 16 before the letter was written. Therefore, there were 10 days from the time of the testimony until the receipt of the letter, in which time a budget estimate could have been made up. That is the way it could have been handled if it had been desired to handle it in the legal and honorable way it should have been handled. The Senator does not deny that what I have read from the testimony before the House Appropriations Subcommittee is correct and is quoted from the hearings, does he?

Mr. SALTONSTALL. If the Senator says so, I agree with it.

Mr. JOHNSON of Texas. I do not ask the Senator to agree with it. I have the testimony.

Mr. SALTONSTALL. I do not question the Senator's statement.

Mr. JOHNSON of Texas. I have the testimony. The Senator may read it. Has the Senator read it?

Mr. SALTONSTALL. No; I read it in the Senator's speech.

Mr. JOHNSON of Texas. The point I wish to make is that I think this is fiscal hocus-pocus. The Senator from Massachusetts wants to do something about it, because, as I recall, he wrote the language that I read on page 3 of my statement. I will read it again, so that the Senator may follow it:

> The committee is emphatic in its belief that this deficiency should not again occur without the committee being promptly informed in accordance with the statutes on deficiencies.

The Senator from Massachusetts is the author of that language. I am supporting the Senator. Last year he wrote that language and said that this thing should not occur again. This year it occurs again. The Senator from Texas is thereupon criticized, and the Senator from Massachusetts tries to explain this thing. I say to the Senator that they are going to continue to do this so long as they have him defending them. What is the good of writing in the report last year that the Budget Bureau must submit estimates, if they then ignore that language by doing what they have done? The Senator rises on the floor and explains it for them. I say it is fiscal hocus-pocus. The Bureau of the Budget should not do it. The Secretary of Defense should not do it. The President ought not to let either one of them get by with it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. SALTONSTALL. I do not deny for a moment that it is not the proper way under the law and the Constitution to submit a budget. I merely say that of

the figures which the Senator presented, showing 12 items totaling $1,581 million above the budget, $462 million had been acceded to by the administration.

Mr. JOHNSON of Texas. Did I not say that?

Mr. SALTONSTALL. No.

Mr. JOHNSON of Texas. I said:

It should be noted that the administration itself belatedly recognized some of the shortcomings of its defense program. Despite repeated attacks on the so-called parochial views of those patriotic military leaders who had testified to the deficiencies of the program as they saw it—and despite repeated statements that acceleration was either impossible or unnecessary—in April of this year the administration did endorse a number of program increases. Of course, it was specified that any increases had to be offset by decreases in other programs, so that there would be no increase in total defense expenditures.

In other words, they did not want to admit they were wrong on the budget, but they said, "We will slip you a private letter saying we are wrong. We will let the Secretary of Defense say we want it, and that the President and the Budget Director agree that it is all right for us to have it, even though the law says it must be done with a budget estimate."

Mr. SALTONSTALL. Mr. President, will the Senator further yield?

Mr. JOHNSON of Texas. I yield, with pleasure.

Mr. SALTONSTALL. The revised figures submitted by the administration were, after all the pluses and minuses $119,400,000 less than the original budget estimate. Seven of the 12 items which the Senator mentioned were increased by the committee over the January budget and the revised request, but 5 of those items were increased by the administration in its revised request and the committee simply concurred in the administration increases.

Mr. JOHNSON of Texas. I understand some deletions were made; for example, the deletion of a couple of submarines, in order to pay for the Polaris.

I shall summarize and conclude by saying that I wholeheartedly agree with the wisdom and foresight of the Senator from Massachusetts when he included in the committee report a demand, which was very emphatic, that the Department follow the Budget Act. When the Department refuses to follow it, I think Congress ought to call their attention to it and say, "We put that requirement in last year's report, and we do not want to have to call your attention to it every few days. You who administer the law ought to set a good example by following the law."

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. SALTONSTALL. When the Senator says he approved of any action of mine, I am pleased and proud. I did write the language, and I believe in it.

Mr. JOHNSON of Texas. I usually approve of the Senator's actions. He is one of the finest Members of this body, as all who serve with him agree.

Mr. SALTONSTALL. I thank the Senator from Texas.

OBSERVATIONS ON ADDRESS DELIVERED IN THE SENATE BY SENATOR KENNEDY ON JUNE 14, 1960

Mr. DIRKSEN. Mr. President, I desire to make a few observations on the address delivered by the distinguished junior Senator from Massachusetts [Mr. KENNEDY] in the Senate on June 14. I called his office and ascertained that he is detained by rather important business as one of the overseers of Harvard University.

Since this is not a very testy or tart address that I am about to make, I shall reserve the rest of it for later. However, I believe that before the occasion gets too far into the past, I should make some observations about it.

The Senator from Massachusetts entitled his address "A Time of Decision"; that is to say, he was deciding what must and should be done. In an address of this kind, obviously there must be a central theme. I have gone over the address quite carefully; and in my humble and feeble way, I have tried to isolate that theme. I think I can compress it into a single sentence. That sentence is this:

First, tell the world that we have deteriorated on every front. Second, tell the world that this administration is incapable of dealing with foreign policy. Third, set out a program in which it is set forth that there must be more of everything, for everybody, everywhere. There must be more of everything that is already being done.

The Senator from Massachusetts was kind enough to include the American people. For them, there must obviously be more sacrifices, more taxes, more generosity, and more debate.

The Senator from Massachusetts said that in the field of defense there must be more missiles, more submarines, more nuclear power, more bases, more warning devices, and, generally, more of everything.

The Senator said that for limited wars, there must be more tools, better tools, and faster tools.

For NATO, the Senator said there must be more consolidation, more consultation, more strength, more reciprocity, and more good feeling.

For Asia, Africa, the Middle East, and India, there must be a more generous spirit, more and better aid, more and longer planning.

However, I observe that, evidently, the majority party in the House had other ideas when it chopped $790 million from the mutual security program, despite a last-minute entreaty by the President of the United States.

For Latin America, the Senator from Massachusetts said there must be more money, more technicians, more student exchanges, more surplus commodities, and larger scaled operations.

For the Middle East, the Senator suggests a regional resources development fund, which obviously would call for more money; and this should be coupled with more forbearance and more confidence.

The Senator said that for Africa there must be more exports, more factories, more student exchanges, more educated people to operate their schools and their governments.

The Senator said that for Berlin and Germany there must be more hope that Mr. Khrushchev will withdraw beyond the Urals.

On the basis of present actions, Mr. Khrushchev is not likely to smile, as the Senator alleged with respect to the President; he is not likely to frown, as he alleged about the State Department; and he is not likely to do both, as was said of the Vice President. Khrushchev is likely to laugh out loud when he hears that one.

For eastern Europe, and especially Poland, there must be more aid, more tourism, more student exchanges, more teacher exchanges, more effort to cultivate and nourish a state of liberty in any cracks in the Iron Curtain.

Being somewhat of an amateur gardener, I am afraid I would find some difficulty in nurturing a state of liberty under those circumstances.

For Red China and Asia, the Senator from Massachusetts suggests that there be a regional development organization, more communication with Red China, and more assurance that we will defend Formosa. That sounds a little contradictory. Nothing specifically was said about Quemoy and the Matsus.

For the whole wide world, said the Senator, there must be more peace and more arms control.

For our own country, there must be more research, more scientific effort, more and better schools, more economic growth, more progress to meet more pressing needs, and more justice and more opportunity.

Here, then, was the theme of the speech—more of everything that we are already doing.

The most entrancing phrase in the speech was this:

The hour is late, but the agenda is long.

I will agree with the last part of it.

To that, the Senator added:

I do not pretend that it is complete.

So, I for one, eagerly await the rest of the program. Evidently this is the big stick, with a bigger stick to come, as compared with what the Senator referred to as the smaller stick which he believes we now carry.

The $40 billion-plus in the defense appropriation bill which is now before the Senate, and on which we will vote in just a little while, looks like a pretty big stick to me.

An individual swinging a baseball bat can be genuinely effective. Give him a telephone pole, and he will break his back. That is what distresses me.

I subscribe to the Senator's suggestion for increasing the Atlas production. It is a reminder of Atlas of old, carrying the whole world on his back. If we are to undertake this long agenda, which is to become longer, then I breathlessly await the time when the Senator from Massachusetts will take the Senate floor and tell us the rest of the story.

I can only say that we may come dangerously close to impairing or destroying the capacity of this country to carry its responsibilities, and to destroying the last best hope of freedom on earth.

For the distinguished Senator to deliver a major address with a political flavor is entirely proper and quite in order.

But candid comment on his remarks must also be deemed in order.

He chided the present administration for a lack of "fresh ideas" on Berlin and Germany; but I do not find in the address of the distinguished junior Senator from Massachusetts any "fresh ideas," other than a suggestion to persuade Mr. Khrushchev to withdraw behind the Urals.

When the Senator from Massachusetts suggested, as he did, that "we must regain the ability to intervene effectively and swiftly in any limited war anywhere in the world," that would rank with the labors of Hercules, and it also rates some questions.

Is "any limited war," wherever it may arise, our business, especially where it does not involve some substantial American interest?

Is a limited war "anywhere in the world" to be taken as an occasion for the United States to intervene?

Mr. President, I repeat also what I have said on other occasions on the floor of the Senate, namely, such constant downgrading of our strength and the continuing effort to tell the world of our deterioration in strength, I regard as a reflection upon many persons and agencies who have demonstrated their dedicated spirit and their devotion to an America that is strong and is prepared to meet its commitments.

Consider the bill on which we are to vote very shortly— a bill with appropriations of more than $40 billion of the taxpayers' money, to provide for the security of our Nation. How did that bill get here?

Well, Mr. President, I have served for a long time on the Appropriations Committees of the House and the Senate, and I know how those appropriation bills get here.

First, the civilians and those in uniform worked patiently and painstakingly over a long period of time to develop a balanced defense. They are worked with trained budget officers; and then all of them pooled their efforts and pulled at the task, all together.

Then came the consideration by the Commander in Chief. Mr. President, if anyone has dedicated his life to this country and its security, that man is President Eisenhower.

Then came the scrutiny by the National Security Council; and then came the scrutiny by the Budget Bureau—and very properly so.

Then came the patient labors of the members of the Armed Forces Appropriations Subcommittee of the House Appropriations Committee, who for years have taken testimony and have labored earnestly and with high skill and competence to provide what in their judgment was needed.

I think GEORGE MAHON, of Texas, the chairman of the subcommittee, is one of the best informed men in government on this subject; and this bill did not reach this legislative stage and did not reach this floor until he and his associates in the House of Representatives, who gave weeks and weeks to the task, and heard literally scores and scores of witnesses, had a chance to examine into it, and then determine whether they thought it was adequate to the survival and the security of this country.

Then the bill went to the full Appropriations Committee of the House of Representatives. I served on that committee, and I was proud of it, and I am proud of those who serve on it today. They take seriously their responsibilities, their duties, and their fidelity to this country.

Then the bill was considered and passed by the House, itself.

Then the bill came to the Subcommittee on Armed Forces Appropriations, of the Senate Appropriations Committee; and the members of that subcommittee dealt with it. There it was dealt with by men such as LEVERETT SALTONSTALL. Is there any question about his interest in the survival of our country? There the bill was dealt with by men such as STYLES BRIDGES. Is there any doubt about his interest in the security of this country? There the bill was dealt with by men such as DENNIS CHAVEZ, who labored faithfully with such problems in the House of Representatives when I served there, and has continued to labor faithfully with them here in the Senate. Is there any doubt about his fidelity to our country? In that subcommittee the bill was labored with by members such as MARGARET CHASE SMITH, of Maine. Is there any doubt about her devotion to the perpetuity of this country and its institutions? Every one of the members of that subcommittee has an intense and passionate loyalty and devotion to our country and its institutions and their preservation; and that loyalty and devotion bring out their very best.

So this bill could not come here until they had finished with it and, thereafter, until the full Appropriations Committee of the Senate had finished with it. Then, at long last, the Senate must work its will on the bill.

I ought also to include among those I have mentioned the very distinguished and able senior Senator from Arizona [Mr. HAYDEN], under whose chairmanship it was my privilege and pleasure to serve on that committee.

Through all those stages this bill was in the incubation process; and then the end result was delivered here—a bill which calls for appropriations of more than $40,300 million.

If that is "a little stick," well, Mr. President, I have another name for it.

The bill has been the subject of constant and undiminished efforts by distinguished Senators who are on this floor today, and whose devotion to the survival of the Nation and to the maintenance of its leadership is beyond any question.

So, at last, the bill is here.

But the distinguished junior Senator from Massachusetts [Mr. KENNEDY] said we need more of everything, for everybody, everywhere.

Mr. President, I ask you, can this Nation, with its vitality and its durability and strength, undertake that kind of program without finally breaking its economic back?

The theme of the address by the junior Senator from Massachusetts was more of everything for everybody, everywhere—including the American people, and—I repeat, because there will be more for them—more taxes, more burdens, more sacrifices, more generosity. I want to know from what source all those are finally going to come.

I believe I can conclude these brief remarks—because I will take up the cudgels again on this matter—by saying that the distinguished junior Senator from Massachusetts might well have concluded his speech with the dying words of the great German dramatist, Goethe, who, as he lay on his deathbed, said, "More light."

I wish there had been more light, less generality, and some better regard for the economic capacity of this Nation to undertake this agenda.

Yes, Mr. President, the time is short, as the Senator from Massachusetts said, and the agenda is long; and I am waiting for him to spell out the rest of it before we get through.

Mr. SCOTT. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. SCOTT. All of us heard the speech made recently by the distinguished junior Senator from Massachusetts. I should like to ask the distinguished Senator from Illinois whether he will make a comment on the first and second points of that speech.

The first point of the speech stressed the fact that we should proceed "by stepping up our development and production of the ultimate missiles that can close the gap and will not be wiped out in a surprise attack—Polaris, Minuteman, and long-range air-to-ground missiles."

And the second point was——

Mr. DIRKSEN. But there was more in the first paragraph than that.

Mr. SCOTT. Yes, there was much more than that, and it is in the RECORD.

The second contained much more than I shall cite; but the relevant point I wish to cite here is that the distinguished junior Senator from Massachusetts said:

> We must regain the ability to intervene effectively and swiftly in any limited war anywhere in the world, augmenting, modernizing, and providing increased mobility and versatility for the conventional forces and weapons of our Army and Marine Corps.

There is a great deal more in this speech, but it refers to increasing our military strength and our military capabilities.

At a time when we on the Senate floor are engaged in a detailed consideration of what this country needs in its military budget, it is, in my own personal opinion, extremely regrettable that we do not have the advantage of the leadership of the distinguished junior Sen-

ator from Massachusetts, who has told us what the next President of the United States ought to do, but who, unfortunately, for reasons of which I have no knowledge, is unable to guide us today with this necessary leadership on the part of the next President of the United States, whoever he may be.

Can the Senator from Illinois advise me how the distinguished junior Senator from Massachusetts feels with regard to the various proposals, amendments, and suggestions which have been made on the floor today to do the very things which the junior Senator from Massachusetts says need so much to be done? We need light, we need leadership, we need guidance, we need advice, and we need the leadership for which the Senator from Massachusetts has pleaded.

Could the Senator from Illinois please help us by indicating what the unfortunately absent junior Senator from Massachusetts would do on this, the biggest bill which comes before us, this $40 billion bill, if, for the mutual benefit of all the rest of us, he did happen to be here today?

Mr. DIRKSEN. I would not know. All I can say is that, as a humble seeker for light and knowledge the better to serve my country, when I next see the Senator from Massachusetts I shall sit at his feet and wait for his suggestions on the points he makes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the distinguished Senator from Tennessee.

Mr. GORE. The able Senator from Illinois has listed the programs of which the junior Senator from Massachusetts has said this Nation would require more in the coming decade of growth and challenge. I wonder, since the able Senator from Illinois has spoken critically and derisively in this regard, which of these programs the distinguished minority leader thinks our Nation will need less of in the coming 8 years.

Mr. DIRKSEN. Mr. President, that is one of those rather trappy questions that I simply do not propose to answer. I took a speech that was delivered on the floor and, as I have always done, I tried to find the central theme. I tried to find the core. I have not demeaned the Senator. I have only stated what I found in his speech, and I paraphrased it, in that sense, "More of everything, for everybody, everywhere, all the time," and then related it to a very practical situation: How long can we do it before we break the back of the very country that is charged with leadership in freedom's crusade in this rather benighted world?

Mr. GORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. GORE. I congratulate the Senator upon his capacity to go to the heart of the question. He has listed the programs of which the junior Senator from Massachusetts has stated the future of America will require more. I have asked him a simple question, which, if he will permit me to suggest, goes to the heart of his criticism, and that is: Of which of these programs does the minority leader think we shall need less? Wherein is the junior Senator from Massachusetts wrong in the programs he is advocating?

Mr. DIRKSEN. As soon as he returns and shows some specifics instead of generalities which embrace all the blue waters of the seven seas and every country and every continent on the face of the earth, I shall be prepared to tell him, and to tell the Senator from Tennessee, where I think I would cut down and where I might increase.

Mr. GORE. Will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. GORE. Does the Senator think, during the next 8 years, in the challenge that faces America, we shall need more education, more technological progress, and more research and development?

Mr. DIRKSEN. Yes.

Mr. GORE. Then, the Senator from Illinois agrees with the junior Senator from Massachusetts?

Mr. DIRKSEN. He does not do anything of the kind.

Mr. GORE. He just said he did.

Mr. DIRKSEN. He did not say anything of the kind.

Mr. GORE. Did I correctly understand the able Senator to say that America, in the next 8 years, will need more education, more technological progress, more research and development?

Mr. DIRKSEN. Yes, but——

Mr. GORE. That is what the junior Senator from Massachusetts said.

Mr. DIRKSEN. Wait a minute. I would like to have the specifics. When the Senator talks about more education, I know what the implication is. How much Federal money are we going to dole into a program to construct schools everywhere in the country? That is the obvious implication. And the first of these bills is already in conference. This is the "more" program.

What did we have last year? We had a proposal for antistream pollution. Did they take the administration's program? It was doubled both as to time and money. That is "more."

I believe in helping distressed areas. I introduced the first bill on that subject. I introduced the second bill on it. But that is not what counts. The first bill called for $53 million. The second bill called for $80 million, and it had the approval of the President. The Senate increased it to $389 million.

I ask the Senate, How long can we carry on in that fashion, no matter what the need may be, and still have a virile, efficient, effective country that can do the job with which it is charged in the free world? Those are the implications, and I am just waiting for the distinguished junior Senator from Massachusetts to come and lay it all out; and then, of course, I shall be the chooser.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. GORE. Do I correctly understand the distinguished minority leader to say he favors more, but not much more?

Mr. DIRKSEN. Mr. President, I do not propose to get into any semantic jamboree with the distinguished Senator from Tennessee, because I have heard those semantics before, and find that they add up to exactly nothing.

Mr. GORE. Will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. GORE. If the Senator does not wish to engage further in colloquy, I shall, of course, desist; but I must observe that the distinguished minority leader has seemed to cast doubt, insofar as his views are concerned, upon the capacity of the United States to provide more of the essential programs which the junior Senator from Massachusetts outlined as necessary for America to achieve its destiny of greatness.

Mr. DIRKSEN. Well, that is a rather ear-filling statement, Mr. President, which does not mean too much to me. I have dealt with the fiscal affairs of this Government in a pretty direct way for 25 years or more. I try as best I can to evaluate the kind of burden, the kind of load, we can carry and still function efficiently.

I shall terminate this speech now, Mr. President. I am here on the Senate floor, and I am ready, whenever the distinguished junior Senator from Massachusetts is here, to have him quiz me, and then I shall quiz him, on the package of generalities which envisions carrying the burden of the whole wide world. I am not going to let the Senator from Tennessee be a substitute for the junior Senator from Massachuseets. He was making a political speech on this floor. I interpret it as best I can. If I do it incorrectly—if I do him an injustice—whenever he is here he can tell me. He can read my remarks in the RECORD. Then he can assail or attack, and I do not have the slightest objection. I assure Senators I shall be here. Then there will be the next reply.

I was not going to let that speech get away, Mr. President, with some of its reflections upon the President, upon the Vice President, and upon the State Department, particularly in the whole foreign field, as when the Senator said the President sought to do this job with Khrushchev with a smile, the State Department with a frown, and Vice President NIXON with both. Let it be said, the junior Senator from Massachusetts has never confronted him. That might be an entirely different story.

I have spoken my piece. I am prepared to speak the next piece when the time comes.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. GOLDWATER. Mr. President, I shall take only 1 moment to express my deep appreciation to the chairman of the subcommittee and to all the members of the subcommittee for the affirmative and correct action they took with

regard to the B–70 program. It was my pleasure to testify before the committee on this item. Speaking as an American, as a Senator, and as a reserve member of the Air Force, I think the committee is to be commended by all of us for having taken this much-needed and very desirable step.

Mr. COOPER. Mr. President, I was glad to join with the distinguished junior Senator from Washington [Mr. JACKSON], to increase the appropriation by the sum of $140 million, for the modernization of the Army.

We rely greatly today on our retaliatory forces—our Strategic Air Command, and our missiles—to deter aggression, and to protect the security of our country, and its people.

The Appropriations Committee should be commended for renewing the B–70 bomber program. This advanced bomber, capable of an 8,000- to 10,000-mile range, and speed of 1,500 miles an hour, will add immeasurably to the strength and the defenses of our country, and paradoxically, it will be our strength—a strength that the Soviet Union knows will bring its destruction if it should attack—that will influence the Soviet Union to the goal we seek—disarmament with inspection, and peace.

Nevertheless, Mr. President, we must be prepared to resist aggressions of all kinds. It is essential that we maintain our conventional forces, at a high level of effectiveness, equipped with the best and most modern arms. And I am speaking more particularly now—without derogating the importance of any arm of our military service—of our ground force. In Berlin, and at many key and critical places throughout the world, it is our ground forces which would stand the first shock of attack. The least we can do is to see that their men are equipped to defend themselves as they defend our country and all of us.

The House, and now the Senate Appropriations Committee, have added funds to equip the Army with modern rifles, tanks, missiles, and other essential arms. The $90 million, which the committee has agreed to accept, in place of the $140 million proposed by Senator JACKSON'S amendment, in which I joined, will provide a total of $250 million additional funds for the modern equipment and training of the Army.

In 1953 I served as a member of a special subcommittee of the Armed Services Committee to investigate the charge that our forces were not properly armed in Korea. Our investigation disclosed that at times, our troops in Korea did not have sufficient ammunition of particular types such as artillery shells and grenades.

Surely this must never happen again. The funds made available by the bill for the equipment of our ground forces are essential to our security.

I am glad also that we have insisted that our Reserve components, the National Guard, and the Army, Navy, and Air Force Reserves be maintained at strengths of 400,000 for the National Guard and 360,000 for the Reserves. Our Reserve components which the Defense Department testified are at their highest level of effectiveness, are made up of men who want to serve, who are willing to defend this country, and they are an actual part of the Armed Forces and of the defenses of the country.

Mr. President, in the few years since the Korean war, we have built the strongest military forces in the history of the Nation. From zero, we have developed in 7 years a formidable long-range missile strength. From zero, we have developed in the same time a space program, which in every aspect, except a launching engine, is superior to that of the Soviets. Our strength has thus far deterred war. We do not need to downgrade our strength, or the men and women who, as members of the Armed Forces, protect us and freedom. We need to support them—to continually improve our military strength. This bill, I believe, moves strongly in that direction. I am glad to vote for it.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. COTTON] is necessarily absent.

The Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Maryland [Mr. BEALL] is detained on official business. If present and voting, the Senators from Maryland [Mr. BEALL and Mr. BUTLER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—yeas 85, nays 0, as follows:

[No. 218]

YEAS—85

Aiken	Ervin	Mansfield
Allott	Fong	Martin
Anderson	Frear	Monroney
Bartlett	Goldwater	Morse
Bennett	Gore	Morton
Bible	Green	Moss
Bridges	Gruening	Murray
Brunsdale	Hart	Muskie
Bush	Hartke	Pastore
Byrd, Va.	Hickenlooper	Prouty
Byrd, W. Va.	Hill	Proxmire
Cannon	Holland	Randolph
Capehart	Hruska	Robertson
Carlson	Humphrey	Russell
Carroll	Jackson	Saltonstall
Case, N.J.	Javits	Scott
Case, S. Dak.	Johnson, Tex.	Smathers
Chavez	Johnston, S.C.	Smith
Church	Jordan	Sparkman
Clark	Keating	Stennis
Cooper	Kerr	Talmadge
Curtis	Kuchel	Thurmond
Dirksen	Lausche	Wiley
Dodd	Long, Hawaii	Williams, Del.
Douglas	Long, La.	Williams, N.J.
Dworshak	Lusk	Young, N. Dak.
Eastland	McClellan	Young, Ohio
Ellender	McGee	
Engle	Magnuson	

NAYS—0

NOT VOTING—15

Beall	Hennings	Mundt
Butler	Kefauver	O'Mahoney
Cotton	Kennedy	Schoeppel
Fulbright	McCarthy	Symington
Hayden	McNamara	Yarborough

So the bill (H.R. 11998) was passed.

Mr. CHAVEZ. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. MCGEE in the chair) appointed Mr. CHAVEZ, Mr. RUSSELL, Mr. HILL, Mr. MCCLELLAN, Mr. ELLENDER, Mr. ROBERTSON, Mr. STENNIS, Mr. JOHNSON of Texas, Mr. BYRD of Virginia, Mr. SALTONSTALL, Mr. BRIDGES, Mr. YOUNG of North Dakota, and Mrs. SMITH, conferees on the part of the Senate.

AUTHORIZATION TO FILL TEMPORARY VACANCIES IN HOUSE OF REPRESENTATIVES — ABOLITION OF CERTAIN TAX AND PROPERTY QUALIFICATIONS, AND ENFRANCHISEMENT OF PEOPLE OF DISTRICT OF COLUMBIA

Mr. JOHNSON of Texas. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on Senate Joint Resolution 39.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the joint resolution (S.J. Res. 39) proposing amendments to the Constitution of the United States to authorize Governors to fill temporary vacancies in the House of Representatives, to abolish tax, and property qualifications for electors in Federal elections, and to enfranchise the people of the District of Columbia, which were, to strike out all after the enacting clause and insert:

That the following article is hereby proposed as an amendment to the Constitution

of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The District constituting the seat of Government of the United States shall appoint in such manner as the Congress may direct:

"A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State, but in no event more than the least populous State; they shall be in addition to those appointed by the States, but they shall be considered, for the purposes of the election of President and Vice President, to be electors appointed by a State; and they shall meet in the District and perform such duties as provided by the twelfth article of amendment.

"SEC. 2. The Congress shall have power to enforce this article by appropriate legislation".

And to amend the title so as to read: "Joint resolution proposing an amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia."

Mr. JOHNSON of Texas. Mr. President, I move that the Senate concur in the House amendments.

Mr. JAVITS. Mr. President, will the Senator yield at that point?

Mr. CASE of South Dakota. Mr. President——

Mr. JOHNSON of Texas. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. As I understand, the amendment to which we are asked to agree is an amendment submitted by the House of Representatives which would adopt one feature of the three-pronged joint resolution, the constitutional amendment which was earlier passed by the Senate, to survive, namely, that dealing with a vote for presidential and vice presidential electors. Is that correct?

Mr. JOHNSON of Texas. That is my understanding.

Mr. CASE of South Dakota. I should like to speak for a few moments upon the joint resolution.

Mr. MANSFIELD. Mr. President, is the resolution before the Senate and, if so, is the Senator from South Dakota about to make a speech on a reservation of objection?

Mr. JOHNSON of Texas. Mr. President, I will yield the floor if there is any question.

Mr. CASE of South Dakota. Mr. President, the joint resolution which comes before us with a House amendment marks a long way down the road toward extending the right of suffrage to the people of the District of Columbia. In December of 1952 the then President-elect of the United States, Dwight Eisenhower, sent word to me that he would like to have me come to New York in order to discuss some legislative matters affecting the District of Columbia.

The prospect was that I would be chairman of the Committee on the District of Columbia of the Senate. Among subjects discussed was the possibility of getting the right to vote for the people of the District of Columbia. The President spoke very feelingly upon the fact that he believed taxation without representation was contrary to the principle of our country. He said he felt there was something basically wrong if we taxed people and did not give them the right to vote. He thought there was something basically wrong if we drafted their sons for military service and did not give them the right to vote.

During the preceding 2 years I had been a member of the Committee on the District of Columbia and had been accorded the honor by the then chairman of the committee, the late Senator Neely of West Virginia, and the majority leader of that day, Senator McFarland of Arizona, of piloting the so-called home rule bill through its consideration by the Senate in January of 1952.

So I was very glad to accede to the suggestion of the President that we devote some energy to the possibility of getting suffrage for the District of Columbia.

During 1953–54 we passed a home rule bill. We also passed a bill giving the people of the District of Columbia the right to vote for delegates to national conventions. The matter of voting for President and Vice President called for a constitutional amendment. We gave some consideration to it but, of course, that was a proposal which would have to go to the Judiciary Committee.

My interest in the subject has continued throughout the years. The interest of the President has continued throughout the years. On various occasions he has continued to express an interest in this goal.

Early in this Congress the distinguished Senator from Maryland [Mr. BEALL] introduced a constitutional amendment proposing that the citizens of the District of Columbia be given the right to vote in presidential elections. The junior Senator from South Dakota introduced a similar constitutional amendment.

In the amendment which I proposed I suggested that the District of Columbia be given three delegates to the House of Representatives with a like number of electoral votes for President and Vice President, in that way preserving the traditional basis upon which a State has votes in the electoral college.

Early this year, when the District of Columbia Committee reported the so-called home rule bill, I offered that constitutional amendment as an amendment to that home rule bill, in fact as a substitute for the home rule bill. Watching the course of these proposals through the years had convinced me that there was little practical possibility of getting home rule, as such, through both Houses of Congress in the same Congress.

Also I knew that every home rule bill which had been presented in the previous 10 years had included a provision to recognize the basic constitutional provision that Congress is given the exclusive legislative jurisdiction for the District of Columbia.

Believing that the people of the District of Columbia should have an effective voice in the Government which governs them, namely, Congress, plus the appointive power of the President, I came to the conclusion that the practical thing to do was to press for a constitutional amendment which would give them a voice in the electoral college for the election of President and Vice President, and, if possible, delegates in the House of Representatives.

So I introduced the constitutional amendment on the floor as a substitute for the home-rule bill on the floor of the Senate. The most important result was the interest which developed. Many Members of the Senate said to me, "We would like to support that kind of measure as an independent proposal."

The most helpful interest developed was the interest that was taken by the distinguished Senator from New York [Mr. KEATING]. Not only did he say he believed that that constitutional amendment should be adopted at that time, but, as a member of the Committee on the Judiciary, he took an earnest and unrelenting interest in the subject. When the distinguished Senator from Tennessee [Mr. KEFAUVER] arranged to hold hearings on the subject, it was the Senator from New York [Mr. KEATING] who took up the cudgels for the constitutional amendment in a most effective fashion.

The outgrowth of that effort was the reporting of a proposed constitutional amendment to the Senate, built upon the language that had been proposed by the Senator from Maryland [Mr. BEALL], the Senator from New York [Mr. KEATING], and myself. That proposal was reported to the full Committee on the Judiciary by the Kefauver subcommittee.

Mr. KEATING. It reported it to the full committee. However, it was on the floor that the amendment was added.

Mr. CASE of South Dakota. Yes. Then there came before the Senate a proposal to deal with the problem of the election of Members of the House of Representatives in case of an emergency which incapacitated a majority of the Members of the House from acting at any time. The Senator from Tennessee [Mr. KEFAUVER] was in charge of that amendment when it came to the floor.

The Senator from Florida [Mr. HOLLAND] proposed an addition to that proposed constitutional amendment. His proposal was an amendment for the abolition of the poll tax in Federal or national elections. That was agreed to.

So, then the distinguished Senator from New York [Mr. KEATING] performed the master stroke of presenting the District of Columbia amendment which had been reported by the Kefauver subcommittee to the full Judiciary Committee. It drew wide support and was agreed to by more than the two-thirds required for a constitutional amendment.

I believe that is an accurate reflection of the record, and the course that this matter has taken. As we adopted the amendment in the Senate, it provided for both representation in the House of Representatives and representation in the electoral college for the voters of the District. The three-pronged resolution then passed by the required two-thirds

vote for a constitutional amendment, and it went to the House of Representatives.

The Senator from New York, the Senator from Maryland, and I and others testified before the House Judiciary Committee urging action upon this particular proposition to provide suffrage for the voters of the District of Columbia in the election of President and Vice President. We also urged delegate representation in the House of Representatives.

Of course, under the Constitution, the House of Representatives is the judge of its own membership. In its wisdom the Judiciary Committee of the House of Representatives reported a constitutional amendment to the House of Representatives in a form which left only the provision for the election of presidential electors for President and Vice President by the District of Columbia.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. JAVITS. I think it is very sad that even this very minimum point in the constitutional amendment, which it was said when the matter was debated would be approved very promptly in a year or two, has now been completely dropped out of the bill so far as the poll tax is concerned. I think it is sad. I shall not contest the matter here. Of course, I shall support what is before us. I intend when we next have an opportunity, in the next Congress, again to put before the Senate the opportunity to support a bill to eliminate the poll tax. It appears that that is the way to do it, because it only takes a majority vote to do it.

I should like also to join with the Senator from South Dakota in the fine things he is saying about my colleague from New York [Mr. KEATING], which are very richly deserved. I agree with the Senator from South Dakota that the junior Senator from New York acted with the greatest wisdom and celerity in seizing the opportunity which was before us and in supporting the excellent measure which the Senator had himself authored and in bringing into being something so deserving for the people of the District of Columbia.

I enthusiastically join the Senator from South Dakota in extending congratulations to my colleague [Mr. KEATING], who I think in his first 2 years in the Senate has, through this particular effort, already performed a very signal service, very easy to identify and fix for the people of the District of Columbia, who will be so proud to have this opportunity to exercise the right of suffrage.

I know that all of us will throw our weight, in our respective States, behind the ratification of the amendment by the State legislatures.

I regret exceedingly that any of the little bit we were going to do about civil rights in the bill has been canceled. I myself pledge, as I know many other Senators will also do, my best efforts to have passed a bill to eliminate the poll tax, because I am convinced that this is the way to do it.

Mr. CASE of South Dakota. I am glad to have the remarks of the distinguished Senator from New York. He has been a battler for everything connected with suffrage and civil rights. I, too, regret the dropping of the other two proposals in the triple-pronged constitutional amendment as it passed the Senate. However, we are approaching the end of the session, and we all recognize the practical situation which exists. I regret particularly the dropping of the provision for a Delegate in the House of Representatives. However, so far as the Senator from South Dakota is concerned, I recognized that in that particular matter, since the House of Representatives itself was concerned with it, we should respect their wishes in that particular.

I might also observe that it is my personal opinion that the Congress could, by an ordinary act of Congress, without requiring a constitutional amendment, provide for a Delegate to the House of Representatives, if the Congress so desired, at any particular time.

Mr. JAVITS. Mr. President, will the Senator further yield?

Mr. CASE of South Dakota. I yield.

Mr. JAVITS. I, too, wish to emphasize that just as my colleague [Mr. KEATING] took advantage of the opportunity in his committee and on the floor, I think we and all the people of the District of Columbia must be eternally grateful to the distinguished Senator from South Dakota, who authored this idea, which seems to be exactly the proper compromise, neatly adjusted to getting through Congress, and I hope, through the State legislatures.

I think both names add additional credit, two very luminous minds having been joined in this action.

Mr. CASE of South Dakota. I thank the Senator from New York for his remarks. I want to emphasize also what the Senator from New York has said with respect to the activity of Senators in securing prompt ratification by the legislatures of their respective States.

I hope every Senator will take note of that. If the amended measure now passes the Senate, as I expect it will, and goes to the States, I hope there will be prompt ratification.

I conclude my own direct remarks by saying that this action will mark the Eisenhower administration as having sponsored and encouraged the greatest extension of suffrage of taxpayers throughout areas where the United States has jurisdiction. First of all, there was the legislation giving to the people of the District of Columbia the right to vote for delegates to the national political conventions. Second, there was the adoption of Alaskan statehood. Third, there was the adoption of Hawaiian statehood.

With this action, every step will have been taken which could be taken by Congress and by the administration to get before the country a constitutional amendment to give to the people of the District of Columbia the right to have some voice in the Government under which they live. This is a proper step to be taken for the seat of the Government of the United States.

I hope that the consequence of this step will not be lost on the peoples throughout the world. It has been a reproach to our profession of democratic principles that people in the Capital City of the United States can be taxed, and yet have no vote. This amendment can lead to the end of that travesty. I hope the joint resolution will receive the unanimous vote of the Senate at this time and then be ratified by three-fourths of the States before the next year of presidential elections rolls around.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. RANDOLPH. I express personal appreciation to Senators of the minority, including the Senator from South Dakota [Mr. CASE], the Senator from Maryland [Mr. BEALL], and the Senator from New York [Mr. KEATING], who have so assiduously advocated the vote for the residents of the District of Columbia who have no bona fide residence in other States.

There is valid reason for participation in the franchise of freedom—I call it that rather than just "the ballot"—whereby the citizens of this jurisdiction will in the relatively near future, we believe, possess not only the right but the responsibility to vote for President and Vice President of the United States.

It is not inappropriate to state here again that the platforms of both major parties have spoken out again and again affirmatively for this desirable ideal. I should like to leave the thought—and I know it is shared by Senators who believe as we who are speaking tonight believe—that this is not a partisan issue in any sense. I came to the House of Representatives in 1933, and I believed then that the citizens of this jurisdiction should vote for the President and Vice President of the United States. My Democratic predecessor, Senator Neely, mentioned by Senator CASE, was a valiant champion of this cause.

Sons and daughters born here of parents living in the District of Columbia have been unable to establish citizenship franchise rights in the States, and these young men and young women who grew to manhood and womanhood and assumed the stature of voting age were denied the privilege to participate in the process of the dialogue of democracy within this Republic.

I again compliment the Senator from South Dakota; and in my way—it has been a continuing way—I am glad to have fostered with legislative bills and vigorous support the principle contained in this result.

Mr. CASE of South Dakota. Mr. President, I am one of those who admired the work of the distinguished Senator from West Virginia in the House of Representatives when he was chairman of the Committee on the District of Columbia. I know from the record of the years the long, conscientious, and earnest interest of the Senator from West Virginia in establishing justice and suffrage for the people of the District of Columbia.

When I mention that record, I think it is not inappropriate also to say that the predecessor of the Senator from West Virginia, the late Senator Matthew Neely, was one of the most effective

champions of extending suffrage to the people of the District of Columbia. He was chairman of the Committee on the District of Columbia when I first came to the Senate. It was largely his leadership that originally interested me in activity along this line. It was through his courtesy that I presented a bill to the Senate in 1952, when I was the ranking minority member and Senator Neely was the chairman of the Committee on the District of Columbia. I wish he might have lived to see this day.

Mr. CASE of New Jersey. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield to the Senator from New Jersey.

Mr. CASE of New Jersey. I desire to add my voice of commendation and appreciation of the Senator from South Dakota, who has for so many years kept the fire burning on this issue. It is to the credit of the Senator from South Dakota, the Senator from New York [Mr. KEATING], and the Senator from Maryland [Mr. BEALL], and the Senator from West Virginia [Mr. RANDOLPH], that without any possible personal advantage to themselves they have continued to work on this issue. It is incredible that this action was not taken a hundred years ago.

However, these aims are not accomplished unless people take up the work and do it—people who are interested in the problem for its own sake.

As a plain citizen of this country, I express my appreciation for the wonderful work that all those Senators have done.

Mr. CASE of South Dakota. Those words, coming from the distinguished Senator from New Jersey, are deeply appreciated. He has long been recognized as a leader in civil rights and a leader in fighting for the principles of sound government.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. KEATING. I express my gratitude to the distinguished Senator from South Dakota, my colleague from New York [Mr. JAVITS], the Senator from New Jersey [Mr. CASE], and the Senator from West Virginia [Mr. RANDOLPH], for the kind remarks which they have just made.

This was sort of a tripartite movement, joined in by the distinguished Senator from South Dakota, the distinguished Senator from Maryland [Mr. BEALL], who has had a long interest in this problem, and me.

I am also well aware of the deep and prolonged interest which the distinguished Senator from West Virginia has had in this problem.

The wording of this amendment, with the exception of the matter I shall mention in a moment, was very much patterned after the amendment prepared by the distinguished Senator from South Dakota, which was offered in connection with the bill for home rule.

Mr. President, this proposed constitutional amendment should restore to the people of the District of Columbia some measure—but certainly not a full measure—of democracy. The amendment certainly represents an advance over the present un-American condition imposed on the residents of the Nation's Capital, but it still falls far short of what I feel we should do.

Anyone who bases his decision on logic and reason, anyone who is inspired by the American heritage of freedom and liberty, must be less than enthusiastic about the prospects of allowing District of Columbia residents the right to participate in the selection of the Presidents and the Vice Presidents, our national leaders.

Under these circumstances, although I shall support the joint resolution, I must express my concern because of the fact that this historic step in the development of our democratic institutions has been marred by the "take it or leave it" attitude with which this limited amendment has been presented to us. As is so often true when District of Columbia problems are before us, we have relegated this important measure to consideration during the twilight hours of the day, in the twilight weeks of the session.

These circumstances raise to tremendous heights—and, I believe, undeserved heights—the significance of procedural and parliamentary factors. They prevent a fair consideration of the amendment on its merits. They preclude any effort to liberalize the amendment, except at the risk of jeopardizing its ultimate approval.

Mr. President, I very much regret these circumstances. The amendment which was approved here, which was cosponsored by my distinguished colleagues and myself, would have remedied the plight of the residents of the District of Columbia, by giving the District of Columbia the same representation in the electoral college and in the House of Representatives that the District of Columbia would enjoy if it were a State. Even this amendment could have been reasonably improved upon, because it will be recalled that it did not specifically provide that the Representative of the District of Columbia in the House of Representatives should have the right to vote in the House, and it did not give a voice in this body to the residents in the District of Columbia.

Unfortunately, the House of Representatives has proceeded in the direction of cutting down, rather than building up, the relief which we approved for the District of Columbia.

The amendment, as approved by the House of Representatives, eliminates completely the provisions for representation in that body, and limits the representation of the District of Columbia in the electoral college to a maximum of three, regardless of the population of the District of Columbia. However, Mr. President, inasmuch as the District of Columbia, under the present method of apportionment, would be entitled to either four, or possibly five, members of the electoral college if the District of Columbia were a State, the House amendment in effect would make a three-fourths citizen or a three-fifths citizen of every resident of the District of Columbia. This concept of "fractional" citizenship is a new one, which to me is abhorrent.

Of course, Mr. President, we are here dealing with a proposed constitutional amendment which, if ratified, would not likely be changed for a long period of time; and of course three-fourths citizenship or three-fifths citizenship is better than no citizenship at all. Therefore no Member who has at heart the interests of the District of Columbia could vote against the amendment, particularly in view of the circumstances with which we are faced and the realization that at this time the question is either this or nothing at all.

However, Mr. President, I can only voice my sorrow because of the fact that we have missed this opportunity to bestow full citizenship rights on our fellow Americans, the residents of the District of Columbia.

I thank the Senator from South Dakota for yielding to me.

Mr. CASE of South Dakota. Mr. President, I thank the Senator from New York for his remarks and for his valiant service in connection with this entire subject, both in the Judiciary Committee and on the floor of the Senate.

Mr. HOLLAND. Mr. President, as Senators will remember, the joint resolution, as passed by the Senate, and as it went to the House of Representatives, contained, in addition to a proposed constitutional amendment dealing with the subject now before the Senate, two other provisions. The first was a constitutional amendment proposed by my distinguished colleague the Senator from Tennessee [Mr. KEFAUVER]. It provided for the prompt filling by the Governors of the several States of any vacancies in the membership of the House of Representatives, in the event an atomic catastrophe were to remove one-half or more of the membership of that body. In the second place, that joint resolution included an amendment which I have been sponsoring for approximately 11 years, and in that sponsorship I have been joined, and am honored that I have been joined, by many outstanding and extremely able Senators, such as the late Senator George, of Georgia; the Senator from Virginia [Mr. BYRD], who more lately has withdrawn from that sponsorship; the late Senator Hoey, of North Carolina; the Senator from Arkansas [Mr. MCCLELLAN]; the Senators from Louisiana [Mr. ELLENDER and Mr. LONG]; and numerous others who come from the same region of the country from which I come, and whom I have regarded over the years, and still regard, as among the finest Americans ever to serve in the Senate.

That amendment, which they and I have sponsored for some 11 years, proposed once and for all to remove the payment of a poll tax as a prerequisite to voting in an election in which a President, a Vice President, a Senator, or Members of the House of Representatives were being elected—that is to say, in Federal elections.

Mr. President, for 11 years we have tried to get that amendment before this body. We finally got it before this body

during consideration of the so-called Kefauver amendment, some months ago.

The RECORD will show that that amendment received an overwhelming vote of approval from the Senate; the amendment was adopted by largely more than a two-thirds vote, and with a very large attendance of Senators, representing the 50 States of the Nation. But notwithstanding that fact, and because of the peculiar situation existing in the House of Representatives—which I do not criticize, and on which I make no comment at this time—it was thought best by the advocates of the District of Columbia amendment to drop the poll-tax amendment and to drop the amendment so ably sponsored by the Senator from Tennessee [Mr. KEFAUVER], and to confine this amendment to the one subject matter of granting to the citizens of the District of Columbia the right to participate in the election of Presidents and Vice Presidents.

I have talked at some length with the distinguished sponsor of this amendment in the House of Representatives, the Representative from New York, Mr. CELLER; and I am fully satisfied that the course he adopted was one which he felt compelled to adopt because of the situation existing in the House of Representatives. I call the attention of the Senate to the remarks of the distinguished Representative from New York, Mr. CELLER, as they may be found on pages 12556–12557 of the CONGRESSIONAL RECORD for June 14, covering the consideration by the House of Representatives of this particular amendment, which is now being debated in the Senate. I shall refrain from reading the generous and much too kindly adjectives which Representative CELLER applied to the present speaker; but I shall now read into the RECORD the other portions of his statement:

> The bill, Senate Joint Resolution 39, which passed the Senate particularly contained the provision for the abolition of the poll tax. The senior Senator from Florida, Senator HOLLAND, was the sponsor of the poll tax repeal. He has assured me that in the interest of getting at least the vote for the District in national elections he would yield on his amendment. If he does not make this sacrifice there might not be any bill passing the House. The Senator graciously yielded on his amendment. I hope that he will press for the poll tax repeal in the next session. I pledge every possible help to him in that repeal. I shall do all and sundry to support such repeal on the House side as he will on the Senate side.

I have never wanted to adopt any obstructive tactics when a good constitutional amendment, or one that was thought to be good by a great majority in the House and the Senate, was pending. I have never been willing to adopt a so-called dog-in-the-manger policy.

I advised Mr. CELLER I would not attempt to place the poll tax amendment on this particular measure because, under the circumstances which he related to me, and which I confirmed from others, and which prevail in the House, that would have meant the defeat of both amendments.

So I have abided by, and I now abide by, my statement, and Representative CELLER assures us that he will abide by his statement, as it appears in the RECORD, that he will do all and sundry on the House side in the next session to support repeal of the poll tax.

I understand from the distinguished Representative from New York that he will join with me in an early introduction of that measure again in the House of Representatives, in the form in which we passed it last year, as I shall again introduce it in the Senate.

Mr. KEATING. Mr. President, will the distinguished Senator from Florida yield to me?

Mr. HOLLAND. I yield to my colleague, the Senator from New York.

Mr. KEATING. I neglected to say, when I was speaking earlier, that I deeply regret that the amendment sponsored by the distinguished Senator from Florida was dropped in the other body. I have assurances that it will receive early consideration in the next session. This assurance was given by the chairman of the House Judiciary Committee. Certainly, if any Member of that body can give such an assurance, he ought to be able to do it.

While it has always been my position that this purpose could be accomplished by statute, I certainly shall support the distinguished Senator from Florida, because we all know that the constitutional amendment route commands considerably more support than does the statutory route.

I commend the Senator from Florida for the very assiduous way in which he has dealt with this problem and the great effort which he put forth here to attach his amendment to legislation on a somewhat unrelated subject.

Mr. HOLLAND. I appreciate the kindly remarks of the Senator from New York.

Mr. President, to hurry on to the statement I expected to make, I wish to make it very clear that I am not entirely sold on the amendment which is before the Senate, although I propose to vote for it. The reason why I am not entirely sold on it was stated by the Founding Fathers, and I think that there is a grave question as to whether the position they stated at that time is not yet true. That position was that, based upon the experience they had had in other cities, each lying in a State of the Union where the Capital of the young United States of America had been for a time located, they felt that it was sounder to have the Capital in an area where it could be insulated from the continued pressure of an electorate and of a citizenry which, clothed with all of the powers of an electorate elsewhere, would be pressing for local improvements, pressing for local measures, pressing for construction of buildings, and for other measures not justified by the state of the economics in the Nation, and otherwise resorting to pressure which would be more acutely felt by Senators and Representatives of that young Government because of the fact that they were surrounded by the citizens of the site of the Capital.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to my friend from Mississippi.

Mr. EASTLAND. Does the Senator think this joint resolution should go to the Judiciary Committee for study?

Mr. HOLLAND. I think if there were any prospect of its being passed upon with any degree of expedition, that would be a good course. My experience with the poll tax amendment, after it had been subjected to three hearings, after the record had been printed three times, after a subcommittee had reported it three times to the able Committee on the Judiciary, approvingly, after we found we could not get any action at all before the Judiciary Committee leads me to think it would at least be a debatable question as to whether it would be wise to submit the measure to that committee.

Mr. EASTLAND. Has not the House shown we were right? What did it do with the amendment? It kicked it out.

Mr. HOLLAND. The Senator from Mississippi speaks with a little heat on this question. Perhaps he does not have the experience in this field that the Senator from Florida has had. The Senator from Florida, as a member of the State senate of his own State, helped to knock out the poll tax requirement as a prerequisite to voting in all elections—not merely Federal elections, but all elections. He found, from actual experience, how good results came to his State by the immediate participation of more white citizens in greater numbers, and by the gradual participation by Negro citizens, who, up to that time, had been banned from participation not only by the poll tax requirement, but by the requirement of white primaries.

I mention to my friend that we also abolished, a little later, but in connection with the same movement, the requirement of white primaries.

The Senator from Florida has stated repeatedly to all his friends in the Senate that he and every other student of government in his State has found that we have had purer politics and sounder government, and a government nearer to the people, than we had before, when, by the device of the poll tax, too frequently, in some counties, a few of the court house officials were able, by paying the poll tax for others, particularly impecunious persons, to dominate elections.

Mr. JOHNSTON of South Carolina and Mr. EASTLAND addressed the Chair.

Mr. HOLLAND. I agreed first to yield to the Senator from South Carolina. Then I shall yield to the Senator from Mississippi.

Mr. JOHNSTON of South Carolina. I believe the Senator stated that the poll tax in Florida had been repealed.

Mr. HOLLAND. I did. We repealed it in 1937, and we found immediately a great surge forward in participation by the poor white people. We found a gradually increased participation by the colored people of our State.

Mr. EASTLAND. Has not that question been decided?

Mr. HOLLAND. That question has long been decided in our State. The Senator from Florida simply has a conviction that it would be a sound thing to have the question submitted to the States of this Union to see whether or not three-fourths of them would favor that proce-

dure; and in the five States remaining where, by the poll-tax device, citizens are precluded from voting, if they were encouraged to vote, he believes sounder and cleaner government would prevail in each of those five States.

The Senator from Florida is devoted to each of those five States. His mother came from one of them. He has fought continuously and diligently for the interests of each of the five States. He will continue to do so.

That does not mean the Senator from Florida will always agree with his distinguished friends from those States, because he thinks that by the policy of repression, in this vital matter of inviting citizens to participate freely in voting, these States have failed to achieve their maximum potentialities.

I ask Senators to look at the population growth figures, the figures with respect to progress, the figures in the field of education, the figures in the field of selective service. It will be found, I think that those figures are completely irrefutable. I fear that those States have stood in their own light in this matter.

The Senator from Florida is not angry about the situation.

Mr. EASTLAND and Mr. JOHNSTON of South Carolina addressed the Chair.

Mr. HOLLAND. I will yield in a moment.

Mr. EASTLAND. We have heard all of those words.

Mr. HOLLAND. I think Senators are courteous enough to permit me to complete my statement.

Mr. EASTLAND. The Senator makes a very convincing argument. Why does the distinguished Senator not offer an amendment to carry out his proposal?

Mr. HOLLAND. Notwithstanding the interference and interruption by his distinguished friend, the Senator from Florida still thinks eventually that the poll tax will be repealed, and that the same States which, up to now, have failed to repeal the poll tax will then say, "We have received great advantage from the repeal of the poll tax, and we find we have cleaner government and purer government as a result of the repeal."

Mr. President, I agreed to yield first to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Is it not true that although the State of Florida repealed the poll tax and my State of South Carolina repealed the poll tax, this is a matter for the States rather than the Federal Government to handle?

Mr. HOLLAND. Undoubtedly it is. Undoubtedly it was. There comes a time, however, if we are to regard as at all worthwhile the rights of people to participate in elections for President, Vice President, Members of the Senate, and Members of the House of Representatives, when there ought not to be any distinction merely because there is a State line between my State and the adjoining fine State of which I am very fond.

My amendment does not apply to elections for Governor, or courthouse officers, or school officers.

In my opinion we should not have a distinction which provides that citizens of one State are precluded from voting if they have not paid $2, $4, or whatever the fee may be, and citizens of my State may vote freely, regardless of whether they have been able to pay or have sought to pay that particular tax.

Has the Senator concluded his questioning?

Mr. JOHNSTON of South Carolina. The only point I make is that I believe this is a question for each State to determine. My State repealed the poll tax, but I will not undertake to force some other State to repeal the poll tax. I think each State has a perfect right to regulate its own affairs.

Mr. HOLLAND. That is undoubtedly true, so long as the Constitution remains as it is. The Senator is completely correct. However, there is no greater recognition of the doctrine of States rights than reliance upon the principle of the Constitution that before a fundamental change such as is proposed shall be made the proposal must be submitted as a constitutional amendment to the jury of the States. That is the rule established by our forefathers. That is the way we proceeded, when the amendment to give women the vote was proposed. That is what we provided when we voted for many changes in the Constitution.

The Senator from Florida, exactly as he is willing now for the States to pass upon this particular proposed amendment in issue—though he has some doubts about its wisdom—is very strongly in favor of the submission of the poll tax amendment. The Senator from Florida does not wish to have the RECORD show that he has abandoned his longtime conviction.

The Senator from Florida does not wish to adopt an obstructionist tactic under which, as a result of forcing his amendment upon the joint resolution, no action upon either will be taken in this Congress.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HOLLAND. I promised to yield to the Senator from Mississippi next, and then I shall yield to the Senator from Arizona.

Mr. EASTLAND. Mr. President, the distinguished Senator is making a very fine argument. Why does the Senator not offer his proposal as an amendment to the joint resolution?

Mr. HOLLAND. Mr. President, I thought I had made that very clear.

Mr. EASTLAND. What the Senator is now discussing is not even in the joint resolution. It has no bearing upon it. If the Senator is correct in his position, why does he not offer an amendment to the resolution?

Mr. HOLLAND. There are many reasons why I do not do so. The first is that I think it would kill both proposals. The second is that the way the joint resolution comes to us, it is not open for amendment. It is before us for recession and agreement, or else to go to conference.

Mr. EASTLAND. The joint resolution could go to the Committee on the Judiciary to be considered.

Mr. HOLLAND. The Senator from Florida has not been encouraged, by his experience with the Committee on the Judiciary, to think that the committee would be anything but a permanent graveyard for the proposed amendment, if it were referred to the Committee on the Judiciary.

Mr. EASTLAND. Is my friend satisfied with the verdict of the House of Representatives? If it is not a graveyard in this case, what is it?

Mr. HOLLAND. Mr. President, the Senator perhaps came into the Chamber late in the argument.

The Representative from the State of New York has obligated himself, along with the Senator from Florida, to reoffer the proposal in the early part of the next session of Congress. It will be offered in the House and in the Senate. The able Representative from New York has offered to use all means available to him under the House procedures, some of which do not rely upon the Committee on Rules, to bring the measure to a vote in the House.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HOLLAND. I hope the Senator will permit me to finish my thought.

Mr. EASTLAND. I desire to understand my friend.

Mr. HOLLAND. The Senator from Florida feels that rather than to defeat the good purpose of many Senators and many House Members, who wish to submit this particular proposed amendment, he is willing to wait a little while.

The Senator from Florida has waited 11 years, with his good friend the Senator from Louisiana [Mr. LONG], who is in the Chamber. The Senator from Florida is honored to say the Senator from Louisiana was with him when he first introduced this proposed amendment, has remained with him, is still with him, and has repeatedly shown his devotion to this ideal. The Senator from Florida is willing to wait a little longer. We are patient men.

I remember, with respect to the so-called tidelands bill, we waited year after year. We saw the bill vetoed once by a Democratic President. We saw the bill vetoed a second time by a Democratic President. We lacked two votes of having enough votes that time to override the veto in the Senate, as the Senator from Mississippi knows. Finally, a friendly President approved the bill. Then we had to watch the act go to Court. It was in Court a year or two on one phase. Then it was in Court many other years on another phase. It finally came from the Court nearly 14 years after the Senator from Florida started working on it, only a few weeks ago. The decision, while it did not please everybody, at least upheld the major positions of the Senator from Florida throughout the argument.

Mr. CASE of New Jersey. Mr. President, will the Senator yield?

Mr. HOLLAND. Therefore, the Senator from Florida is willing to wait a little while longer on this issue.

I yield to the Senator from New Jersey.

Mr. GOLDWATER. Mr. President——

Mr. HOLLAND. I am sorry. I had agreed to yield first to the Senator from Arizona.

Mr. CASE of New Jersey. If the Senator will permit, this is a very topical question.

Mr. GOLDWATER. The Senator may proceed.

Mr. CASE of New Jersey. Mr. President, probably the reason the aspirations of the other States were not satisfied so completely is that those States did not have the benefit of the argument in court of the senior Senator from Florida, which argument was no doubt very persuasive with respect to his own State.

Mr. HOLLAND. I thank the distinguished Senator, but I am unable to agree with him, because the other three Gulf States, which did not prevail, had very able, very conscientious, and very dedicated representatives who argued with all the wisdom and skill anybody could have.

The decision was based upon historical facts. As the law was drawn and submitted by the State attorneys general of the Nation, and as the law was interpreted by the court, two States could make a clear case.

The Senator from Florida is hopeful that the Congress, in its wisdom, will iron out the difference by drawing the same kind of line for the good States of Louisiana, Mississippi, and Alabama, forgetting entirely the fact that the Senator from Florida did not have the support of the Senators from all those States in connection with his proposal.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. HOLLAND. The Senator from Florida would like to see an even line worked out.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. HOLLAND. The point I make is simply this: For 14 years we struggled with the tidelands bill before we obtained a decision. When one is right, I think one should not count time too heavily. I am willing to wait another year. I would rather do that than defeat another good effort in its chance to be submitted to 50 States, and to be decided by the collective wisdom of the people representing those 50 States through their legislatures.

Mr. GOLDWATER and Mr. EASTLAND addressed the Chair.

Mr. HOLLAND. I agreed to yield first to the Senator from Arizona. Then I shall yield again to the Senator from Mississippi.

Mr. GOLDWATER. Mr. President, I think the Senator from Florida is making his customarily convincing argument as to his views.

I am hard put to place my remarks in the form of a question, so if the Senator will indulge me, perhaps I can support him in part of his thesis. I may have to oppose him in others.

At the outset, I am unalterably opposed to the poll tax idea, but I think it is a matter for the States to decide. I do not think it is something that should be influenced by people outside the States. Elections are matters for the States to determine for themselves.

In respect to my feeling in this matter, which is a States' rights feeling, I should like to read a part of the joint resolution that we are being asked to consider tonight:

A number of electors of President and Vice President equal to the whole number of Senators and Representatives in Congress to which the District would be entitled if it were a State—

Here is an outside controlling factor—

but in no event more than the least populous State.

I think this provision is consistent with the Senator's argument that we should not have outside controlling influences upon elections in a State or in the District of Columbia, if the District is given this privilege. I suggest that the outside influence that would be exerted upon the District of Columbia would come from the conglomeration of philosophies and ideas of people who populate the District and who originate from different sections of the country. It would also be controlled in respect to the number of electors that it could have by comparison with the least populous State, even though the population of the least populous State might well be, as it is today, well below the population of the District of Columbia.

I am sure the Senator from Florida will agree with me that we hear very liberal Senators argue in the Senate that there should be no control such as is exercised with respect to interstate traffic in money during elections, and no control by outside groups. I myself have been vociferous in the Senate about organized labor acting in the political arena on behalf of Senators and Congressmen when they have no interest in the State at all.

I believe the Senator has been touching indirectly upon a very important part of our entire election procedures in this country. Up to this time in our history I have been concerned about outside influences coming into my own State of Arizona, and while I realize a Senator is elected to represent not only his own State but to represent the people of the United States, nevertheless he is bound to reflect the feelings of his own people more than he would reflect the feelings of the people of a State rather distant from him.

The whole question of outside influence in American politics is an important and rather insidious one. I am very reluctant to discuss this subject, but we have an important election approaching us in 1960. We shall select a President for the next 4 years. I have been very much disturbed about the apparent efforts of forces outside of the United States trying to influence our elections. In my capacity as chairman of the Republican senatorial campaign committee, I abhor these tactics, and I hope that we shall not be influenced by what other governments think of our candidates or of our parties. I think that we as Republicans and Democrats can refrain from insinuating that one candidate might be influenced this way, that way, or the other.

I am prompted to recite to the Senate this evening a UPI Report No. 223 that came off the wire service at 7:40 this evening, because this is typical of what I am trying to relate to the Senate:

LONDON.—A Democratic combination of Stevenson for President and KENNEDY for Vice President "could beat any Republican tandem," the Soviet newspaper Izvestia said today.

In a dispatch from its New York correspondent, Izvestia said it was still difficult to tell who the Republican nominees would be.

Aside from the fact that I find myself in complete disagreement with Izvestia, as of now the only other candidate concerned has removed himself by some rather intemperate remarks.

But to quote Izvestia further:

"Many are coming round to the conclusion that NIXON has compromised himself and will not be able to win in November," the analysis said.

"But judging by statements by informed observers the Republican 'smoke room' take little heed of this," the dispatch said. "The entire Government machinery, including President Eisenhower is on NIXON's side."

I could argue with that, too.

As for New York Gov. Nelson Rockefeller, Izvestia said, "He actively exploits Washington's failures and the decline of U.S. prestige abroad which, as he put it, is at its lowest ever in the postwar period."

"Stevenson and KENNEDY advocate an improvement in relations with the Soviet Union and in the international climate," the dispatch said.

"Almost the entire trade union rank and file, many representatives of modern business circles, and the intelligentsia and farmers are in favor of the Stevenson-Kennedy ticket."

The main stumbling block for the Democrats, Izvestia said, is that there seems to be no unity among them.

The Senator may think the chairman of the Senatorial Campaign Committee is attempting to make a political speech. I am not. I merely hope that our country will not be influenced by what Mr. Khrushchev says, or what Izvestia, or any other publication in the Soviet Union says.

I relate this dispatch tonight only to bring out a little further the strength of arguments that have been voiced by my friends from the South and other conservative sections of the Nation that election problems are primarily problems of the local and State areas, and that the Federal Government should impinge upon them as slightly as possible.

I repeat that I am against the poll tax as I am against segregation, but I do believe that it is a problem of the States and not the Federal Government. I am hopeful that the Senator from Florida will keep up his dedicated fight in the effort that he has launched, with not too much success this year, but possibly success in the future.

Mr. HOLLAND. I thank the Senator from Arizona for his kind remarks. There is nothing further from my mind than to bring a political issue into this debate. I do not happen to be enthusiastic for either the Vice President or for Mr. Rockefeller, but I am sure there are many fine people who are enthusiastic for one or the other of them. I

shall claim the rights of a delegate to the Los Angeles convention a few weeks from now to vote for whomever I think is the best candidate at the time for President. But I think we make a mistake if we let this debate dwell on that subject. While the issue relates to the Presidency and Vice Presidency, if there should ever be a citizen of the District of Columbia distinguished enough in the esteem of his fellow Americans to be nominated for the Presidency or for the Vice Presidency, I see no particular reason why he should not have the electoral support of the votes of his own fellow citizens in the District of Columbia. But let us leave that question for the moment.

There are three matters I would like to mention briefly before I close my remarks. The first is this: It seems to me that during the debate some Senator should remark on a situation which is almost ridiculous if it were not rather serious. I refer to the approach which is now being made in this amendment that completely reverses the attitude of the Founding Fathers with reference to the rights and privileges of citizens or residents of the District of Columbia.

Anyone who has read the minutes of the Constitutional Convention, anyone who has read the Federalist Papers, knows that it was understood that local government should continue in the District of Columbia. Everyone who knows that history knows that local government did continue here for many years, and people in the District continued to elect their mayor, their councilmen, their commissioners, or whatever they were called, their school district members, and their various local officials, just as people do in any other normal American city.

Everyone who has read this history knows that it was the distinct conviction of the Founding Fathers that it would be unwise to give to the residents of the District of Columbia the right to participate in the election of President and Vice President. Why? For the very reason I recited in the beginning, that they would be too close to Congress, would have too good an opportunity to exert pressure, making life miserable for Senators and Members of the House of Representatives, by continuing and assiduous expressions for local objectives. The minutes show quite well that the pressure that had been exerted upon Congress in some of the other cities where for a time the capital had been maintained was the reason for that decision.

Mr. President, times change. The attitude of the citizens of the United States at the present time, the attitude of Senators and Members of the House at this time, may well be different on this subject from the attitude of the Founding Fathers. However, I want the RECORD to show, because it is an interesting observation, and I think people should ponder it a little, that the Founding Fathers very definitely and devotedly felt that the residents of the seat of Government, the residents of the District of Columbia—not then established, when the Constitution was written, but later established—should not have the right to participate in the selection of the President and Vice President, but should have the right of local self-government. They did have it for many, many years, as every Senator knows. So it is interesting, and I wanted this observation to be a part of the RECORD of this debate, and to observe that in the judgment of those who are suggesting the amendment at this time that there is a purpose completely variant and completely opposite and contradictory to the expressed purpose of the Founding Fathers in this matter, at the same moment that we are withholding local self-government from the District.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. CASE of South Dakota. That is a very interesting observation. I think along with it there should be noted the fact that at the time the Founding Fathers were writing the Constitution, there were very few States. There were Thirteen Original Colonies, and I do not recall what the electoral vote of the respective States was to be. Certainly the electoral vote of the first States was much less than that of the present 50 States, with 435 Representatives and 100 Senators, a total of 535. The provision in the amendment limiting the electoral vote of the District to that of the least populous State would mean that it would not have more than three. Certainly 3 votes out of 535 is a very small proportion, and the impact would be much less, proportionately, than it could possibly have been at the time the Constitution was adopted.

Mr. HOLLAND. I thank the Senator for his comment. Of course it is needless for me to remind the Senator, because he knows it already, that when the electoral representation of the District of Columbia is being recorded, it is being credited for having two Senators, which it does not have and will not have.

In addition, the amendment as now submitted does not require the very careful and meticulous separation of citizens that would be required if we had to find out who were really entitled to vote in the District of Columbia in these elections, because we all know that several hundred thousand residents maintain their legal residence and their right to vote back in their own States.

For example, in the office of the Senator from Florida, where there are 12 employees, all of them except 1, as I recall, now maintain their residence in Florida, casting their votes in Florida, and several of them have families—wives or husbands or other members of their families who also cast absentee ballots.

Therefore, no one can pretend for a moment that the area of the District of Columbia is comparable, on the question of citizenship of those who live here with, for example, the citizenship and the residents in the State so ably represented by the Senator from South Dakota [Mr. CASE], where those who live there are residents and voters by a great preponderance, certainly 98 or 99 percent.

So one of the improvements of the amendment that comes back from the House is in this very matter. The representation of the District of Columbia in the electoral college is placed much more nearly in accord with the merits of the situation than was the case with the one against which the Senator from Florida voted.

Another change which the Senator from Florida thinks is desirable is with reference to the provision which permitted the election of delegates to the House of Representatives and, what made it worse, submitted to Congress itself the question as to what power to give those delegates, whether full power or not. The Senator from Florida was utterly opposed to that proposal, because it would put pressure in the maximum degree against the men and women sitting in the Senate and in the House. The Senator from Florida is glad that that provision was omitted in the draft of the resolution which comes back from the House of Representatives.

Mr. President, the sole purpose of my making these remarks was to say just this: I shall vote for the amendment. I will do so with some misgivings, because I realize it runs counter to the wisdom of the Founding Fathers, who wanted to insulate Congress against the type of pressure and type of influence which may be exercised against Members of Congress, if this amendment is adopted.

We have come a long way in the school of democratic government and democratic living. It is not for me to say that that may not be a proper change in the philosophy of our Government. The people eventually will determine that question through the action of their State legislators. I have some misgivings on that subject. That was the first thing I wanted to say.

The second was that by no means shall I desist from continuing to offer the poll tax amendment. I think it is fundamental in this country that citizens who otherwise are qualified should have the right to vote for their President, their Vice President, and those who represent them in the Senate and in the House of Representatives. I believe that cleaner government and purer government will come with the recognition of that right, in which I very strongly and profoundly believe.

I shall be back in the Senate, offering that amendment early in the next session. I hope the Senate will, without being annoyed by too much other discussion, be given the chance to vote. I am sorry I have had to take this long. I appreciate the colloquys with distinguished Senators.

It is my own very firm conviction that in the case of the poll tax amendment, those who believe in the civil rights program, which in some of its particulars I strongly disagreed with—that is the one which has been voted—will find in five States that most of the enforcement which it is believed will occur under the terms of that act will be defeated by the nonpayment of the poll tax by persons who otherwise would be qualified. I

want the RECORD to show that, because that is what I firmly believe. I believe that if Senators and Representatives realized that fact, and if they realized that the right to vote of vastly more persons than the total population of the District of Columbia is affected by the poll tax amendment, there would have been a different attitude long since expressed toward that amendment.

In closing, I thank the Senate for its vote on that amendment this year. I hope that that vote will be followed by an even greater vote of approval next year. With all my heart, I believe we will not have any real solution of the problems which formerly related to all the Southland, but which do not now relate to all of it, unless, as one feature of such solution, we adopt the provision that poll taxes may no longer be used as a method and means of preventing persons who are otherwise qualified from going to the polls to vote for their President, their Vice President, their Senators, and their Members of the House of Representatives.

Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. JOHNSTON of South Carolina. Mr. President, if there is not to be a yea-and-nay vote, I desire the RECORD to show that I shall vote against the amendment.

Mr. EASTLAND. Mr. President, I desire the RECORD to show that I am against the joint resolution. I ask for a yea-and-nay vote.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas that the Senate concur in the amendments of the House. [Putting the question.]

In the opinion of the Chair, two-thirds of the Senators present and voting having voted in the affirmative, the motion is agreed to.

Mr. CASE of South Dakota. Mr. President, I move that the Senate reconsider the vote by which the amendments were agreed to.

Mr. KEATING. I move to lay that motion on the table.

Mr. EASTLAND. Mr. President, I ask for the yeas and nays on the motion to lay on the table.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New York to lay on the table the motion of the Senator from South Dakota to reconsider the vote by which the amendments were agreed to.

The motion to lay on the table was agreed to.

HOUSING ACT OF 1960

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1638, S. 3670.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3670) to extend and amend laws relating to the possession and improvement of housing and the renewal of urban communities, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. I should like to ask the majority leader a question before he leaves the Chamber. As I understand, the housing bill has just been made the unfinished business. I do not know about major amendments; however, I understand the distinguished Senator from Pennsylvania [Mr. CLARK] has an amendment.

Mr. CLARK. I have one amendment, but I have discussed it with the majority leader, and he and I are in accord.

AMENDMENT OF SMALL BUSINESS ACT

Mr. PROXMIRE. Mr. President, on behalf of myself, the Senator from Indiana [Mr. CAPEHART], the Senator from Alabama [Mr. SPARKMAN], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Michigan [Mr. HART], I introduce, for appropriate reference, a bill to amend the Small Business Act.

The bill contains parts of several bills introduced earlier in this Congress and other recommendations and suggestions which have been made to improve the Small Business Act.

I desire especially to thank the Senator from Alabama [Mr. SPARKMAN], the Senator from Michigan [Mr. HART], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Indiana [Mr. CAPEHART] for the contribution which they have made to the bill. The bill contains many provisions which are derived from suggestions made by them.

Although the bill is being introduced late in the session, I think its chances of passage are excellent. The Subcommittee on Small Business of the Committee on Banking and Currency —I am the chairman of the subcommittee—has considered all elements of the bill and bills in other forms. I feel quite certain that the committee will be ready and willing to give favorable consideration to the bill.

Hearings were held last summer by the Subcommittee on Small Business of the Banking and Currency Committee covering the substantive provisions of this bill.

The bill would increase by $75 million the authorization for the revolving fund for the Small Business Administration's regular business loan program. Under projections furnished me by the SBA, this $75 million increase in the revolving fund would allow them to operate their regular business loan program until well into fiscal 1962.

The bill would also provide for greater participation by small business in Government procurement. Improvement in this field is very important because the percentage of small business participation in Government procurement has steadily declined. For the first 9 months of fiscal 1960 small businesses received only 15.7 percent of the total defense procurement as compared to 16.6 percent of the total defense procurement during fiscal 1959. In 1954 small businesses received 25.3 percent.

I would remind the Senate of a Government purchase which I brought to the attention of the Senate on Monday. In this case the State Department made a purchase of furniture for our Embassy in Venezuela from a firm headed by the son of Secretary of Commerce Frederick Mueller. A small business got a Government contract; but unless one's father happens to be a member of the President's Cabinet, the chances for small business to furnish supplies to the Government are rapidly disappearing. Unless a small businessman has a good and generous friend in Government, his chances of getting a negotiated contract are mighty small.

Consider these facts. The total defense procurement program in fiscal 1959 amounted to $22,744 million. Of this amount, 86 percent, or $19,655 million, was negotiated. The small business share of these negotiated contracts was about 11.8 percent, or $2,317 million.

On the other hand, of the competitive contracts, only 14 percent of the procurement, or $3,089 million, was competitive. The small business share of this competitive amount was $1,466 million, or 47.5 percent.

I am concerned over the fact that an overwhelming amount of procurement contracts are entered into by negotiation rather than formal advertising. Statistics show that 86.4 percent of the total defense dollar awards are made through negotiation. I am concerned also that a very large percentage of these negotiated contracts is negotiated with a sole source, hence effective competition is lacking. Competition is an ingredient which I feel is absolutely necessary since it has been shown over and over again that competition in Government procurement results in savings to the Government and, in most cases, results in the delivery of a better product.

Figures furnished to the Congress by the Department of Defense show that in the past fiscal year new procurements, excluding intragovernmental and modifications of existing contracts, totaled $16,247,263,000; of this amount, $8,237,830,000, or 50.7 percent are negotiated with a sole source. Another report issued by the Department of Defense shows that in fiscal 1959 of the $22,591,800,000 net value of military contracts awarded, $16,681,300,000, or 73.8 percent was awarded to 100 companies. Breaking this down to an even more interesting figure, only 20 companies re-

ceived 50.6 percent of the total procurement dollar.

Just this week, the senior Senator from Illinois made an extremely significant and persuasive speech on this very issue. He pointed to a series of specific, documented abuses. The taxpayers, and small business, too, lost as a result of these noncompetitive practices of the Department of Defense in obtaining procurements. Fantastically high and greatly excessive costs to the Federal Government, plus a drying up of opportunities for small business, resulted.

Mr. President, the explanation given for this trend is the complexity of new weapons and the exigencies of time. I cannot believe that the lessening of effective competition, which the negotiation method of procurement brings about, is desirable, or that in most cases competition would lengthen the time of delivery of needed weapons.

Mr. President, once again I desire to call attention to a very brief portion of the report of the Appropriations Committee on the Department of Defense appropriation bill. Earlier, the distinguished senior Senator from New York [Mr. JAVITS] called attention to it. But I believe it especially pertinent to refer to it again at this point. I shall read three brief paragraphs of the committee's report which reflect its concern in regard to the policies of the Department of Defense in not having more concern for proper procedure in connection with the handling of this matter. I read now from page 40 of the report of the Senate Appropriations Committee on the Department of Defense appropriation bill, 1961; it is Report No. 1550:

SMALL BUSINESS PROCUREMENT

The share of Department of Defense procurements being awarded to small business concerns in the form of prime contracts has developed into a serious situation. The percentage share of military prime contracts has spiraled downward from a high of 25 percent in fiscal year 1954 to 16 percent in fiscal year 1959. This affords a sad commentary on the effectiveness of the small business program of the Department of Defense.

Determined effort should be made to increase the participation of qualified small companies in the vast area of research and development contracts.

Sole source procurements made with funds appropriated under this act should be kept at a minimum.

Mr. President, the bill we are introducing will, it seems to me, help very greatly by requiring the Department of Defense to refer contracts of any substantial size to the Small Business Administration, so it can set up a screening process and can do its very best to protect small business and to see to it that small business is given the greatest possible opportunity.

Mr. President, I believe that competition would stimulate delivery and also add incentive to competing companies to provide better products. I hope the time will never come when we in this country shall have to abandon the principle of full and free competition through equal opportunity.

This concentration of Government procurement dollars in a mere handful of companies and the tremendous use of sole-source negotiation by the Department of Defense should be of great concern to everyone in the country; but it is of particular concern to those of us who are devoted to the task of securing for small business a just share of the Government procurement dollars. The drift away from advertised procurement is particularly harmful to small business, since small business receives only 11.8 percent of all negotiated awards, as compared to a very creditable 47.5 percent of advertised awards.

I am convinced that too much emphasis is being placed by the Department of Defense on negotiation with a sole source, because it is the easiest method for the Department to use. It is not permitting small business to participate to the extent it rightfully should in our defense effort, and both the country and the small business community suffer from this lack of full participation.

It is understandable that some of the large and more complex procurement contracts which the Department of Defense enters into cannot be performed by small business. One of the most effective ways to obtain a fairer share of Government procurement for small businesses is to provide for participation by them, to a greater extent, in subcontracting.

Of course, here is where small business can play an important part, even in connection with the large contracts for important weapons systems.

The bill provides that the Small Business Administration shall promulgate a small business subcontracting program. Under this program, all prime contracts for Government procurement over $1 million and all subcontracts over $500,000 would contain provisions requiring the prime contractor to consult with SBA and to furnish SBA with information and records concerning the contract, when requested to do so by SBA. This will permit SBA to negotiate with these contractors on behalf of small businesses.

The bill provides for publication—

The bill provides for publication—and, Mr. President, this feature is also very important; it was proposed by the distinguished junior Senator from Michigan [Mr. HART], and we have received from small businesses many complaints that they do not know when such contracts are available—in the daily U.S. Department of Commerce "Synopsis of the U.S. Government Proposed Procurements, Sales, and Contract Awards," published by the Department of Commerce, of all military procurement actions over $10,000 and all other procurement actions over $1,000. Procurements which for security reasons are of a classified nature, perishable subsistence supplies, public utilities, and emergency procurements when the time for bidding is insufficient to permit publication are excepted. This provision will permit small businessmen to have notice of a more complete list of what their Government is buying. Large corporations can afford to retain Washington representatives to furnish this information to them. The small businessman generally cannot afford to do this. I believe that a comprehensive publication in this daily synopsis of Government procurements will be of great benefit to small businessmen.

The bill will also amend the program of grants for studies, research, and counseling in small business problems, by providing that a corporation formed by two or more eligible entities will be eligible to receive a grant. Testimony at the hearings brought out that such a corporation in some States would be in a position to be able to enlist the various talents, financial assistance, and other facilities of other agencies within a State in implementing the purposes of the grant. The bill also provides that the SBA may require, as a condition to a grant, that an additional amount not exceeding the amount of the grant, be furnished from sources other than the SBA. However, if the grant or any portion is used to counsel individual small business concerns, an amount equal to the amount of the grant must be provided. I believe these amendments will improve this program.

The bill would simplify the reporting requirements of SBA by requiring an annual report to the President and the Congress, instead of the semiannual report presently required. The SBA would be able to include in this report the material it now reports quarterly regarding its progress in liquidating the assets and winding up the affairs of the Reconstruction Finance Corporation.

Finally, the bill would require the Attorney General to make a yearly report on any activities of the Government which may adversely affect small business in the antitrust field. The bill would eliminate certain quarterly reports that the Attorney General makes under the Defense Production Act.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3689) to amend the Small Business Act, and for other purposes, introduced by Mr. PROXMIRE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Banking and Currency.

Mr. SPARKMAN. Mr. President, will the Senator from Wisconsin yield to me?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Wisconsin yield to the Senator from Alabama?

Mr. PROXMIRE. I yield to the distinguished Senator from Alabama, who deserves more credit for this bill than does any other Member of the Senate. He is chairman of the Select Committee on Small Business. He has conducted a number of hearings. Many of the suggestions come from him.

Mr. SPARKMAN. Mr. President, I shall be brief; but I desire to compliment the Senator from Wisconsin on his very fine presentation in so short a time.

I was particularly pleased to hear him say that some of the practices of some branches of the Government, particularly the Department of Defense, which consistently engage to an excessive extent in procurement by means of negotiated contracts, rather than by means of competitive bidding.

As the Senator from Wisconsin knows, throughout the years we have contended most vigorously for competitive bidding, and have stated again and again that if competitive bidding is used, small business will be taken care of.

Mr. PROXMIRE. That is correct; and I believe it particularly timely that this bill is being introduced so soon after the passage of the Department of Defense appropriation bill, in connection with which the Appropriations Committee took the unusual course of instructing the Defense Department that the funds appropriated should, wherever possible, be made available for expenditure under contracts awarded on a competitive basis, and, wherever possible, should be made available to small business. Here is an opportunity for us to make specific provision of administrative procedures for carrying out that policy and for making that opportunity available.

Mr. President, I yield the floor.

HOUSING ACT OF 1960

The Senate resumed the consideration of the bill (S. 3670) to extend and amend laws relating to the possession and improvement of housing and the renewal of urban communities, and for other purposes.

Mr. SPARKMAN obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Alabama yield to the Senator from Texas?

Mr. SPARKMAN. I yield.

Mr. JOHNSON of Texas. Mr. President, I have talked with the minority leader and to the ranking minority members of the committee, the Senator from Indiana [Mr. CAPEHART], and the Senator from Connecticut [Mr. BUSH]; and I have consulted with the chairman of the subcommittee, the Senator from Alabama [Mr. SPARKMAN], and with the Senator from Pennsylvania [Mr. CLARK], who has an amendment to offer.

I wonder whether it would be agreeable to Senators to enter into a unanimous-consent agreement that there be 30 minutes on amendments, with the exception of the amendment of the Senator from Pennsylvania [Mr. CLARK]; that there be 1 hour on the Clark amendment; and that there be 2 hours on the bill, all to be equally divided.

Mr. DIRKSEN. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. I would have no objection to that arrangement, provided I can now inquire of the chairman of the subcommittee with respect to the item of the bill which sets certain goals. If that could be eliminated from the bill, and could be presented as a separate bill, and could be put on the calendar, then, at our convenience, we could discuss that matter; and I believe that would modify the situation very materially.

Mr. LONG of Louisiana. Mr. President, what item of the bill is it?

Mr. SPARKMAN. The Senator from Illinois said it is the provision pertaining to setting goals.

It is rather difficult to handle this question in such a brief manner as this. I know there has been considerable opposition aroused to this provision of the bill, which simply provides that—and it is in the first part of the report—that each year the President shall deliver to Congress a message in which certain housing goals will be set.

Mr. JOHNSON of Texas. Mr. President, I modify my request to an hour's debate on the goals amendment, as well as the Clark amendment, a half hour on all other amendments, and 2 hours on the bill.

Mr. DIRKSEN. Mr. President, I have just discussed this subject with the Senator from Alabama. He seemed to be agreeable to considering the goals amendment as a separate proposal. I have no objection if it is considered that way, but it is a bone of contention in this bill, and it should be considered as such. If it is not, there will be a good deal of discussion on that item, because it seems to me quite offensive. I think, therefore, 1 hour should be allowed on it.

Mr. JOHNSON of Texas. I have modified my request accordingly.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas?

Mr. JOHNSTON of South Carolina. Mr. President, I am not objecting, but I am calling to the attention of the majority leader this question: When are we to recess or adjourn? If we are to proceed with consideration of the bill, without limitation, I think we shall get through quicker, but if we are to recess and take the bill up tomorrow, there should be a time limitation.

Mr. JOHNSON of Texas. We will see how we get along. I do not know how many amendments will be offered. I understood there would be no controversy except on about two amendments. If we have incorrectly estimated the situation, we can adjust ourselves accordingly.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Texas? The Chair hears none, and the order is entered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That effective upon the adoption of this agreement, during the further consideration of S. 3670, except as to a proposed amendment each by Mr. CLARK and Mr. SPARKMAN relating, respectively, to contracts for additional housing units, and a national housing goal, upon which there shall be a limitation of debate of one hour each, to be divided and controlled as below; debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to thirty minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to two hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. SPARKMAN. Mr. President, I shall be very brief in the presentation of this bill. I believe we can pass it without too much time being consumed. I do not think there is too much controversy. I have a very brief explanation of it.

Mr. President, S. 3670 is an original bill reported by the Committee on Banking and Currency after extensive hearings and full consideration of over 25 bills introduced in both sessions of the 86th Congress. The provisions of this bill are derived primarily from the several bills which were considered and from recommendations made by the Subcommittee on Housing following the report of its study of mortgage credit.

This bill does not contain legislative proposals designed to solve all of the Nation's housing problems. To that extent, it is less than many members of the committee believe to be desirable. On the other hand, it continues several housing programs which would otherwise expire, and its supplements authorizations for programs which are now dormant because funds are exhausted. In addition, it contains many proposals for perfecting existing law.

Among the principal provisions of the bill are the following:

Title I would require the President to announce national housing production goals and would stimulate uses of new materials and techniques in residential construction through research activities in the Housing and Home Finance Agency and the Federal Housing Administration.

Section 201 extends the FHA home repair and improvement program for 1 year.

Section 204 increases the FHA general insurance authorization by $4 billion.

Section 206 permits the FHA to insure multifamily projects secured by buildings in which individual units are owned separately from the whole. This type of ownership is called "condominium."

Section 301 increases by $25 million the authority to appropriate funds for direct loans to provide housing for the elderly.

Section 302 amends three programs of housing for the elderly to encourage the inclusion of health, social, and recreational facilities.

Section 401 increases the capital grant authorization for the urban renewal program by $350 million.

Section 501 increases by $150 million the Federal National Mortgage Association special assistance fund which is subject to presidential allocation; and increases by $25 million the special assistance fund for the purchase of cooperative loans insured by the FHA.

Section 503 increases the college housing loan authorization by $500 million.

Section 504 increases the public facility loan authorization by $100 million.

Section 505 continues the direct home loan program administered by the Veterans' Administration for 1 year and continues the provision in existing law which increases the loan fund by $150 million annually.

Section 506 continues the farm housing program for 2 years and authorizes increases in the loan fund up to $74 million.

There have been statements in the press that this bill has been tailored to meet Presidential objection in advance. Such reports are without foundation. As far as I am personally aware, there have been no veto threats. In my opinion, this bill was developed in the Committee on Banking and Currency in the conviction that its provisions are necessary at the present time and that certain other necessary proposals should be considered separately or could be postponed until the next session of Congress. It is my personal view that S. 3670 is sound legislation and should be approved by the Senate, by the House of Representatives, and by the President.

I mentioned that $500 million is provided in this bill for college housing. The college housing program has been one of the most popular and effective programs that we have devised.

Every State in the Union, with the exception of one, have colleges and universities whose applications for loans have been approved. Wyoming is the only State wherein a college has not received a college housing loan. I am advised, however, that Casper College in Wyoming has an application pending, and it is hoped funds may be reserved for the college very soon.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of colleges whose applications have been approved heretofore.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

College housing program—Approved loans Apr. 30, 1960

Institution	Amount of loan	Housing accommodations	Other facilities
Alabama:			
The Marion Institute	$150,000	100 men	
Spring Hill College	586,000	168 men, 6 faculty	
The Alabama Polytechnic Institute	614,000	182 men, 100 women	
Howard College	2,150,000	321 men, 342 women	
Tuskegee Institute	2,000,000	897 men, 154 women	
St. Bernard College	273,000	104 men, 2 faculty	
Jacksonville State Teachers College	280,000	176 men	
Alabama A. & M. College	250,000		Student center.
Troy State College	367,000	214 men	
The Alabama Polytechnic Institute	1,979,000	240 student families	
Marion Institute	265,000	116 men	Dining (500).
Florence State College	1,365,000	226 men, 60 women	Student union—dining (600).
Troy State College	235,000	144 men	
Birmingham Southern College	278,000	32 student families	
Howard College	110,000	16 student families	
University of Alabama-Medical	1,555,000	64 student families, 64 faculty	
Huntingdon College	225,000		Student center.
Alaska: University of Alaska	1,170,000	102 men, 39 women, 12 student families, 12 faculty.	
Arizona:			
Arizona State College (Tempe)	400,000	144 men	Dining.
University of Arizona	400,000	152 women	
Arizona State College (Flagstaff)	500,000	168 men	
University of Arizona	2,199,000	364 men, 356 women	
Arizona State College (Tempe)	2,493,000	300 men, 450 women	Dining.
Arizona State College (Flagstaff)	427,000	168 men	
University of Arizona	1,108,000	350 men	
Arizona State College (Tempe)	896,000	150 men, 144 women	Dining (294).
Arizona State College (Flagstaff)	475,000	62 student families	
Arkansas:			
Ouachita Baptist College	75,000	48 men	
State A.M. & N. School	581,000	128 men, 124 women	
Henderson State Teachers College	347,000	30 student families, 10 faculty	
Hendrix College	265,000	102 men	
Ouachita Baptist College	294,000	100 men	
University of Arkansas	2,917,000	404 women, 100 student families	Dining (1,450).
Hendrix College	325,000	100 women	
Arkansas State Teachers College	350,000		Student center.
Henderson State Teachers College	252,000		Student union.
University of Arkansas-Medical	2,316,000	195 men, 120 women, 95 student families, 2 faculty.	
Arkansas State College	577,000	264 men	
Harding College	500,000	60 student families	
Arkansas State Teachers College	325,000	116 men	
Arkansas Polytechnic College	550,000	13 student families	Student union—dining.
Little Rock University	322,000		Do.
Ouachita Baptist College	200,000		Dining (400).
Philander Smith College	800,000	100 men, 120 women, 6 faculty	Student union—dining.
University of Arkansas	878,000	100 student families	
Arkansas Polytechnic College	286,000	102 men	
Do	350,000	100 women	
John Brown University	400,000	136 men	
Arkansas Agricultural and Mechanical College	925,000	268 men, 128 women, 30 student families	
Ouachita Baptist College	625,000	100 men, 76 women	
Arkansas State Teachers College	765,000	126 men, 124 women	
Henderson State Teachers College	1,136,000	152 men, 152 women	
University of Arkansas	1,672,000	432 men	
California:			
Menlo College	520,000	128 men, 8 faculty	
University of San Francisco	1,478,000	374 men	Dining.
Whittier College	350,000	90 women	
LaVerne College	200,000	50 women	
University of Santa Clara	375,000	150 men, 3 faculty	
University of Southern California	660,000	304 men, 52 student families	
Do	2,150,000	226 men, 227 women	Do.
Occidental College	1,308,000	107 men, 136 women	Dining (350).
College of the Pacific	1,522,000	400 women	Dining (400).
University of Redlands	350,000	96 men	
Whittier College	500,000		Student union—dining (500).
Mount St. Mary's College	850,000	160 women	Dining.
Loyola University of Los Angeles	718,000	180 men	
College of the Holy Names	1,209,000	166 women, 64 faculty	Commons (600).
University of San Francisco	948,000	96 faculty	Dining (120).
Menlo College	500,000	100 men, 6 faculty	Student center.
College of Notre Dame	435,000	100 women	Dining (250).
LaVerne College	367,000	66 women	Dining (256).
University of California	18,000,000	3,968 men, 2,086 women, 151 student families	Dining.
California Western University	230,000	64 men, 64 women	
Westmont College	975,000	144 women	Dining (234).
California State College	14,173,000	4,200 men, 3,400 women, 114 faculty.	

College housing program—Approved loans Apr. 30, 1960—Continued

Institution	Amount of loan	Housing accommodations	Other facilities
California—Continued			
Pasadena College	$600,000	70 men, 75 women	Commons—dining (500).
University of California (Berkeley)	3,700,000		Student union—dining (1,000).
University of California (Los Angeles)	2,750,000		Student union—dining.
Chapman College	839,000	133 men, 133 women	
California College of Arts and Crafts	290,000	39 men, 39 women	Dining.
Stanford University	2,900,000	225 student families, 25 faculty	
University of Redlands	400,000	96 men	
Occidental College	960,000	101 men, 78 women	
Los Angeles College of Optometry	82,000	32 men	
Whittier College	450,000	83 women	
St. Mary's College of California	350,000	100 men	
University of San Francisco	786,000	218 men	
California Western University	556,000	188 men	Dining (188).
San Francisco College for Women	1,900,000	210 women, 30 faculty	Dining (318).
College of the Pacific	154,000	44 women	
College of the Holy Names	395,000	92 women	
University of Santa Clara	2,500,000	314 men	Student center—dining (842).
University of California (Berkeley)	3,000,000	300 student families	
Colorado:			
Colorado School of Mines	200,000	84 men	
University of Colorado	350,000	36 faculty	
Colorado A. & M. College	1,320,000	400 women, 4 faculty	Dining.
Colorado College	576,000	155 men, 5 faculty	
University of Colorado	2,200,000	900 men	Do.
Colorado A. & M. College	1,320,000	408 men, 4 faculty	Do.
Western State College	394,000	174 women	
The Colorado College	1,152,000	258 women	Do.
Loretto Heights College	1,090,000	254 women	Do.
Colorado State College of Education	2,600,000	558 women	Dining (900).
Regis College	909,000	214 men	Student center—dining (400).
Colorado A. & M. College	1,250,000	412 men	Dining.
Do	1,250,000	do	Do.
Colorado Women's College	335,000	122 women	
Fort Lewis A. & M. College	806,000	124 men, 60 women, 20 student families	Student center—dining.
University of Colorado	1,009,000	116 student families	
Western State College	631,000	120 men, 132 women	
Colorado School of Mines	259,000	84 men	
Colorado A. & M. College	1,350,000	412 women	Dining.
Adams State College	587,000	100 men, 66 women	
University of Denver	1,690,000	216 men, 216 women	Dining (346).
The Colorado College	750,000	89 men	Student union—dining.
Colorado State University	2,000,000		Do.
Adams State College	465,000	52 student families	
Pueblo County Junior College	600,000		Do.
Colorado State University	1,450,000	150 student families	
The Colorado State College	435,000	150 men	
Adams State College	1,160,000	100 men, 88 women, 28 student families	Dining (600).
Western State College	1,600,000	452 women	Dining (440).
Fort Lewis A&M College	514,000	120 men, 12 student families	Student union.
The Colorado College	308,000	105 men	
Connecticut:			
University of Bridgeport	1,496,000	300 women, 12 faculty	Dining (700).
Yale University	1,080,000	205 women, 1 faculty	
University of Bridgeport	1,600,000	412 men	
Albertus Magnus College	900,000	150 women	Dining (150).
Delaware:			
University of Delaware	1,854,000	298 men, 263 women	Student union—dining.
Do	360,000	48 student families	
Wesley College	665,000	130 men, 86 women	
District of Columbia:			
Georgetown University	1,249,000	178 women, 37 faculty	Dining.
The American University	394,000	55 men, 55 women	
Do	634,000	148 men	
Georgetown University	1,192,000	200 men	
Trinity College	1,400,000	195 women, 4 faculty	Student union—dining.
Catholic University of America	1,350,000	200 men	Dining—student center.
Georgetown University	2,800,000	400 men	Dining (1,000).
The American University	1,500,000	300 women	
George Washington University	1,250,000	138 men, 196 women	
Dunbarton College	848,000	124 women, 8 faculty	Dining (132).
Florida:			
University of Florida	1,776,000	632 women	Dining.
Florida A. & M. College	810,000	570 men, 197 women	
University of Miami	1,381,000	400 women	Do.
University of Florida	1,000,000	160 men, 240 women	Do.
John B. Stetson University	536,000	250 men	
Florida Southern College	750,000	273 women	
John B. Stetson University	420,000	118 women, 3 faculty	
Bethune-Cookman College	287,000	151 women, 5 faculty	
University of Florida	3,279,000	652 men, 358 women	Student union—dining (196).
Florida State University	2,300,000	570 men, 272 women	
John B. Stetson University	894,000		Student union—dining.
Rollins College	900,000	136 women	Dining (520).
University of Florida	1,925,000	296 student families	
University of Miami	2,695,000	722 women	
John B. Stetson University	423,000	158 men	
University of Tampa	440,000	83 men, 55 women	
Florida State University	1,925,000	288 student families	
University of Florida	3,500,000	800 men, 485 women	Dining.
University of South Florida	1,200,000	414 women	
University of Miami	85,000	24 men	
Georgia:			
Emory University	627,000	299 women	
Do	990,000	408 men	
Mercer University	750,000	46 men, 100 women, 6 faculty	Student center—dining.
Morris Brown College	200,000	78 men	
Clark College	450,000	118 men, 7 faculty	
Emory University	4,000,000	336 women, 100 student families	Do.
Georgia Military College	258,000	150 men	Dining (275).
Wesleyan College	450,000	102 women	Infirmary (16-bed).
University of Georgia	3,000,000	495 men, 487 women	
Georgia Teachers College	462,000	160 women	
Georgia Institute of Technology	2,025,000	770 men	
North Georgia College	390,000	148 men	
Tift College	200,000	52 women	
Morehouse College	350,000	268 men	Dining.
Gordon Military College	337,000	126 men	

College housing program—Approved loans Apr. 30, 1960—Continued

Institution	Amount of loan	Housing accommodations	Other facilities
Hawaii:			
University of Hawaii	$640,000	48 faculty	
Do	437,000	116 men	
Idaho:			
University of Idaho	755,000	272 men	Dining.
The College of Idaho	430,000	150 men	Do.
Do	150,000		Student center—dining.
Do	120,000	68 men	
Northwest Nazarene College	370,000	120 women	
North Idaho Junior College	110,000		Student union—dining (500).
Illinois:			
Knox College	426,000	96 men, 1 faculty	
Illinois Institute of Technology	1,045,000	96 faculty	
Do	2,280,000	88 student families, 56 faculty	
Southern Illinois University	1,100,000	422 women	Dining.
Illinois College	200,000	105 men	
North Central College	350,000	144 men	
Loyola University	1,192,000	366 men	Do.
Knox College	500,000	144 men, 1 faculty	
North Park College and Theological Seminary	550,000	208 men	
Lake Forest College	400,000	146 women	
Lincoln College	175,000	78 men	
Quincy College and Seminary	600,000	200 men, 2 faculty	
Bradley University	450,000	150 women	Do.
Southern Illinois University	3,251,000	732 men	Do.
University of Illinois	1,065,000	450 men	
Do	2,570,000	669 women	Do.
Illinois College	200,000	67 women	
North Central College	250,000	80 men	Do.
Aurora College	200,000	66 men	
The University of Chicago	2,000,000	516 women	Do.
Bradley University	400,000		Student center—dining.
Barat College of the Sacred Heart	650,000	152 women, 4 faculty	Dining (300).
The University of Chicago	850,000	10 men, 10 women, 60 student families	
University of Illinois	3,000,000	1,485 men	Dining (1,200).
Greenville College	275,000	51 women	Dining.
Shimer College	350,000	94 men	
Southern Illinois University	3,000,000	236 men, 188 women, 128 student families	Do.
Illinois State Normal University	700,000	96 student families	
National College of Education	400,000	188 women	Do.
Western Illinois University	206,000	32 student families	
Northern Illinois University	3,000,000	528 men, 528 women	Dining (1,056).
Eastern Illinois University	500,000	60 student families	
MacMurray College	516,000	106 men	Dining (240).
Milliken University	740,000	171 men	Student center—dining; 3-bed infirmary.
Augustana College	395,000		Student union—dining.
St. Xavier College	650,000	152 women	Infirmary.
Illinois Institute of Technology	1,000,000	288 men	Dining (394).
The Monmouth College	400,000	100 men	
The University of Chicago	1,300,000	332 men	Dining (336).
Lincoln College	250,000	82 men	
Illinois Institute of Technology	1,200,000		Student union.
University of Illinois	1,525,000		Food service building.
Southern Illinois University	2,300,000		Student union—dining.
Bradley University	517,000	162 men	
University of Illinois	1,530,000	157 men, 150 women	
Knox College	500,000		Do.
University of Illinois	3,450,000	1,569 men	Dining (1,569).
MacMurray College	550,000	105 men	Dining (210).
Rosary College	949,000	172 women	
Milliken University	546,000	158 women	
Elmhurst College	450,000	126 men	4-bed infirmary.
Illinois Institute of Technology	1,000,000	245 men	Dining (350).
St. Procopius College	700,000	160 men	Dining.
Indiana:			
Butler University	890,000	286 men	
Anderson College and Theological Seminary	539,000	178 men, 1 faculty	
Indiana University	2,024,000	144 student families	
Tutler University	700,000	226 women	Do.
St. Joseph's College	460,000	196 men, 4 faculty	
Franklin College of Indiana	505,000	190 women	Do.
Manchester College	325,000	100 women	
Earlham College	600,000	142 women, 2 faculty	Dining (560).
Taylor University	600,000	176 men	Dining (620).
Marion College	175,000	100 men	
Indiana University	3,005,000	252 student families	
Purdue University	8,954,000	2,180 men, 12 faculty	Dining.
Anderson College and Theological Seminary	549,000	174 women	
Ball State Teachers College	1,265,000	412 men	Student union.
Indiana University, Medical	1,363,000	105 student families	
Do	1,083,000	99 men, 148 women	
The Vincennes University	250,000		Student union—dining.
St. Joseph's College	680,000	240 men	Dining.
Evansville College	312,000	128 men	
Valparaiso University	832,000	292 men	
Indiana State Teachers College	1,500,000	300 women	Do.
Do	586,000		Student union—dining.
Franklin College of Indiana	450,000	60 men	Student center—dining.
Indiana University	6,570,000	886 men, 316 women	Dining.
Ball State Teachers College	390,000	38 student families	
Do	1,350,000		Student union—dining.
Do	2,200,000	620 women	
Indiana University	1,715,000	128 student families	
Valparaiso University	1,330,000	328 women	Dining (328).
Manchester College	400,000	120 men	
Iowa:			
Drake University	1,000,000	201 men, 384 women	Dining.
Morningside College	458,000	118 men, 20 student families	
Iowa Wesleyan College	330,000	100 men, 114 women	
Simpson College	219,000	123 men	
Upper Iowa University	175,000	54 women	
Luther College	535,000	233 men	
Waldorf College	150,000	60 women	
Buena Vista College	300,000	116 men	
Parsons College	425,000	76 women	Do.
Drake University	1,334,000	308 men	Student union.
Luther College	400,000	172 women	
St. Ambrose College	920,000	248 men, 4 faculty	

College housing program—Approved loans Apr. 30, 1960—Continued

Institution	Amount of loan	Housing accommodations	Other facilities
Iowa—Continued			
Grinnell College	$400,000	98 men	
Northwestern College	250,000	80 men	
Morningside College	400,000	120 men	
Iowa Wesleyan College	530,000	42 men, 146 women	
Luther College	750,000		Student center—dining.
Coe College	950,000	149 men, 100 women	
Kansas:			
Municipal University of Wichita	741,000	134 men, 123 women	Dining.
Ottawa University	240,000	100 men	
Baker University	310,000	96 women	
Sterling College	346,000	115 women, 1 faculty	
Kansas State College	1,400,000	192 student families	
Kansas State Teachers College	400,000	106 men, 24 student families	
University of Kansas	977,000	120 student families	
Kansas Wesleyan University	267,000	20 student families, 8 faculty	
Fort Hays Kansas State College	500,000		Student union—dining.
University of Kansas	710,000	416 men	Dining.
Kansas State College	1,200,000	604 men	Do.
St. Benedict's College	486,000	150 men	
Bethany College	200,000	72 men	
Kansas State Teachers College (Emporia)	148,000	118 men	
Kansas State College	2,030,000	264 student families	
University of Wichita	1,200,000		Student union—dining.
The Friends University	348,000	102 women	
The Southwestern College	228,000	70 men	
University of Kansas	1,038,000	120 student families	
The College of Emporia	343,000	120 men	
Baker University	865,000	144 men	Do.
University of Kansas	2,700,000	864 men	Dining.
The Southwestern College	1,005,000	147 women, 32 student families	Student center—dining.
Fort Hays Kansas State College	700,000	120 men, 48 student families	
University of Kansas	900,000		Student union—dining.
Sterling College	125,000		Do
Tabor College	72,000		Student center.
Sacred Heart College	500,000	108 women	
Kansas State Teachers College (Emporia)	250,000	156 women	
Bethany College	300,000	105 men	
Kansas Wesleyan University	528,000	152 men	
Kansas State Teachers College (Pittsburg)	260,000	126 women	
Ottawa University	527,000	144 men, 30 women	
McPherson College	548,000	66 women, 12 student families	Student union—dining (250).
Kentucky:			
University of Kentucky	1,255,000	359 men	Dining.
Do	275,000	304 women	
Murray State College	818,000	432 women	
Western Kentucky State College	980,000	420 men	
University of Kentucky	1,087,000	298 women	
Do	2,090,000	93 student families, 93 faculty	
Transylvania University	1,000,000	226 women	Dining (400).
Georgetown College	300,000	108 men	
University of Louisville	460,000		Student center—dining.
Murray State College	670,000		Student union—dining.
Eastern Kentucky State College	393,000	200 men	
University of Kentucky	1,800,000	514 men	
Bellarmine College	725,000	111 men, 30 faculty	
Kentucky State College	195,000		Do.
Western Kentucky State College	693,000	180 women, 4 faculty	
University of Louisville	726,000	200 men	
Morehead State College	1,034,000	402 men	
Union College	300,000	80 women	Infirmary.
Georgetown College	640,000	270 women	
Morehead State College	916,000	100 student families	
Western Kentucky State College	625,000	204 men, 2 faculty	
Pikeville College	400,000	32 men, 32 women	Dining (400).
Murray State College	683,000	248 men	
Eastern Kentucky State College	1,900,000	200 men, 207 women, 80 student families	Utility building.
Louisiana:			
Tulane University	1,755,000	452 men, 86 women	
Centenary College of Louisiana	175,000	140 men	
Northwestern State College of Louisiana	1,433,000	100 men, 200 women	Dining.
McNeese State College	1,139,000	216 men, 108 women, 20 student families	
Tulane University	1,800,000		Student center food service building.
Louisiana College	500,000	100 men, 58 women	
Centenary College of Louisiana	356,000	68 women	
Southeastern Louisiana College	1,621,000	208 men, 104 women, 60 student families	
Louisiana Polytechnic Institute	1,510,000	300 men, 178 women	Dining.
Do	747,000		Student union—dining.
Tulane University	560,000	112 women	
Do	2,380,000	96 student families, 95 faculty	
St. Mary's Dominican College	755,000	84 women, 38 faculty	Dining.
Dillard University	298,000	88 women	
Tulane University	250,000		24-bed infirmary.
Grambling College	3,000,000	200 men, 200 women	Student union—dining.
Southern University and A. & M. College	2,400,000	480 women	Do.
Tulane University	2,100,000	518 men	
Southern University and A. & M. College	1,900,000	460 women, 28 student families	
Centenary College of Louisiana	425,000	84 women	
Northeast Louisiana State College	1,517,000	300 men, 150 women	Dining (450).
Maine: Nasson College	330,000	96 women, 1 faculty	
Maryland:			
The Johns Hopkins University	1,630,000	362 men, 2 faculty	Dining.
University of Maryland	1,056,000	828 men, 452 women	
Washington College	380,000	104 men, 2 faculty	
The Johns Hopkins University	1,736,000	224 men, 27 women, 1 faculty	Do.
Ner Israel Rabbinical College	210,000	70 men	
Hood College	492,000	126 women	
University of Maryland	1,500,000	198 men	Student union—dining.
College of Notre Dame of Maryland	1,040,000	150 women, 4 faculty	Dining (400); infirmary.
Loyola College	490,000		Student union—dining.
Massachusetts:			
Tufts College	1,065,000	276 men	Dining (400).
Brandeis University	581,000	177 women	
Assumption College	620,000	120 men, 22 faculty	Dining.
Boston University	2,500,000	536 women	Dining (686).
Lesley College	540,000	146 women	Dining.
Bouve-Boston School	750,000	160 women	

College housing program—Approved loans Apr. 30, 1960—Continued

Institution	Amount of loan	Housing accommodations	Other facilities
Massachusetts—Continued			
Stonehill College	$200,000		Student union—dining.
Worcester Polytechnic Institute	1,195,000	192 men	Dining (529).
Clark University	1,600,000	195 men, 139 women	Student union—dining.
New England Conservatory of Music	1,215,000	168 women, 3 faculty	Dining; infirmary.
Brandeis University	2,900,000	403 men	Dining (500).
Emmanuel College	749,000	153 women	Infirmary.
Springfield College	377,000	122 men, 1 faculty	
Wheaton College	593,000	84 women	Dining (275).
Tufts College	1,885,000	238 men, 108 women, 3 faculty	Dining (300).
Mount Holyoke College	745,000	118 women, 3 faculty	Dining (128).
Anna Maria College for Women	450,000	101 women	Infirmary.
Wheaton College	551,000	86 women, 1 faculty	
Merrimack College	725,000	96 men, 96 women	
Stonehill College	875,000	210 men	
Massachusetts Institute of Technology	400,000		Dining (575).
Nichols College of Business Administration	250,000	75 men	
Assumption College	605,000	160 men	
Wellesley College	1,000,000	145 women, 3 faculty	
Dean Academy and Junior College	400,000	90 men, 1 faculty	
Michigan:			
University of Detroit	900,000	316 men	
Hope College	997,000	296 men	
Olivet College	225,000	66 men	
University of Michigan	3,261,000	222 student families, 74 faculty	
Michigan State University	1,557,000		Health center.
Eastern Michigan University	895,000	96 student families	
University of Michigan	3,500,000	1,194 women	Dining.
Do	1,697,000	288 student families	
Marygrove College	556,000	142 women	
Michigan State University of Agriculture and Applied Science.	3,680,000	800 student families	
University of Detroit	1,460,000	440 men, 4 faculty	
Central Michigan College	826,000	296 men	
Hope College	1,000,000	160 women	Dining (450).
Michigan College of Mining and Technology	1,400,000	150 student families	
Minnesota:			
Gustavus Adolphus College	552,000	200 men	
Concordia College	650,000	228 women	
Augsburg College and Theological Seminary	360,000	148 women, 1 faculty	
Bethel College and Seminary	348,000	80 men, 50 women	
St. Olaf College	1,000,000	168 men, 160 women	
Macalester College	800,000	132 men, 160 women	Dining.
Hamline University	250,000	112 women	Dining (426).
University of Minnesota (St. Paul)	1,985,000	155 men, 152 women, 100 student families	
University of Minnesota (Minneapolis)	3,029,000	550 men, 264 women	
University of Minnesota (Duluth)	345,000	117 women	
St. Mary's College	713,000	120 men, 46 faculty	Dining.
Carleton College	800,000	114 men, 96 women	
St. John's University	1,361,000	410 men, 4 faculty	
University of Minnesota (St. Paul, Minneapolis)	2,803,000	564 men, 120 student families	Do.
College of St. Thomas	1,200,000	300 men	
St. Olaf College	700,000		Student center.
Hamline University	450,000	122 men	Dining.
Gustavus Adolphus College	250,000		Dining (570).
College of St. Thomas	1,300,000		Student union—dining.
St. Olaf College	1,635,000	200 men, 210 women	
Mississippi:			
University of Mississippi	2,600,000	254 men, 158 women, 200 student families	Dining (120).
Do	754,000	80 student families	
Mississippi State College	3,184,000	1,426 men	Dining (140).
Mississippi Southern College	1,500,000	402 men, 198 women	
Millsaps College	802,000	135 men, 100 women	
Mississippi State College for Women	622,000	198 women, 2 faculty	
Do	622,000	do	
Millsaps College	264,000		Student union—dining.
Mississippi State College for Women	320,000	24 faculty	
Mississippi Southern College	1,465,000	224 student families, 16 faculty	Service building.
Mississippi State College	720,000	52 faculty	
University of Mississippi	1,672,000	220 men, 80 student families, 26 faculty	
Mississippi State College for Women	650,000		Student activity building.
Delta State College	925,000	128 men, 128 women, 30 student families	
Mississippi College	575,000		Student union—dining.
Alcorn A. & M. College	385,000	52 faculty	
Jackson State College	350,000	32 faculty	
The University of Mississippi	750,000	250 women	
Mississippi College	365,000	114 men	
Missouri:			
University of Kansas City	1,000,000	294 men	
St. Louis University	712,000	216 men, 4 faculty	
Central Missouri State College	900,000	95 men, 150 women	Dining (400).
St. Louis University	875,000	294 women, 7 faculty	Dining.
Central Missouri State College	600,000	224 women	
Drury College	195,000	60 women	
Rockhurst University	683,000	214 men	
University of Missouri	1,520,000	512 men	Dining (275).
School of Mines (University of Missouri)	1,585,000	316 men	Dining (300 seats).
Park College	300,000	96 women	
William Jewell College	950,000	123 women	Student union—dining.
Westminster College	500,000	108 men	Dining (200).
Northwest Missouri State College	1,085,000	138 men, 196 women	
Webster College	665,000	116 women	Dining (360).
University of Missouri	3,770,000	1,044 women	Dining (1,044).
William Woods College	686,000	192 women	
Southwest Missouri State College	965,000	230 men, 214 women	
The University of Kansas City	935,000		Student union—dining.
The Tarkio College	370,000	100 women	
Northeast Missouri State Teachers College	575,000	124 men, 30 student families	Dining.
William Jewell College	454,000	124 men	
School of Mines (University of Missouri)	540,000		Student union—dining.
Central Missouri State College	630,000	120 men, 192 women	Dining.
Southeast Missouri State College	1,515,000	408 women	Do.
University of Missouri	1,650,000	192 student families	
School of Mines (University of Missouri)	415,000	48 student families	
Wentworth Military Academy	495,000	122 men	Dining (664).
Westminster College	368,000	108 men	

College housing program—Approved loans Apr. 30, 1960—Continued

Institution	Amount of loan	Housing accommodations	Other facilities
Missouri—Continued			
The Washington University	$3,411,000	296 men, 294 women	Dining.
Cottey Junior College	863,000	152 women	Dining (500).
Washington University	1,528,000	264 men, 31 women	
Stephens College	1,000,000	215 women	
Christian College	759,000	156 women	
Drury College	250,000	100 men	
Westminster College	175,000	50 men	Dining.
Northwest Missouri State College	300,000		Student union—dining.
St. Louis University (Parks College)	1,149,000	242 men, 3 faculty	Dining (420).
Kirksville College of Osteopathy and Survey	571,000	44 student families	
Central Missouri State College	1,215,000	284 men, 96 women	Dining (330).
Northeast Missouri State Teachers College	1,593,000	484 men	Dining (100).
Central Missouri State College	695,000		Student union—dining.
Maryville College of the Sacred Heart	986,000	226 women	6-bed infirmary.
Montana:			
Montana State University	729,000	214 men	
Do	331,000	118 men	Dining (528).
Northern Montana College	485,000	114 men	Dining (155).
Eastern Montana College of Education	319,000	100 men	
Western Montana College of Education	596,000	51 men, 16 student families	Student union.
Montana State College	1,400,000	308 women	Dining.
Western Montana College of Education	315,000	90 men	
Montana School of Mines	250,000		Student union.
Northern Montana College	460,000	68 men, 18 student families	
Do	250,000		Do.
Montana State College	1,500,000	408 men	
Carroll College	1,040,000	154 women, 6 faculty	Dining (600).
Nebraska:			
Nebraska Wesleyan University	232,000	96 men	
The Creighton University	750,000	198 men	Dining (400).
Nebraska Wesleyan University	350,000		Student union—dining.
McCook College	240,000	20 men, 40 women	Dining (160).
Hastings College	330,000	122 men, 2 faculty	
Dana College	336,000	132 women	
Midland College	450,000	77 men	Dining (450).
The Creighton University	750,000	210 women, 4 faculty	
Hastings College	425,000		Student union—dining.
Nevada: University of Nevada	1,382,000	160 men, 32 student families, 8 faculty	Dining (450).
New Hampshire:			
Dartmouth College	1,500,000	300 men, 2 faculty	Student union.
Rivier College	750,000	172 women	
St. Anselm's College	842,000	240 men	
Dartmouth College	1,700,000	327 men	
New Jersey:			
Fairleigh-Dickinson College	325,000	80 women	
Westminster Choir College	382,000	124 men	
Upsala College	2,070,000	282 men, 252 women	Student union—dining.
Institute for Advanced Study	1,150,000	32 men, 74 student families	
Fairleigh-Dickinson College	507,000		Dining, commons.
Rutgers University	2,430,000	480 women	Dining (480).
Fairleigh-Dickinson College	387,000		Student union.
Drew University	925,000	104 men, 126 women	
Rider College	930,000	204 men, 96 women	
Drew University	478,000		Student union—dining.
Bloomfield College & Seminary	200,000	28 men, 28 women	Dining (200).
Georgian Court College	803,000	144 women	
Drew University	575,000	129 women	
Stevens Institute of Technology	1,260,000	370 men	
New Mexico:			
New Mexico School of Mines	435,000	92 men	Dining (300).
New Mexico Highlands University	200,000	100 men	
New Mexico College of A. & M. Arts	1,375,000	200 student families	
New Mexico Western College	357,000	102 men	
University of New Mexico	1,875,000		Student union—dining.
University of New Mexico	1,583,000	435 men	
New Mexico Normal University	295,000	32 student families	
New Mexico Western College	257,000	32 student families	
College of St. Joseph on the Rio Grande	434,000	92 women, 12 faculty	
New Mexico Normal University	170,000	56 women	
University of New Mexico	925,000	160 student families	
New York:			
Rensselaer Polytechnic Institute	2,868,000	636 men	Dining (424).
Syracuse University	2,484,000	665 men	Dining (332).
St. Lawrence University	796,000	204 men	
Clarkson College of Technology	1,150,000	306 men, 16 faculty	Dining.
St. Bonaventure University	1,184,000	500 men	
Alfred University	590,000	160 men	Do.
New York University	820,000	225 men	
Briarcliff Junior College	340,000	72 women	
Syracuse University	2,021,000	540 women, 8 faculty	
Alfred University	420,000	80 women	Dining (300).
Cazenovia Junior College	101,000	32 women	
Yeshiva University	1,225,000	288 men, 2 faculty	Dining.
Do	1,500,000	263 men, 28 women, 10 faculty	
New York University, Bellevue	2,310,000	322 men, 74 women	Dining (200).
Manhattan College	865,000	180 men	
Iona College	650,000	97 men, 8 faculty	Dining.
Russell Sage College	800,000	199 women	
Adelphi College	982,000	78 men, 78 women	Student union.
Wagner Lutheran College	1,216,000	206 men	Dining (578).
Clarkson College of Technology	1,044,000	304 men	Dining.
Colgate University	847,000	183 men	Do.
Syracuse University	3,361,000	474 women	Dining (1,025).
New York University	2,000,000		Student union—dining.
Fordham University	1,800,000		Student union.
University of Rochester	635,000	170 men, 1 faculty	
Elmira College	639,000	158 women	
Hamilton College	1,569,000	244 men	Dining.
Hartwick College	275,000	110 men	
Keuka College	260,000	60 women	
Rensselaer Polytechnic Institute	1,219,000	271 men	
Bard College	525,000	90 women, 1 faculty	
Skidmore College	1,327,000	160 women	Dining (400).
Vassar College	934,000	156 women	Dining.
The St. Lawrence University	1,445,000	186 women	Do.
Houghton College	390,000	126 women	

College housing program—Approved loans Apr. 30, 1960—Continued

Institution	Amount of loan	Housing accommodations	Other facilities
New York—Continued			
Columbia University	$3,000,000	605 men	
Clarkson College of Technology	1,253,000	300 men	Dining (300).
Syracuse University	3,000,000	507 men	Dining (800).
St. Bernardine of Siena College	1,400,000	250 men	Dining (530); infirmary.
The University of Buffalo	2,300,000	456 men	Dining.
Manhattan College	1,750,000		Student center—dining.
College of New Rochelle	735,000	134 women	
New York University	840,000	260 men, 16 student families, 6 faculty	Dining (500).
Nazareth College of Rochester	745,000	132 women, 2 faculty	Dining (279).
Manhattanville College of the Sacred Heart	1,000,000	331 women	
The University of Rochester	1,380,000	338 men, 2 faculty	
Rochester Institute of Technology	1,003,000	444 men	
D'Youville College	900,000	126 women	Student union—dining.
The College of St. Rose	867,000	172 women, 10 faculty	Infirmary.
Hobart College	625,000	116 men	
New York University	3,446,000	406 men, 200 women, 1 faculty	Dining (606).
Adelphi University	432,000	100 women	Infirmary.
Alfred University	350,000		Student union—dining.
Elmira College	539,000	122 women	
Long Island University	2,640,000	294 men, 42 women, 56 student families, 35 faculty.	Dining (1,600).
Cazenovia Junior College	653,000	112 women, 2 faculty	Dining (112).
Union College	560,000	124 men	
Hamilton College	260,000	12 faculty	
Russell Sage College	948,000	185 women	Dining (519).
New York State Dormitory Authority	7,800,000	150 men, 2,393 women	Dining (450).
Iona College	1,060,000		Student union—dining.
C. W. Post College (Long Island University)	2,235,000	312 men, 2 faculty	Dining (350).
Fordham University	1,000,000	100 faculty	Dining (140).
Sarah Lawrence College	880,000	161 women	
Columbia University	750,000	81 student families	
Syracuse University	2,921,000	482 men	
Houghton College	500,000	124 men	
Elmira College	630,000	122 women	
University of Buffalo	3,000,000	504 women	Dining (629).
New York University	3,000,000	553 women	Dining.
Barnard College	850,000	141 women	
Brooklyn College Student Svs. Corp.	1,125,000		Student union—dining.
Syracuse University (Utica College)	950,000		Do.
Rosary Hill College	946,000	151 women	Dining (156).
North Carolina:			
Elon College	675,000	126 men, 140 women	Dining.
Campbell College	192,000	72 women	
Do.	205,000	96 men	
St. Mary's Junior College	190,000	56 women, 1 faculty	
East Carolina College	1,425,000	512 men	Do.
North Carolina State College of Agriculture and Engineering.	2,000,000	808 men	
University of North Carolina	2,000,000	652 men, 75 women	
Wingate Junior College	225,000	144 women	
Western Carolina College	445,000	200 men, 1 faculty	
Pfeiffer College	246,000	98 men, 6 faculty	Dining (100).
Appalachian State Teachers College	525,000	184 women	
Elon College	250,000	123 men	
Lenoir Rhyne College	510,000	176 men	
Louisburg College	179,000		Student union—dining.
Women's College of University of North Carolina	950,000	352 women	
University of North Carolina	2,000,000	222 student families	
East Carolina College	1,250,000	520 men	
Atlantic Christian College	400,000	144 men	
Campbell College	465,000	102 men, 48 women, 24 student families	
Queens College	570,000	140 women	
Agricultural & Technical College	500,000	200 women	
North Carolina State College of A. & E.	2,200,000	300 student families	
North Carolina College at Durham	463,000	200 women	
Pfeiffer College	565,000	98 men, 96 women, 6 student families, 6 faculty	
Livingstone College	300,000		Dining (402).
University of North Carolina	2,000,000	752 men, 83 women	
Bennett College	350,000	106 women	
Chowan College	235,000	116 men	
North Dakota:			
Jamestown College	600,000	210 women	
Mayville State Teachers College	300,000	78 women, 6 student families	
State Teachers College (Dickinson)	345,000	112 men	
University of North Dakota	650,000	257 men	
State Teachers College (Minot)	900,000	148 men, 148 women	
Jamestown College	380,000		Student center—dining.
North Dakota Agricultural College	1,200,000	256 men, 180 women	
Ohio:			
University of Dayton	1,147,000	428 men, 10 faculty	
Antioch College	389,000	111 men	
Xavier University	600,000	300 men	
Ohio Wesleyan University	478,000	117 men	
Findlay College	157,000	122 men	
Baldwin-Wallace College	620,000	180 women	Dining.
Heidelberg College	195,000	176 men	
Ashland College	450,000	145 men	Do.
John Carroll College	647,000	234 men, 3 faculty	
Oberlin College	1,160,000	195 men, 195 women	Dining (408).
Muskingum College	750,000	228 women	Dining.
Case Institute of Technology	825,000	306 men	
Ohio Wesleyan University	500,000	140 men	
Wittenberg College	675,000	107 men, 112 women	Do.
Miami University	941,000	108 student families	
Marietta College	350,000	52 women	Student union—dining.
University of Akron	549,000		Do.
Hiram College	350,000	100 men	
John Carroll University	900,000		Do.
Central State College	470,000	206 men, 2 faculty	
The Ohio State University	5,717,000	1,482 men	Dining.
College of Mount St. Joseph	500,000	88 women, 8 faculty	
Muskingum College	308,000	98 men	
The Defiance College	377,000		Student union—dining.
University of Toledo	900,000		Do.
Ohio Northern University	940,000	162 men, 84 women	
Wittenberg College	235,000	85 women	

College housing program—Approved loans Apr. 30, 1960—Continued

Institution	Amount of loan	Housing accommodations	Other facilities
Ohio—Continued			
Antioch College	$400,000	92 men	
University of Cincinnati	1,525,000	400 men	
Baldwin-Wallace College	500,000	122 women	Dining.
Lake Erie College	540,000		Student union—dining.
Ashland College	295,000	142 women	
Ohio University	480,000	48 student families	
Kent State University	2,350,000	375 men, 375 women	Dining.
The Muskingum College	225,000		Student center—dining.
Findlay College	390,000	100 women	
Wittenberg College	650,000	181 women	
Marietta College	200,000	70 women	
Denison University	1,370,000	305 women	Dining (700).
University of Akron	290,000	98 men	
Ohio State University	2,030,000	473 men, 200 student families	
Bowling Green State University	2,500,000	704 men	Dining (704).
Muskingum College	822,000	150 men, 129 women	Dining (150).
Miami University	4,025,000	249 men, 913 women	Dining (2,190).
Mount Union College	225,000	120 men, 1 faculty	
Heidelberg College	550,000	125 women	Dining (248).
The Defiance College	340,000	96 women	
Kent State University	2,500,000	750 men	Dining (800).
Western Reserve University	2,000,000	460 women	Dining.
Marietta College	600,000	216 men	
Findlay College	300,000		Student union—dining.
Antioch College	150,000	16 student families	
The College of Wooster	553,000	114 women	
Baldwin-Wallace College	900,000	216 men, 2 faculty	
Oklahoma:			
Oklahoma Baptist University	598,000	198 women	Dining.
Oklahoma A. & M. College	2,250,000	240 student families	
Oklahoma City University	1,428,000	248 men, 160 women	Student union.
Oklahoma Baptist University	700,000	210 men	Dining.
University of Oklahoma	700,000	200 women	
Phillips University	378,000	62 men, 54 women	
Southwestern State College	225,000	32 student families	
Central Christian College	600,000	80 men, 80 women	Student union—dining.
Northeastern Oklahoma A. & M. College	765,000	164 men	Do.
Northeastern State College	1,448,000	120 men, 120 women, 22 student families, 22 faculty.	Dining (275).
Bethany Nazarene College	400,000	120 women	
Central State College	280,000	16 student families, 8 faculty	
Eastern Oklahoma A. & M. College	760,000	41 men, 126 women, 18 student families, 6 faculty.	Student union—dining.
Cameron State Agricultural College	175,000		Student union.
Oregon:			
Lewis & Clark College	465,000	128 men	
Reed College	223,000	72 women	
Reed College	334,000	101 men	
University of Portland	440,000	104 women	
Lewis & Clark College	590,000	72 women	Dining (500).
Linfield College	202,000	77 men	
Pacific University	630,000	150 women, 2 faculty	Dining (126).
Linfield College	75,000	8 student families	
Eastern Oregon College and Southern Oregon College of Education.	1,100,000	140 men, 174 women	Dining (506).
Reed College	300,000	100 men	
University of Portland	1,432,000	218 men	Dining (900).
Linfield College	825,000	76 men, 88 women	Commons.
Lewis & Clark College	225,000	90 men	
Mount Angel College	660,000	120 women	Student union—dining.
Pennsylvania:			
LaSalle College	400,000	136 men, 8 faculty	
Philadelphia Textile Institute	587,000	150 men	
Villanova College	1,105,000	416 men, 4 faculty	
Duquesne University	845,000	235 women, 1 faculty	Dining.
Allegheny College	336,000	133 men	
Juniata College	389,000	131 men	
Elizabethtown College	582,000	130 women, 2 faculty	Dining (300).
Moore Institute of Applied Science and Industry	954,000	116 women	Do.
St. Francis College	450,000	152 men, 4 faculty	Recreation building—dining.
Beaver College	210,000	62 women	
Dickinson College	580,000	156 men, 6 faculty	Dining.
Temple University	1,221,000	289 women, 7 faculty	Do.
Lincoln University	345,000	124 men, 2 faculty	
Thiel College	305,000	74 men	
Franklin & Marshall College	616,000	216 men, 4 faculty	
LaSalle College	500,000	126 men, 12 faculty	
Lebanon Valley College	330,000	92 women	
Westminster College	803,000	173 women, 3 faculty	Dining (500).
Wilson College	770,000	210 women, 4 faculty	
Lycoming College	404,000	144 men	
University of Pennsylvania	600,000	166 men	Dining (140).
Juniata College	575,000	120 women	Dining (200), dispensary.
St. Francis College	550,000	200 women, 4 faculty	4-bed infirmary.
The Waynesburg College	455,000	128 men	
Gettysburg College	1,035,000	256 men, 105 women	Dining (700).
Gannon College	627,000	238 men, 6 faculty	
Seton Hill College	500,000	104 women, 5 faculty	
Pennsylvania Military College	482,000	120 men	
Carnegie Institute of Technology	600,000	52 student families	
LaSalle College	1,600,000		Student union—dining.
Lebanon Valley College	200,000		Dining (500).
University of Scranton	600,000	200 men, 8 faculty	
Eastern Baptist College	219,000	60 women	
Gettysburg College	1,300,000	144 men, 260 women	
Lycoming College	400,000		Student union—dining.
Franklin & Marshall College	735,000	196 men	Dining (200), infirmary.
St. Joseph's College	300,000	28 faculty	Dining.
Gettysburg College	919,000		Student center.
Philadelphia Textile Institute	450,000	1 faculty	Student union—dining.
St. Joseph's College	530,000		Student center—dining.
Carnegie Institute of Technology	400,000	90 men	
Mercyhurst College	540,000	147 women	4-bed infirmary
Thiel College	775,000	76 men, 124 women	
National Agricultural College	456,000	124 men, 4 faculty	

College housing program—Approved loans April 30, 1960—Continued

Institution	Amount of loan	Housing accommodations	Other facilities
Pennsylvania—Continued			
Moravian College	$635,000	130 men	
Drexel Institute of Technology	900,000		Student union—dining.
Chatham College	452,000	66 women, 2 faculty	
Pennsylvania State University	8,500,000	978 men, 2,094 women, 216 student families	Dining (3,800).
Pennsylvania Military College	310,000	96 men	
Carnegie Institute of Technology	700,000	171 men	
Westminster College	700,000	126 men, 158 women	
University of Pennsylvania	3,180,000	658 women, 8 faculty	Dining (340).
Elizabethtown College	645,000	232 men	Infirmary.
Temple University	2,787,000	450 men, 10 faculty	Dining (450).
Muhlenberg College	250,000	84 women	
University of Pennsylvania	500,000	200 women	Recreation facilities.
University of Scranton	700,000		Student union—dining.
Allegheny College	980,000	150 women	Dining (400).
Pennsylvania Military College	375,000	96 men	
Temple University	2,900,000	464 women	
Susquehanna University	990,000	150 men, 150 women	
Moravian College	530,000		Student union—dining.
Puerto Rico:			
Catholic University of Puerto Rico	250,000	70 faculty	Dining.
Polytechnic Institute of Puerto Rico	932,000	189 men, 144 women, 12 faculty	
University of Puerto Rico	5,040,000	380 men, 348 women	Student union—dining.
Catholic University of Puerto Rico	500,000	200 men	Do.
University of Puerto Rico	400,000	132 men, 132 women, 55 faculty	
Rhode Island:			
University of Rhode Island	1,123,000	232 women, 4 faculty	Dining (347).
Do	676,000	200 men	
Do	1,100,000	32 student families, 32 faculty	
Rhode Island School of Design	1,500,000	257 women	
University of Rhode Island	1,000,000	262 women	
Bryant University	808,000	178 men	
Brown University	1,200,000	162 women, 2 faculty	20-bed infirmary.
Rhode Island College of Education	610,000	144 women	
University of Rhode Island	1,175,000	308 men	Dining (400).
South Carolina:			
Medical College of South Carolina	1,000,000	255 men	Dining.
Allen University	121,000	150 women	
Wofford College	587,000	120 men	Dining (445).
The Columbia College	539,000	96 women	Dining (600).
Newberry College	375,000	82 men	Student union—dining.
Furman University	2,680,000	390 men, 24 student families	Dining (1,000).
Converse College	492,000	120 women	
Presbyterian College	232,000		Student center.
Erskine College	600,000	108 men, 50 women	Dining (550).
Lander College	175,000		Student center—dining.
Converse College	740,000		Student union—dining.
Benedict College	235,000	140 men	
Furman University	2,300,000	415 women	
South Dakota:			
Augustana College	675,000	220 men	
Dakota Wesleyan University	250,000	102 women	
Southern State Teachers College	206,000	102 men	
South Dakota School of Mines and Tech	440,000	204 men	
Black Hills Teachers College	249,000	50 men, 50 women	
South Dakota State College of A. & M.A	348,000		Do.
University of South Dakota	1,050,000	386 men, 40 student families	
Northern State Teachers College	256,000	150 men, 1 faculty	
South Dakota State College of A. & M.A	2,050,000	412 men, 276 women, 48 student families	
Gen. Beale State Teachers College	175,000	70 men	
Augustana College	500,000		Do.
Northern State Teachers College	250,000		Do.
State University of South Dakota	745,000	182 women, 40 student families, 1 faculty	
Sioux Falls College	150,000	84 men	
Northern State Teachers College	280,000	124 men	
Huron College	300,000	100 men	
Southern State Teachers College	500,000	74 men, 74 women, 20 student families	
Tennessee:			
Memphis State College	325,000	154 men, 164 women	
The Vanderbilt University	2,000,000	600 men	
Tennessee A. & I. State University	450,000	220 men, 192 women	
University of Tennessee—Martin Camp	175,000	236 women	
The Tennessee Wesleyan College	299,000	100 men	
Carson-Newman College	269,000	196 men	
East Tennessee State College	150,000	88 women	
Tennessee Polytechnic Institute	525,000	400 women	
Christian Brothers College	525,000	200 men, 3 faculty	
The Fisk University	1,000,000	148 men, 3 faculty	Student center—dining.
George Peabody College for Teachers	1,200,000	44 student families	Student union—dining.
Maryville College	450,000	248 men, 226 women	
Knoxville College	652,000	90 men, 118 women, 2 faculty	
Middle Tennessee State College	250,000	208 men	
Tennessee Polytechnic Institute	150,000	150 men	
Lambuth College	569,000	34 men, 66 women	Dining (400).
Siena College	220,000	50 women	
Carson-Newman College	200,000	90 women	
University of Tennessee	1,800,000	622 women	
Bethel College	385,000	90 women	Dining (200).
Middle Tennessee State College	225,000	230 women	
East Tennessee State College	479,000	160 men, 88 women	
The University of Tennessee	2,000,000	1,048 men	
Southwestern at Memphis	600,000	105 men, 66 women	
Tennessee Polytechnic Institute	350,000	159 men, 159 women	
Texas:			
St. Mary's University	398,000	188 men, 3 faculty	
Baylor University	1,250,000	366 women	Dining.
Howard Payne College	899,000	254 women	Do.
Baylor University	609,000	340 men	Do.
Trinity University	658,000	156 men, 46 women	
Hardin-Simmons University	1,312,000	418 men, 140 women	
Lamar State College of Technology	400,000	204 men	
Do	750,000	204 women	Do.
Huston-Tillotson College	425,000	103 men, 149 women	
University of Texas	4,071,000	776 women	Do.
Abilene Christian College	1,716,000	312 men, 210 women	Do.
McMurry College	546,000	144 men	

College housing program—Approved loans April 30, 1960—Continued

Institution	Amount of loan	Housing accommodations	Other facilities
Texas—Continued			
Sam Houston State Teachers College	$2,330,000	552 men, 144 women, 80 student families	Dining.
Baylor University	320,000	48 student families	
Southern Methodist University	1,900,000	302 men, 245 women	
Lamar State College of Technology	311,000	35 student families	
North Texas State College	800,000	300 men	Do.
Baylor University	1,805,000	595 women	Do.
West Texas State College	1,600,000	264 men, 172 women	Do.
Texas Wesleyan College	1,250,000	99 men, 99 women	Dining (282).
Texas Christian University	1,800,000	316 men, 302 women	
Austin College	1,000,000	158 men, 142 women	
Texas Technological College	4,610,000	718 men, 376 women	Dining (1,078).
Texas Western College-University of Texas	580,000		Student union addition.
Texarkana College	475,000		Student union—dining.
Lamar State College of Technology	450,000	204 men	
University of Corpus Christi	270,000	100 men	
St. Edward's University	250,000	100 men	
Texas Technological College	2,726,000	718 men	Dining.
Texas Woman's University (Texas State College for Women).	450,000	240 women	Do.
Sam Houston State Teachers College	1,503,000	248 men, 264 women	
University of St. Thomas	302,000		Commons (250 and 50 faculty).
Wharton County Junior College	65,000	60 men	
Tyler Junior College	200,000	48 men, 48 women	
Tarleton State College	515,000	240 men	
Our Lady of the Lake College	400,000	126 women, 4 faculty	
Southwest Texas State Teachers College	939,000	168 men, 64 women, 48 student families	
Agricultural and Mechanical College of Texas	2,160,000	252 student families	
Incarnate Word College	600,000	64 women, 4 faculty	Student center—dining.
San Angelo College	1,165,000	45 men, 100 women, 12 student families, 6 faculty.	Student union—dining facilities.
Lamar State College of Technology	1,120,000	120 men, 70 student families	Dining (408).
Texas College of Arts and Industries	448,000	40 student families	
Texas Christian University	1,790,000	240 men, 350 women	
The University of Texas—Main	1,220,000		Student union—dining addition.
St. Mary's University of San Antonio	785,000	128 men, 59 faculty	Dining.
Texas College	150,000		Student union—dining.
Texas College of Arts and Industries	1,200,000	290 men	Dining.
Pan American College	274,000		Student union—dining.
Southern Methodist University	2,825,000	303 men, 155 women, 67 student families	Dining (303 men).
Howard County Junior College	556,000	104 men, 52 women	
Sacred Heart Dominican College	743,000	56 women, 11 faculty	Student union—dining.
Trinity University	850,000	158 women	Dining (300).
Sam Houston State Teachers College	1,307,000	108 men, 200 women, 50 student families	
University of Dallas	546,000	65 men, 65 women	
Baylor University	1,725,000	558 men	Dining (534).
Lamar State College of Technology	820,000	315 men	
East Texas State College	1,500,000	400 men, 52 student families	
Stephen F. Austin State College	650,000	108 men, 100 women	
South Plains College	420,000	104 men, 52 women	Student center addition.
Blinn College	78,000	50 men	
Del Mar College	300,000	60 men, 62 women	
West Texas State College	1,369,000	176 men, 174 women	Do.
St. Edward's University	400,000	150 men, 3 faculty	
Sam Houston State Teachers College	1,401,000	240 men, 286 women	
Sul Ross State College	200,000	108 men	
Abilene Christian College	1,193,000	352 women	2 infirmary rooms.
Texas Technological College	910,000		Student union and dining additions.
North Texas State College	2,126,000	600 women	Dining.
Utah:			
University of Utah	927,000	303 men	Do.
Southern College of Utah	250,000	200 men	
Carbon College	134,000	64 men	
Snow College	189,000	72 women	
Utah State Agricultural College	1,700,000	504 men, 216 women	Kitchen facilities.
Dixie College	350,000	96 men	Dining (125).
University of Utah	3,160,000	299 student families	
Westminster College	500,000	120 women	Dining (200).
College of Southern Utah	300,000		Student center, dining addition.
Weber College	765,000		Student union, dining (660).
University of Utah	2,285,000	150 men, 258 women	Student union, dining (132).
College of Southern Utah	285,000	100 women	
Vermont:			
Norwich University	340,000	136 men	
Do	468,000	174 men	
Vermont Junior College	730,000	129 women, 3 faculty	Dining (276), infirmary.
Middlebury College	525,000	152 men, 1 faculty	
Trinity College	550,000	150 women	Dining (200).
Norwich University	410,000	140 men	
Middlebury College	390,000	139 men	
St. Michael's College	685,000	215 men, 2 faculty	
Middlebury College	680,000		Student union—dining (375).
St. Michael's College	850,000		Student union—dining (1,110).
University of Vermont	2,455,000	402 men, 130 women	Dining (350).
Norwich University	500,000	140 men	
Virginia:			
Hampton Institute	775,000	257 men	
Do	565,000	142 women	
Medical College of Virginia	1,113,000	378 men	
Emory and Henry College	525,000	130 women	
Do	200,000		Student union—dining.
Clinch Valley College (University of Virginia)	150,000	10 faculty	
Roanoke College	387,000	44 men, 74 women	
Bridgewater College	450,000	140 men, 3 faculty	
Virginia Union University	400,000	97 women	Student union.
Mary Baldwin College	650,000	134 women	
Ferrum Junior College	612,000	126 men	Student union—dining (220).
Washington:			
University of Washington	1,500,000	607 men	Dining.
College of Puget Sound	360,000	145 women	Do.
Seattle University	1,298,000	310 women	Do.
Whitworth College	385,000	124 women	
Gonzaga University	872,000	152 men	Do.
Seattle Pacific College	400,000	124 men	
Pacific Lutheran College	1,000,000	115 men, 131 women	
Seattle University	1,190,000	206 men, 64 faculty	Do.
Pacific Lutheran College	500,000	130 women	

College housing program—Approved loans April 30, 1960—Continued

Institution	Amount of loan	Housing accommodations	Other facilities
Washington—Continued			
The University of Washington	$2,410,000	679 men	Dining.
College of Puget Sound	600,000	78 men, 78 women	
St. Martin's College	450,000	144 men, 3 faculty	
Seattle Pacific College	670,000	170 women, 10 student families	Do.
State College of Washington	1,893,000	284 women, 99 student families	Do.
Whitworth College	263,000		Student center.
Gonzaga University	745,000	150 men	
Whitworth College	584,000	153 men	
Western Washington College of Education	475,000		Student union.
College of Puget Sound	672,000		Student center—dining.
Seattle Pacific College	500,000		Student union—health center.
St. Martin's College	550,000	65 faculty	
Central Washington College of Education	1,446,000	232 men, 42 student families	
The University of Washington	2,050,000	300 women, 20 student families, 19 faculty	Commons—dining (600).
Washington State University	6,550,000	648 men, 614 women	Dining (1,676).
Western Washington College of Education	1,950,000	140 men, 216 women	Dining (655).
West Virginia:			
Davis and Elkins College	300,000	120 men	
Morris Harvey College	300,000	110 women	Infirmary.
Bethany College	318,000	99 men, 1 faculty	
Potomac State College	364,000	91 men, 3 faculty	Dining.
Concord College	126,000	24 student families	
West Virginia Wesleyan College	536,000	156 men, 3 faculty	Dining (250 and 30 faculty).
Alderson-Broaddus College	443,000	150 women	
Wheeling College	740,000	156 men	Infirmary.
Fairmont State College	675,000	132 men, 40 women, 4 faculty	
West Liberty State College	820,000	196 women	Dining.
West Virginia Wesleyan College	703,000	156 women	Dining (300).
West Liberty State College	184,000		Student union—dining.
West Virginia University	1,137,000	242 men, 1 faculty	
Davis and Elkins College	380,000	118 women	
Fairmont State College	300,000		Student union.
Morris Harvey College	350,000	108 men	
Wheeling College	720,000	148 women, 9 faculty	
Bethany College	275,000	66 women	
Shepherd College	645,000	150 women	Dining (150 seats).
Concord College	1,648,000	198 men, 211 women, 24 student families	
West Virginia Wesleyan College	800,000	216 men	
Alderson-Broaddus College	350,000	130 men	
Wisconsin:			
Marquette University	1,000,000	351 women	Dining.
St. Norbert College	504,000	180 men	
Carroll College	525,000	150 men	
Viterbo College	396,000	100 women, 5 faculty	Do.
Marquette University	2,890,000	591 men, 1 faculty	Do.
University of Wisconsin	2,960,000	668 women	Dining (832 women).
University of Wisconsin	814,000	100 student families	
Wisconsin State Colleges (9)	5,204,000	1,686 men, 202 women	
Beloit College	700,000	116 women	Dining (625).
Ripon College	800,000	188 men	
University of Wisconsin	2,000,000	252 men, 250 women	Dining.
Wisconsin State Colleges (9)	5,400,000		Student union—dining.
University of Wisconsin	850,000	100 student families	
Do	2,420,000	288 student families	
Carroll College	600,000	152 women	
Wisconsin State Colleges (5)	2,700,000	618 men, 416 women	
Milton College	192,000	56 women	Dining (80).
Lawrence College	800,000	167 men	
Total (1,035)	1,010,830,000	138,549 men, 95,020 women, 12,054 student families, 2,413 faculty.	

Mr. SPARKMAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a second list of colleges which have loan applications now pending.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Pending applications, college housing program, as of Apr. 30, 1960

	Federal funds
Alabama:	
Athens College	$175,000
The Alabama Polytechnic Institute	1,725,000
Troy State College	180,000
Walker Junior College	196,000
Sacred Heart College	400,000
Arkansas:	
Arkansas State College	1,500,000
Arkansas Polytechnic College	669,527
Arkansas State College	1,200,000
Agricultural, Mechanical & Normal College	2,991,000
California:	
California Western University	1,123,000
University of California (Davis Campus)	2,000,000
University of California (Los Angeles Campus)	2,500,000
Loyola University of Los Angeles	900,000
University of California	1,500,000

Pending applications, college housing program, as of Apr. 30, 1960—Continued

	Federal funds
Colorado:	
Adams State College	$1,934,000
Colorado State College	2,125,000
Colorado State University	3,734,540
University of Denver	3,686,420
Colorado School of Mines	2,380,000
Loretto Heights College	1,200,000
Connecticut: University of Bridgeport	900,000
Delaware: Wesley College	317,000
District of Columbia: The American University	1,750,000
Florida:	
Florida State University	3,000,000
University of Miami	1,500,000
University of Florida	500,000
John B. Stetson University	480,000
University of Florida	500,000
Georgia:	
Abraham Baldwin Agricultural College	360,000
Albany State College	435,000
Georgia Institute of Technology	475,000
Georgia Teachers College	900,000
Middle Georgia College	450,000
West Georgia College	540,000
The University of Georgia	3,620,000
Tift College	200,000
Hawaii: Chaminade College of Honolulu	165,000

Pending applications, college housing program, as of Apr. 30, 1960—Continued

	Federal funds
Idaho:	
Northwest Nazarene College	$285,000
University of Idaho	1,363,000
Illinois:	
Northern Illinois University	1,750,000
Mundelein College	1,000,000
Lake Forest College	500,000
University of Illinois	2,150,000
North Central College	200,000
North Park College and Theological Seminary	470,000
Eureka College	440,000
Greenville College	550,000
Indiana:	
Ball State Teachers College	4,235,000
Indiana State Teachers College	1,500,000
St. Francis College	687,000
Indiana State Teachers College	1,650,000
Indiana University	3,750,000
Iowa:	
William Penn College	360,000
University of Dubuque	632,000
Simpson College	330,000
Buena Vista College	128,000
Kansas:	
Kansas State Teachers College	1,000,000
Do	500,000

Pending applications, college housing program, as of Apr. 30, 1960—Continued

Kansas—Continued	Federal funds
Kansas State University of Agriculture and Applied Science	$750,000
The University of Kansas	1,300,000
Kansas State College of Pittsburg	650,000
Saint Mary of the Plains College	902,000
University of Kansas	600,000
Baker University	400,000
Bethany College	320,000
Kentucky:	
Morehead State College	725,000
University of Louisville	1,600,000
Do	500,000
Do	885,000
Union College	200,000
Western Kentucky State College	675,000
Do	675,000
University of Kentucky	1,350,000
Kentucky State College	730,000
Eastern Kentucky State College	1,500,000
Georgetown College	360,000
Union College	85,000
Louisiana:	
McNeese State College	250,000
Tulane University	2,500,000
Louisiana State University and A. & M. College	2,775,000
Northwestern State College	1,150,000
Maryland:	
Mount Saint Agnes College	620,000
Goucher College	600,000
Morgan State College	952,000
Massachusetts:	
College of the Holy Cross	2,500,000
Brandeis University	1,125,000
Mount Holyoke College	900,000
Michigan:	
Calvin College	2,000,000
Western Michigan University	1,408,000
Wayne State University	3,000,000
Northwestern Michigan College	531,396
Aquinas College	550,000
Emmanuel Missionary College	750,000
Kalamazoo College	200,000
Minnesota:	
College of Saint Teresa	1,000,000
University of Minnesota	1,250,000
Hamline University	500,000
Mississippi:	
Mississippi State College of Agriculture & Applied Science	2,288,000
The University of Mississippi	780,000
Missouri:	
St. Louis University	1,600,000
The Washington University	2,350,000
Culver-Stockton College	338,000
Central Missouri State College	1,500,000
Montana: Western Montana College of Education	80,000
New Jersey: Rutgers University (College of Nursing)	450,000
New York:	
Albany Law School and Albany Medical Center	1,080,000
Syracuse University	2,982,000
Cazenovia Junior College	120,000
Do	500,000
Juilliard School of Music	1,000,000
Keuka College	903,000
Columbia University	3,000,000
New York University	4,000,000
Adelphi College	680,000
Dormitory Authority of the State of New York	7,400,000
C. W. Post College of Long Island University	920,000
North Carolina:	
North Carolina State College of Agriculture and Engineering	2,000,000

Pending applications, college housing program, as of Apr. 30, 1960—Continued

North Carolina—Continued	Federal funds
Western Carolina College	$750,000
Johnson C. Smith University	740,000
East Carolina College	625,000
Methodist College	1,300,000
Louisburg College	290,000
North Dakota:	
State Teachers College (Valley City)	275,000
University of North Dakota	570,000
Do	1,066,800
State Teachers College (Valley City)	300,000
Ohio:	
The Ohio State University	400,000
The Notre Dame College	500,000
University of Dayton	3,500,000
Ohio University	4,400,000
Rio Grande College	320,000
Hiram College	225,000
Fenn College	1,650,000
Mount Union College	500,000
John Carroll College	1,875,000
University of Cincinnati	5,475,900
Oklahoma:	
Southeastern State College	626,600
Central Christian College	450,000
Northwestern State College	550,000
Oregon:	
University of Portland	180,000
George Fox College	496,000
Pennsylvania:	
St. Vincent College	1,400,000
LaSalle College	500,000
Susquehanna University	120,000
University of Pittsburgh	2,600,000
St. Francis College	1,000,000
Muhlenberg College	550,000
Duquesne University	2,250,000
Harcum Junior College	250,000
South Carolina:	
Voorhees Junior College	300,000
College of Charleston	100,000
South Dakota:	
Sioux Falls College	399,000
State University of South Dakota	500,000
Do	2,200,000
South Dakota School of Mines and Technology	750,000
Tennessee:	
Cumberland University	194,259
Knoxville College	500,000
Tennessee Wesleyan College	800,000
Texas:	
Texas Woman's College	1,000,000
Southwest Texas State College	1,879,000
Do	400,000
Howard Payne College	450,000
Texas College of Arts and Industries	900,000
Jarvis Christian College	750,000
Trinity University	1,520,000
St. Edwards University	800,000
Sam Houston State Teachers College	1,931,319
East Texas State College	675,000
Utah:	
University of Utah	3,000,000
Westminster College	425,000
Snow College	300,000
Vermont: Windham College	216,000
Washington:	
University of Washington	4,500,000
Seattle University	2,000,000
University of Puget Sound	700,000
Pacific Lutheran College	1,030,000
Eastern Washington College of Education	2,272,500
Gonzaga University	1,533,550
Whitman College	550,000
Western Washington College of Education	1,800,000
West Virginia:	
Morris Harvey College	300,000
Do	450,000
Davis and Elkins College	512,000

Pending applications, college housing program, as of Apr. 30, 1960—Continued

	Federal funds
Wisconsin: Wisconsin State Colleges	$6,960,000
Wyoming: Casper College	600,000
Total (185)	223,364,561

Mr. SPARKMAN. Mr. President, I ask unanimous consent that a member of the committee staff, in excess of the numbers that are usually allowed on the floor, may be permitted to attend during the consideration of this bill, in order to be of assistance to the minority.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, is the bill open to amendment?

Mr. SPARKMAN. I am through, but the Senator from Indiana wanted me to yield.

Mr. CAPEHART. Mr. President, I merely wanted to say that, with a few amendments, this is a quite satisfactory bill. I have a number of amendments.

Mr. President, I offer an amendment that commencing on line 4, page 29, there be deleted all through line 11, substituting in lieu thereof, "by striking out 'June 30, 1961' and inserting 'June 30, 1964'."

Mr. President, this amendment would extend the farm housing loan section to June 30, 1963, but would eliminate the $50 million in the bill, which I think we have discovered, since the bill was written, is not particularly needed for the next year.

Mr. SPARKMAN. I agree with that statement of the Senator from Indiana. We have sufficient funds in the program. The program ought to be extended, but we can run that length of time with the funds already available. I am agreeable to adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana [Mr. CAPEHART].

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I offer another amendment.

Commencing on line 13, page 29, to delete all through line 19 and substitute in lieu thereof "by striking out 'June 30, 1961' and inserting 'June 30, 1963'."

This has to do with farm housing, and relates to commitments or contributions of not to exceed $4 million.

Mr. SPARKMAN. Mr. President, the same situation prevails as to this amendment. I am agreeable to the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana [Mr. CAPEHART].

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I offer another amendment relating to farm housing. We have discovered, since writing the bill, this provision is not needed at this time.

Commencing on line 21, page 29, delete all through line 2, page 30, and substitute in lieu thereof "by striking out 'June 30, 1961' and inserting 'June 30, 1963'."

That would eliminate $20 million, which is not needed this year.

Mr. SPARKMAN. I am agreeable to adoption of the amendment, Mr. President, for the same reasons.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana [Mr. CAPEHART].

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I offer an amendment on line 4, page 28, to delete "$200,000,000" and to substitute in lieu thereof "$150,000,000".

Mr. President, this amendment would eliminate $50 million from the community facilities section, which we likewise have discovered is not needed for the next fiscal year.

Mr. SPARKMAN. Mr. President, while the administration asked for $100 million, it recognized the fact that the program would run over a period of years. I feel the program can proceed perhaps for 3 years with the $150 million which would be provided by the amendment. I am personally agreeable to the reduction.

Mr. LONG of Louisiana. Mr. President, before the amendment is voted on, I should like to say that this is a program which provides loans to small communities which cannot obtain reasonable financing on the open market. The $100 million has been used up. We were told it would not be needed, but all the money has been used.

The administration has kept the money from being used in a single year, by imposing a budgetary requirement of the Bureau of the Budget that not more than 20 percent of the money could be used in any one year. The administration has simply permitted these small communities to sit by, and has taken a limited number of applications off the top of the pile over a long period of time.

The fact is that the whole $100 million could be used in a single year, if all the applications by small communities were approved, if the communities knew about the program, and if the administration would let the loans go through.

The Bureau of the Budget has imposed a ceiling upon small community loans. The ceiling has been imposed simply by approving about one application a month, rather than processing the loan applications for the benefit of the small communities of the country.

May we have the assurance of the chairman of the subcommittee, the manager of the bill, that if the amendment is agreed to we will not later see a further "watering down" of the program when the bill goes to conference? Have we any assurance that Senators will fight to assure $150 million for the program if the amendment is agreed to?

Mr. SPARKMAN. I think the Senator from Indiana will join me in giving assurance to the Senator from Louisiana that we will fight for the amount in the Senate bill.

Mr. CAPEHART. I certainly will do so. We thought the money was needed; otherwise, we would not have asked for the appropriation.

Mr. SPARKMAN. Mr. President, in this connection, I ask unanimous consent to have printed in the RECORD at this point a table taken from the committee report which shows the various communities throughout the Nation which have applications pending for public facility loans.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Community Facilities Administration public facility loans program—applications on hand as of Apr. 30, 1960

Applicant community	Type of facility	Amount of loan requested
Alabama:		
Adamsville	Water	$646,000
Beatrice	do	95,000
Killen	do	117,000
Littleville	do	105,000
Loxley	Gas	196,000
Scottsboro	do	1,300,000
Alaska: Fairbanks	Sewer	2,100,000
Arizona:		
Eagar	do	70,000
Springerville	do	48,000
Arkansas:		
Caraway	do	146,500
Carthage	Water	97,000
Coal Hill	do	125,000
Colt	Streets	22,000
Crawfordsville	Sewer	94,000
Dover	Water	92,000
Water Improvement District No. 1	do	48,000
Dyer	do	65,000
Humphrey	Water and sewer	123,000
Magazine	do	70,000
Water Improvement District No. 1	do	70,000
McCrory	do	55,000
Melbourne	Sewer	48,000
Sewer Improvement District No. 1	do	47,000
Mineral Springs	Water and sewer	110,000
Pangborn Water Improvement District	do	58,000
Scranton	do	56,000
Water Improvement District No. 1	do	20,000
Turrell	do	138,500
West Fork	do	58,000
Waterworks District No. 1	do	58,000
California:		
Caruthers Community Services District	do	335,000
Delhi: Delhi County Water District	Water	125,000
Hemet: Eastern Municipal Water District	do	75,000
Laytonville County Water District	do	95,000
Delaware: Milton	Sewer	444,000
Florida:		
Carrabelle	Water and sewer	265,000
Wewahitchka	Water	275,000
Georgia:		
Hilltonia	do	51,000
Kingsland	Water and sewer	354,000
Trenton: Dade County Water Authority	Water	1,260,000
Idaho: Kooskia	Sewer	122,000
Illinois:		
Bethany	do	152,000
Dawson	Water	10,000
Elmhurst: North Elmhurst Sanitary District	Sewer	$404,000
Granite City: Mitchell Public Water District	Water	429,000
Macon	do	31,000
Noble	Sewer	130,000
Tinley Park	do	1,399,000
Kentucky:		
Crestwood: Oldham County Water District	Water	646,000
Flatwoods	Sewer	350,000
Shepherdsville: Salt River Water District	Water	302,000
Louisiana:		
Chatham	Sewer	154,000
Clayton	Water and gas	280,000
Mississippi:		
Crowder	Water	110,000
Sandersville	do	115,000
Walnut Grove	Water and sewer	134,000
Montana: Winifred	Sewer	71,000
Oregon: Pacific City: Pacific City Water District	Water	75,000
Pennsylvania:		
Frenchville: Quehenna-Covington-Karthaus Authority.	do	310,000
Newton Hamilton: Newton Hamilton Borough Authority.	do	62,000
South Carolina: Nichols	do	125,000
Tennessee:		
Charlotte	Water	125,000
Cornersville	do	190,000
Cumberland Utility District of Roane and Morgan Counties.	do	710,000
Fort Loudon Utility District of Loudon and Monroe Counties.	do	420,000
Lafayette	Sewer	485,000
Livingston	Gas	390,000
Monterey	Water	425,000
Munford	Sewer	200,000
Spencer	Water	270,000
Whitehouse: Whitehouse Utility District of Robertson and Sumner Counties.	do	973,000
Texas:		
Bronte	Sewer	85,000
Haskell: North Central Texas Water Authority	Water	2,600,000
Marble Falls: Marble Falls Water Control and Improvement District No. 1.	Water and sewer	734,000
West Virginia:		
Gilbert	Water	193,000
Princeton: Oakvale Public Service District	Sewer	97,000
Grand total (76 applications)		22,865,000

Mr. SPARKMAN. Mr. President, of the $100 million made available in 1955 there remains an amount of $21.8 million. The pending applications total $22.8 million. In other words, the applications pending and the remaining funds available for loans are almost the same. We would add the $50 million in order to extend the program.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. CAPEHART].

The amendment was agreed to.

The PRESIDING OFFICER. The Chair inquires at this point as to the use of time. Does the Senator from Alabama yield time?

Mr. SPARKMAN. No time was set, Mr. President.

Mr. CAPEHART. Mr. President, I offer another amendment. On line 5, page 26, delete "$225,000,000" and substitute in lieu thereof "$215,000,000"; and on line 6, page 26, delete "$75,000,000" and substitute in lieu thereof "$65,000,000".

Mr. President, the effect of the amendment would be to reduce the amount of funds available to FNMA for purchase of consumer-type cooperative housing mortgages by $10 million. We have discovered that this amount can be taken out of the bill without in any way reducing the effectiveness of the program.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Indiana.

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I offer another amendment. On line 5, page 18, strike out "$650,000,000" and insert "$600,000,000".

Mr. President, the effect of the amendment would be to reduce the urban renewal capital grant authorization by $50 million, from $350 million to $300 million. Again, it is our best judgment that this is as much money as can be spent in the next fiscal year.

Mr. CLARK and Mr. JAVITS addressed the Chair.

Mr. CAPEHART. I yield.

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. CAPEHART. Mr. President, I have the floor.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. SPARKMAN. Mr. President, I regret very much to inform my friend from Indiana that whereas I was willing to accept the other amendments, I cannot agree to this amendment.

The reason we were able to get together on the other amendments is that it was determined that we had sufficient money available to project the certain programs which were amended for a period of time. For several years our urban renewal program has been running at the rate of approximately $350 million a year.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. May I be informed as to whether the unanimous-consent agreement fixing the time was agreed to?

The PRESIDING OFFICER. It was agreed to.

Mr. SPARKMAN. I am sorry. I was under the impression that the Senate would proceed a while, and then we would agree to the time limitation.

Mr. CAPEHART. Mr. President, I believe there are 30 minutes on each amendment.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. Mr. President, I yield myself 5 minutes on this amendment.

In the case of urban renewal, we have been running at the rate of about $350 million a year. The amount which we made available for the current fiscal year is $350 million. Commencing July 1, 1960, an additional $300 million will become available.

The administration, it is true, testified before the committee that the funds becoming available on July 1 would be enough to carry the program through the next fiscal year. That may be correct. I do not know.

The very nature of urban renewal is such that we cannot remain current with the amount of money available, but we must be able to plan ahead.

Our principal reason for providing the $350 million in additional funds for the urban renewal program was to make it possible to receive applications, to act upon them, and to plan for the future.

None of the money becoming available on July 1, 1960, will be spent in the fiscal year 1961. We have a financial statement which was furnished to us by the Housing and Home Finance Agency. None of the money will be spent in fiscal year 1961, and therefore the authorization will have no impact upon the budget as such. In fact, the money becoming available will not be spent until fiscal year 1964. This demonstrates how necessary it is to project the program by authorizing additional sums so that it keeps running in an orderly manner.

Mr. President, I read a headline in a newspaper a few minutes ago which stated "Senate Group Approves Giant Housing Bill."

Regardless of what kind of housing bill we approve, the headlines always refer to a "giant bill."

As a matter of fact, the administration proposals, for housing programs is almost identical in the amount of money provided with what the Senate committee reported to the Senate now that these amendments have been agreed to. I hope before we finish consideration of the bill to insert in the RECORD a table with the corrections made for the reductions that have been voted here tonight.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. We have taken $134 million out of the bill in the last 15 minutes.

Mr. SPARKMAN. The Senator is correct. I think that is a pretty good accomplishment.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. DOUGLAS. I congratulate the Senator from Alabama for standing fast against this wrecking amendment. It is a wrecking amendment in its present form. It would stifle clearing of the slums. It is a typical performance and I hope the Senator from Indiana will not persist in it.

Mr. CAPEHART. Mr. President, I am ready to vote.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. JAVITS. When we discussed the bill in committee, very deep feeling was expressed by me and other representatives of great cities with regard to its provisions, and I think for a sound reason. I appeal to my friend from Indiana, who has been extremely fair in the consideration of the bill, and with whom I have found a delight to work in the committee, upon this ground.

The overwhelming majority of American people live in the great cities of our Nation. My home city of New York and its environs has a population of 12 million, and we probably carry on the most extensive urban renewal program in the United States.

More than 60 percent of the American people live in the great cities now, and it is estimated that within a decade or a decade and a half the percentage will be 80 percent.

We have provided extensive programs for farms and for many other things which benefit rural areas. Since we are the principal source of tax funds which support all these programs, I suggest that there are many things which can be done to benefit a great city. All Senators have been to New York and have seen the miracle which urban renewal has performed—the miracle of transformation—and how much more of it is required. The $350 million which is provided in the bill would give us an opportunity at least to look ahead and to plan ahead with confidence in connection with these vast enterprises which take time in order to develop and progress.

It is the old story of the carrot and the stick. The stick is that we have enormous problems in dealing with our slum areas in the big cities; the carrot is the municipality which has an objective toward which to push. The American Municipal Association feels that $350 million is just about right. The mayors of cities think the amount ought to be a great deal more. My dear friend from Indiana thinks the amount should be a great deal less.

I believe $350 million is a fair amount, and I urge upon all Senators the fact that here is something that we can do for the big cities in a sound, businesslike, effective and useful program, and I hope very much that the amendment will not be agreed to.

Mr. SPARKMAN. Mr. President, I yield to myself 3 additional minutes. Before I yield to the Senator from Indiana, may I say that what the Senator from New York has said is true. New York does use, by far, the greatest amount of funds of any State in the Union.

The Senator made reference to the farm States. I wish to call attention to a fact that may be unknown in the Senate. The State that has the largest number of urban renewal projects is not New York, Illinois, or Pennsylvania. It is Georgia. The State with the next highest number of projects, if I am correctly informed, is either Alabama or Tennessee. Pretty much the same pattern goes for public housing. So I urge that no one should think that these programs that are so often buffeted around are merely big city programs. They are

programs that have been made use of in our rural States.

I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I wish to show that it does not make much difference whether the amount appropriated is $350 million or $300 million in order to prove that the able Senator from Illinois [Mr. DOUGLAS] was misinformed; otherwise he would not have said a minute ago that the amendment was a "blockbusting" amendment.

Mr. DOUGLAS. I said it was a wrecking amendment, and I reaffirm my statement.

Mr. CAPEHART. The Senator reaffirms it is a wrecking amendment. Let me give him the fact. The fact is that whether $300 million or $350 million is appropriated, there will be only $20 million of that amount spent in the next 4 years. It will be 1964 before a single nickel is spent, and then the amount will be only $20 million. How can an amendment be wrecking when only $20 million of either a $350 million or a $300 million authorization is to be spent? How can anyone say the amendment would be wrecking when only $20 million will be spent in 4 years? It does not make much difference one way or the other.

Mr. SPARKMAN. Let me say to the Senator from Indiana that when applications are submitted, if there are no funds available, the applicants simply do not get anything. Funds must be available and may be allocated even though the actual expenditure of the funds may be 2 or 3 years in the future. As I stated, the reason we set the amount at $350 million was that that is the rate at which we have been running for several years now.

Mr. DOUGLAS. Mr. President, may I have permission to withdraw the phrase "to wreck the program," in referring to the amendment of the Senator from Indiana, and substitute the phrase "a program of slow strangulation"?

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CAPEHART. It does not make any difference what it is called; the facts still speak for themselves. Whether the amount appropriated is $350 million or $300 million, only $20 million will be spent in 4 years. It cannot be very strangulating or very wrecking.

I desire to call attention to the fact also that the bill calls for $350 million, but there still remain several hundred million from previous authorizations that have not yet been used.

I yield back my time.

Mr. SPARKMAN. Mr. President, I hope the Senator from Indiana will withdraw the amendment and let the amount stand at $350 million. He knows that we discussed this item in committee, and he knows it was really a compromise figure that was reported.

Mr. CAPEHART. Let us have a voice vote on the amendment.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. SPARKMAN. I yield.

Mr. JAVITS. Is not what the Senator from Indiana has pointed out acid proof that the program is sound, effective, and good, when people like himself and others from big cities say it is the commitment that counts, which enables the cities to plan and do the job, and the expenditure is indeed modest?

Mr. SPARKMAN. I still implore my friend from New York to stop thinking of the program as being one for the large cities. It is a program for the country as a whole. It is as important for the little towns as for the larger ones. If Senators will look at the list of applications, they will observe that it is just as important for the little towns in Alabama that have urban renewal plans as it is for New York City.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. JAVITS. I concur with the Senator in that statement. The reason I emphasize the big city point of view is that there are not too many accomplishments in Congress that benefit the large cities.

Mr. CAPEHART. I yield back the remainder of my time.

Mr. SPARKMAN. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Indiana [Mr. CAPEHART].

The amendment was rejected.

Mr. CLARK. Mr. President, on behalf of myself, the Senator from Illinois [Mr. DOUGLAS], the Senator from Colorado [Mr. CARROLL], the Senator from Michigan [Mr. HART], and the Senator from New York [Mr. JAVITS] I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 27, between lines 3 and 4, it is proposed to insert a new subsection as follows:

(b) Section 10(i) of such Act is amended by inserting after "*Provided*, That" the following: "the Authority may enter into new contracts for loans and annual contributions after the date of enactment of the Housing Act of 1960 for not more than thirty-seven thousand additional dwelling units: *Provided further*, That".

On page 27, line 4, strike out "(b)" and insert in lieu thereof "(c)".

Mr. CLARK. Mr. President, I yield myself 10 minutes on the amendment. The amendment would authorize an additional 37,000 units of low-rent housing.

This amendment was defeated by a small margin when I offered it in the full committee, and a similar amendment was defeated by a narrow vote in the subcommittee. The amendment was not rejected as a matter of principle, I am sure, because the Banking and Currency Committee has, in recent years at least, consistently supported the low-rent housing program. It was defeated, apparently, because of two arguments which were ill founded.

The first, is that no additional units are needed during the coming year. But the status report which was submitted by the Administration to our committee shows conclusively that additional public housing authorization will be needed—and needed within a matter of weeks.

I ask unanimous consent that there be printed in the RECORD at this point a table showing the status of the low-rent housing program submitted by Mr. Lawrence Davern, who was the Acting Commissioner of the Public Housing Administration prior to the appointment of Mr. Bruce Savage as Commissioner.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Current status of backlog of low-rent housing program applications and program reservations under Housing Act of 1959, as of May 10, 1960

	Reductions and cancellations	Deferred	In active planning
Applications and program reservations pending as of Feb. 1, 1960:			
1. Applications for which program reservations have been approved			8,574
2. Applications on which action has been deferred pending further study		2,637	
3. Program reservations in active planning			8,711
4. Program reservations on which action has been deferred at the request of the locality		1,612	
5. Program reservations which at this time are not considered for contracting under the 1959 act		5,460	
6. Inactive applications and reservations (some of these have been withdrawn or canceled)	30,184		
7. Applications on which units applied for have been reduced on basis of market surveys	10,403		
Status as of Feb. 1, 1960, inventory	40,587	9,709	
Applications received since Feb. 1, 1960			9,891
Total in active planning			27,176

Mr. CLARK. Mr. President, this table, which appears on page 158 of the hearings, shows a backlog of 27,176 units in active planning as of May 10. To cover this backlog, plus new applications, there are available a total of 37,000 units authorized in the Housing Act of 1959. Subtracting the 27,176, we have a balance of 9,284 units available for all applications received after May 10, 1960.

This same table shows that during the 100-day period between February 1 and May 10, applications were received for 9,891 units, or approximately 3,000 units a month. If the applications continue to flow in at the same rate—and there is no reason to think that they will not—the balance of 9,824 units available as of May 10 will last about 100 days, or until August 20. Once applications are pending equal to the total authorization available, the agency can either refuse to accept applications or merely file them; it cannot review and approve them.

Unless we can pass a bill providing for low rent housing, 30 days after Congress adjourns for the July conventions the low rent housing program will come to a halt and remain inactive for perhaps a year.

Why, in the face of these figures, did the administration testify that no more low rent housing units need be authorized? I can only suggest that it is because the administration has had such a steadfast policy of opposition to public housing during the entire 7 years of the Eisenhower administration. We have been able to fight off that policy until now. I hope that in the last year of the Eisenhower administration we can continue to fight it off again.

The urban renewal law contains a provision, quite wisely and properly, that no project shall be carried out unless the slum families affected by the renewal can be rehoused in decent housing. But in many communities, there just does not exist an adequate supply of low-rent private housing in good condition and available for displaced families. Unless public housing can be provided, the cities cannot certify that the affected families can be rehoused, and the urban renewal commissioner cannot approve the project.

Mayor Richardson Dilworth of Philadelphia, the eloquent president of the United States Conference of Mayors, who testified before our subcommittee that urban renewal is the greatest single program ever devised for cities, also testified that there is an urgent need and demand for more public housing and that the lack of units frequently slows down the relocation process and thus slows down the entire renewal effort

Mr. President, testimony received by our subcommittee indicates that urban renewal and other governmental programs, including the interstate highway program, force out of their homes each year something over 40,000 families whose incomes are so low that they are eligible for public housing. Where are they to go?

I propose authorization of 37,000 units in my amendment for three reasons:

First, it is the number which the Congress authorized last year.

Second, it approximates the rates of 3,000 units a month at which applications from local communities are being received.

Third, it approximates the estimate of the annual displacement of low-income families through governmental action.

It takes no account whatever of the normal process of putting families out of slum dwellings into public housing. That will have to wait for another administration.

The second argument advanced against this amendment is that if any additional public housing is authorized the President will veto the housing bill, or the House will not agree to a conference.

I for one refuse to be blackmailed to withdraw the amendment, which is clearly in the public interest, by any such threat. I have great confidence in the integrity of the President, and I have a very high regard for the Members of the other body. I do not believe that they would refuse to go to conference. I do not believe that the President would veto a minimum amount for public housing—and let us remember that the bill last year contained that amount of public housing—when the need has been made so clearly obvious to the President, who I feel is a man of compassion and integrity.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. CLARK. I have limited time at my disposal. I shall be glad to yield to the Senator a little later.

Why the President would do any such thing is a mystery to me. The argument of the administration is that the demand for new units does not exist, that the communities will not apply for them, and that if authorized, the authorization therefore would not be used.

If they are right, they do not have to grant any application, and they do not have to use this authority. But if the applications are there, is it not the sensible thing to have the authorization available, so that this great public improvement can go ahead, as it has gone ahead so well since the days of Robert Taft and Alan Ellender and Robert Wagner, who put through the first authorization for $810,000 in the Public Housing Act of 1949? In Mr. Davern's words before our subcommittee, the current authorization will meet all demands upon the program for the fiscal year 1961. If he thinks that is true, it will not do any harm to provide this authorization. If it is not true—and I am sure it is not true—let us give authority for applications so that as the demands come in from all over the country—from small cities and medium cities and large cities—we will have an opportunity to fill the public need.

There is one other reason why Congress should make additional authorizations available. Certainly the administration has succeeded in slowing up this program. Certainly it has succeeded in throttling low-rent housing with redtape. But we have reason to hope that circumstances may be changing. The Senate has just confirmed a new Public Housing Commissioner, Mr. Bruce Savage.

Mr. Savage has stated that he is a strong believer in low-rent housing. Although he is in private life a real estate man, he is convinced from his own experiences that private enterprise cannot meet the needs of the lowest income people for decent housing. Those who know Mr. Savage appear to agree unanimously that he is truly a supporter of the program he is administering, that he is an able administrator, and that he will make a real effort to cut redtape and put new life into a program which has lost so much of its earlier vitality.

I believe we should give Commissioner Savage a chance. I do not believe the Congress should sign the death warrant of the low-rent public housing program, which was inaugurated almost a quarter of a century ago, just after a new Commissioner takes office.

Let us tell him, and let us tell the cities, counties, and towns who desire to proceed with clearing their slums and rebuilding their communities, that the Congress is prepared to support the program as it has in past years—as it did when one of the leading congressional advocates of low-rent housing was that great conservative, Robert A. Taft.

There is still a final reason why we should make this authorization. A new President will take office on January 20th. He will have 6 months of the current fiscal year in his first term of office. I am confident that the new President will be a Democrat. Any Democratic President will immediately want a bill which provides additional units for public housing, because he will have won on a platform which supports it.

I believe that even the Vice President would want to back this program, if we should be so unfortunate as to elect him our President, and would want to go ahead with it.

I believe that Congress should look forward to the day when somebody interested in the program will be in the White House and will want to push the program forward. We should make the authorization available for the new President when he takes office on January 20th, even if we do not use all the applications in the following 6 months, which I am sure we will.

Mr. President, I ask unanimous consent to include in the RECORD as a part of my remarks a breakdown of the figures I inserted earlier regarding project applications which are now pending with the Public Housing Administration, as reported by the PHA and included on pages 159–164 of the record of the hearings of the Housing Subcommittee. They show that communities in 41 States, plus Puerto Rico and the District of Columbia, currently have applications pending for new projects.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Applications and program reservations pending as of Feb. 1, 1960

1. APPLICATIONS FOR WHICH PROGRAM RESERVATIONS HAVE BEEN APPROVED. THESE ARE IN ACTIVE PLANNING

Locality:	*Number of units*
Alabama:	
Albertville	80
Ariton	150
Atmore	80
Boaz	60
Brewton	80
Bridgeport	150
Childersburg	30
Cullman	85
Demopolis	80
Greensboro	50
Leeds	30
Lineville	16
Opp	60
Ozark	100
Parrish	25
Sylacauga	60
Arkansas:	
Morrilton	50
Newport	150

Applications and program reservations pending as of Feb. 1, 1960—Continued

Locality:	Number of units
California: Rodeo	250
Connecticut: Rockville	100
Florida:	
Bristol	10
Carrabelle	12
Chattahoochee	50
Fort Pierce	250
Graceville	20
Lake Butler	30
Levy County	350
Lynn Haven	18
Milton	42
New Smyrna Beach	80
Wewahitchka	40
Georgia:	
Adairsville	30
Americus	100
Bainbridge	45
Camilla	50
Columbus	100
Canton	66
Carrollton	88
Eastman	12
Ellaville	20
Fairmont	12
Fayetteville	14
Grantville	20
Hinesville	30
Lyons	200
Newnan	45
Richland	20
Ringgold	30
Reynolds	20
Rockmart	25
Swainsboro	100
Unadilla	22
Illinois: Mount Vernon	150
Indiana: South Bend	350
Kentucky:	
Hickman	38
Irvine	32
Martin	30
Pineville	30
Louisiana:	
Cotton Port	14
Simmesport	100
Maine: Van Buren	40
Michigan: River Rouge	100
Mississippi:	
Ackerman	24
Baldwin	24
Bonneville	60
Cleveland	50
Gloster	34
Hernando	20
Liberty	18
Meridian	90
Water Valley	140
Vicksburg	350
Nebraska: Kearney	70
New Jersey:	
Asbury Park	60
East Orange	300
Edison Township	40
Glassboro	60
West New York	100
New York: Herkimer	50
North Carolina:	
Durham	650
Salisbury	60
Ohio: Ironton	130
Pennsylvania: Easton	50
Rhode Island: Woonsocket	150
Tennessee:	
Bolivar	32
Carthage	18
Cleveland	150
Columbia	140
Cookeville	75
Decaturville	6
Fayetteville	100
Gainesboro	18
Halls	26
Harriman	100
Huntingdon	50
Jackson	224
Jamestown	40
Laurenceburg	60
Livingston	100
McMinnville	100
Mount Pleasant	50
New Tazewell	14
Parsons	24
Ridgely	26
Savannah	50
Watertown	18
Waverly	34
Texas:	
Crosbyton	12
Crystal City	20
Frisco	8
Palmer	10
Tulia	18
Total	8,574

2. APPLICATIONS ON WHICH ACTION HAS BEEN DEFERRED PENDING FURTHER STUDY

Locality:	Number of units
Alabama:	
Lafayette	100
Red Bay	40
California: Stockton	200
Florida:	
Crestview	300
Miami Beach	160
Vernon	100
Georgia:	
Atlanta	500
Barwick	14
Cave Springs	10
Douglas	50
Greenville	50
Harlem	100
Jonesboro	100
Meigs	20
Morven	6
Norman Park	12
Ochlochnee	18
Nashville	100
Roberta	50
Louisiana: Gueydan	50
Mississippi: Magnolia	100
Montana: Glasgow	60
Tennessee:	
Jamestown	25
La Follette	35
Lake City	25
Morristown	330
New Tazewell	12
Oneida	20
Texas: Breckenridge	50
Total	2,637

3. PROGRAM RESERVATIONS IN ACTIVE PLANNING

Locality:	Number of units
Alabama:	
Ashland	28
Blountsville	20
Brent	50
Clanton	80
Collinsville	20
Hobson City	20
Mobile	500
New Brockton	20
Northport	60
Arkansas:	
De Queen	24
Dierks	26
Mineral Springs	8
Nashville	34
California:	
Atwater	15
Eureka	60
Connecticut:	
East Hartford	50
New Haven	130
Florida:	
Fort Lauderdale	66
Miami	168
Titusville	54
Georgia:	
Bowman	14
Dublin	100
East Point	150
Lawrenceville	50
Lincolnton	30
Savannah	400
Sparta	24
Villa Rica	40
Illinois:	
Brooklyn	100
Centralia	20
De Witt County	25
East Alton	50
Golconda	20
Granite City	100
Joliet	92
Quincy	60
Salem	20
Staunton	24
Tamaroa	10
Kentucky:	
Catlettsburg	50
Morehead	30
Murray	62
Nicholasville	50
Paintsville	52
Paris	30
Louisiana:	
Berwick	30
Jefferson Parish	300
Kenner	60
Kinder	16
Oberlin	14
Patterson	30
Maryland: Rockville	125
Michigan:	
Baraga	10
Bessemer	30
Mount Clemens	100
Minnesota:	
Hibbing	50
Minneapolis	1,054
St. Paul	701
Virginia	50
Winona	40
Missouri: Kansas City	100
New Jersey:	
Camden	164
Franklin Township	30
Rahway	79
New York:	
Cohoes	130
Lackawanna	150
Rome	180
Troy	80
North Carolina:	
Apex	10
Laurinburg	73
Wake Forest	40
Wendell	12
Zebulon	16
Ohio: Dayton	200
Pennsylvania:	
Nanty Glo	50
Portage	40
South Carolina: Chester	76
Tennessee:	
Chattanooga	500
Franklin	16
La Follette	50
Lake City	40
Manchester	40
Oneida	25
Sparta	50
Texas:	
Daingerfield	20
Levelland	40
Post	28
Robstown	70
Roby	10
Rotan	36
Virginia: Roanoke	300
West Virginia: Fairmont	100
Wisconsin: Milwaukee	300
Total	8,711

Applications and program reservations pending as of Feb. 1, 1960—Continued

4. PROGRAM RESERVATIONS ON WHICH ACTION HAS BEEN DEFERRED AT THE REQUEST OF THE LOCALITY

Locality:	Number of units
Arizona: Tolleson	20
Hawaii:	
Hilo	120
Honolulu	40
Kentucky:	
Cumberland	60
Prestonburg	40
Michigan: Alpena	18
Missouri: Kansas City	226
Oregon: Portland	398
Pennsylvania:	
Altoona	250
Connellsville	100
Smith Township	60
Tennessee: Springfield	50
Virginia:	
Charlottesville	200
South Norfolk	30
Total	1,612

5. PROGRAM RESERVATIONS WHICH AT THIS TIME ARE NOT CONSIDERED FOR CONTRACTING UNDER THE 1959 ACT

Locality:	Number of units
Alabama: Mobile	1,680
Illinois: Chicago	1,425
New York: New York City	1,787
Wisconsin: Milwaukee	568
Total	5,460

6. INACTIVE APPLICATIONS AND RESERVATIONS (SOME OF THESE HAVE BEEN WITHDRAWN OR CANCELED)

Locality:	Number of units
Alabama:	
Adamsville	115
Anniston	26
Birmingham	750
Carbon Hill	50
Cherokee	60
Columbiana	20
Cordova	40
Detroit	30
Flomaton	20
Gadsden	200
Gardendale	62
Geneva	34
Goodwater	18
Graysville	74
Kennedy	50
Kimberly	62
Leighton	30
Mulga	230
Newville	6
Arizona: Maricopa County	150
Arkansas:	
Camden	80
Lewisville	16
Little Rock	72
Lockesburg	10
California:	
Bryte	26
Calipatria Area	25
Holtville Area	50
Imperial Area	25
Port Chicago	20
Colorado: Denver	1,500
Connecticut:	
Ansonia	60
Groton	500
New London	176
Norwich	500
Southington	50
Willimantic	50
Delaware: Wilmington	500
Florida:	
Altha	75
Jacksonville	1,266
Monticello	150
Ocala	98
Pensacola	328
Georgia:	
Ashburn	20
Austell	18
Buchanan	8
Cumming	30
Elberton	20
Ellijay	10
Grayson	40
Macon	400
Manchester	20
Patterson	50
Royston	34
Thomson	21
Vernon	50
Wadley	50
Warwick	10
Illinois:	
Brighton	6
Carlinville	10
Gillespie	30
Joliet	250
Maywood	100
Pinckneyville	14
Rock Island	220
Stonefort	8
Streator	25
Virden	10
Waukegan	260
Indiana:	
Kokomo	25
New Albany	75
Kentucky:	
Covington	50
Frankfort	75
Louisiana:	
Abbeville	50
Arnaudville	12
Basile	75
Breaux Bridge	50
Church Point	60
Duson	30
Elton	8
Esterwood	3
Grand Coteau	6
Iota	7
Lake Arthur	25
Mermentau	5
Morse	5
Plaquemine	124
Scott	60
Sunset	7
Ville Platte	30
Maine: Norway	175
Maryland:	
Baltimore	749
Cumberland	65
Hagerstown	30
Massachusetts:	
Cambridge	325
Fall River	200
Lowell	116
Medford	54
Newburyport	100
Pittsfield	200
Somerville	142
Taunton	76
Minnesota: Chisholm	4
Mississippi:	
Bude	120
Collins	18
Laurel	176
Leakesville	120
Louin	30
Meadville	60
Mount Olive	10
Newton	30
Prentiss	16
Tupelo	30
Tylertown	100
Missouri: St. Louis County	110
New Jersey:	
Atlantic City	278
Burlington	100
North Bergen	40
New York:	
Buffalo	1,583
Niagara Falls	100
North Carolina:	
Jacksonville	50
Wayne County	45
North Dakota: Williston	16
Ohio:	
Cleveland	2,074
Columbus	643
Lorain	12
Portsmouth	190
Pennsylvania:	
Abington Township	50
Altoona	250
Ambridge	44
Carnegie	90
East Pittsburgh	100
East Stroudsburg	50
Greensburg	100
Jeannette	100
Philadelphia	2,230
Pittsburgh	748
Scalp Level Borough	200
Scranton	100
Sharon	50
Rhode Island:	
Pawtucket	222
Providence	206
South Carolina:	
Bennettsville	65
Charleston	557
Duncan	10
Tennessee:	
Algood	100
Etowah	20
Gallatin	40
Knoxville	577
Paris	64
Texas:	
Alice	200
Anahuac	10
Bryson	4
Dallas	250
Del Rio	70
Dodson	50
Donna	50
Fort Worth	200
Jacksonville	200
McGregor	12
Mercedes	100
Port Arthur	132
San Antonio	1,500
Sinton	36
Terrell	140
White Settlement	100
Virginia:	
Charlottesville	25
Harrisonburg	50
Puerto Rico:	
Arecibo	300
Carolina	200
Cayey	250
Ceiba	80
Guanica	150
Humacao	200
Isabella	200
Lares	80
Las Marias	30
Loiza	100
Manati	200
Ponce	500
Salinas	50
San Lorenzo	200
San Sebastian	200
Yauco	250
Total	30,184

APPLICATIONS RECEIVED SINCE FEB. 1, 1960

Locality:	Number of units
Alabama:	
Brent	20
Clanton	48
Clayton	100
Greenville	140
Linden	150
Northport	60
Reform	75
Arkansas: Lepanto	75

Applications and program reservations pending as of Feb. 1, 1960—Continued

Locality:	Number of units
California:	
Cutler	6
Huron	20
Mendota	40
Connecticut:	
Bridgeport	312
Danbury	60
Hartford	50
Norwich	75
Stratford	250
Florida:	
Branford	100
Levy County	50
Mayo	150
Niceville	150
Stuart	100
Trenton	150
Georgia:	
Albany	150
Buena Vista	12
De Kalb County	750
Dublin	50
Leesburg	12
Reidsville	30
Tallapoosa	35
Illinois:	
Champaign	20
Herrin	40
Johnston City	24
Marion	20
Indiana: Evansville	100
Kansas: Kansas City	30
Louisiana:	
Bogalusa	60
Bunkie	80
Cheneyville	50
Le Compte	50
Mansura	50
Moreauville	50
Thibodeaux	40
Massachusetts:	
Boston	1,000
Chelsea	50
Lawrence	300
Newton	125
Michigan:	
Dearborn	50
Muskegon Heights	200
Mississippi:	
Bassfield	6
Biloxi	65
Missouri: Fulton	80
Nevada: Las Vegas	25
New Hampshire: Portsmouth	100
New Jersey:	
Boonton	50
Edison Township	60
Elizabeth	250
Irvington	60
Jersey City	282
Long Branch	60
Morristown	50
Woodbridge	36
North Dakota: Southwest Fargo	24
Ohio: Dayton	800
Pennsylvania:	
Lancaster	300
Lehighton	50
Nanty Glo	6
Portage	8
Rochester	80
Swatara	50
South Carolina: Pickens	80
Tennessee:	
Lebanon	60
Nashville	800
So. Pittsburg	150
Texas:	
El Paso	330
Gorman	100
Maud	16
Nocona	100
Omaha	14
Taft	100
Washington: Hoquiam	10
West Virginia: Keyser	70
Wisconsin: Superior	60
Total	9,891

CVI——811

Mr. JAVITS. Mr. President, will the Senator yield me time?

Mr. CLARK. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. The public housing program which is asked for here is a very modest one and is consistent with what we have done in this program for some years.

I shall not trouble the Senate at this time with an analysis of the figures which have been given by the Senator from Pennsylvania. I shall make two points.

When public housing first came on the scene in 1949, I had the privilege, in the House, of handling the Taft-Ellender-Wagner bill. I had the deep gratification of seeing a sufficient number of my colleagues on the Republican side of the aisle vote for the bill, so that it passed the House. Let history show that the 23 votes which were garnered at that time from the Republican Members of the House were absolutely indispensible, and that the bill never would have passed without them.

At that time many predictions were made to the effect that public housing would bankrupt the Treasury, and computations were made of the astronomical number of billions of dollars the program would cost over a period of years.

More than a decade has passed, and we find the following: About 37,000 units a year of what is called public housing is just about essential to any kind of balanced housing program. We cannot do without them. That figure is just about right. It is just about what fits the need. It is the amount required every year in order to maintain a program that will not in any way jeopardize or embarrass the housing situation generally. Yet it has been an integral part of every housing project, because it is placed where low-rent families can adequately be settled.

In every urban renewal project, it is necessary to take into consideration a fair quotient of low-rent housing. That is absolutely essential in order to make the whole concept of urban renewal compatible, particularly in the large cities, where there are slum problems and a sufficient number of families having below average income.

In all the years the opponents have been voting against public housing—and they have been able and astute men—no one has proposed a substitute acceptable to Congress, and no one has offered a substitute acceptable to the advocates of a balanced housing program. The best the opponents have been able to do over all the years has been to knock down the program, work against it, and vote against it, if they could.

There are two essential facts. First, the program has developed into a reasonably modest approach to the problem. It fits very tidily into the budget. Second, it is the only way it has been found possible to deal with low-income families, especially where so many persons have been displaced by urban-renewal projects. It is a program which is highly desirable in cities and towns in which such renewal projects have taken place.

It seems to me this is a modest enough authorization, and that the people who are the lowest on the scale of housing accommodations are entitled at least to this much consideration by Congress. That has been a tradition in almost every housing bill which Congress has passed.

Mr. President, I hope the amendment will be agreed to.

Mr. JOHNSON of Texas. Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, do the opponents of the measure wish to use any time?

Mr. CAPEHART. Mr. President, I am against the amendment. It was considered in committee and rejected by the committee. The record speaks for itself. Enough public housing units are now authorized to provide for as many public housing units as can be constructed in the next 12 months. My honest opinion is that no further authorization is needed at the moment; and that will not hurt the program one iota.

I am ready to yield back the remainder of my time.

Mr. CLARK. I yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, will the Senator yield time to me?

Mr. CAPEHART. I yield 5 minutes to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I am certain the Senator from Pennsylvania knows that throughout the years I have been a friend of public housing. I have supported public housing. As a matter of fact, I was chairman of the Subcommittee on Housing at the time the 1949 act was passed. I have called for public housing many times.

I hope Senators will examine the tables which the Senator from Pennsylvania placed in the RECORD, to see the widespread use of public housing throughout the United States. I say again, as I said a few minutes ago, that this is not simply a big-city program; it is a program for the benefit of the rural States as well as urban areas. The program is widely used in my section of the country, in the Southern States.

The largest single number of projects in any State of the Union is in Georgia. Alabama, if I remember correctly, comes second.

Because I have supported public housing, I do not like to be put in the position of having to oppose the Senator from Pennsylvania when he offers an amendment to provide for 37,000 units. Last year we included 37,000 units, and it was generally believed—although there was no commitment to that effect—that that number would be sufficient to continue the program for 2 years.

I believe the Senator from Pennsylvania, perhaps, would agree with me that the way the present administration has been conducting the low-rent public housing program, the number of units authorized by the Housing Act of 1959 would last for that period of time.

I say to the Senator from Pennsylvania that time after time, I have voted to restore the number of units authorized by the Housing Act of 1949. The Senator will recall that in the committee, when the matter was brought up, I said I was in favor of restoring the 1949 act.

But I believe we need to do some restudying and recalculating because of the amount of money which is involved in the program. If the Senator will wait until next year, I will vote with him to restore the program as provided in the 1949 act.

However, I simply do not believe, as a practical matter, that as close as we are to the end of this session of Congress we should endanger a good housing bill by including 35,000 units of public housing, particularly when the existing unit authorization is, perhaps, in excess of what the present administration will use during the next fiscal year.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. Yes; so far as the very short time allotted to me will permit.

Mr. CLARK. There is plenty of time. I ask the Senator from Alabama how many times President Eisenhower has signed housing bills which included public housing authorizations.

Mr. SPARKMAN. I do not know. I think he has done so practically every year. There was one year when we had no public housing.

Mr. CLARK. I believe it was five times.

Mr. SPARKMAN. I believe we have had public housing in every bill, with possibly one exception.

Mr. CLARK. Has the House of Representatives ever refused to go to conference on a housing bill?

Mr. SPARKMAN. Yes.

Mr. CLARK. When?

Mr. SPARKMAN. In either 1957 or 1958.

Mr. CLARK. That was because we did not pass our bill.

Mr. SPARKMAN. I will not say the House refused to go to conference. It failed to get a rule, and the bill came up under a suspension of the rules and failed of passage by 6 votes.

Mr. CLARK. Will the Senator agree that ordinarily the House will go to conference on a housing bill?

Mr. SPARKMAN. Yes; but this bill is not in the conference stage. The House has not passed a bill. This bill would still have to go before the House for a rule.

Mr. CLARK. One final question. I do not know whether the Senator was otherwise diverted when I was making my little talk a few minutes ago. I wish to assure him of the fact that the authorization for public housing will expire on August 20, 1960, according to the administration's own figures. We will have a President in the White House in January. He will not have any other authorization, and there will not be any authorization from August all the way through December. I ask the Senator if he is certain that I am wrong about that.

Mr. SPARKMAN. I believe the Senator from Pennsylvania is wrong, because he is not making any allowance for communities which drop out, or cancel their applications.

Mr. CLARK. Yes, we are.

Mr. SPARKMAN. The Senator knows, does he not, that about one-third of the communities drop out of the program?

Mr. CLARK. I have made allowance in the table I have offered. I am certain the Senator will not say I am wrong when I say that we will have a Democratic President next year.

Mr. SPARKMAN. No. I agree with the Senator on that. That is why I can easily say we will have a good low-rent program next year.

Mr. CLARK. Mr. President, I am prepared to yield back the remainder of my time, if the Senator from Indiana will agree to yield back the remainder of his time.

Mr. CAPEHART. I yield back the remainder of my time.

Mr. WILLIAMS of New Jersey subsequently said: Mr. President, I support the amendment of the Senator from Pennsylvania [Mr. CLARK] to authorize 37,000 more public housing units for the coming fiscal year in the general housing bill now being considered.

In committee we heard a great deal of testimony from the officials of the Housing and Home Finance Agency on the adequacy of the present authorization of 37,000 units, which was passed in last year's act.

I must confess that there is a certain confusion about the number of public housing applications that can be considered "live." When Commissioner Davern testified, he said that although there were applications pending for 67,000 units as of last February, only 27,000 of them could be considered "active."

I do not challenge the accuracy of this estimate, but I would not be surprised to find it on the conservative side. But in any event, authorization for 10,000 units which will have to last for the next 12 months seems extremely inadequate to me.

I think it is inevitable that this small an amount of authorization will discourage many localities from going to the trouble of filing an application when the chances are so slim that they will receive any reservation or commitment. The net result will be to slow a vitally needed program that already is operating at a level vastly lower than the level of actual need of all those who must now suffer with deteriorating substandard housing and slum dwellings.

I would like to say that earlier this year I contacted all the housing authorities in New Jersey with public housing programs and the responses were uniformly positive on the question of whether their applications were "live."

Judging from the response I received, I would certainly say that New Jersey is carrying this program forward as rapidly and enthusiastically as possible. Many of the housing authority chairmen urged a speedup of the program.

For example, Mrs. Robert Newcomb, chairman of the Glassboro Housing Authority, wrote me that:

> We consider our application to be very much "alive," and we do not anticipate any scaling down in the number of the 60 units allowed us. On the contrary, we hope that the obvious need of our borough will persuade the Public Housing Administration to scale the number up.

Mr. Thomas Kovak, chairman of the housing authority of the Township of Edison wrote that they had filed application for 100 units and that—

> It is most certainly "alive" and no scaling down in number of units is anticipated.

He added:

> I should like to take this opportunity on behalf of the members of the Edison Housing Authority to urge you to combat the President's request that there be no additional authorization in this program. If we are to continue to rebuild and renew not only our major cities but also our growing urban areas, housing for low-income families must be provided. It is certainly evident that private enterprise cannot and has not filled this need.

The director of East Orange's housing authority, George Genung, Jr., wrote that the city is undertaking a low-rent public housing program of 300 units to "meet the need which will be created by the displacement from the East-West Freeway and our urban renewal program."

He went on to say that—

> The program reservation in East Orange is very much alive, and very much needed. The only way communities like ours can meet the demand for the rehousing of low income families, displaced by public improvements, is through the public housing program. Therefore, the Federal legislators should realize that this program must be continued as a partnership with the Federal highway and urban renewal programs. If the cities do not have a complete set of tools with which to work, then they will not be able to do a thorough and complete job.

There were many other letters, all of which affirmed that their applications were "live" as far as the local authorities were concerned. There was also one letter of particular interest from W. Russell Laird, chairman of the Franklin Housing Authority, who cited all the delays which that town has had to suffer with its program since 1956 and remarked that the delays "have a catastrophic effect upon public opinion, which plays a far more direct role in small communities than in larger ones."

He added that—

> In the case of Franklin Township, there can be no doubt that the procrastinations over 4 years in granting of these units, together with similar delays on the part of the urban renewal administration, played a major role in the defeat of an urban renewal program badly needed in the community.

Mr. President, I ask unanimous consent that this letter from Mr. Laird be printed in the RECORD, at the conclusion of my remarks, and I will conclude by saying that if the administration truly favors the continuance of this vital program, it should have no objection to accepting this additional authorization

which would permit the public housing program to progress with at least one less obstacle in its way.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSING AUTHORITY OF THE
TOWNSHIP OF FRANKLIN,
COUNTY OF SOMERSET,
New Brunswick, N.J., March 14, 1960.

Hon. HARRISON A. WILLIAMS, Jr.,
U.S. Senate, Washington, D.C.

DEAR SIR: In response to your letter of March 4, in which you refer to our reservation of low rent housing units, and request information as to their status and our expectations with regard to them, we are forwarding the following information:

1. Initial application for these units was made in April 1956, at which time they were planned to be part of the same project as our now completed 50 units. Our request, based on our survey and analysis of need was for a total of 100 units, of which PHA approved 50 units.

Because the need for low cost housing beyond these first approved 50 units was pressing, the authority again requested the additional 50 units in a separate application in March 1957. The authority was informed that additional data with regard to need for these units must be provided. This would have necessitated a new survey of needs, for which funds were not available.

The need for additional housing still being felt strongly by the authority, and in fact increasing with the growth of the community, the request was revived in the early part of 1958. This time the authority was informed that it must wait until construction of the first 50 units was complete and the dwellings provided all occupied. At the time these events occurred in December 1958, the request for additional units was again revived. Now a new series of requests was made for data or documentation not originally requested. After these materials had all been supplied, a reservation for the reduced number of 30 units was made in June 1959.

At this point a new type of delay started. The reservation was made with the provision that the preliminary loan and action on the program could not come until after the passage of the new Housing Act. When the act was passed in September 1959, the authority was informed that still no action could be taken until administrative procedures under the new act had been worked out. When no word had been received by December 1959, as to the granting of the preliminary loan to initiate action on the units, the authority inquired into the nature of the new delay and was informed that still further data were required. In fact, on the basis of the new procedures, the authority had to start all over again with studies of need and local surveys, with the inevitable result of time consuming delays. It must be clear that apart from postponing the concrete response to community housing needs, each such request is a particularly heavy burden for a small authority in a small community.

2. The program has been delayed by the rigidity of requirements on the proof of need—based primarily on 1950 census data, inapplicable in a fast growing area. The delays were considerably aggravated by the lack of clarity of administrative procedures, as well as piecemeal requests for additional data not originally requested. Such delays were protracted by the need to wait for legislation and then administrative procedures.

3. The presently estimated date for entering into an annual contribution contract is June 1960.

4. The authority definitely feels that the reservation is alive, although its enthusiasm and that of the governing body is wearing thin after all the delays. The authority still feels there is need for the originally requested 50 units.

The comments of the authority come out in the above history. Apart from the time lost in which the housing units might have been in use, the work demanded from the local authority becomes quite incommensurate with the size of the project as well as the size of the staff. As you are aware, the law does not permit compensation by the PHA for work done in preparing an application. While this work can possibly be absorbed by large city authorities or municipal staffs, this burden tends to become prohibitive in the case of small authorities in small communities.

It must further be pointed out that these delays have a catastrophic effect upon public opinion, which plays a far more direct role in small communities than in larger ones. In the case of Franklin Township, there can be no doubt that the procrastinations over 4 years in the granting of these units, together with similar delays on the part of the Urban Renewal Administration, played a major role in the defeat of an urban renewal program badly needed in the community.

A final point which should not be lost sight of is the fact that the long drawn out procedures place a great burden on the unpaid members of the housing authorities. This makes it more difficult to obtain new members of the desired quality when replacements are required. It also necessitates a high degree of vision and persistence among the members. This effort could better be applied to continued vigilance with regard to solutions for housing needs in the communities, and to the supervision of the operation of existing programs.

As this matter has been of considerable concern to our authority, we have written at greater length that your questions might seem to require. We hope that you will find the information useful in your investigation.

Sincerely yours,
W. RUSSELL LAIRD,
Chairman.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Florida [Mr. SMATHERS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. COTTON] is necessarily absent.

The Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "nay."

The result was announced—yeas 38, nays 42, as follows:

[No. 219]

YEAS—38

Anderson	Frear	McGee
Bartlett	Gore	Magnuson
Bible	Gruening	Mansfield
Byrd, W. Va.	Hart	Monroney
Carroll	Humphrey	Pastore
Case, N.J.	Jackson	Proxmire
Church	Javits	Randolph
Clark	Johnson, Tex.	Scott
Cooper	Johnston, S.C.	Smith
Dodd	Keating	Wiley
Douglas	Kerr	Williams, N.J.
Ellender	Long, Hawaii	Young, Ohio
Engle	McCarthy	

NAYS—42

Aiken	Dworshak	Martin
Allott	Eastland	Morton
Beall	Ervin	Moss
Bennett	Fong	Muskie
Bridges	Hickenlooper	Prouty
Brunsdale	Hill	Robertson
Bush	Holland	Russell
Byrd, Va.	Hruska	Saltonstall
Cannon	Jordan	Sparkman
Capehart	Kuchel	Stennis
Carlson	Lausche	Talmadge
Case, S. Dak.	Long, La.	Thurmond
Curtis	Lusk	Williams, Del.
Dirksen	McClellan	Young, N. Dak.

NOT VOTING—20

Butler	Hayden	Murray
Chavez	Hennings	O'Mahoney
Cotton	Kefauver	Schoeppel
Fulbright	Kennedy	Smathers
Goldwater	McNamara	Symington
Green	Morse	Yarborough
Hartke	Mundt	

So Mr. CLARK's amendment was rejected.

Mr. CAPEHART. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

Mr. CLARK. Mr. President, I ask for the yeas and nays on the motion to reconsider.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The yeas and nays were not ordered.

The question is on agreeing to the motion to lay on the table the motion to reconsider the vote.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. RANDOLPH. Mr. President, I offer, on behalf of the esteemed and devoted junior Senator from Texas [Mr. YARBOROUGH] and myself, amendments relating to the loan guarantee program for World War II veterans.

The PRESIDING OFFICER. The amendments offered by the Senator from West Virginia for himself and the Senator from Texas will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 28, beginning with line 7, to strike out all down through line 16, and insert in lieu thereof the following:

VA DIRECT AND INSURED HOME LOANS

SEC. 505. (a) Section 1803 of title 38, United States Code, is amended—

(1) by striking out in paragraph (1) of subsection (a) the following: "if made before July 26, 1960 (or, in the case of a veteran described in section 1801(a)(1)(B) of this title, before the expiration of 13 years after World War II is deemed to have ended with respect to him),"; and

(2) by striking out paragraph (2) of subsection (a) and inserting in lieu thereof the following:

"(2) If a loan report or an application for loan guaranty relating to a loan under this chapter has been received by the Administrator before February 1, 1965, such loan may be guaranteed or insured after such date."

(b) Section 1811(h) of such title is amended by striking out "July 25, 1960" and inserting in lieu thereof "July 25, 1961".

On page 28, line 17, to strike out "(b)" and insert in lieu thereof "(c)".

On page 28, line 22, to strike out "(c) Section" and insert in lieu thereof "(d) Section".

Mr. RANDOLPH. Briefly, we would extend to February 1, 1965, the home, farm, and business loan guaranty program for World War II veterans. The proposed new termination date on the World War II program will make it coterminous with the loan guarantee program for Korean veterans.

Under existing law, the World War II aid will expire on July 25 of this year. If we do not extend this program, many World War II veterans will lose the opportunity to become home owners.

In 1958 new private housing starts totaled only 1,141,500. In 1959 private housing starts totaled 1,341,500. This truly was a remarkable performance and was sparked in no small degree by the emergency housing program. It is recognized fully that there were other factors in addition to the GI loans which accounted for this noteworthy performance. However, the GI loan program contributed greatly to this record and we can ill afford to terminate such a vital program at a time when there still are 4 to 4½ million unemployed workers. The housing industry, being the second largest in our economy, cannot be allowed to falter. One of the best ways of assuring its continued strength is by continuing the GI loan program.

During several periods of its short history, the GI loan program has felt the impact of a shortage in the supply of mortgage funds available for investment at its statutory ceiling interest rate. In such periods veterans have not had a real opportunity to use their loan benefit. The extension of the life of the program for World War II veterans will afford additional time in which they might utilize the benefit should the tight money situation ease and GI loans again become plentiful. That veterans could use such a period to good advantage is indicated by these data on loan applications and apprisal requests for the first 4 months of this year compared with the same months in 1955, a banner year for GI loans:

	GI home loan applications		VA appraisal requests	
	1955	1960	1955	1960
January	51,917	11,836	75,493	15,385
February	55,621	11,458	104,188	17,899
March	51,141	13,601	111,793	18,760
April	53,667	11,533	105,198	20,274
Total	212,346	48,428	396,672	72,318

Only about 1 percent of the 5½ million veteran home loans have resulted in claims. The claims paid have amounted to only 8 cents on every $100 of the original principal amount of the loans guaranteed. The loss that the Government has sustained has been infinitesimal. About 30 percent of these loans have been fully repaid.

Weighing these factors one upon the other, the conclusion is inescapable that the program must be extended. By continuing this worthwhile benefit for World War II veterans, they will continue to receive recognition for their valuable service at an insignificant cost to the taxpayer. We also provide an important support of the homebuilding industry.

Mr. President, the bill, S. 3275, which proposes an extension of the World War II guarantee program identical to the one proposed in this amendment, was ordered favorably reported by the Senate Committee on Labor and Public Welfare on Wednesday of last week. Since our committee having jurisdiction over this program has already formally approved the substance of the amendments, I believe it timely and necessary to provide the extension included in the housing measure which is now before the Senate.

Mr. President, our great veterans' organizations support the proposed extension. The American Legion, the Amvets, the Disabled American Veterans, and the Veterans of Foreign Wars, have expressed their strong support of the proposal in hearings conducted by our Subcommittee on Veterans' Affairs.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. SPARKMAN. Mr. President, the Banking and Currency Committee has jurisdiction over the VA direct home loan program, but the VA guaranteed loan program is under the jurisdiction of the Labor and Public Welfare Committee.

Mr. RANDOLPH. That is correct.

Mr. SPARKMAN. As it happened, the Senator from Texas [Mr. YARBOROUGH] and I introduced, on the same date, bills to extend both programs. We said then we hoped the two bills could be considered by the Senate together.

In the House of Representatives a different situation prevails. The Veterans' Affairs Committee of that body has jurisdiction over both programs. That committee has already reported a bill—I believe it is on the House Calendar now—to provide for the extension of both programs.

We have in our bill a provision to extend the direct loan program. While we would provide for only a 1-year extension it is perfectly reasonable, I think, to add this proposal.

The distinguished Senator from South Carolina will remember that when he was chairman of the subcommittee handling the veterans loan program, we handled it in exactly the same way.

So far as I am concerned, I am willing to accept the amendment.

Mr. RANDOLPH. Mr. President, I compliment the Senator from Alabama [Mr. SPARKMAN] for his leadership in this matter.

There are still well over 9 million World War II veterans who, for one reason or another, have not availed themselves of this aid. Undoubtedly many of them had their plans disrupted by the credit control requirements which were imposed during the Korean conflict. Hundreds of thousands of others who had met their financing needs through conventional or FHA loans are now seeking GI loan financing to acquire larger and better homes as their families increase or their income levels improve.

Mr. CAPEHART. Mr. President, we recommend that the manager of the bill accept the amendment.

Mr. SPARKMAN. Mr. President, while I do not have the figures relating to the veterans guarantee program, I do have a table relating to the applications of VA direct loans, showing the backlogs of applications that are now pending, and I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Backlog of applications for VA direct loans by VA regional offices as of May 1960

Regional office:	Backlog
Alabama	674
Alaska	91
Arizona	85
Arkansas	609
California	544
Colorado	89
Connecticut [1]	------
Delaware	47
District of Columbia [1]	------
Florida	250
Georgia	1,855
Hawaii [1]	------
Idaho	809
Illinois	750
Indiana	801
Iowa	614
Kansas	254
Kentucky	1,956
Louisiana	437
Maine	429
Maryland	90
Massachusetts [1]	------
Michigan [1]	------
Minnesota	1,136
Mississippi	963
Missouri	1,645

[1] No portion of State eligible for direct loans.

Backlog of applications for VA direct loans by VA regional offices as of May 1960—Con.

Regional office:	Backlog
Montana	610
Nebraska	498
Nevada	203
New Hampshire [1]	------
New Jersey [1]	------
New Mexico	264
New York	114
North Carolina	1,817
North Dakota	377
Ohio	2,063
Oklahoma	422
Oregon	323
Pennsylvania	364
Puerto Rico	826
Rhode Island [1]	------
South Carolina	566
South Dakota	497
Tennessee	613
Texas	948
Utah	1,022
Vermont	14
Virginia	1,150
Washington	704
West Virginia	670
Wisconsin	133
Wyoming	194
Total	28,520

[1] No portion of State eligible for direct loans.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. HUMPHREY. I merely wanted to commend the Senator. It is an item in which I have had long interest. I thank the Senator for offering the amendment in behalf of himself and the Senator from Texas [Mr. YARBOROUGH]. I think it is very desirable and will help correct a situation which exists in our part of the country in particular, as I am sure it does all over the Nation.

Mr. RANDOLPH. I thank my friend, and I can enthusiastically attest to his advocacy of this program.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. SPARKMAN. As a matter of fact, what the Senator has done with his amendment is make the guaranteed program for veterans of World War II coterminous with the guaranteed program for veterans of the Korean conflict.

Mr. RANDOLPH. Yes. The distinguished Senator is correct.

Mr. SPARKMAN. I commend the Senator from West Virginia for offering this very desirable and worthwhile amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. RANDOLPH. Mr. President, I yield back the balance of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from West Virginia [Mr. RANDOLPH]. [Putting the question.]

The amendment was agreed to.

Mr. CAPEHART. Mr. President, I ask unanimous consent to have printed as a part of the RECORD a summary prepared by the staff of the Committee on Banking and Currency showing the amounts involved in the different sections of the bill. I make the statement that we have tonight reduced the amount by $134 million, as shown in the summary.

Mr. SPARKMAN. Mr. President, reserving the right to object, I wish to answer the Senator from Indiana.

The Senator from Indiana said that the summary was prepared by the staff of the committee. As a matter of fact, it came from the Housing and Home Finance Agency. Those are the Agency figures, and not the figures of our committee.

Mr. CAPEHART. Mr. President, I stand corrected. The summary was prepared by the Agency.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana?

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Housing and Home Finance Agency—proposed housing legislation: Comparative summary of amounts provided for grants and loans in administration bills and Senate committee bill [1]

[In millions]

Purpose	Total new authority provided	
	Administration	Senate committee
For grants, HHFA:		
Urban renewal capital grants	----------	$350.0
Housing research	----------	----------
Subtotal, grants, HHFA	----------	350.0
For loans, HHFA:		
Urban renewal, planning advances and temporary loans	----------	----------
Housing for the elderly, direct loans [2]	----------	25.0
College housing, direct loans	----------	500.0
Public facility loans	[3] $100	50.0
FNMA special assistance functions:		
Presidential allocation	[3] 150	150.0
Consumer co-op housing support	----------	15.0
Subtotal, loans, HHFA	[3] 250	740.0
Total, grants and loans, HHFA	[3] 250	1,090.0
For grants and loans, other agencies:		
College housing, direct loans [4]	200	----------
College facilities grants [5]	600	----------
Defense hospital grants [3]	----------	7.5
VA, direct housing loans	----------	150.0
Farm housing:		
Direct loans	----------	----------
Commitments for contributions [3]	----------	----------
Loans and grants for repair and improvement [3]	----------	----------
Total, other agencies	800	157.5
Grand total	1,050	1,247.5

[1] NOTE.—This table reflects reasonable estimates of the budgetary effects of the bill, assuming that amounts authorized are also appropriated, where required. Nothing in the table is to be construed as representing a policy decision or commitment on the part of the Housing and Home Finance Agency or the administration with respect to budgetary recommendations or use of funds in the event the bill is enacted into law. Revised June 15, 1960.

[2] New obligational authority when actually appropriated.

[3] Administration bills would subject authorizations to annual appropriation control. New obligational authority when authorized in appropriation acts.

[4] Represents administration proposal to take care of existing college housing application backlog and to provide transition to new program of debt retirement assistance grants and debt service guarantees. New obligational authority when actually appropriated.

[5] Debt retirement assistance commitments may not be made in amounts in excess of limitations specified in appropriation acts. Excludes new obligational authority and expenditure effect of possible losses in connection with debt service guarantees extended to institutions issuing taxable obligations; proposed legislation would authorize guarantee of such obligations up to $1,000,000,000.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the question of passage of the bill.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, will the Senator yield me about 3 minutes, so that I may ask a question of the chairman of the subcommittee?

Mr. CAPEHART. I believe the Senator can obtain recognition in his own right.

Mr. JAVITS. Mr. President, I wish to address a question to the Senator from Alabama.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, one of the actions taken by the committee in connection with the reporting of the bill before the Senate was to separately consider a bill to create a limited profit mortgage corporation, a so-called middle income housing bill, which adopts a plan very successfully carried on in the State of New York for expanding materially the opportunity for middle income rental housing by making available credit to limited dividend participants, who are getting a limited 6-percent return, on the basis of making available housing in middle income rental limits.

We had a great deal of testimony on the bill from the authorities in the State of New York. This has been an extremely successful program, twice approved by the voters. The amount involved would be $500 million in mortgages allowable, to begin with, and $1½ billion if approved by the President.

The bill is to be reported as a separate bill. In view of the fact that it is a very important housing measure, since middle income housing represents the big gap with respect to housing, I should like to ask the chairman of the subcommittee, who is handling the housing bill, what his intentions are with respect to the middle income housing bill under consideration by the Committee on Banking and Currency?

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SPARKMAN. As the Senator knows, I expressed an interest in the middle income housing bill during the time it was being considered by the committee. I was very much impressed with the testimony given to us by the people who came from the Senator's State, who had had experience with this type of housing in New York State. I think this is a good program. The Senator knows that I supported this program in the subcommittee. As a matter of fact, the committee reported the bill as a separate bill. I do not remember exactly the vote on the bill, but it was certainly an overwhelming majority vote.

I hope the bill will be reported to the Senate tomorrow, or certainly the next day. It will be on the calendar.

I ask the attention of the majority leader. I earnestly hope that time may be found, before the session of Congress ends, to consider this bill. It should not

require a great deal of time for consideration. I think this is a good program, and it ought to be enacted into law.

Mr. JAVITS. Mr. President, I state to the Senator that I do not wish to jeopardize the program by offering it as an amendment to the housing bill before the Senate. That would not be fair, in view of the confidence vested in the program by the committee. That is the reason I have addressed the question to my colleague.

I understand that my colleague will use his best efforts to see that we obtain action on the bill this session.

Mr. SPARKMAN. I shall be glad to do so.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, I wish to associate myself with the request of the Senator from New York, since I am a cosponsor of the middle income housing bill. I urge my good friend from Alabama to do what he has already said he will do, which is to make every effort to report the bill to the Senate for action this session.

Mr. JAVITS. I thank my colleague. I acknowledge his participation, which I would say was indispensable in getting the bill reported by the committee.

Mr. CLARK. Mr. President, on behalf of the Senator from Illinois [Mr. DOUGLAS], the Senator from New Jersey [Mr. WILLIAMS], the Senator from Michigan [Mr. HART], the Senator from Colorado [Mr. CARROLL], the Senator from New York [Mr. JAVITS], and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 27, between lines 3 and 4, it is proposed to insert a new subsection, as follows:

(b) Section 10(i) of such Act is amended by inserting after "Provided, That" the following: "the Authority may enter into new contracts for loans and annual contributions after the date of enactment of the Housing Act of 1960 for not more than twenty-five thousand additional dwelling units: Provided further, That."

On page 27, line 4, it is proposed to strike out "(b)" and insert in lieu thereof "(c)".

Mr. CLARK. Mr. President, I yield myself 2 minutes and then I shall be prepared to yield back the remainder of my time.

Mr. President, this amendment is almost identical with the one which was defeated by a vote of 42 to 38, but it would lower the amount of authorized units to 25,000 instead of 37,000.

I wish to reiterate, for my colleagues who were not in the Chamber when I spoke earlier on the previous amendment, that the administration's own figures show we will run out of public housing authorization on August 20, 1960.

Mr. President, I defy anyone to controvert that fact. I am prepared to yield back the balance of my time.

Mr. SPARKMAN. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, I regret very much to have to oppose the amendment offered by my friend from Pennsylvania and other Senators.

I stated a few minutes ago that I have voted consistently for public housing. I remind Senators who are interested in getting a housing program that we are facing a very realistic situation. We have less than 2 weeks until adjournment. In order for this bill to become law, it must clear the House. The House operates under a different system. We know the bill must go before the House Committee on Rules. Even if the bill is passed in a different form it will be necessary to have a conference, and even that would be subject to the control of the House Committee on Rules.

Mr. President, we are confronted with a realistic situation. We have a college housing provision in the bill. The colleges are anxious to have the bill passed. They are hoping for the provision, so that they can be ready for the opening of schools this September.

We have some urban renewal funds in the bill. The towns and cities are hoping for the privilege of putting in their applications and having them considered.

We have a community facilities provision for the little towns throughout the country which need help in getting vitally needed public facilities.

There are a great many other good features in the bill. I say that we should not jeopardize the passage of the bill by putting in something which is almost certain to delay final passage and enactment of the bill.

Much as I dislike to take this stand, Mr. President, I believe the only fair and realistic stand to take is to oppose the amendment.

Mr. CLARK. Mr. President, I yield myself 2 minutes.

It is with the deepest regret I find myself compelled to differ in judgment with my good friend from Alabama, who has been a stalwart defender of all types of housing, including public housing.

Mr. President, I wish to point out three facts to the Members of the Senate.

First, President Eisenhower has signed five separate housing bills, each of which had a public housing authorization in it. Each one of those bills contained more public housing authorization than would be provided by the amendment.

I cannot believe the President would veto the bill simply because it has a minimum amount of public housing authorization, to keep the program going after August 20, through the rest of the coming fiscal year, during 6 months of which time we hope to have another occupant of the White House. I do not believe the President will veto the bill.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CLARK. I decline to yield at this time.

Second, Mr. President, I am confident the House is not going to blackmail the Senate by refusing to go to conference on a reasonable housing bill, with a reasonable public housing provision in it. So far as I know, the House has never done that before. I do not think it will do it at this time.

This must be a question of judgment as to one of the rights of the Senate as a coordinate body, and I hope the amendment will pass.

I yield back my remaining time.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Pennsylvania [Mr. CLARK]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

On this vote, the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from Rhode Island would vote "yea," and the Senator from Georgia would vote "nay."

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. COTTON] is necessarily absent.

The Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "nay."

The result was announced—yeas 42, nays 39, as follows:

[No. 220]

YEAS—42

Anderson	Frear	McGee
Bartlett	Gore	Magnuson
Bible	Gruening	Mansfield
Byrd, W. Va.	Hart	Monroney
Cannon	Hartke	Moss
Carroll	Humphrey	Muskie
Case, N.J.	Jackson	Pastore
Church	Javits	Proxmire
Clark	Johnson, Tex.	Randolph
Cooper	Johnston, S.C.	Scott
Dodd	Keating	Smith
Douglas	Kerr	Wiley
Ellender	Long, Hawaii	Williams, N.J.
Engle	McCarthy	Young, Ohio

NAYS—39

Aiken	Dworshak	McClellan
Allott	Eastland	Martin
Beall	Ervin	Morton
Bennett	Fong	Prouty
Bridges	Hickenlooper	Robertson
Brunsdale	Hill	Saltonstall
Bush	Holland	Smathers
Byrd, Va.	Hruska	Sparkman
Capehart	Jordan	Stennis
Carlson	Kuchel	Talmadge
Case, S. Dak.	Lausche	Thurmond
Curtis	Long, La.	Williams, Del.
Dirksen	Lusk	Young, N. Dak.

NOT VOTING—19

Butler	Hennings	O'Mahoney
Chavez	Kefauver	Russell
Cotton	Kennedy	Schoeppel
Fulbright	McNamara	Symington
Goldwater	Morse	Yarborough
Green	Mundt	
Hayden	Murray	

So Mr. CLARK's amendment was agreed to.

Mr. CLARK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOUGLAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BENNETT. Mr. President, on behalf of the Senator from Indiana [Mr. CAPEHART], the Senator from Connecticut [Mr. BUSH] and myself, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Utah will be stated.

The LEGISLATIVE CLERK. On page 1, line 4, it is proposed to strike out "Housing Goals";

On page 1, it is proposed to strike out lines 6 through 10;

On page 2, it is proposed to strike out lines 1 through 20; and it is proposed to renumber sections 102 and 103 to be sections 101 and 102.

Mr. BENNETT. Mr. President, the amendment would strike from the bill section 101, headed "National Housing Goal." A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BENNETT. Under the unanimous-consent agreement are 30 minutes allowed on each side on this amendment?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The Senator is correct; 30 minutes are allowed on each side.

Mr. BENNETT. I yield myself 10 minutes. I hope I shall not need all of that time. Much of the pending bill merely continues existing housing programs. However, the first section in the bill breaks into new ground, and I think it is a dangerous new ground. The section would require the President to do three things annually. First it would require him to make a statement to Congress of the minimum number of housing units that should be started during the year. Second, he would have to give an indication of the manner in which the law will be administered by the executive agencies to achieve the number of housing units specified. Third, the section provides that the President shall report any recommendations for legislative action that the President determines necessary or desirable in order that the construction of such specified number of housing units may be started.

There is a gimmick in the bill which can lull to sleep those who feel that this is not really very dangerous, because the section provides that such report shall not be required in any year if the President determines it is not feasible to provide the information, and reports such fact, together with the reasons, to the Senate and the House prior to January 20.

Mr. President, we are opening the door to a basic new principle in housing which is that the President must determine every year how many new houses will be built in the United States. If we open that door, we can amend the bill a year from now and take away the power of the President to decline to make that decision, and we can make it mandatory.

This is known as the national housing goal section. It could be called the ouija board section, or the crystal ball section. It could remind us of the days in Rome when that great empire was governed by the augurs, whe read the entrails of fowl and attempted thereby to foretell the course of history.

The section would require the President, if he is to make an accurate determination, to guess in advance how many couples will be married, how many families will suddenly discover that they have added one more child and have outgrown their home, how many houses will burn down, how many wives will get tired of living in the city and decide they want to move out of an apartment and to the suburbs, and then require a new house. There are a great many other determinations.

I do not believe there is a man living who can accurately predict the number of new houses the American people will need in a year.

Suppose the President is required to do this, and he undertakes to do it. Suppose he overshoots the mark. What do we do with those houses once they are built? How do we pay the builders? Do we appropriate public money to supply the cash necessary to pay the men who attempted to meet the President's goal? How do we decide whether these houses are to be built in New York or Utah or Mississippi? How are we to decide whether they are to be $12,000 houses or $35,000 houses?

Left to themselves, the people make those decisions. They set the pattern, the location, the prices. Theirs is the motivation for deciding whether they want a new house this year. However, under the pending bill the President must either ignore all these things or he must make a bold guess as to how all these factors will affect the economy, plus the general prosperity, and many others, and then decide how many houses shall be built.

A provision in the bill states that he must give to Congress an indication of the manner in which the law will be administered by the executive agencies to achieve the number of housing units specified. I assume that could be interpreted to require a number of agencies in Government to use their efforts to fill up the houses that might be built and not needed.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. CURTIS. Does the Senator mean that we would abandon the principle that the people of the sovereign States shall decide when they want to build houses and how many houses they want to build, and that the houses are no longer to be individual property?

Mr. BENNETT. They are going to be individual properties, I assume, but the President will say that the United States must spend, for example, $1,500,000 on housing. If we do not build them, if they cannot be built in any other way, the excessive agencies must step in and see that they are built. If that does not work, the President must recommend to Congress new legislation which will make up the deficit.

This is the kind of thing that is really taking us into new fields, not only in housing but in the whole principle of government.

Perhaps there are Members of the Senate who, if they come to the Presidency, will have the answers to questions like that. I have never known a man whom I would trust with that responsibility. The Government should not operate on this kind of basis and should not be operating housing programs against a fixed determination made in advance by an executive who cannot possibly have the answer to all the questions that will determine the reasons for building the houses.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. ROBERTSON. The Senator from Utah will recall that I joined him in committee in opposition to this provision in the bill, on the ground, as I stated, that it is impractical and unworkable and that it puts the President into an entirely new field. He must determine how many new houses should be built in a given year, which he cannot possibly do. In addition, he must say how they are to be financed, how they are to be purchased, and how they are to be paid for. I hope very much the Senate will support the amendment and take this provision out of the bill.

Mr. BENNETT. I could carry this thing further. I conclude by asking, even if the President were smart enough or lucky enough to guess the number of houses that would be purchased in the

year in which he is required to set a number, how the executive agencies could administer such a law and carry the responsibility and come out right on the nose? That is implicit in this provision, as well as the President's ability to guess right.

Mr. President, how much of my 10 minutes remain?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. BENNETT. I will reserve the remainder of my time. I yield 5 minutes to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, this is the most amazing proposal I ever heard of in connection with any proposed legislation. That goes back for 25 years. I will prove it to the Senate. I will read the first sentence of section 101:

> The program of the President as expressed in his annual message to the Congress shall—
>
> Shall—
>
> include statements and recommendations concerning a residential construction goal.

We would say to the President, "When you come before a joint session of Congress with your state of the Union message, you shall by law have included therein a statement on housing."

The framers of the Constitution did not do it. In the Constitution they said that the President from time to time should give information on the state of the Union. They did not tell the President to put something in his message about housing.

Leave that provision in the bill, and what will happen? We could then pass a bill saying that the President shall, from time to time, include in his state of the Union message statements and recommendations on veterans' legislation. Then the next year we might say that the President shall include statements and recommendations on school legislation.

What we will be doing will be trying to write a state of the Union message, not a national housing goal, in the bill. If we follow that precedent, we will have destroyed the constitutional power of the President. That is the ultimate end of it.

Do we want a veto of the bill? If I were sitting at 1600 Pennsylvania Avenue, I would not have to know anything else that is in the bill except that. The minute I read the first sentence, I would say to myself, "Congress is trying to tell me what to tell them in January when I go before them for a joint session. I will not permit the legislative branch to usurp executive authority by telling me what I shall say and what I shall not say."

Mr. President, that is one of the most offensive things I have ever seen in a legislative proposal. If the Senate allows it to remain in the bill, I would bet a part of my right arm that the bill will not have the ghost of a show of getting by the Presidential power of disapproving it and sending it back. Then, as the Senator from Alabama said, any legislation in the housing field will have been jeopardized.

It is not necessary to look any further than the first sentence, because what is sought to be done is to tell the Chief Executive what he must write into his state of the Union message. That is the fundamental issue that is involved.

Mr. BUSH. Mr. President, will the Senator from Utah yield me 3 minutes?

Mr. BENNETT. I yield 3 minutes to the Senator from Connecticut.

Mr. BUSH. I strongly support what the Senator from Utah and the Senator from Illinois have said. I think this is a highly offensive section of the bill. I tried to have it removed from the bill in the subcommittee and in the full committee, but I was unsuccessful.

I think the Senator from Illinois has correctly stated the danger which this language carries with it. However, it also opens up another danger. If the President is to be called upon to tell Congress how many housing units should be started, when are we going to ask him how many automobiles are to be built, or how many refrigerators are to be built? Shall we rely on the President of the United States to tell us what the economy should do, and then say that the Government should get behind this program, and in some way or other, which is not set forth, but in general language, insist that legislation be passed, which will require the Executive fiat to be put into action, which will affect the goal which he is required to submit at the very beginning of the year?

This is in complete defiance of the law of supply and demand. It is in complete defiance of the free economy which this Nation has had in recent years, particularly in the last 8 years.

I agree with the Senator from Illinois that this language should be stricken from the bill. I urge the Senator from Alabama, as I have before in the debate, to remove it from this bill and place it in a separate bill, so that the housing bill will not be imperiled. Otherwise, I think the bill has very much to commend it. I ask the Senator from Alabama again to reconsider. I ask him to take out this language and put it in a separate bill, so that it may be considered on its own merits.

I take this occasion once more to protest the business of introducing big omnibus bills and throwing together a number of unrelated items which merely come under the subject of housing, when actually they relate to problems which should be considered separately, in separate bills.

Of all the items which should be considered in separate bills, the first section of S. 3670, section 101, is the worst. I urge the Senator from Alabama to take it out and place it in a separate bill. I will then join him in any way I can to get it before the Senate.

Mr. DIRKSEN. Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. BENNETT. Does the Senator wish to speak in support of the amendment?

Mr. HUMPHREY. I wish to speak in support of title I of the bill.

Mr. BENNETT. My amendment is to strike out that particular section of the bill.

Mr. HUMPHREY. I am happy to announce that I oppose the amendment.

Mr. BENNETT. The Senator must get time from the Senator from Alabama.

Mr. HUMPHREY. I am not a prejudiced individual. I will take time wherever it is available.

Mr. SPARKMAN. Mr. President, I yield myself 5 minutes.

Mr. President, I submit that a careful reading of the bill will show that none of the things which have been pictured here are actually provided for in the bill. The language does not say that these recommendations must be included in the President's state of the Union message. The President submits several messages to Congress, one of which is the economic report. As a matter of fact, to my way of thinking, that is where these recommendations should be reported.

In the Full Employment Act of 1946, Congress created the Economic Council of the President. The Joint Economic Committee of Congress told the President what to report on.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. SPARKMAN. I will yield briefly.

Mr. DIRKSEN. The language in the bill relates to the President's annual message to Congress.

Mr. SPARKMAN. The President submits several annual messages.

Mr. DIRKSEN. Those are not annual messages.

Mr. SPARKMAN. I may say to the Senator from Illinois that I would have no objection to changing the language so that it would simply read "shall annually present to Congress."

Let me state some of the background of this proposal. I hope the minority leader will not leave the floor.

Mr. DIRKSEN. I shall not.

Mr. SPARKMAN. On February 3, 1960, James C. Hagerty, press secretary to the President, issued a press release which announced the appointment of a commission for the purpose of studying and recommending goals. That commission is headed by Dr. Henry M. Wriston, former president of Brown University, now president of the American Assembly.

The Vice Chairman of the Commission is Frank Pace, chairman of General Dynamics Corp. Mr. Pace formerly was Secretary of War.

I shall read the names of the other members of that committee, because I think it is a distinguished group, and we ought to remember them:

Dr. Henry M. Wriston; Frank Pace, Jr.; Dr. James R. Killian; Gen. Alfred Gruenther; Federal Judge Learned Hand; Dr. James B. Conant; Colgate W. Darden, of Virginia; George Meany; Erwin D. Canham, president of the U.S. Chamber of Commerce; Clark Kerr; and Crawford H. Greenwalt.

I submit that that is a distinguished committee which the President has appointed for the purpose of preparing and reporting goals. What are the goals? Here is what Dr. Wriston said—this is a quotation from Business Week:

> Wriston hopes for a book of manageable proportions that will hit hard on the vital issues, including such hotly controversial areas as defense, housing, and education.

That is the statement of the Chairman of the distinguished Commission which was created by the President of the United States to set goals.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. SPARKMAN. I will yield after I have completed my statement. The President said:

> The President is asking the panel to develop a broad outline of national objectives and programs for the next decade and longer, and hopes that in the process the Commission will set up a series of goals in various areas of national activity.

That was the statement of the President of the United States. That is the assignment which was given to the distinguished Commission created by the President of the United States.

If I had the time, I could read statements to the effect that Housing and Home Finance Agency officials, including Mr. Mason and Mr. Zimmerman, have at times referred to goals. Mr. Zimmerman set a target of 1,200,000 housing starts for 1960.

We are not asking that the President form a plan. As a matter of fact, we say he shall do it so far as he determines it to be feasible. So far as he deems it to be feasible, we ask him to tell us the number of starts which ought to be made during a year. There is no requirement that he tell us what priced housing shall be built; where it shall be built, et cetera. There is no requirement that he state how much Government financing will be required, or things like that. He is merely asked to set a goal. Goodness knows, in the economic report such goals are set in various lines of activity.

The Senator from Connecticut knows that in our committee we try, year by year, to provide, in the field of housing, legislation which may result in construction of the number of housing units required for the new families, required because of demolitions and required to replace the houses torn down because of the construction of highways and other Federal activities.

The PRESIDING OFFICER. The time the Senator from Alabama has yielded to himself has expired.

Mr. SPARKMAN. Mr. President, I yield myself 5 more minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 additional minutes.

Mr. SPARKMAN. Mr. President, we try to help. In this case, all we are asking is some leadership and assistance from the Executive. Let the Executive take that leadership in his economic report, and let Mr. Mason, the Administrator of the Housing and Home Finance Agency, when he submits his report to the economic committee, each year, say, "We believe there should be a certain number of starts each year, and certain steps must be taken."

Mr. President, in February of this year, Mr. Zimmerman, Commissioner of the Federal Housing Administration, lowered the required downpayment to the lowest level it has ever been. He did so because the number of housing starts had dropped and dropped; and he knew that his action would stimulate construction and would result in an increase of housing starts. Only recently, two member banks of the Federal Reserve System lowered their rediscount rate. They did so because they knew a stimulus was needed.

This provision does not contain anything new or anything revolutionary. We are merely saying that in view of the exploding population the Nation has, requiring an increasing number of new houses every year, there should be more planning than there has been thus far, and the entire load should not be placed on the shoulders of Congress; Congress should receive some help from the executive branch.

Mr. BUSH. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield to the Senator from Connecticut.

Mr. BUSH. I thank the Senator for yielding.

I am glad to call attention to the commission to which the Senator has referred. It is headed by Dr. Wriston. No better American than he could be found to head such a commission.

Mr. SPARKMAN. I agree with the Senator.

Mr. BUSH. Yes; I was sure the Senator from Alabama would agree.

I say it would be better to wait until the Congress hears from that commission, composed of the very distinguished men the Senator has named, and others. Let us hear from the commission, and let us examine its report. It will make its report before very long.

Mr. SPARKMAN. The President has said we should have these goals.

Mr. BUSH. No; the President has said we should have a commission to consider the question.

Mr. SPARKMAN. And to set up the goals.

Mr. BUSH. It seems to me the wise thing for the Senate to do is to wait until it can see what the very distinguished and competent members of the commission have to say on the question of national goals. I think that is the sound approach.

But it seems to me it is foolish to talk about particular national goals and the other things called for by the bill, and, in that connection, to issue a mandatory direction to the President, so as to require that he say how many housing units shall be started and what the Government should do in order to be sure that those units are completed.

I think the lack of confidence in this part of the bill is reflected in the proviso which is to be found at the end, which states that such a report shall not be required if the President determines it is not feasible. I believe that is an indication of the lack of confidence in clauses (1), (2), and (3) of section 101.

Again I beg the Senator to delete this part of the bill, so as not to imperil the bill.

Mr. SPARKMAN. But the Senator from Connecticut himself offered the amendment to the effect that the President shall not be required to do it unless he determines it to be feasible.

Mr. BUSH. Well, I would do anything to get away from the mandatory language which was in the bill.

I am glad the Senator from Alabama reminded me that I offered the amendment. It was accepted by the committee.

Mr. SPARKMAN. That is correct.

Mr. BUSH. I regard that as a compliment to those of us who proposed this part of the bill.

Mr. SPARKMAN. Mr. President, in order that the RECORD shall show what we intended, in lieu of all the statements which have been attributed to the committee, I ask unanimous consent to have printed at this point in the RECORD the part of the committee report on the bill which deals with the housing goals, under the subhead "National Housing Goal."

There being no objection, the excerpt from the report (No. 1575) was ordered to be printed in the RECORD, as follows:

TITLE I—HOUSING GOALS, RESEARCH, AND ADVANCED CONSTRUCTION TECHNOLOGY

NATIONAL HOUSING GOAL

Section 101 would require the President, in furtherance of the National Housing Policy, to transmit an annual report to the Senate and the House of Representatives containing (1) a statement indicating the minimum number of housing units which should be started during the then current calendar year, or such year and the next following calendar year, in order to be consistent with the program of the President; (2) an indication of the manner in which the law will be administered by the executive agencies to achieve the number of housing units specified under clause (1), and (3) any recommendations for legislative action that the President determines are necessary or desirable in order that the construction of such specified number of housing units may be started.

The section further provides that this report shall not be required in any year if the President determines that it is not feasible to provide the information specified in clauses (1), (2), and (3) above.

Thus, the President would not be required in any year to submit any or all of this specified information, if he determines that it is not feasible to do so. In this event, he must report his determination, together with the reasons for the determination, to the Senate and the House of Representatives.

The committee believes that until minimum annual housing goals are agreed upon, there can be little hope for achievement of the volume of housing production and the stability of housing production essential for the orderly growth of the country.

Existing law gives Federal agencies many discretionary powers, and these powers are used to influence annual housing production. This applies particularly to the Federal Housing Administration, the Veterans' Administration, the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Reserve System, the Public Housing Administration, and the Urban Renewal Administration.

Having such discretionary powers and such great influence upon housing production, it must be assumed that these powers are now exercised with some purpose or plan, and with some estimate of the consequences. The committee assumes that the heads of executive agencies now use their discretionary powers with some thought about the annual volume of housing production, or, with some goal in mind.

Section 101 merely proposes that this goal be publicly stated by the President, that the propriety of the goal be debate in the Congress, in financial and building circles, in the press, and by the people. Agreements reached through such open and democratic processes

can become the objective for necessary changes in law and for the exercise of executive discretion granted by law. Furthermore, the public will be aided in fixing responsibility for the adequacy of enabling legislation and for the adequacy of its execution.

Such policies as (1) the marketing and purchasing prices of the Federal National Mortgage Association, (2) the downpayment schedules, interest rates, and other terms of FHA and GI loans, (3) the volume of borrowings permitted through the Home Loan Bank System and the Federal Reserve System, (4) and many other executive decisions affecting the supply and distribution of home loan capital, should not be determined in a vacuum. They should be determined with a view toward their consequences, and with a view toward achieving some minimum volume of housing production consistent with the need for housing and with general economic stability.

In this connection, the President has appointed a Commission on National Goals. The Chairman of this Commission, Dr. Henry M. Wriston, has said that housing is one of the vital subjects to be included in the work of the Commission, and the President has expressed the hope that "the Commission will set up a series of goals in various areas of national activity."

The Housing Act of 1949 contained a declaration of national housing policy, which stated in part as follows:

"The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require * * * the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation."

The committee believes that section 101 is a logical and necessary extension of the national housing policy expressed in the Housing Act of 1949, and that this proposal is consistent with the program of the President as expressed by the establishment of the Commission on National Goals.

Mr. SPARKMAN. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD section 1022 of title 15 of the United States Code. It tells the President exactly what to report on in his annual message dealing with the economic conditions in the country. It spells that out specifically—1, 2, and 3; and that is the law today.

There being no objection, the section of the code was ordered to be printed in the RECORD, as follows:

§ 1022. Economic Report of the President; coverage; supplementary reports; reference to Congressional Joint Committee.

(a) The President shall transmit to the Congress at not later than January 20 of each year an economic report (hereinafter called the "Economic Report") setting forth (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 1021 of this title; (2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and a review of economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon employment, production, and purchasing power; and (4) a program for carrying out the policy declared in section 1021 of this title, together with such recommendations for legislation as he may deem necessary or desirable.

(b) The President may transmit from time to time to the Congress reports supplementary to the Economic Report, each of which shall include such supplementary or revised recommendations as he may deem necessary or desirable to achieve the policy declared in section 1021 of this title

(c) The Economic Report, and all supplementary reports transmitted under subsection (b) of this section, shall, when transmitted to Congress, be referred to the joint committee created by section 1024 of this title. (Feb. 20, 1946, ch. 33, § 3, 60 Stat. 24; Aug. 2, 1946, ch. 753, title II, § 226, 60 Stat. 838, June 18, 1956, ch. 399, § 1, 70 Stat. 289.)

AMENDMENTS

1956—Subsec. (a) amended by act June 18, 1956, which substituted "not later than January 20 of each year" for "at the beginning of each regular session (commencing with the year 1947)".

1946—Subsec. (a) amended by act Aug. 2, 1946, which struck out "within 60 days after" preceding "the beginning of each regular session" and inserted in lieu thereof "at".

EFFECTIVE DATE OF 1946 AMENDMENT

Section as effective Aug. 2, 1946, see note set out under section 72a of Title 2, The Congress.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield to me?

Mr. SPARKMAN. Mr. President, how much time remains under my control?

The PRESIDING OFFICER. Twenty minutes.

Mr. HUMPHREY. Will the Senator from Alabama yield 10 minutes to me?

Mr. SPARKMAN. Yes; I yield 10 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. HUMPHREY. Mr. President, this argument may appear to be rather academic and theoretical. But, in fact, it is a basic argument between two points of view in regard to how to operate the government.

The argument presented tonight by our Republican friends is an indication of exactly what is wrong today with this country—in Japan, at the summit, and everywhere else where there is trouble—namely, the refusal to plan. We need to take planning out of the doghouse and put it into the White House; that is where it belongs. The Republican Party has refused to plan for the economic development of this country—I did not say "dictate"; I said "plan," which means to cooperate and to work together with the institutions of our communities and our economy and our political system, in order to have a better America with some semblance of progress and order.

What does this provision really suggest? First of all, it is thoroughly constitutional, because in section 3 of article II of the Constitution, the Founding Fathers provided—when speaking of the President and his responsibilities and authority—

He shall from time to time give to the Congress Information of the State of the Union.

I remind my distinguished friends of the right, of the Republican Party, that an annual message by the President is not merely one message. Under our system, there are many presidential annual messages; and it would be much better if those who now are so worried about planning would pay some real attention to the President's annual messages. The Constitution requires the President to give information.

The Constitution further provides that the President shall "recommend to their consideration"—speaking of the Congress—"such measures as he shall judge necessary and expedient," over and above the requirement that he shall report, from time to time, to the Congress information relating to the state of the Union.

Mr. PASTORE. Mr. President, at this point will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. PASTORE. Does not the Senator think it would be much more palatable if, instead of the language used in the first three lines the bill merely provided that the President shall annually make recommendations concerning residential construction?

Mr. HUMPHREY. I thoroughly agree.

Mr. PASTORE. Because I am afraid it is an impingement on the prerogatives of the President for the Congress to tell the President what program he shall have. I believe he should be free to have whatever program he wants to have. I believe the word "program" in that sentence is very undesirable.

Mr. HUMPHREY. The distinguished Senator has indicated that the first sentence should be revised; and I would suggest the change of wording which the Senator from Rhode Island has just now suggested.

Mr. STENNIS. Mr. President, at this point, will the Senator from Minesota yield?

Mr. HUMPHREY. I yield.

Mr. STENNIS. In regard to the point the Senator raised, let me read from the portion of the Constitution which the Senator himself read. In speaking of the President, the Constitution provides: "and recommend to their consideration such measures as he shall judge necessary and expedient."

Certainly we have no right mandatorily to provide by statute anything about what the President must recommend. The word "He," not the words "the Congress," is the key word to that provision.

Mr. HUMPHREY. May I say, most respectfully, that the power to legislate is the power of the Congress. We have established the authority for providing what the President shall recommend to Congress. Let me refer to Public Law 304, 79th Congress, to which the Senator from Alabama has referred, known as the Employment Act of 1946.

Section 3, subsection (a), reads:

The President shall transmit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1947) an economic report (hereinafter called the "Economic Report") setting forth (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 2.

The Senator has been talking about the President being called upon to lay out a housing program. The Employment Act of 1946 calls upon the Presi-

dent to lay out a total economic program, including purchasing power, that shall provide for maximum employment, production, and distribution, all the way down the line.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. DIRKSEN. I will show how specious the Senator's reasoning is. The so-called joint economic group is a creature of the Congress. That merely says the President's report shall be transmitted to the Congress. It says nothing about what the President shall write into his annual message to the Congress, and that is a different thing. Congress created this body; Congress provided for the transmittal of the report—an altogether different thing.

Mr. HUMPHREY. The Senator has his point of view. May I say it is not necessarily a divine edict.

Mr. DIRKSEN. Yes; I know.

Mr. HUMPHREY. It is subject to human frailty. I suggest to the Senator, if he will read section 3, subsection (a) of the Employment Act of 1946—and if he does not have it, I shall be happy to transmit it to him——

Mr. DIRKSEN. I do not need it.

Mr. HUMPHREY. The President is required—to use the inflection of the Senator from Illinois—is required—to do not one, not two, but three things. Then there is established a Council of Economic Advisers, which is required to follow the mandate of the Congress of the United States.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at the moment. I shall come back to the Senator in a second.

I will tell the Senate why it is said this proposal is bad. The Republican Party and the administration do not plan. That is why the fiscal condition of the country is in a mess. The administration does not plan. That is exactly why our agricultural program is in a mess. There have been no goals. There has been no real positive statement. That is why our educational program is in trouble.

In a world in which we are faced with a power that is today humiliating and embarrassing us around the world, that is planning the use of every bit of its energy, resources, and manpower, I suggest the least we can do is ask the President of the United States to plan, to make some suggestions to the Nation, in light of the tremendous resources on which he can draw, and to give us information as to what the administration has in mind in the field of housing.

If the President finds it is not feasible, if he finds the information would be inconclusive, that it would be undesirable, he is not required to do it. But I submit no insurance company would tolerate a chief executive for 1 hour who would not give a planning message on the program for the next year. No corporation official that heads a corporation would be permitted to remain on the payroll for 1 year if he did not lay down a promotion, sales, and advertising program, a program of goals. Regrettably, we have to remind the President to plan. This should not be necessary, but unfortunately it is.

I submit that when in the state of the Union message the President says that we have to find out what we are for—and that is what the Commission on National Goals is—there is something lacking.

I might add, for the edification of my friends on the other side of the aisle, in this joyful moment, that the President even had to ask for a commission to find out what the Republican Party was for. He asked for a statement of purpose of the party.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG of Louisiana. Is it not true that the administration in 1946, under Harry Truman, actually asked for the Employment Act and asked that the President be required to send a message to Congress on ways that full employment could be maintained? The President has the responsibility and the duty to enforce the administration of the laws. This is merely a case of asking him for not merely what the President would submit in his message, but to submit a program which, if he does not think it feasible, he can disregard. All a Republican President would have to do is say it is not feasible.

Mr. HUMPHREY. That is correct. In the Budget Act which set up the Bureau of the Budget, Congress instructed the President to prepare a budget. He sends to the Congress an annual budget message. The purpose is to outline the goals of the American Government through the fiscal policies of the Government.

All we are doing here is saying that in the field of housing we shall make better progress if the Executive outlines its programs and goals. Who said this? The late Senator Robert Taft.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. I yield 1 additional minute to the Senator from Minnesota.

Mr. HUMPHREY. We have the Housing Act, which came from the late Senator Robert Taft. That act embraces goals in housing, as laid down by the Congress. There is no reason why the President cannot lay down the goals as the executive branch desires. It has contacts with the Labor Department, the Department of Commerce, the Council of Economic Advisers, and the Housing and Home Finance Administration. Who else is in a better position and more supplied with the facts to lay down a program for housing than the President of the United States? Or do we want only the labor movement or the homebuilders or the chamber of commerce or the Congress to lay it down? I think, most respectfully, a cooperative arrangement is desirable.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. I am sorry not to have time to yield to my delightful friend from Illinois.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. Would an amendment to section 101 be in order at this time?

Mr. DIRKSEN. Mr. President, it cannot be amended, under the order for the yeas and nays.

The PRESIDING OFFICER. The Chair will state that when all time has been yielded back on the amendment, or has expired, a perfecting amendment may be offered.

Mr. SPARKMAN. In that event, Mr. President, it will be my purpose to offer an amendment along the lines suggested by the Senator from Rhode Island a few moments ago, because it was never intended that this would be any part of the President's state of the Union message. I suggest that it read as follows: "The President shall annually make recommendations to the Congress concerning the residential construction goal."

Mr. BENNETT. Mr. President, may I inquire how many minutes I have left?

Mr. DIRKSEN. Mr. President, may I be recognized?

The PRESIDING OFFICER. The Senator from Utah has propounded an inquiry.

The Senator from Utah has 15 minutes remaining.

Mr. BENNETT. I will yield 2 minutes to the Senator from Illinois, and more, if he wants more time.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIRKSEN. Mr. President, there is confirmation of the point which I made. The distinguished chairman of the subcommittee now wants to amend it so that the President shall submit it annually. I made the point that this went to the President's state of the Union message and that we were trying to tell the President what to include in that message.

If we can do it once, we can do it for every subject which comes within the whole field of human endeavor.

With respect to my distinguished and beloved friend from the land of sky-blue waters, he does get lost a little in the labyrinth of his own passionate and exuberant verbosity, because he has been constantly arguing about a statute. So has the distinguished Senator from Alabama. I have been arguing about the Constitution of the United States, which provides for the state of the Union message to the Congress, and that is quite a different thing.

I hope we shall take this language out once and for all.

I will say to my friend from Minnesota, when he brings Republican politics into this, that I am not yet ready, as a Republican, to go down the Socialist planning road—period.

Mr. President, I yield back the remainder of my time.

Mr. HUMPHREY. Mr. President, will the Senator yield me one-half minute so that I may respond?

Mr. LAUSCHE. Mr. President, will the Senator yield me 3 minutes?

Mr. BENNETT. Mr. President, I am happy to yield 3 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, it seems to me that the Congress, by the provisions contained in the bill, contemplates usurping a power which clearly ought to be left with the President. We ought to keep in mind the separation of the powers of the President and of the Congress.

Mention has been made of the fact that the President should be the leader. The President may want to lead in a different manner from what the Members of Congress think he ought to lead. He may think that the course which the Congress desires to follow is inimical, rather than helpful, to the country.

I think everyone who has studied the Constitution will recognize the fact that the Constitution intended that the President should be free from the domination of the Congress.

There are some who are of the belief that the housing program has not proceeded with adequate speed in conformity with the thinking of the Congress. The President, having in mind the interests of the people and of the country, may feel as deeply exactly the opposite. His judgment may be completely contrary.

What the provision intends to do is to subtly and cleverly tell the President, "You have to subscribe to this program," even though in a campaign he might have said, "We have gone too far." Subtlety is implied in the provision when it is said to the President, "If you do not think it is right, do not send in the recommendation." If the President should do that, it will be said, "He has been told to make a recommendation, and he has refused to do so."

We may have a Democrat in the White House next January. I ask Senators, "Will you seek to repeal the provision at that time?" If the Republicans win the election, will it be said, "We forbid you to make a recommendation in the annual message on housing." If Senators oppose them at that time, what logic will there be for the position to be taken?

I say to Senators, this represents nothing but a usurpation of power by the Congress, which power was given by the people of the Nation to the President.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. ALLOTT. Mr. President, will the Senator from Utah yield me 2 minutes?

Mr. BENNETT. I yield 2 minutes to the Senator from Colorado.

Mr. ALLOTT. Mr. President, I rise to discuss one phase of this matter which has not been discussed. I rise because this may affect the vote.

I refer to the perfecting amendment the Senator from Alabama has said he will offer.

I concur heartily in what the Senator from Rhode Island, the Senator from Ohio, the Senator from Mississippi, and other Senators have said. I wish to invite the attention of Senators to article II, section 3 of the Constitution, which provides—

> He shall from time to time give to the Congress Information—
>
> Not on the state of the Union, but—
>
> of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient.

I invite the attention of my colleagues to the fact that this is not limited to an annual message to Congress. This is limited to any message the President sends to the Congress.

I underscore and emphasize the fact that if we attempt to dictate to the Executive, even by the proposed perfecting amendment the Senator from Alabama says he intends to offer, as to what he shall say in any of his messages to Congress, we are indeed attempting to usurp his power. In addition, in my opinion, we shall be writing an unconstitutional provision of law, which may be thrown out completely.

Mr. STENNIS. Mr. President, will the Senator yield me 2 minutes?

Mr. BENNETT. Mr. President, I yield 2 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, it might be unimportant as to what the President may recommend if the bill is passed as it is now written, or as has been suggested, but I think it is highly important how we regard the plain wording of the Constitution of the United States.

I refer to article II, section 3, to which the Senator from Colorado referred.

My time is limited, Mr. President, and I shall read only the most pertinent portion:

> He (the President) shall recommend to their Consideration—
>
> To the consideration of the Congress—
>
> such Measures as he shall judge necessary and expedient.

Under that language I cannot see how any Congress has the authority to pass mandatory legislation as to what any President shall recommend. That is a matter the Constitution leaves with the President. I think we are transgressing upon the President's power, and inviting abuse of our own, if we pass such a provision.

Of course we can require the President to report as to money he spends on legislative programs he is executing for the Congress. However, the choice as to what measures he shall recommend to be passed, for our consideration, and what he deems to be expedient, is left solely under the Constitution to the President of the United States, whomever he may be.

Mr. CAPEHART. Mr. President, will the Senator yield me 2 minutes?

Mr. BENNETT. Mr. President, I yield 2 minutes to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I do not think the amendment is as bad as Senators who have been talking against it seem to think it is. Neither do I think the amendment is as good as Senators who have been talking for it seem to think it is.

After having studied the amendment in the committee, after having listened to the discussion, and after having discussed it with the able Senator from Alabama, who was the author of the amendment originally—I know the Senator's intentions, I know his thoughts, and I know he is sincere and conscientious about the matter—my best judgment is, everything taken into consideration, we would be better off to leave the language out of the bill. If it is desired to introduce the language later, as a separate bill, that is something else for consideration.

I happen to know how the able Senator from Alabama feels about the matter. I know what prompted the Senator to offer this language. The Senator is sincere and conscientious, but I honestly believe we will be much better off if we leave the language out of the bill at this time.

Mr. BENNETT. Mr. President, I am prepared to yield back the remainder of my time if the Senator from Alabama will do the same.

Mr. SPARKMAN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back on the amendment.

Mr. SPARKMAN. Mr. President, I offer the perfecting amendment to which I referred.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 1, line 7, it is proposed to strike the language commencing with the word "program" down to and including the word "residential" on line 9, and to insert in lieu thereof the following: "President shall annually make recommendations to the Congress concerning a residential".

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendment offered by the Senator from Alabama.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah. All time has been yielded back.

Mr. SPARKMAN. Mr. President, was the perfecting amendment agreed to?

The PRESIDING OFFICER. The perfecting amendment of the Senator from Alabama was agreed to.

The question is on agreeing to the amendment of the Senator from Utah.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. SYMINGTON], the Senator from Texas [Mr. YARBOROUGH], are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS], is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Wyoming [Mr. O'MAHONEY], are necessarily absent.

On this vote, the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from Rhode Island would vote "nay" and the Senator from Georgia would vote "yea."

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. COTTON] is necessarily absent.

The Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—yeas 44, nays 37, as follows:

[No. 221]

YEAS—44

Aiken	Dirksen	McClellan
Allott	Dworshak	Martin
Bartlett	Eastland	Morton
Beall	Ellender	Prouty
Bennett	Ervin	Robertson
Bridges	Fong	Saltonstall
Brunsdale	Frear	Scott
Bush	Hickenlooper	Smith
Byrd, Va.	Holland	Stennis
Cannon	Hruska	Talmadge
Capehart	Jordan	Thurmond
Carlson	Keating	Wiley
Case, S. Dak.	Kuchel	Williams, Del.
Cooper	Lausche	Young, N. Dak.
Curtis	Lusk	

NAYS—37

Anderson	Hartke	Mansfield
Bible	Hill	Monroney
Byrd, W. Va.	Humphrey	Moss
Carroll	Jackson	Muskie
Case, N.J.	Javits	Pastore
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S.C.	Randolph
Dodd	Kerr	Smathers
Douglas	Long, Hawaii	Sparkman
Engle	Long, La.	Williams, N.J.
Gore	McCarthy	Young, Ohio
Gruening	McGee	
Hart	Magnuson	

NOT VOTING—19

Butler	Hennings	O'Mahoney
Chavez	Kefauver	Russell
Cotton	Kennedy	Schoeppel
Fulbright	McNamara	Symington
Goldwater	Morse	Yarborough
Green	Mundt	
Hayden	Murray	

So Mr. BENNETT's amendment was agreed to.

Mr. BENNETT. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SPARKMAN. Mr. President, I offer two amendments of a technical nature which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will report the amendments of the Senator from Alabama.

The LEGISLATIVE CLERK. On page 12, line 21, it is proposed to strike out "estimate of cost" and insert in lieu thereof "value".

On page 13, line 15, it is proposed to strike out "project" and insert in lieu thereof "multifamily structure".

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

LEGISLATIVE PROGRAM—ORDER FOR ADJOURNMENT UNTIL 10:30 A.M. TOMORROW

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader about the program for tomorrow and also for the rest of the night, as much as there is left of the night, and at what time the Senate shall convene tomorrow.

Mr. JOHNSON of Texas. If it is agreeable to the Senate, the Senate will convene at 10:30 tomorrow morning.

I ask unanimous consent that when the Senate concludes its deliberations today it stand in adjournment until 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. It is my present intention to consult with the chairman of the Public Works Subcommittee which reported the public works authorization bill, to see if he is ready to bring up that bill at an early hour tomorrow. If he is not, I will move to make the Federal postal employees pay bill the unfinished business. I should like to ask consent that it be in order to consider the HEW appropriation bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

HOUSING ACT OF 1960

The Senate resumed the consideration of the bill (S. 3670) to extend and amend laws relating to the possession and improvement of housing and the renewal of urban communities, and for other purposes.

The PRESIDING OFFICER. All time has been yielded back. The question is on the passage of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the senior Senator from Georgia [Mr. RUSSELL]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from New Hampshire [Mr. COTTON] is necessarily absent.

The Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from Arizona [Mr. GOLDWATER] is detained on official business.

If present and voting, the Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "nay."

The result was announced—yeas 64, nays 16, as follows:

[No. 222]

YEAS—64

Aiken	Dodd	Javits
Allott	Douglas	Johnson, Tex.
Anderson	Dworshak	Johnston, S.C.
Bartlett	Ellender	Jordan
Beall	Engle	Keating
Bible	Ervin	Kerr
Bush	Fong	Kuchel
Byrd, W. Va.	Frear	Lausche
Cannon	Gore	Long, Hawaii
Capehart	Gruening	Long, La.
Carlson	Hart	Lusk
Carroll	Hartke	McCarthy
Case, N.J.	Hill	McClellan
Church	Holland	McGee
Clark	Humphrey	Magnuson
Cooper	Jackson	Monroney

Morton	Randolph	Talmadge
Moss	Saltonstall	Wiley
Muskie	Scott	Williams, N.J.
Pastore	Smathers	Young, Ohio
Prouty	Smith	
Proxmire	Sparkman	

NAYS—16

Bennett	Dirksen	Stennis
Bridges	Eastland	Thurmond
Brunsdale	Hickenlooper	Williams, Del.
Byrd, Va.	Hruska	Young, N. Dak.
Case, S. Dak.	Martin	
Curtis	Robertson	

NOT VOTING—20

Butler	Hennings	Murray
Chavez	Kefauver	O'Mahoney
Cotton	Kennedy	Russell
Fulbright	McNamara	Schoeppel
Goldwater	Mansfield	Symington
Green	Morse	Yarborough
Hayden	Mundt	

So the bill (S. 3670) was passed, as follows:

S. 3670

An Act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Act of 1960."

TITLE I—HOUSING RESEARCH AND ADVANCED CONSTRUCTION TECHNOLOGY

Housing research

SEC. 101. (a) It is the sense of the Congress that technological advance and increased efficiency in programing construction represent the best opportunities for improving the quality of residential construction or decreasing unit costs. In order that these opportunities may be fully exploited, the Housing and Home Finance Administrator is authorized and directed to undertake and carry out a research and study program (1) to identify problems in the residential building industry which are preventing improvements in the quality of construction or decreases in costs, and (2) to undertake research for the solution of such problems, including research in residential design and construction methods, the effects of land use and development on housing costs, overall and special housing needs and market demands, and financing.

(b) In performing the functions vested in him by this section, the Administrator may—

(1) carry out research and studies within the Housing and Home Finance Agency;

(2) enter into contracts with any Federal, State or local public agency or instrumentality, or educational institution, or other agency or organization, and for such purpose exercise any of the powers vested in him by section 502(c) of the Housing Act of 1948; and

(3) encourage research and studies which are not instituted by the Federal Government but which hold promise of results furthering the purposes of this section, and, when requested, provide technical advice and guidance in the conduct thereof.

(c) The Administrator may disseminate, without regard to section 306 of the Act of June 25, 1948, as amended (39 U.S.C. 321n), the results of the research and studies conducted under this section in such forms as may be most useful to industry and to the general public.

(d) The third sentence of section 301(a) of the Housing Act of 1948, as amended, shall apply to contracts and appropriations pursuant to this section.

(e) Nothing in this section shall limit any authority of the Administrator under title III of the Housing Act of 1948, as amended, or any other provision of law.

(f) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

Encouragement of improved design and technology in housing construction

SEC. 102. (a) The Congress hereby declares that the provisions of the National Housing Act should be administered to encourage the utilization of advanced design and technology in the construction of residential structures. In accordance with this policy, the Commissioner shall, in the processing of applications for mortgage insurance, give careful and sympathetic consideration to applications for the insurance of mortgages which are secured by residential properties designed and constructed in accordance with advanced techniques.

(b) Section 223 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of this title and in furtherance of the policy stated in section 103(a) of the Housing Act of 1960, the Commissioner shall also have authority to insure or make commitments to insure under this title, except under section 203, any mortgage without regard to any requirement that the property with respect to which a mortgage is executed must be economically sound and other limitations upon eligibility, if the Commissioner determines that the property is an acceptable risk, giving consideration to the need for testing advanced housing technology, and if the property involves the utilization and testing of such advanced technology in housing design, materials, or construction as will provide data which the Commissioner deems to be significant in improving housing standards, quality, livability or durability, or reducing housing costs. A mortgage insured pursuant to the provisions of this subsection shall not exceed 95 per centum of the Commissioner's estimate of the cost of replacing the property using comparable conventional design, materials, and construction. The aggregate amount of principal obligations of all mortgages insured in any one calendar year pursuant to the authority conferred by this subsection shall not exceed $300,000. The Commissioner shall give preference and priority to applications for insurance under the authority conferred by this subsection which he determines will result in the greatest accomplishment of its purposes. The Commissioner may enter into such contracts, agreements, and financial undertakings with the mortgagor and others as he deems necessary or desirable to carry out the purposes of this subsection, and may expend available funds for such purposes, including the correction, when he determines it necessary, at any time subsequent to insurance of the mortgage and occupancy of the housing, of major defects or failures, as defined by the Commissioner, in a dwelling covered by a mortgage insured pursuant to this subsection. The Commissioner may also make such investigations and analyses of data, and publish and distribute such reports as he determines to be necessary or desirable to assure the most beneficial use of the data and information to be acquired as a result of this subsection."

TITLE II—FHA INSURANCE PROGRAMS

Property improvement loans

SEC. 201. Section 2(a) of the National Housing Act is amended by—

(1) striking out "1960" and inserting in lieu thereof "1961"; and

(2) striking out the last sentence of the first paragraph thereof.

FHA insurance premiums

SEC. 202. The first sentence of section 203(c) of the National Housing Act is amended to read as follows: "The Commissioner is authorized to fix premium charges for the insurance of mortgages under the separate sections of this title but in the case of any mortgage such charge shall be not less than an amount equivalent to one-fourth of 1 per centum per annum nor more than an amount equivalent to 1 per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments: *Provided,* That any reduced premium charge so fixed and computed may, in the discretion of the Commissioner, also be made applicable in such manner as the Commissioner shall prescribe to each insured mortgage outstanding at the time the reduced premium charge is fixed: *Provided further,* That in the case of any mortgage described in section 203(b)(2)(B) and accepted for insurance prior to July 1, 1939, the premium charge shall be one-fourth of 1 per centum per annum on such outstanding principal obligation."

Cooperative housing insurance

SEC. 203. Section 213 of the National Housing Act is amended—

(1) by inserting in paragraph (2) of subsection (b) after the words "as may be attributable to dwelling use" the following: "(excluding exterior land improvements as defined by the Commissioner)";

(2) by inserting the following new sentence at the end of subsection (*i*): "The Commissioner shall appoint an Assistant Commissioner for Cooperative Housing (in lieu of the Special Assistant for Cooperative Housing) with such staff and authority as are necessary to administer the provisions of this section and effectuate its purposes."; and

(3) by striking out, in subsection (h), the words "such mortgagor shall not thereafter be eligible by reason of such paragraph (3) for insurance of any additional mortgage loan pursuant to this section" and inserting in lieu thereof the following: "the Commissioner is authorized to refuse, for such period of time as he shall deem appropriate under the circumstances, to insure under this section any additional investor-sponsor type mortgage loans made to such mortgagor or to any other investor-sponsor mortgagor where, in the determination of the Commissioner, any of its stockholders were identified with such mortgagor".

General mortgage insurance authorization

SEC. 204. Section 217 of the National Housing Act is amended by striking out "$15,000,000,000" and inserting in lieu thereof "$19,000,000,000."

Rehabilitation and neighborhood conservation housing insurance

SEC. 205. Section 220 of the National Housing Act is amended—

(1) by inserting after "rehabilitation" in subsection (a) the following: ", conservation, and prevention of deterioration"; and

(2) by striking out "; *Provided,* That" in subsection (d)(1)(A) and inserting in lieu thereof the following: ", or (iv) a neighborhood in a community respecting which the Housing and Home Finance Administrator has made the certification to the Commissioner provided for by section 101(c) of the Housing Act of 1949, as amended, and in which neighborhood the community is carrying out a code enforcement program in accordance with a workable program presented to the Housing and Home Finance Administrator and on the basis of which the Administrator had made the certification provided for under such section 101(c): *Provided,* That, in the case of a community coming within the purview of clause (iv) of this subparagraph, the Housing and Home Finance Administrator shall have determined that the assistance provided for under this section is needed in order for the community to carry out effectively its program for the

conservation of neighborhoods and the prevention of deterioration of residential properties: *Provided further,* That".

Condominium housing insurance

SEC. 206. Title II of the National Housing Act is amended by adding at the end thereof a new section as follows:

"SEC. 233. (a) PURPOSE.—The purpose of this section is to provide an additional means of increasing the supply of privately owned housing units where individual ownership of a one-family unit which is part of a multifamily structure is authorized under the laws of the State in which the property is located.

"(b) DEFINITIONS.—The terms 'mortgage', 'mortgagee', 'mortgagor', 'maturity date', and 'State' shall have the meanings respectively set forth in section 201, except that the term 'mortgage' for the purposes of this section may include a first mortgage given to secure the unpaid purchase price of a one-family unit in a multifamily structure where the mortgage is determined by the Commissioner to be eligible for insurance under this section. The term 'common areas and facilities' as used in this section shall be deemed to include such community facilities as are approved by the Commissioner.

"(c) GENERAL.—The Commissioner is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage offered to him which is eligible for insurance as hereinafter provided, and, upon such terms as the Commissioner may prescribe, to make a commitment for the insuring of any such mortgage prior to the date of execution or disbursement thereon.

"(d) ELIGIBILITY CONDITIONS.—To be eligible for insurance under this section—

"(1) a mortgage shall involve a principal obligation in an amount not to exceed, for such part of the property as may be attributable to dwelling use $2,500 per room (or $9,000 per family unit if the number of rooms is less than four): *Provided,* That as to a family unit which is located in an elevator-type structure the Commissioner may, in his discretion, increase the dollar amount limitation of $2,500 per room to not to exceed $3,000 per room and the dollar amount limitation of $9,000 per family unit to not to exceed $9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further,* That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations by not to exceed $1,250 per room without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds the cost levels so require;

"(2) a mortgage shall not exceed an amount equal to the sum of (i) 97 per centum (but in any case where the application for insurance is with respect to a mortgage covering a family unit in an existing structure, as provided in subsection (e) of this section, 90 per centum) of $13,500 of the amount which the Commissioner estimates will be the appraised value of the family unit including common areas and facilities as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of $13,500 but not in excess of $18,000, and (iii) 70 per centum of such value in excess of $18,000;

"(3) a mortgage shall have, in the case of a mortgagor who is not the occupant of the unit, a principal obligation not in excess of an amount equal to 85 per centum of the amount computed under the provisions of clause (2) of this subsection: *Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the unit is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness;

"(4) the owner of a family unit covered by a mortgage insured under this section shall have exclusive right to his unit and, together with the owners of other units in the multifamily structure, shall have the right to common areas and facilities which serve the multifamily structure and the obligation of maintaining all such common areas and facilities: *Provided,* That the Commissioner may in his discretion require that such rights and obligations shall be subject to such controls as he deems adequate;

"(5) property covered by a mortgage insured under this section shall be found by the Commissioner to be economically sound and shall include the rights of the owner of the unit to such necessary common areas and facilities as the Commissioner deems adequate to serve the multifamily structure;

"(6) any mortgage insured under this section shall provide for complete amortization by periodic payments, and for the application of the mortgagor's periodic payments (exclusive of the amount allocated to interest and to the premium charge which is required for mortgage insurance as hereinafter provided) to amortization of the principal of the mortgage, within such terms as the Commissioner may prescribe but not to exceed thirty years from the date of the insurance of the mortgage or three-quarters of the Commissioner's estimate of the remaining economic life of the multifamily structure, whichever is the lesser, and shall bear interest (exclusive of premium charges for insurance and service charges) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 6 per centum as the Commissioner finds necessary to meet the mortgage market;

"(7) the mortgage shall contain such terms and provisions with respect to insurance, repairs, alterations, maintenance of common areas and facilities, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Commissioner may in his discretion prescribe; and

"(8) the mortgage shall be executed by a mortgagor who shall have paid in cash or its equivalent at least 3 per centum, or such larger amount as the Commissioner may determine, of the Commissioner's estimate of acquisition cost or its equivalent of the unit.

"(e) MORTGAGES ON EXISTING UNITS.—Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor covering a family unit and common areas and facilities constructed prior to the filing of the application for mortgage insurance hereunder, if the unit has previously been covered by a mortgage insured under this section or is in a multifamily structure where other units have been covered by a mortgage insured under this section, and the Commissioner determines that the mortgagor's interest and rights under this section are established and protected.

"(f) APPLICABILITY OF OTHER SECTIONS OF THIS TITLE.—(1) The provisions of subsections (a), (b), (e), (g), (h), (j), and (k) of section 204, and the provisions of subsections (d), (f), (i), (j), (l), (m), (o), and (p) of section 207 shall be applicable to mortgages insured under this section.

"(2) If the net amount realized from any property conveyed to the Commissioner under this section and the claims assigned therewith, after deducting all expenses incurred by the Commissioner in handling, dealing with, and disposing of such property and in collecting such claims, exceeds the face value of the debentures issued and the cash paid in exchange for such property plus all interest paid on such debentures, such excess shall be divided as follows:

"(i) if such excess is greater than the total amount payable under the certificate of claim issued in connection with such property, the Commissioner shall pay to the holder of such certificate the full amount so payable, and any excess remaining thereafter shall be retained by the Commissioner and credited to he Housing Insurance Fund; and

"(ii) if such excess is equal to or less than the total amount payable under such certificate of claim, the Commissioner shall pay to the holder of such certificate the full amount of such excess."

TITLE III—HOUSING FOR THE ELDERLY

Direct loan authorization

SEC. 301. Section 202(a)(4) of the Housing Act of 1959, is amended by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000".

Health, social, and recreational facilities

SEC. 302. (a) Section 231(c)(7) of the National Housing Act is amended by inserting before the period a colon and the following: "*Provided,* That such special facilities as the Commissioner determines are necessary to provide adequately for the health, social, and recreational needs of elderly persons in any such property or project shall be included therein".

(b) Section 202(c) of the Housing Act of 1959 is amended by adding at the end thereof a new paragraph as follows:

"(4) No housing shall be constructed with a loan under this section unless such related facilities are provided in connection with such housing as the Administrator determines are neecssary to serve the health, social, and recreational needs of the occupants."

(c) Section 10(m) of the United States Housing Act of 1937 is amended by inserting after the first sentence a new sentence as follows: "Any such housing shall include such facilities as the Authority determines are necessary to provide adequately for the health, social, and recreational needs of such families."

TITLE IV—URBAN RENEWAL

Capital grant authorization

SEC. 401. Section 103(b) of the Housing Act of 1949 is amended by striking out "$300,000,000" and inserting in lieu thereof "$650,000,000".

State limitation

SEC. 402. Section 106(e) of the Housing Act of 1949 is amended by striking out "$100,000,000" and inserting in lieu thereof "$150,000,000".

Relocation payments

SEC. 403. Section 106(f) of the Housing Act of 1949 is amended—

(1) by striking out the matter following the semicolon in paragraph (1) and inserting in lieu thereof the following: "and such contract shall provide that the capital grant otherwise payable under this title shall be increased by an amount equal to such relocation payments and, except as otherwise hereinafter provided, that no part of the amount of any relocation payments shall be required to be contributed as part of the local grant-in-aid."; and

(2) by striking out the period at the end of the next to the last sentence in paragraph (2) and inserting in lieu thereof the following: ": *Provided,* That such amounts may be increased whenever the Administrator determines it to be necessary to compensate any individual, family, or business concern for reasonable and necessary moving expenses

and actual losses of property, but any sums paid hereunder in excess of the $200 and $3,000 maximums hereinabove specified shall be included in gross project cost."

Low-rent housing in urban renewal areas

SEC. 404. Section 107 of the Housing Act of 1949 is amended—

(1) by striking out "to be acquired" and inserting in lieu thereof "acquired or to be acquired"; and

(2) by striking out in the proviso "is incorporated" and inserting in lieu thereof "was incorporated on or after September 23, 1959".

Pilot rehabilitation program

SEC. 405. (a) The second sentence of section 110(c) of the Housing Act of 1949 is amended by (i) striking out "and" at the end of paragraph (5), (ii) striking out the period at the end of paragraph (6) and inserting in lieu thereof "; and", and (iii) adding after paragraph (6) a new paragraph as follows:

"(7) acquisition and repair or rehabilitation for guidance purposes, and resale by the local public agency, of dwelling units which are located in the urban renewal area and which, under the urban renewal plan, are to be repaired or rehabilitated: *Provided*, That not more than (i) fifty dwelling units in any urban renewal area, or (ii) 2 per centum of the total number of dwelling units in such area which, under the urban renewal plan, are to be rehabilitated, whichever is the lesser, shall be acquired by the local public agency for such purposes."

(b) The third sentence of section 110(c) of such Act is amended by inserting after "include" the following: "(except as provided in paragraph (7) above)".

Urban renewal areas involving colleges, universities, or hospitals

SEC. 406. Section 112 of the Housing Act of 1949 is amended to read as follows:

"Urban renewal areas involving colleges, universities, or hospitals

"SEC. 112. (a) In any case where an educational institution or a hospital is located in or near an urban renewal project area and the governing body of the locality determines that, in addition to the elimination of slums and blight from such area, the undertaking of an urban renewal project in such area will further promote the public welfare and the proper development of the community (1) by making land in such area available for disposition, for uses in accordance with the urban renewal plan, to such educational institution or hospital for redevelopment in accordance with the use or uses specified in the urban renewal plan, (2) by providing, through the redevelopment of the area in accordance with the urban renewal plan, a cohesive neighborhood environment compatible with the functions and needs of such educational institution or hospital, or (3) by any combination of the foregoing, the Administrator is authorized to extend financial assistance under this title for an urban renewal project in such area without regard to the requirements in section 110 hereof with respect to the predominantly residential character or predominantly residential reuse of urban renewal areas. The aggregate expenditures made by any such institution or hospital (directly or through a private redevelopment corporation) for the acquisition within, adjacent to, or in the immediate vicinity of the project area, of land, buildings, and structures to be redeveloped or rehabilitated by such institution for educational uses or by a hospital for hospital uses, in accordance with the urban renewal plan (or with a development plan proposed by such institution, hospital or corporation, found acceptable by the Administrator after considering the standards specified in section 110(b), and approved under State or local law after public hearing), and for the demolition of such buildings and structures (including expenditures to assist in relocating occupants from buildings or structures to be demolished or rehabilitated), if, pursuant to such urban renewal or development plan, the land is to be cleared and redeveloped, as certified by such institution or hospital to the local public agency and approved by the Administrator, shall be a local grant-in-aid in connection with such urban renewal project: *Provided*, That no such expenditure shall be eligible as a local grant-in-aid in any case where the property involved is acquired by such educational institution or hospital from a local public agency which, in connection with its acquisition or disposition of such property, has received, or contracted to receive, a capital grant pursuant to this title.

"(b) No expenditure made by any educational institution or hospital, as provided in subsection (a), shall be deemed ineligible as a local grant-in-aid in connection with any urban renewal project (1) if made not more than five years prior to the authorization by the Administrator of a contract for a loan or capital grant for such project, or (2) by reason of the fact that new construction or rehabilitation was initiated by such educational institution or hospital or private redevelopment corporation on, or in respect to, any such land, buildings, or structures prior to the approval of the urban renewal plan or the development plan.

"(c) The aggregate expenditures made by any public authority, established by any State, for acquisition, demolition, and relocation in connection with land, buildings, and structures acquired by such public authority and leased to an educational institution for educational uses or to a hospital for hospital uses shall be deemed a local grant-in-aid to the same extent as if such expenditures had been made directly by such educational institution or hospital.

"(d) As used in this section—

"(1) the term 'educational institution' means any educational institution of higher learning, including any public educational institution or any private educational institution, no part of the net earnings of which inure to the benefit of any private shareholder or individual; and

"(2) the term 'hospital' means any hospital licensed by the State in which such hospital is located, including any public hospital or any nonprofit hospital, no part of the net earnings of which inure to the benefit of any private shareholder or individual."

Historical site in urban renewal area

SEC. 407. (a) Notwithstanding section 110(c)(4) of the Housing Act of 1949, as amended, or any other provision of law, the urban renewal project in Knoxville, Tennessee, known as the Riverfront-Willow Street Redevelopment project, may include the donation by the Knoxville Housing Authority to the James White's Fort Association, by a suitable instrument of conveyance, of all right, title, and interest of the Authority in and to the following described tract of land, constituting a portion of tract T–2 of the said project and containing 0.985 acre more or less:

Beginning at an iron pin located at the intersection of the east property line of Collins Alley and the south property line of Rouser Alley; thence in a northerly direction, north 32 degrees 35 minutes west, 111.0 feet to an iron pin located in the east property line of Collins Alley; thence in a westerly direction, south 55 degrees 20 minutes west, 207.0 feet to an iron pin; thence in a southwesterly direction, south 35 degrees 05 minutes west, 80 feet to an iron pin; thence in a southerly direction south 27 degrees 25 minutes east, 193.40 feet to an iron pin located in the north property line of Hill Avenue; thence in an easterly direction, north 67 degrees 43 minutes east, 33.54 feet to an iron pin; thence in an easterly direction, north 60 degrees 02 minutes east, 31.64 feet to an iron pin; thence in an easterly direction, north 58 degrees 30 minutes 30 seconds east, 53 feet to an iron pin located in the north property line of Hill Avenue; thence in a northerly direction, north 30 degrees 22 minutes 30 seconds west, 134.03 feet to an iron pin; thence in an easterly direction, north 59 degrees 21 minutes 30 seconds east, 175.61 feet to the point of beginning.

(b) The conveyance authorized to be included in the Riverfront-Willow Street Redevelopment project under subsection (a) of this section shall be made only if the James White's Fort Association represents, and furnishes such assurances as may be required by the Knoxville Housing Authority, that such association (1) will undertake the reconstruction on the site conveyed of General James White's cabin and fort, and (2) will develop, preserve, and operate such property on a nonprofit basis as a historical site or monument.

TITLE V—MISCELLANEOUS

Federal National Mortgage Association

SEC. 501. (a) Clause (3) of section 302(b) of the National Housing Act is amended to read as follows: "(3) the Association may not purchase any mortgage, except a mortgage insured under section 220 or 803, or under section 213 where the project involved is located in an urban renewal area, or a mortgage covering property located in Alaska, Guam, or Hawaii, if the original principal obligation thereof exceeds or exceeded (i) in the case of multifamily housing projects, for such part of the project as may be attributable to dwelling use, $17,500 per family unit, or (ii) in the case of one-to-four-family residences, $17,500 per family residence: *Provided*, That with respect to mortgages purchased under section 304 the principal obligation shall not exceed $20,000".

(b) Section 305(c) of such Act is amended by striking out "$950,000,000" and inserting in lieu thereof "$1,100,000,000".

(c) Section 305(e) of such Act is amended by striking out "$200,000,000", "$20,000,000", and "$50,000,000" and inserting in lieu thereof "$215,000,000", "$25,000,000", and "$65,000,000", respectively.

Low rent public housing

SEC. 502. (a)(1) Section 10(b) of the United States Housing Act of 1937 is amended by inserting before the period at the end thereof a colon and the following: *"Provided further*, That, notwithstanding the foregoing proviso or any other provision of this Act, the annual contribution payable hereunder to any public housing agency may include, under regulations prescribed by the Authority, an amount equal to the number of elderly families residing in any project administered by such agency, multipled by a sum which shall not exceed $120, whenever the Authority determines that the inclusion of such amount in such annual contribution is necessary to enable such agency to (1) provide decent, safe, and sanitary housing to such elderly families at a rental which they can afford, and (2) operate such project on a fiscally solvent basis".

(2) Upon the request of any public housing agency the Public Housing Administration is authorized and directed to amend any of its contracts with such agency so as to bring such contracts into conformity with the amendment made by this subsection (a), and any regulations prescribed thereunder.

(b) Section 10(i) of such Act is amended by inserting after "*Provided*, That" the following: "the Authority may enter into new contracts for loans and annual contributions after the date of enactment of the Housing Act of 1960 for not more than twenty-five thousand additional dwelling units: *Provided further*, That".

(c) Section 15(8)(d) of such Act is amended by inserting before the period a colon and the following: "*Provided*, That the public housing agency may permit any such family whose income has increased beyond such maximum limits to continue in occupancy if (i) the public housing agency finds, after investigation (made not less often than once each year), that it is impossible for such family to obtain through rental or purchase a decent, safe, and sanitary private dwelling suitable for its use at a cost within its financial means, and (ii) such family pays a rental determined by the agency to be sufficient, without subsidy, to operate and maintain the dwelling unit occupied by such family".

College housing

SEC. 503. (a) Section 401(d) of the Housing Act of 1950 is amended by striking out "$1,175,000,000", "$125,000,000", and "$50,000,000" and inserting in lieu thereof "$1,675,000,000", "$175,000,000", and "$100,000,000", respectively.

(b) Section 403 of such Act is amended by striking out "10" and inserting in lieu thereof "12½".

Public facility loans

SEC. 504. (a) Section 203(a) of the Housing Amendments of 1955 is amended by striking out "$100,000,000" and inserting in lieu thereof "$150,000,000".

(b) Section 203(b) of the Housing Amendments of 1955 is amended by inserting "be" immediately after "may".

VA direct and insured home loans

SEC. 505. (a) Section 1803 of title 38, United States Code, is amended—

(1) by striking out in paragraph (1) of subsection (a) the following: "if made before July 26, 1960 (or, in the case of a veteran described in section 1801(a)(1)(B) of this title, before the expiration of thirteen years after World War II is deemed to have ended with respect to him),"; and

(2) by striking out paragraph (2) of subsection (a) and inserting in lieu thereof the following:

"(2) If a loan report or an application for loan guaranty relating to a loan under this chapter has been received by the Administrator before February 1, 1965, such loan may be guaranteed or insured after such date."

(b) Section 1811(h) of such title is amended by striking out "July 25, 1960" and inserting in lieu thereof "July 25, 1961".

(c) Section 1823(a) of such title is amended—

(i) by striking out "until June 30, 1960" and inserting in lieu thereof "prior to July 26, 1961"; and

(ii) by striking out "July 25, 1960" and inserting in lieu thereof "July 25, 1961".

(d) Section 1823(c) of such title is amended by striking out "June 30, 1961" and inserting in lieu thereof "July 25, 1962".

Farm housing

SEC. 506. (a) The second sentence of section 511 of the Housing Act of 1949 is amended by striking out "June 30, 1961," and inserting "June 30, 1963,".

(b) Section 512 of such Act is amended by striking out "June 30, 1961," and inserting "June 30, 1963,".

(c) Clause (b) of section 513 of such Act is amended by striking out "June 30, 1961," and inserting "June 30, 1963,".

Hospital construction

SEC. 507. (a) Section 605(b) of the Housing Act of 1956 is amended by striking out "1960" and inserting in lieu thereof "1962".

(b) Section 605(c) of such Act is amended to read as follows:

"(c) There is authorized to be appropriated the sum of $7,500,000 for the purposes of this section for each of the fiscal years ending June 30, 1961, and June 30, 1962."

Disposal of project

SEC. 508. Notwithstanding any other provision of law, the Housing and Home Finance Administrator shall, upon request of the Oakdale Residents Cooperative Housing Corporation, consent to such modifications, with respect to purchase price, repayment period, rate of interest, time of payment of any installment on principal or interest, security, or any other term, of any contract, mortgage, or other agreement entered into in connection with the sale of the housing project known as the Oakdale Residents Cooperative Housing Project of Royal Oak Township, Oakland County, Michigan, as he may determine are necessary or desirable in the public interest, and in the fulfillment of the purposes of title VI of the Act of October 14, 1940, as amended (42 U.S.C. 1587).

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement of the reasons why I voted against the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SO-CALLED HOUSING ACT OF 1960 (S. 3670)

S. 3670, the so-called Housing Act of 1960, may be called a five and a half billion dollar housing bill, in terms of those authorizations which can be counted. There is neither lid nor limit on some items such as home improvement loan insurance.

The bill would provide new appropriation, debt, and insuring authority as follows:

Appropriations: $406 million (plus unspecified amounts for research).

Debt authority: $975 million.

Insuring authority: $4 billion (plus unlimited home improvement loans).

BRIEF ANALYSIS OF S. 3670

Policy—Title I

Title I language deals with the establishment of a broad overall "national housing goal," together with new emphasis on research and direct Federal activity and participation in the field of advanced housing design and construction technology.

Section 101 (p. 3 of report; p. 1 of bill), national housing goal, would direct the President to submit annual report on the housing program, including: (1) statement as to minimum housing starts which should be made during year; (2) implementation under existing law; and (3) recommendations for new legislation; and if such report is not submitted, the President would be required to give reasons why not.

Section 102 (p. 4 of report; p. 2 of bill), housing research, would declare it to be the sense of Congress that research in residential construction is necessary; direct HHFA to carry out research program into problems and solutions including design, construction methods, costs, special needs, financing, and so forth, through direct research, contracts with public agencies, private organizations, and so forth; provide technical assistance to outside research and dissemination of information. The bill authorizes appropriations for these purposes but gives no estimate of cost.

Section 103 (p. 6 of report; p. 4 of bill), advanced design, would encourage and "sympathize with" use of advanced design and techniques in construction; would provide $300,000 in FHA mortgage insurance for test housing of this type without regard to economic soundness; and would give FHA Commissioner broad powers in carrying out these purposes.

FHA insurance programs—Title II

Section 201 (p. 8 of report; p. 6 of bill) would extend home improvement program 1 year, and remove the present $1,750 million ceiling on loan insurance.

Section 202 (p. 9 of report; p. 7 of bill) would cut premium rate on FHA insurance in half to not less than ¼ of 1 percent, at discretion of Commissioner.

Section 203 (p. 9 of report; p. 8 of bill) would loosen up cooperative housing program, weaken "blacklist," and create new Assistant FHA Commissioner job for co-ops.

Section 204 (p. 10 of report; p. 9 of bill) would increase FHA general mortgage insurance authority by $4 billion to a total of approximately $41.8 billion.

Section 205 (p. 11 of report; p. 9 of bill) would extend rehabilitation housing insurance to projects outside of urban renewal areas.

Section 206 (p. 12 of report; p. 10 of bill) would create new FHA mortgage insurance program for purchase by individuals of single units in multifamily projects (not co-op). This, in effect, would allow project owners to sell off projects by units. The bill calls this "condominium housing insurance."

Housing for the elderly—Title III

Title III (p. 14 of report; p. 16 of bill) would increase appropriation authority for direct housing loans for elderly persons by $25 million to a total of $75 million; and allow inclusion of social, recreational, etc., facilities in direct loan projects and in public housing projects for elderly.

Urban renewal—Title IV

Title IV (p. 16 of report; p. 18 of bill) would increase urban renewal capital grants by $350 million to a total of $2,650 million; liberalize program as to State proportions, relocation payments, use for public housing and institutional purposes, etc.

Miscellaneous—Title V

Section 501 (p. 22 of report; p. 25 of bill) would increase FNMA special assistance debt authority by $150 million to total of $1.1 billion; liberalize special cooperative housing mortgage purchase authority and increase debt authority for this purpose by $25 million to a total of $87.5 million.

Section 502 (p. 23 of report; p. 26 of bill) would increase annual contributions to low-rent public housing projects by $120 per year for each elderly family tenant; and would permit continued occupancy by over income PHA tenants.

Section 503 (p. 25 of report; p. 27 of bill) would increase debt authority for direct loans for college housing by $500 million to $1,675 million.

Section 504 (p. 30 of report; p. 28 of bill) would increase debt authority for direct loans for public facilities by $100 million to a total of $200 million.

Section 505 (p. 33 of report; p. 28 of bill) would extend the veterans direct loan program 1 year and provide an additional $150 million in debt authority.

Section 506 (p. 34 of report; p. 29 of bill) would extend farm housing program 2 years

and authorize $50 million in debt authority for direct loans; authorize appropriation of $4 million for additional grants; extend improvement and repair program 2 years and authorize appropriations of $20 million for this purpose.

Section 507 (p. 37 of report; p. 30 of bill) would revive and extend hospital construction provisions of the Defense Housing and Community Facilities and Services Act of 1951, and authorize additional appropriations of $7.5 million for this purpose.

PUBLIC CREDIT AND MONEY FOR HOUSING

As of June 30, 1959, $105 billion (gross) of public credit and money had been used under Federal housing and related programs since 1933. Figures on the authority used during the current fiscal year 1960 are not yet available. Use of the $5½ billion of new authority provided in the pending bill would be in addition to the total as of June 30, 1960.

A summary of public credit and money (gross) used under Federal housing and related programs, 1933 through June 30, 1959, in tabular form, follows:

Summary of public credit and money (gross) used under Federal housing and related programs, 1933 to June 30, 1959

[In thousands of dollars]

Program	Authority to make loans, grants, purchase mortgages and insure loans		Authority to expend from public debt receipts			Appropriations		Administrative expenses [1]	Reserves from earnings	Payments to U.S. Treasury (interest, dividends, and capital)
	Total current authority	Cumulated gross total authority used	Total current authority	Gross amount borrowed	Owed to Treasury	Total	Unexpended balance			
Housing and Home Finance Agency:										
Authority to make loans, grants, and purchase mortgages:										
Office of the Administrator:										
College housing loans	[2] 925,000	565,802	925,000	621,200	594,418			6,152		[2] 27,035
Public facility loans	100,000	32,393	100,000	37,951	37,951			1,227		[2] 792
Slum clearance and urban renewal:										
Loans	[3] 1,000,000	239,264	1,000,000	112,000	98,000					[2] 5,788
Capital grants	1,350,000	215,459				(207,000)	111	29,515		
Urban planning grants	10,000	5,512				(8,825)	4,313			
Public works planning	48,000	10,517				(24,000)	16,489	1,378		
Housing studies	2,500									
Federal National Mortgage Association:										
Secondary market operations (trust fund)	2,028,831	2,116,956	2,273,469	2,169,810	41,531			7,626		[2] 13,018
Special assistance functions	2,650,000	1,255,402	2,608,514	1,193,883	1,169,597			2,303		[2] 20,502
Management, and liquidating functions [4]	2,044,785	3,006,915	1,139,541	5,273,654	1,139,541			25,381	131,314	[2] [5] 366,924
Public Housing Administration:										
Administrative expenses						90,073				
						(336,000)		131,712		
Annual contributions	336,000	613,831				291,092				
Loans	1,500,000	4,937,738	1,500,000	5,192,074	27,000					[2] [5] 97,983
Total, authority to make loans, grants, and purchase mortgages	11,995,116	12,999,780	9,546,524	14,600,572	3,108,038	381,165	20,913	205,294	131,314	532,042
Authority to insure loans: Federal Housing Administration:										
Modernization and improvement insurance: Title I, sec. 2	1,750,000	11,962,027				46,577		34,999	78,511	[6] 8,333
Mortgage insurance:										
Title I: Sec. 8		204,260							4,871	
Title II:										
Sec. 203 (1 to 4 family)		32,812,463				41,994			475,988	[2] [5] 59,054
Secs. 207–210 (rental)		773,370								
Sec. 213 (cooperative)		858,596				4,170			12,601	[2] [5] 5,557
Sec. 220 (urban renewal, rehabilitation)		188,758							1,741	
Sec. 221 (relocation)		102,501							1,124	
Sec. 222 (servicemen's)		748,631							6,741	
Sec. 225 (open end mortgages)		99								
Title VI (War housing):										
Secs. 603–610 (1 to 4 family)	32,083,994	3,661,325						345,116		
Secs. 608–610		3,448,377				5,000			165,467	[2] [5] 6,390
Sec. 609		5,316								
Sec. 611		12,546								
Title VII (Housing investment insurance program)						1,000			911	[2] [5] 1,108
Title VIII (Military housing):										
Sec. 803		1,885,539				5,000				
Sec. 809		39,022							16,372	[2] [5] 5,441
Title IX (Defense housing):										
Sec. 903		517,270							−6,414	
Sec. 908		63,427								
Total, authority to insure loans	33,833,994	57,283,527				103,741		380,115	757,913	85,883
Other: Office of the Administrator: Revolving fund for liquidating programs:										
Lanham public works						65,807				
Defense community facility:										
Loans		3,233				(14,245)				
Grants		11,012				6,380				
Advance planning, non-Federal public works						93,607				
Alaska housing program		17,753				(17,753)				
						1,247		132,369		[2] [5] 732,647
Loans for prefabricated housing		52,544		36,170						
Public Housing Administration:										
Public war housing						[7] 1,654,978				
Subsistence home towns, etc.						[7] 62,454				
Veterans' reuse housing						[7] 442,625				
Homes conversion program						[7] 90,109				
Total, other		84,542		36,170		2,417,207		132,369		732,647
Total, Housing and Home Finance Agency	45,829,110	70,367,858	9,546,524	14,636,742	3,108,038	2,902,113	20,913	717,778	889,227	1,350,572

See footnotes at end of table.

Summary of public credit and money (gross) used under Federal housing and related programs, 1933 to June 30, 1959—Continued

[In thousands of dollars]

Program	Authority to make loans, grants, purchase mortgages and insure loans		Authority to expend from public debt receipts			Appropriations		Administrative expenses [1]	Reserves from earnings	Payments to U.S. Treasury (interest, dividends, and capital)
	Total current authority	Cumulated gross total authority used	Total current authority	Gross amount borrowed	Owed to Treasury	Total	Unexpended balance			
Federal Home Loan Bank Board:										
Federal home loan banks	([5])	([5])	1,000,000							[4] [6] 150,917
Federal Savings and Loan Insurance Corporation	([5])		750,000					10,279	305,410	[4] [6] 148,216
Home Owners Loan Corporation		3,498,903		3,279,669				272,792		[8] 200,000
Total, Federal Home Loan Bank Board		3,498,903	1,750,000	3,279,669				283,071	305,410	499,133
Veterans' Administration:										
Guaranteed loans	([10])	25,311,617				996,614		170,650		[8] 127,250
Direct loans	1,164,887	1,061,138	933,056	933,056	930,078				51,167	[8] 78,833
Total, Veterans' Administration	1,164,887	26,372,755	933,056	933,056	930,078	996,614		170,650	51,167	206,083
Department of Agriculture: Farmers Home Administration:										
Farmownership loans, direct	[11] 29,000	554,405	29,000	585,446	([12])	30,000		([12])		([12])
Farmownership loans, insured	[13] 125,000	235,333						([12])		
Farm housing loans	450,000	214,903	450,000	210,174	77,086	1,350		([12])		
Farm housing grants		364				1,050		([12])		
Contributions		138								
Total, Department of Agriculture	604,000	1,005,143	479,000	795,620	77,086	32,400				
Grand total	47,597,997	[14] 101,244,659	12,708,580	19,645,087	4,115,202	3,931,127	20,913	1,171,499	1,245,804	2,055,788

[1] Includes expenditures from appropriated and Agency funds.
[2] Lending authority limited by corporate resources, including authority to expend from public debt receipts (col. 3). Generally, authority is equal to authority to expend from public debt receipts.
[3] Interest.
[4] Cumulative since transfer to Housing and Home Finance Agency; records while under Reconstruction Finance Corporation not available.
[5] Dividends.
[6] Capital.
[7] Represents allocations or reallocations to Public Housing Administration and predecessors on basis of best information available.
[8] Figures excluded; Federal home loan banks now privately owned.
[9] No monetary limitation; loans to prevent default of insured institutions.
[10] Unlimited, except by maximum to which individual loans may be guaranteed.
[11] Amount authorized by Congress for fiscal year 1959. Authority is granted annually.
[12] Not available.
[13] Annual limitation.
[14] Cumulative gross total of loans and grants, mortgages purchased, and loans insured, excludes repayments.

Mr. JOHNSON of Texas. Mr. President, I desire to pay a very special tribute to a man who is deserving of any and all of the nice things which can be said about a colleague. He is the very able junior Senator from Alabama [Mr. SPARKMAN].

I came to Congress shortly after he did, 23 years ago. I have observed his work with great respect and admiration. There is no Member of this body who is more attentive to his duties, more diligent in carrying them out, more faithful to the public trust, or more cooperative with the leadership.

I want him to know that the overwhelming vote which the bill has just received is a just tribute to the manner in which the bill was formulated, hearings were conducted, and the debate held on the floor of the Senate.

I salute him for it, and for the contribution he has made to his country's welfare.

Mr. SPARKMAN. Mr. President, I simply desire to say "Thank you" to the majority leader. The bill, as is true of all bills, is not perfect; but it will do much good over the period of time it is operative.

ADJUSTMENT OF COMPENSATION OF CERTAIN FEDERAL OFFICERS AND EMPLOYEES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1655, H.R. 9883.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there be a limitation of 1 hour on any amendment and 3 hours on the bill, the time to be equally divided. I have discussed this proposal with the sponsors of the bill and the minority leader, and it is agreeable to them.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That during the further consideration of the bill H.R. 9883, an act to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I should like the Senate to know that tomorrow it is expected that we will take up the public works authorization bill, the Department of Health, Education, and Welfare appropriation bill, and perhaps some other bills, which I shall announce later, after the Senate has concluded action on the pay increase bill.

The PRESIDING OFFICER. What is the pleasure of the Senate?

DISARMAMENT PROPOSALS

Mr. HUMPHREY. Mr. President, on Tuesday, June 14, I placed in the RECORD a comparative analysis of several proposals in the field of disarmament which have been made in recent months by the Soviet Union. This analysis clearly points out that the most recent proposal of June 2 by Premier Khrushchev was substantially different in several respects from previous Soviet proposals.

Mr. William R. Fry, writer for the Christian Science Monitor, and one of the most respected analysts in the field of disarmament and foreign policy, recently discussed the new Soviet disarmament plan in an article of recent date.

This article is supporting evidence to the comparative analysis I placed in the RECORD this week. It merits thoughtful study and careful consideration. There are some bright spots in the Soviet proposal. There are also some blind spots. Without prejudging all aspects of it, we should carefully study the proposal and offer our own suggestions for negotiation or a revised counterproposal on the part of Western nations.

I ask unanimous consent that the article be placed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW SOVIET DISARMAMENT PLAN ISN'T WITHOUT ITS BRIGHT SPOTS

(By William R. Frye)

The new Soviet disarmament plan is one of those curious diplomatic packages which looks green from the top, blue from the bottom, and candy striped from the sides. It is all things to all men.

If Soviet delegate Valerian Zorin, who attempted to hawk it at the Geneva disarmament conference last week, intends it to be purchased as an indivisible whole, he is wasting his breath. The West has no intention of buying total disarmament.

But if the new plan is a diplomatic grab-bag, a separable package, it is quite a different story. Some of the candy stripes, experts say, could be put to excellent use.

The principal reason why the West rejects total disarmament is that no one has yet devised a solution for the "clandestine-weapon" problem—the possibility, indeed probability, that after a treaty had been signed, the Russians would hide between 50 and 500 nuclear bombs which neither an inspectorate nor a corps of Western spies could ever be sure of finding.

I have just spent 3 days in private with 110 of the United States top experts in the disarmament field. They were brought together at Arden House, Harriman, N.Y., by Tom Slick, multimillionaire Texas oilman and philanthropist, to plan a Western "strategy for peace."

The "clandestine-weapon" problem figured importantly in the discussions. One distinguished nuclear scientist thought it could be solved by offering, and persuading Russia to offer, with maximum publicity, rewards of a million dollars for anyone who would give the international control body information on hidden bombs.

Not many went along with this thesis. "If I were determined to save my country from the idiocy of its leaders, and be a hero when the crisis came," a man closely connected with the development of missile technology said, "I would simply get together 20 small groups of conspirators, 10 of them for real and 10 as decoys. No one group would know of the existence of the other, or of my real identity.

"The 20 groups would each steal or secretly manufacture 5 bombs. One by one, the 10 decoy groups would let themselves be caught, so as to give the impression that the game was up. Maybe one or two of the real groups would accidentally get caught.

"But 8 or 9 groups would escape, and we would have at least 40 bombs cached away. You could do plenty with 40 H-bombs if the enemy did not have any."

How to get them delivered on a target? Reconvert civilian planes and space-for-peace equipment. You could even smuggle bombs across borders in suitcases, planting them in key spots and then blackmailing the disarmed victim state.

Several of the conferees—no vote was taken—quickly concluded that for this and other reasons total disarmament was out of the question. A better solution, they felt, would be a negotiated condition of stabilized deterrence with minimum force levels.

Have East and West agree that each would keep, say 500 or 1,000 bombs—enough to do unacceptable damage to the other in retaliation, but not enough to knock out the enemy in a "first strike." Then "harden" the delivery systems, making them as nearly invulnerable to attack as possible.

A would-be aggressor would have to multiply his permissible forces at least 10 times over if he hoped to destroy a "hard" delivery system. Preparations on this scale could be detected by any reasonable efficient inspectorate, and the potential victim, by increasing his retaliatory force, could quickly make it prohibitively expensive for the aggressor to keep on matching it 10 times over.

The man who put this idea into most tangible shape for the conference was Col. Richard Leghorn, president of ITEK Corp. and a frequent Presidential adviser. Together with Dr. Jerome B. Wiesner of Massachusetts Institute of Technology, who was staff director of the Gaither report, Leghorn recently toured Russia, talking with high-ranking and influential scientists and military men. It is a reasonable presumption that the plan for stabilized deterrence is on many key desks in the Kremlin.

Experts, therefore, are tantalized by the fact that for the first time, Russia now has proposed that an arms-reduction process begin by dealing with delivery systems. What Russia wants to do about them—destroy them—is quite different from what the West wants to do; but if this part of the Soviet plan can be separated from the rest, then for the first time both sides are focussing on the same problem area.

Moreover, one essential part of a stabilized deterrent system would be inspection to curb the secret manufacture of new bombs, once most of the old ones had been converted. The new Russian plan proposed a joint East-West study of this together with the clandestine-weapon problem, as the West had urged earlier. Again, if separable, this candy stripe looks tasty.

What the Geneva negotiations amount to, therefore, and will amount to for a considerable time to come, is an effort by the West to find out to what extent, if any, the Russian package can be broken up and negotiated in its parts.

MEDICAL CARE FOR THE AGED

Mr. HUMPHREY. Mr. President, one of the outstanding experts on the development and operation of the social security system is the distinguished dean of the faculty at Princeton University.

Dean Brown was a member of the Emergency Committee for Employment in 1930 and 1931, and he served as an economist in 1934 and 1935 with the committee which developed the social security law. He also was chairman of the Advisory Council on Social Security, set up by the Senate Finance Committee, in 1938 and 1939. It was this committee which developed the principal features of the present social security legislation.

Dean Brown has also served as a member of the Social Security Advisory Councils set up by Congress in 1948–49 and again in 1958–59. Thus, his experience in the field of social security covers 30 years.

With this background, Dean Brown has opposed the needs test in the administration's proposal for financing medical care for elderly citizens.

Dean Brown calls the needs test "a Victorian relic" of paternalism in an atomic age, and urges enactment of medical care coverage through the social security mechanism, in a letter he wrote recently to the editor of the New York Times.

Mr. President, I ask unanimous consent that Dean Brown's letter in the Times of June 12, 1960, be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TO ASSURE CARE FOR AGED—AMENDING SOCIAL SECURITY ACT TO PROVIDE SICK BENEFITS SUPPORTED

To the EDITOR OF THE NEW YORK TIMES:

The unwillingness of the House Committee on Ways and Means to recommend an amendment to the Social Security Act to provide hospitalization coverage for aged beneficiaries is most difficult to understand, especially in the light of the long record of statesmanship which that committee has demonstrated in the development of social insurance legislation in this country. This committee, more than any other, must understand that:

Needs-test medical assistance for the aged will require ever-mounting appropriations, unless counterbalanced by contributory social insurance coverage.

The cost of needs-test medical assistance will create fiscal problems for many States, even if the Federal Government can find ways and means to meet its share of a steadily mounting cost.

There is widespread evidence that the contributors to the old-age insurance system are more willing to pay the costs of hospital benefits for the aged than the general taxpayer is willing to pay higher income taxes.

COOPERATIVE CONTRACT

Contributory social insurance embodies the concept of a continuing cooperative contract between the citizens and the Government, to the mutual advantage of both. Needs-test assistance retains the age-old concept of paternalism.

Paternalism, like colonialism, is a costly and outmoded expression of the desire for superiority over others less fortunate than ourselves. It is an unstable basis for social policy or international relations.

The majority of American citizens appear to want a means of paying their share of the cost, of health protection in old age. They need the help of the Federal Government to provide this means. A tested means is readily at hand. They want a cooperative contract, not paternalism, whether that paternalism is implemented by Government or by private individuals.

Should it be so difficult to combine sound economics with sound political philosophy after a quarter of a century of social insurance in this country and far longer experience throughout the world? Must we pay a mounting cost in dollars and human dignity to find out that paternalism is a Victorian relic in an atomic age?

J. DOUGLAS BROWN.

PRINCETON, N.J., *June 7, 1960.*

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL BILL INTRODUCED

Mr. PROXMIRE (for himself, Mr. SPARKMAN, Mr. HART, Mr. FULBRIGHT, and Mr. CAPEHART), by unanimous consent, introduced a bill (S. 3689) to amend the Small Business Act, and for other purposes, which was read twice by its title,

and referred to the Committee on Banking and Currency.

(See the remarks of Mr. PROXMIRE when he introduced the above bill, which appear under a separate heading.)

NOTICE OF MOTION TO SUSPEND THE RULE—LEGISLATIVE APPROPRIATION BILL

Mr. WILLIAMS of Delaware (for himself and Mrs. SMITH) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 12232) making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes, the following amendment; namely: At the proper place in the bill insert the following:

"SEC. . (a) The second sentence of section 502(b) of the Mutual Security Act of 1954, as amended, is amended to read as follows: "Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member and employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate).

"(b) Each member of the United States group or delegation to the Interparliamentary Union, the NATO Parliamentarian's Conference, the Canada-United States Interparliamentary Group, the Mexico-United States Interparliamentary Group, or any similar interparliamentary group of which the United States is a member, and each employee of the Senate or House of Representatives, by whom or on whose behalf expenditures are made from funds appropriated for the expenses of such group or delegation, shall file with the chairman of the Committee on Foreign Relations of the Senate in the case of Members or employees of the Senate, or with the Committee on Foreign Affairs of the House of Representatives in the case of Members or employees of the House, an itemized report showing all such expenditures made by or on behalf of each Member or employee together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within sixty days after the beginning of each regular session of Congress, the chairman of the Committee on Foreign Relations and the chairman of the Committee on Foreign Affairs shall prepare consolidated reports showing with respect to each such group or delegation, the total amount expended, the purposes of the expenditures, the amount expended for each such purpose, the names of the Members or employees by or on behalf of whom the expenditures were made and the amount expended by or on behalf of each Member or employee for each such purpose. The consolidated reports prepared by the chairman of the Committee on Foreign Relations of the Senate shall be filed with the Committee on Appropriations of the Senate and the consolidated reports prepared by the chairman of the Committee on Foreign Affairs of the House shall be filed with the Committee on House Administration of the House. Each such consolidated report shall be printed in the Congressional Record within ten days after receipt by the Committee on Appropriations of the Senate or the Committee on House Administration of the House.

"(c) Section 60 of the Revised Statutes (2 U.S.C. 102) is amended by adding at the end thereof a new paragraph as follows:

" 'Reports of the Secretary of the Senate and the Clerk of the House of Representatives under this section shall be printed as Senate and House documents, respectively.' "

Mr. WILLIAMS of Delaware (for himself and Mrs. SMITH) also submitted an amendment, intended to be proposed by them, jointly, to House bill 12232, making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes, which was ordered to lie on the table and to be printed.

ADJOURNMENT TO 10:30 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 10:30 o'clock a.m. tomorrow.

The motion was agreed to; and (at 11 o'clock and 54 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, June 17, 1960, at 10:30 o'clock a.m.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 16, 1960

The House met at 12 o'clock noon.

The Reverend William Coley Roeger, S.T.M., pastor of St. James' Evangelical Lutheran Church, Chalfont, Pa., offered the following prayer:

Almighty God, our Heavenly Father, Who art truly our mighty fortress and a bulwark that never faileth, we give thanks unto Thee for Thy goodness vouchsafed to Thy children in this fair land. We praise Thee for the precious heritage of liberty which is ours, and we beseech Thee that we may be found worthy of Thy trust in us. Give to the leaders of our Nation true love of liberty, a zeal for righteousness, and courage to choose the hard right rather than the easy wrong. Kindle in them a determination to lead our Nation and the world to peace with honor and justice, and in all their deliberations guide them by Thy most Gracious Spirit; through Jesus Christ Thy Son our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed a joint resolution of the following title, in which concurrence of the House is requested:

S.J. Res. 170. Joint resolution to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment of U.S. delegates to such convention, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12117) entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 4 and 6 to the foregoing bill.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

IMPORT DUTIES ON CERTAIN COARSE WOOL

Mr. MILLS submitted a conference report and statement on the bill (H.R. 9322) to make permanent the existing suspension of duties on certain coarse wool.

TEMPORARY SUSPENSION OF DUTY ON PERSONAL AND HOUSEHOLD EFFECTS BROUGHT INTO UNITED STATES UNDER GOVERNMENT ORDERS

Mr. MILLS submitted a conference report and statement on the bill (H.R. 9881) to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

SUSPENSION OF IMPORT DUTIES ON CERTAIN SHOE LATHES AND CASEIN

Mr. MILLS submitted a conference report and statement on the bill (H.R. 9862) to continue for 2 years the existing extension of duties on certain lathes used for shoe last roughing or for shoe last finishing.

COMMITTEE ON BANKING AND CURRENCY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight Saturday night to file a report on the bill H.R. 12603.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

NATIONAL WOOL MONTH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 696) to provide for the designation of the month of September 1960, as "National Wool Month."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the joint resolution, as follows:

Whereas September 1960 marks the two hundredth anniversary of the recognition of wool production and wool manufacture in the United States as an industry; and

Whereas from its humble beginning in the homes and on the farms of the colonists in the early 1600's, the American wool growing and textile industry has become an integral part of our national economy and one of our great industries with millions of citizens directly, or indirectly, dependent upon it, and representing more than $5,000,000,000 a year in the retail value of its products; and

Whereas its nationwide scope is evidenced in that over three thousand of the three thousand and sixty-eight counties in the United States are involved in one or more wool production or textile operations, with wool grown in every State of the Union, including Alaska and Hawaii; and

Whereas this great industry has been and is now facing severe competition from various sources, and is fighting in every way to preserve wool growing and wool manufacturing in the United States, it is most fitting that national recognition and support be given the wool industry: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the month of September 1960 as "National Wool Month", and calling upon the people of the United States to observe such month with appropriate activities and ceremonies.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, this year, 1960, we celebrate a landmark in the history of textiles, the 200th anniversary of the American wool textile industry. The story of textiles is the story of mankind. We do not know when wool was first spun and woven into cloth. But long before the time of recorded history, woolen fabrics were made by the Swiss lake dwellers. Garments made of wool fabrics were worn by the Babylonians as early as 4000 B.C. Joseph's "coat of many colors," mentioned in the Bible, was said to be made of wool.

Skipping many, many centuries of world history, we come to more modern times. During the years of lusty growth of the 13 American Colonies, England was the world's leading wool textile manufacturer. And that was the basis for much conflict. The mother country, pursuing a policy of industrialization on the home front, attempted to thwart any development of industry in the Colonies. Strict mercantilism was the rule; the Colonies were looked upon as sources of raw materials for the mother country, markets for goods of English manufacture. This two-way trade served to enrich the coffers of enterprising English industrialists, as well as the entire island economy.

Attempts at colonial manufacture of woolen textiles and other products sowed the seeds of ferment in young America. The manufacture of woolen cloth was literally one of the foundation stones of our American Nation.

As early as 1699, the English Parliament passed an act forbidding exportation of wool and woolen manufactures from any colony in which such goods were produced. Nevertheless, by 1760, the beginnings of woolen textile manufacture, centered in New England, were well under way. It was the attempt by England to stifle independent industry and commerce that led in large measure to sounding the tocsin for liberty.

Then, as now, the woolen industry was a right arm of American fighting forces. It was during the American Revolution that woolen manufacture received its first great impetus for expansion. Cut off from imports, the patriots were hard pressed for warm clothing.

A few years after the successful conclusion of the War for Independence, Arthur Scholfield introduced factory manufacture of woolen yarn at Byfield, Mass. The year was 1794. These endeavors formed the beginning of the industrial revolution in this country.

In 1801 Merino sheep, producers of some of the finest wool in the world, were imported into the United States from Spain and France. This strain helped to improve domestic sheep. By 1810, around 24 woolen mills were operating in New England and nearby States. About this time, the manufacture of wool carpets and rugs began. Since then, the fame of these American products has spread throughout the world.

After 1830, improvements in machinery, the development of transportation, and growth of cities stimulated further growth of wool manufacture.

Then came the Civil War. Once again the clash of arms brought in its wake a tremendous impetus for vast expansion of the industrial machine. Demand for uniforms, overcoats, woolen caps, mittens, and blankets stepped up woolen manufacture to previously unheard of heights.

Following the civil strife of the 1860's came the great push westward. The country was fairly dizzy with railroad building, construction of factories, and new cities. Woolen manufacture kept pace with the times, increasing to such an extent that before 1900 the industry was providing more than 90 percent of domestic requirements.

The horizons of history are dotted with wars. The 20th century has proved no exception, and during both world conflagrations which have occurred within the lifetime of many of us, the wool industry was a necessary adjunct to the war efforts. During World War II, the textile industry as a whole furnished 10,000 different items from uniforms to blankets and helmet liners.

We have seen the woolen textile industry grow to a giant among all American fields of enterprise. In recent years, like all branches of textile manufacture, woolens have been challenged by synthetic fibers.

But wool has met the competition from synthetics perhaps more successfully than most other natural fibers. There is an old maxim, "If you can't beat them, join them." Many wool textile manufacturers have done just that. Formerly utilizing natural fibers exclusively, they are now producing fabrics of mixtures of wool and dacron, wool and nylon, and other combinations. Fabrics of pure wool and wool used in combination with synthetics now have many consumer-desired properties, such as nonshrinkability, permanent pleating, crushproofing, mothproofing, and showerproofing. These are truly wonder materials.

Today the manufacture of woolen goods, including fabrics for clothing, blankets, upholstery, industrial materials, and carpets, is a multi-billion-dollar business. In 1957, the latest year for which data are available, the value of shipments of all woolen fabrics and carpeting amounted to nearly $1.2 billion and in 1958 the payroll of the woolen goods industry totaled almost $375 million.

We must not forget that the economic ramifications of woolen textile manufacture extends far beyond the borders of the industry itself. Large expenditures upon machinery are required. Such investments total hundreds of millions of dollars annually. The woolen textile industry has become a huge customer of the chemical industry, source of synthetic fiber materials. Woolen textile manufacture also requires hundreds of millions of dollars worth of fuel, power, transportation, paper products, electrical supplies, hardware, and packing materials.

Even as wool manufacture was a vital part of the economy during the early days of our Republic, so is it today. All industries today are characterized by constant technological changes. Woolen textile production has always kept pace with new developments. Excellence of manufacture, plus ingenious new materials of wool and wool in combination with other fibers, I know, will insure the continued importance of woolen textiles for the unforeseen future.

It is proper that the contributions of those engaged in the American wool textile industry, past and present, be recognized on the occasion of the 200th anniversary of the establishment in America and in our hemisphere of this important business, which has contributed so much to the building and progress of our country.

FORCED WITHDRAWAL OF INVITATION TO PRESIDENT EISENHOWER TO VISIT JAPAN

Mr. HERLONG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HERLONG. Mr. Speaker, the forced withdrawal of the invitation to President Eisenhower to Japan is another victory for the Communists. It points up more clearly than ever the ineptness of the free world in counteracting international Communist agitation. Both in the United States and in the rest of the free world we need to have dedicated, trained people who are knowledgeable and skilled in the art of counteraction to Communist propaganda. We needed them yesterday. If we get them tomorrow it will help. Who can say when it will be too late?

I again call the attention of the House to the fact that the gentleman from Minnesota [Mr. JUDD] and I have introduced a bill calling for the creation of a Freedom Commission which would establish a freedom academy. At this school would be taught the science of counteraction to Communist propaganda about which it has been shown that we know so little. Students would also be instructed in the best ways to sell democracy to the free world in this great battle for the minds of men.

Some people have said that we cannot afford the $2 million that it might take to establish this school. At the same time we are being asked to consider spending $12 million to build a freedom wall in nearby Virginia. I have no objection to our setting up monuments to commemorate great events to remind us of the heritage that is ours, but a wall is a dead thing. Would it not be so much better to spend just one-sixth of that amount to create a living monument in the form of a school which could do something constructive toward the preservation of our way of life?

FORCED WITHDRAWAL OF INVITATION TO PRESIDENT EISENHOWER TO VISIT JAPAN

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, apparently our great President has been stopped from going to Japan at the request of the Japanese Government. I hope at least that certain public officials will not take this as an opportunity to further make excuses and justification for Mr. Khrushchev's insulting, horrible, and vicious attacks on the President of the United States. To do so would certainly be lending added aid and comfort to the Communists. It is a disgrace to the people of this country who use those tactics and a sad commentary on their Americanism. The fact that they are not presenting them as they should constitutes not only an attack on our President but also an attack on the United States. I pray they will cease, and I am sure the Members of the House also pray that they will. This is the belief of the people of my district, who tell me they bitterly resent insults to the President and to the United States. They dearly love their country.

CALL OF THE HOUSE

Mr. DORN of South Carolina. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 135]

Barden	Flynt	McGinley
Blitch	Fountain	Morris, Okla.
Brown, Mo.	Hull	Moulder
Buckley	Jackson	Pfost
Burdick	Jensen	Rogers, Tex.
Carnahan	Kearns	Shelley
Celler	Kilburn	Steed
Durham	Loser	Taylor

The SPEAKER. On this rollcall 408 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION BILL, 1961

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 4 hours, one-half to be controlled by the gentleman from New York [Mr. TABER] and one-half by myself.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12619, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PASSMAN. Mr. Chairman, on page 16 of the minority report we find this language: "This is no time to 'kowtow' to Khrushchev or be soft on communism."

That is a rather serious, and certainly an unfounded, insinuation against the members of the committee of both parties who voted to report this bill to the floor, based upon common sense and justifications, and not from yielding to pressure and propaganda.

I shall ask you this question at the outset: Are you willing to substitute propaganda from many sources and propaganda-inspired wires and letters for the diligent study and work of your committee?

Judging by what has happened recently in our foreign relations, it is even more evident now than previously that money alone will not get the job done.

The bill before you calls for new funds in the amount of $3,384,500,000; unobligated funds to be reappropriated, $52,514,000; and cash receipts anticipated, $56,200,000. This makes a total of new dollar funds in the amount of $3,493,214,000. This is the highest amount recommended for the mutual security program since I became chairman of the Foreign Operations Appropriations Subcommittee 6 years ago.

I heard earlier today over the radio that some of the liberal Republicans and some of the liberal Democrats have joined up to fatten the bill. They could have saved their trouble had they talked first with me or any other member of the committee, because the bill is already fattened. It calls for the highest amount recommended during the past 6 years.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, how often can one make a point of order that the House is not in order.

The CHAIRMAN. Any time that the House is not in order. Does the gentleman make the point of order that the House is not in order?

Mr. HOFFMAN of Michigan. I do, Mr. Chairman.

The CHAIRMAN. The Committee will be in order.

Mr. PASSMAN. Mr. Chairman, the funds now recommended for fiscal 1961 exceed the amount reported by the committee in 1956 by $854 million. It exceeds the 1957 recommendation by $680,940,000. It exceeds the 1958 report by $968,554,000. It exceeds the 1959 recommendation by $415,121,150, and the 1960 recommendation by $306,714,000.

So great has been our outpouring of dollars to foreign aid recipient countries that they now have dollars in excess of their needs, and they are using these dollars to buy U.S. bonds and securities. In reality, therefore, we are paying these recipient nations interest on the dollars that we have given to them.

I might appropriately state for the RECORD at this point that our gold reserves in the last 7 years have dropped from $23 billion to approximately $19 billion. During that same period foreign dollar holdings have gone up from $11.5 billion to about $19 billion. You know, and I know, that foreign governments have a direct claim on our gold reserves. It requires what amounts to

about $12 billion to support our own monetary system, and that only leaves $7 billion for other purposes. If there should be a run on our gold reserves you could not pay $19 billion with $7 billion. The holders of the gold, in addition to the foreign central governments, would have to transfer their holdings over to the government of their country in order to become eligible for a direct claim, but it could conceivably be done.

May I say also that the record is clear that we are pricing ourselves out of the world market for many items and in all probability this foreign aid program has been a major contributory factor.

I say to this House at this time that we had a trade deficit with Japan last year; we had a net trade deficit with all of Latin America last year. And if you exclude the shipment of surplus agricultural commodities last year we had a trade deficit with Europe.

I can say that we now can have steel delivered dockside at New Orleans, from foreign countries, at lower cost than we can get it from Philadelphia.

May I also remind that too many times we do not go as far as we should into the record. So, I say to you again that our public debt exceeds by $47,744 million the entire public debt of all the other nations of the world.

And I want to say, too, it happens that every year when we handle this foreign aid bill, at just about this time, there is some tense international incident. I recall that one year an unidentified submarine was reported lurking in the waters near New York Harbor. And we had that headline across the Nation. In another year the Chinese Reds were stepping up their bombardment of Quemoy and Matsu. That caused some excitement. Then, in another year the Russian sputnik was in orbit. And that caused a lot of excitement. Another year the U.S. Marines were landing in Lebanon, and again we had a fight on our hands. Another year the Nixons were being spat upon in Latin America. That, too, cost us some extra money.

Of course, in this year, there was the U–2 incident. And, as long as we are Members of this House, and I am sure long thereafter, there will be varying types of incidents. That fact in itself should convince us that money alone will not cure our ills.

There is more interference from more quarters and more pressure concerning this bill than in all of the other money requests that the Congress is asked to consider. With this bill, if the requests of the administration are justified, why do we get such pressures and propaganda as we do?

Why is this program so fouled up and uncontrollable? One part of the answer is a simple one. These are the different directors of the program since I have been chairman of the subcommittee: Mr. Stassen, Mr. Hollister, Mr. Smith—and we were told that 18 men refused the directorship before Mr. Smith finally accepted. Then we came to Mr. Saccio, who was Acting Director, and the Director at this time is Mr. Riddleberger. And he is there because they had to pull in a career man so that he would not quit the job.

I want to say that those people are told much of what to do. And when they find that they actually have little to do with managing the program, they usually resign and the subordinates let the program run wild. So, as a result, everybody's program is nobody's program.

I have been accused of being a party to ruining this program ever since I have been the subcommittee's chairman. That is a harsh indictment against one who has tried to live up to his responsibilities and to help put some sense into the program. This committee is entitled, I believe, to your commendation, not your condemnation.

Mr. Chairman, I want to say this—and I shall document this so that you may take it into account later in the day—that back in 1957, when we were considering the appropriation for the fiscal year 1958, they called a White House conference. I was invited. We had some very fine men there; Mr. Saltonstall, Mr. Knowland, the Speaker of the House of Representatives, and Joe Martin, and others. There were many dignitaries, along with the chairman of this committee.

After considerable deliberation they finally invited me to make a statement. I was shaky; I do not mind acknowledging that, because I knew I was going to tell the President the truth. I said, in effect, "Mr. President, your subordinates have misled you. They have not given you the facts. I can report to you, Mr. President, that just a few hours ago $538,800,000 in military funds were allowed to lapse because they had no justifications and they could not even reserve them." He turned to a secretary and verified that information. Immediately afterward, the meeting broke up, and I have not been back to the White House since. However, I have sought opportunity to discuss the program with the President so I could point out to him, as I did that year, something of the weaknesses and the hidden money which I do not believe the President knows about. Such an opportunity did not materialize. I asked my friend, the gentleman from New York [Mr. TABER] a few days ago to please get an appointment for me with the President. He said he would try. I have not heard about it from Mr. TABER, either.

Now, Mr. Chairman, let us face this matter realistically. It is not our personal money that we are giving away, but it belongs to the people we represent. Working conscientiously to do a good job, I can report to you that even though we have "ruined" the program every year since I became chairman of the subcommittee, we have reduced the President's request in 5 fiscal years by $4,071,003,750, only to have it acknowledged later that our action had helped to improve the program.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I might say in connection with my friend's statement that he tried to make an appointment that this is the eighth year of the present administration and the Democratic leadership in both branches has never been asked to meet before the fact. Any meeting we have ever had has been just a briefing or an after-the-fact disclosure.

Mr. PASSMAN. I thank the majority leader.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Minnesota.

Mr. JUDD. I happen to have been present a time or two when Mr. Dulles even came up to the House to ask our advice. I recall the Speaker was there on one occasion when he consulted us about the problem we faced, early 1955 when Formosa was being threatened. Mr. Dulles asked what policy we would suggest and what kind of language we would put into a resolution which was being considered as a possible policy statement. We went over a tentative draft sentence by sentence and gave suggestions. There were other times when I happened to be present at bipartisan consultations in the State Department, before policies were decided.

Mr. McCORMACK. If the gentleman will yield further, at any meeting I have ever attended, and as far as I know any Democratic leader has ever attended, we have been told certain things, we have been given a briefing. We have had the opportunity to ask questions, but in a meeting of that kind if you ask two questions you are asking one too many. So that there has never been any meeting I have ever attended and, as far as I know, the Democratic leadership, where we were asked to try to have a meeting of the minds and a frank discussion as to where we could get together on legislation, not only this but any legislation. It was just the difference between being there before the fact and being simply briefed.

Mr. PASSMAN. I thank the majority leader. I am not an orator, nor an attorney, but I am a conscientious Member of this House trying to do a creditable job for the American taxpayer. I am going to present our case based upon the testimony and the justifications. I will document our case accurately; and I say without fear of successful contradiction, you are not going to be able to tear my figures down—try as hard as you may.

Mr. Chairman, every year, as you are aware, this charge has been made—that the cut in the funds would destroy the program. But let us see what has really happened.

From page 189 of the hearings for the fiscal year 1958 appropriation, you find this question:

Mr. PASSMAN. Will you agree with me that we actually appropriated too much money for these agencies last year?

This is the answer by Director Hollister:

Mr. HOLLISTER. More than they were able to obligate.

From page 13 of the hearings on the fiscal year 1959 appropriation, there is the following question:

Mr. PASSMAN. Are all phases of the mutual security program financed and are commitments being met to a reasonable measure at this time?

The following is the answer by Secretary Dillon:

Mr. DILLON. They are sufficiently financed. Yes, Mr. Chairman.

In this colloquy, from page 251 and page 252 of the hearings for fiscal year 1959 appropriations, there is the following:

Mr. PASSMAN. Mr. Secretary, there has been a tremendous amount of publicity given to the foreign aid programs indicating that great damage has been done to this program in the past. However, would the evidence not indicate our commitments are being lived up to in a reasonable manner?

This was the answer by Secretary Sprague:

I feel that your statement is substantially correct. The reductions that Congress has effectuated in this program have assisted the executive branch in administering the program in a more efficient manner. There is no question about that.

May I say this, with reference to all the howling in the past about the committee ruining this program, that in addition to all the money that was obligated, and in this program with the military, if they cannot obligate they reserve—and after all the trouble they go to trying to obligate and trying to reserve, the actual figures for each fiscal year—1956, 1957, 1958, 1959, and 1960, the total amount of unobligated funds that would have lapsed if we had not reappropriated the money amounts to $818,653,000.

Do you not think we are entitled to your commendation, rather than your condemnation, for doing a creditable job for the Nation? From our hearings on the 1961 bill, I quote the following colloquy, from page 507:

Mr. PASSMAN. If we had given you the money you asked for, you would have used it in this program. You would have bought something whether you needed it or not, and it would have been, today, in excess.

General NORSTAD. If you had given us, every year, everything we had asked for, the total at the present time would indicate some overages that now make; that is correct.

Mr. Chairman, this is the sixth year that it has been my privilege to present for your consideration the mutual security appropriation bill. The bill before you calls for $300 million more than the bill presented last year for the military assistance program.

This year, the justifications are weaker, but the pressure is stronger. It is customary in almost every field of endeavor to talk most on the weaker points. Big guns will be fired today. But, in the end, if you will base your decision on the facts, rather than fancy, you will support the committee.

May I say now, as I have said in the past, without mental reservation and without fear of successful contradiction, and supported by the testimony of others, that a major trouble with the program is, indeed, too much money, and not too little. If you want to get the true picture of this situation, I invite you to read the GAO reports.

Mr. Chairman, I wish I had the strength of Samson, and of Johansson and Patterson—and it would require that kind of strength to combat many of those who have a downright selfish and personally profitable interest in the program, such as the 44,000 employees of the mutual security program, high-ranking military personnel, the prestige of the White House and the State Department, the many colleges and universities in 30 States and the District of Columbia which have contracts under this program, and numerous others.

I repeat, we have been on the receiving end of pressure from all phases of the program, the prestige of the White House and the State Department, the many colleges and universities in 30 States and the District of Columbia who have contracts under this program, and the others. Administration leaders at the top echelon are too busy and without sufficient time to hear the other side of the story. Their recommendations and beliefs are based practically entirely upon the presentation of only one side of the story.

However, for 6 years you have supported the committee's recommendations, and without exception have found that you had acted wisely, and that we had not misled you or misrepresented facts. Support the committee again and you will be on even firmer ground than you have ever been.

I have endeavored to face up to the tremendous responsibility assigned to me and have conducted during the past 10 months, studies, listened to briefings, and held hearings and made inspections in many nations of the world. More than 10,000 pages of transcript were taken in our hearings this year, and later condensed into more than 3,000 printed pages of hearings. I might add that the committee conducted closed-door hearings in the Republic of China, Denmark, the Netherlands, France, Norway, and Belgium, the latter two moving their witnesses to designated spots in order to accommodate the committee.

The hearings are most voluminous and more self-condemning than ever before—voluminous notwithstanding the fact that possibly 25,000 words have been deleted and not for security reasons alone, but to save downright embarrassment to many of those connected with the program. You may go to the committee room and read for yourselves what they deleted. Believe it or not, they even took out quotations from newspaper clippings.

So, I say that this program has developed into a monstrosity. It is indeed a mild characterization, considering the diversity, the broadness, and complexity of the program. The hearings will indicate that some of the witnesses implied that the program has become so complicated that they themselves do not understand it.

Past, present, and planned, we are in 77 nations of the world with this program, and in 60 of these nations they have received or soon will receive military assistance.

The total amount spent on all phases of foreign aid since the end of World War II through June 30, 1960, stands at $103,209 million.

The grants, gross credits, investments in international institutions and other assistance amount to $87,840,168,000.

The total cost of all phases of foreign aid to the American taxpayer is now averaging $10,841 million annually. This includes 4-percent interest only on the $87 billion of money we have borrowed to give away. The total cost, therefore, of all foreign aid to the American taxpayers is now approximately $30 million daily.

Mr. Chairman, it might be well to establish, and later it may well be established, that I am one of the best friends the foreign aid program ever had, because if its weaknesses, abuses, extravagances, and mismanagement are not checked and brought under control the entire program might eventually fall of its own weight, by the demands of the indignant American taxpayers.

The greatest abusers and manipulators in the program are the military. They cannot stand to be questioned or pinned down. They are infuriated when their lack of knowledge of the program is pointed out. They expect those stars to blind you, Mr. Chairman, and when you press your point in all but a few instances, they stare at you with what appears to be contempt. Clever as they may be, there are a lot of unanswered questions.

Apparently they want us to appropriate on fiction, and not on facts.

It would appear that when they need a dozen screwdrivers they buy a gross. There is abundant information concerning these conditions. Much of it is running in the Washington newspapers at this time, pointing up the waste and inefficiency of the military procurement system. They have used the mutual security military assistance program in many instances to unload billions of dollars on the program, representing their own overpurchases.

Mr. Chairman, the total amount of military assistance since the inception of the program stands at $25,252 million to all of the nations receiving equipment and services in the military category, a total of 60.

The belief that once the requirements had been filled the program would decrease prompted me to request a letter and a report and to make some on-the-spot inspections and studies.

On June 27, 1958, warehouses throughout the world bulged with military equipment the countries did not need.

Here is what a high official in the Defense Department said to me in a letter, the letter which I hold in my hand:

DEAR MR. CHAIRMAN: You may recall that I reported to you I had requested the military assistance advisory groups in the Near East to assist me in arriving at a percentage of equipment delivered since the beginning of the military assistance program that is currently available and serviceable for combat.

I now have the information from the military assistance advisory groups and have arrived at an estimate of 92 percent. This figure was derived as the weighted average on information I had in Iran, Greece, Turkey, and Pakistan.

Then they give the estimates as developed from separate data on ships,

aircraft, tanks, and combat vessels, motor transport vehicles, weapons, electronics and other equipment, and that information is available for any person's inspection.

I decided to follow this up with on-the-spot studies and hearings. The transcript of those hearings is here on the table. The information is classified, but any Member is privileged to come here and check my figures.

We found out that in Denmark 95 percent of the equipment we had given them was on hand and ready for use if needed; Norway, 87 percent; The Netherlands, 90 percent; Belgium, 90 percent, and China, 82 percent. The Comptroller General's report certainly points up these facts.

If there is any question in your mind about the accuracy of what I am detailing to you, please check the record:

Military assistance program, United States gave 421 jet planes to a Far Eastern country, the air force of which boasted only 186 qualified jet pilots.

The military shipped 255 tanks to a country that had an active tank force of only 30 men. This figures at over 8 tanks per man in the tank corps.

The Defense Department shipped to Germany more F–84 jet planes than there were pilots in that country. When caught, they had a vague excuse. They explained that storage charges are less in Germany than in the United States.

They shipped to another country 391 planes at a total cost of $70 million, and by the fall of that year 45 of the planes had been placed in permanent storage and 160 in temporary storage.

They delivered to Ethiopia three Army surgical hospitals. At the time of the program there was only one native doctor in the Ethiopian Army.

Examples of similar types are practically innumerable.

The Comptroller General warned the Congress that as a result of such excessive arms shipments many countries are building up a military force which the United States may be unable or unwilling to support indefinitely.

Commenting on the GAO criticism, Secretary Dillon stated, and I read you his remarks:

> The Comptroller General said also that certain of these deliveries are in amounts that the countries concerned will be unable to support themselves. That is certainly true, and in the case of these Far Eastern countries, we recognize that.

The Comptroller General's current criticism is based on a series of 10 GAO reports, all of them classified for security reasons, or so they say; the military, that is. The military program in these countries you will find in these reports here on the committee table. The Comptroller General's criticism appears to back up the charges that the Defense Department is using the highly secret military aid program to get rid of surplus military equipment.

Here is an article from the Wall Street Journal, dated November 2, 1959, and I quote:

> Treasury-State Department battle looms over foreign aid outlay in new budget. The State Department, which oversees joint economic and military aid, is pressing for a larger request, officials disclose, on the ground that Congressional paring may reduce the lowered request to dangerous levels.

In discussing this matter, the gentleman from New York [Mr. TABER] summed it up better than I can when he said, and I quote:

> Mr. TABER. I have been around here for a long time and I have never known of a time when there was not an asking price. You have to expect that and not get too much disturbed by the fact that there is an asking price.

I know Mr. TABER and I still agree, and that is why I understand the difficult position in which our distinguished senior colleague is placed today.

But, Mr. Chairman, I was so alarmed over this asking price, and Mr. TABER's support that there is an asking price, that I suspended our subcommittee hearings and, accompanied by the gentleman from Arizona [Mr. RHODES] and committee staff members, from one Friday night to the following Friday night we examined the military assistance programs covering five countries. The conditions there in the military assistance programs ran true to form.

In countries A, B, C, and D we found military equipment on hand in excess of requirements and available for redistribution in the amount of $214,543,000, and country E had $100 million in excess. The total cost of excess military equipment in those five nations alone was more than $314 million.

On page 4 of the Comptroller General's report dated May 16, 1960, he said this:

> For example, in one country the MAAG was aware that consideration was being given to deactivation of certain country forces as early as 1957. However, MAP supported force goals in that country were not adjusted until January 1959 at which time the program was substantially advanced and over 90 percent of the conventional equipment programed had been delivered. In this country quantities of equipment, estimated to exceed $100 million, are now excess to the needs of the forces currently approved or contemplated for MAP support.
>
> Although certain of the excesses resulted from deliveries made before there was knowledge of the country's plans for reducing its forces, substantial quantities of unneeded equipment were programed and delivered after the country's plans for deactivation became known.

They kept rolling it in.

Overcharges to the military assistance program run into the hundreds of millions of dollars, even though the Defense Department will make no admissions of this fact. This is a "husband-and-wife" deal. The same people who overbuy have the right, at the same desk, to move it out and charge it to the military assistance program.

They told me, the first year that I served as chairman of the subcommittee, "Oh, what a charge you are making, that we have overcharged the military assistance program."

And while we were in conference, there was a check of $302 million that got so hot the Air Force could not handle it. It was so hot that the military assistance program could not catch it. But, in conference I said that the $302 million check must be explained. Then, they admitted the truth.

I think it possible that the Defense Department owes hundreds of millions of dollars in overcharges to the military assistance program.

Mr. Chairman, the defense support program, too, runs true to form. I think I should indicate that "defense support program" is a misnomer. It is, in fact, outright economic aid.

I respectfully urge you to turn to page 2206 of the hearings, where you will find several pages of projects. You may not agree with me, but I think the Chair might have to call you down when you possibly start laughing over some of the projects which they have set up under defense support. Let me give you just a couple of examples of how this program operates. I am referring now to page 2239 of the hearings:

> Mr. GARY. Page 89 indicates you are proposing to set aside up to ——— as a cushion for China's needs for foreign exchange.

The dollar amount is blank, but it runs into millions and millions. And what do they say about that? That it is as a cushion for that country's need for foreign exchange.

Then, referring further to the record:

> Mr. PASSMAN. We have to do this to indicate to them our earnestness? You made that statement, I believe.
>
> Mr. ROSEMAN. If I did, sir, I misspoke.
>
> Mr. PASSMAN. As a token of our earnestness.
>
> Mr. ROSEMAN. Yes.

So, they are setting aside so many millions of dollars—I cannot tell you how much—as a cushion in connection with this country, should they later need it.

Let us take another item under this untouchable and sacred defense support—economic aid in Vietnam. They started a highway system. They said it was going to cost $18,300,000. At a subsequent date they decided to enlarge upon this program, and they amended it by several million dollars more. So my friend, the gentleman from Georgia [Mr. PILCHER], and the gentlewoman from Illinois [Mrs. CHURCH], and others of a special study mission, wrote a report, one of the finest I have ever read, and I have never heard one word to discredit it. The agency gentleman came back and said that this highway was now costing $85 million, but the study mission said it would probably cost $100 million.

I talked to Mr. PILCHER and to the others and decided to do a little investigating, too. We started to interrogate the witness about this matter and he told us that it could not cost $100 million. We recessed the subcommittee, and we got our pencil and paper together and started to put the figures down. When we went back to the hearings he admitted that, with the local currencies involved, it was already up to $129,900,000, for that one highway project. Now, that is the record.

Consider the Johns Hopkins contract, just briefly. Do you realize that we are paying $800 a month for tuition, $4,000 each of tuition, for a class of 20, for about 5-month terms? We find that

some of the ICA people are instructing other ICA people. But we are paying $80,000 for each 5-month course, which is about the highest tuition cost that has ever come to my attention.

As to the new projects, I think there are few Members of this House who realize what we are up against except possibly those on the Foreign Affairs Committee. It is a great committee, and we are not interfering with their prerogatives. We are writing limitations in the bill because these people said, "We do not even read your report." So we wrote some limitations into the bill, to specifically deny the projects. They did not, before, pay any more attention to us than the man in the moon.

These people go out and they throw this money in behind an obligation. Then they come in for new funds. After we give them new funds, we go home, trying to get reelected, and they start deobligating. With the deobligated funds they can start just as many new projects as they want, without justifying them to any committee of Congress. When they come in to us with a continuing category of projects we do not know whether they are old or new ones. If you take the estimated cost and then project the cost to completion, it is evident that these projects can go into hundreds of millions of dollars.

You wonder why the colleges and universities have such a terrific interest in this proposition? We have in force at this time 676 contracts with 56 different colleges, universities, nonprofit institutions, and so forth. The cost is $347,636,700.

Now, a few words about the Development Loan Fund, if I may. You know, and I know, that this is not in fact, a loan. Calling it a loan is a misnomer. Most of us agree on that. This so-called loan is repaid in local currency. We cannot spend that currency in the country until the country agrees for us to spend it. You cannot bring anything out of that country, you cannot spend it in any other country. It is to the credit of that country. If you get any dollars back, the dollars do not go to the Treasury for some other program.

Let us look at the trap in which we have got caught. It simply means that if you give nation A $100 million and you get local currency back, you cannot spend that currency until you reach an agreement with that country. If they do not like it, that $100 million is completely gone.

Do you not think it might be better to give a direct grant than to call this a loan, when you cannot buy anything with it or pay debts with it?

There are going to be some big guns fired today. If you will read the report, I have every reason to believe you will support this committee. I did not ask for this job, but, having accepted the assignment, I have been, and am, determined to do as good a job as possible for the committee, the Congress, and the Nation. I have spent some 300 days this year trying to give you justifications and a report so that you could afford to support and possibly commend this committee, not condemn us.

The conditions involved in this program should be understood. The facts should be brought out into the open.

I trust that as we deliberate this bill later in the day there may be opportunity to detail for you some of the other information I have now on the military that I am not going to divulge until the proper time, but getting it was about as difficult as twisting a rabbit out of a hollow log. But I have it, and I will reveal it at the proper time.

Mr. MERROW. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield briefly.

Mr. MERROW. I received, and I assume every member of the committee received, a letter from the very able gentleman yesterday including a table showing the available amount of money for expenditure in the fiscal year 1961. I ask the gentleman for information. At the bottom, in the recapitulation, the unexpended funds, including unobligated funds, amount to $4,713,665,000. I wonder if the gentleman would tell me what the unobligated funds would be?

Mr. PASSMAN. The estimated unobligated funds amount to $52,014,000. Those funds may not remain unobligated by the end of this fiscal year. They have until then to obligate those funds. But I might say that there will be hundreds of millions of dollars of those funds reobligated, if history means anything. I will have more to say later about that. But, I do want to say to the gentleman, there is more money at this time in the bill than the total amount after this bill had gone through conference last year. Make no mistake about it. All of us know that this bill is going over to the other body, and there will be some adjustments before it is finally completed. So, if you load this bill up here, you do not leave us any room to save any money. I trust that you will support your committee.

Mr. MERROW. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. I yield to the gentleman from New Hampshire.

Mr. MERROW. Did the gentleman say that the unobligated funds amounted to $52 million?

Mr. PASSMAN. Yes; $52,214,000.

Mr. MERROW. Then, actually, according to this table, the new funds you have listed is what is included in this bill plus the unobligated funds and sales receipts, and that money then is the only money for new projects because the rest of this is obligated; am I correct?

Mr. PASSMAN. That is correct, but that is more money than has been provided in the past 6 years.

Mr. MERROW. In view of the fact that this is a procedure which is carried out by all departments of the Government and the Department of Defense itself has unexpended funds as of June 30, 1960, amounting to $31.3 billion and unobligated funds amounting to $7.5 billion, I cannot see how the conclusions in the gentleman's table are an argument against mutual security.

Mr. PASSMAN. I am not arguing against the bill. I am only asking you to support the committee's recommendations for the appropriation.

Mr. MERROW. Excuse me, I mean that the gentleman's table headed "Mutual security dollar funds available for expenditure in fiscal 1961," is not an argument against the mutual security program.

Mr. PASSMAN. I am not arguing against the mutual security program. I am trying to save the mutual security program. If we let this program get completely out from under control again, we will never be able to bring it back under control.

Mr. MERROW. What are the funds available for new projects?

Mr. PASSMAN. If I may point out again, there may be $3,493,204,000 for new projects, which is the greatest amount which has been available for new projects in the past 6 years, since I have been chairman of the subcommittee.

Mr. MERROW. But it is still a cut from what all the experts advise; is it not?

Mr. PASSMAN. What experts are you talking about?

Mr. MERROW. I am talking about the witnesses who testified before our committee.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GARY. Will the gentleman name the experts he is talking about?

Mr. MERROW. You have asked me who the experts are. Well, in conducting a hearing, we ask the people from the Department of State and from the Department of Defense and those who have been living with the problems to testify before our committee. These are the people I refer to as being experts and from the advice of all of these people, the minimum we should appropriate is what the Congress has authorized.

Mr. PASSMAN. They say regularly that we are going to destroy the program if we reduce the appropriation, and then in subsequent years, after we have reduced the funds by a total of approximately $4 billion it is acknowledged that we helped to improve the program as a result of our actions; nevertheless, we continue to be accused of wrecking the program. They make many conflicting claims and statements which in many cases are not supported by the facts. Is that the kind of expert testimony to which you refer?

Mr. MERROW. Then the gentleman claims that it is useless to consult with the departments.

Mr. PASSMAN. I am asking you to listen to our committee. We have never misled you. We base our recommendations upon the facts, and certainly in the interest of our Nation.

Mr. MERROW. Mr. Chairman, on June 14, 1960, I received a communication from the chairman of the Foreign Operations Subcommittee on Appropriations discussing foreign aid. Attached to the letter was a table showing the mutual security funds by program and amount with the note "Available for expenditure" fiscal 1961 which begins July 1, 1960. It is my intention to present an explanation of these figures, and may I state that the conclusion one reaches in respect to the funds involved depends

on his definition of "available." The plain fact is that over 50 percent of these funds are not available for new programs during the new fiscal year as is obvious from an objective evaluation.

This table to which I have referred, by way of recapitulation, indicates that mutual security funds available for expenditure in fiscal year 1961 total $8,154,365,000. It is pointed out in this table that more than half of this amount—$4,713,665,000—is from unexpended funds as of June 30, 1960, from previous appropriations, another 40 percent of the amount is from new funds recommended for appropriation for fiscal year 1961 and the balance—$56,200,000—for fiscal year 1961 from such sources as sales of military materiel, loan repayments and reimbursements from special and technical assistance and ICA administrative accounts.

It will help to clarify this picture if we look to the next fiscal year. It is now estimated that the unexpended balance as of June 30, 1960, will be $4,713,665,000 and the amount of money unobligated as of June 30, 1960, $52,514,000. By subtracting $52,514,000 from the unexpended balance, we get $4,661,151,000. All of this is obligated for various programs and the only money available for new projects from previous appropriations is $52,514,000.

Now should the Congress appropriate $4,086,300,000, the amount we have authorized, the total funds available for the next fiscal year would be $8,799,965,000. This figure is arrived at by adding the assumed appropriation—$4,086,300,000, the obligations— $4,661,151,000, and $52,514,000 unobligated as of now, plus $56,200,000 of sales receipts. On superficial analysis, it would seem to be a large sum of money but actually since $4,661,151,000 is obligated, the only money available for new projects from previously appropriated money would be $52,514,000.

For the purpose of clarification, if the Congress refused to appropriate any new money, then by the end of the current fiscal year, there would be $52,514,000 of unobligated funds plus sales receipts of $56,200,000 to carry on the program and, in a short time, the mutual security effort would come to a halt because the pipeline would be cut. Therefore, by whatever figure the Congress reduces the authorization request, that figure is the amount by which the pipeline for foreign assistance is reduced. It would seem to me that, although if full appropriation were made over $8 million would be available for expenditure, we ought to make it perfectly plain that since considerably more than half of this amount is already obligated, then the only money available for the purpose of continuing the program is what the Congress appropriates plus the small amount of unobligated funds and sales receipts at the end of this fiscal year.

By whatever we cut appropriations, we cut the pipeline and do irreparable harm to the program.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GARY. I gathered from the gentleman's statement that the experts referred to were the gentlemen who were spending these funds and were responsible for the very waste that is pointed out in the report.

What the gentleman is trying to do is not to wreck the program but to point out the waste.

Mr. PASSMAN. The gentleman is correct.

Mr. Chairman, now if I may continue with my remarks, let me say again that although we are dealing here with that portion of U.S. foreign aid which is known as the mutual security program—a name which, incidentally, is a misnomer—let me reiterate that it should be understood that many billions of dollars in foreign-aid funds are not carried in this so-called mutual security bill. The fact, I say to you again, is that the aggregate of foreign aid not carried in this particular bill actually exceeds the amount which is included in the bill. This other aid, apart from the mutual security funds, includes grants and loans under seven separate lending institutions, assistance through the operation of Public Law 480—involving the disposal of surplus agricultural commodities—oversea military construction, and billions of dollars in accumulated foreign currencies.

So, I say to you once more that, overall, the total of our foreign assistance programs since the end of World War II has exceeded the astronomical sum of $100 billion.

As chairman of the Appropriations Subcommittee handling the funds for the mutual security phase of foreign aid, I think I should again note that, year after year, our committee is forced to work against tremendous odds in endeavoring to write a reasonable bill. The pressures and propaganda exerted by and emanating from many quarters are of shocking proportions. The approximately 44,000 employees and 10,000 trainees of the mutual security program, scattered in 77 nations of the world; the White House and the State Department and their prestige; the Defense Department; hundreds of large manufacturers who profit from the program; many colleges and universities which also profit from the program; church organizations; much of the press and other information media—all of these, and literally hundreds of other organizations, inadequately informed or misinformed, or both, are constant and powerful proponents of more foreign aid.

But, as I have already said and documented, the truth of the matter, as consistently developed in the hearings of our subcommittee, in considering the annual requests for funds—and as also stated by the Comptroller General of the United States—is that a major weakness of the program is too much money, and not too little. I tell you again that this is so despite the fact that the actions of our committee and the Congress for the 5 years through fiscal 1960 cut approximately $4 billion from the mutual security budget. It will continue to be true for fiscal 1961, notwithstanding the reduction below the budget in the bill now before you.

In continuing to resist the unwarranted pressure and propaganda for an excessive amount of foreign-aid funds, let me reassert that our committee's efforts are aimed at bringing this grandiose, worldwide spending program under at least a semblance of control. It has been—and it is now—our purpose to provide adequate funds to meet the commitments, but with the decisions made more upon the basis of needs, rather than upon unfounded bureaucratic desires.

Permit me to repeat to you that during the period from July 1, 1945, to June 30, 1959, the United States had extended to foreign countries and international organizations—and this is exclusive of the total for oversea military construction and currencies generated through surplus commodity sales—gross aid amounting to $76,471,617,000.

In addition to this aid, the United States had extended foreign assistance in the form of capital investments in three international financial institutions—the International Bank for Reconstruction and Development, the International Finance Corporation, and the International Monetary Fund—through June 30, 1959, in the amount of $4,795,168,000.

A further form of foreign aid, I remind you once more, is the accumulated foreign currency balances resulting from transactions in connection with sales of agricultural surplus commodities and partial utilization of these funds. On June 30, 1959, such net assistance had amounted to $2,119,764,000.

Total gross foreign aid, including the phases enumerated—but exclusive of oversea military construction—from July 1, 1945, through June 30, 1960, amounts to $87,849,168,000. The amount for fiscal 1960 is estimated.

Then, add to that figure the expenditures for oversea military construction since July 1, 1945, and the aggregate soars to more than $100 billion.

Figures which I have previously presented have shown that as of July 1, 1959, a total of $14.9 billion of foreign aid money was available, under existing legislation, for utilization in the fiscal year 1960 and thereafter—and that sum did not even include the mutual security appropriation for fiscal 1960. A table which I prepared more recently, and distributed to the Members, showed that a total of $8,111,521,750 was available for expenditure in the mutual security program alone in fiscal 1960. This money included $4,837,708,750 in unexpended mutual security funds as of June 30, 1959; $3,225,813,000 in new mutual security funds appropriated for fiscal 1960, and other new funds for fiscal 1960 amounting to $48 million.

Despite all this spending on the part of the United States, it is clearly evident that our foreign aid has not accomplished the purposes for which it was intended. Nevertheless, many of our leaders remain eager to borrow vast sums of money to continue many unbelievably lavish and inexcusably wasteful programs.

However, it is my contention—based upon careful study of our own fiscal affairs and 8 years of close association with the vast and complex so-called mutual security program—that this Nation's financial position is such that this aid must be substantially curtailed.

The U.S. public debt is unprecedented. The Director of the Budget has put our debt and domestic commitments at $\$^{3}/_{4}$ trillion; and that does not take into account our commitments for the future through foreign aid. Our taxes are at the point of being confiscatory. Yet, during the past three decades only five times has our budget been balanced. Our gold reserves stand at about $19 billion; and foreign dollar credits stand at approximately the same figure. If foreigners should call this gold—which they could conceivably do with respect to most of it, if they should so elect—the value of our dollar would become all but worthless.

U.S. Government obligations held by foreigners have been stated at about $12 billion. Government interest payments on these obligations alone are said to amount to more than $500 million annually; and these interest payments themselves constitute another form of foreign aid.

The announced Communist objective is world domination. The prime requisite to block this sinister Red ambition is a sound American economy and, I believe, supremacy in our military power. It is elementary that without a sound economy we cannot defend ourselves. Without superior military might no national and free world strategy is likely to succeed.

But, realistically, what are our leaders doing—and particularly with relation to the mutual security program—toward achieving those goals? The answer must be, relatively little that is effective.

Despite conclusive evidence that, due to obvious uncorrected weaknesses—including inadequate planning and poor administration—the mutual security program has failed to achieve the results its proponents have anticipated toward the strengthening of our own security and the establishment of peace and security for the free world, the President requested a total of $4,175 million in new funds for the program in fiscal 1961. In addition to the mutual security funds, as such, it must be kept in mind that large sums of additional funds will be made available to the mutual security program under Public Law 480, as well as aid given through the numerous other sources.

And the wasteful, lavish spending continues.

Many nations, including some of those which are relatively newly independent, seek to build prestige by constructing huge dams, steel mills, and superhighways before there is need for such grandiose projects. As a result, the International Cooperation Administration, which administers the economic phases of the mutual security program has acceded to far too many requests for such projects; and there have been too many projects begun without proper planning, determination of need, or benefits to be derived. Entirely too much emphasis has been placed on meeting personal desires of the political leaders of the recipient governments; and too little emphasis has been given to commonsense thought and action.

In too many instances there have been a multiplicity of unjustified projects, and, further, inadequate planning has resulted in the undertaking of many impractical and unsuitable projects in numerous countries. Such conditions have led, of course, to more excessive spending and additional waste of U.S. funds.

Examples in documentation of these charges could be cited by the hundreds, and very many of them—some of which I have already reviewed—are illustrated in detail in the record of the hearings of the subcommittee which I have the honor to serve as chairman.

Yet, while the waste runs rampant, each year there has been further shrinkage in the degree of control exercised over the so-called mutual security program by the Congress, and it follows that progressive loss of control of funds inevitably leads to loss of administrative control. But, despite the fact that the American people are being asked to continue to pour vast sums of money into the program, the presidential request for funds in fiscal 1961 again made no suggestion for strengthening congressional control over the programing and expenditure of funds. Nor was any recognition seemingly given to the fact that very many of the projects do not have economic justification, let alone a defense requirement.

The foreign-aid program is administered by an increasingly large number of personnel without noticeable increase in efficiency. This has led to the establishment of an entrenched, self-perpetuating bureaucracy, still growing in size, power, and inefficiency—concerning which the figures speak for themselves. This year, as I have previously pointed out in this discussion, approximately 44,000 personnel are employed in the mutual security program.

Another important factor which should again be brought to attention is the danger inherent in the so-called Development Loan Fund. This Fund continues to be an adjunct of the mutual security program for the making of what are, actually, largely phony loans, rather than undisguised grants. When the Development Loan Fund—which receives most of its repayments in local, or soft, currencies of virtually no use to our own Government—was created, the executive branch sought to give the impression that the making of these so-called loans would result in a reduction of outright grant assistance. But that has not been the case.

Furthermore, testimony in our committee hearings has indicated conclusively that money in the Fund has been earmarked for certain countries without having received from those countries specifications and plans for particular economic projects.

Apart from these unorthodox and inefficient procedures, the Development Loan Fund contributes substantially to the vast amounts of local, or soft, currencies which the mutual security and other aid programs are generating throughout the world, which is a cause for very real concern. There are certain holdings of local currencies of such size that they could not possibly be spent in the foreseeable future.

In the following few paragraphs, I shall sum up some of the practically innumerable documented shortcomings of the program of economic foreign aid, as administered by the International Cooperation Administration.

First. The absence of adequate advance planning, in the form of firm technical and financial plans and reliable cost estimates, and the failure to reach definitive understandings with the recipient countries on essential project elements, is a condition which has led to overprograming, piecemeal financing, and premature obligations. It has also frequently resulted in delays in the execution of project aid and in increased costs.

Second. In several countries, the official exchange rates used by the U.S. Government have substantially overvalued the local currencies in relation to the dollar. The use of such rates has unduly increased the dollar cost of U.S. aid, particularly where its principal purpose was the generation of local currency. Also, the use of these unrealistic exchange rates has certainly provided incentives for speculation and irregular practices.

Third. ICA has not had, for several of its programs and activities, adequate information on the use of aid funds, through a satisfactory accounting from the recipient country and its agencies, and through effective end use investigations and field audits by the ICA oversea missions.

Fourth. In individual countries there has been (a) excessive staffing with local nationals, (b) insufficient pooling of common administrative support functions with other U.S. agencies operating in the same foreign countries, (c) dispersal of assistance efforts over too wide an area and too large a number of individual projects, (d) delays in recruitment of qualified technical and administrative personnel and (e) deficient property management.

Now let me summarize some of the military assistance phases of the foreign-aid program.

First. The programing objectives established by the Department of Defense for our allies, expressed in terms of divisions of troops, squadrons of aircraft, and so forth, have not been sufficiently refined to distinguish between those forces which are justifiable on the basis of military roles and missions and those which are equipped and maintained because of political or other considerations. Furthermore, revision of program objectives in line with the force objectives which participant countries themselves have agreed to support and commit for mutual defense purposes has been unduly delayed, and as a consequence substantial quantities of material have been delivered which are, and will be, in excess of the several countries' needs.

In the lack of adequate refinement for program criteria to establish which countries and which military units shall first receive equipment and supplies, items have been programed for high-priority units which could have been filled from excess equipment in the hands of low-priority units.

Second. Estimates have not been developed—and presented to the committees of the Congress—of the aggregate cost of equipping, maintaining, and modernizing allied military forces approved for support or for otherwise achieving U.S. objectives in the countries being supported. Without these data, it is, of course, extremely difficult to relate the annual appropriation request to the current and projected costs of the program in the recipient countries and the overall objectives of our own Nation, and it is equally as difficult to evaluate program accomplishments in relation to plans presented in earlier years.

Third. Lists of items of military equipment and supplies for recipient countries continue to be developed and used to support annual appropriation requests without sufficient knowledge, in many instances, of the real needs of the countries as determined by the gross requirements of the military units, the equipment assets on hand, or of the countries' capabilities to utilize the material planned for delivery.

Fourth. Military equipment continues to be programed, procured, and delivered to recipient countries without adequate regard for the degree of utilization achieved in those countries. Substantial quantities of material have been programed for delivery to recipient countries to be placed in storage, stockpiled, or otherwise not used in the manner intended.

Fifth. Stocks excess to the military services which should be transferred to the military assistance program without charge, stocks which should be transferred at reduced prices because of condition and market value, and other categories of military equipment have been transferred at prices which have resulted in overcharges to the mutual security program military assistance appropriations. The regulations, procedures, and controls have been ineffective in preventing unauthorized reimbursements to the military services.

Sixth. Funds provided by the United States to support the military budget of many countries have not been adequately controlled to insure that the funds are utilized for the purposes for which they were given.

There is abundant documentation in the more than 3,000 printed pages of the record of the hearings of our subcommittee with relation to the conditions which I have summarized.

Mr. Chairman, surely we must come to the understanding, without further delay, that we can no longer afford political extravagance here in Washington—while our country bleeds with a national debt of $290 billion—which is a greater amount by many billions of dollars than the combined debts of all the other countries of the world.

May I remind that we cannot spend ourselves rich.

We cannot make ourselves secure by giving ourselves away.

We cannot buy friends.

We are told that it is our duty to buy our way of life for countries all over the world. But we cannot, in fact, improve the living standards of most of them by as much as 1 percent, even if we should give away everything we own and treasure.

If we are to win this life-and-death struggle between the United States and Communist Russia, we must think of something else to do other than to spend money—for one reason, even if there were no others, that we are rapidly approaching the time when it is quite possible we shall not have any more money to spend.

I should like to point out also that even if we had no foreign aid spending at all, the United States would be investing—through private industry, charities, and foundations—considerably more abroad than the Soviet Union has been reported to be lending—at a profit—every year.

Mr. Chairman, the waste and the inefficiency of our global foreign aid, only a small part of which I have pointed out to you today, serve as a symbol for growing and uncontrolled extravagance throughout every department and agency of our Federal Establishment.

Foreign aid is now one of the largest items in our Federal budget. Foreign aid expenditures since the end of World War II have cost the American taxpayer, as I previously pointed out, more than $100 billion, an amount which is equivalent to more than one-third of our staggering national debt. The annual interest alone for this part of our debt is in excess of $3 billion.

If we do not want to stop the excessive spending for the Nation's taxpayers, surely we owe it to those who will come after us to assure them the same type of advantages and the same type of country that we inherited. We do not have the right to mortgage American babies still in their cribs or generations yet unborn.

With our national debt at $290 billion, the time has come to cut foreign aid to fit the needs.

I am convinced that we can never hope to hold our own, much less win the cold war, until we, first, stop the spending trend which is leading us toward national insolvency. Not only must our great deficits be reduced, but our staggering national debt must be cut down as well; second, that we stop inflation by practicing prudent economy throughout our Government, just as every individual American could be forced to do if faced with personal distress and possible disaster; third, that we stop the river of waste occasioned by the extravagance and inefficiency of our Government's insistence to perpetuate and enlarge our global aid programs.

I believe sincerely that only if we do these things can we hold our own, and eventually win the cold war.

Mr. TABER. Mr. Chairman, I yield myself 15 minutes.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. TABER. Mr. Chairman, I am going to confine myself largely to items I know will be considered when the bill is read for amendment. I shall not spend too much time on things I feel will not be matters of controversy or matters in which I shall support the committee if amendments are offered. I am going to confine myself largely to the items of military assistance. I believe those items and defense support are the only ones involved in the whole bill that have any justification whatever. Those items I believe they absolutely need for the defense of the United States. I am going to spend my time largely on them because I want to see the United States military situation covered just as well as it can be in these times of stress.

The gentleman from Louisiana referred to a conversation with me about an interview with the President. At the time we were approaching the end of the hearings and the markup. The President had just returned from Europe, and it was impossible to arrange for anything in the days that followed that return. The President had been through a very considerable strain and there are a great many things he has been unable to do that some of us would like to have him do because of that situation.

Frankly, I do not think there is any reason why we should have any such bill as this except where it is needed and where it will do some good in the military situation throughout the world. The military situation, to my mind, is the key of the question. There are all sorts of things involved in connection with that. We have in Taiwan the Chinese situation. If we did not have Taiwan in there and have the things there that we have provided to take care of the threat of Red China, if they did not have an air force and with ammunition, guns, and implements of war, which we supplied them with, we would have trouble to keep the Red Chinese on the mainland from crowding down into Vietnam farther than they have.

We are going to have trouble of that kind, and it is not going to lessen. It will increase, if anything.

The gentleman from Louisiana has indicated that there is a very considerable reduction in the period that he has been chairman of the subcommittee. That is correct.

I am going to read to you from page 2327 of the hearings, the testimony of General Palmer, who is the military man directly in charge of military expenditures under this bill. For a long time he was chief of staff to the Commanding General of NATO. He has come back here with a great fund of experience. I will say for him he had more lucid answers to questions that we have put to him with reference to these particular subjects than any other man who appeared before the committee.

This statement appears on page 2327 as an incident under the heading "Financing Military Assistance":

For a 5-year period, 1955 to 1959, inclusive, the average annual expenditure on the military assistance program was $2.36 billion.

This rate of expenditure was sustained by an average annual grant of only $1.37 billion in new obligational authority, the remainder, an average annually of $1 billion having come each year from unexpended balances of still earlier appropriations.

Seven years ago, on June 30, 1953, these unexpended balances stood at almost $8.5 billion. By June 30, 1960, they will have shrunk below $2.1 billion.

Now, it is absolutely necessary that we have a pipeline of these implements of war to keep shipments rolling to those of our allies who are dependent for their military strength in this situation. It is absolutely necessary that we have money enough so that we can keep those things rolling. It takes from 6 months to 18 months for almost all of the material to go through from the time it is ordered to the time it is delivered. Sometimes, when you are dealing with these new missiles and modern equipment for the Armed Forces, it takes longer than that. Now, we must understand these things. We must think of those things and balance them up so that we understand them.

Now let me go back to General Palmer's statement:

The unexpended carryover will have fallen to approximately $2 billion by June 30, 1960, and the program is also falling. The forecast of expenditure during the current fiscal year, 1960, is $1,830 million, while it is forecast that the program in fiscal year 1961 will be marked by an expenditure of $1.79 billion. In these 2 years there is a drastic drop of $560 million below the rate of the preceding 5 years.

For that reason and because I want to see the situation of the United States and the people of the United States protected, I expect to offer an amendment when the time comes to increase the appropriation for military assistance from $1.6 billion to $1.8 billion. I shall do that because of a sincere sense of duty that to me demands that I do this. I shall do this because I believe it is necessary in these troublesome days, days when it is almost impossible to tell what is going to happen from one day to the next and because I want to uphold the hands of the President of the United States while he is over across the water trying to build up and steam up our allies all over the world. I do not think it is the right thing for this House or the Congress to let him down in view of the situation confronting us.

I do not think we have any business slipping up on our responsibilities. I think we must face them.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ARENDS. The amount of the increase proposed by the gentleman is approximately one-half of the reduction that was made by the committee, is that true?

Mr. TABER. That is exactly correct.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. JUDD. Do I understand correctly that the reason the amount authorized for military assistance in the bill this year is larger than it was last year is because we have been living off the accumulated fat of those years immediately following the Korean war and the Vietnam war, when we appropriated huge sums of money for this purpose; we have eaten down that balance of $8 billion in the pipeline to about $2 billion. So now we have to replenish the pipeline, and that requires more new money.

Does the gentleman give an affirmative answer to that question?

Mr. TABER. Will the gentleman please repeat the question?

Mr. JUDD. Is it not true that we have to appropriate more money this year because we do not have the large pipeline of reserves that was built up in the first part of this decade? And is it not true that last year, when the amount was cut down by $300 million, we were warned that this year we would have to appropriate more money this year to make up for it?

Mr. TABER. That is correct, except this; that as a result of the drawing down of these unexpended balances which represent the pipeline, that item has shrunk year by year during all that period; and on top of the drawing down of those unexpended balances, there has been a very great reduction in the amount of expenditures and the amount of the delivery of the necessities of war to our allies.

Mr. JUDD. So a larger amount, appropriated this year, does not mean that a larger amount will actually be spent than in other years. It means that we have to appropriate more money this year just to keep the rate of expenditures at a reasonably even level.

Mr. TABER. I did not ask that question, but I expect that the figure of $1,790 million which General Farmer used to illustrate the amount that would be expended next year was based upon a $2 billion appropriation of funds in this bill. And with that cut down to $1.6 billion, that figure would be considerably lower. It could not help but be. I just want to be sure to give the right answer to that question.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. PASSMAN. Is it not true that at this point in our deliberations we already have $300 million more than we had last year? We gave them then $1.3 billion, and at this point in the deliberations we are already up to $1.6 billion.

Mr. TABER. This is an increase over last year, but it is not an increase actually because we have to prevent the dropping down of the balances that we need to maintain the Military Establishment. That is the picture.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman.

Mr. RHODES of Arizona. Is it not also true that when the gentleman from New York submits his amendments, if the amendment is adopted, raising the amount to $1.8 billion, that would still represent a 10-percent cut from the budget estimate of the administration, which was supported in the committee by practically everybody who came up to testify?

Mr. TABER. That is correct.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. PASSMAN. It was expected they were all going to testify for the request. That was their purpose in appearing.

Mr. TABER. I think that General Farmer told us what he thought was the truth. He is the ablest gentleman I have seen down there representing anybody during the term I have been a member of that subcommittee, and that is from the beginning of the program right straight through to the present time. I believe he came down there prepared to tell us the truth. I think he is that type of gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. ANDERSEN of Minnesota. I am in full agreement with the gentleman when he states that the military assistance and defense support is really the heart of this bill insofar as the United States is concerned. This has been my judgment from the very beginning of the foreign-aid program, despite the fact that I have often found it necessary to vote against the bill brought before us because it was too liberal in other respects.

I might add to that the point 4 type of assistance which I have long favored but which, unfortunately in my opinion, has been allowed to languish in favor of direct grants for public works and other purposes.

There is in the world today an urgent need for mutual assistance and mutual cooperation on the part of the nations alined on the side of freedom, but I personally believe there is a reasonable limit to the amount of dollar assistance the other nations should expect from us. The term "mutual" seems to be ignored in the planning of the proposals submitted to the Congress and most of what we have before us consists of one-way aid from the United States to others.

Recognizing our own immediate interest in the military part of the whole program, and consistent with our desire to maintain a reasonable ceiling on the entire appropriation devoted to mutual security, would it not be possible in the submission of the gentleman's amendment whereby he seeks to add $200 million to the military assistance item to accomplish that desirable increase by a comparable decrease elsewhere in the bill? In other words, could not this be in the form of a transfer between items and thus avoid increasing the total amount appropriated as recommended by the Committee on Appropriations?

Mr. TABER. The only thing I can say to that is that there are a great many items in the bill which have no strong reason back of them for support as the military assistance has. That is the heart of the proposal, to me.

Mr. ANDERSEN of Minnesota. I am in full agreement with the gentleman on this one point and intend to support his amendment for $200 million more for military assistance. At the same time, I want it clearly understood that I also intend to support reductions in other

items to keep the entire amount appropriated within the total recommended by the committee.

We must not lose sight of the fact that approval of the $3,384,500,000 total recommended by the committee will actually make available to the mutual security program on July 1, 1960, an amount $42,843,250 more than was available in fiscal year 1960. As the committee report shows, $8,154,365,000 will be available for expenditure in fiscal year 1961 if we hold the line on this bill and that is a tremendous sum of money. Any additions appropriated at this time would simply pyramid the program and the Congress would be faced with requests for just that much more money in succeeding years to keep the program going.

From my years of experience in the Congress and as a member of the Committee on Appropriations, precious few reductions in appropriations originate any place other than at the hands of the Congress. The mutual security program is no exception because I have found that the dedicated public servants administering all of our various governmental programs become convinced as to their necessity and the burden of making reductions almost invariably rests on our shoulders here in the Congress.

Economy is seldom a popular course for us to follow, but those of us who have the courage of our convictions are left no alternative and we must fight to hold the line in this constant battle for fiscal responsibility.

Mr. TABER. There are spots in there that could be cut out, especially such foolishness as they have in that technical assistance, where they rent schools at a cost of $34,400,000, where they have people taking courses that would make your heart sick to look at them. That is a very conservative statement. That is no exaggeration.

I think that is all I am going to say at this time. There will be a lot of other amendments offered. If there is occasion as they are offered for me to say something, I will be saying it.

Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, I strongly endorse the minority report to this bill when it states that the cuts proposed to the House "indicate a weakening in the determination and leadership of the United States to hold together the nations of the free world at the very time when the Communist bloc is engaged in a major drive to split it apart."

I, therefore, will support amendments to restore these drastic cuts, at least in part, especially in the military field which I believe is so essential for our own security and that of the free world.

In these last weeks since Premier Khrushchev scuttled the summit conference, the capitals of the free world have experienced a tense expectancy and apprehension as to possible further hostile moves by the Soviet bloc. We wonder where pressure will be exerted next—on exposed Berlin, along the uneasy truce lines in the Far East, or elsewhere along the periphery of the bloc. One conclusion at least seems justified as a result of the summit breakdown, that the United States and its allies are in for a prolonged period of stress, confronted by the full range of possible bloc moves from propaganda to military action. Never short of war itself, have there been such demands on the United States in its role as leader of the free world.

The spotlight is on this Government, and particularly this Congress, to test our strength and earnestness in the face of these increased, even awesome, cold war responsibilities. One of these responsibilities is helping to bolster the free world's military and economic strength, a responsibility we meet largely through our mutual security program.

Through this program we provide military assistance to some 40 countries, to enable our free world partners to maintain 5 million soldiers, 2,200 combatant ships and 30,000 aircraft. Approximately one-third of the economic assistance we provide is used to sustain these large forces abroad, and the remainder comprises loans, technical assistance and grants to underdeveloped countries. This aid for development frequently means the difference between economic stagnation and economic progress for hundreds of millions of people throughout the free world.

President Eisenhower has told us that America's security, and the common defense of the entire free world, depend in a substantial measure on this program of military and economic assistance. Vice President NIXON, the Secretaries of State and Defense, and all the other key members of the executive branch fully support this view. Defense Secretary Gates, for example, recently reaffirmed that military assistance is an essential element in the basic U.S. strategy of collective security. Stressing the mutuality of the defense efforts, he said that only 10 percent of the ground forces that will come under General Norstad's command in time of war are American; in Korea, General Magruder, as the U.N. commander, commands 21 divisions on the line, only 2 of which are American. Moreover, the Joint Chiefs of Staff have stated that they would not want one dollar added to the defense budget for 1961 if that dollar had to come out of the recommended budget for military assistance.

Support for the mutual security program has been, and remains, substantial. Support for the program is bipartisan—both Presidents Eisenhower and Truman have repeatedly urged its continuance, congressional leaders on both sides of the aisle have voted for it year after year, Mr. NIXON and every Democratic candidate for the presidency has endorsed it, and the national party platforms to be adopted next month will certainly approve the program once again.

Public support is widespread. Spokesmen for the United States Chamber of Commerce, the AFL–CIO, and many veterans, civic, church, and other organizations have repeatedly testified on behalf of the program. Opinion leaders in these organizations, in business, in the press, and elsewhere have consistently spoken out for the aid program.

Despite this wide understanding of the need for the mutual security program, there are those who favor major reductions in it. As reported by the Appropriations Committee, the bill which we are to vote on calls for cuts totaling $790.5 million below the amount the President requested for operations of the program in fiscal year 1961. But the President has warned us that such heavy cuts in the mutual security program would mean "a crushing defeat in today's struggle between communistic imperialism and a freedom founded in faith and justice" and "within a matter of months new international tensions and new international problems of the utmost gravity for every one of our citizens."

Now, as the President carries America's message of hope for peace through freedom to the Far East, the Congress must not let him down. By our action on this bill we will once again demonstrate, both to our friends and to our enemies, the strength of our purpose in pursuing our and the free world's security effort.

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I, along with the gentleman from New York and the gentleman from Arizona [Mr. RHODES], and the gentleman from Massachusetts [Mr. CONTE], signed the minority report. As the report indicates, we strongly believe that in two areas the majority made reductions which will have a serious adverse impact on the military assistance and defense support parts of the program. The distinguished gentleman from New York [Mr. TABER] has outlined in several instances a point or two that I would like to reemphasize. It seems to me the best way to analyze the need and the necessity for at least a $1,800 million appropriation in military assistance is to look at the unexpended balances that have been available over the past few years; the annual appropriations that were made available, and the expenditures during the same period of time.

This chart here points up rather dramatically why we need in the fiscal year 1961 a larger appropriation for military assistance than we had during the current fiscal year.

The President requested in the fiscal year 1961, $2 billion for military assistance. The Subcommittee and the Committee on Appropriations have recommended $1,600 million. This is a $400 million reduction, or a 20-percent cut.

If you look at this chart, you will see in 1951 the unexpended balance was about $5¾ billion.

In the fiscal year 1952 and fiscal 1953, you see the unexpended balances raise substantially to a figure over $8 billion. In the interim it has been gradually reduced so that at the end of the fiscal year 1960, the unexpended balance will be slightly over $2 billion, which is, in effect, a pipeline of about 15 months under current procurement practices.

If you look at the green line, you will see that the trend in appropriations in military assistance only. It shows in fiscal 1951 the appropriation was slight-

ly over $5 billion. It raised somewhat in fiscal 1952. It dropped substantially down to slightly over $1 billion in fiscal 1955, and has followed since that time a relatively stable amount, averaging in the past 5 years $1.37 billion annually in new obligational authority.

In fiscal 1960 the current fiscal year, the figure was $1,300 million. This was $300 million less—I repeat, less than what the President requested for the current fiscal year.

Now, if you will look at the expenditure picture, you will find this to be the case. In fiscal 1951, at the beginning of the program, the expenditures were less than a billion dollars per annum. They rose to about $4 billion in 1953 and then leveled off in the last 5 or 6 years to the amount of approximately $2,300 million in each year.

The point, I think, is vividly demonstrated here that we have been living for the past few years off of previously appropriated funds. Our expenditures in the last few years have averaged about $2,300 million per annum. Our annual appropriations have an average approximately of $1,350 million. We have been supporting the military assistance program to the extent of about $1 billion annually for the last 4 or 5 years off of previously appropriated funds.

Frankly, it seems to me, from the testimony I have heard both in our Defense Department hearings and in these hearings is that we are finished living off of previously accumulated funds. The lead time, and I do not believe there is any question about these figures, is about 15 to 18 months for military hardware. If you agree to that, and I doubt if many disagree, then you need a pipeline of about $2 billion. This bill, reported by the full committee, provides new obligational authority for military assistance to the tune of $1,600 million.

That figure, if agreed to, will draw down further our pipeline and, in my opinion, have a serious impact on our military assistance program worldwide, including particularly NATO.

The estimated expenditures in the current fiscal year in this program will be $1,830 million. In fiscal 1961 the anticipated expenditure will be $1,790 million. So if we make available $1,800 million in new obligation authority, as the amendment of the gentleman from New York will provide, we will level off into what I think is a sound program.

The chairman today and on previous occasions has made serious charges about overcharges by the three military services to the military assistance program. In effect, he is saying that the Army, the Navy, and the Air Force in the transfer of military hardware to the military assistance program are making a fast buck. Even if those charges are correct—and I do not agree with that—even if those charges are correct, does it make one bit of difference to the U.S. Treasury? Of course, it does not. We pay the bill as taxpayers whether we finance it through our own Defense Department appropriation or through the military assistance program, the program before us today. So even if those charges are accurate, which I dispute, it does not make a bit of difference to the U.S. Treasury or to the taxpayers.

Now, are these charges accurate? And what difference does it make? In February of this year the General Accounting Office filed a report alleging there were serious overcharges by the Army, Navy, and Air Force to the military assistance program. These charges were predicated upon the field surveys which were made in 1957 and 1958. The allegation is that the overcharges amounted to approximately $450 million. So far the Army has agreed that only $45 million of the overcharges are justifiable. They completely and totally deny that any other overcharges exist. The Navy and the Air Force deny completely that they are guilty of any overcharges.

Gen. Williston B. Palmer, who is the military head of the military assistance program, in a statement to the subcommittee found on page 2387 through page 2391 expressed his department's view on the General Accounting Office allegation. General Palmer also volunteered to have technical witnesses from the three departments present the military viewpoint on these alleged overcharges. Those witnesses were not called by the committee, so we have to go by the statement of General Palmer.

It is a very technical field; it involves an interpretation of what the law is and what the regulations are. As I said before, the Army admits overcharges to the extent of $45 million; they deny the rest. The other two services deny there are any overcharges. But I repeat, from the point of view of the taxpayer, from the point of view of the Treasury Department, it makes no difference whether these allegations are accurate or not, because we either pay the bill through our own Defense Department appropriations or we pay the bill through the military assistance part of this appropriation bill. In my opinion these charges are of no consequence as far as this bill is concerned.

In reality it is a matter which the lawyers of the GAO and the Defense Department can argue over in the future. However, in the meantime let us not jeopardize our military security by slashing this budget request.

The distinguished chairman made the statement during debate today that somewhere between 90 and 95 percent of the equipment in various countries which we have supplied is serviceable today. This was testimony taken a year or two ago before the subcommittee. Apparently it was substantiated in some hearings that the gentleman from Louisiana and the gentleman from Arizona held this spring in Europe. That charge, in my judgment, should be construed as a compliment to the recipient countries that they over the years could accept this material, maintain and keep it serviceable for as long a period as they have.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. How would the gentleman justify the $100 million in materiel shipped to X country which they requested should be held up? It is over there now awaiting redistribution.

Mr. FORD. I believe the gentleman is referring to alleged changes in force structure that were contemplated but at the time of shipment of equipment had not been effectuated.

NATO did set up certain force standards. There was some discussion of possible readjustment. In the meantime the equipment was shipped. I think the facts are that 97 percent was delivered before the force goals were actually reduced. But that is not on the point I was discussing at all at the time I yielded to the chairman.

The fact that a military organization has 95 percent of its equipment serviceable does not really refer to its competence in the military field to fight a war over a period of time. We do not fight a war—never have—simply with the military equipment that we have on hand in the field. We really rely on what we have on hand and the mobilization reserves. The mobilization reserves in our own Army, Navy, and Air Force is many times what we have with troops in the field and thank goodness that is true, because if you are called upon to engage in a shooting war you use what you have first but you call upon your mobilization reserves to continue the fighting. So the charge made by the chairman I do not think has any validity. His allegation that they have 90 percent plus of the equipment which we have supplied as serviceable does not prove a single thing as to their capability to fight a sustained war. This equipment which we are going to provide with the funds made available here will help to build up their mobilization reserves, it will help to maintain their existing forces, and it will provide for force improvement which is highly essential to the security of the United States and the free world.

The distinguished chairman has discussed the fact that certain countries received more than they were able to digest, so to speak. He alleges that about $450 million worth of this material over the years had to be or should be redistributed. It is true some of our military equipment which we have made available to allies after a period of time has become surplus to that country and, therefore, should have been and will be redistributed to other friendly allies. It seems to me that the actual redistribution of military equipment in this way is the best proof of good management.

For example, 5 years ago we gave country X certain equipment. As that country improved its military posture it was found that the country needed new and more modern equipment. Should we leave that old and obsolete equipment in country X in storage, equipment that is out of date, equipment that that country cannot effectively utilize? Should we not take that kind of equipment and transfer it to another country that has a current need for that hardware? That redistribution makes sense to me. I think that is proof of good military management. You redistribute your equipment so that all recipient countries get the best use from it. The country that can absorb and use the most modern equipment should get that, and other countries should receive that equipment which they can best utilize. And, this

process of redistribution simply carries out good management practices.

Now, Mr. Chairman, let me point one or two additional points. As I indicated earlier, the President asked for $2 billion in military assistance. The subcommittee and the full committee has recommended a cut of $400 million, a 20-percent reduction. What will this do to the program as submitted by the President? Four hundred and ninety-five million dollars of the $2 billion requested is for substantially fixed costs, such as infrastructure, headquarters, and administrative expenses. Twenty-five million dollars is for credit sales. Six hundred and fifteen million dollars is to maintain our allied forces at current levels. Now, to cut this request, in the opinion of the Defense Department and the President, means that we would lose ground that we have already made to maintain the forces of our allies at the required levels for their security and for ours. Now, this means that if this cut is sustained, the $865 million requested for force improvement, that is, the money that is requested to bolster up and make more modern our forces, would have to absorb about 80 percent of the cut submitted to you by the committee. It seems to me that this substantial reduction imposed on force improvement is much too great. I believe that the amendment to be offered by the gentleman from New York would be substantially helpful in reducing this adverse impact.

Now, the charge is often made that we are substantially paying for the maintenance of the military forces in NATO and in other areas of the free world. Let me point out that in 1953 the United States actually paid about 28 percent of the cost of maintaining the defense forces of NATO countries. Today, 7 years later, the United States, if this program is carried out, will pay approximately 8 percent of that cost. So, in an interval of 7 years our relative share of the contribution has gone down substantially, from 28 percent to 8 percent.

The charge is likewise frequently made that some of these countries are really cutting back rather than increasing their military expenditures. That is not true in NATO. For example, West German defense expenditures rose from $1.6 billion in 1958 to $2.7 billion in 1959. Great Britain is instituting a 7.6 increase for next year in their defense expenditure. Italy has a 4 percent annual increase in effect. The Netherlands is planning a substantial increase. European NATO countries as a whole spent $13.6 billion in defense in fiscal 1959, a 1-year increase of 11 percent over the $12.2 billion in 1958. The total for fiscal 1961 is now placed at $14.2 billion, again a sizable increase in their expenditures for their security and the security of the free world.

In conclusion I would like to say simply this. It has been said not once but many times that our top military leaders would not subscribe to a reduction in the military assistance program in order to bolster our own military expenditure. It is the opinion of the Joint Chiefs of Staff that the money we spend on this program gets for us and the free world the biggest return.

Consequently General Twining, Chairman of the Joint Chiefs, General Lemnitzer of the Army, General White of the Air Force, Admiral Burke of the Navy subscribe without hesitation or qualification to the figure recommended by the President for military assistance. I refer now to a release dated June 15 from the Secretary of Defense, Mr. Gates. He says:

> The Joint Chiefs of Staff all stated that they would not take one dollar away from the military assistance program in order to augment the funds for their own services. Military assistance is just as much a part of our own national defense as are the appropriations for the Army, the Navy, the Air Force, Central Intelligence Agency, and the Atomic Energy Commission.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentlewoman.

Mrs. KELLY. I should like to try to clarify, if possible, the matter raised by my colleague from New Hampshire, Mr. MERROW, in a question to the chairman of the subcommittee. In speaking of the unexpended balance available, there was reference to $8.1 billion. However, I would like to emphasize—and it is in the report—that there is an unobligated balance of $52,514,000; is that correct?

Mr. FORD. That is an estimate of the unobligated balances at the end of this current fiscal year.

Mrs. KELLY. If you add that to the new money, then I think the Members of the House ought to know that that would be about $3.4 billion available for obligation.

Mr. FORD. For new obligation in fiscal 1961.

Mrs. KELLY. And not $8.1 billion as some might interpret it.

Mr. FORD. The gentlewoman from New York is correct. The difference between $3.4 billion in new money as recommended by this bill and $8.2 billion is a sum that is already obligated, already committed to specific programs and policies; orders on the books, so to speak.

Mrs. KELLY. With the exception of the $52 million. Therefore, in considering this bill we should look to $3.4 billion and not $8.1 billion.

Mr. FORD. The gentlewoman from New York is precisely correct.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New York.

Mr. LINDSAY. I should like to commend the gentleman on his statement. I was particularly interested in his comment that the Joint Chiefs of Staff and the President had recommended even a higher figure than is urged by the minority. Is it not true that this is the minimum figure which they say will do the job, stripped down to the barest essentials?

Mr. FORD. The Joint Chiefs of Staff actually support the $2 billion requested by the President. However I firmly believe they endorse the views of the minority as expressed in the amendment the gentleman from New York [Mr. TABER] will offer. We are trying to recoup all but $200 million of that amount requested by the President.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Illinois.

Mr. YATES. As the gentleman knows, I supported him and the gentleman from New York in the committee. The gentleman has stated the military assistance program is a part of the program of the defense of the United States. In the event this cut stands or there is a larger cut, will not the Armed Forces of the United States have to be increased?

Mr. FORD. I believe we will have to increase our own military appropriation to a substantially larger degree, because it costs much more to do it that way than this way.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentlewoman from New York.

Mrs. KELLY. I believe the gentleman may have stated this in his argument on this bill, but I should like to ask it in this way: Any reduction in the military assistance program would fall most heavily on NATO and that area; is that correct?

Mr. FORD. I believe that is correct, because that is where your principal force improvement expenditure will materialize.

Mrs. KELLY. That is the modernization, and so forth, of NATO?

Mr. FORD. That is my understanding. That is where the missiles and the remainder of the equipment in that category will fall.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Virginia.

Mr. GARY. When the gentleman says we have $2,044 million unexpended as of June 30, 1960, that is not available for new obligation, it is available for expenditures in fiscal year 1961, and as those expenditures are made the materiel which they purchase and the programs for which they are intended will be financed to that extent during 1961. Is not that correct?

Mr. FORD. Those obligations have already been made out of appropriations we made in previous years.

Mr. GARY. But the materiel has not been delivered. It will be delivered in the next fiscal year, as that money is expended during the next fiscal year for the materiel delivered during that year?

Mr. FORD. That is correct. That is for the delivery of hardware which is in the pipeline, this pipeline of 15 to 18 months. The money we put up for fiscal 1961 will be to maintain that pipeline for the following 15 to 18 months.

Mr. MERROW. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from New Hampshire.

Mr. MERROW. I commend the gentleman on the fine presentation he has been making. He has referred to the Joint Chiefs of Staff and others who

have recommended this program. Those were the experts to whom I referred a few moments ago.

Mr. FORD. I thank the gentleman.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Minnesota.

Mr. JUDD. I merely wanted to point out that we could probably cut out the whole military program assistance appropriation in this bill and the deliveries would still go on, but where would we be next year? One reason we have to provide more this year is because of the unwise cut of $300 million below the authorized amount last year. We now have to appropriate an additional amount to make up for the failure to put into the pipeline the necessary amount to keep the deliveries rolling. Is not that correct?

Mr. FORD. That is correct.

I should like to make one statement before ending my remarks. The Secretary of Defense said in this release, dated June 15, 1960:

> In spending military assistance funds, it is necessary first to maintain existing allied forces in good working order and conserve the investment already made. Therefore the proposed reduction must come from cutting down on force improvement, that is, postponing indefinitely the newer weapons. Eighty percent of any cut below the budget request must be absorbed in equipment for force improvement, which includes missiles, electronic equipment, modern aircraft and ships, modernized tanks and combat vehicles, and the like.

I subscribe to the views of the minority which more nearly reflect the recommendations of the President and hope appropriate amendments are approved by the House of Representatives.

Mr. PASSMAN. Mr. Chairman, I yield myself such time as I may require to clear up some misunderstanding.

We want you to consider this matter upon the basis of facts, and nothing else. You know that much of the information that comes down here, especially if it is of such nature as to be helpful to the subcommittee, is classified. I mentioned earlier about a certain nation where it had been suggested that we discontinue shipping materiel. You will find something of that situation on page 2269 of the hearings. And I say further, without fear of successful contradiction, because this letter is dated March 1, 1960, that notwithstanding the fact the military had been informed prior to the completion of the shipment, that the shipping continued to such a point that there is now in excess of $100 million worth of new equipment that has been shipped into that nation.

Again, I invite your attention to the fact that so great has been the dumping of surplus equipment on nations, including material such as modern electronic items and other equipment to five nations alone, that there is probably $2 billion worth of equipment that has been dumped on these nations that they cannot use. Let us face up to it. If you want to see secret testimony—if you want to see secret letters, come over to this side. I am going to make them available. I know that you are all cleared for security. I am not going to be placed at such a disadvantage when I know that this is a strawman being set up. I want to go a little further.

This is not PASSMAN's idea. I have discussed this matter with the distinguished chairman of the great Committee on Armed Services of the other body. I met with him at NATO headquarters in Paris. I talked with him at length. Then, only a day or two ago, he said to me, in effect, "I want you to know, and you may quote me on the floor of the House, I am convinced that this program is adequately financed with what you are recommending."

I went to practically every great military leader on this side of the aisle. They are supporting this recommendation. This is not PASSMAN's idea.

The total amount of advanced weapons in this bill, such as airplanes, electronics, missiles, and so on, is only $611 million. Some of it will not be used until 1961 or maybe 1962 or 1963, because we are facing programs where we have not even signed the agreements with the countries on a matching basis formula. So let us keep this in context. I will be very happy for you to see the secret—the so-called secret—it is stamped "Secret" and I will respect it, of course—but read page 2269 of the hearings. Then come over here and read this secret material. Let me say that instead of a reduction of 20 percent you actually have an increase of 23 percent over what we appropriated last year for the military. I have some more information that I am going to submit when we reach the amendment stage in these proceedings. I am sure you know that the majority of the committee has judged soundly and is on safe ground.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mr. TABER. I wonder, should the gentleman be playing fair with the House in not reading this material to which he refers so we may know what there is to it? If there is anything there that ought to be read, he ought to read it now.

Mr. PASSMAN. It is a secret document. I cannot read it and the gentleman from New York knows that. This is a secret document and you are welcome to come over here and read it.

Mr. TABER. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Chairman, we have before us at this time the all-important, vital mutual security appropriations bill for fiscal 1961, H.R. 12619. Once more we are faced with what tragically has become something of a numbers game.

Each year we seem to go through the same procedure of emphasizing funds available for expenditure in the coming fiscal year while ignoring or shunting aside the far more important factor of new funds to maintain the program at a level adequate for the defense of the free world and adequate to help new, young nations help themselves within the accepted norms of independence and self-determination.

Mr. Chairman, each year we seem intent on approaching the bill with our eyes on the ground, searching for shortcomings with which to whip the program into reduced form, instead of lifting our gaze to the long-term policies and challenges that will be determinative of our fate in the years ahead. To publicize high expenses for maintaining technicians in Iran is essential and constitutes an integral part of our duty as legislators, but to stop there is catastrophic. To do so is to fail to appreciate fully the tremendous successes of the program and the necessity for its continuation on a high plane.

Nothing could illustrate this better than an article in the March 1959 issue of the National Geographic magazine entitled "Life Under Shell Fire in Quemoy":

> The important thing is—
>
> The author states—
>
> that people are eating more and living better.
>
> It is satisfying to an American to know that our foreign-aid dollars have been responsible for this. But what, I wondered would happen now that Quemoy was under fire. Would the program be wasted?
>
> "Wasted? Certainly not," insisted Mr. Hsu. "Look at it this way. If a weak man receives a blow in the face, he may collapse. A strong man can take the same blow and stay on his feet. The strength this program has given the Quemoy farmer in the past 6 years has made it possible for him to survive."

Instead of discussing policy—because that is what we are actually formulating in appropriating for the mutual security program—in addition to considering the expenditure of funds, we tend to concentrate on the latter to the detriment of the former.

Opportunities slip by that can never be retrieved. We ignore the pleas of the President, decide that a halfhearted effort against the grim and total Communist threat will be sufficient, and hamstring the execution of the program by insisting upon more and more inflexible commands in the bill.

Somewhere in the process vision is lost and the chances for our expectations for the future to materialize, are reduced.

The committee report points out that there will be available for expenditure in fiscal 1961, $8,154,365,000. The inference is that we can thereby reduce the amount of new funds to be provided for the program.

Shunted aside, regrettably, is the obvious fact that far more than half of that total is already obligated for projects planned a year or 2 years ago. These projects cannot carry the program forward in 1962 nor meet coming contingencies. Only the moneys we appropriate now can do that, and if we slash them unmercifully we endanger not only the future of the program but the entire free world.

I want to commend the Members who signed the minority report in which is set forth with clarity the consequences of drastic cuts in the military assistance

and defense support aspects of the program.

When it has been estimated by experts that we need to appropriate about $2 billion a year to satisfactorily maintain the military assistance program, it is a serious matter that the bill provides for the appropriation of $1.6 billion. It is difficult to comprehend just exactly what we are saving when we so cut the military assistance program as to imperil the improvement of our allied forces overseas, an improvement deemed necessary by our defense authorities.

The same criticism is applicable to the provision for the Development Loan Fund. Apparently oblivious to the necessary administrative procedures of committing funds prior to their final obligation, the report declares that some $298,850,000 of these so-called committed funds are available for expenditure in fiscal 1961, and therefore, it is inferred, we can reduce the appropriation of new funds to $550 million. As in the case of military assistance, the real factors of long production lead time and careful prior planning which tend to make necessary the existence of sizable amounts of obligated or committed funds, are unfortunately not even discussed.

Mr. Chairman, the President has asked for $4,175 million in new funds to continue the program at a level deemed adequate for free world defense and development. Authorization bills have reduced this to $4,086,300,000. H.R. 12619 reduces the amount available by another $700 million. Most of the cut will come from military assistance, defense support, and the Development Loan Fund. Our foreign policy advisers have requested figures in these categories substantially higher than those provided in the bill. I believe this House should carefully weigh the consequences of ratifying these reductions, and should make every effort to restore the program to the authorized amounts.

Equally distressing as the monetary cuts are the restrictions placed on the use of funds for several important programs, particularly the Indus Basin development program, loans to small farmers, the special program for tropical Africa, and the Puerto Rican Hemispheric Center for Cultural and Technical Interchange.

Not only have we pledged ourselves to contribute to the Indus Basin project, but our failure to provide funds endangers its whole development. The long years of patient negotiation to create agreement on the development of a fertile bread basket out of the Indus deserts will have been for nought. U.S. participation, which would involve, over a 10-year period, the provision of $177 million of grant assistance and $103 million in loan assistance, plus some local currencies, is a prerequisite to the success of this program. The development of the agricultural potentialities of the basin is important not only for India and Pakistan but to the entire free world, since increase of yield in the area will strengthen the two nations and thus benefit the rest of the free countries as well.

The small farmer program is one of high vision designed to enable cooperatives to acquire equipment essential to the cultivation of large acreages which in time will help solve the most basic problem of most underdeveloped nations, provision of an adequate food supply.

The prohibition on the use of funds for the construction of buildings under the tropical Africa program immediately interdicts the raising of small schools and medical structures, two of the most serious needs in these countries.

The elimination of funds for the Puerto Rican Center is to drastically hinder one of the most useful ways of promoting technical skill and knowledge in the Latin America area. The contributions that Puerto Rico has made in the past in teaching skills and processes to our neighbors to the south have been invaluable. Now this admirable program is to receive no boost from us. One of the objectives of President Eisenhower's tour of Latin America in the late winter will be jeopardized.

I do not believe that these prohibitions, these policy determinations, can redound to the benefit of the United States. Instead, I fear that we are once again letting opportunities slip away that in the long run can mean the difference between success and failure in our demanding struggle with communism.

Expert after expert has testified that the intensity of the struggle will increase in Asia, Africa, and Latin America. The elimination of these programs will only cripple our efforts in the very areas where we should be dramatically increasing them.

Mr. Chairman, I hope that efforts will be made to restore much of the funds that have been cut by this bill. Statesmanship and concern for the future of our Nation and of the free world dictate that this is the only wise course. This does not mean that misfeasance is to be condoned. We must continue to root out such situations wherever they occur. It does mean, however, that our approach to the program should not be governed almost entirely by our reaction to these isolated occurrences. We have too much at stake. The Communist challenge to our civilization is too ominous.

Mr. TABER. Mr. Chairman, I yield 8 minutes to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I am not a member of this distinguished committee and I feel rather reluctant to speak on this bill. I have the most profound respect for the distinguished gentleman from Louisiana, as well as for the ranking Republican member on the committee, the gentleman from New York [Mr. TABER]. However, the circumstances surrounding the mutual security program remind me of a situation which developed a short time ago. It happened 2 years ago in California. The coach of a great team out there had lost six games in a row. The gentleman from New York asked him one day what had happened to his team, that it could not seem to win. He said: "Well, the boys have a mental block when they get down to the 10-yard line. When they get down to the 10-yard line, they disintegrate, lose their sense of rhythm and attack." He seemed to emphasize that the 10-yard line, was a psychological barrier or mental hazard. So the gentleman from New York said: "Well, that happens to a lot of teams when they get to the 10-yard line." He said: "I am talking about my own 10-yard line, not the opposition 10-yard line."

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. DOOLEY. I yield.

Mr. CANFIELD. I think the gentleman now addressing the House can qualify as an expert on the 10-yard line. In yesteryear he was Dartmouth's all-American quarterback. Football history shows he was a great scorer, and I believe he still holds an intercollegiate record for forward passes.

Mr. DOOLEY. I thank the gentleman from New Jersey. This was not prearranged, I assure you, Mr. Chairman.

Mr. Chairman, I rise in support of this most important appropriations measure. I deplore the decrease by the Appropriations Committee in the amount requested originally. If ever there was need of a mutual security program—and certainly there has been much need—it is now, now, when our posture in world affairs is critical, and the future status of a number of our allies stands in doubt.

Ever since the U–2 incident splashed itself in headlines across the country, and brought about a volley of vindictive threats from Khrushchev, Americans by and large have been more eager to see our mutual security program implemented effectively. They know, as we know, that without the supplemental support guaranteed to a host of Nations who participate in the program, we would resemble a solitary yet gallant soldier, standing alone in a field of despair.

We do not have to apologize for our military assistance program, for which the bill authorizes almost $1½ billion for carrying it forward.

In addition to the parts of the program included in the authorization, the Executive requested a total appropriation of $2,720 million against authorizations already in effect, of which $2 billion is for military assistance and $700 million for the Development Loan Fund.

We need not defend such a vast expenditure on the basis of generosity, morality, altruism, or responsible leadership in the free-world bloc. Rather can we say that stark reality and objective self-interest dictates that this is a major device to counter the threats of communism.

Because of our mutual security program, it is an established fact that in the event of hostilities only 10 percent of the ground forces that would come under the NATO leaders command would be American troops.

In the volatile Far East, the commander of the allied forces would have to rely largely on non-Americans, to sustain and maintain his forward strategy, in time of war.

Only a small force of U.S. soldiers, sailors, airmen, and marines form a nucleus of an allied force of almost 2 mil-

lion men, which in the event of war would provide a deterrent band of resistance in the Pacific area, rather than on our own western coast.

Of the 21 operational divisions in Korea, only 2 are made up of Americans.

In Spain, there is a close relationship to assure the maintenance of a retaliatory force.

There is no doubt in the mind of anyone who has given even a cursory examination to all segments of the mutual security program that there has been great and unpardonable waste in certain areas, particularly in the field of economic assistance. All too often in the past administrators of the mutual security program have overestimated the capacity of less developed countries to absorb and assimilate our opulent assistance. Then, too, projects have sometimes been initiated for which the United States was not in a position to give intelligent and pragmatic guidance and supervision.

However, it is generally believed by most knowledgeable adherents of the program that our national security and future peace depend in large part on improving the means by which this complex undertaking can be made to work more effectively, rather than to curtail drastically the aims and scope of the program.

One of the chief drawbacks has been the fact that some of the governments receiving military and economic assistance lack previous experience in administrative and technical fields, have little aptitude for mechanical contrivances and modern accounting methods, and sometimes their ethical standards are widely at variance with our own.

In such a program, well-conceived efforts are sometimes thrown into complete confusion by directives from Washington which show no understanding of the complexity of the problem on the local scene. In other words, we must realize that regardless of how painful it may be to our sense of economy there may be cases where there is waste despite all efforts to be meticulous in regulating and supervising expenditures.

Where are these so-called underdeveloped countries? They are Cambodia, Taiwan — Nationalist China — Greece, Iran, Korea, Laos, Pakistan, the Philippines, Spain, Thailand, Turkey, and Vietnam.

No less than 11 of these 12 are in the periphery of the Soviet bloc, and the twelfth is within easy striking range. Superior Communist forces are on the borders of Korea, Taiwan, and Vietnam. Yet, combined, these countries maintain forces of 1 million men. Bilateral treaties exist between the United States and the three countries I just mentioned.

Speaking of those nations we call underprivileged—there is one close to our national threshold that should be receiving aid from us, and if it does not it will surely fall prey to the blandishments of communism. That country is Haiti, and it is teetering on the verge of fiscal chaos and national panic. With Cuba lost to the western orbit, Haiti has increased political significance to us, and if we see it lost it will indeed be a tragic occurrence.

Let me say that the military assistance program is a vital and integral part of our defense. The four Chiefs of Staff make their strategic plans so that we can depend upon effective allied contributions generated by our military assistance program.

The assistance engendered by this program costs us far less than any alternative means of strengthening our defense in equal measure. Some reasons why this is possible are: It costs less to maintain allied forces than American forces. The cost of living in some of our allied countries is only one-tenth of what it is in the United States.

To those who feel we could afford a cut down on our military aid program, let me remind them that within our memory—within the memory of all of us, Russia has absorbed into its boundaries Latvia, Lithuania, Albania, Yugoslavia, Czechoslovakia, and a host of less noteworthy national entities.

Certainly now is not the time to weaken our assistance to our allies—to peoples who, proximate as they are to the Soviets, nevertheless stand up gallantly for their own sovereign rights. Turkey, under the guns of Russia and torn with internal strife, has not waivered in its allegiance to the Western World. Taiwan remains a bulwark of strength close to the shore of Communist China. Spain, regardless of what we might think of its form of government, is the most powerful deterrent force to Russian aggression in Europe today.

The whole trend of current events calls for a continuance of a maximum mutual security program—more so than ever. We cannot at this critical time withdraw the shield of protection for assistance to our allies.

As the well-known majority leader of the Senate said recently—America's one hope of victory lies in standing together with our allies.

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Chairman, I believe that the free world must remain defensively strong if we are to continue to keep the peace.

I know that following World War II some of the leading nations in the world were facing economic collapse. At that time, property damage amounted to billions of dollars and millions of people had lost their lives. The Marshall plan saved our friends in Western Europe.

For nearly 15 years, we carried the mutual security program burden alone. During this period, we appropriated and expended over $80 billion.

The bill before us today provides for $3,384,500,000, for mutual security appropriations for the fiscal year 1961. In addition, an estimated $52,514,000, in unobligated funds as of June 30, 1960, is reappropriated. The major items in this bill and our recommendations are as follows:

Item	Estimates	Recommended	Bill compared to estimates
Military assistance	$2,000,000,000	$1,600,000,000	−$400,000,000
Defense support	724,000,000	600,000,000	−124,000,000
Technical cooperation	206,500,000	184,500,000	−22,000,000
Special assistance	268,500,000	206,000,000	−62,500,000
Other programs	101,000,000	94,000,000	−7,000,000
Contingency fund	175,000,000	150,000,000	−25,000,000
Development Loan Fund	700,000,000	550,000,000	−150,000,000
Total	4,175,000,000	3,384,500,000	−790,500,000

Mr. Chairman, the amount recommended in this bill is fully adequate for the mutual security program for fiscal year 1961.

At the present time, we still have the economic power to win the cold war, but certain changes in our aid and trade programs must take place. Our fiscal integrity must be maintained and we should not jeopardize our economy.

Western Europe is prospering and it is back on its feet. It is busy setting up the Common Market countries' agreement and the Outer Seven trade bloc. Of course, this is right unusual treatment to receive from those who have received so much from us since the close of the war.

Beginning with the Marshall plan, it was to our interest to encourage foreign aid recipients to buy from countries other than our country. We sanctioned restrictions of imports on our own merchandise. We made every possible move to get our friends back on their feet.

Today the situation has changed. Instead of being the recipient of a surplus of balance-of-trade payments, the reverse is true.

Foreign trade is a part of our foreign policy, and certainly the time has arrived when we must talk quite frankly to our friends. With $19.5 billion in gold in this country, we have outstanding claims abroad against our gold amounting to approximately $9 billion. Certain individuals and foreign corporations also hold some 7 billion of our dollars. It requires $12 billion in gold to support the outstanding Federal Reserve notes and deposits in Federal Reserve banks in our country. If the foreign holders of claims demanded their gold, it would simply mean that we would have insufficient gold to back up our Federal Reserve notes and deposits in the Federal Reserve System.

Even though our exports exceed our imports in value, our export of dollars through mutual security, military aid, economic aid, and loans is such that we are permitting a loss in gold credits which has reached the danger point.

Development of nuclear weapons has brought us to the point where warfare can hardly bring victory. Our future course of action must meet present-day requirements. We are living in an age

which requires us to compete for men's minds and hearts.

Accepting the philosophy that our foreign aid program is an investment in strength and democracy still does not mean that the waste in this program should continue.

We know full well that millions of dollars have been squandered in the mutual security program, and in a number of instances our foreign aid dollars have not been used for the purposes for which they were given.

During our hearing, several matters were developed in detail which should now be receiving the attention of the Inspector General and Comptroller.

It was established that a nonprofit institution known as the Governmental Affairs Institute entered into a contract with the ICA on February 12, 1957. This contract was to expire on June 30, 1960. The total amount involved was $1,113,000, and the Governmental Affairs Institute was to advise and guide the plan of organization in Iran using 12 management specialists in various fields. This contract involved technical cooperation and the specialists were to be used in organization, personnel administration, accounting, auditing, budgeting, statistics, and general reports. Beginning on page 1131 of part I of the hearings and continuing through 1206, you will find this sad story.

Of the 12 technicans, 9 were former Government employees. Some received salaries of $18,000 per year, and others were paid by the week and by the day. In one instance, one of the officials of the Governmental Affairs Institute who by the way received a salary of $10,000 a year, also received some $6,025 which represented payments at $100 per day for time spent in Iran and for time spent on this program. Of the total amount involved, $228,530.43 is for overhead; $20,758.15 was for transportation of automobiles; $12,438 was for air freight for excess baggage; $24,605.41 for transportation of household effects; $90,909.85 was for travel of technicians; $20,158.15 was for international travel from here to Iran; $5,368 was for travel allowance in the United States; $12,000 was for out-of-pocket expenses; $39,000 was for a retirement system; insurance premiums totaled $4,653.04; social security taxes amounted to $5,958.98; educational allowances totaled $14,400.51; $18,191.77 was consumed in travel for the senior committee of this institute; and $596,235, is for salaries.

A chart appears on page 1169 covering the period from February 12, 1957, through March 31, 1960. During this period, all of the 16 employees of the Governmental Affairs Institute received total base pay amounting to $408,616.33. One of the technicians received $32,983.69; another received $30,083.33; another received $38,461.75; another received $58,794.91; another received $40,992.26; another received $39,706.24; and so on down the list. You will note that the salaries range from $5,265 to $18,000.

On page 1200 you will find a chart which discloses the fact that the vice president, secretary, and acting treasurer of this nonprofit institute receives an annual salary of $17,000.

The technicians used in the Iran program under this Governmental Affairs Institute contract cost our Government $28,200 per man each year. Technicians employed by ICA under the technical cooperation program cost the Government approximately $17,000 per year. The amount provided for under the Governmental Affairs Institute contract as you can see is nearly double.

We must keep in mind that we have passed the point when the noncommunistic world is willing or forced to look only to us for economic aid. A number of countries assisted by us in the past now believe that we have a competitor in the Soviet Union. Some are now bargaining with Russia and with our country.

We now have problems in our own backyard.

Today, Russia is attempting to exert more influence in Latin America through trade and propaganda offenses than at any time in the past. We know that the 20 Republics of Latin America comprise an area of almost 8 million square miles and the total population is about 185 million, and Latin America is the fastest growing area in the world. While the rate of industrial progress in Latin America in the past several decades has been phenomenal, the economy of the region as a whole is still essentially agrarian and mineral. Too many countries are still dependent upon one native commodity, such as coffee, sugar, copper, or tin. As a consequence, fluctuations in world markets can raise havoc with national economies.

We know that economic progress is a very important factor in preventing the spread of communism in Latin America, but economic progress is not a cure-all. It will not guarantee peace and democracy. But it can provide jobs for the jobless and land for the landless. It can provide satisfactory outlets for restless intellectuals and it can reduce the tensions within, and the clamor for crusades against those outside. It can replace apathy and disaffection with hope and confidence. This should be the nationale for our foreign-aid program in Latin America.

Mr. Chairman, we must remain strong spiritually, economically, and militarily in order to preserve our freedom and the peace of the world. To justify the appropriation of funds for this particular program, it is imperative that we eliminate all waste and duplication. Total funds available for expenditure in fiscal year 1961 amount to $8,154,365,000. The unexpended funds total $4,713,665,000, and this amount together with the new money in this bill, and the reappropriated funds give us the total which I have just mentioned. The amount recommended in this bill is fully adequate for the mutual security program for fiscal year 1961.

Our committee recommends this bill to the Members of the House.

Mr. TABER. Mr. Chairman, I yield 19 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, before proceeding with some of my objections to the cuts in this bill and the restrictive limitations I should like to discuss some of the remarks made by my chairman. I would like to quote from his speech on the floor here today:

> No one is going to tear my figures down, try as hard as you may.

Mr. Chairman, the gentleman sent to every Member of Congress a fact sheet, "Mutual Security Dollar Funds by Program and Amount," showing the total available for expenditure. Having great respect for my chairman, as I do, I took his word; but I thought I would tabulate these on the adding machine for human error. He has a total here of unexpended funds of $4,713,665,000.

In tabulating these figures on the adding machine, the total came to $4,715,565,000.

I further investigated his figures, I became interested and intrigued, and I noticed that on defense support he had an unexpended figure of $758,601,000. I checked the committee report voted on by the majority of this committee and I found in that report the figure was different. Instead of $758,601,000 the committee report, which I understand is correct, is $758,001,000.

I then investigated further, Mr. Chairman, and I found the technical cooperation, bilateral figure in error. In the report that he sent to the Members of Congress he had a figure of $168,417,000. I then again checked the committee report and the committee had a figure of $167,617,000.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield.

Mr. PASSMAN. Those people will change their figures as frequently as the sun rises. All of my figures will stand up to the dollar. If the gentleman does not understand the facts of the matter it is not my fault.

Mr. CONTE. These are the figures he sent around to the Members of Congress. Here is the committee report. These do not come from downtown. Check them, compare the two. Put them on an adding machine.

He mentions the public debt of the United States and says that it is greater than the total debt of all countries we are giving aid to. Let us take his famous cuff-link formula which he used about a hundred times in committee, about the $36 cuff links he bought in Hong Kong. He stated he could sell them in a jewelry store for $165 here in the United States, a ratio of $36 to the $165. However, for the purposes of this analysis, the disparity needs to be flattened out by one-third since only two-thirds of the listed countries are underdeveloped. For general purposes, 25 to 100 or 1 to 4, we find, Mr. Chairman, the total debt of these countries is $236 billion. Using his formula, the cuff-link formula, times four, comes to $944 billion compared with $288 billion of the United States. This is not my formula, this cuff-link formula that we heard so much of in committee.

Mr. Chairman, I rise in support of the amendments that will be put forth here today in the military and defense support fields because I feel that these cuts are of a crippling nature to the pending bill. I am also concerned, Mr. Chairman, with many of the limitations inserted

by this subcommittee on point 4 program.

The chairman can laugh all he wants. He can try to take the prerogative away from the Committee on Foreign Affairs. That is what he is doing here today. There is limitation after limitation here. Only a few weeks ago this Congress endorsed the Indus Basin project in the authorization bill. The chairman says, "I will cut the pins from the Indus Basin project. I will put a limitation in there. They will not be able to spend a plugged nickel." He did that in program after program. He is going to establish the policy of the Nation.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I decline to yield to the gentleman from Louisiana.

Mr. Chairman, I support the mutual security program and am in opposition to a number of crippling features of the pending bill. The minority report stresses two of the significant deficiencies of the bill—the unwarranted heavy reductions in the military assistance program and in defense support—unwarranted on the evidence before the committee—unwarranted by the facts of the world situation—and contrary to the firm and convincing judgment of the President, the Joint Chiefs of Staff, and the Secretaries of State and Defense.

I believe the severe reduction in special assistance endangers both short-run security programs and long-range humanitarian and progressive objectives

I am also convinced that a number of provisions of the pending bill, other than on appropriation amounts, would seriously handicap the United States in the pursuit of our necessary responsible role as a leader in the move toward world peace. Specifically, I oppose the placing of shackles on technical cooperation, the gross delimiting of the contingency fund, the rejection of our necessary part in the solution of the troublesome Indus waters problem, and the illogical narrowing of the special program for tropical Africa.

MILITARY ASSISTANCE

I strongly support the statements by my colleagues from New York and Michigan in regard to the partial restoration of the Military Assistance Acts.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Virginia.

Mr. GARY. Is it not a fact that practically every one of these limitations was supported by the members of the committee on your side of the aisle?

Mr. CONTE. They certainly were not supported by me.

Mr. GARY. That is not an answer to my question. Were they not supported also by members on your side of the aisle?

Mr. CONTE. Mr. Chairman, I can only speak for myself. I oppose them and I took reservations because I knew I was going to speak on them here today.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. I would like the gentleman to know, as he well knows, that I, too, took reservations on the restrictions and I stated specifically before the full committee that I was going to reserve on a number of the restrictions and limitations that were in the bill.

Mr. CONTE. The gentleman from Illinois and I were going to file additional views but, unfortunately, through a technicality, that was ruled out by the chairman.

Mr. PASSMAN. I beg the gentleman's pardon. I was not even consulted relative to such a proposal. What does the gentleman mean when he says that the chairman ruled it out?

Mr. CONTE. I did not say the chairman of the subcommittee. This is the chairman of the full committee.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. If I may clarify that point, I think what the gentleman from Massachusetts meant by that was that he made an inquiry as to whether he could file separate views on the report, and it was the ruling of the chairman of the full committee, and not of the subcommittee, as to the filing of these separate views.

Mr. CONTE. Mr. Chairman, I cannot yield further.

In regard to defense support, the committee proposed $600 million. This is 47 percent below the program just 3 years ago. It is 23 percent below the program of the current year. The Executive has described to us plans for further progressive reduction in the immediate next years for many of the defense support countries. We should all take pleasure in the improvements of the conditions which have permitted these reductions and which promise more reductions in the future. However, make no mistake, Mr. Chairman and Members of the House, it is the improvements in the economic and administrative systems of these nations which makes this possible and not, I repeat, and not because of the aggressive intentions of the Soviet bloc being lessened.

TECHNICAL COOPERATION

In addition to a reduced appropriation, which with authorized carryover will be under the current year's level, this program would be shackled by a restrictive provision in the committee bill. The prohibition against starting technical cooperation projects which are not presented in the Executive's proposed program introduces unworkable rigidity into this bipartisan program.

SPECIAL ASSISTANCE

I also wish to call to the attention of the House the possible harm to our security interest in the serious reduction of $50 million below the authorization which is proposed for special assistance. I am concerned with the very difficult job which will face the President if he has to live with this reduction which is nearly 25 percent below the request, particularly in view of major requirements of vital security interest which must be met from special assistance—strategic airbases in Morocco and Libya, support to Jordan without which violence in the Middle East would almost certainly erupt—oil and communications, as well as the threat of world war involvement—maintenance of effective operations in Afghanistan on the Soviet border and recipent of vast Soviet aid.

These four critical programs with the malaria eradication program which the committee report leaves untouched come to 78 percent of the appropriation proposed. These figures cannot be reduced without hazard. Accordingly, the remaining requirements must be subject to very drastic reduction which the President may find impossible. Other proponents have urged the untouchability of other worthy elements of special assistance. The Committee on Foreign Affairs urged maintenance of the programed figure for the special program for tropical Africa and also in its report recommended a higher level for Israel than was programed by the Executive. The Senate Committee on Foreign Relations recommended retention in full of the African program and the health and related activities.

Consideration of a reduction of almost 25 percent in this appropriation poses a most difficult dilemma to the House, as it will to the Executive. The dilemma is that of the choice between the long-range good and the short-range imperative. The choice is between military bases and full support to the malaria eradication program, between staving off certain collapse of Jordan and aid to American-sponsored schools abroad, between maintenance of an operating toehold in Soviet-courted Afghanistan and the longer run education task in tropical Africa, between averting probable chaos in Bolivia and Haiti and international medical research.

I do not wish to thrust this type of cruel choice on the President. I recognize the clear and present dangers which dictate much of the special assistance program. I subscribe wholeheartedly to the enduring merits and cumulative values contained in its constructive forward-looking elements such as the malaria program. At the low figure in the committee bill, the long-range will inevitably suffer under the pressure of the immediate and urgent.

CONTINGENCY FUND

Mr. Chairman, I also am disturbed by the limitation on the ability of the President to meet security pressures which may occur—a limitation imposed by the restriction on use of contingency funds. The provision on contingency might preclude speeding up or increasing a vital security program as it is now worded. It states that contingency funds cannot be used for projects or activities for which an estimate has been submitted to Congress.

There have been estimates submitted for modernization of armies of a number of allies; for base construction in key areas, that is, the Philippines; for long-range economic stabilization programs essential to political and military posture, as in Turkey.

Activities of these types have had to be accelerated in the past to confront crises—in the Middle East and in the Far East.

Estimates have been submitted for these programs. I fear that the contingency limitation might be interpreted as limiting the ability of the President to accelerate deliveries, rush construction, or otherwise act rapidly and effectively. Reductions already made in the President's request for other categories will require programing below the estimates. Can we afford to prevent the President from using the contingency fund to restore the reductions? I submit that we cannot so handicap ourselves.

INDUS BASIN DEVELOPMENT

The bill reverses the recent action of both Houses of Congress and prohibits U.S. participation in the multination plan to assist in the resolution of the Indus waters question, which has plagued two major and friendly nations for some years. I strongly urge that this provision be stricken so that we may join with the other contributing nations to permit India and Pakistan—with nearly a quarter of the world's population—to address themselves even more fully to peaceful, constructive pursuits.

SPECIAL PROGRAM FOR TROPICAL AFRICA

The Executive has presented a strong case for a long-run program to assist the old and the many new, small nations of tropical Africa to begin to train leaders, administrators, engineers, doctors, and other technical personnel. Without these they will not be able to govern themselves or function in world society and would as a direct consequence sink into chaos—subject to infiltration or exploitation by African or other aggressors.

The bill permits this program of vital education and training to move ahead but refuses funds for construction of training institutes or facilities. This is almost like saying "hang your clothes on a hickory limb, but don't go near the water." To my mind this is absurd and dangerous. We must not allow the advantage—temporary I hope—which the Soviet bloc has gained by rapidly moving to build and staff a technical institute in Guinea to be duplicated elsewhere by imposing limitations on ourselves.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. Is not the most critical thing that is needed in Africa facilities for the training of administrators, personnel, and so forth?

Mr. CONTE. Yes. We are not going to train them in the burning sun down there. We have to have buildings so that we can train them ably. This is the most ridiculous amendment.

CONCLUSION

These are times which call for confidence, in ourselves, in our friends and in the prospects for our form of society in a peaceful world. In this confident spirit—within our demonstrated great capacity—we must continue prudent mutual defensive programs as well as cooperative, constructive activities. The pending bill—in a number of its recommended amounts and in a number of its restrictive provisions—fails to measure up—confidently—to the tasks of security, peace and progress for the United States and the free world.

I hope this Congress in its wisdom will restore back in part, at least, the money in the military assistance program and in defense program which I will offer in an amendment later on today, and take away some of the shackles that now exist, take away some of this restrictive language which will tie the hands of the Administrator of the mutual security program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman give me any idea as to how much in the way of U.S. securities the recipient nations hold? It seems to me I have somewhere seen a figure of approximately $4.5 billion that the recipient nations of this foreign aid handout program hold in U.S. securities—foreign governments, banks, official institutions, and individuals.

Mr. CONTE. Is that the governments or individual holding the securities?

Mr. GROSS. Both.

Mr. CONTE. I think the gentleman will find that those are certain individuals in these countries who hold American securities.

Mr. GROSS. To the extent of $4.5 billion, approximately.

Mr. PASSMAN. Mr. Chairman, I yield myself 1 minute so that I may reply briefly to the able and congenial gentleman, my colleague from Massachusetts, Mr. CONTE.

After having served in the House, as I have, for 14 years—12 years on the Appropriations Committee, 8 years on the subcommittee, and 6 years as chairman—maybe the gentleman will come to have a little bit more faith in the committee. Let me say to the gentleman that I am not going to put out any erroneous figures. I stay in touch with the Department, and I hold in my hand a letter dated May 27, 1960, showing that $79.9 million will accrue to the mutual security program:

Military assistance, mutual security military sales collections, $40 million; Development Loan Fund, receipts from operations, $38 million; defense support, $600,000; bilateral technical cooperation $800,000; and administrative expenses, ICA, $500,000; making a total of $79.9 million.

So, if the gentleman from Massachusetts would like for me to have this letter mimeographed and to send him some copies, I will do so, and he will be in possession of the true facts.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. PASSMAN. Mr. Chairman, I yield 13 minutes to the gentleman from Alabama [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman and members of the committee, I do not believe that if the members took the report of the Comptroller General—and it is in the hearings—and read it, you would have any fear about harm being done to the ICA program under the committee bill. As our chairman pointed out, on November 2, 1959, in the Wall Street Journal, we found this story:

> The State Department, the overseer of the economic and military aid, is pressing for a larger request, officials disclosed, on the ground that congressional paring may reduce the aid requested to dangerous levels.

Those of you who have been around here for a long time know that it is almost a uniform custom of bureaucrats coming to Congress and asking for more money than they need. And, I think that is exactly what happened in this case.

One of the finest Government officials that I have ever known is a member of your party, an appointee of your President, Mr. Joseph Campbell, the Comptroller General of the United States. He is a dedicated, conscientious public official. He came before our committee last year and said:

> If there were less money available, there would be a better job done.

He was speaking of this ICA program. He came back this year on May 16 and again told our committee, and I quote:

> I am still of the same opinion that if the program had more competent people in it, with the present amount of money, they could do a better job.

Now, as our chairman pointed out to you, this program over all will have more money in 1961 than in 1960. It is estimated that there will be approximately a $52 million unobligated balance on July 1.

Now, if you Members would take the time and read the RECORD and find out for yourselves how your tax money is wasted by these people in ICA, I do not think you would have any hesitancy about supporting the subcommittee and the full committee on the amount recommended in this bill. We do not have time to tell you about all the cases of waste, extravagance, and mismanagement. But, we spent 12 weeks checking into this program.

The Comptroller General spent 2 full days with our committee. He said that—

> Equipment has been furnished to many countries in excess of their capability to utilize it adequately, due in large part to the lack of trained personnel. For example, in one country, reports from using units indicate that there are only about 40 percent of the needed radio operators and that receipt of newer, more complex equipment would aggravate this problem.

In other words, in one country they had shipped in far more radio equipment than they had personnel to operate the equipment. He said further:

> In some countries, aircraft have been delivered in quantities in excess of the number of available qualified pilots. For example, in one country there were about two jet aircraft available for each pilot, including instructors.

He said further:

> Our examinations frequently disclose that the program submissions prepared by the MAAG's contain equipment to meet training requirements although like equipment is apparently available from quantities furnished units which are only partially staffed.

For example, 255 tanks were programed for 5 tank battalions having active strengths of only 6 people each, or a total of 30 men for the 255 tanks.

I repeat, this record is literally filled with examples of waste and mismanagement. I am sure you have heard of a very, very plush contract, shall I say, that ICA made with the Johns Hopkins Institute. The total amount involved was but $80,000, but that is not peanuts, as they say in my country. It is a good example to show what a reckless attitude these people have toward taxpayers' money. They made a contract with Johns Hopkins Institute for a lecture course. And that is what it amounted to; it was not a school in any sense of the word, just a series of lectures. And I will say this for them, they lectured those ICA employees to death. Under the terms of the contract they told us that the school was to operate 5 days a week, 8 hours a day, or 40 hours a week. We investigated and found that they did not have classes in the afternoon except once or twice a week. We sent an investigator down on an afternoon to see how the school was being operated. The program of lectures is set out in the record on page 1027 of volume I and I think you will find the subjects on which they were lectured very, very interesting.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Iowa.

Mr. GROSS. I went out to this same institution one afternoon about a year and a half ago, walked in, and there was not a wheel turning in the place.

Mr. ANDREWS. It is a little better now. When our staff investigator went there there was one student and one lecturer, however, there was no lecturing going on at the time.

Mr. GROSS. When I was there there was not a wheel turning.

Mr. CAHILL. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman.

Mr. CAHILL. Will the gentleman explain to me this? I recognize that the gentleman is making a case on the abuses. I am wondering what the committee has done by way of removing from Government service the people who are responsible for these abuses, so that there will be no repetition of them in the future.

Mr. ANDREWS. Unfortunately, this committee has no jurisdiction in that area.

Mr. CAHILL. What recommendations have the committee made?

Mr. ANDREWS. The best way you can stop those abuses is to cut the amount requested, as the committee has done. We do not hire those people, and cannot fire them.

Mr. CAHILL. Has the committee made any specific recommendations in the report or anywhere else as to the responsibility?

Mr. ANDREWS. I think making recommendations to ICA would be like pouring water on a duck's back. They told us they overrode a recommendation we made in last year's report. They paid no attention to it.

Mr. CAHILL. Does not the gentleman feel that the publication of the names of the people who are responsible for these mistakes might accomplish some good?

Mr. ANDREWS. They are in the record.

Mr. CAHILL. The individuals that are responsible?

Mr. ANDREWS. Yes. You will find in the hearings the name of the man who said he was responsible for making the contract.

Mr. CAHILL. He is still connected with the Government?

Mr. ANDREWS. He is still connected with them.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Iowa.

Mr. GROSS. If I read the hearing record correctly, we are spending $100,000 in Israel to teach some of the people of that country how to run banks and lending institutions.

Mr. ANDREWS. I would not say that is a bad program, as bad as some of the others.

Mr. GROSS. I think the people of Israel could teach most of us a lot about banking. They have been in the business a long time. They know how to do it.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. I yield to the gentleman from Virginia.

Mr. GARY. There is considerable money in this bill to improve the farming situation in various countries. It seems to me I have heard some rumors of the fact that our own farm situation is not altogether satisfactory. We might start at home in our farm improvements.

Mr. ANDREWS. In conclusion, let me say this. I want to tell you one other thing about the Johns Hopkins Institute contract, just to show you how your money is being spent. They gave the committee a list of lecturers. Bear in mind that all of the students were well-paid employees of ICA. They are on the payroll at a pretty good salary, if I remember correctly, upward of $8,000 each, some of them $14,000 and $15,000. They are men who have been with the program a long time. They were supposed to go to school 8 hours a day, 5 days a week, and they went only to morning sessions except for a few occasional afternoon sessions.

They gave the committee a list of the lecturers, one of whom was a staff member of a committee over on the Senate side. He heard about it, and he wrote a letter. You will find his letter on page 1327 of part II. In that letter he said he had never lectured at that school, he had never been consulted about lecturing there, and he knew nothing about it. A little thing, but, for that 5-month school, which was supposed to run 8 hours a day, 5 days a week, but which as a matter of fact operated only in the mornings except two afternoons a week, ICA paid Johns Hopkins Institute $4,000 per student. That was the tuition, $80,000 for 5 weeks. I will venture to say there is no institution in the world charging any such tuition fee as that. That is one of the ways in which your money is wasted.

I say to you in all sincerity that I think the amount of money in this bill recommended by your subcommittee and the full committee is ample to get a wonderful job done if they will just bear in mind what Mr. Joe Campbell said: "If there were less money available there would be a better job done."

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, we debate the mutual security appropriation bill today in an international atmosphere charged with great danger to the United States and the other nations of the free world. During the past several months we have seen a rapid decline in the prestige of the United States abroad and a grave increase in tensions between the free nations and the Communist bloc.

Certainly, we have seen a change in the Government in Korea, the situation in Japan, the agitation in Turkey and at no time in the history of our country have we had a period fraught with more danger to ourselves and our allies. At no time in the past have we been in greater need of strong, dependable allies overseas.

Mr. Chairman, it is a recognized fact that the United States cannot stand alone in the battle against communism. For this Nation to attempt to win the struggle alone that is taking place in the world for the minds of men would be to invite disaster. The great effort required to protect the free world and guarantee dignity for mankind depends not only upon the military and economic strength of the United States, but the good will and military resources of our allies in every part of the world.

Our military and defense support programs are essential if our allies are to have the means of resisting communism. It is imperative that we continue these programs, especially at this critical period in our international relations. The Communists fear only strength, and we would be taking a grave risk to the security of the free world if we did not continue to make available to those stanch allies of ours overseas, resources whereby they can join the common goal of the West in preserving freedom.

The mutual security bill, as reported by the House Committee on Appropriations, contains, I believe adequate funds for our military assistance and defense support programs. I believe the funds, as provided by the committee, are necessary to carry on these essential programs. There should be no further reductions in the funds provided, as I fear such action will only increase the tempo of the Communist bloc to intimidate our friends overseas.

I want to make myself abundantly clear. I believe the funds provided and made available in this bill are, in my opinion, much higher than I would have ever guessed several weeks ago. I believe the committee has been very responsive to the changing international

situation. The committee recommends an appropriation of $1,600 million plus the reappropriation of unobligated balances remaining available on June 30, estimated to be $35 million. The recommended amount is $400 million below the budget estimate, but this is important—it is $300 million more than was appropriated for the fiscal year 1960. The recommended amount of $1,600 million plus military sales receipts of $40 million and $2,079,246,000 in unexpended funds as of June 30 will provide a total of $3,719,246,000 for expenditures in fiscal 1961.

Funds are available. The committee recommended appropriations for 1961 of $3,384,500 plus other funds on hand. This will make available $8,154,365,000 for expenditure in the fiscal year 1961. The comparable figure for July 1, 1959, was $8,111,521,750.

In my opinion this will give us adequate funds.

The question has come up as to whether or not under the military assistance section of this bill there are sufficient funds to take care of us in the situation today. It is my candid opinion that there are ample funds and that the committee has taken the international situation under consideration and has made allowances certainly that will give to the State Department and the head of the ICA plenty of room in which to maneuver and to operate. Frankly, there are many instances in this program—I could cite instance after instance, but I am not going to take your time to do so—to show the weaknesses of this program. I certainly have grave doubts as to the accomplishments of this program through the years, because since 1953 it seems to me that our foreign relations are in worse shape, even after we have spent billions and billions of dollars, than they were many years ago when we were not using foreign aid as a basic plank of our foreign policy. I have been opposed to much of the mutual security program in years past but I want to be secure and I will go along with the Committee on Appropriations as far as the military assistance and defense support section of this bill is concerned. There are, however, many other sections in this program which I cannot support. In addition to military assistance and the defense support program, we have the Development Loan Fund, the development assistance, the special assistance, the President's Asian Fund, the President's Contingency Fund, Technical Cooperation, Technical Cooperation United Nations, Technical Cooperation to Organization of American States, Joint Control Areas, Atoms for Peace, the North Atlantic Treaty Organization, the Intergovernmental Committee for European Migration, the United Nations Contingency Fund, the Escapee Program, the UN Children's Fund, the UN Relief Agency, the NATO science program, together with administrative expenses for state and ICA programs. Certainly many of these program have merit, but I must say to you quite candidly I cannot support the entire program as a package. It is regrettable to me that I do not have the opportunity to vote for those programs which I think are worth while and have been of great benefit to the United States.

I have been alarmed at certain things which we have done in some of these programs. For instance, I have expressed my grave concern about the overall policy of our mutual security program, and particularly as to how it might apply under the Development Loan Fund. In many fields we have given out to foreign nations and tried to teach them, and to place in production in their countries the very things which we either grew or manufactured in excess in this country and which we exported to foreign markets.

I have felt very strongly that we should be promoting things which would not bring the chicken back home to roost in a way that would destroy our manufacturing concerns and take the jobs of our American workers. I live in a textile area and am very familiar with the grave problem which the textile manufacturers and the textile workers face with reference to imports of textile goods; all of which have been promoted, nurtured, and expanded with the American tax dollar.

I had intended to offer an amendment under the development loan program which would prohibit the agency from making a loan for a new textile industry in any of the underdeveloped countries. However, I was assured by Mr. Brand, on page 461 of our hearings, that—

> The record will stand to show that in the textile business we have not made a single loan to a textile industry since I have been Managing Director, which is since September, 1959. * * * Although we have had several applications, we felt at this particular time it was difficult to do that without having an impact upon our own economy.

I am glad to know that they are no longer making loans of this type to establish new textile plants which would have an adverse impact on our own economy.

Now I am sure there are many instances of waste in our military assistance program. I strongly feel they should be eliminated and I feel very strongly that we must keep our missile bases within striking distance of the Communists and that at this particular time we must remain strong.

The free nations of the world must remain united if the battle for survival against communism is to be won. Our United States is the last great hope of free men and we should not disappoint those friends of ours overseas who stand with us in the achievement of a just peace and the preservation of human dignity.

Mr. HALEY. Mr. Chairman, I rise in opposition to the proposition that we again appropriate more billions of dollars to continue the wasteful and bungling monstrosity we call a foreign aid program, or a mutual security program. The time has come for this House and this Government to face up to a reality that most of our constituents, the taxpayers of America, already have faced.

That reality is simply this—there may be a great deal of foreign aid in this program, but there is in it neither mutuality nor security. To the contrary, this program is operated in such a manner that it is destroying our own economic security. And once our economic security has been destroyed, so will be the security of our form of government, our way of life, and finally, our identity as a nation.

I prefer to call this a misappropriations bill. This is a program of using our own money to destroy our own economy—using a corporation's income taxes to set up plants in low-wage areas overseas to compete with the American corporation and perhaps force it to shut its plants—of using the dollars of the American wage earner in such a manner as to cost the wage earner his job.

Just last week I read an official announcement from the Labor Department which said the unemployment level in the United States must be expected to remain high for years to come. Of course, it will remain high, Mr. Chairman, if we continue to use our own tax income to destroy the productive capacity of our free enterprise system, then we obviously are destroying the jobs and guaranteeing a high level of unemployment.

I have come to the conclusion that this is a bill which calls for us to export our tax dollars and import unemployment.

I am an accountant by profession and not a lawyer. But I have dealt enough with the making of the law, as a member of the legislature in my own State of Florida and as a Member of this body, to know something about law. I do not think a man must be a lawyer, or must have any particular knowledge of the law, to know that there is no authority in the Constitution of the United States for the making of appropriations such as are called for in this bill, and have been called for in the foreign aid appropriations bills of past years.

The Constitution, Mr. Chairman, says very plainly and very explicitly that "the Congress shall have the power to levy and collect taxes, duties, imposts, and excises to pay the debts, and provide for the common defense and general welfare of the United States." I am quoting from section 8 of article 1.

That provision, in my opinion, prevents us from appropriating—appropriating legally, I mean—money for this type of foreign aid program. That section of the Constitution says that it is the "debts of the United States"—not the debts of foreign nations—that can be paid with the taxpayer's money. That section of the Constitution says that it is for the common defense and the general welfare of the United States, not the defense and welfare of foreign nations, that we have the power to tax and the power to spend.

Now it is the Constitution of the United States which is the supreme law of this land—and not, as some people seem to think, decisions of the Supreme Court. The Congress of the United States has no power to do anything except those things specifically enumerated in the Constitution. Yet we are preparing to exercise here today a power

which the Constitution does not give us. I wonder, Mr. Chairman, what it is that we are doing in the light of the oath we all have taken, to "preserve, protect, and defend the Constitution"?

I would not have my colleagues in the House who are preparing to vote for this bill to take the word of a mere accountant on a legal matter. I can cite numerous opinions of some of the Nation's most distinguished legal minds in support of the viewpoint I am advancing.

Many of you here today served in this House with the distinguished senior Member of the other body from the State of North Carolina. He was regarded in his brief service in the House as having one of its finest legal minds; he is so regarded in the other body. Between his service in this and the other body, SAM J. ERVIN served with brilliance and distinction as a member of the supreme court of his own State. And here is what he has to say on the matter I am discussing:

> I believe that under the Constitution of the United States we have no right to take tax money and spend it for any purpose except that which is calculated to promote the general welfare of the United States. I do not think we are empowered to take tax money and give it to neutrals merely to advance their economic welfare. I do not believe we should take tax money to pay neutrals to remain neutral, because that does not advance the welfare of the United States as a government. If the United States were an institution operating charities instead of operating a government which depends on tax resources for its finances, then I would say it would be all right for the United States to act as a universal Santa Claus. Our Government is not a charitable institution and the Constitution does not authorize it to act as such.

That is what Judge ERVIN said. And to it, I say "amen."

But there are others. Clarence E. Manion is a distinguished constitutional lawyer known to all of us either in person or by reputation. He has served in high positions in our Government, he was for a quarter of a century professor of constitutional law at Notre Dame University, and he was for a decade the dean of the law school of that distinguished educational institution.

And what does Dean Manion have to say on this subject? He said this:

> It is my considered opinion that foreign aid, as presently constituted, is not authorized by the Constitution of the United States.

He said Congress "may not do what it pleases, but merely what is authorized by the Constitution." And he challenged the administration and the Congress, or anybody in it, to "point out the constitutional justification" for what he called—and I may say properly called—"this unpopular and incalculably expensive waste of the taxpayers' money."

For myself, I would be pleased if some of the expert constitutional lawyers, among those who will support this program today, would accept Dean Manion's challenge. I doubt that the challenge will be accepted—because I doubt that the most skilled legal mind among this bill's advocates can find constitutional justification for this appropriation.

I say to you advocates of this bill, if there is one among you who can cite its constitutional support, you would be doing a favor to some of your colleagues who must wonder, as they vote for this misappropriation, what they are doing in the light of the oath they took, on becoming Members of this body, to "preserve, protect, and defend the Constitution."

I shall vote against this bill, because my conscience will neither permit me to take lightly the Constitution itself nor the oath I took to defend it.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, I would like to express my appreciation to the ranking minority member of the Committee on Appropriations for giving me a few minutes to go on record in support of the minority position on this bill and in support of the amendments that will be offered later to restore funds that have been cut from the mutual security appropriation. Of course, the mutual security program is an expensive business, but is it not better to take care of our defense in dollars now than in lives later? I always wonder whether it will take a hot war in order to discover what we should be able to discover in a cold war. I wonder whether the Members who have argued against the program and who have stated that no damage would be caused by the deep cuts in the amounts requested realize that this whole thing has got to be examined in light of the requirements of foreign policy in the world as it exists today. As I see it, the mutual security program is a primary arm of our foreign policy. I believe that substantial damage would be caused to our foreign policy interest, and our own national security if we should allow this bill to go through with the cuts that have been made so far by the committee. For my own part I am not willing to risk the future of our country by withholding my support of amendments that will be offered to restore these amounts.

I listened with great interest to the points made by the distinguished gentleman from Michigan [Mr. FORD] on the military aspects of the program and I must say I am in entire agreement.

There is another aspect to this program, and that is economic aid. In this connection I should like to say a word about the Development Loan Fund. There has not been much said about the DLF in the general debate today, and in a moment I should like to discuss it in greater detail.

Mr. Chairman, only a few weeks have transpired since the House considered and approved by a substantial majority—about a two-thirds majority—the Mutual Security Act itself which authorized the continuation of the program. This was done after cutting $88,700,000 from the authorization request.

Now we have reached the question of how much to appropriate, as distinguished from how much to authorize. Again, as in past years, we run into a strange pattern. Many of the Members of this body who are willing to authorize sums recommended by our Foreign Affairs Committee, after extensive hearings and study, now seem willing to accept appropriations smaller by many, many millions—appropriations which can have no other effect but to make it impossible to carry out the authorities granted only a few weeks ago.

Now why is this the case? Do Members really believe that while the continuation of the program is important and while the appropriation of funds for the program is important, the amounts appropriated do not really make too much difference? Do Members believe that no damage would be caused by the deep cuts recommended in the amount requested? This should be examined in the light of the requirements of U.S. foreign policy in the world as it exists today, for as I stated at the outset, the mutual security program is a primary arm of our foreign policy.

At this very moment we and our allies are again subjected to renewed threats and aggressive behavior on the part of the Communist countries. Their actions are designed to dissuade us from our determination to prevent the aggrandizement of their power. Their actions are also designed to weaken the determination of free peoples on the borders of the Soviet sphere and elsewhere, to pursue their own goals without foreign domination. This mutual security program is one of our main instruments to show the Soviet leaders that our resolve is in no way diminished; it provides the demonstrable evidence to all peoples that we are prepared to persevere in our free world security efforts.

The mutual security program contains provisions addressed to both long-term and short-term foreign policy interests.

Through the military assistance component, which covers half of the requested funds, we are in a very great measure providing a shield behind which free peoples can pursue their livelihood and work toward improving their lot. This meets a short-term need for protection through a powerful deterrent and retaliatory power. It also provides assurance that our intention is to maintain our military strength and the strength of our allies to provide this deterrence over the long run. The plain fact is that without the support which the military program provides, certain key allied forces would simply not be able to play an important deterrent role and their own contribution to collective security would inevitably diminish. The plain fact is also that unless the cut made in military assistance is restored our allies will be weakened and our own defense impaired.

The economic programs also relate to both the short-term and long-term requirements. Under the Defense Support category, assistance is provided to countries which could not otherwise maintain armed forces of 3 million men alert to the dangers of Communist expansion on the periphery of the Soviet Empire. The heavy reduction of $124 million below the President's request will necessarily weaken the economies of these allies and reduce their ability

to support forces we believe are important to the common defense. These funds should be restored.

Assistance under the category labeled special assistance helps maintain the minimum needs for economic stability in highly volatile parts of the world, particularly in the Middle East and North Africa. Certainly the funds deeply slashed from this program should be restored.

But free world security will not be secure very long through defense measures alone and through programs which support only the economic status quo. If we have learned anything from the experiences of the postwar era, it is that the peoples of the less developed countries have come into their own and the satisfaction of their legitimate aspirations is important to us for many reasons. Embedded in these aspirations is a deep and pressing determination to make significant economic progress.

The Development Loan Fund is the principal means we have of assisting them to meet these aspirations since its aim is to promote the expansion of the productive capabilities of the people. The technical assistance program also assists forward progress. The Loan Fund helps them to help themselves because it is with borrowings from the DLF that the countries are building the powerplants, the roads, the manufacturing plants and other facilities which will improve their lot and increase their future self-reliance.

In about 2½ years of lending the DLF has made what I believe is a very significant contribution to vital U.S. interests by providing funds which are available from no other source. All of this financing has been on a loan basis, a method which places the main responsibility for development squarely where it belongs—on the developing country itself.

It has been sometimes stated that the loans by the DLF are not loans at all since repayments are largely in the currency of the borrowing country. It is true that most of the loans are repayable in foreign currency, but over 20 percent of the loans are repayable in dollars, and there is no doubt whatsoever about the commitment to repay on all loans. But this skirts the main point which I believe should have more recognition. That is that, inasmuch as the continuation of development assistance is widely approved by the American people and their representatives, should not this be in the form of loans to the maximum extent possible? Recognizing that there are many situations where grants are still necessary, isn't the loan technique a far better way than any other?

Psychologically, loans foster better relationships between this country and the recipient countries and encourages greater self-confidence and initiative on their part. Loans help remove suspicion about hidden motivations, but most of all, the loan methods utilized by the DLF helps provide a realism about development that has not always been present. The borrower, whether it is a private business firm or a government entity must submit well thought out and documented proposals; it must assess its own priorities and requirements; it must explore the whole range of financial and material resources available to it; it must take the means to establish sound management, sound engineering services and sound methods of accounting for its real requirements and for the operation of the facility when it is completed. All these together add up to a greater sense of direction and greater self-reliance on the part of the less developed country.

Up until now, the appropriations have not been made available to the Development Loan Fund sufficiently large to meet a great many of the important proposals which have come before it. I believe that the Congress should provide it with the $700 million necessary to meet the highest priority development needs, which I repeat, can be financed by no other source of funds since DLF loans are largely to countries with no current dollar repayment capacity. The cut made by the committee to the extent of $150 million to me is indefensible. The funds should be restored.

We are currently faced with a new twist in the unabated Communist effort to subvert the less developed countries in their association with the United States. No doubt they will continue to use all the means at their disposal to do this, because they recognize that the path to world domination is through the teeming cities and impoverished villages of Asia, of Latin America, of Africa, and the other parts of the world where aroused expectations of visible progress have become irresistible and irreversible.

In the appropriations bill now before us we have an opportunity, and indeed a responsibility, to vote for funds adequate enough to make possible growth in freedom and with dignity. I sincerely believe if we fail to support the restoration of funds in this Mutual Security Program and to delete the limitations which will so seriously hamstring it we will be tampering with our own future and that of future generations of Americans.

Mr. TABER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I rise in support of the provisions passed by the Foreign Affairs Committee and accepted by the House. I oppose the cuts and other limitations made by the Appropriations Committee, and urge support of the amendments which will be offered to restore amounts and remove some of the limitations.

I take this time as a member of the Foreign Affairs Committee, which spent many months in detailed hearings on this legislation. It is a little discouraging to find that the bill passed by that committee is being so seriously cut down by the bill now before us. Some of the proposed limitations are just as disastrous as are the lack of funds which are provided.

It was a great privilege to travel on a study mission last year which examined the results and operations of the mutual security program in the Far East and elsewhere. I am sure that I can speak for others who took that trip in saying that we were impressed by what this program has accomplished.

So, I submit to the committee that we should view this program a little more broadly than by focusing on examples of waste here and there, some of which are so far-fetched that we are even told that Johns Hopkins University, one of the greatest educational institutions in the land, is apparently accused of dishonesty in connection with one of these programs. That, at least is the way I interpreted the remarks that have been made in this Chamber, and which I cannot accept.

So I suggest that we take a broader view, and let us look at the world picture. Is this any time to cut back on the military potential of the United States of America? I say no, Mr. Chairman. And, we have been told by the military authorities of our country that these expenditures for military foreign aid are just as important to the defense of our country as are expenditures for our own defense forces. So, how can we accept the proposal of this bill that military foreign aid be cut $400 million?

Second. With regard to these questions of mistakes and waste, I imagine that if we examined the programs of some of the other departments—say the Department of Agriculture, or even the Department of Defense—we could find examples where money had been improvidently spent. But, is that a reason, sir, for cutting down the necessary work of those departments?

Have we any assurance that the way to correct mistakes of judgment and waste is to limit the funds available? It seems to me, sir, that there are other ways of eliminating mistakes and waste; that those problems should be attacked directly, and that if we try to cure them by merely cutting down the amount of money available, we may find that some of this waste and mistakes will still continue but that the programs will be shackled because of lack of funds.

So, I say, let us not hamstring these programs because of these examples of mistakes. We all recognize the difficulties of dealing with these countries all over the world, many of them with different types of civilizations from our own. It is a tremendously difficult program to administer. We must rather bend our efforts to see that the administration of the program is improved.

One of the most important charges made against the present administration is that it has neglected the defenses of the United States; that the defense of our country has been sacrificed to the need for a balanced budget. Mr. Chairman, let those who are making that claim come in here today and make provision for that defense.

Instead of that, what do we see? They come in here and cut down the military assistance program which the Chiefs of Staff and all of our military experts tell us is just as necessary to the defense of our country as is our own defense program.

How can critics say with one breath that the administration has failed to

provide sufficient defense funds for our country and in the next breath come in here and cut down defense funds which are needed for the country?

Mr. Chairman, I want to quote from a speech that was made 2 days ago by a very leading contender for high public office in this country. He said that the summit conference was doomed to failure. Why? Because we had failed to provide adequately for the defense forces of our country and left ourselves in a position of weakness in dealing with the Communist nations.

All right; if that is true, are we going to come in here today and cut down further on the moneys available for our defense?

It is also said that we make insufficient provision for conventional types of troops to fight brush-fire wars. I would suggest, Mr. Chairman, that the forces that are made available through military assistance are in many cases conventional forces. They are the forces that would be needed in that type of war. And yet we are asked today to cut down on the sinews of war necessary for those forces.

Another passage in this speech to which I have referred recommended this:

> Third. We must rebuild NATO into a viable and consolidated military force capable of deterring any kind of attack.

The Draper Commission, Mr. Chairman, came before the Committee on Foreign Affairs last year, and told us that modernization of the weapons of those forces was absolutely necessary. Yet now we are asked to cut down on the fund essential for that purpose.

And finally, going into the economic field for just a moment, I quote from this same speech which received much acclaim, in which it was said:

> Seventh. We must greatly increase our efforts to encourage the newly emerging nations of the vast continent of Africa.
>
> And, as chairman of the Subcommittee on African Affairs of the Committee on Foreign Relations, let me remind the Senate that in a few years, the countries of Africa will control one-quarter of all the votes in the General Assembly of the United Nations.

And yet, here today we are asked to shackle the very programs which will be effective in that vast continent of Africa.

Finally, I remind the committee that the program before us is a nonpartisan program. It was started by the prior administration, and many of those sitting on this side of the aisle supported and commended the action then taken. In this country partisanship ends at the waterfront, and the bill before us is one concerned entirely with the foreign policy of the United States.

The President of the United States, who bears such awesome responsibility for our country's foreign policy, has repeatedly urged that these programs should be carried forward adequately. In his speech of May 2 on strengthening the frontiers of freedom, he said, referring to mutual security:

> No other investment has yielded greater dividends in terms of stability, security, and free world morale.

Let us then join together from both sides of the aisle and see to it that these essential programs are provided with the necessary funds and freed from shackling limitations.

Mr. PASSMAN. Mr. Chairman, I yield 10 minutes to the gentleman from New Mexico [Mr. MONTOYA].

Mr. MONTOYA. Mr. Chairman, initially I want to state that I am in favor of controlled foreign aid. I have voted for the authorization bill in the past and have voted for and supported the appropriations to implement the authorization. I have enjoyed working with the members of the subcommittee under the able direction of our very esteemed chairman, the gentleman from Louisiana. I have nothing but the most profound respect for both the Democratic and the Republican members of the committee who, I know, are dedicated public servants interested in the economical operation of our Government.

On occasion we encounter differences of opinion, but I would never question the motives that generate these differences. The bill which is before this committee at the present time is not the result of overnight gymnastics with figures. It represents months, weeks, days, and long hours of calculated deliberation and study by members who are desirous of promoting the global interstate of the United States and her domestic welfare. I also know that these considerations are the guidelines for any action taken today by any of my colleagues in this House.

Personally, I cannot help but express words of commendation to those public servants who are charged with the most difficult task of administering the program for which money under this bill is appropriated. On frequent occasion we find lack of direction, lack of proper planning, and this might be because of the nature and scope of the program.

The hard fact we must face is that as Members of Congress we must discharge our duties to the fullest extent by exercising fiscal control and responsibility without losing the primary objectives enunciated in the foreign policy pronouncements of the executive department. This is all that this committee has strived to accomplish, even though divergence of opinion may cast a shadow upon these goals.

This bill recommends for the mutual security program an appropriation of $3,384,500,000, which is divided as follows:

Military assistance	$1,600,000,000
Defense support	600,000,000
Technical cooperation	184,500,000
Special assistance	206,000,000
Contingency fund	150,000,000
Development Loan Fund	550,000,000
Other programs	94,000,000

This amount represents a reduction of $790,500,000 from the original budget estimate submitted by the President in the amount of $4,175 million. While the bill carries additional appropriations for other functions, I will try to direct my attention mainly to the aspects of mutual security covered by the above figures which I have cited.

The sum which the committee has recommended is certainly not trivial by any stretch of the imagination. It represents hard-earned taxpayers' dollars which we must make sure are spent with wisdom and fruition. Since the inception of the mutual security program we have heard charges and countercharges made concerning extravagant spending and irresponsible fiscal management. Part of these charges are true and while this should not detract from the advisability of having a mutual security program, we feel compelled to become ever more alert as to how this money is to be spent and what destiny it might nurture in furthering the security of our country. To put the entire mutual security program into discernible perspective we must ask ourselves how much money is available in the pipeline and through the medium of this appropriation for fiscal year 1961. According to figures which we have compiled in the committee there will be available to the executive department for expenditure in fiscal year 1961 the grand total of $8,154,365,000. This total is made up of new, unexpended, and unobligated funds under the present and previous appropriations.

In addition to this fund availability the American taxpayer must continue to bear the cost of U.S. garrisons abroad which total close to $3 billion and the numerous related aid and subsidy programs. Then we have interest payments which are accruing periodically on money that we have had to borrow because of the additional expense represented by the mutual security program. In spite of the fact that the basic appropriation recommended hereunder totals $3,384,500,000 we cannot run away from the inevitable conclusion that the foreign aid cost to our Government and the taxpayers now exceeds $10 billion annually. Can we call this a trivial sum? Is this a dark moment in our history when we can say if we do not appropriate more Russia will step in and take our friends away?

I am not about to admit that our international ties of friendship are bridged by a pipeline of hard-earned taxpayers' dollars. This argument is rejected by the fact that we have lost some of our friends in spite of our monetary overtures. I have no quarrel with the objectives that underlie foreign aid and the promotion of our global security, and I do not believe any single member of this committee does either, but we can certainly not surrender our responsibility to the American people amidst showers of accusations that we are endangering the future posture of our country.

Supporting our position is the record of all these hearings which have been conducted painstakingly. Instances of waste upon waste have been uncovered. I wish that I had the time to cite from the record examples of fiscal mismanagement, or to put it more mildly, misdirection. Citing the testimony of the Comptroller General, page 2269 of the hearings, there is an interesting revelation. I quote:

> For example in one country the MAAG was aware that consideration was being given to deactivation of certain country forces as early as 1957. However, MAP-supported force goals in that country were not adjusted until January 1959 at which time the program was substantially advanced and over

90 percent of the conventional equipment programed had been delivered. In this country quantities of equipment, estimated to exceed $100 million, are now excess to the needs of the forces currently approved or contemplated for MAP support. Although certain of the excesses resulted from deliveries made before there was knowledge of the country's plans for reducing its forces, substantial quantities of unneeded equipment were programed and delivered after the country's plans for deactivation became known.

In another country we were unable to determine how much equipment was delivered for units scheduled for deactivation because the Department of Defense denied us access to information regarding the recipient country's plans. However, at the time of our review, we observed that the MAAG had taken no action to cut back on funded programs although they had been aware for several months that the recipient country was planning to deactivate certain divisions. We were later advised by Department of Defense officials that after our review program revisions and deletions amounting to about $15 million had been made as the result of the reduction in the forces being supported.

Citing another instance again quoting the Comptroller General in his testimony which appears on page 2271 of the hearings:

Equipment has been furnished to many countries in excess of their capability to utilize it adequately, due in large part to the lack of trained personnel. For example, in one country, reports from using units indicate that there are only about 40 percent of the needed radio operators and that receipt of newer, more complex equipment would aggravate this problem. With respect to vehicles, shortages of mechanics in various shops were as high as 50 percent, which was one of the principal reasons for the excessive deadline rate of 30 to 40 percent for wheeled vehicles. In one field artillery battalion, 12 howitzers received in mid-1957 were not fired until the latter part of 1958. Also, we found that rocket launchers and recoilless rifles were fired only two to three rounds each year per weapon in one country.

In some countries, aircraft have been delivered in quantities in excess of the number of available qualified pilots. For example, in one country there were about two jet aircraft available for each pilot, including instructors. At the time of our review, additional aircraft had been programed and were being delivered. Although a number of undelivered aircraft were canceled and the country has agreed to return some of the previously delivered aircraft, the MAAG in this country estimated that there will be excess or only partially utilized aircraft through March 1961. We have recently learned of a cost-sharing plan under which the military assistance program will contribute $75 million toward the production of about 200 additional aircraft of a newer, more advanced design by a contractor in this country. Defense officials have assured us informally that the pilot training problem is receiving active consideration.

The record of the hearings demonstrates another patent difficulty which brings this program into ill repute, namely the need for improved programing at the recipient country level. This is more clearly brought out by the testimony of General Campbell, and I quote from page 2275 as follows:

Our review disclosed overprograming and excessive requisitioning of material resulting from (1) duplication of requirements, (2) failure to properly consider stocks on hand, (3) erroneous stock records, (4) overstatements of dues out to customers, and (5) inaccurate supply data for rebuild activities. For example, the quantity of torque rods on hand or being reclaimed by a machine shop was understated in computing the requirements and resulted in excess requisitioning of units valued at $332,000. Wire spray material was programed for use in 75 wire spray machines; although at the time of our review only 12 of the machines could be located. Requisitions amounting to $502,000 for wool tropical cloth were canceled after our review disclosed adequate quantities on hand or due in. The fiscal year 1960 refined program included a requirement for about 15,000 rolls of glassine paper; however, our inspection showed 18,000 rolls to be in warehouse stocks which apparently had not been considered. One hundred and twenty generators valued at $212,760 were requisitioned in 1958 and were duplicated again in 1959. The corrective action taken by the agency when these and numerous other cases were called to their attention resulted in program reductions of about $6 million and requisition cancellations of about $10 million.

Another glaring example fortifying the need for proper programing is the disclosure reflected in the record of hearings on page 2284 that a certain country was allocated in January 1958, 235 F–86 planes and 186 T–33 planes under the military assistance program and that the Air Force of that country only had 187 jet pilots including instructors, test pilots, and students. I repeat—a total of 421 planes and only 187 pilots, instructors, and students available to fly these planes. So what happened? I quote from the testimony of Mr. Gutmann which appears on page 2284 of the hearings:

In September 1958, 45 F–86 airplanes were in permanent storage. One hundred and thirteen were in temporary storage. At the same time there were also T–33 planes and 5 C–46 planes in permanent storage and 47 T–33 planes in temporary storage. The MAAG has estimated that there will be very little improvement in the situation through March 1961. At that time, after making allowances for tactical training and command support requirements, and after considering aircraft that will be required for inactive schoolwork and those which will be lost through attrition, the MAAG forecasts that ——— will have 101 F–86F planes excess to requirements and an additional 64 which will be only partially utilized. At the same time it is anticipated that there will be 50 excess T–33 planes.

Mr. Chairman, I cite these instances not to be critical in a manner that might indicate animosity toward the entire program; my purpose is constructive. It is designed to impress upon the membership here and the entire country that we must provide checks and balances by constricting spending and exacting thereby strict adherence to prudence and responsible administration by those charged with this responsibility. To give freely is but to encourage the continuation of carelessness. Are we to be called enemies of this program because we try to effectuate and bring about a better return for our dollar? Is our judgment to become subjugated to appeals in the name of national security when in truth and in fact our course of action is directed to the same goals except that our compass is geared to a road of cautious spending and rigid regard for the American taxpayer's dollar?

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. BOSCH].

Mr. BOSCH. Mr. Chairman, I am opposed to H.R. 12619, the so-called mutual security and related agencies appropriation bill for 1961.

It may be well to review the total cost to the American taxpayers of this program from its inception in 1948 to 1959, inclusive. It is reliably reported that the foreign expenditures during these years reached the astronomical figure of $87,077 million. One begins to wonder how much longer the American taxpayers can be burdened with the tremendous cost of this program.

As recently as October 1959 the President of the United States remarked:

Now, any reasonable person will recognize that no nation, even with the legendary strength of an Atlas, could long support the world on its shoulders.

Is it not foolish indeed that 6 percent of the world population, even with all of our natural resources, can indefinitely support 94 percent of the world's population through this type of handout legislation? Yet today do we fully realize that the total foreign aid cost, including interest on what we have borrowed to give away, now exceeds $10 billion annually?

As I stated during the debate of this legislation's authorization bill, H.R. 11510, little good can be accomplished by restating the waste and extravagance experienced over the years in connection with the administration of this program. It is to be noted, however, that billions of dollars are being squandered on a global basis without adequate control and in areas where the American people do not have an opportunity to appraise any results.

Now what is the actual status of our mutual security program as of this time? It appears that the total funds expended and authorized by this legislation total $8,154,365,000. Said total is made up as follows:

Unexpended funds (including unobligated) as of June 30, 1960	$4,713,665,000
New funds recommended for fiscal year 1961	3,384,500,000
New funds (other) for fiscal year 1961	56,200,000
Grand total	8,154,365,000

Referring to the 1959 action by Congress on this mutual security program, we find the amount authorized for fiscal year 1960 was $8,111,521,750 as compared to this year's proposed appropriation for fiscal 1961 of $8,154,365,000. This represents an increase in available funds for fiscal year 1961 over fiscal year 1960 of $42,843,250. It seems to me, Mr. Chairman, to be axiomatic that when a government spends more than its income and mortgages the income of several generations, inflation, collapse of the economy, and a breakdown of the fiscal structure must necessarily follow.

Our esteemed President has stated:

Certainly I know we must find a substitute for the purely temporary business of bolstering the free nations through annual handouts that gets neither permanent results nor friends.

I believe in all sincerity that our foreign aid appropriations have served only to bring an overall progressive Federal extravagance that is destroying the value of our currency and adding impetus toward a collapse of our economy. In view of these convictions I cannot in good conscience support the appropriations provided for in this legislation.

Mr. PASSMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I want to call the attention of the House to the dangerous situation confronting the dairy industry as a result of the gross misuse being made of large quantities of surplus nonfat dry milk under our export subsidy and relief programs overseas.

In testimony before the Committee on Agriculture and in remarks before the House in the last session, I opposed the gift and subsidized sales of Commodity Credit Corporation stocks to be used in the manufacturing of filled milk.

It just does not make sense to have the Department of Agriculture subsidize the movement of one ingredient of filled milk which is being sold in direct competition with our regular commercial exports of natural dairy products.

The dairy producers of my State are directly involved in this question since it permits the removal of butterfat from our milk, contributing further to the surplus of butterfat while helping to create an adulterated product to be sold in competition with our milk.

Furthermore, the good reputation of the American dairy industry as a whole is jeopardized by creating a suspicion that other dairy products in export are filled. It gives competing countries an opportunity to label our products as fraudulent.

At the same time, it undermines the very purpose of our mutual assistance program by contributing to the kind of scandals I intend to bring to the attention of the House today.

Witness the startling article written by Staff Reporter Robert P. Dorang which was published on the first page of the Wall Street Journal on Monday, April 25, 1960:

U.S. FOOD GIVEAWAYS BRING ONLY ILL WILL IN SOME FOREIGN LANDS—FOOD GOES TO BLACK MARKETS, IS SOMETIMES FED TO CATTLE—AGENCIES ARGUE OVER BLAME

(By Robert P. Dorang)

WASHINGTON.—Completely contrary to the Government's purpose, the big program for giving away surplus farm products overseas through private welfare agencies is making Uncle Sam out to be something of an ugly American.

This project has gone sadly wrong in some places, according to reports just received by Congress. In many foreign lands, U.S. food marked "Donated by the People of the United States—Not To Be Sold or Exchanged," has gone into the black market. In others, the free food has been sold to the needy, or to ordinary commercial operators. There has been thievery, interference by foreign governments, and feeding of good food to animals.

Officials of the two Washington agencies concerned—the Agriculture Department and the International Cooperation Administration—readily admit that Federal management of the program has been poor. And yet each of the agencies, which in the past have proudly trumpeted the merits of this particular food-giving plan, is firmly denying responsibility for what has gone wrong.

ICA'S INVOLVEMENT

Though the Agriculture Department supplies the commodities and can demand payment if they go astray, Department officials close to the program profess to be only vaguely familiar with the deficiencies now reported. ICA officials contend their agency became involved quite innocently in something not really its responsibility. One ICA man comments unhappily: "If the situation doesn't change, we might gracefully wash our hands of the whole thing."

Federal men are careful to stress that they are not charging the private welfare agencies with any wrongdoing in connection with the program. Much of the trouble, they say, has stemmed from use of foreign nationals to help in distribution of the food. Few of the private groups are so fully staffed that they can handle the entire job themselves.

What has brought the food scandals somewhat belatedly to light is a report given in a closed hearing to a House Appropriations subcommittee by the ICA. Now made public, the document lists 18 countries where something went wrong in the past 33 months, despite the good intentions of the welfare groups. ICA says most of the sad stories have been verified, although in some instances investigations are not yet completed. Here's part of what the agency has told Congress:

"Israel: Pilferage and widespread diversions to commercial market through illegal sales and exchanges.

"Korea: Unauthorized exchanges of commodities; diversions to black market; and charges of diversions of commodities to other countries.

"Pakistan: Pilferage; and diversion to commercial market through illegal sales and exchanges.

"Philippines: Isolated charges of black marketing.

"Taiwan (Formosa): Charges of padded recipient lists, black marketing and diversions to animal feed.

"Colombia: Thefts of commodities; illegal diversions to commercial channels; and needy recipients required to pay small charges for commodities received."

DIVIDED RESPONSIBILITY

The troubles have stemmed partly from divided responsibility. While the Agriculture Department keeps auditors probing into its domestic donation schemes for wrongdoing, it had none overseas when donations began some 7 years ago. For the job, it tagged the ICA, a State Department agency with foreign aid missions around the world. But as one ICA official states of the auditing, "We did it on a 'when and if' basis."

As the program grew, the ICA complained and last year got four extra auditors on "loan" from the Agriculture Department. Finally the foreign aid agency rebelled and demanded a price for its work—$1 million for the fiscal year starting next July 1. Says Roger Stewart, ICA's man designated to work with the Agriculture Department:

"To a large extent, the operation has been one of trying 'to put out fires' as they occur. In many of our foreign posts, we have not been able to designate personnel * * * who would have the specific responsibility of riding herd on this program."

In newly free Ghana, Mr. Stewart explains, at least two voluntary aid groups were giving food to the same citizens—each unknown to the other. "It was because everything was so new," the ICA official maintains. "When the voluntary agency people began talking to each other, they cut it out."

In Algeria, the French army refused to permit a relief group to do its own distributing, apparently for fear food would "leak" to Algerian rebels. So this program had to be halted; a volunteer agency must maintain control of the food it's disposing, the Agriculture Department requires.

In Brazil, the government refused to let commodities enter duty free, a requirement if Uncle Sam has paid the ocean freight charges. Butter, cheese and dried milk were impounded at the ports and some spoiled.

Food donations through voluntary groups have reached formidable proportions. From the time the program really took hold 7 years ago through last December, it has put down on foreign shores 8.4 billion pounds of food worth $1.4 billion.

From only 24 million pounds in fiscal 1953, shipments rose to 1.9 billion pounds in the 12 months ended last June 30. From then to last December 31, they amounted to 923 million pounds and show signs of approaching 2 billion pounds for the year that will end June 30.

To remedy defects in the donation program, some efforts are now under way. Howard Davis, deputy director of the Agriculture Department's Food Distribution Division, reveals the Agriculture Department and the ICA have already agreed on a "memorandum of understanding" that supposedly would give the ICA much more responsibility for planning and checking into the donation work—not just auditing.

Then, with $1 million the Agriculture Department hopes to get from Congress and transfer to the ICA, about 30 auditing trouble-shooters would be employed to ferret out illegal practices.

May I say, parenthetically, as a member of the subcommittee on agricultural appropriations, it appears that ICA has ample funds to do its auditing without transfers from the Department of Agriculture.

Partial confirmation of the alarming article just referred to is a report that a considerable quantity of surplus nonfat dry milk from the CCC stockpiles—donated through a voluntary welfare group to the Republic of Ecuador for free distribution to the needy—was diverted to an Ecuadorian affiliate of an American firm. It was recombined with coconut oil and water to produce a "filled milk" sold in paper cartons under the American concern's label "Super Milk" at a price only slightly less than the high price charged for whole-cream milk produced in extremely limited quantity in Ecuador.

This scandalous practice was not ended by any positive policing on the part of our administrative agencies or the voluntary welfare group involved. It ceased only because the charitable donations of U.S. nonfat dry milk to Ecuador and other countries were cut off last fall, when the Commodity Credit Corporation suddenly and without advance warning found its inventory of this dairy commodity to be exhausted. This regrettable situation prompted the magazine Barron's National Business and Financial Weekly to publish the following article on page 7 of its February 15, 1960, issue:

The U.N.'s Food and Agriculture Organization is worrying about the world supply of skim milk powder. For 5 years, this country sustained feeding programs in many parts of the world out of "surplus" stocks. Last year, the U.S. supply of dairy products dwindled, thus jeopardizing the welfare

projects which have depended upon American donations. In 1958, U.S. surpluses supplied about 70 percent of the world's so-called exports. Naturally, such massive free shipments have kept low-cost milk producers from developing commercial markets. "Food for peace," the current euphemism for the dumping of farm surpluses, thus is threatening to end in a worldwide shortage for which no relief is in sight.

It is equally surprising to learn that 60 million pounds of surplus nonfat dry milk ordered by the White House last fall to be made urgently available under title II of Public Law 480 to the voluntary welfare groups for free distribution to needy persons in 69 countries overseas, were ordered by the International Cooperation Administration to be packaged in 4½-pound plastic bags labeled simply as "milk," rather than "nonfat dry milk." This raid on the Commodity Credit Corporation inventory prevented the Department of Agriculture from honoring legitimate commitments for nonfat dry milk for established and existing market development projects overseas under title I of Public Law 480.

My colleagues from Minnesota and the other major dairy producing States, and all of our citizens who are concerned over the health and welfare of our Armed Forces both at home and abroad, will join with me, I am sure, in expressing a real interest in the results of the investigation which the distinguished chairman of the House Armed Services Committee, the gentleman from Georgia [Mr. VINSON], has asked the Department of Defense to make. It involves charges of fraud in the sale of nonfat dry milk at the price of whole cream milk to Army, Navy, and Air Force bases, as reported in the following news item which appeared on page 7 of the April 20, 1960, issue of the Dairy Record:

DEFENSE ASKED TO PROBE MILK PROCUREMENT

WASHINGTON.—The Department of Defense has been asked to investigate charges of fraud in the sale of milk to Armed Forces camps by Representative CARL VINSON, Democrat of Georgia, chairman of the House Armed Services Committee.

The Georgia Department of Agriculture asked him to request the investigation.

Phil Campbell, Georgia agricultural commissioner, wrote Representative VINSON charging that powdered milk is being sold to the Army and Navy at the price of whole milk and that the butterfat content of other milk is below the specified level.

He urged an investigation of the entire milk procurement program by the Federal Government. Directly involved were three naval bases at Jacksonville, Fla., the Air Force station at Panama City, Fla., and the Army base at Fort Stewart, Ga.

Prior to his request to Representative VINSON, Campbell had levied fines against three Georgia firms for diluting milk with powdered milk and water (Dairy Record, April 13).

All Members of the Congress, whether directly or indirectly concerned with the problem, have the right to expect that such investigation by the Department of Defense will be thorough and cover the entire milk procurement program for all elements of the Armed Forces, stateside and overseas. Certainly, the Department of Defense should not be permitted any longer to sidetrack or dodge the issue of our armed services openly flaunting the clear intent of Congress by selling or delivering, or causing to be sold or delivered, to our servicemen and attached civilian personnel stationed overseas, the product defined by law as "filled" milk—that product being specifically declared by the U.S. Filled Milk Act of 1923, as amended, to be "an adulterated article of food, injurious to the public health, and its sale constitutes a fraud upon the public. It shall be unlawful for any person to manufacture within any Territory or possession, or within the District of Columbia, or to ship or deliver for shipment in interstate or foreign commerce, any filled milk"—March 4, 1923, chapter 262, No. 2, 42 Stat. 1487.

This indictment is based upon the following news item, the veracity of which has not been challenged, and which appeared on page 5 of the February 10, 1960, issue of the Dairy Record:

BORDEN SELLING FILLED MILK IN BERMUDA TO U.S. SERVICE BASES—DEVON CREAMERY, SUBSIDIARY CONCERN, SELLING TO AIR FORCE BASE THROUGH PX

WASHINGTON.—Two bombshells were dropped here by a Dairy Record representative on Monday of this week when he disclosed (1) that Borden's, through a 40-percent-owned subsidiary, Devon Creamery, is selling filled milk in Bermuda, and (2) that it is being sold to the U.S. Air Force base families through the PX in Bermuda.

The filled milk is being sold in paper containers, and it probably marks the first time that filled milk has ever been sold in other containers than metal cans.

The container bears the usual Borden name in large letters and displays prominently the trademarked "Elsie," the cow, such as used by Borden on their regular milk cartons.

Also appearing in large type is the following: "Homogenized, vitaminized, pasteurized filled milk." At the bottom of the carton, appearing in small letters, is the following: "Recombined by Devon Creameries, Ltd., under license as to manufacture and sales."

STARTED WITH AFFILIATION

It is understood that Devon Creameries had not been in the recombining milk business until its affiliation with Borden.

A chocolate-flavored filled milk is also being sold by the company.

The cartons do not give any information with reference to the ingredients being used, but it is understood that the vegetable oil used in recombining is being shipped from the United States, and reliable sources have indicated that at least some of the nonfat dry milk used is also being manufactured by one or more American firms for shipment to Bermuda. Whether or not it is surplus milk powder supplied by the Commodity Credit Corporation had not been determined at the time Dairy Record went to press on Monday of this week.

PROHIBITS FILLED MILK

Although Dairy Record was unable to confirm the information, it is understood that the Bermuda laws prohibit the sale of filled milk. However, Devon has been granted a special license to sell filled milk to the Air Force. The Navy base there does not sell filled milk.

The disclosure of Borden's activities in Bermuda is certain to create consternation among dairy interests in the United States. The fact that the filled milk is being produced by a Borden-affiliated company no doubt will be of particular concern because of Borden's standing in the industry, and also because of the fear that it will help open the door to filled-milk interests in the United States to knock out the filled-milk laws in this country.

Similarly, in this connection, there is no basis in fact upon which to dispute the sound conclusions reached in the "Behind the News" editorial on page 26 of the February 24, 1960, issue of the Dairy Record, reading as follows:

The Quartermaster Corps purchase description for filled milk states, among other things, "This product is intended for use, when authorized, in areas outside the limits of the continental United States, where a sufficient supply of fresh fluid milk from authorized sources is not available."

Bermuda is only a "whoop and a holler" from the east coast of Florida and it should not present any great problem for the Air Force or the Navy to ferry fresh milk from the continental United States to the U.S. Air Force base at Kindley Field and the U.S. naval base at Kings Point, Bermuda. If it did present an insurmountable problem to the two services, it certainly should be possible for them to transport non fat dry milk and anhydrous milk fat from the United States to those bases for recombination. Already something along this line is being done, for the Borden subsidiary, Devon Creamery, Ltd., at Bermuda, is producing and selling a full cream recombined milk through the commissary of the naval base. The company is also producing and selling a recombined filled milk to the commissary at Kindley Field.

If it is possible to transport nonfat dry milk and vegetable oil from the United States to reconstitute filled milk, why then is it not possible to transport enough nonfat dry milk and anhydrous milk fat to take care of all of the needs of the two services at their bases?

It is difficult to understand the Quartermaster Corps double talk with reference to its specifications concerning "where a sufficient supply of fresh fluid milk from authorized sources is not available."

* * * * *

As was mentioned in this publication (Dairy Record, February 7), filled milk has been sold to the services in Bermuda before Borden got into the picture. The United Dairy Equipment Co., West Chester, Pa., manufacturers of the "mechanical cow" which has been used since World War II on naval ships for recombining nonfat dry milk and anhydrous milk fat, has been in the chocolate-flavored filled milk business in Bermuda for use by the armed services for some time past. It has manufactured filled milk at Kindley Base with its own equipment, and the ingredients are being shipped from Pennsylvania.

Whereas the Borden carton displays the filled milk legend in large bold type, the United Dairy Equipment Co. carton displays the word "milk" in letters 1 inch high in boldface type. Beneath this in one-eighth-inch high letters is printed on the chocolate milk carton "filled milk recombined by," and then beneath that "United Dairy Equipment Co., West Chester, Pa." in large type. The trade name of the product is "Super," which also appears in large letters in reverse type. It also bears the legend that it is "pasteurized, homogenized, and vitaminized."

Incidentally, the paper cartons in which the United Dairy Equipment milk is sold are manufactured in Canada. Borden's are produced in the United States.

In view of the fact that there should be little or no problem in supplying commissaries in Bermuda with fresh fluid milk, or at least recombined whole milk, but which they are not getting, it is almost a safe bet that the Quartermaster Corps is supplying the Air Force bases in Spain, north Africa,

the Middle and Far East, and on the DEW line in northern Greenland and northern Canada with filled milk also.

* * * * *

Members of Congress, judging from press reports, are much disturbed about the contents of an Air Force manual titled "Open Mess Operating Manual," that gives instruction on seven different ways to make a martini, how to stage fashion shows, how and where to round up dates for bachelors, as well as why lollipops should be provided for officers' children. An admonition is also given to those who run the officers' clubs to feed employees, who frequently are enlisted men, cheaper cuts of meat.

Admittedly, Congress should be concerned when a branch of the armed services lays such stress on trivia of this kind. But this commentator maintains that Congress should be much more concerned over the matter of our armed services openly flaunting the intent of Congress with regard to the filled-milk bill.

The language of the bill clearly defines the product as "an adulterated article of food, injurious to the public health, and its sale constitutes a fraud upon the public. It shall be unlawful for any person to manufacture within any territory or possession or within the District of Columbia, or to ship or deliver for shipment in interstate commerce, any filled milk."

On May 11, 1959, in the 1st session of the 86th Congress, I introduced bill H.R. 7146 to amend the Agricultural Trade Development and Assistance Act of 1954, as amended—Public Law 480—for the very simple reasons which I specified at the hearing on that bill before the Subcommittee on Dairy and Poultry of the House Committee on Agriculture on August 3, 1959; namely, that, first, the manner in which the Public Law 480 program has been administered in respect to encouragement of exports of nonfat dry milk, particularly, is contrary to a basic principle of Public Law 480; second, the aggressive promotion of the production and marketing of filled-milk products, made from coconut oil mixed with subsidized nonfat dry milk from the United States, is wrecking normal commercial export markets for natural U.S. dairy products abroad; third, official reports indicate that a vigorous drive is in the making to expand filled-milk production throughout many of the non-dairy-producing nations of the world, which will inevitably redound to the disadvantage of ourselves and of friendly nations who depend upon dairy product exports for a large portion of their foreign trade; and, fourth, the aggressive production and marketing of filled dairy products abroad by our dairy industry, coupled with the encouragement given such operations by our own Government through payment of subsidies under Public Law 480 and other U.S. law, will, over a period of time, result in efforts being made in the United States to produce imitation fluid milk and fluid-milk products.

At that hearing, I further pointed out that H.R. 7146 would serve to accomplish or prevent, among other things, the following:

1. Prohibit sale or disposal, either under Public Law 480 or with the assistance of the Secretary of Agriculture under any other act, of dairy products for use outside the United States for manufacturing filled milk products.

2. Specify that the Secretary may pay subsidies on dairy products other than those purchased under price support. * * * This thought arises from the fact that our major commercial export markets for dairy products concentrate very heavily in evaporated milk and dry whole milk.

* * * it seems to be utterly silly to subsidize exports of one dairy commodity at the expense of normal commercial export marketings of other dairy commodities.

3. Publications of the U.S. Department of Agriculture which I have seen show clearly the subsidization of nonfat dry milk under Public Law 480 and currently under other provisions of the law, has wrecked the export market of the United States for evaporated milk in the Philippines.

Furthermore, it appears that plans are in progress to expand filled milk production and marketing to many other areas, particularly the southeastern Asian area. If this is done, any potential development of export markets for natural dairy products in these areas will have been destroyed.

4. * * *

5. The bill makes more specific that the powers and authorities of Public Law 480 or of any other act shall not be used in a manner so as to disrupt or displace any usual marketings of, or any normal patterns of commercial trade in, any dairy products produced in the United States.

In closing, I would like to state that I am not unmindful of the fact that there are those in the dairy industry who might oppose amending Public Law 480 as provided in H.R. 7146 because of possible loss of some export outlets for nonfat dry milk.

I want you gentlemen to know that I am fully cognizant of such arguments and I do not think they are compelling.

You may not know it, but the district which I represent is one of the heaviest dairy producing districts in Minnesota and in the United States. In the town of Browerville, Minn., there is located one of the largest and most modern nonfat dry milk manufacturing plants in the world. I am sure that the farmers in my area do not want any action undertaken to promote the production of filled milk products abroad nor do they want action taken abroad which may in time lead to serious competition with filled milk products in this country.

In its report No. 908 dated August 15, 1959, the House Committee on Agriculture, to whom was referred the bill (H.R. 8609) to amend Public Law 480 by extending the authorities of titles I and II, strengthening the program of disposals through barter, and for other purposes, having considered the same, reported favorably thereon without amendment, recommended that the bill do pass, and added the following:

During the course of its hearings, the committee received testimony on H.R. 7146 by Mr. MARSHALL which would add a new section to Public Law 480 prohibiting any dairy commodity produced in the United States being sold or disposed of under Public Law 480 for use outside the United States in the manufacture of filled milk or filled cheese.

Testimony indicated that nonfat dry milk exported under Public Law 480 has been used in the recipient country for the manufacture of filled milk, movement of which in interstate commerce is prohibited in the United States, which has in turn been manufactured into an evaporated filled milk product sold in the recipient country in competition with evaporated whole milk imported from the United States. The condition complained of exists particularly in the Philippines where, it was indicated, sales of an evaporated filled milk product have sharply reduced imports of evaporated milk from the United States.

While the operations complained of are not prohibited by law, it is repugnant to the whole intent and purpose of Public Law 480 that commodities exported to another country under the subsidies provided in title I should be used in such country in such a manner as to compete with and reduce exports from the United States to the same country of similar commodities on a commercial basis. The committee believes it is the clear intent of the law that the Department of Agriculture in making its "usual marketings" determinations (which are used as a guide in determining eligibility of a country to receive products under title I) not only of the particular products (in this case nonfat dry milk) but of similar or related products (such as evaporated whole milk) should be taken into consideration.

While the committee did not include this bill in its amendments to Public Law 480, it is in full accord with the objectives of the proposal and has omitted it because it believes this reminder to the Department will accomplish the purpose.

On August 19, 1959, during the floor debate on H.R. 8609, I asked and was given permission to extend my remarks, whereupon I had the following colloquy with my distinguished colleague, the gentleman from Texas [Mr. POAGE]:

Mr. MARSHALL. Mr. Chairman, you will recall that I introduced a bill, H.R. 7146, which would have added a new section to Public Law 480, which, among other things, would have prohibited any dairy commodity produced in the United States being sold or disposed of under Public Law 480 for use outside the United States for filled milk or filled cheese.

My bill also provided that export assistance under any other law could not be granted by the Secretary of Agriculture for the purpose of subsidizing the exportation of nonfat dry milk to be used in the manufacture of fluid milk products abroad.

First, I wish to commend the committee in its report in which it states that the operation which my bill sought to correct "is repugnant to the whole intent and purpose of Public Law 480 that commodities exported to another country under the subsidies provided in title I should be used in such country in such a manner as to compete with and reduce exports from the United States to the same country of similar commodities on a commercial basis."

Secondly, it is noted that the committee stated that while it did not include this bill, H.R. 7146, in its amendments to Public Law 480, "it is in full accord with the objectives of the proposal and has omitted it because it believes this reminder will accomplish the purpose."

Testimony before the House Committee on Agriculture and the Dairy Subcommittee of the House Committee on Agriculture showed that, while the Public Law 480 agreement under which the exportations of which we complained in our bill, is now concluded, yet exactly the same type of subsidization is being carried on under authority of other laws, such as the Agricultural Act of 1949, as amended, the Commodity Credit Corporation Charter Act, and the like.

I feel that the same considerations in expanding or maintaining export markets for U.S. agricultural products under Public Law 480, namely, that the authorities of such law should not be used to interfere with commercial export marketings of similar commodities, should also govern in respect to export subsidization carried out under other laws, even though such consideration is not specifically stated in the laws.

It makes no sense to subsidize one commodity at the expense of the regular export market of another commodity, irrespective of the authority used to accomplish such exportation.

Now to my question: Does your committee agree that the restrictions as to noninterference with regular commercial export markets by subsidies authorized pursuant to Public Law 480 should also guide the Department in respect to subsidization of exports carried out under authority of any other law?

Mr. POAGE. The committee agrees entirely. Certainly, we intended that our surplus commodities should be used to develop, not to destroy, American trade and we surely feel that the same goal should be applicable to all of our export subsidy programs.

When, during the past March, the Department of Agriculture appropriations for 1961 were the subject of consideration at hearings before the Subcommittee on the Department of Agriculture and Related Agencies Appropriations of the House Committee on Appropriations, I was permitted to ask the following question of Mr. Marvin L. McLain, Assistant Secretary of Agriculture. I received the following answer from him, as part 3 of the printed record of those hearings, under the heading "Prohibitions Against Aiding in Manufacture of Filled Milk Outside the United States," at pages 560–561, discloses:

Mr. MARSHALL. What, if any, steps have been taken by the U.S. Department of Agriculture either by internal directive, regulation, instruction, or otherwise, to assure compliance by all elements of said Department with the reminder to the Department contained in the Committee on Agriculture Report No. 908 to accompany the Cooley bill, H.R. 8609 of the 1st session of the 86th Congress and the colloquy which I had with Congressman POAGE, of Texas, on the floor of the House on August 19, 1959, when the Cooley bill was being debated, both of which were aimed at accomplishing the purpose of my bill, H.R. 7146; namely, to guarantee that no dairy product produced in the United States will be sold or disposed of pursuant to Public Law 480, or with the assistance of the Secretary of Agriculture under any other act for use outside of the United States for manufacturing, blending, or compounding of filled milk or filled cheese, or have the effect of disrupting or displacing any usual marketings of, or any normal patterns of commercial trade in, any dairy commodity produced in the United States?

Can you supply that for the record?

Mr. MCLAIN. We will do the best we can.

(The information referred to follows:)

"The Department has taken steps to assure that nonfat dry milk sold under Public Law 480 is not used in the manufacture of filled milk or cheese."

The assurance thus given by Mr. McLain that henceforth the Department of Agriculture will abide by the intent of Congress as regards its nonfat dry milk disposition activities under Public Law 480 is commendable, indeed. However, it fails to assure the Congress that no surplus nonfat dry milk produced in the United States will be sold or otherwise disposed of out of the Commodity Credit Corporation inventory with the assistance of the Secretary of Agriculture under any act other than Public Law 480 for use outside of the United States for manufacturing, blending, or compounding of filled milk or filled cheese, or have the effect of disrupting or displacing any usual marketings of, or any normal patterns of commercial trade in, any natural dairy commodity produced in the United States.

That this is a real and cogent problem, harboring the potential of grave harm to the dairy industry of the United States, is borne out by Mr. McLain's answer to my further question, put to him in the course of his testimony at the aforementioned Hearings on the Department of Agricultural Appropriations for 1961—part 3, hearing record, page 562—as follows:

Mr. MARSHALL. Aside from Public Law 480 is it not true that CCC can subsidize exports for nonfat for use in filled milk under its charter without reference to Public Law 480 or this could also be accomplished under other legislation?

"This would be possible."

Not only would this be possible, as Mr. McLain's answer suggests, but it is a fact that since the reminder to the Department there were effected, with the assistance of the Secretary of Agriculture and under the aegis of the International Cooperation Administration pursuant to section 402 of the Mutual Security Act of 1944, shipments of surplus nonfat dry milk out of the Commodity Credit Corporation inventory to the Philippine Islands for use in the manufacture of filled evaporated milk.

Since then, and on February 1, 1960, the Department of Agriculture, Commodity Stabilization Service, Livestock and Dairy Division, issued announcement LD–33, entitled "Sales of Dairy Products for Export," and setting forth the ground rules on "how to submit competitive bids to buy butter, Cheddar cheese—cheese—and nonfat dry milk—milk—from Commodity Credit Corporation—CCC—for export." Pursuant to this bid procedure, sizable quantities of CCC nonfat dry milk have been purchased by, among others, the American concerns which operate filled milk plants in the Philippine Islands or have been the regular suppliers thereto, and by the American concerns which, in the past, were the regular suppliers of the nonfat dry milk requirements for the filled milk plants servicing the PX operations of the U.S. Air Force at Kindley Field, Bermuda.

To determine if such CCC nonfat dry milk, so sold pursuant to announcement LD–33, has been or is being thus utilized, I put the following further question to Mr. McLain during his testimony at the aforementioned hearings on the Department of Agriculture Appropriations for 1961, and received the following answer—part 3, hearing record, page 559:

MANUFACTURE OF FILLED MILK OUTSIDE THE UNITED STATES

Mr. MARSHALL. Is subsidized U.S. surplus nonfat dry milk being used anywhere outside of the United States in the manufacture of "filled milk," as defined in the U.S. Filled Milk Act of 1923 as amended?

Mr. MCLAIN. We will consult with the Foreign Agriculture Service and furnish the answer.

(The information referred to follows:)

"It is not definitely known whether any of the nonfat dry milk sold recently by the CCC for unrestricted export is being used in the manufacture of filled milk. The Department believes, however, that some of the nonfat dry milk which has gone to Mexico and the Philippines has been used, in the first case in filled fluid milk, and, in the second case, in canned filled milk."

I respectfully suggest that the lack of definite knowledge of what disposition ultimately is being made of the current unrestricted exports of CCC nonfat dry milk, coupled with nothing more tangible than an unverified belief that CCC nonfat dry milk has been used in the manufacture of filled milk overseas, as the Foreign Agricultural Service answer to the question I put to Mr. McLain implies, is either a disgraceful admission of the inadequacy of the information being relayed to the Foreign Agricultural Service by its agricultural attachés stationed in recipient foreign countries, or a deliberate affront to the intelligence of the Congress.

Definite proof is readily obtainable substantiating the use or intended use of such CCC nonfat dry milk for the manufacture of filled milk in the Philippine Islands plants of the Darigold Milk Co., Paranaque, Rizal, Philippine Islands, an affiliate of Consolidated Dairy Products Co., Seattle, Wash., the marketing organization of United Dairy Farmers of the Pacific Northwest, and General Milk Co.—Philippines—Inc., Mandaluyong, Rizal, Philippine Islands, an affiliate of the Carnation Co., Los Angeles, Calif. There is no evidence of which I am aware of any intention on the part of either Borden's or United Dairy Equipment Co. to cease manufacturing filled milk from subsidized CCC nonfat dry milk at their plants in Bermuda for PX sale to the servicemen and attached civilian personnel of the U.S. Air Force at Kindley Field, Bermuda.

It obviously is necessary to conclude that the "reminder to the Department" contained in House Committee on Agriculture report No. 908 to accompany the Cooley bill—H.R. 8609—and the admonition to the Department contained in the colloquy I had with the gentleman from Texas [Mr. POAGE] have utterly failed to accomplish the purpose which my bill—H.R. 7146—was aimed at achieving—an objective with which both the Committee on Agriculture and the Committee of the Whole House were in full accord.

I, therefore, respectfully appeal to my colleagues in the Congress on behalf of the dairy farmers of the United States, who are the ones that will reap the bitter harvest of this folly, to assist in putting an immediate end to, first, this wholly unjustifiable and unwarranted frustration of the valid national policy expressed in the constitutional and unrepealed Filled Milk Act of March 4, 1923, as amended; and, second, the incomprehensible continuing practice of the Department of Agriculture of ignoring the congressional intent expressed or implicit in Public Law 480, the Agricultural Act of 1949, as amended, the Commodity Credit Charter Act, the Mutual Security Act of 1954, and the like, pursuant to one or a combination of which, export subsidization of CCC nonfat dry milk for use in the manufacture of filled milk overseas has been and is being carried out with the assistance of the Secretary of Agriculture.

None of the public funds which are appropriated to the Department of Agriculture for fiscal year 1961, or thereafter ought to be utilized either directly or indirectly to subsidize the sale or other disposition of CCC nonfat dry milk for use outside the United States for the manufacturing, blending, or compounding of filled milk or filled cheese, or have the effect of disrupting or displacing any historically usual marketings of, or any historically normal patterns of commercial trade in, any natural dairy commodity produced in the United States.

Mr. PASSMAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. KING].

Mr. KING of Utah. If the gentleman from Louisiana will yield, may I say that I have followed the work of the gentleman from Louisiana, and know the painstaking care which he has given to the problem of eliminating governmental waste in our mutual security program. I should like at this time to ask the gentleman to state for the record whether or not in his opinion the cuts which his subcommittee has proposed will endanger in any material way the security of this country, or whether they will retard the progress which this Nation has made in promoting the cause of democracy through extending legitimate aid to those who would benefit therefrom throughout the world.

Mr. PASSMAN. I may say to the gentleman that we are not cutting the funds. This military assistance recommendation is 23 percent more than the amount appropriated last year. This is the highest money request that has reached this floor in 6 years. We are increasing the military item by $300 million.

I might state further that a majority of the subcommittee, a majority of the full committee, and the leaders on my side of the aisle are of the opinion that the funds are adequate.

I should like to thank the gentleman for his interest, and I want to assure him that I am grateful for the information he gave to me that made it possible to find certain waste in this bill that the committee has eliminated. I have nothing but commendation for the gentleman from Utah.

Mr. KING of Utah. I thank the gentleman.

Mr. Chairman, I want to make it clear that I support the principle of foreign aid. I have advocated it in civilian life, before coming to Congress, and I voted for it last year, as a Member of Congress. I shall vote for it this year. I shall continue to support it as long as I feel that it makes a legitimate contribution to the security of this Nation, to the containment of communism, and to the extension of democracy and the advancement of human freedom and decency throughout the world.

I must make it equally clear, however, that any foreign aid program which I endorse must submit to the same rigorous tests of fiscal soundness, not only in its entirety, but in each particular thereof, as must any domestic program which elicits my support.

I have, in the past, voted for sewage disposal, airport construction, area redevelopment, reclamation, and many other worthwhile programs; but always I have insisted that all waste be first eliminated therefrom. To that end, I have not hesitated to vote for cuts where I felt that such cuts would effectuate justifiable economies. What I ask for domestic programs, I now ask for the proposed mutual security program.

I have read the record carefully, and am convinced that there are some aspects of this program that demand careful reexamination. When I hear of our sending the most advanced type of planes to a country who has no men to fly them, and no immediate prospects of obtaining them, when I hear of our sending tanks and other implements of death to a country whose government and all its equipment is threatened to be taken over by the very enemies against whom those armaments are intended as a protection, and when I hear of the vast and sometimes wasteful expenditures made in countries which admit openly that the very program which administers this largess is wasteful and inefficient, then I find it necessary to pause, to reevaluate our objectives and the means devised by which they may be attained.

The cuts of the subcommittee still leave our foreign aid budget larger than it was last year by over $140 million. I believe that $3,389,750,000, as recommended by the subcommittee, is enough.

I plead once again, as I have done before, to avoid waste, to consolidate duplicating programs, and to strengthen our domestic economy through following sound fiscal policies. It is only by so doing that we can fulfill our historic role as the strongest leader of a strong, free world.

Mr. TABER. Mr. Chairman, I yield such time as he may desire to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, may I ask the chairman of the subcommittee a question?

On page 1126 of the hearings the gentleman from Louisiana asked a question, as follows:

> I believe that earlier we requested information on the total cost of the 43,600 employees in the overall mutual security program.

That was a question directed to Mr. Murphy. Will the chairman of the subcommittee advise the committee today where these administrative costs appear in the bill? Do they run throughout the bill?

Mr. PASSMAN. They run throughout the bill. I may say to the gentleman that the figure now is approximately 44,000 employees in the mutual security program.

Mr. JONAS. The gentleman does not have it broken down?

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. JONAS. I yield to the gentleman from Virginia.

Mr. GARY. May I say to the gentleman if he will look at page 23 of the committee report, in the table on that page, he will see that there are general administrative expenses of $38 million for ICA. In the State Department the administrative expenses are $8 million. On page 2 of the bill $23 million are allowed for administrative expenses for the military assistance program.

In addition, in the Development Loan Fund there is a limitation of $1.8 million for administrative expenses. Then, in addition, the technical assistance program is practically all administrative expense, because it is to pay the expenses of the men in the field who are conducting these technical projects.

Mr. JONAS. If I may supplement my question, I was primarily interested in ascertaining how much administrative cost is attributable to military assistance.

Mr. PASSMAN. Twenty-three million dollars is for the administrative cost of the military assistance program in the bill before the committee.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. TABER. Mr. Chairman, I yield the balance of my time to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, this is near the end of a long trail for this particular piece of legislation, at least as far as the House is concerned, because when we get a look at this bill again it will have passed the other body and will come back for approval of the conference report. Sixteen weeks of hearings have gone into the preparation of this bill.

Mr. Chairman, I would like to say at the outset that I regret the necessity of being in a position to differ with some of my very good friends on the other side of the aisle as far as the amounts which are to be appropriated for the various activities under this bill are concerned. By and large, this subcommittee works in harmony, and I hope that it will always continue to be that way. I intend to address myself directly to the category of defense support.

The defense support figure recommended by the majority is $600 million. This is down from $724 million which was recommended by the President of the United States for this category. The great Committee on Foreign Affairs voted out a bill which was passed on the floor of the House and the other body and later became law providing for an authorization of $675 million. Thus, the amount in this bill, $600 million, is a cut of $124 million below the budget request, or a cut of just under 20 percent. In fact, this program has been cut rather drastically during the last few years. In 1959, $807 million was appropriated for this item.

In 1960 the figure for this program was $765 million. In 1961 we have a figure of $600 million. This is a reduction since 1959 of over 25 percent in this particular item.

What is it that we are reducing? What is defense support? I will answer this as clearly and as briefly as I can. Defense support is the program by which we keep certain nations which are allied with us in the business of defending themselves. Some of the beneficiary nations in this program are South Korea, Taiwan, South Vietnam, Pakistan, Turkey, and Greece. These are the small

nations along the perimeter of the Soviet world who have had the courage—and I say this with all the emphasis at my command—the great courage to aline themselves with the free world even though the Kremlin and Red China are looking right down their throats and pointing missiles at them every day.

This money goes to support their armed forces. It goes to support 600,000 troops on the island of Taiwan. It goes to support 600,000 troops in South Korea. It goes to support the army of some 280,000 in South Vietnam. It supports the armies of Turkey, Greece, and Pakistan. This money is spent about as follows: The money is used to import products. Incidentally, well over 60 percent of those products will come from the United States. The purpose is to put those products into the economy of these countries. The products are mainly in the category of capital expenditures which will have a long-time beneficial impact on the economy of these nations. Through the building of their economy, we make possible the dawning of that day when they may be able to support themselves and their armed forces without our help.

These nations are asked to pay for those products in the only way they can pay, and that is in their own currency. The agreement which we have with these nations varies somewhat in form, but substantially it is something like this. Whenever a unit is sold to the government of, or to a business within that country—Country A—Country A sets aside, or receives from the purchaser to set aside, the price of the product in the currency of Country A. That currency may be spent in accordance with the agreement between the United States and Country A. We do not own the money. We do not have a veto power over the way it is spent. Therefore, we retain just enough of a string on it to make sure that the original cost to the United States, which bought this machine tool, is used in a way which will represent a long-term beneficial effect. That, of course, is the only reason in the first place we would have spent the money.

Mainly these local currencies are used to support and maintain the armed forces budgets of these countries. With the military assistance program we buy the hardware, the sinews of war with which these armies, navies, and air forces must be armed. With the defense support program we, wherever it is necessary, support the budgets of these particular nations so that they will be able thereby to support armed forces which they could not possibly support with their own resources.

So this very briefly is defense support.

Now, is it necessary? Is it a good investment for the American taxpayer to keep these nations in the field and to keep them on our side; to keep their armed forces at their present level?

Take the case of Red China, a nation which certainly since its inception has shown all the predatory tendencies of a young lion cub. This is a nation which has marched into Korea, which has by indirection, perhaps, marched into Southeast Asia, and has shown signs of marching wherever it can probe a soft spot around the perimeter of the globe.

This is a nation which is growing in industry. Its industrial output is up some 300 percent in the last 5-year plan. It now is in about the same economic position, or it will be in 1965, as Soviet Russia was on the day World War II began. So this is a threat which no one dare take lightly. This then is a nation which is growing and which shows signs of spreading out wherever it can, by any means available.

What is the deterrent? The deterrent consists of 600,000 Chinese Nationalists and the 600,000 South Koreans on the flank of this nation, ready to strike if need be to defend that portion of the free world which is in Southeast Asia. The other deterrent is the armed forces of the nations of Southeast Asia, trained, armed, and ready to defend their liberties whenever required. These are the forces which are supported in that part of the world by defense support.

Then going over to the Middle East, also on the perimeter of the Iron Curtain, we find the nations of Turkey and Greece. No one needs to recount the valor of the Greeks during World War II. No one needs to recount the valor of the Turks who fought by our side in South Korea. No one I am sure will doubt for one single instance that if trouble begins those two brave little nations will be on the side of the free world.

We have heard the gentleman from Michigan [Mr. FORD] very eloquently plead for an increase in military assistance. This military assistance is necessary for modernization of the armies of Greece and Turkey and the other armies around the perimeter as well as those of Western Europe. If trouble came, and we had not modernized the forces of our allies, they would then be faced with some of the crack divisions of the Iron Curtain countries, and they would face them in the condition of having been armed and trained with weapons which are of the Korean war vintage.

It is absolutely necessary not only to keep faith with those people but also to keep faith with the taxpayers of the United States, who have thus far very nobly advanced this cause, that we make absolutely certain that if trouble begins these gallant allies of ours will be able to meet the threat with the very best weapons, the very best equipment, with which they can be provided. To do less would be to fail in the ultimate objective we seek—the deterrent capability to prevent war, and the ability to win one if it comes.

Do we provide all this? No, we certainly do not. The gentleman from Michigan has already related the fact that the military budgets of these nations have gone up very considerably. Since military assistance has begun, those nations have spent $6 of their own money for every dollar which we spend.

To me, this program, as far as its justification is concerned, is very much like any other program in this particular section of the Government known as mutual security. I have never had the reputation of being a person to give away money, and I do not certainly intend to stand before you and try to change my spots. If this program and all of these programs cannot meet the test of being good for the taxpayers of the United States, then you and I, as Members of this body, should not pass these bills. The fact that the program has met this test is borne out by the fact that not only this body but the other body has passed the authorization bills under which we now appropriate funds. Therefore, the House has already answered the question as to whether or not most of this is good for the taxpayers.

We have heard gentlemen from the other side speak about certain cases involving transactions by the ICA which I call horror cases because they are horrible cases. There is no doubt whatsoever in my mind that many of them would be difficult to justify if, indeed, they can be justified at all. But I submit to every Member of this body, that where you have a program which is spending from $3 to $4 billion a year, and I do not care whether that program is a global program or whether it is centered here in the District of Columbia, you will find cases in which the money has not been spent well and you will find cases in which there was rank stupidity, and you will find cases that you and I, as Members of the Congress, will not be very proud to mention.

I do not have any doubt but that there are instances in this program very similar to that. In fact, I know of a few which have not been mentioned by gentlemen from the other side. But the minority report, Mr. Chairman, provides for a cut in the request of the President. The military assistance program, if you accept the amendment of the gentleman from New York, will still be 10 percent below the request of the President of the United States. If you take the figure on defense support of $650 million, under the amendment which will be offered by the gentleman from Michigan, you will still have a cut of $74 million, which is a 10-percent cut of the budget request of the President of the United States.

I submit to anybody, and I do not think it can be proved to be false, that for every $10 that is spent on this program, at least $9 of it is well spent. If we are going to cut out the waste based upon a percentage figure, I submit to you that the amendments which will be offered by the minority do just exactly that.

Mrs. BLITCH. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentlewoman from Georgia.

Mrs. BLITCH. As the gentleman knows, the gentlewoman from Georgia has a great respect for his opinion. I have always enjoyed listening to the remarks of the gentleman in debate on the floor of the House on various issues. Is the gentlewoman from Georgia incorrect in her recollection that the gentleman voted against the authorization bill?

Mr. RHODES of Arizona. No; the gentlewoman is not incorrect in that assumption. The gentleman from Arizona

did vote against the authorization bill, but he did so because he felt the program, as it was set forth in the authorization, called for more money than was necessary. The money which is provided in the appropriation bill is, in my opinion, too little, so I am doing the best I can to get it to a program that I can support.

Mrs. BLITCH. Then the gentleman from Arizona did not vote against the authorization bill because he was against the program?

Mr. RHODES of Arizona. There are certain parts of the program, I will say to the gentlewoman from Georgia, to which I have not referred. I have kept my remarks, as the gentlewoman will recall, to the two categories, military assistance and defense support. I will continue to do so.

Mrs. BLITCH. I thank the gentleman. Will he yield further?

Mr. RHODES of Arizona. I cannot yield further, Mr. Chairman, although I have the highest respect for the gentlewoman from Georgia, as she well knows.

The gentleman, and the very distinguished gentleman, I might say, from Louisiana——

Mr. PASSMAN. I did not understand what you said.

Mr. RHODES of Arizona. I am saying that the distinguished gentleman from Louisiana, the distinguished chairman of this subcommittee, who is my very good friend, in the committee and also on the floor, made a remark about an item of $325 million of excess stocks. I have searched the record and tried to find where there are $325 million of excess military stocks.

On page 2362 of the record I find about the only reference to excess stocks that appears anywhere in the index. Here the chairman is questioning Mr. Forman.

The following colloquy took place:

Mr. PASSMAN. How do we reconcile that figure with the information furnished on page 45, where you state it will be $77,219,000?

Mr. FORMAN. That figure $77,219,000 is a composite figure. The word "excess" as used there is a misnomer. It consists of both excess stocks and redistributable property. The excess is $40,044,000 and there is $24,919,000 of redistributable property making a total of $64,963,000. In addition, as previously reported to the committee, the sum of $12,256,000 carried on the book as excess for one country was erroneous.

If there is anything further in regard to excess or redistributable property I would now ask the chairman to point it out.

Mr. PASSMAN. You just do not know how happy you have made the gentleman from Louisiana.

Mr. RHODES of Arizona. I am always glad to make the gentleman from Louisiana happy.

Mr. PASSMAN. It was the distinguished gentleman who is now in the well of the House who assisted the chairman in establishing these figures. I merely refer the gentleman to the hearings now available, to the testimony from Norway, Belgium, Denmark, the Netherlands; and that amounts to $314 million, properly documented, and the gentleman helped document that.

In addition to that, Mr. Campbell brought to us a few other facts indicating over $100 million in one country.

Now, the gentleman helped conduct these hearings. I wish he would go over and read his own interrogation, and if he does not find that I have given the right figures he can then supply them.

Mr. RHODES of Arizona. I asked the chairman to go to the record and pick out the place in the record where there is anything about $314 million.

Mr. PASSMAN. The gentleman can pick it out for himself. I stated my figures. They are correct, $314 million. Let the gentleman pick them out.

Mr. RHODES of Arizona. That figure is not in the testimony, and the gentleman from Louisiana knows it is not in the testimony.

Mr. PASSMAN. And I want to say that the gentleman from Arizona knows it is in the testimony.

Mr. RHODES of Arizona. Mr. Chairman, I do not yield further.

I do want to make one point clear. The chairman has also made some remarks concerning certain people thanking him for cutting this appropriation. He quoted from the record a sentence from General Norstad, but failed to read another following sentence bearing on the subject. I am sure it was because the gentleman did not see it. His motives are of the highest, I know.

Mr. PASSMAN made this statement:

If we had given you the money you asked for, you would have used it in this program. You would have bought something whether you needed it or not, and it would have been, today, in excess.

Then he read General Norstad's reply:

If you had given us, every year, everything we asked for, the total at the present time would indicate some overages that we now make, that is correct.

Then there was another sentence in General Norstad's statement which the chairman did not read:

Every year we must program in the light of the deficiencies which have been created by the failure to appropriate the year before as we are doing this year in Turkey.

The second sentence, if read, changes the context of the general's statement, and makes it say, as the general meant to say, that the cut in appropriations has hurt the program.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield.

Mr. PASSMAN. What I said is in the hearings. If the gentleman wishes to take the time he can find it himself. He helped develop the facts. I have made my statement and I stand on every statement that I have made on the floor.

Mr. RHODES of Arizona. I do not yield further on that point. I merely am trying to help the chairman correct his own myopia as far as the Norstad statement is concerned, if he desires to do so.

Mr. PASSMAN. The gentleman will agree. If he will not agree that the figures I gave——

Mr. RHODES of Arizona. Mr. Chairman, I do not yield further on that particular point. I think maybe the chairman and I took different trips because some of the things which he says occurred I do not recognize and I do not remember.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Iowa.

Mr. GROSS. Is there anything in this bill for what is known as the China Development Corp.?

Mr. RHODES of Arizona. I cannot tell the gentleman. Perhaps the chairman can enlighten him.

Mr. GROSS. And what is the China Development Corp.?

Mr. PASSMAN. If the gentleman will do a little research on that he will have the answer.

Mr. RHODES of Arizona. The chairman declines to give an answer to the gentleman from Iowa.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Iowa.

Mr. KYL. If the recommendations of the minority in this report are accepted by the House, how much less, then, would the appropriation be below that requested in the budget?

Mr. RHODES of Arizona. If the recommendations of the minority are accepted, the bill will be increased by $250 million. It will be then a total of approximately $3.65 billion, which is some $400 million below the authorization and about $500-million-plus, below the budget request.

Mr. KYL. On page 14 of the report the statement in regard to the Development Loan Fund is to the effect the funds returned paid back do not go to the Treasury. Can the gentleman tell me what becomes of those funds?

Mr. RHODES of Arizona. The funds of the Development Loan Corporation?

Mr. KYL. Yes.

Mr. RHODES of Arizona. The gentleman's understanding is correct, the money which is paid back from loans of the Development Loan Fund is paid in currencies of the country involved. The currency stays in the Fund and is reloaned. It would take legislation to bring any of this money back to the Treasury.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. PASSMAN. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Virginia [Mr. GARY].

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. YATES. I voted in the committee for amendments to restore funds to the military assistance and the defense support program. I intend to do so again. However, time ran out in the committee before I had an opportunity to offer amendments to strike sections 107 and 109 of the bill which prohibit the use of funds for the Indus River Basin development and for the special assistance program for tropical Africa. In committee I reserved on those sections

of the bill and I intend to offer amendments to strike those sections at the appropriate time.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Mr. Chairman, I believe that both sides of the aisle must unite in a real effort to restore the damaging cuts in the appropriation for the mutual security program.

We must act responsibly and maturely if we are to deserve the place we all so nobly refer to here on the House floor, that is, the leadership of the free world.

We cannot sit idly by and hope the Senate will restore these cuts. It is our responsibility to display a recognition of our international position and with it the attendant obligations that our position requires.

To do less and allow these cuts to remain is an irresponsibility that we can no longer afford.

Of equal, if not greater importance, is the rigid restrictions that are contained in this bill. A careful analysis of the rigidity contained in these restrictions leads one to the conclusion that there is no desire on the part of its proponents to see the program survive.

I do hope that the defects in this bill will be recognized and that when the amendments are submitted that we will vote to restore responsibility into this bill. We should act with a consciousness of our obligation to the less fortunate nations in this world who are lacking in every national resource except a great desire for freedom. We should act with a consciousness that this program is in our national interest.

Many charges and statements have been leveled against this program by the opponents and others who are merely seeking answers to questions. I have listened to the debates today and have heard some of them repeated. Certain charges left unanswered are used by the opponents to abandon the entire program.

I thought perhaps these charges should be answered in order to bring about a better comprehension for everyone concerned.

Accordingly, I am submitting a report prepared by the executive branch which documents with explanations those charges and statements which have appeared in one form or another during the past months including those that have appeared in the committee report and in today's debate. I do hope that it will in some way contribute to a better understanding. I hope that a better understanding will provide the enlightenment necessary to restore the damaging cuts in our mutual security program. To do less is to demonstrate an unworthiness of leadership in the fight for freedom and survival.

The report follows:

EXECUTIVE BRANCH COMMENTS ON CERTAIN STATEMENTS CONCERNING THE ADMINISTRATION OF THE MUTUAL SECURITY PROGRAM

MILITARY EQUIPMENT DELIVERED WITHOUT ASSURANCE OF PROPER USE

Statement

It has been charged the military equipment continues to be programed, procured, and delivered to recipient countries without adequate regard for the degree of utilization achieved in those countries.

Charge

Absolute safeguards have not been established nor is it practicable to do so. However, a concerted effort is being made to help insure that equipment is properly used. Significant in this regard are the following factors:

(a) All bilateral agreements contain a provision authorizing U.S. representatives to observe the progress of assistance furnished. DOD Directive 5132.3 assigns MAAG's the responsibility for observing and reporting on the utilization of MAP furnished equipment.

(b) MAAG field visits include the purpose of viewing end-item utilization, frequently as a corollary duty while on other official MAP business. The MAAG's report evidence of improper use of equipment to the host country. Followup visits are made by MAAG personnel, as appropriate, to determine whether corrective action has been taken. Unsatisfactory situations are reported to the unified command.

(c) In countries whose indigenous military reports afford the information, they are used by the MAAG's to determine the effectiveness of end-item utilization, particularly in the more advanced countries. Spot checks are made during MAAG field visits to assist in establishing the validity of such indigenous reports. Improved logistic and maintenance systems, training methods, and reporting procedures are producing dependable reporting.

MILITARY EQUIPMENT DELIVERED TO ABANDONED UNITS

Statement

The charge has been made that military assistance has been delivered to force units (divisions, aircraft squadrons, etc.) which have subsequently been deleted from MAP supported force goals and the equipment is now excess.

Comment

By no means all of the allied forces which are strategically important to the United States are supported by military assistance. In addition to strategic considerations, the decision as to which forces are to be eligible for MAP assistance must take into account the country's capability to maintain them without U.S. aid and the relative military importance (priority) of the unit in relation to the limited MAP resources available. These decisions are reexamined regularly and revised in the light of changing conditions. As a result, many units which were once assisted have been deleted from current MAP supported force goals.

Simply because the United States has made a decision not to support a certain unit in the future, it does not follow that the existence of the unit is no longer in the U.S. strategic interest, nor does it follow that the equipment previously programed for that unit is no longer needed and is now excess. For example, it has been some years since we have programed any military assistance for conventional ground, naval, or air forces in the United Kingdom. It would be patent nonsense to suggest, however, that it is no longer in the U.S. strategic interest to have the British Government maintain military forces and that we should, therefore, now take back the materiel which was used to help the British equip these forces in the early days of NATO.

On the other hand, a rapidly advancing technology and changes in the world situation do result in equipment becoming excess to the needs of forces previously supported by the MAP. In these cases, the equipment is offered back to the United States by the recipient countries. MAP supplied items having an acquisition value of approximately $1.2 billion have been offered back to the United States. Of this $1.2 billion, over $450 million worth have been transferred to other countries to meet MAP requirements. It was used by the original recipient, served its purpose and is now meeting a MAP requirement for at least the second time since it was delivered originally.

JET PLANES WITHOUT PILOTS

Statement

During congressional testimony, a news release was cited which asserted that the United States gave 421 jet planes to an unidentified Far Eastern ally whose air force had only 186 qualified jet pilots.

Comment

As of June 1, 1960, the number of jet-qualified pilots exceeded the number of jet aircraft delivered to this country. It is true that at time referred to in the news release, January 1958, the number of pilots qualified in one particular type of jet aircraft was not equal to the number of aircraft. However, the total pilot inventory was 488. A short training period qualified these pilots for this type aircraft, thus equalizing the situation. Aircraft production and pilot training both have long lead time requirements. The pilot training output for this one type of aircraft slipped due to stringent emphasis placed on other factors in the training program. A review of the training program has corrected this situation and appropriate steps have been taken to balance all aspects of the aircraft and pilot program.

TANKS WITHOUT DRIVERS

Statement

The statement has been made that 255 tanks were programed for five tank battalions in one country having actual strengths of only six people. Notwithstanding the ample supply of tanks available, an additional 125 tanks were programed to be used for training purposes.

Comment

1. The program action in question involved a total of 300 tanks and not 380 tanks.

2. All tanks programed for this country are valid requirements for NATO divisions and supporting units required on D-Day or a few days thereafter. The tanks provided were limited to unit equipment, i.e., minimum tanks required in the unit at all times. War reserve tanks were not programed for these units nor were tanks programed for the reserve units of this country.

3. Normally tanks are not provided for training purposes if available in war reserve or in reserve divisions. Since this was not the case in this country, 125 tanks were programed to meet a valid requirement for tanks in training centers and schools. All but a few of these tanks were for the armored training school. To have withdrawn any tanks from the first line NATO units would have reduced their D-Day capability below minimum acceptable levels. Furthermore, equipment used at training centers soon becomes valueless as combat equipment because of continual use in training inexperienced personnel.

The manning levels quoted by the Comptroller General predate the programing of the tanks in question. There are now 12 tank battalions in the country concerned, seven of which are being supported by the military assistance program. Five of the battalions are 65 percent to 75 percent manned. The manning levels for all seven MAP supported battalions have been and are being increased as tanks are delivered to the units. The military officials of the country concerned did not care to expand manpower and other resources for tank battalions until they were assured that tanks were available to the unit.

PAYMENTS FOR AIRCRAFT KNOW-HOW

Statement

It has been stated that through the military assistance program the United States agreed to assist Italy in building F–86 fighter planes. Included in this project was a $750,000 payment to North American Aviation Co. for rights and know-how pertaining to this airplane. Actually, the U.S. Government acquired rights to the plane when it was developed.

Comment

This project was initiated when the United States and Italian Governments decided to support production of the F–86 in Italy by Fiat. North American Aviation, Inc., developer of the plane, entered into agreement with the Italian Government and Fiat to provide to them, information, data, drawings, plans, specifications, and related material pertaining to the F–86. The agreement also stipulated that North American would furnish for a period of 5 years, assistance and cooperation in the manufacture or development of Fiat of these F–86-type planes. This agreement was not just a license for relieving the Italian Government or Fiat of claim of patent infringement. It was a commercial agreement with Italy and Fiat to furnish the experience and know-how North American had taken years to accumulate. In short, North American aided in the establishment of a competitor.

Even in those cases where the U.S. Government may transfer patent and reproduction rights to a second source, the establishment of a second source often requires more than a mere transfer of these rights. Generally, the active assistance of the first source is necessary to implement timely production of satisfactory equipment. Consequently, as in this case, the first source has basis for charging for specialized assistance furnished to other sources.

RAISING OF MAAG RECOMMENDATIONS

Statement

Programs recommended by the MAAG's are increased by the unified commands and by the Department of Defense in order to spend more money, giving the countries things they don't need and don't want.

Comment

This statement is basically incorrect. The dollar ceilings imposed on unified commands for planning purposes produce much smaller proposals than in the days when they made submissions for all militarily desirable and feasible projects eligible for grant aid.

The occasional instances in which MAAG recommendations are raised relate to projects the importance of which must be determined on a unified commandwide basis. For example, an early warning radar site might be of relatively low priority to the country in which it is situated but, when related to a network across a number of countries, it could be of the highest priority. The unified command judgments sometimes cannot be made until MAAG proposals for individual countries are seen and matched.

Increases in tentative MAAG proposals are made by the unified commands and by the Department of Defense only to meet such requirements and only with the concurrence of the MAAG concerned.

WE CONTINUE TO GIVE MILITARY AID EVEN THOUGH PAST EQUIPMENT IS STILL USABLE

Statement

MAAG Chiefs have stated that up to 95 percent of the billions of dollars worth of equipment previously furnished continues available and usable yet we continue to provide increasing amounts of aid.

Comment

To say that most of the equipment already furnished is still available and usable does not say that everything necessary to meet the military threat has been furnished.

The fiscal year 1961 request includes (in million dollars):

To replace wornout and obsolete equipment on hand (far less than 5 percent of that already supplied)	210
Conventional types of equipment needed all along but not supplied previously	157
Advanced type weapons needed to modernize forces	651
Plus: Repair parts, petroleum, oils, and lubricants and other supplies	405
Military construction, supply operations, training, multilaterally cost-shared programs such as NATO infrastructure and mutual weapons development	577
Total	2,000

AIDED COUNTRIES SELL OUR MILITARY AID AND KEEP THE PROCEEDS

Statement

The MAP has supplied more equipment than the recipient countries can use. The countries now are being told to sell this equipment and keep the proceeds in order that more equipment can be provided.

Comment

MAP-supplied items having an acquisition value of approximately $1.2 billion have been offered back to the United States by the recipient countries. These materials were determined by the country to be needed no longer in support of MAP objectives.

1. Of this $1.2 billion, over $450 million worth has been transferred to other countries to meet MAP requirements. It was used by the original recipient, served its purpose, and is now meeting a MAP requirement for at least the second time since it was delivered originally.

2. Approximately $266 million worth was taken back by U.S. authorities. In most cases, the materiel was sold, and the receipts from the sales deposited in miscellaneous receipts of the Treasury. Some was taken by the U.S. Military Departments for use.

3. About $340 million worth was released to the country for disposal. This materiel consisted primarily of items having only scrap value. The net proceeds from all sales approximated $6 million. The countries were allowed to keep the proceeds with the understanding that they would be used to further the countries' defense effort. These releases were made when it was determined that it would cost the United States more to recover and sell the materiels than could be realized from their sale. Appropriate safeguards were imposed to insure demilitarization of equipment and prohibit transfers to Soviet bloc countries.

4. Equipment having an acquisition value of about $3 million was released to the holding country for uses other than support of MAP objectives. These cases are rare and each case has resulted from a determination that such action was in the best interests of the United States.

5. The remaining $136 million represents materiel as to which the United States has not yet taken final action.

In summary: For a substantial part of the equipment involved, at least double usage is achieved. The United States has sold and made deposits to the Treasury where the sale value was greater than the cost to the United States of recovery and sale. Where recovery and sale has been uneconomical to the United States, the recipient countries have been authorized to sell and use proceeds to further their own defense funds.

MAN APPROPRIATION LEVELS

Statement

The MAP is increasing substantially. For fiscal year 1960 there was appropriated $1.3 billion and now for fiscal year 1961 there is requested $2 billion or an increase of $700 million.

Comment

Seven years ago, on June 30, 1953, the military assistance program had available unexpended balances of almost $8.5 billion. For the five fiscal years, fiscal year 1955 to fiscal year 1959, inclusive, the average annual expenditure on the military assistance program was $2.36 billion. This rate of expenditure was made despite an average annual grant of only $1.37 billion in new obligational authority (appropriations). The remainder, an average annually of $1 billion came each year from unexpended balances of the earlier appropriations. The forecast of expenditure during the current fiscal year (fiscal year 1960) is $1.83 billion, although the appropriation for fiscal year 1961 was only $1.3 billion. By June 30, 1960, the level of unexpended balances will have shrunk below $2.1 billion.

It is obvious under these circumstances that the MAP cannot be continued at anything like the present level without an increase in appropriations to replenish the greatly shrunken pipeline.

It is only when obligational authority is granted by the Congress that the executive department is able to place orders enabling suppliers to go ahead with production and, in due time, delivery. In view of the ever-increasing complexity of weapons, which tends to lengthen the production leadtime, and also in view of our desire to encourage cost-sharing arrangements with our allies, which usually involve lengthy negotiations, it is necessary to have a carryover of unexpended obligational authority amounting to the size of the program for 15 months. This means that to deliver and expend $2 billion in a given fiscal year we need to carry forward an unexpended balance of $2.5 billion at the end of the preceding fiscal year, in addition to the new appropriational authority of that year's bill.

Actually, the annual expenditure rate of the MAP, far from increasing, is radically decreasing. The expenditure rate for fiscal year 1961 is planned at $1.79 billion. This is $557 million less than the rate of the last 5 years.

COSTS OF NATO MAINTENANCE SUPPLY SERVICES AGENCY

Statement

The fiscal year 1961 request for $25 million for the NATO Maintenance Supply Services Agency is in conflict with last year's Defense testimony that no further funding requirements were foreseen.

Comment

Defense testimony in fiscal year 1960 was predicated on the limitation of the Agency's activities to the support of 5 selected aircraft and 15 Army vehicle weapons systems.

The range of the Agency's management activities has since increased to include the support of rockets and missiles (Nike-H.J.), the support of electronic communication systems (forward scatter-early warning radar) and the establishment of common stockage and repair facilities (NATO Supply Center). The Agency's revenue-producing activities such as consolidated procurement are only now coming into fuller play.

Additional funding requirements in fiscal year 1961 are attributable primarily to the establishment of the NATO Supply Center and the requirement for its initial stockage. This stock will be maintained and replenished by the Agency and the United States will retain its equity in the assets.

WEAPONS PRODUCTION PROGRAM

Statement

The weapons production program is another means of giving away our money to countries which are economically able to finance themselves.

Comment

The weapons production program is a means of getting countries who are able to finance themselves to do so. It is a reduction of 90 percent as compared to giving these countries the end-item of materiel. By furnishing technical assistance a source is established wherein the countries can use their local currencies, and will no longer have need to ask the United States for the item.

There are benefits to U.S. industry because the producer nations will procure from the United States a considerable portion of the total weapon system, as bits and pieces for a period of approximately 2 to 3 years, after which time they are able to produce the total weapon system.

This appears to be one of the cheapest ways to accomplish modernization of the allied forces with the constantly changing weapons technology.

THE MUTUAL WEAPONS DEVELOPMENT PROGRAM

Statement

The mutual weapons development program (MWDP) is a waste of money. Our allies are not paying their share and the program has largely been unproductive.

Comment

The purpose of the MWDP is to increase the defensive capability of the NATO alliance through U.S. assistance to selected research and development projects for weapons of advanced design and which lend themselves to coordinated European production cost sharing agreements.

MWDP aid is provided in accordance with a bilateral agreement with the participating country which specifies the responsibilities of the participants as well as the costs to be borne by each.

As of fiscal year 1959 NATO participants in this program have obligated $199 million for it. The U.S. contribution has been $195 million or 98 percent of the total. As new projects are diverted toward NATO multilateral financing, the U.S. share of the MWDP cost should fall substantially below 50 percent.

The current program includes approximately 200 active projects. The fields of military research and development covered include air defense, combat air support, land combat and antisubmarine warfare. More than 60 new weapons or components of military equipment have reached the production or field testing stage, and have been offered by the countries of origin to other countries through NATO.

Data exchange agreements are a new activity under MWDP. These agreements permit project directors from the United States and the NATO country concerned to communicate directly with each other regarding specified technical matters of mutual interest.

This program of participating in and thus having access to European research and development, provides important benefits to the United States by allowing us to draw upon the technical skills and scientific talents of some of the best minds in other free world countries.

INSTITUTE ON ICA DEVELOPMENT PROGRAMING

Statement

The House Appropriations Committee majority report is sharply critical of the high costs of the contract between ICA and the Johns Hopkins Institute.

Comment

The contract between ICA and the Johns Hopkins University School of Advanced International Studies calls for a highly specialized course in graduate-level economic development training. Such training is provided to carefully selected ICA personnel whose performance has demonstrated their capacity to assume higher levels of responsibility. The purpose of the training is to improve the caliber of economic program development, particularly in the underdeveloped areas where planning and programing techniques applicable to more highly developed areas are less pertinent. The course was developed to meet ICA's specific requirements; there was no comparable regular course in any institution of higher education.

The committee's basic criticism is that the cost of approximatley $4,000 per student is excessive for a 5-month course. During the hearings before the subcommittee, this figure was adversely compared with normal university tuition charges.

The critics overlook a most salient fact of university financing: tuition charges represent only a fraction of the real costs of instruction. Endowment, contributions and public funds for public supported institutions generally carry the major share of the cost. A university cannot undertake a special course on request and charge less than actual cost, since this would be an improper diversion of endowment. In this case the cost per student of the ICA course compares favorably with the real costs of instruction in the school of advanced international studies for its regular program. The estimated costs for their regular program average more than $4,600 per student for a comparable period, although the tuition charged is only $1,200.

Actual costs: In fact, earlier estimates for the first 2 years were based on budgeted maximum figures, with reimbursement to be only for actual costs. These are now recorded at a lower figure which yields an actual per trainee cost of $3,743 to date rather than $4,000.

Future costs: In part as a result of consideration of the concern expressed by the House Appropriations Subcommittee, ICA has decided to enlarge future classes to reduce costs per student. Based on planned average enrollment of 24 for the 2 classes to be held in the coming year, contract costs per student will be reduced by 12½ percent.

Comparison with costs of similar intensive, executive-level training: The House Appropriations Subcommittee was advised (pages 985, 986, and 1015 of the hearings) that:

1. Private business firms pay $950 per man-month to the American Management Association for its specialized training which is comparable to this programing course. The fee to Government agencies charged by AMA is $850 per man-month.

2. Brookings Institution fees are $860 per man-month for similar courses. These charges of $850 and $860 to Government agencies and the $950 charge willingly paid by American businesses compare with the figure of $700 which is the planned future level for ICA personnel at Johns Hopkins.

GOVERNMENT AFFAIRS INSTITUTE

Statement

The House Appropriations Committee majority report sharply criticizes as excessively costly the contract between ICA and the Governmental Affairs Institute under which this nonprofit organization provides technical advice to the Government of Iran. During the hearings, the charge was repeatedly made that the individual technicians were receiving salaries far higher than their previous earnings—allegedly, $90,000 per technician over the run of the contract.

Comment

The criticism is erroneous as to cost and does not take into account the high quality and successful performance of a difficult, important job. Specifically:

1. The average base salary of the high level technicians provided is about $12,980 a year, about that of a GS–15 in the Federal service. The total average dollar cost per man-year including salaries, transportation, all other direct costs for technicians, out-of-pocket expenses and contractor overhead will run about $26,290.

2. These costs are in line with those incurred by private businesses and foundations in conducting oversea operations at this professional level. These are the costs of getting results.

And finally, the criticism ignores the major contribution which this project has made toward the modernization of the Government of Iran in its effort to fulfill the needs of its people and its national interest. High Iranian officials, including the Shah and the Prime Minister, have placed priority on receiving continued assistance of this nature, and the Government of Iran has officially requested the extension of this contract.

Salary Comparisons

In view of comments on the high salaries provided under the Government Affairs Institute contract the following table is provided to demonstrate the reasonableness of actions taken:

Name	Highest prior annual salary	Initial base pay on contract
Harwood, Wilson F	$14,000	$16,000
Hemphill, T. Marl	9,635	10,850
Massen, John B	11,140	11,750
MacNealy, Charles E	13,370	14,500
Loring, Karl H	14,000	12,700
Woodruff, Richard V	12,500	13,125
Harberson, Cecil R	10,958	11,479
Cox, Thomas H	12,000	13,000
Deas, Harold M	14,520	15,000
Skowronski, Frank S	8,600	9,000
Georgion, Mabel	7,427	7,800
Carlson, Janice G	4,300	4,515
Gracey, Harry F	16,000	15,000
Myers, M. Scott	12,750	12,750
Banning, Paul D	12,400	15,000
Halse, Clifford C	11,610	12,200

OVEREMPHASIS ON COSTLY PROJECTS

A congressional study group visited 14 countries and criticized ICA projects in 5 of these countries. The study group report came in for subsequent attention in another committee, in which the three following specific charges were raised again:

Charge

1. A "gigantic" fertilizer plant in Korea is not operating and is not expected to be in full operation in the next few years.

2. A highway project in Vietnam is ending up costing several times the amount originally estimated. The total cost may exceed $100 million.

3. A radio project in Vietnam is in a state of confusion and ICA could not find a radio tower it had financed.

Comment

1. Satisfactory test runs have been completed subsequent to the visit of the study group, and the plant is now expected to be in sustained full-capacity operation during this year (1960).

2. The scope of the project has changed since its beginning in 1954, other roads being added to the original plan. Security conditions in Vietnam in 1954 were such that urgent action was required and exact peacetime engineering practices were not followed.

3. ICA has acknowledged that progress has not been satisfactory. Primary reason for delay was the lack of full agreement with Vietnam as to emphasis to be given to short versus longer range broadcastng. The "missing" tower was in a warehouse pending installation. A planned seventh tower in the Saigon area has now been constructed and is in use.

Urea Fertilizer Plant in Korea

This project provides for the construction of a fertilizer plant designed to produce 85,000 metric tons of urea annually, approximately 25–30 percent of Korea's import requirements for nitrogenous fertilizer.

1. Report comment

The study mission's report states that this plant is not operating and is not expected to be in full operation in the next few years.

ICA comment

Delays have been encountered in the implementation of this project. The plant is now physically completed in terms of construction, and test runs of individual units have been successful. Liquid ammonia already has been produced. Moreover, initial test runs during February and March of this year in one of the three reactors produced urea at a rate of 65 metric tons per day as against a designed capacity of 85 metric tons daily. ICA expects this plant to be in sustained full-capacity production within calendar year 1960.

2. Report comment

The study mission states "It is apparent that the processes in ammonia and urea production sections require water for cooling certain machines and steam for heating other machines, as well as driving of rotating equipment for pumping and compressing. All these requirements must be furnished from the power and water plant. Therefore, the process equipment or sections cannot be started or tested until the powerplant production is producing steam and pumping water.

"The fertilizer plant requires 14,500 kilowatts of electric power which must be supplied from the powerplant since the fertilizer plant is not connected to any electric supply system and would be a serious drain on such a system if it were so connected, in view of the shortage of electric power presently existing in Korea."

ICA comment

An adequate intake water system has been included as an integral part of the plant. Three 7,500-kilowatt generators have been provided to generate a total of 22,500 kilowatts, which will fully meet the requirements for power. Thus, there is no drain on Korea's overall power requirements. An adequate supply of the steam is provided by the thermal powerplant.

3. Report comment

The study mission states that "A project of this size should not be initiated in less-developed countries where technical know-how is limited."

ICA comment

When the decision was made to construct a urea fertilizer plant to meet one-third of Korea's nitrogenous fertilizer requirements, it was recognized that provision would have to be made for training Korean personnel to operate the plant. An important factor in building this plant was that locally produced fertilizer would supplant imports of the finished product, thereby effecting substantial and continuing savings of foreign exchange.

Under a separate contract, the American construction contractor is also to furnish up to 66 technical personnel to operate the fertilizer plant during the initial period and to train Korean personnel to the required degree of proficiency so as to insure successful and efficient operation of the plant. Over 50 of these technicians are now in Korea.

At the time of initiation of this project, it was considered that a project of this type would permit the greatest economic benefit to Korea for the least cost to the United States.

Vietnam—Highways and Bridges

Criticism

What has happened to the modest $18.3 million Vietnam highway project? The total cost of the project now is estimated to be $84 million and may exceed $100 million. (Appeared in numerous newspapers in March 1960.)

Comment

The figure of $18.3 million applies to the original scope of this project. Subsequent to the initial development of the project, other roads were added to the program, which increased the costs. However, the costs for the work initially contemplated have exceeded the original estimates for reasons indicated below.

The present estimate of the total corts of the enlarged project are:

	Million
Fiscal year 1959 and prior years	$48.4
Fiscal year 1960	13.4
Fiscal year 1961 (estimated)	6.9
Future years (ending fiscal year 1963), estimated	4.0
Total	72.7

Normally, detailed engineering plans would be available before a construction contract is entered into. At the time the highway rehabilitation program was undertaken, normal security conditions did not prevail in Vietnam. In 1956 it was still far from certain that free Vietnam would survive, and it was politically important that the United States demonstrate its confidence in the country's future by commencing visible work as rapidly as possible in the improvement of highway transport. In this context, the delay that would have resulted from completing the engineering work before calling for bids for construction was considered incompatible with the greater U.S. political and military interest. Consequently, the construction contract was awarded before engineering drawings and specifications were completed. It should be noted that this type of procedure has been precluded by law since July 1, 1958.

The cost estimates available at the time the contract was let were based on an admittedly brief reconnaissance survey made by the Capital Engineering Corp., the main purpose of which was to determine quickly the general status of all existing highways and bridges in Vietnam and to prepare a priority list of required improvements.

Therefore, the increases in cost estimates reflect: (1) Subsequent development of detailed information and engineering data; (2) price increases on equipment and materials; and (3) increased quantities of materials required, due to extension of the system originally proposed.

Vietnam—Radio Towers

Criticism

The project to assist the Government of Vietnam to develop a national radio network has been unjustifiably delayed and is in a state of confusion. (Appeared in several newspapers during March 1960.)

Comment

This project has not progressed satisfactorily. The underlying difficulty has been the lack of clear and firm agreement between the Vietnamese authorities and the American representatives concerning the relative emphasis to be given to short-wave and to medium-wave radio broadcasting and concerning the exact types of equipment required. Another problem has been ICA's past inability to provide adequate American technical supervision of the project.

There is now basic agreement between Vietnamese and American representatives concerning the relationship between short- and medium-wave broadcasting facilities. Since the arrival in April 1960 of an outstandingly qualified American radio expert, Mr. Frank H. McIntosh, this project has been progressing satisfactorily.

The radio broadcasting projects contemplated erection of 24 towers, financed from both dollars and local currency. Seven have been erected in Saigon, and four in other locations. The balance have not been erected. Determinations as to use and location are now being worked out by Mr. McIntosh in collaboration with the Vietnamese Government.

PROGRAM IMPACT

A congressional study mission criticized ICA program impact in the two following respects:

I. Statement

Ultimate failure is inherent in the program unless we can somehow develop plans and operations that will reach down to the people themselves of each country.

Comment

1. We should not underrate the degree to which we have reached the people; witness the overwhelming popular reception of the President on his trip through Asia, a reception obviously not contrived, but rather warmed by widespread knowledge of our purposes and of our acts.

2. Project operations are reaching the people—on many fronts—and generally in the most effective and lasting way which is through the creation, improvement, or expansion of institutions to be directed by local personnel and to be sustained as soon as possible by local resources.

II. Statement

Grandiose dams and multi-million-dollar plants might bring ultimate benefits, but there is danger in concentrating at the top level, from which no benefits would dribble down to the people within their lifetime.

Comment

1. The great majority of ICA projects are aimed at institutions which directly provide services to major population segments in education, agriculture, health, rural life, labor, and so forth.

2. Large capital facilities, including dams, fertilizer plants, powerplants, and roads are also required for balanced development and do provide a measurable and reasonably early benfit to the people generally. Although such capital projects are now generally financed by DLF, there are a considerable number of such projects which were financed under earlier ICA programs which are already providing or will shortly provide a direct benefit to many people.

Impact of ICA Programs

I. A few out of hundreds of available examples of program operations which have reached the people follow:

(a) Thirty-two new national agricultural extension services established with ICA assistance, with a broad and broadening farm population being reached.

(b) Over 200,000 copies of U.S. industrial technical and reference books made available for use of many times that number of engineers, technicians, and entrepreneurs abroad.

(c) Some 18,000 rural youth clubs (adapted from the 4–H plan), with over 900,000 boys and girls enrolled, are operating pursuant to ICA guidance and help.

(d) Land tenure systems improved and put into action with ICA help in many nations—for example, on Taiwan, the great majority of farmers now own their land, about 600,000 farm families have acquired title to their own land for the first time under an ICA-assisted program.

(e) Twenty-two American land-grant colleges or universities are helping 18 countries

interested in adapting the American land-grant college concept of research, education, and service to the farm population.

(f) Thousands of new teachers—elementary, secondary, and vocational—are trained each year in schools established or expanded with ICA assistance, and more thousands given inservice training—for example, in Ethiopia, the fewer than 500 qualified teachers of 1953 have grown to more than 4,000, and the teacher training output has increased from 18 a year to 500.

(g) More than 400 million people live in areas in which protection against malaria has begun to be effective under the ICA program. The number of people protected and the degree of protection is increasing constantly.

(h) Training for hundreds of doctors, nurses, and sanitarians each year is made possible by ICA assistance.

(i) Community development workers trained and supported with ICA assistance are reaching millions of people and helping them organize to help themselves—one example of many being the 25,000 schools constructed in India through local voluntary self-help programs.

(j) ICA programs in labor have and are reaching thousands of workers through programs of labor education.

(k) More than 50,000 participants have received ICA financed training in the United States, each participant returning to his homeland to bring to many others the benefits of his observations and study.

II. A few examples which demonstrate that major projects can and do yield wide benefits within a few years follow:

(a) The Pak-American Fertilizer Factory in Pakistan began production in 1958 and operated at near capacity throughout 1959, producing fertilizer needed by farmers to expand production in this food-short country, with an important saving in scarce foreign exchange. This was the first heavy chemical process undertaking of its kind in Pakistan, but the not unexpected difficulties have been overcome successfully.

(b) The major urea fertilizer plants in Korea and Taiwan will be in full operation this year, each producing a significant share of the fertilizer needs of the farmers of the two nations.

(c) The Shen Ao Power Plant in Taiwan, begun in June 1957, was placed in operation at its rated capacity of 75,000 kilowatts in January of 1960, within 2 weeks of schedule. This needed power will contribute to the growth of small industry and employment in Taiwan.

(d) Large and small irrigation projects have been completed to increase fertility or make new land available for settlement of landless people. Examples include: Cambodia—112,000 acres watered or reclaimed; Israel—irrigated area tripled in decade; Philippines—over 365,000 acres capable of supplying food for 3,500,000 people, rehabilitated by 3 ICA projects.

(e) Extensive assistance to the highway development of Turkey was a significant factor in a remarkable upsurge in Turkish production. Internal travel and transport of goods was achieved at reduced costs. Vehicles increased fourfold (incidentally engendering expansion of manufacturing in other countries including the United States). Following table illustrates results:

	1948	1956
All-weather roads (miles)	5,260	11,800
Paved roads (miles)	580	2,100
Number motor vehicles	20,231	81,382
Annual ton-miles	230,000,000	1,505,000,000
Annual passenger-miles	752,000,000	7,280,000,000
Freight cost per ton-mile (cents)	15.1	5.6

The beginnings of a similar pattern of upsurges in traffic and a downward drop in rates is already evident in Vietnam under the much more recent highway program in that country.

OREGON STATE COLLEGE CONTRACT

Statements during congressional committee proceedings were made to the effect that: (a) Oregon State College performance in Thailand did not produce results, (b) the ICA mission recommended termination of the contract, and (c) that ICA headquarters overruled its field mission for questionable reasons.

The facts are: 1. Oregon State College has done a creditable job in assisting the Kasetsart University in Thailand to become a first-rate school of agriculture with an increased, American-trained faculty, revised curriculum, well-equipped laboratories, and a reputation which is attracting quality students. The beneficial impact of this project—to the United States and to Thailand—will be felt for generations.

2. The ICA mission, for reasons which were partially administrative, recommended that the Oregon State College contract be allowed to expire in April 1960. The ICA headquarters suggested, and the mission agreed, that a team of two agricultural experts review the progress under the contract and recommend the course of future action. ICA plans to review this matter objectively when this report is received.

Further comment: 3. As an illustration of the "high cost" of ICA university contracts, this example (which is the only one the committee examined in detailed, orderly fashion) disproves the case. The cost of study of Thai professors at Oregon and the cost of sending Oregon professors to Thailand were both moderate (average of about $3,000 and $17,000, respectively) and in line with going rates, salaries and costs at American universities. The overhead payment to Oregon State College, covering a pro rata share of college administrative costs, averaged just over $500 a month. These overhead costs, which were spoken of as if they were profit, are valid costs, handled in generally accepted accounting procedures and subject to U.S. audit.

4. The stress in the proceedings on the "overruling" of the mission, in addition to being overstated, represents a strange view of the role of a headquarters, which would be derelict if it did not exercise its responsibilities of review and decision.

WASTE IN KOREA

The Acting President of Korea has been quoted during congressional hearings as having said that there was waste and mismanagement of the U.S. assistance program for Korea in excess of $200 million.

First, this was a misquotation. The Acting President did in fact state that there had been waste and mismanagement in the program. The newspaper story, not quoting, added that the program had been at a level of $200 million.

There is evidence of manipulation of ICA-financed imports into Korea to produce political benefit to certain Koreans. This is mismanagement in the sense that democratic and impartial standards of conduct were not always applied by Koreans. There is no evidence or allegation of American connivance in such transactions.

Knowing of such mismanagement, why was assistance continued? The answer lies in a review of the alternatives, of the likely results of termination of aid. American blood and money has kept Korea alive—on a hostile frontier—and withdrawal would result in certain collapse. Constant efforts were made to improve on an unfortunate situation and some successes such as a more favorable exchange rate were scored. An "either-or" approach would not have worked, since the United States holds no nation as a satellite.

Constructive steps on these matters are being accelerated in cooperation with the present Government of Korea.

BOLIVIA

A Senate Government Operations Committee report directed attention to a number of program and administrative weaknesses of the ICA program in Bolivia. These problems have been critically commented on in other congressional hearings.

The Senate report was properly critical of certain aspects of the Bolivia program. This report acknowledged, as other congressional critics have not, that the program was initiated after a violent revolution, in chaotic circumstances and in an area in which difficult operations are more difficult because of altitude and climatic conditions.

The Senate report made four recommendations all of which are being carried out.

Pertinent to this matter also is the following excerpt from the February 2, 1960, report by Senator GEORGE D. AIKEN:

"Although hindsight may reveal how the aid program could have been carried on more effectively, it also reveals no alternative to that program except utter chaos."

Statement

ADVANCE COMMITMENTS

The DLF has made commitments to borrowing countries in advance of approval of specific projects and then projects were developed to carry out the commitments. This is improper since the executive branch had made representations that advance commitments would not be made. The effect of the advance commitments has been to tie up substantial funds which could be used for loans, while Congress has been asked for the appropriation of additional funds.

Comment

The Congress has imposed no prohibition on advance commitments, nor has the executive branch in fact stated to the Congress that it would never make commitments prior to the approval of specific projects or programs. Executive branch witnesses have testified that the DLF would not make advance annual allocations of assistance, that is, it would not parcel out assistance to countries on an annual basis. The latter has, in fact, been avoided.

On the limited occasions when commitments were made in advance of approving specific projects or programs, special and compelling circumstances led to the employment of this technique. In each case where an advance commitment has been made, the DLF acted in accordance with the foreign policy guidance of the Secretary of State which is provided for in section 205 of the Mutual Security Act of 1954, as amended. In most cases, the DLF had on hand applications from the countries involved, in excess of the amount committed. All of the commitments were made subject to the approval of specific projects or programs. In addition, no funds have been disbursed under the commitments until the DLF approved sound activities for financing. All such cases have been reported in full to the Congress. No advance commitments have been made since December 1958.

With respect to the charge that substantial funds have been tied up by the use of this technique, the table below shows when the DLF appeared before Congress to request additional funds, the amounts outstanding against advance commitments were small, both in relation to the additional funds requested and to the total of specific loan approvals at the time.

Relationship of advance commitments to additional requests for funds

Dates	Appropriations requested for subsequent periods	Charges against available funds	
		For advance commitments or earmarkings	For specific projects or programs
As of June 30, 1958	$625,000,000	$39,300,000	$228,086,000
As of Feb. 26, 1959	225,000,000	46,250,000	637,556,000
As of June 30, 1959	700,000,000	23,450,000	812,106,000
As of May 19, 1960	700,000,000	18,150,000	1,184,406,000

USE OF LOAN REPAYMENTS IN A REVOLVING FUND

Statement

The repayments on loans made by the DLF go directly to augment the DLF's capitalization and the U.S. Treasury does not receive the benefit from these repayments. "For the first time" it is "revealed" that it has become a revolving fund since part of its resources are not subject to Congressional appropriation.

Comment

There is nothing new about the "revolving fund" nature of the DLF's capital. Nor was it ever conceded to be now "revealed." It was clearly provided for in the initial legislation which authorized the establishment of the Fund. It was also discussed in executive branch presentations to the Congress. Section 204(a) of the Mutual Security Act of 1954, as amended in 1957 states:

"SEC. 204. FISCAL PROVISIONS.—(a) All receipts from activities or transactions under this title shall be credited to the Fund, and, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law relating to the use of foreign currencies or other receipts accruing to the United States, shall be available for use for purposes of this title."

This was spelled out in the section-by-section analysis of the 1957 authorizing bill prepared by the executive branch which stated that section 204(a) establishes the revolving character of the Fund by providing that all receipts under title II shall be credited to the Fund and be available for use for purposes of that title.

In addition, the Report of the House Foreign Affairs Committee, July 9, 1957, stated the following in reporting out the bill which included provisions for the establishment of DLF:

"It is contemplated that the Fund will operate on a revolving basis with the payments of interest and principal on loans being reloaned as they become available. Repayment of loans in foreign currencies will be accepted when necessary to meet the requirements of the program. Such currencies could be reloaned; or might be sold for dollars to U.S. Government agencies needing such currencies, thus providing dollars for use by the Fund."

Over 20 percent of DLF loans are repayable in dollars. When the interest on these loans and the dollar repayments are received, they are credited to an account in the U.S. Treasury for use by the DLF in the manner of a revolving fund. This is the way the Export-Import Bank and other Federal lending agencies have functioned over the years. When dollar returns to the DLF revolving fund become sizable, they can be taken into account in considering requests for additional appropriations.

Repayments in local currency similarly are deposited in the Treasury account and are available for relending as the need for such currencies arise. Usually this need is for local currency loans in the country making repayment; however, some sales are made by the Treasury to other agencies of the U.S. Government. The dollars derived from these sales are added to the capitalization of the DLF.

ARE DLF LOANS "PHONY"?

Statement

DLF loans are really disguised grants. They are "as phony as a $3 bill."

Comment

Each of the 135 loans approved thus far by the Development Loan Fund has been soundly conceived and transacted.

Through individually tailored loan agreements each borrower undertakes a solemn obligation to repay and agrees to follow specific practices designed to insure the efficient use of funds. The loans must be repaid according to a predetermined fixed interest rate and amortization schedule. Each loan is the culmination of an intensive economic and technical review. None of the loans is in default and over 20 percent are repayable in dollars.

In establishing the Development Loan Fund the Congress supported the position of the executive branch that loans have distinct advantages as a method of providing needed capital to the less developed countries. Because they impose an obligation to repay, they establish a businesslike relationship between lender and borrower. Regular payments require the borrower to pursue efficient economic and financial practices and otherwise to discipline the management of his operations.

Moreover, DLF loan agreements impose a continuing burden and requirement on the borrower separate and apart from the need to repay. Borrowers are required, for example, to retain consulting engineers, to report regularly on financial and technical progress, to secure managerial assistance where necessary and to establish and maintain businesslike records.

A substantial portion of DLF loans have been made directly to private enterprises for manufacturing plants of various kinds, or to independent, government-owned instrumentalities, such as railroads, power systems or port authorities which must live on their own revenues. The burden of repayment on such borrowers is the same whether they are required to repay in local currency or in dollars. Their earnings are in the currency of the country in which they are located. If required to pay in dollars, they can obtain them only through purchase with local currency earnings. Consequently, neither of these two types of borrower is affected by the currency of repayment.

As for governments which have the power to issue currency, they recognize increasingly that it would be adverse to their own interests to flout the precepts of sound financial and monetary policy in making repayment. There is no evidence that such precepts are being ignored. In addition, the DLF requires on all loans repayable in local currencies that payments be at a constant value in relation to the dollar.

EMPLOYMENT GENERATED BY MSP

The current mutual security program appropriation request of approximately $4.1 billion would generate direct and indirect employment in the United States of from 500,000 to 550,000 full-time persons for the year.

Direct and indirect employment created in the United States in 1957 by the 1957 foreign aid expenditures was estimated at 530,000 people by the NPA. The foreign aid program for 1957, as defined by the NPA, totaled $4,226 million of which about $4 billion was for mutual security grants and credits. Technical staff responsible for the National Planning Association (NPA) study in 1957 believe that employment created per dollar of foreign aid funds remains the same as in 1957 when the intensive NPA study was conducted.

The above estimates consider that procurement in the United States in fiscal year 1961 will be higher than in 1957 for the military assistance program and will recover toward 1957 levels for the ICA program. The trend of MSP procurement in the United States is as follows:

	Percentage procurement in United States		
	Fiscal years 1949–59	Fiscal year 1958	Fiscal year 1959
Military equipment and supplies	85.7	89.1	93.0
ICA commodities	67.0	51.7	47.4
Total [1]	76.4	75.4	77.6

[1] Excludes DLF and other MSP expenditures such as shipping which are used in the employment estimates and which, if included, would bring the percentage up further.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I still do not know to what the gentleman from Arizona is referring. At page 507 of the hearings I said:

If we had given you the money you asked for, you would have used it in this program. You would have bought something whether you needed it or not, and it would have been, today, in excess.

General Norstad stated:

Only if we needed it.

Then General O'Meara came in and broke into General Norstad's reply. General Norstad continued and said:

If you had given us every year everything we asked for, the total at the present time would indicate some overages that we now make; that is correct.

That is the way I had it on the card, and that is the way I read it. Is that the point the gentleman was making?

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. The point I was making was that the chairman did not read the whole quotation. He did not read the second sentence.

Mr. PASSMAN. It was not necessary. I read General Norstad's reply, not General O'Meara's.

Mr. RHODES of Arizona. The second sentence was by General Norstad.

Mr. PASSMAN. Here is what I read:

If you had given us, every year, everything we asked for, the total at the present time would indicate some overages that we now make; that is correct.

Mr. RHODES of Arizona. Very well. If the gentleman will yield further, I will read again. The entire answer is as follows:

> If you had given us, every year, everything we asked for, the total at the present time would indicate some overages that we now make; that is correct.

Then the second sentence reads:

> Every year we must program in the light of the deficiencies which have been created by the failure to appropriate the year before as we are doing this year in Turkey.

Now, the chairman says this indicated that General Norstad agreed that by cutting the appropriation he had made this a better program. I submit that if he had read the second sentence he would have known that the general meant nothing of the kind.

Mr. PASSMAN. That second sentence does not relate to the question, and the distinguished and able attorney knows that to be a fact.

Mr. BROWN of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BROWN of Missouri. Mr. Chairman, 4 years ago when I came to the Congress, I was an admirer of the Marshall plan and a stanch advocate of the principle of mutual security.

I have never been a selfish, shortsighted isolationist. I know that peace and progress depend on the willingness of America to help bolster the economies of the uncommitted nations, to maintain strong alliances with free peoples, and to create new and better programs of good works all over the world.

I am a firm believer in the United Nations, in the many great international lending institutions that have been created by America's leadership, in the peoples-to-peoples exchange programs, and other fine programs for peace among nations.

I recognize fully that the country needs a well-planned long-range international program for economic development and mutual security.

But for 3 years I have voted a protest vote against the half-baked facsimile that comes to us each session about this time under the title of a mutual security program, because I want to quit piddling around with this U.S. Government to patchwork improvisations poorly administered and come up with a good program commensurate with the needs of our times.

I have spent many hours reading pro and con testimony about mutual security or so-called foreign aid. Those who say the idea of aid to lesser nations is foolish waste are wrong and are being dangerously shortsighted, in my opinion.

But, conversely, those who say that the present program as it is now being handled is essential to peace are also wrong. For these day-to-day improvisations by the ICA create about as many problems as they solve.

For example, 4 years ago, when I asked a distinguished Assistant Secretary of State to give me a post-Korea success story for mutual security, he pointed with pride to Iraq; said the Iraqi army was a strong new ally for freedom, right on the perimeter of Russia.

It is now a matter of history that our efforts in Iraq were the opposite of a success story. We armed an immature nation that was not ready for such arms, created a Frankenstein monster in an explosive area. The total end result is yet to be calculated; but few would predict that it will be good for the United States or the world.

And Iraq is not the only example. In instance after instance, we have furnished arms to prop up unpopular rulers, making enemies of the electorates.

Yet the administration is asking for $2 billion more military aid for the next fiscal year; and their requests are bolstered by respected military leaders who insist that such funds are essential as a part of America's own defenses. Well, my question is: If some items in this bill are so essential for America's own defenses, why are they not included in the regular defense appropriation request? Why not include the NATO appropriation needs in the Pentagon's budget where it belongs?

If the truth were known, some of the Pentagon budgeteers have a nice little bookkeeping gimmick going for them in mutual security.

They dump some of their obsolete military equipment to foreign aid recipients, and are compensated for it out of the mutual security budget.

It all may come out to the same end result, but why must anyone kid anybody about what is going on. Let us separate military appropriations from bona-fide assistance to lesser nations.

Also, let us formulate a long-range, well-managed development loan and technical cooperation program. Senator FULBRIGHT says it must be set up on a 5- to 10-year basis. I agree. We should strive to prevent trouble rather than wait until trouble is fomented and then try to bribe our way out.

But with due respect to the men in the State Department and the ICA, I have many misgivings about the ability of the present administration to handle even $550 million worth of development loans efficiently. Until I see better evidence of long-range planning and better management, I hate to vote another $550 million to be misused.

In short, the Nation needs a good long-range mutual security program, encompassing, first, food for peace; second, development loans; third, more interchange of peoples; fourth, technical cooperation; and fifth, a big-scale health program for undeveloped countries.

Military assistance should be included in regular defense appropriations.

Any bill that comes close to such a program administered by dedicated people who plan their work and work their plan will get my vote. But this bill is just like the three others that I have voted against. It is not a program. It is not even a reasonable facsimile. And I intend to vote against it in the hope that my protest will prompt someone to take some kind of action toward getting a good forward-looking mutual security program commensurate with the mounting dangers and gaping needs of our time.

Mr. CURTIN. Mr. Chairman, I ask unanimous consent that the gentleman from New Jersey [Mr. WALLHAUSER] may extend his remarks at this point in the RECORD?

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALLHAUSER. Mr. Chairman, today the Members of this body face a most important decision in their consideration of the mutual security appropriations bill as reported by the committee.

Reduced to simple terms the question before us is:

Do we, through cutting the appropriations requested by the President, want to pull the rug out from under a program of military and economic assistance to needy nations that has been a key in our resistance and blockade of Communist attempts to dominate and enslave the entire globe?

The answer, I believe, should be "No."

But this, in my opinion, is precisely what will occur if we pass legislation providing for the cuts recommended by the committee.

I am convinced that the mutual security program, over a long period of time, has proved itself as a bulwark against communism and its tyrannical leaders.

In casting our votes on this bill, we must face the fact that the defense of the United States, and the rest of the free world, depends in large measure on the mutual security program—both in its military and economic aspects. To approve reductions in the amounts recommended by the President for carrying out the program, in my judgment, will jeopardize and weaken the security of our own Nation and the defense of the entire free world.

That there has been waste and inefficiency in certain areas of the mutual security program seems to be reasonably well established, and it is to this failure that knowledgeable officials are directing their efforts. I suggest that it is more constructive to direct our efforts toward the correction and improvement of the management of the complex program, rather than the reduction of valuable items.

It must be realized, by Members of Congress and the people as a whole, that the mutual security program has become a permanent and important part of our foreign and defense policies. I will always support steps for a constant review and reappraisal of the program, on a solid basis, so that the funds of our taxpayers are not misspent, but I believe that the overall result of the program is, and has been, worth the time, money, and effort we have put into it.

Unless and until communism ceases to be a threat to our national security, and the rest of the free world, I do not believe it just to arbitrarily condemn the program, or the amount that is required to administer it, because of the relatively

few human failures that accompany its administration.

Mr. GARY. Mr. Chairman, I do not believe that any Member of this House would attempt to contradict the fact that I am a friend of the foreign aid program. I have been a supporter of the program since its beginning. I well remember 12 years ago, in 1948, to be exact, when I sat here on the floor and the chairman of the full committee called me over and said, "VAUGHAN, I am planning to appoint a special committee to handle the foreign aid program and I would like for you to take the chairmanship of that committee." I told him that I already had the chairmanship at that time of the Treasury and Post Office Subcommittee, but if he wanted me to I would try to handle them both. I accepted the chairmanship of the committee and remained its chairman for 6 years, and I have been on the committee ever since. Therefore, I have been a member of the committee during the entire length of the program.

Mr. Chairman, I have consistently voted for the program, but I do not know of a single year during that entire time that we have not cut the President's request for funds. I consider foreign aid a very vital part of the national defense of the United States. I believe that we have got to help our allies. We have got to help them with their military programs, and they also need some economic help in the maintenance of the necessary forces to aid in the defense of the free world. But, I cannot bring myself to believe that it is necessary to spend all of the money that we have been requested to appropriate.

I had the privilege in 1952 of visiting Europe with the then so-called Richards committee. That was a committee composed of representatives of the Committee on Foreign Affairs of the House, representatives of the Committee on Armed Services, and representatives of the Committee on Appropriations. We were sent over there for the purpose of conferring with then General Eisenhower, who was at that time the supreme allied commander in Europe, with reference to this program. I well remember that the General then urged us "Gentlemen," he said, "whatever you do, do not cut the program this year." Some of our members on the committee called his attention to the fact that the program was becoming a drain on the resources of America and that the American people were getting tired of it and they wanted to know when there could be an end to the program. General Eisenhower said:

> Now, gentlemen, I believe that the Europeans should defend Europe.

And that—

> The Asiatics should defend Asia, but at the present time they are not in a position to defend themselves, and, therefore, we must help them. But we will soon begin to turn the program over to them. After we provide them with military equipment, we will begin gradually to phase out the program and leave their defense to them.

We pressed him for a limit of time. I must confess, he did not set a definite time; but he said, "Probably we can begin to phase out by 1954." We have been phasing out of this program for the last 3 or 4 years. But what happens this year? Now we start up again. Confidently, expecting that we would be able to reduce the program each year and finally phase it out, we are now faced in the request for this year with a very substantial increase over last year.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman.

Mr. JUDD. I was privileged to be on that same Richards committee on its visit to Western Europe.

Mr. GARY. I remember that the gentleman was. He attended the conference to which I refer, and no doubt remembers the general's remarks.

Mr. JUDD. The gentleman has been correct in reporting what was said. The gentleman will recall that that was at the end of May or the first part of June 1951.

Mr. GARY. I thought it was 1952. I know it was in June.

Mr. JUDD. I am sure it was in June of 1951. The general did not come home until a year later to run for President in 1952, so it must have been 1951. At that time the situation in Europe was improving and there was promise that the war in Korea was going to quiet down. The Communists were offering a truce. Instead of a real change, they merely withdrew for a time their pressure in Europe where they could not make headway, in order to increase their pressure in the Far East, then South Asia, and then the Middle East. So as far as Europe is concerned, as the gentleman has stated, we were able to taper off our aid. But explosions continued around the world, and now we have them in the Western Hemisphere and in Africa, too. So I do not imagine that either the general or we could have been expected to foresee that.

Mr. GARY. Mr. Chairman, I cannot yield further at this time. I will say to the gentleman that every year there have been explosions. And yet, every year we have reduced the requests for this program. In 1956 we reduced the overall program $584 million. We were told that would wreck the program. What happened? At the end of that year, they finished with an unobligated balance—I am not now talking about unexpended funds—they ended with unobligated funds of $33,900,000 in the military assistance program alone. The next year, fiscal year 1957, we cut the request $1,064 million. What happened that year? They ended with a surplus, with unobligated funds, of $195,500,000 in the military assistance program.

We cut it again for the fiscal year 1958 $565,650,000. What happened that year? They ended with unobligated military assistance funds of $538,800,000.

In 1959 we cut it $652 million. What happened then? They ended that year with a similar surplus of $15,453,000.

Last year we cut the request $1,204 million. We were told then that we had absolutely wrecked the program. And yet they estimate that they will finish this year with a surplus of $35 million. The cuts which I have mentioned relate to the entire program while the surpluses relate only to the military assistance phase of the program. The total surpluses were much larger.

Let me say this further. The Comptroller General, appearing before our committee last year, made the statement unqualifiedly that he thought we had given the program too much money, not too little. This year I asked him if he was of the same opinion and he stated unequivocally that he was. He thought by giving them less money they would spend it more carefully, we would have less waste, we would have more economical and better planned programs and get better results than if we just give them money to throw away.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to my chairman.

Mr. PASSMAN. Mr. Chairman, I want to assure my distinguished friend the gentleman from Arizona [Mr. RHODES], of whom I am very fond, that I think he is a very able Member and very fair, but he had reason to be confused, because we have 517 pages of testimony covering five nations. We did not put the testimony in the RECORD because so much of it was classified, and they did not have an opportunity to review the transcript.

I assure the gentleman that if he will go through the hearings, and if he does not find in these hearings, and also with regard to the one country referred to in this secret letter, that there is over $300 million excess equipment in these five countries, I will support the amendment to be offered by the gentleman from New York.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Iowa.

Mr. GROSS. Do I correctly understand that we are presently giving Japan some $100 million in the form of military assistance and technical aid?

Mr. GARY. The amounts given to individual countries are classified. I personally would not like to give away any classified information.

Mr. GROSS. One further question, if the gentleman will indulge me: In reading these hearings, I find the terms "less-developed countries" and "underdeveloped countries" used interchangeably. Is there any difference between a less-developed country and an underdeveloped country?

Mr. GARY. So far as I know, none. What is an underdeveloped country just depends upon the thinking of some bureaucrat downtown.

Mr. GROSS. That is what I thought.

Mr. GARY. Mr. Chairman, in the minority report filed with this body is the following sentence:

> This is no time to "kowtow" to Khrushchev or be soft on communism.

I resent that statement. I do not know whom they are aiming at. I do know it is not I. But there is certainly an insinuation that it is aimed at those of us who favor this bill. I have never kowtowed to Khrushchev and I never

intend to. I was not in favor of extending Khrushchev an invitation to visit this country, and I think when we did we increased his prestige tremendously throughout the world. I think it was a tremendous mistake. I purposely timed my departure from this city so that I would not be here when he arrived.

I was not in favor of President Eisenhower's proposed visit to Russia. I was not in favor of the summit conference because I do not believe that you can deal with people without principle, and certainly the Soviet hierarchy have shown that they have absolutely no principles whatever. We have made agreements with them time and time again, and what has been the result? We have merely tied our own hands because we try to live up to our agreements. They have never lived up to a single agreement we have made with them. They have violated every single agreement they have ever made with this country. How are you going to deal with people of that kind? If you should work out an agreement with them, it would be absolutely worthless because they would not respect it.

We thought just prior to World War II that we might be able to do business with Hitler. We found out we could not. Neither can we do business with Khrushchev.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. YATES. Let me say to the gentleman that I agree with him in regard to the statement inserted in the minority views. I do not think the fact that the program was cut means that any of those who voted for it are soft on communism or favor Khrushchev. If Members are to be criticized as being soft on communism because they voted to cut appropriations, I think the gentlemen on that side might well look at some of the Members of their own administration.

Mr. GARY. When a person lacks arguments to support his position he frequently begins to call names. I think that is the situation in this minority report. They lack arguments to support their position. Therefore, they throw in these statements about kowtowing to Khrushchev or being soft on communism. It does not frighten me one bit because I am certain no one would ever accuse me of either kowtowing to Khrushchev or being soft on communism. But I do not like it. In fact, it is unworthy of the gentlemen who signed the report, for each of whom I have the very highest regard.

I am convinced, Mr. Chairman, that we have appropriated every dollar of the funds that are necessary for this program. If I may paraphrase the language of a great statesman of the past: "Let us appropriate billions for defense, if necessary, but not one penny for waste."

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time for general debate has expired.

The Clerk will read.

The Clerk read as follows:

MILITARY ASSISTANCE

For expenses as authorized by section 103 (a) of the Mutual Security Act of 1954, as amended, necessary to enable the President to carry out the purposes of chapter I of such Act (including administrative expenses as authorized by section 103(b) of such Act, which shall not exceed $23,000,000 for the current fiscal year, and purchase for replacement only of passenger motor vehicles for use outside the United States), $1,600,000,000.

Mr. TABER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: On page 2, line 15, strike out "$1,600,000,000" and insert in lieu thereof "$1,800,000,000."

Mr. PASSMAN. Mr. Chairman, I assume a number of Members will want to speak for and against the amendment, therefore, I move that the Committee do now arise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, had come to no resolution thereon.

HOUR OF MEETING

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet tomorrow at 11 o'clock a.m. to continue the consideration of the mutual security bill.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

INCREASING COMMUNISTIC ACTIVITY IN THE WESTERN HEMISPHERE

Mr. SELDEN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SELDEN. Mr. Speaker, we in the United States, as well as all of the people in our sister Republics of Latin America, have cause for concern over the growing evidence of increasing communistic activity in the Western Hemisphere.

One of the principal goals of international communism is to divide the American Republics and to weaken the U.S. position of leadership. Its ultimate aim, as proved in Guatemala, is complete control and domination of the individual countries of the Western Hemisphere.

In an effort to destroy U.S. leadership and to impose the Communist philosophy and way of life upon the peoples of the Americas, the forces of international communism have subjected the United States to an unprecedented campaign of vilification and abuse. Aiding and abetting these efforts are certain officials of the present Government of Cuba. Outright slander and deliberate distortion of the truth have become characteristic of efforts by the Castro regime to undermine our relations with our Latin American neighbors and to build up a false impression of the United States and its policies in the minds of the people of Cuba.

Our Government to date has been extremely patient with the fanatic little band which has imposed its ruthless and despotic will on the people of Cuba. However, this country can ill afford to ignore mounting evidence that the present Cuban Government is being used to further the international communistic conspiracy.

Realizing the seriousness of the situation, I have called a meeting of the Foreign Affairs Subcommittee on Inter-American Affairs, of which I am chairman, to examine the Communist threat in the Western Hemisphere and with particular reference to the situation in Cuba. Hearings will begin tomorrow, during which Members of Congress who have introduced resolutions on this subject are being invited to appear and give the subcommittee the benefit of their knowledge and views. The subcommittee will resume its hearings on Monday with officials of the executive branch appearing at that time. It is my hope that this subcommittee examination will focus attention on what appears clearly to be the latest move of Communist forces to take full advantage of the opportunities manufactured for them by Castro and his followers.

WILL PEIPING SOON JOIN NUCLEAR CLUB?

Mr. WOLF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WOLF. Mr. Speaker, on June 3 on the floor of the House I stated for the RECORD that I am not, and never have been, in favor of diplomatic recognition of Red China. I stated, however, that we simply cannot close our eyes and pretend it is not there, for it is an accomplished fact, whether we like it or not.

I stated further that facts have recently been made available to me which prove conclusively that the Russians are transferring much of their research and development equipment into northwest China. I was told that within 1 year it is very likely that Red China will explode her own atom bomb and, so, the nuclear club grows even larger.

Marquis Childs contributed some very illuminating thoughts on this whole general subject in his column which appeared in the Washington Post, this morning, June 16.

It is significant that newsmen are more and more frequently admitting to the existence of the threat to world

peace from Red China. I hope that our State Department gives full consideration to these thoughts presented by this eminent editorial writer.

The danger inherent in a nuclear explosion by Red China is brought out in Mr. Childs' statement that the leftists in Japan would certainly steer a neutral course and deny bases in Japan to American bombers and American troops. A nuclear explosion by Red China would undoubtedly result in increased rioting in Japan and increased pressure on the Japanese Government to do just that. I think the U.S. Government must give sober consideration to such an eventuality.

Mr. Childs' editorial follows:

[From the Washington Post, June 16, 1960]

WILL PEKING SOON JOIN NUCLEAR CLUB?

(By Marquis Childs)

Communist China is so far advanced in the development of nuclear fission that a nuclear device could be set off by Peking during President Eisenhower's visit to Chiang Kai-shek's island bastion of Formosa this week.

This is the belief of highly informed sources in the Government here. In making a careful and detailed intelligence appraisal recently of Red China's progress in the nuclear field majority opinion is not so pessimistic.

The majority view is that within a year and a half to 3 years Peking can explode a device equivalent to that set off by the French in the Sahara last winter. But at the same time it was acknowledged that past estimates of Communist capability in the nuclear field have always erred on the hopeful side.

The United States detonated its first atomic device at Alamagordo, N. Mex., on July 16, 1945. The Soviets set off their first explosion on August 29, 1949. Detected by America's monitoring system, it was announced by President Truman on September 23.

But some of America's most-knowledgeable experts in the atomic field had said that it would take Russia 20 years to come up with the first device. Others said 10 years. Only a few scientists, such as Prof. Harrison Brown of the California Institute of Technology, put the figure as low as 3 to 4 years.

No imagination is required to appreciate the shock that would result if the Chinese could achieve an atomic explosion, verifiable by the world monitoring system, at this time. It would be aimed primarily at Japan. The effect of the shock wave created in the febrile, highly emotional Japanese people, stirred by Communist and extreme leftist propaganda, would be incalculable, in the view of those who are most familiar with the situation.

Red China could count on a great increase in the neutralist-pacifist sentiment in Japan. If China, so the arguments of Japan's leftists would run, is about to get a nuclear weapons capability, then Japan must certainly steer a neutral course and deny bases in Japan to American bombers and American troops. This is a major objective of Communist propaganda and it finds all too ready a response in a nation deeply divided and with the destruction of Hiroshima and Nagasaki an ever-present reality.

The effect of an atomic explosion would be far greater than what is much more likely to happen. That is the shelling of Quemoy and Matsu and the Formosa Straits at the time that the President is on his way to visit Chiang.

While the odds are against its happening, one piece of evidence has caused sober second thoughts. These are the remarks made privately in Moscow not long ago by Prof. V. S. Emelyanov whose latest title, according to a Tass announcement of June 3, is Chairman of the Soviet Government Atomic Energy Committee. Emelyanov is reported to have said that the Chinese had made much more progress than the outside world suspected, even though the Soviets had given them comparatively little help.

Soviet experts are said to have assisted the Peking regime with advanced nuclear reactors of a sophisticated type. But this was presumably in connection with the peacetime uses of atomic energy. Most of the evidence points to a real concern on the part of the Soviet Union lest the Chinese get nuclear weapons and then proceed to carry out their more or less openly avowed intentions of using them.

Exploding a nuclear device, as the French have done, is a long way short of having a weapons capability. But even if the Chinese achievement is a year and a half to 3 years away it points up the fearful danger in the proliferation of nuclear weapons and the greatly increased chances of all-out nuclear war.

As the latest editorial in Pravda indicates, the Soviet are concerned over the left-wing extremists in China who insist that communism and "capitalist imperialism" must inevitably war to the death with coexistence ruled out. Mao Tse-tung has said that China could absorb 200 million casualties and emerge with its vast land mass as the only victor, or survivor, in a nuclear war. And appalling as it may seem to the West, the fanatical, Western-hating Chinese could view this as a reasonable sacrifice.

WE MUST UNDERSTAND RECENT EVENTS IN JAPAN

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a statement.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. JOHNSON of Colorado. Mr. Speaker, the distressing events now occurring in Japan prompt me to call to the attention of the Members a statement signed by 400 clergymen in the United States, from all parts of this great Nation. I think it deserves a thoughtful study by every American, and especially the thoughtful attention of the U.S. Senate.

We need to understand events in Japan in more historical terms than simply declaring that those who disagree are Communists. Much damage has already been done. Before it is too late to make amends, I trust Americans will reexamine this proposed mutual security pact. The opportunities to encourage democracy will not be enhanced by rushing approval of a basic course of action which is fundamentally opposed by a significant part of the whole community. Great national purposes such as justify international treaties should have widespread popular support throughout the countries which are party to them. Otherwise, with the first change in administration, the treaty will be renounced. We should not assume that so fragile a reed represents a powerful sword or a strong shield. The statement follows:

The undersigned, as a result of our deep desire for total world disarmament and our respect for the Japanese Constitution's renunciation of war and military preparations, join in issuing this statement to our fellow citizens:

The United States and Japan have concluded a little publicized series of negotiations that will become a treaty of military alliance if it is signed and ratified by both countries. The draft of this "Mutual Cooperation and Security Treaty" will extend for another 10 years the stationing of United States forces in Japan. It obligates Japan to resist and to retaliate against any attack on U.S. bases. It requires Japan to have sufficient military capability for modern war, a standard provision of all countries having mutual aid treaties with the United States. It also sanctions the use of Japanese forces outside of Japan. Moreover, there is no provision againt the introduction of nuclear weapons into Japan and presumably it opens the way to Japan's becoming a nuclear power.

This treaty is a clear violation of article 9 of the Japanese Constitution which contains the following:

"Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes.

"In order to accomplish the aim of the preceding paragraph, land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized."

This provision in the Japanese Constitution was in effect a joint declaration of the Japanese and American people. Not only was it widely hailed in both countries at the time but it was a Japanese concept encouraged and accepted by the United States then occupying Japan.

Only 10 years ago, on January 1, 1950, General MacArthur, who had represented the United States in Japan at the time the Constitution was adopted, said in an address to the Japanese people:

"A product of Japanese thought, this provision is based upon the highest of moral ideals, and yet no constitutional provision was ever more fundamentally sound and practical. * * * In this historic decision, you are the first. The opportunity therefore is yours to exemplify before mankind the soundness of this concept and the inestimable benefit resulting from the dedication of all energy and all resource to peaceful progress. In due course other nations will join you in this dedication, but meanwhile you must not falter. Have faith in my countrymen and other peoples who share the same high ideals. Above all, have faith in yourselves."

The present effort to circumvent the Japanese Constitution is the joint responsibility of the Japanese Premier Nobusuke Kishi and the U.S. Government. There is no popular demand in Japan or in the United States for a military alliance between the two countries. In fact, there is widespread opposition in Japan to any military alliance and especially to any pact that would provide an entering wedge for the eventual introduction of nuclear weapons.

During his first years in office Premier Kishi indicated that the Japanese Constitution precluded any military alliance with the United States. About a year ago he suggested changing the Constitution. Realizing how unpopular and impossible this was he finally asserted that the Constitution permitted rearmament as well as a military pact with the United States.

The pressures for this treaty include the following:

1. The prewar Japanese industrial combines which were dissolved by MacArthur following the war have been resurrected. They profit from U.S. military aid and military contracts from U.S. forces in Japan who spend some $200 million annually for goods and services in Japan. They not only want to continue the presence of American troops in Japan but look forward to an expanded rearmament program by Japan itself. These economic pressures are exerted by leading industrialists within Kishi's own party as well as in other ways. (John G. Roberts, "Remilitarization of Japan," the Nation, Dec. 19, 1959.)

2. American economic interests such as Westinghouse, General Electric, Western Electric, Standard Oil, and Alcoa are business allies of the Japanese industrial houses. American investments in Japan have jumped from a prewar figure of $119 million to over $600 million. More than 800 U.S. companies have profitable tieups with Japanese firms. In addition, loans totaling more than 2 billion have been made in the postwar period. These loans were Government and World Bank loans. "The protection of this investment," asserts one authority, "is a sufficient incentive for encouraging Japan to rearm" (idem).

3. One reason Japan is so susceptible to economic pressure is the policy of the United States concerning trade with China. Even such trade as Japan might have had without strong objection from the United States was cut off by China in 1958 because of Japan's close support of American policy.

4. Beyond the economic pressures are the political ones. It was the complete destruction of Japan by the United States in World War II that created the power vacuum that in turn permitted the Chinese Communists to become the strongest power in Asia. In this day of rising Russian and Chinese power the United States has no powerful allies in Asia. The one hope for a great power in Asia allied to the United States is Japan. The United States, as a part of its policy of hostility toward China and its reluctance to work for disarmament, is concentrating on the rebuilding of a strong, militarized Japan.

In one sense the proposed treaty is simply the method of formally declaring and extending a policy the U.S. Government has pursued for some years. The Pentagon has not wanted American troops withdrawn from Japan. Therefore when the pressures for ending the occupation were mounting, we concluded a peace treaty with Japan which at one and the same time provided for withdrawal of occupation forces and for the right of Japan to retain foreign armed forces on her soil as a result of bilateral or multilateral agreements.

James Reston, in the November 19, 1951, New York Times, wrote:

"The Pentagon would like to keep most of its buildings, its hotels, its golf courses. It would also like to retain legal jurisdiction over its personnel at all times and, of course, it is concerned to see that the Army post exchanges are well supplied with everything from American golf balls to liquor, tax free.

"The State Department recognizes that the Army has an argument on all these points, but in the political field the United States has made a great play with the theme that it was restoring Japan's independence while the Russians were using their security treaty rights to dictate to their allies how they should live and serve the interests of the military authority.

"Mr. Rusk will talk with General Ridgway about trying to work out a compromise that will avoid suspicion that the United States is clamping a phony independence on Japan while at the same time preserving the facilities essential to the U.S. military command."

The proposed treaty and the policies it promotes have some dangerous and far-reaching implications for our own people, the Japanese people, and for world peace.

1. The treaty perpetrates the unsound economic policy of tying Japan both to the United States and to a military economy. Japan's natural markets and sources of raw materials should be with her Asian neighbors rather than a distant United States. Japan's economic base is such that she cannot support a huge military revival without becoming increasingly dependent upon the United States. This means further sacrifices for the U.S. taxpayer and a false economic base for the people of Japan.

2. The treaty of alliance and the rearmament of Japan will not increase the stature of either Japan or the United States in Asia. Instead it will reawaken memories of Japanese militarism and occupation during World War II. It will tar Japan with the brush of Western imperialism for becoming an economic vassal and a military subaltern of the United States. It will indicate that the United States is intent on the continued military occupation of Japan while calling it by more acceptable names. Asians do not want British, French, Dutch or U.S. imperialism influencing or manipulating their decisions. They resent Western bases in Asia as we would resent Russian or Chinese bases in the Western Hemisphere.

3. At the very moment when the Soviet Union has stated its readiness for total universal disarmament and has urged a relaxation of tensions, we are pursuing a policy that moves in the opposite direction. This policy will make it more difficult for both China and Russia to believe we want a relaxation of tensions. Already there is some indication that Khrushchev has had difficulty in convincing his Chinese ally of the value of relaxation of tension and the timing and value of disarmament when our Asian actions move in the opposite direction. Yet it is increasingly obvious that the world must begin to disarm and China must be included in such a disarmament program.

4. Even from the military point of view there is no guarantee that the Japanese armed forces we build up will be dependable. Presumably Japanese armed forces will be useful to the United States only if we are involved in war with China or Russia or both. But if Japan is threatened with nuclear bombs or missiles is there any greater likelihood that Japan will submit to atomic bombardment and stay in the war than she did after only two such bombs in World War II?

5. The imposition of the treaty upon the Japanese people may well lead to the vitiation of democracy in Japan. Only since World War II has anything like real popular democracy had a chance to flourish in Japan. Untrammeled by a military caste and with the big industrial empires broken by MacArthur's occupation staff, popular democracy was given a chance in Japan. Now, however, Premier Kishi's Liberal Democratic Party (which is the majority party), under pressure from the industrialists and disregarding the objections of opposition parties and public opinion polls, is insisting on the treaty. A communication from Prof. Iwao Ayusawa, chairman of the Fellowship of Reconciliation in Japan, says, "it is feared that the arrogance and tyranny of the majority which the government is indulging in may lead the people to a disbelief in democracy itself." If the majority party becomes the voice of the industrialists, who together with the military were the real rulers of prewar Japan, there is not only grave danger of a repetition of such behind-the-scenes control of a facade of democracy but also danger of undemocratic popular reaction to such control.

There are moral as well as political reasons for opposing the proposed treaty. In December 1951 a group of Japanese Christians said to John Foster Dulles: "No country can maintain its existence for long unless its foundation is based on moral principles. If you approve disarmament today and urge rearmament tomorrow, you will appear to differ in no way from Communists who say white today and black tomorrow."

By this treaty the United States will have repudiated finally the Japanese surrender agreement and the Far Eastern Commission's 1947 agreement that Japan will never be allowed to rearm.

What are the alternatives to this treaty? The major one is total world disarmament along lines proposed by Premier Khrushchev and British Foreign Secretary Selwyn Lloyd. If we are planning to enter serious negotiations for disarmament, we should at least postpone accepting this treaty which moves in the opposite direction.

The second alternative is to negotiate a withdrawal of our forces from Japan and, in conjunction with negotiations to recognize China, turn the preservation of peace in the Orient over to the United Nations.

The third possibility for us to pursue is to spend what we now spend on military measures in Asia on building up the economy of Japan and other Asian countries. If we can assist Asians in eliminating illiteracy, raising the standards of living and reducing the social tensions, we can thereby encourage democracy and at the same time make totalitarianism of the left or right far less likely.

(Signed by 400 ministers.)

ANNOUNCEMENT RE INCOME TAX TREATMENT OF NONFUNDABLE CAPITAL CONTRIBUTIONS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I desire to announce that tomorrow the gentleman from Arkansas [Mr. MILLS], chairman of the Committee on Ways and Means, will ask unanimous consent to take up the bill H.R. 7885, a bill relating to the income tax treatment of nonfundable capital contributions to the Federal National Mortgage Association. This is a bill which passed both branches of the Congress and was recently vetoed by the President because of a retroactive provision.

As I understand, the bill to be called up tomorrow meets the objections of the President.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. MILLS. Yes; it does. For the full information of the membership, the bill to which the majority leader has referred is exactly the bill which passed the House unaltered. The bill was amended in the Senate retroactively, and it was the retroactive feature of the bill we were told that brought about the veto.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. GROSS. I assume the minority members on this side have been apprised of the action contemplated?

Mr. MILLS. Yes; that is true.

Mr. McCORMACK. I wanted to make the announcement so the Members would be advised.

A GERMANY UNITED IN FREEDOM—GEORGE MEANY COMMEMORATES THE JUNE 17, 1953, UPRISING

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 10 minutes.

Mr. REUSS. Mr. Speaker, tonight over the ABC radio network, George Meany, president of the AFL–CIO, makes a nationwide radio address on "The Future of Germany—Free or Communist." Mr. Meany's speech occurs on the eve of the seventh anniversary of the June 17, 1953, uprising in East Germany.

I include the text of Mr. Meany's inspiring speech:

Tonight, the eve of June 17, we commemorate a historic event which still inspires the free world.

Seven years ago tomorrow, June 17, 1953, the working people of East Germany threw down their tools in a spontaneous revolt against their Communist oppressors. For days and weaks, these civilian workers, unarmed and unorganized, fought with their bare hands against the overwhelming power of the Soviet Army of Occupation. It was a desperate and unequal struggle. The uprising was crushed.

They proved—these unknown soldiers from the factories of East Germany—that the Communists had to rule by force because they could not command the willing allegiance of the people.

They proved that the love of liberty cannot be stamped out by fear or force or terror.

They proved that as long as people are ready to die for a great cause, that cause will never die.

The Soviet dictatorship still refuses to loosen its stifling grip on East Germany. Clearly, the Communists still are unwilling to let the people of East Germany and West Germany decide for themselves, in free elections, the future status of their country. Until such a decision is made, the world will continue to exist on the razor edge between peace and war.

I remember the stirring events of June 1953 very clearly because I happened to be in Europe at the time, attending the world congress of the International Confederation of Free Trade Unions in Stockholm. All of us at that conference were deeply moved by the plight of our trade union brothers in East Germany. We did what we could to send food and medical supplies to the survivors and to rescue some of those doomed to execution.

A few of the refugees were brought to Stockholm and gave us eyewitness reports on the reign of terror to which they had been subjected. They told us a story of wholesale exploitation by the Communist regime, of work speedups and stretchouts beyond the limits of human endurance. Human beings were treated with less consideration than machines.

Yes, the Red army smothered the uprising. But it could not erase the stain on the Communist record. The evil nature of the Soviet dictatorship was exposed for all the world to see. Here was the regime that promised to create a worker's paradise, stripped of its hypocritical camouflage and revealed as the arch enemy of free workers.

Throughout the world, the forces of freedom gained new inspiration from the heroic stand of the workers of East Germany. They were the first to revolt. The workers in Poland and Hungary were next.

Even in Soviet Russia itself, in the land under the heaviest yoke of Communist despotism, there are multiplying signs of disaffection. Among students and intellectuals a more critical attitude is stirring. Discontent again grips the peasantry. Industrial workers are openly manifesting impatience with pitifully low wages and heavier workloads. They are fed up with wretched housing conditions and the continued lack of consumer goods. In this land where strikes are outlawed and the merest protest by workers is punished severely, an unheard of thing is happening. Strikes are taking place. Recently, Soviet army tanks had to break up a strike of the Karaganda metalworkers.

The puppet regime, which insolently calls itself the German Democratic Republic, is encountering serious impediments in its drive to collectivize the East German farmers. The farmers know that when the Communists say collectivization they mean slavery and they want no part of it. The flood of refugees is steadily mounting—7,500 in January; 9,800 in February; over 13,000 in March and even a higher number estimated in April.

Khrushchev's explosive behavior in Paris must be viewed against this background to become even faintly comprehensible.

It must be remembered that the summit meeting was Khrushchev's own brainchild. He worked tirelessly for over a year to bring it about. At first he tried threats and ultimatums. He demanded that allied occupation forces depart from West Berlin before a specified deadline or face grave consequences. When that didn't work, he resorted to more subtle strategy. He negotiated with allied leaders. He flexed Soviet Russia's military muscles.

The Soviet dictator finally persuaded President Eisenhower to agree to a summit meeting. This was a clear-cut victory for Khrushchev. Why did he suddenly abandon it? He obviously had counted upon intimidating and humbling the free world by Soviet superiority in space and intercontinental weapons. He expected offers of appeasement as a result. When he discovered that the allied leaders were standing firm on both the German question and disarmament, he deliberately dynamited the conference.

Khrushchev's rage over the U–2 incident failed to carry conviction, especially when he boasted that he knew about such overflights at the time of his visit to America last year and never uttered a word of protest. The Soviet dictator declared the United States was due for a jolt and that he jolted us. As a matter of fact, he did. He jolted us right out of our national complacency. He made it crystal clear that all his talk of peace and friendship and coexistence was an elaborate propaganda trap.

Today there can be no more illusions in this country or among our allies about the real purpose of the Soviet Union. That purpose is worldwide domination. It is unchangeable. No matter what they say, the Communists will not deviate from this overriding objective. They are determined to achieve it, whether by war, by subversion, or by our default.

Once we face up to this harsh truth, we can prepare to cope with it.

There are encouraging signs of a sharpened awareness of the real nature of the Communist threat among our friends abroad.

In England, the powerful National Union of General and Municipal Workers has rejected a proposal for unilateral disarmament of Great Britain. Liberty-loving people everywhere salute the British Labor Party leader, Mr. Hugh Gaitskell, for his intensified efforts to strengthen NATO and broaden its scope of operations. We agree with him that NATO should become an effective instrument for international democratic progress in the economic and political as well as military fields.

In West Germany, the Social Democratic Party is moving toward joint efforts with Chancellor Adenauer's party in support of a common goal: to rally the full strength of the German people in behalf of their national reunification in freedom. The AFL–CIO stands shoulder to shoulder with its colleagues in the German Federation of Labor, in their efforts to build Germany into a bulwark of freedom, peace, and social justice.

As I emphasized earlier, Germany provides the key to world peace. Soviet Russia under Khrushchev, as under his predecessors, Lenin and Stalin, is determined to absorb all of Germany with its millions of skilled workers and its tremendous industrial wealth.

That is why the Communists beat down the East German revolution so ruthlessly 7 years ago. That is why Stalin attempted to force us out of Berlin in 1948, only to be checkmated by the American airlift. That is why Khrushchev today is insisting that the Allied nations withdraw the troops that have safeguarded the freedom and security of the people of West Berlin.

There can be no such retreat. We are in honor, bound to protect West Berlin and preserve the integrity of the West German Republic. To yield to Soviet pressure on these issues would be worse than appeasement. It would mean surrender.

The free world believes that there can be a peaceful solution of the German question. We have been willing and we still are willing to negotate such a settlement. It is not the province of Soviet Russia to dictate the terms, nor is the decision up to us. The German people themselves must be accorded the opportunity to determine their own destiny through free elections supervised by the United Nations. Soviet Russia, which is such an ardent advocate of self-determination in Africa and Asia, cannot consistently deny the same basic right to the German people.

This is the road to peace. Whether Soviet Russia will eventually choose to go along, only time will tell. Let us use the time we have to strengthen the free world in every possible way for the crucial test. If we do this and if we hold true to the spirit of the German workers who died for freedom 7 years ago, we need not fear the outcome.

Mr. Speaker, I believe that George Meany has expressed both the hopes and the determination of the people of the United States concerning the future of Germany. The people of the United States do not intend to yield up West Berlin to Communist domination. They do not intend to place their seal of approval on the present situation in East Germany, where a puppet government rules with the aid of Russian troops.

Above all else, we in the United States look to the day when human rights will be respected throughout all of Germany—the right to self-determination, to freedom of speech and press, to free elections, and the rest.

Of the two ideas involved in the concept of reunification in freedom, it is the idea of freedom that is most important.

The collapse of the summit conference, and the heating up of the cold war, tell us that the road ahead will be a rough one. It is here that George Meany offers us a sound guidepost when he says:

The free world believes that there can be a peaceful solution of the German question. We have been willing and we still are willing to negotiate such a settlement.

Of course, there must be a "peaceful solution of the German question." There must be some ray of light through the clouds, no matter how distant.

It will be the task of the Western democracies—the United States, France, Great Britain, West Germany, and the rest—to evolve and to table before the bar of world opinion the ingredients of such a "peaceful solution."

We know what some of these ingredients are. There can be no solution for Berlin without a solution for Germany, and no solution for Germany without a solution for Middle Europe. A viable strategic order for Middle Europe depends on general progress toward world disarmament between the great powers, linked phase by phase with disarmament in Middle Europe. A viable political order for Middle Europe must have as its cornerstone the meaningful protection of human rights as the best—and indeed the only—guarantee against totalitarianism from any quarter. A viable economic order for Middle Europe depends upon the extension to it of the kind of cooperative economic institutions which are now developing in the West.

June 17 can signal a new determination never to forget the spirit of German freedom.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. Bow (at the request of Mr. BETTS), from June 16 to June 18, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HEMPHILL, for 30 minutes, on June 20.

Mr. REUSS, for 10 minutes, today, and to revise and extend his remarks.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BOLAND and to include extraneous matter.

Mr. BARR.

Mr. DORN of South Carolina and to include extraneous matter.

Mr. ADAIR and to include extraneous matter.

Mr. BERRY and to include extraneous matter.

Mr. SCHENCK and to include extraneous matter.

Mr. DENT.

Mr. DERWINSKI.

Mr. LINDSAY.

Mr. GALLAGHER, to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mrs. CHURCH.

(At the request of Mr. CURTIN and to include extraneous matter, the following:)

Mr. VAN ZANDT in two instances.

Mr. CANFIELD.

Mr. PELLY.

(At the request of Mr. MCCORMACK and to include extraneous matter the following:)

Mr. FEIGHAN.

SENATE JOINT RESOLUTION REFERRED

A joint resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 170. Joint resolution to authorize the participation in an international convention of representative citizens from the North Atlantic Treaty nations to examine how greater political and economic cooperation among their peoples may be promoted, to provide for the appointment United States delegates to such convention, and for other purposes; to the Committee on Foreign Affairs.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 12117. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on June 15, 1960, deliver to the White House for presentation to the President, for his approval, bills of the House of the following titles:

H.R. 10000. An act to amend further certain provisions of the District of Columbia tax laws relating to overpayments and refunds of taxes erroneously collected;

H.R. 10183. An act to amend the Fire and Casualty Act regulating the business of fire, marine, and casualty insurance in the District of Columbia;

H.R. 10684. An act to amend sections 1 and 5b of the Life Insurance Act for the District of Columbia; and

H.R. 10761. An act to provide for the representation of indigents in judicial proceedings in the District of Columbia.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 58 minutes p.m.) the House, pursuant to its previous order, adjourned until tomorrow, Friday, June 17, 1960, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2270. A letter from the Under Secretary of Commerce, transmitting a draft of proposed legislation entitled "A bill to authorize an additional Assistant Secretary of Commerce"; to the Committee on Interstate and Foreign Commerce.

2271. A letter from the Administrative Assistant Secretary of the Interior, transmitting a report covering all tort claims paid by the Department in the fiscal year 1959, pursuant to the provisions of the Federal Tort Claims Act (28 U.S.C., sec. 2673); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLS: Committee of conference. H.R. 9322. A bill to make permanent the existing suspension of duties on certain coarse wool (Rept. No. 1883). Ordered to be printed.

Mr. MILLS: Committee of conference. H.R. 9862. A bill to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing (Rept. No. 1884). Ordered to be printed.

Mr. MILLS: Committee of conference. H.R. 9881. A bill to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders (Rept. No. 1885). Ordered to be printed.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 2669. An act to extend the period of exemption from inspection under the provisions of section 4426 of the Revised Statutes granted certain small vessels carrying freight to and from places on the inland waters of southeastern Alaska; with amendment (Rept. No. 1886). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 3189. An act to further amend the shipping laws to prohibit operation in the coastwise trade of a rebuilt vessel unless the entire rebuilding is effected within the United States, and for other purposes; without amendment (Rept. No. 1887). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. S. 1886. An act to amend the Communications Act of 1934 with respect to certain rebroadcasting activities; with amendment (Rept. No. 1888). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAYS: Committee on Foreign Affairs. H.R. 12547. A bill to amend the Foreign Service Act of 1946, as amended, and for other purposes; with amendment (Rept. No. 1890). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'NEILL: Committee on Rules. House Resolution 560. Resolution for consideration of H.R. 8860, a bill to stabilize the mining of lead and zinc by small domestice producers on public, Indian, and other lands, and for other purposes; without amendment (Rept. No. 1891). Referred to the House Calendar.

Mr. TRIMBLE: Committee on Rules. House Resolution 561. Resolution for consideration of H.R. 9996, a bill to amend section 402 of the Federal Property and Administrative Services Act of 1949, to prescribe procedures to insure that foreign excess property which is disposed of overseas will not be imported into the United States to the injury of the economy of this country; without amendment (Rept. No. 1892). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 562. Resolution for consideration of H.R. 12580, a bill to extend and

improve coverage under the Federal old-age, survivors, and disability insurance system and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such act; and for other purposes; without amendment (Rept. No. 1893). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 563. Resolution for consideration of S. 1898, an act to amend the Communications Act of 1934 with respect to the procedure in obtaining a license and for rehearings under such act; without amendment (Rept. No. 1894). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 2822. An act for the relief of Low Wing Quey (Kwai); without amendment (Rept. No. 1889). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARR:

H.R. 12684. A bill to prohibit the use in commerce of motor vehicles not equipped with certain automatic warning signal and running light devices; to the Committee on Interstate and Foreign Commerce.

By Mr. BOSCH:

H.R. 12685. A bill relating to the application of the manufacturers excise tax on electric light bulbs in the case of sets or strings of such bulbs; to the Committee on Ways and Means.

By Mr. DORN of New York:

H.R. 12686. A bill to amend the Shipping Act, 1916, to confer authority on the Federal Maritime Board to disapprove agreements amongst common carriers by water where the rate charged thereunder on imports is noncompensatory and substantially contributes to the underselling of American manufacturers; to the Committee on Merchant Marine and Fisheries.

By Mr. DOWDY (by request):

H.R. 12687. A bill to authorize the Board of Parole of the District of Columbia to discharge a parolee from supervision prior to the expiration of the maximum term or terms for which he was sentenced; to the Committee on the District of Columbia.

H.R. 12688. A bill to provide for the establishment of a Juvenile Division within or in connection with the District of Columbia Youth Correctional Center, and to authorize the judge of the Juvenile Court of the District of Columbia to commit to such Juvenile Division, subject to the provisions of the Juvenile Court Act, children 15 years of age or older; to the Committee on the District of Columbia.

By Mr. FORAND:

H.R. 12689. A bill authorizing the Rhode Island Turnpike and Bridge Authority to combine for financing purposes the bridge across the west passage of Narragansett Bay with the Newport Bridge and any other project acquired or constructed by said authority; to the Committee on Public Works.

By Mr. IKARD:

H.R. 12690. A bill to amend subchapter S of chapter 1 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. KING of California:

H.R. 12691. A bill relating to the determination of stock ownership of personal holding companies; to the Committee on Ways and Means.

By Mr. McDOWELL:

H.R. 12692. A bill to require full disclosure of certain expenditures of Government and counterpart funds by Members of Congress, and for other purposes; to the Committee on House Administration.

H.R. 12693. A bill to provide for the appointment by the Board of Commissioners of the District of Columbia of the appointive members of the National Capital Planning Commission, and for other purposes; to the Committee on the District of Columbia.

By Mr. DULSKI:

H.R. 12694. A bill to provide for the issuance of a series of special postage stamps in commemoration of flags of particular significance in the history of the United States of America; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the Virgin Islands memorializing the President and the Congress of the United States to authorize the Department of Defense to exchange a certain tract of land at John Brewer's Bay, St. Thomas, V.I., with the Government of the Virgin Islands, for a tract of land at Estate Bordeaux, St. Thomas, V.I., which was referred to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GRANT:

H.R. 12695. A bill to authorize the Secretary of Agriculture to grant an easement over certain lands to the trustees of the Cincinnati Southern Railway, their successors and assigns; to the Committee on Agriculture.

By Mr. METCALF:

H.R. 12696. A bill for the relief of Dr. Hermino Cabrera and his wife, Florea A. Cabrera; to the Committee on the Judiciary.

By Mr. MILLIKEN:

H.R. 12697. A bill for the relief of George Paraskeropoulous; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 12698. A bill for the relief of Peregrina E. Legayada; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

496. By Mr. CANFIELD: Petition of 650 residents of Passaic County, N.J., urging the enactment of the Forand bill, H.R. 4770; to the Committee on Ways and Means.

497. By Mr. SCHENCK: Petition of Burley Cottle and others, relative to a pension for World War I veterans; to the Committee on Veterans' Affairs.

498. By the SPEAKER: Petition of I. S. Svischov, Russian Anti-Communist Committee of Los Angeles, Los Angeles, Calif., relative to proposing certain amendments to Public Law 86–90 concerning the Captive Nations Week; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Memorial Day in Hawaii a Soul-Stirring Occasion

EXTENSION OF REMARKS

OF

HON. E. ROSS ADAIR

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. ADAIR. Mr. Speaker, five members of the House Veterans' Affairs Committee, led by Chairman OLIN E. TEAGUE, had the privilege of spending the 1960 Memorial Day weekend in Hawaii for the threefold purpose of: (a) Holding hearings and meeting with various veterans' groups in our 50th State; (b) representing the Congress at the dedication of the beautiful new carillon presented by the American Veterans of World War II and Korea at the site of the Arizona disaster in Pearl Harbor, and (c) attending the Memorial Day services at the Punchbowl National Cemetery in Honolulu.

The last of these was an occasion which everyone present will remember as long as he lives and, in beauty and in depth of feeling, it recalled the colorful patriotic observances which used to be so much a part of American life and which have, unfortunately, fallen into comparative disuse in recent years.

The Punchbowl National Cemetery has been created in a huge, extinct volcanic crater overlooking the city of Honolulu. In it are buried almost 17,000 men and women of all races who fought to preserve our freedom, and the freedom of all men of good will everywhere on earth, during the hostilities in the Pacific theater.

The magnificent resting place for the brave which has been created here was a breathtaking sight on Memorial Day. On each of the 17,000 graves a small American flag was fluttering in the soft Hawaiian breeze, and on each was a lei of orchids which had been put together with loving care and placed in position by Hawaiian schoolchildren. The ceremonies, in which all branches of the armed services and all veterans groups participated, were brief and extremely moving. The principal speaker on this occasion was Mayor Neal S. Blaisdell, of Honolulu, and the chairman of the

proceedings was Spark M. Matsunaga, a leader of the 100 Club, a prominent Hawaiian veterans group.

World War II is a vivid and living memory in our 50th State and Memorial Day is an occasion of deep personal meaning. None of the visiting delegation will ever forget the sight of, literally, tens of thousands of Hawaiian citizens climbing the hill to the Punchbowl Cemetery in car or on foot, carrying their own flowers to lay upon the graves of the heroic dead. And, I am sure, that each of us felt a twinge of regret and remorse that here on the mainland the emphasis at Memorial Day has gradually been placed more and more on the holiday aspects of the occasion rather than on the sacred memories which it should arouse in every American heart.

Previous to these rites, the congressional group attended the ceremonies at the site of the *Arizona* disaster. This was indeed an occasion for heartbreak and deep thought. The platform on which we stood was erected upon a turret of the sunken battleship in which 1,102 American boys lie forever entombed. The outlines of the noble ship are still clearly discernible beneath the blue, translucent Hawaiian waters. Indeed, on a beautiful May morning such as was this Memorial Day at Pearl Harbor, it was difficult, if not impossible, to envisage the horror and the brutal savagery which ravaged this Pacific paradise on December 7, 1941, and which plunged the United States into 4½ years of global warfare.

The AMVETS carillon represents a first step in the construction of a magnificent national memorial at the site of the disaster. In presenting the carillon to the U.S. Government, Harold T. Berc, national commander of the AMVETS summed up the feelings of all veterans everywhere in the following address:

DEDICATION OF AMVETS MEMORIAL CARILLON OF THE PACIFIC, MAY 30, 1960

(By Harold T. Berc, national commander, AMVETS)

Men of the *Arizona*—we in AMVETS have come to memorialize your sacrifice on that infamous 7th day of December 1941. We commit ourselves to this act by the dedication today, aboard this gallant vessel, of a carillon. We devote ourselves to the language of its inscription, which says, "While these bells toll, safely rest; freedom lives."

In your moment of truth on that gray December morning about 19 years ago, you had already marked yourselves with the honor of serving your Nation's flag. But the swiftness of the enemy's assault prevented you from knowing the course of history which would flow from that day of surprise.

You could not know that your day marked the beginnings of World War II, and that 12 million brothers of yours would rise up to defend against the lust of Tojo, the avarice of Mussolini, and the madness of Hitler—that thousands of them would follow your devotion by being shattered in the skies, sunk below the seven seas, or lost on battlefields around the world—that thousands more would be returned to hospitals around our Nation, wracked in mind or broken in body, and that millions more of us on whom God's grace was shed would return with determination to atone your sacrifice—not alone by dedicating ourselves to concern for fellow veterans, their widows and orphans, but also to the highest acts of citizenship which would insure a healthful nation working toward a world of peace with justice.

You could not know, men of the *Arizona* that the days following World War II would be marked by the unlocking of the secrets of atomic energy revealing a force which could be either effectively used to accomplish men's destruction or used to bring the well-being of the peoples of the world to a state of peace and material good.

No, you could not know that the powerful nations of the world would gather in San Francisco for the organization of a body called the United Nations which would, for all time, commit the peoples of the world to an order of life which would minimize nationalistic abberations and provide a forum for help in bringing colonial peoples of the world into a day of independence, and which would cooperate in stamping out disease, in improving economic development, in advancing educational opportunity, and in making the elements of adequate food and shelter available to all.

You could not know that the Soviet Union which participated in the creation of this model tool, would fear and distrust the honest directives of that forum and would weaken its purposes by obstructionist vetoes, by belligerent declarations, by an inordinate hardness in provoking an airlift at Berlin, and finally by the sponsorship of a limited war technique resulting in the Korean war * * * that the substantial part of the world would unite for peace and under U.S. moral leadership would resist this aggression by piecemeal technique through the fielding of a U.N. military force. Nor would you know that Soviet Union political opportunism would cause her to inject herself into Hungary for the purpose of suppressing the free will of its people and then to exceed this cynical intrusion by an even more cynical refusal to accept an impartial inspection of the Hungarian scene by a properly constituted committee of the U.N.

You could not know that the Soviet Union would pursue a course of purposeful espionage, and by industrial advance bring itself to a position of high nuclear war potential, the effect of which has been to commit the world to life on a diplomatic tightrope of terror.

And so we find ourselves on this Memorial Day remembering your sacrifice in the wake of surprise and concerned that from such a repeated surprise, in this day of nuclear power recovery potential would be minimal.

We do not raise for you the detail of the events of today. But we do say that the act of overflight by the U–2 which caused such violent Soviet verbal reaction was a better reason for getting on with the summit conference than for torpedoing its potential. The cancellation of that conference was not an assault on the United States alone but on all the peoples of the world who looked hopefully to the summit conference as a means of controlling the dangerously mounting tensions of the world.

From the White House we have today received the President's Memorial Day Proclamation in which he asks all Americans to make this a day of prayer for permanent peace. We now make this prayer on this hallowed site and we let you know that we bear witness to your sacrifice by dedicating ourselves to the essence of the words "Eternal vigilance is the price of liberty," and we expect to perfect that dedication by insuring that our Nation's strength continue to be second to none in the world.

At the same time, the essential truths of our aspirations for a world of peace with freedom will continue to be sought by us through every honorable means available—not as a matter of lip service, but as a matter of reality; that we seek this world of peace with freedom not alone for ourselves, but for all those people of the world who look hopefully toward this goal. We declare in ringing terms our decision to stand fast to the principle that all such peoples be free of dictatorship, free of oppression, and free of attack because of race, color, or creed. The terrible lesson of surprise is vividly portrayed by your mighty *Arizona*. But for all time, rather than let this be a symbol of tragedy, we shall make it stand as a signal of freedom through vigilance. And it is with this lesson in mind that AMVETS formally tender this carillon.

Mr. Speaker, before laying a wreath on the site in the name of the Congress of the United States, Chairman TEAGUE of the Veterans' Affairs Committee expressed himself in the following remarks which, I feel, should be read by every American:

SPEECH BY HON. OLIN E. TEAGUE—DEDICATION OF THE AMVETS MEMORIAL CARILLON AT PEARL HARBOR, MEMORIAL DAY, MAY 30, 1960

This is really an occasion—not for speech, but for silence. It is an occasion for quiet memories, for prayer, for thanksgiving, and for great resolve.

Here, as we dedicate this carillon as a memorial to those 1,102 Americans who lie forever entombed within the shattered hull of the U.S.S. *Arizona*—we must be impressed by the fitness that lies in the fact that this has been made possible by the American Veterans of World War II and Korea. For the AMVETS are typically and completely a product of World War II—and, among all the battlefields and memorials of the world, Pearl Harbor is the most representative of the same war that gave the AMVETS birth.

I single out the AMVETS because of their part in making this memorial possible. However, the thoughtfulness and patriotism which motivated this gesture are typical of all our veterans' organizations. In my opinion, the growth and development of our veterans' groups has been one of the healthiest developments of 20th century America and we all owe a great deal to each and every one of them.

Pearl Harbor is unique. Few nations care to memorialize their military defeats. The French do not keep Waterloo green in the memories of their people; the English have no special reverence for Yorktown and Saratoga; Mexico does not glory in San Jacinto; the Spanish do not sing of the Armada.

But Pearl Harbor is different. It represents a physical defeat but a moral victory. It symbolizes the ability of free men to rise and conquer the forces of oppression, even when they have been crushed to earth.

Pearl Harbor will always serve as a reminder to future generations of the moral differences between freedom and totalitarianism. It will always serve as a perpetual reproach to all who would be slavemasters—and a testimonial to the invincibility of the human spirit.

And Pearl Harbor serves another essential purpose as a reminder that this must never happen again.

In all the history of humankind there has never been an instance in which freedom has been lost in a single day.

The positive act of snatching a people's freedom away from them may have been of short duration, but always the period of apathy and carelessness, of laziness, of complacency, and even of moral corrosion which made the act possible has been long and protracted.

This is something we must always remember. As we stand here today we are troubled—deeply concerned—by the reverberations resulting from the capture of the U–2. Certainly the conditions which surrounded this event are unfortunate in the extreme since they have given the Soviet demagogues a useful implement of propaganda. But we must remember that as long as we have for an international antagonist a closed society, such as that of Soviet Russia,

then espionage must be a way of life, a necessity for national survival. If we had been as vigilant in 1941—if we had known as much about what was going on in Japan as we know about Russia in 1960—we would not be mourning our heroic dead here today.

For the free world can never afford another Pearl Harbor. If we are ever again caught so unprepared there will be no ceremonies to be conducted by the survivors—there will be no buglers, no tolling of bells, no flags, no memorial wreaths—for there will be no survivors. There will only be the long silence of destruction and universal death.

I have just one thought to add before the bells of this carillon ring out for the first time over these historic waters. We mourn, with aching hearts, the 1,102 Americans who lie entombed before us—young men who died in a war before they even knew a war existed. We mourn all the others who have died in this and in every other war in which we have been engaged—those who lie, as these do, with an ocean across their hearts—those who died in mudbank or cloudbank or who lie with the jungle roots entwined about their feet in the green hells in which they were forced to fight.

But mourning is not enough. Not nearly enough.

A generation of Americans gave their noondays to us so that we might enjoy a handful of tomorrows. They have made us the trustees of their sacrifice, the legatees of their suffering.

They have been most generous.

It is not sufficient to mourn them. They will be satisfied only if we can give them assurance that their sacrifice has not been in vain, and that we are worthy of their sacrifice.

This calls for self-dedication—for a firming-up of our faith—for a regrouping of our moral forces. We are all faced with troubled years ahead. The maintenance of peace is going to call for many things from many people—courage, unselfishness, stamina, sacrifice, wisdom. The challenge is enormous now and it will grow greater. We must meet that challenge every day of our lives or we shall be overwhelmed by it.

So—when these bells throw their gentle message across the harbor today—let us rededicate ourselves to this cause of maintaining liberty—the cause for which these 1,102 Americans gave up their lives. Let us swear in our hearts that we shall devote our lives—each in his own way—toward making certain that liberty—that torn and tattered document, signed by Christ and His angels and a most impressive list of sponsors, great and small, shall never be committed to the flames.

Thank you and God bless you.

As I have said, Mr. Speaker, Memorial Day 1960 in Hawaii was an occasion to remember. I wish every Member of Congress and, indeed, every American had the opportunity to attend these dual ceremonies.

The Mexican Labor Program

EXTENSION OF REMARKS
OF
HON. GORDON CANFIELD
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. CANFIELD. Mr. Speaker, I present to the House a letter that I received today from Labor Secretary James P. Mitchell regarding H.R. 12176, to extend the Mexican labor program:

U.S. DEPARTMENT OF LABOR,
Washington, June 15, 1960.

Hon. GORDON CANFIELD,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CANFIELD: I am informed that a vote may soon come up on a bill to extend the Mexican labor program, commonly referred to as Public Law 78. The bill for this purpose is H.R. 12176. I understand also that some question may exist as to the position of the Department of Labor and of the administration with respect to this bill.

In order to dispel any possible uncertainty on this score, I am writing to make it clear that the administration and the Department of Labor are opposed to passage of H.R. 12176. After mature consideration, the administration has concluded that improvements in the Mexican labor program are necessary, and that legislation should be delayed until the administration's proposals for improvement can be made available. The highly controversial problems in this field may be made even more difficult by undue haste in consideration and decision.

Since the existing law does not expire until June 30, 1961, there will be ample time for consideration of the administration's recommendations in the next session of the Congress. Please let me know of any further assistance that I may be able to offer.

Sincerely yours,

JAMES P. MITCHELL,
Secretary of Labor.

Tabulation of Annual Public Opinion Poll

EXTENSION OF REMARKS
OF
HON. MARGUERITE STITT CHURCH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mrs. CHURCH. Mr. Speaker, at the request of many Members, I am happy to place in the CONGRESSIONAL RECORD today the tabulation of answers obtained through a scientific sampling of the current opinions within the 13th District of Illinois on 31 leading issues, as expressed in my 1960 annual poll.

Signed returns, representing a percentage of response of 17.4 percent, gave the following results:

Annual public opinion poll tabulation from Marguerite Stitt Church, Representative in Congress, 13th District, Illinois

[In percent]

	Yes	No	No opinion
1. Is it essential to balance the national budget?	81.2	13.8	5.0
2. If a budget surplus develops next year, do you prefer:			
(a) Payment on the national debt?	73.6	6.5	19.9
(b) Tax decrease?	29.5	23.9	46.6
3. If a budget deficit develops, do you prefer:			
(a) Tax increase?	15.5	29.5	55.0
(b) Increase in the national debt (now $290 billion)?	6.2	33.1	60.7
(c) Elimination of nonvital Government programs? (If "Yes," what programs?)	73.6	2.7	18.7
4. Do you favor gradual transfer back to States and local communities of complete responsibility for local needs (education, slum clearance, sewage treatment plants, etc.) assuming a transfer of some tax sources from the Federal Government?	78.0	16.7	5.3
5. To meet education needs, do you approve:			
(a) Continued reliance on local and State support of education?	74.0	9.0	17.0
(b) Federal grants to States for school construction?	25.6	39.2	35.2
(c) Federal grants to States for teachers' salaries?	17.6	45.9	36.5
(d) Federal aid for scholarships?	32.3	31.9	35.8
(e) Providing some method, perhaps through tax benefits, for individuals and business to finance expanded education?	50.0	16.8	32.7
6. If new programs increase Government spending, do you prefer:			
(a) Increase in personal income and corporation taxes?	24.0	38.6	37.4
(b) New Federal sales or manufacturers' tax?	43.3	29.1	27.6
7. Where economic changes cause less industrial activity and unemployment, do you prefer:			
(a) Federal funds to solve the problem (aid to depressed areas)?	25.3	34.5	40.2
(b) State and local efforts?	74.0	7.2	18.8
8. Would you prefer medical and hospital care for the aged through:			
(a) Private, low-cost medical and hospital insurance programs?	69.0	9.7	21.3
(b) Increased social security taxes on employees and employers to cover social security beneficiaries only?	14.6	42.9	42.5
(c) Federally supported voluntary medical insurance program?	22.2	37.2	40.6
9. With Government investment in farm commodities now over $9,000,000,000 and storage and other expenses approximately $1,000,000,000 each year, should price supports and controls be:			
(a) Increased?	2.4	39.8	57.8
(b) Decreased?	44.8	11.5	43.7
(c) Unchanged?	5.0	30.0	65.0
(d) Abolished?	55.3	11.9	32.8
10. Would you favor a plan to use surplus crops instead of cash to pay farmers for taking land out of production?	65.9	12.5	21.6
11. Should cooperatives be taxed on same basis as other businesses?	78.7	8.7	12.6
12. Should the interest rate on Government loans to REA cooperatives be increased from 2 percent to the higher rate paid on Government bonds?	64.3	9.9	25.8
13. To provide for adequate defense should we:			
(a) Attempt to match the Russians in every phase of defense, regardless of cost?	15.0	45.9	39.1
(b) Continue our present level of defense spending for a balanced deterrent program?	58.5	10.7	30.8
(c) Make every effort to reach a workable agreement with the Russians for disarmament?	66.3	9.5	24.2
14. Do you believe sufficient emphasis is placed on our missile and space programs?	64.3	22.5	13.2
15. Should United States transfer nuclear weapons and material to friendly nations?	25.0	58.8	16.2
16. Without guarantee of a reliable inspection system, should we permanently abandon atomic tests?	11.4	81.7	6.9
17. Do you approve a firm stand on Berlin at the summit conference?	88.6	4.9	6.5
18. Do you favor the repeal of the Connally amendment, which reserves to the United States the right to decide whether issues brought before the World Court are essentially within our domestic jurisdiction?	28.1	44.1	27.8
19. Do you favor diplomatic recognition by the United States of Communist China?	26.8	62.1	11.1
20. Do you favor an increase in repayable U.S. loans, rather than grants, for foreign aid?	84.5	6.7	8.8
21. Do you favor U.S. aid to Communist-satellite countries?	11.6	77.7	10.7
22. Should the buy America policy, adopted by the Development Loan Fund, be extended to other U.S. foreign aid programs?	46.1	18.6	35.3

Annual public opinion poll tabulation from Marguerite Stitt Church, Representative in Congress, 13th District, Illinois—Continued

[In percent]

	Yes	No	No opinion
23. Should the differential in wages and working conditions between this Nation and foreign countries be taken into account in formulating our foreign trade regulations and policies?	72.0	14.3	13.7
24. Should Congress change the Sugar Act under which Cuban sugar is now imported at above world market prices, so as to:			
(a) Reduce the commitment?	19.2	16.1	64.7
(b) End the commitment?	34.6	15.5	49.9
(c) Give President discretionary authority to make such changes?	55.6	12.3	32.1
25. Should more immigrants be allowed to enter the United States annually?	28.0	56.0	16.0
26. Do you favor stronger civil rights legislation?	52.6	33.0	14.4
27. Do you favor a change in the minimum wage law to provide:			
(a) Extension of coverage?	37.3	23.7	39.0
(b) Increase to $1.25 an hour?	33.4	28.2	38.4
(c) Increase to not more than $1.15 and hour?	20.1	28.6	51.3
28. Do you favor an increase in postal rates to put the Post Office Department on a self-paying basis?	65.0	27.7	7.3
29. Do you favor legislation to preserve wilderness areas in our national parks, forests, wildlife refuges, and other public lands?	90.6	4.4	5.0
30. Should the Federal Government be given greater authority to regulate radio and TV programs?	30.6	61.2	8.2
31. Should GI benefits be extended to our peacetime veterans?	20.5	71.5	8.0

President Eisenhower's Address in Manila

EXTENSION OF REMARKS
OF
HON. ALEXANDER WILEY
OF WISCONSIN
IN THE SENATE OF THE UNITED STATES
Thursday, June 16, 1960

Mr. WILEY. Mr. President, the withdrawal of the invitation by the Japanese Government for President Eisenhower to visit that country is a cause for deep concern to the free world.

We recognize, of course, that the Government of Japan maintains its friendly attitude toward the United States. Moreover, I am confident that a large majority of the people do not endorse the anti-U.S. activities—agitated and directed by the international conspiracy of communism.

Nevertheless, the fact that the long arm of Moscow and Peiping could reach into Japan, disturb internal affairs, result in riots that wounded many, and, yes, killed one student, and required the Government to reverse its diplomatic policy—this is indeed a serious matter.

Realistically, this is aggression by "agitation and subversion." We can expect, of course, that there will be gloating in the circles of communism.

The fact that this could happen—despite a postwar policy in which we have attempted to build up and reconstruct Japan, however, requires a need for a reappraisal of our policy.

The President's tour of the Far Eastern countries reaffirming our dedication to peace, as well as pledging cooperation and friendship to the people of Asia, will constitute, I am confident, a major antidote to the spread of Communist influence in that area of the globe.

As in the past, the President, wherever he goes, leaves a wake of good will toward our country.

Following the President's return home, however, I believe that we need to reappraise the effectiveness with which we are getting across, not only the ideas of freedom, but with which we are countering, or failing to counter, the Communist ideological offensive.

Yesterday the President laid the groundwork for realistic, ideological recognition, and countering the menace of communism to the Asian people in a speech in Manila.

At this time I ask unanimous consent to have printed in the RECORD at this point two items—first, a partial text of the Manila address, and, second, a splendid editorial from the Washington Post entitled "Nationalism in Asia"—reviewing the significance of the President's presentation.

There being no objection, the address and editorial were ordered to be printed in the RECORD, as follows:

PARTIAL TEXT OF IKE'S MANILA ADDRESS

MANILA, June 15.—The following is that part of President Eisenhower's address to the Philippine Congress which dealt with communism:

Communist leaders fear constructive nationalism as a mortal foe. This fear is evident in the continuing efforts of the Communist conspiracy to penetrate national movements, to pervert them, and to pirate them for their own evil objectives.

To dominate—if they can—the eternal impulse of national patriotism, they use force and threats of force, subversion, and bribery, propaganda and spurious promises. They deny the dignity of men and have subjected many millions to the execution of master plans dictated in faraway places.

Communism demands subservience to a single ideology, to a straitjacket of ideas and approaches and methods. Freedom of individuals or nations to them is intolerable. Free men, free nations make their own rules to fit their own needs within a universally accepted frame of justice and law.

Under freedom, thriving sovereign nations of diverse political, economic, and social systems are the basic healthy cells that make up a thriving world community. Freedom and independence for each is in the interest of all.

AIM OF U.S. ASSISTANCE

For that very reason—in our own enlightened self-interest, in the interest of all our friends—the purpose of American assistance programs is to protect the right of nations to develop the political and social institutions of their choice, rather than having to accept extremist solutions under the whip of hunger, or the threat of armed attack and domination.

We readily accept the fact that there is a great variety of political, social, and economic systems in the world; and we accept the further fact that there is no single, best way of life that answers the needs of everyone, everywhere.

The American way satisfies the United States. We think it best for us. But the United States need not believe that all should imitate us. What we do have in common with the free nations in Asia, Africa, Europe, and Latin America are basic and weighty convictions, more important than differences of speech and color and culture.

Some of these convictions are: That man is a being capable of making his own decisions; that all people should be given a fair opportunity to use their God-given talents, to be worthy heirs to their fathers, to fulfill their destiny as children of God; that voluntary cooperation among groups and nations is vastly preferable to cooperation by force—indeed, voluntary cooperation is the only fruitful kind of effort in the long run.

True enough, in a too lengthy period of history, some European nations seemed convinced that they were assigned the mission of controlling the continents. But always powerful voices within those countries attacked the policy of their own governments. And we of the American Republics—21 independent nations, once European colonies—denied in arms and in battle the validity of the assumed mission. Colonialism died there because true nationalism was a more potent force.

WHO ARE COLONIALISTS?

Since 1945, 33 lands that were once subject to Western control have peaceably achieved self-determination. These 33 countries have a population of almost a billion people. During the same period, 12 countries in the Sino-Soviet sphere have been forcibly deprived of their independence. The question might be asked: Who are today the colonialists?

The basic antagonism of the Communist system to anything which it cannot control is the single, most important cause of the tension between the free nations in all their variety on the one hand, and, on the other, the rigidly controlled Communist bloc.

One purpose of the Communist system's propaganda is to obscure these true facts. Right now, the principal target is the United States of America. My Republic is painted as an imperialistic seeker of limitless power over all the peoples of the world, using them as pawns on the chessboard of war, exploiting them and their resources to enrich our own economy, degrading them to a role of beggarly dependence.

The existence, the prosperity, the prestige of the Republic of the Philippines proves the falsity of those charges. You, as a people, know that our Republic is no empire of tyranny. Your leaders repeatedly have so testified to the world. But for a few minutes I should like to speak to you on what America stands for: what it stood for before I became President and what it will continue to stand for after I have left office.

More important than any one year, any one incident, or any one man is the role we have played through our whole history—the role we shall continue to play so long as our Republic endures.

Two hundred years, lacking 16, have passed since our forefathers proclaimed to the world the truths they held self-evident; that all men are created equal; that they are endowed with unalienable rights to life, liberty, the pursuit of happiness; that governments are instituted to secure these rights, deriving their just powers only from the consent of the governed.

SEATO IS CITED

Beyond the guarantees of American strength, we seek to expand a collective security. SEATO demonstrates what can be accomplished. Since its inception, not one inch of free southeast Asia territory has been lost to an aggressor.

Collective security must be based on all fields of human endeavor, requiring cooperation and mutual exchange in the areas of politics, economics, culture, and science.

We believe in the expansion of relations between nations as a step toward more formal regional cooperation. In accord with this belief, we support the initiative taken by the Government of the Philippines during the past several years in establishing closer ties with its neighbors.

Patience, forbearance, integrity, an enduring trust, must characterize our mutual relations. Never, I pray, will the United States because of its favored position in size and numbers and wealth attempt to dictate or to exercise unfair pressure, to forget or to ignore the Republic of the Philippines—its equal in sovereign dignity. And never, I pray, will the Philippines make a whipping boy of the United States. Each of us proudly recognizes the other as a sovereign equal.

And, my friends, at this point I just want to interpolate one simple thought on the cooperative efforts for our own security, for advancing the standards of living of peoples, for everything that we do together. There are of course differences in the ability of each nation to make contributions.

MORAL LEADERSHIP

Each of us as an individual is different from every other individual. Physically, mentally, and in the possession of the world's goods, we are somewhat different. But I submit, Members of the Congress, that there is one field where no man, no woman, no nation, need take a secondary place, and that is in moral leadership.

The spirit of a people is not to be measured by its size or its riches or even its age. It is something that comes from the heart, and from the very smallest nation can come some of the great ideas—particularly those great inspirational ideas that inspire men to strive always upward and onward.

Therefore, when I say that our two nations are sovereign equals, I mean it just in that spirit, in the sense that you have just as much to contribute to the world and to yourselves and to freedom as the greatest and the most powerful nation in the world.

In the great cause of peace and friendship and freedom, we who are joined together will succeed. The eternal aspirations, purposes, ideals of humanity inspire and hearten and urge us to success.

But we face repeated challenges; endless temptations to relax, continuous campaigns of propaganda and threat. Let us stand more firmly together against them all.

With God's help we shall march ever forward toward our destiny as free nations and great good friends.

[From the Washington Post, June 16, 1960]

NATIONALISM IN ASIA

President Eisenhower's speech to the Philippine Congress was a pointed reply to the noisy elements who are trying to distort the nature of his good-will mission to the Far East. His thesis was the antithesis of the imperialism everywhere attributed to the United States by Communist agents seeking a cover for their efforts to impose a new form of tyranny on mankind. The President found only satisfaction in the fact that 33 lands once under Western control have peacefully achieved self-determination since 1945. Americans of all political faiths like to think that, in some measure these liberated peoples are following the U.S. example of 1776.

The President made it unmistakably clear that the United States has no interest in imposing its way of life on any people. On the contrary, it recognizes that freedom for all peoples is the only sound basis on which peace can be built. The hullabaloo that has arisen in Japan is based on the Communist-trumped-up charge of American domination over friendly countries in the Far East. Actually, the United States welcomes diversity in the free world and encourages genuine nationalism that respects the dignity and rights of the people.

History and bitter experience fully sustain the President's assertion that communism is the real enemy of national aspirations. It is Moscow that is trying to sap the freedom of young countries striving for independence and higher standards of living. "The basic antagonism of the Communist system to anything which it cannot control," the President rightly said, "is the single, most important cause of the tension between the free nations in all their variety on the one hand, and, on the other, the rigidly controlled Communist bloc."

The first tragic error of the rioting Japanese students lies in their failure to see that the only hope for a tolerable future lies in freedom and respect for the individual. Their second tragic mistake is in assuming that national aspirations, freedom and better living conditions can be attained, in the face of the Communist threats and pressures, without cooperation among the free peoples. The basic truth of our age is that the forces of freedom and human dignity must be organized and work together in order to survive the assaults of the monolithic force that is trying to destroy them.

In a spirit of candor the President also acknowledged that many evils still persist in the free world. Sometimes free men are misled; sometimes they dissipate their energy; they bicker over trifles; they may be fearful when they should be bracing themselves for more vigorous effort. Nevertheless, he maintained, "the resources of free men living in free communities, cooperating with their neighbors at home and overseas, constitute the mightiest creative temporal force on earth."

The message is one that should have an appeal throughout Asia. The choice of the millions who have been disadvantaged in the past is not between communism and colonialism but between the new imperialism of the left and a mature nationalism that can be harnessed to the general welfare and disciplined to the necessities for survival in the atomic age.

U.S. Army

EXTENSION OF REMARKS
OF
HON. W. J. BRYAN DORN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 16, 1960

Mr. DORN of South Carolina. Mr. Speaker, it was my pleasure, at the invitation of the Secretary of the Army, the Honorable Wilber M. Brucker, to attend a most memorable ceremony in honor of the Army veterans in the 86th Congress on June 12, 1960, at the Washington Monument grounds, at which the U.S. Army presented the 1st Battle Group of the 3d Infantry—"The Old Guard" in a retreat parade.

An Army retreat ceremony, for the benefit of those Members of Congress who have not been privileged to attend, is a most moving and traditional display from the furling of the U.S. flag to the "pass in review." It portrays the symbolic "all is well" as another day closes.

Under Secretary of the Army, the Honorable Hugh M. Milton II, acting as host for the occasion paid tribute to those Members of Congress who have served in the Army.

Senator THEODORE F. GREEN of Rhode Island acting as spokesman for the many Members of Congress present was most eloquent in expressing his appreciation for the honor paid. He was on the reviewing stand with Senators THOMAS E. MARTIN of Iowa and RALPH YARBOROUGH of Texas, and Representatives CARL ALBERT of Oklahoma and DANIEL K. INOUYE of Hawaii.

This ceremony has become something of an annual tradition in this Capital of the United States and I want to express my appreciation on behalf of the Army veterans of the 86th Congress for the honor paid us by the U.S. Army.

Medical Payments for Elderly Citizens Legislation Must Be Enacted by the 86th Congress

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 16, 1960

Mr. BOLAND. Mr. Speaker, the distinguished columnist, Mr. Walter Lippmann, points out in his article in the Washington Post today that there is nothing un-American in the principle that Americans shall be compelled to save "so that they can meet the needs of their old age with the self-respect which comes from being entitled to the benefits because they have paid the cost out of their own earnings."

In my opinion, this statement goes to the heart of the issue of medical payments for the elderly. The Ways and Means Committee has recommended a plan under which elderly persons will be given medical benefits coverage under the social security system. I certainly hope that this legislation is soon brought to the floor for debate and that it is enacted by Congress this year.

Mr. Speaker, at this time I would like to call to the attention of my colleagues an article entitled "A Challenge That Can't Be Ducked" which appeared in the April 16, 1960, issue of Business Week. The article points out:

The problem basically is that the aged are high-cost, high-risk, low-income customers. Their health needs can be met only by themselves when they are young, or by other younger people who are still working. The only way to handle their health problem, therefore, is to spread the risk and costs widely. And that can best be done through the social security system to which employers and employees contribute regularly. By comparison with the heavily subsidized schemes, this approach has the advantage of keeping old people from feeling that they are beggars living off society's handouts.

Mr. Speaker, there are hundreds of elderly citizens in my congressional district who have written to me or talked to me personally about their concern over the costs of possible hospitalization. They worry about the day when they might suffer from an injury or require an operation, the cost of which would wipe out their savings of a lifetime, or place them deeply in debt. The Congress must face up to the realities of this problem facing our senior citizens.

Schedule of Grassroots Conferences

EXTENSION OF REMARKS

OF

HON. PAUL F. SCHENCK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. SCHENCK. Mr. Speaker, it is an honor and a privilege to represent the people of the Third District of Ohio here in the Congress of the United States. I am deeply grateful for this opportunity to be of service, and it is my constant desire to serve my constituents in the best way possible. During my service here I have made it my regular policy to keep in close touch with the people of my district so that I may know how they feel about the many important issues facing us here in Congress.

I have considered it my duty, as the representative of this great district, not only to be well-informed of the opinions of my constituents, but also to be of the greatest possible service to persons having problems dealing with agencies or departments of our Federal Government.

Nine years ago I initiated the idea of holding grassroots conferences throughout our district, and I have continued this practice each year during the time Congress is in adjournment. I also have a full-time congressional service office at the U.S. Post Office Building in Dayton, where I can meet with people personally at any time that my official duties permit me to return to the district.

During the time I am in Washington attending to legislative and official duties, a competent secretary is in charge of my district service office to assist callers and to help them with requests for aid in dealing with the Federal Government so that I can be of every proper assistance to them.

In these ways I have sincerely tried to keep well informed as to the personal opinions of my constituents, and I have also tried continuously and sincerely to be of every proper service to them.

Members of Congress are constantly called upon to give careful and earnest consideration to legislation dealing with many complex national and international problems. These day-to-day decisions often affect the lives and living of every citizen in our Nation. Consequently, these personal and private conferences help me to serve all of the people in my district in a much more effective manner.

This year, during our official congressional recess, I am again taking time to hold these grassroots conferences throughout our district at convenient public buildings. I deeply appreciate the fine cooperation of the many officials who have made these meeting places available to me as an aid in rendering this public service.

This is the schedule I have arranged:

Dayton Post Office, room 314, September 6 and 7, 9 a.m. to 4 p.m.

Germantown City Building, September 9, 4 p.m. to 8 p.m.

Phillipsburg City Building, September 10, 1 p.m. to 3 p.m.

Brookville City Building, September 10, 4 p.m. to 8 p.m.

Middletown American Legion, September 13, 9 a.m. to 4 p.m.

Miamisburg City Building, September 14, 4 p.m. to 8 p.m.

Oxford Municipal Building, September 15, 4 p.m. to 8 p.m.

Fairfield City Building, September 16, 4 p.m. to 8 p.m.

Hamilton Courthouse, September 19, 9 a.m. to 4 p.m.

I have been greatly encouraged by the increased attendance at these conferences each year. It is sometimes surprising to see how much can really be accomplished when a citizen and his Congressman can sit down face to face and talk over problems of mutual concern.

Special appointments are not necessary for these conferences, and I sincerely urge individuals or groups to meet with me on the date and at the place most convenient to them. The knowledge obtained through these grassroots conferences will help me to render better service, both legislative and personal, to all of the people of our important Third District as their Representative in the Congress of the United States.

Automatic Warning Signal Devices for Automobiles

EXTENSION OF REMARKS

OF

HON. JOSEPH W. BARR

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. BARR. Mr. Speaker, today I introduced a bill requiring the Secretary of Commerce to prescribe standards for certain automatic warning signal devices for automobiles. These devices would flash a warning light when the motorist takes his foot off the accelerator to slow down his car. We do have on all cars a brake light to show when the brake is applied, but there is absolutely no warning device for the traffic behind a car that slows down abruptly by deceleration rather than the brake.

Back in the old days when I learned to drive, it was customary to stick the left arm out the window and wave it up and down as a slowdown or stop signal. Since turn signals have been installed this practice seems to have died out and with traffic as vicious as it is, no one can really be blamed for hesitating to stick his arm out the window to signal a slowdown or stop. I really doubt that I have seen the up and down slowdown signal for 5 years.

The idea for this legislation is not original with me. It came from an Indianapolis columnist, Mr. Lowell Nussbaum, but I will cheerfully admit that I grabbed it quickly.

Traffic in my home town of Indianapolis is bad enough, but it is a picnic compared to Washington rush hours and of all the hazards of traffic today, especially in city driving, nothing is so nerve wracking as a sudden deceleration by the car ahead.

I used to welcome my 45 minute drive in to work every morning as a chance to plan the day's work. But after nearly climbing over the backs of cars that suddenly reduced speed, I gave up these intellectual activities and concentrated on the necessity of getting to the Capitol in one piece.

Mr. Speaker, this is a simple piece of legislation that should require little engineering effort by the automobile manufacturers. It is my honest opinion that this legislation would help reduce the appalling accident rate on the streets and roads of this Nation.

Sylvester V. McMahon

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. FEIGHAN. Mr. Speaker, today one of Cleveland's most distinguished and esteemed citizens marks his 87th birthday.

Sylvester V. McMahon was born on June 16, 1873, in Cleveland, Ohio. He was admitted to the Ohio bar in 1899 and actively practiced law with honor and distinction for 52 years in Cleveland. As a young man he served as chief police prosecutor for the city of Cleveland. He was active in Democratic politics and a disciple of the late Tom L. Johnson, one of the greatest mayors Cleveland ever had. Johnson, though a man of wealth, dedicated most of his life to fighting for social justice and standing for the rights of the common people against entrenched power. His statue stands today in the Public Square of Cleveland.

While still a young man, Sylvester V. McMahon was elected county prosecutor for Cuyahoga County. He was the first Democrat elected to that office from the time of the Civil War. He was former president of the Cleveland Bar Association and an outstanding trial lawyer. In his early years he excelled in the trial of criminal cases. He tried many murder cases and never lost a man to the chair. Later he was a leading member of the bar in the trial of personal injury cases.

Sylvester V. McMahon, seeking few public offices himself, has nevertheless been active in politics all of his life. He has always been interested in honest and efficient government and social justice. He has actively supported those candidates whom he believed would make honest, conscientious, public servants. His standards for public office are high and exacting. He has always believed that public office is a sacred public trust.

Sylvester V. McMahon is honored in Cleveland on his 87th birthday. I offer his name to the Nation as one who is worthy of our attention and our esteem.

The Military Assistance Program

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 16, 1960

Mr. VAN ZANDT. Mr. Speaker, the action taken by the House Appropriations Committee in reducing by 20 percent the President's request of $2 billion for military assistance has caused grave concern to Secretary of Defense Thomas S. Gates, Jr.

Secretary Gates on June 15 issued an urgent appeal that the cut in the appropriation be restored when the House debates the appropriation measure on June 16. The Secretary reviewed briefly in a news release the importance of military assistance, stating that Department of Defense witnesses appeared and testified before the House Appropriations Committee as to the soundness of the President's request for $2 billion to finance a necessary and effective program.

We have a sensible, sound, well administered program. Yet the House Appropriations Committee recommends that the appropriation be reduced by 20 percent.

Said Secretary Gates.

At this point I wish to incorporate in my remarks the news release issued June 15, 1960, by the Department of Defense which I have mentioned in quoting Secretary of Defense Thomas S. Gates, Jr.

I am deeply concerned over the fate of the military assistance program.

The President requested a $2 billion appropriation for military assistance for fiscal year 1961, to provide weapons and military equipment to strengthen our alliances and to promote our own national security. The Joint Chiefs of Staff all stated that they would not take $1 away from the military assistance program in order to augment the funds for their own services. Military assistance is just as much a part of our own national defense as are the appropriations for our Army, Navy, Air Force, Central Intelligence Agency, and the Atomic Energy Commission.

I have testified before the Congress, as have other Defense Department witnesses, in support of the $2 billion request. We have discussed frankly every aspect of the program. We have responded to every question and criticism. We have a sensible, sound, well-administered program. Yet the House Appropriations Committee recommends that the appropriation be reduced by 20 percent.

In spending military assistance funds, it is necessary first to maintain existing allied forces in good working order and conserve the investment already made. Therefore the proposed reduction must come from cutting down on force improvement; that is, postponing indefinitely the newer weapons. Eighty percent of any cut below the budget request must be absorbed in equipment for force improvement, which includes missiles, electronic equipment, modern aircraft and ships, modernized tanks, and combat vehicles and the like.

The impact of the proposed cuts would fall most heavily on NATO, which also bore the greatest weight of last year's appropriation cut.

We must lead the free world without hesitation.

We must contain the Communists, but we cannot do it with imaginary weapons.

We must continue to sustain the capability and determination of our allies to defeat both aggression and internal subversion.

We must provide for the military assistance program as an integral part of our national defense required by our national interest.

Before departing for the Far East, the President said in telegrams to House leaders: "This (cut) cannot but jeopardize our own security and the defense of the free world."

I urge the House of Representatives, when it debates this appropriation on Thursday, to restore the full $2 billion intact.

President's Address Before the Philippine Congress

EXTENSION OF REMARKS
OF
HON. EDWARD J. DERWINSKI
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 16, 1960

Mr. DERWINSKI. Mr. Speaker, yesterday, in Manila, President Eisenhower delivered a historic statement, the results of which caused great impact throughout those portions of the world that were free to hear it. I take this opportunity to call the particular attention of the House to certain portions of this address relative to the constructive force of honest and rightful nationalism, as it relates to our current international conditions. Living as we and our allies do in lands of freedom, we often fail to recognize the real loss suffered by peoples behind the Iron Curtain in the rightly labeled "captive nations."

To point out this issue, may I, first, quote from the President's address before the Philippine Congress as it appeared in the press today:

This spirit was described by your great leader and my personal friend, Manual Quezon, when he with great eloquence said:

"Rightly conceived, felt, and practiced, nationalism is a tremendous force for good. It strengthens and solidifies a nation. It preserves the best traditions of the past and adds zest to the ambition of enlarging the inheritance of the people. It is, therefore, a dynamic urge for continuous self-improvement. In time, it enriches the sum total of mankind's cultural, moral, and material possessions through the individual and characteristic contribution of each people."

A NOTE OF CAUTION

Significantly, President Quezon had this caution to offer: "So long as the nationalist sentiment is not fostered to the point where a people forgets that it forms a part of the human family, that the good of mankind should be the ultimate aim of each and every nation, and that conflicting national interests are only temporary, and that there is always a just formula for adjusting them—nationalism is a noble, elevating, and most beneficial sentiment."

In these words of clarity and timeless wisdom, President Quezon spoke a message forever applicable to human affairs, particularly to the circumstances of this era.

In addition to the immediate impact, the following words in the President's message as reported by the press will have particular significance during Captive Nations Week, July 12 to 23 of this year, when we reaffirm in behalf of the peoples presently oppressed behind the Soviet Iron Curtain the cherished hope that true freedom will once again be theirs:

Nationalism is a mighty and relentless force. No conspiracy of power, no compulsion of arms can stifle it forever. The constructive nationalism defined by President Quezon is a noble, persistent, fiery inspiration, essential to the development of a young nation. Within its ideal my own country since its earliest days has striven to achieve the American dream and destiny. We respect this quality in our sister nation.

Communist leaders fear constructive nationalism as a mortal foe. This fear is evident in the continuing efforts of the Communist conspiracy to penetrate nationalist movements, to pervert them, and to pirate them for their own evil objectives.

To dominate—if they can—the eternal impulse of national patriotism, they use force and threats of force, subversion and bribery, propaganda and spurious promises. They deny the dignity of men and have subjected many millions to the execution of master plans dictated in faraway places.

Communism demands subservience to a single ideology, to a straitjacket of ideas and approaches and methods. Freedom of individuals or nations to them is intolerable.

Mr. Speaker, in studying recent history, it is well for us to note that in the last 8 years the Soviet monster has been prevented by our effective foreign policy from seizing control of any free nation whereas in the preceding 8 years, 1944–52, the following nations and their brave peoples lost their freedom: Lithuania, Latvia, Estonia, Poland, Czechoslovakia, Rumania, Hungary, and Bulgaria.

We must keep them in mind at all times especially, as I indicated above, in our commemorative occasions in Captive Nations Week. While we have arrested the spread of communism, and have rededicated ourselves to rolling back the Iron Curtain, the nations of the free world have been granting freedom to lands once subject to their control. President Eisenhower, in addressing the Philippine Congress aptly described this as follows:

Since 1945, 33 lands that were once subject to Western control have peaceably achieved self-determination. These 33 countries have a population of almost a billion people. During the same period, 12 countries in the Sino-Soviet sphere have been forcibly deprived of their independence. The question might be asked: Who are today the colonialists?

Certainly, though we may disagree in detail, we are all united in the fundamental principle that the torch of freedom must be carried to the remotest corners of the earth. In these days of increased international tension, the people of the United States are giving their wholehearted support to a Chief Executive who is effectively dedicating himself to true world peace, and who, by his actions and affirmative pronouncements, has carried to millions of people in the nations he recently has visited the true story of the love of freedom and the heart of humanity that is so symbolic of our national foreign policy.

A Report to Constituents

EXTENSION OF REMARKS
OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. PELLY. Mr. Speaker, with the adjournment of the 86th Congress comes a final responsibility of each individual Member to render to his constituents an accounting of his stewardship. I think it is recognized that we cannot please all the people all the time. However, we have the right and indeed the obligation to support and justify to the people how and why we voted the way we did and to explain our actions during each session.

In reporting to my friends and those who reside in the First Congressional District of my State of Washington, I am frank in saying I may not always have taken a popular position, but at least I did in good conscience vote the way I thought was proper. It is on this basis that I will return home and report personally on my record of public service this year.

Recently there has been widespread public criticism of Members of Congress over expenses charged to the Federal Government in connection with travel. Also, there is indignation over waste and extravagance in the way Congress spends the taxpayers' money for its own use.

Without pointing the finger at any colleagues, Mr. Speaker, I want to say I have supported itemized accounting and publication of all legislative committee spending. That a clear code of ethics for officials in all branches of the Federal Government has never been enacted, I deeply regret. I have sponsored such a plan so that conflicts of interest would be clearly defined. Public confidence for institutions of Government must be maintained. I am glad to say some progress in that direction has been made recently.

This is no holier-than-thou statement. Let the conduct of each Member stand on his own record in connection with improper practices. As for our legislative budget, I have always voted on the theory and firmly stated that the Congress could not expect to demand economy in the military and other agencies and departments of Government unless we ourselves set a good example in this respect. I regret to say that Congress has not always seen fit to practice what it has preached with regard to holding down expenditures.

Mr. Speaker, this is a presidential election year and even more than usual partisanship has colored and distorted views and political news and generated more preconvention political heat than light. However, I am glad to say that there has been a minimum of partisanship and politics in our traditional bipartisan foreign policy.

Your patriotism, Mr. Speaker, and that of certain other Democratic leaders has stood the difficult test of obvious opportunity. As always, in America in a crisis, the welfare of the country has taken precedence. I feel the Nation owes a debt, however, to you, Mr. Speaker, who never failed to respond when President Eisenhower and the Republican administration needed your support in foreign affairs.

I think we underestimate the success and effectiveness of that foreign policy. There is more peace and prosperity in the free world today than at any time and more moral and military deterrent strength than at any time since the Marshall plan was adopted. Meanwhile, Mr. Khrushchev and the Soviets have been smoked out for what they are, vicious conspirators whose sinister hope is to enslave all the peoples of this earth.

In domestic affairs, such as with farm legislation, in contrast to foreign affairs, political advantage and party politics have seemed to have been the overriding issues.

Speaking of our agricultural situation, I must deplore, as I have during the past session of Congress, that no legislation has been passed to reduce the inexcusable costs of farm subsidies or to end Federal controls. Our obsolete war emergency agricultural program must cease. It is a disgrace.

One of the major issues of the 86th Congress, of course, was the medical aid program for the aged.

The high cost of hospitalization and sickness cannot be ignored. Certainly the aged who are more subject to illness, especially catastrophic illness, and whose incomes are lower, must obtain health protection. With dignity, medical assistance must be available to the needy and I am confident the basic principles of socialized medicine need not be embraced to accomplish such assistance for retired people of modest or meager incomes.

Federal control of education continues to be a threat. A temporary school construction bill to help the States in the present emergency—if based on helping only school districts which have exhausted their own resources—is only dangerous in that it could lead to the States reducing their efforts and depending permanently on the Federal Government.

Certainly if the Federal Government attempts to finance and set standards for maintaining the schools, including salaries and curriculum, it could result in nationalization of our schools and give us the Russian system of regimentation and conditioning of youth for socialism. It could be as it was in Japan, Italy, and Germany under despotic dictators like Hitler.

Where school legislation, including a construction bill, did not meet my ideas of built-in safeguards against diminishing local responsibility, I have opposed and voted against it. Rather, I have consistently urged a return of tax funds to the individual States to spend as locally desired.

Now, Mr. Speaker, I want to mention inflation and the national financial picture. I have introduced a bill which would do much to solve a weakness in our system. There are two strong pressures on Members of Congress. One consists of groups favoring programs that entail Government spending and the other groups seek reduced taxes. If Congress favors and supports spending, it should pass a comparable increase in taxes. By the same token, if Members of Congress support less taxes, then we should vote against increased expenditures.

My bill would enforce this policy by requiring that Federal income and expenses be balanced. It would require a reduction of the huge national debt each year. In an emergency, by a record vote, Congress could waive this constitutional provision. Otherwise, we could not adjourn without a balanced budget, including a debt reduction.

Congressional committees this year favored programs requiring spending far in excess of the President's budget. When we establish new costly programs in excess of revenue, it is fiscal irresponsibility not to vote new taxes to increase revenue. I have been against that kind of spending—against so-called budget-busting.

Finally, Mr. Speaker, I should point up one national problem which remains unsolved and which especially affects the Pacific Northwest. This problem has to do with fishing and the proposed extension of the historic 3-mile limit. The Geneva Convention on the Law of the Sea sought to extend and widen the coastal sovereignty for fishing rights and would have taken away the historic right of Americans to fish outside the 3-mile limit off of Vancouver Island. Our Puget Sound fishing industry must retain that right. A settlement with Canada, therefore, must be arrived at before any international agreement is signed.

Another problem has to do with our west coast shipbuilding industry. A differential of 6 percent has long been the Federal policy in recognition of our higher costs. This only applies to the ships which are built for operation in the Pacific. Elimination of this differential could have an extremely adverse result on employment in Pacific coast shipyards.

In both the foregoing matters I take some satisfaction in that I was able to play a leading role in defending my industries and temporarily we have succeeded in holding the line. Meanwhile, I hope the fairness of our cause has been convincingly read into the record. I

serve notice, Mr. Speaker, that we of the Pacific Northwest and west coast are convinced of the justice of our cause and therefore we will continue to resist efforts to harm west coast industries.

Our Washington State delegation, including our Senators, as always, have closed ranks regardless of political party and cooperated closely in all such matters that vitally concern the welfare of the State.

Finally, Mr. Speaker, let me assure my friends in the Congress that during the past session I have appreciated their cooperation. It is a great honor of course to serve in this House of Representatives and a double privilege to be associated with so many fine and able colleagues. In the four terms I have served here I have learned one does not gain in effectiveness as a Member of Congress by experience alone, but by a combination of know-how and friends. Again, I express warm thanks to those who have worked closely with me.

I feel constrained also to publicly express thanks to my constituents at home for the honor and extreme pleasure of representing them in the Congress of the United States. Shortly I hope to carry this message to them in person when I am back home.

So, Mr. Speaker, this concludes my remarks. I only hope my service has justified the confidence of those who voted to send me to Congress and justifies likewise the kind way in which my efforts in most every instance has been received.

Transcript of Questions and Answers Submitted to Vice President Nixon on Television Program "Open End"

EXTENSION OF REMARKS

OF

HON. JOHN SHERMAN COOPER

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, June 16, 1960

Mr. COOPER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a transcript of questions submitted to Vice President NIXON and his answers, on a television program "Open End" broadcast May 15, by WNTA–TV in New York City as reported by U. S. News & World Report.

Mr. President, the interview is another example of the full and free discussion of issues by the Vice President of the United States and as always it discloses his comprehension of national and international issues, his wisdom and judgment.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, May 30, 1960]

WHAT VICE PRESIDENT NIXON SAYS

(Vice President RICHARD M. NIXON was interviewed on a television program, "Open End," broadcast May 15 by WNTA–TV in New York City, with David Susskind as moderator. Following, from a transcribed recording of that interview, are excerpts of Mr. NIXON's comments:)

RED CHINA AND THE U.N.

"Should Red China be admitted to the United Nations? Should it be recognized by the United States?"

Mr. NIXON. In my opinion, admission of Red China to the U.N. at this point, and its recognition by the United States, could well set in motion a chain of events in Southeast Asia which would result in the communization of that area.

DICTATORSHIPS

"Should United States sever diplomatic relations with governments headed by dictators?"

Mr. NIXON. No. I feel that we have to have diplomatic relations with dictatorships. For example, we have to continue to have diplomatic relationships with Mr. Khrushchev. We have to continue to have diplomatic relations with Mr. Gomulka in Poland. They are dictatorships—dictatorships as rigid, as totalitarian as any in the world. * * * But we have to have diplomatic relations with them. * * *

The United States should make clear that we favor the development in the Americas toward democratic forms. * * *

But to break relations with countries because they had dictators would mean that we'd have to break relations with about half the world today.

LATIN AMERICA

"On Mr. NIXON's trip to South America—was it well advised and constructive?"

Mr. NIXON. From a personal standpoint, probably not. It's not very easy to sit in the car and be stoned. It isn't easy to see your wife's new pretty red suit completely covered with spit, or to see a man spit directly into her face and not be able to do anything about it. But I would say, from the standpoint of the country, probably on balance it was good, because it served to bring forcibly home to the American people, to our Congress and to our Government the fact that there was a lot of discontent in Latin America with some of our economic and political policies. And so we have taken steps to deal with those policies.

"What about Cuba and Fidel Castro?"

Mr. NIXON. Obviously, sometimes in cases like this a person in my position, particularly in an election year, might be tempted to make a flag-waving statement about the terrible things that Mr. Castro is saying about the United States, his threats at Guantanamo (U.S. Navy base in Cuba), the fact that one of his gunboats fired on a submarine, and the like.

But I think that there are times when * * * it's best to have the statements that are made come from the responsible people in the State Department or from the President himself. I can only say this in general: I've been to Cuba on two occasions officially. The Cuban people are basically pro-American. I think that Mr. Castro, of course, has tended to turn some of them—many of them, perhaps—against us.

But I will say that, as far as those people are concerned, they certainly needed a revolution. They were not getting an adequate share of the tremendous wealth of that lush island. And so, as far as the objectives of Castro's revolution—providing, for example, a better life for his people, a better division of the land and the like, and particularly that objective which he also stood for at the beginning but since has completely departed from, of freedom—freedom of press, freedom in every respect, freedom of assembly and the like—as far as the objectives of the revolution, we certainly can support them.

And we would hope that Mr. Castro and the Cuban people themselves would change the present direction of the Castro government back to the objectives of the original revolution from which it has grievously departed, particularly with regard to freedom.

CONSERVATISM AND LIBERALISM

"In regard to Mr. NIXON's description of his political philosophy as one of progressive conservatism: Is this a political contradiction in terms?"

Mr. NIXON. No, I don't think so. I believe that, historically, conservatism at its best has always been progressive. And may I say, incidentally, that the use of the words "conservative" and "liberal" I think generally should be avoided these days because the two words have been distorted by definition through the years. Some people have attached the word "liberal" to themselves that perhaps are reactionary in the extreme, and others who call themselves "conservatives" certainly don't deserve that appellation as well. * * *

I believe that a conservative is an individual who opposes bad change but who favors good change. He favors that kind of change which will conserve the best of the past and build on that.

Now, the difficulty with those who do not take a conservative point of view in the sense that I have referred to is that they see a problem and they look at the present system and they want to scrap everything that we're presently doing in order to solve the problem. I think that (1) this is inefficient, and (2) it isn't the best way to solve the problem.

WELFARE STATE

"Should such things as social security, the Tennessee Valley Authority and Federal deposit insurance be regarded as 'welfare-state-ism'?"

Mr. NIXON. No. I regard these programs which you have referred to as consistent with the kind of dynamic economy—private-enterprise economy—which I believe will provide the most goods and services for the American people.

My point of demarcation is this: Whenever the individual, acting alone or with other people, either in a partnership or a corporation or some other group activity, can do a particular job or render a particular service more efficiently and less expensively than Government can do it or render it, then I believe that should be the course of action we should follow. Whenever the individual, acting alone or with others, is unable or refuses to render the kind of services that the people need or want, then—and only then—should Government step in. And I believe that, as far as Government is concerned, we should start at the lowest level and work upward to the highest rather than start at the highest and work down. We should first see if the local government can do it, then the State government, and finally, and only as a last resort, the Federal Government.

FEDERAL AID TO SCHOOLS

"Should Federal aid be given toward paying teachers' salaries? Why did Mr. NIXON vote against the Clark amendment which would have provided such aid?"

Mr. NIXON. Because I believe there is a better approach, and that's the approach that the administration has supported and continues to support—of Federal aid for school construction, $2 billion worth of schools to be built over a period of 4 years, financed over a period of 20 years, with the Federal Government paying half of the debt-retirement costs and the State governments assuming the last half. * * *

Because I am convinced that, when the Federal Government aids in the construction of schools, there is no possibility whatever of Federal control. If the Federal Government gets into the business of subsidizing

generally throughout the country the operation of our schools, including the payment of teachers' salaries, inevitably we will move into greater and greater programs in this area.

INFLATION

"To control inflation, will some control of wages and prices be necessary?"

Mr. NIXON. I would hope not, and I would certainly resist any attempt legislatively to go to controls. That is one of the reasons why, for example, when the recent steel strike was going on, I completely disagreed with many leaders in this country who said that we had to have compulsory arbitration—compulsory arbitration of labor disputes affecting the national interest. * * *

If you go to compulsory arbitration, this means wage fixing. If you have wage fixing by Government, you have Government price fixing. If you have Government wage and price fixing, the stimulus to the free-enterprise economy—and many think that's a bad word, but I do not—the stimulus to the free-enterprise economy, which has made the American productive machine the wonder of the world, will have been destroyed. We will have taken exactly the wrong step, and I think we should resist it at all possible times.

TAX REFORM

"How would Mr. NIXON cut taxes?"

Mr. NIXON. Well, now, let me say first of all that, with regard to tax reform or reduction, I emphasize that, throughout this campaign, I do not intend to promise the people that if elected they can have either categorically, because, in my opinion, before we can talk about either tax reduction or tax reform, both of which will result—even in the second case as well—in a reduction of revenue, we have to be sure that we have met our national-security responsibilities adequately. * * *

Now, in the event, after meeting all of our national-security responsibilities adequately, there is a surplus which will enable us to have a tax bill, I believe that that tax bill should emphasize tax reform—tax reform which would have as its purpose stimulating economic growth. Now how do you stimulate economic growth? You stimulate it by encouraging people to invest their savings in industrial plant, and to encourage them—one of the ways that we do that is through our tax system.

Now, I cannot on this program, and will not until the campaign comes along indicate specifically what ought to be done, but you move on the depreciation front, for example. Accelerated depreciation can be most constructive in stimulating economic growth. You move on the area of what I would call the counterproductive higher income bracket taxes—counterproductive because, at the present time, we have what I would call an expense account economy. I think you know what I am talking about here where people, because the tax rates are so high, live in effect off of expense accounts, and companies, of course, have to pay their top officials in terms of expense accounts as well as in terms of their adequate income.

Now this, I say, is counterproductive and inefficient.

By reducing these rates you lose relatively little revenue. And, by reducing these rates, you release capital for investment in industrial plant. That investment in industrial plant produces progress, it produces more jobs, it produces economic growth.

Now may I say finally in this connection that what I have just suggested has no political sex appeal in it whatever. I'm aware of this. The British were aware of it when they did the same thing a couple of years ago. But I feel that economic growth is essential in this country, and I think the way to economic growth is through expanding primarily the private sector of the economy rather than the Government sector. I think Government has a responsibility, a proper climate, seeing to it that our economy remains competitive through enforcement of the antitrust laws. But, also, we can do a great deal through reforming our tax system and thereby encouraging and stimulating maximum investment in the new plant which produces more progress and more jobs for Americans.

LABOR LEGISLATION

"What about the Landrum-Griffin law as a way to deal with labor abuses?"

Mr. NIXON. This is a terribly complex area and it's very difficult to develop labor legislation which will deal with an abuse without injuring the organization itself. Nobody wants to damage legitimate organized labor in this country—at least I don't, I want to make that clear. What we want to do is to get all unions to follow the good unions and the honest practices that many unions follow today.

The Landrum-Griffin bill was designed to do exactly that. And I believe that, as far as it goes, it did a fairly adequate job. But we aren't going to solve the problems entirely with legislation. In the final analysis, the problem of control of abuses within unions will be solved only when union members themselves recognize that it's their responsibility to assert a fact which they should be aware of, that they run the unions.

"Should wages be geared to the cost of living?"

Mr. NIXON. I think that the gearing of wages to the cost-of-living index has, of course, obvious appeal because it puts it in terms of the need of the workers rather than in terms of productivity. On the other hand, I think we also have to recognize that, over a long period of time, wages must also be geared to increases in productivity as well as what may be the increase in the cost-of-living index.

Now, as far as the guaranteed annual wage is concerned, I think it's been very constructive that many enlightened firms throughout the country are now moving toward that objective as well, and certainly it is an objective to which, I think, both labor and management should strive.

MEDICAL AID TO AGED

"Why does Mr. NIXON prefer the administration bill dealing with medical care for older people to the Forand bill?"

Mr. NIXON. I have several reasons: One, because the administration bill covers all of those who need the coverage—are over 65—and the Forand bill does not. The Forand bill covers only those over 65 who happen to have social security. It provides no coverage whatever for 4.5 million people who aren't on social security, and those are among those who need it the most.

The second reason I favor the administration bill is because it is voluntary in its character. It forces nobody to have health insurance against his will, whereas the Forand bill is compulsory in character. All those on social security are brought in under the system.

A third point that I would make is that the administration bill, leaving as it does this choice in the people over 65 to buy private group insurance if they want or to buy no insurance whatever, I think is more consistent with our ultimate objective of keeping the medical profession—which at the present time provides the best medical care in the world for the American people—of keeping it free of Federal control.

AGRICULTURE AND MR. BENSON

"What about Ezra Taft Benson as Secretary of Agriculture?"

Mr. NIXON. I think that Secretary Benson has been as dedicated a man in working for the interests of the farmers as he saw it as any Secretary we've ever had. I can say that—I think Secretary Benson's critics would agree with that.

As far as the success of the Secretary in getting his program through is concerned, it is here that he has had his difficulty * * * and, at the present time, we are still saddled with a program which all agree is not in the best interest of the farmer or the American people.

"The Vice President was asked about his own farm program."

Mr. NIXON. Well, this is not the time to announce it. I say, first of all, that the Congress has in its committees at the present time a message from the President giving the Congress a great deal of discretion in this area of the farm program, indicating what the President would favor, but also indicating that, within certain guidelines, the President would sign a bill which did not conform with his specific recommendations.

If the Congress fails to act on this bill, I believe that it is then the responsibility of both candidates for the Presidency to present to the American people farm programs which will break the present stalemate.

CIVIL RIGHTS AND DESEGREGATION

"What about the lunchcounter sit-in strikes in the South?"

Mr. NIXON. I would say that these strikes should not be looked at as primarily constituting a legal problem. * * * To me, the problem is not legal. The problem is essentially moral. * * *

Now, what does this mean? Since it is a moral problem, it means that we've got to develop leadership from the very highest level down through the community level which will deal with the problem. * * *

Let me say this—I think it (the strike movement) is very understandable. I think, on the other hand, that we must recognize that the Negroes and others concerned about making progress in this field do avoid, and should avoid, when they can, activities which could prove to be counterproductive—counterproductive by going to extremes, which might set the cause back.

"Is Mr. NIXON satisfied with the civil-rights bill passed recently by Congress?"

Mr. NIXON. The administration favored a bill that would have contained one specific provision that I felt very deeply about, and that the Congress rejected. And that was the one that would have given statutory authority to the committee on equality of opportunity on jobs involving Government contracts. This provision was included in the administration bill, and the Congress rejected it. In addition to that, there was another provision in the administration bill dealing with the matter of schools on Government property, involving this area in which the administration did not get the provision it wanted from the Congress.

But I would say that, as far as the bill which was passed was concerned, that it was a historic bill of great importance, and it was as important a bill as it was and effective as it was because the Attorney General developed the voting-referee proposal which will provide a historic breakthrough in voting rights for Negroes, provided they move in key States—and I mean the Negroes themselves—move in key States to assert those rights.

AID TO DEPRESSED AREAS

"What about the President's veto of a bill to provide Federal aid for depressed areas?"

Mr. NIXON. The difficulty with the bill was that it was a very bad method for meeting an urgent need, and would not, unfortunately, have provided as much and as effective aid to the real distressed areas of West Virginia—western Pennsylvania particularly—that the administration bill would have provided.

This is clearly apart from the cost. The difference in cost was 50 million for the Eisenhower bill—the Eisenhower administration's bill—and approximately 250 million for this one. The difficulty with this bill is

that it included a number of areas in this country—because of a very bad and weak standard of what a depressed area was—that would have made it a political grab bag, in effect, rather than, again, using the rifle to deal with the specific problems.

May I say that there is a real problem in these distressed areas and it has not been met, but the Congress can meet it by passing the bill that the President sent down, or one closer to it than the one they did pass. And I hope they do.

POLITICS AND THE PRESIDENTIAL CAMPAIGN

"Why is the Republican Party the minority party in this country?"

Mr. NIXON. Because the Republican Party has not effectively identified itself with the policies of this administration, and because the Republican Party, in addition, I think, has failed at the local and State level, in many instances, to develop the organization and the attractive candidates that are needed in this 20th century when politics has become a science—although many could call it much worse names.

"Is there any validity to the description of the Republican Party as the party of 'big business'?"

Mr. NIXON. I would say that no administration has a more effective record in the field of antitrust enforcement than this administration, which indicates that our interest is not in big business or little business but in good business—good, competitive, American business.

And may I say that, as far as business is concerned—just as I feel about labor—that I feel that any administration should not be either antibusiness or antilabor. You should be "pro" good business, "pro" good labor, and "anti" bad business, and "anti" bad labor.

"About Mr. NIXON's campaign methods in the past—would he change those methods?"

Mr. NIXON. Every man obviously changes through the years, and I would not say, certainly, that, through the years, I have not made mistakes. But let me emphasize my philosophy with regard to politics generally.

I believe that, in campaigns, you must have hard-hitting discussion of the issues. I believe, also, that a candidate must expect his opponents to examine his record—as mine has been examined time and time again with a microscope—and he must expect to be attacked on his record—everything that he says, every vote that he has cast, every deed that might affect his conduct of the office. It's fair to discuss it, and discuss it vigorously and in a way that will bring it home to the people. Now, I would say that, when we get into personalities, there is where the line should be drawn.

"What about Governor Rockefeller as Republican nominee for Vice President?"

Mr. NIXON. Well, let me say first of all that the agreements that Governor Rockefeller and I have far outweigh the disagreements—and, as far as foreign policy is concerned, that is particularly the case. * * *

Now, what you have raised, of course, is a hypothetical question, because Governor Rockefeller has indicated that (1) he does not want the nomination for Vice President, and (2) he has said that he will not attend the Republican Convention.

May I say that I think that that statement on his part is one which is responsible and a proper statement. * * * So I think this decision by the Governor is one that should be respected. * * *

"If Senator Kennedy is the Democratic choice for the Presidency, will it be a political necessity for the Republican Party to nominate a Catholic as Vice President?"

Mr. NIXON. I would say that ticket balancing of that type, for that reason, would be such an obviously cynical act that it would be resented, and properly so, by people throughout the country. It happens that there are people of the Catholic faith in our party who are eminently qualified, may I say, to serve in the highest offices in this country. But those people, if they are to be considered, should be considered on their merits and not on the basis simply of balancing the ticket because the other party might have selected somebody of that faith.

Baltic States Freedom Council's Town Hall Rally

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. LINDSAY. Mr. Speaker, on Sunday, June 12, 1960, it was my privilege to address the Baltic States Freedom Committee's Town Hall Rally in New York City, marking the 20th anniversary of Soviet invasion of Estonia, Latvia, and Lithuania. Under unanimous consent I include in the RECORD a copy of my statement and the manifesto of the 20th anniversary of Soviet aggression against the Baltic States issued by the free Estonians, Latvians, and Lithuanians:

ADDRESS BY REPRESENTATIVE JOHN V. LINDSAY, REPUBLICAN, OF NEW YORK, AT THE BALTIC STATES FREEDOM COUNCIL'S TOWN HALL RALLY IN NEW YORK CITY, MARKING THE 20TH ANNIVERSARY OF SOVIET INVASION OF ESTONIA, LATVIA, AND LITHUANIA, JUNE 12, 1960

We meet here both in sorrow and in hope. In sorrow we commemorate the anniversary of the darkness that engulfed the Baltic countries in June 1940; in hope we rekindle the torch of liberty to light the way out of darkness.

The enormity of the tragedy which befell Estonia, Lithuania, and Latvia by unprovoked Soviet aggression, can only be fully realized by an awareness of the remarkable contributions made to the world by the peoples of these sovereign nations during their years of independence and freedom.

By their culture, arts and crafts, science and education, literature and the theater, and an ever-rising standard of living, these countries made their lasting mark on the world community. Expanding travel and commerce established deep and lasting links with the Western World. Between these countries and the United States there existed the bonds of mutual respect and love of freedom.

When the hammer struck it corrupted all human dignity. In violation of a series of nonaggression treaties, the Soviet armies engulfed three sovereign states, purged their governments, rigged their elections and forcibly incorporated them into the Soviet Union itself. Not even nominal sovereignty was retained. The economies became subject to the central Soviet plan and their institutions came under Soviet ministries. There followed the usual reign of terror in the pattern of dictators—mass deportations, mass arrests, conviction without trial, collectivization of agriculture, industry and the like.

Many of you here tonight lived through these events and there is little that I can tell you that you do not know far better than I from personal experience.

Let me say this much, however, about personal experience. When Hungary rose and struck back in the glorious October revolt of 1956, I had the opportunity and the moving experience, as the representative of the Attorney General of the United States, of witnessing the events from the edge of freedom. In the course of helping to establish our Government's participation in the relief of Hungarian freedom fighters and their loved ones, I stood night after night at the Andau Bridge and other key points along that dark border and saw the faces of those who marched from darkness to light. It is one thing to discuss a bloodletting in the abstract; it is another to see it in the faces of women and children, with the rumble of tank treads and the rattle of machineguns echoing out of the morning mist.

So these things bear restating. Let us remind ourselves that our friends and allies, your mothers and fathers, brothers and children, remain under the oppressor's boot and cry to us for help. As an American and as a Representative, I wish to tell you that your cause is our cause. It is a cause close to our minds and hearts. But we may not rest on this. What is needed is a restatement by the free world of our determination to achieve freedom and independence for each person and each nation. The pressure of organized public opinion is a powerful weapon, but like the fight for freedom everywhere, it is not self-sustaining. It requires recognition, leadership, and restatement. Free countries everywhere must articulate their obligation toward those who died for the cause of freedom or who hold on to life only in the hope of freedom. Their cause must be highly placed on the agenda of international convocations. Otherwise the statesmen of the free world negotiate on a basis of expediency rather than principle.

The United States must adhere to principle. In 1892, both the Republican and Democratic Party platforms saw fit to condemn the Russian Czarist Government for the mistreatment and oppression of its non-Russian peoples and asked for equal rights for all. The principles of self-determination by all peoples were proclaimed by President Woodrow Wilson in 1917 and the Baltic Republics were welcomed into the family of nations shortly thereafter. The United States gave its enthusiastic welcome. There followed the Sumner Wells declaration on July 23, 1940, on the occasion of the Soviet aggression in June 1940. This declaration condemned predatory activities of one state against another. It condemned the use of force or the threat of force by nations against each other. It condemned the interference of one sovereign power into the domestic affairs of another. The declaration said in conclusion that unless these principles are followed, law and justice cannot be preserved and, indeed, the basis of modern civilization cannot prevail. Thereafter, the United States consistently refused to recognize the present absorption of Estonia, Latvia and Lithuania into the Soviet Union. We refuse to recognize the regimes that the Communists have established and maintained by force and by fraud in these countries. We recognize only the representatives of the independent Republics of Estonia, Latvia and Lithuania, and that is how it will remain.

All Americans should read the report of the Kersten committee—a select committee of the Congress under the chairmanship of Charles J. Kersten—which in 1953 and 1954 took evidence in two continents of the international crimes that had been committed by the Soviet Union against the Baltic States. The final report of and the documents assembled by the Kersten committee constitute the most definitive record that we have of a history of Soviet perfidy and of Soviet offenses against mankind.

Finally last year by congressional resolution and Presidential proclamation—the

Captive Nations Resolution and Declaration—we restated our demand for the restoration of independence to these nations of Europe. This is our goal.

The United States must rekindle the fires of freedom. On the international scene everywhere we must be the image of enlightened concern for the principles of freedom and human dignity upon which our own country was founded and for which we have fought.

We must do this by demonstrating our concern for human worth in every community, at home and abroad. Let us not, as Americans, neglect our own institutions or fail to recognize our own problems and shortcomings where they exist. Where, and to the extent that, we ourselves fail to accord full rights to every man in our own Nation, so we fail in our own effort to stop the spread of communism abroad. Where we face up to our shortcomings, so we strengthen ourselves in the battle for the freedom of other peoples. We do nothing in a vacuum. Everything is interrelated. And so it will be, more and more, in the challenging years to come.

Thank you very much.

MANIFESTO OF THE 20TH ANNIVERSARY OF SOVIET AGGRESSION AGAINST THE BALTIC STATES BY FREE ESTONIANS, LATVIANS, AND LITHUANIANS

Twenty years ago, the Soviet Union attacked the Baltic States. Some 300,000 Red army troops poured into Lithuania on June 15, 1940, and into Latvia and Estonia, on June 17, 1940. With the protection of this occupation army, the emissaries of the Kremlin—Dekanozov, Vishinsky, Zhdanov—unseated the legitimate governments of the Baltic nations. The Baltic countries were robbed of their independence and transformed into colonies of the Soviet Union.

The Soviet Union's assault against its Baltic neighbors initiated the Soviet westward march against Europe. Thus, the beginning of today's international tension and threat to peace may be found in the Soviet aggression against the Baltic States in 1940.

By its aggressive acts against Estonia, Latvia, and Lithuania, the U.S.S.R. broke the peace and nonaggression treaties it had signed with those states as well as other international agreements.

Expropriation, exploitation, pauperization, slave labor, suppression of human rights and fundamental freedoms, Russification, terror, murder, mass deportations—these are the marks of the Soviet occupation in the Baltic States. In committing these acts, the Soviets violated the United Nations Declaration embodying the Atlantic Charter, the United Nations Charter, the Convention on the Suppression of Crimes of Genocide, and the Universal Declaration of Human Rights—all these documents bearing the signatures of the U.S.S.R.

The Estonian, Latvian, and Lithuanian peoples, historically and traditionally Western in orientation and outlook, placed their hopes in the Western World. Their trust and reliance in the West was strengthened by the declaration of the U.S. Department of State of July 23, 1940; the statement of the President of the United States of October 15, 1941; the Atlantic Charter; the Yalta Declaration on Liberated Europe; the repeated statements by the U.S. Government about nonrecognition of the Soviet annexation of the Baltic States and continued recognition of their diplomatic representatives; and the proclaimed aims and principles of the United Nations.

The Baltic peoples have given active expression to their determination to regain freedom, and have resisted their oppressors, thus contributing greatly to the still continuing struggle for freedom and justice being waged by all captive peoples enslaved by the Soviet Union. Despite heavy setbacks and trials, our peoples maintain their faith in the restoration of their freedom and independence.

This summer the Soviet occupant will unveil a macabre spectacle—a festive celebration of the 20th anniversary of the enslavement of the Baltic States during which the captive Baltic peoples will be pressed to appear grateful to their conquerors.

We—free Estonians, Latvians, and Lithuanians—are conscious of our responsibility toward our nations and toward history. At this 20th anniversary of Soviet aggression, we feel dutybound to give voice to the aspirations of our captive peoples:

We accuse the Soviet Union of committing and continuing an international crime against the Baltic States;

We demand that the Soviet Union withdraw its military, police, and administrative personnel from the Baltic countries;

We request that the governments of the free world, especially those of the great powers, undertake all peaceful ways and means to restore the exercise of the right of self-determination in the Baltic countries and in the rest of east-central Europe;

We appeal to the conscience of all mankind to perceive the magnitude of the injustice perpetrated upon the Baltic countries and to support the efforts toward the restoration of the liberty of these countries;

We convey to our people at home our pride in their resolute resistance against the endeavors of the oppressor to destroy their national and personal identity;

We express to our peoples behind the Iron Curtain our deep conviction that the Soviet system—as all tyrannies throughout history—carries within it the seeds of its own destruction; that it cannot and shall not prevail;

We pledge to intensify our joint organized activity in the free world to promote the cause of liberty for the Baltic countries;

We, finally, declare to the free world and the Communist-dominated world, including the U.S.S.R., that, once free again, the Baltic nations will do all in their power to ensure the best possible relations with their neighbors on the basis of mutual respect for national sovereignty and territorial integrity.

Vaclovas Sidzikauskas, Chairman, Lithuania; Alfreds Berzins, Deputy Chairman, Latvia; Leonhard Vahter, Deputy Chairman, Estonia; Jaan Tiivel, Estonia; Eduard Vallaste, Estonia; Adolfs Blodnieks, Latvia; Vilis Hazners, Latvia; Dr. Vilis Masens, Latvia; Juris Siesers, Latvia; Msgr. Jonas Balkunas, Lithuania; Col. Jonas Slepetys, Lithuania; Dr. Antanas Trimakas, Lithuania, Members.

Protest Proposed Extension of the National Sugar Act

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. BERRY. Mr. Speaker, under leave to extend my remarks I protest the proposed 1-year extension of the present National Sugar Act which would give to Cuba an unnecessary and an unfair windfall of some $15 or $16 million worth of sugar.

The House Agriculture Committee on almost a straight party line vote has passed a provision which would extend the National Sugar Act in its present form for an additional year.

Under terms of the act, Cuba is authorized to export into this country 3,119,655 short tons of sugar. This is bad enough, Mr. Speaker, when it is considered that the price Cuba will receive for this sugar imported into the United States is almost twice the world price, but this is only half of the story.

Under the existing law when offshore islands and American possessions are unable to meet their quotas, the quota that is thus unfilled is redistributed. Because of a shortage in Hawaii, Puerto Rico and the Philippine Islands, these countries will have a deficit of some 500,000 tons. Under the law 156,000 tons of this deficit would be assigned to Cuba, and under the law there is nothing this country could do except to assign this additional tonnage to Cuba. It would mean a windfall to Cuba of some $15 to $16 million.

Mr. Speaker, it may not be possible to rewrite the National Sugar Act this year and reduce the Cuban quota, but certainly it is not necessary for this Congress to extend the existing law and give to Cuba 156,000 tons, or a subsidy above the world price of some $6,800,000 at a time when Cuba will be spending that money to propagandize the balance of the Latin American countries against the United States and in favor of communism.

Annual Flag Day Program of Lodge No. 102, Benevolent and Protective Order of Elks, Altoona, Pa., June 15, 1960

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 16, 1960

Mr. VAN ZANDT. Mr. Speaker, one of the most impressive Flag Day programs in Pennsylvania was sponsored by Elks Lodge No. 102 in my hometown of Altoona, Pa., on June 15, 1960, at 8:15 p.m.

It was a privilege to participate in the Flag Day program and to deliver the following address:

FLAG DAY, 1960, ADDRESS BY JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNYSLVANIA, AT THE ANNUAL FLAG DAY OBSERVANCE OF LODGE NO. 102, BPOE, ALTOONA, PA., JUNE 15, 1960

Since the foundation of our order, the Elks have identified themselves with the cause of American patriotism, and have paid constant and conspicuous honor to the flag.

In addition, the BPOE has been in the forefront of the popular movement for national and public observance of Flag Day.

We of the Elks have made it our business to know the meaning of the Flag, and to fulfill our obligations of respect and love for the flag.

And finally, to give the flag's message of patriotism to all the citizens of our country, particularly the youth.

At this moment in history, when the disgraceful performance of Premier Khrushchev in canceling the scheduled summit meeting has offended America and damaged the prospects of international peace, it is a particularly appropriate time for Americans to rally, with enthusiastic unanimity, to the observance of this festival of our national unity and strength.

The flag, like the President of the United States, stands before the world as the symbol of the Nation.

The flag, however, is an impersonal symbol, nonpartisan, above any political dispute or disagreement.

It stands, in essence, for the spiritual ideals of America, for the virtues displayed by America's founders, and intended to be fostered by the Constitution.

Primarily, the flag stands for our national independence, and for the individual freedom of each citizen.

In our flag, we can read the basic meaning of those famous "checks and balances" written into our form of government.

This is the principle that each man's liberty is under the rule of law—that no man's liberty can be freedom to oppress another or invade his rights—that government itself, the guardian of our liberties and preserver of our rights, must be held back from invasion and injustice.

This is the principle of the rule of the majority—qualified by the important restriction that minority rights, and individual rights—must not be violated.

But the flag, this tangible, visible symbol of our country, stands for something more solid and perceptible than the ideals of freedom and justice that inspire us.

It represents the land itself, and its people.

Each of us, looking at the flag should bring before his imagination his own home, his family and friends.

He should think of, and visualize, the people and the surroundings he loves best, for there is the focal point of his patriotism.

Patriotism must spread out from self and family, from home and hometown, to encompass the multitude and the broad lands and waters of America.

A man's love of country, thus rooted in his native soil, and fostered by his relations with kin and community, stays real and practical and vivid as it grows to take in the scope of America.

The faces, and the landscape, that mean most in his life, should be firmly connected in his mind and imagination with the idea of the United States, and with the image of the Stars and Stripes.

He may think of a hero and a mountain, of his wife and a tree-surrounded home, of a child and a sea wave on the shore.

To some people, the fact that the flag means America may be brought home most forcefully in the experience, actual or remembered, of seeing it bravely flying in some foreign land, or on the broad expanse of the ownerless ocean.

Not only our land and people of today are represented by the flag however.

This vast expanse of land, this great variety and number of people, is not enough to exhaust the depth of symbolism in the flag.

All the history of America lies in those folds, those red and white stripes, those white stars in the blue field.

In the 13 stripes—in the 13 stars—with which the flag was provided when it first met the breezes of the earth and the light of heaven—we preserve at once the memory of the Thirteen Colonies, so long ago established.

We recall their existence before they rose to demand their independence.

We preserve at once that memory of long ago, and the present existence of those same colonies as sovereign States in our great Union.

We of the Commonwealth of Pennsylvania are justly proud of our place among those Thirteen Original Colonies.

As we look at the flag we see our own colony—with its heritage of religious faith and toleration—with its memory of William Penn and his even-handed justice—with its strong central position in the establishment both of the confederation and of the Union.

It was in Philadelphia that the delegates from the colonies signed the Declaration of Independence.

It was in Philadelphia that the delegates from the States signed the Constitution.

Thus, Pennsylvania has played a major part both in making us free, and in making us one.

The Brandywine, the Delaware, and Valley Forge, will live in American history as long as the hearts and minds of men remember the youth of our country—and the sacrifices brave men made that they, and their sons, might be free.

Here in our flag is enshrined our political structure—what Chief Justice S. P. Chase, in 1868, defined as an "indestructible Union composed of indestructible States."

Each State is represented by a star, though we do not assign a special, numbered star to one named State.

Here, in physical, visible form, is shown the fact that our Nation is composed of many distinct political entities.

The flag is, in a sense, a pictorial representation of the ancient motto of our country: "E Pluribus Unum."

By a triumph of political wisdom, and by agreement forged out of a great conflict of keen minds and strong wills, the delegates to the Constitutional Convention worked out a system of government.

This system of government has stood the test of well-nigh two centuries of time, of civil and foreign wars, of prosperity and financial disaster, and of tremendous growth in territorial extent and in population.

The amendments we have made to the Constitution have not been real alterations, to the structure of the document, and to the structure of the government envisioned in the document.

In the flag today, as it represents our Government under the Constitution, we see the working of the structure envisioned by men of high philosophic thought and earnest devotion to principle.

Their efforts brought into being the cooperation of practical politicians, businessmen, and lawyers, who, through the years, have plugged the gaps and smoothed the rough places in this bold device for harnessing liberty and justice in one ordered team.

From our childhood, we have connected the red of the flag with the thought of the blood of heroes.

Certainly no American patriot can look at the flag without some thought of those who have died, on their native soil or abroad, on land or at sea, fighting under the flag and in its defense.

That banner waved over the victory of Yorktown as over the brave defense of the Alamo.

Men have bled for it in the mountains of Korea, as on the plains of Kansas.

In that flag we find the idea of courage, courage to live and die for our country, and for the ideals that make our country great.

The red is the red of our hearts' blood, whether poured out in brave sacrifice on the field of battle or surging in a living tide of hope and ambition for the service of the Nation in a time of peace.

We are inclined, too often, to forget our youthful idealism and enthusiasms, and, in particular, not to think of the flag except when it is brought forcibly to our attention by some official occasion such as the present.

Each of us needs, I am sure to think over his way of life, and see if patriotism and the flag that is the visible symbol and token of patriotism, plays a sufficiently large part in his home and daily routine.

Each citizen should have a flag—that goes without saying.

But, having a flag, it is incumbent upon him to show it proper respect and reverence in all ways.

He should keep it clean and covered when it is not flying—to protect it from any indignity or neglect at all times—and to raise and lower it, on appropriate occasions, with solemn though simple ceremony.

A man should go out, early in the morning of a national holiday, to put his flag out, not in the casual manner of one getting the morning paper or taking in the milk, but with some slight ceremony.

I know one man, for example, who makes a point of having his little children go out with him, and then, when the flag is flying, they recite together the pledge of allegiance.

It is a simple matter—easy and not at all time consuming—but it is likely to give the little children a memory that time will not erase from their minds.

At home—in school—in youth organizations such as the scouts—respect and honor for the flag must be taught with constancy and enthusiasm.

Our children must come to manhood and womanhood with a sure understanding—a confident resolve—so that they will be ready to serve their country in time of need with earnest devotion.

One of the most essential elements in the education of American youth is education in the meaning of the flag—and in the loving service that is due from each of us to the flag—and the country for which it stands.

When a woman comes to be a wife and mother, when a man is called to be a soldier, sailor, or airman—then it is too late for this basic training in patriotism.

If a person's heart and head are 4–F in this matter of patriotism—a healthy body and mental keenness will do us no good.

Last year and this year are great times in the history of the flag, and we should do our best to emphasize, in our own consciousness and in the public mind, the importance of the tremendous events that have changed the look of the flag, twice in 2 years.

We have acquired, as of last July 4, a star representing a vast new State—a land of magnificent scenery, great variety of climate, and a people of vigor and ambition to match the resources and scope of their land—the great new State of Alaska.

Tonight I have the honor to present to the Elks of Altoona a flag, not yet legally the flag of the United States.

It is the flag of the United States of the future—in this case definitely the foreseeable future—since it is established by law that this 50-star flag will become officially the flag of the United States on July 4, 1960.

The 50th star, thus to be added to our flag, and now visible in this preview, is a star of many particular glories.

The State of Hawaii, for which it stands, shares with Texas and California the distinction of having been an independent nation before seeking annexation by the United States.

Hawaii, too, stands in an unusual position in being far overseas from the mainland of the United States.

We warmly welcome to our Union a sovereign State of romantic history—of well-developed culture—of a high standard of education—of thriving agricultural, manufacturing, and commercial prosperity.

This independence day will be a day of special joy and pride for those most deeply concerned with the relations between America and the Orient—for we have—by welcoming Hawaii to the society of equal States, accepted the equal partnership of a people predominantly, oriental in ancestry.

I am sure that our Altoona Local Lodge No. 102 of the Elks will boldly continue its long-established custom of furthering, by word and example, the strict observance of flag etiquette.

These are forms, as you and I are deeply aware, of vital inward meaning, and of importance in forming the character of the citizen.

I think of the casual word spoken to me the other day by a young man:

"You know, maybe it's my military training, but I just like to see the flag folded up the right way."

These matters are not so small as they look.

The man who has learned a particular way of folding the flag, in scouts or military or anywhere else, has a routine in mind, but a routine with meaning.

There is a practical meaning—the flag folded up the right way when hoisted on the pole, will unfurl properly at the top.

When the flag is folded, it is in the shape of a compass, and easily stored.

By showing a portion of the union, it is instantly identifiable as the flag, and cannot be confused with striped bunting.

Finally, each of us owes to the flag the affection and respect that he owes to the persons nearest and dearest to him.

For after all it is those persons, themselves, who are at the heart of the symbolism of the flag we honor on this Flag Day of 1960.

Address by Senator Mike Mansfield, of Montana, at 58th Annual Session of Inland Empire Education Association

EXTENSION OF REMARKS
OF
HON. HENRY M. JACKSON
OF WASHINGTON
IN THE SENATE OF THE UNITED STATES
Thursday, June 16, 1960

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a significant address by Senator MIKE MANSFIELD before the 58th annual session of the Inland Empire Education Association in Spokane, Wash., on April 8, 1960.

This address, entitled "The State of Our Foreign Relations," reflects the exceptional understanding, analytic ability, and constructive outlook of the distinguished assistant majority leader. This address should have a wide reading.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE STATE OF OUR FOREIGN RELATIONS

(Address by Senator MIKE MANSFIELD, Democrat, of Montana, 58th annual session of the Inland Empire Education Association, Spokane, Wash., April 8, 1960)

An invitation such as you extended to me is an invitation to come home. It is an invitation to think through old questions in the fresh but familiar perspective of this wonderful part of the Nation.

Of these questions, that of foreign relations is most compelling. As Americans, we need to understand the problems of foreign relations because none of us escapes their consequences. As teachers—I am still one of you although my membership in the club has temporarily lapsed—as teachers, we need not only to understand these problems but also to stimulate the capacity of others to understand them. We need especially to convey something of their meaning to the young people who must live in the world which our foreign policies now are doing much to shape.

Let me say, at the outset, that foreign relations are not the products of alchemy. They are the consequences of human acts. As such they are not beyond normal human comprehension. To be sure, the conduct of foreign relations is largely in the hands of specialists and that is as it should be. But in a Nation such as ours, the work of these specialists needs the understanding and broad guidance of our people if it is to be done most effectively.

Foreign relations arise because each nation in the world, as it comes into contact with others, has its hopes, its interests, its fears. Each expresses these national drives in its foreign policy. If the policy is effective, it advances the hopes and interests of a nation, not at the expense of others, but by the process of reconciliation and accommodation. In so doing, it mitigates the fears on all sides. In so doing, it acts for peace.

To put it briefly, an effective foreign policy is one which serves national needs in a complex world, a world of many nations, and many needs, by methods other than those of the jungle.

How do we grasp the essence of these matters? How do we convey an understanding of them to others? These are questions which have preoccupied me for some time, particularly in anticipation of this meeting with you who are specialists in the process of understanding the complex and helping others to learn to understand it.

It seems to me that we do not begin to appreciate the dimensions of the problems of foreign relations, if we employ as yardsticks such familiar terms as isolationism or internationalism. These are ambiguities of the past and they do not help us in the present. As far as isolationism is concerned, I think that, as a nation, we have long since recognized the impracticability of a policy designed to insulate ourselves or even the Western Hemisphere from the massive currents which flow through the world and the storms which beset it. The military conflicts, three in the lifetime of some of us, have dispelled the illusion of isolation. As a more recent reminder, if any is needed, I call to your attention the Soviet test rocket which dropped into the Pacific some weeks ago. It landed about an hour after it had left a launching pad almost 8,000 miles away.

I do not think it is necessary to labor the point. It is clear that, for better or for worse, we are in and of this world or, in these days of space exploration, perhaps I should say in and of this universe. It is obvious that it will be for worse rather than better if we close our eyes to that fact or try to pull the cover over our heads to shut out that fact.

I do not say that the urge to isolationism, this urge to escape from reality, is gone entirely from the Nation. It is there to some degree, but it is no longer the principal source of our difficulties in foreign relations. The present problems come more, I believe, from a rather widespread belief that all which is classifiable as internationalism has, per se, a special claim to virtue.

The fact is there are no panaceas in an indiscriminate embrace of internationalism any more than there is escape in isolationism. That is the point I wish to stress most strongly. Let me illustrate it by a story which, since you are teachers, may shock you, but a story whose meaning will not be lost on you. As teachers we know, I think, better than most, of the immense value to our relations with other nations, of improving our abilities in foreign languages. In recent years, the teaching profession has given great emphasis to the study of languages and the Government has taken steps to encourage it. That is a most desirable development. What we may overlook in our present enthusiasm for this great tool, however, is that it is only a tool. It is not a foolproof guarantee of effective foreign relations. The story with which I wish to illustrate the point is that of an American diplomat in Latin America some years ago. He made public statements which did a great deal of damage to our relations with that part of the world. Yet he spoke these statements in perfect Spanish, of which he was a master. The Latin Americans were astounded by his knowledge of Spanish. They were even more astounded and, in addition, were infuriated by what he said in Spanish. Obviously, here was a case where our relations might well have profited from someone with rather less capability of communicating in that language.

As it is with languages, so it is with policies of internationalism in general. It by no means follows that if 5 American military bases abroad are helpful, 10 will be doubly helpful. It by no means follows that an aid program which costs $5 billion a year will be five times more useful than a program which costs $1 billion. It by no means follows that if 20 American representatives are doing an effective job in a country in Asia, 200 representatives will increase the effectiveness by a factor of 10. It by no means follows that each additional agency added to the United Nations system will increase the total contribution which that usful system makes to peace. In short, in any category of action, not excluding international action, it is possible not only to go beyond the point of diminishing returns but even to the point of increasing loss.

What I am suggesting, then, is that we need to divest ourselves of the notion that all policies, all acts automatically are to be sanctioned if they are classifiable under the general heading of internationalism. There can be illusions no less misleading, no less dangerous to the hopes and interests of the Nation in this generalization than those which appeared at an earlier time in the guise of isolationism.

The basic problem of maintaining effective foreign relations and of building peace, insofar as we can contribute to it, lies not so much in more policies or more machinery but in giving fresh direction to existing policies and in refining the machinery by which these policies are now pursued. If we would meet this problem we need, first, to see the world as it is. We need to see it as it is now, before we can reasonably hope to see it as we should like it to be. We need to see our present policies as they are, rather than as we imagine them to be.

No illusion in our present understanding of the world is more misleading than that which assumes that there has been peace since a truce was signed in Korea in 1953. To equate the present situation in that country or, indeed in most parts of the world with peace, may well be to equate it with the period of 1940 in Europe, the period of the so-called phony war just prior to the German drive into the lowlands and France or with the state of Japanese-American relations on the eve of Pearl Harbor.

If it is enough to define peace as the immediate absence of gunfire then I suppose the present world situation, on the whole, may be so regarded. But if peace means to you what it means to me, a reasonable assurance that the young people whose education is now in your charge shall have an opportunity through that education to develop their potentialities and to grow into constructive maturity without the ever-present prospect of sudden and immense devastation being visited upon them, then the present situation cannot be defined as peace. We have a long way to go to peace. To create the illu-

sion that we have already arrived at it, is to do a grave disservice to the Nation. That, may I say, is one of the principal dangers of goodwill tours and meetings at the summit, whatever advantages they may offer.

We shall not achieve peace by studying the applause meters or the comparative Hooper ratings of Mr. Khrushchev and Mr. Eisenhower in India or France or wherever else they may visit. The road to peace does not lie in the winning of international popularity contests. Rather, it lies in the reduction of the fears which push nations and systems of nations toward military clash. It lies in a frank recognition of conflicting national interests and ideological hopes and, if they cannot be reconciled at this time, in turning them away from the channels which lead to the nuclear destruction of a recognizable civilization in the world.

If we scan the principal regions of the world we shall be able to discern quickly that there is no peace in this sense, but, instead, a series of points of potential conflict. In the Far East, these points are to be found in Korea, in the Formosan Straits and in Indochina. In each of these areas, a truce written or unwritten prevails. The truce conceals but it does not heal the ideological and political divisions which plague the Korean people, the Chinese people, and the people of Vietnam and Laos. In the case of Korea, the 38th parallel is still guarded 24 hours a day on both sides. In the Formosan Straits, Chinese Communist guns fire from the mainland at the outpost islands of the Nationalists—at Quemoy and Matsu—every other day. In Indochina—in Laos—there was a narrow escape from a large-scale conflict just a few months ago and the situation remains unstable. In Vietnam a rigid division separates the Communist north from the free south and shows no signs of closing in peace.

In short, throughout the Far East, there exists, in excess, one of the most common precipitants of war—unnatural political divisions of peoples who are in reality deeply united by culture, by geography and by history. I shall not review the circumstances which brought about the divisions. All of them, to be sure, are overlaid with the ideological schism between communism and freedom. But each division, too, has its own local characteristics. It is to these characteristics no less than to the broader ideological question which we must look if there is ever to be a full understanding of the situations, and, hence, a chance for them to evolve in the direction of a stable peace. That refinement of the problem in policy has yet to begin.

Until it begins, a basis does not exist upon which to proceed toward peace. Any suggestion that our policies have actually produced peace in these areas is gravely misleading. It obscures the problems which sooner or later, may well engulf in conflict not only those peoples immediately involved but the world and ourselves as a part of it.

What our policies have done so far is to buy time in the Far East. We have spent billions through the deployment of our own Armed Forces in that region and through aid programs to hold the line against a Communist advance. Thousands of American and other lives were sacrificed to the same end in Korea. But I repeat: All we have done so far is to buy time in the Far East.

If we look elsewhere in Asia, to China, we find still another common cause of conflict. We find a nation recently revived from a long slumber which had been induced by an inner decay and by outer pressures upon it, now being revived under the forced draft of a militant totalitarianism. This revived China tests its new-found strength in an aggressive and brutal probing into territories of its neighbors. The China of today is a China which is vastly different—so far as we can judge, for our information is all second hand—from the China to which we were allied during World War II. It is a China in which tens of millions of young people are coming of age with no direct knowledge of Americans but with an induced hatred of this country and its institutions.

Let no one underestimate the long-range effect of these years of animosity between ourselves and China. It is, to say the least, illusory to talk of peace while the animosity is present in virulent form. It is illusory to talk of peace with a China on the march, not in the paths of progress by accommodation with other nations but in the ancient way of empire under a canopy of modern totalitarian trappings. I do not say that this development—this emergence of a new and bristling China—in the heart of Asia must lead inevitably to war. I do say that I see little in it or in our policies with respect to it which warrants the assumption that we are at peace.

Moving westward to the Middle East, here, too, we find a situation which by no stretch of the imagination can be identified as peace. Rather, it is a situation of suspended war. On repeated occasions in the past, the suspension has all but ended in grave border clashes. On two occasions, at the time of the Suez crisis, and in connection with the Lebanon crisis, the world dangled with one foot over the brink of disaster. Our political intervention at the United Nations in connection with the Suez crisis may have forestalled a total collapse in the Middle East. Our military intervention in Lebanon may have had the same effect. But Communist peneration of that area—economic and political—has not been curbed nor has a basis for peace been established.

The Eisenhower doctrine on the Middle East was intended to help achieve both objectives. So, too, have the enormous sums of public funds which have been spent on various kinds of aid to that area. Yet both have proved remarkably ineffective.

It is conceivable that we may have helped to hold back the floodwaters of conflict in that region by our acts of intervention and by our aid, but we have done little if anything to disperse or to rechannel them constructively. And behind the barriers which our policies have tried to build, the floodwaters are accumulating in a dangerous fashion. Each outbreak in the Middle East appears less controllable than its predecessor. In these circumstances it is, to say the least, illusory to talk of peace.

If there is grave instability in the Middle East, the same is true for Africa. New forces are at work in that continent which we are just beginning to recognize in policy, let alone understand.

For decades Africa was preponderantly a region acted upon rather than a region which acted in international relations. Since the end of World War II, however, seven new nations have come into being in Africa. This year, an additional five are scheduled to achieve independence and more will follow in due course. This enormous and rapid political change alone is sufficient to bring about massive problems of readjustment. But it is not only a political upheaval which rumbles through that great continent. Other forces common to all the underdeveloped nations, from eastern Asia to Latin America, are felt no less strongly in Africa. The urge is there, for human equality and for a continuing and rapid modernization, with its promise of economic and social benefit to all peoples. The urge is there, but the means to satisfy it adequately in peace have yet to be devised either by the African nations themselves or in concert with others.

Again, Africa is in danger of being more acted upon rather than acting itself in international affairs as it finds itself increasingly the focal point of rival ideologies and systems. This competition for African favor may be flattering to the Africans for the moment but it contains accumulating dangers to them and to peace. The dangers will be curbed only as Africa, increasingly, finds its own way in the world, largely by its own genius and efforts. I venture to say that if the continent is not sidetracked by the blandishments from outside during this transition, if it does not become careless with the strong new wine of national independence, it will in due course make an enormous and unique contribution to the progress of mankind and to peace.

I should note in this connection that with the political transition in Africa, the composition of the United Nations General Assembly is changing in a fashion which assures a decisive voice to the Afro-Asian nations. As you know, it is in the General Assembly that expression is given to worldwide aspirations. We can hope that the Afro-Asian nations and this Nation will more and more see the problems of peace and freedom in similar perspective and that their voice will be raised in harmony with our own. That is, however, by no means a certainty. If much depends on the manner in which the African nations develop and use their newly achieved freedom, much also depends on the wisdom and the sensitivity of the policies of the older free nations toward the changes which are taking place in the emergent African Continent.

Much closer to home are the problems of peace in Latin America. Notwithstanding the President's recent good will tour we are still faced with the need for harmonization of Latin American interests with our own. Beneath the facade of hemispheric unity there are deep divisions and much dissatisfaction particularly in economic matters. Fortunately, the present state of our relations with Cuba is not typical of our Latin American relations. But, then, neither was the very warm welcome extended to President Eisenhower in any way typical. As a man of good will, Mr. Eisenhower invariably evokes a response of good will. A firm basis for sound relations, however, is not conjured up out of ceremonial journeys of less than 2-week duration. Such journeys may open doors but the problem of keeping them open is one of followthrough in policies.

It seems to me that the need now in inter-American relations is a broad movement forward to new and higher grounds of hemispheric understanding and cooperation. We need this development in inter-American education and cultural exchange no less than in defense. We need it in economic matters no less than in political questions. And if our great neighbor to the north, Canada, is so inclined, we should welcome its participation in any and all matters of hemispheric interest. Unless this movement forward begins soon and in earnest, I am afraid we may anticipate in this hemisphere whose solidarity is an essential of peace, at worst, more sharp clashes in the present Cuban pattern and at best, a steady erosion of hemispheric intimacy which will increasingly drain inter-American ideals of their substance.

Turning next to Europe, we find there, too, an illusion of peace which masks deep and dangerous divisions. That is particularly the case in Germany but it is also true of the entire continent which is split asunder by the ideological cleavage. Across the chasm only rickety bridges of contact are maintained.

If there is a need for progress toward unity in the divided countries of Asia, there is a compelling need for progress toward unification in Germany and for a growing reconciliation between Eastern and Western Europe.

Until recently, at least, our policies on Europe had remained unchanged in essentials for a decade. We have been engaged

in a vast holding action in the fear that the Russians might attack Western Europe, a fear which was intermingled with the hope that sooner or later the Russians would withdraw from Eastern Germany and Eastern Europe. To that end, we spent billions to rearm Western Europe and to maintain our forces in that region. The Russians, similarly, have engaged in a vast holding action—an action in the expectation that Western European freedom would fall prey to communism and an action to hold on to a dominance in Eastern Europe which they had obtained in consequence of World War II. To that end they have kept military forces in the Eastern European nations and rearmed those nations and, until the advent of Mr. Khrushchev, minimized contacts between East and West.

It is increasingly clear that these policies have not led to the achievement of the aims of the one side or the other. The Communist grip shows no signs of weakening in Eastern Europe and freedom has come back with great vitality in Western Europe.

Certainly, the policies now pursued have not led to peace. They have been, on both sides, holding actions which have produced, at best, an unstable truce based upon a Germany split inside the larger split of Europe. That the truce is highly unstable was indicated by the first German crisis last year. This crisis arose out of the mere announcement that the Russians intended to change one factor in the situation: that is, to withdraw from Berlin and the routes of access to the city in favor of the East German Communists. It is ironic that a Russian announcement with a withdrawal, of all things, should produce a crisis; yet it did so, for the move threatened to upset the present delicate balance which depends, with equal irony, on the continued Russian presence in Eastern Germany.

In the round of good will tours and conferences, the Russians were persuaded to remain a while longer in Berlin and Germany and the crisis eased. The source of crisis, however, remains in the outdated policies of both sides in Europe. In short, the tours and conferences have served as safety valves but I need hardly emphasize the danger of relying indefinitely on safety valves. Sooner or later, it will be necessary to come to grips in a practical fashion with the problems of a divided Germany and a divided Europe. The visiting back and forth, notwithstanding, the promise of peace will be illusory until the divisions in Germany and Europe begin to close in peace on the basis of policies attuned to today's realities rather than yesterday's expectations.

In the same fashion, the problem of control of armaments—armaments of massive destruction in particular—must begin to yield to tangible solution before we can talk of peace in any meaningful fashion. We have watched the mathematical progression in the development of the megaton power of these weapons since the end of World War II. The Russians, the British, no less than ourselves, have advanced from a capability of destroying cities to a capability of destroying nations, to a capability of destroying civilization. The number of nations able to produce such weapons has increased from one in 1945 to four in 1960 and is subject to further increase if other countries who have the capacity decide so to deploy their science, technology, and energy. The missiles of delivery have improved, from the crude but destructive V-bombs which carried devastation to London in the closing days of World War II to those which encircle the moon and the sun in 1960.

All the while the wisest humans among us, the most compassionate humans among us have warned the world of what it is about in this deadly race for greater and more certain means of human annihilation. All the while, there have been disarmament conferences in which these words of the wise have been echoed with a remarkable unanimity by all nations. Yet a decade and a half has passed and we have yet to achieve a single agreement, signed and sealed, for the control of armaments. I do not wish to minimize the difficulties involved in this process but surely there is something amiss, something illusory when all endorse the warnings of wisdom, when all agree on the extent of the danger to all and yet agreement is not achieved which makes possible even the beginnings of a beginning of substance on this critical problem.

In 1955, I suggested that a summit conference be held on the one question of ending the testing of nuclear weapons. Five years later, we may be on the verge of such a conference. If it can now produce this one achievement it will mark a major, if long-delayed, step forward. Important as it would be, however, this achievement will be but the start of a long road. Until there exists a firm pattern for the progressive extension of international control over armaments we will do well not to speak of peace as prevailing in the world. This pattern, moreover, is not likely to be established until the political differences and divisions which I have been discussing begin also to yield to practical and progressive solution. In this connection, I may be wrong and I hope I am wrong but I see little likelihood that the current session of the disarmament conference in Geneva, anymore than its innumerable predecessors, will lead to any agreement of substance.

If I may summarize, then, let me say that the United States has made, in the past decade, a vast international effort. That effort has helped to keep open the prospect for peace but it has not yet begun to produce conditions of peace in any significant degree. In no single instance is this more evident than in foreign aid. We have made available for such purposes, funds approaching $100 billion since the end of World War II. The great bulk of this aid has gone to restore the damages of war or to hold by military means existing situations against deterioration. The positive aspect of aid as it is currently expressed in the point 4 program of technical cooperation and in loans for modern development has a relatively small part of the total aid program ever since the Marshall plan came to a successful termination. In the current year, for example, the President has requested $4.1 billion for foreign aid. Of this total, however, only $200 million is for point 4 aid and $700 million for development loans. By contrast $2 billion is for military aid and $700 million for military-related defense support.

In short, we will do well to recognize still another illusion in our policies; namely, that the vast amounts of aid now being spent is of a kind which necessarily builds conditions of peace. By far the larger share, as I noted, serves primarily to hold existing situations as they are and only a relatively small proportion goes into the constructive effort which is essential in Asia, Africa, and Latin America if we are to have a reliable peace.

Many Members of Congress who recognize the importance of foreign aid in the conduct of our foreign relations have been pressing for years to bring about reforms and refinements in this program. We have sought and we will seek again to consolidate fully the functions of the aid agency with those of the Department of State. We have sought and we will seek again to give added emphasis to economic aid as contrasted with military aid. We have sought and we will seek again to substitute as far as possible long-term loans on easy terms for large grants of aid. We have sought and we will seek again to protect and advance the point 4 concept, that is, the people-to-people type of technical assistance. We have sought and we will seek again to bring about a united aid effort which draws increasingly on the cooperation of Western Europe and Japan, whose recent progress has been such as to enable them to assume a much larger share of the initiative and the cost of assisting the less favored nations.

Discriminating changes in any major governmental undertaking such as foreign aid are hard to bring about by action from Congress. We can alter legislation as we have done, or pass new legislation, but in the last analysis, effective change depends even more on the administration which has the responsibility for giving effect to the law. In this connection, I would call to your attention the fact that on two separate occasions in the past Congress voted to abolish the aid agency and turn its functions over to the Department of State and the Department of Defense. And two times this action was reversed by the administration which, on each occasion, reconstituted the aid agency under a different name. Despite such setbacks, some progress has been made in streamlining and improving the administration of the aid program but much still remains to be done.

The aid program is, in many ways, typical of our foreign policies as a whole. The problem of bringing about effective foreign relations lies not so much in new policies and new machinery as it does in sharpening existing policies and refining existing machinery. The absence of clear-cut, attainable objectives and the moribund administration of the aid program—as a recent Senate study of the program in Vietnam made clear—are principal weaknesses in foreign aid. So, too, are these factors of weakness in our foreign policy as a whole. I have no desire to minimize the tasks of the President and Secretary of State in these matters. Theirs is an exacting responsibility. Nevertheless, it seems to me that there is a great need to look beyond and to act beyond the expensive holding action in which we are now engaged throughout the world. We need to see anew the facts of the divisions in Asia no less than those in Europe. We need to think anew the costly and ineffective effort merely to keep the situation as it is in the Middle East. We need to recognize fully the defects of the aid effort in Asia, no less than in an emergent Africa and in Latin America. We need to sharpen the policies by which we deal with these problems, in the hope that the problems may begin to yield to practical solution. In short, we need a new determination and a new approach to foreign relations which will move the Nation forward from this costly, lackadaisical and dangerous illusion of peace toward the reality of peace.

Protest Against Small Business Administration Policy and Matters Pertaining to the American Economy

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, June 16, 1960

Mr. DENT. Mr. Speaker, I know this session is about to end and adjourn sine die.

Even so, I must call to the attention of the House a serious matter and one that will effect every nook and corner of our country, our economy and our national well-being.

Recently at the request of a fellow Member of Congress, my friend and associate, FRED SANTANGELO, of New York, I had luncheon with an American small businessman.

The story he told about certain interpretations and rulings made by the Small Business Administration astounded me and caused me to do a little checking into matters that I believe should be checked by this Congress.

The case I present is only one of many that will be uncovered if a committee of this Congress will take the necessary steps to set up a proper and vigorous board of inquiry into the whole area of foreign influences and impacts upon our domestic economy.

The question herein involved is one that goes deeper than the setting aside of congressional intent and is intermeshed with the whole picture of foreign aid, trade, imports, exports, intrigue, collusion, national defense, national welfare, quotas, migration, immigration, and the complete gamut of greed, avarice, and exorbitant profits.

It spells out the serious impact upon national thinking by a new and powerful group, the foreign importers, foreign investors, and special interest groups whose influence is felt in legislative action in the many acts creating and perpetuating money lending, credit giving, concession granting agencies. The opening wedge covered in this case can be the pry needed to unlock the bolted doors that have kept Congress from the whole truth of deceit, profiteering, kickbacks, and other questionable practices that have been fed to the American public as an excuse for foreign relations in the better part of the past decade.

You may wonder why I bring in the whole field of trade and aid, in a simple little case involving less than $5,000.

I do so because in this case we may find the straw that is breaking the camel's back. If an agency of Government created by the Congress for one specific purpose can circumvent the pronounced and spelled out will of the Congress of the United States, then maybe other agencies spending millions, even billions of taxpayers' dollars can be operating in the same mistaken area of disregard not alone for Congress, but in the main, for the people of the United States.

The invitations for bidding upon Small Business Administration contracts contain the following langauge:

NOTICE OF SMALL BUSINESS SET-ASIDE

Bids or proposals under this procurement are solicited from small business concerns only, and this procurement is to be awarded only to one or more small business concerns. This section is based on a determination by the contracting officer, alone or in conjunction with a representative of the Small Business Administration, that it is in the interest of maintaining or mobilizing the Nation's full productive capacity, in the interests of war or national defense programs, or in the interest of assuring that a fair proportion of Government procurement is placed with small business concerns. A small business concern is a concern that (1) is not dominant in its field of operation and, with its affiliates, employs fewer than 500 employees, or (2) is certified as a small business concern by the Small Business Administration. In addition to meeting these criteria, a manufacturer or a regular dealer submitting bids or proposals in its own name must agree to furnish in the performance of the contract, supplies manufactured or produced in the United States, its territories, its possessions, or Puerto Rico, by small business concerns; provided, that this additional requirement does not apply in connection with construction or service contracts. Bids or proposals received from firms which are not small business concerns shall be considered nonresponsive.

Further, let me quote from title 13—Business Credit and Assistance—chapter 1, Small Business Administration—121.3–8—Definition of small business for Government procurement:

(a) Small business definitions. A small business concern for the purpose of Government procurement is a business concern, including its affiliates, which is independently owned and operated, is not dominant in its field of operation and can further qualify under the following criteria:

(1) General definition. Any business concern (not otherwise defined in this section) is small if: (1) Its number of employees does not exceed 500 persons; or (2) it is certified as a small business concern by the Small Business Administration.

(2) Construction industry. Any business concern in the construction industry is small if its average annual receipts for the preceding 3 fiscal years do not exceed $5 million.

(3) Food canning and preserving industry. Any business concern in the food canning and preserving industry is small if its number of employees does not exceed 500 persons exclusive of agricultural labor as defined in subsection (k) of the Federal Unemployment Tax Act (68A Stat. 454, 26 U.S.C. (I.R.C. 1954) 3306).

(4) Petroleum refining industry. Any business concern in the petroleum refining industry is small if its number of employees does not exceed 1,000 persons and it does not have more than 30,000 barrels per day crude oil capacity from owned and leased facilities.

(d) Definition of a small business nonmanufacturer. Any concern which submits a bid or offer in its own name, other than a construction or service contract, but which proposes to furnish a product not manufactured by said bidder or offerer, is deemed to be a small business concern when:

(1) It is a small business concern within the meaning of paragraph (a) of this section, and

(2) In the case of Government procurement reserved for or involving the preferential treatment of small businesses or one involving equal bids, such nonmanufacturer shall furnish in the performance of the contract the products of a small business manufacturer or producer which products are manufactured or produced in the United States: *Provided, however,* If the goods to be furnished are wool, worsted, knitwear, duck, webbing, and thread (spinning and finishing), nonmanufacturers (dealers and converters) shall furnish such products which have been manufactured or produced by a small weaver (small knitter for knitwear) and, if finishing is required, by a small finisher.

It would seem clear to any elementary school graduate that up to this point anyway, the set-aside provisions for Government procurement were established for one purpose and one purpose only, namely, to keep small business in America ready and producing in times of peace to be ready in times of war, coupled with the compelling need to keep all segments of our productive security economically sound and participating in the benefits of tax dollar spending by Government.

To think or act otherwise is contrary, in my humble opinion, to both the will of Congress and the welfare of our Nation in both peace and war.

In the face of the above plainly stated requirements, the Small Business Administration ruled in favor of an import firm against an American producer on Invitation Bid DA–Eng–11–184–60 B/E 485 JD dated April 15, 1960.

At this point, allow me to put into the record facts pertaining to this particular case that I believe will show to the Congress the utter disregard for the intent and will of the Congress involved in this decision.

Quoted below is an excerpt from a letter of protest from Union Instrument Corp. on the decision by the Small Business Administration to award a contract for foreign-produced goods:

The low bidder on the invitation was Geo-Optic & Paper Corp., who offered a price of $2,876.50 against our offer of $3,570. Since Geo-Optic & Paper Corp. is an import firm dealing mainly in foreign products, it has been determined that they plan to have steel blanks made in this country, and then forward them to Germany for the major and important part of the production—that is, calibrating, engraving, and finishing of the end products.

This matter was discussed in a lengthy meeting with Mr. James Mills of your office, attended by our Mr. Scavuzzo, and Mr. Q. Johnson, and Mr. Arthur Chodosh, attorney for our company. Mr. Mills did not give us any satisfactory explanation for disregarding the small business set-aside procurement provisions of the invitation and the provisions of the statutes and regulations governing such procurements.

Mr. Mills cited a case of a foreign produced cable imported to this country to which was attached a tip representing about 4 percent of the value of the finished product, which was qualified by the Small Business Administration as a product and manufactured in the United States. Mr. Mills took a box of pencils from his drawer and stated that in his opinion the pencils and box could be manufactured in a foreign country and could qualify as a product produced in this country if the importer simply sharpened the pencils in this country prior to sale. These were cited as the basis for the interpretation applied to our case.

At the end of a long discussion, starting in the morning, and finishing after lunch, Mr. Mills stated that he thought that an error might have been made, but could not offer any means of rectifying this error. This error, of course, is at our expense.

If our interests were to be protected, and to avoid a repetition of such strange interpretations, we felt that we were left with no alternative but to refer this matter to our Congressmen for clarification. We discussed this with a number of Members of Congress, and were referred to the U.S. Senate Select Committee on Small Business. After numerous discussions, we are now firmly convinced that this decision of yours is in violation of the terms of the invitation covering the small business set-aside provisions, and the statutes and regulations covering such procurements.

May we have your early reply to our protest?

Yours very truly,

UNION INSTRUMENT CORP.

After reading the protest, I asked the Union Instrument Corp. officials to send me a report on the whole matter which I now make part of the RECORD.

A

UNION INSTRUMENT CORP.,
Plainfield, N.J., June 6, 1960.

The Honorable JOHN DENT,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DENT: My meeting with you on Thursday, June 2, was an honor and a pleasure. Your grasp and understanding of the problem concerning a decision made by the Small Business Administration procurement as to foreign-made products was most gratifying.

Enclosed you will find a copy of a memorandum covering the facts in the decision which we are protesting. This decision, if allowed to stand, establishes a serious precedent particularly in view of a pending proposed change contained in Release No. 617, dated April 21, 1960, issued by the Small Business Administration, a copy of which you will also find enclosed.

Release No. 617 states that the major proposed change in this definition is to "bar firms from preferential treatment under the Small Business Act if the products they propose to sell to the Government consist of more than 50 percent of foreign made materials." The inference is that the regulations now allow foreign products of more than 50 percent. Actually, the reverse is the truth since none is now allowed as the regulations clearly state.

Under the terms of this proposed change, every procurement under the Small Business Set-Aside could be lost to foreign competition. This change does not protect 50 percent of such procurements for small business in the United States. It proposes to practically destroy the purposes of the Small Business Set-Aside program. Only a small portion of procurements are made by the Government under Small Business Set-Aside provisions, and now it is proposed to practically eliminate the last measure of protective regulation left for the small businessman.

The proposed change in Release No. 617 will take away one of the last remaining protections against disastrous competition and can only result in further hardship to small businessmen in this country. It is difficult to understand how such a proposal can come from an agency established to help small business in this country. The only small businesses which can benefit from this change are nonmanufacturers; importers, brokers, etc., of foreign produced products, at the expense of manufacturers and taxpayers in this country who have to pay for such procurements in their taxes.

Our industry has been seriously affected by foreign competition. Manufacturers in this country cannot compete with foreign labor costs. The history of the drawing instrument manufacturers in the United States illustrates the effects of lowered protection. At the end of 1945, there were at least 12 manufacturers of drawing instruments in this country. Now only two remain, and these two only because they make instruments of a quality and character with limited markets. The import duty in 1945 on drawing instruments was 45 percent, now it is 18 percent. Buy-American protection originally was 25 percent, and is now 6 percent. The net result is that 95 percent or more of the drawing instruments used in this country are of foreign make, chiefly German.

One of the stated purposes in Defense agency small business set-aside procurements is "that it is in the interest of maintaining or mobilizing the Nation's full productive capacity, in the interest of war or national defense programs." Should the Government be faced with an immediate need for large quantities of drawing instruments for engineering purposes, and if the German source of supply were cut off, it would be faced with a serious problem.

The originally announced purpose of giving vast aid to many countries by lowering protective tariffs, was to help build strong allies and friends. The rebuilding of these countries is more than complete. Germany is the main competitor of our industry on many manufactured items. It is now enjoying tremendous boom prosperity. Enclosed are two releases, one from the New York Times, dated May 11, 1960, and the second from the German American Trade News, dated March 1960, describing Germany's booming economy has been attained at tremendous cost to manufacturers in this country, some of whom have been forced out of business, and has caused unemployment in many areas with an adverse effect on our economy.

The importer, broker, etc., is now only affected by restrictions in small business set-aside procurements, not by the Buy-American differential of 6 percent. We recently quoted Weems Systems of Navigation on a requirement for 12,000 proportional dividers with special markings for the U.S. Air Force. This is an extraordinarily large requirement for this item. Our price of $9 on an American made instrument could not compete with that of a German importer's price of between $6 and $7, with only a protective differential of 6 percent in price. While this may seem a savings for the Government, when the losses in taxes to the Government are considered, it is doubtful that anything has been saved. The loss to the manufacturer, and the American worker is serious. In addition, American business and American workmen have to pay for this procurement from a country booming with prosperity. This is particularly ironic in view of the fact that this item was designed by a domestic firm for use by our Air Force.

SEC. 2. (a) of the Small Business Act states in part as follows:

"It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts for property and services for the Government * * * be placed with small busness enterprises."

It is respectfully submitted that the present regulations of the Small Business Administration granting preferential treatment to products manufactured or produced in the United States are in complete harmony with the purposes and intent of the Small Business Act, and any deviation from this regulation or any change in the regulations permitting the furnishing of foreign made merchandise to the U.S. Government, is contrary to, and in violation of the purposes of the law itself.

We respectfully urge you to oppose the changes proposed in Release No. 617, for the reasons outlined above. We are gravely concerned for our existence and the welfare of our workers if these changes become effective. This matter is being acted on now, and if you agree with our position, we ask you to take whatever steps you can to prevent these changes from becoming effective.

Your interest in this matter will be greatly apreciated.

Very sincerely yours,

S. SCAVUZZO,
President, Union Instrument Corp.

B

UNION INSTRUMENT CORP.,
Plainfield, N.J.

SECTION 121-3-8 of "Definition of Small Business Nonmanufacturer for Government Procurement, paragraph (b)(2), dated May 1, 1959, provides that in the case of Government procurements reserved for or involving equal bids, such nonmanufacturer shall furnish in the performance of contracts, the products of a small business manufacturer or producer which products are manufactured or produced in the United States. The same provisions are contained in "Definition of Small Business" as amended June 1, 1957. Photo copies of both are enclosed.

Because the provisions of the invitation and the regulation require that a nonmanufacturer shall furnish in the performance of this contract, products of small business manufacturer or producer in the United States, Union Instrument Corp. took this matter up with the Small Business Administration Office in New York, and was advised that under the terms contained in the invitation, an award could not be made to a nonmanufacturer offering foreign products or production, to inform the SBA office in Chicago, and to immediately file a protest with the U.S. Army Engineers office in Chicago, against any award to Geo Optic & Paper Corp. A visit was made to the small business office in Chicago who also advised the immediate filing of a protest and who also said that under the terms of the invitation, and the regulations, an award could not be made to a firm offering foreign products or foreign produced products.

A protest dated May 4, 1960, against any award to Geo Optic & Paper Corp. was filed by Union Instrument Corp. The contracting officer of the U.S. Army Engineers office informed Union Instrument on May 18, 1960, that the Small Business Administration office in Washington, D.C., ruled on May 5, 1960, that the product being furnished by Geo Optic qualifies as a domestic product. Since the contracting officer is bound by interpretations of the Small Business Administration on Small Business "set aside procurement," an award was made to Geo Optic & Paper Corp.

This interpretation is contrary to all previous rulings of the Small Business Administration on items in which Union Instrument Corp. has had business, including a previous case of a proposal on the same item by Geo Optic & Paper Corp. and contrary to the decisions of the New York and Chicago offices of the SBA.

Union Instrument Corp. protests that the interpretations of the Washington office of the SBA is in violation of the terms of the invitation for bids. Also, that it is a violation of the SBA "small business set-aside" regulations. The language of the SBA "set-aside" regulations are clear, concise, and definite: and we cannot see how such an interpretation can be put into the regulations as stated.

DECISION OF SMALL BUSINESS ADMINISTRATION ON SMALL BUSINESS SET ASIDE PROCUREMENT

Union Instrument Corp. of 1447 East Second Street, Plainfield, N.J., submitted a proposal to the U.S. Army Engineer Procurement Office, Chicago, Ill., on April 15, 1960, on Invitation No. DA-ENG-11-184-60-B/E-485-JD, for (95) graduated steel straight edges at a total price of $3,570.00. A competitive bid in the amount of $2,876.50 was submitted by Geo Optic & Paper Corp. of New York, N.Y., a firm dealing in foreign import products.

Since Geo-Optic & Paper Corp. is an import firm, it was determined that they planned to have steel blanks made in this country, and then forward them to Germany for the large and important part of the production, that is, the calibrating, engraving, and finishing of the item.

The invitation contained the following provisions:

Notice of small business set aside

"Bids or proposals under this procurement are solicited from small business concerns only, and this procurement is to be awarded only to one or more small business concerns. This section is based on a determination by the contracting officer, alone or in conjunction with a representative of the Small Business Administration, that it is in the in-

terest of maintaining or mobilizing the Nation's full productive capacity in the interest of war or national defense programs, or in the interest of assuring that a fair proportion of Government procurement is placed with small business concerns. A small business concern is a concern that (1) is not dominant in its field of operation, and with its affiliates, employs fewer than (500) employees, or (2) is certified as a small business concern by the Small Business Administration. In addition to meeting these criteria, a manufacturer or a regular dealer submitting bids or proposals in its own name, must agree to furnish in the performance of the contract, supplies manufactured or produced in the United States, its territories, its possessions, or Puerto Rico, by small business concerns: provided, that this additional requirement does not apply in connection with construction or service contracts. Bids or proposals received from firms which are not small business concerns shall be considered nonresponsive."

This matter was discussed in a meeting on May 26, 1960, with Mr. James Mills of the Washington office of SBA, with Mr. S. Scavuzzo and Mr. Q. Johnson, of Union Instrument Corp. and Mr. A. Chodosh, attorney for the corporation. After a long discussion, Mr. Mills conceded that an error might have been made, but could not offer any means of correcting this error.

C

UNION INSTRUMENT CORP.,
Plainfield, N.J., June 10, 1960.

The Honorable JOHN H. DENT,
Old House Office Building,
Washington, D.C.

MY DEAR MR. DENT: Enclosed you will find a copy of our official protest of a decision of the Small Business Administration in a case involving a nonmanufacturer who has been certified as entitled to preferential treatment under the Small Business Act, in spite of the fact that this nonmanufacturer proposes to furnish material which is manufactured in major part in a foreign country. This decision apparently contravenes paragraph 121.3-8(b)(2) of the regulations issued under the Small Business Act of 1958. A copy of the pertinent regulation is enclosed.

Existing regulations provide that a nonmanufacturer, in order to qualify for preferential treatment as a small-business concern, must agree to supply end items manufactured in the United States, its territories, its possessions, Puerto Rico, or the District of Columbia. No specific provisions concerning foreign source materials are contained in these laws or regulations with respect to manufacturers or producers who furnish material to the U.S. Government; with the result that the Small Business Administration has in interpretive decisions ruled that:

(a) Nonmanufacturers must, for preferential treatment, supply items wholly manufactured or produced in the United States, its territories, its possessions, Puerto Rico, or the District of Columbia, by small-business concerns. (To this interpretation there has been at least one exception, in which the Small Business Administration ruled that a nonmanufacturer was qualified for preferential treatment by furnishing the product of a firm which proposed to send materials to Germany for manufacturing and finishing operations.)

(b) Manufacturers or producers can qualify for preferential treatment if any part of what they propose to furnish is manufactured or produced in the United States—e.g., a manufacturer who imported cable, and whose sole operation in the United States consisted in cutting this cable to required lengths, was accorded certification by the Small Business Administration for preferential treatment under the Small Business Act—and an official of the Small Business Administration has stated that pencils made in Japan and sharpened in the United States also would be qualified for such preferential treatment.

In a proposed amendment to the definition of small business concerns (Federal Register, April 16, 1960, p. 3341—copy of which is enclosed) the Small Business Administration recommends the addition to their regulations of a paragraph defining a "domestic product" as one in which the cost of foreign materials does not exceed 50 percent of the cost of all materials used; and recommends revision of these regulations to allow preferential treatment to both manufacturers or nonmanufacturers who offer "domestic products" as so defined.

The effect of this proposed change would be to relax existing restrictions imposed on nonmanufacturers with respect to foreign-made items, while limiting manufacturers or producers who receive preferential treatment to end items which are 50 percent or less of foreign origin. Thus, the door to American subsidization of foreign manufacturers and producers is to be opened with respect to import brokers; while the door which has been opened by administrative interpretations of the Small Business Administration with respect to importing manufacturers is to be fixed open at 50 percent.

Since the provisions of the "Buy American Act" already afford protection to domestic products at the 50 percent level proposed by the Small Business Administration, the only real change which would result if this amendment is accepted would be to permit nonmanufacturing concerns to furnish end items which are 50 percent foreign in origin, rather than domestic as required by existing regulations. The net effect will, therefore, be a reduction in the degree of protection now afforded American manufacturers and producers.

The Congress may wish to deliberate the matter with this in mind. Your comments and suggestions are solicited.

Very sincerely yours,

UNION INSTRUMENT CORP.
S. SCAVUZZO, *President.*

D

LAFAYETTE BUILDING,
Washington, D.C., April 21, 1960.

Proposed changes in the definition of small business for purpose of Government buying, designed to give preference to products containing chiefly United States-made materials, and other minor amendments, were announced today by the Small Business Administration.

The proposed changes apply only to the definition of "small business" under which firms may qualify for contract awards on Government purchases reserved for bidding by small firms, or involving other preferential treatment for small businesses seeking to sell their products or services to the Government.

Generally, under the present definition of a small business for purposes of selling to the Government, the Small Business Administration has considered a nonmanufacturing firm as small if it is individually owned and operated, not dominant in its field of operation, and has no more than 500 employees. If a firm is a nonmanufacturer it must in addition to the foregoing, supply a product manufactured in the United States by a small manufacturer.

The major proposed change in this definition is to bar firms from preferential treatment under the Small Business Act if the products they propose to sell to the Government consist of more than 50 percent of foreign-made materials.

Other changes require that concerns must be organized for profit and must be located in the United States in order to receive assistance from the Small Business Administration.

Persons wishing to comment on the proposed definition changes will have approximately 30 days in which to file their comments with the Small Business Administration.

Mr. Speaker, may I state at this time that if this new regulation becomes the law, the need for a Small Business Administration will no longer exist.

This country cannot regulate the size of the foreign manufacturer or the ownership of the foreign manufacturer who will produce the products sold by an American based firm whose ownership may also be foreign, under the protective covenants of the Small Business Administration Act.

Let us not fool either the American manufacturer or the American taxpayer. Let us face the true facts and at least save the taxpayer the taxes required to operate this administrative bureau and at the same time save the American manufacturer both embarrassment and money.

Just in case any crocodile tears are being shed for our worthy and friendly allies, the foreign producers, let us look at what is happening in defeated, devastated nations, our former mortal enemy, Germany, as well as others who benefit from our lending, spending programs financed by our American taxpayers including the under-bid American small businessman.

E

WHALEY-EATON SERVICE,
Washington, D.C., June 7, 1960.

DEAR SIR: Obituaries for world inflation are just a bit premature, in spite of the optimism of such authorities as Monetary Fund Chairman Per Jacobsson. He thinks the inflation danger is about gone. But many skilled observers in West Europe aren't at all so sure. Pressures have certainly eased off dramatically in the United States, but Europe is riding the upside of a major boom.

The feeling is getting around that the sky's the limit—that expansion can continue almost indefinitely without a blowoff. So far West Europe's governments have shown luck and skill in their efforts to keep the boom from blowing up. But the roughest test is still ahead.

Pressure is building up in Europe at two strategic points—productive capacity and the labor supply. Most countries, but particularly Germany, simply cannot build new plants fast enough to cope with current and anticipated demand. At the same time, the labor supply is being stretched to the breaking point. Again, Germany feels this the most, but is not alone.

Competitive bidding for labor supplies is becoming common. This has an inevitable effect on wage costs. Employers aren't inclined to quibble about such things when they're confident of being able to market all their output and more—and to pass on higher costs to customers.

Typically, we've heard of a U.S. owned firm in Germany which is putting new plants in remote villages chiefly because untapped local labor was available. There are now about 10 vacancies for every 4 unemployed workers in Germany as a whole. Thousands of Italians have been brought in and an effort is under way to recruit others in Greece and Spain.

In Britain, job openings about equal the number of unemployed. Allowing for "frictional" unemployment and turnover, this means some areas are in for a worsening pinch. Even Italy has been hit by a shortage of trained technicians and engineers, though not of unskilled labor.

Switzerland reports more than twice as many vacancies as unemployed. The proportion of foreign workers (10 percent in machinery industries and up to 60 percent in construction) is rising fast. The Swiss, like the Germans, are out trying to recruit more labor, chiefly in Spain and Portugal.

The effect of labor shortages on wages is obvious: wages are heading up. Even in Germany, the redoubtable Dr. Erhard is saying that the climate is very favorable to wage increases. He says, too, that the economy is elastic enough to meet the needs of vigorous growth—provided, of course, that people don't lose their sense of proportion. That's the big question.

Conservative economists are worried over the danger that the boom atmosphere will prove too intoxicating, that restraint will be forgotten.

[From the New York Times, May 11, 1960]

WEST GERMANY ECONOMY BOOMS, SAYS KRUPP AID VISITING UNITED STATES

(By Joseph Carter)

The West German economic boom is continuing virtually unabated, Berthold Beitz, second in command of the Krupp industrial empire, said on his arrival here yesterday.

He said there was full employment and that the West German economy was still able to absorb the flow of refugees from Communist-ruled East Germany.

One of the main purposes of his visit, Herr Beitz said, was to talk with leaders of American finance and industry. "You always go back a little more intelligent and better informed on industrial procedures and methods," he commented.

Herr Beitz emphasized that in his talks with businessmen here he would seek ways to collaborate with them in advancing the economies of underdeveloped countries.

"Such development programs are the job of private enterprise," he declared. "We at Krupp, and other West German industrialists, regard them as extremely important."

The 46-year-old chairman of the executive board of Krupp of Essen arrived on the liner *Bremen*. He said he planned to stay in this country about 10 days. With him was Count Claus Ahlefeldt Laurvig, representative in Britain and the Commonwealth of the industries headed by Alfred Krupp.

Herr Beitz said he planned to visit Washington, Detroit, and Richmond, Va. He added that he would talk with executives of the Ford Motor Co., General Motors Corp., Reynolds Metals Co., and the United States Steel Corp., among others. He indicated that he hoped to meet with officials of the Federal Government.

The industrialist emphasized that he was not here to sell steel but to exchange ideas with American leaders. He said he wanted to see the latest steel production methods here because "in that field you are the leaders."

Herr Beitz said that Krupp's relations with organized labor were excellent.

[From the German American Trade News]

GERMANY'S PERSISTENT FOREIGN EXCHANGE SURPLUS

That it may be harder to spend money than to make it, is currently a problem of major economic significance for Germany. The condition arises out of the Federal Republic's persistent foreign exchange surplus. Internationally, this situation is viewed with misgivings by Germany's trading partners. Domestically, the surplus endangers the balanced development of the economy.

In an effort to remedy the situation Germany's Federal Bank has in recent months charted a course designated to meet national necessity on the one hand and to avoid likely foreign criticism on the other, in decreeing higher minimum reserve requirements for German banks as well as a reduction in the rediscount quota (see GBW, Feb. 24). The bank did not resort to raising the discount rate, the common remedy, because such a move would have only served to create an influx of foreign funds attracted by higher interest rates.

TEMPORARY SOLUTION

In large part the surplus problem was solved by prepayments on foreign debt obligations, allocations to the World Bank, and so forth. Because these payments will not recur regularly Germany is faced in 1960 with the task of planning a program for the possibility that a surplus in the balance of trade in goods and services may be permanent. Writing in London's Financial Times, Dr. Hermann J. Abs, one of Germany's leading bankers, said: "It must not, however, be overlooked that it is a moot question whether the era of such surpluses is going to last for any great length of time. The position of Germany's oversea trade is not as strong as it might appear in the relatively favorable course of German exports during recent years. Even comparatively slight changes in the terms of trade might well—at least if the present high level of business activity recedes—cause a notable deterioration in the Federal Republic's position in world trade."

"Be that as it may, a progressive liberalization of imports will in any case be among the tasks with which Germany will have to cope."

On the other hand, what is Germany's position in regard to promoting export of capital? There are many who are prepared to support such a move particularly in the form of aid to underdeveloped countries and recommend therefore government guarantees, cheaper loans, and other facilities. However, Dr. Abs feels that there might be some complications in this respect because it is difficult to differentiate between capital exports promoted by governmental action for political and economic reasons, and capital exports undertaken strictly in consideration of economic factors without any artificial supports. "Presumably," said Dr. Abs, "the Germans would with certainty come in again for heavy criticisms on the part of other exporting countries if their capital exports were generally to be stimulated through government action."

Exports of German capital in various forms have been steadily on the increase in recent years. In regard to the future, Dr. Abs stated that West Germany's main concern is to assist underdeveloped countries in which conditions are sufficiently stable, however, such investments should not be undertaken with the intention to engage in a bitter competitive struggle with other industrial nations, but should conform to the scope of Germany's economic and financial potential and the tasks to be fulfilled in the underdeveloped countries.

What about the intensification of German investments within the Common Market?

"In my own view," said Dr. Abs, "it cannot be desirable, either economically or politically, to accord a general privilege to capital export within the European Economic Community. There are only two respects where certain privilege treatment might be justified. The Rome Treaty provides for capital contribution on the part of member governments toward helping economically weaker regions within the European Economic Community or its associated areas, this contribution to be channeled through the European Investment Bank. Provided this bank, as its bylaws proclaim and its management is clearly striving to do, models its activities on the excellent example of the World Bank, it might indeed produce a beneficial contribution toward strengthening the Community, which no outside party could look upon as discriminating."

SATISFACTORY PROGRESS

"Moreover," continued Dr. Abs, "a complete liberalization of money and capital transactions, by agreements among governments, bankers, associations, and other parties concerned, may possibly come about in the European Economic Community more rapidly than could happen in a much larger area." In that event, however, it would be desirable, according to Dr. Abs, that the example of the EEC countries be imitated, that is to say that other nations should be prepared to free their capital exports and imports of restrictions in the same measure at the earliest opportunity.

No matter how these programs develop in detail, it is most important, said Dr. Abs, "that just as the European Economic Community must not be allowed to segregate itself under the aegis of monetary policy, so there must not be any obstruction of capital imports and exports of the partners to the Treaty from and to other countries. It seems to me that in this respect things have so far been going quite satisfactorily; the favorable trend in the foreign exchange reserves of all EEC countries during the past year has served to facilitate this."

TRIPLE PLAY

At the government level, plans are now being developed to solve the problem of Germany's foreign exchange surplus. These plans aim toward the establishment of a government-guaranteed fund which would perform a triple function:

1. In providing aid to underdeveloped nations.

2. In being financed through the sale of low-cost shares to the public which would have the advantage of draining money otherwise available for domestic spending and thus remove a stimulant for inflationary tendencies. The shares would pay progressively higher interest, starting at a level above that paid by savings banks. Banks would not be allowed to participate in such a subscription.

3. In exporting Germany's foreign exchange surplus the fund would realize its primary goal.

While these plans have been merely advanced in the form of ideas, they do reflect the current concern in Germany for the persistent foreign exchange surplus.

Mr. Speaker, in order that this Congress may have some idea of just how badly an American producer will fare if the proposed regulation goes into effect, let me quote from letters received from American small goods manufacturers who are now facing annihilation from foreign imports.

It is important to note that one recent news item really ought to awaken the sleeping American conscience—the one concerning a strike in Virginia and the demand of the union for protection against foreign production financed by the very same employer being struck here in the United States.

F

A. G. SPALDING & BROS., INC.,
Chicopee, Mass., May 24, 1960.

Mr. JOSEPH E. TALBOT,
Chairman, U.S. Tariff Commission,
Washington, D.C.

DEAR MR. TALBOT: It was good to talk to you on the phone the other day, and I shall look forward to receipt of the proposed tariff changes as soon as it is off the press.

I have recently received my copy of the 1959 Industry Census Report, and I want to tell you it shakes any American sporting-goods manufacturer right down to his heels.

We are preparing a formal case along the lines you suggested when I was in Washington with you and your associates on April 5. However, I want to expose you to a few quick figures drawn from the Government's own import data, and the sporting goods industry's 1959 census report, which shows the sales of domestic made sporting goods only.

Tennis rackets sold in the United States

Country of origin	Quantity, 1959	Quantity, 1958
Belgium	70,437	40,239
Japan	362,456	198,748
Pakistan	223,668	146,714
Others	65,848	75,480
United States	642,930	659,957

It is immediately apparent, then, that:

1. Tennis racket sales are increasing as the game gains in general popularity.

2. The gain in 1959 over 1958 was a substantial 21.9 percent.

3. The imported rackets now have over 50 percent of the total market.

In fact, imports had 52.8 percent of the total U.S. tennis racket market in 1959 as against only 41.5 percent in 1958.

Obviously, then, in the midst of a growing tennis racket market, with sales up 21.9 percent in the past year, U.S. manufacture of tennis rackets was down 2½ percent.

I have repeatedly said to you and your associates that United States businessmen are aware of world problems and in the interest of furthering the worldwide economic goals of the United States, most American businessmen would be willing to share the growth of our markets with other nations—this has, however, reached the point where the imports have all of the growth and part of the original body.

Warning: Every indication is that 1960 will make 1959 look like a real good year for U.S. tennis racket manufacturers. Production is way down for 1960 and further declines are forecast for 1961.

Badminton rackets sold in the United States

Country of origin	Quantity, 1959	Quantity, 1958
West Germany	46,132	91,405
Belgium	428,631	377,063
Japan	7,099,145	3,885,161
Pakistan	213,719	721,477
Others	192,251	159,481
United States	734,139	852,895

It is immediately apparent that through the past several years, the badminton racket business has gone into the hands of imported rackets.

Let's look at some of the quick facts.

1. Badminton racket sales are up in the United States. The game's popularity is increasing.

The gain in badminton racket sales in 1959 over 1958 sales was over 43 percent.

2. Imported badminton rackets had over 91.6 percent of this total in 1959, as against 86 percent of the total market in 1958.

3. In the middle of a sensational 43 percent gain in badminton racket sales in the United States, the U.S. manufacturers' share of this market fell from 14 to 8.4 percent.

The U.S. badminton business, which has for years been plagued with imports, now finds itself making 16⅓ percent less badminton rackets in a year when the sales of badminton rackets are up 43 percent.

Warning: Every indication is that 1960 will be much worse and that 1961 may well see the abandonment of badminton manufacture in the United States unless very fast and substantial relief is granted the American manufacturers.

Baseball gloves and mitts sold in the United States

Country of Origin	Quantity, 1959	Quantity, 1958
Japan	1,283,959	557,466
(Other countries not known)		
United states	1,962,168	2,309,436

1. It is apparent that the total sales of baseball gloves and mitts in the United States went up from 2,866,902 pieces in 1958 to 3,245,127 in 1959. This is an increase of 378,225 mitts and gloves, or 13.2 percent increase.

2. In this period, gloves and mitts imported from Japan increased by 726,493, or 130 percent.

3. In this period, the sales of U.S. manufactured gloves and mitts declined from 2,309,436 in 1958 to 1,962,168 in 1959, or a decline of over 15 percent.

4. At the end of 1958, Japanese imports accounted for 19.4 percent of total baseball glove and mitt sales.

At the end of 1959, this had become 39.5 percent.

In 1 short year the imported baseball gloves and mitts took another 20 percent of our total U.S. market.

American production fell off over 15 percent while total sales went up by 13.2 percent.

The conclusion is absolutely obvious.

Unless the Escape Clause is invoked very quickly the U.S. manufacture of tennis rackets, badminton rackets, and baseball gloves and mitts will cease; those people now engaged in their manufacture will join the hundreds already forced out of work by the imports in the ranks of the unemployed and another segment of the American industry will have been sacrificed on the altar of "world trade."

Is this going to happen?

Yours very truly,

EDWIN L. PARKER,
President.

A. G. SPALDING & BROS., INC.,
Chicopee, Mass., June 2, 1960.

Hon. JOHN H. DENT,
House of Representatives,
Washington, D.C.

DEAR MR. DENT: I hope you will take the time to read the attached copy of my letter of May 24 to Mr. Joseph E. Talbot, Chairman of the Tariff Commission.

I am sending it and this letter to you as the president of the largest exclusive sporting goods manufacturer in the world, and as the chairman of the Import Committee of the Athletic Goods Manufacturers Association.

I want to emphasize here, as I do in my letter to Mr. Talbot, that ours is not a radical group, demanding that imports stop, etc.

So sure are we that our American welfare and world-at-large welfare cannot be fully separated that we are ready to share part of our industry's growth with manufacturers from other countries.

It is when we lose so much of the existing market that we find ourselves making and selling less units of sporting goods items in important, rapidly growing areas such as baseball, tennis, and badminton that we begin to realize that this has gone much too far.

Our economic health and the employment of our personnel are seriously affected when we not only are completely excluded from the market growth but actually lose a substantial part of the original smaller market.

Ours is a peculiarly vulnerable industry due to the high percentage of hand labor unavoidably necessary in our production.

Besides the items listed in my letter to Mr. Talbot, U.S. golf ball manufacturing industry is 100 percent vulnerable and is being very hard hit in 1960.

Our own governmental agencies, which bought Japanese tennis rackets in 1959, bought Japanese golf balls this spring.

I urge your immediate serious consideration of these important problems affecting this industry.

The very minimum relief our industry needs for survival is the invocation of the escape clause in the Tariff Act.

Your help is needed—urgently.

Yours sincerely,

EDWIN L. PARKER,
President, A. G. Spalding & Bros., Inc.

Mr. Speaker, if we need any more proof, let us hold hearings, tear apart the shrouds of secrecy on foreign spending under mutual security, investigate foreign loans, check on who gets profits from foreign production, the effect on our employment, the extent of our enmeshment with private capital and profits in foreign countries, and check on whether we are buying peace or war with our trade-and-aid programs.

No man wants peace more, but no man wants to know for sure if we are getting peace as a harvest or reaping the wild wind.

Following are just a few samples of the results of our policies.

The protest I attach concerns me greatly for as a young man I worked in the plant in my hometown of Jeannette, Pa., that produced the largest U.S. production of tennis balls.

G

JEANNETTE, PA., *June 14, 1960.*

Hon. JOHN H. DENT,
Old House Office Building,
Washington, D.C.:

In negotiations by U.S. Government under 1958 Trades Agreement Extension Act we feel the proposed items listed on schedule 15, more particularly subparagraph 1502, would do considerable amount of damage to our company. Domestic competition has already created unfavorable atmosphere for athletic balls and tennis balls. Granting further concessions to importers could more adversely affect production and tend to reduce employment in our factories. Any assistance you can render toward defeating this proposal will benefit economy of area in which our factories are located.

THE GENERAL TIRE & RUBBER CO.,
P. C. MATHEWSON.

JUNE 15, 1960.

U.S. TARIFF COMMISSION,
Washington, D.C.:

On advice from the General Tire & Rubber Co., manufacturer of tennis balls in my district, I am protesting any action that would in any way reduce tariffs or grant further concessions to foreign-made tennis balls. This industry is very vital to the health and welfare of my community. Serious economic consequences to all concerned will follow any action by GATT and the Tariff Commission that will, in any way, make it more difficult for domestic industry to compete with low-wage, low-standard producers. Statistical data will follow.

JOHN H. DENT,
Member of Congress.

SENATE

FRIDAY, JUNE 17, 1960

The Senate met at 10:30 o'clock a.m., and was called to order by Senator MIKE MANSFIELD, of Montana.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty and everlasting God, who amidst the shifting sands of time standeth sure, as we bow with reverent hearts in this quiet moment, dedicated to the unseen and eternal, strengthen, we beseech Thee, our sometimes wavering confidence in those deep and holy foundations of spiritual verities on which the fathers built, lest, in foolish futility in this desperate and dangerous day, we attempt to build on sand instead of rock.

In a time of aggression and threatenings and violence, of swift and stunning change, when the angry passions of deluded people who imagine a vain thing are bursting anew with devouring flame, enable Thy servants here in the discharge of great responsibilities of public trust to be calm and confident, wise, and just; their hope in Thee as an anchor sure and steadfast, their faith unshaken that out of the wreck and ruin of today Thou art making all things new.

We ask it in that Name which is above every name. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 17, 1960.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

THE CHAPLAIN—REV. FREDERICK BROWN HARRIS, D.D.

Mr. JOHNSON of Texas. Mr. President, I wish every Member of the Senate could have been present this morning to hear the touching and beautiful prayer uttered by that wise and good man who is the Chaplain of the Senate. He is always a tower of strength and a source of comfort to those of us who attempt to work in the Senate in the discharge of our duties and labor to bring peace in the world and prosperity at home. His calm and cool pleas, appealing to the best in all of us, are a constant reminder to me that America has not lost its soul; and notwithstanding those who would deride us and say Americans are more concerned with television, air-conditioned cars, and gadgets than with the spiritual things of life, I think the distinguished Chaplain each morning gives the lie to that accusation.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 16, 1960, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 12, 1960, the President had approved and signed the act (S. 2330) for the relief of John B. Manthey.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States submitting the nomination of Arthur S. Lane, of New Jersey, to be U.S. district judge for the district of New Jersey, which was referred to the Committee on the Judiciary.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 10644) to amend title V of the Merchant Marine Act, 1936, in order to change the limitation of the construction differential subsidy under such title; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BONNER, Mr. THOMPSON of Louisiana, Mr. GEORGE P. MILLER, Mr. TOLLEFSON, and Mr. VAN PELT were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a joint resolution (H.J. Res. 696) to provide for the designation of the month of September 1960 as National Wool Month, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (S.J. Res. 39) proposing an amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia, and it was signed by the Acting President pro tempore.

HOUSE JOINT RESOLUTION PLACED ON CALENDAR

The joint resolution (H.J. Res. 696) to provide for the designation of the month of September 1960 as National Wool Month was read twice by its title and placed on the calendar.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEAVE OF ABSENCE

Mr. CAPEHART. Mr. President, I ask unanimous consent to be absent from the sessions of the Senate from this afternoon until Monday morning next, for family reasons.

The ACTING PRESIDENT. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I am sorry that the Senator will not be with us. I wish to congratulate the able Senator for the contribution he made and the cooperation he extended in connection with the most important measures that the Senate has passed this year. He stayed until midnight last night and helped the leadership get the bill through the Senate. I wish to thank him for the very fine effort he made in that respect. I did not have a chance to do so last evening.

Mr. CAPEHART. I thank the Senator very much.

PRESIDENT'S VISIT TO JAPAN; KHRUSHCHEV'S VISIT TO CUBA

Mr. JOHNSON of Texas. Mr. President, during the past few days, the events in Japan have completely captured the headlines. And there is one aspect of the situation which is cause for grave concern.

It is the ability of the Communists to touch off trouble at scattered points throughout the world.

When Premier Khrushchev broke up the Paris summit conference, it was evident that the United States was headed for a severe test of its nerves. The test came quickly.

First, there was the alarm over Berlin.

Next, there was the unexpectedly heavy shelling of Quemoy and Matsu.

Now we have a situation in which a minority, led and organized by fanatical leftists, has been able to force cancellation of President Eisenhower's trip to Japan.

Just down the road we have facing us Premier Khrushchev's visit to Cuba. And we can only speculate as to the events which may take place right on our doorstep.

Premier Khrushchev, of course, will receive a warm welcome in Cuba. That will be guaranteed by the army, the police, and all the organs of Castro's government.

We do not know what else he may receive in Cuba. But it is time for all of us to do some very serious thinking as to how we will react to even closer collaboration between the Soviets and the Cuban Government.

Whatever may happen, however, it is clear that we face a period of heightened cold war tensions. The Communists

have picked up their signal from Premier Khrushchev's actions in Paris; and it will require all the determination, ingenuity, and imagination of a united America to weather the storm.

So, Mr. President, I plead with my fellow countrymen to keep their powder dry and keep their ranks closed.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Subcommittee on Insurance of the Antitrust Subcommittee be permitted to meet during the session of the Senate today. I understand that out of deference and the great respect and affection we have for the Senator from Wyoming [Mr. O'MAHONEY], and because of the peculiar situation prevailing, the minority leader has agreed to this subcommittee meeting.

Mr. DIRKSEN. That is correct. I have indicated that I would object to all requests for committee meetings. However, I make an exception in this case, because the witness happens to be from London and was brought especially to the Senate to testify during the insurance investigation being conducted by the Senator from Wyoming [Mr. O'MAHONEY].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I have just talked about a hearing on the education bill. I finished my statement, but the committee is continuing its hearing. I ask unanimous consent that the Subcommittee on Education of the Senate Committee on Labor and Public Welfare be permitted to sit during the session of the Senate today.

Mr. DIRKSEN. I will have to object, Mr. President.

Mr. JOHNSON of Texas. I wish to point out for the RECORD that I hope this will silence all Republican criticism of Congress not transacting any business. We can have committee sessions and Senate sessions during the morning hour, without hurting anyone. This education bill is a measure of far-reaching importance. It has nonpartisan sponsorship. I think we could get action on it during the morning hour, when no bill is before the Senate. Because one man has made a mistake in objecting, I hope that all of us will not do so also. I am trying to get the administration program through and the Congress program through, and legislation enacted on behalf of the people. It is pretty difficult to do it when some do not want us to have any committee meetings in the morning.

I would hope that the Republican leadership would feel it possible to permit noncontroversial bills to be considered at least up until the morning hour is concluded, because we will have nothing but insertions during that time, and that would give us a chance to report out some of the bills in which even the administration is very much interested in getting reported to the Senate. I would not ask for permission to have a committee sit which has a substantive matter before it which requires the presence of the minority leader or any Senator who must be on the floor. I only ask the minority leader to give consideration to letting committees meet during the morning hour and until the morning hour is concluded.

Mr. DIRKSEN. Mr. President, I intend to object. I know of nothing else to do. The majority leader has a bill before the Committee on Labor and Public Welfare. I have an important bill in the Committee on the Judiciary. The distinguished Senator from Oregon [Mr. MORSE] has served notice on both leaders that he intends to object. I am deeply interested.

Mr. JOHNSON of Texas. Why does the Senator from Illinois wish to emulate the senior Senator from Oregon?

Mr. DIRKSEN. I do not emulate him. I have no other weapon with which to protect the minority position.

Mr. JOHNSON of Texas. I do not see how the Senator protects the minority position when the Senator objects to the consideration of legislation which the minority demands, and bottles up that legislation in committee. I want here and now to fix the responsibility for that. The Senator from Oregon can take the responsibility for one committee. However, there are 14 committees. I will make these requests for the committees to meet. If the business is brought to a standstill, the blood will not be on my hands. I hope the propagandists who will be writing about the inability of Congress to pass bills, or state that it will do nothing, will realize it is not the majority leader who keeps the committees from meeting, because I have no objection to any meetings of committees.

Mr. DIRKSEN. Responsibility does not have to be fixed. I cheerfully accept the responsibility.

Mr. JOHNSON of Texas. I ask unanimous consent that the Business and Commerce Subcommittee of the Committee on the District of Columbia be permitted to sit during the session of the Senate today.

Mr. DIRKSEN. I object.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Select Committee on Natural Water Resources be permitted to sit during the session of the Senate today.

Mr. DIRKSEN. I object.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSON of Texas. Under the rule, I understand, no committees can sit during the session of the Senate. Suppose a special committee, like the Water Resources Committee, is hearing witnesses but does not issue a subpena or does not make a report, what is the situation?

The ACTING PRESIDENT pro tempore. The Chair is advised that the rule applies to standing committees, not to select committees.

Mr. JOHNSON of Texas. It is not necessary, then, for a request to be made with respect to the water committee? Is that correct?

The ACTING PRESIDENT pro tempore. For the RECORD, the Chair will read:

> No standing committee of the Senate or the House, except the Committee on Rules of the House, shall sit, without special leave, while the Senate or the House, as the case may be, is in session.

Mr. JOHNSON of Texas. I thank the Senator. Then we will make some progress at least in the field of water.

Mr. WILEY. Mr. President, I have listened with a great deal of interest to this discourse. I wish to say that I have a perfect answer for the majority leader. The committee could sit as a kind of kaffee klatch as we did in the Foreign Relations Committee the other day. We cannot transact business, and we cannot hold hearings. However, at a regular meeting we can affirm or disaffirm. I suggest that this is a solution also to my dear friend from Illinois. I suggest that in this particular case there is no reason why committees cannot meet on that basis. We can get business done in that way, and there is no circumvention. I suggest that we could proceed in that manner. There is no reason why the committees cannot be canvassed on this proposition. If a committee is in favor, it can meet on that basis.

Mr. JOHNSON of Texas. I appreciate the friendly suggestion of the Senator from Wisconsin. However, I would not want to be a party to evading or circumventing a rule of the Senate. The Committee on Interstate and Foreign Commerce met the other day, and the distinguished minority leader, in his usual cordial manner, brought it to my attention. The committee had met notwithstanding the refusal of the Senate for it to meet. So I urge all committees to be very careful, unless they have the consent of the Senate to meet. I think they should not even meet informally if it is interpreted as a committee meeting, particularly when they are assembled by the chairman. I share the feeling of the minority leader that if any Senator avails himself of his privilege to object, we should follow the rule.

Mr. WILEY. I should like to transact a little morning business. My purpose was more or less to establish what the distinguished majority leader has said now is the rule.

I have contended for the rule continually. But when it was suggested that we follow through with a kaffee klatch, we had our kaffee klatch. We reviewed the business but took no action, because it is only when we have a regular meeting that we can find out what we did, and either affirm or disaffirm. But we will have reviewed the matter which is before us for attention.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON U.S. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

A letter from the Acting Secretary of State, transmitting, pursuant to law, a report on U.S. contributions to international

organizations, for the fiscal year 1959 (with an accompanying report); to the Committee on Foreign Relations.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE FOR A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of the order granting the application for permanent residence filed by Allen Shih-Chun Hsiao, together with a statement of the facts and pertinent provisions of law as to the subject, and the reason for granting the application (with accompanying papers); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution of the Third Legislature of the Virgin Islands; to the Committee on Armed Services:

"BILL 1187

"Resolution to petition the Congress of the United States to authorize the Department of Defense to exchange a certain tract of land at John Brewer's Bay, St. Thomas, Virgin Islands, with the Government of the Virgin Islands, for a tract of land at Estate Bordeaux, St. Thomas, Virgin Islands

"Whereas a certain tract of land at John Brewer's Bay, St. Thomas, Virgin Islands, owned by the Department of Defense, and used as a rifle practice range by the U.S. Army, is an ideal area for a low-income housing project; and

"Whereas because of limitations it is extremely difficult to acquire land in St. Thomas for low-income housing; and

"Whereas there is land suitable for a rifle practice range at Estate Bordeaux, owned by the Government of the Virgin Islands: Now, therefore, be it

"*Resolved by the Legislature of the Virgin Islands,* That:

"1. The Congress of the United States authorize the Department of Defense to exchange a certain tract of land located at John Brewer's Bay, St. Thomas, Virgin Islands, and presently used as a rifle practice range, with the Government of the Virgin Islands for a certain tract of land at Estate Bordeaux, St. Thomas, Virgin Islands, which is suitable for a rifle practice range, with the provision that the land at John Brewer's Bay, when acquired by the Government of the Virgin Islands, shall be used for the construction of low-income housing; and be it

"*Resolved further,* That copies of this resolution be transmitted to the President of the U.S. Senate, the Speaker of the House of Representatives, the chairman of the Senate Armed Services Committee, the chairman of the House Armed Services Committee, the Secretary of the Interior, the Secretary of the Department of Defense, and the Governor of the Virgin Islands.

"Thus passed by the Legislature of the Virgin Islands on June 8, 1960.

"Witness our hands and the seal of the Legislature of the Virgin Islands this 9th day of June A.D. 1960.

"WALTER I. M. HODGE,
"President.

"JOHN L. MADURO,
"Legislative Secretary."

A resolution adopted by the executive committee of the board of directors of the Chamber of Commerce of the New Orleans Area, New Orleans, La., favoring the enactment of legislation to repeal the tax on transportation of persons; to the Committee on Finance.

A resolution adopted by the Morgantown, West Virginia, Chamber of Commerce, favoring the enactment of legislation to repeal the tax on transportation of persons; to the Committee on Finance.

A petition signed by I. S. Svischov and Kirill Merger, chairman and secretary, respectively, of the Russian Anti-Communist Committee, of Los Angeles, Calif., relating to amendments of Public Law 86-90, concerning the Captive Nations Week; to the Committee on the Judiciary.

IMPROVED BENEFITS FOR VETERANS OF WORLD WAR I—RESOLUTION

Mr. WILEY. Mr. President, as a nation, we recognize that the maintenance of a fair system of veterans benefits for those who served and sacrificed for their country is essential.

Over the years, the Nation has adopted a significant program of benefits for our veterans. A major task, of course, has not only been to assure an adequate system, but also to provide equitable treatment of our veterans of different wars.

We recall, of course, that the veterans of World War I, for example, did not receive advantages of such benefits as were enacted by Congress to help meet the readjustment and other needs of many of the veterans of World War II and the Korean conflict. Consequently, it is particularly important that Congress take this into consideration.

Today I was privileged to receive from Roland E. Miller, county clerk of Calumet County, Wis., a resolution supporting the need for improved benefits for veterans of World War I.

Reflecting the views of the Calumet County Board of Supervisors on this important problem, I request unanimous consent to have the resolution printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION No. 3

Resolution petitioning the Congress of the United States to give favorable consideration to legislation providing benefits for veterans of World War I and for other purposes

Whereas many hundreds of thousands of our Nation's finest citizens served the cause of democracy during the period of World War I; and

Whereas a large number of these veterans have now reached the age and circumstances in which they are no longer self-supporting, as well as suffering illnesses and infirmities aggravated by this honorable service to their country; and

Whereas through no fault of their own, they have largely become a class of forgotten men, many of whom are close to the grave: Now, therefore, be it

Resolved by the Board of Supervisors of Calumet County, Wis., That this body recognizes the predicament of these veterans of World War I, and petition the Congress of the United States to give favorable consideration to legislation providing benefits to the aged, ill, and disabled veterans of this great war in the form of pensions or any other means which will provide relief so vitally needed; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, to the Director of the Veterans' Administration, to the Director of the U.S. Bureau of the Budget, to the chairman of the House Committee on Veterans' Affairs, and to each member of the Wisconsin delegation in the Congress.

Passed and adopted by the Calumet County Board of Supervisors on June 14, 1960.

ROLAND E. MILLER,
County Clerk.

RESOLUTIONS BY MIDWEST ASSOCIATION OF RAILROAD AND UTILITIES COMMISSIONERS

Mr. WILEY. Mr. President, today I received from Anson J. Anderson, secretary-treasurer of the Midwest Association of Railroad and Utilities Commissioners, a series of resolutions. Subjectwise, these resolutions covered a variety of significant topics, some of which are highly controversial. These include proposals relating to removal of the excise taxes on transportation, curtailment of rail service, problems involved in collective bargaining, and transportation of mail.

As I mentioned, there are strong views on both sides of the issues involved. Nevertheless, I believe that the views of the Midwest Association of Railroad and Utilities Commissioners deserve the consideration of Congress.

I therefore ask unanimous consent to have these resolutions printed in the RECORD and appropriately referred.

There being no objection, the resolutions were received and appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Finance:

"RESOLUTION 1

"Whereas, the Federal excise taxes on communication and transportation services were initially levied or greatly increased during World War II to help defray war costs and to discourage unnecessary use of such services; and

"Whereas today such excise taxes are still in effect and continuing to discourage the public use of these services, regulated or unregulated, against which any Federal excise taxes are levied; and

"Whereas by law enacted at its session in 1959 Congress provided for the repeal of the 10 percent tax on local telephone service, effective as of June 30, 1960, and provided further that the excise tax on the transportation of passengers was to be reduced to 5 percent, effective as of July 1, 1960; and

"Whereas it is now proposed to postpone the effective date of the 1959 legislation respecting repeal of the local telephone service

tax and the reduction in the excise tax on the transportation of passengers: Now, therefore, be it

"Resolved, That the Midwest Association of Railroad and Utilities Commissioners go on record as vigorously opposing any postponement of the effective date of the abovementioned 1959 enactments, and hereby restate their position that these excise taxes are contrary to the existence of reasonably priced and nondiscriminatory communications and transportation services, and that, accordingly, such Federal excise taxes should be repealed; and be it further

"Resolved, That the secretary of this conference be directed to furnish to the members of the Subcommittee on Excise Taxes of the Committee on Ways and Means of the House of Representatives, and members of the Finance Committee of the U.S. Senate, a copy of this resolution; and that the secretary forthwith transmit a copy of this resolution to each of the Members of the Senate and of the House of Representatives in the Congress of the United States, representing the 11 midwestern States included in the membership of the association.

"Respectfully submitted.

"RESOLUTIONS COMMITTEE,
"ERNEST D. NELSON,
"North Dakota, Chairman.
"JOHN R. THOMPSON,
"Arkansas.
"RAY H. THOMPSON,
"Iowa."

To the Committee on Interstate and Foreign Commerce:

"RESOLUTION 2

"Resolution concerning modifying and amending the 1958 Federal Transportation Act as it pertains to section 13A

"Resolved, That the Midwest Association of Railroad and Utilities Commissioners recommend to the National Association of Railroad and Utilities Commissioners and to the Congress of the United States that section 13A be modified with respect to the matter of curtailing passenger service. We recommend that the law provide that such application concerning interstate passenger service be considered by a joint board on the same basis as joint boards now have jurisdiction in the matter of granting authority to regular route common carriers; and be it further

"Resolved, That in the case of applications on the part of the railroad involving the limitation of an intrastate passenger train that the original jurisdiction be left as it now is with the State commissions and that the law be changed so that in the event of an appeal it should not be referred to the Interstate Commerce Commission, but to the respective State and Federal courts.

"Respectfully submitted.

"RESOLUTIONS COMMITTEE,
"ERNEST D. NELSON,
"North Dakota, Chairman.
"JOHN R. THOMPSON,
"Arkansas.
"RAY H. THOMPSON,
"Iowa."

"RESOLUTION 3

"Whereas it is the consensus of the Midwest Association of Railroad and Utilities Commissioners that orders of State or Federal regulatory commissions duly entered after public hearing and due consideration of the public interest, authorizing changes in operations of common carriers should be allowed full force and effect; and

"Whereas such orders should not be the subject of collective bargaining between carriers and their employees because of the very real possibility that such course of action may result in the nullification of such orders; and

"Whereas a very recent decision of the Supreme Court of the United States holds that under the law as now written such bargaining is mandatory when demand therefor is made; and

"Whereas S. 3548 is a bill which has been introduced in the Congress of the United States to so change the law as to preserve the effectiveness of such orders and to remove them from the field of collective bargaining: Now, therefore, be it

"Resolved, That the Midwest Association of Railroad and Utilities Commissioners does hereby endorse the principles of S. 3548 or any other legislation producing similar results and does hereby urge Congress to take prompt action with respect thereto; and be it further

"Resolved, That the secretary of this association send copies of this resolution to the Members of the U.S. Senate and House of Representatives from the States represented in the membership of this association.

"Respectfully submitted.

"RESOLUTIONS COMMITTEE,
"ERNEST D. NELSON,
"North Dakota, Chairman.
"JOHN R. THOMPSON,
"Arkansas.
"RAY H. THOMPSON,
"Iowa."

To the Committee on Post Office and Civil Service:

"RESOLUTION 4

"Whereas for over 6 years the Postmaster General of the United States has been conducting an airlift program for transporting by air ordinary first-class mail on an experimental basis and has recently substantially extended the program and has announced plans to further extend the program on a permanent basis; and

"Whereas the diversion of first-class mail revenues from the railroads as a result of this program materially impairs their ability to continue to provide the service required of them in the interest of a sound national transportation system to adequately serve the national economy and properly maintain the Nation's defense: Now, therefore, be it

"Resolved, That the Midwest Association of Railroad and Utilities Commissioners hereby go on record as opposed to the program to fly ordinary first-class mail and as favoring and urging enactment of legislation to require discontinuance of the program; and be it further

"Resolved, That copies of this resolution be sent by the Secretary to each Senator and Congressman from the States embraced in the membership of this conference, and to the members of the Committees on Post Office and Civil Service of the Senate and House of Representatives.

"Respectfully submitted.

"RESOLUTIONS COMMITTEE,
"ERNEST D. NELSON,
"North Dakota, Chairman.
"JOHN R. THOMPSON,
"Arkansas.
"RAY H. THOMPSON,
"Iowa."

Ordered to lie on the table:

"RESOLUTION 5

"Mr. President, members of the association, and guests, as we reluctantly come to the close of the 1960 annual convention of the Midwest Association of Railroad and Utilities Commissioners: Be it

"Resolved, That the association take this opportunity to salute and thank the great State of South Dakota and the city of Rapid City for having opened its doors and taken us into their hearts.

"This convention has been one of the most noteworthy and successful in the history of this association, not only because of the discussions and comprehensive reports, but it has also given the opportunity to consider and discuss problems vital to the welfare of this great Republic and particularly of the area covered by this association. For these reasons, your committee, Mr. President, desires to submit the following resolutions:

"Resolved, That this association extends its sincere gratitude and appreciation to the State of South Dakota, the city of Rapid City and members of the staff of the South Dakota Public Utilities Commission, and to all those who so graciously welcomed us to the State of South Dakota and to the city of Rapid City; especially we are appreciative of the warm interest displayed by the Honorable Ralph Herseth, Governor of the State of South Dakota; the Honorable Fred Dusek, mayor of the city of Rapid City; Charles Lien, president, Chamber of Commerce of the City of Rapid City; and our special thanks to the Honorable C. L. "Roy" Doherty, chairman, arrangements committee, and to the Honorable C. A. Merkle, chairman, program committee, who have served so well; and to the Honorable Fred Lindekugel, of the South Dakota Public Utilities Commission, our retiring president, who has served with great distinction; also deep appreciation for the inspiring invocation offered by the Reverend Jerome Pipes, of the Episcopal Church; and be it further

"Resolved, That the association hereby extends its thanks and appreciation to all other organizations and individuals who have contributed to the success and enjoyment of the convention, for their self-sacrificing efforts to make the convention and our stay in Rapid City pleasant by providing unusual and interesting entertainment to all delegates and visitors; and be it further

"Resolved, That we also express our appreciation to the distinguished guests who have contributed, by their addresses, to the interest of the convention proceedings; and be it further

"Resolved, That these resolutions be spread upon the minutes of this convention.

"Respectfully submitted.

"RESOLUTIONS COMMITTEE,
"ERNEST D. NELSON,
"North Dakota, Chairman.
"JOHN R. THOMPSON,
"Arkansas.
"RAY H. THOMPSON,
"Iowa."

RESOLUTIONS OF ILLINOIS PHARMACEUTICAL ASSOCIATION

Mr. WILEY. Mr. President, today, I was privileged to receive from Thomas J. Vratny, secretary of the Illinois Pharmaceutical Association, a resolution relating to the need for assuring fair opportunity for not only the pharmaceutical industry, but all segments of the economy, to progress in a free economy; and a resolution on the matter of meeting the needs of our senior citizens.

I request unanimous consent to have these resolutions printed in the RECORD, and appropriately referred.

There being no objection, the resolutions were referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas pharmacy, the profession and industry, has been the target of derogatory criticism and attacks from many quarters as a result of misinformation arising from the Kefauver hearings: Be it therefore

Resolved, That the Illinois Pharmaceutical Association go on record as opposing any legislation or regulations which would unfairly:

(a) Stifle the incentive to further progress in the discovery, development, and humanitarian distribution of drugs;

(b) Militate against the welfare and benefits to the public and the profession and industry of pharmacy;

(c) Restrict the free choice of drugs by a prescriber.

(d) Regiment against private practice by members of the health professions; and

(e) Undermine one of our Nation's most precious assets—the independent and highest health standards in the world today; and be it further

Resolved, That we also give credit especially to Senator DIRKSEN, of Illinois, Senator WILEY, of Wisconsin, and Representative LESLIE ARENDS, of Illinois, for their understanding and efforts in behalf of the public interest and service of pharmacy before the Kefauver investigation.

Whereas Congress is considering a health program for the so-called oldsters;

Whereas these health programs do not provide the complete medical, hospital, and pharmaceutical services as may be inferred or as may be actually needed by the oldsters; and

Whereas these proposed health programs are proposed to be financed by a compulsory tax upon all citizens of these United States: Therefore be it

Resolved, That the Illinois Pharmaceutical Association oppose the health programs for the aged whereby all the citizens are faced with a compulsory tax, which in effect results in a socialized medical program; and be it further

Resolved, That the association rather prefer those health programs which are reasonably and intelligently set up on a voluntary basis.

RESOLUTION OF BROOKLYN, N.Y., INSURANCE AGENTS' ASSOCIATION

Mr. KEATING. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Brooklyn Insurance Agents' Association on matters relevant to our Nation's tax and general fiscal policies.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

BROOKLYN INSURANCE AGENTS' ASSOCIATION, INC.,
Brooklyn, N.Y., June 14, 1960.

Hon. KENNETH B. KEATING,
U.S. Senate,
Washington, D.C.

DEAR MR. KEATING: The Brooklyn Insurance Agents' Association, Inc., representing the insurance agents of Brooklyn, N.Y., at its meeting on June 8, 1960, unanimously adopted the following resolution:

"Whereas it is our considered opinion that the constantly decreasing value of the American dollar has been brought about mainly through the steady increase in Government spending, bringing the public debt of the country to an alltime high; and

"Whereas the interest and refunding of the public debt together with the steadily rising costs of Government services requires a taxload on the American public which is fast approaching the confiscation stage; and

"Whereas there is constant pressure by various groups for more and more so-called welfare legislation, whereby the public debt would be further increased, or alternatively, taxes would be increased to meet the costs of such projects; and

"Whereas this association representing the insurance agency business in Brooklyn believes the time has come to call a halt to Government spending for any but defense purposes and the most essential services: Now, therefore, be it

"Resolved, That we call on our representatives in Congress to actively oppose any legislation that would further increase the public debt, or increase the already heavy taxload on the people, and that they further oppose any legislation that will extend the present creeping inflation in our American economy; and be it further

"Resolved, That a copy of this resolution be sent to each Senator from New York, and to each Representative from Brooklyn in the Congress.

"W. F. STANZ,
"Secretary."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, without amendment:

S. 2388. A bill relating to the separation and retirement of John R. Barker (Rept. No. 1608); and

S. 3421. A bill to amend the Federal Employees' Group Life Insurance Act (Rept. No. 1609).

By Mrs. SMITH, from the Committee on Armed Services, with an amendment:

H.R. 8186. An act to amend titles 10 and 14, United States Code, with respect to reserve commissioned officers of the Armed Forces (Rept. No. 1613).

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, without amendment:

S. 3650. A bill to supplement and amend the Act of June 30, 1948, relating to the Fort Hall Indian irrigation project, and to approve an order of the Secretary of the Interior issued under the Act of June 22, 1936 (Rept. No. 1612).

By Mr. MAGNUSON, from the Committee on Appropriations, with amendments:

H.R. 11389. An act making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1961, and for other purposes (Rept. No. 1610); and

H.R. 11776. An act making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1961, and for other purposes (Rept. No. 1611).

By Mr. SPARKMAN, from the Committee on Banking and Currency, with an amendment:

S. 1342. A bill to create a Federal Limited Profit Mortgage Corporation to assist in the provision of housing for moderate-income families and for elderly persons (Rept. No. 1614).

VOLUNTARY PENSION PLANS BY SELF-EMPLOYED INDIVIDUALS—MINORITY AND INDIVIDUAL VIEWS

Mr. SMATHERS. Mr. President, from the Committee on Finance, I report favorably, with an amendment, the bill—H.R. 10—to encourage the establishment of voluntary pension plans by self-employed individuals, and I submit a report—No. 1615—thereon. I ask unanimous consent that the report be printed, together with minority and individual views.

The ACTING PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Florida.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 3690. A bill to amend title 18, United States Code, to prohibit racketeering incident to the arrangement or conduct of professional boxing contests, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 3691. A bill for the relief of Rear Admiral Carl H. Cotter; to the Committee on the Judiciary.

By Mr. BYRD of West Virginia:

S. 3692. A bill to amend title II of the Social Security Act to permit reduced benefits thereunder (when based upon the attainment of retirement age) to be paid to men at age 62; and

S. 3693. A bill to amend title II of the Social Security Act to permit reduced benefits thereunder (when based upon the attainment of retirement age) to be paid to men at age 62 and women at age 60; to the Committee on Finance.

By Mr. MUSKIE (for Mr. KENNEDY):

S. 3694. A bill relating to the effective date of the qualification of the Pipe and Refrigeration Fitters Local 537 Pension Fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954; to the Committee on Finance.

RACKETEERING IN PROFESSIONAL BOXING

Mr. WILEY. Mr. President, testimony heard before the Antitrust and Monopoly Subcommittee in the last 2 days suggests the existence of a nationwide underworld empire controlling the sport of boxing. The bill I am introducing is intended to break up the main channels through which the underworld controls prizefighters.

Witnesses have testified before the Antitrust and Monopoly Subcommittee that boxing has become a game of fixing, rather than a competitive sport. Evidence in some cases shows that underworld figures often connected with gambling, have managed to assume control over many prizefighters. Prizefighters are controlled both for the purpose of dividing the purse and for the purpose of fixing matches—for greater gambling killings. The police records of many boxing managers, promoters, and matchmakers, produced before the subcommittee indicate that these professions are infested with underworld figures. By penetrating the ranks of the boxing management, the underworld has an easy job of controlling prizefighters.

Boxing is a national business and the States are not always able to cope with the nationwide underworld activities in this business. The boxing commissions in some States issue licenses to managers and promoters regardless of their past criminal histories. In other cases, when a person with a criminal record is denied a license in one State, he applies for a license and transfers his activities to another State.

To break up the underworld controls over the boxing business, I am today introducing a bill which would make it

a Federal criminal offense for any person with a prior criminal record to be licensed as a promoter, manager, or matchmaker in the boxing business, within 10 years after the date of his conviction or the date of the termination of his imprisonment. Violators of this law will be subject to a fine of $10,000, or imprisonment for not more than 20 years, or both. The law would be directed to keep out any person who has been convicted of a racketeering offense, including any attempt or conspiracy to commit murder, assault, bribery, gambling, robbery, or extortion, from engaging in business as a manager or promoter in professional boxing.

The law that I am proposing should deliver a hard sock in the jaw to the boxing racketeers.

Mr. President, I introduce the bill for appropriate reference; and I ask unanimous consent that it be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3690) to amend title 18, United States Code, to prohibit racketeering incident to the arrangement or conduct of professional boxing contests, and for other purposes, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 95 of title 18 of the United States Code (entitled "Racketeering") is amended by adding at the end thereof the following new section:

"§ 1952. Racketeering in professional boxing

"(a) Whoever, being a person who has been convicted of any racketeering offense or who has served any part of any sentence imposed upon him for conviction of any such offense, within ten years after the date of his conviction for that offense or the date of the termination of his imprisonment under any such sentence, whichever is later, knowingly engages, attempts to engage, or offers to engage in business as a manager, promoter, or matchmaker incident to the arrangement or conduct, or any proposal or attempt to conduct or arrange for the conduct, of any professional boxing contest in or affecting commerce shall be fined not more than $10,000, or imprisoned not more than twenty years, or both.

"(b) For the purposes of this section—

"(1) An individual shall be deemed to have been convicted from the date of his conviction by the judgment of a trial court, or the date on which that judgment was sustained on appeal, whichever is the later event, without regard to the occurrence of that event before or after the date of enactment of this section; but

"(2) The conviction of a person for any offense shall be disregarded if within a period of ten years after such conviction that person has been duly pardoned for that offense by competent executive authority with full restoration of his rights of citizenship.

"(c) As used in this section—

"(1) The term 'professional boxing contest' means any boxing contest between contestants who receive or who by contract or agreement are entitled to receive compensation for their services, if any fee or charge is made for the admission of spectators to witness that contest;

"(2) The term 'professional boxer' means any person who engages in or undertakes to engage in any professional boxing contest as a contestant for monetary or other compensation;

"(3) The term 'manager' means any person who (A) by contract, agreement, or other arrangement undertakes or has undertaken to represent in any way the interest of any professional boxer in procuring, or with respect to the arrangement or conduct of, any professional boxing contest in which such boxer is to participate as a contestant, and (B) is entitled under that contract, agreement, or arrangement to receive monetary or other compensation for his services, without regard to the source of such compensation;

"(4) The term 'promoter' means any person who undertakes, offers to undertake, or has undertaken to arrange, attempt to arrange, or to participate in arranging or attempting to arrange, on his own account or on behalf of any other individual, partnership, corporation, or association, for the conduct of any professional boxing contest in exchange for monetary or other compensation from any source;

"(5) The term 'matchmaker' means any person who undertakes, offers to undertake, or attempts to undertake, on behalf of any professional boxer, manager, or promoter, to render any service incident to the arrangement of, or any attempt to arrange for, the conduct of any professional boxing contest in exchange for monetary or other compensation from any source;

"(6) The term 'racketeering offense' means any criminal offense under the law of the United States or of any State an essential element of which is the commission, or an attempt, conspiracy, or threat to commit, murder, assault with intent to kill, assault which inflicts grievous bodily injury, gambling, bribery, robbery, or extortion; and

"(7) The terms 'robbery', 'extortion', and 'commerce' shall have the same meaning as when used in section 1951."

(b) The chapter analysis of chapter 95 of title 18 of the United States Code is amended by adding at the end thereof the following new item:

"1952. Racketeering in professional boxing."

COLLEGE LOANS—AMENDMENT

Mr. JOHNSON of Texas. Mr. President, a few moments ago I returned from the Committee on Labor and Public Welfare, which was presided over this morning by big JIM MURRAY, one of the most genuine liberals I have ever known, and one of the greatest men of our times. I testified before the committee over which he presided on behalf of the college loan fund bill, Senate bill 2710, to provide for loan insurance on loans to students in higher education.

Senators will recall that I introduced this proposed legislation last September so that it would be possible to obtain the comments and the recommendations for the benefit of my colleagues in both the House and the Senate, of leading educators throughout the country, businessmen, and others who are interested and to assemble those during the adjournment period.

From literally hundreds of colleges and universities throughout the Nation we have received not only strong encouragement for the principle of insured loans to college students, but many constructive suggestions. As I explained to the Education Subcommittee this morning, these recommendations caused us to revise the bill in several significant respects. Because of these revisions, I presented to the subcommittee today a new and revised draft of the proposed legislation. In order that it may be available for Members of the Senate and others to examine, I now submit the revised version of the college loan bill, and I request that it be printed as an amendment in the nature of a substitute.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The amendment will be received, printed, and appropriately referred.

The amendment, in the nature of a substitute, was referred to the Committee on Labor and Public Welfare.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the amendment remain at the desk through Monday of next week in order that any of my colleagues who may desire to associate themselves with this very comprehensive and far-reaching measure, which is written to be helpful to the young of this Nation, can associate themselves with me in its presentation.

The PRESIDING OFFICER. Without objection, the amendment will lie at the desk, as requested by the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I believe this bill can be of considerable help in meeting the financial problems of students and colleges. As an aid to education, the proposed legislation is novel and somewhat unique.

However, the approach is a familiar one in that it applies a tested and proven principle of Government insured loans to the area of student loans. We have done this for many years in the fields of housing, foreign investment, and from time to time, for defense purposes for industrial activities.

Applying the insured loan concept to student financing should prove highly beneficial to our colleges and universities, and of course, more particularly, to the students and parents upon whom falls directly the heavier and heavier impact of educational costs. The proposed legislation is not intended by any means to replace the National Defense Education Act, but is rather conceived as a supplement to it. Nor is it considered as a complete solution to financial needs of the entire higher education community. But it is a constructive and significant step in the right direction in my opinion, and I am hopeful that Congress will be able to act upon it before adjournment.

I ask unanimous consent that the amendment and the statement I presented to the Subcommittee on Education be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I should like to add just one sentence. Under the terms of the bill a student could borrow not to exceed $1,000 a year, and not to exceed a total of $5,000. The student

would borrow the money from the college at a maximum cost of 5 percent per annum, 4¾-percent interest and one-fourth percent insurance premium. The college in turn could borrow money from an insurance company, pension fund or other financial institution to provide money for its student loans. The college would have about one-fourth percent to help cover the costs of administering the loan. The Government would have one-fourth percent as an insurance premium to take care of any losses that might result. I predict there would be few if any losses.

There are no appropriations involved. This is an insurance program. I believe we have some $18 billion or $20 billion in guaranteed loans under the housing program.

I can think of no safer collateral than the young people of this Nation. We have a great need for this program. I predict that the committee will act upon the bill promptly, and I hope the Senate can pass it at this session of Congress.

The amendment and statement presented by Mr. JOHNSON of Texas are as follows:

Strike out all after the enacting clause and in lieu thereof insert the following:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Student Loan Insurance Act of 1960'.

"DEFINITIONS

"SEC. 2. As used in this Act—

"(a) The term 'State' means a State, the Canal Zone, the District of Columbia, Puerto Rico, or the Virgin Islands.

"(b) The term 'institution of higher education' means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association, or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited.

"(c) The term 'Commissioner' means the Commissioner of Education.

"(d) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"TITLE I—LOAN INSURANCE FOR STUDENT LOANS

"Authorization

"SEC. 101. For the purpose of facilitating loans to students in institutions of higher education, such institutions shall be insured by the Commissioner against losses on loans made by them to such students in the fiscal year ending June 30, 1961, and the succeeding fiscal year, if made upon the conditions and within the limits specified in this title. The total principal amount of new loans to students covered by insurance under this title in any fiscal year shall not exceed $100,000,000. The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this title, assign, within such maximum amount, insurance quotas applicable to eligible institutions of higher education, or to States or areas, and may reassign unused portions of such quotas.

"Limitations on individual loans and on insurance

"SEC. 102. No loan or loans by one or more institution of higher education in excess of $1,000 in the aggregate to any single student in any fiscal year shall be covered by insurance under this title, nor shall the aggregate insured unpaid principal amount of loans made to any student exceed $5,000 at any time.

"Source of funds

"SEC. 103. Loans made by institutions of higher education in accordance with this Act shall be insurable whether made from the funds of the institution or from funds held by the institution in a trust or similar capacity and available for such loans.

"Eligibility of student borrowers and terms of student loans

"SEC. 104. A loan by an institution of higher education shall be insurable under the provisions of this title only if made to a student in such institution who devotes essentially full time to educational work in attendance at such institution, as determined by such institution, and if evidenced by a note or other written agreement which (1) provides for repayment of the principal amount of such loan in installments each quarter or lesser period beginning (except in the event of default in the payment of interest, or in the payment of the cost of insurance premiums, or other default by the borrower) within one year following the date on which the student ceases to devote essentially full time to educational work in attendance at any institution of higher education, (2) is made without security and without endorsement, except that if the borrower is a minor and such note or other written agreement executed by him would not, under the applicable law, create a binding obligation, either security or endorsement may be required, (3) requires full repayment of the principal with interest within not more than ten years after the date on which the first installment of principal becomes due, (4) provides for interest on such loan at a per annum rate not exceeding 4¾ per centum on the unpaid balance and accrued interest, but payment of interest accruing prior to the date on which the first installment of principal becomes due may be postponed until after such date, (5) entitles the student borrower at his option to accelerate repayment of the whole or any part of such loan, and (6) contains such other terms and conditions consistent with the provisions of this title and with the regulations issued by the Commissioner pursuant to this Act as may be agreed upon by the parties to such loan, including, at their option, a provision requiring the borrower to pay to the institution, in addition to principal and interest, amounts equal to the insurance premiums payable by the institution to the Commissioner with respect to such loan.

"Certificates of insurance—Effective date of insurance—Premiums

"SEC. 105. (a) If, upon application by an institution of higher education, made upon such form, containing such information, and supported by such evidence as the Commissioner may require, and otherwise in conformity with this section, the Commissioner finds that the institution has made a loan to an eligible student which is insurable under the provisions of this title, he shall, upon tender by the institution of the first year's insurance premium payable pursuant to subsection (d), issue to such institution a certificate of insurance covering such loan and setting forth the amount and terms of such insurance.

"(b) Insurance evidenced by a certificate of insurance pursuant to subsection (a) shall become effective upon the date of issuance of such certificate, except that the Commissioner is authorized, in accordance with regulations, to issue commitments with respect to proposed loans submitted by eligible institutions, and in that event, upon compliance with subsection (a) by the institution, the certificate of insurance may be issued effective as of the date when the loan to be covered by such insurance was made. Such insurance shall cease to be effective upon thirty days' default by the institution in the payment of any installment of the premiums payable pursuant to subsection (d).

"(c) An application submitted pursuant to subsection (a) shall contain (1) an agreement by the institution of higher education to pay, in accordance with regulations, the premiums fixed by the Commissioner pursuant to subsection (d), and (2) an agreement by such institution that if the loan is covered by insurance the institution will submit such reports during the effective period of the loan agreement as the Commissioner may by regulation prescribe as necessary to carry out the provisions of this title.

"(d) The Commissioner shall, pursuant to regulations, charge for insurance on each loan under this title a premium in an amount not to exceed one-fourth of 1 per centum per annum of the unpaid balance of principal and accrued interest of such loan, payable in advance, at such time and in such manner as may be prescribed by the Commissioner. Such regulations may provide that such premium shall not be payable, or if paid shall be refundable, with respect to any period after default in the payment of principal or interest, or after the borrower has died or becomes totally and permanently disabled, if (1) notice of such default or other event has been duly given, and (2) request for payment of the loss insured against has been made or the Commissioner has made such payment on his own motion pursuant to section 106.

"(e) The rights of an institution of higher education arising under insurance evidenced by a certificate of insurance issued under this section may not be assigned or transferred by such institution, except as provided in case of default in section 106.

"(f) The consolidation of the obligations of two or more insured loans obtained by a student borrower in any fiscal year into a single obligation evidenced by a single instrument of indebtedness shall not affect the insurance by the United States. Upon surrender of the original certificates of insurance in such cases, the Commissioner may issue a new certificate of insurance in accordance with this section upon such consolidated obligation.

"Procedure on default, death, or disability of student

"SEC. 106. (a) Upon default and a reasonable effort toward collection by the institution on any loan covered by insurance pursuant to this title, or upon the death of the student borrower or a finding by the institution that the borrower has become totally and permanently disabled, determined in accordance with regulations established by the Commissioner, before the loan has been repaid in full, and prior to the commencement of suit or other enforcement proceeding upon the loan or upon any security for such loan, the institution shall promptly notify the Commissioner who shall thereupon, if requested by such institution or on his own motion, if the insurance is still in effect, pay to the institution the amount of the loss sustained upon such loan as soon as such amount has been determined.

"(b) Upon payment by the Commissioner of the amount of loss pursuant to subsection (a), the United States shall be subrogated to

the rights of the institution upon the insured loan and be entitled to an assignment of the note or other evidence of the insured loan and any security therefor.

"(c) Nothing in this section or in this Act shall be construed to preclude any forbearance for the benefit of the student borrower which may be agreed upon by the parties to the insured loan and approved by the Commissioner, or to preclude forbearance by the Commissioner in the enforcement of the insured obligation after payment on such insurance, or to require collection of the amount of any loan by the institution of higher education or by the Commissioner from the estate of a deceased borrower or from a borrower found by the institution to have become permanently and totally disabled.

"(d) Nothing in this section or in this Act shall be construed to excuse the institution of higher education from exercising, in the making and collection of loans under the provisions of this title, the same care and diligence which would reasonably be used in making and collecting loans not insured. If the Commissioner, after reasonable notice and opportunity for hearing to the institution, finds that an institution of higher education has substantially failed to exercise such care and diligence, or to make the reports required under section 105(c), or to pay the required insurance premiums, he shall disqualify such institution for further insurance on loans granted pursuant to this title until he is satisfied that such failure has ceased and finds that there is reasonable assurance that the institution will in the future exercise necessary care and diligence or comply with such requirements, as the case may be.

"TITLE II—LOAN INSURANCE ON LOANS TO INSTITUTIONS OF HIGHER EDUCATION

"Authorization

"SEC. 201. For the purpose of assisting institutions of higher education in obtaining funds to make loans insured under title I, the Commissioner, on terms and conditions prescribed by him consistent with the provisions of this title and necessary to protect the interests of the United States, may insure in whole or in part any public or private financing institution, or trustee under a trust or indenture or agreement for the benefit of the holders of any securities issued thereunder, by commitment or otherwise, against loss of principal and interest on any loan to an institution of higher education for the purpose of providing such institution with necessary funds to make loans insured under title I of this Act. The total principal amount of new loans covered by insurance under this title in any fiscal year shall not exceed $100,000,000. The Commissioner may, if he finds it necessary to do so in order to assure an equitable distribution of the benefits of this title, assign, within such maximum amount, insurance quotas applicable to eligible institutions of higher education, or to States or areas, and may reassign unused portions of such quotas.

"Limitations

"SEC. 202. No loan shall be covered by insurance under section 201 unless—

"(1) the Commissioner finds that such loan is necessary to enable the institution of higher education to provide student loans to be insured under title I;

"(2) the rate of interest to be paid on the loan is 4½ per centum or less;

"(3) the terms of such loan require repayment in twenty years or less; and

"(4) the Commissioner finds that there is reasonable assurance that the institution of higher education has the ability to repay the loan within the time fixed therefor.

"Payment on guarantees

"SEC. 203. Payments required to be made as the result of default on any loan insured by the Commissioner under this title shall be made from the revolving insurance fund established under section 301.

"TITLE III—ADMINISTRATIVE MATTERS

"Revolving insurance fund

"SEC. 301. (a) Premiums under title I and all other moneys derived by the Commissioner in the course of operations under this Act shall be deposited in a revolving fund in the Treasury of the United States. All moneys in the revolving fund shall upon requisition by the Commissioner, be available until expended, (1) for the payment of losses in connection with insurance undertaken pursuant to this Act, and (2) for any fiscal year, in the amount provided for by an appropriation Act, for defraying the expenses of administration incurred under this Act.

"(b) For the purposes of carrying out the provisions of this Act, there are hereby authorized to be appropriated to the revolving fund provided in this section—

"(1) the sum of $500,000 for the initial establishment of the revolving fund; and

"(2) such further sums, if any, as may become necessary for the adequacy of the revolving fund.

"(c) The Commissioner shall, from the revolving fund, pay annually into the Treasury, as miscellaneous receipts, interest on any sums appropriated to the revolving fund pursuant to subsection (b) which have not been repaid into the Treasury as provided in subsection (d). The Secretary of the Treasury shall determine the interest rate annually in advance, such rate to be calculated to reimburse the Treasury for its costs in connection with such appropriated funds, taking into consideration the current average interest rate which the Treasury pays upon its marketable obligations.

"(d) Until all advances made to the revolving fund by appropriation pursuant to subsection (b) (1) and (2) have been repaid through credits as provided in this subsection, the Commissioner shall, at least annually, determine any balance in the revolving fund in excess of an amount determined by him to be necessary for the requirements of the fund, and for reasonable reserves to maintain the solvency of the fund, and such balance shall be paid into the Treasury as miscellaneous receipts and the amount thereof be credited against such advances.

"(e) The Commissioner may authorize the Secretary of the Treasury to invest and reinvest such portions of the revolving fund as he may determine to be in excess of current needs in any interest-bearing securities of the United States or in any securities guaranteed as to principal and interest by the United States, and the income therefrom shall constitute a part of the revolving fund.

"Legal powers and responsibilities

"SEC. 302. (a) With respect to matters arising by reason of this Act, and notwithstanding the provisions of any other law, the Commissioner may—

"(1) sue on behalf of the United States and be sued in his official capacity in any court of competent jurisdiction, State or Federal;

"(2) subject to the specific limitations in this Act, consent to the modification, with respect to rate of interest, time of payment of principal and interest or any portion thereof, or security, of the provisions of any note, contract, mortgage, or other instrument evidencing or securing a loan which has been insured under this Act;

"(3) enforce, pay, or compromise, any claim on, or arising because of, any such insurance; and

"(4) enforce, pay, compromise, waive, or release any right, title, claim, lien, or demand, however acquired, including any equity or any right of redemption.

"(b) The Commissioner shall, with respect to the financial operations, arising by reason of this Act—

"(1) prepare annually and submit a budget program as provided for wholly owned Government corporations by the Government Corporation Control Act; and

"(2) maintain an integral set of accounts, which shall be audited annually by the General Accounting Office in accordance with principles and procedures applicable to commercial corporate transactions, as provided by section 105 of the Government Corporation Control Act, except that the financial transactions of the Commissioner, including the settlement of insurance claims, and transactions related thereto and vouchers approved by the Commissioner in connection with such financial transactions, shall be final and conclusive upon all accounting and other officers of the Government.

"Treatment of certain trusts, foundations, and other organizations as institutions of higher education

"SEC. 303. The Commissioner may by regulation provide for the treatment of any nonprofit trusts, foundations, or other similar organizations, controlled by an institution of higher education or the officials thereof, as part of the institution of higher education for the purposes of this Act, if he determines that such treatment would promote such purposes. Such regulations may establish such requirements for the purpose of this section as may be necessary to protect the interests of the United States.

"Administration

"SEC. 304. (a) This Act shall be administered by the Commissioner, under the supervision and direction of the Secretary. The Commissioner shall, with the approval of the Secretary, make all regulations specifically authorized to be made under this Act and such other regulations, not inconsistent with this Act, as may be necessary to carry out its purposes. The Commissioner is authorized to delegate to any officer or employee of the Office of Education any of his powers and duties under this Act, except the making of regulations.

"(b) In administering the provisions of this Act, the Commissioner is authorized to utilize the services and facilities of any agency of the Federal Government and, without regard to section 3709 of the Revised Statutes, of any other public or nonprofit agency or institution, in accordance with agreements between the Secretary and the head thereof. Payment for such services and facilities shall be made in advance or by way of reimbursement, as may be agreed upon by the Secretary and the head of the agency or institution.

"(c) At the beginning of each regular session of the Congress, the Commissioner shall make through the Secretary a full report to Congress of the administration of this Act, including his recommendations for needed revisions in the Act.

"(d) When deemed necessary by the Commissioner for the effective administration of this Act, experts or consultants may be employed as provided in section 15 of the Act of August 2, 1946 (60 Stat. 806, 810).

"Federal control of education prohibited

"SEC. 305. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum or program of instruction of any educational institution or, except as provided in sections 105 and 106 (d), over its administration or personnel.

"Authority under Act conditional upon amount of appropriation for title II of the National Defense Education Act of 1958

"SEC. 306. The authority of the Commissioner to insure any loans in any fiscal year under the provisions of this Act shall be conditional upon the appropriation under the provisions of the Department of Health, Education, and Welfare Appropriation Act for such year of at least 75 per centum of the amount authorized for such year under the provisions of title II of the National Defense Education Act of 1958."

STATEMENT OF SENATOR LYNDON B. JOHNSON BEFORE THE EDUCATION SUBCOMMITTEE OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, JUNE 17, 1960

Mr. Chairman, I am extremely pleased to have this opportunity to appear before the Education Subcommittee of the Committee on Labor and Public Welfare on behalf of S. 2710. This is the bill I introduced during the closing days of the 1959 session to provide a program of Government insurance on loans to college students.

This bill would set up an insurance program under the Commissioner of Education on the model of the Federal Housing Administration mortgage insurance. Just as mortgage insurance opened up vast new sources of funds for housing, I believe that Government insurance on student loans will make available new sources of low-cost funds to college students to assist them and their parents in financing their education.

At the time I introduced this bill on September 14, 1959, I stated that I did so in order to make it available to the educators of our country between sessions of Congress. Since that time I have corresponded with literally hundreds of presidents and deans of colleges and universities all over the country. And I have had the good fortune to have the personal advice and counsel of a number of the country's most experienced authorities on questions of financial assistance to college students.

I was delighted by the response I received from the academic community on this proposal. The overwhelming majority of educators and college administrators approve the bill. And even those few who expressed reservations approve the general principle of insurance for student loans. I am convinced that the revised bill that I will submit to the committee today will meet most of their objections.

I would like to share with the subcommittee some of the comments of these distinguished educators. For instance, President Nathan M. Pusey, of Harvard University, in writing me of his support of the program noted that it "should be a popular program, and it would have the great advantage of being self-supporting."

President Cortney Smith, of Swarthmore College in Pennsylvania, wrote me, "It is our judgment that your proposal is both beneficial and sound. It is indeed a statesmanlike bill in the public interest." President F. Edward Lund, of Kenyon College in Ohio, wrote, "I am in full sympathy with both the principle and the legislation that you propose." President Harvey Branscomb, of Vanderbilt University in Tennessee, stated, "This proposal would be very helpful to us all, and I am grateful to you for your sponsorship of this bill."

These are typical of the comments I received from leading educators and college administrators all over the country. I could not possibly read even a fair sample of these letters, but I ask the consent of the committee to submit a few of them for the record. I am sure that the committee will find these thoughtful comments to be extremely helpful to them in passing on this bill.

These favorable comments were most gratifying, but the most encouraging aspect of the response to the bill was the manner in which the academic community provided me with constructive suggestions for improving the bill.

In addition to the suggestions contained in these letters, I was fortunate to have the helpful advice of my good friend, Mrs. Mary Lasker, and the generous assistance and advice of my good friend, Mr. David D. Lloyd. Through their cooperation I was privileged to have the advice and counsel of a committee of leading authorities on the subject of financial assistance to college students. These were Mr. John F. Morse, vice president, Rennselaer Polytechnic Institute, who was instrumental in setting up the National Defense Education Act loan program; Prof. Seymour E. Harris, professor of political economics and chairman of the Economics Department, Harvard University; Mr. Rexford G. Moon, director of the college scholarship service, college entrance examination board; and Mr. Russell Thackrey, executive secretary, American Association of Land-Grant Colleges and State Universities. All of these gentlemen gave me the benefit of their knowledge and broad experience in this field and I am deeply grateful to them.

These suggestions proved extremely helpful and played a large part in determining the form of the revised draft bill I am submitting to the committee today. At the time I introduced the bill, I stated that I have always gone on the principle that the collective judgment of the best minds is better than the individual judgment of any single mind. And I believe that this revised draft represents the collective judgment of the best minds available on the subject of financial aid to college students. I am proud to offer it to the committee.

Under the revised program, institutions with large resources of savings, such as insurance companies, endowment funds, and pension and welfare funds would be reached through a two part insurance program which would protect colleges against loss on loans to students and also protect financial institutions against loss on loans to colleges for student loan purposes.

A student could obtain up to $1,000 in insured loans a year with an overall limit of $5,000. The maximum cost to the student would be 5 percent per annum—4¾ percent maximum interest and one-fourth percent insurance premium. Repayment would commence within 1 year after the student leaves school, and the loan would be repaid over the following 10 years.

The loan to the student would be made to the college, and the college would retain the note and administer the collection of payments. If the borrower defaults, the insurance fund would protect the college from loss.

When outside funds are needed by a college for student loans, the college would borrow directly from financial institutions without assigning any student notes. These loans to colleges would be relatively long-term, with a duration of up to 20 years, and the maximum interest would be 4½ percent, with the financial institution protected from loss by insurance. This program contemplates that the colleges would borrow money for student loans at a rate not in excess of 4½ percent and lend it to students at a maximum interest of 4¾ percent, providing one-fourth percent to help cover the college's costs of administering the loans. This 4¾ percent interest plus the one-fourth percent insurance will result in a maximum cost to the student of 5 percent per annum.

The bill does not spell out the exact terms of the student loans. Only basic and minimum requirements are specified, and a large area of discretion remains within which the individual school can frame the program which best meets its own needs.

For example, the bill does not include a "needs" test as a condition of obtaining an insured loan. This does not mean that every student in every school would be entitled to an insured loan. One college might apply a "needs" test of some kind in its program; another might be willing to administer its program as one of convenience without a rigorous "needs" formula. In either event, loans under the program would be covered by insurance provided they met the other requirements of the bill.

The principal difference between this revised draft and the bill as originally introduced are these:

1. The original bill contemplated that the college would assign insured student loans to financial institutions in order to replenish its student loan funds. Under the revised bill, the college would hold and administer the loans. The college in turn would borrow funds for its loan program without assigning student notes. Both the college and the financial institution would be insured against loss.

2. The insurance premium has been reduced from one-half to one-fourth percent. It is generally believed that the incidence of default on student loans in the hands of the colleges will be so small that a one-fourth percent premium will be entirely adequate.

3. The maximum insured loan entitlement of a student has been increased from $4,000 to $5,000, although the yearly maximum remains at $1,000. This brings the bill in line with the limits of the National Defense Education Act and gives greater consideration to the student who seeks graduate training.

4. The original bill provided for repayment to begin 4 years after the borrower leaves school and to be completed within 6 years thereafter. Under the revised program, payment would commence within 1 year after the student leaves school, and he would then have 10 years in which to repay the principal and interest.

5. The original bill called for interest on the student notes at 3 percent per annum in the hands of the college with an additional 1½ percent interest added if the note were assigned to a financial institution. The revised draft approaches the interest rate problem differently. It contemplates that the college will borrow funds at a maximum of 4½ percent and loan them at a rate which will provide the school with a one-fourth percent differential to help cover the cost of administering the loans.

The question of the cost to colleges of administering student loans was one of the most significant problems we encountered in working out this loan program. Every college administrator we consulted expressed deep concern over the financial strain Government-sponsored loan programs are imposing on colleges.

The National Defense Education Act program of 3-percent loans of principally Government funds is the prime example. Not only does NDEA require the college to contribute one-ninth of the amount loaned to the student at a significant loss, the school must also bear the entire cost of administering and collecting the loans.

Apparently there are no accurate figures on what these costs are or what they should be. But I have been furnished with reliable estimates that it costs a college $10 per account per year to administer a substantial loan program.

It seems to me not only unfair but inconsistent for the Federal Government to create loan programs and expect the colleges to absorb all the administrative costs. On the one hand, we spend much of our time seeking means to help institutions of higher learning out of the financial plight in which they now find themselves. On the other hand, we impose even greater financial strains on their limited resources.

This matter of administrative costs on student loans, I believe, may seriously impair the effectiveness of NDEA program. For that reason, the bill I offer contemplates a one-fourth percent spread between what the college pays for the money and the rate for which it loans it to the student. I don't contend that this is sufficient to cover the school's expenses. The colleges will have to incur some sacrifices to implement substantial programs under this bill. But this one-fourth of 1 percent may take them out of the disaster area.

The costs to colleges of administering existing Government-sponsored programs deserves the most serious attention of this committee and the Office of Education. I recommend that a study be undertaken as soon as possible to determine the feasibility of providing assistance to colleges both in the form of direct financial aid and expert guidance in handling accounts.

A number of educators have expressed reservations about this insured loan program because they fear it might supplant the NDEA program of direct loans to students. Although the NDEA program imposes serious financial strains on the colleges, they recognize its value to their students, and I find that educators and college administrators throughout the country are overwhelmingly in favor of its continuance.

I have always conceived of the insured student loan program as a program to supplement and not to supplant the NDEA program. I believe there is a need for both and no conflict between them.

For example, the NDEA program employs a needs test to determine eligibility. No needs test is required under the bill I have introduced. Therefore, a particular school may desire to operate its program as one of convenience designed to assist the student who finds himself in a difficult financial situation but who cannot meet the needs test of the NDEA program.

The NDEA program requires that preference be given to superior students in certain fields. This insured loan program has no such requirements. Furthermore, the insured loan program could be used in exceptional cases to provide supplementary funds when a student's NDEA entitlement has been exhausted. Finally, I am sure that this insured loan program would be extremely useful to the college which simply does not have the resources to finance its end of the NDEA program.

I believe that within a brief period we will see the student loan approach to financing higher education expanded to such an extent that both of these Federal programs will be utilized to their fullest authorized extent.

But in order to provide complete assurance that this insurance program will not supplant the NDEA direct loan program, I have suggested in section 306 of the revised draft that the insured loan program will be in effect only in years when appropriations for NDEA are at a level of at least 75 percent of the authorized amount. Furthermore, it is provided that the insured loan program will expire when the NDEA expires. Therefore, there is no danger that the NDEA program will be allowed to expire because of the existence of an insured loan program.

It has been pointed out to me that some State colleges and universities may not be able to participate in this insured loan program because of legal restrictions on borrowing. I believe that the legislatures of these States will take such action as may be necessary to permit the schools to participate in the program, and for that reason I do not think the problem will arise.

However, there is another means by which such institutions may participate in the insured loan program. Section 303 allows the Commissioner of Education to permit nonprofit trusts, foundations, and similar organizations controlled by the officials of an institution to participate in the same manner as the institution itself. Therefore, a trust fund, foundation, or similar organization could be established within the framework of the college or university and participate in the insured loan program. Such organization could borrow money and make student loans and the loans would be covered by insurance.

I certainly need not dwell on the need today for our Nation to marshal every resource in an effort to provide more and better education for our young people. And I believe that this insured student loan program can make a significant contribution to this effort.

It is not my thought that loan programs such as this will be utilized to shift the cost of higher education from society at large to the college student. I know, as does the committee, that this cannot be done. Regardless of how much you provide college students in loans, it will still be necessary for every level of government to support higher education to the fullest extent.

I do not believe that through the use of student loans, we can make it possible for more students and families of students to assume the portion of the cost of a college education which has traditionally been placed on the student. Furthermore, for many colleges and universities—especially the private schools—increased tuition is unavoidable under the pressure of ever-increasing costs. And student loans may be the only feasible means of meeting this cost.

I think that Congress would do well to adopt this insured student loan program. It would help provide a portion of the vast sums needed in the United States today for higher education in a manner which won't be costly to the Government. It would utilize the credit facilities of the Nation in such a way as to direct its resources into most desirable channels. It is based on an insurance concept which the experience of FHA has proved to be entirely sound. It would provide new opportunity to thousands of youngsters, and it would be completely consistent with our tradition of self-reliance and individual initiative.

I commend the bill to the committee's consideration and urge that it be favorably reported. I appreciate the opportunity to appear before the committee, and I await your action with pleasure.

INCREASE FOR 1-YEAR PERIOD THE PUBLIC DEBT LIMIT, AND EXTENSION OF CORPORATE NORMAL TAX AND CERTAIN EXCISE TAXES—AMENDMENT

Mr. GORE submitted amendments, intended to be proposed by him to the bill (H.R. 12381) to increase for 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise tax rates, which were ordered to lie on the table and be printed.

NOTICES OF MOTIONS TO SUSPEND THE RULE—AMENDMENTS TO INDEPENDENT OFFICES APPROPRIATION BILL

Mr. MAGNUSON submitted the following notice in writing:

In accordance with rule XL, of the Standard Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1961, and for other purposes, the following amendment, namely: Page 6, line 21, after the words "United States", insert: ", and the Act of August 28, 1938 (49 Stat. 956), as amended by the Act of August 27, 1951 (65 Stat. 198), is hereby repealed".

Mr. MAGNUSON also submitted an amendment, intended to be proposed by him, to House bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1961, and for other purposes, which was ordered to lie on the table and be printed.

(For text of amendment referred to, see the foregoing notice.)

Mr. MAGNUSON submitted the following notice in writing:

In accordance with rule XL, of the Standard Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1961, and for other purposes, the following amendment, namely: Page 13, line 23, after the word "individuals", insert: ": *Provided*, That the Commission is authorized, subject to the procedures prescribed in the Classification Act of 1949, as amended, but without regard to the numerical limitations contained therein, to place six General Schedule positions in the following grades: four in grade GS–18, one in grade GS–17, and one in grade GS–16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said Act".

Mr. MAGNUSON also submitted an amendment, intended to be proposed by him to House bill 11776, making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 20, 1961, and for other purposes, which was ordered to lie on the table and be printed.

(For text of amendment referred to, see the foregoing notice.)

EXTENSION AND AMENDMENT OF AGRICULTURAL ACT OF 1949—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 13, 1960, the names of Senators HUMPHREY, HART, DOUGLAS, MCNAMARA, MURRAY, PROXMIRE, CLARK, and YOUNG of Ohio were added as additional cosponsors of the bill (S. 3666) to amend title V of the Agricultural Act of 1949, as amended, to provide protection for the employment opportunities of domestic agricultural workers in the United States, and for other purposes, introduced by Mr. MCCARTHY on June 13, 1960.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc.,

were ordered to be printed in the RECORD, as follows:

By Mr. BYRD of West Virginia:

Address entitled "The Crisis of the 'Golden Sixties,'" delivered by himself before the 21st General Convention of the System Federation No. 41 of the Chesapeake & Ohio Railway on June 15, 1960.

REPLY BY MAJ. GEN. JULIUS KLEIN TO ADLAI STEVENSON'S STATEMENT CONCERNING THE SUMMIT CONFERENCE

Mr. WILEY. Mr. President, I have received a statement from a very distinguished citizen of Chicago concerning the statement of Gov. Adlai Stevenson as quoted in a Paris newspaper with respect to the collapse of the summit conference. The statement is by Maj. Gen. Julius Klein. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STEVENSON'S STATEMENT STAB IN THE BACK OF SUMMIT

(Statement by Maj. Gen. Julius Klein, of Chicago, at present George V Hotel, Paris, May 18, 1960)

[English translation]

Gov. Adlai Stevenson's statement as quoted this weekend in Paris-Presse on the eve of the collapse of the summit conference was a stab in the back of those Americans charged with the responsibility to bring about some solution of the cold war. Stevenson in his statement urged, and was widely quoted all over Europe, that some concession in regard to Berlin should be made to the Soviets. If he is quoted correctly, he also severely criticized the late John Foster Dulles, who so courageously fought off Soviet aggression and imperialism during the cold war. Stevenson further charged that "The German Chancellor Adenauer was the Foreign Minister of the United States in the last 7 years." European statesmen were shocked at this statement by Stevenson, and the front pages of the newspapers gave prominent space to it.

Khrushchev must have gotten a lot of encouragement out of Stevenson's statement, and I am sure that his gangster-type performance in destroying the summit conference was prompted with his naive idea that after next November he might be in a position to confer with an administration more to his liking than the one headed by Eisenhower, Nixon, and Herter.

Americans here in Paris are bewildered and shocked but are proud of their President's conduct. I have sent the President a telegram as per attached copy. I am convinced that the political leaders of all parties as good Americans will repudiate Presidential Candidate Stevenson's position, and I am fully confident that Vice President Nixon, who is an announced candidate, will have the proper answer not only for Khrushchev but also for the hidden candidate Stevenson. We Americans are grateful to De Gaulle and Macmillan for their support of our President and the free world. We all realize that the question of Berlin and the Federal Republic of Germany under Adenauer is the concern of the entire free world. The President deserves, and I am sure will receive, not only the united support from us all but also the prayers of the American people in this grave hour.

I have issued this statement as an American who happens to be in Paris at this time and who knows the leading figures in this great drama personally.

WISCONSIN SAYS: "WELCOME, AMERICA"

Mr. WILEY. Mr. President, by Presidential proclamation, 1960 is Visit U.S.A. Year.

To every citizen, the opportunity to become more intimately acquainted with our great land—created out of a wilderness; built upon hope, hard work, and ideals; and dedicated to creating a free, rich life for its people: out of this effort—unique in history—our land has become the citadel of freedom for the world.

The history and tradition of our great country is, in itself, inspiring. It is one of which all Americans can be deeply proud.

Even more exciting and thrilling, however, is the promise of an ever-greater, brighter future.

Across this great Nation, I truly hope that more and more people will make a real effort to visit the United States of America—to see, know, understand, and better love this great country. Within its boundaries are many inspiring, exciting, thrilling, awing landscapes, and scenes and projects of natural and man-created beauty.

Here in America we find the ultimate of the new world and life of the 1960 space age. Also, we find symbols and images of the past; of our native heritage; of the cultures of lands around the world mirrored in the lives of immigrants who came to this country and helped to make it great.

During Visit U.S.A. Year, we in Wisconsin—a vacation dreamland—expect many, many of our traveling citizens.

At this time, I warmly invite all fellow Senators—after the adjournment of an extremely heavy-duty session of considering legislation in the national interest—to come to this wonderland of America.

Even though this is an election year—and many Senators will be busy electioneering—I sincerely request that they take time to "shake the dust" of campaigning off their feet.

Come to Wisconsin; shed, for a moment, the heavy burdens of political life; let them become a happy memory in the pleasureland of Wisconsin.

Stroll under the heavenly skies; in the serene, beautiful forests; and along the murmuring streams and mirror lakes. Enjoy the warmly human hospitality in a haven away from home in our Badgerland. Find yourselves again, through communion with God, nature, and a great people. After a "breather" in our wonderland, you will be better able to shoulder the burdens ahead.

To the world, we say, "Give us your tired, weary, adventure-or-leisure-seeking wanderers." Let us "renew you" in a wonderland of milk, honey, great people, scenic beauty; a haven to revive you in body, mind, and spirit. Be strengthened by the strong, heart-warming handclasp of friendship with the sons and daughters in the Indian-name land of the "gathering of the waters."

Come to us and rest awhile; then rise to "live" again.

Annually, millions of people from all walks of life come from sister States, from our good neighbor Canada, and from nations around the world to our Badger State for a truly enjoyable vacation.

The outdoor and indoor playgrounds of Wisconsin offer a great variety of opportunities to relax tightwire nerves, stimulate the mind, and refresh the spirit.

The Lord knows that we in this body need a little relaxation, because we have been sort of flying off the handle of late.

Retreating from the workaday world, vacationers find their heart's delight in our fine communities, amid natural beauty of sunny days and cool nights.

THE WELCOME MAT IS ALWAYS OUT

Our visitors too have opportunity to enjoy refreshing scented breezes through rustling pine trees, bristling cliffs, wooded slopes, restful valleys, fertile farmlands, sparkling waterfalls, scenic spring-fed rivers and clear lakes.

Across the State, we have a picturesque panorama of outstanding scenery, archeological, geological, botanical, wild life—both flora and fauna—and other features of natural and historical interest.

To you, all America, the welcome mat is always out.

SPECIAL FEATURES OF WISCONSIN'S VACATION LAND

Truly, Wisconsin is a land of the "gathering of the waters."

Among our State's attractions are included about 8,600 lakes and 10,000 miles of streams for bathing, boating, water skiing, and fishing. The game fish include trout, muskie, perch, white bass, sturgeon and a number of other varieties. A boating paradise, Wisconsin ranks as one of the Nation's top boat builders, along with motors and other accessories.

In our glorious, natural heritage, we have also 2 national forests, 7 State forests, and 17 State parks, all providing a great many wonderful opportunities for sightseeing, camping out of doors, or traveling through our scenic countryside.

Rich in cultural beauty, we have 161 museums and other historical sites of interest.

For the hunter, Wisconsin has a wide variety of game for seasonal hunting, including pheasants, Hungarian partridge, waterfowl, prairie chicken, grouse, deer, bear, raccoon, geese, ducks, and other game.

The traveler will enjoy the many splendid resorts, motels, hotels, cabins, trailer sites, and other high quality tourist accommodations for in-city or out-in-the-country living for the tourists who would get away from it all. Also, fine restaurants offer tantalizing meals of the world's finest foods, including our high-quality dairy products which are famous around the globe.

Wisconsin also boasts an overexpanding transportation system including more than 95,000 miles of roadway, more than 71 modern public airports to serve the

flying visitors, and excellent rail and water transportation facilities to the beauties of Wisconsin.

The St. Lawrence Seaway, too, is expected to bring more visitors to our Badger State wonderland—from Canada, other States and other nations.

For moderate costs, visitors are repaid many-fold in warm, friendly hospitality and accommodations that provide a paradise in settings and surroundings that revitalize the flesh and inspire the spirit.

Our chamber of commerce, conservation clubs, sports and other groups are designing constructive programs to help provide the best possible climate of welcome for the visitor to wonderful Wisconsin.

Whether you plan for spirits, playtime, picnicking, swimming, boating, or just plain loafing, our Wisconsin beautyland will provide your heart's desire.

Mr. BYRD of West Virginia. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. Yes. Here comes West Virginia.

Mr. BYRD of West Virginia. Mr. President, I have listened with great interest to the distinguished Senator from Wisconsin as he has spoken about the treasures and the pleasures that will be available to vacationers who visit the great State of Wisconsin.

Mr. President, I can think of a State which has all of these things and more—the State of West Virginia.

West Virginia is the most northern of the southern, the most southern of the northern, the most eastern of the western, and the most western of the eastern.

West Virginia is a State which reaches farther north than Pittsburgh, Pa.; farther south than Richmond, Va.; farther east than Buffalo, N.Y.; and as far west as Columbus, Ohio.

West Virginia is the State where the East says good morning to the West; and where Yankee Doodle and Dixie kiss each other good night.

I invite my affable and distinguished "guide, philosopher, and friend," the senior Senator from Wisconsin, to come to America's finest vacationland, the West Virginia hills.

Mr. KEATING. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield to the Senator from New York.

Mr. KEATING. The distinguished Senator from Wisconsin, with characteristic loyalty to his State, has spoken of its beauties and has invited all of us there for vacation.

Perhaps a number of us will be enticed away, after hearing the eloquent statement about the beauties of Wisconsin. But if any are left over, I cordially invite them to the great State of New York. Upstate New York is a great and beautiful vacation land; and in New York City we have all the beauties and attractions—and then some—which are to be found in any city of the country, even in the great cities of Wisconsin.

But I compliment our dear friend, the Senator from Wisconsin [Mr. WILEY] on his great vigor and his great fidelity to the interests of the State he has so nobly represented in this Chamber for many, many years.

Mr. WILEY. Mr. President, in responding to the very fine remarks which have been made by the young poet and distinguished Senator from West Virginia [Mr. BYRD]—and he is a poet—let me say it is a wonderful thing for the Senate to have among its Members a young man of his caliber, who brings into the RECORD such fine ideas and fine sentiments, and brings to this Chamber his cheering countenance.

In responding to the remarks of my friend, the Senator from New York, I wish to say we are welcoming all Members of the Senate, and we will greet them with an open hand. In Wisconsin we have one thing which I think is common throughout the country, and that is a big-hearted people who have lived much and lived deeply, and have thought much and thought deeply. There are singing hearts in Wisconsin, because from Lake Superior on the north—and there is nothing like that in West Virginia—to Lake Michigan on the east—and there is nothing like that in New York—to the vast Mississippi River on the west—and there is nothing like that in either West Virginia or New York, even though New York has the Hudson River—all in between there are thousands of warm-hearted people who say, "Come and enjoy nature's wonderland."

The PRESIDING OFFICER (Mr. CARLSON in the chair). The time of the Senator has expired.

THE SITUATION IN JAPAN

Mr. KEATING. Mr. President, yesterday in the Chamber we heard from the Senator from Missouri and other Senators and we read in the newspapers and heard on the airwaves about the present situation in Japan. A great effort was made to pin upon this administration and upon the President the responsibility for the riots in Japan and the inability of the President to go to Japan. In my opinion, that is a gross misrepresentation of history. The hard facts of political reality do not ascribe to this administration any shred of responsibility for the chaotic conditions in Japan or for the possible fall of the Kishi government.

If ever a crisis was manufactured, if ever there was a stage set for political disorder, we have it in the truly saddening picture of a nation that has been sabotaged by evil forces operating from without and also from within. Japan is committing hara-kiri and we know, or we should know, who forged the sword and who is wielding it. It was not President Eisenhower. It was not Secretary of State Herter. It was not the United States of America. It is the act of an enemy.

We have seen the technique of that enemy often enough to be able to recognize it by now. Red China and Moscow have set up these demonstrations, and have planned well, and in advance, their strategy, and have financed this spectacular, and have rehearsed it with all the skill and cunning at their command.

When I say "financed," I mean exactly that. Let us not think for a moment that the funds for those supercolossal manifestations of hatred came from the coffers of the Japanese Communist Party. It is not that big; it is not that strong. It represents a minuscule minority of that country.

A report I have received from a very reliable source states that the hard core of the Communist demonstrators were paid $1.65 a day—an unusually high labor wage. In this Chamber we have had debates about the pay rates of garment workers, clothing workers, and tailors in Japan, which are 14 or 15 cents an hour. But the people who engaged in the riots were paid in excess of the rate for a long, hard day's work—simply to run the streets, light the fires of revolt and keep them burning until the Communist objective was achieved. That is how the Kremlin and Peiping operate. That is how they keep boring into freedom, like worms boring into an apple. That is the raw technique of Communists—the use of a well-trained and well-rehearsed mob as a bludgeon to beat down the forces of orderly government, to create anarchy, on which the Communists thrive, and gain power.

Mr. President, anyone who seeks to make this administration a whipping boy for this tragic Japanese situation is closing his eyes to reality and closing his mind to the truth.

INSURANCE VANISHES WHEN MEDICAL CARE NEED IS GREATEST

Mr. PROXMIRE. Mr. President, many of our senior citizens have taken normal precautions for most of their lives against the devastating effects of high medical costs. The difficulty is that these very people find their hospital and surgical insurance canceled at the very time when they need it most.

Letter after letter from senior citizens of my State illustrate this problem. Illness is the handmaiden of old age. When our people most need medical care, they can least afford it; and insurance is either prohibitive or all but unobtainable.

The cost of medical care for the aged is 80 percent higher than the cost of medical care for the rest of the population, according to Secretary Flemming, of the Department of Health, Education, and Welfare.

Eight out of 10 of the aged suffer from one or more chronic ailments, as compared with 4 out of 10 persons of all ages. More than one out of every four aged persons are affected by heart disease; while the aged make up less than 9 percent of the total population, they comprise 40 percent of all cases with heart trouble. The average hospital stay of older persons is two to three times longer than that of persons under 65. Many physical handicaps of the aged could have been prevented if the diseases or injuries had been treated promptly.

Mr. President, I have before me a typical letter in regard to this aspect of the problem of medical care for our senior

citizens. I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR SIR: I am writing to you in regard to H.R. 4700 which would amend the Social Security Act to include hospital, nursing home, and surgical costs for persons covered by this act after retiring.

I am 64 years old and will have to retire next January 1961. I have paid on insurance since 1937 when the company took out group insurance, but 30 days after retiring this is all canceled. I will have to look for other insurance to cover hospital and surgical care because I can't afford to be without insurance after 65. Few retired people can afford the price the insurance company asks for protection. Therefore I am asking you to vote for this bill or any amendments which might be added and are favorable to the retired persons on social security.

——— ———.

CONGRESS SHOULD PASS THE FEDERAL EMPLOYEES PAY BILL

Mr. BYRD of West Virginia. Mr. President, with Congress moving rapidly toward an early adjournment, there are certain legislative items that must be taken care of promptly and completely. No amount of pressure generated by the approaching national conventions and campaigns can be used as an excuse to justify overlooking these measures, or merely according them perfunctory treatment.

Among the issues which, in my opinion, must be decided is the question of the pending pay raise for postal workers and Federal employees under the Classification Act. Fortunately, in House bill 9883, the Senate now has under consideration an excellent measure that deserves the full support of this body.

I think all of us are now familiar with the general terms of this bill, so it will not be necessary to discuss them in any detail. It provides for a minimum 7½-percent increase in the salaries now being paid to postal and classified Federal employees and to certain other small categories of Government workers. All in all, the bill would be of benefit to approximately 1,570,000 civil servants and their families, at an annual cost of about $697 million.

This is a great deal of money, and Congress should be sure of the merit of any legislation that commits the Government to expenditures of this size.

Money is important in the operations of the Federal Government, but the people who work for this Government are infinitely more important.

When the facts of this case are laid on the line, they present a compelling case for Congress to pass this proposed legislation.

If Federal employees are denied a raise which they have earned—and deserve—on the grounds that it is too expensive, an argument raised by some of its opponents, a great injustice will have been committed. This line of reasoning assumes, in effect, that there is nothing morally or economically wrong in expecting these employees to subsidize the functions of the Government. When put this bluntly, I do not think any of us will accept this argument.

An equally fallacious argument now being directed against this proposed legislation is that extensive comparative salary data now being collected by the Bureau of Labor Statistics might be used as the basis for salary legislation by the next Congress.

It is further claimed that the Classification Act contains certain inequities and defects that are not corrected by House bill 9883.

It must be cold comfort to the hard-pressed Federal employees to know that statistical data on salaries are now being compiled and that they might lead to a pay raise next year. These employees deserve this increase; and because they have already earned it, they deserve it now. It will be simple enough at a later date to make any adjustments that might be desirable on the basis of the Bureau of Labor Statistics report.

As for the alleged defects and inequities in the Classification Act, nobody contends that it is a perfect piece of legislation. But it is the law that we have in hand to work with, and it has proved satisfactory and workable for 11 years.

The voices of dissent that have used these arguments miss the point. If a pay raise is justified now, it should be granted now, even though it means a slight increase in the budget. If the Bureau of Labor Statistics study suggests the need for new legislation, we can enact such legislation after these data have been presented to Congress. And why should urgently needed salary action be delayed now because the Classification Act may have some flaws in it? We have had more than a decade to amend this law as we saw fit. Surely that can be done at a later date.

The point—and the only point that carries any real weight—is that the postal, classified, and other groups of Government employees covered by House bill 9883 have earned a salary increase. They deserve it now, and they need it now.

Regardless of what future studies may show, there is available at this moment more than enough adequate, objective information to justify the immediate passage of this bill. Let me mention briefly some of these facts and some fundamental issues involved in the Government's overall personnel program and problems that are related to the enactment of this bill.

There can be no doubt about the fact that many civil servants are having a very difficult time in supplying their families with only the bare necessities of life. They are up against the very solid and irrefutable fact that living costs are now at an all-time high. They are up against the fact that Federal salaries have always lagged behind those of private industry. They are up against the fact that, although their productivity in recent years has kept pace with that of employees in private enterprise, their wage increases in many categories comparable in terms of function and responsibility have not.

This inequitable treatment goes beyond being just a hardship on those now working for the Government. It also intensifies the persistent problems involved in the recruitment and retention of the ablest people in the Federal service.

The Government must compete with the private sector of our economy for the most promising and competent people. When we consider the complexities of modern government and the perilous times we live in, the absolute necessity for having top-caliber personnel in the Government is so patently obvious that the point need not be labored.

Employees of the Post Office Department perform what may very well be the most important day-in and day-out service offered by this Government. They do their job well.

I am sure that all of us in Congress share my feeling, based on a great deal of contact, of heavy reliance and dependence upon the civil service in general. The work of these people is characterized by a deep sense of responsibility, conscientiousness, and a high level of professional skill.

As an employer, the Federal Government would not only be harsh and unjust, but also would be very shortsighted in a practical sense, if it failed to recognize these qualities and to reward them accordingly.

This recognition and the appropriate action are, in the initial and most important phase, the responsibility of Congress. The law prohibits Federal employees from presenting their case or fighting for their objectives with the techniques used by employees in private business. Civil servants cannot strike; nor can they bargain collectively in the usual meaning of this term.

This Congress has an inescapable obligation to the entire Federal service. We must face up to that obligation now.

I wish to remind the Members of this distinguished body that there is a special urgency in connection with our disposition of this bill. For reasons which, as I indicated earlier, seem to me to be wholly unsupportable, the administration is apparently opposed to any pay increase at all. It seems most likely that any pay bill sent to the White House will be vetoed by the President.

In these circumstances, Congress must clear this bill rapidly, so that there will still be an opportunity to override the expected veto before the unusually early adjournment which everyone anticipates. If we delay action until such time as a pocket veto is possible, Congress will be powerless to attempt to override.

The reasons for the passage of this bill are persuasive. The obligation of Congress in this matter is clear and unmistakable. The circumstances under which this measure is being considered make speedy action on our part absolutely essential.

Let us, therefore, pass House bill 9883, and pass it now. To do this would be no more than doing our duty. To do less would be a dereliction of our duty and a breach of faith with every employee of the Government of the United States.

LEGISLATIVE APPROPRIATION BILL—PUBLICATION OF ITEMIZED BREAKDOWN OF ALL EXPENDITURES

Mr. WILLIAMS of Delaware. Mr. President, the Appropriations Committee has reported to the Senate H.R. 12232, the legislative appropriation bill. When this bill is brought up for consideration I shall offer an amendment, on behalf of myself and the Senator from Maine [Mrs. SMITH], the purpose of which will be to make mandatory the publication of an itemized breakdown of all expenditures, either in the form of appropriated dollars or in the form of foreign currencies, that are made by Members of Congress, congressional committees, or staff employees, while on official trips.

This amendment includes the publication of all expenditures made by individual Members, House and Senate committees, joint committees, committees on Interparliamentary Union, all other committees, and their staffs.

The amendment requires that each individual Member or employee of Congress shall furnish to the chairman of his committee an itemized report showing how much was spent and the purpose for which the expenditures were made.

The chairman of the committee will then have incorporated in the CONGRESSIONAL RECORD the consolidated reports of the committee, but included in this consolidated report will be an itemized breakdown showing the actual expenditures made by each individual Member or employee, along with the purpose for which such expenditures were made.

If a point of order is made on this amendment, which we admit constitutes legislation on an appropriation bill, a motion will be made to suspend the rules. In order to comply with the rules of the Senate, the proper notification of this request for suspension has already been filed with the Senate, and appears on page 12899 of the CONGRESSIONAL RECORD of June 16, 1960, along with a copy of the proposed amendment.

With the advance filing of this official notice, our amendment will be in order on this appropriation bill.

For the past several years we have been trying to get a bill passed which will require Members of Congress or congressional committees to render a public accounting of all expenditures of public funds that are made while on official trips, but while the Senate has on at least two occasions approved the amendment, we have been unsuccessful in getting it accepted by the House.

We recognize that, with the widespread commitments of our Government throughout the world, it is oftimes necessary for Members of Congress to make official trips in order that their committees may more intelligently legislate, and we do not question that these trips made on official business should be paid for by the U.S. Government. However, we must not overlook the fact that it is the American taxpayers who are paying for these official trips, and they are entitled to a public accounting as to how their money is being spent.

H.R. 12232 is the appropriation bill which provides money to pay the salaries and other expenditures of the Members of Congress and the employees of the legislative branch, and there can be no more appropriate bill to which our amendment could be attached. We shall request a rollcall vote upon the Senate's adopting this proposal, and we hope that this time the House will accept the amendment.

However, should the House refuse to accept the amendment, and should it result in a deadlocked conference, it will only mean that we as Members of Congress and our employees will do without our pay until such time as we agree to render a public accounting of all our expenditures.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. JOHNSON of Texas. I have not seen the amendment, or perhaps it would be more accurate to say I have not had a chance to study it in detail, but I have observed it in the RECORD and I had a conversation with the Senator about it. As I understand the amendment, it provides that any Member traveling at Government expense shall report that expense, what the amount is for, and the details for which the money has been spent, with the chairman of his committee, and the chairman of the committee shall then make the report available to the public. Is that correct?

Mr. WILLIAMS of Delaware. That is correct.

Mr. JOHNSON of Texas. I see no objection to that amendment. Is anyone objecting to it?

Mr. WILLIAMS of Delaware. No. The Senate, on at least two occasions, adopted it unanimously. At one time there was a rollcall vote which was 68 to 0. Of those absent, 26 indicated on the record they were for it, and not one was against it. Unfortunately, it was eliminated in conference. I am hoping this time the House will be more receptive to the proposal. I think the very least we can do is tell the American people and the taxpayers we are going to give them a public accounting of expenditures that are made on official trips.

Mr. JOHNSON of Texas. Much of the criticism of the Members of the legislative branch of Government, and of the executive branch, is due to the sins of a few being passed on to the many. A public accounting of public money would not hurt anyone. I see no reason why anyone should oppose the amendment, which provides for a report showing the spending of how much money, for what purpose, in connection with an official mission, and the chairman of the committee making that information available to the general public.

Is that what the amendment does?

Mr. WILLIAMS of Delaware. That is it. I certainly appreciate the support of the Senator from Texas. I have talked with him previously. He feels, just as strongly as I do, that the American taxpayers are entitled to an accounting of the expenditure of their money. That is what we are providing for in the amendment.

I am confident the cases of abuse are in the minority and that there are very few of them. However, regardless of how isolated they may be, expenditures in connection with our official travel will continue to give Members of Congress a black eye until we open to public examination an accounting of our expenditures.

Mr. JOHNSON of Texas. I agree with the Senator.

Mr. WILLIAMS of Delaware. If we do that, and the American taxpayers will review these records, they will find that a large part of the expenditures are proper.

Mr. JOHNSON of Texas. I agree with the Senator.

Mr. WILLIAMS of Delaware. I appreciate the support of the majority leader.

Mr. JOHNSON of Texas. I shall not make the request now, and may not make it at all, but I ask the minority leader and the Senator from Delaware to consider the possibility of bringing up the legislative appropriation bill, if there is no objection, so we can get it to conference. I ask them to take up the question with Senators who may be interested in it. I will discuss it with them later. I want them to give consideration to taking up that bill before the weekend.

Mr. WILLIAMS of Delaware. Having filed this motion last night, we are protected under the rules of the Senate.

Mr. JOHNSON of Texas. I shall talk to the Senator before I make the request.

Mr. WILLIAMS of Delaware. Very well.

SOUND MEDICAL PROGRAM

Mr. SYMINGTON. Mr. President, in the preparation and drafting of Senate bill 3503, the senior Senator from Michigan has done a service for the Congress and the American people as a whole.

It is my privilege to be a cosponsor of this reasonable and practical approach to meeting the medical needs of our elder citizens.

The Honorable James T. Blair, Jr., Governor of the great State of Missouri, has made a thoughtful analysis of the problem and of the constructive way in which S. 3503 would help meet it.

I was glad to receive a copy of Governor Blair's letter to Senator MCNAMARA, as well as a copy of his analysis of this bill, and ask unanimous consent that they be inserted at this point in the RECORD.

There being no objection, the letter and analysis were ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE,
STATE OF MISSOURI,
Jefferson City, Mo., May 25, 1960.

Hon. PAT MCNAMARA,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCNAMARA: I appreciate very much the opportunity to send you my comments on S. 3503, which I consider to be an excellent bill, and one which I am sure would prove to be a tremendous boon to all aged persons in this country. The passage

of this bill would lift a constantly nagging worry from the minds of our retired aged, with respect to their medical and hospital care, and give them peace of mind in their declining years. I am extremely pleased to note that both of our great Senators from Missouri, THOMAS C. HENNINGS, Jr., and STUART SYMINGTON, have joined you in sponsoring this bill.

I enclose my comments in relation to your questionnaire, which I hope will be of use to you in your efforts to obtain passage of S. 3503.

Very truly yours,

J. T. BLAIR, Jr.,
Governor.

COMMENTS IN ANSWER TO QUESTIONNAIRE ON MCNAMARA BILL, S. 3503

1. FINANCE

(a) The McNamara plan of financing through the social security system, plus supplementation from general revenues, is far preferable to administration plan of financing entirely from general revenues. The social security plan spreads the cost over all employed persons and their employers throughout their earning period, this being the time during which they are best able to contribute to such a fund. It uses the insurance principle of each person helping to pay for his own paid-up health care plan, available at retirement; this makes it something they have worked for, not a handout of someone's charity. The social security plan would make benefits available on a like basis to all retired persons throughout the Nation; not just in the wealthier States who would have the resources to be able to participate. Under the administration plan there would be some States with a full-scale program, but there might be others with no program, and a number where the benefits might be on every conceivable gradation of adequacy.

(b) Missouri could not possibly participate in the administration program without increasing State taxes.

(c) The legislature would, of course, have to determine the priorities among the various needed State services. It is very possible that the use of increased State tax revenues for a medical care plan such as is envisioned by the Eisenhower administration might make it impossible to expand or add other needed services, and could, dependent on action by the legislature, result in curtailment of present services.

2. ELIGIBILITY

The administration's proposal, which is nothing more than a major medical or catastrophic insurance plan, completely misses the crucial point at which the majority of aged in Missouri need help. It is the first $250 or $400 which causes our major concerns. To be fully protected, the aged person would have to carry Blue Cross or some commercial hospital insurance in addition to the administration's insurance proposal. Our experience shows that the majority of retired aged persons in this State (at least 60 percent having annual incomes of $1,000 or less) are not able to carry Blue Cross or similar insurance. In many cases they would not be able to pay the first $250 or $400, and the result would be the same as it is in many cases now—the aged person would do without needed care, or would wait until the condition became acute and quite possibly too late for cure.

The McNamara proposal, providing initial benefits without deductible features, would be infinitely more effective in meeting actual health care needs of the aged.

3. ADMINISTRATIVE ORGANIZATION

An evaluation of the medical care plans for public assistance recipients, as now operated by each of the 50 States, will show a variation in scope and adequacy from zero to full and complete coverage. The same variations would undoubtedly exist under the administration's insurance proposal.

On the other hand a plan operated as your bill proposes will provide medical care for all aged persons; the care would be reasonably comparable whether the aged person lived in a rich State or in a poor State. In addition, there would not be the drastic change in plans or benefits when the aged person wished to move from one State to another.

4. THE MEANS TEST

(a) The means test is not a pleasant experience, and to many aged persons the idea is repugnant. From an administrative standpoint it is a very difficult task to try to make a fair and objective decision. If an income tax return would be used automatically without verification the task would not be particularly difficult; the problem then would be in the inequity which might be possible due to the great premium placed on having a low reporting of income. If an actual verification of income would be required, this would present a tremendous administrative problem in connection with the thousands of aged in Missouri who are not receiving public assistance.

(b) If actual verification of income is necessary, it would mean that a huge number of additional employees would have to be hired for this purpose.

5. THE PROBLEM OF COMPULSION

The administration proposal is voluntary only for these aged persons who are still employed, or for those who are in the upper income brackets. Much as those in the lower income brackets may want to have insurance coverage, they really have no choice when the available income does not decently provide for food, shelter, utilities, clothing, medicine, and the other absolute necessities of daily living. In Missouri the average OASI recipient receives about $72 per month; the average OAA recipient receives about $59 per month. The average person in these circumstances has no choice to make. If the voluntary plan is followed, those who are able to pay the cost of the premiums (and therefore the least needy) will be covered; those least able to pay the premiums (and therefore the most in need of such coverage) will not have coverage, and a full program of additional supplementation would continue to be necessary to cover this group.

6. COST TO THE STATES

(a) We believe the cost to the State for the first $250 would be very high, but have no basis at present for making an estimate. As one indication, however, out of Missouri's 470,000 persons over age 65, about 116,000 are receiving old-age assistance. Using Mr. Flemming's figure of $177 as the average annual expenditure of persons in this age group for health and medical expenses, it would cost the State $20,532,000 for that group of aged presently receiving public assistance. During the past year the division of welfare has had only $1 million in both Federal and State funds available for hospital care for all assistance programs.

(b) We have no way of estimating how many persons not now on old-age assistance would apply and be found eligible, due to a desire to qualify for medical care benefits.

7. OTHER COMMENTS

The administration plan requires the aged person to pay an extremely high proportion of his medical care costs after he has retired. This means that often he is unable to make payments, or payment is required at a time when he is least able to do so. The McNamara proposal, on the other hand, requires contribution from the person during his working days, when he is most able to make such payments.

Mr. SYMINGTON. Also, Mr. President, I commend to the attention of the Senate the Walter Lippmann column entitled "Medical Care for the Aged." With his customary objectivity, Mr. Lippmann points out the soundness of the McNamara approach as compared with that of the President.

I ask unanimous consent that this analysis by Mr. Lippmann, as it appeared in the Washington Post of June 16, be inserted at this point in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

MEDICAL CARE FOR THE AGED

(By Walter Lippmann)

Almost everyone realizes that a great mass of the old people do not have the savings, and cannot depend upon their children to pay for the doctors, hospitals, nursing homes, and drugs which because they are aging, they need more than do younger people.

There are a few eccentrics, professing to be conservatives, who think that in a truly rugged individualism these ailing old people would do without medical care if they can't pay for it, or would make their children mortgage the future to pay the medical bills.

But the country is not that ruggedly obtuse to the facts of life, and accordingly both the administration and the Democratic opposition are agreed that the need, which is obvious and urgent, must be met by Government measures.

Thus, this administration has prepared a program which the director of the budget, Mr. Stans, says will cost $1.5 billion by 1964 and $2.5 billion by 1970. For the Democrats, Senator MCNAMARA and some 19 Senators, including KENNEDY, SYMINGTON, and HUMPHREY, have introduced a bill that would add medical insurance to the existing old age insurance. After the first year, the cost of this program would be $1.5 billion. Thus the two programs are approximately of the same size.

But between the two programs there is a basic issue of principle. On one side are the President and his advisers. On the other side are the preponderant mass of the Democrats and also a considerable minority of the Republicans led by Governor Rockefeller. They differ essentially on how the program shall be financed.

Shall it be financied by compulsory insurance, which means that throughout a person's working life he and his employer will be taxed to provide an insurance fund for his medical needs when he is retired and is no longer earning an income? This is the principle of the McNamara bill in the Senate, as it was of the Forand bill in the House, and it has the support of the leading Democrats and of Governor Rockefeller.

Or shall the program be financed, as the administration proposes, by charitable doles to the very poor, paid for out of compulsory taxes collected by the National and State Governments?

For reasons which he has never explained, the President regards compulsory social security taxes as unsound, socialistic, and rather un-American; on the other hand he regards compulsory taxes to pay for doles based on a means test as somehow more "voluntary," sounder, more worthy of a free society and more American.

Under the McNamara bill, medical insurance would be added to the existing old-age insurance system. During his working life, each person covered by the social security system would contribute an additional amount, as would also his employer, to supplement his retirement income to include medical services.

It is true that during the first few years benefits would be received by persons who had not contributed because the system did not exist when they were earning their living. These benefits would be paid for by the younger people. But as the younger people would be buying their own insurance, there is little inequity in this. Nobody will lose anything, although those who are already too old to have been contributors to an insurance plan will benefit. In a few years everyone receiving the benefits will have paid his share.

Why does the President feel so strongly opposed to the principle of compulsory insurance for medical care to supplement the insurance, which already exists, for old age? What is wrong about its being compulsory that a man should insure himself against the needs of his old age? What is so wonderful about a voluntary system under which a man who doesn't save for his old age has to have his doctors and his hospital bills paid for by his children or public welfare funds? There is nothing un-American in the principle that the imprudent shall be compelled to save so that they do not become a burden to their families and the local charities, so that they can meet the needs of their old age with the self-respect which comes from being entitled to the benefits because they have paid the cost out of their own earnings.

The President has been led to think, he says, that compulsory insurance is "a very definite step in socialized medicine." Why? In a system of compulsory insurance the Department of Health, Education, and Welfare, which would administer the program, could and should use as its agents private organizations like the National Blue Cross Association in negotiating with hospitals and nursing homes and in dealing with claims and complaints. The system would be financed as insurance. But it would be worked not by a new Government agency but by the kind of private voluntary association which the President otherwise believes in.

In this connection it is interesting to remember that in the early 1930's when voluntary health insurance plans were inaugurated, our old friend, the American Medical Association, was declaring that they were communism and socialism and socialized medicine. Today, the American Medical Association is pointing to these same voluntary insurance plans as the solution of our present needs and the proper alternative to compulsory old age medical care insurance.

Among the opponents of medical insurance there seems to be a vague and uncomfortable feeling that it is a newfangled theory, alien to the American way of life and imported, presumably, from Soviet Russia.

The Founding Fathers were not subject to such theoretical hobgoblins. In 1798 Congress set up the first medical insurance scheme under the U.S. Marine Hospital Service. The scheme was financed by deducting from seamen's wages contributions to pay for their hospital expenses.

If that was socialized medicine, the generation of the Founding Fathers was blandly unaware of it.

CITATION OF HUMBLE REFINING CO. FOR EXCELLENCE OF STANDARDS IN OPERATION

Mr. CASE of New Jersey. Mr. President, it is particularly gratifying when a leading American industrial organization furnishes proof of the excellence of its standards in operation. Such a distinction has just been achieved by the Esso Standard Division of Humble Oil & Refining Co., as evidenced by an award of the Special Citation of the Public Health Service. Particularly noteworthy is this recognition because Esso received the award for the fourth time, and the third consecutive year.

The Special Citation represents one of the Government's top awards for excellence in sanitation, and was presented to John D. Rogers, General Manager of the Esso Standard Division, by Wesley E. Gilbertson, Chief, Division of Engineering Services of the Public Health Service, at a ceremony in the New York Yacht Club, New York City, on Tuesday, June 7, 1960.

Mr. Rogers, who, in addition to other important connections, is a member of the Board of Directors of the American Merchant Marine Institute, has long since demonstrated his interest in elevating standards connected with the maritime industry. His fellow members of the Esso Standard Division have combined their efforts successfully in achieving the most desired results. How well they have acquitted themselves is demonstrated by the fact that each of the 39 tankers of the Esso Standard Division achieved a rating of 95 or higher on an official PHS inspection involving 166 separate items of sanitary construction and maintenance.

The previous citations to the Esso Standard Division were awarded in September 1955, June 1958, and March 1959.

Tankers of Esso call at all Atlantic and gulf coast ports and at river ports along the Mississippi and Ohio Rivers.

THE PHILOSOPHY OF COMMUNISM

Mr. MURRAY. Mr. President, I have been reading with great interest a lecture on "The Philosophy of Communism" delivered at Gonzaga University in Spokane, Wash., by the Reverend Francis J. Conklin, S.J.

Father Conklin's lecture is so illuminating that I believe it should be brought to the attention of all Members of the Congress. Therefore, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the lecture was ordered to be printed in the RECORD, as follows:

The works of Karl Marx and Friedrich Engels have been read and reread, quoted and misquoted, understood and misunderstood for over a century. In this series of lectures we hope to provide the student with a background so that the works of Marx and Engels may be read with understanding. There is no substitute for direct contact with these original works. But this reading may be facilitated by a knowledge of the context in which the writing was done. Our purpose is to supply footnotes, so that the student will not have to stop every few minutes and seek a point of reference.

During the course of these lectures our main emphasis will be upon Karl Marx because Marx is more difficult to understand and once Marx is understood, Engels is quite easy to grasp. By reading their works you will ascertain what Marx and Engels said. So far as is humanly possible we want you to know why they said what they did say. To understand why we must try to create for ourselves the context of the times in which they spoke. We must endeavor to understand the political, economic and social conditions that existed during the 19th century, because without a clear insight into the times we will be considering the statements of Marx in a vacuum and completely misinterpret them.

We want to know why Marx and Engels chose to solve the particular problems that occurred to them, and why they gave the specific solution to these problems that has become associated with their names.

Marx lived from 1818 to 1883, Engels from 1820 to 1895. The major political events which shaped their early lives were the French Revolution, the era of Napoleon, and the age of Metternich.

Bureaucratic redtape, corruption, injustice in the law and the courts, heavy and badly distributed taxes—all these things helped to bring on the French Revolution. For example, salt, pepper, and even alcohol were taxed—and the alcohol tax in France is equivalent to a tax on water in this country. At the basis of the Revolution, too, lay a fundamental class conflict and concomitant—absence of distributive justice. Classes in France were stratified into a higher clergy and noble group which enjoyed all the benefits although it included only about 1 percent of the population. The rising class of the bourgeoisie, eager to participate in the benefits enjoyed by those born to rank and title, constituted the bulk of the middle class. Most of the burdens of society were borne by the peasants and lower clergy. It was truly the best of times and the worst of times.

We must rely upon your general knowledge of history for more background and details regarding the French Revolution. However, we must emphasize some of the effects of that Revolution which influenced all life in Europe and colored the thinking of the entire 19th century.

After the first half of the Revolution a fear of violence swept through all civilized countries. This was a natural reaction to the rivulets of blood sinking into French soil. Seemingly as a direct consequence, the ideals of the Revolution; leberte, egalite, fraternite crystallized in a new and different form. "Liberty" reared its ugly head in the form of excessive nationalism. "Equality" came to the fore in the form of class antagonism. "Fraternity" joined the two into a patriotism coupled with class solidarity. These concomitant ideals of nationalism and class antagonism had a profound effect upon Karl Marx—since they exerted such a direct influence upon the life of every person living in the 19th century.

The age of Metternich was characterized by political absolutism and absolute conservatism. You will recall that the Congress of Vienna reestabilshed the status quo in 1815. At that time Germany was split into Prussia, predominantly Lutheran; Austria, predominantly Catholic; and an intervening group of 39 small states. In the year 1834 39 of these states formed an economic union called the Zollverein. The very fact that this group of states first formed an economic union before political union was established was empirical evidence for Marx's theory known as historical materialism.

It is interesting to note when speaking of Prussia and the Rhineland that under Napoleon the Rhineland had been much better off than it was under Prussian domination. Marx was born at Treves in the Rhineland. In this same area the University of Jena was located and here the more radical thinkers found a home. This was in contrast to the University of Berlin where ultraconservatism and ultraorthodoxy held sway.

The political picture is incomplete without a consideration of early 19th century economic conditions. The economic factor is the industrial revolution. We must go to England to really see this revolution in action.

England had the banks and capital: England had the maritime fleet. England had

the coal and iron. Consequently, the commercial expansion in England was absolutely fantastic when their resources were coupled with the mechanical use of power, brought about by the new inventions.

The new industrial civilization received a tremendous impulse from the formation of the first limited liability corporations in 1830. Prior to that date a person who owned even an infinitesimal portion of a large business could lose all he possessed if the business fell into the hands of creditors. This older rule of the common law tended to freeze assets in extremely safe enterprises and stifle economic growth. However, Marx will point out that laws change according to the economic needs of a given culture. This limited liability law—the parent of true capitalism—is a clear case in point. Henceforth, the stockholder's liability is limited by the amount of his investment. The stockholder need not fear his diversified chattels, real and personal, will be attached in bankruptcy proceedings against a company he partially owns.

The industrial revolution mechanized agriculture, industrialized civilization, and created new and unheard of wealth. But all was not sweetness and light. The same revolution produced some seemingly insoluble problems. One economic problem of prime importance is the cyclical nature of the new business world. Incidentally, one set of statistics proves beyond doubt that capitalism flourishes best in time of war; another set of statistics proves with equal certitude that capitalism achieves its peak in times of peace. Whether in war or peace the capitalist system goes along in cycles: Boom and bust in the more robust terminology of the thirties; boom and recession in the emaciated terminology of the present day.

The solution for this cyclical pathological condition of the free enterprise system has been sought in economic nationalism; colonial imperialism and international imperialism. Each remedy has at one time or another been pushed to its logical conclusion—and has terminated by creating more problems than it solved.

Economic nationalism is a psychopathic patriotism pushed into the field of economics. It is characterized by such inane statements as "my country right or wrong—but right or wrong my country." Economic nationalism did far more to start World War I than the murder of a dozen dukes or archdukes. And at Versailles the big powers skillfully disected central Europe into a group of economically impossible territories. Excess patriotism completed economic chaos which the statesmen had set in motion by their unrealistic divisions of natural resources. Thus the same nationalistic fears and prejudices which retarded the natural economic growth of France and of all Europe, served to make France a great power on the Continent by confining the economic development of other portions of Europe within impossible limitations—until Hitler toppled the house of cards.

Colonial imperialism simply means the seeking out of backward or defenseless areas as a dumping ground for the products of home industry and a cheap source of raw materials. The outstanding examples of this practice are British imperialism during the 19th century and Russian imperialism since the end of World War II.

For the selfish few who are fortunate enough to be in the right place at the right time, capitalism provides the opportunity to practice international imperialism. This simply means that my country is where my profit is. In a war I will not hesitate to sell goods to both friend and foe because, like a true capitalist, I am solely interested in the profit motive. During World War II the Bofors gun, manufactured in Sweden, was sold to the United States to arm the American merchant fleet, but the high profits of this transaction went to certain prosperous Germans. Another good example is the fact that during the Korean War certain MIG aircraft piloted by the Chinese Communists were powered by recently purchased Rolls-Royce engines, although British soldiers—at least, a few—were being killed by these same Chinese Communists.

We must pass along now to the social effects of the industrial revolution. One extremely important social effect was the existence of a true class conflict between the capitalists or owners, and the workers or proletarians. In the United States we do not have, and have never had, this division into classes which exists in Europe. There is no proletariat in America such as exists, for example, in the famous red belt surrounding Paris to this day. And that is why it is very difficult for Americans to understand what is meant by a class and by class solidarity. Perhaps it will be clearer if we try to realize that even in America there is a type of class consciousness that is a part of the human need to belong. Every normal human being needs identification with a group. This is a psychological expression of the phrase "man's social nature." When the Irish first came to this country religion was a matter of class consciousness or class solidarity. Through their religious affiliation the individuals belonged and were identified with a larger group. Many of the Irish abandoned their religion when it seemed to them that they had to do so in order to find identification with the more prosperous peer group of predominantly Protestant Americans. In 19th-century Europe, this very human need "to belong" took the peculiar economic identification of two real classes; society was divided and Marx had sound empircal evidence for his theory of class struggle and warfare.

Another important social effect was the population concentration in the cities. In 1848 over 1 million Irish people came to England and crowded into the cities to create a true population surplus. There were more people than could possibly find work. As a result, wages were held at an absolute minimum.

If you read the recent articles in Life about people moving west you will see that some of the people, in fact, a good number, were tied down to jobs they hated on the east coast but could not move west because they simply could not afford it. And the same is true today. For a similar reason, many could not come to this country because they were locked into a system and had become wage slaves.

To understand what is meant by a wage slave, diagramatically juxta-pose the owner; the worker and the factory. The worker goes to the factory and there obtains a wage, from the owner. This wage must be spent primarily for food, clothing and shelter. In many places, the food had to be purchased in the company store, the clothing was purchased at the company store, the only shelter available was in company owned houses. As a result, the wage of the worker went directly back to the owner. The worker was locked inside the system. There is no escape because everything the worker does binds him closer and closer to the owner and the hated factory.

Concomitant with the population surplus and wage slavery arose the slums. Financially slums are a very good investment because all money acquired as rent is pure profit. There is no overhead. Physically, morally, and socially the slums were a spawning ground for disease. Organized crime grew apace with sporadic outbreaks of teenage violence—it was only in the 20th century that the perpetrators of teen-age crimes became delinquents instead of felons. Elementary sanitation, pasturization, refrigeration—all were unknown and unknowable in such an atmosphere. For one example, the infant mortality rate in England was 57 percent of children under 5 in 1 year. All of these elements compounded to make the lot of the average worker absolutely desperate and intolerable.

Child labor was another statistic. In 1848 in England 400,000 factory workers were employed. There were 250,000 women and 112,000 children (under 18).

Both Marx and Engels keenly appreciated the dignity of man and they knew intuitively that man was not created to suffer in such degraded conditions. To view the 19th century through their eyes you must read Engels' book "The Condition of the Working Class in England in 1844." Once you appreciate these conditions you will understand why Marx and Engels thought the way they did—although you may not subscribe to their views.

We will next turn our attention to certain English common law rules and traditions. Up until the 19th century the local parish or county had the obligation of providing food for the poor. However, this system was under constant attack. Back in 1704 Defoe published a booklet in which he maintained that giving alms to the poor was no charity and employing the poor was a grievance to the nation. Defoe's solution was to let the poor starve.

More important was preacher Mandeville's "Fable of the Bees": The poor have nothing to stir them but their own wants, which it is prudent to relieve but folly to cure. What he is saying is this: the poor need the motivation of starvation in order to keep them working and pressing forward producing food for society. It is prudent to relieve their starvation because this lessens the danger of violent outbreak in revolutionary form. But it is folly to cure these wants, because for society to be happy it is necessary that great numbers be wretched as well as poor.

In 1785 Townsend published his famous "Dissertation on the Poor Laws": hunger is the natural motive for work, consequently, men must be kept hungry or they will not work.

In 1834, shortly prior to the time of Marx, the famous Poor Law abolished all grants in aid of wages and created the workhouse for those who were in debt. The prevalence of these individualistic and antihumanitarian social views will partially explain the revolutionary fervor of Marx and Engels. And, incidentally, it is only by understanding these trends of thought that we will gain an appreciation of our own precious constitutional and statutory provisions.

Moving along now—it would be impossible to understand Marx and Engels without summarizing the views of certain social thinkers who preceded them. For convenience, we begin with Descartes. You will recall that Descartes divided mind and matter into two watertight compartments. The dichotomy was complete. There could be no intercourse between the two radically different substances—or substantial principles.

Those who choose to emphasize mind in the Cartesian system stress the power of the human intellect. In this regard we speak of the angelism of Descartes because Descartes tried to make man think like an angel. This human pride greatly contributed to the age of enlightenment in which human reason was made the measure of absolutely everything.

No individual trend in the history of philosophy survives for very long. The reaction to Cartesian angelism was a materialism; the reaction to the enlightenment was Jean Jacques Rousseau. Rousseau personified a romantic, sentimental chaos. For him the natural state of man was a pre-Adamite

paradise, an ideal state in which dwelt man, the noble savage. The unrestrained freedom of this paradise has been limited by social contracts which men enter to form society. As anyone can see, the stability of the present social situation demands the creation of laws. These laws should arise from the will of the majority. (We often fail to realize that the will of the majority can be as tyrannical as the will of any individual despot.)

Thus, the pendulum of social thought swung between rationalism and romanticism for a century before the immediate predecessors of Marx and Engels.

We come next to St. Simon who taught that the ruling class was expendable and that a new society must come into existence founded not on class distinction but upon brotherhood. St. Simon's argument ran thus: if you kill off the best people in France, i.e., the ruling class, it will not make too much difference because in a few months another ruling class will have come into existence. But if you kill off the intellectual class—the three or four hundred of the most intelligent people in France—it will take a half century or more to replace them. In a word: the ruling class is expendable.

Next comes Fourier. In his desire to make labor attractive Fourier is strongly seconded by Robert Owen. Robert Owen, the capitalist with a social conscience, looked upon environment as the source of all social problems. Against the bitter opposition of other manufacturers in England, Owen worked for good food, cleanliness, a shorter day. He tried to outlaw child labor and to decentralize the economy so as to solve the problem of the overburdened cities. For his attempts at reform and his audacious method of turning a better profit while bettering working conditions, Owen earned the bitter enmity of the better people and it was only at great personal expense that he was able to create small areas where some of his ideas could be put into practice.

The more radical social thinkers are headed by Cabet, the first to speak of a revolution which will terminate in a type of communism. This communism simply means that each will work according to his abilities and receive according to his needs. Yet, in Cabet's communal Utopia the political state will own and control industrial property.

Cabet is followed by Blanc. For Blanc, the only adequate social solution must entail the destruction of competition because competition has produced all the social evils which afflict mankind. The rule of fraternity must establish itself in workshops where men will work together in peace and harmony.

Finally, there is Blanqui, an anarchist in his own highly individualistic way. Blanqui is the first to insist that the fundamental social struggle is not a political struggle but a clash of the poor and the rich. In bold terms Blanqui advocated conspiracy, force, and violence as the indispensable means for solving the current economic and social problems. Perhaps Blanqui influenced Lenin more than Marx and Engels.

We come now to the last major topic we wish to discuss in this lecture: the idea of inevitable progress which permeated the 19th century. Optimism and materialism were intuited, self-evident principles for the prominent spokesmen of that era. Somehow, the inevitable force of evolution would solve everything. Where did this idea originate?

If we reach way back in history we will find evidence of such a concept in the millenialism of Joachim of Flora. But Giovanni Vico seems to have been the first to suggest that progress is an inevitable law of history. But the impact of this idea cannot be explained by the power of suggestion of prominent thinkers.

Around the year 1750 De Buffon not only said but proved that the earth's surface had changed. From a thorough study of fossils he showed that the earth as we see it now is completely different from the earth which existed a few years ago. Up until this date, it has been intuitively assumed that the earth as seen was the same as when it came from the hand of God at the moment of creation. The existence of fossils and their import refutes that premise and gives man a new view of the world in which he lives. We take this new view for granted—as a "given." But we must remember that the contrary view was just as self-evident a "given" 250 years ago.

Hutton proved that powers natural to the globe are the forces which caused the changes. There has been no continuous process of annihilation and creation on God's part. The natural forces which exist upon the earth have shaped this planet the way we find it.

Cuvier startled the world by proving that living organisms have developed since the days of the fossils. This indicates that the sacred process of life itself is subject to gradual development. The present living things which inhabit the world have not come directly from the hand of God but have slowly developed over the centuries.

To explain why this development of living organisms occurred, Lamark proposed a double hypothesis: new organisms arise as they are needed; these acquired characteristics are inherited. Thus, the giraffe gets its long neck by stretching up to the tender leaves at the top of trees when the leaves are gone at the base. The giraffe that first stretched its neck passed on this acquired characteristic to its progeny.

Then came the nebular hypothesis of Leplace. Partially in agreement with Kant, Leplace proposed that the present solar system evolved, not immediately from the hand of God, but from a primordial nebula—a cloud of gas. Unfortunately, Leplace is probably equally famous for his remark: "God, I have no need of that hypothesis." In his own way Leplace was a pious, religious man. Yet, he directed a crack at Newton's proof of God from local motion because Newton's "proof" didn't prove a thing—to the dismay of all respectable deists. Such was the import of Leplace's remark: "God, I have no need of that hypothesis." Be that as it may, Leplace's nebular hypothesis constituted a landmark in the history of scientific atheism because it extended a materialistic explanation of the world to the very boundaries of the universe.

In 1828 came Wohler, who synthesized organic urea. You will recall from your chemistry that organic and inorganic chemistry were originally separated on the premise that organic products could come only from living beings. By synthesizing organic urea Wohler had seemingly created life itself. Thus, the last metaphysical impossibility had been overcome—the living had been artificially created from the nonliving.

By way of parenthesis: there are still certain schools of philosophy—both Catholic and non-Catholic—for whom the artificial creation of a living cell would create insurmountable obstacles. For them the production of a life from a synthesis of inorganic materials would be metaphysically impossible for strictly a priori reasons. Other reputable philosophers do not share this self-evident intuition and regard the production of living from nonliving as extremely difficult, but probable—not "metaphysically impossible" in the pristine vigor of that phrase.

Returning to our story: next came Von Baer, who discovered that human beings evolve from an egg, and that human development parallels animal development from tiny egg to full adult. Schwann and Schleiden discovered individual cells and showed that these cells have their own individual life.

What we must keep in mind is that this whole scientific development gave impetus to the basic idea and seemed to provide empirical proof that material progress is inevitable. This is extremely important if we are to understand the 19th century. If we grasp this truth we will understand why Darwin was able to capture the imagination of the century, not by his significant contributions in biology, but by telling how and why evolution occurs. Darwin points to "natural selection" popularized as "survival of the fittest."

Incidentally, if the student is familiar with the propaganda issued by the more vociferous advocates of free enterprise and the American way of life (whatever that is), it is not too difficult to see the connection between Darwin's theory and the social policy of certain early captains of industry. Of course, as anyone knows, radically free enterprise in this country is as dead as the Java giants but more than one economic giant has achieved its position of power and dominance according to Darwin's theory of natural selection.

Given the context of the times it is no wonder that Marx, Engels, and nearly every other thinker in 19th century Europe was carried away with the vision of inevitable progress. The social chaos in which they lived was partially responsible for this hope of a better life in the future. In a word, to understand their thoughts we must understand the times in which they lived. This is the whole burden of this first lecture. To understand Marx and Engels we must see them as they saw themselves; we must look at problems as they looked at them; thus, we will see why they thought the way they did; why they tried to solve the specific problems they were attempting to give solutions for; above all, why in trying to give solutions for these problems they gave the specific solutions they did.

If the student truly understands the works of a great thinker there is no longer a need to oversimplify and refute that person.

INTELLIGENCE AND NATIONAL SECURITY—SUBCOMMITTEE REPORT

Mr. JACKSON. Mr. President, from the time it was established almost a year ago, the Subcommittee on National Policy Machinery has been making a nonpartisan study of the problem of relating intelligence activities to our overall planning for national security. Recent events have focused public attention upon this matter.

The subcommittee has agreed that a constructive purpose can now be served by setting forth certain cardinal principles which must govern a free society's use of intelligence activities.

They are contained in a unanimous report released today.

In identifying these principles, the subcommittee has devoted a portion of its series of hearings to seeking counsel of ranking Government officials, past and present. In addition, the subcommittee has consulted with representative intelligence experts and other distinguished Americans.

Mr. President, I ask unanimous consent that the subcommittee report on "Intelligence and National Security" be printed in the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INTELLIGENCE AND NATIONAL SECURITY

(Report submitted to the Committee on Government Operations, U.S. Senate, by its Subcommittee on National Policy Machinery, Senator HENRY M. JACKSON, chairman, pursuant to S. Res. 248, 86th Congress)

INTELLIGENCE AND NATIONAL SECURITY

For almost a full year, the Subcommittee on National Policy Machinery has been making a nonpartisan study of how our Government should best organize to develop, execute and coordinate national security policies. The role of intelligence in national security policymaking has been an area of concern from the outset. The subcommittee has received the counsel of ranking Government officials and other distinguished Americans uniquely qualified in this field.

Long experience has established the validity of certain principles governing the relationship of intelligence activities to national security policy.

The future work of the subcommittee will include recommendations, classified where required, for improving the review and coordination of intelligence activities and national security planning. Our work will be guided by the following tested principles:

1. The free world needs intelligence activities to assure its survival. Intelligence is as important as armed strength. In this age of pushbutton weapons, intelligence is more than ever our first line of defense.

2. Intelligence operations are instruments of national policy. They must be subject to effective and continuing higher review and coordination. This includes a weighing of gains against risks.

3. The collection and evaluation of intelligence is a job for professionals. Intelligence organization should be tight, centralized, responsive, and to the greatest possible extent anonymous.

4. Officials who depend upon intelligence must be professional in handling the problems which it raises.

5. The conduct of diplomacy must be insulated from sensitive intelligence operations. Intelligence is a source of information for diplomacy—not a part of it.

6. Public revelation of sensitive intelligence is never a harmless act. It both jeopardizes the normal conduct of foreign relations and compromises the sources of vital intelligence. If public statements have to be made at all, they must be made only in response to overriding national interest and on the responsibility and under the control from the outset of one high authority.

7. The golden word of intelligence is silence. More can be lost by saying too much, too soon, than by saying too little, too slowly.

Recent events have not altered the need for adherence to these principles. They have, in fact, attested to their wisdom.

SALT LAKE CITIZENS ADVISORY COMMITTEE ON HIGHWAYS—LEADING THE WAY

Mr. BENNETT. Mr. President, each State of the Nation faces a tremendous challenge to plan for and meet its highway needs while at the same time maintaining good community relations and cooperation. In my own State, for example, it is estimated that by 1975 there will be 2½ million highway trips a day, every day, just in the metropolitan area of Salt Lake City. To meet this challenge, a 2-year, $500,000 study is now underway to plan highways to meet the city's 1975 needs.

Inevitably, misunderstandings and tensions arise in planning and constructing highways. Engineering plans made without careful liaison with local community leaders run the risk of being summarily rejected, no matter how meritorious they may be. With this in mind, the National Committee on Urban Transportation recommended the creation of Citizens Advisory Committees with the dual role of conveying community sentiment to the highway engineers and, in turn, informing the community about what the studies are expected to accomplish.

Highway planning not only involves engineering, but it also creates social and economic problems. This is where the advisory committee can play an invaluable role. It is important to meet problems as they arise, rather than to let them fester and become open community sores, probably resulting in the death of the highway plans.

To fill this vital community-relations role for the metropolitan area of Salt Lake City, a Citizens Advisory Committee of 22 civic leaders has been formed. The committee has already moved impressively into action.

I received a letter, today, from the Commissioner of Public Roads, Ellis L. Armstrong, who is spearheading the effort nationally to persuade other States to create advisory committees and bring their citizens into the highway planning process. He says of the Salt Lake City cooperative transportation study:

This is the type of community leadership and participation that we are encouraging all across America toward solving our very tough urban growth and transportation problems.

I certainly am delighted to see this type of approach underway. I think the good folks of Utah and Salt Lake City are to be congratulated.

The positive results of our gigantic highway program are staggering, and are often overlooked because of overemphasis of our problems by cynics and others who have lost their perspective. The achievements in Utah under Gov. George D. Clyde, the road commission, and highway leaders such as Taylor Burton, Elmo Morgan, and Ellis Armstrong have been particularly impressive. It is not surprising, therefore, that Salt Lake City should be leading the way with its advisory committee. Other cities can profit by this example.

I wish to commend the 22 members of the committee for their devotion to community betterment, and the State Highway Commission for its leadership.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article, appearing in the June 1960 Street Engineering magazine, entitled "Salt Lake City Leaders Launch Massive Area Transportation Study." It describes the important program now being carried out in Salt Lake City.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SALT LAKE CITY LEADERS LAUNCH MASSIVE AREA TRANSPORTATION STUDY

(By Duane L. Cronk)

(The engineers and planners are uniquely drawing community leadership into an area study which is based on the procedures set up by the National Committee on Urban Transportation.)

On some early Tuesday morning in the spring of 1975, a milkman will turn his delivery truck away from the dairy loading platform and begin a tour that will take him to 175 homes in the northwestern suburbs of Salt Lake City, Utah.

An hour later, a young carpenter's helper will throw his tools in the back of his automobile and start for the job—an apartment project 6 miles south of town.

An insurance company executive will straighten his tie, pull on his coat, kiss his wife goodby and run for the approaching bus.

A housewife will hustle the kids into sleepy action, herd them into the family station wagon and head toward the Wasatch School.

Street engineers in the Salt Lake City metropolitan area know—almost as certainly as anything can be known—that these four average residents of their city will be among literally hundreds of thousands who will—in the course of this one day in 1975—rack up a ground total of 2½ million trips.

How many of those one million trips will be terminated happily—safely and on time?

Not very many, State and local highway engineers predict, if—15 years from today—the citizens of this fast-growing, widely spread out metropolitan area are still traveling on the present street and highway system.

To prevent that possibility, Salt Lake City and its neighboring towns and counties have joined forces in a massive inventory of the metropolitan area's street and highway needs. Officials have assigned almost every highway engineer and traffic expert in the region to some phase of an all-out research operation—an effort that will take 2 years to finish and cost nearly half a million dollars. The objective: To dig out the facts necessary for the wise planning of a metropolitan transportation network capable of accommodating 2½ million trips a day, every day.

That much alone perhaps isn't "hot news" in the highway fraternity. Several dozen other cities around the country are deep in metropolitan area planning surveys, some of the studies covering larger areas and costing twice as much money.

What's "news" about the Salt Lake City study is that the engineers are not going to do the job under wraps. They have gone to the people who will be using the streets and paying the bills, and said:

"Come on in. We need your help."

Most planning engineers want nothing more definitely than to be left alone in the highly technical job of surveying highway needs and developing long-range construction plans. They cringe at the thought of trying to work closely with someone no more knowledgeable about cordon counts, land use, and O. & D. studies than is the average businessman looking over their shoulder. The typical engineer wants to make his planning survey unmolested, draft a neat objective report, hand it to the mayor and say:

"Here are the facts. This is as far as we can go. From now on, it's your baby."

Frequently, too, such studies are conducted in secrecy. Reporters are cold shouldered and told that no one can talk till the study is complete. Ill-founded rumors start to circulate, arousing the suspicions of affected taxpayers. By the time the mayor receives the report, special interest groups are ready to tear it to pieces, the city council is wary of the whole project, and officials would just as soon forget that the subject ever came up.

Thus, city after city has compiled report after report, which now quietly gather dust on file room shelves while their traffic situation worsens.

Recognizing this threat, the National Committee on Urban Transportation, in writing its excellent guide manual "Better Transportation for Your City" recommended that a Citizens Advisory Committee be formed wherever a metropolitan area study was undertaken. Such a committee, NCUT pointed out, could help immeasurably to publicize the merits of an engineering report.

This recommendation has been followed in Salt Lake City. In a personal invitation from the Governor of Utah (40 percent of the State's population is in Salt Lake City and County), 22 civic leaders were asked to comprise a Citizens Advisory Committee. The invitation list included a representative of organized labor, a banker, a housewife, a trucker, churchman, a real estate executive, a representative of the Lions Club, president of a private utility, and the manager of the Union Stock Yards. Committee Chairman, Charles "Tex" Boynton, a successful businessman, was chosen for his working knowledge of traffic flow and highway needs in Salt Lake City. Mr. Boynton operates a fleet of taxicabs and sight-seeing buses. In fact, these 22 men and women represent every conceivable group that might have an interest in fast, safe transportation, as well as speaking for the general public.

Most of these people know very little about traffic engineering. But they personally face congestion daily in the course of their work and recreation. And, watching the tremendous growth taking place in the Salt Lake area, they realize that definite plans must be made to provide for the huge future traffic volumes now in the making.

The committee is willing to let the engineers probe for the facts in their own way, and are eagerly awaiting the results.

This does not mean that they may completely agree with official recommendations contained in the final report. Stated one way or another, this was the consensus of committee feeling:

CRITICAL LAYMAN'S EYE

"We are going to reserve the right to look at the findings through our own eyes. We may be real critical of recommendations which appear to overlook or clash with other important community programs. We will undoubtedly protest findings which threaten to hurt the segments of the community which we represent."

J. Edward Johnston, chief planner for the State highway department and one of the prime movers back of the study, is not upset by these possibilities.

"We know it," he says. "The Governor didn't pick these people at random. He picked them for their knowledge of the community and because they are leaders who are not afraid to express their sentiments.

"We are sure of two things: First, these men and women are intelligent. That means they want to make decisions and plans for the future on the basis of facts. Working so closely to this study will give them a real insight into the traffic situation building up here. They will learn the facts of life firsthand.

"Second," continued Planner Johnston, "these people can take over where we have to quit. There is a stage at which traffic becomes more than an engineering problem. It becomes a social and economic problem. At that stage, these community leaders can—and should—take over and 'sell' some sort of a program to meet street and highway needs in this region."

Of course, public sentiment about highway system development probably will not be crystallized until the study is complete and there is something tangible to consider. But it is expected that committee members will express their personal desires for the general welfare of the community, or in behalf of the special interests of the professional or industrial groups they represent along the way.

"Better we should fight some things out as we go along, than jeopardize the whole report when it comes to a showdown," Salt Lake City officials believe.

Governed by this philosophy, the highway planners have asked the committee members to shoulder two assignments. One of their responsibilities is to carry word of what the study is expected to accomplish and how it is progressing to the groups which they represent; the other is to carry citizen sentiment back to the engineers.

Last month, we visited Salt Lake City for a firsthand look at how such a group is organized and how it operates. In the course of 2 days, we talked with more than a score of civic and business leaders—committee members and other laymen who are watching the transportation survey closely, for a combination of motives: selfish business interest, civic pride, and concern for the health of a community beset with the pains of expansion.

We found members of the new committee delighted for the opportunity to serve in the ambitious undertaking. Many were already deep in the task of developing a publicity program for the study. Here are examples of what these typical members are doing:

Mrs. Jerry Landa, a past president of the League of Women Voters and now an elected member of the Salt Lake City Board of Education, represents women's interests on the advisory committee. Her job: to explain the study and its objectives to the thousands of women who belong to such civic-minded—and powerful—organizations as the Utah Women's Legislative Council, the Salt Lake City Council of Women, the Utah Federation of Women's Clubs, the Business and Professional Women's Clubs, and the League of Women Voters. Most of these organizations have traffic and safety committees. Mrs. Landa is working with these committees to obtain speaking engagements for the highway engineers conducting the study, to distribute literature, to schedule slide presentations, and otherwise to arouse interest in the project.

Gus Backman, executive secretary of the Salt Lake City Chamber of Commerce, and Don E. Kenney, chairman of the chamber's 40-man transportation committee, will keep the business community informed. Both men are pioneers in promoting downtown traffic improvements to preserve the health of the downtown shopping area. Together, they will make the chamber the sounding board for debate on the transportation study and its subsequent recommendations. They are convinced of the need for public support.

"You can be right as rain in your engineering recommendations, but unless you solicit and obtain the backing of downtown merchants, you might just as well quit and go home," Mr. Backman declares.

Allan M. Acomb, purchasing director for the Church of Jesus Christ of Latter-day Saints and leader in local service club activities, will serve as liaison with the community's 35 Lions, Kiwanis, and Rotary Clubs. He is lining up speakers for club meetings, making arrangements for exhibits, and otherwise publicizing the transportation study.

The local press has been invited to follow the whole undertaking closely and newspaper editors have become enthusiastic about the project. Editors showed us nearly 40 news items and feature stories about the study, printed since the study was put underway only 6 months ago.

LOCAL PRESS COOPERATIVE

"You're bound to get good press coverage on something like this where citizen participation is involved," H. F. Kretchman, editorial writer of the Salt Lake Tribune said. "Members of the committee are community leaders; they have a reputation of success in putting other worthwhile projects across; their participation in this study raises the whole undertaking from the level of a strictly engineering project to one of wide community interest."

"That is exactly what we want," Gerald Matthews, veteran highway engineer and manager of the study adds. "Engineers get a little bit tired of 'going it alone' in planning for the future. It's going to be great to have a group of well-informed citizens with us from the very beginning."

The signs are that Engineer Matthews' confidence in 22 nonengineers will be amply justified.

Developing a long-range transportation program to meet the needs of the people who want to make more than 2½ million trips a day—every day—into, out of, around, and through Salt Lake City in 1975 is an engineering challenge. But it is also a challenge to mayors and councilmen, downtown businessmen, and community planners. In the final reckoning, the outcome of the Salt Lake metropolitan area transportation study rests in their hands. If they do their job well a milkman may be able to finish his rounds before sundown, a carpenter's helper may get to work, an insurance company executive may make that bus, and a housewife may get four children to school—safely as well as on time.

Here is one problem the engineers are smart to share—from start to finish—with the citizens of the community they serve.

WHAT'S BEING ATTEMPTED IN THE SALT LAKE SURVEY

Highway and street engineers in America's cities have long been aware of the fact that construction of the much-publicized National System of Interstate and Defense Highways is not going to solve the total transportation problem in most of America's cities—large or small.

However, not many people have actually known how a city could go about starting the comprehensive study necesary to develop a long-range improvement program based on facts.

A few months ago, an organization called the National Committee on Urban Transportation completed a self-appointed task which it has been working on for 2 years—namely, to produce the tools with which an average city can inventory its local street and highway needs and determine where to go from there.

The traffic experts—State, county, and city—involved in the Salt Lake City metropolitan area study are following these procedures. In the course of the comprehensive $500,000 study they will—

Determine the traffic load on every block of city street and every mile of suburban road in the multi-square-mile area and classify them as expressways, major arterials, collector streets, or local streets.

Observe and record the physical condition of every block and mile of these facilities to determine where improvements are necessary, such as widening of roadbeds, addition of drainage, repair of curbs and gutters, rehabilitation of sidewalks, and installation of traffic signals.

Measure existing traffic service to determine traffic volumes, travel time between strategic points, location of accident "hotspots," and parking needs.

Determine the number of trips into, within, and through Salt Lake City, and its suburbs from all directions.

Study present and anticipated use of every block or square mile of land so future traffic patterns may be predicted.

Measure the role of the local bus company in providing transportation service. (In some cities this would include rapid transit and commuter railroads.)

Collect fiscal information necessary for legislative bodies to consider in allocating future funds for transportation improvement projects.

In some respects, Salt Lake City is more fortunate than other large cities. Its settlers, looking far ahead in laying out the original city, allowed plenty of room for expansion. Streets were given 132 feet of right-of-way (wide enough for a team of six oxen to make a U-turn on downtown streets, old-timers report with obvious pride). Most of the arterial street system is in good to excellent condition. A highly professional traffic engineering staff has steadily boosted the city's safety rating.

However, there have been no bond issues for major improvement jobs within the last 20 years and the capacity of much of the 500-mile street and highway plant has been rendered inadequate under the growing traffic load. As everywhere, suburban development is springing up around the city, feeding a heavy commuter traffic flow onto the narrower streets, outside the city, overtaxing their capacity. Traffic volume has tripled since 1946 and will double again within the next 15 years.

Businessmen are feeling the problem in two ways: Customers are drifting away to fringe shopping centers and delivery costs are going up. A local pickup and delivery truck is moving little more than 50 percent of the time on city streets.

Because so much of the total traffic in the State of Utah is generated in the Salt Lake City area, State engineers are playing a heavy role in the study. But traffic experts, engineers, and officials from Salt Lake City and the several surrounding suburban towns and counties are participating directly in the undertaking.

They are agreed that only such a comprehensive approach can solve what is a mutual problem. The adequacy of transportation media throughout the entire area, regardless of city, county, or State jurisdiction, cannot be evaluated independently or improved by piecemeal projects.

Although the study is being conducted under the guidance of two State highway staff engineers (J. Edward Johnston, deputy director for planning, and Gerald Matthews, chief research engineer), its course is guided by an executive committee made up of top officials of all the cities and counties involved.

All of these jurisdictions are represented on subcommittees set up to study administrative, legal, engineering, and fiscal aspects. The objective here is twofold—to safeguard the interests of all the communities involved and to familiarize their engineers with the areawide situation.

Governor Clyde made a point of this purpose in first calling the group together:

"The thing I want to emphasize is that this is your transportation study," he said. "It is not solely designed to locate State highways. It will serve an even more important purpose for locating your city streets and county roads and developing a transportation system that will insure the best land use and the best location of public improvements. It is an opportunity, as I see it, for the various governmental agencies throughout the metropolitan area to obtain the factual data they have needed for a long time to develop a sound transportation plan, and to have available to them the technical assistance needed to translate the plan into an improvement program. Such a plan would be difficult to obtain by their own resources."

Federal funds will pay for most of the Salt Lake City study. Although the traditional matching basis for Federal highway grants is 50–50, the predominance of public lands in Utah reduces the State's matching requirements to only 13 percent. This portion is being met jointly by the State, city, and county.

INVESTIGATIONS BY HOUSE OF REPRESENTATIVES SPECIAL COMMITTEE ON ASSIGNED POWER AND LAND PROBLEMS

Mr. GOLDWATER. Mr. President, some 10 days ago on the floor of the Senate I commented in some detail on the need for revision of our public-land laws. In particular, I attempted to bring to the attention of the Senate the series of investigations which has been conducted throughout the West by the House Special Subcommittee on Assigned Power and Land Problems.

I was, and still am, concerned about the methods employed by this subcommittee in reviewing practices of the Bureau of Land Management in my own State. I questioned the necessity of these hearings into land transactions in Arizona at the taxpayers' expense, while we in Congress have failed to act upon a resolution which would enable a qualified commission to examine the inadequacy of our public land laws and recommend changes.

Mr. President, I review my previous statement, so that I may be able to comment now on developments since my remarks of June 3.

At the time when I brought to the attention of my colleagues these subcommittee probes into Arizona land transactions, the Department of Justice already was conducting its own investigation into charges that were made during the subcommittee's hearings in Phoenix. Under review by the Justice Department was the so-called Stegall-Lawrence exchange, one of three transactions which received a great deal of publicity during the Phoenix hearings.

In view of the accusations that were bantered about as a result of the subcommittee's investigation, I believe that the finding of the Justice Department in this particular case is deserving of special note.

In reporting to the Department of the Interior, the Department of Justice said:

> The inquiry conducted by the Federal Bureau of Investigation into alleged irregularities in the filing and processing of this land exchange application has now been completed. That investigation has developed no evidence of the use of "tainted" appraisals in the negotiation of the Lawrence-Stegall land exchange or otherwise disclosed evidence of possible violation of the Federal criminal statutes. Accordingly, the Department is closing its file on this case.

Mr. President, I want to make it perfectly clear that I do not question in any way the right of congressional inquiry. Having served on select committees, I know very well the importance of such investigations to elicit information in the public interest. However, I believe it was no coincidence that investigations and vague charges about the operation of the Bureau of Land Management should reach their height during an important election year. If such investigations are to be made, I feel it is necessary to bring all the facts before the public; and that is my purpose in commenting on the Department of Justice report today.

I want to reiterate that I recognize the problems faced by the Department of the Interior in carrying out its operation under outdated public land laws. I suggest that Congress move to correct this, not through the airing of charges and countercharges by investigative subcommittees, but by sound legislative processes.

Mr. JOHNSON of Texas. Mr. President, has morning business been concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ADJUSTMENT OF COMPENSATION OF CERTAIN FEDERAL OFFICERS AND EMPLOYEES

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I do not know who has amendments to this bill, but we are hopeful we can get action on it today, and I suggest that the attachés on both sides of the aisle notify all members of the committee and all absent Senators who may have an interest in the bill that we are going to proceed to the consideration of the Federal and postal employees pay bill. It affects a good many people, a good many little people, a good many people who need the assistance provided by this bill, and I hope all Senators will give their careful attention to it, because, if they remain in the Chamber, we can act much more expeditiously.

Mr. President, I suggest the absence of a quorum, so that all interested Senators may be present.

The PRESIDING OFFICER. Does the Senator from Texas request from what time it shall be taken?

Mr. JOHNSON of Texas. I request that it be taken off time on the bill.

Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that the time be taken from the time allotted to the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE BRANCH APPROPRIATION BILL

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. When was the legislative branch appropriation bill reported to the Senate?

The PRESIDING OFFICER. The bill was reported yesterday.

Mr. JOHNSON of Texas. Are the reports available to Members?

The PRESIDING OFFICER. The bill and the committee report are at the desk.

Mr. JOHNSON of Texas. I ask the clerks to see that copies are distributed to Members, so that they will be available.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJUSTMENT OF COMPENSATION OF CERTAIN FEDERAL OFFICERS AND EMPLOYEES

The Senate resumed the consideration of the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

Mr. JOHNSTON of South Carolina obtained the floor.

The PRESIDING OFFICER. Does the majority leader yield time to the Senator from South Carolina?

Mr. JOHNSON of Texas. Yes, Mr. President. The Senator from South Carolina, as chairman of the Committee on Post Office and Civil Service, will control the time on the bill in my absence, and may yield time as he desires.

I commend the Senator from South Carolina for the fine job he has done. He has been one of the most fearless friends of the public servants of America. He is one of the most distinguished and able Members of this body. I congratulate the Senator for the excellent work he has done on behalf of the public servants of this country.

Mr. JOHNSTON of South Carolina. I thank the majority leader for those kind remarks. Of course, I have done nothing other than what I thought was right and just for the majority of our Federal employees.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. JOHNSTON of South Carolina. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 10 minutes.

Mr. JOHNSTON of South Carolina. Mr. President, I doubt that anyone in this Chamber is unfamiliar with what is at stake in this matter. The question of a pay raise for our Federal employees has been the subject of discussion both here and in the House for many, many weeks. It has been discussed in the newspapers and on the air. The time for discussion is almost past. The hour for action has arrived in the Senate.

Mr. President, early in the present session more than 80 pay bills were introduced in the House calling for increases ranging up to 26 percent. As hearings were held in the House and in the Senate, adjustments were made first in one area and then in another. Finally, there evolved agreement among the majority, at least, that the rate of increase should be somewhere between 7 and 10 percent. Many felt that a larger increase was justified, but in their desire to see Federal employees receive an increase, they adopted a realistic approach to the matter.

Early this week, the House was prepared to act under a discharge petition which had been signed by 219 Members on a 9 percent bill. In an effort to reduce the area of difference, the House committee the day before yesterday morning adopted an amendment scaling down the increase to 7½ percent. Almost simultaneously the Senate Committee on Post Office and Civil Service approved and favorably reported to the Senate S. 3672, providing a similar increase.

Thus, we have before us H.R. 9883 and S. 3672, identical bills providing a 7½ percent across-the-board increase to: (a) Some 535,000 postal employees; (b) 980,000 employees subject to the Classification Act; (c) 8,100 employees under the Foreign Service Act; (d) 19,300 in the Department of Medicine and Surgery in the Veterans' Administration; (e) 15,000 employees in the agricultural stabilization and conservation service; (f) 5,000 employees in the judicial branch; and (g) 7,500 legislative employees.

Mr. President, as I indicated, this is a 7½ percent across-the-board bill with two minor exceptions as follows:

First, a 7½-percent increase in grade 18 of the general schedule of the Classification Act would have raised the rate to $18,815. The bill holds the salary of these positions to $18,500. This was done in order to prevent overlapping with positions subject to the Executive Pay Act.

Second, in addition to the 7½-percent increase, an additional $5 has been added to the base rate and the annual increments in the lower six levels of the postal field schedule with a similar adjustment in the rural schedule so that rural carriers will continue to receive the same rate of pay as city carriers with whom their pay has been alined in the past.

In addition to the pay features of the bill already mentioned, the measure has three additional provisions as follows:

First, it amends the Federal Executive Pay Act of 1956 so as to give the legal adviser, solicitor, or general counsel of an executive department (excluding the Department of Justice) the same standing and pay as an assistant secretary.

Second, it creates in the Department of Health, Education, and Welfare the position of Administrative Assistant Secretary. Such a position now exists in the other executive departments.

Third, it adds 5 supergrade positions to the 20 such positions now established in the Interstate Commerce Commission for a total of 25 supergrade positions in this agency. The number of supergrade positions given to the Civil Service Commission for allocation to the various agencies is reduced by 20 because of the direct allocation to the Interstate Commerce Commission made by this bill.

World events of recent days give this measure added importance. The employees whose pay would be adjusted consist not only of our postal workers but include the scientific, professional, technical, and administrative personnel engaged in the execution of our defense program. These employees are engaged in the performance of over 15,000 different occupational skills in almost every area on the face of the globe. Less than 20 percent of the total who would benefit by the bill are located in the Washington area. The other 80 percent are stationed in every hamlet in the Nation and in the most remote outposts of the world. These employees are dedicated workers. The jobs they are performing are necessary to our national welfare. The Congress would be derelict in its duty if it failed at this time to see that they receive their just rewards.

In conclusion, it is my hope that the Senate will accept this measure by as overwhelming a vote as it was passed in the House yesterday, and that vote, may I remind you, was 378 to 40. Incidentally, on a motion to scale down the increase from 7½ to 5 percent, the vote was 324 to 90. In light of this, let there be no one proclaim that every avenue has not been explored and considered.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point in my remarks brief excerpts from the report of the committee which appear on pages 1 and 2 thereof under "Purpose," "Salary adjustments," "Executive positions," and down to "Summary of major provisions."

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of the bill is twofold:

1. Title 1 provides a 7½-percent salary increase for employees in the executive, judicial, and legislative branches of the Government.

2. Title 2 authorizes the establishment of certain additional supergrade positions and adjusts the relative relationship of a limited number of existing positions in order to maintain a proper balance in the areas concerned.

SALARY ADJUSTMENTS

Title 1 provides a general increase of 7½ percent in the pay of approximately 1½ million employees in the executive, judicial, and legislative branches of the Government. The bill carries out the traditional practice of treating these employees alike in matters of pay.

The employees whose pay would be adjusted by the bill consist of our postal workers and the scientific, professional, technical, administrative, and clerical personnel required to perform over 15,000 different occupational skills essential to the performance of the varied and farflung functions of the Government. Less than 20 percent of the total are employed in the Washington area. The other 80 percent plus are employed in every State and county of the Nation and in many faraway outposts of the world.

The hearings held on this portion of the bill established conclusively that the compensation of the Government's white-collar employees has not kept pace with that of comparable employees in private industry.

Competent testimony was presented during public hearings on this portion of the bill to the effect that—

1. The Government is losing an alarming number of career engineers, scientists, and professional personnel to private industry because of an unfavorable competitive position with respect to compensation.

2. The most highly skilled are leaving the service and replacements are below the quality needed to maintain the standard of service desired.

3. More than a desirable number of employees—particularly postal workers—find it necessary to hold a second and even a third job in order to make ends meet.

4. Currently, one out of every six electronic, mechanical, and aeronautical engineering positions is vacant and similar shortages exist in other occupations.

5. Postal workers in our major cities (where most of such workers are concentrated) have fallen behind workers of comparable skills in private industry.

In light of these and other facts of an equally shocking nature, some members of the committee believe a higher increase than that provided by the bill is fully justified. However, in the interest of harmony and in the belief that an increase of modest proportions would stand a better chance of quick enactment, the 7½-percent across-the-board amount was agreed to.

EXECUTIVE POSITIONS

Title 2 makes three changes in the alinement of executive positions of the Government as follows:

1. The chief legal officers of the executive departments are given the same standing as assistant secretaries. As a result of this change, the salary of these officers would be increased from $19,000 to $20,000 a year.

2. The position of Administrative Assistant Secretary is established in the Department of Health, Education, and Welfare on the same basis as it exists in the other departments.

3. Five additional supergrade positions are authorized to be established in the Interstate Commerce Commission, which together with the 20 they now have will make a total of 25 such positions.

GIRLS' HIGHLAND BAGPIPE BAND OF IOWA

Mr. HICKENLOOPER. Mr. President, will someone yield to me about a minute and a half? Are we under a limitation of time?

The PRESIDING OFFICER (Mr. KEATING in the chair). The Senate is proceeding under a limitation of time.

Mr. DIRKSEN. I yield 2 minutes to the distinguished Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I am fully aware of the rules of the Senate, which I do not wish to transgress, and I shall not transgress them this morning. I know it is against the rules of the Senate to introduce anyone in the gallery, so I shall not attempt to do so. I merely inform the Senate that sitting in the gallery today at this time is a group of young folks of whom we in Iowa are justly proud.

We have a famous Girls' Highland Bagpipe Band, which has a history of 20 or 30 years of activity. These young people have made two tours of Europe, and they are now on their way to make a third tour of Europe. I personally am very proud to have them in the gallery today. While I may not formally introduce them under the rule, I call attention to the fact that if Senators will look, they will identify the costumes of these very fine young ladies who make up this band.

The PRESIDING OFFICER. The Chair informs the Senator from Iowa that he has complied strictly with the rules of the Senate.

Mr. HICKENLOOPER. I assure the Chair I would not for the world transgress the rules of the Senate, and I shall bend over backward to keep within the rules. However, this is a matter of national importance, and I think the Senate should be informed of the presence of this distinguished group of youngsters who are here from my home State.

Mr. DIRKSEN. Mr. President, is it a violation of the rule to applaud in the Senate?

The PRESIDING OFFICER. The Chair informs the Senator that regrettably he is required to rule that it is a violation of the rule to applaud in the Senate.

Mr. DIRKSEN. I could ask unanimous consent.

The PRESIDING OFFICER. The Chair assumes that unanimous consent would be forthcoming.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that these young ladies be given a round of applause.

The PRESIDING OFFICER. Is there objection. The Chair hears none. [Applause.]

ADJUSTMENT OF COMPENSATION OF CERTAIN FEDERAL OFFICERS AND EMPLOYEES

The Senate resumed the consideration of the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

Mr. CARLSON. Mr. President, I ask if the minority leader will yield me some time on the bill.

Mr. DIRKSEN. Mr. President, I yield 15 minutes to the distinguished Senator from Kansas.

Mr CARLSON. Mr. President, it is with considerable dismay that I enter into a discussion of the pay legislation that is now before the Senate.

During my many years of service in both the House and Senate, I have had an opportunity to propose, support, and assist in securing approval of pay legislation. My record in behalf of the interests of our Federal employees speaks for itself.

It is my sincere hope that the action we take today can consummate in legislation that will give our Federal employees a well-deserved pay increase.

It is my firm conviction that should the Senate approve H.R. 9883 without amendment, it will not become law and our Federal workers, whom I firmly believe are entitled to additional compensation at this time, will suffer as a result.

There are four points about the pending salary legislation which I believe should be made clear.

First, its cost.

The legislation before the Senate has an overall cost of approximately $750 million. In fact, the most precise estimate that can be made after the hasty action of the two committees in recommending this legislation is $746 million.

It should be made clear as to how this amount of money is distributed among the employees.

The cost for employees paid under the Classification Act is $452 million. The cost attributable to the Postal Pay Act is $252 million. The cost for the Department of Medicine and Surgery in the Veterans' Administration is $12,400,000. The cost for the Foreign Service is $8,600,000. The cost for the legislative and judicial branches is $5½ million. The final element to be brought into the cost picture results from a provision in the bill which establishes new pay scales for some 15,000 individuals who perform certain duties in connection with the agricultural conservation and stabilization program. The cost of this action is $15,500,000.

I think it should be mentioned that the inclusion of the agricultural stabilization and conservation county committees employees will bring all of them under the Civil Service Retirement Act, the Federal Employees Group Life Insurance Act, and the Federal Employees Health Benefits Act of 1959.

These employees are hired by farmer-elected, farmer-composed committees, the members of which are not under Federal appointment. These employees are not supervised by a Federal officer. Their tenure, hours of work, salaries, and so forth are wholly controlled by the farmer-elected committees of farmers.

Second. I want to call the Senate's attention to the fact that this is not, in reality, a 7½-percent bill.

H.R. 9883, as passed by the House, gives an average increase for the postal workers at 8.35 percent, or nearly 8.4 percent.

While this is an overall 8.35-percent increase measure for postal workers, it should be noted that the increases are applied unevenly and inequitably, generally to give the least percentage of increase to employees in the most responsible jobs.

Salary levels 7 and above will receive 7½-percent increase, whereas employees in the top steps of the lower level, levels 1 through 6, receive as much as 8.8 percent.

The first step of these lower levels, employing over 60,000 workers, receives a 7½-percent increase, whereas employees in the top step, whose base salaries are already considerably higher than the employees in the lower steps, and who are performing the same duties, will receive increases of 8.7 percent in level 1, 8.6 percent in level 2, 8.4 percent in level 3, 8.8 percent in level 4, 8.3 percent in level 5, and 8.6 percent in level 6.

The application of higher percentage increases in the lower salary levels obviously serves to decrease the percentage differentials as you get into the first line of supervision, differentials which are already precariously narrow in terms of providing incentive for advancement.

The present difference between the top step of level 6 and the top step of level 7 is 8.29 percent. H.R. 9883 would compress the spread to a 7.55 percent differential. From the standpoint of sensible personnel administration in any competent business enterprise this would be immediately recognized as a drastic step in the wrong direction.

I believe that it is most unwise to enact any kind of pay legislation which does not contain adequate provisions for further adjustment of the Federal pay structure.

In 1945, 1946, 1948, 1949, 1951, 1955, and 1958 the Congress took action to increase Federal salaries. Each time it became more apparent that the Congress is not adequately equipped to keep compensation legislation up to date by

the unsatisfactory device of biennial hearings. At best these produce much replowing of old ground and the creation of an infinite number of distractions and distortion of fact and proper relationships.

I have already indicated that the present legislation completely fails to provide for necessary reform in Federal pay statutes. Further, it does not take into account facts already known about numerous kinds of jobs in which Federal compensation is not out of line. It makes no provision at all for correction of the errors which will be compounded by its own provisions.

Third, I would like to call to the attention of the Senate the minority views reported to the House of Representatives in House Report No. 1636 on H.R. 9883. These views were written before the bill was reduced to the so-called 7½-percent legislation before us but they are equally applicable to the present legislation except for certain of the dollar figures therein contained. I would like to quote from that report.

> The Congress last year provided $500,000 for the executive branch to institute a survey of the salary rates being paid by private enterprise for work similar to that performed by Federal employees. We have been advised by the White House that this information will be ready for use by the end of September of this year. This means that the Congress can adopt a principle for compensating Federal employees that can be reasonably compared with those paid by private industry for work of similar skill and responsibility. Never before has the Federal Government had the data upon which to set such pay. It would appear to us that the fairness and objectivity of this principle should appeal to both the Federal employees and the taxpaying public.
>
> We deny that this is a delaying tactic. We maintain that this is the accomplishment of a new and improved principle in personnel administration which in the long run will be more advantageous to the Government and to the public as well. The executive branch representatives have indicated to our committee that they will be able to present to the Congress early in January 1961 pay scales based on these Bureau of Labor Statistics survey findings.

Mr. President, I regret that this report was not available for study by the Senate Post Office and Civil Service Committee, in order that we might have brought to this body statistics and facts that are badly needed if we are to write just and proper pay legislation.

Fourth, I want to state that I believe a pay increase is justified on the basis of information we have regarding the cost-of-living index and the general inflationary trends.

While I cannot support the present bill, I do not believe—based on the cost-of-living index and the inflationary trends—that we should state that the Federal workers are not entitled to some pay increase before the next session of Congress.

It is my intention to offer an amendment to the pending bill which would provide for a 6-percent across-the-board pay increase. When I do this, I realize fully that this does not correct some of the inequalities and injustices that are prevalent in this bill, but if approved by the Senate it would send the bill to conference between the House and Senate, where I believe it could be greatly improved.

I would not want to mislead anyone into believing that I have any assurance that the 6-percent proposal which I am submitting would be acceptable to the President, but I do make this pledge that if this amendment is approved I will do everything in my power to assure it becoming law.

Mr. JOHNSTON of South Carolina. I yield 3 minutes to the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I regret deeply that I must disagree with my distinguished colleague, the senior Senator from Kansas. The Committee on Post Office and Civil Service did go above, slightly, 7½ percent. We went above 7½ percent in the extremely low grades. We felt that a letter carrier who spends his life in his work, and who after 7 years finally comes up with a gross salary of less than $400 a month, on which to raise a family and educate his family, is entitled to an increase.

The place where the 7½ percent is exceeded is in the case of the lowest pay grades. Obviously, 7½ percent on a low salary is less of an increase than 7½ percent on a high salary.

If we are to limit the 7½ percent on the $15,000 and $17,000 a year positions, then certainly on the $3,000, $3,400, and $4,000 jobs, which are submarginal with today's cost of living, we should go above that limit.

What we mean when we say the bill breaks the 7½ percent rule is that we have added $5 a year in the low stages, so as to give them a little more meaningful raise. The raise for the bulk of the letter carriers, who form the big portion of postal employees in the first grade, will be $310. For the second grade, $330. For the third grade, $350. For the fourth grade, $370.

Mr. President, it seems to me that by putting the extra $5 on the lowest part of the scale, we are only trying to do justice. We do not believe the bill should be criticized because attention has been paid to the substandard incomes of the lower paid postal employees.

The basis and the genesis of the bill has been the longtime, severe suffering which some of the employees' families have endured.

I do not believe the Post Office has advanced a legitimate argument by saying that we should hold everything at the 7½-percent level, and charging that this is an 8.6 percent or an 8.4-percent increase. That percentage applies only to those who are in the lowest paid scales, and not to the highest paid scales.

I believe the bill has been carefully prepared after long hearings. There is a slight difference, of course, in the percentage of pay increase which the distinguished ranking Republican member of the committee proposes—a 6 percent increase—and the proposal before the Senate providing for a 7½-percent increase.

I call attention to the fact that all these increases will be reduced by the 20 percent income tax which will be deducted from the take-home pay of the employees. They will be further reduced by the 6½ percent retirement contribution; and also by the deduction for the health program, which amounts to $12 a month.

Mr. CARLSON. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In each section where "seven and one-half per centum" is listed, it is proposed to reduce the amount to "six and one-half per centum."

Mr. CARLSON. Mr. President, if I may have the attention of the majority leader, would he object to a quorum call without the time for the quorum call being charged to either side?

Mr. JOHNSON of Texas. Let the time be charged to both sides on the bill. We have plenty of time on the bill. I shall be happy to accede to the request of the Senator from Kansas.

Mr. CARLSON. The distinguished majority leader says we have plenty of time. I am not so sure. The bill provides for more than $50 million. That is an amount of quite some size.

Mr. JOHNSON of Texas. If there is any question, we will get additional time.

Mr. President, I ask unanimous consent that there may be a quorum call, the time for the quorum call to be charged against the time on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Does the Senator from Texas suggest the absence of a quorum?

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARLSON. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Kansas yield to himself?

Mr. CARLSON. Ten minutes.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 10 minutes.

Mr. CARLSON. Mr. President, after sending the amendment to the desk, I find it was improperly drawn. Therefore, I ask that my amendment be modified, so as to read in the way I now submit it.

The PRESIDING OFFICER. The amendment as modified will be read.

The amendment as modified was read, as follows:

> Wherever 7½ per centum appears, it be reduced to 6 per centum and a corresponding reduction made in all schedules.

Mr. CARLSON. Mr. President, I offer this amendment because I have a very deep and personal feeling that the employees of the Federal Government are entitled to an increase in pay.

This bill, even with my amendment, will not correct some of the inequalities I have mentioned in my previous remarks. But I believe a 3-percent across-the-board, cost-of-living pay increase can be justified.

That is more than the Bureau of Labor Statistics advised us in the committee the increase in the cost of living has been; the Bureau stated it was 1.6 percent. But after hearing testimony from many of these people, I believe we can well justify a 3-percent increase above the last pay act, that of 1958.

I also feel—based on past history—that in a presidential election year there is an inflationary trend. Present indications are that that trend will develop this year; and I think it might be between 1 percent and 2 percent.

Therefore, I am willing to add 2 percent more to the 3-percent pay increase which I think should be paid, beyond any question, to these Government employees. And to provide good measure, I am willing to throw in 1 more percentage point, thus making a total increase of 6 percent. I am willing to defend that at any time, and that is the reason why I have offered this amendment.

I state frankly, as I have said previously, that I have no assurance from the President that he will sign a 6-percent pay increase bill. But if the Senate adopts this 6-percent amendment, I shall make every effort to see to it that the bill is enacted into law.

I know there are some problems in connection with this pay bill, and I know $580 million is not a small sum of money for us to vote this afternoon.

On the other hand, when we approach this problem from the point of view of the proposed 7½-percent pay increase, such an increase would involve an added cost of $750 million, whereas the 6-percent pay raise which I propose by means of my modified amendment would amount to an additional cost of between $580 million and $600 million.

I realize that the the cost of the amendment I propose will not be small. But, as I have said, my feelings and my sympathies are with these Government employees, who are entitled to a pay increase.

Frankly, I do not believe that House bill 9883, which now calls for a 7½-percent pay increase, will ever give our Federal employees $1 of pay, although they need a pay increase and are entitled to it. That is why I have offered this amendment.

No great amount of debate on the amendment is needed, for I believe everyone knows the facts.

As I have stated, the bill is an overall bill. I would not have written the bill in the way it now stands. But the bill has been passed by the House of Representatives and is now before us for our consideration.

As we go over the various proposals for the various groups, I believe it important that we keep in mind that these items are rather substantial ones. For instance, the cost for the employees under the Federal Classification Act is $452 million. The cost attributable to the Postal Pay Act is $252 million. The cost for the Department of Medicine and Surgery in the Veterans' Administration is $12,400,000. The cost for the Foreign Service Act employees is $8,600,000. The cost for the legislative and judicial branches is $5,500,000.

In addition, we added 15,000 new ASC employees, for the first time in our Nation's history, at a cost of $15,500,000.

Mr. President, it is for that reason that I offer this amendment to reduce the proposed 7½-percent pay increase by 1½ percent, to 6 percent.

If this amendment or a similar amendment is adopted, so we can get the bill into conference, I believe we can iron out, in the conference, some of the difficulties which I believe every fair-minded person will admit should be handled by rewriting some of these provisions.

Mr. CHURCH. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. CHURCH. Do I correctly understand that the Senator's amendment would effect a reduction in the proposed wage increase from 7½ percent, in the overall, to 6 percent?

Mr. CARLSON. That is correct.

Mr. CHURCH. I should like to have the RECORD show that it has been my own feeling that, as regards the postal workers, the case made out before the congressional committees fully justifies the proposed 7½-percent pay increase.

However, as the Senator from Kansas knows, I have strong misgivings about the justification for a comparable pay increase for all the classified civil service. I feel that the evidence brought before the congressional committees fails to bear out a justification for so large an increase for all Government employees.

The arguments which the Senator from Kansas has made in support of his amendment—to the effect that the bill in its present form does not tend to solve, but, rather, tends to compound, many inequities within the present wage structure of the Government—is one which appeals very strongly to me.

I believe that if the amendment of the Senator from Kansas were adopted, we then would have an opportunity in conference to revise the bill, to the end that some of these inequities could be dealt with.

Therefore, despite the fact that I believe the proposed pay increase for the postal workers, as provided in the bill, is justified, the argument made by the Senator from Kansas is persuasive as to the benefits which would be derived from a conference which could deal with many of the inequities which this bill overlooks in the present wage structure.

So I commend the Senator from Kansas for submitting his amendment; and I state to him that, for these reasons, I shall support his amendment.

Mr. CARLSON. I thank the Senator from Idaho. I know of his interest in the Federal Government employees, because we have discussed this matter together. I call his attention to the fact that even with the proposed reduction from 7½ percent to 6 percent in the postal-pay section of the bill, the postal workers will still have 7 percent or better.

Mr. CHURCH. I recognize that to be the case.

Mr. ROBERTSON. Mr. President, will the Senator from Kansas yield to me?

Mr. CARLSON. I yield.

Mr. ROBERTSON. Mr. President, I share the views which have been expressed by the distinguished Senator from Idaho. I am rather familiar with the situation of the postal workers. A number of them live in my hometown and work in my home county. I know they are on the borderline of subsistence. I feel satisfied that even though they have had a number of pay raises, their pay is, in many instances, well below the industrial rates. But they have to compete for a standard of living with the industrial workers in their communities.

Therefore, I was very eager to support a bill which would do justice primarily to the low-income groups in the postal service with whom I am familiar, and also a bill which would be enacted into law.

In checking, however, in the CONGRESSIONAL RECORD, I found that every type of worker had been put in this bill. For instance, is it not true that there were included consular workers overseas who are getting $19,200 a year, whose salaries would be raised $700?

Mr. CARLSON. It was a substantial increase. I do not have the exact figure before me, but that is a correct statement; there was a substantial increase.

Mr. ROBERTSON. As to the average provided in the bill, for the postal worker is it something over 8 percent?

Mr. CARLSON. The bill, H.R. 9983, carries an average increase for postal employees of 8.35 percent.

Mr. ROBERTSON. As I understand the Senator's amendment, while it is an across-the-board increase for those who make the top salaries as well as those who can best prove the need for a salary increase, it will have a better chance, in the opinion of the Senator from Kansas, to be enacted into law. Is that correct?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CARLSON. Mr. President, I yield myself 5 additional minutes.

Mr. ROBERTSON. It will have a better chance to be enacted into law than the bill as passed on the House side, on which apparently there have been no hearings held either on the House side or the Senate side. Is that correct?

Mr. CARLSON. The Senator from Kansas would hope that the amendment would be more acceptable than the 7½-percent increase.

Mr. ROBERTSON. The Senator from Virginia, desiring to have a reasonable increase for the postal workers, in view of the fact that they are all lumped together in this bill, agrees with the Senator from Idaho that the amendment offered by the Senator from Kansas is our best plan to accomplish that purpose.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. CARLSON. Yes.

Mr. DIRKSEN. I wonder if the Senator from Virginia will give heed for a moment? I notice the hearings were on Senate bill 3141, which actually related only to the 2½-percent pay increase and the feasibility of making that increase permanent. Is that correct?

Mr. CARLSON. The Senator is correct.

Mr. JOHNSTON of South Carolina. Mr. President, I want to correct that statement. While that was the bill introduced, it was a vehicle for considering pay increase for classified and postal workers alike. The hearings and the testimony bear out that fact. Very little was said about the 2½ percent, for everybody realized they are getting that now and that automatically it should go on.

Mr. DIRKSEN. My statement is governed entirely by what I see on the title page of the hearings, because it reads, "S. 3141, a bill to make permanent the temporary increases in rates of basic salary provided for employees in the postal field service, and for other purposes."

That raises this question: Were there any hearings actually held on the House bill that is now before the Senate, which bears the number H.R. 9883?

Mr. CARLSON. There were no hearings on the bill that is before the Senate this morning, H.R. 9883. We did hold hearings on Senate bill 3141, which related to a 2½-percent increase for postal workers, and we had hearings and testimony on pay increases generally. So, while I would not say there were no hearings on pay increases generally, there were no hearings on H.R. 9883 by the Senate committee.

Mr. JOHNSTON of South Carolina. Mr. President, let us keep the record straight. We reported from the committee a 7½-percent bill, and we also held hearings and reached the conclusion that that was a justifiable pay increase.

Mr. CARLSON. I do not want to have any quarrel with the distinguished chairman of the committee, but the record shows that there were no hearings on the House-passed bill which is on the Senate Calendar. Hearings were held on the 2½-percent increase and pay legislation generally, which is a true statement.

Mr. DIRKSEN. Mr. President, with respect to the amendment which the distinguished Senator from Kansas has offered, he proposes, as I understand, to substitute his amendment for the 7½ percent increase in every section of the pending bill?

Mr. CARLSON. That is the pending amendment.

Mr. DIRKSEN. And keep in the bill pay increases for the so-called community and county committee men under the ACP agricultural program. Is that correct?

Mr. CARLSON. It would do that.

Mr. DIRKSEN. They are included?

Mr. CARLSON. They are included.

The PRESIDING OFFICER. The time of the Senator from Kansas has again expired.

Mr. DIRKSEN. Mr. President, I yield the distinguished Senator 5 minutes on the bill.

Does it include all members of the legislative branch, meaning, of course, the employees?

Mr. CARLSON. It does.

Mr. DIRKSEN. Does it include all employees of the judicial branch?

Mr. CARLSON. It does.

Mr. DIRKSEN. In addition, the amendment of the Senator from Kansas would also include all employees of the executive branch, including, of course, the postal service. Is that correct?

Mr. CARLSON. It does. To keep the RECORD absolutely clear, my amendment would cover classified employees of the Federal Government, postal employees, the Department of Medicine and Surgery in the Veterans' Administration, the Foreign Service, the legislative and judicial branches of this Government, and 15,000 employees in the ASC who are not now included. It covers every phase of the bill which passed the House.

Mr. DIRKSEN. Did the Senator give an estimate of the cost of his proposal?

Mr. CARLSON. It will cost between $580 million and $600 million. Each percentage point is equal, roughly, to $100 million. The cost of the bill before the Senate is, roughly, $750 million.

Mr. President, I yield the floor.

Mr. MONRONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator in charge of the time yield to the Senator from Oklahoma?

Mr. MONRONEY. Will the chairman of the committee yield me 5 minutes?

Mr. JOHNSTON of South Carolina. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

Mr. CARLSON. Mr. President, will the Senator from Oklahoma yield me 1 minute?

Mr. MONRONEY. Yes.

Mr. CARLSON. Mr. President, having visited my senior colleague from Kansas [Mr. SCHOEPPEL], who was unavoidably detained, he asked me to express his support of my amendment and to state that he is very much interested in securing pay increases for the Federal employees of the United States. He has asked me to make this statement for him and I quote:

> Delegation after delegation representing postal employees have conferred with me about this legislation. They have satisfied me that they are entitled to a reasonable increase. In my opinion, an increase in the amount of 6 percent is reasonable. I have advised them that in my judgment any effort to exceed that amount would be opposed by the executive branch and would probably cause the legislation to fail.
>
> Frankly, I think we do a disservice to the Federal employees when we seek to pass legislation that invites a Presidential veto. It may be "smart politics" to support such legislation and then "pass the buck" to the President but that doesn't help those who are finding it more and more difficult to pay their living expenses.
>
> I support the amendment offered by my colleague, Senator CARLSON. The 6 percent it would provide is only 1½ percent less than the increase provided in the legislation now before us. This may seem like an insignificant amount over which to quibble. But from the standpoint of the American taxpayer this amounts to approximately $200 million per annum. To the Federal employee it may mean the difference between the success or failure of this legislation.

This concludes Senator SCHOEPPEL's statement.

Mr. MONRONEY. Mr. President, to put at rest the contention that there have been no hearings held on the bill before the Senate, let us face the fact that the bill which is before us was passed less than 2 days ago. So it would have been impossible for the Senate to have held hearings on the House numbered bill.

I am sure those in the administration who vigorously oppose the bill would not say there had not been any hearings held on the subject, because fully half of the record of the hearings is composed of material and exhibits put in the hearings by the administration, including all kinds of charts, graphs, and dictagrams, and everything else, to try to prove that an increase was unnecessary.

The remainder of the hearings were the pathetic story of postal and Government employees who are trying to live in a 1960 cost-of-living era on less than $300 a month.

Further to put at rest the question whether these hearings were on postal and classified salary increases, I point out that on the first page of the opening statement of the chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON], in the third paragraph said:

> The committee also desires to receive advice and pertinent information on whether additional adjustments in the salaries of the Postal and Classification Act employees are justified and, if so, to what extent, and in what areas.

The hearings followed that purpose. Let us not have a misleading assumption that there were no hearings held on the bill. I have participated in many pay-raise hearings, and I think the distinguished Senator from Kansas, always a great friend of the Government employees, will admit there were adequate hearings held by the Post Office and Civil Service Committee as to the adequacy of Federal pay.

Mr. President, it is easy to say that a 1-percent pay increase equals $100 million. Let us face it; that is what the situation is. A 1-percent pay increase equals $100 million for 1.7 million employees.

The reason why the bill is before us, Mr. President, is that we are dealing with people. We are dealing with human beings, whose employer is Uncle Sam. These people do not have the right to strike, to collectively bargain. They must rest their case in the only court of appeals they have, to keep them from going into debt, to keep them from breaking up their homes, to maintain adequate family standards of living, housing, and education, and so on. The court of appeals for them is the Senate of the United States and the House of Representatives.

Let us admit, to begin with, that a 1-percent pay increase equals $100 million cost in a budget which runs in the neighborhood of $65 billion to $70 billion a year. Let us face it. That is what it will cost to provide a pay increase.

Now let us consider the people. People are what make up the United States. People make up the Government service. People make this Government run. People make the post offices run. People make the Government run in the farflung outposts where we grapple with the threat of Communist countries. The dedicated public servants repair and maintain our missiles, our aircraft, and our trucks. They clean the floors and do the necessary repair work in our public buildings, and so on.

There are 1.7 million of those people involved.

What will the two amendments do? We are talking about people. There are 1.7 million people we are talking about; and, of those, 1 million are people who have salaries below $5,000 a year, gross. One million of these people are paid less than $5,000 a year, and many of those have salary ranges from $3,600 to $4,200 or $4,400 a year.

Let us consider a typical case, because it is typical. Let us consider the level 4 of the letter carriers. There are 400,000 of these men. So that we will not be accused of being misleading, by considering the pitifully poor ones, who are beginning work, let us consider the highest wage a letter carrier can earn, after 20 years of service.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. MONRONEY. Mr. President, will the Senator yield me 5 more minutes?

Mr. JOHNSTON of South Carolina. I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 additional minutes.

Mr. MONRONEY. After 7 years of service this man attains the top grade, and receives $4,875 a year. Mr. President, he has no chance for an in-grade promotion. He has no chance to move up, as is true in the classified service or in the congressional offices. This is the top of life for 400,000 employees in the letter carriers' group.

Mr. President, I point out there are almost a million people in a somewhat similar position. I believe this is a typical case.

The bill the committee supports, Mr. President, would give a 7½-percent pay raise, plus $5 per ingrade step to these men. The reference there is to the fact that for every year the man worked, for the first 7 years, he would get $5 above the 7½ percent. I do not think that is a bad provision.

Our bill would provide that the man, after working more than 7 years—and for the rest of his life this would be the top he could get—would be paid a grand total of $430 increase in his gross salary. Mr. President, this equals $35 a month, according to my arithmetic, which we are talking about under the so-called exorbitant increase, which, I admit, runs a little above 7½ percent for these men. As a matter of fact, for the top of this grade, for these particular people, the increase would be 8.8 percent.

Mr. President, let us consider what the take-home pay of this man will be. We have a 20-percent income tax for people in this grade. The man, of course, has used up his deductible, unless he should have more children—and I am sure such a man will be trying not to have more children, at this salary. Therefore, from the $35 a month increase we would give him, he would pay back to Uncle Sam $7 in income taxes.

Mr. President, we also have a 6½-percent retirement provision. I grant that the retirement payment builds up the man's retirement benefit when he gets too old to work, and is of benefit to him. When his feet break down, when he reaches the age of 65, or when he gets arthritis and cannot carry the mail, there is no nice spot in the Cabinet for him to fill. There is no nice spot keeping track of filing papers or something for this man. When a man is a letter-carrier, and his feet give out, he goes on the retirement roll.

Mr. President, I ask Senators to bear in mind that this is a 6½ percent deduction from the monthly $35 increase we would provide. Therefore, the man would have to give back to Uncle Sam, to the retirement fund, $2.28.

Then, with a great stroke, I think—I do not believe a Member of the Senate voted against it—we passed the great Dick Neuberger bill. That was the Neuberger-Johnson bill for health protection. That is the health insurance bill for these employees. The employees are signing up this week and next week. The employees must decide whether they will try to have a health program for their families or not. If they have families—and most letter carriers have families, as most other people do—it will cost these men approximately $12 a month to pay for the health insurance program.

I think that is a good program. I think the employees should enter it. However, we must bear in mind the fact that the money must come from the take-home pay. From the $35 a month increase we want to provide, under the 7½-percent provision there would be a total of approximately $21.28 deducted.

Actually, Mr. President, these men would get very little money which they could spend from the pay increase. Approximately $21.28 would be deducted from the $35 pay raise they would get. The rest is all the money they could take home, to say to their wives, "Honey, I brought home a raise."

The PRESIDING OFFICER. The time of the Senator from Oklahoma has again expired.

Mr. MONRONEY. Mr. President, will the Senator yield me 3 more minutes?

Mr. JOHNSTON of South Carolina. I yield 3 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for an additional 3 minutes.

Mr. MONRONEY. Mr. President, these men would say, "Honey, I brought home this big raise which Congress voted. I have brought home nearly $14 for additional groceries or clothes for the children this month."

That is approximately $3.50 a week, or 50 cents a day, Mr. President. These pay deductions are for benefits which are of help to the employees, I am sure, but, Mr. President, when we talk about a steel settlement, when we talk about a settlement with the auto workers, when we talk about any other settlement in a labor dispute, practically all of these fringe benefits I have mentioned have been given in totality as a part of the bargaining, as fringe benefits. The figures we get, with respect to a 3½ percent increase or a 5 percent increase for the steel workers, do not include these other benefits for which we charge our Federal employees. Our employees have to take pay deductions for them. Our employees pay for those benefits.

Let us consider the take-home pay. The take-home pay will be 50 cents a day.

Under the 6-percent increase provision, we would have the magnificent increase, in this same grade, for the old-time letter carrier, who has worked all his life, of $268.50 a year. That is $22.37 a month.

After we deduct approximately $19.17, which the employees would have to pay back to the Federal Government in income taxes, retirement, and for the health program, what would the employee receive? He would receive $4.70 per month net take-home pay, to take to his wife, so that she could buy a new dress, perhaps. Perhaps she could buy the baby a pair of shoes. That is $4.70 per month, $1.20 per week, or less than 20 cents per day.

Mr. President, I am concerned about the cost of Government, but I do not believe that a Government which can spend money for outer space exploration, which can spend money for research and development, and which can spend money to build great new buildings—we are going to build downtown some four or five buildings, in the General Services Administration program—ought to wring the money out of the lowest salaried people who work, who can look only to the Congress for a pay wage adjustment.

Mr. President, I hope the amendment will be defeated.

Mr. CLARK. Mr. President, will the Senator yield to me? Does the Senator have additional time?

Mr. MONRONEY. If the Senator from South Carolina will yield me 2 minutes, I shall be happy to yield to the Senator from Pennsylvania.

Mr. JOHNSTON of South Carolina. I yield 2 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 2 additional minutes.

Mr. CLARK. Mr. President, is it not the view of the Senator from Oklahoma that the cost of Government would increase very substantially if the ability and efficiency of Government employees were to decline?

Mr. MONRONEY. I am certain that would be true. If these people are held submerged beneath a decent standard of living, if their families are broken up, if there are foreclosures and garnish-

ments and the loss of homes, because of an inability to meet repair bills and other costs, I would say that we would see a general collapse of the great cadre of people who keep Government afloat. On the floor of the Senate we say this is the greatest Government and the best administered Government under a civil service system on the face of the globe.

Mr. CLARK. Is it not clear to my friend from Oklahoma that private industry is in constant competition with Government employees for the brains and ability of America as they come from our schools and universities?

Mr. MONRONEY. The Senator is absolutely correct.

Mr. CLARK. Is it not clear to my friend from Oklahoma that, unless we keep the salary and wage standard of our Government employees at least reasonably competitive with that of private industry, it is a certainty that the Government service will lose a very large proportion of its capable and able employees?

Mr. MONRONEY. The Senator is absolutely correct. We are losing an alarming number of people, as is pointed out in the report of the committee which is before us.

1. The Government is losing an alarming number of career engineers, scientists, and professional personnel to private industry because of an unfavorable competitive position with respect to compensation.

2. The most highly skilled are leaving the service and replacements are below the quality needed to maintain the standard of service desired.

The situation is worse in the skilled fields. It now amounts to almost a continual revolving personnel in the lower grades of the Post Office Department. Postmasters whom I know tell me they cannot possibly fill those jobs with competent people at present wages because every other employer in town can outbid them in salary.

Mr. CLARK. Does my friend not feel that the bill now before us makes only a modest effort to achieve that kind of parity for Government employees which the Senator has agreed is essential to the future welfare and well-being of employees in the Government service?

Mr. MONRONEY. I would say not quite parity. As in the farm program, I would say it is somewhere between 65 and 80 percent of parity as compared with other wages.

Mr. CLARK. I thank my friend for his answers.

Mr. JOHNSTON of South Carolina. Mr. President, I yield to myself 5 minutes.

Something has been said in regard to the hearings on the bill. The fact is that during the hearings on the bill most of the witnesses who testified were officers and employees of the Government. Over half of the testimony presented at the time was given by officers and employees of the Government. A good many of them were from the Post Office Department.

The committee reached the conclusion from all the facts presented that a 7½-percent increase was the lowest we could give to Government workers and do justice to them at all. We found it to be true that the 800,000 blue-collar workers who worked for the Government at the time received a far greater increase in pay from the Government of the United States than did workers covered under the bill. Those facts were brought out before the committee at our hearings.

I call the attention of the Senate to another fact that we sometimes forget. The revenue of the Government will be increased if the bill is passed. If we give increases in pay to Government workers which will approximate $700 million, we will find that at least $150 million of that amount will never leave the Treasury of the Government, but will be retained from the pay of the workers as a withholding tax.

Therefore the Government workers themselves in reality will receive only about 6 percent increase in pay from the Government after income taxes alone are deducted. That does not take into account increases in deductions for retirement and other funds which would be made. I ask the Senate not to forget that fact. Employees would receive only 6 percent net, which is what the Senator from Kansas proposes.

I noticed that the Senator from Kansas said in his speech that we propose to give the Government employees 7½ percent, and then we give them 1 percent here and there. I do not know why he stopped there. I do not know why he did not propose to give them the other 1½ percent, which I think is what they are really entitled to in equity. That is what the committee did, and as I remember, the committee report was unanimously agreed to.

The Senator from Kansas reserved the right to offer amendments in the Senate at the time the bill was reported. The members of the committee, having conducted hearings and discussed the subject, believe that Government workers are entitled to a 7½-percent increase and the three other small increases which are contained in the bill, and to which I have already called attention.

Mr. CARLSON. Mr. President, may I inquire how much time I have remaining?

The PRESIDING OFFICER. The Senator from Kansas has 15 minutes remaining.

Mr. CARLSON. I yield 4 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. JAVITS. Mr. President, I share with the distinguished occupant of the Chair [Mr. KEATING] representation of a State which in the Post Office service has an enormous representation of the number of employees affected. We have in the New York Post Office alone 35,000 employees. Everyone knows that there has been a great amount of interest expressed by postal employees in the proposed increase in their compensation.

I think there is one point that must be emphasized as we consider the amendment and as we consider the bill, and that is that I believe postal employees will feel that they have by no means attained the result which they have been seeking. I think we will be fortunate if we give them the 7½ percent if they feel that this is even a small measure of justice.

I have attended a great many meetings of postal employees, and I have talked not only with the bread winners of the families, but with their wives, who have to make ends meet, and I have talked with many postal employees who must hold down two jobs in order to make a living, or have their wives work, notwithstanding that they do a full day's work, for which they ought to earn enough to support a family. It is a matter of disgrace for an official of the United States to have to face this kind of justifiable criticism on the part of employees.

Let us never forget that if the postal employee is to receive any kind of economic justice, we must give it to him. He has no other remedy. He does not have the privilege of economic bargaining. He cannot get another job unless he wishes to leave the service and relinquish years of investment in his own future security. He has no opportunity to go into business for himself. Only we can give him justice.

The ultimate verity in respect of whether a 7½-percent increase is the very minimum that we possibly can give is found in a comparison of the rates of compensation between the employees who are included in the bill and those engaged in similar endeavors in the private economic system, and also between the employees included in the bill and those engaged in public work, such as policemen, firemen, and other employees in municipalities and in States.

When we make such comparisons we find that even after we give Government employees the proposed increase, they will still be under par.

For some reason or other it is disadvantageous to work for the Federal Government in terms of compensation. For that reason the argument that in order to retain an effective work force we must meet economic competition is an extremely sound one.

Finally, all of us are deeply concerned about international tensions, and we realize the tremendous responsibility which is vested in our Government employees to maintain at the highest peak of efficiency our Government machinery today in the face of international tensions.

There is great dissatisfaction especially in the postal service, a dissatisfaction which we will not satisfy completely by what we propose to do here, but which will make considerable progress toward meeting that dissatisfaction.

Finally, we are urged to keep within the budget in terms of the surplus which we expect to attain. I feel as keenly about that as any other Senator. What we have to remember, though, is the great American tradition which we enforce on corporations, just as we should enforce it on Government itself, and that is, that we do not take it out of the backs of our employees. I would like to repeat that, because this is an

important point. We do not take that kind of economy out of the backs of our employees.

Every legitimate survey which we have had made shows that the United States is able to pay its bills and is able to carry out its responsibilities. Where we must deal with this question of the budget and the savings, we must make certain that we do not take it out of the backs of our employees. If we can find no other way, we will have to consider the continuation of certain taxes. It seems to me we must face that issue squarely and honestly. If we must do everything we are doing and must spend all that we are spending in every way which is now encompassed in the budget, rather than taking the necessary savings out of the back of our employees, who are solely dependent upon us for economic justice, we must deal with it in our tax bill and continue taxes which we might otherwise not wish to continue, in order to see that the United States does this measure of justice to the people who make it what it is.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum, and I suggest that we let it run sufficiently long so that all Senators may be notified, and that the time be charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BOMBARDMENT OF THE CHINESE OFFSHORE ISLANDS

Mr. JOHNSON of Texas. Mr. President, the news ticker brings us the information that the Chinese Communists have opened fire on Nationalist-held offshore islands to protest against President Eisenhower's visit to Formosa tomorrow.

According to the report, the Communist news agency boasted that the gunners shouted anti-American slogans as they opened fire. The bombardment was described as a "furious rain of shells" on the Quemoy Islands.

Mr. President, this is another step in the massive effort by the Communists to humiliate the United States and to seal off as many people as possible from contact with freedom. There is not even the slightest effort to conceal Communist aims.

This demonstrates the wisdom of the Senate in strengthening the defense bill that was before us yesterday. It is evident that the Communists will use force in any area where they believe there is not sufficient counterforce to block their aggression. The free world can exist only to the extent that it can defend itself or has a capacity for retaliation.

I think we must demonstrate similar foresightedness in our efforts to reach the uncommitted people of the world. Where the Communists ask them to respond to brute strength, we must appeal to the desire for dignity, freedom, and a degree of security.

Mr. President, I ask unanimous consent that there be printed in the RECORD as a part of my remarks the item from the United Press ticker concerning the bombardment of the offshore islands.

There being no objection, the news report was ordered to be printed in the RECORD, as follows:

TOKYO.—Red China announced that "thousands of guns" on its Funkien Province coast began shelling the Nationalist-held offshore islands tonight in an angry demonstration against President Eisenhower's visit to Formosa tomorrow.

"Thousands of guns roared the instant the order was issued and innumerable flashes cut through the dark sky over the Taiwan (Formosa) straits," the official Communist New China News Agency said in a broadcast heard in Tokyo.

The Communist news agency said the gunners shouted anti-American slogans as they opened fire. They shouted such things, it said, as "Eisenhower go back—fire"; "U.S. aggressors get out of Japan—fire"; and "Get out of Asia—fire."

The broadcast said that a "furious rain of shells poured down on the Quemoy Islands."

Radio Peiping and NCNA said the bombardment began at 8 p.m. Mainland China time (8 a.m. edt). The news agency said "the powerful shelling in demonstration against the United States" was "still continuing," but did not give any indication at what time the bombardment would stop.

The agency said the soldiers who manned the guns and "civilians at the Fukien front" held "meetings and forums" earlier in the day to protest the "plotting of new wars in Asia and (the) hostile attitude of the United States to the Chinese people."

"The Chinese people opposed the coming to Taiwan of warmonger Eisenhower and * * * would resolutely persist in the struggle as long as the U.S. aggressors remain in Taiwan."

Mr. JOHNSON of Texas. I plead with my colleagues in Congress and with freedom-loving people everywhere to keep their powder dry and to close ranks.

ADJUSTMENT OF COMPENSATION OF CERTAIN FEDERAL OFFICERS AND EMPLOYEES

The Senate resumed the consideration of the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

Mr. DIRKSEN. Mr. President, the distinguished Senator from Kansas would like to have a yea-and-nay vote on his amendment. I therefore ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CARLSON. Mr. President, I yield myself 2 minutes. Then I shall be ready to vote.

I offered my amendment to the bill (H.R. 9883), reducing the amount from 7½ percent to 6 percent, across the board. I do that for this reason. I do not know of any Senator who can sincerely state that he believes a 7½-percent pay increase bill will become law. I would be less than frank if I did not state also that I am not sure that a 6-percent bill will become law. However, I feel it has a much better chance of becoming law than has a 7½-percent bill. Not only that, but it shows that I am sincerely trying to do something for the Federal workers. I want them to get a pay raise. I do not want to try to get something for them that I know cannot become law. It is for that reason that I offered my amendment calling for a 6-percent increase. The bill is not in the form in which I would have drawn it, but it is the best we can do at this moment. I urge the Senate to adopt my amendment.

Mr. JOHNSTON of South Carolina. Mr. President, I yield myself 3 minutes. I am opposed to the amendment. I believe that even a 7½-percent increase is not a sufficient amount to balance the workers who are included in the bill with other employees of the United States subject to the wage board system. I feel that if the amendment shall be adopted it will mean the death of any such legislation at this session of Congress. My reason for making that statement is that we have tried to work and get together with the House in connection with a bill calling for a 7½-percent increase. The House reduced its amount from 9 percent to 7½ percent after it had reported the bill from committee. Therefore we have a bill before us that we can get to the President's desk in time for him either to sign or not while Congress is still in session. If we add amendments to the bill, and if we adjourn on the day when I think we will adjourn, no pay raise bill will be passed by the House and Senate in time to put it on the President's desk in time to keep him from pocket-vetoing it.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. JOHNSON of Texas. We have been talking here since January about a 10-percent raise, a 9-percent raise, and finally a 7½-percent increase. Leaders of our Government participated in and contributed toward working out a settlement involving the steelworkers. I do not begrudge anyone an increase to which he is entitled.

However, I think we should bear in mind that 75 percent of the postal workers make less than $3,800 a year. After 25 percent of their pay has been deducted for income tax and insurance, most of the families of the postal workers are trying to exist on less than $300 a month.

I am convinced, after observing the action in the House, where a bill providing for a 9-percent increase was reported, but as to which the employees' groups willingly accepted 7½ percent, that if the Senate begins to amend and change the bill now so as to make the amount 8 percent or 6 percent, or any other figure, all we will do will be to kill the bill. I think a vote for the 6-percent amendment is a vote to kill the bill. It is a vote against any pay-increase legislation. So far as I am concerned, I do not want that blood on my hands. I shall support the committee bill.

Mr. JOHNSTON of South Carolina. Mr. President, I agree with the majority leader. If it is desired to kill the bill, then the amendment of the Senator from Kansas should be agreed to.

Mr. LAUSCHE. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

The PRESIDING OFFICER. How much time does the Senator from South Carolina yield to the Senator from Ohio?

Mr. JOHNSTON of South Carolina. I yield 1 minute.

Mr. LAUSCHE. Does the bill apply to the members of my staff?

Mr. JOHNSTON of South Carolina. It applies on a permissive basis to the members of the Senator's staff. The Senator can increase the salaries of the members of his staff or not as he desires.

Mr. JOHNSON of Texas. There is nothing mandatory about that, as I understand it. We proceed on the assumption that the members of our own staffs are as patriotic and competent and are as much entitled to consideration as the members of any other Senator's staff. However, there is no provision in the bill which requires any Senator who believes his staff is not entitled to an increase to give it to them.

Each year, I turn back funds allotted to the various committees over which I preside and allotted to my own office, when I feel that the money is not needed. Each Senator can be his own judge. The bill merely provides for an increase for all employees.

Someone raised a question with me a while ago about administrative assistants. I inquired into the matter and found that in the Senate there are 100 administrative assistants. Fifty-four of them are not paid what is authorized to be paid now, because the judgment of the Senators is that they should not be paid more than they now receive. Only 46 are paid the amount which is authorized.

There is nothing in the bill which requires that those 46 be paid the 7½-percent increase. But if they were so paid, it would mean for 46 persons an amount of less than $50,000 out of the $7 million.

Mr. LAUSCHE. Mr. President, may I have 1 more minute, to clarify my position?

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Ohio.

Mr. LAUSCHE. I do not want my question to imply that I feel the pay increase should be mandatorily applicable to the members of my staff. On the basis of the salaries which are paid to employees in private industry in Ohio, the salaries which I pay are grossly disproportionate. They are so high that I frequently feel I am not fair to the taxpayers. The salaries which I pay are paid on the basis of comparison with those which other Senators pay.

Mr. JOHNSON of Texas. I do not want to have the responsibility for the salaries which the Senator from Ohio pays the members of his staff. If he is paying too much, he should reduce the salaries. He is the sole judge of the salaries he pays to the members of his own staff. He may pay them what he wishes to pay. There is nothing in the law which requires him to pay anyone anything.

Mr. LAUSCHE. I do not want the Senator from Texas to escape the reality that the salaries I pay must inevitably be fixed on the basis of the salaries which other Senators pay.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. CARLSON. Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from Hawaii [Mr. LONG], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS], and the Senator from Arkansas [Mr. FULBRIGHT] are absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Hawaii [Mr. LONG], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Kansas would vote "yea."

The result was announced—yeas 28, nays 54, as follows:

[No. 223]

YEAS—28

Allott	Curtis	Morton
Bennett	Dworshak	Prouty
Bridges	Ervin	Robertson
Brunsdale	Goldwater	Saltonstall
Bush	Hayden	Talmadge
Byrd, Va.	Hickenlooper	Thurmond
Carlson	Holland	Wiley
Case, S. Dak.	Lausche	Williams, Del.
Church	McClellan	
Cooper	Martin	

NAYS—54

Aiken	Gore	McGee
Anderson	Green	Magnuson
Bartlett	Gruening	Mansfield
Beall	Hart	Monroney
Bible	Hartke	Moss
Byrd, W. Va.	Hill	Murray
Cannon	Humphrey	Muskie
Case, N.J.	Jackson	Pastore
Chavez	Javits	Proxmire
Clark	Johnson, Tex.	Randolph
Dirksen	Johnston, S.C.	Scott
Dodd	Jordan	Smathers
Douglas	Keating	Smith
Eastland	Kerr	Sparkman
Ellender	Kuchel	Symington
Engle	Long, La.	Williams, N.J.
Fong	Lusk	Young, N. Dak.
Frear	McCarthy	Young, Ohio

NOT VOTING—18

Butler	Hruska	Mundt
Capehart	Kefauver	O'Mahoney
Carroll	Kennedy	Russell
Cotton	Long, Hawaii	Schoeppel
Fulbright	McNamara	Stennis
Hennings	Morse	Yarborough

So Mr. CARLSON's amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. JOHNSTON of South Carolina. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. Mr. President, I submit an amendment which I send to the desk, and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. Beginning on page 17, in line 11, it is proposed to strike out all through line 6, on page 20.

Mr. MANSFIELD. Mr. President, may the amendment be read again?

The PRESIDING OFFICER. Without objection, the amendment will be read again.

The LEGISLATIVE CLERK. Beginning on page 17, in line 11, it is proposed to strike out all through line 6, on page 20, being the section entitled "Employees in the Legislative Branch."

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Louisiana yield to himself?

Mr. ELLENDER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. ELLENDER. How much time is available to me?

The PRESIDING OFFICER. Thirty minutes.

Mr. ELLENDER. I yield myself 10 minutes, Mr. President.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, I am taken by surprise, by having this bill come up so suddenly. I was very busy yesterday afternoon, as well as today, in hearings on the mutual security program.

Mr. President, I wish to say I am all for a fair wage increase for Federal employees. In the last vote, I voted to sustain the committee in maintaining a 7½-percent increase.

The purpose of my amendment is to strike from the bill the provision authorizing pay increases for all employees connected with the legislative branch of our Government. It has been our custom in the past to fix salaries for our employees, independently of any hard and fast wage scale; we have a method of our own for handling salaries of legislative employees.

I wish to point out that when the House first considered pay legislation, the original House committee bill contained a provision which would have increased the salaries of Senate administrative assistants from $16,300 to almost $19,000 per year. That provision, of course, was deleted, so that those employees are in about the same category as employees in the Civil Service and the Postal Department, that is, they would receive an across-the-board 7.5-percent raise.

It is my belief that, since we have a method of our own for fixing salaries in the Senate we should not burden this bill with raises for legislative employees. That matter should be handled separately.

As I have already stated, the purpose of this amendment is to delete from the bill those sections extending the 7.5-percent pay raise to employees of the legislative branch. In this connection, Mr. President, I believe a little background might be in order.

Under existing law, Senators can pay one employee up to $16,300 per year, a second up to $15,731 per year, and a third employee up to $15,044 per year, with a maximum limitation as to all other employees of $10,221 per year, with the actual number of such employees being so compensated subject only to the overall limitation of salary funds available to individual Senators.

The total clerk hire figure available to Senators is dependent, of course, upon the populations of the respective States.

Now, it goes without saying, Mr. President, that these are far from starvation-level salaries. As a matter of fact, the salaries I have indicated are, as I believe Senators will agree, relatively handsome amounts of money.

Yet, as I pointed out earlier, in the original version of H.R. 9883, the so-called 9-percent pay increase bill, quite a few little gadgets were inserted to further increase the salaries of legislative employees. The bill, at first reading, would have apparently only accorded a flat 9-percent increase to employees in Senator's offices, and employees of Senate committees. The top bracket limitation was raised from $16,300 per year to $17,525 per year. However, in a subsequent subsection of the same section of the bill, the basic salary limitation for the top three employees in Senators' offices and committee staffs would have been geared to the three highest brackets of the classified schedule. In other words, by so doing, an increase in compensation for the three top brackets of the classified figure would have, of and by itself, raised the maximum amount which Senators could pay to their three top office staff employees, and other top employees of committees. In effect, the limitation would have increased from $16,300 per year for the administrative assistant, to $18,964 per year; for the second ranking employee, the maximum would have been fixed at $17,788 per year, compared with $15,731 per year under existing law. A third employee could have been paid up to $16,505 per year, compared with $15,044 per year under existing law. The maximum pay level for employees in Senators' offices, other than the top three, salary would have been raised to $11,141 per year, as opposed to $10,221, under existing law.

Furthermore, as indicated earlier, any increase in the upper limits of the three highest existing civil service classifications would have been automatically fixed as the maximums for employees of Senators and employees of Senate committees. In addition, should any new grades have been added to the Classification Act, these new limitations would have become the maximum, since the bill states that the maximum salaries of Senate employees in these categories would have been equal to the maximum established for the three highest grades under the classification schedule.

I hasten to add, of course, that no Senator would have been required to pass these increases on to his staff members, but the fact is, that for all practical purposes, the original bill would have considerably lessened the Senators' control over maximum salaries which Senators could pay to their office employees, and employees of Senate committees.

Mr. JOHNSTON of South Carolina. Mr. President, for the information of the Senator, I agree thoroughly with what he has been saying. The House bill has been amended, and the bill before the Senate at the present time gives each Senator the right to regulate all salaries within his office.

Mr. ELLENDER. I am pleased to note that these sections have been removed from the pending bill, and that the measure as it is now written merely extends a flat 7.5-percent increase in the maximum compensation which could be paid to employees in Senators' offices and employees of Senate committees, but the fact still remains that the new limitations so provided are amazingly high. Administrative assistants, for example, could receive up to $17,525 per year, compared with $16,300 per year, the present maximum. One other employee could be compensated up to $16,911, as compared with $15,731 per year under existing law. A third employee could receive as much as $16,733 per year, as compared with the maximum presently available for such third employee of $15,044 per year.

It is now proposed to so legislate that every Senator will almost be compelled to increase by 7½ percent the salary of an administrative assistant who is now getting $16,300, as well as salaries of other employees in his office.

Let me be perfectly frank. I believe the amount that is now being paid to employees in the legislative branch is ample for their needs.

Mr. JOHNSTON of South Carolina. Mr. President——

Mr. ELLENDER. I am on limited time.

Mr. JOHNSTON of South Carolina. I will take it out of my time if necessary.

Mr. ELLENDER. Very well.

Mr. JOHNSTON of South Carolina. I should like to point out that at the present time only 46 percent of the Senators pay the maximum. In the future, if the Senator wanted to keep down the payments, he could do so. Any Senator could do so. However, 54 percent of the Senators are paying the maximum. Some of them may want to increase it; some may not. That is exactly what the bill provides a Senator can do.

Mr. ELLENDER. It is my belief that if we follow that policy and provide a 7½-percent increase, it ought to be made obligatory.

The point I wish to make is that we have a method for fixing salaries of our employees which is peculiar to the Senate and to the House of Representatives. We can give increases in such manner as we determine, within broad limits, of course.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a document headed "Salary Tables, U.S. Senate." This document illustrates the broad flexibility available to Senators in fixing salaries of their employees, utilizing the basic salary amounts available to each. This table shows, for instance, that by designating a basic salary of $4,500, a Senator can give to an employee in his office a gross salary of $9,134.05. The difference is paid by the Government. In any event, this schedule demonstrates the latitude available to Senators in fixing salaries of their employees, and fortifies my position to the effect that legislative employees' salaries should not be dealt with in general Federal pay legislation.

There being no objection, the document referred to was ordered to be printed in the RECORD, as follows:

Salary tables, U.S. Senate, effective July 1, 1958

(Retroactive to Jan. 1, 1958)

Basic per annum:	*Gross per annum*
$60	$887.40
$120	1,010.32
$180	1,133.24
$240	1,256.16
$300	1,379.08
$360	1,502.00
$420	1,624.93
$480	1,747.84
$540	1,870.77
$600	1,993.69
$660	2,116.60
$720	2,239.53

Salary tables, U.S. Senate, effective July 1, 1958—Continued

Basic per annum:	Gross per annum
$780	$2,362.44
$840	2,482.64
$900	2,580.97
$960	2,679.31
$1,020	2,777.65
$1,080	2,875.98
$1,140	2,974.32
$1,200	3,072.66
$1,260	3,162.80
$1,320	3,252.94
$1,380	3,343.08
$1,440	3,433.23
$1,500	3,523.37
$1,560	3,623.11
$1,620	3,725.87
$1,680	3,828.64
$1,740	3,934.31
$1,800	4,047.36
$1,860	4,160.38
$1,920	4,273.42
$1,980	4,386.47
$2,040	4,499.50
$2,100	4,612.55
$2,160	4,725.56
$2,220	4,838.60
$2,280	4,951.65
$2,340	5,064.68
$2,400	5,177.73
$2,460	5,290.76
$2,520	5,403.79
$2,580	5,516.84
$2,640	5,629.87
$2,700	5,742.93
$2,760	5,855.97
$2,820	5,968.98
$2,880	6,082.04
$2,940	6,195.07
$3,000	6,308.12
$3,060	6,421.16
$3,120	6,534.19
$3,180	6,647.23
$3,240	6,760.25
$3,300	6,873.30
$3,360	6,986.34
$3,420	7,099.37
$3,480	7,212.41
$3,540	7,325.45
$3,600	7,438.49
$3,660	7,551.53
$3,720	7,664.56
$3,780	7,777.61
$3,840	7,890.64
$3,900	8,003.68
$3,960	8,116.72
$4,020	8,229.76
$4,080	8,342.80
$4,140	8,455.83
$4,200	8,568.87
$4,260	8,681.91
$4,320	8,794.94
$4,380	8,907.98
$4,440	9,021.02
$4,500	9,134.05
$4,560	9,247.09
$4,620	9,358.42
$4,680	9,466.33
$4,740	9,574.22
$4,800	9,682.13
$4,860	9,790.03
$4,920	9,897.93
$4,980	10,005.82
$5,040	10,113.73
$5,100	10,221.62
$5,160	10,329.53
$5,220	10,434.57
$5,280	10,532.66
$5,340	10,630.75
$5,400	10,728.85
$5,460	10,826.93
$5,520	10,925.02
$5,580	11,023.12
$5,640	11,121.20
$5,700	11,219.30
$5,760	11,317.39
$5,820	11,415.48
$5,880	11,513.56
$5,940	11,611.65

Salary tables, U.S. Senate, effective July 1, 1958—Continued

Basic per annum:	Gross per annum
$6,000	$11,709.76
$6,060	11,807.85
$6,120	11,905.93
$6,180	12,004.02
$6,240	12,102.11
$6,300	12,200.21
$6,360	12,298.29
$6,420	12,396.39
$6,480	12,494.48
$6,540	12,592.56
$6,600	12,690.66
$6,660	12,788.75
$6,720	12,886.84
$6,780	12,984.92
$6,840	13,083.02
$6,900	13,181.12
$6,960	13,279.21
$7,020	13,377.29
$7,080	13,475.38
$7,140	13,573.47
$7,200	13,671.57
$7,260	13,769.66
$7,320	13,867.75
$7,380	13,965.84
$7,440	14,063.92
$7,500	14,162.02
$7,560	14,260.11
$7,620	14,358.20
$7,680	14,456.29
$7,740	14,554.38
$7,800	14,652.48
$7,860	14,750.57
$7,920	14,848.65
$7,980	14,946.74
$8,000 [1]	14,979.45
$8,040	15,044.83
$8,100	15,142.94
$8,160	15,241.02
$8,220	15,339.11
$8,280	15,437.20
$8,340	15,535.28
$8,400	15,633.38
$8,460	15,731.47
$8,520	15,829.56
$8,580	15,927.65
$8,640	16,025.74
$8,700	16,123.84
$8,760	16,221.93
$8,820	16,300.00
$8,880	16,300.00

[1] Committee use only.

Mr. ELLENDER. What is proposed would make it possible for an employee of the Senate to get a salary increase of 7½ percent when most are already getting ample salaries. That is why I am opposed to it.

Since the primary purpose of this bill is to help postal and civil service employees in the low pay brackets, it is my belief we should confine the provisions of the bill to them.

I know, of my own knowledge, that many postal employees are paid just about what a janitor gets around here, and that is very small remuneration. I am for a bill that will give to the lower paid employees fair additional compensation.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. ELLENDER. Personally, I have doubts as to whether anyone will get a pay raise if all these additional emoluments are made available.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BRIDGES. I point out that the same argument which the Senator has used with relation to pay increases in the higher pay brackets in the legislative branch would be multiplied a thousand times when related to classified employees and postal employees, because a great many of those employees are in those high classifications. To be consistent, the Senator ought to apply his proposal to the lower grades of all Federal employees.

Mr. ELLENDER. Mr. President, I am glad to inform the Senator that I shall offer an amendment to make the pay increase applicable only to employees whose salaries are not over $10,000 per year.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Ohio.

Mr. President, I yield myself such time as is required.

Mr. LAUSCHE. The statement has been made that the increase for the $16,300-a-year employee will not apply unless the Senator determines it shall be applied. I wonder if the Senator from Louisiana understands that under the provisions of the bill affirmative action on the part of the Senator is required, and that the Senator must notify the disbursing officer he does not want the increase applied to a particular employee.

Mr. JOHNSTON of South Carolina. No; that is a mistake.

Mr. ELLENDER. The Senator must take some action.

Mr. LAUSCHE. Let us get this clear. Does the Senator have to take some action?

Mr. ELLENDER. The Senator must, yes.

Mr. LAUSCHE. If the Senator must take some action, this language is intended to "put him on the spot."

Mr. ELLENDER. That is correct.

Mr. LAUSCHE. How can I tell my employee, "I refuse to give you the 7½-percent increase"? It is blackmail, defying me to deny the increase. With the condition the country is in pecuniarily today, I do not believe we ought to increase the salaries of these $16,300-a-year employees by 7½ percent. There must be motives other than a desire to deal fairly with these employees.

If I increase the salary of my assistant by $1,050 a year and the Senator's assistant finds out about it, and the Senator tells him, "You cannot have it," what position will the Senator from Louisiana then be in?

Mr. ELLENDER. I would not like to describe it. [Laughter.]

Mr. LAUSCHE. Yes. This is nothing more than "putting the bee" on us.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Texas. Does the Senator pay his administrative assistant the maximum salary now?

Mr. ELLENDER. Yes.

Mr. JOHNSON of Texas. I understand that 56 assistants are not paid the maximum salary now, and 44 are. That is a matter within the discretion of each Senator. Who is better able to determine what a Senator's employee is worth than the Senator himself?

Mr. ELLENDER. Mr. President, it is not a question of worth at all. My administrative assistant is seated next to me. He is second to none in the Senate. He worked for me for quite a few years before I assigned him the position of administrative assistant. Only a few years ago I elevated him to that position.

Mr. JOHNSON of Texas. I am not questioning that statement.

Mr. ELLENDER. I understand. The point is that there should be some kind of uniformity imposed here. We have a method under which we can proceed, which is peculiar to the Senate and to the House of Representatives

Mr. JOHNSON of Texas. That is not changed in the slightest.

Mr. ELLENDER. Yes, it is.

Mr. JOHNSON of Texas. It is not.

Mr. ELLENDER. It is, as the Senator from Ohio pointed out.

Mr. JOHNSON of Texas. How did the Senator from Ohio point it out?

Mr. LAUSCHE. Let us find out.

Mr. ELLENDER. We are asked to make it possible to change.

Mr. LAUSCHE. It is an automatic increase, unless the Senator goes to the disbursing officer.

Mr. JOHNSTON of South Carolina. No.

Mr. ELLENDER. Action must be taken by the Senator.

Mr. LAUSCHE. Action must be taken?

Mr. ELLENDER. Yes.

Mr. LAUSCHE. Where does it so provide in the bill? Let us find out.

The PRESIDING OFFICER. The Senator from Louisiana has the floor. Does the Senator from Louisiana yield; and, if so, to whom?

Mr. ELLENDER. Mr. President, I suggest that the distinguished Senator from South Carolina [Mr. JOHNSTON] clear up the matter. He is chairman of the Committee on Post Office and Civil Service. In the meantime, Mr. President, I repeat that we have our own method of dealing with our employees. If a Senator is desirous of increasing the salary of any of his employees, he can do so under the rules and regulations set out for the Senate, up to $16,300 per year, for one employee. Certainly, this is ample salary. Why make it possible to add another 7½ percent to each employee's salary?

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. ELLENDER. The pay of the legislative employees is sufficient that we should not at this time increase their salaries.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. LAUSCHE. I am sorry I voted against the general franking privilege, which would have permitted a Senator to send unaddressed letters, so that to each citizen of the United States could go a letter that our staff employees are paid $16,300 a year now and, under the pretense of helping the underpaid postal workers, we are giving these employees a 7½ percent pay increase.

Very few of the Senators on the floor, under those conditions, would vote for this proposal. They would then support the proposal of the Senator from Louisiana.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. ELLENDER. I yield for a question.

Mr. JOHNSON of Texas. I have conferred with Mr. Brenkworth, who handles legislative matters for the Senate, and who has done so for some time. I think he is a dependable and competent employee.

To those who are having some difficulty understanding the bill, I may say, I am informed this is language identical to that carried in other acts.

I ask Senators to turn to section 117(a) of the bill.

Section 117(a) provides, in effect, that every employee in the Senate shall receive a 7½-percent pay increase. That is clear. It refers to the Parliamentarian. It refers to the reading clerk. It refers to the Sergeant at Arms.

The next paragraph, paragraph (b), takes care of any individual Senator who does not feel his employees should have the 7½-percent pay increases. A good many Senators so feel.

It is provided that the increase is taken away from the employees in the Senator's office. That is provided in paragraph (b). We do not provide for a raise for the Senator's office unless the Senator "in the case of any employee on or before the 15th day following the date of enactment of this Act notifies the Disbursing Office of the Senate" that he wishes the employee to have the pay increase.

Mr. LAUSCHE. Mr. President, that confirms exactly what I said. The Senator must take this action.

Mr. JOHNSON of Texas. I am not talking about what the Senator said. I am trying to explain what is in the bill. The Senator can interpret the provision as he wishes. That is the language we have had in other bills.

It seems to me reasonable, if we are going to raise the salaries of all the employees in the Government service by 7½ percent, that we should have such a provision. There is no reason why a Senator should not have individual authority to extend the pay increase to some employee in his office. This is simply the same right which is being extended to the postal employees and the other Federal employees.

If we do not have such a provision, we will find that our employees will leave us to take the other jobs.

The only explanation I can think of is that perhaps the Senator is willing to admit the employees are overpaid now. I am not going to say what is the Senator's opinion.

Mr. President, the only point I make is that this is the same as the language which was in the 1955 act and in the 1958 act. That is point No. 1.

Point No. 2 is that we are raising the salaries of postal employees and of all Federal employees. We are raising salaries of some 2.4 million people. We are saying, "We are going to give you a 7½-percent pay increase."

The steelworkers got a pay increase. Other people got pay increases.

In the next paragraph we have provided that no Senate employee in a Senator's office will receive the pay increase unless the Senator wants the employee to receive it. We leave it up to the Senator's judgment. We leave it up to the Senator's management. I trust the management of the individual Senator and the judgment of the individual Senator, even though sometimes I do not agree with them.

Mr. ELLENDER. Mr. President, I have the floor.

Mr. PASTORE. The Senator from Texas has the floor.

Mr. JOHNSON of Texas. I yield to the Senator from Rhode Island.

Mr. PASTORE. If we do not approve an increase for legislative employees now, we will have to pass at another time in this session, a special act to do so, anyway. So what difference does it make how we do it?

Mr. ELLENDER. I say to the Senator from Rhode Island that we do not have to do either.

Mr. PASTORE. Does the Senator from Louisiana mean that he proposes to raise the pay of all Federal employees and not raise the pay of legislative employees? Why does he seek to discriminate?

Mr. ELLENDER. If the salaries of postal employees were equal to the present salaries of legislative employees, this bill would not be before us.

Mr. PASTORE. I consider my assistants as well qualified as are the assistants of the President of the United States.

Mr. JOHNSON of Texas. I have a great admiration for the postal employees. I think they are wonderful people. I have respect for postal employees. But I do not yield to anyone with respect to the devotion and service of my own employees, and I am not willing to say that I will approve increases in pay for the employees of everyone else except those in my own office.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. PASTORE. I could not agree more with the Senator from Texas.

The PRESIDING OFFICER. The Senator from Louisiana has control of time.

Mr. ELLENDER. As I sought to point out a while ago, I do not know who put the proposals before the House, but an effort was made to increase the salaries of administrative assistants from $16,300 to $18,964; even if this bill should pass, those salaries will be increased from $16,300 to $17,525.

I wonder how many Senators would vote for an increase of their own salaries at this time? It is my belief that the employees of the legislative branch are well paid. We have a method of our own to increase their salaries if we see that it is necessary. I do not wish to do something today that may result in a denial of an increase to those who are en-

titled to it, because I feel confident that if provisions for increases for legislative employees remain in the bill, and if we otherwise make the increase apply to many employees of the Government who are now receiving sufficiently large salaries, we may deny pay increases to those who are really entitled to them.

Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator from Louisiana has 10 minutes remaining.

Mr. ELLENDER. I shall listen to what my friend from South Carolina has to say.

Mr. JOHNSTON of South Carolina. Mr. President, I yield myself 3 minutes.

To clarify the discussion concerning the particular provision of the bill before the Senate, I should like to say that it is not a new provision. It has been contained in every such pay increase bill upon which the Senate has acted. The bill provides for a 7½ percent increase for legislative employees, which is exactly the same increase the bill gives other employees of the Government. However, in the case of employees in the office of a Senator, the increase is not automatic. The bill follows a practice established in previous pay increase bills of leaving it up to each individual Senator to determine whether the increase, in whole or in part, is to be given to the various employees in his office.

I say to the Senator from Louisiana [Mr. ELLENDER] that the increase authorized by the bill is not mandatory. A Senator is not compelled by its terms to give a penny increase to the employees of his office if he does not wish to do so.

The same is true with respect to committee employees. The salaries of such employees are completely within the control of the chairman of the committee. If for any reason he does not wish the committee employee to receive the increase provided in the bill, all he needs to do is rearrange the base pay of the employee so that he will receive the same amount in the future as he is currently receiving.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield.

Mr. PASTORE. Has it not been the practice of both the Senate and the House, every time a pay raise is granted to Post Office employees and to civil service employees, to grant an increase in salary to legislative employees as well? It is done at the same time, although possibly not in the same bill, but at the same session of Congress.

Mr. JOHNSTON of South Carolina. The Senator is entirely correct. We have always provided for such an increase in every pay bill, giving legislative employees the same amount, though in a lump sum, and leaving it up to the Senator to act according to his wishes.

Mr. PASTORE. Is there any reason that the Senator knows why we should discriminate against faithful, qualified, and talented legislative employees?

Mr. JOHNSTON of South Carolina. There is no reason why we should discriminate against them and in favor of some employee downtown whom we do not know at all.

Mr. JOHNSON of Texas. Mr. President, if there is to be any discrimination, it ought to be the other way. The Senate remained in session until 12 o'clock last night. I left the Capitol after midnight. I left men at the desk, I left men at the office, and I left men at the room in the basement. They are back this morning. Never in 30 years of public service have I seen a more dedicated group of public servants than those who serve the legislative branch of the Government. I cannot say, "I recommend an increase in salary for everyone except the folks I have hired. I am ready to give 2,400,000 employees $700 million, but not $50,000 for increases in pay to our own employees."

Mr. President, we have in this country some equity and some justice. The people who work in the Senate, in the House, in the Secretary's office, in the office of the Sergeant at Arms, and in the paymaster's office are not hangers-on. They do not have an 8-hour shift. Sometimes they work as many as 16, 18, and 20 hours. I do not know why we should discriminate against them. We might discriminate for them and give them a little overtime. We might give them some of the time-and-a-half which is talked about, and some of the wage-and-hour benefits. We might make such provisions apply to legislative employees. If we did so, they might get what they are entitled to.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. JOHNSON of Texas. I yield myself 3 minutes. Merely because we have people that we can control, hire, and fire, working for us, and we think we might be criticized a little because we had extended to them the same privilege we had given to everybody else, is no reason for us to say, "I will give an increase to postal employees. I will give an increase to the people in the Pentagon. I will raise the salary of everybody else except the people who work in the Senate—the little page boys, the telephone employees, the Secretary, the Librarian, and the rest of the employees."

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. PASTORE. I agree with the Senator from Texas, and that is the reason I cannot follow the logic of our distinguished colleague from Louisiana in the position he has taken today. He has indicated that he intends to vote not to cut the proposed 7½-percent increase to 6 percent, for he wants certain people to get the 7½ percent—a position with which I agree. He wants this increase extended to the Post Office employees, with which I agree. He wants it extended to civil service employees, and we agree on that. But when legislative employees are considered, he has said they are not entitled to the increase. I cannot follow that logic.

Mr. JOHNSON of Texas. No Senator is required to permit his assistants to have the increase if he does not want them to have it. He may walk back to his office and say, "I do not think you are entitled to an increase."

Mr. PASTORE. And that Senator would not give it to them.

Mr. JOHNSON of Texas. He might say, "I voted for an increase for everybody else, but I voted in the Senate today that you are not entitled to one. I will not give it to you." Senators have that authority. I do not want any other Senator to tell me how to handle my office and what people I shall hire. Therefore we leave it up to the judgment of the Senators, and I think every Senator could trust his own judgment.

Mr. MONRONEY. As the Senator knows, practically every employee covered in the bill, excepting senatorial and other legislative employees, are on a 40-hour workweek.

Mr. JOHNSON of Texas. That is correct.

Mr. MONRONEY. Does the Senator from Texas know of any office in the Capitol, or the House or in the Senate, which is not virtually on a 50-hour workweek?

Mr. JOHNSON of Texas. No; and I think 50 is the minimum. Here we are talking about 2¼ million people, and except for 5 percent of them, they all get less than $10,000 a year. Yet we would extend the benefits to 435,000 postal employees, 980,000 classified employees, 8,100 Foreign Service employees, 19,000 medical and surgical employees, 15,000 stabilization and conservation agricultural employees, and 5,000 judicial employees, but we would say to legislative employees, "No, no; we will not extend this to you. We are not going to permit any Senator to extend the increase to you. We are not going to give the authority to Senators to extend this increase to salaries of their employees, if they think it is necessary and if they certify it is necessary."

Mr. MONRONEY. Is it not correct to say that the only position of validity that can be established for raising every comparable worker in the Federal Government by 7½ percent, without permitting a Senator to do likewise, to raise his employees to that level, is by presuming or admitting that they are being overpaid by 7½ percent?

Mr. JOHNSON of Texas. That is exactly correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield myself 3 additional minutes.

Mr. PASTORE. Another fact that we must not forget is that not everyone working for a Senator is an administrative assistant. We have a great many people below that level.

Mr. JOHNSON of Texas. If we take all the increases that could be given according to the bill before us and apply them to all the administrative assistants, all 100 of them, out of the 2,400,000 employees, less than $120,000 out of a total of $700 million would be paid out. This is a red herring. It is nothing more than an attempt calculated to beat the

bill. If we load the bill down with amendments, we will say, "I am in favor of giving a raise to the postal employees and to the classified employees, but not to the legislative employees." If we add such an amendment and it goes to the House and it gets to conference, we will wind up without any bill.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. LONG of Louisiana. Perhaps it is not popular to raise the pay of someone who is making more than $10,000. I can testify to the fact that I have had two administrative assistants leave me. I believe that they are now making at least twice as much as they could make working for me. It has been my impression that if we have a good administrative assistant he is very much underpaid. My guess is that even a Senator could get more pay, that it would be impossible to hire a Senator for $22,500. At the same time an administrative assistant does not get the recognition that he deserves in his State. Many times an administrative assistant works just as hard and just as long as a Senator, and in some cases I should imagine he performs greater service for his constituents back in his State.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield myself an additional 3 minutes.

Mr. LAUSCHE. The argument made by the Senators from Oklahoma, Rhode Island, and Texas completely overlook the fact that the Senator from Louisiana [Mr. ELLENDER] has already stated that the increase of 7½ percent, in his opinion, should not be applied to the high salaried officials in the Pentagon or in the offices of Senators.

Mr. JOHNSON of Texas. I understand his viewpoint.

Mr. LAUSCHE. He stated that he proposed to offer an amendment on that subject. I contemplate supporting him on that subsequent amendment.

Mr. JOHNSON of Texas. That is one of the reasons I believe we are second in space to the Soviet Union, and in many other technological fields, because people come up and say, "I won't vote for higher salaries."

Mr. President, we have scientists working for the Government who could get three times their salary in private industry. Does anyone think that Wernher von Braun is not worth more than the salary he works for. He must subsist. He must get along. He does not have a high salary, but his salary is high in terms of $10,000.

The other day we had a request from a department to give them an additional authorization so that the Government will not lose some of the best men it has in the scientific fields.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. PASTORE. In view of the explanation made by the distinguished Senator from Ohio [Mr. LAUSCHE], I want the position of the junior Senator from Rhode Island to be made quite clear on the record. I still disagree in all aspects with the reasoning and logic of the Senator from Ohio and the senior Senator from Louisiana.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield myself an additional 3 minutes.

Mr. LAUSCHE. There is not a State in the Union that is not concerned about the pirating by the Federal Government of State employees. Ohio employees are in an exodus from the payrolls of Ohio to the payrolls of the Federal Government. May I say——

Mr. JOHNSON of Texas. Mr. President——

Mr. LAUSCHE. May I say——

Mr. JOHNSON of Texas. I yielded to the Senator for a question.

Mr. ELLENDER. I will be happy to yield some time to the Senator from Ohio.

Mr. JOHNSON of Texas. I have the floor.

Mr. LAUSCHE. On the matter of casting a vote in the Senate, to gain a few popular votes, the Senator from Texas made an implication that those who are supporting the Senator from Louisiana are doing it to gain votes. I say to the Senator from Texas that the easy course to follow is to dig deep into the Treasury of the Federal Government and hand out the money. There are many persons in the galleries who have frowns on their faces because some of us oppose this proposal.

Mr. JOHNSON of Texas. I do not know who is in the gallery. I know that some of them who are there sometimes have an appeal and sometimes their interest is calculated to influence. I do not know what the situation is in the Senator's State. I am much more concerned with the pirating that industry is doing of scientific employees of the Federal Government—and of some legislative employees, too—than I am of any pirating that the Federal Government does on the State level. I live in the capital of my State. We are still functioning there. The people are satisfied, so far as I know. We have had no complaints from the Governor or the Attorney General about being called to Washington. We have a good relationship down there. I was down there last week. We get along very well together. As far as I know, there is no problem. I do hear complaints about industry coming in and taking some of our best scientists and our best administrative employees out of the Government.

We are talking about $700 million. Some Senators say, "Let us not do it for the few people who work for the Senate as administrative assistants." That amounts to $100,000 out of $700 million. If we add this amendment to the bill, we will endanger the whole bill. Besides that, I believe we would do an extreme disservice to the country and an extreme injustice to the people.

SEVERAL SENATORS. Vote! Vote!

Mr. JOHNSON of Texas. Mr. President, I yield back the balance of my time.

The PRESIDING OFFICER. Does the Senator from Louisiana yield back the balance of his time?

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were not ordered.

Mr. CASE of South Dakota. Mr. President, I have a perfecting amendment.

The PRESIDING OFFICER. Does the Senator from Louisiana yield back the remainder of his time?

Mr. JOHNSON of Texas. Let us see if we cannot get the yeas and nays. Mr. President, I again request the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. I yield back the remainder of my time.

Mr. CASE of South Dakota. Mr. President, I have a perfecting amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On pages 17 and 18, in subsection (b) wherever the word "Senator" appears, insert the words "or Representative."

Mr. CASE of South Dakota. Mr. President, I invite the attention of Senators who have been working with the bill to what I am here proposing. I invite comment as to whether it is applicable or not. As I examine the bill, it seems to me that subsection (b), which begins at line 19, page 17, provides that the increase shall not apply if the Senator notifies the disbursing office, in writing, that he does not wish it to apply to a particular employee. But I have not been able to find anywhere in the bill anything indicating that a Representative has a similar privilege. It seems to me that in that sense the bill is uneven and discriminatory.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. JOHNSTON of South Carolina. The bill came from the House. The language is similar to that which is in every bill which the House passes with respect to pay. The House likes to handle its affairs in its own way; and the Senate acts on its affairs in its own way. That is according to past history. So the language of this bill has been prepared according to that policy. It leaves the matter to the discretion of each Senator. In the House the practice is different.

Mr. CASE of South Dakota. I recognize that it is customary for each House to operate for itself. I have offered the amendment to point out that the language of this paragraph would establish a mandatory increase for the staff employees of the House of Representatives, as I see it; but with the Senate, the increase would not be mandatory.

I accept the interpretation which has been placed upon paragraph (b) that the basic compensation of senatorial employees—that is, employees in the

offices of the Senate—would be automatically adjusted downward, to keep them where they are, unless a Senator notifies the disbursing office, in writing, that he wants his employees to have the benefit of the bill. That is the point I think the Senator from Texas was debating a while ago. It takes a rather close reading of paragraph (b), but I think it is correct to say that the bill automatically adjusts downward the basic compensation of employees in the offices of the Senate, so that they will not get the benefit of this increase unless the Senator indicates to the disbursing office, in writing, that he wants them to get the increase.

Mr. JOHNSON of Texas. The Senator is correct. Mr. Brenkworth confirmed that interpretation.

Mr. CASE of South Dakota. That understanding is confirmed both by the chairman of the committee which reported the bill and by the distinguished majority leader.

Mr. JOHNSTON of South Carolina. That is true.

Mr. CASE of South Dakota. But I have not found any provision in the bill which permits that to be done in the House of Representatives.

Mr. JOHNSON of Texas. There is none. The House handles these matters in its own way.

Mr. CASE of South Dakota. In the House, therefore, the increase would be mandatory for every employee. I suggest that that establishes some discrimination. The bill then provides that employees in the offices of Representatives will get a 7½-percent increase. The employees in the offices of Senators will not get the increase unless Senators individually, as to their employees, indicate that they want them to get the increase. Certainly that is discriminatory. I think we should treat our employees evenhandedly. I think Senators' employees should not be treated differently from employees of the Members of the House of Representatives.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. JOHNSON of Texas. I agree with the Senator. The Senator is correct in his understanding that there is a difference. The House chooses to operate in that way. There are many differences in the operating arrangements of the two bodies.

As the Senator knows, the House refused to employ administrative assistants, following the passage of the Reorganization Act, which was introduced by the Senator from Oklahoma [Mr. MONRONEY] and the late Senator from Wisconsin, Mr. La Follette, authored. The House did not choose to have the high-level personnel which the Senators have. Theirs is a different situation.

In this instance, the House has chosen to pass the bill as the Senator has it before him. Although I would much prefer to have the same provision apply to both Houses, I think the comity which exists between the two bodies, and the understanding we have always had, is desirable. Accordingly, the Senate does not touch the provisions relating to the House of Representatives. If the Senate does not have enough to do without handling the affairs of the House of Representatives, then the Senate is underworked.

The situation throughout the years has been that the House of Representatives handles its own business, and the Senate handles its own.

The pay of the Senate Parliamentarians is different from the pay of the House Parliamentarians. Some of the employees of the House get more than the comparable employees of the Senate. Some are given increases by statute, while ours are not.

In each instance, the leadership has felt that it was better to leave such matters up to the membership of the other body. The vote in the other body on this bill was, as I recall, something like 8 or 9 or 10 to 1.

I dislike in the concluding days of this session to have the Senate adopt an amendment affecting the House. It would be something we have never done before. If we did, I think perhaps the House simply would not receive it and would send it back to us.

Mr. CASE of South Dakota. I am fully aware of the logic and historical traditions by which each body legislates for itself. However, I am glad to have the confirmation of the Senator from Texas of the fact that there is a difference in the treatment which is accorded the employees of Senators and Representatives.

Mr. JOHNSON of Texas. There always has been.

Mr. CASE of South Dakota. There are two ways to handle the matter: Either to include the words "or Representative" after "Senator," or to strike subparagraph (b) from the bill.

The Senator from Louisiana [Mr. ELLENDER] has proposed to strike the entire section from the bill. I offered my amendment as a perfecting amendment so that it could be considered before the Senate votes upon the amendment offered by the Senator from Louisiana. If it is not desired to act in that way, and if the amendment of the Senator from Louisiana should not be accepted, then the other way to proceed would be to strike subparagraph (b) from the bill, so that Senators will not be in the onerous position of having individually to determine whether the blanket pay increase which would be given to the employees in a Representative's office shall not extend to the employees in a Senator's office.

I have thought that the logical thing to do, under the motivations which produced paragraph (b) of the bill, is to give the Senate an opportunity to avoid discriminatory action by including the words "or Representative." If that is not desired, then the entire paragraph should be stricken from the bill, so that Senators will not be called upon to pick and choose, if Representatives are not going to pick and choose.

I hope the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota.

The amendment was rejected.

Mr. CASE of South Dakota. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. CASE of South Dakota. Would it also be considered a perfecting amendment if I were to move to strike paragraph (b) from section 117?

The PRESIDING OFFICER. The Senator could move to strike that section.

Mr. CASE of South Dakota. I move that subparagraph (b) of section 117, beginning on line 19, page 17, and continuing through line 7, on page 18, be stricken.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I should like to discuss the amendment for a moment. I invite the attention of the Senator from Louisiana [Mr. ELLENDER] to the situation which now exists.

If the entire section 117, relating to employees in the legislative branch, remains in the bill undisturbed, then we will have a situation in which the employees in the office of a Representative will get an automatic pay increase of 7½ percent. The employees in the office of a Senator will not get such an increase unless the Senator notifies the disbursing office, in writing, that he wishes his employees to get the increase—and, presumably, which employees in his office he wishes to receive the increase.

If the employees in a Representative's office are to get the increase automatically, as the employees in the other branches of the Government will get it, why should we not strike paragraph (b) of section 117, so that the employees in senatorial offices will be treated just as fairly as and on all fours with the employees in the offices of Representatives? If the employees in the offices of Representatives are to get the increase automatically and uniformly, why should not the employees in the offices of Senators get the increase automatically and uniformly?

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Dakota yield?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from South Dakota yield to the Senator from Texas?

Mr. CASE of South Dakota. I yield.

Mr. JOHNSON of Texas. I will tell the Senator why. It is because the House of Representatives, which regulates its own business, does not choose to have its employees dealt with in this way.

Mr. CASE of South Dakota. But I am not proposing that the Senate legislate for the House of Representatives employees. I am proposing that the Senate legislate for the Senate employees.

If the House decides that the employees of the House of Representatives are to receive an automatic pay increase, are we to say to the employees in the

senatorial offices, "You will not get an automatic pay increase. Your Senator must go to the disbursing office and must notify it in writing which of his employees is to receive an increase, and how much."

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Dakota yield further to me?

Mr. CASE of South Dakota. I yield.

Mr. JOHNSON of Texas. I say we should vote to proceed in the way recommended by our committee, because I think a considerable number of Senators do not want their employees to receive an automatic pay increase of 5 percent or 6 percent or 7 percent; instead, those Senators want to be the judge of what their employees shall receive.

In the House of Representatives the situation is different. I propose that each body make the decision for itself.

Mr. CASE of South Dakota. Very well; and I am proposing that the Senate make the decision as to whether it wants the Senate employees not to receive an increase which the House of Representatives employees will automatically receive.

Mr. JOHNSON of Texas. The House has decided this question for itself; but I do not want any Senator to be forced to increase the pay of his employees 6 percent or 7 percent, if, in his judgment, he does not want that done.

Mr. CASE of South Dakota. But the employees of the House of Representatives should not automatically receive benefits which the employees of the Senate will not automatically receive.

Mr. ALLOTT. Mr. President, will the Senator from South Dakota yield, to permit me to propound a parliamentary inquiry?

Mr. CASE of South Dakota. I yield.

Mr. ALLOTT. Mr. President, I rise to a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado will state it.

Mr. ALLOTT. I wish to ask whether an amendment which I have in mind will properly lie to the amendment of the Senator from South Dakota.

The PRESIDING OFFICER. Will the Senator from Colorado state the nature of the amendment he has in mind?

Mr. ALLOTT. I shall discuss the amendment in just a moment. On page 18, in line 3, I propose to strike out the word "not."

The effect of the amendment—and I hope the amendment will solve part of the difficulties which are bothering the Senator from South Dakota—will be simply that the pay raises will not be applicable until the individual Senator notifies the disbursing office, in writing, that he does wish such provisions to apply to such employees. In other words, the amendment takes off the burden, and reverses the situation.

I hope that my friend, the Senator from South Dakota, will see fit to accept this amendment.

The PRESIDING OFFICER. The amendment submitted by the Senator from South Dakota must first be acted upon, before the amendment of the Senator from Colorado can be acted upon.

Mr. CASE of South Dakota. Mr. President, I think the issue is clearly before the Senate; so I have nothing further to say. This issue is merely whether Senators want the bill, as passed, to discriminate in favor of employees in the offices of Members of the House of Representatives, and against employees in the offices of Senators.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

Mr. JOHNSON of Texas. Mr. President, I wish to make a brief statement: 2,400,000 persons are affected by this bill; and at the moment we are talking about a relatively small number of these Government employees.

I have checked with the House of Representatives office, and it makes this statement:

> The Senate has traditionally followed the practice of requiring affirmative action in order to give the increase to its employees. The House has always done it the other way; the House employees get it unless action is taken to take it away from them.

That has been true of every increase that has been made through the years. The House has traditionally proceeded in the other way—making the increase automatic. The House employees receive the increase automatically, unless action is taken to prevent them from receiving it.

I hope that in dealing with an item which affects so few people relatively we shall not take action which will necessitate sending the bill to conference.

Mr. President, I yield back the remainder of the time available to me.

Mr. CASE of South Dakota. Mr. President, I wish to say a further word.

Mr. JOHNSON of Texas. Then, Mr. President, I reserve the remainder of the time available to me. I had thought the Senator from South Dakota had yielded back the remainder of the time available to him.

Mr. CASE of South Dakota. Mr. President, the Senator from Texas has been making the point that each House should legislate for itself. But now he has taken the position that not one amendment should be written into the bill by the Senate, but that the bill should be passed by the Senate in exactly the same form as that in which the bill came to us from the House of Representatives, so that the bill will not have to go to conference. That is a denial of the right of the Senate to have any part in this legislation. If no amendment is to be made by the Senate to the bill, then we let the House of Representatives write the legislation.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield.

Mr. JOHNSON of Texas. The Senate committee reported the bill in this form.

Mr. CASE of South Dakota. Yes, but under the same strictures which the majority leader now wishes to lay down for the Senate—namely, that we take the bill just as it is, and do not amend the bill and have it go to conference. If that is permitting the Senate to write its own ticket, I do not so understand it.

Mr. President, I ask for a vote on my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH], and the Senator from California [Mr. ENGLE] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS], and the Senator from Arkansas [Mr. FULBRIGHT] are absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH], and the Senator from California [Mr. ENGLE] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business. If present and voting, the Senator from Nebraska [Mr. HRUSKA], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—yeas 19, nays 63, as follows:

[No. 224]

YEAS—19

Anderson	Hayden	Saltonstall
Bennett	Lausche	Talmadge
Bush	Lusk	Thurmond
Byrd, Va.	McClellan	Williams, Del.
Curtis	Mansfield	Young, Ohio
Ellender	Prouty	
Gore	Robertson	

NAYS—63

Aiken	Brunsdale	Chavez
Allott	Byrd, W. Va.	Church
Bartlett	Cannon	Clark
Beall	Carlson	Cooper
Bible	Case, N.J.	Dirksen
Bridges	Case, S. Dak.	Dodd

Douglas	Jackson	Morton
Dworshak	Javits	Moss
Eastland	Johnson, Tex.	Murray
Ervin	Johnston, S.C.	Muskie
Fong	Jordan	Pastore
Frear	Keating	Proxmire
Goldwater	Kerr	Randolph
Green	Kuchel	Scott
Gruening	Long, Hawaii	Smathers
Hart	Long, La.	Smith
Hartke	McCarthy	Sparkman
Hickenlooper	McGee	Symington
Hill	Magnuson	Wiley
Holland	Martin	Williams, N.J.
Humphrey	Monroney	Young, N. Dak.

NOT VOTING—18

Butler	Hennings	Mundt
Capehart	Hruska	O'Mahoney
Carroll	Kefauver	Russell
Cotton	Kennedy	Schoeppel
Engle	McNamara	Stennis
Fulbright	Morse	Yarborough

So Mr. ELLENDER's amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. Mr. President, I send to the desk an amendment and ask to have it stated, and I ask for the yeas and nays.

The PRESIDING OFFICER. The clerk will first state the amendment.

The LEGISLATIVE CLERK. On page 20, between lines 16 and 17, it is proposed to insert the following new section:

LIMITATION ON INCREASES

SEC. 123. Notwithstanding any other provision of this Act or of any amendment made by this Act, no such provision shall—

(1) provide or authorize an increase in any rate of basic compensation or gross compensation (basic compensation plus additional compensation authorized by law) if such rate, computed without regard to such provision, is $10,000 or more per annum, or

(2) provide or authorize an increase in any rate of basic or gross compensation to an amount in excess of $10,000 per annum if such rate, computed without regard to such provision, is less than $10,000 per annum.

Mr. ELLENDER. Mr. President, I renew my request for the yeas and nays.

The yeas and nays were not ordered.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. What time will be used for the call of the roll?

The PRESIDING OFFICER. Does the Senator from Louisiana request that the time not be charged to either side?

Mr. ELLENDER. Mr. President, I ask unanimous consent that the time for the call of the roll not be charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I renew my request. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, this is a very simple amendment. All it seeks to do is to confine the 7.5-percent across-the-board pay increase provided in the pending bill to persons making less than $10,000 per year. Under my amendment, an employee receiving $10,000 per annum or more would receive no pay increase, and, as to persons presently receiving less than $10,000 per year, in no case could their compensation be increased under the authority of the pending bill, to more than $10,000 per year.

I do not enjoy offering amendments of this kind to proposed pay legislation, but I feel compelled to do so because I am firmly convinced that if the inflationary spiral is to be stopped, if burgeoning Federal expenditures are to be reduced, it is up to the Federal Government to set the example.

There is doubtless a strong case to be made for a pay increase for persons in the lower income brackets, but I do not believe that persons presently earning $10,000 per year or more, which is a substantial amount of money, need a pay increase to the extent that the lower paid Federal workers do.

Actually, Mr. President, it could perhaps be argued that a pay raise of the magnitude provided in the pending bill might be somewhat excessive, even as to the lower income brackets. According to my information, the cost of living, as measured by the Consumer Price Index, has increased by only 2 percent, since the last Federal pay raise in 1958.

A more limited study of the Consumer Price Index, embracing only housing, apparel, transportation, medical care, personal care, reading, and recreation, indicates that there has been an average net increase in prices for these items of only 3 percent during the same period of time.

Now I am not unaware of the fact that individuals employed in the private sector of our economy have received substantial wage increases since 1958, but I return to the basic premise, that despite such increases it is up to the Federal Government to lead the way in holding down the cost of living, in holding down Government expenditures.

We cannot afford to follow blindly in the footsteps of other segments of our economy, and, in effect, participate in an effort which is bound to further increase the cost of living. I am also compelled to inform Senators that despite the fact that average hourly earnings in manufacturing and similar industries have increased only an average amount of 6.4 percent since 1958, the pending bill would provide a 7.5-percent increase for Federal employees. Thus, Mr. President, even assuming that the Federal Government should go forward and "follow the leader" in raising wages, the average hourly earnings in other segments of our economy has increased by only some 6.4 percent, compared with the 7.5-percent increase provided under the pending bill.

Mr. President, I ask unanimous consent that the tables showing the Consumer Price Index for all articles, the Consumer Price Index for selected items, and the average hourly earnings, excluding overtime, for selected industries, be printed at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Consumer Price Index, all items

[1947–49=100]

March 1958	123.3
March 1960	125.7
Net change	+2.4

Change, +2 percent (rounded).

Consumer Price Index, selected items

[1947–49=100]

	1958 average	March 1960	Percent change
Housing	127.7	131.3	+2.8
Apparel	107.0	108.8	+1.7
Transportation	140.5	146.5	+4.3
Medical care	144.6	155.0	+7.8
Personal care	128.6	132.7	+3.2
Reading and recreation	116.7	120.9	+3.6
Food	120.3	117.7	−2.2
Average increase			+3.0

Average hourly earnings (excluding overtime)

[Selected industries]

	1958 average	February 1960	Percent change
Manufacturing (all)	$2.08	$2.22	+6.7
Banks	1.78	1.87	+5.0
Hotels	1.13	1.20	+6.2
Telephone	2.05	2.22	+8.3
Telegraph	2.17	2.27	+4.6
Gas and electric utilities	2.46	2.65	+7.6
Chemical industry	2.31	2.46	+6.4
Textiles	1.51	1.60	+5.9
Primary metals (including steel)	2.65	2.86	+7.9
Average increase			+6.4

Mr. ELLENDER. Mr. President, I also tell Senators that, according to the best information I have been able to obtain, the adoption of my amendment, which, as I have said, would limit the pay raise provided in the bill to the lower paid employees of the Federal Government, would result in savings aggregating at least some $48 million. The latest available figures on Federal employment which I have obtained from the Civil Service Commission, show that there are 55,971 civil service employees earning more than $10,000, out of a total 962,264,000 employees. These $10,000 per year and over employees—and I am referring to civil service employees only—were receiving as of June 30, 1958, aggregate pay totaling $639,101,065. Applying a 7.5 percent to this amount, it is easy to see that the saving as to civil service employees alone, would be $47,932,579 per year.

I also have before me a table headed "Employees by pay group, all areas, June 30, 1959," indicating that of all Federal employees—classified, wage board, postal field service, and others—only 71,993 receive salaries in excess of $10,000 per year. Thus, it becomes obvious that the amount I propose will not affect the rank and file of our Federal workers, but will apply only to a little more than 3 percent of our total Federal payroll, in

terms of number of employees, while at the same time, saving an amount in excess of $48 million per year.

I do hope, Mr. President, that my amendment will be adopted. I do not mean to say that persons presently earning $10,000 per year are overpaid. That is not the point at all. The fact is, as I have already tried to point out, the Federal Government owes to our people a major responsibility in curbing inflation, and in halting the ever rising cost of Government.

It strikes me that this is a particularly appropriate time for the Congress to fulfill its responsibilities in this area. Under my amendment, a step forward in this regard would be taken, without as I have indicated, working any injury upon the great majority of our Federal employees.

As I previously stated, I wish to be in a position to vote for a pay increase for those who need it. As I pointed out previously, the bill is dubbed a bill to increase the pay of postal employees. Every telegram I have received in the past 24 hours refers to the bill as a postal pay raise bill, when, as a matter of fact, it affects practically every classified employee, many of whom, as I have said, are today receiving salaries that are fair and just. My fear is that by overloading this pay increase bill, by increasing the salaries of people who are now receiving sufficient salary, we may prevent the bill from becoming law.

Mr. President, I yield 10 minutes to my distinguished friend from Georgia.

Mr. TALMADGE. Mr. President, I thank the able and distinguished Senator from Louisiana for yielding to me. I commend him for the amendment he has offered. As a matter of fact, I had prepared an identical amendment which I had planned to offer myself.

I have great sympathy for the hundreds of thousands of employees of the Government who live on nominal and sometimes little more than subsistence salaries. I am ready and willing to lend my voice and my vote to improve their lot. But, in considering raising the pay of Government employees, I also have equal sympathy for the millions of Americans outside the employment of the Federal Government who are burdened with oppressive taxation.

During the past 31 years we have succeeded in balancing our budget only five times. During that same period of time the value of our dollar has eroded to slightly less than 47 cents. Although I have had the privilege of serving in the Senate for less than 4 years, during that time we have acted or soon will act on four different bills to raise the ceiling on the national debt.

We have been guilty of nothing less than complete and abject fiscal irresponsibility.

At a time when the Nation is having difficulty selling its bonds we in the Senate find ourselves considering a bill which would raise the pay of virtually every civil employee in the United States, regardless of his present level of income.

How can we justify raising the salaries of employees who are receiving $10,000 to $19,000 a year when we have not balanced our budget and the value of our dollar is steadily declining. We seem to have gotten caught in a vicious cycle of having to raise the salaries of employees whose incomes have not kept pace with the inflation created by irresponsible Federal spending.

As has the distinguished Senator from Louisiana, I, too, have tried to get some facts on this matter. My time was limited as I prepared my amendment only this morning. But I found that of the 535,000 postal employees, only 1,141 earn in excess of $10,000 a year. Thus the proposed amendment would affect them virtually not at all.

This bill is intended to aid the people who work for the Government of the United States to meet their obligations, a purpose in which I concur. However, I do not think that we should haphazardly pass legislation affecting virtually every employee of our Government, regardless of his salary, when we cannot even balance our budget.

The figures I obtained on the saving which would be accomplished under the amendment offered by the distinguished Senator from Louisiana vary somewhat from the figures given by the Senator from Louisiana, but they are along the same line.

The staff of the committee informs me that if the amendment is adopted, it will save $35 million a year. I arrived at a little different result on the basis of the information I received from the Bureau of the Budget. That agency reported the savings as $56 million a year. The Senator from Louisiana [Mr. ELLENDER] received figures from the Civil Service Commission which put the amount in the vicinity of $48 million a year.

I do not think this Senate ought to raise the salaries of the people in the highest pay brackets in the Government at the expense of placing an even greater burden on our children and on our grandchildren yet unborn.

I hope that the amendment of the Senator from Louisiana will be adopted.

Mr. JOHNSTON of South Carolina. Mr. President, I call to the attention of the Senate what the Cordiner report had to say in regard to some of the salaries that would be affected by the amendment:

> In the top-level civilian employee field, the Department of Defense is in direct competition with industry for scarce skills. Industry is free to offer greater economic incentives. As a result, the Department is suffering alarming losses of established career civilians-engineers, scientists, and managers.

We hear a good many people talking about our inability to retain skilled workers, but if the amendment passes, it will only serve to keep more people from remaining with us in the different scientific fields. The Cordiner report says further:

> To be precise turnover is increasing. The ratio of losses of top scientists and engineers in 1956 was four times that of 1951.
>
> Quality is decreasing. Supervisors indicate that their best people are leaving and that the replacements don't measure up to those who have left.
>
> Many positions remain unfilled. In June 1956, one out of every five electronic, mechanical and aeronautical engineering positions was vacant. Similar shortages exist in other occupations. The situation grows steadily worse.

The excerpts I have read are from what is known as the Cordiner report.

I hope the Senate will not agree to the amendment. I call to the attention of the Senate again the fact that Senators might just as well vote against the bill as to amend it and send it to conference.

Mr. ELLENDER. I yield 5 minutes to the distinguished Senator from Idaho.

Mr. CHURCH. Mr. President, I rise to explain briefly the reasons why I support the amendment offered by the Senator from Louisiana. I must say at the outset that normally I would oppose the amendment, because it is not my feeling that those who occupy high policy-making positions in the Government are overpaid. If I felt that a case had been made out by which I could, in good conscience, justify the 7½-percent increase proposed in the bill for all civil service employees, then I would wish to see the same increase given to the employees in the highest brackets as well as those in the middle or lower brackets.

Because I feel that no case has been made to warrant a 7½-percent increase for civil service employees generally, I must support any amendment which will tend to temper the cost which is encompassed in the proposed legislation. The cost, as the Senate well knows, is three-quarters of a billion dollars, permanently added to the Federal budget, and to the burden of the taxpayers.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CHURCH. I am glad to yield.

Mr. JOHNSON of Texas. How much is involved in the pending amendment?

Mr. CHURCH. The pending amendment would effect a saving of anywhere from $35 million to $55 million a year, depending upon the source of the figures. There seems to be some divergence with regard to the estimates made by the Civil Service Commission, by the Bureau of the Budget, and by the staff of our own committee. However, whichever figure is taken, be it $35 million or $55 million, it is a significant figure. I feel that it justifies support of the amendment.

Mr. JOHNSON of Texas. How many people are affected?

Mr. CHURCH. I am sorry I do not know the answer. Perhaps the Senator from Louisiana knows the answer.

Mr. ELLENDER. Fifty-five thousand.

Mr. CHURCH. Fifty-five thousand people would be affected. That would be the total number of people on the Federal payroll whose salaries are now above $10,000.

Mr. JOHNSON of Texas. Does the Senator realize that most of our technological and scientific people are in that group?

Mr. CHURCH. Yes. If I felt that a 7½-percent increase were warranted, I would want it to go to those in the higher brackets, as well as to the middle and lower brackets.

Mr. JOHNSON of Texas. Coming from the State that the Senator does, with the great interest he has in the problem, he knows of the difficulty we

have of holding technological people in our employ, the people who fall into this group, particularly because industry is hiring them away from government all the time.

Mr. CHURCH. I am trying to keep this matter in perspective. The total cost of the bill is very large indeed. To justify favorable action on the bill as a whole, upon the ground of what it might do for these highly trained people and specialists, seems to me not to be sound. After all, we have a big package. We have to consider the impact of all of it on the cost of government.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield further?

Mr. CHURCH. I yield.

Mr. JOHNSON of Texas. I could appreciate the Senator's position on an amendment separating the postal employees from the other employees, if he wished to raise only the postal employees. However, that is not this amendment. This amendment says, "We will give everybody a raise except to the people we need the most, the people who are being grabbed away from the Government." It seems to me that the Senator would do that to save $35 million in the hectic period when bombs are raining on Quemoy. It is a poor way to try to take $35 million from people we are looking for to help maintain freedom in the world.

Mr. CHURCH. I do not believe that the committee reports contain data upon which we can draw, with any degree of assurance, what the Government's difficulties are, with respect to procuring these highly skilled people.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield 3 additional minutes to the Senator from Idaho.

Mr. CHURCH. We do not know what the difficulties are with respect to procuring these specialists, or what adjustments should be made in their wages. I do feel that if this 7½-percent increase is not warranted generally for the civil service employees, then let us take such steps to modify the bill as the majority will support. It seems to me that the amendment of the Senator from Louisiana at least has this force to it. It will confine the increase to those who are most likely to be in need of it, because their salaries are in the lower brackets. It will effect an overall saving of between $35 million and $55 million.

Until a better case is documented, showing, to my satisfaction, that adjustments in the higher brackets are necessary in order to maintain, attract, and hold, scientists and technicians, who now receive anywhere from $16,000 to $19,700 a year, I believe that I am justified in supporting the amendment.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CHURCH. I am on limited time, but I am glad to yield to the Senator from Rhode Island.

Mr. PASTORE. Why does the Senator assume that a single girl earning $4,000 a year is in more need than a married man with five children earning $11,000?

Mr. JOHNSON of Texas. Are we not concerned with families as well as individuals?

Mr. CHURCH. We can choose convenient examples, of course. I am concerned about those who work for the Government with families, whether they are earning $11,000 or $7,000 or $5,000.

Mr. PASTORE. Precisely.

Mr. CHURCH. Those in the lower brackets who have families are faced with the rising cost of living. They are the ones who are most in need of such increases as we may choose to give. I therefore feel, that if we are going to have a 7½-percent increase, let us at least confine that increase to those who are most in need of it. It seems to me that those who are making less than $10,000 are the ones most in need.

Mr. PASTORE. Is not the Senator arguing and is not his logic taking this form, that we can afford to give this pay increase, provided it costs $35 million, but not if it costs $800 million?

Mr. CHURCH. No, indeed I am not. This amendment would save $35 million. I am about to offer an amendment to the bill which will confine the increase to postal workers, because I believe a legitimate case has been made to warrant an increase for these workers. That will exclude the $500 million in the bill that would go to the classified civil service employees, because I think no case has been made out to warrant an increase of this size for these employees. This would save money which could better be spent for the critical needs of the country. I am therefore supporting the Senator from Louisiana, and I will later offer an amendment which will not effect a savings of only $35 million or $55 million, but will effect a saving of a half a billion dollars.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield 1 additional minute to the Senator from Idaho.

I wish to observe that I can understand the logic of the Senator's position on his overall amendment, but I submit that it is not so much a question of the individual need of the scientist as it is the need of the Government itself. These people are going into private industry. They are going into private plants. I believe that what the Senator is saying to these people is, "We are going to raise everybody up to this level, but we are going to ignore you." That will aggravate the problem, rather than help to solve it. Perhaps the steel workers were not entitled to get an increase. However, if we are to give an increase to anyone, we should certainly give it to those we need the most in the critical period we are facing.

SEVERAL SENATORS. Vote! Vote!

Mr. LONG of Louisiana. Mr. President, will the Senator yield me 3 minutes?

Mr. JOHNSON of Texas. I yield 3 minutes to the Senator from Louisiana.

Mr. LONG of Louisiana. I dislike very much to disagree with those who argue in favor of the amendment. I should like to say a word about it. When the junior Senator from Louisiana came to the Senate the Hoover Commission had worked out recommendations for job economy in Government. One of their leading recommendations was that we should try to give an increase in pay to people who had the responsibility of management in the Government. The argument for that was that the Government was losing a great amount of money for lack of first-class managers in Government.

The junior Senator from Louisiana handled the bill on the floor, and had great difficulty in getting an increase for the top management officials in Government, although in his opinion an almost irrefutable case had been made that by spending money we could make tremendous improvements in efficiency and better management. I have seen bills go through Congress raising the salary of low grade employees but not of the higher grade employees. Incidentally, that is popular with the postal people. Raise all the low-grade people, who squabble over their supervisors, but do not raise the supervisors because they are not too popular with the letter carriers or the clerks.

If we are to have good management, we shall have to pay something for it. It is my impression that the best people in the Government today in the managerial end are staying there solely to obtain their retirement benefits, because the Government has a good retirement program. But they are being paid much less than persons having comparable ability who are employed in other areas of endeavor.

It is my judgment that if we want to keep the best people, the postmasters and persons in managerial positions in Government, we will do well to give them an increase.

We talk about people who are getting better-paid work elsewhere. They are the very people who would get no increase at all, while everyone else would get the 7½-percent increase.

My guess is that the pending amendment affects the people who have the most ability and who deserve a pay raise, while those who would be paid less would be those who would not get a pay raise, because we pile up the pay increases or incentives, in my judgment, and a better case would be made for the people who are paid on the basis of ability.

Mr. GOLDWATER. Mr. President, will the Senator from Louisiana yield?

Mr. LONG of Louisiana. I yield.

Mr. GOLDWATER. The Senator from Louisiana is making a good case for what I believe is the basic trouble with the pay raise approach which confronts us every election year. I know a little something about management and something about hiring people.

We will not retain people in desirable positions in the Government with a 7½-percent increase. Suppose a man is making $20,000 a year. If an aircraft company wants that man, it will offer him $30,000, which will mean a net increase of about $8,500 more than if he got a 7½-percent increase in the Government.

Every election year, for votes only, we come into this Chamber and argue about the underpaid postal workers and the underpaid civil service workers.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. DIRKSEN. I yield the distinguished Senator 5 additional minutes.

Mr. GOLDWATER. Would it not be better for the committee to devote itself to a real study of the pay bases and pay scales of the Federal employees? Would not that be better than to come here every election year, knowing it is very difficult to vote against pay increases? It is like voting against mother love or against the flag. I think we are wasting the taxpayers' money. I do not think we are getting the best out of our workers.

If the postal employees are underpaid, then let them be paid what they are worth. But let us not increase their pay in a political year merely by voting for a 7½-percent increase.

I guarantee that any private business that wants to pirate or hire any Government worker will not be stopped by a 7½-percent pay increase. It may be that we shall have to increase some of the pay bases by 20, 30, 40, or 50 percent. But I suggest that we do it, and not come here every election year with a purely political bill which does not do the worker any good. Let us not say that we have helped the underpaid employees of the Government. We have done them no good. We simply add to the inflationary spiral, and we add to the economic problems of the workers.

If we would stop irresponsible spending, we would do more good for the country than by providing wage increases.

I got away from the question I had intended to ask. Does not the Senator agree that the basic problem is one of studying the whole wage structure of the Federal employees?

Mr. LONG of Louisiana. That is a problem connected with it, but the bill is before the Senate. My general feeling about it is that if we are to give a pay raise to everyone, the people who would be denied a pay raise by the amendment are those who could fill any position. They certainly are worth more than they are getting and are worthy of a pay raise. That being the case, I hope they will share in a pay raise, if a pay raise is to be granted.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Idaho.

Mr. CHURCH. Mr. President, I shall sum up the reasons why I support the amendment. It has been argued by the distinguished majority leader and other Senators that the Government has a great need for technicians and other highly educated and expert persons who are not now working for the Government because of the higher wages they receive in private industry, or who are leaving the Government because they can receive higher wages elsewhere. I suggest that this is an assertion which is not backed up by the committee hearings. We have no data or studies upon which to rest a competent judgment that that is so. We have no proof, upon which we can act, that this is so. We have merely surmises and the contention.

Furthermore, we have no proof whatever that a 7½-percent increase will cause those persons to stay with the Government, as was well pointed out by the distinguished Senator from Arizona. The kind of salary competition which may be attracting them away from Government service is not a differential of 7½ percent; it is a differential which may run as high as 20 or 30 percent.

Therefore, I believe we cannot assume, upon the evidence now before us, that the passage of the bill providing for a 7½-percent increase would rectify the problem which has been alluded to on the floor.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CHURCH. I will yield as soon as I have finished my statement.

Second, it seems to me that if the 7½-percent increase were justified overall, then it ought to apply to persons in the higher categories as well as to those in the lower or middle categories. That is why I said at the outset that normally I would not support an amendment of this kind.

But where there is no justification, in my opinion, for a 7½-percent increase overall, then I would prefer any amendment which would tend to limit the size of the increase to those who are clearly most in need of it. Those persons, obviously, are the ones in the lower and middle brackets. They are persons who are faced with the high cost of living but are having a difficult time making their budgets meet their living costs.

So I support the amendment. I believe it will effect a saving of at least $35 million to $55 million a year. Of those who are earning $10,000 or more a year, the great majority are not the technicians or the scientists to whom reference has been made; they are those in the regular civil service positions of the Government. They are not the persons who are most in need of a raise.

So let us effect a saving in the increase, if there is to be one, by granting the raise to persons in the lower income brackets, who certainly are most in need of an increase.

For these reasons, I believe it is in the public interest to support the amendment offered by the Senator from Louisiana.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MANSFIELD. The Senator has heard of Parkinson's law, has he not?

Mr. CHURCH. I have, indeed. I would only add to that statement that the existence of Parkinson's law makes it all the more mandatory for the Committee on Post Office and Civil Service, on which I formerly served, and for which I have the highest regard, not to come before the Senate with a package which requires us to vote for a 7½-percent pay increase for everyone in the Government simply in order that the postal workers can get their share, or in order that scientists and technicians will stay with the Government, but rather come to the Senate with tailored legislation and a well-documented case to support the kind of reformation which should take place on the Federal payroll, if we are properly to serve the public interest. I submit that we have failed to do that in the pending bill.

Mr. GRUENING. Mr. President, I rise in opposition to the amendment.

Mr. MANSFIELD. Mr. President, has the Senator from Alaska been yielded time?

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Alaska.

Mr. GRUENING. The amount to be saved by the amendment will be something in the neighborhood of one two-hundredths of 1 percent. By adopting such a provision, we will impair the value of the persons who are most valuable, most skilled, and most important to the Government.

Only a few hours ago, I was at lunch with one of our colleagues who said that he had lost his three top employees to private industry because he could not afford to keep them at the maximum salaries which the Senate permits.

If we make this distinction, we will pile up a large number of persons at the $10,000 level, and will be grouping persons having different values in one group. That would be most unfortunate. We should proceed to vote on the bill as it now is.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS], and the Senator from Arkansas [Mr. FULBRIGHT] are absent because of illness.

I further announce that the Senator from Massachusetts [Mr. KENNEDY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

On this vote, the Senator from Missouri [Mr. HENNINGS] is paired with the Senator from Michigan [Mr. MCNAMARA]. If present and voting, the Senator from Missouri would vote "yea" and the Senator from Michigan would vote "nay."

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], the

Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Kansas would vote "nay."

The result was announced—yeas 23, nays 58, as follows:

[No. 225]

YEAS—23

Allott	Dworshak	McClellan
Anderson	Ellender	Mansfield
Bridges	Ervin	Robertson
Byrd, Va.	Goldwater	Talmadge
Case, S. Dak.	Hayden	Thurmond
Church	Holland	Williams, Del.
Cooper	Lausche	Young, Ohio
Curtis	Lusk	

NAYS—58

Aiken	Green	Monroney
Bartlett	Gruening	Morton
Beall	Hartke	Moss
Bennett	Hickenlooper	Murray
Bible	Hill	Muskie
Brunsdale	Humphrey	Pastore
Bush	Jackson	Prouty
Byrd, W. Va.	Javits	Proxmire
Cannon	Johnson, Tex.	Randolph
Carlson	Johnston, S.C.	Saltonstall
Case, N.J.	Jordan	Scott
Chavez	Keating	Smathers
Clark	Kerr	Smith
Dirksen	Kuchel	Sparkman
Dodd	Long, Hawaii	Symington
Douglas	Long, La.	Wiley
Eastland	McCarthy	Williams, N.J.
Fong	McGee	Young, N. Dak.
Frear	Magnuson	
Gore	Martin	

NOT VOTING—19

Butler	Hennings	O'Mahoney
Capehart	Hruska	Russell
Carroll	Kefauver	Schoeppel
Cotton	Kennedy	Stennis
Engle	McNamara	Yarborough
Fulbright	Morse	
Hart	Mundt	

So Mr. ELLENDER'S amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. HARTKE in the chair). The bill is open to further amendment.

Mr. CHURCH. Mr. President, I send an amendment to the desk, and ask to have it stated.

The PRESIDING OFFICER. The amendment of the Senator from Idaho will be stated.

The CHIEF CLERK. It is proposed, beginning on page 4, at line 21, to strike all through page 13, line 6; and beginning on page 16, line 12, to strike all through page 20, line 6.

Mr. CHURCH. Mr. President, the effect of the amendment is to strike Part B of Title I of the pending bill. If adopted, it would mean a saving of about half a billion dollars. I therefore think it is a matter of sufficient importance to warrant the yeas and nays. I ask for the yeas and nays.

The yeas and nays were ordered.

If we were to confine this bill to the postal workers and adopt the increases in the proposed legislation for them, it would tend to bring them abreast of other workers in the Government, and to equate their pay with that being received by the majority of workers in the classified civil service.

Secondly, the great bulk of the postal workers, as the Senate well knows, are concentrated in the lower grades, and they are faced with an increasingly serious problem in trying to meet rising living costs. I think they are the most entitled to a pay raise. They have more need for the higher pay, and there is greater justification for giving it to them.

I think this is borne out by the particular fact that data before the committees show that 31 percent of the postal employees have to have a second job in order to make a living, and 43 percent of the postal employees have wives who work, in order that their joint pay may be sufficient to meet the family bills. Therefore, I think a convincing case is made for the need to increase the general level of salaries of the postal workers.

Thirdly, there is evidence that many postal workers still receive far less for the work that they do, than those engaged in comparable work in private industry. During my 4 years in the Senate I have tried to be fair with Federal employees. I believe they are entitled to comparable pay for comparable work. The fact that this is still not true with respect to many in the postal service is still another reason why we should pass their pay increase, as embodied in this bill.

Since 1951 average industrial wages have gone up 45 percent, while postal salaries have gone up 19 percent.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CHURCH. I would like to complete my statement. Then I shall be happy to yield.

The question I want to raise, in all seriousness, before the Senate is: Apart from the postal workers, what justification does the record show for increasing the salaries of the classified civil service employees by 7½ percent? I have studied the committee hearings, I have studied the reports very carefully, to see if I could find, to my satisfaction, a case which would justify the increase entailed in this proposed legislation.

I have asked myself, Is it because the salaries we pay to the Federal employees generally are substandard? That is not so. Unlike the case of the postal workers, we have no convincing evidence before us which would lead us to believe that Federal employees in general are not being paid wages comparable to the kind of wages that prevail for the same kind of work in private industry. On the contrary, the evidence I have seen shows that present wage levels are fair, and that the fringe benefits we now give to Federal employees are even more generous than those that generally obtain in private industry. Benefits in life insurance, health insurance, retirement, hospitalization and medical expenses—all these have been estimated to have a value of 30 percent, over and above the actual wages paid to Federal employees.

So then, Mr. President, I suggest that no case has been made that prevailing wage levels of Federal employees are so substandard as to warrant a 7½-percent increase, as provided in the pending legislation.

Therefore I have asked myself this second question: Are we granting this 7½-percent increase to enable Federal employees to keep abreast of the rising cost of living? Is that the justification for this bill? If so, I would support it, because I want to do equity by the Federal employees, and I think they are entitled to have wage adjustments as the rising cost of living may require. But since the last pay raise took effect a little more than 2 years ago, the cost of living index has gone up but 1.6 percent.

We are here proposing an increase of 7.5 percent. I wish to make it perfectly clear on the record that I favor any such adjustment as may be required to keep up with rising living costs. I would support such a bill here and now. I would support such a bill if it came from a conference committee, as it might relate to cost-of-living pay increases for classified civil service employees.

If the amendment I offer is adopted, the effect will be to send the bill to conference. There the conferees will have an opportunity to review what may be justified for the civil service employees in the light of all the data they can assemble with respect to rising living costs. Then the conferees can come back and recommend an increase in line with the needs of Federal employees, and I shall be happy to support such a measure.

However, the proposed pay raise contained in the bill before us cannot possibly be justified on the basis of the evidence presented to the committees, on account of increased living costs. What, then, is the justification?

Mr. KEATING. Mr. President, will the Senator yield?

Mr. CHURCH. I will yield to the Senator after I finish my argument, if I may.

If it is not that present wages are substandard, if it is not that inflationary rises in the cost of living require the adjustment to be made, what, then, is the justification for the bill? Is it that we have neglected for too long our Federal employees? That cannot be.

Mr. President, since the war Federal employees in the classified civil service have received regular increases in pay amounting, in the overall, to some 80 percent. If Members of the Senate who are interested will look at the minority views in the House report they will see a detailed listing of the increases granted by the Congress in the Federal wage level since the war.

In 1945, we granted an average increase of 15.9 percent.

In 1946, we granted an average increase of 14.2 percent.

In 1948, we granted an average increase of 11 percent.

In 1949, we granted an average increase of 4 percent.

In 1951, we granted an average increase of 10 percent.

In 1955, we granted an average increase of 7.5 percent.

In 1958, we granted an average increase of 10 percent.

Now we are asked to grant an increase of 7.5 percent.

The sum, all told, represents approved pay increases by the Congress of 83.6 percent in the last 15 years, and the employees have received seven of these increases, representing an inpocket average increase of 72.6 percent.

I say, Mr. President, in all reasonableness, the record simply does not support the theory that Federal employees as a whole have been forgotten or neglected in any way. Rather, the record shows that Federal pay boosts come up like spring grass, every election year, as has been well pointed out by the distinguished Senator from Georgia.

Having found no other basis to warrant the salary increase proposal contained in the bill, I have concluded it is a familiar malady which furnishes the impetus for the proposed legislation, and that malady is election fever. Respectfully, I implore the Senate to consider the cost of the passage of this measure.

As the bill now stands, it would add approximately three-fourths of a billion dollars to the cost of Government from now on. That is not simply for 1 year, but for next year and the next year and the next year, for so long as anyone can foresee. It will permanently affix 1 percent to the tax burden of this country. It represents an added 1 percent permanently engrafted upon the Federal budget.

I say to you: Come chaos, calamity, war, pestilence, or economic collapse, one thing is as certain as death and taxes. The country may come down, but the Federal wage scale will not come down, once it has been approved by the Congress.

The cost of this proposed legislation cannot be accepted cavalierly, or dismissed simply because it may be politically expedient for us not to consider it.

Is it prudent, Mr. President, at this time to engraft an additional three-fourths of a billion dollars a year on the Federal budget, to increase Federal pay? Oh, we talk a lot, Mr. President, about our critical needs, and many indeed are the grave problems we are leaving unattended and unsolved.

I support—generously, I think—appropriations of public money for causes which I think require our attention, and many have been the times on this floor when I have said, "We are not doing enough to meet the critical needs of the country."

However, Mr. President, I cannot, in good conscience, support a three-quarter billion dollar bill to fatten Federal pay, when the proof is not before us to justify it.

This bill, Mr. President, represents a cost seven times as great as the $90 million the Congress authorized to be appropriated for the elimination of water pollution. That bill, as the Senate well knows, was vetoed by the President. The veto was not overridden by the Congress.

This bill represents a cost three times the amount of money the Senate was going to provide to rehabilitate depressed areas. The depressed area bill was also vetoed by the President, and the veto was not overridden by the Congress.

I am told that this time we are going to override the veto. I am told that this time we are going to appropriate three-quarters of a billion dollars and then override the veto. It will be the second time since Mr. Eisenhower became President of the United States that his veto has been overridden. Well, that is a fine record. We will vote to override the President's veto to fatten the Federal payroll, but not to meet the critical needs of this country.

Mr. President, there is so much crying to be done. Public money is needed to help rehabilitate depressed areas; to provide urban renewal in the rotting cores of our big cities; to upgrade public transportation in congested areas, now 20 years behind our needs; to clean up our polluted rivers; to do something about the thickening contamination in the urban air; to end the classroom shortage in our public schools; to increase teachers' pay; to close the dangerous gaps we know exist in our military defenses; to deal with the inadequate care and medical attention which is now extended to the old, the handicapped, and the feeble of this land.

Mr. President, the Congress may have difficulty in pointing to a record in these fields—and assuredly we cannot show with respect to any one of them that we have overridden a Presidential veto—but the plan is to overide the veto of the President to fatten the Federal payroll.

I could go on, Mr. President, but the point is clear. Public money is desperately needed for urgent problems. Let us not spend it for a pay increase without cause, without justification, without any proven need.

But if we pass the bill as proposed, then, for goodness' sake, let us at least have the grace afterward to stop talking about this being a time for self-sacrifice for the country. This bill is self-indulgence. Let us stop talking about bravely standing up and tightening our belts, and doing something strong about the challenge which faces us. This bill is weakness.

I have always stood for fair treatment of Federal employees, and I always shall. I am for the postal pay raise because I think it is justified on the record. I am for such adjustments as rising costs of living may require for Federal employees—all of them. But I am not in favor of squandering public money where the need is unproved, in the face of the desperately important and critically unattended to needs which face our country today, both at home and abroad.

I have sent to all Senators a telegram which summarizes my case for the amendment. I ask unanimous consent that it be incorporated in the RECORD at this point in my remarks.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

I urge your support of my amendment limiting pay raises to postal workers. Its adoption would effect an annual saving of nearly half a billion dollars. No case has been made to warrant 7½-percent increase in salaries of classified civil service employees. Their present wage scale compares favorably with comparable work in private industry, while their fringe benefits are even more generous. Since last pay raise was granted 2 years ago, cost of living has increased only 1.6 percent. The pending bill will permanently add three-quarters of a billion dollars to the cost of Government at a time when public money is urgently required to meet critical needs on many fronts which we are leaving unattended.

Mr. CHURCH. For these reasons, I urge the adoption of the amendment. If it is adopted, I think we shall have rendered a signal public service.

If the amendment is not agreed to, I shall have to support the bill on final passage, in order to do justice to the postal workers. But in that event, we shall be paying a very high price to do right by one segment of our Federal employees.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. McCLELLAN. In his remarks earlier I understood the Senator to make a statement with respect to the amount of money that his amendment would save annually. What was the amount stated by the Senator?

Mr. CHURCH. The best estimate that I have is that the amendment would effect an annual saving of about a half billion dollars.

Mr. McCLELLAN. Is that not approximately two-thirds of the amount involved in the bill?

Mr. CHURCH. That is right; it is approximately two-thirds of the amount involved in the bill.

Mr. McCLELLAN. I wish to compliment the Senator on the very able address that he has made in support of his amendment. I subscribe to the views that he has expressed, except that I have difficulty in agreeing with him in that we should vote for two-thirds of the bill that is bad in order to get the one-third which is needed enacted into law. That is not a sound or safe guide or policy to pursue.

Can we therefore, in the light of our fiscal situation, in view of the heavy burdens upon us, go further into debt by spending money we do not have, to raise salaries to the tune of a half billion dollars for employees where no adequate justification is shown to exist at the present time for such increase. I can't in good conscience do that. A case is made here for the postal employees, and I want to vote to increase their salaries.

I believe that we should raise the salaries of the postal workers. I agree that there is justification for doing so, and I want to do that. However, as the able Senator from Idaho has pointed out, there is no need to raise Federal salaries

across the board. There is urgent need for this half billion dollars—a half billion dollars that we actually do not have—to be spent for things that are critical to the security of our country.

Mr. CHURCH. I agree with the Senator.

Mr. McCLELLAN. I wish to compliment the Senator highly. I hope that his message has reached home in the hearts of enough Senators so that we can rise to the occasion and meet our responsibilities as Senators, and protect the interest of the taxpayers, while doing justice to those Federal employees in the postal service who deserve the increase that this bill provides.

Mr. CHURCH. I thank the Senator from Arkansas.

Mr. ERVIN. Mr. President——

Mr. KEATING. Mr. President——

Mr. CHURCH. I promised to yield to the distinguished Senator from South Carolina; when he finishes, I shall be happy to yield to the distinguished Senator from New York.

Mr. ERVIN. I wish to join the Senator from Arkansas [Mr. McCLELLAN] in commending the magnificent and courageous presentation which has been made to the Senate by the able and distinguished Senator from Idaho. The bill before the Senate has troubled me. I have made a study of the matter and have reached the identical conclusions which the Senator from Idaho has reached with respect to the proposal to raise the pay of Federal employees as set forth in the bill.

The postal workers have made out a case which in my judgment justifies the pay increase proposed for postal workers. I think there has been a total failure to make out a case for the increase of pay for Government employees generally.

I sometimes feel as though we ought to hang our heads in shame for the conduct of Congress in fiscal affairs. I make that statement because 28 years ago the people of the United States had a national debt of $30 billion. Today they have a national debt of $290 billion. They have that national debt because Congress has failed to exercise the moral and political courage to raise, by taxes upon the living, sufficient moneys to pay the appropriations it has made. Instead of doing so, Congress year after year, in 25 years out of 28, has appropriated more money than it has had the moral and political courage to raise by revenue measures bearing upon those living Americans who have a chance to walk up to the ballot box and say whether they approve of the way Congress is managing affairs.

It is time for Congress to quit appropriating the unearned income of unborn Americans, and that is precisely what this bill proposes insofar as it undertakes to raise the pay of Federal employees generally. I think it is time for somebody to represent these unborn Americans who, when they come into the world find themselves already in debt to an extent in excess of $1,600 apiece as their pro rata part of the national debt.

During 25 of the last 28 years, Congress has not had the moral and political courage to raise enough revenue to take care of the expenditures which it has been authorizing. I wish to commend the Senator for his courageous and intelligent presentation.

Mr. CHURCH. I thank the Senator from North Carolina. I appreciate his remarks. I can only add that yesterday the Senate passed a defense appropriation bill, which relates to the Military Establishment. When that bill comes out of conference, it is entirely likely, and I venture to predict, that the total amount of increase the Congress will make to strengthen the national defense, over and above the budget requests of the President, will be less than the amount of money that we provide in this bill to fatten the Federal payroll.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. KEATING. I realize the Senator from Idaho is a member of the committee, and therefore has been able to make a study of the problem in a way which we have not. As I understand the Senator's position, he favors a raise for postal workers because they have made out a case. As I have been able to review the testimony and the ample evidence presented to me, that is so. They have made out a good case.

The Senator from Idaho, however, does not favor the proposed raise for other employees of the Government because they have not made out a sufficient case. I ask this question of the Senator from Idaho, because I am somewhat impressed with his argument. There may well be an answer to it.

Mr. JOHNSTON of South Carolina. Mr. President, the Senator from New York has referred to the Senator from Idaho as being a member of the committee.

Mr. CHURCH. Mr. President, I wish to correct that statement. It was my privilege to serve on the committee for a period of 2 years, but I am no longer a member of the committee and have not been for some time.

My allusion to the committee had reference to the time I had previously served on it. I did not attend the actual hearings on this bill, but I have tried to review the reports made by the committee, and the evidence presented to justify the reports.

Mr. KEATING. I appreciate the clarification. I intended to say that the Senator has had an opportunity to study the problem in a way which has not been given to those of us who have never been members of the committee.

I ask the Senator to refer to page 220 of the transcript of testimony, on which appears the testimony of Mr. James A. Campbell, the president of the American Federation of Government Employees.

I also call attention to the statement on page 223, of the testimony of Mr. Campbell. As I say, there may well be an answer to these assertions, but it is said at page 220:

> During the 10-year period ended in February 1960, Federal classified employees received three raises which amounted to an average increase of 30 percent on a cumulated basis. During the same period, hourly rates of employees of seven of the largest corporations were raised through collective bargaining to a degree far exceeding that of Federal workers.
>
> The total increase ranged from 53.7 percent for the Sinclair Refining Co. to 87 percent for the Aluminum Co. of America, as indicated in appendix table 1. During the 2-year period from January 1, 1958, the hourly rates of employees of these seven companies were raised as much as 10 percent in contrast to no raise for Federal classified employees.

Then on page 223, below the middle of the page, there is this statement:

> It would require an average increase of approximately 12.5 percent to return classified salaries to their 1939 purchasing power.

I would appreciate it if the Senator from Idaho or, for that matter, any member of the committee, could enlighten us on whether those are accurate statements or inaccurate statements, or whether there is some other answer to them, because they do seem to me to present an argument on the other side.

The PRESIDING OFFICER. The Senator from Idaho has 1 minute remaining.

Mr. CHURCH. As the Senator knows, it is always possible to present an argument to support any proposition. Arguments have been presented here which are confined to certain wage scales prevailing in certain industries at certain times. I have referred the Senate to the increases that Congress has granted since 1945. The increases referred to by the Senator from New York relate to a more limited period, beginning in 1950. I believe that when we go back to the end of the war and take into account all the increases which have been granted by Congress until the present time, and compare them with the rising cost of living which has occurred during the same period of time, no case is made for the proposition that we have not acted fairly toward our Federal employees.

The evidence I have seen has led me to the judgment that no sufficient case has been made to justify a 7½-percent increase across-the-board. I would approve of an increase which was commensurate with the rise in the living costs since we last made a salary adjustment.

Mr. JOHNSTON of South Carolina. Mr. President, I have listened to the Senator from Idaho, and I was very much struck by some of his statements. I notice that the Senator has said that we increased the salaries since the war by 83.6 percent. I should like to call his attention to the fact that if that is true we ought to have a higher increase than we are proposing in the bill, for this reason. We did not increase the salaries during the war. They were frozen. When we go back to the time before the war we find that the dollar was worth 100 cents. Today it is worth 47 cents to the dollar. It would take a 106-percent increase to equal the salaries the employees were getting at that time.

Then, too, we must consider the income tax. They had salaries of $5,000 in the Federal Government prior to that time, and the man got whatever his salary was. Today the Government reaches out and takes, when the salary is over

a certain amount, 20 percent, 25 percent, or 30 percent of the man's salary. Therefore, according to the Senator's own statement and according to his own figures, we are not giving the employees enough. The committee thought so too. We have always dropped back every time that we gave an increase. Some Senators who have served on the committee, like the minority leader, know from their experience with bills of this kind that we have dropped back 1 or 2 percent practically every time we passed a salary increase bill.

We have found too that the work has been increased. The employees are turning out more work.

If we should increase the salaries of the postal workers and not the classified workers, I should like to point out some of the inequities that would result. The Post Office Department pays the salaries of the workers who clean the post offices if the post office occupies more than 50 percent of the space. If they do not occupy more than 50 percent of the space, that work is done by employees under the Classified Act. We must treat them all alike. We must be equitable in dealing with all of them. Postal workers and classified workers should received the same treatment. They both have to pay the same amount for the cost of living.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KEATING. The Senator perhaps heard what I read from the testimony of Mr. Campbell. I would appreciate any enlightenment he can give us on this statement by Mr. Campbell, as to whether it is accurate or not accurate. I particularly wish to ask the Senator about this statement on page 8 of the report, near the top of the page:

> This survey discloses that the salaries of classified employees in the middle ranges—grades 5, 7, 9, 11, and 13, which include 419,734 employees—declined 20.3 percent from 1950 to 1960, notwithstanding salary adjustments approved by the Congress.

I assume that that statement is inaccurately phrased. I assume it means to say that their standard of living has declined 20 percent. Is not that what it means? The following sentence in the report is:

> This independent and unbiased conclusion means that in one short decade hundreds of thousands of Federal employees have been pushed 20 percent lower in their standards of living, in comparison to their friends and neighbors in private enterprise.

Mr. JOHNSTON of South Carolina. From what report is the Senator reading?

Mr. KEATING. I am reading from the top of page 8 of the report.

Mr. JOHNSTON of South Carolina. Is that the House report?

Mr. KEATING. It is the House committee report. I am reading from the top of page 8. I wonder if the Senator could clarify that statement. It seems to me that if that is a fact it is a rather persuasive argument for a raise for other Federal employees.

Mr. JOHNSTON of South Carolina. Well, I have no answer, but according to what is stated here, the salaries declined 20.3 percent.

Mr. KEATING. I suppose that the actual salary of any Federal employee has not declined. I believe that means to say that the standard of living has declined because the cost of living has gone up more than the salaries have gone up. Is that correct?

Mr. JOHNSTON of South Carolina. The purchasing power of the salary had decreased. I believe that is what was intended to be conveyed by that language.

Mr. KEATING. I believe that is true. In the statement of Mr. Campbell, he said that during the 10-year period ended in February 1960 Federal classified employees received a 30-percent raise as compared with 1953, and 87 percent of the hourly rates paid by the seven large corporations.

I wish to ask the Senator from Idaho a question, because I recognize, having tried lawsuits, as has the Senator, that we can pick out peculiar situations, and make any case.

I ask the Senator from South Carolina whether he feels that this statement by Mr. Campbell is a fair and accurate statement, as picturing the fact that the increases for Federal employees generally have been well below the increases for workers in private industry.

Mr. JOHNSTON of South Carolina. From all the facts brought out in the committee, the Federal Government is behind the large corporations in the United States in increasing the pay of its employees.

Mr. KEATING. I thank the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I can give a list of figures for different periods of time. All the information has been placed in the RECORD. It shows that the Federal Government is behind private industry in every big city in the United States in which we could gather the information. For example, blue-collared workers or laborers in Boston are 28 percent below; helpers are 27 percent below.

We went into this question from city to city and place to place in the United States, and we found that that is correct.

I myself believe that the proposed increase is but half of what it would be if we were to raise the pay to what is paid by the big corporations in the United States. However, we cannot afford to do that at this particular time, so we want to pass a bill which will be within the limits of the Government's ability to pay. I hope it will be signed by the President.

Mr. CARLSON. Mr. President, will the Senator yield me 2 minutes?

Mr. JOHNSTON of South Carolina. I yield 2 minutes to the Senator from Kansas.

Mr. CARLSON. Mr. President, I appreciated the statement made by the Senator from Idaho today. I shall address myself to this question.

There are several features about the bill which I do not like, but it is the pending bill. It is the only bill before the Senate. I think I would be less than frank if I did not say I do not believe we can pass legislation, personally, I could not favor passing legislation, which would, in my opinion, treat unfairly one group of Federal employees as compared with another group.

Mr. Campbell's statement on page 218 of the hearings calls attention to some of the problems of the classified workers.

While I am talking about Mr. Campbell, I wish to say in his behalf, and in behalf of those whom he represents, that he is, in my opinion, one of the ablest of the various representatives of the labor group who come before us. He has rendered outstanding service on behalf of the classified employees of the Nation. I call attention to this statement by Mr. Campbell:

> Eighty-seven percent of the 2,200,000 Federal employees have their salaries or wages fixed under three separate pay systems—I repeat—three separate pay systems. These three systems are:
>
> 1. Classification Act, covering 970,000 employees.

They are the employees whom we are talking about at the present time in discussing the amendment.

> 2. The Postal Pay Act, covering 470,000 employees.
>
> 3. Army-Air Force and Navy wage systems, 480,000.

There are those three different groups.

I shall read from the statement what has happened as between the classified employees, whose pay is fixed by Congress, and the Wage Board employees. I read from page 222 of the hearings:

> A comparison of how Wage Board and classified rates have differed in one 4-year period—1952–55—will illustrate the advantage of an annual review.

The discussion was as to whether there should be an annual review.

> During those 4 years classified salaries were increased once by 7.5 percent. In the same period wage board rates advanced 20.7 percent. An increase of that size probably would have been challenged if proposed as a single raise, but divided into four separate raises it was assimilated without question.
>
> The year-to-year wage board raises were as follows: 1952, 5.5 percent; 1953, 7.8 percent; 1954, 4.3 percent; 1955, 1.7 percent.

I desired to stress that fact because classified employees during that 4-year period received a 7½ percent pay increase, while wage board employees, whose salaries and wages are fixed by boards of the Federal Government, received a 20-percent increase. Therefore, I do not believe that we could, with any justice at all, adopt an amendment which would unfairly, in my opinion, treat classified Federal workers as compared with other workers.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. KEATING. I am grateful for the explanation made by the Senator from Kansas. It is very difficult for us in the Chamber to reach a correct conclusion without having heard the testimony and studied it at great length. The testimony of Mr. Campbell impresses me as being very persuasive on the point that the rates of pay of Federal employees

generally, including the postal workers, have not kept pace with the rates in other industries.

If I may have permission, I should like to ask the Senator from Kansas whether he believes that the testimony of Mr. Campbell, which appears to be so persuasive, is much to be relied upon, or whether Mr. Campbell has picked out certain isolated cases which make a better case than really it should.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSTON of South Carolina. I yield 1 additional minute to the Senator from Kansas.

Mr. CARLSON. Mr. President, the figures in the wage board decisions are based on comparable wages in the communities. Therefore, I think they are figures which really and truly reflect the wage increases which have been paid employees who come under that system, as compared with the classified and postal workers who come under the regular Federal pay system.

Mr. JOHNSTON of South Carolina. The rates fixed by the wage boards are based on the prevailing wages in the respective areas.

Mr. CARLSON. They reflect the wages out in the communities.

Mr. KEATING. Do the Senator from Kansas and the Senator from South Carolina believe that the years which have been selected make an especially good case for the employees? If another series of years, or a 10-year period, or any other period, had been selected, would substantially the same effect have been shown?

Mr. CARLSON. It is my opinion that they would show substantially the same effect.

Mr. KEATING subsequently said:

Mr. President, will the Senator yield me a half a minute?

Mr. JOHNSTON of South Carolina. I yield.

Mr KEATING. Mr. President, earlier in the day I made some remarks in connection with an amendment, and I ask unanimous consent to include at the conclusion of my remarks copies of several letters which I have received with reference to this subject.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KEATING

This measure, viewed in its overall impact, is designed to bring the salaries paid Federal employees more nearly in line with those paid to workers in private industry. As such, it should command wide support.

We now learn that in the last 10 years, literally thousands of fine Federal employees have dropped some 20 percent lower in their standards of living, in comparison to their neighbors who happen to work in private industry.

Here are some more statistics which have been furnished to me and which I believe to be accurate: The average overall private industry wage is $15 a week or $780 a year higher than that of Federal employees doing the same type of work. Even the proposed increase will not bring the level of Federal salaries up to that of salaries outside the Government, but it will be a step in the right direction.

As against the 30-percent increase in Federal employees' salaries in the last 10-year period, here are some more comparisons with private industry. Hourly wages have increased at the following rate since 1950 in these specific companies: General Motors Corp.—a 62-percent advance, compared to 30 percent for Federal employees. United States Steel 66 percent—of this increase 9.5 percent has been since January 1, 1958. There has been no increase in Federal salaries during the past 2 years. The Aluminum Co. of America has raised its wages 87 percent in the last 10 years.

Other pertinent figures include: Goodrich Rubber—56 percent, Lockheed Aircraft, 63 percent. These percentages were supplied by the Bureau of Labor Statistics, and therefore must be viewed as reliable. These figures make the Federal salary increase of 30 percent in the last 10 years look small indeed.

I have received literally thousands of letters from postal workers and other Federal employees, as well as their families and friends, pointing out the need for an adequate pay raise measure. These communications demonstrate the very real, the very personal manner in which the present inadequate wage scales are affecting these people.

A postal worker's wife in Tonawanda wrote me in part as follows:

"As the wife of a post office employee, I am writing to you in the hope that you may act in getting a pay raise bill passed.

"We have our home and three children to support. We live in a modest community but we can't associate with any of our neighbors because their incomes are far above ours. I have a part-time job, driving for a school but with our combined income, we have quite a problem just getting by. It doesn't seem fair to—just get by, not ever being able to afford anything but food and clothing, while most everyone around us has new cars and can take vacations. We have vacation time but where can you go on nothing. We can't even charge anything extra because there just is not enough money left over after paying mortgage payments, light, heat, and food."

Here is one from a constituent of mine in Rochester:

"Both my wife and myself are career distribution clerks at the Rochester Post Office. I have 11½ years of service and my wife has a little over 1 year. We have four children going to school; a mortgaged home; and one car, which is a necessity. Our living expenses are such that even though we are both working we can only just manage to live from one payday to the next. We would like to be able to help further the education of our children and live as others do."

A lady from Staten Island recently wrote me the following letter on this subject:

"I am the wife of a Federal employee who works in New York City, and the mother of six children. We live in a housing project.

"I write with much experience about the continuous rising of living expenses that make the bare necessities of an existence on this earth: food, rent, and clothing, a constant, impossible struggle.

"With an outside job there is no leisure time to divide between family and community and only a slight chance that anyone can match expenses. Yet, without an outside job, my family and I would be hard put to survive.

"Please make possible a worthwhile, liveable raise for those of us who must depend on Federal salaries. Let us get in step with the rest of America on our pay."

Here is one from a housewife in Floral Park:

"Have you ever missed a night's sleep worrying how you were going to pay your bills? Does your wife ever hesitate to call the doctor when your children are sick?

"Well, if you were a postal worker you would know these problems. My husband has a second job as most postal workers do, and we are still just getting by. The cost of everything has gone up but not the post office salary. When the bill for the post office raise comes up please vote yes, as we do need more money just to live on."

I also have a letter from a Federal worker in New York City. He writes:

"For the past years it's been very hard for us to meet expenses and I have had to take other work in order to meet my obligations.

"I am away from my home too long and the children do not see enough of me. It seems like the only time I am home is Sunday, but then I'm so tired I find it hard to bother with them.

"You can easily see the problem. I'm a career man and I don't want to give up my job with the Government. I've been on 20 years, so you can easily see why.

"We Government workers need a pay raise—now; not in some future day. Help us please."

Finally, here is a letter from the wife of a post office worker in Elmira, N.Y.:

"As the wife of a postal clerk, I would appreciate your affirmative vote on the pay raise bill.

"This increase is definitely needed—the few that we have received in recent years have been very minor in the lower grade levels, in which the majority of Federal workers are employed. The compensation paid to postal employees is not commensurate with salaries paid in private industry; are not high enough to permit the same standard of living enjoyed by these same employees in 1939. Even a 9-percent increase will not bring the salary level up to these standards.

"We would not be causing inflation, as has been indicated—we need the increase because of inflation.

"You are familiar with the unemployment in the Elmira area. Usually a situation like this has the effect of downgrading the cost of living in an area. But the reverse is true. The new sales tax, an increase in the school tax and the reappraisal, which will increase our other real estate taxes, are but a few of the items that will take what increase we may receive.

"A regular postal clerk's salary is $4,875 annually. These are the five largest items in our budget:

Taxes—Income (Federal and State), real estate, sales, other	$1,000
Food	1,800
Mortgage payments	840
Insurance and utilities	800
Total	4,440

"You can readily see why the increase is needed."

These letters are typical of the flood of communications I have received from all over New York State testifying to the great need for a pay raise for postal and other Federal employees. They point up graphically—in a way no set of cold figures could—the urgent need for salary increases to bring the pay for these Government workers more in line with those now offered to employees in private industry. The additional fact is, however, that the cold figures support the need for this legislation.

We must eliminate this inequity in our laws. We can do it by rejecting amendments to this measure which will unduly water it down and prevent its benefits from fully helping these people out.

I hope this measure, so important in human terms to so many of our people, will gain the overwhelming approval of the Senate.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield 3 minutes to the Senator from Maryland.

Mr. BEALL. Mr. President, I associate myself with the Senator from South Carolina and the Senator from Kansas in opposing the amendment. I think the Senators have shown that the adoption of this amendment would be very definitely discriminatory against the classified civil service employees.

I must oppose any amendment which would exclude the civil service employees from the well-earned and well-deserved pay raise. The persons who would be excluded by such an amendment are dedicated public servants. They are men and women who, at a sacrifice to themselves, are devoting their entire time and talent to a better civil service. That is my personal observation.

I know many persons in the civil service who could earn much more in private industry. They are making a career of their service in the Government, and we should not turn our backs on them.

The 7½ percent salary raise has been fully justified, I believe, by the Senator from South Carolina and the Senator from Kansas. Taking that for granted, who could be more deserving of the raise than the employees in the classified civil service?

The prices of commodities, rents, and everything else in Washington and the surrounding suburbs, as elsewhere, have risen substantially. The civil service employees need this pay raise in order to meet the rising costs of living.

In my opinion, it would be cruel for Congress to exclude the civil service employees from the pay increase. In fact, it would make a mockery of the entire move for the much deserved increase.

I hope the Senate will not agree to the amendment. As has been so ably explained by the Senator from South Carolina and the Senator from Kansas, to adopt the amendment would result in discrimination against a dedicated group of Federal employees.

Mr. JOHNSTON of South Carolina. I yield back the remainder of my time.

Mr. CHURCH. My time has been exhausted.

Mr. JOHNSON of Texas. Mr. President, I hope the amendment will not be adopted. I do not believe we should say, "Brothers, we will give you a pay raise; sisters, we will not give you one."

I do not think we should say to the postal workers, "We recognize your faithful, dedicated service to the Government"; but to a civil service clerk on duty at some remote post, "We are going to reduce your pay." I believe we ought to deal with all these people equitably and fairly.

The committees have carefully considered this measure. They began with a 10 percent provision, and then reduced it to 9 percent, and now have reduced it to 7½ percent. I believe they have dealt equitably and fairly with these employees.

I do not think we wish to say we will give a postal carrier a pay increase, but will not give a civilian employee in Guam an increase in pay. I do not believe it fair to provide a pay increase to one group, but to ignore another in that connection.

Mr. President, admittedly, savings could be made. For instance, we could have cut in half the Defense Department appropriations we considered and passed, yesterday; but I do not think such procedure would be wise.

Therefore, Mr. President, I hope the amendment will be decisively rejected.

Mr. KERR. Mr. President——

Mr. JOHNSTON of South Carolina. Mr. President, I yield 1 minute to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 1 minute.

Mr. KERR. Mr. President, I wish to congratulate the committee on the work it has done.

I am glad the bill it has reported provides for a pay increase for the postal employees and for all the other employees, equitably.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER (Mr. Moss in the chair). All time on the amendment has either been used or been yielded back.

The question is on agreeing to the amendment of the Senator from Idaho [Mr. CHURCH]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Arizona [Mr. HAYDEN], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Missouri [Mr. HENNINGS] are absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE] and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Oregon [Mr. MORSE] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from South Dakota [Mr. MUNDT] and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

If present and voting, the Senator from Nebraska [Mr. HRUSKA] and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "nay."

The result was announced—yeas 22, nays 58, as follows:

[Roll No. 226]

YEAS—22

Brunsdale	Ervin	Saltonstall
Case, S. Dak.	Frear	Talmadge
Chavez	Goldwater	Thurmond
Church	Hickenlooper	Wiley
Cooper	Holland	Williams, Del.
Curtis	Lausche	Young, Ohio
Dworshak	Lusk	
Ellender	McClellan	

NAYS—58

Aiken	Gore	Mansfield
Allott	Green	Martin
Anderson	Gruening	Monroney
Bartlett	Hart	Morton
Beall	Hartke	Moss
Bennett	Hill	Murray
Bible	Humphrey	Muskie
Bridges	Jackson	Pastore
Bush	Javits	Prouty
Byrd, Va.	Johnson, Tex.	Proxmire
Byrd, W. Va.	Johnston, S.C.	Randolph
Cannon	Jordan	Robertson
Carlson	Keating	Scott
Case, N.J.	Kerr	Smathers
Clark	Kuchel	Smith
Dirksen	Long, Hawaii	Sparkman
Dodd	Long, La.	Symington
Douglas	McCarthy	Williams, N.J.
Eastland	McGee	
Fong	Magnuson	

NOT VOTING—20

Butler	Hennings	O'Mahoney
Capehart	Hruska	Russell
Carroll	Kefauver	Schoeppel
Cotton	Kennedy	Stennis
Engle	McNamara	Yarborough
Fulbright	Morse	Young, N. Dak.
Hayden	Mundt	

So Mr. CHURCH's amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSTON of South Carolina. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DIRKSEN. Mr. President, I send an amendment to the desk, which I ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Illinois wil be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof:

The rates of pay of Federal employees should be generally comparable to rates paid by private enterprise for similar work, should adequately recognize differences in difficulty and responsibility of work and provide material incentive to advance in the service, and should be governed by rules of administration which make pay a useful tool of management.

In accordance with this policy the President is authorized and directed.

1. To adjust the rates of pay in the Classification Act of 1949, as amended, the Postal Field Service Pay Act, the Veterans Benefit Act as amended, and the Foreign Service Act as amended, to levels generally comparable with those reported by the Bureau of Labor Statistics as a result of its current survey of pay rates in private enterprise.

2. To revise the pay structures in the said acts in order to insure internal equity and to provide adequate incentives for advancement.

3. To establish rules for administration and use of the pay rates thus established.

The President is authorized and directed to make these adjustments and revisions effective as of the first day of the first pay period which begins on or after January 1, 1961.

Mr. DIRKSEN. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator is recognized for 15 minutes.

Mr. DIRKSEN. Mr. President, this pay bill has indeed done a grand shuffle. When it first began it started at a level of 23 percent. The second approach was at the level of 15 percent. The third approach was at the level of 9 percent. The bill that is presently before us calls for an increase of 7½ percent.

If it is applied generally across the board to 1,700,000 workers, it is very easy to calculate the budget impact of the bill. Just figure $100 million for every 1 percent of pay increase, and that makes an easy rule-of-thumb calculation.

It seems amazing to me to make this proposal in view of the fact that in the Labor appropriation bill for fiscal 1960 we provided a sum of $1 million, of which $500,000 was earmarked for a study of so-called comparability of remuneration in government, as distinguished from industry. That job was assigned to the Bureau of Labor Statistics. Our present information is that they have completed this work in some 30 metropolitan centers. It is intended to do the job in something over 80 centers. It will not be completed until September of this year.

The whole purpose of this study, in the hands of people in an agency created by Congress, was to determine what the disparity was between the pay in business and industry and the pay in government. It raises this interesting question: Do we not want to wait for this survey to be completed? Are we afraid that results of the survey will cause us to confess that this afternoon we have wasted $500,000 of the people's money? Why have the survey? We are the ones who indicated it in the first instance, and I think it is long overdue. That kind of survey should have been made some years ago, because the question of what the pay is in industry as compared with what it is in government, or vice versa, continues to arise like some annual specter whenever we deal with the pay structure.

The amendment now at the desk operates from that stance, and it is very simple. It strikes out everything in the bill except the enacting clause, and it not only authorizes, but directs, the President of the United States to readjust the pay, and also the pay structures and the inequities that have become almost rigid in the pay structure, and do it by the next pay period after January 1, 1961.

It has to be done, as the amendment provides, at levels that will be generally comparable with those reported by the Bureau of Labor Statistics, as a result of its current survey, of pay rates in private enterprise.

I am ready to see this problem resolved. I should like to see it resolved. We continue to rush up hill and then we rush down hill again. If one examined the testimony on the 23 percent increase bill, he would find it was just as intense, just as passionate, just as persuasive as the testimony on the 15-percent bill.

If Senators will examine the testimony with respect to the 9-percent pay raise bill, they will observe that the same arguments were made as were made for the larger percentages. It was said the employees could not get along without the increase. This "bogey" continues to haunt us from time to time.

What is proposed is a sensible approach, unless we want to confess we have no confidence in the Bureau of Labor Statistics and that we are afraid of the results, which will not be known until sometime close to election. Are we afraid the issue will not be resolved until after the Congress adjourns? I am content to abide the issue. I am content to do so now.

If this agency in the Department of Labor, on which we lavish large sums of money every year, has any value at all, then of course we could well wait until the study has been completed. The free enterprise system of this country uses the agency figures. The business structure of this country uses those figures. The other agencies of the Government use those figures. Are the Senate and the House to say, "That is perfectly all right, but we do not want to bother about those figures." That would be an amazing confession, to say the least.

We can say, "Well, we 'kissed' $500,000 goodby. The devil with this study. The devil with the Bureau of Labor Statistics. We will ignore them. We will not wait."

We could say that, notwithstanding the fact that it takes a given amount of time, always, to assemble the data and to do the job. Once the job is done, the amendment provides that upon the basis of the levels which are ascertained, to get comparability with remuneration in industry, the President "is authorized and directed to make these adjustments and revisions effective as of the first day of the first pay period which begins on or after January 1, 1961."

I listened with interest to the argument of the distinguished Senator from Idaho. Much of the burden of his argument was that there are no real, factual data, except in the case of the postal workers. That is the point the Bureau of the Budget makes. The Director of the Bureau of the Budget appeared before the Committee on Post Office and Civil Service.

Incidentally, this is a good time to come to grips with the question of how the President may feel. The President of the United States supports the Director of the Bureau of the Budget. The Budget Director does not take a position unless he confers with the President.

On the 28th of April the Budget Director appeared before the House Committee on Post Office and Civil Service. I read one sentence from what he said. It needs no further argument:

> The administration finds no justification at this time for enactment of any legislation which would provide general increases in salary rates under the Classification Act, the Postal Field Service Pay Act, and other statutory pay systems.

The Budget Director elaborated. The whole statement can be compressed, I think, in a minute of time.

The reason for the position is that the enactment of the general salary increases would ignore the only sound principle of Federal pay fixing, which is reasonable comparability. That is the reason we set up the survey group. We are waiting for the study to be completed. We are waiting for the results.

The second reason the Director of the Bureau of the Budget assigned was that, based on information presently available, enactment of any flat percentage or dollar increase would result in excessive salary rates in some grades and possibly inadequate salary rates in other grades.

We can compress this in a few words—rigidities and inequities which have persisted in the salary structure.

The third reason put forth is that any salary increase would be without sound factual justification. We are waiting for the data.

Realizing, of course, the rather intense circumstances under which the bill was rushed along, and the desire that no amendment be agreed to, so as to avoid a conference, in order to send the bill to the President of the United States, to make sure there will be no pocket veto, it seems to me in that kind of haste we are playing with the fiscal responsibility of the country, because three-quarters of a billion dollars are involved in the bill.

I am not insensible to all of the arguments which have been made, but I do not wish to be pushed into this thing when the Budget Director tells us there is no factual foundation, the comparability study has not been completed, and the inequities still persist. Certainly they do.

Mr. CASE of South Dakota. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. If the Senator will permit, I should like to finish a thought or two first.

I know how easy it is to assail the Budget Director. That seems to be a common indoor sport in Congress today.

I simply remind Senators that in 1921 we passed the Budget and Accounting Act. In that act, among other things, we set up a Bureau of the Budget and named a Director of the Budget. The Director has been carrying on since that time. If Senators want to know what are his responsibilities, they can examine the 1921 law. His business is to help the President determine how to most efficiently and economically operate this Government. His business is to give aid to the committees of the Congress. That is what the law provides. His

business is to have the departmental budget officers get their material together and come in to pool their information, so that there can be some responsible fiscal operation in Government.

There was a time when at the end of a session of Congress nobody knew what were the fiscal circumstances. Every committee, prior to 1921, not only took action upon its own proposed legislation, but also took action upon proposed appropriations. There was a wilderness until the act was passed to correct it.

That is the responsibility of the Budget Director. I will say, with respect to Maurice Stans, the present Director, he is in my judgment not one of the most, but—I think—the most capable Budget Director who has occupied that office since the Budget and Accounting Act of 1921 was passed, and I make absolutely no exception.

The job of the Director of the Budget is to move into this matter, to advise the President, and to advise the committees of Congress. That he has done. The only way we are going to properly resolve the issue now, as I see it, is to strike out everything after the enacting clause and to authorize and direct the President to readjust the pay schedules, the pay rates, and the structure, after this survey has been completed in September, after he has the factual foundation to determine pay comparability and to do the job properly. In my book, it is that simple. I have nothing more to say. I am prepared to yield back the remainder of my time, and I am ready to vote.

Mr. CASE of South Dakota and Mr. BUSH addressed the Chair.

Mr. DIRKSEN. Mr. President, I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. The Senator has referred to the bill as involving three-quarter billion dollars, and the same reference has been made at other times during the debate. I wish to point out to the Senator that this is an annual recurring cost.

Mr. DIRKSEN. Yes.

Mr. CASE of South Dakota. This bill does not involve merely three-quarter billion dollars. Yesterday we were talking about appropriations for the Department of Defense. The price tag for an item might be three-quarter billion dollars, or so many hundred million dollars, or something else, but it represented a one-time purchase. In this instance, if we pass the bill, without having the benefit of the study the Senator has suggested, we shall be committing the country to an annual expenditure of an additional three-quarter billion dollars.

Mr. DIRKSEN. Exactly. I am reminded of the story of the fellow in jail back home. When I walked across the courthouse yard I said, "What are you in for?"

He replied, "Larceny."

I said, "For how long?"

He said, "From now on."

Mr. President, this is going to be from now on.

Mr. BUSH. Mr. President, will the Senator from Illinois yield 10 minutes to me in order to enable me to speak in support of the amendment at the proper time?

Mr. DIRKSEN. I shall be delighted to do so.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CHAVEZ. I ask the Senator from Illinois the difference between raising the wages of employees of the U.S. Government and the proposed appropriation of $4 billion for foreign aid, which we considered this morning in committee?

Mr. DIRKSEN. Mr. President, I see that argument advanced in letters, and it is easy and appealing. I will explain the difference. The Constitution provides that provision shall be made for the common defense. Foreign aid, misnamed "mutual security," is a collective security arrangement and a program enacted by Congress in pursuit of a constitutional principle. By that law the Commander in Chief and the Congress, in its capacity as the exclusive legislative and law-making body of the Government, undertakes in partnership to subserve the interest of common defense, which involves all of the 179,200,000 people in this country, and not just a group. That is the difference.

Mr. CHAVEZ. Where are we to get the help about which the Senator is talking?

Mr. DIRKSEN. What help?

Mr. CHAVEZ. Help for foreign aid to enable Uncle Sam to get along in the world. I ask the Senator where we are getting with respect to Japan, Korea, the Philippines, and Turkey.

Mr. DIRKSEN. Mr. President, I did not know that we were going to debate the mutual security bill this afternoon. If we are, I had better ask for an extension of time for 2 or 3 hours to enable me to get my notes. We may as well consider the bill now as later. I thought we were debating a pay bill and attempting to find a factual, equitable, and reasonable basis on which to act, since we are dealing with 1,570,000 people, which is quite different from the interests of 179 million men, women, and children, and probably quite different from the interests of 67 million people who file income tax returns in this country and who have some stake in the matter.

Mr. CHAVEZ. Mr. President, will the Senator yield further?

Mr. DIRKSEN. I yield.

Mr. CHAVEZ. I do not run easily. I do not care what is said. I prefer to take care of the American girl in Washington and in New Mexico and in Illinois than to help elsewhere. That is the only difference between the attitude of the Senator from Illinois and myself. I wish to take care of our girls.

Mr. DIRKSEN. I do not quite get the point of my distinguished colleague from New Mexico.

Mr. CHAVEZ. Probably the Senator does not want to get the idea.

Mr. DIRKSEN. I have some interest in all the people of this country, including even the taxpayers, who must make up the money which we appropriate, since it comes from the general revenue.

Mr. CHAVEZ. Does the Senator worry about the $4 billion that is appropriated for foreign aid?

Mr. DIRKSEN. I answered my friend a moment ago and tried to debate the subject on the high ground of constitutional responsibility for the defense and survival of this country, which takes it out of the narrow course in which sometimes we move.

I yield now to the distinguished Senator from Connecticut [Mr. BUSH] 10 minutes, if I still have 10 minutes remaining.

Mr. BUSH. Mr. President, the basic issue of our times is whether the United States, a republic with a representative form of government based upon free elections, can compete successfully with the totalitarian dictatorship which rule the Soviet Union and her Far Eastern ally, Communist China.

I believe we can, once the American people, and their representatives in Congress, awaken to the realities we face. But I must confess, Mr. President, that there are grounds for pessimism when one considers the record of this Congress to date, and especially the political cynicism which has brought this pay increase bill for Government employees before us today.

World tensions have been heightened by Khrushchev's torpedoing of the summit conference, and by renewed Communist pressure to drive us from our oversea bases, as evidenced by the rioting in Japan.

In recognition of the increased danger created by these and other events on the international stage, the Senate on yesterday increased the defense budget by more than $1 billion.

But, Mr. President, our national security, our military strength, is based upon the financial stability, and the credit of the United States. While appropriating billions for defense, we seem determined to undermine those foundations upon which our defense rests by refusing to exercise fiscal responsibility.

President Eisenhower submitted a budget with an estimated surplus of $4.2 billion, which is needed to retire some of our huge national debt and thus strengthen the credit of the National Government.

The committees in charge of taxation have refused to approve his recommendations for raising the revenues required to achieve that surplus. Nondefense spending has been proposed far in excess of the President's budget.

Unless we exercise restraint and insist upon fiscal responsibility, not only will we wipe out the projected surplus but also run the danger of incurring an inflationary deficit in the coming fiscal year.

In the Washington Daily News of today is an editorial entitled "Rush to a Deficit," which says, in part:

> In the rush toward adjournment, our convention-minded Congress is showing a reckless tendency to play fast and loose with our hard-earned dollars.
>
> * * * * *
>
> As the outlook now adds up, extra spending of nearly $5 billion is in the works—more than the surplus President Eisenhower

had estimated for next year. And an optimistic estimate it was, too.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RUSH TO A DEFICIT

In the rush toward adjournment, our convention-minded Congress is showing a reckless tendency to play fast and loose with our hard-earned dollars.

The trend is to more spending and less income—a sure route to inflation.

While the Senate Finance Committee, over the objections of its wisest heads, was voting to cripple the Government's revenue by cutting some obnoxious but productive taxes, other committees were trying to outdo each other in new ways to spend.

The House voted to raise Government salaries, and a Senate committee promptly approved the plan. Increases in spending for housing, welfare and defense were being eagerly pushed.

As the outlook now adds up, extra spending of nearly $5 billion is in the works—more than the surplus President Eisenhower had estimated for next year. And an optimistic estimate it was, too.

The transportation, telephone and telegram taxes the Senate committee has voted to repeal were imposed on a temporary basis because of the Korean war. They have been reimposed year after year, simply because the Government needed the money. The Government needs the money no less now.

Repeal of these taxes would be desirable in normal times. So would the repeal of any taxes. But there is only one practical way to reduce taxes—and that is by first reducing spending. The waste and overspending in the Government is sinful. But a worse crime against the people would be inflation—robbing the dollar of its integrity by running up the Government's debt.

The same finance committee which voted to take away $752 million of the Government's income by reducing the transportation and communication taxes also found it necessary to raise—again—the Government's legal debt limit to $293 billion, $4 billion more than what the Government now owes. The spending, tax-cutting schemes Congress is cooking up may put temporary icing in our cake—but deficit-made inflation will take away the cake.

Mr. BUSH. The pending pay increase bill would unwisely add $750 million to Government spending, not only in the coming fiscal year, but in all the years to come.

I say unwisely, because we do not have the facts before us upon which to base a judgment concerning what amounts of salary increases, and for what positions, are needed to compensate Government workers fairly, and to attract the skills the Federal service requires.

Only last year, we appropriated $500,000 to enable the Bureau of Labor Statistics to conduct a study to determine those facts. The Bureau is scheduled to submit a report in September of this year, so that carefully considered legislation may be drafted for submission to the next Congress to provide pay adjustments for all employees to compensate for cost-of-living increases, and to correct inequities which exist in the salary schedules.

As the Senator from Illinois has said, we would waste or throw out the window $500,000 of the taxpayers' money by passing a bill which takes the shotgun approach of increasing all salaries across the board by 7½ percent for most Government employees, and by more than 8 percent for the postal workers.

The bill has been brought before us for one reason and one reason only: politics in a presidential election year. We might as well face it. That is why we are facing the bill.

Organizations of postal workers, and of other Government employees, have brought heavy pressures to bear upon Members of the Senate and of the other body. There have been threats, sometimes veiled and sometimes bluntly stated, that Members who vote against the pay bill will suffer at the polls. It is surrender to these pressures that has brought the bill to the Senate floor today.

The political cynicism behind the bill lies in the fact that it is well known that it is entirely unacceptable to the President of the United States.

Testimony has been submitted to that effect by the Director of the Bureau of the Budget, and by Senators on the floor today.

Some feel secure in voting for it, with the knowledge that the President will rescue them from what they know is folly by a veto. Others feel confident that there will be sufficient votes to override the veto. In either case, it is hoped to gain some political advantage by voting "for" the Government employees, and picturing the administration as being "against" them.

This kind of political maneuvering may be acceptable in normal times. In the days in which we live, when the United States and the entire free world are in increased danger from Communist aggression, I, for one, will have no part of it.

Mr. President, I have voted in the past for salary increases for postal and other Government workers. I expect I shall do so again. But I shall not so vote until I have a solid base of facts upon which to form a judgment.

I have consulted with postal workers from my own State during all my 8 years of service in the Senate, and especially in the past few months. I enjoy friendships among them, and have a sympathetic understanding of their problems.

I have carefully considered all the information they have presented to me, and all the information I could obtain from other sources.

The levels of postal salaries have been compared with those of State government employees in Connecticut, and with wages in industrial and nonindustrial employment in my State and elsewhere.

Although it is difficult to draw comparisons, a general conclusion can be reached. It has not been demonstrated that the salaries of postal workers and other Federal workers lag behind those prevailing in the Connecticut State government service, or in private employment in my own State. On the contrary, the evidence at hand indicates that these Federal employees are keeping pace, and, in some instances, enjoy advantages over those in private employment or the State service.

Mr. President, the attempt has been made to picture this administration as being unconcerned with the welfare of the postal employees. The record over the past 7½ years refutes that unfounded charge. In pay and fringe benefits, totaling $544,323,000 in the first year and increasing in succeeding years, these actions have been taken:

First. Direct pay increases totaling approximately 20 percent, for a first-year cost of $436,831,000.

Second. Greatly liberalized retirement benefits, with an added first-year cost of $10,538,000.

Third. Group life insurance, at a first-year cost of $7,103,000.

Fourth. Group health insurance, with an estimated first-year cost of $37,963,000.

The PRESIDING OFFICER (Mr. Moss in the chair). The time of the Senator has expired.

Mr. BUSH. I yield myself 10 minutes on the bill.

Fifth. Executive order holiday benefits for rural carriers, and Saturday holiday benefits which guarantee each employee eight paid holidays per year, with first-year costs of $4,433,000.

Sixth. Additional equipment allowance for rural carriers, with first-year costs of $6,800,000.

Seventh. Increased travel allowances, with first-year costs of $4,100,000.

Eighth. Tax-free uniform allowances of up to $100 per uniformed employee each year, with first-year costs of $13,600,000.

Ninth. Biweekly pay periods, providing one extra day's pay per year, with a first-year cost of $6,700,000.

Tenth. Military leave for substitute employees, at a first-year cost of $2,800,000.

Eleventh. Longevity pay for substitute employees, at a first-year cost of $765,000.

Twelfth. Unemployment compensation, with an estimated first-year cost to the Federal Government, attributable to postal employment, of $7,200,000.

Thirteenth. Free fidelity bonds at an estimated annual savings to postal employees of $776,280 and a cost to the Department of $190,000.

Fourteenth. Social security coverage extended to temporary employees, at a first-year cost of $5,300,000.

I do not think that is the picture of an administration which is not interested in postal employees; on the contrary, it is evidence of the very deep interest the administration has for people who are working for the Government.

I am confident that the administration will continue to give fair treatment to its employees in the postal service, as well as to those in the classified service. I am confident that when the study ordered by Congress at a cost of $500,000 is completed in September, legislation to provide fair and equitable adjustments in compensation for all Government employees will be drafted and submitted to the next Congress. I am confident that it will be legislation that Members of the Senate can support.

If the Dirksen amendment shall be agreed to, and I hope it will be, the President will have before Congress in January of next year a schedule of pay adjustments and increases which will be made in the light of the study for which we are paying $500,000 of the taxpayers' money.

To enact the bill now before the Senate would be an act of fiscal irresponsibility, and demonstrate a failure to recognize the dangers we face. For the reasons I have stated, Mr. President, I shall support the amendment offered by the Senator from Illinois.

I have given a great deal of study to this issue. I have spent more time on it than on anything I have been involved in during this year. I have talked to people in my own State and I have talked to the Chairman of the Civil Service Commission, as well as to members of the committee. I have also read volumes about it. I am satisfied that the jobs in the Post Office Department and in the classified service are in demand. Certainly that does not indicate that the Government is not offering comparable compensation with the State government or with private firms in commerce and industry, at least within the State of Connecticut. On the contrary, it indicates we need more information, and certain knowledge concerning inequities which may exist, before we can legislate fairly in the interests of all Federal employees.

Furthermore, the record shows that the "quit rate," as it is called, of people leaving the service, is lower than in private industry, which indicates that people are reluctant to leave Government service.

I hope that the Senate will adopt the Dirksen amendment. I believe that the report which we are about to receive in September will be a competent one, that it will be a report which will have been painstakingly and carefully prepared by people who are competent to make such an objective study. With this guidance, the President will, I hope, make what adjustments may be necessary, to treat fairly our Government employees.

I yield back the remainder of my time.

Mr. KERR. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. KERR. I am much interested in the statement the Senator made concerning the number of applicants for postal or other Government jobs because those jobs would be better than the jobs which the persons are now in. Would the Senator know if those persons are persons whose economic condition is worse as a result of their trying to make a living under Benson's farm program?

Mr. BUSH. Not many persons in Connecticut are displaced by the Benson farm program. Most of the people in Connecticut have been strongly behind Mr. Benson, and approve his farm policies.

Mr. KERR. Most of the people in Oklahoma are behind him, too, but for different purposes. [Laughter.]

Mr. CHAVEZ. Mr. President, will the Senator from South Carolina yield time to me?

Mr. JOHNSTON of South Carolina. I yield 2 minutes to the Senator from New Mexico.

THREE HUNDRED AND FIFTIETH ANNIVERSARY OF THE FOUNDING OF NEW MEXICO

Mr. CHAVEZ. Mr. President, I am against the amendment and for the committee bill. That is certain. But before continuing with the debate on the bill, I should like to call the attention of the Senate to another matter. First, I am so glad that the Senators from Indiana are present.

It seems to me quite fitting that we should take a few moments to divert our attention from the turmoil and tumult of these riotous times and give heed to a significant event in my glorious State of New Mexico. Beginning June 17 and for 1 crowded week, the good people of my State, and especially those of Santa Fe, will celebrate the 350th annicersary of the founding of New Mexico. Everybody in the State, from Gov. John Burroughs and Mayor Leo T. Murphy, of Santa Fe, will join in this observance, basking in the past glories and looking forward to greater progress.

An event of the opening day of these festivities is worthy of note. Through the cooperation of its producers, Metro-Goldwyn-Mayer, there will be a special performance of the new motion picture, "Ben-Hur," and the Governor and mayor have proclaimed June 17 as Ben-Hur Day in the anniversary celebration. Why "Ben-Hur"? There is an interesting story behind that question; perhaps, my good colleagues the Senators from Indiana [Mr. CAPEHART and Mr. HARTKE] would prefer I did not tell the story. But the folks back home think I should.

"Ben-Hur" is a New Mexico product, and its author is being honored as one of the picturesque and courageous citizens of Santa Fe. Indiana and Crawfordsville, Ind., like to make similar claims to the origin of "Ben-Hur" and the citizenship of its author. But the record indicates that, at least, the honors must be shared. Gen. Lew Wallace, Civil War hero, Minister to Turkey, politician, and author, wrote the inspiring novel, "Ben-Hur." He began the book while living in Crawfordsville, Ind., but he finished it while he served as Governor of the Territory of New Mexico from 1878 to 1881. Wallace was a fantastic character; he was sent to New Mexico by President Hayes to try to clean up the Territory which then was ridden by all of the lawlessness and problems of the early pioneer days. Among Wallace's problems was a young fellow known as Billy the Kid, who had the Territory terrorized. Wallace contrived to have Billy give himself up, eventually. Prior to that the Kid swore to get Wallace. The fearless war hero refused to let the Kid or anybody else deter him from finishing the final chapters of "Ben-Hur." Wallace, stubbornly ignoring his wife's fears and protests, refused to draw the shades of his window as he sat writing at night. He made a perfect target for Billy the Kid. It was in that spirit that Wallace went about improving conditions in the old New Mexico. Now, 80 years later, Wallace and his immortal "Ben-Hur" are being honored in Santa Fe and throughout New Mexico.

I hope our Indiana friends will not mind.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

The PRESIDING OFFICER. The time of the Senator from New Mexico has expired.

Mr. DIRKSEN. I yield 2 minutes on the bill to the Senator from New Mexico.

Mr. HARTKE. I thank the Senator from New Mexico for acknowledging the fact that Lew Wallace came from Indiana. The generosity of Indiana is well known. We are glad to share such a distinguished leader with New Mexico.

I observed that Lew Wallace went to New Mexico to clean things up and did a pretty good job of cleaning them up. He went further and helped to develop the State of New Mexico.

One of the finest persons ever to come out of that State is the Senator who made the statement. He is one in a long line of the heritage of New Mexico.

Mr. CHAVEZ. I acknowledge that fact that if it had not been for Lew Wallace, I might not be here.

Indiana has contributed much to New Mexico throughout the years. So have Vermont and New Hampshire. New Mexico would not have a railroad if it had not been for Vermont and New Hampshire brains and Boston money.

That is true also of the State of the distinguished junior Senator from Kansas [Mr. CARLSON]. The Atchison, Topeka & Santa Fe Railroad was built from Kansas into New Mexico. That railroad would not have been built to the Pacific coast if it had not been for Vermont brains and Boston money.

ADJUSTMENT OF COMPENSATION OF CERTAIN FEDERAL OFFICERS AND EMPLOYEES

The Senate resumed the consideration of the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, on the amendment, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. DIRKSEN. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Illinois has 54 minutes remaining on the bill.

Mr. DIRKSEN. Mr. President, in my own time, I suggest the absence of a quorum.

Mr. SALTONSTALL. Mr. President, will the Senator withold his suggestion of the absence of a qourum?

Mr. DIRKSEN. Mr. President, I withdraw my suggestion of the absence of a quorum.

TRANSFER OF CERTAIN LANDS AND IMPROVEMENTS TO MASSACHUSETTS PORT AUTHORITY

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to take time from both sides on the amendment to ask, on behalf of the chairman of the Committee on Armed Services, the distinguished Senator from Georgia [Mr. RUSSELL], that the Chair appoint a committee of conference.

Mr. JOHNSTON of South Carolina. Mr. President, I ask that the Senator from Massachusetts be permitted to do that.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H.R. 5888) to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Mass., in exchange for certain other lands, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SALTONSTALL. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. STENNIS, Mr. JACKSON, Mr. SALTONSTALL, and Mr. CASE of South Dakota conferees on the part of the Senate.

ADJUSTMENT OF COMPENSATION OF CERTAIN FEDERAL OFFICERS AND EMPLOYEES

The Senate resumed the consideration of the bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

Mr. DIRKSEN. Mr. President, I renew my request for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. GOLDWATER. Mr. President, will the Senator yield time to me?

Mr. DIRKSEN. Mr. President, I yield 5 minutes on the bill to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I support the amendment of the Senator from Illinois and shall explain why I do so.

Since I have been in this body, we have approached all the problems concerning salary increases in the Government from the wrong angle. Instead of determining what the probable salary should be vis-a-vis Government and private employment, we have merely jumped at some figure, sometimes a round number, sometimes not so round, to determine what the Federal employees should receive as a pay increase.

Mr. President, the greatest danger to the payrolls of America is the Federal Government itself, as we go along in our irresponsible way, spending billions of dollars that we do not have. Only 2 years ago we went through the process of increasing the pay of the postal workers and the Federal employees; and at that time I told my friends in the employ of the Federal Government that if we did not stop this reckless spending, we would negate, within 2 years, the increases we gave them. That seems to have come true, Mr. President.

The real problem is inflation, and one of the greatest contributing causes to inflation is continued deficit spending.

Recently, I was privileged to read a speech which Mr. Maurice Stans made not so long ago. I wish to read part of that speech into the RECORD, so that Senators will understand what we are doing and so that when Federal employees and other employees come to us and say to us that the dollar is not buying as much as it used to, we can take credit for that development.

Mr. Stans said:

> Where is the Federal budget headed in the coming decade? I can tell you this, as a statistical fact and not a prediction: If we continue the trend of the past several decades for just another 10 years we will have budget expenditures of $160 billion by 1970. Impossible? So it seems. Yet it is not a bit more fantastic than the increases we have already scored, from $3 billion in 1930 to $9 billion in 1940, to $40 billion in 1950, to almost $80 billion in 1960.

Then Mr. Stans made what I believe is a very sobering statement, as it relates to the fiscal situation in this country. He said:

> Fact No. 1 is that our present national debt of $290 billion is far from all we owe for the past. This is just the interest-bearing current debt. To really understand what we owe, you have to add in some other things. For example, benefits which we have promised to veterans and their dependents will cost $300 billion in the years ahead. On top of that, unfinanced Government liabilities for military and civil service retirement plans already come to nearly $60 billion more.

Mr. President, the $290 billion in public debt, plus more than $350 billion of obligations for past services, plus $90 billion of c.o.d.'s, come to the almost unbelievable total of nearly $750 billion.

We in the Senate should be fully aware of what we are doing. Every time we endanger our fiscal responsibility, by considering measures such as the one before us today, we are not helping the wage earner of the United States. Instead, by enacting such a measure we would be destroying the wages he earns. What advantage does he gain if we increase his salary by 10 percent, but then decrease the purchasing power of the dollar by 12 percent or 15 percent? To me, the answer to this issue can be found by means of such simple arithmetic.

I believe it is high time that we in this body stop thinking about votes, and begin to think about our responsibilities to the people of the Nation, regardless of whether they work for the Government or whether they work for private industry. We in the Congress must take the responsibility for the position the dollar is in today.

Mr. DIRKSEN. Mr. President, I yield to the Senator from Utah [Mr. BENNETT] 3 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for 3 minutes.

Mr. BENNETT. Mr. President, I have been interested in the possible impact of the pending measure on the employees of the State of Utah who more nearly parallel Federal employees than private employees.

Today, I have received some very interesting figures: Using the present pay scales, before the proposed increase, employees of the State of Utah who correspond to Federal GS–2 and GS–3 clerks, are now earning from $50 to $60 a month less than their Federal counterparts. If the pending bill goes into effect, it will increase that difference by another $20 to $24 a month.

Employees in the State of Utah who correspond to Federal GS–4's in grade are earning approximately $60 a month less than their Federal counterparts.

Employees in the State of Utah who correspond to Federal GS–7's in grade are earning $75 a month less, for comparable employment.

The State of Utah employees in the professional group are earning from $80 to $90 a month less than the pay received by professional employees of the Federal Government who are engaged in similar work.

The Utah social caseworkers, who are a semiprofessional group, are earning between $60 and $100 a month less than the pay received by Federal Government employees who perform similar work.

The journeyman mechanics in Utah are being paid $100 a month less than Federal journeyman mechanics are paid.

I wonder whether we stop to realize the damage we are going to do to the State governments and their employees, particularly in the case of the smaller States far removed from the large metropolitan centers, when we widen this variation. Not only shall we increase the burden on the taxpayers, by reason of the added cost of the Federal payroll; but, in addition, we shall put the taxpayers in many States in a situation in which, by using the Federal Government's example as a lever, attempts will be made to force up the State, county, and municipal payrolls.

So the real burden on the taxpayer may be very much heavier than that represented by the proposed legislation now before us. This is one reason why I am persuaded that under present circumstances I cannot support this measure.

I was also greatly impressed by the statements made by the Senator from Idaho [Mr. CHURCH] with respect to the classified service employees.

Mr. President, when we consider the total impact of all these factors and developments, we realize that rather sobering considerations face us as we prepare to vote on the question of passage of the bill.

Mr. HUMPHREY. Mr. President——

Mr. JOHNSTON of South Carolina. Mr. President, I yield 10 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 10 minutes.

Mr. HUMPHREY. Mr. President, the amendment offered by the minority leader, the Senator from Illinois [Mr. DIRKSEN] is, of course, an amendment in the nature of a substitute for the entire text of the pending pay bill.

First of all, I desire to commend the chairman of the Committee on Post Office and Civil Service and the other members of that committee for the prompt consideration they have given the Federal workers pay raise bill, following its passage on Wednesday of this week by the House of Representatives, by the overwhelming vote of 378 to 40.

The vote in the House of Representatives, especially in view of the opposition of the administration to pay raise legislation, is very significant and encouraging.

It indicates that the vast majority of the Members of Congress are convinced that the case for Federal pay raise legislation is sound and that the time to act is at hand. It also gives those of us who have been advocating a fair pay raise for Federal employees reason to believe that even if the President should veto this measure there are sufficient votes in the Congress to override the veto.

I intend to support the bill as reported from the committee. I earnestly hope that the bill is not further amended here in the Senate, because if it is, the chances of obtaining its enactment this session will be seriously dampened. We may be sure that if the bill is amended and returned to the House, the opponents of pay raise legislation—and the administration in particular—will do all in their power to kill it through delaying tactics, in these few remaining days of the session.

I am confident that the Senate will approve the bill as reported from committee and that it will be sent to the President by such a large vote in its favor that the President will realize that his veto will not prevent its enactment.

In June of 1959 there were 2,380,000 civilian employees on the Federal payroll. It has been 30 years since there has been a thoroughgoing review of the compensation scales. There have been dozens of plans put together in a piecemeal fashion. The three major pay systems in use now include: First, the Classification Act, and under this fall 970,000 employees; second, the Postal Pay Act with 470,000 employees; and third, Army, Air Force, and Navy with 480,000 employees.

To delay the pay raise now being considered, the argument has been offered that there are those who do not deserve this pay raise and that we must wait for the results of a Bureau of Labor Statistics survey to be completed in September 1960. I am confident that this survey will show that the wages of Federal employees are not comparable—by and large—with wages for similar work in private industry. I do not believe that such a delay is either necessary or warranted.

This is certainly true in the case of the postal employees. There is no reason to delay. The temporary increase of 2½ percent of 2 years ago must be approved. As the result of a survey by the National Association of Letter Carriers, 24,878 budgets of members were studied; 74.9 percent—almost 75 percent—had to seek other income sources or have their wives work. Ninty-six percent reported that they were unable to live on their present salaries.

It is more than interesting to note that the Federal Housing Administration has determined that a letter carrier with 25 years' service, earning $5,170 per year, does not have a sufficient income to purchase a $15,000 home under an FHA 30-year mortgage. An income of $5,384 is necessary. The average salary of a letter carrier is only $89.23 per week.

Every individual needs sufficient funds to keep abreast of the times. Federal salaries must be commensurate with salaries paid in private industry. There is a time element involved here. We are dealing with human beings, faced with an increase in the cost of living. Classified workers and post office employees have received only two pay raises under the present administration. Three pay raises passed by Congress have been vetoed. Salaries fixed by statute have not been adjusted in any timely or adequate manner in response to general changes and raises in non-Federal salaries.

Pay raises have become an annual occurrence in most industries, but not for Federal employees. While other workers have received 14 or 15 pay increases since 1945, total increases in Federal employees' wages number 7. Postal employees have received four. Salaries of the greater number of employees continues to lag far behind the rising price level. It is not just to require the classified and postal employees to wait for the possibility of the coordination of the other minor pay systems at some future date.

From July 1951 to November 1959, postal clerks' wage increases averaged 38½ cents an hour, or approximately 20 percent, while workers in all industries received average increases of 70 cents an hour, or in excess of 45 percent. This marks a lag of 25 percent between July 1951 and November 1959 for postal clerks.

The postal clerks are not alone. Millions of Government employees face the same situation. They cannot wait to eat and to live. They must go on with their own family lives.

If, just for a moment, one assumes that classified employees were paid in 100-cent dollars in early 1939, it becomes apparent that the employee has lost much more than appears on the surface. A GS–5 salary would have to be increased 5.2 percent to make it equal in purchasing power to 1939. A GS–7 salary is worth $263 less, and in the higher brackets the gap is much wider. To restore 1939 purchasing power today, between 3- and 61-percent raises are needed at different levels.

It is obvious that wages of comparable situations in private industry are far ahead of wages in Government employment. There are perhaps one or two grades at which they are equal, but from these lowest grades on up, pay in private industry far exceeds Government pay in managerial, scientific, and technical fields. The higher the level, the greater the gap. At GS–18, non-Federal pay is approximately $22,500 per year, while Federal employees receive $15,500. This low wage scale creates a great deal of difficulty in recruiting and maintaining workers.

It now costs the Federal Government $900 to train a new employee in the postal service. At the same time, a trained man is utilized to instruct the new man. One thousand eight hundred dollars is now tied up in these two men. The turnover rate in the postal service is by no means small. Each time a man leaves, the Federal Government loses $900. A satisfactory salary, which would keep these men in service would, in the long run, be less expensive than the wage increase. These men can rarely earn more than $5,175 per year, and then only after 25 years' service. Frequently, they must learn difficult postal schemes on their own time and at their own expense. Is it any wonder that they leave this service?

Recently, United States Steel granted an increase to its office clerical workers, an increase in wages already higher than those of classified Federal employees in comparable positions. A file clerk in Federal service receives $3,825 per year. A United States Steel file clerk now receives $4,430, and by October 1961 will receive $4,722. Government tabulating machine operators receive $4,325, while those with United States Steel receive $5,299 and will receive $5,753 by October 1961.

Sperry Gyroscope Co., International Harvester Co., and Chrysler Corp. pay between $4,320 and $5,186 per year for stenographers, typists, and key punch operators. In the Federal service, these positions are classified in GS–2 to GS–4, for which the maximum pay is $4,325. Only one of the private industry rates is in this category, most are comparable to GS–5.

Guards in private industry in the St. Paul-Minneapolis area receive $2.17 an hour. Guards, rated GS–2, receive a highest pay of $1.84. In 1939, postal letter carriers wages were generally greater than policemen. Today it is the opposite.

The whole body of Federal employees is working for the benefit of industry and for the well-being of the entire Nation. Industry could not efficiently function without the post office or the many services provided by the departments. Government engineers, scientists, and medical men benefit all the people. A fair salary is one that is compatible with business and justifiable in cost. To wait for the current survey is an unnecessary delay ignoring all previous studies and surveys. It is important that the Senate take favorable action on this bill now.

I wish to comment briefly on the amendment proposed by the Senator from Illinois. Last evening, when the housing bill was discussed in the Senate,

there was considerable debate on concentration of power in the Executive and the fact that the Congress was directing the President to put something in a message. The ghost of constitutionality was raised. We were told it would violate the Constitution. We were told by one Senator that we were pioneering on new ground. I realize that for the Republican leadership that is a rather dangerous adventure, but we were reminded this was something we should not do.

The housing bill called upon the President to make recommendations in his message to the Congress, and it was stated that, in furtherance of the realization of this goal, the President shall transmit to the Senate and the House of Representatives, after the beginning of each session of the Congress, but not later than January 20th, a report which shall include certain specified items.

Mr. President, this was not going to cost anybody anything. It was not said that the President was going to legislate by edict. All we were suggesting was that the President take cognizance of certain developments in the housing picture, certain housing needs of the American people, and that he make known those observations through a message to the Congress.

The minority leader led the fight against that proposal, which he called extreme legislation. He said the President would veto a bill which directed him to do such a thing as that. Yet the minority leader today brings in a substitute that provides that the President shall be authorized and directed to adjust the pay scales in the Classification Act of 1949, as amended, the Postal Field Service Pay Act, the Veterans' Benefits Act, as amended, and the Foreign Service Act, as amended, to levels generally comparable with those reported by the Bureau of Labor Statistics as a result of its current survey of pay rates in private enterprise.

Then the substitute proposal of the Senator from Illinois directs the President to do two more things: to revise the pay structures in the several acts in order to insure internal equity and to provide adequate incentives for administration, and to establish rules for administration.

Is not this interesting? Last night, less than 24 hours from this hour, the minority leader admonished us not to direct the President to put anything in a message, that it would be dangerous, that the President would veto it. There were speeches on the floor of the Senate to the effect that to direct him to lay down a blueprint in terms of planning in the field of housing would give the President too much power. I was reminded last night that this was almost socialism. But today the same spokesmen—and I put that word in the plural—say now the President should act like a little dictator. He shall set the pay rates for Federal employees who work for the Government of the United States, a Government that consists of the Congress as well as the executive branch, and the President shall not only set the pay rates, but he is authorized and directed to make such adjustments as his own Bureau of Labor Statistics advises him to make.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CLARK. The Senator makes a very powerful argument, but, to be very candid, is the Senator not of the opinion that the minority leader was wrong both times?

Mr. HUMPHREY. It is not only my opinion, but I think it can be demonstrated to be a fact.

This is a delaying tactic. That is another reason why this is being done. We can be sure that there will be men in the other body of equal capability and ingenuity who will be able to use some kind of delaying tactics, and the Federal worker will get no help or no justice from his Government.

I have heard speeches made today about what the proposed pay raises would do to the Federal budget. I heard what the pay increase would do to inflation. I wonder where the words are, I say most respectfully, in behalf of the wage earners, when prices go up? I have not heard many speeches from the other side of the aisle when steel prices have gone up time after time. I have not heard many complaints from the other side of the aisle about interest rates going up. I say to my colleagues on the other side of the aisle that the average wage earner will pay more in increased interest than he will receive from the pay increase as provided in this bill.

I have not heard any Senator on the other side of the aisle condemn anyone for the inflation in the cost of money, which takes its toll out of everyone who buys anything on time. This is a credit economy, in which the largest single item in the cost of living is the cost of money.

Furthermore, I heard one Senator say that we shall pay more to Federal employees than is paid in Utah. There is an answer to that: Raise the wages in Utah. That is the answer.

I would like to have some of our colleagues demonstrate as much concern over the worker's interest as they seem to demonstrate over what they call this item of inflation.

What would be the cost of the proposal of the Senator from Illinois? We have no figures that indicate the cost. On the one hand, it is being paraded before us as though it is of benefit to the workers. If it is beneficial, it is going to cost something. On the other hand, some speakers say it is beneficial because it will not cost anything. Mr. President, we cannot play both sides of the street. The proposal of the Senator from Illinois will result either in increased salaries or decreased salaries, and it seems to me we have a right to know which before we vote on his proposal.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSTON of South Carolina. I yield 5 minutes more to the Senator from Minnesota.

Mr. HUMPHREY. Finally, let us face the fact that Federal workers have only one place to go. There is no use of their talking about going to see the President. They will not find him in. Let us face it, the Federal workers will not get an audience at the White House. First of all, the President of the United States, when he applies himself to his work, will be a busy man, and the Federal workers will not have an opportunity to make their case if this matter is turned over to the executive branch. If this is turned over to the executive branch, we may as well turn over everything else, because this touches the heart of government.

I am surprised that the advocates of less executive power, the advocates of States rights, come before the Senate with a proposal which would put in the hands of the Executive—the President of the United States—control over the pay scales of workers for the Federal Government, without any regard to the Congress of the United States.

The Constitution says that we shall establish the rate of compensation. The Constitution does not say that the President shall do so. I suggest that we should hold the limited authority and power we have to ourselves.

The point is that Federal workers do not have the right to strike. Federal workers do not have the right of some workers to collective bargaining. Federal workers have only one right. That is the right to appeal to their representatives in Congress for justice.

These workers have never been able to keep up with the wage scales throughout the country. Surely, we can locate a Federal worker here or there who may earn more than is earned by someone in a small country town, but we do not generalize from those limited statistics. We must consider the total picture.

The facts are that testimony before the committees of Congress has shown that many Federal workers need two jobs in order to maintain a home of modest means.

I have not seen many Federal postal workers or Federal employees spending 2 months on a yacht in the Caribbean. They have a tough time getting enough money together to be able to spend 2 days on a rowboat on a lake in Minnesota.

Those who are always admonishing the workers of this country as to the things they should or should not do are usually in Bermuda, in the Bahamas, at Nassau, or at Miami Beach at $100 a day, in a swank hotel.

Mr. President, these workers are not overpaid. The tragedy is that the administration always wants to study the pay of the workers. This administration really is guilty of being a slow learner. It studies and studies, and never seems to catch on.

I suggest that the Congress of the United States, after having reviewed these matters in the committees month after month and year after year, is in a better position to know what is the situation than some study commission which has been appointed, which is somewhat removed from the realities of the economic life of the workingman or workingwoman.

There is one thing wrong with the Congress, above all. Too many times it has lost its sensitivity to the needs of

the average man, to the needs of the man who does not have a chance to be in the social columns of the local newspaper.

Some of us in the Congress need to stand up to speak for the person who earns $5,000 a year or $4,000 a year.

A woman who testified before the committee, who lived in Fort Lauderdale, Fla., said that her husband had a take-home pay of $89 a week, after 21 years of service with the Federal Government. My friends in the Senate, who have salaries of $22,500 a year, should try to live on $89 a week. I have lived with the people long enough to know that it costs a great deal to rear a family.

The Federal Government has an obligation to establish standards, not to be trailing behind. The people who carry the mail, the people who work in our Federal agencies, by and large are fine, good, dedicated people.

One of the reasons there is trouble in America today is that too often it takes two breadwinners in a family to pay for the cost of living. This causes delinquency. This causes problems.

I suggest that the Government of the United States should set a standard under which one breadwinner in a family can earn enough for the mother, the children, the father, and perhaps a relative or so, if need be.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. JOHNSTON of South Carolina. Mr. President, I yield 5 minutes to the Senator from Wyoming [Mr. McGEE].

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. McGEE. Mr. President, I wish to associate myself with the remarks of the distinguished Senator from Minnesota, who has said in terms only he seems capable of commanding the things which need to be said at a moment like this. The Senator has moved me to bring into the focus of the picture today once again a reference I have made on other occasions to an individual whom I have described as a "one-eyed bookkeeper."

The "one-eyed bookkeeper" is the Director of the Bureau of the Budget. "One-eyed bookkeeping" goes on in the Bureau of the Budget.

Let us visualize what this could mean.

The Bureau of the Budget opposes this legislation. In a statement before the Civil Service Committee, Budget Director Stans said:

> The administration finds no justification at this time for the enactment of any legislation which would provide general increases in salary rates under the Classification Act, the Postal Field Service Pay Act, and other statutory pay systems.

The Bureau of the Budget is the arm, if not the brain—I sometimes think it is the brain—of this administration.

These, indeed, are the words of the oracle, the words of the "one-eyed bookkeeper."

Mr. President, I make my remarks after examining the Bureau of the Budget's own pay policies, in its own bailwick, since 1953. What I expected, really, was to find that the Bureau of the Budget, finding no justification for pay raises, was practicing what it preached. I was amazed to discover that since 1953 the average grade level of Bureau of Budget employees has climbed from GS–10.2 to GS–11.1. Despite administration objections, in the last several years the Congress has enacted legislation to increase the pay of the Federal employees.

The pay has continued to go up for the workers at the Bureau of the Budget. Because the Bureau of the Budget has the highest grade level for its employees of any Federal agency, they have on the average received the greatest raises. Since 1953 the average Budget Bureau employee has received an $1,100 salary increase as a result of pay legislation. These increases are the legitimate increases resulting from action by the Congress despite Presidential vetoes. These are the efforts that the Congress has made to keep the salaries of Federal employees reasonably consistent with those paid in private industry. I emphasize again that this increase for Bureau of the Budget employees occurred despite administration objections.

However, on top of this legitimate increase, the Bureau of the Budget, through raising the average grade of its employees from 10.2 to 11.1, has added approximately another $1,100 to the salary of each of its employees.

No wonder the Director of the Budget Bureau can find no justification for a general salary increase. When he inquiries into his own Bureau he finds that salaries are up and that his employees are "doing very nicely, thank you."

This earns for the Director of the Bureau of the Budget the designation as the "one-eyed bookkeeper." He looks at his own records through one eye, and through the other eye he cannot see and does not see the plight of his brethren.

Mr. President, I have compared what has happened in the Bureau of the Budget with the salaries in the offices of the secretaries of four of our major departments of Government. I ask unanimous consent at this point in my remarks that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	General schedule				
	1953	Amount below Bureau of the Budget	1961	Amount below Bureau of the Budget	Change since 1953
Bureau of the Budget	10.2		11.1		+0.9
Office of Secretary of the Treasury	8.1	−2.1	8.4	−2.7	+.3
Office of Secretary of the Interior	9.0	−1.2	9.3	−1.8	+.3
Office of Secretary of Health, Education, and Welfare	7.7	−2.5	8.2	−2.9	+.5
Office of Secretary of Agriculture	8.6	−1.6	8.7	−2.4	+.1

Mr. McGEE. Mr. President, two things stand out in this table.

First, the staffs in the Secretaries' offices of these four departments receive salaries which are substantially below those in the Bureau of the Budget.

Second, the Bureau of the Budget has granted its employees, through improved grade levels, far greater increases than have the offices of the four Secretaries enumerated above.

I have not made a detailed analysis of the other agencies in these departments, nor of other departments, but I am certain that such an analysis would support the contention that the Bureau of the Budget has taken good care of its own and has chosen to neglect the rest.

Mr. President, I do not contend that Federal employees should be denied a pay raise. On the contrary, I believe that they are entitled to a raise and I believe especially that the postal employees are entitled to a raise.

My petition is that the "one-eyed bookkeeper" has his principles mixed up and is looking in the wrong direction at what he considers to be the right time. He ought to give the same consideration to other employees of the Federal Government as he gives to his own people.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. McGEE. Mr. President, will the Senator yield me 2 additional minutes?

Mr. JOHNSTON of South Carolina. I yield 3 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 3 additional minutes.

Mr. McGEE. Mr. President, how the Bureau can justify the extremely large increases in the Bureau at the same time it asks Congress to hold down salaries of other categories of Federal employees is difficult to comprehend, unless it is rationalized in the "one-eyed bookkeeper" vernacular.

Mr. President, I also believe that the Bureau of the Budget has itself violated all of the arguments it has given in opposition to a general salary increase. If this is not the case, then apparently there is already available sound factual justification for the salary increases proposed in the legislation that the Congress is now considering.

Budget Director Stans in his presentation to the Congress claims that he is not quibbling over insignificant amounts. He said:

> If we raise Federal white collar pay levels now on the basis of inadequate information which can make the results merely guesses, and if the September BLS report shows that such increases result in unnecessary or improper expenditures, then we will all have much to regret.

But this is not the situation in the temple of the savers where the high priests of economy are gathered. There

has been no difficulty there in justifying a pay raise averaging $1,100 per employee in addition to the $1,100 pay raise effective in the Bureau of the Budget as a result of past legislation.

I ask unanimous consent that a table showing the relationship between the average salaries paid the Federal employees in five important conservation agencies in 1953 to those to be paid in 1961, in comparison with the pay scales in the Bureau of the Budget, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Average salaries		
	1953	1961	Increase since 1953
Bureau of the Budget	$6,979	$9,320	$2,341
Bureau of Reclamation	4,575	6,269	1,694
Geological Survey	4,553	[1] 6,428	1,875
Soil Conservation Service	4,391	5,556	1,165
Forest Service	4,655	5,614	959
Agricultural Research Service	[1] 4,869	6,083	1,214
Bureau of the Budget differential	2,110	2,892	

[1] Best paid for fiscal year.

Mr. McGEE. These are comparative to the pay scales of the Bureau of the Budget.

Some reference has been made in the Senate to the fact that the proposed legislation will cost us a little more money, and that it is dishonest of Government to spend this additional money without preparing a tax measure to balance the expenditure. I certainly can agree that it is dishonest not to face up to what this country must do. I am not impressed, however, with the suggestion that generations yet unborn will have to pay these costs. While I, too, am concerned about the future generations, I am likewise concerned about the generations who are still living. They, too, have a right to continue to live in an area where costs continue to rise.

The overhauling and revamping of the Federal pay schedules has long been overdue, and yet this opportunity has been frittered away during the 8 years of the Eisenhower administration.

One serious accomplishment of the administration has been the apparent ability of the Bureau of the Budget to award itself salary increases while holding down the salaries of other Federal employes. This is the spectacle of the "one-eyed bookkeeper."

I conclude by suggesting that not only is the pay legislation before the Congress necessary, but also, I believe the Congress might well give consideration to reducing the salaries in the Bureau of the Budget to the relationship that they had with other Federal salaries in 1953. I would predict that were this suggestion adopted, we would have to appropriate money for the construction of a wailing wall on the White House side of the temple of the savers.

Mr. CASE of South Dakota. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield 5 minutes to the Senator from South Dakota.

Mr. CASE of South Dakota. The proposed amendment of the Senator from Illinois makes a great deal of sense. References have been made during the debate to what is being paid to workers in industry and to people in State governments as compared with what is proposed to be paid to employees of the Federal Government. The amendment of the Senator from Illinois will merely give authority to the President of the United States to adjust the rates of pay. The amendment states in part:

> To adjust the rates of pay in the Classification Act of 1949, as amended, the Postal Field Service Pay Act, the Veterans Benefit Act as amended, and the Foreign Service Act as amended, to the levels generally comparable with those reported by the Bureau of Labor Statistics as a result of its current survey of pay rates in private enterprise.

Congress provided half a million dollars for the survey, the results of which are expected to come in September, and it is expected to use the survey as the basis for pay adjustment.

The dislocation of relative pay scales is a problem in a discussion of the cost of living. Established pay scales are thrown out of kilter. Then we try to adjust them, and sometimes there is no good relationship. The final result is relatively little better than the situation that existed at the outset. A cycle is started.

What disturbs me is that we talk about a percentage increase which ranges from 7½ to as much as 8 percent and even 8½ percent for some employees, thus throwing them farther out of a fair relationship.

In some sections of the Post Office Department the discrepancy between supervisory positions and the rank and file postal workers could be again jeopardized. Only a year or so ago we passed a bill to correct an inequity in the relative pay scales of the general workers and the supervisors.

One of the most glaring inequities that exist today is the fact that the average net income of farm families is only $2,380. Yet under the proposed legislation we have increases proposed, which affect all Government employees, in which the starting salary for an individual in the civil service rank is $2,960. The starting pay for the civil service employee of $2,960 is already $500 more than the average net income of an entire farm family.

One of the tests of the relative equity of pay scales is the turnover. The Civil Service Commission during 1959 determined that the average quits per month per 100 employees are as follows: 1.25 percent in private industry; 0.70 percent in the Federal Government as a whole; and 0.57 percent in the U.S. postal service. The turnover in private industry is twice as much as the turnover in the postal service, which would certainly indicate that the postal service and the Federal Government as a whole are more attractive places of employment than is private industry.

In my experience I have noted that there seems to be no lack of applicants for postal positions, and I am obliged to believe that at least in South Dakota employment in the postal service is more attractive than vacancies in industry generally.

I asked the Post Office Department about the following figures and I was told that the figures represent their experience over the country:

During the first 3 months of this year 238,000 persons applied for postal positions. That number of applicants is enough to fill more than 40 percent of all the positions which the Post Office Department has. In the New York area there were 37,000 applicants. In the Chicago area there were 14,000; in the Los Angeles area, 12,000; in the San Francisco area, 11,000; in the Philadelphia area, 7,000 plus; in the St. Louis area, over 4,000. Therefore it seems to me that the proper approach is on the basis of the study which the Bureau of Labor Statistics is making to give the President the authority and the responsibility to adjust pay scales to the levels determined by a factual study.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. KUCHEL. Mr. President, the minority leader has been compelled to leave the Senate for a moment. I ask unanimous consent that I may suggest the absence of a quorum without having the time charged to either side.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON of South Carolina. I have not said anything on the amendment, but I want every Senator to know that I do not approve of the amendment. I am not ready to turn over to any one man, whether he be a Democrat or a Republican, the power to regulate the salaries of 2,300,000 employees of the Government. To do so would be setting up a dictatorship in the United States. We hear a great deal of talk about dictatorships. I believe that in Congress we have yielded entirely too much to the administration in regulating various and sundry things. This is one time that I am not in favor of going this far.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MONRONEY. I concur with my distinguished chairman that Congress should not abrogate its powers in this way. Furthermore, I ask the chairman, if we were to grant this power to the President to fix wages, how would we know who in the 9th or 10th or 11th echelon would exercise the powers which Congress would supposedly be granting to the President.

Mr. JOHNSTON of South Carolina. Yes, while he is off somewhere trying to get into some country or other. Perhaps we ought to make him work at least a 40-hour week, if we are going to adopt this kind of amendment.

I yield back the remainder of my time. I believe the other side has used up all its time.

The PRESIDING OFFICER. All time for debate has expired. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Missouri [Mr. HENNINGS] are absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Oregon [Mr. MORSE] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

On this vote the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Nebraska [Mr. HRUSKA], would vote "yea," and the Senator from Kansas [Mr. SCHOEPPEL], would vote "nay."

The result was announced—yeas 11, nays 70, as follows:

[No. 227]

YEAS—11

Bennett	Cooper	Morton
Brunsdale	Curtis	Wiley
Bush	Dirksen	Williams, Del.
Case, S. Dak.	Goldwater	

NAYS—70

Aiken	Green	Mansfield
Allott	Gruening	Martin
Anderson	Hart	Monroney
Bartlett	Hartke	Moss
Beall	Hayden	Murray
Bible	Hill	Muskie
Bridges	Holland	Pastore
Byrd, Va.	Humphrey	Prouty
Byrd, W. Va.	Jackson	Proxmire
Cannon	Javits	Randolph
Carlson	Johnson, Tex.	Robertson
Case, N.J.	Johnston, S.C.	Saltonstall
Chavez	Jordan	Scott
Church	Keating	Smathers
Clark	Kerr	Smith
Dodd	Kuchel	Sparkman
Douglas	Lausche	Symington
Dworshak	Long, Hawaii	Talmadge
Eastland	Long, La.	Thurmond
Ellender	Lusk	Williams, N.J.
Ervin	McCarthy	Young, N. Dak.
Fong	McClellan	Young, Ohio
Frear	McGee	
Gore	Magnuson	

NOT VOTING—19

Butler	Hickenlooper	O'Mahoney
Capehart	Hruska	Russell
Carroll	Kefauver	Schoeppel
Cotton	Kennedy	Stennis
Engle	McNamara	Yarborough
Fulbright	Morse	
Hennings	Mundt	

So Mr. DIRKSEN's amendment was rejected.

Mr. JOHNSTON of South Carolina. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

Mr. DIRKSEN. Mr. President, if I may have the attention of the Senate for a minute, I can save the trouble of reading the amendment, although I ask unanimous consent that it be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD as follows:

On page 22, at the end of line 24 insert a new title numbered three.

"TITLE III—TO READJUST POSTAL RATES, AND FOR OTHER PURPOSES

"First class mail

"SEC. 2. (a) That part of the first section of the joint resolution of June 30, 1947, as amended (61 Stat. 213, 72 Stat. 138, 39 U.S.C. 280), which precedes the proviso, is amended by striking out '4 cents' and inserting in lieu thereof '5 cents'.

"(b) Section 1 of the Act of October 30, 1951 (65 Stat. 672; 39 U.S.C. 280), as amended, is further amended—

"(1) by striking out '3 cents' wherever appearing in subsection (a) and inserting in lieu thereof '4 cents'; and

"(2) by striking out '3 cents' in subsection (b) and inserting in lieu thereof '4 cents'.

"Domestic air mail

"SEC. 3. Section 201 of the Postal Rate Revision and Federal Employee Salary Act of 1948 (62 Stat. 1261; 39 U.S.C. 463a), as amended, is further amended—

"(1) by striking out '7 cents' in the first sentence and inserting in lieu thereof '8 cents'; and

"(2) by striking out '5 cents' in the second sentence and inserting in lieu thereof '6 cents'.

"Air parcel post

"SEC. 4. Section 1 of the Act of June 29, 1948 (62 Stat. 1097; 39 U.S.C. 475), is amended—

"(1) by striking out the words 'for the period of two years' appearing in paragraph (11); and

"(2) by adding the following sentence to paragraph (11): 'In no event shall the rate of postage on air mail of the first class weighing in excess of eight ounces be less than the rate prescribed in section 2(a) of this Act.'

"Second-class mail

"SEC. 5. (a) The postage rates for publications entered as second-class mail when mailed for delivery at the office of original entry is one-half cent per copy mailed when delivery is made through post office boxes, general delivery or by rural or star route carriers.

"(b) The postage rate for publications entered as second-class mail when mailed for delivery at the office of mailing by city or village letter carrier or when mailed at the office where it is entered for delivery by city or village letter carriers at a different office within the delivery limits of which the headquarters or general business office of the publisher is located is 1 cent for each copy weighing two ounces or less or 2 cents for each copy weighing more than two ounces or the zone-pound rates provided in subsection (c) of this section, whichever is higher.

"(c) The postage rates on publications entered as second-class mail not entitled to be mailed at the rates in subsections (a) and (b) of this section (including sample copies to the extend of 10 per centum of the weight of copies mailed to subscribers during the calendar year), when mailed by the publishers thereof from the post office of publication and entry or other post office where entry is authorized, or when mailed by news agents registered as such under regulations prescribed by the Postmaster General to actual subscribers or to other news agents for the purpose of sale are one-half cent for each individually addressed copy or package of unaddressed copies and in addition the pound rates set forth in the following table:

Advertising portion	Mailed during calendar year 1960	Mailed after Dec. 31, 1960
	Cents	*Cents*
Zones 1 and 2	2.6	3.0
Zone 3	3.5	4.0
Zone 4	5.2	6.0
Zone 5	7.0	8.0
Zone 6	8.7	10.0
Zone 7	11.0	12.0
Zone 8	12.5	14.0
Nonadvertising portion	2.3	2.5

Publications having over 75 per centum advertising in more than one-half of their issues during any twelve months' period shall not be accepted for mailing as second-class matter and their entry shall be revoked, except that for the purpose of this proviso only, a charge made solely for the publication of transportation schedules, fares, and related information shall not be construed as constituting a charge for advertising.

"(d) The rate of postage on copies of publications having second-class entry mailed by others than the publishers or authorized news agents, sample copies mailed by the publishers in excess of the 10 per centum allowance entitled to be sent at the

pound rates, and copies mailed by the publishers to persons who may not be included in the required legitimate list of subscribers, shall be 2 cents for the first two ounces and 1 cent for each additional ounce or fraction thereof, except when the postage at the rate prescribed for fourth-class matter is lower, in which case the latter rates shall apply, computed on each individually addressed copy or package of unaddressed copies, and not on the bulk rate of the copies and packages.

"(e) For the purpose of this section, the portion of a publication devoted to advertisements shall include all advertisements inserted in and attached permanently to the publication.

"(f) The Postmaster General may require publishers to separate or make up to zones, in such a manner as he may direct, all mail matter of the second class when offered for mailing.

"(g) With the first mailing of each issue of each publication entered as second-class mail, the publisher shall file with the postmaster a copy of such issue together with a statement containing such information as the Postmaster General may prescribe for determining the postage chargeable thereon.

"Controlled circulation publications

"SEC. 6. Section 203 of the Postal Rate Revision and Federal Employees Salary Act of 1948 (62 Stat. 1262; 39 U.S.C. 291b), as amended, is further amended—

"(1) by striking out '12 cents' and inserting in lieu thereof '14 cents'; and

"(2) by striking out '1 cent' and inserting in lieu thereof '3 cents'.

"Third-class mail

"SEC. 7. Section 3 of the Act of October 30, 1951 (65 Stat. 673; 39 U.S.C. 290a–1), as amended, is further amended—

"(1) by striking out '3 cents' from that part of the section which precedes the first proviso and inserting in lieu thereof '4 cents'; and

"(2) by striking out '1½ cents' from that part of the section which precedes the proviso and inserting in lieu thereof '2 cents'; and

"(3) by striking out 'twenty pounds' from the first proviso of said section and inserting in lieu thereof 'forty pounds'; and

"(4) by striking out '16 cents' from the second proviso of said section and inserting in lieu thereof '18 cents'; and

"(5) by striking out from the second proviso of said section, whenever they appear therein the words '2½ cents when mailed on or after such date' and inserting in lieu thereof '2½ cents when mailed on or after July 1, 1960, and prior to January 1, 1961, and 3 cents when mailed on or after January 1, 1961'.

"(6) by striking out '10 cents' from the second proviso of said section and inserting in lieu thereof '14 cents'.

"(7) by striking out '3½ cents' from the third proviso of said section and inserting in lieu thereof '4½ cents'.

"Fourth-class mail

"SEC. 8. (a) Section 204(d) of the Postal Rate Revision and Federal Employees Salary Act of 1948 (39 U.S.C. 292a(d)), as amended, is further amended—

"(1) by striking out '9 cents' and inserting in lieu thereof '10 cents', and

"(2) by striking out '5 cents' and inserting in lieu thereof '6 cents'.

"(b) Section 204(e) of the Postal Rate Revision and Federal Employees Salary Act of 1948 (39 U.S.C. 292(e)), as amended, is further amended—

"(1) by striking out '4 cents' and inserting in lieu thereof '5 cents'; and

"(2) by striking out '1 cent' and inserting in lieu thereof '3 cents'.

"Repeals

"SEC. 9. The following provisions of law are hereby repealed:

"(1) Section 5 of the Act of June 23, 1874 (18 Stat. 232; 39 U.S.C. 283); and

"(2) Sections 1101, 1102, 1103, and 1106 of the Act of October 3, 1917 (40 Stat. 327; 39 U.S.C. 283, 287); and

"(3) Sections 202 and 203 of the Act of February 28, 1925, as amended (43 Stat. 1066, 1067; 39 U.S.C. 283, 287); and

"(4) Subsections (a), (b), (c), and (e) of section 204 of the Act of May 27, 1958 (39 U.S.C. 283); and

"(5) Section 25 of the Act of March 3, 1879, as amended (20 Stat. 361; 39 U.S.C. 286); and

"(6) Section 2 of the Act of October 30, 1951 (65 Stat. 672; 39 U.S.C. 289a).

"SEC. 10. (a) The provisions of this section and sections 1, 2, 3, 4, 5, 6, 7, (1), (2), (5), and (7), 8, and 9 of this Act shall become effective on July 1, 1960.

"(b) The provisions of section 7 (3), (4), and (6) of this Act shall become effective on January 1, 1961."

Mr. DIRKSEN. Mr. President, the amendment is in the form of a bill I introduced in March of this year. It provides for an increase in postal rates in first-, second-, and third-class postage. I know that the amendment is not germane under the germaneness clause in the unanimous-consent agreement. I confess that in my momentary ineptitude in the hurly-burly of things, I was not looking down the road far enough at the time I looked at the division of time and the allowance of hours on the amendments when the unanimous-consent agreement was adopted. I shall not quarrel about that. I shall not ask for any violation of the rules. I freely admit that the amendment is subject to a point of order, if any Senator cares to make a point of order.

The PRESIDING OFFICER. The Senator from Illinois may proceed.

Mr. DIRKSEN. Mr. President, in conformity with an informal understanding I have with the chairman of the committee, the distinguished Senator from South Carolina [Mr. JOHNSTON] I shall take only a few minutes for an explanation and will be very brief.

This is a measure I introduced in March. It was sent to me by the Postmaster General. It had the approval of the President. What it is designed to do is this: On first-class letters or first-class mail, it would raise an estimated $409 million. On airmail it would raise $18 million. On second-class mail it would raise $46 million. On other items it would raise $85 million. It is estimated, therefore, that the amendment would raise $554 million.

The bill has been the subject of hearings before the House Committee on Post Office and Civil Service.

If we are to vote money with which to pay employees, we shall have to find the money somewhere. I asked the Bureau of the Budget today for a statement covering the most nearly current period—and the statement is dated June 16—to ascertain now where we stand, with respect, first, to the revenue measures asked for by the President which have been denied; the unbudgeted proposals to increase expenditures, some of which have not yet been enacted, but which would be a threat to the budget; and then the unbudgeted proposals, which would reduce revenue.

I point out that the Committee on Finance, as I understand, has taken action to repeal the telephone tax and to repeal taxes on other items. The distinguished Senator from Florida [Mr. SMATHERS] has just reported a bill from the Committee on Finance. The revenue involved, as I understand, is estimated at between $150 and $250 million.

We have done nothing about aviation fuel. The proposal requested by the President is estimated to produce $89 million.

The discontinuance of the telephone tax would, in the first fiscal year, cost $346 million. There are other items with respect to budget proposals which would have an impact of roughly $1.5 billion.

As I sum up the rest of the items, they amount to $3.2 billion.

So the grand total is a little more than $5 billion.

It can be seen that if we continue to spend money—and $750 million is provided in this bill—an estimated and much-hoped-for surplus of $4.2 billion, when the budget was submitted, is rapidly and gradually and constantly going down the drain.

Congress may still do something about it, but I would be remiss in my duty if I did not say that in proportion as we spend $1 billion over the budget estimate in the Defense bill, and $750 million in this bill, somewhere, if we are to have a balanced budget, we shall have to find revenues, instead of chopping revenues out of the budget and then denying a Presidential request for revenue. That is all I have to say on this subject.

Mr. CURTIS. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. CURTIS. I shall support the Senator's amendment. I shall do so because I feel, as the Senator has stated, that as a matter of fiscal policy that must be done.

In doing so, I am aware that we do not have the benefit of any hearings or a committee report on this amendment or on the bill itself.

Although I wish to go on record as being in favor of increased postal revenues, I likewise wish the RECORD to show that I do not adopt in detail the provisions of the Senator's amendment.

Mr. JAVITS. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. JAVITS. Can the minority leader tell us the answer to a question which I shall now submit? It is charged that if the amendment of the minority leader is added to the bill, it will result in killing the bill; it is said that the House will not accept the amendment, and that the result will be to destroy the bill.

On the other hand, a number of Senators, including myself, are perfectly willing to vote for increased postal rates, in order to meet our responsibilities.

Can the Senator from Illinois tell us—and the majority leader is also in the Chamber, and I also direct this question to him—whether, if we defeat this amendment at this time, we shall have an opportunity to vote on the question of increasing the postal rates?

Mr. DIRKSEN. I can only say that the effort has been made over a period of time, but it has not succeeded. We have a terrific deficit—nearly $600 million—in the Post Office Department alone. If we add $236 million for the postal workers, by means of this bill, the postal deficit will be more than $836 million, which must be taken out of the general revenue; and, therefore, this deficit in the operations of this Government agency will become a charge against the taxpayers and against the Treasury generally. I do not believe that is a sound way to run a Government department, and I do not believe it is sound financing.

Mr. President, I shall not request a yea-and-nay vote on the question of agreeing to this amendment. I simply say to the Senate and to the country that not long ago we were greatly inspired by the hope that there would be a $4 billion surplus and that there might be a tax reduction for the beleaguered taxpayers of the country; but I am afraid all that is going down the drain.

I may add that perhaps yet today we shall consider the Health, Education, and Welfare Department bill; and I think the amount it calls for is in the neighborhood—according to the version reported by the Senate committee—of $400 million over the budget. Perhaps we can chop all of it out of the mutual security funds; I do not know. But I doubt it.

Mr. JAVITS. I should like to ask the majority leader that question. Will we have an opportunity—if this amendment is defeated at this time—to vote at this session of the Congress on the question of increasing the postal rates?

Mr. JOHNSON of Texas. I am informed that the House committee yesterday killed a proposal on postal-rate increases, by a vote of 14 to 7. I am further informed that the proposal offered by the distinguished minority leader is the first program of the administration, and is not its revised plan. I think it has a new plan, which is different from the one he offered in January.

Mr. DIRKSEN. I revised this, in order to make it conform.

Mr. JOHNSON of Texas. I think the Senate should consider a rate bill; and I am prepared to vote for a rate bill of that type, although at this time I do not wish to go into the specifics. I do not know that it will be reported before we leave for the conventions, if we do. I think it should be considered on its merits. I do not think it fair to the employees to make the fate of the pay bill for them dependent on the success of a measure of the sort referred to, which already has been defeated in the House committee; and in view of the fact that the House committee defeated it by a 2 to 1 margin, certainly it is unlikely that the House as a whole would do otherwise.

But I should like to see the committee begin to evolve a formula which would provide us with more revenue.

Mr. JAVITS. Of course, that situation puts me in the position of believing that this is the only chance we shall have to vote to make the income meet the outgo. I think most Senators wish to do the things which need to be done, whether in regard to research or in regard to paying the Government employees properly or in regard to foreign aid. Of course, I very much favor foreign aid. I also wish to have the Government pay its bills.

I respectfully submit that if we do not receive those opportunities from the committees, then we have to do what the minority leader is doing; namely, utilize the rules of the Senate to attach such proposals to any bills that are available.

Mr. DIRKSEN. First, let me assure the Senator from New York that this proposal is not designed to kill this bill. I am opposed to this bill, and I have been opposed to it from the beginning. I shall do my best to get the President to veto it, if he will listen to me; and I may have something to say about it—I do not know. But that is not the design of this amendment.

We know that, as the bill now stands, its cost, if it is enacted into law, will be $750 million.

I suppose the bill will be passed. I am reasonably confident that the House would override a veto of the bill. I hope the Senate would sustain a veto.

But the record must be made, and I want to make it as we proceed. I do not want anyone in the country to be able to say, at any time, "If you were interested in fiscal sanity and fiscal responsibility, why did you not concretely offer something to offset the expenditure of $750 million?"

The amendment is offered in the utmost good faith.

If I were to undertake to embarrass anyone, I might ask for a vote on the amendment by a show of hands, or for a yea-and-nay vote on the amendment. But I shall not do so.

I am quite content to let the RECORD stand as it now is.

Mr. JAVITS. Mr. President, I shall support the amendment of the Senator from Illinois, because I think he is doing the only thing that can be done in order to demonstrate that we are willing to pay the bill if we wish to provide benefits for the people whom we think need to receive benefits.

Mr. DIRKSEN. That is well spoken.

Mr. JOHNSON of Texas. Mr. President, I am ready to vote.

Mr. JOHNSTON of South Carolina. Mr. President, I should like to say to the Senate that we find ourselves in this position because we have always considered this a revenue matter, and we always wait until the House sends us the revenue bills.

It may be news to some Senators to know that the money which is raised from the Post Office operations does not go into the Post Office Department funds, but goes into the general fund; and then the Department goes to the general fund, as does every other department, for the money it needs.

We once passed such a bill, and sent it to the House of Representatives. But the House sent it back to us, with a note saying:

> We in the House originate the revenue measures.

For that reason, we find ourselves in this position at the present time.

I realize that something should be done. But I wish to call attention to the fact that in the case of second-class mail, the increase in rates will go into effect on July 1.

As regards third-class mail, another increase in rates will come next January. That will result from the original bill which we passed in 1958, which at that time increased the revenue for the Post Office Department approximately $547 million.

Mr. DIRKSEN. Mr. President, when the Congress passed the Postal Pay Raise Act of 1958, it said—and it was recorded as clearly as print could set it forth—that after making allowance for the things that can be charged to the postal service, there shall be a rate adjustment in order to provide the revenues with which to meet the expenditures of the Department. But we have been remiss in the duty of carrying out the very thing we solemnly wrote into the law only 2 years ago. The words are so clear that they cannot be mistaken. I take that responsibility pretty seriously, and it is the reason why I have offered this proposal.

I am grateful to my distinguished friend the chairman of the committee for not making a point of order. I am not going to ask for a record vote, but I shall ask for a division, and I will let it go at that.

Mr. BUSH. Mr. President, will the Senator yield 1 minute to me?

Mr. DIRKSEN. Yes.

Mr. BUSH. I commend the Senator for bringing up this amendment, and I wish to associate myself with the Senator from New York in approving the proposal and declaring, in view of the fact that there is not to be a record vote, that I wish to support the Senator's amendment.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. Yes.

Mr. LAUSCHE. I subscribe to the comments made by the Senator from New York. I received a letter from a citizen of Ohio who said, "I have been your friend all your life. Viewing things as they are going, I have a recommendation to make to you. While you are in the Senate, vote for every spending program, against every taxing bill, and for every tax repeal bill."

I pondered his advice, and I wondered whether that was the glorious path to eternal membership in the Senate.

Let me point out that in this session we have acted on several money bills. We repealed the cabaret tax. It is now being proposed to repeal the excise tax on telephone use and other taxes. We increased the subsidy to the merchant marine.

In the tax field, we have gone only in the direction of reducing revenues, even though we know that in 24 out of the last 29 years we have had deficits. But what are we doing in regard to spending? Every spending proposal that has been offered has received approval. Every proposal to attempt to set the budget in balance has been rejected. Mr. President, it just cannot be. There must come an eventual accounting.

I shall vote for the postal rate increase, although I do not like to connect it to a salary bill. However, under the conditions which prevail, I must do so.

Instead of having a $4 billion surplus—provided the postal rate increase and gasoline tax increase were adopted—I want the citizens of Ohio to know now that we cannot continue to repeal taxes and increase spending without further cheapening the dollar, without further putting tax burdens upon our children and grandchildren, and without further robbing holders of U.S. bonds and thrifty people who put their money in the banks for their future.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. DIRKSEN. Mr. President, I yield to the Senator from Idaho, and then I shall yield back the remainder of the time I have on the amendment.

Mr. DWORSHAK. Mr. President, the distinguished minority leader has said he hesitates to ask for the yeas and nays on his amendment because he does not want to embarrass Members of this body. Does not the distinguished minority leader agree with me that this body, by its actions day in and day out, is embarrassing the American taxpayer, and embarrassing our children and grandchildren, by forcing them to assume the responsibility of our giving them more government than revenues will justify at this time? When will we reach the time when we stand up and face our responsibility to give the American taxpayer only as much government as we are willing to make him pay for? Does not the Senator think the time has come when we must stop embarrassing the American people?

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIRKSEN. I am prepared to yield back my time.

Mr. JOHNSTON of South Carolina. I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Illinois. (Putting the question.) The "noes" seem to have it. The "noes" have it.

Mr. DIRKSEN. Mr. President, I ask for a division.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was defeated.

The PRESIDING OFFICER. The chair states to the Senator from Illinois that the result was announced.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider.

The PRESIDING OFFICER. The question is on the motion to reconsider.

Mr. JOHNSTON of South Carolina. Mr. President, I move to lay the motion to reconsider on the table.

Mr. KUCHEL. Mr. President, a division.

The PRESIDING OFFICER. A division has been requested on the motion to table the motion to reconsider.

Mr. JOHNSON of Texas. Then, Mr. President, I withdraw my motion to reconsider.

The PRESIDING OFFICER. The motion to reconsider is withdrawn.

Mr. JOHNSTON of South Carolina. I withdraw my motion to table.

The PRESIDING OFFICER. Both motions have been withdrawn.

Mr. ERVIN. Mr. President, I rise for the purpose of making a motion to recommit.

I am satisfied, from my study of the subject matter of this bill, that Congress should enact the proposed pay increases for the postal service. I do not feel justified on the facts, however, in voting for the increases totaling about half a billion dollars a year which this bill provides for those in other Government employment.

For those reasons, I move that the bill be recommitted to the Committee on Post Office and Civil Service with instructions that it divide the provisions of this bill into two bills, and report back to the Senate one bill containing the present provisions respecting the postal employees, and a second bill containing the provisions of this bill relating to other Government employees.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. ERVIN. I yield.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. ERVIN. I yield to the Senator from Arkansas, from the time available to me, whatever time the Senator requires.

Mr. McCLELLAN. Mr. President, I wish to associate myself with the distinguished Senator from North Carolina. I believe the postal pay increase ought to be passed at this session of Congress. I urgently suggest to my colleague that he make a part of his motion the requirement that the committee separate the bills and report them to the Senate by next Monday, so that the bills can be enacted at this session of Congress. Then we shall have the issues separated. Those of us who feel as the distinguished Senator from North Carolina and I feel, that the postal pay raise is fully justified, and that the other pay raise is not, will have the opportunity to vote for the increase we feel is justified, and will have the opportunity to vote against the increase we feel is not justified. Thus we shall not be put in the position of penalizing those who deserve the pay raise by denying the raise in order to vote against that part of the bill which we feel is not justified—two thirds of the bill in money value—and for which the case has not been made.

Mr. ERVIN. Mr. President, in consequence of the suggestion made by the able and distinguished senior Senator from Arkansas, I amend my motion to recommit so as to provide that the committee shall forthwith report back two bills of the nature specified by me.

Mr. President, I ask for the yeas and nays on the motion.

The yeas and nays were ordered.

Mr. ERVIN. Mr. President, unless the able and distinguished chairman of the committee or some other Senator desires to speak, I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, we have been in session since early this morning. These issues have been resolved. Senators who have been for the raise for the postal workers have had an opportunity to indicate it. Senators who have favored the increase for all workers have had an opportunity to indicate it.

I hope we shall not spend all day working on the bill and then recommit the bill. I hope the motion to recommit will be defeated, and that we can pass the bill, to give equity and justice to people who are entitled to receive it.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the motion of the Senator from North Carolina, to recommit with instructions to report forthwith two bills.

On this motion, the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas, [Mr. YARBOROUGH], and the Senator from Louisiana [Mr. ELLENDER] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] and the Senator from Arkansas [Mr. FULBRIGHT] are absent because of illness.

I further announce that the Senator from Massachusetts [Mr KENNEDY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. MORSE], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH], the Senator from Michigan [Mr. McNAMARA], the Senator from Missouri [Mr. HENNINGS], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Arkansas [Mr. FULBRIGHT] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

If present and voting, the Senator from Nebraska [Mr. HRUSKA] and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—yeas 21, nays 56, as follows:

[No. 228]

YEAS—21

Bennett	Dirksen	McClellan
Bridges	Dworshak	Morton
Bush	Ervin	Saltonstall
Case, S. Dak.	Goldwater	Talmadge
Church	Holland	Thurmond
Cooper	Lausche	Wiley
Curtis	Lusk	Williams, Del.

NAYS—56

Aiken	Gruening	Martin
Allott	Hart	Monroney
Anderson	Hartke	Moss
Bartlett	Hill	Murray
Beall	Humphrey	Muskie
Bible	Jackson	Pastore
Brunsdale	Javits	Prouty
Byrd, W. Va.	Johnson, Tex.	Proxmire
Cannon	Johnston, S.C.	Randolph
Carlson	Jordan	Robertson
Case, N.J.	Keating	Scott
Clark	Kerr	Smathers
Dodd	Kuchel	Smith
Douglas	Long, Hawaii	Sparkman
Eastland	Long, La.	Symington
Fong	McCarthy	Williams, N.J.
Frear	McGee	Young, N. Dak.
Gore	Magnuson	Young, Ohio
Green	Mansfield	

NOT VOTING—23

Butler	Fulbright	Morse
Byrd, Va.	Hayden	Mundt
Capehart	Hennings	O'Mahoney
Carroll	Hickenlooper	Russell
Chavez	Hruska	Schoeppel
Cotton	Kefauver	Stennis
Ellender	Kennedy	Yarborough
Engle	McNamara	

So Mr. ERVIN's motion to recommit with instructions was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill. Is all time yielded back?

Mr. JOHNSTON of South Carolina. I yield back the remainder of my time.

Mr. DIRKSEN. I yield back the remainder of my time.

Mr. JOHNSTON of South Carolina. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). On this vote, I have a live pair with the senior Senator from Kansas [Mr. SCHOEPPEL]. If he were present and voting, he would vote "yea"; if I were permitted to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH], and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Missouri [Mr. HENNINGS] are absent because of illness.

I further announce that the Senator from Massachusetts [Mr. KENNEDY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART] and the Senator from New Hampshire [Mr. COTTON] would each vote "yea."

The pair of the Senator from Kansas [Mr. SCHOEPPEL] has been previously announced by the Senator from Illinois [Mr. DIRKSEN].

On this vote, the Senator from South Dakota [Mr. MUNDT] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Nebraska would vote "nay."

The result was announced—yeas 62, nays 17, as follows:

[No. 229]

YEAS—62

Aiken	Dodd	Johnson, Tex.
Allott	Douglas	Johnston, S.C.
Anderson	Eastland	Jordan
Bartlett	Ellender	Keating
Beall	Fong	Kerr
Bible	Frear	Kuchel
Bridges	Gore	Long, Hawaii
Byrd, W. Va.	Green	Long, La.
Cannon	Gruening	McCarthy
Carlson	Hart	McGee
Case, N.J.	Hartke	Magnuson
Chavez	Hill	Mansfield
Church	Humphrey	Martin
Clark	Jackson	Monroney
Cooper	Javits	Moss
Murray	Saltonstall	Talmadge
Muskie	Scott	Wiley
Pastore	Smathers	Williams, N.J.
Prouty	Smith	Young, N. Dak.
Proxmire	Sparkman	Young, Ohio
Randolph	Symington	

NAYS—17

Bennett	Dworshak	McClellan
Brunsdale	Ervin	Morton
Bush	Goldwater	Robertson
Byrd, Va.	Holland	Thurmond
Case, S. Dak.	Lausche	Williams, Del.
Curtis	Lusk	

NOT VOTING—21

Butler	Hayden	Morse
Capehart	Hennings	Mundt
Carroll	Hickenlooper	O'Mahoney
Cotton	Hruska	Russell
Dirksen	Kefauver	Schoeppel
Engle	Kennedy	Stennis
Fulbright	McNamara	Yarborough

So the bill (H.R. 9883) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 1586, H.R. 7634.

The PRESIDING OFFICER (Mr. Moss in the chair). The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Public Works with amendments.

LIMITATION OF DEBATE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the time for debate be limited to 30 minutes on amendments and an hour on the bill.

The PRESIDING OFFICER. Is there objection?

Mr. BENNETT. Mr. President, I should like to ask the Senator from Texas whether it will be possible to take up the conference reports about which I spoke to him.

Mr. JOHNSON of Texas. As soon as we get the bill under way.

Mr. BENNETT. Then I shall be available as soon as the bill is passed. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

The Chair hears none, and it is so ordered.

The unanimous-consent agreement was later reduced to writing, as follows:

Ordered, That, effective during the further consideration of the bill (H.R. 7634) authorizing the construction, repair, and

preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided, further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JOHNSON of Texas. Mr. President, I yield such time as the Senator from Oklahoma may desire to use.

Mr. President, will the Senator from Oklahoma yield so that I may make an announcement?

Mr. KERR. I yield.

LABOR—HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1961

Mr. JOHNSON of Texas. Mr. President, while the minority leader is on the floor, I ask unanimous consent that during the consideration of H.R. 11390, the Labor—Health, Education, and Welfare appropriation bill, debate on any amendment, motion, or appeal, except a motion to lay on the table, be limited to 30 minutes, and that debate on the bill be limited to 1 hour, the time to be equally divided.

Mr. DIRKSEN. Mr. President, for the information of Senators on this side of the aisle, I know of no request for time, except that I propose to move to recommit the bill and to reduce the overall amount. Other than that, I know of no other motions or no amendments.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, reduced to writing, is as follows:

Ordered, That, effective during the further consideration of the bill (H.R. 11390) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to thirty minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to one hour, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. JAVITS. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. JAVITS. Is it the intention to finish action on both bills tonight?

Mr. JOHNSON of Texas. We hope to do so. That will depend on the number of amendments to be considered.

Mr. JAVITS. What is the plan for tomorrow?

Mr. JOHNSON of Texas. It is expected that the Senate will be in session tomorrow.

Mr. HOLLAND. Mr. President, what is the title of the other bill referred to by the Senator from Texas?

Mr. JOHNSON of Texas. The Labor—Health, Education, and Welfare appropriation bill.

Mr. HOLLAND. I thank the Senator.

AUTHORIZATION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS

The Senate resumed the consideration of the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

Mr. KERR. Mr. President, since the approval of the last authorization bill on July 3, 1958, many favorable reports on proposed projects have been transmitted to the Congress by the Corps of Engineers.

In addition, a number of major river basin authorizations have been reduced by appropriations to a point where additional monetary authorization is urgently needed to continue construction of specific projects in the comprehensive plans for flood control, navigation, and other purposes, as originally approved by the Congress. There are also several matters concerning general legislation and modification of previous project authorizations that should be considered at this time.

H.R. 7634 is a comprehensive measure to carry forward the important programs for the development and improvement of the rivers and harbors of our Nation.

The bill passed the House on July 16, 1959. As it passed the House the bill included authorization for 49 new projects and modifications having an estimated cost of $278,310,500, and six increased basin authorizations totaling $379 million, a total amount of $657,310,500.

The basin authorizations included in the bill by the House were supposed to cover appropriations for 2 years, fiscal years 1961 and 1962.

The Committee on Public Works held hearings on certain projects in the House bill and on other projects which were proposed for consideration subsequent to passage of the bill by the House.

The Committee on Public Works added 85 new projects and modifications to the House bill and deleted 2 projects from the bill. This total includes five basin authorizations added and the amounts of the six in the House bill were increased.

The estimated cost of the new projects and modifications added by the Senate is $508,247,852, and the increase in basin authorizations is $417,247,852, a total added by the Senate of $925,487,552.

The basin authorizations were increased to cover appropriations for 3 years, fiscal years 1961, 1962, and 1963, instead of 2 years provided by the House bill. That was occasioned by reason of the fact that the House bill was passed in 1959 and provided future authorizations for 1961 and 1962. We bring the bill to the Senate now, in 1960, and of necessity have increased the amount to include requirements for fiscal 1963, in addition to 1961 and 1962, as provided for in the House bill.

The committee has added two new titles to the House bill. Title III permits the evaluation of recreational benefits in water resources project, and their use in the recognition of the economic consideration of the purposes of the project.

Title IV declares the policy of Congress that owners and tenants at public works projects of the United States shall be paid a fair and equitable sum for their property acquired and reimbursed for their actual losses and damages, and establishes a commission to study the problem.

The committee feels that the problems involved in the studies that have been completed are important, urgent, and deserve early consideration, and that further delay would have unfortunate results in retardation of projects now under construction and others needed for prosecution of the program for full development of our national water resources.

I ask unanimous consent to have printed in the RECORD a list of the projects included in the bill by States, and a summary of the bill.

There being no objection, the list and summary were ordered to be printed in the RECORD, as follows:

List of projects by States, H.R. 7634

	Estimated cost
ARIZONA	
(FC) Gila and Salt Rivers	$3,300,000
ARKANSAS	
(FC) McKinney Bayou	346,400
(FC) Maniece Bayou	668,400
(N) Ouachita and Black Rivers	43,550,000
(FC) Village Creek, White River, and Mayberry levee districts	1,322,000
(MP) White River Basin	50,000,000
(FC) Bank protection at Garland City	1,750,000
CALIFORNIA	
(FS) Atherton Creek	
(N) Los Angeles-Long Beach Harbor	1,768,000
(FC) Los Angeles County F.C. project	32,000,000
(MP) Merced River	12,000,000
(FC) Mojave River	3,070,000
(MP) Mokelumne River	10,000,000
(N) Monterey Harbor and Bay	3,989,000

List of projects by States, H.R. 7634—Con.

CALIFORNIA—continued

	Estimated cost
(N) Noyo Harbor	370,000
(BE) Orange County	256,000
(FC) Sacramento River	$14,240,000
(FS) Streams in Marin County	
(FC) Tachevah Creek	1,658,000
(FC) Walnut Creek	17,980,000
(FS) Wildcat and San Pablo Creeks	

CONNECTICUT

(FC) Farmington River	12,052,000
(FC) Naugatuck River	10,230,000
(HFP) Pawcatuck	409,000
(HFP) Stamford	3,030,000
(FC) West Thompson Reservoir	4,010,000

DELAWARE

(N) Wilmington Harbor	351,000

FLORIDA

(N) Bakers Haulover inlet	239,000
(FC) Central and southern Florida	23,000,000
(NS) Channel, Avalon to Escambia Bay	
(NS) Channel, Santa Rosa to gulf	
(N) Everglades Harbor	117,200
(N) Gulf coast shrimp boat harbors	373,000
(FC) Herbert Hoover dike, name	
(BE) Key West	231,200
(N) Land transfer	
(N) Little Pass	104,000
(N) Miami Harbor	3,818,000
(FC) Nicodemus Slough	318,000
(N) Palm Beach	4,980,000
(FS) Phillipi Creek	
(FS) Pithlachascotee River, et al	
(N) St. Marks River	1,711,000

HAWAII

(N) Kahului Harbor	944,500
(NS) Kahaluu	
(FS) Lava barriers, Island of Hawaii	
(NS) Maalaea Bay area	
(HFP) Hilo Harbor seawall	7,000,000

ILLINOIS

(N) Illinois Waterway, dup. docks	114,652,000

INDIANA

(N) Calumet Harbor	5,240,000
(N) Indiana Harbor	974,000

IOWA

(FC) Coralville Reservoir bridge	1,180,000
(N) Decatur Bend Lake	155,000
(N) Dubuque Harbor	38,000
(FC) Upper Mississippi River Basin	12,000,000

KANSAS

(MP) Wilson Dam and Reservoir	18,081,000

KENTUCKY

(MP) Barkley Dam and Reservoir	146,000,000
(MP) Laurel River	21,900,000
(GC) Little Sandy River	11,900,000
(FC) Lynn Camp Creek	645,000

LOUISIANA

(N) Bayou Lafourche and Lafourche jump	4,664,000
(N) Bayou Petit Anse, Tigre, and Carlin	106,000
(N) Calcasieu River and Pass	16,992,000
(FC) East Point levee	273,000
(N) Freshwater Bayou	7,485,000
(NS) Lake Ponchartrain	

List of projects by States, H.R. 7634—Con.

MAINE

	Estimated cost
(NS) Calf Island-Rogue Island Bluffs to Seawall Point	
(N) Eastpoint Harbor	$595,000
(FS) Ogunquit, et al. coastal areas	
(N) Pepperell Cove	170,000
(NS) Prospect Harbor	
(N) South Bristol Harbor	97,000
(N) Southwest Harbor	240,000
(N) Stonington Harbor	198,000
(N) Wells Harbor	340,000
(N) York Harbor	391,000

MARYLAND

(FS) Patuxent River	

MASSACHUSETTS

(BE) Cape Cod Canal to Provincetown	178,000
(FC) Chicopee River	5,180,000
(N) Contuit Harbor	320,000
(NE) Eel Pond at Menauhant	
(NS) Green Harbor at Marshfield	
(NS) Nauset Harbor	
(BE) Pemberton Point to Cape Cod Canal	139,300
(NS) Pleasant Bay	
(BE) Wessagusset Beach, Weymouth	132,000
(FC) Westfield River	3,240,000

MICHIGAN

(NS) Bay de Noc	
(N) Manistee Harbor	1,735,000
(N) Marquette Harbor	236,000
(N) Menominee Harbor	715,000
(N) Presque Isle Harbor	215,300
(N) Trenton Channel, Detroit River	8,570,000

MINNESOTA

(N) Duluth-Superior Harbor, entrance channels	2,364,000
(N) Duluth-Superior Harbor, interior channels	2,513,000
(FC) Marshall	2,252,000
(N) Red Wing Harbor	170,400
(N) Two Harbors	162,000

MISSISSIPPI

(N) Biloxi Harbor	326,000
(N) Natchez Harbor	350,000
(N) Pascagoula Harbor	Main.
(N) Mississippi River Channel	50,000,000
(FC) Pearl River	3,609,000

MISSOURI

(MP) Missouri River Basin, all States in Basin:	
Corps of Engineers	207,000,000
Bureau of Reclamation	60,000,000

NEBRASKA

(FC) Gering and Mitchell Valleys, mod	

NEVADA

(FC) Gleason Creek	450,000
(FC) Las Vegas Wash	13,410,000

NEW HAMPSHIRE

(N) Rye Harbor	238,000

NEW JERSEY

(BE) Atlantic coast, Barnegat inlet to Cape May Canal	1,714,000

NEW MEXICO

(MP) Rio Grande	58,300,000

NEW YORK

(BE–HFP) Atlantic coast, Fire Island inlet to Montauk Point	$19,400,000
(N) Buffalo Harbor	2,352,000

List of projects by States, H.R. 7634—Con.

NEW YORK—continued

	Estimated cost
(FC) Ithaca-Cayuga Inlet	3,950,000
(FC) Lackawanna-Smokes Creek	1,974,000
(N) Mamaroneck Harbor	105,000
(N) Moriches and Shinecock Inlets	6,858,000
(N) Rochester Harbor	2,445,000
(NS) Rye Harbor, Playland Marina	

NORTH CAROLINA

(N) Ocracoke Inlet	4,623,000

NORTH DAKOTA

(FC) Bismarck and Mandan	574,052

OHIO

(N) Ashtabula Harbor	4,077,000
(N) Cleveland Harbor	2,486,000
(N) Fairport Harbor	2,768,000
(N) Lorain Harbor	19,323,000
(N) Sandusky Harbor	5,800,000
(N) Toledo Harbor	14,684,000
(MP) West Branch Mahoning River, mod	

OKLAHOMA

(MP) Arkansas River Basin	179,000,000
(MP) Norman project	19,042,000

OREGON

(MP) Columbia River Basin	148,000,000
(MP) Foster Reservoir, South Santiam River	17,340,000

PENNSYLVANIA

(FC) Butler - Connoquessing Creek	1,558,700
(N) Erie Harbor	1,729,000
(FC) Latrobe - Loyalhanna Creek	2,568,300
(BE) Presque Isle Peninsula	Main.

RHODE ISLAND

(N) Apponaug Cove	180,000
(N) Little Narragansett Bay and Watch Hill Cove	98,000
(BE) South Kingston and Westerly	140,300
(FC) Woonsocket	2,970,000

SOUTH CAROLINA

(NS) Beresford Creek	
(N) Shem Creek	Main.

SOUTH DAKOTA

(FC) Cheyenne River	272,000
(MP) Fort Randall Reservoir bridge	6,375,000
(FC) Sioux Falls	560,000
(FC) Vermilion River	6,010,000

TEXAS

(FC) Big Fossil Creek	1,861,400
(FC) Blieders Creek	1,060,000
(MP) Brazos River Basin	21,000,000
(FC) Fort Worth Floodway	2,241,000
(N) Texas City Channel	1,605,000
(N) Brazos Island Harbor	4,381,000

UTAH

(MP) Little Dell Reservoir, Jordan River	6,060,000

VIRGINIA

(FC) North Fork Reservoir	3,681,000
(NS) Sturgeon Creek	

WASHINGTON

(N) Everett Harbor, Snohomish River	3,011,000
(NS) Point Roberts	
(NS) Ship canal, Tacoma to Seattle	

WISCONSIN

(N) Ashland Harbor	$1,495,000
(N) Kewaunee Harbor	81,900
(N) Milwaukee Harbor	38,000
(NS) Washburn Harbor	

List of projects by States, H.R. 7634—Con.

WEST VIRGINIA

	Estimated cost
(N) Road to Hildebrand lock and dam	
Total amount of bill	1,582,798,352

CODE

(N) Navigation.
(FC) Flood control.
(BE) Beach erosion control.
(MP) Multiple purpose.
(NS) Navigation survey.
(FS) Flood-control surveys.
(HFP) Hurricane flood protection.

SUMMARY OF BILL

TITLE I—RIVERS AND HARBORS

Sec. 101:	*Estimated cost*
Navigation projects (63)	$317,201,300
Beach erosion control projects (9)	22,190,800
Monetary authorization (Barkley Dam) (1)	146,000,000
Sec. 105: Decatur Bend Lake (1)	155,000
Title I total (74)	485,547,100

TITLE II—FLOOD CONTROL

Sec. 203:	*Estimated cost*
New projects or project modifications (44)	$259,969,252
Increased basin authorizations (10)	736,240,000
Sec. 204: Merced River, Calif. (1)	12,000,000
Sec. 205: Mokelumne River, Calif. (1)	10,000,000
Sec. 208: Norman, Okla. (1)	19,042,000
Sec. 209: Missouri River Basin (1)	60,000,000
Title II, total (58)	1,097,251,252
Grand total (132)	$1,582,798,352

GENERAL LEGISLATION

Beach erosion control amendments.
Small navigation projects, $2 million annually.
Sale of excess land for port or industrial development.
Compilation and dissemination of information on floods and flood damages and hazards, $1 million annually.
Use of existing public roads for access roads to projects, and replacement of roads to be relocated.
Title III: Evaluation of recreational benefits at water-resource development projects.
Title IV: Acquisition of lands and establishment of a study commission.

Mr. KERR. Mr. President, I ask that the committee amendments be agreed to en bloc and that the bill as thus amended be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, after line 11, to insert:

"Eastport Harbor, Maine: Senate Document Numbered 98, Eighty-sixth Congress, at an estimated cost of $595,000."

After line 23, to insert:

"York Harbor, Maine: House Document Numbered 395, Eighty-sixth Congress, at an estimated cost of $391,000;

"Pepperell Cove, Maine: House Document Numbered 284, Eighty-sixth Congress, at an estimated cost of $170,000;

"Rye Harbor, New Hampshire: Report of the Board of Engineers for Rivers and Harbors, dated March 30, 1960, at an estimated cost of $238,000."

On page 3, after line 11, to insert:

"Little Narragansett Bay and Watch Hill Cove, Rhode Island and Connecticut: House Document Numbered 396, Eighty-sixth Congress, at an estimated cost of $98,000."

After line 17, to insert:

"Mamaroneck Harbor (East Basin), New York: House Document Numbered 209, Eighty-sixth Congress, at an estimated cost of $105,000;

"Wilmington Harbor, Delaware: Senate Document Numbered 88, Eighty-sixth Congress, at an estimated cost of $351,000;

"Ocracoke Inlet, North Carolina: House Document Numbered 408, Eighty-sixth Congress, at an estimated cost of $4,623,000."

On page 4, after line 14, to insert:

"Palm Beach Harbor, Lake Worth Inlet, Florida: House Document Numbered 283, Eighty-sixth Congress, at an estimated cost of $4,980,000."

After line 20, to insert:

"Little Pass, Clearwater Bay, Florida: House Document Numbered 293, Eighty-sixth Congress, at an estimated cost of $104,000;

"St. Marks River, Florida: House Document Numbered 224, Eighty-sixth Congress, at an estimated cost of $1,711,000."

On page 5 after line 4, to insert:

"Biloxi Harbor, Mississippi: House Document Numbered 271, Eighty-sixth Congress, at an estimated cost of $326,000."

After line 12, to insert:

"Freshwater Bayou, Louisiana: Report of the Board of Engineers for Rivers and Harbors, dated March 31, 1960, at an estimated cost of $7,485,000;

"Calcasieu River and Pass, Louisiana: Report of the Board of Engineers for Rivers and Harbors, dated May 6, 1960, at an estimated cost of $16,992,000."

After line 18, to strike out:

"Gulf Intracoastal Waterway, channel to Port Mansfield, Texas: Senate Document Numbered 11, Eighty-sixth Congress, at an estimated cost of $3,431,000."

After line 21, to insert:

"Texas City Channel, Texas: Report of the Chief of Engineers, dated May 27, 1960, at an estimated cost of $1,605,000;

"Brazos Island Harbor, Texas: Report of the Board of Engineers for Rivers and Harbors, dated May 6, 1960, at an estimated cost of $4,381,000;

"Ouachita and Black Rivers, Arkansas and Louisiana: Report of the Board of Engineers for Rivers and Harbors, dated February 18, 1960, in lieu of the navigation project authorized by the River and Harbor Act of 1950, Public Law 516, Eighty-first Congress, Senate Document Numbered 117, Eighty-first Congress, at an estimated cost of $43,550,000."

On page 6, line 14, after "$146,000,000;", to insert a colon and *"Provided*, That the Chief of Engineers is hereby authorized to relocate the Illinois Central Railroad, as required by the construction of said project, in such manner as to eliminate and prevent interference with and disturbance of municipal and private facilities in Lyon County, Kentucky, not otherwise affected by the construction of the project, substantially in accordance with alinement 'D' shown on the plans on file in the Office of the Chief of Engineers;

"Illinois Waterway, Illinois and Indiana: House Document Numbered 31, Eighty-sixth Congress, at an estimated cost of $114,652,000."

On page 7, after line 10, to insert:

"Milwaukee Harbor, Wisconsin: House Document Numbered 285, Eighty-sixth Congress, at an estimated cost of $38,000."

On page 8, after line 9, to insert:

"Manistee Harbor, Michigan: House Document Numbered 358, Eighty-sixth Congress, at an estimated cost of $1,735,000;

"Detroit River, Trenton Channel, Michigan: House Document Numbered 319, Eighty-sixth Congress, at an estimated cost of $8,570,000."

On page 9, after line 7, to insert:

"Fairport Harbor, Ohio: House Document Numbered 347, Eighty-sixth Congress, at an estimated cost of $2,768,000."

After line 19, to insert:

"Rochester Harbor, New York: House Document Numbered 409, Eighty-sixth Congress, at an estimated cost of $2,445,000;

"Los Angeles and Long Beach Harbors (West Basin), California: House Document Numbered 401, Eighty-sixth Congress, at an estimated cost of $1,768,000;

"Monterey Harbor (Monterey Bay), California: House Document Numbered 219, Eighty-sixth Congress, at an estimated cost of $3,989,000;

"Noyo River and Harbor, California: House Document Numbered 289, Eighty-sixth Congress, at an estimated cost of $370,000;

"Snohomish River (Everett Harbor), Washington: House Document Numbered 348, Eighty-sixth Congress, at an estimated cost of $3,011,000."

On page 10, after line 14, to insert:

"Hilo Harbor, Hawaii: Emergency construction of a seawall to protect against tidal waves and excessive high tides, in accordance with plans on file in the office of the Chief of Engineers, at an estimated cost of $7,000,000."

After line 19, to insert:

"Wessagussett Beach, Weymouth, Massachusetts: House Document Numbered 334, Eighty-sixth Congress, at an estimated cost of $132,000;

"Pemberton Point to Cape Cod Canal, Massachusetts: House Document Numbered 272, Eighty-sixth Congress, at an estimated cost of $139,300;

"Cape Cod Canal to Provincetown, Massachusetts: House Document Numbered 404, Eighty-sixth Congress, at an estimated cost of $178,000."

On page 11, after line 6, to insert:

"Atlantic Coast of Long Island, Fire Island Inlet to Montauk Point, New York: Report of the Chief of Engineers, dated May 27, 1960, at an estimated cost of $19,400,000;

"New Jersey Coast from Barnegat Inlet to Cape May Canal, New Jersey: House Document Numbered 208, Eighty-sixth Congress, at an estimated cost of $1,714,000."

After line 15, to insert:

"Presque Isle Peninsula, Erie, Pennsylvania: House Document Numbered 397, Eighty-sixth Congress, periodic nourishment;

"Orange County, Newport Bay to San Mateo Creek, California: House Document Numbered 398, Eighty-sixth Congress, at an estimated cost of $256,000.

On page 12, after line 8, insert:

"SEC. 103. That the last paragraph of section 2 of the River and Harbor Act of July 3, 1930 (46 Stat. 933 at 945) pertaining to cooperative shore erosion studies and to the Beach Erosion Board, is hereby amended to read as follows:

"'The Chief of Engineers of the United States Army, under the direction of the Secretary of the Army, is authorized and directed to cause investigations and studies to be made in cooperation with the appropriate agencies of the various States on the Atlantic, Pacific, and Gulf coasts and on the Great Lakes, and of the States of Alaska and Hawaii, the Commonwealth of Puerto Rico, and the possessions of the United States, with a view to devising effective means of preventing erosion of the shores of coastal and lake waters by waves and currents; and any expenses incident and necessary

thereto may be paid from funds appropriated for General Investigations, Civil Functions, Department of the Army: *Provided*, That the Department of the Army may release to the appropriate cooperating agencies information obtained by these investigations and studies prior to the formal transmission of reports to Congress: *Provided further*, That no money shall be expended under authority of this section in any State which does not provide for cooperation with the agents of the United States and contribute to the project such funds or services as the Secretary of the Army may deem appropriate and require; that there shall be organized under the Chief of Engineers, United States Army, a Board of seven members, of whom four shall be officers of the Corps of Engineers and three shall be civilian engineers selected by the Chief of Engineers with regard to their special fitness in the field of beach erosion and shore protection, preferably from among the State agencies cooperating with the Department of the Army. The Board will furnish such technical assistance as may be directed by the Chief of Engineers in the conduct of such studies as may be undertaken and will review the reports of the investigations made. In the consideration of such studies as may be referred to the Board by the Chief of Engineers, the Board shall, when it considers it necessary and with the sanction of the Chief of Engineers, make, as a board or through its members personal examination of localities under investigation: *Provided further*, That the civilian members of the Board may be paid at rates not to exceed $100 a day for each day of attendance at Board meetings, not to exceed thirty days per annum, in addition to the traveling and other necessary expenses connected with their duties on the Board in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–2).'"

On page 14, after line 6, to insert:

"SEC. 104. (a) That the Secretary of the Army is authorized and directed to donate and convey by quitclaim deed to the Ship Canal Authority of the State of Florida all of the right, title, and interest of the United States of America in and to—

"(1) lands in Putnam County, Florida, acquired by the United States of America by condemnation proceedings in the United States District Court for the Southern District of Florida, Jacksonville Division, as case numbered 356 U.S.J. Civil; and (2) lands in Marion County, Florida, acquired by the United States of America by condemnation proceedings instituted in the United States District Court for the Southern District of Florida, Ocala Division, as cases numbered 9, 10, 11, 12, 13, 14, 15, 16, and 22, U.S. Ocala Civil.

"(b) It is intended hereby to authorize and direct the conveyance of all lands heretofore acquired by the United States with funds provided by the said authority for rights-of-way for a proposed ship canal across Florida.

"(c) The conveyance authorized by this section shall be made without monetary consideration therefor but upon the conditions that the Ship Canal Authority of the State of Florida will, without cost to the United States: (1) when called upon by the Chief of Engineers, United States Army, to do so, reconvey to the United States, free of any encumbrances placed thereon during ownership by said authority, those lands conveyed pursuant to this section that are required for the Cross Florida Barge Canal; (2) relocate any roads, bridges, or utility lines constructed on or across such lands after the conveyance under this section by the United States, if the relocation thereof is required by the Chief of Engineers; (3) maintain and preserve improvements previously constructed upon the land by the Federal Government in a manner that will not increase the cost of the barge canal project; (4) hold the United States safe and free from any damages resulting from the aforementioned construction; and (5) devote the proceeds from sales of any lands conveyed to it under this section solely for the acquisition, for transfer to the United States free of cost, of any other lands required for the barge canal project.

"(d) Nothing in this section shall be construed as a limitation on the right of the Ship Canal Authority of the State of Florida to sell any of the lands that, in the opinion of the United States Army District Engineer at Jacksonville, Florida, will not be required for the Cross Florida Barge Canal. Any surveys or descriptions required to permit the disposal of any such lands shall be paid for by the Ship Canal Authority of the State of Florida if desired by said Authority prior to the appropriation of funds therefor by the Federal Government.

"(e) Nothing in this section shall be construed as a waiver of the obligation of the Ship Canal Authority of the State of Florida to (1) furnish without cost to the United States, all lands, easements, and rights-of-way necessary for the construction of the Cross-Florida Barge Canal as authorized by the Act of July 23, 1942 (56 Stat. 703); (2) hold and save the United States free from any damages resulting from the construction of said barge canal; and (3) to take over, maintain and operate all highways, bridges, and roadways built in connection with the said barge canal project."

On page 16, after line 16, to insert:

"SEC. 105. That the project for improvement of the Missouri River between Sioux City, Iowa, and the mouth, authorized by the River and Harbor Act approved March 2, 1945, is hereby modified to provide for a lake in the abandoned river channel of the Missouri River between river miles 710 and 715 for recreational purposes, by means of: (a) Construction of a levee extending along the left bank of the new channel to be constructed in the Middle Decatur Bend area of the Missouri River; and (b) construction of hydraulic-fill closures at both ends of the old channel, substantially in accordance with plans to be prepared by the Chief of Engineers, at an estimated Federal cost of $155,000: *Provided*, That responsible local interests furnish assurances satisfactory to the Secretary of the Army that they will (a) hold and save the United States free from damages; and (b) maintain and operate the project modification after completion in accordance with regulations to be prescribed by the Secretary of the Army."

On page 17, after line 9, to insert:

"SEC. 106. The Corps of Engineers is authorized and directed to accept as a project feature the cost of necessary improvement of that section of West Virginia State Secondary Route 40/5 approximately eighty-five one-hundredths mile in length, from its junction with State Route 40 to its terminus near the Hildebrand lock and dam site on the Monongahela River in order to provide access thereto. This authority is provided with the understanding that this method will provide necessary access to the project at the least expenditure of Federal funds, and further that the State of West Virginia will accept as its responsibility the future maintenance of the road."

After line 21, to insert:

"SEC. 107. (a) That the Secretary of the Army is hereby authorized to allot from any appropriations heretofore or hereafter made for rivers and harbors not to exceed $2,000,000 for any one fiscal year for the construction of small river and harbor improvement projects not specifically authorized by Congress which will result in substantial benefits to navigation and which can be operated consistently with appropriate and economic use of the waters of the Nation for other purposes, when in the opinion of the Chief of Engineers such work is advisable, if benefits are in excess of the cost.

"(b) Not more than $200,000 shall be allotted for the construction of a project under this section at any single locality and the amount allotted shall be sufficient to complete the Federal participation in the project under this section.

"(c) Local interests shall provide without cost to the United States all necessary lands, easements, and rights-of-way for all projects to be constructed under the authority of this section. In addition, local interests may be required to hold and save the United States free from damages that may result from the construction and maintenance of the project and may be required to provide such additional local cooperation as the Chief of Engineers deems appropriate. A State, county, municipality or other responsible local entity shall give assurance satisfactory to the Chief of Engineers that such conditions of cooperation as are required will be accomplished.

"(d) Non-Federal interests may be required to share in the cost of the project to the extent that the Chief of Engineers deems that such cost should not be borne by the Federal Government in view of the recreational or otherwise special or local nature of the project benefits.

"(e) Each project for which money is allotted under this section shall be complete in itself and not commit the United States to any additional improvement to insure its successful operation, other than routine maintenance, and except as may result from the normal procedure applying to projects authorized after submission of survey reports, and projects constructed under the authority of this section shall be considered as authorized projects.

"(f) This section shall apply to, but not be limited to, the provision of low water access navigation channels from the existing channel of the Mississippi River to established harbor areas located along the Mississippi River."

On page 19, after line 14, to insert:

"SEC. 108. (a) That whenever the Secretary of the Army, upon the recommendation of the Chief of Engineers, determines that notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, with respect to disposal of surplus real property, (1) the development of public port or industrial facilities on land which is part of a water resource development project under his jurisdiction will be in the public interest; (2) that such development will not interfere with the operation and maintenance of the project; and (3) that disposition of the property for these purposes under this section will serve the objectives of the project within which the land is located, he may convey the land by quitclaim deed to a State, political subdivision thereof, port district, port authority, or other body created by the State or through a compact between two or more States for the purpose of developing or encouraging the development of such facilities. In any case, where two or more political subdivisions thereof, or bodies created by, a State or group of States, seek to obtain the same land, the Secretary of the Army shall give preference to that political subdivision or body whose intended use of land will, in his opinion, best promote the purposes for which the project involved was authorized.

"(b) Any conveyance authorized by this section shall be made at the fair market value of the land, as determined by the Secretary

of the Army, upon condition that the property shall be used for one of the purposes stated in the subsection (a) of this section only, and subject to such other conditions, reservations, or restrictions as the Secretary may determine to be necessary for the development, maintenance, or operation of the project or otherwise in the public interest.

"(c) Prior to the conveyance of any land under the provisions of this section, the Secretary of the Army shall, in the manner he deems reasonable, give public notice of the proposed conveyance and afford an opportunity to interested eligible bodies in the general vicinity of the land to apply for its purchase.

"(d) The Secretary of the Army may delegate any authority conferred upon him by this section to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

"(e) The proceeds from any conveyance made under the provisions of this section shall be covered into the Treasury as miscellaneous receipts."

On page 21, at the beginning of line 11, to change the section number from "103" to "109"; after line 14, to insert: "Prospect Harbor, Maine."

At the top of page 22, to insert:

"Channel across Santa Rosa Peninsula and Santa Rosa Island, Florida, to connect East Bay with Santa Rosa Sound and Little Sabine Bay with the Gulf of Mexico."

After line 4, to insert:

"Channel from vicinity of Avalon, Florida, to the waters of Escambia Bay."

After line 8, to insert:

"Little Bay De Noc, Michigan."

After line 9, to insert:

"Ship Canal between Tacoma and Seattle, Washington."

After line 11, to insert:

"Point Roberts, Washington."

After line 12, to insert:

"Deep-water harbor in the Maalaea Bay Area, Island of Maui, Hawaii."

After line 14, to insert:

"Deep-water harbor at Kahaluu, Island of Oahu, Hawaii."

At the beginning of line 17, to change the section number from "104" to "110"; in line 18, after the word "of", to strike out "1959" and insert "1960"; on page 25, after line 3, to insert:

"CONNECTICUT RIVER BASIN

"The plan for flood protection on the Chicopee River, Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated June 1, 1960, at an estimated cost of $5,180,000.

"The project for flood protection on the Westfield River, Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated June 1, 1960, at an estimated cost of $3,240,000.

"The plan for flood control and related purposes on the Farmington River, Connecticut and Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report dated March 29, 1960, at an estimated cost of $12,052,000."

After line 20, to insert:

"PAWCATUCK, CONNECTICUT

"The project for hurricane-flood protection at Pawcatuck, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 212, Eighty-sixth Congress, at an estimated Federal cost of $409,000."

On page 26, after line 3, to insert:

"HOUSATONIC RIVER BASIN

"The project for flood control dams and reservoirs on the Naugatuck River, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 372, Eighty-sixth Congress, at an estimated cost of $10,230,000."

After line 9, to insert:

"STAMFORD, CONNECTICUT

"The project for hurricane-flood protection at Stamford, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 210, Eighty-sixth Congress, at an estimated Federal cost of $3,030,000 for construction, and at an estimated Federal cost of maintenance and operation of $31,000 annually."

In line 20, after the word "of", to strike out "$1,000,000" and insert "$23,000,000"; in line 24, after the word "Congress", to insert a comma and "and such comprehensive plan is hereby modified to include the following:

"The project for canals, levees, and water control and drainage structures in the Nicodemus Slough area, Glades County, Florida, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document Numbered 53, Eighty-sixth Congress, at an estimated cost of $318,000.

"That the levees around Lake Okeechobee, Florida, authorized by the Rivers and Harbors Act approved July 3, 1930, and modified by the Flood Control Act approved June 30, 1948, and subsequent Acts, shall be known and designated as the Herbert Hoover Dike, and any law, regulation, document, or record of the United States in which such levees are referred to under any other name or designation shall be held to refer to such levees as the Herbert Hoover Dike."; on page 27, after line 15, to insert:

"PEARL RIVER, MISSISSIPPI

"The project for flood protection on the Pearl River at Jackson, Mississippi, is hereby authorized substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report dated May 6, 1960, at an estimated cost of $3,609,000."

After line 21, to insert:

"LOWER MISSISSIPPI RIVER

"The project for flood control and improvement of the lower Mississippi River, adopted by the Act of May 15, 1928 (45 Stat. 534), as amended and modified, is hereby further modified and expanded to include the following items of work and the authorization for said project is increased accordingly:

"(a) In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $50,000,000 to provide for the continued prosecution of the channel improvement feature of the project.

"(b) Natchez Harbor, Mississippi: In accordance with the recommendations of the Division Engineer in Senate Document Numbered 16, Eighty-sixth Congress, at an estimated cost of $350,000."

On page 28, after line 12, to strike out:

"TRINITY RIVER BASIN

"The comprehensive plan for improvement of the Trinity River and tributaries, Texas, as authorized by the River and Harbor Act of 1945, is modified to provide for construction of the Bardwell Reservoir on Waxahachie Creek, in the Richland, Chambers, and Cedar Creeks watershed, at an estimated ultimate net Federal cost for construction in addition to that now authorized of $5,104,000, substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 424, Eighty-fifth Congress."

And, in lieu thereof, to insert:

"The comprehensive plan for improvement of the Trinity River and tributaries, Texas, as authorized by the River and Harbor Act of 1945, is hereby modified to include the following projects:

"(a) The project for flood protection on Big Fossil Creek in the Richland Hills area, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 407, Eighty-sixth Congress, at an estimated cost of $1,861,400.

"(b) Modification and extension of the Forth Worth Floodway on the West Fork of the Trinity River and tributaries, at Fort Worth, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 402, Eighty-sixth Congress, at an estimated cost of $2,241,000."

On page 29, after line 20, to insert:

"BRAZOS RIVER BASIN, TEXAS

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $21,000,000, for the prosecution of the comprehensive plan for the Brazos River Basin authorized by the Flood Control Act of September 3, 1954."

On page 30, after line 3, to insert:

"RED-OUACHITA RIVER BASIN

"The general plan for flood control and other purposes on Red River, Texas, Oklahoma, Arkansas, and Louisiana, below Denison Dam, Texas and Oklahoma, as authorized by the Flood Control Act of 1946, and amended and supplemented by subsequent Acts of Congress, is hereby further modified to provide for additional improvements for flood control, drainage, and other purposes, substantially in accordance with the recommendations of the Chief of Engineers as follows:

"(a) McKinney Bayou, Arkansas and Texas: House Document Numbered 220, Eighty-sixth Congress, at an estimated cost of $346,400.

"(b) Maniece Bayou, Arkansas: House Document Numbered 288, Eighty-sixth Congress, at an estimated cost of $668,400.

"(c) East Point, Louisiana: House Document Numbered 406, Eighty-sixth Congress, at an estimated cost of $273,000.

"(d) Garland City, Arkansas, Emergency Bank Protection: In accordance with plans on file in the Office of Engineers, at an estimated cost of $1,750,000."

On page 31, line 3, after the word "of"; to strike out "$32,000,000" and insert "$50,000,000"; after line 7, to insert:

"Modification of the existing flood protection project for Village Creek, White River, and Mayberry Levee Districts, White River, Arkansas, is hereby authorized substantially in accordance with plan III, as contained in House Document Numbered 225, Eighty-sixth Congress, at an estimated cost of $1,322,000."

On page 32, line 2, after the word "of", where it appears the first time, to strike out "$94,000,000" and insert "$179,000,000"; after line 4, to insert:

"RIO GRANDE BASIN

"The project for improvement of the Rio Grande Basin, is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document Numbered 94, Eighty-sixth Congress, at an estimated cost of $58,300,000.

"The approval granted above shall be subject to the following conditions and limitations:

"Cochiti Reservoir, Galisteo Reservoir, and all other reservoirs constructed by the Corps of Engineers as a part of the Middle

Rio Grande project will be operated solely for flood control and sediment control, as described below:

"(a) The outflow from Cochiti Reservoir during each spring flood and thereafter will be at the maximum rate of flow that can be carried at the time in the channel of Rio Grande through the middle valley without causing flooding of areas protected by levees or unreasonable damage to channel protective works: *Provided,* That whenever during the months of July, August, September, and October, there is more than two hundred twelve thousand acre-feet of storage available for regulation of summer floods and the inflow to Cochiti Reservoir (exclusive of that portion of the inflow derived from upstream flood-control storage) is less than one thousand five hundred cubic feet per second, no water will be withdrawn from storage in Cochiti Reservoir and the inflow derived from upstream flood-control storage will be retained in Cochiti Reservoir.

"(b) Releases of water from Galisteo Reservoir and Jemez Canyon Reservoir during the months of July, August, September, and October, will be limited to the amounts necessary to provide adequate capacity for control of subsequent summer floods; and such releases when made in these months, or thereafter, will be at the maximum rate practicable under the conditions at the time.

"(c) Subject to the foregoing, the storage of water in and the release of water from all reservoirs constructed by the Corps of Engineers as part of the Middle Rio Grande project will be done as the interests of flood and sediment control may dictate: *Provided,* That the Corps of Engineers will endeavor to avoid encroachment on the upper two hundred and twelve thousand acre-feet of capacity in Cochiti Reservoir, and all reservoirs will be evacuated completely on or before March 31 of each year: *And provided further,* That when estimates of anticipated streamflow made by appropriate agencies of the Federal Government indicate that the operation of reservoirs constructed as a part of the Middle Rio Grande project may affect the benefits accruing to New Mexico or Colorado, under the provisions of the eighth unnumbered paragraph of article VI of the Rio Grande compact, releases from such reservoirs shall be regulated to produce a flow of ten thousand cubic feet per second at Albuquerque, or such greater or lesser rate as may be determined by the Chief of Engineers at the time to be the maximum safe flow, whenever such operation shall be requested by the Rio Grande compact commissioner for New Mexico or the commissioner for Colorado, or both, in writing prior to commencement of such operation.

"(d) All reservoirs of the Middle Rio Grande project will be operated at all times in the manner described above in conformity with the Rio Grande compact, and no departure from the foregoing operation schedule will be made except with the advice and consent of the Rio Grande compact, and no departure from the foregoing operation schedule will be made except with the advice and consent of the Rio Grande Compact Commission: *Provided,* That whenever the Corps of Engineers determines that an emergency exists affecting the safety of major structures or endangering life and shall so advise the Rio Grande Compact Commission in writing these rules of operation may be suspended during the period of and to the extent required by such emergency.

"(e) The foregoing regulations shall not apply to storage capacity which may be allocated to permanent pools for recreation and fish and wildlife propagation: *Provided,* That the water required to fill and maintain such pools is obtained from sources entirely outside the drainage basin of the Rio Grande."

On page 35, after line 5, to insert:

"UPPER MISSISSIPPI RIVER BASIN

"In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $12,000,000 for the prosecution of the comprehensive plan for the Upper Mississippi River Basin, approved in the Act of June 28, 1938, as amended and supplemented by subsequent Acts of Congress.

"The flood protection project on Redwood River at Marshall, Minnesota, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated June 1, 1960, at an estimated cost of $2,252,000.

"The project for the Coralville Reservoir on Iowa River, Iowa, as authorized by the Act of June 28, 1938 (52 Stat. 1215), is hereby modified to provide for construction of a highway bridge across said reservoir at or near the Mehaffy site, to replace the existing bridge crossing of Johnson County on County Road Y, under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, in accordance with such plans as may be approved by the Chief of Engineers, at an estimated cost of not to exceed $1,180,000: *Provided,* That local interests shall construct all necessary approaches to the bridge site, and provide without cost to the United States all lands, easements, and rights-of-way necessary for construction of the bridge."

On page 36, line 8, after the word "of", to strike out "$132,000,000" and insert "$207,000,000"; after line 12, to insert:

"The report of the Chief of Engineers on Wilson Dam and Reservoir, Saline River, Kansas, submitted in compliance with Public Law 505, Eighty-fourth Congress, published as Senate Document Numbered 96, Eighty-sixth Congress, is hereby approved, and construction of the project as a unit of the comprehensive plan of improvement for the Missouri River Basin authorized by the Flood Control Act approved December 22, 1944, is hereby authorized at an estimated cost of $18,081,000."

After line 21, to insert:

"The project for flood protection in the Gering and Mitchell Valleys, Nebraska, authorized by the Flood Control Act of July 3, 1958 (Public Law 500, Eighty-fifth Congress), in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 139, 84th Congress, is hereby modified to provide for such revisions in project scope and purposes due to changed conditions as may be found necessary by the Chief of Engineers, to provide needed protection in Gering Valley: *Provided,* That construction shall not be initiated until the Chief of Engineers shall submit a feasibility report, which shall be coordinated with the Soil Conservation Service, for the approval of the Public Works Committees of the Congress which shall set forth the plan of improvement, its economic justification, and his recommendations for local cooperation."

On page 37, after line 12, to insert:

"The project for flood protection at Sioux Falls, South Dakota, authorized by the Flood Control Act approved September 3, 1954, Public Law 780, Eighty-third Congress, in accordance with the recommendations of the Chief of Engineers in House Document Numbered 133, Eighty-fourth Congress, is hereby modified to provide for extension of the authorized project to include flood protection in the reach between Western Avenue and Cherry Rock Dam, in accordance with plans to be prepared by the Chief of Engineers, at an estimated cost of $560,000: *Provided,* That local interests agree to: (a) Furnish without costs to the United States all lands, easements, and rights-of-way; (b) hold and save the United States free from damages; (c) make all necessary relocation and utility changes; and (d) maintain and operate the project after completion."

On page 38, after line 3, to insert:

"The project for flood protection on Vermillion River, South Dakota, is hereby authorized substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report, dated February 16, 1960, at an estimated cost of $6,010,000."

After line 8, to insert:

"That the Fort Randall Dam and Reservoir project, South Dakota, is modified to provide for construction of a free highway bridge over the Missouri River at an appropriate location west of Platte, South Dakota, under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, in accordance with such plans as may be approved by the Chief of Engineers, in order to provide adequate crossing facilities over such river for highway traffic in the area and in replacement of the closure of the Wheeler Bridge by reason of construction of said reservoir at a cost not to exceed $6,375,000: *Provided,* That local interests shall construct all necessary approaches to the bridge site, and provide without cost to the United States all lands, easements, and rights-of-way necessary for construction of the bridge."

After line 23, to insert:

"The project for flood protection on Cheyenne River and tributaries, South Dakota and Wyoming, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 280, Eighty-sixth Congress, at an estimated cost of $272,000."

On page 39, after line 3, to insert:

"That (a) the general comprehensive plan for flood control and other purposes in the Missouri River Basin, as authorized by the Act of June 28, 1938 (52 Stat. 1215), and as modified and expanded by subsequent Acts, if further modified to include the payment by the Corps of Engineers of $346,500 to the city of Bismarck, North Dakota, and $227,552 to the city of Mandan, North Dakota, from funds heretofore or hereafter appropriated for the Fort Peck, Garrison, or Oahe Dam and Reservoir projects, in order to provide part of the Federal compensation to such cities, recommended by the board of engineers consultants in their report on effect of Missouri River reservoirs on sewage facilities at Mandan and Bismarck, North Dakota, dated January 1956, for the cost of construction of sewage treatment works made necessary by the construction by the Federal Government of dams and reservoirs on the Missouri River; the total estimated cost of such construction being $770,000 in the case of the city of Bismarck and $505,671 in the case of the city of Mandan. The remaining part of such Federal compensation shall be provided under the provisions of subsection (d) hereof.

"(b) Amounts authorized under the provisions of this item may be paid in a single payment or in such installments as the Chief of Engineers deems appropriate to carry out the provisions of this item. No payment shall be made under such provisions until a showing is made satisfactory to the Chief of Engineers, that the city to receive such payment is ready to proceed with the construction for which the payment is authorized, and is able to finance its portion amounting to 25 per centum of the cost of such construction.

"(c) The Chief of Engineers may require such reports with respect to the expenditure of any amounts paid under the provisions of this item as may be necessary to carry out such provisions.

"(d) In addition to the amounts to be paid under the provisions of the foregoing subsections (a), (b), and (c), and for the same purposes, the Surgeon General of the Public Health Service shall pay $231,000 to the city of Bismarck, North Dakota and $151,701 to the city of Mandan, North Dakota. Payments under the provisions of this item shall be (1) from funds allotted to the State of North Dakota for the fiscal year beginning July 1, 1960, under the provisions of section 6 of the Federal Water Pollution Control Act, and (2) made without regard to the provisions of such Act other than subsection (e) of section 6 and the regulations prescribed to carry out such subsection."

On page 41, after line 1, to insert:

"The project for flood protection on Lynn Camp Creek at Corbin, Kentucky, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in the House Document Numbered 282, Eighty-sixth Congress, at an estimated cost of $645,000.

"The project for flood control and allied purposes on Laurel River, Kentucky, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered ———, Eighty-sixth Congress, at an estimated cost of $21,900,000.

"The project for flood control and allied purposes on Little Sandy River, Kentucky, is hereby authorized substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report dated February 16, 1960, at an estimated cost of $11,900,000."

After line 22, to insert:

"The project for flood protection on Loyalhanna Creek at Latrobe, Pennsylvania, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 383, Eighty-sixth Congress, at an estimated cost of $2,568,300."

On page 42, after line 9, to insert:

"The project for flood protection on the West Branch of the Mahoning River, Ohio, authorized in Public Law 85–500, in accordance with the recommendations of the Chief of Engineers in House Document 191, Eighty-fifth Congress, is hereby modified to provide that the entire local share of cost for water for pollution abatement and for municipal and industrial water supply purposes is $5,200,000, of which $3,230,000 will be paid in cash during construction, and the unpaid balance at the time the project is placed in useful operation, $1,970,000, may be paid in cash at that time or repaid on an annual basis in accordance with the principles of title III of said Public Law 85–500."

On page 43, after line 7, to insert:

"GILA RIVER BASIN

"The plan of improvement for flood protection and allied purposes on the Gila and Salt Rivers, Gillespie Dam to McDowell Dam site, Arizona, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 279, Eighty-sixth Congress, at an estimated Federal cost of $3,300,000."

After line 14, to insert:

"WHITEWATER RIVER BASIN, CALIFORNIA

"The project for flood protection on Tahchevah Creek at and in the vicinity of Palm Springs, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 171, Eighty-sixth Congress, at an estimated cost of $1,658,000."

On page 44, line 5, after the word "of", to strike out "$30,000,000" and insert "$32,000,000"; after line 13, to insert:

"SACRAMENTO RIVER BASIN

"The project for flood protection on the Sacramento River, California, authorized by the Flood Control Act approved March 1, 1917, as amended and modified by subsequent Acts of Congress, is further modified substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 103, Eighty-sixth Congress, and there is hereby authorized to be appropriated the sum of $14,240,000 for the prosecution of the initial phase of bank erosion control works and set-back levees on the Sacramento River."

At the top of page 45, to insert:

"LAS VEGAS WASH, NEVADA

"The project for flood protection on Las Vegas Wash and tributaries, Nevada, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 405, Eighty-sixth Congress, at an estimated cost of $13,410,000."

After line 6, to insert:

"GLEASON CREEK, NEVADA

"The project for flood protection on Gleason Creek, Nevada, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document 388, Eighty-sixth Congress, at an estimated cost of $450,000."

After line 12, to insert:

"GREAT SALT BASIN, UTAH

"The project for flood protection on the Salt Lake City Streams, Jordan River Basin, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 213, Eighty-sixth Congress, at an estimated cost of $6,060,000."

In line 21, after the word "of", to strike out "$90,000,000" and insert "$148,000,000"; on page 46, line 3, after "July 3,", to strike out "1958." and insert "1958, and these projects and plans are hereby modified to include: The project for construction of the Foster Reservoir on the South Santiam River, Willamette River Basin, Oregon, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 104, Eighty-sixth Congress, at an estimated cost of $17,340,000."

After line 11, to insert:

"SEC. 204. That, in recognition of the flood-control accomplishments of the multiple-purpose Merced River development including the Bagby, New Exchequer, and Snelling Dams and Reservoirs, proposed to be constructed on the Merced River by the Merced Irrigation District of California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such development and the amount of such contribution shall be determined by the Secretary of the Army in cooperation with the Merced Irrigation District, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided*, That prior to making the monetary contribution or any part thereof, the Department of the Army and the Merced Irrigation District shall have entered into an agreement providing for operation of the dams and reservoirs in such manner as will produce the flood-control benefits upon which the monetary contribution is predicated, and such operation of the dams and reservoirs for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (58 Stat. 890): *Provided further*, That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the dams and reservoirs which the total flood-control contribution bears to the total cost of the dams and reservoirs: *And provided further*, That, unless construction of the development is undertaken within four years from the date of enactment of this Act, the authority for the monetary contribution contained herein shall expire."

On page 47, after line 20, to insert:

"SEC. 205. That, in recognition of the flood control accomplishments of the multiple purpose dam and reservoir (or dams and reservoirs) proposed to be constructed on the Mokelumne River by the East Bay Municipal Utility District of Oakland, California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such dam and reservoir (or dams and reservoirs) and the amount of such contributions shall be determined by the Secretary of the Army in cooperation with the East Bay Municipal Utility District, and the Secretary of the Interior, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided*, That the plan of improvement proposed by the East Bay Municipal Utility District will afford a degree of flood control which in the opinion of the Secretary of the Army is adequate for the Mokelumne River as a part of the overall flood control program for the central valley: *Provided further*, That prior to making the monetary contribution or any part thereof, the Department of the Army and the East Bay Municipal Utility District shall have entered into an agreement providing for operation of the dam or dams in such manner as will produce the flood control benefits upon which the monetary contribution is predicated, and such operation of the dam or dams for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (54 Stat. 890): *Provided further*, That prior to making the monetary contribution or any part thereof, the Department of the Army and the East Bay Municipal Utility District shall have entered into an agreement to provide adequately for mitigation of the damages to fish and wildlife consistent with the other purposes of the project: *And provided further*, That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the dam and reservoir (or dams and reservoirs) which the total flood control contribution bears to the total cost of the dam and reservoir (or dams and reservoirs)."

On page 49, after line 11, to insert.

"SEC. 206. (a) That, in recognition of the increasing use and development of the flood plains of the rivers of the United States and of the need for information on flood hazards to serve as a guide to such development, and as a basis for avoiding future flood hazards by regulation of use by States and municipalities, the Secretary of the Army, through the Chief of Engineers, Department of the Army, is hereby authorized to compile and

disseminate information on floods and flood damages, including identification of areas subject to inundation by floods of various magnitudes and frequencies, and general criteria for guidance in the use of flood plain areas; and to provide engineering advice to local interests for their use in planning to ameliorate the flood hazard: *Provided*, That the necessary surveys and studies will be made and such information and advice will be provided for specific localities only upon the request of a State or a responsible local governmental agency and upon approval by the Chief of Engineers.

"(b) The Secretary of the Army is hereby authorized to allot, from any appropriations heretofore or hereafter made for flood control, sums not to exceed $1,000,000 in any one fiscal year for the compilation and dissemination of such information."

On page 50, after line 9, to insert:

"SEC. 207. (a) That whenever, in connection with the construction of any authorized flood control, navigation or multiple-purpose project for the development of water resources, the Chief of Engineers, under the direction of the Secretary of the Army, determines it to be in the public interest to utilize existing public roads as a means of providing access to such projects during construction, he may, at his discretion, improve, reconstruct and maintain such roads and he may contract with the local authority having jurisdiction over the roads to accomplish the necessary work. The accomplishment of such work may be carried out with or without obtaining any interest in the land on which the road is located in accordance with mutual agreement between the parties: *Provided*, (1) That the Chief of Engineers determines that such work would result in a saving in Federal cost as opposed to the cost of providing a new access road at Federal expense, (2) That, at the completion of construction, the Chief of Engineers will, if necessary, restore the road to at least as good condition as prior to the beginning of utilization for access during construction, and (3) That, at the completion of construction, the responsibility of the Chief of Engineers for improvement, reconstruction and maintenance shall cease.

"(b) That, for such water resources projects, under construction or to be constructed, when the taking by the Federal Government of an existing public road necessitates replacement, the substitute provided will as nearly as practicable serve in the same manner and reasonably as well as the existing road. The Chief of Engineers is authorized to construct such substitute roads to design standards comparable to those of the State in which the road is located, for roads of the same classification as the road being replaced. The traffic existing at the time of the taking shall be used in the determination of the classification."

On page 51, after line 18, to insert:

"SEC. 208. (a) That the Secretary of the Interior is authorized to construct, operate, and maintain the Norman Federal reclamation project, Oklahoma, in accordance with the Federal reclamation laws (Act of June 17, 1902, and Acts amendatory thereof or supplemental thereto), except so far as those laws are inconsistent with this section, for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial use, and for controlling floods, and, as incidents to the foregoing for the additional purposes of regulating the flow of the Little River, providing for the conservation and development of fish and wildlife, and of enhancing recreational opportunities. The Norman project shall consist of the following principal work: A reservoir on Little River near Norman, Oklahoma, pumping plants, pipelines, and other conduits for furnishing water for municipal, domestic, and industrial use.

"The Secretary may enter into suitable contracts with municipal organizations, or other organizations as defined in section 2, Reclamation Project Act of 1939 (38 Stat. 1187), to undertake with non-Federal financing the construction of pumping plants, pipelines, and other conduits, or any of such works, for furnishing water for municipal, domestic, and industrial use, and to advance to such organizations during the construction period funds to cover an appropriate share of the costs thereof attributable to furnishing water to Tinker Air Force Base.

"(b) In constructing, operating, and maintaining the Norman project, the Secretary shall allocate proper costs thereof in accordance with the following conditions:

"(1) Allocations to flood control, recreation, and the conservation and development of fish and wildlife and water supply for Tinker Air Force Base shall be nonreturnable.

"(2) Allocations to municipal water supply, including domestic, manufacturing, and industrial uses, with the exception of that for Tinker Air Force Base, shall be repayable to the United States by the water users through contracts with municipal corporations, or other organizations as defined by section 2, Reclamation Project Act of 1939 (53 Stat. 1187), and title III of the Flood Control Act of 1958 under the provisions of the Federal reclamation laws, and to the extent appropriate, under the Water Supply Act of 1958. Such contracts shall be precedent to the commencement of construction of any project unit affecting the individual municipalities, and shall provide for repayment of construction costs allocated to municipal water supply in not to exceed fifty years from the date water is first delivered for that purpose, and notwithstanding the provisions in the Water Supply Act of 1958 relating to the rate of interest, payments of said construction shall include interest on unamortized balances of that allocation at a rate equal to the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this Act and adjusted to the nearest one-eighth of 1 per centum: *Provided*, That the water users' organization be responsible for the disposal and sale of all water surplus to its requirements, and that the revenues therefrom shall be used by the organization for the retirement of project debt payments, payment of interest, and payment of operation and maintenance cost.

"(3) Upon the completion of the payment of the water users' construction cost obligation, together with the interest thereon, the water users shall have a permanent right to the use of that portion of the project allocable to municipal water supply purposes.

"(c) Contracts may be entered into with the water users' organization pursuant to the provisions of this section without regard to the last sentence of subsection (c) of section 9 of the Reclamation Project Act of 1939.

"(d) The Secretary is authorized to transfer to the project water users the care, operation, and maintenance of the works herein authorized, and, if such transfer is made, to deduct from the obligation of the water users the reasonable capitalized equivalent of that portion of the estimated operation and maintenance cost of the undertaking which, if the United States continues to operate the project, would be allocated to flood control and fish and wildlife purposes. Prior to taking over the care, operation, and maintenance of said works, the water users' organization shall obligate itself to operate them in accordance with criteria specified by the Secretary of the Army with respect to flood control and the Secretary of the Interior with respect to fish and wildlife: *Provided*, That operation and maintenance and replacement cost of furnishing water supply to Tinker Air Force Base, as contemplated in the plan of development, shall be provided by an appropriate agreement between the Secretary of Defense and the water users' organization.

"(e) Construction of the Norman project herein authorized may be undertaken in such units or stages as in the opinion of the Secretary best serves the project requirements and the relative needs for water of the several municipal users. Repayment contracts negotiated in connection with each unit or stage of construction shall be subject to the terms and conditions of subsection (b) of this section.

"(f) The Secretary may, upon conclusion of a suitable agreement with any qualified agency of the State of Oklahoma or a political subdivision thereof for assumption of the administration, operation, and maintenance thereof at the earliest practicable date, construct or permit the construction of public park and recreational facilities on lands owned by the United States adjacent to the reservoirs of the Norman project, when such use is determined by the Secretary not to be contrary to the public interest, all under such rules and regulations as the Secretary may prescribe. No recreational use of any area to which this subsection applies shall be permitted which is inconsistent with the laws of the State of Oklahoma for the protection of fish and game and the protection of the public health, safety, and welfare. The Federal costs of constructing the facilities authorized by this subsection shall be limited to the nonreimbursable costs of the Norman project for minimum basic recreational facilities as determined by the Secretary.

"(g) Expenditures for the Norman Reservoir may be made without regard to the soil survey and land classification requirements of the Interior Department Appropriation Act, 1954 (43 U.S.C. 390a)."

On page 56, at the beginning of line 10, to change the section number from "204" to "209"; on page 57, after line 3, to insert:

"Ogunquit, York, Wells, Kennebunk, Kennebunkport, Biddeford, Saco, Old Orchard, Cape Elizabeth, Portland, and Phippsburg, and adjacent coastal areas, Maine."

After line 7, to insert:

"Patuxent River, Maryland."

After line 8, to insert:

"Pithlachascotee River, Masarock Town, Anclote River, Lake Tarpon, Brooksville, and adjacent areas, Florida."

After line 12, to insert:

"Atherton Creek, San Mateo County, California."

After line 13, to insert:

"Wildcat and San Pablo Creeks, Contra Costa County, California."

After line 15, to insert:

"Streams in Marin County, California, flowing into Richardson Bay, an arm of San Francisco Bay, including Coyote Creek and Arroyo Corte Madera del Presidio Creek."

After line 19, to insert:

"Island of Hawaii, State of Hawaii, construction of dikes, barriers, or walls, to protect lives and property from lava flows resulting from volcanic eruption."

After line 22, to insert:

"SEC. 210. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $60,000,000 for the prosecution of the comprehensive plan adopted by section 9(a) of the Act approved December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress), as amended and supplemented by subsequent Acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior."

On page 58, at the beginning of line 7, to change the section number from "205" to

"211"; in line 8, after the word "of", to strike out "1959" and insert "1960"; after line 8, to insert a new title, as follows:

"TITLE III—EVALUATION OF RECREATIONAL BENEFITS

"Policy and purpose

"SEC. 301. It is hereby declared to be the policy of the Congress that full consideration should be given to the recreational purposes that can be served in the formulation, design, construction, and operation of Federal water resources projects hereafter authorized insofar as use for such purpose is compatible with the major purposes for which the project is to be undertaken. Consistent with this policy (1) as an integral part of the planning of any Federal water resources project, there should be included an evaluation of the recreational benefits to be derived therefrom, (2) planning with respect to the development of the recreational potential of any such project (a) should contemplate the coordination of the use of the project area for recreational purposes with the use of existing or planned Federal, State, or local developments in such manner as to achieve maximum net public benefit, and (b) should be carried out jointly with the Secretary of Agriculture if the project is or will be situated within the exterior boundaries of a national forest, and (3) plans with respect to any such project may provide storage and facilities as may be required for recreational use.

"Definitions

"SEC. 302. As used in this title—

"(1) the term 'Federal water resources project' means any project involving the development of water resources for purposes of navigation, flood control, reclamation, irrigation, water supply, hydropower, or other purposes which is undertaken by either the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of the Interior, acting through the Bureau of Reclamation.

"(2) The term 'recreational purposes' means uses from which public recreational benefits may be derived.

"(3) The term 'recreational benefits' means public benefits of a recreational nature.

"Applicability of section 4 of the Flood Control Act of December 22, 1944

"SEC. 303. Except as provided herein, the provisions of this title are intended to be supplemental to and not in derogation of section 4 of the Flood Control Act of December 22, 1944, as amended (16 U.S.C. 460d), and the provisions of that Act are hereby made expressly applicable to Federal water resources projects of the Department of the Interior as well as the Department of the Army. With respect to any such project of the Department of the Interior, any reference in such section to the Secretary of the Army or the Chief of Engineers shall also be deemed to refer to the Secretary of the Interior.

"Evaluation of recreational benefits

"SEC. 304. (a) In addition to such other data as may be prescribed by law, or may be pertinent, there shall be included in any report required to be submitted to the Congress by the Secretary of the Army or the Secretary of the Interior with respect to the development of any Federal water resources project, (1) an evaluation of the annual recreational benefits to be derived therefrom, (2) the annual cost of providing such benefits, including the cost of the additional facilities, if any, to be installed or provided specifically in furtherance of recreational purposes, and (3) the part of the cost of any such project that should be allocated to recreational benefits.

"(b) The evaluation of recreational benefits, as provided in this section shall be made by the Secretary of the Army with respect to Corps of Engineers projects or by the Secretary of the Interior with respect to Bureau of Reclamation projects. The President is hereby authorized to prescribe regulations under which each such evaluation shall be made; and the President shall include in said regulations provisions for using in such evaluation of recreational benefits of any project a monetary value of not less than 50 cents per visitor-day of use of that project for recreation.

"(c) The total recreational benefit creditable to any project under the foregoing provisions of this section shall in no event exceed the cost of providing comparable water-associated recreation by the least costly alternative means.

"Allocation and financing of costs

"SEC. 305. (a) Project costs, including the cost of minimum basic facilities provided pursuant to clause (1) of section 306(a), shall be allocated to the purpose of recreation. Of the costs so allocated not more than 10 per centum of the total cost of any Federal water resources project, including the cost of providing minimum basic facilities pursuant to clause (1) of section 306(a), may be assigned to recreational purposes, except that if the Secretary of the Army or the Secretary of the Interior determines that the recreational benefits to be derived from any such project are needed and that such benefits will have value on a widespread national basis, he may include in any report which is submitted to the Congress with respect to such project a recommendation that a greater amount than 10 per centum of the total cost of the project be assigned to recreational purposes. That part of the total cost of any such project which is allocated to recreational purposes shall be nonreimbursable and nonreturnable: *Provided*, That project costs not so assigned shall be allocated as provided by law.

"Project facilities

"SEC. 306. (a) In connection with any Federal water resources project, the Secretary of the Army or the Secretary of the Interior is authorized—

"(1) to construct, operate, and maintain minimum basic facilities for access to, and for the maintenance of public health and safety and the protection of public property on, lands withdrawn or acquired for the project, and to conserve scenery and natural, historic, and archeologic objects;

"(2) to cooperate with interested State and local governmental agencies and others in the investigation and planning of any such project; and

"(3) to permit the construction, maintenance, and operation of public park and recreational facilities on project lands.

The minimum basic facilities referred to in clause (1) of this subsection shall be limited to water supplies, sanitary facilities, boat anchorage and launching sites, access roads and parking areas, public camp and picnic sites, overlook stations, clearing of public-use water areas to a reasonable extent, and essential safety measures.

"(b) In carrying out the policy and purpose of this title, as set forth in sections 301 and 303, the Secretary of the Army or the Secretary of the Interior is authorized to permit the construction, maintenance, and operation by non-Federal interests, with preference given to State and local governmental agencies, of such additional facilities as may be necessary or desirable for the full development of any Federal water resources project area for recreational purposes in accordance with the provisions of section 4 of the Flood Control Act of December 22, 1944, as amended (16 U.S.C. 460d).

"Fish and Wildlife Coordination Act

"SEC. 307. The provisions of this title are not intended to interfere in any way with operations carried on in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 661–666c), and no such provision shall be construed to supersede that Act or any of its provisions.

"Reclamation Project Act of 1939

"SEC. 308. The second sentence of section 9(a) of the Reclamation Project Act of 1939, as amended (43 U.S.C. 485h(a)), is amended by striking out 'together with any allocation to flood control or navigation made under subsection (b) of this section', and inserting in lieu thereof the following: 'together with any allocation (i) to flood control or navigation under subsection (b) of this section, or (ii) to recreational purposes made under the Water Resources Recreation Act of 1960.'

"Project areas within national forests

"SEC. 309. (a) Nothing in this title shall be construed to affect in any way the authority of the Secretary of Agriculture with respect to project areas which are under his jurisdiction.

"(b) The authority conferred on the Secretary of the Army and the Secretary of the Interior by section 306 of this title shall be exercised with respect to national-forest lands only with the concurrence of the Secretary of Agriculture.

"Short title

"SEC. 310. Title III of this Act may be cited as the 'Water Resources Recreation Act of 1960'."

And, on page 64, after line 17, to insert a new title, as follows:

"TITLE IV—ACQUISITION OF REQUIRED LAND

"Declaration of policy

"SEC. 401. It is hereby declared to be the policy of Congress that owners and tenants whose property is acquired for public works projects of the United States of America shall be paid a fair and equitable amount for the property acquired and reimbursed for their actual losses.

"Dissemination of information

"SEC. 402. Within six months after the date that Congress authorizes construction of a water resource development project under the jurisdiction of the Secretary of the Army, the Corps of Engineers shall make reasonable effort to advise owners and occupants in and adjacent to the project area as to the probable timing for the acquisition of lands for the project and for incidental rights-of-way, relocations, and other requirements. Within a reasonable time after initial appropriations are made for land acquisition or construction, including relocations, the Corps of Engineers shall conduct public meetings at locations convenient to owners and tenants to be displaced by the project in order to advise them of the proposed plans for acquisition and to obtain their comments thereon. To carry out the provisions of this section, the Chief of Engineers shall issue regulations to provide, among other things, dissemination of the following information to those affected: (1) basis and procedures for appraisals; (2) basis for offer to purchase property without going to court; (3) legal procedures in condemnation proceedings; (4) entitlement to payments for moving expenses or other losses not covered by appraised market value; (5) occupancy during construction; (6) removal of improvements; (7) payments required by occupants of Government acquired land; (8) deposits as advances to land and property owners; and (9) use of land by owner when easement is acquired. The operation of this section and the functions performed under it shall be exempt from

the operations of the Administrative Procedure Act of June 11, 1946, as amended (60 Stat. 237).

"Commission on compensation in the acquisition of land

"SEC. 403. Because (a) owners and tenants displaced by public works projects of the United States do not always obtain reimbursement for all of their expenses and losses and (b) judicial interpretation of just compensation as guaranteed by the fifth amendment to the Constitution of the United States assures payment of only the market value of the property taken as if willingly sold, there is hereby established a Commission to be known as The Commission To Study the Adequacy of Compensation in Federal Real Property Acquisitions, hereafter referred to as "the Commission", the purpose of which shall be to determine the most effective manner of carrying out the policy set forth in section 401 of this title.

"Interim provision for reimbursement of losses

"SEC. 404. Because (a) many owners and tenants whose land is required for water resource development projects of the Department of the Army are not being reimbursed at the present time in accordance with the policy set forth in section 401 of this title and (b) legislative action on any recommendations made by the Commission established under section 403 could not be completed before June 30, 1963, persons, firms and corporations from whom any interest in real property is acquired between the effective date of this Act and June 30, 1963 for a water resource development project of the Department of the Army shall receive, in addition to but not in duplication of any payments otherwise authorized by law, further payment as will, in the discretion of the Chief of Engineers, compensate such persons, firm or corporation for consequential losses and damages in an amount not to exceed $25,000 up to a maximum of 20 per centum of the appraised value of the interest in the real estate taken by the Government as determined by the Chief of Engineers. The authority conferred by this section shall be delegable by the Chief of Engineers to such responsible officers or employees as he may determine. The operation of this section and the functions performed under it shall be exempt from the operation of the Administrative Procedure Act of June 11, 1946, as amended (60 Stat. 237). To carry out the provisions of this section, the Chief of Engineers shall issue regulations which shall provide, among other things, that the payments authorized by this section shall be offset by any enhancement that the project causes in the market value of remaining property interests held by the applicant and shall be allowable only if the applicant certifies that he did not acquire his interest in the proeprty involved in contemplation of the project or for the purpose of transfer to the Government. For the purpose of this section there shall be a presumption that an interest in property acquired other than through heirship after the date that a project is authorized by Congress was acquired in contemplation of the project.

"Membership and organization of the Commission

SEC. 405. (a) The Commission shall be composed of seventeen members as follows:

"(1) Nine appointed by the President of the United States, of whom six shall be from the executive branch of the Government and three from private life. From among these nine the President shall designate the Chairman and Vice Chairman of the Commission.

"(2) Four appointed by the President of the Senate, at least two of whom shall be members of the United States Senate.

"(3) Four appointed by the Speaker of the House of Representatives, at least two of whom shall be Members of the House of Representatives.

"(b) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

"(c) Nine members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

"(d) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

"Duties of the Commission

"SEC. 406. The Commission shall study and investigate the present methods and procedures by which real property is acquired by the United States, the several States, and by other governmental bodies as deemed necessary in the discretion of the Commission. The Commission shall determine and report on the scope of losses, expenses, and damages incurred by individuals, families, business concerns, and local communities as the result of the acquisition of land for public works projects of the United States of America indicating particularly the scope and extent of losses, expenses, and damages, if any, not compensable under the judicial interpretations of the constitutional guarantee of just compensation.

"Report

"SEC. 407. The Commission, not later than December 31, 1962, shall submit to the President and to Congress a comprehensive report of its activities and the results of its studies. The report shall include recommendations for legislative enactments and administrative actions as in the judgment of the Commission are necessary to carry out the recommendations to fulfill the policy set forth in section 401 of this title.

"Powers of the Commission

"SEC. 408. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof may, for the purpose of carrying out the provisions of this title, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, of such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

"(b) The Commission is authorized to obtain from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this title, other than information relative to pending or prospective acquisitions; and each such department, agency, and instrumentality is authorized to furnish such information to the Commission, upon request made by the Chairman or by the Vice Chairman when acting as Chairman.

"Appropriations, expenses, and personnel

"SEC. 409. (a) There are hereby authorized to be appropriated to the Commission such amounts as may be necessary to carry out the provisions of this title.

"(b) Each member of the Commission shall receive $50 a day when engaged in the performance of duties vested in the Commission, except that no compensation shall be paid by the United States, by reason of service as a member, to any member who is receiving other compensation from the Federal Government, or to any member who is receiving compensation from any State or local government.

"(c) Each member of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

"(d) The Commission is authorized, without regard to the civil service laws and regulations, and without regard to the Classification Act of 1949, as amended, to appoint and fix the compensation of a Director and such additional personnel as may be necessary to enable it to carry out its functions, except that any Federal employees subject to the civil service laws and regulations who may be assigned to the Commission shall retain civil service status without interruption or loss of status or privilege.

"Termination of the Commission

"SEC. 410. The Commission shall cease to exist six months after the transmittal to the President and the Congress of the final report provided for in Section 407 of this title.

"SEC. 411. Title IV of this Act may be cited as the 'Land Acquisition Policy Act of 1960'."

Mr. KERR. Mr. President, I should like to include in the previous request additional committee amendments, principally technical and clarifying amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The additional amendments agreed to are as follows:

Page 3 of the House bill, strike out lines 7 and 8, and insert the stricken language following line 20.

Page 3, lines 3 and 4 of the bill as reported, strike out "Board of Engineers for Rivers and Harbors, dated March 30, 1960," and insert in lieu thereof "Report of the Chief of Engineers, dated June 1, 1960,"

Page 5, lines 13 and 14, strike out "Report of the Board of Engineers for Rivers and Harbors, dated March 31, 1960," and insert in lieu thereof "Report of the Chief of Engineers dated June 1, 1960,"

Page 5, lines 16, 17, and 18, strike out "Report of the Board of Engineers for Rivers and Harbors, dated May 6, 1960," and insert in lieu thereof "Report of the Chief of Engineers, dated June 1, 1960,"

Page 6, lines 1 and 2, strike out "Report of the Board of Engineers for Rivers and Harbors, dated May 6, 1960," and insert in lieu thereof "Report of the Chief of Engineers, dated June 1, 1960,"

Page 6, lines 5 and 6, strike out "Report of the Board of Engineers for Rivers and Harbors, dated February 18, 1960," and insert in lieu thereof "Report of the Chief of Engineers, dated June 1, 1960,"

Page 22, following line 16, insert the following: "Coasts of the Hawaiian Islands; investigation of sites for possible use as anchorage areas for handling of explosives.

Areas of investigation to be designated by the Governor's Advisory Committee on Explosives."

Page 35, line 16, strike out "his report dated June 1, 1960," and insert in lieu thereof "House Document Numbered 417, Eighty-sixth Congress,"

Page 38, lines 6, 7, and 8, strike out "Board of Engineers for Rivers and Harbors in its report, dated February 16, 1960," and insert in lieu thereof "Chief of Engineers in his report dated June 1, 1960,"

Page 41, line 10, strike out "Senate Document Numbered ——," and insert in lieu thereof "House Document Numbered 413,"

Page 41, lines 15 and 16, strike out "Board of Engineers for Rivers and Harbors in its report dated February 16, 1960," and insert in lieu thereof "Chief of Engineers in his report dated June 13, 1960,"

Page 57, following line 12, insert the following:

"Indian River and other streams draining into Indian Lake and Lake Michigan in the vicinity of Manistique, Michigan."

Page 57, following line 22, insert the following:

"Kahoma Stream, Island of Maui, Hawaii."

Page 61, line 11, strike out "(a)".

Page 62, line 1, strike out "allocated" and insert in lieu thereof "assigned".

Mr. KERR. Mr. President, I ask unanimous consent that certain amendments which I send to the desk be printed on page 41, following line 11, as a part of the committee amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

On page 41, line 11, after the figures "$21,900,000", to insert a semicolon and "*Provided*, That construction of the project shall not be commenced until the agency designated to market the power has entered into an agreement which would insure that the power would be sold at rates sufficient to repay with interest within fifty years all costs allocated to power."

On page 41, at the beginning of line 15, to strike out "Board of Engineers for Rivers and Harbors in its report dated February 16, 1960," and insert in lieu thereof "Chief of Engineers in his report dated June 13, 1960,".

Mr. CASE of South Dakota. Mr. President, before the Senator yields the floor, I wonder if we might not ask to have the text of the bill inserted in the RECORD. I do not expect to make a long speech about the bill; however, it seems to me that, since it is one bill which speaks for itself, it would be helpful, for reference, if the entire text of the bill, together with committee amendments, were printed in the RECORD.

Mr. KERR. Mr. President, I make that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—RIVERS AND HARBORS

SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law Numbered 14, Seventy-ninth Congress, first session), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

Navigation

Eastport Harbor Maine: Senate Document Numbered 98, Eighty-sixth Congress, at an estimated cost of $595,000;

Southwest Harbor, Maine: House Document Numbered 408, Eighty-fifth Congress, at an estimated cost of $240,000;

Stonington Harbor, Maine: House Document Numbered 36, Eighty-sixth Congress, at an estimated cost of $198,000;

South Bristol Harbor, Maine: Senate Document Numbered 30, Eighty-sixth Congress, at an estimated cost of $97,000;

Wells Harbor, Maine: House Document Numbered 202, Eighty-sixth Congress, at an estimated cost of $340,000;

York Harbor, Maine: House Document Numbered 395, Eighty-sixth Congress, at an estimated cost of $391,000;

Pepperell Cove, Maine: House Document Numbered 284, Eighty-sixth Congress, at an estimated cost of $170,000;

Rye Harbor, New Hampshire: Report of the Board of Engineers for Rivers and Harbors, dated March 30, 1960, at an estimated cost of $238,000;

Cotuit Harbor, Massachusetts: House Document Numbered 142, Eighty-sixth Congress, at an estimated cost of $320,000;

Apponaug Cove, Rhode Island: House Document Numbered 143, Eighty-sixth Congress, at an estimated cost of $180,000;

Little Narragansett Bay and Watch Hill Cove, Rhode Island and Connecticut: House Document Numbered 396, Eighty-sixth Congress, at an estimated cost of $98,000;

Moriches and Shinecock Inlets, New York: House Document Numbered 126, Eighty-sixth Congress, at an estimated cost of $6,858,000;

Mamaroneck Harbor (East Basin), New York: House Document Numbered 209, Eighty-sixth Congress, at an estimated cost of $105,000;

Wilmington Harbor, Delaware: Senate Document Numbered 88, Eighty-sixth Congress, at an estimated cost of $351,000;

Ocracoke Inlet, North Carolina: House Document Numbered 408, Eighty-sixth Congress, at an estimated cost of $4,623,000;

Shem Creek, Charleston Harbor, South Carolina: House Document Numbered 35, Eighty-sixth Congress, maintenance;

Everglades Harbor, Florida: House Document Numbered 147, Eighty-sixth Congress, at an estimated cost of $117,200;

Gulf Coast Shrimp Boat Harbors, Florida: House Document Numbered 183, Eighty-sixth Congress, at an estimated cost of $373,000;

Bakers Haulover Inlet, Florida: House Document Numbered 189, Eighty-sixth Congress, at an estimated cost of $239,000;

Palm Beach Harbor, Lake Worth Inlet, Florida: House Document Numbered 283, Eighty-sixth Congress, at an estimated cost of $4,980,000;

Miami Harbor, Florida: Senate Document Numbered 71, Eighty-fifth Congress, at an estimated cost of $3,818,000;

Little Pass, Clearwater Bay, Florida: House Document Numbered 293, Eighty-sixth Congress, at an estimated cost of $104,000;

St. Marks River, Florida: House Document Numbered 224, Eighty-sixth Congress, at an estimated cost of $1,711,000;

Pascagoula Harbor, Mississippi: House Document Numbered 98, Eighty-sixth Congress, maintenance;

Biloxi Harbor, Mississippi: House Document Numbered 271, Eighty-sixth Congress, at an estimated cost of $326,000;

Bayou Lafourche and Lafourche-Jump Waterway, Louisiana: House Document Numbered 112, Eighty-sixth Congress, at an estimated cost of $4,664,000;

Bayous Petit Anse, Tigre, and Carlin, Louisiana: Senate Document Numbered 70, Eighty-fifth Congress, at an estimated cost of $106,000;

Freshwater Bayou, Louisiana: Report of the Board of Engineers for Rivers and Harbors, dated March 31, 1960, at an estimated cost of $7,485,000;

Calcasieu River and Pass, Louisiana: Report of the Board of Engineers for Rivers and Harbors, dated May 6, 1960, at an estimated cost of $16,992,000;

Texas City Channel, Texas: Report of the Chief of Engineers, dated May 27, 1960, at an estimated cost of $1,605,000;

Brazos Island Harbor, Texas: Report of the Board of Engineers for Rivers and Harbors, dated May 6, 1960, at an estimated cost of $4,381,000;

Ouachita and Black Rivers, Arkansas and Louisiana: Report of the Board of Engineers for Rivers and Harbors, dated February 18, 1960, in lieu of the navigation project authorized by the River and Harbor Act of 1950, Public Law 516, Eighty-first Congress, Senate Document Numbered 117, Eighty-first Congress, at an estimated cost of $43,550,000;

In addition to previous authorizations, there is hereby authorized the completion of the Barkley Dam project in Kentucky, authorized by the River and Harbor Act of 1954, at an estimated additional cost of $146,000,000; : *Provided* That the Chief of Engineers is hereby authorized to relocate the Illinois Central Railroad, as required by the construction of said project, in such manner as to eliminate and prevent interference with and disturbance of municipal and private facilities in Lyon County, Kentucky, not otherwise affected by the construction of the project, substantially in accordance with alinement "D" shown on the plans on file in the Office of the Chief of Engineers;

Illinois Waterway, Illinois and Indiana: House Document Numbered 31, Eighty-sixth Congress, at an estimated cost of $114,652,000;

Mississippi River between Missouri River and Minneapolis, Minnesota at Dubuque, Iowa: House Document Numbered 56, Eighty-sixth Congress, at an estimated cost of $38,000;

Red Wing Harbor, Minnesota: House Document Numbered 32, Eighty-sixth Congress, at an estimated cost of $170,400;

Menominee Harbor and River, Michigan and Wisconsin: House Document Numbered 113, Eighty-sixth Congress, at an estimated cost of $715,000;

Milwaukee Harbor, Wisconsin: House Document Numbered 285, Eighty-sixth Congress, at an estimated cost of $38,000;

Kewaunee Harbor, Wisconsin: Senate Document Numbered 19, Eighty-sixth Congress, at an estimated cost of $81,900;

Two Harbors, Minnesota: House Document Numbered 146, Eighty-sixth Congress, at an estimated cost of $162,000;

Duluth-Superior Harbor, Minnesota and Wisconsin: House Document Numbered 150, Eighty-sixth Congress, at an estimated cost of $2,364,000.

Duluth-Superior Harbor, Minnesota and Wisconsin: House Document Numbered 196, Eighty-sixth Congress, at an estimated cost of $2,513,000;

Ashland Harbor, Wisconsin: House Document Numbered 165, Eighty-sixth Congress, at an estimated cost of $1,495,000;

Presque Isle Harbor, Michigan: House Document Numbered 145, Eighty-sixth Congress, at an estimated cost of $215,300;

Marquette Harbor, Michigan: House Document Numbered 154, Eighty-sixth Congress, at an estimated cost of $236,000;

Manistee Harbor, Michigan: House Document Numbered 358, Eighty-sixth Congress, at an estimated cost of $1,735,000;

Detroit River, Trenton Channel, Michigan: House Document Numbered 319, Eighty-sixth Congress, at an estimated cost of $8,570,000;

Calumet Harbor, Illinois and Indiana: House Document Numbered 149, Eighty-sixth Congress, at an estimated cost of $5,240,000;

Indiana Harbor, Indiana: House Document Numbered 195, Eighty-sixth Congress, at an estimated cost of $974,000;

Toledo Harbor, Ohio: House Document Numbered 153, Eighty-sixth Congress, at an estimated cost of $14,684,000;

Sandusky Harbor, Ohio: House Document Numbered 144, Eighty-sixth Congress, at an estimated cost of $5,800,000;

Cleveland Harbor, Ohio: House Document Numbered 152, Eighty-sixth Congress, at an estimated cost of $2,486,000;

Lorain Harbor, Ohio: House Document Numbered 166, Eighty-sixth Congress, at an estimated cost of $19,323,000;

Fairport Harbor, Ohio: House Document Numbered 347, Eighty-sixth Congress, at an estimated cost of $2,768,000;

Ashtabula Harbor, Ohio: House Document Numbered 148, Eighty-sixth Congress, at an estimated cost of $4,077,000;

Erie Harbor, Pennsylvania: House Document Numbered 199, Eighty-sixth Congress, at an estimated cost of $1,729,000;

Buffalo Harbor, New York: House Document Numbered 151, Eighty-sixth Congress, at an estimated cost of $2,352,000;

Rochester Harbor, New York: House Document Numbered 409, Eighty-sixth Congress, at an estimated cost of $2,445,000;

Los Angeles and Long Beach Harbors (West Basin), California: House Document Numbered 401, Eighty-sixth Congress, at an estimated cost of $1,768,000;

Monterey Harbor (Monterey Bay), California: House Document Numbered 219, Eighty-sixth Congress, at an estimated cost of $3,989,000:

Noyo River and Harbor, California: House Document Numbered 289, Eighty-sixth Congress, at an estimated cost of $370,000;

Snohomish River (Everett Harbor), Washington: House Document Numbered 348, Eighty-sixth Congress, at an estimated cost of $3,011,000;

Kahului Harbor, Island of Maui, Hawaii: House Document Numbered 109, Eighty-sixth Congress, at an estimated cost of $944,500;

Hilo Harbor, Hawaii: Emergency construction of a seawall to protect against tidal waves and excessive high tides, in accordance with plans on file in the office of the Chief of Engineers, at an estimated cost of $7,000,000.

Beach erosion control

Wessagussett Beach, Weymouth, Massachusetts: House Document Numbered 334, Eighty-sixth Congress, at an estimated cost of $132,000;

Pemberton Point to Cape Cod Canal, Massachusetts: House Document Numbered 272, Eighty-sixth Congress, at an estimated cost of $139,300;

Cape Cod Canal to Provincetown, Massachusetts: House Document Numbered 404, Eighty-sixth Congress, at an estimated cost of $178,000;

South Kingstown and Westerly, Rhode Island: House Document Numbered 30, Eighty-sixth Congress, at an estimated cost of $140,300;

Atlantic Coast of Long Island, Fire Island Inlet to Montauk Point, New York: Report of the Chief of Engineers, dated May 27, 1960, at an estimated cost of $19,400,000;

New Jersey Coast from Barnegat Inlet to Cape May Canal, New Jersey: House Document Numbered 208, Eighty-sixth Congress, at an estimated cost of $1,714,000;

Key West, Florida: House Document Numbered 413, Eighty-fifth Congress, at an estimated cost of $231,200.

Presque Isle Peninsula, Erie, Pennsylvania: House Document Numbered 397, Eighty-sixth Congress, periodic nourishment;

Orange County, Newport Bay to San Mateo Creek, California: House Document Numbered 398, Eighty-sixth Congress, at an estimated cost of $256,000.

SEC. 102. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them, on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided*, That the work which may have been done on these projects is approved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further*, That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

SEC. 103. That the last paragraph of section 2 of the River and Harbor Act of July 3, 1930 (46 Stat. 933 at 945) pertaining to cooperative shore erosion studies and to the Beach Erosion Board, is hereby amended to read as follows:

"The Chief of Engineers of the United States Army, under the direction of the Secretary of the Army, is authorized and directed to cause investigations and studies to be made in cooperation with the appropriate agencies of the various States on the Atlantic, Pacific, and Gulf coasts and on the Great Lakes, and of the States of Alaska and Hawaii, the Commonwealth of Puerto Rico, and the possessions of the United States, with a view to devising effective means of preventing erosion of the shores of coastal and lake waters by waves and currents; and any expenses incident and necessary thereto may be paid from funds appropriated for General Investigations, Civil Functions, Department of the Army: *Provided*, That the Department of the Army may release to the appropriate cooperating agencies information obtained by these investigations and studies prior to the formal transmission of reports to Congress: *Provided further*, That no money shall be expended under authority of this section in any State which does not provide for cooperation with the agents of the United States and contribute to the project such funds or services as the Secretary of the Army may deem appropriate and require; that there shall be organized under the Chief of Engineers, United States Army, a Board of seven members, of whom four shall be officers of the Corps of Engineers and three shall be civilian engineers selected by the Chief of Engineers with regard to their special fitness in the field of beach erosion and shore protection, preferably from among the State agencies cooperating with the Department of the Army. The Board will furnish such technical assistance as may be directed by the Chief of Engineers in the conduct of such studies as may be undertaken and will review the reports of the investigations made. In the consideration of such studies as may be referred to the Board by the Chief of Engineers, the Board shall, when it considers it necessary and with the sanction of the Chief of Engineers, make, as a board or through its members personal examination of localities under investigation: *Provided further*, That the civilian members of the Board may be paid at rates not to exceed $100 a day for each day of attendance at Board meetings, not to exceed thirty days per annum, in addition to the traveling and other necessary expenses connected with their duties on the Board in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–2)."

SEC. 104 (a) That the Secretary of the Army is authorized and directed to donate and convey by quitclaim deed to the Ship Canal Authority of the State of Florida all of the right, title, and interest of the United States of America in and to—

(1) lands in Putnam County, Florida, acquired by the United States of America by condemnation proceedings in the United States District Court for the Southern District of Florida, Jacksonville Division, as case numbered 356 U.S.J. Civil; and (2) lands in Marion County, Florida, acquired by the United States of America by condemnation proceedings instituted in the United States Court for the Southern District of Florida, Ocala Division, as cases numbered 9, 10, 11, 12, 13, 14, 15, 16, and 22, U.S. Ocala Civil.

(b) It is intended hereby to authorize and direct the conveyance of all lands heretofore acquired by the United States with funds provided by the said authority for rights-of-way for a proposed ship canal across Florida.

(c) The conveyance authorized by this section shall be made without monetary consideration therefor but upon the conditions that the Ship Canal Authority of the State of Florida will, without cost to the United States: (1) when called upon by the Chief of Engineers, United States Army, to do so, reconvey to the United States, free of any encumbrances placed thereon during ownership by said authority, those lands conveyed pursuant to this section that are required for the Cross Florida Barge Canal; (2) relocate any roads, bridges, or utility lines constructed on or across such lands after the conveyance under this section by the United States, if the relocation thereof is required by the Chief of Engineers; (3) maintain and preserve improvements previously constructed upon the land by the Federal Government in a manner that will not increase the cost of the barge canal project; (4) hold the United States safe and free from any damages resulting from the aforementioned construction; and (5) devote the proceeds from sales of any lands conveyed to it under this section solely for the acquisition, for transfer to the United States free of cost, of any other lands required for the barge canal project.

(d) Nothing in this section shall be construed as a limitation on the right of the Ship Canal Authority of the State of Florida to sell any of the lands that, in the opinion of the United States Army district engineer at Jacksonville, Florida, will not be required for the Cross Florida Barge Canal. Any surveys or descriptions required to permit the disposal of any such lands shall be paid for by the Ship Canal Authority of the State of Florida if desired by said authority prior to the appropriation of funds therefor by the Federal Government.

(e) Nothing in this section shall be construed as a waiver of the obligation of the Ship Canal Authority of the State of Florida to (1) furnish without cost to the United States, all lands, easements, and rights-of-way necessary for the construction of the Cross-Florida Barge Canal as authorized by the Act of July 23, 1942 (56 Stat. 703); (2) hold and save the United States free from any damages resulting from the construction of said barge canal; and (3) to take over, maintain and operate all highways, bridges, and roadways built in connection with the said barge canal project.

SEC. 105. That the project for improvement of the Missouri River between Sioux City, Iowa, and the mouth, authorized by the River and Harbor Act aproved March

2, 1945, is hereby modified to provide for a lake in the abandoned river channel of the Missouri River between river miles 710 and 715 for recreational purposes, by means of: (a) Construction of a levee extending along the left bank of the new channel to be constructed in the Middle Decatur Bend area of the Missouri River; and (b) construction of hydraulic-fill closures at both ends of the old channel, substantially in accordance with plans to be prepared by the Chief of Engineers, at an estimated Federal cost of $155,000: *Provided,* That responsible local interests furnish assurances satisfactory to the Secretary of the Army that they will (a) hold and save the United States free from damages; and (b) maintain and operate the project modification after completion in accordance with regulations to be prescribed by the Secretary of the Army.

SEC. 106. The Corps of Engineers is authorized and directed to accept as a project feature the cost of necessary improvement of that section of West Virginia State Secondary Route 40/5 approximately eighty-five one-hundredths mile in length, from its junction with State Route 40 to its terminus near the Hildebrand lock and dam site on the Monongahela River in order to provide access thereto. This authority is provided with the understanding that this method will provide necessary access to the project at the least expenditure of Federal funds, and further that the State of West Virginia will accept as its responsibility the future maintenance of the road.

SEC. 107. (a) That the Secretary of the Army is hereby authorized to allot from any appropriations heretofore or hereafter made for rivers and harbors not to exceed $2,000,000 for any one fiscal year for the construction of small river and harbor improvement projects not specifically authorized by Congress which will result in substantial benefits to navigation and which can be operated consistently with appropriate and economic use of the waters of the Nation for other purposes, when in the opinion of the Chief of Engineers such work is advisable, if benefits are in excess of the cost.

(b) Not more than $200,000 shall be allotted for the construction of a project under this section at any single locality and the amount allotted shall be sufficient to complete the Federal participation in the project under this section.

(c) Local interests shall provide without cost to the United States all necessary lands, easements, and rights-of-way for all projects to be constructed under the authority of this section. In addition, local interests may be required to hold and save the United States free from damages that may result from the construction and maintenance of the project and may be required to provide such additional local cooperation as the Chief of Engineers deems appropriate. A State, county, municipality, or other responsible local entity shall give assurance satisfactory to the Chief of Engineers that such conditions of cooperation as are required will be accomplished.

(d) Non-Federal interests may be required to share in the cost of the project to the extent that the Chief of Engineers deems that such cost should not be borne by the Federal Government in view of the recreational or otherwise special or local nature of the project benefits.

(e) Each project for which money is allotted under this section shall be complete in itself and not commit the United States to any additional improvement to insure its successful operation, other than routine maintenance, and except as may result from the normal procedure applying to projects authorized after submission of survey reports, and projects constructed under the authority of this section shall be considered as authorized projects.

(f) This section shall apply to, but not be limited to, the provision of low water access navigation channels from the existing channel of the Mississippi River to established harbor areas located along the Mississippi River.

SEC. 108 (a) That whenever the Secretary of the Army, upon the recommendation of the Chief of Engineers, determines that notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, with respect to disposal of surplus real property, (1) the development of public port or industrial facilities on land which is part of a water resource development project under his jurisdiction will be in the public interest; (2) that such development will not interfere with the operation and maintenance of the project; and (3) that disposition of the property for these purposes under this section will serve the objectives of the project within which the land is located, he may convey the land by quitclaim deed to a State, political subdivision thereof, port district, port authority, or other body created by the State or through a compact between two or more States for the purpose of developing or encouraging the development of such facilities. In any case, where two or more political subdivisions thereof, or bodies created by, a State or group of States, seek to obtain the same land, the Secretary of the Army shall give preference to that political subdivision or body whose intended use of land will, in his opinion, best promote the purposes for which the project involved was authorized.

(b) Any conveyance authorized by this section shall be made at the fair market value of the land, as determined by the Secretary of the Army, upon condition that the property shall be used for one of the purposes stated in the subsection (a) of this section only, and subject to such other conditions, reservations or restrictions as the Secretary may determine to be necessary for the development, maintenance, or operation of the project or otherwise in the public interest.

(c) Prior to the conveyance of any land under the provisions of this section, the Secretary of the Army shall, in the manner he deems reasonable, give public notice of the proposed conveyance and afford an opportunity to interested eligible bodies in the general vicinity of the land to apply for its purchase.

(d) The Secretary of the Army may delegate any authority conferred upon him by this section to any officer or employee of the Department of the Army. Any such officer or employee shall exercise the authority so delegated under rules and regulations approved by the Secretary.

(e) The proceeds from any conveyance made under the provisions of this section shall be covered into the Treasury as miscellaneous receipts.

SEC. 109. The Secretary of the Army is hereby authorized and directed to cause surveys to be made at the following named localities and subject to all applicable provisions of section 10 of the River and Harbor Act of 1950:

Prospect Harbor, Maine.

Calf Island, between Roque Island Bluffs and Seawall Point, Maine.

Green Harbor, Marshfield, Massachusetts.

Nauset Harbor, Massachusetts.

Eel Pond, Menauhant, Massachusetts.

Pleasant Bay, Massachusetts.

Rye Harbor (Playland Marina), New York.

Sturgeon Creek, Middlesex County, Virginia.

Bersford Creek, South Carolina.

Channel across Santa Rosa Peninsula and Santa Rosa Island, Florida, to connect East Bay with Santa Rosa Sound and Little Sabine Bay with the Gulf of Mexico.

Channel from vicinity of Avalon, Florida, to the waters of Escambia Bay.

Lake Pontchartrain, Louisiana.

Washburn Harbor, Wisconsin.

Little Bay De Noc, Michigan.

Ship Canal between Tacoma and Seattle, Washington.

Point Roberts, Washington.

Deep-water harbor in the Maalaea Bay Area, Island of Maui, Hawaii.

Deep-water harbor at Kahaluu, Island of Oahu, Hawaii.

SEC. 110. Title I of this Act may be cited as the "River and Harbor Act of 1960".

TITLE II—FLOOD CONTROL

SEC. 201. That section 3 of the Act approved June 22, 1936 (Public Law Numbered 738, Seventy-fourth Congress), as amended by section 2 of the Act approved June 28, 1938 (Public Law Numbered 761, Seventy-fifth Congress), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said Act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided,* That the authorization for any flood-control project herein adopted requiring local cooperation shall expire five years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interests shall within said time furnish assurances satisfactory to the Secretary of the Army that the required cooperation will be furnished.

SEC. 202. The provisions of section 1 of the Act of December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress, second session), shall govern with respect to projects authorized in this Act, and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

SEC. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided,* That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further,* That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further,* That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this Act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

Blackstone River Basin

The project for flood protection on Blackstone, Mill, and Peters Rivers, in Woonsocket, Rhode Island, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 87, Eighty-fifth Congress, at an estimated cost of $2,970,000.

Thames River Basin

The project for the West Thompson Reservoir on the Quinebaug River, Connecticut,

is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document Numbered 41, Eighty-sixth Congress, at an estimated cost of $4,010,000.

Connecticut River Basin

The plan for flood protection on the Chicopee River, Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated June 1, 1960, at an estimated cost of $5,180,000.

The project for flood protection on the Westfield River, Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated June 1, 1960, at an estimated cost of $3,240,000.

The plan for flood control and related purposes on the Farmington River, Connecticut and Massachusetts, is hereby authorized substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report dated March 29, 1960, at an estimated cost of $12,052,000.

Pawcatuck, Connecticut

The project for hurricane-flood protection at Pawcatuck, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 212, Eighty-sixth Congress, at an estimated Federal cost of $409,000.

Housatonic River Basin

The project for flood control dams and reservoirs on the Naugatuck River, Connecticut, is hereby authorized substantially in accordance with the recomendations of the Chief of Engineers in House Document Numbered 372, Eighty-sixth Congress, at an estimated cost of $10,230,000.

Stamford, Connecticut

The project for hurricane-flood protection at Stamford, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 210, Eighty-sixth Congress, at an estimated Federal cost of $3,030,000 for construction, and at an estimated Federal cost of maintenance and operation of $31,000 annually.

Central and southern Florida

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $23,000,000 for the prosecution of the central and southern Florida comprehensive plan for flood control and other purposes approved in the Flood Control Act of 1948, and subsequent Acts of Congress, and such comprehensive plan is hereby modified to include the following:

The project for canals, levees, and water control and drainage structures in the Nicodemus Slough area, Glades County, Florida, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers contained in Senate Document Numbered 53, Eighty-sixth Congress, at an estimated cost of $318,000.

That the levees around Lake Okeechobee, Florida, authorized by the Rivers and Harbors Act approved July 3, 1930, and modified by the Flood Control Act approved June 30, 1948, and subsequent Acts, shall be known and designated as the Herbert Hoover Dike, and any law, regulation, document, or record of the United States in which such levees are referred to under any other name or designation shall be held to refer to such levees as the Herbert Hoover Dike.

Pearl River, Mississippi

The project for flood protection on the Pearl River at Jackson, Mississippi, is hereby authorized substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report dated May 6, 1960, at an estimated cost of $3,609,000.

LOWER MISSISSIPPI RIVER

The project for flood control and improvement of the lower Mississippi River, adopted by the Act of May 15, 1928 (45 Stat. 534), as amended and modified, is hereby further modified and expanded to include the following items of work and the authorization for said project is increased accordingly:

(a) In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $50,000,000 to provide for the continued prosecution of the channel improvement feature of the project.

(b) Natchez Harbor, Mississippi: In accordance with the recommendations of the Division Engineer in Senate Document Numbered 16, Eighty-sixth Congress, at an estimated cost of $350,000.

Trinity River Basin

The comprehensive plan for improvement of the Trinity River and tributaries, Texas, as authorized by the River and Harbor Act of 1945, is hereby modified to include the following projects:

(a) The project for flood protection on Big Fossil Creek in the Richland Hills area, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 407, Eighty-sixth Congress, at an estimated cost of $1,861,400.

(b) Modification and extension of the Fort Worth Floodway on the West Fork of the Trinity River and tributaries, at Fort Worth, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 402, Eighty-sixth Congress, at an estimated cost of $2,241,000.

Guadalupe River Basin

The project for flood control on Blieders Creek, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 180, Eighty-sixth Congress at an estimated cost of $1,060,000.

Brazos River Basin, Texas

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $21,000,000, for the prosecution of the comprehensive plan for the Brazos River Basin authorized by the Flood Control Act of September 3, 1954.

Red-Ouachita River Basin

The general plan for flood control and other purposes on Red River, Texas, Oklahoma, Arkansas, and Louisiana, below Denison Dam, Texas and Oklahoma, as authorized by the Flood Control Act of 1946, and amended and supplemented by subsequent Acts of Congress, is hereby further modified to provide for additional improvements for flood control, drainage, and other purposes, substantially in accordance with the recommendations of the Chief of Engineers as follows:

(a) McKinney Bayou, Arkansas and Texas: House Document Numbered 220, Eighty-sixth Congress, at an estimated cost of $346,400.

(b) Maniece Bayou, Arkansas: House Document Numbered 288, Eighty-sixth Congress, at an estimated cost of $668,400.

(c) East Point, Louisiana: House Document Numbered 406, Eighty-sixth Congress, at an estimated cost of $273,000.

(d) Garland City, Arkansas, Emergency Bank Protection: In accordance with plans on file in the Office of Engineers, at an estimated cost of $1,750,000.

White River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $50,000,000, for the prosecution of the comprehensive plan for the White River Basin authorized by the Flood Control Act of June 28, 1938, as amended and supplemented by subsequent Acts of Congress.

Modification of the existing flood protection project for Village Creek, White River, and Mayberry Levee Districts, White River, Arkansas, is hereby authorized substantially in accordance with plan III, as contained in House Document Numbered 225, Eighty-sixth Congress, at an estimated cost of $1,322,000.

Arkansas River Basin

The general comprehensive plan for flood control and other purposes for the Arkansas River Basin, approved by the Act of June 28, 1938, as amended, and the multiple-purpose plan for the Arkansas River and tributaries, Arkansas and Oklahoma, approved by the River and Harbor Act of July 24, 1946, as amended, are hereby further amended to provide for the incorporation of the two plans into a single plan of development: *Provided*, That authorizations heretofore, herein and hereafter made available for the Arkansas River Basin shall be applicable to the combined plan of development.

There is hereby authorized to be appropriated the sum of $179,000,000 for prosecution of the combined plan of development for the Arkansas River Basin as herein authorized.

Rio Grande Basin

The project for improvement of the Rio Grande Basin, is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document Numbered 94, Eighty-sixth Congress, at an estimated cost of $58,300,000.

The approval granted above shall be subject to the following conditions and limitations:

Cochiti Reservoir, Galisteo Reservoir, and all other reservoirs constructed by the Corps of Engineers as a part of the Middle Rio Grande project will be operated solely for flood control and sediment control, as described below:

(a) The outflow from Cochiti Reservoir during each spring flood and thereafter will be at the maximum rate of flow that can be carried at the time in the channel of Rio Grande through the middle valley without causing flooding of areas protected by levees or unreasonable damage to channel protective works: *Provided*, That whenever during the months of July, August, September, and October, there is more than two hundred twelve thousand acre-feet of storage available for regulation of summer floods and the inflow to Cochiti Reservoir (exclusive of that portion of the inflow derived from upstream flood-control storage) is less than one thousand five hundred cubic feet per second, no water will be withdrawn from storage in Cochiti Reservoir and the inflow derived from upstream flood-control storage will be retained in Cochiti Reservoir.

(b) Releases of water from Gallisteo Reservoir and Jemez Canyon Reservoir during the months of July, August, September, and October, will be limited to the amounts necessary to provide adequate capacity for control of subsequent summer floods; and such releases when made in these months, or thereafter, will be at the maximum rate practicable under the conditions at the time.

(c) Subject to the foregoing, the storage of water in and the release of water from all reservoirs constructed by the Corps of Engineers as part of the Middle Rio Grande project will be done as the interests of flood and sediment control may dictate: *Provided*, That the Corps of Engineers will endeavor to avoid encroachment on the upper two hundred and twelve thousand acre-feet of ca-

pacity in Cochiti Reservoir, and all reservoirs will be evacuated completely on or before March 31 of each year: *And provided further*, That when estimates of anticipated streamflow made by appropriate agencies of the Federal Government indicate that the operation of reservoirs constructed as a part of the middle Rio Grande project may affect the benefits accruing to New Mexico or Colorado, under the provisions of the eighth unnumbered paragraph of article VI of the Rio Grande compact, releases from such reservoirs shall be regulated to produce a flow of ten thousand cubic feet per second at Albuquerque, or such greater or lesser rate as may be determined by the Chief of Engineers at the time to be the maximum safe flow, whenever such operation shall be requested by the Rio Grande compact commissioner for New Mexico or the commissioner for Colorado, or both, in writing prior to commencement of such operation.

(d) All reservoirs of the middle Rio Grande project will be operated at all times in the manner described above in conformity with the Rio Grande compact, and no departure from the foregoing operation schedule will be made except with the advice and consent of the Rio Grande compact, and no departure from the foregoing operation schedule will be made except with the advice and consent of the Rio Grande Compact Commission: *Provided*, That whenever the Corps of Engineers determines that an emergency exists affecting the safety of major structures or endangering life and shall so advise the Rio Grande Compact Commission in writing these rules of operation may be suspended during the period of and to the extent required by such emergency.

(e) The foregoing regulations shall not apply to storage capacity which may be allocated to permanent pools for recreation and fish and wildlife propagation: *Provided*, That the water required to fill and maintain such pools is obtained from sources entirely outside the drainage basin of the Rio Grande.

Upper Mississippi River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $12,000,000 for the prosecution of the comprehensive plan for the Upper Mississippi River Basin, approved in the Act of June 28, 1938, as amended and supplemented by subsequent Acts of Congress.

The flood protection project on Redwood River at Marshall, Minnesota, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in his report dated June 1, 1960, at an estimated cost of $2,252,000.

The project for the Coralville Reservoir on Iowa River, Iowa, as authorized by the Act of June 28, 1938 (52 Stat. 1215), is hereby modified to provide for construction of a highway bridge across said reservoir at or near the Mehaffy site, to replace the existing bridge crossing of Johnson County on County Road Y, under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, in accordance with such plans as may be approved by the Chief of Engineers, at an estimated cost of not to exceed $1,180,000: *Provided*, That local interests shall construct all necessary approaches to the bridge site, and provide without cost to the United States all lands, easements, and rights-of-way necessary for construction of the bridge.

Missouri River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $207,000,000 for the prosecution of the comprehensive plan for the Missouri River Basin approved in the Act of June 28, 1938, as amended, and supplemented by subsequent Acts of Congress.

The report of the Chief of Engineers on Wilson Dam and Reservoir, Saline River, Kansas, submitted in compliance with Public Law 505, Eighty-fourth Congress, published as Senate Document Numbered 96, Eighty-sixth Congress, is hereby approved, and construction of the project as a unit of the comprehensive plan of improvement for the Missouri River Basin authorized by the Flood Control Act approved December 22, 1944, is hereby authorized at an estimated cost of $18,081,000.

The project for flood protection in the Gering and Mitchell Valleys, Nebraska, authorized by the Flood Control Act of July 3, 1958 (Public Law 500, Eighty-fifth Congress), in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 139, 84th Congress, is hereby modified to provide for such revisions in project scope and purposes due to changed conditions as may be found necessary by the Chief of Engineers, to provide needed protection in Gering Valley: *Provided*, That construction shall not be initiated until the Chief of Engineers shall submit a feasibility report, which shall be coordinated with the Soil Conservation Service, for the approval of the Public Works Committees of the Congress which shall set forth the plan of improvement, its economic justification, and his recommendations for local cooperation.

The project for flood protection at Sioux Falls, South Dakota, authorized by the Flood Control Act approved September 3, 1954, Public Law 780, Eighty-third Congress, in accordance with the recommendations of the Chief of Engineers in House Document Numbered 133, Eighty-fourth Congress, is hereby modified to provide for extension of the authorized project to include flood protection in the reach between Western Avenue and Cherry Rock Dam, in accordance with plans to be prepared by the Chief of Engineers, at an estimated cost of $560,000: *Provided*, That local interests agree to: (a) Furnish without costs to the United States all lands, easements, and rights-of-way; (b) hold and save the United States free from damages; (c) make all necessary relocation and utility changes; and (d) maintain and operate the project after completion.

The project for flood protection on Vermillion River, South Dakota, is hereby authorized substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report, dated February 16, 1960, at an estimated cost of $6,010,000.

That the Fort Randall Dam and Reservoir project, South Dakota, is modified to provide for construction of a free highway bridge over the Missouri River at an appropriate location west of Platte, South Dakota, under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, in accordance with such plans as may be approved by the Chief of Engineers, in order to provide adequate crossing facilities over such river for highway traffic in the area and in replacement of the closure of the Wheeler Bridge by reason of construction of said reservoir at a cost not to exceed $6,375,000: *Provided*, That local interests shall construct all necessary approaches to the bridge site, and provide without cost to the United States all lands, easements, and rights-of-way necessary for construction of the bridge.

The project for flood protection on Cheyenne River and tributaries, South Dakota and Wyoming, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 280, Eighty-sixth Congress, at an estimated cost of $272,000.

That (a) the general comprehensive plan for flood control and other purposes in the Missouri River Basin, as authorized by the Act of June 28, 1938 (52 Stat. 1215), and as modified and expanded by subsequent Acts, if further modified to include the payment by the Corps of Engineers of $346,500 to the city of Bismarck, North Dakota, and $227,552 to the city of Mandan, North Dakota, from funds heretofore or hereafter appropriated for the Fort Peck, Garrison, or Oahe Dam and Reservoir projects, in order to provide part of the Federal compensation to such cities, recommended by the board of engineers consultants in their report on effect of Missouri River reservoirs on sewage facilities at Mandan and Bismarck, North Dakota, dated January 1956, for the cost of construction of sewage treatment works made necessary by the construction by the Federal Government of dams and reservoirs on the Missouri River; the total estimated cost of such construction being $770,000 in the case of the city of Bismarck and $505,671 in the case of the city of Mandan. The remaining part of such Federal compensation shall be provided under the provisions of subsection (d) hereof.

(b) Amounts authorized under the provisions of this item may be paid in a single payment or in such installments as the Chief of Engineers deems appropriate to carry out the provisions of this item. No payment shall be made under such provisions until a showing is made satisfactory to the Chief of Engineers, that the city to receive such payment is ready to proceed with the construction for which the payment is authorized, and is able to finance its portion amounting to 25 per centum of the cost of such construction.

(c) The Chief of Engineers may require such reports with respect to the expenditure of any amounts paid under the provisions of this item as may be necessary to carry out such provisions.

(d) In addition to the amounts to be paid under the provisions of the foregoing subsections (a), (b), and (c), and for the same purposes, the Surgeon General of the Public Health Service shall pay $231,000 to the city of Bismark, North Dakota and $151,701 to the city of Mandan, North Dakota. Payments under the provisions of this item shall be (1) from funds allotted to the State of North Dakota for the fiscal year beginning July 1, 1960, under the provisions of section 6 of the Federal Water Pollution Control Act, and (2) made without regard to the provisions of such Act other than subsection (e) of section 6 and the regulations prescribed to carry out such subsection.

Ohio River Basin

The project for flood protection on Lynn Camp Creek at Corbin, Kentucky, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in the House Document Numbered 282, Eighty-sixth Congress, at an estimated cost of $645,000.

The project for flood control and allied purposes on Laurel River, Kentucky, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered ——, Eighty-sixth Congress, at an estimated mated cost of $11,900,000.

The project for flood control and allied purposes on Little Sandy River, Kentucky, is hereby authorized substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report dated February 16, 1960, at an estimated cost of $11,900,000.

The project for flood protection on Connoquenessing Creek at Butler, Pennsylvania, is hereby authorized substantially in accordance with the recommendations of the Chief

of Engineers in House Document Numbered 110, Eighty-sixth Congress, at an estimated cost of $1,558,700.

The project for flood protection on Loyalhanna Creek at Latrobe, Pennsylvania, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 383, Eighty-sixth Congress, at an estimated cost of $2,568,300.

The project for the North Fork Reservoir on the North Fork of Pound River, Virginia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 184, Eighty-sixth Congress, at an estimated cost of $3,681,000.

The project for flood protection on the West Branch of the Mahoning River, Ohio, authorized in Public Law 85–500, in accordance with the recommendations of the Chief of Engineers in House Document 191, Eighty-fifth Congress, is hereby modified to provide that the entire local share of cost for water for pollution abatement and for municipal and industrial water supply purposes is $5,200,000, of which $3,230,000 will be paid in cash during construction, and the unpaid balance at the time the project is placed in useful operation, $1,970,000, may be paid in cash at that time or repaid on an annual basis in accordance with the principles of title III of said Public Law 85–500.

Great Lakes Basin

The project for flood protection on Cayuga Inlet at and in the vicinity of Ithaca, New York, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 204, Eighty-sixth Congress, at an estimated cost of $3,950,000.

The project for flood protection on Smokes Creek at and in the vicinity at Lackawanna, New York, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 200, Eighty-sixth Congress, at an estimated cost of $1,974,000.

Gila River Basin

The plan of improvement for flood protection and allied purposes on the Gila and Salt Rivers, Gillespie Dam to McDowell Dam site, Arizona, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 279, Eighty-sixth Congress, at an estimated Federal cost of $3,300,000.

Whitewater River Basin, California

The project for flood protection on Tahchevah Creek at and in the vicinity of Palm Springs, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Document Numbered 171, Eighty-sixth Congress, at an estimated cost of $1,658,000.

Mojave River Basin

The plan for flood control on the Mojave River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 164, Eighty-sixth Congress, at an estimated cost of $3,070,000.

Los Angeles River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $32,000,000 for the prosecution of the comprehensive plan approved in the Act of August 18, 1941, as amended and supplemented by subsequent Acts of Congress.

Walnut Creek Basin

The plan for flood protection on Walnut Creek, California, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 76, Eighty-sixth Congress, at an estimated cost of $17,980,000.

Sacramento River Basin

The project for flood protection on the Sacramento River, California, authorized by the Flood Control Act approved March 1, 1917, as amended and modified by subsequent Acts of Congress, is further modified substantially in accordance with the recommendations of the Chief of Engineers in Senate Document numbered 103, Eighty-sixth Congress, and there is hereby authorized to be appropriated the sum of $14,240,000 for the prosecution of the initial phase of bank erosion control works and set-back levees on the Sacramento River.

Las Vegas Wash, Nevada

The project for flood protection on Las Vegas Wash and tributaries, Nevada, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 405, Eighty-sixth Congress, at an estimated cost of $13,410,000.

Gleason Creek, Nevada

The project for flood protection on Gleason Creek, Nevada, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document 388, Eighty-sixth Congress, at an estimated cost of $450,000.

Great Salt Basin, Utah

The project for flood protection on the Salt Lake City Streams, Jordan River Basin, Utah, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 213, Eighty-sixth Congress, at an estimated cost of $6,060,000.

Columbia River Basin

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $148,000,000 for the projects and plans for the Columbia River Basin, including the Willamette River Basin, authorized by the Flood Control Act of June 28, 1938, and subsequent Acts of Congress, including the Flood Control Acts of May 17, 1950, September 3, 1954, and July 3, 1958, and these projects and plans are hereby modified to include:

The project for construction of the Foster Reservoir on the South Santiam River, Willamette River Basin, Oregon, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 104, Eighty-sixth Congress, at an estimated cost of $17,340,000.

SEC. 204. That, in recognition of the flood-control accomplishments of the multiple-purpose Merced River development including the Bagby, New Exchequer, and Snelling Dams and Reservoirs, proposed to be constructed on the Merced River by the Merced Irrigation District of California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such development and the amount of such contribution shall be determined by the Secretary of the Army in cooperation with the Merced Irrigation District, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided,* That prior to making the monetary contribution or any part thereof, the Department of the Army and the Merced Irrigation District shall have entered into an agreement providing for operation of the dams and reservoirs in such manner as will produce the flood-control benefits upon which the monetary contribution is predicated, and such operation of the dams and reservoirs for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (58 Stat. 890): *Provided further,* That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the dams and reservoirs which the total flood-control contribution bears to the total cost of the dams and reservoirs: *And provided further,* That, unless construction of the development is undertaken within four years from the date of enactment of this Act, the authority for the monetary contribution contained herein shall expire.

SEC. 205. That, in recognition of the flood control accomplishments of the multiple purpose dam and reservoir (or dams and reservoirs) proposed to be constructed on the Mokelumne River by the East Bay Municipal Utility District of Oakland, California, there is hereby authorized to be appropriated a monetary contribution toward the construction cost of such dam and reservoir (or dams and reservoirs) and the amount of such contribution shall be determined by the Secretary of the Army in cooperation with the East Bay Municipal Utility District, and the Secretary of the Interior, subject to a finding by the Secretary of the Army, approved by the President, of economic justification for allocation of the amount of flood control, such funds to be administered by the Secretary of the Army: *Provided,* That the plan of improvement proposed by the East Bay Municipal Utility District will afford a degree of flood control which in the opinion of the Secretary of the Army is adequate for the Mokelumne River as a part of the overall flood control program for the central valley: *Provided further,* That, prior to making the monetary contribution or any part thereof, the Department of the Army and the East Bay Municipality Utility District shall have entered into an agreement providing for operation of the dam or dams in such manner as will produce the flood control benefits upon which the monetary contribution is predicated, and such operation of the dam or dams for flood control shall be in accordance with rules prescribed by the Secretary of the Army pursuant to the provisions of section 7 of the Flood Control Act of 1944 (54 Stat. 890): *Provided further,* That prior to making the monetary contribution or any part thereof, the Department of the Army and the East Bay Municipal Utility District shall have entered into an agreement to provide adequately for mitigation of damages to fish and wildlife consistent with the other purposes of the project: *And provided further,* That the funds appropriated under this authorization shall be administered by the Secretary of the Army in a manner which shall assure that the annual Federal contribution during the project construction period does not exceed the percentage of the annual expenditure for the dam and reservoir (or dams and reservoirs) which the total flood control contribution bears to the total cost of the dam and reservoir (or dams and reservoirs).

SEC. 206. (a) That, in recognition of the increasing use and development of the flood plains of the rivers of the United States and of the need for information on flood hazards to serve as a guide to such development, and as a basis for avoiding future flood hazards by regulation of use by States and municipalities, the Secretary of the Army, through the Chief of Engineers, Department of the Army, is hereby authorized

to compile and disseminate information on floods and flood damages, including identification of areas subject to inundation by floods of various magnitudes and frequencies, and general criteria for guidance in the use of flood plain areas; and to provide engineering advice to local interests for their use in planning to ameliorate the flood hazard: *Provided*, That the necessary surveys and studies will be made and such information and advice will be provided for specific localities only upon the request of a State or a responsible local governmental agency and upon approval by the Chief of Engineers.

(b) The Secretary of the Army is hereby authorized to allot, from any appropriations heretofore or hereafter made for flood control, sums not to exceed $1,000,000 in any one fiscal year for the compilation and dissemination of such information.

SEC. 207. (a) That whenever, in connection with the construction of any authorized flood control, navigation or multiple-purpose project for the development of water resources, the Chief of Engineers, under the direction of the Secretary of the Army, determines it to be in the public interest to utilize existing public roads as a means of providing access to such projects during construction, he may, at his discretion, improve, reconstruct and maintain such roads and he may contract with the local authority having jurisdiction over the roads to accomplish the necessary work. The accomplishment of such work may be carried out with or without obtaining any interest in the land on which the road is located in accordance with mutual agreement between the parties: *Provided*, (1) That the Chief of Engineers determines that such work would result in a saving in Federal cost as opposed to the cost of providing a new access road at Federal expense, (2) That, at the completion of construction, the Chief of Engineers will, if necessary, restore the road to at least as good condition as prior to the beginning of utilization for access during construction, and (3) That, at the completion of construction, the responsibility of the Chief of Engineers for improvement, reconstruction, and maintenance shall cease.

(b) That, for such water resources projects, under construction or to be constructed, when the taking by the Federal Government of an existing public road necessitates replacement, the substitute provided will as nearly as practicable serve in the same manner and reasonably as well as the existing road. The Chief of Engineers is authorized to construct such substitute roads to design standards comparable to those of the State in which the road is located, for roads of the same classification as the road being replaced. The traffic existing at the time of the taking shall be used in the determination of the classification.

SEC. 208. (a) That the Secretary of the Interior is authorized to construct, operate, and maintain the Norman Federal reclamation project, Oklahoma, in accordance with the Federal reclamation laws (Act of June 17, 1902, and Acts amendatory thereof or supplemental thereto), except so far as those laws are inconsistent with this section, for the principal purposes of storing, regulating, and furnishing water for municipal, domestic, and industrial use, and for controlling floods, and, as incidents to the foregoing for the additional purposes of regulating the flow of the Little River, providing for the conservation and development of fish and wildlife, and of enhancing recreational opportunities. The Norman project shall consist of the following principal work: A reservoir on Little River near Norman, Oklahoma, pumping plants, pipelines, and other conduits for furnishing water for municipal, domestic, and industrial use.

The Secretary may enter into suitable contracts with municipal organizations, or other organizations as defined in section 2, Reclamation Project Act of 1939 (38 Stat. 1187), to undertake with non-Federal financing the construction of pumping plants, pipelines, and other conduits, or any of such works, for furnishing water for municipal, domestic, and industrial use, and to advance to such organizations during the construction period funds to cover an appropriate share of the costs thereof attributable to furnishing water to Tinker Air Force Base.

(b) In constructing, operating, and maintaining the Norman project, the Secretary shall allocate proper costs thereof in accordance with the following conditions:

(1) Allocations to flood control, recreation, and the conservation and development of fish and wildlife and water supply for Tinker Air Force Base shall be nonreturnable.

(2) Allocations to municipal water supply, including domestic, manufacturing, and industrial uses, with the exception of that for Tinker Air Force Base, shall be repayable to the United States by the water users through contracts with municipal corporations, or other organizations as defined by section 2, Reclamation Project Act of 1939 (53 Stat. 1187), and title III of the Flood Control Act of 1958 under the provisions of the Federal reclamation laws, and to the extent appropriate, under the Water Supply Act of 1958. Such contracts shall be precedent to the commencement of construction of any project unit affecting the individual municipalities, and shall provide for repayment of construction costs allocated to municipal water supply in not to exceed fifty years from the date water is first delivered for that purpose, and notwithstanding the provisions in the Water Supply Act of 1958 relating to the rate of interest, payments of said construction cost shall include interest on unamortized balances of that allocation at a rate equal to the average rate (which rate shall be certified by the Secretary of the Treasury) paid by the United States on its marketable long-term securities outstanding on the date of this Act and adjusted to the nearest one-eighth of 1 per centum: *Provided*, That the water users' organization be responsible for the disposal and sale of all water surplus to its requirements, and that the revenues therefrom shall be used by the organization for the retirement of project debt payment, payment of interest, and payment of operation and maintenance cost.

(3) Upon the completion of the payment of the water users' construction cost obligation, together with the interest thereon, the water users shall have a permanent right to the use of that portion of the project allocable to municipal water supply purposes.

(c) Contracts may be entered into with the water users' organization pursuant to the provisions of this section without regard to the last sentence of subsection (c) of section 9 of the Reclamation Project Act of 1939.

(d) The Secretary is authorized to transfer to the project water users the care, operation, and maintenance of the works herein authorized, and, if such transfer is made, to deduct from the obligation of the water users the reasonable capitalized equivalent of that portion of the estimated operation and maintenance cost of the undertaking which, if the United States continues to operate the project, would be allocated to flood control and fish and wildlife purposes. Prior to taking over the care, operation, and maintenance of said works, the water users' organization shall obligate itself to operate them in accordance with criteria specified by the Secretary of the Army with respect to flood control and the Secretary of the Interior with respect to fish and wildlife: *Provided*, That operation and maintenance and replacement cost of furnishing water supply to Tinker Air Force Base, as contemplated in the plan of development, shall be provided by an appropriate agreement between the Secretary of Defense and the water users' organization.

(e) Construction of the Norman project herein authorized may be undertaken in such units or stages as in the opinion of the Secretary best serves the project requirements and the relative needs for water of the several municipal users. Repayment contracts negotiated in connection with each unit or stage of construction shall be subject to the terms and conditions of subsection (b) of this section.

(f) The Secretary may, upon conclusion of a suitable agreement with any qualified agency of the State of Oklahoma or a political subdivision thereof for assumption of the administration, operation, and maintenance thereof at the earliest practicable date, construct or permit the construction of public park and recreational facilities on lands owned by the United States adjacent to the reservoirs of the Norman project, when such use is determined by the Secretary not to be contrary to the public interest, all under such rules and regulations as the Secretary may prescribe. No recreational use of any area to which this subsection applies shall be permitted which is inconsistent with the laws of the State of Oklahoma for the protection of fish and game and the protection of the public health, safety, and welfare. The Federal costs of constructing the facilities authorized by this subsection shall be limited to the nonreimbursable costs of the Norman project for minimum basic recreational facilities as determined by the Secretary.

(g) Expenditures for the Norman Reservoir may be made without regard to the soil survey and land classification requirements of the Interior Department Appropriation Act, 1954 (43 U.S.C. 390a).

SEC. 209. The Secretary of the Army is hereby authorized and directed to cause surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its territorial possessions, which include the following-named localities: *Provided*, That after the regular or formal reports made on any survey are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditions: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

Ogunquit, York, Wells, Kennebunk, Kennebunkport, Biddeford, Saco, Old Orchard, Cape Elizabeth, Portland, and Phippsburg, and adjacent coastal areas, Maine.

Patuxent River, Maryland.

Pithlachascotee River, Masarock Town, Anclote River, Lake Tarpon, Brooksville, and adjacent areas, Florida.

Phillippi Creek, Florida.

Atherton Creek, San Mateo County, California.

Wildcat and San Pablo Creeks, Contra Costa County, California.

Streams in Marin County, California, flowing into Richardson Bay, an arm of San Francisco Bay, including Coyote Creek and Arroyo Corte Madera del Presidio Creek.

Island of Hawaii, State of Hawaii, construction of dikes, barriers, or walls, to protect lives and property from lava flows resulting from volcanic eruption.

SEC. 210. In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $60,000,000 for the prosecution of the comprehensive plan adopted by section 9(a) of the Act approved December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress), as amended and supplemented by subsequent Acts of Congress, for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior.

SEC. 211. Title II of the Act may be cited as the "Flood Control Act of 1960".

TITLE III—EVALUATION OF RECREATIONAL BENEFITS

Policy and purpose

SEC. 301. It is hereby declared to be the policy of the Congress that full consideration should be given to the recreational purposes that can be served in the formulation, design, construction, and operation of Federal water resources projects hereafter authorized insofar as use for such purpose is compatible with the major purposes for which the project is to be undertaken. Consistent with this policy (1) as an integral part of the planning of any Federal water resources project, there should be included an evaluation of the recreational benefits to be derived therefrom, (2) planning with respect to the development of the recreational potential of any such project (a) should contemplate the coordination of the use of the project area for recreational purposes with the use of existing or planned Federal, State, or local developments in such manner as to achieve maximum net public benefit, and (b) should be carried out jointly with the Secretary of Agriculture if the project is or will be situated within the exterior boundaries of a national forest, and (3) plans with respect to any such project may provide storage and facilities as may be required for recreational use.

Definitions

SEC. 302. As used in this title—

(1) The term "Federal water resources project" means any project involving the development of water resources for purposes of navigation, flood control, reclamation, irrigation, water supply, hydropower, or other purposes which is undertaken by either the Secretary of the Army, acting through the Chief of Engineers, or the Secretary of the Interior, acting through the Bureau of Reclamation.

(2) The term "recreational purposes" means uses from which public recreational benefits may be derived.

(3) The term "recreational benefits" means public benefits of a recreational nature.

Applicability of section 4 of the Flood Control Act of December 22, 1944

SEC. 303. Except as provided herein, the provisions of this title are intended to be supplemental to and not in derogation of section 4 of the Flood Control Act of December 22, 1944, as amended (16 U.S.C. 460d), and the provisions of that Act are hereby made expressly applicable to Federal water resources projects of the Department of the Interior as well as the Department of the Army. With respect to any such project of the Department of the Interior, any reference in such section to the Secretary of the Army or the Chief of Engineers shall also be deemed to refer to the Secretary of the Interior.

Evaluation of recreational benefits

SEC. 304. (a) In addition to such other data as may be prescribed by law, or may be pertinent, there shall be included in any report required to be submitted to the Congress by the Secretary of the Army or the Secretary of the Interior with respect to the development of any Federal water resources project, (1) an evaluation of the annual recreational benefits to be derived therefrom, (2) the annual cost of providing such benefits, including the cost of the additional facilities, if any, to be installed or provided specifically in furtherance of recreational purposes, and (3) the part of the cost of any such project that should be allocated to recreational benefits.

(b) The evaluation of recreational benefits, as provided in this section shall be made by the Secretary of the Army with respect to Corps of Engineers projects or by the Secretary of the Interior with respect to Bureau of Reclamation projects. The President is hereby authorized to prescribe regulations under which each such evaluation shall be made; and the President shall include in said regulations provisions for using in such evaluation of recreational benefits of any project a monetary value of not less than 50 cents per visitor-day of use of that project for recreation.

(c) The total recreational benefit creditable to any project under the foregoing provisions of this section shall in no event exceed the cost of providing comparable water-associated recreation by the least costly alternative means.

Allocation and financing of costs

SEC. 305. (a) Project costs, including the cost of minimum basic facilities provided pursuant to clause (1) of section 306(a), shall be allocated to the purpose of recreation. Of the costs so allocated not more than 10 per centum of the total cost of any Federal water resources project, including the cost of providing minimum basic facilities pursuant to clause (1) of section 306(a), may be assigned to recreational purposes, except that if the Secretary of the Army or the Secretary of the Interior determines that the recreational benefits to be derived from any such project are needed and that such benefits will have value on a widespread national basis, he may include in any report which is submitted to the Congress with respect to such project a recommendation that a greater amount than 10 per centum of the total cost of the project be assigned to recreational purposes. That part of the total cost of any such project which is allocated to recreational purposes shall be nonreimbursable and nonreturnable: *Provided*, That project costs not so assigned shall be allocated as provided by law.

Project facilities

SEC. 306. (a) In connection with any Federal water resources project, the Secretary of the Army or the Secretary of the Interior is authorized—

(1) to construct, operate, and maintain minimum basic facilities for access to, and for the maintenance of public health and safety and the protection of public property on, lands withdrawn or acquired for the project, and to conserve scenery and natural, historic, and archeologic objects;

(2) to cooperate with interested State and local governmental agencies and others in the investigation and planning of any such project; and

(3) to permit the construction, maintenance, and operation of public park and recreational facilities on project lands.

The minimum basic facilities referred to in clause (1) of this subsection shall be limited to water supplies, sanitary facilities, boat anchorage and launching sites, access roads and parking areas, public camp and picnic sites, overlook stations, clearing of public-use water areas to a reasonable extent, and essential safety measures.

(b) In carrying out the policy and purpose of this title, as set forth in sections 301 and 303, the Secretary of the Army or the Secretary of the Interior is authorized to permit the construction, maintenance, and operation by non-Federal interests, with preference given to State and local governmental agencies, of such additional facilities as may be necessary or desirable for the full development of any Federal water resources project area for recreational purposes in accordance with the provisions of section 4 of the Flood Control Act of December 22, 1944, as amended (16 U.S.C. 460d).

Fish and Wildlife Coordination Act

SEC. 307. The provisions of this title are not intended to interfere in any way with operations carried on in accordance with the Fish and Wildlife Coordination Act (16 U.S.C. 661–666c), and no such provision shall be construed to supersede that Act or any of its provisions.

Reclamation Project Act of 1939

SEC. 308. The second sentence of section 9(a) of the Reclamation Project Act of 1939, as amended (43 U.S.C. 485h (a)), is amended by striking out "together with any allocation to flood control or navigation made under subsection (b) of this section", and inserting in lieu thereof the following: "together with any allocation (i) to flood control or navigation under subsection (b) of this section, or (ii) to recreational purposes made under the Water Resources Recreation Act of 1960."

Project areas within national forests

SEC. 309. (a) Nothing in this title shall be construed to affect in any way the authority of the Secretary of Agriculture with respect to project areas which are under his jurisdiction.

(b) The authority conferred on the Secretary of the Army and the Secretary of the Interior by section 306 of this title shall be exercised with respect to national-forest lands only with the concurrence of the Secretary of Agriculture.

Short title

SEC. 310. Title III of this Act may be cited as the "Water Resources Recreation Act of 1960".

TITLE IV—ACQUISITION OF REQUIRED LAND

Declaration of policy

SEC. 401. It is hereby declared to be the policy of Congress that owners and tenants whose property is acquired for public works projects of the United States of America shall be paid a fair and equitable amount for the property acquired and reimbursed for their actual losses.

Dissemination of information

SEC. 402. Within six months after the date that Congress authorizes construction of a water resource development project under the jurisdiction of the Secretary of the Army, the Corps of Engineers shall make reasonable effort to advise owners and occupants in and adjacent to the project area as to the probable timing for the acquisition of lands for the project and for incidental rights-of-way, relocations, and other requirements. Within a reasonable time after initial appropriations are made for land acquisition or construction, including relocations, the Corps of Engineers shall conduct public meetings at locations convenient to owners and tenants to be displaced by the project in order to advise them of the proposed plans for acquisition and to obtain their comments thereon. To carry out the provisions of this section, the

Chief of Engineers shall issue regulations to provide, among other things, dissemination of the following information to those affected: (1) basis and procedures for appraisals; (2) basis for offer to purchase property without going to court; (3) legal procedures in condemnation proceedings; (4) entitlement to payments for moving expenses or other losses not covered by appraised market value; (5) occupancy during construction; (6) removal of improvements; (7) payments required by occupants of Government acquired land; (8) deposits as advances to land and property owners; and (9) use of land by owner when easement is acquired. The operation of this section and the functions performed under it shall be exempt from the operations of the Administrative Procedure Act of June 11, 1946, as amended (60 Stat. 237).

Commission on Compensation in the Acquisition of Land

SEC. 403. Because (a) owners and tenants displaced by public works projects of the United States do not always obtain reimbursement for all of their expenses and losses and (b) judicial interpretation of just compensation as guaranteed by the fifth amendment to the Constitution of the United States assures payment of only the market value of the property taken as if willingly sold, there is hereby established a Commission to be known as The Commission To Study the Adequacy of Compensation in Federal Real Property Acquisitions, hereafter referred to as "the Commission", the purpose of which shall be to determine the most effective manner of carrying out the policy set forth in section 401 of this title.

Interim provision for reimbursement of losses

SEC. 404. Because (a) many owners and tenants whose land is required for water resource development projects of the Department of the Army are not being reimbursed at the present time in accordance with the policy set forth in section 401 of this title and (b) legislative action on any recommendations made by the Commission established under section 403 could not be completed before June 30, 1963, persons, firms and corporation from whom any interest in real property is acquired between the effective date of this Act and June 30, 1963 for a water resource development project of the Department of the Army shall receive, in addition to but not in duplication of any payments otherwise authorized by law, further payment as will, in the discretion of the Chief of Engineers, compensate such persons, firm or corporation for consequential losses and damages in an amount not to exceed $25,000 up to a maximum of 20 per centum of the appraised value of the interest in the real estate taken by the Government as determined by the Chief of Engineers. The authority conferred by this section shall be delegable by the Chief of Engineers to such responsible officers or employees as he may determine. The operation of this section and the functions performed under it shall be exempt from the operation of the Administrative Procedure Act of June 11, 1946, as amended (60 Stat. 237). To carry out the provisions of this section, the Chief of Engineers shall issue regulations which shall provide, among other things, that the payments authorized by this section shall be offset by any enhancement that the project causes in the market value of remaining property interests held by the applicant and shall be allowable only if the applicant certifies that he did not acquire his interest in the property involved in contemplation of the project or for the purpose of transfer to the Government. For the purpose of this section there shall be a presumption that an interest in property acquired other than through heirship after the date that a project is authorized by Congress was acquired in contemplation of the project.

Membership and organization of the Commission

SEC. 405. (a) The Commission shall be composed of seventeen members as follows:

(1) Nine appointed by the President of the United States, of whom six shall be from the executive branch of the Government and three from private life. From among these nine the President shall designate the Chairman and Vice Chairman of the Commission.

(2) Four appointed by the President of the Senate, at least two of whom shall be Members of the United States Senate.

(3) Four appointed by the Speaker of the House of Representatives, at least two of whom shall be Members of the House of Representatives.

(b) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(c) Nine members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(d) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C. 99).

Duties of the Commission

SEC. 406. The Commission shall study and investigate the present methods and procedures by which real property is acquired by the United States, the several States, and by other governmental bodies as deemed necessary in the discretion of the Commission. The Commission shall determine and report on the scope of losses, expenses, and damages incurred by individuals, families, business concerns, and local communities as the result of the acquisition of land for public works projects of the United States of America indicating particularly the scope and extent of losses, expenses, and damages, if any, not compensable under the judicial interpretations of the constitutional guarantee of just compensation.

Report

SEC. 407. The Commission, not later than December 31, 1962, shall submit to the President and to Congress a comprehensive report of its activities and the results of its studies. The report shall include recommendations for legislative enactments and administrative actions as in the judgment of the Commission are necessary to carry out the recommendations to fulfill the policy set forth in section 401 of this title.

Powers of the Commission

SEC. 408. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof may, for the purpose of carrying out the provisions of this title, hold such hearings, and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, of such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U.S.C., title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) The Commission is authorized to obtain from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this title, other than information relative to pending or prospective acquisitions; and each such department, agency, and instrumentality is authorized to furnish such information to the Commission, upon request made by the Chairman or by the Vice Chairman when acting as Chairman.

Appropriations, expenses, and personnel

SEC. 409. (a) There are hereby authorized to be appropriated to the Commission such amounts as may be necessary to carry out the provisions of this title.

(b) Each member of the Commission shall receive $50 a day when engaged in the performance of duties vested in the Commission, except that no compensation shall be paid by the United States, by reason of service as a member, to any member who is receiving other compensation from the Federal Government, or to any member who is receiving compensation from any State or local government.

(c) Each member of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(d) The Commission is authorized, without regard to the civil service laws and regulations, and without regard to the Classification Act of 1949, as amended, to appoint and fix the compensation of a Director and such additional personnel as may be necessary to enable it to carry out its functions, except that any Federal employees subject to the civil service laws and regulations who may be assigned to the Commission shall retain civil service status without interruption or loss of status or privilege.

Termination of the Commission

SEC. 410. The Commission shall cease to exist six months after the transmittal to the President and the Congress of the final report provided for in Section 407 of this title.

SEC. 411. Title IV of this Act may be cited as the "Land Acquisition Policy Act of 1960."

Mr. HILL. Mr. President, I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, after line 2, it is proposed to insert the following:

Black Warrior, Warrior, and Tombigbee Rivers, Alabama, at Jackson Lock and Dam: House Document Numbered 50, Eighty-sixth Congress, at an estimated cost of $120,000;.

Mr. HILL. Mr. President, I yield myself 3 minutes.

The House of Representatives on February 15, last, unanimously passed a bill authorizing the acquisition of land for a national wildlife refuge for the Jackson lock and dam navigation project on the Tombigbee and Warrior Rivers in the State of Alabama.

My amendment would do exactly what the bill as it passed the House would do. It provides for the acquisition of the land for the establishment of a wildlife refuge pursuant to the Fish and Wildlife Coordination Act.

The bill has the approval of the Chief of Engineers, the U.S. Fish and Wildlife Service, the Department of the Interior, the Bureau of the Budget. In fact, all the agencies concerned approve the bill. There is no objection to it.

The Chief of Engineers submitted a report on the project to Congress in accordance with the Fish and Wildlife Coordination Act approved on August 12, 1958.

In view of that fact, I hope the distinguished chairman of the committee, who is in charge of the bill, will accept the amendment.

Mr. KERR. Mr. President, I think the amendment is meritorious. It has been cleared by the Corps of Engineers. Speaking as the manager of the bill, I recommend that the amendment be approved.

Mr. CASE of South Dakota. I have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement I have prepared relating to this project.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HILL

The project for the Jackson lock and dam on Tombigbee River near Coffeeville, Ala., 120 miles above Mobile, is now under construction by the Corps of Engineers. The project is one of several lock and dam reconstructions on the Tombigbee and Black Warrior River systems, which include the Demopolis and Warrior locks and dams now completed. The authority for these projects is the River and Harbor Act of March 3, 1909, which permits the reconstruction of any existing structure whenever absolutely essential to its efficient and economic maintenance and operation to provide adequate facilities for existing navigation.

The Jackson lock and dam will replace existing old and antiquated locks Nos. 1, 2, and 3, on the Tombigbee River, with a dam about 65 feet high and a new modern lock 110 feet by 600 feet, having a single lift of 34 feet.

The plans for the Jackson lock and dam include improvement of the natural levee along the east bank of the river to provide a shallow permanent pool with several islands and a widely meandering shoreline along the west bank.

In accordance with the provisions of the Fish and Wildlife Coordination Act (U.S.C.A. title 16, sec. 661, as amended), the Secretary of the Interior and the director of the Alabama Department of Conservation propose to establish waterfowl management areas in conjunction with the project, including a State public shooting area on the east bank and a national wildlife refuge in and surrounding the pool on the west bank.

Establishment of the proposed refuge will require the acquisition of fee title to 2,025 acres of land which will be permanently inundated, but with no anticipated additional cost since the cost of fee title acquisition will probably be the same as the cost of acquiring flowage easements only as originally planned. In addition, the proposal will require fee acquisition of a thousand acres of islands formed by the impoundment at an estimated cost of $50,000, and 1,224 acres of land in a 300-foot shoreline strip around the margin of the reservoir at an estimated cost of $70,000, an increase in acquisition of approximately 2,000 acres of land that would not otherwise be acquired at a cost of $120,000.

The purpose of the Fish and Wildlife Coordination Act is to permit the development of wildlife refuge potential as a part of public works projects similar to Jackson lock and dam, but requires specific authorization for individual projects.

The Jackson lock and dam is located in a new flyway for migratory waterfowl from the Ohio River along the Cumberland and Tennessee Valleys to the wintering grounds on the gulf coast. The stabilized pool in the reservoir will also create substantial additional fishing and general recreational benefits.

The Chief of Engineers has submitted a report on this project to Congress in accordance with the Fish and Wildlife Coordination Act approved August 12, 1958. That report is printed as House Document No. 50, 86th Congress, and includes the report and recommendations of the Chief of Engineers, the U.S. Fish and Wildlife Service, the Department of the Interior, the Bureau of the Budget, and the State of Alabama. All of these agencies approve the project. There is no objection to it from any source so far as I know.

Authorization for this project was included in H.R. 8347, which passed the House on February 15, 1960. The Senate has not considered this House passed bill. A description of this project and comments of the agencies are included in House Report 1156, 86th Congress.

H.R. 7634 includes title III which permits evaluation of recreational benefits from projects hereafter authorized, and the use of those benefits in determining the economic feasibility of such projects. The Jackson lock and dam is now under construction and will be completed in about 2 years.

Adoption of the amendment I have offered will enhance the recreational possibilities of this large reservoir, will permit early realization of the recreational benefits from the project, and will permit full development of the project so that it will serve all possible purposes.

The wildlife refuge that will be established at the Jackson lock and dam project will be a cooperative effort. The U.S. Fish and Wildlife Service will maintain and operate the area on the west bank of the river, and the State of Alabama will develop the area on the east bank of the river, including construction of water control structures, and operate and maintain it without cost to the Federal Government.

I urge approval of the amendment.

Mr. JOHNSON of Texas. Mr. President, I send to the desk an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 57, lines 22 to 23 it is proposed to insert the following:

SEC. 210. The Chief of Engineers, under the direction of the Secretary of the Army, is authorized and directed to cause an investigation and study to be made, in cooperation with appropriate agencies of the State of Texas, with a view to devising effective means of accomplishing the recharge and replenishment of the Edwards Underground Reservoir as a part of plans for flood control and water conservation in the Nueces, San Antonio and Guadalupe River Basins of Texas: *Provided*, That the State of Texas or its agencies contribute toward the cost of such study such funds or services as the Secretary of the Army may deem appropriate: *Provided further*, That the findings of such study shall be presented in a joint report signed by the appropriate representatives of the Governor of Texas and of the Chief of Engineers.

On page 57, line 23, in lieu of "SEC. 210" it is proposed to insert "SEC. 211".

On page 58, line 7, in lieu of "SEC. 211" it is proposed to insert "SEC. 212".

Mr. JOHNSON of Texas. Mr. President, this amendment would authorize an investigation and study of the engineering feasibility of recharging the Edwards Underground Reservoir, in Texas. This great underground reservoir is a principal source of water for much of Texas; and the rapid drop in the water table in recent years has endangered the water supply of hundreds of thousands of Texans.

Under the amendment, the Corps of Engineers would investigate the possibility of recharging and replenishing the reservoir with flood waters from Texas rivers. This would reduce flood damage, and would conserve water for water-supply purposes.

Mr. President, I ask unanimous consent that I may insert at this point in the RECORD as a part of my remarks a brief statement explaining the nature and purpose of this amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSON OF TEXAS

This amendment authorizes the Chief of Engineers to make a study and investigation, in cooperation with appropriate agencies of the State of Texas, of the recharge and replenishment potential of the Edwards Underground Reservoir as a part of plans for flood control and water conservation in the Nueces, San Antonio and Guadalupe River basins of Texas.

The Edwards Underground Water Reservoir is the principal source of water for a large area in south-central Texas extending from Bracketville in Kinney County on the west to Kyle in Hays County to the north and east, a distance of 150 miles. The reservoir underlies large areas of the Nueces, San Antonio, and Guadalupe River basins, encompassing a surface area of more than 7,000 square miles.

The Edwards Underground Reservoir is the principal source of municipal, industrial, and irrigation water for a large area of Texas. Virtually all municipal water systems in the area depend on the Edwards as its source of supply including the city of San Antonio. Over 800,000 persons, seven major Army and Air Force bases, many significant industrial establishments and a large irrigated area look to the Edwards Reservoir for continued existence.

This reservoir is naturally recharged and replenished with water through exposed sections of the Edwards limestone formation in stream beds within the Nueces, San Antonio, and Guadalupe River basins. However, in recent years the demands on the reservoir by water users have far exceeded its natural recharge capacity, and as a result the water supply of this great area has at times been seriously in danger. The growth the economy of the area presently is experiencing will only add to the drain on this supply.

If the Edwards Reservoir is going to continue to serve as a principal source of water for this area of Texas, a way must be found to increase the rate of recharge from surface water sources. And the purpose of the investigation and study is to determine the engineering potential and feasibility of a recharge project for the Edwards Reservoir

The proposed investigation and study would be designed to ascertain how much water may be made available to recharge the Edwards Reservoir, the means by which it may best be introduced into the underground strata, the nature, location and estimated costs of any improvements or structures proposed for replenishing and recharging the reservoir and a determination of the benefits which would be derived from such a project especially from the standpoint of flood control and prevention and the development of municipal, industrial, and irrigation water supplies.

Local authorities have conducted extensive ground water surveys of the area concerned and have collected much basic data which will be utilized in this engineering study. Local agencies will also participate with the Corps of Engineers in carrying out the study, and it is provided in the amendment that the State of Texas or its agencies shall contribute toward the cost of the study such funds or services as the Secretary of the Army may deem appropriate. It is also provided that the findings of the study shall be signed by the appropriate representatives of the Governor of Texas as well as the Chief of Engineers.

Mr. CASE of South Dakota. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. CASE of South Dakota. I have examined the amendment. It has one unusual feature, in that it calls for the report to be signed by the Governor of the State of Texas, as well as by the representative of the Corps of Engineers. I certainly have no objection to the unusual signature provision, particularly in view of the fact that the study is to be a cooperative one.

However, I wish to ask the Senator from Texas whether it is to be understood that the report should also be submitted to the Federal agencies which customarily are called upon to make reports on studies by the Corps of Engineers, as well as to any State agencies which would be called upon because of their possible interest in the project.

Mr. JOHNSON of Texas. The answer is "Yes; they would be expected to."

Mr. CASE of South Dakota. With that understanding, I have no objection to the amendment.

Mr. KERR. I have no objection.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I wish to express my appreciation to the Senator from Oklahoma [Mr. KERR] and to the Senator from South Dakota [Mr. CASE] for the splendid work done on the Minnesota projects in the omnibus rivers and harbors bill.

We have waited for some time for these projects, particularly those which relate to the deepening of the harbors and the flood control project on the Redwood River and the expansion of the industrial harbor at Red Wing, Minn.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a brief analysis of those provisions of the bill.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

JUNE 9, 1960.

Four Minnesota projects are included in the omnibus rivers and harbors bill H.R. 7634. The following would be authorized by passage of the bill:

1. Flood control project on Redwood River at Marshall, Minn. This city serves the commercial needs of the highly developed, surrounding agricultural area. A major flood in June 1957 inundated the major part of the commercial and residential areas of the city and wide areas of adjacent farm land. Repeat of that flood would cause $2.6 million damage. The project calls for diversion of the river channel flood flows around the city.

2. Expansion of industrial harbor at Red Wing, Minn. This city serves a prosperous farming area in the southeast part of the State. At present, harbor facilities cannot handle increasing river traffic and storage demands. The project calls for dredging of a 9-foot-deep basin 1,200 feet in length.

3. Deepening of Duluth-Superior Harbor. This project would adapt the harbor to the full opportunity of deep-draft vessels off St. Lawrence Seaway. It is a part of the proposed comprehensive survey of 20 Great Lakes ports. Duluth-Superior had more traffic in 1958 than any of those ports. The cost-benefit ratio is a top-notch 19.3 to 1.

4. Deepening of Two Harbors harbor. This is another of the 20 ports included in the Great Lakes comprehensive survey. Its traffic, serving northeast part of the State, has picked up tremendously in recent years. It has a phenomenal cost-benefit ratio of 68 to 1.

Mr. CARLSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER (Mr. MCGEE in the chair). The amendment submitted by the Senator from Kansas will be stated.

The LEGISLATIVE CLERK. On page 58, between lines 6 and 7, it is proposed to insert the following new section:

SEC. 211. (a) The Secretary of the Army is authorized and directed to pay to any bona fide lessee or permittee owning improvements, which are or which were situated on a railroad right-of-way, the fair value of any such improvements, which have been or will be rendered inoperative or be otherwise adversely affected by the construction of the Tuttle Creek Reservoir project on the Blue River, Kansas, as determined by the Secretary, or by the U.S. District Court for the District of Kansas on which is conferred jurisdiction for this purpose.

(b) The Secretary of the Army is authorized to provide the funds necessary to carry out the provisions of this Act from any moneys appropriated for the construction of the Tuttle Creek Reservoir project.

On page 58, line 7, it is proposed to strike out "211" and insert in lieu thereof "212".

Mr. CARLSON. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Kansas yield himself?

Mr. CARLSON. One minute.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 1 minute.

Mr. CARLSON. Mr. President, I have discussed the amendment with the distinguished Senator from Oklahoma [Mr. KERR] and with the ranking minority member, the Senator from South Dakota [Mr. CASE].

The amendment authorizes and directs the Secretary of the Army to pay any bona fide lessee or permittee the value of improvements located on a railroad right-of-way, where improvements are rendered inoperative, due to construction of Tuttle Creek Dam.

Examples are elevators and feed mills, gasoline bulk stations, and lumberyards. Nine lessees along the rights-of-way of two railroads are affected. It is estimated the payments provided under the bill would be in the aggregate approximately $85,000.

The lessees have erected structures under leases with the railroads providing for termination upon acquisition of the fee by a public body and of another group upon 30 days' notice to lessee. As a result of court interpretation of the guarantee of just compensation contained in the fifth amendment to the Constitution, it has been held that tenants at will or licensees under revocable licenses do not possess a compensable property interest. Therefore, these nine lessees would suffer an undue hardship by receiving no damages for loss of improvements and also no consideration for the expense of removing their improvements, as required by the Federal Government.

The dam is practically complete. These installations should, in my opinion, be paid for by the Federal Government. The amendment follows the usual custom of taking care of these situations.

I sincerely hope that the Senator from Oklahoma and the ranking minority member of the committee will accept the amendment.

Mr. CASE of South Dakota. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. CASE of South Dakota. This amendment illustrates one of the problems to which the committee addressed itself in the hearings; namely, adequate and equitable reimbursement for the taking of property when there is no basis in general law for a loss sustained.

There have been brought to the attention of the committee other instances in which a structure has been built under some sort of lease that did not amount to a title. Under existing general law the Corps of Engineers does not have authority to pay for a structure which rests upon a temporary leasehold or an easement, when there is no title to the land.

However, merit for the amendment certainly exists; and in the past Congress has passed individual or special relief bills to take care of such cases.

I have no objection to the amendment, and I believe it should be adopted.

Mr. KERR. Mr. President, the amendment offered by the Senator from Kansas has precedent in meritorious amendments; and I request the adoption of this amendment.

The PRESIDING OFFICER. Do the Senators for both sides yield back the remainder of the time under their control?

Mr. CARLSON. I do, Mr. President.

Mr. KERR. Yes, Mr. President; I do.

The PRESIDING OFFICER. All time on the amendment has been either used or yielded back.

The question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. CARLSON. I thank the Senator from Oklahoma.

Mr. FREAR. Mr. President, I submit the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In title I, it is proposed to insert a new section 110, and to renumber the following sections—as follows:

SEC. 110. (a) That the project for a navigation channel in St. Jones River, Delaware, authorized by the River and Harbor Act of June 25, 1910, insofar as said project relates to said stream upstream from Lebanon, Delaware, be and the same is hereby abandoned.

(b) That St. Jones River upstream from Lebanon, Delaware, be, and the same is hereby declared to be not navigable waters of the United States within the meaning of the Constitution and laws of the United States.

(c) The right to alter, amend, or repeal this section is hereby expressly reserved.

Mr. FREAR. Mr. President, I need only one-half a second, because I think the committee is familiar with the amendment.

The PRESIDING OFFICER. Does the Senator from Delaware yield to himself one-half a second, only?

Mr. FREAR. Yes, Mr. President, for that will be sufficient time.

I lay the amendment in the hands of the chairman of the committee.

Mr. KERR. Mr. President, the amendment is a very unusual one. But in view of the fact that it authorizes the abandonment of the improvement, and in view of the fact that the amendment is offered by the Senator from Delaware [Mr. FREAR], I suggest its adoption.

Mr. CASE of South Dakota. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from South Dakota yield to himself?

Mr. CASE of South Dakota. Two minutes.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 minutes.

Mr. CASE of South Dakota. Mr. President, certainly it is unusual for us to be called upon to deauthorize a project or part of a project. It was authorized in 1910; and, apparently, 50 years later the authorization has not been employed, and now it is desired to abandon it.

First, let me ask the Senator from Delaware whether that is a fact?

Mr. FREAR. I believe it was abandoned in 1910.

Mr. CASE of South Dakota. And nothing has been done during the ensuing 50 years?

Mr. FREAR. That is correct. It is supposed to call for about 7 feet at mean low water. Perhaps I do not exaggerate when I say that 7 inches at mean low water is nearer the fact. There is no commercial traffic at all on the creek; it is used by rowboats, and so forth.

Mr. CASE of South Dakota. I should like to invite the attention of the chairman of the subcommittee who is handling the bill on the floor to the language in subsection (c); and I ask him to advise me what it means from a legal standpoint:

The right to alter, amend, or repeal this section is hereby expressly reserved.

That is rather unusual language, and would be a limitation. What does that provision mean?

Mr. KERR. I think it is a declaration of an actuality, which would be just as legal if not stated, but does not become less so by reason of being stated.

Mr. CASE of South Dakota. As a general proposition, my impression is that one Congress cannot bind another, and that the only way we could pass an irrepealable statute would be by constitutional amendment.

To reserve the right to repeal a section is rather unusual; but I have no objection, unless we are trying to bind a future Congress, when we do not have the power to do so.

Mr. KERR. It does not undertake to bind a future Congress. It specifically reserves to a future Congress the right to change it at its will.

Mr. CASE of South Dakota. Then I have no objection.

So far as this Congress is concerned, probably the amendment will be very useful.

Mr. FREAR. Mr. President, it will save the Government a considerable amount of money; I may say.

Let me ask whether the Senator from South Dakota will yield back the remainder of the time available to him.

Mr. CASE of South Dakota. I do.

Mr. FREAR. I do likewise.

The PRESIDING OFFICER. All time on the amendment has either been used or yielded back.

The question is on agreeing to the amendment of the Senator from Delaware.

The amendment was agreed to.

Mr. FONG. Mr. President, I send to the desk two amendments, and ask to have them stated.

The PRESIDING OFFICER. The first amendment offered by the Senator from Hawaii will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 22, following line 16, to insert the following:

Coasts of the Hawaiian Islands; investigation of sites for possible use as anchorage areas for handling of explosives. Areas of investigation to be designated by the Governor's Advisory Committee on Explosives.

Mr. FONG. Mr. President, I have taken this matter up with the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. How much time does the Senator yield to himself?

Mr. FONG. One minute.

This is a request for the investigation of an anchorage site for unloading of explosives within State waters. It requests an engineering survey.

Mr. CASE of South Dakota. Mr. President, I yield myself one minute.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 1 minute.

Mr. CASE of South Dakota. Mr. President, as I understand, this is a request for a study for a possible anchorage area.

Mr. FONG. That is correct.

Mr. CASE of South Dakota. It is not a request for an authorization for an anchorage, but for a study. Consistent with the other amendments we have already accepted to the bill and other proposals in the bill itself in the nature of committee amendments, I urge that the amendment be agreed to.

Mr. KERR. Mr. President, I urge the acceptance of the amendment.

The PRESIDING OFFICER. All time on the amendment is yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the second amendment offered by the Senator from Hawaii.

The LEGISLATIVE CLERK. It is proposed, on page 57, between lines 22 and 23, to insert the following:

Kahoma Stream, island of Maui, Hawaii.

Mr. FONG. Mr. President, this is another request for the Corps of Engineers to make a flood control survey of the Kahoma Stream on the island of Maui.

Mr. CASE of South Dakota. Mr. President, I yield myself 1 minute.

This amendment seems to be a request for a study, which is consistent with other study provisions in the bill and involves no great cost. It would be accomplished under the study funds available to the Corps of Engineers.

I urge its adoption.

Mr. President, before I yield the floor on this amendment, I should like to express my personal appreciation of the fine service rendered in the committee by our new colleague, the Senator from Hawaii [Mr. FONG]. The Senator from Hawaii, who is offering this amendment, has been most faithful in his attendance upon the hearings of the committee, and it is a pleasure to cooperate with him in this regard.

While I am speaking, I want to say the Committee on Public Works, I feel, is fortunate in having both Senators from the new State of Hawaii as members of the committee. Both Senators from Hawaii, Senator LONG, as well as Senator FONG, have been faithful in attendance on the meetings of the committee and have taken a real interest in the work of the committee.

Hawaii is a new State of the Union. It has been neglected in the past in rivers and harbors projects.

A couple of years ago, after I had been there and certain situations were brought to my attention, I proposed and introduced a bill to authorize the improvement of one of the harbors on the island of Maui which had a very high cost-benefit ratio, about 6 to 1, and one which was rated very highly by the Department of the Navy.

I merely mention the fact to illustrate that when the present State of Hawaii was a territory it did not have quite

the same opportunity that a State has in getting attention for its needed development.

The State of Hawaii is a great contributor to the revenues of the country. It is proper that the study should be made. The State is represented by very fine Senators. It is a pleasure to have them on the committee and to request concurrence in the amendment.

Mr. KERR. Mr. President, I yield 1 minute to myself.

I am happy to concur in the remarks of the distinguished Senator from South Dakota relative to our two new Senators from Hawaii, who are members of our committee, and to say that this amendment also is routine in nature and provides for an appropriate survey for a project in the State of Hawaii. I urge its adoption.

The PRESIDING OFFICER. All time on the amendment is yielded back.

The question is on agreeing to the amendment of the Senator from Hawaii.

The amendment was agreed to.

Mr. FONG. I thank the Senators from South Dakota and Oklahoma.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KERR. Mr. President, I offer an amendment, submitted by both Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 5, following line 4, to insert the following:

Pascagoula Harbor, Mississippi: Modification of the project authorized by the River and Harbor Act of 1954 (Public Law 790, Eighty-third Congress), House Document Numbered 98, Eighty-sixth Congress, to provide for a channel thirty-eight feet deep and three hundred and twenty-five feet wide through Horn Island Pass, thence thirty-five feet deep and two hundred and seventy-five feet wide through Mississippi Sound and up the Pascagoula River to the vicinity of the Ingalls Shipbuilding Corporation, in accordance with plans to be prepared by the Chief of Engineers, at an estimated cost of $850,000, subject to conditions of local cooperation as prescribed by the Chief of Engineers.

Mr. CASE of South Dakota. Mr. President, I yield myself 1 minute.

This project is one which has been mentioned on occasion, at other times, by the Senator from Mississippi. I am not familiar with the details of it. I see no objection to it, in view of its modest cost and with the requirement that local cooperation should be such as prescribed by the Army Engineers. I see no objection to going to conference with the amendment.

I trust, if we go to conference, a memorandum will be prepared for the information of the conferees as to details of the project.

The other amendments we have been agreeing to have been study amendments. This is an amendment for the actual authorization of a project. While it is less than $1 million in cost, I feel, before the conferees meet, we should have a memorandum of the details of the project and comment by the Army Engineers.

Mr. KERR. Mr. President, I yield myself 2 minutes.

I ask unanimous consent that there may be included in the RECORD a statement on the project by the Senator from Mississippi [Mr. STENNIS] and a letter from the Department of the Navy with reference to it.

There being no objection, the statement and letter were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

MODIFICATION OF PASCAGOULA HARBOR

1. Prior to funds made available in fiscal year 1960, the project for the Pascagoula Harbor, adopted by the Rivers and Harbors Act of March 4, 1913, and modified by the Rivers and Harbors Act of March 4, 1915, and May 17, 1950, provided for a channel 25 feet deep and 800 feet wide to Horn Island Pass, thence 22 feet deep and 225 feet wide across Mississippi Sound and up Pascagoula River to the Louisville and Nashville Railroad bridge.

2. The existing project for Pascagoula Harbor, approved September 3, 1954, provides for a channel 35 feet deep and 325 feet wide through Horn Island Pass, thence 30 feet deep and 275 feet wide through Mississippi Sound and Pascagoula River to the Louisville and Nashville Railroad bridge.

Modification requested: Increase channel depth 3 feet through Horn Island Pass, and an increase of 5 feet through Mississippi Sound and Pascagoula River.

3. Although modification and deepening the channel was authorized in 1954, Federal funds were not available until fiscal year 1960. The urgency of a deeper channel prior to 1960 forced local interests to use their own funds for deepening this important harbor facility, which was authorized by the Omnibus Rivers and Harbors Bill in 1954. In an effort to cope with this overall problem the local government of Pascagoula has spent some $5,250,000 for improving their port facility. This is certainly commendable and emphasizes the competence and willingness of local authorities.

In 1949, local interests provided increased dimensions in the main ship channel from the Gulf of Mexico to the Louisville and Nashville Railroad bridge, at a cost of $739,513.

In 1955, local interests dredged a cutoff channel 18 feet deep through Robertson and Bounds Lakes, along the alinement authorized by the Rivers and Harbors Act of May 17, 1950. The Bayou Cosotte Channel and harbor represent an expenditure by local interests of about $2 million, and public terminal facilities under construction on the west bank of Pascagoula River, when completed, will represent an additional expenditure of about $2 million.

4. The Pascagoula area is the most active industrial area in the State of Mississippi. The largest industry located here is Ingalls Shipbuilding Corporation, which is making ships for the United States, including several submarines, destroyers and transports. This is one of the most popular harbors and shipbuilding corporations in the world. This industry provides employment for approximately 9,000 people in several adjoining counties.

For the past several years ships built by Ingalls have had difficulty in getting out of Pascagoula Harbor. On several occasions the Corps of Engineers has been called upon to make emergency dredges to permit new ships to move out of the harbor. Funds made available last year will be of great assistance, but because of larger ships and submarines being assembled, concern has been expressed as to possible damage to new ships moving out through the harbor. If this condition continues to exist, this important Mississippi industry will lose the opportunity to build Navy ships in the future. At the present time they are building atomic submarines.

This modification is just as necessary and just as simple as having to extend the runway at Tinker Air Force Base in Oklahoma.

Ingalls was not called on to bid on the Polaris submarine; and while other reasons were given for not inviting bids, this inadequate harbor depth could have been a key factor. This modification is essential for adequate clearance of present and future ships which will be assembled here. It is certainly not fair for this important industry to be penalized because of inadequate harbor channel.

5. I have noticed in the press that the omnibus rivers and harbors bill of 1961 has about $65 million for modification, deepening and improving port facilities on the Great Lakes.

6. Our Military Construction Subcommittee approved an item for Charleston Navy Yard, authorizing $12.5 million just to build a new dock for the Polaris submarine.

7. This small modification, which the Engineers estimate to cost $850,000 is essential and will not materially affect present maintenance cost. In view of the exceptionally high local contributions made by the local government of Pascagoula—approximately $5,250,000—for improvement of this port facility, I hope that the Senate will accept and adopt this small modification.

DEPARTMENT OF THE NAVY,
BUREAU OF SHIPS,
Washington, D.C.

Hon. JOHN STENNIS,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR STENNIS: During our recent telephone conversation you inquired as to the adequacy of channel depths in the vicinity of the Ingalls Shipbuilding Corp. at Pascagoula, Miss., in light of plans for future naval ship construction.

As you know, the inner channel extending from Pascagoula Harbor to Horn Island Pass has been dredged to approximately 30 feet in depth and the outer channel has been similarly deepened to approximately 35 feet. These depths are sufficient to accommodate Navy ships now under construction at Pascagoula. Naval ships of the foreseeable future for which Ingalls might be a competitor, probably will require a channel depth of approximately 35 feet.

I trust that this information will be helpful to you.

With kindest regards.

Sincerely yours,

R. K. JAMES,
Rear Admiral.

Mr. KERR. Mr. President, with reference to this amendment, it provides for the deepening of a channel which now comes into the harbor at Pascagoula. The purpose of it is to make it possible for a great shipbuilding company at Pascagoula to be able to be competitive in its bids for the building of certain ships or submarines by the Navy which, without this change or addition and improvement to the harbor, it could not do. With this improvement to the harbor, it will become the first shipbuilding company on the Gulf of Mexico that will have a harbor facility which will enable it to be competitive with other shipbuilding companies located in harbors elsewhere in our country with facilities which enable them to be competitive in bidding for this work.

Mr. CASE of South Dakota. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. KERR].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LUSK. Mr. President, I offer amendments which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendments offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 58, between lines 6 and 7, to insert the following:

SEC. 211. The Detroit Dam and Reservoir on the North Santiam River, Oregon, authorized by the Flood Control Act of June 28, 1938 (Public Law 761, Seventy-fifth Congress), shall be known and designated hereafter as the Douglas McKay Dam and Reservoir. Any law, regulation, map, document, record, or other paper of the United States in which such dam and reservoir are referred to as the Detroit Dam and Reservoir shall be held to refer to such dam and reservoir as the Douglas McKay Dam and Reservoir.

On page 58, line 7, in lieu of "211", it is proposed to insert "212".

The PRESIDING OFFICER. How much time does the Senator from Oregon yield to himself?

Mr. LUSK. One minute.

The purpose of the amendment is to name the dam in western Oregon on the west slope of the Cascade Mountains now known as the Detroit Dam after the late Douglas McKay.

Mr. President, I shall make a brief statement about Douglas McKay. He was born in Portland, Oreg., in 1893. He served as mayor of Salem, Oreg. He served several terms in the Oregon State senate, and as Governor of Oregon from 1949 to 1953. He was appointed Secretary of the Interior January 21, 1953, and resigned from that position in May 1956. He was appointed chairman of the International Joint Commission in August 1957, and served until his death, July 22, 1959.

Mr. McKay was a distinguished political leader of Oregon for more than a quarter century. He was always interested in the development of the natural resources of the Nation, particularly the water resources. He was Governor of Oregon during the time the major projects in the Columbia River Basin were authorized. In his capacity as chairman of the International Joint Commission he served with distinction, and he deserves much of the credit for the progress which has been made in reaching an understanding with Canada with respect to the use of the Columbia River waters.

It is believed to be fitting that the Detroit Dam and Reservoir be named for Mr. McKay in recognition of his long and outstanding service to the State of Oregon, to the Pacific Northwest, and to the Nation.

Mr. President, I have discussed the amendment with the distinguished chairman of the subcommittee of the Committee on Public Works, and I trust the amendment will be accepted by him.

Mr. CASE of South Dakota. Mr. President, I yield myself 1 minute.

Mr. President, so far as the Senator from South Dakota is concerned, it is a pleasure to urge acceptance of the amendment. Douglas McKay was a man of the West. He was a great patriot. His death was untimely, due in part to injuries which he sustained in the service of his country. He had a great career in public life in the State of Oregon and in the Nation's Capital. I am pleased to see the amendment offered by the distinguished Senator from Oregon, and I urge its adoption.

Mr. KERR. Mr. President, I yield myself 1 minute.

I have no objection to the acceptance of the amendment.

Mr. President, I yield back the remainder of my time.

Mr. CASE of South Dakota. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. LUSK].

The amendment was agreed to.

Mr. HART. Mr. President, will the Senator yield?

Mr. KERR. Mr. President I yield 2 minutes to the Senator from Michigan.

Mr. HART. Mr. President, I thank the senior Senator from Oklahoma for his leadership in developing title III of the bill before us. This title recognizes the urgent and increasing recreational need throughout the United States. Since I come from a State rich in recreational opportunities, and serve with the Senate Select Committee on National Water Resources, of which the Senator from Oklahoma [Mr. KERR] is chairman, I have become increasingly convinced that we are entering a period in which recreational demand is going to be such that we must give new recognition to this use of our natural resources. It will be one of my prime interests in the 87th Congress to participate in preparation of a legislative basis for meeting the national need for recreational opportunities.

Title III applies, quite properly, only to projects of the Corps of Engineers and the Reclamation Bureau, and only to the extent that recreation is applicable to their primary purposes of navigation, flood control, irrigation and hydroelectric power. Also quite appropriately, title III limits its application to minimum basis facilities. It is an urgently needed, timely step. It is my hope that the Congress will approve this statement of policy, and that next we shall move on to a program which looks to the full development of our recreational opportunities.

In this connection, I commend the author of title III specifically for recognizing in it the fact that cooperation between the Federal Government and non-Federal interests is essential. This same principle will be of the utmost importance in the drafting of legislation for the broader program which must come in light of forseeable need. Title III is a fine contribution to the bill before us. I hope it is widely appreciated and supported.

Additionally, Mr. President, I commend the senior Senator from Oklahoma for the leadership which has resulted in section 206 of the bill before us. Here the Corps of Engineers is authorized to compile and disseminate information on areas subject to inundation by floods. This section specifies that the information shall be made available only upon the request of a State or responsible local governmental agency. This limitation is wise since there are many facets to this problem which will need further study. For example, there is the problem of what use should be made of property identified as subject to inundation by floods; and there are matters of Federal-State-local governmental and nongovernmental relationships carefully to be worked out. I welcome the inclusion of this section in the bill. It will put us on the track to working out one of the thorny problems in the water resources field. Again I thank the Senator.

Mr. HOLLAND. Mr. President, will the Senator yield me 3 minutes?

Mr. KERR. Mr. President, I yield 3 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. HOLLAND. Mr. President, I wish to express my very deep appreciation, as well as that of my colleague and of the people of the State of Florida generally, to the distinguished Senator from Oklahoma, the Senator from South Dakota, and the other members of the committee on both sides of the aisle, for the careful and meticulous way in which they have worked out the several problems relating to Florida which were involved in the work of the committee and which are now covered by the provisions of the bill.

Mr. President, there were an unusually large number of favorable reports from the Corps of Engineers during the period following the approval of this bill by the House of Representatives. The distinguished chairman of the committee and the members of the committee handled all those reports very carefully and helpfully. I am certainly grateful to them for their action.

Mr. President, in addition, there are two unusual items in the bill to which the distinguished chairman and his committee gave attention, and which I think they handled in a very fine, fair, and understanding manner. One of those is the provision whereby the dike around Lake Okeechobee is designated as the Herbert Hoover dike. This was the request of all the local units of government in the area affected, both municipalities and counties, and also the request of the State of Florida through the Governor and members of the cabinet of our State.

Mr. President, in order that the RECORD may at least reflect the facts about this incident, I ask unanimous consent that a portion of the report, the paragraph at the top of page 132 dealing with this subject, be printed in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

CHANGES IN DESIGNATION, LAKE OKEECHOBEE LEVEES

Disastrous floods caused by hurricanes in 1926 and 1928 cost the lives of about 2,500 persons in the Lake Okeechobee area,

particularly around its south shore. It is understood that President Herbert Hoover visited the area and within a short time secured congressional authorization for Federal improvement of the inadequate flood-control structures around the lake. Local interests and State officials now desire to designate the levees around Lake Okeechobee as the Herbert Hoover dike, to commemorate his humanitarian efforts and interest in public safety, which permitted the safe development of the rich potential of this region. The committee believes it fitting that the desires of the people of Florida be fulfilled and that the levees around Lake Okeechobee bear the name of this great American.

Mr. HOLLAND. Mr. President, we had two disastrous floods during hurricanes, one in 1926 and one in 1928.

The flood in 1926 took the lives of about 300 citizens of our State at and near the little village of Moore Haven on the west shore of the lake. The flood of 1928, again during a hurricane, took the lives of some 2,200 citizens of our State, in the neighborhood of Belle Glade, Pahokee, and South Bay, on the southeast side of the lake.

President Hoover was very helpful to our Senators, to our Representatives, and to the people of Florida in taking a direct and personal interest in the disaster, and in helping to have legislation promptly passed through the Congress, following which the levees were speedily built. We merely wish to make sure that his very important part in this effort be not forgotten, which is the occasion for the request, Mr. President. The citizens in the protected area have been safe from hurricanes and floods since the dikes were constructed.

The other item which was handled so ably by the distinguished Senator and his committee concerned the conveyance of property. Originally, when the cross-State canal in Florida was authorized by Congress, it was intended to be a ship canal or a sea level canal which would require a very wide right-of-way. The ship canal authority of our State, seeking to meet its obligations under that venture bought and conveyed to the U.S. Government quite a large acreage of land. Some of the land is still required under the modified program, which provides for a barge canal only, which does not require nearly so wide a right-of-way.

The Corps of Engineers recommended, and the committee approved, a provision in the bill, section 104 of title I, by which it is directed that lands not needed under the new project can be reconveyed to the ship canal authority of Florida, provided the lands will be used solely to enable that authority to purchase other needed lands, which condition, of course, will be meticulously observed.

Mr. President, I thank the distinguished Senator. I realize it has not been easy in this very busy session to find time for things of this kind, which nevertheless are highly important and could not be handled other than by legislation. The Senator has been kind. He has been patient. He has been thoughtful. He has been considerate. I thank him and all the other members of the committee.

Mr. KERR. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 1 minute.

Mr. KERR. Mr. President, I express my appreciation not only to the distinguished Senator from Florida [Mr. HOLLAND] but also to the distinguished Senator from Michigan [Mr. HART].

It was my great pleasure, when I came to the Senate, to become a member of the Committee on Public Works. At that time the Senator from Florida was one of its very able members. It was from him that I learned a good deal of what I may know about the work of the committee. I appreciate what the Senator has had to say.

Mr. President, I yield 3 minutes to the Senator from West Virginia [Mr. RANDOLPH].

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 3 minutes.

Mr. RANDOLPH. Mr. President, our colleague, the scholarly and sincere Senator from Arkansas [Mr. FULBRIGHT] is necessarily absent from the Chamber during the consideration of the rivers and harbors-flood control authorization measure. He requested me to present on his behalf a statement, in which he speaks not only of the objectives of the merited legislation, but also expresses his commendation of the services of the Senator from Oklahoma [Mr. KERR], who is in charge of the bill.

Mr. President, I ask unanimous consent that the statement of the Senator from Arkansas [Mr. FULBRIGHT] be made a part of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR J. W. FULBRIGHT

I commend the chairman and the members of the Public Works Committee for their efforts on this authorization bill. They have done a great service to the Nation in bringing out this sound, constructive bill for the development of our water resources. The distinguished Senator from Oklahoma, Mr. KERR, deserves a special vote of thanks from conservationists everywhere for his tireless work in guiding the subcommittee's deliberations on this measure. The people of Arkansas, I know, are grateful for his vision and foresight on conservation matters. He has been a good friend to our State in cooperating on our water projects. I congratulate him on doing his usual outstanding job on an authorization bill.

The passage of this bill will represent another giant step toward the ultimate objective of achieving maximum benefits from all our water resources. We are just beginning to develop a nationwide awareness of the importance of water to our economy. It is unfortunate that we have neglected so long the development of this essential aspect of our economy. Growing water shortages in many areas and serious flooding in others have created a new awareness of the need to devote more effort toward solving the difficult problems of having too much or too little water. The wisdom of our Nation's past efforts at water control and conservation are proved anew year after year. The floods in the Missouri, Ohio, and Mississippi Basins, as well as in my own State, this spring demonstrated the economic soundness of our previous investments in flood control works in those areas.

The projects in this authorization bill will strengthen the Nation's economy and place our country in a better position to meet the demands of the future.

Arkansas fared well in this bill and I should like to discuss briefly some of the State's projects included in it.

The Ouachita River navigation project promises to open a new era of progress for all South Arkansas. The modernization of the existing 6½-foot channel has been urgently needed for years. The existing navigation channel and locks are woefully inadequate for modern barge traffic. We have worked for years to get started on the needed improvements and, with this authorization, the end is almost in sight.

South Arkansas is an area with rich potential. It has everything that industry needs and wants with the exception of adequate water transportation. The completion of the proposed project will make this one of the most attractive industrial areas in the country. I am not only very pleased that the committee recommended authorization of the project but also that it recognized the need for locks of sufficient size to accommodate modern barges. The review of this aspect, as recommended by the committee, will, I hope, result in increasing the lock size to 600 feet. Such locks are needed in order that the project not be outdated before construction is completed.

The committee also recommended authorization of the McKinney Bayou and Maniece Bayou projects in southwest Arkansas. Both of these bayous are tributaries of the Red River and construction of the recommended improvements would protect large sections of rich agricultural land from periodic flooding. The projects have excellent benefit-cost ratios. I know that the citizens of the affected areas will be grateful for the committee's sympathetic consideration of their problems.

The recommended plan for realinement of the channel of the Red River near Garland City, Ark., will save a railroad and a highway bridge as well as eliminate the threat to the city itself.

A real emergency exists because of the continued recession of the right bank of the river and I am pleased that the committee recognized the seriousness of the situation.

The plan of recommended improvements for the Village Creek, White River, and Mayberry levee districts project in Jackson County, Ark., represents the most logical approach to solving the flood control problem in that area. The plan recommended by the committee, and supported by the local interests, will eliminate 95 percent of the flood damages in the district whereas the plan recommended by the Corps of Engineers would eliminate only about 45 percent. The committee properly viewed this project as a modification of existing flood control works along the White River, with the entire plan figured as a unit. I am glad that the committee considered this relationship and approved the plan which will provide maximum benefits.

The committee has also increased the Arkansas and White River Basin authorizations by amounts sufficient to permit sound progress and budgeting for the next 3 years. This action will insure that there will be no delays because of authorization difficulties in proceeding with these basinwide projects so important to my State.

I commend the committee on its recommendation that additional emphasis be placed on the recreational aspects of water projects. For many years I have favored the computation of recreational benefits in project feasibility determinations. The citizens of Arkansas appreciate the contributions to the State's economy from the tourists and fishermen who visit our reservoirs.

Last year over 7 million visits were made to Corps of Engineer reservoirs in Arkansas. Recreation is big business, not only in Arkansas but everywhere. And it is only logical that recreational facilities should be included in a project where practical and the benefits and costs for such features computed accordingly. Our outdoor recreational facilities are already overcrowded and the situation will undoubtedly become worse as increasing leisure time is available to our people. Each Federal water project should be constructed so that maximum recreational benefits are derived from it. I am very pleased at the prospect of establishing this goal as a policy of the Congress.

This is a good bill from the standpoint of Arkansas and the Nation. I hope that it will be possible to obtain funds during this session of Congress to initiate work on many of the projects. I will certainly do everything I can to accomplish this. I again want to commend the committee members for their fine work in bringing out such a constructive piece of legislation. Future generations will be grateful for your action.

Mr. RANDOLPH. Mr. President, I wish to embrace the thinking of the Senator from Arkansas as expressed in the statement I just inserted in the RECORD. The control of water that floods may be prevented, that natural resources may be conserved, that a pure supply may be provided to growing populations—with resulting benefits for necessary recreation—is highly desirable to our Nation's growth and the well-being of our people.

It has been a genuine privilege for me to serve on the subcommittee of which the Senator from Oklahoma [Mr. KERR] is the dynamic and forward-thinking chairman. I have learned from his leadership, and I have also admired the careful efforts of Senator CASE of South Dakota in our Subcommittee on Rivers and Harbors-Flood Control and our full Committee on Public Works. The committee, chairmaned by the friendly Senator from New Mexico [Mr. CHAVEZ], is charged increasingly with the consideration of legislation important to the strengthening of the natural resources of America so that they may be blessings for future generations, rather than to have them deteriorate into blights on the Nation's tomorrows.

Mr. President, the gravity of our water pollution threat makes it imperative that the Federal Government move as rapidly as possible in solving what has long since ceased to be an exclusively local or State problem.

The water of this country can and must be improved for public water supply, propagation of aquatic life and other wildlife, for recreation, agricultural, industrial, and other legitimate uses—but importantly, of course, for the protection of public health.

Water is an old friend and a most valuable servant as well. Today we are making more demands upon this valuable servant than ever before; for home uses, for the production of hydroelectric power, for irrigation of arid lands, for transportation, and, of course, for industrial needs. Then, too, we use water to carry away the wastes from our homes, cities, and industries. This use has always been important, but as the population increases and as more industries are spawned along our streams, this use—for carrying away wastes—actually is threatening to cut down or completely prevent our other significant uses.

Let us not forget, Mr. President, that water has indeed been humanity's good friend. We have allowed ourselves to neglect and mistreat it too long, but in this legislative action, and by our cooperation back home, we are finding that it is not too late to translate neglect into positive growth and mistreatment into affirmative frontiers.

Mr. KERR. Mr. President, I yield to myself 30 seconds. I am very grateful to the Senator from West Virginia for his kind remarks, and I am happy to say that one of the pleasures that I have on the committee is the opportunity to work day by day with him, and to have the benefit of his clear thinking and devoted service to the committee and its purposes.

Mr. LONG of Louisiana. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. On page 19, line 13, it is proposed after the word "to", to strike out "established harbor areas" and insert "harbor areas heretofore or now established and".

Mr. LONG of Louisiana. Mr. President, the amendment is purely in the nature of a clarifying amendment, because it contains the purpose of a bill which I had introduced to provide that cities which had harbors on rivers and which were deprived of the right to have such harbors by way of flood control structures or by the shift of the river might be in a position to have channels to bring access to the river for navigational purposes.

Mr. KERR. Mr. President, I think the amendment is purely clarifying. I think the amendment expresses the purpose of the committee in the bill as it was prepared and accepted, and is before the Senate, and I think the acceptance of this amendment is appropriate.

Mr. LONG of Louisana. Mr. President, I express the gratitude of the State of Louisiana for the consideration and the help that the distinguished Senator from Oklahoma has given to all States on flood control and navigation projects in the bill. In our judgment he has done a magnificent job. He has been very fair and he has respected the interests of the Nation.

Adoption of the bill will improve and strengthen this Nation.

The PRESIDING OFFICER. Without objection, all time is yielded back.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. DIRKSEN. Mr. President, I appreciate the difficulties that we had with the authorization bill on rivers and harbors last year and perhaps the year before. It is likely that we may have the same difficulty again. I am in a very awkward position for a number of reasons.

The Budget Bureau has pointed out some projects that are objectionable, the first and largest of which is a project in which I have a deep and abiding interest.

I say to the distinguished chairman of the subcommittee, the Senator from Oklahoma [Mr. KERR] and my friend and associate from South Dakota [Mr. CASE] that I shall be forever deeply grateful for their kindness in including an Illinois Waterway project for the enlargement of three locks and dams in the hope that we can accommodate the Great Lakes commerce that will be generated by the Seaway.

Now I discover that among the projects on which the Budget Bureau has expressed hope that there would be deferral is one in which I am most interested. Incidentally, it is the largest project on the list, being in the amount of $114,652,000.

Mr. President, a soldier has no business to complain. He takes the bitter with the sweet, and when he carries the flag, he carries it through thick and thin, in light and dark, and if that is the way it must be, then that is the way it must be. My hopes and aspirations with respect to this project must at least momentarily fall by the wayside.

There are 12 projects to which opposition has been registered. They aggregate $115 million. I think of that number there were five which both the Bureau of the Budget and the Chief of Engineers opposed. There are three projects which the Bureau of the Budget has recommended not be authorized on the basis proposed in the bill. There are 10 projects estimated at a cost of $81 million which have not yet been reviewed and reported on by the Bureau of the Budget under established budget policies.

Then I believe there are 17 projects which do not conform to the uniform cost-sharing standards of flood control projects, in the sum of $181 million.

Under the circumstances I simply must say that I am in an extremely awkward position. I am terribly distressed. But I have no business to complain because in my entire congressional and senatorial career I have opposed the projects of others and attempted to remove them from bills. So if perchance through the recommendations of the President, the Corps of Engineers, and the Bureau of the Budget, the bill is vetoed because my project is at the head of the list, the largest and seemingly the one objectionable project that ought to be deferred, then I must abide the result and be content. But I feel compelled and constrained to make the record.

In connection with my remarks I ask unanimous consent to have printed in the RECORD at this point in my remarks a statement in amplification, a summary, a breakdown of the projects, and some details thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR DIRKSEN REGARDING EXECUTIVE BRANCH OBJECTIONS TO CERTAIN PROVISIONS IN H.R. 7634

I should like to invite attention of the Senate to certain water resources projects which would be authorized under H.R. 7634 and to summarize its general provisions. As this bill passed the House it included only projects which had been cleared by the Bureau of the Budget without objection as to their relationship to the President's program. There were seven of these projects which the Bureau of the Budget had recommended be deferred until Congress had an opportunity to consider the recommendations made by the President in his 1960 budget message to establish uniform cost-sharing standards for flood control projects. Aside from this question of local cost sharing there appeared to be no basic difference between the administration's recommendation and the action proposed by the House.

The bill now before the Senate differs sharply from that passed by the House. It includes five project authorizations which both the Bureau of the Budget and the Chief of Engineers have recommended against; three projects which the Bureau of the Budget has recommended not be authorized on the basis proposed in the bill; and two project modifications which are in conflict with the President's policies, although the executive branch position has not been formally solicited. These 10 project authorizations and modifications would cost about $150 million.

In addition, the bill also proposes the authorization of 10 projects, estimated to cost $81 million, which have not yet been reviewed and reported on by the Bureau of the Budget under established policies governing the review and clearance of water resources projects. These procedures were established to assure that both the President and the Congress had complete information on which to base their action on individual projects. You may recall that this deficiency was one of the important reasons leading to the President's two successive vetoes of the last omnibus legislation authorizing appropriations for rivers and harbors and flood control improvements.

There also have been added to the House bill 17 projects which do not conform to the uniform cost-sharing standards for flood control projects recommended by the President in both his 1960 and 1961 budget messages. These 17 projects, together with the 7 previously included by the House involve an estimated total cost of about $186 million. Present laws require Federal agencies to conduct various programs involving flood control under different and inconsistent cost-sharing standards. Some local groups are required to make substantial contributions for flood control while others are required to make little or none. For example, the cost sharing required for projects included in the bill ranges from no contribution to a contribution as high as 58 percent. Certainly there should be an equitable basis for determining cost sharing. It should also apply uniformly to all water resources projects, irrespective of the Federal agency that constructs or finances the project.

Aside from those sections of the bill dealing with specific project authorizations, I would like to direct attention to its general provisions. In title III, provision is made for the evaluation of recreational benefits associated with the water resources projects of the Corps of Engineers and the Bureau of Reclamation. It is my understanding that this title has been opposed consistently by the Bureau of the Budget and other affected executive branch agencies both in written and oral representations to the Senate Public Works Committee.

The bill would permit currently uneconomical projects to be justified for authorization by assigning a share of project costs to recreation and thus reducing costs assigned to other purposes, both reimbursable and nonreimbursable. This bill would also enact piecemeal legislation dealing with water resources recreational problems which should be deferred pending consideration of the comprehensive report of the Outdoor Recreation Resources Review Commission.

It should be noted that this Commission was established by the Congress; that the Senate, as well as the House, is represented on the Commission; and that $2.5 million has been authorized for its work. The Commission's report should be available next year and should provide the information needed to frame constructive legislation dealing with recreation not only as it applies to the Corps of Engineers and the Bureau of Reclamation but all other Federal agencies involved in this growing and important field.

It is also important to note that the recreational features of the bill will result in a heavier burden for the general taxpayer since the costs assigned are nonreimbursable. No cost information is contained in the report and the effect of this bill on the Federal budget is therefore unknown.

Another general provision of the bill (title IV) deals with land-acquisition policy. It would (a) declare the policy of Congress that owners of property acquired by the United States should be paid a fair and equitable amount and be compensated for actual losses, (b) authorize establishment of a joint executive branch-congressional Commission to study problems of compensation for property acquired by the United States and report by December 31, 1962, on recommendations for amending existing Federal law and for administrative action to carry out the policy of Congress, and (c) authorize payment of up to 20 percent, but not over $25,000, above fair market value for property acquired for Corps of Engineers projects through June 30, 1963.

Both the statement of policy and the establishment of a joint executive branch-congressional Commission appear to be sound. However, the establishment of an interim additional payment policy for the Corps of Engineers is not sound. It would create an undesirable precedent and would tend to prejudge the findings and recommendations of the Commission established under this title. Until the recommendations of the Commission are available no action should be taken by the Congress to further complicate an already difficult problem. Here again there is no basis for determining the cost of this provision since no financial information is included in the report.

In summary, I think it important to point out that a review of H.R. 7634 discloses even more of the shortcomings that on two previous occasions led to Presidential disapproval of omnibus rivers and harbors and flood-control bills.

Comparison of S. 497 as vetoed in 1958 by the President and H.R. 7634 as reported by Senate Public Works Committee

[In millions of dollars]

	S. 497				H.R. 7634			
	Number	Percent	Federal cost	Percent	Number	Percent	Federal cost	Percent
Objectionable items:								
1. Objection to authorization of suggested amendment	12		$155.7		12		$150.5	
2. No project report	4		27.5		10		80.8	
3. Inadequate cost sharing	14		167.7		24		186.1	
Subtotal	30	21	350.9	39	[1] 45	36	417.4	64
No objection items:								
1. Projects	112	79	538.0	61	80	64	239.9	36
Total	142	100	888.9	100	125	100	657.3	100
2. Basin authorizations	14		815.2		11		928.0	
Grand total	156		1,704.1		136		1,585.3	

[1] Does not add because one project is in both of first two categories, Gering and Mitchell Valleys, Nebr.

Analysis of H.R. 7634, omnibus rivers and harbors and flood control bill, as reported by Senate Public Works Committee—Items to which executive branch has some objection

I. Items which the Bureau of the Budget recommends not be authorized or authorized with amendments (see following explanation):

	Federal cost authorized by H.R. 7634
1. Illinois Waterway (duplicate locks), Ill. and Ind.	$114,652,000
2. Natchez Harbor, Miss.	350,000
3. Village Creek, White River, and Mayberry levee districts, White River, Ark.	1,322,000
4. Coralville Reservoir, Iowa (Mehaffey Bridge)	1,180,000
5. Gering and Mitchell Valleys, Nebr.	
6. Fort Randall Dam, S. Dak. (free highway bridge)	$6,375,000
7. Payments to Bismarck and Mandan, N. Dak.	956,753
8. Laurel Reservoir, Ky.	22,077,000
9. West Branch Mahoning River, Ohio	1,970,000
10. Tahchevah Creek, Calif.	1,658,000
11. Water resources recreation (title III).	
12. Land acquisition policy (title IV).	
Total	150,540,753

EXPLANATION

1. Illinois Waterway, Ill. and Ind. (duplicate locks):

Project description: Federal construction of seven duplicate locks on the Illinois Waterway, which connects Chicago with the Mississippi River.

Cost and benefit-cost ratio: Federal, $114,652,000; non-Federal, none.

Benefit-cost ratio: from 1.8 to 7.5 for individual locks; 4.9 for entire project.

Executive branch recommendations: Chief of Engineers recommended authorization as proposed in H.R. 7634. Bureau of the Budget recommended against authorization at this time.

DISCUSSION

(a) Corps report estimates existing locks will reach capacity to move growing waterway commerce in 1968 for first 2 locks and in 1977 for last 3 locks. Growth of commerce projected by Corps on basis of increases since 1935 when channel to Chicago was opened. Though continued growth is indicated, rate projected by Corps may be optimistic.

(b) Corps report assumes no further increase in present lock capacities in terms of average tons per lockage, though this has increased dramatically since 1937. Further increase is believed possible in view of continued trend toward more efficient waterway equipment.

(c) On basis of Corps report authorization is 8 to 17 years in advance of need. Adjustment of factors as discussed above would make need even more remote. In either case authorization would be premature. Bureau of the Budget urged review and further report 5 years in advance of most optimistic estimate of need (1963).

Issue: $115 million Federal investment should not be authorized 8 years in advance of optimistic estimate of need.

2. Natchez Harbor, Miss.:

Project description: Federal construction of levee around area subject to flooding to permit development of port and terminal facilities at Natchez.

Cost and benefit-cost ratio: Federal, $350,000; non-Federal, $260,000. Benefit-cost ratio, 3.95.

Executive branch recommendations: Chief of Engineers recommended no Federal project be adopted. Bureau of the Budget concurred in Chief of Engineers' recommendation and recommended against project authorization.

DISCUSSION

Mississippi River Commission recommended authorization of project as proposed in H.R. 7634.

Chief of Engineers in reviewing Commission report found that Natchez was located on a reach of the river where access from the existing navigable channel is now available as a result of satisfactory natural depths, making possible the realization of potential savings by the provision of necessary terminals. He cited the long established principle of waterway development that the Federal Government provides the navigable channels and that local interests construct the land side facilities. He expressed the belief that this policy is a sound one and that there were no special circumstances warranting a departure therefrom in the case of Natchez Harbor.

Issue: Construction of landside port and terminal facilities—traditionally a local responsibility—should not be authorized as a Federal project.

3. Village Creek, Ark.:

Project description: Federal construction of channel improvements and pumping station for protection of about 21,000 acres of farmland from flood damage.

Cost and benefit-cost ratio:

(a) Plan I (recommended by Chief of Engineers): Federal, $295,000 (48 percent); non-Federal, $323,000 (52 percent). Benefit-cost ratio, 1.8.

(b) Plan III (as provided by H.R. 7634): Federal, $1,322,000 (80 percent); non-Federal, $329,000 (20 percent). Benefit-cost ratio, 0.62 (on basis of increment over plan I).

Executive branch recommendations: Chief of Engineers recommended authorization of plan I. Bureau of the Budget advised Army no objection to plan I.

DISCUSSION

District Engineer evaluated three alternative flood protection plans. All plans produce the same benefits in areas where ponding of runoff does not now occur. Plans II and III, by including pumping plants, decrease losses in a 3,600-acre area subject to ponding of runoff by 88 percent and 97 percent respectively, compared with 42 percent for plan I. Plans II and III would produce greater benefits than plan I but not enough to justify additional costs as indicated in tabulation below:

	Federal cost	Local cost	Benefit-cost ratio
Plan I	$294,000	$323,000	1.8
Plan II	1,072,000	316,000	1.09
Increment over I			.58
Plan III	1,322,000	329,000	1.03
Increment over I			.62

Based on this analysis the district engineer and the Chief of Engineers recommended authorization of plan I.

While local interests strongly urged adoption of plan III they did not reject plan I.

Issue: A project plan which is not economically justified should not be authorized.

4. Coralville Reservoir, Iowa (Mehaffey Bridge):

Project description: Federal construction of a highway bridge across the existing Coralville Reservoir to replace a bridge removed during construction of the reservoir.

Cost: Federal $1,180,000; non-Federal, bridge approaches and land (no cost estimate).

Executive branch recommendations: Secretary of the Army recommended amendment to require contribution by local interests in amount determined by the Secretary of the Army to be equitable. Bureau of the Budget: Same as Secretary of the Army.

DISCUSSION

Mehaffey Bridge across the Iowa River was built prior to 1900. It was removed during construction of Coralville Reservoir pursuant to 1954 agreement with Johnson County. The county then agreed that traffic did not warrant relocation of the bridge at a higher level.

Later local interests argued that development of the area had increased traffic significantly and that a bridge was now justified. The Corps agrees.

In 1959 the Bureau of the Budget recommended against authorization of the bridge on the grounds that the county had agreed to removal of the bridge and that the United States therefore had no legal liability to share in the cost of replacement. However, additional information from local interests and the Corps indicates that there may be equitable considerations which warrant a degree of Federal participation. The Bureau indicated that further study was justified and that there would be no objection to authorization of Federal participation in an amount determined to be equitable by the Secretary of the Army.

Issue: Federal replacement of a bridge removed pursuant to agreement with local interests should not be authorized without proper recognition of local responsibility.

5. Gering and Mitchell valleys, Nebraska:

Project description: Project for protection of farmland in Gering Valley was authorized by Flood Control Act of 1958. Because of changed physical conditions resulting from flood damage in 1958, reformulation of the project is necessary. H.R. 7634 would authorize modification of the project as found necessary by the Chief of Engineers: "*Provided*, That construction shall not be initiated until the Chief of Engineers shall submit a feasibility report—for the approval of the Public Works Committees of the Congress."

Cost and benefit-cost ratio: Present estimated Federal cost of authorized project is $1,470,000; cost and benefit-cost ratio of modification not known.

Executive branch recommendations: No recommendations have been formally requested by the Congress.

DISCUSSION

(a) The proviso quoted above implies that both Public Works Committees must approve the Chief of Engineers' feasibility report prior to starting construction of the project. The proviso is open to the objection that it involves an unlawful delegation by the Congress to its committees of a legislative function, which the Constitution contemplates the Congress itself should exercise.

If approval or disapproval by the committees is considered not legislative in nature, then there appears to be an unconstitutional infringement of the separation of powers prescribed in Articles I and II of the Constitution. It is believed that the Congress cannot validly delegate to its committees the power to prevent Executive action taken pursuant to law. In this case responsibility would be divided between the Secretary of the Army and the designated committees. This would be a clear violation of the separation of powers within the Government and would destroy the lines of responsibility which the Constitution provides.

The President has consistently opposed legislation authorizing a veto by congressional committees of otherwise authorized Executive action.

(b) In addition, no project report recommending modification of the authorized project has been submitted to Congress under established procedures.

Issues:

(a) Legislative provisions authorizing a veto by congressional committees of otherwise authorized Executive action are opposed by the President.

(b) No project report on which to base a modified authorization has been submitted to Congress under established procedures.

6. Fort Randall Reservoir, S. Dak. (free highway bridge):

Project description: Federal construction of a highway bridge across the existing Fort Randall Reservoir to replace a bridge removed during construction of the reservoir.

Cost: Federal, $6,375,000; non-Federal, bridge approaches and lands (no cost estimate).

Executive branch recommendations: Secretary of the Army was opposed to authorization. Bureau of the Budget recommends against authorization.

DISCUSSION

In planning the relocation of the several State and Federal highways affected by the construction of Fort Randall Dam and Reservoir, the Corps of Engineers worked closely with the South Dakota Highway Commission. With respect to the former Missouri River crossing at Wheeler, the State highway commission elected not to locate a highway crossing in the vicinity of Wheeler, but to provide a highway crossing on the crest of Fort Randall Dam. Accordingly, the Government contracted with the State of South

Dakota in 1948 to design and construct at Federal expense a highway crossing on Fort Randall Dam.

The Department of the Army considers that with the construction of the highway crossing at Fort Randall Dam, the Goverment was relieved of any further responsibility for providing a river crossing in the vicinity of Wheeler. The Bureau of the Budget concurred in the views of the Department of the Army.

Issue: Federal construction (as a replacement) of bridge removed and relocated at another site pursuant to agreement with State should not be authorized.

7. Payments to Bismarck and Mandan, N. Dak.:

Project description: Federal contribution toward construction of sewage treatment plants at Bismarck and Mandan.

Cost: Federal, $956,753 (75 percent); non-Federal, $318,918 (25 percent).

Executive branch recommendations: Secretary of the Army was opposed to authorization. Bureau of the Budget recommended against authorization.

DISCUSSION

Army report indicated that construction of Federal dams on the Missouri River will have no adverse effects on pollution in the Missouri River at Mandan and Bismarck. Moreover, it indicated that operation of Garrison Dam will have a beneficial effect on pollution caused by disposal of raw sewage into the Missouri River by the two cities because the river's natural irregular flow will be replaced by a relatively regular flow.

While many cities have been assisted in providing necessary sewage treatment facilities through the waste treatment construction grant program administered by the Public Health Service, this authorization would constitute a radical departure from established policy that construction of local pollution control works is primarily a State and local responsibility.

Issue: Federal financing of 75 percent of the cost of local sewage treatment plants is not warranted in the absence of a showing of damage by Federal activities.

8. Laurel Reservoir, Ky.:

Project description: Federal construction of a dam on Laurel River for power and recreation.

Cost and benefit-cost ratio: Federal, $22,077,000; non-Federal, none. Benefit-cost ratio: 1.1.

Executive branch recommendations: Chief of Engineers recommended authorization as provided in H.R. 7634.

Bureau of the Budget recommended against authorization unless authorizing language specifically provides that construction shall not be started until the power marketing agency has entered into agreement to sell power at rates sufficient to repay power costs in 50 years with interest.

DISCUSSION

(a) The Corps report indicates that annual cost to amortize power allocation in 50 years at 2½ percent interest is $817,900. Based on Bureau of the Budget calculation reducing recreation allocation to specific costs, annual power costs would be over $900,000. Southeastern Power Administration indicates that maximum annual power revenues would be $800,000 if sold to TVA and $740,000 if sold to preference customers. TVA states that Laurel power is not well suited to its needs and would not soon be attractive.

(b) Three million seven hundred thousand dollars of project costs are allocated to recreation though the additional cost of providing for recreation is only $525,000. Considering the speculative nature of the recreation benefits which made this allocation possible, it is considered that only the added costs of providing for recreation should be allocated to that purpose. Such an adjustment would increase the costs allocated to power.

Issue: Authorization of Laurel Dam should include a requirement that power costs be assured for repayment before starting the project, in view of indication from power marketing agency that power costs cannot be repaid.

9. West Branch, Mahoning River, Ohio:

Project description: Would reduce non-Federal share of authorized flood control and low flow regulation project (West Branch Reservoir) from $7,170,000 to $5,200,000. Flood protection and improved water quality and temperatures (for municipal and industrial water) would benefit principally heavy industrial development between Warren and Youngstown.

Cost and benefit-cost ratio: Federal, $9,320,000; non-Federal, $5,200,000. Benefit-cost ratio: 1.33.

Executive branch recommendations: No recommendations have been formally requested by Congress.

DISCUSSION

Trumbull and Mahoning Counties as the principal beneficiaries agreed to assume 49.6 percent of project costs. Mahoning County has approved its bond issue but Trumbull County failed to approve its bond issue. H.R. 7634 would in effect forgive this part of the non-Federal cost and authorize its assumption by the Federal Government. No report by the Corps of Engineers attests to the need and equity of this adjustment.

Issue: Acceptance of part of costs allocated to pollution control as a Federal responsibility is not warranted.

10. Tahchevah Creek, Calif.:

Project description: Federal construction of small reservoir and channel improvement for floor protection at Palm Springs, Calif.

Cost and benefit-cost ratio: Federal, $1,658,000 (75 percent), non-Federal, $552,000 (25 percent). Benefit-cost ratio: 1.18.

Executive branch recommendations: Chief of Engineers recommended authorization as provided in H.R. 7634. Bureau of the Budget recommended against authorization as a Federal project.

DISCUSSION

The Corps report indicated that 75 percent of the property values in Palm Springs which would be protected from floods are in an area which is now undeveloped. Thus, justification for the project depends on a large and speculative future development. The Bureau of the Budget concluded that a project primarily for protection of undeveloped urban areas from a known flood hazard was a local responsibility. It was considered that flood protection costing $2.2 million could easily be financed as a part of a development estimated in the Corps report at $175 million and estimated at even more by local interests. The Bureau, therefore, considered that Federal participation was unwarranted and recommended against authorization.

Issue: A project primarily to protect an undeveloped urban area from a known flood hazard is a local responsibility. Major Federal participation is unwarranted.

11. Water resources recreation (title III):

Description: Title III would authorize (a) a nonreimbursable allocation to recreation of up to 10 percent of the costs of new Corps of Engineers and Bureau of Reclamation projects, with an additional allocation if recreation is found to have national significance, (b) Presidential regulations governing evaluation of recreation benefits, and (c) extension of the 1944 Flood Control Act recreation authority of the Corps to the Bureau of Reclamation.

Cost: No estimate of cost is available.

Executive branch recommendations: Bureau of the Budget recommended against enactment of legislation on this subject.

DISCUSSION

Both in oral testimony and in letters to congressional committees on legislation authorizing recreation development at Federal reservoirs, the Bureau of the Budget has called attention to the study of the Outdoor Recreation Resources Review Commission and indicated that legislation on this subject would be premature prior to the Commission's report and the review of that report by the executive branch and the Congress.

In addition, the Bureau also referred to several objectionable features of previous legislative proposals, which to some degree are also applicable to title III:

(a) A formula for measuring recreation benefits (H.R. 7634 provides for minimum value of 50 cents per visitor day) should not be frozen in law.

(b) Where recreation benefits are local, costs should be borne by State or local government. (H.R. 7634 provides that up to 10 percent of project costs can be assigned to recreation on a nonreimbursable basis whether recreation is local or national in character.)

(c) Joint costs should not be allocated to recreation in view of inadequate measure of benefits. (H.R. 7634 permits allocation of joint costs to recreation.)

(d) Minimum basic facilities for protection of public should be considered project costs and allocated to other project purposes. (H.R. 7634 permits these costs to be included as recreation costs.)

Issues: Authorization of recreation as a purpose of Federal reservoirs is premature pending completion of report by Outdoor Recreation Resources Review Commission and review of report by the President and Congress.

12. Land acquisition policy (title IV):

Description: Title IV would (a) declare the policy of Congress that owners of property acquired by the United States should be paid a fair and equitable amount for their property and compensated for actual losses, (b) authorize establishment of a joint executive branch-congressional Commission to study problems of compensation for property acquired by the United States and report by December 31, 1962, on recommendations for amending existing Federal law and for administrative action to carry out the policy of Congress, and (c) authorize payment of up to 20 percent, but not over $25,000, above fair market value for property acquired for Corps of Engineers projects through June 30, 1963.

Cost: No estimate of cost available.

Executive branch recommendations: In oral testimony the Bureau of the Budget indicated it had no objection to (a) and (b) above but recommended against interim additional payment authority.

DISCUSSION

A study of problems associated with adequate compensation for actual losses of owners of property acquired by the United States is needed. No objection can be raised to authorization of such a study as provided in title IV.

However, authorization for the period during which the study is being made of additional payments in excess of fair market value to owners of property acquired for Corps of Engineers projects is premature. It would tend to establish an undesirable precedent and to prejudge the findings of the study Commission.

Issue: Authorization of interim authority for payments in excess of fair market value for Federal land acquisition is premature at this time and tends to prejudge the conclusions of a study of the problem.

II. PROJECTS ON WHICH REPORTS HAVE NOT BEEN SUBMITTED TO CONGRESS UNDER ESTABLISHED PROCEDURES

Project	Purpose	Federal cost	Remarks
1. Rye Harbor, N.H.	Navigation	$238,000	Final report received by BoB.
2. Ouachita River, Ark. and La.	do	43,550,000	Do.
3. Hilo Harbor, Hawaii	do	7,000,000	No report received by BoB.
4. Missouri River between Sioux City, Iowa, and the mouth (recreation at Decatur Bend), sec. 105.	do	155,000	No report received. Question appropriateness of recreation.
5. Farmington River, Conn. and Mass.	Flood control and water supply.	12,052,000	Advance report received by BoB. Prop. C.S. $500,000 (1 percent), S. 2060 $2,343,000 (30 percent).
6. Pearl River, Miss.	Flood control	3,609,000	Advance report received by BoB. Prop. C.S. $964,000 (22 percent), S. 2060 $1,371,900 (30 percent).
7. Garland City, Ark., bridges	do	1,750,000	No report in process.
8. Gering and Mitchell Valleys, Nebr.	do		No report received by BoB. (See also list I, item 5, on same project.)
9. Sioux Falls, S.Dak.	do	560,000	No report received.
10. Little Sandy River (Grayson Dam), Ky.	do	11,900,000	Final report received by BoB. Prop. C.S. none, S. 2060 $3,570,000 (30 percent).
Total		80,814,000	

III. FLOOD CONTROL PROJECTS ON WHICH NON-FEDERAL COST SHARING IS LESS THAN WOULD BE REQUIRED UNDER S. 2060

Project	Federal cost	Non-Federal cost sharing			
		As proposed		Under S. 2060	
		Amount	Percent	Amount	Percent
1. West Thompson Reservoir, Conn.	$4,010,000	None		$1,203,000	30
2. Naugatuck River, Conn.	10,230,000	None		3,069,000	30
3. Chicopee River, Mass.	5,180,000	$520,000	9	1,710,000	30
4. Westfield River, Mass.	3,240,000	416,000	11	1,096,800	30
5. Big Fossil Creek, Tex.	1,861,400	437,600	19	689,700	30
6. Blieders Creek, Tex.	1,060,000	83,000	7	343,000	30
7. East Point, La. (Red River)	273,000	26,100	9	89,730	30
8. Rio Grande Basin, N. Mex (Galisteo and Cochita Reservoirs)	58,300,000	None		17,488,500	30
9. Redwood River at Marshall, Minn.	2,252,000	701,000	24	885,900	30
10. Vermillion River, S. Dak.	6,010,000	758,000	11	2,030,400	30
11. Cheyenne River and tributaries, South Dakota and Wyoming	272,000	76,000	22	104,400	30
12. Connequenessing Creek, Butler, Pa.	1,558,700	441,000	22	600,000	30
13. Loyalhanna Creek (Latrobe), Pa.	2,568,300	203,100	7	831,420	30
14. North Fork Reservoir (Pound River), Va.	3,681,000	None		1,104,000	30
15. Smokes Creek, Lackawanna, N.Y.	$1,974,000	$638,000	24	$784,000	30
16. Gila and Salt Rivers, Gillespie Dam to McDowell Dam site, Arizona	3,300,000	210,000	8	789,600	30
17. Mojave River, Calif.	3,070,000	None		921,000	30
18. Walnut Creek, Calif.	17,980,000	6,380,000	26	7,308,000	30
19. Las Vegas Wash, Nev.	13,410,000	4,930,000	27	5,502,000	30
20. Gleason Creek, Nev.	450,000	35,000	7	145,000	30
21. Jordan River Basin, Salt Lake City streams, Utah	6,060,000	340,000	9	1,155,300	30
22. South Santiam River, Oreg. (Foster Reservoir)	17,340,000	None		5,202,000	30
23. Merced River, Calif. (Federal contribution to non-Federal project)	12,000,000	None		3,600,000	30
24. Mokelumne River, Calif. (Federal contribution)	10,000,000	None		3,000,000	30
Total	186,080,400	16,194,800		59,652,750	

Mr. DIRKSEN. Mr. President, I have no intention of moving to recommit the bill. I am confident that it would not achieve a favorable result at this late hour of the day. But I must make the record against myself, and then when I am on the receiving end, with rather adverse publicity and a comment from home that I did not make the fight, the only explanation I can make is that, "When you carry the flag, you carry it wherever the course may lead."

Once more I express my appreciation to the chairman and to my distinguished friend from South Dakota that it was included. In fact, within the limits of my cardiac capacity, my heart was in this, rejoicing; I thought surely this would find favor. I am not at all sure at this moment that it will. I cheerfully await the outcome.

Mr. CASE of South Dakota. Mr. President, the Senator from South Dakota will comment a little bit later upon the remarks of the Senator from Illinois. First, I yield 3 minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, it has been a very satisfying experience to serve as a member of the Committee on Public Works during the last two sessions of the Congress. I wish to pay my tribute to the distinguished chairman of the subcommittee which considered and reported the bill, the Senator from Oklahoma [Mr. KERR]. All of us who serve with him are always amazed by his comprehensive knowledge of legislation. Our hearings on the pending bill, he gave ample opportunity for everyone to be heard, not only the witnesses from the Corps of Engineers and the officials of States and communities, but also the people affected by the bill's projects. Some of them approved, and others believed that the Corps of Engineers and the Government of the United States had not dealt fairly with them, and that in some way or other they had not received due process of law, and the consideration that they expected from the Government of the United States. The distinguished chairman of the subcommittee [Mr. KERR] heard them all with patience and understanding.

I wish also to pay my respects to the ranking minority member of the committee, the distinguished junior Senator from South Dakota [Mr. CASE]. He, too, has very wide knowledge in this field, and he, too, has shown concern for the people of his State and other States to assure fair treatment to all.

It has been a pleasure to serve as a member of the subcommittee under the leadership of these two able Senators. And I am glad for my State, that in addition to the items reported by the House, the committee accepted my amendment to place on the bill Laurel River, Lynn Camp, and Grayson projects, and amendment respecting Barkley Reservoir.

Mr. CASE of South Dakota. Mr. President, I yield myself 5 minutes. First of all, I wish to join in the expression of appreciation which the Senator from Kentucky has voiced for the work of the distinguished Senator from Oklahoma [Mr. KERR]. As a chairman he is without a superior. He not only applies his mind to the principles and details of a proposal before the committee, but he is also able to elicit information which is helpful in making a record, which is useful in case reference to it is necessary. Not only that, but his good humor and his wit and his keen mind always make for an interesting hearing. There is never a dull moment when BOB KERR is presiding at a hearing of the Committee on Public Works or of the Subcommittee on Flood Control, Rivers, and Harbors.

I wish to go further in my tribute to the chairman of the subcommittee in pointing out that part III of the bill is an epical step in Federal legislation. In the previous Rivers and Harbors Act a part III was included, and was entitled "Water Supply." It wrote legislation in the new field of water supply, particularly for municipal and domestic use.

Part III in the pending bill introduces a new field into Federal legislation. It proposes to give more adequate recognition to the place of recreation as a

part of a multipurpose project. The time will come, in my judgment, when legislators of the future will point to title III of the Rivers and Harbors Act of 1960 as the basic legislation for authorizing programs that have immense value for the public good.

We have always recognized that there were some recreational values in such projects. In recent years the trend of the population in America has been such that we have been more aware of the need for places where people can go for relaxation and recreation. The health of the country is better because of it. The morale of the country is better because of it. The outlook of the country is better because of this increased interest in outdoor recreation.

Title III of the bill makes it possible for recreation to be counted as a basis to be evaluated in determining the benefit-cost ratio on a project. We recognize, by part III, that a visitor's day has a public value of at least 50 cents. I am sure that that is a most conservative figure. We establish legislative authority for using recreational benefits up to 10 percent of the total cost of the project.

The value of recreation in a public works project is being vividly demonstrated in my home State of South Dakota, where the Lewis and Clark Lake, in its third season of use, saw 1,700,000 visitors. That is in one season, the third season of its use. It is a constant level lake in the great chain of lakes on the Missouri River.

The bill will be noted in my State also for what it does in advancing the cause of the Missouri River program and the enlargement of the authorization for the prosecution and the partial accomplishment of what is known as the Pick-Sloan plan. It embraces an authorization which carries to completion the Big Bend Reservoir, which in turn is the last of a series of great lakes to be constructed on the Missouri River. It will have a constant level lake with great recreational value, and hydroelectric power generating capacity of almost 500,000 kilowatts.

I wish to turn to the comment made by the distinguished Senator from Illinois [Mr. DIRKSEN] with reference to the position of the Bureau of the Budget on the pending bill. It should be noted, first of all, that the bill we are considering, H.R. 7634, passed the House of Representatives almost a year ago, in July 1959. During that year there have come to Congress, either to the House or to the Senate, a number of reports from the Corps of Engineers, transmitted with budget approval. The Bureau of the Budget is not objecting to them.

There are some projects included in the bill with reference to which the Board of Review for Rivers and Harbors have recommended the projects on a favorable cost ratio, but, because of the fact that the final comment on a project might not have been received by a State agency or by the Bureau of the Budget, it was not transmitted in the customary form with a document number.

Due to the fact that it may be 2 or possibly 3 years before we will consider another omnibus bill, the committee decided to include in the pending bill the reports which came to our attention with respect to which there had been favorable action taken by the Board of Review for Rivers and Harbors. There is no project incorporated in the bill in that classification, as far as I know, that does not show a favorable benefit-cost ratio. There are some projects with respect to which the formula of the Bureau of the Budget may not have been followed so far as local participation is concerned.

The Bureau of the Budget would like to have Congress adopt a uniform requirement as to local cost participation. A bill was introduced, upon which Congress has not seen fit to act, to require a 30-percent local contribution. However, the experience which members of the committee have had in considering projects makes us realize that it is difficult to establish a fixed mathematical formula for local participation.

Some communities have gone forward and spent all they could in the development of protective or preventive works against floods. Some communities have bonded themselves to the limit of their statutory authority under State law.

The committee felt it would be unfair to deny the benefits of a flood control project to areas downstream from some communities which have exhausted their revenues and their bonding authority in establishing local protective works from which some areas downstream have received the benefits.

It is difficult to establish a fixed formula which can be applied to all situations. If there are areas where the public interest requires flood control works to be established, and some community by reason of its financial situation, or perhaps because of something it has already done, is unable to meet a fixed figure, like 30 percent, the committee has thought that the other beneficiaries of the project should not be denied the benefits of the protection afforded by the project.

So we have incorporated some projects in which the local participation varies from what it is in some other projects. However, in most cases, I believe it will be found, upon examination, that the recommendations of the Board of Engineers are followed in that regard.

With respect to the comment of the Senator from Illinois, the committee included the Illinois project, to which he referred. It represents $114 million out of about $150 million worth of projects in the class about which the Bureau of the Budget raises some question. The committee noted that a very favorable benefit-to-cost ratio existed in connection with the Illinois waterway, and that it was justified in including it in the bill upon the favorable recommendation that the Corps of Engineers make another study.

There is some suggestion that possibly the project will not be immediately constructed. It may be that an argument can be presented for its deferral. In any event, the project was included in the bill as presented to the committee, and was considered in all good faith.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. AIKEN. What is contemplated in the matter of a study of the Illinois Waterway?

Mr. CASE of South Dakota. It is not a study in connection with the Illinois Waterway. It would be an improvement of the channel, so as to make it possible for some of the ships which come through the Great Lakes Seaway to enter the Illinois Waterway and reach the Mississippi.

Mr. AIKEN. Does it also contemplate maintaining the flow of the Illinois River during low water?

Mr. CASE of South Dakota. The Senator from Vermont perhaps may be confused as between this proposed study and the study which has been authorized at different times which would affect the depth of the water in Lake Michigan. The latter study is not involved in the project.

Mr. AIKEN. It has nothing to do with it in any way? The Senator from South Dakota assures us that that project is not involved in this one?

Mr. CASE of South Dakota. It is not involved. This is not the study which has been the subject on which the Senate was regaled during the closing hours of the session, in a recent year.

Mr. AIKEN. The reason I asked the question was that I just discerned the senior Senator and the junior Senator from Wisconsin [Mr. WILEY and Mr. PROXMIRE] training their eyes on the Senator from South Dakota. I wondered if something of interest to them might be involved.

Mr. CASE of South Dakota. No.

Mr. AIKEN. Do I correctly understand, then, that this proposal has nothing to do with the Lake Michigan proposal?

Mr. CASE of South Dakota. It has nothing to do with it. That may be disappointing to some persons.

Mr. AIKEN. Not to me.

Mr. CASE of South Dakota. We cannot look forward, during the closing hours of this session, to any discussion about the often-proposed study of the level of Lake Michigan and the relative merits of Chicago and Milwaukee for consideration in the distribution of the water of Lake Michigan.

Mr. AIKEN. In any event, the Senator from Vermont, as usual, is impressed by the alertness of the two Senators from Wisconsin.

Mr. CASE of South Dakota. Mr. President, two other items to which the Senator from Illinois alluded are in the list. One of the half dozen items which is on the list which the Senator from Illinois has placed in the RECORD deals with a bridge in the State of South Dakota. Because I have had only a brief opportunity to examine the comments of the Bureau of the Budget with respect to that project—the bridge in South Dakota—I desire to make a statement for the record.

The statement which was inserted by the Senator from Illinois, and which was supplied, I suppose, by the Bureau of the Budget, makes an adverse comment upon the proposed authorization for a bridge which is provided in the language of the bill on page 38, lines 9 to 23.

Mr. President I ask unanimous consent that lines 9 to 23, inclusive, on page 38 of the bill, be printed at this point in the RECORD.

There being no objection, the paragraph was ordered to be printed in the RECORD, as follows:

That the Fort Randall Dam and Reservoir project, South Dakota, is modified to provide for construction of a free highway bridge over the Missouri River at an appropriate location west of Platte, South Dakota, under the direction of the Secretary of the Army and the supervision of the Chief of Engineers, in accordance with such plans as may be approved by the Chief of Engineers, in order to provide adequate crossing facilities over such river for highway traffic in the area and in replacement of the closure of the Wheeler Bridge by reason of construction of said reservoir at a cost not to exceed $6,375,000: *Provided*, That local interests shall construct all necessary approaches to the bridge site, and provide without cost to the United States all lands, easements, and rights-of-way necessary for construction of the bridge.

Mr. CASE of South Dakota. Mr. President, the adverse comment about the proposed authorization for the bridge rests upon an assumption that there was a contract between the State of South Dakota and the Corps of Engineers which provided that when the engineers built Randall Dam it was agreeable to the State of South Dakota that Wheeler Bridge should be eliminated. There is no such contract, so far as I can find. I know what is relied upon as a contract. It is a one-sided letter from the Highway Commission of the State of South Dakota, which said that the State would interpose no objection to having the Corps of Engineers proceed with certain works.

The works which the Corps of Engineers proposed to undertake included the construction of a new bridge on the White River, a tributary of the Missouri River; the raising of the approaches and the bridge on the Missouri River at the town of Chamberlain; and also the construction of a crossing on the Randall Dam across the Missouri River at what was the old Randall Reservoir.

The replacement of the bridge on the White River would be required under any normal rule, because the construction of the Randall Dam flooded out the old bridge on the White River, a tributary of the Missouri River.

The raising of the bridge at Chamberlain was necessary by the very nature of the project. When the dam was constructed at the Fort Randall site, it raised the level of the water in the reservoir in the river back of Chamberlain; and without any commitment or without any agreement with the State of South Dakota, it was incumbent upon the State highway commission to raise the bridge. Consequently I have never felt that the Army Engineers or the Government of the United States could argue in good faith that the building of a new bridge on the White River or the raising of the bridge at Chamberlain was a replacement for the Wheeler project, which was more than 100 miles farther downstream.

Nor could it be supposed that to bring the traffic across Randall Dam itself would be any replacement for Wheeler Bridge, which was several miles upstream. The resultant construction of Randall Dam and the elimination of the old Wheeler Bridge, which had been built by the State of South Dakota many years before, means that the people who live midway between the dam and the Chamberlain Bridge would be required to travel as much as 200 miles merely to get to a point 6 miles away, across the river. The lake or reservoir created by Randall Dam is about 160 miles long. On the route which one would have to travel by highway, it would mean a trip of about 100 miles to get around to the other side of the river, if one happened to live midway along the river. Yet the location to which one was traveling might be from 3 to 6 miles, actually, in a direct line.

So I have always felt that there was an inadequate replacement of the destroyed crossing of the Wheeler Bridge. That was why I proposed, why the people of South Dakota, by the State highway commission, and many cities and communities, have adopted resolutions, urging the authorization of a proper replacement by reason of the closure of Wheeler Bridge. That is why the provision is in the bill.

I thought this statement ought to be in the RECORD, in view of the comment of the Bureau of the Budget, which has been previously placed in the RECORD today. I hope that when all the facts are explored by the representatives of the Bureau of the Budget and the conferees on the bill, the paragraph to which I have referred may be approved.

Before I conclude, I also invite attention to title IV of the bill, which deals with the problem which has been created in community after community by the taking of land for public works projects, where the only compensation which the Corps of Engineers could offer was the supposed fair market value of the land involved, that value being based upon a price or prices of record when there had been willing sellers and willing buyers.

The hearings of the committee, which are set forth in a special printing by the committee, were held on May 16 and 17, and demonstrated that in Oklahoma, in Kentucky, in South Dakota, and in other places, losses and injuries which are sustained by people, by reason of the taking of land for large public-works projects, are not adequately compensated by proposals merely to give the so-called fair market value of the land, where there are willing sellers and willing buyers. In these cases, in which there are large tracts of land—and in my State, nearly half a million acres have been taken for the construction of these great reservoirs—many people are losing their homes and are losing their means of livelihood, but are not compensated by means of measuring the land value and making payment accordingly. There is no way to establish a comparable value, because there are no comparable sales.

So in the bill we provide for the creation of a commission to study this problem and we also establish guidelines for the payment of values during the interim period, while the commission is making its study. These provisions are of general application, and I think they will be of interest to the Members of the Senate.

I hope the conferees will concur in the provisions we have set forth in title IV of the bill.

Mr. President, it is a great privilege to work on a bill such as the omnibus rivers and harbors bill. People may differ in their opinions regarding public-works projects and expenditures; but certainly it can be said that the bill is more than a bill dealing with public-works projects. Certainly it can truly be said that the bill provides ways and means to enable the people to enjoy a better living, and certainly it can likewise be said that the bill provides jobs for the people of America. The bill builds for today and also for the future.

I count it a great privilege to serve on the committee, and also to recommend the concurrence of the Senate in the bill.

Mr. KEATING. Mr. President, will the Senator from South Dakota yield 1 minute to me?

Mr. CASE of South Dakota. I yield.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 minute.

Mr. KEATING. Mr. President, I wish to say a brief word to the chairman of the committee and to its other members in gratitude for the very gracious reception they gave to me, as a witness, and to constituents of mine who were particularly interested in the Rochester project, the Fire Island project, and the Mamaroneck project.

The chairman, who presided at the meeting, was very courteous and very helpful in making suggestions to me about how the necessary data could be obtained in order to support the case for these very much needed improvements. I am extremely grateful to him and also to the Senator from South Dakota [Mr. CASE] and to the other members of the committee for their assistance.

Mr. CASE of South Dakota. Mr. President, we appreciate the kind words of the Senator from New York.

I yield the floor.

Mr. KERR. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. KERR. Mr. President, I desire to pay tribute to the members of the committee who spent so much time in the hearings on this bill and in preparing the bill and bringing it to the floor of the Senate.

I wish to pay a special tribute to the chairman of the committee, the Senator from New Mexico [Mr. CHAVEZ], and also to the Senator from Michigan [Mr. MCNAMARA], the chairman of our subcom-

mittee on Public Roads. In addition to carrying that load, the Senator from Michigan also was most diligent in his work on this bill.

I also wish to pay special tribute to the distinguished senior Senator from West Virginia [Mr. RANDOLPH], the chairman of the Subcommittee on Public Buildings and Grounds, whose contributions to this bill were substantial.

In fact, Mr. President, I should like to pay a tribute to each member of this committee.

In that regard, I wish publicly to express my appreciation of, and my friendship for, the distinguished Senator from South Dakota [Mr. CASE]. He and I have been members of this committee ever since I have been a Member of the Senate. I cannot recall when there was ever any substantial difference of opinion between the Senator from South Dakota and myself with reference to the principles which should be recognized and embodied and developed in the omnibus rivers and harbors bills and in other public-resource development bills which our committee has brought to this floor, for action by the Senate.

The Senator from South Dakota referred to the fact that, two years ago, he and I jointly sponsored title III of the Flood Control Act of 1958, directing the recognition by both the Bureau of Reclamation and the Corps of Engineers of the evaluation of water storage space and multiple development projects for municipal and industrial water supply. Even in the brief time that act has been the law, it has demonstrated again and again the justification for that title and the wisdom of the Congress in enacting it.

Title III of this bill is another milestone in the preparation and enactment of legislation to develop our natural resources and in bringing about recognition of the economic value of the recreational features of multiple-purpose projects.

All through the development of this bill, Mr. President, there has been a spirit of cooperation, mutual respect, and dedication by the members of our committee, both in the preparation of the particular provisions and in the development of a bill which would do justice to the needs of the Nation for an accelerated program of water-resource development and the building of projects to make that possible.

On the committee, there was no partisanship in reference to this bill. The Members on both sides of the aisle—Democrats and Republicans—gave equally of themselves and of their ability and their efforts to make a success of the bill.

I am happy to have had a part in that work and, particularly, with reference to the provisions which directly affect my State of Oklahoma.

But I should like to say here, as I have often said in the committee, Mr. President, that, to me, water-resources development is a matter of the highest national interest, and of the greatest value in contributing to the national security and safety and to the national economic growth and development; and it has been in the spirit of that belief that I and the other members of the committee have developed this bill and have brought it to the floor.

Mr. President, I urge that the Senate pass the bill.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that at this time there may be a quorum call, and that the time required for it not be charged to the time available to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, I yield 2 minutes to the Senator from Connecticut [Mr. BUSH].

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 2 minutes.

Mr. BUSH. Mr. President, the omnibus public works bill, H.R. 7634, now before the Senate, contains authorizations for Federal participation in the construction of flood protection projects which are vitally important to Connecticut and New England.

The bill authorizes Federal participation in New England projects, at an estimated cost to the Federal Government of $41,221,000, of which $29,731,000 are assigned to flood control and hurricane flood protection projects in my State.

Connecticut projects in the bill, and the estimated Federal costs, are as follows:

Project:	*Estimated Federal cost*
Farmington River (flood control)	$12,052,000
Naugatuck River (flood control)	10,230,000
Pawcatuck (hurricane flood protection)	409,000
Stamford (hurricane flood protection)	3,030,000
West Thompson Reservoir (flood control)	4,010,000
Total	29,731,000

Mr. President, it is an astonishing fact that more has been accomplished in the past 5 years to protect the people of New England from damaging floods than was accomplished in the whole previous history of the region.

Following the disastrous hurricane floods of 1955, President Eisenhower recommended, and the Congress puts into effect, an accelerated flood protection program for my State and region. Earlier this year, I reviewed the progress which has been made with Lt. Gen. Emerson C. Itschner, Chief of Army Engineers, who reported that since 1953, 13 flood control projects in New England have been completed at a cost of $25 million, 12 additional projects are now, or soon will be, under construction at a cost of $95 million, and 4 more estimated to cost $30 million are now under design.

"This total of 29 flood control projects will be completed in the near future at a total cost of $150 million," General Itschner reported.

Mr. President, I ask unanimous consent that a press release reporting my discussion of New England flood protection with General Itschner may be printed in the RECORD following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUSH. I am grateful to the Senate Committee on Public Works and its Subcommittee on Flood Control, Rivers and Harbors, on which I formerly served, for the cooperation they have given in accelerating our flood protection program.

I regret, however, that the committee has not seen fit to recommend revisions in the laws which govern the sharing of costs between the Federal Government and the States and local communities. Existing law permits glaring inequities and discrimination as between communities in cost sharing, as I pointed out in testimony before the committee during hearings on the bill.

Mr. President, I ask unanimous consent that my statement, and supplementary materials submitted to the committee, may be printed in the RECORD following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. BUSH. I shall vote for H.R. 7634 because it is essential that flood control work in Connecticut and New England go forward without interruption, but I shall continue, in the next Congress, to work for a more equitable basis for cost sharing.

Mr. President, I hope that Congress will not only authorize the projects essential for flood protection in my State and region, which are included in the bill, but will also provide construction funds in order that preparation of detailed plans and specifications may proceed without delay.

I ask unanimous consent that a letter I have sent to the chairman of the Subcommittee on Public Works Appropriations, requesting such funds, may be printed in the RECORD following these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

EXHIBIT 1

WASHINGTON, March 10.—U.S. Senator PRESCOTT BUSH said tonight "that more has been done in the past 5 years to protect the people of New England from damaging floods than was accomplished in the whole previous history of this region."

The Connecticut Senator's statement was confirmed by Lt. Gen. Emerson C. Itschner, Chief of Army Engineers, who reviewed with him flood protection work accomplished since the disastrous 1955 floods, which took

77 lives in Connecticut and caused property damage totaling $500 million in New England.

General Itschner said that in the past 5 years 13 flood control projects in New England have been completed at a cost of $25 million, 12 additional projects are now or soon will be under construction at a cost of $95 million, and 4 more estimated to cost $30 million are now under design.

"This total of 29 flood control projects will be completed in the near future at a total cost of $150 million," he said.

The discussion was recorded in Washington for broadcast by Connecticut radio stations.

DISCUSSION BY SENATOR BUSH AND GENERAL ITSCHNER

Senator BUSH. Hello everybody. This is PRESCOTT BUSH. We are fortunate in having here today Gen. Emerson C. Itschner, Chief of Engineers of the U.S. Army. General Itschner directs the world's largest construction agency—the U.S. Army Corps of Engineers, which is responsible for directing the Army and Air Force military construction programs both in continental United States and overseas. In addition, General Itschner and his Corps of Engineers supervise the construction of most of our Nation's public program for flood control, navigation, power and other water resource development.

General Itschner, it is a great pleasure to have you join me here today to discuss, for the benefit of the people of Connecticut, the progress being made by the Corps of Engineers in New England and in the State of Connecticut particularly in planning and constructing flood control, hurricane protection and other civil works projects. Since the hurricane that devastated the New England coast in 1954, followed by the tragic river flooding of August 1955, the Corps of Engineers has been hard at work to decrease our vulnerability to both river flooding and coastal damage from hurricane floods. I know our listeners would appreciate knowing how these programs are progressing. Would you bring us up to date, General Itschner, on this work?

General ITSCHNER. I'd be glad to, Senator BUSH. As you know, the six New England States, although covering only about one-thirtieth of our country's 3 million square miles, have long comprised one of the corps' 10 continental engineering divisions. As the oldest and one of the most heavily industrialized areas of our country, New England's highly developed river basins and coastline have created a number of unique problems as well as opportunities in water resource control and development.

Senator BUSH. The tremendous property damages left in the wakes of the hurricane of 1954 and the southern New England flood of 1955 certainly bear this out, General. Could you summarize what the Corps of Engineers has done to lessen the impact of natural disasters such as these?

General ITSCHNER. Yes, Senator. Since the flood of 1955 resulting from Hurricane Diane, New England's flood control program has been greatly accelerated. Owing in large measure to the cooperation and hard work of the good people of New England, our progress in planning and constructing flood control projects has been remarkable. I know of no other area in the country where so much has been accomplished in such a short time following a disastrous flood. And the 1955 flood was truly disastrous.

Senator BUSH. What was your final estimate, General, of the damage of that flood?

General ITSCHNER. We estimate that the damage was $500 million. The State of Connecticut was by far the hardest hit, sustaining a loss of 77 lives and approximately $370 million. Under our stepped-up program to prevent such damages in the future, we have in the past 5 years completed 13 flood control projects in New England at a cost of $25 million. Our New England division, directed by Brig. Gen. Alden K. Sibley, whom I am sure you know very well——

Senator BUSH. We think very highly of him.

General ITSCHNER. That's fine. So do we. He is now hard at work on 12 projects that are now, or soon will be, under construction at a cost of $95 million. Four more projects estimated to cost $30 million are now under design. This total of 29 flood control projects will be completed in the near future at a total cost of approximately $150 million.

Senator BUSH. This means then, General, that more has been done in the past 5 years to protect the people of New England from damaging floods than was accomplished in the whole previous history of this region. Is that so?

General ITSCHNER. That's right, Senator.

Senator BUSH. Well, this progress is encouraging to us. How many of these 29 flood control projects, General Itschner, are located within Connecticut?

General ITSCHNER. Eight of these New England projects, consisting of five levee, floodwall, and channel improvement projects and three flood control reservoirs, are located within Connecticut. But we must not overlook the fact that these projects are components of comprehensive river basin systems, and that 10 new reservoirs located upstream in the Connecticut and Thames River Basins in Massachusetts, New Hampshire, and Vermont will directly benefit downstream communities in the State of Connecticut.

Senator BUSH. I certainly agree wholeheartedly, General, that we must not assess the flood control program strictly on the basis of our own State boundaries. We in Connecticut are well aware now of this basinwide concept of flood control and we have signed, as you probably know, a flood control compact with Massachusetts, New Hampshire, and Vermont in order to compensate the sister States for tax losses on lands used for construction of dams and reservoirs to reduce downstream flood flows in the Connecticut and Thames River Basins.

And, in this session of Congress, I have introduced a bill which would, if passed, grant congressional approval to a Northeastern Water and Related Land Resources Compact. This compact would bring the many Federal agencies concerned into a continuing cooperative relationship with the States.

I believe most of our listeners back home are familiar with the Thomaston Dam project on the Naugatuck River. Now, General, would you tell us something about the progress that is being made on this great project and perhaps on other projects now under construction, or planned for construction, actually within the State of Connecticut?

General ITSCHNER. Senator, we are making excellent progress on the $14 million Thomaston dam and reservoir. It is scheduled for operation later this year, and when completed it will represent one of the soundest flood control investments ever made in the United States. If this reservoir had been in operation during the flood of August 1955, it would have prevented almost 80 percent of the $194 million in damages sustained in the Naugatuck River Valley. Upstream from the Thomaston Dam the system of protection for the city of Torrington is well advanced. We have completed in Torrington one of the first local protection projects in the country constructed under the authority of the legislation that you were so instrumental in bringing about. For the benefit of our listeners, Public Law 685, the Bush-McCormack Act of 1956, authorized me to approve construction of badly needed local protection projects, costing not over $400,000 each, with general funds appropriated annually by Congress. A second channel improvement project of this type in the city of Torrington is rapidly nearing completion, and a third planned project on the Byram River in the Pemberwick area of Greenwich is being built under the direction of our New York District.

Senator BUSH. Now, General, in addition to these local protective projects, two flood control reservoirs were authorized in the Flood Control Act of 1958 to control headwater tributaries of the Naugatuck River north of Torrington. What additional work is being planned for the Naugatuck?

General ITSCHNER. Senator, we have planned projects in addition to the Thomaston Dam to bring the dangerous Naugatuck River under greater control. Hall Meadow Brook Reservoir above Torrington will go under construction this summer, and we hope to have design funds for the East Branch Reservoir next fiscal year. We are also submitting to Congress a report recommending four small dams and reservoirs on downstream tributaries of the Naugatuck. In addition, a Public Law 685 project, involving channel and levee work, is being designed for construction at Waterbury. General Sibley also is now preparing recommendations for flood protection works on the Naugatuck River in the Ansonia-Derby area.

Senator BUSH. General, I know that the West Thompson Reservoir, which will protect the city of Putnam on the Quinebaug River in the Thames Basin, is included in a public works bill now being considered by Congress. What is the situation on other flood-producing rivers in Connecticut?

General ITSCHNER. Construction will begin this summer on the Mad River Reservoir above Winsted in the Farmington River Basin. Winsted, as all of us well remember, is the town that suffered such terrible damage in August 1955 when the Mad River, more than living up to its name, devastated a large portion of the community. Control of the Mad River by this reservoir will bring a high degree of flood protection to Winsted and prevent a repetition of what occurred in 1955. In another report, which is part of a review study of the whole northeast that we started after the flood of August 1955, two more flood control reservoirs are recommended for the Farmington River Basin. This report is now being reviewed by the Board of Engineers for Rivers and Harbors in Washington.

Senator BUSH. Yes, General Itschner, I am familiar with these recommendations for the Farmington Basin, and I understand that one of the reservoirs includes provisions for water supply needs.

General ITSCHNER. Yes, the Colebrook River flood control reservoir you refer to is one of the first projects in this country studied under the authority of the Water Supply Act of 1958. This study is a good example of the fine cooperation shown by State and local agencies and the people of Connecticut. This cooperation has done much to make the Federal civil works program in Connecticut one of the most dynamic programs in the country.

Senator BUSH. I'm glad to hear that, General, and with all this flood control work in Connecticut since the flood of 1955, can you tell us how the State of Connecticut compared with other States in the amount of Federal funds expended, on a per capita basis?

General ITSCHNER. Yes sir, on a per capita basis, Connecticut had an expenditure rate of $12.59, ranking third nationally behind only Kansas and West Virginia.

Senator BUSH. I'm sure our people back home would be glad to hear that. Frequently we feel that we make large contributions to the welfare of other States and don't get much back. This is very good news. I know that people of Connecticut are proud of all that has been accomplished in bringing greater flood protection to their

community. Now, General Itschner, we just have a moment but would you comment on the corps' work in the area of hurricane protection, shore protection, and navigation projects in Connecticut?

General ITSCHNER. We have been making real progress in the conduct of our hurricane protection studies along the Connecticut shoreline. We have found that many of these are worthy of construction.

Senator BUSH. General, that's fine, and I want to say to you that you have a great many friends in the State of Connecticut and certainly there is no State that appreciates the Army Corps of Engineers more than our State because when we were in dire straits and faced with a great catastrophe you and your colleagues came to our rescue. So I very much appreciate your being with us today, General Itschner.

General ITSCHNER. It's been a great pleasure for me to be here with you today, sir.

EXHIBIT 2

STATEMENT OF HON. PRESCOTT BUSH, A U.S. SENATOR FROM THE STATE OF CONNECTICUT

Mr. Chairman and members of the committee, it is a pleasure to appear before the chairman and this committee on which I served for 4 years, and which has been very helpful to our State since the disastrous floods of 1954 and 1955, in particular.

I appear today to request you to amend H.R. 7634 to provide uniform cost-sharing standards for Federal flood protection projects, and to include in the bill certain Connecticut works which are needed to carry forward the flood protection program in my State.

Before discussing the general question of cost sharing, I invite your attention to Connecticut projects which should be included in the bill. These projects, the documentation therefor and the benefit-to-cost ratios, are as follows:

Hurricane protection project for Stamford, Conn. House Document No. 210, 86th Congress, 1st session. Benefit-to-cost ratio, 1.5 to 1.

Hurricane protection project for Pawcatuck, Conn. House Document No. 212, 86th Congress, 1st session. Benefit-to-cost ratio, 2.1 to 1.

West Thompson, Conn., flood control dam and reservoir. Senate Document No. 41, 86th Congress, 1st session. Benefit-to-cost ratio, 1.3 to 1.

Additional flood protection for the Naugatuck River Valley below Thomaston, Conn., consisting of four dams and reservoirs for flood control, on Northfield Brook, Branch Brook, Hancock Brook, and Hop Brook. House Document No. 372, 86th Congress, 2d session. Benefit-cost ratios ranging between 1.7 to 1 and 2 to 1.

The subcommittee will note that all of these projects are economically justified, with some having unusually high benefit-to-cost ratios.

In process by the Corps of Engineers are additional Connecticut projects—a local flood protection plan for Ansonia-Derby in the Naugatuck River Valley, and two projects in the Farmington River Valley, a flood control reservoir on Sucker Brook at Winsted and a dual-purpose reservoir for flood control and water storage at Colebrook. Should the necessary documentation be received before the bill is ready for final action by the Congress, I urge that they also be included.

Mr. Chairman, I intend to discuss cost sharing in relation to the Connecticut projects a little later, but I should now like to have the subcommittee consider the problem as one of general application.

In the 1st session of the 86th Congress, I introduced S. 2060 which was intended to implement President Eisenhower's recommendation last year for legislation to establish a consistent basis for cost sharing on projects which provide flood protection benefits.

I submit the language of S. 2060, with certain modifications and additions suggested by the Department of the Interior, as an amendment to H.R. 7634, so that it may now be considered by the subcommittee in view of the President's renewed request for prompt enactment of this legislation.

I invite the subcommittee's attention to the following language in the President's budget message this year (pp. M52 and M53):

"Cost sharing on flood protection projects: It is essential that legislation be promptly enacted to establish a consistent basis for cost sharing on projects which provide flood protection benefits. At the present time, the various Federal agencies responsible for flood protection operate under different and confusing cost-sharing standards. The non-Federal contributions vary from 0 to over 60 percent. This intolerable situation should be corrected. Legislation now before the Congress would require generally that identifiable non-Federal interests receiving flood protection benefits be at least 30 percent of the costs of flood protection. The value of lands, easements, and rights-of-way contributed locally would be included as part of this non-Federal share. The cost of operation and maintenance would also be a State or local responsibility."

The President, in describing the present situation as "intolerable," used strong language. In my judgment, it was merited.

As evidence of the wide variation in present cost-sharing requirements, I submit for the subcommittee's information, tables prepared for me by the Departments of the Army and of Agriculture, together with letters of transmittal from the appropriate officials of the two Departments, and a letter from the Bureau of the Budget in which the tables are analyzed at my request.

These tables show that the costs imposed upon local communities range from 0 to 61 percent, in the case of projects undertaken by the Department of Agriculture under the Watershed and Flood Prevention Act (Public Law 566, as amended); and from 0 to 67 percent, in the case of flood protection projects undertaken by the Corps of Engineers.

The evils which flow from the illogical and inconsistent cost-sharing requirements under existing law include:

1. The Federal Government discriminates against certain communities in need of flood protection, and in favor of others.

2. Communiities tend to "shop around" among Federal agencies engaged in flood control to determine which will give them the best bargain.

3. The Federal agencies, especially at the field level, compete one against the other, using the variations in cost-sharing requirements as bargaining points, to obtain new flood control work.

4. Without adequate local participation in costs, there is danger that projects not fully justified may be undertaken, with consequent waste of Federal funds at the expense of the taxpayers.

So, Mr. Chairman, my first recommendation to your subcommittee is to incorporate the "principle" of my bill and the amendment I have submitted in H.R. 7634 before it is reported to the Senate floor.

I have emphasized the word "principle" because I am not positive that 30 percent is the correct level at which to set a minimum floor under local contribution for flood prevention works. Whether it should be 30 percent—or 20 or 40 percent—and whether local interests should be required to pay all or part of operation and maintenance costs are matters upon which differing opinions may be held.

What I do urge is the necessity of establishing uniform standards of cost sharing, under which all communities in need of flood protection would be treated alike by their Federal Government.

What I urge is an end to the shocking and outrageous discriminations which occur under existing law.

Mr. Chairman, I should now like to discuss the Connecticut projects which I request be included in the bill, and discuss cost-sharing problems in relation to them.

I turn first to the two hurricane flood protection projects for Stamford and Pawcatuck, which were recommended as a result of studies conducted under the Hurricane Survey Act, Public Law 71, which, as a member of your subcommitee, I had the privilege of sponsoring on the Senate floor in the 84th Congress. I invite attention to the Corps of Engineers' recommendations that the local communities contribute 30 percent of the first costs of construction, and underwrite the costs of maintenance and operation.

And I contrast this treatment of these two communities with the corps' recommendations, in conformity with existing law, that all the large flood control dams and reservoirs in the bill be built, operated, and maintained entirely at Federal expense.

Now, I cannot understand why a distinction should be made between flooding which results from fresh water and flooding caused by salt water. Both have resulted in loss of life and enormous damage to property in my State and other States.

It may be said that projects to control hurricane floodwaters more closely resemble the inland local flood protection projects, for which the corps requires local contribution. If that be conceded, and there is something to be said for this point of view, why should a contribution of 30 percent be required, when some communities have been provided local flood protection without expense to them?

Or, to choose some examples from the tables furnished me by the Corps of Engineers, why should Stamford and Pawcatuck pay 30 percent, when Lampasas, Tex., paid only 2 percent; Muscatine, Iowa, only 1 percent, and South St. Paul, Minn., only 5 percent for the local flood protection they have received?

Such discrimination defies reason, or at least it certainly appears to defy reason.

I do not wish to be unreasonable, Mr. Chairman; consequently, I shall not request that the local contributions required of Stamford and Pawcatuck be reduced to nothing, or to a percentage substantially below that which has been recommended. But I believe these communities should be called upon to pay no more than the national average of local contributions on local flood protection projects of the Corps of Engineers. The average is 22 percent, according to the Bureau of the Budget.

Accordingly, I submit amendments to H.R. 7634 to include the Stamford and Pawcatuck projects, and to reduce the required local contributions to the national average of 22 percent.

I now invite attention to the West Thompson Reservoir, and to the four dams proposed as additional flood protection for the lower Naugatuck Valley.

In both instances, the Corps of Engineers, under the provisions of existing law, has recommended that the projects be constructed, operated, and maintained entirely at Federal expense.

In the case of the West Thompson Reservoir, the Bureau of the Budget has included this project among 10 in the bill for which it recommends that authorizations be deferred until action has been taken upon the uniform cost-sharing provisions of S. 2060. The Bureau has made a similar recommendation with respect to the four dams to supplement control of the lower Naugatuck.

Mr. Chairman, I would like to comment at this point upon the unfairness of existing cost-sharing provisions of the Federal flood

control law to communities in Connecticut and other States in which the nature of the terrain does not permit construction of huge dams and reservoirs such as are common in other areas of the Nation.

Adequate flood control for States such as ours requires a complex of structures—a few dams and reservoirs for area protection, supplemented by smaller dams and channel improvements which are classified as local protection works, as are the hurricane protection projects along the coast. The larger dams and reservoirs are built, operated, and maintained entirely at Federal expense. For the hurricane projects and for the smaller dams and channel improvements, such as are made, for example, under the terms of the Bush-McCormack Act, local contributions are required.

I can illustrate the incongruities which result by reference to the flood protection for the Naugatuck Valley which has been undertaken since the tragic floods of 1955. The key structure in the protective complex is the Thomaston Dam, now nearing completion, for which the Federal Government bears the entire expense. The city of Waterbury and other major population centers downstream from this dam pay nothing for the protection it will provide. Yet Torrington, a community which suffered heavily in the 1955 floods, must pay part of the cost of two dams and reservoirs, supplemented by channel improvements, which are necessary for its protection. It was the same river, the Naugatuck, which flooded and inflicted grievous damage on both Waterbury and Torrington. Yet the accident of geography which placed Torrington upstream and Waterbury downstream of the best site for an area protective dam, results in discrimination between the two communities. This is clearly inequitable, and is only one example of the many injustices which result from the lack of uniformity in cost-sharing standards.

So, in summary, Mr. Chairman, I urge the subcommittee to approve the Connecticut projects under either of these alternative courses of action:

1. Incorporate a uniform cost-sharing principle in the bill; or

2. Reduce the local cost-sharing requirement for the Stamford and Pawcatuck hurricane protection projects to the national average of 22 percent, and include the West Thompson and lower Naugatuck Dams under the terms of existing law.

I should prefer the former.

I thank the chairman for the courtesy of appearing.

That concludes my statement.

Senator KERR. Thank you, Senator; we are glad to have had your testimony.

(The statements and tabulations previously referred to follow:)

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., July 29, 1959.

Hon. PRESCOTT BUSH,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR BUSH: In response to Mr. Clarke's letter of July 14, 1959, there are returned herewith the letters and tables submitted to you by the Department of Agriculture on July 8, 1959, and the Corps of Engineers on July 7, 1959, regarding flood control cost-sharing requirements. As requested, the percentages for each project have been computed and entered on the tables.

We have several comments that may be of value to you in interpreting the material presented:

1. The data by individual projects clearly point up the need for greater uniformity in cost-sharing requirements. The present range in local level of non-Federal participation for individual projects is about the same for both agencies: 0 to 67 percent for Corps of Engineers, 1 to 61 percent for Soil Conservation Service.

2. The difference in average level of local cost sharing between the two agencies (14 percent for Soil Conservation Service, 22 percent for Corps of Engineers) reflects several factors:

(a) A larger proportion of Army's projects are in urban areas, where the lands, easements, and rights-of-way required under present law to be furnished locally are more costly than in rural areas.

(b) For a number of Army projects included in the table, drainage and flood control benefits have not been separated and costs allocated to these purposes. The Chief of Engineers in such cases has often recommended, and the Congress approved, a level of local cost sharing higher than comparable projects without drainage features. In all the Soil Conservation Service projects, costs allocated to drainage (of which local groups bear about 60 percent) have been excluded from the data furnished.

(c) In the case of projects where benefits occur from more productive use of land made possible by flood protection, the Chief of Engineers recommends that local interests bear 50 percent of the costs associated with these benefits, in accordance with the standards of Budget Circular A-47. On the other hand, the Department of Agriculture has interpreted the provision of Public Law 566 as prohibiting the collection of such payments from non-Federal groups.

One of the main advantages of S. 2060 is that it would eliminate these, as well as other confusing and inequitable differences in the cost-sharing requirements of the legislative authorities under which the Federal agencies operate.

3. The material supplied by the Corps of Engineers does not include large reservoirs, which are mostly multiple-purpose undertakings and produce power, navigation, and water supply benefits as well as flood control benefits. A major share of the flood protection benefits of large reservoirs are widely distributed over large areas. Special studies would be necessary to determine in these cases the appropriate portion of project costs that would be subject to the cost-sharing requirements on the part of groups receiving significant, identifiable flood protection benefits. Conversely, detailed studies might indicate the existence of a portion of widespread benefits in the case of some of the Department of Agriculture projects.

4. The Corps of Engineers has excluded several separable features of the overall project, "Flood Control, Mississippi River and Tributaries," which would be covered under the terms of S. 2060. Little or no local financial participation has been required for these features. The watershed projects installed by the Soil Conservation Service under authority of the Flood Control Act of 1944, which are generally similar to those installed under authority of Public Law 566, would be covered under the terms of S. 2060.

5. In General Itschner's letter it is pointed out that in some cases under the terms of S. 2060 there would be a reduction of costs to local interests. Such cases would occur where a non-Federal cash payment has been required by the Congress (in addition to the usual requirement of lands, easements, and rights-of-way) and the total local share exceeds 30 percent of project costs. For these projects, the tables reflect a reduction equal to the cash payment so long as the local share does not drop below 30 percent. The provisions of S. 2060 would, however, permit the Chief of Engineers to recommend, where special circumstances dictate, the requirement of a local cash payment, even if the non-Federal share represented by lands, easements, and rights-of-way exceeds 30 percent.

6. Reference is made in Assistant Secretary Peterson's letter to cost sharing for treatment measures, which are excluded under the terms of S. 2060. It should be pointed out that in the case of these measures, Federal payments under authorities other than Public Law 566 (such as the agricultural conservation program, the conservation reserve program, and State and private forestry cooperation) are counted as part of the local financial participation. The percentages of local cost sharing cited, therefore, are not comparable with the percentages computed for structural measures.

The opportunity to furnish these comments is greatly appreciated. If we can be of further assistance, please inform us.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., July 7, 1959.

Hon. PRESCOTT BUSH,
U.S. Senate.

DEAR SENATOR BUSH: Reference is made to your letter of May 27, 1959, and an interim reply by General Person of May 29, 1959. You request tables showing the distribution of costs between the Federal Government and non-Federal interests on all flood-control or flood-prevention projects that have been authorized or recommended for authorization from January 1, 1954, to date, or which have been undertaken during that period under provisions of law which permit the initiation of projects without specific authorizations or appropriations. You also request additional tables to show distribution of costs on these projects if the changes in existing law proposed in S. 2060 had been in effect.

Tables are enclosed showing the distribution of costs for all local protection projects authorized or recommended since January 1, 1954, as follows:

	Sheets
Authorized by Flood Control Act of 1954	3
Authorized by Flood Control Act of 1958	2
Authorized by Public Law 218 and Public Law 256, 84th Cong., 1st sess., proposed in 1959 Flood Control Act	1
Approved under authority of section 205 of 1948 Flood Control Act, as amended by Public Law 685, 84th Cong	1
Summary	1

It will be noted that the costs to local interests would generally be increased under the proposed law. In some instances, however, there would be reductions. These would occur where local interests have been required to make a cash contribution toward the construction cost, in addition to providing lands, easements, and rights-of-way, and the sum of these costs is in excess of 30 percent of the total cost. Where no cash contribution is required, but lands and rights-of-way alone are estimated to cost in excess of 30 percent of the project cost, local interests would be required to bear the full cost of that item, and there would be no change in the local cost.

Reservoirs have been included in the list of local protection projects only where local interests are required under existing law to provide rights-of-way because the flood-control benefits from the reservoirs are primarily local. Large reservoirs have been omitted from the tables because the benefits from such projects are widely dispersed over large geographic areas and insufficient information was available to identify the beneficiaries. One project, the Saginaw River, Mich., in-

cluded costs for preservation of fish and wildlife. Such costs were omitted and only costs allocated to flood control were considered. Some projects include flood control and drainage costs, e.g., the central and southern Florida project. One benefit from such projects is increased or higher use of the land, made possible by control of floods, improvement of drainage outlets, and control of water level for agricultural use. Information was not available to distribute the costs between flood control and drainage. The table indicates that under the proposed S. 2060 the costs to local interests for the central and southern Florida project would be reduced, whereas it is believed that if the flood-control costs only were considered the local costs would be increased.

The following table shows the allocation of costs to local interests in percent of total cost for those projects included in the table.

[Costs in million dollars]

	Total cost	Existing law		Proposed S. 2060	
		Local cost	Percent of total cost	Local cost	Percent of total cost
1954 Flood Control Act	250.7	65.6	26	90.6	36
1955, Public Law 218	5.8	1.5	26	1.8	30
1955, Public Law 256	131.0	7.9	6	39.3	30
1958 Flood Control Act	444.6	110.1	25	133.7	30
1948, section 205	12.3	2.8	23	4.2	34
1959, proposed	31.8	8.2	26	9.5	30
Total	876.2	196.1	22	279.1	32

I hope that the above information is sufficient for your needs. If not, I will be pleased to furnish additional information upon request.

Sincerely,

E. C. ITSCHNER,
Major General, U.S. Army,
Chief of Engineers.

Distribution of costs on local flood control projects authorized by Flood Control Act of 1954 (Public Law 780, 83d Cong., 2d sess.)

Document	River basin and project	Type of improvement	Distribution of costs under existing law					Distribution of costs if S. 2060 had been in effect				Change in local costs
			Total	Federal		Local		Federal		Local		
				Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
S. 500-81-2	Susquehanna River Basin:											
	Endicott, N.Y.	Levee and floodwall	$1,447,000	$1,193,000	82	$254,000	18	$1,013,000	70	$434,000	30	+$180,000
	West Endicott, N.Y.	Levee and cutoff channel	1,315,000	1,007,000	77	308,000	23	921,000	70	394,000	30	+86,000
	Vestal, N.Y.	Levee	1,683,000	1,503,000	89	180,000	11	1,178,000	70	505,000	30	+325,000
	Westover	Levee and channel clearing	933,000	766,000	82	167,000	18	653,000	70	280,000	30	+113,000
S. 160-83	Lower Mississippi River: Reelfoot Lake area.	Channel improvement	1,155,300	748,100	65	407,200	35	748,100	65	407,200	35	No change
H. 250-83-2	Buffalo Bayou and tributaries, Houston, Tex.: Buffalo, Brays, and White Oak Bayous.	do	53,049,000	25,997,000	49	27,052,000	51	25,997,000	49	27,052,000	51	No change
H. 535-81-2	Brazos River and tributaries, Oyster Creek and Jones Creek, Tex.:											
	Lampasas		1,042,100	1,017,600	98	24,500	2	729,500	70	312,600	30	+288,100
	Burleson County levee		3,472,000	3,254,000	94	218,000	6	2,430,400	70	1,041,600	30	+823,600
H. 344-83-2	Guadelupe and San Antonio Rivers, Tex.:											
	San Antonio	Channel improvement	23,978,000	14,738,000	61	9,240,000	39	15,138,000	63	8,840,000	37	−400,000
	Kenedy	do	218,600	186,000	85	32,600	15	153,000	70	65,600	30	+33,000
H. 339-84-2	Pecos River and tributaries, Texas and New Mexico:											
	Pecos, Tex.	Levee and diversion channel	2,400,000	2,000,000	83	400,000	17	1,680,000	70	720,000	30	+320,000
	Artesia, N. Mex.	do	700,000	540,000	77	160,000	23	490,000	70	210,000	30	+50,000
	Rio Grande Basin:											
H. 464-83	Rio Grande and tributaries, Albuquerque, N. Mex.	Channel improvement	10,265,200	7,478,500	73	2,786,700	27	7,185,600	70	3,079,600	30	+292,900
H. 436-83-2	Rio Hondo, Roswell, N. Mex.	Reservoir	5,772,700	5,058,000	98	114,700	2	4,040,900	70	1,731,800	30	+1,617,100
	Arkansas River Basin:											
H. 185-83	Enid, Okla.	Levees and diversion channel	1,295,000	965,000	75	330,000	25	906,500	70	388,500	30	+58,500
H. 167-83-1	Conway County Drainage and Levee District No. 1, Arkansas.	Levee	249,000	230,600	93	18,400	7	174,300	70	74,700	30	+56,300
H. 157-82-1	Holla Bend Bottom, Ark.	do	335,000	312,000	93	23,000	7	234,500	70	100,500	30	+77,500
	Upper Mississippi River:											
H. 397-83-2	Alton, Ill.	Levee and floodwall	4,250,000	3,350,000	79	900,000	21	2,975,000	70	1,275,000	30	+375,000
H. 435-83	Bear Creek at Hannibal, Mo.	Reservoir	3,515,000	3,326,000	95	189,000	5	2,460,000	70	1,055,000	30	+865,400
H. 281-83-2	Guttenberg, Iowa, to Hamburg Bay, Ill.:											
	Sabula, Iowa	Levees	302,100	289,800	96	12,300	4	211,900	70	90,600	30	+78,300
	Campbells Island, Ill.	do	461,000	447,000	97	14,000	3	322,700	70	138,300	30	+124,300
	Muscatine, Iowa	Levee and wall	831,900	827,500	99	4,400	1	582,300	70	249,600	30	+245,200
	Drury Drainage District, Ill.	Levee	1,245,000	1,218,500	98	26,500	2	871,500	70	373,500	30	+347,000
	Muscatine Island Levee District; Muscatine Island Co. Drainage District No. 13, Iowa.	do	2,388,300	2,352,600	99	35,700	1	1,671,800	70	716,500	30	+680,800
	Subdistrict No. 1 of Drainage Union No. 1; Bay Island Drainage and Levee District No. 1, Illinois.	do	3,428,700	3,363,700	98	65,000	2	2,400,100	70	1,028,600	30	+963,600
	Iowa River-Flint Creek Levee District No. 16, Iowa.	do	6,535,000	6,406,800	98	128,200	2	4,574,500	70	1,960,500	30	+1,832,300
	Henderson County Drainage District No. 1, Illinois.	do	965,700	937,700	97	28,000	3	676,000	70	289,700	30	+261,700
	Henderson County Drainage District No. 2, Illinois.	do	686,600	674,000	98	12,600	2	480,600	70	206,000	30	+193,400
	Green Bay Levee and Drainage District No. 2, Iowa.	do	777,900	732,100	94	45,800	6	544,500	70	233,400	30	+187,600

Distribution of costs on local flood control projects authorized by Flood Control Act of 1954 (Public Law 780, 83d Cong., 2d sess.)—Continued

Document	River basin and project	Type of improvement	Distribution of costs under existing law					Distribution of costs if S. 2060 had been in effect				Change in local costs
			Total	Federal		Local		Federal		Local		
				Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
H. 281-83-2	Upper Mississippi—Con. Guttenburg, Iowa—Con. Des Moines and Mississippi Levee District No. 1, Missouri.	Levee	$830,400	$795,600	96	$34,800	4	$581,300	70	$249,100	30	+$214,300
	Hunt Drainage District; Lima Lake Drainage District, Illinois.	do	3,378,400	3,243,500	96	134,900	4	2,364,900	70	1,013,500	30	+878,600
	Indian Grave Drainage District, Illinois.	do	4,408,200	4,345,000	99	63,200	1	3,089,700	70	1,322,500	30	+1,259,300
	Fabius River Drainage District, Missouri.	do	2,348,900	2,093,000	89	255,900	11	1,644,200	70	704,700	30	+448,800
	South Quincy Drainage and Levee District, Illinois.	do	887,600	868,900	98	18,700	2	621,300	70	266,300	30	+247,600
	Marion County Drainage District, Missouri.	do	1,007,600	745,700	74	261,900	26	705,300	70	302,300	30	+40,400
H. 396-83-2	Fish Lake Drainage and Levee District No. 8, Illinois.	do	623,100	480,000	77	143,100	23	436,200	70	186,900	30	+43,800
H. 247-83	Mississippi River, Sny Island Levee and Drainage District, Illinois.	do	7,220,100	7,046,300	98	173,800	2	5,054,100	70	2,166,000	30	+1,992,200
H. 375-83-2	Upper Iowa River, Iowa	Channel improvement and levee.	1,049,600	979,600	93	70,000	7	734,700	70	314,900	30	+244,900
	Missouri River Basin:											
H. 642-81-2	Kansas River and tributaries: Lawrence, Kans.	Bank protection and levee.	2,643,000	2,541,000	96	102,000	4	1,850,100	70	792,900	30	+690,900
	Topeka, Kans.	Levee and channel improvement.	16,583,000	11,708,000	71	4,875,000	29	11,608,000	70	4,975,000	30	+100,000
	Manhattan, Kans.	Levee	1,591,000	1,362,000	86	229,000	14	1,113,700	70	477,300	30	+248,300
	Abilene, Kans.	Levee, floodwall, and channel improvement.	677,000	533,000	79	144,000	21	473,900	70	203,100	30	+59,100
	Salina, Kans.	Levee and cutoff channel.	1,988,000	1,354,000	68	634,000	32	1,354,000	68	634,000	32	No change
	Marysville, Kans.	Levee and channel improvement.	380,000	305,000	80	75,000	20	266,000	70	114,000	30	+39,000
	Merriam, Kans.	do	474,000	362,000	76	112,000	24	331,800	70	142,200	30	+30,200
	Beatrice, Nebr.	do	839,000	479,000	57	360,000	43	479,000	57	360,000	43	No change
	Hubbell, Nebr.	do	14,000	11,000	79	3,000	21	9,800	70	4,200	30	+1,200
H. 549-81	Osage River and tributaries, Kansas and Missouri: Ottawa, Kans.	do	3,137,000	2,868,000	91	269,000	9	2,195,900	70	941,100	30	+672,100
	Osawatomie, Kans.	do	721,000	637,000	88	84,000	12	504,700	70	216,300	30	+132,300
H. 561-81-2	Chariton River, Iowa and Mo., Mystic, Iowa.	Channel improvement	48,000	44,000	92	4,000	8	33,600	70	14,400	30	+10,400
H. 133-84-1	Big Sioux River and tributaries, Iowa and South Dakota, Sioux Falls, S. Dak.	Levees and channel improvement.	3,944,000	3,430,000	87	514,000	13	2,761,000	70	1,183,000	30	+669,000
S. 127-83	Little Sioux River and tributaries.	do	18,081,000	15,466,000	86	2,615,000	14	12,657,000	70	5,424,000	30	+2,809,000
S. 134-81-2	Little Missouri River and tributaries at Marmath, N. Dak.	Levee	216,300	212,300	98	4,000	2	151,400	70	64,900	30	+60,900
S. 31-84-1	Lower Heart River at Mandan, S. Dak.	Levees and channel improvement.	2,190,830	1,727,000	79	463,830	21	1,533,630	70	657,200	30	+193,370
H. 154-82	Coal Creek and tributaries, Tennessee.	Channel improvement	854,500	745,200	87	109,300	13	598,100	70	256,400	30	+147,100
H. 716-81-2	Ohio River Basin; Sandy Lick Creek at Reynoldsville, Pa.	do	591,000	570,000	96	21,000	4	414,000	70	177,000	30	+156,000
S. 161-83-2	Ohio River Basin: Paint Rock River.	Channel improvement and drainage.	2,707,300	1,001,300	37	1,706,000	63	1,001,300	37	1,706,000	63	No change
S. 98-83-2	Kalamazoo River, Mich.: Battle Creek, Mich.	Channel improvement	7,208,000	4,201,550	58	3,006,450	42	4,307,050	60	2,900,950	40	−105,500
H. 153-82-1	Little Calumet River, Ind.	do	1,546,400	509,900	33	1,036,500	67	509,900	33	1,036,500	67	No change
H. 400-83	Santa Maria River Basin	Levees and channel improvement.	11,398,000	10,182,000	89	1,216,000	11	7,979,000	70	3,419,000	30	+2,203,000
—— 47-83	San Lorenzo River Basin	do	3,361,000	2,665,000	79	696,000	21	2,353,000	70	1,008,000	30	+312,000
	Sacramento River Basin:											
H. 367-81-1	Middle Creek, Calif.	Levees and channel improvement.	1,900,000	1,110,000	58	790,000	42	1,110,000	58	790,000	42	No change
	American River, Calif.	Levees	2,100,000	1,600,000	76	500,000	24	1,470,000	70	630,000	30	+130,000
H. 452-83	San Lorenzo Creek Basin, Calif., Hayward, Calif.	Levees and channel improvement.	4,446,000	3,790,000	85	656,000	15	3,112,000	70	1,334,000	30	+678,000
H. 497-83-2	Truckee River Basin	Channel improvement	960,000	791,000	82	169,000	18	672,000	70	288,000	30	+119,000
S. 131-83	Columbia River Basin: Amazon Creek, Oreg.	Channel improvement and diversion.	1,232,690	893,600	72	339,090	28	862,890	70	369,800	30	+30,710
H. 54-82	Alaska: Gold Creek and tributaries.	Channel improvement	405,600	380,000	94	25,600	6	283,900	70	121,700	20	+96,100
H. 529-81	Hawaii: Wailoa Stream and tributaries.	Channel improvement and diversion.	485,500	347,000	71	138,500	29	339,900	70	145,600	30	+7,100
	Total		250,742,020	185,152,850	74	65,589,170	26	160,105,270	64	90,636,750	36	+25,047,580

Distribution of Federal and non-Federal cost of flood control projects authorized by Flood Control Act of 1958 (Public Law 85-500)

Document	River basin and project	Type of improvement	Distribution of costs under existing law					Distribution of costs if S. 2060 had been in effect				Change in local costs
			Total	Federal		Local		Federal		Local		
				Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
S. 59-85	New Bedford, Fairhaven, and Acushnet, Mass.	Dikes and seawalls (hurricane).	$17,200,000	$12,040,000	70	$5,160,000	30	$12,040,000	70	$5,160,000	30	No change
H. 230-85	Narragansett Bay area, Rhode Island, and Massachusetts.	Barrier and seawalls (hurricane).	16,500,000	11,550,000	70	4,950,000	30	11,550,000	70	4,950,000	30	No change
H. 137-85	Mad River Reservoir, Conn.	Reservoir above Winsted, Conn.	5,820,000	5,430,000	93	390,000	7	4,064,000	70	1,756,000	30	+$1,366,000
	Housatonic River Basin:											
H. 81-85	Hall Meadow Brook Reservoir.	Reservoir	2,420,000	1,960,000	81	460,000	19	1,694,000	70	726,000	30	+266,000
H. 81-85	East Branch Naugatuck River Reservoir.	do	2,670,000	1,780,000	67	890,000	33	1,869,000	70	801,000	30	−89,000
H. 394-84	Susquehanna River Basin:											
	Nichols, levees	Nichols, levees	721,000	694,000	96	27,000	4	505,000	70	216,000	30	+189,000
	Elkland, levees	Elkland, levees	1,381,000	1,210,000	88	171,000	12	967,000	70	414,000	30	+243,000
	North Branch Susquehanna River and New York and Pennsylvania.	Cortland, channel improvement.	383,000	306,000	80	77,000	20	268,000	70	115,000	30	+38,000
H. 172-85	Hudson River:											
	Mohawk River, N.Y.:											
	South Amsterdam, N.Y.	Levees	1,282,000	1,180,000	92	102,000	8	897,000	70	385,000	30	+283,000
	Herkimer, N.Y.	do	644,000	595,000	92	49,000	8	451,000	70	193,000	30	+144,000
	Rome, N.Y.	Levees and channel improvement.	621,000	294,000	47	327,000	53	294,000	47	327,000	53	No change
	Subtotal		2,547,000	2,069,000	81	478,000	19	1,642,000	64	905,000	36	+427,000
H. 398-84	Pantego and Cucklers Creek, N.C.		542,100	413,000	76	129,100	24	379,500	70	162,600	30	+33,500
S. 48-85	Central and southern Florida	Levees and channel improvement.	[1]186,437,000	128,406,000	69	58,031,000	31	130,506,000	70	55,931,000	30	−2,100,000
S. 48-85	Hendry County, Fla.	do	[1] 4,602,000	3,172,000	69	1,430,000	31	3,221,000	70	1,381,000	30	−49,000
	Mobile River Basin:											
H. 167-84	Tombigbee River and Alabama and Mississippi.	Channel improvement	21,873,800	19,311,000	88	2,562,800	12	15,311,800	70	6,562,000	30	+3,999,200
H. 83-85	Alabama River at Montgomery, Ala.	Levees, floodwalls, and pumping plants.	1,575,000	1,300,000	83	275,000	17	1,103,000	70	472,000	30	+197,000
	Lower Mississippi River:											
H. 76-85	Wolf River, Tenn.	Channel improvement	[1] 3,027,000	1,932,000	64	1,095,000	36	2,119,000	70	908,000	30	−187,000
H. 347-84	Bayou Chevreuil, La.	do	[1] 1,369,000	547,000	40	822,000	60	958,000	70	411,000	30	−411,000
H. 347-85	Gulf of Mexico: Texas City, Tex.	Levees and floodwalls	8,084,000	5,662,000	70	2,427,000	30	5,662,000	70	2,427,000	30	No change
H. 224-85	Pecos River at Carlsbad, N. Mex.	Floodway and channel improvement.	2,520,900	1,791,200	71	729,700	29	1,764,600	70	656,300	30	+26,600
S. 58-85	Rio Grande at Socorro, N. Mex.	Channel improvement	3,375,700	3,102,700	92	273,000	8	2,363,000	70	1,012,700	30	+739,700
	Upper Mississippi River Basin:											
H. 173-85	Rock and Green Rivers, Ill.	Levees	8,317,900	6,996,000	84	1,321,900	16	5,822,500	70	2,495,400	30	+1,173,500
S. 52-84	Eau Galle River at Spring Valley, Wis.	Dam and channel improvement.	7,234,700	6,690,000	92	544,700	8	5,064,300	70	2,170,400	30	+1,625,700
H. 324-84	Mississippi River at Winona, Minn.	Levees and pumping stations.	1,659,600	1,620,000	98	39,600	2	1,161,700	70	497,900	30	+458,300
H. 223-85	Mississippi River at St. Paul, South St. Paul, Minn.:											
	St. Paul	Levees, floodwalls, and pumping stations.	[2] 3,779,500	3,187,800	83	641,700	17	2,645,700	70	1,133,800	30	+492,100
	South St. Paul	do	2,692,200	2,567,700	95	124,500	5	1,884,800	70	807,400	30	+682,900
H. 437-84	Minnesota River at North Mankato, Minn.	Levees and channel improvement.	2,027,000	1,870,000	92	157,000	8	1,418,900	70	608,100	30	+451,100
H. 232-85	Kaskaskia River, Ill.:											
	6 levee districts	Levees	8,516,000	4,686,000	55	3,830,000	45	5,961,000	70	2,555,000	30	−1,275,000
	New Athens, Ill.	do	1,608,000	1,466,000	91	142,000	9	1,126,000	70	482,000	30	+340,000
H. 431-84	Root River at Rushford, Minn.	Levees and channel improvement.	911,200	796,000	87	115,200	13	637,800	70	273,400	30	+158,200
	Great Lakes Basin:											
H. 165-84	Bad River, Mellen, and Odanah, Wis.:											
	Mellen	Channel improvement	400,000	390,000	98	10,000	2	280,000	70	120,000	30	+110,000
	Odanah	do	532,600	527,000	99	5,600	1	372,800	70	159,800	30	+154,800
S. 53-84	Kalamazoo River, Kalamazoo, Mich.	do	6,138,000	5,358,000	87	780,000	13	4,296,600	70	1,841,400	30	+1,061,400
S. 132-84	Grand River, Lansing, Mich.	do	12,923,000	9,825,000	76	3,098,000	24	9,046,100	70	3,876,900	30	+778,900
H. 346-84	Saginaw River, Mich.	Protective works and channel improvement.	20,404,900	16,085,000	79	4,319,900	21	14,283,430	70	6,121,470	30	+1,801,570
S. 133-84	Oswego River, Auburn, N.Y.	Channel improvement	366,300	304,600	83	61,700	17	256,410	70	109,890	30	+48,190
	Missouri River Basin:											
H. 343-85	Sun River at Great Falls, Mont.	Levees and channel improvement.	2,120,000	1,405,000	66	715,000	34	1,405,000	66	715,000	34	No change
H. 35-85	Cannonball River at Mott, N. Dak.	Levees, channels, and pumping plants.	688,000	434,000	63	254,000	37	434,000	63	254,000	37	No change
H. 417-84	Floyd River, Iowa	Levees and channels	11,700,000	8,060,000	69	3,640,000	31	8,127,700	70	3,572,300	30	−67,700
H. 409-84	Black Vermillion River at Frankfort, Kans.	Levee and channel improvement.	990,000	850,000	86	140,000	14	693,000	70	297,000	30	+157,000
S. 139-84	Gering and Mitchell Valleys, Nebr.	Channel improvement and 4 detention dams.	1,570,000	1,214,000	77	356,000	23	1,099,000	70	471,000	30	+115,000
H. 396-84	Salt Creek and tributaries, Nebraska.	Channel improvement and 12 reservoirs.	15,000,200	13,314,000	89	1,686,200	11	10,500,200	70	4,500,000	30	+2,813,800
H. 187-85	Shell Creek, Nebr.	Levee and channel improvement.	2,540,000	2,025,000	80	515,000	20	1,778,000	70	762,000	30	+247,000
	Red River of the North Basin:											
S. 141-84	Ruffy Brook and Lost River, Minn.:											
	Ruffy Brook	Channel improvement	[1] 178,300	104,900	59	73,400	41	124,800	70	53,500	30	−19,900
	Lost River	do	[1] 972,500	527,300	54	445,200	46	680,700	70	291,800	30	−153,400

See footnote at end of table.

Distribution of Federal and non-Federal cost of flood control projects authorized by Flood Control Act of 1958 (Public Law 85-500)—Con.

Document	River basin and project	Type of improvement	Distribution of costs under existing law					Distribution of costs if S. 2060 had been in effect				Change in local costs
			Total	Federal		Local		Federal		Local		
				Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
H. 316-84	Ohio River Basin: Saline River and tributaries, Illinois.	Channel improvements	$6,618,000	$5,272,000	80	$1,346,000	20	$4,632,600	70	$1,985,400	30	+$639,400
S. 122-84	Brush Creek at Princeton, W. Va.	do	1,277,500	917,000	72	360,500	28	888,300	70	389,200	30	+28,700
S. 137-84	Meadow River at East Rainelle, W. Va.	do	823,500	708,000	86	115,500	14	576,500	70	247,000	30	+131,500
S. 105-85	Tug Fork, Williamson, W. Va.	Concrete wall and pumping plants.	665,000	625,000	94	40,000	6	465,000	70	200,000	30	+160,000
S. 103-84	Lake Chautauqua and Chadakoin River, Jamestown, N.Y.	Channel improvements	5,707,000	4,796,000	84	911,000	16	3,995,000	70	1,712,000	30	+801,000
H. 286-85	Chartiers Creek at Washington, Pa.	Channel improvement and floodwall.	1,540,000	1,286,000	84	254,000	16	1,078,000	70	462,000	30	+208,000
H. 390-85	Turtle Creek Basin, Pa.	do	15,113,000	13,417,000	89	1,696,000	11	10,579,000	70	4,534,000	30	+2,838,000
H. 166-85	Sandy Lick Creek at Brookville, Pa.	Channel improvement	1,488,000	1,188,000	80	300,000	20	1,042,000	70	446,000	30	+146,000
H. 272-84	Sacramento River Basin: Chico Landing to Red Bluff, Calif.	do	1,596,000	1,560,000	98	36,000	2	1,117,000	70	479,000	30	+443,000
H. 80-85	Eel River, Sandy Prairie region, California.	Levee	959,000	707,000	74	252,000	26	671,000	70	288,000	30	+36,000
H. 158-84	Weber River and tributaries, Utah.	Levee and channel improvement.	635,000	520,000	82	115,000	18	445,000	70	190,000	30	+75,000
H. 157-84	Sammamish River Basin, Wash.	Major drainage and channel improvement.	[1] 1,229,000	825,000	67	404,000	33	860,000	70	369,000	30	−35,000
H. 137-84	Alaska: Chena River at Fairbanks, Alaska.	Levee and channel improvement.	10,567,000	9,727,000	92	840,000	8	7,397,000	70	3,170,000	30	+2,330,000
H. 34-85	Cook Inlet, Alaska	Bank stabilization	64,900	64,900	100	0	0	45,430	------	19,470	30	+19,470
	Total		444,606,300	334,542,100	75	110,064,200	25	310,879,170	70	133,727,130	30	+23,662,930

[1] Includes costs of drainage features. Information not available to separate flood control costs from drainage costs.

Local flood-control project authorized by Public Law 218 (84th Cong., 1st sess.), Aug. 3, 1955

Document	River basin and project	Type of improvement	Cost distribution as recommended by Chief of Engineers					Distribution of costs if S. 2060 had been in effect				Change in local costs
			Total	Federal		Local		Federal		Local		
				Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
H. 488-83	Red River Basin: Pauls Valley, Okla.	Levees	$2,298,000	$1,780,000	77	$518,000	23	$1,608,600	70	$689,400	30	+$171,400
	Brown Creek	Levees and channel improvement.	1,316,000	957,700	73	358,300	27	921,200	70	394,800	30	+36,500
	Walnut Bayou	Channel improvement	524,000	407,500	78	116,500	22	366,800	70	157,200	30	+40,700
	Maniece Bayou	do	[1] 159,000	103,700	65	55,300	35	111,300	70	47,700	30	−7,600
	Posten Bayou	do	[1] 452,000	314,600	70	137,400	30	316,400	70	135,600	30	−1,800
	McKinney Bayou	Levees and channel improvement.	1,067,000	760,650	71	306,350	29	746,900	70	320,100	30	+13,750
	Total		5,816,000	4,324,150	74	1,491,850	26	4,071,200	70	1,744,800	30	+252,950

[1] Includes costs of drainage features. Information not available to separate flood control costs from drainage costs.

Local flood-control project authorized by Public Law 256 (84th Cong., 1st sess.), Aug. 9, 1955

Document	River basin and project	Type of improvement	Cost distribution as recommended by Chief of Engineers					Distribution of costs if S. 2060 had been in effect				Change in local costs
			Total	Federal		Local		Federal		Local		
				Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
S. 57-84	Mississippi River: St. Louis, Mo.		$130,987,000	$123,020,000	94	$7,967,000	6	$91,691,000	70	$39,296,000	30	+$31,329,000

Local flood-control projects proposed for authorization in the Flood Control Act of 1959

Document	River basin and project	Type of improvement	Cost distribution as recommended by Chief of Engineers					Distribution of costs if S. 2060 had been in effect				Change in local costs
			Total	Federal		Local		Federal		Local		
				Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
S. 87-85-2	Blackstone River Basin: Lower Woonsocket, R.I	Levee, floodwall, and channel improvement.	$4,255,000	$2,970,000	70	$1,285,000	30	$2,978,500	70	$1,276,500	30	−$8,500
H. 110-86	Connoquenessing Creek: Butler, Pa.	Channel improvement	1,999,500	1,558,700	78	440,800	22	1,399,650	70	599,850	30	+159,050
H. 76-86	Walnut Creek, Calif	Levee and channel improvement.	24,360,000	17,980,000	74	6,380,000	26	17,052,000	70	7,308,000	30	+928,000
H. 180-86	Blieders Creek, New Braunfels, Tex.	Reservoir	1,143,000	1,060,000	93	83,000	7	800,000	70	343,000	30	+260,000
	Total		31,757,500	23,568,700	74	8,188,800	26	22,230,150	70	9,527,350	30	+1,338,550

Distribution of Federal and non-Federal cost of small local protection flood control projects not specifically authorized by Congress, approved for construction under the authority contained in sec. 205 of 1948 Flood Control Act, as amended

Approved	Location	Type of improvement	Distribution of costs under existing law					Distribution of costs if S. 2060 had been in effect				Change in local costs
			Total Cost	Federal Cost		Non-Federal Cost		Federal cost		Non-Feneral Cost		
				Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
1954												
August	Conklin-Kirkwood, N.Y	Channel improvement	$86,000	$71,000	83	$15,000	17	$60,200	70	$25,800	30	+$10,800
September	Okabena Creek, Worthington, Minn.	Levees and channel improvement.	129,300	72,400	56	56,900	44	72,400	56	56,900	44	No change
October	Oconto River, Oconto, Wis	Channel improvement	152,500	149,000	98	3,500	2	106,750	70	45,750	30	+42,250
1955												
August	Yellow Creek, Amsterdam, Ohio.	do	218,500	196,000	90	22,500	10	152,950	70	65,550	30	+43,050
	Beaver Creek, Montesuma, Ga	Levee	207,000	150,000	72	[1] 57,000	28	144,900	70	62,100	30	+5,100
	Tranquitas Creek, Kingsville, Tex.	Channel improvement	190,000	148,000	78	42,000	22	133,000	70	57,000	30	+15,000
	Yellowstone River, West Glendive, Mont.	do	214,300	182,400	85	31,900	15	150,010	70	64,290	30	+32,390
	Catching Inlet Drainage District, Coos Bay, Oreg.	Levee	196,100	185,000	94	11,100	6	137,270	70	58,830	30	+47,730
	Cocheco River, Farmington, N.H.	Channel improvement	95,500	87,500	92	8,000	8	66,850	70	28,650	30	+20,650
1956												
June	American Lake, vicinity Fort Lewis, Wash.	do	60,500	60,500	100		0	42,350	70	18,150	30	+18,150
July	Little Conemaugh River, Wilmore, Pa.	Levee and channel improvement.	116,000	114,700	99	1,300	1	81,200	70	34,800	30	+33,500
	Oil Creek, Oil City, Pa	Dike	81,800	51,100	62	30,700	38	51,100	62	30,700	38	No change
	Dry Creek, Wash	Channel improvement	314,000	264,000	84	50,000	16	219,800	70	94,200	30	+44,200
	Salt Creek, Bernard, Kans	Encircling levee	177,500	144,500	81	33,000	19	124,250	70	53,250	30	+20,250
	Redwood River, Marshall, Minn.	Channel improvement	241,000	225,000	93	16,000	7	168,700	70	72,300	30	+56,300
	Kishwaukee River, De Kalb, Ill.	do	174,500	123,500	71	51,000	29	122,150	70	52,350	30	+1,350
	Wappinger Creek, Pleasant Valley, N.Y.	do	148,000	139,000	94	9,000	6	103,600	70	44,400	30	+35,400
September	Bear Creek, Friendsville, Md	do	43,730	41,530	95	2,200	5	30,610	70	13,120	30	+10,920
October	Umatilla River, Pendleton, Oreg.	do	277,200	275,000	99	2,200	1	194,040	70	83,160	30	+80,960
	Marsh Creek, Geneva, N.Y	do	298,500	223,500	75	75,000	25	208,950	70	89,550	30	+14,550
November	Stillwell Drain District, Tillamook, Oreg.	Levee	201,000	186,000	93	15,000	7	140,700	70	60,300	30	+45,300
	Newton Creek, Bainbridge, N.Y.	Channel improvement	385,000	355,000	92	30,000	8	269,500	70	115,500	30	+85,500
1957												
February	East Branch, Naugatuck River, Torrington, Conn.	do	395,000	355,000	90	40,000	10	276,500	70	118,500	30	+78,500
April	Coyote Creek, Marin County, Calif.	do	605,000	400,000	66	[2] 205,000	34	[2] 400,000	66	205,000	34	No change
May	Levisa Fork, Prestonburg, Ky.	Levee and pumping plant.	400,000	380,000	95	20,000	5	280,000	70	120,000	30	+100,000
June	Red Dale Gulch, Rapid City, S. Dak.	Upstream dam	144,300	142,200	99	2,100	1	101,010	70	43,290	30	+41,190
October	Buffalo Creek, Scranton, N. Dak.	Channel improvement	138,900	104,400	75	34,500	25	97,230	70	41,670	30	+7,170
	Ware River, Ware, Mass	Channel improvement and dikes.	485,000	400,000	82	85,000	18	339,500	70	145,500	30	+60,500
1958												
March	Salmon Creek, Oakridge, Oreg.	Channel improvement	416,000	387,000	93	29,000	7	291,200	70	124,800	30	+95,800
	Forked Deer River, Dyersburg, Tenn.	Levee, diversion ditch, pumping plant.	282,500	204,500	72	78,000	28	197,750	70	84,750	30	+6,750
	Jackson County, Fla	Drainage canal	169,000	106,000	63	63,000	37	118,300	70	50,700	30	−12,300
April	Clodine Ditch, Buffalo Bayou, Tex.	Channel improvement	27,850	13,000	47	14,850	53	19,495	70	8,355	30	−6,495
May	Naugatuck River, Waterbury and Watertown, Conn.	do	161,000	160,000	99	1,000	1	112,700	70	48,300	30	+47,300
	Cocheco River, Farmington, N.H.	do	42,100	41,500	99	600	1	29,470	70	12,630	30	+12,030
	Cherry Valley Run, Leetonia, Ohio.	do	97,200	80,000	82	17,200	18	68,040	70	29,160	30	+11,960
June	Tuggarts Creek, Olive Hill, Ky.	do	428,250	397,000	93	31,250	7	299,775	70	128,475	30	+97,225
	Zintel Canyon, Kennewick, Wash.	do	675,000	390,000	58	285,000	42	390,000	58	285,000	42	No change

See footnotes at end of table.

Distribution of Federal and non-Federal cost of small local protection flood control projects not specifically authorized by Congress, approved for construction under the authority contained in sec. 205 of 1948 Flood Control Act, as amended—Continued

Approved	Location	Type of improvement	Distribution of costs under existing law					Distribution of costs if S. 2060 had been in effect				Change in local costs
			Total cost	Federal cost		Non-Federal cost		Federal cost		Non-Federal cost		
				Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
1958												
July	City Creek, San Bernardino County, Calif.	Levee	$855,000	$345,000	40	$510,000	60	$345,000	40	$510,000	60	No change
December	West Branch Naugatuck River, Torrington, Conn.	Channel improvement	620,000	393,000	63	227,000	37	400,000	65	220,000	35	−$7,000
1959												
January	Byram River, Pemberwick, Conn.	Channel improvement and levee.	437,400	394,000	90	43,400	10	306,180	70	131,220	30	+87,820
	Core Creek, Craven County, N.C.	Channel improvement	350,000	282,000	81	68,000	19	245,000	70	105,000	30	+37,000
February	Arch Creek, Dade County, Fla.	do	307,000	144,000	47	163,000	53	144,000	47	163,000	53	No change
	North Branch, Potomac River, Kitzmiller, Md.	do	340,000	280,000	82	60,000	18	238,000	70	102,000	30	+42,000
April	Ellerbe Creek, Durham, N.C.	do	298,000	218,000	73	80,000	27	208,600	70	89,400	30	+9,400
	Rheem Creek, Contra Costa County, Calif.	do	413,000	240,000	58	173,000	42	253,000	61	160,000	39	−13,000
May	Stump Creek, Sykesville, Pa.	do	192,000	183,000	95	9,000	5	134,400	70	57,600	30	+48,600
	Total		12,287,430	9,484,230	77	2,803,200	23	8,076,430	66	4,211,000	34	+1,407,800

[1] Non-Federal cost includes contribution of $27,000 for project costs in excess of $150,000.
[2] Non-Federal cost includes contribution of $100,000 for project costs in excess of $400,000.
[3] Federal costs limited to $400,000 under Public Law 685, 84th Cong.

Summary—Distribution of costs of local flood-control projects authorized and proposed subsequent to Jan. 1, 1954

	Total	Distribution of costs under existing law				Distribution of costs if S. 2060 had been in effect				Change in local costs
		Federal		Local		Federal		Local		
		Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
1954 Flood Control Act, Public Law 780, 83d Cong., 2d sess.	$250,742,020	$185,152,850	74	$65,589,170	26	$160,105,270	64	$90,636,750	36	+$25,047,580
1955 Public Law 218, 84th Cong., 1st sess.	5,816,000	4,324,150	74	1,491,850	26	4,071,200	70	1,744,800	30	+252,950
1955 Public Law 256, 84th Cong., 1st sess.	130,987,000	123,020,000	94	7,967,000	6	91,691,000	70	39,296,000	30	+31,329,000
1958 Flood Control Act, Public Law 85-500, 85th Cong.	444,606,300	334,542,100	75	110,064,200	25	310,879,170	70	133,727,130	30	+23,662,930
1948 Public Law 858, 80th Cong., 2d sess., sec. 205	12,287,430	9,484,230	77	2,803,200	23	8,076,430	66	4,211,000	34	+1,407,800
1959 Proposed Flood Control Act	31,757,500	23,568,700	74	8,188,800	26	22,230,150	70	9,527,350	30	+1,338,550
Total	876,196,250	680,092,030	78	196,104,220	22	597,053,220	68	279,143,030	32	+83,038,810

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 8, 1959.

Hon. PRESCOTT BUSH,
U.S. Senate.

DEAR SENATOR BUSH: In response to your letter of May 27, 1959, we are pleased to provide information on the distribution of costs between the Federal Government and non-Federal interests on watershed protection and flood prevention projects carried out under the authority of Public Law 566, as amended.

The enclosed table shows the distribution of costs for the purpose of flood prevention for all projects which have been authorized to receive Federal assistance between January 1, 1954, and June 1, 1959. In addition, it shows the changes in cost distribution that would result from the application of the provisions of the Uniform Cost-Sharing Act for Flood Control and Flood Prevention (S. 2060).

In accordance with the definition of flood prevention contained in the proposed act, the costs shown in the enclosed table do not include the cost of land treatment measures nor the cost of structural measures allocated to purposes other than flood prevention including drainage.

Data in the enclosed table show that, in accordance with the approved work plan, non-Federal interests will bear 13.8 percent of the installation cost of structural measures for the purposes of flood prevention in accordance with the requirements of Public Law 566, as amended. These include the cost of land, easements, and rights-of-way, including relocation and replacement of utilities and improvements, and the cost of administering contracts. The Federal Government is required by law to pay that part of the cost of construction, including engineering costs, of all structural measures applicable to flood prevention. The cost borne of non-Federal interests in approved projects ranges from about 1 to 61 percent.

Application of the Uniform Cost-Sharing Act to these watershed projects would have the effect of increasing the non-Federal cost on about 96 percent of the watershed projects. The non-Federal cost would then range from 30 to 61 percent, with an average of 30.6 percent.

While the foregoing information and tables are compiled in accordance with the specific provisions of S. 2060, we call your attention to two additional factors which are peculiar to watershed projects:

1. In addition to structural measures for flood prevention, watershed projects include another kind of measure installed primarily for flood prevention. These are land treatment measures for flood prevention and are often installed in lieu of structural measures. Non-Federal interests have agreed to bear about 38 percent of the cost of these measures in approved watershed projects and the Federal Government about 62 percent.

2. As a condition for receiving Federal assistance in the installation of structural measures, local organizations or landowners are required to install or to agree to install land treatment measures for the protection and improvement of watershed land. When the cost of land treatment measures are included in the cost distribution of watershed projects, the Federal cost from appropriations made under the authority of Public Law 566 is 56 percent and the cost from other sources is 44 percent of the total installation cost. These percentages include small amounts for purposes other than flood prevention, such as irrigation and drainage.

The cost of operation and maintenance, also required to be borne in full by local organizations, is not included in any of the data supplied in this letter.

We appreciate the opportunity to provide this information. If additional information is desired, we shall appreciate being advised.

Sincerely yours,

E. L. PETERSON,
Assistant Secretary.

Comparison of distribution of approved installation cost for flood prevention measures with that proposed in the Uniform Cost-Sharing Act—Watershed projects (Public Law 566)

State and watershed	Total cost	Federal cost				Non-Federal cost			
		Approved	Percent	Uniform	Percent	Approved	Percent	Uniform	Percent
Alabama:									
Brackin's Mill Creek	$208,781	$204,578	98	$146,147	70	$4,203	2	$62,634	30
Bristow's Creek	125,795	119,136	95	88,057		6,659	5	37,738	
Clear Creek	92,294	81,294	88	64,606		11,000	12	27,688	
High Pine Creek	509,308	399,856	78	356,516		109,452	22	152,792	
Little New River	154,456	127,556	83	108,119		26,900	17	46,337	
Little Paint Creek	446,929	419,654	94	312,850		27,275	6	134,079	
Subtotal	1,537,563	1,352,074		1,076,295		185,489		461,268	
Arkansas:									
Camp Bayou	90,997	73,231	80	63,698		17,766	20	27,299	
Caney Creek	896,728	735,498	72	627,710		161,230	18	269,018	
Ouachita Creek	96,780	90,246	93	67,746		6,534	7	29,034	
Subtotal	1,084,505	898,975		759,154		185,530		325,351	
California:									
Adobe Creek	850,655	679,835	80	595,459	80	170,820	20	255,196	
Arroyo Grande	249,776	185,144	74	174,843	70	64,632	26	74,933	30
Buena Vista Creek	1,698,400	978,800	58	978,800	58	719,600	42	719,600	42
Central Sonoma	11,679,900	9,599,500	72	8,175,930	70	2,080,400	18	3,503,970	30
Subtotal	14,478,731	11,443,279		9,925,032		3,035,452		4,553,699	
Colorado:									
Big Sandy Creek	790,395	749,647	95	553,277	0	40,748	5	237,118	30
West Cherry Creek	313,227	298,836	95	219,259		14,391	5	93,968	
Wray	200,627	184,830	92	140,439	70	15,797	8	60,188	30
Subtotal	1,304,249	1,233,313		912,975		70,936		391,274	
Connecticut:									
Furnace Brook-Middle River	1,728,587	1,036,657	60	1,036,657	60	691,930	40	691,930	40
Roaring Brook-Walnut Street Brook	48,538	41,204	85	33,977		7,334	15	14,561	30
Subtotal	1,777,125	1,077,861		1,070,634		699,264		706,491	
Delaware:									
Bear Hole	115,466	104,866	91	80,826		10,600	9	34,640	
Upper Nanticoke River	1,735,316	1,476,570	85	1,214,721		258,746	15	520,595	
Subtotal	1,850,782	1,581,436		1,295,547		269,346		555,235	
Florida:									
Fisheating Creek	269,585	246,065	91	188,710		23,520	9	80,875	
Lake Placid East Chain of Lakes	81,675	79,063	97	57,173		2,612	3	24,502	
North St. Lucie River Drainage District	173,596	163,014	94	121,517		10,582	6	52,079	
Pine Barren Creek	263,979	220,592	84	184,785		43,387	16	79,194	
Sebastian River Drainage District	298,240	258,003	86	208,768	70	40,237	14	89,472	30
Subtotal	1,087,075	966,737		760,953		120,338		326,122	
Georgia:									
Barber Creek	244,454	236,164	97	171,118	70	8,290	3	73,336	30
Bear Creek	143,684	134,314	94	100,579		9,370	6	43,105	
Hightower Creek	239,027	228,105	95	167,319		10,922	5	71,708	
Little Tallapoosa River	1,084,892	1,007,057	93	759,424		77,835	7	325,468	
Mill Creek	393,957	365,300	93	275,770		28,657	7	118,187	
Rocky Creek	68,575	62,265	91	48,003		6,310	9	20,572	
Rooty Creek	249,742	243,772	98	174,819		5,970	2	74,923	
Sautee Creek	236,852	221,743	94	165,796		15,109	6	71,056	
Subtotal	2,661,183	2,498,720		1,862,828		162,463		798,355	
Idaho:									
Cow-Dobson Creek	186,080	116,750	90	130,256		19,330	10	55,824	
Fourth of July Creek	161,770	158,070	98	113,239		3,700	2	48,531	
Subtotal	347,850	324,820		243,495		23,030		104,355	
Illinois:									
Hambaugh-Martin	187,431	177,911	95	131,202		9,520	5	56,229	
Tiskilwa area	519,970	514,170	99	363,979		5,800	1	155,991	
Subtotal	707,401	692,081		495,181		15,320		212,220	
Indiana:									
Busseron	2,199,530	1,924,560	88	1,539,671		274,970	12	659,859	
Elk Creek	283,576	258,870	91	198,503		24,706	9	85,073	
Prairie Creek	1,248,130	1,098,150	88	873,691	70	149,980	12	374,439	30
Subtotal	3,731,236	3,281,580		2,611,865		449,656		1,119,371	
Iowa:									
Big Park Creek	450,412	416,800	92	315,288	70	33,612	8	135,124	30
Crooked Creek	456,396	414,874	91	319,477		41,522	9	136,919	
Harmony Creek	161,992	152,832	94	113,394		9,160	6	48,598	
Rocky Branch Creek	171,892	152,832	89	120,324		19,060	11	51,568	
Simpson Creek	124,713	118,313	95	87,299		6,400	5	37,414	
Subtotal	1,365,405	1,255,651		955,782		109,754		409,623	
Kansas:									
Cimarron	130,489	122,299	94	91,342		8,190	6	39,147	
Thompsonville	118,158	110,428	94	82,711		7,730	6	35,447	
Walnut Creek (Nebraska)	1,650,549	1,548,987	94	1,155,384		101,562	6	495,165	
Subtotal	1,899,196	1,781,714		1,329,437		117,482		569,759	

UNIVERSITY OF MICHIGAN LIBRARIES

Comparison of distribution of approved installation cost for flood prevention measures with that proposed in the Uniform Cost-Sharing Act—Watershed projects (Public Law 566)—Continued

State and watershed	Total cost	Federal cost				Non-Federal cost			
		Approved	Percent	Uniform	Percent	Approved	Percent	Uniform	Percent
Kentucky:									
Canoe Creek	$531,047	$400,353	75	$371,732		$130,694	25	$159,315	
Cypress Creek	195,412	178,543	91	136,788		16,869	9	58,624	
Donaldson Creek	1,224,587	1,162,882	95	857,211		61,705	5	367,376	
Meadow Creek	234,881	190,358	81	164,416		44,523	19	70,465	
Mud River	1,397,645	1,333,087	95	978,352		64,558	5	419,293	
Obion Creek	1,749,605	1,655,538	95	1,224,724		94,067	5	524,881	
Twin Creek	55,732	45,951	82	39,012	70	9,781	18	16,720	30
Subtotal	5,388,909	4,966,712		3,772,235		422,197		1,616,674	
Louisiana:									
Baker Canal	46,292	42,697	92	32,404	70	3,595	8	13,888	30
Bayou Dupont	1,539,958	1,374,900	89	1,077,971		165,058	11	461,987	
Bear Creek	165,492	131,810	80	115,844		33,682	20	49,648	
Pleasant Valley, Big Ditch, and Scarboroughs Creeks	331,710	307,410	93	232,197		24,300	7	99,513	
Upper Bayou Nezpique	875,707	619,357	71	612,995		256,350	29	262,712	
Upper West Fork of Cypress Bayou	342,843	308,710	90	239,990		34,133	10	102,853	
Subtotal	3,302,002	2,784,884		2,311,401		517,118		990,601	
Maryland:									
Little Deer Creek	220,580	207,080	94	154,406		13,500	6	66,174	
Little Youghiogheny	350,661	331,311	94	245,463		19,350	6	105,198	
Timmonstown Branch	126,846	115,595	91	88,792		11,251	9	38,054	
Subtotal	698,087	653,986		488,661		44,101		209,426	
Massachusetts: Baiting Brook	36,126	33,026	91	25,288		3,100	9	10,838	
Michigan: Little Black River	199,559	192,709	97	139,691		6,850	3	59,868	30
Minnesota:									
Coon Creek	262,003	102,485	59	102,485	39	159,518	61	159,518	61
Rush Pine Creek	38,807	22,837	59	22,837	59	15,970	41	15,970	41
Subtotal	300,810	125,322		125,322		175,488		175,488	
Mississippi:									
Ellison Creek	383,691	349,002	91	268,584	70	34,689	9	115,107	30
Grays Creek	604,061	545,267	90	422,843		58,794	10	181,218	
Muddy Creek	1,788,271	1,614,093	90	1,251,790		174,178	10	536,481	
Tackett Creek	230,274	200,967	87	161,192		29,307	13	69,082	
West Hatchie Creek	805,829	736,537	91	564,079		69,292	9	241,750	
Subtotal	3,812,126	3,445,866		2,668,488		366,260		1,143,638	
Missouri:									
East Fork of Big Creek	349,140	299,562	86	244,398		49,578	14	104,742	
Platte River tributaries	220,191	207,796	94	154,134		12,395	6	66,057	
Subtotal	569,331	507,358		398,532		61,973		170,799	
Montana: Lower Willow Creek	20,650	19,890	96	14,455		760	4	6,195	
Nebraska:									
Antelope Creek	343,270	304,690	89	240,289		38,580	11	102,981	
Mud Creek	949,180	875,170	92	664,426		74,010	8	284,754	
Oak-Middle Creek	631,350	583,175	92	441,945		48,175	8	189,405	
Plattsmouth area	155,980	139,360	89	109,186		16,620	11	46,794	
Wildhorse	352,810	287,720	82	246,967	70	65,090	18	105,843	30
Subtotal	2,432,590	2,190,115		1,702,813		242,475		729,777	
Nevada: Peavine Mountain	1,172,900	928,600	79	821,030	70	244,300	21	351,870	30
New Hampshire: Ash Swamp, Tannery White and Black Brooks	107,455	85,687	80	75,218		21,768	20	32,237	
New Jersey:									
Paulins Kill	330,650	319,750	97	231,455		10,900	3	99,195	
Silver Lake-Locust Island	137,520	135,520	98	96,264		2,000	2	41,256	
Stony Brook	327,390	313,250	96	229,173		14,140	4	98,217	
Town Bank	72,513	70,513	97	50,759		2,000	3	21,754	
Subtotal	868,073	839,033		607,651		29,040		260,422	
New Mexico:									
Caballo Arroyos	298,193	292,043	98	208,735		6,150	2	89,458	
Dona Ana Arroyos	200,697	179,824	90	140,488		20,873	10	60,209	
Hatch Valley Arroyos	320,036	312,282	98	224,025		7,754	2	96,011	
Prop Canyon and tributaries	198,378	192,203	97	138,865		6,175	3	59,513	
Saltpeter Creek	148,028	145,324	98	103,620		2,704	2	44,408	
Tramperos Creek	318,057	310,057	98	222,640		8,000	2	95,417	
Upper Rio Penasco	184,365	181,925	99	129,055		2,440	1	55,310	
Zuber Draw	402,331	382,947	95	281,632	70	19,384	5	120,699	30
Subtotal	2,070,085	1,996,605		1,449,060		73,480		621,025	
New York: Cowaselon Creek	459,801	429,956	94	321,861	70	29,845	6	137,940	30
North Carolina:									
Abbotts Creek	748,728	668,573	89	524,109		80,155	11	224,619	
Bear Creek	302,710	264,705	87	211,897		38,005	13	90,813	
Deep Creek (Yadkin County)	764,681	669,642	88	535,277		95,039	12	229,404	
Deep Creek (Washington County)	94,148	91,875	98	65,904		2,273	2	28,244	
Folley Ditch	17,036	16,124	95	11,925		912	5	5,111	
Grindle Creek	174,413	166,663	96	122,089		7,750	4	52,324	
Horse Swamp—Flat Swamp	35,613	32,439	91	24,929		3,174	9	10,684	
Mud Creek	891,221	642,256	72	623,855		248,965	28	267,366	
Muddy Creek	403,738	361,299	90	282,617		42,439	10	121,121	
Subtotal	3,432,288	2,913,576		2,402,602		518,712		1,029,686	

Comparison of distribution of approved installation cost for flood prevention measures with that proposed in the Uniform Cost-Sharing Act—Watershed projects (Public Law 566)—Continued

State and watershed	Total cost	Federal cost				Non-Federal cost			
		Approved	Percent	Uniform	Percent	Approved	Percent	Uniform	Percent
North Dakota:									
Elm River	$955,913	$685,889	72	$669,139	70	$270,024	28	$286,774	30
Swan Buffalo Creek	1,111,441	630,461	57	630,461	57	480,980	43	480,980	43
Tewaukon Creek	578,700	468,983	81	405,090	70	109,717	19	173,610	30
Wild Rice Creek	925,939	645,359	70	645,359		280,580	30	280,580	
Subtotal	3,571,993	2,430,692		2,350,049		1,141,301		1,221,944	
Ohio: Upper Wabash	842,111	700,280	83	589,478	70	141,831	17	252,633	30
Oklahoma:									
Bear, Fall, and Coon Creeks	1,476,565	1,269,860	85	1,033,596	70	206,705	15	442,969	30
Big Wewoka Creek	2,693,011	2,122,294	79	1,885,108		570,717	21	807,903	
Little Deep Fork Creek	1,640,034	1,379,261	84	1,148,024		260,773	16	492,010	
Little Wewoka-Graves Creek	1,152,970	933,863	81	807,079		219,107	19	345,891	
Long Branch	372,429	297,025	80	260,700		75,404	20	111,729	
Salt Creek	1,572,316	1,299,966	83	1,100,621		272,350	17	471,695	
Sandy Creek	1,850,664	1,481,060	80	1,295,465		369,604	20	555,199	
Whitegrass-Waterhole	592,197	493,617	83	414,537		98,580	17	177,660	
Subtotal	11,350,186	9,276,946		7,945,130		2,073,240		3,405,056	
Oregon:									
Little Pudding River	1,254,512	1,149,270	92	878,158		105,242	8	376,354	
Lynx Hollow	270,400	199,400	74	189,280		71,000	26	81,120	
Subtotal	1,524,912	1,348,670		1,067,438		176,242		457,474	
Pennsylvania:									
Lackawaxen tributaries	170,913	160,313	94	119,639		10,600	6	51,274	
Little Schuylkill River	1,934,230	1,902,230	98	1,353,961		32,000	2	580,269	
North Fork of the Cowanesque River	198,183	191,233	96	138,728	70	6,950	4	59,455	30
Subtotal	2,303,326	2,253,776		1,612,328		49,550		690,998	
South Carolina:									
Coneross Creek	278,600	238,757	86	195,020	70	39,843	14	83,580	30
Brushy Creek	341,020	309,669	91	238,714		31,351	9	102,306	
Wateree Creek	287,582	248,529	86	201,307		39,053	14	86,275	
Subtotal	907,202	796,955		635,041		110,247		272,161	
South Dakota:									
Pattee Creek	299,242	242,815	81	209,469	70	56,427	19	89,773	30
Richland Creek	59,873	36,825	62	36,825	62	23,048	38	23,048	38
Silver Creek	293,115	235,065	80	205,180	70	58,050	20	87,935	30
Subtotal	652,230	514,705		451,474		137,525		200,756	
Tennessee:									
Indian Creek	355,442	323,801	91	248,809		31,641	9	106,633	
Jennings Creek	1,931,861	1,875,538	97	1,352,303		56,323	3	579,558	
Johnson Creek	433,680	365,293	84	303,576		68,387	16	130,104	
Lick Creek	4,754,061	4,378,819	92	3,327,843		375,242	8	1,426,218	
Meridian Creek	225,067	199,462	89	157,547		25,605	11	67,520	
Thompson Creek	257,619	220,146	86	180,333	70	37,473	14	77,286	30
Subtotal	7,957,730	7,363,059		5,570,411		594,671		2,387,319	
Texas:									
Agua Dulce Creek	111,442	95,492	86	78,009	70	15,950	14	33,433	30
Alamo Arroyo	664,859	652,865	98	465,401		11,994	2	199,458	
Auds Creek	508,568	451,580	89	355,998		56,988	11	152,570	
Chiltipin-San Fernando Creeks	1,734,849	1,508,536	87	1,214,394		226,313	13	520,455	
Cummins Creek	2,338,174	2,130,303	91	1,636,722		207,871	9	701,452	
Diablo Arroyo	442,728	425,808	96	309,910		16,920	4	132,818	
Dry Devils River and Lowrey Draw	1,849,294	1,662,349	90	1,294,506		186,945	10	554,788	
Johnsons Draw	1,245,435	1,156,769	93	871,804		88,666	7	373,631	
Knob Creek	592,762	490,464	83	414,933		102,298	17	177,829	
Langford Creek	391,137	330,561	84	273,796		60,576	16	117,341	
Lower Brushy Creek	3,418,989	2,798,178	82	2,393,292		620,811	18	1,025,697	
San Diego-Rosita Creeks	1,638,057	1,418,557	87	1,146,640		219,500	13	491,417	
Sulphur Creek	1,159,978	1,098,781	95	811,985		61,197	5	347,993	
Upper Brushy Creek	3,243,413	2,788,750	86	2,270,389		454,663	14	973,024	
Upper Lake Fork Creek	1,443,883	1,301,200	90	1,010,718		142,683	10	433,165	
York Creek	2,288,418	1,967,239	86	1,601,893		321,179	14	686,525	3
Subtotal	23,071,986	20,277,432		16,150,390		2,794,554		6,921,596	
Utah:									
American Fork-Dry Creek	786,895	725,795	92	550,826		61,100	8	236,069	30
Green's Lake	282,507	268,627	95	197,755		13,880	5	84,752	
Mill Canyon-Sage Flat	93,746	88,390	94	65,622		5,356	6	28,124	
North Fork of Ogden River	213,600	209,300	98	149,520	70	4,300	2	64,080	30
Subtotal	1,376,748	1,292,112		963,723		84,636		413,025	
Virginia:									
Back Creek	13,668	12,918	94	9,568	70	750	6	4,100	30
Mountain Run	171,065	145,737	85	119,745		25,328	15	51,320	
Subtotal	184,733	158,655		129,313		26,078		55,420	
Washington:									
Chimacum Creek	212,141	153,782	72	148,499	70	58,350	28	63,642	30
Lacamas Creek tributaries	703,965	470,361	67	470,361	67	233,604	33	233,604	33
Saar Creek	112,013	96,092	86	78,409	70	15,921	14	33,604	30
Subtotal	1,028,119	720,235		697,269		307,884		330,850	

UNIVERSITY OF MICHIGAN LIBRARIES

Comparison of distribution of approved installation cost for flood prevention measures with that proposed in the Uniform Cost-Sharing Act—Watershed projects (Public Law 566)—Continued

State and watershed	Total cost	Federal cost				Non-Federal cost			
		Approved	Percent	Uniform	Percent	Approved	Percent	Uniform	Percent
West Virginia:									
Daves Fork-Christians Fork	$236,744	$209,058	88	$165,721		$27,685	12	$71,023	
Marlin Run	156,409	155,059	99	109,486		1,350	1	46,923	
Upper Grave Creek	371,100	301,060	81	259,770		70,040	19	111,330	
Subtotal	764,253	665,178		534,977		99,075		229,276	
Wisconsin:									
Alma-Mill Creek	103,495	100,195	97	72,446		3,300	3	31,049	
Bogus Creek	65,978	63,978	97	46,185		2,000	3	19,793	
Coon Creek	462,500	440,560	95	323,750		21,940	5	138,750	
Lost Creek	106,898	87,318	82	74,829		19,580	18	32,069	
Mill Creek	476,402	446,012	94	333,481	70	30,390	6	142,921	30
Subtotal	1,215,273	1,138,063		850,691		77,210		364,582	
Wyoming:									
London Flats-Bovee	362,625	350,425	97	253,838	70	12,200	3	108,787	30
Pine Ridge-Case Bier	276,118	264,267	96	193,282	70	11,851	4	82,836	30
Subtotal	638,743	614,692		447,120		24,051		191,623	
Grand total	116,092,638	100,053,016		80,618,318		16,039,622	13.8	35,474,320	30.6

[H.R. 7634, 86th Cong., 2d sess.]

Amendment intended to be proposed by Mr. BUSH to the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, viz: On page 10, between lines 15 and 16, insert the following:

"STAMFORD, CONNECTICUT

"The project for hurricane-flood protection at Stamford, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 210, Eighty-sixth Congress, at an estimated Federal cost of $3,476,000, and at an estimated Federal cost of maintenance and operation of $31,000 annually: *Provided*, That in lieu of the local cooperation recommended by the Chief of Engineers, local interests (a) provide without cost to the United States all lands, easements, and rights-of-way necessary for the construction of the project; (b) accomplish without cost to the United States all modifications to the existing storm drainage system, sanitary sewer facilities required to prevent the entry of tidal floodwaters, and all changes, alterations, and additions to or relocations of any buildings and utilities made necessary by the construction of the project; (c) bear 22 per centum of the total first cost of the project, a sum presently estimated at $1,230,000 to consist of the items listed in (a) and (b) above and a cash contribution now estimated at $960,000, the cash to be paid in a lump sum prior to commencement of construction, or at their option in annual amounts equal to the proportion of the annual Federal appropriations for construction of the project and the final allocation of cost to be made after actual costs and values have been determined; (d) contribute in cash, in lieu of the cost of annual maintenance and operation of the tidal portion of the East Branch barrier, an amount presently estimated at $880,000, the cash to be paid in a lump sum prior to commencement of construction; (e) maintain and operate all the works after completion, with the exception of the tidal portion of the East Branch barrier and aids to navigation, in accordance with regulations prescribed by the Secretary of the Army; and (f) hold and save the United States free from damages due to the construction works and the operation thereof.

"PAWCATUCK, CONNECTICUT

"The project for hurricane-flood protection at Pawcatuck, Connecticut, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 212, Eighty-sixth Congress, at an estimated Federal cost of $456,000: *Provided*, That in lieu of the local cooperation recommended by the Chief of Engineers, local interests (a) provide without cost to the United States all lands, easements, and rights-of-way necessary for construction of the project; (b) accomplish without cost to the United States all alterations and relocations of buildings, streets, storm drains, and utilities made necessary by reason of the construction; (c) bear 22 per centum of the total first cost, a sum presently estimated at $129,000 to consist of the items listed in (a) and (b) above and a cash contribution now estimated at $39,000, the cash to be paid in a lump sum prior to commencement of construction and the final allocation of cost to be made after actual costs and values have been determined; (d) hold and save the United States free from damages due to construction works; and (e) operate and maintain all the works after completion in accordance with regulations prescribed by the Secretary of the Army."

[H.R. 7634, 86th Cong., 2d sess.]

Amendments intended to be proposed by Mr. BUSH to the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, viz: On page 15, between lines 10 and 11, insert a new section as follows:

"SEC. 205. (a) It is the intent of Congress that non-Federal entities cooperating with the Federal Government in projects providing benefits from flood control or flood prevention shall receive uniform and equitable Federal assistance, and that to this end it is the purpose of this section to establish a cost-sharing policy applicable to projects which produce flood control or flood prevention benefits.

"(b) For the purpose of this section—

"(1) The term 'flood control or flood prevention benefits' shall include but not be limited to (A) reductions in damages or losses from streamflows that exceed the capacity of the channel within which the flow of a stream is normally confined or from abnormally high levels of lakes and coastal waters caused by hurricane and other major storms; (B) reductions in sediment and erosion damages caused by flood runoff; and (C) increases in net return resulting from changed or more intensive use of flood plain property made possible by reduction of flood risks, but such term shall not include increases in net return resulting from any change in the average moisture content of the soil, over the growing season, attributable to improved drainage or irrigation.

"(2) The term 'project' shall mean any separable engineering work or system of closely related engineering works of improvement for flood prevention except land treatment measures, which produce flood control or flood prevention benefits, which are constructed pursuant to the Flood Control Act of March 1, 1917 (33 U.S.C. 703–704), the Flood Control Act of May 15, 1928 (33 U.S.C. 702), the Flood Control Act of June 22, 1936 (33 U.S.C. 701), and the Reclamation Act of June 17, 1902 (43 U.S.C. 391), and Acts amendatory or supplementary to said Acts; and such works constructed with Federal financial assistance furnished under the Watershed Protection and Flood Prevention Act of August 4, 1954, as amended (16 U.S.C. 1001–1007), and the Small Reclamation Projects Act of August 6, 1956, as amended (43 U.S.C. 422a–422k), and such part of the works represented by the cost allocated to the production of flood control or flood prevention benefits of any multiple-purpose project undertaken pursuant to the Acts cited above shall be considered a project.

"(3) The term 'non-Federal entity' shall mean a State or any public entity created under State law or interstate compact, or any private entity, having authority to cooperate with the Federal Government in the planning, installation, and maintenance and operation of a project.

"(4) The term 'responsible Federal official' shall mean an official of the Federal Government authorized to carry out the provisions of the Acts cited in paragraph (2) of this subsection or acts supplementary or amendatory thereto.

"(5) The term 'first cost' shall mean all monetary outlays made and the value of goods and services contributed or provided by various interests for the planning, design, and project construction, including contract work, materials and supplies, labor, and use of equipment; acquisition of lands, easements, rights-of-way, and water rights; relocation of facilities and settlement of damage claims; interest during construction; protection of public health; replacement of or prevention of damages to recreation and fish and wildlife resources; and prevention of loss of or damages to mineral resources and scenic, archeological, historical, and associated values; but such term shall not include the cost of investigations, surveys, and planning undertaken prior to authorization

of the project or investigations and surveys financed by appropriations to Federal agencies other than the agency responsible for the project or having primary responsibility for furnishing Federal financial assistance for the construction of the project.

"(c) On and after the effective date of this section, no Federal agency shall incur any obligation for first cost except planning, design, and acquisition of water rights for a project or provide financial assistance for a project unless a State or, at the discretion of the responsible Federal official, one or more other non-Federal entities shall have entered, in advance, into an agreement satisfactory to said responsible Federal official to fulfill the requirements for operation and maintenance under subsection (d) of this section and to assume at least 30 per centum of the first cost of the completed project allocated to the production of flood control or flood prevention benefits, payable as construction proceeds or pursuant to a contract providing for repayment with interest within 50 years, except that (1) the actual cost or fair market value, as determined or approved by the responsible Federal official, of such lands, easements, rights-of-way, and work performed or services rendered prior to completion of construction of the project which are furnished, or required by law to be furnished, by a non-Federal entity shall be included in the share of the first cost to be borne by the non-Federal entity, and (2) where a project provides flood control or flood prevention benefits that are widely dispersed over a large geographic area, non-Federal entities shall be required to bear at least 30 per centum of the share of the first cost attributable only to significant flood control or flood prevention benefits which accrue to identifiable groups or beneficiaries. In the event that non-Federal entities other than a State do not enter into the agreements required by this subsection, no obligation may be incurred for first costs except planning, design, and acquisition of water rights unless a State shall enter into such contractural arrangements with the responsible Federal official.

"(d) The operation and maintenance of any project coming within the purview of this section shall be the responsibility of the non-Federal entity or entities bearing the non-Federal share of the first cost thereof under the provisions of subsection (c) of this section, or of any group of beneficiaries that the responsible Federal official deems appropriate in accordance with existing statutory requirements except that (1) the flood control beneficiaries shall bear, in any case, their share of the costs of operation and maintenance, and (2) if the responsible Federal official finds that operation and maintenance of any such project by the Federal Government would be in the public interest, such official may arrange for operation and maintenance by the Federal Government if such non-Federal entity or entities agree to bear the cost thereof. Where a project provides flood control or flood prevention benefits that are widely dispersed over a large geographic area, the non-Federal entity or entities shall bear that portion of the costs of operation and maintenance which the responsible Federal official determines to be equitable on the basis of the proportion of flood control or flood prevention benefits accruing to such non-Federal entities in relation to the total flood control or flood prevention benefits produced by the project.

"(e) The provisions of this section shall not be constructed to modify any provisions of existing laws except the cost-sharing provisions thereof, nor to apply to any existing project or to any project determined by the responsible Federal official to be under contract or construction as of the effective date of this section, except that the duties, responsibilities, and financial obligations of non-Federal entities under the cost-sharing provisions of existing laws shall not be diminished by the provisions of this section.

"(f) This section may be cited as the 'Uniform Cost-Sharing Act for Flood Control and Flood Prevention'.

"On page 15, line 11, strike 'SEC. 205' and insert in lieu thereof 'SEC. 206.'"

EXHIBIT 3

APRIL 12, 1960.

Hon. ALLEN J. ELLENDER,
Chairman, Subcommittee on Public Works Appropriations, U.S. Senate, Washington, D.C.

DEAR SENATOR ELLENDER: I respectfully request that your subcommittee support the inclusion in the public works appropriation bill of certain projects important to continued forward progress in the flood protection program for Connecticut and New England, as well as an item of $750,000 for the improvement of Bridgeport harbor.

Connecticut flood protection projects included in the budget submitted by the Corps of Engineers, and the amounts recommended by the Corps, include: Hall Meadow Brook Reservoir, Torrington, $1 million; Mad River Reservoir, Winsted, $870,000; Thomaston Reservoir, $1,547,000; and East Branch Reservoir, Torrington (new planning start), $150,000.

Additionally, we in Connecticut have strong interest in orderly continuation of the hurricane studies authorized by Public Law 71, 84th Congress, budgeted for $850,000; and in the small projects program authorized by Public Law 685, 85th Congress, budgeted for $2,000,000, as well as in the dams to our north in Massachusetts, New Hampshire and Vermont which contribute generally to the protection of the New England region as well as to that of our own State.

Pending in the Senate Committee on Public Works is H.R. 7634, the public works authorization bill, in which a number of Connecticut projects are eligible for inclusion. Already fully documented are:

Hurricane protection project for Stamford, Connecticut. House Document No. 210, 86th Congress, 1st session. Benefit-to-cost ratio, 1.5 to 1.0.

Hurricane protection project for Pawcatuck, Conn. House Document No. 212, 86th Congress, 1st session. Benefit-to-cost ratio, 2.1 to 1.0.

West Thompson, Conn., flood control dam and reservoir, Senate Document No. 41, 86th Congress, first session. Benefit-to-cost ratio, 1.3 to 1.0.

Additional flood protection for the lower Naugatuck River Valley, consisting of four dams and reservoirs for flood control, on Northfield Brook, Branch Brook, Hancock Brook and Hop Brook. House Document No. 372, 86th Congress, 2d session. Benefit-to-cost ratios ranging between 1.7 to 1.0 and 2.0 to 1.0.

I am hopeful that certain additional projects will be fully processed and documented before the Senate is ready to act on H.R. 7634. These include a local protection plan for Ansonia-Derby in the Naugatuck River Valley, and two projects in the Farmington River Valley, a flood control reservoir on Sucker Brook and a dual purpose reservoir for flood control and water storage at Colebrook.

It will be greatly appreciated if you will request the Corps of Engineers to submit estimates of the amount of planning funds which could profitably be employed on all the above listed projects, not presently in the budget, in the coming fiscal year. In the event these projects are approved by the Congress, I am hopeful that your Subcommittee will support the necessary appropriations to accomplish the planning recommended by the Corps, either in the pending appropriations bill or a supplemental bill to be considered later.

With appreciation for your consideration and for the work you have already done in support for flood control for my State and region, I am,

Cordially yours,

PRESCOTT BUSH.

Mr. JOHNSON of Texas. Mr. President, I yield the Senator from Utah [Mr. BENNETT] 2 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 minutes.

Mr. BENNETT. Mr. President, it is with some sense of regret that I must oppose the omnibus public works authorization bill as it was reported to the Senate. The regret arises because I have always supported sound, carefully planned projects which meet all of the requirements of Federal law and have gone through the required procedural steps. It is likewise regrettable that I must oppose a bill which contains a sound, worthwhile project in my own State, the $6,060,000 Little Dell Dam and Reservoir near Salt Lake City, Utah.

I have worked, ever since the serious 1952 floods, to obtain protection for the several important areas of Salt Lake City which received costly flood damage. Thus, the project in the omnibus bill culminates nearly 8 years of work on my part. The dam would create a reservoir with a gross storage capacity of 8,000 acre-feet. It would not only be of great value in controlling floods from Parleys and Emigration Canyons, but it would also add 1 billion gallons yearly to Salt Lake City's water supply. Moreover, the project plan calls for a much higher degree of local participation than is usual, 36.5 percent of the total cost, plus another $341,000 for land, rights-of-way, and highway relocation. It is a much needed and meritorious project.

However, I cannot in good conscience vote for an omnibus bill, even though it contains many good projects, which is so loaded down with unsupportable projects as is H.R. 7634 now being considered by the Senate. In fact, the bill is worse than the omnibus bill vetoed by the President in 1958.

There are 12 projects tacked onto this year's omnibus bill, with a total Federal cost of $150.5 million, to which the administration objects for substantive reasons. There have been no project reports whatever from the administration on 10 projects having a total cost of $80.8 million. I cannot feel too sad about opposing these 10 projects since the Little Dell project was in precisely the same fix in 1958, and was therefore not authorized. In addition, there are 24 projects included in the bill, costing $186.1 million, on which there is inadequate cost sharing by local participants. Thus, there are 45 objectionable projects, costing $417.4 million, that have been loaded onto the omnibus bill.

Since the President vetoed a public works bill just 2 years ago which had 30 objectionable projects, costing $350.9 million, it seems fair to observe that the sponsors of this year's bill are inviting yet another veto. Some of them may even prefer a political issue this fall to a good bill.

UNIVERSITY OF MICHIGAN LIBRARIES

It is tragic that 80 good projects in the bill should be jeopardized and held hostage by 45 bad ones. It is just this type of bill which triggers the charge of "pork-barrel" against flood-control legislation, and with considerable justification. Unfortunately the pork-barrel label sticks to the good projects as well.

TITLE III. NONREIMBURSABLE RECREATION COSTS

Title III of H.R. 7634 would authorize a nonreimbursable allocation to recreation of up to 10 percent of the total costs of new Corps of Engineers and Bureau of Reclamation projects, with an additional allocation if recreation is found to have national significance. While I have supported some Federal participation in this area, it is premature to enact widesweeping recreation legislation of this nature since the Outdoor Recreation Resources Commission created by Congress will not complete its study until next year. It is pointless to create a commission to study recreation, and then preempt the entire area with legislation.

The bill provides that recreation benefits shall be based on a formula giving a minimum value of 50 cents per visitor-day. It is of doubtful wisdom to freeze such a formula into law. Moreover, the bill does not provide for local financial participation in recreation costs. If the benefits are local, at least a significant portion of the costs should be borne by State or local government.

For all of these reasons, I feel that I must vote against the bill unless it is amended to correct the many weaknesses that I have cited.

The PRESIDING OFFICER. Is all time on the bill yielded back?

Mr. CASE of South Dakota. I yield back my time.

Mr. JOHNSON of Texas. I yield back my time.

The PRESIDING OFFICER. All time on the bill has been yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH], the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Oregon [Mr. LUSK], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Missouri [Mr. HENNINGS] are absent because of illness.

I further announce that the Senator from Massachusetts [Mr. KENNEDY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Mississippi [Mr. STENNIS], the Senator from Texas [Mr. YARBOROUGH], the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Montana [Mr. MURRAY], and the Senator from Oregon [Mr. LUSK] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from New Jersey [Mr. CASE] is detained on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA] and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

On this vote the Senator from South Dakota [Mr. MUNDT] is paired with the Senator from New Jersey [Mr. CASE]. If present and voting the Senator from South Dakota would vote "yea," and the Senator from New Jersey would vote "nay."

The result was announced—yeas 70, nays 5, as follows:

[No. 230]

YEAS—70

Aiken	Gore	Mansfield
Allott	Green	Martin
Anderson	Gruening	Monroney
Beall	Hart	Morton
Bible	Hartke	Moss
Bridges	Hayden	Muskie
Brunsdale	Hill	Pastore
Bush	Holland	Prouty
Byrd, W. Va.	Humphrey	Proxmire
Cannon	Jackson	Randolph
Carlson	Javits	Robertson
Case, S. Dak.	Johnson, Tex.	Saltonstall
Church	Johnston, S.C.	Scott
Clark	Jordan	Smathers
Cooper	Keating	Smith
Curtis	Kerr	Sparkman
Dodd	Kuchel	Symington
Douglas	Lausche	Talmadge
Dworshak	Long, Hawaii	Wiley
Eastland	Long, La.	Williams, N.J.
Ellender	McCarthy	Young, N. Dak.
Ervin	McClellan	Young, Ohio
Fong	McGee	
Frear	Magnuson	

NAYS—5

Bennett	Goldwater	Williams, Del.
Dirksen	Thurmond	

NOT VOTING—25

Bartlett	Fulbright	Mundt
Butler	Hennings	Murray
Byrd, Va.	Hickenlooper	O'Mahoney
Capehart	Hruska	Russell
Carroll	Kefauver	Schoeppel
Case, N.J.	Kennedy	Stennis
Chavez	Lusk	Yarborough
Cotton	McNamara	
Engle	Morse	

So the bill (H.R. 7634) was passed.

Mr. KERR. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CASE of South Dakota. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, I move that the Senate insist upon its amendments to H.R. 7634 and request a conference with the House on the disagreeing votes thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CHAVEZ, Mr. KERR, Mr. McNAMARA, Mr. CASE of South Dakota, and Mr. COOPER conferees on the part of the Senate.

Mr. KERR. Mr. President, I ask unanimous consent that H.R. 7634, as passed by the Senate, be printed, with the amendments of the Senate numbered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 9883) to adjust the rates of basic compensation of certain officers and employees of the Federal Government and for other purposes, and it was signed by the President pro tempore.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1961

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1639, H R. 11390.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11390) making appropriation for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on final passage of the appropriation bill for the Departments of Labor, and Health, Education, and Welfare.

The yeas and nays were ordered.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I assume that it is the intention of the majority leader to conclude action on the appropriation bill for the Departments of Labor, and Health, Education, and Welfare, which is the business of tonight. I would like to ask him whether he has any observations with respect to Senate business for tomorrow.

Mr. JOHNSON of Texas. First, the Senator from Utah [Mr. BENNETT] wishes to present two or three conference reports. Then we shall resume consideration of the appropriation bill for the Departments of Labor, and Health, Education, and Welfare, which we hope to conclude this evening.

I should like to plan to have the Senate convene tomorrow morning at 10 o'clock at which time it is planned to proceed to consider the debt ceiling bill and the tax extension bill.

Mr. DIRKSEN. Mr. President, is the Senate to infer from that statement that the debt ceiling and tax extension bills will be the order of business tomorrow?

Mr. JOHNSON of Texas. No; I cannot tell about that at this time.

Mr. THURMOND. Mr. President, I cannot hear the Senator from Texas.

Mr. JOHNSON of Texas. The Senator from Illinois asked if he could infer from what I said that in the morning the Senate will consider the debt ceiling bill and the excise tax bill and that they will be the order of business tomorrow. I told him I could not tell him at this time.

Mr. DIRKSEN. Other than that, I wonder if the Senate can be advised what other measures may come up tomorrow.

Mr. JOHNSON of Texas. I do not know, until we decide on the tax measure. The Senator from Illinois is fully aware of my problems in that connection, and I trust he will not embarrass me more than I am already embarrassed.

Mr. DIRKSEN. I trust I have not embarrassed the distinguished Senator.

Mr. JOHNSON of Texas. No. But I am embarrassed in not being in a position to tell the Senator as to what we intend to schedule tomorrow. I cannot definitely tell him at this moment whether the bill to which he referred will be scheduled, but during consideration of the appropriation bill for the Departments of Labor, and Health, Education, and Welfare, and before the yea-and-nay vote on that bill, I shall be able to do so. I assume there will be time between now and the rollcall vote to make the desired announcement.

Mr. DIRKSEN. I am sure the majority leader knows that my questions are never designed to embarrass him. Senators, of course, would like to know what the order of business is for the remainder of the day and what may be anticipated for tomorrow. I appreciate the difficulties involved in setting the schedule, but I am quite satisfied with the answer at the moment, because I am sure that later in the evening there will be some clarification.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN EFFECTS BROUGHT INTO THE UNITED STATES UNDER GOVERNMENT ORDERS—CONFERENCE REPORT

Mr. BENNETT. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9881) to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of June 25, 1960, p. 14322, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BENNETT. Mr. President, the bill H.R. 9881 provides for a 2-year extension of the present law permitting the free importation of personal and household effects brought into the United States by citizens and returning from foreign assignments under Government orders.

The Finance Committee proposed an amendment which was accepted by the Senate to limit the value of such goods and to require that the assignment in each case be for a minimum period.

The amendment was adopted primarily to prevent excessive amounts from being brought in free of duty and it was felt that the limitation as to value and time would correct this possibility.

The House conferees pointed out a number of administrative problems and to several other statutes permitting the free importation of household and personal effects that the amendment might appear to modify or be in conflict with.

The House stood firm in its opposition to the amendment but joined with the Senate conferees in admonishing the departments and agencies affected that very close checks should be kept on the use of this privilege during the 2 years of the extension and that abuses or the importation of unreasonable amounts by individuals might cause changes in the law next time it comes up for renewal. The agencies are to file a report not later than January 15, 1962, with respect to the operation of the law. On this basis the conferees agreed to recede and I hope the conference report will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. HARTKE. Mr. President, I do not intend to object to the receding on the part of the Senate conferees, but I would like to point out briefly that the views of the Senate were supposed to be represented by the conferees appointed by the Senate, and among the Senate conferees there was not one single member who voted for the Senate views as presented on a rollcall vote in the Senate.

I feel that this is a violation of Senate procedure, which requires that the conferees should represent the view of the Senate. However, in view of the lateness of the hour, I do not intend to insist upon any further consideration. I think that procedure involves a violation of the rule, and that in the future consideration should be given to the conferees representing the views of the Senate and not just merely the views of those Senators who oppose the amendment.

Mr. BENNETT. Mr. President, I appreciate the attitude of my friend from Indiana, but I think he is referring to another conference report. The one we have been discussing is the conference report on H.R. 9881, which relates to the free importation of personal and household effects brought into the United States under Government orders. I doubt that there was a yea-and-nay vote on that bill.

Mr. HARTKE. I apologize to the Senator.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. ANDERSON. Did the Senate conferees surrender the position of the Senate completely?

Mr. BENNETT. The Senate receded with an agreement.

Mr. ANDERSON. Did it surrender its position completely?

Mr. BENNETT. The Senate conferees surrendered their position with an agreement that the agencies should make a report by January 1, 1962, as to what they had done to step up their checks on possible abuse of this privilege.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

SUSPENSION OF DUTIES ON CERTAIN COARSE WOOL—CONFERENCE REPORT

Mr. BENNETT. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9322) to make permanent the existing suspension of duties on certain coarse wool. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report. (For conference report, see House proceedings of June 25, 1960, p. 14321, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BENNETT. Mr. President, the House adopted H.R. 9322 which would

UNIVERSITY OF MICHIGAN LIBRARIES

make permanent the present temporary suspension of duties on certain coarse wools to be used in the manufacture of rugs, carpets, and so forth. The suspension was first adopted by law in 1957, for a period of 3 years.

The Senate amended the bill to provide for another 3-year extension and the House demanded a conference.

The reason that the Finance Committee originally recommended and the Senate adopted the 3-year extension was that one or two groups of wool producers had not satisfied themselves that there was not some risk in the permanent suspension. There was the thought that some day the domestic production of coarse wools might be interfered with by the importation of such wools.

In the conference it was pointed out that the finer wools are much more valuable than the coarse wools and it is the ambition of all sheepowners to improve their wools. It is most unlikely that the production of coarse wools will increase. The groups who originally had some apprehension about the duty suspension withdrew any objections and reservations. The House conferees were united in their stand that the permanent provision be retained and the Senate conferees receded. We shall, however, watch the operation of the measure, if it becomes law, and should any effect not now foreseeable occur in the future, the situation can be brought to the attention of the Senate.

I move that the conference report be adopted.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

SUSPENSION OF IMPORT DUTIES ON CERTAIN SHOE LATHES AND CASEIN—CONFERENCE REPORT

Mr. BENNETT. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9862) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of June 25, 1960, p. 14323, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BENNETT. Mr. President, as the Senate will recall, the original bill to extend for 3 years the exemption from duties applying to casein was adopted by the House without opposition and sent to the Senate.

Prior to Senate passage, but after the Finance Committee had reported the bill, some opposition arose and the Finance Committee agreed to hold hearings. In the meantime, the expiration date ending the earlier suspension was very near, and, in order to provide for hearings, the Senate amended the bill to provide for an additional 90-day period to prevent the suspension from lapsing.

This meant, of course, that the original bill had passed both Houses and was no longer before us.

After hearings and executive action by the committee, the intent of the House, namely a 3-year extension of the suspension of duties, was reported by the Finance Committee in the form of an amendment to another House-passed bill, H.R. 9862. On the floor of the Senate an amendment was added which would prevent the duty suspension from applying to casein "imported for use for human food or for conversion to such use." The House demanded a conference.

Out of that conference came a compromise that seems not only fair but more easily administered.

The House conferees accepted the 3-year period of the suspension of duties adopted by the Senate, and also passed by the House on the earlier bill.

With regard to the Senate amendment concerning casein to be used for food, the House conferees stood firm in opposition. A compromise was worked out providing that the suspension of duty shall not apply "with respect to sodium caseinate, sodium phospho-caseinate, or other caseinates, any of the foregoing of which casein or lactarene is the component material of chief value."

Now practically all casein is theoretically edible, but it is not generally eaten until processed and made up in powdered form which is designated as "caseinate." Wheat is edible, but we grind it and process it before it is eaten. So it is with casein.

There is practically no domestic production of casein as such, although one plant makes caseinates from milk. Imported casein is used in other plants to make caseinates and caseinates themselves are imported in large quantities so that the plants that make caseinates from imported casein would be forced to close if the casein they use cannot be purchased at a price sufficiently below the price of imported caseinates. In other words, our imports of casein which would eventually be made into the consumable caseinate, would be replaced by the imports of the caseinate ready to be consumed. These caseinates already have acquired more than 50 percent of the domestic market and could increase tremendously. They may do so even under the provision which is now in the bill and which was approved by the conference, namely to retain the statutory duty of 2¾ cents, because of much lower foreign conversion costs.

The conferees could not put any higher duty on caseinates because no such figure was in conference. It could only carry out what seemed to be the real intent of the original amendment—to protect the domestic milk industry and the domestic plants employing domestic labor in the production of the real edible form of casein.

I hope the conference report will be adopted.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. HARTKE. I should like to ask the Senator whether he does not understand that the conference report does not protect the milk industry, and that the conferees on the part of the Senate did not number among them any Senator who had voted for the amendment on the floor of the Senate?

Mr. BENNETT. The Senator from Utah feels—and he was one of the conferees—that the report carries out the principle of protecting the domestic milk industry just as effectively as if the original language had been left in the bill, because the real competition in the domestic industry is not from the manufacturers who transform casein into caseinates; it is from the foreign manufacturer who ships caseinates into the United States in the finished and consumable form. These foreign manufacturers have already captured between 50 and 60 percent of the domestic market, leaving less than 50 percent to the American manufacturer of caseinate. In its original form I believe the bill would have had the effect, perhaps, of protecting one producer of caseinate, who produced it directly from milk without going through the casein process, but it would have left the door open for the importation from Europe of finished caseinate. On that basis I doubt that the American manufacturer would have had the protection he sought. As it is now, foreign caseinates can come into the countery and undersell domestic production by 3 or 4 cents. Perhaps the duty of 2¾ cents is not sufficient, but I think in view of the actual situation involved in the matter the committee gave equal protection to the domestic industry compared to that which was offered by the bill. It does have the advantage that caseinate can be readily identified by customs, whereas casein, whether it is edible or inedible, would be very difficult to detect.

Mr. HARTKE. I should like to ask the Senator if it is not true that none of the conferees representing the Senate's position voted for the amendment.

Mr. BENNETT. I am sure that the Senator from Utah did not vote for it. I cannot be categorically sure about the other conferees.

Mr. HARTKE. Is it not true that the Senator from Utah, representing the Senate on the conference, in fact opposed the amendment which was presented on the floor of the Senate and spoke against the amendment and voted against the amendment?

Mr. BENNETT. That is true.

Mr. HARTKE. He was selected by the Senate as a conferee to insist, under instructions from the Senate, on the Senate amendment. Is that correct?

Mr. BENNETT. That is true. I believe the Senator from Utah as one of conferees did a good job of preserving the real meaning of the Senate amendment. I do not believe it is a complete abandonment.

Mr. HARTKE. That statement of the Senator might be open to discussion. I should like to ask a further question of the Senator. How long a time was spent by the Senate conferees on insisting on the position of the Senate?

Mr. BENNETT. The conference took up the three bills which we have considered here. Most of the time was spent in discussing the casein bill, and the meeting lasted 2 hours.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. AIKEN. Inasmuch as caseinate involves a price-supported commodity, it is possible for the President to establish quotas for the importation of this product should it appear that the importations were large enough to affect the price support program or drive the domestic product off the market. Is that not correct?

Mr. BENNETT. It is the understanding of the Senator from Utah that under section 22 that is possible.

Mr. AIKEN. That would be the proper procedure in the event caseinate, in spite of continuing the 2⅞ cent tariff, continues to come into this country at a rate which would tend to destroy the domestic industry. Is that correct?

Mr. BENNETT. That is true. We may have to resort to that. As I have indicated, foreign caseinate has already captured between 50 and 60 percent of the market in this country.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. HARTKE. I should like to ask the distinguished Senator if any votes were cast by the Senate conferees in the conference on behalf of the amendment and on behalf of the Senate's position?

Mr. BENNETT. The memory of the Senator from Utah is not good enough to answer that question categorically.

Mr. HARTKE. Perhaps if the Senator were to confer with his fellow conferees he would be able to answer that question.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. ANDERSON. Certainly the Senator can remember how he voted. Did he or any other conferee on the part of the Senate vote to sustain the position of the Senate established by a yea and nay vote? That is a simple question.

Mr. BENNETT. I do not believe the matter came before the conference in that form.

Mr. ANDERSON. Would it be fair to say that no Senate conferee voted to sustain the Senate's position, adopted by a yea-and-nay vote in the Senate?

Mr. BENNETT. I think that is a fair statement.

Mr. ANDERSON. I think that is too bad.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. LONG of Louisiana. Mr. President, it has been said that not a single Senate conferee voted to sustain the Senate's position on this matter. I think the conference report should be rejected.

The distinguished Senator from Indiana offered his amendment and the majority of the Senate approved it; yet not a single Senate conferee supported the amendment which was the position of the Senate. I think we should reject the conference report and simply assert, for once, that when a majority of the Senate votes for an amendment, that amendment should be supported—at least in the beginning of the conference committee's deliberations.

Let us consider the report again. Let us name the Senator from Indiana [Mr. HARTKE], who sponsored the amendment, as chairman of the conference, or at least a member of it.

What is the use of amending a bill and sending it to conference when the Senate conferees themselves eliminate the amendment?

The testimony is that not a single Senator voted in conference to sustain the Senate's position. The Senator from Indiana offered an amendment, which the Senate watered down to an almost unrecognizable point. Nevertheless, what little was left was entitled to the support of those who represented the body of Congress that passed it. It did not get one Senate conferee vote.

I suggest that we reject the conference report and try again. All I want to do is to make certain that we have a chance to vote on the Senate amendments in the conference.

Mr. BENNETT. Mr. President, I should like to make an observation. The Senator from Utah was not the chairman of the conference. The distinguished Senator from Virginia [Mr. BYRD], chairman of the Committee on Finance, was chairman of the conference. The Senate conferees consisted of three Democrats and two Republicans, which has been the pattern of the conferees in the Committee on Finance ever since I have been a member of that committee. I think we effectively carried out the will of the Senate.

Mr. LONG of Louisiana. How many Senate votes were cast in favor of the Senate amendment? Not one.

Mr. BENNETT. May I finish? This is a compromise which was worked out before any vote was taken. We effectively preserved the tariff on edible casein. I have nothing further to say.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. LONG of Louisiana. Mr. President, I should like to speak for 1 minute.

I opposed the casein amendment. It does not benefit my State, but I am appalled at the minority influence on the Senate conference members, particularly at a time when the Senate has a two-thirds Democratic majority.

The Democratic Senator from Indiana proposed an amendment which was passed by the Senate but it appears it was not even considered in conference since it did not get a single vote even from his own Democratic conferees from the Senate.

Why do we not give the Senator from Indiana a vote? Let us try again. Let the Senator from Indiana be appointed a conferee. Let him be the chairman of the conferees.

The PRESIDING OFFICER. The question is on agreeing to the conference report. (Putting the question.)

Mr. LONG of Louisiana. Mr. President, I ask for a division.

On a division, the report was agreed to.

Mr. LONG of Louisiana. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. The result has been announced. It is too late to ask for the yeas and nays.

Mr. LONG of Louisiana. I asked for the yeas and nays before the result was announced.

The PRESIDING OFFICER. Before the yeas and nays were asked for, the result had been announced.

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum. There is not a quorum present. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 231]

Aiken	Fong	Mansfield
Allott	Frear	Martin
Anderson	Gore	Monroney
Beall	Gruening	Morton
Bennett	Hart	Moss
Bible	Hartke	Muskie
Bridges	Hill	Pastore
Brunsdale	Holland	Prouty
Bush	Humphrey	Proxmire
Byrd, Va.	Jackson	Randolph
Byrd, W. Va.	Javits	Robertson
Cannon	Johnson, Tex.	Saltonstall
Carlson	Johnston, S.C.	Scott
Case, S. Dak.	Jordan	Smathers
Church	Keating	Smith
Clark	Kerr	Sparkman
Cooper	Kuchel	Symington
Curtis	Lausche	Talmadge
Dirksen	Long, Hawaii	Thurmond
Dodd	Long, La.	Wiley
Douglas	Lusk	Williams, Del.
Dworshak	McCarthy	Williams, N.J.
Eastland	McClellan	Young, N. Dak.
Ellender	McGee	Young, Ohio
Ervin	Magnuson	

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). A quorum is present.

Mr. LONG of Louisiana. Mr. President——

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, a point of order. Was there a quorum present when the Senate agreed to the conference report?

The PRESIDING OFFICER. On the record there was a quorum present.

Mr. LONG of Louisiana. Does the Chair undertake to rule that the Senate had acted on the conference report at a time when there was no quorum present?

The PRESIDING OFFICER. A quorum was present on the record. Action on a conference report does not require a quorum call. It is presumed a quorum is present until the record shows otherwise.

Mr. LONG of Louisiana. Does the Chair state the Senate must stand on action taken when there was not a majority opinion? Is a motion to entitle the Senate to the yeas and nays on the conference report foreclosed?

The PRESIDING OFFICER. Will the Senator restate the question?

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. LONG of Louisiana. Is the Senate entitled to have a yea-and-nay vote on the conference report?

The PRESIDING OFFICER. If the request had been made at the proper time, before the vote was announced, the yeas and nays could have been requested and granted.

Mr. LONG of Louisiana. Is it not customary, when the yeas and nays are requested, and the absence of a quorum is suggested, for the Senate to reserve judgment on the issue until a quorum is present?

The PRESIDING OFFICER. As previously stated, it is presumed that a quorum is present until the record shows otherwise.

Mr. LONG of Louisiana. Does the record not show otherwise?

The PRESIDING OFFICER. The record does not.

Mr. LONG of Louisiana. The record shows a quorum was not present.

The PRESIDING OFFICER. On the contrary; the vote was by a voice vote.

Mr. LONG of Louisiana. Am I to understand the Chair rules the Senate has agreed to a conference report which cannot be made subject to a yea-and-nay vote, although there was no quorum present, and the Chair had to cause the roll to be called twice to get a quorum in the Chamber?

The PRESIDING OFFICER. When the vote was announced a quorum was present.

Mr. LONG of Louisiana. Is it the ruling of the Chair that the action stands, and the motion carries, even though there was no quorum present?

The PRESIDING OFFICER. That is not the ruling of the Chair. There was a quorum present officially, on the record, at the time the vote was announced.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that the vote be rescinded.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

Mr. DIRKSEN. Mr. President, reserving the right to object, does the Senator from Utah have any comment?

Mr. BENNETT. Mr. President, the Senator from Utah must object.

The conference report was considered in exactly the same way most conference reports are considered in this body. We even had a division on the vote.

I will retract my statement. We do not usually have a division on votes, but we had a division on the vote, and the Presiding Officer announced the result of the division.

I object to having the vote rescinded.

The PRESIDING OFFICER. Objection is heard.

Mr. LONG of Louisiana. Mr. President, I make the point that there was no quorum present.

This is a case in which a Senator comes in with a conference report, and there are only a few Senators in the Chamber. What is the effect of the conference report? The Senator from Indiana had his position sustained, at least in part, when his amendment was passed in a revised form, yet the Senate conferees threw the proposal in the trash basket on the way to see the House conferees. Not a single Senate conferee voted for the Senator's amendment. The result is that some Senator walks into the Chamber, with only a few Senators present, and moves that the Senate agree to the House position in conference, without that conference ever having really considered the Senate amendments.

My good friend from Utah simply moved to accept the House position and to reject the Senate position. That is all there was to it.

Mr. President, I did not vote with the distinguished Senator from Indiana. However, I think the Senator is entitled to more consideration. His amendment should not be discarded on the way to the conference.

The testimony on this floor is that the Senator did not receive a single vote for his position.

Mr. President, the two branches of Congress are coequal. The Senate is entitled to have at least one Senator vote for its position in conference. At least one Senator should make a gesture to uphold the majority position of the Senate.

I say to my friend from Indiana, even though I disagreed with him and voted against him, that he is entitled to have at least a gesture made in his behalf.

I hope we shall take the attitude that the Senate conferees should represent the Senate and should try to stand by the Senate position. I had hoped the Senate would vote to reject the conference report. Perhaps new conferees could have been named.

Mr. President, all of this proposed legislation comes from the Committee on Finance. I am a member of that committee. I have gone to conference as a member of that committee on a number of occasions. I have also yielded my place in a conference to some other Senator because of the other Senator's vital interest in the subject.

Other Senators, such as my distinguished friend from Oklahoma, and my distinguished friend from Delaware, have yielded to allow me to serve on conference committees. In this instance, I would have been willing to yield to let my distinguished friend from Indiana serve on the conference committee and make an attempt to sustain his position. It does not look like any one tried to do so this time and, as a result, no Senator tried to sustain the position of the Senator from Indiana.

Our distinguished friends on the Republican side of the aisle—I am sorry that my distinguished friend from Utah has disappeared——

Mr. BENNETT. I am present.

Mr. LONG of Louisiana. Mr. President, I regret to say that I looked at the Senator's seat and he was not in his seat, but he is in the Chamber. He moved.

My good friend from Indiana made a fine presentation before the Senate. I voted against the amendment, but once passed, I think it should be accorded every consideration to which it is entitled under the rules.

Senators should not come back from conference and say, "We did not even try. There was not a single vote among the Senate conferees, even on the first ballot."

Mr. President, I say we ought to confer with the House conferees, and we ought to see if we can reach some understanding to give some weight to the Senate amendment. I suggest that the conference report should have been rejected.

Mr. KERR. Mr. President, circumstances prompt me to make a few brief remarks.

I was on the conference committee referred to, on the bill which was the subject of the conference report. My position was in favor of the position of the Senator from Indiana.

The amendment was discussed by the Senate conferees at great length. I am not definitely certain as to the details of what happened at the meeting. It occurs to me that the Senator from Louisiana has given us the correct picture with reference to some delay in the conference, due to the fact that the House conferees either were late in arriving or, after they came, had to leave for some time for some reason. Exactly what the reason was, I do not remember.

The Senate conferees talked about the bill for a period of time, between 30 minutes and an hour. There was considerable division among the Senate conferees. I am not positive that a formal vote was not taken, but I do not believe it was.

I am positive that there was considerable discussion. A considerable exchange of views took place among the conferees. It was only after the discussion had continued for a considerable period of time that a decision was reached by the Senate conferees, which was the basis of the agreement with the House.

Even so, Mr. President, the Senate conferees obtained concessions from the House conferees.

The language in the conference report is not the same as that which was in the bill when it was passed by the House, nor is it the same as that which was in the bill when it was passed by the Senate. The language in the conference report represented what the Senate conferees believed to be a compromise between the language in the bill as passed by the House and that in the bill as passed by the Senate.

There is no Member of the Senate for whom I have greater esteem, respect, and affection than I have for the Senator from Indiana. In addition, I agreed with his viewpoint. Had I been the one who alone cast the vote, the conference report would have come back more nearly in accordance with the amendment which he offered. I have found in my experience in the Senate, both in its committees and in conferences, that men do not accept my position and view on matters nearly as often as I sincerely feel that wisdom would indicate they should.

I have some gratification in the belief that in a situation in which great differences of opinion seemed to prevail, as time was consumed, discussions were had, and negotiations were entered into, my impression of the differences of opinion that existed at the beginning of the

meeting was reinforced by subsequent discussions and the statements of others present. I have often found that in order to secure something which either the Senate, a committee, or a conference committee could accept, concessions must be made, in the spirit of a wholesome attitude and desire to resolve differences and reach a conclusion.

My great friend from Louisiana is one of the most eloquent and persuasive men I know. When he is serious, I can imagine the voice and vigor of a Daniel Webster as he launches into the presentation of a viewpoint, either on the attack or on the defense. When he is disposed to do so, he can put on a performance as entrancing and attractive as that of a Thespian on the American stage, presenting either drama, comedy, or a mixture of the two. He delights me as I listen to him. He persuades me as he talks. But I believe in his own mind he is aware of the fact that the differences that existed between the House version and the Senate version of the bill were resolved in a spirit of respectful devotion on the part of the conferees from both Houses. Certainly, in my judgment, there was no absence of desire on the part of the Senate conferees to return to the Senate a good account of their stewardship and a conference report corresponding as nearly as possible to the position of the Senate.

Mr. ANDERSON. Mr. President, will the Senator from Utah yield for a question.

Mr. BENNETT. I yield.

Mr. ANDERSON. Is there available a copy of the conference report so that we might compare its language with the language of the bill as passed by the Senate?

Mr. BENNETT. No; but I can obtain a copy.

Mr. ANDERSON. Is it not part of the proceedings?

Mr. BENNETT. The Senator from New Mexico was not in the room when the Senator from Utah presented the conference report. I will send to the cloakroom for a copy.

Mr. ANDERSON. I thought I was in the Senate Chamber. I was here during the presentation of the entire series of conference reports that were presented by the able Senator from Utah.

Mr. BENNETT. I am sorry.

Mr. KERR. Mr. President, will the Senator yield ?

Mr. BENNETT. I am glad to yield.

Mr. KERR. A mistake on the part of the Senate this evening as to who or who was not present is not without precedent.

Mr. BENNETT. I appreciate the comment of the Senator from Oklahoma.

The report has not been printed. I have a photostatic copy of it before me, which I will be glad to offer for printing in the RECORD. In the meantime, I shall be glad to hand it to my friend from New Mexico, so that he may see it.

Mr. AIKEN. May we have the report read?

Mr. BENNETT. May the Senator from Utah take a moment to explain the situation? The House bill suspended the duty on all casein without exception.

The Senate version retained the duty on edible casein imported for human food or for conversion to such use.

There was another difference between the bills, but this is the only difference with respect to which there was a dispute.

The question of determining what is meant by casein imported for human food or for conversion to such use occupied much of the discussion when the bill was before the Senate, and the problem still remained when we went to conference.

In the meantime, while studying the problem, it became evident that practically all—I think I might be safe in saying all—casein that is used for human food is first transformed into a form called caseinate. The difference between casein and caseinate is that casein is not soluble in water, so it could not be put in food which is to be cooked in water. Caseinate is casein made soluble so that it can be used in human food.

The conference retained the tariff on caseinate, which is all imported casein that goes into human food. Theoretically, all casein could be put into human food but, as I say, in order to use it practically, it must be transformed.

We faced this problem. There are between 11 and 15 million pounds of edible casein as caseinate consumed for human food in the United States every year. We cannot get any closer than that to the figure because the caseinate which has been imported up to the present time is considered to be just the same as casein, and nobody has attempted to separate the two forms.

However, in July of last year the Tariff Commission made a test run, and in that year each month 7,694,000 pounds of casein were imported, of which 511,000 pounds was marked "caseinate," or "edible casein." This amounted to 8 percent of the casein imported.

A study has been made of the relative amount of imported caseinate used in the United States as compared to the domestically produced caseinate.

The estimate is that between 50 and 60 percent of all the caseinate—that is, soluble casein—consumed in the United States is manufactured abroad and shipped into the United States in its finished form. The compromise arrived at by the conference applied the 2¾-percent tariff to all edible casein imported in soluble form. This amounts to 92 percent of the edible casein that comes in. I suppose that if the Senate had stuck to the broadest interpretation of the amendment it adopted it would be forced to apply this rule to the better grades of nonedible casein, because they could be transformed in this country into caseinate, and some of them are. That is the problem when we look at it from the domestic point of view. More than 50 percent of the caseinate is now manufactured abroad. Less than 50 percent is manufactured in this country from the better grades of casein imported from abroad.

We have given protection to more than 50 percent of what can be defined as edible casein. That is a fairly good compromise with the position of the House, which gave no protection. I do not believe that the Senate conferees deserted the amendment of the Senator from Indiana. Instead, I believe we made it practical to apply it and enforce it. If I were a customs officer, I do not know how I could tell whether a shipment of casein coming in from abroad would at some time in the future be transformed into caseinate or would be left as casein. On that basis I believe the Senate conferees did a pretty good job. I do not believe we deserted the position of the Senator from Indiana.

We will provide tariff protection against the importation of a material which represents 92 percent of the obviously edible casein, and against a product which has already taken more than 50 percent of our market.

Mr. President, I hope that with this limited explanation the Senate will continue to support the conference report.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1961

The Senate resumed the consideration of H.R. 11390, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes.

Mr. HILL. Mr. President, the bill, H.R. 11390, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies for the fiscal year ending June 30, 1961, and for other purposes, as reported to the Senate by the Committee on Appropriations totals $4,484,088,931, an increase of $300,066,200 over the amount of the bill as passed by the House; an increase of $418,806,450 over the appropriations for fiscal year 1960; and an increase of $463,866,950 over the budget estimates for fiscal year 1961. A large portion of it is for social security.

It should be pointed out right here that the budget estimates presented to the Congress contemplated severe reductions under the 1960 Act in some of the programs—a $60 million reduction was proposed for grants for hospital construction; $25 million for grants to States for waste treatment works construction; $5 million for grants for construction of health research facilities; $2 million for the vocational education program; and $87 million under the estimated entitlements under Public Laws 815 and 874 to provide assistance to the federally impacted school areas. These reductions enumerated total $179 million. Each of these programs has had the strong bipartisan support of the Congress over the years and I am sure there existed little expectation in any quarter that the Congress would concur in the proposed reductions.

The committee recommends an increase of $5 million for grants to States for the administration of the employment security program under the Labor Department. These funds come not out of the general fund of the Treasury but are derived from the earmarked revenue collections under the Federal Unemployment Tax Act.

The committee added $150,000 for plans and specifications for a combined

UNIVERSITY OF MICHIGAN LIBRARIES

pharmacological laboratory and animal building for the Food and Drug Administration. While we had received a preliminary estimate of total cost of a building amounting to $2,045,000, the committee felt that not enough preparation and consideration had been given to the plan and insists that every effort be made first to secure existing governmental space which might be renovated for the purpose. It also expects every consideration be given to the quartering of several dogs in a single pen, rather than one per pen as contemplated by the Food and Drug Administration, and whether air-conditioning is essential for the dog pens, rather than adequate ventilation.

The committee added $7,362,000 for payments to school districts, fiscal year 1959, to permit the payment of full entitlements to each school district under Public Law 874. The Senate had voted this amount in the second supplemental appropriation bill earlier this year but the amendment was not agreed to in conference.

For the defense educational activities the committee provided an additional $2,050,000 for language institutes under title VI of the National Defense Education Act. This will provide the full amount authorized, $7,250,000, for the language institutes.

For the vocational rehabilitation program the committee added $4 million. When Congress rewrote the Vocational Rehabilitation Act in 1954 the evidence suggested 200,000 rehabilitants annually within 5 years. But the goal was not, and has not yet, been attained. In 1959 the number of rehabilitants was 80,000; in 1960 the estimate is 88,000, and for 1961, the estimate is 93,000. The committee added $3 million for grants to States under section 2 of the act to permit the full matching by the Federal Government in a number of additional States. One million dollars was added for additional research and training.

The committee recommends increases of approximately $281 million for the Public Health Service, of which $209 million is for the National Institutes of Health; $61 million is for hospitals, nursing homes, chronic disease facilities, and health facilities construction grants; $5 million is for grants for construction of health research facilities; $1 million is for the acceleration of the building of community water and sanitation facilities on the Indian reservations; $1 million is for environmental health activities, of which $500,000 is earmarked for the training of radiation health specialists and $500,000 for the initiation of a study leading to the development of a plan for controlling and preventing pollution in and around the U.S. portion of the Great Lakes and the Illinois Waterway. We also added $500,000 for grants to States for the control of tuberculosis to make available for the purpose the same amount as is available during the current fiscal year, $4 million; and $600,000 for venereal disease control, of which $300,000 is for grants to States to make available the same amount, $2,400,000, as is available this year, and $300,000 for research in the diseases, in the light of a 50-percent increase in incidence of the diseases in the past year. Sundry other small increases were voted in the Public Health Service.

I want to say, Mr. President, that the distinguished Senator from Mississippi [Mr. STENNIS] is absent on important business but he wholeheartedly supports the programs for grants to the States, for medical research and all the programs in the bill. No member of the Appropriations Committee has labored more faithfully or contributed more to the bill and its many programs than has the Senator from Mississippi.

I am glad that within the framework of the increases in appropriations of the Institutes of Health, great emphasis has been placed on the expansion of the training programs. It is particularly appropriate at this time to provide this emphasis because the training of specialized medical investigators is the broad base on which the whole research program rests.

I trust that it is clear to the Public Health Service from the comments in our report on the bill that these expanded training programs are to remain in the administrative jurisdiction of the respective Institutes of Health. In neurology and blindness, particularly training in the basic sciences relating to the nervous system, the training of clinical teachers and investigators and the program of career teacher investigators are to stay in the administrative control of the Institute of Neurological Diseases and Blindness.

The committee added $80,000 for Gallaudet College, the only college for the deaf in the world, to restore the full amount estimated for the athletic field.

The committee restored the $187,600 disallowed by the House for the Federal Mediation and Conciliation Service, and the $32,500 disallowed by the House for the National Mediation Board.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, that the bill as so amended be considered as original text for purpose of amendment, and that no point of order against any amendment shall have been waived by the granting of this request.

The PRESIDING OFFICER. Is there objection?

Mr. PROXMIRE. Mr. President, reserving the right to object, on behalf of the senior and junior Senators from Ohio, the senior and junior Senators from Vermont, the senior and junior Senators from Michigan, the senior and junior Senators from New York, and my senior colleague and myself, I should like to direct several questions to the Senator from Alabama on this issue.

Was it the intention of the committee by this bill or by the committee report to authorize either additional diversions of a thousand cubic feet per second or any other additional diversion from Lake Michigan in connection with the study by the Department of Health, Education, and Welfare?

Mr. HILL. It was not the intent, in connection with any appropriation in the bill or any language in the report to authorize any additional diversion in any way whatsoever. The only respect in which the bill deals with this water is to follow the suggestion of the Solicitor General of the Department of Justice, that the Department of Health, Education, and Welfare take immediate steps to provide the required study on the matter of water pollution.

We have no thought or idea or intent with reference to any diversion, in any way whatsoever. What is proposed is simply a study looking to the prevention and control of water pollution.

Mr. PROXMIRE. Representative YATES and Representative O'BRIEN testified before the Senator's committee that the authorization for such a study as is contemplated in the bill should include an authorization for the diversion of an additional thousand cubic feet per second. I desire to quote from page 1018 of the hearings the following statement by Representative YATES:

> This study, Mr. Chairman, also asks that as part of the study the Secretary of Health, Education, and Welfare, in cooperation with the Secretary of the Army, be authorized to divert an additional 1,000 cubic feet of water per second from Lake Michigan for the purposes of the study for a period of 1 year and no more.

These Representatives testified to that effect; did they not?

Mr. HILL. They testified, and they asked for a $12 million appropriation. We did not give them any of the $12 million appropriation for any diversion, and we have no intent, no purpose, and no language in the bill to provide for any diversion. The amount provided is solely for a study looking toward the control and prevention of water pollution.

Mr. PROXMIRE. One final question: In the Senator's opinion, can section 2 of the Water Pollution Act of 1956—Public Law 660, 84th Congress—which, I understand, is the authorizing basis for the appropriation, be construed in any way, in connection with the appropriation, to authorize an additional diversion of 1,000 cubic feet or any other amount?

Mr. HILL. No. That act deals only with the matter of water pollution and has nothing to do with the diversion of water.

Section 2, as I think it is clear from a reading of the language, simply authorizes funds looking to the control and prevention of water pollution. It provides no authority with reference to any water diversion.

Mr. PROXMIRE. Was that the full intention of the committee when they included this committee amendment?

Mr. HILL. The intention was to provide for a study looking to the prevention and control of water pollution, not water diversion.

Mr. PROXMIRE. I thank the Senator from Alabama.

Mr. DOUGLAS. Mr. President, will the Senator from Alabama yield further?

Mr. HILL. I yield.

Mr. DOUGLAS. It was the purpose of Representative YATES, Representative O'BRIEN, and the senior Senator from Illinois to be of assistance to all the States and cities along the shores of the Great Lakes. Especially, we wanted to be of service to Milwaukee, because Milwaukee has been polluting the waters

of Lake Michigan very badly by dumping its effluent and untreated sewage into Lake Michigan, with the result that miles of the Milwaukee beaches have been closed to swimming. As a matter of fact, this is true of all the cities along the Great Lakes.

Chicago is the only city where there is free bathing in the summertime. That is because we do not send our effluent into the lake.

I do not wish to revive the old battle here, but it is a matter of record, that what the State of Wisconsin and the State of Michigan, and also, I am sorry to say, the State of New York, and the State of Vermont, are trying to do is to compel Chicago to follow the very unsanitary, unhygienic, unesthetic practices of Milwaukee and other cities, and to dump its effluent into the lake.

We believe this subject should be studied. We had hoped that the committee would permit experimental diversion. As a part of that study, we greatly regret that the diversion is not included. But we hope experience will convince the States which have adopted such unsanitary practices, and which seem resolved to compel Chicago to do likewise, to change their ways, and that in the future we may be able to cooperate.

The city of Chicago will be very glad to cooperate and very glad to furnish engineers to go up and tell Milwaukee how to go about handling its effluent in a more sanitary fashion. We will be very glad to do the same for Cleveland, Toledo, and other cities, so as to be of assistance to them.

I think this action could be the beginning of a new day, provided those cities cease their reprisals and cease the attitude of hostility which they now have.

Mr. HILL. It is the hope of the committee that the proposed study of water pollution will be beneficial to all parties concerned.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama that the committee amendments be agreed to en bloc?

Mr. WILEY. Mr. President, will the Senator yield?

Mr. HILL. I should like to have action taken on my request.

Mr. WILEY. I shall take only a minute.

Mr. HILL. Very well.

Mr. WILEY. In connection with the question that has been asked, I read from the testimony of Arthur S. Flemming, in which he said——

Mr. HILL. On what page?

Mr. WILEY. On page 166 of the hearings on water diversion from Lake Michigan:

> We believe that a study of the sanitary problems of the Metropolitan Sanitary District of Greater Chicago would be feasible without an increase in diversion. From this point of view of water pollution control additional diversion over the amount now authorized is not absolutely necessary for completion of a satisfactory study.

Mr. President, I ask unanimous consent, in connection with the question asked by my colleague from Wisconsin [Mr. PROXMIRE] to have placed in the RECORD section 2 of the statute which was referred to.

There being no objection, section 2 was ordered to be printed in the RECORD, as follows:

COMPREHENSIVE PROGRAMS FOR WATER POLLUTION CONTROL

Joint investigations

SEC. 2. The Surgeon General shall, after careful investigation, and in cooperation with other Federal agencies, with State water pollution control agencies and interstate agencies, and with the municipalities and industries involved, prepare or develop comprehensive programs for eliminating or reducing the pollution of interstate waters and tributaries thereof and improving the sanitary condition of surface and underground waters. In the development of such comprehensive programs due regard shall be given to the improvements which are necessary to conserve such waters for public water supplies, propagation of fish and aquatic life and wildlife, recreational purposes, and agricultural, industrial, and other legitimate uses. For the purpose of this section, the Surgeon General is authorized to make joint investigations with any such agencies of the condition of any waters in any State or States, and of the discharges of any sewage, industrial wastes, or substance which may adversely affect such waters.

Mr. WILEY. Mr. President, the matter of the diversion of water under the Constitution is a question, as I believe the Senator realizes, of navigation, and nothing else. Under the Constitution, water may be transferred for the purposes of navigation.

However, I am particularly interested in placing in the RECORD at this point, from page 164, the statement of Woodbury Willoughby, Director of the Office of British Commonwealth and the Northern European Affairs.

Mr. President, I ask unanimous consent that the statement be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF WOODBURY WILLOUGHBY, DIRECTOR, OFFICE OF BRITISH COMMONWEALTH AND NORTHERN EUROPEAN AFFAIRS

H.R. 1 authorizes the withdrawal of water from the Great Lakes Basin at Chicago and thus must be considered in relation to the rights of Canada as a co-riparian in the waters of that basin. The Department, in the interest of maintaining harmonious relations with that country, has traditionally sought its views on proposals of this type.

This committee has previously been furnished with the texts of the recent communications exchanged with the Canadian Government regarding its views on H.R. 1, and will have noted the protest registered by that Government against implementation of the proposals contained in the bill. I should be glad to submit a copy at this time for insertion in the record.

The most recent Canadian aide memoire, dated February 20, 1959, expresses the opinion that any authorization for an additional diversion from Lake Michigan at Chicago would be incompatible with the arrangements for the St. Lawrence Seaway and power development, and with the Niagara Treaty of 1950, and would be prejudicial to navigation and power development which these mutual arrangements were designed to improve and facilitate.

Neither the Niagara Treaty nor the International Joint Commission Orders relating to the development of power by the United States and Canada in the International Rapids section of the St. Lawrence River, place any specific limitation upon diversions of the type authorized by H.R. 1. Nevertheless, the Department is not in a position to question the Canadian position that an additional withdrawal of water from the Great Lakes Basin such as that under consideration would affect adversely Canadian navigation and power interests in the Great Lakes, their connecting channels and the St. Lawrence River.

I understand that estimates have been furnished to the Congress by the U.S. Army Corps of Engineers as to the extent of the damage that would be suffered by downstream hydroelectric interests on both sides of the boundary in the event that the present proposal is enacted. It is noted that H.R. 1 provides no means by which injured parties may be compensated.

In view of the foregoing, the Department believes that enactment of H.R. 1 would adversely affect our relations with a friendly foreign government. Therefore, it is unable to support this legislation.

Mr. WILEY. Mr. President, the purpose is to show that the parliamentarians agreed with the attitude of the executive branch of the Government.

Mr. HILL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. HILL. To whose time are the remarks of the Senator from Wisconsin being charged? As the Senator from Wisconsin knows, the time is limited.

Mr. JOHNSON of Texas. Mr. President, may we not have the request of the Senator from Alabama acted upon? Then I will yield 2 minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama that the committee amendments be agreed to en bloc? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

Under the heading "Title I—Department of Labor—Office of the Secretary—Salaries and Expenses", on page 2, at the beginning of line 6, to strike out "including payment in advance when authorized by the Secretary for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public and for publications available only upon that basis or available at reduced price on prepublication orders; and purchase of uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131);".

On page 2, after line 16, to insert:

"WORKING CAPITAL FUND

"The paragraph under this head in the Department of Labor Appropriation Act, 1958 (71 Stat. 210) is amended to read as follows:

"'Working capital fund: There is hereby established a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of (1) a central reproduction service; (2) a central visual exhibit service; (3) a central supply service for supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department; (4) a central tabulating service; (5) telephone, mail and messenger services; (6) a central accounting and payroll service; and (7) a central laborers' service: *Provided*, That any stocks of supplies and equipment on hand or on order shall be used to capitalize such fund: *Provided further*, That such fund shall be reimbursed in advance from funds

UNIVERSITY OF MICHIGAN LIBRARIES

available to bureaus, offices, and agencies for which such centralized services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and depreciation of equipment.'"

Under the subhead "Labor-Management Reporting and Disclosure Activities—Salaries and Expenses", on page 3, line 19, after "1959", to strike out "including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a),".

Under the subhead "Bureau of Labor Standards—Salaries and Expenses", on page 4, line 19, after the word "exhibits", to strike out "and expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Bureau of Labor Standards".

Under the subhead "Grants to States for Unemployment Compensation and Employment Service Administration", on page 6, line 18, after the word "Board", to insert "including conveyance by the Commissioners of the District of Columbia to the United States of title to the land on which such building is to be situated", and on page 7, line 1, after "(68 Stat. 1130)", to strike out "$320,819,000" and insert "$325,819,000".

Under the subhead "Salaries and Expenses, Mexican Farm Labor Program", on page 10, line 7, after the word "laws", to strike out "$1,344,100" and insert "$1,404,100".

Under the subhead "Wage and Hour Division—Salaries and Expenses", on page 13, at the beginning of line 10, to strike out "and not to exceed $3,000 for expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Division,".

Under the heading "Title II—Department of Health, Education, and Welfare", on page 14, after line 5, to insert:

"PHARMACOLOGICAL-ANIMAL LABORATORY BUILDING

"For plans and specifications for a special pharmacological-animal laboratory for the Food and Drug Administration, $150,000."

Under the subhead "Office of Education—Promotion and Further Development of Vocational Education", on page 16, line 20, after the word "*Provided*", to strike out "That the appointment to the States under section 3(a), (1), (2), (3), and (4) of the Vocational Education Act of 1946 shall be computed on the basis of not to exceed $29,267,081 for the current fiscal year: *Provided further*".

Under the subhead "Grants for Library Services", on page 17, after line 8, to strike out:

"For grants to the States, under allotments for the current and prior fiscal year, pursuant to the Act of June 19, 1956, as amended (20 U.S.C. 351-358), $7,500,000, to remain available until expended."

And, in lieu thereof, to insert:

"For grants to the States, pursuant to the Act of June 19, 1956, as amended (20 U.S.C. 351-358), $7,500,000."

Under the subhead "Payments to School Districts", on page 17, after line 15, to insert:

"For an additional amount for 'Payments to school districts', fiscal year 1959, $7,362,000."

Under the subhead "Defense Educational Activities", on page 18, at the beginning of line 15, to strike out "$171,000,000" and insert "$173,050,000", and in line 26, after the word "counseling", to insert a colon and "*Provided*, That allotments to States under titles II and III of such Act shall be on the basis of the respective maximum amounts authorized to be appropriated in such titles: *Provided further*, That, notwithstanding any other provision of law, allotments under title III of said Act for grants to States and loans to nonprofit private schools for science, mathematics, or modern foreign language equipment and minor remodeling of facilities and for grants to States for supervisory and other services, shall be made in such manner as to extend the benefits thereof to the State of Hawaii on the basis of equality with the other States".

On page 19, after line 17, to insert:

"Grants, loans, and payments under the National Defense Education Act, next succeeding fiscal year: For making, after May 31 of the current fiscal year, loans, and payments under all titles of the National Defense Education Act, for the first quarter of the next succeeding fiscal year such sums as may be necessary, the obligations incurred and the expenditures made thereunder to be charged to the appropriation for the same purpose for that fiscal year."

Under the subhead "Office of Vocational Rehabilitation—Grants to States", on page 21, line 11, after the word "amended", to strike out "$54,500,000" and insert "$57,500,000"; in line 12, after the word "which", to strike out "$53,000,000" and insert "$56,000,800"; in line 17, after the word "of", to strike out "$63,000,000" and insert "$77,000,000"; and in line 19, after the word "year", to insert a colon and "*Provided further*, That notwithstanding any other provision of law, allotments under section 2 of the said Act shall be made in such manner as to extend the benefits of such section to the State of Hawaii on the basis of equality with other States."

Under the subhead "Research and Training", on page 22, at the beginning of line 10, to strike out "For research, training, and traineeship, and other special project grants, pursuant to section 4 of the Vocational Rehabilitation Act, as amended, for" and, in lieu thereof, to insert "For grants and other expenses for research, training, traineeships, and other special projects, pursuant to section 4 of the Vocational Rehabilitation Act, as amended, for expenses of", and in line 19, after the word "Act", to strike out "$14,800,000" and insert "$15,800,000".

Under the subhead "Public Health Service", on page 23, line 20, after the word "Corps", to insert "expenses incident to the dissemination of health information in foreign countries through exhibits and other appropriate means;", and on page 24, line 11, after the word "annum", to insert a colon and "*Provided*, That section 208(g) of the Public Health Service Act, as amended, is amended by striking out 'eighty-five', and inserting in lieu thereof 'one hundred and fifty', and by striking out 'seventy-three' and inserting in lieu thereof 'one hundred and fifteen';".

Under the subhead "Assistance to States, General", on page 24, line 22, after the word "statistics", to insert "not to exceed $1,000 for entertainment of officials of other countries when specifically authorized by the Surgeon General;", and on page 25, line 2, to strike out "$22,620,000" and insert "$24,620,000".

Under the subhead "Control of Tuberculosis", on page 25, at the beginning of line 5, to strike out $5,930,000" and insert "$6,430,000", and in the same line, after the word "than", to strike out "$3,500,000" and insert "$4,000,000".

Under the subhead "Communicable Disease Activities", on page 26, at the beginning of line 8, to strike out "$13,516,000" and insert "$14,116,000, of whch $5,700,000 shall be for the control of venereal diseases".

Under the subhead "Environmental Health Activities", on page 26, at the beginning of line 23, to strike out "$25,640,000" and insert "$26,640,000".

Under the subhead "Grants for Hospital Construction", on page 28, line 3, after the word "amended", to strike out "$150,000,000" and insert "$211,200,000"; in line 4, after the word "which", to strike out "$118,800,000" and insert "$150,000,000"; in line 7, after the word "and", to strike out "$30,000,000" and insert "$60,000,000"; in line 8, after the word "follows", to strike out "$7,500,000" and insert "$20,000,000"; in line 9, after the word "centers", to strike out "$7,500,000" and insert "$20,000,000"; in line 10, after the word "impaired" to strike out "$5,000,000" and insert "$10,000,000", and in line 12, after the word "homes", to strike out "*Provided*, That allotments under such parts C and G to the several States for the current fiscal year shall be made on the basis of amounts equal to the limitations specified herein" and insert "*Provided further*, That, notwithstanding any other provision of law, allotments under such parts C and G shall be made in such manner as to extend the benefits of such parts to the State of Hawaii on the basis of equality with the other States."

Under the subhead "Salaries and Expenses, Hospital Construction Services", on page 28, line 23, after the word "amended", to strike out "$1,654,200" and insert "$1,786,000".

Under the subhead "Hospitals and Medical Care", on page 30, line 1, after the word "appropriation", to insert a colon and "*Provided further*, That this appropriation shall be available for medical, surgical, and dental treatment and hospitalization of retired ships' officers and members of crews of Coast and Geodetic Survey vessels, and their dependents, and for payment therefor."

Under the subhead "Foreign Quarantine Activities", on page 30, line 15, after the word "countries", to strike out "$4,812,000" and insert "$4,931,000".

Under the subhead "Construction of Indian Health Facilities", on page 31, line 9, after the word "Indians", to strike out "$8,964,000" and insert "$9,964,000".

Under the subhead "General Research and Services, National Institutes of Health", on page 31, line 19, after the word "research", to strike out "$52,660,000" and insert "$104,405,000", and in line 23, after the word "only", to insert "not to exceed $2,500 for entertainment of visiting scientists when specifically approved by the Surgeon General".

Under the subhead "National Cancer Institute", on page 32, line 19, after the word "Act", to strike out "$102,469,000" and insert "$126,375,000, of which $700,000, to remain available until December 31, 1961, shall be available for plans and specifications for a research facility for the National Cancer Institute".

Under the subhead "Mental Health Activities", on page 33, line 4, after the word "diseases", to strike out "$79,863,000" and insert "$110,800,000".

Under the subhead "National Heart Institute", on page 33, line 7, after the word "Act", to strike out "$71,762,000" and insert "$125,166,000".

Under the subhead "Dental Health Activities", on page 33, line 12, to strike out "$12,604,000" and insert "$16,710,000".

Under the subhead "Arthritis and Metabolic Disease Activities", on page 33, line 16, to strike out "$52,841,000" and insert "$70,760,000".

Under the subhead "Allergy and Infectious Disease Activities", on page 33, line 20, after the word "diseases", to strike out "$38,439,000" and insert "$48,234,000"; at the beginning of line 21, to strike out "$150,000" and insert "$750,000", and on page 34, after the word "Laboratory", to insert "and for construction and equipment of facilities".

Under the subhead "Neurology and Blindness Activities", on page 34, line 5, after the word "blindness", to strike out "$44,362,000" and insert "$61,550,000".

Under the subhead "Grants for Construction of Health Research Facilities", on page 34, line 11, after "(72 Stat. 933)", to strike out "$25,000,000" and insert "$30,000,000".

On page 34, after line 11, to insert:

"CONSTRUCTION OF MENTAL HEALTH-NEUROLOGY RESEARCH FACILITY

"For construction of a combined basic and collaborative research facility for the National Institutes of Mental Health and Neurological Diseases and Blindness, including a physical biology component, and including plans and specifications, fixed and semifixed equipment, access roads and parking facilities, extension of existing power, refrigeration and other utility systems, $12,139,000, to be derived by transfer from 'Mental health activities' and 'Neurology and blindness activities', as determined by the Surgeon General."

Under the subhead "Buildings and Facilities", on page 36, line 5, after the word "sites", to strike out "$3,135,000" and insert "$3,470,000".

Under the subhead "Salaries and Expenses", on page 36, line 18, after the word "methods", to strike out "$6,800,000" and insert "$6,900,000".

Under the subhead "Saint Elizabeths Hospital—Salaries and Expenses", on page 37, line 3, after the figures "$4,095,000", to insert a colon and *"Provided,* That reimbursements pursuant to the Act of August 4, 1947 (24 U.S.C. 168a), shall be in an amount equal to not less than $8.13 per patient per day."

Under the subhead "Salaries and Expenses, Office of the Commissioner", on page 41, line 10, after the word "Security", to strike out "$342,500" and insert "$350,800".

Under the subhead "Gallaudet College—Construction", on page 43, line 4, after the word "grading", to strike out "$2,432,000" and insert "$2,512,000".

Under the subhead "White House Conference on Aging", on page 45, line 8, after the word "Columbia", to strike out "$550,000" and insert "$760,000".

On page 45, after line 8, to insert:

"WORKING CAPITAL FUND

"The paragraph under this head in the Federal Security Agency Appropriation Act, 1953 (66 Stat. 369) is amended to read as follows:

"'Working capital fund: There is hereby established a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of (1) a central reproduction service; (2) a central visual exhibit service; (3) a central supply service for supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department; (4) a central tabulating service; (5) telephone, mail, and messenger services; (6) a central accounting and payroll service; and (7) a central laborers' service: *Provided,* That any stocks of supplies and equipment on hand or on order shall be used to capitalize such fund: *Provided further,* That such fund shall be reimbursed in advance from funds available to bureaus, offices, and agencies for which such centralized services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and depreciation of equipment.' "

Under the subhead "General Provisions", on page 46, after line 5, to strike out:

"SEC. 202. Appropriations under this title available for salaries and expenses shall be available for payment in advance for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public and for payment in advance for publications available only upon that basis or available at a reduced price on prepublication orders."

On page 46, after line 13, to strike out:

"SEC. 203. Appropriations under this title available for salaries and expenses shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131)."

On page 46, line 18, to change the section number from "204" to "202".

On page 47, line 5, to change the section number from "205" to "203".

On page 47, after line 8, to strike out:

"SEC. 206. None of the funds provided herein shall be used to pay any recipient of a grant for the conduct of a research project an amount for indirect expenses in connection with such project in excess of 15 per centum of the direct cost."

On page 47, line 14, to change the section number from "207" to "204".

On page 47, line 21, to change the section number from "208" to "205".

On page 48, line 1, to change the section number from "209" to "206".

On page 48, after line 6, to strike out:

"SEC. 210. Appropriations under this title available for salaries and expenses shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities."

Under the heading "Title III—National Labor Relations Board—Salaries and Expenses", on page 48, line 22, after the word "area", to strike out "and uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131),".

Under the heading "Title IV—National Mediation Board—Salaries and Expenses", on page 49, line 20, after the word "including", to strike out "stenographic reporting services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a);"; on page 50, at the beginning of line 1, to strike out "$90" and insert "$100", and in line 3, after "(45 U.S.C. 160)", to strike out $1,522,500" and insert "$1,555,000".

Under the heading "Title V—Railroad Retirement Board—Limitation on Salaries and Expenses", on page 50, line 7, after the word "Board", to strike out "including uniforms or allowances therefor, as authorized by the Act of September 1, 1954 (68 Stat. 1114),".

Under the heading "Title VI—Federal Mediation and Conciliation Service—Salaries and Expenses", on page 50, line 25, after the word "maintained", to strike out "$3,905,400" and insert "$4,093,000".

Under the heading "Title IX—General Provisions", on page 52, after line 8, to insert:

"SEC. 903. Appropriations contained in this Act available for salaries and expenses shall be available for payment in advance for dues or fees for library membership in organizations whose publications are available to members only or to members at a price lower than to the general public and for payment in advance for publications available only upon that basis or available at a reduced price on prepublication orders."

On page 52, after line 16, to insert:

"SEC. 904. Appropriations contained in this Act available for salaries and expenses shall be available for uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131)."

On page 52, after line 20, to insert:

"SEC. 905. Appropriations contained in this Act available for salaries and expenses shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities."

On page 53, after line 3, to insert:

"SEC. 906. Appropriations contained in this Act available for salaries and expenses shall be available for rental of space in the District of Columbia for new or expanded activities."

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the senior Senator from Wisconsin.

Mr. WILEY. Mr. President, I support the objectives of preventing and controlling pollution of waters in and around the Great Lakes. Moreover, I welcome the inclusion of appropriations in the bill, H.R. 11390, for such purposes.

For the record, however, I want to make it clear that I am opposed to such allocations of funds being used as a Trojan Horse by which to increase diversion of a dangerously large volume of water into the Illinois Waterway.

The subject of water diversion from Lake Michigan by the Metropolitan Sanitary District of Greater Chicago, has been a subject of continuing controversy between Chicago, the State of Illinois, and other States adjoining the Great Lakes for many years. As far back as 1922 the Supreme Court of the United States was brought into the conflict by the Lake States in order to determine the equities involved. In recent years there has been continuous effort on the part of the Metropolitan Sanitary District of Greater Chicago to divert additional quantities of water from the Great Lakes. During this session of Congress, as in many previous ones, a bill has been introduced by Representative O'BRIEN, H.R. 1, authorizing the additional diversion of 1,000 cubic feet per second from Lake Michigan. H.R. 1, and a companion bill, S. 308, was considered by the Committee on Public Works which, after long hearings, reported it to the Senate. There was much discussion on the merits of this legislation on the floor of the Senate and the bill was referred to the Foreign Relations Committee. At the request of the Foreign Relations Committee, the Department of State has contacted the Canadian Government in order to ascertain the Canadian position on this matter.

Simultaneously the Supreme Court of the United States before which several cases relating to the diversion of Lake Michigan waters have been pending, proceeded to consider these cases and to appoint a special master to hear the evidence relating to this important subject. The master, Judge Albert Maris, has been holding hearings on this subject in Chicago and in other places and more have been scheduled. He has not, as yet completed his study of the issues.

Now as this matter is pending both before the Supreme Court and the Senate Foreign Relations Committee, I believe it would be wrong, indeed, to bypass the Court and the Foreign Relations Committee. Primarily, the issue relates to the diversion of water in the interest of navigation. Previously, the Court on several occasions has said in substance: "Chicago, you have made the mess, clean it up." And Chicago did clean it up and built a plant to take care of the then load, but afterward, Chicago extended its territory, added several million to its population and still kept the same facilities with only a little addition. But the same were not adequate. The answer is then to build adequate plants to take care of the additional load.

Mr. President, we have gone over this ground many times. The distinguished

UNIVERSITY OF MICHIGAN LIBRARIES

senior Senator from Illinois [Mr. DOUGLAS], when he talks often indulges in words which he afterwards regrets.

The Court has on two occasions said to the Chicago Sanitary District, "You made the mess. Now clean it up."

Second, the Court has now placed in charge of the matter a distinguished judge to hold investigations. He is conducting the investigations on the subject of diversion. That being the case, we feel that the Committee on Labor and Public Welfare did not go off half-cocked. They recognized that they had no authority to require the diversion of water from Lake Michigan.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. GORE. I am not well informed on the subject of pollution. I wonder what the attitude of the Senator is toward the very generous offer of the senior Senator from Illinois to send three Chicago engineers to Milwaukee.

Mr. WILEY. I did not get the Senator's question.

Mr. GORE. I do not press the question.

Mr. KUCHEL. Mr. President, on behalf of myself, my colleague from California [Mr. ENGLE], the senior Senator from Pennsylvania [Mr. CLARK], the junior Senator from Pennsylvania [Mr. SCOTT], and the senior Senator from Minnesota [Mr. HUMPHREY], I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 26, line 23, it is proposed to delete "$26,640,000" and insert in lieu thereof "$27,640,000."

Mr. KUCHEL. Mr. President, a few days ago—on June 8—the President signed a law which the Congress sent to him, directing the Surgeon General of the United States to make a careful survey with respect to the part which motor vehicles of all types play in the dissemination of pollutants into the air. Obviously, inasmuch as the President signed that measure only a few days ago, no provision was made with respect to budgeting funds for the Surgeon General to use in undertaking this new responsibility, which he has just received.

The Surgeon General could expend up to $2 million a year. My amendment provides for $1 million.

Mr. HILL. Mr. President, will the Senator from California yield?

Mr. KUCHEL. I yield.

Mr. HILL. The distinguished Senator from California is the ranking minority member of the subcommittee which considered the bill. The legislation authorizing this program passed after our hearings on the bill.

Mr. KUCHEL. Yes.

Mr. HILL. I am familiar with the legislation, because it was handled by the Committee on Labor and Public Welfare.

I am familiar with the matter dealt with by the amendment; and the amendment is very meritorious. So I am happy to accept the amendment.

Mr. KUCHEL. I thank the Senator from Alabama.

Mr. CARLSON. Mr. President——

Mr. HILL. I yield to the Senator from Kansas.

Mr. CARLSON. I wish to ask a question or two in regard to the Hill-Burton fund. During the years during which the Hill-Burton fund has been in operation, the State of Kansas has received many benefits from the use of this fund.

I notice that the budget estimate for these grants for hospital construction was $126,200,000; the House allowance was $150 million; and the Senate committee recommended $211,200,000.

I should like to ask the distinguished chairman whether he believes the amount recommended by the committee will be sufficient to take care of the applications and the requests which are pending?

Mr. HILL. No, the $211,200,000 would not be sufficient; but that is as much as the committee could recommend, in view of the amount authorized.

On page 466 of the hearings there will be found a table; and from examining the table the Senator will find that in order to meet the applications we now have from the local communities and from the nonprofit hospital organizations which now are ready to go forward with the construction of their hospitals, some $806,264,000 would be required. But the $211,200,000 is the maximum amount authorized; and therefore the committee had to keep within that limit, insofar as the appropriation was concerned, as the Senator will understand.

Mr. CARLSON. How can the communities be expected to take care of some of the bond issues which already have been voted in anticipation of the provision of these funds?

Mr. HILL. Some communities have voted bond issues. Some have levied special taxes.

But so far as the appropriation is concerned, we cannot appropriate more than the $211,200,000, because that is the maximum amount authorized under the act.

Mr. CARLSON. Mr. President, I appreciate very much the increase the Senate committee has recommended.

I sincerely hope the amount recommended by the Senate committee will be approved, and that it will be possible to take care of these requests.

Mr. President, I have received a number of telegrams and other communications in connection with this matter; and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

GREAT BEND, KANS.

Senator FRANK CARLSON,
Senate Office Building
Washington, D.C.:

H.R. 11390 shows a recommended cut in the 1961 appropriations of $36,200,000 under the 1960 appropriation for grants for hospital construction. Such a cut will delay much-needed construction of hospital beds in Great Bend, Kans. We sincerely request that the 1961 appropriation be restored to the 1960 level.

HERBERT A. HARMS,
President, Barton County Flour Mills Co.

GREAT BEND, KANS.

Senator FRANK CARLSON,
Senate Office Building,
Washington, D.C.:

Respectfully urge restoration Hill-Burton grants in 1961 to at least 1960 appropriation level. Vitally needed local hospital construction project would be seriously delayed and impaired by reduction shown in H.R. 11390. Fluctuation of Hill-Burton grants creates havoc in hospital planning for any community. Your consideration deeply appreciated.

DON WELTMER,
Mayor, City of Great Bend, Kans., Great Bend Community Hospital Association.

GREAT BEND, KANS.

Senator FRANK CARLSON,
Senate Office Building,
Washington, D.C.:

Our hospital building project here will be seriously affected if H.R. 11390 is cut under the 1960 appropriations. Your help in restoring the appropriations for 1961 to the 1960 level will be greatly appreciated.

H. P. THIES,
President, Community Hospital Association, Inc.

THE KANSAS STATE BOARD OF HEALTH,
Topeka, Kans., April 22, 1960.

Hon. FRANK CARLSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CARLSON: As requested by Mr. H. P. Thies, president of the Community Hospital Association, at Great Bend, Kans., I am sending you the allocation of Hill-Burton Act funds for the 1959 and 1960 fiscal years. Please notice that all of these funds have been allocated to projects now under construction.

Hospitals now having high priority for funds on the basis of the 1961 proposed State plan, and who have their funds available for construction and are waiting for the 1961 fiscal year appropriation are:

	Sponsor's share	Hill-Burton funds
Shawnee-Mission, Merriam	$700,000	$600,000
Clay County, Clay Center	365,000	325,000
Great Bend Medical Center	3,200,000	1,200,000
Seward County, Liberal	875,000	800,000
Anthony Hospital, Anthony	100,000	100,000
Wesley (nurses' residence), Wichita	550,000	500,000
Total	5,790,000	3,525,000

Obviously, there will not be enough funds to cover the projects where funds are available. We will, by necessity, if all of these projects are to be started within the near future, have to dip into the 1962 anticipated funds from the Hill-Burton Act.

In addition to the above, the following hospitals, who are eligible for Hill-Burton Act funds, are having bond elections this fall and are hoping to raise the necessary funds for hospital construction:

	Hill-Burton funds
Wilson County Hospital, Neodesha	$400,000
Dickinson County Hospital Abilene	500,000
St. Mary's Hospital, Winfield	900,000
Total	1,800,000

If you have any questions, please feel free to write or call us.

Sincerely yours,

ROY N. JOHNSTON,
Director of Division.

Proposed allocation of Federal funds

Name of hospital	Town	Total cost	Federal funds	
			1959 fiscal year	1960 fiscal year
General hospitals:				
Labette County	Parsons	$1,472,487.72	$607,294.42	$79,080.58
Mercy (nurses residence)	Fort Scott	577,636.00	275,000.00	
Wesley Hospital	Wichita	(1)	24,820.28	
Cushing Memorial	Leavenworth	(1)	142,352.30	60,000.00
Menninger Children's	Topeka	(1)	405,000.00	507,459.65
Republic County	Belleville	690,320.74	265,262.00	
Stafford District	Stafford	486,000.00	50,000.00	190,000.00
Mercy Hospital	Independence	1,564,770.00	210,700.00	458,155.64
Caney Municipal	Caney	420,000.00	50,000.00	160,000.00
Shawnee-Mission	Merriam	1,411,836.00		5,000.00
Newman Memorial	Emporia	1,293,482.27		646,741.13
Total allocation			2,030,429.00	2,106,437.00
Chronic disease hospitals:				
Wichita-St. Joseph	Wichita	(1)	100,000.00	
Unassigned				100,000.00
Total allocation			100,000.00	100,000.00

Name of hospital	Town	Total cost	Federal funds	
			1959 fiscal year	1960 fiscal year
Rehabilitation:				
Capper Foundation	Topeka	(1)	[2] $78,517.74	
University of Kansas Medical.	Kansas City	$443,656.09	27,462.44	
Capper Foundation (nursing unit).	Topeka	119,462.00	25,986.82	$21,894.18
Unassigned				115,119.82
Total allocation			131,967.00	137,014.00
Diagnostic and treatment:				
Transferred to nursing homes.			100,000.00	
Unassigned				100,000.00
Total allocation			100,000.00	100,000.00
Nursing home:				
Grace Hospital	Hutchinson	(1)	117,400.00	
Presbyterian Manor	Newton	(1)	73,375.00	111,363.28
Lindsborg Community	Lindsborg	139,732.00	41,192.00	25,650.72
Total allocation			[3] 231,967.00	137,014.00

[1] Carried over from 1958 fiscal year. Completes Wichita and Leavenworth projects.
[2] May be reduced. Waiting decision on audit appeal.
[3] Includes $100,000 transferred from "Diagnostic and treatment."

Mr. HILL. Mr. President, by examining the table on page 466 of the hearings, Senators will obtain the entire story in connection with this matter.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield to me, so that I may ask a question?

Mr. HILL. I yield.

Mr. SALTONSTALL. Mr. President, very briefly, let me state that, as the Senator knows, in Massachusetts we have a number of institutions, such as the Children's Hospital in Boston, the Peter Bent Brigham Hospital, the Massachusetts General Hospital, and the Harvard Medical School, all of which do research work for the Department of Health, Education, and Welfare, which is the only department of the Government, as I understand, which places a percentage limitation on the amount for indirect costs incurred by the acceptance of research grants.

I understand that the committee has deleted that provision.

Mr. HILL. The Senator from Massachusetts is correct; the committee has deleted that 15-percent limitation. That means we shall go to conference with this, and will do our best to sustain the Senate position on this matter.

Mr. SALTONSTALL. I am very glad to hear that.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from Lawrence A. Kimpton, president of the Association of American Universities. His letter deals with this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JANUARY 15, 1960.

The Honorable the SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C.

DEAR MR. SECRETARY: The Association of American Universities wishes to place before the Department of Health, Education, and Welfare (and its constituent agencies, the Public Health Service and the National Institutes of Health) and the Congress of the United States an urgent request that every effort be put forward to eliminate from present and future appropriation bills for the Department the provision that research grants to institutions of higher education, made by agencies within the Department, are restricted to the payment of only 15 percent of the total cost toward covering indirect costs of research.

This 15-percent limitation, which has been enacted into prior appropriation bills, has been an extremely costly provision to the universities of the country. The costs of research consist not only of the direct expenses of salaries and equipment, but also the indirect expenses of maintenance of laboratories and buildings, including heating, lighting, ventilation, cleaning, repairs, etc., and including costs of administrative and business offices. As the teaching or research activities of any university increase, these indirect costs have been found inevitably, and in the long run, to increase also in direct proportion. The sum total of these costs in practically all universities is far in excess of the percentage limitation provided in Public Health Service and National Institutes of Health grants.

Many agencies of the Government have recognized the desirability of paying the full costs of research, including the indirect costs. The recent Circular A–21 issued by the Bureau of the Budget sets forth the policy that research projects undertaken through government sponsorship shall cover full costs, and it sets forth the principles by which such cost determination can be made. This Circular A–21 permits, and indeed instructs, all agencies of the Government to follow these principles in the awarding of research contracts and grants. The Department of Health, Education, and Welfare is the only agency of Government which is prohibited by law from adopting the principles set forth by the Bureau of the Budget in Circular A–21.

The above restriction applying to grants by the Public Health Service and the National Institutes of Health imposes serious fiscal burdens on one of the most critical elements of American higher education—namely, the medical schools. For many years the medical schools of the United States have been under serious financial pressure as the costs of medical education and research have risen, and as pressures have risen for turning out more and better doctors. A large volume of medical research is now supported by grants from the National Institutes of Health in American medical schools, but since the indirect costs are not fully covered, the schools have been desperately short of the other funds required to cover the full costs of the research work which has been undertaken. This research work in the fields of medicine and biology is of critical importance to national health, and the maintenance of the financial integrity of the medical schools is therefore an important aspect of national welfare. It is urgently necessary, therefore, that medical schools be strengthened rather than weakened by undertaking critically important research financed by Government agencies.

A large proportion of the member institutions of the Association of American Universities include medical schools in their organization, and all of these have faced serious financial difficulties because of the policy imposed by the Congress in preventing the reimbursement of the universities for the full costs which they incur in research programs.

The Association of American Universities respectfully requests the Secretary of Health, Education, and Welfare to provide in its budget the funds required to cover the full indirect allowance computed under Circular A–21 for research grants, and to recommend strongly, and as a matter of urgency, the elimination of the indirect-cost restriction in the fiscal 1961 appropriation bill.

Respectfully submitted.

THE ASSOCIATION OF AMERICAN UNIVERSITIES,
LAWRENCE A. KIMPTON,
President.

Mr. KUCHEL. Mr. President, I ask unanimous consent to have printed at this point in the RECORD my statement on this item.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KUCHEL

The Senate from time to time has taken cognizance of the insidious and grave threat to public health stemming from our Nation's amazing industrial growth and the momentous increase in numbers and use of motor vehicles and powerplants which discharge great volumes of pollutants into the atmosphere.

On several occasions during my service in this body, I have been privileged to vote for measures finally enacted into law under

UNIVERSITY OF MICHIGAN LIBRARIES

which Federal agencies have been empowered and directed to investigate the problem of air pollution. The importance of these acts may not have been fully appreciated, but, in my estimation, the Air Pollution Research Act, Public Law 159, the extension of that law in 1959 by Public Law 86–365, and most recently the so-called Schenck Act, Public Law 86–493, are of immeasurable significance in our comprehensive programs to safeguard and maintain public health.

The bill now before us providing funds for the U.S. Public Health Service will finance activities under these statutes. A total of $4,900,000 is provided for air pollution research and investigation, the largest sum which ever has been allowed in a single year. This is within $100,000 of the annual ceiling fixed by Congress a year ago in extending Public Law 159.

Within the month, the Congress has broadened, in effect, the scope of the original act, which I had the privilege of introducing and helping put through the 84th Congress. Only a few days before departing from the country on his present Pacific trip, President Eisenhower signed the bill H.R. 8238 calling on the Public Health Service to "conduct a thorough study" into the particular aspect of the air pollution problem identified with motor vehicle exhausts.

This is a widely acknowledged major phase of the smog or air-pollution difficulties with which many areas are wrestling. The studies, it is hoped, will pave the way for remedial measures to safeguard our people against fumes and materials which may have exceedingly deleterious effects.

This new act was sent to the White House about the time our Appropriations Subcommittee was finishing its work on the pending bill. Unfortunately, its passage had not been anticipated, at least to the point where any estimate could be made of the amount of money required to carry out the duties which Public Law 86–493 imposes. Therefore, it is vital that an additional amount be included in the appropriation for environmental health activities.

Accordingly, I am proposing on behalf of myself, my able colleague, Mr. ENGLE, the two able Senators from Pennsylvania, Mr. CLARK and Mr. SCOTT, and the able senior Senator from Minnesota, Mr. HUMPHREY, that $1 million be added to this measure.

Work required to implement this new law will, I am advised, include both laboratory studies and the appraisal of conditions in the field in various individual communities. This naturally will require money which is not provided in the $4,900,000 carried in the bill as passed by the House or reported by our committee.

The investigation of automobile exhausts will require a material expansion of the Public Health Service's planned activities relating to the overall air pollution problem. The studies contemplated are of such character that considerable leadtime is necessary to obtain equipment and to organize a staff. At present, the Service now has only one research facility at its Sanitary Engineering Center in Cincinnati, where a limited number of the various problems concerning such pollution can be studied at any one time.

To expedite the research work which the Congress has just called upon the Service to perform, several such installations doubtless will be required. This would permit simultaneous study of various facets of the problem at one time.

I am not seeking the full amount which may be essential to explore this highly important and extensive field. Instead, I am merely proposing a modest sum so that as little time as possible will be lost in getting under way. I do not believe we would be warranted in any so-called crash program, which might call for materially greater amounts of money. Nevertheless, the work should be begun as quickly as the Service can mobilize manpower, obtain facilities, and map out specific courses of action.

Unless money is made available at this time, it is probable that a whole year will be lost in conducting this desirable research. The law itself directs the Surgeon General to report in not more than 2 years.

Both the House and the Senate Appropriations Committee in their reports acknowledge the urgency of Federal efforts in the air-pollution field. Indeed, our Senate committee's remarks on the problem of allergy and infectious disease activities at the National Institutes of Health bear on this point. On page 35 of the report, the statement is made:

"With the growing importance of air pollution in our urban environment, the respiratory allergies in particular will demand a vigorous research attack."

The funds provided in the amendment which I propose would serve to strengthen this attack.

The PRESIDING OFFICER. Is all remaining time on the amendment yielded back?

Mr. HILL. I yield back the remainder of the time under my control, Mr. President.

Mr. KUCHEL. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from California.

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from Minnesota will be stated.

The LEGISLATIVE CLERK. On page 41, between lines 7 and 8, it is proposed to insert:

COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS IN SOCIAL SECURITY

For grants, contracts, and jointly financed cooperative arrangements for research or demonstration projects under section 1110 of the Social Security Act, as amended (42 U.S.C. 1310), $700,000.

Mr. HUMPHREY. Mr. President, my remarks in connection with this amendment will be brief.

This is a budget recommendation of the administration. It has also been recommended in connection with the objectives of the American Public Welfare Association. It has been requested by the head of the social security agency itself and by the Secretary of the Department of Health, Education, and Welfare. It fits in with the President's program.

Mr. President, I have discussed this amendment with the chairman of the committee, and I believe it merits being made a part of the bill.

Mr. HILL. Mr. President, the amendment has the support of the Department of Health, Education, and Welfare, and also of the Bureau of the Budget. I think the amendment is a good one, and should be adopted; and I am happy to accept it.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have my statement and explanation of the amendment printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUBERT H. HUMPHREY ON COOPERATIVE RESEARCH AMENDMENT TO LABOR-HEW APPROPRIATIONS BILL

I now propose an amendment to add $700,000 for social security research and demonstration projects to the Labor-HEW appropriations bill, H.R. 11390.

The Advisory Council on Public Assistance, the Advisory Council on Child Welfare Services, the American Public Welfare Association, and the National Association of Social Workers have all stressed the importance of such research and demonstration projects in advancing our efforts to strengthen family and child welfare.

The Social Security Administration requested $700,000 to begin a program of cooperative research in social security in fiscal 1961, but the House Appropriations Committee refused this budget request and it has not been restored by House floor action nor by the Senate Appropriations Committee.

I believe that a far greater amount for fruitful research into social security problems would be completely justified, but at least we should make a start. A modest investment in research can pay tremendous dividends in medical research we have discovered, and Congress very properly gives full support to the medical research programs of the National Institutes of Health. I believe it is equally realistic and reasonable to invest the modest sum of $700,000 into other important research programs which may help America to avoid the terrible social and financial costs of family breakdowns and juvenile delinquency—not to speak of the heartrending human cost of broken homes and neglected, disturbed or delinquent children.

I commend to the attention of my colleagues recommendation 18(a) of the Advisory Council on Public Assistance, which reads as follows:

"Funds authorized by the Congress under the social security amendments of 1956 should be appropriated for research and demonstration projects such as those relating to the prevention and reduction of dependency, coordination between private and public agencies, and improvements in social security and related programs, and research leading to strengthening family life."

I might also point out that this Advisory Council urged establishment of a national institute, along the lines of our National Institutes of Health, to support studies and demonstration programs to help strengthen family life in America.

Another group set up by the social security legislation of 1958, the Advisory Council on Child Welfare Services, also has urged support for research and demonstration projects. This Council recommends Federal grants to research organizations, to institutions of higher learning and to public and voluntary social agencies for demonstration and research projects in child welfare and other problems of family life such as alcoholism, desertion, divorce, neglect, and unemployment.

I also call to the attention of my colleagues item 32 of the Federal legislative objectives, 1960, of the American Public Welfare Association which urges appropriation of Federal funds for research and demonstration projects in all aspects of social security and public welfare.

These recommendations urging Federal funds for research and demonstration projects have the vigorous backing of top welfare experts in America.

I believe the great human, social, and financial dividends of research and demonstration projects in the field of social security fully justify appropriation of $700,000 for

these purposes and I urge my colleagues to join in support of my amendment to restore these funds as originally requested by the Social Security Administration.

I urge the adoption of my amendment.

COOPERATIVE RESEARCH

In his testimony before the Senate Appropriations Subcommittee on Labor and Health, Education, and Welfare, the Commissioner of Social Security, William L. Mitchell, strongly urged restoration of the $700,000 for cooperative research and demonstration projects in fiscal 1961 and he said this money would go for the following purposes:

1. $100,000 to make an inventory of social security research already in progress in various public and private organizations and agencies. Such an inventory would be essential if we are to approach the research problem in an orderly, efficient, and economical manner.

2. $250,000 for a major demonstration project, combined with a careful research program, to investigate the broad range of community services which could help low-income families, needy families, or broken homes, and thus preserve and promote the strength and stability of the community.

3. $350,000 for about 15 projects dealing with such matters as why families remain on assistance rolls, what are the best employment possibilities for mothers of dependent children, how best to use nursing homes in caring for older people, how best to improve public assistance administration, and similar problems which involve huge sums of public money.

With more than 5 million Americans getting public assistance, it seems obvious that an effective social research program can pay tremendous dividends by turning up new solutions to help needy, dependent people become self-supporting and self-respecting independent citizens.

As the Commissioner of Social Security pointed out in his testimony, "it is essential that the Federal Government provide stimulus and support through research grants as we do for health, education, and vocational rehabilitation."

If we have a good social security research program, we can deal better with public assistance cases which already exist and we can better prevent such cases from developing in the future.

Mr. HUMPHREY. Mr. President, I yield back the remainder of the time available to me.

Mr. HILL. Mr. President, I do likewise.

The PRESIDING OFFICER. All remaining time on the amendment of the Senator from Minnesota has been yielded back.

The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DIRKSEN. Mr. President, I desire to move that the bill be recommitted, with instructions. I make that motion, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The motion submitted by the Senator from Illinois will be read.

The motion was read, as follows:

I move that the bill (H.R. 11390) be recommitted to the Committee on Appropriations, with instructions to report it back to the Senate with amendments providing for a reduction of $250 million in the appropriations for the Department of Health, Education, and Welfare, other than for grants to States for public assistance.

Mr. DIRKSEN. Mr. President, the increases in the bill over the budget estimates for the Labor Department are rather inconsequential.

There are no increases for the National Labor Relations Board.

All these increases come in the items for the Department of Health, Education, and Welfare.

The Senate has added $300 million to the amount voted by the House of Representatives. The House had already voted appropriations of $164 million over the budget estimates. The bill as reported to the Senate calls for appropriations $418 million over the appropirations for 1960.

So the bill which we are considering tonight is almost $464 million—nearly half a billion—over the budget estimates.

I understand—and we had a long discussion about this, involving many officials—that what is actually happening in this field, today, is that the liberality of the criteria by which various research projects are finally accepted means that nearly any project which comes along in the research field can find lodging in this agency; and that means, in turn, that the good projects go to the private foundations, and the rest of the projects come to the Government.

Many of them, no doubt, become academic curiosities. But once they are included, they are included by the hundreds. The committees feel constrained to put them in the bill.

So we have a bill nearly half a billion dollars over the budget estimate. Somewhere this must stop. The situation was similar last year, and in other years when I was on the Appropriations Committee. I lifted my voice on occasion against some of these items, because I wanted to see some results. I have not yet seen the results.

I have made a comparison of the Kettering-Sloan Institute as compared with Government institutions. I would like to see some tangible results on the line. All we have gotten is the expenditure of more and more money over the years, and not results that are commensurate with the expenditures.

The last time I lifted my voice on this floor, when I was still on the committee, I had no more than done so than the organizations back home had me on the telephone. The pressure was on. Somewhere it must stop.

I think I can assure the Senate that the President will come pretty close to vetoing the bill with this money provided; and if I have anything to say about it, and if the President will listen to me, I will ask him to veto it to stop the business of accepting every project that comes along, irrespective of its real merit.

So today the good projects are carried out by the private foundations. They back out from all the others, and they become the Government projects; the result shows up in the form of the proposal before us tonight—$464 million over the budget estimate.

As I said this afternoon, I have seen the harpoon thrown out against the Budget Bureau on occasion, but it is a creature of the Congress. We created it 40 years ago. We did so for a purpose, because there existed a fiscal wilderness, a veritable labyrinth through which one could not find himself, and there had to be some order, with respect to economy and efficiency, so that the taxpayers could get their money's worth.

That is all I have to say. Here is a $464 million nuclear hole in the 1960 budget; and when it is approved, Senators may as well make up their minds that this is one more effort to chisel away the hope for a surplus which existed at the beginning of the session. Instead of a surplus, there will be a great big deficit. I cannot, in all good conscience, go along with this sort of thing.

So, Mr. President, I hope that the bill may be recommitted and that $250 million will be taken out of it, not, however, to include any reduction in the grants to States for public assistance.

That is my story. I yield back my time. I am ready to vote.

Mr. HILL. Mr. President, the hour is late. I shall not detain the Senate. I do wish, however, to say that if Senators want to slash funds for grants to the States for waste-treatment works, if they want to slash funds for hospital construction, diagnostic clinics, nursing homes, health centers, and other health facilities, if they want to slash funds for the project which the Senator from Kansas [Mr. CARLSON] mentioned a few minutes ago—and his question was not "Why so much?" but, really, in substance, "Why so little?"—if Senators want to slash funds for the great vocational education programs which we have had since World War I under the Smith-Hughes Act, if Senators want to slash funds that go to schools in federally impacted areas, if they want to slash funds for the very humane cause of vocational rehabilitation, if they want to slash funds for programs under our National Defense Education Act, if Senators want to slash funds for the work we have been carrying on in the prevention and control of diseases like tuberculosis, and if they want to slash funds for medical research, they will do so by voting for the Dirksen amendment. The Senate Appropriations Committee, under a resolution offered by the distinguished Senator from Massachusetts [Mr. SALTONSTALL], created a committee of consultants on medical research, composed of some of the most eminent doctors, scientists, and laymen in the United States. One could not find a more eminent group of consultants than those that served on the committee. If time permitted, I would like to fully discuss the work of the committee. The committee, through great personal sacrifice by its members, did a tremendous job. It issued a report which is a textbook on medical research. It is the finest report to be found in the field of medical research, a carefully prepared, soundly documented, compelling, and challenging report. The committee of consultants deserves the everlasting gratitude of

UNIVERSITY OF MICHIGAN LIBRARIES

the American people, and of all mankind, for their tireless work and for the sacrifices they have made in coming to Washington weekend after weekend, in examining hundreds of witnesses, in bringing before it testimony, data, and material of all kinds, upon which the report is based, in giving to us this magnificent and challenging document on medical research, and showing us that medicine today stands at the threshold of a new day, and if we will but press forward, as this report recommends, against the dread diseases, the time is not too far distant when we shall have a breakthrough against cancer, heart disease, mental disease, arthritis, multiple sclerosis, cerebral palsy, cystic fibrosis, the neurological diseases, and all the other diseases that have baffled and plagued mankind through the years.

Dr. de Bakey, one of the foremost surgeons in the world, and one of the committee of consultants, was awarded last year the distinguished service award of the American Medical Association, as being, in the judgment of the members of the association, the man who during the year made the greatest contribution to medicine in all America. He declared to us that progress in medical research had moved forward in line with the support that has been given to medical research. As he further said, since we began these programs of medical research, helped and financed in part by the Government, there has been more progress in medical research in those few years than in all the centuries that had gone before.

I shall not delay the Senate longer tonight. I know the Senate is not going to slash these funds. We shall carry on the offensive against the dread diseases for we know that the Committee of Consultants has shown us the way to a new era in medical research and a new day in medicine for the health, the lives, and the happiness of our people and all peoples.

Mr. DIRKSEN. Mr. President, I yield 5 minutes from the time on the bill to the distinguished Senator from Colorado.

Mr. ALLOTT. Mr. President, we have heard a very impassioned plea by the chairman of the committee. I should like to invite attention to two facts.

First, adopting the motion Senators will not be slashing funds in any of the areas of which the chairman spoke, because not only we will be providing the budget amounts provided last year but also we will be providing more money.

I shall devote a few remarks to the phase of this about which I spoke last year. I shall continue to speak about it as long as I live.

No man in the Senate has more reason to desire medical research than the Senator from Colorado. No man appreciates more what can be done with research. The Bayne-Jones report, which was brought out 2 years ago, has still not been denied. The effects cited have not been denied, either in the committee or in the Congress. The report shows that we are depriving the people of the United States of medical care, because the medical men are being attracted to the lush research jobs.

I am in favor of research. I have talked to and reasoned with the chairman of the committee. Not every man can perform research.

If Senators vote for the bill as it is written, they will be presuming that if we throw millions and millions of dollars into the program any Tom, Dick, or Harry will be able to make a breakthrough as to cancer or as to mental diseases. Nothing could be more fallacious or so far from the truth.

There is one part of the bill to which I particularly object. We have to face the problem. We cannot obtain enough scientific researchers to do the job at the National Institutes of Health. For that reason, I shall support the Senator from Illinois.

I raised these same questions in the committee last year. I raised them this year. My arguments were not met. I was simply overridden.

The facts are that we are creating a dynasty of so-called research which is not research. Research can only be performed by capable, trained personnel. One of the greatest scientific men in the United States said to me, within the past week in my office, "You can conduct research only at a certain pace, and you cannot accelerate the pace no matter how much you spend upon the project. You may make a temporary jump, but you will end up by coming back and filling in the gaps and the mistakes you made in the original instance."

I have tried to state this in the best way I could to the chairman of the subcommittee, and to the man with whom I have served for 4 years, the chairman of the Committee on Labor and Public Welfare.

We must face the fact that we are spending too much money. We are taking into the research programs many people who are not qualified. I was going to say that they are no more qualified to perform research than Senators, but most of us are not scientific people in any sense of the word. These people are not qualified to perform basic research in the areas for which we are appropriating money.

There are other people who disagree with my position in this regard, but I believe the day will come when this will be demonstrated. The Congress will say, "What fools we are to throw money into these projects and to think we can solve our problems by this process." We cannot do it.

To make medical research meaningful, we have to have money, of course.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. ALLOTT. Mr. President, will the Senator yield me 2 more minutes?

Mr. DIRKSEN. Mr. President, I yield 4 more minutes from the time on the bill to the Senator from Colorado.

Mr. ALLOTT. We have to have money. We have to have laboratories. We have to have people who can perform research. The key is that we have to have people to perform the research.

I am perfectly willing to vote for the budget estimate, Mr. President. I am perfectly willing to vote for the House figure. I am even willing to vote for an amount a little higher than the House figure, but when we talk about a $464 million increase for the whole budget, or $209 million over the House figure for the National Institutes of Health, I am not in favor of it.

I should like to give an example. A very pathetic case came to my attention in my office in January, in regard to a man who was afflicted with what most of us call "shaking palsy." I referred the case, with a doctor's statement, to the National Institutes of Health.

I give this example to show how good a job the Institutes are doing. The doctor received a five-line letter, along with a bunch of brochures, telling him the places he might go to find people who were doing research on this terrible, most common disease, which afflicts many people.

We have already accelerated the program so much that the people at the National Institutes of Health cannot pay attention to this disease. They can only send a five-line letter and a bunch of pamphlets to a doctor who submits a patient to them, and say, "Go look for yourself."

Mr. President, we need personnel. We will not obtain the needed personnel by throwing money away. In the end, all we will do is cause a deterioration and a proselyting of the program. We will destroy the kind of research and the kind of investigation we need.

Mr. PASTORE. Mr. President, will the Senator yield to me?

Mr. HILL. Mr. President, I yield 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 5 minutes.

Mr. PASTORE. Mr. President, I am rather hesitant to speak upon this subject due to the fact that it is now 10:30 in the evening, and I think Senators are rather exhausted. However, I believe the statements made by our distinguished friend the Senator from Colorado deserve rebuttal, and I propose to make the rebuttal at this moment.

Mr. President, the argument which has been made tonight by my distinguished colleague from Colorado, for whom I have the highest of respect and affection, is the same argument which impelled and motivated my distinguished colleague from Massachusetts [Mr. SALTONSTALL] to make a motion in the committee a year ago, when the question arose whether the money we were appropriating was being wisely spent. As a matter of fact, we who are lay people on the committee do not regard ourselves as professionally proficient in this particular field and must listen to the experts to get the proper predicate upon which to formulate our plans. We are now hearing the same argument which was made by my distinguished colleague from Colorado a year ago, which led to the resolution to which I have referred. It was unanimously adopted by our committee. I do not believe I am mistaken in that position. I challenge anyone to defy the statement.

After we passed the resolution, our distinguished chairman consulted with every member of the full committee, so that suggestions could be made by them.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. ALLOTT. Would the Senator say that all the members of the committee were consulted as to who should be members of the subcommittee, or were we simply told?

Mr. PASTORE. It is my understanding that our distinguished chairman discussed this matter with nearly every member of the committee.

Mr. ALLOTT. I will correct that statement to a certain extent. The committee was appointed by the chairman, and we were asked to acquiesce, which we did.

Mr. HILL. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. HILL. Mr. President, we had a meeting with the subcommittee, and we discussed who should be members. The Senator from Colorado was not present, exactly as the Senator from Colorado was not present on May 19 and May 20, when the distinguished committee members consulted and made their report.

Mr. ALLOTT. That is right. I claim a matter of personal privilege.

Mr. PASTORE. It is not a question of personal privilege.

Mr. ALLOTT. It is a question of personal privilege. The Senator from Alabama implies I am not attending to my business.

Mr. MANSFIELD. Mr. President, I call for the regular order.

Mr. PASTORE. Mr. President, I ask the Chair whether the Senator from Rhode Island has the floor?

The PRESIDING OFFICER. The Senator from Rhode Island has the floor.

Mr. PASTORE. Does the Senator from Colorado request that I yield to him?

Mr. ALLOTT. I would request the Senator to yield for 1 minute.

Mr. PASTORE. I yield.

Mr. ALLOTT. I merely wish to say that I do not like the remark that I was not present on May 19th or 20th. I do not know what those dates were. I was present and was attending to the business of the Appropriations Committee at every time and at every moment that I was not present at the particular subcommittee of which the Senator from Alabama is chairman, and he well knows that. Let us have it as a matter of record.

Mr. PASTORE. No attempt was made to impugn——

Mr. ALLOTT. The Senator from Alabama did so. Let us get the record straight.

Mr. PASTORE. He said the Senator from Colorado was invited to come to a committee meeting.

Mr. ALLOTT. I said the Senator from Alabama made that statement.

Mr. HILL. The Senator from Colorado is on a number of subcommittees, as are all Senators. He was no doubt busy on some other subcommittee. But the fact is that he did not attend the meetings on May 19 and 20 when the committee consultants made the report to our subcommittee.

Mr. ALLOTT. That is correct. I think the Senator will have to modify his statement because he will recall that I was present on one of those days.

Mr. HILL. The Senator was there one day, but it was not the day when the committee consultants were present and made their report. The Senator from Colorado was there when Dr. Heller was present.

Mr. ALLOTT. It is immaterial. The question that came up was in respect to how the committee was appointed, and I say that the committee was not consulted as to the appointments.

Mr. PASTORE. Mr. Chairman, I invite the attention of the Senator to page 1460 of the committee's report to see the caliber of men who were chosen for this particular committee of consultants on medical research. I ask him to look at the list of not only the professional personnel but also the lay personnel. Among them is General Sarnoff, who is no starry-eyed bureaucrat. Read his statement on page 1331 of the report and find out what he had to say about the recommendation that was made by these consultants.

It was as a result of the argument then made by the distinguished Senator from Colorado that the resolution was passed. Our committee wanted to find out once and for all whether or not this money was being wasted or whether it was being used for the betterment of mankind and for the obliteration of disease. As a result of that quest, these consultants held more than 24 hearings.

These consultants talked with everyone who had anything to offer about this medical research program. They did not confine their discussions to those in this city, they went almost everywhere to speak with everyone who was proficient and knowledgeable on this subject.

What did we do in our subcommittee? We took the consultant committee's minimum recommendation, and their minimum recommendation is the figure that is in this budget today. They said, "This is the floor; this is not the ceiling."

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. PASTORE. May I have 2 more minutes?

Mr. HILL. I yield 2 minutes.

Mr. PASTORE. I ask my colleagues in the Senate not to be carried off by an allegation that this money is being wasted. We have not found the answer to cancer. Not yet. But we have made tremendous progress. Will we ever find the answer? God alone knows the answer to that question. But if man does not try, how will he ever know if he will succeed?

We are a Government of a free people that spends billions, billions, and billions of dollars not alone to rehabilitate our people and to conserve their general welfare, but to rehabilitate even the health and economy of people in other parts of the world, yet we are saying here this evening that we cannot afford this amount of money, which is the minimum figure our consultants advise.

The figure submitted is not a figure created in the minds of the members of our committee but was one submitted to us after careful and exhaustive research on the part of these consultants. I must take their word before I can take the word of any other individual as to whether or not this money can be spent wisely.

Gentlemen of the Senate, this is the question we must decide tonight. Will we substitute our opinion for the judgment of the experts? The amount the bill appropriates is not the ceiling—it is the floor of the amount that the consultants say can be wisely spent to find the answers in the crusade to eliminate these scourges of mankind. Money could never be appropriated by the Senate for a better purpose than the goal for which it is proposed to appropriate this money tonight.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLOTT. Mr. President, I would like to have 2 minutes.

Mr. DIRKSEN. I yield 2 minutes.

Mr. ALLOTT. I would like to answer the Senator from Rhode Island, for whom I have a great deal of respect, only in this way: The witnesses who were called I know were honorable people, but I say that they were all from one side of the slate. I grant that General Sarnoff was present. I have heard about Sarnoff about 40 times since he testified. But I say seriously to the Senate that if we talk with any real scientist in the United States, he will tell us that we can proceed only so fast. We cannot proceed this fast. The great amount that we appropriated last year, so far as I have been able to learn and as far as I can read the RECORD, has not resulted in a single scientific breakthrough.

This is not conclusive, because we may go 5 years before we result in a real scientific breakthrough. The only thing I say to my friends is that we do not have the scientific personnel to carry on this kind of accelerated program, and that the day will come when we will rue the kind of so-called pseudoresearch that we are carrying on in the United States.

Mr. DIRKSEN. Mr. President, I yield to myself 3 minutes. I address myself particularly to the distinguished Senator from Rhode Island. There are 12 consultants on this board, and 10 of them certainly represent institutions.

I am advised, and I think authoritatively, that the 10 institutions that they represent are beneficiaries under the grants in the bill. Every time we consider the name of someone for confirmation to office in the Government the name comes before a committee, and the first thing we do is to investigate any possible conflict of interest. I do not reflect upon these distinguished gentlemen. I only say that if I were in their shoes representing an institution that is a beneficiary under the bill, it would not make any difference how unselfish I was. I still believe that selfishness would color to some extent the amount that I would say was the minimum.

UNIVERSITY OF MICHIGAN LIBRARIES

That is the result. At least the Budget Bureau told me so, because they investigated it.

Finally, Senators might think for all the world that this measure had no preparation before it got here. Last fall the budget directors of the various components of this agency had to bring their data together. It takes that long to prepare. It is winnowed, it is sifted, and it goes to the Budget Director of the agency. Members of his office sit down with the experts in the Budget Bureau in a long, careful, and painstaking effort, involving a good deal of testimony, before the figures are contrived. These are not snatched out of thin air. But notwithstanding the months and months and months of careful work to prepare the budget, the Appropriations Committee says: "It is not enough; we are going to add $464 million to the amount."

Then they say to us, "This is the minimum, according to the consultants"—10 of the 12 of whom represent institutions that are beneficiaries under the bill.

I yield back the remainder of my time.

Mr. PASTORE. Mr. President, may I have 1 minute?

Mr. HILL. I yield 2 minutes to the Senator from Rhode Island.

Mr. PASTORE. In view of the fact that the last observation seems addressed to me, let me ask how can we doubt the integrity of these men. We are saying they are selfish—self-centered.

After all, who are these men? These are the outstanding doctors of their time in this country. Two of them have earned the achievement of the Distinguished Service Award for their respective years at medical conventions in the United States. Does any Senator believe for a moment that men of that caliber will soil their reputation merely because the university with which they are connected happens to be the beneficiary of a small amount of these research funds?

Do we have that kind of doctor serving humanity in the United States? Are these the kind of men who would extend their hands greedily and to squander money and time in their dedicated service? That is the purport of what is being said. Or perhaps we hear the softer claim—"Oh, no; we do not say that, but we say our judgment is better than theirs."

Who was the initiator of the resolution on consultants? It was the distinguished Senator from Massachusetts [Mr. SALTONSTALL]. No one ever found any fault with the consultants until they brought back their report. Who found fault with it? The very men who have been opposing this appropriation year after year.

Mr. President, this has to do with cancer. This has to do with heart disease. This has to do with mental sickness. This has to do with the fight against the devastating ailments of humankind.

Unless we move into this program with a sufficient amount of money to train the right people in the right numbers to do the proper research, we will never find the answer to these scourges which plague mankind.

Now is the time to act. Let us accept the figures of the bill. They are figures determined not by the committee, but by the consultants chosen by the resolution.

We dare not deduct from their minimum. Let us get on with this research.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. DIRKSEN. Mr. President, I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the motion may be read for the information of the Senate.

The PRESIDING OFFICER. Without objection, the text of the motion will be read.

The Chief Clerk read as follows:

I move that the bill (H.R. 11390) be recommitted to the Committee on Appropriations with instructions to report it back to the Senate with amendments providing for a reduction of $250 million in the appropriations for the Department of Health, Education, and Welfare, other than for grants to States for public assistance.

The PRESIDING OFFICER. The question is on agreeing to the motion offered by the Senator from Illinois [Mr. DIRKSEN] to recommit the bill with instructions. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. ENGLE], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Missouri [Mr. HENNINGS] are absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, all of the above Senators would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. CASE], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Wisconsin [Mr. WILEY] are detained on official business. If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Arizona [Mr. GOLDWATER], the Senator from Nebraska [Mr. HRUSKA], the Senator from South Dakota [Mr. MUNDT], and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The result was announced—yeas 13, nays 57, as follows:

[No. 232]

YEAS—13

Allott	Case, S. Dak.	Morton
Bennett	Curtis	Thurmond
Brunsdale	Dirksen	Williams, Del.
Bush	Dworshak	
Carlson	Fong	

NAYS—57

Aiken	Hartke	Mansfield
Anderson	Hill	Martin
Beall	Holland	Moss
Bible	Humphrey	Muskie
Byrd, Va.	Jackson	Pastore
Byrd, W. Va.	Javits	Prouty
Cannon	Johnson, Tex.	Proxmire
Church	Johnston, S.C.	Randolph
Clark	Jordan	Robertson
Cooper	Keating	Saltonstall
Dodd	Kuchel	Scott
Douglas	Lausche	Smathers
Eastland	Long, Hawaii	Smith
Ellender	Long, La.	Sparkman
Ervin	Lusk	Symington
Frear	McCarthy	Talmadge
Gore	McClellan	Williams, N.J.
Gruening	McGee	Young, N. Dak.
Hart	Magnuson	Young, Ohio

NOT VOTING—30

Bartlett	Goldwater	Monroney
Bridges	Green	Morse
Butler	Hayden	Mundt
Capehart	Hennings	Murray
Carroll	Hickenlooper	O'Mahoney
Case, N.J.	Hruska	Russell
Chavez	Kefauver	Schoeppel
Cotton	Kennedy	Stennis
Engle	Kerr	Wiley
Fulbright	McNamara	Yarborough

So the motion to recommit was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the motion to recommit was rejected.

Mr. HILL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the passage of the bill.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD, before the vote, statements I had intended to make.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENTS BY SENATOR HUMPHREY

There is a need for at least $292,300 additional funds for welfare personnel training to the Labor-HEW appropriations bill, H.R. 11390. I have recommended this to the committee and to the Senate.

The Bureau of Public Assistance in the Social Security Administration requested this amount for fiscal 1961 to finance short-term training programs for State and local

public welfare workers, but the House Appropriations Committee refused to allow this request and the money has not been restored by floor action in the House nor by the Senate Appropriations Committee.

Officials and experts in the field of public welfare report a shortage of qualified welfare personnel and they stress the need to attract recruits and to upgrade present welfare personnel.

Short-term inservice training can give a tremendous boost to the professional abilities of welfare personnel. Such programs not only enhance the prestige of their profession but also enable them to do a better job, utilizing new knowledge and new welfare techniques.

The American Public Welfare Association has endorsed appropriation of Federal funds for assistance to the States in training personnel for State and local public welfare programs.

The Advisory Council on Public Assistance, set up by the Social Security Amendments of 1958, also calls for Federal assistance to support training of public welfare personnel, as does the Advisory Council on Child Welfare Services.

The Senate Appropriations Committee, in its report on the Labor-HEW appropriations bill, reiterates its view that sufficient authority and sufficient funds for welfare personnel training are available in the appropriation for grants to the States for public assistance.

I respect the judgment of the committee, but I am convinced that there are great dividends to be found by a relatively small investment in welfare personnel training.

We can stimulate a great progress in welfare training and we can increase the supply of trained welfare personnel by a small Federal investment which will stimulate even greater cooperative action by State and local welfare agencies. Such action on our part has the support of highly qualified welfare experts and observers, and I urge my colleagues to join in restoring the $292,300 requested by the Bureau of Public Assistance for fiscal 1961.

I had intended to offer an amendment for these purposes but after consulting with the leadership and members of the Appropriations Committee, and in light of the increases in this appropriation over the budget estimate, I shall withhold the amendment.

The program cut of $292,300 by the House in the activity "Staff development for State and local employees," under the item "Salaries and expenses of the Bureau of Public Assistance," seriously weakens a vital training program for welfare personnel.

This cut has been applied to a series of short-term training seminars for key State welfare personnel. Congress approved $49,000 for this purpose in fiscal 1960 and two successful seminars have been held for State welfare workers. The increase requested by the Bureau of Public Assistance is fully justified by the prospects of improved welfare administration and better staff work in State and local public assistance programs.

Restoration of the budget cut would not support academic training for welfare workers, although grants for such training is authorized. No appropriation has been made for such academic training.

As the chairman of the Appropriations Subcommittee on Labor and HEW, Senator HILL, pointed out during hearings on this bill "if we trained the State employees better and made sure they were better qualified for that work, that would mean in the end a saving to the contribution of the Federal Government."

The short-term, inservice training seminars can make a tremendous contribution to the States and local communities in attracting and retaining high caliber welfare personnel and in raising the standard of public assistance administration all over this country.

I had intended to propose an amendment to the Labor-HEW appropriations bill, H.R. 11390, to raise the funds appropriated for child welfare services to the full $17 million currently authorized. After consulting the committee members and the leadership I recognize that the Senate is not of the mind to further increase the appropriation. I recognize the budget limitations, but permit me to review why there is a need for the full authorization.

The administration requested only $13,666,000 for child welfare services in fiscal 1961 and the House approved this request. The Senate Appropriations Committee has accepted this figure, but I wish to make a few comments about the recommendations of the Advisory Council on Child Welfare Services.

In 1958, Congress approved legislation making child welfare funds available to children not only in rural areas, but also in urban metropolitan areas. This expanded responsibility makes it absolutely essential that we provide more adequate funds to support State and local child welfare services.

The Advisory Council on Child Welfare Services, under the able direction of John Kidneigh, director of the School of Social Work at the University of Minnesota, has pointed out that Federal appropriations would have to increase greatly to expand child welfare services in urban areas and even to maintain programs in rural areas at the same level.

For fiscal 1960, Congress appropriated $13 million. The advisory council declared that, in view of the increase in the child population and the higher costs of services and care, the fiscal 1960 appropriation of $13 million would result in a lower level of child welfare services throughout our country than existed in fiscal 1959 when Congress appropriated $12 million for this purpose.

In the near future, we must raise the authorization for child welfare services to $25 million. However, pending such action, I hope we will appropriate the full amount now authorized for child welfare services—$17 million.

The appropriation of the full $17 million authorized is needed because of the tremendous shortage of child welfare workers and the weakness of child welfare services in many areas.

About one-half of all counties in the United States have no full-time public child welfare workers.

Almost one-third of the urban communities and over one-half of the rural counties have no service from a full-time child welfare worker.

Only one-fifth of all counties in the United States have one child welfare worker per 10,000 children under the age of 21.

Mrs. Katherine Oettinger, Chief of the Children's Bureau, says that two-thirds of the States want to increase the number of foster family homes and many States want to begin or expand homemaker services, day-care services and protective services for abused or neglected children.

Whatever money we put into child welfare services will stimulate further support at the State level, for under the present law, the States are required to match Federal child welfare funds.

Therefore, appropriation of the currently authorized funds for child welfare can provide vitally needed encouragement and support for child welfare services by the State and local communities to protect homeless, dependent and neglected children, and children in danger of becoming delinquent, and runaway children who cross State lines.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. ENGLE], the Senator from Rhode Island [Mr. GREEN], the Senator from Arizona [Mr. HAYDEN], the Senators from Oklahoma [Mr. KERR and Mr. MONRONEY], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from Missouri [Mr. HENNINGS] are absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, all of the above Senators would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from New Hampshire [Mr. COTTON] and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. CASE], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Wisconsin [Mr. WILEY] are detained on official business. If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], the Senator from Kansas [Mr. SCHOEPPEL], and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

On this vote, the Senator from South Dakota [Mr. MUNDT] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Arizona would vote "nay."

UNIVERSITY OF MICHIGAN LIBRARIES

The result was announced—yeas 63, nays 6, as follows:

[No. 233]

YEAS—63

Aiken	Frear	Magnuson
Allott	Gore	Mansfield
Anderson	Gruening	Martin
Beall	Hart	Morton
Bible	Hartke	Moss
Bush	Hill	Muskie
Byrd, Va.	Holland	Pastore
Byrd, W. Va.	Humphrey	Prouty
Cannon	Jackson	Proxmire
Carlson	Javits	Randolph
Case, S. Dak.	Johnson, Tex.	Robertson
Church	Johnston, S. C.	Saltonstall
Clark	Jordan	Scott
Cooper	Keating	Smathers
Dodd	Kuchel	Smith
Douglas	Lausche	Sparkman
Dworshak	Long, Hawaii	Symington
Eastland	Lusk	Talmadge
Ellender	McCarthy	Williams, N.J.
Ervin	McClellan	Young, N. Dak.
Fong	McGee	Young, Ohio

NAYS—6

Bennett	Curtis	Thurmond
Brunsdale	Dirksen	Williams, Del.

NOT VOTING—31

Bartlett	Green	Morse
Bridges	Hayden	Mundt
Butler	Hennings	Murray
Capehart	Hickenlooper	O'Mahoney
Carroll	Hruska	Russell
Case, N.J.	Kefauver	Schoeppel
Chavez	Kennedy	Stennis
Cotton	Kerr	Wiley
Engle	Long, La.	Yarborough
Fulbright	McNamara	
Goldwater	Monroney	

So the bill (H.R. 11390) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. HILL. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. HILL. Mr. President, I move that the Senate insist on its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HILL, Mr. CHAVEZ, Mr. RUSSELL, Mr. STENNIS, Mr. PASTORE, Mr. MONRONEY, Mr. KUCHEL, Mrs. SMITH, and Mr. HRUSKA the conferees on the part of the Senate.

Mr. JOHNSON of Texas. Mr. President, I wish to commend the distinguished and able Senator from Alabama [Mr. HILL] for the fearless and constructive leadership he has provided the Senate this year in connection with the Departments of Labor and Health, Education, and Welfare appropriation bill. As every Member of the Senate knows, there is no more respected Member of this body than the senior Senator from Alabama. There is no Member of the Senate who does more to help more people than does Senator HILL. I wish to congratulate him on his great achievement in piloting this bill through the Senate, with only six votes against it. History will record that he was daring, he was fearless, he was conscientious, and he was always on the side of humanity.

Mr. HILL. Mr. President, I wish to express my very deep appreciation to the Senator from Texas. I wish to say it was not what the Senator from Alabama did, but it was the teamwork of the Subcommittee on Labor, Health, Education, and Welfare, of the Senate Appropriations Committee. The entire subcommittee was in this fight from the beginning, and made many, many very fine contributions.

Furthermore, the success today was due in no small measure to the very fine leadership of our distinguished majority leader, the senior Senator from Texas. He has helped us in many, many ways.

Mr. JOHNSON of Texas. I thank the Senator from Alabama.

ORDER FOR CALL OF THE CALENDAR TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on tomorrow, following the conclusion of morning business, there be a call of the measures on the calendar, beginning with Calendar No. 1556, Senate bill 3383, to amend section 4 of the Watershed Protection and Flood Prevention Act.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1664, House bill 12381.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

Mr. CLARK. Mr. President, I should like to be heard on this question. I regret to state that I am opposed——

The PRESIDING OFFICER. The bill will first be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain excise tax rates.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. CLARK. I object.

Mr. JOHNSON of Texas. Then, Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1664, House bill 12381.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. CLARK. Mr. President, I desire to be heard.

The PRESIDING OFFICER. The motion is debatable.

Mr. CLARK. Mr. President, I regret more than I can say the necessity which impels me to object to this motion. I regret even more that it will be necessary for me to state my objections at some length.

The Members of the Senate will perhaps pardon me for taking this step, which I do with a heavy heart, realizing the lateness of the hour and the imposition on my colleagues in taking so unusual a step as to oppose the motion of the majority leader, for whom I have the highest respect and regard, and who has made the normally routine motion that the Senate proceed to the consideration of Calendar No. 1664, House bill 12381.

Let me state that my reasons for opposing the motion are quite extensive. I should like to begin by considering what the bill proposes to do.

This is a bill to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain excise tax rates.

I think no one could legitimately object to a bill which did no more than the title of the bill indicates the bill purports to do. But, although the title of the bill does not disclose it, an examination of the bill and of the committee report—which, although dated June 6, 1960, I regret that, because of the pressure of other matters, I have even now been unable to study thoroughly—reveals that, in addition to the actions stated in the title of the bill, the bill would repeal two excise taxes, a communications tax, and a transportation tax, and would involve a net loss to the Treasury—so I have been advised by the chairman of the Finance Committee, the senior Senator from Virginia [Mr. BYRD]—of $742 million annually.

The Senator from Virginia [Mr. BYRD] advises me that he opposes enactment of this bill. So do I. My reasons are perhaps not identical with those of the distinguished senior Senator from Virginia, for whom I have the highest regard, although my colleagues in the Senate appreciate that I do not always agree with him.

But, Mr. President, it occurs to me that to bring up this bill at this particular time is an action which I can only, with deep regret, describe as fiscally irresponsible and not in the interest of national unity.

During the last 48 hours the Senate has voted to increase by over $1 billion the appropriations for the Department of Defense. The Senate has voted to add an extra burden of appropriations, in the amount of $750 million, by reason of the pay bill the Senate passed today. The Senate has voted to add additional appropriations—by means of the action the Senate took a moment ago, in connection with the appropriation bill for the Department of Health, Education, and Welfare—of $400 million. So, Mr. President, in the course of 48 hours the Senate—controlled by my party, by reason of the membership in this body of 65 Democrats and 35 Republicans—has voted to increase appropriations by a total of $2,150 million.

It is now proposed that we move immediately to the consideration of a bill which will cut revenues by $742 million annually.

Mr. President, at some point there must be a halt to fiscal irresponsibility, and I think that time is now.

My position may find little favor with my colleagues on either side of the aisle, but I, who have voted for all three of these appropriations, and for a good many others, am not willing to sit by idly while my party proceeds to cut revenues by $750 million.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I think the Senator from Pennsylvania is somewhat confused.

Mr. CLARK. This would not be the first time, may I say to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I agree with the Senator.

Mr. CLARK. Let me say that the feeling is mutual.

Mr. WILLIAMS of Delaware. That is right.

The bill as reported by the committee does contain certain committee amendments which reduced the bill as it came over from the House by $752 million. To that extent the Senator from Pennsylvania is correct. The Senator from Virginia, as well as I, both opposed those amendments, and will be opposing them tomorrow. The Senator from Virginia is not here, and he can speak for himself, but while he opposed certain amendments, he is not opposing the bill. The bill itself provides for the extension of the present corporate tax rate from 47 to 52 percent, as well as other excise taxes. If this bill is not enacted by the end of June, it will result in a full year, loss of revenues of $3,948 million.

Mr. CLARK. I refuse to yield any further for the moment. I will yield shortly. It may well be that I am confused. As I said before, it will not be the first time that I have been. But I am not so confused that I do not recognize that everything the Senator from Delaware has said is correct, and he knows every other Senator in this body knows it is correct, too. I thought I had made it abundantly clear—I tried to make it clear; perhaps my friend from Delaware was not listening very carefully—that I had not the slightest objection to that which is being proposed by the title, which is to extend the public debt limitation, to extend the normal corporate tax rate, and to extend certain excise tax rates. So, with respect to that particular comment, I am not confused.

I am now happy to yield for a question to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Does the Senator from Pennsylvania know that the bill as it came to the committee from the House provides for the extension of the corporate tax rate and certain excise taxes, the total of which amounts to $3,948 million for a full year? All of this amount will be lost if we do not pass the bill by June 30.

The committee adopted some amendments, reducing this amount by $752 million. I opposed this action in the committee, and I shall oppose it tomorrow.

Mr. CLARK. That is a complicated question. I have already answered it twice, but I shall be glad to answer it for the third time. The answer is "Yes."

Mr. WILLIAMS of Delaware. I ask the Senator another question. We are in complete agreement that the Senate has, to a certain extent, demonstrated a certain amount of fiscal irresponsibility in the past few days in that we have appropriated $2 billion more than the Budget Bureau thought should be appropriated for certain agencies.

Does the Senator from Pennsylvania, who criticized that action—and I join him in that criticism—realize that the Senator from Pennsylvania voted for them?

Mr. CLARK. I certainly realize that my friend from Delaware is renowned in this body and this whole Nation for having voted against practically all appropriations that have anything to do with health, welfare, and other aspects of our public economy which I think should be rehabilitated. I do not criticize him for that. That is his perfect right. Frankly, let me say I have a very deep affection for the Senator from Delaware. I think he is an extremely useful Senator. The answer to the Senator's question is, "Yes."

Mr. WILLIAMS of Delaware. I just thought that before the Senator proceeded to criticize members of his party for voting $2 billion in increased appropriations in the last 3 days, he should be reminded that he was one of them.

Mr. CLARK. I hope very much the Senator from Delaware will be emblazoned in the pages of history as one who always votes for efficiency and economy in Government at whatever the cost.

Mr. President, I return to my major argument. It will be said this is a bill which has been reported by the Finance Committee in accordance with the normal procedures of the Senate; why should it not be brought up for consideration tomorrow? That, I think, is a very fair question, as to which I think I have a very heavy burden of proof to sustain the position that it should not be brought up tomorrow.

My reasons are these: This is an exceedingly important bill to the financial status of our Federal Government. I do not believe it should be treated in a cursory way. I do not believe it should be brought up with practically no notice to the Members of the Senate.

I ask my friend the majority leader to pay attention to what I am about to say now, because I want to be very sure indeed that I do not make a misstatement; but I doubt if there are very many Members of the Senate—there may be a few—who, in the heavy pressure of business which we have been dealing with during the last 3 days, have had an opportunity to read the committee report on the bill. Perhaps I am wrong. I have been very busy. I suspect my colleagues have been, too. Perhaps I have been dilatory. Maybe I should have read and studied the report, even though I am not a member of the Finance Committee. But I have not, and I suspect that my situation is not unusual.

In fact, Mr. President, the bill, which was reported on the date of June 16, by the Senator from Virginia [Mr. BYRD], I believe has been printed only within the last 24 or 48 hours. If I am mistaken in that statement, I hope some Senator will correct me. I thumbed through the bill in a hurry a few minutes ago, denying myself the privilege of listening to the fascinating debate going on between the able Senator from Colorado and the able Senator from Rhode Island. I cannot say I have studied it in depth, but I have had a quick look at it.

I have been advised by the staff of the Senate that the hearings on the bill have not yet been printed and will not be available until tomorrow morning. Therefore, it is proposed to call up the bill tomorrow, after the call of the calendar, and without giving Members of the Senate an opportunity even to glance in a cursory way at the hearings, until after the bill has been called up.

Mr. President, I am not enough of a hypocrite to pretend that the Senate has not passed, day after day, and will not pass, day after day, from now on in, bills affecting hundreds of millions of dollars, with hearings, transcripts that are very thick, that not 10 Senators have felt compelled to look at.

I suggest that when interested Senators desire to inform themselves with respect to important proposed legislation, which is expected to be passed on a Saturday morning, we are entitled to the courtesy of an opportunity not only to consult briefly but also to thumb through the hearings, after the bill has been placed before the Senate. Certainly we should have an opportunity, at least over the weekend, to look at the hearings with respect to an important bill which, as my good friend from Delaware says, not only would increase revenues by some billions of dollars and extend the corporate income tax rates and various other taxes, which every Member of this body has known for months and months we were going to do, but also would cut revenues by $742 million.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Texas.

Mr. JOHNSON of Texas. I am informed that no hearings were held on the bill. The Secretary of the Treasury made a statement in executive session. The members of the Committee on Finance can confirm that. The staff has given me that information in a memorandum.

I yield to my friend from New Mexico, for confirmation of the statement.

Mr. CLARK. I shall be happy to yield to the Senator from New Mexico, I say to the Senator from Texas, but I have the floor.

Mr. JOHNSON of Texas. Yes.

Mr. CLARK. Mr. President, I am happy to yield to my friend from New Mexico.

Mr. ANDERSON. I think what the Senator from Texas has stated is exactly correct. We had an executive session of the committee. The Secretary of the Treasury appeared before the committee and laid down the basis for his recommendations. The committee considered a great many things, which had been considered many times before. There were no formal hearings.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. JOHNSON of Texas. Mr. President, if the Senator will permit me to finish, the statement will be available when the bill is under consideration.

Mr. CLARK. Mr. President, it appears that I have been badly misinformed by the members of the staff of the Senate, and I suppose my really very bad information came from one of our charming and delightful young page boys, whom I would not think of identifying even by pointing at him. The page told me the hearings were not available now, were being printed, and would be available tomorrow.

I called that to the attention of the assistant to my good friend from Texas, and he said to me, "The hearings will be available tomorrow morning."

It appears now there were no hearings.

I do not make any point in that regard. I have been a member from time to time in the Senate for the last 4 years of a committee from which we have reported bills without hearings.

I observe my friend from Oklahoma is in the Chamber. He and I have actually conspired, on occasion, to report bills without hearings. Therefore, if there were no hearings, perhaps we should proceed in complete ignorance of the reasons why the $742 million cut should be made in the annual revenues of the United States of America.

Perhaps we shall be satisfied when we read the statement of that very distinguished American from Texas, Hon. Robert Anderson, the Secretary of the Treasury, who is a very able man indeed, but with whose economic, fiscal, and monetary views I find myself frequently in disagreement. Probably I am wrong and he is right.

Perhaps tomorrow morning when I read what Secretary Anderson had to say, after the bill is before the Senate, all my doubts will be resolved, and I shall joint with unanimity my friends on both sides of the aisle in supporting the Secretary of the Treasury, as, I gather, he supported the bill. I am sure my friend the Senator from New Mexico and the other members of the Committee on Finance certainly would not report a bill from the Committee on Finance which the Secretary of the Treasury opposed, so I assume that everybody, in a fine sense of bipartisan unity, is prepared, without any hearings, and without anything but the statement of that great Texan, Mr. Anderson, to cut $742 million from the revenues of the United States of America.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CLARK. I yield to my friend from New Mexico.

Mr. ANDERSON. Only for the sake of protecting one of the most able public servants we have, the Secretary of the Treasury, I say that I am sure the Secretary did not agree with many of the actions taken by the Committee on Finance. However, as to the debt limit extension the Secretary of the Treasury agreed. We followed the recommendations of the Secretary made on the debt limits extension.

I would not wish to have the Senator from Pennsylvania, who is always extremely accurate in his remarks, tie the Secretary of the Treasury to all of the actions taken by the Committee on Finance. The Secretary did not approve of the repeal of some of the taxes, as suggested by the committee. The Secretary has not approved as of this time. The Finance Committee took its own action which I thought was very wise action.

I am sure the Senator would not wish to associate the Secretary of the Treasury with all the things contained in the bill, because the Secretary of the Treasury would be the first to disavow some of the actions taken by the committee.

Mr. CLARK. I am delighted, for the second time tonight, to be in error. I am delighted, because it seems to me incredible that the Secretary of the Treasury would recommend the repeal of the taxes.

While I realize this is somewhat out of order, in accordance with the Senate rules, I know my good friend the Senator from New Mexico and my good friend the Senator from Texas, and I think also my good friend the Senator from Illinois——

Mr. DIRKSEN. How do I come into this picture? [Laughter.]

Mr. CLARK. I will tell the Senator how he comes into it. I am about to take an action which is not strictly in accord with the Senate rules, and I think the Senator is a good enough friend of mine not to call me down for it. I intend to ask my friend the Senator from New Mexico to answer a question.

I ask the Senator, how much of the $742 million repeal of taxes did the Secretary of the Treasury advocate?

Mr. ANDERSON. I would not invoke the Senate rule against the Senator from Pennsylvania, though the rule states he should not ask me a question.

I do not have an adding machine with me. I do not know how much the Secretary opposed. I think it is perfectly correct to state that the Secretary opposed the removal of the excise taxes.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield to me? I think I can answer the question.

Mr. ANDERSON. The Secretary came before the committee to ask for an extension of the debt limit. I believe that is an accurate statement.

Mr. CLARK. My friend the Senator from Delaware is always completely accurate, and he says he can answer the question, I am glad to yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, the Secretary of the Treasury is opposed to all of the cuts in this bill. The Secretary supports the position which I hope the Senator from Pennsylvania and I will be successful in maintaining tomorrow, the restoration of the amounts cut out by the Senate Finance Committee.

The majority of the committee took the opposite position, and the committee adopted certain amendments which reduced the recommended $3.9 billion extension of taxes by $752 million.

Mr. CLARK. I thank my friend.

Mr. WILLIAMS of Delaware. That was done by the action of the majority of the committee. I respect the position of the members of the committee who so voted, although I was in the minority and I am still supporting the position of the Secretary of the Treasury.

If the Senator from Pennsylvania will allow us to consider this bill, which must be passed and signed into law by June 30, in order to stop an additional loss of some $3 billion, I shall be fighting with the Senator tomorrow in the endeavor to regain this prospective loss of revenue.

Mr. CLARK. I thank my friend for his comments.

Mr. KERR and Mr. CURTIS addressed the Chair.

Mr. CLARK. I shall yield in a minute to the Senator from Oklahoma, and then to the Senator from Nebraska.

Mr. President, I should like to make a brief comment as to what the Senator from Delaware stated. I thank my friend from Delaware for his very helpful comment.

It is said that politics makes strange bedfellows. I suspect that those of us who think that every now and then, although not often, we rise above mere politics sometimes find ourselves in bed with colleagues with whom we are not always accustomed to sleep comfortably.

I can think of no odder alliance than that of the distinguished Senator from Delaware [Mr. WILLIAMS], the distinguished chairman of the Committee on Finance the Senator from Virginia [Mr. BYRD], the distinguished Senator from Ohio [Mr. LAUSCHE]——

Mr. LAUSCHE. Why pull me into this? [Laughter.]

Mr. CLARK. And myself. I hope that what we lack in numbers we will make up in argument and in conviction, and that perhaps we Four Horsemen of the Apocalypse, riding together at least momentarily, will prevail against what I believe to be an unwise bill.

Mr. KERR. Mr. President, will the Senator yield to me so that I may make a 2- or 3-minute statement?

Mr. CLARK. Mr. President, I ask unanimous consent that I may yield to the Senator from Oklahoma for a 3-minute statement, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. CLARK. I yield to the Senator from Oklahoma.

Mr. KERR. I thank my friend from Pennsylvania.

This bill does not provide a $750 million tax cut under present law. The bill, as it came to us from the House of Representatives, sought to extend a number of corporate tax rates and excise taxes which under the law are due either to expire on the 30th day of this month or to continue at a rate less than the rate in effect now.

What the Senate Finance Committee did was to bring to the Senate a bill providing for the extension of the corporate tax rate and a number of excise taxes, but amending the House bill to eliminate from it provisions which would extend certain other excise taxes, which, under the existing law, are scheduled to expire on June 30 of this year.

Last year the Senate adopted an amendment which brought about the repeal of the excise taxes on general telephone use, leased communication lines, Western Union or telegraph messages, and toll service. The Senate also provided for the expiration of the excise tax on the transportation of persons.

When the bill went to conference with the House last year, the conferees of the House accepted that part of the provision which would have terminated the excise tax on general telephone use, but kept the law in effect which provided excise taxes on telegrams and telephone tolls, and it was agreed at the conference, and approved by the Congress and the President, that instead of a complete repeal of the excise tax on the transportation of persons, effective June 30, 1960, the rate would be reduced from 10 percent to 5 percent.

When the House sent the bill to the Senate, rather than permitting the excise tax on general telephone usage to remain as it is now in the law, which terminates as of June 30, a provision was put in the bill that would have extended it beyond the expiration date now provided, as of June 30 of this year. The rate on the transportation of persons was raised from 5 percent back to 10 percent for the period during which the tax is to be extended.

So I believe, in order that Members of the Senate may have the correct picture, it is well to make clear that the Senate Finance Committee did not provide for $742 million of reduction of taxation. From the existing law we removed the remaining 5-percent excise tax on the transportation of persons, which I think involves about $120 million or $125 million.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. KERR. I ask unanimous consent that I may be permitted to speak for 1 more minute.

Mr. CLARK. I am happy to yield to my friend from Oklahoma for as long as he wishes to speak, so long as I do not lose my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERR. The provision that we made has the effect of reducing taxes, but elimination of the remaining 5-percent excise on the transportation of persons amounts to only about $145 million. Other members of the committee are present, and can verify that. As I recall, that is the only reduction under existing law that we provided in the bill that we brought to the Senate. We failed to agree with the House bill.

Mr. FREAR. There are three. Telegrams were not included. We inserted that item in the committee.

Mr. CLARK. Mr. President, will the Senator from Oklahoma permit a brief interruption?

Mr. KERR. We did eliminate the tax on telegrams and the 5-percent tax on transportation of passengers. Those were all the reductions we made. One of them amounted to $145 million.

Mr. FREAR. There were three of them; general telephone, telegrams——

Mr. KERR. We eliminated the tax on general telephones, which resulted in about $5 million of revenue. So actually the reductions that were provided in the bill were about $175 million to $180 million. I felt that the Senator would desire a correct statement in the RECORD, as to what the Finance Committee did.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. CLARK. In just a minute I will be happy to yield to my friend from Nebraska.

I should like to make an observation with respect to the statement just made by my friend from Oklahoma. In the first place, my friend from Oklahoma is a distinguished member of the Finance Committee, and obviously he knows far more about this subject than I do. I have been told by the chairman of the committee, the Senator from Virginia [Mr. BYRD], that the annual loss of revenue as a result of the passage of the bill, excluding the corporate and excise taxes which are extended, and which I think everybody knew would have to be extended, was $742 million. Of course, it is possible that the Senator from Virginia misinformed me. I suppose it is conceivable that I misunderstood him. But he sat right there no more than 45 minutes ago and I said to him, "HARRY, how much does the bill propose to cut from the revenue?"

He said, "JOE, $742 million a year."

Now, maybe someone is wrong. I could be wrong for the third time tonight.

Mr. KERR. The Senator from Virginia did not misinform the Senator from Pennsylvania. The Senator from Virginia was talking about the difference that would result between what the bill would provide as reported by the Finance Committee and what it would provide as it was referred to the Finance Committee from the House.

Mr. CLARK. This, of course, is what I am talking about.

Mr. KERR. But in view of the fact that the present law provides for termination of certain of the taxes, and the Finance Committee action only conforms to existing law, I am sure the Senator would wish to make it clear when he talks about the loss of revenue that he is talking about the difference in what the two bills would return, and not the difference between what existing law would produce and what the provisions of the bill as brought to the committee would produce.

Mr. CLARK. I completely agree with my friend from Oklahoma. Let me make abundantly clear that I am sure everything he says is absolutely true and accurate, but I think I am still justified in saying—and my friend will correct me if I am not—that the bill that went to the Senate Finance Committee would produce $742 million more revenue for the next fiscal year than the bill as reported by the Finance Committee. Am I not correct?

Mr. KERR. I do not think that is correct, but then I would be glad to have the Senator from Pennsylvania detail where the amount of difference exists. The bill that came to the Finance Committee, if enacted into law, would have produced substantially more than either the present law or the bill as reported by the Finance Committee to the Senate.

Mr. CLARK. What the Senator from Oklahoma has said may well be true, and I do not wish to quarrel over details. My point is—and I still stick to it—that the Chairman of the Finance Committee advised me that if the bill passed the Senate, we would have $742 million a year less revenue than we would have if the elimination of these taxes provided for by the Finance Committee were not enacted into law.

I yield to my friend from Nebraska.

Mr. CURTIS. I thank the distinguished Senator. It might be helpful to point out that these corporate and excise tax rates that expire or would expire in part on June 30 are fully discussed in the President's budget. The budget is predicated on the extension of these rates.

The House of Representatives passed a bill carrying out the President's request. It was referred to the Senate Finance Committee. The bill was reported from the committee that carries out part of that request. The Senator from Nebraska supported the position of the Treasury and of the Budget Bureau in their support of the House bill.

There is no particular mystery or lack of information on what the position of the Secretary of the Treasury was. It was the position that had been a matter of record for a long time in the President's budget. The bill, if enacted, will produce approximately $2 billion more in revenue than if it is not enacted. So, while it is true that it falls short of the House bill—and I supported the House bill—failure to enact the bill will therefore damage our position by some $2 billion.

Mr. CLARK. Mr. President, I should like to make a very brief observation, and then I shall yield to my distinguished friend from Tennessee [Mr. GORE], an able member of the Committee on Finance. We ought to make it abundantly clear what we are talking about. There is not a Senator who would think for a minute of not continuing, on at least a 1-year basis, the corporate normal taxes and certain excise tax rates. It certainly would be completely fiscally irresponsible not to do that.

This is a subject which is not in issue. This is not a partisan matter or even a nonpartisan matter. No Senator would be so irresponsible as to suggest letting the corporate normal tax rate expire, and thus cut billions of dollars of revenue out of our budget.

I am amazed that a majority of the Committee on Finance should be willing to eliminate certain excise taxes while continuing others. I suggest again that the result of this action, which I deplore, would be to eliminate $742 million of revenue which otherwise would be collected by the Treasury. This would be done within 24 hours of the time when we have added a billion dollars to defense, $750 million to the pay bill, $400

UNIVERSITY OF MICHIGAN LIBRARIES

million for health and welfare appropriations, and while we still have pending in conference the Federal aid to education bill, which could well increase the appropriations by another $200 million or $300 million.

I suggest that this is not only—I do not like to use the term, but I do not see how I can fail to use it—fiscally irresponsible, but it is fiscal irresponsibility of the majority in the Senate.

I yield to the Senator from Tennessee.

Mr. GORE. Mr. President, it seems to me that increases in appropriation bills, coupled with amendments to the bill which has been brought up by motion, to which the Senator from Pennsylvania has referred, would make it imperative that the Senate seek additional sources of revenue during the course of the consideration of the bill, either tomorrow or Monday, or whenever we reach the point of amendment. I take it that will be tomorrow or Monday. I shall offer some amendments, and other members of the Committee on Finance will offer other amendments, to provide revenue equal to that which is not provided or which has been eliminated from the House bill.

In my view the raising of revenue from the sources which will be proposed, which are in the nature of closing loopholes, would be more equitable and more in the national interest than the excise taxes which have been reduced or not extended by the pending bill.

Mr. CLARK. Mr. President, I thank my friend for his comment, which was anticipating the point I had intended to make a little later. Last year my friend from Tennessee, my friend from Wisconsin, my friend from Illinois, whom I see on the floor, my friend from Minnesota, who is no longer here, and I made a strong but unsuccessful effort, aided by our good friend from Oklahoma [Mr. MONRONEY], whom I see on the floor, to close some of these utterly unjustifiable and completely inequitable tax loopholes.

It must be clear that if we are even going to consider the repeal of these excise taxes there ought to be extensive debate, without a limitation on time, during which Members of the Senate could consider in all sobriety and seriousness, I should think, about 10 amendments which would deal with the closing of these loopholes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield.

Mr. GORE. I will offer three amendments tomorrow, each of which has been recommended to Congress by the Treasury Department. It may appear a bit strange to the senior Senator from Pennsylvania that the junior Senator from Tennessee would be offering amendments supported by the Secretary of the Treasury.

Mr. CLARK. This does not seem to me strange at all. The Senator from Tennessee and the Secretary of the Treasury are both intelligent and reasonable men who have the interest of the country at heart. Sometimes they do not see eye to eye on certain matters, but when it comes to fiscal responsibility, I am sure they are in accord.

Mr. GORE. I will now take my seat. [Laughter.]

Mr. CLARK. I am happy to yield to my friend from Illinois.

Mr. DOUGLAS. Mr. President, regardless of when we take up the bill in question, I believe the point the Senator from Pennsylvania has just touched on is of vital importance. There will be an appreciable loss of revenue, although the budget estimate which I have before me counts only on a total of $268 million for fiscal 1961 from these two sources. It will be necessary, if these cuts are to go through, to find additional sources of revenue. In my judgment, we should find additional sources of revenue to help meet the increased appropriations above the budget which we have been making in the last 2 or 3 days. I believe we know fairly well what some of these reforms should be:

The repeal of the 4 percent dividend credit, which would bring in about $400 million. A withholding tax on dividends, which would bring in approximately $200 million. I believe it is possible to get an administratively workable withholding of interest, at least in a partial form.

Mr. CLARK. Certainly on Government bonds.

Mr. DOUGLAS. Yes. That would bring in $300 million to $400 million. There should be a more rigid examination of certain business expenses, and the Senator from Pennsylvania and I have been working on a joint amendment to this effect, so that luxurious entertainment, elaborate gifts, and other features would not be tax deductible. Several hundred million dollars should come from this source.

Then there is our old friend the 27½-percent depletion allowance. Even a modest reduction in that along the lines which some of us have advocated in the past would bring in $350 million more.

So that from these sources we would probably get close to a billion and a half dollars in additional revenue.

There are certain possibilities which we had developed in connection with the investigation of this question by the Committee on Finance, to which the Senator from Tennessee [Mr. GORE] referred implicitly, although he did not outline them. For example, we are likely to be faced with the fact that the depletion allowance can be claimed not merely on minerals, oil, and gas extracted from the earth, but on the processing of those natural products as they move through the stream of production.

In order to head off this loss in revenue, I think we should remove the possibility of having the depletion allowance applied to the later fabrication and processing of these materials.

Then, we have found that there are grave abuses in connection with stock options and a number of other corporate devices which are being used to avoid—and, indeed, evade—taxes. I think we are directly up against the gun in this whole matter.

I have been greatly disappointed in the attitude of the Treasury. The Treasury has really refused to deal in any constructive fashion whatsoever in plugging those loopholes. It has refused to help us in putting the tax system on a more just basis. At the same time, it insists that the indirect taxes, which I regard as inequitable, shall be maintained without diminution.

We must face a very serious problem. Can we blast the administration into action and compel it to support these tax reforms, which I think everyone agrees are desirable, by cutting the indirect taxes, and thus forcing the administration to turn to better fields for revenue? These are some of the problems we have to face.

I think the Senator from Pennsylvania has performed a public service in raising the issue. I apologize to him for speaking at length upon this subject; but he is correct in saying that we face a very grave situation.

I think it is perfectly clear that we need to reform our tax structure, and do it speedily. In the past we have not been too successful in getting such changes through. I suppose that if we are unsuccessful tomorrow, we shall be faced with the issue as to what we should do on the passage of the bill. But that is a problem we can sleep over.

I think the Senator from Pennsylvania has raised a very important issue. In the heat and haste of the last 2 or 3 days, we have made a number of decisions. Now I think we must deal with the question of how we are going to meet them financially.

I hope the Senator from Pennsylvania will excuse me for taking this time.

Mr. CLARK. I thank the Senator from Illinois for his very helpful contribution to the debate. Far from taking too long, I would urge him to continue even further.

Having been advised finally some time during the course of the afternoon that the leadership intended to persist in bringing up this bill tomorrow, in spite of the protests of several Senators on this side of the aisle, I had pulled together and sent to the desk for printing three loophole amendments of my own. Two of them deal with relatively technical matters involving the capital gains tax. One of them has to do with a more rigorous statutory definition of "business expense deductions." In that amendment I am joined by the Senator from Illinois.

I know that everything I have said so far can well be admitted to be true. Yet the question inevitably rises, "Why do you not make your fight tomorrow? Why put it off? We must adjourn. We are in a hurry."

Mr. President, we have dawdled along, month after month, with no bills on the calendar. We spent 2 months passing a meaningless civil rights bill. Durthat time committees were not permitted to meet because of the obsolete rules of the Senate, which the leadership has been unwilling to change. We find ourselves in a hectic condition of disarray, trying desperately to pass enough legislation so that we will not be held up to the scorn of the country. I hope we can pass it. I feel certain that we can pass much of it, in spite of the fact that contumacious, stubborn, and possibly ill-advised Senators, such as the senior Senator from Pennsylvania, can delay some

of these matters when they think important questions of principle are involved.

We have our rules. I disapprove of them. But while we have them, I mean to abide by them and take such advantage of them as seems to me to be in the public interest. In this, I may be wrongheaded; I may be stubborn; I may be wrong. I have no doubt that many Senators will tell me so if they think so.

I suspect the distinguished Senator from New Mexico, who is now on his feet, may wish to make such a comment. In any event, I am willing to yield to him.

Mr. ANDERSON. No. I wish to speak in my own time, when the Senator has finished.

Mr. CLARK. We have in the law—and I used to be a lawyer before I became a politician—a procedure which is known as confession and avoidance. A complaint is filed, alleging the need for a remedy. The facts of the complaint are not denied. But an answer is filed on behalf of the defendant.

He says, "Everything you say is true, but you are still not entitled to the relief you seek for the reasons we now state."

That procedure goes back to the early common law of England. It is good, sound procedure.

So perhaps now, having pointed out, with the help of my distinguished colleagues, why I think the bill should be defeated or, if not defeated, should be stringently amended, not in 1 but perhaps in 10 particulars, and why I believe it will take quite a long while to have these amendments properly understood and properly debated, while I think I am within my rights in saying I could not consent to a unanimous-consent agreement to consider these questions, the question will still be asked, "Very well, Senator. Why not start to work? Let us take up the bill tomorrow. You have your rights. Your rights will be protected. Let us go ahead. Take all the time you want."

I do not think it would be suggested that it would be entirely appropriate or in the national interest to take as long on this bill as we took on the civil rights bill. But suppose we did. We would be within our rights under the obsolete Senate rules under which we operate. But it may be said: "Within the realm of reason, take 1 day, 2 days, 3 days, 4 days, if you want to, if you think the matter is that important. Let us have a full debate. Let us pass on these amendments. But, for goodness sake, let us get this matter through and out of the way."

What can I say in reply to so sensible a suggestion? I can say this:

Even though a bill to extend these necessary corporate taxes and excise taxes probably should be passed before June 30, in order to prevent a certain amount of administrative confusion, it does not have to be passed by June 30. If we accepted the bill as passed by the House—as I believe we should, if we could not add any amendments to it—and if we took the bill without adding any amendments to it—which is what the President requested—it would not have to go to conference, and thus we would not need to pass the bill before June 30.

On the other hand, if we were to add amendments to the bill, no doubt it would be desirable, although not necessary for the bill to be sent by us to the other body before June 30.

But we debated this matter last year, and also the year before. I believe it was agreed that an extension of these taxes could readily be made retroactive for 1, 2, 3, 4, 5, or 6 weeks, and not a nickel of revenue would be lost.

So, although this bludgeon is held over our heads, by means of the statement that we must take action by June 30, I suggest the predicted crisis is an illusory one.

It is now June 18, and we still have a good 10 days in which to act. There are many appropriation bills which the leadership quite rightly has been urging the Appropriations Committee to bring out. Today, the Senate passed a good appropriation bill, under the able leadership of the distinguished senior Senator from Alabama [Mr. HILL]. As that bill was passed by the Senate, it called for appropriations of $400 million in excess of the budget. But I thought that was right, and I voted for it.

It may well be that most of the remaining appropriation bills will not increase the budget. It is even conceivable that by means of those bills we would be able to cut the budget a little.

But who knows what the conference committee on the education bill will do? Who knows whether perhaps—although it is a pretty long shot—we might pass a bill which would provide aid for higher education, which needs such aid at least equally as much as do primary and secondary education, if not more than they do. Who knows whether the Congress might pass a bill which again would increase appropriations without providing for adequate increases of the revenues?

Mr. President, would it not be the part of wisdom for us to defer our action on this bill at least until we could study the observations of the Secretary of the Treasury in opposition to the action taken by the Senate committee, and until we could have an opportunity to review at leasure the hearings on similar attempts to repeal these taxes, which have been made in earlier years, and until those of us who have been rather busy with the housing bill, the Department of Defense bill, the Health and Welfare bill, and the postal pay bill, and who have had heavy committee responsibilities in connection with them, have had a chance to review our own files in regard to these technical and complicated matters of closing tax loopholes—matters which are very difficult for any Senator to understand, let alone able to explain in proper language to the Senate.

So I suggest that it would be the part of wisdom for us to postpone our consideration of this bill for at least a week, if not 10 days.

Let us first dispose of the appropriation bills, and then see what measures we have passed which call for a break in the budget ceiling and require additional revenue, or else would come rather close to resulting in an unbalanced budget.

I know the President has said he will have a surplus of $4,200 million.

Mr. DOUGLAS. Mr. President, will the Senator from Pennsylvania yield?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from Pennsylvania yield to the Senator from Illinois?

Mr. CLARK. I am very happy to yield.

Mr. DOUGLAS. I think it is important——

Mr. CASE of South Dakota. Mr. President, I demand the regular order.

Mr. CLARK. Mr. President I yield to the Senator from Illinois for a question.

Mr. DOUGLAS. Is it not true that the administration and the Treasury have given us no help whatever in trying to close these tax loopholes?

Mr. CLARK. The Senator from Illinois is correct. Not only have they not given us any help, but they have opposed, insofar as it was possible for them to do so, the effort to close these tax loopholes.

They told us they were studying these matters. They told us that 4 years ago; they told us that 3 years ago; they told us that 2 years ago; they told us that last year; and they tell us that today. They say that if we will only wait a little while, they will come forward with their own program for withholding dividends and interest at the source. But, somehow or other, time goes by, and we never have any recommendations from the Treasury.

Mr. DOUGLAS. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I am happy to yield to my friend, the Senator from Illinois, but only in accordance with the regular order, as demanded by the Senator from South Dakota, and, hence, only for a question.

Mr. DOUGLAS. I should like to ask this question of the Senator from Pennsylvania: Is there not a case, therefore, for an effort on the part of Congress to get rid of bad taxes, in order to force the administration to impose good taxes?

Mr. CLARK. That is the view of my friend, the Senator from Illinois, for whom I have the highest respect. Frankly, I do not happen to share his view on that matter. But I recognize the sincerity of his view, and I also recognize the strength and the logic of his position, because it is abundantly clear that the taxes which are proposed to be repealed are, indeed, regressive taxes, because they are sales taxes. They are essentially bad taxes because they are not based to any appreciable extent on the ability to pay.

They are not luxury taxes; certainly a tax on the use of telephones cannot correctly be considered a luxury tax.

Certainly there is reason to support the move to repeal the so-called transportation tax, for it applies to the transportation of persons who move from place to place in search of employment or in order to carry on their businesses.

Mr. ANDERSON. Mr. President——

Mr. CLARK. Mr. President, I ask unanimous consent that at this time I may yield to the Senator from New Mexico [Mr. ANDERSON] for such time as he may desire, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. ANDERSON. I thank the Senator from Pennsylvania.

Mr. President, at this time I wish to say that I strongly support the motion of the able Senator from Texas [Mr. JOHNSON] that the Senate proceed to the consideration of House bill 12381, because we are now considering this bill; we are doing the very thing the Senator from Texas has proposed. And why not talk about it?

But, most of all, I wish to say that many of us were anxious to proceed with the consideration of this bill, in contradiction of what the able Senator from Pennsylvania has suggested, because at least some of us have felt that we had been put under a shotgun without having the needed data. I have always protested that in the past such measures have almost always been brought up in the last 48 hours; and we did not want such a procedure to be followed this year. I have in my files letters in which it is said, "Do not wait so late in the session. Let us proceed with the bill early in the session."

A moment ago the Senator from Illinois said something which I not only applaud here, but, as he knows, I supported by voting for it, inside the committee. The Senator, for whom I have great respect, talked about fiscal irresponsibility; and he touched me on a sensitive nerve, because he said that to vote for all these things was fiscal irresponsibility, and that our party was responsible for it.

I voted for some housing projects in his State that do not help my State in the slightest; but I do not regard that as fiscal irresponsibility. I think we should do the things which our country needs, and I believe we should try to find the required tax revenues.

The point the able Senator from Illinois made inside the committee—and I hope he will pardon me if I make a mistake in referring to his action there, for certainly I do not mean to be in error—was that he felt that this administration had not tried to plug enough tax loopholes, and that perhaps if we repealed some of the bad taxes, the administration would finds ways of bringing in good tax measures. I believe that the Senator from Illinois, who is the last person I would ever charge with fiscal irresponsibility, made a very good point.

Mr. President, the situation now existing in the country shows a little bit about fiscal responsibility and fiscal irresponsibility.

Not many days ago there was an advance refunding. Not much was said. The refunding was offered on Monday. The results were not available until late Tuesday afternoon. But I noticed that after the refunding had been finished, there was published, next morning, in the newspapers a table showing the sales of Government bonds. I ask unanimous consent to have that table printed at this point in the RECORD. It shows the figures on Government bonds and their yields; and the figures are extremely interesting from the standpoint of fiscal irresponsibility or fiscal responsibility.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Government bonds

NEW YORK.—Closing over the counter U.S. Government Treasury bonds, bid, asked, net change, and yield for Wednesday.

	Bid	Asked	Net change	Yield
2½s 60	99.23	99.25		2.66
T-2¾s 65-60	99.24	100		2.75
2¾s 61	99.14	99.18	+0.6	3.11
2½s 61	98.30	99.2	+.6	3.23
2¾s 62-59 June	97.26	97.30	+.8	3.36
2¾s 62-59 December	97	97.10	+.8	3.41
2½s 63	96.18	96.22	+.10	3.62
3s 64	97.12	97.16	+.6	3.74
2½s 65	95	95.4	+.10	3.77
3s 66	95.26	95.30	+.6	3.76
2½s 67-62	91.4	91.12	+.4	3.92
3⅞s 68	99	99.8	+.8	3.98
2½s 68-63	89	89.8	+.6	4.00
2½s 69-64 June	88.4	88.12	+.8	4.06
4s 69	99.28	100.4	+.4	3.98
2½s 69-64 December	87.24	88	+.12	4.03
2½s 70-65	87.8	87.16		4.06
2½s 71-66	86.28	87.4		3.98
2½s 72-67 June	86.28	87.4	+.4	3.85
2½s 72-67 September	86.20	86.28	+.2	3.85
2½s 72-67 December	86.28	87.4	+.4	3.80
3⅞s 74	97.24	98	+.8	4.06
4s 80	99.8	99.16	+.4	4.03
3½s 83-78	90.12	90.20	+.20	3.87
3½s 85	90.12	90.20	+.20	3.84
4¼s 85-75	100.24	101	+.8	4.16
3½s 90	92.8	92.16	+.8	3.93
3s 95	87.4	87.12	+.4	3.64

Prices quoted in dollars and thirty-seconds.
T—Partially tax exempt.

Mr. ANDERSON. Mr. President, these tables show that there was not a single bond issued that was up to the limit of 4¼ percent. Yet I have read in a good many magazines and newspapers how very irresponsible the Democratic Party is for not lifting the 4¼-percent ceiling, which has been in existence since 1918, and has seen us through depression and hard times. Our party has tried to show we believe a better case should be made for the lifting of that ceiling.

I give full credit to the able Secretary of the Treasury. He has fought his battle, and fought it well, but he lost it because he insisted on lifting the ceiling from E-bonds.

I think it is proper for me to say it was upon motion of the Senator from Illinois at one time, and the Senator from New Mexico at another time, that the ceiling was left on E-bonds at 4¼ percent. Certainly nothing has happened since that time which indicates that a higher ceiling was required for those bonds. We thought we were acting with fiscal responsibility, and not with fiscal irresponsibility.

Mr. President, many other things happened. The Secretary of the Treasury asked the Finance Committee for the right for advance refunding. Advance refunding is a very dangerous thing to put in the hands of any public official. It was kicked out in the Senate. Subsequently, the able Secretary of the Treasury came to members of the Finance Committee and pleaded that he should be given the right to engage in advance refunding. He spent much time in my office and tried to show I was wrong in the motion. He explained how he wanted to do it. He offered to go to the chairman of the Finance Committee and outline to the distinguished Senator from Virginia [Mr. BYRD] what he intended to do each time.

Only a short time ago, the results of such refunding were manifested.

I ask unanimous consent to include in the RECORD a news story pointing out the Treasury's first real venture in advance refunding, which drew a response of $4,874 million of bonds to be refunded.

I ask unanimous consent that the news story appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SMATHERS. Mr. President, will the Senator from Pennsylvania yield to me so that I may make a statement to the Senator from New Mexico, without the Senator from Pennsylvania losing his right to the floor?

Mr. CLARK. Mr. President, I ask unanimous consent for that permission.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMATHERS. I am in complete agreement with the statement of the able Senator from New Mexico. The time to discuss this particular excise tax bill is now, when we have 12 days in which we can debate it, if need be, and so that it may be debated in the House, if need be, and so that we may have time to consider Presidential action. If we delay bringing the bill up, we put ourselves in a worse position than if we take it up, offer amendments, and see where the mistakes are, if Senators think there are mistakes, and give Senators an opportunity to sustain their opposition with the majority of the Senate. That is the way to do it.

I agree with the Senator from New Mexico completely. The time to discuss it is now, and to discuss it logically, as he has stated.

I thank the Senator from Pennsylvania for yielding to me.

Mr. ANDERSON. I thank the Senator from Florida.

If Senators will examine the rates on Government bonds now, they will recognize they are extremely advantageous. Only a short time ago many of us were out making political speeches, and I was engaged in a primary campaign in my State. I talked a great deal about the tight-money policy. I tried to show that the cost of servicing the national debt had been about $6 billion, and now it was up to $9 billion. I said that $3 billion was a great burden to the people of this country; that if we had that $3 billion we might not need some of the excise taxes we now have.

The place to discuss that question, however, is in a political campaign. It has no real part in this discussion, and we can leave it out of the bond question. But there are other matters we must discuss, and discuss steadily; and if we move to taking up this bill we will concern ourselves, first of all, with the item on page 3 which relates to the termination of the tax on general telephone service. That runs into $450 million a

year. If there is objection to that cut being made—and many Senators do object—that is the time to take it up. Discussion can be had, and a motion can be made to put in the language of the House bill.

If Senators take time to study the hearings to find out what the Treasury wanted, they will not find it this year, because it is a carryover from action taken years ago. There will not be found one word in the hearings of the Senate, except the mere words the Treasury Department will use when we turn to them and ask, "How much does it cut the cost to the Treasury of the United States?" The Department gave us the estimate.

The next item is the tax on transportation of persons. This the Senate Finance Committee voted not to renew. The place to discuss that question is on the floor of the Senate, and the time to discuss it is now.

If we do so now, and dispose of the question and subsequently action is taken, the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], or the Senator from Delaware [Mr. WILLIAMS], can rise and move to establish a new type of tax or tighten up certain tax loopholes. That is a proper function. It will take time, and I think the earlier we start it, the better off we shall be.

Therefore, I hope the motion of the Senator from Texas will be agreed to, so we may get on to discuss the question tomorrow as rapidly as we can.

I thank the Senator for yielding to me.

EXHIBIT 1

[From the New York Times, June 16, 1960]

WASHINGTON, June 15.—The Treasury's first venture into a borrowing technique called advance refunding drew a response of $4,874 million.

Holders of that amount of bonds maturing in November 1961, accepted the Treasury's offer to exchange them now for notes maturing in 4 years and bonds maturing in 8—far more for the notes than the bonds. The Treasury will fill $4,200 million of the subscriptions.

Subscriptions for the notes totaled $4,553 million. The Treasury had said that if these orders exceeded $3,850 million it would allot that amount proportionately among the subscribers. Accordingly, it announced today that subscribers for $25,000 or less would get what they asked for, and subscribers for more get 85 percent of what they requested.

Subscriptions for the new bonds aggregated $321 million. That was far below the ceiling for bond subscriptions, so every subscriber will get a full allotment. The Treasury used the slimness of the bond orders for one more assault on the failure of Congress to repeal the 4¼-percent interest rate ceiling on borrowings of more than 5 years.

The advance exchange was offered to holders of $11,200 million of bonds that were issued in 1954 with an interest rate of 2½ percent. They mature in November 1961. The results of the advance refunding mean that instead of having to cope with an $11,200 million maturity at that time, the Treasury faces a $7 billion job.

The new issues are a 3¾-percent note maturing in May 1964, and a 3⅞-percent bond maturing in May 1968.

Because the outstanding 2½-percent bonds are selling at less than par, their potential yield is more than their coupon rate. The same holds for the two new issues. Thus, although the coupon rate on the new bond is well below the 4¼-percent interest-rate ceiling, the bond's yield will be only a shade below it. The Treasury figures that the ceiling applies to yield as much as to coupon, so it could price the bond no higher than it did.

The results on the new bond, it said, "show again that under market conditions as they have existed, a significant amount of debt extension beyond 5 years has not been possible under the 4¼-percent ceiling."

Otherwise, the Treasury added, it was pleased with the outcome of the operation, "especially with the acceptance of the note."

The breakdown of subscriptions, according to today's preliminary results, was as follows:

For the note: $3,023 million from commercial banks for their own account, $83 million from Government investment accounts, and $1,447 million from all other subscribers.

For the bond: $101 million from commercial banks for their own account, $57 million from Government investment accounts, and $163 million from all others.

The refunding was conducted on Wednesday, Thursday, and Friday of last week and Monday of this week. It had a slow start, apparently because of confusion over the rather involved arithmetic needed to calculate the advantages of the offer.

Mr. CLARK. I was only too glad to yield to the Senator from New Mexico.

Mr. President, I should like to consider the question of confession and avoidance which was brought up a short while ago. It has been said, "Very well, Senator, everything you say is true, but why can you not say it tomorrow?"

There are a good many reasons why we should not say it tomorrow, and I have detailed most, but not all, of those reasons to my good friend the majority leader, and he has rejected them.

I do not wish to bring out on the floor of the Senate serious disagreements between members of our party. I do not think any useful purpose would be served by it. The majority leader knows very well what I am talking about.

So far as I am concerned, he is the majority leader. I have made a request of him. It has been rejected. That is his right. That is his privilege. But, from the point of view of those who want to make as serious and determined a fight to plug these tax loopholes as we can, who want to do everything possible to protect our party from the charge that it is willing to appropriate, but it is unwilling to tax, I and some of my colleagues have felt that we should have ample time to prepare our case. We are not going to have ample time to prepare our case. We are going to be rushed, substantially unprepared, tomorrow, to try, as best we can, based largely on an inadequate preparation, which could have been made adequate over so short a period as the ensuing weekend.

I had hoped that this matter could be considered carefully by all members of the Democratic Party. Perhaps it can be, tomorrow. I am not sure that the proper way to consider it is on the floor of the Senate, with the press gallery filled and everybody hoping to find some evidence of discord—all of this in a presidential election year, when we should be closing ranks and endeavoring to meet not only party unity but, as has been said, to some extent, at least, national unity.

Frankly, I am of the opinion that the bill should be considered next Tuesday. I am not accusing the majority leader of doing anything he should not do. Far from it.

The majority leader decided, I think he will agree, rather suddenly to bring the bill before the Senate tomorrow, in spite of the request by some of us to have it considered on Tuesday.

I am sure this is completely inadvertent, and I know it was not planned, but it so happens that seven Senators who I am confident would vote to plug most if not all of the tax loopholes will be absent from the Senate tomorrow, because they will be elsewhere, most of them on official business. We find ourselves, therefore, rushed in, ill prepared, to a fight we consider important, with some of our troops unavoidably out of town.

So be it. I am prepared to accept the party discipline.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain excise tax rates.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, so the RECORD will show some of the problems with which the leadership is confronted, for the benefit of Senators who are interested in knowing something about our problems, we have yet to consider, in the 12 days between now and July 4, the following very important measures.

The general Government matters appropriation bill. We cannot consider that bill before next Tuesday, under the rule.

The independent offices appropriation bill. We cannot consider that bill before next Tuesday, under the rule.

The legislative branch appropriation bill. We cannot consider that appropriation bill because of the request of the chairman that it not be considered until next week.

The civil functions appropriation bill will not be marked up until next Thursday. We hope the bill will be reported the following Monday. Perhaps some of the authorizations provided today will be included in that bill.

The mutual security appropriation bill will require rather lengthy debate, and it will involve a substantial amount of money. The bill has not been reported.

The Japanese Peace Treaty is a subject we shall want to consider at an early date.

The coal research bill will be considered as soon as we can clear it.

The minimum wage bill, I am told, will be reported by the committee perhaps early next week. I am sure the

bill will require several days of debate. At least, I have been informed that it is anticipated by the opponents of the proposed legislation it will require several days of debate.

We must consider the medical plan for the aged.

None of the bills which will require debate, such as the mutual security bill, the minimum wage bill, and the medical plan for the aged bill, is available for the leadership to motion up tonight.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I will yield to the Senator in a moment, when I finish my statement.

All of these bills will have to come before the Senate next week.

I consulted with the members of the policy committee, and I consulted with the members of the Committee on Finance. The Senator from New Mexico, I am sure, remembers that I talked to him perhaps a half dozen times about making a motion that the bill be considered. The Senator from Florida will recall the same thing. I talked to the distinguished deputy minority leader, to the minority leader, to some of the minority members, and to the distinguished chairman of the committee. He had to make the greatest sacrifice of anyone in the Senate, in order for the bill to be considered, but he thought in the interests of fiscal responsibility we ought to consider the bill.

Last year a good deal was made of the fact that the bill was brought before the Senate too late. Now we have brought the bill to the Senate 12 days ahead of time, and it is considered to be too early.

I felt, under the circumstances, I had no choice. After I had stated to the members of the committee and to some of the members of the policy committee that we planned to consider the bill late this evening or tomorrow morning, I received a notice signed by four or five Senators stating they did not want the bill considered, and they wanted to caucus next Tuesday at 12:30 o'clock in the Old Supreme Court room.

I shall be glad to call a caucus tomorrow, Monday, Tuesday, or any other time, although I would prefer that the Senators call their own caucus. If Senators want me to call a caucus, I shall be glad to do so. I have always said I would do so whenever any Senator asked me to do so.

I have never said that I could put off my responsibility to make a motion to consider proposed legislation I considered to be important. I was told that the bill would be filibustered if I made the motion that it be considered. Mr. President, that is not my responsibility. I shall stay here to do my duty in the Senate. I shall abide by majority rule in the Senate. Other Senators may do as they choose. My conscience will be clear. If Senators desire to offer 10 amendments or 20 amendments or 30 amendments, that is their privilege. That is their right. I am willing to be guided by majority rule of the Senate, and to let those amendments come to a vote in an orderly way. I shall come in early and stay late.

In addition to the bills I have outlined, we plan to consider Calendar No. 1415, S. 2581, to amend the act of June 1, 1948 (62 Stat. 281), to empower the Administrator of General Services to appoint nonuniformed special policemen.

Calendar No. 1553, H.R. 2565, to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation on military reservations.

Calendar No. 1580, H.R. 8229, to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts.

Calendar No. 1588, S. 2692, to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys; to promote commerce and navigation, to secure the national defense; to expand ocean resources; to authorize the construction of research and survey ships and facilities; to assure systematic studies of effects of radioactive materials in marine environments; to enhance the general welfare; and for other purposes.

Calendar No. 1613, H.R. 11985, to make American nationals eligible for scholarships and fellowships authorized by the National Science Foundation Act of 1950.

Calendar No. 1612, H.R. 10455, to amend the Mineral Leasing Act of February 25, 1920.

In addition, we shall have a call of the calendar early in the morning. We expect to be in session late tomorrow evening. We hope we can finish consideration of the tax bill, in the event it is not filibustered.

I now yield to the Senator from Pennsylvania.

Mr. CLARK. I ask my friend from Texas, who has made a fair statement of this disagreement from his point of view, why we could not pass the coal research bill tomorrow, and a number of the other bills the Senator has mentioned, which would give us an opportunity to prepare our case adequately on the tax bill, and also to have those Senators who will be absent tomorrow, who left town without knowing the bill would be considered tomorrow, return to the Senate.

Mr. JOHNSON of Texas. First, the coal research bill has not been cleared by the policy committee.

Mr. CLARK. Has this bill been cleared?

Mr. JOHNSON of Texas. Yes, this bill has been cleared.

Mr. CLARK. When did the Policy Committee meet?

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. I wish to ask the Senator a couple of questions, and in the course of the questioning I shall try to answer what the Senator from Pennsylvania has stated.

Did not the majority leader earlier this week state there was a possibility that this bill and other tax bills would be considered at any time?

Mr. JOHNSON of Texas. Yes.

Mr. MANSFIELD. Did not the majority leader serve notice on all Members of the Senate that from now on there would be no deferments because of individual engagements?

Mr. JOHNSON of Texas. I have done that for several days.

Mr. MANSFIELD. Did not the majority leader today see practically every member of the Policy Committee and get approval for the bringing up of the tax bill?

Mr. JOHNSON of Texas. That is correct.

Mr. MANSFIELD. While all of the members of the policy committee did not give full approval, the one who did not, as I recall, said:

> I do not want to become involved, but if you wish to have the bill considered, fine and dandy, it will be all right with me.

Mr. JOHNSON of Texas. He is an ex officio member, who sometimes feels he does not want to become involved in intraparty fights.

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. JOHNSON of Texas. People question the leadership from time to time.

Mr. MANSFIELD. Mr. President, I think there are times when the leader takes undue and unusual punishment. I happen to know him pretty well. I happen to know some of the difficulties under which he labors. I happen to know how difficult it is to get along with 64 prima donnas on the Democratic side—65, including the majority leader. [Laughter.]

I hope that we can all work together, because we have to work also to a degree with the Republicans, to get needed legislation passed, so that we can adjourn in time for the first convention on July 11.

So far as any Senator is concerned, he can offer as many amendments as he wishes to offer, and he can talk as long as he wishes to talk upon any subject or upon any measure. That is his right and his responsibility, and I express the hope that we would recognize the difficulties under which the leader works and try to give him a little more in the way of support, especially in the dying days of this session.

Mr. JOHNSON of Texas. I say to the Senator from Montana that I appreciate very much what he has said. I will add that with very few exceptions I have that support. I do not think any leader has ever had a finer relationship with his colleagues on both sides of the aisle than I have had. I have been in a position of leadership responsibility for 10 years, either as deputy leader, minority leader, or majority leader, and I have found it very easy and very comfortable to be able to work with Members on both sides of the aisle. I have served with 6 or 7 Republican leaders and I have served with more than 100 different Senators.

The problems are always difficult.

Last year we had the bill reported to the Senate too late; this year it was reported too early. Too early—too late.

It reminds me of the story of a train in our hill country which was brought to the foot of the hill and an old man said, "You will never get it started up the hill."

It went up the hill, and as it started down the hill he said, "You will never get it stopped."

There are some people with whom we live in the world and with whom we do not get along too well. Likewise, we live in a world in which we do not get along at times too well with all nations. We see what is happening now.

I could move to adjourn the Senate tonight, tomorrow, and Monday, and not take up the bill until we have a caucus on Tuesday. Perhaps then we would get to the bill on Wednesday. I think that would be irresponsible.

Mr. President, so long as I have the responsibility of the leadership, I do not propose to yield simply to letters which are rushed to me in the late afternoon telling me what I can bring up, when I can bring it up, how I can bring it up, and how many caucuses to have in advance. If the majority of the Members of the Senate do not want to bring the bill before the Senate, let us call the roll. If Senators wish to submit amendments, let them offer their amendments. But we have been kept here until 12:30 tonight, and if any Senator has profited, I am surprised. Perhaps we can come in in the morning at 10 o'clock, have the amendments offered, consider them in an orderly manner, and call the roll on them.

We have spent 3 or 4 hours today in the calling of rolls on amendments which received 11, 17, and 18 votes.

However, Senators wished to be registered on them, and we called the roll. We can do the same thing tomorrow. But we have only 12 days left. We have at least 20 major bills to consider during that period of time, and if we are to complete consideration of them, it will require the cooperation of every Member of the Senate.

I make the prediction that in the event we do not consider the bills, the very Senators who have talked the longest and the loudest and have quarreled the most will be the first ones to complain that Congress did not do something, and the failure of Congress to act. So far as I am concerned, I am ready to act.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. I am not so thinskinned or obtuse, nor indeed am I so old that I cannot recognize a lecture when it is administered to me in indirect form through our famous Senate custom of interrogatory and rejoinder, through addresses ostensibly directed at "Mr. President," but in reality directed at others.

I am a relatively junior Member of the Senate. Over a reasonably long life I have become accustomed to being lectured both at home and abroad. I accept the lecture in the good humor with which I am sure the majority leader and whip intended. I think it must have been clear from the discussion tonight that all that those of us who wanted to try to defeat the bill, or at least to amend it, wished, was to have the matter brought up in a Democratic conference on Tuesday morning, cleared to the floor on Tuesday afternoon, and carried on from there in accordance with the Senate rules. I would not have brought up these matters if others had not done so. I thought I had, to be sure, not a commitment—certainly not a commitment—but a reasonable assurance that the bill would be brought up on Tuesday.

Mr. JOHNSON of Texas. Mr. President, on that point I have given no one such assurance, and no one has been authorized to give anyone such assurance, and I respectfully submit that in my judgment no one gave that assurance.

Mr. CLARK. Mr. President, I am not going to quarrel with the majority leader.

Mr. JOHNSON of Texas. The Senator has misunderstood.

Mr. CLARK. The majority leader has a perfect right to say whatever he wishes to say. I do not intend to engage him in any further debate.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. CLARK. In fact, I think I have made it abundantly clear by yielding the floor and not asking for a quorum and not asking for a rollcall vote that I am prepared to submit to that discipline which is necessary in any party. I submit to it willingly. I am content with my defeat.

I accept the little lecture in good humor. I hope from here on we can all show that due and mature consideration for each other which is the essence of the best tradition of the Senate.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. I do not think the able Senator from Pennsylvania has suffered a defeat. I think he has exercised his right as a Senator in a manner that he had every right to do, and I dare say that what he has said tonight has been quite educational and worthwhile. I certainly do not think he has suffered a defeat. I think he has exercised his right and his prerogative, and I hope he does so as long as he remains in the Senate.

Mr. CLARK. I thank my friend for his courteous comments.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL BILL INTRODUCED

Mr. PROXMIRE, by unanimous consent, introduced a bill (S. 3695) to amend the act entitled "An act to amend the Immigration and Nationality Act, and for other purposes," approved September 11, 1957, which was read twice by its title, and referred to the Committee on the Judiciary.

ONE-YEAR INCREASE OF PUBLIC DEBT LIMIT, AND ONE-YEAR EXTENSION OF EXISTING CORPORATE NORMAL-TAX RATE AND CERTAIN EXCISE TAXES—AMENDMENTS

Mr. CLARK submitted amendments, intended to be proposed by him, to the bill (H.R. 12381) to increase for 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act, and to extend for 1 year the existing corporate normal-tax rate and certain excise tax rates, which were ordered to lie on the table and be printed.

Mr. DOUGLAS submitted amendments, intended to be proposed by him, to House bill 12381, supra, which were ordered to lie on the table and to be printed.

Mr. PROXMIRE submitted an amendment, intended to be proposed by him, to House bill 12381, supra, which was ordered to lie on the table and to be printed.

PROTECTION FOR EMPLOYMENT OPPORTUNITIES OF DOMESTIC AGRICULTURAL WORKERS—ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of June 13, 1960, the name of Mr. DODD was added as an additional cosponsor of the bill (S. 3666) to amend title V of the Agricultural Act of 1949, as amended, to provide protection for the employment opportunities of domestic agricultural workers in the United States, and for other purposes, introduced by Mr. MCCARTHY on June 13, 1960.

ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 17, 1960, he presented to the Administrator, General Services Administration, the enrolled joint resolution (S.J. Res. 39) proposing an amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia.

ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I move that the Senate stand in adjournment until 10 o'clock a.m., today.

The motion was agreed to; and (at 12 o'clock and 37 minutes a.m. on Saturday, June 18, 1960) the Senate adjourned until 10 o'clock a.m. of the same day.

NOMINATION

Executive nomination received by the Senate June 17, 1960:

U.S. DISTRICT JUDGE

Arthur S. Lane, of New Jersey, to be U.S. district judge for the district of New Jersey, vice Phillip Forman, elevated.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 17, 1960

The House met at 11 o'clock a.m.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Luke 6: 12: *He continued all night in prayer unto God.*

O Thou transcendent and immanent God, who alone can satisfy our mortal needs and our immortal longings, grant that in the tragic unrest of our day, we may have a faith that finds its center and circumference in Thee.

Inspire us with a fortitude that can master and dispel all the somber moods of doubt and despair which are hovering over the minds and hearts of so many members of the human family.

May our vision of Thy divine will and righteous purposes be so clear and commanding that we shall feel constrained to dedicate ourselves wholeheartedly to bring them to fulfillment.

Hear us in the name of the Captain of our Salvation. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11998. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. RUSSELL, Mr. HILL, Mr. MCCLELLAN, Mr. ELLENDER, Mr. ROBERTSON, Mr. STENNIS, Mr. JOHNSON of Texas, Mr. SALTONSTALL, Mr. BRIDGES, Mr. YOUNG of North Dakota, Mrs. SMITH, and Mr. BYRD of Virginia to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2929. An act to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief; and

S. 3670. An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to a joint resolution of the Senate of the following title:

S.J. Res. 39. Joint resolution proposing amendments to the Constitution of the United States to authorize Governors to fill temporary vacancies in the House of Representatives, to abolish tax and property qualifications for electors in Federal elections, and to enfranchise the people of the District of Columbia.

CALL OF THE HOUSE

Mr. HOEVEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 136]

Ashley	Hull	Moulder
Barden	Ikard	Patman
Blitch	Jackson	Powell
Bolling	Kearns	Randall
Bow	Kilburn	Roosevelt
Buckley	Kitchin	Shipley
Burdick	Kowalski	Taylor
Carnahan	Loser	Walter
Celler	McGovern	Williams
Dorn, S.C.	Merrow	Willis
Durham	Mitchell	Wilson
Foley	Morris, Okla.	Withrow

The SPEAKER. On this rollcall 396 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

LIMITATIONS ON CONSTRUCTION DIFFERENTIAL SUBSIDY

Mr. BONNER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 10644) to amend title V of the Merchant Marine Act, 1936, in order to remove certain limitations on the construction differential subsidy under such title, as amended, with Senate amendments thereto, disagree to the amendments of the Senate, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. BONNER, THOMPSON of Louisiana, GEORGE P. MILLER, TOLLEFSON, and VAN PELT.

MUTUAL SECURITY AND RELATED AGENCIES APPROPRIATION BILL, 1961

Mr. PASSMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 12619, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending the amendment offered by the gentleman from New York [Mr. TABER]. Without objection, the Clerk will reread the amendment offered by the gentleman from New York.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. TABER. On page 2, line 15, strike out "$1,600,000,000" and insert in lieu thereof "$1,800,000,000."

Mr. TABER. Mr. Chairman, this, to my mind, is the heart of the bill, and the question is, Do you want to carry forward a bill that will do some good and will help to make this program one which will be operated in the interest of the people of the United States? If we are going to do something of this kind, let us do it as near right as we can. I am only asking to restore to this item in the bill 50 percent of what has been cut by the committee in writing the bill.

The question resolves itself into how much money is needed to carry this thing on and do it in such manner that it would be of some value to the people of the United States.

I am going to quote just a word from General Palmer, the military officer in charge of this operation, and let me say that General Palmer has had great experience for several years as Chief of Staff under General Norstad over across the water. General Palmer said on page 2327 of the hearings:

The unexpended carryover will have fallen to approximately $2 billion by June 30, 1960, and the program is also falling. The forecast of expenditure during the current fiscal year (fiscal year 1960) is $1.83 billion, while it is forecast that the program in fiscal year 1961 will be marked by an expenditure of $1.79 billion. In these 2 years there is a drastic drop of $560 million below the rate of the preceding 5 years.

Now, we are getting to the point where there is hardly a 12-month period in the chain of merchandise being produced and delivered. We have got to have these things if we are going to help those countries across the water and to keep them in shape so that they can help us to keep communism from spreading. We have got to get things in shape for them so that they can do something. We have got to give them modern instruments of war. We have got to give them missiles, and those things cost a lot of money. It is absolutely necessary to do this if we are going to have any success in carrying forward the efforts that we are making to support the countries across the water—all of Europe, practically, outside of Russia. Turkey, Pakistan, Korea, Vietnam, Taiwan, the Philippines, and Indonesia, all of those places require help if they are going to have sufficient capacity to do the things that they need to do to keep the Communists contained.

Mr. Chairman, we are not asking for any more money than the expenditures will have been for this particular year.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. We are not asking for more money than has been spent this year or will have been spent when the end of June comes. We are asking to keep the thing whirling and keep it up as well as it has been kept up.

Now, there has been some talk by some people that there were irregularities, but those irregularities have been reduced. For my own part, I propose to do some things myself that I never have done before in the line of following up some of these things to see what they are doing and how they are doing it, because I do not like to see any waste. But there are only a few things that a Member of Congress can do along those lines. But we have got to put forward this particular program, the one thing that is straight out and out, for the benefit of those who are helping us to contain communism and keep things from getting worse and worse as we go along. This amendment will just simply put the administration of the military aid situation back on a scale where it was for this year where the expenditures have been for last year and the year before. Now, if we do not do this, we are going to seriously handicap that program. Their expenditures will drop off, and the reserves that they have, of things coming through, will be dropping off much further than they have in years past, because we are getting down now to such a low figure in the unexpended balances.

Mr. Chairman, I hope that the members of the Committee will support this amendment.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous permission to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Chairman, I have no telegrams from the President to fortify me in my statement this morning. But I do want to give you some information heretofore denied the committee, and at the outset I also want to repeat what I said yesterday, and that is that the total foreign aid program, since its inception, all phases of it, has exceeded $100 billion and is now costing, overall, in excess of $10 billion annually.

I think I should point out that even though this year tax revenues are unprecedentedly high, during the first 11 months and 13 days of this fiscal year we have already withdrawn from the Treasury $4,772 million more than we have deposited in the Treasury. I should think that, knowing our public debt is $289 billion, as of Monday morning, and knowing that we have withdrawn almost $5 billion more from the Treasury than we have put in this fiscal year, we should give some careful thought to what we are doing.

The charge is being made today, but it is without foundation in fact, that we are wrecking the military assistance program. The same type of charge has been made every year for the past 5 years, but it has never been substantiated; and the charge will also prove to have been incorrect when we come before the House again next year. I say, Mr. Chairman, that during the previous 5 years, in which it has been my privilege to represent the committee on this bill, the Congress, in its wisdom, has reduced the President's requests by $4 billion. And it has afterward been generally acknowledged, year after year, that sufficient funds had been provided and that the program had been improved as a result of the reductions. In addition to the $4 billion overall cut in funds, in the military assistance program alone there were unobligated funds during this same period of $783 million, money which they could not even obligate and these funds lapsed. Those are the facts and you cannot get around them.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. RHODES of Arizona. Will the chairman tell the committee how much was unobligated this year?

Mr. PASSMAN. Not $1 million of the $783,653,000, the figure which I have used, is included this year. And I am not taking into account one single penny of unobligated funds, when I give these figures. I am giving the figures correctly.

Mr. Chairman, I want to say that we have had a very difficult time getting valid information. I hold in my hand a letter from the Department of State marked "Secret" and it contains a statement heretofore not revealed to the committee, as such. In the second paragraph of this highly secret letter it is stated:

> These currencies make it possible for the country of origin to raise and maintain the forces considered essential by the United States.

Finally, the day before yesterday, we told the people downtown, indirectly, that if they did not declassify this information we were going to subpena them for further testimony. So, I believe it was on Tuesday afternoon, the Department said that we could reveal these figures publicly for the first time.

There is a total of $451 million of dollar equivalent in local currencies available for this military aid program that has never been mentioned to the membership of this House. This has been a secret document, but it is not secret this morning, and any Member may look at it.

I want to go a bit further, as I heard some of my friends who supported our position in the full committee state that they would vote to transfer funds out of some other account into this. I want to say, here and now, that it is not going to be necessary to do that because, as I speak to you this morning, and without taking into account any unobligated funds, the military program has $1,600 million, plus cash receipts from the sale of military equipment of $40 million.

I hold in my hand a letter from the Comptroller General stating amounts which legally could be transferred to military assistance on the morning of July 1 of this year. This total is $259,980,400. So, we could argue the remainder of the day, Mr. Chairman, but it is a matter of fact that there is now $1,900 million cash which can be used in this military aid program by using the transferability clause, and without appropriating another dime.

If you do not think this committee is up against a tremendous job, let me say to you that I also hold in my hand a letter from the office of the Secretary of Defense, circulated in the Department of Defense, June 1, 1960, and it states:

> Attached for your information is a list of the members of the House Appropriations Committee that have not been contacted as of this date relative to the mutual security program.

There are 24 members of the Appropriations Committee listed to be recipients of pressure to get this particular money.

Without the amendment the military assistance category has $1,600 million of new money, plus $40 million new money, plus transferability of $259,980,000. The letters are here to back me up in that statement. This makes a total of $1,900 million for military aid without the amendment.

This committee has worked hard and is entitled to your support. You let this thing get more out of control, and we will never be able to get it under control.

Proceeding, I quote now from page 135 of our subcommittee's hearings:

> Mr. PASSMAN. We do have a program in Europe, under the NATO setup, through which we are appropriating American dollars to continue a military program in Europe?
>
> Secretary HERTER. Yes, sir.
>
> Mr. PASSMAN. Is it not true that we have contracts with nations which have had such a speedy recovery in their economy that, if it were not for the contracts, it would not be necessary to appropriate American dollars to carry out our commitments?
>
> Secretary HERTER. Very true.

We have gotten ourselves involved in these contracts with nations which in many instances, are more able to pick up the military checks than we are; but we are involved in these contracts and we have to go through with them. The more money you give these people the more they are going to get us involved.

I have conferred with most of the leaders of both bodies who are especially concerned with military affairs. Among others, Senator RUSSELL told me that he had carefully considered our recommendations in detail and was convinced that the program was adequately financed.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. I have been impressed with the diligence of the gentleman from Louisiana as have other Members of the House. I recall his statement that in the military assistance program we have supplied certain nations with more airplanes than they have pilots trained to use them. Is this the fact?

Mr. PASSMAN. To some countries we have supplied two planes for each pilot, and to others eight tanks for each crew. In another country they have placed much of the equipment in permanent storage. For five foreign countries in

which our subcommittee held hearings, and taking an accounting report on one other country, there was $300 million in military equipment in excess of requirements.

Mr. EVINS. In other words, they have planes that have already been delivered to them that they are unable to use because of the lack of pilots and other military assistance that they do not have trained men to use.

Mr. PASSMAN. That is true, as of the time of the report.

Mr. EVINS. Mr. Chairman, will the gentleman yield further?

Mr. PASSMAN. I yield to the gentleman from Tennessee.

Mr. EVINS. I have had some difficulty in running down the total correct figures on expenditures on this program. I checked with the Library of Congress and with the Mutual Security Administration and with the Department of State. I have here some seven items, totaling some $80 billion, that have gone into the foreign aid program in the years from 1949 to 1959.

First. Mutual aid programs—ICA, economic and military assistance, Development Loan Fund, and so forth, $56 billion.

Second. Other grants and credits in postwar period—President's contingent fund, defense expenditures, and so forth, $14 billion.

Third. Loan authority of Export-Import Bank, $5 billion.

Fourth. American contribution to International Bank for Reconstruction and Development—contingent liability, $4 billion.

Fifth. American contribution to World Bank for economic development loans, approximately $1 billion.

Sixth. American contributions to International Monetary Fund—total liability of all countries $14 billion—$4 billion.

Seventh. American contributions to International Finance Corporation—total of all countries about $100 million—$35 million.

Total postwar aid, $79,535 million, or approximately $80 billion in 10 years.

In addition, grants and loans in unspecified amounts have been made to foreign governments by other agencies. I have not been able to obtain the figures for these: The Agriculture Department, Commodity Credit Corporation, Foreign Agricultural Service, Atomic Energy Commission, Commerce Department, General Services Administration, Interior Department, Treasury Department, U.S. Information Agency, and others.

In all, our country has provided loans, grants, and credits of more than $80 billion.

Mr. PASSMAN. I might state that the total amount in the items to which you are referring is more than $87 billion, with fiscal 1960 estimated. This does not include oversea military construction. If you put it all in, the total exceeds billions.

I might say to the gentleman that the total in the military assistance program alone has been $25 billion in 60 nations since the inception of the program; and going into only 5 nations, and using an accounting report for another country we found that they had material in excess of their requirements amounting to $300 million.

Mr. EVINS. In other words, it amounts to $86 billion rather than $80 billion in the entire program?

Mr. PASSMAN. It amounts to more than $87 billion, if you please, exclusive of oversea military construction.

Mr. EVINS. In the last few weeks, we have been rebuffed terribly in various parts of the world and I know that many are concerned about the possible effect that reductions in this program might have on our foreign relations. I might say in this connection that wasteful and extravagant throwing around of mutual aid funds is not a proper substitute for a carefully considered and carefully carried out foreign policy—and throwing in more money into wasteful and unnecessary projects will not cure the troubles we are suffering from as a nation in our relations with the rest of the world.

The issue is not the merit of the principle of mutual aid. Most of us recognize that the mutual aid program is a necessary part of our national defense policies and vitally important to building up the strength of our allies and friends against the ever-growing menace of communism throughout the world. I have always in the past supported the bill. However, the issue is the administration of the program which is far too loose and extravagant and wasteful. Throwing more and more money wastefully into this program will not improve the respect of the world toward us. More dollars is not the answer. But a new and vital approach is needed.

Mr. PASSMAN. There is another statement I would like to make, if I may. You do not replace this equipment every day. May I say that on an average about 92 percent of the equipment which we have provided is on hand and available for use.

I say to you, Mr. Chairman, we only want you to support us on the basis of the facts as they are. Let us keep this program under control. If you let these people cut loose as they want to do, you will never bring them under control.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Kentucky.

Mr. CHELF. The question that is worrying me considerably and I feel is worrying a good many Members of the House, especially those of us who have supported this program since it was originated by General Marshall—is—whether or not there is a sufficient amount of funds in this particular appropriations bill at this particular time to insure an adequate supply of aid to our weaker but friendly nations who want to hold the line against the advance of communism. Recent events, such as the summit fiasco last month and the existing situation in Japan have caused me to want to double check—take a fresh and clear inventory as to our needs insofar as this program is concerned. I know that the gentleman from Louisiana has made a careful, painstaking, conscientious, intelligent study of this entire matter and I also know that he is a great American—dedicated if you please to what is best for America—therefore I ask the gentleman this pointblank question—in the opinion of the gentleman—Is there sufficient funds in this bill in view of current events? If the gentleman can assure us of this fact—I sincerely believe many Members of the House would be more inclined to follow the recommendations of the Appropriations Committee. We just want to be sure of our step at this crucial moment. We cannot afford to be wrong.

Mr. PASSMAN. This bill provides $300 million more this year for military assistance than we appropriated last year for this purpose. This is 23 percent more—I want to repeat—there is $1,900 million available in the program without the amendment, if the transferability feature is used.

Mr. CHELF. Without question then—the gentleman assures us that there is a sufficient amount of money in this bill?

Mr. PASSMAN. There is more money than they need.

Mr. CHELF. I thank the distinguished gentleman for his forthright answer.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall support the action of the Committee on Appropriations on this bill. I would not feel it appropriate at this time to repudiate the action of the subcommittee, which has worked so long and successfully in an effort to get the facts with respect to the foreign aid program and formulate a bill. Had I been writing the bill, I would have recommended some figures which are different from those in the pending measure. However, I have no doubt that in the final version of the bill, after it has been cleared by the other body, some different figures will be arrived at and those figures will be higher than those now before us. But, it seems to me today, we ought to go along with the bill, as presented to us, and let the executive branch make its appeal to the other body with respect to any changes which are thought desirable. Let the other body conduct its hearings and work its will.

In the Senate-House conference which will then follow I believe we can depend, as we have in the past, on the good judgment of the conferees to work out a bill that is reasonably satisfactory. It seems to me that is the best procedure. It is the safest procedure to follow. I therefore oppose the amendment of the gentleman from New York [Mr. TABER].

The gentleman from Kentucky [Mr. CHELF] has raised the issue of the impact on the foreign aid program of the humiliating experiences which we have sustained in Paris and more recently in Japan. In my judgment, our embarrassment at the summit and in Japan have not come about, even remotely, as a result of inadequate funding of our foreign aid program; and I say further—and I do not expect everyone to agree with me—our disappointing experiences in Japan and at the summit were not the result of American military weakness.

These things have come about as a result of a revolution in the world which is not solely related to the issue of military strength. Of course, our military strength is an important factor in the picture. The whole world knows, and I believe we all agree, that we have sufficient military strength to devastate any enemy who would dare attack us. It has been sufficient to deter attack.

The answer to our problem is not just money, more money. Some say that as a result of the unfavorable experiences of recent days foreign aid has been a failure and should be almost completely abandoned. Others argue that we need more foreign aid in the face of greater world tension. I reject both those arguments; I do not believe there is substance in either point of view.

I think the foreign aid program has done a great deal in stabilizing the world and saving the lives of millions of people and preserving freedom in many parts of the world. I have always voted for foreign aid, reserving the right to vote for modification and reductions, and I expect to do so again and probably vote for a higher figure by the time we finish with the bill in the Congress. What I am saying now is that we should support the committee and await further developments.

What we need more than money, Mr. Chairman, is a revitalization of our national purposes, a more resolute moral leadership on all levels, greater stability and firmness, and a steadfast determination on the part of our people to pay the price of world leadership; and the price of world leadership does not depend upon more and more dollars for foreign aid or even for the Department of Defense.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York.

Mr. TABER. Is the gentleman aware that in the past few years the other body has lowered instead of increasing these items?

Mr. MAHON. It has in some instances.

Mr. TABER. In this particular instance.

Mr. MAHON. And it may in this instance.

Mr. TABER. That would leave us high and dry.

Mr. MAHON. I believe that the figure in this bill, without being increased would not be too unreasonable with respect to our program for the forthcoming year.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. MAHON] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. PASSMAN. May I state that during the period since I became chairman of the subcommittee the other body has increased military assistance by $1,210 million.

Mr. MAHON. We are coming to a national election. The people of our Nation are disturbed and confused as to what we should do. They are going to make some important decisions next November. It seems to me those of us who have gone along within reasonable limits on the mutual security program in the past can support this program today as embodied in the committee bill. I propose to stand with the committee at this juncture.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. FORD. I am sure the distinguished gentleman from Texas is familiar with the fact that last year the House figure for military assistance was $1,300 million. The other body approved that identical figure; they did not raise it.

Two years ago the House approved for military assistance a figure of $1,515,000,000. The other body maintained the same figure; they did not raise it. I therefore say that we cannot count on the other body in this year raising this figure for the military assistance program.

Mr. MAHON. I am not suggesting that the other body should raise the figure; but I will say that if the other body does not alter the figure, after it has heard the pleas from the agency, it will be pretty good evidence that the decision of the Appropriations Committee is reasonably sound.

Certainly this bill will provide adequate support until the next Congress convenes.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Louisiana.

Mr. PASSMAN. In the other body the military asisstance program called for only $1 billion. But, by agreement this was raised to $1.3 billion and the House approved that figure. And, I repeat, in addition to that money, by using the transferability provisions, the President will have available $1.9 billion for military aid, even without any additional appropriation.

Mr. HALLECK. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, may I say at the outset to some of those on both sides of the aisle who have not favored this program in the past that certainly in view of the circumstances existing in the world today this amendment should be supported.

The gentleman from Louisiana has no better friend than I. He is sincere, but we all know he has been something of a longtime foe of these programs.

The gentleman from Texas is certainly one of the best informed men in the whole country in the matter of the defense of our country, but as I listened to his speech I got the very definite impression that what is expected here is that the other body will increase this amount and that then we will come out with a greater total than is here provided.

In my opinion, the questions of the gentleman from Michigan have indicated that on this occasion we cannot and should not rely on any such supposition as that. I think we should take the action today that should be taken by adopting this amendment.

Mr. Chairman, a great deal has been said here and in other places about America's obligation and its position as the leader of the free world. But the overriding issue at stake in these deliberations is the maintenance of our own military strength and the preservation of our own security.

I have said before, and I say again that the term "foreign aid" is a complete misnomer. This is a mutual security appropriation bill, mutual security for the nations of the free world. That is what is important.

The gentleman from Louisiana said that he was not fortified with a telegram about this matter, but I would like to say to him that as the majority leader in the 80th Congress under a then Democratic President I responded to requests many times and took action pretty much on the word of President Truman when this program was initiated. Looking back, I do not think I made any mistake. So I say without apology that before his departure for the Far East the President did send telegrams to Members on both sides of the aisle, and I think that was properly done.

In his telegram, the President said:

THE WHITE HOUSE,
Washington, D.C., June 11, 1960.

HON. CHARLES HALLECK,
House of Representatives,
Washington, D.C.:

I understand that, in addition to other unfortunate reductions, the majority of Foreign Operations Subcommittee of the House Appropriations Committee has acted to cut the military assistance appropriation request by $400 million and defense support by an additional $75 million. This cannot but jeopardize our own security and the defense of the free world. Unavoidably the military assistance cut would compel America to withhold from her allies both in NATO and in the Far East the equipment required to maintain a respectable posture of defense. The defense support slash amounts in total to $124 million below my original request and reduces this program by $95 million below this year's level. This will force us to distribute a deficit among our allies rimming the Communist world from Korea to Turkey, to the detriment of all, or else to drop entirely from this powerful defensive system one or more nations important to us in order to sustain the others at an adequate level. I must be, as you know, in the Far East when these subcommittee actions are reviewed next week in the full committee and in the House of Representatives. For our own security and for the common defense of the free world I most earnestly request your cooperation in restoring these funds.

DWIGHT D. EISENHOWER.

By contributing to the free world's military and economic strength we provide through the mutual security program an essential part of the defense of our own Nation. I well remember the words of the late Senator Vandenberg when in speaking of these programs he consistently expressed the view it was our own national interest we were seeking

to protect. I believe that is as true today as it was then.

We seek to reinforce the efforts of our friends in the common defense. The strength we make possible is fundamental to the capacity and will of our allies to resist Communist threats and aggression. In that way it is fundamental to our own security and our own welfare. We know that the peace of the world is dangerously threatened by the Communist power bloc. We have done and are doing all that we can reasonably do to maintain and establish a true basis for a just and lasting peace. But the rude and ruthless action of the Soviet leaders has cast a chill on the free world. Free nations are faced with a calculated renewal of the cold war.

So, in this critical situation our Government and our people are faced with the problem and the duty of taking what action we can most effectively take to protect the interests of our own country.

Except for our own defense budget, probably the greatest single action within the power of the Congress to take in support of our Nation's security and defense of our free world association is to provide for a strong mutual security program. By such action we can make possible powerful defenses for our allies.

Since this program was initiated 12 years ago, the free world has made substantial gains in economic and military strength. We can see this plainly in the recovery of Western Europe. Allied armies receiving military assistance have increased from 3½ to 5 million men; allied navies have increased from 1,200 to 2,000 combat ships; allied air forces have increased from 16,000 to more than 25,000 aircraft.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. About one-half of these aircraft are jets. All of these forces are better trained, better equipped, and better able to perform their assigned missions in defense of the free world as a result of the mutual security program. And, what is important to our deliberations here today is that these significant gains in allied military strength have been achieved at a cost billions of dollars below what would have been needed to do the same job here at home. A program of military and economic assistance enacted by the 80th Congress kept Western Europe and Greece and Turkey from falling into Communist hands in the late 1940's. Communist aggression has been checked in Korea, Vietnam, and Laos, and at the Taiwan Strait. More recently, free world nations have resisted Soviet pressures and have stood firm under threats of rocket attacks. And, of course, we had the most recent threat delivered 3 weeks ago. But, again I say our allies have stood firm and it is in our own basic strategic interest to support them in resisting actual or threatened bloc aggression.

The events which have just taken place in Japan are an ominous reminder to us all of how relentless the Communists are in their efforts to undermine and destroy free nations in this area. We, on our part, in this day and in this age, must be even more resolute, else these subversive forces shall succeed.

To that end I am going to support this amendment, which restores not all of the cut, just part of the cut, that was made by the committee, away below the authorization we voted upon some time ago. And, I am going to support the amendments for defense support that will be offered later, and I also intend to support an amendment dealing with the prohibition of funds for the Indus waters program, a program carefully worked out over a 9-year period by World Bank President Eugene Black to resolve one of the great issues confronting the free world involving troubles between India and Pakistan. If this effort is repudiated by the Congress, one of the great diplomatic successes of the decade will collapse.

This is a nonpartisan matter. This program through all the years of its existence has been supported by both sides of the aisle, and it has been resisted on both sides of the aisle. Both national platforms of 1956 strongly supported it. I have no doubt that the platforms to be drawn up next month by both parties will once again strongly endorse it. As a matter of fact, every major candidate for President that I know anything about supports this program. So, I do not think that we can afford to impede the progress that needs to be made either under President Eisenhower or whatever President succeeds him in the White House, because in my opinion, as long as the great struggle continues in the world, the struggle that has broken out between the slave and the free, we will be put to it to defend ourselves by working with the free people who stand with us.

So, I say with the President, let us not jeopardize our own security. Let us face up to the responsibility which is ours and adopt these amendments. This program is above partisanship. The real issue is the security and the strength and the protection of our own country.

Mr. GARY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I certainly agree with the gentleman from Indiana that the time has come when we should look out for our security. If the events in the world today demonstrate anything, they demonstrate that nobody else is going to look out for us. If we do not look out for ourselves, we will soon find our resources exhausted and then we will really be alone in the world.

The Vice President of the United States was quoted in the paper 2 or 3 days ago as saying that this cold war is likely to last for 50 years.

I say to you without hesitation that in my judgment it will not last for 50 years if we continue to go on as we have in the past few years, because we will not be able to last that long.

Let me give you a few figures. Fifty years ago was 1910. At that time our receipts were $676 million, our expenditures $694 million, and our public debt was $1,147 million.

Fifty years is a long time, but let us say that the Vice President is half right. Let us go back 25 years for comparison. In 1935 our total budget receipts were $3,730 million; the total expenditures were $6,521 million. Our debt then was $28,701 million. If the figures I am using are wrong it is the fault of the administration, because I am quoting from the Federal budget in brief, published by the Bureau of the Budget.

Now, that was 1935. In the last 25 years since 1935 we have balanced the budget only 5 times—5 times in 25 years. We have had a deficit in every year except 5. Let us see what the figures are today. For 1960 the expenditures are $77 billion. The national debt as of last Monday, June 13, was $289,300 million.

Do you think we can keep that up for 25 or 50 years? I do not think we can. The time has come when we must begin to consider these facts. One thing is absolutely certain—a bankrupt nation cannot defend itself. And let me give you one other figure here. Already so far this year we are $4,772,354,000 over the receipts. That is, our expenditures for the 11 months and 13 days of the present fiscal year exceed our receipts by $4,772 million. How can we keep that up?

We have got to stop and consider these programs in the light of our fiscal situation. Moreover, let me say, with all due respect to my very good friend, the gentleman from New York [Mr. TABER], that he and I have been on this committee together since it was first created; we have usually agreed. But I well remember during the debate on the bill for the fiscal year 1957 the gentleman from New York [Mr. TABER] spoke for an increase in funds for military assistance. He told us how necessary that increase was at that time. The House did not agree with him; they agreed with me. I felt the funds were sufficient. And what happened? The military program in that fiscal year ended up with a surplus of $538,800,000. I ask the gentleman from New York, Is not that correct?

Mr. TABER. Yes; that is correct; but the gentleman's statement with reference to the present condition of the Treasury is not, as I understand it.

Mr. GARY. I said that these were the administration figures.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. GARY] has expired.

Mr. HALEY. Mr. Chairman, I ask unanimous consent that the gentleman from Virginia [Mr. GARY] may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GARY. I shall be glad to yield to the gentleman from New York.

Mr. TABER. The gentleman has not taken into account income tax payments due June 15, that will be coming in between now and the 1st of July.

I think we can count on there being close to if not a balanced budget.

Mr. GARY. I said to the gentleman I was using the latest figures available. This is the daily statement of the U.S. Treasury on June 13, 1960. That does not take into account the collections of June 15 but I still say that this sheet shows that the deficit as of last Monday, June 13, is $4,700 million. I am not going to attempt to predict what the June 15 collections will be. I am not going to attempt to predict what the deficit will be at the end of the year. I am simply using the latest figures available, and I am using Treasury figures.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is that the latest statement?

Mr. GARY. They are the latest figures I have available. If I had later figures I would use them.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield.

Mr. CURTIS of Missouri. The gentleman is well aware of the fact that Treasury collections are highly seasonal and must be adjusted to get a fair picture.

Mr. GARY. I do not know how fair it will be, but we will get the picture for the year's operation at the end of the fiscal year. The gentleman can then discuss those figures. I will be glad to discuss them with him as soon as they are published. But I cannot anticipate what the figure is going to be next week or next month. They change so rapidly you cannot predict from day to day with any degree of accuracy.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Florida.

Mr. HALEY. Referring to the figures the gentleman has used here, is it not the fact that in 1953 the total indebtedness of the U.S. Government was approximately $266 billion and today it is approximately $289 billion, or roughly an increase of $23 billion?

Mr. GARY. That is absolutely correct. At the end of 1953 the total indebtedness was $266 billion and as of Monday, June 13, it was $289 billion.

Mr. HALEY. The expenditures of the Federal Government in the last few years have increased approximately $15 billion a year. We hear much of the fact that this is because of the rise in the cost of national defense, yet in 1952 the defense budget of this Nation was approximately $40 billion and today it is still approximately $40 billion, so the increase in the expenditures of this Government has been in domestic programs, not for the defense of this Nation.

Mr. GARY. I think that is correct.

Mr. PASSMAN. If the gentleman will yield further, the gentleman was chairman of this subcommittee for a number of years, and he has consistently defended the concepts of the program from its inception. Is that a fact?

Mr. GARY. Yes.

Mr. PASSMAN. Is it not true that we have heard the same charge every year when we endeavored to make some adjustment in the bill, to the effect that we were wrecking the program, but in subsequent years those charges were proved unfounded?

Mr. GARY. That is absolutely correct.

Mr. PASSMAN. Does the gentleman believe there are adequate funds in every respect in this bill to protect our military assistance program?

Mr. GARY. There are ample funds in this bill to protect not only our military assistance program but our entire foreign aid program. I want to say that the gentleman from Louisiana, the chairman of our committee, is one of the best informed men in the Congress on this program. No one has worked harder than he has to obtain the facts concerning the program. Notwithstanding the fact that he has voted against the program in the past, I think he has bent over backward at all times to be fair. Certainly he has in this bill.

I say to you I would not support the amount in this bill if it had not been for the U–2 incident and for the failure of the summit conference, because I would consider it too high. I had hoped that we could cut this program to $3 billion and possibly to $2,500 million, but after the U–2 incident and the failure of the summit conference I felt that we ought not to take any chances. We have taken that into consideration, and it is my honest opinion that the bill is adequate.

Mr. FORD. Mr. Chairman, I move to strike out the last word. The pros and cons of this amendment, and this problem, have been well discussed, but I believe at this point it might be proper, and I hope helpful, to take up several points that, in my opinion, need reemphasis. Our distinguished chairman of the defense subcommittee, a man for whom I have the highest personal regard, in effect, has made the point that if we are wrong in this figure of $1.6 billion for military assistance, we should not be concerned because the other body might protect us from our failures and come up with a figure more nearly accurate and right. There is logic to that point of view providing precedent indicated that they would make a change upward in these figures. The facts are for the last 2 years they have not. For the fiscal year 1959, we recommended and approved for military assistance a figure of $1,515 million. The other body approved exactly the same figure. That was 2 years ago. For fiscal year 1960, the House approved a figure of $1,300 million. The other body approved an identical figure. The point is we cannot expect that the other body will rescue us if we have made an error. My point is, first, that we should have the higher figure, based on military considerations. Secondly, the precedent establishes beyond any doubt that they will not go beyond what this body does in this area.

Mr. Chairman, earlier this afternoon, the distinguished chairman of this subcommittee, the gentleman from Louisiana, made a point that under the law it was possible to transfer $259,980,400 from various appropriations to supplement the military assistance account providing the figures in this bill were approved and became law. I wonder if my distinguished chairman is advocating that these transfers be made, if this is enacted into law? Is he advocating, for example, that the figure recommended, that he urged our subcommittee to approve for the United Nations Children's Fund be depleted by the transferability that he advocates and recommends? I wonder if our distinguished chairman is suggesting to the House that his figure, that he proposed we approve in this bill, for technical cooperation, can be depleted by the transfer authority that he now says exists? I wonder if he is now saying, in effect, that the figures he has recommended in all these other areas are unsubstantiated.

Is he urging that the figures he proposed be changed downward? I think the distinguished chairman puts himself in a somewhat untenable position, inasmuch as he proposed to the subcommittee these precise figures without any charge.

Yes, it seems to me that you cannot escape the dilemma by now saying we should pull funds from this pocket and put them in the other pocket. Those programs are either sound on their merits—and the chairman recommended them—or they are not, and you cannot now come up and say they are unsound in order to help out in this current debate.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. FORD] may proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. FORD. I shall be glad to.

Mr. PASSMAN. The gentleman from Louisiana has not recommended any such procedure as the gentleman from Michigan implies. The gentleman from Louisiana is merely referring to the law and providing the recapitulation supplied by the Comptroller General who stated, and I quote:

> Amounts which legally could be transferred to military assistance if there is need for it.

I am not going to violate any of my obligations or responsibilities to maintain the secrecy of the subcommittee, but the gentleman knows that some Members on his side of the aisle wanted to cut in half the item he just mentioned.

The gentleman from Louisiana has not recommended anything such as has been implied; he is merely stating facts, and these facts are in the record.

Mr. FORD. If the gentleman is not recommending that the executive

branch do this, I do not see any substance to the argument which he makes about the right of transferability.

Mr. PASSMAN. The gentleman knows that year after year hundreds of millions of dollars of these funds are deobligated; and the gentleman knows that a lot of these programs put huge sums into what I have referred to as "phony obligations" and then come along later with deobligations. Last year $150 million was deobligated after we went home.

Mr. FORD. Now, if I can turn to summarizing what I think is the basic justification of this amendment: Here we have a chart that shows that 9 years ago we had substantial funds in unexpended military assistance funds. This chart also shows that for the last 5 or 6 years we have made available in new obligational authority for this program of military assistance an average of about $1,350 million. Is also shows that for the same period of time we have expended for this program an average annually of about $2.3 billion. In other words, we have been spending about a billion dollars more each year than we have been making available in new obligational authority. We have been able to do that for one concrete reason, that we had unexpended funds available from earlier years. We have drawn down those unexpended funds. We have now come to the point where we have in my opinion about reached the bottom of the barrel if we are to continue this program on this level.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. RHODES of Arizona. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may proceed for 2 additional minutes.

Mr. HAYS. Mr. Chairman, I object, and shall object to any further requests for extension of time.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with a recommendation that the enacting clause be stricken.

Mr. HOFFMAN of Michigan. Mr. Chairman, permit me to say there is no expectation that this motion will be adopted. Nor is it made solely for the purpose of getting an opportunity to speak, because unless revised, I expect to vote against the bill on final passage.

A LAUDABLE DESIRE BUT A FOOLISH POLICY—TRIED BUT FOUND WANTING

There are two convincing reasons why this proposed appropriation should be drastically cut. There is still available, unexpended, something over $5 billion.

The program had two objectives: the economic recovery of European countries devastated by war, and making permanent our national security. The proposal to extend financial aid to European countries "willing to assist in the task of recovery" was made by Secretary of State Gen. George C. Marshall[1] at Harvard University on June 5, 1947.

The gentleman from Louisiana [Mr. PASSMAN], chairman of the Appropriations Subcommittee in charge of this bill, told us yesterday that we have, to further military and economic aid to other countries, appropriated $100 billion. Though one of the purposes of the bill was the laudable one of aid to people less fortunate than ourselves, a justifiable desire was to strengthen and make ourselves strong from a military standpoint.

In a large degree, the first purpose, to promote economic recovery in other lands, has been accomplished—in fact, to such an extent that some of the nations we have aided are now successful competitors in the economic field.

The real purpose of the movement, that is, to purchase friendship and military aid from other countries, make ourselves secure, has not been attained. I challenge anyone to name the nation which, or the people who, when its or their own interest is adversely affected, will, to its detriment, come to our aid in time of emergency.

Much time might be used to prove that today, both economically, and militarily, we stand alone.

To demonstrate the truth of that statement, we need but to read the press, listen to radio, or watch TV, to learn that, throughout the world every nation and its people are in domestic trouble, but that in the overall picture, there is everywhere, notwithstanding our expenditure of billions of dollars, an active, strong segment of the population antagonistic to the United States of America.

The Vice President's visit to South America, Cuba's attitude toward us, yesterday's rioting in Tokyo and Japan's request that the President should not, because of the people's attitude, visit Japan, are but three of the outstanding occurrences which demonstrate the truth of the broad proposition that our foreign aid program, so far as purchasing good will or military security, has failed.

The pattern for the riot, for the seizure by the mob of Tokyo, but followed the communistic pattern pursued by Reuther in the sitdown strikes in Michigan in 1937.

The appropriation of billions of dollars for national defense, for the production of weapons is futile when we permit any organization to slow down or end production by a strike. The latest example, as shown by the press and radio, being the strike which has interfered with the production of perhaps one of our most effective weapons, the missile.[2]

THE OTHER PHASE OF THE PROBLEM

The objective of charity and faith, our laudable desire to help others, has been remarkably successful, but, unfortunately and unanticipated, to our own detriment.

Again, a book might be written demonstrating the truth of that statement.

Kindly, sensitive people and organizations, with the highest of motives, a burning desire to make all people happy and content, and strange as it may seem, certain union organizations, have advocated and have caused not only money and credit, but the know-how and technicians, to be sent to other lands to further our desire to aid.

Others have been helped, and today they not only have efficient and productive plants in countries throughout the world, but we have our own technicians, our own industrial plants producing products abroad which are returned to this country, sold in successful competition with the things made by our workers here, crowding our own products out of the market, and adding to the unemployment situation.

It is doubtful if there is a Member of this House who comes from an industrial district who cannot cite a specific example of the ruinous effect upon not only industry but employees here at home.

Such is the fact in my own district. Many, many times we have heard our Democratic colleague, the gentleman from West Virginia [Mr. BAILEY], who is so deeply interested in the people in his own district, complaining bitterly about the effect of foreign importations upon his own people.

In the brief moments allotted to me, comment cannot be made citing the various businesses and groups of individuals who have been adversely affected. Such citations are not necessary for they are a matter of common knowledge.

Today, as since the beginning of civilization, we can find and, if we choose, name individuals and groups who, unaware of the ultimate result, in an attempt to further their own interests, are following a course which will either bring us war or destroy us economically and impoverish us individually.

It might be added that it hurts to find myself in opposition to my very good personal friend and adjoining political neighbor from the Fifth District of Michigan [Mr. FORD], and I am very, very sorry I cannot go along with him. But I cannot vote to continue to give billions to other countries while we fail to meet the needs of our own people. I have somewhat less regret to find myself in disagreement with our minority leader because he lives a little farther away.

---

[1] On Dec. 8, 1945, General Marshall told us he did not know where he was on the evening of the 7th when the Japanese struck Pearl Harbor.

[2] Washington Star—June 4, 1960:

"STRIKE CALL HITS MISSILE BASES

"SAN DIEGO, CALIF., June 4.—Convair machinists have called a strike at midnight tomorrow at Cape Canaveral, Fla., Vandenberg Air Force Base, Calif., and other key U.S. missile bases.

"Exactly what the effect will be remains to be seen.

"The International Association of Machinists called the strike yesterday after turning down Convair's second contract offer.

"Work at two other big Convair plants in San Diego will be halted Monday. The stoppage will halt work on Atlas intercontinental missiles and Convair's new 880 and 660 jet transports, and the F-106 fighter, but workers are expected back Tuesday.

"On Wednesday Convair offered 27,295 machinists an 11-cent wage offer, and the union turned it down."

Let us by all means strengthen our own national defense, not by bases and airfields in other lands, which Russia has already told us will not be permitted to be used for observation and which, in case of war, will be used by our enemies; not by dollars which will be used in other countries for the production of war materiel, but here at home, in the production, through scientific aid, of the most improved defensive, destructive weapons; make our country, if that is possible, impregnable to the assault which any nation or group of nations may be either foolish or ambitious enough to make.

A more worthwhile, a clearer, more convincing statement will be found in an editorial in yesterday's Chicago Tribune, which reads as follows:

IRONIES IN FOREIGN AID

The House Republican policy committee, consisting of 30 gentlemen supposed to be the brains of the minority, has found a cause to fight for, and guess what it is. It's restoration of cuts in foreign aid voted by the Democratic majority of the House Appropriations Committee.

The Republican President asked $4,175 million in foreign aid funds. The Appropriations Committee decided to trim that request by $790.5 million. The committee adopted the recommendations of a subcommittee headed by Representative PASSMAN, of Louisiana, a Democrat.

Four Republicans on the full Appropriations Committee voted against the reduction, and the Republican policy committee concluded with this quartet that the cuts posed a threat to the security of the United States. Just how it was not stated, for the appropriation now coming to a vote still amounts to $3,384.5 million, to which must be added $4 billion previously appropriated but unspent funds, making the total available for handouts abroad $7,384.5 million.

The Republicans who see the national security imperiled do not, curiously enough, urge full restoration, but feel that if $250 million of the $790.5 million reduction is put back in the appropriation, then the country will be safe again. Judgments of such refined character disclose shadings of understanding which will elude most citizens, for the difference either way is of slight consequence, except to the struggling taxpayers.

Foreign aid was initiated under Democratic administrations, and it used to be that the Democrats resisted cuts while the Republicans sought to obtain them. Now it is the other way around. A Democratic excursion in global dogooding, which, after an outlay of some $85 billion, has yet to prove that it is productive of anything more significant than waste, becomes a Republican article of faith. We do not get it, nor do we think will most Republican voters.

Mr. YATES. Mr. Chairman, I rise in support of the pending amendment.

Mr. Chairman, I support this bill and I am in opposition to the pro forma amendment. I shall support the amendment which was offered by the gentleman from New York [Mr. TABER] because I believe it to be vitally necessary to the interest of our Nation. I disagree completely with the gentleman from Virginia [Mr. GARY], my very good friend. I do not think that the United States of America is bankrupt. I do not think we are going bankrupt. We certainly are not going bankrupt this year and that is what concerns us now. This is a special year for the consideration of the pending bill.

Last year this bill might have been in order; the cuts, the restrictions in this bill might have been in order. But, the special events of recent days have given a new atmosphere to our relationships with the other nations of the world. This is a special time that deserves special consideration. This is a time for special action and not our usual reactions. We are threatened throughout the world by communism, and extravagant budget cutting is a luxury we cannot afford.

Mr. Chairman, whether we believe in the foreign policy of this administration or not—and I have been one of its severest critics on its foreign policy—we cannot permit the shattering of the cornerstone of our present foreign policy by passing this bill with its improvident provisions requiring the contraction of our strength. To do so would be to engage in what can only be described as unilateral disarmament. In my judgment that is the worst thing we can do at the present time.

Unquestionably there have been mistakes in this program. We have given military assistance to buttress unpopular dictatorships, and I have been opposed to such action. We have forced military assistance upon nations which could not support or completely utilize it, and I have been opposed to such actions. But the fact remains that we need this program because we have no other policy at the present time. Shall we, by passing this bill, obliterate, if you will, a working program however imperfect without having an alternative to take its place?

Mr. Chairman, we stand on the threshold of a new election. In November a new President will be elected, and whether he be a Republican or whether he be a Democrat, I think we must ask ourselves these questions: One, shall we make Mr. Eisenhower's overwhelming task even more difficult in the dying days of his tenure? Shall we contribute to a paltry inheritance of troublesome foreign relationships for the next President whether he be a Democrat or whether he be a Republican? Shall we contribute to shattering the cornerstone of our present foreign policy without having a suitable alternative, and thereby increase immeasurably the burdens which the new President will have to assume? It is true that it is our responsibility as Members of the Congress to pass upon this bill, but you must keep in mind that what we do on this bill, what the Congress does, will have a significant effect upon what the next President of the United States has to do when he takes office next January. Let us give him a program that is strong, not a skeleton of what the program should be. Let him decide if he wants to terminate it.

Mr. Chairman, I urge opposition to the preferential motion and I urge support for the amendment offered by the gentleman from New York.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. SIKES. Mr. Chairman, I move to strike out the last word and I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. MASON. I object, Mr. Chairman.

Mr. SIKES. Mr. Chairman, I see little relationship between the cuts that have been made in the foreign aid bill and the defense of America or of the free world. Therefore, I support the committee bill and I oppose this amendment.

I believe, Mr. Chairman, if we were to adopt this amendment, we would be resigning ourselves to a continuation indefinitely of the present unrealistic world situation. Remember, there is the sum of $2 billion unexpended in this program now. This is the so-called leadtime or pipeline money. A sum of $2 billion is not needed now for leadtime and pipeline. Our rate of production and our rate of delivery have been stepped up materially.

The facts show this is a much greater amount of money than is necessary for an unexpended balance. Everything which is desired by the proponents of the legislation, and which it is possible to accomplish, can be achieved by the bill as written. Therefore, there is sufficient money in the program as recommended by the committee.

Mr. Chairman, an additional $200 million will not rehabilitate a program that needs spirit and determination and drive much more than it needs money. I have heard the arguments for this amendment. I know foreign troops can be maintained at less cost than U.S. troops. I know we need allies. I am not one who distrusts or downgrades our allies. But let us look around us at what is happening. For instance, we have contributed for years to the defense of Japan. We have put nearly $700 million into a buildup of that nation's military strength. We have helped to develop a home defense force there of 150,000 troops. Our Department of Defense says that they are good troops; they say they are well trained, that they are reasonably well equipped from American stocks. But tell me this. Where were those 150,000 troops when the Japanese Government said that they could not be responsible for the safety of our President? Where is the return on America's investment, an investment of the type which is provided for many nations in this bill, when the armies to which we contributed abroad cannot even maintain or are not allowed to maintain order against domestic Communist disturbances?

Mr. Chairman, this is a shocking failure on the part of an ally to come through in time of need. And none has benefited more from American aid, economic as well as military, than has Japan.

American workmen and American manufacturers are crying for relief from the flood of Japanese goods which has been generated by this aid. If Japan will not use the resources built up by American dollars for the protection of

America's President on a good will visit then pray tell me when will those resources be used in the common good?

In the beginning, when much of the world was prostrate, I supported this program, I felt it was necessary. But the situation has changed very markedly. Europe and the rest of the free world are generally prosperous. But they are reluctant to accept their full measure of responsibility for world peace. And I am afraid that America's leadership has lapsed into the easy habit of using dollars as a substitute for strong diplomacy.

Mr. Chairman, the evidence, regrettably, does not show that we have received fair value for the defense billions already given to our allies in this long and costly 12-year program. The record, regrettably, does not show that our allies, with but one or two exceptions, are making a substantial contribution to the joint defense effort which is in keeping with their material well-being. Percentagewise, our defense contributions are more than double those of nearly every member of the Western Alliance.

Let us look at NATO which has been prominently mentioned. NATO on which we have placed our major hopes, is far from being up to projected strength, strictly because of the failure of our allies to develop the pro rata forces which they agreed to contribute. In 1949 NATO commanders requested 90 divisions as a realistic force for the defense of Europe. By 1955, despite growing Soviet and Soviet satellite strength, a new figure of 30 divisions was established by Allied agreement as the irreducible minimum for NATO. How many divisions does NATO actually have in 1960? Fewer than 20. And of these, the U.S. forces are the major obstacle to enemy aggression. Our allies, who have been receiving American military aid through all these years, have not lived up to the measure of responsibility and effort to which they firmly committed themselves.

In other words, if Uncle Sam will do the job, they are going to let Uncle Sam do it.

Let us look a little further. This bill carries money for defense contributions to many small nations. This amendment would increase that contribution. Yet in many of them there is no realistic promise of effective use for the joint defense of the weapons and equipment which is given them. To arm some of them is a waste of time, effort, and money.

Let us face the fact that America's prestige has not been at a lower level worldwide in our time. The prestige of the democracies is dropping everywhere in the face of violent and ruthless tactics by the Communists and their cohorts. But the fact that diplomacy is finding itself unable to cope with today's problems is not an argument for more foreign aid It is an argument for a realistic reappraisal by the United States and by our allies of what the future holds.

In the meantime, how long must we invent arguments with which to excuse our allies for the lack of mutuality in this program? How long must we try to convince ourselves that there need not be a common acceptance of the need for a joint and equal sharing of the problems and the cost of defense against communism?

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, at this stage in the debate on the Taber amendment I feel it is a good idea to try to put the whole thing back into context and reconsider what we are really trying to do with the amendment.

This amendment is to the military assistance part of mutual security. Military assistance is the program by which we buy and deliver military hardware to the forces of our allies around the world. This is not special assistance, this is not technical cooperation, it does not deal with any other phases of this program; this is military assistance.

The committee has reported out $1,600 million for this item. The President of the United States has asked for $2 billion. The gentleman from New York has offered an amendment to raise the amount from $1,600 million to $1,800 million.

I want to point out to those of you who believe that anybody who offers an amendment might be a spendthrift that in the first place the gentleman from New York has never had that reputation and certainly does not deserve it, and in the second place, this is still a cut of 10 percent of the budget request of the President. In other words, if the amendment of the gentleman from New York is adopted, there will still be a cut of 10 percent. This is a pretty healthy cut, particularly in these times when we are worried and have reason to be worried about the security of the free world.

I reiterate what the gentleman from Michigan has already proved, and that is the fact that the other body does not historically raise the amount for military assistance. The amount which we pass will probably be the amount which will be in this bill when it goes to conference. As you know, there can be no raise in conference, so we will probably have only the figure as it appears when it leaves the House. As a result, I style this as the most important amendment we can possibly have.

A few moments ago, the gentleman from Louisiana, the distinguished chairman of the subcommittee, had on the rostrum a letter involving the use of local currency for military purposes. The implication was given that the amount of $459 million in local currency is available for the military assistance program. I think the gentleman is well aware that that amount is available only in the category of defense support. I ask the gentleman from Louisiana if that is not so.

Mr. PASSMAN. I can tell the gentleman that I am reading the letter.

Mr. RHODES of Arizona. I do not want the gentleman to read the letter. Will the gentleman tell me whether or not he disagrees with my statement?

Mr. PASSMAN. I will tell the gentleman what they said.

Mr. RHODES of Arizona. The gentleman has read the letter.

Mr. PASSMAN. Will the gentleman permit me to reply?

Mr. RHODES of Arizona. Certainly.

Mr. PASSMAN. The letter states:

> These currencies make it possible for the country of origin to raise and maintain forces considered essential by the United States.

The letter was stamped "secret," and the amount is $451 million, and that was also stamped "secret."

Mr. RHODES of Arizona. I do not yield further.

The program which we are talking about is to buy tanks, airplanes, and weapons; 90 percent of this money is spent in the United States. You do not pay for tanks, airplanes, and military weapons produced in the United States with anything but dollars. You do not pay for them in baht, or kip; you do not even pay for them in pounds or francs, you pay for them in dollars.

The $459 million of local currency the gentleman has mentioned goes for the category of defense support. It is the second phase of defense support. As the gentleman well knows, the first phase is the purchase of capital equipment to go into these countries. This equipment is then bought by the people in the country and local currency is generated by the purchase. This local currency is available then for use in expanding the military program in the country which got the materiel in the first place.

Mr. TABER. Mr. Chairman, if I could have the attention of the gentleman from Louisiana [Mr. PASSMAN], is it not about time that we had some agreement as to when we would vote?

Mr. PASSMAN. Mr. Chairman, today is Friday and many Members would like to go. We have been on this amendment for 1½ hours already. I do not want to be accused of trying to cut off debate, therefore, I ask unanimous consent that all debate on the pending amendment close in 30 minutes with 30 seconds to be reserved for the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. Under the unanimous-consent agreement, each Member standing and seeking recognition to speak on the pending amendment will be recognized for 1½ minutes.

Mr. GROSS. Mr. Chairman, I yield back my 1½ minutes.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. MEYER].

Mr. WOLF. Mr. Chairman, I ask unanimous consent that the time allotted to me may be transferred to the gentleman from Vermont [Mr. MEYER].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MEYER. Mr. Chairman, I am opposed to this amendment. Last year I supported the mutual security appro-

priation, and I believe in many of the things it stands for and many of the things it does. But, I do believe we could be much more selective in the use of military funds abroad. We give a lot of hardware, a lot of planes and things to countries which cannot use them and do not need them to do things that really are not in the interest of those people. Furthermore, we have seen that some of these military funds are used for political purposes, which is not in the defense of the free world or in fulfillment of the general terms and purposes of this act. We have also found out in recent times that much of the money is being used for implementing nuclear agreements to provide nuclear weapons systems to countries abroad, some of which are not too reliable. I do not believe that is in the best interests of the United States. Therefore, if not so much money was available, we would be more selective as to how it would be used, and we would do much more good with it. Furthermore, the Committee on Foreign Affairs did not have an opportunity to examine the military portion in detail this year because of the nature of the vote on the legislation.

Mr. CURTIS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MEYER. I do not have time; I have only 3 minutes.

Therefore, this much money should not have been authorized. By it I mean the $2 billion figure, or even $1,800 million. Therefore, I am opposed to the amendment.

I now yield to the gentleman from Massachusetts.

Mr. CURTIS of Massachusetts. Is it not a fact that the Foreign Affairs Committee examined the military assistance program in detail this year?

Mr. MEYER. Not the way it did last year.

Mr. CURTIS of Massachusetts. I beg to differ with the gentleman.

Mr. MEYER. I yield back the balance of my time.

The CHAIRMAN. The gentleman from California [Mr. CLEM MILLER] is recognized.

Mr. CLEM MILLER. Mr. Chairman, I take this time to ask a question that has not been covered thus far in the debate. I address the question primarily to the gentleman from Arizona [Mr. RHODES] because he came the closest to touching the subject, one which in my opinion is of very great consequence.

In all the debate yesterday and today on this military assistance program not a word has been said on the floor about the basic justification for it. My question deals particularly with the underdeveloped countries of South America and southeast Asia. Some say that we are actually hurting these countries and our own military position rather than the contrary. How do we justify this military assistance program with respect to those countries? How do we answer the allegation that the military assistance we give to many of these countries is destructive of our own best interest?

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. CLEM MILLER. I yield.

Mr. RHODES of Arizona. I regret the opportunity of not being able to explain it due to security limitations, but those are just the facts of life.

The gentleman has asked a good question and I am sure he can find the answer in the volumes at the committee desk.

Mr. CLEM MILLER. I think this is a thing which should be discussed on the floor of the House. We have had yards of figures and statistics, all begging the basic question of why we should support this program at all. I feel the Members are entitled to some justification before we are asked to vote, and fail to understand why it cannot be done in terms which do not offend security limitations.

The CHAIRMAN. The gentleman from Illinois [Mr. PUCINSKI], is recognized.

Mr. PUCINSKI. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and include a letter.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Chairman, I have taken this time to ask the chairman of the subcommittee a question. I recently received the following letter from the Helene Curtis Industries, Inc., which, while it is not in my district, being only a few blocks away, employs many of the people who do live in my congressional district:

DEAR SIR: The Associated Press this week carried a release indicating that the Arab League has banned Helene Curtis merchandise from distribution in those countries. This action is based entirely on the refusal of Helene Curtis to terminate its business activity in Israel.

We believe this action represents a situation that is of sufficient importance to be brought to your attention and weighed in the consideration of actions and activities of our Government in its relation with the Arab League countries.

The economic effect is of little importance in this instance inasmuch as the Arab League countries represent less than one-half of 1 percent of Helene Curtis foreign business. In contrast, many times that amount of business is effected by Helene Curtis in Israel alone. However, the principle involved here is vitally important.

The documents attached are photo copies of correspondence in our files and reflect an arbitrarily menacing, discriminating procedure on the part of the Arab League. We recognize full well the sovereign rights of these and other countries to handle their internal affairs as they see fit; however, the matter becomes more pertinent and immediate when such action is taken by countries which are now receiving aid from the United States and expect to receive further aid in the future. Helene Curtis, through its payment of taxes to the U.S. Government, is, therefore, aiding these countries to specifically discriminate against its ability to engage competitively in foreign commerce.

The file of letters attached represents correspondence with our distributor in Amman, Jordan, and has been repeated with our distributors in Beirut, Lebanon, and Cairo, Egypt, as well. Accordingly, we are, effective as of this date, removed from any opportunity to engage in business in the Arab League countries. We, obviously, have not the slightest intention of severing our business relations with our representatives in Israel.

We respectfully request and urge that a strong protest be made to the Arab League countries to the end that this discriminating action is lifted and our orderly conduct of business can continue in those countries. Your early attention and reply will be appreciated.

Very truly yours,

HELENE CURTIS INDUSTRIES, INC.,
GEORGE M. FACTOR, *Vice President*.

I should like to ask the chairman whether or not in this appropriation there is American financial assistance in any form to the Arab League.

Mr. PASSMAN. The answer is "Yes."

Mr. PUCINSKI. That being true, Mr. Chairman, it seems to me that there is something tragically incongruous when we permit a recipient of our generosity to retaliate against an American firm, an American manufacturer employing American citizens, because this American firm happens to do business with Israel.

I have asked the State Department to protest this unprovoked discrimination against an American manufacturer by the Arab League. It is inconceivable to me that we Americans can tolerate this conduct by the Arab League. If we fail to protest this conduct and silently accept such conduct by the Arab League, we are laying the foundation for a principle in international trade which ultimately could have devastating effects. Israel is one of our most reliable allies. If the principle of boycotting American firms because they do business with Israel—or with any other country for that matter—is permitted to continue, we are condoning a practice which eventually can destroy the entire structure of international trade. I hope the State Department will protest this completely unjustified practice by the Arab League. Otherwise, we should give serious consideration whether we want to continue economic or military assistance under the type of legislation we are considering today to nations which so brazenly discriminate against American manufacturers whose tax money constitutes a considerable part of the funds in our mutual security program.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The gentleman from Minnesota [Mr. JUDD] is recognized.

Mr. JUDD. Mr. Chairman, I am sure that each person's vote on an amendment like this depends, first, on his own estimate of the seriousness of the world situation we face; and, secondly, on his estimate of who knows most about the situation and what is necessary to meet it successfully. In short, whose judgment is likely to be soundest? Whose advice are we to take?

We recently passed the Defense Department appropriation bill and we were assured here that the amount in it was adequate for our own Armed Forces. I understand that in view of recent events in the world the appropriate committee in the other body has increased our amount by a little over a billion dollars.

Our own Chiefs of Staff who are administering the military assistance program say that it is just as essential to our security as are our own Armed Forces. Yet, just when the other body increases

our estimates for our own forces by more than $1 billion, we are here being urged to make a cut of $400 million in appropriations for military assistance.

Now, am I to take the judgment and advice of Members of Congress however sincere, dedicated, devoted, and conscientious they may be, or am I going to take the advice, especially in this time of crisis, of those who are charged with our defense, and who know most about it? When they tell us this is just as essential to our security as are the appropriations for our own Armed Forces, I for one am going to take their advice. I am not willing to take responsibility for weakening my country's defenses.

We have heard today a lot about waste. We have considered this whole important and difficult question in the Foreign Affairs Committee, and we estimated 2 or 3 years ago that all the programs about which there were complaints at that time amounted to less than 4 percent of all the programs under the mutual security program. I wonder how many efforts by any government anywhere have a lower percentage of questionable projects.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I should like to take a moment to answer a question that was raised a few minutes ago about the effect on economies of other countries of this military assistance. I do not think it is violating any secret information to say that a major percent of the military assistance goes to countries on the perimeter of the Soviet bloc nations.

Let me mention one other point. We read every day in the papers the criticism that the defense of our country is not being adequately maintained, that further funds are needed. An amendment has received support in the Senate to provide $3 billion in additional funds. It is inconsistent, in my opinion, now to cut down on military assistance when all of the testimony is that military assistance is just as valuable to our own defense as is the money provided for our own Defense Establishment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Massachusetts. I yield to the gentleman from Minnesota.

Mr. JUDD. I thank the gentleman. It was figured out 2 or 3 years ago that all the programs about which there have been complaints of waste and grave mistakes are less than 5 percent of all the programs being carried out. But suppose it is 10 percent of the programs that do not succeed. Let us not forget the 90 percent that succeed. I have never known of a surgeon who could operate without losing some blood. He can avoid such loss of blood only by not operating at all; he will then just lose the patient. It is not possible to carry on a program like this, trying to save a free world, without some waste and without some mistakes being made. We must do our best to hold them to a minimum and this amendment, if adopted, still leaves a cut of 10 percent, as the gentleman from Arizona pointed out. Let us keep our attention on the 90 percent that are succeeding and that are essential to our own defenses.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York [Mr. TABER]. I cannot stress too emphatically that the failure of this amendment will mean the weakening of the NATO.

I should like to mention the fact that military assistance to NATO countries, including Greece and Turkey in this program, amounts to $740 million. To the European NATO countries alone it would include $459 million, which earmarks for infrastructure $90 million; the weapon development program, $40 million; the international military headquarters, $11 million; weapons production, $39 million; and the science program, $1.2 million.

I do want to say that I feel we are spending too little on the production of conventional weapons. The importance of the manufacture of these weapons by our allies is most important to us.

In this program, Mr. Chairman, may I say that six European nations have agreed to buy about $400 million worth of weapons from the European Producing Agency. This Agency will produce the antiaircraft Hawk and the Sidewinder missiles.

I cannot emphasize enough the fact that there is not sufficient money in this program, there is not enough money in the pipeline, and I hope that every Member will support the amendment offered by the gentleman from New York.

I hesitate to repeat but our military assistance under the bill is an integral part of our national defense.

First. Any reduction in military assistance program falls most heavily in the area most critical to NATO—force improvement and modernization; this means NATO will bear the brunt of the cuts.

(a) Of the $2 billion requested for MAP for fiscal year 1961, approximately one-fourth goes for relatively fixed charges such as infrastructure and international military headquarters. Little can be shaved off in these areas.

(b) Six hundred and fifteen million dollars is planned for force maintenance. Little or no reduction is possible in force maintenance since commonsense dictates that forces which we have equipped and trained at great expense and effort be kept in a good state of repair and readiness.

(c) Any cuts made will therefore be largely from the $865 million for modernizing existing equipment and setting up new units and installations.

Approximately 80 percent of any cut would be taken in this area. Such a cut would proportionately reduce funds for missiles, electronics, modern aircraft and ships, tanks and combat vehicles, construction at missile bases and so on, which are vital to the effectiveness of forces allied with us, especially those of our NATO allies.

The $300 million cut last year resulted in postponement of much essential force modernization in NATO countries.

Second. We recognize that European countries have made a remarkable recovery since the end of the war.

Restoration of a viable economy was the objective of the Marshall plan, and we are most gratified that it has been successful.

Evidence of this is found in the increasing number of countries able to meet their own military requirements and in the increasing contributions European nations are making to aid projects for underdeveloped countries.

Third. This economic progress, however, should not lead us to the false conclusion that European countries are in a position to assume all the costs of modernizing their military establishments.

(a) European countries, despite enormous strides, have to build their defense forces on a much narrower base than does the United States. The average per capita gross national product and level of private consumption is about one-third that of the United States.

(b) Total tax receipts of European NATO countries represent 30.9 percent of gross national product as against 24.9 percent of gross national product in the United States.

(c) Although average defense expenditures in European NATO countries are 5.6 percent of gross national product as against 9.7 percent in the United States, the lower average income and higher tax rates in Europe make the defense burden borne by the average European heavier than that borne by the average American.

Fourth. Despite the foregoing, the United States has urged in NATO forums and bilaterally that European NATO countries assume a larger share of the common defense burden, and they are doing so.

(a) In 1953 the United States was bearing 28 percent of the European defense burden; today we are carrying only 8 percent.

(b) Defense expenditures of European NATO countries rose from $12.2 billion in 1958 to $13.6 billion in 1959, an increase of 11 percent. Present indications are that they will rise to $14.2 billion this year.

The Netherlands has planned a 9-percent increase in its budget for 1961; the United Kingdom has announced a 7.6-percent increase; Belgium and Italy are making increases of 3 and 4 percent, respectively.

Fifth. Even these increases in European defense budgets fall far short of what is required to provide General Norstad with the modern forces and equipment he requires to defend Europe and the United States.

New weapons are fantastically expensive to develop and produce and beyond the means of most of our European NATO partners.

Any cuts in the MAP will dangerously retard the modernization of General Norstad's forces and deprive him of the barest minimum of modern equipment needed in the European area, which is our own forward defense line.

Sixth. The Joint Chiefs of Staff make their strategic plans on the assumption that the United States can count on

effective allied contributions made possible by our military assistance program.

The Joint Chiefs have indicated that they would not want any increase in the U.S. defense budget if this is to be made at the expense of the military assistance program.

It seems clear, then, that it is just as important to vote the full amount of the military assistance program as it is to vote the full amount required for our own Defense Establishment.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, as we look around the world today and observe the new developments in Cuba, Korea, Turkey, and Japan, we must ask ourselves whether or not this foreign-aid program has been successful. It seems to me that we in the United States have a dual obligation. We have the primary obligation to keep ourselves strong economically and militarily, and we have an obligation, secondly, to provide inspiration, leadership and guidance to those countries throughout the world that need it, require it, and want it.

We too often, in my opinion, seek to solve our problems simply by voting dollars instead of providing the guidance and leadership we ought to provide. Here is such an instance. The amount that has been provided by the committee is adequate if wisely used. Let us, I say, keep ourselves strong here at home and not seek to solve the problems of the world by simply voting additional dollars.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, the debate on the mutual security appropriations bill makes it eminently clear to me that this program is in need of an agonizing reappraisal, as I have contended repeatedly for the past 4 years. It is most unfortunate that every taxpayer in this country could not have heard the debate which brought forth the findings of committee members who spent countless hours in studying the use of these funds, not only through departmental reports but from their on-the-scene investigations in recipient foreign countries.

There are those who have expressed their ardent support of this program because they feel that its purpose is lofty in ideal and principle. While that may be entirely true, we who are charged with the responsibility of legislating must certainly go to the core of every appropriations bill and exercise the power and authority invested in each of us in remedying waste and inadequacies.

During the years I have had the privilege of serving in the Congress of the United States, evidence of great waste in this program has been presented to each of us. Yet, while we are expected to blindly, perhaps, approve billions in appropriations, we are actually left with no real authority to see that those administering the program are doing the job intended to be done. Neither are we given an opportunity to vote funds for the various phases of the mutual security program on a discriminating basis. Instead, year after year we are presented a bill calling for astronomical sums of funds tightly packaged into a single measure of legislation, embracing military, economic, and technical assistance in round sum figures—and offered on a take-it-or-leave-it basis.

Apparently many of those in charge of administering the program feel that it has become one of the many "sacred cows" which provide Members of Congress with no alternative but to vote the funds or be charged with an attitude of indifference toward our national security. We are obliged, in the name of preserving freedom and democracy, to vote funds for a Communist Yugoslavia and contributing to Communist-dominated Poland. We are told today that our contribution of funds to Japan, for example, must be kept a secret, even from Members of Congress. And there are other areas of assistance which are cloaked in complete secrecy.

I ask you, are we responsible if we legislate the expenditure of tax funds in a bill that is punctuated with blind spots as is this one? Are we responsible if we approve increased expenditures of funds while evidence of waste is right before us?

We were told in years past that we should grant assistance until certain nations were able to build their own economies through a favorable trade balance in the world. Yet we have witnessed in the past year a trade deficit with Japan and a net trade deficit with all of Latin America. And if we exclude the shipment of surplus agricultural commodities last year, we find ourselves with a trade deficit with Europe.

We have evidence that under the military assistance program in one nation we supplied two jet fighter planes for each pilot capable of operating this equipment in that country. Other examples of waste too numerous to mention at this time have been laid before us without dispute, even from the strongest proponents of this program.

National security, even when it is called mutual security, is not a one-way street. It is built upon the foundation of a sound financial system and such programs as can properly justify the faith and the confidence of the American people.

It is no secret that today the United States of America is burdened with a staggering debt which exceeds by billions of dollars the total indebtedness of all of the other nations of the world, including the Soviet Union. It is no secret that today our gold reserves stand at about $19 billion, with demandable securities requiring some $13 billion of this amount. Our foreign dollar credits stand at approximately $18 billion. Hence, if they should decide to call the gold for these dollar credits, which they certainly could do, the value of our dollar could become all but worthless.

The present mutual security program employs 44,000 people, plus 10,000 trainees scattered across 77 nations of the world. In view of the record, who is prepared to believe that a reappraisal of this personnel would not result in savings of the American tax dollar without reducing the effectiveness of the program?

There are those among us who apparently feel that it is their responsibility to simply approve the appropriations requested and trust that the waste and inefficiency will be cured by time and understanding. Is it not true that certain of those administering the program testified that they had not bothered to give any particular consideration to the recommendations of the Committee on Appropriations, where such recommendations were directed to a more efficient procedure or limitations on the spending? Certainly we cannot assume that Congress should not have some authority or control of any funds which it is obliged to approve, nor can we assume that this program has sprawled in so many areas that there are points of no return. It is not for me to question the judgment of those who feel that we must go on with this program as we have in the past for an indefinite period. Neither is it for me to question their judgment as to whether the future will disparingly prove that this program was a noble effort which failed to accomplish its purposes, or whether it will enhance any desire on the part of our allies to seek out a free way of life or, for that matter, to even keep some of the neutral nations status quo in this cold war.

Instead, I contend from my personal viewpoint that, unless we do meet the problem squarely, we can look for little more than its ultimate collapse under its own weight. The decision that must be made, particularly at a time like this, demands a great deal of soul-searching. Yet it does not relieve those who share the same deep reservations as I of our task of being practical and responsible legislators.

The CHAIRMAN. The Chair recognizes the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Chairman, I rise in support of this amendment to restore these funds to the military assistance program. Failure to restore them would, in my opinion, be contrary to the best interests and the security of the United States.

As a member of the Defense Subcommittee of the House Appropriations Committee, I am particularly aware of the importance to our overall defense program of the forces that would be affected by this cut. I am convinced that these cuts, if not restored, would seriously weaken the defenses of this country and of the free world. The President and all of our military leaders whom I have heard testify or with whom I have discussed this are of this opinion. Under these circumstances and with world conditions as they are today, I support the amendment to restore these military assistance funds.

With these forces being an important portion of our defense program, they must be maintained at adequate strength and equipped with modern weapons so that they can make a full contribution of our overall deterrent. As has been pointed out by members of the subcommittee which considered this bill, this cut

in appropriations goes too deep and unless restored, would have serious consequences. Without these funds, some of our allies who have proven themselves to be most effective cannot possibly maintain their forces at anticipated levels. Many of these countries have common borders with the Sino-Soviet bloc. Furthermore, the cuts, if allowed to stand, would seriously impair the effectiveness of the NATO alliance. This would be particularly serious because it would deny to these forces the modern weapons essential for a maximum contribution to providing the necessary deterrent. The testimony clearly indicates that the funds eliminated must necessarily be taken from funds to provide to NATO missiles, electronic equipment, and other modern weapons.

Under these circumstances, I support the restoration of the funds as provided in this amendment.

I have consistently and vigorously objected to the inclusion of both military assistance and foreign economic aid in the same legislation. That they are considered together again this year presents an even more difficult situation and one which, in my opinion, is unfair to the membership of the House. This confuses the issue and denies to many of the Members of the House, including myself, the opportunity to vote our true convictions.

I have consistently supported the military assistance program, and will continue to do so as long as it is kept on a sound basis.

In spite of my support for military assistance, I have consistently voted against this appropriation because of my strong objections to a major part of the foreign economic aid portion of the bill. I am fully aware of our obligations as a leader of the free world, particularly as far as assisting the underdeveloped nations. To accomplish our objectives, however, and in fairness to the American taxpayer, any assistance should be placed on a sound loan basis. We cannot expect to run a welfare program for the world.

The present program builds bureaucracy at its worst.

Rather than this, countries desiring assistance should send their Ben Franklins to us. We should carefully examine the proposals to know that they are sound and will accomplish their objectives. The program should be designed to encourage these countries to stand with us, rather than to continue to lean on us.

Furthermore, a sound foreign trade policy must be developed as a condition precedent. In fairness to American laboring men, businessmen and farmers, we cannot continue to permit their taxpayers' dollars to be used to build production facilities abroad, and the products thereof to be exported to this country in unlimited quantities. To permit this further detracts from the accomplishment of our objectives. These products are needed in those countries to raise their standard of living. What we are trying to do is to raise the standard of living of these countries, not to lower our own.

I believe that further cuts should have been made in some of the nonmilitary programs. Others, I believe, should be entirely eliminated. The whole program should be reoriented. The bill will pass. To voice my protest and convictions on the foreign economic aid, I will vote against it on final passage. I will support amendments to cut these programs.

I do, however, believe that the military assistance funds should be restored as proposed in this amendment, and I urge its adoption.

The CHAIRMAN. The chair recognizes the gentleman from New York [Mr. DORN].

Mr. DORN of New York. Mr. Chairman, I support this amendment because I believe it is in the best interests of the security of our country.

Surely there is not one among us who is not fully aware of the tenor of the world situation as it is today. If anything more were needed to convince us of the necessity of adequate military assistance to our friends, we need only examine the events of the past month. Rather than cut our expenditures for defense we should increase them. I submit that military assistance is not an altruistic move on the part of the United States, but rather one which is designed to make more secure our own self-defense. As we are able to give to our friends an increased sense of stability and self-protection, so also will we be increasing our own protection and strengthening the entire free world in their effort to achieve world peace.

The President of the United States has dedicated himself and his administration to doing as much as is humanly possible to achieve a peaceful world. The President is also well versed in what is necessary in the way of military strength to maintain peace. I believe the record will show conclusively that the President is also economy minded. It is for these reasons that I believe he has requested the least possible amount which would be commensurate with our national economy, to achieve the most in the way of national defense.

It has been brought up that one of the reasons for the cutback on the President's request is the size of the unexpended balances of previous years. Yet the military cannot develop new arms, new defenses and new methods and provide these modern armaments to our friends in a matter of 2 weeks, or 2 years. The very logistics of the situation demand that the military remain unshackeled in its ability to do this. No men have been better trained in the knowledge and the needs of armed forces for the protection of our own country and of the free world than those who have dedicated their services to the military forces.

So I say to you, in the name of national defense, world defense, and our peace of mind, we should adopt this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, millions of free people at home and abroad and millions of others who yearn to be free in Soviet-dominated lands are concerned about what we do here in this Chamber today.

Deeply concerned here at home, of course, are our President and Commander in Chief, the Joint Chiefs of Staff, our Supreme Allied Commander in Europe, America's industrial leaders, those who head the AFL–CIO representing our workingmen, our veterans and patriotic organizations, women's clubs and voters leagues, who have spoken out most strongly for restoration of cuts in the programs.

I am retiring next January after many years of service in the Congress. I am not running for reelection. But if I were, I would be doubly anxious to vote right in this hour and I shall tell you why.

The state of the world is such that we cannot gamble and there is still fresh in my mind that day right here on this floor 3 years ago when we had up for debate and vote the defense appropriation bill which had been cut $2 billion by the House Appropriations Committee. Projecting the bill on the floor, members of the committee boasted that every phase of the military program in the bill had been cut, including missiles.

I was among those who protested in committee and on the floor and I was permitted to make the recommittal motion calling for partial restoration of the extraordinary slash. The motion was defeated in a record vote and the bill was passed.

What happened? The aftermath was both revealing and startling. Within a few months the Russian sputnik hit the skies and you will never know the number of Members who rushed to the records to check on their votes on the defense appropriation bill.

No one can deny that there has been maladministration and waste in the mutual security programs and in this respect committees of the Congress failing to pursue proper policing of expenditures are partly responsible. Furthermore, the charge made by the distinguished chairman of the subcommittee that the larger programs embraced in the bill never had the "best kind of administrators" can be well supported. Most certainly the answer is not to kill the programs.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. GALLAGHER].

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Maine.

Mr. COFFIN. Before the gentleman begins, may I just urge my colleagues on our side of the aisle that under the circumstances that face us today, if they are in doubt as to this particular item, the course of prudence is to err on the side of caution.

I cannot stress too strongly the necessity to back this limited restoration of this part of the program.

Mr. GALLAGHER. Mr. Chairman, I should like to point out that responsibility for the passage of this bill is ours and not that of the other body. I rise in

support of the amendment, and should like to refer to the reasons that have been cited here today, including events in Japan, as reasons to abandon the program. They are reasons for us to rededicate ourselves to the program so as not to play into the hands of the people who caused these events in Japan.

I hope that we will recognize our own position and be responsive to the national purpose, as the opponents of the program have suggested. The national purpose is to recognize our responsibilities and obligations. Certainly we must rely on our Government, the people in our Government who have provided us with the facts. And, I might say, as a member of the Committee on Foreign Affairs, that we have been awakened to our needs. I sincerely urge the passage of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. HORAN].

Mr. HORAN. Mr. Chairman, I was one of those who voted against this amendment when it was offered in the full committee last Friday. I was against it because I thought there was too much waste and there were too many unnecessary projects in this program. I trust that this debate which I think has been intelligent and has shown sincerity on both sides, will serve notice on the administration of this program that they must clean up those places that need to be cleaned up.

Mr. Chairman, the events of the weekend and the current situation have caused me to change my mind and I will vote for this amendment simply because I think that the administration, not the Congress, has the great responsibility that exists in the world right now. I would be remiss in my obligations as an American if I took any tools from the hands of those who have the great responsibility in this year of our Lord, 1960.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CONTE].

Mr. FORD. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. TABER] and I may yield our time to the gentleman from Massachusetts [Mr. CONTE].

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CONTE. Mr. Chairman, I rise in support of the amendment to the military assistance program. As the gentleman from Michigan [Mr. FORD] so ably brought forth yesterday, the pipeline of the military assistance program in the last 7 years has gone down from $8 billion to an unexpended balance of $2 billion at the present time. We are scraping the bottom of the barrel, and at these times of world tension and unrest the military assistance pipeline has reached a most dangerous low level.

Mr. Dillon, in answer to a question propounded by the chairman of our subcommittee, page 179 of the mutual security appropriations hearings for 1961 stated:

> It costs us about $1.2 billion, something in that neighborhood, merely to maintain the forces that are presently in the field, such as the Korean forces, so if you were to cut sharply below that level it would mean that these forces would have to be disbanded and that would certainly sharply impair our national security position.
>
> Any cut between roughly the $2 billion level and the $1.3 billion level would come out of modernization.

Mr. Chairman, Gen. Lauris Norstad, supreme allied commander, European Department of Defense, concurred in these statements made by Secretary Dillon. General Norstad, in answer to a question on whether our military assistance has paid dividends in Europe, said on page 515 of same hearings, "in 1951, the question was not whether there will be a war. The question then was what month of this year will the war start? I would like to point out that in 1960 no one in his right mind asks that question. This is a tremendous change. This change can be credited to the fact that we have faced up to the Soviets, we have shown our determination to resist them, and then we have systematically created some reasonable strength with which to confront them. This has given substance to our words, so this has meant in my judgment a better place to live in at least for 10 years, an increasingly better place to live in for 10 years. It has contributed to the prevention of war in that period, and it continues to be necessary for those same reasons."

Mr. Chairman, because of my deep concern over the $400 million cut in the military assistance program, I wired General Norstad in Paris last Friday morning and asked him what effect the $400 million cut would have on the military assistance program in NATO. I would like to read General Norstad's answer which I received Monday morning:

> Conclusions in your wire essentially correct. Since any significant reduction in funds available for the maintenance of required forces would soon be reflected in the loss of some part of those forces as effective combat elements, nearly all of cut would have to come from force improvements. On a straight percentage basis, our computations indicate that a 20 percent cut in fiscal year 1961 worldwide MAP would result in reducing funds available to NATO for force improvement by $235 million.
>
> To effect a cut of such magnitude on the NATO program would mean an approximate 50 percent reduction in all modernization proposed in the fiscal year 1961 MAP, primarily aircraft, missile systems, and advance weapons. Of the $271 million remaining for force improvement, approximately one-half is required to support previous U.S. Government commitments for the Nike, Honest John, and other advanced weapons systems and, in addition, certain advanced naval weapons, all required to strengthen NATO defense. The balance of $136 million would have to be redistributed to support the other force improvement requirements which under the fiscal year 1961 MAP require $371 million. This would mean that serious cuts would have to be made in electronic ground environment for NATO air defense, advanced aircraft, other modern aircraft, missile systems, and other modernization.
>
> During my appearance before congressional committees in March of this year, I emphasized my belief in the principle that our NATO allies should contribute their fair share to the common defense effort. Those NATO countries that have the ability are assuming—I repeat, they are assuming—a larger share of the common defense responsibilities. On the other hand it was emphasized—and I repeat now, it was emphasized—that the United States must continue to provide a major contribution to the provision of necessary advanced weapons and to force improvement. In this connection, a fact to be remembered is that almost all of this modern equipment comes from American production.
>
> Without the weapons systems, without the other force improvements proposed in the fiscal year 1961 MAP now being considered by the Congress, increasing obsolescence will mean that we cannot even maintain the level of strength and effectiveness which obtains today. Considered in the context of our times, surely our policy must be one of maintaining a sound and strong defense posture. To this posture, NATO makes a most essential contribution.
>
> With warm regards.
>
> Sincerely,
>
> LAURIS NORSTAD.

I believe we would do well to pay heed to General Norstad's advice. I am sure that all will agree that General Norstad is in a position to know the problems confronting the United States and the other NATO countries. I trust that this House will see the wisdom of at least partially restoring the cuts to the military assistance program.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. ARENDS].

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. May I say to the gentleman, even though I am a strong and honest critic of the program, that I certainly would not take the responsibility of risking the security of this country at this time, through what might in emergency prove to be inadequate military assistance to our allies. I shall vote for the amendment.

Mr. ARENDS. I thank the gentlewoman from Illinois very much.

Mr. Chairman, just recently this House passed an appropriation bill for national defense of approximately $39.5 billion. Since that time by Senate action this appropriation has been increased at least $2 or $3 billions. No Member hesitated in any way to vote for these funds for the defense of this country. The item here today involves $200 million compared with $40 billion in the Defense Department appropriation bill. We are here debating whether we are going to take the chance of shortchanging NATO and others of our allies who need this military help. In passing the Defense Department appropriation bill we put our faith in whom? The Secretary of Defense, the Joint Chiefs of Staff, and in the man in the White House. I would just like to remind the membership of this House that here again we should place our confidence in the same individuals we did when we voted on the $40 billion for national defense.

As our fine Secretary of Defense has so ably stated it:

> In spending military assistance funds, it is necessary first to maintain existing allied forces in good working order and conserve the investment already made. Therefore the proposed reduction must come from cutting

down on force improvement, that is, postponing indefinitely the newer weapons. Eighty percent of any cut below the budget request must be absorbed in equipment for force improvement, which includes missiles, electronic equipment, modern aircraft and ships, modernized tanks and combat vehicles, and the like.

The impact of the proposed cuts would fall most heavily on NATO, which also bore the greatest weight of last year's appropriation cut.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, this, again, is the military assistance bill. This is the part of the bill which buys the hardware for our allies around the world. The gentleman from New York [Mr. TABER] has said this is the most important part of the bill, and I do not think there is any doubt about it. I am not one to yield to other people my prerogative of decision as a Member of the House. However, all we can do in considering this type of legislation is to look at the best opinion we have available. I merely want to read a part of this communication from Secretary of Defense Gates. It is dated June 15, 1960. In this communication, he states as follows:

The Joint Chiefs of Staff all stated that they would not take one dollar away from the military assistance program in order to augment the funds for their own services. Military assistance is just as much a part of our own national defense as are the appropriations for our Army, Navy, Air Force, Central Intelligence Agency, and the Atomic Energy Commission.

Mr. Chairman, I ask that this amendment be adopted.

Mr. BOLAND. Mr. Chairman, I rise in support of amendments to restore cuts in the mutual security appropriation bill, that will be offered by the distinguished ranking minority member of the Appropriations Committee, the gentleman from New York [Mr. TABER], and the gentleman from Michigan [Mr. FORD]. I will also support the amendment of my colleague, the gentleman from Illinois [Mr. YATES], to strike from this bill the prohibition of U.S. contribution to the Indus River Basin project.

SUPPORTS TABER AMENDMENT

The Taber amendment would restore $200 million for military assistance. The bill recommends $1.6 billion, a reduction of $400 million below President Eisenhower's request of $2 billion. Military assistance is an essential part of the American national defense program. A $400 million cut will fall with the most damaging effect on one of the greatest needs of our common defense program: the modernization of equipment of our major allies, particularly in NATO, but also in the Far East. If we do not restore these funds we will lose ground already gained with great expense and effort in building up the strength of our allies. We will also be compelled to reduce modernization programs. The money is needed to supply allied forces with advanced weapons, missiles, electronic equipment, high performance airplanes and ships, tanks and combat vehicles. Most of this materiel is of such an advanced nature that only the United States can supply it. Our allies are not equipped to make it themselves.

SUPPORTS FORD AMENDMENT

Mr. Chairman, the Ford amendment would restore $50 million for defense support. The bill appropriates $600 million, a reduction of $75 million below the $675 million authorization and of $124 million below President Eisenhower's request of $724 million.

The President pointed out in his telegram of June 11 to congressional leaders that if this cut is not restored we, the United States, would have to reduce all along the line the strength of the defense maintained by our allies in our common interest, or in order to maintain full strength in some countries, we will have to abandon or seriously limit our help to some countries. In view of the stepped-up Communist pressures throughout the world since the collapse of the summit conference at Paris, either of these courses could be disastrous for the United States and its allies.

The Ford amendment asks that $50 million be restored. This $650 million defense support appropriation would make it possible for 12 of our allies to maintain the strong military forces we want them to maintain and for which we provide them with military assistance. It will also make it possible for these nations to have the strength and courage to make available to the U.S. bases of critical importance to our Strategic Air Command, our naval forces, and our military power generally.

The importance of these countries is apparent from a glance at their locations on the map. These nations—Greece, Turkey, Iran, Pakistan, Thailand, Laos, Cambodia, Vietnam, the Philippines, the Republic of China—Formosa, and the Republic of Korea—are on the very borders of the Soviet Union and Red China. Together they provide nearly 3 million armed forces. They are in the most dangerous positions of all our allies.

The 12th nation, Spain, a little more distant from Communist power, helps the United States in the vital role of providing us with most important air bases and naval bases. In addition, the United States has significant bases in Turkey, Greece, Korea, and the Philippines. The restoration $50 million in defense support funds is all that the Ford amendment asks. This is a minimum request and the Members should support the amendment. We all heard our colleague, Mr. RHODES of Arizona, give an eloquent, precise and lucid explanation of the necessity for this program during debate yesterday. He is to be commended for his efforts.

SUPPORTS INDUS RIVER BASIN PROJECT

Mr. Chairman, section 107 of the bill prohibits the use of funds appropriated therein for the development of the Indus Basin. I sincerely hope that the Yates amendment to remove this prohibition prevails. The provision of funds for this purpose would not only serve to contribute in a major way to the economic development of the vast subcontinent of Asia, but would also contribute materially to the improvement of relations between India and Pakistan. Only the Soviet Union and Red China could benefit from failure of India and Pakistan to settle their disputes. With this Indus River Basin settlement plan the United States is in a position to make a major contribution to world peace, to strengthen the Western orientation of nearly 500 million people and to secure the participation of other industrialized nations in the financing of the costs.

The CHAIRMAN. The Chair recognizes the gentleman from Virginia [Mr. GARY].

Mr. GARY. Mr. Chairman, I ask unanimous consent to yield my time to the chairman of the subcommittee, the gentleman from Louisiana [Mr. PASSMAN].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN] to close debate on the pending amendment.

Mr. PASSMAN. Mr. Chairman, I am not going to debate the amendment. I merely want to use this time to thank the Members for their tolerance and to assure you again that there are not only adequate funds provided, but there are funds in excess of the needs in the amount which your committee has recommended to you.

What we are experiencing today is no different than what we have experienced in the past 5 years, during which time I have had the honor of serving as chairman of the subcommittee. You have supported us in the past. Our recommendations have been sound and they have stood up.

I have stayed completely away from dealing with personalities in this debate, and I have no right to take offense because the policy committee of my friends on the other side of the aisle has a peculiar effect upon some of those who have opposed the program in its entirety in the past, but who are now supporting the proposals for increasing the funds. That is their privilege. However, so far as I, personally, am concerned, I am not going to be swayed by pressure from any point, either by the leadership or by the White House. I am going to form my opinions solely upon the basis of the facts and supporting statistics.

Now, I want to repeat for emphasis—not only has the committee recommended adequate funds, but there are excess funds. And, if you will support the committee, I say again to the Members that you will not be disappointed. When we return next year, we will be able to show you again that the committee—the subcommittee and the full committee—can be relied upon to make sound recommendations.

I thank you again for your tolerance. We have had a long session.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

The question is on the amendment offered by the gentleman from New York [Mr. TABER].

Mr. FULTON. Mr. Chairman, I ask for a division.

Mr. PASSMAN. Mr. Chairman, I ask for a division.

Mr. TABER. Mr. Chairman, I ask for a teller vote.

Tellers were ordered, and the chairman appointed as tellers Mr. PASSMAN and Mr. TABER.

The committee divided and the tellers reported that there were—ayes 170, noes 114.

So the amendment was agreed to.

The Clerk read as follows:

ECONOMIC ASSISTANCE

Defense support: For assistance authorized by section 131(b), $600,000,000.

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORD: On page 2, line 18, strike out "$600,000,000" and insert in lieu thereof "$650,000,000."

Mr. FORD. Mr. Chairman, this amendment goes hand in glove with the amendment which was just overwhelmingly, approved by the Committee of the Whole. May I suggest that those who want a full and I think a brilliant defense of this amendment read the statement made by my colleague, the gentleman from Arizona [Mr. RHODES], on this matter yesterday. I refer you to pages 12929 and 12930. This, in my opinion, is a very excellent presentation of the need and necessity for this extra $50 million in this account.

At the outset I indicated this amendment goes hand in glove with the amendment we just approved.

Defense support provides economic assistance and budgetary assistance for 11 countries that are on the immediate periphery of the Soviet Union, plus 1 other country, Spain, where we have today 2 highly important Air Force bases and 1 vital Navy installation. This defense support program helps to provide over 600,000 Formosan or Taiwanese military forces, it assists in the implementation of the South Korea military organization, providing something like 600,000 active duty South Koreans. It also goes to support the military forces that are part of NATO in Turkey and in Greece. In other words, this defense support program to a very substantial degree assists us in providing the necessary deterrent to keep the Soviet Union and Red China from undertaking any aggressive action in a military way.

In contrast to the program that we just discussed, military assistance, where we have had an increase in fiscal 1961 over previous fiscal years in defense support, actually the defense support program is going downward. This tends to reflect that the economies of these 12 countries are improving; that they are better able to handle their own economic responsibilities.

I say to you with conviction that this figure of $600 million that appears in the bill is too low. It is $124 million less than the President requested and it is $75 million less than the authorization figure which we enacted into law very recently.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Illinois.

Mr. YATES. I should like to say to the gentleman that I agree thoroughly with his position. I supported the amendment in committee and I shall support it on the floor.

Mr. FORD. I wish to thank the gentleman from Illinois. He has been most helpful in the committee and on the floor.

Mr. Chairman, I believe that this is just as important as military assistance, because if these 12 countries that are right up against the guns, so to speak, are not able to keep their troops in the field—and they cannot unless they have defense support—the whole free world military position is weakened. This additional money for defense support is absolutely essential if we are to keep these forces ready for action. We provide military equipment for them in the military assistance account. It seems that in these limited number of countries we should likewise make contributions to their economy to permit them to sustain their economy for the benefit of their forces, their defense, and our mutual security.

May I add this? In 1957 this defense support program totaled $1,161,700,000. Even if my amendment is approved, taking the figure to $650 million for fiscal 1961, we find that the program from 1957 to 1961 will have gone down $500 million.

Mr. Chairman, I strongly urge that this amendment be approved.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

This item carries the label "Defense support." However, it is purely and simply economic aid, nothing less, nothing more.

I respectfully refer you to page 2206 of the hearings for a listing of the types of projects being carried on as defense support in other nations, the same type of projects which are being denied in our own country practically every time a bill which would provide them goes to the White House.

Under the recommendation of the committee $1,358,601,000 will be available in the "Defense support" item.

In many instances in the past, they have placed funds in this economic aid program behind some type of an obligation and at a subsequent date, after we had adjourned sine die and returned home, they have then deobligated the funds and tried to find a more justified project. These deobligations for 1956 to 1960, inclusive, amounted to $449,146,000.

The Department has been unable to justify the amount of money requested for this category. As an example of what they do, I refer you to page 2239 of the hearings, from which I quote:

Mr. GARY. Page 89 indicates you are proposing to set aside up to ——— as a cushion for China's needs for foreign exchange. * * *

Mr. PASSMAN. As a token of our earnestness.

Mr. ROSEMAN. Yes.

This is the account under which they built the road in Vietnam, the cost of which they justified at $18,300,000, but for which there were additional contracts that brought the cost up to $129,900,000.

If it is the desire of the House to support a program of this type, and especially for many unjustified projects then I have no alternative but to continue to do the best I can, year in and year out, to point out some of the weaknesses.

But I think I should say here, too, that all of the nations receiving aid under defense support may also receive aid under the Contingency Fund; they may also receive aid from the special assistance fund; they may also receive aid from Public Law 480; they may also receive aid from the Development Loan Fund.

They are eligible to get economic aid under every category in the bill.

Mr. Chairman, I assure you that this year, as in previous years, your committee has recommended sufficient funds to fully support this program, even at the extravagant basis upon which they are operating.

Mr. CONTE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, reductions in defense support have been made in recent years. The committee bill proposes a figure only slightly over half the appropriation 4 years ago. The Executive has reported real possibilities of further reduction or elimination of many present defense support country programs in the next 5 years.

But we have been cautioned and must always remember that these reductions have been made possible by progress on reconstruction in Korea and Vietnam, by economic productive growth in many countries, by improving administration and tax collection by a number. We cannot for one minute let this record of progressive reduction delude us into thinking that the potential threat has lessened. There have been two constant factors underlying defense support—the character of the Sino-Soviet bloc and the map of the world. Let us look at these two.

The character of the bloc, despite zigs and zags of their talking line, has demonstrated itself in action as being one of constant readiness to exploit with force real or fancied weakness at any point around its perimeter. The record reads: Eastern Europe at the end of World War II; Iran, 1946; China to 1949; Greece, 1947; Berlin, 1949; Korea, 1950; Indochina, 1950–54; Taiwan Straits, 1958 to date; Tibet, 1959 to date; Laos, 1959; Berlin, again 1959; and these are only the highlights.

Looking now at the map, first pinpoint some of these same trouble spots—China, Iran, Greece, Korea, Indochina, Taiwan, Tibet, Laos. All are on the perimeter of the bloc and in or adjacent to countries receiving defense support assistance.

The 12 countries have and still need defense support because of their economic incapacity to support the more than 3 million men unaided, because of the ever-ready probing character of the bloc and because of the map, because they generally are exposed. Again the map demonstrates—Korea, Taiwan, Philippines, Vietnam, Cambodia, Laos,

Thailand, Pakistan, Iran, Turkey, Greece. Spain is not exposed in the same fashion but has its obvious strategic importance.

I do not expect the character of the Soviet bloc to change overnight. I do not look for changes in the map. Therefore I urge adequate defense support to buoy up these burdened nations as they grow progressively more able to support themselves.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. TABER. Mr. Chairman, I feel that I must support this amendment. It provides for the maintenance of these armies in the field that otherwise we would not have, and we need them very badly.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the distinguished minority leader.

Mr. HALLECK. When I addressed the committee a short time ago in connection with the other amendment I took occasion to refer to this amendment in these words:

> To that end, I intend to support, and I urge your support for, the restoration of a substantial portion of the funds cut in committee, first, for military assistance and second, for defense support.

Then I referred to certain other amendments, but I would want it completely understood that I agree with the gentleman from Michigan when he says that defense support goes hand in glove with military assistance. Without defense support the military assistance aid we give in many places would not really be worth very much. I hope the amendment is adopted.

Mr. CONTE. I, too, Mr. Chairman, hope that the amendment is adopted.

Mr. WHITTEN. Mr. Chairman, for many years we have tried to point out many defects in the foreign aid program, not only in the handling of the program but in the overall effect in other fields.

In foreign aid, although the money returns here to add to domestic supply, the goods go overseas and with no goods to offset such funds, foreign aid is almost 100 percent inflationary. Because of the inflationary results, we see our money losing its value at a rapid rate in terms of goods it will buy. Because of inflation, our defense dollar buys about 5 percent less each year.

Because of what you give to foreign countries, it is next to impossible to hold down Federal salaries or Federal expenditures on domestic programs.

Mr. Chairman for years, our so-called military aid program has to a large degree served as an outlet for our Defense Department's excessive buying and actual waste. Where the cost is charged up to foreign aid rather than to the Defense Department, there is less pressure to hold defense spending to real defense needs.

For years our Nation has been literally going over the world asking nations to take our aid, both military and economic, with the hope, but without any real assurance in many cases, that it would in the final analysis be used on our side.

Companies have been organized and gotten rich doing this business for us, frequently without any real investment on their part. Competing businesses have been set up, whose output is now doing real damage to American industry and employment.

The real reason, in my opinion, why we cannot get together and write a sound farm program is because foreign aid, Public Law 480, prevents people from facing up to reality.

Mr. Chairman, last year, I tried to get a thorough investigation of this program. I failed. My motion was as follows:

> The committee directs its investigating staff under the direction of the chairman and the subcommittee to make a thorough investigation of all phases of the mutual security program, including but not limited to:
>
> (1) Lack of proper planning, supervision, accounting and effectiveness of the overall program.
>
> (2) Names of U.S. and foreign corporations, partnerships or individuals who receive profits from these programs, including the volume handled and profits made.
>
> (3) Profits made by foreign governments.
>
> (4) All amounts expended to promote production which is in competition with U.S. production.
>
> (5) The amount or quantity of all equipment, material or commodities which have not been used in each recipient country.
>
> (6) The prices at which items furnished through these various programs have been sold by foreign countries or their agents.
>
> (7) Rates of pay of all employees engaged in this program.

This year's hearings further prove to me that this program will never be properly run until we have that information.

Mr. Chairman, all of what I have said, I have said in years past. Today I go further and say that in our reliance on this dollar diplomacy we are seriously endangering our future safety. We are through this means making enemies in many countries who will use the benefits of our aid against us when the time of need arises.

Today we will not clean up this program if we hold this item to the $600 million, nor will we change conditions much if the amount is raised to $650 million. It is a matter of degree.

What I would point out is that we had better hold down until we find some new approach to our foreign problems. Dollars simply will not do it. We must adopt a new policy for our own safety. Recent events in many foreign countries lead me to believe that instead of arguing about whether it should be this amount of money or that amount of money we should implore our President, our military leaders, and our leaders in Congress to take a new look and see if we are not digging our own grave through this foreign aid approach we have been following for many years.

I have detailed information from an employee of the foreign-aid group, a file at least 4 or 5 inches thick, which clearly proves we have by this means urged people throughout the world to accept our aid at times when if they had only used the materials that were already in those countries they could have saved us and saved themselves hundreds of millions of dollars, saved their own pride, and perhaps remained on our side.

Why is it that we have done that? In many instances it is because by giving such governments new aid the powers that be in some of these countries got a cut, a rakeoff, a handout, and our big business makes huge profits.

My friends, when we keep in power in any nation a government which a large segment of the people of that country do not believe in, and when it is known that it is the United States of America that keeps such government in power, the minute the powers that may be out of control do get back in, it may not be that they choose Russia instead of the United States; because they prefer that but it may be that they choose the Communist bloc because of the resentment that they have against us because we kept that government in power beyond the time the local people wanted it. There have been so many examples of this. Russia appears smarter in this area than we are. Remember there is no record of Russia providing anything except through loans.

You have just adopted this military amendment. Only the year before last, we had before our Subcommittee on Appropriations for the Department of Defense a request by the Air Force to place a contract with an aircraft factory in one of our States, to provide employment, at the insistence of two U.S. Senators from that State. This plane would have had to be used in Europe because it used a British type motor. The Air Force officials in answer to my inquiry said, "Yes; we already have planes in Europe to meet our need, but if we can get these planes, we will use them there and we, in turn, can find some country which will take the planes we now have." That is a typical basis for much so-called foreign military aid.

My friends, if you analyze the foreign aid situation and look at the telegrams you get you will see they are largely inspired by the U.S. Chamber of Commerce, an organization which stands for many sound principles. In this instance, however, it is my belief that its interest comes from its members, big business which makes huge profits in this field without risk. These profits blind them to the fact that we are underwriting governments throughout the world against the wishes of large segments of the people of those countries, and in the process we are getting the people outside of control now burned up at the United States to the point that it is really serious.

Now the press and we, on the Democratic side, might try to kid ourselves into believing that all is well after the expenditure of these $80 billion in foreign aid. All is not well. Today we perhaps face the most serious situation our Nation has ever faced, both at home and abroad. I say for us to go along with the same amount of money in support of a program which has had time to work, but which has led to our present situation, when we see what is hap-

pening in the world, I say certainly we should at least hold amounts down to the committee bill, while we make an urgent and ardent plea to the President and to the leaders of the Congress on both sides of the aisle to review our overall foreign policy.

Let us see if we are not using our dollars to dig our own graves by underwriting governments to the point, and giving them rakeoffs and kickbacks to the point, that we are inflaming many people in those areas to the extent that they will rise up and choose the Communist bloc not because they prefer it, but choose it because of the resentment they feel because we have kept in power governments that those people do not want to have. See what happened in Korea. See what happened in Japan, and in Cuba. What is really happening in Turkey? On whose side will many of these bases be used? It is a real question.

The world situation today is certainly serious enough, after spending this $80 billion that by all means we should slow down, look, and recognize that what we do and have done certainly has failed, and failed to the point that our situation is critical.

I hope the amendment increasing the amount will be defeated.

Mr. GROSS. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Michigan [Mr. FORD].

The Clerk read as follows:

Amendment offered by Mr. GROSS to the amendment offered by Mr. FORD: On page 2, line 18, after the figure "$600,000,000", strike out the period and insert a colon and add the following: "*Provided*, That not less than $200,000,000 of the amount appropriated in this paragraph shall be made available to the distressed areas of the less developed States of the United States including but not limited to the States of West Virginia and Pennsylvania."

Mr. PASSMAN. Mr. Chairman, I make a point of order against the amendment.

Such action as proposed is not authorized, and I do not think the language of the bill would permit this type of amendment. I was not really expecting an amendment of such type, and it caught me just a little bit off guard. However, I do not think the gentleman from Iowa really wants to press the point.

Mr. FORD. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Michigan on the point of order.

Mr. FORD. Mr. Chairman, I join with the chairman of the subcommittee. I want to indicate that, in my opinion, this amendment is subject to a point of order. It is not germane to the bill and it is not authorized. In my opinion, therefore, it is subject to a point of order.

Mr. BAILEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BAILEY. Am I to understand that Members of the House representing the general public of these United States are to be deprived and excluded from being cut in on this bonanza?

The CHAIRMAN. The Chair feels that is hardly a parliamentary inquiry.

Mr. BAILEY. Nevertheless, it is a question unanswered.

The CHAIRMAN. It is not one the Chair is permitted to answer.

Does the gentleman from Iowa desire to be heard on the point of order?

Mr. GROSS. Mr. Chairman, I concede the point of order.

The CHAIRMAN. The gentleman concedes the point of order.

The point of order is sustained.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first of all, if I may have the attention of the gentleman from Louisiana, I should like to compliment him for the bill he has brought before the House even though I am opposed to it. Let me say to the Members of the House that if it were not for the untiring work of the gentleman from Louisiana, Mr. PASSMAN, and certain other members of his subcommittee, I shudder to think of what this bill would contain. Instead of being $3 billion-plus, it undoubtedly would be a $5 billion or $6 billion bill. The gentleman from Louisiana and those who have supported him on the subcommittee and the full Appropriations Committee are entitled to the plaudits of the House of Representatives.

I should like also at this time to felicitate the gentleman from Louisiana, Mr. PASSMAN, on the occasion of his birthday.

Mr. PASSMAN. These birthdays are coming entirely too fast. For the past several years since I have been here, 14 years, I have never been able to correct it. The newspapers insist on having my birthday before I reach it.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. BASS of Tennessee. Is it not in keeping with what has been done and does not the gentleman believe it to be a fact that when the administration makes a request it is not for what they actually need but is a souped-up request, so that they get what they need in the long run?

Mr. GROSS. There is no question about it; and the gentleman from New York [Mr. TABER] recognized that in the hearings when he called attention to the asking price.

Mr. BASS of Tennessee. And also by offering an amendment to restore just half the cut.

Mr. GROSS. That is right; and on the subject of my friend the gentleman from New York [Mr. TABER], he mentioned General Palmer, General Norstad, and others in support of the amendment to add $200 million to this bill. I never heard of a general or an admiral who ever had enough money to spend for equipment or enough men to command.

Mr. HAYS. And, if the gentleman will yield, I would just like to say that I heard General Norstad's speech again this year. I can make it better than he can, because I know it by heart; it has been the same every year.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. BAILEY. I wish to congratulate my friend from Iowa for bringing before the House and emphasizing the deplorable conditions in the State of West Virginia and certain parts of Pennsylvania. Even if we do not get anywhere with this movement, we at least will call it to the attention of the country.

Mr. GROSS. Now, I would like to cite a little past history for the benefit of my friend the gentleman from Minnesota [Mr. JUDD]. I am pleased he is on the floor. Going back to the debate in April 1949, when the foreign handout bill was before us that year and when the gentleman from Ohio, Mr. Vorys, used to carry the torch for the program, Mr. Vorys said:

Unquestionably this ECA Act last year impaired the economic stability of the United States by increasing inflationary pressures.

That back in 1949, and he was so right.

In the same debate, the gentleman from Minnesota [Mr. JUDD] added this:

I said on the floor last year when we voted for the ECA bill—

As it was then known—it has had nearly a dozen different titles since its inception—

that when we voted for this ECA bill it meant voting among other things to reduce the standards of living in the United States. We knew what it meant.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. In just a minute. Then I asked this question in 1949:

I would like to ask the Members of this House what, in their standard of living, they are willing to surrender? Or is it the plan to lower the standards of living for the common garden-variety of citizen while Members of Congress merely give lipservice to such a scheme?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Minnesota.

Mr. JUDD. I did say that in 1949. I expected that to happen, and I voted for it nevertheless because the security of my country was at stake. I am willing to take a little cut in living standards and pull my belt a little tighter in order to be free. Without the program adopted then, Italy would not be free today, Greece would not be free, France, West Germany, Denmark, Norway would not be free. That was the best investment we ever made. Fortunately our economy was stronger than I anticipated.

Mr. GROSS. Let me answer the gentleman. The gentleman from Minnesota surrendered nothing in his standard of living. What happened? Last year this Nation went $13 billion in debt to keep up a synthetic economy. It is a standard of living based upon public and private debt so staggering it will never be paid, and the gentleman knows it. You have not faced up to a lower standard of living. You have been willing to pass on to the generations yet unborn the mortgages for this preposterous program of dissipating our

resources in every nook and corner of the world.

Mr. HOFFMAN of Michigan. They took care of the Chinamen, all right.

Mr. GARY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not want to belabor this point, but I certainly do not want the Members to vote under a misapprehension about this so-called defense support item.

Let me call your attention to the projects in this defense support program. They are listed beginning on page 2204 of the hearings. There are three pages of them, including 190 projects scattered all over the world.

What are the projects? One is forestry resources development. I do not know what that has to do with defense unless you are going to give them some trees to hide behind, but those trees will not defend them against modern weapons, I can assure you.

In addition, there is an agricultural and rural improvement program. We have been trying to straighten out our own agricultural problems for years and have not been able to do so. Now we are trying to straighten out those problems all over the world.

Another one, fisheries development.

Here is one that will appeal to my friend from West Virginia, and, by the way, these projects are listed in several places—coal mine development. As we develop coal mines abroad we have here in the United States many miners who are idle and suffering because we cannot dispose of our American coal.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to remind the gentleman that we have a proposal before the Congress now tied up in the Rules Committee asking the simple privilege of having a joint committee of four Members of the Senate and the House study our fuel situation and to make recommendations to the Congress. It is still in the Rules Committee. Yet we are doing those things for people abroad.

Mr. GARY. Here is another project, mineral development, other than coal. When we ask for hydroelectric power development in this country it is pork-barrel legislation. If we attempt to develop rivers in the United States we hear the cry "Pork barrel." But what are we doing here? Hydroelectric power development, thermal power development, power transmission and distribution. Each of these are separate projects. Next, primary system improvement. I do not know what kind of primary system they hope to develop. They do not even have elections in most of those countries and I do not know what they are going to do with a primary. But that is the project, primary system development.

Here is rural self-help. Here is an item that appears in several places: Operation Brotherhood. What that is I do not know. Brotherhood certainly is not operating in Japan today or, on second thought, maybe that is the Operation Brotherhood that we are contributing to.

Another is a census project.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. All of this information that you are giving us here just further adds to the jocular items in this program.

Mr. GARY. This is a list of the projects that was supplied at our request.

Community development. General highway improvement. Meteorological services improvement. Village health and sanitation project. Expansion of Government information facilities. Now we are even going to provide them with propaganda facilities. And, I will say this, the way our Government propaganda facilities are operating today, we can give them some technical assistance in that field, because certainly the propaganda for this program has been operating most effectively thus far. Low-cost housing. We are even going to give them low-cost housing. Excess property—construction equipment. Now, what that is I do not know.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. RHODES of Arizona. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to say that every statement which my good friend, the gentleman from Virginia, made is absolutely true. He was reading from the list of projects. I have the greatest faith in the gentleman and the greatest affection for him, and I know what he said is absolutely right.

Let me explain the list to you. The defense support program, as I stated yesterday, is a program by which we use dollars to buy capital equipment for these nations around the perimeter of the Sino-Soviet bloc, which were pointed out by the gentleman from Massachusetts. Now, why do we do this? Why do we use our dollars to buy capital equipment? We do it for various reasons. One of the reasons is that someday we would like to see the time when we do not have to support these nations. This will never occur until they have a reliable economy. The money which we use to buy this capital equipment, the dollars, is sent over to the nations themselves in the form of capital equipment and it is sold in that country and paid for in the currency of the country.

Now, the list which the gentleman from Virginia read was a list of projects or equipment which were purchased with dollars for the purpose of bringing economic good into the country so that they would not be in a state of inflation, when the local currency was issued to make the expenditures necessary to make for the defense of the country.

And, I just want to ask this question: Without some help do you think that Taiwan could support 600,000 troops? Do you think that South Korea could support 600,000 troops? Do you think that South Vietnam, Turkey, Greece, and Pakistan could support armed forces of the magnitude they now have? The answer certainly is, no.

The gentleman from Michigan stated that this is just as much a part of military assistance as it can possibly be. He speaks the absolute gospel truth when he says that. Now, some say it is economic aid. Maybe you can say that. However, the end product is military just as much as it can possibly be. Certainly, you could take the dollars and transfer them to the credit of country A in the defense support category and let that country do whatever it wants to do with it. These countries could buy Coca-Cola with the dollars if they wanted to. They could issue their own currency, without the necessary economic justification, and they would have the most amazing case of runaway inflation that you ever saw. So, instead of giving them the dollars, we give them the equipment to justify economically the issuance of the currency.

We give them equipment which will build up their economics and which, when they pay for the equipment in their own currency, provides a sound economic base for the issuance of that currency and keeps that country in a position where it is not and will not be a victim of runaway inflation.

Those who say that this is a large increase had better look at the figures again. The budget request was $724 million. The committee recommended $600 million, which is a cut of almost 20 percent. If the amendment of the gentleman from Michigan is adopted, the cut will still be in excess of 10 percent of the budget request of the President.

In the type of world in which we live, with the explanation which you have had so ably presented by the gentleman from Massachusetts as to the effect on these nations located in the soft underbelly of the Sino-Soviet bloc, this is, in my opinion, a modest enough outlay for this particular purpose.

May I say again, at the risk of being repetitious, that the gentleman from Michigan [Mr. FORD], the gentleman from New York [Mr. TABER], the gentleman from Massachusetts [Mr. CONTE], and the gentleman from Arizona now addressing you have never been spendthrifts. I do not think we ever will be. This is a matter of raising an appropriation which we think is very important up to the point where we can do the job that the taxpayers are entitled to expect. It would do the taxpayers of America no good to spend $600 million to do three-fourths of a job when, with $650 million, we could do the whole job.

Mr. BAILEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I asked for this time in order to ask the chairman of the subcommittee, the distinguished gentleman from Louisiana, a pointed question or two.

Is it not true that in the 1960 budget, which is the present budget, there is over $64 million worth of items of an educational nature?

Mr. PASSMAN. That is a conservative figure. I would not be able to state the exact amount which is provided in the bill for education.

Mr. BAILEY. Is it not true that in the budget for 1961 there are items in excess of $60 million of an educational nature?

Mr. PASSMAN. We have not actually put down in a separate column all the items for education, so I trust the gentleman will not ask me to confirm a figure which I have not personally computed.

Mr. BAILEY. Is it not also true that there are numerous other items of activity, not including educational activities, covered by this appropriation, which we are being asked by the amendment of the gentleman from Michigan to increase?

Mr. PASSMAN. I say to the gentleman that there are many school buildings in several countries, included in this program.

Mr. BAILEY. Mr. Chairman, may I say that I appreciated very much the facts brought out by the distinguished gentleman from Virginia, [Mr. GARY], as to what is contained in this so-called defense support program, which is nothing more or less than an extension of present aid facilities already in the bill.

I noted today in the vote on the first amendment that we have some dedicated souls on both sides of the aisle, who voted to increase this appropriation to do the very things—build school buildings, pay teachers' salaries, build all kinds of highways and reservoirs, improve the water systems of these countries—who, when we want to do some of those things at home, particularly in the field of education and of low-cost housing, say that that is socialistic. Some of them even say that it borders on being communistic. I have not heard a single voice raised by any of these benighted souls today who object to spending money on such items at home, against spending on these items abroad. We have had two Presidential vetoes to kill our efforts to bring some kind of economic relief to the State of West Virginia. How can we cry socialism of home and democracy when we send these funds abroad?

Today, while I appreciate his doing so, I am sure that the distinguished gentleman from Iowa meant right by referring to the bad economic situation existing in West Virginia and in western Pennsylvania.

Mr. Chairman, let me remind you that that is a serious matter. With 258,000 of West Virginia's 1,859,000 population living on surplus Government foods, with men being laid off by the hundreds and the thousands every week in the State of West Virginia, I would be remiss in my duty if I did not denounce what is going on on the floor of the House today, to do those things, to engage in those socialistic activities. I am surprised that the gentleman from Michigan, being an outstanding conservative, would want to force socialism on the poor benighted souls over in some of those undeveloped countries. That is what you are doing. If it is not good for America it is not not good for those folks over there.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. Yes; but not to get into an argument.

Mr. HOFFMAN of Michigan. I do not want to get into an argument, either. I just want to ask the gentleman if he thought inconsistency was anything new in a Congressman.

Mr. BAILEY. I guess I will have to agree with the gentleman from Michigan that quite often we do run into situations of that kind.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman was not referring to my friend from Michigan [Mr. HOFFMAN] when he was speaking of a Member of the House who was liberal with other people's money?

Mr. BAILEY. I do not know whether I can say that about the gentleman. There are a lot of things I could say about him, but I will not. I was referring to Mr. FORD, the author of the pending amendment.

Mr. HOFFMAN of Michigan. Do not say them, please.

Mr. BAILEY. Mr. Chairman, I am against this amendment.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 25 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. COFFIN].

Mr. GALLAGHER. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Maine [Mr. COFFIN].

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. COFFIN. Mr. Chairman, this amendment should be supported for the identical reasons as the amendment offered by the gentleman from New York on military assistance.

I suppose my message should be directed chiefly to those on my own side of the aisle. Ordinarily when we look at this item and look at military assistance, to us they do not always mean progress, they do not always mean an imaginative foreign economy policy. To us they are not as attractive or perhaps as sound in the long run as an intelligently administered development loan fund or as an imaginative far-reaching project such as that involving the Indus Basin, or as appealing to our hearts as the historic point IV program, technical cooperation. But I can say to my colleagues that today, in these circumstances, this amendment is as entitled to our support as is anything else in this program. I, myself, have been much more interested in the Development Loan Fund itself.

Mr. Chairman, the Development Loan Fund, I am sorry to say, has been cut by the committee. However, there are enough vital things for us to fight for today so that I shall make no attempt to restore at this time the funds to that important program. But, I say this $50 million that we are seeking to restore to defense support is just as important as the Development Loan Fund. It is like the piece of bread we give to a hungry boy to live on. The loan fund is the piece of bread we give him to grow on. But the boy needs to live in order to grow.

Another point I would like to make, Mr. Chairman, is that many of us, Democrats and Republicans alike, are concerned from time to time over our ability to wage limited brush fire war in conventional ways. We do not like to be wholly dependent on big nuclear weapons and, yet, this program of defense support with its sister, military assistance, helps provide precisely a conventional brush fire fighting capability which it would be absurd to deprive ourselves of.

Another point, Mr. Chairman, is that this program of defense support is not a ballooning, skyrocketing, ever-expanding program. This program has diminished remarkably. In 1957, only 3 years ago, we had almost $1.2 billion in defense support. If this amendment passes, as I hope it does, we shall be down to just about a little over 50 percent of that amount. This is diminishing every year, and we can look forward to a continuing decrease as our other programs that foster growth, stability, and long-range prosperity take hold. But, we cannot do it overnight. I think we have done enough in the years just passed. We have done enough this year, if we cut it from $700 million to $650 million.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONTE. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from Maine.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. COFFIN. Mr. Chairman, I thank the gentleman from Massachusetts for I know he, himself, could make a valuable contribution to this part of the program as well as to other parts of the program. But, I shall not take the time of my colleagues any more than to say that the amount in this particular program is as low as we can conscientiously cut it. I was amused to hear the chairman of the subcommittee, and the distinguished gentleman from Virginia, say to us that this was really economic aid—as if this were pulling aside a veil and revealing a great secret. Why, the committee report itself starts out by saying that defense support is defined as that economic assistance which is required, in addition to military assistance, in order to secure a specific contribution to the common defense, in other words, to secure a certain level of defense support.

Mr. Chairman, I thought that the gentleman from Arizona [Mr. RHODES] gave a most able discussion of defense support, its theory and how it operates. I am not ashamed at all of the list of projects to be found on page 2204 of the committee hearings. This is exactly

UNIVERSITY OF MICHIGAN LIBRARIES

what the program was set up to do. We can proceed to winnow our inefficiency and we are doing it. This program is coming down, but to cut it further this year is to ask for trouble.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. COFFIN. I yield.

Mr. ROOSEVELT. I am for this amendment, but I would like to ask the gentleman if he would explain briefly why the particular 12 countries have been selected as against other countries for defense support, as they are listed in the report?

Mr. COFFIN. There are two reasons. In the first place, these countries are in strategic areas around the Sino-Soviet bloc; in the second place, we give defense support only to those countries which are allied in an agreement with us. We cannot give it to countries that are not allied. If we want to give assistance to countries not so allied in treaty or pact, we do it under the form of special assistance.

The CHAIRMAN. The gentleman from Minnesota [Mr. JUDD] is recognized for 2 minutes.

(By unanimous consent, Mr. RHODES of Arizona yielded his time to Mr. JUDD.)

The CHAIRMAN. The gentleman from Minnesota is recognized for 2 additional minutes.

Mr. JUDD. Mr. Chairman, I do not think it is in our country's interest to talk much just now about the fluid situation in Japan, but the suggestion has been made here that Mr. Khrushchev's breakup of the Paris conference and the Communist-led riots in Japan are evidence of the failure of our mutual security program. On the contrary, Mr. Chairman, the Communists have to resort to these tactics because of the very success of the mutual security program, particularly the military part of it. The violent attacks on us and our President are, in fact, a tribute to the effectiveness and firmness of his leadership. They did not attack us as long as they imagined we could be deceived by their pretenses.

Mr. Khrushchev tried to take us in with his smiles. He tried to divide our allies. He tried to set the leaders and people of Germany and France against each other. He tried to separate the British from us by offering various inducements. He tried his best to whittle down our resolution to organize and lead the peace forces of the world, hoping to get us to a point where we would be willing to make innocent-looking concessions that would in fact endanger our very survival.

His effort was the old tactic of trying to divide and conquer. He did not succeed in dividing the free countries before the Paris conference.

He made a second effort; he tried to divide us from our friends and our allies at the conference by threats and abuse. Again he failed. We came out of it stronger than before, largely because of the success of our efforts through the years to build with this program a strong and united free world. It held together at and after Paris because of confidence in the leadership the United States has given.

So now he has had to change his tactics. He is making a third effort to divide and conquer, this time trying to achieve by subversion what he could not achieve by division. Subversion in what countries? The very countries around the perimeter of the Sino-Soviet bloc which defense support helps plus Japan to which most of our assistance has gone, not under this bill, but under appropriations for our own Armed Forces in Japan. These countries have had difficult times; some are newly formed and have not had enough experience and development to stand firmly on their own feet; two are divided, Korea and Vietnam; several have had exhausting wars and revolutions. It will be hard for them to pull through if we cut too deeply our assistance to their economy which enables them to maintain the armed forces they need and have.

Naturally Mr. Khrushchev is trying to upset these governments, one by one, by ordering into action the apparatus which the Communists have been building and training in every country for years, for the very purpose now revealed in Japan.

Somebody said the United States has suffered a humiliating defeat. It is true that the Communists have won a victory in the sense that they have shown their power to subvert and their disciplined obedience to Moscow's orders. But they also have had to come out in the open and expose themselves and their true nature. It is not yet determined how it will come out. I have faith in the Japanese people and believe they will find ways, despite the democratic trappings we ourselves imposed on them, to get the situation under control. The United States itself would have suffered a humiliating defeat with serious loss of prestige only if the President had appeared timid and refused to go. That would indeed have destroyed our friends in Japan and the confidence of other Asians in us. The President has done and is doing his part. But if the Congress cuts this aid too deeply at this time, that undoubtedly will injure our position. It will seem to prove that we are what the Communists have always claimed we are—an undependable ally. Only we can administer to ourselves a really humiliating defeat and loss of face.

Actually I am less anxious about the situation in Japan today than I have been for many years. The basic situation is no worse—it is only more visible to all—out in the open where it can be dealt with more effectively. We must not be influenced too much by the lawless actions of a small minority in a country whose many millions are law abiding and our true friends.

The 12 countries we are helping under defense support are maintaining 3 million trained and equipped soldiers in the field. If you cut this fund too deeply, you can weaken their confidence, their hope, their resolution. They cannot possibly continue to maintain 3 million men in their armed forces and maintain internal resistance to Communist subversion, unless their people can also see a little economic progress, a little better standard of living, which this kind of aid makes possible. The target of the Communists is to weaken the economic and political stability of these strategic countries; ours must be to strengthen it. Defense support is essential to accomplishing that. We must not shake the resolution of the people we have succeeded in welding into a giant free world coalition. Now is the time to send them a message of hope by continuing the appropriation at a level that will hold things steady. The United States must demonstrate to all its allies that it will always stand firmly by them. We must not let a handful of Japanese radicals and their misguided associates sway us against steadfast support of the many millions in Japan and free Asia who are friendly to us, because they want to preserve their freedom and know association with us to build mutual security is their best, if not their only hope. I hope the amendment will be adopted.

Mr. HAYS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HAYS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HAYS. Mr. Chairman, if any of you had any doubts as to why the gentleman who just preceded me was selected as the keynote speaker for a great convention, your mind ought to be at rest now. Anybody who can turn what happened in Japan in the last few days into victory for the United States ought to be a keynote speaker for all time.

I have been for this program ever since its inception. I want to talk especially to the liberals on the Democratic side. You voted to give $200 million more for military assistance for whom? Not for our NATO allies who could use it and who have used it in the past to hold together. You have had to make an additional $200 million available so the military can spend $50 million in Latin America. For example, we have a military assistance group in Guatemala headed most likely by a brigadier general.

I have only 5 minutes, but let me call the roll. What happened when we crammed military assistance into Iraq? Oh, yes, the Prime Minister of Iraq and the King were our friends, but when they were dragged out, broken and nude, behind the automobiles of the revolutionaries, our millions of military defense went down the drain.

A great deal of this money, twice as much as the military assistance amendment provided and eight times the amendment you are contemplating, goes to a country which today has no government. The government was overthrown by a mob and no government exists there.

You talk about the divisions in Korea? Why, anybody in this Chamber is intelligent enough and bright enough to know that we cannot count on them in a showdown.

Where have we failed? We take a program which worked in the industrial civilization of Western Europe and we move it bodily into undeveloped coun-

tries. We gave arms to the dictators all over the world and when their people got through with them those arms did not do us any good, they did not do the people any good; they did not even do Batista in Cuba any good.

I could call the roll over and over again. The administration may come in here and change the minds of some people who voted against the authorization, but they do not have to change my mind. All I am asking them to do is to come in with an intelligent program which will improve the conditions which exist today.

Do you think we are going to keep Nigeria on our side, or the Belgian Congo, by sending a couple of generals down there and establishing a military assistance group? You cannot have military assistance without generals, you cannot have generals without a place for them to work.

I have heard the distinguished general's speech a half a dozen times, and I refer to the distinguished leader of NATO General Norstad. It is like a broken record, he plays it over and over again.

If he came in here and said, "We are going to spend this money on NATO, we are going to put this money into Turkey and Greece where it will do some good," I would be fighting for it. But when you are going to establish military assistance groups in underdeveloped countries, where the people do not want guns, where the guns will not maintain the regime in power, where you ought to be in with technical programs and economic programs, I am against it. I say you are inviting those people to be our enemies forever, and the results of the past few months and years will prove they are going to do just what you are inviting them to do.

The CHAIRMAN. The question is on the motion offered by the gentleman from Ohio.

The motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, of course there is an obvious answer to the question asked by our very able and industrious associate from Arizona [Mr. RHODES]. He asked whether we expected the people where our troops are stationed to support them. Of course not. Those folks did not ask for troops. We are not always guests—we are uninvited. We shoved the troops down their throats. As a matter of fact they have asked some of our forces to get out.

With reference to the bases the gentleman was talking about, if war comes who will own them, or of more importance, have possession? Did we not read recently that the Russians told us not to use our bases as headquarters or starting places for our people, who were seeking intelligence information? They did. You can get some bases out too far, sometimes, to protect them.

I have a grandson in Germany and another on the high seas. They both tell me that every place they have ever been someone suggested to them, "Yanks go home." How my good friend, the gentleman from Minnesota [Mr. JUDD], can turn this snub to Ike into a victory, mystifies me. I just cannot figure it out. And, if we take the argument of the gentleman from Arizona [Mr. RHODES], are we going to abandon the bases? I ask you, is that not just what we have done with some of our men who fought in previous wars and who are now in China and Russia? Is that not what we have done with them?

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. RHODES of Arizona. I could not agree with the gentleman any more than I do as to the desirability—in fact, the necessity—of doing everything we possibly can to get those people liberated, but I fail to see what that has to do with this program.

Mr. HOFFMAN of Michigan. And you think we can defend all these bases all over the world.

Mr. RHODES of Arizona. I will say to the gentleman that bases are very important to the welfare of the free world and the United States of America. I certainly do not intend to make the same mistake that a former Secretary of State made a few years ago and say that they are outside of our defense perimeter.

Mr. HOFFMAN of Michigan. I remember J. Edgar Hoover saying that if we go too far, we could not maintain them.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, speaking particularly to the amendment that the gentleman from Michigan proposes, this would add an additional $50 million to the already more than $700 million appropriation the subcommittee has approved and the general committee has approved for this particular program.

Now, let me in the limited amount of time I have available remind my colleagues of the House that every time we propose to do something for the people of this Nation in the way of building a few necessary and needed classrooms, in the way of borrowing some money from the Government to rehabilitate our domestic setup in our State of West Virginia, to bring in some plants into these stricken areas, the charge is made that it is socialistic. They even go so far as to try and drag in the comment that it is tinted Red; that maybe it has some of the evidence and some of the indications of being communistic. That is what these people who are the proponents of this legislation today say about our domestic programs. If they are socialistic here, they are socialistic abroad. And, I think maybe we would be performing a great disservice to the people in those underdeveloped countries, who are begging for democracy and democratic forms of government, teaching them democracy instead of teaching them socialism and socialistic ideas.

Mr. Chairman, I want to appeal to my colleagues in the House to defeat this amendment. It cannot be justified on any ground.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I rise in support of the amendment. I believe adequate defense support is absolutely necessary to these 12 countries who have stood firmly.

Under Secretary of State Dillon said:

> Defense support is economic assistance required, in addition to military assistance, to enable certain countries to make specific contributions to the common defense. It is provided to 12 nations contributing military forces and forward military bases crucial to collective security of the free world.

There is not a country in South America or Latin America that is getting any defense support whatever under this program. In case anybody thinks this has been argued here, that point on defense support in Latin America is not in issue in this program at the present time.

I want to state firmly that from my personal knowledge and experience, I have full confidence in General Norstad, the commanding general and head of our NATO forces. We must back General Norstad and NATO, and I would take General Norstad's word as a military man on his field and his needs as against almost any person I know in this Government.

Likewise we must realize that defense support is in major part, nonproject aid. It was stated by Mr. Murphy when he was testifying as Under Secretary of State, that there are only 84 projects in the defense support title in the Far East, and also one project in the Middle East and Africa. That means that most of the defense support is commodity aid, which is aid of a type like this example I will give. In Taiwan, in fiscal year 1960, there was a program increase in commodities of this equivalent—chemicals $800,000, machinery and parts $400,000, and pharmaceuticals $400,000.

Finally, we have heard comment as to this road in Vietnam. We must not think of this project as one road that has gone up in price. There has been a change in the military situation in Vietnam and there are three routes now being constructed instead of one as originally programed. This highway construction is a necessary military program for a country under extreme pressure. We in the United States cannot afford to lose out in Southeast Asia, which is a vital strategic area.

As to these 12 countries, receiving defense support assistant they are supplying armed services for their defense of approximately 3 million men. The United States has 2 divisions in South Korea, while South Korea has 18 divisions of her own troops on the 38th parallel for her own defense. Let us not pull the supports out from under such people as these who are standing so loyally by us and the free world.

If we did not make the economic assistance of defense support available to these nations they would either have to give up all or a substantial part of the military forces they maintain with our military assistance help, or their

MICHIGAN STATE UNIVERSITY LIBRARIES

economies could collapse under the burden of their military forces and their governments would be in danger of overthrow by subversive elements.

Defense support funds help these countries to maintain the military strength we want them to have in two ways: First, in some countries such as Greece, our defense support goes directly into the defense budget to help support the military forces. In other countries the economic assistance we provide under defense support makes it possible for the country to use money to pay its troops which it would otherwise have to use to buy imports essential to the survival of its economy.

The specific need for defense support for each country and the contribution each is expected to make to the common defense is set out in the Worldwide presentation book, page 86 and following. This book is classified but is available to all Members.

There has been a very substantial decrease in the funds requested by the executive branch for defense support in recent years. Only 3 years ago the request was for $1,100 million. For fiscal year 1959 the program was $808 million. For fiscal year 1960 it will be about $766 million. Country figures are on page 78 of the Worldwide book. This year the executive branch requested $724 million, and the Congress authorized an appropriation of $675 million. The President and the responsible administrators of the program have repeatedly testified to their belief that the full $724 million is needed. Certainly the $675 million authorized is a minimum figure. The cut made by the House Appropriations Committee to $600 million will make it impossible to provide the economic assistance to maintain military power which our military authorities believe we should have in these countries in our own interest.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, this program of defense support is absolutely necessary if we are going to maintain the armies of these countries who are our allies, who are scattered all over the world. I do not see how we can afford at this time not to supply the additional $50 million.

Mr. CONTE. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. CONTE. The gentleman from Ohio made the point that a great deal of the military assistance money would be going to Latin America. Is it not true that in the 86th Congress, under Public Law 86-472 we limited the amount of money that could be appropriated for Latin America?

Mr. TABER. Yes.

Mr. CONTE. Latin America military assistance was limited to $55 million, broken down into $25 million of grants, $22 million of credit sales, and the rest excess military equipment.

Mr. TABER. That is correct.

Mr. CONTE. No defense money whatsoever goes to Latin America or to Africa. This defense support money goes to these 12 nations which are under the belly of the Sino-Soviet bloc.

Mr. TABER. That is correct.

Mr. CONTE. And the 12th country is Spain where we have strong military, air, and naval bases.

Mr. TABER. That is right.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mrs. ROGERS of Massachusetts. Is it not true that this is the area that the President will visit shortly and which may be a very dangerous area to him? It seems to me extremely important to vote this money at this time.

Mr. TABER. The President is taking a really dangerous trip and in so doing is performing a service that we should support.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN] to close the debate on this amendment.

Mr. PASSMAN. Mr. Chairman, I want to restate that there is sufficient money in the defense support item without the pending amendment. We have endeavored to present this matter on a nonpartisan basis. I, myself, have tried never to look to either Democrats or Republicans as such for support. We represent the same Nation and the same people. We have our responsibility.

At this time, I recall a particularly appropriate question by one of the great Republican Members of the past, Congressman Rich, who used to ask, "Where are we going to get the money?"

I have dealt with this matter realistically. And, I hope the information which I am going to bring to your attention at this time will cause you to review the decision made earlier, and that you will support the committee's recommendations on a rollcall vote.

From the time George Washington was sworn in as President on April 30, 1789, to June 20, 1953, a total of 164 years, cash receipts of the U.S. Treasury—taxes collected from the American people—amounted to $570,786,561,814.

From January 20, 1953, and that was a very significant date, to June 1, 1960, comparable collections were $572,258,819,664.

With all due deference to my friends, I point out that the present administration, in 7 years, 4 months, and 11 days, received revenues exceeding by $1,472,257,850 all the money collected in 164 years under all of the Presidents of the United States up to January 20, 1953.

Now, the $572 billion has been spent by this administration and an additional $23 billion has been borrowed and expended.

If that is the way you want to do business I cannot do anything about it other than call it to your attention.

But, is the fact within itself not indicative of what damage we are doing to the welfare of generations yet to be born? When are we going to face up to our responsibilities and realize we cannot do everything with money?

Mr. Chairman, when and where and how are we going to stop this idea that everything can be done with money? I trust that the Members will reverse their decision of earlier today and support the committee recommendation. If there have been any trades, let us forget about them. Let us stand together in the interest of our people and of our country and of generations yet to be born.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Ohio.

Mr. HAYS. May I point out about the limitation on Latin America that that was written in during the 85th Congress, under an amendment offered by the gentleman from Alabama [Mr. SELDEN], and the military paid no attention to it. The limitation was there. They went right ahead and did as they pleased. Although we put the limitation in again this year, I do not think they will pay any attention to it if it does not suit them. What they did was violate it by adding on all we had given these countries and all they bought. They said that is what they thought Congress meant, when they knew very well it did not.

Mr. PASSMAN. I hope we shall think of the people's interest and of the national welfare, and of the next generation, rather than of the next election.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. FORD].

The question was taken; and on a division (demanded by Mr. PASSMAN), there were—ayes 97, noes 125.

Mr. FORD. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. FORD and Mr. PASSMAN.

The Committee again divided and the tellers reported that there were—ayes 119, noes 141.

So the amendment was rejected.

Mr. ROONEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, what foreign aid should be given and how and where that foreign aid is administered is a problem always confronting the Congress. There is one aspect of this matter, however, where there should be general agreement and endorsement. I refer to those areas of the program where foreign aid is fostered through our own private enterprise system where private American companies are encouraged to venture their capital and to lend their technical experience and competence to the development of worthwhile projects in foreign lands. Not enough of this has been done.

Perhaps I can best illustrate this point by an example of what has been going on in Afghanistan.

An understanding of Afghanistan's turbulent history is essential for a true appreciation of the current impact of American aid on this strategic country. For more than two centuries, the Afghans were a buffer between the British Empire in India and Russia. In 1947, however, the British withdrew from India. The independent nations of Pakistan and India were created. Afghanistan became, in effect, a political vacuum. Almost immediately So-

UNIVERSITY OF MICHIGAN - DEARBORN

viet pressure and attempts to influence and infiltrate were felt. Afghanistan became the logical first target of Soviet pressure in these vital areas.

You will recall that several years ago Khrushchev and Bulganin paid a historic visit to Afghanistan. Immediately the Western Powers, most particularly the United States, recognized the necessity for accelerated interest and activity in Afghanistan's development. The Russians had already begun a road building program, an airport construction program, and a program for equipping the Afghan Air Force. They were contemplating a program looking toward the establishment of an Afghan airline with routes extending from Moscow through Afghanistan to Pakistan, Turkey, and India. The threat of such a Soviet dominated airline is obvious.

At this point our Government undertook to meet this threat, not by forming a military mission, or by making direct grants to Afghanistan, but by enlisting the skill and experience of a private American company, Pan American World Airways. Officials of Pan American were called to Washington and asked to undertake a program whereby Pan American under a technical assistance contract would train Afghan airline pilots and ground personnel, assist in the purchase of airline equipment and in general make all of its experience and competence available in establishing and assisting in the operation of a sound Afghan civil airline. A staff of Pan American officials went to Afghanistan, studied the local problems, and a technical assistance contract was entered into. In order to insure the continuity of this program Pan American was persuaded by our Government to make an investment in the local Afghan airline under conditions which assured that Pan American did not receive excessive profits from the venture.

This program has now been in operation for 3 years. As the result we have today in Afghanistan a local airline tied in closely with one of our major private American airlines and providing assurance that the strategic air routes operated in this area are in sympathetic hands. At the same time the skills of a certain segment of the Afghan population are being increased and a start made in raising the local standards of living.

Pan American is to be strongly commended for responding to our Government's call for assistance. Had it not done so there is little doubt but that the Russians would have provided this assistance with consequences which are obviously prejudicial to the best interests of the United States. Pan American has set a fine example for other companies operating abroad. However such companies cannot expect to undertake projects of this kind looking toward the improvement of the internal economics of friendly nations and often competing with Soviet programs unless they have the assurance that their efforts are supported at home, particularly in the Congress. American private enterprise must be encouraged to go abroad and to assume as much of the responsibility and the burden as it can in assisting these underdeveloped countries. Direct country-to-country grants-in-aid may be necessary in certain instances but in my opinion the long range program should include private American companies who would step in as Pan American did in Afghanistan and do the job.

I am pleased to note that in a recent report issued by the National Planning Association which studied the significance of American aid to Afghanistan recognition was given to what Pan American has accomplished.

Mr. Chairman, some of us have on occasion expressed grave concern over what seems to be a never-ending foreign-aid program. However, we must recognize that accomplishments like the one I have mentioned in Afghanistan multiplied many times will greatly add to a proper solution. Obviously whenever American business steps in and helps to make a country increasingly self-sufficient the burden on the American taxpayer decreases. What is happening in Afghanistan insofar as its local airline is concerned, can occur in many other places and in connection with many other industries if the Congress and the administration—the current one or the new administration which will take over next January—encourage American enterprise to expand abroad. Our philosophy must be to give companies such as Pan American a pat on the back, not to deter their efforts.

Mr. RHODES of Arizona. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. RHODES of Arizona. Mr. Chairman, I desire to associate myself with the interesting remarks and the philosophy expressed by the gentleman from New York [Mr. ROONEY] during the course of the discussion on foreign aid legislation.

Not only in Afghanistan, but in all parts of the world, Pan American Airways has become a symbol of the American flag. Like any private enterprise, Pan American assumes risks—often far beyond the normal—in tackling an oversea problem.

Pan American's mutual aid history far antedates foreign aid as we have come to know it in the last generation. In 1927 when Pan American began operations from Key West to Havana, through 1928 and 1929, when it built an air link around South America, the history of Pan American has been one of carrying the American flag to all parts of the universe.

This airline, Mr. Chairman, was the first American-flag carrier to fly into Africa, Asia, Australasia, and to span the Atlantic and the Pacific.

Of course, Pan American received assistance from the U.S. Government in all these undertakings, but the question is which came first, Pan American or Government assistance? Obviously, one would not have been possible without the other.

We have reached an impasse in our financial dealings abroad. Obviously, foreign aid in the form of outright cash disbursements cannot continue indefinitely. However, until American business enterprises similar to Pan American are encouraged by the Government to go abroad and blaze new economic and technological horizons we must anticipate that Government assistance remains necessary.

I agree with the gentleman from New York [Mr. ROONEY] that Pan American and other American firms should be encouraged to continue their oversea expansion, and I thank him for the privilege of letting me join with him in giving credit where credit is due.

The Clerk read as follows:

Technical cooperation, general authorization: For assistance authorized by section 304, $150,000,000: *Provided*, That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the Committees on Appropriations of the House of Representatives and the Senate.

Mr. GALLAGHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GALLAGHER: On page 2, line 20, strike out the colon and the word "*Provided*" and all that follows down through the word "Senate" in line 24 on page 2.

Mr. GALLAGHER. Mr. Chairman, I rise in support of my amendment.

The committee bill prohibits the use of technical cooperation funds to initiate any project or activity which has not been justified to the Committees on Appropriations of the House and the Senate.

This provision reverses a decade of successful history, makes a mockery of the term "cooperation," benefits the Soviets, ties our hands, is unworkable, is uneconomic, would reduce effectiveness, serves no useful purpose.

Reverses history: Congress rightly asks for illustrative programs, since final country-to-country action is proper only after Congress acts. Decade of experience shows that both the United States and other countries will prefer to substitute for certain illustrative projects other more urgent ones. History demonstrates that this will occur. History demonstrates the value of adjusting the program to accommodate these later judgments. To ascribe 100 percent validity to illustrative programs prepared 6 to 9 months before final congressional action is to assume a prophetic foresight which is humanly impossible.

Cooperation a mockery: At the heart of the point IV concept, of technical cooperation, has been the concept of jointness—joint planning of joint operations toward joint goals. If this provision is enacted, other nations would be invited to "jointly plan, using our exclusive list which has been justified." Yes; it would be a technical program—very technical, but not a cooperation program.

Benefits Soviets: For urgent project needs not anticipated and therefore not on the list, barring claim on the contingency fund which is heavily overloaded, other countries would be told to wait

MICHIGAN STATE UNIVERSITY LIBRARIES

until next year. Some cannot wait and may seek or accept Soviet offers. Point of fact is that publication of the unclassified technical cooperation program presented to Congress announces to Soviets that they have clear field on everything not listed.

Ties U.S. hands: The technical cooperation appropriaton could not be used during coming year in nations just becoming independent—Camerouns, Congo, Niger, Upper Volta, Upper Dahomey, Togo, Sierra Leone, Mali, and Madagascar—and so, barring contingency fund use these nations during their first months will be told, "Wait or look elsewhere." This is an astounding backhanded way of surrendering the initiative and our rightful responsible role in the world. Natural events, progress on earlier efforts, changes in government—whatever the cause of a new need and opportunity, our answer is the same, "Wait or look elsewhere." No other major country—U.S.S.R., Communist China, United Kingdom, France, Japan—follows such a practice.

Is unworkable: The provision is poorly drafted and unworkable. There are no standards prescribed by which projects are to be judged, leaving the door open for capricious judgment or for unfruitful differences of view within the Congress or between the Congress and the Executive. The words "justified to" are not clear. If this means that presentation of a justification by the Executive is compliance, the provision is meaningless. If it implies a judgment by the committees, formal legislative action becomes mandatory to reconcile differences between the Houses if not for other reasons. Furthermore, the terms "project or activity" are nowhere precisely defined. The provision is so unclear as to purpose, criteria, and procedures as to be completely unworkable.

Is uneconomic: It has been practice of the Executive to conclude projects when they have served their purpose—over 1,000 have been successfully completed under all categories—and also to withdraw or phase down support to projects with declining priority. These sensible actions make room for more urgent, newly developed projects. If initiation of new projects within the same appropriation level becomes more difficult, there will be a premium—since our administrators and those of other countries are human—on continuing and extending going projects. Removal of the incentive for a reasonable turnover in projects will increase costs.

Reduce effectiveness: As a corollary, lesser return projects may be continued despite the development of higher return opportunities with a resultant reduction in the total impact of the program.

Serves no useful purpose: Finally, it is apparent that the provision would serve no useful purpose. This is demonstrated by the fact that the committee had before it for several months the executive branch justification for this appropriation and of over a thousand projects, but not a single one has been identified as not justified. This startling fact lends credence to the interpretation that the intent of the proviso was to preclude projects except for those presented to the committees. In other words, if you can think them up ahead of time, they are automatically cleared. Such a requirement serves no purpose other than harassment.

IN CONCLUSION

The technical cooperation program has the respect of the world, receives the flattery of emulation by the Soviets, has the warm support of the American people, and has received solid support from both sides of the aisle. It was initiated with the watchwords "a bold new program." The provision to hamstring technical cooperation turns its back on an inspired beginning, bipartisan execution, and on great future needs. The provision must be rejected.

ILLUSTRATIONS BASED ON SUCCESSFUL EXPERIENCE

First. Governments or ministries may suddenly change after the date of the preparation of the presentation materials for Congress in December and January—recent examples are Korea and Turkey—and it may become possible to undertake technical assistance in fields to which the United States has attached high priority in the past but the foreign government has not. The fields of tax, financial, and land reform are examples of areas where lack of adequate action by many underdeveloped nations has increased the amount of defense support and special assistance required to keep the country from collapse. The ability of the United States to respond quickly to requests for help in these fields—rather than to wait 1 to 2 years—could result in great savings in the amount of support assistance required from the United States as well as increasing the political stability in these countries at a much earlier date.

The House Appropriations Committee bill would prevent the use of the technical cooperation appropriation to meet these needs.

Second. The Technical Cooperation program has been one of our most successful, if not the most successful, instruments for identifying the United States with the aspirations for progress in the newly independent nations. A principal element in this psychological success has been the flexibility and speed with which the technical assistance can be provided—and a major concern of both the executive branch and of many Members of Congress in recent years has been how to speed up effective action even further. The House Appropriations Committee bill goes in exactly the opposite direction, compelling additional delays of as much as 1 year in the use of technical cooperation funds. To a country in a hurry, only recently independent—Vietnam, 4 years; Sudan, 2 years; Congo, independent this month—an additional year is a long, long time—and makes it much more difficult to prove that the United States is really interested in helping them on their problems.

Third. The Soviet bloc may offer to extend technical assistance to neutralist countries in key fields which could result in greatly increasing their capability for infiltration and subversion in that country. The past ability of the United States to act quickly with offers of technical assistance in such circumstances has effectively kept bloc personnel out of such key fields in many countries as police training, air transportation, teacher training, and radio communications.

Fourth. Experience over the past 5 years has convincingly demonstrated that if the United States has a modest but effective program—in which technical cooperation is a major or the principal component—in operation in a neutralist, newly independent country before the bloc starts its program, the political and public relations impact of the bloc program is far, far less in most instances than where the bloc starts its program first. In the former circumstance not only will the United States already have established itself in many of the most important fields of activity and decreased the internal pressure to seek extensive and early assistance from the bloc, but will have established a qualitative standard by which the bloc activities can be compared and, despite widespread public impressions to the contrary, the bloc has suffered by comparison in the majority—but not all—cases.

Ceylon, Cambodia, Sudan, Ethiopia, and Nepal are some examples of U.S. success as a result of timely U.S. action; Syria and Guinea are examples of major Soviet successes where the United States has delayed its programs. Afghanistan is an example of a draw, probably in the favor of the U.S.S.R., even though the United States was in first; but there have been two special circumstances: first and most important has been the bitter Afghan conflict with the U.S. military ally, Pakistan; the second has been U.S. performance on implementation which has been below that of the average U.S. program in other countries.

The House appropriations bill would preclude the use of the technical cooperation appropriation for timely action. Reliance would have to be placed on a contingency fund which is already greatly overburdened.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from New York.

Mr. TABER. I want to say to the gentleman that I believe that this language in the bill at this point is absolutely necessary if we are going to have any integrity in our legislative procedures or any control over such things as this.

Mr. GALLAGHER. I thank the gentleman, but respectfully disagree.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Florida.

Mr. HALEY. All this language means is that you want the people who are using our own money to come back here and justify the expenditures of that money, just like the people have to do in the Western States when they want

UNIVERSITY OF MICHIGAN LIBRARIES

to put in irrigation and reclamation projects.

Mr. PASSMAN. That is correct.

Mr. Chairman, this limitation came very near to being unanimous in the committee.

Under the present legislation—not the bill today, but prior legislation—the Department may use deobligated funds to start new projects. Some of those projects which they have started in this manner would take us into 1975.

There are approximately 1,500 projects, with something like 4,000 separate subprojects, and when they come before our committee they are in two different categories: one, "continuing," and the other known as "new." We do not know what projects have been justified before the committees of the Congress or what contracts have been started with deobligated funds. We discovered situations of the latter type which were absolutely alarming; and had the gentleman read the hearings carefully and completely, I do not believe he would have offered this amendment. There has never been any category of the mutual security program abused to the extent of the technical aid part of it.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Not only have I read most of the testimony, but I lived through our own testimony before the Committee on Foreign Affairs. I also recall the gentleman's statement of yesterday when the gentleman said they only wrote certain language in the bill because the witnesses who appeared before the committee did not pay attention to his committee.

Mr. PASSMAN. I think the members of the committee were almost unanimous on this provision of the bill. The Department witnesses indicated that they would start new projects, the committee's position notwithstanding. Now, we are dealing with something here that if the cost is projected into the future, it may go into billions of dollars. And, it may very well be that perhaps half, or more, of the projects now funded were never approved in the beginning, by any committee of the Congress.

Let us imagine that the Chief of the Corps of Engineers had a few thousand dollars left over in your own home State, and some favorite constituent wanted an investigation made, and another constituent wanted to use the money, say $5,000, for starting a million-dollar project. Now, that would be comparable to what we are into here.

I think this is the most important provision in this bill, to prohibit these people, on items of this nature, to go out and make obligations, enter into contracts, then place them over in a continuing category, so that when they come before the congressional committees we do not know whether they had ever been justified before the Congress or whether on their own initiative they started these projects.

I might add that at this time there are 676 of such projects as these in effect, with obligations totaling $347 million.

I think the time has come when we must tighten up on such practices.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. PASSMAN] has expired.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. MASON. Mr. Chairman, I object.

Mr. CONTE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Jersey. I opposed the committee amendment because I felt that it destroyed the flexibility of the entire program.

Mr. Chairman, we have a peculiar situation, whether we like it or not, of 12 new countries that have gained their independence in Africa. Before this 12-month period is up we will have 30 new countries in Africa. The Sino-Soviet bloc are down there working night and day trying to gain the hearts and the minds of the people in Africa.

One of the most effective programs that we have is this point 4 program of technical assistance. Mr. Chairman, if the committee amendment prevails, then not one project can be started for the Camerouns, Dahomey, Niger, Upper Volta, Mali, Madagascar, Togo, Sierra Leone, or the Congo. You could not start one of these technical cooperation projects because they would not have been justified before our Committee on Appropriations.

Mr. Chairman, I have great respect for my chairman. I have worked very diligently with him through the 16 weeks of our hearings and he has done an excellent job. I believe there is not a harder working man in the Congress.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield.

Mr. PASSMAN. I appreciate that comment.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, I think the record should show that this program since its inception has never had a limitation of this kind. With some exceptions the program in this area has proceeded, I think, reasonably well, with a limited number of instances of poor management, poor projects, poor execution. With this background, it is unnecessary to include this provision. Therefore I endorse the amendment.

Mr. CONTE. The gentleman from Michigan is absolutely right.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. EVINS. Does the gentleman feel that we should have a different rule, a rule of flexibility, for foreign projects than we have for our own Corps of Engineers projects and Bureau of Reclamation projects in this country? All the latter must first be approved by the various subcommittees on appropriations before they may proceed with the project. The gentleman is suggesting that we have a different rule for our friends overseas.

Mr. CONTE. This comes under the technical cooperation program, which is altogether different. Here we are dealing with newly developed countries. We are dealing with emergencies that arise throughout the world in Africa and southeast Asia. I do not think the two situations are parallel.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. GALLAGHER. I would like to point out that the amendment offered by the committee was turned down by the Committee on Foreign Relations as being completely impractical and unworkable. I might say also, in response to the comment of the gentleman about having a different standard in the United States, that the Comptroller General also has said that it is not practicable to have this type of approach in an international problem such as in the technical cooperation program. He did not advocate the adoption of this type of legislation for this program.

Mr. CONTE. Mr. Chairman, furthermore I would like to point out why this is inflexible. We are tying the hands of the people who are involved in this program. If you negotiate a contract with a country such as Togo in Central Africa, and you find the program is going to be too costly, and would like to switch that program over to another program where you can save some money, under this proposal of the committee, unless it is approved by the House Appropriations Committee, you would have to go through with the costly program or defeat it entirely.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. With respect to the inquiry of the gentleman from Tennessee, justification is first made on domestic projects to the Committees on Public Works of the House and the Senate before they even go to the Appropriations Committees. Under the rider which is in this bill, the departments could not even initiate the projects to the Foreign Affairs Committee of the House and the Foreign Relations Committee of the Senate before going to the Appropriations Committee. Would this reverse the usual procedure? Would the agency first have to go to the Appropriations Committee and then return to the Foreign Affairs Committee in order to justify the project? Is that the way it works?

Mr. PASSMAN. It would not work that way. The only thing we want them to do is to justify the project before either the Foreign Affairs Committee or the Appropriations Committee or both.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am going to tell you just exactly what inspired this language, the kind of business that has been going on. It is about time we began to wake up and realize some people have been doing things that will not pass muster.

UNIVERSITY OF MICHIGAN LIBRARIES

I hold in my hand a couple of programs regarding schools, high-toned schools like Johns Hopkins University and others of similar character, set up by folks who want to run research institutions and all that sort of thing. Here they were day after day supposed to have lectures for 5 days a week in the morning and some days afternoon lectures in addition. When we sent inspectors to find out what was going on, there was nothing going on at all. They got $4,000 apiece for 20 of these people they were supposed to be training, $80,000 overall for each group. The total expenditure, as near as I can figure it, was $34,400,000 out of this particular item. It was their big item last year. How many want to vote for that piece of foolishness, that absolutely ridiculous procedure?

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. Is not this the same program where they took 9 former Government employees and 3 others, 12 in all, to start with, some of them making $80 or $90 a week, and it cost us approximately $90,000 a man to maintain them in Iran for 3 years?

Mr. TABER. It is the same kind of procedure.

Mr. PASSMAN. Ninety thousand dollars per man for 3 years, because they did not have to give any justification.

Mr. TABER. Nobody who is a friend of this program ought to vote for this amendment to strike this language out, because it means absolutely destroying the civil service of the United States.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Louisiana.

Mr. PASSMAN. This is the program under which these people started so many projects in Taipeh, and they had to abandon 206 of them because they just could not make them hold up. When you give the people the money and they can go out and obligate it, when they have not come before the committees of the Congress, you do not know what kind of a deal they are going to get into; is that not correct?

Mr. TABER. That is exactly correct. I think we ought to force these people to be honest. If we are not going to do that, I do not want anything to do with that kind of performance.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time in order to clarify the language in the amendment. I would like to know what the word "initiate" means. As I understand the word would prohibit taking any measures at all until ICA first appears before the Committee on Appropriations of the House of Representatives and of the Senate. Is that the intention of the language? Or could ICA officials appear, for example, before the Committee on Foreign Affairs of the House and of the Senate and relate their plans and their programs? If they did this, would they be violating the term "initiate any project or activity"?

Mr. PASSMAN. You can substitute the word "start" for the word "initiate." It does not matter which way we argue it. It is up to the Committee on Appropriations, after the authorizations and the fixing of the ceilings, to examine the needs and to recommend the amounts of money to be appropriated.

I do not think the gentleman can possibly argue successfully against this language. It only provides that they come before the committee and say that, for example, here is a project which would take 4 years to build, and give the cost of it, which is going to be so many dollars. Then, we would go into it and examine it, asking questions as we do for projects here in America. If we find they have merit, the money can be approved; if not, they will be turned down.

Mr. YATES. Will the gentleman permit me to ask another question?

Mr. PASSMAN. I am happy to have the gentleman ask me a question.

Mr. YATES. As I understand the gentleman's explanation then, it is perfectly proper for the agencies to consider the initiation of projects, to make plans for presenting such projects to the Congress, and to present those plans to the Congress through the Committee on Foreign Affairs in the House and the Committee on Foreign Relations of the other body before making their justification to the Appropriations Committee.

Mr. PASSMAN. That is the whole purpose of it, to have them present the proposal to the committees of the Congress so that they can justify it before they start spending money and entering into contracts that will take us in some cases up to 1972, and others that will take us up to 1975.

We have shown you the record that the cost may exceed $1 billion before completion, if you should give them the money to carry out all the projects. It is intended to call a halt to starting these projects which have never been justified before the Congress.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I would like to point out that it is the duty of the Committee on Foreign Affairs also, and an obligation that we have taken quite seriously, to review all these projects as they come about. I should also like to point out the authorization legislation which was passed by this House by a vote of 234 to 132. At that time the membership considered this bill without this provision. I do not see why we should now be changing our course.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Louisiana.

Mr. PASSMAN. As I understand it, the Committee on Foreign Affairs wanted to leave it up to the Committee on Appropriations to establish some criteria and to set some limits on these projects. There is no limit, as it is now.

Mr. Chairman, I ask for a vote.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close in 10 minutes.

Mr. O'HARA of Illinois. Mr. Chairman, I object.

Mr. PASSMAN. Mr. Chairman, I move that all debate on the pending amendment, and all amendments thereto, close in 15 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Louisiana [Mr. PASSMAN].

The motion was agreed to.

The CHAIRMAN. The gentleman from Iowa [Mr. GROSS] is recognized for 5 minutes; then the Chair will announce the division of time amongst the Members indicating a desire to be heard.

Mr. GROSS. Mr. Chairman, it is hard for me to understand why anyone should offer an amendment striking this provision from the bill. Some reference has been made to the Government Affairs Institute as an example of what is happening in this program. The Subcommittee on Appropriations asked three top officials, including Inspector General Murphy, about this program. To begin with they apparently did not know they had a $1,113,000 contract with a management firm to supply 12 technicians to tell the Iranian Government how it should be run and they did not know any of the officials of this management firm. Read the hearing record. When first asked, they said in succession: I do not know; I do not know; I do not know."

This is the language that is sought to be stricken out:

> That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the Committees on Appropriations of the House of Representatives and the Senate.

What is wrong with that provision? Why should not the Congress of the United States know what these bureaucrats seek to do with the money that is so liberally provided in this bill? This is simply the right to know and unless there is this right, Congress cannot serve the people of this country. This is one provision of the bill I support.

The CHAIRMAN. The gentleman from Illinois [Mr. O'HARA] is recognized.

Mr. O'HARA of Illinois. Mr. Chairman, I am concerned with the language in the bill which states that no project or activity can be initiated unless it has been justified to the Committees on Appropriations of the House of Representatives and the Senate. I wonder why the Foreign Affairs Committee of this body was ignored? I understand that in other matters the Committee on Public Works is considered, and certain matters may go there, then to the Committee on Appropriations, but in this case there is a complete bypassing of the Committee on Foreign Affairs, and as a member of that committee I resent it.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, I have asked for this time in order to get

DIGITIZED BY UNIVERSITY OF MICHIGAN

information, if I can, as to exactly what this amendment would do.

I see the question from two sides, I would say to the chairman of the subcommittee. I know perfectly well what he is trying to do, and how necessary it is that some control be written into the program. On a recent trip that was made by our Subcommittee on Foreign Economic Policy it took us some time before departure to get a list by applying some pressure, of all projects in the areas to be visited. Although finally we obtained what was said to be a complete list, we found in some cases that some of the projects represented as being carried on were unknown to the local team; and some places where projects were being carried on that had not been listed.

On the other hand, I do recognize that the technical assistance program was initiated as one of the most valuable parts of our mutual assistance program. I also am tremendously concerned lest the small amount of money set aside to initiate technical training in Africa be held up for another year. I wonder if the gentleman from Louisiana could tell me if this amendment were voted into being, exactly how the program would be initiated in a new country.

If the technical assistance team wished to initiate small projects while the Appropriations Committee was not meeting because the Congress was not in session, what would be the procedure and how long would be the delay?

Mr. PASSMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Louisiana.

Mr. PASSMAN. It is my understanding that so far as special assistance is concerned we have no provision prohibiting funds out of that account. This does not deal with tropical Africa. That comes in under special assistance. It has to be understood, realizing the nature of these projects, that all they would have to do would be to come before the Congress and justify them, then they would get the money.

Mrs. CHURCH. Would it be possible always to bring a project to the attention of the committee within a reasonable time?

Mr. PASSMAN. It is my understanding that we are trying only to provide for reasonable justification to the Congress. I do not know anything so important about bilaterial technical aid that would preclude such justifications. As it is now, they have gone wild. There are some 1,500 regular projects and about 4,000 special projects. The Congress has just about lost all control of it.

Mrs. CHURCH. The gentleman knows that I agree with him on that. We have lost control of the program. I would like to see the Committee on Foreign Affairs brought into the picture, when it comes to authorization, however.

Mr. GARY. Mr. Chairman, will the gentlewoman yield?

Mrs. CHURCH. I yield to the gentleman from Virginia.

Mr. GARY. This amendment does not apply to defense support or to military assistance. It applies only to the technical assistance part of it. No program should be considered without some authorization.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I rise in support of the amendment to eliminate this language from the bill. Technical assistance is probably the most basic work we are doing in trying to help newly emerging countries develop the skills necessary to manage their affairs well and have hope of survival.

It has never been an expensive program, relatively. The amount authorized by the committee is $22 million less than what was authorized by the Congress only a month ago. Some of these programs involve difficult situations in all kinds of countries where they may have to move rapidly. Maybe some decisions made will not work out; that is part of the risk we take. But to hamstring the agency so that it can do nothing, is a much greater risk. To freeze the program into such a rigid position as the bill's language would impose, would be an extremely unwise thing to do.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from New York.

Mr. TABER. How is it going to be possible to stop the ridiculous waste of money they have been pulling off, and the things they have failed to do?

Mr. JUDD. When they face any emergency or changed situation, they should initiate a program to meet it. They then would have to come within a year to the House Foreign Affairs and Appropriations Committees and the same committees in the Senate. If at that time one or more of those committees decides the action taken is ill advised, ill conceived, mismanaged, or what not, the committee can include in its bill a provision saying that none of the funds appropriated therein shall be used for the designated project. Congress can get complete control within a year.

None of these technical assistance programs runs into a large amount of money. It seems to me, if we want to win in this fierce world struggle, we must have maximum imagination and flexibility for those administering this program. We can check within a year on any action they take and correct or stop it, if they have done something they should not have done.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. These projects were authorized by the gentleman's committee. We cannot consider any money appropriation until first the gentleman's committee has provided for the authorization.

Mr. JUDD. I am not making my argument on the basis of committee jurisdiction.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CURTIS].

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Massachusetts. I yield to the gentleman from Minnesota.

Mr. JUDD. I thank the gentleman from Massachusetts. I am not making my case here on the matter of committee jurisdiction. That case, I think, has been well made by the gentleman from Illinois [Mr. O'HARA]. I am basing my argument on the importance of the technical assistance program. I want every ill-conceived or wasteful program to be checked on and, if advisable, eliminated. But I do not want to freeze this agency so that it cannot operate in the present fluid world situation effectively. I think it ought to be given maximum hope of success.

Mr. CURTIS of Massachusetts. Mr. Chairman, I support the amendment, and believe that the committees of the House can control this program without putting it in a straitjacket. We are discussing technical cooperation, which is frequently referred to, especially by those on my right, as the point 4 program. That program was initiated with fine imagination, and has been carried out with the approval of the country. It is a program in which we are more in competition with the Soviets than in any other programs included in this bill. They move into newly freed and less developed countries and seek to capture the minds of the people. This program makes is possible for us to show those people that they can make progress in freedom. To do this effectively and at the proper time requires more flexibility than would be permitted under this bill.

In closing, I want to quote what the President said to the Philippine Congress people only a few days ago:

> But our chief and most potent asset, in the battle for men's minds and their loyalty, is our commitment to the mutual interchange of knowledge and wisdom and culture; our commitment to the mutual interchange of new skills.

Mr. Chairman, that is what this program is for, and you cannot run this activity the way you run that of the Army Engineers. The amendment should be accepted.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I want to say again that we are not attempting to bypass the Committee on Foreign Affairs. We are not attempting to take jurisdiction. In no case will this committee ever give any thought or consideration to appropriating for any project until the Committee on Foreign Affairs has first authorized it, and after it has been justified. All that we are trying to do is help the administration do a better job.

Let me say this: It was very nearly unanimous all the way along the line that the time had come to put some sense into this program, which has been spreading throughout the world with practically no limitation whatsoever.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. I would like to say to the distinguished chairman of the subcommittee that the language which this amendment attempts to strike out is the only part of this entire bill that I am for, and I hope it stays in. It makes sense.

Mr. PASSMAN. I thank the gentleman.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I am very happy to hear the gentleman's words about not taking over the prerogatives of the Committee on Foreign Affairs. But, in effect, that is exactly what you are doing. I might also point out that over 1,000 projects of this nature have come before his own committee, and not one project has been declined or revised.

Mr. PASSMAN. As the situation now stands, there is not a member of this committee and there is not a Member of the House of Representatives who can identify, without inquiry, what projects have been justified before committees and what projects have been started on their own initiative. The projects are in a continuing category before they ever come to the committee, and they are really more fouled up than you might think they are.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Minnesota.

Mr. JUDD. Your subcommittee surely can find out whether it is a new project or a continuing project by just checking whether it was begun in the last fiscal year. If it was begun in the last fiscal year, obviously it is new.

Mr. PASSMAN. To accomplish that purpose would require something like 4,000 separate investigations, for that is the number of projects and subprojects included in this program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. GALLAGHER].

The question was taken; and on a division (demanded by Mr. GALLAGHER) there were—ayes 55, noes 137.

So the amendment was rejected

Mr. COFFIN. Mr Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COFFIN. On page 2, line 23, strike out "Committees on Appropriations of the".

Mr. COFFIN. Mr. Chairman, I have had a conversation with the chairman of the subcommittee and it is his intention, as I understand it, that under this procedure which has just been written into the House bill, the Committee on Foreign Affairs would not be bypassed, that his committee would not propose to appropriate unless there had been authorizing legislation. Therefore, this language merely makes clear that the ordinary authorizing-appropriating procedure would take place as it does in all other areas.

Mr. PASSMAN. Mr. Chairman, I, myself, am perfectly willing to agree to the gentleman's amendment. The gentleman's committee authorizes these projects individually and then we appropriate for them individually.

Two committees working together can certainly do a better job than one.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. COFFIN].

The amendment was agreed to.

Mr. WESTLAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have taken this time for one reason. I have listened with a great deal of interest to the debate on the technical cooperation program which I personally favor, believing that it is one of the best parts of this type of legislation. I have voted for the bill in the past and expect to vote for it this time.

However, some of these programs, to my mind at least, are a little bit difficult to swallow. I should like to ask the chairman of the subcommittee this question. I notice in the report on page 6 that there is a technical cooperation program for Iraq, for example, for $1 million; a technical cooperation program for Cuba for $350,000 and for the Dominican Republic for $280,000.

I just voted to sustain the language that was in the bill, so I presume that whoever came before the Committee on Appropriations had to justify these requests. This is not very easy for me to swallow.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. WESTLAND. I yield.

Mr. PASSMAN. Does the gentleman mean they had justified these projects?

Mr. WESTLAND. Yes.

Mr. PASSMAN. It is my understanding that, as the situation has been, they get the money, and then enter into their own contracts without any specific authority on any individual contract. Under the amendment just adopted, of course, we will have the opportunity to look them over and either approve the funds or deny the funds.

Mr. WESTLAND. Is the gentleman saying that there are not funds in the present bill before us for a technical cooperating program for Iraq for $1 million, for Cuba for $350,000 and for the Dominican Republic for $280,000?

Mr. PASSMAN. It is my understanding that after the completion of the contracts now under way, the President is going to suspend the program with Cuba.

Mr. WESTLAND. What is the situation as far as Iraq is concerned?

Mr. PASSMAN. If we have entered into a contract, then we are going to have to live up to our commitment. This provision will be applicable to future contracts, not to those which are now in effect.

Mr. WESTLAND. There has been a little change in government in Iraq.

Mr. PASSMAN. We are not trying to take over the President's prerogatives. I think our President will have the right to determine whether or not this program should be suspended in Iraq.

Mr. WESTLAND. It seems to me it is within the province of the Committee on Appropriations to decide that, and not appropriate funds.

Mr. PASSMAN. Under the provision approved, it shall be within the committee's province in the future. We will appropriate authorized funds when they have been justified before the committee. The committee's position is that if our President should deem it in the best interests of the country to terminate a contract, he always has that right.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. WESTLAND. I yield to the gentleman from Michigan.

Mr. FORD. All three programs for the three countries the gentleman mentions were programs submitted at the time of the request for the authorization of the $172 million. This bill provides $150 million, a $22 million reduction. In effect we are squeezing it down so that the executive branch has to make certain reductions or cutbacks. They have already done so in the case of Cuba and I am sure they will have to do the same thing in other places.

Mr. WESTLAND. May I suggest to the gentleman from Michigan that I hope he can work out a way to squeeze out Iraq and Cuba and the Dominican Republic.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: On page 2, line 20, strike out "$150,000,000," and insert in lieu thereof "$172,000,000".

Mr. ROOSEVELT. Mr. Chairman, this amendment restores the cut made by the committee and brings it back to the budget estimated amount. The reason I do this is that we have just adopted in this House a provision which absolutely guarantees that no one can make the argument that in future appropriated funds there is not going to be the most careful look at each and every program. Having done that, are we going to face the world and say that we have raised the amount of military aid by $200 million, already acted upon, and then tell the people of the world that are listed on page 6, and remember, these are the people of the world that we want to win to our side, that the only thing America is interested in is the military side of this problem. We would seem to be telling them that we are not interested in them as people in their efforts to develop themselves for democracy. I just do not believe we really want to do that. Twenty-two million dollars is a drop in the total bucket, you might say. I hope that my colleagues will see fit to restore this amount. It will be reviewed as already provided for with great care by two committees so that there could be, I hope, no possible extravagance. It would be a signal to the world that we are looking not only on the military side of things but on what is going to help people, and people are what are going to make a victory for democracy over communism in the long run.

UNIVERSITY OF MICHIGAN LIBRARIES

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Michigan.

Mr. FORD. Is it not fair to say, however, that even with the $200 million added to the military assistance program that appropriation is still 10 percent below the total requested by the Chief Executive? However, the gentleman's amendment puts the technical cooperation amount up to 100 percent of what the Chief Executive requested. I think your argument would be sounder if you used the same percentage figure in both cases.

Mr. ROOSEVELT. I will be glad to have a substitute amendment offered, if the gentleman wants to offer it. But, at least in my book, it is better to have a 100 percent appropriation that goes directly to the benefit of people and emphasizes that part of our national affairs.

Mr. Chairman, I hope the Committee will adopt the amendment

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from New York.

Mr. TABER. Is it not a fact that this particular item is one where $34,400,000 was wasted on one crazy project?

Mr. PASSMAN. On which one of the crazy projects?

Mr. TABER. On that crazy educational program.

Mr. PASSMAN. Yes; and that is just one of them.

Mr. Chairman, we have always provided too much money for this particular phase of the program. I think the year before last, that would be fiscal 1959, even before we had concluded the hearings, Secretary Dillon stated that they had overprogramed and that they would not need the amount of money requested. Consequently, we cut it back, I believe, by $10 million, and I think they finished that year with unobligated funds in the amount of $8 million.

Here are some of the facts and figures relative to this item: In 1956 they deobligated $18,101,000. In 1957 they deobligated $6,448,000. In fiscal 1958 they deobligated $17,989,000. In 1959—that was the last complete fiscal year—they deobligated $19,350,000 out of this one category. Through February of this year, for fiscal 1960, they had already deobligated $5,427,000. So what they actually do, and make no mistake about it, is to enter in many of these contracts hurriedly and haphazardly. There is no justification for them. They get started and they have to cancel them, and others they just put behind an obligation, and after we go home they deobligate and take that money and reobligate it. All we are trying to do is to make a better program out of it.

I certainly hope you will take into account also that in this particular fund you have now the special assistance and development loan and so many of these other items included also for technical aid that they are quite difficult to find. Technical aid will have $318,417,000, with a carryover and the new appropriations recommended.

I certainly hope you will vote this amendment down.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I am happy to yield to the gentleman.

Mr. ROOSEVELT. Would not the gentleman agree, when the President went down to South America on his recent visit, he came back and announced that the one thing the people down there really needed was this technical assistance? I do not say that every project on which money has been spent down there is a good project, but I do say that with the help of the language which is now in the bill, proper precautions can be taken to protect the interests of both the South American and Latin American countries as well as of the United States. We realize, certainly, that the need exists. We realize, certainly, that there is a need of assistance in the Latin American countries and South American countries and, certainly, we need their assistance if we need the assistance of any nations. I am sure the gentleman will agree that we should not slap our friends in the face.

Mr. PASSMAN. Let me say to the gentleman, you have sufficient money in what the committee is recommending to take care of every project under consideration. These people have been getting too much money. It has been stacking up.

You will have no regrets if you support the committee in its recommendations.

Mr. ROOSEVELT. Would not the gentleman agree, however, the President stated that there was a need for new projects to come forward and to be appropriated for?

Mr. PASSMAN. I might say to my distinguished friend, intended humorously, of course, that this situation reminds me of being in a city where they close the saloons at midnight. We had better get a couple of more drinks because there will not be any available after 12 o'clock." Would the gentleman advocate just because we are setting up some restrictions that they had better load up with contracts before they have to justify it to the committee?

Mr. ROOSEVELT. No, but I would like to be sure that if some worthy project that could be justified came up that there would be opportunity and money for it.

Mr. PASSMAN. Such a project is amply taken care of under the restrictive language of the bill.

I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ROOSEVELT].

The amendment was rejected.

Mr. TABER. Mr. Chairman, I would like to suggest to the gentleman from Louisiana [Mr. PASSMAN] that we on this side think perhaps the balance of the bill might be considered as read and open to amendment and points of order at any point.

Mr. PASSMAN. I should like to have the reading of the bill continue in regular order. We can limit debate and get through I think more quickly than if we turn it wide open to amendment.

I assure the gentleman from New York I shall consume very little time during the balance of the day.

The Clerk read as follows:

United Nations expanded program of technical assistance and related fund: For contributions authorized by section 306(a), $33,000,000.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 3, line 2, strike out "$33,000,000" and insert in lieu thereof "$30,000,000."

Mr. GROSS. Mr. Chairman, I have heard all the debate on this foreign handout bill and I never cease to marvel at some of the statements, especially when even the supporters find it convenient to decry the ridiculous spending, ill-conceived projects, waste, extravagance and corruption. They are apologists for all this and yet they vote for it. Someone else mentioned the President's great and undying affection for the foreign handout program. I cannot help but recall another statement made by the President not long ago in which he called for belt-tightening, austerity, frugality, and so on and so forth. There are some very interesting contradictions that we get each year, in connection with this giveaway deal.

Now let me turn to my amendment.

Last year both the House and Senate reports on this bill advised the Mutual Security Administration that a reduction in percentage and total dollars contribution to this U.N. program was desired. The agency has ignored this request by asking for an increase in funds for fiscal year 1961.

If this program is so important, why cannot the other participating nations in the United Nations provide for a greater share of the costs, particularly in view of the additional bilateral technical assistance and special assistance programs currently being funded by the U.S. taxpayers?

The $30 million would provide the same amount as provided for fiscal year 1960.

It might be of interest to my colleagues to know that $1 out of $5 contributed to this U.N. fund goes for administration and operational cost of the program. If an American businessman had such overhead costs he would go broke in no time.

Let us look at a little of the history of this program. From the record of the hearings and the statement by Assistant Secretary of State Wilcox, the U.S. delegate to the United Nations last year, Representative JAMES G. FULTON, of Pennsylvania, pledged—get this—pledged $40 million of our money for the calendar year 1960 for this United Nations technical assistance program. How anybody can be so fast and so free with somebody else's money is amazing. But our colleague from Pennsylvania

[Mr. FULTON] pledged $40 million; not $33 million, but $40 million.

Now, let us look at some of the other testimony on this subject.

The gentleman from Louisiana [Mr. PASSMAN] put in the RECORD the figures on this appropriation for several years past and up to the present. I am not going to take the time to read it. Then, the gentleman from New York [Mr. TABER], after the gentleman from Louisiana had questioned why there should be an increase in the program, said this: "I would like to know why it is necessary to have any program."

Not a $3 million increase, but any program at all, was the question of the gentleman from New York [Mr. TABER].

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. HAYS. Did the gentleman say our share of this is 33 percent?

Mr. GROSS. I do not know what percentage our share is. It must be at least 33⅓ percent. I do know it was $30 million last year and now they want $33 million.

Mr. HAYS. I will say the gentleman is on the right track because our share of NATO, and so forth, is only 24 percent. That is because some of us got in there and argued with these people, and they agreed we should not pay more than that. That is only 15 nations. The United Nations is all of the nations in the world.

Mr. GROSS. The gentleman from Louisiana pointed out to the witnesses appearing before his committee on this subject that last year he had told them a reduction was in order, not an increase. In the light of what has happened, the people running the giveaway program thumbed their noses at the committee and Congress; is that not correct? They thumbed their noses at the committee for one of the top officials said he had not even read your report in which you told him you wanted a reduction.

Mr. PASSMAN. But that is not the worst part of it.

Mr. GROSS. Let us cut this back to the appropriation for the current year. Let us take $3 million off this program and stop indulging in lipservice.

Mr. PUCINSKI. Mr. Chairman, the gentleman from Iowa [Mr. GROSS] has asked why the United States should engage in the building of a children's hospital in Krakow, Poland. I am sure the gentleman is well aware of the tremendous contribution that the people of Poland have made to the defense of freedom, not only in World War II, but for many centuries before that.

I strongly support this proposal to build a children's hospital in Krakow, Poland. It is neither the fault of the children of Poland nor even their parents that this gallant nation today finds itself under the rule of a Communist regime. This Communist regime which today rules the people of Poland was imposed on these people through the hypocrisy and deceit of the Soviet Union immediately following World War II, and despite the fact that the people of Poland had been promised free and unfettered elections after the war, it was Soviet treachery which has denied these Polish people this right. There is no question in my mind and I feel confident that the gentleman from Iowa [Mr. GROSS], will agree, that if the people of Poland were given the privilege of holding free and unfettered elections today, not a single Communist would survive in public office in Poland.

The history of the Polish people's determined struggle for freedom has been a source of inspiration to all nations of the world for many decades. We know that the people of Poland have traditionally maintained the true spirit of liberty against overwhelming odds. We know that even in 1956, when the people of Poland were faced with indescribable recriminations, they staged the gallant uprising in Poznan which has led to at least a semblance of independence from complete Soviet domination.

I respect the efforts of the gentleman from Iowa [Mr. GROSS] to indulge in economy, and I certainly share his great desire to ascertain that every American dollar spent in the mutual security program will bring the most positive results. Mr. Chairman, it is my sincere opinion that this project to build a children's hospital in Krakow, Poland, is one of the best features of this entire legislation. This hospital is to be built with counterpart funds which belong to the United States and cannot be spent anywhere but in Poland. I can think of no more humane project than this proposed hospital to demonstrate to the people of Poland that the United States continues to hold them and their dedication to freedom in high regard. This hospital built with American counterpart funds will be a monument to the tradition of charity and humane understanding which has characterized the American people since the founding of our Nation.

Few countries in the world have suffered as much as the Polish people have in their struggle for freedom. The present Communist regime in Poland, I am certain, ultimately will fall of its own oppression. But this hospital, which will help open new health opportunities for the little children of Poland, shall continue to stand and serve humanity.

The assistance that we propose here today to the people of Poland is a dramatic way in which we Americans can demonstrate our traditional friendship to the heroic people of Poland. I am confident that the day will come when Poland and all the other captive nations of Europe will again join the family of free nations. This hospital, along with all the other assistance that we give to the people and children of Poland, will long remain as America's contribution toward that goal.

I am hoping, Mr. Chairman, that we will not only approve the expenditures for this very humanitarian project in Krakow, but that in the near future we will also approve a project to build a school in Hyze, Poland, the birthplace of Gen. Wladyslaw Sikorski, in his honor. This great Polish general was killed during World War II at the height of his efforts to lead Poland as a gallant ally of the western democracies.

We have in Poland now, some $79 million of frozen counterpart funds. I know of no greater way to help the people of Poland and the people of other captive nations to understand that we have not forgotten them during this tragic period when they must suffer the loss of freedom to Communist rule, than to encourage the liquidation of these counterpart funds on humane projects such as the children's hospital in Krakow. It is for this reason that I am strongly supporting the amendment of the gentleman from Wisconsin [Mr. ZABLOCKI] and hope that the House will concur in its adoption.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa.

This is just a little different from the bilateral technical aid program. Whether I like the program or not I must face up to my responsibilities and recognize that we are already committed. We gave our representative permission, consent or authority to commit our Government for a certain amount of money. We make this to the U.N. and the U.N. makes the allocations. If it is the wish of the Committee on Foreign Affairs to recommend a lesser amount next year and if that fact is indicated to the members of the U.N. which are participating in putting up the other portion of the money, I, myself, will go along with that; but as long as we have made a commitment we should live up to our commitment.

Mr. Chairman, I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS) there were: ayes 32, noes 93.

So the amendment was rejected.

The Clerk read as follows:

Special assistance, general authorization: For assistance authorized by section 400(a), $206,000,000, of which not to exceed $1,500,000 may be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States for assistance authorized by section 400(c) for construction of the American Research Hospital for Children in Poland at the University of Krakow: *Provided*, That no part of this appropriation shall be transferred by the International Cooperation Administration or the Department of State to the Benjamin Franklin Foundation, until a new agreement is entered into between the United States and the Benjamin Franklin Foundation which contains adequate financial and administrative controls for the protection of the Government of the United States.

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, I make the point of order against the language beginning on page 3, line 7, and ending on line 12 which reads as follows: "of which not to exceed $1,500,000 may be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States for assistance authorized by section 400(c) for con-

struction of the American Research Hospital for Children in Poland at the University of Krakow:".

Mr. Chairman, this language is legislation on an appropriation bill. The authorizing act, the Mutual Security Act of 1959, provides for the utilization of "foreign currencies for hospitals abroad designed to serve as centers for medical treatment, education and research founded or sponsored by citizens of the United States."

In contrast, this language in the bill under consideration provides for a discretionary use of appropriated funds to purchase foreign currencies owed to or owned by the Treasury of the United States. The authorizing language does not provide for the use of appropriated funds for the purposes stated in the objected-to language. This language is not a true limitation on an appropriation bill as it provides for or authorizes positive action through permissive authorizing language.

Mr. GARY. Mr. Chairman, the language is clearly authorized and the point of order is not well taken because the appropriation is authorized under section 400(c), and it must be in accordance with that provision. The provision authorizes the use of foreign currency. We appropriate the dollars to buy the foreign currency that is now in the Treasury, but no American dollars can be used for the project. The provision provided for here is simply a bookkeeping provision which appropriates money, American dollars, to purchase the foreign currency in the Treasury, and I submit that that is a use of the foreign currency and therefore that it is in order.

The CHAIRMAN. Does the gentleman from Wisconsin desire to be heard on the point of order?

Mr. ZABLOCKI. I merely sought recognition to ask the gentleman from Iowa whether he would withhold his point of order. I have an amendment to this section which I am sure would satisfy the gentleman from Iowa.

Mr. GROSS. I will say to the gentleman I will make a point of order against his amendment if it is what I think it is.

Mr. ZABLOCKI. Will the gentleman permit my amendment to be presented?

Mr. GROSS. I would rather have a ruling on this.

The CHAIRMAN. Permit the chair to direct a question to the chairman of the subcommittee or to a member of the committee, particularly the chairman. Is this language contained in the point of order made by the gentleman from Iowa, "of which not to exceed $1,500,000 may be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States" authorized and, if so, where?

Mr. ROONEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The Chair has addressed the question to the chairman or to a member of the committee.

Mr. PASSMAN. That is the usual language where we are withdrawing foreign currencies from the Treasury.

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York or any other member of the committee as to whether or not this particular language is authorized by law and, if so, where.

Mr. GARY. Mr. Chairman, may I read the provision of law authorizing it? It is section 400(c) of the Mutual Security Act of 1954 as amended. It provides:

> The President is authorized to use not to exceed $20 million of the funds appropriated pursuant to subsection (a) of this section for assistance on such terms and conditions as he may specify to schools and libraries abroad founded or sponsored by citizens of the United States and serving as study and demonstration centers for ideas and practices of the United States notwithstanding any other act authorizing assistance of this kind.

And further:

> In addition to the authority contained in this subsection it is the sense of Congress that the President should make a special and a particular effort to utilize foreign currencies accruing under title I of the Agricultural Trade, Development and Assistance Act of 1954 as amended and notwithstanding the provisions of Public Law 213, 82d Congress, the President is authorized to utilize foreign currencies accruing to the United States under this or any other act for the purposes of this subsection and for hospitals abroad designed to serve as centers for medical treatment, education, and research, founded or sponsored by citizens of the United States.

The CHAIRMAN (Mr. MILLS). The Chair is of the opinion that the language of section 400(c) as read by the gentleman from Virginia [Mr. GARY] is sufficient to establish the point that this language is authorized by law; and therefore the Chair overrules the point of order made by the gentleman from Iowa [Mr. GROSS].

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ZABLOCKI: On page 3, line 7, after "206,000,000," strike out beginning "of which not" and through the colon on line 12 and insert on page 3, after line 19, the following:
>
> "Special assistance, special authorization: For assistance authorized by section 400(c) for hospital construction the equivalent of $1,500,000 in local currencies to remain available until expended."

Mr. GROSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, I make a point of order against the amendment and against the words "until expended" as not being authorized. I would call the Chair's attention to title 31, United States Code, 718, which provides as follows:

> No specific or indefinite appropriation made subsequent to August 24, 1912, in any regular annual appropriation act shall be construed to be permanent or available continuously without reference to a fiscal year unless it belongs to one of the following four classes: "Rivers and harbors," "lighthouses," "public buildings," and "pay of the Navy and Marine Corps," last specifically named in and excepted from the operation of the provisions of section 713 of this title, or unless it is made in terms expressly providing that it shall continue available beyond the fiscal year for which the appropriation act in which it is contained makes provision.

Mr. Chairman, I point out that this is an annual appropriation bill and, therefore, this is language on an appropriation bill that is not authorized by law.

Mr. ZABLOCKI. I will not argue the point, Mr. Chairman. I concede the point of order.

The CHAIRMAN. The Chair sustains the points of order.

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ZABLOCKI: On page 3, line 7, after "$206,000,000," strike out "of which not" and through the colon in line 12, and on page 3, after line 19, insert the following:
>
> "Special assistance, special authorization: For assistance authorized by Section 400(c) for hospital construction the equivalent of $1,500,000 in local currencies."

Mr. ZABLOCKI. Mr. Chairman I want to thank the chairman of the Mutual Security Appropriations Subcommittee and express appreciation to the Appropriations Committee for the sympathetic interest and consideration shown to the American Research Hospital for Children project. From conversations with the chairman of the subcommittee and the ranking minority member I understand there is no objection to this amendment and that the amendment will be accepted by the committee.

Mr. PASSMAN. I have discussed the proposal with the members of the committee. As the amendment has been explained to me, I have no objection.

Mr. TABER. The result of that amendment would be to increase the amount of money available in line 7, of $206 million by $1,500,000. That is the only objection to the amendment; and why should we do that?

Mr. PASSMAN. It was my understanding the amendment would not increase the amount of money.

Mr. ZABLOCKI. It would not increase the dollar amount. Foreign currency is available to the credit of the Treasury of the United States. I made that very clear in discussing the amendment.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Minnesota.

Mr. JUDD. As the gentleman pointed out earlier, this will not increase the amount of dollars actually spent, it will merely free $1,500,000 worth of some 79 million zlotys we have in Poland that are not being used for any purpose, and make them available for this very worthy use.

Mr. TABER. The gentleman is mistaken. This would simply add $1,500,000 to the funds that would otherwise be available if the language goes through as it is written. The usual practice is to have the money paid over to the Treasury, foreign money, instead of appropriating these funds.

Mr. ZABLOCKI. I conferred with the chairman of the subcommittee and the ranking minority member of the committee. I thought we had a clear understanding of the intent and scope of the

amendment my distinguished colleagues agreed to accept the amendment.

Mr. PASSMAN. That is true, but the amendment of the gentleman from Iowa may possibly have changed the situation. If the amendment does not increase the $206 million of special assistance, then I, myself, am willing to accept the amendment. If the gentleman is increasing the money in the bill then the committee would not be willing to accept the amendment.

Mr. ZABLOCKI. It does not increase the dollar expenditure of money in the bill.

Mr. PASSMAN. If the gentleman's amendment would accomplish what it proposes, would it have to increase the amount?

Mr. ZABLOCKI. My amendment would allow the appropriation of foreign currency, zlotys, to the equivalent of $1,500,000. No additional dollars would be appropriated to the total dollar amount in the bill.

Mr. PASSMAN. The gentleman is correct. It is to be regretted that what appears to be a technicality must apply to what I consider a worthy project. I would regret to see it ruled out on a technicality.

Mr. ZABLOCKI. It was my understanding that the ranking member of the committee, the distinguished gentleman from New York also accepted the amendment.

Mr. TABER. I would not want it to be said I accepted the amendment, because I think the gentleman does not understand it. It does require making the $206 million appropriation for this special asistance and then, in addition to the special assistance, there is an appropriation of $1,500,000 out of foreign currencies in the Treasury, instead of going through the regular process.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Michigan.

Mr. FORD. I believe the interpretation by the gentleman from New York [Mr. TABER] is correct. However, despite that interpretation, I am in favor of the amendment. I think it is sound. I think we ought to approve it. There is no doubt in my opinion that you are making available $206 million in U.S. cash through new obligation authority, and this amendment provides another $1,500,000 in obligation authority to buy foreign currencies for the project. I think that is the way we should do it, otherwise, you are squeezing down even further the special assistance program.

Mr. ZABLOCKI. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. MASON. I object.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Does the gentleman from Wisconsin ask that I yield?

Mr. ZABLOCKI. I would be delighted if the gentleman would yield to me.

Mr. YATES. I yield to my colleague.

Mr. ZABLOCKI. Mr. Chairman, I understand the appropriation of the additional $1,500,000 for this purpose would release or transfer the equivalent of that amount of dollars in foreign currency which is credited to the Treasury of the United States. To that extent, it would make available foreign currency in addition to the total appropriation in this measure, but it would not increase the expenditure of dollars appropriated in this bill. Therefore, I urge the committee to approve this very worthy project.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I might say to the gentleman that the chairman of the subcommittee has no authority to accept any amendment without a vote. So, on account of the procedure and the situation, and the amendment of the gentleman from Iowa, I have to confess that I, personally, am somewhat placed in a box and no less than confused at this point. I can only say we thought that there would be no opposition to the proposal, but as there seems to be some opposition, I must, of course, respect the views of the committee and abide by the rules of the House. I have no right, as chairman of the subcommittee, to accept the amendment.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Just so that we can get this matter back into perspective, as I understand the situation, there is no opposition to the amendment which has just been offered by our colleague, the gentleman from Wisconsin, and there is no opposition to it on the basis of any parliamentary situation because that has just been disposed of by the ruling of the Chair on the point of order. If I am not correct in that statement, Mr. Chairman, I wish to be corrected.

Now, Mr. Chairman, we are addressing ourselves to the merits of the pending amendment. As I understand the situation, this amendment merely unfreezes $1,500,000 worth of counterpart funds which are now available in Poland. This money should be used for construction of this very worthy project. But, it does not alter the actual dollar contribution of the United States toward the purposes of this legislation. The money already is on deposit in Poland. That, Mr. Chairman, is my understanding of the amendment offered by the gentleman from Wisconsin, and I am happy to support it.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Chairman, I should like to say a word about the merits of this amendment. The amount in the authorization bill was $256 million for special assistance for 22 of our loyal friends around the world to whom we do not give military assistance, but whose political stability and survival as free countries is of great importance to the security of the world and of the United States of America. The committee has already reduced that by $50 million to $206 million. If this amendment offered by the gentleman from Wisconsin is not adopted, we will further reduce by $1,500,000 the contributions for countries and areas like West Berlin, Tunisia, Morocco, Libya, Jordan, Israel, Afghanistan, Burma, and so on. The bill as it now is would take $1,500,000 more away from our friends to make it available for zlotys behind the Iron Curtain. The zlotys are available there and can be used for this worthy purpose and without reducing funds for the other countries by adopting the amendment offered by the gentleman from Wisconsin. So, Mr. Chairman, I urge the committee to adopt the amendment.

Mr. YATES. I now yield to the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. I thank my distinguished friend from Illinois. I asked him to yield to me in order that I may obtain a clarification from my distinguished colleague from Louisiana as to the intent of the committee in submitting the recommendation on page 9 of the report.

As the gentleman knows, the sponsors of the American Research Hospital for Children have spent in excess of $65,000 in the preliminary and organizational phases of this project. An additional $50,000 worth of foreign currency has been appropriated and expended on the preparation of detailed plans for the hospital. The sponsors are currently in the process of obtaining services and equipment, and of raising additional dollar funds from private sources.

It is my understanding that the committee intended the use of foreign currency to be contingent upon a reasonable and satisfactory assurance that the dollar requirements of the project would be raised from private sources.

Certainly the Committee on Appropriations did not intend to prohibit the release of any foreign currencies, thereby stopping further work on this project, until the sponsors raise all of the dollars—some $2.2 million—necessary to equip and complete the hospital?

Is my understanding correct in this respect?

Mr. YATES. Mr. Chairman, I yield to the chairman of the committee to reply.

Mr. PASSMAN. As chairman of the subcommittee, I think I should say that it is not the purpose of the committee to deprive you of something, but rather to endeavor to assure that the others who are going to contribute start meeting the dollar requirements for this project.

Mr. ZABLOCKI. I thank the gentleman.

Mr. PASSMAN. And I want to assure the gentleman again that only parliamentary procedure prevents me at this time from going further, personally, than expressing sympathy for the gentleman's position.

Mr. ZABLOCKI. It is clear, therefore, that the work on the project need not stop until every dollar requirement

UNIVERSITY OF WISCONSIN LIBRARIES

is met. The construction of the hospital can proceed on schedule, contingent on the availability of dollars to meet current and immediate future expenses.

As the gentleman from Louisiana knows, according to the estimated cost of the project, the amount of dollars needed in fiscal 1961 will be approximately $150,000—while the foreign currency expenditures during that year will run close to a million dollars worth.

I understand, therefore, that the sponsors of the hospital will have to show that they have forthcoming, for example, $100,000 or $150,000 in order to secure a release of the foreign currency.

Mr. Chairman, to allay any apprehension that the American Research Hospital for Children in Poland will lack the necessary support to assure dollar financing and proper administration, I wish to place in the RECORD a progress report, dated June 1, 1960, which I received from Mr. Wladek Biernacki-Poray, chairman of the executive committee for the hospital.

Mr. Poray's letter refers to the fundraising activities and the arrangements being made to assure proper administration of the hospital upon its completion.

Mr. Poray's report reads as follows:

THE AMERICAN RESEARCH HOSPITAL
FOR CHILDREN IN POLAND,
New York, N.Y., June 1, 1960.

Re fund-raising activities.
Hon. CLEMENT J. ZABLOCKI,
House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN ZABLOCKI: When the report on the proposed American Research Hospital for Children was submitted to the Department of State, our committee again approached certain foundations with a view to secure financial assistance for the project.

In a meeting with the executive vice president of one of the largest foundations we have presented the objectives of the proposed hospital; among them the gains that may be realized through the coordination of the hospital's research program with the major medical centers in the United States, which generally fits into the sphere of interest of the foundation. He expressed a vivid interest in the project and assured us that it would be seriously considered by the board of directors of the foundation.

Another large foundation has been also asked for their support, and have assured some members of the committee of the foundation's interest in the project. The impression that was received indicates that their interest would materialize into a concrete assistance, when the project would be assured of the primary assistance in the form of allocation of Polish currency from the U.S. Government. Availability of these funds for general construction would be regarded as a practical endorsement of the project by the U.S. Government, and it would remove any doubts that the project would not be started. The policy of many foundations, as we understand, is to help the "going" projects, and in our meeting with the executive director of still another foundation we again received a strong impression that chances for substantial assistance would be much greater when the Polish funds are allocated for the project. The Sloan-Kettering Institute has already taken an active interest in the project by their willingness to train (paying also all expenses, transportation, and providing substantial stipends) doctors, scientists, and nurses, who would form the staff of the research department of the proposed hospital. We have also an indication that the institute would consider donation of the laboratory equipment and certain research facilities for the research department, as it is willing to assume a major role in the mutual research program on the subject of oncology.

It may be appropriate to mention that certain firms and manufacturers of building products and equipment indicated their willingness to donate certain products (e.g., Sylvania Electric, electrical equipment and fixtures; Willet Glass Co., glass windows, etc.). Under the present conditions these donations could not be materially received, but when the storage facilities are erected on the building site, and the free transportation provided (as offered) by the Polish Government, we would be able to start an effective campaign for donation of funds and equipment. We are very encouraged with the interest displayed so far. Following a series of articles last year in the New York Times, and in the This Week magazine, we have received a considerable number of inquiries. We understand that a number of nationally known publications (the New York Times, Time, Life, the Saturday Review, and others) are very interested to give coverage to the project when the groundbreaking would take place. This would be a very effective media to start a fund and equipment raising campaign, as we would be in an excellent position to convince donors that their assistance is immediately and necessarily required.

We are seriously determined to assure the most expeditious and effective completion of the project. As a measure of our determination may serve an indication of our efforts to date; in the preliminary and organizational phases of the project, since February 1958 when it was first conceived until the present time unreimbursed expenses have exceeded the sum of $65,000. These are the direct expenditures for preliminary planning, engineering, research, trips to Poland, Washington (over 60 trips made), conferences, promotional and organizational work. Apart from this, CARE has also been carrying a considerable amount of its own expenses. This financial effort produced desirable results, inasmuch as the project at this time is a subject of consideration by the U.S. Congress and ready to be started as soon as the primary funds in Polish currency are available.

If the decision of the U.S. Congress would result in the appropriation of the zlotys equivalent to approximately $3,350,000 ($3,338,967) as per reported estimate, the ground for the project can be broken this summer, possibly in mid-August. Only such an early start of construction would make it possible to fulfill one of the theses of the project—that is, donation of the hospital as a highlight of the 600th anniversary of the university in assurance that the project would in reality be started would be, in our opinion, a very strong incentive for the foundations, individual, and industrial donors and other to make concrete commitments of assistance.

It is entirely possible, of course, to construct the hospital with a negligible amount of dollars, in the same way as other hospitals are being constructed by the Polish Government, for local currencies. This would negate one of the main theses of the project; namely, that it should represent visually and technically the advanced status of the American design and mechanical functioning, the progress that our free system is capable to produce. These are, in our opinion, very desirable elements, but even without these the project would offer a new concept in its architectural layout, and would be a very desirable addition to the hospital facilities so desperately needed in Poland. It would make possible to originate the new campus for the medical academy of the university, thus serving as a tangible evidence of the American interest in the welfare of children of Poland and the future of medical education. Such an action would not be forgotten by the people of Poland, doctors and the spirited students of Poland, who gave such a display of their admiration to the United States during the coup d'etat of October 1956.

Respectfully submitted.

W. D. BIERNACKI-PORAY,
Chairman, AIA.

Mr. Chairman, I am convinced that the hospital would, by symbolizing the interest of the American people in the welfare of the people of Poland, have a favorable effect in terms of U.S. foreign policy objectives. I sincerely hope, therefore, that every effort will be made to expedite the construction of the hospital which will be a lasting memorial and source of credit to the United States.

Mr. GROSS. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS as a substitute for the amendment offered by Mr. ZABLOCKI: On page 3, line 7, strike out the language beginning: "of which not" and running through the colon in line 12.

Mr. GROSS. Mr. Chairman, I would like to ask someone on the committee to tell me why we should build a hospital of any description in Communist Poland. I am in favor of hospitals but this may have serious ramifications.

Mr. JUDD. If the gentleman will yield——

Mr. GROSS. I asked someone on the Appropriations Committee to explain.

Mr. TABER. I cannot tell the gentleman.

Mr. GROSS. I wonder if the chairman of the subcommittee can tell me. Can the gentleman from Louisiana tell me why we are starting to build a hospital in Poland?

Mr. PASSMAN. I am not going to endeavor at this time to place my judgment concerning this particular proposal against that of the President. The hospital would be built out of local currencies, and I think it might serve a useful purpose.

Mr. GROSS. What kind of precedent are you setting? What is going to be the demand upon the taxpayers of this country when other countries demand that we build hospitals for them?

Mr. PASSMAN. Local currency only is to be used.

Mr. GROSS. I know all about these local currencies, but this money was originally American dollars.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. I yield.

Mr. PASSMAN. I have endeavored to be fair, to pinpoint my cases, and to try to reduce the waste. I know the gentleman fully supports this effort, and I know, too, that he shall continue to do so.

Mr. GROSS. Certainly I will.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Virginia.

Mr. GARY. The amount of money in this bill is about one-fourth of what it is estimated that the hospital will cost. I think it is one-fourth, certainly not over half.

The project is being fostered by some private interests in this country. They are going to raise the necessary dollars to build this hospital. You cannot build a hospital entirely on local currency. They will raise the dollars. We have local currency running out of our ears.

Mr. GROSS. Let me ask the gentleman this question. We have some $2.5 billion of country currencies floating around all over the world. Are we now going into every country in the world with a hospital building program?

Mr. GARY. We are already in with every other kind of program. I do not know a better program than a hospital program.

Mr. GROSS. If that is the case, I throw in the sponge and ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa.

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. ZABLOCKI].

The amendment was agreed to.

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

Mr. SIKES. Mr. Chairman, I rise to ask the chairman of the subcommittee one or two questions, if I may have his attention. I shall be brief.

I know that the gentleman from Louisiana has always considered this program with great care and wisdom, and is literally saving the American taxpayer billion of dollars. I think the country owes a tremendous debt of gratitude to the gentleman and to his subcommittee.

May I ask the chairman of the subcommittee, Would not the gentleman agree that grant aid, whether under special assistance or the President's contingency fund, should be used sparingly—only in very special and exceptional situations?

Mr. PASSMAN. I am in complete accord with the gentleman's viewpoint.

Mr. SIKES. May I go one step further and may I ask the gentleman by way of clarifying legislative intent, notwithstanding this situation would it not be the understanding of the chairman of the subcommittee that Guatemala, a country which is solidifying the anti-Communist forces in the delicate Caribbean and Central American area, falls into this exceptional category and that any forthcoming special assistance or contingency fund assistance to that country could well be by grant, particularly in view of the current effort of the Arbenz Communist group, now associated with Castro in Cuba to regain a foothold by force in Guatemala?

Mr. PASSMAN. I want to say to the gentleman that I am certainly in accord with his position. I feel that Guatemala is in a singular position and is deserving of special consideration.

Mr. COLLIER. Mr. Chairman, I move to strike the requisite number of words to ask a question that just occurs to me.

In the first session of the 85th Congress, as a part of what was then known as the Middle East Doctrine, we authorized and later appropriated, as I recall, some $200 million and at the same time authorized the executive to expend that sum in the Middle East.

Can anyone tell me what remains unexpended of that sum?

Mr. PASSMAN. As of June 30, this fiscal year, there will remain in the reserve fund a total of $61,247,000 unexpended.

Mr. COLLIER. If I may ask one further question, does that sum embrace more than the $200 million original authorization approved by this Congress in 1957, or does this include other funds?

Mr. PASSMAN. It is my understanding that this is the residue of that particular account that is obligated but unliquidated.

Mr. COLLIER. I thank the gentleman.

The Clerk read as follows:

Intergovernmental Committee for European Migration: For contributions authorized by section 405(a), $10,000,000: *Provided*, That no funds herein appropriated shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

Mr. WALTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 3, line 26, after the period insert "*And provided further*, That no funds herein appropriated shall be used to pay transportation costs of any doctor or immigrant inspector or for any space not required to be allotted by the applicable United States maritime laws and regulations."

Mr. GARY. Mr. Chairman, I reserve a point of order on the amendment.

Mr. WALTER. Mr. Chairman, the amendment under consideration is aimed at a very old royal proclamation or edict, whatever the law is called, that was adopted many years ago at a time when immigrants were not given the kind of protection they are on American ships. Under the laws of the United States it is necessary that each ship carrying immigrants have a hospital and medical facilities. But, despite the ample protection given to these people, under the old edict the Italian Government assigns to duty on every American ship a doctor and an immigrant inspector and requires that the American line provide space for an infimary. Nobody knows of a case in recent years where the doctor's services were required. Certainly, no immigrant inspector performs any services on a vessel. This is a needless expense, and I am sure but for the political implication, the officials in the Italian Government would themselves remove this law.

Mr. Chairman, the amendment is very definitely a limitation on expenditures. It does not provide any legislation but limits the authority to use the money appropriated in this section of the appropriation bill.

The CHAIRMAN. Does the gentleman from Virginia withdraw his point of order?

Mr. GARY. I withdraw my point of order, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Louisiana desire to be heard?

Mr. PASSMAN. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WALTER].

The amendment was agreed to.

LEGISLATIVE PROGRAM FOR THE BALANCE OF THIS WEEK AND NEXT WEEK

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have taken this time to ask the acting majority leader concerning the program for the balance of the week and for next week.

Mr. ALBERT. It is our hope to finish this bill this evening and to adjourn over until Monday.

For next week, Monday is Consent Calendar day. Then there are 20 suspensions, as follows:

First. H.R. 12313, increase pay professors, U.S. Military and U.S. Air Academy.

Second. H.R. 12570, armed services, transportation limitation on household effects.

Third. H.R. 12572, Armed Forces, procurement.

Fourth. S. 2969, medals and decorations, chaplains.

Fifth. H.R. 12346, Federal Reserve Act, sale of obligations.

Sixth. S. 1886, Communications Act, community antenna television system.

Seventh. S. 1965, regulatory agencies, removal and terms of office of members.

Eighth. H.R. 7593, air carriers, add planes.

Ninth. S. 1508, Alaska Railroad, economic regulation.

Tenth. S. 1509, Interstate Commerce Act, grandfather rights.

Eleventh. H.R. 6871, Public Health Training Service Act of 1959.

Twelfth. H.R. 5436, national register of revoked drivers licenses.

Thirteenth. House Joint Resolution 649, International Health Research Act of 1960.

Fourteenth. H.R. 3900, Puerto Rico, trade, hydrofoil vessels.

Fifteenth. S. 2669, Alaska, vessel inspection.

Sixteenth. S. 3189, coastwise trade in rebuilt vessels.

Seventeenth. H.R. 9600, surplus property, donation.

Eighteenth. H.R. 11499, surplus property, personal use by States.

Nineteenth. H.R. 12564, Vermont, develop Victory Reservoir.

Twentieth. H.R. 12547, Foreign Service Act amendments of 1960.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. BASS of Tennessee. Is it the intention of the leadership to bring up the library services bill next week?

Mr. ALBERT. No. I would like to advise that there is a primary in Maine on Monday and we are hoping that votes on Monday and Tuesday may be put over. We shall undertake to get that agreement later.

On Monday, in addition to the suspensions, there are two bills under rules; H.R. 11123, the Gorgas Memorial Labo-

ratory, an authorization of appropriation; and the continuation of H.R. 4815, the transit company sightseeing bill.

Mr. HALLECK. Would they follow conclusion of action on these suspensions?

Mr. ALBERT. The gentleman is correct.

Tuesday is Private Calendar day, and there are two bills, under rules, H.R. 12261, Farm Surplus Reduction Act of 1960; and H.R. 8860, lead and zinc, to stabilize mining.

On Wednesday, Thursday, Friday, and Saturday the following bills will be considered:

H.R. 12580, the social security amendments of 1960; S. 1898, license and rehearings, Communications Act. If that bill is not completed on Wednesday then S. 1898 will follow the supplemental appropriation bill.

Next is the supplemental appropriation bill for 1961.

Then H.R. 7624, the food additives control bill; H.R. 9996, importation of excess property; H.R. 12176, extension of the farm labor program, agriculture; and H.R. 2467, the Chantilly Airport—moving expenses for tenants and owners of land.

There is the general reservation, that any further program may be announced later and conference reports may be brought up at any time.

Mr. COLMER. Mr. Chairman, I did not hear the acting majority leader refer to H.R. 7201, a bill out of the Committee on Interstate and Foreign Commerce for which a rule was reported out about 3 weeks ago.

Mr. ALBERT. It is planned to program that bill for the week of June 27, I will advise the gentleman.

Mr. COLMER. That has been out a good while, but I suppose there is not much I can do about it except exercise a right that I prefer not to exercise.

Mr. ALBERT. The gentleman will observe that we have a very heavy week, including a number of major bills as well as a large number of suspensions. I do not intend to infer that the gentleman's bill is not a major bill, but we have an agricultural bill, an appropriation bill, and a social security bill, among others, programed for the week.

Mr. COLMER. Of course, I do observe that it is a very busy week, but we have had some very quiet weeks.

Mr. ALBERT. I can assure the gentleman that I shall do my best to accommodate the gentleman and program the bill in which the gentleman is interested in due course—probably the week of June 27.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman.

Mr. ANDERSEN of Minnesota. I asked the gentleman to yield for the purpose of asking the acting majority leader regarding the Poage farm bill. I understand a rule was granted on that bill this morning; is that correct?

Mr. ALBERT. The gentleman is correct. That bill is programed as the first order of business following the Private Calendar on Tuesday next.

Mr. ANDERSEN of Minnesota. In other words, we will finally have our day in court?

Mr. ALBERT. The gentleman is correct.

Mr. ANDERSEN of Minnesota. Can the gentleman advise whether that is an open rule?

Mr. ALBERT. It is an open rule with 2 hours of general debate.

Mr. ANDERSEN of Minnesota. With every opportunity to offer amendments?

Mr. ALBERT. The rule is entirely open.

Mr. ANDERSEN of Minnesota. I thank the gentleman.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman.

Mr. GATHINGS. On what day is the bill H.R. 12176 set down?

Mr. ALBERT. It is set down as part of the group to be called Wednesday, Thursday, Friday, and Saturday, following the social security bill, the license and rehearing bill, the supplemental appropriation bill, and the food additives control bill.

Mr. GATHINGS. The rule was granted on that bill the week before last.

Mr. ALBERT. It is the plan of the leadership to reach this bill next week.

Mr. PASSMAN. Mr. Chairman, I move to strike out the requisite number of words.

For fear there may possibly be some misunderstanding with respect to the amount of military assistance funds, let me say now that we indicated earlier an amount of $2,044 million in obligated unexpended funds and $35 million in unobligated funds. The bill provides that these funds would carry over into the new fiscal year. I should like to direct the attention of the committee to the fact that the total of $35 million in unobligated funds is now reserved, and therefore, there will be no unobligated funds in the military assistance category. But that fact does not decrease in any manner the amount of money available; it simply means that the unliquidated balances will move up another $35 million. Inasmuch as I discussed this situation with the Comptroller today, I must bring it to your attention.

But, this does not alter the fact that, by using the transferability, there would be $1,900 million available for the military aid program. If you do approve, on a record vote, the amendment to increase these funds, then, by using transferability, the total for expenditure would really be $2,100 million. I do not believe you are going to approve the increase.

The Clerk read, as follows:

Program of the United Nations High Commissioner for Refugees: For contributions authorized by section 405(c), $1,300,000.

Mr. BARR. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have been sitting here for 2 days waiting for some facts on this bill to come out, and I decided that I might as well ask the questions myself. We are dealing here with an appropriation bill, but the impact of this bill, while it does have an effect on the budget of the United States, still that is only one side of the whole impact of this bill. Probably its major impact is on the balance of payments of this Nation. Our international balance of payments is in more trouble than our financial situation at home.

Would somebody like to answer this question for me: You have a $3,400 million bill that we are discussing today. What is the effect of this on our international balance of payments? How much money do we have to earn in our trade balance to finance this bill? I am not talking about American dollars, I am talking about trade balances.

Mr. CONTE. The latest figures we have for our trade balance, January to April of this year, are exports, $6,288 million, imports, $5,036 million, making a surplus of $1,251 million. For the same period last year we had a surplus of $399 million. Therefore, it looks like we may end up with a $3 billion trade surplus for 1960.

Mr. BARR. I am aware of that. We have consistently since 1950 run an excess in our trade balance. But, we spent or invested $15 billion more than we have earned. We have spent it partly through these programs. The point I am making is this. We cannot continue this indefinitely. We have $7 billion worth of free gold to handle $19 billion in short term trade balances. When that figure drops much lower, you are going to have every speculator all over the world trading on the credit of the United States. There is an alternative I am asking if the gentleman would recommend—could we strike the 25-percent gold requirement behind the currency? Will the gentleman recommend that? You are getting very close to this place. You are going to have to do something. You are not going to go much further. Last year the deficit in our balance was about $4 billion. This year it can be about $2 billion. This is something we might as well wake up to in this Congress. Our national debt is a matter of concern, but our international balance of payments problem is right on top of us. We cannot go much further. I would be delighted if anybody has an answer to this. This is a matter of concern to me.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. BARR. I yield to the gentleman from Maine.

Mr. COFFIN. The gentleman is a good enough economist to know that this is not the only factor in the balance of payments. He also knows even if we abolish the entire foreign aid program, it would not solve the problem.

Mr. BARR. That is true. That is the reason I have asked these questions. Can the gentleman answer the question as to what he anticipates the impact of this $3.5 billion bill to be on our international balance of payments—how much of it is going to be a drain on our balance of payments?

Mr. COFFIN. I do not think anyone can answer that. I would say that for this coming year, it would be in the order

of several hundred million dollars, but not as much as last year. We are in a better position this year than we were in last year. I think the ultimate answer lies in exports.

Mr. BARR. I agree.

Mr. COFFIN. I think we are beginning with our Export-Import Bank export credit program to stimulate exports and the Department of Commerce program will enable our businessmen to be interested and effective in exports activities. I am optimistic in the long run.

Mr. PASSMAN. Is it not true that we have just about already priced ourselves out of the world markets? Many of the recipient nations are now requesting that automobiles, jeeps and trucks and so on be bought from Japan or Great Britain because they cost from 20 percent to 30 percent less than they cost in this country?

Mr. BARR. I am not aware of that.

Mr. PASSMAN. That is true. I can assure the gentleman.

Mr. BARR. If that is true, then buying overseas is a direct drain on our balance of payments.

Mr. PASSMAN. The gentleman is absolutely correct and furthermore that is true.

Mr. BARR. I would say this very definitely, if you are going to give this money away, you had better give it away on things that we can buy in the United States. We had better be pretty careful because we are uncomfortably close to the limit.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. BARR. I yield.

Mr. RHODES of Arizona. The gentleman has asked a very good question. I have taken my pencil and tried to come up with what I think is a fairly reasonable answer. On the military assistance program, approximately 90 percent is spent in the United States, so that only the equipment leaves this country. Therefore, it does not affect the balance of payments. Only $180 million of it will affect the balance of payments.

In the special assistance category, practically all of it goes out in dollars—about $206 million, and I would say that that would affect the balance of payment.

On the technical cooperation program, most of that goes out in dollars to the extent of $150 million.

Three hundred and sixty million dollars is about 60 percent of the amount recommended for defense support which I believe is a fair estimate of the dollars which go out.

Mr. BARR. In other words, about $1 billion.

Mr. RHODES of Arizona. My personal estimate is somewhere between $900 million and $1 billion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, and be open to points of order and amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. Are there any points of order to any part of the remainder of the bill?

Mr. GROSS. Mr. Chairman, I make a point of order against the language on page 5, lines 1 through 8, inclusive, on the grounds it is not in order on a general appropriation bill under clause 5 of rule XXI. This language provides for the reappropriation of funds previously made available and is not permitted under the rules of the House—paragraph 5 of rule XXI which reads, in pertinent part, as follows:

> No general appropriation bill or amendment thereto shall be received or considered if it contains a provision reappropriating unexpended balances of appropriations.

It is true that the mutual security authorization law authorizes reappropriations of unexpended balances, but that authority was last contained in section 548 enacted in calendar year 1956. Subsequent to that time, and at the beginning of the 86th Congress, the House adopted rules from which I have just read. Inasmuch as this rulemaking action occurred subsequent to the latest action by law, and there has been no enactment by statute on the particular matter during the present Congress, the rules of the House govern in this situation. Furthermore, it is well settled in the precedents that the power of the House to make its own rules may not be impaired by a law passed by a prior Congress. Therefore, I ask that my point of order be sustained.

Mr. PASSMAN. Mr. Chairman, the gentleman from Iowa [Mr. GROSS] was considerate enough to advise us in advance of his intention to make this point of order. He has stated the facts of the matter accurately. I have discussed this point of order with other Members and we have carefully reviewed the situation. Most regretfully I must concede that the point of order is well taken.

The CHAIRMAN. The Chair sustains the point of order.

Mr. GROSS. Mr. Chairman, I have another point of order.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, I make a point of order against the language appearing on page 12, line 24, after the figures "$6,250" and the comma, "and not to exceed $9,000 for entertainment allowances for members of the Board of Directors when specifically authorized by the Chairman of the Board."

Mr. Chairman, I hold that this confers additional duties upon the Chairman of the Board, duties that might be distasteful to him under some circumstances. I ask that the point of order be sustained.

Mr. PASSMAN. Mr. Chairman, this is regular language in the appropriation bill, and it requires additional duties; but it is germane and not subject to a point of order.

The CHAIRMAN. The Chair wants to hear from the gentleman from Louisiana as to whether or not this particular language "when specifically authorized by the Chairman of the Board" is authorized by law, not whether it is germane.

Mr. PASSMAN. I do not have the original authorizing language at hand. In the interest of time we will concede the point of order.

The CHAIRMAN. The Chair sustains the point of order.

Are there further points of order to the remaining portions of the bill? If not the Chair will entertain amendments.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. YATES: Strike out lines 19, 20, and 21 on page 7, and renumber following sections.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Illinois [Mr. YATES] is recognized in support of his amendment.

Mr. YATES. Mr. Chairman, it is inconceivable that this section should not be stricken. In a world in which we much too frequently find ourselves the butt of criticism and protest, the one bright spot is the achievement of the U.S. representatives in having paved the way at long last for abatement of hostilities between India and Pakistan. It is not too much to say that our prestige throughout Asia rides with the success of that settlement. And our prestige throughout Asia rides with this amendment because section 107 crushes that program.

Since 1947, when India was partitioned and the new state of Pakistan created, the controversy has raged between them as to a proper sharing of the waters of the rivers of the Indus Basin. The Indus Basin has been one of the principal food sources of the area. Both nations are rightfully concerned with the proper allocation of the waters. Forty million people are affected by this decision. This dispute is one of the main sources of friction between India and Pakistan, and they have been quarreling with each other, rather than standing united against a possible common aggressor. I say possible aggressor. The fact is that the Communist Chinese have already invaded and settled in the northern approaches to India.

The United States has been hailed throughout the free world for her role in bringing the two countries together in a prospective agreement for sharing the waters of the Indus.

It will be argued that this project is much too expensive and that our contribution is much too great. The fact remains that the financing of this project is being shared by six other nations. This is the first major cooperative effort between the great nations of the free world to initiate a program of joint contributions for helping solve economic difficulties of underdeveloped nations.

How many times have we heard upon this floor, and properly so, the argument that the United States has long carried too much of the burden of helping in

UNIVERSITY OF MICHIGAN DIGITIZED

the development of new nations; that assistance should be cooperative? The Indus Basin proposal is such a joint effort. Significant contributions will be made by other nations and the success of the project will be a resounding victory for a peaceful and rational settlement of disputes between nations.

Helping complete the Indus project is the best possible expression of our concept of technical assistance. It will enable two great and friendly nations of Asia to concentrate their energies and resources on improving their economic and social development instead of expending their efforts in quarreling.

It will permit two great nations of Asia to reduce their concentration of military forces against each other and encourage their cooperation against the military threat from the outside.

It will permit the United States to project a true image of herself to the world as a peacemaker.

I urge adoption of this amendment.

Mr. PASSMAN. There is no section of the bill over which there has been greater misunderstanding. The intent was not to interfere with anything that had been previously authorized to be done. It is to be regretted that time has not permitted detailed explanation. It was not the purpose of the committee to cripple the project, but rather to hold up dollar funds not exceeding $5 million for this year only, until we could get additional important information. There has, unfortunately, been much misinterpretation and misunderstanding of this situation.

Mr. YATES. Do I understand the chairman has accepted this amendment?

Mr. PASSMAN. The chairman of the subcommittee has no right to accept, personally, any amendment.

Mr. YATES. It was my understanding a few moments ago the gentleman said he had the intention of accepting my amendment.

Mr. PASSMAN. The gentleman from Louisiana is learning more about the rules of the House every hour of the day.

Mr. YATES. The gentleman is not learning more about the rules of the House. The gentleman is learning more about the chairman of the subcommittee.

Mr. PASSMAN. Will the gentleman yield further?

Mr. YATES. I want to proceed with my amendment.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Indiana.

Mr. HALLECK. In some remarks I made earlier in the day I indicated support of this amendment. I hope the amendment will be agreed to.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman.

Mr. PASSMAN. I was not speaking about the gentleman from Illinois understanding the rules. The gentleman from Louisiana was informed a little while ago that he had no authority under the rules, to accept any amendment. Therefore, I am trying to abide by the rules.

Mr. YATES. That rule applies to the gentleman individually; but when the gentleman has said members of the committee are willing to accept the amendment, it is my understanding he may do so.

Mr. PASSMAN. All of the members are not willing to accept the amendment, I may say to the gentleman.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Ohio.

Mr. HAYS. I would like to say, briefly, that I support the gentleman's amendment, because this Indus River project is the kind of a project which, in my opinion, will have some chance of doing the job we want to do in these areas; that is, meeting the Communist threat head on at the village level, down to the standard of living level, at the level where people are on a bare subsistence. It is the kind of project which they can understand and which will do them some good and certainly will do them a lot more good than sending arms in there to keep some dictator in power. I think the gentleman's amendment should be adopted.

Mr. YATES. I thank the gentleman for his comment. He is exactly right, because today in a world in which we find ourselves much too frequently the butt of criticism and the butt of protest, the one bright spot that we have in the world today is the achievement of U.S. representatives in paving the way at long last for the abatement of hostilities between the two great Asiatic nations, Pakistan and India. It is not too much to say that the prestige of the United States in Asia will rise with the success of that settlement, and it is not too much to say that the success and prestige of the United States will rise with adoption of this amendment.

Since 1947 when India was partitioned and the new state of Pakistan was created, a controversy has raged as to the proper sharing of the waters of the Indus River. That has been one of the principal sources of food for that section of the world. Forty million people are affected. This dispute is one of the main sources of friction between India and Pakistan. These two nations are tending to quarrel between themselves instead of standing united against a prospective Chinese Communist aggression on their borders. I said "prospective," but I think that word is wrong because actually Red China has already entered the approaches of India and has settled there.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. YATES. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. MASON. Mr. Chairman, I object.

Mr. GARY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois [Mr. YATES] and I do this for the purpose of giving the Congress the facts in connection with the amendment.

This is a billion-dollar project, or slightly over a billion dollars, and the United States is being asked to contribute $515 million of the billion dollars.

When they came before our committee, they were unable to give us the necessary facts concerning the construction and other features of the plan. Now, if anyone would propose such a billion-dollar project for the United States without the necessary facts to support it, it would not be considered for 5 minutes. Our committee has not turned the project down. We are not opposed to the project, and we so state in the committee report as follows: In connection with the provision relating to the development of the Indus Basin, the committee belives that this project is of such magnitude and ultimate expansion that more study and consideration should be given thereto before any obligations are incurred by the mutual security program for this purpose.

All we are doing is asking for time and the facts. If the Congress wants to embark upon a billion dollar contract of which we shall furnish $515 million of the funds without the necessary facts to guide us, it may do so by voting for the amendment. Personally I want the facts before proceeding further.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GARY. I yield to the gentleman from Illinois.

Mr. YATES. Is it not true that throughout these hearings there is testimony which fully justifies the Indus Basin project? Secondly, is it not true that the contribution and the loans of the United States are to be made over a period of 10 years? Is it not true, further, that contributions are to be made by six other nations of the free world, and that this is the first time that we have had a cooperative undertaking to develop the economy of an underdeveloped nation? Is it not true, further, that it is the wish of this Congress that our burden of helping the underdeveloped nations of the world be shared more and more by other nations? Why do we want to stop it by the language of this bill?

Mr. GARY. Those are the facts we want to go into. If six nations of the world are going to contribute to this project, why should the United States contribute over half of the funds?

Mr. YATES. Is the gentleman from Illinois correct in declaring that our representatives have tried for 9 years to get a settlement of this project. It has only been because of the recommendations of our officials that the disputing nations have approached any settlement at this time. Of course, it is done, and the language of this section will suspend all further negotiations.

Mr. GARY. Not at all.

Mr. YATES. Why of course it will, pending such time as this committee completes its study.

Mr. GARY. Why should we be asked to contribute funds for a project when an agreement has not been reached?

Mr. YATES. There has been tentative agreement reached. The record shows what the proposed schedule of cost sharing is between other countries and ours and the additional data that describes the progress made.

Mr. GARY. Has the agreement been signed?

Mr. YATES. No; the contract has not been signed because it cannot be signed without commitments as to funding. This section stops any hope of agreement.

Mr. GARY. Yet they ask us to commit ourselves to this billion-dollar project without the facts.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. PASSMAN. Mr. Chairman, I move to strike out the requisite number of words.

It was not the intent of the committee to stop this project, and this proviso does not stop it. This is a billion-dollar contract. Let me quote this colloquy from our hearings:

Mr. PASSMAN. And that is the present estimate?

Mr. BRAND. Yes.

Mr. PASSMAN. It could be far in excess of that amount; could it not?

Mr. BRAND. That is the present estimate, and I am not advised as to the latter point, but I do not take issue with the chairman's observation.

If that is not a vague response, then I have never heard or read vague language. This project might cost up to $2 billion, and maybe even more.

We merely state in section 107 that—

None of the funds herein appropriated shall be used to carry out the provisions of section 404 of the Mutual Security Act of 1954, as amended.

It has nothing to do with previous allocations whatsoever, either of dollar funds or local currencies. I can assure the House that that is true.

In our hearings, we asked the question, "What amount will you require this year?" They did not state they would require anything at all, but that certainly they would not want in excess of $5 million. So, we are dealing here entirely with this year's appropriation.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield.

Mr. GALLAGHER. I would like to point out that in view of the provision we adopted here today, unless the Indus Basin project is approved here today, they will be unable to enter into negotiations under the initiation plan which the gentleman introduced in this bill.

Mr. PASSMAN. No; that does not follow. I can assure the gentleman again that what has already been agreed to is in effect. Our commitments are quite substantial, already, as I understand it. This limitation does not stop the project.

There is some classified information here which I am not privileged to discuss on the floor at this time, but I again assure the gentleman that the limitation applies only to the funds for this year, and does not apply to prior funds or to proceeding with the project itself. If the gentleman will call the State Department, he will find out that I am giving him the correct information.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. HAYS. Do I understand the gentleman is opposed to the amendment of the gentleman from Illinois?

Mr. PASSMAN. My motion was to strike out the requisite number of words.

Mr. HAYS. I am trying to find out whether the gentleman is for the amendment or against the amendment. That is a simple question. Can the gentleman answer that yes or no?

Mr. PASSMAN. I may say that I am not going to vote against the amendment.

Mr. HAYS. That is good enough. Let me ask this further. Is it not true that a good deal of the money we are talking about is counterpart funds, Public Law 480 funds, and so on, which we have no chance of ever getting back anyway?

Mr. PASSMAN. There is a substantial amount of local currency involved. I cannot state at the moment from what particular fund it has been, or might be, derived.

Mr. HAYS. And we have to use it under the law. If we do not, it would just dribble away to nothing.

Mr. PASSMAN. Is not the gentleman referring to the Development Loan Fund local currency repayments, rather than Public Law 480 funds?

Mr. HAYS. I am talking about local currencies. I do not care whether the local currencies are generated under the Development Loan Fund or Public Law 480 or any of the other funds. I will include all of them. It is still local currency that we will never be able to change over into dollars.

Mr. PASSMAN. I am not quarreling with the gentleman. Whatever amount has already been obligated out of the various funds, whether dollars or local currencies, there is nothing we can do about it.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman.

Mr. YATES. Is it not essential that this provision be stricken in view of the fact that the gentleman has stated that we already have invested a certain amount of money in this project, so why should we hold up further development of it?

Mr. PASSMAN. Five million dollars, in dollar funds, is the only amount which might be involved in the present bill. I might say to the gentleman again that the information we received was very vague as to what the ultimate cost would be; and I think the Committee should posibly be commended for requesting more information, instead of giving a blank check, without possession of many of the pertinent facts which should be known by the Congress.

The CHAIRMAN (Mr. BASS of Tennessee). The time of the gentleman from Louisiana [Mr. PASSMAN] has expired.

Mr. CONTE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield for a unanimous consent request?

Mr. CONTE. I yield.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 6 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

Mr. JUDD. Mr. Chairman, reserving the right to object, how many amendments are there?

The CHAIRMAN. The Chair is not in a position to answer that question.

Is there objection to the request of the gentleman from Louisiana?

Mr. GROSS and Mr. O'HARA of Illinois objected.

Mr. PASSMAN. Mr. Chairman, I move that all debate on the bill and all amendments thereto close at 6 o'clock.

The CHAIRMAN. The question is on the motion offered by the gentleman from Louisiana.

The motion was agreed to.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Michigan.

Mr. FORD. May I say to the gentleman from Massachusetts that I support the amendment offered by the gentleman from Illinois and I endorse the remarks that are to be made by the gentleman from Massachusetts.

Mr. CONTE. I thank the gentleman. May I say that I am pleased to have the support of the gentleman from Illinois. He knows that I have had a long interest in this matter, and that had I had an opportunity I would have offered an amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. What the gentleman is saying is exactly correct. Throughout the hundreds of pages of hearings taken on the various projects, and particularly on the Indus Basin project, the gentleman from Massachusetts has shown a firm interest in seeing that the agreement was carried out.

Mr. CONTE. I thank the gentleman from Illinois.

Mr. Chairman, section 107 of the bill prohibits the use of funds appropriated therein for the development of the Indus Basin.

This prohibition runs completely counter to section 404 of the Mutual Security Act, already approved by both Houses of Congress, which affirms the willingness of the United States to participate, in cooperation with other nations of the free world, in a highly significant program to develop the Indus Basin. This represents a singularly short-sighted action from the standpoint of the interests of the United States, both in terms of the lessening of tensions and divisive forces in this critical area and in terms of enlarging the role of other free nations in addressing the economic problems of the less-developed areas.

The controversy between Pakistan and India over the use of the Indus waters has been one of the major international conflicts of the past decade. Bitterness and violence have characterized the situation and the possibility of military conflict has been real and continuing. Through the good offices and protracted efforts of the International Bank for

UNIVERSITY OF MICHIGAN DIGITIZED

Reconstruction and Development, 9 years of patient negotiation have resulted in virtual agreement on the terms of equitable settlement of the controversy. Final agreement depends upon firm assurances from friendly countries of essential financial assistance required to construct the system of works recommended by the Bank.

The Bank itself plans to contribute to the costs of the development project and five other nations—the United States, Australia, New Zealand, Canada, and Germany—in addition to Pakistan and India have signified their willingness and intention to join with the United States in the funding of this project. So important is the project to the nations directly affected that India will undertake to make very substantial foreign exchange payments to Pakistan under the proposed Indus Waters Treaty. The specific amount, of which congressional committees are already informed and which will be made available on request to any Member of the Congress, will be released publicly after signature of the Waters Treaty.

U.S. participation would involve over a 10-year period the provision of $177 million of grant assistance and $103 million of loan assistance plus the provision of local currency arising from sales of agricultural surpluses from United States is essential to the successful conclusion of this great international effort.

It is also essential that the United States be able to make its commitment in the immediate future as an absolute precondition for the commitments of the other participants and the World Bank, and in order to make it possible for India and Pakistan to sign the necessary treaty as soon as possible.

The committee report states that the project is of such magnitude and ultimate expense that more study and consideration should be given before any obligations are incurred for this purpose under the MSP. Yet the current proposal represents the culmination of 10 years of negotiation. Geological conditions, foundation conditions, and the amount and character of construction materials have been determined for significant portions of the project, and technical and economic feasibility have been firmly established; plans and specifications have been completed and reviewed, and are ready for tender to international bidding. Preliminary reports have been prepared on other aspects of the project, and contracts have been let for preparation of plans and specifications. American engineering firms have already been engaged by the World Bank in both preliminary and advanced stages of the engineering, and an American firm will supervise major elements of the actual construction. Still another American firm serves as engineering consultant to West Pakistan's Water and Power Development Authority, and will coordinate all elements of the project.

Engineering plans are advanced to the point where the basic construction can get under way as soon as treaty agreement is reached. Actual conclusion of the treaty is expected to coincide with receipt of assurances that the outside financial aid required to carry out the project will be forthcoming. Other contributing nations have indicated their willingness to provide such assurances—all on a grant basis. It is imperative that the United States be in a positon to move forward along the lines already approved by the Congress.

The provision of funds for this purpose would not only serve to contribute in a major way to the economic development of the vast subcontinent of Asia but would also contribute materially to the improvement of relations between India and Pakistan. Only the U.S.S.R. and Communist China could benefit from failure of India and Pakistan to settle their disputes. In the absence of a settlement, no one can predict the outcome with certainty, but the possibility of bitter and prolonged dispute and eventual military conflict cannot be excluded. If we do not seize this opportunity to resolve this longstanding source of irritation, it may be years before the opportunity will again arise. We are in a position to make a major contribution to world peace, to strengthen the Western orientation of nearly 500 million people and to secure the participation of other industrialized nations in the financing of the costs. To cast aside this opportunity would be an act of complete irresponsibility and contrary to the political and security interests of the United States.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. LINDSAY. Is it not a fact that this would in effect torpedo 10 years of careful work in negotiations on this subject?

Mr. CONTE. Definitely. I have mentioned that. It is a very excellent point.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut [Mr. BOWLES].

Mr. BOWLES. Mr. Chairman, I strongly oppose section 107 of the mutual security appropriations bill. This section would deny the use of mutual security funds for the Indus Valley project.

I have been in close touch with the development of the Indus Valley project for the last 9 years. I have visited the area on several occasions—most recently in 1957.

In my opinion, it is the single most important example in the world today of a bold, well-planned, internationally coordinated program of economic development.

Once completed it will not only bring a better life to tens of millions of Indians and Pakistanis; it will demonstrate the capacity of the non-Communist nations—both rich and poor—to work in partnership for common ends.

No river valley project in history has been the subject of such long, thoughtful, and meticulous study by the world's most highly trained experts. Indeed the earliest studies were made some 70 years ago. In 1951 the proposal was given a new lift by David Lilienthal of our own TVA in an article in Colliers magazine. In 1952 while I was U.S. Ambassador to India, it became a subject for consideration by the World Bank.

If the great Indus Valley plan which resulted from these studies collapses at this stage, the impact will be profoundly destructive not only to Pakistan and India, but also among our allies who have watched the growth and development of this project as an unprecedented effort at multinational planning which the Communist nations have not and cannot match.

The Indus Valley situation is highly complex, however, and it represents a new concept in oversea economic development. I can therefore understand the confusion which appears to have arisen in regard to it.

The Indus Basin, with its complex of six great rivers, is one of the most productive agricultural areas in the world. Nearly half of the water flowing through this basin is diverted to an irrigation system which helps provide food for some 50 million people.

In the years before and during World War II the British had developed plans for major dams and canals which would provide a vast expansion of this irrigation system.

When India and Pakistan became free in 1947, the arbitrary border which separates these two countries cut straight across the area which was to be covered by the new program. Although the population division in this area was roughly equal, Pakistan received the bulk of the existing irrigation.

The tension and conflicts which resulted from the breakup of British India inevitably increased the obstacles to this long-planned development.

India, however, decided to move ahead with that section of the irrigation program which lay within her own borders. She was able to do so because most of the technicians and engineers familiar with this program had accepted Indian citizenship.

The result has been the great Bhakra-Nangal power and irrigation project in the Indian Punjab which I visited in 1951, 1952, 1953, 1955, and 1957. This project which is larger than any similar combination effort in the United States, China, or the Soviet Union, will provide irrigation for some 10 million acres of land.

This is an area nearly twice the size of New Jersey. It means two and even three bountiful crops each year.

The system includes some 6,000 miles of canals, varying from manmade rivers 300 or 400 feet wide and 16 feet high, to tributary canals 6 or 8 feet wide. This entire canal system has been completed and is fully lined with concrete.

The Bhakra Dam itself is the highest dam in the world, rising some 800 feet from the riverbed. It will not only control the flow of irrigation waters but will also provide electricity to light most of the city of New Delhi some 250 miles away and a vast network of villages.

Now here is a point which few Americans appreciate. This project was not the result of what some members of this body refer to as "American handouts."

Not one dollar or pound sterling of foreign aid has entered into the construction of this project. The entire capital

investment of nearly $1 billion represents foreign trade earnings of the Indian Government. Most of the earthmoving machinery and electrical equipment for the powerplants was purchased in America.

The chief consulting engineer is Harvey Slocum, designer of our own Grand Coulee Dam and one of the most distinguished engineers of our era.

His salary of $100,000 annually is paid by the Indian Government from its own funds. When I last visited there in 1957 there were also some 15 American engineering assistants all paid by India.

Most of the work however is carried on by highly qualified Indian engineers, many of them trained in American universities.

When the Bhakra-Nangal Dam project is finished on the Indian side of the border, it will produce more than $300 million worth of agricultural products and hydroelectric power each year. This power will make possible a sizable increase in manufactured goods produced in the industrial complex which is expected to develop rapidly.

The Bhakra-Nangal is an extraordinary achievement. However, unless the entire Indus Valley project now is allowed to proceed, it will create a highly delicate situation in this area.

According to the comprehensive original plan put together in the days of British rule, the Bhakra-Nangal Dam was part of a whole series of projects designed to provide additional water not only in this area but also to much of Pakistan as well. The Pakistani, however, have been unable to complete their part of the program because of lack of capital resources and various internal difficulties.

As a result, we now face the danger of a serious upset in the economic balance of the entire area.

According to the original plans, Bhakra-Nangal was expected to divert for use in India some of the water currently flowing into what is now Pakistan. This was to be compensated for by new canals which would substitute other water from the three western rivers that form part of the Indus Valley Basin.

For 9 years, under the patient, brilliant leadership of Eugene Black and his World Bank associates, the Governments of India and Pakistan have been slowly moving toward a common plan for the use of the water in the entire Indus Valley.

As it became clear that agreement could be reached, the World Bank went to work to provide joint financing not only from the United States but also from several other nations as well.

The result has been an Indus Basin Development Fund agreement involving the United Kingdom, Canada, West Germany, Australia, New Zealand, and the United States.

Administered through the World Bank, and in conjunction with substantial investment from both India and Pakistan, this Fund will enable the program to be successfully completed.

Mr. Chairman, I have visited many great irrigation projects in many parts of the world. However, this is by far the most exciting example I have ever seen of man's capacity to master his environment in order to provide a better life for people. The Communists have produced nothing to rival it in their own countries or anywhere else.

It provides heartwarming, reassuring evidence of the capacity of free peoples to work in partnership and to think and act in bold terms.

The specific arguments for our support of the project at this critical stage are overwhelming. Let me list them briefly:

First. The Indus Valley project has been as thoroughly studied as it is possible to imagine. Technical studies on the project began over 75 years ago under British rule.

These studies have been intensified by 8 years of investigations by the extremely capable engineers of the World Bank. The proposal for further study should mislead no one.

Second. The project is of crucial importance to the agricultural development of Pakistan. It is also of exceptional importance to India, opening countless acres in the Punjab to cultivation as part of India's effort to overcome its nutritive food deficit.

Third. The withdrawal of the United States from participation would lead to the abrupt, tragic collapse of the entire project. This is not a project which can be attacked in small bits and pieces, as the long and arduous difficulties with the technical impediments have clearly demonstrated. Our participation is essential to the project's structure.

Fourth. The settlement of the Indus River dispute is a major key to easing the unhappy antagonism between India and Pakistan. Support for, and participation in, the Indus Valley project is the most important single step which the United States can take to ease this conflict.

Fifth. International participation in the financing of the Indus Valley project has been achieved to an exceptional degree. Both the administration and the Congress have been seeking precisely this sort of wide international sharing of the burden of international economic development.

At this stage, the failure of our Government to understand the enormous promise of this project and the complexity of the agreements which made it possible would further undermine worldwide confidence in our leadership, already dangerously shaken by recent events.

Mr. Chairman, in view of these facts, I urge section 107 be struck from the bill.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. ZABLOCKI].

Mr. ZABLOCKI. Mr. Chairman, I hope this amendment will prevail. India and Pakistan have been negotiating for years in order to bring about the realization of this project. It would be a tragic mistake if we, by our action here today, would disrupt their efforts.

I have followed the developments in India and Pakistan over the last decade with great care. It happens that these two countries are within the area over which the Subcommittee on the Far East and the Pacific, of which I am chairman, has jurisdiction. Hence, I think I have some basis for making an assessment of the importance of the Indus Basin project.

It must be recognized that the division of the Indian subcontinent in 1947 was in itself a real tragedy for the economic development of that area. Be that as it may, it is an accomplished fact that these two nations exist. Much of the animosity between the two nations is based upon differences in culture. Another very real difference that separates them, however, has been the dispute over the use of the Indus River and the waters of its tributaries. These rivers and the canals which connect them had been developed by the British to form an integrated network for irrigation. With the separation of the continent into two countries that integrated system of waterworks collapsed. The result has been that neither nation has been able fully to utilize this tremendous natural asset.

The project which the World Bank has developed is the work of 10 years of laborious political as well as economic negotiations. What we are asked to do in the language of this bill is to reject the careful survey prepared by competent and disinterested experts. It should be remembered that the United States is financing only a portion of the cost of this project. The World Bank itself is putting in a sizable sum as are other countries in the free world.

This is an expression of unity of purpose not only by India and Pakistan, who are the immediate beneficiaries of the project, but also of other capital exporting nations.

I do not accept the argument advanced by the gentleman from Louisiana that the Appropriations Committee language does not stop the project. I think it does. In order that there may be no doubt of the intent of the committee, however, I urge the adoption of the amendment offered by the gentleman from Illinois.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, a great deal has been said during the debate about other countries allegedly not helping as much as they ought to in development programs around the world. Those who have said that certainly ought to support this amendment. It is a project to which Germany, Canada, Australia, New Zealand, and Great Britain as well as India, Pakistan, and the World Bank contribute, all pulling their full share under a general agreement to build this enormously important development project.

The nubbin of the situation is this: Four of the five main rivers in the Indus Basin rise in India or flow through India into Pakistan. How is the water to be divided or diverted in order to be of greatest use in producing food for both? If India were to cut off the water, Pakistan would starve to death, and the Pakistani have feared that. There has been years of conflict and suspicion. Now under the leadership of the World Bank a plan has been agreed to under which

UNIVERSITY OF MICHIGAN DIGITIZED

this can be developed to the satisfaction of all.

This is a project of incalculable value to that great subcontinent which has a greater population than that other peninsula known as Europe projecting off the Eurasian Continent. It would be tragic in its effects upon the free world if we did not go ahead wholeheartedly with this agreement now that a solution is in sight after 8 years of effort. I urge adoption of the amendment.

The CHAIRMAN. The Chair recognizes the gentlewoman from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Chairman, I would like to give the chairman of our Subcommittee on the Far East and Pacific, the gentleman from Wisconsin [Mr. ZABLOCKI] the opportunity to state whether more is not involved in this amendment than even multilateral aid. This marks the first rapprochement between Pakistan and India. Would not the psychological effect of the failure of this amendment be tremendous, not only in the area involved but among all the nations who have agreed to undertake this project?

Mr. ZABLOCKI. The gentlewoman is absolutely correct.

The gentlewoman has asked an incisive question which carries with it an implication in which I share; namely, that the inclusion of the Appropriations Committee language in the law would have a tremendous adverse effect on all the countries of that area, particularly India and Pakistan.

I commend my distinguished colleague for asking this important question.

Mrs. CHURCH. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, I rise in wholehearted support of this amendment to insure we, the people of the United States, join with the people of India and Pakistan in developing the vast Indus River Valley with the help of other nations. India and Pakistan together comprise the largest areas of free people in the world. It is to be hoped India and Pakistan can work together as a unit. We must support and encourage these two friendly peoples in this undertaking for the development of the Indus River and the progress of Asia, and Asian peoples.

I hope the limitation can be taken off the President's contingency fund because it will help our good friends the people of Israel to the extent of $7,500,000 in continuing in 1961, the full program for Israel's development.

The use of the contingency fund should be left to the discretion of the President, upon the recommendations of the Department of State and the International Cooperation Administration. The people and the Government of Israel are wonderful democratic friends of America in the Mideast and they are making real progress against difficult odds. We must continue to encourage the people of Israel in their fine progress, and must stand behind them for their security, the security of the United States, as well as of the free world.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. CURTIS].

Mr. CURTIS of Massachusetts. Mr. Chairman, I would like to ask a question of my distinguished colleague, the former Ambassador to India, the gentleman from Connecticut [Mr. BOWLES]. Is it not true that the passage of this legislation will be helpful in bringing together these two great countries which have had difficulties in the past?

I have even heard that they are holding up their ratification of their treaty relating to the Indus Basin until our own country takes action on this subject. Are there not strong political implications in the present situation?

Mr. BOWLES. The division of India into two nations was in itself tragic. This dam is a most important and very essential project, for it is a step that will pull these two countries together.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. PASSMAN].

Mr. PASSMAN. Mr. Chairman, I want again to make it clear that the budget did not request $1 for this program. Later, it was stated that up to $5 million might possibly be needed. The proviso in the bill does not upset the present project, and it does not prohibit the use of the previously generated local currencies. We put this provision in the bill in order to get these people to come back later and tell us, with some reasonable degree of justification, whether or not the project is stopping at a billion dollars or whether it will eventually cost, say, $2 billion or even more.

The CHAIRMAN. Does any other Member desire to be heard on this amendment?

The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 5, line 11, strike out the colon and strike out lines 12 through 14, inclusive, and insert in lieu thereof a period.

Mr. CONTE. Mr. Chairman, in the brief time allotted to me, may I say that the Appropriations Subcommittee put a limitation on the $150-million contingency fund which is the fund controlled by the President for use in emergencies throughout the world. Under the limitation put on by the Appropriations Subcommittee it would prohibit the use of any money in the contingency fund for any project or for any activity for which an estimate had been submitted to the Congress. In other words, Mr. Chairman, if any estimate for mutual security assistance, defense loans or development loans has been made and if an emergency should arise, if we had a war break out in Laos or had a war break out in Korea, the President could not use any of this money in the contingency fund because an estimate has already been presented to the Congress.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RHODES of Arizona. Mr. Chairman, I rise in support of the pending amendment.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, the contingency fund of the President is only 5 percent of the entire mutual security budget. What you are telling the President is this: Do not come up to the Appropriations Committee and tell us what you are going to do with this money because if you do we are not going to allow you to take any of that money out of that appropriation for any estimates that you told us about. In other words, this is completely contrary to the philosophy of the Appropriations Committee which is against back-door spending.

This is a very serious amendment, and I hope, Mr. Chairman, that the Congress will see fit to eliminate this limitation. It will not add 1 cent to the budget; it simply strikes out the limitation.

Mr. ALFORD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. ALFORD. I yield to the gentleman from Louisiana.

Mr. PASSMAN. I was in hopes that the gentleman from New York [Mr. TABER] who, I believe, proposed the language of this amendment and supported it in committee, would explain it now, and why it is necessary.

Mr. TABER. I do not think I offered it, but the situation is this: It is a very silly thing not to adopt it, that is, not stick by the language that is in the bill because that language simply prevents people from getting money out of the contingency fund where the committee has been presented with an estimate and it has been refused. It lets the cats and dogs get in for another try.

Mr. PASSMAN. The administration has been using the contingency fund to nullify the action of Congress in reducing the authorization requests and also in reducing the budget estimates. That is why the committee adopted this proviso.

Mr. TABER. That is exactly right.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The question was taken; and on a division (demanded by Mr. CONTE) there were—ayes 50, noes 82.

So the amendment was rejected.

Mr. SANTANGELO. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. SANTANGELO: On page 9, after line 11, add new section as follows:

"SEC. 114. None of the funds contained in title I of this Act may be used to enter into any contract with any person, organization, company, or concern or any of its affiliates who has offered or who offers to provide compensation to an employee of the International Cooperation Administration or who

provides compensation to any former employee of the International Cooperation Administration whose annual salary exceeds $5,000 and who has left employment with the International Cooperation Administration within two years of the date of employment with said person, organization, company, or concern, or any of its affiliates."

Mr. GARY. Mr. Chairman, I make the point of order against the amendment on the ground that it is legislation on an appropriation bill.

The CHAIRMAN. The Chair will be glad to hear the gentleman from New York.

Mr. SANTANGELO. Mr. Chairman, this amendment was offered to a bill last year. Similar language was objected to in a different type of bill, and the Chair, at the time the gentleman from New York [Mr. KEOGH], overruled the point of order. This is a limitation upon expenditures. This in no wise is an authorization to do anything except a limitation on funds. I say it does not violate the parliamentary rules.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard further on the point of order?

Mr. GARY. It requires additional duties and certainly is legislation on an appropriation bill, and I insist on the point of order.

The CHAIRMAN (Mr. MILLS). The Chair has had an opportunity to examine the language of the amendment offered by the gentleman from New York [Mr. SANTANGELO] and has had an opportunity also to review what transpired in connection with a similar matter when it was offered as an amendment to an appropriation bill last year. This amendment seems to be similar to the amendment offered last year except for the $5,000 limitation in this amendment. Last year the present occupant of the Chair, when such an amendment was offered, pointed out that the amendment was in order at that time and overruled the point of order made then.

So, the Chair overrules the point of order made by the gentleman from Virginia.

Mr. SANTANGELO. Mr. Chairman, this amendment is designed to eliminate the feather-your-nest practices which have grown up in the ICA under our mutual security program and seeks to eliminate some of the waste, excesses, and corruption. The chairman of the subcommittee, Mr. PASSMAN, detailed a number of instances of underestimates and waste in our program to help the underdeveloped nations of the world.

I am firmly convinced we still believe that it is our duty to bridge the economic gap between the haves and have-nots and that, as world leaders, we have an obligation to assist those nations to develop their resources and to raise the standard of living of their peoples. In the administration of our mutual security program, we have been prodigal, inefficient, and wasteful. Too often excessive costs have been caused by lack of planning and bad administration. Frequently, excessive costs have been caused by corruption and dishonesty. In the Committee on Government Operations, Report No. 7, House Report No. 546, we read of instances of corruption by ICA officials, who after their service of employment with the ICA obtained employment with contractors doing work under the supervision of the ICA.

In the administration in Laos, the committee report indicates several glaring examples. Edwin McNamara, a public works and industry officer of ICA, accepted bribes totaling $13,000 from a construction company known as the Universal Construction Co. through its officers, Willis Bird and Gerald Peabody.

William Kirby, area transportation adviser, aided by one of the ICA directors, Carter dePaul, who circumvented ICA regulations, was instrumental in securing the award of a contract for the supply of ferry barges to the Hong Kong Transportation Co. Shortly thereafter, Mr. Kirby was employed by its affiliate, Pacific Island Shipbuilding Co. While the contract was being negotiated, this gentleman was the recipient of $500 from the Hong Kong Transportation Co.

Lacey V. Murrow, U.S. Army, retired, head of an engineering firm of Transportation Consultants, Inc., was under retainer to Vinnell Co. at the same time he was employed by ICA in Laos as an engineering consultant for the purpose of assisting in the selection of construction projects. During this period Vinnell Co. was seeking to obtain contracts with ICA in Laos.

Norman McKay, an employee of Transportation Consultants, Inc., acting as consultant to the USOM was instrumental in securing the award to Universal Construction Co. of a contract to construct a ferry ramp in Laos. Shortly thereafter, he went to work for Universal as project manager.

Carter dePaul, former USOM director, sold his 1947 Cadillac upon his departure from Laos to Gerald Peabody, the head of the Universal Construction Co., at an inflated price. The car whose value was approximately $600 was sold for over $3,000 and was in an inoperable condition. The story of this USOM director, Carter dePaul, is an ugly one and it shows brazenness by an ICA director and a callous disregard or unconcern by law enforcement officials.

In Thailand, other examples of feather-your-nest practices showed up. These were disclosed by the Committee on Government Operations in its 29th report.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from New York [Mr. SANTANGELO].

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SANTANGELO. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I would like to give the Committee a few instances of what I have been talking about.

Thomas Hill, the Public Works Chief of USOM, Thailand, and one of his subordinate engineers, Herluf Larsen, were desirous of future employment by a construction company, Sverdrup & Parcel. Mr. Hill had overall responsibility for all construction projects in Thailand and was responsible for holding Sverdrup & Parcel to a proper performance of the contract. Larsen was charged with specific responsibility of supervising the Northeast Highway. Hill was hired by Sverdrup & Parcel on July 1, 1957. Larsen applied for a job with Sverdrup & Parcel in January of 1957, and continued to supervise the performance of that firm until October of 1957. Larsen was finally offered a job but because of reasons of health, refused it. Larsen had been invited to submit his application for employment by the firm's president, General Sverdrup, while they both were attending a meeting held in ICA, Washington, the purpose of which was to consider the selection of an engineer for the Bangkok-Saraburi Highway. Sverdrup & Parcel was interested in obtaining the contract. Hill and Larsen both recommended that the contract for the Bangkok-Saraburi road be awarded to Sverdrup & Parcel without the formality of seeking competitive proposals from other firms. This amendment places the burden on the person who profits through the employment of ICA personnel.

I support the mutual security program and desire that it be effective. This mutual security bill appropriates for fiscal year 1961 $3,384,500,000, which reduces the budget's estimate by $790,500,000. I believe there are adequate funds to do an effective job. This appropriation eliminates the fat and the waste and maintains inherent strength of our efforts to help the nations of the world. I trust my amendment will pass and thus eliminate a weakness in the administration of our mutual security program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SANTANGELO].

The amendment was agreed to.

Mr. MONAGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONAGAN: On page 6, immediately below line 12, insert the following:

"SEC. 101. None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, during any period when more than twenty days have elapsed between the request for, and the furnishing of, any document, paper, communication, audit, review, finding, recommendation, report, or other material relating to the administration of such provision by the International Cooperation Administration, to the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for or expenditures of the International Cooperation Administration and the Department of State."

Mr. FORD. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state it.

UNIVERSITY OF MICHIGAN DIGITIZED

Mr. FORD. It is obvious to me, listening to the amendment which has been read, that it puts additional duties on individuals in the executive branch and therefore is subject to a point of order.

The CHAIRMAN. Does the gentleman from Connecticut desire to be heard on the point of order?

Mr. MONAGAN. Mr. Chairman, this same amendment was offered last year. A point of order was raised against it at that time and the point of order was overruled. This is not legislation. It is merely a limitation on the appropriation.

The CHAIRMAN (Mr. MILLS). The Chair is ready to rule. The Chair has had an opportunity to examine the language of the amendment offered by the gentleman from Connecticut and finds that the language offered by the gentleman is similar, if not identical, with the language which was offered to the appropriation bill last year by the gentleman from Virginia [Mr. HARDY] on July 28, 1959.

Mr. MONAGAN. It is identical.

The CHAIRMAN. The amendment is set forth in the CONGRESSIONAL RECORD, volume 105, part 11, page 14530. The Chair on that occasion held that the language was a limitation and in order on the appropriation bill and overruled the point of order.

The Chair is constrained to overrule the point of order now.

The gentleman from Connecticut is recognized.

Mr. MONAGAN. Mr. Chairman, the purpose of this amendment is to withhold the availability of funds to the ICA as long as, after a period of 20 days have elapsed, the ICA refuses to give information to a committee of Congress or a proper subcommittee, or the General Accounting Office. In the Hardy subcommittee investigating the operations of the foreign aid program, we have run many times into the roadblock set up by the executive branch whereby pertinent information has been refused the committee with the result that we were not able to do the job that we were set up to do.

May I say that this language is in the authorization bill this year and it was also in the appropriation bill last year.

If you want the committees of Congress charged with supervising the operations of the foreign aid program to do the job that they are set up to do, they should not be manacled by the executive obstructionism that I have indicated.

I hope that the committees will support this amendment.

Mr. HARDY. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY as a substitute to the amendment offered by Mr. MONAGAN: On page 6, immediately below line 12, insert the following:

"SEC. 101. None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, with respect to any project or activity, or in any country, during any period when more than thirty-five days have elapsed between the written request (delivered to the office of the head of the appropriate department or agency) for, and the furnishing of, any document, paper, communication, audit, review, finding, recommendation, report, or other material in possession or control of such department or agency relating to the expenditure of funds with respect to such project or activity or in such country, to the General Accounting Office or any committee of the Congress, or any duly authorize subcommittee thereof, charged with considering legislation or appropriations for or expenditures of such department or agency."

Mr. HARDY. Mr. Chairman, the amendment offered by the gentleman from Connecticut is aimed at the very serious problem experienced by congressional committees in seeking to secure the information necessary for them to perform their functions in the mutual security field. I am offering a substitute amendment which I hope the gentleman will accept. I have no objection to his language, which is the same as we put into the bill last year, but I have tried in my substitute to anticipate some of the objections which the Senate raised last year. These objections, as the gentleman recalls, resulted in the insertion by the Senate of language which, as subsequently worked out in conference, differed materially from the House language. We have now had some experience with that language and it has proved to be ineffective for accomplishing the purpose intended.

My purpose is the same as that of my good friend from Connecticut—to secure for the Congress that full, complete and accurate information necessary for an evaluation of the economy and efficiency of expenditures under chapters II, III, and IV of the Mutual Security Act.

Last year the Senate preferred a period of 35 days as against the 20 in the bill as it passed the House and as proposed in the amendment of the gentleman from Connecticut. My amendment would increase the period to 35 days, which conforms to the language in last year's act.

I have worked over this problem seeking to find language to fit the needs of Congress, and yet to avoid any basis for a reasonable contention that the Congress seeks to trespass upon the Executive preserve. I think the substitute which I propose does this. It is not as broad as the language of the amendment which the gentleman has just offered. It is not directed at the total area of administration, but only to information concerning expenditures. If there is one field in which the primacy of the Congress is clearly recognized, it is this field of expenditures. My amendment calls only for information relating to expenditures, as distinguished from policy documents such as memorandums of discussions between heads of states, or confidential memorandums of advice prepared for the President.

At present we have serious difficulties in getting full, complete, and accurate information from the executive branch, and getting it in timely fashion. I believe that this amendment will help us to repair this situation.

I further believe that the substitute language which I have offered will be acceptable to the Senate, since it is limited this year to information on expenditures.

Surely no one could seriously contend that the executive branch has the privilege of denying to the Congress information necessary to determine whether appropriated funds have been, or are being, spent with economy and efficiency, or that the device of "Presidential certification" could be used to conceal pertinent data relating to the expenditure of such funds.

Mr. GARY. Mr. Chairman, will the gentleman yield?

Mr. HARDY. I yield to the gentleman from Virginia.

Mr. GARY. May I say to the gentleman that I am heartily in accord with this amendment and hope it will be adopted.

Mr. HARDY. I am deeply grateful to the gentleman.

Mr. PASSMAN. If the gentleman will yield, I think this is an excellent amendment and I am going to support it also.

Mr. HARDY. I thank the gentleman. May I ask the gentleman from Connecticut if it is agreeable with him?

Mr. MONAGAN. It is agreeable to me and I am happy to accept the substitute. I believe that the language suggested by the gentleman from Virginia will eliminate the objections which were raised last year in the Senate and will at the same time safeguard the right of Congress to full information with respect to expenditures of appropriated funds by the executive branch.

Mr. HARDY. I thank the gentleman for accepting my substitute language, and I wish to express my sincere appreciation for the gentleman's outstanding work as a member of my subcommittee.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Virginia [Mr. HARDY] to the amendment offered by the gentleman from Connecticut [Mr. MONAGAN].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. MONAGAN] as amended.

The amendment was agreed to.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Strike out line 25 on page 7 and lines 1, 2, and 3 on page 8.

Mr. YATES. Mr. Chairman, the special program for tropical Africa is an educational program. It is a program to help train personnel to carry on the affairs of government in the new nations of Africa. Their greatest shortage now is in trained personnel, in technicians, in educators, in skilled specialists—in short, of people who know how to conduct the affairs of government. This program proposes to alleviate that shortage of personnel.

And what does the section in the bill do? It proposes to use funds by training personnel, but requires that they be trained in the open air. It will not permit them to construct a building, a quonset hut, or even a thatched leanto. Like the oldtime song, it could require

that the program be carried out "Under the bamboo tree."

This is a ridiculous provision. I hope the Committee will approve the amendment to strike out the section.

Mr. DIGGS. Mr. Chairman, section 109 of the bill prohibits the use of funds appropriated therein for the construction of any building, structure, or other similar facility in connection with the special program for tropical Africa. I hope that the amendment by the gentleman from Illinois prevails, for I fervently believe that the limitation would seriously impair the usefulness of the special program for tropical Africa as an instrument of U.S. policy. It makes it possible on the one hand for the United States to provide educational training, but denies on the other hand the possibility of helping to provide the facilities necessary for such training.

The special program for tropical Africa has as its central purposes the acceleration of African education and training to help meet the pressing and critical need for African leaders and technicians and to encourage regional cooperation.

The problem of education in Africa is a critical one from every point of view. The average literacy rate is only 10 percent compared to 35 percent for the Near East and 65 percent for the Far East. The bulk of its population is not acquainted with modern economic life, its tools and techniques. There is a staggering deficit of trained administrators capable of assuming leadership in the newly independent countries.

In order to accomplish its purpose, the special program must therefore be prepared to initiate projects at various levels of African education. It must, however, be highly selective and concentrate in those areas and on those projects which can have a multiplier effect and which could serve as key training centers for both the country concerned and neighboring areas. A basic principle of its operation, therefore, will be to build on existing African educational institutions. New facilities, such as classrooms and other structures to meet training needs will be undertaken only in support of such projects and will not be used to fill any general gap in a country's educational needs. Thus, any construction cannot be considered as the end purpose of a project but rather as one of several elements including the provision of American teaching staff and the training of an African faculty—all aimed at expanding the opportunity for education for the African people.

African resources to meet its educational needs are severely limited and will require supplements from the United States and other free world sources if the new African nations are to cope with the rapidly growing demand for education and are to fill the serious gaps in their administrative and technical leadership. From the U.S. viewpoint, assistance in the field of education, particularly as it affects future African leadership, is of utmost importance. To demonstrate U.S. interest in a positive manner requires a flexibility in meeting needs as the African leaders see them. This flexibility will be critically limited if the United States is unable to provide for construction costs as part of an effort to develop an important educational institution or training facility. It would indeed be unfortunate if this limitation made it easier for the Sino-Soviet Bloc to gain a preeminent position of influence in such a key field as education. As an example of their efforts, they are constructing and staffing a technical institute in Guinea.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois. This amendment, if adopted, would not add a penny to the cost of this bill or to the cost of this section. As has been stated, the new independent countries of Africa have a great need for trained leaders and for a trained civil service. This amendment would give greater freedom in the training of these people. I think the amendment should be adopted.

Mr. PASSMAN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Louisiana.

Mr. PASSMAN. The proponents of this provision in the authorization bill told us that they did not expect any housing to be provided in the estimate. At their request, the committee considered the program and provided the money, but prohibited the use of any funds for any type of housing.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, as chairman of the African Subcommittee of the Committee on Foreign Affairs I intended to ask unanimous consent to proceed for 10 minutes that adequately to the best of my ability I could meet my responsibility. But the time limitation, to which I objected but in the wisdom of the Committee on motion prevailed, has made that impossible.

I need not remind my colleagues that belatedly there has come a recognition of the importance to us of deep and abiding ties of understanding and of friendship with the peoples of tropical Africa. One has only to read the daily and periodical press to measure the tremendous interest suddenly awakened in a continent that in 1959 was relatively of so little interest to us that a group of members of the Foreign Affairs Committee, circling the world, and the President of the United States, visiting many lands in the promotion of good will, visited very briefly only one country in Africa and that, convenient for the visitors, far to the north of Africa and much nearer Europe than the countries of tropical Africa.

It began to look, even as recently as the year 1959, that we were so bedazzled by the mystic lure of the Far East, fascinated with the dream that the destiny of the United States was far, far away in the Orient, that the Continent of Africa was of no concern to us and to the free world. Indeed even today a large part of Africa still is carried in the organization of the State Department as Europe, just as the Dominion of Canada is treated organizationally as part of Europe, not of the American hemisphere. It is difficult to explain to newly emerging nations this hangover of colonialism in the organizational charts of our State Department based not upon the facts of geography but upon the history of a past era.

I appreciate that there are organizational problems, but I venture the suggestion, which I think is one of common sense, that we will be better understood by the peoples of the world when the State Department puts all of Africa back in Africa and all of America back on the American hemisphere.

I appreciate, also, that our alliance with European colonial powers in very large measure was responsible for the misunderstanding of us by the peoples of Africa who were intent on running their own affairs under the governments of their own determination. The blunt fact is that in Africa we have missed the boat. We now have an opportunity by swimming fast enough to catch up.

When the issue was one of colonialism or national sovereignty we were in a position of embarrassment stemming from our European alliances. That situation has changed. New nations are coming into being in Africa so rapidly that recently Secretary of State Herter told our committee that in the foreseeable future Africa might have as many as 40 seats in the General Assembly of the United Nations. The European colonial powers are giving independence to their former colonies so far ahead of schedule as to knock into a cocked hat the calculations of even a year ago.

In this new phase of the African situation the United States has an opportunity of service that it would be folly to avoid. I can assure my colleagues that the subcommittee on Africa has kept constantly and sympathetically in touch with what is transpiring in Africa. It has been a hard working subcommittee. Mrs. BOLTON is the ranking minority member. Next to my beloved colleague from Illinois, Mr. CHIPERFIELD, she is the top ranking minority member of the full committee. She is dedicated to the cause of Africa. Serving with her on the minority side is the distinguished gentleman from Indiana [Mr. ADAIR], and he has made a large contribution to the work of our subcommittee.

On the majority side is the gentleman from Missouri [Mr. CARNAHAN] who next to our great chairman, Dr. MORGAN, is the ranking majority member of the full committee, the gentleman from Michigan [Mr. DIGGS], who by his visits to Africa and his constant consultations is probably in closer touch with the aspirations of the peoples of Africa than any other Member of this body, and my friend and colleague from Chicago, whose district adjoins the district that I have the honor to represent, the gentleman from Illinois [Mr. MURPHY]. Congressman MURPHY's knowledge of Africa, its peoples and their history, amazes me. He is a most valuable mem-

ber of our subcommittee and a prodigious worker.

That our colleagues may have some measure of the diligence of the Subcommittee on Africa may I say that there has been scarcely a country in Africa that has not been represented at our hearings. On Monday next we will meet here in Washington with the speaker of the Nigerian House of Assembly. Some weeks ago Dr. Banda, shortly after his release from detention in Nyasaland, met with us here in Washington. Not long ago we benefited by getting a first-hand recital from an outstanding delegation, including two women, from the Mali Federation. Some months ago when the President of Guinea was in Chicago he gave 2 hours to a conference with our subcommittee, which was represented by Congressman MURPHY and myself, the other members of the subcommittee, because of the time and distance factors, being unable to attend.

I mention this merely that my colleagues may know that the members of our subcommittee have accepted very seriously their responsibility and have advantaged from every opportunity to get at first hand a better understanding of Africa, the problems of its present and its aspirations for the future.

I would say that the immediate problem of the newly emerging nations of Africa is for trained civil servants. It is not that the Africans do not have the ability, and on that point I might remark that the scholastic record of students in African colleges and universities compares most favorably with that of those in European and American colleges and universities. But naturally, having been denied the opportunity of much participation in government, they lack experience.

It is a situation comparable to that of our own country when we were massing great armed forces to engage in a titanic world conflict. We needed officers, and we did not have the time to send young men to West Point and Annapolis for 4 years of officer training. The need was immediate, and we met the challenge both in World War I and World War II by officers' training schools from which in 90 days of intensive training we built up an officer corps that met every demand of the greatest war in history.

What we did to meet that challenge of war, when the world of freedom was at stake, is a pattern of what can be done in Africa today when the fate of that continent and to a large extent the fate of the free world depends upon the efficiency with which the civil officials of newly emerging nations can function both on high and low levels.

My concept of the way in which the $20 million of the tropical Africa program should be used is along the lines I have suggested. It is a relatively small program measured by dollars. In fiscal 1961 it is estimated that European powers, including the Soviet, will be pouring into tropical Africa from $500 million to a billion dollars. We cannot compete on that scale.

What we are attempting to do with $20 million is to give the new African nations something that they need immediately, something that will help them to keep on their feet and to have even in the humblest of public offices persons who have been reasonably well trained in the performance of the tasks given them. This I think can be done with the $20 million appropriated for this program provided there is wise administration and the objective always kept in mind of meeting the immediate need.

If section 109 remains in H.R. 12619 it will be impossible to proceed with the 90-day training schools for civil servants because obviously some relatively small amounts of money would be necessary for temporary construction. I wish to make it clear that I do not think, in view of the modest amount of the appropriation of $20 million for all tropical Africa, that any large sums should be used in school and college construction but there are places where some construction wisely should be made, and on a necessarily limited scale, because of the largeness of the field to be covered. I can cite one instance, I think it is in Nigeria where there is a very good university, capable of carrying a much larger student body, but handicapped by lack of living quarters for students. If it was proposed, as well it might, to build inexpensive barracks in which students coming from all parts of tropical Africa could live, and no one I think would call that an extravagance, the project could not be entertained because of the prohibition in section 109.

I do not believe the gentleman from Louisiana and his subcommittee realized how far section 109 would go in destroying completely the tropical Africa program. We could not build even the humblest hut to house a teacher or a student. Section 109, I repeat, would completely kill the program and I know it is not the intention of the subcommittee to do that. I trust the amendment of my colleague from Illinois [Mr. YATES], a ranking member of the Appropriations Committee, will be adopted unanimously.

Now is our golden opportunity to win the hearts and the minds of the peoples of Africa by helping them the more efficiently to carry the responsibilities attendant on sovereignty. If we lose Africa, and the binding friendship which properly nurtured will permanently endure between our own country, a child of an early colonialism, and the new nations of Africa, children of colonialism of a later period, we will lose the world.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, the nations of Africa it seems are among the key nations in the world today. I think this program is most essential and, certainly, a training program of this type should be provided, and they should be able to construct whatever may be necessary to carry out the training.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. BALDWIN. I yield to the gentleman from Illinois.

Mr. YATES. The U.S. News & World Report says in an article on Africa:

> This whole vast area of southern Africa, from the Congo to the lower tip of South Africa, is the heartland of the continent's wealth and development. Native blacks preparing to take over almost everywhere except in South Africa are up against tremendous odds. They are short of skilled manpower, trained civil servants, and the capital needed to develop fully the huge potential of lower Africa.

Mr. Chairman, this section, as it stands now, would kill the program. We must cooperate with these nations to help them help themselves.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The amendment was agreed to.

Mr. COLMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. COLMER: On page 6, after line 23, insert the following new section:
>
> "SEC. 103. None of the funds appropriated in this Act shall be available for expenditure in connection with any contract for construction, maintenance, or repair to be carried out in a shipyard located outside the United States."
>
> And renumber the remaining sections of the bill accordingly.

Mr. COLMER. Mr. Chairman, with the parliamentary situation what it is, of course no opportunity is available to present the necessary explanation of and the purpose for the amendment. Briefly, the amendment would prevent what I regard as a continuation of an intolerable situation so far as the shipbuilders is concerned as affected by this program. Under the present law, the administrators of this program allocate these funds to foreign countries; they then can and do authorize the building of ships by one foreign nation to another; sometimes the money is furnished one nation to build ships for itself in its own country. While this comes as no revelation, I wonder how many of our colleagues know that it is practically impossible for American shipbuilders to successfully bid for the construction of these ships. In fact, to all intents and purposes it is impossible. This, for the simple reason that the foreign yards, with their cheap labor and cheaply produced materials can underbid the American yards by as much as one-half and never less than one fourth. Mr. Chairman, this was brought forcefully to my attention recently when the ICA issued invitations for bids for the construction of a hydraulic dredge for Vietnam. Several American yards bid on this ship. It so happened that the Ingalls Shipbuilding Corp. of Pascagoula, Miss., was the lowest qualified bidder among the domestic bidders. However, two Japanese firms submitted much lower bids. The Ingalls bid was $1,394,950 but the Uraga Dock Co., Ltd., Tokyo, Japan, was $916,200.

We have repeatedly had the matter up with ICA officials, but have gotten no encouragement whatever. And it would now appear that this contract will be awarded to this Japanese company.

This presents a pretty difficult picture. It comes at a time when every reputable shipyard in this country is hungry for contracts. They are all engaged in submitting the lowest possible bids in order to have enough work going to keep their yards intact; often bidding below the actual cost of construction. It also comes at a time when the President of the United States and the United States itself are insulted by having the President's invitation to visit that country withdrawn.

But, Mr. Chairman, that is not all. I am sure the facts are that this very foreign yard was either constructed or materially subsidized by the American taxpayers in its construction. Finally, Mr. Chairman, I wonder how the stockholders, the workmen who are being laid off of their jobs for want of contracts, all of whom are taxed to pay for this project, must feel.

Of course, this situation does not apply to the shipbuilding industry alone. It is going on every day in many other industries. And, of course, everyone knows that American industry cannot compete with foreign industry because of the cost of labor and materials.

This amendment should be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I do not like to disagree with the fine gentleman from Mississippi, but in this case it is not practical to send ships from Europe or the Mediterranean back to the United States for repair and rehabilitation. This does not make sense and, therefore, I must oppose the amendment offered by the gentleman from Mississippi.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER].

The question was taken; and on a division (demanded by Mr. COLMER) there were—ayes 52, noes 97.

So the amendment was rejected.

Mr. COFFIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COFFIN: On page 4, strike out all on line 22 through line 25.

Mr. COFFIN. Mr. Chairman, I think this amendment should appeal to all of the Members in this Chamber. It takes off the shackles which have been put on the Inspector General, an office which we created last year to help police the foreign-aid program. Admittedly no substitute for the General Accounting Office, it is, nevertheless, an indispensable agency within the executive branch of the Government to keep a day-in, day-out running check on bribery, corruption, and inefficiency.

This involves no new money in the program. What the committee has done is to say to this watchdog: "You cannot use more than $1 million." We should allow them to use $5 million if they thought it was necessary to clean up inefficiency.

Mr. MORGAN. Mr. Chairman, I wish to be recognized on the amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Maine.

Mr. COFFIN. I know the gentleman, the distinguished chairman of the Foreign Affairs Committee, has been most interested in this provision. This affects the Inspector General who has a great deal to do and is doing a good job.

Mr. MORGAN. Mr. Chairman, the bill—page 4, beginning on line 22—sets a ceiling of $1 million on the funds made available to finance the operations of the Inspector General and Comptroller. I feel very strongly that this sum is not enough, and I am sure that the overwhelming majority of the Members of the Committee on Foreign Affairs share my view.

The issue here is not a conflict between the Congress and the Executive as to the amount of money which should be made available. The disagreement is entirely within the Congress. The Executive opposed the establishment of the Inspector General and Comptroller and his staff, and I assume the Executive would prefer to see the entire operation abandoned or its scope of operation curtailed.

The Inspector General and Comptroller, together with the staff necessary to carry out his operations, was established as a result of action initiated by the Foreign Affairs Committee. I personally submitted the amendment creating this organization to the committee, and I feel very strongly that the Inspector General and Comptroller should be given an opportunity to get his program into full operation.

I believe that it is vital to the security of the United States that there be a mutual security program and that the Congress owes it to the American taxpayer to do everything possible to assure that the funds provided to finance the mutual security program not be wasted. This was the basis for setting up the Office of Inspector General and Comptroller.

I borrowed the idea from the armed services. The Army, the Navy, and the Air Force each has an Inspector General. These Inspectors General operate within the organization but report directly to the top commander. What we were trying to do was to create within the executive branch a staff skilled enough and large enough to keep track of what actually is going on in the operation of the mutual security program, to call deficiencies to the attention of Under Secretary Dillon who is the man with overall responsibility for the entire operation, and to see that corrective action is taken before scandals develop to the point where they make headlines or before large sums of money have been wasted.

Our idea was not to duplicate what is being done by the General Accounting Office or by investigating committees of the Congress. The General Accounting Office does review mutual security operations and their findings have been most valuable. Our own committee and other committees have conducted investigations and are continuing to conduct investigations. All of these are important and should continue. The object, however, is not to have people on the outside conduct a post-audit after the damage has been done. It is to have people who are in close and continuous touch with everyday operations who can act to correct and prevent deficiencies and waste before it is too late.

The Foreign Affairs Committee has been very much impressed by the fact that whenever our Members go overseas they encounter a substantial number of Americans in every country who are aware of certain shortcomings of our mutual security operations and who are anxious to have them taken care of. I do not believe that there is generally a conspiracy of silence on the part of personnel engaged in carrying out the mutual security program to hide waste or to cover up mistakes. I realize, however, that it frequently is difficult to get reports of waste and inefficiency transmitted from the working level to the top officials of an organization. It is only human that people whose jobs depend on a particular operation are not inclined to send in reports which might result in that particular operation being closed down. It is also true that people who are responsible for decisions are inclined to be slow in admitting mistakes.

One of the main purposes of the Inspector General and his staff is to provide a means by which information about deficiencies in the operation of the program can be transmitted from the operating level in the field where they become apparent to the top echelon of the organization where remedial action can be taken.

The Appropriations Subcommittee apparently does not agree with the Foreign Affairs Committee approach to this problem. In the printed hearings of the subcommittee there are a number of statements of members, saying that the idea is no good and that it will never work. They apparently believe that the Inspector General idea works out all right in the armed services but that there is something peculiar to the mutual security program which prevents its working here.

By limiting the funds available to the Inspector General to $1 million, the Appropriations Subcommittee is making sure that they will win the argument because there can be no doubt that if that is all the money available to the Inspector General and Comptroller, he cannot do the job he is supposed to do.

The Inspector General in making up his own budget wanted $1,762,000.

One indication of how much money is necessary to carry on this sort of an operation can be derived from figures submitted by the General Accounting Office for its own oversea operations. The General Accounting Office maintains two oversea offices—one in Paris and one in Tokyo. These offices are staffed with officers who travel all over Europe and the Far East respectively. The work is limited entirely to investigating U.S. military expenditures in those areas. These include military assistance expenditures under the mutual security program and the expenditures of our own Armed Forces stationed abroad. Investigations of other oversea operations of the United States, in-

UNIVERSITY OF MICHIGAN / DIGITIZED

cluding the economic side of the mutual security program, are handled by General Accounting personnel sent directly from Washington.

To operate these two oversea offices, it costs the General Accounting Office $1,434,500 a year for salaries, travel and actual oversea office expenses. This includes nothing for Washington administration or support in connection with the oversea operation.

If it takes $1,400,000 for the General Accounting Office to operate only two oversea offices, limited to military operations in only two areas of the world, it seems clear to me that we cannot expect the Inspector General and Comptroller to keep his eye on the mutual security operations all over the world, including all programs, for an outlay of only $1 million per year.

I personally am disappointed in the progress made by the Inspector General in getting his operation under way, and in my opinion he is not giving the proper emphasis to certain aspects of his operation. I believe that the program which he has in mind and has submitted in some detail to the Appropriations Subcommittee should be revised. For that reason, I favor that a limitation of $1,500,000 be placed on his operation, which is $200,000 less than he has asked for.

A limitation of this kind would make it necessary for him to revise his program, and I believe that such a revision would improve it. A figure of $1,500,000, however, should be enough for him to carry on his work, while a $1 million figure would absolutely prevent his rendering the service which is necessary to improve the efficiency of the mutual security program.

The CHAIRMAN. Does anyone else desire to be heard on this amendment?

Mr. GALLAGHER. I desire to be heard, Mr. Chairman.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. COFFIN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield.

Mr. COFFIN. I will merely state that this amendment seeks to take a limitation off this agency which the committee set up to go into the foreign aid program. It must be remembered that the Inspector General must get approval from the Budget Bureau for his appropriations. In short, we are in the position of the pilot just about ready to take off at the end of the runway who decides to reverse his propellers. I urge that this amendment be adopted.

Mr. PASSMAN. Mr. Chairman, I desire to be heard on the amendment.

The CHAIRMAN. The gentleman is recognized.

Mr. PASSMAN. Mr. Chairman, the section of the bill to which this amendment applies provides for a limitation on the amount of funds the Inspector General may spend. The Inspector General now has no limitation; he may spend as much as he wishes to do, subject only to his own judgment.

I hope the amendment will be defeated.

Mr. FORD. Mr. Chairman, I offer a substitute for the amendment now pending.

The Clerk read as follows:

Amendment offered by Mr. FORD as a substitute for the amendment offered by Mr. COFFIN: On page 4, line 23, strike out "$1,000,000" and insert "$1,250,000."

The CHAIRMAN. The question is on the substitute offered by the gentleman from Michigan [Mr. FORD].

The substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. COFFIN].

The question was taken; and on a division (demanded by Mr. COFFIN) there were—ayes 71, noes 126.

So the amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment. I have four or five of them.

The CHAIRMAN. Does the gentleman ask unanimous consent that the five amendments he offers be considered en bloc?

Mr. GROSS. That is all right with me.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. GROSS: Page 4, line 17, strike out the figure "$38,000,000" and insert in lieu thereof "$35,000,000."

Mr. GROSS. Mr. Chairman, the hearings on this mutual security program over the years are replete with examples of inept and wasteful administration. I believe it would be highly beneficial to the program as a whole and to the taxpayers of the Nation to reduce the funds for administration purposes and to indicate the need to fire a few of the starry-eyed dreamers that abound in the administration handling this program.

The Clerk read as follows:

Amendments offered by Mr. GROSS: Page 4, line 25, after the word "amended", insert "none of which shall be used for representation or entertainment."

Mr. GROSS. Mr. Chairman, I wonder if the gentlemen who have been working hard to increase spending under this foreign giveaway program can tell me the amount to be appropriated in this bill for liquor and entertainment?

Mr. Chairman, the hearings on appropriation bills before the House can always be read with profit. For instance, it was enlightening to read recently that the downtrodden taxpayers of this country are underwriting the costs of studies dealing with the "aging of ovaries in cockroaches," "the circulatory physiology of the octopus," a "pictorial test of the intrapersonal and interpersonal relationship of a husband and wife."

Now we learn in these hearings, through a Mr. Crockett, that a cocktail party held in a foreign country is "representation," while the same kind of a fandango staged in this country comes under the heading of "entertainment."

Mr. CROCKETT. Mr. Chairman, "representation" is always used in the connotation of entertainment overseas, while "entertainment" is used in the connotation of domestic entertainment. We do not use "representation" domestically.

Mr. PASSMAN, Chairman of the Appropriations Subcommittee, when he was finally enlightened as to the difference, observed that the fast travelers in the State Department and the ICA probably have as much fun no matter which of the above headings may be used to pick the pockets of the taxpayers.

Now it appears that the ICA requested $198,000 for "representation" and $6,000 for entertainment, while the State Department, although it apparently got $835,000 in another bill, requested another $72,500. It is contended that money is needed for funeral and ceremonial wreaths so Mr. PASSMAN asked for a separation of the scotch and bourbon and from the expenditures for wreaths here is how it looks:

Estimated expenditures for funeral and memorial wreaths under the 411(c) appropriation—representation

Fiscal year 1960	$145
Fiscal year 1959	148
Fiscal year 1958	155

Now the request for liquor and entertainment:

REPRESENTATION AND ENTERTAINMENT EXPENSES IN MUTUAL SECURITY PROGRAM

Fiscal year 1961 estimated representation expenses and entertainment expenses

	Fiscal year 1961	
	Estimated representation expenses	Estimated entertainment expenses
Military assistance	$163,800	
Development Loan Fund	1,000	$5,000
Administrative expenses, ICA (sec. 411(b))	198,000	6,000
Administrative expenses, Department of State (sec. 411(c))	72,500	1,000
Expenses, Inspector General and Comptroller	2,000	600
Total	437,300	12,600

Mr. Chairman, it is beyond belief that any additional request would be made for additional liquor funds, and I hope my amendment will be adopted.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 6, line 3, strike out "$550,000,000" and insert in lieu thereof "$450,000,000."

Mr. GROSS. Mr. Chairman, it is to be noted in connection with this Development Loan Fund that, insofar as the taxpayers of the United States are concerned, the contributions to this fund are direct grants that are never returned to the Treasury of the United States.

This was made clear in the following colloquy on page 450 of the House hearings on the mutual security appropriations for 1961:

Mr. PASSMAN. At what time, if ever, does any of this go back in the U.S. Treasury?

Mr. MURPHY. Under existing authority, Mr. Chairman, it is not contemplated that any of the receipts of the Development Loan Fund, whether repayments of principal or interest, would go back into the general fund of the Treasury.

They are made available for the continuing operation of the DLF.

* * * * *

Mr. PASSMAN. We are hoping this program will come to an end one of these days. Let us discuss the present legislation.

There is no provision whereby any of this money will ever come back to the U.S. Treasury to reduce the public debt or to be reappropriated in other fields?

Mr. MURPHY. That is correct, Mr. Chairman.

And again on page 451:

Mr. PASSMAN. I do not believe in being repetitious unless it serves a useful purpose. It is not a matter of disagreeing or quarreling but a matter of setting the record straight.

Under the Development Loan Fund there is no provision in the law, and there is none planned that you know of, whereby the dollars that we are appropriating—come from the taxpayer—will go back into the U.S. Treasury, to be used toward reducing the public debt or to be spent to meet the payrolls of the U.S. Congress, let us say. Is that correct?

Mr. MURPHY. Yes, sir; I believe it is.

It is my belief that we should refuse to make any further grants of the taxpayers' dollars to this Development Loan Fund. As the record will show this is an outright grant of the taxpayers' money to provide funds for constructing projects in foreign countries, with none of the funds ever being repaid to the United States Treasury. At the present time nearly 80 percent of the funds are being made under loan agreements providing for repayment in foreign currency.

Certainly it is time to reduce this drain on the taxpayers' pocketbook. This amendment would be only a token step to what should be done.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 6, line 4, strike out the period and insert a colon and the following: "*Provided*, That none of the funds advanced to the Development Loan Fund shall be used to execute loans on which less than 50 percent of the loan is to be repaid in dollars."

Mr. GROSS. Mr. Chairman, the Director of the Development Loan Fund expressed the belief that some repayment should be made in dollars in these words, taken from page 312 of the House hearings on the mutual security appropriations for 1961:

Mr. BRAND. I might mention, Mr. Chairman, that in connection with local currencies, I feel rather strongly that the Development Loan Fund should have built into its loans some repayment in dollars in practically all of the loans.

It seems to me that when the taxpayers of the Nation are called upon to provide billions of dollars to this fund with no provision for repayment to the Treasury that the least we can do is to require that not less than 50 percent of the repayments made by the loanees shall be in dollars. If this is done it should reduce future requests for additional dollar capital to maintain the fund.

In addition, the time may come when it would be desirable to enact new legislation to either repay the taxpayers for the funds advanced or to pay into the Treasury a dividend on the taxpayers' investment. At such time it would be desirable to have a large part of the capital fund in dollars.

The Clerk reads as follows:

Amendment offered by Mr. GROSS. On page 9 after line 11 add the following new section:

"SEC. 114. None of the funds herein appropriated shall be used to implement new contracts or to extend existing contracts for tuition or studies which are in excess of $200 per month per student."

Mr. GROSS. Mr. Chairman, the hearing record shows that the International Cooperation Administration is paying tuitions of $800 or more per student per month. The Office of Education advises that average tuition rates for private universities run slightly over $850 per year. For an 8-month school year this would be slightly over $100 per month.

I cannot conceive how the administration of ICA can justify the exorbitant cost of some of the contracts that came to light in the recent hearings. When the Inspector General of the ICA states that he had no intention of investigating a contract that carried a tuition rate that is around eight times the average tuition rate of our institutes of higher learning, it is time we put some restriction on the use of the taxpayers' funds.

Many of these study courses appear to be primarily for the purpose of advising the ICA personnel new ways to give away the hard-earned taxpayers' dollars. Is it not in order to ask whether they are justified, even if the cost is reduced 75 percent?

Mr. Chairman, when we return to the House, I shall ask permission to include a copy of the proposed schedule of lectures which have been costing the taxpayers such exorbitant amounts.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Iowa.

The amendments were rejected.

Mr. GROSS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on each amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS: On page 7, lines 16 to 18, strike out "section 106" and renumber the later sections accordingly.

Mr. REUSS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. REUSS. Mr. Chairman, the Mutual Security Act of 1960, approved on May 14, directed the President to have a study made of the point 4 Youth Corps, under which young U.S. citizens would have an opportunity to serve abroad in technical cooperation programs. While the principal expenses of this study are to be paid for by a private foundation, up to $10,000 of technical cooperation funds was authorized to help defray the expenses of the study.

Section 106 of the mutual security appropriation bill in effect vetoes the Federal contribution to this study, which Congress ordered only a month ago. My amendment, by striking section 106, would permit the study to go forward as envisaged in the Mutual Security Act of 1960.

One of the criticisms made of our foreign aid program has been that it concentrates to much on military aid and on the more grandiose economic projects, instead of on a person-to-person approach. The point 4 Youth Corps idea would permit at least a study to be made of this person-to-person approach.

The House Committee on Foreign Affairs, in its report on this year's Mutual Security Act, expressed its belief that "there is substantial merit in the proposal." The committee report states—page 29:

The committee believes that the United States is failing to utilize one of its important assets by not developing a program for using such services. If young Americans with farm backgrounds and adequate technical training, who are willing to live in the villages and share in the daily work of the people and would serve with only a minimum salary and subsistence allowance, could be carefully selected and sent to the less developed countries, they could be unusually effective representatives of the United States.

The gentleman from Georgia [Mr. PILCHER], chairman of the Subcommittee on Foreign Economic Policy of the House Committee on Foreign Affairs, reported to the House on June 1, 1960, on the subcommittee's recent six-continent study trip. The gentleman from Georgia reported that he and his subcommittee had found evidence of much "waste and extravagance"; but one outstandingly successful American project had been observed:

It would not be fair to critize the highway program, the radio program and the water program, without stating that in Vietnam we found one of the finest agricultural programs I have ever seen anywhere. Up in the hill country, we visited an experiment station where several young American boys, graduates of agricultural colleges, were living in quonset huts along beside the Vietnamese. This experimental station would do credit to any station in this country. They had planted in experimental plots practically every agricultural crop, including cotton, corn, peanuts, potatoes, grains, all kinds of vegetables, and raefel. In addition to this, they were showing the hill people who had been given 5 acres of land and a water buffalo, how to plant and cultivate in rows. These people also were doing a good job in their way and were very happy. The entire project has not cost as much money as one mile of the superhighway. This kind of program is helping the little people to help themselves.

The point 4 Youth Corps study proposal has been widely endorsed by newspapers, church groups, university faculty and student groups, as well as by both Houses of Congress.

The Christian Science Monitor of January 20, 1960, has the following editorial:

POINT 4 YOUTH CORPS

Representative HENRY REUSS, of Wisconsin, is offering Congress one of the best ideas yet devised for the competitive coexistence era.

He has filed a bill authorizing a study of the feasibility of a point 4 Youth Corps—a

UNIVERSITY OF MICHIGAN LIBRARY

draft-pay, draft-duration, draft-tough alternative to selective service for qualified young Americans who choose to serve their country in foreign rice paddies instead of the drill field.

We urge Congress to unearth and pass this bill speedily.

It will commit no one finally. It will cost little or nothing, since the study would be made by a private university or foundation as a public service. But it concerns a phase of the international struggle—the future gravitation of underdeveloped nations—that never has marked time waiting for Congress.

Although the program cannot be fully spelled out until all possibilities and pitfalls are studied, it would work in roughly this manner:

John Farmer is draft exempt while completing his agricultural course at Texas A. & M. After graduation he applies for a village-level job teaching modern farming methods under the International Cooperation Administration or Ford Foundation.

If he does not meet the qualifications, he reverts to draftable status.

But if he is accepted, John gets perhaps a 3-month stateside training period for his job (as rigorous in its way as Army basic training) and then is sent to a village project in India, where he will be paid the minimal wage and allowances he might have gotten for straight draft service. His hitch, like that of his rifle-toting buddy, is for 2 years.

Let's examine possible objections to the idea:

1. It might provide a haven for draft dodgers.

Since public and private technical assistance agencies would themselves pass on quotas and qualifications, acceptance of "goldbrickers" seems unlikely.

2. It might siphon off top educated talent from the military draft.

Under current low draft quotas only a small percentage of this talent is being called anyway. Mr. REUSS envisions a point 4 Youth Corps of not more than 10,000 to start with.

3. Veterans groups might object to youth corps dischargees being eligible for educational, pension, and medical benefits.

To meet this objection, Mr. REUSS and his analysts incline toward dropping veterans' benefits. We would agree, with the exception of the GI bill educational provisions, which would have even greater value for the Nation if extended to youths whose further study might provide a substantial number of first-rate new diplomats, international businessmen, and foreign service officials.

We would urge, as an additional safeguard, that recruiting posters and brochures for any such program emphasize that it is not a glamor world cruise, but one likely to involve more discomfort (and certainly less PX life) than peacetime Army service.

With these precautions taken, the advantages of the proposed youth corps are enormous.

The "have-not" nations are clearly going to be the battlefront for the world balance of power and for freedom in the coming generation. Money and military aid alone will not win that battle. Moscow and Peiping are carefully training cadres to go out into the villages. The authoritarian control they work under puts them at a disadvantage. But only if there are in sight comparable workers who are both free and technically capable.

Mr. REUSS' plan would help show the emerging peoples in a personal way the American altruism that now is too often lost amidst dollar signs. It would strengthen language training, promote a more professional foreign service, and give enthusiastic young Americans a more mature understanding of the world they will have to face. In short, it merits bipartisan priority treatment.

From the Milwaukee Journal of May 16, 1960:

REUSS YOUTH CORPS

Congress has agreed, in the mutual security bill just passed, that Congressman HENRY REUSS' proposal for a point 4 Youth Corps deserves sympathetic study. The bill urges the President to select a university, foundation or other nongovernmental research group to develop the organization and program for such a corps.

What REUSS proposed, in conjunction with the late Senator Neuberger, Democrat, of Oregon, was that several thousand young Americans serve voluntarily at a soldier's pay in public and private technical assistance missions in the world's newly developing nations.

In a recent article in Commonweal magazine, REUSS suggested these advantages of such a corps:

It offers a possible alternative to military service under the draft. It would assure an adequate supply of young Americans to man technical assistance missions in years to come. It would give our youth "a sense of purpose—the excitement and stimulus of taking part in great events." It would give the world a far better image of a democratic, unmilitaristic, helpful United States. It would help keep our foreign-aid programs effective, flexible, and up to date.

The great challenges of the present decade may be coming in the villages and rural areas of Africa, Asia, and Latin America. Russia and China are training persons for that competition now. The United States had better be preparing its forces to represent freedom. The Reuss Youth Corps plan seems to offer a good starter.

In the May 7, 1960, issue of Ave Maria is the following:

MISSIONERS AT SOLDIER'S PAY

College students dreading graduation day and the subsequent greetings from the President of the United States may soon be in for a pleasant surprise. And the old jokes about the military services' bumbling inability to place their men where they will do the most good may go the way of the Army mule if a bill now pending in Congress is approved.

In brief, the bill, H.R. 9638, introduced in the House by Representative HENRY S. REUSS, would provide for a study looking toward a point 4 Youth Corps, a militia of young Americans willing to serve their country in public and private technical-assistance missions—and at a soldier's pay.

In other words, instead of being drafted to serve in one of the military forces, qualified young men would apply for the point 4 Youth Corps. If they met the required standards they would be trained further in their own fields and sent to an underdeveloped country to contribute to the welfare of that nation in a tangible way. No goldbricker would be accepted; in fact, the work would be much more difficult than the Army—but much more challenging.

Congressman REUSS sees three main objectives in his bill. The first is to benefit governmental and private agencies now afield in foreign countries, agencies desperately in need of additional technical manpower to help carry out economic, medical, educational and community development programs.

The second objective is to aid both those people in other countries and ourselves by an active public relations program. Through close contact with intelligent young American college graduates, the understanding of peoples in other lands will be broadened and enriched by learning and accepting American ideals.

Third, the benefits accruing to the young Americans themselves would be inestimable. Their firsthand experience in underdeveloped nations would undoubtedly intensify their appreciation of life in the United States, not to mention the breadth and depth of outlook that their work would give them.

Representative REUSS' bill offers many constructive possibilities and should certainly receive careful consideration.

The Progressive magazine for May 1960 comments:

POINT 4 REJUVENATION

In his better days, when former President Harry S. Truman laid down a four-point foreign policy program in his inaugural address of January 20, 1949, he wrote into the language a term that has become a world-wide symbol of the generosity, the concern for others, and the creative imagination of the American people. Point 4 of President Truman's proposals was to be a bold, new program which would bring to all the world the benefits of America's great technical and scientific resources. It was conceived as a continuing effort to share our wealth of knowledge and skills with other peoples so that they could more rapidly develop their own human and material resources and improve their standard of living.

In the 11 years since the inauguration of point 4, thousands of American technicians in every conceivable social and scientific field have gone to every part of the earth to train and teach other peoples to help themselves. But the world's needs have scarcely been scratched, and President Truman's bold, new program has been much diluted by excessive caution, a military-minded administration, and a Congress cool toward economic aid.

Now a bold, new idea for implementing the point 4 concept has been introduced by Democratic Representative HENRY S. REUSS. The Wisconsin Congressman has proposed a point 4 Youth Corp for young American men and women to serve in technical assistance missions. The plan would call for 2- or 4-year college students or graduates to enlist for a minimum 2-year period for work overseas under both Government and privately sponsored point 4 programs—work which would utilize their special training and talents.

We concur heartily with the basic objectives of such a Youth Corps. As outlined by Representative REUSS, they are:

First. To make additional technical manpower available to U.S. agencies and to private agencies carrying out economic, medical, educational, and community development programs in underdeveloped friendly foreign countries.

Second. To assist in broadening the understanding by the peoples of other nations of the ideals and aspirations of Americans, through close contact with young Americans participating in the point 4 Youth Corps.

Third. To offer our young people an opportunity to serve their country in a stimulating way, while broadening their understanding of the problems facing other peoples and nations.

The legislation which REUSS has introduced in the House (and an identical bill brought before the Senate by the late Senator Richard L. Neuberger) asks for a nongovernmental study to determine the practicality and advisability of such a corps, with recommendations to be returned to Congress within a year.

It has been suggested that enlistment in the Youth Corps might be an alternative to military service under the present draft law. But this possibility is by no means an essential part of REUSS' proposal and we would hope that any study of the plan would not emphasize this feature as one of its recommendations. A more constructive approach, it seems to us, would be to eliminate the military draft and establish the point 4 Youth Corps as a voluntary peace army bringing new life, new ideas, and new skills to peoples all over the world. We are confident that many thousands of our college

students would be eager to take advantage of the enormous opportunities which would be opened to them by such a program.

Edward P. Morgan, in his May 2, 1960, news broadcast over the American Broadcasting Network, said:

In a Senate speech last week, Chairman WILLIAM FULBRIGHT of the Foreign Relations Committee described the administration's mutual security program, on which final action is pending in Congress, as a "plate of warmed-over grits." Defending the principle of foreign aid as being as necessary to the country as a life insurance policy to a family, FULBRIGHT scored the administration for lack of initiative and long-range planning which he held essential to the program's successful continuity. Still, he conceded, there is nourishment in warmed-over grits and reluctantly he endorsed the legislation as better than nothing.

In this package, however, there is at least one germ of a promising idea. It is to give eligible young Americans a chance to work on foreign-aid projects in the field as an alternative to the military draft. The Senate bill includes a $10,000 item to study the feasibility of recruiting 10,000 youths for a 2-year hitch on technical assistance jobs. This approach was cosponsored by Congressman HENRY REUSS of Wisconsin and the late Senator Richard Neuberger, of Oregon, both Democrats. Minnesota's Senator HUBERT HUMPHREY argues a study is unnecessary; says we already know what the problems are and he is preparing a bill for direct action—if he can take enough time from presidential politicking to introduce it: a 3-year tour (a year longer than the draft but at basic Army pay without veterans' benefits) beginning with 500 the first year and building eventually to 10,000.

The response on various campuses which have caught wind of it has been enthusiastic but the unofficial State Department and International Cooperation Administration reaction so far is something as follows: "It's a nice idea, but, gee, we already have all these other problems."

Interestingly enough, the exciting experiences of a small private outfit in this field called International Voluntary Services, may eventually bring the bureaucrats around. IVS, run largely by exmissionaries on a nonsectarian basis, has contracted with foundations and ICA to man such projects as agricultural experiment stations in Laos and Egypt. Already both governments have requested more of these young un-ugly Americans. The two trying new crops along the Nile are beseeched by Egyptians to teach them English in their spare time. Apparently this person-to-person contact on the grassroots level is one of the secrets of success for IVS, whose candidates are carefully selected not only for their skills but for a kind of pioneering spirit; only 1 in 10 qualifies.

In an article in the current issue of Commonweal magazine on his plan for a point 4 Youth Corps, Congressman REUSS writes that "too often we seem to emphasize military alliances with corrupt or reactionary leaders; furnishing military hardware which all too frequently is turned on the people of the country we are presumably helping." (Shades of Turkey and Korea.) REUSS speaks of "grandiose and massive projects" and "hordes of American officials living aloof in enclaves in the country's capital." And he asks: "Would we not be farther along if we relied more heavily on a group of some thousands of young Americans willing to help with an irrigation project, digging a village well, or setting up a rural school?"

One of the things which steamed up Senator HUMPHREY's enthusiasm originally was this kind of modern pioneering concept. Applicants would have to have three main assets: real skill, real enthusiasm, and a certain political and social maturity with a minimum age of 22. The recruits would take a 1-year training course, half in the United States, half in the country where they were assigned. Their jobs? Teaching literacy, teaching English, basic agricultural and industrial skills, sanitation and health techniques, and many other functions.

Carefully applied, this approach to foreign aid could do a great deal to transform the program from a plate of warmed-over grits to a large nourishing helping of frontiersmanship in a rich American tradition.

This is Edward P. Morgan saying good night from Washington.

The U.S. National Student Association, on May 28, 1960, took the following position in testimony before the Democratic platform committee:

On the domestic scene, the U.S. National Student Association supports an expanded program for bringing foreign students to the United States provided that the program calls for closer planning between the United States and foreign governments to determine manpower needs and greater emphasis on 1 or 2 year special programs oriented toward leadership training and technical fields; we further support the allocation of "soft currency" funds under Public Law 480 as a means of expanding or initiating programs of U.S. educational institutions which would contribute to cultural and educational development in foreign countries with projects such as delegations of U.S. student leaders. We submit, however, that a bolder, more imaginative step is urgently needed. We believe that the House of Representatives bill 9638, introduced by Representative HENRY S. REUSS, Democrat, of Wisconsin, to provide for a study to be conducted by a nongovernmental group on the advisability and practicability of the establishment of a point 4 Youth Corps under which young citizens will be trained and serve in programs of technical cooperation is one effective way to help meet the challenge of the "revolution of rising expectations" as well as Communist infiltration through programs of technical assistance and youth festivals. One of the factors to be considered is whether or not it would be desirable to provide that service in the point 4 Youth Corps shall be considered as satisfying the obligation of the individual to perform training and service in the Armed Forces. The U.S. National Student Association urges this group to provide American youth with this imaginative and constructive alternative way to serve their country.

At least four universities—New York University, Syracuse University, Colorado State University, and Stanford Research Institute—have submitted proposals for comprehensive studies of the point 4 Youth Corps proposal. Moreover, I am informed that several foundations have expressed interest in helping to defray the expenses of such a study.

My amendment is designed to prevent killing the idea of a point 4 Youth Corps before it can even be studied. If you believe in the principle of foreign aid, the point 4 Youth Corps study deserves support because it can help revitalize the aid program. If you are critical of foreign aid, the point 4 Youth Corps proposal offers a way of helping people to help themselves.

I hope the amendment will be adopted.

Mr. REUSS. Mr. Chairman, I ask unanimous consent that the gentleman from Indiana [Mr. BRADEMAS] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BRADEMAS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wisconsin to permit the President to arrange for a modest study—to cost no more than $10,000—of the advisability and the practicability of a point 4 Youth Corps.

I hope very much that we will agree to let the President go ahead with this modest provision for the study of a program through which young Americans can be trained to serve in public and private technical missions in the underdeveloped areas of the world.

The amendment does not commit the United States to any program but only asks the President to provide for a nongovernmental research group, university or foundation, to study the advisability of a point 4 Youth Corps.

Shortly after the gentleman from Wisconsin introduced his bill, earlier this year, I met with a group of some 45 church, civic, and university leaders in northern Indiana who had requested me to arrange a special meeting to discuss the prospects of this proposal.

These leaders were deeply impressed by the positive contributions which a group of intelligent and dedicated young Americans could make to lifting the level of life in the underdeveloped areas and to doing so in a practical, down-to-earth, person-to-person way.

There are several reasons why a point 4 Youth Corps could contribute significantly to our mutual security program.

First. The corps would do much to correct the image of the United States which has resulted from undue emphasis on military aid alone under the mutual security program, important though that aspect is.

Second. Such a program would be one way to provide assistance to developing nations directly to the people who need it, and not simply to governments alone, important though that aspect of the mutual security program is. The prospect of a group of intelligent young American college graduates working at the grassroots level with peoples abroad would go far to counteract the image represented in some of the cases set forth in "The Ugly American."

Third. I believe we should not overlook the benefit to the young Americans who would participate in such a program, benefit not purely in terms of their greater understanding of foreign countries but also in terms of their participating in a laudable effort in the interest of their own country. We hear a great deal these days about national purpose. The point 4 Youth Corps is a hardheaded and practical example of the way in which young Americans might show the world the very best that is in the American national purpose.

In short, Mr. Chairman, there is a great deal to be gained and very little to be lost by the investment of $10,000 in the study which the amendment of the gentleman from Wisconsin would make possible.

Mr. DERWINSKI. Mr. Chairman, I am opposed to this mutual security

UNIVERSITY OF MICHIGAN LIBRARIES

appropriation and wish to emphasize that those of us who are in the minority opposing this measure are contributing greatly to whatever effectiveness the program might have. For this reason, without effective opposition, pointing out the flaws and inconsistencies of the administration of this program, the cost would skyrocket and the American taxpayers would be unprotected against a monstrous bureaucratic assault upon the U.S. Treasury.

Under present international conditions, the usual controversy surrounding foreign aid has been increased, since it represents such a large portion of the U.S. budget.

I emphasize, however, that the theoretical goals of the foreign aid program are certainly commendable. Certainly we recognize the problem in rebuilding of war-devastated lands, development of backward nations, and the containment of communism. I maintain, however, and it is an undisputed fact, that the program has fallen far short of perfection and the $85 billion invested in it these last 14 years has not returned a proportionate benefit to the American taxpayer.

Mr. Chairman, may I point out that the ill-fated summit conference and the cancellation of the President's visit to Japan emphasize the need for complete evaluation and proper use of funds under the foreign aid program; since, once again, it is obvious the money spent has not produced respect and support of our country by the peoples and governments abroad, nor has it produced the completely sound allies to which we are entitled in view of our great contributions to the free peoples of the world.

Those of us who are voting against the foreign aid appropriations bill are exhibiting complete independence, knowing that both major political parties, the State Department, a great number of national publications, and President Eisenhower all favor the program.

Mr. Chairman, I also feel that foreign competition in producing goods by factories built with foreign aid funds is beginning to have a detrimental effect on our economy and employment, and this factor should undergo immediate and thorough study.

Mr. CARNAHAN. Mr. Chairman, soon after the Second World War, on June 5, 1947, to be exact, Gen. George Marshall, in a speech delivered at Harvard University, set forth a concept, which while it has been most controversial, may probably be credited with saving much of the free world from becoming unwilling satellites of the Soviet Union. This we knew as the Marshall plan.

I need not labor the obvious today that the world situation is very serious. This is apparent to all intelligent people. I think that one difficulty is that the problems of today are of such enormous complexity that the very mass of facts presented to the public by press and radio make it exceedingly difficult for the man in the street to reach a clear appraisement of the situation. Furthermore, we are distant from these really troubled areas of the world and sometimes it is hard to comprehend the plight and consequent reactions of the long-suffering peoples who strive to lift themselves from the quagmire of disease, illiteracy, and economic want.

Back in 1947 when the then Secretary of State Gen. George Marshall gave his address at Harvard, Europe was still in a shambles. There had been terrific losses of life, visible destruction of cities, factories, mines, and railroads. However, it soon became obvious that this visible destruction was probably less serious than the dislocation of the entire fabric of European economy. Into this serious gap stepped the American people with their offer to assist in the recovery of Europe. As a result, long-standing commercial ties have been reestablished, private institutions, banks, insurance and shipping companies have regained their capital. Europe has recovered economically.

It is a different story in Asia and Africa. The emergence of many newly created nations in both Africa and Asia with the subsequent demand for full participation in the fruits of an economic plenty such as we have here in the United States, led to demands on the part of the peoples of these nations which could not be met unaided by their own governments. Into this area of human need stepped the American people with their grants, loans, and offers of technical assistance and guidance.

And as if this were not enough of a problem to be faced and solved, we of the free world found ourselves engaged in a life and death struggle with international communism. This we know as the cold war. The cold war led to the establishment of defense alliances between the United States and its friends in Europe, Asia and the Middle East. As a result, in addition to sheer economic aid to repair the ravages of war and to establish newly emerging economies, we in the United States were faced with helping to equip for defensive purposes only vast military machines to help uphold these friendly governments and assist them in resisting Communist brandishments and aggressions. Thus our program of aid to our allies took on at least the following characteristics: A program of grants to assist in stabilizing various economies; a system of loans through one or more organizations set up for the purpose of economic development; a program of technological assistance to train the peoples of these nations in the ways of a modern industrial society; and, a system of military alliances wherein each partner is pledged to the defense of the other in the event of aggression against it.

This has and continues to be a costly business. Yet, I see no present alternative to this program. To eliminate or even seriously cut back our mutual security program today would be inviting danger, real and imminent, since into such a vacuum would step worldwide communism and America would find itself driven back to its own shores, hemmed in by hostile forces run by capricious dictators.

A major goal of American foreign policy has become a decent standard of living for all peoples. It is not an easily accomplished task and at times is slow, laborious, and oftentimes fraught with disappointment and setbacks. As a member of the Foreign Affairs Committee which first reviewed this mutual security bill this year, I can state that there are two very basic features of the program: First, the preservation of an adequate defensive strength; and second, the encouragement and promotion of human betterment. Here once again is an opportunity to participate in a mutual effort for peace and progress in freedom.

I believe that this appropriations request is tightly budgeted and that the appropriation of the full amount is needed and necessary. This money will be needed if the programs Congress has authorized are to be carried out. Approval of this program will reaffirm the readiness and determination of the United States to meet its responsibilities and to defend and protect its way of life. Such reaffirmation can best be provided at this point through appropriation.

Mr. KASEM. Mr. Chairman, I regret that I will not be able to remain on the floor to vote on final passage of the mutual security appropriations legislation for which we have been considering amendments. Pressing matters in California make it imperative that I leave at this time, but it is apparent that support from both sides of the aisle assures the passage of this important measure.

I would like the RECORD to show, however, that I had intended to offer an amendment for the consideration of this body.

It has come to my attention that in the carrying out of the mutual security program, the original objectives and intent are often lost sight of, and the good results are sometimes only incidental.

My amendment was designed to be completely objective and would impose no appreciable burden on the Executive, but would serve to remind the President, who bears the chief responsibility in the administration of this program, that the program has an objective. It would further insure that a conscious effort toward the attainment of that objective which impelled the program would be maintained.

My amendment is so mild that it does not ask even for substantial progress toward the objective we seek—only substantial effort. The amendment is as follows:

Page 13, line 21, after the words "the purpose hereof", strike out "title IV" and insert: "That no part of the assistance provided in this Act shall be made available to any government or nation until the President shall declare in writing that he finds that such government or nation has made substantial efforts, commensurate with its resources and state of development, to establish and make effective democratic institutions therein and to improve the level of education and standard of living of the general population of said nation; that freedom of expression exists therein or that a program towards the end of establishing freedom of expression exists in said nation and that such program is conscientiously pursued; that peaceful opposition to the government is not prohibited or inhibited by law or other governmental action; and, that the President shall include in said writing

a general statement of the evidence on which he bases said findings." and reinsert at that point the words "Title IV".

Only the temper of this body and my desire to refrain from obstructing final acceptance of the bill as it is restrains me from introducing this amendment at this time in spite of my other commitments.

Mr. ASHLEY. Mr. Chairman, the mutual security appropriation bill before us is one of the most important pieces of legislation which this Congress will consider. This is particularly true in light of recent world events which have made it clear that the position of the United States, and indeed, the entire free world, is extremely insecure. It is for this reason that I am supporting this legislation wholeheartedly and it is also the reason why I will support amendments to strengthen the programs contained in the bill.

In light of the recent sequence of foreign policy setbacks, I think it is well to mention that there is one area where we have made a major gain in our relations abroad. I refer to the agreement reached after 9 years of negotiation by the World Bank and our Foreign Service through which India and Pakistan will share the Indus waters. The United States and five other nations have agreed to make substantial contributions to this vital and imaginative project. It would be an incalculable blow to the United States throughout all of Asia if we were to scuttle the first major attempt to enlist other nations in joint aid efforts. For this reason and for others which my colleague from Connecticut, Mr. BOWLES, will amplify, I intend to support this amendment which will make funds available for U.S. participation.

Most important of all, Mr. Chairman, is the need to restore the funds which have been cut from the military assistance program and from defense support. These cuts, amounting to $400 million and $124 million, respectively, would immediately and directly weaken our defense capability—at a time of heightened tension when few would think of lessening either our capability or resolve. The cut in military assistance, if carried out, would affect the modernization of defense equipment of our major allies, particularly in NATO, but also in the Far East. And if the cut in defense support is not restored we will have to reduce all along the line the strength of the defense maintained by our allies in our common interest, or in order to maintain full strength in some countries we will have to abandon or seriously limit our help in other areas. Either of these courses holds the potential of disaster for our friends and for ourselves.

Mr. ROGERS of Florida. Mr. Chairman, once again, we have before us the foreign aid appropriations bill. We are admonished by some of our colleagues here in the House, by Members of the other body and especially by representatives of the administration, that the substantial reductions recommended in the fiscal 1961 mutual security program by the committee, if acquiesced in by the Congress, will at least do violence to the concept of mutual security. Some carry their protestation a step further and tell us that any cut of consequence would wreck our prestige abroad and provide the proverbial hole in the dike through which would come rushing the flood of Communist imperialism.

These predictions of dire consequences are by no means new. Just as regularly as clockwork they accompany congressional consideration of both the foreign aid authorization and appropriation bills each year.

Permit me to recapitulate for a moment.

For fiscal 1956, the Congress appropriated $2.7 billion for the mutual security program. For fiscal 1957, the President requested $4.9 billion for this program. At the time, there were about $7 billion on hand in unspent and carried-over funds. The House committee reduced the requested amount to $3.665 billion. President Eisenhower appealed to the Congress to restore the cut saying that a refusal to do so "would definitely injure our efforts to help lead the world to peace based on cooperation and justice."

The late Secretary of State Dulles and the then Chief of the Joint Chiefs of Staff Radford went before a closed meeting of the Senate Appropriations Committee with pleas for restoration of the cut. Dulles warned that if the Congress refused, "the world would interpret its action as meaning it believes the Communist danger has passed." He said further that the cuts voted "could have a serious psychological effect upon the nations of the free world who would relax their own great efforts if they felt the United States did not consider further efforts necessary." Radford said the cuts would not only jeopardize the Nation's security but "might well lead to a further weakening of the defense efforts of our allies." A former member of the Senate Foreign Relations Committee was quoted as saying that the cut voted by the House betrayed "complete misunderstanding of what we mean by the so-called foreign-aid program."

For fiscal 1958, the administration requested $3.8 billion for foreign aid. The House reduced this amount by about $400 million. Commenting on the reduction, the President said:

> The cut can be considered as no less than a threat to our Nation's security and that of the free world.

Secretary Dulles, commenting on the reduction in defense support funds, said that it "would be felt at once and would seriously undermine the economics of allied countries." Another spokesman of the administration, while admitting that some of the programs had been badly executed, declared that Congress must take the responsibility "in the event world developments prove those cuts to have been unwise."

In connection with the budget request of over $3.9 billion for fiscal 1959 from which the House pared $872 million, Mr. Walter Robertson of the State Department was quoted as declaring that "no one except the Communists would rejoice" if these cuts were sustained. He also called for patience and perspective with the "shortcomings and failings" in the administration of foreign aid. In an appeal for restoration of the full amount requested Secretary Dulles cited the Middle East crisis, and the powerful "forces of change" then at work in the world.

> These changes will destroy us if we merely sit on the sidelines as observers.

At an earlier news conference, Mr. Dulles called these reductions "a grave threat to the security of the United States." Mr. James Smith, then Director of the International Cooperation Administration, was quoted as saying that congressional cuts in the aid program would be "almost precisely what the Soviet has been hoping for."

For fiscal 1960, the President appealed for support for a $3.930 billion mutual security program as "a tool in our battle for a lessening of tension and some advancement toward peace." When the House reduced this amount by $742.5 million, the President admonished this body for endangering this country's world position and for invading the domain of the executive department by writing into the bill a "freedom of information" provision. Secretary McElroy said the reduction might be interpreted as an indication of a "softening in our attitude." Leonard J. Saccio, Acting Director of ICA, testifying before the Senate Appropriations Committee in support of economic aid programs, challenged advocates of economic aid reduction to show that reduction could be made without, first, "the gravest peril to U.S. foreign policy objectives"; second, "threatening the collapse of some countries heavily dependent on the aid"; third, "undermining the hopes of economic progress in many more countries"; fourth, "greatly strengthening the hand of local totalitarians who offer a desperate alternative to economic disaster"; and, fifth, "inviting the Soviet bloc to move forcefully into the vacuum with offers of economic aids."

Admonitions of a similar nature as in the past are with us again today. Already spokesmen have said that a large reduction in a foreign aid would be "regarded by the world as a headlong retreat by our country, either as an abandonment of collective security or as a withdrawal of our interest in the welfare of friendly peoples struggling to stand with us in freedom."

President Eisenhower has issued a strong public appeal for support of the foreign aid program. The House committee has again voted to substantially reduce the requested amount. If the temper of the House is the same as in past years, a substantial cut in requests will probably be sustained.

Actually, Mr. Chairman, I would point out that in the face of repeated substantial reduced appropriations for the foreign aid program over the last few years, there was still available more money than was spent. In fact, over the last 5 fiscal years, mutual security spending requests have totaled almost $20 billion but only slightly in excess of $19 billion has actually been spent. In only 1 fiscal year in the last 5 has more been actually spent than was requested in the budget. In this 1 fiscal year, 1956, it is signifi-

UNIVERSITY OF MICHIGAN LIBRARIES

cant to note that more money was available for expenditure due to the carryover from the previous year of almost $8 billion in unexpended funds. For the benefit of those who might not have these figures available, I would like to include them at this point in my remarks. They follow:

[Billions]

Fiscal year	Requested	Spent
1956	$3.4	$4.256.9
1957	4.9	4.003.4
1958	3.8	3.636.8
1959	3.9	3.866.5
1960	3.9	3.349.9
Total	19.9	19.113.5

Also, I think the record will show that a number of the serious international tensions we face today are totally unrelated to the amount of foreign aid funds we have to spend.

Investigation into the foreign aid program time and time again have led to the conclusion that the major problem is not too little money but too much—that it was not reaching the people. Those who have urged patience and perception with its failures and shortcomings continue to explain away these failures and shortcomings by telling us that corrective action is being taken. Such explanations make one wonder whether remedial action is taken before or after the mistake.

Mr. Chairman, the President himself has gone on record as supporting a greater emphasis on loans and a corresponding deemphasis on direct gift and grant economic assistance. This year, a report on section 503(c) of the Mutual Security Act was submitted to the Congress. This section, added to the bill last year as a result of an amendment sponsored by Senator MANSFIELD and myself, directed the President to cause a study to be made into the gift and grant program and a plan devised to progressively reduce these programs. The report submitted as a result of this study gave reassuring news that this gift and grant program in about half of the countries now receiving this type aid could well be terminated in the next 5 years. I hope that this beginning will mark a rapid switchover from a concept of direct gifts to one of loans—thereby conditioning our aid to recipient nations for their economic development with an obligation of repayment.

To assist in this switchover, there are a number of national and international sources of financing aimed specifically at economic development. The World Bank, with an authorized capitalization of some $21 billion, offers long-term loans to member nations to aid in their industrialization and development. The Bank's membership consists of the governments of 68 nations, each subscribing to its capital stock in accordance to its own economic strength. The lending operations of the World Bank are conducted on the basis of three main principles: One, that the borrowing country must be in a position to repay the loan; two, that the project or program to be financed will be of such benefit to the economy as to justify the borrowing of foreign exchange; and three, that the project is itself well designed and feasible of operation.

I submit, Mr. Chairman, that these principles are such that they might well become the basis of a sound economic aid program. The Bank employs only 600 people; these 600 people have and are supervising some 600 projects in 50 countries. To date, every loan has been met in principal and interest payments. This fact is not happenstance. It has resulted from careful planning and controlled operations. Contrast this to the administration of today's foreign aid program with its more than 43,000 employees, limitless funds and questionable results.

The Export-Import Bank is authorized to borrow up to 8 billion from the U.S. Treasury to loan to foreign nations. Money loaned remains in this country to purchase American goods and machinery and the like thus helping to strengthen the American export trade.

The Inter-American Development Bank, American participation in which was authorized by the Congress last year, has not yet begun operation but nonetheless will serve to encourage development among our friends in Latin America.

In addition, private enterprise is willing and anxious to provide the needed financing for undeveloped countries. This source of aid is too often, I feel, not utilized to the point of its capabilities and willingness. A sound program of providing economic aid to the underdeveloped countries cannot afford to ignore such possibilities.

In sum total, Mr. Chairman, my disagreement is not with the concept of mutual security, as such. I fully realize that our allies must be strengthened militarily. I also appreciate that there are underdeveloped nations in the world in which economic development should be fostered and encouraged. My objection is lodged against the means with which we are striving to attain these desirable ends. The shortcomings and excesses which we are asked to be patient with continue and mount and administering bureaucracies grow larger and larger. We create dependency instead of self-sufficiency and self-respect. In good conscience, Mr. Chairman, I cannot support this program with such large sums on hand and unspent nor until such time as it is reevaluated in terms of a better approach and a greater effort made to reach the people with something they can understand and appreciate.

Mr. MERROW. Mr. Chairman, I wish to point out that the gentleman from Florida [Mr. SIKES] emphasized the importance of Guatemala to the free world. If Guatemala should ever again fall into the hands of the Communists it would be a tragic blow to the course of freedom in the Americas. The gentleman from Florida is a great student of Latin America and is ever alert to the growing menace of communism in that area. I congratulate both him and the distinguished gentleman from Louisiana [Mr. PASSMAN] for highlighting the necessity for consideration of Guatemala in the category of those countries which confront serious situations requiring grant economic aid. All of us realize the importance of Guatemala and of the outstanding contribution she is making to the free world.

Mr. GEORGE. Mr. Chairman, how can the administration of the mutual security program be so intermeshed with corruption, waste, and extravagance as is evidenced by the committee hearings? A year ago much the same condition existed.

When the executive branch of our Government takes no cognizance of such maladministration and permits the situation to grow worse, many Members are tempted to vote against H.R. 12619. If the continuance of our free and democratic form of government did not depend to such a great extent upon the necessary appropriations being made for mutual security, this measure would be defeated overwhelmingly.

Possibly the Democratic majority in Congress has been too meek in dealing with the Republican administration. Criticism has been tempered, especially in the field of foreign policy. For this reason we, the Democratic Party, must accept part of the blame for the failure of our foreign policy to stop Communist expansion.

Since 1952 the only semblance of a bipartisan foreign policy has been the failure of the Democratic leadership to criticize—even to criticize constructively. Not since Harry Truman left the White House—never to be invited to return—has the foreign policy of this country had the advantage of a truly cooperative effort by both political parties. No Democratic leader has had an opportunity to participate in the establishment or administration of our foreign policy.

The bombastic insults hurled by the Russian dictator have apparently succeeded in drawing the American people closer together in support of our President—and therefore in support of a foreign policy that has not been successful. This was no doubt the result expected and intended by the wiley leader of the Communists.

We Americans must not permit our loyalty to the President and our sympathy for him to prevent the piercing of the Communist veil. We must select a President that will not hesitate to depart from the status quo in foreign affairs. We must place a younger man at the head of our Nation—and one who is not tarred with the status quo.

Thankful we should be that the summit meeting was not held. We had nothing to gain and much to lose. Our agreements would have been kept, but only those to her advantage would have been kept by Russia.

With all the sound and fury of the ranting Communist dictator, there is no change in attitudes or objectives. There would have been none if a summit conference had taken place. There will be none.

These events are now behind us, but they and the developing attitudes in other countries definitely establish the

fact that friendship cannot be purchased. Billions of dollars have been spent to create good will abroad, while the very men who expend the funds have incurred through their maladministration of them the scorn and illwill of the people of the nation in which they live so luxuriously.

The next administration must revive the bipartisan foreign policy and breath new life and vigor into it. Our people should forever be grateful that only a few months remain for the present confused and bewildered administration.

In the future our efforts should be confined to negotiations through diplomatic channels—and we should pray that we can soon have trained personnel to do the job. We must remain strong as a Nation, but the wasters and the grafters must be eliminated from our foreign aid and defense programs. Morality must be restored to the Government of the United States.

Through the United Nations we might offer Russia the opportunity to assist underdeveloped countries to come into their own. Or in aiding such countries we could offer to work—at arms length—in a cooperative arrangement with Russia instead of the competitive, expensive plan we are now pursuing. Whatever plan we adopt, a constant vigil must be maintained and our guard must forever be held high.

It is possible that when more is learned about the mysteries of space, all countries on the face of the globe may be glad to cooperate in the interest of self-preservation.

No one nor any nation wants to commit suicide and the individual, in whatever country, desires to have a home and food for his family, dignity for himself and his brother, and above all an honorable and lasting peace. An ironclad arms control agreement should be our immediate and primary objective.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. REUSS].

The amendment was rejected.

Mr. McDOWELL. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. McDOWELL: On page 7, line 10, insert "(a)" immediately after "SEC. 105."

On page 7, between lines 15 and 16, insert the following:

"(b) None of the funds appropriated by this Act, and none of the counterpart funds or other foreign currencies generated through the use of funds appropriated by this Act, shall be available for expenditure by any Member of the Senate or House of Representatives (including the Resident Commissioner from Puerto Rico) in connection with travel outside the United States where no full public disclosure itemizing all such expenditures will be made."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware [Mr. McDOWELL].

The amendment was rejected.

Mr. MEADER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PRIVATE ENTERPRISE IN UNDERDEVELOPED AREAS

Mr. MEADER. Mr. Chairman, the April 1956 edition of Fortune magazine published an editorial entitled "The American Game," a portion of which I want to quote:

The real source of America's strength lies in its own flexible and dynamic system of private enterprise, and in the projection of that system abroad.

I incorporated the editorial in remarks I offered to the House in the CONGRESSIONAL RECORD, volume 102, part 7, pages 8753 to 8754. I regard that editorial, and particularly the paragraph I quote, as identifying the most powerful and effective weapon we possess with which to fight our ideological war against communism. The real contest is for the minds and attitudes of the peoples of the new nations emerging from colonialism, most of them loosely classified as underdeveloped by our standards. In this contest our deeds certainly will speak louder than words. A demonstration that free economic and political institutions are superior to the organized slavery of communism is ideological cash in the bank of world public opinion; high sounding oratory, slogans and headlines without performance are debits against international good will.

I have always felt that our assistance in economic development overseas should be provided by the American business community with their own capital at no cost to the taxpayers, and that the role of our Government is to foster and facilitate private capital investments overseas by using its personnel and diplomatic sanctions and instruments to break down artificial barriers to trade and investment and thus contribute to the attractiveness of private capital investments abroad.

One of the principal efforts of my service in Congress, has been at attempt to direct the efforts of our Government along those lines. In 1951 I urged the creation of a Commission to study the problem and map a course to achieve that goal. That effort, I am unhappy to say, was unsuccessful—CONGRESSIONAL RECORD, volume 97, part 3, pages 4209 to 4213.

In 1956, Congress created the Development Loan Fund. I offered an amendment to the declaration of purposes of the fund to indicate that in assisting underdeveloped areas it was the intent of Congress that we foster free enterprise economies.

As many of you know, that idea was strenuously opposed by both the State Department and the ICA, and it is due, in my judgement, only to the statesmanship and clear thinking and foresight of two of our former colleagues, the Honorable John Vorys, of Ohio, and the Honorable Brooks Hays, of Arkansas, that the free enterprise idea was incorporated into the charter of the Development Loan Fund.

Mr. Chairman, this year there have been two important developments which have given impetus to the movement to enlist American capital to make a greater contribution to economic undertakings overseas. The first is passage by the House of Representatives of the Boggs bill, H.R. 5, providing tax incentives for investments abroad, and the second, the attitude of the new management of the Development Loan Fund under its new Director, Mr. Vance Brand. Mr. Brand assumed office as Director in September 1959. Repeatedly, in appearances before our Foreign Operations and Monetary Affairs Subcommittee of the Committee on Government Operations, he has asserted that he proposes to use the funds and powers of the Development Loan Fund to foster and encourage private capital to make its contribution in economic development abroad and to induce beneficiaries of our assistance to shape their own economies along freely competitive lines.

Mr. Chairman, my attention has been called to an article written by Mr. Brand for the current issue of the General Electric Defense Quarterly in which he not only enunciates this policy, but cites examples where it actually has been carried out. I want to commend Mr. Brand for this forthright espousal of our traditional American principles of free economic institutions, and I believe that not only my colleagues, but the American people, generally, should be aware of this significant and salutary development.

Where economic development abroad can be carried out by the investment of private capital rather than government grants and loans, these significant advantages accrue:

First, and most obvious, is the relief to the taxpayer by reducing the amount he must contribute to foreign aid;

Second, the tax base is broadened by the capital invested and the earnings accrued;

Third, know-how and technology naturally accompany oversea movement of capital, and the resulting training of indigenous personnel, both labor and management, is undoubtedly better than the current forced-draft type of training where our Government hires technically skilled people at taxpayers' expense to provide training in underdeveloped areas;

Fourth, the people-to-people relationship resulting from Americans doing business abroad widens understanding and strengthens economic and social ties between our people and those of other countries; and

Fifth, government - to - government grants or loans for economic development must inevitably encourage government participation and interference in economic and commercial undertakings ranging from socialistic or communistic ownership and operation at one end of the spectrum to price fixing and other types of regulation at the other.

More important than any of the foregoing considerations is that in both advocating and demonstrating the free enterprise system in economic development we are striking our most effective blow against the Communist ideology by showing in actual practice the superiority of a system which leaves the maxi-

UNIVERSITY OF MICHIGAN LIBRARIES

mum of discretion to the individual and makes full use of those most important natural resources of all—the energy, the ambition, the courage, and the determination inherent in every human being striving to improve his lot. In this way America will be on the offensive in the ideological combat rather than the defensive.

Mr. Brand's article appropriately points out that the Government cannot draft or compel the American business community to participate in economic development overseas. But our Government can and should pave the way for natural economic forces to operate freely, unhampered by artificial restrictions and inhibitions imposed either by our Government or the governments of the countries we are seeking to assist.

In my judgment all our Government personnel having any relationship to this program should conduct their day-to-day operations and should shape their policies and programs to encourage and facilitate the objective of economic development through private capital investment. Since the Development Loan Fund is one of the most important Government instruments in this area, it is encouraging that its Director, Mr. Brand, has forthrightly and vigorously announced a policy in line with the foregoing objectives.

Mr. Chairman, the Foreign Operations and Monetary Affairs Subcommittee has been conducting a study of the operations of the Development Loan Fund, and on April 19, 1960, filed with the House its report on one aspect of Fund operations ("Operations of the Development Loan Fund," H. Rept. No. 1526). The committee was critical of the practice of earmarking or making advance annual country allocations. The report points out that the period of which the committee was critical were fiscal years 1958 and 1959. As previously noted, Mr. Brand was not appointed Director of the Development Loan Fund until September, 1959, subsequent to the period which the committee study covered. Thus, the criticism contained in the report was not and ought not to be considered as directed against Mr. Brand's administration of the Development Loan Fund.

The subcommittee is continuing its study of the Development Loan Fund, and one of the aspects of that study which is of greatest interest to me is the extent to which the policy announced by Mr. Brand in his article is actually effected in practice.

I incorporate Mr. Brand's article at this point in my remarks:

[From the General Electric Defense Quarterly, April–June 1960]

AMERICAN PRIVATE RESOURCES IN OVERSEA DEVELOPMENT

(By Vance Brand, Managing Director, Development Loan Fund)

The Development Loan Fund represents a new approach to managing U.S. financial resources, in an effort to help bring about economic breakthroughs in underdeveloped countries. The man who controls DLF's worldwide lending program explains what this means to the United States:

Foreign economic development improves American economy.

The DLF opens broad new areas to American private enterprise.

It offers practical encouragement of the American way of life abroad.

It is an approach where we have the jump on the Soviets.

Yesterday the frontiers of opportunity lay in the underdeveloped lands beyond the Mississippi. Today they lie in the underdeveloped lands beyond the seas—in Latin America, Asia, the Near East, Africa, and the Far East. Since Tokyo is now within 15 to 20 hours' flying time of San Francisco, perhaps we should begin speaking not of the Far East but rather of the near West.

Here at home we have been able to make unparalleled use of our human and physical resources because we have a sound, well-motivated economic system based on private enterprise. Similarly, the full development of the resources and opportunities of underdeveloped areas overseas depends upon the establishment and maintenance of sound economic systems in those areas. We can best encourage the growth of such systems by bringing more countries into the natural network of spontaneous business relationships through which most of the Free World's commerce and enterprise are carried out. This in turn will require good management of one of our own most important and least recognized resources—our talent for the organization and management of business entities in a free society—so that it can make the most effective and appropriate contribution to the development task.

OUR ECONOMIC SYSTEM ON TRIAL

Our economic system is now on trial in underdeveloped regions which make up the most populous portions of the world. The people of those regions are fully committed to swift economic progress, but they are not yet committed to our way of achieving progress. Their needs and demands would present a vital problem to our system even if the Soviet Union did not exist. But communism does provide an important yardstick against which our system is being measured by a billion or more people in some 60 nations.

For years the U.S. Government has been devoting considerable resources to the task of guiding underdeveloped nations toward the Western form of civilization. It has participated in international programs and has set up programs of its own, including those of the Export-Import Bank, the International Cooperation Administration, and the agency which I head—the Development Loan Fund.

The Development Loan Fund embodies a new approach, a new way of managing U.S. Government resources, in the effort to help bring about an economic breakthrough in the underdeveloped countries. It is an autonomous Government corporation established under the foreign policy guidance of the Secretary of State to make loans for specific projects or programs, public or private, which contribute to the economic development of underdeveloped countries. It is especially designed and empowered to help overcome one problem revealed by post-war experience to be a basic obstacle to economic development. That problem is the need of the developing nations for foreign-exchange financing, coupled with their inability to carry large burdens of hard currency foreign debt. Since the DLF is authorized to accept local-currency repayment, when appropriate, of its dollar loans, it can provide dollar financing without increasing the dollar debt load.

Congress has appropriated $1,400 million to the Development Loan Fund for lending. The DLF has approved about $1 billion in credit commitments of various kinds for undertakings in 43 countries. It has under consideration projects which will absorb all the remaining $400 million capital availability. President Eisenhower has requested the appropriation of an additional $700 million in his budget for fiscal year 1961.

U.S. ECONOMIC AID TO 60 COUNTRIES

The U.S. Government's efforts to encourage long-term economic development in lesser developed countries constitute a positive program, which was established well before the Soviets entered the field. It is only in the past 5 years that the Soviets have rendered economic assistance to underdeveloped countries outside their own bloc, and their aid so far extends to 18 nations—the bulk of it to only six nations. By contrast, U.S. economic assistance efforts reach into more than 60 countries. This field of economic development is one in which the Soviets have reacted to our efforts, rather than we to theirs.

But Government programs, essential though they are, are not enough to meet the challenges and trials of these times. They are inadequate, not merely because the Government cannot possibly provide all the resources needed, but mainly because the bulk of the job consists of something that no government can do.

The underdeveloped nations possess no such reservoir of trained administrative and technical talent as we found in Europe during Marshall plan days. In restoring the European economy, it was enough to provide the fruits of our economic system, in the form of plant and equipment to replace that destroyed by war. But the developing nations lack not only modern technology but the economic complex needed to use and sustain it and distribute its products. Therefore we must help them obtain not merely the products of a modern system, but the system itself. Naturally, without prejudice to their own beliefs and ambitions, we are eager to see them progress under a system of economic freedom, for we know by experience that free private enterprise calls forth more of the capabilities of a whole people, and contributes more toward the ultimate aim of human self-fulfillment, than any other kind of system yet devised.

FREE ENTERPRISE CANNOT BE IMPOSED

Such a system can be encouraged but it cannot be imposed. It must be demonstrated by example, and we can encourage its growth best by working with the people we aim to assist. Setting up business relationships with the producers of other lands; bringing them into the network of our system, and sharing its benefits with them; demonstrating the use and value of private property, and helping them to obtain it; establishing a middle propertied class with a personal stake in economic and political freedom—these are the things that count, and they are not things that can be done primarily by governments. They must be done mainly by free private enterprise.

Is it not a mistake to think of development assistance only as foreign aid? Rather, it is economic growth. Economic development creates wealth, trade, and opportunities. When new wealth is created anywhere in the world, we Americans have always received our share of it. Just as, a hundred years ago, the development of our western frontier benefited the developed eastern seaboard, so today the development of less developed nations will benefit us in the United States. Our development programs overseas are American programs for—among other people—Americans.

This concept of growth is peculiarly American. Basically, the Soviets assist other countries in order to attract them into the Soviet political orbit. But basically we assist other countries in order to increase the sum total of prosperity in the world. We have learned by experience that it pays to increase the prosperity of the common man. This is the principle that distinguishes the

American type of civilization from past civilizations, and is the basis of our approach to other nations.

PARTNERSHIP WITH PRIVATE ENTERPRISE

Thus it is clear that with respect to the underdeveloped nations, the interests of private enterprise and of the U.S. Government coincide and complement each other. It follows that they should work closely together in the pursuit of their mutual interest. The achievement of a working partnership with American private enterprise is a major drive of the Development Loan Fund.

Private enterprise needs such a partnership just as the Government does. Excluding investments for oil, in recent years new U.S. private investments in Africa, the Near East, South Asia, and the Far East put together have amounted to about $60 million a year. A good many American counties have larger budgets than that. Yet American private enterprise has never been known to turn its back on opportunity without good reason. We believe that the Government can help overcome some of the obstacles that have kept American private enterprise from assisting the opening of the vast potential opportunities that exist in the less developed countries.

Your U.S. Government helps finance basic nonprofit facilities such as roads, railroads, harbors, and communications, which form the foundations for private enterprise, both local and American. It encourages and assists local private enterprise, and thus fosters the principle of private enterprise in societies still being formed. With its own development programs, it helps to guide the growth of the developing countries during the period while American private enterprise has not yet extended its network of relationships into those areas.

Now we believe the time is ripe for more direct measures of cooperation. The Development Loan Fund's unique powers enable it to share risks through joint undertakings with U.S. and local private enterprise. We would like U.S. enterprise to undertake an effort in cooperation with us to make the fullest possible use of our assistance.

BUILDING WITH RICE IN KOREA

Some U.S. enterprises have already found the way to our doors. For example, officials of the Tectum Corp., of Columbus, Ohio, which makes a flexible building material out of wood excelsior and chemical binder, discovered that the greatest economic need of Korea is for building material, and furthermore that their process could be modified to use rice straw instead of wood excelsior. With their assistance a Korean firm has been established to manufacture the rice-straw product, and the Development Loan Fund is providing a relatively small loan of $1,100,000 to procure American-made equipment. We believe this enterprise will grow. When one considers the shortage of lumber and building materials throughout Asia, and the commonness and cheapness of rice straw in the same region, the potentialities of the enterprise appear truly enormous. Here is a case where we have been able to help private American enterprise put over a new idea of great potential economic importance in an underdeveloped area.

DEVELOPING GUATEMALAN COFFEE BAGS

Similarly, we are helping some American researchers and investors join Guatemalan investors in establishing a factory to make coffee bags out of the fibers of the kenaf plant. This enterprise will save Guatemala about $1 million a year in foreign exchange now spent to import jute bags and will provide a new crop for Guatemalan farmers. We are helping some investors in Detroit set up a sawmill in Liberia, in connection with Liberian investors. At present Liberia imports lumber, although it has millions of acres of forest. We have helped a firm with joint American and Chinese ownership expand a shipyard on Taiwan. We are helping an American corporation expand and modernize a meatpacking and ranching operation which is Paraguay's largest earner of dollar exchange. I could cite other examples in which the DLF has helped American capital and talent develop creative opportunities in cooperation with the people of other countries.

We want to see this kind of activity carried out on a larger scale and on a more systematic basis. We would like to see American private enterprise deliberately search out opportunities for joint investment in underdeveloped nations, and then consult with us on the best means of establishing productive industries. This has already begun to happen. We are now considering a transaction in which the Development Loan Fund, certain important American corporations and financial interests, and certain local private investors may join resources to finance, construct, and manage a new industry in the multihundred-million-dollar range of magnitude in a country which has been receiving U.S. development aid. Serious discussions are under way toward forming a similar investment combination to operate in a different underdeveloped country. We have opened discussions toward the formation of a third group interested in petrochemical industries in still another developing country. Thus a pattern for partnership is being formed and implemented in specific actions.

WORLD DEVELOPMENT WORKSHOPS

Furthermore, in cooperation with the Department of Commerce, we plan to hold periodic workshops in which representatives of Government agencies and senior corporation officials will take part. Through these seminars and in every other way we can devise, we shall continuously seek to broaden the participation of American free enterprise in the task which confronts us in the developing regions of the world.

We in the Government mean to play our due part in organizing and carrying out our partnership with enterprise. But we do not believe it should be the kind of partnership in which government forms the program and private enterprise supports it. Both free enterprise and government are essential to the success of the endeavor, but fundamentally I believe that overseas, as at home, in the economic field the government should exist to serve enterprise, rather than the other way around. The latter road leads toward statism, which is the opposite of what we are trying to accomplish.

We in the Development Loan Fund are still learning how to make the best use of this new instrument for economic growth. It will be some time before the projects we are assisting can manifest their full effects. Even after the factories are built and turning out products, and the roads and railroads are complete and carrying traffic, the full story will still remain to be told. For our loans are for creative undertakings that can lead to further enterprise. The transportation arteries will open new areas to settlement and development; the communications systems and commercial facilities will stimulate the flow of trade; the factories and industries will give rise to secondary undertakings of many kinds. Not all of our loans are for spectacular monuments of development, but they all will help bring about ever-increasing well-being in the countries in which they are made. They will contribute to our objective of establishing a prosperous citizenry in each underdeveloped country, who will at once support the continued growth of their own nations, increase the volume and variety of world trade, and form the best possible encouragement of our American way of life among our friends abroad.

This effort merits the finest talent our Nation can put forth. The Soviets are sending their best men into the underdeveloped countries—men capable not only of building and directing projects, but of extending the influence of their system at every opportunity. They must more than meet their match in Americans equally capable of representing and strengthening the system of free private endeavor. We must meet their first team with our first team; and our first team must necessarily include the best talent available in American private enterprise.

The Soviet Government can deploy all the talent of its nation in the service of the state. The United States cannot order its business brains here and there; this would violate our basic principles of freedom. Therefore we must rely on the voluntary efforts of private enterprise—encouraged and supplemented by our Government—to cope with Soviet statism in the pivotal underdeveloped regions. It is up to American firms to come out for the team. Today there are no spectators.

Mr. Chairman, I recently had an exchange of correspondence with Mr. Bryce Harlow of the White House staff concerning reductions in the budget estimates for mutual security appropriations. Because it explains a position I have consistently taken with respect to mutual security, I include that exchange of correspondence at this point in my remarks.

MAY 17, 1960.

The Honorable GEORGE MEADER,
House of Representatives,
Washington, D.C.

DEAR GEORGE: On Saturday last, as he completed preparations for the summit conference in Paris, President Eisenhower requested me to send to you, in his behalf, this note of gratification and appreciation for your support of the mutual security authorization bill. He stressed once again his profound conviction that this program is indispensable to our own and free world defense against Communist imperialism, and indispensable also in encouraging struggling millions in less fortunate nations in their effort to live their lives in freedom. It is a program requiring, he said, unreserved support by all of our informed citizens and officials, and he feels it would be the height of folly to allow isolated administrative shortcomings and disappointments, or local considerations, political or otherwise, to tempt anyone to jettison or cripple the entire undertaking.

Especially the President voiced this hope, and asked that it be communicated to you in his behalf: that your responsible act of support for the mutual security authorization be matched by a determined resistance to any effort to effect massive reductions in the mutual security appropriations soon to be considered by the House. Massive reductions, he pointed out, can be accomplished only by undermining our own security, free world security, and the cause of human freedom everywhere in the world.

The President asked me to explain that he would have advised you himself of these views had his time permitted before leaving for Paris.

With best wishes.

Sincerely,

BRYCE N. HARLOW,
Deputy Assistant to the President.

UNIVERSITY OF MICHIGAN LIBRARIES

MAY 25, 1960.

Mr. BRYCE N. HARLOW,
Deputy Assistant to the President,
The White House,
Washington, D.C.

DEAR BRYCE: Thanks for your letter of May 17, conveying the President's views on mutual security.

My study of the foreign aid programs, both as a member of the Subcommittee on Foreign Operations of the House Government Operations Committee and as an individual, has developed a conviction that our foreign aid program should, if it is properly administered, show successive reductions in annual appropriations, as the goal of assisting friendly, foreign countries to achieve economic and political stability is accomplished. In some areas, such as Iran and Laos, excessive spending actually has harmed our program.

It has likewise been my belief that economic stability is best achieved when those we are seeking to assist do their utmost to help themselves—that our aid should simply be an incentive and should not underwrite either unsound and extravagant programs or government owned socialistic economic enterprises.

Accordingly, I am sure the $4 billion figure requested by the administration can be reduced substantially and not weaken but, on the other hand, improve and strengthen the foreign aid program if smaller sums of money are administered in a more efficient and more businesslike manner. On the other hand, I will not support reckless reductions.

Incidentally, I hope you will support efforts to provide that Congress, its committees, and the General Accounting Office have complete access to information relating to foreign aid expenditures.

It was good to hear from you, and I hope we may have an opportunity to discuss the aid program personally and in greater detail.

Sincerely,

GEORGE MEADER.

MAY 31, 1960.

The Honorable GEORGE MEADER,
House of Representatives,
Washington, D.C.

DEAR GEORGE: I warmly appreciate your frank letter responding to mine about mutual security. I recognize that the judgment factor is large in setting the size of this effort, and certainly I respect your feeling that reductions, though not reckless ones, ought to be made. By the same token, I feel sure you have some feeling of receptivity for the very earnest views held on this matter by the Joint Chiefs unanimously, the Secretaries of State and Defense, and the President as well—none of them inclined to spend excessively or beyond our security needs.

A good visit with you is long overdue anyway. Let's do it very soon. With warm regard,

Sincerely,

BRYCE N. HARLOW,
Deputy Assistant to the President.

The CHAIRMAN. Are there any other amendments?

Mr. PASSMAN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12619) making appropriations for mutual security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended so pass.

Mr. PASSMAN. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. PASSMAN. Mr. Speaker, I ask for a separate vote on the Taber amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Page 2, line 15, strike out "$1,600,000,000" and insert "$1,800,000,000".

The SPEAKER. The question is on the amendment.

Mr. PASSMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 212, nays 173, answered "present" 2, not voting 45, as follows:

[Roll No. 137]

YEAS—212

Addonizio	Dague	Irwin
Andersen, Minn.	Daniels	Jackson
	Delaney	Jarman
Anderson, Mont.	Dent	Judd
	Derounian	Karsten
Ashley	Diggs	Karth
Auchincloss	Dixon	Kearns
Avery	Dooley	Kelly
Ayres	Dorn, N.Y.	Kilburn
Baker	Doyle	Kilday
Baldwin	Dwyer	Kluczynski
Barrett	Elliott, Pa.	Kyl
Barry	Fallon	Lafore
Bates	Farbstein	Laird
Baumhart	Fascell	Langen
Becker	Feighan	Lankford
Beckworth	Fenton	Latta
Berry	Fino	Lesinski
Boggs	Flood	Libonati
Boland	Fogarty	Lindsay
Bolling	Foley	Lipscomb
Bolton	Forand	McDonough
Bosch	Ford	McDowell
Bowles	Frelinghuysen	McFall
Brademas	Friedel	McIntire
Brewster	Fulton	Machrowicz
Broomfield	Gallagher	Madden
Broyhill	Gavin	Magnuson
Burke, Ky.	Giaimo	Mailliard
Burke, Mass.	Gilbert	Martin
Byrne, Pa.	Glenn	May
Byrnes, Wis.	Goodell	Metcalf
Cahill	Granahan	Miller, George P.
Canfield	Green, Pa.	
Cederberg	Griffin	Miller, N.Y.
Chamberlain	Griffiths	Milliken
Chenoweth	Gubser	Minshall
Chiperfield	Halleck	Mitchell
Church	Halpern	Monagan
Coad	Healey	Moorhead
Coffin	Hébert	Morgan
Cohelan	Hess	Moss
Conte	Hiestand	Multer
Cook	Hoeven	Mumma
Corbett	Holland	Murphy
Cramer	Holt	Nelsen
Curtin	Holtzman	Nix
Curtis, Mass.	Horan	O'Brien, Ill.
Curtis, Mo.	Hosmer	O'Brien, N.Y.
Daddario	Inouye	O'Hara, Ill.
O'Hara, Mich.	Rodino	Thompson, N.J
Oliver	Rogers, Colo.	Thompson, Tex.
Osmers	Rogers, Mass.	Thomson, Wyo.
Ostertag	Rooney	Thornberry
Pelly	Roosevelt	Toll
Perkins	Rostenkowski	Tollefson
Pillion	St. George	Vanik
Pirnie	Santangelo	Van Pelt
Poff	Saund	Van Zandt
Price	Schenck	Vinson
Prokop	Schneebeli	Wallhauser
Pucinski	Schwengel	Walter
Quie	Simpson	Weis
Quigley	Sisk	Westland
Ray	Smith, Iowa	Wharton
Reece, Tenn.	Smith, Miss.	Widnall
Rees, Kans.	Springer	Wolf
Rhodes, Ariz.	Stratton	Yates
Rhodes, Pa.	Sullivan	Younger
Riehlman	Taber	Zablocki
Rivers, Alaska	Teague, Calif.	Zelenko
Robison	Teller	

NAYS—173

Abbitt	Frazier	Moore
Abernethy	Garmatz	Morris, N. Mex.
Adair	Gary	Murray
Albert	Gathings	Natcher
Alexander	George	Norblad
Alford	Grant	Norrell
Alger	Gray	Passman
Allen	Green, Oreg.	Patman
Andrews	Gross	Pfost
Ashmore	Hagen	Philbin
Aspinall	Haley	Pilcher
Bailey	Hardy	Poage
Baring	Hargis	Porter
Barr	Harmon	Powell
Bass, Tenn.	Harris	Preston
Belcher	Harrison	Rabaut
Bennett, Fla.	Hays	Rains
Bennett, Mich.	Hechler	Reuss
Betts	Hemphill	Riley
Blatnik	Henderson	Rivers, S.C.
Bonner	Herlong	Roberts
Bray	Hoffman, Ill.	Rogers, Fla.
Breeding	Hogan	Rogers, Tex.
Brock	Huddleston	Roush
Brooks, La.	Jennings	Rutherford
Brooks, Tex.	Jensen	Saylor
Brown, Ga.	Johansen	Scherer
Brown, Ohio	Johnson, Calif.	Scott
Budge	Johnson, Md.	Selden
Burleson	Johnson, Wis.	Short
Cannon	Jonas	Sikes
Casey	Jones, Ala.	Siler
Chelf	Jones, Mo.	Slack
Clark	Kastenmeier	Smith, Calif.
Collier	Kee	Smith, Kans.
Colmer	Kilgore	Smith, Va.
Cooley	King, Utah	Spence
Cunningham	Knox	Staggers
Davis, Ga.	Landrum	Steed
Davis, Tenn	Lane	Stubblefield
Dawson	Lennon	Teague, Tex.
Derwinski	Levering	Thomas
Devine	McCulloch	Trimble
Dingell	McGinley	Tuck
Donohue	McMillan	Udall
Dorn, S.C.	McSween	Ullman
Dowdy	Macdonald	Utt
Downing	Mack	Wampler
Dulski	Mahon	Watts
Edmondson	Marshall	Weaver
Elliott, Ala.	Mason	Whitener
Everett	Matthews	Whitten
Evins	Meader	Wier
Fisher	Michel	Williams
Flynn	Miller, Clem	Winstead
Flynt	Mills	Wright
Forrester	Moeller	Young
Fountain	Montoya	

NOT VOTING—45

Anfuso	Holifield	Meyer
Arends	Hull	Morris, Okla.
Barden	Ikard	Morrison
Bass, N.H.	Johnson, Colo.	Moulder
Bentley	Kasem	O'Neill
Blitch	Keith	Randall
Bow	Keogh	Shelley
Boykin	King, Calif.	Sheppard
Brown, Mo.	Kirwan	Shipley
Buckley	Kitchin	Taylor
Burdick	Kowalski	Thompson, La.
Carnahan	Loser	Wainwright
Celler	McCormack	Willis
Denton	McGovern	Wilson
Durham	Merrow	Withrow

PRESENT—2

Hoffman, Mich.	O'Konski

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Taylor for, with Mr. Shipley against.
Mr. Celler for, with Mr. Moulder against.
Mr. Loser for, with Mr. Hull against.
Mr. McGovern for, with Mr. Brown of Missouri against.
Mr. Keogh for, with Mr. Kitchin against.
Mr. King of California for, with Mr. Willis against.
Mr. Shelley for, with Mrs. Blitch against.
Mr. Buckley for, with Mr. Barden against.
Mr. Holifield for, with Mr. Meyer against.
Mr. O'Neil for, with Mr. Thompson of Louisiana against.
Mr. Morrison for, with Mr. Kirwan against.
Mr. Anfuso for, with Mr. Sheppard against.
Mr. Ikard for, with Mr. Kowalski against.
Mr. Arends for, with Mr. O'Konski, against.
Mr. Bow for, with Mr. Denton against.
Mr. Bentley for, with Mr. Hoffman of Michigan against.

Until further notice:

Mr. Johnson of Colorado with Mr. Wainwright.
Mr. Burdick with Mr. Merrow.
Mr. Carnahan with Mr. Keith.
Mr. Durham with Mr. Bass of New Hampshire.
Mr. Boykin with Mr. Wilson.
Mr. Morris of Oklahoma with Mr. Withrow.

Mr. HOFFMAN of Michigan. Mr. Speaker, I have a live pair with the gentleman from Michigan [Mr. BENTLEY]. I voted "nay." Had he been present he would have voted "yea." I withdraw my vote, and vote "present."

Mr. O'KONSKI. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. ARENDS]. If present, he would have voted "yea," I voted "nay." Therefore I withdraw my vote and vote "present."

Mr. DENT and Mr. WOLF changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. ANDERSEN of Minnesota. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ANDERSEN of Minnesota. Mr. Speaker, it is entirely too liberal in nondefense items, and I am therefore opposed to the bill.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ANDERSEN of Minnesota moves to recommit the bill H.R. 12619 to the Committee on Appropriations.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas, 257, nays 124, answered "present" 3, not voting 46, as follows:

[Roll No. 138]

YEAS—257

Addonizio	Fulton	Multer
Albert	Gallagher	Mumma
Anderson, Mont.	Garmatz	Murphy
	Gary	Natcher
Ashley	George	Nelsen
Aspinall	Giaimo	Nix
Auchincloss	Gilbert	Norblad
Avery	Glenn	O'Brien, Ill.
Ayres	Goodell	O'Brien, N.Y.
Baker	Granahan	O'Hara, Ill.
Baldwin	Green, Oreg.	O'Hara, Mich.
Barrett	Green, Pa.	Oliver
Barry	Griffin	Osmers
Bates	Griffiths	Ostertag
Baumhart	Gubser	Passman
Becker	Hagen	Pelly
Beckworth	Halleck	Perkins
Bennett, Fla.	Halpern	Philbin
Blatnik	Hardy	Pillion
Boggs	Hays	Pirnie
Boland	Healey	Porter
Bolling	Hébert	Powell
Bolton	Herlong	Price
Bowles	Hess	Prokop
Brademas	Hiestand	Pucinski
Breeding	Hoeven	Quie
Brewster	Holland	Quigley
Broomfield	Holt	Rabaut
Broyhill	Holtzman	Rains
Burke, Ky.	Horan	Ray
Burke, Mass.	Hosmer	Rees, Kans.
Byrne, Pa.	Huddleston	Reuss
Byrnes, Wis.	Inouye	Rhodes, Ariz.
Cahill	Irwin	Rhodes, Pa.
Canfield	Jackson	Riehlman
Chamberlain	Jarman	Rivers, Alaska
Chelf	Johnson, Calif.	Roberts
Chenoweth	Johnson, Md.	Robison
Chiperfield	Johnson, Wis.	Rodino
Clark	Jones, Ala.	Rogers, Colo.
Coad	Jones, Mo.	Rogers, Mass.
Coffin	Judd	Rooney
Cohelan	Karsten	Roosevelt
Conte	Karth	Rostenkowski
Cook	Kastenmeier	Santangelo
Cooley	Kearns	St. George
Corbett	Kee	Saund
Cramer	Kelly	Schenck
Curtin	Kilburn	Schneebeli
Curtis, Mass.	Kilday	Schwengel
Curtis, Mo.	King, Utah	Selden
Daddario	Kyl	Sisk
Dague	Lafore	Slack
Daniels	Laird	Smith, Iowa
Davis, Tenn.	Lane	Smith, Miss.
Dawson	Langen	Spence
Delaney	Lankford	Springer
Derounian	Lesinski	Staggers
Diggs	Libonati	Stratton
Dingell	Lindsay	Stubblefield
Dixon	McDonough	Sullivan
Donohue	McDowell	Taber
Dooley	McFall	Teague, Calif.
Dorn, N.Y.	Macdonald	Teller
Downing	Machrowicz	Thompson, N.J.
Doyle	Madden	Thornberry
Dulski	Magnuson	Toll
Dwyer	Mahon	Tollefson
Edmondson	Mailliard	Trimble
Elliott, Ala.	Marshall	Udall
Elliott, Pa.	Martin	Ullman
Evins	Matthews	Vanik
Fallon	May	Van Zandt
Farbstein	Meader	Vinson
Fascell	Metcalf	Wallhauser
Feighan	Miller, Clem	Walter
Fenton	Miller, George P.	Watts
Fino		Weis
Flood	Miller N.Y.	Westland
Flynn	Milliken	Widnall
Fogarty	Mills	Wier
Foley	Mitchell	Wolf
Forand	Monagan	Wright
Ford	Montoya	Yates
Frazier	Moorhead	Younger
Frelinghuysen	Morgan	Zablocki
Friedel	Moss	Zelenko

NAYS—124

Abbitt	Andrews	Betts
Abernethy	Ashmore	Bonner
Adair	Bailey	Bosch
Alexander	Baring	Bray
Alford	Barr	Brock
Alger	Bass, Tenn.	Brooks, La.
Allen	Belcher	Brooks, Tex.
Andersen, Minn.	Bennett, Mich.	Brown, Ga.
	Berry	Brown, Ohio
Budge	Hogan	Riley
Burleson	Jennings	Rivers, S. C.
Cannon	Jensen	Rogers, Fla.
Casey	Johansen	Rogers, Tex.
Church	Jonas	Roush
Collier	Kilgore	Rutherford
Colmer	Knox	Saylor
Cunningham	Landrum	Scherer
Davis, Ga.	Latta	Scott
Dent	Lennon	Short
Derwinski	Levering	Sikes
Devine	Lipscomb	Siler
Dorn, S.C.	McCulloch	Simpson
Dowdy	McGinley	Smith, Calif.
Everett	McIntire	Smith, Kans.
Fisher	McMillan	Smith, Va.
Flynt	McSween	Steed
Forrester	Mack	Teague, Tex.
Fountain	Mason	Thomas
Gathings	Michel	Thompson, Tex.
Gavin	Minshall	Thomson, Wyo.
Grant	Moeller	Tuck
Gray	Moore	Utt
Gross	Morris, N. Mex.	Van Pelt
Haley	Murray	Wampler
Hargis	Norrell	Weaver
Harmon	Patman	Wharton
Harris	Pfost	Whitener
Harrison	Pilcher	Whitten
Hechler	Poage	Williams
Hemphill	Poff	Winstead
Henderson	Preston	Young
Hoffman, Ill.	Reece, Tenn.	

NOT VOTING—46

Anfuso	Hull	Morris, Okla.
Arends	Ikard	Morrison
Barden	Johnson, Colo.	Moulder
Bass, N.H.	Kasem	O'Neill
Bentley	Keith	Randall
Blitch	Keogh	Shelley
Bow	King, Calif.	Sheppard
Boykin	Kirwan	Shipley
Brown, Mo.	Kitchin	Taylor
Buckley	Kluczynski	Thompson, La
Burdick	Kowalski	Wainwright
Carnahan	Loser	Willis
Celler	McCormack	Wilson
Denton	McGovern	Withrow
Durham	Merrow	
Holifield	Meyer	

PRESENT—3

Cederberg	Hoffman, Mich.	O'Konski

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Celler for, with Mr. Shipley against.
Mr. McCormack for, with Mr. Moulder against.
Mr. Buckley for, with Mr. Hull against.
Mr. Kirwan for, with Mr. Brown of Missouri against.
Mr. Keogh for, with Mr. Kitchin against.
Mr. Sheppard for, with Mr. Willis against.
Mr. King of California for, with Mrs. Blitch against.
Mr. Anfuso for, with Mr. Barden against.
Mr. Ikard for, with Mr. Meyer against.
Mr. O'Neill for, with Mr. Thompson of Louisiana against.
Mr. Arends for, with Mr. O'Konski against.
Mr. Wainwright for, with Mr. Cederberg against.
Mr. Denton for, with Mr. Bow against.
Mr. Bentley for, with Mr. Hoffman of Michigan against.
Mr. Shelley for, with Mr. Morris of Oklahoma against.

Until further notice:

Mr. Durham with Mr. Bass of New Hampshire.
Mr. Holifield with Mr. Taylor.
Mr. Morrison with Mr. Keith.
Mr. Burdick with Mr. Merrow.
Mr. Kowalski with Mr. Wilson.
Mr. Kluczynski with Mr. Withrow.
Mr. Loser with Mr. Randall.

Mr. HOFFMAN of Michigan. Mr. Speaker, I have a live pair with the gentleman from Michigan [Mr. BENTLEY], who had he been present would have

UNIVERSITY OF MICHIGAN LIBRARIES

voted "yea." I therefore withdraw my vote of "nay" and vote "present."

Mr. CEDERBERG. Mr. Speaker, I have a live pair with the gentleman from New York [Mr. WAINWRIGHT], who had he been present would have voted "yea." I therefore withdraw my vote of "nay" and vote "present."

Mr. O'KONSKI. Mr. Speaker, I have a live pair with the gentleman from Illinois [Mr. ARENDS], who had he been present would have voted "yea." I therefore withdraw my vote of "nay" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Chairman, I ask unanimous consent that all Members who spoke on the bill just passed may have permission to revise and extend their remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Gown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9883. An act to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 5888) entitled "An act to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Massachusetts, in exchange for certain other lands," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. STENNIS, Mr. JACKSON, Mr. SALTONSTALL, and Mr. CASE of South Dakota to be the conferees on the part of the Senate.

AMENDING AGRICULTURAL ADJUSTMENT ACT OF 1938

Mr. THORNBERRY, from the Committee on Rules, reported the following privileged resolution (H. Res. 564, Rept. No. 1918), which was referred to the House Calendar and ordered printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12261) to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

HEARINGS ON BILL TO HELP SMALL BUSINESS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter, and immediately after my remarks to include a statement by the gentleman from California [Mr. MCFALL] before the committee.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, yesterday, Thursday, June 16, 1960, on the 24th anniversary of the approval of the Robinson-Patman Act by the Congress, a subcommittee of the House Interstate and Foreign Commerce Committee held hearings on bills to help small business by preventing certain discriminatory prices and sales at prices below cost. These bills have been introduced by myself and more than 25 other Members of the House.

During the course of the hearings, I and other sponsors of this proposed legislation testified and presented information about the need for this proposed legislation. I should like at this time to revise and extend my remarks by including a copy of a part of the statement I presented during the course of my testimony.

(The statement is as follows:)

STATEMENT BY HON. WRIGHT PATMAN BEFORE THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, HOUSE OF REPRESENTATIVES, WASHINGTON, D.C., JUNE 16, 1960, ON H.R. 10235, A BILL TO HELP SMALL BUSINESS BY PREVENTING BELOW-COST SALES

H.R. 10235 was introduced February 8, 1960, to provide an amendment to the Federal Trade Commission Act, and, therefore, was referred to the Committee on Interstate and Foreign Commerce for consideration.

OBJECTIVES OF THE BILL

The objectives of the bill are to prohibit by Federal law certain discriminations in price and sales at unreasonably low prices, including those at levels below cost.

These objectives would be accomplished by adding a section to the FTC Act and including in that section the provisions now appearing in section 3 of the Robinson-Patman Act (Public, No. 692, 74th Cong.; U.S.C., title 15, sec. 13a). Under the terms of the bill, some additional language is added to those provisions. It should be noted that the provisions of section 3 of the Robinson-Patman Act constitute a part of the Federal criminal laws. These provisions, when carried over and added to the FTC Act by amendment, do not carry with them the criminal penalties. Instead, they simply would provide for injunctive relief and the right of those injured to sue for treble damages in civil proceedings. Of course, the Federal Trade Commission would be empowered to stop the practices made unlawful by the provisions of this bill.

MANY HOUSE MEMBERS HAVE EXPRESSED INTEREST IN THE BILL

Following the introduction of H.R. 10235, and prior to June 10, 1960, 22 House Members introduced identical bills. Also, a companion bill has been introduced in the Senate. This widespread interest in these legislative proposals stems from the fact that large firms doing a nationwide business have been shown to engage in the practice of selling goods, wares and merchandise at prices below cost in one area and then in another area for short periods of time with the effect of eliminating competition. Information about the use of such practices has been made available to Members of the House. Representatives of small business firms are telling their representatives in Congress about these matters and appealing to them for helpful legislation on the subject.

REASON FOR THE BILL: PRACTICE OF SALES BELOW COST

The practice of making sales at prices below cost was dramatically brought to light during the course of the hearings before the Special Subcommittee on Small Business Problems in the Dairy Industry, under the chairmanship of Hon. TOM STEED, and in hearings before Subcommittee No. 5 on Small Business Problems in the Food Industry, under the chairmanship of Hon. JAMES ROOSEVELT. It will be recalled that during these hearings one witness after another, as officials of big business firms, admitted using the great resources of their companies in making sales at prices below cost to the detriment of small business.

The practice continues unabated with devastating effects. Subsequent to the conclusion of the hearings before the House Small Business Committee's Special Committee on Dairy Problems, we received information that the large firms are continuing to make sales at prices below cost to eliminate small business firms. On May 14, 1960, a representative of small business complained to Members of the House that the National Dairy Products Corp. (Sealtest) was selling dairy products in Kentucky at unreasonably low prices, and, in that connection, stated:

"The unreasonably low price at which these products are being sold would seem to be for the sole purpose of destroying competition, especially independent dairies such as ourselves. This can be very easily done by a large national concern such as Sealtest who operate in many different geographical localities and are able to finance and subsidize a price war against small dairies who sell in competition. * * *

"By using these unfair competitive practices they would in effect force us out of business within 30 to 60 days. Therefore, the urgency for action is of the utmost importance. We ask that you help us eliminate these unfair practices as quickly as possible by contacting Senator LYNDON JOHNSON of Texas and asking him to supply this information to Congressman WRIGHT PATMAN."

These charges by representatives of small firms are similar to complaints received from representatives of other small firms doing business in other parts of the country. In some of the areas where the nationwide distributors have gained monopoly control of prices, the public is paying higher prices than those which prevailed before competition was eliminated. Therefore, it should be emphasized that the proposals we are making for legislation have as their principal objective the maintenance of competition. Only through preservation of competition can the public be assured of the low prices provided through competition. Prices representing sales made temporarily at levels below cost provide the public only with temporary advantages. These advantages are paid for by other members of the public at the same time or by the same members of the public at other times. It is for that and the other reasons we are discussing that we favor legislation which would prohibit sales at prices below cost. We are against that monopolistic practice, because it leads to monopoly controlled prices at high levels. In other words, by fighting for legislation which would prohibit sales at prices below cost, we are fighting against high prices as the inevitable result of monopoly control.

Only a few months ago, the Supreme Court unanimously upheld as constitutional a State law prohibiting sales below cost and noted that one of the chief aims of such law is to put an end to "loss leader" selling—*Safeway Stores, Inc.* v. *Oklahoma Retail Grocers Association, Inc., et al.* (360 U.S. 334). In doing that the Court stated that—

"The selling of selected goods at a loss in order to lure customers into the store is deemed not only a destructive means of competition; it also plays on the gullibility of customers by leading them to expect what generally is not true, that a store which offers such an amazing bargain is full of other such bargains."

This thought about the use of loss leaders in preying on the gullibility of customers by leading them to expect what is generally not true, that is, that a store that offers such an amazing bargain is full of other such bargains, is not one simply based on theory. Not only logic, but also the history of human experience fully supports the thought. If that should not be taken to abundantly support the thought expressed by the Supreme Court to the effect that loss leader selling is an advertising gimmick, then we only need to turn to the words of one who has engaged in loss leader selling for further evidence. Not long ago the Committee on the Judiciary in the course of hearings regarding monopoly power heard a witness who had engaged in loss leader selling. In the course of the testimony and with reference to that practice, he stated:

"What cheaper method of advertising is there if I advertise a commodity that cost me a dime for 5 cents and that customer comes into my store. And my only hope is * * * he will buy something else from me."

The advertising characteristics and any misleading and deceptive effects incident thereto are not necessarily the worst aspects of making sales at prices below cost. Its deadly effect upon small and independent competitors of the loss-leader selling is one of its most dangerous characteristics.

SMALL BUSINESS DENIED RIGHT TO PROCEED UNDER EXISTING LAW

The Supreme Court of the United States on January 20, 1958, by a 5-to-4 decision held that section 3 of the Robinson-Patman Act is not a part of the Federal antitrust laws, and, therefore, is not available for proceedings by persons injured as a result of things forbidden by the antitrust laws. The Court so held in the cases of *Nashville Milk Company* v. *Carnation Company* and *Safeway Stores, Inc.*, v. *Vance* (355 U.S. 373 and 389). The ruling by the Court in these cases means that under existing law small and independent business concerns are not permitted to use section 3 of the Robinson-Patman Act in proceedings against unlawful selling at unreasonable low prices—even at prices below cost—and even though those practices result in the creation of monopoly.

Section 3 of the Robinson-Patman Act, as approved June 19, 1936, was authored by Senators Borah and Van Nuys. It became an amendment to the bills introduced by me and Senator Robinson. I did not discuss with Senators Borah and Van Nuys whether it was their intention to have their amendment apply as an amendment to the Federal antitrust laws. However, I have made it clear on more than one occasion that the definition of antitrust laws as set forth in section 1 of the Clayton Act, should be amended so that there would be no question about section 3 of the Robinson-Patman Act being embraced as a part of the antitrust laws. Indeed, on January 23, 1958, 3 days following the 5-to-4 decision by the Supreme Court in the cases to which I have referred, I introduced H.R. 10243 (85th Cong.) to accomplish that objective. On the same day, Senator SPARKMAN, chairman, Select Committee on Small Business, U.S. Senate, introduced a companion bill. These bills were referred to the Committees on the Judiciary, as are all proposed amendments to the antitrust laws. However, no action was taken. Therefore, at the opening of the 86th Congress, we reintroduced bills for the same purpose. In the House, my bill is H.R. 212. The Judiciary Committee has not considered it.

In the meantime, practices of selling at prices below cost, as I have explained, are continuing unabated. They appear to be in violation of section 3 of the Robinson-Patman Act.

Senator Borah made clear that his purpose in offering the amendment to the Robinson-Patman Act, which became section 3 thereof, was to inhibit conduct as a matter of law "without the intervention of the discretionary power of the Federal Trade Commission or other bureau." He said, "That, it seems to us, should be prohibited as a matter of law and that there need not be any discretion laid anywhere with reference to the execution of that kind of law." Despite the care that was taken in providing for that clear purpose, the Department of Justice—the agency charged with the responsibility for the enforcement of that provision of the law—has done little to enforce it. Now the Supreme Court has informed us that small business firms victimized through violations of that section of the law are not entitled to act in civil litigation to enforce it.

It is common knowledge that the Department of Justice in the past has not enforced and has had little sympathy for section 3 of the Robinson-Patman Act as a criminal law against predatory pricing practices.

Indeed, the group who formulated the majority review for the report of the Attorney General's Committee To Study the Antitrust Laws in 1955, approved the failure of the Department of Justice to enforce section 3 of the Robinson-Patman Act. In that connection, it was argued that:

"Although Congress authorized the Department of Justice and local U.S. attorneys to enforce section 3, public enforcement organs have largely forsaken this law. * * *

"The Government's reluctance to enforce section 3 has relegated its enforcement to private treble damage litigants."

Thus it is clear that section 3 of the Robinson-Patman Act on the one hand, stands unenforced by the only Government agency with the authority to enforce it, and, on the other hand, now has been made otherwise unenforcible. Even those victimized through violations of that section of the law are denied the right to proceed under it for redress.

EXISTING LAW IS INADEQUATE

At the Federal level, what can be expected under existing provisions of other laws to protect small business firms from the ravages and the devastation visited upon them as a result of these predatory practices of large, multiple-market operators in selecting first one area and then another in which to sell at prices below cost until all competition in each of such areas is eliminated? One time there was hope that section 5 of the Federal Trade Commission Act could be relied upon for help in that respect. However, largely because a Federal court in 1919 (see the case of *Sears Roebuck & Co.* v. *Federal Trade Commission* (258 Fed. 307)) held that section 5 of the Federal Trade Commission Act was not applicable to sales at prices below cost, the Federal Trade Commission since that time has been reluctant to attack the practice unless it was shown to be coupled with a showing of intent to destroy competition. In other words, the Commission now considers that in applying that law to the practice we are discussing requires a standard of proof equivalent to the showing of criminal intent to destroy competition. The Commission and the Department of Justice do not consider that under the existing law they are authorized and empowered to proceed against the practice of selling at prices below cost simply upon the showing that the effects and results are the substantial lessening of competition and tendency to create monopoly.

STATES HAVE TRIED TO DEAL WITH PROBLEM

Many of the States have enacted legislation to combat this practice of selling at prices below cost. The courts have upheld the State laws, but due to the fact that the law of any States does not reach beyond the State line, it can have no application to transactions in interstate commerce. The need for Federal legislation on the subject to fill this void is apparent.

This does not mean that a majority of our States have not tried to do their best to meet this problem. More than 30 of the States have laws on this subject. The statutes in only two or three States have been found to contain defects sufficiently for the courts to hold them invalid. Those in the other States which have been upheld have been applied in a number of instances. Officials of the States understand the need for effective action to meet this problem. For example, the legislature of the State of Louisiana, in its action on a statute against sales at prices below cost, in 1958, stated:

"Whereas it is the intent of the legislature to prevent the economic destruction of many dairy farmers, dairy plants, ice cream dealers and resale merchants as a result of discriminatory trade practices by certain business organizations financially strong enough to sell below their own costs for an extended period of time, which presents a situation detrimental to the health, welfare, and economy of the people of this State."

The Legislature of Oklahoma, in passing a similar statute, included the following statement:

"Legislative intent: The practice being conducted by many dairy processing, wholesaling, and distributing plants in Oklahoma, in the subsidization of retail dealers, through secret discounts, and the furnishing of equipment is forcing numerous dairy plants out of business, and is a practice which adversely affects the stable economy of Oklahoma. Such practice tends to reduce the price paid to the dairy producer, increase the price paid by the consumer, and is detrimental to welfare of the State."

Early this year, the Supreme Court of the State of Colorado rejected the contention that the Colorado law prohibiting sales at prices below cost was unconstitutional. It

UNIVERSITY OF MICHIGAN LIBRARIES

held that the terms "cost" and "cost of doing business," are not so indefinite and uncertain within the meaning of the appropriate rule as to provide no basis for the adjudication of rights.

On April 14, 1960, in a release from the office of Governor Foster Furcolo, State House, Boston, Mass., with reference to a decision made at that time by the Supreme Judicial Court of Massachusetts, questioning and invalidating the powers of the Massachusetts Milk Control Commission to absolutely "fix" the prices at which dairy products are to be sold, made the following statement:

"The question of the milk control commission's powers has been somewhat clarified, but we cannot sit by and see ruinous price wars destroy the milk dealers, if such price wars are caused by unethical sales below cost. Such price wars inevitably result in monopolies and exorbitant prices to consumers. This has been well established by the Congressional Small Business Subcommittee. We have always maintained that the proper way to end price wars is by proper law enforcement."

Wisconsin's State Attorney General, John W. Reynolds, in referring to criminal actions brought by his State under its own law against three large multiunit dairy processors, commented as follows:

"There are many who feel that unless the illegal practices of some multiunit dairies can be stopped, most, if not all, of the independent dairies in Wisconsin will eventually be forced to sell out.

"Communities which lose their independent dairies end up paying higher prices for milk. Jobs are lost, taxes are lost and the right and power to make decisions which affect the welfare of that community are transferred to the distant centers where the capital of that industry is controlled."

Thus, we are informed by responsible officials who are members of legislatures, the chief legal officers, and high executives of our State governments, that legislation against the practice of selling at prices below cost is in the public interest. They point out that legislation preventing sales at prices below cost can serve producers, small business firms, and consumers through the preservation of our private competitive enterprise system. The House Small Business Committee on July 27, 1959, in House Report No. 714 (85th Cong.), recommended early consideration by the appropriate legislative committees of the Congress of proposals which would, among other things, prohibit price discriminations having the effect of substantially lessening competition or tending to create a monopoly and provide a process under the Federal Trade Commission Act for temporary injunctive relief, pending issuance of final orders in litigated cases. H.R. 10235 and H.R. 8841 before you for consideration, would accomplish what was thus recommended for your consideration.

With this background statement of the reasons for, and the objectives sought by H.R. 10235, I now turn to a discussion of the provisions of the bill.

PROVISIONS OF THE BILL ANALYZED

As stated earlier, the provisions of H.R. 10235 incorporate the provisions now appearing in section 3 of the Robinson-Patman Act. The language of that section of the law is quoted as follows:

"SEC. 3. It shall be unlawful for any person engaged in commerce, in the course of such commerce, to be a party to, or assist in, any transaction of sale, or contract to sell, which discriminates to his knowledge against competitors of the purchaser, in that, any discount, rebate, allowance, or advertising service charge is granted to the purchaser over and above any discount rebate allowance or advertising service charge available at any time of such transaction to said competitors in respect of a sale of goods of like grade, quality, and quantity; to sell, or contract to sell, goods in any part of the United States at prices lower than those exacted by said person elsewhere in the United States for the purpose of destroying competition, or eliminating a competitor in such part of the United States; or, to sell, or contract to sell, goods at unreasonably low prices for the purpose of destroying competition or eliminating a competitor.

"Any person violating any of the provisions of this section shall, upon conviction thereof, be fined not more than $5,000 or imprisoned not more than one year, or both."

As noted earlier, that is a part of the Federal criminal law. Only the Attorney General of the United States, acting through the various U.S. attorneys, is privileged to proceed under that section of the law.

Section 5 of the Federal Trade Commission Act makes unlawful unfair methods of competition and unfair and deceptive acts and practices in commerce. We have previously discussed that the Federal Trade Commission is reluctant to apply this section of the law to sales at prices below cost, even though they did substantially lessen competition, unless it is shown that the sales were made for the purpose of destroying competition.

H.R. 10235 would amend the Federal Trade Commission Act by adding a new section 18 thereto. It would include in that new section all of the provisions now appearing in section 3 of the Robinson-Patman Act which as a Federal criminal law can be applied to prices that are unreasonably low when they are shown to be for the purpose of destroying competition. These provisions, when added to the Federal Trade Commission Act by amendment, do not carry with them the criminal penalties provided for in section 3 of the Robinson-Patman Act. Therefore, additional language is added, which would make the practice of discriminating in prices and selling at unreasonably low prices, a violation of this proposed new Federal civil law, without the necessity of showing that the practices are carried on for the purpose of destroying competition. The Federal Trade Commission would need to show that the practices would have the effect of substantially lessening competition or of injuring, destroying or preventing competition. In other words, the standards of proof of violation would require only the showing of the deleterious effects and results, although it would remain a violation of the law for these practices to be carried on for the purpose of destroying competition.

Also, it should be pointed out that there has been included in the language of H.R. 10235 the words "in or affecting commerce." By including this language, the acts and practices made unlawful would become so when they are shown that they would have the effect of lessening competition or tending to create a monopoly in interstate commerce, although the act of making the sales or carrying on the practice would not have to be "in commerce." This is necessary if we are to have an effective prohibition against the monopolistic practices of large nationwide sellers who operate in many States, but from plants located in each of these States. In many instances, the transactions of such concerns are carried on through the making of purchases and sales on behalf of each of such companies wholly within the boundaries of each of the States. Therefore, these large nationwide concerns are arguing that they are not engaged in interstate commerce and cannot be said to be "in commerce" as that term is defined in the Federal Trade Commission Act. We have included in H.R. 10235 the language of "in or affecting commerce." By so doing we feel that we have provided for the Federal Trade Commission to have jurisdiction over practices violative of this new section 18, proposed by H.R. 10235, equivalent to the jurisdictional commerce feature of the Sherman Antitrust Act. As you know, the Department of Justice may proceed under that law against combinations and monopolies in restraint of trade, which need not be shown to be "in commerce." It is enough if they are shown to adversely "affect commerce."

Lines 13–15 of page 2 of the bill contain language not appearing in the language of section 3 of the Robinson-Patman Act. This added language would prohibit discriminatory pricing practices by these large concerns doing business in many areas and where the discriminatory pricing practices reflect the charging of higher prices in some areas and lower prices in others and where the effect of such pricing practices "have a dangerous tendency unduly to hinder competition or create a monopoly in any section of the country." The language just presented embraced in the quotation marks is the language from lines 13–15 of page 2 of the bill. That does not now appear in section 3 of the Robinson-Patman Act. However, this language is not new in the law. It has been recognized as involved in Federal regulation of commerce for a long time. Since 1914, it has been illegal for any person, partnership, or corporation to engage in any practice or method of competition having "a dangerous tendency to unduly hinder competition or create monopoly." Reference is made to the Federal Trade Commission Act, which became law September 26, 1914, and which since then has made unlawful unfair methods of competition in commerce. That law was interpreted by the Supreme Court of the United States as early as 1920 to prohibit methods of competition having a dangerous tendency to unduly hinder competition or create monopoly (*Federal Trade Commission* v. *Gratz* (253 U.S. 421, decided June 7, 1920) and *Federal Trade Commission* v. *Beech-Nut Packing Co.* (257 U.S. 441, decided January 3, 1922)). In the *Beech-Nut* case the Court stated:

"If the Beech-Nut system of merchandising is against public policy because of its dangerous tendency unduly to hinder competition or create monopoly, it was within the power of the Commission to make an order forbidding its continuance."

This power and authority thus entrusted to the Commission by the Congress has been used rarely. In recent years it has been used not at all.

The prohibitions set forth in lines 20–25, page 2, and lines 1–3, page 3, are patterned from the language appearing in the final substantive provision of section 3 of the Robinson-Patman Act. That provision prohibits the sale of goods at "unreasonably low prices." The difference in the language appearing in section 3 of the Robinson-Patman Act and that appearing in the bill is the fact that the language in section 3 of the Robinson-Patman Act is limited to those situations where the "unreasonably low prices" are shown to have been "for the purpose of destroying competition or eliminating a competitor," whereas the language in the bill would not require the showing that the sales made at "unreasonably low prices" were for the purposes of destroying competition. It would be sufficient to show that they had the effect or resulted in a substantial lessening of competition or tendency to create a monopoly in any line of commerce.

The prohibition set forth in this section of the bill does not forbid sales below cost per se. The only sales which would be prohibited by those sections of the bill are the sales which are made at such "unreasonably low prices" as would "substantially lessen competition or tend to create a monopoly in any line of commerce" or "injure, destroy, or prevent competition with any person who either grants or knowingly receives the benefit of such unreasonably low prices."

From the foregoing it can be seen that this bill would not prohibit sales at prices below cost except where the effect would be a destruction of competition and a tendency to monopoly. In view of that fact, the test of whether a sale is at a level "below cost" is merely incidental to the primary test of whether competition is being destroyed as a result of the "unreasonably low prices."

An important feature of the bill provides that small business concerns injured as a result of the things forbidden in the bill may proceed to enjoin the practices and sue for trouble damages for injuries sustained. Today, small business concerns are not permitted to utilize section 3 of the Robinson-Patman Act against monopolistic pricing practices in private litigation (*Nashville Milk Co.* v. *Carnation Co.* (355 U.S. 373) and *Safeway Stores* v. *Vance* (355 U.S. 389)). Hence the first result through the enactment of H.R. 10235 would be to remedy that situation.

Finally, it should be noted that the language appearing in line 9, page 1, and lines 1–8, page 2 of the bill is exactly the same as the language appearing in the first provision of section 3 of the Robinson-Patman Act. There is no change in language or punctuation, and, therefore, no change in the substantive provision. Therefore, the only thing the bill does regarding that provision of the law is to make it a part of the civil law. Now it appears only in the Federal criminal law. In passing, it should be noted that it is somewhat similar to, though not the same as, the provisions appearing in subsection (d) and (e) of section 2 of the Clayton Act, as amended by the Robinson-Patman Act. The purpose, therefore, of this language would be to strengthen the law against unfair and discriminatory rebates, allowances, advertising service charges and the like.

Some comment has been made about the use of the word "quantity" in this provision of the bill and in section 3 of the Robinson-Patman Act. That term has not been judicially defined in its application to rebates, allowances, advertising service charges and the like. However, it is believed that it could be safely assumed that when it is subjected to judicial interpretation, it will be interpreted to have somewhat the same meaning as the requirement that advertising allowances be made on proportionately equal terms, as now provided for in subsections (d) and (e) of section 2 of the Clayton Act, as amended by the Robinson-Patman Act.

In that connection, it should be noted that the phrase "proportionately equal terms" to which reference has been made, has been interpreted by the Federal Trade Commission and by the courts as being met in its requirements if furnishing of advertising and the payments therefor are made on the basis of a volume of purchases. In other words, on a basis of quantity.

The question has been asked whether the good faith meeting of competition would be accepted as a defense to any charge brought under H.R. 10235. The only answer that can be provided to that inquiry is that the bill does not dispose of any issue regarding good faith meeting of competition. Questions relating to that issue are left open and unanswered by this bill. The bill does not purport to deal with that issue. The extent that good faith meeting of competition would become relevant to any issue in a case arising under the Federal Trade Commission Act as it exists, then it would remain as relevant to an issue in a case arising under this bill.

CONCLUSION

The current, widespread practice of making sales at prices below cost and related discriminatory practices, presents a problem to the Congress. The matter is urgent. It demands serious and immediate consideration. The law must not be left as it is at present, providing that section 3 of the Robinson-Patman Act can be used only in criminal cases prosecuted by the Department of Justice.

The facts dramatically show that the practice of price discrimination is being used by large and powerful monopoly forces to eliminate small and independent business concerns and thereby substantially lessening competition. In that way, the monopoly power over business is entrenched. It results in a heavy concentration of economic power in American industry.

The records show that one nationwide processor and distributor of dairy products has increased its share of the total business in that industry tremendously. It increased its sales between 1932 and 1955 by 38,706.89 percent.

Eight large processors and distributors of dairy products now enjoy more than 50 percent of the sales in that industry.

Concentration in American industry is not peculiar to the distribution of dairy products. Recently, the Federal Trade Commission, in announcing that it would study the matter stated:

"We want to know why the industry is getting so tough on the smaller operator * * * a trend seems to be to eliminate the small man entirely."

The House Small Business Committee and its subcommittees, which have been studying this matter, have an abundance of information. We have made that information available to the Federal Trade Commission, the Department of Justice, and other Government agencies. We shall continue to do so. However, we recognize that their abilities to stop these unwholesome practices are limited to some extent by the law. We need to expand their authority so that they will no longer have the excuse that they are without authority under the law to stop these practices.

Our colleague, the gentleman from California (Mr. ROOSEVELT), as chairman of Subcommittee No. 5 of the House Small Business Committee, has developed evidence showing that less than 35 percent of the 77 chains account for 77 percent of the total food chain sales. Of the 370,000 food stores in existence today, about 12 percent of them do 70 percent of the business. The so-called mom-and-pop stores are disappearing from the neighborhood.

Only a few days ago the Federal Trade Commission released a report on a study it has made regarding concentration in the distribution of food. According to the report, corporate chains increased their share of total food sales in these areas from 29 percent in 1948 to 44 percent in 1958. In the meantime, unaffiliated independent food retailers' share of the market dropped from 58 percent to 25 percent.

Shelf space is one of the keys to success in the grocery business. With perhaps 7,000 items to choose from, the housewife is going to be influenced by the location of items placed at her eye level. Today, the problem is to get your merchandise on the shelf. The great concentration of the distribution of food at the retail level in the hands of a few corporate chains poses great problems for independent businessmen engaged in production, processing, and the sale of food and related items to retail grocery stores. It is getting to the point where the marketplace is the shelf in the stores of a few corporate chain food retailers. Thus, those few chain food retailers are gaining a position from which they are able to make a decision on what shall be made available to consumers in the marketplace, and the goods of what producers shall be offered in the marketplace.

Today, one of the large nationwide chain food retailers enjoys an annual volume of business 1½ times greater than the entire aggregate annual volume of business enjoyed by all of the 194,000 independent small single store food retailers in the United States. Many additional facts could be cited which would further dramatize this alarming concentration of business in the hands of a few, but I shall not take your time and belabor the matter in citing further from the abundance of available statistics. We should be mindful that the significant fact remains that these monopoly conditions preclude competition.

We should aim to stop the practices which create the monopolistic conditions. It is beyond dispute that the most deadly of these practices is the practice of price discrimination. It is through this practice that the large concerns have gathered unto themselves monopoly control over prices and markets of a number of our basic industries and lines of business.

The problem is now up to Congress. We should act to place in the hands of the enforcement agency and in the hands of small business, the tools with which they may be enabled to act to stop or reduce the use of the monopolistic practice of price discrimination. Unless we do, as the years roll by the trust-busters will be calling upon us to appropriate millions and millions of dollars to help break up monopolies and trusts which price discriminations today are building up. It seems quite futile to build up for the sake of break up. Let us act to prevent the buildup of monopoly.

H.R. 10235 is designed to help small business survive. In doing that, it will help us preserve the free and competitive enterprise system. In that way we can help assure the consuming public of the consistent, fair, low, competitive prices attainable only under a system of competition.

The Federal Trade Commission, the Department of Justice, and representatives of big business are known to be in opposition to the proposals for legislation which would prohibit sales at prices below cost having the effect of substantially lessening competition and tending to create monopolies. At the same time, representatives of the Federal Trade Commission and the Department of Justice are telling small businessmen that existing law does not provide those agencies with authority to proceed against sales at prices below cost, merely on the showing that the effect is to substantially lessen competition or tend to create monopolies.

Those of us who want to help small business are unable to understand these attitudes and positions expressed by the Federal Trade Commission and the Department of Justice. If, under existing law, they cannot stop these monopolistic practices, and they do not think we have the appropriate proposals for strengthening the law, then why do not they bring forward proposals of their own which would strengthen the law so as to enable the Federal Trade Commission and the Department of Justice to stop these practices? We think they ought to do that or stand convicted of the charge that they are willing that big business concerns destroy small business firms and competition through these practices of selling at prices below cost.

We are receiving appeals from representatives of many small business firms, pleading for the enactment of this legislation. In some instances, these pleas describe the pitiful plight of small business firms struggling to survive against the practice against which this legislation is directed. We have received a large number of letters and other communications containing these pleas. With your permission, I would like to include in the record at this point a number of those communications as if I had read them to you during the course of my appearance here today.

UNIVERSITY OF MICHIGAN LIBRARIES

OBJECTIONS TO H.R. 10235 ANALYZED

The Department of Justice has filed an adverse report on H.R. 10235. In general, its objection to H.R. 10235 appears at the middle of page 2 of its report, where it states that the provisions of H.R. 10235 "generally follow section 3 of the Robinson-Patman Act, there are certain variations and some of the language of the legislation is vague and uncertain."

Thus it is seen that the Department of Justice objects to this effort to help small business on the ground that the language used cannot be understood. What is the language to which reference is made? The Department points out that the bill would be applicable to sales which "have a dangerous tendency unduly to hinder competition or create a monopoly in any section of the country." Then it states that the meaning of the word "dangerous" as thus used can only be a "matter of speculation." Then it states that the world "unduly" is equally vague and speculative and that it is not clear as to exactly what the word "hinder" is intended to mean. It concludes that a combination of these words presents an imprecise test.

What the Department of Justice apparently has overlooked is the fact that for a period of 40 years the Supreme Court of the United States has interpreted the meaning of these terms in applying them to particular situations in cases arising under the Federal Trade Commission Act. Therefore, apparently these words were not overly speculative or without meaning to judges who must interpret the law. Apparently the Court, in appraising and determining the meaning of the words it used, did something the Department of Justice failed to do, namely, make reference to a good dictionary to find a definition for these terms. The businessman does not need to do that. He is aware of dangers—he knows what is due and undue, and he knowns what hinders him. Therefore, the Supreme Court in determining the meaning of these words from the dictionary utilized terms that are well known and are understood by the layman. (See *Federal Trade Commission* v. *Beech Nut Packing Co.*, 257 U.S. 441, and *Federal Trade Commission* v. *Grats*, 253 U.S. 421.)

Also, the Department of Justice objects to the term "unreasonably low price" as used in the bill, noting that it could mean a sale at a price below cost as defined by State law, and that it could also mean other things, depending upon factors not revealed in the bill. In that connection, the Department of Justice failed to point out that H.R. 10235 contains an example of some things included within the term "unreasonably low price," namely, sales prices below cost. Section 3 of the Robinson-Patman Act, in which the term "unreasonably low price" was first used, contains no example or definition of the term.

Despite the fact that section 3 of the Robinson-Patman Act contains no example or definition of the term "unreasonably low price," it has been held sufficiently certain in its meaning to be constitutional by the courts, and has been applied to apt situations by the Department of Justice. Less than 2 years ago, the Department of Justice proceeded under that section of the law against Fairmount Foods, Inc. That proceeding was by way of a grand jury indictment. It was a criminal preceeding where defendants must be well informed of the crimes with which they are charged. Fairmount Foods, Inc., had little difficulty in determining the nature of the crime with which it was charged because it acknowledged its guilt and paid a $25,000 fine during July 1959. The remaining term appearing in the bill, to which the Department of Justice states it would be difficult to assign meaning, is the term "cost." In that connection, it overlooks the fact that many State laws have been challenged on the ground that the word "cost" appearing therein was vague, indefinite and uncertain. Appellate courts have brushed aside those contentions and have upheld State laws. Among those have been the case of *Safeway Stores* v. *Oklahoma Retail Grocers' Assn. et al.*, decided by the Supreme Court of the United States (360 U.S. 334), and the case of *Schwegmann Bros. Giant Super Market* v. *McCrory*, decided by the Supreme Court of the United States, November 23, 1959 (361 U.S. 114). Quite recently, the Supreme Court of the State of Colorado was faced with the challenge that the Colorado law prohibiting sales at prices below cost was unconstitutional because the word "cost" was too indefinite, vague, and uncertain. There the court said: "The terms 'cost' and 'cost of doing business' are not proved to be so indefinite and uncertain within the meaning of the appropriate rule as to provide no basis for the adjudication of rights." (See No. 19,260, *Flank Oil Co.* v. *Tennessee Gas Transmission Co.*, decided by the Supreme Court of Colorado, April 1960.)

The only other objection made to H.R. 10235 by the Department of Justice is that the bill would carry over many of the alleged ambiguities inherent in the present language in section 3 of the Robinson-Patman Act It is not surprising that the Department of Justice has made this objection to this bill because it has not favored the Robinson-Patman Act which was enacted by the Congress overwhelmingly 24 years ago. In fact, today is the 24th anniversary of congressional approval of the Robinson-Patman Act. Only 15 votes were cast against it in the House, and it passed the Senate without objection.

Despite that overwhelming expression of public policy by the Congress, the Department of Justice has expressed its dislike for the policy expressed in the law. The report made by the Attorney General's National Committee To Study the Antitrust Laws, March 31, 1955, suggested that section 3 of the Robinson-Patman Act should be repealed. The Department has done little to enforce it. Therefore, it is repeated that it is not surprising that the Department of Justice is opposed to H.R. 10235, which carries over from the criminal law into Federal civil law the provisions of section 3 of the Robinson-Patman Act.

It should be observed that the officials currently managing the U.S. Department of Justice have seen nothing imprecise in the word "unreasonable" as that term has been used in defining the scope of the Sherman Antitrust Act. Indeed, the present Chief of the Antitrust Division has been associated with efforts to have the provisions of the Sherman Antitrust Act apply to situations only where the restraints of trade involved are shown to be unreasonable. Also, he has been associated with efforts to read into the Sherman Antitrust Act limitations upon its application to a number of situations only where the restraints of trade are shown as unduly foreclosing, suppressing, or eliminating competition. Therefore, it is strange, indeed, that the current objections by the Department of Justice to H.R. 10235 are predicated, in part, upon the fact that it includes the word "unduly." It would seem that if the Department of Justice cannot determine the meaning of the word "unduly" as used in H.R. 10235, it would find it equally difficult to define the meaning of that word or the word "unreasonably" as they would be applied to particular situations arising under the Sherman Antitrust Act.

The Federal Trade Commission has filed an adverse report on H.R. 10235. In general, its objections are twofold: (1) It argues that "the proposed legislation would narrow the authority of the Commission by limiting its activities to situations where sales are made below cost, and (2) it argues that the bill "would result in the Commission being authorized and directed to evaluate price and service-charge differentials under two separate statutes having different, and in some instances, conflicting terms, standards and defenses.

The apparent basis for the first of these objections is found in what is alleged at the middle of page 3 of the Commission's report on the bill, where it is said: "Sales at unreasonably low prices with the effect or purpose stated in the proposed legislation, would appear to constitute an unfair method of competition in violation of section 5 of the Federal Trade Commission Act." This contention of the Federal Trade Commission that it has the authority under section 5 of the Federal Trade Commission Act to proceed against sales at unreasonably low prices, merely on the showing of the effects stated in the proposed legislation, namely, that of substantially lessening competition or tending to create a monopoly, is amazing and startling in view of what it has been telling small businessmen, and in view of its failure to act in that respect.

It is standard practice for the Federal Trade Commission to tell small businessmen who complain about sales at prices below cost, that the Trade Commission is not authorized to proceed unless it is shown that those sales were made for the purpose or intent of destroying competition. In doing so, it frequently cites the case of *Sears Roebuck* v. *Federal Trade Commission* (25 Fed. 307), as decided by the U.S. Circuit Court of Appeals, Seventh Circuit, April 29, 1919, and in that connection, quotes from the opinion of the court where, with reference to the Federal Trade Commission Act, it was stated: "We find in the statute no intent on the part of the Congress, even if it has the power, to restrain an owner of property from selling it at any price that is acceptable to him or from giving it away."

Also, the Commission in the actions it has taken against sales at unreasonably low prices or at price levels below cost, has limited the scope of those actions to challenging prices and sales made "for the purpose or intent and with the effect" of substantially lessening competition or tending to create a monopoly. For example, the most often cited case of the Commission dealing with this problem is the proceeding in the matter of *E. B. Muller and Co. et al.*, Federal Trade Commission docket 3224 (Federal Trade Commission Decisions, vol. 33, p. 24, decided June 11, 1941). In that case, the Commission entered an order which prohibits E. B. Muller and Co. from selling or offering to sell granulated chicory at a price less than cost, but only where it is done "with the purpose or intent, and where the effect may be to insure, suppress, or stifle competition or tend to create a monopoly in production or sale of such products".

The U.S. Circuit Court of Appeals for the Sixth Circuit upheld the order of the Commission in that case on April 13, 1944 (142 F. 2d 511), and in doing so made it clear that it agreed with the findings of the Commission that Muller and Co. had undertaken the practice of selling at prices below cost to eliminate a competitor by the name of Schanzer. The court in its opinion referred to much of the evidence on which the Commission's findings were based and the showing in the evidence that it was E. B. Muller and Co.'s intent to eliminate its competitor. In that connection, the court stated: "These statements must be read in light of the controlling fact that Schanzer is the petitioners' only competitor, and so read they evince an evident determination to destroy Schanzer's business." Thus, it is clear that where the Commission has utilized section 5 of the Federal Trade Commission Act to attack sales at prices below cost, it has done so successfully under existing law only where it has alleged, proven and found that the sales were for the purpose or intent of destroying competition.

Although the Muller case was decided by the Commission almost 20 years ago, the Commission is continuing to adhere to the concept of that case. For example, on Wednesday, June 8, 1960, the Commission made public in a release that it had issued complaints against the Celotex Corp., FTC docket 7907, the Logan-Long Co., FTC docket 7906, and Lloyd A. Fry Roofing Co., FTC docket 7908, in which it had been alleged that those companies had been selling roofing materials at prices below cost or at unreasonably low prices in the Southeast and Southwest "with the intent and effect of restraining competition in these areas." Thus, only 1 week ago, the Commission failed to utilize the Federal Trade Commission Act in proceedings against prices at sales below cost, except where the sales are shown to be for the purpose or with the intent of destroying competition, and yet the Commission in its agency's report on H.R. 10235, indicates that under section 5 of the Federal Trade Commission Act, the Commission considers that it can proceed against such pricing practices where it is shown that they are coupled "with the effect or the purpose stated in the proposed legislation."

It is sufficient to say that it appears that the Commission, in opposing this proposed legislation, is trying to say it is unnecessary because the Commission already has more authority and power than the legislation would provide the Commission to halt sales at prices below cost. On the other hand, as stated earlier, the Commission refuses to act on the complaints of small businessmen against sales at prices below cost unless it is shown that the sales are made for the purpose or with the intent of destroying competition.

The second objection by the Commission to the proposed legislation would authorize and direct it to evaluate factors under two different statutes having different, and in some instances, conflicting terms, standards, and defenses. In that connection, the Commission alleges this would result in confusion and uncertainty as to the applicable law and its administration.

Obviously, the Commission is limiting its observations in that respect to the agency's report it is making on H.R. 10235. In the actions it undertakes, it frequently utilizes both section 2a of the Clayton Act, as amended by the Robinson-Patman Act, and section 5 of the Federal Trade Commission Act in proceeding against price discrimination practices, and where the gravity of the offense is found sufficient to bring it within the purview of the higher standards of proof required in proceedings under section 5 of the Federal Trade Commission Act. For example, the E. B. Muller & Co. case referred to earlier, was founded upon two counts. Count I of that case alleged a violation of section 5 of the Federal Trade Commission Act, and count II alleged a violation of section 2a of the Clayton Act, as amended by the Robinson-Patman Act. There the Commission clearly utilized its authority, but it was not directed to proceed against a particular practice under two different statutes having different terms, standards and defenses. Likewise, as announced to the public on June 8, 1960, the Commission, in proceeding against the Celotex Corp., the Logon-Long Co. and the Lloyd A. Fry Roofing Co., elected to proceed on the basis of two counts in each of those cases. In one count the charge is made that section 2a of the Clayton Act, as amended by the Robinson-Patman Act, is violated, and in the second count it is alleged that section 5 of the Federal Trade Commission Act is violated. In each case, both counts are directed against the practice of discriminating in price involving alleged sales at prices below cost.

In these cases, as was true in the earlier cases, including the E. B. Muller case, the Commission will find it necessary to deal with "cost" factors. Perhaps the Commission, in conclusion, will do as it did in the E. B. Muller case, state—"As used, the term 'cost' means the total cost to respondents of any such transactions of sale, including the costs of acquisition, porcessing, preparation and marketing, sale and delivery of such products," although in its agency's report on H.R. 10235, the Commission indicates that it will be well-nigh impossible, if not entirely so, to determine "cost" in cases that would arise under the proposed legislation.

The Department of Commerce has filed an adverse report on H.R. 10235. In that connection, it has stated that "The most serious problem posed by the bill is its unrealistic approach to pricing practices and the probable effect of raising many prices with an attendant reduction in volume of goods purchased and sold."

This objection to H.R. 10235 is more baffling and startling than the objections made by the Federal Trade Commission. Nowhere in the bill is there a provision which requires the use of any particular pricing practice. The only pricing practices prohibited are those which could have the effect of substantially lessening competition or tend to create monopolies, or those which would have a dangerous tendency to unduly hinder competition and tend to create monopolies.

It is too well established and so far beyond dispute, that the best assurance the public has for low and fair prices is the preservation of competition. Also, it is too clear to argue at this time that the elimination of competition and the creation of monopolies make for higher prices. What more need be said to brush off the objection made by the Department of Commerce to H.R. 10235 than to say that its objection, as above recounted, is the argument made by apologists for monopolists and constantly made against our antitrust policy and the various provisions of our antitrust laws.

The Executive Office of the President, Bureau of the Budget, has filed an adverse report on H.R. 10235. Its objection is predicated upon the fact that the Departments of Justice and Commerce and the Federal Trade Commission have raised important objections to the bill, and then observes that the Bureau of the Budget is in general agreement with the views of these agencies. The difficulty about that observation is that we are unable to determine whether those agencies found it necessary to agree with the Bureau of the Budget or the Bureau of the Budget just simply found it easier in agreement with the agencies. For example, in the report made by the Federal Trade Commission, it was stated that pursuant to regulations, its adverse report on H.R. 10235 "was submitted to the Bureau of the Budget on April 26, 1960, and on May 17, 1960, the Commission was advised that there would be no objection to the submission of the report to the committee."

In other words, these agencies, in reporting to the Congress of the United States on important proposed legislation, have found it necessary to determine that the Executive Office of the President did not object to the reports the agencies were making to the Congress. That is an important point because the Federal Trade Commission, in reporting upon matters of this kind, was conceived to be an arm of the Congress and not a puppet of the Chief Executive. As matters stand, even the Oversight Legislative Committee, having jurisdiction over the Federal Trade Commission, is unable to get views from the Federal Trade Commission on proposed legislation except as approved by the Executive Office of the President.

The House Small Business Committee in House Report No. 2967 (84th Cong.), at page 80, in its recommendation No. 4, recommended that the Legislative Oversight Committee consider legislation which would exempt the Federal regulatory agencies and commissions, such as the Federal Trade Commission, from the requirement that it submit to the Bureau of the Budget reports to be made to the Congress of the United States on proposed legislation.

In addition to these Government agencies' reports on H.R. 10235, we have noted other comments, raising questions about the bill. For the most part, these comments have been made by representatives of business groups. Some of these representatives have expressed the thought that perhaps the bill will present a number of problems to businessmen for which they will have no solution. In that connection, the following points have been raised:

1. "Would the bill force small and independent retailers to sell their goods, wares, and merchandise in their stores at a level which includes their individual overall cost of doing business and, thereby, prevent such small retailers from meeting the competitive prices of their larger competitors who perhaps would be able to buy merchandise at lower prices?"

Answer: "The bill would not force all retailers to sell every product in their stores at a level which includes their individual overall cost of doing business. That is true because the bill does not prohibit sales at levels below cost except where the effect on competition and the tendency to create a monopoly would appear as specified in the bill. It is inconceivable that the small independent retailers, in making a special sale or moving in an effort to meet the prices of larger competitors, would ever be charged with so acting, with the effect of substantially lessening competition or tend to create a monopoly. On the other hand, it would be far more likely that the large, multiple market retailers doing a nationwide business, would be found to substantially and adversely affect competition through sales at prices and at levels below cost. In this respect, the provisions of this bill are not different from the provisions of the laws we have prohibiting price discrimination, where the effect of the price discriminations substantially lessen competition or tend to create a monopoly. It is only those with considerable economic power who are likely to have the effect of substantially lessening competition through the use of price discriminatory practices. I know of no instance, for example, of any retail grocery store, located on a line separating two States and, thereby, doing business in more than one State, ever being charged with a violation of our Federal laws against price discriminations. I do not believe either private parties or representatives of the Goverment could ever be so foolish as to make such charges. Likewise, I do not believe anyone could be so foolish as to undertake a proceeding against a small, independent retailer for selling at prices below cost, allegedly in violation of the provisions of this bill. What I have said about the bill and its application to retailers in this respect applies equally to wholesalers and manufacturers."

2. "Would the bill adversely affect the loss-leader laws of the various States?"

Answer: "Absolutely not. The bill was drafted so as to give recognition and full faith and credit to these various State laws. Therefore, it provides that where a transaction in a given State is challenged as having taken place in violation of the provisions of this bill at a price below cost, the term 'cost' in such instance would be determined as the term 'cost' is determined under the laws of that State."

3. "Would the bill require a large, nationwide concern doing business in many States to determine its 'cost' in different ways, depending upon the States in which it does business?"

Answer: "The bill would not add to the difficulties of any business firm in that regard. Whatever difficulties the business firm has in that respect, it now faces. For ex-

ample, the Great Atlantic & Pacific Tea Co. is doing business in 37 States. Many of those States have laws which prohibit sales at prices below cost. Some of the States have standards for determining cost different from the standards applying in other States. Therefore, the Great Atlantic & Pacific Tea Co., in order to conform to the laws of the States in which it is operating, is required by virtue of State laws to determine its costs in different ways. Its 'cost' under the law of the State of Michigan would be different and determined by different methods from what its 'cost' and method of determining cost would be in a number of other States."

4. "Why does not the bill provide that it shall be an absolute defense to a charge of its violation for one to say he was meeting competition in good faith?"

Answer: "Near the conclusion of my prepared statement, I pointed out that the question had been asked whether the good-faith meeting of competition would be absolute as a defense to any charge brought under H.R. 10235. I pointed out that the bill does not dispose of any issue regarding good-faith meeting of competition. Indeed, it does not deal with that issue. To the extent good-faith meeting of competition would become relative and material to any issue in a case arising under the Federal Trade Commission Act as it exists today, then it would remain as relevant and material to an issue arising under this bill. We certainly do not want the bill to provide for a wrecking of our laws against price discrimination by providing that one may discriminate in price through the good-faith meeting of competition, even where the effect would be to substantially lessen competition or tend to create a monopoly in any line of commerce. The controversy over that matter is too long and involved to explain as a part of this answer. However, it is noted that efforts to write into statutory law a provision which would weaken our antitrust laws so as to permit price discrimination made in good faith to meet competition and where the effect would be to substantially lessen competition or tend to create monopolies have been successfully resisted."

5. "Some persons have stated that there is no possibility this bill can be enacted into law this year because we are getting a hearing at such a late date in the session."

Answer: "We should not accept the proposition that it is too late to help small business. Those who do not want to help small business should have a better excuse. Also, they should be prepared to give to small business an accounting of why they have not acted in the interests of small business before this late date."

In conclusion, I wish to reiterate that Government officials or others who have in mind improvements for strengthening the legislative proposals in H.R. 10235, to make more effective our laws against the monopolistic practices of price discriminations, including those at levels below cost, should bring their proposals forward. It is not in keeping with the American tradition and the American way to oppose for opposition's sake. We should be constructive. Therefore, unless the Federal Trade Commission and the Department of Justice wish to stand convicted of the charge that they are not opposed to monopolistic practices which destroy small business, they should advise Congress how to strengthen the provisions of H.R. 10235 to make it effective against those practices, and not simply present to the Congress their objections to legislation of this kind.

HEARINGS ON BILLS TO HELP SMALL BUSINESS

Mr. PATMAN. Mr. Speaker, yesterday, Thursday, June 16, 1960, on the 24th anniversary of the approval of the Robinson-Patman Act by the Congress, a subcommittee of the House Interstate and Foreign Commerce Committee held hearings on bills to help small business by preventing certain discriminatory prices and sales at prices below cost. These bills have been introduced by myself and more than 25 other Members of the House.

During the course of the hearings, I and other sponsors of this proposed legislation testified and presented information about the need for this proposed legislation. Among those who have sponsored this legislation is our distinguished colleague, the gentleman from California [Mr. McFALL]. In his testimony he made particular reference to the need for this proposed legislation for the protection of dairy farmers and other small businessmen in California. I wish to revise and extend my remarks by including at this point a copy of the statement made by Representative McFALL on this matter.

(The statement is as follows:)

STATEMENT OF CONGRESSMAN JOHN J. McFALL BEFORE THE HOUSE INTERSTATE AND FOREIGN COMMERCE SUBCOMMITTEE ON COMMERCE AND FINANCE, JUNE 16, 1960, ON H.R. 11703 AND RELATED LEGISLATION TO HELP SMALL BUSINESS, INCLUDING CALIFORNIA DAIRYMEN, BY PREVENTING SALES AT PRICES BELOW COSTS IF SUCH SALES TEND TO CREATE MONOPOLY

Mr. Chairman, thank you for the opportunity of testifying today before your committee on legislation that is of particular concern to the small dairymen of California and of real interest to small businessmen everywhere.

I am the author of H.R. 11703, which is identical to a number of other measures on this subject.

Briefly, this legislation would forbid sales below costs if such sales would tend to create a monopoly in any line of commerce or would injure, destroy, or prevent competition.

The legislation was drawn as a direct result of investigations during the past 12 months by the House Small Business Committee which found a consistent pattern of business practices harmful to the small businessman, practices that are leading to elimination of these independent businessmen by the thousands.

Only through preservation of competition can the public be assured of low prices provided through competition. Prices representing sales made temporarily at levels below cost provide the public with only temporary advantages, and such advantage is paid for dearly at a later date after the competition is eliminated.

A committee investigator testified in detail how a consistent pattern of operation has worked to eliminate small dairymen throughout central California. He testified:

"It is alleged that an actual feudal system is in effect in California and that the major distributors who purchase the raw product from the producers are arrogant and unfair to the producers in their arbitrary handling of the contracts and their determination of the usage and subsequent payments."

The special investigator then testified in considerable detail how the small independent dairyman is at the complete mercy of the large distributors and, as a result, hundreds have been driven out of business.

A similar pattern was developed in hearings in other sections of the country, as you were told by Congressman TOM STEED, chairman of the special committee which investigated the dairy situation.

Effect of the legislation in prohibiting use of so-called loss leaders when used to eliminate grocery store competition was described by Congressman JAMES ROOSEVELT, who headed the special committee which investigated the grocery business throughout the country.

May I urge your favorable action on this legislation which is so important to protect the right of the small and independent business enterprise to operate under free and fair competitive practices without which such enterprise cannot exist.

NATIONAL CONSTITUTIONAL CRISIS: A PLAN FOR ACTION—SEQUEL NO. 2

Mr. ALFORD. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ALFORD. Mr. Speaker, in a statement to the House on March 14, 1960, I quoted a legal analysis of what has since become widely known as the Virginia plan for enforcing the Constitution. This is strictly a plan for action. It embodies a proposal that is crystallized and made clearly definite in two legislative measures introduced in the 1960 session of the General Assembly of Virginia: House Joint Resolution No. 44 and House bill No. 407.

These measures were introduced by Delegate Lucas D. Phillips, of Leesburg, Va., and sponsored by 35 percent of the total membership of the house of delegates. Such sponsorship was a forecast for success had the addresses of these supporters not been prevented by procedural difficulties due to the time limit for the legislative session.

The measures are notable in several respects. They represent the first legally and technically correct effort by any State, as a party to the compact known as the Constitution of the United States, to enforce the Constitution through action directed to unlawful proceeding of the judiciary whose power to act is derived solely from grants of authority within that compact.

Another significance is that no one arose to question the validity of the legal position as outlined in the measures. Moreover, they are the first constitutionally founded actions designed to curb proceedings that follow from unauthorized acts of members of the Supreme Court in cases where authority has not been given them to act as a court. As such, these proceedings of the Virginia Legislature have attracted wide interest and comment throughout the Nation.

The immediate purpose of the two measures is to clarify existing law. Such clarification by the States, acting in their highest sovereign capacities as signatories to the Federal compact, is absolutely essential to make definite what is the law in those cases wherein members of the Supreme Court have attempted to usurp authority. The assumption of usurped authority, unless denied by the State affected, bears the legal implication that the State has consented and

approved the otherwise invalid action of the Federal agency concerned.

At this point, Mr. Speaker, I wish to stress that this movement in Virginia resembles other great landmarks in the establishment and preservation of our liberties in that it does not purport to enact new law but to define and reaffirm existing law.

These milestones in the preservation of human liberty include the Magna Carta, 1215; the Confirmatio Cartarum, 1297; the Petition of Right, 1628; the action of the Virginia House of Burgesses in approving the resolutions of Patrick Henry declaring the Stamp Act in excess of the authority of Parliament, 1765; and the Declaration of Independence declaring invalid acts of the British Ministry, 1776; also the Constitution of the United States and the Bill of Rights.

The people of our country are now confronted with a crisis comparable to that of 1776. The great task facing the signatory parties to the Federal compact today is clarification and reaffirmation of existing law.

It is apparent to all that the attempted usurpation of power by Federal agents will destroy our constitutional liberties unless curbed. It should be a matter of the greatest possible interest to all people throughout the United States that the State of Virginia has under consideration an effective remedy to meet this grave situation.

The full text of House Joint Resolution 44 above mentioned will be found in my statement to the House in the CONGRESSIONAL RECORD of March 15, 1960. I shall now quote the other measure of the Virginia plan for enforcing the Constitution:

HOUSE BILL NO. 407

(Offered February 8, 1960)

A bill to state the policy of the Commonwealth of Virginia with reference to the autocratic assumption of authority on the part of members of the Supreme Court and their attempted application of usurped power to the law of this State

Be it enacted by the General Assembly of Virginia:

That on April 15, 1783, under the terms of the Treaty of Peace at the end of the Revolutionary War it was acknowledged and confirmed that the Commonwealth of Virginia was a "free sovereign and independent" State. Thereafter, on June 26, 1788, the State of Virginia confirmed and ratified, together with other "free sovereign and independent" States, that certain compact and agreement known as the Constitution of the United States, under which there were constituted three separate and distinct agencies of Government, each with clearly defined and strictly limited powers.

Each of the parties signatory to this agreement had its established form of government with executive and legislative branches, a full judicial system, as well as military and police power organizations together with the unlimited right of each to make and enforce its own laws.

Under article I of this agreement there were constituted the legislative, under article II the executive, and under article III the judicial, Departments of Government in which the limits of their authority were clearly defined.

All "legislative powers" therein "granted" were conferred upon the Congress. The power conferred upon the judicial department was limited to "judicial power" and all powers not delegated were expressly reserved to the States or to the people.

This limit to "judicial power" denied the U.S. Supreme Court any and all legislative power. It was given no power to alter any law, or to amend or enlarge any of the constitutional provisions, either by direct decree or indirectly by any other order or decision or device.

Therefore, the action taken by the Justices of the Supreme Court of the United States, in the case of Davis against the County School Board of Prince Edward County, is beyond any authority conferred upon the Court by the Constitution, in that the members of the Court acted beyond the prescribed limit of judicial authority. Accordingly, their proceedings are not an authorized act of the Supreme Court but merely the act of members of the Court, and are hereby declared to be unauthorized, and unconstitutional, invalid, and not the law within the jurisdiction of this State.

The General Assembly of Virginia further declares that what is purported to be a ruling of the U.S. Supreme Court in *Brown* v. *Board of Education et al.* is not a constitutionally authorized ruling of the court, and hence is unconstitutional, invalid and not law within the jurisdiction of this State. The ruling is beyond the authority granted, in that the members of the Court have attempted to exceed their constitutional power which is limited under the provisions of article III to "judicial power." The ruling, if validated by this State, would be in denial of the established rule of law, that the intent of those who framed and adopted the Constitution or the amendments thereto must govern in its construction. Furthermore, such approval by the parties signatory would be an attempt to give a legal effect to the ruling as if it were in effect an amendment to the Constitution of the United States, which to be valid must have the approval of three-fourths of the States.

The General Assembly of Virginia declares that in issuing unauthorized decrees which interfere with the administration of the laws and the constitution of this Commonwealth, in relation to its public schools, and in seeking to enforce such decrees with court orders and injunctive writs, the Court's proceedings are in violation of section 1 of article I and section 1 of article II of the Constitution of the United States, are unconstitutional, invalid, and not law within the jurisdiction of this State.

The General Assembly of Virginia further declares that the Justices of the Supreme Court, in concert with members of the Federal district courts of the United States have proceeded in violating section 2 of article III of the Constitution of the United States, in abdicating their constitutional responsibility and duty under said section, to try all cases in which a State shall be a party, and in procuring the usurpation of that power by members of the Federal district courts; and that therefore those acts are unconstitutional and are invalid and not law in this State.

It has heretofore been considered that due restraint would voluntarily be exercised by the agencies of the government so created, and especially by the members of the Supreme Court, to the end that they would confine their areas of activity and procedure and their rulings, strictly within the limits fixed under the Constitution and within the authority defined therein so as to be in accord with its fixed requirement that they and each of them, "shall be bound by an oath to support this Constitution."

The necessity for this action now being taken by this State, is occasioned by such flagrant disregard of the fixed constitutional limitations binding upon the Supreme Court, that their lack of restraint has been made the subject of criticism, not only by outstanding jurists, but by a resolution of the association of the heads of the supreme courts of all the States of this Nation, by leading bar associations, and by outstanding members thereof.

These criticisms are not only leveled at the failure of the Court to exercise proper restraint in recognition of the limits of its authority but they also are directed at decisions which question the power of the Government of the United States to defend itself from enemies within the country, acting in alliance with enemies outside the country, which action thwarts the agencies concerned with the defense of the country from these enemies.

The government of this State has exhausted all possible means of arriving at a solution to this problem without the exercise by this State of the reserved powers to defend the State from the unlawful actions of the Supreme Court and we must now proceed in accordance with the actions herein taken, to the effect that the unlawful unauthorized procedures of the members of the Court, which represent an usurpation of power which clearly is not accorded to them under the compact, binding and limiting their conduct, will not be recognized as law within the jurisdiction of this State.

This action of the State, is notice (1) to the other governments which are signatory parties, along with the government of this State, to the compact known as the Constitution of the United States; (2) to the agencies and the departments thereof generally known as departments of the Federal Government, and which have been constituted under this agreement; and (3) to those persons who have been selected to occupy and who now occupy the positions, and who have accepted the obligations to perform the duties, as defined and limited in said compact.

STUDY OF STATE USE TAXES ON INTERSTATE SALES

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, in the closing days of the last session, Congress enacted public Law 86–272 which provides for a study by the Judiciary Committee of the House and the Finance Committee of the Senate of taxation by States of income derived exclusively from interstate commerce to determine what legislation, if any, in this field may be required.

Congress was prompted to consider this problem as a result of the Supreme Court decisions on February 24, 1959, in *Northwestern States Portland Cement Co.* v. *Minnesota* and *Williams* v. *Stockham Valves & Fittings, Inc.* (358 U.S. 450).

Since then on March 1, 1960, the Supreme Court in *Scripto, Inc.* v. *Dale Carson* (362 U.S. 207) determined an issue involving the imposition of a Florida State use tax on a commodity sold and shipped from Georgia, although as in the Northwestern and Stockham cases orders were solicited within the State which imposed the tax.

Since the Scripto decision, several measures have been introduced to establish a minimum standard with respect

to State sales and use taxes. I believe Congress would be premature and hasty in considering such a measure at this time, especially since the study authorized by Public Law 86–272 has not been completed. I do believe, however, that the State imposition of income taxes is sufficiently related to the State imposition of sales and use taxes in transactions exclusively in interstate commerce to warrant the inclusion of the latter in the study to be conducted by the House Judiciary Committee and the Senate Finance Committee. In this regard, on Tuesday, June 14, 1960, the Senate Finance Committee reported S. 3549 with amendments to permit such a study.

In order to facilitate the enactment of a study measure before the adjournment of Congress, I am introducing a bill which will amend Public Law 86–272 to authorize a study of State sales and use taxes in transactions exclusively in interstate commerce. It is contemplated that this study will be conducted in conjunction with the study of State income taxes which has already been authorized by Public Law 86–272.

Mr. Speaker, the problems of State taxation of interstate income and State use and sales taxation of interstate transactions are sufficiently similar that they should be studied together. On the one hand we know that the States and local governments are hard pressed for revenue and certainly would not wish to shut off sources of revenue. On the other hand, free and unrestricted flow of interstate commerce is vital to the strength and vigor of our national economy, and there should be uniformity and clarity in the manner and extent to which States may look to interstate commerce as a source of revenue.

This problem is a very delicate and difficult one, and it should be apparent that the confusion and ambiguity pointed up by the Scripto and Northwestern and Stockham decisions should be cleared up as promptly as possible.

SERVICE PENSIONS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, our contention is that the veterans of World War I are entitled to service pensions consistent with the precedent established by the award of such pensions to the veterans of previous wars. The average age of the veterans of World War I is close to 66 years and we submit that the enactment of a pension law for them is long overdue.

Congress first adopted a "pure service pension" schedule for the survivors of the Revolutionary War, on June 7, 1832. This Act granted full pay for life to veterans who had served a minimum of 2 years.

The Mexican War Pension Act of 1887 granted a pension, if the veteran was suffering from disabilities to a pensionable degree. Veterans 62 years of age and older were entitled to a pension regardless of any disability.

In the debate on the Mexican War Pension Act, Senator Hoar, of Massachusetts, pleaded for uniformity, for consistency of action on the part of Congress. He explained that if the Government were bound, as a matter of principle, to pension soldiers or sailors who do not need the pension, and who are under no disability, then it is a universal principle, and as such, the veterans of all wars are entitled to the pension. Enactment of the bill, said the Senator, would very shortly compel the Congress to take the next step, a pure service pension for the Civil War veterans.

Widespread agitation led to the act of May 11, 1912, setting up a formula whereby the Civil War veteran must have served at least 90 days in that conflict, and that he must be 62 years of age and older. The amounts provided for on a graduated scale according to length of service, have been increased from time to time since 1912.

The act of June 5, 1920, was entitled: "An act to pension soldiers and sailors of the War with Spain, the Philippine Insurrection, and the China Relief Expedition." It provided that any such person who has reached the age of 62 years, shall, upon making proof of such fact, be placed upon the pension roll. As for pure service pensions, the Spanish-American War still remains the most recent conflict for which pensions have been authorized by the Congress.

Obviously, the veterans of World War I are next in order. When Congress passed a bill to provide adjusted compensation for the veterans of 1917–18, it was vetoed by President Harding on September 19, 1922. In the message explaining his action, the President was looking to the future when he said that it was inevitable, as the years pass, that pension provision for World War I veterans will be made, as it has been made for those who served in previous wars. The fullfillment of that prophecy and that obligation is approaching.

When we average out the length of time that the veterans of the five previous wars in American history had to wait before service pensions were authorized, we find that it takes a fraction more than 42 years. We, of World War I, with almost 41½ years behind us, are close to the time of our entitlement. When we consider that our good friends of the Spanish-American War had to wait only 22 years for their pensions, it would appear that favorable action on our claim cannot be delayed much longer.

The program we advocate is one whose cost begins to diminish from the moment it becomes effective. Three hundred and sixty World War I veterans are dying every day. Here is what is happening, as described by William F. Salin, legislative officer, in a letter that was published in the January 21, 1960, issue of the National Tribune-Stars and Stripes:

> In 1959 this barracks (Brazil Barracks No. 1178) had a membership of 119. During said year we lost seven members by death. It is reasonable to assume that this death rate will increase each year as the years go by; but even with the same annual death rate, within 17 years our membership will be entirely used up; and the same ratio is bound to apply to the entire national membership. By 1976, any World War I man living will be living on borrowed time. It naturally follows that the cost of this proposed pension will be reduced 6 percent the first year in effect; 12 percent the second year and therefore by 1976 only 6 percent of these men will be still living and the cost of said pension will have been reduced 94 percent. These facts and figures are arrived at by very simple arithmetic.

There is nothing sudden or revolutionary in our proposal, almost 41½ years after World War I, and following a precedent that has been endorsed by Congress in favor of the veterans of every war since the first "pure service pension" was enacted for the veterans of the Revolutionary War. We believe that the veteran of World War I who has served at least 90 days; who received an honorable discharge; and is now 62 years of age or older is entitled to a pension of $100 per month.

We also believe that this pension must be paid without regard to the veterans annual income, whether derived from payments of social security benefits, railroad retirement benefits, pensions, annuities, or otherwise.

We are certain that this is the simplest and fairest method by which the Nation's obligation to the aging veterans of World War I will be honored.

The time has come for decision.

The Congress cannot default on the established precedents which direct us to provide a service pension for all qualified veterans of World War I.

PANAMA CANAL CONTRACTS

Mr. LEVERING. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LEVERING. Mr. Speaker, on June 7 I requested the Secretary of the Army, the Honorable Wilber M. Brucker, to reconsider the recent award of the towing locomotive contract for the Panama Canal to the Mitsubishi Co. of Japan. Today I received a letter from Mr. Brucker in response to my request which contains the following statement:

> As you know, I was advised by the Director of the Office of Civil and Defense Mobilization that award of the contract to the American bidder could not be justified on the basis that it was necessary to protect essential national security interests. This finding was conclusive on the company.

Mr. Speaker, I must say in all deference to the distinguished Director of OCDM, how can such a decision be sustained in the face of the fact that the very existence of the Government of Japan is seriously threatened by the same anti-American forces which have precluded a peace mission to that country by the President of the United States?

SMEAR ATTACK BY LIFE MAGAZINE

The SPEAKER. Under the previous order of the House, the gentleman from Pennsylvania [Mr. RHODES], is recognized for 10 minutes.

Mr. RHODES of Pennsylvania. Mr. Speaker, today I have introduced a bill to eliminate the stationery allowance for House Members.

It may not be a popular proposal, particularly to those Members who spend more than the present allowance. But it would help in protecting Members against smear attacks. The allowance should be eliminated entirely, if necessary, to protect Members from unscrupulous individuals whose objective is to smear and discredit.

Last week I was the target of such an attack in Life magazine for a $33.75 purchase I made through my stationery account back in 1958. This was for Christmas gifts for members of my staff. Whether such expenditures are for pens, dictionaries, purses, wallets, or umbrellas, makes no difference. If this is improper, there would be few Members who have not sinned. This expenditure was from funds which were my own.

Some Members withdraw their full allowance at the beginning of the session. If a Member dies, the balance in his stationery account is sent to his widow. If the full amount is unspent, Internal Revenue rules that it is taxable as income. No matter what course you take and no matter how you spend this allowance, you are not free from those who seek to smear and destroy your good reputation.

If such purchases are improper, surely the publishers of Life could find something more sensational than my $33.75 purchase. They would not have had to go back to 1958. Why have they singled me out for smear and ridicule? I will tell you why.

Yes, I have sinned in the eyes of this news monopoly. But my sin is something entirely different than they try to make it appear. It is because I am the author of legislation to limit their unjust postal subsidies.

Subsidies to the Luce publications which include Life, Time, Fortune, House and Home, Sports Illustrated, and Architectural Forum, amount to a million dollars a month. American taxpayers must pay for this big Federal handout and giveaway. Yes, I offended these publishers when I focused public attention on their big subsidy, and particularly when I introduced legislation to limit it. Yet Life has not dared to attack me on this issue. On this question, the Luce magazines keep their readers in the dark.

In 1957 the House passed my bill to limit subsidies to $100,000 annually for any one publication. The bill was approved by the House as an amendment to the postal rate bill. This was an unpardonable sin which has marked me for punishment and liquidation by the officials of the Luce empire. This amendment was defeated in the Senate, where it got 33 votes despite the intense and unethical lobbying campaign by big magazine publishers. The issue was given the silent treatment by the magazine publishers. But behind the scenes this powerful and influential pressure group went to work and succeeded in killing my bill and in holding on to their big subsidies.

Last year on July 28, 1959, I again introduced a subsidy limitation bill. On the morning of that day, even before I put the bill in the hopper, I had a phone call from Mr. Francis R. Cawley, lobbyist of the Magazine Publishers' Association. He asked me to meet with him and a representative of Time, Inc., to which I consented. The next day the three of us got together to discuss my subsidy limitation bill. When I would not agree with them or yield to their pressure, I knew what to expect.

You do not have to offer a subsidy-limitation bill to offend these irresponsible publishers. You can get on their blacklist by actively supporting progressive and humanitarian legislation, particularly when it is in conflict with their philosophy and selfish interest.

Not a Member of Congress is immune from unscrupulous smear attacks in connection with his stationery account. If there be such a thing as a perfect man, even he could be held up to ridicule and be smeared in an effort to discredit him and destroy his good reputation.

There is more at stake than the honor and reputation of House Members. Monopoly power over the vital sources of news and information used irresponsibly and unscrupulously adds to growing immorality, causes disrespect for government, confusion and distrust.

Rigged quiz shows and rigged prize fights have shocked the American people. Immoral as they are, they are no more immoral and certainly less dangerous to our democracy than the rigging of news and information by irresponsible publishers who behind a smoke screen are now campaigning to elect the next Congress—a Congress that will bend to their might and will.

If the publishers of Life have an ulterior motive for smearing one Member of Congress, how can they be trusted on anything they publish?

I have no desire to defend wrongdoing by any Member. But there should be some assurance for honorable and respected Members of the House that information obtained on stationery accounts or on travel expenditures will not be distorted, peddled and sold for smear purposes in the congressional elections this year.

This is a lucrative racket which offers big monetary rewards for unscrupulous individuals. It also provides an opportunity to special interest groups, of which Life publishers are a part, to distract public attention from real and vital issues. For this reason, I believe the House should act on my proposal.

AMERICAN DETRACTORS

The SPEAKER. Under previous order of the House, the gentleman from Indiana [Mr. BRAY] is recognized for 5 minutes.

Mr. BRAY. Mr. Speaker, all of us were distressed to receive the word yesterday that the Japanese Government had requested an indefinite postponement of President Eisenhower's visit. It is also distressing that comments have been made by some of our country's less responsible critics. Last night, I am told, one of these critics on a television news program blamed the riots in Japan on the fancied military weakness of the United States.

Mr. Speaker, many of us have been saddened by those Americans who take delight in belittling their own country as to military, scientific and economic strength. They seem to take sadistic pleasure in attempting to prove that America is a second-class country. It is also sad that some of these would-be detractors of America's greatness hold positions of responsibility in our country. However, I am certain that those who would prove America is second-rate are far in the minority in our country.

The very fact that Russia would choose this time to beat the anti-American drums throughout the world demonstrates clearly that America is not kowtowing to communism; it is apparent that America is increasing her military strength over that of the Soviet Union. Russia always stirs up trouble and belittles her adversary when her imperialistic aggression is thwarted. The riots in Japan are clearly Communist-inspired. They fear the ratification of the Japanese-American treaty. America, for the last seven years, has been standing firm against Soviet aggression. We are still in Berlin regardless of continued Russian threats. Developments in the last 4 months prove conclusively that America is far ahead of Russia in real military strength. Our long-distance missile program, which was canceled in 1947, shows phenomenal achievement to the world today. We are definitely ahead of Russia in the quality of our military missiles. The last four types of satellites that we have launched show to the scientific world that America is far ahead of Russia in this field and is not second-class, but the real McCoy. But greater than all the other manifestations of strength is the fact that today Russia, and the rest of the world, know that American planes fly over Russia with immunity, something that no country can do to us.

The realization of the world that those same planes that fly over Russia at will could carry a nuclear bomb, places Russia in a second-class position to America. I am not going to discuss American military strength further, for that matter is going to be discussed on the floor of the House in some detail on Monday.

I do, however, want to remind this body that the greatest contribution to the Soviet propaganda campaign of nuclear and military blackmail that has been made unwittingly has come from a handful of noisy detractors of American strength, detractors who have adopted the role of permanent critics of our military policies. The "American second-class powerists," the "missile-gap yappers," and the "crawl on our bellies to Moscowites."

A greater share of the blame for these riots in Japan and indecision displayed

by some of the uncommitted nations must be borne by the detractors of America. Yet we are now subjected to the abuse of these detractors of America. We are treated to the sickeningly ludicrous sound of a chorus of condemnation, bleated out by a choir of drunken drivers, solemnly cursing the evils of drink, as they survey the very wreckage they themselves wrought as they sat bleary-eyed behind the wheel of the vehicle marked "political expediency."

Mr. Speaker, the irresponsible criticism which I have mentioned, I am happy to say, is not joined in by any great percentage of Americans. I am happy to say that the great majority of Americans of both political parties are not attempting to prove that America is second class. On the contrary, the overwhelming majority of the people in America know that America is still the real McCoy.

On Monday, June 20, the members of a Republican task force group which has devoted over 4 months to an intensive study of American strategy and strength will present to this body a report which amply covers that and many other subjects. I have studied this report and I can assure you, Mr. Speaker, that it represents an articulation of the administration's strategy in the cold war, based on the solid foundation of provable facts. It provides a basis for continuing the policies which have made the United States the most powerful nation on the face of the earth, and which will perpetuate and broaden that power until we achieve ultimate victory in the struggle which we call the cold war.

I urge all of my colleagues from both sides of the aisle to be present in this Chamber on Monday, when the report is to be made to Congress. And I challenge those who criticize the strategy outlined in this report to produce a detailed and workable alternative. Until they do, Mr. Speaker, their criticism can only be adjudged to be invalid, and damaging to the Nation which they claim to serve.

WHAT'S HAPPENING TO THE STUDENTS?

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. JACKSON] may extend his remarks at this point in the RECORD and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. JACKSON. Mr. Speaker, under leave to extend my remarks I include an article from Freedom's Facts Against Communism, a publication of the All-American Conference To Combat Communism, June 1960 issue.

The article follows:

WHAT'S HAPPENING TO THE STUDENTS?

Within the past 8 weeks small bands of students have caused riots and have shaken governments in countries all over the world.

They toppled President Syngman Rhee from power in South Korea, brought a change of government in Turkey, caused a $250,000 riot in San Francisco, and created serious difficulties for President Eisenhower's visit to Japan.

In all cases, a relatively small number of students have been in the forefront of the riots and demonstrations. But behind them have been numbers of adults inflaming their passions and guiding the direction of their violent excesses.

Not much detail is known here about the student activities in South Korea or in Turkey, but some is known of what happened in San Francisco, and this throws light upon what is happening to students—at least to the small minority of students who get involved in headline grabbing riots.

To keep student activities in perspective, it is necessary to recognize that young people have certain characteristics which make them ideal material for spearheading mass demonstrations and even violent outbreaks. Young people like to be part of a crusade, a movement larger than themselves, with which they can identify themselves, and through which they can gain some degree of self-expression. Young people think more of the need to express themselves and dwell less upon the consequences of their actions than do adults.

HOW TO START A RIOT

If you want to start a riot, one way is to inflame the minds of a few students, throw in a couple of agitators to keep things going, and let nature take its course. Outbreaks of more or less violence have broken out on school campuses from time to time. We have all been through them and their intent was usually innocent enough.

Communists, who are master manipulators of people, know these characteristics of youth, and have consistently sought to exploit them to further Communist schemes. On February 2, Herbert Philbrick, a former FBI undercover agent in the Communist Party, testified to the House Un-American Activities Committee that "by propagandizing among young people, by telling them and by implying to them that this committee and other Government committees are a threat to their free speech, they know that immediately the young person is going to respond.

"Of course, not all young people are duped by such appeal," said Philbrick, "but always they are able to confuse a certain small number of young people and, therefore, building upon these appeals, they will exploit them still further."

All this is background for what happened in San Francisco on May 12, 13, and 14. On these dates the House Un-American Activities Committee met in San Francisco to hold hearings on current operations of the Communist Party in northern California. A small number of persons were subpenaed to appear before the committee.

WAVE OF PROTEST

Prior to the arrival of the committee, a wave of protest sparked by such groups as th American Civil Liberties Union, the Lawyers Guild, and west coast longshoremen was rolled up. Those subpenaed formed themselves into the bay area defense committee. Another group, calling itself the San Francisco Citizens' Committee To Preserve American Freedoms, got into the fray.

According to National Guardian (May 23), faculty members at the University of California at Berkeley and at San Francisco State College signed petitions against the hearings. Faculty members at San Jose State College and at Stanford University published protests.

The Daily Californian, a student paper, reportedly urged students to picket the committee and to attend the hearings "to observe the tenor of what we feel to be in the truest sense 'un-American activities.'"

Then, the real action began. As the hearing opened on May 12, a rally of some 1,000 people was held in Union Square called by the Berkeley Student Committee for Civil Liberties. There students were agitated by adult speakers, and thence marched to the city hall where student picketing was already going on.

ENTER THE AGITATORS

About 200 people, mostly students, crowded outside the hearing chamber. They were denied entrance to the hearing. Later they began chanting "Open the doors." According to National Guardian, Archie Brown, a longshoreman, demanded that the group be allowed into the hearing room. He and a few others were removed from the premises.

Tension grew the following day when 200 to 250 demonstrators tried to push into the hearing room shouting, "Let us in." Fire hoses were turned on them and they retreated down the stairs where they sat and sang, "We will not be moved," until they were ejected from city hall.

On May 14 San Francisco Police Chief Thomas Cahill reported that the riot, as he called it, was caused by professional agitators. Police Inspector Michael McGuire identified two agitators as Archie Brown, a longshoreman, and Merrill Brodsky, an unemployed tile setter. On May 17 San Francisco Mayor George Christopher estimated that the riot cost taxpayers an estimated $250,000.

Significantly, very few students were involved in the violent stage of the demonstrations, and these evidently were egged on by professional agitators. The real intent of the demonstration was disclosed by National Guardian as an attempt to "drive a spike in the committee's coffin" by curtailing the investigations of the House Committee on Un-American Activities, or even to close it down altogether.

ONLY THE REDS CAN BENEFIT

Without assigning motives either to anyone involved in the demonstrations or to those reporting the riots in a favorable light, it can be deduced that the only people directly benefiting from any curtailment of the work of the House Committee on Un-American Activities would be the Communists who are being investigated.

A question this student riot in San Francisco might well raise is how well are American students equipped to comprehend appeals to join in actions which will benefit the plans of the Communist Party. Herbert Philbrick testified that "the Communists know that our young people lack training and lack education concerning communism. * * * Hence, they know that young people are vulnerable to their attacks.

"In other words, the Communists know that, if they can weaken or if they can destroy the loyalty of our young people in our country and all that it stands for, they will be a long way toward eventual victory over the United States and the free world."

Student outbreaks in the United States and around the world pose a challenge to educators and to parents who want to preserve and strengthen a world in which men and women can enjoy individual political, economic, and religious freedom.

MUTUAL SECURITY APPROPRIATIONS BILL FOR 1961

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. BARRY] may extend his remarks at this point in the RECORD and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BARRY. Mr. Speaker, we have before us a seriously curtailed Mutual

Security Appropriations bill for 1961. Once again we are witnessing a sort of numbers game, a blind playing with figures which is indeed shocking. At this moment when the Soviet Union has once again stepped up a hard overt anti-Western campaign across the world from Cuba to Japan where they have been able to effectively prevent the U.S. President from paying a visit, even against the wishes of the Japanese Government, once again we find people suggesting that our enormously important mutual security program should be reduced.

I want to commend those members of the Appropriations Committee who realistically faced up to our international needs and signed the minority report on this bill. This minority report sets forth quite clearly the serious consequences of the drastic cuts in the military assistance and defense support programs. When the President's advisors, the men most intimately connected with and knowledgeable about these programs, decided that $2 billion was needed for military assistance, then a cut of $400 million is a very serious matter. In this hour of the cold war, it is difficult to comprehend just what penny wisdom and pound foolishness can prompt such reasoning.

The same thing can be said of reducing the Development Loan Fund appropriation to $550 million. With complete disregard of reality, I am amazed to read in the committee report that some $298 million of already committed, but still unspent DLF funds are available for 1961 expenditure. Can the Members who assess the value of our foreign-aid program be unaware of the administrative procedures of committing funds prior to their final obligation? I find difficulty in believing so, but what other explanation can there be for such reasoning as one reads in the committee report on H.R. 12619? Sound and careful management necessitate long leadtimes making absolutely necessary sizable already committed but not yet finally obligated funds. These facts are apparently overlooked or ignored by those who may unwittingly support a watered-down mutual security bill that carries with it a substantial reduction in Development Loan funds.

The Development Loan Fund is one of the soundest of our programs. I made a study of it around the Mediterranean last year. I came back impressed with the encouraging fact that gradually our aid program is more and more taking the form of loans. Each year less is required to be just given away with no expectation of repayment.

In Israel, a country of 2 million, a strong point in the turbulent Middle East, our first outright gifts of funds are being supplanted by loans, all repayments of which have to date been made promptly when due. Furthermore, the Israelis are now sending technical aid to other underdeveloped countries. Our moneys have helped in research which may lead to important findings in the prevention of cancer among other things.

In Spain, our loans to establish irrigation projects are increasing agricultural production by 10 percent.

In Turkey, with 26 million people and an army of 500,000 ready to die if need be to prevent the spread of Communist rule to the Mediterranean, a proposed $150 million steel mill has been financed in part by the Development Loan Fund. A new $80 million railroad binding Turkey to Iran, another ally, will do much to increase their balance of payments of foreign exchange through steel exports and to develop the lumber industry of the hinterland and increase trade.

In barren Greece, I saw the proposed fertilizer plant to make them an exporter of foodstuffs and the proposed hydroelectric powerplant to develop the bauxite deposits into an aluminum industry. We have given economic hope to these valiant fighters for freedom in their struggle to survive in the competitive free world.

Our total nonmilitary foreign aid program is less than three-fourths of 1 percent of our total gross national product. The aid is only a fraction of what it would cost to buy the kind of security we were getting. This aid program represents the cheapest form of freedom insurance our tax dollar could buy.

We cannot abdicate our leadership of the world to the U.S.S.R. There is no question but that as new nations are born in Africa, as revolutionary new regimes seize power in Latin America, as the struggle goes on to balance a vast population increase with increased economic productivity in Asia, the United States is witnessing an intensification of the struggle with Communist dictatorship around the world. Curtailing of foreign aid programs at this time will only aid the Soviet Union. As colonial powers withdraw, Russia is advancing her so-called preclusive development program, moving in rapidly to fill the void and take over these weak new nations who must have help to survive. "If we do not, the Russians will," is a phrase scoffed at by some, repeated so often that it has almost become a cliche. I say it should be rephrased "Where we have not the Russians have." It is not idle speculation. It has and is happening. Witness Egypt. We wouldn't build the Aswan high dam and so Nasser has turned to Russia. Today, at this moment, the Russians are building the greatest project for Egypt since the Pyramids.

When all the colonial areas in Africa gain their independence, we will have at least 25 new nations, all with equal votes in the U.N. Their combined vote will outweigh the United States and its present allies. Private investment abroad is inadequate to the capital needs of these newly emerging nations. The United States would be risking her international leadership by reducing her unilateral foreign aid at a time when Russia is expanding hers in these areas.

Mr. Speaker, unless the United States is to abdicate leadership in many areas of the world, we must support the carefully thought out requests of the President. Politically inspired foreign aid cuts are not economy, they are a dangerous withdrawal in a battle being fought across the world for the survival of our way of life.

TECHNICAL AMENDMENTS TO THE INTERNAL REVENUE CODE

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. BYRNES] may extend his remarks at this point in the RECORD and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I have today introduced legislation making certain technical amendments to the Internal Revenue Code. In explanation of the bill and the amendments I include as part of my remarks a letter from Jay W. Glasmann, assistant to the Secretary of the Treasury.

The letter follows:

OFFICE OF THE SECRETARY OF THE TREASURY,
Washington, June 16, 1960.

Hon. JOHN W. BYRNES,
House of Representatives,
Old House Office Building,
Washington, D.C.

DEAR MR. BYRNES: In a recent conversation you inquired as to the status of the Technical Amendments Act of 1960, H.R. 9625 and H.R. 9626. As you know, these two bills which were introduced on January 14, 1960, would amend certain of the income and administrative provisions of the Internal Revenue Code of 1954.

This legislation was introduced at the request of the Treasury Department in order that it might be made available to the general public for their study and comment. Since that time we have received numerous comments and suggestions which have been most helpful to us in evaluating the merits of the original proposals.

In brief, certain of the proposals received widespread approval as being either necessary or desirable additions to our tax laws. Other proposals proved more controversial in that there was some difference of opinion as to their merits.

It was your hope that the provisions which had found general acceptance might be considered this year by the Congress. Moreover, you indicated your desire to sponsor a bill containing these provisions. Accordingly, I am submitting a list of seven provisions which have found general acceptance. In my opinion, these proposals will correct certain income tax inequities and hardships as well as remove certain impediments in the orderly and efficient operation and administration of the internal revenue system.

A brief discussion of each of these provisions follows:

1. Definition of a dependent: This provision would correct an unintended defect in the Internal Revenue Code of 1954 by restoring dependency exemptions for nationals of American Samoa and Swains Island (primarily children of U.S. naval personnel, numbering around 100).

2. Obligation of the United States owned by a foreign central bank of issue: This amendment provides, in the case of foreign central banks of issue (quasi-governmental institutions), for tax exemption of interest on U.S. bonds, as with interest on bank deposits and banker's acceptances. Such interest is now exempt if the bank is an integral part of the foreign government. The exemption will not apply to interest on bonds used in connection with any commercial functions.

3. Election of certain partnerships and proprietors as to taxable status: This provision (1) permits a partnership which has

elected to be taxed as a corporation to apply the tax-free reorganization provisions if it actually becomes a corporation; and (2) requires that the election to be taxed as a corporation be made in the last month of the preceding year or the first month of the current year for which it is to be so taxed.

4. Declaration of estimated income tax by individuals: This provision is intended to eliminate the filing of 1.7 million nontaxable declarations of estimated tax by (1) increasing the "other income" limit from $100 to $200; and (2) providing that no declaration need be filed where the estimated tax is less than $40. Also, to simplify filing requirements, the gross income test of $400 plus $600 times the number of exemptions is eliminated.

5. Place for filing tax returns: This provision would require individuals living abroad and other taxpayers (including corporations) claiming the benefits of foreign income provisions to file their returns at the office designated by the Secretary rather than in the district where they claim legal residence or place of business.

6. Disclosure of information as to persons filing income tax returns: This provision eliminates the requirement that district directors make available to the public lists of all persons filing income tax returns, and substitutes the requirement that the district directors merely state whether or not a specific person has filed a return.

7. Criminal penalty for claiming a false or fraudulent deduction for exemption: This amendment provides that claiming a false or fraudulent deduction for a dependent shall be treated as a misdemeanor rather than a felony. It also repeals section 7207 which the Justice Department has found to be an impediment rather than an aid in criminal prosecutions.

Sincerely yours,

JAY W. GLASMANN,
Assistant to the Secretary.

WHOSE SURPLUS IS THIS? NOT THE TAXPAYERS

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RIEHLMAN] may extend his remarks at this point in the RECORD, and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, the Congress by this time should be very much aware of the growing public dislike for the obsolete and costly farm programs under which we have operated for more than a generation.

Farmers are frequently blamed for the wasteful programs now applied to a minority group in American agriculture. But the fact remains that four-fifths of agriculture is free of Government controls and the programs that apply to the remaining one-fifth were enacted right here in the Congress years ago.

Taxpayers, including farmers, are getting tired of price fixing which has resulted in depressed prices for some commodities and production controls that never have worked.

This view is reflected by a recent editorial in the Syracuse (N.Y.) Herald-Journal which I now submit for the RECORD.

WHOSE SURPLUS IS THIS? NOT THE TAXPAYERS

There's gravy in wheat but not the kind you spread over pork chops.

Last year, 96 factory-style farms collected more than $50,000 each in cash loans on their wheat.

A corporation in Montana was paid $123,000. A firm in Idaho collected $145,000. Another in Oregon received $146,000.

Secretary of Agriculture Benson has recently taken steps to put the 1961 program into operation.

He is required, by law, to do this by May 15.

This means, in turn, a guarantee that the 1959 abuses will be repeated.

No wonder such wide public distrust of farm support programs has developed.

The administration has appealed to Congress for a new approach because present programs, designed to control surpluses, don't.

So far the answer has been in the negative. Thus, the application of present marketing quotas and establishment of support prices under the old laws.

Congressional inaction is laid to election year fear of the farm bloc.

What isn't considered is election year reaction by the taxpaying bloc.

POLITICAL EXPRESSION BY VIOLENCE

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HIESTAND] may extend his remarks at this point in the RECORD and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HIESTAND. Mr. Speaker, I am aghast that some of our most respected editorial writers in the Washington press this morning are sounding notes reminiscent of the wailing first practice of a schoolboy band. They cry "defeat." Why?

Seizing upon Japan's tragic crisis, there emanates from our local press a most discordant dirge—dolefully bemoaning our defeat—implying that we have been drummed-out from our seat of prestige and power in the councils of the world.

Come, come gentlemen—have ye so little faith and such small courage to peer more carefully through the smoke and mist being blown up by our enemies? Are not the trumpets in Tokyo the same trumpets which have sounded at Montevideo, Ankara, and Havana? The baton twirlers prance to the same tune. The paid students obviously chant the same fanatic anthem. But I am surprised that such experienced critics are now listening with only one ear. Under such circumstances, it is most difficult to determine the direction from which the sound comes—and the direction it is going.

The pitch pipe was sounded at the summit. The prelude was conducted from Peiping. We are hearing only the second stanza—its crescendo is aimed at drowning out the voice of democracy in Japan. The President's visit is but a part of our side of the picture. Japan is an important part of our peace perimeter. This is the significant issue today. Decisions affecting the world for a decade or more are being made in Japan—deciding Japan's position in the world of free nations. These decisions should be made in Japan's own way.

Political expression by violence has been the practice in the Orient since the days of Genghis Kahn. Why should we expect radical changes overnight? The course of these events have shown that it would be vastly imprudent for us to inject ourselves into this aspect of their affairs—this was not the purpose of the President's visit. Thus, while Kishi's decision to cancel the President's visit to Japan might be called a personal disappointment—it is far from being a defeat.

The Kremlin and Peiping just as vigorously are seeking to affect our own political scene. But, the world has long respected the U.S. position abhorring blackmail and violence as political tools.

Are you now suggesting, honored gentlemen of Washington's press, that we renounce this respected position in the interest of partisanship in domestic politics? Shall we fight insults with invectives? Is not "discretion the better part of valor"? It has been said with great justification that "fools rush in where angels fear to tread."

RESOLUTIONS OF CALUMET COUNTY BOARD OF SUPERVISORS

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. VAN PELT] may extend his remarks at this point in the RECORD and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN PELT. Mr. Speaker, I extend my remarks at this point in the body of the RECORD and include two resolutions adopted by the Calumet County Board of Supervisors.

I commend these county officers for the sound position they adopted in each resolution.

RESOLUTION 3

Resolution petitioning the Congress of the United States to give favorable consideration to legislation providing benefits for veterans of World War I and for other purposes

Whereas many hundreds of thousands of our Nation's finest citizens served the cause of democracy during the period of World War I; and

Whereas a large number of these veterans have now reached the age and circumstances in which they are no longer self-supporting, as well as suffering illnesses and infirmities aggravated by this honorable service to their country; and

Whereas through no fault of their own, they have largely become a class of forgotten men, many of whom are close to the grave: Now, therefore, be it

Resolved by the Board of Supervisors of Calumet County, Wis., That this body recognizes the predicament of these veterans of World War I, and petitions the Congress of the United States to give favorable consideration to legislation providing benefits to the aged, ill, and disabled veterans of this Great War in the form of pensions or any other means which will provide relief so vitally needed; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States, to the Director of the Veterans' Administration, to the Director of the U.S. Bureau of the Budget, to the chairman of

the House Committee on Veterans' Affairs, and to each member of the Wisconsin delegation in the Congress.

Dated this 14th day of June 1960.

Passed and adopted by the Calumet County Board of Supervisors on June 14, 1960.

ROLAND E. MILLER,
County Clerk.

Resolution pertaining to Federal aid to aged persons

Whereas the Congress of the U.S. Government is now considering the adoption of a program subsidizing medical care for the aged; and

Whereas such various plans as now formulated do not carry proper economical methods of financing and will only lead to additional tax burden to all taxpayers; and

Whereas Calumet County has always provided sufficient medical care to its aged persons and feels that it is the responsibility of each community to provide such care to its aged people; and

Whereas any Federal program providing such care to aged people would entail much greater administrative costs and only lead to the building of another Federal bureaucracy at great expense to the taxpayers: Now, therefore, be it

Resolved by the Calumet County Board of Supervisors in meeting duly assembled this 14th day of June, A.D., 1960, That it goes on record against any form of Federal subsidy for medical care for aged people and openly announces that it is the intent of Calumet County to provide such medical needs to its aged people; be it further

Resolved, That copies of this resolution be sent to the Wisconsin Senators, ALEXANDER WILEY and WILLIAM PROXMIRE, and to the Congressman of the Sixth District, WILLIAM K. VAN PELT.

Passed and adopted by the Calumet County Board of Supervisors on June 14, 1960.

ROLAND E. MILLER,
County Clerk, Calumet County.

EIGHTEEN-DAY BOYCOTT ON JAPANESE IMPORTS

Mr. CURTIN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] may extend his remarks at this point in the RECORD and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HOSMER. Mr. Speaker, the hostile, anti-American attitude expressed by Communist-agitated Japanese mobs is an affront not only to President Eisenhower, but to all Americans.

Despite the atrocities in the Pacific during World War II, despite the killed and wounded-in-action lists issued daily from the infamy at Pearl Harbor to the war's very end, in victory we extended the hand of brotherhood. Americans forgave and contributed much of our wealth and effort to rebuilding Japan.

The American people and the U.S. Government expressed to Japan and its people a compassion unparalleled in history. The reward of hate and violence we have received during the past few days is a bitter thing.

Similar affronts have occurred from elsewhere, such as Cuba under Castro, under circumstances where individual Americans were powerless to express effectively their disapproval. But today's situation is one in which individual Americans have a unique opportunity personally to protest in a compelling manner.

That is by temporarily refusing to purchase any Japanese imports.

I emphasize the word "temporarily" because as a people and as a nation we are not anti-Japanese, nor have we cause to be. We recognize it is a manipulated minority in Japan responsible for the disorder. We recognize the vast majority of Japanese are friendly to the United States and regret the course of events as much as we do. Yet, that majority has been unable to compel the minority of extremists to cease disturbing the relationships between our nations and affronting our leaders, our Government and our people.

We Americans, on the other hand, have it within our power to express our rightful indignation. We have an opportunity to advise all nations that as a people we do not receive insults and indignities without affront. In so doing we have the opportunity to dramatize our strong basic moral fiber and our determination and ability to resist lawlessness and disorder.

For myself, I have determined that from today until midnight on the 4th of July I shall make no purchase of any article made in Japan or fabricated from an item imported from Japan.

I hope my countrymen see fit to join me in this 18-day boycott.

I take this course regretting its necessity and with the emphatic expression that it is not to be construed in derogation of the vast majority of the Japanese people who are as dedicated as we are to good relationships between us.

However, as between the alternatives of submitting to these indignities without protest or protesting them by the means available to us as individuals, I believe our honorable choice is clear.

PAUL BROWN—GENTLEMAN

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MULTER. Mr. Speaker, earlier this week the members and staff of the House Banking and Currency Committee gathered together to pay tribute to our very distinguished colleague and able legislator, the gentleman from Georgia, Mr. PAUL BROWN. Those who know him, heard with regret the announcement that he would retire at the end of this session.

All in attendance, as well as the few who were unavoidably absent, eloquently expressed their respect, their admiration, yes, their affection, for PAUL.

While all of us want him to do the things he wants to do, and wish him and his family long life, good health, and the utmost of happiness, it saddens us to know that he will not be with us in the next session of Congress.

For 14 terms his integrity, his knowledge, his competence, all coupled with his genial personality, have been a leveling influence in bringing about the enactment of legislation in the best interests of our country. He served his people and his Nation long and well. He was always willing to compromise on form to advance principle but he never compromised on principle.

It is unfortunate that we did not take a stenographic report of the nice things that were said about PAUL, led by the remarks of our distinguished chairman, the gentleman from Kentucky, Mr. BRENT SPENCE. I am sure that before this session ends he and our other colleagues will have an opportunity to express themselves to the same effect on the floor of the House.

In the meantime, however, I take this time to call attention to a part of the beautiful remarks made about PAUL BROWN by our distinguished colleague from Alabama, Mr. ALBERT RAINS. During the course of his remarks he read a poem which he had written. With his permission, I give it to you as follows:

SONG OF THE SAVANNAH

(With apologies to the great Georgia poet, Sidney Lanier, and his famous verse "Song of the Chattahoochee.")

Near the hills of Habersham
Close to the valleys of Hall
For one score years and seven
He's been our colleague PAUL.
And he is one among us
Who's answered every roll,
Who knows by intuition
When the bells will toll.
In his first race for Congress
Back in 33
PAUL beat nine opponents
And then he was free—
Until 2 years ago
Down on the Georgia plain
A lady ran for Congress
And PAUL had a campaign.

To the BROWN record Georgians pointed with pride
And the voters got the message distinct
For when the polls had all closed down
The lady didn't have one precinct!

Now one would suppose, in speculation,
That Southeast Power Administration
Would be located in Atlanta
But headquarters are at Elberton
Close to the Savannah
And Elberton happens to be hometown
Of the gentleman from Georgia, Mr. BROWN.

There is one thing in his career
For which all Crackers hold him dear
And sing a loud and long hosanna
To PAUL—Father of the Savannah
Since Clark's Hill Dam is finished
And Hartwell has a spill
Because our colleague here
Always kept his shoulder to the wheel.

A friend of the farmers
Whom the veterans renown
The Independent Bankers call him
Sweet Georgia BROWN.

Now a great romance is ending
We knew it would one day
Mrs. Brown is taking PAUL
Away from Fannie Mae.

Away from Commodity Credit
Away from Soil Conservation
Away from FDIC
And from Rural Electrification.

Back to the Georgia Bull Dogs and back to Augusta
Where PAUL can while his time away
Watching Eisenhower at play.

As we part with sorrow
I doubt there will be a morrow
When we can view with real contentment
A committee bill without a Brown amendment.

Our dear friend will be far, far from the maddening cry
Rocking on his lawn as the Savannah rolls by
Close to the hills of Habersham
Near to the valleys of Hall.

SIGHTSEEING SERVICE AND MASS TRANSPORTATION IN THE DISTRICT OF COLUMBIA

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MULTER. Mr. Speaker, on Wednesday afternoon the House, in the Committee of the Whole, started the consideration of H.R. 4815, a bill entitled, I should say misentitled: "To insure effective regulation of D.C. Transit System, Inc., and fair and equal competition between D.C. Transit System, Inc., and its competitors."

Further consideration and action on the bill will no doubt come before the House very shortly.

I earnestly urge all those Members who did not have an opportunity to hear the debate to read the same as it appears in the RECORD of June 15, 1960, which begins at page 12731 and ends at page 12737.

My own remarks appear on page 12734.

I can recall no other bill of an allegedly general nature which ever came before the Congress that sought to pick out a single company by name and regulate that company, ignoring all other companies in a similar position. The purpose of the bill as expressed at the opening of the hearings before the Interstate and Foreign Commerce Committee is to prevent the D.C. Transit System, Inc., from engaging in the sightseeing business.

Its right to engage in that business was granted to it as a part of the franchise the Congress gave to that company as a part of its operation of a mass transportation system for the District of Columbia.

During the course of the debate it was urged, in opposition to the bill, that all companies engaged in mass transportation, including the predecessor of D.C. Transit, engaged in sightseeing service as an incident to their business. That statement of fact was disputed by the sponsors of the bill, one of whom said that D.C. Transit System's predecessor had only engaged in the sightseeing business to the extent of about $40,000 a year—page 12732—and another said that that business was "a matter of sufferance" and that now under the specific grant in the present franchise D.C. Transit System had become a strong competitor, particularly of Gray Line which is the principal advocate of this bill.

I have researched the matter and I desire to call to the attention of the House some interesting facts.

At page 255 of the hearings before the Interstate and Foreign Commerce Committee it is specifically stated that prior to D.C. Transit System's obtaining its franchise its predecessor had done "about $250,000 worth of business, which was about 1 percent of the total business done by the transit business." The records of the Public Utilities Commission show that in the 3 years prior to D.C. Transit System's obtaining its franchise, its predecessor company had done sightseeing business of from $240,000 to $274,000 a year.

In support of the bill the charge was also made that no other mass transportation companies engage in the sightseeing business. This is directly contrary to the fact.

Before reporting this bill the Interstate and Foreign Commerce Committee asked the Public Utilities Commission to examine into the entire question and report its findings to the committee. The Public Utilities Commission did that and its report is dated January 15, 1960. It is a part of the records of the committee and is open to the examination and inspection of every Member of Congress.

In that report the Commission found that D.C. Transit enjoyed no advantage over its competitors, it received no subsidy, and that its predecessor had engaged in the sightseeing business over a long period of years.

More important, it found that the sightseeing service was traditionally related to mass transit service throughout the country and that in the Washington metropolitan area, four mass transit companies engaged in sightseeing operations and that they could not remain in the transit business if they were subjected to legislation similar to H.R. 4815.

On page 10 of its report, the Commission said:

> A careful review of the practices in other comparable cities indicates that most of the local transportation companies conduct both mass transit operations and charter and sightseeing operations.

A Senate subcommittee of its Committee on the District of Columbia sent out questionnaires to regulatory agencies in metropolitan areas asking whether or not they limited the sightseeing operations of mass transportation companies. Nine of twelve answers were "No." Two of them said they were limited to the originating territory.

Another question was whether the sightseeing operations were carried on independently of the mass transportation operations. Eleven of the twelve answered "No" and the 12th said it had no jurisdiction in the matter.

The Public Utilities Commission found that the employment of assets and personnel in sightseeing services by D.C. Transit was in the public interest—page 11.

The Commission concluded that this bill "is not an appropriate method to insure fair and equal competition between D.C. Transit and its charter and sightseeing competitors"—page 13.

In his opening remarks, the distinguished chairman of the Interstate and Foreign Commerce Committee said—page 12732:

> This is a fight primarily and principally between the D.C. Transit Co. sightseeing and charter operation and the Gray Lines sightseeing and charter operation.

That is the fact.

As I pointed out in my remarks the other day, the Gray Line is the real big operator and monopolist in the sightseeing business in the District of Columbia.

Its sightseeing business is about $1,300,000 a year as against that of its nearest competitor, the D.C. Transit System, with less than $500,000 a year. A necessary incident of the sightseeing business is the ability to supply hotel accommodations. Gray Line controls, under exclusive contracts, more than 12,000 hotel rooms in the District of Columbia. Its nearest competitor controls about 1,500 rooms.

But let us see how badly Gray Line has been hurt, if at all, by D.C. Transit competition. The records on file in the office of the Public Utilities Commission show that in 1955, before D.C. Transit came into Washington, Gray Line had a passenger revenue of $914,640 and showed a net loss of $34,182 for that year. In 1959, after 3 years of competition with D.C. Transit, Gray Line showed passenger revenues of $994,819 with a net profit of $42,952. The difference from loss to earnings during the 3-year period, to the benefit and advantage of Gray Line, is approximately $77,000.

In anticipation of the debate on this bill a survey was made of the sightseeing buses in the Capitol Hill area during the off hours—that is, the hours outside peak mass transit hours—during the week of June 8 to June 15, 1960. There were found, by actual physical count in that area, 267 charter and sightseeing buses; 46 belonged to the Gray Line, 23 to D.C. Transit, and the balance of 198 to other companies in lesser numbers.

This is indeed bad legislation—unfair, discriminatory, and unconstitutional.

I hope our colleagues will reject it.

ADJOURNMENT OVER UNTIL MONDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

POSTPONEMENT OF ROLLCALL VOTES ON MONDAY AND TUESDAY OF NEXT WEEK

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that on Monday and Tuesday next any record votes, rollcalls on bills or on motions to recommit, may be put over until Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object, as I understand, there are 20 bills to come up under suspension on Monday, or approximately that many, is that correct?

Mr. ALBERT. The gentleman is correct. Some of those will probably be passed on the Consent Calendar.

Mr. GROSS. I do not have the slightest idea about any of these bills that are on the suspension calendar for Monday. Having no knowledge of what the bills contain, I am constrained to object to putting the votes over from Monday until Wednesday. I am constrained to object, Mr. Speaker, and I do object.

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that any rollcall votes on motions to recommit or on the passage of bills or amendments thereto on Tuesday next may be put over until Wednesday next.

Mr. GROSS. Reserving the right to object, Mr. Speaker, do I correctly understand that there are two bills coming up on Tuesday, and only two bills? One is the farm bill and one is the so-called zinc bill?

Mr. ALBERT. That will be taken up after the disposition of the farm bill.

Mr. GROSS. There will be just those two bills?

Mr. ALBERT. That is right.

Mr. GROSS. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. RHODES of Pennsylvania, for 10 minutes, today.

Mr. BRAY, for 5 minutes, today.

Mr. NELSEN (at the request of Mr. CURTIN), for 1 hour, on Monday, June 27.

Mr. MICHEL (at the request of Mr. CURTIN), for 30 minutes, on Tuesday, June 21.

Mr. LINDSAY (at the request of Mr. CURTIN), for 1 hour, on Thursday, June 23.

Mr. STRATTON (at the request of Mr. ALBERT), for 1 hour, on Thursday next.

Mr. HEMPHILL (at the request of Mr. ALBERT), for 1 hour, on Monday, June 27.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DULSKI.

Mr. HECHLER and include extraneous matter.

Mr. MEADER, to revise and extend the remarks he made in the Committee of the Whole on the mutual security bill and include an article by Mr. Vance Bland in the General Electric Defense Quarterly, and also an exchange of correspondence between himself and a member of the staff of the White House.

(At the request of Mr. CURTIN, and to include extraneous matter, the following:)

Mr. VAN ZANDT.

Mr. OSMERS and to include a chart.

(At the request of Mr. ALBERT, and to include extraneous matter, the following:)

Mr. FLOOD.

Mr. HARRISON and to include tables.

Mr. TOLL.

Mr. ROUSH.

Mr. EDMONDSON.

Mr. THORNBERRY.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2929. An act to amend the National Defense Education Act of 1958 in order to repeal certain provisions requiring affidavits of belief; to the Committee on Education and Labor.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 9883. An act to adjust the rate of basic compensation of certain officers and employees of the Federal Government, and for other purposes.

SENATE ENROLLED JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled joint resolution of the Senate of the following title:

S.J. Res. 39. Joint resolution proposing an amendment to the Constitution of the United States granting representation in the electoral college to the District of Columbia.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 16 minutes p.m.), under its previous order, the House adjourned until Monday, June 20, 1960, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2272. A letter from the Chairman, Foreign Claims Settlement Commission of the United States, transmitting the report prior to restoration of balances for the period as of June 15, 1960, pursuant to Public Law 798, 84th Congress; to the Committee on Government Operations.

2273. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to repeal the act of October 22, 1919 (41 Stat. 293; 43 U.S.C., secs. 351–355, 357–360), and the act of September 22, 1922 (c. 400, 42 Stat. 1012; 43 U.S.C., sec. 356), and to require that entrymen of lands in Nevada under the Desert Land Act be resident citizens of Nevada"; to the Committee on Interior and Insular Affairs.

2274. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order granting the application for permanent residence filed by Allen Shih-Chun Hsiao, A7957556, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

2275. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

2276. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212(d)(3) was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

2277. A letter from the Acting Secretary of State, transmitting the eighth report on the extent and disposition of U.S. contributions to international organizations for the fiscal year 1959, pursuant to section 2 of Public Law 806, 81st Congress (H. Doc. No. 418); to the Committee on Foreign Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FALLON: Committee on Public Works. H.R. 11240. A bill to amend title 23, United States Code, to provide for participation of Federal-aid highway funds in the construction of approach roads to ferry facilities on the Federal-aid system; without amendment (Rept. No. 1895). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 8697. A bill to amend the District of Columbia Redevelopment Act of 1945 with respect to the requirements for adoption of a redevelopment plan for a project area; with amendment (Rept. No. 1911). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANE: Committee on the Judiciary. H.R. 11136. A bill for the relief of Princess Anne County School Board, Virginia; with amendment (Rept. No. 1912). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS: Committee on Interstate and Foreign Commerce. S. 1508. An act to provide for economic regulation of the Alaska Railroad under the Interstate Commerce Act, and for other purposes; without amendment (Rept. No. 1913). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS: Committee on Interstate and Foreign Commerce. S. 1509. An act to amend the Interstate Commerce Act, as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes; with amendment (Rept. No. 1914). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS: Committee on Interstate and Foreign Commerce. House Joint Reso-

lution 649. Joint resolution relating to the authority of the President, the Secretary of Health, Education, and Welfare, and the Surgeon General of the Public Health Service to provide for international cooperation in health research and research training, and for other purposes; with amendment (Rept. No. 1915). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Georgia: Committee on Post Office and Civil Service. S. 2857. An act to amend the Civil Service Retirement Act so as to provide for refunds of contributions in the case of annuitants whose length of service exceeds the amount necessary to provide the maximum annuity allowable under such act; with amendment (Rept. No. 1916). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARRIS: Committee on Interstate and Foreign Commerce. S. 1965. An act to make uniform provisions of law with respect to the terms of office of the members of certain regulatory agencies; with amendment (Rept. No. 1917). Referred to the Committee of the Whole House on the State of the Union.

Mr. THORNBERRY: Committee on Rules. House Resolution 564. Resolution for consideration of H.R. 12261, a bill to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes; without amendment (Rept. No. 1918). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. S. 285. An act for the relief of John A. Skenandore; without amendment (Rept. No. 1896). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1454. An act for the relief of Keitha L. Baker; without amendment (Rept. No. 1897). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 2113. An act for the relief of George K. Caldwell; without amendment (Rept. No. 1898). Referred to the Committee of the Whole House.

Mr. TOLL: Committee on the Judiciary. S. 2277. An act for the relief of the Geo. D. Emery Co.; without amendment (Rept. No. 1899). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 2817. An act for the relief of Joseph R. Paquette; without amendment (Rept. No. 1900). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7618. A bill for the relief of H. P. Lambert Co., Inc., and Southeastern Drilling Corp.; with amendment (Rept. No. 1901). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7792. A bill for the relief of Martin A. Mastandrea; without amendment (Rept. No. 1902). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 8885. A bill for the relief of William L. Berryman; with amendment (Rept. No. 1903). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 9715. A bill for the relief of Otis Drinkard; with amendment (Rept. No. 1904). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 10152. A bill for the relief of Miss Marie E. Mark; with amendment (Rept. No. 1905). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 11420. A bill for the relief of Ferdinand Hofacker; without amendment (Rept. No. 1906). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 11562. A bill for the relief of the Maritime Museum Association of San Diego; without amendment (Rept. No. 1907). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 11791. A bill to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on the claim of Paul Bernstein against the United States; with amendment (Rept. No. 1908). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 12475. A bill for the relief of Claude L. Wimberly; without amendment (Rept. No. 1909). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 12476. A bill for the relief of John H. Esterline; without amendment (Rept. No. 1910). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. THORNBERRY:

H.R. 12699. A bill to cancel a deed of trust to the United States from the predecessor in name of Gallaudet College and any evidence of indebtedness related to the same transaction, to quiet the college's title to property belonging to it, and for other purposes; to the Committee on Education and Labor.

By Mr. BROOKS of Louisiana:

H.R. 12700. A bill to amend the National Science Foundation Act of 1950 to create a Special Committee on Marine Sciences, to develop and encourage a national program for the promotion of research, surveys, and education in the marine sciences, to recommend contracts, grants, or other forms of assistance, to encourage the cooperation of agencies and evaluate the programs of marine research undertaken by agencies of the Federal Government in these scientific fields; to the Committee on Science and Astronautics.

By Mr. BYRNES of Wisconsin:

H.R. 12701. A bill to amend the Internal Revenue Code of 1954 to make certain technical revisions in the income and administrative provisions; to the Committee on Ways and Means.

H.R. 12702. A bill to amend the Internal Revenue Code of 1954 by imposing a tax upon the sale of aviation fuel, and for other purposes; to the Committee on Ways and Means.

By Mr. BOGGS:

H.R. 12703. A bill to authorize refund or credit of certain additions to the tax under the Internal Revenue Code of 1939; to the Committee on Ways and Means.

By Mr. GILBERT:

H.R. 12704. A bill to amend the Civil Service Retirement Act to authorize the retirement of employees after 30 years of service without reduction in annuity; to the Committee on Post Office and Civil Service.

By Mr. JENNINGS:

H.R. 12705. A bill to delay for 60 days in limited cases the applicability of certain provisions of law relating to humane slaughter of livestock; to the Committee on Agriculture.

By Mr. KING of Utah:

H.R. 12706. A bill to require detailed accounting by Members of the House of Representatives in the case of travel expenses, and for other purposes; to the Committee on House Administration.

By Mr. MORGAN:

H.R. 12707. A bill to require the Secretary of the Army to confine within a conduit a portion of Dunlap Creek in Brownsville, Pa.; to the Committee on Public Works.

By Mr. PERKINS:

H.R. 12708. A bill to amend the Federal Trade Commission Act to strengthen independent competitive enterprise by providing for fair competitive acts, practices, and methods of competition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TEAGUE of Texas:

H.R. 12709. A bill to authorize the appropriation of $200,000 for use toward the construction of a U.S.S. *Arizona* memorial; to the Committee on Armed Services.

By Mr. ASHMORE:

H.R. 12710. A bill to amend section 1732(b) of title 28, United States Code, to permit the photographic reproduction of business records held in a custodial or fiduciary and the introduction of the same in evidence; to the Committee on the Judiciary.

By Mr. ASPINALL (by request):

H.R. 12711. A bill to authorize the issuance of exchange noncompetitive oil and gas leases under certain circumstances, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. FOUNTAIN:

H.R. 12712. A bill to delay for 60 days in limited cases the applicability of certain provisions of law relating to humane slaughter of livestock; to the Committee on Agriculture.

By Mr. HOGAN:

H.R. 12713. A bill to delay for 60 days in limited cases the applicability of certain provisions of law relating to humane slaughter of livestock; to the Committee on Agriculture.

By Mr. KING of Utah:

H.R. 12714. A bill to amend the Federal Trade Commission Act to provide for the issuance of temporary cease and desist orders to prevent certain acts and practices pending completion of Federal Trade Commission proceedings; to the Committee on Interstate and Foreign Commerce.

H.R. 12715. A bill to amend the Federal Trade Commission Act to strengthen independent competitive enterprise by providing for fair competitive acts, practices, and methods of competition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MEADER:

H.R. 12716. A bill to provide for a study of matters pertaining to the imposition by the States of certain taxes involving sales in interstate commerce; to the Committee on Rules.

By Mr. METCALF:

H.R. 12717. A bill to provide for deduction in computing income taxable under the Internal Revenue Code of 1954 of losses sustained by public transit systems in conversion from street railways to buses; to the Committee on Ways and Means.

By Mr. CHAMBERLAIN:

H.R. 12718. A bill relating to the reporting by Members of the House of Representatives of expenditures from the contingent fund of the House of Representatives and of expenditures of counterpart funds by Members of Congress; to the Committee on House Administration.

By Mr. RHODES of Pennsylvania:

H.R. 12719. A bill to repeal the provisions of law establishing a stationery allowance for Members of the House of Representatives; to the Committee on House Administration.

By Mr. COOLEY:

H.R. 12720. A bill to amend the Agricultural Trade Development and Assistance Act of 1954; to the Committee on Agriculture.

By Mr. LINDSAY:

H.J. Res. 764. Joint resolution proposing an amendment to the Constitution of the United States relating to cases where the President is unable to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. ROUSH:

H. Con. Res. 702. Concurrent resolution expressing the sense of the Congress in favor of the restoration of the principle of bipartisanship in American foreign policy; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. GREEN of Oregon:

H.R. 12721. A bill for the relief of William H. Chinn; to the Committee on the Judiciary.

By Mr. POWELL:

H.R. 12722. A bill authorizing the President to present a gold medal to Louis Armstrong; to the Committee on Banking and Currency.

By Mr. RILEY:

H.R. 12723. A bill for the relief of Alfonso H. Patero; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 12724. A bill for the relief of Yee Mee Hong; to the Committee on the Judiciary.

By Mr. DIGGS:

H.R. 12725. A bill for the relief of Estrellita Tongco; to the Committee on the Judiciary.

By Mr. FLYNN:

H.R. 12726. A bill for the relief of Moy Sig Mon, Moy Sue Yook, Moy Dick Mon and Moy Don Mon; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

499. By Mr. CANFIELD: Petition of 226 citizens of Passaic County, N.J., in support of S. 1046 and H.R. 4488 to increase the minimum wage level to $1.25 per hour and extend the protection of the law to nearly 8 million workers not now covered; to the Committee on Education and Labor.

500. By Mrs. ST. GEORGE: Resolution No. 10 on taxes on U.S. property, by the Board of Supervisors of the County of Delaware, N.Y.; to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

The Crisis of the "Golden Sixties"

EXTENSION OF REMARKS
OF
HON. ROBERT C. BYRD
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Friday, June 17, 1960

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that an address I delivered before the 21st general convention of the System Federation No. 41 of the Chesapeake & Ohio Railway on Wednesday, June 15, 1960, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE CRISIS OF THE "GOLDEN SIXTIES"

I appreciate the honor of being with you here this morning. I appreciate the opportunity, too, of being able to discuss with you some of the major issues facing America today.

You undoubtedly remember that on January 1 of this year the newspapers were full of predictions that we were entering what they called the "golden sixties"—that this decade was one of glorious promise for the people of the United States. Less than 6 months have passed. But I wonder how many Americans are finding things so golden right now. Our position in world affairs is more precarious and more dangerous than it has been since the days of Korea. Here at home the problems of unemployment, the welfare of our aged, the education of our children, and other problems equally pressing, are going unsolved.

You have a right—and a duty—to ask why this is so. The answer is that we have a Government in Washington that, in the down-to-earth phrase coined nearly five centuries ago, is following a penny wise pound foolish approach to America's problems. To save a dollar today it is sacrificing America's promise for the future. It is sacrificing our most important resource—the strength and well-being of our people.

As a Senator, and as a member of the Democratic Party, I am disturbed by this. I can assure you that I and many of my colleagues on Capitol Hill are trying hard to do something about it. As you know, constructive action has been difficult because of the ever-present threat of—and the use of—the Presidential veto.

This is a time of crisis for America, both at home and abroad. The issue is not just how to get a chicken in every pot, but how we are going to win the struggle for survival.

There can be no question, the peace issue is predominant. No sane man, regardless of party, advocates the horrors of war. But peace cannot be secured through wishful thinking.

Last December the Democratic Advisory Committee issued its own "State of the Union" message for 1960, in which it observed: "The legitimate debate is not over ends but means—the policies which will produce the conditions most likely to secure the just and lasting peace which all Americans seek. The record of the Republican administration in foreign policy reveals erratic policy switches which have sadly damaged America's strength and prestige."

"Our foreign policy," the message continued, "should be far more than slogans, speeches and reassurances. Our foreign policy is basically a matter of our national strength, our national effort and our national will and ideals of human justice."

The conduct of our foreign policy is constitutionally vested in the hands of the executive branch of Government. There is little Congress can do to forestall the blunders. We can, however, urge, investigate and otherwise endeavor to persuade the President to conduct a responsible foreign policy.

I believe the leadership of my party is to be commended for its own responsible attitude and actions on foreign policy questions. It has urged the administration not to rely only on good-will trips, summit conferences and dollars to pave the road to peace. All of these things have their place. But, singly or collectively, they are not a substitute for a well-thought-out, well-executed foreign policy.

Whether we like it or not, the state of our defenses is a basic consideration in determining our position in the world today. Soviet strides in missiles and their successes with space satellites and moon shots have convinced nearly everyone that we should take a close look into how our defense money is being spent—everyone, that is, except the administration. But the Democrats in Washington are asking some searching questions, and the answers have not always been so satisfactory. It is, in fact, because of Democratic action in Congress that our defense posture is as good as it is.

I believe with Mr. Eisenhower that God is on the side of right. But I also believe that God helps those who help themselves. We cannot afford to let our military forces deteriorate while Mr. Khrushchev gloats. We need strength to match strength.

Even on the domestic front we are lagging behind. Look at education. The experts are warning that our children are not getting an education they will some day need to lead our country in its competition with the Russians. There are not enough classrooms. Teachers are underpaid. In higher education, we shall need in the next 10 years a number of new buildings equal to the total number built in the last 200 years. If we are going to meet these needs, the Federal Government must act. Many of us in Congress have long waged a vigorous battle for appropriate legislation. Right now we are fighting, and fighting hard, to get through a bill to aid in school construction.

The administration has finally come around to sponsoring a proposal, too. But this proposal, calling for expenditures carried out over a long period of years instead of meeting costs now, would in the long run be unnecessarily expensive and would still fail to meet the need. It is another example of the penny wise pound foolish attitude which is sapping the strength of our country.

A Presidential veto may be in the offing. But short of that, I promise you we are going to have this school issue resolved before Congress adjourns. We need more and better schools for our children—and we are going to have them.

One of the most serious problems confronting this country is that of creeping unemployment. I have heard a great deal from administration spokesmen about the dangers of creeping inflation. I, for one, certainly do not minimize the problems caused by the rising cost of living. But we rarely hear a word from the administration about the problem caused by rising unemployment. According to the statisticians, 2 years have passed since the start of the recovery from the disastrous 1958 recession. But there are a lot of people around here who do not know that the recession is over, and the economists are already talking about the beginning of the next one.

The facts are blatantly clear, and no amount of hiding can minimize their impact. Unemployment is a growing problem. We have had three recessions since the end of World War II. After the first recession, unemployment dropped nationally to a 3 percent level; after the second recession unemployment remained at the 4 percent level.

And now at least 5 percent of the working people of the Nation remain unemployed.

It is little consolation for the unemployed to know that we have reached a half-billion dollar economy. Certainly this is a great achievement, but it does not make hunger and suffering any easier to bear.

All kinds of excuses have been made for the persistence of unemployment. At first it was blamed on the steel strike. When the steel strike was over, the blame was placed on the snow and the rain. Now that summer is here and the snow has melted all we hear is the expression of hope that by and by it will all be better.

Meanwhile, the economy is operating way below capacity, the average duration of unemployment continues to rise, and the number of depressed areas is increasing. We have been warned by leading economists that if our rate of economic growth is not stepped up, we face the prospect of being outstripped by the Soviet Union.

And the administration refuses to do anything. Its only preoccupation seems to be to gather a budget surplus. But I say to you that inaction is the best way to get a budget deficit.

If this were a time for niceties, I would hesitate to say this. But we cannot afford the luxury of smiling pleasantries. I must say that the present administration reminds me of the old Bourbon king: "After me the deluge." Instead of offering a positive program to meet the needs of America, the administration is satisfied with the slogan of "one-third and one." As we have been reminded, this is all that is needed in order to sustain the vetoes of the positive program that the majority party is trying to enact in the present Congress.

Take, for example, the Presidential veto stopping aid to depressed areas. To the administration this legislation, so vital to America and to my State of West Virginia, is a squandering of money. This was the excuse given in the veto message.

I find this incredible. The President can talk all day about the necessity of giving aid to underdeveloped and needy areas abroad. This will strengthen democracy, he says. Well, I say it is high time we started strengthening our own democracy here at home.

We have more than a hundred communities in the United States, some of the worst ones being in my own State, which are suffering from chronic and persistent unemployment. In some of these areas unemployment has reached depression proportions. There are no labor shortage areas anywhere within the United States where these unemployed can migrate and find jobs. Your neighbors can tell you this. The only solution, then, is to try to create additional jobs and bring them to these communities. This is what the depressed areas bill would have achieved. Its major aim was to establish credit funds at reasonable rates of interest to encourage expanding business to locate in depressed areas. The bill would have helped to improve the public facilities in these communities to make them more attractive to new industry. It would also have provided for the retraining of workers, and in some cases it would have paid workers who have exhausted unemployment insurance subsistence payments while they would be undergoing these periods of training.

This, it seems to me, is a constructive approach to some important economic problems, not a wasteful one. Nothing, in fact, could be more wasteful than losing the productivity of a good part of our working force. But the administration has spoken. And there are not enough votes to override the veto.

One major piece of legislation which we were able to get through during the last session of Congress was an amendment to the Railroad Retirement and Unemployment Insurance Acts. The most important part of this legislation was that it increased retirement and survivor benefits in general by about 10 percent. This is a measure that is of enormous importance to the country and to my State of West Virginia. In 1958–1959 a total of more than $1 billion in benefit payments was paid to people throughout the country. The amount for West Virginia was more than $22 million. Because of this legislation, the amount for the future should be even greater.

But I know, and you know, that this does not solve the problems of the railroad employee. Total employment on American railroads has dropped sharply since World War II. Only 2 years have not seen a decline. In 1956, employment on class 1 railroads averaged just over 1 million; in 1957 it dropped to 985,000; in the recession year of 1958 it dropped further to 840,000. Railway employment declined throughout 1959, and averaged just 816,000 for the year. The November 1959 railway employment figure of 783,995 was the lowest monthly figure in this century.

The Railway Labor Executives' Association has backed a number of proposals which should help to relieve the crisis. One of these is the Passenger Train Service Act of 1960, which would require the railroads, as part of their public responsibility, "to provide reasonably frequent, safe, clean, and convenient passenger service" and to make every reasonable effort to serve the public adequately in their passenger train operations. This legislation, railroad labor believes, would not prevent the elimination of unneeded passenger services, but it would protect the public from the wholesale abandonment of passenger trains even though these trains are still needed to meet our country's transportation requirements.

Other bills of importance to railroad employees are the railroad accident reports bill, the railroad track motor car safety bill, and the railroad track and bridge safety inspection bill. These bills, and others, represent the responsible way in which the railroad employees are trying to improve railroad operation.

The railroad workers, the Democratic Party, and labor in general have joined forces in trying to get through a medical insurance program for the aged. We all know that the problem of how to finance medical care is a critical—almost impossible one—for most of our 16 million citizens age 65 and over. There has been a lot of delay in meeting the issues, but the Democratic leadership in the House and Senate is working hard to resolve them.

Time is running out, and I have not yet had the opportunity to discuss a lot of issues which our Democrats in Congress have been trying to solve. Let me mention some of them briefly.

There is a crying need for a realistic urban redevelopment and public facilities program. Congress enacted excellent legislation in these areas last year, but two vetoes forced the Congress to trim down the program and settle on one which is less adequate. The antipollution bill passed by Congress was also vetoed. Thus our cities continue to decay and our rivers and streams remain polluted.

A lot of us have been asking the administration to undertake studies which would help solve some basic economic problems. Automation, one of our greatest blessings and greatest curses, has created terrible problems in many areas. I myself have strongly urged the creation of a Coal Research and Development Commission, which would have opened new vistas for the use of our important coal resources. A bill which would have done this was vetoed last year.

This Congress is not yet over. If I have painted a black picture, I join you in hoping that it will be brightened before Congress adjourns. I can assure you that I and my colleagues are doing everything we can to push through positive legislation.

What the Democratic Party has stood for during this Congress can be summarized in the famous words spoken by Franklin Delano Roosevelt, at a time when America was still fighting its way out of the throes of the great depression. You know these words, but I hope you will bear with me while I recall them now. The President was discussing the differences between the Democratic, or liberal party, and the conservatives, and he said:

"One great difference which has characterized this division has been that the liberal party—no matter what its particular name was at the time—believed in the wisdom and the efficacy of the will of the great majority of the people, as distinguished from the judgment of a small minority. * * * The other great difference between the two parties has been this: The liberal party is a party which believes that, as new conditions and problems arise beyond the power of men and women to meet as individuals, it becomes the duty of the Government itself to find new remedies with which to meet them. The liberal party insists that the Government has the definite duty to use all its power and resources to meet new social problems with new social controls—to insure to the average person the right to his own economic and political life, liberty, and to the pursuit of happiness."

Nineteen Hundred and Sixty Osmers Presidential Poll

EXTENSION OF REMARKS

OF

HON. FRANK C. OSMERS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 17, 1960

Mr. OSMERS. Mr. Speaker, the results of the presidential poll, which was part of my 1960 questionnaire, have now been tabulated. More than 9,800 replies have been received to date from the 46,000 constituents to whom questionnaires were mailed on May 2.

Of those replying, 30 percent indicated they considered themselves Democrats; 37 percent Republicans; 33 percent independents. This percentage division, among Democrats, Republicans and independents follows very closely the voting patterns of the Ninth New Jersey Congressional District over the past decade.

Each constituent to whom a questionnaire was sent was asked to mark a first and second choice for President from among the seven best known prospects listed or to write in their own choice. Possible candidates who received less than 1 percent are not shown on the chart. Bridges, Dirksen, Goldwater, Halleck, Lausche and Meyner received a number of votes each but under 1 percent. Lodge, who was not listed, received 3 percent of the Republican votes as a second choice—see footnote on chart. Because of the national interest in the July nominating conventions and in the candidates, I ask unanimous consent to include the tabulated results in

percentages in the CONGRESSIONAL RECORD. Answers to the other questions in my 1960 questionnaire appear on page 11128 of the CONGRESSIONAL RECORD for May 25, 1960.

The chart follows:

	Democrat, 30 percent of total		Republican, 37 percent of total		Independent, 33 percent of total		Combined, 100 percent	
	1st choice	2d choice	1st choice	2d choice	1st choice	2d choice	1st choice	2d choice
Humphrey	1	3	0	0	3	0	1	1
Johnson	9	20	2	5	6	9	6	11
Kennedy	55	23	8	11	18	16	25	16
Nixon	3	12	71	18	46	36	44	20
Rockefeller	4	12	16	60	15	18	11	33
Stevenson	22	23	2	2	9	18	10	14
Symington	6	7	1	1	3	3	3	4
Other	0	0	0	[1] 3	0	0	0	[1] 1

[1] 3 percent of the Republicans wrote in Lodge as 2d choice.

A Bipartisan Foreign Policy

EXTENSION OF REMARKS
OF
HON. J. EDWARD ROUSH
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 17, 1960

Mr. ROUSH. Mr. Speaker, the past few months have seen the United States confronted with crisis after crisis in world affairs. Each crisis has mounted in severity and difficulty with the events of the past few days shocking the world.

It is the desire of every American that the United States adopt and administer a foreign policy which is the best and the strongest the combined and unified political forces of America can produce. For that reason I have been, and am, a firm believer in a bipartisan foreign policy. Today as an expression of that belief and with the hope that an expression of approval of this Congress will result in the adoption of such a policy, I have introduced a concurrent resolution expressing the sense of Congress in favor of the restoration of the principle of bipartisanship in American foreign policy.

The idea is not, of course, original with me. The idea of a bipartisan foreign policy dates from World War II in the United States. It is difficult to isolate a precise moment or source of beginning. The idea of bipartisan foreign policy support played an important role in the wartime planning of postwar foreign policy by the Roosevelt administration. There is no doubt but what the failure of the Senate to ratify the League of Nations Covenant after the First World War loomed large in the thoughts of those planning the new United Nations. It was during this time that a number of Republican leaders, notably Senators Arthur Vandenberg and Wendell Willkie, pressed upon their party a foreign policy position fundamentally in accord with that of the administration.

Bipartisanship was given its first major test in the San Francisco Conference of 1945, establishing the United Nations. Great care was taken to make the U.S. delegation representative of both parties. John Foster Dulles, closely associated with Thomas Dewey, then titular leader of the Republican Party, served as a representative of the Department of State. A bipartisan congressional delegation also participated. The apogee of bipartisan foreign policy perhaps was reached in the signing of the Japanese Peace Treaty of 1951 which was largely drafted and negotiated by John Foster Dulles appointed by President Truman.

I believe we are living in the most critical moments of world history. In the face of these crises and the external challenge which confront us our Nation must unite. Yes, "politics stop at the water's edge." These are times which demand that we stand together—demonstrating the power of our inner strength to our friends—and our enemies.

All Americans should be assured that partisan considerations are neither controlling the formulation and administration of our foreign policy nor are partisan considerations dictating the criticisms of that policy. The world should know that our great objective is the advocation of the cause of freedom and to make and preserve a just and lasting peace.

A Proposed Series of American Flag Stamps

EXTENSION OF REMARKS
OF
HON. THADDEUS J. DULSKI
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Friday, June 17, 1960

Mr. DULSKI. Mr. Speaker, yesterday I introduced a bill, based upon a suggestion made by Mr. Carl P. Reuth, editor of Linn's Weekly Stamp News, which would provide for the continued issuance of the American flag series stamps on each July 4, subsequent to the 1960 flag issue—50-star—by the Post Office Department.

Since it appears that no more States will be added within the foreseeable future, I feel that this stamp series should be continued by honoring flags used since the beginning of our Nation, such as the following: National Flag, 1777; Bennington Flag, 1777; Navy Jack, 1775—Don't Tread on Me; Cambridge Flag, 1775; Continental Flag, 1775; Bunker Hill Flag; Pine Tree Flag, 1775; Taunton Flag, 1774; Gadsen Flag, 1775; Fort Moultrie Flag.

Stamps subsequent to July 4, 1970, would be issued as determined appropriate by the Postmaster General with the advice of the Citizens' Advisory Committee.

Keynote Speech of Congressman Jim Wright, Texas State Democratic Convention, June 14, 1960

EXTENSION OF REMARKS
OF
HON. HOMER THORNBERRY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, June 17, 1960

Mr. THORNBERRY. Mr. Speaker, on Tuesday, June 14, Texas Democrats in Austin, Tex., held the most harmonious and unified convention which has been held in our State in many years. The convention selected a strong delegation of distinguished Texas Democrats who are dedicated to work for the nomination and election as President of the United States the great majority and Democratic leader of the U.S. Senate, Hon. LYNDON B. JOHNSON.

Congressman JIM WRIGHT, our colleague, delivered a splendid keynote address to the delegates assembled at our State Democratic convention. It was enthusiastically received and acclaimed as one of the finest addresses of its kind delivered at any convention.

Under leave to extend my remarks, I am including a copy of that speech:

REMARKS OF CONGRESSMAN JIM WRIGHT, KEYNOTE SPEAKER, TEXAS STATE DEMOCRATIC CONVENTION, AUSTIN, TEX., JUNE 14, 1960

One only has to attend a Democratic convention to know what Will Rogers meant when he said, "I don't belong to any organized political party: I'm a Democrat."

A Democratic convention is a spirited affair, any way you look at it.

I can just imagine what confusion such a convention as the one we shall soon have in Los Angeles with its only partially organized bedlam would produce in the mind of the comfortable and fully adjusted Republican, accustomed as he is to the idea of a convention run on the precise schedule of a television commercial, and just about as exciting, with about as much suspense as a recitation of the alphabet and its nominee no more in doubt than the identity of the body in Grant's tomb.

We Democrats, by contrast, must appear to be a weird and motley crew.

STRENGTH FROM DIVERSITY

Yet the more I see of Democratic Party politics, the more convinced I become that out of our disorganization, our diversity, and even our disagreements, comes our strength.

For ours is the party of all the people. We are neither enchained by labor, nor enslaved by business, nor captive of the farmer. We are the party of no one because we are the party of everyone.

All are welcome within our gates—the New England fisherman with the salty tang of the Atlantic in his speech, the southern cotton planter with the scent of magnolias in his manner, the midwestern shopkeeper, the western mountain rancher, the wheat

farmer from the Great Plains, the stevedore, the coal miner, the factory worker, the teacher, the preacher, the oil driller and the housewife—tinker, tailor, toiler, sailor: it takes no pedigree and very few credentials to be a Democrat.

Here there are no barricades erected against ideas, no fences against individual aspirations. We want no hobbles on the mind, no shackles on the spirit. We impose no thought control, demand no particular orthodoxy, and expect no iron conformity.

Occasionally someone may walk out of one of our conventions, but he isn't thrown out. He just leaves when he discovers that he's come to the wrong place by mistake.

When we disagree in convention, we fight with the ferocity of a pack of strange bobcats thrown together in a telephone booth. But it's a family fight—and by November after we've all had our say we shall have joined ranks behind the nominee selected by the majority of us (and at least among those of us assembled here today, I think there's no disagreement as to who we want that nominee to be).

THE PARTY OF INNOVATION

It's a strange and wonderful thing that out of this mixed and heterogeneous group of people who call themselves Democrats have come the great innovations of our Nation's history—the raw, bold, and imaginative ideas which have inspired the Nation to new bursts of creative activity and charted the path of our Nation's progress.

And yet it isn't so strange in another sense. Our party is the great shock absorber of American life—the fermenting cauldron in which the clashes and conflicts of individual ideas are distilled and refined.

Composed of so many divergent strands, we offer the Nation a certain cohesiveness that only a party of diversification can—and a certain tough durability that can come only in the alloy of different metals.

It was the party of Jefferson that believed enough in the average man to let him vote, that had the vision to see an expanding future stretching across the broad, untamed frontier for the little nation clustered along the eastern seaboard and to insure that future by the Louisiana Purchase.

It was the party of Jackson that had the courage to assert the power of the Nation and all its people as greater than that of any one financial interest and to break the stranglehold of a little group of men upon the economic windpipe of the Nation.

It was the party of Cleveland that faced the issues of the complex era of our industrial expansion—the party of Wilson that enunciated the "New Freedom," took the children from the mines and mills and put them in the schools, and dreamed a dream of peace on earth.

It was the party of Roosevelt that had the heart to hear the cry of the dispossessed, the disinherited, the disenchanted, the distressed and to lift a desperate people out of the throes of disaster, and his party which generated the dynamic leadership to save the freedom of man in the world.

It was the party of Harry Truman, that tough, plainspoken, fearless man who had the capacity to make decisions and who will be treated with far greater kindness by the historic chroniclers of the future than he was treated by the hysterical chronics of his time.

And it is the party that produced that man of abiding honor and towering patriotism whose dedicated years of inspired and responsible service to his Nation have earned for him a place unique in history and unrivalled in the hearts of his countrymen, SAM RAYBURN of Bonham, Tex.

GREATER TOMORROWS

We could go on and on with a recitation of the programs and personalities produced by this party of innovation. But you did not come here today to hear a recital of past achievements and faded glories. We are not here to dwell upon the imperishable pages of our past, for ours is the party of hope and not of memory. Rather than looking back to great yesterdays, we must look forward to greater tomorrows.

We are here today to choose delegates to our national convention and to play our part in the selection of the next President of the United States.

It is a great moment, and an awesome moment. New problems call for new solutions. Complex challenges call for creative thinking. The problems and the challenges dwarf the concepts of the stereotyped past.

Gone forever are the days of which William McKinley spoke when he said that every town of 10,000 people in America had at least 10 men who could serve creditably as President.

For the Presidency today is not merely a ceremonial office nor an empty honor to be awarded in the manner of a popularity prize. It is not a place for a campaign pitchman whose only original thought is to question the patriotism of his opponents. It is an office of fateful decision.

In an age of danger and opportunity, when yesterday's dream is today's reality and tomorrow's history, the decisions of the Presidency can quite literally mean the difference between life and death for millions of people. This is what makes our responsibility so great and so grave.

I have the faith to believe that when the Democratic National Convention meets in Los Angeles, it will be not only nominating a candidate but choosing a President.

I feel certain that this will be true if we demonstrate the good judgment to articulate a constructive program for the whole Nation and not just a part of it, and to nominate a standard bearer with the demonstrated capacity to lead our whole party and not just a segment of it—and perhaps more importantly still, to set forth a program and personality that can attract the confidence and enthusiastic support of that great bulk of plain vanilla Americans who are not actively affiliated with either major political party but upon whose decision the results of the election will unavoidably rest.

LYNDON B. JOHNSON

There are many of us—and a rapidly growing number of us in every part of the country—who are devotedly convinced that the highly developed skills and deeply dedicated leadership necessary to a truly great President as well as the national stature and universal respect, the organizational prowess and qualities of personality necessary to lead us to an overwhelming victory in November are preeminently present in the person of the great majority leader of the U.S. Senate, LYNDON B. JOHNSON of Texas and of America.

I invite you to look with me at the truly unusual qualifications of LYNDON B. JOHNSON.

To serve as a Member of the U.S. Senate is a great honor and an awesome responsibility. This select group of 100 men has been called the world's most exclusive club. Certainly it is the world's most powerful legislative body. But LYNDON JOHNSON is much more than merely another Member of the Senate.

To be chosen by one's colleagues as their leader is an even greater honor and an even more overpowering responsibility. SAM RAYBURN has a saying that the Members of Congress are the most critical jury in the world, that each Member's qualities are shrewdly judged by those who work with him day in and day out. But LYNDON JOHNSON has been much more than just another Senate majority leader.

When elevated to this position of respect and responsibility at the age of 44, he was the youngest man ever so honored by his colleagues in either party. And I think no serious student of history will quarrel with me when I say that LYNDON JOHNSON, by the uncontestable proof of his record of accomplishment, has been the most effective majority leader certainly in the past 50 years, and probably in the entire history of the United States. But LYNDON JOHNSON is more than this.

In a party known for its divergent interests, LYNDON JOHNSON has demonstrated a historically unrivalled capacity to weld together the divergent factions into one united and fairly harmonious whole. He alone with his extraordinary gifts of leadership and conciliation has drawn together in the Senate the forces of city and of farm, of north and south and east and west, and led them together up a constructive path of solid achievement.

This is the unique JOHNSON characteristic, his incredible ability to find solutions to great problems which have baffled others and remained unsolved often for decades.

Here is a man who has placed achievement above argument, solutions above strife, action above oratory, service above sectional discord, and his Nation's interests first and last and above every other consideration.

Is his the kind of leadership the American people want? He, along with Speaker RAYBURN, has authored and directed the record of the Democrats in Congress upon which our Nation's public have three times in the past three congressional elections placed the stamp of their wholehearted approval, electing ever-increasing Democratic majorities each successive time.

And they will crown our efforts with approval if jointly we behave as responsibly in Los Angeles.

DEMANDS OF THE TIMES

The times are demanding the best that we have. They are demanding leadership that can stand up to Khrushchev either in negotiation or in the arena of world opinion, and not come off second best.

They are demanding leadership which can keep our own country from being split into bitterly hostile camps upon the thorns of wicked controversy.

Dangerous times when our very survival is at stake are demanding leadership in whose sinews is the steel of firm resolve, to promise no slick and easy way but to call us to sacrifice if need be.

Unaccustomed times are demanding the imaginative leadership to use our burgeoning surpluses of agricultural commodities to feed the hungry and clothe the naked and serve as an effective instrument of friendship and peace rather than accumulating huge storage bills in the Nation's warehouses.

Careless times where shiny suburbs sprawl into congeries of congestion and cities of skyscrapers neglectfully decay into sickening slums of smog, soot, and urban ugliness.

Contradictory times where behind the angel in the advertisement and the convertible on the screen are concealed the bitter dilemma of the broken home and the stark futility of the unemployed.

Restless times in the world where the underfed, the underprivileged, the underdeveloped explode in emergence, hysterical in their quest for opportunity, humble in their search for decency.

Enlightened times when education becomes not just a school or a book but the essence, the soul, and the spirit of human values.

Tenacious times where the economic fallacies of restricted growth and tight money foolishly prevent the energetic enterprise necessary to enter the new decade.

These times are demanding leadership which can inspire a renewed sense of national vision, of national purpose, and of national effort.

The times are calling to this office a man of height and a man of depth, a man of brilliantly youthful imagination but steeped in nature and seasoned judgment, a man capable both of hardened steel and of gentle velvet, a man of action and a man of reason.

No longer can we think in the old outworn cliches of blocs and groups and factions and sections. America has outgrown this threadbare approach. The Nation's future is one. Its potential is indivisible. It cries out for leadership of a broader vision.

The office is indeed seeking the man. Impressive support is rallying from every part of the country. For we are seeking a President to serve all of America and all the people of America. It is no longer a question of where a man lives, but where he stands. The American people are not concerned about where a man comes from; they want to know where he is going.

And with your help, I have the feeling that LYNDON JOHNSON and a Democratic administration, on a ticket bought and purchased by the American people, are going to the White House next January.

If you should feel slightly cheated in having listened through a Democratic keynote speech that did not beat the bones of Calvin Coolidge and berate the memory of Herbert Hoover: these omissions have occurred because I've felt that there were more important things to talk about.

If you should think it strange that I have not excoriated the so-called modern Republicans for their lack of vision, their lack of direction, their lack of compassion, the loss of momentum we have suffered in the national product, the loss of initiative we have suffered in world affairs, the failures of the present Republican administration: it is because I did not come to speak of failures.

It is not a time for frantic denunciations or superficial solutions or intemperate boasting. It is a time for dedication.

May we think not alone upon how bad they are—but upon how good we need to be. Let us not merely pray that we shall win, but let us pray that we may deserve to win.

For in performance only can there be reward; in vision can there be fulfillment; and in service to our fellow men come the victories of life.

Deportation of the Lithuanian People in 1940

EXTENSION OF REMARKS
OF
HON. DANIEL J. FLOOD
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 17, 1960

Mr. FLOOD. Mr. Speaker, the Lithuanians are the most numerous of the Baltic peoples, and among these they are the best known in the West. These 3 million rugged and sturdy souls endured the oppressive alien yoke in their homeland for centuries, and in 1919 they succeeded in regaining their independence. But the independence thus earned did not last long, for during part of the time when they were masters of their fate, they were surrounded by aggressive dictators—in Nazi Germany and Communist Russia. And the treacherous designs of Communist Russia proved fatal to the freedom of the Lithuanian people.

Early in 1940 Lithuania was attacked, invaded and occupied by the Soviet Red Army. The country was then incorporated into the Soviet Union, and the people enslaved. But the Soviet authorities did more than that in their effort to subdue the Lithuanian people. They arrested more than 100,000 Lithuanians and deported them, under indescribable circumstances, to distant regions of the Soviet Union. That inhuman act was performed by Soviet authorities in June of 1940, and it is that event which is being observed today.

An Inspiring Service Story

EXTENSION OF REMARKS
OF
HON. ED EDMONDSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 17, 1960

Mr. EDMONDSON. Mr. Speaker, a young Oklahoman named Floyd Eugene Goines probably owes his life today to the alertness and humanitarian spirit of two great services—the U.S. Air Force and the U.S. Navy.

An Air Force veteran who is a skindiver by profession, young Goines was hastened to a Tahlequah, Okla., hospital early this week, suffering from acute decompression sickness as a result of an accelerated return to the surface after an 85-foot dive in Tenhiller Lake.

The physician attending young Goines, Dr. Herbert Masters, of Tahlequah, soon concluded that it was imperative to transport the young man immediately to a decompression chamber to avert death or possible permanent paralysis. At the time of Dr. Master's diagnosis Goines was paralyzed on one side and in acute pain.

The Tahlequah doctor telephoned the Navy's submarine base at New London, Conn., where doctors speedily agreed that the decompression treatment was urgently needed, and offered Navy decompression facilities to the young veteran.

The immediate problem was emergency transportation from Oklahoma, with physicians in agreement that even minutes of delay could be critical in young Goines' chances for survival.

At midnight on last Monday, I was called by long distance telephone from Muskogee, Okla., by County Attorney John Luton, who told me of the emergency and asked for help in obtaining a night flight to New London.

A call to Dr. Masters confirmed the urgency of the matter and also brought news that the plane provided would require pressurization, oxygen supply, and medical attendance, since Goines' condition was becoming increasingly critical.

I then placed a call to Maj. Gen. Thomas P. Gerrity at Tinker Airbase in Oklahoma City, and advised the general personally of the emergency.

General Gerrity's response was immediate and heartwarming. He said he would endeavor at once to assemble a crew with a doctor and a nurse for the mercy flight.

This was at midnight, e.d.s.t.

At 1:30 a.m., c.s.t., an Air Force plane took off from Tinker with young Goines aboard, after a 170-mile ambulance trip from Tahlequah to Oklahoma City.

At 9:57 a.m., e.d.s.t., the patient was in the decompression chamber at the Navy School of Deep Sea Diving here in Washington, under the expert care of Navy doctors and hospitalmen familiar with his injury.

Hospitalman 1/c Roger Christenson was in the tank with him on a 38-hour assignment that later was to send Christenson back to decompression for 4 hours himself, with a mild case of resulting "bends."

Under the watchful eyes of Comdr. J. C. McNicol, USNR, Lt. Comdr. Emmett W. Carpenter, USN, and a team of three Navy doctors, Goines was carefully moved through the critical stages of compression and decompression to dissolve the painful air embolism creating paralysis.

Thirty-eight hours later, he walked out of the tank, with only a slight weakness in one hand as a souvenir of his harrowing experience.

His recovery is the direct result of the generous and humanitarian service, beyond the call of duty, of our Navy and Air Force officers and men. We can be very proud of what they have done.

One of the splendid and commendable customs of our armed services in general is their demonstrated willingness, and generous readiness, to lend assistance to people who are the victims of disaster.

I believe every American is proud of this humanitarian custom, which is in the highest tradition of our country and its great heritage.

My personal thanks and congratulations are extended to all who helped to continue this tradition, in the case of Floyd Eugene Goines.

Pending Old-Age Health Benefit Legislation—How the States Would Share Federal Cost and Payments

EXTENSION OF REMARKS
OF
HON. BURR P. HARRISON
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Friday, June 17, 1960

Mr. HARRISON. Mr. Speaker, the Social Security Amendments of 1960 (H.R. 12580) include a proposed new title XVI of the Social Security Act which would authorize Federal payments to the States toward the cost of providing certain health-care benefits to elderly citizens classified as medically indigent.

Table "A" on page 11 of the committee report on H.R. 12580—House Report 1799—breaks down by States the esti-

mated annual amounts of Federal funds which would become available to the States under the proposed title XVI for provision of medical services to the aged not covered by the old-age assistance program.

As we prepare to consider this legislation in the House, it is of interest to compare this breakdown with estimated State-by-State contributions to the Federal cost of the program as computed by the formula used by Tax Foundation, Inc., in its allocation of the Federal net budget tax burden, published in "Facts and Figures on Government Finance."

I include a table presenting these shares in rounded dollar amounts and percentages:

Estimated annual shares of the States in the Federal cost of the proposed medical services for the aged program (title XVI)

State	Percent of total estimated to be payable	Percent of Federal tax burden borne by State [1]	Federal share estimated to be payable	Estimated share of Federal cost borne by State [2]	State	Percent of total estimated to be payable	Percent of Federal tax burden borne by State [1]	Federal share estimated to be payable	Estimated share of Federal cost borne by State [2]
United States	100	100	$165,450,000	$165,450,000	Missouri	0.34	2.31	$567,000	$3,821,895
					Montana	.02	.31	35,000	512,895
Alabama	.02	.97	39,000	1,604,865	Nebraska	.88	.61	1,455,000	1,009,245
Alaska	.0006	.12	1,000	198,540	Nevada	.037	.20	62,000	330,900
Arizona	.008	.56	13,000	926,520	New Hampshire	.76	.32	1,264,000	529,440
Arkansas	.018	.45	29,000	744,525	New Jersey	8.84	4.28	14,624,000	7,081,260
California	4.8	10.39	7,956,000	17,190,255	New Mexico	.006	.37	10,000	612,165
Colorado	.29	.91	477,000	1,505,595	New York	30.76	13.56	50,885,000	22,435,020
Connecticut	4.8	2.20	7,992,000	3,639,900	North Carolina	.57	1.41	95,000	2,332,845
Delaware	.02	.60	38,000	992,700	North Dakota	.19	.22	314,000	363,990
District of Columbia	.086	.68	144,000	1,125,060	Ohio	3.32	5.85	5,501,000	9,678,825
Florida	.23	2.48	386,000	4,103,160	Oklahoma	.61	.99	102,000	1,637,955
Georgia	.009	1.31	15,000	2,167,395	Oregon	1.87	.86	3,101,000	1,422,870
Hawaii	.035	.30	59,000	496,350	Pennsylvania	2.81	7.22	4,655,000	11,945,490
Idaho	.021	.25	36,000	413,625	Rhode Island	.82	.53	1,355,000	876,885
Illinois	11.5	7.23	19,008,000	11,962,035	South Carolina	.0036	.61	6,000	1,009,245
Indiana	3.7	2.35	6,699,000	3,888,075	South Dakota	.0048	.21	8,000	347,445
Iowa	.14	1.15	241,000	1,902,675	Tennessee	.014	1.16	23,000	1,919,220
Kansas	1.0	.99	1,684,000	1,637,955	Texas	.097	4.34	161,000	7,180,530
Kentucky	.0097	1.09	16,000	1,803,405	Utah	.02	.36	39,000	595,620
Louisiana	.085	1.20	141,000	1,985,400	Vermont	.03	.18	55,000	297,810
Maine	.3	.43	488,000	711,435	Virginia	.41	1.68	679,000	2,779,560
Maryland	.72	1.90	1,196,000	3,143,550	Washington	2.85	1.54	4,718,000	2,547,930
Massachusetts	8.5	3.47	14,077,000	5,741,115	West Virginia	.087	.76	144,000	1,257,420
Michigan	2.0	4.74	3,227,000	7,842,330	Wisconsin	3.96	2.08	6,552,000	3,441,360
Minnesota	3.02	1.65	4,999,000	2,729,925	Wyoming	.044	.17	73,000	281,265
Mississippi	.004	.45	6,000	744,525					

[1] Based on allocation of the Federal net budget tax burden, Tax Foundation, Inc., formula.

[2] Tax Foundation, Inc., formula applied to estimated Federal cost of program.

The foregoing figures may have some interesting individual comparisons. Connecticut and California each will draw about $8 million for medical benefits, but Connecticut's share of the tax contribution is $3.6 million, whereas California's share is $17.19 million.

New Jersey contributes 4.28 percent of the tax burden, and Michigan contributes 4.74 percent of the same burden. Yet, New Jersey will receive 8.84 percent of the benefits and Michigan 2.0 percent.

Four States will receive more than half of the money payable for medical benefits:

	Percentage of benefits	Percentage of tax costs	Dollar benefits	Dollar tax cost
Connecticut	4.8	2.20	$7,992,000	$3,640,000
Massachusetts	8.5	3.47	14,077,000	5,741,000
New Jersey	8.84	4.28	14,624,000	7,081,000
New York	30.76	13.56	50,885,000	22,435,000
Total	52.90	23.51	87,578,000	38,897,000

Four other States which contribute in the tax burden about the same as the foregoing favored States receive a great deal less.

	Percentage of benefits	Percentage of tax costs	Dollar benefits	Dollar tax cost
California	4.8	10.39	$7,956,000	$17,190,000
Michigan	2.0	4.74	3,227,000	7,842,000
Ohio	3.32	5.85	5,501,000	9,679,000
Missouri	.34	2.31	567,000	3,821,000
Total	10.46	23.29	17,251,000	38,532,000

The six States of Connecticut, Illinois, Massachusetts, New Jersey, New York, and Wisconsin get 68.36 percent of the benefits while paying 41.01 percent of the proportionate taxes.

New York, which contributes 13.56 percent of the tax burden, receives 30.76 percent of the benefits, which, percentagewise, is more than nine times as much as 28 States and the District of Columbia, which receive a total of 3.35 percent of the benefits and contribute 28.24 percent of the taxes. New York gets $50,885,000 in benefits, whereas all 29 of these jurisdictions get $4,758,000 of benefits. The 29 are: Alabama, Alaska, Arizona, Arkansas, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Iowa, Kentucky, Louisiana, Maryland, Mississippi, Missouri, Montana, Nevada, New Mexico, North Carolina, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, and Wyoming.

West Virginia Wesleyan College

EXTENSION OF REMARKS

OF

HON. KEN HECHLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 17, 1960

Mr. HECHLER. Mr. Speaker, as an educator and one who believes that education is vital to our national security, I am proud to call attention to the recent achievements of West Virginia Wesleyan College at Buckhannon, W. Va., and to discuss some of its accomplishments.

To my mind, West Virginia Wesleyan is a good example of the way our smaller, independent liberal arts colleges can share in the tremendous growth in the number of college students which is now taking place, and yet not sacrifice the intimacy, the ability to give special instruction and individual attention, and the pleasant small-college atmosphere.

West Virginia Wesleyan has a recent history of orderly and well-planned growth. Its student enrollment has doubled over the past 7 years, rising from 502 students in 1953–54 to 1059 in 1959–60. Yet the annual increase has never totaled more than 176 students in any one year, enabling the college's administration to make responsible plans for the increased student load. This is a far cry from the picture in some colleges, which have accepted a swelling tide of new students without making adequate plans for their training and care. Wise future planning envisioning a maximum student body of 1,250 also has been undertaken and approved.

The college is making serious efforts to attract the higher caliber student who can benefit most from the type of training West Virginia Wesleyan has to offer. Of 561 applications received for the 1960–61 school year—compared with 371 the year before—344 have been approved. Of this number, 53 of the students ranked in the top 10 percent of their high school class, and all but 54 in the top half. The school is hoping to add a special admissions counselor this year to insure even better screening and selection of future applicants.

As with most such institutions, this growth has created a strain on physical facilities. But the college is meeting this challenge with an excellent long-range plan which envisions renovation, and enlargement of the physical plant, which I might point out is one of the most beautiful in the entire State. An active campaign to raise funds on a national basis for a new athletic and physical education center is under way, and I feel certain that this drive will be successful, for the college has enjoyed a reputation in sports far beyond its small enrollment in the past.

Most importantly, however, West Virginia Wesleyan is recognizing the fact that more teachers are needed to cope with the growing student body. This year, 17 new faculty members have been added, and the total faculty now stands at 57 members. This figures to a student-faculty ratio of 20.5, a very commendable figure, and a reduction from 25.0 in 1955.

The college is busy with other plans also. A projection has been made to bring the first graduate-level courses to the college by establishment of a graduate school of religion. Since 140 of Wesleyan's students are enrolled in preministerial study or religious education, this is certain to improve the level of training and the service to the Methodist Church, which controls the college.

A special project also is underway to encourage faculty members to publish more papers and research projects, and to stimulate undergraduate students to assist in their preparation. This program has been highly successful in its 2 years of existence, with more than 35 publications coming from the college in that time. In addition, Wesleyan students were responsible for 8 of 17 papers read at the recent West Virginia Academy of Sciences conference.

These are only a few examples of the well coordinated program that is taking place at West Virginia Wesleyan. I feel certain that this excellent little college, now in its 71st year of existence, will continue to prosper under the able leadership of its president, Stanley H. Martin, and will bring continuing credit to its administration and to the State of West Virginia.

Flag Day Program Sponsored by the Altoona Little League, Inc., Altoona, Pa., June 15, 1960

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 17, 1960

Mr. VAN ZANDT. Mr. Speaker, one of the many Flag Day observances in Pennsylvania was that sponsored by the Altoona Little League, Inc., at the Little League baseball field located in Altoona, Pa., on Wednesday, June 15, 1960, at 6 p.m.

The officials of the Little League headed by Joseph J. Riley are doing a tremendous job in fathering the six-team little baseball league which has the interest of some 90 little leaguers. The league schedule involves 40 games during the months of May, June and July after which an all-star team takes part in State competition among little leaguers.

It was my privilege to present the Altoona Little League with a 50-star flag at which time I delivered the following address:

ADDRESS BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT FLAG DAY PROGRAM, SPONSORED BY ALTOONA LITTLE LEAGUE INC., LITTLE LEAGUE BASEBALL FIELD, JAGGARD STREET AND LOGAN AVENUE, ALTOONA, PA., WEDNESDAY, JUNE 15, 1960

It is a pleasure to participate in the observance of National Little League Week and to appear on this special Flag Day program sponsored by Altoona Little League Baseball, Inc.

The flag of our country provides one of the most dramatic chapters in U.S. history.

The emblem of the Stars and Stripes has always been a colorful reflection of American progress—yesterday, today and tomorrow.

That is why this is a very special occasion.

It marks the presentation of a new 50-star flag which may be officially flown for the first time at 12:01 a.m. on July 4, 1960.

It is my hope that each one of you will remember for a long time the significance of this occasion and what is done and said here.

History tells us that Betsy Ross, an expert needlewoman living in Philadelphia, made the first stars and stripes flag.

According to the popular story, in June 1776, shortly before the Declaration of Independence was signed, Betsy Ross received a call from three American leaders—George Washington, Col. George Ross and Robert Morris.

Those men told Betsy Ross that they were a committee from Congress and that they wanted her to make an American flag for them.

She replied: "I don't know whether I can, but I'll try."

George Washington then showed her a rough sketch for a flag.

After some changes were made Betsy Ross began sewing together some bright colored red, white and blue coth.

When she finished it the flag had 13 stripes—7 red and 6 white stripes—and a circle of 13 white stars on a field of blue in the upper lefthand corner.

George Washington and his committee approved the flag and Congress adopted it as the first official emblem of the United States on June 14, 1777.

Now, not all historians agree on the details of the Betsy Ross story but the fact remains that the Stars and Stripes flag is more than 180 years old.

The flag has changed as our country grew.

At one time it had 15 stripes instead of 13.

And as each new State came into the Union a new star was added to the flag.

Today the flag has 49 stars—and 13 stripes.

Within a few weeks or on July 4, 1960, the flag will have 50 stars denoting the latest new State—Hawaii.

Every detail and every color in the United States flag has a meaning.

Our flag tells a stirring story.

Each star is an emblem of struggles and toil, danger and hardship, suffering and privation to win a new State from the wilderness.

The 13 stripes, representing the Thirteen Original States, recall the history of the bitter 6-year struggle in the Revolutionary War during which the Colonies stood side by side and fought for freedom.

They won that war, so the 13 stripes tell us that in union there is strength.

There have been many interpretations for the colors in our flag.

Some people say that the red stands for the courage with which Americans have always defended the United States—our way of life.

The white in the flag has been likened to the purity of our ideals—freedom, liberty, justice, and the right of every American to worship God according to that person's own convictions.

And the blue color has been described as symbolizing our loyalty and strong desire for peace.

The flag is very much a part of our lives.

It is displayed in our courts and schools and churches.

It flies proudly from our buildings.

It is in our homes.

Every one of our ships sailing the seven seas carries the U.S. flag.

We can never forget the flag.

We should always respect it because it stands for everything we have, everything we are, and everything we hope to become.

These are some of the reasons in my capacity as your Representative in Congress that I am presenting to you this new and beautiful 50-star flag.

It is a proud moment to be paying you the highest honor possible in this free land of ours.

That honor is presenting to you this gift—the Stars and Stripes of the United States of America.

PLEDGE OF ALLEGIANCE

"I pledge allegiance to the flag of the United States of America,
And to the Republic for which it stands,
One Nation under God, indivisible,
With liberty and justice for all."

Edward R. Devlin

EXTENSION OF REMARKS

OF

HON. HERMAN TOLL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 17, 1960

Mr. TOLL. Mr. Speaker, on behalf of my colleagues, the Honorables WILLIAM A. BARRETT, JAMES A. BYRNE, KATHRYN E. GRANAHAN, ROBERT N. C. NIX, and myself, I rise to pay tribute to the life and works of a good friend, a great public servant, and a dedicated American, the Honorable Edward R. Devlin. He was only 43 years of age when he passed away on June 12, 1960, in the Nazareth Hospital of Philadelphia, Pa. He was buried on June 15, 1960, in the Resurrection Cemetery, Cornwell Heights, near Philadelphia.

At the time of his death Ed Devlin was first deputy State secretary of revenue, having been appointed by Gov. David L. Lawrence in March of 1959. Prior to that time he served as deputy

register of wills of Philadelphia. He served in the Army of World War II and was a member of the American Legion. Since 1957 he had been the leader of the 57th ward.

Ed is survived by his wife, Mary Devlin, a sister of the Honorable WILLIAM J. GREEN, JR., chairman of the Democratic city committee of Philadelphia and Member of Congress from the Fifth District of Pennsylvania. He is also survived by four sons, Edward R., Jr., John Patrick, Terrence, and William, and a daughter, Mary, all of the home address, 8301 Algon Avenue, Philadelphia. In addition, he is survived by his mother, Mrs. Edward R. Devlin, Sr., and four sisters.

Ed was an amiable and faithful public servant and was extremely well liked and respected by the citizens of our city. He will be greatly missed by his family, his friends, and the community he served so faithfully.

SENATE

SATURDAY, JUNE 18, 1960

The Senate met at 10 o'clock a.m., and was called to order by Senator MIKE MANSFIELD, of Montana.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Eternal Father, whose sheltering wings of might and mercy are the protection of Thy children, we come with the blessed assurance that—

From every stormy wind that blows,
From every swelling tide of woes,
There is a calm, a sure retreat,
'Tis found beneath the mercy seat.

When in our hours of greatest vision we glimpse the opulent riches of Thy grace—ours for the taking—we stand ashamed of our spiritual poverty.

Dowered with privileges as no other nation, may our high estate be to us Thy call to protect the weak and the exploited, that through the potent ministry of our dear land, all peoples of the earth may be blessed.

Above all other besetting sins, save us by our attitudes and our actions from vetoing our own prayers. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 18, 1960.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. MIKE MANSFIELD, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. MANSFIELD thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 17, 1960, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 12619) making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 12619) making appropriations for Mutual Security and related agencies for the fiscal year ending June 30, 1961, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESOLUTION OF BOARD OF DIRECTORS, KANSAS COUNCIL OF WOMEN

Mr. CARLSON. Mr. President, the Kansas Council of Women, at a recent meeting of the board of directors, approved a resolution requesting the preservation of the Huron Cemetery in Kansas City, Kans., as a national historic shrine.

Kansas is filled with historic spots where Indian history was made and none is more historic than the Huron Cemetery.

I ask unanimous consent that the resolution be printed in the RECORD and referred to the appropriate committee.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs and ordered to be printed in the RECORD, as follows:

The Kansas Council of Women is a group organization which represents 32 of the major women's organizations in this State.

Through these individual organizations are represented some 500,000 active and interested and alert women in the State of Kansas.

Through action in our board of directors meeting, and in our annual meeting, it was resolved that the president request, and express the sentiment of this group, that Huron Cemetery in Kansas City, Kans., be held as a national historic site, as a preservation of early Indian history.

MRS. MARK BRAWLEY,
President, Kansas Council of Women.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, with amendments:

H.R. 9662. An act to make technical revisions in the income tax provisions of the Internal Revenue Code of 1954 relating to estates, trusts, partners, and partnerships, and for other purposes (Rept. No. 1616).

ADDITIONAL FUNDS FOR COMMITTEE ON APPROPRIATIONS

Mr. HAYDEN, from the Committee on Appropriations, reported an original resolution (S. Res. 335) to provide additional funds for the Committee on Appropriations, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-sixth Congress, $5,000 in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946, Senate Resolution 137, agreed to July 6, 1959, and Senate Resolution 282, agreed to April 11, 1960.

BILLS INTRODUCED

Bill were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BENNETT:

S. 3696. A bill to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc; to the Committee on Finance.

By Mr. DODD:

S. 3697. A bill for the relief of Antonio Joaquim da Silva Aresta; to the Committee on the Judiciary.

By Mr. KERR:

S. 3698. A bill to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc; to the Committee on Finance.

(See the remarks of Mr. KERR when he introduced the above bill, which appear under a separate heading.)

RESOLUTIONS

ADDITIONAL FUNDS FOR COMMITTEE ON APPROPRIATIONS

Mr. HAYDEN, from the Committee on Appropriations, reported an original resolution (S. Res. 335) to provide additional funds for the Committee on Appropriations, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. HAYDEN, which appears under the heading "Reports of Committees.")

GREETINGS TO MISS HELEN KELLER ON HER EIGHTIETH BIRTHDAY

Mr. HILL (for himself and Mr. SPARKMAN) submitted an original resolution (S. Res. 336) extending greetings to Miss Helen Keller on the occasion of her 80th birthday, which was referred to the Committee on Labor and Public Welfare.

(See the above resolution printed in full when submitted by Mr. HILL, which appears under a separate heading.)

IMPORT REGULATIONS ON LEAD AND ZINC

Mr. KERR. Mr. President, I introduce a bill with respect to import regulations on lead and zinc and ask that it be appropriately referred.

I desire also to give notice that it is my intention to offer this bill as an amendment to one of the bills which will likely be considered by the Finance Committee in the near future and which have heretofore passed the House. The distinguished chairman of the Ways and Means Committee has been made aware of this proposal and has agreed that it will be given a courteous and thoughtful reception in conference.

In August of 1959 I introduced, and the Senate unanimously adopted, Senate Resolution 162. This resolution, in effect, requested the Tariff Commission to make a finding as to the levels of production necessary to assure a sound and stable lead and zinc mining industry in the United States.

While only two of the six members of the Tariff Commission chose to answer the Senate request, the other four feeling that the Senate did not have the right to ask them for that kind of information, the minority statement presented what seems to be a profound and well-reasoned solution to the problem. The Commission held hearings and studied the matter thoroughly and they were unanimous in their finding that the present rigid quotas should be replaced. May I read a couple of quotations from the unanimous finding of the Commission—for although four members of the Commission refused to tell us what the quotas should be replaced with, they did say in no uncertain terms that they were not the solution.

I quote from pages 109 and 110 of the report of March 1960:

> The quotas are rigid and inflexible * * * and have tended to increase, rather than to reduce instability of market prices, and thereby to thwart the best interests both of domestic producers and consumers of lead and zinc. The system of import quotas has been discriminatory in its effects upon various producers, importers, and consumers, and has created unusual difficulties for some while it has brought windfall advantages to others. * * * Finally, import quotas have seriously interfered with normal trade relations between smelters or importers and their suppliers and between producers or importers and their customers, thereby forcing unusual, unnatural, vexing, and often uneconomic, adjustments.

Now, Mr. President, there can be little doubt that the present quota system should be replaced immediately. But with what?

Between 1953 and 1959 the Tariff Commission made three studies, held three hearings, and in each case made a unanimous finding of injury. On two of these occasions the Commission made recommendations of proper levels of protection. In this last Commission report the well-thoughout-out suggestions of the minority that chose to respond to Senate request were not far from the recommendations made earlier.

Now my bill is similar in most respects to those recommendations, but it also includes parts of—and is similar to—the administration sponsored bill of 2 years ago. It is a most reasonable adjustment of the features of the administration proposal and the Tariff Commission suggestions. It is a most moderate proposal and one that I feel confident the President would accept, yet it gives to our well-nigh prostrate mining industry an incentive to get back to work on a basis that will give the owners and workers a chance to show what they can do. It would give some stability to the mining and smelting organizations, something they have not had for many years.

The rates proposed in this bill follow closely the rates proposed by the administration sponsored bill of late 1957, and follow as closely the suggestions in the Tariff Commission report of March 1960. The removable tax feature is in line with the principles of the administration bill.

The bill would put a fixed duty on lead of 2 cents per pound, plus a removable additional duty of 1 cent per pound. The 1 cent removable duty would go on when the price of lead fell below 13½ cents and be taken off when the price reached 14½ cents.

It would put a fixed duty of 1½ cents a pound on zinc plus an additional duty of 1 cent per pound which would be applied when the price of zinc was below 12½ cents and be removed when the price of zinc reached 13½ cents.

The fixed duty on the lead content of ore would be 1.4 cents per pound with a removable additional duty of 0.7 cent per pound. The fixed duty on the zinc content of ore would be 1.05—one and five hundredths—cents per pound plus a removable additional duty of 0.7 cent per pound.

These rates on the metal content of the ores are also in line with the 1960 suggestions of the minority of the Tariff Commission and it will be noted that the combined duty on lead and zinc metals in ores would be identical with that suggested in the same report.

The bill would establish on all lead and zinc products practically the same rates as those recommended by the administration in its proposal of 1957.

Mr. President, I hope we can now settle this long debated issue and I urge that the Senators give it their close scrutiny so that when and if it comes to the floor they will be acquainted with it.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3698) to amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc, introduced by Mr. KERR, was received, read twice by its title, and referred to the Committee on Finance.

GREETINGS TO MISS HELEN KELLER ON HER 80TH BIRTHDAY

Mr. HILL. Mr. President, the 27th day of this month marks the 80th anniversary of the birth of a most remarkable and gentle lady who is loved and respected by people throughout the world.

She is the champion and wonderful inspiration to handicapped peoples everywhere and there is no need for me here to recite in detail the history and accomplishments of Miss Helen Keller.

All of us here today easily call to mind the story of the infant in Tuscumbia, Ala., made blind and deaf by disease and imprisoned, as she later called it, in a "no world."

All of us remember the challenging, inspiring story of how this pitiful child emerged into womanhood and how through her own determination and faith and through the patient understanding and devotion of a dedicated teacher, Miss Anne Sullivan, she won her magnificent victory over darkness and defeat.

Miss Keller's personal victory turned her life and ambitions to the service of others. As she has written:

> The more we try to help each other and make life brighter, the happier we shall be.

With this philosophy as her guide, Helen Keller has for more than half a century employed the symbol of her own hope and faith to the benefit of millions of her fellow handicapped in America and throughout the world.

And now, as one interviewer wrote in recent weeks:

> Helen Keller's life grows long, but from her dark, still world she radiates a bright young happiness that is absolutely contagious. It infects the people around her and fills her home with laughter.

Is it any wonder that with tremendous pride we in her native State of Alabama claim Helen Keller as our own?

Mr. President, on behalf of myself and my colleague, the junior Senator from Alabama [Mr. SPARKMAN], I submit, for appropriate reference, a resolution to express on the occasion of her 80th birthday some measure of the abiding admiration and deep respect which we all feel for Miss Helen Keller.

The ACTING PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 336) was referred to the Committee on Labor and Public Welfare, as follows:

> Whereas Miss Helen Keller will celebrate her eightieth birthday on June 27, 1960; and
>
> Whereas this remarkable woman, stricken deaf and blind in infancy, has for more than fifty years tirelessly devoted herself to the battle for the economic, cultural, and social advancement of the physically handicapped throughout the world, making her own conquest of disabilities a symbol of hope for millions; and
>
> Whereas in her long and faithful association with the American Foundation for Overseas Blind she has traveled to more than a score of nations throughout the world; and
>
> Whereas in all these travels she has inspired immeasurable progress in services to the blind, the deaf, and the deaf-blind, and has won countless new friends for the United States of America and the cause of democracy and freedom; and
>
> Whereas Congress and the Chief Executive have expressed deep concern in improvement of conditions among the physically handicapped, and have initiated constantly expending programs to this worthwhile end: Now, therefore, be it
>
> *Resolved*, That, in recognition of the vast contributions made by Miss Helen Keller to the well-being of all humanity, the Senate hereby extends its greetings and best wishes to Miss Keller on the occasion of her

eightieth birthday, which will occur on June 27, 1960.

SEC. 2. The Secretary of the Senate is directed to transmit to Miss Helen Keller a copy of this resolution.

INCREASE OF PUBLIC DEBT LIMIT AND EXTENSION OF EXISTING CORPORATE NORMAL-TAX RATE AND EXCISE-TAX RATES—AMENDMENTS

Mr. GORE submitted an amendment, intended to be proposed by him to the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain excise tax rates, which was ordered to lie on the table and to be printed.

Mr. LONG of Louisiana (for himself and Mr. EASTLAND) submitted an amendment, intended to be proposed by them, jointly, to House bill 12381, supra, which was ordered to lie on the table and to be printed.

PRINTING OF REPORT ON WESTFIELD RIVER, MASS. (S. DOC. NO. 109)

Mr. CHAVEZ. Mr. President, I present a letter from the Secretary of the Army, transmitting a report dated June 16, 1960, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on an interim report on Westfield River, Mass., requested by a resolution of the Committee on Public Works, U.S. Senate, adopted September 14, 1955.

I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HEALTH FACILITIES AND TRAINING ACT OF 1960—ADDITIONAL COSPONSOR OF BILL

Mr. JAVITS. Mr. President, I ask unanimous consent that the name of the Senator from Kentucky [Mr. COOPER] may be added as an additional cosponsor of Senate bill 3680, the Health Facilities and Training Act of 1960, introduced by me, for myself and the Senator from New Jersey [Mr. CASE], on June 16, 1960.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF SMALL BUSINESS ACT—ADDITIONAL COSPONSORS OF BILL

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the senior Senator from Minnesota [Mr. HUMPHREY] may be added as a cosponsor of the small business bill I introduced 2 days ago, Senate bill 3689.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TWENTY-FIFTH ANNIVERSARY OF THE SOCIAL SECURITY SYSTEM

Mr. JOHNSON of Texas. Mr. President, tomorrow will mark the 25th anniversary of one of the most important steps the Senate ever took. On June 19, 1935, the Senate passed the bill which became the Social Security Act of 1935.

When President Franklin D. Roosevelt signed the measure later the same year, he said:

> Today a hope of many years' standing is in large part fulfilled. If the Congress in this long and arduous session had done nothing more than pass this bill, this session would be regarded as historic for all time.

President Roosevelt did not overstate the case. For the first time in our history, our Nation recognized the fact that there was a collective responsibility to our senior citizens, not a responsibility of charity, but a responsibility of helping them sustain themselves in the late afternoon of life.

Social security has now become an integral part of our country's way of life. It is considered as American as apple pie. No one seriously challenges the concept that people in their productive years shall, with the assistance of their Government, set aside a portion of their earnings to be used to take care of them in their old age.

But in 1935 this concept was considered revolutionary. It embroiled the Congress in a lengthy debate involving such epithets as "socialization" and "dog tag regimentation."

I think I may be pardoned for having a deep feeling of pride that it was my party—the Democratic Party—that overwhelmingly supported the principal issue, the provision which has come to be known as the old-age and survivors insurance program. But, of course, this does not prevent me from welcoming with open arms the great majority of the members of the other party who, over the years, have become converted to social security.

In the quarter century since social security became law, we have distributed $52 billion in old-age and survivors insurance payments. In this day, when we discuss with perfect calm billions and hundreds of billions of dollars, this is certainly a small amount in comparison to the work these dollars have done.

The social security system has brought dignity and security to our senior citizens. It has helped remove the haunting fear of loss of productive ability which once hovered over them.

We have added to the self-respect of mankind.

Mr. President, in this 25th anniversary year we are engaged in another controversy revolving around the social security program. We are faced with the making of a decision as to whether to take another important step in eliminating the haunting insecurity of old age.

This time the issue involved is health care. We must face up to the fact that medical costs have risen constantly, whereas our senior citizens generally live on fixed incomes.

Mr. President, it is not my intention, as the majority leader of the Senate, to comment on legislation which is now pending and is shortly to be acted upon in the House of Representatives; but I do feel that this is the next major step the Congress must take, the next improvement for all Americans. I hope that before this session is over we shall build another strongroom on the foundation that was so well laid 25 years ago.

MEDICAL CARE COSTS REDUCE SENIOR CITIZENS TO POVERTY

Mr. PROXMIRE. Mr. President, daily there pour into my office letters from senior citizens of Wisconsin who tell the tragic story of elderly people who have been reduced to poverty and humiliation by medical costs which they simply cannot meet. These letters give the true life stories of American citizens who have worked hard all their lives and have looked forward to retirement, but now find that their reward at the end of the trail is loss of savings, loss of home, loss of dignity, and loss of any semblance of security the first time illness strikes.

Is this the pattern of life we want for our senior citizens? But this is the pattern that now exists; and we can change it only by prompt and effective legislation to provide adequate medical care for our senior citizens.

Mr. President, I hold in my hand a letter which illustrates the pattern. I ask unanimous consent that the letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> Your support of the Forand bill, H.R. 4700, would be greatly appreciated. I am retired on social security and a small pension.
>
> At the moment I am billed for $212 at the Milwaukee County Hospital for 8 days at $26.50 a day. We live in an old house over 50 years old with no bathroom. Do I have to sell our only home, such as it is, to take care of medical bills and ask for county relief? My wife has had a stroke and will need hospital care. What will I do then? I can tell you about other people who are also in the same fix. I have looked forward all my life to retirement after working as a machinest, but at this stage it does not look very cheerful.
>
> Respectfully,
>
> ANTON ZELLER.

WASTE IN THE DEFENSE DEPARTMENT

Mr. PROXMIRE. Mr. President, this morning there appears in the Washington Post an editorial which enthusiastically supports the position which was taken by the senior Senator from Illinois [Mr. DOUGLAS] in his excellent speech early this week. The editorial points out the appalling waste by the Defense Department because of its failure to follow competitive bidding practices, and because it follows instead, far too often, the procedure of negotiated bids, particularly from a sole source.

The editorial asks for specific action by the Congress, and concludes as follows:

> Few Members of the Senate have been more vigorous in their championship of a strong Defense Establishment than PAUL

DOUGLAS. There is nothing of parsimony or pacifism in his attack on waste and extravagance. He aims to strengthen national security. The appropriations committees ought to look into his accusations with the utmost care. Congress could soundly adopt as a motto: "Billions for defense but not 1 cent for ratholes."

Mr. President, I have introduced a small-business bill designed to some extent to meet this problem. It seems to have the concurrence of most members of the Banking and Currency Committee. That bill among other things would require the Defense Department to clear with the Small Business Administration all substantial contracts to assure the best possible prospect that small business might have a chance or an opportunity to bid competitively for the contract.

I ask unanimous consent that the editorial to which I have referred be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

APPALLING WASTE

The charge of "appalling waste" leveled at Defense Department procurement practices by Senator DOUGLAS is bolstered by particularity and by the Senator's own high reputation. The charge is a serious one, and the instances cited by the Senator are altogether shocking. Manifestly, the Defense Department should be called upon for a detailed explanation. And if the explanation is not satisfactory, there ought to be some housecleaning in the Pentagon.

Senator DOUGLAS gave 10 specific examples of egregious waste—among them a set of wrenches which, he said, cost the Army $29 and could be bought from a tool company for $3.89, and a lamp socket which cost the Navy $21.10, although it could be purchased for 25 cents in retail stores. "I believe," Mr. DOUGLAS told the Senate, "that as much as $2 billion to $3 billion a year could be saved by the Defense Department and could be and should be used for planes, tanks, guns, and missiles and Marine Corps and Army combat troops if there were the will to do so."

Few Members of the Senate have been more vigorous in their championship of a strong Defense Establishment than PAUL DOUGLAS. There is nothing of parsimony or pacifism in his attack on waste and extravagance. He aims to strengthen national security. The Appropriations Committees ought to look into his accusations with the utmost care. Congress could soundly adopt as a motto: "Billions for defense but not 1 cent for ratholes."

THE COUNTRY IS WAITING FOR ANOTHER INNOVATOR

Mr. PROXMIRE. Mr. President, Walter Lippmann, who, in my judgment, is certainly in the very first rank of the commentators—in fact, I may say he is in the very first rank of the adult educators of America—has contributed to the great Life magazine-New York Times debate on the national purpose an article which is up to his brilliant standard. In the article, Mr. Lippmann declares:

We have reached a point in our internal development and in our relations with the rest of the world where we have fulfilled and outlived most of what we used to regard as the program of our national purposes.

Mr. President, I find it interesting to note that in spelling out his position on the national debate, he makes some points which are extremely pertinent for consideration by the U.S. Senate this very day, as it considers the vitally important tax bill. Mr. Lippmann asserts how important it is for us to make the sacrifices we are called upon to make, to pay the taxes that we are called upon to pay, when we are facing the challenge we face.

In the article Mr. Lippmann writes:

The innovator for whom the country is waiting will not come with a new revelation of the ultimate ends and commitments of our society. The ultimate ends are fixed. The Nation is dedicated to freedom. It is dedicated to the rights of man and to government with the consent of the governed. The innovation which is now beginning, will be in the means, in the policies and programs, by which the ultimate ends of our free society can be realized today.

Mr. Lippmann points out that—

For the first time in American experience we are confronted with a rival power which denies the theory and the practice of our society, and which has forced upon us a competition for the leadership of the world.

Mr. President, a segment of Mr. Lippmann's article which I believe most pertinent to our consideration today is as follows:

As there is no chance that our immensely formidable rival will disarm or disappear, we shall have to live in the same world with him. We shall have to devise ways of protecting our vital interests, which are worldwide, and we shall have to do this without precipitating an insoluble crisis that would generate an inevitable war.

He feels that this will demand a deep reformulation of our foreign policy and a vast reeducation of American opinion. He points out:

The competition is in the whole field of national power. It is a competition not only in military power, but in all forms of power, the power to produce wealth and the power to use wealth for education, for the advancement of science and for public as well as private ends.

On our success in achieving military security by arms and by diplomacy depends our existence. Our ability to meet the challenge depends upon our success in learning to use our growing wealth for something more than just private satisfaction. It depends upon our being willing to use it for imponderable and immaterial ends, like science, education, and the public amenities.

To use increments of our growing wealth wisely and prudently for public and immaterial ends: that is the goal, so I believe, toward which are national purpose will now be directed.

We have to pay for defense, and there can be no dispute that we must pay for it. But we have also to be able and willing to pay for the things which cannot be consumed privately, such as the education of children, the development of beautiful cities and the advancement of knowledge. We have to be able and willing to pay for what is, to put it briefly, civilization itself.

Mr. President, I ask unanimous consent that this article on the great challenge to the American people, and I think a specific challenge to the U.S. Senate on this very day, be printed in full at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE COUNTRY IS WAITING FOR ANOTHER INNOVATOR

(By Walter Lippmann)

In a rather special sense Americans have always been a purposeful Nation. For the country is settled by the descendants of people who pulled up their roots in the old societies and crossed the wide ocean for a purpose. Always they came with a sense that they would make for themselves a better life in a new world. They believed that they had new work to do and that all who saw their example would be enlightened and inspired by it.

The bond of American union has not been piety and reverence for the past but a conviction of purpose and of the destiny it would bring for posterity. America has always been not only a country but a dream. There has always been a general and unquestioned belief that here on this soil there would be demonstrated to mankind the blessings of freedom: as the shackles and servitudes of the past were put away, there would arise a great and glorious society.

And so, until very recently at least, we have looked upon it as in the nature of things that for America nothing is finished, that this is a young Nation. Americans have been a Nation of exuberant optimists, sniffing the air with a buoyant feeling that it is the early morning and that it is good to be alive. Evil and perversities of fate were not more than obstacles to be gotten at and overcome.

There were no insoluble human problems. At the worst, there were problems that it might take a generation or two to master. It never occurred to Americans to ask whether they were going to survive. They had just begun to live. Nor did they worry about the consequences of becoming rich, fat, self-centered and beset with the illusion that the present can be made to last forever. For they were not yet rich and they had to work hard for a living.

If, as so many of us think today, we are now without such a general and inspired sense of national purpose, where shall we look for the cause and the remedy?

The cause of the vacancy is, I believe, this: We have reached a point in our internal development and in our relations with the rest of the world where we have fulfilled and outlived most of what we used to regard as the program of our national purposes.

We are rather like a man whose purpose it is to cross the continent, and having started from New York he has gotten to Chicago. Which way shall he go then? There is more than one way to cross the continent, and until he has chosen which way and then has worked out the intermediate stops, he will remain in Chicago, feeling worried and without a sense of direction and of clear purpose.

The American people today are like the man who got to Chicago, who needs a new road map to show him the way from there on.

In this century, the sense of national purpose has been a composite wrought under three innovating Presidents, under Theodore Roosevelt, Woodrow Wilson, and Franklin Roosevelt. They led the country on the road which it has taken for some 50 years—since America emerged as a great power in the world, and since at home it has become an ever more industrialized and urbanized society.

Time has passed and history has not stood still. The Roosevelt-Wilson-Roosevelt formulas and policies and programs no longer fit the character of the world Americans are now concerned with, the world as it has devel-

oped since the Second World War. We are now waiting to be shown the way into the future. We are waiting for another innovator in the line of the two Roosevelts and Wilson.

The innovator for whom the country is waiting will not come with a new revelation of the ultimate ends and commitments of our society. The ultimate ends are fixed. The Nation is dedicated to freedom. It is dedicated to the rights of man and to government with the consent of the governed. The innovation, which is now beginning, will be in the means, in the policies and programs, by which the ultimate ends of our free society can be realized today.

IT IS NOT THE NATION WHICH IS OLD BUT ONLY ITS LEADERS

My thesis is that to affirm the ultimate ends—as every public man does in almost every speech—is not a substitute for declaring our purpose and leading the Nation. These affirmations are like standing up when "The Star-Spangled Banner" is played, and then doing nothing further. They beg the question, which is not wither the Nation should go but how it should get there.

The remedy, then, will not be found in the restatement of our ideals, however resounding the rhetoric. It will be found in the innovation of the political formulas, the concrete measures, the practical programs by which our ideals can be realized in the greatly changed world we now live in. I feel sure that innovators will appear with the new generation that is rising to power. For it is not the Nation which is old, but only its leaders.

Broadly speaking, there have been two great epochs in our history, each with its own dominant national purpose. The first epoch extended from the middle of the 18th century down through the 19th. Beginning with the colonial wars of the 18th century and then with the founding of the Republic, the central purpose of the American people was to open up the continental territory, to consolidate that territory firmly within the American Union and to make the territory invulnerably secure against all other powers.

In the pursuit of this purpose the American colonists fought the French and Indians. The new American Nation fought the British and the Spanish and the Mexicans and the Indians. It fought a great and terrible Civil War to preserve the Union of its territory. Officially it may be said that this epoch, during which the national purpose was to consolidate the national territory, ended in 1890 when the last of our 37 wars with the Indians was concluded.

After the turn of the century, the original national American purpose having been fulfilled, a new epoch began. It began, we may say, with Theodore Roosevelt's recognition that the United States was no longer a sheltered and semidependent nation but that, having settled the continental territory, it had become one of the great powers. Roosevelt, who was a farseeing innovator, saw, too, that the United States was no longer a rural nation of independent farmers. Increasingly, it was becoming an industrial society inhabited by great corporations which exercised powers that often challenged the authority of the established Government itself.

The innovation begun by Roosevelt was carried further by Woodrow Wilson. Wilson accepted reluctantly the burden of our being a great power. When he was forced into the First World War he attempted to define a national purpose which would reduce that burden. He began by declaring that the world must be made safe for democracy and ended by demanding that it become democratic.

This has proved to be an aspiration rather than a purpose, policy or program. For had it become a national purpose, the Nation would have found itself committed to a perpetual crusade and, therefore, to perpetual war. Nevertheless the aspiration, though it is quite unrealizable in a very great part of the world, has become an element of the American conscience. Even when we feel compelled to subsidize some of our more primitive clients the Wilsonian ideology makes us uneasy and embarrassed.

When Franklin Roosevelt became President he found himself, rather unexpectedly, confronted with the breakdown of the established economic order. Contrary also to his hope and to his expectations, he was confronted with the rise of a new thing in modern history—the monster of the totalitarian state. Necessity became the mother of invention. It demanded the improvization of a new national purpose in domestic and in foreign affairs. The innovations of Franklin Roosevelt were a grand improvization.

From the New Deal, particularly from the second phase of it when Roosevelt turned from a planned economy to a compensated economy, the present generation of Americans have inherited the formulas of their political actions. They have inherited the compensated economy and the welfare state, and no serious person in either party would now propose to repeal and undo them.

In foreign affairs, the country learned in the Second World War that it was no longer one among many great powers but that in fact it was the leading power upon which the whole Western World depended for its security and for leadership. This is a burden and a responsibility and a danger and a demand upon our resources and a test of our wisdom which the first Roosevelt and Wilson never anticipated, but which the second Roosevelt began to be aware of from about the middle of the war to the time of his death.

In the 15 years which have passed since the end of the Second World War the condition of mankind has changed more rapidly and more deeply than in any other period within the experience of the American people. There has been a swift and radical change in the balance of power in the world. Among the masses of the people in the underdeveloped countries in all the continents there is a mounting revolution. There is a radical change in the technology of war and of industry. There is in the United States and other countries a threatening agglomeration of peoples in cities. There is a menacing increase in world population. There is a development of the mass media of communication which, because it marks a revolution in popular education and in the presentation of information, and in the very nature of debate and deliberation, is affecting profoundly the assumptions of the older democratic system.

IN PART WE HAVE OUTLIVED OUR OLD PURPOSES, IN PART THEY ARE IRRELEVANT

Nobody, it is fair to say, not the most sensitive and knowing among us, is as yet able to realize fully what all these changes mean and to point out specifically how this country should deal with them. But what we do know is that the formulations of national purpose which were made in the first half of this century are now inadequate. In part we have fulfilled them. In part we have outlived them. In part they have become irrelevant because of the unexpected changes in the condition of things. In part they are out of focus. All in all, they do not now mobilize our energies.

Necessity will again be the mother of invention, and in the time to come we shall close the gap which now exists between the new realities and the old formulations of our national purpose. I do not presume to anticipate the innovators for whom we are waiting. But there is already visible, it seems to me, the shape of the land across which the innovators must lead the Nation.

Thus for the first time in American experience we are confronted with a rival power which denies the theory and the practice of our society, and which has forced upon us a competition for the leadership of the world. This challenge coincides with the radically new fact that the oceans have ceased to be our ramparts and that our land is no longer invulnerable.

As there is no chance that our immensely formidable rival will disarm or disappear, we shall have to live in the same world with him. We shall have to solve problems which did not exist for Wilson or for the two Roosevelts. We shall have to devise ways of protecting our vital interests, which are worldwide, and we shall have to do this without precipitating an insoluble crisis that would generate an inevitable war. This will demand a deep reformulation of our foreign policy, which has hitherto been, and in a great part still is, addressed to a very different world situation. It will demand a reeducation of American opinion, not only when it yearns for the lost innocence of our old isolation, but also when it plunges into a new globalism which supposes that we are omnipotent, and averts its eyes from the hard reality of the power of the Communist bloc.

TO USE OUR GROWING WEALTH WISELY FOR PUBLIC ENDS: THAT IS THE GOAL

We know, of course, that the challenge is a broad one. The competition is in the whole field of national power. It is a competition not only in military power but in all forms of power, the power to produce wealth and the power to use wealth for education, for the advancement of science and for public as well as private ends.

On our success in achieving military security by arms and by diplomacy depends our existence. Our ability to meet the challenge depends upon our success in learning to use our growing wealth for something more than just private satisfaction. It depends upon our being willing to use it for imponderable and immaterial ends, like science, education, and the public amenities.

To use increments of our growing wealth wisely and prudently for public and immaterial ends: that is the goal, so I believe, toward which our national purpose will now be directed. We have to pay for defense, and there can be no serious dispute that we must pay for it. But we have also to be able and willing to pay for the things which cannot be consumed privately, such as the education of children, the development of beautiful cities, and the advancement of knowledge. We have to be able and willing to pay for what is, to put it briefly, civilization itself.

At bottom, we have to do these things because they need to be done, because they have to be done, and because they are supremely worth doing. Even if we were not challenged, we would need to do them for their own sake. We would need to do them even if Russia were still where it was 50 years ago.

But now we are in fact challenged, and because of that we must do these civilized things, not only to make a better life for ourselves but to mobilize the power to avoid a much worse life. Were there no great rival and challenger, we might dawdle along, we might indulge in a growing private affluence while we suffered a declining national greatness. But for us there is no choice but to respond to the challenge, even though this demands that we change many of our cherished dogmas and harden ourselves to a sterner way of life. For our freedom and our system of democratic government are not likely to survive just because we believe in them and enjoy them. We shall have to prove that with them and through them we can satisfy the needs of our people

and be equal to the challenge of the time we live in.

Western freedom will not survive just because it is a noble ideal. In our age it will survive if, and I think only if, we can take freedom down with us into the hurly-burly of the conflict and prove that a free society can make itself the good society.

I should like to add a postscript to express a personal feeling about the challenge we face and the response we must make. It is that with all the danger and trouble and worry it causes us, the Soviet challenge may yet prove to have been a blessing in disguise. For without it, what would become of us if we felt that we were invulnerable, if our influence in the world were undisputed, if we had no need to prove that we can rise above a tranquil self-satisfaction?

We would, I feel sure, slowly deteriorate and fall apart, having lost our great energies because we did not exercise them, having lost our daring because everything was so warm and so comfortable and so cozy. We would then have entered into the decline which has marked the closing period in the history of so many societies—when they have gotten everything they wanted, when they have come to think there is no great work to be done, and that the purpose of life is to hold on and stay put. For then the night has come and they doze off and they begin to die.

REPEAL OF DISCLAIMER AFFIDAVIT REQUIREMENT IN NATIONAL DEFENSE EDUCATION ACT

Mr. CLARK. Mr. President, a few days ago the Senate, by voice vote, eliminated the disclaimer affidavit requirement from the National Defense Education Act. There was a wide diversity of opinion among Members of the Senate as to the effect of our action, and indeed as to its wisdom. But I have found, at least in the metropolitan dailies on the east coast, a unanimity of editorial praise for what we did.

I ask unanimous consent that editorials from the New York Times and the Philadelphia Inquirer, commending the Senate for the action it took in eliminating the requirement of the disclaimer affidavit, may be printed in the RECORD at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, June 17, 1960]

THE LOYALTY AFFIDAVIT

It is encouraging that the Senate should vote during a presidential year to take some of the nonsense out of the National Defense Education Act of 1958. This act required a college student asking for a Federal loan to do two things: first, to take an oath of allegiance to the United States; second, to sign an affidavit that he does not support or belong to an organization that favors the overthrow of the U.S. Government by force or violence or by any illegal or unconstitutional methods.

The Senate thinks the Nation will survive if the student takes the oath of allegiance but does not sign the affidavit. The reasoning is simple. A person can't defend the Constitution and laws of the United States and at the same time conspire to overthrow them. If he belongs to the Communist Party he will tell lies anyhow. If he doesn't belong to the Communist Party, or some similar organization, it is no more sensible to ask him to say he doesn't than to ask him to say he is not a burglar, an embezzler, or a big name in the numbers racket.

An amendment submitted by Senator PROUTY, of Vermont, would still require the student not to be a member of the Communist Party and would also subject him to penalties of fine and imprisonment if he was a member and didn't say so. We don't believe this amendment will do much harm. We are not called upon to cross-examine students as to their beliefs, but neither are we under obligation to instruct Communists in the doctrines of Marx, Lenin, and Stalin.

The situation existing under the National Defense Education Act is duplicated in principle, although not in form, in this city, and probably in other city school organizations. It is brought up also by requirements established for the State regents scholarships. Whatever the details may be, there is not much sense in lipservice to what the lawmakers choose as "loyalty." And loyalty itself needs redefining. It is disloyal to try to upset a law by violence. It is not disloyal to try to get a law repealed by rolling up the necessary votes. Some of the legislators who have been trying to intimidate or annoy our students might profit by going back to school themselves.

[From the Philadelphia Inquirer, June 17, 1960]

THAT NON-COMMUNIST OATH

Although the proposition may run into some tangles in the House of Representatives, Senate action to abolish the controversial non-Communist oath required of college students who apply for Federal loans to help pay their way in colleges is a proper step.

This requirement called on students to swear they are not Communists or sympathetic to any subversive activity against the Government. Far and wide it has been protested as insulting. It has caused many leading universities and colleges to withdraw from the Federal student loan program.

It is a naive viewpoint to accept the idea that a Communist or other subversive individual would hesitate for a moment to subscribe to an affidavit disclaiming connection or association with the Reds. They'll swear to anything, without a quiver. This palpable fact has been ignored by those who have tried to defend the non-Communist oath.

To us it seems that the measure passed by the Senate, and which we hope will be passed in the House, meets requirements. It calls for an oath of allegiance to the United States and prescribes severe penalties for any Communist or other subversive who obtains a Federal student loan while concealing connections with Red or semi-Red organizations. This covers all that is needed and should eliminate the non-Communist oath from the National Defense Education Act.

TRANSPORTATION AND COMMUNICATIONS—REMOVAL OF EXCISE TAXES

Mr. BYRD of West Virginia. Mr. President, during the last session Congress enacted legislation providing for removal of the Federal excise tax levied on local telephone services and for reduction, from 10 percent to 5 percent, of the excise tax on transportation of persons by public carriers for hire, effective beginning July 1, 1960. Now, in the face of this action and in disregard of the considerations which prompted it, the administration is insisting that these taxes be continued at the full 10-percent rate, a request which cannot be justified in view of the circumstances surrounding these particular taxes. They were imposed, along with other excise taxes, as a war measure for revenue and, more important, to discourage nonessential civilian use of transportation and communication facilities, which were overburdened by vital military traffic. Emergency taxes can be tolerated even though they are discriminatory, but the emergency which brought about these taxes is long past and the temporary tax on communications and transportation of persons remains.

The tax on local telephone service was included in a general tax measure concerned with so-called luxury taxes, several items being classified as luxuries in wartime. But telephone service can hardly be called a luxury in the United States today, and it should not be subjected to the same tax as articles such as jewelry, liquor, tobacco, furs, cabaret bills, and so forth. Most people regard the telephone as a necessity today, and the Federal Government recognizes it as such, as evidenced by the large Federal subsidies paid to aid rural telephone cooperatives in order to make this vital instrument available even in remote areas.

Most of the special wartime excise taxes have been removed, but the taxes on communication and transportation of persons remain nearly 15 years after the end of the war emergency and some 7 years after the Korean emergency. Telephone service is the only household utility thus taxed as a luxury; electricity, water, and gas services are not subjected to such a tax. The telephone is not a luxury when there is need to call for police aid, for the fire department, for the doctor, or to order groceries for the family or obtain goods for a customer. If the telephone is a luxury, why not consider all utilities luxuries? We could go back to cooking over an open fire; we could dig our own wells for water and burn candles for illumination; we could exist without all public utilities. A telephone is almost a medical necessity for elderly people and people living alone, specially for local service.

In repealing the World War I tax on long distance telephone service in 1924, the House called the tax "not only a burden on business but a tax on a public utility so widely used as to be a necessity." State public utility regulatory bodies, which are set up for the protection of the public, are opposed to the continuation of this communications tax. It is in reality a third tax on users who pay the excise, indirectly pay the cost of collection, and indirectly pay taxes levied on the utility company at State, local, and National levels. Removal of this excise tax, which is paid by the consumer, would aid both the individual consumer and the general economy, and would not benefit the companies involved except indirectly through removing any deterrent to the greater use of telephone service afforded by the tax. State regulatory agencies complain that this tax is inimicable to the maintenance of reasonably priced and nondiscriminatory communication service as it adds unnecessarily to rates and charges which they have carefully established.

The 10-percent excise tax amounts to approximately $15 additional to the av-

erage telephone subscriber's annual bill. Indirectly, he also pays for the cost of collecting the tax, as well as, through rates for service, for the cost of taxes to the company. For users in most localities the Federal, State, and local tax bill amounts to one-third of every dollar spent for telephone usage.

In enacting Public Law 86–75 in June 1959 this Congress recognized that this excise tax should, indeed, be excised—that is, erased, expunged, extirpated—at least insofar as local service is involved. If any action should be taken at this time, it should be to remove the tax also from the long-distance or toll service, rather than to continue the tax on local service. I urge that the 10-percent excise tax on local telephone service be allowed to terminate on June 30, 1960, as scheduled by existing legislation.

Concerning the excise tax on transportation of persons, which is scheduled to be reduced from 10 to 5 percent on June 30, 1960, we are also facing a concerted move to prevent this reduction and continue the entire tax. While much travel might well be considered nonessential, there are still a large number of instances where trips are essential and not a luxury. This tax is levied only upon those who travel by public carrier, and was originally devised to discourage civilian use of transportation which was urgently needed for military and defense purposes. Like the communications tax, it was also an emergency or temporary tax and placed the service in the luxury-item category. The tax was installed as a war tax in 1941, both to raise revenue and discourage nonessential civilian travel, but has remained for 15 years since the end of World War II. This is in sharp contrast to the World War I excise tax on common-carrier travel, which was repealed in 1921.

The rate was reduced in 1954 to the current 10 percent level from a maximum rate of 15 percent. As amended in 1956, a tax of 10 percent on transportation of persons was levied on the price of tickets by rail, motor vehicle, water, or air, paid in the United States for travel within the United States and to points outside the United States within 225 miles of the boundary. Instead of reversing the action reducing the tax, taken at the last session of Congress, we should carry through and eliminate the entire tax, instead of only a portion of it. Some of the cogent reasons for repealing this tax on travel by for-hire carriers are submitted for the Senate's consideration.

There is no doubt of the essential and important nature of the transportation industry to the economy of the Nation and to its defense. We must utilize all our economic resources efficiently—one important way in which this can be accomplished is through full utilization and maintenance of our commercial transportation system. In the face of current concern regarding public transportation and advancement of plans to aid the industry, it makes no sense to continue a tax which discourages the use of passenger transportation facilities. This travel tax is in derogation of the national transportation policy set forth in the Interstate Commerce Act.

The future of the railroad passenger service, which was relied on for 97 percent of all organized military travel needs in World War II, and which would be vital in another war, is threatened by large operating deficiencies. The tax discourages use of these facilities and weakens an essential public carrier. A vital air service is sustained by annual subsidies, which have increased considerably in recent years. The transportation tax aggravates the subsidy problem by assessing a financial penalty which discourages travel when the use of commercial transportation should be encouraged. Additional passenger revenue would contribute toward maintenance of adequate airlift potential to augment military airlift in emergencies. Much of the apparent revenue from the transportation tax is illusory, as every dollar which must be paid in subsidy is an offset to this revenue. Revenue is further reduced by tax allowances on income—deductible business expense—for business trips. In addition, the cost of collecting the transportation tax is borne by the carriers and included in operating costs, affecting the level of fares and acting to discourage travel further. The transportation tax adds over $200 million a year to transportation costs and to the extent this applies to business travel it is reflected in commodity prices, making the tax inflationary in effect.

The tax adds to the high cost of living. Conservative estimates class one-third of passenger transportation as necessary business travel. The tax on business travel is an added cost to the business and is passed on in higher prices to consumers of the goods and services supplied. Also, to the extent the tax discourages travel by public carrier, passenger revenues are insufficient to cover costs of the service. Particularly in the case of railroads, the freight rates must be increased to recover the loss on passenger service. The higher freight rates mean higher prices for commodities.

The transportation tax discriminates against lower income families. A Michigan University study of nonbusiness travel over 100 miles found that 29 percent of the population with incomes over $6,000 spent 52 percent of the total expenditures on nonbusiness common carrier travel; 9 percent of the population with incomes above $10,000 accounted for 27 percent of the total dollars spent for commercial transportation; and the highest 1.2 percent of the population in income spent 10 percent of the total transportation dollars. The class which spends the highest percent of income on travel is the under $1,000 income group. Further discrimination occurs in the lower income group, as 3 out of 10 people in this group cannot afford automobiles and must depend on public conveyances. Those living at greater distances from large population centers are forced to pay proportionately higher shares of the tax. These people generally must select the cheapest means—bus. Low income adults are the most frequent travelers by bus, but the lower cost of bus transportation is not great enough to offset the relatively larger number of trips. If trips under 100 miles are included, the burden on the low income group is more evident. Thus, the tax is not only discriminatory with respect to this group, but it is also a regressive tax, placing the heaviest burden on those least able to afford it.

Since the tax is applicable only to for-hire transportation, it is inherently discriminatory. When the measure first became effective, there was no discrimination between competing carriers. The advantage now evident in transportation by automobile was virtually nonexistent during the war. Had the tax been repealed at the end of the war, the inherent discrimination in the tax could not have developed fully. However, gasoline and other automotive rationing were discontinued, and the tax retained, so that private transportation by automobile gained advantages. This situation discriminates against those who do not have automobiles, and are, therefore, compelled to use public transportation which is subject to the tax.

Further discrimination resulted from the amendment limiting the tax so that only travel within the continental United States and a 225-mile buffer zone contiguous to the borders is taxed. International travel is encouraged at the expense of domestic travel, and those who wish to "See America First" are discouraged, to the detriment of public carriers and also of the Nation's resort and recreational industries. Millions of dollars are spent on national parks, and so forth, for the benefit of the citizens of this country, but they and our foreign guests must pay a penalty to visit them by train, plane, or bus. All tourist industry is affected adversely by this tax, and, in addition, certain areas suffer additional handicaps because of greater distances and consequently more costly travel.

Changes in the character of intercity travel between 1946 and 1958 indicate some effects of the tax in discouraging travel by commercial means. During 1946, 27 percent of the intercity travel was by common carrier, but by 1958 slightly over 10 percent was by this method. During this period total travel had almost doubled in volume. About 90 percent of intercity travel is now by families in automobiles, a mode which is not subject to the excise tax on transportation.

The sole argument for retaining the transportation tax—that it is a source of revenue—is at best a poor one. Net returns are considerably less than the apparent yield. The amount of revenue from this source has decreased since the end of the war, and the cost of collection has increased, further reducing the amount realized. Revenue loss to the Treasury from repeal of the tax would be at least partially offset by the increase in revenue from income taxes resulting from the stimulating effects on transportation and business generally and because tax collected on business travel would be deductible no longer as a business expense. Endangering the entire transportation system of the Nation for the net amount realized from this tax is difficult, if not impossible, to justify.

The tax on transportation of persons by public carrier should be repealed because it is discriminatory, inflationary, economically unsound, and is undermining public carriers which are vital to our commerce and defense.

The excise tax on telephone service should be repealed, and no action should be taken to reverse the provisions of existing legislation for discontinuing the 10 percent tax on local service beginning July 1, 1960. Telephone service is as much a household necessity today as electricity, gas, and water. None of the other household utilities is taxed as a luxury item, and there can be no justification for continuing to tax local telephone service.

If the Government, in these prosperous times, cannot make adjustments to elimination of emergency sources of revenue, what will it do should an actual emergency arise? We should get rid of the taxes which were set as temporary and to discourage the purchase of certain classes of goods or services on the assumption that they are luxuries. We should note that a luxury tax assumes that the Federal Government has the right to decide and the obligation to designate what goods and services people need or should have, and to apply punitive taxation to those things the Government has decided the people do not need. This concept may be tolerable in times of stress and in the best interests of the Nation during an emergency, but it cannot be accepted as the basis for tax policy at other times.

Repeal of both the transportation and the communications excise taxes would stimulate the economy; the benefits would accrue to the users—the consumers—for once, and not to the owners of the facilities. Action to accomplish repeal of these taxes should be taken without delay.

THE PHILOSOPHICAL SYSTEM OF HEGEL

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a lecture entitled "The Philosophical System of Hegel," by the Reverend Francis J. Conklin, S.J.

There being no objection, the lecture was ordered to be printed in the RECORD, as follows:

In this lecture we will be concerned with the philosophical system of Hegel. Hegel must be comprehended if we are going to penetrate Marx. But make no mistake about it: Hegel is difficult. There are no short cuts. Yet, if we have the patience and determination to stick with Hegel we will find that while studying and analyzing his works we are in contact with one of the finest minds in history. After Hegel we are all Hegelians. His brilliant and penetrating insights into the real world are at times overwhelming.

Terminology remains the major obstacle to comprehension of Hegel's philosophy. Let us begin by spelling out in some detail the terminology that Hegel employs.

For Hegel "the absolute" means a necessary being moving to complete self-consciousness. Pause for a moment and break down that definition because we will have occasion time and time again to refer to this absolute. A necessary being is one which cannot not exist. Hegel's absolute, unlike the Christian God, is an imperfect being because it is moving to further perfection—to complete self-consciousness.

The many beings which we see around us are manifestations of this one absolute. So what really exists? This absolute alone really exists. The word "reality" for Hegel refers to that which alone is absolute and ultimate being; that which produces the world out of itself; that which is independent; that which is universal. Reality contrasts with existence, because existence denotes the individual; that which is not universal; that which is present at a particular time or place; that which is dependent, individual, and limited.

Let us try to illustrate Hegel's expression of the truth with a simple example. If you look here at this table you can understand it under two quite distinct aspects. Regarding only this existing table means considering the object in a static moment of its existence. This means confining our observations to the present static moment.

Hegel designates the present, static moment "existence." But "reality" includes everything—past, present, future. Thus, for Hegel, it is only a partial truth to say, "This table exists," for this statement comprehends only an isolated, individual existence.

The whole truth about this object is properly expressed only when we consider the tree that was and the ashes that will be. The whole truth expresses not only the present but the past and future as well.

The immediate consequence of this—and it is a subtle insight—is that not "being," (for being expresses only what is here and now) but "becoming" (that which expresses both what is and what is not) correctly expresses the whole truth of the past, present, and future. Becoming, therefore, is the best expression of thought because only thought can unite past, present, and future. Only thought can reflect reality as reality truly exists.

We must continue to emphasize the dichotomy between reality and existence. Reality is not existence. Reality is universal; logical being; thought; objective mind; the source of all. Existence is singular; limited; particular; a mere appearance; shadow rather than substance.

We know from our personal experience that the human mind moves by necessity with a logical progression. Our mind necessarily makes progress. For example, we say: "All men are mortal"; "John is a man." Of necessity we must make the next step and say that "John is mortal." The human mind cannot hang balanced on the precipice of a logical conclusion.

We have already seen that only thought adequately expressed reality because only thought can comprehend the elements of reality: past, present, and future. Human thought moves forward with logical necessity. Consequently, reality makes progress in the same fashion. In other words, the real world of necessity relentlessly, tirelessly, dynamically moves forward. Progress is the key to understanding the real world.

Hegel expresses this thought in a much more complicated way in reference to the eternal philosophical problem of knower, object known, and the act of knowing. Hegel correctly states that dialectical opposition, or contradictory opposition is the fundamental law of all thinking. One may say, "God exists," another says "God does not exist." The real truth is a synthesis of these two contradictory opinions. Both must modify their opinions to arrive at the truth. The new synthesis of contradictory ideas is richer, truer, and more conformed to the real world.

As we have already seen, the thought process or rational process is a dynamic process that cannot be retarded nor stopped. Hegel explains the reason for the irresistible force of logic in the cryptic phrase "opposites are identical."

The "concept of being" is certainly the most abstract of all philosophical concepts. This refers, of course, to the logical notion of being which so delighted the scholastic philosophers for a number of centuries and which is arrived at by a complicated series of abstractions and precisions. If you begin your research into being with a real man and make logical precisions by using progressively lower common denominators such as "animal," "living," "today," "substance," etc., you finally arrive at the lowest common denominator of all—the abstractissima notio entis—ews ut sic—the logical concept of being. This abstraction has the widest possible extension since it is applicable to all that is or can be; but it has the narrowest comprehension.

According to Hegel, this notion of being pertains to everything and at the same time is so narrow in comprehension that it is devoid of meaning. "Being" thus means nothing. In other words, being contains its own negation. The old principle of contradiction that was so much in vogue among the scholastic rationalists states that a thing cannot be and not be at the same time. Hegel has shown that the very notion of "being" demolishes this principle. Consequently, only becoming expresses the truth of being. Being plus nonbeing coexist only in becoming, because becoming both is and is not at the same time.

To explain the real world in which we live, Hegel begins with the absolute idea. This absolute idea is the idea in itself potentially capable of knowing itself. To know itself a thing must have an object. Since this absolute idea is the only thing which exists, it must objectify itself for knowledge to be possible. This objectification is nature, the idea outside itself. The synthesis or unity of knower and known comes about when the absolute idea knows itself. This is called absolute spirit, or the idea in and for itself.

This terminology permeates Hegel's writings. We have here a true dialectic. Step one is the thesis, step two the antithesis, step three the synthesis. Reality, or the absolute idea, grows by a dialectical process, by a contradictory clash between opposites.

Where does man fit into the process of development of the absolute idea? We know that man alone is fully conscious. Man alone reflects. Only man knows his own nature. Therefore, in man the absolute idea arises to a knowledge of itself. "Man" does not mean a single individual person. "Man" means a whole people and Hegel insists continually upon this collective consciousness. He calls it the "volksgeist," the spirit of a people.

This history of mankind relates the story of this process, whereby the absolute idea achieves a fuller and fuller consciousness of itself. Absolute idea becomes absolute spirit; it becomes in and for itself.

Freedom for man is the consciousness of this necessity. The absolute idea alone is necessary. The absolute becomes conscious of itself and this is a consciousness of necessity. Consequently, man is free only when he is conscious of the inevitable necessity which powers the absolute. (In Christian terminology we would say that Hegel's absolute idea enjoys God's freedom.) For Hegel, history is mankind's march toward this realization of the absolute's necessity—in other words, mankind is marching toward the freedom enjoyed by God.

Man can be considered under two aspects: he is both the citizen and the person. In the citizen's role man is ordered; his freedom is organized by the almighty state. The state is the highest conscious embodiment of law and order, because the state constitutes the highest objective form of the absolute idea which underlies everything. This state allows the person to develop and

despite the external regimentation by the state man develops a true internal liberty. Within the human person transpires the true development of the absolute when the human mind expresses itself in religion, art, and philosophy.

(Before proceeding further into Hegel's philosophy of history let us pause for a moment and emphasize the obvious. Hegel is a pantheistic rationalist. He is an objective idealist. He does not regard the world as the creation of the human mind, for this would make him a subjective idealist. Hegel believes that the world is the creation of a pantheistic objective mind.)

We come now to the spiral of historical development. History must be analyzed in terms of citizen and state; then the person, i.e., religion, art, philosophy. We begin with the political childhood of mankind in the oriental political state. In early China there existed a paternal form of government and a picture language; in India a mystical caste system. Both nations vacillated between despotism and political chaos. This is the infant stage of the absolute objectifying itself as a state and restraining the citizen.

By the time of the Graeco-Roman period, aristocratic democracy and individual freedom have begun to make an impact. There is a more mature unity—and emphasis upon universal law. In western Europe during the Christian Middle Ages complete external unity between the church and state develops, solidifies, and passes on to posterity the impressive unity nascent during the Graeco-Roman era.

But the world does not stop. The Reformation emphasizes that man is free to worship as he pleases. Priesthood is abolished because all men are equal. The political consequence of such equality permits all small equal states to form a new synthesis. This new unity flowers under the supreme individual who is the monarch.

(N.B.—We are lightly tracing an outline of Hegel's philosophy of history, and this analysis is in no sense complete. We select examples from his writing to illustrate his trend of thought but like all random examples they can be misleading if you have not yet read the originals.)

As history flows relentlessly onward the present always contains the best of the past. Thus, during the Graeco-Roman period society organized and ordered itself in contrast to the oriental chaos. But the unity allowed diversity and some individual freedom. In western Europe moving toward the Reformation a highly organized society restricted individual liberty until the Reformation firmly reestablished the principle of individual freedom. In Hegel's own day the supreme individual, the monarch, divinely embodies law and order, yet all his subjects share in equal rights. This contrasts with Greece and Rome where only the select few enjoyed democratic civil rights. Briefly, the best of the past is summed up in the present and the present prepares to develop again into a higher synthesis in the future.

Moving into the field of art we find oriental art mysterious and penetrated with unconscious symbolism. This reflects the absolute's initial effort to reach out for the infinite. The Graeco-Roman period accentuates nature once again, so that gods become men and men become immortals. For this reason, the sculpture of ancient Greece is serene, polished, finished. Hardly has this art firmly established itself when suddenly Gothic art bursts upon the world to express man's aspirations toward the infinite. In Gothic architecture the mind is soaring, aspiring, attempting by falling short of completion. This reflects the eternal quest after the infinite and, as a higher state, embodies the best of the mysterious elements of oriental art.

The historical process does not stop here. In the new synthesis romantic art with its accent upon adventure, romanticism, love, and loyalty combines the emphasis upon man and nature found among the Greeks, with the striving after the infinite, the striving after love which characterized oriental and Gothic art.

The antithesis of art is religion. In oriental lands we discover a natural religion. In China and India religion reflects a nature which is infinite and monstrous. In Persia good and evil struggle for control of mankind. In Syria there are the dying and rising gods of winter and spring. In Egypt the accent is upon the mysterious and unknowable. These religions correspond to the despotic chaotic political situation and the inexplicable symbolism expressed in the art and architecture of the period.

Judaism accentuates the infinite and the transcendent. Jewish art is unproductive and sterile. It fails to capture the imagination of the world. Thus, the Jewish religion yields to the Hellenic and Roman anthropomorphism. God becomes man; gods are brought back to earth and, in Rome, these very gods rule the state.

The Christian religion synthesizes the best of everything that has preceded. The Father in the Trinity symbolizes the essential unity of the absolute. The Son emphasizes the absolute developing itself. By the generation, passion, and resurrection suffering is conquered and the absolute is enriched. Then arrives the synthesis called the Holy Spirit. Here the absolute is reunited through this outpouring of the Holy Spirit and we learn that the world is good in spite of evil.

Finally, religion and art clash and produce in the finest growth of the human mind—philosophy. Philosophy unfolds itself in the same dialectical pattern down through the ages. However, as graduate students of philosophy you are certainly capable of reading Hegel's lectures on the history of philosophy without further assistance.

Before concluding, a few other points should be emphasized: For Hegel, the individual is a hero or victim according to the relentless caprice of the historical process. History's cunning reason uses men and circumstances for the enrichment of the absolute. Like the flotsam and jetsam tossed about by the waves, some men are carried to the crest of historical prominence, others are crushed to powder upon the sands of time, while history flows relentlessly onward.

Hegel's philosophy of history can be ultra conservative or violently revolutionary. Immediately after his death his followers split into the leftwing Hegelians and the right wing. Hegel has proved that the present culture, the present state, the present institutions crystallize and embody the best of the past. This pinnacle of perfection was not achieved without hard won successes and the conservative is dedicated to the preservation of the status quo which embodies this success.

At the same time, in Hegel, nothing is ever final. There is no quiescence because something more perfect lies just beyond the horizon. The real alone is rational. The present culture must give way to progress. The present will soon be anachronistic. What is anachronistic has ceased to be rational and will soon cease to be real. Needless to say, the leftwing favored this radical interpretation.

When Hegel died in 1831 Marx was only 13 years old. However, as we shall demonstrate in subsequent lectures, Hegel had a profound influence upon Marx. It is quite impossible to comprehend the philosophy of communism without coming to grips with Hegel. The technical designation given to the philosophy of communism is dialectical materialism. The dialectic comes from Hegel. We will endeavor to uncover the sources of Marx's materialism relying upon your reading of Marx's works.

Mr. JOHNSON of Texas. Mr. President, has morning business been concluded?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Is there further morning business? If not, morning business is concluded.

Mr. JOHNSON of Texas. Under the order of last evening, I understand the first order of business this morning is the call of the calendar. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

FRIENDSHIP FOR JAPAN'S PEOPLE

Mr. JAVITS. Mr. President, I notice from the morning press Moscow is describing the Tokyo affair as a diplomatic catastrophe for the United States comparable to the downing of the U–2 plane and the blowup at Paris. It is also rumored from Washington that a reassessment of United States ties with Japan are being considered here. We are also advised the Senate will consider the United States-Japan mutual security treaty next week.

In that connection, I should like to agree with the majority leader for what I consider to be a very wise decision in taking this matter in pace and in stride, rather than under any pressure. That is the fundamental attitude I had in mind to speak of today.

We are bound to have stormy seas as we experience world power. Confusion and excitement are typical on any battlefield—even one in the cold war—as anyone knows. I hope very much the American people and the Congress will hold steady at just this point. The Communists have not succeeded in their chosen aim to wreck the free world through fracturing it, and they must not be permitted to do so.

The Japanese people will yet have their opportunity to register their views upon this situation and to give some new mandate to their government. Indications already have shown there is likely to be a new national election in Japan very soon.

I am deeply confident, Mr. President—and the whole postwar history of the Japanese shows it—that the Japanese people will choose to further pursue democratic government. I believe the Japanese are not prepared to reject their form of government at the bidding of street mobs. I believe the Japanese place a high value upon their new-found friendship with the United States and

they will, if given an opportunity, further cultivate and develop this friendship. This has been the whole postwar history of the United States-Japanese relationships.

Mr. President, we have done on the whole well. In fact, even in respect to trade with Japan, which has been one of the very sensitive points in our relations since the end of World War II, we have with some exceptions held our own.

Japan is the most productive industrial nation in the Far East. The technology of Japan is equal to the technology of the other free world industrialized nations.

Mr. President, this is all a part of the Communist effort to weaken the free world by dividing it economically. We should not forget that Mr. Khrushchev, at the National Press Club, defined the phrase, "We will bury you," as meaning "We will bury you economically."

While competition from Japan is felt in the world markets, Mr. President, any businessman who is feeling that competition should think of what would happen to him if the economic and productive machine of Japan were in the hands of the Communists, or if the economy of Japan were being directed by the Communists to the disadvantage of the entire free world.

Mr. President, based upon my own knowledge of this subject, I know of no single factor which is more dangerous or more threatening to the economy and the trade of the entire free world than the control of Japan by the Communists.

This is a time for extending the hand of friendship of the American people to the Japanese people, in an hour of their greatest trial. I speak these words to articulate this friendship and this understanding.

DOES KHRUSHCHEV KNOW WHAT HE IS DOING?

Mr. WILEY. Mr. President, once in a while, at least, we obtain some valuable information from the European papers. I have in my hand an answer to the question, "Does Khrushchev Know What He Is Doing?" published in an article in the German News, Trifstr., Munich. It is a very fine answer to the question, which concludes with the thought:

All this goes to show that the Sverdlovsk incident—

That is the U–2 incident—

was not the cause of the new tension but merely a means in psychological warfare. The Soviet leader obviously wants to make full use of Russia's present military might. He is out to "solve" the Berlin and German question by signing a separate peace treaty with the Pankow puppet regime and to gain control over West Berlin. He is convinced that the Western Powers will not start a war over the former German capital and will go as far as his own judgment will allow him to.

The interesting part of this news release is the fact that it sets up in detail the incidents prior to the U–2 incident and coincides with the conclusion which most of us have arrived at, after listening to the evidence, which is that when Khrushchev went to Paris he had his mind made up to blow up the conference. That he did.

Of course, the recent incidents in Japan simply demonstrate that what Khrushchev did at Paris would be the pattern throughout the globe, wherever he could raise the issue of the West against the Communist bloc.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DOES KHRUSHCHEV KNOW WHAT HE IS DOING?

The latest development of Soviet-American relations and Khrushchev's refusal to take part in the summit conference have brought up a number of questions. Why did the Soviet Premier change the course of his foreign policy after having worked steadily for a summit meeting for 2 years? Is Peiping behind it all? Is Khrushchev under pressure by the Stalinist wing of his party or by Soviet military leaders? The answers to all these questions are rather simple: There has been no change of Soviet foreign policy and Khrushchev is under no pressure. He is not the spokesman of a democratic body but a dictator with unlimited powers. And the Soviet Premier knows exactly what he is doing.

Most observers believe that the plane incident of May 1 was the turning point in East-West relations. A close review of Soviet propaganda, however, will show that the present state of affairs was psychologically well prepared some time ago. The following phases of Soviet propaganda, which always reflects the trend of Soviet policy, are also an indication of continuity in Moscow's foreign policy:

1. The campaign to defame German expellee leaders and organizations, the Bundeswehr and the West Berlin administration (1958–60).

2. The "peace and coexistence" campaign linked with violent attacks on the German Federal Republic and "Nazis, militarists and revengists in West Germany" (all through 1959).

3. Propagation of the "spirit of Camp David," praise for President Eisenhower and Vice President Nixon with a parallel campaign to defame George Meany, Walter Reuther, Nelson Rockefeller, and others as "war mongers and enemies of peace" (since Khrushchev's visit in the United States).

4. Attacks on Nixon and Herter, but not on President Eisenhower (March, April 1960).

5. The plane incident of Sverdlovsk and Khrushchev's speech before the Supreme Soviet (May 1–4, 1960).

6. Attacks on the United States, President Eisenhower and the whole U.S. administration (shortly before and during the summit meeting at Paris).

7. Khrushchev's violent attacks on President Eisenhower and Chancellor Adenauer (June 3–5, 1960).

All this goes to show that the Sverdlovsk incident was not the cause of the new tension but merely a means in psychological warfare. The Soviet leader obviously wants to make full use of Russia's present military might. He is out to solve the Berlin and German question by signing a separate peace treaty with the Pankow puppet regime and to gain control over West Berlin. He is convinced that the Western Powers will not start a war over the former German capital and will go as far as his own judgment will allow him to.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. Under the order entered yesterday the Senate will proceed to the consideration of bills on the calendar to which there is no objection, commencing with Order No. 1556.

Mr. CLARK. Mr. President, a parliamentary inquiry.

Mr. GORE. Is the Senate not in the morning hour?

Mr. PROXMIRE. Mr. President——

The PRESIDING OFFICER. The clerk will state the first measure on the calendar.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Morning business has not been completed. What is the order which stops morning business?

The PRESIDING OFFICER. Morning business has been completed.

Mr. CLARK. Mr. President, Senators were on their feet seeking recognition for morning business. The Presiding Officer did not declare that morning business was concluded.

The PRESIDING OFFICER. The morning business was concluded before the quorum call.

Mr. GORE. Mr. President, I ask unanimous consent that the morning hour may be extended until the junior Senator from Wisconsin [Mr. PROXMIRE] and the junior Senator from Tennessee have 2 minutes each for morning hour business.

Mr. JOHNSON of Texas. Mr. President, I have no objection. I was not aware that morning business had been concluded. I wish to make a statement, when it has been concluded, before the calendar is called, so I hope the request will be agreed to.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960—PROPOSED AMENDMENT

Mr. GORE. Mr. President, I send to the desk for printing an amendment to the revenue bill, H.R. 12381, and ask that it be printed and lie on the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, the amendment conforms to the recommendations of the Under Secretary of the Treasury in a letter which he submitted to the Honorable HARRY F. BYRD, the distinguished chairman of the Senate Committee on Finance, on April 1, 1960. I wish to read a portion of the letter which relates to the amendment I have presented:

The present long-term capital gains treatment accorded to lump-sum distributions by qualified plans at termination of the employee's service or at his death should be removed. Instances have come to our attention where employees have received lump sums in excess of $800,000 taxable at capital gains rates. These lump-sum distributions

are not true capital gains and the present capital gains treatment seems to have been extended to them primarily to mitigate the impact of the progressive tax rates on sums which have accumulated over long periods of time. This aim would be served better by providing some form of direct averaging treatment for these lump-sum distributions, such as would be provided by H.R. 10 for lump-sum distributions received after the age of 65.

Mr. President, under existing law there is no limit to the number of corporate pension plans from which an individual may benefit. Evidence was presented to the committee that some individuals are beneficiaries of many corporate pension plans. Therefore it becomes, not a matter of providing an annuity for retirement, but a device for tax avoidance. Therefore, to close this loophole I have offered an amendment, which is in conformity, as I understand, with the recommendation of the Treasury Department, and it is one of several sources of additional revenue which I shall propose during the course of this discussion.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. Mr. President, I suggest the absence of a quorum.

Mr. JOHNSON of Texas. Mr. President, will the Senator do me the courtesy to withhold his suggestion?

Mr. CLARK. I shall be happy to do so.

Mr. JOHNSON of Texas. Mr. President, we have arranged for a calendar call. We have planned to go over a number of private bills to which there is no objection by any Senator on either side of the aisle. They are bills which Senators are very anxious to pass.

There is yet to be acted upon a conference report on appropriations for Treasury-Post Office, a conference report on the Labor, Health, Education, and Welfare appropriation bill which has not been acted upon, the State, Justice, and Judiciary appropriation bill has not been reported yet; the Independent Offices bill has not been considered; there is the legislative appropriation bill; the public works appropriation bill; the military construction appropriation bill; the minimum wage bill; the medical plan for the aged bill; the space authorization bill; the mutual aid appropriation bill; the coal research bill; the conference report on aid to education, housing, and farm bills.

Since we have all those matters to be considered, I hope that we shall try to expedite the routine business of the Senate, and let the leadership follow through with its plans in the normal, routine way.

It is difficult to get live quorums on Saturday morning at 10 o'clock. All Senators know that. It is not necessary. Most of the Senators, except the authors of the bills, are not interested in the individual private bills. They have been printed on the calendar. Every Senator has had ample advance notice of them. A live quorum at this time of the morning could do nothing except cause delay.

I hope that the Senator from Pennsylvania will permit us to proceed with the call of the calendar of private bills, and then start his motions in accordance with his statement to me last night that he was going to filibuster this bill.

I am prepared to keep the bill (H.R. 12381) before the Senate for a reasonable time, and then to take it down and let it be the responsibility of the Senator from Pennsylvania from there on. We have other bills upon which we must act, and this bill is not going to keep the whole program back. If necessary, we will take this bill down after the Senator from Pennsylvania has won his point. He can filibuster the bill and keep other Senators here, and we will proceed to other bills and come back to this one shortly before the deadline, and if it is not passed then, the responsibility will not be ours.

I hope we can proceed with the calendar call without the necessity of having Senators, some of whom were here as late as 3 o'clock this morning, called from their homes.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes, I yield.

Mr. CLARK. I have no desire to be any more stubborn than I probably have been already. I should like as much as possible to cooperate with the distinguished majority leader, for whom I have such high respect.

I have no desire to curtail the calling of the calendar. I have not the slightest desire to rout out of bed young, middle-aged, or elderly Senators who are no doubt at this moment sleeping the sleep of the just, having labored in the vineyard far into the evening, and, indeed, into the early hours of the morning.

If I could have some understanding with my good friend from Texas that if I do not persist in my request for a quorum call at this point, he would permit us to go home at a reasonable hour tonight—let us say 10 p.m.—and if the bill which he was so insistent upon calling up last night has not then been disposed of, I would be only too happy to cooperate with him.

Mr. JOHNSON of Texas. Yes, the Senator can lay down his terms exactly. He has been doing so since this session began. He started by telling us how many Senators ought to be members of the policy committee, how many ought to be members of the steering committee, what bills should be scheduled for consideration, when, and how. He told us yesterday when the bill presently under consideration could be brought up and what preliminary moves should be made.

Now he wishes to set the time that we shall adjourn tonight. I accept the Senator's wish because I wish to transact the public business, and if such agreement will expedite that purpose, I will give him my assurance that we will move at 10 o'clock this evening to go over until Monday.

I hope that action on the pending bill will be completed. If it is not completed, then we shall proceed to some other legislation on Monday, and we shall take up the pending legislation at a later date which I trust the Senator's judgment will show is good, and we can pass the measure then without too much trouble. But I wish to give the Senate an opportunity to act upon it if the Senate wishes to do so, and I want each Senator to have an opportunity to offer any amendments he wishes to present, and we can discuss them, table them, or pass upon them. But the best way to do so is to get on with the bill. That is what I wish to do.

We spent an hour or so last night talking in general terms about procedures and if the Senator wants assurance that we adjourn tonight at 10 o'clock I can give him that assurance.

I say to all Senators that the Senator from Pennsylvania, as a condition for withholding his request for a live quorum call before we call some private bills for consideration, insists that we must adjourn at 10 o'clock this evening. We will do so. As a matter of fact, I had intended to ask the Senate to adjourn earlier than that anyway, because I think that is a pretty late hour.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. Mr. President, I do not think any useful purpose would be served by a public continuation of this colloquy. I am happy to hear my friend say that he does not intend to press this bill through tonight and into the morning hours of Sunday.

Mr. JOHNSON of Texas. I have never had any intention to hold a session on Sunday. That has never been done. Anyone who is familiar with the Senate knows that the leadership never schedules matters for Sunday.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. Mr. President, I reiterate that I do not think any useful purpose will be served by continuing this colloquy. It takes two to make an argument. I am not prepared to get into one.

I can only say to my good friend the majority leader that I am happy to hear his announcement that we will adjourn at least by 10 o'clock tonight. As far as I am concerned, I would be only too happy to adjourn at an earlier hour, but I leave that to the good judgment and wisdom of the majority leader.

Mr. JOHNSON of Texas. I appreciate the Senator's generosity.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. It would be my hope that we could have quite a full discussion of the bill during the course of the day and evening.

Mr. JOHNSON of Texas. That is what I am trying to get to as quickly as we can.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. JOHNSON of Texas. Yes; I yield.

Mr. CLARK. Reference has been made to a statement which I made to the majority leader yesterday, which, frankly, I say to my colleagues in the Senate, I now regret I made. It was that I felt it may be necessary to filibuster against the bill.

Mr. JOHNSON of Texas. The Senator went further than that. The Senator told me that if I brought up the bill we would split the Democratic Party wide open. I considered that the biggest piece of legislative blackmail that I have seen in 30 years.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. JOHNSON of Texas. Yes; I yield.

Mr. CLARK. I still refuse to be drawn into an argument with my friend from Texas, if he wishes to reveal what went on between us in what I considered to be a private conversation.

Mr. JOHNSON of Texas. I know nothing about secret conversations. The Senator started relating it last night on the floor.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. JOHNSON of Texas. Yes; I yield.

Mr. CLARK. Again I do not wish to be drawn into further colloquy with my friend from Texas.

Mr. JOHNSON of Texas. Then why does the Senator continue? Why does he not give us an opportunity to go on with the bills on the calendar?

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. JOHNSON of Texas. Yes; I yield.

Mr. CLARK. I am glad the majority leader has indicated that he will not hold the Senate in session until later than 10 o'clock tonight. I hope he will let us go home earlier. However, I am prepared to stay here until 10 o'clock, if necessary, in order that the bill may be fully discussed.

In view of the assurance of the majority leader, which he has so graciously given, I wish to assure him that I will make no further objection to the continuation of the business of the Senate, which is to be call of the calendar.

Mr. JOHNSON of Texas. I thank my friend for his courtesy.

Mr. GORE. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. Yes; I yield.

Mr. GORE. First, I indicated to the assistants of the able majority leader that I had no objection to the bill being called up either last night or today.

Mr. JOHNSON of Texas. Would the Senator from Tennessee permit me to ask him to tell me whom he is talking about? He uses terms like "assistants." We have a great many assistants.

Mr. GORE. I was referring specifically to Mr. Baker.

Mr. JOHNSON of Texas. He is the secretary to the entire majority. He is not my assistant; he is the assistant to all the Democrats.

Mr. GORE. I was not trying to be technical or precise.

Mr. JOHNSON of Texas. I am, since there is some difference of opinion about whom he talked to last night. Someone talked to the pages. Someone talked to someone else. Someone had assurance that the bill would not be brought up until Tuesday. I wanted to know to whom the Senator was referring.

Mr. GORE. The only point I wish to make is that I had no objection to the bill being called up yesterday or being called up on Monday. As the able Senator knows, it is a matter of considerable technical effort to prepare amendments to the bill. My staff was working into the evening preparing amendments in order that I could get them submitted and printed for the consideration of the Senate. The distinguished chairman of the committee, my friend and friend of the majority leader, of course, the Senator from Virginia [Mr. BYRD] came by and said that the bill would not be called up until Tuesday. I immediately went to the telephone and called my staff members and said, "It will not be called up until Tuesday. So you may discontinue your labors until tomorrow."

They turned out the lights in the office and went home.

I have submitted an amendment for printing, and my staff is now preparing two more amendments for submission and printing. I bring this up to illustrate the difficulty involved in the consideration of the bill and amendments thereto. Three of my amendments have been submitted and have been printed, and are at the desk for consideration. I only suggest this to the majority leader to indicate the difficulty I have in presenting amendments. I appreciate the difficulty of the leadership in these closing days—perhaps closing days—but I know that there were changes back and forth as to whether the bill would be called up last night or yesterday.

Mr. JOHNSON of Texas. Will the Senator——

Mr. GORE. Just a moment. I am only relating what happened, and I seek to place no blame anywhere.

Mr. JOHNSON of Texas. I understand.

Mr. GORE. I know that later the distinguished chairman understood that the bill would be called up yesterday. I am only relating this for the information of the Senator from Texas and the Senate.

Mr. JOHNSON of Texas. I thank the Senator for his information. I understood his general position yesterday, and he has related it today, although I think that he indicated he preferred that the bill go over until next week.

Mr. GORE. No, I do not think I did that. I do not believe I did that.

Mr. JOHNSON of Texas. That was the information I had. It may be incorrect. I thought the Senator felt that he would like to have a meeting on Tuesday, and the caucus suggestion was made——

Mr. GORE. What the Senator refers to, I believe, is an indication of my preference, or, rather, a suggestion. I thought it might be in the interest of harmony to do so, but that was not an indication of my personal preference. I coupled with it my statement that the bill could be called up at any time so far as I was concerned.

Mr. JOHNSON of Texas. If the Senator did not express a preference, I was mistaken. However, we are ready to take it up. There was never at any time an indication that I would take the bill up on Tuesday. We had planned to take it up on Saturday. I told the Senator from Virginia [Mr. BYRD] to make his personal arrangements so that we could take it up on Saturday. I thought he understood clearly that we wanted to take it up on Saturday.

After that was general information for 3 or 4 hours, we were served with a letter, privately delivered, stating that the writers planned to have a caucus on Tuesday at 12:30 o'clock, and would I please call it. That threw everything out of gear. I took that letter to the Senator from Virginia and to other Senators, and I consulted them about it.

Even the signers of the letter interposed no serious objection. Most of them realized that since we had scheduled it for Saturday and since it had a deadline, that if we added amendments to it and it had to go to conference, the sooner we got to discussing it and the amendments, the better off we would be. After I had talked to all of them, and realizing that in my opinion with one exception—the exception being the Senator from Pennsylvania—the membership on both sides of the aisle was ready to proceed to debate the bill. I thought that we would call the calendar first and then proceed as quickly as we could to debate the bill.

I was told it would be held up because some Members were out of town.

The RECORD should show that I am not responsible for Senators being out of town. I had an engagement today, too. I have to be here. I do not believe that any one or two Senators ought to be used as a vehicle for delaying public business because some Senators are out of town. I was told that would be done, because certain Senators who would vote this way or that way on a certain amendment were out of town and wanted to be present when we voted, so there would be a filibuster. If there is, I want it to be on someone else's hands, not mine.

If any Senator has amendments and wishes to call them up, we will stay here and act on them as expeditiously as we can. If we cannot conclude them, and have to proceed to the Japanese Peace Treaty, or some other measure, we will do so, and return to this measure whenever we can. But I think we ought to use today as profitably as possible.

Mr. GORE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. I am prepared to proceed and am ready to proceed. What I wanted to call to the Senator's attention and to the attention of the Senate is that because of the circumstances last evening, a very important amendment which has been recommended to Congress by the Treasury Department, and which would bring in considerable additional revenue to offset some of the additional appropriations which Congress has made, and for which I voted, has just been submitted. I would not want to have criticism of the amendment made that we have no printed copies of it. I call this to the Senator's attention, to illustrate the difficulty of rushing a bill of this importance through the Senate on Saturday night, when important amendments have not even been printed.

Mr. JOHNSON of Texas. There is no attempt to rush anything through. If we are ready to proceed, let us proceed.

I think I understand the attitude of the Senator from Tennessee. I want to proceed to the consideration of the bill. I want to have it discussed. I am not trying to rush any bill through, although I may say that several amendments were added to the defense appropriation bill which were not printed the day before. One of them, suggested by the Senator from Pennsylvania [Mr. CLARK] involved a large sum of money for the Marine Corps. He pulled that one out of the air pretty quickly. Those things have been done. However, I have no desire to rush; I simply have a desire to get on with the business.

Mr. GORE. I am ready.

Mr. JOHNSON of Texas. I hope the Senator from Tennessee will use his influence with his deskmate.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. Is it the intention of the Senator from Texas to have a quorum call following the call of the calendar?

Mr. JOHNSON of Texas. Yes. I have notified each Member of the Senate and have said that the Senator from Pennsylvania desired a live quorum before the calendar call. I appreciate the Senator's withholding his request. That is why a number of Senators are in their seats this morning. I think most of the Senate wants to cooperate with the leadership. I think most of them will. If Senators have amendments they want to have considered on the merits, I hope they will call them up and let the majority prevail. We will call the roll.

CALL OF THE CALENDAR

The PRESIDING OFFICER. The call of the calendar will begin with Order No. 1556.

AMENDMENT OF WATERSHED PROTECTION AND FLOOD PREVENTION ACT

The bill (S. 3383) to amend section 4 of the Watershed Protection and Flood Prevention Act was announced as first in order.

Mr. JOHNSTON of South Carolina. Mr. President, a similar bill passed the House. It is Calendar No. 1587, H.R. 11615. The amendment of the Committee on Agriculture and Forestry to S. 3383 makes the Senate bill identical with the House bill. Therefore I ask unanimous consent that the Senate proceed to the consideration of the House bill and pass it, instead, so that the action can be completed.

The PRESIDING OFFICER. The House bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11615) to amend section 4 of the Watershed Protection and Flood Prevention Act.

The PRESIDING OFFICER. Is there objection to the present consideration of H.R. 11615?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3383 will be indefinitely postponed.

SPECIAL POSTAL RATES

The Senate proceeded to consider the bill (H.R. 4595) to clarify and make uniform certain provisions of law relating to special postage rates for educational, cultural, and library materials, and for other purposes, which had been reported from the Committee on Post Office and Civil Service, with amendments, on page 2, line 5, after the word "notations," to strike out "and"; in line 8, to strike out "recordings" and insert "recordings"; and"; after line 8, to insert:

(4) by striking out the word "and" immediately before "(6)" and by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following: "and (7) printed educational reference charts, permanently processed for preservation."

After line 13, to strike out:

(b) Section 204(e)(1) of such Act, as amended (72 Stat. 140, 141; 30 U.S.C. 292a(e)(1)), is amended by striking out "(i) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students' notations and containing no advertising matter other than incidental announcements of books; (ii) printed music, whether in bound form or in sheet form; (iii) bound volumes of academic theses in typewritten or other duplicated form and bound volumes of periodicals; (iv) phonograph recordings; and (v) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts." and inserting in lieu thereof the following: "(i) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations and containing no advertising matter other than incidental announcements of books; (ii) printed music, whether in bound form or in sheet form; (iii) bound volumes of academic theses in typewritten or other duplicated forms; (iv) periodicals, whether bound or unbound: (v) sound recordings; and (vi) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.".

And, in lieu thereof, to insert:

(b) Section 204(e)(1) of such Act, as amended (72 Stat. 140, 141; 39 U.S.C. 292a(e)(1)), is amended—

(1) by inserting "(including cooperative processing by libraries)" immediately following "loaned or exchanged"; and

(2) by striking out "(i) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for students' notations and containing no advertising matter other than incidental announcements of books; (ii) printed music, whether in bound form or in sheet form; (iii) bound volumes of academic theses in typewritten or other duplicated form and bound volumes of periodicals; (iv) phonograph recordings; and (v) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts." and inserting in lieu thereof the following: "(i) books consisting wholly of reading matter or scholarly bibliography or reading matter with incidental blank spaces for notations and containing no advertising matter other than incidental announcements of books; (ii) printed music, whether in bound form or in sheet form; (iii) bound volumes of academic theses in typewritten or other duplicated form; (iv) periodicals, whether bound or unbound; (v) sound recordings; and (vi) other library materials in printed, duplicated, or photographic form or in the form of unpublished manuscripts.".

And, on page 4, after line 12, to strike out:

(c) Section 204(e)(2) of such Act, as amended (72 Stat. 141; 39 U.S.C. 292a(e)(2)), is amended by striking out "and catalogs of such materials" and inserting in lieu thereof "catalogs of such materials, and guides or scripts prepared solely for use with such materials".

And, in lieu thereof, to insert:

(c) Section 204(e)(2) of such Act, as amended (72 Stat. 141; 39 U.S.C. 292a(e)(2)), is amended—

(1) by inserting "scientific or mathematical kits, instruments, or other devices" immediately following "sound recordings,"; and

(2) by striking out "and catalogs of such materials" and inserting in lieu thereof "catalogs of such materials, and guides or scripts prepared solely for use with such materials".

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF H.R. 4595

The purpose of this measure is to clarify and make uniform certain provisions of postal law relating to books, library books, and related materials. To that end the bill does the following:

1. Present law provides for "incidental blank spaces for students' notations" in books mailed at the special rate of postage for educational materials. As requested by the Post Office Department, the word "students" is removed, as no one can determine whether the space is actually to be used by students. The key word in the law is "incidental" which sufficiently restricts the amount of spaces in a book mailed at the special rate. This limitation is not affected by the change, but the administration of the provision is improved.

2. Reference in existing law to "phonograph recordings" is changed to "sound recordings." As in the first instance, this change is made at the request of the Post Office Department for the reason that there are various types of reproducing media in addition to the standard disk record. The Post Office Department advised the committee that identical musicals, drama, and the like are frequently reproduced on tapes, wire, and other records in addition to the disk type and does thus the more descriptive term is desirable.

3. The list of materials which may be mailed at preferential rates is broadened to include certain educational charts of a permanent nature and certain types of scientific or mathematical kits, instruments, or other devices.

4. The bill clarifies existing law to make certain that library material mailed to and from cooperative processing centers can be mailed at the same rate as though they were mailed to and from the libraries themselves.

5. The measure amends existing law under which "bound volumes of periodicals" qualify for the book or library rate so as to eliminate the requirement in regard to binding.

6. The final change by the bill carries out a recommendation of the National Audiovisual Association in connection with mailings of educational films. These materials commonly are accompanied by guides or scripts designed to be read with the presentation of the film or film strip and essential to the full utilization thereof. Under existing law, such guides or scripts do not qualify for the special book or library book rates applicable to the visual aids of which

they are a part. The bill amends existing law to provide that such auxiliary material may be mailed at the rate applicable to the principal material.

The Post Office Department initially requested this legislation and has concurred in the amendments made in the House and those made in the Senate. The Department advises that enactment of the measure will have little effect on postal revenues.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

Mr. HART. Mr. President, I ask that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill be read a third time.

The bill was read the third time and passed.

DUAL RATE CONTRACT AGREEMENT

The bill (H.R. 10840) to amend Public Law 85–626, relating to dual rate contract agreement was considered, ordered to a third reading, read the third time, and passed.

RECONVEYANCE OF CERTAIN PROPERTY FROM THE CITY OF WAUKEGAN, ILL.

The bill (H.R. 5738) to authorize the Secretary of the Army to transfer to the Waukegan Port District the commitment of the city of Waukegan, Ill., to maintain a public wharf in Waukegan Harbor on land conveyed to the city in 1914, and for other purposes, was announced as next in order.

Mr. HART. Mr. President, I ask unanimous consent that the senior Senator from Oregon [Mr. MORSE] may have permission to have a statement printed immediately prior to the passage of Calendar No. 1559, H.R. 5738.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

H.R. 5738 would authorize the reconveyance of certain property to the Secretary of the Army in order that he, in turn, may convey the property to a port district subject to an obligation to maintain a suitable public wharf which shall always be kept open to the public.

The property in question was conveyed originally in 1914 by the Secretary of War to the city of Waukegan. The 1914 conveyance was conditioned upon the city's maintaining a public wharf which shall always be held open to the public.

The city now desires to convey to the Waukegan Port District for improvement of harbor facilities.

The conveyance authorized by H.R. 5738 is the most feasible means of transferring the public wharf maintenance obligation from the city to the port district.

The bill specifically provides that "in the event the property is not used for the aforementioned purpose (public wharf) title thereto shall at the option of the Secretary of the Army, revert to the United States of America which shall have the right of immediate entry thereon."

No violation of the Morse formula is involved. That is why I have raised no objection to passage of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

EXTENSION OF FEDERAL TORT CLAIMS ACT

The Senate proceeded to consider the bill (S. 1764) to extend the Federal Tort Claims Act to members of the National Guard when engaged in training duty under Federal law, and for other purposes, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That chapter 7 of title 32, United States Code, is amended—

(1) by adding the following new section at the end thereof:

"§ 715. Property loss; personal injury or death: activities under certain sections of this title

"(a) Under such regulations as the Secretary of the Army or Secretary of the Air Force may prescribe, he or, subject to appeal to him, the Judge Advocate General of the armed force under his jurisdiction, if designated by him, may settle, and pay in an amount not more than $5,000 a claim against the United States for—

"(1) damage to, or loss of, real property, including damage or loss incident to use and occupancy;

"(2) damage to, or loss of, personal property, including property bailed to the United States or the National Guard and including registered or insured mail damaged, lost, or destroyed by a criminal act while in the possession of the National Guard; or

"(3) personal injury or death;

either caused by a member of the Army National Guard or the Air National Guard, as the case may be, while engaged in training or duty under section 316, 502, 503, 504, or 505 of this title or any other provision of law for which he is entitled to pay under section 301 of title 37, or for which he has waived that pay, and acting within the scope of his employment; caused by a person employed under section 709 of this title acting within the scope of his employment; or otherwise incident to noncombat activities of the Army National Guard or the Air National Guard, as the case may be, under one of those sections.

"(b) A claim may be allowed under subsection (a) only if—

"(1) it is presented in writing two years after it accrues, except that if the claim accrues in time of war or armed conflict intervenes within two years after it accrues, and if good cause is shown, the claim may be presented not later than two years after the war or armed conflict is terminated;

"(2) it is not covered by section 2734 of title 10 or section 2672 of title 28;

"(3) it is not for personal injury or death of such a member or a person employed under section 709 of this title, whose injury or death is incident to his service;

"(4) the damage to, or loss of, property, or the personal injury or death, was not caused wholly or partly by a negligent or wrongful act of the claimant, his agent, or his employee; and

"(5) it is substantiated as prescribed in regulations of the Secretary concerned.

For the purposes of clause (1), the dates of the beginning and end of an armed conflict are the dates established by concurrent resolution of Congress or by a determination of the President.

"(c) Payment may not be made under this section for reimbursement for medical, hospital, or burial services furnished at the expense of the United States or of any State or the District of Columbia or Puerto Rico.

"(d) If the Secretary of the military department concerned considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this section, he may pay the claimant $5,000 and report the excess to Congress for its consideration.

"(e) Except as provided in subsection (d), no claim may be paid under this section unless the amount tendered is accepted by the claimant in full satisfaction.

"(f) In any case where the amount to be paid is not more than $1,000, the authority contained in subsection (a) may be delegated to any officer of the Army or the Air Force, as the case may be, who has been delegated authority under section 2733(g) of title 10 to settle similar claims.

"(g) Notwithstanding any other provision of law, the settlement of a claim under this section is final and conclusive.

"(h) In this section, 'settle' means consider, ascertain, adjust, determine, and dispose of a claim, whether by full or partial allowance or disallowance."; and

(2) by adding the following new item at the end of the analysis:

"715. Property loss; personal injury or death: activities under certain sections of this title."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to amend title 32, United States Code, to authorize the payment of certain claims against the National Guard."

RICHARD SCHOENFELDER AND LIDWINA S. WAGNER

The bill (H.R. 8457) for the relief of Richard Schoenfelder and Lidwina S. Wagner was considered, ordered to a third reading, read the third time, and passed.

PIETRO MELA

The bill (H.R. 9226) for the relief of Pietro Mela was considered, ordered to a third reading, read the third time, and passed.

GEORGE T. MOORE AND OTHERS

The bill (H.R. 10631) for the relief of George T. Moore, Carl D. Berry, and Dr. Harold J. Heck was considered, ordered to a third reading, read the third time, and passed.

MRS. ETHEL B. MORGAN

The Senate proceeded to consider the bill (H.R. 9443) for the relief of Mrs. Ethel B. Morgan, which had been reported from the Committee on the Judiciary, with an amendment at the beginning of line 6, to strike out "be the widow (as defined in section 216(c) of that Act)" and insert "have been the wife and subsequently the widow (as those terms are defined in section 216 of that Act)."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RESOLUTION PASSED OVER

The resolution (S. Res. 331) referring S. 3307 to the Court of Claims was announced as next in order.

Mr. PROUTY. Mr. President, over, by virtue of the fact that the resolution is not calendar business.

The PRESIDING OFFICER. The resolution will be passed over.

NATIONAL WOOL MONTH

The joint resolution (S.J. Res. 187) to provide for the designation of the month of September 1960, as "National Wool Month" was announced as next in order.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the identical House measure.

The joint resolution (H.J. Res. 696) to provide for the designation of the month of September 1960, as "National Wool Month," was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

The PRESIDING OFFICER. Without objection, Senate Joint Resolution 187 will be indefinitely postponed.

BILLS AND RESOLUTION PASSED OVER

The bill (H.R. 8229) to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1868) to provide for the regulation of credit life insurance and credit accident and health insurance in the District of Columbia was announced as next in order.

Mr. HART. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2692) to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys; to promote commerce and navigation, to secure the national defense; to expand ocean resources; to authorize the construction of research and survey ships and facilities; to assure systematic studies of effects of radioactive materials in marine environments; to enhance the general welfare; and for other purposes.

Mr. HART. Mr. President, over, as not appropriate for calendar action.

The PRESIDING OFFICER. The bill will be passed over.

The resolution (S. Res. 332) referring S. 1935 to the Court of Claims was announced as next in order.

Mr. PROUTY. Over.

The PRESIDING OFFICER. The resolution will be passed over.

DONALD B. THURSTON AND OTHERS

The bill (S. 1409) for the relief of Donald B. Thurston, and other employees of the Fish and Wildlife Service was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the persons enumerated below the sums specified, in full settlement of all claims against the Government of the United States as reimbursement for personal effects lost as a result of a boating accident on July 23, 1957, on the Yukon River, Alaska, while on official business of the Fish and Wildlife Service, Department of the Interior: Donald B. Thurston, $276; Stuart L. Murrell, $644; Jack W. Lentfer, $330; and James A. Reeher, Junior, $371.50: *Provided,* That no part of the amounts appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

ROBERT WILLIAM NEAL AND OTHERS

The bill (S. 3125) for the relief of Robert William Neal, Robert J. Naumann, Charles LeRoy Van Slyke and Franklin Jordan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the persons enumerated below the sums specified, in full settlement of all claims against the Government of the United States as reimbursement for personal effects damaged or lost as the result of a fire on August 11, 1959, aboard the motor vessel Ranger VIII, at Auke Bay, Alaska, while on official business with the Bureau of Public Roads, Department of Commerce: Robert William Neal, $13.98; Robert J. Naumann, $26.04; Charles LeRoy Van Slyke, $56.53; and Franklin Jordan, $6: *Provided,* That no part of the amounts appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with these claims, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

MAY HOURANI

The bill (H.R. 2007) for the relief of May Hourani was considered, ordered to a third reading, read the third time, and passed.

MRS. VIRGINIA LEE SAGE

The bill (H.R. 3242) for the relief of Mrs. Virginia Lee Sage was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 5033) for the relief of Betty Keenan was announced as next in order.

Mr. PROUTY. Over.

The PRESIDING OFFICER. The bill will be passed over.

LEILA BERNSTORFF GRAUERT

The bill (H.R. 5530) for the relief of Leila Bernstorff Grauert was considered, ordered to a third reading, read the third time, and passed.

WESLEY C. NEWCOMB

The bill (H.R. 6149) for the relief of Wesley C. Newcomb was considered, ordered to a third reading, read the third time, and passed.

LT. COL. ALONZO C. TENNEY

The bill (H.R. 9652) for the relief of Lt. Col. Alonzo C. Tenney was considered, ordered to a third reading, read the third time, and passed.

HENRY C. LARSON

The Senate proceeded to consider the bill (S. 2548) for the relief of Henry C. Larson, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 8, after the name "Larson", to strike out "if at the time of his death the said David C. Larson had been an employee of the United States subject to the provisions of the Act entitled "An Act to defray the cost of returning to the United States the remains, families, and effects of officers and employees dying abroad, and for other purposes", approved July 8, 1940 (54 Stat. 743)." and in lieu thereof, to insert "in accordance with section 3(e) of Public Law 885 of the Eighty-fourth Congress, second session (70 Stat. 890) which authorizes the Secretary of State to pay the actual expenses of preparing and transporting to their former homes the remains of persons, not United States Government employees, who may die away from their homes while participating in international educational exchange activities under the jurisdiction of the Department of State.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Director of the National Science Foundation is authorized and directed to pay, out of any money appropriated to carry out the purposes of the National Science Foundation Act of 1950, as amended, to Henry C. Larson, of Cloquet, Minnesota, the sum provided for in section 2 of this Act. Such sum shall be in full satisfaction of all claims of the said Henry C. Larson against the United States for reimbursement of expenses incurred by him incidental to the death of his son, David C. Larson, who died in Paris, France, while studying at the Ecole Normale Superieure in Paris, France, under a predoctoral fellowship granted pursuant to

section 10 of the National Science Foundation Act of 1950, as amended.

SEC. 2. The sum payable under the first section of this Act shall be equal to the amount of the expenses which would have been payable by the United States incidental to the death of the said David C. Larson, in accordance with section 3(e) of Public Law 885 of the Eighty-fourth Congress, second session (70 Stat. 890) which authorizes the Secretary of State to pay the actual expenses of preparing and transporting to their former homes the remains of persons, not United States Government employees, who may die away from their homes while participating in international educational exchange activities under the jurisdiction of the Department of State.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H.J. Res. 688) for the relief of certain aliens, which had been reported from the Committee on the Judiciary, with an amendment, on page 3, after line 24, to insert a new section, as follows:

SEC. 13. For the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Ernest Lee (Lee Ming-Sing) shall be held and considered to be the minor natural-born alien child of Watson G. Thoms, a citizens of the United States.

And, on page 4, at the beginning of line 5, to change the section number from "13" to "14".

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

WILLIAM Y. ALLEN, JR.

The Senate proceeded to consider the bill (S. 3105) for the relief of William Y. Allen, Jr., which had been reported from the Committee on the Judiciary, with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Navy is authorized and directed to pay out of current appropriations available for the payment of severance pay, to William Y. Allen, Junior, Donald Baldwin Quintero, Johann Friedrich Stapelfeld, and Kenneth Gordon Woods, who were discharged from the United States Navy on June 30, 1959, amounts equal to the difference between (a) the amount of severance pay which would have been paid to them upon their discharge from the United States Navy if the computation of such severance pay had been based upon their actual commissioned service in the United States Navy, and (b) the amount of severance pay actually paid to them.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of William Y. Allen, Jr., Donald Baldwin Quintero, Johann Friedrich Stapelfeld, and Kenneth Gordon Woods."

RELIEF OF THE STATE OF CONNECTICUT

The Senate proceeded to consider the bill (S. 3053) for the relief of the State of Connecticut, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 4, after the word "Act", to strike out "in excess of 10 per centum thereof", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the State of Connecticut, the sum of $10,000. The payment of such sum shall be in full satisfaction of all claims of the State of Connecticut against the United States for reimbursement of an amount paid by such State to certain persons as compensation for personal injuries and property losses which they sustained on September 24, 1957, when a wing fuel tank fell from a Connecticut Air National Guard F-94 jet aircraft while it was being operated by a United States Air Force Reserve officer on active duty: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. And person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOINT RESOLUTION PASSED OVER

The joint resolution (S.J. Res. 207) to suspend for the 1960 campaign the equal opportunity requirements of section 315 of the Communications Act of 1934 for nominees for the office of President and Vice President was announced as next in order.

Mr. HART. Over, as not being proper calendar business.

The PRESIDING OFFICER. The joint resolution will be passed over.

AMENDMENT OF COMMUNICATIONS ACT OF 1934

The Senate proceeded to consider a bill (S. 3496) to amend section 362(b) of the Communications Act of 1934, which had been reported from the Committee on Interstate and Foreign Commerce, with an amendment, to strike out all after the enacting clause and insert:

That the following language be added to section 362(b) of the Communications Act of 1934 (47 U.S.C.A. 360):

"The Commission may, upon a finding that the public interest would be served thereby, waive the annual inspection required under this section from the time of first arrival at a United States port from a foreign port, for the sole purpose of enabling the vessel to proceed coastwise to another port in the United States where an inspection can be held; provided that such waiver may not exceed a period of thirty days."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STRIKING OF MEDAL IN COMMEMORATION OF CENTURY 21 EXPOSITION

The bill (S. 3532) to provide for the striking of medal in commemoration of Century 21 Exposition to be held in Seattle, Wash., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in commemoration of Century 21 Exposition, to be held in Seattle, Washington, beginning April 21, 1962, and ending October 21, 1962, the Secretary of the Treasury is authorized and directed to strike and furnish to the Century 21 Commission not more than five hundred thousand medals with suitable emblems, devices, and inscriptions to be determined by the Century 21 Commission and subject to the approval of the Secretary of the Treasury. The medals shall be made and delivered at such times as may be required by the Commission in quantities of not less than two thousand. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

SEC. 3. The medals authorized to be issued pursuant to this Act shall be of such size or sizes and of such metals as shall be determined by the Secretary of the Treasury in consultation with such Commission.

STRIKING OF MEDALS IN COMMEMORATION OF FOUNDING OF STATE OF IDAHO AS A TERRITORY

The bill (S. 3160) to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the State of Idaho as a Territory was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the commemoration of the one hundredth anniversary of the founding of the State of Idaho as a Territory, the Secretary of the Treasury is authorized and directed to strike and furnish to the Idaho Territorial Centennial Commission not more than ten thousand medals of either silver or bronze or both, of a suitable size and with suitable emblems, devises, and inscriptions to be determined by the Idaho Territorial Centennial Commission subject to the approval of the Secretary of the Treasury. The medals shall be made and delivered at such times as required by the Commission in quantities of not less than two thousand, but no medals shall be made after December 31, 1963. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. (a) The Secretary of the Treasury shall cause such medals to be struck and

furnished at no less than the estimated cost of manufacture, including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

(b) Upon authorization from the Idaho Territorial Centennial Commission, the Secretary of the Treasury shall cause duplicates in silver or bronze or both of such medal to be coined, and sold, under such regulations as he may prescribe, at a price sufficient to cover the cost thereof (including labor).

BILLS PASSED OVER

The bill (S. 1964) to amend the act requiring certain common carriers by railroad to make reports to the Interstate Commerce Commission with respect to certain accidents in order to clarify the requirements of such act was announced as next in order.

Mr. HART. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HART. Mr. President, I ask that the measures from Calendar Nos. 1607 through 1610, inclusive, be passed over as not being appropriate for Calendar action.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bills passed over are as follows:

The bill (H.R. 4601) to amend the act of September 1, 1954, in order to limit to cases involving the national security the prohibition on payment of annuities and retired pay to officers and employees of the United States, to clarify the application and operation of such act, and for other purposes, was announced as next in order.

The bill (S. 1638) to provide for an effective system of personnel administration for the executive branch of the Government.

The bill (S. 1425) to amend the Interstate Commerce Act so as to provide for the protection of railroad employees by regulating the use of track motor cars, and for other purposes.

The bill (H.R. 10596) to change the method of payment of Federal aid to State or territorial homes for the support of disabled soldiers, sailors, airmen, and marines of the United States.

LABEL DECLARATION OF USE OF PESTICIDE CHEMICALS ON RAW AGRICULTURAL COMMODITIES

The bill (H.R. 7480) to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil was announced as next in order.

Mr. HOLLAND. Mr. President, in order to explain the bill, I ask unanimous consent that the first three sections of the committee report be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The Committee on Labor and Public Welfare, to whom was referred the bill (H.R. 7480) to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil, having considered the same, unanimously report favorably thereon without amendment and recommend that the bill do pass.

EXPLANATION

This bill would provide for a label on the shipping container of raw agricultural commodities declaring the presence of pesticide chemicals, but would not require such declaration while such commodities are displayed for retail sale outside the shipping container.

The amendment proposed by this bill to section 403 would not in any way weaken the protection which the Federal Food, Drug, and Cosmetic Act gives to consumers against the use of unsafe pesticide chemicals on raw agricultural commodities. This protection against unsafe pesticide chemicals is assured by section 408 of the act, which prohibits the use of pesticide chemicals on produce unless the Secretary of Health, Education, and Welfare has prescribed safe tolerances for such chemicals. The Food and Drug Administration has acknowledged that this bill would not affect the safeguards to public health established by section 408.

The laws of States and territories would not be affected by this legislative proposal.

BACKGROUND

Losses of fresh fruits and vegetables due to decay in marketing run into the millions of dollars annually. Pesticide chemicals are being used to cut down on these staggering losses, without harm to the consumer, and thus enable the farm economy to deliver to consumers a greater quantity of healthful fresh produce of a high quality and at a lower price than would be possible without their use. The application of pesticide chemicals to fresh fruits and vegetables has been increasing rapidly as new and more effective chemicals are developed.

Pesticide chemicals have been found to be extremely effective in reducing the serious losses of perishable raw agricultural commodities due to decay and insect infestation. The necessity of their use for the marketing of fresh produce is fully recognized by the fruit and vegetable growers, by scientific experts in the field, and by the Federal Food and Drug Administration.

Section 403(k) of the Federal Food, Drug, and Cosmetic Act provides, in part, that a food shall be deemed to be misbranded if it bears or contains any chemical preservative, unless the food bears a label stating that fact. The term "chemical preservative" is defined by regulation of the Food and Drug Administration as "any chemical that, when added to food, tends to prevent or retard deterioration thereof but does not include common salt, sugars, vinegars, spices, or oils extracted from spices, substances added to food by direct exposure thereof to wood smoke, or chemicals applied for their insecticidal or herbicidal properties." To the extent that it is impracticable to comply with this labeling requirement, the Secretary of Health, Education, and Welfare is directed by section 403(k) to establish exemptions by regulation.

The Food and Drug Administration has taken the position that pesticide chemicals put on fresh fruits or vegetables or on other raw agricultural commodities in order to prevent, retard, or arrest the growth of molds or bacteria and thereby to prevent or retard rot or decay, are chemical preservatives within the meaning of section 403(k). With respect to chemical preservatives applied to fruits and vegetables as pesticide chemicals before harvest, the Secretary has found label declaration under section 403(k) to be impracticable and hence has granted an exemption to that extent. If applied after harvest, however, the presence of the pesticide chemical as a preservative must be declared.

Under the circumstances, fresh fruits and vegetables shipped in interstate commerce, which have safe residues of pesticide chemicals applied postharvest to retard decay during the marketing process, must bear a label indicating that a chemical preservative has been used. The name of the pesticide, however, does not have to be stated under section 403(k).

The label stating that a chemical preservative has been used on the fruits or vegetables must appear, under the present regulations, in or on the bulk shipping container and on the display bin at the retail store by means of a counter card or sign placed conspicuously so that the consumer will be advised of that fact. Incorrect labeling is a violation of the act, and is a criminal offense.

Under section 403(1)(2) of the Federal Food, Drug, and Cosmetic Act, the Food and Drug Administration has, moreover, insisted on label declaration of the common or usual name (not necessarily the chemical name) of a pesticide chemical applied after harvest. Section 403(1)(2) of the act requires label declaration of the common or usual name of each ingredient of a fabricated food except to the extent that the Secretary finds compliance impracticable. The Food and Drug Administration holds that when a fresh fruit or vegetable has been treated with a pesticide chemical after harvest, the fruit or vegetable is a "fabricated food" and the chemical is an "ingredient" the name of which must be declared in the absence of an exemption. No such exemption has been granted, though the Food and Drug Administration has proposed one for citrus fruit while displayed outside the shipping container at retail. This exemption would apply only to the requirement of declaration of the name, not to the requirement of section 403(k) as to the presence of a chemical preservative.

However, the fresh fruit and vegetable industry differs from the viewpoint expressed by the Food and Drug Administration and they presented evidence by industry witnesses and land-grant college experts in support of the position that pesticide chemicals used postharvest on fresh fruits and vegetables are not chemical preservatives within the meaning of section 403(k). These experts stated that fresh fruits and vegetables are living organisms, and not "preserved" by pesticidal residues. The presence of the residue does not eliminate any need for refrigeration by the purchaser of such commodities to avoid spoilage, in contrast to the preserved processed foods which do not require refrigeration.

The fresh fruit and vegetable industry has also strongly disagreed with the interpretation of section 403(1)(2), under which fresh fruits and vegetables treated postharvest with a pesticide chemical are considered "fabricated food" required to bear labeling showing the common or usual name of the chemical applied thereto. Furthermore, regardless of the question of interpretation, the industry has been urging that such label declarations are impracticable, especially at retail level, that where there is an attempt to compliance—by placard notice when the commodity is displayed at retail on the counter or in a bin—there is buyer resistance to the detriment of both producers and consumers, and that because of these labeling requirements large retailers are threatening to refuse fruits and vegetables so treated.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 10455) to amend the Mineral Leasing Act of February 25, 1920, was announced as next in order.

Mr. PROUTY. Over.

The PRESIDING OFFICER. The bill will be passed over.

ELIGIBILITY FOR SCHOLARSHIPS AND FELLOWSHIPS OF AMERICAN NATIONALS

The bill (H.R. 11985) to make American nationals eligible for scholarships and fellowships authorized by the National Science Foundation Act of 1950 was considered, ordered to a third reading, read the third time, and passed.

BOROUGH OF FORD CITY, PA.

The bill (H.R. 5850) for the relief of the Borough of Ford City, Pa., was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 4964) for the relief of Mrs. Betty L. Fonk was announced as next in order.

Mr. PROUTY. Over.

The PRESIDING OFFICER. The bill will be passed over.

ANTHONY DI GIOVANNI

The bill (S. 598) for the relief of Anthony Di Giovanni was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of paragraph (9) of section 212(a) of the Immigration and Nationality Act, Anthony Di Giovanni may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act: *Provided,* That this Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

PETER DOLAS

The bill (S. 2310) for the relief of Peter Dolas was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Peter Dolas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

COL. JOHN A. RYAN, JR.

The bill (S. 2353) for the relief of Col. John A. Ryan, Jr., was announced as next in order.

Mr. JOHNSON of Texas. May we have an explanation of the bill, please?

Mr. KEATING. Mr. President, the purpose of the bill is to authorize the Secretary of the Treasury to pay to Col. John A. Ryan, Jr., of the U.S. Air Force, the sum of $100,000. The payment is to be in full satisfaction of all claims which he might have against the United States or any foreign country, resulting from the development by him, outside of official working hours, of a new bombing system known as the low-altitude bombing system and apparatus.

Colonel Ryan is one of the many unsung heroes serving our Nation. During the war, working on his own time outside of official working hours, he developed with his inventive skill an ingenious military device known as the low-altitude bombing system and apparatus.

For many years his invention was a closely guarded military secret. It was very widely employed by our Armed Forces, however, and is still standard equipment on such Air Force planes as the F–100C, the F–101A, and the B–57, the B–66B, and the B–47. Equipment involving his invention has been installed in quantity in aircraft supplied to the NATO countries by the United States.

The Department of the Air Force in recommending the bill has stated that Colonel Ryan's invention "contributed in a decided manner to the Air Force's and the Navy's capability, in that it provided the means for an early low-altitude safe and acceptable means for delivery of special weapons."

If Colonel Ryan had developed his system while working for private industry, he would be a millionaire many times over today. Actually, he has not received any financial reward for his magnificent contribution to our war and defense effort. It would be unjust, not only to Colonel Ryan, but to our Nation, if we did not in some appropriate way reward him for his contribution. We must do everything we can to encourage his example of selfless duty and initiative in order that our country will always have the benefit of similar inventive genius.

The amount of $100,000 called for in S. 2353, while substantial, is modest in relation to the actual value of Colonel Ryan's contribution. Because of security restrictions, Colonel Ryan had to forfeit any opportunity to protect his system. Now he has obtained patents covering the invention, but no royalties can be charged on these, and they will be assigned to the United States prior to the payment of the award under this measure.

The Senate Committee on the Judiciary was unanimous in its report on this measure. I know that it will be approved without objection in this body, and I hope that the House of Representatives will give it speedy consideration, so that our obligation to this patriotic and dedicated officer can be discharged prior to the adjournment of this session of Congress.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 2353) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John A. Ryan, Junior, colonel, United States Air Force, the sum of $100,000. The payment of such sum shall be in full satisfaction of all claims of the said Colonel John A. Ryan, Junior, against the United States, or any foreign country, resulting from the development by him outside of official working hours of a new bombing system known as the low altitude bombing system and apparatus, the said Colonel John A. Ryan, Junior, having been unable to protect or retain the domestic or foreign commercial rights to such system because of the security laws of the United States: *Provided,* That such payment shall be upon condition that Colonel John A. Ryan, Junior, assign to the United States the entire right, title, and interest to such invention: *And provided further,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim.

MICHAEL NOLAN (FORMERLY MICHAEL PASVANIS)

The bill (S. 2974) for the relief of Michael Nolan (formerly Michael Pasvanis) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Michael Nolan (formerly Michael Pasvanis) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ANDREW RERECICH AND HIS WIFE, GERMANA RERECICH

The bill (S. 3083) for the relief of Andrew Rerecich and his wife, Germana Rerecich, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Andrew Rerecich and his wife, Germana Rerecich, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

ANASTASIA STASSINOPOULOS

The bill (S. 3237) for the relief of Anastasia Stassinopoulos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Anastasia Stassinopoulos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

CESAR S. WYCOCO

The bill (S. 3263) for the relief of Cesar S. Wycoco was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Cesar S. Wycoco shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

JOSEPHINE LUE FAN AND OTHERS

The Senate proceeded to consider the bill (S. 2585) for the relief of Josephine Lue Fan (also known as Josephine Fook-Lau), Joseph Lue Fan (also known as Joseph Lew-Fan), and Aura Joan Lue Fan, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 5, after the name "Joseph", where it appears the second time, to strike out "LewFan" and insert "Lew-Fan", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Josephine Lue Fan (also known as Josephine Fook-Lau), Joseph Lue Fan (also known as Joseph Lew-Fan), and Aura Joan Lue Fan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HWACHII LIEN

The Senate proceeded to consider the bill (S. 2689) for the relief of Hwachii Lien, which had been reported from the Committee on the Judiciary, with an amendment on page 1, line 6, after the word "of", where it appears the first time, to strike out "the date of the enactment of this Act" and insert "November 17, 1954,", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Hwachii Lien shall be held and considered to have been lawfully admitted to the United States for permanent residence as of November 17, 1954, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BRENDA NICHOLSON MILLER

The Senate proceeded to consider the bill (S. 2855) for the relief of Brenda Nicholson Miller which had been reported from the Committee on the Judiciary, with an amendment, on page 1, line 8, after the word "Act", to insert a colon and *"Provided,* That if the said Brenda Nicholson Miller is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraph (3) of section 212(a) of the Immigration and Nationality Act, Brenda Nicholson Miller may be issued an immigrant visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of such Act: *Provided,* That if the said Brenda Nicholson Miller is not entitled to medical care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act. This Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KYONG-OK AHN

The Senate proceeded to consider the bill (S. 2863) for the relief of Kyong-Ok Ahn, which has been reported from the Committee on the Judiciary, with an amendment, on page 1, line 4, after the word "Act", to strike out "Kyong-Ok Ahn" and insert "Kyung Ok Ahn", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Kyung Ok Ahn shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Kyung Ok Ahn."

ANGELA D'AGATA NICOLOSI

The bill (H.R. 1543) for the relief of Angela D'Agata Nicolosi was considered, ordered to a third reading, read the third time, and passed.

JUDICIAL REVIEW OF ORDERS ISSUED UNDER THE FEDERAL AVIATION ACT AND FOOD ADDITIVES AMENDMENT OF 1958

The bill (H.R. 7847) to make the uniform law relating to the record on review of agency orders (Public Law 85–791) applicable to the judicial review of orders issued under the Federal Aviation Act of 1958 and the Food Additives Amendment of 1958 was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1543) to amend the Federal Aviation Act of 1958 to authorize the Civil Aeronautics Board to include in certificates of public convenience and necessity limitations on the type and extent of services authorized, and for other purposes, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

EXTENSION OF TIME FOR FINAL PROOF UNDER DESERT LAND LAWS

The bill (H.R. 11706) to authorize an extension of time for final proof under the desert land laws under certain conditions was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3319) to authorize the Administrator of General Services to release the recapture provisions contained in the conveyance of certain real property to the city of Little Rock, Ark., and for other purposes, was announced as next in order.

Mr. HART. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

PROVISION OF QUARTERS, HOUSEHOLD FURNITURE AND EQUIPMENT, ETC., TO CIVILIAN OFFICERS AND EMPLOYEES

The bill (S. 3486) to authorize the Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the head of each department, independent establishment, and Government corporation, may, under such regulations as the President may prescribe and where conditions of employment or availability of quarters warrant it, provide, either directly or by contract, civilian officers and employees stationed in the United States, its territories and possessions, the Commonwealth of Puerto Rico, and the Trust Territory of the Pacific Islands, with quarters (Government owned or leased), household furniture and equipment, utilities, subsistence, and laundry service.

SEC. 2. Rental rates for any Government owned or leased quarters provided under authority of section 1 of this Act, or occupied on a rental basis under authority of any other provision of law, and charges for any furniture and equipment, utilities, subsistence, and laundry service made available in connection with the occupancy of such quarters, shall be based on the reasonable value thereof to the officer, employee, or member of the uniformed service concerned, in the circumstances under which furnished. Such rates and charges shall be determined in accordance with such regulations as the President may prescribe, and the amounts thereof shall be paid by, deducted from the salary of, or otherwise charged against, such officer, employee, or member of the uniformed services.

SEC. 3. Whenever, as an incidental service in support of a Government program, any Government owned or leased quarters, and any related furniture and equipment, utilities, subsistence, and laundry service are provided, under specific Government direction, to any person who is not an officer or employee of the Government or a member of the uniformed services, the rates and charges therefor, which shall be paid or otherwise credited to the Government, shall be determined in accordance with section 2 of this Act.

SEC. 4. No civilian officer, employee, or member of the uniformed services, shall be required to occupy Government owned or leased rental quarters unless the head of the agency concerned shall determine that necessary service cannot be rendered or property of the United States cannot be adequately protected otherwise.

SEC. 5. Section 2 of this Act shall not be construed as repealing or modifying any provision of law which may authorize the provision, without charge or at specified rates, of any of the items enumerated in section 1 of this Act, to any specific civilian officer or employee, or to any class of such officers or employees, or to such officers or employees under emergency conditions, or to members of the uniformed services.

SEC. 6. Section 3 of the Act of March 5, 1928, 45 Stat. 193 (5 U.S.C. 75a), is repealed.

EXEMPTION OF STATE-CONTROLLED BANKS FROM LIMITS ON THE NUMBER OF THEIR DIRECTORS

The bill (S. 3158) to exempt State-controlled banks belonging to the Federal Reserve System from the statutory limits on the number of their directors was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 of the Banking Act of 1933 (12 U.S.C. 71a), as amended, is further amended by inserting after the word "members" where it appears in the clause "the board of directors * * *" of every State bank or trust company which is a member of the Federal Reserve System shall consist of not less than five nor more than twenty-five members" the following: "except that these limitations shall not apply to a bank or trust company a majority of whose stock is owned by a State".

PRESENTATION OF GOLD MEDAL TO ROBERT FROST

The bill (S. 3439) authorizing the President of the United States of America to present a gold medal to Robert Frost, a New England poet, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to present, in the name of Congress, an appropriate gold medal to Robert Frost in recognition of his poetry, which has enriched the culture of the United States and the philosophy of the world. For such purpose, the Secretary of the Treasury shall cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary.

SEC. 2. There is authorized to be appropriated the sum of $2,500 to carry out the provisions of this Act.

EXTENSION OF DEFENSE PRODUCTION ACT OF 1950

The Senate proceeded to consider the bill (H.R. 12052) to extend the Defense Production Act of 1950 as amended for an additional 2 years, which had been reported from the Committee on Banking and Currency, with an amendment after line 6, to insert a new section, as follows:

SEC. 2. The second proviso to the first sentence of subsection (b) of section 304 is amended by striking out the word "quarter" and inserting in lieu thereof the words "six months".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SALES AND USE TAXES IMPOSED BY STATES ON BUSINESS ACTIVITIES IN INTERSTATE COMMERCE

The Senate proceeded to consider the bill (S. 3549) to amend the act of September 14, 1959, with respect to sales and use taxes imposed by States on sales and other business activities in interstate commerce, and authorizing studies by congressional committees of this type of taxation, which had been reported from the Committee on Finance, with amendments, on page 1, line 8, after the word "new", to strike out "titles" and insert "title"; at the top of page 2, to strike out:

TITLE III SALES AND USE TAX MINIMUM STANDARD

SEC. 301. (a) No State, or political subdivision thereof, shall have power to impose, after the date of the enactment of this title, a use tax assessment upon any person with respect to sales in interstate commerce if the only business activities within such State by or on behalf of such person during the period for which such assessment is imposed were or are either, or both, of the following:

(1) The solicitation of orders by such person, or his representative, in such State for sales of tangible personal property, which orders are sent outside the State for approval or rejection, and, if approved, are filled by shipment or delivery from a point outside the State; and

(2) The solicitation of orders by such person, or his representative, in such State in the name of or for the benefit of a prospective customer of such person, if orders by such customer to such person to enable such customer to fill orders resulting from such solicitation are orders described in paragraph (1).

(b) the provisions of subsection (a) shall not apply to the imposition of a use tax assessment by any State, or political subdivision thereof, with respect to—

(1) any corporation which is incorporated under the laws of such State; or

(2) any individual who, under the laws of such State, is domiciled in, or a resident of, such State.

(c) For purposes of subsection, (a), person shall not be considered to have engaged in business activities within a State merely by reason of sales in such State, or the solicitation of orders for sales in such State, of tangible personal property on behalf of such person by one or more independent contractors, or by reason of the maintenance of an office in such State by one or more independent contractors whose activities on behalf of such person in such State consist solely of making sales, or soliciting orders for sales, of tangible personal property.

(d) For purposes of this section—

(1) the term "independent contractor" means a commission agent, broker, or other independent contractor who is engaged in selling, or soliciting orders for the sale of, tangible personal property for more than one principal and who holds himself out as such in the regular course of his business activities;

(2) the term "representative" does not include an independent contractor; and

(3) the term "use tax assessment" means any assessment, fine, or penalty imposed or levied under the provisions of the retail sales and use tax law of any State because of the failure or refusal of a seller either to: (A) register as a seller or dealer; (B) collect a use tax from a purchaser; (C) file a use tax return; or (D) remit the use tax to such State.

(e) The provisions of subsection (a) shall not be construed to prohibit the collection, after the date of the enactment of this title, of any use tax assessment which was assessed on or before such date for a period ending on or before such date.

SEC. 302. If any provision of this title or the application of such provision to any person or circumstance is held invalid, the remainder of this title or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

On page 4, line 17, in the heading, after the word "Title", to strike out "IV" and insert "III"; in line 18, in the heading, after the word "Committees", to insert "On Sales And Use Taxes"; at the beginning of line 20, to change the section number from "401" to "301"; and on page 5, at the beginning of line 7, to change the section number from "402" to "302"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act relating to the power of the States to impose net income taxes on income derived from interstate commerce, and authorizing studies by congressional committees of matters pertaining thereto", approved September 14, 1959 (Public Law 86–272), is amended by adding at the end thereof the following new title:

"TITLE III—STUDY AND REPORT BY CONGRESSIONAL COMMITTEES ON SALES AND USE TAXES

"SEC. 301. The Committee on the Judiciary of the House of Representatives and the Committee on Finance of the United States Senate, acting separately or jointly, or both, or any duly authorized subcommittee thereof, shall make full and complete studies of all matters pertaining to the imposition of sales and use taxes by the States on sales and other business activities which are exclusively in furtherance of interstate commerce, or which are a part of interstate commerce, for the purpose of recommending to Congress proposed legislation providing uniform standards to be observed by the States in imposing sales and use taxes on such sales and business activities.

"SEC. 302. The committees shall report to their respective Houses the results of the studies authorized by this title together with their proposals for legislation on or before July 1, 1962."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend the Act of September 14, 1959, to authorize studies by congressional committees with respect to sales and use taxes imposed by the States on sales and other business activities in interstate commerce."

PAYMENT OF DEBTS OUT OF COMPENSATION FOR TRUST LAND ON LOWER BRULE SIOUX RESERVATION

The bill (H.R. 6456) concerning payment of debts out of compensation for trust land on the Lower Brule Sioux Reservation taken by the United States was considered, ordered to a third reading, read the third time, and passed.

PAYMENT OF DEBTS OUT OF COMPENSATION FOR TRUST LAND ON STANDING ROCK SIOUX RESERVATION

The bill (H.R. 6498) concerning payment of debts out of compensation for trust land on the Standing Rock Reservation taken by the United States was considered, ordered to a third reading, read the third time, and passed.

PAYMENT OF DEBTS OUT OF COMPENSATION FOR TRUST LAND ON THE CROW CREEK SIOUX RESERVATION

The bill (H.R. 6529) concerning payment of debts out of compensation for trust land on the Crow Creek Sioux Reservation taken by the United States was considered, ordered to a third reading, read the third time, and passed.

PREPARATION OF ROLL OF MEMBERS OF THE OTOE AND MISSOURIA TRIBE AND DISTRIBUTION OF JUDGMENT FUNDS

The bill (H.R. 10639) to amend section 3(b) of the act of May 9, 1958 (72 Stat. 105), relating to the preparation of a roll of the members of the Otoe and Missouria Tribe and to per capita distribution of judgment funds was considered, ordered to a third reading, read the third time, and passed.

KICKAPOO TRIBAL COUNCIL OF OKLAHOMA

The bill (H.R. 9028) to provide that certain funds shall be paid to the Kickapoo Tribal Council of Oklahoma was considered, ordered to a third reading, read the third time, and passed.

DONATION OF TRACT OF LAND ON THE OJO DEL ESPERITU SANTO GRANT, N. MEX.

The bill (H.R. 11161) to donate to the Pueblos of Zia and Jemez a tract of land on the Ojo del Esperitu Santo grant, N. Mex., was considered, ordered to a third reading, read the third time, and passed.

PAYMENT IN ADVANCE FOR REQUIRED PUBLICATIONS

The bill (S. 3579) to authorize agencies of the Government of the United States to pay in advance for required publications, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 12, 1930 (46 Stat. 580), is amended by (1) inserting after the word "subscription" the words "or other", and (2) deleting the words "and other periodicals" and inserting in lieu thereof the words "periodicals, and other publications".

SEC. 2. The following parts of Acts and all amendments thereto are repealed:

(1) The proviso to the paragraph headed "General Expense Library" under the caption "Library, Department of Agriculture" in the Act of March 4, 1909 (35 Stat. 1054);

(2) The first proviso to the paragraph headed "Regular Supplies, Quartermaster Corps" in the Act of April 27, 1914 (38 Stat. 362);

(3) The first parenthetical phrase under the caption "Pay, Miscellaneous" in the Act of March 3, 1915 (38 Stat. 929);

(4) Section 5 of the Act of March 4, 1915 (38 Stat. 1049);

(5) The tenth paragraph under the caption "United States Veterans' Bureau" in the Act of June 7, 1924 (43 Stat. 533).

PAYMENT OF TRAVEL AND TRANSPORTATION COSTS

The bill (S. 3485) to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation costs for persons selected for appointment to certain positions in the United States, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (b) to (d), inclusive, of section 7 of the Administrative Expenses Act of 1946 (60 Stat. 808, as amended, 5 U.S.C. 73b–3) are amended to read as follows:

"(b) Appropriations for the departments shall be available in accordance with regulations prescribed by the President, for expenses of travel of persons appointed, and of student trainees when promoted upon completion of college work, to positions in the United States for which there is determined by the Civil Service Commission to be a manpower shortage, and for expenses of transportation of their immediate families and their household goods and personal effects and for advances of funds to the extent authorized by section 1 (a) and (b) of this Act, from their places of actual residence at time of selection or promotion to their duty station. Travel and transportation expenses shall not be paid upon promotion of a student trainee after completion of college work if such expenses were paid upon his appointment as a student trainee. Such travel expenses may include per diem and mileage allowance as provided for civilian officers and employees by the Travel Expense Act of 1949, as amended. Travel and transportation expenses may be allowed whether the person selected has been appointed or not at the time of such travel. However, the travel and transportation expenses authorized by this subsection shall not be allowed unless the person selected or promoted shall agree in writing to remain in the Government service for twelve months following his appointment or promotion unless separated for reasons beyond his control and acceptable to the department or agency concerned. In case of violation of such agreement, any moneys expended by the United States on account of such travel and transportation shall be recoverable from the individual concerned as a debt due the United States.

"(c) The authority of the Civil Service Commission to determine for purposes of this Act positions for which there is a manpower shortage shall not be delegated.

"(d) Nothing contained in this section shall impair or otherwise affect the authority of any department under existing law to pay travel and transportation expenses of persons designated in subsection (b) hereof."

SEC. 2. This Act shall take effect as of August 25, 1960.

NEGOTIATED CONTRACTS

The Senate proceeded to consider the bill (S. 3487) to amend the "Anti-Kickback Statute" to extend it to all negotiated contracts, which had been reported from the Committee on Government Operations, with an amendment, on page 2, line 24, after the word "any", to strike out "negotiated", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the

Act of March 8, 1946 (60 Stat. 37), entitled "An Act to eliminate the practice by subcontractors, under cost-plus-a-fixed-fee or cost reimbursable contracts of the United States, of paying fees or kickbacks, or of granting gifts or gratuities to employees of a cost-plus-a-fixed-fee or cost reimbursable prime contractors or of higher tier subcontractors for the purpose of securing the award of subcontracts or orders" is hereby amended to read as follows:

"That the payment of any fee, commission, or compensation of any kind or the granting of any gift or gratuity of any kind, either directly or indirectly, by or on behalf of a subcontractor, as hereinafter defined, (1) to any officer, partner, employee, or agent of a prime contractor holding a negotiated contract entered into by any department, agency, or establishment of the United States for the furnishing of supplies, materials, equipment, or services of any kind whatsoever; or to any such prime contractor, or (2) to any officer, partner, employee, or agent of a higher tier subcontractor holding a subcontract under the prime contract, or to any such subcontractor either as an inducement for the award of a subcontract or order from the prime contractor or any subcontractor, or as an acknowledgment of a subcontract or order previously awarded, is hereby prohibited. The amount of any such fee, commission, or compensation or the cost or expense of any such gratuity or gift, whether heretofore or hereafter paid or incurred by the contractor, shall not be charged, either directly or indirectly, as a part of the contract price charged by the subcontractor to the prime contractor or higher tier subcontractor. The amount of any such fee, cost, or expense shall be recoverable on behalf of the United States from the subcontractor or the recipient thereof by setoff of moneys otherwise owing to the subcontractor either directly by the United States, or by a prime contractor under any contract or by an action in an appropriate court of the United States. Upon a showing that a subcontractor paid fees, commissions, or compensation or granted gifts or gratuities to an officer, partner, employee, or agent of a prime contractor or of another higher tier subcontractor, in connection with the award of a subcontract or order thereunder, it shall be conclusively presumed that the cost of such expense was included in the price of the subcontract or order and ultimately borne by the United States. Upon the direction of the contracting department or agency or of the General Accounting Office, the prime contractor shall withhold from sums otherwise due a subcontractor any amount reported to have been found to have been paid by a subcontractor as a fee, commission, or compensation or as a gift or gratuity to an officer, partner, employee, or agent of the prime contractor or another higher tier subcontractor."

SEC. 2. For the purpose of this Act, the term "subcontractor" is defined as any person, including a corporation, partnership, or business association of any kind, who holds an agreement or purchase order to perform all or any part of the work or to make or furnish any article or service required for the performance of a negotiated contract or of a subcontract entered thereunder, the term "person" shall include any subcontractor, corporation, association, trust, joint stock company, partnership, or individual, and the term "negotiated contract" means made without formal advertising.

SEC. 3. For the purpose of ascertaining whether such fees, commissions, compensation, gifts, or gratuities have been paid or granted by a subcontractor, the General Accounting Office shall have the power to inspect the plants and to audit the books and records of any prime contractor or subcontractor engaged in the performance of a negotiated contract.

SEC. 4. Any person who shall knowingly, directly or indirectly, make or receive any such prohibited payment shall be fined not more than $10,000 or be imprisoned for not more than two years, or both.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF ALL LANDS COMPRISING FORT DEARBORN, AND RYE AIR FORCE BASE, N.H.

The Senate proceeded to consider the bill (S. 2712) to authorize the Administrator of General Services to convey all lands comprising Fort Dearborn, Rye, N.H., and Rye Air Force Base, Rye, N.H., to certain former owners of such lands, which had been reported from the Committee on Government Operations, with an amendment on page 2, line 22, after the word "Administrator", to strike out the comma and "through negotiations with the former owner, to be a fair and equitable price" and insert "of General Services to be equal to the current fair market value", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any other provision of law, the Administrator of General Services is authorized to convey all right, title, and interest of the United States in and to all lands comprising Fort Dearborn, Rye, New Hampshire (consisting of ninety-one and forty-four one hundredths acres), and Rye Air Force Base, Rye, New Hampshire (consisting of approximately forty-four acres), acquired by the United States during World War II and which have been declared to be surplus to the needs of the United States, to the former owners of such land or any interest therein, upon receipt by the Administrator from any such owner of an application for reconveyance as hereinafter provided.

(b) In any manner as he shall by regulation prescribe, the Administrator shall give notice to the former owner of the availability for reconveyance of land or interest in land pursuant to this Act. Such reconveyance shall be made only after the Administrator has received from the former owner an application for reconveyance in the form prescribed by the Administrator by regulation. Such application shall be made within a period of forty-five days following the date of issuance of such notice.

(c) Any reconveyance of land or interest in land made pursuant to this Act shall be subject to (1) such exceptions, restrictions, and reservations as the Administrator may determine are in the public interest; and (2) payment by the former owner as consideration for the reconveyance of an amount determined by the Administrator of General Services to be equal to the current fair market value.

SEC. 2. Where arrangements satisfactory to the Administrator have not been made during a ninety-day period following the date of issuance of the notice provided for in subsection (b) of the first section of this Act, the Administrator may dispose of any land or interest in land with respect to which such application was filed in accordance with the applicable provisions of the Federal Property and Administrative Services Act of 1949.

SEC. 3. As used in this Act, the term "former owner" means the person from whom any land or interest in land referred to in subsection (a) of the first section of this Act was acquired by the United States; or if any such person is deceased, his spouse; or if such spouse is also deceased, one or more of his natural or adopted children.

SEC. 4. No application shall be received by the Administrator pursuant to the provisions of this Act after one year from the date of its enactment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PENALTIES FOR USE OF GOVERNMENT-OWNED VEHICLES FOR OTHER THAN OFFICIAL PURPOSES

The Senate proceeded to consider the bill (H.R. 766) to amend section 5 of the act of July 16, 1914, relating to penalties for the use of Government-owned vehicles for other than official purposes, which had been reported from the Committee on Government Operations, with an amendment on page 1, after line 9, to strike out:

Any officer or employee of the Government who willfully uses or authorizes the use of any Government-owned vehicle or aircraft, or of any vehicle or aircraft leased by the Government, for other than official purposes or otherwise violates the provisions of this subsection shall be subject to such disciplinary action as the head of the department concerned or his representative may prescribe, which disciplinary action may include removal from his position, if circumstances warrant.

And, in lieu thereof, to insert:

Any officer or employee of the Government who willfully uses or authorizes the use of any Government-owned vehicle or aircraft, or of any vehicle or aircraft leased by the Government, for other than official purposes or otherwise violates the provisions of this subsection shall be suspended from duty by the head of the department concerned, without compensation, for not less than one month, and shall be suspended for a longer period or summarily removed from office if circumstances warrant.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

NATIONAL TROPICAL BOTANIC GARDEN

The Senate proceeded to consider the bill (S. 2919) to provide that the Secretary of the Smithsonian Institution shall study and investigate the desirability and feasibility of establishing and maintaining a national tropical botanic garden, which had been reported from the Committee on Public Works, with an amendment, to strike out all after the enacting clause and insert:

That the President of the United States is authorized to have a complete study and investigation made of the desirability and feasibility of establishing and maintaining a national tropical botanic garden to be located in the State of Hawaii for the purpose of research and education concerning tropical flora, and for the instruction and recreation of the people. The study and in-

vestigation may be made by such departments or agencies as the President may designate.

SEC. 2. There shall be submitted to Congress, within one year after funds are made available to conduct the study and investigation authorized by this Act, a report of the findings of such study and investigation, together with such recommendations as are deemed appropriate. Such report shall contain, but shall not be limited to, specific findings with respect to (1) which department or agency of the Federal Government would be best suited to establish and maintain the botanic garden referred to in the first section of this Act, and (2) the estimated cost to the United States of establishing and maintaining such a botanic garden.

SEC. 3. There are hereby authorized to be appropriated such sums, not to exceed $5,000 as may be necessary to carry out the provisions of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill providing for a study and investigation of the desirability and feasibility of establishing and maintaining a national tropical botanic garden."

BILLS PASSED OVER

The bill (S. 3672) to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes, was announced as next in order.

Mr. HART. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3278) to amend section 701 of the Housing Act of 1954 (relating to urban planning grants), and title II of the Housing Amendments of 1955 (relating to public facility loans), to assist State and local governments and their public instrumentalities in improving mass transportation services in metropolitan areas, was announced as next in order.

Mr. HART. Mr. President, this bill is a very desirable one; but I must ask that it go over, by reason of the fact that it is not appropriate for disposition during the call of the calendar.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

The bill (S. 2917) to establish a price support level for milk and butterfat was announced as next in order.

Mr. HART. Mr. President, let me say that this bill, too, is a very desirable one; but, again, I must ask that the bill go over, by reason of the fact that it is not appropriate for disposition during the call of the calendar.

The PRESIDING OFFICER. Objection is heard, and the bill will go over.

RELEASE OF RESTRICTIONS AND RESERVATIONS IN CONVEYANCE OF CERTAIN LAND TO THE STATE OF WISCONSIN

The bill (H.R. 11952) to repeal the act of May 29, 1958, which authorized and directed the Administrator of General Services to provide for the release of restrictions and reservations contained in an instrument conveying certain land by the United States to the State of Wisconsin was considered, ordered to a third reading, read the third time, and passed.

COLLECTION AND PUBLICATION OF STATISTICS OF GRADE AND STAPLE LENGTH OF COTTON

The Senate proceeded to consider the bill (H.R. 11646) to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, as amended, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 2, line 12, after "(c)", to strike out "for any person to alter, or cause to be altered, any sample taken for classification under this Act by any means such as trimming, peeling, or dressing the sample, or by removing any leaf, trash, dust, or other material from the sample" and insert "for any person knowingly to alter or cause to be altered a sample taken for classification under this Act by any means such as trimming, peeling, or dressing the sample, or by removing any leaf, trash, dust, or other material from the sample for the purpose of misrepresenting the actual quality of the bale from which the sample was taken".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (S. 3450) to amend section 22 (relating to the endowment and support of colleges of agriculture and mechanic arts) of the act of June 29, 1935, to increase the authorized appropriation for resident teaching grants to land grant institutions, was announced as next in order.

Mr. HART. Mr. President, again, it is a desirable bill, but certainly not appropriate for calendar action. I ask that it go over.

The PRESIDING OFFICER. The bill will go over.

EASEMENT OF CERTAIN LANDS TO THE CINCINNATI SOUTHERN RAILWAY

The bill (S. 3665) to authorize the Secretary of Agriculture to grant an easement over certain lands to the trustees of the Cincinnati Southern Railway, their successors, and assigns was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the Secretary of Agriculture is authorized, upon such terms as he may deem advisable, to grant and convey by proper instrument a perpetual easement to the trustees of the Cincinnati Southern Railway, their successors and assigns, in, upon, across, and over national forest lands and other lands under the jurisdiction of the Department of Agriculture for the construction, maintenance, and operation of the line of railway incident to the relocation of its main line between Tateville, Kentucky, and Flat Rock, Kentucky, and for any related purposes deemed appropriate by the Secretary: *Provided*, That such easement (a) shall be granted only upon a finding by the Secretary that it will not be incompatible with the public interest, (b) shall not include any more land than is reasonably necessary for the purpose for which granted, (c) shall include provisions for payment of adequate compensation, and (d) may include a right to use from the subject lands materials and products for the construction and maintenance of authorized improvements thereon upon the payment of adequate compensation therefor.

SEC. 2. All or any part of such easement may be annulled or forfeited by declaration of the Secretary for failure to comply with the terms of the grant or for nonuse for a period of two consecutive years or abandonment of rights granted under authority hereof.

TREATMENT OF BASIC AGRICULTURAL COMMODITIES

The Senate proceeded to consider the bill (S. 3117) to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage, which had been reported from the Committee on Agriculture and Forestry, with an amendment, to strike out all after the enacting clause and insert:

That section 374(b) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1374(b)), is amended by striking out the last sentence thereof.

SEC. 2. Section 374(c) of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: "The Secretary shall by appropriate regulations provide for the remeasurement upon request by the farm operator of the acreage planted to such commodity on the farm and for the measurement of the acreage planted to such commodity on the farm remaining after any adjustment of excess acreage hereunder and shall prescribe the conditions under which the farm operator shall be required to pay the county committee for the expense of the measurement of adjusted acreage or the expense of remeasurement after the initial measurement or the measurement of adjusted acreage. The regulations shall also provide for the refund of any deposit or payment made for the expense of the remeasurement of the initially determined acreage or the adjusted acreage when because of an error in the determination of such acreage the remeasurement brings the acreage within the allotment or permitted acreage or results in a change in acreage in excess of a reasonable variation normal to measurements of acreage of the commodity. Unless the requirements for measurement of adjusted acreage are met by the farm operator, the acreage prior to such adjustment as determined by the county committee shall be considered the acreage of the commodity on the farm in determining whether the applicable farm allotment has been exceeded.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF MINIMUM MARKETING QUOTA FOR EXTRA LONG STAPLE COTTON

The bill (H.R. 12115) to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN REAL PROPERTY TO THE VILLAGE OF HIGHLAND FALLS, N.Y.

The Senate proceeded to consider the bill (H.R. 6479) to provide for the conveyance of certain real property of the United States to the village of Highland Falls, N.Y., which had been reported from the Committee on Armed Services, with an amendment, on page 1, line 3, after the world "at", to strike out "50 per centum of the ".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (S. 3473) to provide for advance consultation with the Fish and Wildlife Service and with State wildlife agencies before the beginning of any Federal program involving the use of pesticides or other chemicals designed for mass biological controls, was announced as next in order.

Mr. HART. Mr. President, by request, I ask that the bill go over, and I also ask the Calendar No. 1664, H.R. 12381, which is the pending business, also go over.

The PRESIDING OFFICER. Calendar Nos. 1663 and 1664 will be passed over.

QUIET TITLE TO CERTAIN LANDS WITHIN THE NEZ PERCE INDIAN RESERVATION, IDAHO

The Senate proceeded to consider the bill (S. 2711) to quiet title to certain lands within the Nez Perce Indian Reservation, Idaho, and for other purposes, which has been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, after line 2, to strike out:

SEC. 3. This Act shall become effective upon entry of the Nez Perce Tribe into a stipulation in litigation now pending before the Indian Claims Commission under section 2 of the Act of August 13, 1946 (60 Stat. 1049) that this land is not involved in such litigation.

And, in lieu thereof, to insert:

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest of the United States in the lands within the Nez Perce Reservation, Idaho, now reserved for agency, school, or cemetery purposes is hereby declared to be held in trust for the Nez Perce Tribe of Indians, subject to the right of the United States to use said lands for agency, school, or administrative purposes.

SEC. 2. Nothing in this Act shall be construed as confirming or denying the claim that said lands have, since 1855 and up to the effective date of this Act been held in trust by the United States for the Nez Perce Tribe.

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TRUSTEESHIP OF CERTAIN LANDS FOR THE CHEYENNE RIVER SIOUX TRIBE OF INDIANS

The Senate proceeded to consider the bill (H.R. 4786) declaring certain lands to be held in trust for the Cheyenne River Sioux Tribe of Indians of South Dakota, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, after line 13, to insert a new section, as follows:

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CONVEYANCE OF CERTAIN LAND IN TRUST TO THE CITIZEN BAND OF POTAWATOMI INDIANS OF OKLAHOMA

The Senate proceeded to consider the bill (H.R. 7990) to convey certain land of the United States in trust to the Citizen Band of Potawatomi Indians of Oklahoma, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, to strike out all after the enacting clause and insert:

That the Secretary of the Interior is authorized and directed to convey to the Citizen Band of Potawatomi Indians of Oklahoma, all right, title, and interest of the United States in and to approximately 57.99 acres of land more particularly described in section 2 of this Act, subject to the right of the Absentee Shawnee of Oklahoma, Sac and Fox of Oklahoma, Kickapoo of Oklahoma, and Iowa Tribe of Oklahoma to use the Potawatomi community house that may be constructed and maintained thereon. The title of the tribe thereto shall be subject to no exemption from taxation or restriction on use, management or disposition because of Indian ownership.

SEC. 2. The property referred to in the first section of this Act is more particularly described as follows: Lot 1 (northwest quarter of northwest quarter) and north half of lot 2 (north half of southwest quarter of northwest quarter) and the part of the north half of the southeast quarter of the northwest quarter laying west of the east right-of-way line of Oklahoma State Highway Numbered 18, all in section 31, township 10 north, range 4 east of the Indian meridian, in Pottawatomie County, Oklahoma, and containing 57.99 acres more or less.

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide for the conveyance of certain land of the United States to the Citizen Band of Potawatomi Indians of Oklahoma".

BILLS PASSED OVER

The bill (H.R. 12232) making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes, was announced as next in order.

Mr. HART. Over, as not appropriate for calendar action.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 3292) to provide for the establishment of a Department of Housing and Metropolitan Affairs, and for other purposes, was announced as next in order.

Mr. HART. Again, though a very desirable bill, this is not appropriate calendar business. I ask that it go over.

The PRESIDING OFFICER. The bill will go over.

Mr. HART. Mr. President, I ask that the calendar call be concluded at this point. No reports have been received with respect to the remaining items on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I understand the distinguished Senator from South Carolina——

The PRESIDING OFFICER. Debate is not in order during a quorum call.

Mr. CLARK. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with, in order to permit the Senator from South Carolina to make a speech upon another matter before we consider the unfinished business.

Mr. MANSFIELD. Mr. President, reserving the right to object, may I ask the Senator from Pennsylvania a question?

Mr. McCLELLAN. Mr. President, reserving the right to object——

The PRESIDING OFFICER. There can be no debate during a quorum call.

Mr. MANSFIELD. Mr. President, I withdraw my objection.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, I withdraw my objection.

The PRESIDING OFFICER. The objection is withdrawn. Without objection, further proceedings under the quorum call are dispensed with.

Mr. McCLELLAN. Mr. President, did I correctly understand the unanimous-consent request was for a specific purpose, instead of a request to suspend proceedings under the quorum call, so that any business might be transacted?

Was there a request to put a condition upon the suspension, so that only one Senator could make a speech?

Mr. CLARK. Mr. President, I remove the condition.

Mr. McCLELLAN. With the condition removed, I have no objection.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

The PRESIDING OFFICER. Without objection the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates.

FAILURES OF U.S. POLICY AS ADMINISTERED BY THE EISENHOWER ADMINISTRATION

Mr. JOHNSTON of South Carolina. Mr. President, after the collapse of the summit conference, I refrained from criticizing President Eisenhower or any of our officials in charge of foreign affairs, for an obvious reason.

President Eisenhower was not to blame for Mr. Khrushchev's blowup and his subsequent walkout from the summit conference. But at this point in our history I feel it is necessary for Americans to speak up and to be heard concerning the overall foreign policy which has been developed during the past 7½ years. While the collapse of the summit cannot be blamed personally on Mr. Eisenhower nor those in high place in our Government, it is the belief of many Americans that the stage for the collapse of the summit conference had been set by our 7½ years of drifting, weak foreign policies. I say foreign policies because we seem to have a different one for Latin America than we do for Europe and for our once-upon-a-time allies in other sections of the world.

The latest reflection from abroad substantiating the failure of our foreign policies is the cancellation of President Eisenhower's visit to Japan, caused by the unhalted rioting of radical leftwing mobs led by Communists in Japan. These untamed mobs, after having tasted blood, so to speak, I fear will not diminish their disorders, but will attempt now to overthrow the present friendly Japanese Government.

If that happens, Japan will then be stepping into the road which Germany followed after World War I, when Adolf Hitler led a frenzied, radical crowd and overthrew the democratic government headed by Von Hindenburg.

In Japan the United States has invested millions of dollars in foreign aid, in rehabilitation funds, in free food and clothing, and, most dangerously of all, in rehabilitating her industries, particularly her textile, plywood, and other industries which compete severely with American industries, both abroad and at home. Our industries under the grueling policies of our State Department—which, for the last 7½ years, has cried, "We must suffer in order to retain the friendship of Japan"—have lost billions of dollars in foreign markets and markets in the United States to Japanese-manufactured textile and plywood products made with cheap labor and imported into this country under extremely favorable conditions.

What advantage is there in retaining an alleged alliance or friendship with a nation which cannot guarantee the peaceful visit of our Chief Executive to that country?

The United States—as bitterly as we oppose the Russian Communist regime; as bitterly as we feel about Premier Khrushchev personally—not once failed to guarantee security for him when he visited this country. Yet when the President of the United States desires to visit Japan, a nation to which we have practically given everything from money to markets and industry, Japan cannot guarantee his safety.

The present administration has failed bitterly in its ventures into foreign affairs.

If the situation in Japan were an isolated condition, it would not be sufficient cause for alarm, but this situation we find in Japan is merely a reflection of situations we have witnessed occurring throughout the perimeter of so-called friendly nations surrounding the Communist bloc. Everywhere Communists are taking over radical groups, leftwing student organizations, and similar dissatisfied partisans, and are leading demonstrations either to embarrass or to actually overthrow governments which we have supposedly been strengthening through the years with billions of dollars of foreign-aid assistance and military pacts.

It is not necessary to go into the details of every riot in every nation. The truth is that we have had riots in our own United States which have Communist agitation as a foundation. I do not say those who participated in these riots were Communists, but they have swallowed the Communist line and have become the tools of Communist agitators. Even former President Truman, a most liberal man on the subject of integration, has acknowledged that student demonstrations taking the form of sit-in strikes in the United States have had Communist inspiration.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. JAVITS. I think it is pertinent to the Senator's remarks to note that I have seen on the ticker the statement that the United States-Japan Security Treaty has taken effect, so far as Japan is concerned, notwithstanding the efforts of the Japanese demonstrators to stop it. I think, therefore, the Senator's remarks are most interesting at this particular moment.

We have a right to look forward to early approval by the Senate of the treaty, because of the fact that the people of both nations are asserting themselves, notwithstanding the effort of street mobs to distort the processes of democratic government. We have every right to expect that the Japanese people in a new election, which will probably come soon, will again assert their confidence in the value of democratic government, and that we shall assert ours by ratifying the treaty.

I thank my colleague.

Mr. JOHNSTON of South Carolina. I am glad to have the Senator's comments.

I was one who urged that we not consider the treaty until it had been acted upon in Japan, for I felt that would result in quicker action. I thought that if we held back and let the Japanese act first, action would come sooner.

Mr. JAVITS. The Senator has proved to be very prudent in that belief.

Mr. JOHNSTON of South Carolina. Going back to the matter of foreign policy failures, I think the most bitter pill that we have to swallow today is the situation we find only 90 miles from our shoreline on the island of Cuba.

We secured freedom for Cuba when we fought the Spanish-American War, and later guaranteed that nation freedom. In 1957, following an investigation I made as a member of the Internal Security Subcommittee of the Senate Judiciary Committee, I filed a report with the Senate which warned of Communist activity in Latin America. I pointed out that communism was directed mainly toward establishing a beachhead in some place in the Caribbean from which it would act as a springboard to stir up anti-Americanism, and to even overthrow friendly governments.

When I issued this report, the State Department brushed it aside with ridicule, and the great liberal newspapers of the Nation such as the local Washington Post and the New York Times made fun

of my warnings of Communist activity in Latin America. Today these great mouthpieces of the liberals are eating crow, much to the regret of Americans everywhere.

The Castro regime in Cuba has seized American properties valued at over $300 million to date. The seizures continue: the midnight late TV shows from Cuba continue to criticize the American Government in frenzied, fanatical Communist tones: the Communists continue to march into stronger positions in Cuba; they have negotiated with Russia for construction of a superairport capable of taking care of the largest bombers in the world; there are reports that Russian submarines will be tended from Cuba; Cuba is now a springboard of Communist propaganda aimed at running us out of the Panama Canal and cutting us off from our friends throughout Latin America.

Senators may recall that I made an investigation concerning the discontent and ill feeling toward the United States on the part of Panamanians, and I introduced a bill, which was subsequently passed, to make certain amends concerning payments to Panamanians who were working for our Government. The law brought some relief. But at the present time we still find discontent all along the Panama Canal.

It is a matter of public record that the Cuban Government has traded sugar for oil with Russia. American refiners in Cuba have refused to refine the Russian oil, and now the threat exists that these private properties will also be seized.

American-operated hotels in Cuba have been seized by the Castro Communist government.

This is not something happening behind the Iron Curtain; it is happening in our back door. With the establishment of a well-heeled Communist regime in Cuba, the soft underbelly of the United States becomes the most vulnerable area from a military standpoint.

While all this has been going on in Cuba, what has the present administration done about the situation except to drift?

The truth is that the present administration has done little, if anything, to change the sequence of events, but continues to allow various programs and policies to actually finance and underwrite most of the cost of operation of the Communist regime in Cuba. The very success of the Communists in Cuba reflects downright failure of our Central Intelligence Agency to have adequate knowledge of what was going on under the covers. These Communist successes likewise reflect the miserable failures of our State Department which, until recently, had been in chorus with the harping criticisms of the strongest allies we have against communism in Latin America such as the Dominican Republic.

I do not approve of dictatorships personally wherever they are found, but if it is a dictatorship friendly to this country, then I think we are fools to join the Communist conspirators in overthrowing such a government so long as it is friendly to us.

U.S. dollars have, to a large extent, financed the revolution in Cuba, which has created a Communist conspiracy against the United States. During 1960 alone, for example, U.S. consumers of Cuban sugar will contribute into Castro's treasury $128 million in subsidies under existing trade agreements. This amount may rise to as high as $140 million before the year is out. U.S. corporations have rendered to the Castro government between $100 and $150 million in goods and services for which they have never been paid. On top of all this there is the matter of over $300 million worth of private property owned by Americans which Castro has seized. There still remains another $500 million worth of private property threatened with seizure. Estimates place at one-quarter of a billion dollars in American money annually is being pumped one way or another into this anti-American, Communist-dominated regime in Cuba. I hope the State Department will not allow or tolerate any such support from this country of their revolutions in Latin America anywhere.

Several months ago, I said the Monroe Doctrine, as announced by President Monroe in 1823, needed to be redefined and expanded upon. I think our Monroe Doctrine, unless we redefine and reembrace it at this very hour, will become a dead duck. We must state emphatically that the Monroe Doctrine not only includes invasion by military force under the banner of a foreign country, but also must include infiltration by international communism in whatever manner, shape, or form it may take.

We need to tell the Cuban Government that, if it promotes active aggression against any other Latin American nation, we will intervene under the Monroe Doctrine pronouncement, because Cuba has left the realm of being a Western Hemisphere nation and has become the active aggressive tool of international communism.

We need to tell the Cuban Government that if it does not cease its hostilities and slanderous accusations against us, we will sever diplomatic relations and stop our trade with her.

The future is dark on every horizon from an international relations standpoint. Until we take the bull by the horns and aggressively announce our positions and stands in terms that militaristic communism understands, we will continue to be pushed around and taken by all the world to be—in the colloquial American expression—suckers.

It is time we began balancing our trade agreements so they balance in favor of the United States, and not in favor of wishy-washy countries that cannot even protect our President on a good-will mission. It is time we cut off foreign aid from any country which appears to be headed for communism instead of democracy.

We have played around with this game of supporting friends for nearly 15 years, and if we cannot tell by this time whether they are going to become democracies and stand on their own hind feet, then it is time we let them fall by the wayside. The burden of carrying them is intolerable to the taxpayers of this country.

We need to continue to maintain strong military might under our own supervision—strong enough so that when the alliances and pacts and military aids and economic assistances upon which we have constructed a weak future all over this world collapse, we will not be left naked for the military ravagings of Communist aggression.

It is time for an agonizing reappraisal, and time for the present administration to listen beyond the confines of "one world" theorists and advisers who have maintained an Iron Curtain around the White House during the past 7½ years.

I do not think we can even wait until after the election, for the world is turning into a tempest. Slogans and foreign aid will not get us out of this hole; we need God-fearing, aggressive, clear-headed thinking and action which, as I said before, militaristic, aggressive communism can understand.

We have not stopped Communist aggression since the Korean war. We have merely diverted it into undercover, subversive forms of aggression which we must now halt at all costs.

Mr. President, I believe we must do the following things if we are to survive:

First. Redefine and expand our 1823 Monroe Doctrine to include protection of Western Hemisphere nations against infiltration from international communism by whatever manner, shape, or form it may take.

Second. Tell Cuba we no longer consider it anything less than a Communist tool and lay down the law to Castro that if he attempts aggression against any other nation that we will move in with force to stop him. We should halt the purchase of Cuban sugar until Castro reverses his policies.

Third. Halt foreign aid to all countries who do not take aggressive steps to oust Communist activities within their borders, such as in the case of Japan. We should also begin curtailing foreign aid to all nations. It is time they stood on their own two feet. The tax burden of carrying them is intolerable.

Fourth. Stop trying to buy friends and demand that reciprocal trade agreements be reciprocal in order to stop the flow of dollars abroad. They are accumulating in foreign lands at the present time. It is something which has not happened heretofore.

Fifth. Declare to international communism in aggressive and clear tones that we will stop it at all costs if it does not stay in its own backyard.

Only after these things have been done do I believe we can obtain a just and lasting peace. As long as present poli-

cies tolerate retrenchment and bullying, Russia will continue to advance and push us around, either with military force or through infiltration and revolution, and the rest of the world will continue to play us for suckers.

Mr. President, the current issue of U.S. News & World Report contains an excellent article covering the tragic situation in which we now find ourselves in relation to Cuba. I ask that this article, which tells in concise terms how communism has taken over in Cuba, be printed in the body of the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the U.S. News & World Report, June 20, 1960]

COMMUNISTS TAKE OVER 90 MILES FROM UNITED STATES

Castro's Cuba is now exposed in its true role—a Communist satellite offshore from United States. After months of careful preparation—Red dictatorship is in full control, backed and guided by Moscow. It's cut to the classic pattern: "politburo" in charge, filling jails with all who resist; press leashed to the Communist line; plots against neighbors; collective farms; an end to private property. All this is causing official U.S. concern at last. Communists, with Cuba nailed down, are branching out, spreading hate America through the hemisphere, eying military sites that can be converted into Red bases.

(Reported from Havana and Washington)

Communists now have taken full control in Cuba—an island located strategically only 90 miles from United States.

The Communist take-over—long discounted by the U.S. State Department—is beginning now to be recognized and admitted.

A dictatorship of the proletariat is firmly fixed. This dictatorship looks to Soviet Russia and to Communist China for political guidance and for support.

All opposition to the Communist dictatorship, where it rises, is suppressed. Secret police spy on the people, spreading fear. Thousands of political prisoners crowd jails.

The last of Cuba's independent newspapers have been taken over or suppressed. The Government controls all broadcasting. It now is a crime to make any statement unfavorable to communism or to the Government.

Private property, more than 300 million dollars' worth of it American owned, has been seized by the Government without tangible compensation. Large amounts of property remain to be seized.

Only one political party, the Popular Socialist—Communist—Party, is permitted to exist.

VISITORS FROM MOSCOW

It is against this background that Nikita Khrushchev, Soviet dictator, has agreed to visit Cuba. Anastas Mikoyan, Soviet No. 2 man, already has visited the island to do business. Both the Soviet Union and Czechoslovakia are opening large embassies in Havana. A mutual-defense treaty is being mentioned.

Cuba's rulers intend soon to recognize Communist China. They plan to ask Chou En-lai, Red China's Premier, to visit the island. Chinese Communists are increasingly active in Cuba.

The communization of Cuba is being pushed in all fields.

The New York Times, which has been friendly to the Castro government, reported in a dispatch from Havana dated June 6:

"The Castro regime is bending every effort to capture the minds of youth.

"The pattern of training is similar to that used by many totalitarian governments. It includes indoctrination in schools, on radio and television and in the press; military training from 7 years of age; a hate campaign, this time directed against the United States; the organization of work brigades of boys from 14 to 18; and meetings and fiestas, all with a political purpose.

"The Government feels that, once the youth of Cuba is indoctrinated with hatred toward the United States, the relations between the two countries will be permanently damaged."

The Associated Press, in a dispatch from New York City dated June 7, said:

"Three exiled Cuban newspaper publishers declared today that the Fidel Castro government is a puppet regime of the Soviet Union * * *. The three publishers, now living in the United States, all expressed agreement when asked if they considered the Castro regime a puppet of the Soviet Union."

The Associated Press, in an article from Caracas, Venezuela, dated June 7, said:

"Enthusiastic demonstrations greeted Dorticós [Cuban President Osvaldo Dorticós] last night on his arrival at Maiquetia Airport from Lima, Peru, and in the working-class sections of Caracas."

Dorticós has been on a tour of six Latin-American nations, selling anti-Americanism to workers, students, and peasants.

HEMISPHERIC BASE

Use of Cuba as the base for Communist operations in the Western Hemisphere is beginning to be recognized by the U.S. Government as of great and growing importance to the Soviet Union.

Communists, earlier, had gained control in two countries of this Hemisphere—Guatemala and British Guiana. The British Government in 1953 threw out a Communist administration in British Guiana. In 1954, a revolution in Guatemala drove out the pro-Communist regime. Communists are looking for a comeback in British Guiana once independence is given to that British outpost.

The Soviet base in Cuba is described as of vastly greater importance than earlier bases.

Here, on the doorstep of the United States, is an island country 780 miles long, offering potentials for military operations as well as for propaganda offensives directed at a whole continent.

Military possibilities, related to Communist purposes, are no longer being discounted.

The U.S. naval base at Guantánamo Bay, important to defense of the Caribbean area in time of war, is being harassed. Its removal is an objective of the Communist rulers of Cuba.

The Panama Canal already is in the line of political fire. There, too, Communists are active from their base in Cuba. Cubans staged an abortive invasion of Panama in 1959. Political means are expected to be employed from now on to try to force the United States to give up rights in this vital area.

In Cuba itself, Soviet "geologists" are making a complete survey of the island.

Important U.S. military officials believe that these "geologists" are studying possibilities for submarine and missile bases in this strategic area—up against the so-called soft underbelly of the United States. Officials are convinced that, as of the present, Soviet submarines are not being supplied from Cuba, although they are operating in Cuban waters.

In recent months, Cuba's Communist Government, already heavily armed, has invested up to $100 million more in new weapons.

INVASION STRATEGY

Haiti, only 45 miles away, lives in constant fear of invasion. The Government of Guatemala charges that the Cuban Government is training forces that will try to put Communists back in power in that country. Reliable sources report that Cuba is training troops in the Sierra Maestra for a landing in the Dominican Republic.

The plan is said to be this: Before the end of 1960, an internal uprising or military coup will be staged against Generalissimo Rafael Trujillo. When this happens, Castro will announce that the help of Cuba has been asked, and will move in on the Dominican Republic to establish a Communist Government.

Cuba alone, U.S. officials realize, is not the final objective of the Kremlin.

It is through Cuba that the Soviet Union expects to create trouble and to outflank the United States in the Western Hemisphere. Soviet Russia, highly sensitive to U.S. bases on its own periphery, is greatly interested in finding a way to show the United States what it feels like to have a potentially hostile military base next door.

THE FINANCIERS

How much money the Soviet Union and Communist China are prepared to invest in their Cuban satellite remains a question.

To date, Russia has accomplished her objectives at no cost. Instead, the Soviet Union has saved some money by purchasing a substantial amount of Cuban sugar at below the world price. Russia then sold this sugar to her people at a profit.

Castro's Communist Government is paying the Soviet Union and Red China a high price for the technicians, "geologists" and others who are moving in to remake Cuba into a Socialist state.

Means to finance the communization of Cuba actually are being provided on a large scale by the United States.

United States consumers in 1960 will contribute $128 million to Cuba as a subsidized price for sugar. That total may rise to $140 million through diversion of unfilled portions of sugar quotas to Cuba. In addition, American companies have contributed goods and services amounting to between $100 million and $150 million for which they have not been paid.

In one year, official observers point out, the United States is putting up about a quarter of a billion dollars to finance a regime that is openly hostile.

On top of that, the Communists in Cuba have confiscated more than $300 million worth of American property. An additional $500 million worth of American property is in danger of being taken over. The fiction of payment is created by offering some Americans bonds of the National Institute of Agrarian Reform in amounts far less than the real value of the properties. Bankers describe these bonds as having little value.

Communists are pictured in Havana as enjoying the spectacle of the United States financing a Communist revolution—while under violent attack by the Communist rulers it is helping.

The U.S. Congress has balked at a recommendation from President Eisenhower that he be given authority to reduce the subsidy to Cuba.

Resources from the United States are helping a government that is actively engaged in promoting the success of Communist movements throughout Latin America.

AGITATION TARGETS

In the field of agitation and subversion, Cuban agents are highly active. Labor unions, student groups, journalists, professors, landless peasants and nationalist movements of all kinds are primary objectives of Communist penetration from Havana.

In Venezuela, Cuba's leaders are striving to gain hold of the powerful oil workers union. Labor unions of Cuba have been taken over by the Government. Their leadership is in Communist hands. The Reds have had some success in breaking the influence of more conservative labor organizations in a number of South American countries. Chile, in the same way as Venezuela, is a major target for Communist penetration of unions.

All through Latin America, Cuban embassies are centers of Communist activity. American officials describe these embassies as areas of infection from which Communist doctrine and activity are spread.

In private conversations, officials show growing concern. One pointed out that Chile's big Communist Party is now 100 percent for Castro. Said the defense chief of another Latin-American country: "Castro is sending agents all over South America. He is backed, and presumably financed, by Russia. He's being taken as a serious threat."

The Federation of University Students of the University of Havana is active among student groups in many Latin-American countries. Students, in turn, are leaders in the attacks upon the United States and in supporting Communist causes. Financing of this activity that had come almost entirely from the Soviet Union now is supplemented by support from Cuba.

In the field of propaganda, Cuba's activity is even more intense.

Attacks upon United States and glowing accounts of the socialization of Cuba are beamed by powerful radio stations out of Havana to listeners throughout South and Central America. These stations are Government operated. Their No. 1 product is anti-American propaganda.

A Cuban news service, Prensa Latina—staffed largely by Communists—is furnished free to newspapers of Latin America. This is a full-fledged press service—costly to produce and transmit. Part of the bill is picked up by the Castro government in Cuba and, it is understood, part by Moscow.

Cuban officials are constantly on the move in the hemisphere. Their attention is directed not at the governments of Latin-American countries increasingly hostile to the Cuban revolution, but to disgruntled groups within nations where political stability is rare.

THE LAND REFORM

Socialization of Cuba itself is proceeding at a rapid rate.

Basically, Cuba is an agricultural country. Its socialization is being carried out under INRA—the National Institute of Agrarian Reform. INRA has become a superstate. It holds more than 4 million acres of land—about half of it taken from American owners and the other half from Cubans. It holds feed mills, packing plants, the entire fishing industry, many factories, about 600,000 cattle. INRA has seized or established more than 2,000 rural stores, now called "stores of the people."

Plans call for INRA to take over all privately owned sugar mills, including American ones. The agency already holds about a fourth of the country's mills. INRA's plans also call for creation of a Government-owned iron and steel complex, with plants to be supplied by the Soviet Union.

At first the talk was of "land reform." Peasants were to be given the land of big landowners—many from the United States. This idea drew widespread support from commentators in the United States.

Actually, INRA is creating giant cooperative farms—along Soviet lines. Instead of owning land, most peasants are ending up as wage earners, in the same or less desirable state than before the theft of what had been privately owned land.

INRA's executive director, Antonio Nuñez Jiménez, on a recent trip to Moscow, arranged for Soviet experts in larger numbers to carry forward his program, now in a disorganized state.

Under socialism, as brought to Cuba by Castro and his Communist aids, the people are not faring too well. The loyalty of the peasants and of many workers, however, is being held by promises of many good things to come.

Pay of workers, in fact, has been reduced by "voluntary contributions" to revolutionary activity. Inflation is beginning now to eat into standards of living as wages are controlled and prices move higher. Goods of many kinds are beginning to run short. Replacement of these goods is more difficult as American suppliers begin to balk at making gifts of their products.

In the middle class and among some groups of wage earners, including construction workers, there is growing dissatisfaction and alarm. Here, methods taught by the Soviet Union are applied to keep people in line.

BRIMMING JAILS

Spies and informers are on every side. Waiters in cafes and bars, barbers, beauty-shop operators, store clerks, taxi drivers, bellhops and servants report any criticism of the regime to intelligence agents. Children in the juvenile patrols—which the Government organized to replace Boy and Girl Scouts—are instructed to inform on their parents and neighbors.

Arrest swiftly follows these denunciations. Cuban prisons are jammed with political prisoners. The largest prison, on the Isle of Pines, holds about 5,000, with two prisoners in cells intended for one. Food is bad, sanitary facilities worse. Reading is prohibited. Common criminals are given better treatment than political prisoners.

Communist techniques are applied in all fields to try to socialize Cuba.

There are growing doubts whether a Communist Cuba can be made to work. These doubts would increase further, some officials believe, if the United States should decide not to subsidize the venture into communism taking place next door. It now is doubted that American businessmen will continue to supply goods to Cuba without certainty of payment.

The question being raised is whether Soviet Russia, guiding Cuba to communism, will come forward with the volume of aid that would be required to prevent an outbreak of violence among the people. American officials say that the Soviet Union never has been noted for making outright grants of aid on a large scale.

Russia obviously is playing for bigger stakes than Cuba. Through a communized Cuba, the Soviet rulers are described as aiming to penetrate and to get a firm foothold in the larger nations of South America. Once they are in the Americas on a firm footing, trouble confronting the United States could be immense.

DISCONTINUANCE OF REQUIREMENT FOR CERTAIN REPORTS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 899) to provide for the discontinuance of certain reports now required by law, which were, to strike out all after the enacting clause and insert:

That the following provisions of law, which relate to the submission of certain reports to Congress or other Government authority, are hereby repealed, as follows:

(1) Section 209 of the Revised Statutes (5 U.S.C. 164), relating to a certain statement of expenditures required to be made by the Secretary of State with respect to contingent expenses of certain activities abroad, which reads as follows:

"SEC. 209. The annual statement of expenditures from the contingent fund required to be made by the Secretary of State, must include all the contingent expenses of foreign intercourse and of all the missions abroad, except such expenditures as are settled upon the certificate of the President.".

(2) Section 3 of the Act entitled "An Act authorizing an appropriation to effect a settlement of the remainder due on Pershing Hall, a memorial already erected in Paris, France, to the Commander in Chief, officers, and men of the Expeditionary Forces, and for other purposes", approved June 28, 1935 (49 Stat. 426; 36 U.S.C. 492), which reads as follows:

"SEC. 3. An itemized report shall be transmitted to the Senate and House of Representatives on the first day of each regular session of Congress of expenditures made in pursuance herewith.".

(3)(A) Section 646(b) of title 14 of the United States Code, relating to certain reports to Congress by the Secretary of the Treasury with respect to certain claims against the United States for damage by Coast Guard vessels, which reads as follows:

"(b) On payment of any claim determined, compromised, or settled under this section at a net amount exceeding $3,000, but not exceeding $25,000, payable by the United States, the Secretary of the Treasury within twenty days of payment shall report to the Congress setting forth the nature of the claim, the vessel involved, the amount paid with respect thereto, the basis of the determination, compromise, or settlement, and other pertinent facts. The Secretary of the Treasury shall report to the Congress, at each session thereof, all claims which have been paid under this section. During any war the reports required under this section may omit any fact or facts disclosure of which, in the opinion of the Secretary, would be prejudicial to the national security.".

(B) Section 647(b) of title 14 of the United States Code, relating to certain reports to Congress by the Secretary of the Treasury with respect to certain claims of the United States for damage to Coast Guard property, which reads as follows:

"(b) Within twenty days after receipt of a payment in a net amount exceeding $3,000 due the United States pursuant to determination, compromise, or settlement of any claim under this section, the Secretary of the Treasury shall report to the Congress setting forth the nature of the claim; the vessel or vessels involved; the amount received; the basis of determination, compromise, or settlement; and other pertinent facts. During any war the reports required under this section may omit any fact or facts, disclosure of which in the opinion of the Secretary, would be prejudicial to the national security.".

(4) Section 1552(f) of title 10 of the United States Code, relating to reports to Congress by the Secretary of Defense with respect to claims incident to correction of military records, which reads as follows:

"(f) The Secretary of Defense for the military departments, and the Secretary of the

Treasury for the Coast Guard, shall report to Congress every six months on claims paid under this section during the period covered by the report. The report shall include for each claim the name of the claimant, a brief description of the claim, and a statement of the amount paid.".

(5) (A) Section 714 of title 10 of the United States Code, relating to reports to Congress with respect to length of tours of duty outside the United States by members of the Army and Air Force, which reads as follows:

"§ 714. Reports to Congress on length of tours of duty outside United States by members of Army and Air Force

"The Secretary of Defense shall advise the Committees on Armed Services of the Senate and the House of Representatives, on April 1 and October 1 of each year, of the regulations governing the length of tours of duty outside the United States by members of the Army and the Air Force, including any changes in those regulations.".

(B) That part of the analysis of chapter 41 of title 10 of the United States Code which reads as follows:

"714. Reports to Congress on length of tours of duty outside United States by members of Army and Air Force.".

(6) Section 408(b) of the Act entitled "An Act to authorize certain construction at military and naval installations, and for other purposes", approved June 17, 1950 (64 Stat. 245), which reads as follows:

"(b) The Secretary of Defense is authorized and directed to make a report to the Congress at the beginning of the first session of the Eighty-second Congress, and at the beginning of the first session of each succeeding Congress, listing all projects for the establishment or development of military, naval, or air-force installations and facilities by the construction, installation, or equipment of temporary or permanent public works which have been authorized by the Congress subsequent to the beginning of the Eightieth Congress and for which adequate funds for the completion thereof have not been appropriated. The report shall include any recommendations which the Secretary of Defense deems appropriate with respect to the rescission of all, or any portion, of the authority to proceed with any such project.".

(7) (A) Section 9805 of title 10 of the United States Code, relating to certain reports to Congress by the Secretary of the Air Force with respect to certain claims against and by the United States, which reads as follows:

"§ 9805. Reports to Congress

"The Secretary of the Air Force shall report to the Committees on Armed Services of the Senate and the House of Representatives within 20 days after paying a claim in an amount over $3,000 under section 9802 of this title, or receiving payment of a claim under section 9803 or 9804 of this title. The report shall include a description of the claim, the names of the vessels involved, a statement of the amount paid or received, the basis of the determination, and other pertinent information. The Secretary shall also report to Congress at each session all amounts paid or received under those sections during the period covered by the report. However, during a war, the Secretary may omit from a report under this section any information the disclosure of which he believes would prejudice the national security.".

(B) That part of the analysis of chapter 951 of title 10 of the United States Code which reads as follows:

"9805. Reports to Congress.".

(8) (A) Section 4805 of title 10 of the United States Code, relating to certain reports to Congress by the Secretary of the Army with respect to certain claims against and by the United States, which reads as follows:

"§ 4805. Reports to Congress

"The Secretary of the Army shall report to the Committees on Armed Services of the Senate and the House of Representatives within 20 days after paying a claim in an amount over $3,000 under section 4802 of this title, or receiving payment of a claim under section 4803 or 4804 of this title. The report shall include a description of the claim, the names of the vessels involved, a statement of the amount paid or received, the basis of the determination, and other pertinent information. The Secretary shall also report to Congress at each session all amounts paid or received under those sections during the period covered by the report. However, during a war, the Secretary may omit from a report under this section any information the disclosure of which he believes would prejudice the national security.".

(B) That part of the analysis of chapter 451 of title 10 of the United States Code which reads as follows:

"4805. Reports to Congress.".

(9) The last sentence of section 8 of the Armed Forces Leave Act of 1946, as amended (60 Stat. 967; 37 U.S.C. 37), which reads as follows: "Amounts expended hereunder shall be included in the annual reports to the Congress by the Departments concerned.".

(10) (A) Section 7624 of title 10 of the United States Code, relating to certain reports to Congress by the Secretary of the Navy with respect to admiralty claims against the United States, which reads as follows:

"§ 7624. Reports to Congress

"(a) The Secretary of the Navy shall report to the Committees on Armed Services of the Senate and the House of Representatives within 20 days after an amount over $3,000 is paid by him under section 7622 of this title or is received by him under section 7623. The report shall include a description of the claim, the names of the vessels involved, a statement of the amount paid or received, the basis of the determination, and other pertinent information.

"(b) The Secretary shall report to Congress at each session all claims that have been paid under section 7622 of this title during the period covered by the report.

"(c) During a war the Secretary may omit from a report under this section any information the disclosure of which he believes would prejudice the national security.".

(B) That part of the analysis of chapter 653 of title 10 of the United States Code which reads as follows:

"7624. Reports to Congress.".

(11) Section 4 of the Act entitled "An Act to authorize the construction of certain naval vessels, and for other purposes", approved February 6, 1942 (56 Stat. 53; Public Law 440, Seventy-seventh Congress), which reads as follows:

"SEC. 4. The Secretary of the Navy from time to time, but not less frequently than once every six months, shall transmit to the Congress a full report of all acquisitions of land effected under authority of this or any subsequent Act.".

(12) Section 302 of the Penalty Mail Act of 1948, as amended (62 Stat. 1048; 39 U.S.C. 321j), which reads as follows:

"SEC. 302. The Postmaster General shall report to the Congress and to the Bureau of the Budget within ninety days after the close of each fiscal year the number of envelopes, labels, wrappers, cards, and other articles bearing such penalty indicia procured or accounted for through him during such fiscal year by each executive department and agency, by each independent establishment, and by each organization and person authorized by law to use the penalty privilege.".

(13) That part of section 13 of the Act of June 25, 1910 (36 Stat. 858; 43 U.S.C. 148), relating to the authority of the Secretary of the Interior to reserve certain Indian lands valuable for power or reservoir sites or for irrigation projects and his reports thereon, which reads as follows: ", and he shall report to Congress all reservations made in conformity with this Act".

(14) Section 3 of the Act entitled "An Act to authorize the President of the United States to make withdrawals of public lands in certain cases", approved June 25, 1910, as amended (36 Stat. 848; 43 U.S.C. 143), which reads as follows:

"SEC. 3. That the Secretary of the Interior shall report all such withdrawals to Congress at the beginning of its next regular session after the date of the withdrawals.".

(15) Section 4 of the Act entitled "An Act authorizing the Secretary of the Interior to arrange with States or Territories for the education, medical attention, relief of distress, and social welfare of Indians, and for other purposes", approved April 16, 1934, as amended (49 Stat. 1459; 25 U.S.C. 455), which reads as follows:

"SEC. 4. That the Secretary of the Interior shall report annually to the Congress any contract or contracts made under the provisions of this Act, and the moneys expended thereunder.".

(16) The last sentence of section 10 of the Act of June 18, 1934 (48 Stat. 986; 25 U.S.C. 470), providing for an annual report to Congress of transactions involving loans to Indians, which reads as follows: "A report shall be made annually to Congress of transactions under this authorization.".

(17) Section 3 of the Act of December 18, 1942 (56 Stat. 1057; 30 U.S.C. 15), providing for the establishment of a research laboratory for the utilization of anthracite coal, which reads as follows:

"SEC. 3. The Secretary, acting through the United States Bureau of Mines, shall make a report to Congress at the beginning of each regular session of the activities of, expenditures by, and donations to, the laboratory established under this Act."

(18) Section 2 of the Act entitled "An Act to authorize appropriations for the Bureau of Reclamation for payments to school districts on certain projects during their construction status", approved June 29, 1948 (62 Stat. 1108; 43 U.S.C. 385b), which reads as follows:

"SEC. 2. The Secretary of the Interior shall furnish to the Congress each year, on or before the 3d day of January, a report on all activities undertaken during the preceding fiscal year pursuant to the provisions of this Act, together with such recommendations with respect to problems relating to it as he shall think appropriate.".

(19) Section 6 of the Act of October 26, 1949, as amended (63 Stat. 929; 16 U.S.C. 468e), establishing the National Trust for Historic Preservation in the United States, which reads as follows:

"SEC. 6. The National Trust shall, on or before the 1st day of March in each year, transmit to Congress a report of its proceedings and activities for the preceding calendar year, including the full and complete statement of its receipts and expenditures.".

(20) Section 3 of the Act entitled "An Act to authorize the Secretary of Agriculture to

cooperate with the Government of Mexico in the control and eradication of foot-and-mouth disease and rinderpest", approved February 28, 1947, as amended (61 Stat. 8; 21 U.S.C. 114d), which reads as follows:

"SEC. 3. Thirty days after the enactment of this Act, and every thirty days thereafter, the Secretary of Agriculture shall make a report to the Congress with respect to the activities carried on under this Act.".

(21) Section 7 of the Act of May 8, 1914, as amended (67 Stat. 85; 7 U.S.C. 347), relating to annual reports to Congress with respect to agricultural extension work, which reads as follows:

"SEC. 7. The Secretary of Agriculture shall make an annual report to Congress of the receipts, expenditures, and results of the cooperative agricultural extension work in all of the States, Territories, or possessions receiving the benefits of this Act, and also whether the appropriation of any State, Territory, or possession has been withheld, and, if so, the reason therefor.".

(22) The last paragraph of section 7 of the Act of March 2, 1887, as amended (69 Stat. 674; 7 U.S.C. 361g), relating to annual reports to Congress with respect to the work of agricultural experiment stations, which reads as follows:

"The Secretary of Agriculture shall make an annual report to the Congress during the first regular session of each year of the receipts and expenditures and work of the agricultural experiment stations in all the States under the provisions of this Act and also whether any portion of the appropriation available for allotment to any State has been withheld and if so the reasons therefor.".

(23) The first sentence of section 3 of the Act of June 15, 1936 (49 Stat. 1506; 36 U.S.C. 139b), establishing The National Yeomen F, which reads: "That said organization shall report annually to the Secretary of the Smithsonian Institution concerning its proceedings, and said Secretary shall communicate to Congress such portions thereof as he may deem of national interest and importance.".

(24) Subparagraph (3) of section 4(k) of the Communications Act of 1934, as amended (66 Stat. 712; 47 U.S.C. 154(k)(3)), which reads as follows:

"(3) information with respect to all persons taken into the employment of the Commission during the year covered by the report, including names, pertinent biographical data and experience, Commission positions held and compensation paid, together with the names of those persons who have left the employ of the Commission during such year: *Provided*, That the first annual report following the date of enactment of the Communications Act Amendments, 1952, shall contain such information with respect to all persons in the employ of the Commission at the close of the year for which the report is made;".

(25) That part of paragraph (2) of subsection (a) of the first section of the Act of July 25, 1956 (70 Stat. 648; 31 U.S.C. 701(a)(2)), relating to the simplification of Government accounting and the facilitation of the payment of Government obligations, which reads ": *Provided further*, That prior thereto the head of the agency concerned shall make such report with respect to each such restoration as the Director of the Bureau of the Budget may require, and shall submit such report to the Director, the Comptroller General, the Speaker of the House of Representatives, and the President of the Senate".

And to amend the title so as to read: "An Act to repeal certain provisions of law requiring the submission of certain reports to Congress, and for other purposes."

Mr. McCLELLAN. Mr. President, this bill originated with the Committee on Government Operations.

In 1957, in response to a request made by the committee, the Director of the Bureau of the Budget conducted a survey within the executive branch of the Government and recommended the discontinuance of 59 reports authorized by law to be submitted to the Congress, which the respective agencies and the Bureau of the Budget recommended be discontinued since they no longer were considered necessary and were held to serve no useful purpose.

All committees of the Senate were canvassed by the Committee on Government Operations to ascertain whether or not they also agreed that the 59 reports recommended by the Bureau of the Budget could be discontinued. As a result of recommendations from the various chairmen of the Senate committees, 14 of the reports recommended by the Bureau of the Budget were eliminated from the bill. The bill passed the Senate in revised form authorizing the discontinuance of 45 reports. The House of Representatives followed the same procedure of the Senate committee and as a result of recommendations made by the various committees of the House, the number of reports to be discontinued as provided in the Senate bill was reduced from 45 to 21. The House committee inserted four new items, thereby increasing the total to 25 reports which would be discontinued under the bill as amended by the House of Representatives.

Mr. President, I do not believe that the House amendments actually go far enough to eliminate all the reports that could be eliminated. But certainly the elimination of 25, as contained in the House amendments, would be a forward step, and would be making progress in the right direction. In view of the limited time remaining in Congress, and in view of the position taken by the House, I believe it would be well for the House amendments to be accepted.

Therefore I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1959

The Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that Mr. Jay Glasmann, Assistant to the Secretary of the Treasury, be granted the privilege of the floor during the debate on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of Virginia. Mr. President, I make a point of no quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

[No. 234]

Aiken	Clark	Mansfield
Anderson	Curtis	Muskie
Bartlett	Dworshak	Pastore
Beall	Ervin	Prouty
Bible	Gore	Scott
Brunsdale	Hart	Smith
Bush	Hartke	Sparkman
Byrd, Va.	Johnson, Tex.	Talmadge
Byrd, W. Va.	Johnston, S.C.	Wiley
Cannon	Keating	Williams, Del.
Carlson	Kuchel	Young, Ohio
Case, S. Dak.	Lusk	

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from California [Mr. ENGLE], the Senator from Rhode Island [Mr. GREEN], the Senator from North Carolina [Mr. JORDAN], the Senator from Washington [Mr. MAGNUSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the Senator from Georgia [Mr. TALMADGE], and the Senator from South Carolina [Mr. THURMOND] are absent on official business.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. McNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from West Virginia [Mr. RANDOLPH] are necessarily absent.

Mr. KUCHEL. I announce that the Senators from New Hampshire [Mr. BRIDGES and Mr. COTTON], the Senator from New Jersey [Mr. CASE], the Senator from Kentucky [Mr. COOPER], and the Senator from Nebraska [Mr. HRUSKA] are necessarily absent.

The Senator from Maryand [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will proceed to execute the order of the Senate.

After a little delay Mr. ALLOTT, Mr. BENNETT, Mr. CHAVEZ, Mr. CHURCH, Mr. DIRKSEN, Mr. DODD, Mr. DOUGLAS, Mr. EASTLAND, Mr. ELLENDER, Mr. FONG, Mr. FREAR, Mr. FULBRIGHT, Mr. GOLDWATER, Mr. GRUENING, Mr. HAYDEN, Mr. HILL, Mr. HOLLAND, Mr. HUMPHREY, Mr. JACKSON, Mr. JAVITS, Mr. KERR, Mr. LAUSCHE, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MARTIN, Mr. McCARTHY, Mr. McCLELLAN, Mr. McGEE, Mr. MONRONEY, Mr. MORTON, Mr. MOSS, Mr. MURRAY, Mr. O'MAHONEY, Mr. PROXMIRE, Mr. ROBERTSON, Mr. SALTONSTALL, Mr. SMATHERS, Mr. SYMINGTON, Mr. WILLIAMS of New Jer-

sey, Mr. YARBOROUGH and Mr. YOUNG of North Dakota entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

ORDER FOR ADJOURNMENT UNTIL 10 A.M. ON MONDAY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 10 o'clock Monday morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

The Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates.

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Virginia [Mr. BYRD] is about to explain the bill. It is a very important piece of legislation. We have already been in session 2 hours this morning, and we are just now reaching the bill. We have had to obtain a live quorum, although we are not going to have any votes immediately. I hope Senators will give respectful attention to the Senator from Virginia, so that he may complete his speech, and we may start on the consideration of amendments to the bill.

I should like to have all Senators know that we expect to have a late session this evening, if we have not passed the bill, up until at least 10 o'clock. I was forced to make that concession, or we would have wasted a lot of time on quorum calls today.

Mr. BYRD of Virginia. Mr. President, under present law, certain excise and corporate income tax rates which were increased during the Korean war are scheduled to be automatically reduced on June 30, 1960. This bill continues the present rates for fiscal year 1960, or until June 30, 1961. The bill also provides for a temporary increase in the public debt ceiling for fiscal 1960. The Committee on Finance adopted without change the foregoing provisions of the House-passed bill, but amended that bill to repeal the excise tax on general telephone service, telegraph service, and transportation of persons.

Under present law, the permanent debt ceiling is $285 billion and the temporary debt ceiling is $10 billion. Thus, the total debt limit is $295 billion. However, the provision for the temporary debt limit is scheduled to terminate on June 30 of this year. The House bill and the Senate committee bill provide for a temporary increase in the debt ceiling for fiscal year 1961 of $8 billion. Under the bill, the overall debt ceiling for fiscal year 1961 will be $293 billion.

The present corporate income-tax rate of 52 percent is scheduled for an automatic reduction to 47 percent on June 30. The House bill which the Committee on Finance adopted in this respect extends the 52-percent rate for another year, that is, until June 30, 1961. This action is estimated to increase revenues for a full year by $2,375 million.

The temporary increase in certain excise tax rates also are continued for another year, until June 30, 1961. The excise taxes involved in this action include the tax on distilled spirits, beer and wine, cigarettes, passenger cars, and auto parts and accessories. The committee has adopted the House bill with respect to the tax imposed upon these articles. This committee decision is estimated to result in a revenue increase, on a full-year basis, of $978 million.

Last year the committee reported, and Congress approved, a measure which, among other things, provided for the repeal of the excise tax on general—or local—telephone service, and a reduction to 5 percent in the case of the excise tax on the transportation of persons, both to be effective as of July 1, 1960. The House bill would have extended the present rates with respect to these services through fiscal year 1961. The tax on these services was necessary during the war to prevent excessive use of the facilities and to conserve them for the war effort. The committee, however, believes it is essential that there be no further delay in removing the excise tax on these services. Accordingly, the House bill has been amended to repeal both the excise tax on general—or local—telephone service and the excise tax on transportation of persons as of July 1. In addition, the committee considered it advisable to repeal the excise tax on domestic telegraph service. The House bill has also been amended to accomplish this purpose. These amendments reduce the yield under the House bill for a full year by $752 million. I may say, as a member of the committee, that I voted against this reduction in taxes.

The net effect of the committee bill, as indicated in the attached tables, is to increase revenues on a full-year basis by an estimated $3,196 million.

It is important that this bill be enacted immediately, since the temporary debt limit will expire on June 30, and the permanent debt limit will be exceeded on that day unless this legislation is passed. Furthermore, if the excise tax tax rates are not extended promptly, it will be difficult, both from a constitutional and a practical standpoint, to make them retroactive.

I ask unanimous consent to have printed in the RECORD a tabulation showing tax reductions and tax increases.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Tax rates affected by the bill

	Unit of tax	Present rates	Rates to become effective July 1, 1960 under—		
			Present law	House bill	Committee bill
Rates continued in House and committee bill:					
Corporations	Normal tax net income (percent)	30	25	30	30
Excises:					
Liquor taxes:					
Distilled spirits	Per proof gallon	$10.50	$9.00	$10.50	$10.50
Beer	Per barrel	$9.00	$8.00	$9.00	$9.00
Wine:					
Still wine:					
Containing less than 14 percent alcohol	Per wine gallon (cents)	17	15	17	17
Containing 14 to 21 percent alcohol	do	67	60	67	67
Containing 21 to 24 percent alcohol	Per wine gallon	$2.25	$2.00	$2.25	$2.25
Containing more than 24 percent alcohol	do	$10.50	$9.00	$10.50	$10.50
Sparkling wines, liqueurs, etc.:					
Champagne or sparkling wine	do	$3.40	$3.00	$3.40	$3.40
Liqueurs, cordials, etc	do	$1.92	$1.60	$1.92	$1.90
Artificially carbonated wine	do	$2.40	$2.00	$2.40	$2.42
Tobacco taxes: Cigarettes	Per thousand	$4.00	$3.50	$4.00	$4.00
Manufacturers' excise taxes:					
Passenger cars	Manufacturers' sale price (percent)	10	7	10	10
Auto parts and accessories	do	8	5	8	8
Rates repealed under committee bill:					
Miscellaneous taxes:					
General telephone	Amount charged (percent)	10	0	10	0
Domestic telegraph service	do	10	10	10	0
Transportation of persons	Amount paid (percent)	10	5	10	0

Source: Staff of the Joint Committee on Internal Revenue Taxation.

Revenue effect of the bill as passed by the House and as amended by your committee, gain (+) or loss (−) over yield with rates scheduled to be in effect July 1, 1960, under present law

[Millions of dollars]

	Full year effect		Fiscal 1961 effect	
	House bill	Your committee bill	House bill	Your committee bill
A. Rates extended under both bills—revenue gain:				
52-percent corporate tax rate	+2,375	+2,375	+1,075	+1,075
Excise tax rates:				
Distilled spirits	+158	+158	+258	[1] +258
Beer	+88	+88	+96	[1] +96
Wines	+10	+10	+14	[1] +14
Cigarettes	+231	+231	+251	[1] +251
Passenger cars	+420	+420	+399	[1] +399
Auto parts and accessories	+71	+71	+62	+62
Subtotal, excises	+978	+978	+1,080	[1] +1,080
Total for rates continued under both bills	+3,353	+3,353	+2,155	[1] +2,155
B. Taxes repealed under your committee bill:				
Transportation of persons	+145	−145	+109	−109
General telephone	+450	+5	+338	+4
Domestic telegraph service	0	−17	0	−13
Total	+595	−157	+447	−118
C. Net revenue gain	+3,948	+3,196	+2,602	+2,037

[1] Includes effect of postponing floor stock refunds.

Source: Joint Committee on Internal Revenue Taxation.

Mr. BYRD of Virginia. Mr. President, I wish now to read a letter from the Secretary of the Treasury, dated June 18, 1960, addressed to me as chairman of the Senate Finance Committee:

JUNE 18, 1960.

MY DEAR MR. CHAIRMAN: On behalf of the administration, I wish to reiterate our support of the legislation which was enacted by the House of Representatives providing for a temporary public debt ceiling of $293 billion for the fiscal year 1961 and a 1-year extension of present tax rates on corporation income and certain excises.

We urge enactment without amendment of the proposed legislation as it was transmitted to the Senate by the House of Representatives. The Senate Finance Committee amendments would, if adopted, cut revenue almost three-quarters of a billion dollars in a full year.

Continuation of the taxes as provided in the House bill would, in combination with other elements of the President's program, produce a substantial surplus for the fiscal year 1961. The attainment of budget surpluses during periods of high levels of economic activity will allow the Federal Government to reduce its huge public debt. Such action will provide convincing demonstration both at home and abroad that this Nation is determined to so conduct its affairs as to promote the continuation of a sound economy and provide for our Defense Establishment as well as for job opportunities, and better living for our people.

It would be unfortunate indeed if premature and selective reductions in taxes were permitted to undermine the surplus in the budget for fiscal year 1961. Piecemeal tax reductions would not only prevent the attainment of the desired surplus for debt retirement in fiscal year 1961 but such reductions would also tend to postpone the achievement of the significant margin of revenues over expenditures that we should appropriately have in order to effect general improvements in the tax system. The financial position of the Government does not at this time permit a general reduction in taxes, and we do not believe that special tax reduction is now justified.

We urge every effort be made to enact H.R. 13281 as it was transmitted to the Senate by the House of Representatives.

Sincerely,

ROBERT B. ANDERSON.

The PRESIDING OFFICER. The clerk will report the first committee amendment.

The LEGISLATIVE CLERK. On page 3, after line 9, it is proposed to strike out

"(2) section 4251(b)(2) (relating to termination of tax on general telephone service);

After line 11, it is proposed to strike out:

(3) section 4261 (relating to tax on transportation of persons);

Mr. PROXMIRE. Mr. President, it is my understanding that the junior Senator from Tennessee [Mr. GORE] is anxious to speak at this time. I have no intention of delaying. I am sure no other Senator has any such intention. I am very anxious to proceed with the debate. I desire to make a speech as soon as I can.

In deference to the Senator from Tennessee, Mr. President, I suggest the absence of a quorum, so that we can locate the Senator.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. KUCHEL. Does the Senator have in mind making this a live quorum?

Mr. PROXMIRE. I have no intention to do so whatsoever. I simply wish to locate the junior Senator from Tennessee.

Mr. KUCHEL. I thank the Senator.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, I offer an amendment to the first committee amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the language proposed to be stricken by the first committee amendment on page 3, lines 10 through 13, it is proposed to insert the following:

TITLE III—ADDITIONAL PROVISIONS

SEC. 301. DEPLETION RATE FOR CERTAIN CLAYS AND TREATMENT PROCESSES CONSIDERED AS MINING FOR COMPUTING PERCENTAGE DEPLETION IN THE CASE OF MINERALS AND ORES.

(a) DEPLETION RATE FOR CERTAIN CLAYS.—Subsection (b) of section 613 (relating to percentage depletion rates) is amended as follows:

(1) Paragraph (3) is amended to read as follows:

"(3) 15 percent—

"(A) metal mines (if paragraph (2) (B) does not apply), rock asphalt, and vermiculite; and

"(B) if paragraph (5) (B) does not apply, ball clay, bentonite, china clay, sagger clay, and clay used or sold for use for purposes dependent on its refractory properties."

(2) Paragraph (5) is amended to read as follows:

"(5) 5 percent—

"(A) gravel, mollusk shells (including clam shells and oyster shells), peat, pumice, sand, scoria, shale, and stone, except stone described in paragraph (6);

"(B) clay used, or sold for use, in the manufacture of building or paving brick, drainage and roofing tile, sewer pipe, flower pots, and kindred products; and

"(C) if from brine wells—bromine, calcium chloride, and magnesium chloride."

(3) Paragraph (6) is amended by striking "refractory and fire clay,".

(b) TREATMENT PROCESSES CONSIDERED AS MINING.—Subsection (c) of section 613 (relating to the definition of gross income from property) is amended as follows:

(1) Paragraph (2) is amended to read as follows:

"(2) MINING.—The term 'mining' means the extraction of the ores or minerals from the ground, the treatment processes considered as mining described in paragraphs (3) and (4), and so much of the transportation of ores or minerals (whether or not by common carrier) from the point of extraction from the ground to the plants or mills in which such treatment processes are applied thereto as is not in excess of 50 miles unless the Secretary or his delegate finds that the physical and other requirements are such that the ore or mineral must be transported to a greater distance to such plant or mills."

(2) Paragraph (3) is redesignated paragraph (5).

(3) Paragraph (4) is deleted and the following paragraphs are inserted in lieu thereof:

"(3) TREATMENT PROCESSES CONSIDERED AS MINING.—The following treatment processes where applied by the mine owner or operator with respect to the minerals or ores extracted from the ground by him shall be considered as 'mining':

"(A) In the case of coal—cleaning, breaking, sizing, dust allaying, treating to prevent freezing, and loading for shipment;

"(B) In the case of sulfur recovered by the Frasch process—pumping to vats, cooling, breaking, and loading for shipment;

"(C) In the case of all other minerals or ores—(i) where applied to crude minerals or ores—crushing, grinding, sorting, screening, washing, and drying to remove free moisture; (ii) beneficiation by concentration, and the processes necessary thereto; (iii) beneficiation by cyanidation, leaching, crystallization, or precipitation, and the processes necessary thereto; (iv) any additional process, if necessary, to bring the mineral or ore to form and condition suitable for shipment; and (v) loading for shipment. For pur-

poses of this subparagraph, the term 'beneficiation by concentration' means the application of processes solely for the purpose of eliminating waste, or separating the mineral or ore from other minerals or ores, by gravity, flotation, amalgamation, electrostatic means, magnetic means, or substantially equivalent processes. The processes referred to in (iv) are those processes which are necessary to bring the mineral or ore to the physical form and condition in which it is capable of being transported as distinguished from those processes applied to make the mineral or ore salable. The term 'loading for shipment' shall not include the cost of packaging unless otherwise provided for under (IV), nor shall it include the cost of containers, bags, or any similar items;

"(D) The pulverization of talc, the burning of magnesite, the furnacing of quicksilver ores, and the sintering and nodulizing of phosphate rock.

"(4) TREATMENT PROCESSES NOT CONSIDERED AS MINING.—The following treatment processes shall not be considered as 'mining':

"(A) In the case of all minerals or ores—electrolytic deposition, roasting, calcining, thermal or electric smelting, refining, polishing, fine pulverization, blending with other materials, treatment effecting a chemical change, thermal action, and molding or shaping, unless such processes are otherwise provided for in paragraph (3); and

"(B) Notwithstanding any other provisions of this subsection, any treatment process which follows a process that is not considered as 'mining' will not be considered as mining for the purpose of this subsection."

SEC. 302. EFFECTIVE DATE.—The amendment made by section 301 shall be applicable only with respect to taxable years beginning after December 31, 1960.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. JOHNSON of Texas. Is the distinguished Senator from Tennessee disposed to indicate about how much time he thinks the proponents of the amendment will consume?

Mr. GORE. I cannot estimate it.

Mr. JOHNSON of Texas. Does the Senator have any idea?

Mr. GORE. I have some ideas, but they are so indefinite that I do not wish to suggest them until there has been some debate on the amendment.

Mr. President, the first committee amendment to which I have offered an amendment would repeal the excise tax on local telephone service. The committee amendment, if adopted, would bring about a reduction in revenue of an estimated $450 million. I voted for the amendment in the Finance Committee. However, I offered amendments which would produce revenue from other sources, which procedure I regard as being more in the national interest, the suggested source being a more equitable source of revenue than an excise tax on local telephone service.

I should like to see the excise tax on local telephone service repealed. The amendment to the amendment which I have offered would save an estimated $500 million a year if present court decisions should stand, and the principles enunciated in those decisions were extended to other taxpayers.

Mr. KEATING. Mr. President, will the Senator yield for a clarifying question?

Mr. GORE. I yield.

Mr. KEATING. Is the amendment to which the Senator is addressing his remarks designated "6-17-60—C"?

Mr. GORE. That is the amendment. In order that Senators may identify the amendment and obtain copies at the desk, the amendment of which I speak is amendment "6-17-60—C."

I have offered it as an amendment to the committee amendment. If the Senate is to adopt an amendment to repeal the excise tax on local telephone service, it will have an opportunity to adopt an amendment to that committee amendment which might well save for the Treasury more revenue than a repeal of the local telephone service excise tax would lose.

By way of preface, I should like to read a letter from the Secretary of the Treasury, Hon Robert B. Anderson.

Mr. KEATING. Mr. President, will the Senator yield again for a further clarification?

Mr. GORE. I yield.

Mr. KEATING. The Senator's position is that we should accept the committee amendment, but should also adopt his as an amendment to that committee amendment. Is that correct?

Mr. GORE. That is correct. Then, if the committee amendment as amended by the amendment I have proposed is adopted, it may well be that the amendment, as amended, will increase revenue rather than decrease it, though I must say that this result depends to a considerable extent upon the outcome of litigation which has been appealed to the Supreme Court.

Mr. KEATING. In other words, the Senator does favor the repeal of the telephone tax on local telephone service.

Mr. GORE. I favor both the repeal of the tax on local telephone service and the closing of some loopholes so as to provide additional revenue.

Mr. KEATING. I thank the Senator.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. GORE. I will yield in a moment. I should like to say further to my distinguished friend, the able junior Senator from New York, that the amendment which I have offered and which he holds is a verbatim copy of an amendment sent to Congress by the Secretary of the Treasury. The Senator will find it in verbatim form in the hearings before the House Ways and Means Committee, following a letter from the Secretary of the Treasury to the Speaker of the House, which I will read into the RECORD.

I yield to the Senator from Missouri.

Mr. SYMINGTON. Will the Senator develop the loopholes that he believes should be closed in the law?

Mr. GORE. Yes; I propose to do that. I propose to discuss the first one, to which the first amendment I have offered is directed.

Mr. SYMINGTON. Will the Senator be good enough to tell me at this time, because I hope to be present at least for the discussion of one of them, which one he proposes to bring up first?

Mr. GORE. The one now pending redefines "mining." Under circuit court decisions, the depletion allowance is now allowed on the retail price of some finished products. If the percentage depletion allowance, which is supposed to be related to the natural resource, is permitted to be applied to sale price of nuts and bolts and brick and tile, then a vast number of our taxpayers will pay taxes on only one-half of their net profits. I hold in my hand a brick, the end product of clay that is mined from the earth. As the law was originally interpreted, the depletion allowance applied to the natural resource which was extracted from the earth.

Mr. SYMINGTON. Raw clay.

Mr. GORE. The raw clay—the value of the raw clay. Now the decisions have held that the depletion allowances extends to the retail value of the brick and the clay and in some items to sums up to a hundred times the amount of the value of the original product extracted from the earth.

Mr. SYMINGTON. Will the Senator yield further?

Mr. GORE. I yield.

Mr. SYMINGTON. If the company which mined the clay also produced the brick, then the full depletion will apply to the completed brick, as I understand the Senator.

Mr. GORE. According to present court decisions, that is true.

Mr. SYMINGTON. Suppose the raw clay were supplied to another corporation, which took the raw clay and produced the completed brick. Would the depletion apply?

Mr. GORE. I do not believe it would be available to the corporation making the brick. One of the results has been the trend toward integration of the industry.

Mr. SYMINGTON. In other words, as I understand the Senator, it would be a great incentive for the company which mined the clay to own the kilns that produced the brick.

Mr. GORE. I should like to read to the Senator a statement from Mr. Lindsay, general counsel of the Treasury Department. One of the results of these court decisions is as follows: "Acceleration of the trend toward fully integrated operations." A trend toward fully integrated operations means a trend toward monopoly, does it not?

Mr. SYMINGTON. I thank the Senator. He has covered the point in which I was interested.

Mr. GORE. This is an amendment, I may say to the able junior Senator from Missouri, which Congress should have enacted a long time ago. I am in the position, as I have been many times in the Committee on Finance, of advocating amendments which the Secretary of the Treasury and the Republican administration have asked Congress to enact. I hope I am not the most partisan man in the Senate. I confess I am not the least partisan, because I believe so enthusiastically in the two-party system, and I undertake to exercise party responsibility. But when I think the Secretary of the Treasury is correct in his recommendation, it does not deter me from supporting him because he happens to be a Secretary with whose monetary

policies I thoroughly disagree. The Secretary of the Treasury asked Congress to correct this situation early last year, and Congress has not done so. I think now is an appropriate time to do so.

Mr. SYMINGTON. I am impressed with the able Senator's presentation of this particular item.

Mr. GORE. I thank my friend very much. As I started to do a few moments ago, I shoud like now to read from the letter from the Secretary of the Treasury to the Speaker of the House, the esteemed and honored SAM RAYBURN. The letter bears the date of January 26, 1959, and reads as follows:

THE SECRETARY OF THE TREASURY,
Washington, D.C., January 26, 1959.

HON. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D.C.

MY DEAR MR. SPEAKER: In the budget message of the President, submitted to Congress on January 19, 1959, the President stated that the Treasury Department would recommend an amendment to the Internal Revenue Code specifying the treatment processes which shall be considered mining for the purpose of computing percentage depletion in the case of mineral products.

Early last year I testified before the Ways and Means Committee on the need to revise the law in order to preclude excessive depletion deductions for the brick and cement industries. My recommendation was made as a result of a series of court cases which permitted manufacturers of brick and cement to compute percentage depletion on the basis of the selling price of the finished manufactured product rather than on the volue of the clay or cement rock before it is manufactured.

It is now apparent under the court decisions that manufacturers of many other products may obtain depletion allowances based on gross income derived from the sale of finished products. This can only result in increasing the depletion deduction for all minerals severalfold—in extreme cases as much as 100 times. I do not believe that depletion on such an inflated scale is either reasonable or was intended. If permitted, the revenue losses will indeed be serious.

The problem arises because the term "mining" is defined in the statute to include the ordinary treatment processes normally applied to obtain the "commercially marketable mineral product or products" which, in many instances, may be an expensive finished product. Accordingly, in order to prevent excessive depletion allowances, I recommend the immediate elimination of the phrase "commercially marketable mineral product or products" from the statute and the substitution of a new definition of "mining" which will specify the allowable treatment processes for the various minerals.

The proposed legislation would not only prevent a substantial loss in revenue, but would also help resolve difficult and complex problems in determining for many mineral industries the stage at which taxpayers first obtain a commercially marketable mineral product.

The staff of the Treasury is now preparing a draft of the proposed legislation, and in this connection would be pleased to work in cooperation with the Ways and Means Committee staff and the joint committee staff in its development.

Sincerely yours,

ROBERT B. ANDERSON,
Secretary of the Treasury.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. JOHNSON of Texas. What was the date of the letter?

Mr. GORE. The date is January 26, 1959.

Mr. JOHNSON of Texas. Did the Treasury submit these proposals to the Committee on Ways and Means, to the Senator's knowledge?

Mr. GORE. Yes, it did. I have incorporated that proposed legislation in an amendment which I have now offered and which is now pending.

Mr. JOHNSON of Texas. Does the Senator have any information as to why the Committee on Ways and Means did not accept the proposals? I thought perhaps they were discussed in the Committee on Finance.

Mr. GORE. There has been some discussion, but I am unable to say why it was not adopted. As the Senator knows, there are several members of the committee, and the reasons may vary with the membership. I am unable to say.

Mr. JOHNSON of Texas. Would it be fair to say that the Committee on Ways and Means did not look with favor upon the Treasury's language?

Mr. GORE. I do not know. Perhaps it would be fair. If the Senator says it would be fair to so conclude, I am sure it would be. I do not know.

Mr. JOHNSON of Texas. I thought the question was discussed. Was the question discussed in the Committee on Finance?

Mr. GORE. I offered this amendment in the Committee on Finance; but after some discussion I presented a more simplified amendment, which would, incidentally, have gone further, according to Mr. Stam, our technical adviser, than the Treasury amendment goes. In fact, I doubt if the Treasury amendment goes far enough. However, I thought that since the proposal had been carefully drawn by the Treasury, the Senate might be more inclined to accept an amendment which the Treasury had drawn than one which the junior Senator from Tennessee had drawn, in view of the technical nature of the subject matter.

Mr. JOHNSON of Texas. Was that amendment voted on?

Mr. GORE. It was.

Mr. JOHNSON of Texas. What was the result of the vote?

Mr. GORE. I do not recall. The amendment was defeated—as, I must say, are most of my amendments in the Committee on Finance.

Mr. ANDERSON. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. ANDERSON. The Senator from Tennessee, I believe, would acknowledge, at least, that the amendment was not rejected because it was without merit, but for the same reason, perhaps, that it was rejected in the House. The Treasury presented the same amendment in the House. The members of the Committee on Ways and Means decided that since the matter was before the Supreme Court, and the Supreme Court was likely to rule by, perhaps, August, it might be well, first, to see what the Supreme Court would do.

I am certain the Senator from Tennessee will remember that I suggested we ought to have a sufficient staff in the Committee on Finance to begin to make a study of this most important situation. I agree with the Senator completely that this might be an enormous loophole; on the other hand, it might not be. The question ought to be the subject of careful study.

I feel certain that the Senator from Tennessee recognizes that his amendment was not rejected in the committee because of a feeling that it was not important, or because of the feeling that it might not close a loophole; but that, because a case is pending in the Supreme Court, this was not a matter which needed to be passed upon in connection with this particular bill, but might better be passed upon next January.

Mr. GORE. I am perfectly willing to have each member or any member of the committee state his own reasons for voting against the amendment. I am sure the amendment was not rejected because it was regarded as unimportant. I know the statement was made by the distinguished junior Senator from New Mexico that the question was pending in the courts.

Mr. JOHNSON of Texas. What relation does the court question have to this amendment?

Mr. GORE. The lower courts have held that the language of the statute authorizes the use of the value of the finished product as the measure to which the depletion allowance will apply.

Mr. JOHNSON of Texas. Has the lower court, in effect, held that a loophole exists?

Mr. GORE. The holdings of the lower courts have widened the loophole into unforeseeable proportions.

Mr. ANDERSON. Mr. President, will the Senator further yield?

Mr. GORE. Does the Senator agree with my statement?

Mr. ANDERSON. Yes. I simply wanted to say that the reason why I attach great importance to the proposal offered by the Senator from Tennessee is that I believe the Treasury took the position that if it lost all the way through, and if all these fabricated products took depreciation merely because a basic commodity, such as clay, or something else, took depreciation, then the loss might run as high as $600 million.

Mr. GORE. That is correct.

Mr. ANDERSON. Is not that the Senator's remembrance?

Mr. GORE. That is my memory.

Mr. ANDERSON. That is why, frankly, I said in the committee that I thought the Senator from Tennessee had performed a valuable function. I thought the proposal he made was extremely important. The only reason why I, for one, was willing to withhold action was that the High Court might conclude that the lower courts were wrong. If the High Court ruled that the lower courts were wrong, then the matter would be solved by that decision. If the High Court should hold to the contrary, then I am quite certain that the House Committee on Ways and Means and the Senate Committee on Finance would have to address themselves to this question immediately and diligently.

While the Senator from Tennessee and I differed as to when we ought to take

action, I have never said—and I certainly would not say—that the matter suggested by the Senator from Tennessee was not one of grave importance which has to be answered, and answered fairly soon.

Mr. GORE. The Senator from New Mexico has made an entirely fair and frank statement. I wish, however, to differ with him as to the advisability of legislative action. In essence, the Senator is proposing to let the Supreme Court legislate. I doubt if Members of the Senate, upon careful consideration, want to abdicate their responsibility in writing the tax laws, and then await an effort to get an interpretation from the High Court, the Court of Last Resort. That, in essence, is what the able Senator from New Mexico has said, "Let us not legislate on this subject; let us wait to see if the Supreme Court will not do so."

Mr. ANDERSON. Mr. President, will the Senator further yield?

Mr. GORE. I yield.

Mr. ANDERSON. I do not believe that is quite what I intended to say, if I said it. What I am trying to suggest is that if the Supreme Court acts in August, it will then lay down some guidelines which Congress can follow when it legislates in this most important field.

I think it would be extremely unwise for Congress not to legislate in this field. However, there are many complications which arise which will never be solved by the Supreme Court decision. One thing the Supreme Court decision will do will be to help the Committee on Finance and the Committee on Ways and Means as they try to solve the problem.

I apologize to the Senator for speaking at such great length.

Mr. GORE. Not at all. I appreciate the opportunity to debate the question.

Mr. ANDERSON. If, for example, there should arise a situation in which a producer of copper should be entitled to have depletion allowance only on the raw copper taken from the mine—and I am not sure but what that is the correct interpretation—there would be quite a different tax situation, as compared to the one if the depletion allowance ran not only to the copper as removed from the mine, but perhaps also to fire-refined copper produced at the site of the mine, and then, finally, to refined copper which might be produced in one of the New England States, where a great deal is handled.

Therefore, the question of how much of it should receive the depletion allowance needed to wait, it seemed to me, until the Supreme Court has passed on the case in August.

I believe it would have been well—and I said so frankly in the committee, and therefore I should say so frankly on this floor—if the committee had started to legislate in this field months ago, because there is a great deal of information which the Finance Committee should have developed. But having failed to develop it, I believe it unwise to rush into the situation without providing opportunity for the making of the type of study which I believe the committee should make.

The Senator and I have discussed the question of the staff of the Finance Committee. I believe it should have a far larger staff, especially in dealing with these very complicated fields of finance and taxation and I hope the committee will have such a staff.

But I believe we should wait until we see what the Supreme Court does, not because we shall be bound by what the Supreme Court does, but for the purpose of seeing what it does in the way of establishing guidelines, and then have the Congress act accordingly.

The Senator knows that I went through the tidelands struggle in which I found myself on the opposite side from that of some of my dear friends. I believe we finally passed some legislation which stood up fairly well because we did follow some guidelines which had been laid down by the Supreme Court. And that is my point of view in this case.

Mr. GORE. Mr. President, I am not a Harvard Law School graduate. I obtained my education in law at the YMCA night school. But based on my limited learning and on my experience as a legislator, I believe it is properly the province of the legislative branch of the Government to lay down the guidelines for our tax laws, rather than to await, petition, and beseech the judicial branch to lay down the guidelines. That is a very basic point in connection with this matter. So in that regard I wish to disagree with my able friend.

The able Senator has made some remarks about the need of the Senate Finance Committee for a larger staff. I wish to join him in his statement and in his recommendation, and I would emphasize a thousandfold what he has said in that connection. I know of no committee which is so much in need, not only of an enlarged staff, but also of a subcommittee structure. We have two lovely and charming young ladies who attend the sessions of the committee and serve us to the utmost of their capacity, in connection with their limited responsibilities; and we have a messenger who serves us coffee. But we do not have a single committee staff member or employee who qualifies in the technical expert category, as an adviser to the Finance Committee of the U.S. Senate. The Finance Committee must, of necessity, deal with extremely complicated and complex technical subjects, and the public interest requires that the committee have an adequate staff of well qualified, highly trained experts. I do not wish to discuss this subject further at this time, but I desire to join the able Senator from New Mexico in what he has said in that regard.

On the other hand, I thoroughly disagree with the Senator from New Mexico when he says we should wait for the Supreme Court to lay down guidelines.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. Before I yield to my distinguished friend, the Senator from Ohio, I wish to reply to another point the Senator from New Mexico raised. He said he did not think we should rush into this matter. Well, Mr. President, the letter from the Secretary of the Treasury, which I read, was dated January 29, 1959; and the Secretary of the Treasury testified on this subject, before the Ways and Means Committee, in 1958. So we have not exactly been pell-mell in our "rush"; and I believe it appropriate for us to act. It is particularly appropriate for us to act now, in view of the fact that within a week we have voted to increase the amounts of some of the appropriation bills by approximately $1,500 million, and we are considering amendments to a bill which would reduce the revenue of the Treasury some $700 million below that received this year from particular sources.

Therefore, I believe it is not only timely, but also imperative, that we look to other and equitable sources of revenue; and I know of no source to which we can turn more equitably than to this depletion allowance which is taken on the value of the finished product.

Now I am glad to yield to the distinguished Senator from Ohio.

Mr. ANDERSON. First, Mr. President, will the Senator from Ohio permit me to finish what I was saying, so as to complete this part of the discussion?

Mr. LAUSCHE. Certainly.

Mr. GORE. I yield.

Mr. ANDERSON. I apologize for interrupting the Senator from Ohio; but I wish to complete my attempt to explain why I think there is some difference in this instance.

The law passed by the Congress—not by the Supreme Court—provides, in part, as follows:

> 2. Mining: The term "mining" includes not merely extraction of the ores or minerals from the ground but also the ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products, and so much of the transportation of ores or minerals (whether or not by common carrier) from the point of extraction from the ground to the plants or mills in which the ordinary treatment processes are applied thereto as is not in excess of 50 miles unless the Secretary or his delegate finds that the physical and other requirements are such that the ore or mineral must be transported a greater distance to such plants or mills.

The able Senator from Tennessee proposed an additional definition of "mining" which would have corrected this situation. I do not argue about that now; but I think his amendment was simpler and better than the one eventually presented by the Treasury.

But so far as I am concerned, the argument was over what it takes to get the product to be a commercially marketable product. How many steps that requires, I do not know. I think the Congress, which wrote the original law, should act upon it.

But I was curious to see what the Supreme Court would say in regard to interpretation of the language already enacted into law by the Congress of the United States.

I thank the Senator from Ohio for permitting me to complete this statement.

Mr. GORE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table which shows claims of individual companies illustrating potential tax losses resulting from extension of percentage depletion to manufactured products. This table was prepared more than a year ago. I am advised that many more claims may be pending or are soon to be pending. But this table will illustrate the gravity of this problem.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—*Claims of individual companies illustrating potential tax loss resulting from extension of percentage depletion to manufactured products*

Mineral deposit	Mineral form claimed for depletion purposes by taxpayer	Year or years involved	Percentage depletion			Tax differential
			Computed by—		Percent, taxpayer to Government	
			Government	Taxpayer		
Bauxite	Aluminum sulfate (alum)	Unknown	$35,000	$232,420	664	$102,600
Bentonite	Caulking clay	do	39,600	95,400	241	29,000
Do	do	do	31,700	109,600	346	40,500
Clay, brick, and tile	Brick and tile products	1951–56	59,359	523,931	883	240,345
Do	do	1951–54	23,953	175,525	733	97,953
Clay, fire	Fire brick, mortar	1953–56	2,250,000	9,339,545	415	4,468,168
Do	Fire brick, structural brick	1951–53	350,000	1,773,291	507	717,220
Clay, fire, and shale	Various clay products	1951–54	44,019	537,779	1,222	250,871
Do	do	1951–53	9,786	123,720	1,264	66,700
Coking coal	Coke and byproducts	Unknown	140,700	258,000	183	83,100
Dolomite	Refractory brick, ground dolomite	1955–56	312,459	844,485	270	276,549
Fuller's earth	Uncertain, mineral primarily used as an absorbent or as rotary drilling mud.	Unknown	214,723	344,148	160	67,300
Granite	Building stone	1951–57	96,375	438,525	455	177,907
Do	Monuments	Unknown	36,173	106,553	295	36,000
Gypsum	Wallboard, plaster, and other construction uses	do	2,125,000	12,815,000	603	6,783,900
Iron ore	Steel	do	2,000,448	12,002,688	600	5,001,165
Limestone	Lime	1953–57	106,231	347,230	327	106,231
Do	Limestone and chemical plant (specific product unknown)	1951–53	8,064,000	37,680,000	467	19,268,000
Do	Cement	3 years	1,983,500	9,450,000	476	5,353,730
Do	do	1953–56	919,923	2,931,060	319	1,045,790
Limestone and shale/clay	do	1951–54	3,201,678	13,702,811	428	5,760,968
Do	do	1951–55	1,506,248	4,009,901	266	1,020,192
Perlite	Abrasives and aggregates	Unknown	2,570	15,527	604	3,535
Quartzite	Silica	1954–55	169,035	711,523	421	288,175
Salt brine	Chlorine and caustic soda	3 years	857,874	11,555,640	1,347	6,633,876
Do	Salt and salt products	4 years	1,770,498	8,290,912	468	3,260,207
Sandstone	Silica products	1951–55	70,169	243,923	348	111,181
Sand and gravel	Construction use	1953–55	7,750	62,069	801	28,340
Do	do	do	10,315	93,935	911	43,763
Shale	Tile	1951–54	11,805	214,585	1,818	104,827
Shells, oyster/clam, etc	Road construction	1951–53	78,612	171,620	218	63,962
Solite	Lightweight aggregate	Unknown	100,000	312,000	312	114,000
Do	do	do	8,080	26,779	331	8,725
Stone, crushed	Rough construction	3 years	1,730,484	3,568,283	203	924,500
Do	do	2 years	8,667	43,595	503	17,500

Mr. LAUSCHE. Mr. President, at this time will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. LAUSCHE. It is my understanding that if the Supreme Court affirms the decisions rendered by the lower courts with respect to this issue, the annual tax loss will be—as stated by the Senator from New Mexico—in the neighborhood of $600 million.

My question is this: If we take no action and the Supreme Court affirms the decisions of the lower court, what will be the loss that will result to the Treasury because of our failure to act? Can that question be answered?

Mr. GORE. That, of course, would depend upon how many claims had been and would be filed, upon whether the Congress subsequently acted, and if it acted, whether it acted retroactively. It would be very difficult to answer the question with any precision.

Mr. LAUSCHE. That is, the longer the delay, the greater the loss?

Mr. GORE. I agree, and the more the complications.

Mr. LAUSCHE. That is, if we delay for 1 year, the loss will be $600 million.

Mr. GORE. Annually.

Mr. LAUSCHE. Annually. If we delay for another year, it will be another $600 million?

Mr. GORE. According to the Treasury estimates; but I am not sure that those estimates have accurately foreseen the additional claims and extensions which might result from the decision.

Mr. LAUSCHE. Is this inference sound, that if the Supreme Court acts to confirm the decisions of the lower court, and Congress does not act until late next year, and when it does act, it does not act retroactively, then the income of this year will be lost, as well as that of next year?

Mr. GORE. And of previous years. I might suggest to the able Senator that many of us are most reluctant to pass tax bills with retroactive features either for tax relief or for the application of burdens.

Mr. LAUSCHE. I have taken that position, and I took it with respect to the retroactive refund we made to certain insurance companies.

Mr. GORE. The Senator from Ohio and I fought together on that issue.

Mr. LAUSCHE. Yes. The tendency has been never to make the law, with respect to taxes, retroactive when the retroactivity would be to the benefit of the public, but always to make the law retroactive when the benefit would go to the big taxpayers. I am sure that is what will happen if anybody suggests making the decision retroactive, in the event the Supreme Court confirms the lower trial court.

Mr. GORE. I should like to comment just briefly. I should say, in behalf of the Senate Finance Committee, it is with reluctance that I have seen that committee act retroactively, whether for the application of additional liability or for the extension of tax relief. Sometimes the committee has done so, but I think the junior Senator from New Mexico [Mr. ANDERSON] will bear me out that the committee acts with the greatest of reluctance to provide for retroactivity.

Mr. ANDERSON. I agree completely with the Senator from Tennessee.

Mr. GORE. I yield further to the Senator from Ohio.

Mr. LAUSCHE. Then, the Senator from Tennessee will agree with me that, if the Supreme Court confirms the decisions of the lower court, the longer we delay, the greater will be the loss to the General Treasury?

Mr. GORE. The greater the loss, the greater the complications, the more the claims; and then it violates that which is basic, in my concept of the legislative branch of the Government, which is that it is a legislative prerogative to write the revenue laws of the United States.

Mr. LAUSCHE. I am very thankful to the Senator from Tennessee for urging this proposal.

Mr. ANDERSON. Mr. President, will the Senator yield for just this comment?

Mr. GORE. Yes.

Mr. ANDERSON. The gist of this argument is the very reason I gave to the Senator from Tennessee, in committee and out of committee, I think he has performed a valuable function in calling the matter to the attention of the Senate. While he suggests correctly that he and I voted differently on a great many things, I did not, and do not, change my opinion of the value and the importance of the contribution made by the distinguished Senator from Tennessee.

Mr. GORE. I am most grateful for the generous remarks and attitude of my distinguished friend and colleague, the exceptionally fine junior Senator from New Mexico.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table which shows the annual potential tax loss resulting from extension of the percentage depletion to designated manufactured products for 19 mineral categories, which was prepared by the Treasury Department more than a year ago.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—*Annual potential tax loss resulting from extension of percentage depletion to designated manufactured products for 19 mineral categories*

[All dollar figures are in thousands of dollars]

Mineral	Manufactured product or product	Depletion rate on mineral	Mineral production [1] (thousands of tons)	Value,[1] mineral	Estimated value manufactured product	Difference in value	Estimated increase in the depletion deduction [4]	Estimated tax differential [5]
Bauxite	Aluminum	[2] 23	6,743	$45,852	$716,444	$670,592	$114,001	$59,281
Bentonite	Clay products	15	1,571	18,415	55,245	36,830	5,524	2,872
Clay, brick, and tile	Brick and tile, other products	5	34,385	41,516	145,306	103,790	5,190	2,699
Clay, fire	Refractory clay products	15	11,803	53,750	208,608	154,858	23,229	12,079
Clay and shale	Cement	[3] 15 and 5	9,067	9,302	87,954	78,652	7,865	4,090
Diatomaceous earth	Filtration, filler, insulation, miscellaneous	15	250	2,282	7,740	5,458	819	426
Fuller's earth	Mineral oils, absorbent uses, other	15	418	8,879	13,318	4,439	666	346
Granite	Building stone	15	39,636	65,447	229,065	163,618	24,543	12,762
Gypsum	Building board and plaster	15	14,652	41,913	321,652	279,739	41,961	21,820
Iron ore	Steel	15	96,730	749,657	4,804,450	4,054,793	608,219	316,274
Kaolin	Paper filling and coating, other	15	2,250	34,504	51,756	17,252	2,588	1,346
Limestone	Cement	15	81,008	85,230	785,774	700,544	105,082	54,643
Do	Lime	15	10,577	14,660	135,727	121,067	18,160	9,443
Salt	Chlorine, soda ash	10	14,565	45,876	339,994	294,118	29,412	15,294
Sand and gravel	Road construction	5	624,097	595,101	3,570,606	2,975,505	148,775	77,363
Sandstone	Finished stone	15	13,447	33,998	46,388	12,390	1,858	966
Marl, slag, gypsum, etc.	Cement	5	11,901	11,901	115,440	103,539	5,177	2,692
Stone	Rough construction	5	62,925	109,339	218,678	109,339	5,467	2,843
Talc	Ceramics, paints, filler, insecticides, other	15	739	4,859	15,026	10,167	1,525	793
Total							1,150,061	598,032

[1] Production and crude value figures are either taken directly or derived from figures in the "U.S. Bureau of Mines 1956 Mineral Yearbook."

[2] 23 percent is the depletion rate for the domestic production of bauxite. An assumed depletion rate of 17 percent is used to compute the estimated increase in depletion deduction. This is because approximately 70 percent of mined bauxite used in aluminum production is produced by U.S. manufacturers in the Caribbean area and subject to a depletion rate of 15 percent.

[3] It is assumed that equal tonnage of clay and shale is used in the production of cement; therefore, a 10-percent depletion rate is used to determine the estimated increase in depletion deduction.

[4] The figure for "Estimated increase in depletion deduction" assumes that the net income limitation does not apply.

[5] The figure for "Estimated tax differential" assumes a corporate tax rate of 52 percent.

NOTE.—Coal, petroleum, gas, and various other minerals are not represented because of insufficient data from which comparable statistics could be estimated.

Mr. GORE. Mr. President, let me repeat that what I have offered as an amendment to the committee amendment in the bill is the recommendation of the Secretary of the Treasury, Robert B. Anderson, in consequence of a budget message of the President of the United States. I shall hope for support not only on my side of the aisle, but surely from the other side of the aisle, on this recommendation of President Eisenhower and Secretary Anderson.

Before proceeding with this specific argument, there is one misunderstanding widely held which I should like to allay. Many people think that percentage depletion is related to the depletion of a natural resource. This is not accurate. Percentage depletion has no relationship to the depletion of a natural resource. Percentage depletion is a misnomer. Percentage depletion as written into the law is a formula for tax deduction, and this deduction from taxable income has a ceiling of 50 percent of net profits.

So if we permit this practice to continue as applied to, for example, that which I hold in my hand, a small package of salt, then we have extrapolated the tax deduction into vast proportions and enormous losses to the Treasury, and we have provided the most powerful stimulus of all for monopolies in industries relating to extraction of minerals from the earth and the marketing of products made therefrom.

Under the court decision which now pertains the man who sells the packaged container of salt, provided he also mined the original salt from the earth, can take a depletion allowance of 15 percent of his gross income. It is not profits to which I refer. The man can take 15 percent of his gross income—15 percent of the final sales price of the packaged, shipped, delivered product, provided that does not exceed 50 percent of his profits.

This item alone represents a potential estimated loss of revenue to the Treasury of $15 million per annum, over and above a very liberal depletion allowance on the mined and initially processed material.

Mr. President, I invite attention to the large potential revenue loss, which relates to steel products. A producer of steel products who mines his ore can use percentage depletion—it is really a tax deduction rather than depletion—under the formula of 15 percent of the gross value of the product he has mined, provided again, that does not exceed 50 percent of his profits.

Two tons of ore, by rule of thumb, produce approximately 1 ton of pig iron. One ton of pig iron can be processed into approximately a ton of steel products.

I must use general terms, because the exact figures vary with specific products and various companies in different areas of the country, but, generally speaking, the selling price of 2 tons of ore is $16. The selling price of a ton of pig iron is about $60. From then on we begin the jump in the value of the marketed product.

The price of steel, of course, may soon rise, but I shall not go into that at this moment.

The price of the fabricated steel product varies greatly and ranges widely. It ranges generally from more than $100 a ton for structural steel to about $300 a ton for structural steel bolts.

If a monopoly develops, which the present situation encourages—if the monopoly owns the iron mine, the foundry, the steel mill, and the fabricating plant—the original 2 tons of iron ore with the value of $16 will finally be processed into a finished product with a value of more than $300, and then the monopoly will be able to deduct 15 percent of the $300, which is $45 as a tax deduction, for a natural resource originally worth $16 after it was mined, provided, always, that taxes are paid on as much as one-half of the profits. Roughly, this means that the tax deduction in the case of structural steel bolts will be approximately 20 times what it would be as a genuine, legitimate allowance for the depletion of the iron ore.

Some 18 months ago the Treasury Department estimated a potential loss

of revenue to the Treasury on the iron and steel processing industry of more than $300 million annually.

With this glaring, utterly indefensible situation pertaining, why has not the Congress acted? What is the reason given on the floor of the Senate today why the Senate should not act? It is said, "Wait for the Supreme Court to legislate." That is the essence of what we have heard. I am unwilling to permit this situation to continue.

I shall refer now more generally to the development of the situation and the legislative problem involved. As the distinguished junior Senator from New Mexico earlier pointed out, the Internal Revenue Code provides that in the case of minerals other than oil and gas, gross income for depletion purposes means "gross income from mining."

Senators will notice, I hope, that I said "income for depletion purposes."

If possible, I wish to lay at rest during the course of the debate, the canard, the misunderstanding, that the percentage depletion as written into the law is an allowance for the depletion of a natural resource. The Treasury does not sustain this interpretation, which I have described as a misunderstanding. Percentage depletion is a formula for tax deduction—nothing less, nothing more.

In the Internal Revenue Code "Mining" is defined as not merely the extraction of minerals or ores from the earth, but also "the ordinary treatment processes normally applied by mine owners or operators in order to obtain the commercially marketable mineral product or products."

In addition, it is clear from the statute that certain processes shall be considered "ordinary treatment processes" and certain other processes shall not be so considered.

Before the court decisions to which I referred the Treasury Department, under both Republican and Democratic administrations, interpreted the definition of "mining" generally to include the extraction of ore or mineral from the ground, the separation of the ore or the mineral from the waste material or from other ores or minerals, and the loading of the ore or mineral for shipment.

I realize that the determination of the issue involves the interpretation of technical language and decisions of the court. That is all the more reason why the Senate Finance Committee, in my view, needs a technical staff on tax matters. I have undertaken in my own office, from the allowance provided for my own staff, to employ assistants who can give me advice, help, and aid on such questions as these.

These are important questions. The crying injustice of our society today is inequitable tax policies. The poor man on a salary has no way to avoid his taxes. His taxes are deducted from his paycheck every Saturday night. Before this debate is over, I intend to discuss many devices and schemes for tax avoidance.

If I may digress for a moment, earlier today I offered for printing an amendment which would repeal the loophole in the tax law by which pensions for corporate executives may now be distributed in lump sum with only capital gains tax treatment applied. Moreover, I intend to offer another amendment which would apply an estate and gift tax to the so-called corporate pensions that corporate officials may now pass on to their children and grandchildren without income tax being collected from the corporation which made the contribution and established the pension fund in the first place, and without the official for whom the pension is created ever having paid any tax at all, yet the money is passed on without even the application of the gift or estate tax.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. I must say, as one member of the committee, and one who has been on the committee for about 6 years, that I was frankly amazed at the revelations of not only the tax avoidance possibilities, but also the actual realities which exist and are being taken advantage of under the name of pension plans and profit-sharing plans.

Those of us who in years past voted for such measures thought the idea behind the legislation was that a corporation would set up a retirement plan for the working people, and we were given a great number of examples in which a corporate owner-manager has only a single employee. The man who owns the corporation hires himself and then he sets up a pension plan which gives his company a tax deduction, no taxes being collected when the money is set aside. He has only one employee to share it with—himself.

Then he sets up a profit-sharing plan to share profits, and that, of course, is tax exempt, to encourage the sharing of profits with the workingman by the corporate owner. But in this case the corporate owner and the workingman is the same person. The man is sharing profits with himself.

I do not know whether the Senator has specific illustrations, but perhaps he recalls that in executive session an illustration was given to us of 82 companies of the small variety. Being small companies most of them would pay taxes of only 26 percent on earned income. In the case of those 82 companies, about 45 percent of the net income was set up for the owner-manager, either in terms of pension plan or profit sharing. Usually it is a combination of both.

I must say that as one member of the committee, I was extremely amazed to discover tax avoidance to that extent through such a device was possible. Nevertheless, it is, and the Treasury has asked us to do something about it, as the Senator knows.

Mr. GORE. I agree fully with the Senator from Louisiana. I recall the examples. As the able Senator knows, most of this information was supplied as a result of inquiries made by the junior Senator from Tennessee.

I ask the Senator if it was not also developed that there was no limit to the number of corporate pensions that any one man might have. I ask him also if there is any limit whatsoever in the statute on the size of the pensions and the number of pensions which can be passed on in a manner to avoid even the estate and gift tax.

Mr. LONG of Louisiana. Mr. President, I must say to the Senator that it seems unfair to me, if we are going to pass legislation to tax a workingman on the bus ticket he buys to go back and forth to work, to permit these corporate-owner managers to reduce their tax liabilities. These revelations have caused some of us to feel that perhaps we would be a great deal better off if we set the tax on income at a lower rate for these high bracket taxpayers and eliminated the loopholes, and have everyone pay on an even basis.

Mr. GORE. In line with the statement and question of my distinguished committee colleague, the able junior Senator from Louisiana, I should like to read from a statement made to the committee by Mr. David A. Lindsay, General Counsel of the Treasury Department. Before doing so I wish to pay tribute to Mr. Lindsay and to his assistant, Mr. Glassman, and other members of the staff.

Mr. LONG of Louisiana. The Senator means the Treasury staff.

Mr. GORE. Mr. Lindsay's staff. I would readily and gladly vote to confirm Mr. Lindsay as Secretary of the Treasury even in a Democratic administration. He has been forthright and candid with us, and when we have asked him questions he has responded with the facts to the extent of his ability, in my opinion. Does the Senator share with me that estimate of him?

Mr. LONG of Louisiana. Yes; I certainly do. I think he is a very honorable and forthright representative of the Treasury.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. GORE. I will yield as soon as I have read this excerpt from the testimony. I should like to read one paragraph from Mr. Lindsay's statement:

> The present long-term capital gains treatment accorded to lump sum distributions for qualified plans—

He is speaking of corporate pension plans——

Mr. LONG of Louisiana. It could be a qualified plan even if it were set up for one man.

Mr. GORE. I ask the Senator from Louisiana if we did not have evidence that men have many pension plans, and that this matter ceases to be a matter of serving the social purpose of providing an annuity for one's retirement; it has been converted in many instances to a tax avoidance device.

Mr. LONG of Louisiana. Yes.

Mr. GORE. I continue to read:

> The present long-term capital gains treatment accorded to lump sum distributions for qualified plans at termination of employee's service or at his death should be removed.
>
> Instances have come to our attention where employees have received lump sums in excess of $800,000 taxable at capital gains rates. These lump sum distributions are not true capital gains, and the present capital gains treatment seems to have been extended to them primarily to mitigate the

impact of progressive tax rates on sums which have accumulated over long periods of time.

At the same time that we had called to our attention this instance of the one individual who had received a lump-sum distribution of more than $800,000 subject only to capital gains tax rates, we were told that the same individual could have had a dozen other pension plans which he had not cashed in. Is that not true?

Mr. LONG of Louisiana. Yes; it is entirely true. We found that it could be set up that way, and we found that with reference to the inheritance tax, if he leaves it to his children, it can be set up in such a way that it can go from generation to generation, and never pay a tax on it until someone takes it out. I am sure the Senator knows that to be correct.

Mr. GORE. That is correct. I am glad that it was brought to the attention of the Committee on Finance, and I appreciate the Senator's bringing it to the attention of the Senate.

Mr. LONG of Louisiana. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. LONG of Louisiana. Did the Senator share the impression entertained by some of us, after he saw how many tax avoidances are available, that the only people who really pay at a high income-tax rate were apparently men like Joe Louis, the prizefighter, who could not anticipate that he was going to make all the money in 1 or 2 years and failed to prepare for it; or someone who was patriotic?

Mr. GORE. Well, perhaps somebody will advise Joe Louis to go into the salt business.

Mr. President, I should like to refer to one more illustration, for the benefit of my colleagues. I hold in my hand a finished aluminum product. The value of our annual production of bauxite is approximately $46 million. The value of aluminum products manufactured from that bauxite is $716 million. To take 15 percent of $716 million, for percentage depletion purposes, is quite different from taking 15 percent of the value of the bauxite from which it was produced.

The Treasury estimated, some 18 months ago, that the annual potential tax loss which would result from extending the percentage-depletion formula for tax deduction purposes to the manufactured aluminum products would be $59 million per annum.

If I may now return, once again, to a discussion of the more general aspects of the problem, I should like to call the attention of the Senate to the fact that the Treasury Department, under both Democratic administrations and Republican administrations, has interpreted the statute to mean that the gross income to be used in the computation of the depletion deduction is the gross income attributable to treatment processes equivalent to those specifically named in the statute. The Department—against all claims—undertook to maintain that any other or further processing of the mineral to the condition of a finished, marketable, retail product should be disallowed, as manufacturing and as nonmining.

But the taxpayers went to the courts; and they have won decisions favorable to them, respecting the interpretation of the statute. Several taxpayers have successfully contended, in a series of cases, that the words "ordinary treatment processes" have a much broader meaning than the interpretation made by the Treasury. In many cases the Court has held that this term embraces virtually all processes which a taxpayer applies to the original mineral in order to produce the particular end product which is marketed—such as a brick, or such as cement products, the value of which is much greater than the original ore or mineral.

Mr. PROXMIRE. Mr. President, will the Senator from Tennessee yield?

The PRESIDING OFFICER (Mr. McGEE in the chair). Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. GORE. I yield.

Mr. PROXMIRE. I wish to ask the Senator from Tennessee a series of very brief questions.

The first—I am sure he has covered it in his speech, but I wish to be sure I understand his answer—is this: How much money does the Senator estimate favorable action on his proposal would save the Treasury?

Mr. GORE. If the present court decision stands, the Treasury estimates an annual potential loss of revenue, at the current condition of our economy, of some $600 million. That does not include the accumulated claims to which the senior Senator from Ohio [Mr. LAUSCHE] referred earlier today. This is an annual estimate of $600 million.

Mr. PROXMIRE. That means the Treasury will lose, annually, some $600 million which in the past has been paid in; does it? As I understand, that was a court decision of fairly recent development; and it is my understanding that, on the basis of that court decision, it is anticipated that advantage will be taken of it, and, as a result, taxes will be reduced below what they are at the present time.

Mr. GORE. Well, many additional claims are being made.

Mr. PROXMIRE. Some of them retroactive?

Mr. GORE. Many other taxpayers are filing under protest, with due notice of claim for refund.

The extent to which this may go unless the Congress acts is utterly unpredictable. I give to the Senator the estimate of the Treasury; but I call to his attention the point that this estimate may not accurately foresee or take into account the corollary and additional interpretations and claims which may arise. The President of the United States and the Secretary of the Treasury have asked the Congress to enact legislation which will close this loophole.

Mr. PROXMIRE. Then this is a conservative estimate which may, at least for the next year or two, be exceeded quite substantially, on the basis of the returns which are being filed under protest and on the basis, perhaps, of the retroactive settlements by firms which did not realize that this loophole existed; is that correct?

Mr. GORE. I think we can generally assume that the Treasury Department of the present administration is a conservative one. I would point to the Senator one additional example of a product that is in wide use today—wallboard. It is made from gypsum. The value of gypsum produced annually in the United States is approximately $65 million, but the value of the wallboard produced from that much gypsum is about $250 million. To take a tax deduction by a percentage depletion formula on the finished product is vastly different from taking a deduction against the value of the gypsum as it comes from the earth. In this case, on gypsum products alone, the Treasury estimates a potential annual loss of more than $21 million.

Mr. PROXMIRE. Then, in the first place, revenue losses will occur if this amendment is not adopted. In the second place, the Treasury clearly and emphatically recommends the adoption of this amendment.

May I ask the Senator from Tennessee whether or not there has been any justification—any economic justification or any moral justification—or any kind of reasonable argument that has been advanced for permitting this loophole to be opened up and continued, if he knows about it?

Mr. GORE. I am sure people have attempted to justify it. I have not found any justification for it.

Mr. PROXMIRE. That is the reason why I have asked the Senator from Tennessee the question, because I have looked for that particular matter. I have looked in the financial journals and trade publications. I think the oil people have a legitimate case. I disagree with them on depletion, but they have stated their case pretty well. They have top economists who agree with them. But I have found nobody who has competence in the tax field who does not concur with the opinion expressed by the Senator from Tennessee, that this is a loophole and it should be plugged. This is exactly the kind of loophole that can open up and develop and widen, and in 5 or 6 years a justification will evolve. There will be a claim of justification on the basis of people having invested large sums of money in these businesses because of profitability. Because many people will have entered into the business with that in mind, it will be said they had this assurance from the court and no action to the contrary in Congress. As a result, there will be a vested interest in this particular loophole which will be almost impossible to overturn.

That is why I think the Senator's amendment is so appropriate. Every month—certainly every year—that passes is going to make it that much harder to close the loophole.

Mr. LAUSCHE. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. LAUSCHE. It has been suggested that we wait until the Supreme Court acts, that the Supreme Court might reverse the lower court decisions; but I

submit that is a very hazardous course to follow. If the Supreme Court does not reverse the lower court decisions, ipso facto we certainly shall suffer the loss of 1 year's revenues, and they would amount to at least $600 million. Then, the longer we delay, the loss increases proportionately, on the basis of $600 million a year.

I understand the Senator from Tennessee has pointed out that on January 19, 1959, the Treasury Department recommended the plugging of this loophole.

Mr. GORE. Yes.

Mr. PROXMIRE. And we have done nothing about it.

Mr. GORE. That is correct, and I do not know why. I do not think there is any justification for our failure to act.

Mr. LAUSCHE. I submit the presumption ought to be that the lower court was right and that the Supreme Court will confirm the decision. We may have a reversal, but with the lower court already having spoken, we have an expression from a judicial tribunal that this allowance is justifiable on the basis of investment in the finished product, as distinguished from the crude product.

Mr. GORE. The court did not hold that it was justifiable. It held that Congress had enacted a statute which was subject to that interpretation.

Mr. LAUSCHE. That is right.

Mr. GORE. And the court placed that interpretation on it.

Mr. LAUSCHE. Yes.

Mr. GORE. And the President of the United States has asked us to change that law. The Congress has not done so. It is a big loophole. It is a nuclear hole in our tax structure, and I am proposing exactly the language the Treasury Department submitted.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. GORE. I yield.

Mr. PROXMIRE. What in the world would be wrong with adopting this amendment? If the Supreme Court should reverse the lower court, we shall have lost nothing.

Mr. GORE. And we may gain a lot.

Mr. PROXMIRE. We would certainly gain a lot in either event, whether the Supreme Court affirmed or reversed the lower court decisions.

Mr. GORE. Congress must decide now. I am going to ask the Senate to decide, and decide now, whether it wants to give to taxpayers a deduction of their taxable income based upon a percentage value of manufactured, completed, packaged, and delivered products, rather than an allowance for the depletion of the ore or mineral that is mined from the earth in the first instance.

Mr. LAUSCHE. Mr. President, will the Senator yield so that I may ask a question at that point?

Mr. GORE. Yes.

Mr. LAUSCHE. Is not the theory underlying the grants made in the depletion laws that a part of the capital is being used up by the mining interest, and that since it is capital, there ought to be some depletion or privileges granted in tax deductions?

Mr. GORE. I should like to read to the Senate what the Treasury Department has said about this, but I do not find it at the moment.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GORE. I am glad to yield to the junior Senator from Minnesota, who had distinguished service on the House Ways and Means Committee and who now serves with distinction on the Finance Committee.

Mr. McCARTHY. I will say to the Senator from Ohio that the justification for the depletion allowance has gone through three or four stages. The original argument was that depletion allowance was necessary for oil so that the savings on taxes through the use of the depletion allowance privilege might be used for exploration and discovery of new oil fields. Then the justification was based on the argument that natural resources were being depleted. Following that, of course, the privilege was extended to all kinds of minerals, and eventually to sand and gravel, and even oyster shells, as has been mentioned.

We find that depletion allowance is not really based on depletion of natural resources, but is applied, really, to profits; so that the concern is really about depletion of profits. That is the argument the Senator from Tennessee is making.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I am happy to yield to a member of the committee.

Mr. LONG of Louisiana. Perhaps I can clarify this matter somewhat. Although I have often differed with the Senator on the question of percentage depletion, I do not fundamentally disagree with him on what he is trying to do by his amendment.

The theory of depletion is that capital is being used up. Let us suppose a farmer has a 40-acre farm. On that farm we may presume there is some coal under the ground. Perhaps the farmer will discover oil. The asset in place has a certain amount of value. Perhaps the farmer did not know about the asset, but the homestead, instead of being worth $100 an acre, is worth $300 an acre with the asset. The farmer may sell some of his property, which is the oil in place. When the oil is gone the farmer will be somewhat poorer, assuming he spends his money. He will have that much less of an asset, after he has sold it.

The depletion theory is to make allowance for the fact that capital is being used up, in the form of the oil or the coal under the ground. That is the same, in theory, as selling part of the land, which could be done at a tax rate involving capital gains. If the farmer sells the asset he depletes the resource and he is allowed a depletion allowance.

The difference between those who argue for cost depletion and those who argue for percentage depletion really relates fundamentally to whether one is going to place a value upon the asset in place based on what it is worth on the market as a discovered asset, or, instead, based upon what it costs to discover it. That is fundamentally the argument, although some people may not realize it.

In this case there is no process of using up the asset. Senators should keep in mind the difference between depreciation and depletion. Depreciation is a process in which the article must be replaced because of use.

Mr. GORE. The article is wearing out.

Mr. LONG of Louisiana. The article will be gradually used up. There is a cost involved—the cost of buying more machinery, as an example.

With respect to the depletion of a resource in place the depletion allowance makes sense. When we permit someone to deplete a cost of processing, there is no relationship whatever to the fundamental theory of depletion.

Mr. LAUSCHE. Mr. President, will the Senator yield to me?

Mr. GORE. I yield to the Senator from Ohio.

Mr. LAUSCHE. In any event, whether we approach the law upon the basis of the theory of inducing mining, upon the theory of protecting natural resources, or upon the theory of expanding the capital structure, none of the theories support the contention that the cost of the finished product should be reflective of the depletion, as contrasted to the value of the asset in the ground.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Minnesota.

Mr. McCARTHY. The Senator from Ohio is quite correct. In any case, there is a need for clarification of the law. The argument that we ought to wait for the Supreme Court to decide the case is without any real substance, and really should not be suggested in this body, since about half of the Members disapprove of every decision of the Supreme Court.

Mr. LONG of Louisiana. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. LONG of Louisiana. Actually, responsible officials oftentimes, when they face a revenue loss, secure the passage of legislation to meet the crisis. For example, in the State of Louisiana a lawsuit was filed to contest the constitutionality of a gas gathering tax. When the lower court held in favor of the oil company, while the case was on appeal to the Supreme Court the State legislature was called into session and a tax was passed on oil severance, which involved the same industry and the same revenue from a different approach, so that the State would not be left in financial disaster in the event it lost the lawsuit.

Most responsible administrators and Governors, if they observe that a main support of the State's revenue structure may be knocked out, will not wait for the disaster to occur. Most administrators will find ways of obtaining the revenue at the time the need is known.

In this case the lawsuit has been lost in the lower court. The Treasury Department has every reason to believe the case will be lost upon appeal. Therefore, the Treasury Department has asked for the legislation. The trouble with the

Treasury Department is that it takes the Department too long to move. It is too slow.

I regret to say that the Treasury recommendations are too long. If that is the recommendation of the Treasury Department before the Senator, I suppose it is about 18 pages long, is it not?

Mr. GORE. I think it consists of several pages. [Laughter.]

Mr. LAUSCHE. When was the decision rendered by the lower court?

Mr. GORE. There has been a series of decisions.

Mr. LAUSCHE. There has been a series of decisions?

Mr. GORE. There are many decisions.

Mr. LAUSCHE. The point I am trying to make is that the first decision must have been prior to January 1959, the date of the letter.

Mr. GORE. Yes. The Secretary of the Treasury appeared before the Committee on Ways and Means in 1958 to alert the Congress to the danger. He asked that the law be clarified.

The Senator asked earlier about the theory underlying the percentage depletion allowance. The Supreme Court in the case of Helvering against Bank Line Oil Company stated that "the purpose underlying the deduction for depletion is to compensate the taxpayer for the exhaustion of a mineral reserve."

Mr. LAUSCHE. Yes.

Mr. GORE. The Senator will notice the decision states "the purpose underlying."

The percentage depletion allowance, as the junior Senator from Louisiana so ably stated, bears no relationship to the cost of the natural resource which is being depleted.

The provision of law which is generally referred to as percentage depletion is a formula for giving a deduction from taxable income to businesses engaged principally in the extractive industries.

The lower courts have held that Congress wrote a formula which allowed the taxpayer to apply the percentage depletion deduction formula not to the value of the ore, but instead to the manufactured or completed product value. The President and the Secretary of the Treasury say that this is incorrect and that a person should not be allowed to deduct a percentage of the value of the packaged, finished, delivered product upon the theory that he is depleting an ore or a resource which has only a small fraction of the value of the manufactured product.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. LAUSCHE. The Supreme Court said that by force of the language——

Mr. GORE. The Supreme Court has not said that. The lower courts have.

Mr. LAUSCHE. The lower courts have said that by force of the language contained in the act dealing with this subject, they were obligated to rule that the proportion of the cost of the finished product becomes entitled to the tax allowance?

Mr. GORE. The Senator is correct.

Mr. LAUSCHE. Instead of using the value of the crude ore?

Mr. GORE. That is correct. Those decisions are interpretations of a legislative act.

The President and the Secretary of the Treasury have asked us to clarify that legislative act, yet we are asked to delay. Why? It is so that the Supreme Court may give us guidelines. We already have guidelines. It is our basic and fundamental responsibility to write the internal revenue laws. That is not the prerogative of the Supreme Court.

Mr. LAUSCHE. I am not familiar with the law upon this subject. If taxes have been paid upon the old theory that the deduction is reflected by the value of the extracted mineral in its crude state, what length of time does a taxpayer have to recoup his payments which were made under a mistaken idea of the law? Has that been discussed?

Mr. GORE. I shall undertake to obtain the complete answer to the question.

I believe the rule ordinarily is 3 years, but it is complicated by the fact that some of these cases were decided as long as 3 years ago, and taxpayers have been filing under protest, with service of notice that a claim for refund will be filed.

Mr. LAUSCHE. Then the ramifications probably can become greater than anyone conceives at this time. One has 3 years in which to make claim to recover taxes paid by mistake of fact or law. Taxpayers could be filing such claims for refunds today.

Mr. GORE. They are.

Mr. LAUSCHE. And they will be able to have refunded taxes which were paid by mistake in the past 3 years. Some taxpayers filed their returns 3 years ago.

Mr. GORE. They were not filed by mistake but under protest.

Mr. LAUSCHE. But payments were made under such returns in the belief that the law had one meaning when it had another.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GORE. I yield to the distinguished and able junior Senator from Minnesota.

Mr. McCARTHY. The depletion allowance on oil was defended on the ground that the owner of an oil well had no assurance that he could find another well when his property was depleted.

To encourage further exploration, the idea of an oil depletion allowance was advanced, and the theory was more or less accepted that the owner should recover at least the cost of his investment in the original well.

Both the Senator from Tennessee [Mr. GORE] and the Senator from Ohio [Mr. LAUSCHE] know that in many cases through depletion allowance the cost of drilling a particular oil well by a particular company has been recovered many times over.

A second justification that is always raised is one which relates to defense. The argument was made that the allowance should be given to create reserves in case of a war emergency. There are two answers to that argument. We have proven reserves in the ratio of 30 to 1, the "1" being the consumption in a single year. At one time it was said that we needed a ratio of 10 to 1 to be reasonably secure, but at the present time proven reserves around the world are approximately 30 to 1.

In addition, as the Senator from Ohio knows, the nature of the ore has changed and the need for proven oil reserves all around the world is no longer as significant as it was during World War II and the years immediately after.

So the two or three principal justifications have not been eliminated altogether, but their effectiveness has been greatly reduced.

Perhaps more serious than what I have mentioned is the fact that the idea of depletion has been extended from the grant of the oil depletion allowance, as has been pointed out here, even to sand and gravel.

The Senator may know that a rather strong case was made in the last few years by the Jockeys' Guild of America. They made an effective argument. I think a more logical argument can be made for the granting of a depletion allowance to jockeys, since their capabilities are in part physical and in part intellectual. Their assets deplete, and the justification for applying the depletion allowance to their particular skill is certainly greater than for applying it to something like the finished wallboard which the Senator from Tennessee has presented by way of example.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield while I ask a question of the Senator from Minnesota?

Mr. GORE. I yield.

Mr. CLARK. I ask my friend from Minnesota, since he grants the logic of a depletion allowance for jockeys, whether he does not think there should be a depletion allowance for U.S. Senators who must put up with this kind of thing all day.

Mr. McCARTHY. I do not know——

Mr. GORE. Does the Senator's comment refer to my speech?

Mr. CLARK. I apologize to the Senator.

Mr. McCARTHY. In the case of jockeys the argument was made that the average riding life is less than 4 years. We would have to have a different standard applied to U.S. Senators. At least the average senatorial life runs around 12 years; does it not? Would it not be possible, by establishing statistics from the time of the Founding Fathers all the way through 1960, to come up with a plan, if our Republican friends do not wince at the word, which would enable one to determine an appropriate depletion allowance for Senators?

I think if we continue to extend the privilege as fully as is now being done, perhaps we should extend the depletion allowance to U.S. Senators, although in my judgment they should be the last ones to be given that consideration.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. GORE. I yield.

Mr. CLARK. Both my friend the Senator from Tennessee and my friend the Senator from Minnesota came to the

Senate the hard way through the House of Representatives. I wonder if they would not agree that Members of the House of Representatives are more nearly allied to jockeys than are Senators, that perhaps the wear and tear on Members of the House of Representatives is substantially higher than the wear and tear on Senators who, after all, serve for 6 years.

Mr. McCARTHY. I believe the 4-year average life which is ascribed to a Member of the House of Representatives is a true average of 4 years. I would say that on the average they are effective for 4 years.

Mr. CLARK. Some of them come from areas of the country where they can rely on reelection more so than can some of the rest of us.

Mr. GORE. In connection with the claim of the jockeys for depletion allowance, I would not want Senators to be ruled as entirely incapable of jockeying.

Mr. McCARTHY. As I recall, it was Eddie Arcaro who made the case for the jockeys, and it may well be that if we consider where he finished in the Preakness, he probably deserves some kind of depletion allowance.

Mr. GORE. Mr. President, in further reference to the inquiry of the senior Senator from Ohio, I wish to read a statement from Mr. Lindsay, but before doing so I should like to point out that the Supreme Court has already denied writs of certiorari in a number of cases, so those decisions are now in effect.

One case which is regarded as critical and typical of the issue is now pending.

However, the Department of the Treasury has proceeded to implement some of the decisions. I read:

> Mr. LINDSAY. I think it is fair to emphasize that we have attempted to conform our administrative practice to the adverse decisions of three circuits which allowed additional processes found to be customary across the Nation for brick manufacturers and cement rock. Indeed, within 4 days of the Supreme Court's denial of certiorari in several such cases the Internal Revenue Service issued a news release in part as follows:
>
> "The Internal Revenue Service * * * is taking steps to dispose of pending litigation in claims involving brick and tile clay and cement rock as required under these decisions, and to conform Treasury regulations and outstanding rulings accordingly. This should permit the expeditious disposition of the great majority of such cases."

So it is clear from the quotation that rights are already vested, and we have delayed for nearly 2 years taking action which the President and the Secretary of the Treasury have recommended to clarify the legislation.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. Can the Senator recall what the estimated Treasury loss will be from depletion being allowed on processing cost?

Mr. GORE. Potentially $600 million annually.

Mr. LONG of Louisiana. Are we losing all of that money now or are we only in prospect of losing it?

Mr. GORE. I should say it is held in abeyance, and, according to my committee colleagues, awaiting the possible action of the Supreme Court.

Mr. LONG of Louisiana. Is it possible under existing law for corporations which have failed to claim this allowance to file amended returns for bygone years?

Mr. GORE. I am advised that the general rule is that they have 3 years in which to do so.

Mr. LONG of Louisiana. For only the recent past years there is a revenue loss of perhaps $1,800 million.

Mr. GORE. Eighteen months ago we were advised by the Department of the Treasury that claims totaling almost $300 million were pending at that time.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. McCARTHY. If what happened in that case follows what happened in similar cases in the past, we can expect that eventually they will try to catch up and try to recover the entire $1,800 million.

I recall the hearings on the question of reserves, when a special provision was written into the law to permit companies to set up reserves on anticipated expenses. Some of them anticipated all their expenses in 2 years, and the effect, of course, was to give them a double deduction for 1 year. In the case of some corporations it would be impossible to catch up with them in a hundred years. Perhaps a corporation would go broke. In that case one could never catch up with them. One of the witnesses representing a company which had not taken advantage of that provision was asked about it. He was asked, "Did you not know of this special provision?"

He said, "Yes; but it looked too good to be true."

I assume that there are some people who, with regard to the depletion allowance, will realize that it is true.

Mr. GORE. Mr. President, I wish to close. I have spoken, I hope only a reasonable length of time, on this very important problem. The sad part of the whole situation is that we have undertaken a discussion of a very important, timely and technical matter, and there have been only 12 or 15 Senators listening to the discussion. I do not know what will happen to the amendment. I have done my best to present it. I am prepared to yield the floor.

Mr. CLARK. Mr. President, before the Senator yields the floor, will he yield to me?

Mr. GORE. I yield.

Mr. CLARK. I should like to say to my friend from Tennessee that I hope he will not be discouraged by the sparse attendance.

Mr. GORE. I should acknowledge the fact that there are many duties a Senator must perform. I myself am absent from the floor at times, attending committee meetings and looking after the business of my office. I should like also to observe that it is now 20 minutes to 3 on Saturday afternoon, after we were here until after past midnight last night.

Mr. CLARK. Mr. President, will the Senator yield further?

Mr. GORE. Yes.

Mr. CLARK. I am particularly concerned that the Senator is not discouraged by the sparse attendance, because I am confident that as the debate proceeds those of us who feel as the Senator from Tennessee feels will be heartened by the interest our colleagues will take in this very important subject as a result of the debate. That is one reason why I believe it is so important that he develop these facts fully today, so that our colleagues, who are conscientious men, will have an opportunity to read the debate in the RECORD tomorrow or over the weekend, and thus get by eye what they obviously are not getting by ear.

My friend from Tennessee has spoken a good long while, but not too long, explaining a very technical and complex amendment. My guess is that even the relatively small number of Senators who have sat through his argument—I was not able to do so all through the argument—would like to have the matter in written form so they can study it and realize exactly how important it is. The vital fact my friend pointed out is that by his amendment of the revenue laws, recommended by the Treasury and supported by Mr. Anderson, there would be yielded $100 million a year of additional revenue over and above what we are about to lose as a result of court decisions.

Mr. GORE. It would prevent the possible loss of that amount of revenue.

Mr. CLARK. As I understand from what appear to be the only hearings which were held on this subject, which was a statement by the Secretary of the Treasury, the hearings were confined to a discussion of the debt limit and of the balance-of-payments problem which affects our foreign trade. The Secretary of the Treasury was not asked a single question about my friend's amendment; nor did anyone from the Treasury testify on the desirability of it. It took the Senator from Tennessee, acting on his own—and belonging to a party different from that of the administration—to bring this matter up. When he did so he was unable to command a majority of his own Committee on Finance, for reasons which are completely inexplicable. So the only alternative facing my friend from Tennessee was to bring this matter out on the floor, as he has so ably done, and thus call the attention of not only the Senate but of the country to the wickedness of the thing and the need for the amendment.

He is to be highly commended. I hope he is not going to be discouraged because he was not avidly listened to by a majority of Senators. I wish to congratulate him personally for his work in preparing and presenting his arguments. I hope every Senator will read the debate in full in the RECORD.

Mr. GORE. I thank the Senator.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GORE. I am glad to yield to the Senator.

Mr. SPARKMAN. I have enjoyed very much the presentation by the Senator from Tennessee. I have not been able to be on the floor during all of it, but I have been present during a good part of it. Frankly, this whole question of depletion is one which has caused me considerable concern and difficulty over the years I have served in Congress. In the beginning it was supposed to represent compensation for the wasting of assets or for the decrease of resources. It seems to me that in applying the rule, as in some of the cases the Senator from Tennessee has presented to the Senate, we have gotten away from that idea, or at least we have not stuck strictly to it. I have always been impressed with the idea that when a person uses up a part of his resources in earning the income he should be entitled to a reasonable depletion, but that that should be geared to the actual depletion of the resource. Does the Senator agree?

Mr. GORE. I agree with that. I would be very liberal both with respect to the depletion of a resource owned by the taxpayer and in giving an allowance to encourage exploration and development. But, as the Senator has stated, we have gone far astray from that. Now we have a percentage formula which bears no relation whatever to the value of the resource. If it does, it is entirely accidental.

Mr. SPARKMAN. That is what has disturbed me. I was going to say that I would be willing also to allow something to encourage exploration, particularly in those fields where we needed to increase the production of a particular commodity. But I think the ideas ought to be kept and distinct. I think there ought to be a formula that recognizes a depletion that is tied to the consuming of resources——

Mr. GORE. The use.

Mr. SPARKMAN. The use. Well, consuming of resources.

Mr. GORE. Exhaustion.

Mr. SPARKMAN. Exhaustion. That is the word. I think there ought to be consideration if it is one of the cases where we ought to encourage exploration, but the formula ought to be separate unto itself. The two can be tied together, but there should be a clear understanding as to which is for which.

Mr. GORE. I agree with the Senator. There is no justification for giving a big tax deduction to someone who is not discovering anything except a means of avoiding the tax.

Mr. SPARKMAN. That is the thing that has bothered me and has made me loath to vote for amendments which sought either to do away with or drastically reduce the depletion allowance, even when I recognized that there were weaknesses in these depletion allowances. It is the fact that it seems to me there has never been a—shall I say—scientific study of what these allowances are and how they should be geared according to the basic formula upon which the Senator from Tennessee and I concur.

That is what bothers me. We are working more or less in the dark. I think the Senator from Tennessee and the Senator from Pennsylvania indicated the same thought a few minutes ago. We are working on the basis of guesses.

Mr. GORE. The department may have made the kind of study indicated, but no one in the Senate, so far as I know, has made one.

Mr. SPARKMAN. Has a committee ever checked into these questions and really made a determination that this does represent depletion?

Mr. GORE. Not, so far as I know, in the Senate. There may have been subcommittees of the Committee on Ways and Means in the House who looked into the subject. The distinguished Senator from Minnesota may know about that.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. McCARTHY. This matter has gotten somewhat out of hand.

Mr. SPARKMAN. That is exactly how I feel. It has gotten away out of hand. It is difficult to know how to bring it back into hand.

Mr. McCARTHY. What happens, as in so many other cases under the tax code, where it is found that someone has an advantage, is that some other group, or even individuals, raise the cry of equity. I think we would be horrified to know what injustices have been perpetrated in the name of equity. Each one comes in and says, "In the name of equity, give me a special privilege or advantage which someone else has."

In the case of the depletion allowance, I think there was some depletion in oil. The depletion might have been subject to some change in 1953 or 1954. What happened? In the name of equity, we extended the depletion provision to other minerals, even including sand and gravel and oyster shells.

Mr. SPARKMAN. The Senator from Minnesota has referred several times to sand and gravel. If a man owns a plot of ground in which he has a deposit of sand and gravel, and he uses them up and if there is a true depletion formula, is he not entitled to the depletion allowance? That is the reason why I made the suggestion that there should be a basic formula relating to the using up of the natural resource, whatever it is.

Perhaps the fact that we have had the overall depletion on capital exploration incentives has created the demands for equalization.

Mr. McCARTHY. It is quite possible that a man might have bought land at a cost of $100 an acre——

Mr. SPARKMAN. What difference does that make? I know of some land which was bought at the price of $1 an acre, on which oil was found, but on which the owner got his depletion allowance.

Mr. McCARTHY. Suppose gravel is found, and it is worth 25 cents a yard. The owner may get a depletion allowance through the years which may run as high as $300,000 or $400,000.

Mr. SPARKMAN. Yes. Although he may have purchased the land for a dollar an acre, he might get a million dollars in depletion allowance.

Mr. McCARTHY. Why not give such a benefit to a jockey? Why not give it to every citizen?

Mr. SPARKMAN. I think we get into something different in that case. We are speaking now about using up resources; about something a man takes out of the earth. In the other instance, we are dealing with human beings. If it is decided to go into that phase, we should give the benefits across the board. I think that matter should be the subject of considerable study.

Mr. McCARTHY. The Senator could argue that any time one is dealing with a physical asset, no tax should be collected so long as the asset is being used up.

Mr. SPARKMAN. I think that principle has been partially recognized in the case of artists and writers.

Mr. GORE. In the case of percentage depletion, the tax deduction bears no relation to either the cost or the depletion of the resource.

Mr. SPARKMAN. But that has been of limited value.

Mr. McCARTHY. It would really be easier to make an application for a depletion allowance for sand and gravel than to apply it to gas and other minerals. I think oil may be one subject to which the principle may be applied.

Mr. SPARKMAN. That may be true; but it seems to me a very careful survey and scientific study ought to be made of the whole field of depletion allowances.

Mr. GORE. Senators are discussing a matter which is not involved in my amendment. Depletion allowances for gas and oil are not involved in it. What is involved in my amendment is the application of the percentage depletion deduction formula to the manufactured product, instead of to the value of the ore as it comes from the earth.

Mr. SPARKMAN. I realize that; however, I think it relates to a point I have made, that there should be a true depletion formula. It should relate to the using up of the resource. The Senator has used brick as an example. Why should a brick manufacturer be entitled to a depletion allowance on the finished product? It seems to me the resource is used up when the clay is taken out of the ground and sold. That is why I believe there should be a basic depletion formula. That is why I brought up the question.

As the Senator from Minnesota [Mr. McCARTHY] said a minute ago, we have let the matter get out of hand. We have gotten away from the idea on which I believe the depletion allowance was originally designed; namely, the using up of natural resources.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LAUSCHE. Probably the Senator from Tennessee has already covered the items I shall mention. If he has, he can tell me, and I will not pursue the thought.

What has been the period of time in which the Treasury Department has been interpreting this law in the manner in which they gave the allowance on the

basis of value as taken out, instead of existing value in the finished product?

Mr. GORE. Since the enactment of the law; and the Treasury still believes that the interpretation which not only the Treasury in this administration, but in previous administrations, placed upon the statute was a correct one, but some of the court decisions have been otherwise.

Mr. LAUSCHE. When was the law enacted?

Mr. GORE. The last enactment of which I am aware is the codification of 1954. However, I do not believe the matter was changed substantially then. It goes back to 1932, I believe.

Mr. LAUSCHE. Then, for approximately 26 years there was an interpretation of this law which granted an allowance reflecting the value of the mineral as taken out of the land, instead of its value as put into the finished product?

Mr. GORE. "Yes" is the answer.

Mr. LAUSCHE. Twenty-six years later, some lawyer found that there might be a chance of changing the interpretation through judicial decree?

Mr. GORE. The first claim of which I have any knowledge was filed in 1951—for the taxable year 1951.

Mr. LAUSCHE. Approximately when was the first decision rendered? I should like to have the information for the RECORD.

Mr. GORE. I am advised by Mr. Colin Stam, to which I wish to pay tribute—he is not on the staff of the Committee on Finance, but he is a member of the technical staff, and an excellent one, of the Joint Committee on Internal Revenue Taxation—that the first case was lost by the Government some 3 years ago, but that for the past 2 years the Government has been losing all of them.

Mr. LAUSCHE. Then, the fact is that for about 25 years this law was interpreted in a manner which produced far more in taxes than the interpretation now made by the different courts will produce.

Mr. GORE. That is correct.

Mr. LAUSCHE. The proposal of the Senator from Tennessee is to place the interpretation as nearly as possible in the same category it was in for 25 years before the courts acted upon it.

Mr. GORE. My amendment is exactly the amendment recommended by the Treasury Department. I am not certain that I can say it would restore the interpretation to what it was.

Mr. LAUSCHE. I said to a substantial degree.

Mr. GORE. Substantially; yes, I agree. In my thinking, I would go further than the Treasury Department; but they may be correct; and the chances are that they are correct.

Mr. LAUSCHE. If we do not agree to the amendment of the Senator from Tennessee, and if the Supreme Court should sustain the finding which has been made recently by the lower courts, the loss of revenue to the Treasury would be approximately $600 million a year.

Mr. GORE. That is the estimate of the potential loss.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KEATING. If the Supreme Court should reverse the lower court, would not that effectuate what the Senator from Tennessee is seeking to do by the proposed legislation?

Mr. GORE. Not entirely, because many cases have been lost. The Supreme Court has denied certiorari in many of them.

The style of the case now pending is Cannelton Sewer Pipe Co. against United States of America. I am not sure what a decision of the Supreme Court would do; even though it completely upheld the position and the contention of the U.S. Government, in my view, it would only partially correct the situation.

But I wish to say in the august presence of the distinguished senior Senator from Mississippi [Mr. EASTLAND], the chairman of the Senate Judiciary Committee, that I do not endorse or condone the notion that the U.S. Senate should wait for the Supreme Court, before legislating on any internal revenue matter, which is the prerogative of the legislative branch of the Government.

Mr. KEATING. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. KEATING. I would not want my remarks to be regarded as indicating or implying that I had any thought that the Supreme Court should legislate, as against the legislative branch. I have always been a firm believer in the separation of powers and in the principle that it is not the duty of the Court to legislate.

I was seeking to determine what the effect would be. As I understand the position of the Senator, it is that even though the Supreme Court were to reverse the holding of the lower courts, the decision would be made on the specific facts of the case before the Court, and therefore would not give the full relief which is embodied in the Senator's amendment.

Mr. GORE. Yes, that is my understanding.

Mr. LAUSCHE. Mr. President, will the Senator yield? I should like to add something to that statement.

Mr. GORE. I yield.

Mr. LAUSCHE. I do not think it is safe to assume that if the Supreme Court were to overrule the holding by the lower courts, all would be well. It is true that all would be well, except in some minor degree, as regards decisions which already have been rendered, and no subsequent Supreme Court's decision could affect the rights acquired by the litigants in those decisions.

Mr. GORE. Certiorari has already been denied in several cases.

Mr. LAUSCHE. But let us assume the Supreme Court reversed the findings of the lower courts, and then we proceeded to pass legislation. All of the claims that had accrued in the past and all of the claims for taxes erroneously paid for 3 years before would be pressed, and payment by the Government would be demanded; and if 1 year from now we passed legislation, after the Supreme Court sustained the holding, the loss, in my opinion, would be $2 billion.

Mr. McCARTHY. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. McCARTHY. I think we should realize that the responsibility in this matter is not primarily that of the Court. During the years, the Congress has added to the code with regard to the depletion allowances, to the extent of building in a kind of subsidy, in many cases. So I think the Congress should straighten out this situation.

Mr. GORE. I agree with the Senator.

Mr. President, I am most grateful for the consideration and attention of my colleagues. I thank each one of them.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. LAUSCHE. Last evening, the Senator from Pennsylvania [Mr. CLARK] stated that we are indulging in irresponsible fiscal practices in this session, by following the course of increasing spending and reducing taxes. I should like to discuss briefly this general subject.

Last night, I referred to a letter which I received from a citizen of Ohio. In the letter he said, in effect, "If you want long tenure in public office, I advise you to follow the course of supporting all spending programs, opposing all new tax measures, and supporting all measures to repeal existing taxes." Probably there is some truth in what he said; but, in my opinion, in general he is grossly mistaken.

Mr. President, it is my belief that the people of the country want to follow a course that will insure the security of the Government and the Nation. They do want taxes reduced and taxes eliminated, and they want expenditures made wherever justified in the interest of the security of the Nation and the welfare of the people. If we followed the course of letting them know what our problems are, they would be glad to subscribe and applaud. However, if we fail to acquaint them with our problems, they grope in the dark, and follow the easiest course.

At one time in our country there was the philosophy that the Government should spend whatever was necessary for the assurance of the security of the country and for the development of the welfare of the people, and then should impose the taxes necessary in order currently to defray those expenditures. That was a sound theory. Surpluses were not developed; deficits were not accumulated.

Then there came a period in which it was advocated, "Spend and spend, and tax and tax." That might have been well in the period of a very catastrophic depression; but that course could not go on and insure the life of our country.

Regrettably, in my opinion, we are now following the course of "Spend and spend, but do not tax." Mr. President, that cannot be. It is irrational; it is illogical; and it can only lead to calamity.

I should like to point out for a moment what has happened since 1931. In the 29 years since 1931, in only 4 years have revenues exceeded expenditures. In 25 out of the last 29 years, we have operated on a deficit basis. The highest deficits, except in the war years, occurred in 1953 and 1959. In 1953, the deficit

was $9,449 million. In 1959, it was $12,427 million.

I concede that there can be negligible deficits in a growing economy without causing grave danger to the general economy and governmental structure, but I likewise submit that we cannot interminably be indulging in deficits without facing a probable calamity at some time in the future.

The theory that we can spend ourselves into prosperity has never been found sound, although it has been advocated by some economists in the decades from 1930 to 1960. The ordinary individual who each year spends more than he takes in finds out that the path which he is traveling leads to the poor house. And if we as a nation keep spending each year more than we take in, we shall be coming to the point where there will be a brink ahead of us.

On the matter of deficit operations, I point out that in the year 1942, the deficit was $21 billion; in 1943, $57 billion; in 1944, $51 billion; and in 1945, $53 billion.

It will be observed that I have taken the years from 1942 to 1945, both inclusive. The deficit for those years, in the aggregate, was $182 billion.

The point I want to make is that if we get into international difficulties again, and if we have to gear our economy to a wartime program, the deficits will probably jump to a hundred billion dollars a year. My query is, How are we going to carry them? We have not placed ourselves in a better fiscal situation since the end of the war. At the end of the war our national debt was $258 billion. It is estimated to be $284 billion in the year 1960. That means the debt has increased, since the end of the war, in the sum of $26 billion.

We have allegedly been living in a period of prosperity. Abundance has been the gift of the people of the land. But in that period of prosperity and abundance, instead of having done what the frugal housewife and the frugal husband would do—pay off our debt—we have increased it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LAUSCHE. Yes.

Mr. CLARK. Would not the Senator agree that one of the reasons why we have had these deficits in a time of comparative peace, a time of cold war, to be sure, but not a shooting war, is because of the very improvident action taken in 1954 by substantially decreasing the Federal tax take, from which we have been suffering ever since, and now it looks as though we are going to do it all over again?

Mr. LAUSCHE. I have already expressed myself on that question, Mr. President. I think that in 1954, when the general tax reduction was made, a serious mistake was perpetrated. I feel just as certain, as I stand here now, that I would not have gone along with that proposal in 1954.

Mr. CLARK. I am sure my friend would not have, if he had been in the Senate.

Mr. LAUSCHE. I was then Governor of Ohio, and I knew what was happening. My opinion at that time, and I so expressed it, was, "Pay off the debt first, and then reduce the taxes."

Mr. CLARK. If the Senator will briefly yield further, it is true, is it not, that having reduced taxes in 1954—the Senator from Ohio and I think improvidently—we did find a condition in the country of substantial economic recession as a result of which the reduced tax load was unable to produce a balanced budget, and we had the largest peacetime deficit in the history of our country?

Mr. LAUSCHE. Yes, that is true. The deficit in 1953 was $9 billion, but it was $12 billion in 1959.

On that score, should not we take a look at, not the prospect, but the portent and the danger of a depression, in which the deficits, instead of being $9 billion, as it was in 1953, and $12 billion, as it was in 1959, might rise to $20 billion and $25 billion? My query is, If that happens, where do we have the reserves upon which to draw to face the problem?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield to the Senator from Pennsylvania.

Mr. CLARK. I find myself in complete accord with my friend from Ohio, but I should like to ask him a question as a member of the Foreign Relations Committee of the Senate. Does he not view with considerable concern the worsening of the military situation and the international posture of the United States, not only as a result of the failure of the summit conference, but as a result of the disaster which occurred in connection with our Japanese policy, and now the shelling of the Quemoy islands by the Chinese Communists? Would not the Senator be concerned that we might, in the interest of self-preservation and national security, have to, within the coming fiscal year for which we are now budgeting and appropriating, increase even further our expenditures to protect our safety?

Mr. LAUSCHE. There are other Members of the Committee on Foreign Relations present. Those Senators have been Members of the committee longer than I. However, I do not hesitate to give my views.

My views are that neither the Soviet Union nor the United States dares to precipitate an all-out conflict. If we are to remain secure it is necessary, however, that we have a military posture of such a magnitude that the Soviets will constantly be cognizant of the fact that if any war is started the Soviet Union will be destroyed.

Mr. CLARK. What would be my friend's views with respect to the possibility of trouble breaking out in the Far East, through the Chinese Communists, who perhaps are even less restrained than the Soviets?

Mr. LAUSCHE. My own view is that we shall have to increase our expenditures in the military field so long as this threat is over our heads. For that reason 2 days ago I voted for a billion dollar increase in the appropriations for the Department of Defense. On that score, every time a measure comes before the Senate, if I have a doubt in my mind I shall resolve the doubt in favor of spending more rather than not spending enough for the defense of our country.

Mr. CLARK. I also voted for the increases in the Defense Department appropriations, for approximately the same reasons given by my friend from Ohio. I feel an obligation, and I wonder if my friend feels the same obligation, to find the revenues to make up for the appropriations for which I have voted.

Mr. LAUSCHE. Mr. President, that is the point I contemplate making in the address I am now presenting. I do not subscribe to the philosophy of spending and not taxing. If we are to stop the deficit operations, they will only come to an end when we tax adequately to meet the expenditures we authorize.

I wish to point out what has been the impact of 25 out of 29 years of deficit operations. The dollar in purchasing value has fallen from 100 cents in 1941 to 47 cents in 1960. Its value is now 53 cents less than it was in 1941.

Each year we have had a deficit we have issued bonds. Those bonds frequently were payable at some belated time in the future. We indulged in the luxury of spending, but we were unwilling to carry the responsibility of taxing. The deficit operations are caused by a number of factors, but in large degree have resulted from the factors I have mentioned.

What has been the impact of the cheapening of the dollar? During the war I spoke to many citizens of my city of Cleveland. I urged them to buy bonds. I stated:

> For every dollar you put into Government bonds you will get 100 cents back. It is the soundest investment you can make. If all else fails, the Government will survive; and you will be paid back for every dollar invested.

I believed that argument was sound, and I repeated it time after time. Within the last year I have received letters from Ohio citizens, telling me they are the holders of bonds and that for the 100-cent dollars they paid for the bonds they are getting back dollars worth only 47 cents. I could not answer those statements. They were true.

People deposited their money in banks. They now find that the deposits which they made, instead of being worth 100 cents on the dollar, are worth 47 cents. Ministers, teachers, college professors and persons who made payments to the social security system lived in the belief that the dollars they would receive by way of pensions would sustain them. They now find that those dollars are worth only half of what they should be worth. These people have been duped.

The whole chain of events has been that we have robbed thousands of Americans by taking from them, exactly as if we put our hands in their pockets, a part of the moneys which they accumulated, the bonds which they bought, the pensions which they earned, and the social security payments to which they contributed their sound dollars.

Deficit operations will accentuate the cheapening of the dollar and the robbing of the citizen who has been a thrifty citizen, who has wanted to provide for himself in the future.

I should like to discuss another aspect of this folly of indulging in deficit operations for 25 out of the last 29 years, with the prospect that in the year 1961, instead of having a surplus of $4.2 billion, as contemplated by the President, we shall have a deficit, probably, of a billion dollars.

In the last year, the Treasury Department had trouble selling its bonds. People felt it was better to buy stocks, paintings, real estate, and other tangible articles rather than Government bonds. I can understand why they chose that course. The fact is they were not sure, with regard to buying Government bonds, they would get back dollars of the same value as the dollars which they paid.

In addition to the difficulty of selling bonds, we found in the year of 1959 our gold reserves dropped by $3.2 billion. The gold reserves were $22.9 billion, and I understand they have dropped to $19.7 billion. Part of the drop resulted from a deficit in our trade balances. Some experts claim part of the drop resulted from the fact that our creditors demanded payment in gold instead of accepting American dollars.

We have found that the value of the American dollar compared to the value of the Canadian dollar is gradually dropping. All of these things are evidences to indicate the folly of and the dangerous results of deficit operations.

I wish to refer now to the present situation. My recollection is that in respect to tax items which have come before the Senate, we gave a special inducement to investors who would invest in foreign countries. We provided some tax grant which amounted to about $30 million a year.

That is one tax measure that we handled. It was in effect a tax repeal. The committee which submitted the bill now before us recommends the elimination of the telephone excise tax and the transportation tax, which would result in a loss to the Treasury of $654 million. That is the second fiscal measure that came before the Senate. Each of the tax questions that have come before us has involved the reduction of taxes.

I should like to reduce taxes. No Senator has a greater proclivity to reduce them than I have. But I will not vote to reduce taxes when I know that the security and the fiscal position of my Government would be impaired by doing so.

Proposals for tax reduction have been adopted. The President has recommended the imposition of some new taxes, including the tax about which the Senator from Tennessee [Mr. GORE] has been speaking. None of the proposals has been accepted. We look indifferently upon them. We are eliminating taxes, but we are increasing spending. I am not able to enumerate in detail how we have proceeded in our spending program, but I will try to recall.

Mr. CLARK. Mr. President, will the Senator yield for a suggestion?

Mr. LAUSCHE. I am glad to yield.

Mr. CLARK. I should like to make the observation, which can be documented, no doubt, by the Senator from Ohio—if not, I will be prepared to do so later—that as a result of the action the Senate has taken in this session, we shall have eliminated the entire $4,200 million surplus which the President had forecast in his budget if we pass the bill as it came from the Finance Committee.

Mr. LAUSCHE. I agree with that statement. I am of the belief that we shall not only have eliminated the $4,200 million surplus anticipated, but that we shall have created a deficit of between $500 million and $1 billion. But let us take a look at the figures. We have increased the budget of the Department of Defense by $1,100 million, I believe. We passed the bill granting a salary increase to Government employees at a cost of $750 million. We have not yet acted upon the proposal of the President to increase the gasoline tax by 1 cent and postal rates. I do not know what loss will result through failure to pass those measures.

Mr. CLARK. Mr. President, if the Senator will yield, I have the figures.

Mr. LAUSCHE. I yield.

Mr. CLARK. Failure to pass the postal rate increase will cost us $554 million. Failure to increase the aviation fuels tax, and so forth, will cost us $146 million.

Mr. LAUSCHE. We go even beyond those figures. If the Forand bill in some form is passed, I am of the belief that the minimum cost will be about $1 billion a year.

Mr. CLARK. Mr. President, will the Senator yield on that point?

Mr. LAUSCHE. I am glad to yield.

Mr. CLARK. Actually the Forand bill, if passed, would not affect the budget because it calls for an increase in the social security tax.

Mr. LAUSCHE. Yes.

Mr. CLARK. However, there is a bill pending in the Senate, of which I am a cosponsor, together with the Senator from Michigan [Mr. MCNAMARA] and a number of others, which would impose some drain on the Federal Treasury as a result of making aged individuals who are not presently insured under social security eligible for a certain amount of medical care. I had better not put in the RECORD the figures I have because three zeroes are omitted in a rather significant place in the statement. I want to be sure to be accurate.

Mr. LAUSCHE. There are other items pending which will increase expenditures, and those would lead to an increase in the deficit. I submit that we cannot continue with that type of program.

Mr. MCGEE. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. MCGEE. I have been listening throughout the Senator's very excellent exposition on fundamental economics and fiscal responsibility, and with a question or two I wish to pin down some aspects of that responsibility for the RECORD.

I recall in the earlier portion of the Senator's remarks that he alluded to the substantial deficit spending of World War II years, 1942 through 1945, and it recalled to my mind a movement that occurred around 1940 or 1941, if I recall correctly, to amend the Constitution of the United States so as to fix the debt ceiling at $45 billion.

From the deficits for the years the Senator from Ohio has mentioned—$40 billion or $50 billion a year—it was obvious that we quickly exceeded the contemplated debt ceiling, which was to be a measure of a bankrupt government otherwise.

I wonder if the Senator can explain for the RECORD why it was that, in spite of exceeding the ceiling, the fiscal operations of the Government survived?

Mr. LAUSCHE. They survived because of an increase in the gross national product. But that does not alter the proposition that when abundance is with us, good husbandry requires that we reduce our debt so as to create a reserve for future dark days.

Mr. MCGEE. I agree with the Senator, but he had not made reference to that aspect of the matter, and I wanted to be sure the RECORD showed it.

Second, the Senator referred to the fact that we came out of World War II with a total national debt of $258 billion.

Mr. LAUSCHE. Yes.

Mr. MCGEE. At that time what had our gross national product become?

Mr. LAUSCHE. I cannot give the figures offhand, but they were substantially less than they are now, as I recall, and I recognize the fact that those subjects should be looked at proportionately. I submit that the $38 billion increase in debt from 1946 to 1959 is not in the same proportion as the increase in the gross national product has been to the national product since 1946.

Mr. MCGEE. Although I was in the chair listening with great interest to the remarks of the Senator from Ohio and did not have time to check the figures, I believe the gross national product in 1946 was approximately $200 billion, or $209 billion, to be exact. The national debt in that year was $258 billion. According to the Senator, the national debt has increased $38 billion since 1946. The gross national product, according to the President, was approximately $485 billion for the past year. He says at present it is increasing at the rate of $50 billion a year. I suggest that perhaps there has been an improvement in the relative debt situation. I do not suggest that this occurrence should encourage unlimited deficit spending. I suggest only that it does place in better perspective the relative severity of the problem of which the Senator speaks.

Mr. LAUSCHE. I suggest that in approaching this problem an examination be made of the proportion of our gross national product to our debt in several of the years preceding the war.

In those years the relative position was far better than it is now, but it must be conceded that we are not justified in having deficit operations. If the gross national product warrants increased taxes, we should impose them, so as to eliminate deficits. I assume the Senator will agree with me that it is a fraud and thievery for us to indulge in spending and transferring the tax burden onto our grand-

children and great grandchildren, 20 and 30 years from now.

Mr. McGEE. I certainly agree with the Senator on that point. However, I would emphasize that we have not taken a realistic look at what we are capable of doing with relation to what we ought to do. I could not agree more with the importance of our being fiscally responsible in taking on these responsibilities.

I would submit that comparisons with our debt structure and our gross national product before the war, say in the 1930's, are not necessarily valid. There were a number of other indices, and we had a very serious depression in that time, in addition to the relative debt position.

I think that in the interest of the Senator's very plausible and important point, that we assume responsibilities for what we are doing this year, that we ought to be prepared as a Nation to face up to these responsibilities. I only wanted to be sure that the Senator did not leave us with the impression that the debt relationship was so hopeless that we had better cut back and go back, when I believe the need is to go ahead.

Mr. LAUSCHE. I say with deep regret that on the floor of the Senate we should be willing to approve every spending proposal, indifferent as to whether we are collecting enough money to defray the expenses of the program. I do not say it vainly, but I am nevertheless proud to say that I have not been following that course, and I do not contemplate following it.

Mr. McGEE. I thank the Senator for his comments.

Mr. LAUSCHE. That has been the fact for the last 3 years. The philosophy has been to spend but not tax. If we do not collect enough money to defray the spending, it is urged that we sell bonds and let our grandchildren pay for them. I do not believe that that is a part of integrity or honesty, or worthy of the character of a U.S. Senator.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. CLARK. I now have what I believe to be an accurate estimate of the general tax structure, as distinguished from social security taxes with respect to the McNamara bill for help for the aged. It is $300 million a year. I promised I would give the Senator the figures.

Mr. LAUSCHE. Has the Senator from Pennsylvania available the figures in general on the several items that I have mentioned?

Mr. CLARK. Yes; I have. They show a deficit somewhat less than that of my friend from Ohio. Of course the figures which I have would indicate that we have converted, or will convert if we pass the bill, a $4,200 million surplus into a $194,673,468 deficit, assuming that the estimates for revenues from various income taxes are valid. Of course they were based on the average gross national product through fiscal year 1961 of $510 billion, which is a figure that we are unlikely to reach for the balance of the current calendar year, because of the cutback in steel and automobiles and in other parts of the economy.

Mr. LAUSCHE. I take it that the figures given by the Senator from Pennsylvania are sound. I had already seen them. I wish to point out that they embrace only the manifest things that have thus far happened. We have 3 weeks more to go to create additional ruin.

Mr. CLARK. I believe they include everything significant which in our folly we might do before the 4th of July. Of course I could be wrong.

Mr. LAUSCHE. I wish at this time to commend the Senator from Pennsylvania for the position which he took last night. The use of the term "fiscal irresponsibility" is quite severe, but I think it is justified in the face of what we have been doing.

Mr. CLARK. I thank my friend for his kind words, of which I have not received too many in the last 24 hours.

Mr. LAUSCHE. I should like to close, and I have just this further comment to make. I have been getting many letters from Ohio citizens urging me to vote for the repeal of the transportation and the communications tax. I have answered those letters by telling my constituents that I want to eliminate those wartime taxes and that I will do everything I possibly can to effectuate their wishes. However my ultimate vote will depend upon what is done in Congress by way of new spending.

My hopes will be, and my fight will be, to see to it that spending will not be indulged in to the extent of creating deficits. If the spending programs which are voted indicate a deficit for the year 1961, then, not through my vote, but through the vote of others, I will not be able to consider the repeal of those two taxes. That, in effect, states my position on this item. I want to vote for appropriations that are needed. I want to lessen the burden of the taxpayer. Over and above that, I want to follow a course which in my opinion will best secure the future life of our country. We must give recognition to the fact that deficits will cause ruination and that good husbandry requires balanced budgets.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. WILEY. I always listen with profit when my good friend from Ohio speaks, because, in the language of the people, "from the soil he talks commonsense."

I agree fully with his philosophy as to the comparative need of balancing outlays with spending. I wonder if there has been put into the RECORD the letter of the Secretary of the Treasury. I shall read the last paragraph, which confirms what the distinguished Senator from Ohio has said. It reads:

> It would be unfortunate indeed if premature and selective reductions in taxes were permitted to undermine the surplus in the budget for fiscal year 1961. Piecemeal tax reductions would not only prevent the attainment of the desired surplus for debt retirement in fiscal year 1961 but such reductions would also tend to postpone the achievement of the significant margin of revenues over expenditures that we should appropriately have in order to effect general improvements in the tax system. The financial position of the Government does not at this time permit a general reduction in taxes, and we do not believe that special tax reduction is now justified.

Mr. LAUSCHE. I had not placed the letter in the RECORD. I do not know whether any of the preceding speakers placed it in the RECORD.

Mr. CARLSON. I may advise the Senator from Ohio that the chairman of the Committee on Finance, the distinguished Senator from Virginia [Mr. BYRD], placed it in the RECORD at the beginning of the session today. The letter is in the RECORD.

Mr. LAUSCHE. Mr. President, I may say to the Senator from Wisconsin that I can go in unison with the policy of being thrifty and reducing taxes. I can go with the man who wants to spend but who is willing to tax to justify his spending. But I cannot go with those who want to spend and are unwilling to bear the responsibility of imposing taxes. It is the latter class, if we come to destruction fiscally, which will be responsible for that.

Mr. WILEY. Mr. President, will the Senator yield for another suggestion?

Mr. LAUSCHE. I yield.

Mr. WILEY. I was listening, as I said, with interest and profit to the sound remarks of the distinguished Senator from Ohio. In connection therewith, I am thinking in terms of the 100 million insurance policyholders. I am thinking in terms of the 40 million owners of U.S. bonds. I am thinking in terms of our responsibility to make certain that the dollars which were put into those bonds and into the insurance policies are not further depleted in their purchasing power.

As I understand the Senator from Ohio, his position is that we owe a responsibility not only to future generations, but also the savers of the country—those who have saved in insurance and those who have saved in bonds; those who have made America competent to meet the challenges of the past as well as the challenges of the present. We owe an obligation to them to make certain that their savings are not further depleted. If we balance the budget and begin paying on the debt, we will seek to reinstate further the value of the dollar.

Mr. LAUSCHE. I point out that in the 1930's Congress adopted a social security system. The workers of the country were told that a plan had been evolved under which they would pay a part of their earnings, and the employers would pay a part. The people were told that when they were mature in years and relegated from their work, they would receive payments which would sustain them in the aged years of their lives.

The people believed that representation. But the very Congress which made the representation has, in the years following, adopted a course which has robbed the people of their right.

I do not know whether the Senator from Wisconsin has received any letters from the beneficiaries of the social security system, writing in effect what I have just stated: "I was a worker in 1940. I was retired, and I received a certain

social security payment. To me, at that time, it was adequate. I felt that with what I had accumulated and the payments which I was to receive, I would be able to support myself through old age. But what have you done? You have reduced the value of those payments from 100 to 47 percent. It is not my fault. You have done it."

He is completely correct in every word he speaks. We, in a substantial degree, have robbed the people of their earnings. But now we propose, by diverse means, to restore those benefits. It is a vicious cycle. We restore the benefits, but we further cheapen the dollar.

Mr. WILEY. I would agree to a large extent with what the distinguished Senator from Ohio said, but not fully. The value of the dollar has gone down in large part because we were called upon to meet the challenge of the World War and the tremendous obligations which became ours afterward in seeking to keep the cold war from breaking into a third world war. In that process, the tremendous amount of money which became evident and the increase in wages which were granted have had, to a large extent, an impact upon the purchasing power of the dollar. Exactly what the causes were, I do not know. I do know that I agree fully with the Senator from Ohio that it is now our obligation to stop, look, and listen. That was the sign which was always used, when I was a boy, at railroad crossings. The idea was that if one got on the track and a train hit him, there would be nothing left of him. If we do not stop, look, and listen, and preserve to a large extent the present value of the dollar, we will be remiss in our obligations not only to the children of tomorrow, but to the people of today, who have had faith in Government bonds, in life insurance, and in the dollar.

If we do not keep the dollar intact in its present 47-cent value, we will be running into more troubles. Again I express my appreciation to the distinguished Senator from Ohio for what I believe is one of the finest, levelheaded talks we have had on the floor of the Senate.

Mr. LAUSCHE. I concur in what the Senator from Wisconsin has said about the impact of the war spending upon the dollar. I mentioned earlier that the deficits in the years 1942, 1943, 1944, and 1945 aggregated $182 billion. That was an important factor. However, it still does not remove the proposition that prudence, consideration of the taxpayers, and care about our country require that we eliminate deficits, create surpluses, and use the surpluses to pay off the debt, especially the war debt.

Mr. WILEY. I thank the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I yield the floor.

Mr. WILLIAMS of Delaware. Mr. President, I desire to propound some parliamentary inquiries in connection with the amendment now pending to the bill.

The PRESIDING OFFICER. The Senator from Delaware will state them.

Mr. WILLIAMS of Delaware. Was the pending amendment, offered by the Senator from Tennessee, offered as a substitution for the committee amendment or as an addition to the committee amendment?

The PRESIDING OFFICER (Mr. DODD in the chair). The amendment offered by the Senator from Tennessee proposes to insert certain language in lieu of that proposed to be stricken out.

Mr. GORE. Mr. President, I could not hear the ruling. Will the Chair restate his decision?

The PRESIDING OFFICER. The Chair stated that the Gore amendment proposes to insert what was proposed to be stricken out by the committee amendment.

Mr. WILLIAMS of Delaware. The committee amendment which is now pending, is the amendment appearing on page 3, lines 10 to 13. If the Gore amendment were approved by the Senate, would that mean that the language which was in the House bill and which the committee amendment strikes would be removed entirely?

The PRESIDING OFFICER. If the Gore amendment were agreed to, it would replace the House language, which the committee amendment would strike out.

Mr. WILLIAMS of Delaware. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER (Mr. DODD in the chair). The Senator from Delaware will state it.

Mr. WILLIAMS of Delaware. The House language in paragraph (2) dealt with the telephone tax. Paragraph (3), in lines 12 and 13, dealt with the transportation tax. The committee amendment strikes out both items.

I understand the ruling of the Chair to be that a vote for the Gore amendment would, in effect, be a vote against extension of both the transportation tax and the telephone tax. Is that correct?

The PRESIDING OFFICER. As the amendment has been submitted, that would be the effect.

Mr. WILLIAMS of Delaware. I think that situation should be made clear, because I do not believe that is the way the Senator from Tennessee wanted his amendment offered.

I raise these questions as a Member of the Senate who is in favor of the substance of the amendment of the Senator from Tennessee; and as he knows, on previous occasions I have supported that position; however, I am opposed to the repeal of the other taxes at this time.

The amendment of the Senator from Tennessee would recover revenue in the amount of approximately $50 million, based upon the Treasury's estimate. It would safeguard against a potential future loss of revenue—and I emphasize the word "potential" because I do not wish to prejudge a possible Court decision—a potential future loss of revenue which could be as great as $400 or $500 million.

I am in favor of the substance of the Gore amendment and if offered separately I will vote for it. However, from the ruling which has been made by the Chair, I understand that if we voted for the Gore amendment, as it is presently pending, we would, in effect, be voting for a total reduction of revenue in the amount of $730 million as against a recovery of $50 million, or a total loss of $680 million in revenue.

I do not think the Senator from Tennessee intended his amendment to operate in that way; but I understand that to be the actual parliamentary situation at this time.

Mr. GORE. Mr. President, will the Senator from Delaware yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. GORE. I did not intend the amendment to operate in that way, and I do not believe that is the actual situation.

The first committee amendment deals with the telephone tax. The committee amendment proposes to strike from the bill the language in lines 10 through 13. The committee amendment does not actually use the words "strike out"; but in the bill, that part of the committee amendment is indicated by the use of horizontal lines drawn through the words to which I have referred—in other words, drawn through the words in lines 10 through 13. In that connection, the words "strike out" are inferred, rather than actually stated.

I have submitted an amendment to the committee amendment. Certainly the offering of an amendment to the committee amendment is entirely proper, under the rules of the Senate, for a committee amendment or any other amendment is subject to amendment. So I have offered an amendment to the committee amendment.

The committee amendment itself proposes that lines 10 through 13 be stricken out. My amendment proposes to add to the committee amendment—and, as I have stated, the committee amendment proposes that those lines be stricken out—the words set forth on the paper I sent to the desk.

Therefore, Mr. President, if my amendment were adopted, thereafter the question would properly recur on agreeing to the committee amendment as amended by my amendment. If the committee amendment as thus amended were adopted, the result would be to strike out the telephone tax and to insert the words of my amendment. That is bound to be the parliamentary situation.

What seems to be confusing the distinguished senior Senator from Delaware is the fact that the committee amendment does not actually use the words "strike out," but involves the use of horizontal lines struck through the words in the lines of the bill to which we have referred—which is a parliamentary practice that has been followed ever since I have been in the Congress.

Mr. WILLIAMS of Delaware. Mr. President, as the Senator from Tennessee knows, I am not quarreling with what he seeks to do, because I find myself in complete agreement with what he is endeavoring to accomplish, and if he were able to obtain from the Chair a ruling that that would be the effect of the amendment, that would be different.

But is the Senator correct in saying that his amendment would deal only

with the telephone tax? As the amendment has been offered, would it not deal with both the telephone tax and the transportation tax?

The PRESIDING OFFICER. First, let the Chair state that the best way for the Senate to proceed is to act first on the committee amendment, and either agree to the committee amendment or reject it; and then take up the Gore amendment, which proposed that certain language be added. Otherwise, if the committee amendment were amended by means of the Gore amendment, and if thereafter the committee amendment, as thus amended, were to be rejected, the Gore amendment would also be rejected.

Mr. DIRKSEN. Mr. President, will the Senator from Delaware yield? I wish to inquire about the parliamentary situation.

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. I should like to ask about the schedule for the remainder of today, and whether there is any likelihood that a vote will be taken today on the question of agreeing to the amendment of the distinguished Senator from Tennessee [Mr. GORE], and whether the plan, earlier announced, in regard to the length of the session today—in other words, that it would last until as late as 10 p.m.—is still the program in connection with the plans of the majority leader for today.

Mr. JOHNSON of Texas. Mr. President, I am unable to respond to the Senator's question. I attempted to obtain some general idea of the prospects, so that I could inform Senators this morning. But I was unable to do so.

If the Senator from Illinois has been able to obtain information, perhaps he will give it to us.

Mr. GORE. Mr. President, I did not understand the Senator's question.

Mr. DIRKSEN. I asked whether there is a likelihood that a vote will be taken today on the pending amendment.

I ask the question because some Senators have plane reservations, and all Senators wish to be able to make their plans, in view of the fact that today is Saturday.

Mr. GORE. I completed my speech about an hour ago, and I have no further remarks to make on the amendment. So far as I am concerned, the roll can be called now. I should like to have a yea-and-nay vote taken.

But, first, I should like to have the parliamentary situation clarified; I believe that desirable and proper.

Mr. JOHNSON of Texas. Of course we wish to have the pending amendment voted on as promptly as possible. If it is voted on this afternoon, then I would be willing to have the proceedings go over until Monday.

Of course, later we might find it necessary to set aside the further consideration of this measure, in order to handle certain other measures, and to return to it thereafter, before the expiration date.

Mr. GORE. Of course, I can speak only for myself.

Mr. JOHNSON of Texas. Mr. President, in order to ascertain whether we may have a chance to vote on the pending amendment today, I now ask unanimous consent that not to exceed 30 minutes to a side be allowed for the further consideration of the amendment submitted by the Senator from Tennessee [Mr. GORE] and that then the Senate proceed to vote.

Mr. GORE. Mr. President, reserving the right to object—although I shall not object—let me say that in view of the general interest of Senators in this matter, perhaps there should be a brief quorum call, in order to alert Senators to the fact that a unanimous-consent request is being submitted.

Mr. MANSFIELD. Mr. President, let me state that 5 minutes ago I asked some of the attachés to try to locate the Senator from Pennsylvania [Mr. CLARK], who is interested in this matter.

Mr. JOHNSON of Texas. Mr. President, I withdraw my request. Perhaps the Senator from Tennessee——

Mr. PASTORE. First, Mr. President, will the Senator from Texas yield for a question?

Mr. JOHNSON of Texas. I yield.

Mr. PASTORE. Do I correctly understand from the distinguished majority leader that if the Senate votes this afternoon on the Gore amendment, then the Senate will take a recess until Monday, and then, on Monday, will proceed to complete its action on the bill?

Mr. JOHNSON of Texas. Yes.

Mr. PASTORE. Is that correct?

Mr. JOHNSON of Texas. Yes. Otherwise we shall go to about 10 o'clock, as I have said.

I want to be reasonable and fair. At the same time, every Senator knows we have bills to consider on minimum wage, coal research, space, a medical plan for the aged and the Japanese Treaty—the Secretary of State is calling on us to bring that up. We had a conference with the leadership and the chairman of the Foreign Relations Committee and representatives of the State Department on it in the last 30 minutes. We have the sugar bill and some six or eight appropriation bills to consider. If we can make some progress on this bill, we will. If we cannot, we will set it aside and bring it up at a later date.

Mr. LONG of Louisiana. Mr. President, reserving the right to object——

Mr. JOHNSON of Texas. I have withdrawn my request.

Mr. LONG of Louisiana. I was not going to object. I was merely going to reserve my right to object so I could make a statement. I hope the Senator will agree to have a roll call in 15 minutes, and have the word go out that we are going to vote in 15 minutes. If any Senator wanted to respond, he could take the next 15 minutes to do so before we voted.

Mr. KEATING. Mr. President, a parliamentary inquiry.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON OF Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent, now that the Senator from Tennessee has made his case on his amendment, that we have not to exceed 30 minutes, to be equally divided, on the Gore amendment, and then proceed to a vote.

Mr. CLARK. I object.

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object——

Mr. MANSFIELD. It has been objected to.

Mr. WILLIAMS of Delaware. I was in favor of the limitation, but I wanted to make a statement to clear up the matter before we voted on it.

Mr. JOHNSON of Texas. Mr. President, I just wanted to make clear what was evident, that there was a deliberate effort to delay a vote. I had been told certain Senators had said that, and if there was any chance to get a vote, I thought I would try to get it.

There is going to be some legislation that people want passed that is not going to be passed in the next 10 days. I want to clearly fix the responsibility for the result, because I am trying to get a vote on the bill. The author of the amendment is ready to vote on it. So far as I know, every Senator is ready to vote on it, but objection has been made. We will stay here until 10 o'clock, if the Senate will stay with us until we get a vote on it. If not, we will come in at 10 o'clock Monday, and we probably will have to shift to other legislation, because of the emergency nature of it, and come back to this bill if and when we can.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes.

Mr. ANDERSON. Why not call the roll without a unanimous-consent request? We are ready to vote.

Mr. JOHNSON of Texas. I would be glad to have that done, but the Senator from Pennsylvania objects.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes.

Mr. CLARK. I should like to be heard at some length. It is my understanding that the Senator from Minnesota [Mr. MCCARTHY] has a speech he desires to make. The Senator from Wisconsin [Mr. PROXMIRE] wishes to be heard.

Let me say again I have no desire to delay coming to an issue on this bill. I propose to offer a motion to recommit at the appropriate time, but I think that motion to recommit ought to be pretty fully discussed and ought to be made in the light of the speech which I believe the Senator from Minnesota and the speech the Senator from Wisconsin desire to make, and also in light of the speech I want to make. I am not attempting in any way to do anything else than to have the matter of these loopholes fully and completely laid before the Senate. I realize that many Senators are not going to be on the floor to hear what is said, but I have a good deal of confidence they will read in the RECORD tomorrow at least the substance of what is said.

I wish to indicate my strong view that this is a matter of the greatest importance. I am not willing to go ahead to a vote on the Gore amendment until the addresses Senators desire to deliver are made.

Mr. JOHNSON of Texas. If the proponents of the amendments have been acting in good faith, as I think they have, and I had been warned earlier they were not going to permit a vote, and all the evidence bears that out—if they are acting in good faith, I am prepared to ask the Senate to stay in session, and any Senator who wants to listen to them can do so. I assume they will not be asking for a rollcall. But we will keep the Senate in session and stay here until 10 o'clock so that any Senator who wants an opportunity to make a speech on the Gore amendment or on the bill will have that opportunity, so the speeches may appear in the RECORD tomorrow. We will come in Monday at 10 o'clock and we will make as much progress Monday as we can, consistent with the serious demands made upon us. We may have to set this bill aside and take up another measure, and if so, all will know we have spent 12 hours every day trying to get action.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. I talked with the Senator from Wisconsin [Mr. PROXMIRE]. He did not express opposition to a vote, but said he wanted an opportunity to deliver a speech before coming to a vote.

Mr. PROXMIRE. Mr. President, if the Senator will yield, I had an informal discussion with the Senator from Montana. I said I wanted to get a statement on the record, but I felt, so far as the Senator from Tennessee was concerned, I would be guided by his wishes.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Yes.

Mr. ANDERSON. What is happening illustrates the situation we are in. The Senator from Tennessee is quite willing to go to a vote on the amendment. The Senator from Wisconsin [Mr. PROXMIRE] does not desire to delay a vote, but he wants an opportunity to speak. The Senator from Pennsylvania indicated that if we were to vote, he could speak until 7 or 8, but it would not take him any longer. We would have disposed of one amendment. What is wrong with that? I do not see the Senator from Minnesota [Mr. MCCARTHY] indicating that he is trying to get the floor.

All I say is that if what the Senator from Pennsylvania says is correct, then why should we not vote upon the Gore amendment and give every Senator who wants to speak an opportunity to speak as long as he wishes to speak for the RECORD? That way we will make some progress.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Minnesota, so that he can state whether he desires to speak before we vote upon the Gore amendment, if the Senate remains in session.

Mr. MCCARTHY. I will say to the majority leader, that I have no particular desire to speak upon the Gore amendment. I would defer to the wishes of the Senator from Tennessee. If the Senator from Tennessee is willing to have a vote at this time, that is satisfactory to me.

Mr. JOHNSON of Texas. If we could have a vote, I will say to Senators, then it will not be necessary to have more votes. Any Senators who desired to speak could speak up until 10 o'clock this evening. We will come in at 10 o'clock in the morning on Monday and have as many votes as are permitted. Then we can consider some other bill, if it is necessary.

Mr. LONG of Louisiana. Actually, although I know the Senator would like to do that, is it not correct to say that if the Senator from Texas wants to have a vote upon the Gore amendment he can have a vote now, by making a motion to table? I know the Senator from Texas does not desire to do that.

Mr. JOHNSON of Texas. I do not desire to do so, with respect to the amendment of the Senator from Tennessee, until Senators have had a full and adequate opportunity to discuss it. We have been in session since 10 o'clock this morning. Senators have had a number of hours to speak about the amendment.

Mr. LONG of Louisiana. Mr. President, the Gore amendment could be offered in a slightly altered form. If the amendment is rejected, and the Senator feels it is rejected because of the absence of certain Senators, he could offer the amendment in a slightly different form later.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Mr. President, in order to resolve the problem, I think I shall move to table the Gore amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Mr. CLARK. Mr. President, will the Senator withhold his motion until I have an opportunity to make a statement?

Mr. JOHNSON of Texas. Mr. President, I withhold the motion temporarily.

Mr. President, we have been in session for 6 hours and 20 minutes. The Senator from Tennessee has made his case. The proponents have had their say. A motion to table may be a little unfair to the opponents, but I do not know who the opponents might be. No Senators have asked for any time in opposition.

I assume that certainly the Senator from Pennsylvania is not an opponent of the Gore amendment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. To answer that question? I will yield for a question.

Mr. CLARK. Mr. President, I desire to present a motion to recommit, which, I believe, under the rules of the Senate, would take precedence over the Gore amendment. I do not believe I should present the motion to recommit for a vote tonight.

Of course I am not opposed to the Gore amendment. I support the Gore amendment. However, I think the motion to recommit is a more appropriate way to proceed. I should like to have a vote upon the motion, but not tonight, in the absence of many Senators who I believe will support the motion. I am prepared to come in early Monday and to stay all day Monday. If my motion to recommit is defeated, we can vote upon any or all amendments.

Also, I am of the view that if the Senator from Minnesota does not wish to make a speech tonight and if the Senator from Wisconsin does not wish to make a speech tonight, I should like to make a speech tonight. After I make my speech, I shall then be quite ready and willing to go home, but I shall stay until 10 o'clock if the majority leader wishes to stay.

Mr. JOHNSON of Texas. Mr. President, I renew my motion.

Mr. KEATING. Mr. President, will the Senator from Texas withhold his motion and yield to me?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may withhold my motion and yield to the Senator from New York, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. KEATING. Mr. President, I have no objection to voting upon the motion to table in 15 minutes or 30 minutes or any reasonable time, but I should like to have about 5 minutes before then.

The PRESIDING OFFICER. The Senator will suspend. The Senate will be in order, so that the Chair and the Parliamentarian can hear the Senator from New York.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield to the Senator from New York [Mr. KEATING] for not to exceed 3 minutes, without losing my right to the floor.

Mr. KEATING. Will the Senator make it 5 minutes, please?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered. The Senator from New York is recognized for 3 minutes.

Mr. KEATING. Mr. President, I am not prepared to yield under those circumstances. I yield back my time.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield to the Senator from Delaware for 2 minutes without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The Senator from Delaware is recognized for 2 minutes.

Mr. WILLIAMS of Delaware. Mr. President, I should like to finish the parliamentary inquiries we were conducting earlier.

Mr. President, in order that we may know on what we are voting I wish to be sure that we are clear on the parliamentary situation.

Assuming that the Gore amendment as it has been offered is approved by the Senate, the effect will be to uphold the Senate committee position as to the

repeal of the telephone tax and the transportation tax. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. WILLIAMS of Delaware. In other words, Mr. President, if we vote for the Gore amendment we shall be voting to repeal both the transportation tax and the telephone tax at the same time?

The PRESIDING OFFICER. That is correct.

Mr. WILLIAMS of Delaware. I desired to have that made clear because I am one who is in favor of the substance of the Gore amendment. I would vote for the Gore amendment if the Senator would offer it later as a separate measure. However, if it is offered at this time in this way we are caught in a dilemma. We would be voting for an amendment which would recover $50 million in revenues but which would carry with it the reduction of the telephone tax and of the transportation tax, which would result in a loss of revenue of $730 million. The net effect would be a loss of $680 million to the Federal Treasury.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that I may yield to the Senator from Montana.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. I should like to get the matter straight. As I understand the remarks of the Senator from Delaware, a vote "aye" for the Gore amendment is a vote, in effect, against the action taken by the Finance Committee to repeal the taxes on telephones and transportation?

Mr. WILLIAMS of Delaware. No. The ruling of the Chair is the other way. I hope the Parliamentarian and the Presiding Officer will follow these remarks because I want to have this straight in the RECORD.

As I understand the situation, Mr. President, a vote for the Gore amendment will be, in effect, a vote to sustain the committee action which was to repeal the transportation tax and the telephone tax. Therefore, if Senators vote for the Gore amendment as it has been interpreted by the Presiding Officer and the Parliamentarian at this moment, Senators will also be voting to repeal the transportation tax and the telephone tax, which is in line with the committee recommendation?

The PRESIDING OFFICER. That is the ruling of the Chair.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Delaware may yield to the Senator from New Mexico, without my losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. ANDERSON. Is it not true that the only motion which is before the Senate is the motion of the Senator from Texas to table? That motion does not have anything to do with anything else. It is a simple motion to table. Why do we not vote upon that motion?

Mr. WILLIAMS of Delaware. If the Senator from New Mexico will bear with us for a moment, I shall not delay the vote.

I merely want to state that as a Senator who is in favor of the Gore amendment, I would vote for it if the vote were a straight vote on the amendment itself. However, I am forced to vote to table the Gore amendment at this time.

Mr. JOHNSON of Texas. Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

Mr. JOHNSON of Texas. Mr. President, I yield 3 minutes to the Senator from New York, and if the Senator has not completed in that time I shall be glad to yield such time as is necessary.

The PRESIDING OFFICER. The Chair points out that the Senator from Texas has withheld his motion to table.

Mr. JOHNSON of Texas. Mr. President, I have withheld the motion, and I am holding the floor. I ask unanimous consent that I may yield to the Senator from New York.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. I yield to the Senator from New York for 3 minutes. If the Senator from New York has not completed in that time, I shall yield further time.

Mr. KEATING. Mr. President, it seems to me that the Senator from Tennessee made out a strong case for his amendment. If the motion to table is rejected, we shall then have before us both the question of the cancellation of the taxes and the Gore amendment.

This was pointed out by my distinguished colleague from Delaware [Mr. WILLIAMS] who just raised some questions about our parliamentary situation, and indicated his support for the Gore amendment standing by itself. In this regard, I apprehend that many Members who want to table the Gore amendment at the present time would be disposed to support it were it standing alone.

Mr. President, on June 1 I spoke to the Senate, indicating my interest in a proposal, put forth by Governor Rockefeller, that the Federal excise tax on general telephone service, shown at page 3, lines 10 and 11 of the bill, the section which the Gore amendment pertains to, should be relinquished to the States, for educational purposes.

This proposal has been advocated by many Governors and by a number of educators and experts in the fields of government and public finance. I think the distinguished Governor of New York is entitled to commendation for focusing attention, by his telephone tax proposal, on a number of fundamental questions concerning the political and economic relations between the Federal Government and State and local governments. In effect, his proposal follows and adheres to the longstanding position of the administration that we must carefully examine our ideas as to the size and scope of our Federal Government, and that we must encourage the reallocation of certain Federal functions to States and localities.

I have always taken a special interest in this very crucial field. Last year I introduced a resolution establishing a Joint Committee on Federal-State Economic Relations. Although this particular resolution was not passed, the Congress did enact legislation setting up a commission in the executive branch to examine and study various problems in the field of intergovernmental relations. This Commission is presently in existence and is now hard at work on its various studies.

Governor Rockefeller has clearly called attention to a number of basic and far-reaching questions of importance here and which are raised by his proposal that the Federal excise on local telephone service should revert to the States. In doing so, he has indeed performed a valuable service for all of us who favor a reevaluation and revision of the role and functions of the Federal Government and of State and local governments throughout our Nation.

Those who support Governor Rockefeller's proposal and the many similar proposals which have been put forward in this area must be pleased with the action taken by the Senate Finance Committee in striking the Federal general telephone excise from the bill before us today.

In my remarks on June 1 I discussed New York State's recently enacted legislation giving school districts the authority to level a 10 percent excise on general telephone service for educational purposes. This farsighted action was predicated on the assumption that the Federal tax or local telephone service would expire, as scheduled, on July 1 of this year. The action by the Senate Finance Committee is a significant stride toward the day when New York's new school tax legislation can be put into effect.

There are two basic reasons for relinquishing the Federal excise on general telephone service which, as I see it, underlie the position which has been taken by the Governor and the Legislature of New York State.

First, the fact that for the most part local telephone service is a service rendered within the boundaries of a single State makes this an especially appropriate tax for the States to levy. Whenever it is proposed that State and local governments expand a particular service or program, we often hear the argument that the Federal Government has preempted all of the best sources of taxable revenue and that the States, and more especially local governments, simply cannot obtain the necessary funds. There is much truth to this allegation. The bill as reported is a clear affirmation of the Senate's willingness to recognize this fact and to do something about it.

A second reason underlying the position which New York State has taken on this issue has to do with the fact that we are pinpointing education as the purpose for which the general telephone tax should be relinquished.

The reasoning here is simple and straightforward. We need better schools and better teachers' salaries. The challenge to our Nation's school systems grows every day. It is abundantly clear from the current pressures in Congress for Federal aid for education that we must meet this challenge head on. The repeal of the general telephone excise would not by any means mark an end to the efforts for Federal aid for education. But it will help; and assuming we are not able to pass a school aid bill this year, it will fill a gap about which many of our Nation's political leaders are greatly concerned.

All States, I know, will not follow New York's lead and levy an excise on general telephone service for education. I still favor repealing this tax. In doing so, we would materially assist many States in meeting their school needs, and besides the Federal general telephone excise is a tax which should have been repealed long ago.

We have talked about repealing a number of the so-called temporary war excises from the day they were enacted. It is now time to do something about them. Unfortunately, we cannot repeal them all at once. But there are many good reasons for beginning with the 10-percent general telephone excise.

If we do not take this step when times are good and our budgetary situation is favorable, we shall never do it.

If we repeal this tax, the Treasury would lose some $350 million. Now, if we also adopt the amendment submitted by the Senator from Tennessee [Mr. GORE], we will very likely regain more than the amount which would be lost as a consequence.

Mr. BENNETT. We would pick up $50 million only.

Mr. KEATING. My friend from Utah says that we could pick up only $50 million as a result of the Gore amendment.

It is my understanding that this is a subject of considerable dispute, because if the Supreme Court upholds the lower courts, we can pick up considerably more than that figure—as I read the evidence that has been presented. The grand total would likely be a great deal more than the amount involved in the telephone excise tax. Therefore, I favor the Gore amendment to the committee amendment repealing the local telephone tax. I hope that the committee amendment and the Gore amendment will be agreed to.

We must be ever mindful that unless we close this loophole, the cost of retaining it must come out of the pockets and pay envelopes of all Americans.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. BENNETT. The $600 million, which I think the Senator from Tennessee has indicated, is not new income which would be picked up, but it represents money that would not be lost if the Supreme Court decides one particular way.

Mr. KEATING. If one does not lose $5 from his pocket, he is $5 ahead, just as if someone had given him that amount of money.

Mr. JOHNSON of Texas. Mr. President, I move to lay on the table the amendment of the Senator from Tennessee, and I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion of the Senator from Texas to lay on the table the amendment of the Senator from Tennessee [Mr. GORE]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. ENGLE], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from North Carolina [Mr. JORDAN], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], the Senator from Georgia [Mr. TALMADGE], the Senator from South Carolina [Mr. THURMOND] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. MCNAMARA], the Senator from Oregon [Mr. MORSE], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from West Virginia [Mr. RANDOLPH] are necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. KERR], the Senator from Mississippi [Mr. STENNIS], the Senator from Colorado [Mr. CARROLL], and the Senator from New Mexico [Mr. CHAVEZ] would vote "yea."

On this vote, the Senator from Rhode Island [Mr. GREEN] is paired with the Senator from Indiana [Mr. HARTKE]. If present and voting, the Senator from Rhode Island would vote "nay," and the Senator from Indiana would vote "yea."

On this vote, the Senator from Missouri [Mr. HENNINGS] is paired with the Senator from North Carolina [Mr. JORDAN]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from North Carolina would vote "yea."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Montana would vote "yea."

On this vote, the Senator from West Virginia [Mr. RANDOLPH] is paired with the Senator from Michigan [Mr. MCNAMARA]. If present and voting, the Senator from West Virginia would vote "yea," and the Senator from Michigan would vote "nay."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from South Carolina [Mr. THURMOND]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from South Carolina would vote "yea."

On this vote, the Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Georgia [Mr. TALMADGE]. If present and voting, the Senator from Washington would vote "nay," and the Senator from Georgia would vote "yea."

Mr. KUCHEL. I announce that the Senators from New Hampshire [Mr. BRIDGES and Mr. COTTON], the Senator from New Jersey [Mr. CASE], the Senator from South Dakota [Mr. CASE], the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senator from Nebraska [Mr. HRUSKA], the Senator from New York [Mr. JAVITS], the Senator from Arizona [Mr. GOLDWATER], and the Senator from North Dakota [Mr. YOUNG], are necessarily absent.

The Senator from Maryland [Mr. BUTLER] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from Iowa [Mr. HICKENLOOPER], the Senator from South Dakota [Mr. MUNDT], and the Senator from Kansas [Mr. SCHOEPPEL] are absent on official business.

If present and voting, the Senator from New Hampshire [Mr. BRIDGES], the Senator from New Jersey [Mr. CASE], the Senator from South Dakota [Mr. MUNDT], the Senator from Kentucky [Mr. COOPER], the Senator from Arizona Mr. [GOLDWATER], the Senator from Nebraska [Mr. HRUSKA], and the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—yeas 39, nays 26, as follows:

[No. 235]

YEAS—39

Aiken	Dodd	McClellan
Allott	Dworshak	Mansfield
Anderson	Eastland	Martin
Beall	Ellender	Pastore
Bennett	Ervin	Prouty
Bible	Fong	Robertson
Brunsdale	Frear	Saltonstall
Bush	Fulbright	Scott
Byrd, Va.	Hayden	Smathers
Byrd, W. Va.	Holland	Smith
Carlson	Johnson, Tex.	Wiley
Curtis	Johnston, S.C.	Williams, Del.
Dirksen	Kuchel	Williams, N.J.

NAYS—26

Bartlett	Humphrey	Monroney
Cannon	Jackson	Moss
Church	Keating	Muskie
Clark	Lausche	Proxmire
Douglas	Long, Hawaii	Sparkman
Gore	Long, La.	Symington
Gruening	Lusk	Yarborough
Hart	McCarthy	Young, Ohio
Hill	McGee	

NOT VOTING—35

Bridges	Hartke	Morton
Butler	Hennings	Mundt
Capehart	Hickenlooper	Murray
Carroll	Hruska	O'Mahoney
Case, N.J.	Javits	Randolph
Case, S. Dak.	Jordan	Russell
Chavez	Kefauver	Schoeppel
Cooper	Kennedy	Stennis
Cotton	Kerr	Talmadge
Engle	McNamara	Thurmond
Goldwater	Magnuson	Young, N. Dak.
Green	Morse	

So the motion to lay on the table was agreed to.

Mr. GORE. Mr. President, I understand some Senators voted to table the amendment because it was offered as an amendment to a committee amendment. I shall take a moment to advise the Senate that after the committee amendments have been acted upon, I shall reoffer the amendment as an amendment to the bill.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. Senators might like to know the point of view of a number of oil and gas companies. I find that the independent oil producers as a group, while they have not taken an official position, favor the amendment of the Senator from Tennessee. They say that the type of practice which the Senator's amnedment seeks to prevent never was intended and never should have existed. They feel that it puts the depletion allowance itself in a very bad light, because it permits depletion to be taken in an amount far greater than anyone can conceivably justify.

For example, if the principle the Senator from Tennessee is trying to have adopted were applied to the Standard Oil Co. of New Jersey or to the Gulf Oil Co., instead of taking the depletion against a barrel of oil coming out of the well, where they would get a deduction of 72½ cents applied against a $3 barrel of oil, they could take it out of the gasoline as it came out of the plant. So the deduction, if applied against the finished product, would be almost as much as the price of a barrel of oil. It is possible, if the principle were applied to concerns owning their own refineries, that they would owe no tax whatever.

The Treasury tells us that this is a vast and growing loophole, which costs the Government an estimated $600 million a year, which could be applied generally, because this practice was never intended.

While I voted against the amendment in committee, because I had not had a chance to study it, I learned that the vast majority of oil producers and gas producers favor the amendment because they feel the depletion principle has been abused.

If we do not do something to correct this condition, we shall have to pass a retroactive tax bill to get back the many hundreds of millions of dollars we have lost. However, Senators are always much more reluctant to tax retroactively than for the future.

Mr. GORE. Mr. President, if Senators will give me their attention, I shall certainly not trespass on their time.

This is not a partisan question. I have offered verbatim the amendment which the administration submitted to Congress. For 2 years, the Eisenhower administration has been pointing out this glaring loophole and has been asking that it be closed. I simply wish to read one sentence from the letter of the Secretary of the Treasury:

> This can only result in increasing the depletion deduction for all minerals several fold—in extreme cases as much as 100 times.

Mr. President, the amendment will be reoffered as an independent proposal to the bill after the committee amendments have been acted upon.

Mr. MANSFIELD. Mr. President, I am delighted that the Senator from Tennessee will offer his amendment again, in a different manner.

A question in my mind is, What was the relationship of the amendment to the question of the reduction of the excise tax on telephone and telegraph service and travel?

Mr. GORE. The first committee amendment was to strike from the House bill the language which would continue, if adopted, the 10-percent tax on local telephone service. I favor the repeal of the local telephone tax if the revenues derived therefrom can be recouped from other sources, sources which I think it would be more equitable to tax.

Mr. MANSFIELD. Such as manufactures?

Mr. GORE. Such as depletion allowance on salt in its finished, packaged form. So I offered my amendment to the committee amendment. My amendment has now been tabled. I regret that the majority leader saw fit to move to table it, but that vote is over. I shall later offer the amendment as a separate proposition, not as an amendment to the committee amendment, but as an amendment to the bill.

Mr. MANSFIELD. In other words, when the Senator next offers his amendment, it will be offered on a straight-out basis, not on a quid pro quo basis.

Mr. GORE. On a straight-out basis; whether we want to give the salt miner a depletion percentage on the price of the finished, manufactured, packaged, and delivered product, or on the raw material he takes out of the ground.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. WILLIAMS of Delaware. When the Senator reoffers his amendment on a straight-out basis, I shall support it, as I supported it on previous occasions when it was offered.

As the Senator knows, I have felt for the last 2 years that this action should be taken. I am glad to know the Senator will reoffer his amendment later.

As I told him before the vote, I shall at that time speak for it and fully support it, because I think it an action we should take.

Unfortunately, at the time we voted before, we were caught in the position of having to support the proposal at the same time as or after the repeal of the transportation and telephone tax. I did not feel we could do that at this time.

Mr. GORE. I am of the opinion the Senator from Delaware is in error in his interpretation of the parliamentary situation; but let us not argue about that now; it is in the past.

Mr. WILLIAMS of Delaware. Perhaps the Parliamentarian was in error; but we have to accept the ruling of the Chair; and the ruling was as the Chair just stated.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. Do I understand, as I have been advised informally, that this amendment is necessary to correct a judicial decision that has expanded the law beyond what Congress intended, and that there has been no definitive legislation to amend the abnormal, unusual, and unjustified depletion allowances; that it is the result of a court decision which had nothing to do with what Congress had in mind in providing for the depletion allowance?

Mr. GORE. I do not wish to decline to respond to questions such as that of the Senator from Oklahoma. I spoke for 2 hours and a half. Unfortunately some Senators were not in the Chamber.

In response, I shall read as rapidly as I can a reasonably short letter from the Secretary of the Treasury.

Mr. President, in 1958 the Secretary of the Treasury appeared before the congressional committees and asked that action on this subject be taken by Congress.

On January 26, 1959, the Secretary of the Treasury wrote to the Speaker of the House of Representatives a letter which I wish to read, in responding to the question the Senator from Oklahoma [Mr. MONRONEY] has asked. The letter reads as follows:

> THE SECRETARY OF THE TREASURY,
> *Washington, D.C., January 26, 1959.*
>
> Hon. SAM RAYBURN,
> *Speaker of the House of Representatives, Washington, D.C.*
>
> MY DEAR MR. SPEAKER: In the budget message of the President, submitted to Congress on January 19, 1959, the President stated that the Treasury Department would recommend an amendment to the Internal Revenue Code specifying the treatment processes which shall be considered mining for the purpose of computing percentage depletion in the case of mineral products.
>
> Early last year I testified before the Ways and Means Committee on the need to revise the law in order to preclude excessive depletion deductions for the brick and cement industries. My recommendation was made as a result of a series of court cases which permitted manufacturers of brick and cement to compute percentage depletion on the basis of the selling price of the finished manufactured product rather than on the value of the clay or cement rock before it is manufactured.
>
> It is now apparent under the court decisions that manufacturers of many other products may obtain depletion allowances based on gross income derived from the sale of finished products. This can only result in increasing the depletion deduction for all minerals severalfold—in extreme cases as much as 100 times. I do not believe that depletion on such an inflated scale is either reasonable or was intended. If permitted, the revenue losses will indeed be serious.
>
> The problem arises because the term "mining" is defined in the statute to include the ordinary treatment processes normally applied to obtain the "commercially marketable mineral product or products" which, in many instances, may be an expensive finished product. Accordingly, in order to prevent excessive depletion allowances, I recommend the immediate elimination of the phrase "commercially marketable mineral product or products" from the statute and the substitution of a new definition of "mining" which will specify the allowable treatment processes for the various minerals.
>
> The proposed legislation would not only prevent a substantial loss in revenue, but would also help resolve difficult and complex problems in determining for many mineral

industries the stage at which taxpayers first obtain a commercially marketable mineral product.

The staff of the Treasury is now preparing a draft of the proposed legislation, and in this connection would be pleased to work in cooperation with the Ways and Means Committee staff and the joint committee staff in its development.

Sincerely yours,

ROBERT B. ANDERSON,
Secretary of the Treasury.

Mr. MONRONEY. I thank the Senator from Tennessee. The draft which has been before us today, and which has just now been defeated, but which the Senator will later bring up, by way of motion, in its own right, not in connection with the committee amendment, is that draft, is it?

Mr. GORE. That is correct; it corresponds verbatim with what the Secretary of the Treasury sent up. The situation the amendment is designed to correct is utterly indefensible.

Let me read one paragraph from the statement made by the Chief Counsel of the Treasury Department:

A producer of steel products who mines the iron ore used in his business is entitled to a percentage depletion deduction equal to 15 percent of his gross income derived from his mining operations. Two tons of iron ore, which this producer extracts from the ground, can be processed into about 1 ton of pig iron, and the 1 ton of pig iron can then be processed into about 1 ton of steel products. The selling price of 2 tons of iron ore is about $16.

Mr. President, let me digress to say that I hope Senators will notice that 2 tons of iron ore have a value, according to the Chief Counsel of the Treasury, of $16, whereas the selling price of 1 ton of pig iron is about $60; and the selling price of 1 ton of steel products will vary widely, depending upon the product involved, but ranges generally from approximately $100 for a ton of simple structural steel to $295 for a ton of structural steel bolts.

I read further from the statement by the Chief Counsel of the Treasury Department:

The selling price of 1 ton of pig iron is about $60. The selling price of 1 ton of steel products will vary widely depending upon the product involved. It ranges generally from about $110 for a ton of simple structural steel to $295 for a ton of structural steel bolts.

The Treasury Department takes the position that a producer of steel products is entitled to compute his depletion deduction on the value of the iron ore. In this example, the depletion deduction would be $2.40. If producers were permitted to compute their depletion deduction on the value of the pig iron, the deduction in this example would be $9, which is about four times the deduction based on the value of the iron ore.

At least one producer takes the position that it is entitled to compute its depletion deduction on the selling price of its finished steel products.

If this extreme position were to prevail—

I digress to say that for 2 years the Government has lost every case on this subject—

the deduction in the case of the structural steel would be $16.50, which is almost seven times the deduction based on the value of the iron ore—

Which was $16—

and $44.25 in the case of the structural steel bolts, which is over 18 times the deduction based on the value of the iron ore.

Mr. ANDERSON. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. ANDERSON. Would the Senator from Tennessee leave the impression that any steel company has tried to take this deduction on pig iron, instead of on the raw ore? I ask that question because I do not think the practice is widespread; and that is why the Finance Committee was willing to give people an opportunity to be heard.

Does the Senator from Tennessee know of a single steel company that takes the deduction on pig iron, instead of on the raw ore?

Mr. GORE. Mr. President, I placed in the RECORD a list of cases and a list of claims. I do not have that list before me at this time. I clipped those sheets from the testimony given by the Treasury Department. The Treasury estimates that the potential revenue loss will be, not $50 million a year, but $600 million a year.

Mr. ANDERSON. On that point, I hope the Senator from Tennessee will go back to the testimony and reexamine it. As I recall the testimony, it was that the loss might run as high as $50 million a year, and that if everyone tried to take it, it might run as high as $600 million a year. But I do not recall an estimate by the Treasury of an actual loss of $600 million a year, as the situation now exists. Does the Senator have that information?

Mr. GORE. I am sure I am correct in the estimates, because Mr. Colin Stam gave them to me—that if the case now pending in the Court is lost, the Treasury estimates an annual loss of $600 million a year.

Mr. ANDERSON. I agree with that statement.

Mr. GORE. And the Treasury has asked the Congress to amend the law. But if the Congress shall not do so, perhaps there is some hope that the Supreme Court will render a favorable decision.

Mr. ANDERSON. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. ANDERSON. I quite agree with the Senator that if the case now before the Court is finally lost, and if every firm which might take advantage of it tried to take advantage of it, then the loss might be $600 million.

I see Mr. Stam nod his head, following my making of that statement, so I understand that he agrees. That is the situation. This is not plugging a loss of $600 million. The Senator from Louisiana pointed out what might happen if an oil company tried to apply the depletion allowance to refined gasoline. Can the Senator name an oil company that is doing that? I think not, because not an oil company is doing it.

Mr. GORE. Neither a gas nor an oil company is involved in my amendment, so far as I know. It relates only to the taking of a depletion allowance on a finished product like aluminum, ceramics, chalk, brick, salt—a piece of manufactured product that comes from and is based upon a mineral or natural resource. I am sure neither gas nor oil is involved in the amendment.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. LONG of Louisiana. The Senator should not be so certain about that statement.

Mr. GORE. I said "so far as I know."

Mr. LONG of Louisiana. It is being contended in the gas and oil fraternity that if this is to be permitted, a depletion allowance would be taken on the delivered price in the District of Columbia, for example, which is $1.50 a thousand, rather than the field price of 7 cents.

Mr. GORE. Perhaps I should stand corrected. At least, so far as the Treasury Department is concerned, this has been presented as separate and apart from gas and oil depletion. I have treated it that way. I was not aware that people in the oil industry were saying if this is done for salt, then they are entitled to it; but I would not be surprised. If we let this provision stand, there is not an oil or gas company, or many others in the extractive industries, that will not ask for it.

Mr. LONG of Louisiana. It would be easy enough to change the way of doing business so that it can be taken on the delivered price. Gas is separated at the well. It does not become a commercial product at the well. It does when the distillates and other elements contained in the gas are separated from it. If it is shipped through a pipeline before it is put through a separator, the transportation cost has to be added to the value of it, which is the price of hauling it around the country, and that adds to the value of the product four or fivefold before it becomes a commercial product. I believe the law refers to the fact that the first point where the product becomes a commercial product is the point at which the depletion allowance can be taken.

If gas is not separated, if it is not a commercial product in the manner in which it is produced at the well, and does not become a commercial product until certain refining and separating is done, so long as it is less than a commercial product, the depletion allowance can be taken against the commercial product rather than the product that comes out of a well or mine. There is no question that if the law remains as it is, no gas or oil company will watch brick producers and everyone else get this kind of depletion allowance without doing something about it.

Mr. GORE. The Senator illustrates the dangerous proportions to which it might be carried. It is already being carried to great extremes, and the Secretary of the Treasury, in a letter which I read, warns that in extreme cases it may be 100 times more than the Treasury thinks is justified.

Mr. LONG of Louisiana. One interesting aspect of the question is that the Secretary of the Treasury, who is asking us to close the loophole, is a man who made his way in the business world in the oil and gas business and well understands depletion, that being a major aspect of

the business in which for many years he made his name and reputation.

Mr. GORE. Let me close my colloquy with the Senator from Louisiana by saying I have offered the proposal as the Treasury has recommended it. Insofar as I knew, it did not involve the gas and oil industry. If this provision is permitted to stand, perhaps the Senator is right—not only gas and oil companies, but many others will try to get this type of depletion allowance.

Mr. LONG of Louisiana. Why should they not?

Mr. GORE. Perhaps so.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Missouri.

Mr. SYMINGTON. It may be correct that no pig-iron company has asked for that depreciation, but counsel for any company that did not ask for it, based on this interpretation of the law, would be derelict in his duty as counsel for the corporation. I have listened to the Senator's explanation. I think it is able and intelligent, and I think this amendment should be approved by the Senate, because it is obvious that the provision as it now reads is an asset to big business and a liability to little and middle-sized businesses.

If a man who is in the clay business buys kilns and makes bricks and porcelain he gets a far greater depletion allowance than the man who can afford only to have the mine itself and sell only the raw clay. As one who has been in the clay business and in the steel business, and who operated companies in the clay and steel business—and I happened to have been head of the Eastern Clay Products Co. and Rustless Iron & Steel Corp.—the first thing I would do would be to say to my counsel, "Arrange for us to get this additional depletion under the law."

Mr. GORE. To illustrate that point, counsel for the Treasury listed, as one of the results of permitting this provision to stand, the acceleration of the trend toward fully integrated operations. Does the Senator not think that fully integrated operations in the extractive industries, all the way to the fully finished product would encourage a trend toward monopoly?

Mr. SYMINGTON. There is no question about it. One of the greatest dangers to the future of our economy, in agriculture, business, and banking, in the United States, is the trend toward vertical integration of business, under which, the more a business can control, the more it can fix prices.

Mr. GORE. Further, with reference to pig iron, the Treasury advises that an increasing number of claims for refund are being filed and, further, that taxes are being paid under protest. If the decision in the Court is unfavorable, they have 3 years' time in which to file their claims. I would not be surprised to see many companies take advantage of it.

Mr. SYMINGTON. It is known that some of the automobile companies own iron-ore deposits, and if that procedure were carried to its logical conclusion, a company could get a depletion allowance on a finished automobile.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. ANDERSON. There is a saying that it is strange how a man with facts can break up an argument. If one reads the law, he will see it cannot be done on a completed automobile. The law is specific on that point. It cannot be done.

There is considerable merit in the amendment of the Senator from Tennessee. Some of us have felt that people who are affected by it ought to have their day in court, but the language of the law does not apply to a completed automobile any more than it applies to completed pig iron.

Mr. SYMINGTON. How about completed brick?

Mr. ANDERSON. That is a different case entirely, and that is why the issue is in court.

Mr. GORE. The Senator from New Mexico has said that the law is plain. The Treasury is only asking the Congress to make it plain.

Mr. SYMINGTON. Mr. President, after reading the law, I am satisfied that it would not apply with respect to automobiles, but I believe it would be possible with respect to pig iron.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Florida.

Mr. HOLLAND. I invite attention to what seems to me to be one of the needs which may have been mentioned by the distinguished Senator; that is, the need to clear up the picture so as to bring about fair competition.

In the phosphate industry of my State there is sentiment for claiming the depletion allowance against triple superphosphate, which is the form in which the product, after having been processed, is offered to growers or to fertilizer companies. A question arises immediately. If one company does this, can the others afford not to do it? This has caused great concern, because there are some who feel that if the claim for depletion allowance goes that far, it will jeopardize the whole right to the depletion allowance provision under the law, to which these companies feel they are entitled, but which they do not wish to see abused.

The Senator can observe how it at once poses in that field—and I am sure in many others—a serious question as to how fair competition can be maintained among competing producers of a product.

Mr. GORE. I point out to the able Senator that not only has he foreseen this, but also the counsel of the Treasury Department has said exactly the same, in the third of four major problem areas described by him to the Ways and Means Committee:

> Inequitable treatment as between taxpayers in different industries.
>
> This creates a competitive situation which forces one to take advantage of any tax break another receives.

Mr. HUMPHREY and Mr. MONRONEY addressed the Chair.

Mr. GORE. I yield first to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I express my thanks to the Senator from Tennessee for a very lucid and concise argument. It is not difficult to understand what the Senator is talking about, even though he is talking about a complex subject.

I have listened tentatively to the Senator's discourse as to the amendment and its purpose. I have listened to the reading of the letter from the Secretary of the Treasury. It is quite obvious that while currently there may not be a large number of companies which are applying for this kind of percentage depletion allowance upon processed or finished products—I repeat, while at the present time there are not many companies doing this——

Mr. GORE. There are many which are doing it.

Mr. HUMPHREY. It is quite obvious there could be a substantial number, running into the hundreds and thousands of companies.

When I say "not many" I refer to the argument of the Senator from New Mexico. The Senator asked, "Are there any oil and gas companies doing this?" The Senator from Tennessee indicated there were not, to his knowledge.

It is to my mind, at least, clear that this could happen. The same thing could be true with respect to a pig iron company. If it can be claimed there is a percentage depletion on a processed product such as brick made out of clay, or salt which is fit for human consumption, processed and packaged, then it is quite obvious that any of the other minerals or ores which go into a finished product could at least make a request for the application of the percentage depletion formula. The Treasury Department could be in very serious trouble, if the decision of the court in the case now pending should be adverse to the interests of the Treasury.

Mr. GORE. The Supreme Court has denied writs of certiorari in a large number of cases, and those decisions of the lower courts are already in effect.

Mr. HUMPHREY. I understand.

Mr. GORE. I read from the testimony of January 1959 from the Treasury Department.

> It shows that the Government could sustain a tax loss of nearly $297 million for these years if all taxpayers whose claims are now on file were to recover the amounts claimed.

That was 18 months ago. The years in question were 1951 to 1957. We are now in 1960. Congress has refused to do anything about this problem. A Republican administration has asked the Congress to close a loophole of Democratic favoritism. What have we done? For 18 months we have done nothing. This is the first time the question has, to my knowledge, reached the floor of either House of Congress.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. HUMPHREY. There are arguments which are made for percentage depletion allowances, and those arguments have merit. Some of us who have opposed what we think are extravagant

or excessive percentage depletion allowances have recommended modest reductions in the percentage of depletion. We have not recommended abolition.

I am forced to say that the argument made by the Senator from Louisiana [Mr. LONG], and the argument initiated and made by the Senator from Tennessee, led me to believe that unless the loophole which leads to such outright abuses is plugged those who advocate percentage depletion allowances will literally be jeopardizing the entire structure. I cannot for the life of me understand why anyone would want to jeopardize the entire structure of something some people have worked for for years, in order to throw the gates wide open for a percentage depletion allowance interpretation under current law which could permit large processing companies and manufacturing companies to have a tax benefit which results from a loophole beyond any calculation we have ever dreamed of or contemplated.

I think the Senator from Florida made this quite clear a moment ago, in terms of some of the tax favoritism which would come into the business structure under the full application of the current law as it relates to percentage depletion allowances.

Mr. GORE. I remind the Senator that I read the letter from the Secretary of the Treasury, which stated that this could amount in extreme cases to a depletion allowance of 100 times what would normally be allowed.

I point out to the Senator that it is the responsibility of the legislative branch of the Government to write the tax laws. This is an inequity which has been pointed out to the Congress for 2 years. Why do we not act?

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. As one who has made countless speeches, both in the Senate and in the other body, in behalf of the 27½-percent depletion allowance, and as one who firmly believes this allowance is necessary to maintain the domestic supply of oil, I am fearful, indeed, with respect to the extreme we face, if the allowance is extended, as the Senator has outlined, to the processors. I fear we will lose the depletion allowances.

I hold out a warning to all those who have joined in the fight. The allowance of 27½-percent depletion, which I believe is the most fair and the best way to handle our oil industry, may be lost. It may be hacked away at until there will be no longer a fair depletion allowance for genuine mineral production, if this "free loading" is allowed to stand, if the subsidy which the court interpretation has permitted extends to monopolies. That is what it amounts to, a subsidy for monopolies. It is a subsidy to drive business into a completely integrated operation, to pyramid a normal tax allowance for depletion into something completely unreasonable. We should not allow the decision to stand.

Mr. GORE. I agree with the able Senator. So far as my attitude is concerned toward the depletion allowance to encourage exploration and development, I wish to be sure I am sufficiently lenient in that regard, but this has no relationship to that problem at all.

Mr. MONRONEY. That is my impression. I should like to ask the Senator another question.

Mr. GORE. Before the Senator proceeds, lest someone may think the Supreme Court is going to solve the question by a decision, if it should render one in favor of the Government, I wish to say that only one case has gone to the Supreme Court. The Supreme Court has denied writs of certiorari in a large number of cases. Many cases have been lost by the Government. In fact, I do not think the Government has won a single case in this field for the past 2 years.

Many of these decisions are already in effect. I read to Senators from the testimony of Mr. Lindsay, who testified in January of 1959:

> I think it is fair to emphasize that we have attempted to conform our administrative practice to the adverse decisions of three circuits, which allowed additional processes found to be customary across the Nation for brick manufacturers and cement rock.
>
> Indeed, within 4 days of the Supreme Court's denial of certiorari in several such cases, the Internal Revenue Service issued a news release in part as follows:
>
> "The Internal Revenue Service is taking steps to dispose of the pending litigation in claims involving brick and tile clay and cement rock as required under these decisions, and to conform Treasury regulations to the outstanding rulings accordingly. This should permit the expeditious disposition of the great majority of such cases."

That is the situation. The Supreme Court cannot by deciding one case enact legislation to solve the problem for us. It is a legislative problem. Perhaps on Monday the Senate will think better of the amendment.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MONRONEY. I am impressed with what the distinguished junior Senator from Tennessee has said with regard to the Supreme Court cases. We know that the Supreme Court intends to adjourn next week. We also know that the Senate intends to adjourn in about a week or two. If the measure is allowed to be passed over to the next session, if it is allowed to rest until the Supreme Court has decided the cases before it, which may be next June or July, we could suffer a loss by the Court's decision. We can consider the reluctance, which I think is a proper reluctance, on the part of Congress to enact retroactive taxes to cover cases in which the Court has interpreted the law in a different way from that which Congress intended.

Thus we would either be required to do a very grave injustice to taxpayers, once these cases had been settled by the court against the appeal of the Government, and to refund the money the court decision might indicate the taxpayers were entitled to, for the reason that Congress had refused to clarify the act.

In the name of justice to the companies, the investors who may buy stock in companies, and whose stocks will boom if this windfall loophole is allowed to exist, in the interest of solid business concept, we must clarify the act this year and thus avoid the retroactivity of taxation, the chances of inflated stocks on the market, and multiplication of consolidations and mergers to get under the big umbrella that will have been raised over companies to assist corporations, instead of maintaining normal private individual type of business operation under a normal extension and proper use of the tax allowance for genuine mineral depletion.

Mr. GORE. The Senator has certainly illustrated some of the difficulties that would arise for Congress in dealing with this problem in the event of an unfavorable decision of the court, a partially favorable decision of the court, or even a favorable decision of the court, because rights have been vested as a result of the decision in which certiorari has been denied. The longer we wait, the more claims will be filed, the more taxes will be paid under protest. The revenue loss looms perfectly enormous.

Mr. MONRONEY. There is no retroactivity, no ex post facto law involved in the amendment of the Senator from Tennessee. It will apply, as I understand, on deductions arising for legitimate mineral depletion after passage of the bill.

Mr. GORE. To state the question briefly, the proposed amendment changes the definition of "mining" to preclude the interpretation of the term as including operations involved in processing the finished product, the packaging, and the shipping of the finished product.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. ANDERSON. Will the Senator give the date of the letter of the Secretary of the Treasury from which he has been reading?

Mr. GORE. January 26, 1959.

Mr. ANDERSON. Does the Senator not recognize that some things happened that may explain the legislative delay?

Mr. GORE. I am afraid a great many things have happened to explain it. I think I understand some of them.

Mr. ANDERSON. The Ways and Means Committee of the House of Representatives, of which I happened to be a member when I was in the House, started to hold hearings. They ran into storms of protest because of the language that was in the bill. They therefore decided they could not use the language that is in the Senator's amendment, and they, along with members of the joint committee staff, decided that they would try to redraft the amendment so that it might be usable.

While they were trying to redraft the amendment, the case which is now in the Supreme Court arose. The Supreme Court granted certiorari. When that occurred, the Treasury Department then requested the Ways and Means Committee to withhold action until the case was decided. I believe that is not in accordance with the letter quoted by the Senator. Whether or not the Ways and Means Committee acted wisely, certainly it withheld action in response to a request of the people who are most interested in correcting the situation, and who by the letters which the Senator has

read have indicated their desire to straighten out the difficulty.

The question therefore has not been considered by the Senate at any great length, because we generally depend upon the House of Representatives to originate revenue measures. I think that is the customary practice. I think if we should pass the bill, having spent days in considering it, and it should go to the House, it would promptly be dropped in conference, because I think I know how members of the House Ways and Means Committee feel, and I think I know exactly what would happen to it.

Mr. GORE. I would like to talk on that subject for just a moment. I do not know why we wish to presume that on a matter of this importance the Senate need not act because certain members of the House Ways and Means Committee might not accept our view. This question has gone so far that it has almost reached the point of being ridiculous.

I do not know why the Senate cannot work its will with respect to a provision of the internal revenue law because it imagines that certain Members of the House will not accept a measure passed by the Senate. I do not accept that thesis and I do not act upon that premise. I think we should proceed to write the best bill of which we are capable and then go to conference and insist upon the provisions of the bill. I realize perfectly well that members of the conference committee may not endorse my view on a measure, but I think the Senate conferees would undertake to uphold the will and position of the Senate in the conference.

Mr. ANDERSON. I did not suggest to the Senator from Tennessee that the Senate should not do the thing that we believe is right, regardless of what the other House may wish to do. I say only that this is not a question which the other body has not explored. This is a subject on which the House has held hearings. I understand the Senate has not. As a result of those hearings the House has decided to drop the legislation. Therefore I presume it would be very difficult to persuade the House subsequently to accept the legislation.

Also I assume there would be a recommendation from the Treasury Department, following the earlier recommendation, namely, to hold the bill in abeyance until the Court had decided the cases before it.

I repeat, however, that I think the Senator from Tennessee has presented a very interesting problem. I think it will be solved. I hope he will produce an amendment. I believe the simple amendment which he proposed in the committee was better than the belabored amendment presented by the Department of the Treasury.

Mr. GORE. In the first place, I am not aware that the Treasury Department asked Congress not to act. My understanding of the situation is that the Treasury Department despaired of the possibility that Congress would act adequately on the proposed legislation. To clarify the point I suppose we shall have to get the record. I do not understand the situation to be exactly as the Senator has stated it. He may be correct.

Mr. ANDERSON. I may be incorrect. I say to the Senator only that I described the situation as I have understood it. I may be wrong. I am willing to grant that in advance.

Mr. GORE. So am I.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KEATING. To bring this discussion down to earthly facts, am I not correct that in some of the documented instances which the Senator from Tennessee has cited today the actual depletion allowance on the finished product would be greater than the total sales price of the originally mined article?

Mr. GORE. That is according to the testimony of the officials of the U.S. Treasury.

Mr. KEATING. That certainly presents a case that needs remedial legislation. I express the hope that when the Senator's amendment is reoffered, either in the present form or in modified form——

Mr. GORE. I will offer it in this form, because, although according to the junior Senator from New Mexico I might prefer a more simplified amendment, nevertheless, this has been drawn carefully by the lawyers of the Treasury Department, and I am willing to rely upon them.

Mr. KEATING. I express the hope that when it is reoffered as a separate amendment it will command the support of a majority of Senators, because we must remember that every dollar of taxes which we allow someone to escape from paying under the series of abuses to which the Senator has referred must be made up by someone else out of his pocket, or in some other way. Certainly we would be remiss, it seems to me, if we permitted to continue the situation to which the Senator from Tennessee has referred in his presentation today.

Mr. GORE. I thank the Senator. I will offer the amendment as soon as I can.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. SMATHERS. Mr. President, I am a member of the Committee on Finance. I do not remember how the amendment was discussed and under what circumstances it was discussed in committee. I wish the able Senator would refresh my memory. Did the Senator offer this particular amendment in committee in this form?

Mr. GORE. I offered it in this form. Then, because of its complexity and the difficulty of examining the technical nature of the language, and the pressure of time, I offered a simplified amendment. I am not sure whether the Senator was present at the time. The Treasury officials were there at the time, and they stated that the later amendment I offered would go further and be more stringent than the one they had prepared.

Mr. SMATHERS. The arguments the Senator has made this afternoon seem almost unanswerable. I was not aware of having heard these arguments in committee. I am not one who changes his mind very easily about things like this. However, I do think that the arguments the able Senator from Tennessee has made with respect to his proposed amendment have been very persuasive. I will support the amendment, and I am satisfied that other members of the committee, who now say they were absent when the amendment was presented in the form it was presented, will also be persuaded. I congratulate the Senator for doing a fine job.

Mr. GORE. I am very grateful and pleased. I very deeply thank my colleague on the committee. From the indications around the Chamber I believe that the amendment will be adopted on Monday. I surely hope so.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. GORE. I am glad to yield to my distinguished colleague on the committee.

Mr. McCARTHY. I wished to point out that what is likely to happen in the case of this special tax privilege would be very much like what happened when Congress tried to meet special problems of firms which had set up reserves for expenses which would occur in the future. We tried to clarify the law. The effect was to open it up to the point where many businesses began to set up reserves for all the expenses they were going to have in the future, or at least in the next year. The result was to give them a kind of double deduction for all expenses in a single year, with the prospect that we would never catch up with them. So they had a double deduction for one year, and there would never be a time when we could catch up with them, or the time when they would be held accountable. Once this was discovered, other firms began to take advantage of it. Congress was called upon to plug that loophole. This was after the 1954 revision had been passed. We had to act on that loophole.

I suggest that the same thing is about to happen with regard to depletion allowance. Once one or two favorable court decisions have been received by one company or another, other companies, either because they have to compete with the companies that have special tax favors or because stockholders say, "You had better do something about it," or because of their desire for more profit, will seek to take advantage of this kind of tax favor. This situation is as important as it was with regard to the reserves for future expenses. It is necessary and important, therefore, that we close this loophole at this time. I am satisfied that we can perfect language to the point where it will be workable. We have until Monday or Tuesday to obtain the cooperation of the Treasury and to work with our own draftsmen, and I believe we can draft language which will in no way prejudice decisions of the Court, but which may do a great deal to protect the integrity of the tax laws of the country.

Mr. GORE. I thank the Senator. I conclude a hard day's work with a grateful heart because, although one vote has

been lost, I think now that the atmosphere has been cleared and the parliamentary wrangle resolved, on Monday the amendment may receive favorable consideration.

Mr. McCARTHY. We can learn from the experience we had in the parliamentary conflict and wrangle, because, as it turned out, it was a good device to get a crowd here. Because we got the crowd here and had more Senators to listen to the Senator from Tennessee give his very thorough exposition of the amendment, we are now in a much better position, and will be on Monday or Tuesday, than before the parliamentary conflict.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. ANDERSON. I hope the Senator will not feel that any ground has been lost by the situation that arose this afternoon. I wish to repeat what I said inside the committee, outside the committee, and on the floor. The Senator from Tennessee has performed a valuable service in bringing this question to the attention of the Senate. There may be considerations which may make it desirable to postpone action until after the court case has been decided. I am not sure. That will be a decision for the Senate to make. So far as the able Senator from Tennessee is concerned, his record today has been a good one.

Mr. GORE. I thank the Senator very much.

During the delivery of Mr. GORE's speech:

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CURTIS. Mr. President, I ask unanimous consent that the Senator may yield to me without losing his right to the floor and that I may in turn yield to the distinguished Senator from Kansas [Mr. CARLSON], and that my remarks and the remarks of the Senator from Kansas may follow the remarks of the distinguished Senator from Tennessee.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, we have before us a bill to extend certain excise and corporate taxes which will expire on June 30. The bill, as it passed the House, involves revenue amounting to almost $4 billion. Failure to pass this bill will not only wipe out any hope of a surplus but will actually put the Government in the red. This means more burdens on our children and our children's children.

When this bill was before the Finance Committee action was taken to end the excise tax on local telephone service, telegrams, and on the transportation of passengers. These amendments to the House bill would cause a loss of revenue of $752 million as compared to what the House bill would bring in. President Eisenhower and Secretary of the Treasury Robert Anderson wholeheartedly support the bill as it passed the House.

Mr. President, it would be very pleasant for me to stand in my place and state that I favored the removal of the tax on the telephone bills paid by Nebraskans and to tell Nebraskans that I was also voting to end the tax on telegrams, bus tickets, airplane tickets, and railroad tickets. This I would do if our financial house was in order and if the Congress would assert its constitutional power and responsibility to control wasteful and extravagant spending.

But, let us look to what the Senate of the United States has done this week in the way of voting for the spending of money over and beyond the President's budget. This week and this week alone the Senate has voted for spending far in excess of a billion dollars exclusive of any raises in our defense program. That is a billion dollars beyond the budget. The Federal pay raise bill which was not budgeted will cost $600 million annually. The appropriations for the Department of Health, Education and Welfare exceeded the budget request by $464 million. The cost of the housing bill to the Treasury is a bit difficult to determine because it involves a secondary obligation resulting from guarantees and insurance, but this bill which the Senate passed may have exceeded the budget in excess of $190 million. I voted against all of these measures.

Mr. President, the spenders of public money prevent tax reduction at this time. I wish it were otherwise. I would like to see the tax taken off telephones and telegrams and transportation. I would like to see tax relief given to individuals and a raising of the personal exemption. I would like to see tax relief for business and tax relief for the investors who provide the risk capital. None of these things can come about until we control spending.

Mr. President, there is no other course before me but to extend these taxes. I do not favor increasing the national debt.

USE OF PESTICIDES FOR DESTRUCTION OF WEEDS IN GROWING WHEAT

Mr. CURTIS. Mr. President, I desire to raise my voice in protest of the action which has been taken by the Department of Agriculture and the Department of Health, Education, and Welfare.

Mr. President, a few months ago we witnessed the fiasco of the cranberry situation, and also the one involving caponets. In both instances the Government frightened the people, interfered with the market, and accomplished nothing. The caponets in question, I understand, were purchased by the Government and used for the school lunch program.

I have before me a photostatic copy of an article published in the Lincoln, Nebr., Star of June 16, 1960. The headline reads: "Sale of Wheat Imperiled by Preharvest 2–4D Spray."

The article reads:

> Wheat farmers were warned against using 2–4D spray Thursday by grain and health officials who have advised that spraying between now and harvest in the wheatfields can leave a residue on the wheat that will make it illegal for sale.
>
> Sam D. Fine, director of the Kansas City district, Pure Food and Drug Administration, reaffirmed the warning by issuing this statement: "There is no tolerance allowance for 2–4D on wheat and any amount of residue would make it illegal for sale and subject to seizure.

Mr. President, would the purpose of that statement be to lift the price of the farmers' product? I continue to quote:

> Fine reports many calls for information on the chemical effects on wheat. He advises that additional inspectors from his department will be making elevators and on-the-farm visits during harvest to check for 2–4D residue on wheat.
>
> A report that some wheat had been seized in Kansas was not confirmed by Fine, who said, "We have no reports of seizures in Kansas yet."

Mr. President, the Departments are operating under a law passed in 1954. Even if they were right from the standpoint of the chemical content, why did they not take this action in January? Why do they do a thing like this on the eve of harvest?

Mr. President, this is serious. I have before me a letter from the Grain and Feed Dealers Association, from which I shall read excerpts:

> Much of the wheat in Kansas and eastern Nebraska this year is thin, and weeds will develop in those fields. The farmer has but two choices, either spray with 2–4D to kill the weeds ahead of harvesting, or let his crop be harvested in poor condition. Many of the fields in central Kansas have already been sprayed; many farmers in eastern Nebraska have made plans to spray in the next 2 weeks.

Mr. President, I ask unanimous consent to have the entire letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> GRAIN AND FEED
> DEALERS ASSOCIATION,
> *Lincoln, Nebr., June 16, 1960.*
>
> Hon. CARL T. CURTIS,
> *U.S. Senate,*
> *Senate Office Building,*
> *Washington, D.C.*
>
> DEAR SENATOR CURTIS: It seems that if it is not one problem facing agriculture this year, it is another. Now we have been alerted that there is a possibility that wheat which has been sprayed with 2–4D to control weeds will be seized by Food and Drug Administration if they can find any traces of the chemical on the harvested grain, either in commercial channels or in bins on the farm.
>
> Much of the wheat in Kansas and eastern Nebraska this year, is thin and weeds will develop in those fields. The farmer has but two choices, either spray with 2–4D to kill the weeds ahead of harvesting, or let his crop be harvested in poor condition. Many of the fields in Central Kansas have already been sprayed, many farmers in eastern Nebraska have made plans to spray in the next 2 weeks.
>
> Information from the director of the Kansas City office of Food and Drug, Mr. Sam Fine, reported yesterday that they are looking for 2–4D in wheat, that they have hired extra help and when they find it, the wheat will be seized. He also told the Lincoln Star that it could be much more serious and widespread than the cranberry mess of last fall.

This all stems from the fact that there has not been a tolerance set for 2–4D established by Food and Drug for wheat, even though there are tolerances for 2–4D on many other food products. These tolerances are reported in the Federal Register, dated February 1, 1960, which established a tolerance of 5 parts per million of 2–4D on apples, pears, quinces, and citrus fruits. The same tolerance of 5 parts per million on asparagus and also in the March 5, 1960, Federal Register, the use of 2–4D is approved for the use of intensifying color on potatoes.

The use of 2–4D to control weeds in wheat fields, prior to harvest, has been a common practice with farmers for many years, it has never been questioned before though manufacturers of the chemical advise using it at least 50 days prior to harvest. And now, even though tolerances have been established on other food crops and the chemical is not toxic to man or animal, Food and Drug have announced—just as they did in the cranberry case, just before harvest, that if evidence of 2–4D can be found in the harvested grain that it will be seized. This practice will cost the farmers and the grain trade—if they are caught—millions of dollars and will, if widespread, break many farmers and grain dealers.

If it is not possible to stop the action of Food and Drug Administration we will, of course, use every method possible to alert farmers of the hazard. We have already contacted the press, the University of Nebraska, the Aerial Sprayers Association, the Nebraska Wheat Commission, the Nebraska Wheat Growers Association, and all others that have contact with farmers.

We are quite sure you can readily realize the seriousness of this situation and we will appreciate anything you can do on the Washington level to find a suitable solution to the problem.

Sincerely,

HOWARD W. ELM,
Executive Secretary.

Mr. CURTIS. Mr. President, the action which has been taken will not only interfere with the farmer destroying the weeds; it will frighten customers and consumers and will drive prices down. That is wrong.

I shall read from a telegram I received from J. D. Furrer, extension agronomist, of the University of Nebraska College of Agriculture:

There are thousands of acres of winter wheat in Nebraska where weed problems exist. 2–4D is the only economical way to control the weeds and permit harvesting. Unless 2–4D is used, many farmers will suffer large financial losses because weeds will lower quality due to weed contamination and resulting higher moisture at harvest.

Listen to this statement, Mr. President, which I read from the telegram:

In the past 13 or 14 years, thousands of acres of wheat have been sprayed with 2–4D with no reported deleterious effects on value of the grain for milling or other food uses. In many cases, spraying with 2–4D has improved grain quality by eliminating green weed materials.

Mr. President, that is not a communication from a party in interest; it is not a communication from someone who is selling 2–4D. It is not a communication from a worried farmer. It is a communication from as good an authority as there is in any bureau in Washington.

Mr. President, I ask unanimous consent to have the entire telegram from the extension agronomist, Mr. J. D. Furrer, printed at this point in the RECORD.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

LINCOLN, NEBR., *June 18, 1960.*

Re wheat spraying with 2,4–D in Nebraska.

Hon. CARL T. CURTIS,
U.S. Senate, Washington, D.C.:

(1) There are thousands of acres of winter wheat in Nebraska where weed problems exist. 2,4–D is the only economical way to control the weeds and permit harvesting. Unless 2,4–D is used, many farmers will suffer large financial losses because weeds will lower quality due to weed contamination and resulting higher moisture at harvest.

(2) In the past 13 or 14 years thousands of acres of wheat have been sprayed with 2,4–D with no reported deleterious effects on value of the grain for milling or other food uses. In many cases spraying with 2,4–D has improved grain quality by eliminating green weed materials.

(a) This 50-day period was arbitrarily selected and not based on critical research evidence.

(b) Seldom is 2,4–D used at the full pound rate for weed control in wheat.

(c) No evidence has been submitted to show whether there will or will not be residues of 2,4–D on grain at harvest regardless of time of application.

(d) Tolerances for insecticides such as DDT at 7 parts per million have been established on many fruits and vegetables which are eaten fresh or cooked.

(e) Tolerances of 5 parts per million for 2,4–D have been established on apples, pears, citrus fruits, quinces, and asparagus. No tolerances have been established for wheat or other farm crops.

(3) 2,4–D is a hormone-type herbicide which is closely related to natural hormones in plants. It has a very low oral toxicity rating for warmblooded animals. A thousand-pound animal could consume at one feeding all the 2,4–D applied to an entire acre of wheat without suffering ill effects.

(4) Sunlight, moisture, and microorganisms cause relatively rapid chemical breakdown of 2,4–D at summer temperatures.

(5) There have been no withdrawals of any registered use of 2,4–D by Federal agencies.

(6) In April 1957 ARS published a summary of certain pesticide chemical uses as an aid to registrants in preparing acceptable labels. This indicates that no residues would be expected from a 1-pound per acre application of 2,4–D if it were applied 50 days preharvest. Commenting on this:

(f) The use of 2,4–D on potatoes to intensify red color was extended 1 year effective March 6, 1960, to enable the establishment of 2,4–D tolerances or exemption from the requirements of tolerances.

(7) Winter wheat and other farm crops should be exempt from 2,4–D tolerances or the time required to establish tolerances should be extended for 1 year.

(8) Please wire any progress made with FDA or HEW.

Very truly yours,

J. D. FURRER,
Extension Agronomist.

Mr. CARLSON. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. Mr. President, I thank the Senator from Tennessee. I now yield, under the unanimous-consent agreement, to the distinguished Senator from Kansas [Mr. CARLSON], with whom I have joined in sending a telegram to the two Cabinet officers.

Mr. CARLSON. Mr. President, I compliment the distinguished junior Senator from Nebraska for his alert and active interest in this situation which has rapidly developed in the Midwest wheat-producing area. It is mild to say that it is causing serious concern in that great area.

The report has gone out that the spraying of wheat preceding the harvest, for the destruction of weeds, will contaminate the wheat so that it cannot be used for human consumption. There is no basis for it. My information is that no tests have been run and it is purely a matter of speculation.

The confusion and concern arises from a press statement emanating from the regional office of the Food and Drug Administration.

I am pleased that the distinguished junior Senator from Nebraska has called this matter to the attention of the Senate. He and I discussed it this morning and agreed that some action must be taken. On the basis of the information we have received, we prepared telegrams, one of which was sent to the Honorable Arthur S. Flemming, Secretary of Health, Education, and Welfare, which reads:

DEAR MR. SECRETARY: Great concern has developed in the wheat-producing areas of the Middle West as a result of statements and press releases regarding the use of pesticides for the destruction of weeds in growing wheat. Steps must be taken in order to clarify this situation immediately. Otherwise we will have another situation similar to that which happened in the cranberry industry.

Mr. President, there may have been a few million dollars worth of cranberries destroyed; probably large numbers of bushels of cranberries destroyed. But if a similar situation develops in the wheat-producing area, where hundreds of millions of bushels of wheat are produced, it might be said, parenthetically, that the cranberry situation would be "peanuts" compared to the situation which might develop in wheat growing. Therefore, I say it is important that action be taken immediately to remedy the situation. I continue to read from the telegram:

We are also contacting the Department of Agriculture, as there seems to be a lack of coordination between the Department and the Department of Agriculture on the problem. In view of the urgency, we would appreciate a meeting with you and representatives of the Department of Agriculture in your office Monday morning, June 20. We are confident that by getting together with you and the Department officials involved, we can arrive at a meeting of minds that will give needed assurance to our people.

That is the text of a telegram which the junior Senator from Nebraska and the junior Senator from Kansas sent to the Secretary of Health, Education, and Welfare this morning.

We also sent a copy of the telegram to the Secretary of Agriculture, the Honorable Ezra Taft Benson, and were assured of his cooperation.

I am pleased to inform the Senate that the meeting has been set for 4:30 on Monday afternoon, in the Office of the Secretary of Health, Education, and

Welfare. We have been assured that Department people will be present; and I have every reason to believe that in regard to this situation we can work out a satisfactory statement which will give relief to the people who are so greatly concerned about it.

If other Senators are interested in this problem, they are invited to attend the meeting on Monday of next week, at 4:30 p.m.

Mr. President, again I say I do not know of anything in recent times that has caused more concern among the wheatgrowers, the elevator operators, and the consumers generally, than has this situation.

I thank the Senator from Tennessee for yielding to me.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

The Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates.

Mr. PROXMIRE obtained the floor.

Mr. McCARTHY. Mr. President, will the Senator yield to me?

Mr. PROXMIRE. I yield to the Senator from Minnesota.

Mr. McCARTHY. I should like to propound a parliamentary inquiry.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The Senator will state it.

Mr. McCARTHY. I intend to offer an amendment which would repeal the dividend credit provision of the present law. My parliamentary inquiry has to do with the time at which the votes must be taken on the committee amendments, which I understand are now pending.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that there is no definite time at which the committee amendments must be passed upon, but that they must be passed upon before amendments are offered from the floor, except by unanimous consent.

Mr. McCARTHY. If I may change my question slightly, if I were to offer amendments in order to have them voted upon before the vote on the committee amendments, they would have to be offered as amendments to the committee amendments. Is that correct?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that a bona fide amendment to a committee amendment would have to be acted upon before the committee amendments themselves were acted on.

Mr. McCARTHY. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Minnesota will state it.

Mr. McCARTHY. If the motion to reconsider the action on the committee amendments were postponed until after the votes on other amendments were taken, would it be in order to reconsider the action taken on the committee amendments, even though there had been votes on amendments to other sections of the code?

The PRESIDING OFFICER. That can be done within the 2-day limit.

Mr. McCARTHY. I thank the Chair for that information.

I shall offer an amendment to repeal the dividend credit. If my amendment is agreed to, it will have the effect of providing approximately $335 million to $350 million in revenue. I think the amendment should be considered most seriously, in view of the committee action which would have the effect of losing approximately $750 million in revenue which the Government would have collected if the bill, at least as it is now before the Senate, had not been modified by the Committee on Finance.

I point out also that the Committee on Finance has acted on H.R. 10, which has passed the House, and which if passed by the Senate and agreed to in conference, depending upon what the conferees may agree to, would result in the additional loss of approximately $300 million of revenue.

The House committee, at least, has acted upon measures dealing with the taxation of corporations doing business overseas which, if passed, would result in the loss of approximately $100 million in revenue.

We should take into account that within this week we have increased appropriations above the budget estimates, including defense, by approximately $1,200 million, and the salaries of postal and other Government employees by approximately $750 million.

Considered together, the increase in appropriations and the proposed reductions in revenue will result in a loss of approximately $3 billion.

In view of this action, it seems to me rather obvious that if we have any sense of fiscal responsibility, we ought to move to close loopholes, and we ought to move to restore revenue which is lost by special considerations which have now been written into the tax code.

ORDER FOR SUBCOMMITTEE ON EDUCATION OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE TO MEET ON MONDAY

Mr. SMATHERS. Mr. President, I ask unanimous consent that the Subcommittee on Education of the Committee on Labor and Public Welfare be authorized to meet on Monday in order to hear the president of the University of Illinois and other university presidents.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

The Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates.

Mr. PROXMIRE. Mr. President, I understand that tonight, after I complete my remarks, the senior Senator from Illinois [Mr. DOUGLAS] and then the senior Senator from Pennsylvania [Mr. CLARK] will speak. Mr. President, I call the attention of the Senate to the significance of the timing of our speeches. The fact that we are speaking now indicates, I think, that if there has been any feeling on the part of Senators that we who are very anxious to plug loopholes in the present revenue act wanted to delay action on the bill, this is not the way to do it. We all know we could stop now, not take any more votes tonight, go home, and make our speeches at length on Monday. But we shall make our speeches tonight, at considerable sacrifice on the part of the employees of the Senate, the distinguished acting majority leader, the distinguished acting minority leader, and ourselves. We do not wish to delay the Senate. We desire to proceed as rapidly as we possibly can. We are very desirous to get this case into the RECORD, where it can be read and studied.

I think the arguments for plugging loopholes are overwhelming. I think the case must be made, and made as thoroughly and emphatically as possible.

The amendment which I intend to propose requires a withholding tax on dividends and interest. This would result in permitting the Government to collect vast sums of money which should legally be paid but now escape it. These are sums which are now not the property of any private citizens, but the property of the United States of America. These are funds which are owed the Treasury. These are funds which should be collected. There will be no increased tax rate on anyone. No new tax will be imposed. There will be no argument by groups who say they should not have to pay the tax.

Sometimes there is a controversy as to how much a tax proposal will raise. I think I can show, on the basis of the most expert and painstaking documentation, that this proposal will raise at least $1 billion. I think the authority for this estimate of potential revenue is by far the most competent and the most objective of any that can be shown for any tax measure which is likely to be proposed at this session.

This is not a new proposal. It has been offered before. As a matter of fact, it was a part of the original Withholding Tax Act which was passed during World War II. This proposal passed the House at that time. It came to the Senate, and the Committee on Finance killed it. It passed the House again in a different form in 1950. It came to the Senate and was killed by the Senate.

It passed the House again in 1951, it came to the Senate, and was killed.

Last year it was introduced by me, and the Senate decided against it.

Every single objection to this proposal—without exception—has now been met on the basis of what I believe is one of the most competent jobs of tax bill drafting that I have seen.

I may say, incidentally, that three able men are primarily responsible for the amendment. They are Professor Holland, Professor Kahn, and an outstanding economist with the Committee for Economic Development, Mr. Joseph Pechman. I think all those who have

any experience in tax matters know that Kahn, Pechman, and Holland are three of the most able, fairest, and most objective men in the whole tax field.

Two principal objections were made to the proposal last year. One was that there is in any bill like this a burden on those who have to withhold the tax or the collector who will have to make the collections. This objection was eliminated in 1951; somehow or other, the elimination of this objection had not been recognized. But it has been eliminated. The fact is that all that those who withhold the tax have to do is, when they declare a dividend of a dollar a share, for example, withhold 20 percent. They withhold 20 cents. They make no report to the Treasury on each individual withholding. If they pay dividends of $1 million each quarter, at the end of each quarter they simply send to the Treasury a check for $200,000, at the cost of a 4-cent stamp. That is the entire cost. They would do this four times a year. Thus the proposal has been called by Mr. Pechman, who is principally responsible for this reform, the 16-cent proposal. It would cost a corporation, no matter how big it is or how small it is, only 16 cents a year.

One of the objections raised by a distinguished Republican member of the Committee on Finance, a man for whom I have the greatest admiration, and a man who is one of the most competent, certainly, in the country on this issue, is the question of what will be done with the payment by individual persons to other individual persons in cases in which it is required that the individual make a withholding.

This objection has been met in the simplest possible way in the amendment simply by exempting that kind of interest payment.

The argument has been made that this kind of proposal discriminates among taxpayers. We have had many years of experience in the withholding of wages. We all know that most wages have to be withheld. But there are exceptions. Throughout the years exceptions have been made. There have been periods when domestic servants have been excepted. Obviously, the occasional employment of babysitters, and so forth, is excepted. The history of the withholding tax law is replete with exceptions under such circumstances. No one has ever challenged the legality of this kind of exception. It seems to me that that fully and completely meets the other argument, and I think it was a very proper objection to the proposal in its initial form.

All kinds of justification are made about every proposal, but I think the basic argument, as in the case of most of these proposals, is the moral argument. I think we cannot make a stronger moral argument for any kind of tax bill than that those who legally owe money to the Federal Government should pay it. It is immoral if they do not pay it.

Also, of course, if they do not pay it, as the distinguished Senator from New York said earlier, in connection with another subject, someone else has to pay it. That means that we all lose. As I pointed out, more than $1 billion is lost because people do not pay taxes on the interest or the dividends they receive. The tax level has to be a billion dollars higher on every honest taxpayer because of this evasion. That means that the honest taxpayers must pay that much more because the dishonest or the careless or the neglectful taxpayers do not pay their taxes.

Mr. President, I hope that when I submit the amendment to be voted on, each Senator will have before him a copy of a mimeographed statement which has been prepared. It sets forth the arguments in favor of this amendment, and simplifies and clarifies the situation.

As I have said, I think the amendment would have been adopted long, long ago if it had been understood.

Authoritative estimates are that in 1957—and, Mr. President, I have adjusted my figures so as to reflect the situation in 1960—I think I can do that with a fair degree of accuracy, based on the relationship between dividend payments in 1957 and those in 1960, as reflected in Economic Indicators; and in that way we can get a reasonably correct estimate—that in 1957, the latest year for which tax return data are available, $1.8 billion of dividends and $6.9 billion of interest failed to show up on the returns of individuals subject to tax. That is an enormous amount of money to evade taxation. But I believe I can document it on the basis, as I have said, of the most careful tax study I have seen in regard to a matter of this kind.

The $8.7 billion estimate of the dividend and interest gap does not take into account amounts which are received by individuals with total incomes less than the filing requirement. Roughly $450 million of dividends and $2.5 billion of interest, it is estimated, will be received by such individuals in 1960.

I may say that is the most conservative sort of estimate. It is based on the most careful and thorough examination of a great deal of statistical data which I intend to put into the RECORD shortly, which I think document thoroughly this matter.

So this is not a matter of pulling figures out of a hat or making a wild guess. This is a matter of a careful study, over many months, by the most able economists.

When we subtract the approximately $3 billion paid to persons whose incomes are lower than the smallest incomes for which the filing of an income tax return is required, we arrive at the figure of $5,700 million of dividends and interest which should have been reported but which was not reported on taxable returns.

As I have said, these are conservative estimates of the amounts of dividends and interest which now escape the individual income tax due on them. Conservatively estimated, therefore, adoption of this withholding plan would increase Federal revenues by $1 billion.

I may say that Dr. Pechman, a very competent economist for a conservative business organization—the Committee for Economic Development—estimated the loss in 1957 at $900 million; and between 1957 and 1960 there has been an increase of more than 8 percent in dividends and an increase of more than 26 percent in interest. So it is obvious that if we apply the same figures, Dr. Pechman's estimate must be increased to well over $1 billion.

Dr. Holland, of the Massachusetts Institute of Technology, estimated, for 1957, a conservatively estimated loss of revenue in this way of $1 billion. I estimate that if we project that loss to date—in 1960—the loss figure for 1960 would be $1,400 million.

Mr. President, the withholding plan offered by means of this amendment would be simply to comply with, both for the withholding agent and for the recipient of interest or dividends. The dividend or the interest payor would merely deduct 20 percent from each dividend or interest payment. A simple return reporting the total amount of dividends or interest paid and 20 percent of the total, together with the amount of tax withheld, would be the only net additional burden to the payor. The dividend or interest recipient would report the actual amount of interest or dividends he received plus one-fourth of that amount, which would represent the total dividend or interest payment before withholding, compute his tax on this total amount in the usual way, and then credit against his tax the amount of tax withheld.

Efforts to enact a withholding provision in the past have encountered three major objections:

First. Compliance burdens would be too great.

Second. Tax would be withheld on payments to individuals—widows and orphans—who incur no tax liability with respect to the dividend or interest payments.

Third. Certain types of interest payments—notably those on coupon bonds—would be too difficult to withhold on.

All three of these objections are overcome in the amendment. The proposed withholding plan involves no paper work and therefore imposes no significant burdens on withholding agents. The amount to be remitted to the Government is a flat percentage—20 percent—of total dividends or interest paid by the paying agent. As for the taxpayer, the actual computations that he would have to make in order to show the total amount of dividend or interest paid, the amount of tax withheld, and the remaining tax liability would involve a couple of extra lines on his tax return and the simplest possible arithmetic. For example, the additional lines on the tax return might be illustrated in the case of an individual receiving, say, $200 of interest, as follows:

(1) Enter here the total amount of interest you actually receive	$200
(2) Divide the amount in line 1 by four (4) and enter the result here (this is the amount of tax that was withheld on your interest)	50
(3) Total interest you received (add lines 1 and 2)	250

To give the taxpayer credit for the tax withheld there would be a line on page 1

of the tax return instructing him to enter the amount shown in line 2 above.

Any withholding system which makes no provision for a personal exemption will undoubtedly involve over-withholding. Over-withholding in the case of wage and salary recipients is common. More than 30 million refund checks are mailed each year, most of which are on account of over-withholding of tax. Yet no one weeps for the wage or salary earner upon whom excess taxes have been withheld.

Here I may say that one of the strongest arguments in favor of this proposal is that we already do this in the case of earned income. Therefore, why should we not treat in the same way the recipients of unearned income—in other words, the recipients of all income? Why should we give a particular advantage, which we can prove results in escape from taxation, to persons who receive unearned income, whereas no such advantageous position or no such privileged position is given to those who work in shops or in stores or in factories and earn their income by the sweat of their brows?

Existing law gives an advantage to the recipients of unearned income—income from interest and income from dividends. I think it would be wrong to give such an advantage to any taxpayers—either those who receive unearned income or those whose income is earned.

In the 1930's it was a legal fact—as is well known—that unearned income enjoyed a special advantage in tax law over earned income, but the present system gives this definite advantage to the recipients of unearned income, as compared to the recipients of earned income; and such an arrangement does not make sense.

In order to minimize the hardship for overwithholding in the case of dividend and interest payments, however, the attached amendment would provide for a quick refund where the dividend or interest recipient has gross income less than the statutory filing requirements, that is, $600 in the case of an individual under 65 years of age, $1,200 in the case of an individual 65 years of age or over. Refunds would be made quarterly.

Therefore, we persist in allowing special consideration to be given to the recipients of dividends or interest. We do that because perhaps some kind of case can be made for it. But dividend and interest recipients would not have to wait for an entire year, as in the case of one whose wages are withheld. Instead, they could make application within each quarter, and perhaps within a matter of weeks; but in any event they would never have to wait for more than 3 months to receive the refund.

Provision is also made in the amendment for quick refund in the case of tax-exempt organizations. The administrative cost of this quick refund system would be very low.

Mr. President, I think those who worked out this plan were very ingenious. I hasten to state that I am not the one who worked it out.

It is argued that the large tax-exempt organizations—the educational institutions, the churches, and similar organizations—receive a great deal of their income from dividends. Of course, that is well known. So it is said that if 20 percent of that income were withheld, a real hardship would be worked on these organizations.

Therefore, Mr. President, in order to compensate for that, we have proposed that they be allowed to keep for themselves a compensating amount of the taxes which they withhold from the salaries of their employees.

In other words, if a foundation or an educational institution, now before this bill becomes law, enjoys a million dollars in dividend and interest income, and it is paid, under this proposal therefore $800,000. It would not have to wait even a day for a refund. For instance, if it has a $10 million payroll, it will withhold, on that $10 million payroll, some $1,500,000. It will be able to send to the Federal Government $1,300,000. It would be able to compensate itself in this way for the full $200,000 temporary loss of income, and would not, for 1 minute, be deprived of the income.

Studies have been made which establish that this provision would eliminate hardships for just about 99 percent of the institutions, and the hardships on the remaining institutions would be extremely slight and transient.

For an individual whose gross income exceeds the filing requirement, but who nevertheless has no tax liability with respect to dividends or interest he receives, overwithholding would be no more or less severe than in the case of the wage or salary earner. Moreover, the extent of the problem has been grossly overstated. In 1957, for example, a total of 4,168,499 returns reported receipt of dividend income. Of this number, only 587,739 were nontaxable returns. Interest income was reported on 7,286,314 returns. Of these, 1,164,564 were nontaxable. On the assumption that these nontaxable returns would represent the major hardship cases, it is clear that the total number of individuals who would have tax refunds due them for periods up to as much as a year would still be very, very low. Moreover, by virtue of the fact that they are nontaxable, the amount of overwithheld tax would also be very low.

It has been objected, in the past, that certain types of interest payments do not lend themselves to withholding of tax. The principal illustration offered is the case of coupon bonds. In this case, the owner of the bond detaches the coupon and can present it for payment virtually any place, since the coupon itself is a negotiable instrument.

I recall so well being challenged on this point by the distinguished Senator from Delaware [Mr. WILLIAMS], who is one of the most brilliant men in the Senate, and who is extremely competent on tax matters. He raised this point last year. Frankly, I was not able to answer him very well. I suppose that is one of the reasons why we did not do so well. But I think the answer is here.

The attached withholding amendment presents no difficulty in such cases. Suppose the owner of the coupon bond cashes a coupon, say, at the corner grocery—which is what the Senator from Delaware [Mr. WILLIAMS] proposed—assuming that the coupon has a face value of a dollar, the grocer would remit to the bondholder 80 cents. The grocer then would present the coupon to his bank and would be reimbursed for 80 cents. The bank would remit the coupon to the issuing corporation and be reimbursed 80 cents, and the issuing corporation would remit the remaining 20 cents, that is the tax withheld, to the Government.

In this way nobody will be inconvenienced. Everybody could understand it instantly. It is not a matter of a complex transaction, but, as a matter of fact, I think the number of people who cash their coupons in grocery stores throughout this country probably could not fill half of this Chamber. We know that where the people cash their coupons on bonds is where they keep their bonds. The overwhelming majority of the people keep their coupons and bonds in vaults in banks. When they go to the banks and the vaults to clip their coupons, they go to the cashier's window and cash them. But even if people have some eccentric reason why they want to keep their coupon bonds under their mattresses, they could go to the corner grocery store and cash them. So the objection which was raised before is fully met.

Under this situation, the correct amount of tax, therefore, would be withheld regardless of the number of persons who handle the coupon from the time it was cashed to the time it was presented to the issuing corporation. Moreover, no necessity arises for disclosing the identity of the bondholder any more than under the present law.

In the case of series E U.S. savings bonds, redemption agents would be provided with redemption tables which would take into account not merely the amount of the accumulated interest on the bond but the amount of tax to be withheld as well. No greater burden, therefore, would be imposed upon the bank teller or the bank itself than exists under present law.

The amendment provides for exemption from the witholding requirement in a number of specified cases, primarily those in which the dividend or interest recipient is a nontaxable entity under the Internal Revenue Code.

As I have said before, I have relied very, very heavily in preparing this statement, on the distinguished economist of the Committee for Economic Development, Dr. Pechman. Dr. Pechman made a statement to the Committee on Ways and Means last fall. It was an exceedingly compact statement. I have talked to members of the Ways and Means Committee. They confess frankly they were very much persuaded by Dr. Pechman's presentation. They say this proposal is a matter of timing, but they are convinced it will work, and work very well.

I cannot understand any reason in the world why this Government should deprive itself of $1 billion a year any longer. If we postpone this matter for some obscure reason of timing, it means we are going to forego $1 billion a year.

The Senator from Minnesota [Mr. MCCARTHY] made a good case, a few min-

utes ago, for raising every possible nickel we can. The President has been hammering away at the Democratic Party and insisting on balancing the budget, and I think we should do everything we can to balance the budget. I think his plea is correct. Heaven knows, we should, wherever we can, collect money wherever it is owed to the Government. That money should be collected from the standpoint either of morality or legality.

It does not make sense to me to postpone this proposal for another month, or year, or 2 years. I have talked to members of the Finance Committee. They say it has to be studied, that it is being worked on. It is always being studied and worked on. I remember we were told a year ago that the Ways and Means Committee and the Treasury Department and the universities were all working on this matter. The experts who have been working on it say they have it perfected, and they can convince people who will listen to them that they have it perfected and that it will work. I see no reason not to adopt this proposal.

It has been argued that we do not pass tax increases in election years. Well, that is a cynical observation, but perhaps there is some practical sense to it. However, this is not a tax increase proposal. This is a matter of tax enforcement. This is a matter of collecting revenue that is due the Federal Government.

In the course of the presentation by Mr. Pechman to the Ways and Means Committee, Mr. Pechman met the proposal of Mr. Harrington, of the Internal Revenue Service, who has proposed in the meantime that information letters be sent out to dividend and interest recipients, and that they be told that the interest or dividend was an obligation on which they should pay taxes. It was also proposed they should be told how much their dividend or interest was, so it would be convenient and easy for them to compute it. There is no doubt that if that is done, we shall collect a lot more, and that more would be collected on a voluntary basis.

It seems to me, Mr. President, Mr. Pechman met this argument and completely demolished it. He showed that Mr. Harrington's proposal was unworkable. I quote from his refutation:

Critics of withholding have argued that the Internal Revenue Service should be able to enforce the tax on interest and dividends through the use of information returns. Mr. Harrington mentioned this possibility and here, again, I must disagree with him. Aside from being very costly for both withholding agents and the Government, this suggestion simply will not do the trick.

The number of information returns for these two items already runs into the millions; it would be multiplied severalfold if the coverage of the information returns were enlarged to include most recipients of interest. In many instances, interest and dividend recipients give different names—and, sometimes, different addresses—to corporations, banks, and other savings institutions. To collate the information returns by name, and then to match them with the tax returns filed by the recipients, would be a large and expensive undertaking, even with the latest electronic equipment.

I must remind the committee that electronic equipment and the time on these machines are not costless.

Contrast, this Mr. President, with the present proposal, which would not cost the corporation more than 16 cents a year. The corporation would make no reports to anyone. Four times a year the corporation would have to put a 4-cent stamp on a letter and mail a check to the Federal Government.

Mr. President, I continue to quote Mr. Pechman's statement:

If the collection part of the operation were ever completed, it would then be extremely costly to follow through individually on the hundreds of thousands of delinquent stockholders and interest recipients with small amounts of tax due. No tax-enforcement officer with limited resources at his disposal would allocate the funds necessary to complete such an operation, since the funds could be used more efficiently in other ways.

The Treasury has performed a useful public service in confirming the fact that billions of dollars of interest and dividends are not reported on tax returns each year. But it is hard to understand the reasoning behind the Treasury's plea to corporate payers of interest and dividends, which appears on the last page of the instructions for next year's corporate tax return, to remind taxpayers to report their interest and dividends.

One of the Treasury's suggestions is that corporations and savings institutions should send a notice to their stockholders and depositors at the end of the year informing them of the amount of interest or dividend they received. Consider what this would mean for a corporation like A.T. & T. with 1,700,000 stockholders. One mailing per year to every one of these stockholders would cost A.T. & T. $68,000 for postage alone. To this must be added the cost of the additional machine operations, as well as the cost of 1,700,000 pieces of paper and 1,700,000 envelopes.

I understand that it would cost A.T. & T. tens of thousands of dollars merely to stuff a notice reminding the stockholder to report his dividends on his tax return in the envelope containing his dividend check.

By contrast the annual cost of the 1951 withholding plan for A.T. & T. would be 16 cents—for four mailings to the Government of the amount it withheld—plus the time it takes to multiply the number of shares outstanding on each dividend date by the amount withheld per share.

In other words, the withholding plan I suggest would be virtually costless for the withholding agent, while the information-return system would impose heavy costs on both the Treasury and the very people who have opposed withholding.

Incidentally, the Treasury might well be asked whether it will follow through on its own suggestion and inform all Federal interest recipients at the end of each year exactly how much interest they received. If the Treasury expects to act on its own suggestion, I am sure the members of this committee, and the Appropriations Committee, will be very interested to know how much such an operation would cost. I have little doubt that the estimate would be an eye opener.

I see no reason why such costs should be imposed by the Government either on itself or on corporations, banks, and other savings institutions.

Mr. President, the banks and corporations should be beating a path to the door of the Senate, to get support for the amendment. The amendment would save them money. I know they are honest people, and they want taxes to be paid by those who owe taxes. This is a proposal which would enable corporations to do this in the most efficient and easiest possible way.

Mr. President, I ask unanimous consent that the statement of Mr. Pechman, which is a model of precise and concise expression, appearing on pages 791 through 793 of the hearings of the Committee on Ways and Means be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOSEPH A. PECHMAN, COMMITTEE FOR ECONOMIC DEVELOPMENT

Under present law, interest and dividends are reported by individual income taxpayers on a voluntary basis and the Internal Revenue Service depends on its regular enforcement procedures to detect underreporting. But as this morning's testimony indicated, I think rather conclusively, the present system has been grossly inefficient. Compliance with respect to both interest and dividends, particularly the former, has been poor.

The possibility of closing this gap in our administrative procedures by extending withholding to interest and dividends has been explored by the Congress on several occasions, most recently in 1950 and 1951. In each of these years, a withholding provision for dividends—and interest, in 1951—was included in the revenue bill passed by the House, but both attempts were unsuccessful in the Senate.

The 1950 plan, which was patterned after the wage withholding system, was rejected largely because corporations claimed that the cost of compliance would be burdensome for them. The 1951 plan reduced the burden of compliance for withholding agents virtually to zero.

I would like to repeat that the 1951 plan reduced the burden of compliance for withholding agents virtually to zero. It was rejected, nonetheless, partly because it involved withholding from nontaxable recipients of dividends and interest, and partly because opponents of withholding stubbornly refused to admit that it is possible to withhold without costing them much more than the price of a 4-cent stamp four times a year.

I am particularly disappointed that a man with Mr. Harrington's experience is still under the impression that a dividend and interest withholding system need be burdensome for the withholding agent, or for the recipient.

You will recall that the 1951 withholding plan was devised by the staffs of the Treasury Department and the joint committee at the request of the Ways and Means Committee. It relies on a simple bit of arithmetic. If tax is withheld at a flat rate of 20 percent on the gross payment, the amount withheld is 25 percent of the net amount after withholding. With this as a basis, it is possible to operate withholding system without requiring any additional recordkeeping on the part of the withholding agent.

For example, suppose an individual owns 10 shares of General Motors stock, which now pays a dividend of 50 cents per quarter. At a 20-percent withholding rate, General Motors would send him a dividend check of $4 each quarter and would remit to the district director of internal revenue the balance of $1. At this point the corporation's role ends—it prepares no documents for the Government or for the stockholder.

On his income tax return, the individual would first enter the $16 of dividends he actually received during the year. He would then add one-quarter of this amount, or $4, which was the amount withheld. A space on the tax return would be available for this computation. The total of $20, the amount

of dividends he received before withholding, would be included in his adjusted income. After computing his total tax liability, he would deduct the amounts withheld on wages and salaries, payments on declarations of estimated tax, and the $4 withheld at source on his dividends to obtain the overpayment—which would be refunded to him—or the balance of tax due—which he would remit to the district director of internal revenue with his return.

Critics of withholding have argued that the Internal Revenue Service should be able to enforce the tax on interest and dividends through the use of information returns. Mr. Harrington mentioned this possibility and here, again, I must disagree with him. Aside from being very costly for both withholding agents and the Government, this suggestion simply will not do the trick.

The number of information returns for these two items already runs into the millions; it would be multiplied severalfold if the coverage of the information returns were enlarged to include most recipients of interest. In many instances, interest and dividend recipients give different names—and, sometimes, different addresses—to corporations, banks, and other savings institutions. To collate the information returns by name, and then to match them with the tax returns filed by the recipients, would be a large and expensive undertaking, even with the latest electronic equipment.

I must remind the committee that electronic equipment and the time on these machines are not costless.

If the collection part of the operation were ever completed, it would then be extremely costly to follow through individually on the hundreds of thousands of delinquent stockholders and interest recipients with small amounts of tax due. No tax-enforcement officer with limited resources at his disposal would allocate the funds necessary to complete such an operation, since the funds could be used more efficiently in other ways.

The Treasury has performed a useful public service in confirming the fact that billions of dollars of interest and dividends are not reported on tax returns each year. But it is hard to understand the reasoning behind the Treasury's plea to corporate payers of interest and dividends, which appears on the last page of the instructions for next year's corporate tax return, to remind taxpayers to report their interest and dividends.

One of the Treasury's suggestions is that corporations and savings institutions should send a notice to their stockholders and depositors at the end of the year informing them of the amounts of interest or dividend they received. Consider what this would mean for a corporation like A.T. & T. with 1,700,000 stockholders. One mailing per year to every one of these stockholders would cost A.T. & T. $68,000 for postage alone. To this must be added the cost of the additional machine operations, as well as the cost of 1,700,000 pieces of paper and 1,700,000 envelopes.

I understand that it would cost A.T. & T. tens of thousands of dollars merely to stuff a notice reminding the stockholder to report his dividends on his tax return in the envelope containing his dividend check.

By contrast, the annual cost of the 1951 withholding plan for A.T. & T. would be 16 cents—for four mailings to the Government of the amount it withheld—plus the time it takes to multiply the number of shares outstanding on each dividend date by the amount withheld per share.

In other words, the withholding plan I suggest would be virtually costless for the withholding agent, while the information-return system would impose heavy costs on both the Treasury and the very people who have opposed withholding.

Incidentally, the Treasury might well be asked whether it will follow through on its own suggestion and inform all Federal interest recipients at the end of each year exactly how much interest they received. If the Treasury expects to act on its own suggestion, I am sure the members of this committee, and the Appropriations Committee, will be very interested to know how much such an operation would cost. I have little doubt that the estimate would be an eye opener.

I see no reason why such costs should be imposed by the Government either on itself or on corporations, banks, and other savings institutions, when a virtually costless alternative that will do the job efficiently and completely is available. More important, in these times of high tax rates there is no justification for a loss in Federal revenues approaching the billion-dollar mark because of the continued delay in the adoption of dividend and interest withholding. Whether the underreporting of these incomes on tax returns is due to inadvertence or to outright evasion, it is simply bad public policy to permit these income recipients to avoid paying their full share of the taxload.

I should like to add, in closing, that the views I have expressed are my own and not necessarily those of CED.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Pechman.

Mr. PROXMIRE. Mr. President, I have said the amount to be raised can be most thoroughly and completely documented. I have before me a statement presented to the Committee on Ways and Means, in hearings which began November 16, 1959, by Daniel M. Holland of MIT, an outstanding and distinguished economist and professor at one of the greatest institutions in the country. Mr. Holland has devoted a great deal of time to the most painstaking scrutiny of the Internal Revenue statistics and figures. He is a thoroughly competent statistician. He is very careful in all his assumptions. He has made what I think is a really definitive analysis as to how much the Federal Government is losing through tax evasion from interest and dividend recipients who fail to file tax returns.

Perhaps it will be interesting to Senators to know that upon the basis of this very careful study by Dr. Holland, confirmed by Dr. Pechman—and I understand Professor Kahn also has worked in this field—it seems very clear that about 15 percent of the taxes which should be paid on dividends are not paid. The figure fluctuates quite a bit, but it has been going up rather than down. The situation has been getting worse.

Mr. President, 58 percent of the interest income paid to people is not reported. That is more than half. More than half of the interest income escapes taxation.

Mr. President, this is not a wild assertion and is not merely a statement made for the purposes of documenting a case on a bill. This is the result of the most careful kind of computation made by a thoroughly competent statistician upon the basis of a very careful and thorough scrutiny of revenue loss. The figure with regard to tax loss on interest income is 58 percent.

This subject has been studied over a period of many years. The amount fluctuates, but fluctuates relatively little. Between 57 and 60 percent of the interest paid to individuals is not reported and no tax is paid thereon.

Think of the great inequities in our system, when we consider particularly that in the past 8 years the interest income has doubled.

The Federal Reserve Board studies show that two-thirds of all the capital in the country is owned by about 10 percent of our people. These people, upon the basis of the most careful study made, who own bonds and receive interest, fail to report some 58 percent of their interest income.

Mr. President, I ask unanimous consent that the statement by Mr. Daniel M. Holland, presented to the Committee on Ways and Means, entitled "Unreporting of Dividends and Interest on Tax Returns," which appears at pages 1397 through 1438 of "Tax Revision Compendium," submitted to the Committee on Ways and Means in connection with the panel discussions on the same subject to be conducted by the Committee on Ways and Means, beginning November 16, 1959, volume 2, be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNREPORTING OF DIVIDENDS AND INTEREST ON TAX RETURNS

(By Daniel M. Holland, School of Industrial Management, Massachusetts Institute of Technology)

(NOTE.—This paper draws on some materials initially developed by the author in connection with a research project undertaken at the National Bureau of Economic Research. It is, however, a purely personal statement, and has not undergone the National Bureau's usual review procedure.

(Revision and extension of the dividend gap estimates and measurement of the interest gap was supported by the Sloan research fund of the school of industrial management at MIT. I wish to thank Massimo Brighi who, in addition to performing the computations, helped to improve the methods used in the estimates and assisted in writing up the description of procedures in the appendix.)

I. INTRODUCTION

The difference between the aggregate amount of specific types of income generated in the productive process and the totals of such types of income traceable to tax returns has over the years, particularly since the "democratization" of the income tax, been a subject of interested speculation. The reasons for this interest are obvious; they have to do with the honesty of taxpayers and with the possible revenue losses of the Federal Government.

Work on this problem has, of course, gone beyond speculation; estimates of the gap have been made.[1] And additional estimates for dividends and interest will be set forth in this paper. But it is wise to note at the outset that some measure of speculation will always surround such estimates and what they actually demonstrate or prove.

My paper takes up a very specific topic and handles it in a particular way. These limitations should be stressed. The paper is designed to provide background data, not

[1] Pioneering work has been done by Selma Goldsmith—cf. her "Appraisal of Basic Data for Constructing Income Size Distribution," pt. VI, "Studies in Income and Wealth," vol. 13, National Bureau of Economic Research, 1951, and "Relation of Census Income Distribution Statistics to Other Income Data," "Studies in Income and Wealth," vol. 23, Princeton University Press for the National Bureau of Economic Research, 1958. Mrs. Goldsmith's general framework has been used in deriving the estimates of this paper.

to suggest any policy. Moreover, it is a particular concept of underreporting which we seek to provide estimates of, a concept which is several degrees removed from both dishonesty and revenue loss. Part of the job, then, is to make very clear what our measures mean or do not mean, and to provide some idea of the range of error that attaches to them. For it is only in the light of information of this kind that one can interpret the findings. That is why the procedures and methods of estimating are spelled out in more detailed fashion than might seem necessary; and that is why, also, several estimates have been undertaken where there seemed to be legitimate grounds for alternative approaches.

The general question that I will take up is the divergence between the total of dividends and interest paid out to people and the amounts of these two types of income reported on tax returns. This divergence is here called the dividend or interest gap. The gap as we measure it is made up partly of dividends that weren't reported and didn't have to be under the revenue laws, and of dividends that weren't reported but legally should have been. (The same is true of interest.) It is this latter category that we designate as underreported dividends or interest, as the case may be, and to which we pay particular attention. For, as will be argued in greater detail below, where the underreported segment of the gap cannot be precisely broken out, inferences as to its size and growth or decline over time can still be made.

For dividends and interest, each separately, three topics are covered:

1. The present size of the gap and the revenue loss associated with it.

2. Trends in the gap over the last 20 years.

3. Evidence on the income class distribution of underreporting.

We start with dividends; and, having established the pattern of presentation there, will treat interest in more summary fashion. Now to end this introduction with a brief statement of salient differences between dividends and interest receipts. Dividends have a much more concentrated distribution either by adjusted gross income class or dividends (or interest) size class. The recipients of small amounts of income from the particular source are more numerous for interest than dividends. Dividends have their origin in basically a single economic act—the provision of equity capital for corporate enterprise. The number and variety of interest earning transactions is much greater, as is, at least proportionately, the number of persons who receive small amounts of interests.[2] Another important difference for the purpose at hand lies in the accuracy of the national income accounts estimate of total personal income from each source. For in deriving the gap we take this to be a correct figure. For dividends it is considered an accurate estimate; but their interest estimate is subject to a wider range of error.

II. DIVIDENDS

The dividend gap in 1957

The national income accounts developed by the National Income Division of the Office of Business Economics of the Department of Commerce set a figure of $12,495 million for the dividend component of personal income in 1957. While this is an estimate, as are all the major items in these accounts, the dividend total is considered to be quite accurate.[3] We start, therefore, by taking this estimate to be a correct figure and compare the personal income tax return data with it. No circular reasoning is involved here, for the National Income Division's estimate is based on the corporate income tax returns filed—that is, on what corporations paid out—while the personal income tax tabulations summarize what was reported in the way of dividends received.

How much of the $12.5 billion paid out by corporations to individuals in 1957 can be found on the personal income tax returns filed in that year? Or to phrase the question differently: How much of what individuals received in the way of dividends failed to show up on tax returns?[4] With the income tax a mass levy, and the distribution of dividends among income classes more concentrated than any other major source of income, the expectation would be that almost all of the dividend total as estimated by the National Income Division could be found on tax returns. With appropriate adjustments one can go beyond this a priori judgment. Table 1 summarizes these adjustments and compares adjusted national income accounts and tax return dividends totals for 1957.

TABLE 1.—*Derivation of dividends not reported on tax returns, 1957*

DIVIDEND CATEGORY

[In thousands of dollars]

	Amount
1. Dividends reported by individuals on tax returns, including dividends received from fiduciaries (estates and trusts)	9,448,421
2. Plus estimated dividends in "other income" 1040A returns	3,000
3. Plus dividends retained by fiduciaries (estates and trusts) and dividends paid by fiduciaries to charitable and nonprofit organizations	366,103
4. Minus dividends on returns from Alaska and Hawaii	29,907
5. Equals personal dividend receipts accounted for on tax returns	9,787,617
6. Personal dividend receipts as estimated by NID[1]	12,495,000
7. Minus dividend receipts of mutual insurance companies	167,000
8. Minus dividend receipts of nonprofit organizations	516,043
9. Minuus dividend receipts of noninsured pension funds	338,000
10. Minus taxes withheld on dividend payments to foreigners	44,000
11. Equals NID[1] personal dividend receipts adjusted for comparability with tax return data	11,429,957
12. Dividend "gap"=(11)−(5)	1,642,340
13. Relative dividend "gap"=(12)÷(11)——percent	14.4

[1] National Income Division, Office of Business Economics, Department of Commerce.

Start with dividends received and reported as such by individuals on tax returns. (This includes dividends received by individuals from estates and trusts.) Then, add the small amount of dividends tabulated under "other income" on form 1040A returns, add the dividends retained by estates and trusts (fiduciaries), and the dividends they paid to charitable and nonprofit institutions, and take out the dividends reported on returns from Alaska and Hawaii (since the Commerce figure is for the continental United States) to reach a figure of $9.8 billion of dividends accounted for on tax returns (line 5). In the next six lines of table 1, we adjust the national income accounts dividend total for comparability with tax returns.[5] In these accounts a number of institutions and nonpersons not subject to the personal income tax, and hence not included in the personal income tax tabulations, are put in the "personal" sector. Their dividends must be taken out for comparability with the tax return figure. Hence the deduction of the dividend receipts of mutual insurance companies, nonprofit organizations, and corporate noninsured pension funds (lines 7 through 9). Taxes withheld on dividend payments to foreigners (line 10) are also subtracted, since they would not show up on tax returns. After these subtractions we end up with a figure of $11.3 billion (line 11) for the National Income Division's estimate of personal dividend receipts adjusted for comparability with tax return data. The difference between this total and line 5 (dividends accounted for on tax returns) is called the dividend gap in this paper. We measure the gap in relative terms also by taking it as a percent of the adjusted national income accounts total.[6]

For 1957 the gap between tax returns and national income account dividend totals was estimated as $1.65 billion or 14.4 percent of total personal dividend receipts after adjustment to a personal income tax return basis. How should this "gap" be interpreted? It is not solely a measure of dishonesty or evasion in the reporting of dividends, and, even more strongly we note that it is not a base to which to apply a marginal rate to arrive at an estimated revenue loss due to the failure of taxpayers to report some of their dividends. As a first qualification we note that some of the "gap" may be due to errors in the Department of Commerce estimate of dividends. Such errors could, of course,

[2] In 1956, taxpayers with under $5,000 of adjusted gross income accounted for one-quarter of all dividend recipients and 7.5 percent of dividends; while one-third of all interest recipients fell in this group, and they received 18.5 percent of total interest. If we take taxpayers with under $10,000 of adjusted gross income, we account for about two-thirds of dividend recipients and 20 percent of dividends, but three-quarters of interest recipients and 50 percent of interest receipts can be traced to the under $10,000 group. ("Statistics of Income for 1956," p. 4.) Or look at dividend and interest receipts directly. The 1952 data show that one-third of dividend recipients had dividends of under $100; 46 percent of all interest receivers reported interest of under $100. ("Statistics of Income for 1952," p. 26.) But this is unnecessary detail. We all know that it is more common to own a savings account than to own shares of stock. Thus the latest New York Stock Exchange census (1959) finds 12.5 million individual stockholders in public corporations. The most recent survey of consumer finances shows over 28 million spending units with savings accounts.

[3] Thus, Selma Goldsmith, in discussing Commerce data, holds that "The extent of error is relatively small, also, for the important items of Government transfer payments and dividends" (Selma Goldsmith, "Relation of Census Income Distribution Statistics to Other Income Data," in "Appraisal of the 1950 Census Income Data, Studies in Income and Wealth," vol. 23, Princeton University Press for the National Bureau of Economic Research, 1958, p. 74).

[4] The language here is purposely ambiguous. As will be clarified below, we do not mean by this the amount that should have been reported but wasn't. To conjecture about the magnitude of dividends in this latter category requires some steps additional to those about to be described.

[5] These adjustments, in general, follow procedures developed by Selma Goldsmith. See the references in an earlier footnote.

[6] A detailed statement of our procedures and data for all years, 1936–57, appears in the appendix.

either accentuate the size of the gap or make it smaller. There is good reason, however, as we have already noted, to expect such errors of estimate to be small. Secondly, in addition to (a) those dividends that should have been reported but weren't, the "gap" as herein estimated includes (b) the dividend receipts of those persons and estates and trusts who, because their adjusted gross income was below the filing requirement of $600, did not have to report for tax purposes. Failure to report when the tax law calls for reporting—i.e., category (a)—we call underreporting.[7] How much the category (b) dividends came to it is not possible to determine with any precision. But there are several considerations that suggest the dividends in category (b) were a small total, something on the order of $425 million.

For example, close to $50 million of dividends was reported on nontaxable returns with no adjusted gross income or adjusted gross income under $600. On one basis of reckoning, this is about as much as persons with under $600 of adjusted gross income received in all.[8] But this judgment rests on assuming what is contrary to fact—a close similarity in the income definitions of the Census and the Internal Revenue Service. The difference between the two is liable to be very pronounced at the lowest income levels, and a comparison of them could very well understate the amount of dividends going to those with adjusted gross incomes rather than money income of under $600.

Disregarding this information, therefore, and turning to other shreds of evidence, we find them, too, suggesting a small amount of dividends going to those not required to file.

1. As to individuals, suppose we say, very loosely, that if we take as the cutoff point $1,500 of family money income, we are likely to include all those with adjusted gross incomes of under $600 (with the exception of minors who are the recipients of under $600 of trust income. We will get to them a little later. On gifts of stocks to wives that lead to dividends of less than $600 no special complications ensue. For we can expect such dividends to be reported on joint returns, since the tax saving due to income splitting would be far greater than the tax liability saved on under $600 of dividends). On this assumption, the data of the Bureau of Labor Statistics-Wharton School study suggest that something like $200 million of dividend receipts are accounted for by individuals (or families) with adjusted gross income under $600.[9] Roughly similar magnitudes follow from some estimates in Raymond Goldsmith's, "A Study of Savings in the United States."[10]

Now as to minor nontaxable recipients of dividends. Estimates that lean over strongly in the direction of overstating their dividends provide a figure of $225 million.[11]

In summary, this is the order of magnitude of category (b)—dividend receipts of those not required to file. For individuals other than minors about $200 million. For minors and nontaxable recipients of nontaxable fiduciaries' dividends about $200 million; all in all about $400 million. Remember, too, that in our judgment this is an overstatement because in our choice of assumptions we consistently leaned in this direction.

We conclude, then, that in 1957 about $1.2 billion of dividends (i.e., the gap of $1.6 billion minus the category (b) estimate of $400 million) that should have been reported on tax returns were not.

The revenue loss associated with underreporting of dividends

To go from this figure to the amount of dividends directly related to revenue loss, however, requires some additional adjustments. For some of this underreporting is a venial sin as far as tax revenue is concerned, since some taxpayers who are required to report their dividends but fail to do so, would not be taxed on them anyway, because their exemptions and deductions exceed their adjusted gross income, or because of the exclusion from taxable income of the first $50 of dividends (on separate returns) or $100 of dividends (on joint returns). Moreover, some dividends are unearthed by audit and called to account at a later date by the Internal Revenue Service.

There is no way of arriving at a basis for making these adjustments. Arbitrarily I put them at $200 million, and obtain then an increment to tax base of $1 billion if all underreporting of dividends were corrected. Using the estimates of table 6 below as a guide for a rough income class distribution of underreported dividends and applying the marginal rates appropriate to this distribution furnishes a gain in revenues of about $280 million. Thus, were underreporting of dividends completely abolished, the Federal revenues would be higher by at least $280 million. We say "at least" because of the general stress in our procedure on a conservatively small estimate of nonjustified underreporting. Recognizing this built-in bias, it would be more appropriate to set the revenue gain associated with full correction of underreporting as about $300 million.[12] (This can, of course, also be considered the current revenue loss on the score of dividend underreporting.) This estimate is an overstatement of the revenue loss due to dividend underreporting to the extent that the Internal Revenue Service discovers this underreporting later in its audit of tax returns. There is, of course, some recoupment on this score; how much it comes to I do not know.

Trends in the dividend gap, 1936–57

1. Explanation of measures: In addition to the current relationships between income received and income reported on tax returns—i.e., the present size of the gap—interest attaches also to the movement of the gap over time. For from such data, we can get some indication as to whether underreporting has become more or less significant. For if it has tended to dwindle over time, we might look on it as one of those problems that carry the seeds of their own correction; but if it has grown or remained at about the same level, this would suggest more positive action than heretofore taken will be necessary to correct it. Also, an examination of the trends in underreporting may give us some insight into the factors that affect it. Does underreporting go up when the tax saving from not reporting increases (that is to say, when tax rates rise), and does it fall as taxes become less severe? Is there a growth in underreporting that we can trace to a lagged response to a sharp increase in aggregate dividend payments? Our data, of course, are not precise enough to provide unequivocal answers to these questions. They will, however, permit some inferences to be drawn.

With these considerations in mind, estimates of the dividend gap were prepared for the span of years from 1936 through 1957. The results, summarized in table 2, enable us to examine variations and trends in the size and relative importance of the gap. However, before turning to a discussion of the behavior of the gap over time, some general remarks are in order.

---

[7] To go from underreported dividends so defined to tax base loss involves an additional estimate and subtraction of the dividends not reported by persons who had to report but would have been nontaxable anyway.

[8] Daniel M. Holland and C. Harry Kahn, "Comparison of Personal and Taxable Income," in "Federal Tax Policy for Economic Growth and Stability," papers submitted by panelists appearing before the Subcommittee on Tax Policy, Joint Committee on the Economic Report, 1955, p. 336, footnote 5.

[9] Blowing up the data for 1950 in "Study of Consumer Expenditures, Incomes, and Savings, volume XI, Details of Family Accounts for Income, Savings, Insurance, and Gifts and Contributions," tabulated by the Bureau of Labor Statistics, Department of Labor for the Wharton School of Finance and Commerce, University of Pennsylvania, 1957, gives an estimate of 2.6 percent of total personal dividends in the under $1,500 family income groups. It is not likely with the upward drift of incomes since 1950, that 1957's percentage going to this group would be as high. But assume that it is. In 1957, using the 1956 data as a guide, estates and trust received about $2 billion of dividends and other "personal" sector institutions about $1 billion (see our estimates in table 1). So about $9.4 billion of dividends is the appropriate figure to match the 2.6 percent against. And this gives an estimate of $236 million, of which $50 million was reported on tax returns.

[10] Goldsmith's estimates from the Federal Reserve Board-Survey Research Center's survey of consumer finances data for stockholders as of early 1950 for income classes as of 1949 show just over 2 percent of total personal stockholders by value in the income group under $2,000 (which is higher than our $1,500 cutoff). This indicates an even smaller amount of dividends going to those not required to file than the $200 million just cited. W. Goldsmith, "A Study of Savings in the United States," Princeton University Press, 1956, vol. III, p. 122.

[11] Details of the estimate follow:

(1) In 1956 some 360,000 fiduciaries who filed tax forms received dividends. Assume as many as 200,000 of them paid out dividends to nontaxable minors to an amount that averaged $300 each. This yields a total of $60 million in dividends.

(2) The New York Stock Exchange's 1959 census of shareowners, "Share Ownership in America: 1959," p. 35, estimates 200,000 civilian minor owners of stocks. Since the stock gift to minors acts are relatively new, a liberal estimate would be 150,000 such in 1957. Again using an average of $300 of dividends each (i.e., assuming their holdings averaged over $6,000), we get a dividend figure of $45 million.

(3) Eli Shapiro and Raymond Goldsmith have estimated in connection with their work on the National Bureau of Economic Research's "Postwar Capital Markets Study" the assets of fiduciaries not required to file, i.e., with gross annual income of less than $600, as $6.3 billion in 1952. They consider this figure to be an overstatement rather than an underestimate. Assuming that stock comprised the same fraction of their assets as it did for the fiduciaries that did file (53.64 percent), we get a figure of $3.4 billion of stockholdings for fiduciaries in this group. Using a yield of 4.76 percent (the yield implicit in the Shapiro-Goldsmith multiplier of 21 by which dividend flows were capitalized to arrive at stockholdings), we estimate that $162 million of dividends were received by fiduciaries not required to file. Since dividends in 1957 were about one-third higher than in 1952, we may estimate that about $210 million of dividends were received in 1957 by fiduciaries not required to file. A generous guess is that half these dividends—$100 million—went to individuals not required to file.

[12] See appendix for an explanation of how this revenue gain was estimated.

TABLE 2.—*The dividend gap, 1936–57*

Year	Absolute gap (in millions)			Relative gap		
	Variant 1	Variant 2	Variant 3	Variant 1 (percent)	Variant 2 (percent)	Variant 3 (percent)
1936	$617	$375	------	14.0	8.5	--------
1937	708	466	------	15.7	10.3	--------
1938	399	227	------	13.0	7.4	--------
1939	553	351	------	15.1	9.6	--------
1940	257	93	$104	6.6	2.4	2.7
1941	221	−5	−37	5.2	−.1	−.9
1942	554	280	442	13.5	6.8	10.8
1943	830	544	659	19.3	12.7	15.3
1944	838	565	745	18.7	12.6	16.6
1945	779	559	558	17.3	12.4	12.4
1946	1,031	701	726	18.7	12.7	13.2
1947	927	611	699	15.0	9.7	11.3
1948	843	479	651	12.3	7.0	9.5
1949	875	451	580	12.4	6.4	8.2
1950	1,161	787	909	13.3	9.0	10.4
1951	1,058	722	873	12.4	8.5	10.3
1952	1,074	818	------	12.8	9.8	--------
1953	1,396	1,067	------	16.2	12.3	--------
1954	1,487	1,450	------	16.4	16.0	--------
1955	1,983	1,939	------	19.2	18.7	--------
1956	1,989	1,942	------	17.8	17.4	--------
1957	1,691	1,642	------	14.8	14.4	--------

Although this gap is a residual made up both of dividends that should have been reported but were not, and dividends that were not reported because they did not have to be, and although it is not possible to pinpoint these two components, nevertheless the data permit inferences concerning stockholders' zealousness in reporting their dividend income. Thus, for example, if between 2 years the income above which filing was required was lowered and the gap (particularly in relative terms) rose, one can infer an increase in purposeful underreporting (assuming, as seems reasonable, that subconscious memory lapse and poor records are stable factors not subject to sharp variations over short periods). For, other things equal, the gap should have declined.

This same conclusion would follow if, with exemptions and filing requirements unchanged, incomes increased and the gap remained relatively as large or grew larger.[13] But such inferences should be drawn only after due regard to the range of error that characterizes our estimates. Any pronounced changes shown up by the data are probably real. On the other hand, the data will not support refined arguments based on relatively slight differences. In what follows, therefore, we shall be concerned only with sharp and clear differences; small variations that cannot be dissociated from the imprecision of the estimates are neglected. To be more specific, with reference to table 2, the difference between 1950 and 1951 is probably not significant; the difference between 1939 and 1940 or 1941 and 1942 very likely is.

Just a word of explanation about the seeming embarrassment of riches in table 2. That there are three different estimates of the dividend gap is due to two thing—the change in the way dividends were tabulated in "Statistics of Income" because of the tax relief provided this income share in the Internal Revenue Code of 1954, and my good fortune in having the advice of Dr. Joseph Pechman at an early stage of my work on these estimates. The change in the tax law explains the use of variant 1; Dr. Pechman's insight led to the development of variant 2. Some brief description of these variants is a necessary prelude to what is to come.[14]

The variants differ among themselves in only one respect—the way in which the dividend component of the income of estates and trusts (fiduciaries) is accounted for. In variant 1, the solid line of the chart, there is added to individuals' dividends reported as such the dividend component of their income from estates and trusts,[15] and the dividends retained by fiduciaries. The sum of the dividend components of individuals' income from estates and trusts and the dividends retained by fiduciaries is a narrower base than that used in variants 2 and 3, as indicated by the bigger dividend gaps provided by variant 1. But for comparisons over time, it is not necessarily the level of the gap, but changes in the level that is of prime importance. Moreover, variant 1 has its advantages: It is conceptually more appropriate for a comparison over time that includes the years 1954–57, and its estimates of fiduciary dividends while more narrowly based are probably more accurate than those of variants 2 and 3 from 1940 through 1951.[16] Variants 2 and 3 account for the dividends of estates and trusts on the basis of what these entities per se whether taxable or not reported on the returns they filed. Because they account for dividends at the point of the fiduciaries' receipt of them, rather than when some beneficiary of the trust reports having received them, variants 2 and 3 will have a larger magnitude for the dividends associated with fiduciary income than will variant 1. Variants 2 and 3 will and variant 1 will not include dividends paid out by fiduciaries to individuals not required to report and to tax-exempt organizations. Since they will also include dividends paid out by fiduciaries to individuals who although required to report fail to do so, variants 2 and 3 overstate the degree of reporting. Also, to the extent individuals who, although required to report for tax purposes pay out dividends to individuals who report them on their tax returns, variant 1 includes something not covered by 2 and 3. The failure of variant 1 to include dividends paid by fiduciaries to tax-exempt organizations is trivial. I estimate it for 1957 at less than $50 million; in earlier years it was less, presumably.

All this suggests no clean-cut superiority of one variant over another; there are legitimate grounds for presenting both sets of variants.

As to the difference between variants 2 and 3, this has its origin in the method of estimating the dividends of nontaxable fiduciaries in the years in which only the data for taxable fiduciaries were published—1936, 1937, and 1940–51. For variant 2, dividends of nontaxable fiduciaries were estimated by using the ratios (or interpolating between them) of fiduciary dividends to total personal dividends in the years for which both taxable and nontaxable fiduciary data were tabulated—1939, 1952, 1954, and 1956. For variant 3, it was the ratio of taxable fiduciary dividends to dividends of nontaxable fiduciaries in 1939 and 1952 that was used as the basis of estimation. In developing these estimates I had initially used variant 3, but at the suggestion of Joseph Pechman, tried the variant 2 method. While there is no way of establishing which of these two variants, 2 or 3, is more correct, the variant 2 values appear more reasonable, especially for 1942 and 1943, and I shall, therefore, refer to them and the variant 1 values in discussing changes in the dividend gap. In any event, the differences among all three annual measures concern levels of the gap and not its pattern of movement over time. When it comes to year-to-year changes, all tend to give the same picture, as can be confirmed by a glance at chart 1.

2. "Unequivocal evidence—1939 compared with 1952: But the first, and, it should be noted, the most firmly based of our findings, rest on data not incorporating either of the estimates just discussed. For in both 1939 and 1952, the years to be used in establishing this finding, the dividends of all fiduciaries (both taxable and nontaxable) were tabulated and published. So in these 2 years, the variant 2 (or 3—they are the same in these years) values to which we direct attention are less open to question than any other of our estimates.

Compare these 2 years first in terms of the scope and coverage of the personal income tax. In 1939, filing requirements were $2,500 or $1,000 of net income for married or single taxpayers respectively, or $5,000 of gross income regardless of net; less than 2 million dividend returns and less than 8 million returns in all (both individual and fiduciary) were filed; and about 40 percent of total adjusted gross income was reported on tax returns.[17] In 1952, filing requirements were $600 of adjusted gross income (whether married or single); well over 4 million dividend returns, just under 57 million returns in all were filed and about 92 percent of total adjusted gross income was reported on tax returns.[18] Now compare 1939 and 1952 in terms of the coverage of dividends on tax returns. In 1939, the dividend gap came to $351 million or 9.6 percent of total dividends adjusted for comparability with tax returns; in 1952 the gap was $873 million or 10.4 percent.

Comparison of these 2 years with regard to the tax system's scope and coverage suggests, other things unchanged, that there should have been a noticeable fall in the gap, particularly when measured relative to total dividend receipts. But other things were not equal. An almost twofold increase in the gap in absolute terms and even a slight relative increase at a time when the coverage and scope of the tax system was greatly extended can only mean that something must have changed. It is hard to resist the conclusion that the zeal with which taxpayers reported their dividend income diminished between 1939 and 1952. A ready explanation

[13] Assuming in both this and the previous statement that there were no startling changes from year to year in the way stock-ownership and dividend receipts are divided up within the family unit. This is a reasonable assumption, for it would have paid those rationally seeking to minimize taxes to make such arrangements before the start of our period.

[14] Detail on the values used in their derivation appears in the appendix.

[15] From 1954 on to get the benefit of the exclusion and credit dividends received from estates and trusts were broken out and reported and tabulated as dividends. For the years 1936–53 we had to estimate the dividend component of what was reported under the heading of income from estates and trusts.

[16] These are the years in which dividends of nontaxable estates and trusts were not tabulated and had to be estimated for variants 2 and 3. But in all years individuals reported income from estates and trusts whether the estate or trust was taxable or not, and while the dividend component of this income, as noted above, had to be estimated up through 1953 for variant 1, this estimate is probably less subject to error.

[17] Filing requirements and number of returns from "Statistics of Income for 1939," pt. 1, pp. 298, 82, and 211. Adjusted gross income percentage estimated by C. Harry Kahn of the National Bureau of Economic Research.

[18] Filing requirements and number of returns from "Statistics of Income for 1952," pt. 1, pp. 89, 18, and 70. Adjusted gross income percentage estimated by C. Harry Kahn.

lies in the change in tax rates over this period as summarized in table 3. Clearly they were very much higher in 1952 than in 1939 at every income level. At the lower incomes the proportionate increase was obviously manifold. At the higher income levels the severity of the rise may more appropriately be judged by the percentage decrease in income after tax. (See table 4.)

TABLE 3.—*Effective rates of individual income tax for a married person with 2 dependents and a single person, at selected levels of net income, 1940–59*

MARRIED, 2 DEPENDENTS

Net income level	1936 through 1939	1940	1941	1942	1943	1944 and 1945	1946 and 1947	1948 and 1949	1950	1951	1952 and 1953	1954 through 1959
$3,000			1.9	6.4	8.9	9.2	6.3	3.3	3.5	4.1	4.4	4.0
$5,000	1.0	1.5	5.4	11.8	14.6	15.1	11.8	8.6	9.0	10.6	11.5	10.4
$10,000	3.4	4.4	11.2	19.1	22.1	22.5	18.6	13.6	14.2	16.2	17.7	15.9
$50,000	17.2	27.5	39.9	49.7	52.8	53.7	48.2	33.2	34.3	38.5	42.2	37.8
$100,000	32.0	42.9	52.2	63.5	67.8	68.6	62.3	45.6	47.2	52.6	56.0	51.9
$500,000	60.7	65.9	68.9	82.7	88.0	88.6	81.3	71.7	73.9	80.7	82.2	80.5

SINGLE PERSON, NO DEPENDENTS

$3,000	2.3	2.8	7.4	15.7	19.1	19.5	16.2	13.6	14.3	16.6	18.1	16.3
$5,000	2.8	3.4	9.7	18.4	22.1	22.1	18.4	16.2	16.9	19.3	21.0	18.9
$10,000	5.6	6.9	14.9	23.9	27.8	27.6	23.5	21.2	22.0	24.9	27.2	24.4
$50,000	18.7	29.4	41.8	51.6	56.1	55.9	50.3	46.4	48.0	53.5	56.9	52.8
$100,000	33.0	44.3	53.2	64.6	69.7	69.9	63.5	58.0	60.8	67.3	69.7	66.8
$500,000	61.0	66.2	69.1	82.9	88.4	88.9	81.6	77.0	79.2	86.0	87.2	85.9

Source: "The Federal Revenue System: Facts and Problems, 1959" materials assembled by the committee staff for the Joint Economic Committee, Congress of the United States, 1959, p. 192.

TABLE 4.—*Percentage increase in effective rates and percentage decline in income after tax at selected net income levels, between 1939 and 1952*

MARRIED, 2 DEPENDENTS

Net income level	Percentage increase in effective rates	Percentage decrease in income after tax
$3,000	(1)	4
$5,000	1,050	11
$10,000	421	15
$50,000	145	30
$100,000	75	35
$500,000	35	55

SINGLE, NO DEPENDENTS

$3,000	687	16
$5,000	650	19
$10,000	386	23
$50,000	204	47
$100,000	111	55
$500,000	43	67

[1] No tax in 1939.

Persons on the margin of doubt as to whether to report dividends or not might be more directly influenced by marginal rates. But these in general tell much the same story. For example, using a married man with two dependents for illustrative purposes: At the margin, failing to report a dollar of dividend receipts at the $5,000 net income level would have saved 4 cents in 1939, but over 22 cents in 1952; at $10,000 the tax saving would have been 9 and 25 cents, respectively; at $50,000 it would have been 31 and 66 cents; while at $500,000 the tax advantage of not reporting a dollar of dividends was 62 cents in 1939 and 92 cents in 1952. Even more pronounced at most income levels are the differences between 1939 and 1952 rates for separate returns. (It should be noted also that rates were considerably lower in 1952 than they were in the middle forties, especially for those who filed joint returns.)

In my judgment, this evidence on the dividend gap for 1939 and 1952 suggests that one response to high tax rates has been a tendency for stockholders to fail to report a growing amount of their dividend income.[19]

3. Year-to-year changes in the gap suggest a loose but direct relation between levels of tax rates or changes therein and dividend underreporting: Can we go beyond this comparison based on two widely separated years and discover more generally an association between tax rates and dividend underreporting? I think that the answer is "Yes," but this conclusion rests on somewhat shakier data than that for 1939 and 1952. To see the basis for this judgment start with our initial year and observe the dividend gap over the years that follow. It makes little difference for this purpose whether we use alternative 1 or 2 values.

In 1936, only a small fraction of the population was involved in the income tax. Filing requirements were set at $2,500 of net income for maried persons and $1,000 for single taxpayers. Most income recipients fell well below these limits, as did most of the income received. Thus adjusted gross income on tax returns came to only 37 percent of total adjusted gross income. That well over 90 percent (variant 2) or well over 85 percent (variant 1) of dividends could be traced to tax returns was due to the sharply concentrated distribution of dividend receipts.

Over the next several years through 1939 the income tax remained a minority levy, skimming only the cream of income recipients, and the nonreported percentage for dividends stayed at substantially its 1936 level. But starting with 1940 and in the space of only a few years, exemptions and filing requirements were lowered sharply, income rose, and the tax became a mass levy. Thus the growth in the percent that tax return adjusted gross income comprised of total adjusted gross income—from 40 in 1939 to 81 by 1942.[20] Evidencing the increased scope of the income tax, we find the percentage of dividends not traceable to tax returns declining by three-quarters between 1939 and 1940, from 9.6 percent to 2.4 percent on a variant 2 basis; by over 50 percent according to variant 1. And we find again a drop in this percentage to just about zero by 1941 if we follow variant 2, or to 5 percent on a variant 1 basis. In absolute terms, too, of course, dividends not reported on tax returns underwent a pronounced decline, in both variants but most pronouncedly under variant 2, from 1939's $350 million to 1941's slightly negative amount. This latter is a very low figure, although not as remarkable as it may seem. In view of the general lack of precision of our estimates, it should be taken to indicate no more than that dividend receipts not traceable to tax returns came to a very small total. In a sense, 1941's results

[19] One rational response to increased tax rates would be the splitting up of stock ownership and dividend income within the family unit to minimize tax liability. This could be done by giving stock to minors or to a spouse. The tax advantage of arrangements that change stock ownership from husband to wife or vice versa was substantially removed by the introduction of income splitting in 1948. It is not likely that to get a relatively small amount of dividends down to a nontaxable level, the advantages of income splitting would be foregone. What happened between 1947 and 1948 suggests that prior to general income splitting where there was a parceling out of stock ownership within the family; the effect was to get dividends down lower in the tax schedule, but not down so low that they did not have to be reported. For while the number of taxable returns reporting dividends fell between these years by about 300,000, the increase of $676 million between 1947 and 1948 in dividends reported as such on tax returns in relation to the $737 million increase in total personal dividends is not very much different from the $621 million increase in dividends reported on tax returns in the immediately preceding period, i.e., between 1946 and 1947, in relation to the $737 million growth in total personal dividend payments over this period. Therefore, we can infer that transfer of stock ownership (and, hence, dividends) between married partners may have put some dividends into lower tax brackets, but freed a relatively small amount of dividends from the necessity of having to be reported. As regards gifts to minors, over the span of years under discussion here this had to be effected via a trust arrangement. To the extent that such trusts had enough income to be required to file, their dividend receipts are included in our estimates via dividends of fiduciaries. (Parenthetically it may be noted that very recent legislation, starting in 1954, has simplified this procedure, and currently in over 40 States transfer of stock to minors is permitted without the necessity of setting up a trust.) Another possibility, giving stocks to charities and foundations, if availed of, would show up in our estimates in the dividend receipts of nonprofit organizations.

[20] Returns filed were 7.7 million in 1939 and 36.7 million in 1942.

constitute a rockbottom figure for the gap, the coverage of dividends on tax returns being so high that one would not expect a decrease in the gap despite the further lowering of filing requirements and the upward movement of incomes, both of which led to a higher fraction of the population and its income receipts coming under the personal income tax. Nor would it be surprising, given the roughness of our estimates, if the gap should increase slightly under these conditions.

But it did not remain substantially unchanged. On the contrary, the amount and relative degree of noncoverage on tax returns increased substantially in 1942 and again in 1943. Compared with variant 2's dividend gap of close to zero in 1942, there was a gap of almost $300 million in 1942, and well over $500 million in 1943. (In terms of variant 1 a similar rise occurred, from $221 million in 1941 to over $550 million in 1942 and over $800 million in 1943.) In relative terms, variant 2 shows in sharp contrast to a gap of about zero in 1941, the nonreported percentage was almost 7 in 1942, and nearly 13 in 1943; variant 1 gives a rise from 5 to 19 percent. This does not square with the following evidence:

Between 1941 and 1942, the number of returns filed increased by 11 million; between 1942 and 1943 there was an additional 7 million increase in the number of returns. (This is as convenient a place as any to note that all the data for 1942 and 1943 are as tabulated in Statistics of Income, rather than on a basis adjusted for the institution of withholding. But this does not affect their relevance for our purpose.)

Some of this rise in dividends not reported can be explained by the special tax provisions for military personnel, but on any reasonable estimate this could account for only a small part of the increase.[21] Nor is it realistic to expect that much of this increase in the gap can be explained by a sudden sharp increase in infrafamily shuffling of stock ownership to minimize tax liability.[22] Between 1941 and 1943 the rate increases were severe and concentrated, of course, in a short span of years.[23] Apparently more taxpayers were pushed below the margin of honesty as it became more profitable not to report dividend receipts (as well as other sources of income). But this should not be viewed as a purely mechanical response. In part it may be due to the shock effect of the rapidity of the rate rise. Also the increase in the gap over this period may, in part at least, simply be one expression of the lower standard of conduct that characterized the war years.

Yet, after the war was over, dividend reporting did not revert to its prewar level. Compare the results in 1941 or 1940 with those for 1946. In 1940, for example, with the income tax covering less than three-fifths of the income received by persons, over 97 percent (93 percent under variant 1) of all dividends showed up on tax returns; while in 1946, just over 87 percent could be so traced by variant 2 (81 percent under variant 1), although 90 percent of all income was covered by the tax structure. Or go back further, say to 1936, when the income tax was still a select levy. In that year the gap constituted 8.5 percent of total dividends as measured by variant 2, or 14 percent under variant 1, although only little more than a third of the community's income was called to account for tax purposes. This contrasts with the experience 10 years later—a gap of 13 percent or close to 19 percent for variants 2 and 1, respectively.

Effective tax rates at given income levels reached a peak in 1944–45. Over the next 4 years, increases in exemptions, the lowering of rate schedules, and, most significantly for married persons, the introduction of income splitting (in 1948), all led to a decline in effective rates. This decline was substantial; for married couples, at least, at most income levels, by 1948 legislated effective rates were somewhere between their 1941 and 1942 values; for separate returns the decline was not as pronounced. (Of course, to the extent that their incomes increased, taxpayers were subject to higher effective rates than a comparison of legislated rates at a given income level would indicate.) Along with this decline in effective rates we find that the dividend gap fell somewhat in absolute amount, from almost $700 million in 1946 to just over $450 million in 1949. The decline as measured by variant 1 was considerably less—from a little over $1 billion to $875 million. With the aggregate flow of dividend payments increasing over time, this meant a sharper decline in the relative importance of the gap—the values in these 2 years being 12.7 and 6.4 percent, respectively,[24] under variant 2; 18.7 and 12.3 percent according to variant 1.

Thus it appears, especially if we focus on the relative size of the gap, that the response to tax rates has been symmetrical—just as underreporting increased as rates rose, so it declined when tax rates fell. But the fall in underreporting was not as vigorous as its rise earlier. The gap remained relatively much larger than in 1940 or 1941.

Is this finding borne out in the more recent years of our period, say from 1950 on? A glance at table 3 shows a slight rise in tax rates between 1949 and 1950, more severe increases in 1951 and 1952 and 1953, and then a fairly pronounced fall in 1954, with a continuance of rates at the 1954 level up through the present. In general, the behavior of the dividend gap over this period confirms our conclusion that there is a relation between the dividend gap and changes in tax rates. But the relation in this most recent period is loose, and there was a lagged response. Thus it was not until 1953 that the variant 1 gap (on a relative basis) had become noticeably higher than in 1949; the evidence of variant 2, however, shows a more immediate response to tax rate increases.

Embarrassing for our generalization is the behaviour of the gap between 1953 and 1955. Here reliance is placed on variant 1 because, with the change in tax treatment of dividends introduced in 1954 (the exclusion of $50 for separate returns and $100 for joint returns, and the credit against tax of 4 percent of dividends above the excluded amount) variant 2's values for 1954 are adjusted estimates and quite liable to be out of line with the run of years up to that time.[25] If we examine the variant 1 gap, as measured in relative terms, we find it constant between 1953 and 1954, despite a sharp decline in tax rates. And even more surprising is the rise in the gap between 1954 and 1955, in the face of tax rates that did not vary between these 2 years. Now it happens that aggregate personal dividend receipts (National Income Division estimate adjusted for comparability with tax return data—see line 12 of table A–1 in the appendix) had been running at about $8.5 billion from 1950 through 1953; moved up $400 million in 1954; and took a $1.3 billion step forward in 1955. This suggests the possibility that there may be another factor in addition to tax rates that can help to explain the size of the dividend gap. It might

---

[21] Those serving abroad were permitted, beginning in 1941, to defer filing until 6 months after their return to the United States. (This privilege expired June 15, 1948. See "Statistics of Income," pt. I, 1948, p. 428.) In 1942 an exclusion of $250 if single and $300 if married was permitted noncommissioned personnel. In 1943 this was raised to an exclusion of the first $1,500 of military pay for all members of the Armed Forces. But it is doubtful whether these provisions could explain much of the decline in dividend reporting. One rough idea of the relevant order of magnitude is the following:

In late 1951 or early 1952 when there were 1.8 million persons on average in the Armed Forces it has been estimated that members of the Armed Forces "who are members of family groups" constituted three-tenths of 1 percent of the total number of individual share owners. (Lewis H. Kimmel, "Share Ownership in the United States," the Brookings Institution, 1952, p. 98.) Raise this to four-tenths of 1 percent to take account of those not members of family groups, and assume it applies to dividend receipts from both public and privately owned corporations as well as to stock ownership. Assume further that this same percentage ruled in 1941 when the average number in the Armed Forces were roughly comparable, and, finally, assume that new accretions to the ranks of the military over the years 1942 and 1943 received dividends to an amount 50 percent higher than those in the Armed Forces in 1941, and that none of these additions filed tax returns. (All of these assumptions are in the direction of overstating the amount of dividends legitimately not reported by members of the Armed Forces. This last one for example implies they were all serving abroad.)

Then we can attribute about 1 point of the almost 7-point rise of variant 2 in the non-reported percentage between 1941 and 1942 to dividends of members of the Armed Forces and between 1.5 and 2 points of the 6-point variant 2 rise between 1942 and 1943 to this same factor. Thus, correcting for the Armed Forces (and really under the assumptions made there is an overcorrection), 1942's percentage for dividends not reported would read 5.8 and 1943's about 11 (both as measured by variant 2). These are still very different from 1941's.

[22] To the extent that this took the form of trust arrangements the dividends are in the main included in our figures. Other ways of arranging stockholdings probably were availed of earlier since tax rates were by no means negligible before 1942. Moreover, much of the reshuffling to minimize taxes involved not taking dividend receipts out of the tax return population, but pushing them lower down the marginal rate schedule. That such had been the case is suggested by a comparison of the data immediately before and just after the introduction of mandatory income splitting for married persons in 1948, as noted in an earlier footnote.

[23] Two factors are involved in the problem under discussion here. With everything else unchanged, an extension of the tax system's coverage would tend to close the "gap," but an increase in rates would tend to open it by increasing the tax saving associated with underreporting. Thus, apparently, the increased scope of the tax system brought in more dividends between 1940 and 1941 than the rise in rates between these 2 years squeezed out. But by 1941 most of the tax base expansion had taken place, yet in the years that followed rates were raised further.

[24] The decline over this period is all the more noteworthy because the increase in exemptions and filing requirements from $500 of adjusted gross income to $600 in 1948 should, as we measure it, have led, other things equal, to a rise in the gap.

[25] That there is some quirk in the data here that I have not been able to iron out is suggested by the very pronounced narrowing of the difference in the gap as measured by variants 1 and 2 from 1954 on.

be argued that one could expect the "gap" to be positively associated with sharp increases in the total volume of dividends paid out, either because new people were getting them or because with a sharp increase people's tax liability would increase and, especially if pushed into a higher rate bracket, so would their incentive to underreport. What constitutes a "sharp" change is, of course, a matter of opinion. From our data we have picked out periods in which there were changes that might reasonably come under this designation, and calculated the change in dividends (National Income Division estimate adjusted for comparability with tax returns) and the change in the relative dividend gap. The results are summarized in table 5.

TABLE 5.—*Comparison of percentage change in aggregate personal dividends[1] and in the dividend "gap" for selected periods*

[Percent]

Years	Percentage change in—		
	Aggregate dividends	Relative dividend "gap"	
		Variant 1	Variant 2
(1)	(2)	(3)	(4)
1938–39	19	17	30
1940–41	10	−22	−105
1945–46	23	8	2
1946–47	12	−20	−24
1947–48	11	−11	−28
1949–50	23	8	42
1954–55	14	17	(2)
1955–56	8	−7	(2)

[1] Adjusted for comparability with tax return tabulations.
[2] Variant 2 values are estimated on a basis different from earlier years and considered too imprecise to use.

NOTE.—A minus sign in cols. 3 and 4 indicates a negative association between an increase in aggregate dividends and an increase in the dividend "gap."

On first glance, the evidence does not seem to support the hypothesis that sharp increases in total dividends and increases in the dividend gap are associated. Under variant 1, in four of the eight periods of dividend increase the gap fell; by variant 2, also, only half the periods showed a rise in the gap. But look more closely at the results for, say, variant 1. The four periods of "gap" increase are also the four periods in which the percentage increase in aggregate dividends was most pronounced—1938–39, 1945–46, 1949–50, and 1954–55. (The same is true for the three periods that showed this result according to variant 2.) Thus there is some reason to believe that very sharp changes in aggregate dividends have been associated with a rise in the relative dividend gap.

By way of quick summary of the trend in the dividend gap, compare the initial and terminal years of our period. For this purpose, as already noted, it is the variant 1 values that are appropriate. It is an interesting fact that the relative gap in 1936 was slightly lower than in 1957, but for all practical purposes we can consider them in the same range—close to 14 percent.[20] And this is surprising in view of the fact that in 1936 the income tax was a minority levy while in 1957 almost all income recipients were involved in it. There is this obvious point that should be added. Constancy of the relative gap does not, of course, mean that the revenue loss on the score of underreporting is getting no more serious. For with the growth in aggregate dividend payments a constant relative gap means a growing absolute gap. (Compare 1936's variant 1 gap of $617 million with the $1.65 billion of 1957.) And, in addition, as incomes increase, higher marginal rates apply. So for these two reasons, despite an unchanging relative gap, there would be an increasing revenue loss.

Finally, we must repeat the need for caution in interpreting our results. I have set forth only those findings that stand out in sharp outline above the imprecision of our data. Yet they remain more in the nature of personal judgments than established facts. That there are errors of estimate in our measure of the dividend gap cannot be denied. That there are likely to be random elements in these errors and, therefore, an accentuation of their effect on the size of the gap cannot be denied either. Yet, there are good grounds for holding that the distortion would not be large enough to affect our conclusions on the behavior of the gap. Of the adjustment items delineated in table 1 the most sizable (with the exception of fiduciary dividends which has already been discussed and for which alternative estimates have been made) is line 8, dividend receipts of nonprofit organizations. For the other estimated entries, "big" percentage errors would have only a slight effect on the gap. And our estimate of the dividend receipts of nonprofit organizations appears to be well above two others that have been made.[21] Thus on this score our estimates make for a smaller gap than would either of the two alternative figures just cited.

Some evidence on the income class distribution of dividend underreporting

Granted that taxpayers fail to report a slice of their dividend receipts and that the size and relative importance of this slice has apparently responded to variations in tax rates, there is much more we would like to know about underreporting. For example: Where is the underreporting concentrated? and how much of it might be uncovered by audit? are two questions that follow naturally. It is easier to raise such questions, of course, than to answer them. But an attempt at an answer is possible with the evidence uncovered for 1 year by the Internal Revenue Service (then the Bureau of Internal Revenue).

In connection with the tax returns filed in 1948, the Bureau undertook a careful statistical investigation—the audit control program (hereinafter referred to as the ACP)—designed to "determine the size of the individual tax enforcement problem confronting the Bureau of Internal Revenue."[23] For a scientific sample of tax returns, errors (e.g., reporting less or more than should have been reported) and the amount of tax change associated with them were determined by audit, and from this information estimates for the whole taxpaying population were made.[24] The data on errors, including those made in reporting dividends, and the tax change their discovery led to, were tabulated in four broad income classes—under $7,000, $7,000 and under $25,000, $25,000 and under $100,000, and $100,000 and over. Thus they permit us to say something about the income class distribution of underreporting as determined by dividing tax changes disclosed by audit by the appropriate marginal rates. Since a number of assumptions were necessary in obtaining these estimates, it is more appropriate to present them as ranges rather than to use a single figure that might spuriously suggest more precision than was possible.[25]

TABLE 6.—*Estimates of the amount of dividend underreporting and the frequency of such errors in 1948 as derived from the audit control program data*

[Dollar amounts in millions]

Income class	Estimated dividend underreporting	Dividends reported	(2) as a percent of (3)	Estimated number of underreporting errors[2] (thousands)	Number of returns reporting dividends (thousands)	(5) as a percent of (6)	Percent of total estimated dividend underreporting
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Under $7,000	$30.9–$61.7	$1,110.3	2.8–5.6	297.5	2,345.6	12.7	34.5
$7,000 and under $25,000[1]	42.2– 84.3	1,351.2	3.1–6.2	159.5	794.9	20.1	47.1
$25,000 and under $100,000	14.0– 28.0	1,508.4	.9–1.9	31.2	166.9	18.7	15.6
$100,000 and over	2.6– 5.1	1,001.0	.3– .5	2.5	14.5	17.2	2.9
Total	89.6–179.1	4,970.9	1.8–3.6	490.7	3,321.9	14.8	100.0

[1] The estimate for this class covers also errors on business returns with adjusted gross income of less than $7,000 where gross receipts exceeded $25,000.
[2] Includes both returns on which dividends were reported, but too low, and those that should have reported dividends, but didn't. These latter, properly additive to column 5, are not included therein, because there is no way of estimating them.

Table 6 contains our estimates for dividends uncovered by the ACP. In the aggregate we estimate between $90 million and $179 million of dividends would have been uncovered in 1948 if all returns had been carefully audited. This comes to something between 1.8 and 3.6 percent of the amount of dividends actually reported by individuals. About one-third of dividend underreporting was found in the lowest income class, about half in the class $7,000 and under $25,000, and the rest in the income groups over $25,000. More significant, however, is the relative degree of underreporting among income classes. Reading from low to high income classes there appears a general tendency for the amount and relative importance of underreporting to vary inversely with income class. Dividends discovered by the ACP[26] fell in a range of something like 3 to 6 percent of those voluntarily reported for the two lower income classes, and between 1 and 2 percent for the $25,000 and under $100,000 class, and between one-quarter and one-half of 1 percent for the top income class. These results seem reasonable: In the upper income classes recordkeeping is su-

[20] By variant 2, we get a much higher gap in 1957 than in 1936. But as explained above, variant 2 for the later year is an unreliable estimate.

[21] For 1952 we obtained a figure of $339 million. Selma Goldsmith puts it at $200 million for that year (see p. 100 of Selma F. Goldsmith, "The Relation of Census Income Distribution Statistics to Other Income Data," in an "Appraisal of the 1950 Census Income Data, Studies in Income and Wealth," vol. 23, published by the Princeton University Press for the National Bureau of Economic Research, 1958); and the Federal Reserve Board's flow of funds estimate is $100 million for 1952 (data from Federal Reserve Board worksheets).

[23] Bureau of Internal Revenue, "The Audit Control Program, A Summary of Preliminary Results," p. 3. A generally similar kind of survey was made for 1949, but no data relevant to our problem are currently available.

[24] The auditors and auditing procedures of the ACP were probably superior to those generally in use at that time.

[25] Details of the estimating procedures appear in the appendix note. The estimates are based on materials made available by the Internal Revenue Service in 1951.

[26] This, of course, is our estimate from the tax change data released by the ACP.

perior as a rule, the consequences of not reporting more serious, and audit is a more likely possibility.

The frequency of errors in dividend reporting was more prominent than the rather slight amount of unreported dividends as estimated from the ACP data. The estimated 490,700 returns with dividend underreporting errors represented close to 15 percent of the total number of returns reporting dividends. For all but the lowest income class, however, the percentage was above this, ranging between 17 and 20 and varying but slightly with income class. (See col. 7 of table 6.) Thus the practice of underreporting was less prevalent in terms of numbers (relatively) in the lowest income class than any other, but otherwise about the same for the remainder of the income range. Together with the finding noted earlier on the relative importance of the amount underreported—the ratio of underreported to reported dividends tending to decline with income class—this suggests that individually underreporting errors were considerable more important in the lower classes.[32] One way of gaging their importance is to compare the estimated average amount uncovered by the ACP with the average amount of dividends initially reported in each of the four broad income classes. Such a comparison is made in table 7[33] which is limited to 1040 returns.

TABLE 7.—*Estimated absolute and relative size of underreporting and overreporting errors for returns with major and minor errors in dividends, 1958*

UNDERREPORTING ERRORS

Income class	Average amount of dividends reported	Number of returns with major error in dividends (thousands)	Estimated average error, returns with major error in dividends	Error as percent of amount reported ((4)÷(2))	Number of estimated average error as—		
					Returns with minor error in dividends (thousands)	Error, returns with minor error in dividends	Percent of amount reported ((7)+(2))
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Under $7,000 [1]	$265	129.2	$110- $220	41.5-90.0	128.5	$126- $251	47.5-95.0
$7,000 and under $25,000 [2]	978	65.5	237- 473	24.2-48.4	94.0	312- 624	31.9-63.8
$25,000 and under $100,000	7,939	12.2	426- 852	5.4-10.8	19.0	542-1,084	6.8-13.6
$100,000 and over	66,732	1.0	1,000-2,000	1.5- 3.0	1.5	1,334-2,667	2.0- 4.0

OVERREPORTING ERRORS

Under $7,000 [1]	$265	7.6	$39- $78	14.7-29.8	13.8	$77- $154	29.0-58.0
$7,000 and under $25,000	978	8.1	155- 310	15.8-31.6	14.8	97- 193	9.9-19.8
$25,000 and under $100,000	7,939	1.8	231- 461	2.9- 5.8	3.3	341- 682	4.3- 8.6
$100,000 and over	66,732	.2	700-1,400	1.0- 2.0	.4	688-1,375	1.0- 2.0

[1] Form 1040 returns only. Thus number of returns with underreporting errors in this class differs from the number in table 6.

[2] Includes business returns with adjusted gross income of less than $7,000, where gross receipts exceeded $25,000.

On average the underreporting error in the two lower income classes was serious. In the under $7,000 class its value probably ranged between approximately half to almost the whole average amount of dividends reported for returns with minor error in dividends, somewhat below this for returns with major errors. In the income class $7,000 and under $25,000, dividend errors averaged between one-quarter and two-thirds of the average amount reported. In the two upper income classes, judged this way, dividend underreporting errors were much less important—between 1 and 10 percent. Note also the relatively large average overreporting error (lower half of table 7), which also follows the pattern of decline in importance relative to reported dividends moving up the income scale. This suggests that some of the underreporting of dividends, too, can be laid to carelessness and poor recordkeeping rather than purposeful evasion. But this is not the whole story: overreporting errors averaged only half as much or less than underreporting errors, not to mention the much greater frequency of underreporting errors.[34] The number of returns with dividend error and tax decrease was only about 11 percent as great as the number of returns with dividend error and tax increase.

We should not end this section on what the ACP data appear to indicate about dividend underreporting without some reference to the gap discussed earlier. For 1948 we estimated the gap at about $500 million. (This is the variant 2 value which, compared with variant 1, gives a considerably lower gap.) On the basis of reasoning similar to that used earlier in getting at the category (b) dividends for 1957, about $150 million of this might be explained as dividend receipts of those not required to file. (This allows for the $40 million reported in classes below the filing requirement.) The rest presumably was pure underreporting. But estimates derived from the ACP data fall distinctly short of $350 million. As noted above, they were something like $100 or $200 million. There are no data that would permit a reconciliation of these differences. It may be mentioned that the ACP, of course, could discover only the underreported dividends of filers: it was not designed to find out anything about the dividend receipts of purposeful nonfilers. And this could explain some of the difference between these two estimates of underreported dividends.

Our estimates, then, point to the possibility that even if all returns were audited with the care with which the ACP was undertaken, a goodly amount of dividends might remain undiscovered. Moreover, the usual auditing procedures can be expected to uncover only a fraction of what a program like the ACP would find in any year. This suggests that if more thorough coverage of dividends on tax returns and recoupment of the tax liability associated therewith are desired, serious consideration should be given to a change in present procedures. There are several possibilities which may be noted (evaluation of their administrative feasibility lies beyond the scope of this paper): institution of withholding of tax liability on dividend payments; or, perhaps, jogging the flagging memory of taxpayers and alerting them to their dividend receipts, and to the Internal Revenue Service's potential cognizance thereof, by requiring corporations to send a copy of information returns 1099 to each dividend recipient along with a statement that this is a copy of a form sent to the Collector of Internal Revenue,[35] or, a stepped up and widely publicized auditing program concentrating on returns with adjusted gross income of under $25,000.

III. INTEREST

The interest gap in 1957

With the groundwork laid by the preceding discussion of dividends, interest underreporting can be handled in more summary fashion. As will be brought out in what follows, while the data on dividends were accurate and profuse enough to permit rather refined treatment of certain estimating problems, for interest we had better give up the scalpel and turn to the proverbial blunt instrument.

How things stood as regards interest in 1957 is sketched out in table 8. The scheme and procedures follow a course similar to that noted for dividends, with, of course, some features specific to interest.

---

[32] "Lower" is defined with reference to the four income classes into which the ACP data are classified, rather than the usual income distributions for which the topmost classes would be close to the upper limits of our "lower" classes.

[33] Note that the classifications of major or minor error in dividend reporting is not related to the size of the dividend error, but to its importance relative to all errors made by the taxpayer. More specifically a major dividend error as defined by the ACP "means that (*a*) the error in dividends * * * was responsible for the largest portion of change in adjusted gross income and (*b*) the change in adjusted gross income was responsible for a larger portion of the tax change than either exemption change, or personal deduction change, or mathematical error." All other dividend errors were classified as minor. The fact that minor errors were at least as large as major errors means that the minor errors occurred on returns generally more error prone and with a larger total tax change than returns with major errors.

[34] The data on table 6 are net—i.e., the excess of estimated underreporting dividends over estimated overreported dividends.

[35] Currently any dividend payments in excess of $10 per annum must be reported to the collector in Internal Revenue on form 1099. Many corporations, however, find it simpler to report all such payments no matter how small.

TABLE 8.—*Derivation of interest not reported on tax returns, 1957—interest category*

	Amount (in thousands)
1. Interest reported by individuals on tax returns	$3,318,950
2. Plus interest in "other income" 1040A returns	$3,000
3. Plus interest included in partnership income	$279,970
4. Plus interest received by fiduciaries (estate and trusts)	$418,294
5. Minus interest on returns from Alaska and Hawaii	$12,698
6. Equals personal interest receipts accounted for on tax returns	$4,007,516
7. Personal monetary interest receipts as estimated by NID [1]	$11,066,000
8. Minus interest receipts of nonprofit organizations	$272,500
9. Minus interest receipts of noninsured pension funds	$373,000
10. Minus tax-exempt interest on State and local government bonds	$501,000
11. Minus accrued interest on U.S. savings bonds	$413,000
12. Minus interest of group hospitalization and health plans	$14,500
13. Equals NID [1] total personal monetary interest adjusted for comparability with tax return data	$9,490,000
14. Interest "gap"=(13)−(6)	$5,482,484
15. Relative interest "gap"=(14)÷(13)—percent	57.8

[1] National Income Division, Office of Business Economics, Department of Commerce.

To the interest reported as such by individuals on tax returns add the estimated amounts of interest reported by them under a different heading—as part of "other income" on 1040A returns and as part of income from partnerships; then add also the interest receipts of fiduciaries (both taxable and nontaxable); and, finally, subtract the interest receipts on returns outside the continental United States (Alaska and Hawaii) to arrive at the figure of personal interest receipts accounted for in tax returns (line 6) of $4 billion. This is compared with aggregate personal monetary interest receipts as estimated in the National Income Accounts, but such a comparison is valid only after this figure is adjusted.

The adjustments all involve taking out the interest receipts of nontaxable entities or the interest receipts of individuals which are exempt from taxation. Thus, from the personal monetary receipts of individuals as estimated by the National Income Division (line 7), we subtract—

(a) the interest received by organizations exempt from income tax, line 8.

(b) the interest receipts of noninsured pension trusts, line 9.

(c) the interest paid on State and local government bonds (line 9) for this is exempt from the Federal personal income tax. (A double subtraction of negligible amount is involved here, since some nonprofit organizations and pension trusts hold tax-exempt bonds.)

(d) the accrued discount on U.S. Government savings bonds (line 11). (This is a subtraction item on the assumption that all taxpayers choose the option of deferring the reporting of such interest and should be expected to account for it only when they cash in their savings bonds.)

(e) the small amount of interest earned by group hospitalization and health plan funds (line 12).

And after these subtractions we have a figure (line 13) of personal monetary interest adjusted for comparability with tax return data which in 1957 came to $9.5 billion.

By subtracting the interest accounted for on tax returns from the adjusted total of personal monetary interest receipts, an interest "gap" of $5.5 billion (line 14) or about 57.8 percent of adjusted total personal monetary interest (line 15) is obtained for 1957. This is clearly of a different order of magnitude than for dividends. And no reasonable adjustments that might be made would substantially alter this conclusion. Nor is the conclusion invalidated by the fact that the national income accounts estimate of interest is considered to be considerably less accurate than their dividend estimate.[36]

For there is no reason to hold that this greater degree of error would necessarily operate only to make the "gap" larger. Moreover, even a very large error and in this direction would leave a substantial interest "gap."

To go from the "gap" per se to illegitimate nonreporting, requires that we adjust for (a) statistical error, and (b) interest receipts of persons and fiduciaries not required to file in order to have as a residual, (c) interest receipts that should have been reported, but weren't. And to go from (c) to a basis for estimating the revenue loss requires a further subtraction, this time on the score of those who illegitimately failed to report, but who, if they had reported, wouldn't have been taxed anyway. Whereas, for dividends the data permitted reasonable conjectures on these items, for interest our surmises will have to be more ad hoc. For individuals suppose we assume that all the interest received by families with income of $2,500 or less either didn't have to be reported, or, if reported, it would not result in an increase in tax liability because exemptions and deductions were sufficiently high to exclude it from taxable income.[37] The BLS-Wharton School data for 1950, cited earlier for dividends, when "blown" up suggests that about 20 percent of all personal interest was received by families with income of $2,500 or below. Applying this percentage to the relevant total of personal monetary interest (i.e., after taking out nonprofit organizations, noninsured pension funds, estates, and trusts, and the interest component of partnership income) gives a total of nonreported interest that if reported would not add to the tax base of $2 billion.[38]

On this basis our "gap" of $5.5 billion is reduced to a revenue base loss due to nonreporting of $3.5 billion. Needless to say this is a rough and ready procedure. In my opinion, if anything, it leads to an overstatement of legitimate nonreporting, and hence, an understatement of the reduction in tax base (and, of course, the estimated revenue loss) due to underreporting.

The revenue loss associated with interest underreporting

Working with this addition to revenue base that we estimate would occur if there was no underreporting and the marginal rates derived from the income class distribution of underreporting as set forth in table 10 below, we get a revenue gain (or view it as the loss associated with underreporting currently) estimate of just under $800 million, if interest underreporting were fully corrected.[39] Once more the reminder that this is at best a gross approximately of the "true" figure. In all honesty, then, it would be more appropriate to cite as the revenue loss associated with interest underreporting (the revenue gain that might be expected from its abolition) to be on the order of somewhere between $700 and $900 million. Again we note that to the degree that later audit by the IRS leads to more of the interest of 1957 being reported, this figure overstates the revenue loss from interest underreporting.

Trend in the interest gap, 1936–57

The background explanations of the reasons for analyzing the time pattern of income-reporting gaps, and what might be discovered from them have already been presented in connection with dividends, and will not be repeated here. So, too, we will not repeat the general background material on filing requirements, the scope of the personal income tax, and the severity of tax rates. There is no need for three alternative measures of the interest gap as there was in the case of dividends. We did estimate interest of estates and trusts on two bases between 1940 and 1951, but interest is not as large for fiduciaries as is dividends, and the difference in the interest gap caused by an alternative value for this item was so small, particularly in view of the size of the gap that we run our commentary here on the basis of a single measure.[40] Moreover tax treatment of interest and method of tabulating interest receipts in "Statistics of Income" have remained unchanged over the years covered by our study. So a single measure is all that is needed for a comparison over time, even one that brings in the most recent experience. In table 9 and chart 2 the record of the interest gap 1936–57 is summarized.

---

[36] Thus Selma Goldsmith, after noting the small degree of error that attaches to the national income accounts estimates of wages and salary, transfer payments, and dividends, goes on to say: "Certain of the personal income components are subject to greater error, for example, rent and interest income of persons." (See "Relation of Census Income Distribution Statistics to Other Income Data," op. cit., p. 74.)

[37] Thus we assume also that all interest receipts of families with over $2,500 of money income should have been reported and would have been taxable (considering them as a marginal increment). This assumption is generally true, but there are exceptions. However, the exceptions to the one stated in the text above are probably even greater. So, all in all, our assumption tends to understate the "gap."

[38] To this we must add for completeness, the interest of fiduciaries too small to have to file. But this we estimate at something like $40 million or so, and given the general looseness of our procedures as regards interest, it would be unduly pious to throw this item in. The conclusion that this item would be of such negligible size comes from data supplied by Eli Shapiro and Raymond Goldsmith already cited in the section on dividends. For trusts and estates that did file, taxable interest assets come to 17 percent of total assets; applying this to the $6.3 billion total assets of fiduciaries too small to file furnishes about $1 billion taxable of interest-yielding assets, on which a return of 3 percent or so appears reasonable. All this is for 1952. For 1957 something higher—say $40 million seems in order.

[39] For details of the estimate see the appendix.

[40] In table A–2 the alternative measure and the gap based on it is also given. The values we use here are those called variant 1 in table A–2. Chart 2 [not printed in RECORD] plots both variants.

[Chart not printed in RECORD.]

TABLE 9.—*The interest gap, 1936–57*

Year	Absolute gap (in millions)	Relative gap
		Percent
1936	$2,038	62.7
1937	2,060	63.3
1938	2,013	62.7
1939	1,962	62.2
1940	1,746	56.3
1941	1,660	53.5
1942	1,501	51.6
1943	1,484	54.1
1944	1,501	55.6
1945	1,819	59.6
1946	2,066	59.0
1947	2,459	62.1
1948	2,315	58.1
1949	2,436	55.8
1950	2,755	57.7
1951	3,079	58.8
1952	3,185	57.9
1953	3,556	58.2
1954	3,810	56.7
1955	4,179	57.1
1956	4,663	57.3
1957	5,482	57.8

Start as we did with dividends with what we unequivocally know. For interest there are 4 years in which interest of both taxable and nontaxable fiduciaries were tabulated—1939, 1952, 1954, and 1956—and these are, therefore, the years that required a minimum of estimating. Over the period covered by these 4 years there was a noticeable fall in the interest gap measured relatively from 62 percent to something like 57 percent—not a startling fall but a real one. Such a decline is to be expected in view of the much deeper scope of the income tax in the 1950's compared with the 1939. But notice in contrast to this decline in the relative gap is the great rise in the absolute size of the gap; it more than doubled between 1939 and 1956.

Since the interest gap is such an imprecise estimate at best, there is little profit in seeking to discover an interest reporting response to variations in tax rates from any but the sharpest changes in the gap. Viewing the picture in this light only the earlier years of our period have a story to tell. Here apparently starting with 1936 and moving forward in time we can observe a decline in the gap associated with the broadening of the tax base up through 1941. And a response, albeit a lagged reaction, to the high tax rates of the war period shows up starting in 1943. There is also a suggestion of a decline in the relative degree of underreporting coincidentally with the postwar reduction in rates. But this latter suggestion is slight, and even the wartime rise must be qualified in view of the general dislocation and deferred filing privileges of that period. (This has been discussed in the dividend section.) And, of course, the interest gap remained about the same in relative terms from 1950 through 1957 in the face of rather substantial variations in personal income tax rates. Thus little in the way of precise year-to-year response of interest underreporting to tax rate changes can be established. On the other hand, the failure of the gap in the postwar years to be lower than in the few years immediately before the war, is a broad hint that some taxpayers let their zeal for reporting interest receipts flag in the face of higher rates of tax.

Because of the height of the gap and because so little in the way of response to particular rate changes can be discerned, there would appear to be in interest underreporting a heavier component of lethargy, ignorance, oversight, forgetfulness, etc., than there is for dividends. That this is to be expected follows from the multiplicity and small size of interest-yielding asset holdings (again, as compared, with stocks), and is confirmed by a comparison of the audit control program's findings for errors connected with the reporting of interest receipts with that program's findings on dividend reporting. For 1948 the Bureau of Internal Revenue (now the Internal Revenue Service) estimated that the universe of tax returns, if audited with care, would show about 491,000 returns on which dividends were underreported, while for interest underreporting their estimate was almost four times as large—1,863,000 returns.

We turn now to a discussion of these findings.

Some evidence on the income class distribution of interest underreporting

As with dividends, the results of the audit control program for 1948 permit some estimates of the income class distribution of interest underreporting. Our estimate of interest uncovered by the ACP from an analysis of the tax returns for 1948, i.e., interest that should have been reported but wasn't, are laid out in table 10. Given the way the ACP presented its findings, it is impossible to do more than suggest the ranges within which interest underreporting in the aggregate might fall. And, of course, the reminder once more that, of necessity, these are estimates subject to wide margins of error. Hence it is better in all honesty to mark out the range of possibility, than to appear spuriously precise by choosing a single magnitude.

TABLE 10.—*Estimates of the amount of interest underreporting and the frequency of such errors in 1948 as derived from the audit control program data*

Income class	Estimated interest underreporting	Interest reported	(2) as a percent of (3)	Estimated number of underreporting errors [1]	Number of returns reporting interest	(5) as a percent of (6)	Percent of total estimate interest underreporting
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Millions	*Millions*	*Percent*	*Thousands*	*Thousands*	*Percent*	*Percent*
Under $7,000	$119.4–$238.7	$657,444	18.1–36.3	1,563.5	3,102.8	50.4	62.4
$7,000 and under $25,000 [2]	60.9– 121.8	356,695	17.1–34.1	274.3	706.6	38.8	31.9
$25,000 and under $100,000	9.4– 18.7	212,722	4.4– 8.8	23.6	140.9	16.7	4.9
$100,000 and over	1.6– 3.3	66,582	2.5– 5.0	1.2	13.2	9.1	.8
Total	191.2– 382.5	1,293,443	14.8–29.6	1,862.5	3,963.5	47.0	100.0

[1] The estimate for this class covers also errors on business returns with adjusted gross income of less than $7,000 where gross receipts exceeded $25,000.

[2] Includes both returns on which interest was reported, but too low, and those that should have reported interest but didn't. These latter, properly additive to col. 6, are not included therein, because there is no way of estimating them.

In the aggregate, if all personal income tax returns had been audited carefully, in 1948 somewhere between $190 and $380 million more of interest receipts than was actually reported would have shown up. This is a large amount, for it comes to something like 15 to 30 percent of the interest that was reported. Over 60 percent of interest underreporting that would have been discovered fell in the lowest of the income classes used by the ACP in presenting its findings—taxpayers with under $7,000 of adjusted gross income. (While this is the lowest of the income classes, it is not, as we have already noted in the discussion of dividends, by any means a low income class.) And close to a third of the underreporting fell in the adjoining income class, those with adjusted gross income between $7,000 and under $25,000. These two classes together, i.e., taxpayer with incomes under $25,000, accounted for almost 95 percent of interest underreporting. We remind the reader that for dividend underreporting, we got only a third falling in the lowest income group and almost a half in the one next to it. Or looking at taxpayers with over $25,000, we find them responsible for over 18 percent of the dividend underreporting, but less than 6 percent of underreported interest. Thus interest underreporting even more than dividends is a problem involving the "lower" income taxpayers.[41] Even more to the point, here, is the fact that of the 1,863,000 interest underreporting errors, all but 25,000 were found in the income class under $25,000.

But, of course, this concentration of interest underreporting may be no more startling a "discovery" than that they also received almost all of the interest. In other words, is there a disproportionately heavier degree of underreporting of interest in the lower income classes? The percentages in column 4 of table 10 argue for an affirmative answer. These percentages are derived by relating the estimated interest uncovered by the ACP to the amount that was voluntarily reported in each income class. In both the under $7,000 class and the income range $7,000 and under $25,000 uncovered underreporting came to something that ranged from 17 (or 18) to 34 (or 36) percent of what was actually reported. For the two higher income classes, the range is 4.5 to 9 and 2.5 to 5 percent, respectively.

We have already noted that underreporting of interest is a more serious problem than underreporting of dividends in the sense that many more interest recipients than stockholders failed to report as much income from the particular source as they should have. Our earlier estimates of the revenue losses due to underreporting also show interest underreporting as causing more loss to the Treasury than dividend underreporting. And the estimates derived from the ACP substantiate this conclusion (although they run at a lower order of magnitude for both types of income). We remind the reader that the dividend underreporting estimate from the ACP data was between $90 and $180 million, and compare with this our estimate from the ACP data for interest of $190 to $380 million.

Back now to interest underreporting per se. Interest errors were, of course, very common in the two lower income classes,

[41] "Lower" in quotes to show the qualified way we use this phrase to refer to income of $25,000 and under.

but not unknown in the higher ones. (See col. 7.) For in the income class $25,000 and under $100,000, the number of returns with interest errors came to almost 17 percent of the number of returns that reported interest, while even in the highest income class the relevant percentage was over 9. For the two lower classes, of course, the number underreporting was proportionately greater. Returns with interest underreporting errors in the income class under $7,000 numbered half as much as those reporting interest; in the next class, $7,000 and under $25,000, they came to almost 40 percent as much. This again, is quite a contrast with dividend underreporting. (Compare col. 7 of tables 6 and 10.)

The results of an attempt to assess the seriousness of interest reporting errors appear in table 11. If we compute the average amount of underreporting for returns with underreporting errors and relate this to the amount of interest reported, on average, by interest recipients, then we find that underreporting errors were not trivial. For returns with major errors in interest at all income levels they come to between one-fifth and one-half (our answers, as always, run in range of possible values) of the average amount of interest reported; for returns with minor errors in interest, the underreporting errors loomed even larger relative to the reported amounts, but tended to decline in relative importance as income level rose. (See cols. 5 and 8.) It is refreshing to point to the overreporting portion of table 11, for this indicates that taxpayers do not all err against the revenue, and it is impressive to observe the relative size of overreported amounts (computed in the same way as the relative importance of average underreporting). But a sober check to such reflections comes from observing how small the number of overreporting errors is compared to the number of underreporting errors.

TABLE 11.—*Estimated absolute and relative size of underreporting and overreporting errors for returns with major and minor errors in interest, 1948*

UNDERREPORTING ERRORS

Income class	Average amount of interest reported	Number of returns with major error in interest (thousands)	Estimated average error returns with major error in interest	Error as percent of amount reported ((4)÷(2))	Number of returns with minor error in interest (thousands)	Estimated average error returns with minor error in interest	Error as percent of amount reported ((7)÷(2))
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Under $7,000 [1]	212	539.4	$43- $86	20–41	583.2	$149- $299	70–141
$7,000 and under $25,000 [2]	505	83.9	97- 194	19–38	190.4	296- 592	59–117
$25,000 and under $100,000	1,510	6.0	383- 767	25–51	17.6	463- 926	31–61
$100,000 and over	5,044	.3	1,167–2,333	23–46	.9	1,667–3,333	33–66

OVERREPORTING ERRORS

Under $7,000 [1]	212	12.1	$98- $196	46–92	60.6	$57- $114	27–54
$7,000 and under $25,000	505	6.0	214- 428	42–85	19.7	119- 239	24–47
$25,000 and under $100,000	1,510	1.0	315- 630	21–42	2.0	400- 800	26–53
$100,000 and over	5,044	.1	700–1,400	14–28	.2	750–1,500	15–30

[1] Only form 1040 returns.

[2] Includes business returns with adjusted gross income of less than $7,000, where gross receipts exceeded $25,000.

About interest one must speak more cautiously than about dividends. We have noted this before in a number of connections and expanded on the reason for it. And it is an apropos observation once more because it is natural at this juncture to compare our gap and these estimates from the ACP data of interest underreporting. The ACP data suggests aggregate underreporting of something like $200 to $400 million. Our gap was much larger, some $2.3 billion. But for any comparison it has to be adjusted for legitimate nonreporting. On the basis of the same kind of considerations noted above in the discussion of the revenue loss in 1957, and allowing a generous adjustment of $1 billion to represent this adjustment, this would leave us with a gap comparable to the ACP's uncovering of $1.3 billion, considerably more than even the upper limit on the possible range of underreported interest as obtained from the ACP data. All we can say is that there is a suspicion here, not a confirmation, that a goodly amount of unreported interest was not picked up even in this competently audited sample. This is really too strong a conclusion. The only judgment that is warranted is this: this disparity in results suggests that, if in fact this has not yet been done, careful work on the interest (and dividend) gap, more careful than I have undertaken and with access to tax return data and the results of sample audit, should be undertaken. For if, as appears from the behavior of these gaps over time, the reporting deficiency is not self-correcting, and if there is a serious interest in correcting it, and if more extensive and careful auditing is cited as the procedure through which to accomplish this, it would be important to know if, in fact, it is likely to be successful.

IV. SUMMARY

These are the highlights of our survey of dividend and interest coverage on tax returns. They are presented here in bald and summary fashion, without the numerous qualifications and caveats that attach to the estimates on which they are based. So little can be made of them and they cannot be evaluated sensibly without reference to the preceding portions of the study.

1. At the most recent accounting, a sizable amount of dividends and interest that should have been reported on tax returns was not. While the amount of such income from these sources is difficult to pinpoint precisely, it appears to run at well over $1 billion, perhaps as much as $1.2 billion, for dividends; and for interest over $3 billion, perhaps as much as $3.5 billion.

2. Not all that wasn't reported, even if under the Revenue Code it should have been, meant a loss of revenue to the Treasury, because some of it went to people whose exemptions and deductions exceeded the adjusted gross income they did report. Adjusting as best we could for this factor, we estimated that currently the revenue lost by the Treasury because of the failure to report dividends and interest fully totals $1 billion or more—about $300 million in connection with dividend underreporting and about $800 million because of the underreporting of interest. But this loss is offset to some degree by the interest and dividends later called to account as a result of audit by the Internal Revenue Service.

The revenue loss attributable to unreported dividends and interest would seem to be a relatively small and unimportant item. One billion dollars seems like "slim pickings" in the context of the size of total personal income tax collections. Or to look at it differently, the Treasury probably suffers a greater revenue loss from "moonshining" than from interest and dividend underreporting. But this would be dismissing the problem too lightly. For unreported income may have repercussions more important than the revenue loss that is directly traceable to it. Underreported income constitutes one piece of a broader problem. A general feeling that some types of income and some particular groups of taxpayers are not pulling their share of the taxload could have serious consequences. For such a feeling, if widespread, might undermine the zeal with which many taxpayers police themselves. With the income tax essentially a self-policing levy, and reliant on taxpayer compliance for its success, the importance of interest and dividend underreporting could transcend the revenue loss directly associated with the failure of some taxpayers (a small proportion of the total) to report all their interest and dividend receipts.

3. Neither for dividends nor interest did we discern a tendency for the gap, i.e., the unreported amount to correct itself over time. Insofar as such comparisons can be made, over the last 20 years, years which witnessed a revolutionary conversion of the income tax from a levy with which a few citizens were involved to one that reaches almost every income recipient, there has been an absolute rise in the gap both for dividends and interest, and hence, by inference, a growing revenue loss on this score. Measured relatively, i.e., in a way that takes account of the fact that the flow of interest and dividend payments has tended to rise over time, we find a slight decline in the interest gap and virtual constancy in the dividend gap. This behavior is puzzling since one would expect the gap to fall solely because the tax system's coverage expanded so greatly. (This statement is borne out more directly by the dividend gap results, although there is a degree of confirmation also in the failure of the interest gap measured on a relative basis to fall more rapidly.)

With particular reference to the dividend gap, the clue to this puzzle appears to be taxpayer response to variations in tax rates. Speaking roughly, we find an association between the size of the relative gap and variations in tax rates. This shows up most powerfully on the side of tax-rate increases. For here the data strongly suggest similarly timed increases in the gap (measured relatively). Thus over the war period, the dividend gap rose sharply. That this kind of response to changes in rates is symmetrical, to some degree at least, may be concluded from a decline in the nonreported percentage as tax rates were reduced in the several years following

World War II. But the degree of underreporting remained higher than just before the war, suggesting that increased tax rates are more powerful in inducing underreporting than are lowered rates in encouraging fuller reporting. Finally, again with reference to dividends, the evidence that higher rates discourage reporting and lower rates encourage it is murkier for the period since 1950 than it is for the years before that date.

4. Estimates from a sample audit undertaken by the Bureau of Internal Revenue of the personal income tax returns for 1948, suggest that the degree of dividend and interest underreporting declines as stockholder income rises. Thus, on a per return basis (relative to amounts actually reported) and in the aggregate as well the most serious underreporting is probably found among interest and dividend recipients with incomes of less than $25,000. Although, of course, particular individuals with incomes greater than this may underreport significantly, in the aggregate, total underreporting at the higher incomes ($25,000 and above) is not great, and, in any event, it is more likely to be discovered.

5. The difference between what would have been uncovered in the way of dividends and interest by auditing all tax returns in 1948 and our measure of the dividend and interest gaps (adjusted roughly for comparability) is large enough to suggest, although it cannot conclusively establish, that to get interests and dividends fully called to account for tax purposes may not be possible even with an addition to the auditing resources of the Internal Revenue Service. This statement must be qualified in view of the growth in auditing productivity that has occurred since 1948, and because the threat of more extensive auditing backed up by a commitment of resources may cause taxpayers to report more fully.

APPENDIX

This appendix consists of two basic tables that contain details of the annual estimates of the dividend and interest gaps, and notes on the sources of the data and estimating procedures.

TABLE A–1.—*Derivation of dividends not reported on tax returns, 1936–57*

[Dollars in thousands]

	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
1. Dividends reported by individuals on tax returns	3,173,844	3,188,006	2,211,500	2,543,650	2,998,642	3,298,887	2,832,521	2,779,833	2,986,025	3,009,554	3,673,857
2. Plus estimated dividends in "other income" 1040A or W–2 returns						108,855	150,894	97,379	14,636	16,333	18,095
3. Plus dividends included in partnership income	24,650	25,300	17,210	20,369	22,236	24,965	24,447	25,559	27,103	27,485	41,645
4. Plus dividends of fiduciaries (estates and trusts):											
A—Variant 1	617,427	617,427	454,451	544,994	628,830	642,856	558,195	579,316	623,433	673,932	765,712
B—Variant 2	859,571	859,571	626,363	747,024	792,800	869,300	831,600	864,500	895,800	894,100	1,096,100
C—Variant 3					781,374	901,219	669,461	749,762	716,222	894,703	1,070,679
5. Minus dividends on returns from Alaska and Hawaii	16,059	15,332	9,883	9,468	10,690	11,304	9,433	10,333	8,895	12,031	12,384
6. Equals personal dividends receipts accounted for on tax returns:											
A—Variant 1	3,799,862	3,815,401	2,673,278	3,099,545	3,639,018	4,064,259	3,556,624	3,471,754	3,642,302	3,715,273	4,486,925
B—Variant 2	4,042,006	4,057,545	2,845,190	3,301,575	3,802,988	4,290,703	3,830,029	3,756,938	3,914,669	3,935,441	4,817,313
C—Variant 3					3,791,562	4,322,622	3,667,890	3,642,200	3,735,091	3,936,044	4,791,892
7. Personal dividend receipts as estimated by NID [1]	4,548,000	4,685,000	3,187,000	3,788,000	4,043,000	4,458,000	4,289,000	4,484,000	4,673,000	4,691,000	5,784,000
8. Minus dividend receipts of mutual insurance companies	25,000	25,000	22,000	22,000	23,000	25,000	33,000	31,000	35,000	38,000	44,000
9. Minus dividend receipts of nonprofit organizations	94,100	100,300	70,400	86,000	91,800	101,200	97,800	102,200	106,500	106,900	159,100
10. Minus dividend receipts of noninsured pension fund	11,779	12,415	8,637	10,455	11,279	12,572	12,869	13,505	13,604	13,600	23,700
11. Minus taxes withheld on dividend payments to foreigners		24,000	14,000	17,000	21,000	34,000	35,000	36,000	38,000	38,000	39,000
12. Equals NID [1] personal dividend receipts adjusted for comparability with tax return data	4,417,121	4,523,285	3,071,963	3,652,545	3,895,921	4,285,228	4,110,331	4,301,295	4,479,896	4,494,500	5,518,200
13. Dividend gap=(12)−(6):											
A—Variant 1	617,259	707,884	398,685	553,000	256,903	220,969	553,707	829,542	837,594	779,227	1,031,275
B—Variant 2	375,115	465,740	226,773	350,970	92,933	−5,475	280,302	544,357	565,227	559,059	700,887
C—Variant 3					104,359	−37,394	442,441	659,095	744,805	558,456	726,308
14. Relative dividend gap=13÷12×100:											
A—Variant 1	13.97	15.65	12.98	15.14	6.59	5.16	13.47	19.28	18.70	17.34	18.69
B—Variant 2	8.49	10.29	7.38	9.61	2.38	−.13	6.82	12.65	12.62	12.44	12.70
C—Variant 3					2.68	−.87	10.76	15.32	16.63	12.43	13.16

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
1. Dividends reported by individuals on tax returns	4,295,190	4,970,900	5,246,227	6,157,699	6,056,015	5,859,624	5,828,279	7,268,982	8,100,325	8,892,025	9,448,421
2. Plus estimated dividends in "other income" 1040A or W–2 returns	14,604	12,223	10,266	9,469	7,798	5,903	4,505	5,722	3,040	2,678	3,000
3. Plus dividends included in partnership income	55,427	58,668	57,542	67,218	62,300	58,201	55,350				
4. Plus dividends of fiduciaries (estates and trusts):											
A—Variant 1	912,275	992,672	914,855	1,330,454	1,330,710	1,392,855	1,376,862	331,141	284,764	308,622	317,265
B—Variant 2	1,228,600	1,357,500	1,338,700	1,704,200	1,666,200	1,649,653	1,706,500	368,430	328,599	356,112	366,103
C—Variant 3	1,140,337	1,185,403	1,209,498	1,582,603	1,515,665						
5. Minus dividends on returns from Alaska and Hawaii	14,660	17,542	17,984	20,169	16,733	13,003	14,087	23,303	24,341	29,039	29,907
6. Equals personal dividends receipts accounted for on tax returns:											
A—Variant 1	5,262,836	6,016,921	6,210,906	7,544,671	7,440,090	7,303,580	7,250,909	7,582,542	8,363,788	9,174,286	9,738,779
B—Variant 2	5,579,161	6,381,749	6,634,417	7,918,417	7,775,580	7,560,378	7,580,547	7,619,831	8,407,623	9,221,776	9,787,617
C—Variant 3	5,490,898	6,209,652	6,505,549	7,796,820	7,625,045						
7. Personal dividend receipts as estimated by NID	6,521,000	7,243,000	7,473,000	9,208,000	9,029,000	8,954,000	9,225,000	9,839,000	11,215,000	12,132,000	12,495,000
8. Minus dividend receipts of mutual insurance companies	55,000	64,000	70,000	88,000	98,000	96,000	72,000	133,000	148,000	161,000	167,000
9. Minus dividend receipts of nonprofit organizations	197,600	235,400	233,900	305,700	324,000	339,400	330,300	400,400	463,200	501,052	516,043
10. Minus dividend receipts of noninsured pension fund	33,300	44,200	47,100	65,400	69,300	98,700	131,300	192,200	210,000	262,500	338,000
11. Minus taxes withheld on dividend payments to foreigners	45,000	39,000	36,000	43,000	40,000	42,000	44,000	44,000	44,000	44,000	44,000
12. Equals NID [1] personal dividend receipts adjusted for comparability with tax return data	6,190,100	6,860,400	7,086,000	8,705,900	8,497,600	8,377,900	8,647,400	9,069,400	10,349,800	11,163,448	11,429,957
13. Dividend gap=(12)−(6):											
A—Variant 1	927,264	843,479	875,054	1,161,229	1,057,510	1,074,320	1,396,491	1,486,858	1,986,012	1,989,162	1,691,178
B—Variant 2	610,939	478,651	451,249	787,483	722,020	817,522	1,066,853	1,449,569	1,942,177	1,961,672	1,642,340
C—Variant 3	699,202	650,748	580,451	909,080	872,555						
14. Relative dividend gap=131÷2×100:											
A—Variant 1	14.98	12.29	12.35	13.34	12.44	12.82	16.15	16.39	19.19	17.82	14.80
B—Variant 2	9.71	6.98	6.37	9.04	8.50	9.76	12.34	15.98	18.76	17.39	14.37
C—Variant 3	11.30	9.48	8.19	10.44	10.27						

[1] National Income Division, Office of Business Economics, Department of Commerce.

NOTES FOR TABLE A–1

(The paragraph numbers refer to lines of the table)

1. As tabulated annually in "Statistic of Income," part 1. For 1944 and 1945, when a combined dividend and interest figure was reported, dividends were estimated on the basis of the 1946 ratio of dividends to dividends and interest combined. For 1957 with only preminary data available excluded dividends were estimated.

2. Estimated for 1944–56, by taking dividends and interest to be half of wages and salaries not withheld on and dividends and interest of under $100 on form W–2 or 1040A returns as given in a footnote to table 2 of "Statistics of Income," part 1 (cf. Selma Goldsmith, "Appraisal of Basic Data Available for Constructing Income Size Distribution," part VI of "Studies in Income and Wealth," volume 13, NBER 1951, pp. 360–361), and then applying against this figure the fraction that dividends constituted of dividends plus interest for all returns under $5,000 as tabulated in "Statistics of Income." For 1957 arbitrarily put at $3 million.

Estimated for 1941–43 by applying the ratio of dividends to total property income (of specified types) on 1040 returns to the property income component of 1040A returns.

3. Tabulations in special supplements to "Statistics of Income" for 1939, 1945, 1947, and 1953. For all other years between 1936 and 1953, estimated by interpolation using dividends received by partnerships as a percent of total dividends from Survey of Current Business, July 1957.

4. A—Variant 1, 1936–53. Sum of (a) dividend component of individual income from estates and trusts and (b) dividends retained by fiduciaries. The value for (a) estimated annually by applying ratio of dividends to total income of taxable fiduciaries to income from estates and trusts reported by individuals. The value for (b) estimated by applying the same ratio used for (a) to the retained income of fiduciaries. For 1944 and 1945 dividends estimated from combined dividend and interest totals on basis of 1946 percentages.

1954–57: Starting in 1954 dividend component of individual income from estates and trusts reported under dividends and shows up in line 1 total. Value for (b) estimated from tabulations for fiduciaries in 1954 and 1956 as sum of excluded dividends, fiduciaries share of dividend tax credit blown up to its dividend equivalent and an adjustment to take account of dividends not eligible for exclusion and credit. For 1954 two additional adjustments needed: (1) Because only 92 percent of returns filed on new basis of IRC of 1954 (this being a transitional year) the tabulated dividend total was assumed to be only 92 percent of correct figure and was adjusted accordingly. (2) Credit applied to dividends received after July 1, 1954, and tabulated credit was raised on this basis to a full year's equivalent. 1955 and 1957 values assumed to be same percentage of NID personal dividend receipts as in 1956.

B—Variant 2: Dividends of taxable and nontaxable fiduciaries as tabulated in "Statistics of Income" 1937, 1938, 1939, and 1952. Assumed same in 1936 as 1937. Estimated 1940–51 on the basis of interpolation between 1939 and 1952 percentage that dividends of fiduciaries represented of NID personal dividend receipts. 1953 estimated by interpolation between similar percentages for 1952 and 1954. From 1954 on same as variant 1 above with addition of dividend component of fiduciary charitable contributions estimated by applying fraction dividends comprised of total fiduciary income to charitable contributions of fiduciaries. For 1944 and 1955 dividend figure broken out of combined dividend and interest total by applying 1946's ratio.

C—Variant 3: Applies only for 1940–51. Derived by applying values obtained by interpolating between the 1939 and 1952 ratios of dividends of taxable fiduciaries to total fiduciary dividends to the dividend of taxable fiduciaries as tabulated in "Statistics of Income." 1944 and 1945 dividends separated out from combined dividend and interest tabulation by using ratio for 1956.

5. Hawaii: as published in "Statistics of Income," part 1, but adjusted 1954–56 to take account of exclusion. Alaska: 1939–42, and 1955 and 1956 as tabulated in "Statistics of Income," part 1, 1936–38 estimated by applying to Hawaii dividends in these years Alaska's dividend as a percent of Hawaii's dividend in 1939; 1943–54 as just noted but using 1939 and 1955 as benchmark dates for obtaining Alaska's as a percent of Hawaii's dividend total by interpolation; 1957 estimated by applying to NID's personal dividend receipts of that year the percentage Alaska and Hawaii's dividends comprised of NID personal dividend receipts in 1956.

* * * * *

7. As estimated by the National Income Division of the Office of Business Economics of Department of Commerce, and published in "National Income" 1936–45 and "U.S. Income and Output," 1946–55. The 1956 and 1957 values are revised data from July 1959 Survey of Current Business.

8. Data supplied by Selma Goldsmith, National Income Division, Office of Business Economics, Department of Commerce.

9. Estimated by applying to line 7 the ratio of nonprofit organization stockholdings to total stockholdings (net of corporate holdings). Total stockholdings 1936–44 as estimated by Raymond Goldsmith (table F–4 of app. F of "Financial Intermediaries in the American Economy Since 1900," National Bureau of Economic Research, 1958) for benchmark dates 1933, 1939, and 1945, and by interpolation for the other years in the period; for 1945–55, estimated prepared for the National Bureau of Economic Research "Post-War Capital Markets" study provided by Morris Mendelson. Nonprofit organization stockholdings 1936–49 as estimated by Raymond Goldsmith ("A Study of Saving in the United States," vol. III, Princeton, 1956, pp. 450, 452) for benchmark dates 1933, 1939, 1945, and 1949 and by interpolation for the other years in the period; for 1950 and 1951 similarly estimated on basis of Goldsmith 1949 and estimate for 1952 in Morris Mendelson, "The Flow of Funds Through the Financial Markets," 1953–55, a technical paper of the National Bureau of Economic Research (in press); 1953–55 from this same source. For 1956 and 1957 we used 1956's percentage of total stockholdings.

10. For 1936–51 estimated in essentially the same manner as line 9. Stockholdings of pension funds for 1939, 1945, and 1949, from Raymond Goldsmith's "Financial Intermediaries in the American Economy Since 1900," table A–10 and 1952 from Mendelson's "The Flow of Funds, etc.;" for the remaining years estimated by interpolation using the values for these 4 years and 1933. For 1952 through 1957 estimated as follows from data in SEC, "Corporate Pension Funds," annual releases: to the pension fund bondholdings, yield figures were applied, and the estimated interest receipts were subtracted from the total of interest and dividends received by pension funds. The dividend figure so obtained was raised by 5 percent to take account of omissions in the coverage of the SEC survey.

11. Estimates supplied by National Income Division, Office of Business Economics, Department of Commerce.

Even this brief description will indicate that our results rest on numerous assumptions rather than precise data. For almost all items, however, alternative assumptions or estimating procedures would have yielded substantially similar figures. In only one category would this not have been the case—line 4, dividends of the fiduciaries—and here we have provided three sets of estimates.

TABLE A–2.—*Derivation of interest not reported on tax returns, 1936–57*

[Dollars in thousands]

	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
1. Interests reported by individuals on tax returns	828,867	810,170	823,008	831,516	1,003,262	1,028,729	981,500	885,754	886,763	886,971	1,067,062
2. Plus estimated interest in other income 1040A or W–2 returns						70,569	105,531	67,472	8,301	9,264	10,263
3. Plus interest included in partnership income	61,010	60,963	60,005	59,249	62,177	65,729	66,386	68,159	73,161	87,244	86,207
4. Plus interest of fiduciaries (estates and trusts):											
A—Variant 1	324,093	323,803	315,208	305,297	290,258	277,970	255,062	238,048	232,942	252,524	271,312
B—Variant 2					260,918	298,735	230,928	239,133	209,133	247,872	316,313
5. Minus interest on returns from Alaska and Hawaii	1,570	1,896	1,559	1,559	1,635	1,499	1,316	1,301	1,366	1,690	1,393
6. Equals personal interest receipts accounted for on tax returns:											
A—Variant 1	1,212,400	1,193,040	1,196,662	1,194,503	1,354,332	1,441,498	1,407,163	1,258,132	1,199,801	1,234,313	1,433,451
B—Variant 2					1,344,722	1,462,263	1,383,029	1,259,217	1,175,992	1,229,661	1,478,452
7. Personal interest receipts as estimated by NID [1]	3,886,000	3,883,000	3,822,000	3,761,000	3,701,000	3,672,000	3,494,000	3,391,000	3,451,000	3,903,000	4,376,000
8. Minus interest receipts of nonprofit organizations	109,200	109,900	111,400	112,800	114,900	115,300	113,000	110,600	108,300	106,000	105,200
9. Minus interest receipts of noninsured pension funds	21,900	22,600	24,100	25,600	28,100	33,700	40,600	47,700	54,800	62,000	67,900
10. Minus tax-exempt interest of State and local government bonds	501,900	488,500	460,900	440,900	419,600	364,100	353,700	348,600	333,000	302,400	260,700
11. Minus accrued discount of U.S. saving bonds	3,000	9,000	16,000	25,000	38,000	57,000	78,000	141,000	253,000	377,000	440,000

TABLE A–2.—*Derivation of interest not reported on tax returns, 1936–57*—Continued

[Dollars in thousands]

	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946
12. Minus interest of group hospitalization and health plans						200	500	900	1,400	1,800	2,300
13. NID [1] total personal interest receipts adjusted for comparability with tax return data	3,250,000	3,253,000	3,209,600	3,156,700	3,100,600	3,101,700	2,908,000	2,742,200	2,700,500	3,053,800	3,499,900
14. Interest gap=13−6:											
A—Variant 1	2,037,600	2,059,960	2,012,938	1,962,197	1,746,268	1,660,202	1,501,037	1,484,068	1,500,699	1,819,487	2,066,449
B—Variant 2					1,775,878	1,639,437	1,525,171	1,482,983	1,524,508	1,824,139	2,021,448
15. Relative interest gap=14÷13×100:											
A—Variant 1	62.69	63.32	62.72	62.16	56.32	53.53	51.61	54.12	55.57	59.58	59.04
B—Variant 2					57.27	52.86	52.44	54.08	56.45	59.73	57.76

	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
1. Interests reported by individuals on tax returns	1,125,414	1,203,450	1,527,830	1,595,604	1,702,215	1,846,899	2,042,649	2,370,230	2,583,609	2,872,013	3,318,950
2. Plus estimated interest in other income 1040A or W–2 returns	8,340	8,001	6,708	6,513	5,749	4,847	3,910	5,734	3,175	2,713	3,000
3. Plus interest included in partnership income	83,414	92,278	107,316	124,338	145,770	162,508	187,956	205,520	219,098	242,323	279,970
4. Plus interest of fiduciaries (estates and trusts):											
A—Variant 1	288,541	281,822	291,054	299,115	310,890	309,258	319,888	331,053	340,338	362,048	418,291
B—Variant 2	278,626	250,601	250,786	286,254	274,847						
5. Minus interest on returns from Alaska, Hawaii	2,380	3,215	3,651	3,125	3,770	3,355	4,741	6,084	5,975	10,991	12,698
6. Equals personal interest receipts accounted for on tax returns:											
A—Variant 1	1,503,329	1,672,336	1,929,257	2,022,445	2,160,854	2,320,217	2,549,662	2,906,453	3,140,245	3,468,106	4,007,516
B—Variant 2	1,493,414	1,641,115	1,888,989	2,009,584	2,124,811						
7. Personal interest receipts as estimated by NID [1]	4,874,000	4,988,000	5,420,000	5,865,000	6,450,000	6,802,000	7,422,000	8,123,000	8,660,000	9,578,000	11,066,000
8. Minus interest receipts of nonprofit organizations	107,600	111,700	115,800	123,000	138,800	160,000	180,900	200,400	229,300	241,200	272,500
9. Minus interest receipts of noninsured pension funds	72,500	79,000	88,900	102,300	129,000	160,400	197,800	237,300	275,400	318,500	375,000
10. Minus tax-exempt interest of State and local government bonds	239,100	252,600	255,200	253,300	255,400	274,000	301,900	362,200	438,700	457,000	501,000
11. Minus accrued discount of U.S. saving bonds	490,000	554,000	591,000	605,000	682,000	697,000	630,000	599,000	388,000	419,000	413,000
12. Minus interest of group hospitalization and health plans	2,700	3,200	3,600	4,100	4,500	5,000	5,900	7,400	9,400	11,600	14,500
13. NID [1] total personal interest receipts adjusted for comparability with tax return data	3,962,100	3,987,500	4,365,500	4,777,300	5,240,300	5,505,600	6,015,500	6,716,700	7,319,200	8,130,700	9,490,000
14. Interest gap = 13 − 6:											
A—Variant 1	2,458,771	2,315,164	2,436,243	2,754,855	3,079,446	3,185,383	3,555,838	3,810,247	4,178,955	4,662,594	5,482,484
B—Variant 2	2,468,686	2,346,385	2,476,511	2,767,716	3,115,489						
15. Relative interest gap = 14÷13×100:											
A—Variant 1	62.06	58.06	55.81	57.66	58.76	57.86	58.24	56.73	57.09	57.34	57.77
B—Variant 2	62.31	58.84	56.73	57.93	59.45						

[1] National Income Division, Office of Business Economics, Department of Commerce.

NOTES FOR TABLE A–2

(The paragraph numbers refer to lines of the table)

1. As tabulated annually in "Statistics of Income," part 1. For 1944 and 1945 when a combined dividend and interest figure was reported, interest was estimated on the basis of the 1946 ratio of interest to interest and dividends combined.

2. See notes for line 2 of table A–1.

3. Tabulations in special supplements to "Statistics of Income" for 1939, 1945, 1947, and 1953. For all other years up to 1953 estimated by interpolation using interest received by partnerships as a percent of total personal monetary interest as determined from NID data published in "U.S. Income and Product" (for derivation see notes for line 7 below). For 1954 on similarly estimated using 1953's percentage.

4. A–Variant 1: Tabulated in "Statistics of Income" for 1937, 1938, 1939, 1952, 1954, and 1956. Estimate for all other years by use of percentages (or interpolations thereof) that interest of fiduciaries comprised of total personal monetary interest as from the tabulations computed for these years. Nineteen hundred and fifty-seven's value derived by using same percentage as 1956.

B–Variant 2: Estimates for 1940–51 derived by applying values obtained by interpolating between the 1939 and 1952 ratios of interest of taxable fiduciaries to total fiduciary interest to the figure (tabulated in "Statistics of Income") for interest of taxable fiduciaries. For both variants 1 and 2, interest broken out of combined interest and dividend total using ratios that applied in 1946.

5. Hawaii: All years but 1943 from "Statistics of Income." Nineteen hundred and forty-three estimated from 1942 ratio of Hawaii's interest to total interest. For 1944 and 1945 separated from dividends in the combined total reported by using 1946 percentage.

Alaska: 1930–42, 1955, and 1956, from "Statistics of Income." Values for all the other years are estimates based on interpolation of 1939, 1942, and 1955 ratios of Alaska's interest to total interest.

Nineteen hundred and fifty-seven estimated for Alaska and Hawaii combined by applying to 1957 personal monetary interest, the ratio found for 1956 for Alaska and Hawaii interest in relation to total interest.

7. Derive from estimates published by the National Income Division of the Office of Business Economics of the Department of Commerce—1936–45 in "National Income" (1954 edition; 1946–55 in "U.S. Income and Output"; 1956 and 1957 from "Survey of Current Business," July 1959. For all years we derived the line 7 values by subtracting imputed interest paid from and adding imputed interest received to personal interest income.

8. Derived by applying bond yields and mortgage interest rates to estimated bond and mortgage holdings of nonprofit organizations.

End of the year figure for U.S. Government securities, corporation bonds, farm and nonfarm mortgages owned by nonprofit organizations were taken:

(a) For 1933, 1939, 1945, 1949 from R. Goldsmith, "A Study of Savings With U.S.," volume III, page 450 (table X–1), Princeton. Interpolation was used for the other years in between.

(b) For 1953–55 from National Bureau of Economic Research, "The Flow of Funds Through the Financial Markets" 1953–55, by Morris Mendelson (in press).

Average yields for corporate bonds Aaa rating of Moody's Investor Service was chosen.

Interest rates for nonfarm mortgages estimated as follows: 1936–44 from page 132 of R. J. Saulnier's "Urban Mortgage Lending by Life Insurance Companies" (National Bureau of Economics Research, 1950). 1945–57, table B, page 17 of "Joint Investment Bulletin" note No. 259 of Life Insurance Association of America.

For farm mortgages from U.S. Department of Commerce, Bureau of the Census "Historical Statistics of the U.S." column 253, page 111.

The following procedure was followed to estimate the accrued interest in each year:

From the average amount of securities owned in 1 year (obtained by averaging the two end-of-the-year figures) was subtracted the average amount owned in the preceding year. The amount thus obtained was multiplied by the average yield of that year.

To take account of the fact that the increase in holding took place evenly throughout the year, half of increment of interest in year one was credited to year one and half to year two; half of the increment of interest in year two was credited to year two and half to year three, and so on.

Interest of nonprofit organizations for 1956 and 1957 estimated by applying to personal monetary interest figures for these years the ratio of interest of nonprofit organizations to personal monetary interest in 1955.

9. End of the year value of bondholding were taken—

(a) For the period 1936–46: Benchmarks data for year 1933, 1939, 1945 from R. W. Goldsmith's, "Financial Intermediaries in the American Economy," page 371. Interpolations were used for the years in between.

For the period 1945–50, bondholdings percentages figure estimated by R. Goldsmith in the above-mentioned book were applied to total assets estimated by Roger Murray, "A Fresh Look at Pension Funds" in "Trusts and Estates," November 1955. For the years 1951–57 from SEC "Corporate Pension Funds," annual release.

Amount of mortgages: End of the year value for 1955–57 from SEC "Corporate Pension Funds," 1958, table 1.

1935–54: Estimated as 1 percent of total asset in Robert Tilove "Pension Funds and Economic Freedom" (fund for the Republic, 1959), 1 percent is the 1955 ratio of mortgages to total assets.

Average yields as calculated by Moody's Investor Service and Interest rate for mortgages as explained in notes for line 8.

The procedure to estimate accrued interest in each year was exactly like that followed for line 8 except that for the calculation of interest from corporate bonds, the yearly increase in bondholding was multiplied by 0.707 (that is the proportion of public utility bonds owned by noninsured pension funds in 1954 according to the New York State banking study, "Pension and Other Employee Welfare Plan: A Survey of Fund Held by State and National Bank in New York State"). The figure thus obtained was multiplied by the average yield of public-utility bonds from "Moody's Investor Service." The remaining amount was treated as industrial bonds and Moody's Investor Service Aaa yields were used for them. Interest so estimated for 1951–57 raised by 5 percent to take account of omissions in the coverage of the SEC survey.

10. 1936–52 from Lawrence H. Selzer, "Interest as a Source of Personal Income and Tax Revenue," National Bureau of Economic Research, Occasional Paper No. 51, page 1282. Value for 1953–55 from Lawrence H. Seltzer's worksheets, with $8 million added to take care of wholly and partially exempt Federal securities. 1956 and 1957 estimated by applying 1955 ratio of Seltzer's extension of George Lent's individual holdings of State and local government securities to total gross State and local debt to interest payments of State and local governments in 1956 and 1957. (Then we added the $8 million noted above on the score of Federal securities.)

11. 1936–52 from Lawrence H. Seltzer, "Interest," etc., as cited above, page 1280. 1953–57 estimated on a basis similar to Seltzer's from table 3, page 35 of Treasury Bulletin, March 1958.

12. 1952–55 end of the year value as tabulated in Morris Mendelson's "Flows of Funds Through the Financial Markets," 1953–55 (NBER, in press). 1956–57 estimated by applying the same percentage increase as between 1954 and 1955 (approximately 20 percent). 1940–52 estimated taking 1940 and 1952 as benchmark years and interpolating in between, and assuming 1940 and previous years amount equal zero.

The procedure followed to estimate the increase in interest accrued was like that followed for line 8 except that here we used yields on long-term Governments, as given in the Federal Reserve Bulletin.

EXPLANATION OF TABLES 6 AND 10

These are rough estimates based on tabulations of the ACP data made available by the Internal Revenue Service in 1951. We describe the dividend estimates of table 6. The procedures used in deriving the table 10 values are the same.

The estimate of underreporting must be made as a range rather than any single value, because, with only the total tax change reported for returns with dividend errors, it was necessary arbitrarily to assign fractions of that total tax change to the dividend error alone. In the ACP tabulations dividend errors were classified as major or minor errors. All returns that met the following conditions were placed in the major error category:

(a) The error in dividends accounted for the largest portion of the change in adjusted gross income, i.e., the addition (or subtraction) due to audit.

(b) The change in adjusted gross income was responsible for a bigger fraction of the total tax change than exemption or deduction changes, or mathematical error.

All other returns with dividends errors were designated minor error returns.

Following this classification we set up 3 possibilities for major error returns: 100, 75, and 50 percent of the total tax change due to the dividend error; and 3 percentage assumptions for minor error returns: 40, 30, and 20 percent. In every case we estimated the dividends uncovered by the ACP by dividing the tax change assumed due to the errors in dividend reporting by the marginal rate that applied on average to all taxpayers (taken from "Statistics of Income") in each of the broad income classes by which the ACP data were tabulated and for joint and separate returns.

The lower value of the estimates in table 6 is the sum of the 50 percent for major errors and 25 percent for minor error assumptions; the upper values of the range come from adding the results of the 100 and 40 percent assumptions. The upper value of the range is almost surely above the actual figure, but it cannot be stated as positively that the lower limit of our range is below the real value.

Tables 7 and 11 are derived from 6 and 10 and data from "Statistics of Income."

Estimating the revenue gain associated with full correction of dividend and interest underreporting

1. Dividends: From table 6 we derived the income class distribution of dividend underreporting, applied these percentages to our residual underreporting figure of $850 million, and multiplied the amounts so obtained by the marginal rates (weighted by the proportion of joint and separate returns) that applied to the taxable income in each adjusted gross income class.

Summary table—Dividends

Adjusted gross income class	Each class percent of total underreporting [1]	This percent of $1 billion (millions)	Weighted average marginal rate [2] (percent)	Revenue gain (millions)
Under $7,000	34.5	$345	20.0	$69
$7,000 and under $25,000	47.1	471	22.3	105
$25,000 and under $100,000	15.6	156	51.7	81
$100,000 and over	2.9	29	82.5	24
Total	100.0	1,000		279

[1] Derived from table 6.
[2] Derived from data of table 10, p. 1423, "Statistics of Income—1956, Individual Income Tax Returns."

2. Interest: From table 10 we derived the income class distribution of interest underreporting, applied these percentages to our residual underreporting figure of $3.5 billion, and multiplied the amounts so obtained by the marginal rates (weighted by the proportion of joint and separate returns) that applied to the taxable income in each adjusted gross income class.

Summary table—Interest

Adjusted gross income class	Each class percent of total underreporting [1]	This percent of $3.5 billion (millions)	Weighted average marginal rate [2] (percent)	Revenue gain (millions)
Under $7,000	62.4	$2,184	20.0	$437
$7,000 and under $25,000	31.9	1,116	22.3	249
$25,000 and under $100,000	4.9	172	51.7	89
$100,000 and over	.8	28	82.5	23
Total	100.0	3,500		798

[1] Derived from table 10.
[2] Derived from data of table 10, p. 1423, "Statistics of Income—1956, Individual Income Tax Returns."

Mr. KEATING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Mr. SMATHERS in the chair). The Senator will state it.

Mr. KEATING. I was temporarily occupied. I did not hear the last request.

Mr. PROXMIRE. I asked unanimous consent that a statement by Professor Holland of M.I.T. relating to the bill on which I am working be printed in the RECORD at this point.

The PRESIDING OFFICER. The Chair assumes that the Senator from New York has no objection.

Mr. KEATING. I have no objection.

Mr. KUCHEL. May I join in the absence of objection?

Mr. PROXMIRE. I ask unanimous consent that an article by Mr. Joseph A. Pechman entitled "Withholding for Interest and Dividends," which appears in "Essays in Federal Taxation," a publication of the Committee for Economic Development of December 1959, be printed in the RECORD at this point. The article starts on page 63 and runs through page 82.

There being no objection, the article was ordered to be printed in the RECORD.

WITHHOLDING FOR INTEREST AND DIVIDENDS

(By Joseph A. Pechman [1])

Under present law, interest and dividends are reported by individual income-tax payers on a voluntary basis and the Internal Revenue Service depends on its regular enforcement procedures to detect underreporting. Payers of interest and dividends file annual information returns with the Internal Revenue Service for each person to whom dividend payments of $10 or more and interest payments of $600 or more are made during a calendar year. However, the information-return system has not been effective, and compliance with respect to both interest and dividends, particularly the former, has been poor.

The record of compliance by recipients of interest and dividends contrasts sharply with the compliance record of wage earners. During World War II, when most wage earners became subject to the individual income tax for the first time, it was recognized that collection at source was essential to provide for effective compliance and enforcement. The wage withholding system, which was enacted in 1943, is now regarded as a major advancement in tax administration: It has pushed compliance of wage earners close to the 100-percent level and has provided a convenient method for the individual to budget his taxes.

The possibility of extending withholding to interest and dividends has been explored by the Congress on several occasions, most recently in 1950 and 1951. In each of these years, a withholding provision for dividends (and interest, in 1951) was included in the revenue bill passed by the House, but both attempts were unsuccessful in the Senate. The 1950 plan, which was patterned after the wage withholding system, was rejected largely because corporations claimed that the cost of compliance would be burdensome for them. The 1951 plan departed substantially from the basic procedures used in wage withholding and greatly minimized the burdens of compliance for withholding agents and taxpayers. It was rejected, nonetheless, primarily on the ground that it involved withholding of tax from nontaxable recipients of dividends and interest.

The purpose of this paper is to present the considerations for and against withholding on dividends and interest. As background for the discussion, the paper begins with a review of the withholding plans considered by the Congress to date and the objections raised against them (sec. I). It then summarizes the statistical evidence on underreporting of interest and dividends (sec. II); explains in detail how the 1951 plan would operate and how it can be modified to provide prompt refunds to individuals and organizations not subject to tax (sec. III); and, finally, evaluates the remaining arguments for and against withholding (sec. IV).

The major conclusions of the paper are as follows:

1. The revenue loss due to the underreporting of dividends and interest has been serious enough to warrant the adoption of withholding for many years. Moreover, the statistical evidence shows that compliance has not only not been improving, but has actually been deteriorating under present enforcement procedures. In 1957, the latest year for which tax return data are available, $1 billion of dividends and $3.5 billion of interest failed to show up on the returns of individuals subject to tax.

2. Since there are tens of millions of interest and dividend recipients, it would be prohibitively costly for the Internal Revenue Service to match the amounts reported on tax returns with the information returns filed by payers of interest and dividends. Commissioners of Internal Revenue under both Democratic and Republican administrations have failed to stop the deterioration in interest and dividend compliance by the use of the regular enforcement techniques, simply because it would be wasteful to use their scarce resources for enforcing the tax on interest and dividends when these resources can be used more productively elsewhere. The only practical alternative is to withhold.

3. Among the withholding methods considered to date, the 1951 plan provides a good balance among the various considerations that must be taken into account in designing a withholding system for interest and dividends. It would impose no additional burdens on payers, and would not complicate the individual income tax return unduly. The major drawback of the original 1951 plan is that it would withhold on nontaxable individuals. If this is regarded as a serious inequity, the 1951 plan can be modified to provide quarterly refunds to such persons.

4. A comprehensive interest and dividend withholding system would increase the revenues of the Federal Government roughly $900 million at this year's income levels. With the pressure for revenue as large as it is, and is likely to be in the foreseeable future, it is bad public policy to continue to lose revenues of this magnitude from any source. Whether the underreporting of interest and dividends is due to inadvertence or to outright evasion, it is inequitable to permit recipients of these types of income to avoid paying their full share of the taxload.

I. HISTORY OF PROPOSALS TO WITHHOLD ON INTEREST AND DIVIDENDS

A. Revenue Acts of 1913–16

Few people realize that withholding is not a recent innovation in the annals of income taxation in this country. The Tariff Act of 1913, the first income law enacted after the 16th amendment was ratified, provided for collection at source of the normal individual income tax on—"interest, salaries, wages, premiums, annuities, compensation, remuneration, emoluments, or other fixed and determinable annual periodic gains, profits, and income."

This provision was retained in the Revenue Act of 1914 and 1916. Dividends were not made subject to withholding under these acts because they were at the time (and, in fact, until 1936) exempt from the normal tax.

Since the income tax applied to a very small proportion of the Nation's income recipients in this period, the withholding system was not essential for tax inforcement. Moreover, in actual operation, the early withholding system was crude and ineffective and the Secretary of the Treasury recommended its discontinuation in his annual report for fiscal year 1915. The recommendation was accepted by the Congress in the Revenue Act of 1917 and reporting of "information at the source" was substituted instead.

B. World War II proposals

Withholding was not considered seriously again until 1941. In that year, the Treasury informally presented to the Ways and Means Committee a plan for withholding on wages, salaries, interest, and dividends at a 15-percent rate. But the committee's reaction was unfavorable and action was postponed until the following year.

Early in 1942, the Treasury formally proposed withholding on wages, salaries, bond interest, and dividends. In the case of dividends and interest, the Treasury's plan provided for withholding at a rate of 10 percent on all dividends and bond interest paid to all individuals except those who filed a certificate with the payer certifying that their gross income for the taxable year was expected to be less than their exemptions and credits for dependents. Payers were required, under the plan, to accompany all payments of interest and dividends with a receipt showing the amount withheld. At the end of the year, they were also required to send to the Internal Revenue Service a list of all payments made during the year, the amount of tax withheld from each recipient, and a copy of the exemption certificates for recipients not subject to withholding. The revenue bill of 1942, as passed by the House, included the Treasury's withholding plan, modified to apply to all bond interest and dividends in order to eliminate the complications of exemption certificates.

While the bill was being considered by the Senate, the Treasury's plan was severely criticized by representatives of industry, banks, accountants, and other groups. The major objections were that the furnishing of receipts to bondholders and stockholders and the processing of withholding exemption certificates would place a heavy burden of compliance on those who were required to withhold, particularly in the case of those paying interest on coupon bonds. In addition, it was felt that the proposed plan would require the disclosure of the names of owners of stocks and bonds who had registered their securities with "nominees" or "street names."

As a result of these objections, the Treasury proposed the following modifications of its plan before the Senate Finance Committee: (1) Exemption from the withholding system of interest on coupon bonds and dividends paid by credit unions, savings and loan associations, cooperative banks, and farm cooperatives; (2) substitution of annual receipts to interest and dividend recipients by the payer, instead of receipts with every payment; and (3) no disclosure of ownership to payers by nominees and street names, with the requirement that the nominee transmit a receipt for the amount withheld to the owner.

The Senate Finance Committee omitted withholding on interest and dividends from its version of the revenue bill of 1942. As finally passed, the 1942 act provided for withholding of the victory tax on wages and salaries only, effective at the beginning of calendar year 1943.

Withholding on interest and dividends was considered again the following year when the present system of current payment was enacted. In the interest of gaining acceptance of the major features of a pay-as-you-go system, the Treasury excluded interest entirely from the withholding system and, during the hearings of the Ways and Means Committee, gave only lukewarm support for the inclusion of dividends. As finally passed, the Current Tax Payment Act of 1943 limited collection at source to wages and salaries.

C. Revenue Act of 1950

The next attempt to expand the withholding system to nonwage incomes was made in 1950. The revenue bill of 1950, as passed by the House, contained a withholding provision for dividends at a flat rate of 10 percent, with no exemptions.

Under the plan proposed by the House, stockholders would have received from the corporation either at the end of the year or after each dividend payment a statement, in any form convenient to the paying corporation, showing the amount of dividends paid and tax withheld. The tax withheld would have been handled on the individual income tax return in the same way that the tax withheld from wages and salaries is handled. The stockholder would have reported his total dividends, including amounts withheld, and would have claimed credit against his total tax liability for the amounts withheld from his wages, salaries, and dividends. Like

[1] The views expressed herein do not necessarily reflect those of the trustees, officers, and other staff members of the Committee for Economic Development.

the present forms W–2 for wages, the dividend withholding statements furnished by corporations would be attached by the individual to his return as validation of his claim for refund.

The plan was again strongly criticized in the hearings held by the Senate Finance Commitee both on equity and practical grounds. The equity argument was that it is unfair to withhold on tax-exempt organizations and individuals not subject to tax. The practical argument was that it would have been very costly for corporations to supply their stockholders with information on the amounts withheld. The Finance Committee agreed with these arguments and deleted the dividend withholding provision from the bill it sent to the Senate. After considerable debate, the Senate voted to sustain the decision of the Finance Committee. In the end, the House agreed to omit the dividend withholding provision from the bill.

D. Revenue Act of 1951

The most comprehensive and refined withholding system ever considered by the Congress was included in the revenue bill of 1951. This system was designed to meet the major objections made against the dividend withholding plan passed by the House in 1950 and to extend withholding to interest as well as dividends. As on previous occasions, the House accepted the plan, the Senate Finance Committee deleted it from the bill, the Senate followed the Finance Committee's recommendation, and the final bill as passed followed the Senate's decision.

The major advance made by the 1951 plan over the plans previously considered was the elimination of the need for any accounting of tax withheld by the payer of interest and dividends subject to withholding. The plan provided for withholding at a flat rate of 20 percent. The payer would not have been required to keep records of the amounts withheld from each individual or to submit an accounting of such amounts to the individual. Nor would he have been required to reconcile his remittances to the Government with the actual amounts withheld as is now required under the wage withholding system.

To account for his total interest and dividend receipts and to claim credit for the amounts withheld on his account, the individual would have grossed up the amounts he actually received by a factor of 25 percent. He would also have taken credit against his final liability for the amount by which his net interest and dividends were grossed up, since this is the amount withheld at the source.

The definition of dividends subject to withholding was comprehensive. The bill provided for withholding on all dividends paid to individuals and tax-exempt organizations (as well as to intercorporate dividends of nonaffiliated groups of corporations). In the case of interest, however, exemptions were made for interest on U.S. savings bonds, postal savings, bank deposits, State and local government securities, and payments on shares in savings and loan associations and credit unions. (As indicated below, it was perfectly feasible to withhold on these payments; they were exempted partly because it was felt that a large proportion of the recipients would not be taxable and partly because it was feared that withholding would discourage saving in these forms.) For practical reasons, interest payments made by individuals to other individuals were also exempted from the withholding system.

Individuals would have been required to wait until their annual return was filed to claim any refund due them. Tax-exempt organizations, on the other hand, would have been permitted to deduct the amounts withheld on their interest and dividends from any income and payroll taxes they were required to pay. In addition, they were permitted to claim refunds quarterly for any amounts of withheld interest and dividends that they were not able to offset as credits against their income and payroll tax remittances to the Government.

The House bill also required withholding on royalties, but this was not an integral part of the plan. In fact, the withholding system for royalties was patterned after the wage withholding system rather than the proposed interest and dividend system. Payers of royalties would have been required to prepare withholding receipts, similar to forms W–2, for wages and salaries. Copies of these receipts would have been sent both to the Internal Revenue Service and the taxpayer, and the latter would have been required to append a copy of his receipts to his return to validate his claim for a credit or refund.

In rejecting the new plan proposed by the House, the Senate Finance Committee again reiterated its concern about equity and compliance problems. Since this was the last time the Finance Committee has officially expressed its views about this subject, it is worth quoting its own summary of its reservations. In its report on the revenue bill of 1951 (report to accompany H.R. 4473, S. Rept. No. 781, 82d Cong., 1st sess., p. 65), the committee stated:

"While your committee recognizes that there may well be substantial underreporting of such income, largely through carelessness or inadvertence on the part of the taxpayers, it does not believe that sufficient investigation of the problem has been made to justify such a drastic solution as the House proposes. Your committee believes that the withholding provisions of the House bill would work a great hardship upon many taxpayers and impose expensive administrative burdens upon the withholding agents."

E. Lessons from the historical experience

It is clear from the foregoing record of the experience to date that a number of objections must be satisfactorily answered to make withholding on interest and dividends acceptable to the majority of the Senate:

1. Although the Finance Committee has had the benefit of all of the available estimates of underreporting of interest and dividends, it was still not convinced, as of 1951, that "a drastic solution" like withholding was justified.

2. Since 1943, the proposed plans would have applied withholding to interest and dividends at a flat rate, without regard to the tax status of the recipients. This was done because, during all of the discussions, corporations and other payers of interest and dividends repeatedly stated that it would be inordinately costly for them to take account of exemption status in withholding on these payments. To eliminate these costs, the plans applied withholding across the board to all dividends and interest. This meant that nontaxable recipients of interest and dividends would be subject to overwithholding. Such overwithholding was considered inequitable—despite the fact that close to $600 million of tax has been withheld annually from the wages of about 8 million nontaxable wage earners in recent years. Regardless of the merits of the arugment, it seems clear that a system of quick refunds to nonprofit organizations and nontaxable individuals is necesary to make withholding on interest and dividends more acceptable to its opponents.

3. There is a lingering feeling, particularly in the Senate, that interest and dividends withholding is extremely complicated and would add greatly to the costs of the withholding agents. This may have been true in the case of the earlier plans that provided for exemption certificates to prevent overwithholding on nontaxable recipients of interest and dividends, and for the transmission of a statement by the withholding agent to the recipient showing the amount of tax withheld. As already noted, the 1951 plan eliminated both of these features. Under this plan, the compliance problems of the withholding agent would be no greater than the time it takes to compute 20 percent of his total interest and dividend payments and to remit that amount to the Government. Nevertheless, doubts continue to be expressed about the practicability of such aspects of the plan as the treatment of coupon bond interest, series E bond interest, interest and dividends received through intermediaries, and other technical details. All of these problems were solved in the 1951 legislation, but critics of withholding continue to argue that the plan is excessively complicated.

In brief, the three critical questions that remain to be answered are: (1) Is the evidence of underreporting of interest and dividends conclusive enough to warrant adoption of withholding? (2) Can the 1951 plan be adapted to provide quick refunds to nontaxable individuals and organizations? (3) Has provision been made to handle the many different forms of interest and dividend payments without undue complications? These questions are considered in the following sections.

II. EVIDENCE OF UNDERREPORTING OF INTEREST AND DIVIDENDS

Although it is not possible to estimate precisely the amount of understatement of dividends and interest on tax returns, two independent sources of information indicate without any doubt that the understatement is very large. These sources are: First, the audit control program conducted by the Internal Revenue Service for 1948; and, second, historical comparisons of statistics on interest and dividends paid to individuals, as estimated by the Department of Commerce, with the amounts reported by individuals on their tax returns. Most of the data in this section are drawn from the work of Prof. Daniel Holland of the Massachusetts Institute of Technology, who reports on his results in detail in his own paper in this compendium entitled "Underreporting of Dividends and Interest on Tax Returns." I am indebted to Professor Holland for permitting me to use his estimates prior to publication.

A. Results of the audit control program

On the basis of a scientifically drawn sample of tax returns which were examined carefully by trained field auditors, the Internal Revenue Service has estimated that, of the 52.1 million returns filed in 1948, 13.7 million were erroneous by at least $2 of tax. Of this latter number, over 540,000 contained dividend errors and almost 2 million contained interest errors. The dividend and interest errors in about one-half of the returns with errors in these two income sources were the major sources of error on these returns. More than 90 percent of the taxpayers who made dividend and interest errors paid too little tax.

The average tax error on the 260,000 returns with major errors in dividend income was $79; this varied from $31 on returns with incomes of less than $7,000 to $1,420 on returns reporting incomes of $100,000 and over. For the 1 million returns with major errors in interest income, the average tax error was $18 and varied from $12 in the lowest brackets to $1,467 in the highest.

"Statistics of Income" indicate that 3.3 million form 1040 returns reported dividends and 4 million reported interest in 1948. The 540,000 returns with dividend errors thus

constituted almost 18 percent of the total number of 1040 returns on which dividends were reported. The 2 million returns with errors in interest constituted almost 50 percent of the 1040 returns reporting interest.

On the basis of these data, Professor Holland has estimated that between $90 million and $180 million of dividends (or between 1.8 percent and 3.6 percent of the total amount reported on all returns) would have been uncovered in 1948 if all returns filed in that year had been audited as carefully as the returns included in the audit control sample. About one-third of the underreporting was found in adjusted gross income classes below $7,000; one-half was between $7,000 and $25,000; and the remainder was above $25,000. The proportionate amount of underreporting varied inversely with the size of individual incomes: It was between 3 and 6 percent of the total dividends voluntarily reported on returns with adjusted gross incomes below $25,000; between 1 and 2 percent between $25,000 and $100,000; and between one-fourth and one-half of 1 percent above $100,000.

Professor Holland's calculations also indicate that a complete audit of all tax returns in 1948 would have uncovered between $190 million and $380 million of interest (or between 15 and 30 percent of the amounts actually reported on returns). About 62 percent of the underreporting was in adjusted gross income classes below $7,000; 32 percent was between $7,000 and $25,000; and the remainder above $25,000. The proportionate amount of underreporting was between 17 and 35 percent of interest reported on returns with adjusted gross incomes under $25,000; between 4 and 9 percent between $25,000 and $100,000; and between 2.5 and 5 percent above $100,000. Thus, at all income levels, the percentage underreporting was larger for interest than for dividends, but a much larger proportion of the interest errors was concentrated in the lowest income brackets.

B. Comparisons of aggregates of interest and dividends paid with amounts reported on tax returns

The incomes reported by individuals on their tax returns cannot be compared directly with the personal income estimates of the Department of Commerce because the two sets of data differ in concept and coverage. However, it is now possible to make fairly reliable estimates of the most important adjustments needed to put the series on a comparable basis with the series obtained from tax returns.

Estimates of the adjusted series for the years 1948–57, prepared by Professor Holland, are shown in tables 1 and 2. In 1957, the amount of dividends not accounted for on tax returns was of the order of $1.7 billion, or 15 percent of the adjusted dividend payments. In the same year, $5.5 billion of interest, or 58 percent of adjusted interest payments, was not accounted for on tax returns. (This estimate understates the interest gap because the basic personal interest income series does not include interest paid by one individual to another on personal loans.)

Between 1948 and 1957, the dollar amount of dividends and interest not accounted for on tax returns more than doubled—in the case of dividends, from $844 million to almost $1.7 billion, and in the case of interest, from $2.3 billion to $5.5 billion. In relative terms, the dividend gap varied between 12 and 13 percent in 1948–51, increased to 16 percent in 1953–54 and to 19 percent in 1955, and then declined to 15 percent in 1957. On the other hand, the interest gap has varied narrowly between 56 and 59 percent throughout the period through 1957.

TABLE 1.—*Estimated gap between dividends paid and amounts accounted for on income tax returns, 1948–57*

[Dollar amounts in millions]

Year	Adjusted dividend payments [1]	Dividends accounted for on tax returns [2]	Gap	
			Amount	Percent of adjusted payments
1948	$6,860	$6,016	$844	12
1949	7,086	6,211	875	12
1950	8,706	7,545	1,161	13
1951	8,498	7,440	1,058	12
1952	8,378	7,304	1,074	13
1953	8,647	7,251	1,396	16
1954	9,069	7,582	1,487	16
1955	10,350	8,364	1,986	19
1956	11,163	9,174	1,989	18
1957	11,430	9,739	1,691	15

[1] Dividends paid, as estimated by the Department of Commerce, less dividends received by foreigners, mutual insurance companies, nonprofit organizations, and noninsured pension funds.

[2] Dividends reported by individuals on their tax returns as dividends and as "other income" on forms 1040A, plus dividends received through partnerships and taxable and nontaxable fiduciaries, less dividends received by residents of Alaska and Hawaii.

Source: Paper by Daniel Holland in this compendium, "Underreporting of Interest and Dividends on Tax Returns," table A–1, variant 1.

TABLE 2.—*Estimated gap between interest paid and amounts accounted for on income tax returns, 1948–57*

[Dollar amounts in millions]

Year	Adjusted interest payments [1]	Interest accounted for on tax returns [2]	Gap	
			Amount	Percent of adjusted payments
1948	$3,988	$1,672	$2,315	58
1949	4,365	1,929	2,436	56
1950	4,777	2,022	2,755	58
1951	5,240	2,161	3,079	59
1952	5,505	2,320	3,185	58
1953	6,106	2,550	3,556	58
1954	6,716	2,906	3,810	57
1955	7,319	3,140	4,179	57
1956	8,131	3,468	4,663	57
1957	9,490	4,007	5,483	58

[1] Personal interest income less net imputed interest, as estimated by the Department of Commerce, less interest receipts of nonprofit organizations, noninsured pension funds, and group hospitalization and health plans, tax-exempt interest, and accrued discount on U.S. savings bonds.

[2] Interest reported by individuals on their tax returns as interest and as "other income" on forms 1040A, plus interest received by partnerships and taxable and nontaxable fiduciaries, less interest received by residents of Alaska and Hawaii.

Source: Paper by Daniel Holland in this compendium, "Underreporting of Interest and Dividends on Tax Returns", table A–2, variant 1.

It is significant that there has been no noticeable trend downward in either of the two gaps during this period. Since exemptions and filing requirements have remained the same while incomes have risen, the proportion of income recipients required to file returns has increased. One might have expected, therefore, that the gaps would have shown a slight tendency to decline in relative terms. Since the percentage of dividends not accounted for on tax returns has increased, dividend compliance must have deteriorated in recent years. And the fact that the percentage of interest not accounted for on tax returns has remained about the same suggests that interest compliance has also been declining as incomes have risen. However, despite the recent rise in the dividend gap, interest compliance is still much poorer than dividend compliance both in absolute and relative terms.

It is evident that the gaps computed from aggregate data are larger than the estimates of underreporting derived from the audit control program. For the year 1948, the dividend gap of roughly $840 million is $660 million larger than the maximum estimate of underreporting disclosed by the audit control program, while the interest gap of $2.3 billion is $1.9 billion larger than the maximum estimate of interest underreporting disclosed by the audit control program. These differences are the result of three factors: First, the gap estimates include incomes received by persons who are not required to file returns; second, the audit control program did not include individuals who were required to file but failed to do so; and, third, many taxpayers in the audit sample undoubtedly successfully concealed their true receipts from the examining officers. The very large difference between the interest gap and the estimate from the audit control program suggests that substantial amounts of interest are received by persons who are not required to file. Nevertheless, it is clear that, even if every return were audited carefully by the Internal Revenue Service, a large amount of dividends and an even larger amount of interest would not be detected.

C. Estimated revenue loss and recoupment of revenue through withholding

To calculate the revenue loss from underreporting of interest and dividends, it is necessary to have data on the proportion of the unreported amounts received by persons who would not be taxable and the average marginal rate of tax that would apply to the amounts received by those who are taxable. Neither of these figures is known. However, even on the basis of conservative assumptions, Holland estimates that $1 billion of dividends and $3.5 billion of interest were not reported by taxable individuals in 1957 and that the total revenue loss due to this underreporting was in the neighborhood of $1 billion ($300 million for dividends and $700 million for interest).

It is difficult to estimate precisely how much of this lost revenue would be recovered if interest and dividends were subject to withholding. To avoid overstating the revenue recoupment, I have assumed that the additional tax collected on the amounts not reported by taxpayers would be at the first-bracket rate after allowing for the standard deduction, of 18 percent. On this assumption, withholding would have increased tax collections by $800 million in 1957. Since personal interest income and dividends were running 14 and 5 percent higher, respectively, in mid-1959 than in 1957, the potential revenue gain is probably on the order of $900 million at the present time.

These estimates are imperfect in two respects. On the one hand, the assumption that nothing beyond the first-bracket rate would be collected from the unreported dividends is clearly an understatement. If a withholding system were put into effect, many taxpayers in the higher income brackets who now fail to report their interest and dividends would probably report them to claim credit for tax withheld. On the other hand, it may be impractical to withhold on some types of interest payments that were included in the gap estimates, the most important of which are interest payments on home mortgages held by individuals. These two factors would tend to offset one another, but there is no way of knowing which would be the more important. In view of the conservative assumptions used, however, the revenue that would be recovered by a comprehensive interest and dividend withholding system would probably not be very far from the $900 million estimated earlier.

No allowance has been made in this estimate for the revenues recovered from interest and dividends through the present

enforcement procedures. Such an allowance is unnecessary, in my opinion, because the funds now used for enforcing the tax on interest and dividends received by the large majority of taxpayers would be diverted to other areas if these items were made subject to withholding, so that there would probably be no net reduction in the additional tax collected through enforcement as a result of the adoption of interest and dividend withholding. In any case, we know that the tax on interest and dividends uncovered by audits must be a small fraction of the amount potentially to be gained by withholding. In recent years, the total additional collections from individual income tax enforcement have amounted to roughly $500–600 million per year. This includes amounts collected from taxpayers making error of any sort, including mathematical errors, overstatement of deductions and exemptions, and understatement of incomes other than interest and dividends as well as interest and dividends. Unfortunately, the Internal Revenue Service does not break down the additional tax it collects by source of error. But, in view of the relative importance of other incomes and of the high frequency of errors in reporting of deductions and exemptions, it would be surprising if the additional tax collected from interest and dividends amounted to more than $50 million annually. (It may be noted parenthetically that the lack of a breakdown of the additional income and tax by type, disclosed through the regular auditing procedures is a serious gap in our information on the effectiveness of the enforcement process. If it does not do so of its own accord, the Internal Revenue Service should be instructed by the Congress to make such information regularly available to the public.)

In summary, in the 8 years since the Congress last considered withholding on interest and dividends, the relative amount of underreporting of dividends has increased and the relative amount of interest underreporting has not declined perceptibly. The revenue loss from this underreporting is large, even after generous allowances are made for interest and dividends received by nontaxable individuals. Conservatively, it is estimated that a comprehensive interest and dividend withholding system would increase revenues by about $900 million per year at this year's income levels.

III. DETAILS OF THE 1951 WITHHOLDING PLAN

The 1951 interest and dividend withholding plan relies on a single and obvious bit of arithmetic. If tax is withheld at a flat rate of 20 percent on the gross payment, the amount withheld is 25 percent of the net amount after withholding. With this as a base, it is possible to operate a withholding system without requiring any additional recordkeeping on the part of the withholding agent.

For example, suppose an individual owns 10 $1,000 corporate bonds, with an interest return of 3 percent per annum. At a 20-percent withholding rate, the corporation would pay to the individual $240 annually ($300 less 20 percent for withholding). The corporation would remit to the district director of internal revenue the balance of $60. At this point, the corporation's role ends—it prepares no documents for the Government or for the interest recipient.

On his income tax return, the individual would enter the $240 of interest he received. He would then add one-quarter of this amount or $60, which was the amount withheld. The total of $300—the amount of interest he received before withholding—would be included in his adjusted gross income. After computing his total tax liability, he would deduct the amounts withheld on wages and salaries, payments on declarations of estimated tax, and the $60 withheld at source on interest to obtain the overpayment (which would be refunded to him) or the balance of tax due (which he would remit to the district director of internal revenue with his return).

The computations would be the same even if the individual received interest and dividends from several sources. In all cases, he would enter the net amounts received from these sources and would then "gross up" for the total receipts (not separately for each receipt). The "grossing up" procedure would automatically provide the correct computation of the amounts withheld and of the amounts to be credited against final liability. It would add a few lines to the tax return form, but the steps are simple and would not introduce any serious complications on the return. (See sec. IV–A1, below.)

A. Provision for changes in rates

The withholding rate, under the 1951 plan, was designed to approximate the starting individual income tax rate, without requiring individuals and the withholding agents to use fractional percentages in computing the amounts withheld. At the starting rate of 22.2 percent under the 1951 bill, the simplest withholding rate for dividends and interest was 20 percent, since it meant that the tax withheld would be exactly one-quarter of the net amounts received after withholding. This withholding rate also accounted exactly for the standard deduction (22.2 percent less the standard deduction of 10 percent gives a net rate of 20 percent).

The system can be adapted to any other starting rate, but it would be difficult to take account of the standard deduction precisely in all cases. For example, at the present starting rate of 20 percent, a withholding rate of 18 percent would be required to allow for the standard deduction. This would mean that individuals would be required to gross up their net dividends and interest by a factor of eighteen-eighty-seconds, or 22 percent. Thus, a corporation would withhold $18 from a dividend payment of $100. The taxpayer, in turn, would be required to multiply his net dividend of $82 by 22 percent to arrive at the $18 which must be added to obtain the total dividend to be included in his income.

To avoid these fractional percentages, it would be simpler to lower the withholding rate in this case to 16⅔ percent, or one-sixth. At this withholding rate, the amount withheld is exactly 20 percent or one-fifth of the net amount received by the taxpayer after withholding (16⅔ divided by 83⅓). With this arrangement, payers could withhold at a rate of one-sixth of the dividends and interest they pay, and dividend and interest recipients would gross up by one-fifth, or 20 percent. While the withholding rate would not be geared exactly to the first-bracket rate, the difference would be relatively small and would achieve substantially the same compliance as the exact withholding rate.

In general, if the withholding rate is 1/r, the grossing up factor is 1/r–1. The following table indicates a series of withholding rates and grossing up factors that might be used for various individual income tax starting rates ranging from 10 percent to the present level of 20 percent.

Individual income tax starting rate (percent)	Rate after 10 percent standard deduction (percent)	Withholding rate	"Grossing-up" factor
20	18.0	1/6	1/5
18	16.2	1/6	1/5
16	14.4	1/7	1/6
14	12.6	1/8	1/7
12	10.8	1/10	1/9
10	9.0	1/11	1/10

B. Effect of the dividend credit and exclusion

Given the present dividend credit of 4 percent, the marginal rate of tax on dividends (after the $50 exclusion) of taxpayers in the first bracket is 14 percent (20 percent minus 2 percent for the standard deduction minus 4 percent for the dividend credit). A withholding rate of one-seventh would be very close to 14 percent. But, since there is no credit for interest, the closest fraction for withholding at the first bracket rate on interest is one-sixth. There is no reason why different withholding rates cannot be used for dividends and interest—the taxpayer would be instructed to gross up each of these receipts separately on his tax return in any event. Nevertheless, if two withholding rates are regarded as confusing, either one-sixth or one-seventh could be used for both. The larger fraction would have the advantage of increasing slightly the revenue gain from withholding; the smaller fraction would minimize overwithholding.

It would be impossible to make allowance for the $50 exclusion under the 1951 plan without complicating it unnecessarily. If the dividend exclusion is disregarded, the maximum amount of overwithholding for taxpayers with dividends less than $50 would be $8.33 ($16.67 on joint returns) at a withholding rate of one-sixth. According to statistics of income, the average refund due to taxpayers who overpaid their tax either through withholding or payments on declarations was more than $100 in 1957. Since refunds of these magnitudes are tolerated by taxpayers (in some cases, they are welcomed as a convenient device to save), the small additional amounts of overwithholding under a withholding system that disregarded the dividend exclusion are hardly likely to be noticed by most people.

C. Treatment of interest

Unlike the plans previously considered, the 1951 plan was easily adaptable to withholding on most interest payments to individuals, even if the amounts are small.

For example, assuming a withholding rate of one-sixth, a savings and loan association or a bank paying 2-percent interest on deposits semiannually would credit each account at the rate of 1.67 percent. To calculate the amount to be remitted to the Government, it could either multiply the total interest actually credited to all accounts by one-fifth, or apply 0.33 percent to the total balances in all accounts on the date interest was credited to them.

In the case of a coupon bond, the owner would turn in his interest coupon at a bank and would receive 83 percent of its face amount from the bank. (If the owner cashes the coupon, say, at the corner grocery store, the grocer would also pay him only 83 percent and would receive that amount from his bank when he cashes it.) The bank would, in turn, be reimbursed for 83 percent of the face amount of the coupon by the corporation issuing the bond and the corporation would remit the remaining 17 percent to the Government. Thus, the correct amount would be withheld, regardless of the number of different persons handling the coupon while it is en route to being cashed, without requiring the corporation to know the identity of the bondholder.

In the case of series E bonds, banks and other agents authorized to redeem such bonds would be provided with tables showing the gross redemption value, the interest included in this redemption value, income tax withheld, and the net amount to be paid at redemption. For example, where an individual redeems a $50 bond at maturity, the purchase price is $37.50, interest is $12.50, the tax withheld would be $2.08 (at a withholding rate of one-sixth), and the bank would remit to the bond owner $47.92. This redemption procedure would involve no more work for the bank teller redeeming the bond than he is required to do under present procedures since he would read off the amount

to be paid to the bond owner from a table, just as he does today.

In the usual case, most individuals will not have entered the interest from series E bonds on their annual returns as it accrued. Consequently, inclusion of the total interest received in the year of redemption would ordinarily yield the correct amount of interest includible in taxable income that year. In the rare case where an individual will have accrued his interest, the grossing-up procedure would overstate the amount of interest to be included in income in the year of redemption. For these few cases, it would be necessary to make provision for deducting the interest entered on prior-year returns. However, the full amount of tax withheld would be credited against his final liability.

While it would be desirable to make the interest withholding system as comprehensive as possible, it would be impractical to require withholding on interest paid by individuals. Thus, it would be necessary to exempt from withholding all interest payments on home mortgages and personal loans. However, the exception should be limited to individuals acting only in their personal capacity. If they operate a business, there is no reason why they cannot withhold on interest just as they now withhold on wages and salaries paid to their employees.

D. Treatment of dividends or interest received through partnerships or trusts

Dividends and interest received by individuals through intermediaries such as partnerships and trusts were also subject to withholding under the 1951 plan. To enable the individual to prepare his return, the partnership or trustee would make the information on the amount of dividends and interest received and the tax withheld available to him when he is given the annual summary of his share of income derived from the organization. Space would be provided for the individual in schedules C and G of form 1040 to enter the amounts withheld through partnerships and trusts and these amounts would also be credited against final liability.

In the case of trusts not distributing the full amount of income, the allocation of amounts withheld as between the trust and the beneficiaries would be made on a proportionate basis according to the relative amounts distributed and retained.

E. Provision for prompt refunds to persons and organizations not subject to tax

As already noted, the major objection to the 1951 plan was that it withheld on interest and dividend payments whether or not the recipient was taxable. Tax-exempt organizations strenuously objected to this reduction in their investment income, and provision was made in the House bill to minimize the amount of overwithholding for such organizations. However, no special treatment was provided for individuals not subject to tax.

The plan for tax-exempt organizations was to allow them to offset currently the amounts withheld from their dividends and interest against the amounts they withheld from their employees. For example, if during a given quarter a university withholds $50,000 from its employees, and $30,000 was withheld from its interest and dividends, it would pay only $20,000 to the Government. In those instances where the amount withheld exceeds the amount owed to the Government, the excess would have been refunded promptly at the end of each quarter.

In view of the concern regarding withholding on nontaxable individuals, it will probably be necessary to expand the system of quarterly refunds to include persons who are not taxable as well as tax-exempt organizations. Like the plan for the latter in the 1951 bill, withholding agents need not be involved at all. They would withhold at a flat rate on all their interest and dividend payments. At the end of each quarter, individuals eligible for refunds would prepare a claim on a simple form and would send this form to the Internal Revenue Service. The refund claim need be no more complicated than the claim now filed by farmers for taxes on gasoline used on farms (form 2240), which is printed on a punchcard. (Aside from the claimant's name, address, and signature, the form contains three lines for the computation of the refund.) With modern machine methods, such claims can be processed within a matter of days.

It is possible to permit all nontaxable interest and dividend recipients to claim intra-annual refunds. However, it would be advisable, at least at the beginning to restrict the privilege of filing a claim to those who expect to have total incomes of less than $600 during the year ($1,200 for persons over 65 years of age and the blind); that is the present filing requirements. This would take care of a substantial proportion of the hardship cases and would forestall a large number of refund claims by individuals who would find themselves taxable at the end of the year.

If all persons who expect to be nontaxable are permitted to file refund claims for tax withheld on interest and dividends, nontaxable wage earners should also be given the same privilege. As already noted, 8 million nontaxable wage earners are now withheld on annually, and they would be as entitled to quick refunds as dividend and interest recipients. (Actually, nontaxable wage earners do not seem to object to withholding, and it is doubtful whether quick refunds are needed either for them or for nontaxable interest and dividend recipients. But the cost of a quick refund system is negligible as compared to the hundreds of millions of dollars to be gained by withholding on interest and dividends, and it would be a small price to pay for this large amount of revenue.)

IV. PROS AND CONS OF WITHHOLDING ON INTEREST AND DIVIDENDS

A. Advantages

1. Improved compliance: One overwhelming advantage of the 1951 plan is that it would collect practically the entire tax liability on dividends and interest received by taxpayers subject to the first bracket rate, without requiring withholding statements or information returns for the millions of small amounts of dividends and interest paid each year. Unless the withholding rate is substantially less than the first bracket rate, taxable individuals subject to the first bracket rate would gain very little by understating the amounts of interest or dividends they receive. Correspondingly, the Government would lose nothing even if first-bracket taxpayers failed to report dividends and interest on their returns.

For those with incomes taxable at higher bracket rates, compliance would be enforced on the basis of the information returns by the methods employed today. Because of the automatic enforcement achieved through withholding for low-income taxpayers, the Internal Revenue Service would have available more resources for enforcing compliance with respect to dividends and interest by higher bracket taxpayers.

Although critics of withholding have argued that the Internal Revenue Service should be able to enforce the tax on interest and dividends by using the information returns it now receives, it is not hard to see why this is out of the question. The number of information returns for these two items runs into the tens of millions. In many instances, interest and dividend recipients give different names (and, sometimes, different addresses) to corporations, banks, savings and loan associations, and other payor institutions. To collate the information returns by name, and then to match them with the tax returns filed by the recipients, would be a large and expensive undertaking, even with the latest electronic equipment. (Use of different initials, abbreviations, and other minor differences in designation would slow up the matching operation whether it is done by machine or by hand.) Even if this part of the operation were ever completed, it would be extremely costly to follow through individually on the hundreds of thousands of delinquent stockholders and interest recipients with small amounts of tax due. No tax enforcement officer with limited resources at his disposal would allocate the funds necessary to complete such an operation since the funds could be used much more efficiently in other ways.

Since there would be no paperwork, the withholding plan would not impose any burdens on the withholding agent. The amount to be remitted to the Government would be a flat percent of the total dividends or interest paid, and it would not be necessary to reconcile this amount with the total of the amounts withheld. In actual practice, the payor would not be required to make any more computations for each account than he does today; the only difference would be that he would pay dividends and interest to each stockholder and interest recipient at a somewhat lower rate. Thus, for example, assuming a withholding rate of one-sixth, a corporation paying a dividend of $1 per quarter would actually pay out $0.83 to their stockholders; and a bank paying 3-percent interest would actually credit 2.5 percent to their depositors' accounts.

As for the taxpayer, a few simple instructions on the return form would prevent any misunderstanding. Suppose the withholding rate is one-sixth and he receives a total of $260 of interest after withholding. He would report this information approximately as follows on his return:

(1)	Enter here the total amount of interest you actually received	$260
(2)	Divide the amount in line 1 by 5 and enter the result here (this is the amount of tax that was withheld on your interest)	52
(3)	Total interest you received (add lines 1 and 2)	312

To give the taxpayer credit for the amount withheld, there would be a line on page 1 of the tax return instructing him to enter the amount shown in line 2 above. These are very simple procedures indeed, particularly when compared with the very complicated schedules and instructions taxpayers are now required to fill out and read to claim the dividend and retirement income credits.

2. Increased revenues: Since the ordinary enforcement techniques cannot be used to detect the millions of small dividend and interest errors on tax returns, withholding is the only way to recover the bulk of the estimated revenue now lost through underreporting of these items. As previously indicated, the revenue gain would probably amount to $900 million at current income levels. This would be enough to increase the per capita exemption by about $30; or to level out the tax rates at the top of the income scale to a maximum of 50 percent; or to reduce the corporate tax rate by 2 percentage points; or to eliminate the excise taxes on local and long-distance telephone calls and to halve the tax on transportation of persons. In these days of high rates and low exemptions, such revenues can hardly be disregarded.

3. Assistance to taxpayers: It is not easy for most taxpayers to keep track of small amounts of interest and dividends. Depositors in banks and savings and loan associations must make a special trip to the saving institution to have their accounts credited with the proper amounts of interest. Series E bondholders receive their interest

and principal in a lump sum when they cash their bonds, and must make a special effort to determine the amount of interest. Even if interest and dividend recipients make memorandum notes of the amounts received during the year, such notes are frequently lost before the tax return must be prepared. While a withholding system would not eliminate the need for recordkeeping by interest and dividend recipients, it will at least discharge the tax liabilities of most taxpayers. Honest taxpayers will welcome withholding, not only as a convenient device to budget their taxes, but as a method to prevent them from tax delinquency through inadvertence and carelessness.

4. Increased equity and taxpayer morality: Perhaps the most important argument in favor of withholding on interest and dividends is that it would improve the equity of the income tax. Even if most of the interest and dividend errors are due to inadvertence or carelessness, the fact of the matter is that a large number of taxpayers do not pay their full share of the taxload. Wage earners have been paying their taxes at the source for 16 years; in the meantime recipients of other incomes have underreported substantial amounts. Since withholding is practical for interest and dividends, it is unfair to continue to incur large revenue losses from these sources, and it is also wasteful to require the Internal Revenue Service to use its scarce resources to track down the underreporting of these items.

Some people have opposed withholding on the ground that it would reduce saving. The argument implies that savers will be discouraged from saving merely because the Government requires full payment of the tax they owe on their property incomes. Clearly, such an argument can hardly be made the basis for objecting to the improvement of enforcement of present tax rates. If tax rates are too high for incentive or other reasons, they should be reduced for everybody—not only for a minority who are either careless or choose to be dishonest.

B. Disadvantages

1. Overwithholding: By its very nature, a withholding system that applies to all dividends and interest without any allowance for personal exemptions must involve some overwithholding. Whether this is a serious problem is a matter of judgment. During the early days of the wage-withholding system, considerable concern was expressed by some people that wage earners would resent being overwithheld on. In fact, more than 30 million refund checks are mailed each year—yet few complaints have been received by the Internal Revenue Service. Nevertheless, the inequity of withholding on nontaxable dividend and interest recipients will exist and, if it is regarded as intolerable, the only alternatives are to permit nontaxable interest and dividend recipients to file exemption certificates with the withholding agents or to provide for intra-annual refunds.

2. Excessive claims for refunds: It would be possible, under the 1951 plan, for nontaxable individuals to overstate the amounts of interest and dividends they receive. By making such overstatements, they would have automatically refunded to them the amount by which the dividend and interest are grossed up. Obviously, it would be very difficult to check overstatements by a large number of taxpayers if the practice became widespread. Some have argued that, even though excessive claims for refunds might be infrequent when the plan was put into effect, nontaxable individuals would soon learn that it was profitable to overstate their interest and dividends. If this led to overstatement on a wide scale, confidence in the entire tax system would be impaired.

It should be recognized, however, that overstatement of interest and dividends would be a fraudulent act, which is not common among the mass of taxpayers. Excessive refunds can be claimed at the present time by filing several tax returns with different forms W–2 or by forging forms W–2, but cases of outright fraud of this type have been infrequent. While there is some risk, the risk is small and it is more than offset by the advantage of practically full compliance for the great majority of dividend and interest recipients.

3. Unclaimed refunds: Because of the large number of small interest and dividend recipients, some people may not claim the refunds due them, either because they will not be aware that they are entitled to a refund or because the amounts involved will be small. The problem will be most serious with respect to small savings accounts. For example, children often receive no more than $1 or $2 interest on their savings accounts in a full year, and the amounts withheld on such accounts will be a matter of a few cents. Unfortunately, there is no way of avoiding this problem so long as banks and savings and loan associations continue to insist that it would be too costly for them to operate an exemption certificate system. Under the circumstances, the best that can be done is to permit claims for intra-annual refunds along the lines described in section III–E above. In addition, the Internal Revenue Service will have to make special efforts to give widespread publicity to the refund procedures and to encourage payor institutions and newspapers to assist in this educational campaign.

On balance, the advantages of withholding on interest and dividends far outweigh the disadvantages. In a tax system as large as ours, every effort should be made to provide automatic enforcement techniques, not only to keep enforcement costs within reasonable limits but also to make it as easy as possible for taxpayers to comply with the requirements of the tax law.

The same sort of doubts that were expressed about the practicability of withholding on wages and salaries before it was enacted have been expressed about the practicability of withholding on interest and dividends. Since then, however, none but a few malcontents have seriously suggested going back to the old system of tax collection with respect to wages and salaries. Since the revenue loss from interest and dividend underreporting is so large, withholding on these sources of income should be enacted at least for an experimental period. I have little doubt that, once in operation, interest and dividend withholding will be acknowledged to be just as fair and essential a part of the enforcement process as the wage and salary withholding.

Finally, it is important to remember that, although taxpayer morality is generally on a high level in the United States, it would be a mistake to assume it will continue at this level indefinitely if there are obvious inequalities in tax enforcement. Other countries have had great difficulties in raising the revenues they need by allowing enforcement to deteriorate. Taxpayer morality is, therefore, an important asset and it should be encouraged and protected to the greatest degree possible. By removing a serious inequity, adoption of withholding on interest would be a worthwhile investment in this very important national asset.

Mr. PROXMIRE. This article, I think, is one of the most readable and persuasive expositions of the case that I have read. Dr. Pechman has devoted an enormous amount of time to this subject. He has demonstrated his competence in many ways, and I do not think anyone can read his article without being persuaded that the proposal is thoroughly practical as well, of course, as being in the very great interest of the taxpayers and the American people.

I ask unanimous consent that a statement by Professor Holland, which appears on page 765 of the hearings of the Committee on Ways and Means on Tuesday, December 8, 1959, be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF DANIEL M. HOLLAND, ASSOCIATE PROFESSOR OF FINANCE, MASSACHUSETTS INSTITUTE OF TECHNOLOGY

I shall summarize briefly some of the findings presented in the paper I prepared for the Tax Revision Compendium on the Underreporting of Dividends and Interest.

I will, of course, be happy to go into these matters more deeply or take up points not covered in this summary, should you desire, in the course of today's discussion.

For many years now the tax liability associated with wages and salaries received in the normal course of employment has been collected at source, prior to the employee's receipt of such payments, but reporting of and paying the tax liability on other types of income receipts has remained the responsibility of the taxpayer.

Given this dichotomy in administrative practice, the zeal with which taxpayers have assumed their responsibility to report income is more than a piece of information; it is a matter of real concern.

For two such categories of income—dividends and interest—I have attempted to measure over the last 20 years or so, the extent to which dividend receipts and interest receipts did not show up on tax returns.

Very simply, I have compared the total of these income types derivable directly or indirectly from tax returns, with the aggregate amount of dividends and interest receipts of individuals as estimated by the National Income Division of the Office of Business Economics of the Department of Commerce, adjusting these latter data as best I could for comparability with tax law definitions and reporting requirements.

The difference between estimated aggregate personal dividend—or interest—receipts so adjusted, and the total of same derived from tax returns has been taken to be a measure of underreporting.

I call it a gap. But—and this cannot be too strongly emphasized—this gap is not a measure of dishonesty or memory lapse.

True, these enter in, but so do also the dividend and interest receipts of persons not required to report for tax purposes or whose exemptions and deductions exceed their taxable income.

Moreover, we should recognize that some portion of the gap could be a consequence of errors in measurement due to imperfections of the data or the estimator.

Unfortunately, as you will note in what follows, I am in a position to give specific evidence on this latter point. To put it bluntly, I made a mistake, a mistake which caused me to overstate the gap for the last 5 or 6 years particularly, and I welcome this opportunity to rectify it. But more of this in a moment.

With these qualifications in mind, here is a quick summary of my findings, first for dividends, and then for interest.

The National Income Division estimates the dividend component of personal income at $12.5 billion for 1957.

After a number of adjustments—all subtractions from this total primarily to take out the dividend receipts of the institutions treated as persons in the national income accounts and the capital gains dividends paid by investment companies which are reported on tax returns as capital gains, not as dividends—we get a figure of about $11.1

billion as the maximum that we could expect to find on tax returns.

But to the tax returns filed in 1957, we can trace directly or indirectly some $9.8 billion of dividends. The difference between the adjusted NID figure of $11.1 billion and the tax return total of $9.8 billion—i.e., $1.3 billion—we call the dividend gap.

In 1957 the gap of $1.3 billion represented about 11.5 percent of the total that might have been reported.

Let me interrupt the main thread of this summary to point up the mistake I referred to earlier.

You will note, if you compare the results just cited with those on page 1399 of my paper, that the present version of the gap is some $350 million—almost 3 percentage points less on a relative basis—than it appears in the paper. This is because, while preparing the paper, I overlooked the fact that included in the NID dividend estimate were the capital gains dividends of investment companies, which on tax returns are reported as capital gains, not as dividends.

This oversight affects the dividend gap as I initially measured it for all the years covered in my paper, but only for the period 1954 through 1957 is the effect substantial.

I have taken the liberty of appending to this statement revisions of some of the data in my paper. In the main, the conclusions of the paper are unaffected by these corrections.

That the gap was $1.3 billion in 1957 does not mean that taxpayers purposely avoided or forgot to declare $1.3 billion of dividends that they should have. I have estimated—and I consider this a very liberal estimate—that $400 million of dividends went to nontaxable adults and minors. The rest, $900 million or so, remain a complex of evasion, memory lapse, and statistical error.

If we are interested in the revenue loss associated with the failure to report dividends, we should recognize that some dividends not currently reported are uncovered later by audit.

An allowance of $200 million on this score would be generous. This leaves about $700 million increment to tax base, or about $200 million more in tax liability were unwarranted underreporting of dividends to be corrected.

Despite all the uncertainty that characterizes my measure of the gap, there is no reason to think that the sources of statistical error would operate capriciously. That is to say, while we may justifiably feel quite unsure about the accuracy of the level of the gap, we can still accept changes of the gap overtime to be indicative of the true trend in underreporting.

My measurements for the years 1936–57 show that the gap measured as a percentage of that might have been reported was little different in the thirties and fifties.

And this is surprising in view of the income tax conversion over this period from a minority levy to a tax involving most of the population.

Total dividends are much larger now than they were 20 or 25 years ago, so the constancy of the gap in relative terms is associated with a considerably larger amount of unreported dividends currently.

In my judgment, these measures of the gap, imprecise as they may be, warrant the conclusion that dividend underreporting and, of course, the revenue loss associated with it, have not tended to be self-correcting overtime. Dividend underreporting is about as pronounced now on a relative basis as it was 25 years ago, and on an absolute basis it is more serious now.

For interest receipts my summary shall be brief indeed. The conclusions are similar to those for dividends, and the inadequacies of the data and consequent inaccuracies of the estimates make detailed discussion unrewarding.

But the magnitude of the interest gap triumphs over all statistical imprecision. And it is clear that interest underreporting is considerably more serious even though total cash interest receipts of individuals have in recent years run below dividend receipts.

For 1957 I estimated an interest gap derived on a basis similar to that used for dividends of $5.5 billion and estimated also that some $2 billion of this was received by nontaxable individuals.

Hence, about $3.5 billion that should have been reported, wasn't. I repeat, this figure could be off sizably in either direction, but on any basis of estimation the unwarranted underreporting of interest is substantial.

This suggests a revenue loss associated with interest underreporting of about $750 million.

The trends in the interest gap over the last 20 years shown no real fall in relative underreporting and, of course, an absolute increase in the amount of unreported interest.

Despite the wide ranges of error to which our estimates are subject, the following conclusions seem justified:

1. A goodly amount of dividends and an even more substantial amount of unreported interest receipts cannot be explained away. Taxpayers forget to, or purposely fail to, report them.

2. The proportion of such dividends and interest is about as high now as it was 25 years ago; the absolute amount much higher.

3. The revenue loss associated with unwarranted nonreporting of dividends and interest may currently be close to $1 billion.

Thank you.

The CHAIRMAN. Thank you, Mr. Holland.

Without objection, your material as appended to your statement will be included immediately following your statement.

Mr. HOLLAND. Thank you, sir.

REVISIONS OF ESTIMATES IN "UNDERREPORTING OF DIVIDENDS AND INTEREST ON TAX RETURNS," BY DANIEL M. HOLLAND

(Pp. 1397–1438 of Tax Revision Compendium)

1. Table 1, page 1399, add:

Line 10a. Minus capital gains dividends of investment companies ---------- $365, 592

and change the values in succeeding lines as follows:

Line 11---------- $11, 064, 365
Line 12---------- $1, 276, 748
Line 13---------- 11.5

2. Substitute for table 2, page 1403, the following table:

TABLE 2.—*The dividend gap, 1936–57*

Year	Absolute gap (in millions)			Relative gap		
	Variant 1	Variant 2	Variant 3	Variant 1 (percent)	Variant 2 (percent)	Variant 3 (percent)
1936	580	358	-------	13.6	8.1	---------
1937	690	448	-------	15.3	9.4	---------
1938	381	209	-------	12.5	6.9	---------
1939	535	333	-------	14.7	9.2	---------
1940	239	75	87	6.2	1.9	2.2
1941	205	−22	−54	4.8	−.5	−1.3
1942	537	263	425	13.1	6.4	10.4
1943	808	523	638	18.9	11.2	14.9
1944	811	538	718	18.2	12.1	16.1
1945	745	525	524	16.7	11.8	11.8
1946	996	665	690	18.2	12.1	12.6
1947	891	575	663	14.5	9.3	10.8
1948	806	442	614	11.8	6.5	9.0
1949	829	406	535	11.8	5.8	7.6
1950	1, 106	732	853	12.8	8.5	9.9
1951	991	665	806	11.8	7.9	9.6
1952	993	737	-------	12.0	8.9	---------
1953	1, 309	979	-------	15.3	11.4	---------
1954	1, 316	1, 299	-------	14.8	14.6	---------
1955	1, 694	1, 650	-------	16.8	16.4	---------
1956	1, 604	1, 576	-------	14.9	14.6	---------
1957	1, 326	1, 277	-------	12.0	11.5	---------

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a very abbreviated section-by-section analysis of the bill, but one which I think thoroughly and comprehensively presents the bill item by item, be printed in the RECORD at this point, also.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF PROPOSED AMENDMENT TO WITHHOLD INCOME TAX ON DIVIDENDS AND INTEREST

SECTION 301

The short title of this act is "Interest and Dividends Withholding Tax Act of 1960."

SECTION 302

This section adds a new chapter 7 to the income tax law (subtitle A of the Internal Revenue Code) to provide a system for withholding income taxes on interest and dividends. The new chapter has three subchapters.

Subchapter A—Interest

Sections 1601–1602: Every person, other than an individual, paying interest after December 31, 1960, must withhold a tax equal to 20 percent. Withholding also extends to non-interest-bearing obligations issued at a discount. For such obligations, withholding will equal 20 percent of the amount by which the surrender or redemption price exceeds the issuing price.

The requirements for withholding shall not apply to—

1. Any interest which, irrespective of the person to whom payable, is wholly exempt. (An example is interest on State and local bonds.)

2. Interest paid to the United States, a State, other political subdivision, or wholly owned instrumentality or agency.

3. Interest paid to or by a foreign government, international organization, nonresident alien, or foreign corporation or partnership not engaged in business in the United States.

4. Interest paid by a corporation to an affiliate with which it files a consolidated return.

Subchapter B—Dividends

Sections 1611–1612: Every person paying a dividend after December 31, 1960, shall withhold a tax equal to 20 percent. Included in the requirement for withholding are payments by a stockbroker as a substitute for dividends, and dividends or other payments made by mutual savings banks, savings and loan associations, credit union, etc. (Patronage dividends of cooperative associations are not included.)

The requirements for withholding shall not apply to—

1. Dividends paid in stock or rights of the distributing corporation.

2. Capital gain dividends (except those of regulated investment companies), and dividends with respect to which gain or loss is not recognized as in the case of a liquidation.

3. Certain dividends (which are either exempt or involve various complexities) derived from stock redemptions, corporate reorganizations, etc.

4. Amounts treated as dividends from undistributed taxable income of subchapter S small business corporations.

5. Dividends paid to the United States, a State or other political subdivision, or its wholly owned instrumentality or agency.

6. Dividends paid to a foreign government, international organization, nonresident alien, or foreign corporation or partnership not engaged in business in the United States.

7. Dividends paid by a foreign corporation not engaged in business in the United States.

8. Dividends paid by a Federal Reserve bank, Federal land bank, Federal home loan bank, central bank for cooperative, or the bank for cooperatives.

9. Dividends paid by a corporation to an affiliate with which it files a consolidated return.

Subchapter C—General provisions

Section 1621: Every person (including the proper officer or employee of a governmental payor) required to withhold, shall make a return and pay the tax at such time and for such period, and in such manner as the Treasury by regulation shall prescribe. There is no need to record the names of those on whose behalf taxes are withheld; a withholding agent shall have no liability to such persons for taxes withheld.

Section 1622: Special provision is made for refund or credit for taxes withheld on dividends or interest paid to tax-exempt organizations. The principal credit provision is found in a new section 3505 (discussed below) while section 1622 provides for a refund when the taxes withheld exceed the credit claimed under section 3505 for any calendar quarter. Claims for refund may be filed after the close of the calendar quarter and until March 15 of the fourth year after the close of the particular quarter. The Treasury will pay no interest on refunds (generally) if made by March 16 of the calendar year succeeding the quarter for which the refund is claimed.

Section 1623: Special provision is also made for a refund to certain low-income individuals who receive dividends or interest on which taxes have been withheld. If such an individual certifies to the Treasury that his gross income will not exceed $600 ($1,200 in the case of a person over 65 years of age) for the taxable year, he may secure an immediate refund. Claims for refund may be filed after the close of the calendar quarter and until April 15 of the fourth year after the close of the particular quarter. The Treasury will pay no interest on refunds (generally) if made by April 16 of the calendar year succeeding the quarter for which the refund is claimed.

Section 1624: Regulated investment companies and personal holding companies though required to withhold tax on dividends paid by them, may credit against the sums required to be withheld (but not exceeding 100 percent thereof) all amounts required to be deducted on interest and dividends paid to them.

Section 1625: Unless reasonable cause exists for failure to file any required return, the addition to tax required to be shown on such return shall not be less than $5.

Section 1626: Any tax withheld shall not be allowed as a deduction in computing taxable income for the purpose of any Federal income tax.

Section 1627: The term "person" includes a Government, and its political subdivisions, instrumentalities or agencies. A "nonresident alien individual" includes an alien resident of Puerto Rico.

SECTION 303

Section 39: This is a new section relating to a credit to recipients for tax withheld on interest and dividends. Under Treasury regulations, sums withheld as tax on interest and dividends shall be allowed to the recipient as a credit against income tax for the year of receipt. If the recipient is a partnership or current trust fund, the tax credit is allocated among the partners or participants in the trust fund. A similar allocation is made in the case of estates and trusts for those beneficiaries who are required to include their proportionate share of the interest or dividends in their taxable income. [In lieu of this credit, see the special provisions discussed above (secs. 1622–1624) relating to tax-exempt organizations, certain low-income individuals, regulated investment companies, and personal holding companies, as well as those discussed below (sec. 3505) relating to tax-exempt organizations.]

SECTION 304

Section 3505: This is a new section providing relief for tax-exempt organizations in addition to that provided above in section 1622. Under this new section, tax-exempt organizations, and any other person (including Governments and their agencies or instrumentalities) exempt from income tax who receive interest or dividends on which tax has been withheld, may credit sums withheld against any liability in respect of employment taxes imposed (1) to finance old age benefit payments, or (2) under the requirements for withholding income tax at source on wages. This credit will be allowed only if claim therefor is made at the time of filing quarterly returns.

SECTION 305 (TECHNICAL AMENDMENTS)

Sections 1441(c)(7), 1442: Existing law already seeks to insure payment of taxes owed by nonresident aliens, both individual and corporate, by a system of withholding. The rate of withholding (except as provided by convention) is 30 percent. Sections 1602 and 1612 (discussed above) generally exempt interest and dividends paid to such aliens from the present proposal. However, amendments to sections 1441(c)(7) and 1442 provide that where any person is required to withhold tax under sections 1441 or 1442 and also under this proposed law, he shall, under sections 1441 and 1442, withhold only the amount by which the requirements of sections 1441 and 1442 exceed the requirements of sections 1602 and 1612.

Sections 6014 and 6015: These two sections of existing law relate (1) to persons filing the short form who may elect to have their income taxes computed for them by the Treasury, and (2) to persons who are required to file a declaration of estimated income tax. The specifications with respect to both groups are modified to give recognition in setting dollar limitations or requirements, to the proposed withholding of tax on dividends and interest.

Section 6042: Information returns by corporations with respect to dividends paid to shareholders will no longer be required for shareholders who are paid dividends totaling less than $300 during the taxable year.

Section 6109: Old section 6109 is renumbered 6110 and a new section 6109 is added. The new section requires the Treasury to publish annually statistics on taxes withheld on interest and dividends.

Section 6401(b): This amended section provides that if the amounts allowable as credit for tax withheld on interest and dividends exceed a taxpayer's total income tax, the excess shall be considered an overpayment available for credit against other taxes or refund.

Section 6511(d): The present law limits most claims for refunds to 3 years from the time a return is required to be filed, or 2 years from the time a tax is actually paid, whichever expires later. A proposed amendment establishes a 7-year period of limitations for filing claims not exceeding $2 in the case of individuals receiving dividends or interest on which tax has been withheld, provided such individuals were not required to file an income tax return for the taxable year because their gross income was less than $600 ($1,200 in the case of persons over 65 years of age.)

Section 6513(b): For purposes of computing time limitations on the filing of claims for credit or refund and petitions to the Tax Court, taxes withheld at the source on dividends and interest shall, in respect of the recipient of the income, be deemed to have been paid on the last day prescribed for filing the annual income tax return.

Section 7701(16): Redefinie "withholding agent" to include persons withholding tax on interest and dividends.

The technical amendments made by this act shall apply to taxable years beginning after December 31, 1960.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have my amendment printed in full at this point in the RECORD.

There being no objection, the amendment intended to be proposed by Mr. Proxmire to the bill (H.R. 12381), was ordered to be printed in the RECORD, as follows: At the end of the bill add the following:

SECTION 1. AMENDMENT OF 1954 CODE.

Whenever an amendment is expressed in terms of an amendment to a section of other provision, the reference shall be considered as to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. WITHHOLDING OF INCOME TAX ON INTEREST AND DIVIDENDS.

(a) IN GENERAL.—Subtitle A (relating to income taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 7—COLLECTION OF INCOME TAX AT SOURCE ON INTEREST AND DIVIDENDS

"SUBCHAPTER A. Interest.
"SUBCHAPTER B. Dividends.
"SUBCHAPTER C. General provisions.

Subchapter A—Interest

"SEC. 1601. Income tax collected at source on interest.
"Sec. 1602. Exemptions.

"SEC. 1601. INCOME TAX COLLECTED AT SOURCE ON INTEREST.

"(a) REQUIREMENT OF WITHHOLDING.—Every person (other than an individual) making payment after December 31, 1960, of interest shall deduct and withhold on such interest a tax equal to 20 percent of the amount thereof. If the withholding agent is unable to determine the person to whom the interest is payable, such tax shall be deducted and withheld at the time payment thereof would be made if such person were known.

"(b) INTEREST DEFINED.—For purposes of this chapter, the term 'interest' means—

"(1) interest within the meaning of section 61(a)(4), and

"(2) in the case of an obligation described in section 454 (a) or (b) (relating to noninterest bearing obligations issued at a discount), the amount by which the amount paid on surrender or redemption of such obligation exceeds the price for which such obligation was issued.

"(c) CREDIT FOR TAX WITHHELD.—

"For credit, against income tax of the recipient of the income, of amounts required to be deducted and withheld under this section, see section 39.

"SEC. 1602. EXEMPTIONS.

"(a) IN GENERAL.—The provisions of section 1601 shall not apply to—

"(1) Any interest which, irrespective of the person to whom payable, is wholly exempt from taxation under chapter 1.

"(2) Interest paid to—

"(A) the United States,

"(B) a State, a possession of the United States, a political subdivision of a State or of a possession of the United States, or the District of Columbia.

"(C) a wholly owned instrumentality or agency of any one or more of the foregoing.

"(3) Interest paid to or by—

"(A) a foreign government,

"(B) a political subdivision of a foreign government,

"(C) an international organization,

"(D) a wholly owned instrumentality or agency of any one or more foreign governments, political subdivisions thereof, or international organizations,

"(E) a foreign corporation not engaged in trade or business within the United States,

"(F) a nonresident alien individual, or

"(G) a partnership not engaged in trade or business within the United States and composed in whole or part of nonresident alien individuals.

"(4) Interest paid by a corporation to another corporation if both corporations are members of the same affiliated group which filed a consolidated return under chapter 6 for the preceding taxable year of the payor corporation.

"(b) IDENTIFICATION OF RECIPIENT.—Paragraphs (2) and (3) of subsection (a) shall apply with respect to any payment of interest only if, at the time of payment, the recipient of such interest has been identified to the withholding agent as a government, organization, or person described in such paragraphs.

"Subchapter B—Dividends

"Sec. 1611. Income tax collected at source on dividends.

"Sec. 1612. Exemptions.

"SEC. 1611. INCOME TAX COLLECTED AT SOURCE ON DIVIDENDS.

"(a) REQUIREMENT OF WITHHOLDING.—Every person making payment after December 31, 1960, of a dividend shall deduct and withhold on such dividend a tax equal to 20 percent of the amount thereof. If the withholding agent is unable to determine the person to whom the dividend is payable, such tax shall be deducted and withheld at the time payment thereof would be made if such person were known.

"(b) DIVIDEND DEFINED.—For purposes of this chapter, the term 'dividend' means—

"(1) any distribution by a corporation which is a dividend (as defined in section 316);

"(2) a payment made by a stockbroker to any person as a substitute for a dividend (as defined in section 316) on which a tax is required to be deducted and withheld under this chapter; and

"(3) a payment (whether or not designated as a dividend) by a mutual savings bank, savings and loan association, building and loan association, cooperative bank, homestead association, credit union, or similar organization, in respect of withdrawable or repurchasable shares, investment certificates, or deposits.

"(c) WITHHOLDING WHERE AMOUNT OF DIVIDEND IS UNKNOWN.—If the withholding agent is unable to determine the portion of a distribution which is a dividend, the tax required to be deducted and withheld under this chapter shall be computed on the entire amount of the distribution.

"(d) CREDIT FOR TAX WITHHELD.—

"For credit, against the income tax of the recipient of the income, of amounts required to be deducted and withheld under this section, see section 39.

"SEC. 1612. EXEMPTIONS.

"(a) IN GENERAL.—The provisions of section 1611 shall not apply to—

"(1) a dividend paid in the stock or rights to acquire the stock of the distributing corporation whether or not the recipient of such stock or rights had an option to be paid in money, or other property, in lieu of such stock or rights;

"(2) distributions (other than capital gain dividends described in section 852(b)(3)(C) to shareholders which are treated under chapter 1 as amounts received on the sale or exchange of property, or distributions with respect to which gain or loss is not recognized under chapter 1 to the shareholders);

"(3) any amount which is includible in gross income as a taxable dividend under the provisions of section 302 or 303 (relating to redemptions of stock), section 354(b) (relating to receipt of property on transfer to corporation controlled by the transferor), section 356 (relating to receipt of additional consideration in connection with certain reorganizations), or section 1081(e)(2) (relating to certain distributions pursuant to order of the Securities and Exchange Commission);

"(4) amounts treated under section 1373 as amounts distributed as dividends;

"(5) dividends paid to—

"(A) the United States,

"(B) a State, a possession of the United States, a political subdivision of a State or of a possession of the United States, or the District of Columbia, or

"(C) a wholly owned instrumentality or agency of any one or more of the foregoing;

"(6) Dividends paid to—

"(A) a foreign government,

"(B) a political subdivision of any foreign government,

"(C) an international organization,

"(D) a wholly owned instrumentality or agency of any one or more foreign governments or political subdivisions thereof, or international organizations,

"(E) a foreign corporation not engaged in trade or business within the United States,

"(F) a nonresident alien individual, or

"(G) a partnership not engaged in trade or business within the United States and composed in whole or part of nonresident alien individuals;

"(7) dividends paid by a foreign corporation not engaged in trade or business within the United States;

"(8) dividends paid by a Federal Reserve bank, Federal land bank, Federal home loan bank, central bank for cooperatives, or bank for cooperatives;

"(9) dividends paid by a corporation to another corporation if both corporations are members of the same affiliated group which filed a consolidated return under chapter 6 for the preceding taxable year of the payor corporation.

"(b) IDENTIFICATION OF RECIPIENT.—Paragraphs (5) and (6) of subsection (a) shall apply with respect to any payment of dividends only if, at the time of payment, the recipient of such dividends has been identified to the withholding agent as a government, organization, or person described in such paragraphs.

"Subchapter C—General provisions

"Sec. 1621. Returns and payment.

"Sec. 1622. Refund or credit of tax to tax-exempt organizations.

"Sec. 1623. Refund of tax to individuals not required to file income tax returns.

"Sec. 1624. Credit for regulated investment companies and personal holding companies.

"Sec. 1625. Failure to file returns.

"Sec. 1626. Nondeductibility of tax in computing taxable income.

"Sec. 1627. Definitions.

"SEC. 1621. RETURNS AND PAYMENT.

"(a) GENERAL RULE.—Every person required under this chapter to deduct and withhold any tax shall make a return of such tax and shall pay such tax, at such time, for such period, and in such manner as the Secretary or his delegate may by regulations prescribe, by making a return of the total amount of interest and the total amount of dividends with respect to which tax is required to be deducted and withheld by such person under this chapter for such period and paying a tax, for which such person shall be liable, in an amount equal to 20 percent of each such total.

"(b) GOVERNMENTAL PAYOR.—If the person referred to in subsection (a) is the United States, a State or political subdivision thereof, a possession of the United States or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, the return and payment required by subsection (a) shall be made by any officer or employer of the United States, or of such State or political subdivision, of such possession or political subdivision, of the District of Columbia, or of such agency or instrumentality, as the case may be, having control of the payment of the interest or dividend, or appropriately designated for that purpose.

"(c) ADJUSTMENT OF TAX.—If more or less than the correct amount of tax due for any period under subsection (a) is paid with respect to such period, proper adjustments with respect to the tax shall be made, without interest, in such manner and at such times as may be prescribed by regulations made under this chapter.

"(d) INDEMNIFICATION OF WITHHOLDING AGENT.—A withholding agent shall not be liable, except as provided in subsection (a), to any person for the amount of any tax required to be deducted and withheld under this chapter.

"SEC. 1622. REFUND OR CREDIT OF TAX TO TAX-EXEMPT ORGANIZATIONS.

"In the case of a person which is exempt from the tax imposed by chapter 1, if the amount required to be deducted and withheld as tax under this chapter with respect to interest and dividends received by it during any calendar quarter exceeds the credit claimed by and allowed to such person under section 3505 (relating to credit against employment taxes) for such quarter, the excess shall be immediately refunded or credit to such person as an overpayment of the tax imposed by this chapter, but only if claim therefor is filed (or, if no claim is filed, if credit or refund is made) after the close of such calendar quarter and on or before March 15 of the fourth calendar year beginning after the close of such calendar quarter. No interest shall be allowed or paid with respect to any such refund or credit for any period before the date on which claim for such refund or credit is filed or before March 16 of the calendar year succeeding the close of the calendar quarter in respect of which such refund or credit is claimed, whichever date is the later.

"SEC. 1623. REFUND OF TAX TO INDIVIDUALS NOT REQUIRED TO FILE INCOME TAX RETURNS.

"In the case of an individual who certifies (in such form and manner as the Secretary or his delegate prescribes by regulations) with respect to interest and dividends received by him during any calendar quarter that he reasonably believes (at the time of such certification) that—

"(1) he will not, for the taxable year of which such calendar quarter is a part, have a gross income of $600 or more, or

"(2) in the case of an individual who has or will attain the age of 65 before the close of such taxable year, he will not, for such taxable year, have a gross income of $1,200 or more,

the amount required to be deducted and withheld as tax under this chapter with respect to interest and dividends received by him during such calendar quarter shall be immediately refunded to him as an overpayment of the tax imposed by this chapter, but only if claim therefor is filed (or, if no claim is filed, if refund is made) after the close of such calendar quarter and on or before April 15 of the fourth calendar year beginning after the close of such calendar quarter. No interest shall be allowed or paid with respect to any such refund for any period before the date on which claim for such refund is filed or before April 16 of the calendar year succeeding the close of the calendar quarter in respect of which such refund is claimed, whichever date is the later.

"SEC. 1624. CREDIT FOR REGULATED INVESTMENT COMPANIES AND PERSONAL HOLDING COMPANIES

"In the case of any withholding agent which is a regulated investment company

(as defined in section 851) or a personal holding company (as defined in section 542), the amount required to be deducted and withheld as tax under this chapter with respect to interest and dividends received by it during a taxable year shall be allowed, under regulations prescribed by the Secretary or his delegate, as a credit against (but not in excess of) the tax for which such withholding agent is liable under section 1621(a) in respect of dividends paid by it during such year. For purposes of this section, a dividend shall be considered as having been paid within a taxable year—

"(1) in the case of a regulated investment company, if treated as paid during such taxable year under section 855(a), or

"(2) in the case of a personal holding company, to the extent elected under section 563(b), in determining the dividends paid deduction for purposes of the personal holding company tax, in the return for such year.

"SEC. 1625. FAILURE TO FILE RETURNS.

"In case of a failure to make and file any return required under this chapter within the time prescribed by law or prescribed by the Secretary or his delegate in pursuance of law, unless it is shown that such failure is due to reasonable cause and not to willful neglect, the addition to the tax or taxes required to be shown on such return shall not be less than $5.

"SEC. 1626. NONDEDUCTIBILITY OF TAX IN COMPUTING TAXABLE INCOME.

"Any tax deducted and withheld under this chapter shall not be allowed as a deduction in computing taxable income for the purpose of any tax on income imposed by Act of Congress.

"SEC. 1627. DEFINITIONS.

"For purposes of this chapter—

"(1) PERSON.—The term 'person' includes a government, a political subdivision of a government, and an instrumentality or agency of one or more governments or political subdivisions thereof.

"(2) NONRESIDENT ALIEN.—The term 'nonresident alien individual' includes an alien resident of Puerto Rico."

(b) TABLE OF CHAPTERS.—The table of chapters for subtitle A is amended by adding at the end thereof:

"CHAPTER 7. Collection of income tax at source on interest and dividends."

SEC. 2. CREDITS AGAINST INCOME TAX FOR TAX WITHHELD.

(a) ALLOWANCE OF CREDIT.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by adding at the end thereof the following new section:

"SEC. 39. CREDIT FOR TAX WITHHELD ON INTEREST AND DIVIDENDS.

"(a) GENERAL RULE.—Under regulations prescribed by the Secretary or his delegate, the amount required to be deducted and withheld under section 1601 as tax on interest and under section 1611 as tax on dividends shall be allowed to the recipient of the income as a credit against the tax imposed by this subtitle for the taxable year in which the interest or dividend is received or accrued.

"(b) PARTNERSHIPS, TRUSTS, AND ESTATES.—If the recipient of the interest or dividend is a partnership or a common trust fund, then the credit provided by subsection (a) shall not be allowed to such recipient, but the members of the partnership, or the participants in the common trust fund, as the case may be, shall be allowed their proportionate share of such credit. If the recipient is an estate or trust, and if any legatee, heir, or beneficiary subject to the tax imposed by this chapter is required to include a portion of such interest or dividend in computing his taxable income, such legatee, heir, or beneficiary shall be allowed such portion of the credit as is properly allocable to him on the basis of the income allocable to him under subchapter J (sec. 641 and following, relating to estates, trusts, beneficiaries, and decedents) for the taxable year of the estate or trust, and such portion of the credit shall not be allowed to the estate or trust.

"(c) REGULATED INVESTMENT COMPANIES AND PERSONAL HOLDING COMPANIES.—In the case of a regulated investment company or a personal holding company, the credit provided by subsection (a) shall be reduced by the amount of credit allowed such company under section 1624.

"(d) TAX-EXEMPT ORGANIZATIONS, ETC.—

"(1) IN GENERAL.—The credit provided by subsection (a) shall not be allowed—

"(A) to any recipient which is exempt from the tax imposed by chapter 1; or

"(B) to an individual, with respect to interest and dividends received during any calendar quarter for which he has made a certification under section 1623.

"(2) CROSS REFERENCES.—

"(A) For refund or credit under chapter 7 in case of a recipient which is exempt from income tax, see section 1622.

"(B) For refund under chapter 7 in case of an individual who is not required to file an income tax return, see section 1623."

(b) TABLE OF SECTIONS.—The table of sections for such part IV is amended by adding at the end thereof the following:

"Sec. 39. Credit for tax withheld on interest and dividends."

SEC. 3. CREDIT FOR TAX-EXEMPT ORGANIZATIONS

(a) ALLOWANCE OF CREDIT.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3505. SPECIAL CREDIT IN CASE OF ORGANIZATION EXEMPT FROM INCOME TAX.

"(a) GENERAL RULE.—In the case of any person (including any government or political subdivision, agency, or instrumentality thereof) which is exempt from the tax imposed by chapter 1, the amount required to be deducted and withheld as tax under chapter 7 with respect to interest and dividends received by it during any calendar quarter shall be allowed, under regulations prescribed by the Secretary or his delegate, as a credit against (but not in excess of the amount shown on the return of such person as its liability (after the adjustments, if any, provided for in sections 6205(a) and 6413(a)) for such quarter in respect of the taxes imposed by chapter 21 (Federal Insurance Contributions Act) and by chapter 24 (collection of income tax at source on wages). Such credit shall be allowed only if claim therefor is made, in accordance with such regulations, at the time of the filing of the return with respect to the taxes under chapter 21 and chapter 24 for such quarter.

"(b) CROSS-REFERENCE—

"For refund under chapter 7, see section 1622."

(b) TABLE OF SECTIONS.—The table of sections for chapter 25 is amended by adding at the end thereof the following:

"Sec. 3505. Special credit in case of organizations exempt from tax."

SEC. 4. TECHNICAL AMENDMENTS.

(a) WITHHOLDING OF TAX ON NONRESIDENT ALIEN INDIVIDUALS.—Section 1441(c) (relating to exceptions to the withholding of tax on nonresident alien individuals), is amended by adding at the end thereof the following new paragraph:

"(7) INTEREST AND DIVIDENDS ON WHICH TAX IS WITHHELD UNDER CHAPTER 7.—Where any person is required to deduct and withhold a tax under subsection (a) on an amount on which a tax required to be deducted and withheld under chapter 7, such person shall deduct and withhold under subsection (a) only the excess of—

"(A) the amount which would be required to be deducted and withheld under subsection (a) but for the application of chapter 7, over

"(B) the amount required to be deducted and withheld under chapter 7."

(b) WITHHOLDING OF TAX ON FOREIGN CORPORATIONS.—Section 1442 (relating to withholding of tax on foreign corporations) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and except that where any person is required under this section to deduct and withhold a tax on an amount on which a tax is required to be deducted and withheld under chapter 7, such person shall deduct and withhold only the excess of—

"(1) the amount which would be required to be deducted and withheld under this section but for the application of chapter 7, over

"(2) the amount required to be deducted and withheld under chapter 7."

(c) TAX COMPUTED BY SECRETARY OR HIS DELEGATE.—Section 6014 (relating to income tax not computed by the taxpayer) is amended—

(1) by striking out in subsection (a) "and whose gross income other than wages, as defined in section 3401(a), does not exceed $100," and by inserting in lieu thereof "and whose gross income (other than wages, as defined in section 3401(a), and other than interest and dividends on which tax is required to be deducted and withheld under chapter 7) does not exceed $100,"; and

(2) by inserting after "other than wages on which the tax has been withheld at the source" in subsection (b) the following: "and other than interest and dividends on which tax is required to be deducted and withheld under chapter 7".

(d) DECLARATION OF ESTIMATED INCOME TAX BY INDIVIDUALS.—Section 6015(a) (relating to declaration of estimated income tax by individuals) is amended—

(1) by striking out so much of paragraph (1) thereof as precedes subparagraph (A) and inserting in lieu thereof the following:

"(1) the gross income for the taxable year can reasonably be expected to consist of wages (as defined in section 3401(a)), and interest (as defined in section 101(b)) and dividends (as defined in section 1611(b)) on which tax is required to be deducted and withheld under chapter 7, and of not more than $100 from sources other than such wages, interest, and dividends, and can reasonably be expected to exceed—"; and

(2) by striking out so much of paragraph (2) thereof as precedes subparagraph (A) and inserting in lieu thereof the following:

"(2) the gross income can reasonably be expected to include more than $100 from sources other than wages (as defined in section 3401(a)) and other than interest (as defined in section 1601(b)) and dividends (as defined in section 1611(b)) on which a tax is required to be deducted and withheld under chapter 7, and can reasonably be expected to exceed the sum of—".

(e) INFORMATION BY CORPORATIONS.—Section 6042 (1) (relating to returns regarding corporate dividends, etc.) is amended by adding at the end thereof the following: ", except that if the amount of dividends paid to any shareholder during a calendar year is

less than $300 and tax is required to be deducted and withheld under chapter 7 on the entire amount of such dividends, no such return shall be required with respect to such shareholder for such calendar year".

(f) PUBLICATION OF STATISTICS ON TAX WITHHELD.—

(1) REQUIREMENT OF PUBLICATIONS.—Subchapter B of chapter 61 (relating to miscellaneous provisions relating to information and returns) is amended by renumbering section 6109 as 6110, and by inserting after section 6108 the following new section:

"SEC. 6109. PUBLICATION OF STATISTICS ON TAX WITHHELD ON INTEREST AND DIVIDENDS.

"The Secretary or his delegate shall prepare and publish annually statistics reasonably available with respect to the operation of chapter 7 (relating to collection of income tax at source on interest and dividends), including the amount of tax withheld on interest under section 1601 and the total amount of interest paid on which tax was withheld, the amount of tax withheld on dividends under section 1611 and the total amount of dividends paid on which tax was withheld, and any other facts deemed pertinent and valuable."

(2) TABLE OF CONTENTS.—The table of contents for such subchapter is amended by striking out

"Sec. 6109. Cross references."

and inserting in lieu thereof

"Sec. 6109. Publication of statistics on tax withheld on interest and dividends.

"Sec. 6110. Cross references."

"(b) EXCESSIVE WITHHOLDING.—If the amounts allowable as credits under section 31 (relating to credit for tax withheld at source under chapter 24) and section 39 (relating to credit for tax withheld on interest and dividends under chapter 7) exceed the taxes imposed by chapter 1 against which such credits are allowable, the amount of such excess shall be considered an overpayment."

(g) EXCESSIVE WITHHOLDING.—Section 6401(b) (relating to excessive withholding) is amended to read as follows:

(h) SPECIAL PERIOD OF LIMITATIONS FOR SMALL REFUNDS ON TAX WITHHELD AT SOURCE.—Section 6511(d) (relating to special rules for limitations on allowance of credits and refunds) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL ROLES RELATING TO TAX ON INTEREST AND DIVIDENDS WITHHELD AT SOURCE.—In the case of an individual filing a claim for credit or refund of an overpayment for a taxable year for which he was not required under section 6012(a) to make a return, to the extent that the overpayment is attributable to the credit allowed under section 39 for tax required to be deducted and withheld under chapter 7 (relating to tax withheld at source on interest and dividends), in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be 7 years from the date prescribed by law for filing a return for the taxable year with respect to which the claim is made. In the case of such a claim, the amount of credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2), to the extent of the amount of the overpayment attributable to such credit allowed under section 39, or to the extent of $2, whichever is the lesser."

(i) PRESUMPTIONS AS TO DATE OF PAYMENT.—Section 6513(b) (relating to time tax considered to be paid) is amended by adding at the end thereof the following new sentence: "For purposes of section 6511 or 6512, any tax required to be deducted and withheld at source during any taxable year of the recipient under chapter 7, shall, in respect of the recipient of the income, be deemed to have been paid by him on the last day prescribed for filing the return under section 6012 for such taxable year (determined without regard to any extension of time for filing such return)."

(j) DEFINITION OF WITHHOLDING AGENT.—Section 7701(a)(16) (defining the term "withholding agent") is amended by striking out "or 1461" and inserting in lieu thereof "1461, 1601, or 1611".

(k) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 1960.

Mr. PROXMIRE. Mr. President, I conclude by making this very general statement. As I understand, the Senator from Minnesota [Mr. MCCARTHY] has indicated his intention to propose an amendment that would knock out the dividend credit provision in the present law and, according to his estimate, raise around $350 million.

The proposal I have made would raise, in my judgment, much more than $1 billion, and I think we could establish conservatively that this would do so on the basis of the most competent and careful estimate on the part of people who are recognized authorities in the field.

I understand that the Senator from Illinois [Mr. DOUGLAS] intends to propose another revenue-raising loophole-plugging amendment, and the Senator from Pennsylvania [Mr. CLARK] will also offer an additional amendment. It seems to me that all the amendments together will give the Senate an opportunity to show its fiscal responsibility, and show it in at least two ways.

It has been reiterated over and over again, and it should be reiterated, that this is a period of relative prosperity, a period in which we should have a balanced budget and should attempt to retire as much of the national debt as we possibly can. At the same time I am not one of those who agree to the continuation of regressive sales taxes on the American people when people are simply not paying their income taxes on the dividends and interest they receive. Nor shall I agree to a continuation of a sales tax on people who ride in trains or who have telephones which they need in order to protect themselves and their families in the event of illness, a tax which is also regressive, while we continue great handouts to the oil industry through the notorious oil depletion allowance.

I cannot see in good conscience any reason on the face of the earth why we should go along with some of these other regressive sales taxes when we have the expense account racket, which is well known throughout America by anyone who has had any contact or association with business, an evasion of taxes that is notorious.

It seems to me that the fight that the Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Pennsylvania [Mr. CLARK] are making on this matter is a fight not only for fiscal responsibility, but for morality, and I feel strongly that we are entirely correct in voting in favor of the amendments. We could achieve a more equitable tax structure by not only attempting to plug these loopholes, but also attempting to repeal the repressive taxes imposed upon those least able to pay.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

TAX REFORM

Mr. DOUGLAS. Mr. President, we have had a very constructive discussion today of the various loopholes within the present revenue structure, and while the attendance of Senators has at times been scanty, a very full record has been made, and in the speeches of the Senator from Tennessee [Mr. GORE] and the Senator from Wisconsin [Mr. PROXMIRE], very startling facts have been developed.

A revision of our tax system is long overdue, because billions of dollars of revenue are now being lost by exceptions and exemptions made for specific classes of incomes. These loopholes, as has been developed, have been steadily widening through the years. If continued, the whole revenue structure will break down.

This Republic of ours, in its revenue features, is going very much the way of the Roman Republic, because under the Roman Republic the tax collectors for the districts were given a tax quota, and then were allowed to pocket everything they had collected in excess of that quota. This enriched the collectors, but it impoverished the taxpayers. The injustices which were brought about under this system contributed greatly to the social turmoil under the Republic and later under the Empire.

The historians of that period ascribe as one of the reasons for the general demoralization of Roman life which set in the fact that people with equal incomes were paying grossly unequal taxes, and that the tax collectors were obtaining excessive sums.

THE PROGRESSIVE FEDERAL TAX SYSTEM

The breakdown of our system takes a somewhat different form. We imposed a tax law which was originally intended to be fair and was based upon the principle of ability to pay. This progressive Federal law was intended to offset the regressive nature of State and local taxes. This should be borne in mind. I believe that the purpose of the original tax laws, using the income tax and the corporation tax as the main sources of revenue, was proper and wise.

TAX EVASION AND AVOIDANCE

Almost immediately the special interests began to work for ways in which these laws could be avoided and evaded. The result now is gross inequality as between individuals. The conscientious individual will pay a high percentage of his income in taxes. The sharp operator, with skilled tax lawyers, can take advantage of what are termed loopholes. The result is gross inequality, with some people paying too much and others paying much too little. A festering sense of injustice pervades the entire community, with each exemption giving rise to added claims for exemption and evasion.

DEPLETION ALLOWANCES

The facts which the Senator from Tennessee [Mr. GORE] brought out must have startled those who were not aware of how the depletion allowance had spread. It was originally intended as a stimulus to exploration and discovery of minerals, and was originally designed primarily for gas and oil. Then it was extended to almost the complete gamut of articles contained within the earth. I remember being in the Senate in 1951, when it was extended to oyster shells and clam shells and sand and gravel. The prospect of dry holes in these cases certainly is not very great. The possibility of losses due to inability to find minerals is relatively small; yet virtually everything contained within the earth now has a depletion allowance attached to it. Very few people realize that this is being extended to cover not merely clay, not merely salt, not merely gas and oil, but the products which are fabricated from these raw materials.

This is an example of how an infection, once started, spreads rapidly through the whole financial structure, and undermines the whole revenue system.

In individual views which I submitted to the Technical Amendments Act of 1958, and which are printed on pages 255 to 266, I outlined some of the weaknesses in the revenue system as I saw them at that time. I ask unanimous consent that these sections be printed in the RECORD at this point in my remarks, with permission that certain corrections may be made in the table contained on page 259 of the original document.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

INDIVIDUAL VIEWS OF SENATOR PAUL H. DOUGLAS

As this bill came from the House, it was, on balance, a reasonably good bill. But, even as it came from the House, at best it dealt with comparatively minor abuses and, for the most part, closed relatively insignificant loopholes. It pointedly ignored the many shocking injustices within our tax structure which permit certain favored taxpayers to pay a much lower tax on a given amount of income than that which other taxpayers pay on equal incomes from other sources. These unjust tax differentials in the aggregate cost the Government several billion dollars a year in revenue. They have increased over the years so that the tax structure of the country is now seriously eroded.

Among the most serious of these inequities and evasions are the following:

(1) Excessive depletion allowances in oil and gas and certain other subsurface deposits;

(2) The dividends-credit monstrosity, including the exclusion from gross income of the first $50 of dividends received and a deduction of 4 percent of the remaining dividends received, not against taxable income but against the actual tax liability itself;

(3) The fact that, while the basic income tax of 20 percent on wages and salaries is withheld at the source, withholding upon dividends and interest received is not required;

(4) Abuses in the conversion of ordinary income into capital gains;

(5) Abuses in the area of family partnerships;

(6) Abuses in the taxation of corporate "spin-offs" and "split-offs";

(7) Abuses in the field of stock options and other fringe benefits for executive and other employees;

(8) Abuse of the "ordinary and necessary" business expenses deduction;

(9) Excessive benefits to upper income groups from income splitting on a joint return.

Unless Congress cures these and other erosions and injustices, they will continue to spread like a cancer through our tax system. For when some are given favored treatment, others chafe at the additional burdens imposed upon them and demand similar exemptions. Loopholes widen into huge apertures; a breed of skilled tax lawyers develops, skilled in helping wealthy clients avoid taxes in return for big fees. The general taxpayer, too public spirited or too uninformed to obtain similar tax favors, is left bearing the burdens. Democratic government is itself weakened by the unfairness of the whole setup. Just as injustices in the collection of taxes helped to undermine the Roman republic and the ancient regime in France, so similar practices serve to breed discontent here at home and undermine men's faith in their government.

It is important, therefore, that we not only stop further erosion of the tax structure but that we begin to undo some of the damage already done. It would be plainly impossible to cure all of the defects at once. There is not time enough in this session for that. Nor is public and legislative opinion sufficiently informed and aroused. But a start can and should be made.

I therefore proposed in committee that we deal with three of the most important abuses, namely, the excessive depletion allowances on oil and gas; the failure to provide a withholding tax at the source on dividends; and the 4-percent dividends received credit against tax and the $50 dividends received exclusion from gross income.

These are the reasons in brief why these features of our present tax laws should be changed. A more detailed discussion will be given when these issues are discussed on the floor.

I

The most conspicuous of these abuses is the 27½-percent depletion allowance on income from oil and gas. Under the present law, a host of costs and special allowances are deductible from gross income before even the depletion allowance applies. These are:

(1) Operating costs.

(2) Intangible drilling and development costs. These can be written off in 1 year and not spread over a period of years as is the case in other industries. It has been estimated that between 75 percent and 90 percent of all costs can be written off in 1 year in this manner. We have, therefore, accorded to this industry virtually the ultimate in accelerated depreciation and fast tax writeoffs.

(3) Unsuccessful or dry holes, of course, can be written off.

(4) The 14-point reduction in the tax itself—or a reduction from 52 percent to 38 percent on taxable income—for income derived from operations abroad in the Western Hemisphere.

(5) Royalty payments abroad, particularly in the Near East, may be disguised as income-tax payments for which the foreign tax credit is then available so that a company then escapes liability for U.S. tax by being allowed to take a tax credit for payment which a domestic taxpayer would be permitted only to deduct from gross income rather than to take as a credit against tax.

But, in addition to all these provisions which would seem to be quite generous, a further allowance is permitted called the percentage depletion allowance. In the case of gas and oil, this amounts to an additional 27½ percent of gross income up to one-half of net income. This allowance is, moreover, permitted in perpetuity as long as there is any flow of oil or gas from the well. It is not limited to recapturing the cost of the well in question, most of which cost—as we have seen—is recovered for tax purposes in the year the outlay is made through the intangible drilling and development cost deduction. This allowance is in addition to all other deductions and it continues through time without relationship to the taxpayer's investment in the venture and whether or not that investment has been recovered for tax purposes.

The beginnings of this allowance go back a little over 30 years when an effort was made to revise the prevailing discovery depletion provisions. From its inception, the percentage depletion allowance has been 27½ percent. As corporation income taxes have risen from 14 percent to the present 52 percent, the value of this allowance has grown. Not only is this true but it has brought in its train a host of similar deductions on virtually everything else that is extracted from the earth and sea, including oystershells, clamshells, sand and gravel. There would seem to be no danger of "dry holes" here. It is almost a perfect example of a case where instead of closing a loophole in the law, an attempt has been made to make the loophole universal.

These deductions for depletion allowances in the extractive industries were $2.8 billion in 1955, the latest year for which official figures are available. For oil and gas alone, the deductions came to over $2 billion in that year.

The results of investigations which appear in the compendium on Federal tax policy, published by the Joint Economic Committee in 1955 (see p. 902), show that in 1954, the effective tax rate paid by one major oil company was only 9.2 percent. For another company, the rate was 16.3 percent, while another paid only 18.5 percent. The effective tax rate paid by 24 large petroleum companies was only 22.6 percent, while all other corporations in that year paid taxes at an effective rate of 48.1 percent. A study which I have made of 27 producing companies dealing in oil and/or gas shows that many paid infinitesimal fractions of their profits in taxes.

In 1951, the Secretary of the Treasury published official statistics on certain unidentified individuals in the oil and gas industry which showed that one individual operator, with net income in the years 1943–47 of $14.3 million, paid income taxes of only $80,000 in this period. The following table

submitted by the Secretary of the Treasury in the House hearings on the Revenue Act of 1950 gives examples of the excessive income tax deductions from the depletion allowance and the allowance for drilling and development costs:

TABLE 9.—*Income, deductions, and tax liabilities of 10 selected individual oil and gas operators, for the 5-year period 1943–47*

[Money figures in millions]

Individual operator	Net income			Special deductions		Taxable net income	Income tax liability	
	From oil and gas [1]	From other sources	Total	Percentage depletion [2]	Development costs [3]		Amount	Percent of total net income
A	$10.5	$3.8	$14.3	2.2	$13.0	[4] −$0.9	$0.08	0.6
B	5.0	.8	5.8	3.1	2.1	.6	.5	8.6
C	3.9	.5	4.4	3.2	4.4	[4] −3.2	.15	3.4
D [5]	9.3	.3	9.6	2.7	0	6.9	6.1	63.5
E	2.7	.8	3.5	1.0	.3	2.2	1.4	40.0
F	1.7	1.4	3.1	.8	1.5	.8	.6	19.4
G	7.7	−1.3	6.4	3.5	2.1	.8	.5	7.8
H	2.1	3.6	5.7	1.0	.6	4.1	2.2	38.6
I	1.7	.1	1.8	.5	1.0	.3	.2	11.1
J	8.0	−.7	7.3	2.9	1.7	2.7	2.2	30.1
Total	52.6	9.3	61.9	20.9	26.7	14.3	13.93	22.5

[1] Income after deductions for operating expenses, depreciation, adjusted-basis depletion, exploration costs and losses on abandonment.
[2] Excess of percentage depletion over adjusted-basis depletion.
[3] Development costs are expenditures for the preparation of mineral properties for production, which are deducted as expenses in the year incurred. Consequently, these expenditures are not included in the tax basis of the property and future cost or adjusted-basis depletion is correspondingly reduced. The treatment of development costs as a current expense, however, does not diminish percentage depletion in subsequent years, since the latter is determined on the basis of income in those years.
[4] While special deductions more than offset the total net income for the 5 years, some income tax was paid because there were deficits only in some years. A deficit caused by excess percentage depletion cannot be carried over against net taxable income of other years.
[5] Includes only 4 years, 1943–46.

Source: Bureau of Internal Revenue, special tabulation.

While no such statistics have been published by the Treasury in recent years, there is no reason to suppose that the facts are any different or any better now.

The justification given for such a high deduction is that it is a needed inducement for exploration and drilling. There is something to this contention but not enough to justify the added allowance of 27½ percent of gross revenue. In the first place, the other tax features provided for the industry—as we have seen—are extremely liberal and, in addition to this, the capital gains treatment, which I have not gone into, gives even further advantages.

I have, therefore, proposed an amendment which would reduce the depletion allowance of 27½ percent to 15 percent if the taxpayer's gross income from oil and gas wells exceeds $5 million in any 1 year, but that the allowance be reduced only from 27½ percent to 22 percent for those with a gross income from oil and gas wells of between $1 million and $5 million, and that the depletion allowance remain at 27½ percent for those whose gross income from oil and gas wells does not exceed $1 million per year.

This amendment is not a punitive one for (1) it does not do away with the depletion allowance altogether, and (2) it would not affect the small wildcat driller or the small producer.

There is a good reason for this last provision. Drilling for oil and gas involves some risk. It is estimated that only about 1 in 9 wells which are drilled actually produce gas or oil. The small driller, with only a few wells over which to spread this risk, does not have enough wells to assure that he will hit the 1 in 9 and may, in fact, drill 20 or 30 dry holes before hitting oil or gas. Consequently, without a great number of wells over which to spread the risk, he takes a greater risk than the large driller, who will average 1 in 9 successful wells if he drills 100 or 200 wells per year. It is only proper that this fact be recognized in the law. This is precisely what my amendment is intended to accomplish.

The Treasury estimates that the adoption of this amendment would result in a net revenue increase to the Federal Treasury of $305 million to $310 million per year at the present time. Others have estimated that it would bring in as much as $400 million to $500 million additional revenue per year.

II. THE DIVIDENDS RECEIVED CREDIT AND EXCLUSION

It is estimated that the provisions of the 1954 Tax Code which grant the 4 percent dividend received credit and $50 exclusion from gross income cost the Treasury about $360 million per year. The provisions give a special tax credit and exclusion for income from dividends. The result is that an individual taxpayer pays a lower tax on a given amount of income than he pays on an equal amount of wages or salaries.

These credits and exclusions go to a very few people. According to Statistics of Income for 1955, only 2.2 percent of all the returns which were filed contained 75 percent of all the reported dividends. In addition, the bulk of the dollar amounts of the dividends were received by a relatively small proportion of those who received any dividends at all. Thus, in 1955, only 28 percent of the very small number of returns which reported any dividends at all included 75 percent of the total amounts of the dividends received.

The difference in tax treatment may be seen from an example of a married individual with 2 children who has a yearly earned income of $10,000 and a similar individual who has $10,000 in income entirely from dividends. Their tax liabilities would differ by $280.40 per year as follows:

Married taxpayer with 2 children and income of $10,000 per year

Joint return of taxpayer A—All income from wages and salary:	
Income	$10,000
Less 10 percent standard deduction	1,000
Income after deduction	9,000
Less personal exemptions	2,400
Taxable income	6,600
Tax owed	1,372

Joint return of taxpayer B—All income from dividends: [1]	
Income from dividends	$10,000.00
Less dividend exclusion	100.00
Income after dividend exclusion	9,900.00
Less 10 percent standard deduction	990.00
Income after dividend exclusion and the 10 percent standard deduction	8,910.00
Less personal exemptions	2,400.00
Taxable income	6,510.00
Tax liability before credit	1,352.00
Less 4 percent of $9,900 credit against taxes	260.40
Tax owed	1,091.60

[1] Stocks on which dividends paid owned jointly by husband and wife.

NOTE.—With the same income, taxpayer A pays $1,372 in taxes while taxpayer B with all income from dividends, pays only $956, a tax savings of $416 or 30.3 percent.

III. WITHHOLDING OF DIVIDENDS AT THE SOURCE

Virtually every study made of individual income reporting for the Federal income tax shows a significant gap between the amount of dividends which should be reported and the amount actually reported on individual income tax returns. In a paper presented before the American Finance Association at the end of 1957, Daniel Holland estimated this dividend gap for the taxable year 1955 to be about $1,235 million, or about 12.1 percent of total dividend receipts, adjusted for comparability with tax returns. Even if one assumes that 20 percent of this "gap"—about $250 million—were the dividends received by individuals not required to file income tax returns and/or by individuals required to file returns but not taxable, there remains about $1 billion of dividends which should have appeared, but did not, to taxable individual returns in 1955. If the effective rate were only 20 percent in the case of these dividends—and there is every reason to believe that it would be higher—the revenue loss in 1955 amounted to $200 million to the Treasury. It is conceivable that the revenue loss could be as much as $300 million.

I have therefore submitted an amendment which, while recognizing some of the administrative problems, would withhold the basic tax on dividends at the source, as is now done for personal income.

Such a system of withholding on dividend income would contribute materially to improving compliance with the law. From the point of view of the taxpayer who is not a deliberate evader of the law, dividends withholding has the positive virtue of assisting him to be as honest as he would wish to be. From the point of view of the deliberate tax evader, withholding—by reducing the rewards of dishonesty—might well produce a net gain in revenues above those from the withholding itself, as he is often in a bracket higher than the basic or minimum bracket and the Government would recoup not only the amount withheld but the additional taxes which would not otherwise be paid.

IV. HOW THE SAVINGS COULD BE USED

These three amendments, if passed, could result in a savings to the Treasury of almost $1 billion per year. How should this $1 billion be used?

Personally, I have always felt that our tax laws should provide that taxpayers with a specific amount of income should pay essentially the same tax as any other taxpayer with the same income, no matter from what source. If this were done, it would be possible for us to lower rates across the board and not only give some tax savings to low-income groups, but also to reduce the extremely high surtax rates which very few taxpayers—even with great amounts of income—actually pay but which a few taxpayers do pay.

Therefore, if we were to close the loopholes in our tax laws, we could increase our revenues to such an extent that a reduction in the general level of taxation for all taxpayers could be brought about.

The three amendments I have proposed would, of course, be only a beginning and would not provide enough revenue to carry out this purpose. However, they could be a start and if we made a good start, the act of closing loopholes could become contagious; in which case, we would have enough revenues to both make our tax system more equitable and to reduce the rates which the average person pays in order to make up the revenues which are lost by the great number of special privileges given to particular taxpayers or groups of taxpayers.

The $1 billion in savings from these amendments might be used initially to reduce or repeal many of the numerous wartime excises which are nuisances, regressive, and unfair, or, if these amendments should pass, I am prepared to offer further amendments which will distribute these savings equitably over the range of income-tax payers.

There are those who are frightened by the deficits in our budget. Personally, I believe that these deficits should be reduced in times of prosperity and I am not overly alarmed by them in times of recession. However, the savings could be used for such purposes and if it is the will of Congress and these savings should, therefore, appeal to those who are frightened by the deficits.

Moreover, there are great needs to be met both in our defense and domestic economy. We are in a race with the Russians to produce missiles, and over the years we shall be needing additional revenues for this purpose. We have huge social gaps in the shortage of schools and hospitals and in the need to clear the slums of our great cities.

These needs are so great that it is unconscionable to allow a few taxpayers the special privileges which they receive by way of favored tax treatment. Thus, the ways in which these savings could be used in a constructive way are almost too numerous to mention and, if we were to make a start in closing the loopholes by way of these three amendments, and then if the tax experts in the Treasury would come forward with constructive proposals to close numerous other loopholes, we could save enough in lost revenues to have a really constructive revision of our entire tax structure.

V

I hope that it will not be taken amiss if, as a junior member of the Finance Committee, I offer some comments upon the way Congress is being increasingly called upon to pass legislation granting tax favors and interpretative legislation to aid specific firms and individuals.

I have always assumed that the function of Congress was to pass general legislation and then to allow the administrative agencies and finally the courts to determine the precise application of these laws to individual instances. For this purpose, we have created a Tax Court with rights of appeal to the Supreme Court. In this way, we provided for the judicial review of administrative decisions and thus protected the individual from arbitrary action by the Internal Revenue Service and the Treasury Department. If, to be sure, some of these judicial decisions seemed to be unjust and at variance with the purposes of Congress and the country, then Congress should have not only the power but the duty to act.

But these powers should be invoked sparingly and should be a last and not a first resort. In practice, however, there appears to be a growing departure from this principle. Individuals and companies dissatisfied with administrative rulings or Tax Court decisions come to Congress and ask for legislative relief. They propose legislation which is ostensibly general in nature but which is in fact tailormade for their particular purposes. This is quite commonly done before they have exhausted their judicial remedies. Highly complicated questions of interpretation are thus brought before the committees of Congress. The hearings on these proposals are seldom adequate and are frequently nonexistent. Tax lawyers and lobbyists buttonhole Senators, committee members and staff, and present their side of the case.

While the lawyers for the Treasury are heard in executive session, the testimony and pressures tend to be one-sided in character. The general public is almost completely ignorant of what is going on and Members of Congress who are not members of the appropriate committees are relatively in the dark.

The usual result is for the committees to propose, and Congress to pass (generally in the closing days of the session), a group of amendments to the tax laws designed to give relief and tax favors to specific persons and corporations. Some of these are undoubtedly wise, but many are not. In nearly all cases, there have been no adequate hearings and the pleadings have been largely ex parte. Senators swamped with other duties must find it hard to go into the minutiae of tax law involving such questions as depreciation, the precise nature of income and of capital gains, and a myriad of others.

More and more individuals are carrying their grievances with the Treasury over the interpretation of existing laws to Congress rather than to the courts. Our preoccupation with these relatively limited questions, moreover, absorbs time and energy on our part which might better be devoted to broad questions of tax policy, to trade and tariffs, and to social security.

What I fear, therefore, is that we may be passing ill-considered legislation which frequently increases rather than diminishes injustices in our tax structure, opens new loopholes rather than closing old ones, and broadens and deepens those that already exist. In addition, we are overburdening ourselves by taking on administrative and judicial functions which tend to break down that wise separation of powers which our constitutional fathers so sagely provided.

I would modestly and respectfully suggest that Congress refrain from reinterpreting the law until after the courts have finally spoken and that if and when it does consider these issues, no proposal be considered unless there has been a public hearing upon it, or adequate discussion within the committee itself.

OIL AND GAS DEPLETION

Mr. DOUGLAS. Mr. President, I wish to discuss today the depletion allowance itself. I believe the Senator from Tennessee [Mr. GORE] will carry his point on Monday. I believe that the indignation which was evidenced on the floor of the Senate as he made his explanation, following the approval of the motion to table his amendment, and the pledges of support which came to him from both sides of the aisle, from men who had voted against him, is very clear indication that when he reoffers his amendment in a different form on Monday, it will carry.

But there is danger that we will rest in well-doing at that point, and will therefore say that we had enough reform for the day and for the year and that we will leave the original depletion allowances on minerals extracted from the earth in the same form in which they are now found.

This would be a great mistake, because our present system of depletion allowances, primarily those dealing with gas and oil, are grossly excessive, result in a great loss of revenue to the Treasury and to the taxpayers, create inequity between taxpayers, and serve as an infection center from which the whole revenue system becomes progressively undermined.

1951 TAX FIGHT

I well remember 1951 when, as the Senator from Wisconsin has mentioned, certain very deserving features which had been included in the House bill were eliminated on the floor of the Senate. The CONGRESSIONAL RECORD for that period will show that the then junior Senator from Minnesota [Mr. HUMPHREY] and I conducted a running fight for several days, trying to have adopted a series of amendments which in part tried to reestablish principles which the Ways and Means Committee of the House had recommended, and in part trying to plug these loopholes which had developed. We did not have any success.

Had Congress accepted the recommendations which we had fought for, this country probably would have saved between $20 billion and $30 billion in revenue.

The national debt could have been reduced, and many features of social welfare and national defense could have been added. But Congress did not act. The revenue has been lost, and we are the losers for it.

In recent years we have had very valuable recruits who have joined our ranks. The Senator from Delaware [Mr. WILLIAMS], who voted for the original Humphrey-Douglas amendment to reduce the depletion allowance, has become even more active in the cause. We have had very excellent accessions to the Senate in the persons of the present Presiding Officer of the Senate, the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], the distinguished Senator from Pennsylvania [Mr. CLARK], the distinguished Senator from Minnesota [Mr. MCCARTHY], the distinguished Senator from Tennessee [Mr. GORE], and others. Our ranks are increasing with the passage of time.

The issue is getting out more and more to the American public. It has become a matter of national concern, and the American people are waiting to see how the parties, Senators, Representatives, and candidates line up on these issues.

Those who are in the galleries may wonder why it is that we who are presenting these issues discuss them when

there are so few Senators in the Chamber. The explanation is very simple. Senators may not like to listen, but they read; and they read the CONGRESSIONAL RECORD—most of them—very carefully. So, although they are busy with other occupations, the RECORD will be laid on their doorsteps tomorrow morning. If most Senators do as I assume they do, like the Senator from Illinois, the RECORD will be read before breakfast, or shortly thereafter.

Even more important than that, the RECORD is read by newspaper reporters and columnists, and furnishes a basis for news stories. The CONGRESSIONAL RECORD goes out to some 40,000 individuals throughout the United States. Those 40,000 individuals include, generally, those who are most alert to social issues and political problems.

I have frequently gone into small communities in Illinois and there found a local editor, a local doctor, or a local lawyer reading the CONGRESSIONAL RECORD, thinking about the issues raised, and discussing those issues. This is true within the cities as well as within the smaller communities.

Thus words are not absolutely dead things, but contain within themselves a potency which permits the ideas, if they are sound, to germinate, spread, and ultimately to bear fruit.

So we are not discouraged by the very small attendance of Senators upon the floor tonight, because we know that the invisible reading audience is many tens of thousands of times greater than the very scanty number who are here.

Mr. President, I shall discuss the depletion allowance itself, and I ask unanimous consent to have printed at the conclusion of my remarks the text of my amendment designated "6–17–60—F."

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

WHAT AMENDMENT DOES

Mr. DOUGLAS. Mr. President, the depletion allowance amendment which I shall offer would reduce the allowance for depletion which gas and oil operators could take in the following way: Instead of being allowed the existing 27½ percent allowance across the board, the amendment would provide for a sliding scale allowance of 27½ percent on the first $1 million of income from oil and gas properties, 21 percent on the income from such properties which amounts to between $1 and $5 million in any one year, and 15 percent on the income in excess of $5 million a year.

When I speak of income, I speak of gross income, not net income.

Furthermore, the amendment would apply to each individual operator or company or to the oil properties over which the individual or company has effective control.

OTHER SPECIAL TAX ALLOWANCES

Under the present law, a host of costs and special allowances are deductible from gross income of oil and gas companies, even before the depletion allowance applies. These are as follows:

First, operating costs. This is, of course, necessary and desirable.

FAST TAX WRITEOFFS

Second, intangible drilling and development costs. These can be written off in the year in which they occur and are not spread over a period of years, as is the case in other industries. It has been estimated that between 75 and 90 percent of all costs can be written off in 1 year in this manner. We have, therefore, already accorded to this industry virtually the ultimate in accelerated depreciation and fast tax writeoffs.

This is very important to realize. We speak of accelerated depreciation—writing off amounts in 5 years or 10 years. Here is a case in which from 75 to 90 percent of the investment can be written off in 1 year.

Some persons say that depletion is simply depreciation; but it is not. Depletion is in addition to depreciation and in addition to the intangible drilling and development costs.

DRY HOLES

A third deduction which is permitted is the cost of unsuccessful or dry holes, which can be written off against the income from successful drillings.

In addition to these, there are two further favors granted to the oil industry, and in some cases to other corporations, on investments and operations abroad.

FOURTEEN-POINT WESTERN HEMISPHERE REDUCTION

The fourth point is a 14-point reduction in the corporation tax itself—or a reduction from 52 to 33 percent on taxable income—for income derived from operations abroad in the Western Hemisphere; that is, Venezuela, Canada, Mexico, and so forth.

Thus the companies which operate in Venezuela—and that is a rich oil country—pay only 38 percent upon their taxable income instead of the 52 percent, as here. When I say they pay only 38 percent upon their taxable income, I mean the very limited amount of their total income which is taxed after all the deductions, including the depletion allowance, have been subtracted.

FOREIGN TAX CREDIT

The fifth favor is particularly appropriate in the Near East, for royalty payments abroad may be disguised as income tax payments, for which the foreign tax credit is often available. A company, therefore, can escape liability for the U.S. tax by being allowed to take a tax credit for a payment for which a U.S. taxpayer would be permitted to deduct from gross income rather than take it as a credit against the tax itself. This is an extremely important point.

It is well known that some of the big American companies have the exclusive rights to drilling in Saudi Arabia; that they share pools and drilling in Iraq and Iran and other sections of the world. It is well known that, in general, the royalty payments are approximately 50 percent of the gross revenue.

The interesting point is that this is called a tax, and it can be applied against the tax which these corporations otherwise would pay on the income. So in some cases they pay no U.S. taxes at all. That point was brought out on the floor of the Senate last year, I think. So far as I know, it has never been denied. Although certain testimony taken in executive session by the Finance Committee has been sealed as confidential and not to be published, I have never heard any representative of these oil companies in Saudi Arabia deny the statements which were made, not by me, but by others, upon the floor of this body.

DEPLETION IN ADDITION

All these arrangements are extraordinarily generous. But in addition to this, there is the further allowance which is called percentage depletion. In the case of gas and oil, as I have said, this amounts to an additional 27½ percent of gross income, up to one-half of net income. Moreover, this allowance is permitted in perpetuity, for as long as there is any flow of oil or gas from the well. So long as the well runs, the depletion allowance continues.

Some years ago I went to Galveston, and I was told that the well which came in, in Galveston, around the turn of the century was still flowing. It has been flowing for many, many years after the depletion allowance was begun, and the depletion allowance continues.

We might paraphrase Tennyson's "Brook":

Men may come, and men may go
But I, the depletion allowance, go on forever.

Or for at least as long as the oil or gas flows or runs.

It is not limited to recapturing the cost of the well in question, most of which cost—as we have seen—is recovered for tax purposes in the year when the outlay is made, through the intangible drilling and development cost deduction. This is in addition to all that.

And this allowance continues through time, without relationship to the taxpayer's investment in the venture or whether or not that investment has been recovered for tax purposes.

From its inception, the percentage depletion allowance has been 27½ percent. But when it was begun, the corporation income tax amounted to only 14 percent. So at that time the percentage of income lost by the Government in those early days was not too great. But now, as we know, the corporate tax is 52 percent. So the 27½-percent allowance, up to one-half of net income, now benefits the companies, not to the extent of one-half of 14 percent, but to the extent of one-half of 52 percent—at least that much.

LOOPHOLE UNIVERSALIZED

And, as I said earlier, the depletion allowance has brought in its train a host of similar deductions on virtually everything else that is extracted from the earth or from the seas—on every mineral; on sulfur, on which the allowance is, I believe, 23 percent; on coal, on which the depletion allowance is comparatively low; on bauxite—on every mineral; and also, as I have said, on oyster shells, clam shells, sand, and gravel. It is almost a perfect example of a case in which, instead of closing a loophole in

the law, an effort has been made to make the application of the loophole universal. And today we have heard about the last act in this play—namely, that the depletion allowance is now being extended to the manufactured products; that the depletion allowance on clay is now being extended to the sale of bricks; that the depletion allowance on sand is now being extended to the sale of glass; that the depletion allowance on raw salt is now being extended to the sale of manufactured table salt; and so it goes.

FACTS ABOUT DEPLETION

Mr. President, now let me turn to some of the facts in regard to depletion allowances in general, and the oil and gas depletion allowances in particular. I have before me three tables which show the amount of all depletion which corporations took as income tax deductions in the period from 1946 to 1957, and also listing the same deductions by total assets classes, and a further table which shows corporate depletion deductions and net income by total assets classes, for the years 1952–57. I ask unanimous consent that these tables be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 1.—*Selected corporate business deductions, all corporations, 1946–57*

[Dollar amounts in millions]

Deduction	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Compensation of officers	$5,143.1	$6,026.4	$6,733.3	$6,743.0	$7,606.8	$8,122.0	$8,430.0	$8,776.7	$9,113.2	$10,480.7	$11,045.1	$11,829.6
Interest paid	2,251.0	2,501.4	2,758.7	3,045.1	3,211.9	3,700.5	5,013.2	5,680.9	6,270.6	7,058.4	8,281.0	10,004.5
Taxes paid	5,830.5	6,892.9	7,481.7	8,361.3	9,013.2	11,030.8	11,696.8	12,194.9	12,476.9	14,202.6	15,038.5	16,393.0
Contributions or gifts	213.9	241.2	239.3	222.6	252.4	343.0	398.6	494.5	313.8	414.8	418.0	417.3
Depletion	798.9	1,210.3	1,711.3	1,476.2	1,709.3	2,085.1	2,126.5	2,301.8	2,358.6	2,805.5	3,084.3	3,346.8
Depreciation	4,201.7	5,220.1	6,298.6	7,190.5	7,858.1	8,829.0	9,604.4	10,410.6	13,691.5	13,418.8	14,952.9	16,968.3
Amortization	64.5	58.9	38.9	30.6	43.3	291.9	831.3	1,515.3		2,590.3	2,625.9	2,463.9
Advertising	2,408.3	3,032.2	3,466.0	3,772.7	4,097.0	4,552.9	5,026.8	5,480.9	5,770.2	6,601.8	7,061.6	7,666.1
Amounts contributed under pension plans, etc.[1]	834.6	1,038.3	1,153.5	1,216.1	1,660.9	2,326.9	[2] 2,551.8	2,936.3	2,840.3	3,296.2	3,645.5	4,043.0
Other [2]	5,892.1	7,338.4	8,062.8	7,998.7	8,371.3	9,709.7	[3] 860.9	[3] 860.9	[3] 910.6	[3] 1,146.9	[3] 1,302.9	[3] 1,626.2
							10,493.6	11,520.5	11,445.5	12,959.1	14,325.4	15,476.4
Total selected deductions	27,638.6	33,560.1	37,944.1	40,056.8	43,824.2	50,991.8	56,803.4	62,273.3	65,191.2	74,975.1	81,781.1	90,235.1

[1] Deductions claimed under sec. 23(p) of the Internal Revenue Code for amount contributed by employers under pension, annuity, stock-bonus, or profit-sharing plans, or other deferred compensation plans.

[2] Contributions under employee welfare plans.

[3] Includes bad debts, repairs, and rent paid on business property.

Source: Internal Revenue Service, Statistics of Income, Corporation Income Tax Returns.

TABLE 2.—*Corporate depletion deductions by total assets classes, 1946–57* [1]

[Millions of dollars]

Assets classes	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957
Under $50,000	$3.3	$3.9	$4.9	$3.7	$4.0	$3.5	$3.1	$4.7	$4.2	$5.7	$8.6	$12.5
$50,000 and under $100,000	3.7	4.6	5.5	4.0	4.4	3.7	5.2	3.7	4.3	5.2	6.9	6.4
$100,000 and under $250,000	10.8	14.7	16.1	11.9	12.6	12.1	13.5	13.5	15.7	27.2	21.1	22.7
$250,000 and under $500,000	12.8	18.9	21.4	16.1	17.1	21.4	21.2	21.4	22.6	26.0	27.5	33.8
$500,000 and under $1,000,000	23.2	31.8	40.8	21.4	31.5	41.4	35.1	38.6	32.2	45.1	43.1	47.0
$1,000,000 and under $5,000,000	71.3	108.3	126.1	101.0	120.8	160.8	150.3	154.0	147.4	191.5	181.6	174.1
$5,000,000 and under $10,000,000	38.3	54.3	72.5	57.5	68.5	83.8	85.7	83.3	73.7	80.0	96.7	124.6
$10,000,000 and under $50,000,000	130.7	165.5	245.2	213.1	278.9	318.9	297.7	306.1	290.3	351.2	339.9	358.3
$50,000,000 and under $100,000,000	38.6	85.7	89.7	92.8	115.2	120.8	131.2	119.8	134.0	178.1	249.0	241.6
$100,000,000 or more	445.0	713.8	1,076.5	895.1	1,038.8	1,290.3	1,370.0	1,539.3	1,517.9	1,869.0	2,082.5	2,308.9
Total	777.7	1,201.4	1,698.9	1,426.5	1,691.8	2,065.8	2,112.9	2,284.3	2,242.4	2,779.0	3,056.7	3,329.7
	Percentage distribution											
Under $50,000	0.4	0.3	0.3	0.3	0.2	0.2	0.1	0.2	0.2	0.2	0.3	0.4
$50,000 and under $100,000	.5	.4	.3	.3	.3	.2	.2	.2	.2	.2	.2	.2
$100,000 and under $250,000	1.4	1.2	.9	.8	.7	.6	.6	.6	.7	1.0	.7	.7
$250,000 and under $500,000	1.7	1.6	1.3	1.1	1.0	1.0	1.0	.9	1.0	.9	.9	1.0
$500,000 and under $1,000,000	3.0	2.6	2.4	2.2	1.9	2.0	1.7	1.7	1.4	1.6	1.4	1.4
$1,000,000 and under $5,000,000	9.2	9.0	7.4	7.1	7.1	7.8	7.1	6.7	6.6	6.9	5.9	5.2
$5,000,000 and under $10,000,000	4.9	4.5	4.3	4.0	4.1	4.1	4.1	3.6	3.3	2.9	3.2	3.7
$10,000,000 and under $50,000,000	16.8	13.8	14.4	14.9	16.5	15.4	14.1	31.4	12.9	12.6	11.1	10.8
$50,000,000 and under $100,000,000	5.0	7.1	5.3	6.5	6.8	5.8	6.2	5.2	6.0	6.4	8.1	7.3
$100,000,000 or more	57.2	59.4	63.4	62.7	61.4	62.9	64.8	67.4	67.7	67.3	68.1	69.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] All returns with balance sheets.

Source: Internal Revenue Service, Statistics of Income, pt. 2.

NOTE.—Detail may not add to totals because of rounding.

TABLE 3.—*Corporate depletion deductions and net income by total assets classes, 1952* [1]*–57*

[Dollar amounts in millions]

Assets classes	1952			1953			1954		
	Net income [2]	Depletion deductions	Depletion deductions as percent of net income	Net income [2]	Depletion deductions	Depletion deductions as percent of net income	Net income [2]	Depletion deductions	Depletion deductions as percent of net income
Under $50,000	$382.5	$2.6	0.7	$370.6	$3.2	0.9	$354.9	$3.3	0.9
$50,000 and under $100,000	577.0	4.7	.8	539.3	3.1	.6	518.1	2.9	.6
$100,000 and under $250,000	1,364.9	11.2	.8	1,251.1	11.2	.9	1,281.3	15.3	1.0
$250,000 and under $500,000	1,336.0	17.5	1.3	1,228.0	18.0	1.5	1,252.2	17.5	1.4
$500,000 and under $1,000,000	1,644.7	27.4	1.7	1,473.2	28.8	2.0	1,459.3	23.9	1.6
$1,000,000 and under $5,000,000	4,716.4	129.2	2.7	4,331.5	120.1	2.8	4,172.5	120.8	2.9
$5,000,000 and under $10,000,000	2,319.1	64.6	2.8	2,188.6	70.2	3.2	2,025.7	59.5	2.9
$10,000,000 and under $50,000,000	6,105.7	250.9	4.1	6,123.9	263.6	4.3	5,555.0	245.0	4.4
$50,000,000 and under $100,000,000	2,806.5	122.4	4.4	2,854.4	106.5	3.7	2,813.8	113.4	4.0
$100,000,000 or more	19,105.5	1,350.5	7.1	21,384.2	1,515.6	7.1	20,085.6	1,489.9	7.4
Total	40,358.3	1,980.9	4.9	41,750.9	2,140.3	5.1	39,518.4	2,089.3	5.3

See footnotes at end of table.

TABLE 3.—*Corporate depletion deductions and net income by total assets classes, 1952–57*—Continued

[Dollar amounts in millions]

Assets classes	1955			1956			1957		
	Net income [2]	Depletion deductions	Depletion deductions as percent of net income	Net income [2]	Depletion deductions	Depletion deductions as percent of net income	Net income [2]	Depletion deductions	Depletion deductions as percent of net income
Under $50,000	$422.6	$4.7	1.1	$486.0	$3.6	.7	$497.3	$10.2	2.1
$50,000 and under $100,000	631.3	4.1	.6	722.7	4.6	.6	700.2	3.6	.5
$100,000 and under $250,000	1,571.8	20.8	1.3	1,756.1	17.2	1.0	1,649.1	17.1	1.0
$250,000 and under $500,000	1,589.6	22.0	1.4	1,690.4	22.8	1.3	1,627.4	25.7	1.6
$500,000 and under $1,000,000	1,871.0	37.0	2.0	1,861.9	32.5	1.7	1,737.9	37.1	2.1
$1,000,000 and under $5,000,000	5,293.6	155.2	2.9	5,197.7	142.3	2.7	4,759.3	130.3	2.7
$5,000,000 and under $10,000,000	2,410.3	65.5	2.7	2,512.0	73.6	2.9	2,321.7	95.8	4.1
$10,000,000 and under $50,000,000	6,736.3	305.1	4.5	6,993.4	278.1	4.0	6,304.4	321.4	5.1
$50,000,000 and under $100,000,000	3,174.9	157.6	5.0	3,488.0	211.1	6.1	3,262.3	209.5	6.4
$100,000,000 or more	26,568.5	1,835.9	6.9	25,596.2	2,056.8	8.0	26,006.3	2,104.2	8.1
Total	50,270.9	2,608.1	5.2	50,304.6	2,842.6	5.7	48,865.9	2,954.9	6.0

[1] Returns with balance sheets and net income.
[2] Compiled receipts less compiled deductions as shown in Statistics of Income.

Source: Internal Revenue Service, Statistics of Income, pt. 2.

THREE AND ONE-THIRD BILLION DOLLARS IN DEPLETION

Mr. DOUGLAS. Mr. President, the first table shows that in 1957 the total amount of deductions for depletion, by all corporations with balance sheets, was in the amount of $3,346,800,000. I repeat, Mr. President, over $3⅓ billion of income which otherwise would have been taxable, was not taxed.

It is proper to ask how much of this consisted of gas and oil allowances. We have some figures which indicate what these totals would be, because in 1955 the total depletion allowances amounted to $2,800 million, and $2 billion of that was on gas and oil, or a little more than 71 percent.

In 1957, the total depletion allowances taken, as I have said, amounted to approximately $3,347 million. When we apply the 71-percent ratio, it indicates that the oil and gas depletion allowance probably amounted to $2,380 million of revenue which was lost to the taxpayers, but was a gain to the gas and oil well operators.

Mr. PROXMIRE. Mr. President, will the Senator from Illinois yield?

The PRESIDING OFFICER (Mr. CLARK in the chair). Does the Senator from Illinois yield to the Senator from Wisconsin?

Mr. DOUGLAS. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, a little earlier the Senator from Illinois was talking about the fact that depreciation is taken, and that depletion is a second kind of deduction.

Mr. DOUGLAS. It is really a third or a fourth kind of deduction. There are operating costs, drilling and development, and the cost of drilling the dry or the unsuccessful holes, and then depletion, in addition.

Mr. PROXMIRE. I understand. My point is that depreciation and depletion are both viewed as the same kind, with the same sort of justification—in other words, an opportunity for the investor to be repaid for his capital expenditure.

Yes; but they are very different.

Mr. PROXMIRE. I understand that. The point I wanted to make relates to its difference.

Mr. DOUGLAS. There is a quantitative difference. In 1957 the depreciation allowances for all companies, not including depletion, amounted to $16,968 million, or approximately $17 billion for depreciation; and the $3,347 million for depletion was over and above this.

Mr. PROXMIRE. The point I wanted to make is that I understand it has been estimated by a very competent and authoritative Government agency that this depletion allowance enables the oil companies, on the average, to write off their capital investments, not once, not twice, not three times, but 19 times.

Mr. DOUGLAS. I would say that is possible.

Mr. PROXMIRE. I want to supply for the RECORD, at a later date, that authority, because I do not happen to have it with me at the present time, but it is based on a competent study. In other words, it is perfectly logical and proper, it seems to me, for someone who has made an investment in machinery, or equipment, or a plant, to depreciate that machinery. After all, the investment goes into the product being produced, and should be considered as a part of the cost of that product. But to be able to write it off over and over and over again seems to me to be dishonest. I can understand some justification for it, but to make it so excessive as 27½ percent seems hard to justify.

Although the Senator from Illinois is making a very strong case for the abolition of it, he is not proposing it.

Mr. DOUGLAS. No.

Mr. PROXMIRE. As I understand his proposal, he would reduce it from 27½ to 15 percent, and only, in this case, for the big oil companies which gross over $5 million. Is that correct?

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. And for the middle-sized oil companies, grossing between $1 million and $5 million, the decrease would be something like 21 percent.

Mr. DOUGLAS. That is correct.

Mr. PROXMIRE. And for the smaller oil companies, there would be no reduction whatsoever.

Mr. DOUGLAS. That is correct; and that needs to be emphasized, because the oil companies are spreading propaganda throughout the country, and throughout my own State, that I am trying to eliminate that provision entirely, cut down the little man, and cut down royalties to every farmer where drilling occurs.

Mr. PROXMIRE. The little operator would not be affected at all, but would be given some sort of advantage. In view of the disadvantages under which he operates, not having much capital or other advantages that big business have, this would be a form of opportunity for him.

Mr. DOUGLAS. Yes.

Mr. PROXMIRE. So the proposal of the Senator from Illinois is a restrained one. As a matter of fact, I think it would provide for substantially greater depletion benefit to an oil concern than it enjoyed in 1926, when this allowance was originally applied, and when, as the Senator from Illinois has told us, the income tax was one-quarter of what it is today. Therefore, the value of the depreciation is magnified fourfold, because the income tax has increased that much. The proposal of the Senator from Illinois will leave even the big company with twice as much benefit as it enjoyed back in 1926, when this allowance was originally conceived, justified, and written into law.

DEPLETION ALLOWANCE GROWS

Mr. DOUGLAS. That is correct.

Mr. President, there is another important fact to be noted from the table, and that is how the depletion allowance has grown through the years, and I refer to all forms, not merely oil and gas.

In 1946 it amounted to $798,900, or just about $800 million.

In 1947 it increased to $1,210 million.

In 1948 it increased to $1,711 million.

In 1949 there was a reduction to $1,476 million.

In 1950 it was $1,709 million.

In 1951 it was $2,085 million.

That was the year that the Senator from Minnesota [Mr. HUMPHREY] and I made our fight to reduce the depletion allowance. I think we got nine votes on the floor of the Senate at that time. We failed, and the next year it went up to $2,126 million. The next year it was $2,302 million.

The next year it was $2,359 million.

The next year it was $2,805 million.

The next year it went up to $3,084 million.

In 1957 it was $3,347 million.

No one knows how much it is today, but it was growing, from 1954 to 1957, by approximately $1 billion. We can be

pretty certain, I think, that it has increased since that time, and that it is much more than $3⅓ billion today. We may find it is as high as $4 billion. I do not say it is, but we might find it is up as much as $4 billion. And if it is extended, as it will be, unless we act, to fabricated products, it will exceed that amount.

LARGE FIRMS GET LION'S SHARE

Table No. 2 deals with depletion deductions by corporations classified according to the amounts of their assets. I ask that this table be very carefully studied. It also covers the years from 1946 to 1957, inclusive. It shows that in 1957, of the total depletion allowances of approximately $3⅓ billion, $2,309 million, or 69.3 percent, were taken by corporations with net assets of over $100 million.

Those with assets of from $10 million to $100 million took 18.1 percent of the total allowance, or approximately $600 million.

So it is the big corporations which take the giant share, those with over $100 million in assets getting almost 70 percent of the total depletion allowance.

Back in 1950, the Secretary of the Treasury, Mr. John Snyder, came before the House Ways and Means Committee and urged that it reduce the depletion allowance. He made a very cogent argument for his position, and he further placed in the record a great many facts and figures which were informative and persuasive. His figures showed that one individual operator, having a net income in the years 1943 to 1947, of $14.3 million, paid income taxes of only $80,000 in this entire period, or only a little over one-half of 1 percent of his income.

Mr. President, I ask unanimous consent that the testimony of Secretary of the Treasury Snyder and the exhibits which he introduced, which appear in the hearings of the Ways and Means Committee, 81st Congress, 2d session, February 3, 1950, on the revenue revision of 1950, be printed in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

REVENUE REVISION OF 1950—TESTIMONY OF SECRETARY OF TREASURY SNYDER

[From hearings, Ways and Means Committee, 81st Cong., 2d sess., vol. 1, Feb. 3, 1950]

SPECIAL DEPLETION ALLOWANCES

Depletion in ordinary accounting usage is intended to permit taxpayers to recover the cost of mineral properties over the producing life of the properties. Depletion is the counterpart of depreciation which is intended to permit recovery of the cost of other assets over the period of their useful life. When the original investment has been recovered, no further depreciation is allowed for tax purposes. However, in the case of depletion, special provisions which allow recovery of more than the cost of mineral properties have been in the law since 1918.

Under present law, special allowances are granted on the basis of specified percentages of gross income for different types of minerals. The percentage of gross income allowed is 27½ percent for oil and gas, 23 percent for sulfur, 15 percent for metals and a large number of nonmetallic minerals, and 5 percent for coal.

Percentage depletion continues for the life of the property and generally results in the tax-free recovery of many times the cost. It is granted to those purchasing properties as well as to those operating properties they have developed. The allowances have become more valuable as tax rates have been increased.

Furthermore, the benefits from percentage depletion are increased by provisions which permit development costs to be deducted as an expense in the year incurred instead of being treated as a capital cost to be recovered later through depletion deductions. This is equivalent to a double deduction for the same costs, once when they are incurred and again under percentage depletion. In the oil industry during 1946 and 1947, for every $3 million allowed as percentage depletion, another $2 million was deducted as development costs.

The combination of percentage depletion and the expensing of development costs provides a mechanism for pyramiding extensive holdings in oil assets with payment of little or no income tax.

As the President has indicated, millions of dollars are made annually from operating oil properties on which little or no income tax is paid. The President mentioned one outstanding example. You will find others in the attached material (exhibit 2). In the examples cited, annual incomes, on the average, of over $1 million were obtained on which an average tax of only 22½ percent was paid. This is the rate now paid by persons with incomes of less than $25,000.

These illustrations suggest how much additional revenue the Government would gain by limiting some of these special allowances.

You will find from an examination of the materials I am submitting to assist the committee in considering revision of these provisions that—

First, the estimated revenue loss is between 400 and 500 million dollars annually. This is as much as the yield of all the retail excises.

Second, the allowance is especially excessive in the case of oil and gas and exempts a higher proportion of the earnings of this industry which may expense more of its development costs than the other mineral industries.

Third, the provision has been found to be of little benefit to small prospectors on whose behalf it is so frequently supported.

Fourth, these deductions enable high-income individuals to reduce to negligible proportions taxes on income from sources totally unrelated to these industries.

There are a number of ways in which the necessary revision of present allowances can be accomplished. In general, these involve either the limitation of percentage depletion or the termination of the option to expense development costs. The benefits of expensing development costs are confined to the finding of new properties. Percentage depletion on the other hand may be obtained on established as well as new properties, and regardless of whether the recipient contributed to the development of the property. The reduction of percentage depletion would tend to reduce windfalls while protecting incentives for exploration.

A reasonable way to reduce the excessive benefits would be to limit the percentage of gross income which might be deducted as depletion. A reduction in the present net income limitation would leave the more excessive allowances untouched while reducing the benefits on the small, less profitable properties.

Specifically it is proposed that percentage depletion for oil, gas, and sulfur be reduced to 15 percent of gross income and that percentage depletion for nonmetallic minerals be reduced to 5 percent. The existing 15 percent rate for depletion allowed to the metals would be left unchanged.

It is further proposed that oil and gas operators who elect to expense intangible drilling and development costs be required to reduce income from the property by the amount of such expensed costs in computing their depletion allowance. This requirement will reduce the extent of the double deduction now enjoyed by oil and gas enterprises with respect to certain of their capital costs.

Together these proposals would remove the more obvious inequities of the present system without interfering significantly with production incentives.

SPECIAL DEPLETION ALLOWANCES FOR MINERAL PROPERTIES

One of the major avenues of escape from income tax is the special depletion allowance now accorded mineral properties. This subject has received consideration by congressional committees on a number of occasions.

Nearly 25 years have passed, however, since the date of the investigation of depletion costs on which present allowances were established. In the intervening years there have been important basic changes in those industries.

This study presents current information on the basic aspects of this problem and discusses the considerations affecting the desirability of the present allowances.

I. PRESENT PROVISIONS

The Federal income tax recognizes depletion of wasting mineral assets as a deductible cost in determining net taxable income. The purpose is to allow the taxpayer to recover tax free the capital he has invested in the mineral property. Special allowances in excess of cost are granted to certain groups of taxpayers. In most cases these special allowances are based on a percentage of gross income. Of less importance are special allowances based on discovery value.

(a) Percentage depletion

Percentage depletion is computed as a specified percentage of gross income, without regard to the capital cost of the property. The rates range as high as 27½ percent of gross income in the case of petroleum, but the deduction is limited to 50 percent of the net income (computed without regard to depletion) from the particular property. The following percentages of gross income are allowed different minerals under present law.

Mineral:	*Percentage rate on gross income*
Oil and gas	27½
Sulfur	23
Metals	15
Coal	5
Bauxite, fluorspar, flake graphite, vermiculite, beryl, feldspar, mica, talc (including pyrophyllite), lepidolite, spodumene, barite, ball, sagger, and china clay, phosphate rock, rock asphalt, trona, bentonite, gilsonite, thernardite, and potash	15

Percentage depletion continues to be deductible even after 100 percent of the invested capital has been retrieved tax free. The total tax-free recoveries may be substantially in excess of the cost of the property, and in a large number of cases amount to many times the capital investment.

(b) Discovery depletion

Those minerals which are not eligible for percentage depletion may qualify for discovery depletion, under certain conditions. Owing to the wide range of minerals excluded because they are eligible for percentage depletion, and the special conditions attaching to the use of discovery depletion, it applies only to certain nonmetallic substances and is of limited significance at the present time.

Under discovery depletion, a taxpayer who discovers a mine on an unproven tract, the value of which is materially larger than the cost to the taxpayer, is allowed depletion deductions designed to amortize the appreciated discovery value over the economic life of the mine. As in the case of percentage depletion, the annual deduction for discovery depletion is limited to 50 percent of the net income from the property. However, aggregate tax-free recoveries under this method are limited to the discovery value.

(c) Cost of adjusted-basis depletion

Percentage depletion is one of the most complex provisions in the tax law. Depletion allowances are computed with respect to each individual mineral property. Mineral-tax payers commonly own several, and in many cases thousands of properties. Each year for each property the taxpayer takes the largest depletion deduction allowable. Both gross and net income must be determined for each separate property to compute percentage depletion. Moreover, a corporate-tax payer's accounting for each property entitled to percentage depletion must reflect each of the three different depletion concepts: (1) Allowable depletion, including percentage or discovery, (2) adjusted-basis depletion, and (3) strict cost depletion.

In all cases the taxpayer is allowed depletion based on cost as a minimum. The annual cost depletion (usually termed adjusted-basis depletion) is computed by spreading the original cost, less amounts previously recovered tax free, over the estimated remaining life of the property, measured in units of mineral product. Increased deductions for percentage depletion reduce the remaining cost or adjusted basis more rapidly. Therefore, the adjusted-basis depletion, which represents the minimum annual deduction, must be recomputed at a lower figure each year after percentage depletion is taken.[1] When the original cost is exhausted through depletion allowances the adjusted-basis depletion is reduced to zero, although percentage depletion may continue to be deducted.

Corporations also account for annual cost depletion computed without regard to amounts recovered from time to time through percentage depletion, in determining their net profits for reports to stockholders and other purposes. Cost depletion in this sense is also recognized for tax purposes in connection with the treatment of liquidating dividends in the hands of the stockholders.[2]

For purposes of determining gain or loss upon sale or other disposition of a depletable property, the tax basis is reduced by the total amount of allowable depletion (percentage, discovery, or adjusted-basis depletion) in previous years.[3] While percentage depletion may continue even though more than 100 percent of the basis has been recovered tax free, the basis for determining gain or loss is reduced only to zero.

(d) Expensing of capital costs

In addition to depletion allowances, certain capital costs of developing mineral properties are treated as expenses incurred in doing business and allowed as deductions in the year incurred. This expensing treatment does not reduce allowable percentage depletion in future years, which is based on the income from the developed property. This results in a double deduction for recovery on the same capital investment.

Owners of oil or gas wells have wide opportunities for expensing capital costs incurred in developing their properties. At their option, they may treat intangible drilling and development costs of wells (including expenditures for labor, supplies, repairs, and hauling) as current expenses deductible from taxable income from any source. For example, 90 percent of an oil operator's capital outlay, exclusive of depreciable items, may be for intangible drilling and development costs. If this is deducted as a current expense, and thus recovered tax free at the outset, only 10 percent of the investment remains to be recovered through depletion allowances. Hence, depletion allowances based on the entire income in effect overlap the initial deduction of a large portion of the capital outlays.

In the case of mines, development costs can be immediately offset against income only to the extent that there are receipts derived from the mine during the development period. However, if considerable quantities of ore are taken out while developing a mine to full producing status, it is possible for a taxpayer to recoup, tax free, immediately a large part of the capital costs of development.

II. BACKGROUND AND DEVELOPMENT OF SPECIAL DEPLETION ALLOWANCES

The original income-tax legislation provided a "reasonable allowance," not to exceed 5 percent of gross income, for wasting mineral assets. This was later changed to a more specific allowance of depletion based on cost, or 1913 value.

Allowances in excess of cost depletion were first granted in the form of discovery depletion in 1918 as a measure to stimulate mineral exploration for war purposes and to lessen tax burdens on small-scale prospectors who made discoveries after years of fruitless search. Discovery depletion deductions allowed the discoverer of any new mineral deposit to retrieve not only his costs but also the materially larger appreciated value of the property at the time its profitability was established. Since no limit was placed on the discovery depletion deduction, in many cases the deduction was in excess of the income from the discovered property and served to offset income from other sources. To prevent such excessive discovery depletion allowances, the annual deduction was limited in 1921 to 100 percent of the net income from the mineral property. In 1924, the limit was reduced to 50 percent of the net income from the property, in order to provide for the taxation of at least one-half of the income from these properties.

Percentage depletion was substituted for discovery depletion in the case of oil and gas properties in 1926 and extended to metals, sulfur, and coal in 1932. The original percentage-depletion rates, still embodied in present law, were in general fixed at levels which would permit the respective industries approximately the same total annual depletion they had previously enjoyed under discovery depletion.

Despite the recommendation of the Treasury in 1942 that percentage depletion be eliminated it was extended in 1942 and 1943 as a temporary measure to certain nonmetallic minerals at the 15-percent rate applicable to metals. In 1947 the temporary wartime extensions were made permanent, and in addition some items not previously covered were granted the special allowance. Since 1947 a wide range of nonmetallic producers who have not been granted percentage depletion have sought similar preferential tax treatment.[4]

III. SURVEY OF DEPLETION AND RELATED ALLOWANCES

Information on percentage depletion and other special allowances for mineral producers has been recently developed through a special survey of 350 corporation income tax returns. These returns accounted for about three-fourths of all corporation income tax allowances for depletion for the year 1946 (table 1). Although the survey group does not necessarily represent a cross section of the mineral industries, the high proportion of tax allowances for depletion provides reliable information on the mineral-depletion provisions. The statistical data obtained in the course of this survey are presented in tables 1 to 10.

While the survey covers corporations only, it is estimated that corporations account for more than 80 percent and individuals for less than 20 percent of all depletion deductions.

(a) Excess depletion and resulting revenue loss

The allowable depletion deducted by the corporations included in this survey amounted to $555 million in 1946 and $839 million in 1947. Of these amounts only 10 to 15 percent represented adjusted-basis depletion which would have been required to recover original investment cost.[5] The remaining 85 to 90 percent constituted the excess allowance attributable to the special depletion provisions for mineral industries (table 2).

The indicated revenue loss for all corporations in the survey due to excess depletion was about $180 million in 1946 and $290 million in 1947 (table 3). On the basis of these findings it is estimated that the total revenue loss for all corporations due to excess depletion was nearly $250 million in 1946 and $400 million in 1947.

(b) Distribution of excess depletion by industry groups

The excess of percentage depletion over cost or basis depletion was correspondingly high for most industry groups. Relatively low excess depletion for a few industries, such as coal and the stone, clay, and glass group, reflects either a low-percentage depletion rate (5 percent for coal) or ineligibility of important components of the industry for percentage depletion.

A high proportion of the excess depletion shown in table 2 was received by corporations whose major activity was other than mining and quarrying. In 1946, for example, $345 million or more than 70 percent of the total excess was deducted by manufacturing enterprises (notably in the petroleum field) representing large integrated firms whose predominant industrial activity was not mineral extraction.

(c) Distribution of special depletion and related allowances by mineral products

Survey data for 1946 and 1947 showing the distribution of depletion allowances (including deductions for development costs) classified by the principal mineral products are

[1] In addition to determining the minimum annual allowance, the adjusted-basis depletion is important in computing the net operating loss deduction. Under the present 2-year carryback and 2-year carryforward of net operating losses, the loss to be carried over is reduced by the excess of percentage over cost depletion (and similar tax-exempt items) in the year in which the loss occurs. Similarly, the amount of the loss which is deductible is reduced by the amount of such exempt income in the year to which the loss is carried.

[2] Under existing law dividends to stockholders are taxable to the extent they are paid out of earnings and profits. For this purpose, earnings and profits are computed on the basis of cost depletion.

[3] For years prior to 1932 the excess of percentage over cost depletion was not applied to reduce the tax basis.

[4] Within the past 3 years bills have been introduced in Congress to extend percentage depletion to amblygonite, oil shale, tripoli, marble, pumice, scoria, limestone, crushed stone, perlite, diatomaceous earth, granite, borax, calcium and magnesium carbonates, shell, sand, gravel, stone, and all other nonmetallic clays and minerals.

[5] In most cases the adjusted-basis depletion was approximately equal to cost depletion.

presented in tables 4 and 5. As shown in these tables, the bulk of the benefit of percentage depletion in excess of basis depletion was derived by the oil and gas group. They received almost 85 percent of the excess depletion compared with 55 percent of the gross income for corporations included in the survey.

Total deductions for development costs by the selected corporations were $394 million in 1946 and $486 million in 1947. Comparison of the development-cost deductions with the excess of percentage over basis depletion for these 2 years indicates that for every $3 allowed as percentage depletion another $2 was deducted as development costs. In addition, substantial deductions were taken for exploration costs and losses on abandonment, amounting to $204 million in 1946 and $255 million in 1947.

Nearly all of the development-cost deductions were taken by oil and gas producers, and these producers also claimed most of the allowances for exploration and losses on abandonment.

Substantial variations are also shown by tables 4 and 5 in the relative tax benefits derived from special depletion allowances among different types of mineral producers, due in large part to disparities in the rates of percentage depletion. In 1947, for example, allowable depletion was about equivalent to basis depletion for nonmetallics not entitled to percentage depletion, about 3 times basis depletion for coal, 5 times basis depletion for metals, and 16 times basis depletion for oil. Sulfur producers were entitled to virtually no basis depletion, yet more than one-third of their aggregate net income was excluded from taxation through excess percentage depletion.

The relative importance of special depletion allowances for different type of mineral producers is presented in table 6. As shown in this table, all the corporations included in the survey had depletion deductions equal to about 40 percent of their net income before depletion in the years 1946–47. By contrast, the amount of basis depletion required to recover remaining cost ratably over the useful economic life was only 6 percent of net income in 1946 and 3.6 percent in 1947. Significant variations are shown among mineral products. Thus, depletion allowances in 1946 amounted to 49 percent of net income in the case of oil and gas compared with 1½ percent for nonmetallic products not entitled to percentage depletion, and 18 percent for all nonmetals.

(d) Depletion allowances in relation to size of firm

The distributions of various mineral-depletion allowances in dollar amounts and in relation to income, by size of firm, for 1946 and 1947, are shown in tables 7 and 8.

As shown in table 7, about three-fourths of the total depletion allowances and of the excess of percentage over basis depletion was received by very large corporations, with assets of at least $100 million. By contrast these firms received slightly less than two-thirds of the total gross income from mining.

The percentage of income excluded from taxation through depletion allowances tends to be greater for larger corporations (table 8). In 1947, for example, firms with assets of $100 million and over had depletion allowances of 20 percent of their gross and 38 percent of their net income, as against 9 percent of gross income and 34.5 percent of net income for corporations with assets between $100,000 and $1 million. The benefits of special depletion allowances, reflected in the ratio of allowable depletion to basis depletion, also tend to increase with the size of the firm. In 1947, for example, the allowable depletion of corporations with assets of $100 million and over was 13 times their basis depletion as compared with about 8 times for corporations with assets between $1 million and $10 million.

IV. ILLUSTRATIVE CASES SHOWING TAX EFFECTS OF SPECIAL ALLOWANCES

In connection with the survey of special depletion and related allowances, the effect of these provisions on the tax liabilities of particular taxpayers was studied.

Substantial reductions in income taxes were obtained by a number of individual oil and gas operators for the 5 years 1943 to 1947. In 10 illustrative cases, summarized in table 9, the effective rate of tax on net economic income (based on cost or basis depletion) varied from 63.5 percent to as low as six-tenths of 1 percent. This represents a striking difference between the effective rates of tax actually paid and the general statutory rates on such income, which ranged as high as 90 percent in these years.

During the 5-year period these 10 individual taxpayers received a total economic net income of $52.6 million from oil and gas properties. This net income was computed after all deductions for operating expenses, depreciation, basis depletion, exploration costs, and losses on unsuccessful ventures. These taxpayers also received a total of $9.3 million of net income from other sources. Of their aggregate net income from all sources, totaling $61.9 million, 77 percent was eliminated for tax purposes through the special deductions.

Similar information for 20 corporations taken from income-tax returns for 1947 is shown in table 10.

(NOTE.—In the following tables figures are rounded and will not necessarily add to totals. Percentages were computed on the basis of unrounded figures.)

TABLE 1.—*Percentage of allowable mineral depletion included in survey of selected corporations, 1946*

[Money figures in millions]

Industry group [1]	Allowable depletion for all corporations [2]	Allowable depletion for selected corporations [2]		Industry group [1]	Allowable depletion for all corporations [2]	Allowable depletion for selected corporations [2]	
		Amount	Percent of industry total			Amount	Percent of industry total
Mining and quarrying:				Manufacturing:			
Metal mining	$46.1	$35.1	76.0	Chemicals and allied products	$14.4	$9.7	67.1
Coal	51.0	17.6	34.4	Petroleum and coal products	388.0	350.6	90.3
Crude oil and natural gas	124.1	72.7	58.6	Iron, steel, and products	21.0	17.3	82.3
Nonmetallic mining	15.8	12.8	80.8	Nonferrous metals and products	23.5	14.5	61.8
Mining not allocable	.3	.1	32.0	Stone, clay, and glass products	2.1	.1	7.1
				Other manufacturing	3.3	0	0
Total mining and quarrying	237.3	138.1	58.2	Total manufacturing	452.4	392.2	86.7
				Other groups	55.5	24.5	44.2
				Total all groups	745.1	554.9	74.5

[1] The industry classification is the business activity reported on the tax return When multiple businesses are reported, the classification is the business activity which accounts for the largest percentage of total receipts.

[2] Allowable depletion is the deduction permitted for income tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

Source: Statistics of Income for 1946, pt. 2, preliminary, for all corporations; Bureau of Internal Revenue, Statistical Division, special tabulation, for the selected corporations.

TABLE 2.—*Mineral depletion allowances for selected corporations, by industry groups, 1946 and 1947*

[Money figures in millions]

Industry groups [1]	1946				1947			
	Number	Allowable depletion [2]	Excess over basis depletion [3]		Number	Allowable depletion [2]	Excess over basis depletion [3]	
			Amount	Percent of allowable depletion			Amount	Percent of allowable depletion
Mining and quarrying:								
Metal mining	68	35.1	28.7	82.0	66	64.0	54.9	85.9
Coal	53	17.6	10.5	59.9	52	21.6	14.9	69.2
Crude oil and natural gas	66	72.7	62.0	85.4	60	110.5	100.2	90.9
Nonmetallic mining	18	12.8	12.5	98.1	17	16.0	15.8	98.8
Mining not allocable	1	.1	(4)	5.0	1	.1	(4)	23.3
Total mining and quarrying	206	138.1	113.8	82.4	196	212.2	185.8	87.6

See footnotes at end of table.

TABLE 2.—*Mineral depletion allowances for selected corporations, by industry groups, 1946 and 1947*—Continued

[Money figures in millions]

Industry groups [1]	1946				1947			
	Number	Allowable depletion [2]	Excess over basis depletion [3]		Number	Allowable depletion [2]	Excess over basis depletion [3]	
			Amount	Percent of allowable depletion			Amount	Percent of allowable depletion
Manufacturing:								
Chemicals and allied products	14	9.7	7.3	75.5	14	11.7	9.4	80.3
Petroleum and coal products	45	350.6	321.9	91.8	44	538.7	509.0	94.4
Iron, steel and products	14	17.3	11.0	63.4	16	35.9	17.2	66.3
Nonferrous metals and products	8	14.5	5.1	34.8	8	17.5	10.4	59.4
Stone, clay, and glass products	5	.2	(4)	32.5	5	.2	.1	56.3
Total manufacturing	86	392.2	345.3	88.0	87	594.0	546.1	91.9
Other groups	60	24.5	20.8	84.9	61	32.6	28.0	86.0
Total all groups	352	554.9	479.9	86.5	344	838.7	759.9	90.6

[1] The industry classification is the business activity reported on the tax return. When multiple businesses are reported, the classification is the business activity which accounts for the largest percentage of total receipts.

[2] Allowable depletion is the deduction permitted for income-tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

[3] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayer's depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.

[4] Less than $50,000.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 3.—*Computed revenue loss resulting from excess mineral depletion deductions, selected corporations, by industry groups, 1946 and 1947* [1]

[In millions]

Industry group [2]	1946 (352 returns)	1947 (344 returns)	Industry group [2]	1946 (352 returns)	1947 (344 returns)
Mining and quarrying:			Manufacturing—Continued		
Metal mining	$10.9	$20.9	Petroleum and coal products	$122.3	$193.4
Coal	4.0	5.7	Iron, steel, and products	4.2	6.5
Crude oil and natural gas	23.6	38.1	Nonferrous metals and products	1.9	3.9
Nonmetallic mining	4.8	6.0	Stone, clay, and glass products	(3)	(3)
Mining not allocable	(3)	(3)	Total manufacturing	131.2	207.5
Total mining and quarrying	43.3	70.6	Other groups	7.9	10.6
Manufacturing:			Total all groups	182.4	288.8
Chemicals and allied products	2.8	3.6			

[1] Computed at the standard corporation rate of 38 percent.

[2] The industry classification is the business activity reported on the tax return. When multiple businesses are reported, the classification is the business activity which accounts for the largest percentage of total receipts.

[3] Less than $50,000.

TABLE 4.—*Mineral depletion and related allowances for selected corporations, by principal mineral products, 1946*

[Money figures in millions]

Principal mineral products	Number of corporations	Income subject to depletion		Depletion		Other capital recovery deductions	
		Gross [1]	Net [2]	Allowable [3]	Basis [4]	Development costs [5]	Exploration costs and losses on abandonment [6]
Metals:							
Iron	20	$335.0	$56.2	$18.9	$5.6	$6.1	$0.1
Copper	12	240.4	91.2	23.3	12.0	.6	1.0
Lead and zinc	22	68.9	21.0	10.5	2.5	5.0	.3
Gold and silver	14	47.1	16.0	6.1	.3	.9	.1
Other metals	8	37.8	7.2	3.3	(7)	.1	(7)
Metals not allocable	9	32.1	8.5	3.0	.3	(7)	.2
Total, metals	85	761.3	200.2	65.0	20.8	12.7	1.8
Coal:							
Anthracite	17	209.6	27.7	8.1	5.0	(7)	
Bituminous, lignite, etc.	52	432.8	44.5	16.2	5.0	(7)	(7)
Total, coal	69	642.4	72.2	24.3	10.0	(7)	(7)
Oil and gas	163	1,837.6	904.2	447.1	41.9	381.2	161.3
Sulfur	8	66.2	34.5	12.3	(7)		20.7
Nonmetals:							
Entitled to percentage depletion [8]	19	90.4	20.0	5.9	2.0		0.1
Not entitled to percentage depletion	8	56.1	13.4	.2	.2	0.3	20.0
Total nonmetals	27	146.6	33.3	6.2	2.2	.3	20.2
Grand total	352	3,454.1	1,244.4	554.9	74.9	394.2	204.0

[1] Gross income subject to depletion represents the amount for which the taxpayer sells, or could sell, in the immediate vicinity of the mine or well, the crude mineral output thereof.

[2] Net income subject to depletion represents the gross income subject to depletion less the allowable tax deductions attributable to the particular mineral property.

[3] Allowable depletion is the deduction permitted for income-tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

[4] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayers' depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.

[5] Development costs are expenditures for the preparation of mineral properties for production, which are deducted as expenses in the year incurred. Consequently these expenditures are not included in the tax basis of the property and future cost or adjusted-basis depletion is correspondingly reduced. The treatment of development costs as a current expense, however, does not diminish percentage depletion in subsequent years, since the latter is determined on the basis of income in those years.

[6] Tax deductions for exploration costs represent expenditures which are made in the search for mineral deposits but which cannot be attributed to the capital costs of particular depletable properties. Abandonment losses represent tax deductions for recovery of capital invested in particular mineral properties which are abandoned before recovery of adjusted basis. Both exploration costs and abandonment losses represent tax deductions for capital recovery in addition to depletion deductions.

[7] Less than $50,000.

[8] The following nonmetallics are entitled to percentage depletion: Fluorspar, ball and sagger clay, rock asphalt, potash, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepidolite, spodumene, barite, bauxite, china clay, phosphate rock, bentonite, trona, gilsonite, and thenardite.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 5.—*Mineral depletion and related allowances for selected corporations, by principal mineral products, 1947*

[Money figures in millions]

Principal mineral products	Number of corporations	Income subject to depletion		Depletion		Other capital recovery deductions	
		Gross [1]	Net [2]	Allowable [3]	Basis [4]	Development costs [5]	Exploration costs and losses on abandonment [6]
Metals:							
Iron	21	$310.8	$90.3	$26.7	$7.5	$7.2	$0.3
Copper	11	432.1	224.3	45.3	12.1	.9	.9
Lead and zinc	23	99.4	35.3	14.6	3.1	4.8	.1
Gold and silver	12	66.8	24.3	9.1	.2	1.1	1.6
Other metals	7	45.5	7.5	3.0	(7)	.1	(7)
Metals not allocable	12	54.6	17.6	5.5	.4	.1	.3
Total metals	86	1,009.2	399.2	104.2	23.3	14.3	3.2
Coal:							
Anthracite	16	211.6	18.3	7.5	4.7	(7)	.....
Bituminous, lignite, etc	55	612.5	87.2	25.4	6.2	.1	.3
Total coal	71	824.1	105.4	33.0	10.9	.1	.3
Oil and gas	153	$2,691.5	$1,544.9	$677.7	$42.6	$471.1	$199.9
Sulfur	8	80.3	43.8	14.9	(7)	.....	25.8
Nonmetals:							
Entitled to percentage depletion [8]	17	68.7	20.2	8.7	1.8	(7)	.2
Not entitled to percentage depletion	9	102.2	53.4	.3	.3	.4	25.1
Total nonmetals	26	170.9	73.6	9.0	2.1	.4	25.4
Grand total	344	4,775.9	2,166.9	838.7	78.8	486.0	254.5

[1] Gross income subject to depletion represents the amount for which the taxpayer sells, or could sell, in the immediate vicinity of the mine or well, the crude mineral output thereof.

[2] Net income subject to depletion represents the gross income subject to depletion less the allowable tax deductions attributable to the particular mineral property.

[3] Allowable depletion is the deduction permitted for income-tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

[4] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayers' depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.

[5] Development costs are expenditures for the preparation of mineral properties for production, which are deducted as expenses in the year incurred. Consequently, these expenditures are not included in the tax basis of the property and future cost or adjusted-basis depletion is correspondingly reduced. The treatment of development costs as a current expense, however, does not diminish percentage depletion in subsequent years, since the latter is determined on the basis of income in those years.

[6] Tax deductions for exploration costs represent expenditures which are made in the search for mineral deposits but which cannot be attributed to the capital costs of particular depletable properties. Abandonment losses represent tax deductions for recovery of capital invested in particular mineral properties which are abandoned before recovery of adjusted basis. Both exploration costs and abandonment losses represent tax deductions for capital recovery in addition to depletion deductions.

[7] Less than $50,000.

[8] The following nonmetallics are entitled to percentage depletion: Fluorspar, ball and sagger clay, rock asphalt, potash, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepidolite, spodumene, barite, bauxite, china clay, phosphate rock, bentonite, trona, gilsonite, and thenardite.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 6.—*Allowable and basis depletion related to income, selected corporations, by principal mineral products, 1946 and 1947*

[Percent]

Principal mineral products	1946				1947			
	Percent of gross income		Percent of net income		Percent of gross income		Percent of net income	
	Allowable depletion [1]	Basis depletion [2]	Allowable depletion [1]	Basis depletion [2]	Allowable depletion [1]	Basis depletion [2]	Allowable depletion [1]	Basis depletion [2]
Metals:								
Iron	5.6	1.7	32.6	9.9	8.5	2.4	29.5	8.3
Copper	9.6	4.9	25.5	13.1	10.4	2.7	20.1	5.3
Lead and zinc	15.2	3.5	50.0	11.7	14.6	3.0	41.3	8.6
Gold and silver	12.8	.5	37.8	1.5	13.6	.3	37.4	.9
Other metals	8.6	(3)	44.3	.3	6.6	(3)	40.3	.1
Metals not allocable	9.4	.9	35.6	3.7	10.0	.7	31.[illegible]	2.2
Total metals	8.5	2.7	32.2	10.3	10.3	2.3	26.0	5.8
Coal:								
Anthracite	3.8	2.3	29.0	17.9	3.5	2.2	40.8	25.6
Bituminous, lignite, peat	3.7	1.1	35.5	11.0	4.1	1.0	28.7	6.9
Total coal	3.7	1.5	33.1	13.6	3.9	1.3	30.8	10.1
Oil and gas	24.3	2.2	49.3	4.6	25.1	1.5	43.8	2.7
Sulfur	18.6	(3)	35.7	(3)	18.5	(3)	33.9	(3)
Nonmetals:								
Entitled to percentage depletion [4]	6.5	2.2	29.7	10.1	12.6	2.6	43.0	8.9
Not entitled to percentage depletion	.3	.2	1.5	1.2	.3	.2	.6	.4
Total nonmetals	4.2	1.4	18.4	6.5	5.2	1.2	12.2	2.8
Grand total	16.0	2.1	44.4	6.0	17.5	1.6	38.6	3.6

[1] Allowable depletion is the deduction permitted for income-tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

[2] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayer's depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.

[3] Less than 0.1 of 1 percent.

[4] The following nonmetallics are entitled to percentage depletion: fluorspar, ball and sagger clay, rock, asphalt, potash, flake graphite, vermiculite, beryl, feldspar, mica, talc, lepidolite, spodumene, barite, bauxite, china clay, phosphate rock, bentonite, trona, gilsonite and thenardite.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 7.—*Mineral depletion and related allowances for selected corporations, by size of total assets, 1946 and 1947*

[Money figures in millions]

Total asset classes [1] (in thousands)	Number of corporations [1]	Income subject to depletion		Depletion		Other capital recovery deductions	
		Gross [2]	Net [3]	Allowable [4]	Basis [5]	Development costs [6]	Exploration costs and losses on abandonment [7]
1946							
$100 under $1,000	$20	$22.7	$5.3	$2.0	$0.1	$0.1	$0.1
$1,000 under $5,000	105	207.3	47.3	18.9	3.8	9.2	2.0
$5,000 under $10,000	46	135.4	47.7	18.9	3.4	5.3	2.3
$10,000 under $50,000	96	670.0	190.7	81.8	13.4	49.4	19.3
$50,000 under $100,000	17	283.1	88.6	35.9	8.7	15.7	8.9
$100,000 and over	64	2,129.3	861.3	395.7	45.4	313.2	171.2
Total	348	3,447.8	1,241.0	553.2	74.8	392.9	203.7
1947							
$100 under $1,000	$20	$25.8	$6.7	$2.3	$0.1	$0.1	(8)
$1,000 under $5,000	101	268.3	72.5	26.8	3.4	11.0	$1.8
$5,000 under $10,000	42	160.1	60.0	23.5	3.1	7.4	3.6
$10,000 under $50,000	97	870.2	301.7	118.4	14.4	59.0	25.8
$50,000 under $100,000	14	353.3	117.2	51.4	10.7	16.5	13.2
$100,000 and over	68	3,108.7	1,604.8	614.3	47.1	390.8	209.6
Total	342	4,768.6	2,162.9	836.8	78.8	484.8	254.1

[1] Total asset classes are based on the net amount of total assets after reserves for depreciation, depletion, amortization and bad debts, as of the close of the taxable year 1946. Only corporations with balance sheets are included. Consequently, the number of corporations differs slightly from that in the tabulations by industry groups and by principal mineral products.

[2] Gross income subject to depletion represents the amount for which the taxpayer sells, or could sell, in the immediate vicinity of the mine or well, the crude mineral output thereof.

[3] Net income subject to depletion represents the gross income subject to depletion less the allowable tax deductions attributable to the particular mineral property.

[4] Allowable depletion is the deduction permitted for income tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

[5] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayers depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.

[6] Development costs are expenditures for the preparation of mineral properties for production, which are deducted as expenses in the year incurred. Consequently, these expenditures are not included in the tax basis of the property and future cost or adjusted-basis depletion is correspondingly reduced. The treatment of development costs as a current expense, however, does not diminish percentage depletion in subsequent years, since the latter is determined on the basis of income in those years.

[7] Tax deductions for exploration costs represent expenditures which are made in the search for mineral deposits but which cannot be attributed to the capital costs of particular depletable properties. Abandonment losses represent tax deductions for recovery of capital invested in particular mineral properties which are abandoned before recovery of adjusted basis. Both exploration costs and abandonment losses represent tax deductions for capital recovery in addition to depletion deductions.

[8] Less than $50,000.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 8.—*Allowable and basis depletion related to income, selected corporations, by size of total assets, 1946 and 1947*

Total assets classes [1] (in thousands)	Percent of gross income		Percent of net income	
	Allowable depletion [2]	Basis depletion [3]	Allowable depletion [2]	Basis depletion [3]
1946				
$100 under $1,000	8.9	0.4	38.2	1.7
$1,000 under $5,000	9.1	1.8	39.4	8.4
$5,000 under $10,000	13.9	2.5	39.7	7.1
$10,000 under $50,000	12.2	2.0	42.5	6.9
$50,000 under $100,000	12.6	3.0	40.4	9.7
$100,000 and over	18.5	2.1	45.8	5.2
Total	16.0	2.1	44.4	6.0
1947				
$100 under $1,000	9.0	0.3	34.5	1.0
$1,000 under $5,000	9.9	1.2	36.8	4.6
$5,000 under $10,000	14.6	1.9	39.1	5.1
$10,000 under $50,000	13.6	1.6	39.2	4.7
$50,000 under $100,000	15.3	3.1	43.8	9.1
$100,000 and over	19.7	1.5	38.2	2.9
Total	17.5	1.6	38.6	3.6

[1] Total asset classes are based on the net amount of total assets after reserves for depreciation, depletion, amortization and bad debts, as of the close of the taxable year 1946. Only corporations with balance sheets are included. Consequently, the number of corporations differs slightly from that in the tabulations by industry groups and by principal mineral products.

[2] Allowable depletion is the deduction permitted for income tax purposes, and is the larger of either adjusted-basis depletion or percentage depletion.

[3] Basis depletion is the deduction necessary to recover the unamortized portion of the taxpayers depletable property over its estimated remaining useful life. The unamortized portion, or adjusted basis, is reduced each year by the amount of allowable depletion.

Source: Bureau of Internal Revenue, Statistical Division, special tabulation.

TABLE 9.—*Income, deductions, and tax liabilities of 10 selected individual oil and gas operators, for the 5-year period 1943–47*

[Money figures in millions]

Individual operator	New income			Special deduction		Taxable net income	Income tax liability	
	From oil and gas [1]	From other sources	Total	Percentage depletion [2]	Development costs [3]		Amount	Percent of total net income
A	$10.5	$3.8	$14.3	2.2	$13.0	[4] −$0.9	$0.08	0.6
B	5.0	.8	5.8	3.1	2.1	.6	.5	8.6
C	3.9	.5	4.4	3.2	4.4	[4] −3.2	.15	3.4
D [5]	9.3	.3	9.6	2.7	0	6.9	6.1	63.5
E	2.7	.8	3.5	1.0	.3	2.2	1.4	40.0
F	1.7	1.4	3.1	.8	1.5	.8	.6	19.4
G	$7.7	−$1.3	$6.4	3.5	$2.1	$0.8	$0.5	7.8
H	2.1	3.6	5.7	1.0	.6	4.1	2.2	38.6
I	1.7	.1	1.8	.5	1.0	.3	.2	11.1
J	8.0	−.7	7.3	2.9	1.7	2.7	2.2	30.1
Total	52.6	9.3	61.9	20.9	26.7	14.3	13.93	22.5

[1] Income after deductions for operating expenses, depreciation, adjusted-basis depletion, exploration costs and losses on abandonment.

[2] Excess of percentage depletion over adjusted-basis depletion.

[3] Development costs are expenditures for the preparation of mineral properties for production, which are deducted as expenses in the year incurred. Consequently, these expenditures are not included in the tax basis of the property and future cost of adjusted-basis depletion is correspondingly reduced. The treatment of development costs as a current expense, however, does not diminish percentage depletion in subsequent years, since the latter is determined on the basis of income in those years.

[4] While special deductions more than offset the total net income for the 5 years, some income tax was paid because there were deficits only in some years. A deficit caused by excess percentage depletion cannot be carried over against the net taxable income of other years.

[5] Includes only 4 years, 1943–46.

Source: Bureau of Internal Revenue, special tabulation.

Mr. DOUGLAS. Mr. President, in 1955, the Joint Economic Committee asked a number of tax experts to participate in its study of Federal tax policy for economic growth and stability. One of the finest papers which was presented to the committee was that by William F. Hellmuth, Jr., of Oberlin College, who wrote on the subject of the "Erosion of the Federal Corporation Income Tax Base." This paper appears on pages 888 to 917. I ask unanimous consent that a section of that paper, which appears on pages 897 to 903, and which deals with the percentage depletion question, be printed at this point in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

DEPLETION

Present depletion deductions are probably the most glaring and most widely condemned source of erosion in the corporate income-tax base. These deductions may also be the ones which have been most liberalized and extended over the past 15 years.

Corporations have been permitted a tax deduction for the exhaustion of oil and mineral resources since 1913. In economics and in our tax law, the principle is well established that the gradual exhaustion in use of a well or mineral deposit represents a cost of production for which deductions should be allowed in computing net income. Controversy exists as to timing and total amount of depletion deductions allowable.

On the basis of tax neutrality between different industries and economic activities, deductions from income over the life of a property would be limited to original cost, with annual tax-free recovery reflecting the portion of the total deposit which is extracted during the year. Using the business-income yardstick, there would be depletion deductions based on actual cost or in some cases no deductions at all for depletion.[1] Full recovery of actual cost under cost depletion would correspond to tax treatment of depreciation or amortization for other capital assets.

Existing legislation allows taxpayers owning an economic interest in mineral deposits the choice of a depletion deduction based on cost or percentage depletion. Percentage depletion gives an annual deduction equal to the smaller of a statutory percentage of gross income from mineral property or 50 percent of net income from the property before any allowance for depletion. Total tax-free deductions under percentage depletion are not limited or even necessarily related to capital cost. Annual percentage depletion deductions are related to production, prices, net income, and statutory percentages. There is no ceiling on the total amount of these deductions and over the life of a property they may total many times a taxpayer's actual investment costs. Thus percentage depletion deductions diverge from allowable deductions which conform either to tax neutrality or to business-income concepts and are an important element of erosion.

The dollar estimate of the excess of percentage over cost depletion is based on Treasury studies of those corporations which accounted for 75 to 80 percent of all depletion allowances claimed by corporations during 1946–49.

Year	Number of corporations	Allowable depletion	Adjusted basis depletion	Excess of allowable over basis		
				Amount	Percent of allowable	Percent of net income
1946	352	$555	$75	$480	86.5	38.4
1947	344	839	79	760	90.6	35.0
1948	260	1,291	77	1,214	94.0	36.3
1949	260	1,120	61	1,059	94.6	40.1
Total		3,805	292	3,513		
Weighted average					92.3	

NOTE.—See also an interpretation of the 1946–47 data by D. H. Eldridge, Tax Incentives for Mineral Enterprise, Journal of Political Economy, June 1950, pp. 222–240.

Sources: 1946 and 1957 data from Revenues Revision of 1950, hearings before the Committee on Ways and Means, House, 81st Cong., 2d sess., vol. I, pp. 194, 197; 1948 and 1949 data from E. E. Oakes, Incentives for Mineral Industries, the President's Materials Policy Commission, Resources for Freedom, vol. 5, pp. 14–15. Admittedly adjusted-basis depletion is not identical to cost depletion but is based on cost less allowable depletion (larger of percentage or cost depletion) in prior years.

This table indicates that total allowable depletion deductions were at least 10 times depletion deductions based on cost. As legislation in 1951 and 1954 further liberalized percentage depletion and extended the opportunity to expense (currently or deferred) exploration and development costs so they never are charged to a depletion basis, allowable depletion may now be nearer 20 times cost depletion. These figures conceal a wide variation between individual products. Percentage depletion deduction as a multiple of cost depletion during 1946–49 varied from a high of over 200 for sulfur to 19 for oil and gas down to about 3½ for copper and coal. Note that oil and gas accounted for more than 80 percent of all depletion deductions:

Allowable depletion compared with adjusted basis depletion for certain products, 1946–49 combined

[In millions]

	Allowable depletion	Adjusted-basis depletion	Allowable as multiple of adjusted basis	Product percent of total allowable
All products	$3,805	$292	3.7	100.0
Oil and gas	3,143	167	18.9	82.8
Sulfur	60	(1)	(1)	1.6
Coal	136	38	3.5	3.6
Copper	182	49	3.7	4.8

[1] Allowable depletion for sulfur was less than $300,000 for all 4 years combined. Individual years' totals were too small to be reported in tables. Thus allowable depletion for sulfur was at least 200 times the amount of adjusted-basis depletion and possibly much more.

Source: Computed from Treasury depletion studies of several hundred large companies for 1946–49, op. cit.

The most recent Statistics of Income indicate corporate depletion deductions of $2,126 million for 1952. Corporate depletion in 1955 might amount to $2,500 million, assuming increased dollar volume and another $100 million for the liberalization of depletion by the 1954 code. Ninety percent of this total gives $2,250 million as the conservatively estimated amount of corporate income excluded from taxable income due to overgenerous percentage depletion.[2]

Erosion of the tax base due to depletion has been rapid in recent years and perhaps has now come to a position of equilibrium, at a position of great liberality, with percentage depletion now available to every metallic and nonmetallic mineral from anorthosite to zinc, including even oystershells and peat. Under section 613(b) of the 1954 code, only soil, dirt, turf, water, and mosses, or minerals from sea water, the air, or similar inexhaustible sources are not eligible for percentage depletion.

But this hope—that there will be no further erosion from depletion—is probably too optimistic. Industries entitled to a low rate of percentage depletion are continually pressing for higher rates; pass-through of depletion deduction opportunities to corporate stockholders in extractive industries has been requested. A Federal circuit court recently held that the value of finished brick could be used in the income measure for percentage depletion.[3] If this view prevails for brick, other industries will push for equal treatment, possibly even to the value of gasoline for a vertically integrated oil company.

The statutory history of depletion is a superb example of at least three types of tax changes which erode the corporate tax base.

The initial break from cost depletion came in 1918 when Congress allowed, to the discoverer only, tax-free deductions based on value of property at the time of the discovery or within 30 days thereafter. This was probably the first instance under the Federal income tax where increment of value after 1913 was not taxed. Usually, of course, discovery of oil or minerals increases the value of a property substantially over cost. This higher value was justified as an incentive to exploration and discovery to meet the World War I emergency. A comparable situation arose during World War II when percentage depletion, restricted until then to oil and gas (1926), and sulfur, metal mines, and coal (1932), was extended in 1942 to 3 nonmetals and in 1943 to 10 additional nonmetallic minerals. This expansion of percentage depletion was limited to the period of the war emergency to encourage production of minerals believed to be scarce for meeting the wartime demands. After both wars, these incentive features first introduced to meet temporary emergencies were not rescinded nor allowed to expire, but instead remained permanently in the tax structure. The first generalization is that temporary tax incentives are difficult or impossible to terminate.

A second observation from experience with depletion is that simplification of tax administration is often advanced at the expense of revenue or equity or both. To overcome administrative difficulties from the use of discovery value,[4] percentage depletion was allowed in 1926 for oil and gas wells. A figure of 27½ percent of gross income was chosen, apparently to give approximately equal dollar deduction under the new method as had been available under the discovery value method. But this percentage

[1] Smith and Butters, op. cit., pp. 80–84. Some businesses make no deduction for depletion due to the difficulty of estimating the future life of a deposit accurately.

[2] Since corporations account roughly for 80 percent of all depletion, an additional $500 to $600 million of depletion erosion would be estimated for the 1955 individual income-tax base. Revenue Revision of 1950, hearings before the Committee on Ways and Means, House, 81st Cong., 2d sess., vol. I,

[3] *Cherokee Brick & Tile Co.* (122 Fed. Supp. 59 (5 CCA, 1954)).

[4] Such questions as what was a new discovery, determination of value just after the discovery, and whether the owner was the discoverer plagued tax administrators.

method became more valuable as tax rates rose far above the 1926 corporate rate of 13.5 percent and as price levels increased, causing a high revenue cost to the Treasury and arousing the envy of other industries still restricted to cost or discovery value depletion. And the percentage depletion method, as noted above, unlike the cost and discovery value methods, has no overall limit so that deductions continue as long as a property is producing income.

A third lesson is that it is difficult to limit tax favors to just those who discover a new oil or mineral deposit or even to a few selected entire industries, however justified this special incentive is on grounds of relative risks or probable scarcity relative to needs for economic growth and national security. The other extractive industries regarded the availability of percentage depletion at liberal rates to a few industries as unfair discrimination and a tax deduction to which they were equally entitled. Politically the have-nots broke the dikes against percentage depletion in 1947, 1951, and again in 1954. Coverage was extended, percentage rates were raised, processes covered were broadened, and even mine residues were made eligible for percentage depletion. Apparent discrimination against certain industries was ended by extending the liberal deduction to all.[5] Companies exploiting sand and gravel pits and oystershells now qualify for percentage depletion along with oil companies and uranium prospectors, though at different rates.

The incentive value of percentage depletion for certain scarce minerals has been blunted by extending the favors to all. One problem is that there are no yardsticks to indicate the incentives needed to get the socially desired amount of investment in different fields. Congress has no guide to determine which industries are entitled to percentage depletion and what depletion rates produce the needed amount and distribution of investment in the extractive industries.[6]

The economic defense of generous percentage depletion results from national policy to provide an incentive or subsidy for certain selected minerals for reasons of national security. But on grounds of tax neutrality, tax equity, and conformity to business income accounting practice, the excess of percentage over cost depletion reflects erosion in the income tax base. In fact from the standpoint of accounting or economics, it is questionable whether these deductions are properly called depletion since they do not relate to any capital sum which is being exhausted. In some cases the income against which the statutory percentages apply includes not only extraction but also processes which are essentially manufacturing in character, such as finished brick or industrial talc.

The excess of percentage over cost-depletion deductions reduces corporate taxable net income by about $2¼ billion in 1955 and this figure, under existing legislation, will tend to increase with an expanding economy.

[5] No reduction in depletion rates has ever been voted by Congress. In 1954 every amendment extending percentage depletion was passed in the Senate. It was impossible even to get the necessary 10 Senators to request a record rollcall on any of these votes. See CONGRESSIONAL RECORD, vol. 100, pt. 7, pp. 9301–9319.

[6] The President's Materials Policy Commission, op. cit., vol. I. pp. 33–35. The Commission recommended that percentage depletion be retained because of its strong inducement to risk capital to enter the minerals field. It also recommended that no depletion rates be raised above the 1952 level and that recent additions to minerals eligible for percentage depletion be reexamined to see if incentives are needed for their production.

EXPLORATION AND DEVELOPMENT COSTS

Exploration and development costs are closely allied with the problem of depletion for mineral and oil producers. Current tax legislation allows these producers the option of capitalizing or expensing development and, with qualifications, exploration costs.

Oil and gas producers have enjoyed this option since 1917, first by Treasury regulation, now codified by the 1954 Internal Revenue Code. Intangible drilling and development costs include all costs of labor, fuel, repairs, materials, and construction, except cost of assets which have a salvage value, the latter assets being depreciated. The development costs eligible for expensing account on the average for about 75 percent of the costs incurred in bringing in a well.[7]

The Revenue Act of 1951 extended this option even more fully to mining. A taxpayer with mining interests may now decide each year for each mine to expense or capitalize development costs. Mine exploration and development costs can be deducted currently or set up as deferred expense to run over the life of ore benefited. In either case a deduction in lieu of cost depletion is given, but percentage-depletion deductions continue undiminished. Before 1951 all development costs in excess of current net income from a property during the development stage had to be capitalized.

This option to expense what are essentially capital costs is another loss to the tax base. Tax neutrality and conformity to business accounting would require that these costs be capitalized and amortized over the life of the assets or, if the assets cannot be moved, over the life of the mineral deposit, if it will be exhausted before the assets are fully depreciated.

The erosion here is twofold. First, the option to expense development costs allows deductions to be taken sooner than if these costs were capitalized and deducted gradually over a period of years. This means that total deductions to any given date are larger than if these costs were spread over several years. Secondly, expensing of development costs combined with percentage depletion allows double deductions for the same costs. To the extent that development costs are expensed, there is no need for depletion to recover investment. If 75 percent of the cost of an oil well is expensed, only the remaining 25 percent remains to be recovered tax free through cost depletion. But with percentage depletion, the annual and total deductions bear no direct relation to capital costs but depend on gross and net income. The dollar amount of deductions under percentage depletion is not influenced by the election to capitalize or expense.

Thus, with the expensing of development costs, percentage depletion becomes more than ever an additional deduction which must be justified on grounds other than recovery of costs for these are recovered through expensing. Leasehold costs cannot be expensed but they are usually in the form of royalty payments. Development costs may be offset against income from all sources, a feature which has attracted corporations (and individuals) primarily interested in other industries to finance new oil wells, thus reducing or even eliminating their taxable income while building up their capital assets.[8]

The Treasury study for 1946–47 cited above reported that 96.8 percent of all corporate development costs were claimed by oil and gas producers and that these deductions were about two-thirds of the excess of percentage over cost depletion. Applied to 1955, this suggests about $1.5 billion of costs which are expense in addition to being recovered through percentage depletion. Without percentage depletion, to avoid any erosion these costs would still not be expense but would be capitalized and deducted gradually over the life of the assets or the life of the well, whichever is shorter; from this point of view erosion would be at least $1.1 billion a year at first, declining gradually as annual depreciation charges accumulate for all such property in use.

The great value of these tax-saving features to the oil industry is documented by published 1954 annual reports. The following table compares the tax position of 3 companies which specialize in crude-oil production, 24 large oil companies combined (whose annual reports were available), and all corporations. Note that the effective tax rate increases from 9.2 percent for Tidewater, to 22.6 percent for 24-company aggregate, to 48.1 percent for all corporations.

Federal taxes and effective tax rates for oil companies and all corporations, 1954

	Net income before tax	Federal income tax	Effective tax rate	Per share	
				Earnings before tax	Federal income tax
	Millions	*Millions*	*Percent*		
Tidewater Associated Oil Co.	$38.0	$3.5	9.2	$3.45	$0.32
Humble Oil & Refining Co.	174.8	28.5	16.3	4.86	.79
Skelly Oil Co.	36.1	6.7	18.5	6.28	1.16
24 large petroleum companies	2,541.0	575.0	22.6		
All corporations	34,042.0	16,369.0	48.1		

Source: Annual reports: Department of Commerce estimate of corporate profits and Federal tax liability.

Since the Revenue Act of 1951, mining companies may expense a limited amount of exploration costs, even if for a productive property. The limit on such costs of a mining taxpayer was raised to $100,000 a year and $400,000 total by the 1954 code. The cost here is relatively small, although taxpayers are increasing their tax saving by incorporating each mine separately. Exploratory expenses above these limits by mining corporations must be capitalized. Only exploratory expenses which lead to dry holes may be expensed currently by the oil and gas industry. This conforms to neutrality and accounting concepts.

Mr. DOUGLAS. Mr. President, among the other points which Professor Hellmuth makes is that, in 1954, one major oil company paid taxes at an effective rate of 9.2 percent, another at 16.3 percent, and still another at 18.5 percent. He shows further that 24 large petroleum companies paid taxes at an effective rate of only 22.6 percent.

Mr. President, I myself have been collecting some facts and figures on the taxes paid by oil and gas producing companies. I have collected figures for 27 companies since 1945, and I have

[7] Oakes, op. cit., p. 17.

[8] J. K. Butters, L. E. Thompson, L. L. Bollinger, Effects of Taxation: Investments by individuals, pp. 201–202 (1953). Some investors regard investments in the oil industry as a source of tax exempt income, competitive with State and municipal securities.

figures which show the amount of income taxes they have paid compared with their net income before taxes. As we all know, since World War II, these taxes for most corporations have been in the neighborhood of 47 to 52 percent. However, these oil and gas companies have paid taxes at a considerably lower rate than what one would believe they should pay and what other corporations actually pay.

I am calling these companies company A, company B, company C, and so forth, for they have done nothing illegal and I do not wish to condemn them, but merely wish to condemn the principles of percentage depletion. Thus, I have no reason to go after any of the individual companies, but I do wish to illustrate the effects of the great many legal tax avoidance provisions of the tax code on the taxes which these companies actually pay.

Mr. President, let us consider company W. From 1956 to 1958 inclusive this company had a net income after taxes of approximately $40 million and paid only $175,000 in taxes during this time. That was a foreign income tax, so the company paid no domestic income tax. The company paid nothing in 1957 or 1956 or 1955. From 1953 to 1958 the net income after taxes of this company amounted to approximately $65 million, and it paid no income taxes to this country, but actually received a net refund of $425,000.

Let us consider company S. In the year 1954 its net income after taxes was $5,198,179. The company paid only $43,000 in income tax or less than 1 percent. In other years it paid between 5 and 7 percent of its net income in the form of taxes.

There are many other lurid cases—company O, company X, company Y, company U.

Mr. President, a man with a wife and three children, earning $4,000 a year, paid more taxes than company W, with net profits over 5 years of $65 million. When these facts become known, as they should become known, how long will the American people be happy under those conditions?

Mr. President, I ask that tabulations in that connection be printed at this point in the RECORD.

There being no objection, the tabulations were ordered to be printed in the RECORD, as follows:

Company A

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$22,485,135	[1]	$22,485,135	
1957	35,208,979	$5,260,000	29,948,979	14.94
1956	29,523,395	3,024,000	26,499,395	10.24
1955	28,143,673	2,780,000	25,363,673	9.88
1954	21,029,684	1,252,000	19,777,648	5.95
1953	18,812,590	367,000	18,445,590	1.95
1952	16,550,361	654,000	15,896,361	3.95
1951	17,369,652	1,073,000	16,296,652	6.17
1950	18,467,607	3,068,000	15,399,607	16.61
1949	14,759,193	375,000	14,384,193	2.54
1948	27,367,252	4,725,000	22,642,252	17.27
1947	17,749,626	2,830,000	14,919,626	15.94
1946	10,130,975	1,275,000	8,855,975	12.59
1945	5,611,770	215,000	5,396,770	3.83

[1] Not available.

Company B

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$4,371,094	$525,000	$3,846,094	12.01
1957	5,392,505	150,000	5,242,505	2.78
1956	6,975,382	1,095,000	5,880,382	15.70
1955	5,975,382	485,000	4,965,220	9.90
1954	3,291,733	38,172	3,253,561	1.16
1953	5,594,074	1,552,500	4,441,574	27.75
1952	4,436,030	669,500	3,766,530	15.09
1951	5,561,770	714,880	4,846,890	12.85
1950	5,709,537	1,023,900	4,685,637	17.93
1949	3,259,928	163,040	3,096,888	5.00
1948	6,295,858	898,900	5,396,958	14.28
1947	4,011,073	1,023,126	2,987,947	25.51
1946	2,089,932	417,000	1,672,932	19.95
1945	2,321,605	205,908	2,115,697	8.87

Company C

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$5,402,894	$481,413	$4,921,481	8.91
1957	5,561,652	640,635	4,921,017	11.52
1956	4,770,495	261,837	4,508,658	5.49
1955	4,826,687	417,388	4,409,299	8.65
1954	4,625,759	336,889	4,288,870	7.28
1953	4,391,404	179,114	4,212,290	4.08
1952	3,588,107	91,660	3,496,447	2.55
1951	3,934,107	399,397	3,534,710	10.15
1950	3,696,584	847,072	2,849,412	22.91
1949	3,373,448	679,553	2,693,895	20.14
1948	4,542,842	982,540	3,560,302	21.63
1947	2,284,109	529,781	1,754,328	23.19
1946	161,816	212	161,604	.13
1945	33,895	256	33,639	.76

Company D

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$156,130	[1] $13,000	$169,130	0
1957	272,515	5,000	266,515	1.84
1956	476,556	35,000	437,556	7.41
1955	549,093	15,000	534,093	2.73
1954	309,405		309,405	
1953	303,453	11,332	292,121	3.73
1952	159,084	25,686	133,398	16.15
1951	415,948	8,234	407,714	1.98
1950	277,514	1,500	276,014	.54
1949	177,187	1,000	176,187	.56
1948	526,061	35,000	491,061	6.65
1947	399,643	52,000	347,643	13.01
1946	139,923	1,000	138,923	.71
1945	140,101	1,500	138,601	1.07

[1] Credit.

Company E

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$8,108,706	$800,000	$7,308,706	9.87
1957	11,303,747	1,600,000	9,703,747	14.15
1956	11,379,241	1,900,000	9,479,241	16.69
1955	8,509,136	1,500,000	7,009,136	17.63
1954	5,320,750		5,320,750	
1953	6,420,968	1,048,000	5,372,968	16.32
1952	5,601,723	1,400,000	4,201,723	24.50
1951	5,866,052	2,000,000	3,866,052	34.09
1950	4,951,476	1,500,000	3,451,476	30.29
1949	4,928,459	1,020,000	3,908,459	20.70
1948	5,766,543	960,000	4,806,543	16.65
1947	3,650,374	600,000	3,050,374	16.44
1946	3,248,813	200,000	3,048,813	6.16

Company F

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$54,865,371	$7,400,000	$47,465,371	13.49
1957	51,273,749	4,550,000	46,723,749	8.87
1956	67,517,000	15,700,000	51,817,000	23.25
1955	56,259,000	9,900,000	46,359,000	17.60
1954	50,383,000	8,700,000	41,683,000	17.27
1953	55,775,000	14,900,000	40,875,000	26.71
1952	52,488,000	14,400,000	38,088,000	27.43
1951	58,593,000	17,300,000	41,293,000	29.53
1950	57,407,000	15,000,000	42,407,000	26.13
1949	46,487,000	10,390,000	36,097,000	22.35
1948	74,080,000	19,863,000	54,217,000	26.81
1947	40,655,000	9,298,000	31,357,000	22.87
1946	22,599,000	3,585,000	19,014,000	15.86
1945	16,371,000	1,228,000	15,143,000	7.50

Company G

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$804,716	$50,000	$754,716	6.21
1957	1,167,546	115,000	1,052,546	9.85
1956	560,753		560,753	
1955	832,765		832,765	
1954	785,624		785,624	
1953	730,699		730,699	
1952	968,287	69,022	899,265	7.13
1951	935,134	137,220	797,914	14.67
1950	892,552	147,275	745,277	16.50
1949	969,991	204,860	765,131	21.12
1948	872,719	150,367	722,352	17.23
1947	654,922	160,452	494,470	24.45
1946	471,923	135,664	336,259	28.75
1945	461,448	180,808	280,640	39.18

Company H

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$1,760,794	0	$1,760,794	0
1957	2,176,226	$160,000	2,016,226	7.35
1956	2,647,058	93,000	2,554,058	3.51
1955	1,994,072	86,000	1,908,072	4.31
1954	2,276,415	238,329	2,038,086	10.47
1953	1,899,343	156,039	1,743,304	8.22
1952	1,998,758	370,291	1,628,467	18.53
1951	1,992,234	411,166	1,581,068	20.64
1950	1,270,271	72,843	1,197,428	5.73

NOTE.—Records available only for last 9 years.

Company I

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958 [1]	$7,076,455	[2] $23,352	$7,099,807	0
1957 [1]	9,079,022	[2] 5,860	9,084,882	0
1957	9,078,922	[2] 5,860	9,084,882	([3])
1956	8,886,172	151,000	8,735,172	1.69
1955	8,106,746	429,075	7,677,671	5.29
1954	6,769,145	196,335	6,572,810	2.90
1953	5,414,053	26,156	5,387,897	.48
1952	5,067,243	410,539	4,656,704	8.10
1951	4,477,673	404	4,477,269	.01
1950	3,456,001	202,087	3,253,914	5.85
1949	2,949,585	72,628	2,876,957	2.46
1948	2,774,079	201,176	2,572,903	7.25
1947	3,172,001	504,487	2,667,514	15.90
1946	755,220	258,488	496,732	34.23
1945	102,860	65,966	368,946	64.13

[1] 12 months ended June 30.
[2] Credit.
[3] Credit taxes.

NOTE.—In total analysis 1956 equals 1957 on this company, etc.

Company J

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$2,950,700	$90,000	$2,860,700	3.05
1957	3,154,900	20,000	3,134,900	.63
1956	3,168,549	75,000	3,093,549	2.37
1955	3,656,274	150,000	3,506,274	4.10
1954	3,570,162	360,000	3,210,162	10.08
1953	3,363,964	500,000	2,863,964	14.86
1952	2,561,162	267,461	2,293,701	10.44
1951	3,971,370	965,230	3,006,140	24.30
1950	2,302,729	519,263	1,783,466	22.55
1949	1,551,586	104,000	1,447,586	6.70
1948	1,344,021	150,000	1,194,021	11.16
1947	1,230,364	50,000	730,364	4.06
1946	409,171		409,171	
1945	328,260		328,260	

Company K

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$14,145,331	$2,300,000	$11,845,331	16.23
1957	17,938,378	3,400,000	14,538,378	18.95
1956	16,316,268	2,500,000	13,816,268	15.32
1955	15,599,264	1,900,000	13,699,264	12.18
1954	11,541,464	1,278,154	10,263,310	10.01
1953	11,762,519	1,590,080	10,172,439	13.52
1952	9,218,224	1,875,000	7,343,224	20.34
1951	10,327,002	2,400,000	7,927,002	23.24
1950	8,723,484	2,000,000	6,723,484	22.93
1949	8,716,231	1,800,000	6,916,231	20.65
1948	17,245,547	4,000,000	13,245,547	23.19
1947	9,301,386	2,300,000	7,001,386	24.73
1946	5,321,560	1,010,000	4,311,560	18.98
1945	4,235,097	257,000	3,978,097	6.07

Company L—Liquidated Apr. 11, 1957

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1954	$7,762,785	$1,275,000	$6,487,785	16.42
1953	8,494,844	1,785,000	6,709,844	21.01
1952	7,844,057	1,500,000	6,344,057	19.12
1951	8,553,640	1,500,000	7,053,640	17.54
1950	8,086,702	1,983,000	6,103,702	24.52
1949	7,805,345	1,900,000	5,905,345	24.34
1948	7,512,733	1,726,006	5,786,727	22.97
1947	7,667,536	1,575,000	6,092,536	20.54
1946	5,146,094	1,100,000	4,046,094	21.38
1945	3,209,359	831,500	2,377,859	25.91
1944	3,519,208	1,068,760	2,450,448	30.37

Company M

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$152,543,223	$16,000,000	$136,543,223	10.49
1957	192,910,393	17,000,000	175,910,393	8.81
1956	212,961,000	34,000,000	178,961,000	15.97
1955	215,997,000	41,000,000	174,997,000	18.98
1954	174,803,000	28,500,000	146,303,000	16.30
1953	207,757,854	43,500,000	164,257,854	20.94
1952	175,792,000	30,500,000	145,292,000	14.68
1951	220,981,000	51,500,000	169,481,000	23.30
1950	161,360,000	32,000,000	129,360,000	19.83
1949	138,480,000	18,000,000	120,480,000	13.00
1948	240,069,000	54,000,000	186,069,000	22.49
1947	153,207,000	29,100,000	124,107,000	18.99
1946	79,332,000	7,500,000	71,832,000	9.45
1945	80,395,000	9,500,000	70,895,000	11.82

Company N

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$5,378,973	0	$5,378,973	0
1957 [1]	7,972,558	$1,727,910	6,244,648	21.67
1956	5,378,994	699,000	4,679,994	13.00
1955	2,502,867	18,000	2,484,867	.72
1954	1,603,682	23,923	1,579,759	1.49
1953	3,077,447	4,724	3,072,723	.15
1952	2,334,532	99,844	2,234,688	4.28
1951	1,209,045	31,250	1,177,795	2.58
1950	282,202	49,750	232,452	17.63
1949	1,225,576	6,949	1,218,627	.57
1948	1,395,517	29,053	1,366,464	2.08
1947	359,903	15,000	344,903	4.17
1946	[2] 106,098	200	[2] 106,298	
1945	1,537,551	406,500	1,131,051	26.44

[1] 12 months ended June 30.
[2] Deficit.

NOTE.—In totals analysis, 1956—1957 on this company, etc.

Company O

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	(1)	(1)	(1)	
1957	$1,573,165		$1,573,165	
1956	1,034,094	(2)	1,034,094	
1955	1,006,718	(2)	1,006,718	
1954	1,690,567	$42,130	1,648,437	2.49
1953	1,873,226	50,000	1,823,226	2.67
1952	1,502,077	40,000	1,462,077	2.66
1951	2,714,277	30,000	2,684,227	1.11
1950	2,692,947	40,000	2,652,947	1.49
1949	3,382,140	42,323	3,382,140	1.25
1948	4,236,057	348,900	3,887,157	8.24
1947	1,517,480	48,919	1,468,561	3.22
1946 [3]	689,609	10,241	679,368	1.51
1945 [3]	[4] 664,526	4,103	660,423	.62
1954 [3]	2,205,837	42,130	2,163,707	1.91
1953 [3]	2,600,271	50,000	2,550,271	1.92
1952 [3]	2,202,835	40,000	2,162,835	1.81
1951 [3]	2,623,191	30,000	2,593,191	1.14
1950 [3]	3,744,852	40,000	3,704,852	1.01
1949 [3]	4,158,672	42,322	4,116,350	1.00
1948 [3]	4,353,435	348,900	4,004,535	8.01

[1] Not available.
[2] Not reported.
[3] Figures for 1954–48 restated as result of revision of estimates of recoverable oil and gas reserves.

NOTE.—Company O felt not liable for Federal income tax in this period.

Company P

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$6,135,363	$470,000	$5,765,363	7.66
1957	6,611,110	660,000	5,951,110	9.98
1956	6,277,997	478,000	5,799,997	7.61
1955	6,211,916	470,000	5,741,916	7.56
1954	6,209,385	470,000	5,739,385	7.57
1953	6,761,834	515,000	6,246,834	7.62
1952	7,023,582	540,000	6,483,582	7.69
1951	7,008,444	535,000	6,473,444	7.63
1950	6,616,103	415,000	6,201,103	6.27
1949	4,940,029	270,000	4,670,029	5.47
1948	5,679,055	333,000	5,346,055	5.86
1947	2,827,824	159,000	2,668,824	5.62
1946	2,532,718	151,000	2,381,718	5.96
1945	2,522,301	157,075	2,365,226	6.23

Company Q

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$16,144,274	$3,271,000	$12,873,274	20.26
1957	19,137,735	4,500,000	14,637,735	23.51
1956	10,590,947	2,703,000	7,887,947	25.52
1955	13,034,071	1,852,000	11,182,071	14.21
1954	14,484,813	1,967,000	12,517,813	13.58
1953	12,815,586	1,143,000	11,672,586	8.92
1952	9,570,934	602,000	8,968,934	6.29
1951	8,190,680	385,000	7,805,680	4.70
1950	6,263,638	400,000	5,863,638	6.39
1949	5,183,830	210,000	4,973,830	4.05
1948	7,713,057	407,623	7,305,434	5.28
1947	3,896,936	85,000	3,811,936	2.02
1946	1,614,888	65,000	1,549,888	4.02
1945	997,075	40,000	957,075	4.01

Company R

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$3,620,312	[1] $968,000	$4,588,312	
1957	6,908,969	882,000	6,026,969	12.77
1956	10,595,588	2,640,000	7,955,588	24.92
1955	8,052,718	1,164,559	6,888,159	14.46
1954	8,395,561	1,636,500	6,759,061	19.49
1953	11,536,428	3,477,350	8,059,078	30.14
1952	13,532,095	3,884,000	9,648,095	28.70
1951	14,940,795	4,645,000	10,295,795	30.11
1950	10,850,226	2,351,801	8,498,425	21.68
1949	6,470,610	299,023	6,171,587	4.62
1948	8,229,656	1,635,000	6,594,656	19.87
1947	4,773,864	576,444	4,197,420	12.07
1946	2,475,239	370,000	2,105,239	14.95
1945	1,983,259	252,500	1,730,759	10.27

[1] Credit.

Company S

Year [1]	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958 [1]	$3,337,324	[2] $236,642	$3,100,682	7.09
1957 [1]	4,712,841	330,000	4,382,841	7.00
1957	4,712,841	330,000	4,382,841	7.02
1956	4,060,798	260,000	3,800,798	6.40
1955	4,284,521	220,000	4,064,521	5.13
1954	5,241,179	43,000	5,198,179	.82
1953	5,525,948	583,000	4,942,948	10.55
1952	5,618,762	1,425,000	4,193,762	25.36
1951	5,280,578	964,000	4,316,578	18.26
1950	2,944,322	191,000	2,753,322	6.49
1949	4,736,153	342,000	4,394,153	7.22
1948	4,213,001	266,000	3,947,001	6.31
1947	3,200,034	160,000	3,040,034	4.99
1946	1,809,404	30,000	1,779,404	1.66

[1] 12 months ended June 30.
[2] Includes credit of $171,642 prior years' tax adjustment.

NOTE.—In total analysis 1956=1957 for this company, etc.

Company T

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$1,011,165	[1] $235,320	$1,246,485	0
1957	701,822	0	701,822	0
1956	949,659	138,000	811,659	14.53
1955	1,385,335	185,000	1,200,335	13.35
1954	542,208	2,500	539,708	4.61
1953	408,107		408,107	
1952	431,569		431,569	
1951	273,473		273,473	
1950	183,116	5,000	178,116	2.73
1949	[1] 6,000		[1] 6,000	

[1] Credit.

Company U

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	(1)	(1)	(1)	
1957	$11,719,324	$560,482	$11,158,842	4.78
1956	9,568,842	200,000	9,368,842	2.09
1955 [2]	9,340,810	900,000	8,440,810	9.64
1954	7,805,307	335,000	7,470,307	4.29
1953	7,140,132	600,000	6,540,132	8.40
1952	7,715,591	1,000,000	6,715,591	12.96
1951	10,239,600	2,900,000	7,396,000	28.32
1950	7,659,000	1,200,000	6,459,000	15.67
1949	6,656,347	875,000	5,781,347	13.15
1948	9,030,713	2,250,000	6,780,713	24.91
1947	7,191,002	1,250,000	5,941,002	17.38
1946	3,400,586	400,000	3,000,586	11.76

[1] Not available.
[2] Restated to conform with accounting practice effective Jan. 1, 1956—method of charging intangible development costs was changed. 1956 net income would have been $1,470,000 less without such change.

Company V, Liquidated

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1954	$4,173,767		$4,173,767	
1953	3,951,367	$350,000	3,601,367	8.86
1952	4,414,623	660,000	3,754,623	14.95
1951	3,112,871		3,112,871	
1950	1,904,836	526,000	1,378,836	27.61
1949	[1] 592,448	7,500	584,948	1.26
1948	461,640	2,400	459,240	.52
1947	416,506	4,100	512,406	.98
1946	328,052	11,282	316,770	3.44
1946 [2]	176,841	5,250	171,591	2.97
1945 [2]	293,539	6,127	287,412	2.00

[1] Before $653,408 loss on wells abandoned.
[2] 12 months ended Apr. 30. In 1946, the company changed to a calendar year basis so 1946 taxes are shown both ways.

Company W

Year [1]	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958 [1]	$16,726,337	[2] $175,000	$16,551,337	1.05
1957 [1]	18,877,389	0	18,877,389	0
1957	18,877,389		18,877,389	
1956	5,040,752		[3] 5,040,752	
1956 [4]	(5)		(5)	
1955	3,395,446		3,395,446	
1954	10,260,388	[6] 100,000	10,360,388	(7)
1953	11,500,382	[6] 500,000	12,000,382	(7)
1952	12,100,165	200,000	11,900,165	1.65
1951	15,195,639	1,900,000	13,295,639	12.03
1950	7,128,542	200,000	6,928,542	2.81
1949	7,483,443	200,000	7,283,443	2.67
1948	17,917,474	3,000,000	14,917,474	16.74
1947	5,266,897	400,000	4,866,897	7.59
1946	1,844,156		1,844,156	
1945	5,422,254	450,000	4,972,254	8.29

[1] 12 months ended Aug. 31.
[2] Foreign income taxes.
[3] Same for both consolidated and company only.
[4] Consolidated.
[5] Same.
[6] Credit.
[7] Credit taxes.

NOTE.—In total analysis, 1956=1957 on this company, etc.

Company X

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$4,642,978	$670,023	$3,972,955	14.43
1957	7,670,654	840,709	6,829,945	10.96
1956	6,057,708	400,000	5,657,708	6.60
1955	6,720,029	400,000	6,320,029	5.95
1954	5,245,527		5,245,527	
1953	4,470,659	240,000	4,230,659	5.37
1952	3,635,498	450,000	3,185,498	12.38
1951	3,702,765	550,000	3,152,765	14.85
1950	3,770,706	696,200	3,047,506	18.46
1949	4,022,266	640,907	3,381,359	15.93
1948	4,731,952	901,906	3,830,046	19.06
1947	2,940,750	597,621	2,343,129	20.32
1946	1,394,512	163,973	1,230,539	11.75
1945	666,557		666,557	

Company Y

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$6,231,481	0	$6,231,481	0
1957	7,802,218	$570,000	7,232,218	7.31
1956	7,859,694	650,000	7,209,694	8.27
1955	8,449,374	500,000	7,949,374	5.92
1954	8,256,034	400,000	7,856,034	4.85
1953	8,874,068	1,275,000	7,599,068	14.37
1952	8,101,335	1,255,000	6,846,335	15.49
1951	8,009,124	1,185,000	6,824,124	14.79
1950	7,047,367	1,050,000	5,997,367	14.89
1949	7,048,753	710,000	6,338,753	10.07
1948	9,186,038	1,725,000	7,461,038	18.78
1947	4,883,907	760,000	4,123,907	15.56
1946	2,428,249	315,000	2,113,249	12.97
1945	1,934,850	175,000	1,759,850	9.04

Company Z

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$2,065,816	0	$2,065,816	0
1957	2,215,290	0	[1] 2,215,290	0
1956 [2]	746,447		746,447	
1956 [3]	1,602,988		1,602,988	
1955	1,262,177		1,262,177	
1954	1,720,086		1,720,086	
1953	1,508,988		1,508,988	
1952	1,547,048		1,547,048	
1951	703,747		703,747	
1950	151,488		151,488	
1949	154,707		154,707	
1948	134,881		134,881	

[1] Adjusted.
[2] 7 months ending Dec. 31.
[3] In totals analysis, May 31 ending years used.

NOTE.—Years end May 31 prior to 1957.

Company A–Z

Year	Net income before income taxe	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	$909,982	0	$909,982	0
1957	891,025	0	891,025	0
1956	783,082		783,082	
1955	981,994		981,994	
1954	647,516		647,516	
1953	1,008,416	$80,000	928,416	7.93
1952	768,664		768,664	
1951	1,143,004	283,000	860,004	24.76
1950	969,156	264,774	704,382	27.32
1949	394,227		394,227	
1948	874,306	173,000	701,306	19.79
1947	655,289	73,000	582,289	11.14
1946	227,789		227,789	
1945	322,232		332,232	

Company B–Z

Year	Net income before income taxes	Income taxes	Net income after income taxes	Percent of income taxes to income before taxes
1958	[1] $31,647,420	[2] $4,074,902	$33,825,276	
1957	35,009,503	[2] 1,827,610	35,669,759	

[1] State and foreign income taxes included.
[2] Credit.

Mr. DOUGLAS. Mr. President, these are only some of the facts concerning the depletion allowance. My amendment is designed to plug, in small part, a very large and a very serious loophole. It is so large it should be called a truck hole. In fact, when one considers all of the special privileges which are accorded to this industry and the small amount in taxes which it pays, I am amazed at the extreme modesty of my proposals.

My amendment is not a punitive one, for, first, it would not do away with the depletion allowance altogether and, second, it would not affect at all the small wildcat driller or the small producer, except to his competitive advantage. In fact, my amendment is written in such a way that the small royalty holder would not be affected by my amendment. However, the amendment is written in such a way that depletion taken on foreign assets by American companies would be reduced on the same sliding scale principle as would apply to domestic companies.

The reason for making a graduated reduction in the amendment is that drilling for oil and gas involves some risk.

It will be remembered that the scale which I propose is not to alter the present 27½-percent depletion allowance for individuals and corporations whose gross income from oil and gas is less than $1 million a year, but to reduce the percentage to 21 percent on the increments of income from $1 million to $5 million a year, and to reduce the percentage 15 percent on the increments of income above $5 million a year.

Some people have asked, "Why do you seek a graduated reduction?" The reason is that drilling for oil and gas involves some risk. It is estimated that only about one in nine wells which are drilled actually produces gas or oil. The small driller, with only a few wells over which to spread this risk, does not have enough wells to assure that he will hit the one in nine and may, in fact, drill 20 or 30 dry holes before hitting oil or gas. Consequently, without a great number of wells over which to spread the risk, he takes a greater risk than the large driller who will average one in nine successful wells if he drills 100 or 200 wells a year.

Indeed, the large driller will average more than one in nine successful wells, because usually he drills in fields which already have been developed, and which are known to contain large quantities of oil and gas. He is not a pioneer like the wildcatter, upon the frointier of the in-

dustry. My amendment reflects this greater risk for the small operator.

The Treasury estimated, a year ago, that the adoption of the amendment which I offered a year ago would result in a net revenue increase to the Federal Treasury of $305 million to $310 million per year. That was the increased revenue from domestic operations. Another $90 million should be added for foreign depletion. In other words, the amendment would have produced $400 million annually.

The amendment I offer is in a slightly modified form and might not pick up quite as much if based on the previous figures for depletion taken. However, the latest figures we have show an additional $262.5 million which has been taken in depletion allowance yearly since the $400 million estimate. Consequently, it is clearly true that this amendment, even in its slightly modified form, would bring in at least $400 million per year.

I would also like to have printed in the RECORD at the conclusion of my remarks a comparison of the tax advantages which come from an investment in an oil property as compared with an investment in depreciable facilities; a memorandum on the application of capital gains treatment to the oil industry; a paper on "Writeoffs, Cost Depletion, and Percentage Depletion," by Dr. Paul Haber; and a correspondence between Dean Griswold of the Harvard Law School and Mr. Rex Baker of the Humble Oil & Refining Co.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1, 2, 3, 4, and 5.)

Mr. DOUGLAS. Mr. President, I am about to yield the floor. I should like to say for the sake of the RECORD that this is an abuse which the American public cannot tolerate for much longer. I wish to tell the oil industry, which is carrying out its propaganda against this very reasonable proposal, that if it does not accept this proposal it is likely in the future either to have the depletion allowance reduced across the board to 15 percent, or have it swept away. If the oil and gas industry knew what was good for it, it ought to give a medal of honor to those who propose this amendment. I am not seeking that medal, and if offered I would return it. Those who do not bow to justice sow the whirlwind and prophets will arise which know not restraint or moderation.

A great word today is "moderation." A great belief is in a bland life. This is the most bland proposal one could possibly conceive.

Mr. President, I see only three other Senators in the Senate Chamber, but I know Senators read even though they do not listen, and it is alleged that newspapermen upon occasion read. I have heard that questioned, but I am not one who questions it. So I hope that my comments, those of my colleagues who preceded me, and of my very able colleague from Pennsylvania [Mr. CLARK], who is to follow, may be duly noted. I yield the floor.

EXHIBIT 1

SEC. 7. PERCENTAGE DEPLETION FOR OIL AND GAS WELLS.

(a) Section 613 of the Internal Revenue Code of 1954 (relating to percentage depletion) is amended—

(1) by striking out, in subsection (a), "specified in subsection (b)" and inserting in lieu thereof "specified in subsection (b) and (d)";

(2) by striking out paragraph (1) of subsection (b) and inserting in lieu thereof the following:

"(1) Oil and gas wells.—The percentage applicable under subsection (d)(1).";" and

(3) by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection:

"(d) OIL AND GAS WELLS.—

"(1) PERCENTAGE DEPLETION RATE.—In the case of oil and gas wells, the percentage referred to in subsection (a) is as follows:

"(A) 27½ PERCENT—to the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, does not exceed $1,000,000;

"(B) 21 PERCENT—to the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $1,000,000 but does not exceed $5,000,000; and

"(C) 15 PERCENT.—To the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and

(ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $5,000,000.

"(2) CONTROL DEFINED.—For purposes of paragraph (1), the term 'control' means—

"(A) with respect to any corporation, the ownership, directly or indirectly, of stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or the power (from whatever source derived and by whatever means exercised) to elect a majority of the board of directors, and

"(B) with respect to any taxpayer, the power (from whatever source derived and by whatever means exercised) to select the management or determine the business policies of the taxpayer.

"(3) CONSTRUCTIVE OWNERSHIP OF STOCK.—The provisions of section 318(a) (relating to constructive ownership of stock) shall apply in determining the ownership of stock for purposes of paragraph (2).

"(4) APPLICATION UNDER REGULATIONS.—This subsection shall be applied under regulations prescribed by the Secretary or his delegate."

(b) The amendments made by subsection (a) shall apply only with respect to taxable years beginning after the date of the enactment of this Act.

EXHIBIT 2

COMPARATIVE TAX BENEFITS IN INVESTMENT IN OIL PROPERTY AND IN DEPRECIABLE FACILITIES

Taxpayer A invests $100,000 in developing an oil property. Taxpayer B invests $100,000 in, say, a manufacturing enterprise through purchase of $100,000 of depreciable facilities.

In the year in which these investments are made, Taxpayer A in computing his Federal tax liability, may claim a deduction for that portion of the $100,000 outlay which goes into intangible drilling and development costs, i.e., costs of labor, fuel and power, materials and supplies, tool rental, repairs of drilling equipment, etc., incurred during the drilling of wells and their preparation for production. Such outlays may aggregate two-thirds of the total capital outlay in bringing the well into production. Of his initial $100,000 outlay, therefore, Taxpayer A will have recovered, for tax purposes, all but one-third in the first year, through the privilege of expending certain capital costs. Most if not all of this remaining one-third will represent depreciable facilities, e.g., drilling rigs, structures, etc., which are subject to depreciation allowances for tax purposes. Assuming the average useful life of these facilities is, say 10 years, Taxpayer A may claim, for tax purposes, an additional deduction of about 6⅔ percent of his capital outlay.[1] Together with the intangible drilling and development cost deduction, therefore, he may claim in the year of his investment close to 75 percent of his outlay.

Taxpayer B, on the other hand, can claim as a tax deduction, with respect to his capital outlay in the year the investment is made, only the amount allowable as depreciation on the facilities he acquired. Assuming the average economically useful life of these facilities is, say 10 years (and ignoring salvage value), the most liberal depreciation he can claim would be 20 percent of his outlay.

Assuming both A and B are corporate taxpayers, taxpayer A will enjoy a tax advantages of $28,000 ($=52\ (.75\times 100{,}000-.20\times 100{,}000)$) in the year in which the investment is made with respect to direct capital recovery charges.

In addition, however, taxpayer A can claim a percentage depletion allowance equal to 27½ percent of the gross income produced by the oil property up to 50 percent of the net income therefrom. If, conservatively estimated, the oil property produces an annual gross income of $50,000 and a net income of, say, $25,000, annual depletion allowances will be $13,750. Accordingly, taxpayer A's total deductions for intangible drilling and development costs, depreciation, and percentage depletion will exceed his actual $100,000 investment in less than 2 taxable years. Over the same 2 years, taxpayer B's capital recovery deductions through depreciation will total 36 percent of his investment. In 2 years' time, therefore, taxpayer A will enjoy a tax advantage compared to taxpayer B of $33,713, or more than one-third of the original capital outlay.

Since total percentage depletion allowances which may be claimed are not limited by the unrecovered investment in the property, taxpayer A may continue to claim percentage depletion so long as the well continues to produce. In this example, therefore, he will be able to claim, during the remaining 8 years of production by the well, additional deductions of $110,000, or total deductions over the 10 years of about $210,000, more than double his actual investment.

Taxpayer A's actual savings, with a 52-percent corporate tax rate, will amount to almost $110,000, or 10 percent more than his actual investment. On the other hand, taxpayer B's actual tax savings will be $52,000, less than half taxpayer A's.

EXHIBIT 3

APPLICATION OF CAPITAL GAINS TREATMENT TO INCOME FROM OIL AND GAS PROPERTIES

A taxpayer owning rights in an oil and gas property may sell a fractional share in these

---

[1] Using the double declining-balance depreciation method, the first year's depreciation deduction would be 20 percent of $33,333, or $6,666.

rights and claim capital gains treatment with respect to the excess of the proceeds from the sale over his adjusted basis in the fractional share sold. The character of the fractional share as a capital asset within the meaning of section 1221 of the Internal Revenue Code of 1954 is not and has not been seriously questioned. The distinguishing characteristic of such fractional shares is that the original owner permanently divests himself of all interests therein, i.e., no provision is made for a return of the rights to him after a specified period of time, or after a specified volume of production or number of dollars of royalties realized with respect to the fractional share.

On the other hand, for some considerable time past there has been considerable confusion about the tax treatment of "carved out" oil payments. These differ from assignment or sale of fractional shares in that the taxpayer does not permanently relinquish rights to income in the oil and gas property but merely assigns or sells some portion thereof for a limited period of time. For example, he may sell the next 2 years' production, or the next 100,000 barrels, or the next $1 million worth of output. Upon satisfaction of these conditions, the rights revert to the taxpayer. Numerous court decisions, at variance with Treasury rulings, maintained that the proceeds from such sales should be treated as capital gains.

Quite recently, however, the U.S. Supreme Court in the Lake case, ruled that proceeds from sale or exchange of carved-out oil payments were to be construed as realization of future income and therefore subject to ordinary income-tax treatment. The Treasury Department apparently feels that the Supreme Court ruling is sufficiently broad and sufficiently definite as to preclude further dispute about the tax treatment of carved-out oil payments. However, the ingenuity of the American taxpayer must never be underestimated.

EXHIBIT 4

WRITEOFFS, COST DEPLETION, AND PERCENTAGE DEPLETION—AN APPRAISAL

(By Paul Haber, J.D., Ph.D.)

INTRODUCTION

Our Federal tax system is supposed to be based on the principle of progressive taxation or "ability to pay"—the higher the net income, the higher the rate of tax. In the case of taxpayers who engage in the business of crude oil, however, this principle is made to work in reverse—the higher the net income from the production and sale of crude oil, the lower the rate of tax.

There seems to be considerable misconception as to the true value of the tax subsidy to crude oil. It is generally assumed that it consists of "percentage depletion" only, which is supposed to be worth about $1.5 billion a year. Those who are acquainted with the subject know that the "writeoffs" subsidy is worth at least $7 billion more. Nobody, however, seems to be aware of the fact that "cost depletion" also represents a subsidy to crude oil. Because this last subsidy is concealed in a provision of the code which on the surface seems to have nothing to do with depletion, it seems to have escaped everybody's attention. It is the "sleeper" subsidy and it is costing the country at least $5 billion a year.

WHO ENTERS THE CRUDE OIL BUSINESS?

Consider the tax situation of individuals in the following groups:

1. The stockholders who own large blocks of stock in the corporation listed on the various stock exchanges, who receive fabulous incomes from dividends;

2. The active heads of these listed corporations, who receive substantial salaries for their services and dividends on any stock they may own in the corporation;

3. The professional advisers for these corporations, who receive large fees for their service;

4. The movie stars and other independent professional men who earn large salaries and fees;

5. The more than 150,000 partners, stockholders and sole proprietors, who own the thousands of medium-size businesses in this country, who derive substantial income from dividends, salaries, interest, or profits.

The more than 200,000 individuals who compromise these 5 groups derive incomes anywhere from $100,000 to $25 million a year, are subject to taxes in the very top brackets. Would it be reasonable to assume that if these people are smart enough to earn such large incomes, they are naive enough to pay it out in taxes? Especially, when the tax laws applicable to crude oil offer them a safe and sure way out by transforming the "progressive tax rates" into "regressive tax rates," so that instead of paying out 90 percent of their incomes in taxes and keeping 10 percent they are able to keep 90 percent and pay out 10 percent?

THE WRITEOFFS SUBSIDY

Mr. Smith, whose income is $1 million a year, decides to avail himself of the tax subsidies to crude oil instead of paying a 90-percent tax on the income. He spends his income buying fractional interests in a large number of pools or joint ventures which engage in the search for oil. In this manner, he spreads the risk over a large number of drilling operations, one or more of which are bound to find oil.

The million dollars thus spent by Mr. Smith is costing him $100,000, because the tax laws permit him to write off the cost of the search for oil, irrespective of whether the search results in a dry hole, a commercial producer, or a gusher. Only a small fraction of the cost of the search must be capitalized, less than 12 percent, when the well finds any oil at all. Thus, as far as the costs of the search are concerned, the odds are 9 to 1 in favor of Mr. Smith, because Mr. Smith is drilling for oil with money which would otherwise have gone to pay the income tax on the million dollar income. These 9-to-1 odds in favor of Mr. Smith more than make up for the risk of not finding oil. In actual practice, because the risk is spread over a great many drilling operations, the overall odds in favor of Mr. Smith are 20 to 1 that he will come out a happier man drilling for oil than he would be paying income taxes. When a taxpayer enters the crude oil business, he forgets about income taxes; there simply are not any to pay, as we shall see below.

The best evidence as to Mr. Smith's probabilities of becoming a happy and prosperous oilman can be attested by the more than 55,000 wells which are being drilled each year in this country, at an average cost of $150,000 per well, or a total cost of $2,250 million a year. We are drilling in this country 6 times as many wells as the rest of the world does, even though our oil reserves are less than one-sixth the world's reserves (our 30 billion barrels to the world's 200 billion barrels).

Drilling for oil is like playing dice with the Treasury: "Heads I win, tails you lose," with the Treasury always on the losing end. As a matter of fact, high tax rates are a boon to the crude oil industry rather than a burden, because the higher the rate of tax the lower the net cost (the after-tax cost) of the drilling operation. This explains why the American Petroleum Institute does not support the National Association of Manufacturers in its fight to reduce the top tax bracket from 90 percent to 40 percent. If the rate were reduced to 40 percent, the search for crude oil would fall off tremendously, because the taxpayer's share of the cost of the search would have been increased from 10 percent (100 percent less 90 percent tax) to 60 percent (100 percent less 40 percent tax). As a matter of fact, the phenomenal growth of the crude oil industry dates back to the year 1940, the year in which the wartime rates were first brought into the statute.

It is evident from the above that taxwise it is far more profitable when the drilling operation is done by a taxpayer (as an individual) who is in the 90 percent tax bracket than by a corporation which is subject to the 52 percent tax bracket. That is why at least 40,000 wells a year, out of the total of 55,000, are drilled by individual taxpayers and only 15,000 are drilled by the major oil companies. On this altogether plausible assumption, the value of the "writeoffs" subsidy is $6,557 million, computed as follows:

90 percent of 40,000 wells multiplied by $150,000	$5,400,000,000
52 percent of 15,000 wells multiplied by $150,000	1,157,000,000
Total value of tax subsidy	6,557,000,000

THE "COST DEPLETION" SUBSIDY

Having gotten rid of his original income in the search for oil, the taxpayer's next problem is to get rid of the income from the oil property after an oil discovery. Since the taxpayer has no cost basis in the oil property (having previously written off the cost of the search through "writeoffs"), the taxpayer cannot compute the deduction for depletion on the basis of full discovery value of the property. His deduction for depletion is limited to "percentage depletion" (27½ percent of the gross income from the property, not to exceed 50 percent of the net income from such property). This however, would leave him with a substantial amount of income from oil, subject to ordinary income tax rates. To relieve him of such excess income the code contains a "sleeper" provision which makes it possible for him to convert the income from the oil property into capital gain without his giving up ownership in the property.

During the hearings conducted by the Senate Committee on Economic Growth ("Federal Tax Policy for Economic Growth," 84th Cong., 1st sess., Joint Committee on the Economic Report), neither Prof. Horace M. Gray nor Prof. Arnold C. Harberger, nor Prof. James R. Nelson—who argued against the depletion subsidy—were aware of the "sleeper" provision in the code. Messrs. Henry B. Fernald, Lowell Stanley, and Arthur A. Smith, who argued in favor of depletion, were, of course, careful to keep the "sleeper" provision well hidden under cover.

The "sleeper" provision

Section 1239 of the 1954 code, which corresponds to section 117(o) of the 1939 code, provides as follows:

"(a) In the case of a sale or exchange, directly or indirectly, of property described in subsection (b)—

"1. Between a husband and wife; or

"2. Between an individual and a corporation more than 80 percent in value of the outstanding stock of which is owned by such individual, his spouse, and his minor children and minor grandchildren; any gain recognized to the transfer or from the sale or exchange of such property shall be considered as gain from the sale or exchange of property which is neither a capital asset nor property described in section 1231.

"(b) This section shall apply only in the case of a sale or exchange by a transferor of property which in the hands of the transferee is property of a character which is subject to the allowance for depreciation."

In simple English, this section states that when property which is subject to depreciation, such as real estate, patents, etc., is sold to a spouse or to a corporation controlled by the transferor (and/or the transferor's spouse, minor children, and minor grand-

children), the gain realized on the sale is ordinary income not capital gain. The same rule applies when the sale is from one corporation to another corporation, if the selling corporation owns 80 percent or more of the stock of the buying corporation. The purpose of this provision in the code is to prevent fictitious sales, for the sole purpose of establishing a higher depreciation basis in the hands of the "related" transferee by the payment of a capital-gains tax on the part of the transferor.

Section 1239, however, does not apply to property which is subject to depletion, as distinguished from property which is subject to depreciation. Consequently, a taxpayer (whether an individual or a corporation) who has no cost basis in an oil property (such costs having been previously written off from the taxpayer's income) is not limited to the deduction of 27½ percent of the gross income from the property ("percentage depletion"). The income from the property can be made fully deductible through "cost depletion" by the simple device of a "sale" of the property for its full discovery value to one's spouse or to one's "controlled" corporation. The 25-percent capital-gains tax incurred on the transaction is then reported on the installment basis, spread over the life of the oil property. In this way the income from the oil property automatically is limited to a maximum tax rate of 25 percent, payable as, when, and if the oil is produced.

The value to the crude oil industry of this loophole in the law is approximately $5 billion a year. Since the value of all the oil minerals produced in this country each year is $8 billion (see "Facts and Figures for 1956," p. 149, published by the American Petroleum Institute), the depletion, if it were computed on the "percentage depletion" basis, would have amounted to $2.2 billion (27½ percent of $8 billion). Computed on a "cost depletion" basis, the depletion is automatically increased from $2.2 billion to $8 billion, at a tax savings of some $5 billion.

PERCENTAGE DEPLETION

This subsidy, which has been assumed generally to be the principal villain in our tax laws, is by comparison with the last two subsidies a small handout. Its principal purpose is to scoop up the tax leftovers to which the taxpayers in the crude oil business may unexpectedly be exposed to. Thus, if the property should be found to contain oil after the deductions have been taken under the "cost depletion" methods, "percentage depletion" steps in to absorb the excess income with which the taxpayer is inconvenienced. "Percentage depletion" may be said to act as a sort of basket for any leftover income, left after the "cost depletion" subsidy has been fully availed of.

The value of "percentage depletion" subsidy to the crude oil industry is comparatively small, less than half a billion a year, as compared with a total of some $12 billion from the "writeoffs" and the "cost depletion" subsidies. This being the case, why does the crude oil industry so bitterly resist any cut in the 27½-percent rate?

Is it because by resisting a cut in the very smallest subsidy the people's attention remains focused on "percentage depletion" as the apparent villain and is thus diverted from the real villain—"writeoffs" and "cost depletion"—which are worth at least 25 times as much? There is no other explanation.

THE GROWTH OF THE INDUSTRY

As would be expected, an industry which is the beneficiary of three tax subsidies aggregating close to $13 billion a year would grow fast and big. The crude oil industry has grown very fast and very big. The shares of the listed oil companies are worth more than $50 billion, or more than the combined value of all the listed shares of the steel, chemical, and automobile industries. This does not include the value of the tens of thousands of unlisted companies, the stock of which is held by the hundreds of thousands of spouses, minor children, and minor grandchildren of the top bracket taxpayers engaged in the crude oil business. And to think that less than 20 years ago the crude oil industry was a small industry by comparison with either steel, chemicals, or automobiles.

The rate of the crude oil industry's growth may be better appreciated when the stock splitups of a few of the major oil companies are taken into consideration. Humble Oil Co., the second largest subsidiary of Standard Oil of New Jersey, has split its stock five times since 1922; four shares for one in 1922; three shares for one in 1933 (a depression year); two shares for one in 1943; two shares for one in 1951; two shares for one in 1957. Thus, each share of the 1922 vintage stock is today 96 shares, and this does not take into account the many stock dividends voted by the company from time to time. The stock is selling for approximately 100 times its earnings after taxes. What makes this stock so valuable? When 90 percent of a corporation's true income (concealed in the writeoffs and cost depletion) is exempt from income taxes and only 10 percent is subject to tax, a stock is bound to sell for 100 times the amount of earnings. In reality, however, the value of the stock reflects the fact that 90 percent of the company's true earnings are exempt from tax.

Standard Oil Co. of California split its stock twice in recent years: 2 for 1 in 1951 and 2 for 1 in 1956. The same is true of Texas Co. Standard of New Jersey had two recent splitups: 2 for 1 in 1951 and 3 for 1 in 1956. The latter company now has more than 200 million shares outstanding, selling around $50, or a total of more than $10 billion.

It may be interesting to observe that after each stock splitup the price of the postsplit stock soon catches up with the price of the presplit stock. Apparently you cannot kept a crude oil stock down. When a stock remains unsplit, as in the case of Superior Oil Co. of California, its price zooms to fantastic heights. This stock has recently been selling at $1,800 per share, even though its earnings are about $10 a share. Thus, the stock is selling at 180 times its net earnings. For the 5-year period from 1952 to 1956, the company wrote off on the average $36 million a year; its net income before depletion was $9 million a year, on the average; the average amount of income tax paid by it was $40,000 a year. Even a religious organization could not ask for more.

The Oil Record, published by the Petroleum Institute Projects, lists several hundred oil companies, giving their financial operations for the 5-year period from 1952 to 1956. These results, of 25 companies selected at random, are reproduced in the table below. To appreciate the significance of the figures in the table, it is suggested that they be examined carefully, reading each line across rather than down.

Name of company	Writeoffs	Net income	Income tax paid
Union Oil & Gas Co. of Louisiana	$7,000,000	$3,000,000	$30,000
Superior Oil Co. of California	36,000,000	9,000,000	40,000
Texas Pacific Coal & Oil Co	6,000,000	7,500,000	800,000
Franco Wyoming Oil Co	1,650,000	1,500,000	160,000
Kewanee Oil Co	7,000,000	2,000,000	75,000
Crown Central Petroleum Co	$1,700,000	$1,750,000	$500,000
General Crude Oil Co	6,000,000	3,500,000	200,000
Bishop Oil Co	600,000	350,000	18,000
Humble Oil Co	130,000,000	160,000,000	32,000,000
Tidewater Oil Co	35,000,000	935,000,000	4,000,000
Sunray Mid-Continent Oil Co	44,000,000	42,000,000	16,000,000
Phillips Petroleum Co	90,000,000	85,000,000	22,000,000
Reserve Oil & Gas Co	850,000	700,000	100,000
Skelly Oil Co	30,000,000	30,000,000	10,000,000
Eason Oil Co	700,000	600,000	45,000
Kerr-McGee Oil Industries	7,500,000	3,500,000	350,000
Anderson-Pritchard Oil Co	7,750,000	4,750,000	500,000
Argo Oil Co	2,750,000	4,000,000	225,000
Drilling & Exploration Co	2,900,000	750,000	22,000
Petroleum Exploration	500,000	750,000	80,000
Getty Oil Co	5,000,000	10,000,000	1,500,000
Aztec Oil & Gas Co	650,000	600,000	
Weststates Petroleum Co	575,000	150,000	30,000

Is it any wonder that the growth in the ranks of oil millionaires keeps pace with the growth in the ranks of unemployed? Such crude distortion of the principle of progressive taxation in the case of crude oil is bound to cause periodic depressions. When the peoples' purchasing power is being drained by high taxes in order to make up the loss of $13 billion in revenue which should come from the crude oil industry, there is bound to be unemployment. Some people in high office say that the current depression is temporary—the economy is catching its breath. A more correct explanation for the current condition would be: The people are taking a rest to get up more strength to pay the taxes which should be paid by our largest industry.

How can we fight the battle of peace with any degree of success when our own house is in such disorder? Our cause is not too convincing so long as people are allowed to bore into the vitals of our national economy through excessive drilling, to add to the swollen ranks of oil millionaires and the swollen ranks of jobless.

In order to eliminate one of the principal causes of periodic depressions and to restore a modicum of social justice, the following changes in our tax laws are proposed:

1. The deduction for intangible drilling costs should be limited to situations where the well finds no oil;

2. Intangible drilling costs should be capitalized when the well does find oil;

3. The loophole in section 1239 should be plugged, to discourage fictitious sales to related taxpayers or a controlled corporation, to prevent a stepped-up depletion basis based on cost;

4. Enact legislation to prevent the tens of thousands of reciprocal sales from one taxpayer to another, for the twofold purpose of establishing capital gains and cost-depletion basis. Apply the dealer rule to sales of oil properties which now applies to sales of real estate;

5. Eliminate percentage depletion as an unwarranted handout.

The above changes in our tax laws would discourage tax drilling and encourage scientific drilling. It would bring many billions of revenue to the Treasury.

The world's known oil reserves are estimated at 250 billion, enough to last us more than 100 years. Why not start using them?

The crude oil industry now enjoys a $3 monopoly price per barrel of oil and a $13 billion tax subsidy. The people can make it give up one or the other through reduced consumption of gas and oil.

EXHIBIT 5

PERCENTAGE DEPLETION—A CORRESPONDENCE [1]

(By Rex G. Baker, general counsel, Humble Oil & Refining Co.; Erwin N. Griswold, dean, Harvard Law School)

(EDITOR'S NOTE.—On Sepetmber 18, 1950, Dean Erwin N. Griswold made a speech before the tax section of the American Bar Association,[2] in which he referred to "gross inequities of the law in favor of the oil and gas interests." A number of newspaper accounts of the speech reported this as an attack on the percentage-depletion provision of the Internal Revenue Code.[3] On the basis of these reports, Mr. Rex G. Baker, general counsel of the Humble Oil & Refining Co., wrote the letter that began the correspondence reproduced herein. Neither author had any intention to publish these letters at the time they were written. No revisions have been made except to eliminate those parts irrelevant to the percentage-depletion controversy and to add footnotes where it has been thought useful to refer to source materials.)

SEPTEMBER 22, 1950.

DEAR DEAN GRISWOLD: You will recall our conversation in Washington concerning the percentage-depletion allowance for oil and gas wells.

Your remarks before the tax section regarding the depletion allowance received widespread publicity, and I am afraid they will be very damaging to the producers of oil and gas in view of your reputation and the responsible position you occupy in the education world.

Both in peace and in war the country must have and is very dependent upon oil and gas. Our civilian economy and the national safety would be jeopardized if we failed to maintain adequate reserves of petroleum and a backlog or reserve producing capacity. This means that it is essential to our country's welfare and safety that the exploration for oil and gas within the United States be continued at an accelerated rate due to increasing demands for petroleum and its products year after year.

The exploration for petroleum is an extremely costly and hazardous business. Oilmen must lease vast areas, must spend large sums in geophysical operations, must drill very expensive wildcat wells, of which four out of five on the average are dry holes, and must then make enormous expenditures of money in developing proven or semiproven acreage. Risk capital is not invested unless there is hope of reward.

The producer of oil depletes his capital asset. If he is to stay in the business he must find and develop new sources of supply. If the depletion allowance were taken off, our present tax laws would tax away a large portion of his capital.

It must be remembered that a large percentage of exploratory activity is carried on by the independent wildcatter. He often spends a lot of money and goes broke without finding anything. To say that he would be protected by charging off losses ignores the fact that until he finds oil he has no income against which to charge off his losses. This is quite typical of the wildcatter. If he finally succeeds in finding oil he creates new capital and must be rewarded for the risks he has taken. This reward can be adequate only if the depletion allowance is maintained.

The fact of the matter is that the oil industry has consistently spent in exploratory effort a good deal more than the 27½-percent depletion allowance. It has thus had to look elsewhere for funds with which to help finance its quest for oil.

The 27½-percent depletion allowance was established in 1926. Congress has made searching inquiries on several occasions since as to the necessity for the depletion allowance and the wisdom of maintaining it at 27½ percent. Each time after full investigation and inquiry it has sustained the 27½-percent allowance. This fact alone should, it seems to me, cause anyone to be sure of his ground before he launches an attack upon the depletion allowance.

Herewith I enclose some material which I believe you will find helpful in your future consideration of this matter: A booklet entitled "Let's Keep on Hunting Oil," some statistical data which will show that the 30 leading oil companies have found it necessary to secure new capital by issuing stock and borrowing, that their net worth has consistently been lower than the comparable figures of manufacturing companies, that a large percentage of the net investment of the 30 leading oil companies is in oil and gas producing facilities, data showing the ratio of dividends to net income, the cost of replacing crude petroleum, this cost having steadily risen, financial information for the 25 leading oil companies which shows moderate incomes, and a chart showing a comparison of petroleum prices with the price of coal and all commodities. This chart shows that the public have been the beneficiaries of the depletion allowance in the form of low prices for petroleum products.

Your attention is also invited to the hearings before the Committee on Ways and Means of the House of Representatives relating to the 1950 revision of the revenue laws.[4]

Yours sincerely,

REX G. BAKER.

SEPTEMBER 25, 1950.

DEAR MR. BAKER: Thank you very much for your letter of September 22, which has reached me this morning. I particularly appreciate its fair and restrained tone. This is in considerable contrast with the attitude which is often taken on this matter by others in your area.

As a matter of fact, I said nothing at all in my speech in Washington about percentage depletion. My remarks were directed entirely to the so-called in-oil payment provisions which had been added to the bill by the Senate.[5] This seemed to me, and still seems to me, to have been a rather clear matter of special privilege. Naturally, I am pleased that it was finally eliminated by the conference committee.

As I have indicated, I did not talk about percentage depletion and had no thought of doing so. There is lots to talk about there, though. In the first place, I would want to make it plain that I have never advocated eliminating the depletion allowance. That would be taxing capital. There would be no more sense in it than in eliminating the depreciation allowance.

Nor do I disagree with you at all as to the importance of oil in our economy, and the desirability of encouraging the industry, particularly with respect to exploration. I do think, though, that there is real reason to question whether the present 27½-percent depletion allowance is not excessive, whether it does not cost more than other ways of achieving the same results, and whether a very large proportion of the benefits do not now go in fact to persons who are not the ones who do the exploring and take the risks.

How about direct subsidies to explorers, for example? Might this not be a better way, and at the same time, a cheaper way? We use subsidies in maritime shipping and elsewhere in our economy. It might be a much more effective stimulus than the present backhanded way of doing it through the depletion allowance.

For example, may I call your attention to the sentence in your letter which reads as follows: "To say that he would be protected by charging off losses ignores the fact that until he finds oil he has no income against which to charge off his losses." I think you will agree that this is really no argument, since it is equally applicable to the percentage depletion deduction. The wildcatter gets no depletion deduction until he finds oil. In other words, the method I suggested then, as far as this point is concerned, would be just as effective, indeed, even more effective (because I would allow a 100-percent deduction until all principal costs had been recovered while percentage depletion allows only a 27½-percent deduction) than is the percentage depletion allowance.

You must know of situations where the present system of taxing oil production works out outrageously. I hear about actual cases from time to time, and they must come to your attention much more frequently. What I would like to see us do is to work out a system which would maintain adequate incentive and stimulate further production of oil without granting enormous tax advantages to drones and others who take little or no risk. I think it is a very real problem, and it would be a great contribution if people in your area, who are familiar with the situation, would devote themselves toward developing a sound and sensible solution to it.

At any rate, having the benefit of percentage depletion, it would seem to me to be the heart of wisdom for persons interested in the oil industry not to jeopardize that advantage by seeking to get additional tax favors which are less warranted. I refer, of course, to such things as the in-oil provision, and others which are suggested from time to time. There is a good deal of feeling about percentage depletion but is very likely that nothing can or will be done about it. I would point out, though, that the community property problem was finally solved, though it seemed for many years at least as difficult. The surest way that I can think of to focus attention of other parts of the country on the percentage-depletion situation, and possibly to produce fairly strong reaction, is to push it even more in the way of tax privileges.

Very truly yours,

ERWIN N. GRISWOLD.

---

[1] This correspondence appeared in the Harvard Law Review, vol. 64, No. 3, January 1951, and is reproduced here with the permission of the authors and the Harvard Law Review.

[2] Sec. 86 A. B. A. J. 999, 1057 (1950).

[3] Internal Revenue Code, sec. 114(b)(3), provides as follows: "In the case of oil and gas wells the allowance for depletion under sec. 28(m) shall be 27½ percent of the gross income from the property during the taxable year, excluding from such gross income an amount equal to any rents or royalties paid or incurred by the taxpayer in respect of the property. Such allowances shall not exceed 50 percent of the net income of the taxpayer (computed without allowance for depletion) from the property, except that in no case shall the depletion allowance under sec. 23(m) be less than it would be if computed without reference to this paragraph."

[4] Hearings before Committee on Ways and Means on H.R. 8920, 81st Cong., 2d sess., 49–60, 100–101, 119, 133–134, 177–309, 733–740, 818–895, 901–926, 1267–1269, 1282–1286, 2975–2983, 2999–3001, 3017–3026, 3028–3029, 3040–3046 (1950).

[5] The Revenue Act of 1950, as reported by the Finance Committee of the Senate, provided that the amount received from the sale of the right to obtain a stated amount of production from an oil, gas, or mineral property, while retaining a continuing interest in such property, should be treated as proceeds from the sale or exchange of a capital asset. H.R. 8920, 81st Cong., 2d sess., sec. 214 (1950) (as passed by Senate); see S. Rept. 2375, 81st Cong., 2d sess., 66, 91 (1950).

OCTOBER 11, 1950.

DEAR DEAN GRISWOLD: I did not have an opportunity to hear your speech in Washington. My information came from remarks made by people who did hear it and from press reports. It is reassuring to be told that you had nothing to say in your speech about percentage depletion. As for the "in oil" payment provision referred to, I quite agree with you that this proposed legislation was not justified. I do not know who sponsored it. It is my belief that no responsible person in the oil industry did so. I, too, am pleased to know that the conference committee eliminated this measure from the bill that was finally passed.

It helps clarify our thinking for you to state that you have never advocated elimination of the depletion allowance. I agree with you that to do so would amount to taxing capital. The question is at what point the depletion allowance should place in order to encourage the generation of risk capital so essential in finding oil. Those of us in the oil industry who have lived close to the subject believe that the 27½-percent depletion allowance is more than justified.

The rate of 27½ percent for the depletion allowance has resulted over a period of years in a depletion which has been very nearly equal to the actual expenditures for finding oil by the industry. A survey of the Mid-Continent Oil & Gas Association of companies producing approximately half of the oil in the United States showed that in the period 1925–48 the expenditures for finding oil were within 10 percent of the allowable depletion. In 3 of the 5 years, 1944–48, the expenditures for finding oil exceeded the allowable depletion of this group of producers and for the 5-year period, 1944–48, allowable depletion was within about 6 percent of the expenditure for finding oil. These close relations indicate that the allowable depletion does have a direct effect on expenditures for finding oil and that the amount is not excessive in relation to the capital risked in the search for oil.

The rate of 27½ percent for depletion was determined by congress after study of experience on the part of the industry in the years immediately prior to 1926 when this method was first adopted. The rate has been reexamined subsequently a number of times and approved by Congress in spite of attack by the Treasury Department. The depletion provision has encouraged the search for oil, resulting in great discoveries and supplies. Even if the rate of 27½ percent had been too high at one time, it has become part of the industry's cost and price structure so that any change in the rate now would tend to affect supply and price.

You have raised the question whether the 27½ percent depletion allowance does not cost more than other ways of achieving the same results. Percentage depletion probably costs less than any other way which could be devised to compensate for the risks involved in the exploration for oil and to encourage the necessary amount of exploration. This is probable from an economic standpoint, because the provision stimulates efficiency on the part of operators, since depletion is limited to 50 percent of the net profit margin. The operator has, in addition to the normal stimulus of profit from efficiency, the further attraction of a tax incentive under the present law. The depletion provision also attracts into the search for oil some capital that otherwise never would be risked in the industry, some of which adds to the discovery of oil and some of which is lost forever.

Direct subsidies to explorers probably would cost more and be less effective than percentage depletion. In the year 1949 there were 14,109 dry holes drilled in the United States. The average cost of these wells was at least $50,000 and the total cost was about $700 million. The Treasury Department has never claimed that taxes could be increased by any amount approaching such a figure through a change in percentage depletion. Even if Government subsidies involved paying only part of the cost of dry holes instead of the complete cost, the cost of the program might be greater than $700 million a year because of the additional number of dry holes that could be encouraged by the subsidies. A drilling contractor, unable to find sufficient work to keep all of his rigs busy, for example, very probably would be led by subsidies into drilling wells even if he did not expect to establish production. Efforts to limit the cost of the subsidy by controlling the drilling location of wells would involve the Government in endless details and expense regarding geology, geophysics, and other matters, and subject the industry to stifling controls by men in Government who know nothing about the business of finding oil.

Subsidies in maritime shipping are closely related to the fact that the Government has imposed regulations on the shipping industry which result in high costs relative to the merchant marine of foreign countries. There is no comparable reason for subsidies in petroleum production. The oil-producing industry feels that it is entitled to reasonable tax treatment to avoid the taxation of the capital which it creates through the discovery of new reserves, but it does not seek subsidies which at best would be destructive of efficiency, difficult of interpretation and administration, and extremely expensive to the taxpayers. Oilmen are by nature individualists and are opposed in principle to Government subsidies.

You further inquire whether a very large portion of the benefits from the depletion allowance does not go to persons "who are not the ones who do the exploring and take the risks." Statistics cited by the Treasury Department in its latest proposal to reduce percentage depletion make it clear that the great majority of the benefits go to the companies—both small and large—which are now engaged in exploration and development.[6] All of the large oil companies which produce more than half of the oil in the United States, are engaged in extensive and expensive exploration and development programs. A review of the annual reports of these companies demonstrates the vast sums of money, running into the billions of dollars, which have been poured into the search for and development of new reserves within the past few years. The small operators, similarly, are spending sums proportionately as large considering their production. It is not true, as is sometimes alleged, that the small operator searching for oil today sells his property upon development of production. Occasionally some operators sell producing properties, principally to put their estates in liquid conditions to pay inheritance taxes, but the great majority of the operators, who discover production today develop their properties and produce them. Such operators are receiving the benefits of the reasonable tax provisions applicable to oil production as a result of taking risks in exploration and development.

The purchaser of a proved property, who is still taking considerable risks with respect to the amount of recoverable oil and the future price, generally pays a price which means that percentage depletion is of no benefit to him because it is less than cost depletion. At the present time, for example, developed oil reserves in the ground generally sell for about $1 a barrel which exceeds the percentage depletion, amounting to a maximum of 71 cents a barrel on the present price of $2.58 a barrel. If the percentage depletion provision is applicable and appears to place the purchaser in a position to save taxes, it influences the price he is willing to pay for the property and so results in a benefit to the operator who found and developed it. An inflationary trend which raises the price of all commodities may result in tax benefits even to a purchaser whose cost depletion at the time of the purchase exceeded the prevailing percentage depletion, but that is the reason for criticism of the conditions which bring about inflation and not for criticism of the operator who purchased an oil property on the basis that it was a reasonable investment at the prices then prevailing.

Perhaps the criticism that the benefits of percentage depletion go to persons who are not the ones who do the exploring and taking of risk is meant to apply to royalty owners. Even the royalty owner, however, may take risks and there are, in fact, many royalty owners who are also engaged in exploration and drilling. In fact, many independent operators regularly buy royalties as part of their business. Basically, however, the reason for application of percentage depletion even to the royalty interest is to protect the capital of the royalty owner which arises from the discovery and development of oil. The royalty owner, as much as the producer, has a known capital value as soon as production is established and is entitled to protection of that capital value before his income is subjected to the ordinary tax rates.

In your comments relative to the "in oil" provision you seem to imply that percentage depletion is an advantage amounting to a tax favor, even though you can see it is warranted more than the provision regarding oil payments.[7] In the opinion of the oil industry the percentage depletion provision is merely a recognition of the penalties inherent in the risks involved in finding oil, and is necessary to avoid a tax penalty amounting to taxation of its capital to which it should not be subjected. Percentage depletion merely places the oil industry, insofar as the taxing of capital is concerned, on an equal footing with other industries which do not create new capital through discovery of hidden resources.

Yours sincerely,

REX G. BAKER.

OCTOBER 14, 1950.

DEAR MR. BAKER: The figures which you cited in your last letter are interesting and significant. However, they do not, I believe, take account of the fact that a large proportion of these expenses are deducted in computing income taxes, in addition to the percentage depletion deduction. I am referring, of course, to the optional deduction allowed for intangible drilling costs, and other similar deductions.[8] The figures you give would be more persuasive to me if they showed a comparison between the costs on the one hand and the aggregate deduction on the other. By aggregate deduction, I mean not only percentage depletion, but also the deduction allowed for intangible drilling costs and other expenses. I do not believe that the comparison would be nearly as favorable as the figures you give indicate. Indeed, I should think this might be a major weakness in your argument.

Now let me turn to the last paragraph of your letter. The basic difficulty here, it seems to me, is one which is rarely disclosed in discussions from the oil country. This is the "discovery" allowance which is implicit in percentage depletion. I know of no other area in our tax law where very large increments in capital value are wholly exempt from taxation. You say that percentage depletion is necessary to enable the industry to preserve its capital. But this is

[6] Hearings before Committee on Ways and Means on H.R. 8920, 81st Cong., 2d sess., pp. 49–60 (1950).

[7] See p. 365, supra.

[8] U.S. Treasury Regulation III, sec. 29.23 (m)—16(b) 1943.

obviously using capital in a double sense, and in a sense which is not applicable to other taxpayers. For other taxpayers, that capital, recoverable through depreciation, or on sale, or otherwise, is their investment in the property. Only in the oil business do "discoveries" become capital for tax purposes. Frankly, I find some trouble seeing why this should be so.

You suggest that this is necessary because of the risks involved in finding oil. I do not minimize these risks. I know that in a sense, they are very great. However, I think a pretty good case can be made for the proposition that large outfits, like the Texas Co., or the various Standard Oil companies do not take very substantial risks, except in a sense analogous to that in which it is said that the New York Life Insurance Co. takes risks. Or, to put it another way, when the operations are on a large scale, as in the life insurance business, the probability that things will come out somewhat as planned is very great. I do not mean to say that the probability is nearly as great in the oil industry as in the life insurance business. Nevertheless, experience has shown over the past 20 years that the big oil companies stand a high probability of success. They have no difficulty recovering the costs of their unsuccessful ventures from the products of their successful ones. I really seriously question whether it can be shown that percentage depletion is a necessary compensation for risks taken in these cases. The situation with respect to wildcatters, and the problem of stripper wells, are quite different. But the big companies account for a very large proportion of the production. It is far from clear to me that percentage depletion is ever necessary either (a) to compensate them for risks taken or (b) to safeguard their capital investments.

Very truly yours,

ERWIN N. GRISWOLD.

OCTOBER 16, 1950.

DEAR DEAN GRISWOLD: Enclosed is a section of yesterday's Houston Chronicle which contains a good deal of information concerning the oil and gas industry.[9] It will give you some idea of the enormous cost involved in finding and developing oil and gas, and of the tax burdens borne by the industry.

Yours sincerely,

REX G. BAKER.

OCTOBER 20, 1950.

DEAR MR. BAKER: It was good of you to send me the oil progress section of last Sunday's Houston Chronicle. I have looked at this with much interest.

I must confess, though, that I am still not impressed by the tax burdens borne by the industry. I have no doubt that the industry presents many problems and bears a good many burdens. But its tax burdens would surely seem to be lighter than those carried by most other industrial enterprises. Take a look someday at the proportion of taxes to net income of three large oil companies, on the one hand, and three large nonoil industrial enterprises on the other. The figures are astounding.

If you say that you are not talking about the big companies, but about the little fellows, then I think we might meet on common ground. But a very high proportion of the tax benefit goes to the big companies.

Very truly yours,

ERWIN N. GRISWOLD.

OCTOBER 26, 1950.

DEAR DEAN GRISWOLD: It is a pleasure to receive your letters of October 14 and 20 on the subject of taxes paid by the oil industry. Your interest in this subject leads me to set forth a few additional points about the operations of the oil industry, for it seems that the lack of general understanding of the peculiarities of oil production is one of the principal reasons why the tax provisions relating to oil production are often criticized.

A crucial point, as brought out in your letter of October 14, is the question of contribution of the developer of oil production and the measure of the capital which he is entitled to recover free of tax. Two points seem pertinent on this question.

In the first place, let us consider two individuals investing $500,000 each, one in the search for oil and the other in an office building. The individual searching for oil may spend $100,000 on each of five different leases and establish production on only one of the leases. The other individual erects an office building with his $500,000. Would it be fair to allow the oil operator to recover as capital on his productive lease only the $100,000 that he put into that lease? If the individual is to risk his money in the search for oil it would seem that he would do so only with the prospect that he would recover more than the $500,000 spent on all of his ventures if he is successful. There is always the chance that he may find no production with his investment and all of his capital may be lost. To offset that risk there must be the attraction of a reward commensurate with his success if he finds oil. Another individual might venture $500,000 in the search for oil and discover twice as many barrels of reserves as his competitor, due to skill and good fortune. In this latter case he has made a contribution to society which is worth twice as much as that of his competitor. As soon as the oil is discovered and developed it can be sold in place, without being produced, for a known capital value, and, in case of such sale, taxes are on the basis of capital gain rather than current income.

The second point is that a producer of oil realizes two distinct kinds of income; namely, a capital gain on the sale of an asset which has been held for a long period of time and a short-term income on the operation of a producing property. The capital gain is measured by the difference between his investment in establishing the production and the price at which he could sell the oil in place and turn it over to someone else who would then make the current profit on the operation of the producing property. The percentage-depletion provision results in substantially the same rate of taxation as would result from the separation of income into its two component economic parts and the taxation of one part as capital gains and one at current income tax rates. In the absence of such consideration in the income tax laws, operators discovering and developing oil would be encouraged to sell their oil in place rather than to continue in business. It would seem to be in the public interest for tax policy to permit and encourage successful operators to stay in the business rather than to sell their properties to others who may have been less successful in the search for oil.

You raise the question whether the operations of large oil companies do not in effect reduce the risks of this business to those comparable with a life insurance company and suggest that the probability that things will come out somewhat as planned is very great. I am sure you would find that the life insurance companies do not consider their business in any way comparable with that of oil production, else with their large funds they would already have entered this business. A life-insurance company not only knows the risks but also the precise amount of money which it is going to spend and take in. The company engaged in the search for oil has not such assurance. It only knows that if it has average experience more than one out of three wells that it drills will be dry, but it has no way of knowing how much oil its productive wells will develop or what the value of that production will be when the oil is produced over a period of 20 or 40 years. A decline in the price of crude oil, for example, such as occurred between 1926 and 1933, can wipe out the apparent profits anticipated on the basis of cost and price realizations at the time of the investment. Naturally, the investments of the oil companies made during the depression seem very successful, but so do practically all other investments made at the same time. That fact does not provide any assurance against a decline in prices. The big oil companies are definitely taking very substantial risks which may break them as well as make them in the future. The Humble Oil & Refining Co., for example, has spent millions of dollars in Florida and to date established only a very small production. Unless our efforts and luck in that area improve, we stand to lose a very large sum of capital that Humble has risked in the venture. If we do lose our investment, we can deduct it in calculating our income tax payments just as any other business could deduct its losses on an unsuccessful investment, but that does not return to us the capital which Humble has risked. In the year 1949 alone Humble's dry-hole costs were $32,267,000, and even after consideration of the reduction in income taxes due to such loss it is clear that we risked and lost a very substantial sum of money. We can have no hope of realizing a return on that investment. Indeed, the investment itself is wiped out.

One final observation may help to throw additional light on the question of the oil industry's risks and the relation between its costs and deductions. I mentioned in the previous letter that a survey by the Mid-Continent Oil & Gas Association showed a close relation between the expenditures for finding oil and the allowable depletion. In your letter of October 14 you ask about the optional deduction allowed for intangible drilling costs. The same study previously referred to shows that the investment of the companies included in the survey in drilling and equipping productive wells exceeded their expenditures for finding oil. The sum of the expenditures for finding oil and for drilling and equipping productive wells was approximately twice the total allowable depletion of the companies for the period 1925–48. The investment in drilling and equipping productive wells was recovered only once as a deduction of intangible drilling costs and depreciation of tangible drilling costs. I did not mention this fact in my previous letter because percentage depletion relates to the depletion of the oil itself and, therefore, to the expenditures incurred in the search for oil rather than to the tangible and intangible investments in drilling, which are recovered through the option to expense intangible drilling costs and the depreciation of other drilling costs. This evidence is quite significant on the point which you considered a weakness in my previous argument.

In your letter of October 20, 1950, you suggest that we look at the proportion of taxes to net income for three large oil companies on the one hand and three industrial enterprises on the other. The point you are referring to can be illustrated from the comparison of the reports of United States Steel and Humble. In 1948 United States Steel showed a net income before Federal income taxes of $239 million, compared with Humble's net income on the same basis of $240 million, while United States Steel paid Federal income taxes of $109 million and Humble paid $54 million. In 1949 United States Steel paid $126 million in Federal income taxes on a net income before taxes of $292 million, whereas Humble paid Federal income taxes of $18 million on an indicated net income before taxes of $138 million. The explanation of the difference in the effective rate lies, of course, in

[9] Houston Chronicle, Oct. 15, 1950, sec. E.

the fact that a considerable part of Humble's net income really represents capital gain on the sale of its oil, and this capital gain should be taxed at 25 percent rather than at the normal corporate income tax rate, also in the fact that Humble is taking its depreciation on intangible drilling costs as it makes such investment rather than spreading the depreciation over the life of the properties. If Humble were to quit drilling or to reduce its drilling operations, the effective income tax rate would materially increase. Over a period of time the only difference between the effective tax rate on a steel company and an oil-producing company would be because of the percentage depletion, which is thoroughly justified in order to afford fair treatment of the capital gains realized on the sale of oil as it is produced.

I have taken the liberty to write at length on points suggested by your letters because you have shown a genuine interest in an objective inquiry about the facts with respect to the tax provisions on oil production. We find in our own operations that the business of exploration for and development of oil and gas is very complicated and not always fully understood even by some of the operators engaged in this business. It has been my endeavor to set forth information which may help to give you a better picture of the problems of oil production. We believe that the problems and peculiarities of the oil-producing business warrant and require the tax provisions now applicable with respect to percentage depletion and the option to expense intangible drilling costs.

Sincerely yours,

REX G. BAKER.

NOVEMBER 6, 1950.

DEAR MR. BAKER: Please let me thank you for your letter of October 26. I have read it with much interest, and I would like to make certain observations.

In the first place, it seems to me entirely clear that the costs of any oil operations should be fully deductible from income, including subsequent income from other operations, where there is no current income against which the costs may be deducted. Taking as an example the situation given near the beginning of your letter, if a person spent $100,000 on each of five different leases, and established production on only one of the leases, I would allow the full $500,000 to be deducted against income, other current income from any source if there was such income, or against subsequent income from any source. This could be done by a system of carryovers. If the present 5-year limit [10] on carryovers is not enough, I would have no objection to its being extended. I am entirely in favor of taxing no more than the net income of oil operations. I still find it somewhat difficult to see why we should tax less than that net income, which may be, and often is, the result of the 27½ percent depletion allowance, which goes on without limit, and without relation to (a) actual depletion sustained or (b) the aggregate amount invested by the taxpayer in oil production.

The rest of your letter is devoted to what seems to me to be the heart of your argument. In substance, you seem to be saying that all income from oil production should, in effect, be taxed as capital gain, and that this gives an adequate justification for the present depletion allowance. This argument, I must confess, I find very hard to follow.

Is it not clear that income derived from oil production is business income? Is there any other sort of business income which is taxable as capital gain? When the grocer sells you a can of peas, he sells you property, but the gain is taxable as ordinary income, no matter how long he has held the peas. The same is true of a manufacturer, or of a real estate operator. Indeed, the same is true of every other sort of business income. Why should income derived from oil production be treated in any other way? Perhaps the answer is that all income should be treated as capital gain. That would, of course, be attractive, and it would not result in discrimination between different types of business activity, as is the situation now. But it would hardly produce the revenue which, for better or for worse, is necessary under current conditions.

You mention the fact that in the year 1949 alone Humble's dry-hole costs were $32,267,000. But every nickel of that was deducted against other income, and Humble was not taxed on anything in excess of its net income. On the contrary, Humble paid taxes on much less than its economic net income, as can easily be shown by comparing the company's net income, in its reports to stockholders, and the much lower figure for net income which was undoubtedly given on its income tax return as a result of the 27½-percent depletion deduction. It is true that Humble risked and lost a lot of money on dry holes. But it is also true that it made even more money on other activities. And no one suggests that it should be taxed on anything more than its net income, after making full allowance for all the losing ventures. Frankly, I find it very hard to see why the dry-hole costs, fully allowed as tax reductions, have any bearing on the justification of the depletion allowances. There are many other industries which have to risk large sums, without why immediate or current tax deduction. I need to refer only to the steel industry for an illustration. There, large sums must be spent which are capital costs, and not deductible at all, except through carefully measured and limited depreciation deductions. In this respect, it seems to me that the oil industry has a great tax advantage, quite apart from the unlimited depletion deduction.

When all is said and done, your argument seems to boil down to the proposition that income from oil production should be taxed as capital gain. This appears near the end of your letter when you state that the percentage depletion deduction "is thoroughly justified in order to afford fair treatment of the capital gains realized on the sale of oil as it is produced." This argument seems to me to be clearly unsound. I can see no reason why, if valid at all, it would not be equally valid to all other income from production. Take, for example, the income from farms or from manufacturing. The farmer produces property. The manufacturer produces property. Yet no one has ever seriously argued, I believe, that their gains on the sale of this property should be taxed as capital gains, or that they are capital gains. The income from the conduct of the business is clearly business income. Oil production is clearly a business. I can see no reason why the income derived from the business of oil production should not be taxed as ordinary income. I repeat that I refer only to the net income, after full allowance for all costs incurred and for all capital actually invested in the business. But the percentage depletion deduction goes far beyond this. It gives a very large deduction, which bears no relation either to costs or to actual capital investment. I am still puzzled why anyone should think that it has a proper place in a fair and equitable tax system.

I have no hostility to the oil industry. On the contrary, I admire its great achievements, and its great contributions to the country, its economy, and its defense. But there are also many other forms of activity which contribute greatly to the country, its economy, and its defense. Why should they not all be treated the same? Why should the oil industry be the recipient of a tax deduction, enormous in the aggregate, which bears no relation to its costs, or to the capital invested in oil production?

Very truly yours,

ERWIN N. GRISWOLD.

NOVEMBER 8, 1950.

DEAR DEAN GRISWOLD: Your letter reveals the difficulty that even a man of your ability has in understanding the real nature of the oil business and the risks involved in finding and producing oil. After all, the basic principle involved in the depletion allowance is rather simple. The man who explores for oil must invest vast sums of risk capital. He may lose this capital altogether on unsuccessful ventures. He may through luck or skill succeed in finding an oilfield. If he does, he creates new capital. In producing that oil he depletes the corpus, and if the taxing away of his capital is to be avoided he must have a depletion allowance. Only in this way can he, under our existing tax rates, have enough left with which to do further exploratory work with the hope of finding new reserves to replace those depleted by production.

There is no way to compare his real situation with that of the steel manufacturer or the farmer mentioned in your letter. The man who builds a steel mill can depreciate every dollar of his investment in time, and through depreciation get his capital investment back tax-free. The farmer who raises a crop does not deplete the corpus of his farm, for he is able to grow a new crop year after year. Therefore, any sums he may realize from the sale of his crops are ordinary income. Of course, he can charge off depreciation on his tools and equipment because they wear out and must be replaced.

Thus in its essentials depletion does nothing more than afford the oilman an opportunity to replace his capital. This is exactly what is done with the owner of the steel mill who is allowed depreciation on his plant investment. To me this analysis is simplicity itself and I cannot see how its validity can be questioned.

I sincerely hope that you will be able to come to Texas some day. Perhaps you would enjoy a trip to the oilfields and an opportunity to witness the widespread wildcat operations which are taking place in this part of the country. Then I believe you could better understand why the enormous risk capital involved in operations must be regenerated out of the depletion allowance on the oil that is found and produced.

Sincerely yours,

REX G. BAKER.

NOVEMBER 27, 1950.

DEAR MR. BAKER: It seems to me that your position boils down essentially to one matter; namely, that oil producers are entitled to special tax treatment because their income is essentially capital gain.

The argument that the present percentage depletion allowance is necessary to enable you to recover your actual cost will not stand up, particularly as applied to a company like yours. I have made it plain that you, or any other oil producer, should be able to recover all of your actual investment before any tax liability is incurred. As a matter of fact, though, the combination of the deduction of intangible drilling costs plus percentage depletion gives you, and most oil producers, a deduction far in excess of your costs. I have no doubt, for example, that the aggregate of these two deductions taken by Humble in the years since percentage depletion became available is far in excess of the aggregate of Humble's actual costs in those years. There is no other type of business enterprise in this country which receives deductions in excess of costs through depreciation or otherwise.

In the case of certain independent wildcatters, it may be that a succession of dry

[10] Internal Revenue Code, sec. 122.

holes will produce costs which cannot be offset, under present laws, against subsequent income. This should be largely taken care of, however, by the present provision of the law allowing losses to be carried forward for 5 years. If this is not enough, I would have no objection whatever to any change in the law which would make it plain that no oil producer was subject to tax until he had received deductions equal to all of his costs which had not previously been effectively deducted from gross income.

Let us try to test your capital gains argument. Suppose we had a tax, like the English tax or the Canadian tax, in which capital gains are not taxed at all. Could you successfully maintain the position that income from oil production is not subject to tax at all, because it is capital gain? It seems to me that the answer to this is quite plainly "No."

The tax systems which do not tax capital gains all draw the line closely between what they regard as capital gain and profits from trade or business. It is clear that the operations of oil production are a trade or business, within this concept, as well as under our own law.

We do not have to speculate about this. The Canadian income tax is a clear example. Under that law, capital gains are not taxed. But it has never been seriously suggested, as far as I know, that the income from the production of oil and gas in Canada should be wholly exempted from tax on the ground that it is capital gain. On the contrary, it is clear that it is regarded as income from trade or business, and subject to tax as income. It is true that there is special allowance for depletion under the Canadian tax law. This may, however, be a reflection of the special deduction allowed in the United States law.

On the whole it seems to me that the best position you have developed is the capital-gain one. Even on that basis, though, I think you claim too much. Under our law capital gains are taxed, though at a maximum rate of 25 percent. But the percentage depletion deduction is supposed to reflect the old discovery-value allowance. The effect of this was to make the capital gain on the discovery of oil (or other minerals) wholly exempt from tax. In other words, discovery value—and, therefore, percentage depletion, to some extent—clearly goes too far. I think I could understand a provision which said that income from oil and gas production should be taxed as capital gain, and which, accordingly, completely eliminated the percentage-depletion deduction. Trying to get both capital-gain treatment, and the percentage-depletion deduction, as in the recently defeated provision about in-oil payments, is clearly trying to get too much. And if income from oil production was taxable as capital gain, I should feel that, under current conditions, the present 25-percent rate was far too low.

However, it still seems to me that taxing income from oil production as capital gain would be quite wrong. Such income is clearly income from the conduct of a trade or business and is not capital in its nature, even though it arises, in a sense, out of increases in the value of property. After all, the income of any manufacturer or retailer likewise arises out of increases in the value of property; namely, the property which is manufactured or sold. Such income, however, is clearly not capital gain. There is no better reason, as far as I can see, why the business income of oil producers should be taxed as capital gain merely because it is derived by selling the property that they produce.

You suggest at various places in your letters that the oil producer should be able to get tax free the capital he has produced. I do not know any other line of activity in which a person recovers tax free any capital he may have produced. Even in the case of capital gains, the basis for determining gain or loss will be only the amount actually invested in the property. It is only the oil industry which gets a return free of tax in excess of its actual capital investment.

Thus, the percentage depletion allowance turns out to be nothing more than a special subsidy. If that fact were more generally understood, I cannot help wondering whether the present allowance would be continued unmodified.

Very truly yours,

ERWIN N. GRISWOLD.

DECEMBER 12, 1950.

DEAR DEAN GRISWOLD: As I interpret your letter of November 28, you insist that oil producers receive special and unwarranted tax treatment and that all their income should be taxed as ordinary income, despite the fact that in your letter of September 25, you concede that oil producers are entitled to a depletion allowance, merely questioning the advisability of placing it at 27½ percent. Actually, the depletion allowance is applicable to relatively few oil-producing properties. In practice, cost depletion applies to the poorer properties. Furthermore, percentage depletion is limited to 50 percent of net income derived from a producing property. Thus, in general, it is improper to refer to 27½ percent depletion rate as applicable to all oil properties.

The producer of oil receives two different kinds of income. He realizes a capital gain or loss on the sale of an asset held over a long period of time and a normal income on the operation of a producing property. The income-tax law authorizes the taxation of income and not capital. Therefore, any capital gain from the sale of an asset held over a long period of time should not be taxed as normal income. Only the income derived from producing operations can justly be taxed as normal income. Consequently, the depletion allowance, which makes it possible to avoid the taxing away of capital, does not give special treatment to the oil industry and is completely justified. This is proved by the fact that the profit figures for the oil industry clearly follow the same pattern as for other industries.

There is no evidence that the tax provisions have resulted in advantage for oil producers as compared with businesses in general. The fairness of a tax cannot be judged by merely looking at the most successful operators, but must be tested by considering the average results for all operators.

The function of such profits as are realized after taxes is to direct investment capital into different activities in proportion to need. There is no evidence that profits have been so high as to attract any more capital into the oil industry than is needed. While the oil industry has constantly expanded, the expansion has contributed greatly to the maintenance of low prices for fuels, to economic progress, and an expanding economy. If the profit rate on oil production had been reduced by higher taxes, the capital attracted into the industry would have been reduced; additions to oil reserves would have been less. The smaller supply of energy would have retarded economic progress in the United States, and the price of gasoline and other petroleum products to the consuming public would have been materially increased.

Thus, it seems clear that the wisdom of the depletion allowance is more than justified, and experience has demonstrated that the depletion allowance is not excessive but has been only enough to generate new risk capital required in exploring for oil.

Yours sincerely,

REX G. BAKER.

Mr. CLARK. Mr. President, I thank my friend from Illinois.

The hour is late. Most Senators have, quite wisely, gone home long ago, and I shall not detain the staff or the Senate very much longer.

I think it important, however, that a few thoughts about the bill be placed in the RECORD tonight so that they may be read by Senators over the weekend and given due consideration when we come to vote on the bill next week.

I should like to attempt to put the bill in perspective by asking the question, Why do we need more rather than less revenue for the Federal Government? Why can we not afford to pass this bill as it came from the Finance Committee and cut another $750 million out of anticipated Federal receipts?

The reasons are indeed quite clear. The President's budget message estimated a surplus of $4,200 million for fiscal 1961. As a result of actions taken by the Senate and of actions which I am sure every Senator would agree the Senate is going to take, that surplus of $4,200 million would, if the bill were to pass in the form in which it is now before the Senate, be entirely eliminated, and for fiscal 1961 we would have, instead of a surplus of $4,200 million, a deficit of almost $200 million

I ask unanimous consent that there be printed in the RECORD at this point in my remarks a table showing how this figure was arrived at.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FISCAL 1961

Estimated surplus (spending $79.8; revenue $84)		$4,200,000,000
Less net increases over budget estimate in appropriation bills passed to date		−1,382,873,468
Total		2,817,126,532
Increases:		
Defense, June 16		1,179,997,000
HEW, June 17		465,566,950
Interior, May 13		7,337,300
Total		+1,652,901,250
Decreases:		
Commerce, May 13		69,990,625
Treasury-Post Office		55,939,000
Agriculture		141,165,590
District of Columbia		2,932,567
Total		−270,027,782
Net increase		1,382,873,468
Less cost of Federal employee pay bill, June 17		−746,000,000
Total		2,071,126,532
Less postal pay increase (budgeted but not agreed to)		−554,000,000
Total		1,517,126,532
Less aviation fuel tax increase, etc., (budgeted but not agreed to)		146,000,000
Total		1,371,126,532
Less cost of other bills:		
Education (S. 900; H.R. 325), average	$612,500,000	
Housing	100,000,000	
Aging (McNAMARA)	±300,000,000	
Foreign tax credit (S. 20, H.R. 45) average 32.5		[1]−$1,000,000,000
Total		+371,126,532
Loss of revenue, H.R. 12381, fiscal year 1961		−565,000,000
Deficit		−193,873,468

[1] Estimated.

Mr. CLARK. Mr. President, even this estimated deficit of $194,673,468 is dependent upon revenues coming in at the $84 billion rate the administration estimated last January, and that rate is

based upon a gross national product of $510 billion. That rate, as we end fiscal 1960, has probably not yet been achieved. The prognosis is for a further decline in the rate of production in the steel industry, the bellwether of our economy.

Automobile sales and production are falling off. There are other signs on the horizon which would make a realistic appraiser of our economy's future think several times before he would be willing to admit that we could attain the average gross national product of $510 billion estimated by the Budget Bureau in January.

There is a very real chance that the deficit which I have indicated might be substantially increased.

Mr. President, we need this additional revenue for this short term, not only to keep our fiscal policy solvent and to create at least some small surplus at a time of substantial prosperity, if it unfortunately be substantial unemployment, but also in the long run it seems abundantly clear that we are going to have to have substantial additional Federal revenues to remedy the obsolescence in the public sector of our economy and to make it possible for us to remain secure abroad and prosperous at home.

I will not go into great detail in this regard, except to say that in the field of defense, foreign aid, public health, housing and urban redevelopment, water resources, Federal aid to municipal airports, area redevelopment legislation, increased allowances for public assistance, in view of the increase in the cost of living, and particularly, and most important of all, Federal aid to primary and secondary school education and to higher education, will increasingly require additional Federal revenue.

To this, I suspect, there is no possible rebuttal from anyone who has seriously studied the situation.

Dealing largely with the foreign policy aspects of this question which I have just raised, and ignoring temporarily the domestic problem, I should like to insert in the RECORD a statement by Thomas J. Watson, Jr., president of the International Business Machines Corp., made before the Subcommittee on National Policy Machinery of the Committee on Government Operations, in February of this year, before the distinguished chairman of that committee, the Senator from Washington [Mr. JACKSON].

I ask unanimous consent that a statement from Mr. Watson's testimony be included in the RECORD at this point in my remarks. I call particular attention to one sentence, which summarizes it all, and which I quote:

> One of our first sacrifices must be a willingness to accept higher taxes, if necessary, in order to accomplish our purpose of keeping America ahead of the world on all counts. There are no easy solutions.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THOMAS J. WATSON, JR., PRESIDENT, INTERNATIONAL BUSINESS MACHINES CORP.

Mr. WATSON. Mr. Chairman and gentlemen, I appreciate the opportunity of appearing before this subcommittee.

The task to which you are addressing yourselves is of paramount importance to the future of our country and if I can be of some small help to you, I will be most happy.

You have heard several distinguished witnesses, men with vast experience in government and in education. Since I am just a businessman, I have been wondering what point of view I am bringing to your hearings. I have concluded that my point of view is that of a citizen who is concerned about the general posture of our country in today's world.

My qualifications for appearing are only those of an interested citizen and a businessman. The IBM Co. has been operating in an increasingly competitive market since World War II and we have had to make major changes in our operations to meet this competition. Therefore, I am sure that many of my reactions about our response to the international competition now being thrust upon our country are based upon my business experience.

Like many Americans, I have been devoting a great deal of thought to the Soviet problem. It interests me for several reasons. First, I visited the Soviet Union in 1937 as a tourist and traveled across Siberia to Manchukuo on the Trans-Siberian Railroad.

Second, I was stationed in Russia for 5 months in 1942 as a U.S. Air Force pilot and saw a great deal of the people and the country. Third, and most important of all, I believe the present challenge of the Soviet Union for world domination is serious—the most serious problem our country has faced in decades. If we meet the problem sensibly, it can certainly be solved and we can continue as a world leader.

My whole thesis today may be summed up in one word—realism. We must be realistic about the Soviets—their strong and their weak points—and we must be realistic about our own accomplishments and shortcomings.

There is a singular lack of realism in our modern United States and it has evolved quite naturally. We have built the finest form of government and the finest way of life in history. We live amid creature comforts and luxuries which are almost unbelievable to most of the rest of the world.

Everything we have is so nearly perfect that increasingly since World War II we have devoted our attentions toward preserving the present way we live—toward preserving the status quo.

No nation bent on preserving the status quo has survived. We cannot remain stagnant. We must rise to the tasks that face us as a Nation, whether or not we like the situation or the tasks, in order to advance steadily and retain the world leadership that we enjoy today.

I believe that the most essential requirement confronting us as a Nation is this: To honestly recognize that we face the challenge of our lives in the Soviet Union. Realism, as I have said, must be a part of every American's outlook. It is a primary requisite for victory over Russia.

It would be nice to think that everything the Russians do is wrong and ineffective. This conclusion tends to make us underestimate the potential of the Soviet Union. This we are doing almost daily.

While we are unrealistic and comfortable in our present way of life, the Russians are completely realistic—realistic to a degree almost inconceivable to Americans—about what it takes to achieve their goal of becoming the most powerful nation on earth. I began to appreciate the realism of the Russians during my stay in their country in 1942.

This last summer I went back to visit the Moscow Fair where an IBM machine was answering questions about American life. Here again I was impressed with their realism. Listening to their questions to our bilingual people convinced me that they believe in communism. They do not strongly object to their low standard of living because they believe that this is necessary to the achievement of their goals.

They have an intense pride in their jet aircraft, their use of atomic energy, their sputniks; in fact in all of their progress. Incidentally, within Russian borders one hears only of peaceful uses of atomic energy, not the military uses.

They are master propagandists. There are displays of missiles throughout the country and they are usually not models, but missiles that have been somewhere and show it by the marks made as they reentered the atmosphere.

It seems to me to be completely unrealistic to hope that the Soviet empire will topple automatically. It seems equally unrealistic to think that if somehow Soviet citizens could be brought to America in large numbers to see how we live that they would then go home and change their system to one of democracy. The Soviet system is well enough accepted by the average citizen so that the possibility of drastic change or revolution can be discounted.

If we can begin to look at the Soviets in these terms, we can begin to achieve a realistic appraisal of our present status and a realistic plan for continuing our world leadership.

Coexistence with the Soviet Union may be possible and may be achieved without sacrifice of pride or dignity, but it can only come about by being prepared for war until an acceptable disarmanent agreement is reached.

We all recognize the ambition of Khrushchev for Soviet success and world control. I spent 3 hours with him in an IBM plant in San Jose last October. Contrary to some of his appearances, he was reserved and polite with us. Underneath his reserve, however, one could feel a formidable personality—a driving ambition—great vitality and leadership ability and a cold realism that was almost physical. He and his people know exactly where they want to go and how they propose to get there.

I believe that the winning of any contest begins with ideas. The creative thinker is the priceless ingredient of progress. We have been famous for nearly 200 years for fostering an atmosphere which has produced the original thinking we have needed to build our Nation. The atmosphere is not as conducive as formerly to the breeding of new ideas.

It is all too easy to criticize new and creative approaches. President Eisenhower's invitation to Mr. Khrushchev was a courageous and imaginative step in seeking a solution. Yet he was criticized. This tendency to reject the new and the creative act is all too prevalent in our country today.

These problems of national attitude are compounded by our confusion about our competitive posture in military and technological areas.

Freedom of speech is basic in a democracy, but we should be ingenious enough to have freedom of speech without confusing the public about our military posture. Perhaps we need a new governmental approach which will provide that all debate on a vital and controversial subject remain behind closed doors until there is some unanimity of opinion, or at least until the majority and minority views are crystallized.

I suspect that I am discussing a question of degree and governmental discretion. These same debates must have arisen in World War II, but rarely did they reach the public. This must have been because emergency had forced us into settling our military and budget differences privately, in order not to confuse the country and give aid and comfort to the enemy.

Perhaps we must realize that a similar emergency exists today. If we did, public

testimony of subordinate military commanders against the official position of their commanding officers would be unheard of. You understand, I am not in favor of suppressing any point of view which could possibly be helpful to the national defense. I am just discussing what is the right place and the right time for such testimony.

In appraising Soviet advances—military and otherwise—one must be able to compare their accomplishments with our own. To do this is extremely difficult, for some say we are in a good competitive position while others say we are hopelessly behind.

The facts probably lie somewhere in between these points of view. Unless the Government can agree to some facts on a nonpartisan basis, it is extremely difficult for the man in the street to be anything but confused.

I believe we would do well to look at each other and admit that the Russians are ahead of us in certain areas. While we announced for months ahead of time that we were going to put up a satellite, the Russians quietly launched sputnik. Then we began to talk of how we were going to get to the moon. To our shock and dismay, lunik was already there—first again.

The next game apparently is to be a man-in-space game. We have been preparing for that by headlining the training activities and personalities of our seven astronauts. While I would not depreciate them for one instant, perhaps it would be better to say less until the mission is completed.

Space accomplishments have captured the imagination of the world and we must recognize that we cannot be second best in space for very long and still command respect and hold world leadership. In a very real sense, we are in a war of scientific development as well as a war of production. We must have firsts, firsts in space and firsts elsewhere, if we are to continue to be leaders.

We may gain comfort and peace of mind by mixing our own doubts about our abilities in rocketry with thoughts of the superiority of our Air Force and other weapons. However, this kind of thinking is not conducive to long-term world leadership.

We have some firsts today and we can be proud of them. The atomic submarine and its trip under the pole are very real firsts, and there are others, but we need more.

In addition to space, military, and other technological challenges, the Soviets now challenge us in the underdeveloped and uncommitted countries of the world. These nations have a population of about a billion people—a third of the world total. They have a great deal in common, despite their different cultures and varying stages of economic development. Radical political, economic, and social change is going on in all of them.

These emerging peoples are susceptible to new governmental philosophies. What their choice will be depends largely on how interested we, in our warm, comfortable America, become in their problems and how well we sell our ways to them. If we do not sell our democratic way successfully, the Soviets will be there seeking to sell their Communist way.

To those not living in the advanced industrial nations, communism, on the surface at least, is easy to describe with appeal. It offers what sounds like a magic road to success, proposing to take from the rich and give to the poor. Couple this magical sounding concept with recent Soviet technological successes and you have a package which cannot help but give the underdeveloped nations pause.

These peoples—this one-third of the world—demand economic development that will keep them from starving, medical attention that will keep their children from dying at an early age, and education and technical assistance to help them help themselves.

If we win these peoples to a way of life compatible with our own, the Western World will be a majority—but if most of them are lost to communism we will be a small minority in the world.

So we must find a way to draw these uncommitted and underdeveloped nations and peoples to us. One important way of doing this is to increase our trade with them. To increase trade, we must continue to reduce our tariff barriers on a reciprocal basis. In this area also we are challenged by the Russians. Mr. Khrushchev has told us that they value trade least for economic reasons and most for political purposes.

We must realize that the Communists are fully committed to the contest for the underdeveloped nations while we, at times, seem uncertain and unwilling to decide whether we are in the race or not. We must decide to enter this race. Once decided, we must adhere to the program year in and year out. We invest abroad to help ourselves and to help underdeveloped nations. Let us not get this investment in our future confused with altruism. It is a sheer necessity.

To meet these challenges of the Communists will require sacrifices. The English author, Barbara Ward, put it this way:

"At no time in history have nations been granted the privilege of defending themselves both successfully and also at a level they think they can afford. There is no reason to suppose that history has obligingly reversed itself for the benefit of the West."

We cannot just go along with a business-as-usual basis and hope to win. We have got to throw our economy into full-scale competition with the Russians, meeting their challenges whenever and wherever they occur. This is not an easy decision because realistically it means a departure from our present way of life.

We want to spend everything that is necessary for all of the programs to strengthen America; we want a balanced budget and we want the same or lowered taxes. These three are incompatible. One of our first sacrifices must be a willingness to accept higher taxes, if necessary, in order to accomplish our purpose of keeping America ahead of the world on all counts. There are no easy solutions.

I do not agree with people who suggest that we must not push our economy to any point necessary to win in competing with the Soviet because we then might lose what has made our country great. If we do not impose the strains necessary to win, it is obvious that at best we will live in a Soviet-dominated world, and at the worst in a Soviet province.

All of us are strongly opposed to greater Government controls, but I would rather have greater control by our Government under our system than to discover one day that "business as usual" had not been sufficient to win the battle.

Of course, there are many places in Government where savings can be made. There is no one—in or out of Government—who would deny this fact. The difficulty is that each of us wants to make the savings in a different area, usually in an area in which we are not vitally concerned.

I hope that a more bipartisan approach to this problem in the future can result in great savings, but I would hate to feel that any of our actions to combat the Soviet challenge would have to wait for these Government savings. Our President has addressed himself to this matter and has made substantial savings. We have the Hoover report on the same subject with attendant improvement.

It would be fine, of course, to make additional economies, but I would hate to have the village burn while the people debated whether to buy a new fire engine.

We must make the changes in order to survive. If we do not make our economy compete effectively with the Soviets, then they, not we, have the superior system, not from the point of view of rights of individuals, but by the very fact that theirs is the system that survives.

Certainly we do not want to spend 1 penny more than necessary, but an error on the low side might place this country in great jeopardy.

With an economy that is producing twice as much as the Soviets, and is producing four times as much for individual consumption per capita, these sacrifices should not really hurt us much. But even if they do, we all will welcome whatever sacrifices are necessary when we realize the alternatives.

When a business is faced with problems due to increased competition, one of the fundamentals of reorganizing to meet this threat is to have a single individual charged with each responsibility within that business. This is done simply so that he can be rewarded if he does well or can be relieved if he does poorly.

It is extremely difficult to get a similar definition of responsibility throughout the Government, and yet I believe we must seek ways to achieve this type of organization if we are going to be able to move fast enough in the future to adequately respond to the Soviet challenge.

With the right organization and the right men, businesses are able to respond adequately. The responsible leaders must have complete authority and responsibility in their areas of interest. They must be able to stop study and discussion at any point where they feel they have enough facts upon which to make a decision.

Study and review beyond a certain point in the decision-making process of a business merely delays the decision and confuses the issue. Business managers must be courageous enough and have top management backing to make the decisions at the right time. The bigger the business, the greater the temptation to delay decisions and have committees study the problem. Thus, without very aggressive management, big businesses often slow down.

When one comes to the problems of managing the biggest business of all—the Government—the task is staggeringly great. Nevertheless, I am persuaded that the business approach offers the greatest chance for success.

This has necessarily been a very general discourse. In conclusion, may I summarize some of the things that I, as an ordinary citizen, believe we must do to bring our country successfully through this difficult time.

Our national goal should be clear superiority over the Soviet Union in all possible areas and we should believe enough in our democracy so that we will not be reluctant to fully enter the contest.

We must be coldly realistic about Soviet successes and our own and balance one against the other to evaluate where we stand.

We are in a crucial contest with the Soviet Union. Therefore, we must be willing to accept any sacrifices necessary to win.

We must cultivate an atmosphere which will foster the type of creative and unorthodox thinking necessary to find effective solutions to the Soviet problem.

We must eliminate or cut back all programs of Government spending which our commonsense tells us cannot be tolerated in an emergency.

We must balance our budget and even strive for debt reduction. To do this may well require more taxes for we must spend more in the areas where the Soviets are ahead or moving up.

Our foreign aid programs must be held at reasonable levels until the underdeveloped nations are economically independent. We must realize that we invest here in our enlightened self-interest and not for charity.

We must somehow avoid the type of public debate that confuses the country.

These are a few of the things we must do. They will begin to be accomplished when information flowing from Government to the people becomes clear enough so that the people can understand the emergency.

Finally, taken out of context, much of what I have said might be construed to be critical of either political party or of the administration. I want to emphasize that our present position is, in my opinion, no more the fault of one party than the other. The events which have brought us to our present status have evolved under at least two administrations, one of each major party.

I believe the Government is the shadow and the measure of the thoughts of the citizenry. Our present dilemma is caused by indecision on the part of most Americans.

The majority of Americans do not feel that the Soviet Union has a real possibility of dominating this Nation in the foreseeable future. When this possibility is fully understood, there will be no reluctance on the part of anyone to undertake the contest and win.

Mr. CLARK. So the question arises, if all of this be true—and I think it is difficult indeed to refute these contentions—where are we going to get the money? The money, I believe, must come first in terms of better tax enforcement. In this regard Congress has taken a step forward, although not as long a step forward as I feel we should have taken, when we gave to the Collector of Internal Revenue two-thirds of the sum he asked for to hire additional tax enforcement personnel.

He asked for 3,000 additional personnel, which would still have left the bureau with 2,000 fewer than had served during President Truman's administration, although the number of tax returns and the number of taxpayers have increased by 10 or 20 percent since that time. At any rate, we granted him funds to hire 2,000 new men, which is not enough, although it is a great deal better than last year.

The next obvious source of additional revenue is the closing of tax loopholes, which has been the subject matter of the debate during most of the day. These tax loopholes are open and notorious.

Proposed legislation necessary to close them was drafted many years ago. It has been refined during the last few years. It is now, I submit, in shape to be passed without any successful contention that the proposed loophole closing legislation has not met either the test of legal draftsmanship or the test of justice and equity.

There have been proposed eight tax loophole-closing amendments, which either have been already offered or will be offered by Senators who will present these amendments before the bill comes up for final action.

I ask unanimous consent that a table I prepared showing the revenue increases to be expected from the adoption of these amendments may be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Revenue increases to be expected from amendments

Decrease in oil and gas percentage depletion from 27½ to 15 percent (DOUGLAS)	$400,000,000
Repeal of 4 percent dividend credit (MCCARTHY)	355,000,000
Elimination of depletion to finishing processes (GORE)	600,000,000
Redefinition of capital asset (CLARK (G))	500,000,000
Expense accounts (CLARK (H))	250,000,000
Withholding dividends (PROXMIRE (J))	300,000,000
Withholding interest (PROXMIRE (J))	800,000,000
Repeal of capital gains treatment of stock options (GORE (B))	
Decrease in overall percentage depletion (GORE (A))	200,000,000
Total	3,707,000,000

Mr. CLARK. I note that with respect to one of them, the repeal of stock options, which will be offered by the Senator from Tennessee [Mr. GORE], we have been unable to obtain a meaningful estimate of the increased revenue which we can anticipate if that amendment is adopted. However, it is clear that the revenue will be very substantial indeed.

It may be asked, why can we not wait until next year when the Ways and Means Committee of the House has promised us an overall, comprehensive revision of the Internal Revenue Act will be made? My answer to that must be that we cannot afford to wait, because if there is one thing that we cannot afford to have during fiscal 1961 it is a deficit, when we had been promised by the President a surplus of $4,000,200,000.

I believe it particularly important that we should close these loopholes and obtain the additional revenue which will be used to remedy the obsolescence in the public sector of our economy, and keep us strong abroad in terms of mutual security and of our national defense, so that when the new President moves into the White House next January, be he Republican or Democrat—and I am confident that he will be a Democrat—the President will be able to move forward with a host of programs, both domestic and abroad, which I am confident he will want to go forward with, and his hands will not be tied because there is not adequate revenue to enable him to work his will.

I should dislike to think that the first thing we had to do when we came back next January would be to raise taxes.

I suggest that the way to do that is to close the tax loopholes, so that the President will be able to operate until such time as he can get shaken down in his new job and present to Congress the requirements for a budget which are necessary to keep us, as I said before, strong abroad and prosperous at home.

I should like to turn briefly now to the two amendments which I propose to offer at a later date when the bill comes before the Senate next week for final action. These are two of the eight amendments which I referred to a little earlier.

I ask unanimous consent that my first amendment, which deals with the problem of business expense deductions, and is identified as "6-17-60—H" may be printed in the RECORD at this point in my remarks.

There being no objection, the text of the amendment was ordered to be printed in the RECORD, as follows:

At the appropriate place insert the following section:

"SEC. . DISALLOWANCE AS TRADE OR BUSINESS EXPENSES DEDUCTIONS OF CERTAIN EXPENDITURES FOR ENTERTAINMENT, GIFTS, AND CLUB DUES.

"(a) AMENDMENT OF SECTION 162.—Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (d) as (e) and by inserting after subsection (c) the following new subsection:

"'(d) DEDUCTIONS DENIED IN CASE OF CERTAIN EXPENSES.—No deduction shall be allowed under subsection (a) for any expenses paid or incurred for—

"'(1) entertainment (unless entertainment is the trade or business of the taxpayer and the expenses are paid or incurred to further such trade or business), except that the expenses paid or incurred for food or beverages for the primary purpose of providing an opportunity to advance the trade or business of the taxpayers may be deducted, if such expenses would have been deductible prior to the enactment of this subsection;

"'(2) gifts, except that any gift by the taxpayer in the course of his trade or business to any person may be deducted in an amount not exceeding $10 per person per year, if such expenses would have been deductible prior to the enactment of this subsection; or

"'(3) dues or initiation fees in social, athletic, or sporting clubs or organizations.'

"(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act."

Mr. CLARK. Mr. President, this amendment proposes to disallow the deduction of certain expenditures for entertainment, gifts, and club dues as ordinary and necessary trade or business expenses under section 162 of the Internal Revenue Code.

First. Entertainment. The first part of the amendment, which would make nondeductible expenditures for entertainment with two exceptions noted below, would end the legalized tax evasion now practiced by America's expense account aristocracy.

It is no secret that the rule permitting the deduction of ordinary and necessary expenses has been stretched to cover some rather extraordinary and unnecessary payments. A doctor has been permitted to deduct the expenses of a cabin cruiser—Richard A. Cutter (21 TC 170). A tavern owner has been permitted to deduct the cost of a Christmas party given for children of the neighborhood to promote good will with their parents—A. D. Miller (TC memorandum, Docket No. 23754). The cost of tickets to hit musicals, shows at the Stork Club, football and baseball games, the Mardi Gras and the Kentucky Derby have all been claimed as part of the ordinary and necessary business expense of entertaining prospective customers or clients—Rothschild and Sobernheim, "Expense Accounts for Executives" (67 Yale Law Journal 1363, July 1958); Carson and

Weiner, "Ordinary and Necessary Expenses" (Ronald Press, 1959).

All of these luxury expenditures by the expense account elite would be disallowed as tax deductions under the language of this amendment preventing deduction of entertainment expenses.

This proposed rule contains two exceptions. First, those taxpayers in the business of entertainment would, of course, be permitted to deduct the expenses of entertainment if the expenses were paid or incurred to further such trade or business.

Secondly, the expenses of buying a dinner or drink for a prospective customer, if deductible under existing law, would continue to be deductible if the expenses were paid or incurred for the primary purpose of providing an opportunity to advance the trade or business of the taxpayer. This language has been drafted to permit, in most cases the deduction of the expenses of wining and dining customers, if the expenditures meet all other tests presently provided under the regulations.

The annual total of expense account spending has been estimated to be between $5 and $10 billion. The deductions claimed from these sums have been computed to result in an annual revenue loss of from $1 to $2 billion. It is impossible to estimate exactly how much of this sum is made up of expenses and deductions for luxury entertainment items, but I would not be surprised if it amounted to 20 percent of the totals which I have mentioned. If so, the revenue saving which would result from the passing of this portion of the amendment alone would amount to many millions of dollars annually.

Second. Gifts. The second part of the amendment prevents the deduction of gifts in excess of $10 in value as ordinary and necessary business expenses.

Printers Ink estimated annual expenditures for business gifts in the United States in 1959 at $300 million—October 23 issue, page 81. The large bulk of this spending is paid for by corporations and the U.S. Treasury bears 50 percent of the ultimate cost.

The business gift-giving custom is resented by most businessmen who feel trapped by the practice. Printers Ink reported that 75 percent of the top executives quoted by the magazine "thoroughly disapproved of the custom of corporate gift giving." The Wall Street Journal News Roundup of December 7, 1959, stated that many companies would welcome the opportunity to snuff out a practice of gift giving they have frowned on for years.

The abuses in this area have been flagrant ones and I cite the case of Olivia de Havilland Goodrich—20 TC 323. In that case the court permitted Miss de Havilland, the movie star, to deduct as ordinary and necessary business expenses the costs of gifts of a $775 oil painting to her agent; a $920 silver tea set and coffee pot to her dialog director; and an $810 gold necklace and gold clips to her dress designer. In each instance Miss de Havilland certified, and the tax authorities found, that the gift was made solely for business purposes, not for personal reasons, although the recipients were all longtime associates and that the value of the gifts was "commensurate with the service rendered." Tax law has reduced the noble art of gift giving to an ignoble plane.

I ask the Senate to consider whether a similar gift by a surgeon to his operating room staff, or by a school principal to the teachers of his school would be held deductible.

Surely the allowance of a $10 gift per person per year will suffice to cover all reasonable expenditures by businessmen.

Charitable contributions, of course, would continue to be deductible as provided in section 170 of the code, which is not affected by the amendment.

Third. Club dues. Finally the amendment would disallow deductions for "dues or initiation fees in social, athletic or sporting clubs or organizations." The practice of many business and professional men of joining country clubs and other social organizations, and charging part or all of their dues and fees as business expense deductions, is a well-known racket. In virtually all instances the personal return to the taxpayer is high and it is impossible for the auditing agents to assign an arbitrary percentage of such fees and dues as proper business expenses. I see no justification for continuing a practice known to be an open invitation to fraud. The term "social, athletic or sporting clubs or organizations" is used in code section 4241 dealing with club dues taxes and there is a history of regulation and case interpretation which will make this an easy provision to administer.

A conservative estimate of total revenue which would be raised by this amendment would be $250 million.

Mr. President, one type of entertainment expense which would be nondeductible under this amendment would be the expenses connected with operating and maintaining yachts, unless yachting were the taxpayer's business. Many corporations now keep yachts for entertainment purposes totally removed from the normal activities of the corporation. I have compiled a list of yachts kept in Florida waters by out-of-State concerns, from Lloyd's Register. Obviously I do not know how these business taxpayers, who do not appear to be in yachting business, treat their yachting expenses for tax purposes. If they now treat them as ordinary and necessary business expenses and claim deductions for them, as other taxpayers have in cases I have referred to, they will no longer be able to do so if my amendment becomes law. I ask unanimous consent that the list be inserted at this point in my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

REVISED LIST OF CORPORATE YACHTS IN FLORIDA
(Taken from Lloyd's Register of American Yachts, 1958)

1. *Bernie II:* Wood, 44 feet 6 inches, 1952, two gas Chrysler engines, 200 horsepower; owner, Richardson Tractor Co., R. L. Richardson; home port, Fort Lauderdale, Fla.

2. *Bobbie L II:* Wood, 56 feet 10 inches, 1955; two oil engines, GMC, 224 horsepower; owner, the King Zeero Co., J. L. Morrison, president; home port, Fort Lauderdale, Fla.; port of registry, Chicago, Ill.

3. *Calypso:* Steel, 50 feet, 1947; oil engine, GMC; owner, Spring Brook Development Corp., Wm. A. Simons, president; home port, Fort Lauderdale, Fla.; port of registry, St. Louis, Mo.

4. *Cardi-All:* Wood, 57 feet 4 inches, 1930; two oil engines, GMC; owner, Bech-Lev Corp., S. Jay Leney, president; home port, Chicago, Ill.; port of registry, Miami, Fla.

5. *Coronet:* Wood 78 feet, 1926; two GMC oil engines; owner, Welcome Wagon, Inc., Thomas W. Briggs, president; home port and port of registry, St. Augustine, Fla.

6. *Domina II:* Wood, 60 feet 8 inches, 1920; one gas engine; owner, Century American Corp.; home port, Marathon Shores Fla.; port of registry, Chicago, Ill.

7. *Fireball:* Wood, 57 feet 9 inches, 1940; two GMC oil engines, 200 horsepower; owner, Shedd-Brown, Inc.; home port, Miami, Fla.; port of registry, Miami, Fla.

8. *Georgie May:* Wood, 43 feet, 1955; two gas Chrysler engines, 235 horsepower; owner, Critz Buick Co.; Dale Critz, president; home port, West Palos Beach, Fla.; port of registry, Savannah, Ga.

9. *Glass Breaker:* Wood, 56 feet 11 inches, 1944; two GMC oil engines, 160 horsepower; owner, Syndicate Glass, Inc.; home port, Fort Lauderdale, Fla.; port of registry, Miami, Fla.

10. *Hownhel:* Wood, 39 feet 11 inches, 1940; two Gray oil engines; owner, American Carloading Corp.; home port, Fort Lauderdale, Fla.

11. *Jeanie Belle II:* Wood, 48 feet 9 inches, 1939; two GMC oil engines, 216 horsepower; owner, Storer Broadcasting Co.; home port, Miami, Fla.; port of registry, Miami, Fla.

12 *Magna-Mar:* Wood, 61 feet 1 inch, 1941; two GMC oil engines; owner, the Magnavox Co.; home port, West Palm Beach; port of registry, West Palm Beach.

13. *Mary Jane:* Wood, 56 feet, 1936; two GMC oil engines; owner, Southern Sash, Inc.; home port, Fort Lauderdale; port of registry, Pensacola, Fla.

14. *Papyrus II:* Wood, 28 feet 6 inches, 1947; one Chrysler gas engine; owner, Johann First Community Library, Roger Amory, president; home port, Boca Grande; port of registry, Tampa, Fla.

15. *Pegasus:* Wood, 60 feet 5 inches, 1936; two GMC oil engines, 151 horsepower; owner, Intercoastal Dredging Co.; home port, Fort Lauderdale, Fla.

16. *Queenie:* Wood, 55 feet, 1957; two GMC oil engines, 550 horsepower; owner, Queen Knitting Mills, Samuel and Robert Salegman; home port, Miami Beach, Fla.; port of registry, Philadelphia, Pa.

17. *Seagoin III:* Wood, 36 feet, 1946; two Chrysler gas engines, 250 horsepower; owner, Lehigh Structural Steel Co.; home port, Miami, Fla.

18. *Ses-Sah-Moie:* Wood, 41 feet 3 inches, 1953; two Chrysler gas engines, 160 horsepower; owner, Phillips Petroleum Co.; home port, Fort Lauderdale, Fla.

19. *Star Dust:* Wood, 27 feet 6 inches, 1941; one Universal gas engine; owner, U.S. Flying Services, Inc., George W. Rifley; home port, St. Petersburg, Fla.

20. *The Pixie P:* Wood, 43 feet, 1957; two GMC oil engines, 197 horsepower; owner, Putnam Publishing Co.; home port, Pompano Beach, Fla.; port of registry, Chicago, Ill.

Mr. CLARK. My second amendment deals with the problem of the proper definition of capital gains. It would eliminate preferential capital gains treatment of income from the sale of depreciable personal property and other peripheral items which are not true capital assets.

Mr. President, I ask unanimous consent that the amendment, designated

"6-17-60-G," be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

At the appropriate place insert the following new section:

"SEC. —. (a) section 1231 of the Internal Revenue Code of 1954 (relating to property used in the trade or business and involuntary conversions) is amended to read as follows:

"'SEC. 1231. REAL PROPERTY USED IN THE TRADE OR BUSINESS AND INVOLUNTARY CONVERSIONS

"'If, during the taxable year, the recognized gains on sales or exchanges of real property used in the trade or business and held for more than six months, plus the recognized gains from the compulsory or involuntary conversion (as a result of destruction in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation or the threat or imminence thereof) of real property used in the trade or business and capital assets held for more than six months into other property or money, exceed the recognized losses from such sales, exchanges, and conversions, such gains and losses shall be considered as gains and losses from sales or exchanges of capital assets held for more than six months. If such gains do not exceed such losses, such gains and losses shall not be considered as gains and losses from sales or exchanges of capital assets. For purposes of this subection—

"'(1) in determining under this subsection whether gains exceed losses, the gains described therein shall be included only if and to the extent taken into account in computing gross income and the losses described therein shall be included only if and to the extent taken into account in computing taxable income, except that section 1211 shall not apply; and

"'(2) losses upon the destruction, in whole or in part, theft or seizure, or requisition or condemnation of real property used in the trade or business or capital assets held for more than six months shall be considered losses from a compulsory or involuntary conversion. In the case of any capital assets held for more than six months and held for the production of income, this subsection shall not apply to any loss, in respect of which the taxpayer is not compensated for by insurance in any amount, arising from fire, storm, shipwreck, or other casualty, or from theft.'

"(b) The amendment made by subsection (a) of this Act shall apply to taxable years beginning after the date of the enactment of this Act."

Mr. CLARK. Mr. President, it has been said, and I concur, that the capital gains subchapter of the code "has become one of the most impressive loopholes in the Federal revenue structure"—joint committee print, "The Federal Revenue System: Facts and Problems, 1959," page 62.

Low capital gains rates are applicable, of course, only to income from transfers of "capital assets." One of the chief reasons why the capital gains subchapter has become a tax-dodge refuge is to be found in the exceptions created by Congress to broaden the code definition of "capital asset."

Section 1221 of the code defines "capital asset" as follows:

The term "capital asset" means property held by the taxpayer (whether or not connected with his trade or business), but does not include (1) stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business; (2) property, used in his trade or business, of a character which is subject to the allowance for depreciation provided in section 167, or real property used in his trade or business;

The definition of "capital assets" underwent many legislative changes since Congress introduced the concept into the tax structure in the Revenue Act of 1921. Since the 1930's, however, the definition has been in substantially the same form as indicated above; that is, a sweeping inclusion of "property held by the taxpayer" and broad exclusions of large categories of property from which income is derived which could be regarded as the everyday profits of the business and commercial world.

The purpose of the exclusions and their application to the obvious situations are relatively clear; the normal receipts of the corner grocery store, the big city department store, and of the large manufacturing concerns are ordinary income even though they arise from the sale of "property." But a sale of stock on a stock exchange by the average investor, a sale of a parcel of undeveloped land purchased as an investment, or a sale of residence give rise to capital gain.

Many of the exceptions to the general definition of "capital asset" which have been created over the years by Congress are contained in section 1231 of the code. It is this section which would be amended by this bill to repeal provisions which have stretched the general definition of "capital asset" to include five types of property which were not originally considered to be capital assets.

Perhaps the largest loophole in the entire capital gains area involves the tax treatment as capital gains of depreciable personal property. As noted above, the general definition of capital asset expressly excludes depreciable property used in trade or business, and one would assume that gains realized from sale of such property would be taxed as ordinary income. This was the case until 1942. In the Revenue Act of that year, however, Congress legislated that gains realized from sale of depreciable property held for more than 6 months were to be treated as capital gains, although losses were to continue to be treated as ordinary losses. The justification for this change in the law was that treatment of gains from transfer of depreciable property as ordinary income had "seriously adverse effect on replacement practices"—joint committee print, "The Federal Revenue System: Facts and Problems, 1959," page 47. This provision of the 1942 law is now contained in section 1231 of the 1954 code which asserts that "recognized gains on sales and exchanges of property used in trade or business held for more than 6 months into other property or money, shall be considered as gains from sales or exchanges of capital assets."

The new methods for claiming depreciation approved in the 1954 code, permitting the writeoff of about two-thirds of the cost of the property instead of 50 percent of the cost as previously provided, eliminated the major force of argument advanced earlier for extending capital gains treatment to income from transfer of depreciable personal property to encourage "replacement practices." In other words, replacement of property at low tax cost was given an enormous stimulus by the new liberal methods of claiming depreciation permitted in the 1954 code.

Commerce Department statistics show the spectacular rise in depreciation claims since the 1954 code went into effect. From a record high in 1953 of $11.8 billion, the volume of depreciation deductions almost doubled to reach $31.5 billion in 1958. Whereas depreciation was the source of only 30 percent of the funds spent by corporations for new capital goods and replacements in 1947, it was the source of 67 percent of all capital spending by corporations in 1958. A recent business survey by the McGraw-Hill Co. indicates that depreciation will continue to supply a greater volume of the funds needed for new plants and equipment for at least the next 4 years and that by 1962 the total will total $26 billion and depreciation will be the source of 79 percent of all capital spending.

Thus it can be seen that businessmen have found a reliable source of funds to use in financing replacement of used plant and equipment in fast writeoff depreciation deductions. To put on top of this the added incentive of permitting capital gains treatment of income from sale of depreciable property would no longer seem to be justified.

My amendment would tax such income at ordinary income rates. This should not have an appreciable effect on current replacement practices but it should substantially increase tax receipts.

PERIPHERAL ITEMS

Capital gains treatment has also been extended by Congress in recent years to cover income from a number of peripheral items which cannot properly be considered as "capital assets" in the normal sense of the term.

Thus in the Revenue Act of 1943, capital gains treatment was extended to income from cutting or disposal of timber which had previously been taxed at ordinary income rates.

In the Revenue Act of 1951, the same preferential treatment was permitted for income from sale of livestock held for more than 12 months which had previously been taxed at ordinary income rates.

In the same act, receipts from unharvested crops and coal royalties were held to be capital gains although both types of income had been subject to ordinary income rates until 1951.

My bill would prohibit preferential treatment of income from these peripheral items as capital gains and subject such income to ordinary income tax rates as was the case until these special privilege sections were written into the code.

I realize, Mr. President, that this bill would not completely rationalize the capital asset definition in the code. Ideally, perhaps, preferential treatment under the capital gains provision would

be confined to income realized on the sale or exchange of assets such as corporate securities held over a substantial period of time where depreciation does not enter the picture. Other types of income currently receiving capital gains treatment, such as those representing compensation for personal services—distribution from retirement plans, stock options, patent royalties—anticipation of future income—in oil payments, life interests in estates—as well as gains from transactions involving inventory type assets—which are the subject of this amendment—should perhaps be taxed as ordinary income—Stanley S. Surrey, "Definitional Problems in Capital Gains Taxation," Harvard Law Review, April 1956.

However, the extensive rewriting of the code required to rationalize the capital gains laws to rule out preferred treatment of income from assets which are not true capital assets is obviously beyond the staff capabilities of any one Senator. I commend the capital gains area though, for the careful consideration of both the Treasury and the Mills committee next November when it undertakes a comprehensive review of the entire tax structure.

The regressive nature of the capital gains tax alone should compel a thoroughgoing review of the capital gains provision in the code.

An individual taxpayer may deduct 50 percent of a long-term capital gain so that only one-half of the gain is subject to tax. Further, if the rate of tax applicable to the remaining gain exceeds 50 percent—a point reached at $18,000 of income for a single person and $36,000 for a married person—no further tax is to be paid on the gain. Put differently, the entire capital gain is subject to a maximum rate of 25 percent, regardless of the total income of the taxpayer.

Statistics culled from the IRS publication of "Individual Income Tax Returns for 1956" indicate which taxpayers are benefiting and to what extent from present capital gains laws. More than 80 percent of the returns filed for 1956 showing adjusted gross income in excess of $200,000 reported capital gains and the average amount of tax saved on each of these returns because of claims of reduced capital gains rates was substantially in excess of $100,000. In fact, 81 percent of the returns showing adjusted gross income in excess of a million dollars reported capital gains, and the average tax saved by application of the reduced capital gains rates amount to $1.4 million per return. At the other end of the economic ladder only 2.4 percent of the returns filed for 1956 indicate adjusted gross income of less than $3,000 reported any capital gains and the average amount of tax saved by the reduced capital gains rate on those returns was $81 per return. These figures clearly indicate the need for a comprehensive review of the capital gains laws to bring them more in line with the fundamental theory of Federal taxation. Taxes should be levied according to ability to pay. Persons with equal income should be taxed equally regardless of source of income. I ask unanimous consent that a table showing the statistics be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The capital gains tax (who benefits—how much—Treasury loss)

Adjusted gross income of taxpayer	Total number of taxable returns filed (excluding information returns)	Percentage of total returns reporting capital gains	Average tax saved on returns reporting capital gains [1]	Revenue loss to Treasury because of capital gains claims
Under $3,000	12,161,320	2.4	$81	$24,042,000
$3,000, under $5,000	14,808,530	3.3	108	52,370,000
$5,000, under $7,000	10,455,601	4.2	127	55,994,000
$7,000, under $10,000	5,723,893	7.6	189	82,269,220
$10,000, under $15,000	1,918,975	17.6	342	115,354,590
$15,000, under $20,000	497,449	30.7	566	86,762,550
$20,000, under $25,000	234,745	37.0	805	69,970,300
$25,000, under $50,000	346,246	46.2	1,843	294,855,440
$50,000, under $100,000	89,095	60.4	8,125	417,371,100
$100,000, under $150,000	14,057	72.6	28,117	287,013,500
$150,000, under $200,000	3,843	77.3	53,571	159,213,860
$200,000, under $500,000	4,031	82.0	122,431	404,513,920
$500,000, under $1,000,000	593	84.1	404,848	202,019,400
$1,000,000 or more	268	81.3	1,453,438	316,849,500
Total				2,568,599,380

[1] NOTE.—Tax savings computed at ½ the bracket rate, to a maximum of 25 percent. Bracket rate assumed to be the rate for the average taxable income per return at that adjusted gross income level, including 90 percent of excluded capital gains.

Source: Statistics of income, 1956—"Individual Income Tax Returns," U.S. Treasury, Internal Revenue Service.

Mr. CLARK. Mr. President, my bill, nevertheless, would take a long step toward capital gains tax reform by amending section 1231 to prevent capital gains treatment of income from five different types of property which cannot be considered as "capital assets" in any true sense of the term.

The extent to which public revenues would be increased by taxing at ordinary income rates the gains from sales of depreciable property and other items of ordinary income now taxed at low capital gains rates has been estimated at $800 million by reputable economists. Since my proposal would accomplish a major part but not all of this reform because of the drafting problems indicated earlier, I estimate that my bill would raise something in excess of $500 million in public revenue annually. Government statistics of individual tax returns for 1956 show that $2.5 billion of public revenue was lost that year by application of reduced capital gains rates to income shown on individual returns. "Statistics of Income 1956 for Corporate Income Tax Returns," prepared by the IRS, indicates an additional revenue loss of $641.7 million for that year because of tax treatment of corporate income from various sources as capital gains rather than ordinary income. Thus a total of $3.2 billion was lost to the Treasury in 1956 because of the capital gains provisions of the code. The $500 million estimated yield from passage of my bill is based on the assumption that approximately one-sixth of the $3.2 billion saved by the capital gains device is accounted for by capital gains treatment of income from sale of depreciable and various peripheral property which would be treated as ordinary income by the terms of my bill. Income from these sources was taxable as ordinary income until special interest legislation was enacted in recent years.

It is high time that we start to rationalize the capital gains tax laws. This bill would do much to achieve such rationalization and raise $500 million in public revenue so badly needed to finance additional public services and debt retirement and to insure a balanced budget.

The Treasury has indicated its approval for narrowing the types of income accorded favored capital gains treatment. On September 2, 1959, the Senator from Minnesota [Mr. MCCARTHY], the Senator from Illinois [Mr. DOUGLAS], the Senator from Wisconsin [Mr. PROXMIRE], and I wrote to the Secretary of the Treasury, urging administration approval of several of the loophole-closing proposals, including the one set forth in the amendment I am now discussing.

Under Secretary of the Treasury Fred C. Scribner, Jr., replied by letter of October 14, 1959. Under Secretary Scribner's letter included the following:

> We believe that there is validity in the criticism directed by many at weaknesses in the provisions of the law taxing capital gains. Several months ago the Treasury suggested that consideration be given to a change in the law which would treat gain from the sale of depreciable personal property used in business as ordinary income to the extent of the depreciation previously taken on the property.

The Under Secretary's letter also advocated "a comprehensive review of the whole capital gains structure," and added that "any review should give careful study to special areas, such as the above-mentioned depreciable property used in business, unharvested crops, certain lump-sum pension settlements, patents, timber and coal, stock options, and the like."

Again I say that this is a complicated subject. It deserves the serious consideration of all Members of the Senate. I am happy to say that it has received such consideration today during a long and, I am sure, quite tiring session, which is about to come to a close.

My own view is that as a result of this debate and of the further debate which will take place next week, it might well be desirable to have the bill recommitted to the Committee on Finance, in order to give that committee and its able staff an

opportunity to select among these loopholes—all of them, I hope—in order to determine which ones they should recommend to the Senate for adoption.

I note again that the total revenue to be raised from closing the loopholes as proposed in the 8 amendments offered to this bill would be $3.7 million. This additional revenue could be raised without doing the slightest injustice to a single taxpayer, merely by removing from the law the outrageous, inequitable evasion possibilities for wealthy individuals and large corporations.

In view of the critical international and domestic situation in which we find ourselves, I am confident that the conscience of the Senate will require it to send back to the House a bill which will not only continue revenues at their present rate, but will also provide substantial additional revenue to help us get started on the problem of keeping America safe, keeping America free, and giving the public sector of our economy that additional financial assistance which it needs if we are to carry on our function and our manifest destiny as the leader of the free world.

I express my deep gratification to the distinguished Senator from Florida [Mr. SMATHERS], the present occupant of the chair, for his willingness to sit through the debate this evening. He and I are now the only Senators in the Chamber. I know he is late for another engagement. I shall perhaps enable him to depart more quickly by moving that, in accordance with the order heretofore entered, the Senate adjourn until 10 o'clock on Monday morning.

I have been asked to withhold the motion for adjournment briefly, and I am only too willing to do so.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO LEGISLATIVE APPROPRIATION BILL

Mr. HAYDEN (for himself, Mr. STENNIS, Mr. MONRONEY, and Mr. ALLOTT) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move on behalf of myself and Senators STENNIS, MONRONEY, and ALLOTT, to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H.R. 12232) making appropriations for the Legislative Branch for the fiscal year ending June 30, 1961, and for other purposes the following amendment, namely: On page 34, after line 17, insert:

"SEC. 105. (a) Section 502 (b) of the Mutual Security Act of 1954, as amended, is amended by inserting before the last sentence thereof a new sentence as follows: 'Such consolidated report, in the case of a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate, shall show, in addition to the information otherwise required to be included, the total amount expended for each purpose by each member and employee during the calendar year covered by the report, or in the case of the report for the calendar year 1960, during the last 6 months of such year: *Provided*, That for the purposes of any report required by this section, a statement of the total amount of the per diem in lieu of subsistence authorized for any such member or employee in accordance with U.S. Senate Travel Regulations promulgated by the Committee on Rules and Administration of the Senate shall be considered a sufficient itemization of any expenditures made from such allowance.

"(b) Each Senate member of the U.S. group or delegation to the Interparliamentary Union, the NATO Parliamentarian's Conference, the Canada-United States Interparliamentary Group, the Mexico-United States Interparliamentary Group, or any similar interparliamentary group of which the United States is a member, and each employee of the Senate, by whom or on whose behalf expenditures are made from funds appropriated for the expenses of such group or delegation, shall file with the chairman of the Committee on Foreign Relations of the Senate an itemized report showing all such expenditures made by or on behalf of each member or employee together with the purposes of the expenditure, including subsistence, transportation, and other purposes. Within 60 days after the beginning of each regular session of Congress, the chairman of the Committee on Foreign Relations shall prepare consolidated reports showing with respect to each such group or delegation the total amount expended, the purposes of the expenditures, the amount expended for each such purpose, the names of the members or employees by or on behalf of whom the expenditures were made and the amount expended by or on behalf of each member or employee for each such purpose. The consolidated reports prepared by the chairman of the Committee on Foreign Relations shall be filed with the Committee on Appropriations of the Senate. For the purposes of any report required by this section, a statement of the total amount of the per diem in lieu of subsistence authorized for any such member or employee in accordance with the U.S. Senate travel regulations promulgated by the Committee on Rules and Administration of the Senate shall be considered a sufficient itemization of any expenditures made from such allowance. Each such consolidated report shall be printed in the CONGRESSIONAL RECORD within 10 days after receipt by the Committee on Appropriations of the Senate.

"(c) Expenditures, whether from foreign currencies owned by the United States or from dollar appropriations, for expenses of members and employees of committees of the Senate, of joint committees whose funds are disbursed by the Secretary of the Senate, or of the Senate group or delegation of any interparliamentary body, incurred after July 1, 1960, in connection with travel outside the United States, shall be authorized only in accordance with the provisions of the U.S. Senate Travel Regulations promulgated by the Committee on Rules and Administration of the Senate.

"(d) Section 60 of the Revised Statutes (2 U.S.C. 102) is amended by adding at the end thereof a new paragraph as follows:

" 'Reports of the Secretary of the Senate under this section shall be printed as a Senate document and contain an index for all but salary payments.' "

Mr. HAYDEN (for himself, Mr. STENNIS, Mr. MONRONEY, and Mr. ALLOTT) also submitted an amendment intended to be proposed by them, jointly, to House bill 12232, making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes, which was ordered to lie on the table and be printed.

(For text of amendment referred to, see the foregoing notice.)

ADJOURNMENT UNTIL 10 A.M. ON MONDAY

Mr. SMATHERS. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn until 10 o'clock on Monday morning.

The motion was agreed to; and (at 7 o'clock and 58 minutes p.m.) the Senate adjourned, in accordance with the order previously entered, until Monday, June 20, 1960, at 10 o'clock a.m.

SENATE

MONDAY, JUNE 20, 1960

The Senate met at 10 o'clock a.m., and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

God of our fathers, and the God of their succeeding generations:

Thy love divine hath led us in the past;
In this free land by Thee our lot is cast.
Be thou our Ruler, Guardian, Guide and Stay;
Thy word our law, Thy paths our chosen way.
From war's alarms, from deadly pestilence,
Be Thy strong arm our ever sure defense;
Thy true religion in our hearts increase;
Thy boundless goodness nourish us in peace.
Refresh Thy people on their toilsome way;
Lead us from night to never-ending day;
Fill all our lives with love and grace divine,
And glory, laud and praise be ever Thine.

Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, June 18, 1960, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Foreign Relations Committee be permitted to meet during the session of the Senate today to consider the draft of the report in connection with events leading up to the recent summit conference.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT PRIOR TO RESTORATION OF BALANCES, FOREIGN CLAIMS SETTLEMENT COMMISSION

A letter from the Chairman, Foreign Claims Settlement Commission of the United States, Washington, D.C., transmitting, pursuant to law, a report prior to restoration of balances for that Commission, as of June 15, 1960 (with an accompanying report); to the Committee on Government Operations.

REPORT ON SAN JUAN-CHAMA PROJECT, COLORADO-NEW MEXICO AND NAVAJO INDIAN IRRIGATION PROJECT, NEW MEXICO

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the San Juan-Chama project, Colorado-New Mexico, and the Navajo Indian irrigation project, New Mexico (with accompanying papers); to the Committee on Interior and Insular Affairs.

REQUIREMENT THAT ENTRYMEN OF CERTAIN LANDS IN NEVADA BE RESIDENT CITIZENS OF THAT STATE

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to repeal the act of October 22, 1919 (41 Stat. 293; 43 U.S.C., secs. 351–355, 357–360), and the act of September 22, 1922 (c. 400, 42 Stat. 1012; 43 U.S.C., sec. 356), and to require that entrymen of lands in Nevada under the Desert Land Act be resident citizens of Nevada (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, and so forth, were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Louisiana; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION 22

"Whereas Louisiana was at one time the No. 1 shrimp producing State in the United States, the shrimp industry being one of the leading revenue producing industries in the State; and

"Whereas the State of Louisiana is gravely concerned about the serious financial difficulties confronting the shrimp industry of the State of Louisiana, which is being caused by the foreign exportation of shrimp into the U.S. market; and

"Whereas at present there are some 54 foreign countries being allowed to export shrimp without restriction into the U.S. market, creating a glutted condition on the shrimp market; and

"Whereas a vast majority of the shrimp fleet of the State of Louisiana is composed of shrimp boats owned by individual shrimp fishermen who have life savings invested in their shrimp boats; and

"Whereas these shrimp fishermen face economic ruin and disaster since they are unable to profitably operate their shrimp boats: Therefore be it

"*Resolved by the Senate of the Legislature of the State of Louisiana (the House of Representatives concurring therein)*, That the Legislature of the State of Louisiana urges the U.S. Congress to recognize and take immediate action by appropriate legislation to institute some type of program to curtail and control the foreign importation of shrimp; and be it further

"*Resolved*, That copies of this resolution be sent to the President of the United States, to the members of the Louisiana delegation in the U.S. Congress, and to Presiding Officers of the House of Representatives and Senate of the Congress of the United States.

"———— ————,

"Lieutenant Governor and President of the Senate.

"———— ————,

"Speaker of the House of Representatives."

A petition signed by Eugene Ivanovsky, and sundry other citizens of Russian descent, of San Francisco, Calif., relative to certain amendments of Public Law 86–90, concerning the Week of Subjugated Nations; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 816. An act to set aside certain lands in Oklahoma for the Cheyenne and Arapaho Indians (Rept. No. 1617).

By Mr. SMATHERS, from the Committee on Interstate and Foreign Commerce, with amendments:

H.R. 5055. An act to change a certain restriction on the use of certain real property heretofore conveyed to the city of St. Augustine, Fla., by the United States (Rept. No. 1618).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with amendments:

S. 2399. A bill to modernize the laws relating to contracts for the transportation of mail, and for other purposes (Rept. No. 1619).

PROFESSIONAL SPORTS ANTITRUST ACT OF 1960—INDIVIDUAL VIEWS (S. REPT. NO. 1620)

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Tennessee [Mr. KEFAUVER], from the Committee on the Judiciary, I report favorably, with amendments, the bill (S. 3483) to make the antitrust laws and the Federal Trade Commission Act applicable to the organized team sport of baseball and to limit the applicability of such laws so as to exempt certain aspects of the organized professional team sports of baseball, football, basketball, and hockey, and for other purposes, and without recommendation, together with individual views of the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Connecticut [Mr. DODD], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Colorado [Mr. CARROLL], the Senator from Michigan [Mr. HART], the Senator from Wisconsin [Mr. WILEY], the Senator from Illinois [Mr. DIRKSEN], and the Senator from Nebraska [Mr. HRUSKA], and the Senator from New York [Mr. KEATING].

I ask unanimous consent that the report, together with the individual views, be printed.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar; and the report will be printed, as requested by the Senator from Montana.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and by unanimous consent, the second time, and referred as follows:

By Mr. COOPER:

S. 3699. A bill for the relief of Naoko Ishiwatari White; to the Committee on the Judiciary.

By Mr. LONG of Hawaii:

S. 3700. A bill to amend the National School Lunch Act in order to provide that the number of meals served to schoolchildren in a State participating in the school lunch program shall be considered a factor in determining the apportionment of funds under such act; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. LONG of Hawaii when he introduced the above bill, which appear under a separate heading.)

By Mr. JACKSON:

S. 3701. A bill to set aside certain lands in Washington for Indians of the Quinaielt Tribe; to the Committee on Interior and Insular Affairs.

By Mr. ROBERTSON:

S. 3702. A bill to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury; to the Committee on Banking and Currency.

By Mr. CAPEHART:

S. 3703. A bill for the relief of Roger Naiwhei Lee; to the Committee on the Judiciary.

By Mr. WILLIAMS of New Jersey:

S. 3704. A bill for the relief of Liliana Grazyna Swiatkowska; to the Committee on the Judiciary.

By Mr. KEATING:

S. 3705. A bill to amend title 38, United States Code, to provide certain benefits for members of the Armed Forces killed or wounded in disturbances other than a state of war; to the Committee on Finance.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. McCLELLAN:

S.J. Res. 209. Joint resolution providing for the establishment of an annual National Forest Products Week; to the Committee on the Judiciary.

(See the remarks of Mr. McCLELLAN when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTIONS

PRINTING OF CERTAIN PRAYERS BY SENATE CHAPLAIN

Mr. MORSE submitted a resolution (S. Res. 337) to print a certain number of copies of the prayers of the Chaplain of the Senate for the 85th and 86th Congresses, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. MORSE, which appears under a separate heading.)

TENURE OF OFFICE OF PERSONS APPOINTED TO ADMINISTRATIVE AND POLICYMAKING POSITIONS

Mr. JACKSON (for himself, Mr. HUMPHREY, Mr. MUSKIE, Mr. MUNDT, and Mr. JAVITS) submitted a resolution (S. Res. 338) relative to tenure of office of individuals appointed to administrative and policymaking posts in the Federal Government, which was referred to the Committee on Government Operations.

(See the above resolution printed in full when submitted by Mr. JACKSON, which appears under a separate heading.)

CHANGE OF APPORTIONMENT FORMULA OF NATIONAL SCHOOL LUNCH ACT

Mr. LONG of Hawaii. Mr. President, I introduce, for appropriate reference, a bill to amend the National School Lunch Act so as to change its apportionment formula. The National School Lunch Act, since its enactment in 1946, has proven its worth in providing children across the Nation with a nutritious meal at noontime—sometimes the only good meal which they get throughout the day. Without doubt, this program has made a substantial contribution to the health of our children. Furthermore, since a hungry child is seldom an attentive pupil, the lunch program has directly helped the work of the schools. Cash grants under the program amount to an annual cost of about 50 cents per head of population.

As a former public school superintendent, I am aware of a shortcoming in the formula for apportioning school lunch program funds among the States. The present formula contains two elements—per capita income and the total enrollment within the State of school-age children.

There is no quarrel with using per capita income as one element of the formula. Obviously, States with relatively low incomes need greater assistance. However, there seems little justification for allotting funds according to the number of school-age children. In some States only a small proportion of these children are served meals under the program—either because of lack of demand or because of limited efforts by the State to extend the school lunch program. In other States the proportion of school children receiving lunches goes up to 70 percent.

Under the bill I have just introduced the apportionment formula would be changed to reflect the size of the school lunch program in each State. A State's allocation would be based on the number of meals actually served in the State under the program, as well as per capita income. If enacted into law, this amendment would make a more equitable and effective distribution of funds. The amount of Federal assistance for each meal served would be made more nearly equal. States which have hitherto relied upon an automatic allocation, determined by their school-age population, would be stimulated to examine their programs to see if all children who need nutritious lunches are being served.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The bill will be received and appropriately referred.

The bill (S. 3700) to amend the National School Lunch Act in order to provide that the number of meals served to school children in a State participating in the school lunch program shall be considered a factor in determining the apportionment of funds under such act, introduced by Mr. LONG of Hawaii, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

NATIONAL FOREST PRODUCTS WEEK

Mr. McCLELLAN. Mr. President, I introduce, for appropriate reference, a joint resolution in regard to National Forest Products Week.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 209) providing for the establishment of an annual National Forest Products Week, introduced by Mr. McCLELLAN, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. McCLELLAN. Mr. President, the oldest industry in the United States, the forest products industry, deserves the public recognition of a special week set aside for the observance of a celebration honoring that industry.

It is evident that the forest industry, operating in every State in the Union is highly significant to the well-being of our Nation's citizens and our Nation.

American forests cover 786 million acres and are the Nation's only renewable natural resource.

Ownership of private commercial timberlands is diversified. Of the 4½ million owners, farmers own 34 percent—166 million acres; wood-processing industries own 13 percent—64 million. Schoolteachers, professional people, housewives, factory workers, and other private persons own 127 million acres, or 26 percent of the commercial forests.

The Federal Government owns 21 percent of America's commercial forest lands. The Forest Service of the Department of Agriculture is responsible for the management of the national forests, including selling the timber rights to private companies. Other lands are handled by the Department of Interior. Sales of Government timber for fiscal year 1960 are estimated to total nearly $175 million.

Forest land management has as its primary objective the growing of repeated crops of trees. The forest practices and forest protection necessary to accomplish this objective usually result in many additional benefits, among them watershed protection, preservation of the soil, recreation and maintenance of forage for game and livestock.

The forest products industry, including lumber and wood products, furniture and fixtures, pulp and paper products, provides direct employment in 57,000 operating establishments to 1½ million persons, or 9 percent of all manufacturing employees. Payrolls total more than $6 billion annually and value added by manufacture exceeds $11 billion. Expenditures for new plant and equipment by the forest industry totals $850 million annually.

This country produces 30 percent of the world's lumber, 40 percent of its wood pulp, 43 percent of its paper and paperboard and 51 percent of its plywood.

Through the transportation of forest products during 1959, the Nation's railroads earned more than $1.3 billion in gross freight revenue, representing 15 percent of total railroad freight revenue.

It will be to the best interests of the people of this Nation, including Government, labor and management to have the forest industry called to their attention annually through the proclamation of a National Forest Products Week.

The passage of this joint resolution by the Congress will insure proper and deserved recognition of this vital industry in our national economy.

PRINTING OF CERTAIN PRAYERS BY SENATE CHAPLAIN

Mr. MORSE. Mr. President, I am certain Senators have received many requests for bound copies of the prayers of the Chaplain, requests which we can no longer fill because the supply is exhausted.

I submit for appropriate reference a a resolution for the printing of 5,000 bound copies of the Chaplain's prayers, including the prayers of the Chaplain at national functions sponsored by the Senate, such as at the unveiling of the monument to the late Senator McCarran, and on similar occasions.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 337) was referred to the Committee on Rules and Administration, as follows:

Resolved, That five thousand copies of the prayers offered by the Reverend Frederick Brown Harris, Doctor of Divinity, Chaplain of the Senate, at the opening of the daily sessions of the Senate, during the Eighty-fifth and Eighty-sixth Congresses, inclusive, be printed and bound for the use of the Senate, and that this edition be six inches by nine inches in size, and that they be hard bound and that the volume contain also certain prayers offered by the Chaplain of the Senate at National occasions, sponsored by the Senate.

TENURE OF OFFICE OF PERSONS APPOINTED TO ADMINISTRATIVE AND POLICYMAKING POSITIONS

Mr. JACKSON. Mr. President, on behalf of myself, and my colleagues on the Subcommittee on National Policy Machinery, Senators HUMPHREY, MUSKIE, MUNDT, and JAVITS, I submit, for appropriate reference, a resolution dealing with a problem of critical importance in the effective organization of our Government to cope with the demands of the cold war.

The problem with which this resolution is concerned is that of turnover in key posts in the national security field.

It is now generally recognized that turnover in many of these posts has been at a disturbingly high rate, that the brief tenure of many appointees has had a harmful impact on the effectiveness with which our Government operates.

This problem has not been confined, as the resolution states, to any one administration. It is a national problem, and one we cannot ignore if we are to win this total competition we have not sought, but cannot afford to lose.

The harmful effects of turnover have been compounded, Mr. President, by the growing intricacies of foreign and military policies. As the problems of national security become more complex, it takes an increasingly long time to acquire the knowledge and understanding that permit effective discharge of responsibilities.

The extent and impact of turnover in top policy posts has been fully established by testimony before the Subcommittee on National Policy Machinery over the past few months. This testimony includes comments by Cabinet members, both past and present, by witnesses from Government and private life who are intimately acquainted with the problem of turnover and its effects.

This problem was also recognized in the President's address at Notre Dame earlier this month.

Mr. President, the purpose of this resolution is to put the Senate on record on this subject, to serve notice to the next President, be he Democrat or Republican, that the Senate is deeply concerned by the problem of turnover in top posts in the national security field. The Senate has the constitutional responsibility to pass on Presidential appointments; it is altogether appropriate that the Senate should express its concern on this subject.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, the resolution will be printed in the RECORD, as requested by the Senator from Washington.

The resolution (S. Res. 338) was referred to the Committee on Government Operations, as follows:

Whereas the unprecedented challenge of the cold war has placed heavy demands on the energies and abilities of high Government officials; and

Whereas the requirements for policy planning and decision making in the national security field have placed a premium on knowledgeable, experienced executives; and

Whereas the complexities and technicalities of national security problems have steadily increased the minimum period of Government experience required before responsibilities can be discharged effectively; and

Whereas brief tenure in office tends to have a harmful impact on the effective formulation and execution of national security policies; and

Whereas the problem of turnover has not been confined in its effects to any one administration: Now, therefore, be it

Resolved, That it is the sense of the Senate that individuals appointed to administrative and policymaking posts should be willing to serve for a period long enough to permit them to contribute effectively in their assigned tasks; and be it further

Resolved, That it is the sense of the Senate that nominees appearing before its committees shall indicate their willingness to serve so long as the President desires.

APPOINTMENT OF ADDITIONAL CIRCUIT AND DISTRICT JUDGES—AMENDMENTS

Mr. BIBLE (for himself and Mr. CANNON) submitted amendments, intended to be proposed by them, jointly, to the bill (S. 2673) to provide for the appointment of additional circuit and district judges, and for other purposes, which were ordered to lie on the table and be printed.

AMENDMENT OF SMALL BUSINESS ACT—ADDITIONAL COSPONSOR OF BILL

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the junior Senator from New Jersey [Mr. WILLIAMS] may be added as an additional cosponsor of the bill (S. 3689) to amend the Small Business Act, and for other purposes, introduced by me on June 16, 1960.

The PRESIDING OFFICER. Without objection, it is so ordered.

REFERENCE OF HOUSE BILL 8289 TO COMMITTEE ON THE DISTRICT OF COLUMBIA

Mr. CLARK. Mr. President, H.R. 8289, Calendar 1328, was reported by the Committee on Post Office and Civil Service a short time ago. Section 3 exempts from the bill employee health organizations from the District of Columbia insurance laws.

Since the bill has some effect on the District of Columbia, and the chairman of the Committee on the District of Columbia wishes to examine the bill, I ask unanimous consent that H.R. 8289 may be taken from the calendar and referred to the Committee on the District of Columbia for its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT COMMITTEE ON ARRANGEMENTS FOR INAUGURATION OF PRESIDENT AND VICE-PRESIDENT-ELECT

The PRESIDING OFFICER. On behalf of the Vice President, the Chair announces the appointment, pursuant to Senate Concurrent Resolution 92, of the Senator from New Hampshire [Mr. BRIDGES], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. HENNINGS] as the members on the part of the Senate of the Joint Committee on Arrangements for the Inauguration of the President and Vice-President-elect on January 20 next.

NOTICE OF HEARINGS ON CERTAIN BILLS

Mr. ROBERTSON. Mr. President, on behalf of the Committee on Banking and Currency, I give notice that a hearing will be held on Friday, June 24, 1960, at 10 a.m., in room 5302, New Senate Office Building, on the following bills:

S. 3702, a bill which I introduced today, to amend section 14(b) of the Federal Reserve Act, as amended, to extend for 2 years the authority of Federal Reserve banks to purchase U.S. obligations directly from the Treasury.

S. 1177, a bill which I introduced at the request of the Treasury Department, to authorize adjustments in accounts of outstanding old series currency, and for other purposes.

FCC AWARD OF VALUABLE TV CHANNEL TO CONGRESSMEN ON SPECIAL PRIVILEGE GROUNDS IS POLITICAL PAYOLA

Mr. PROXMIRE. Mr. President, it has just been revealed that the Federal Communications Commission has now adopted, as an established and formally announced policy, the view that Members of Congress enjoy an advantageous, privileged position in the award of television licenses.

In my judgment, this is morally as wrong as it can be. It sets up a firm pattern for predictable corruption, for this means, of course, that Congressmen who pass on all the appropriations, including those for the salaries and expenses of members of the Federal Communications Commission, and who determine every aspect of the basic law under which they are given the charter to operate, can enjoy a special compensation when it comes to handing out these enormously valuable television franchises, worth in some cases millions of dollars.

Mr. President, this is political payola at its worst. If Congressmen are to be given this special advantage, on the ground of "civic participation," it would be just as logical to give the advantage to members of the FCC itself. Indeed, the justification for making such awards to FCC members would be even greater, for, after all, they are really close to the industry and they devote their full time to its problems.

If this ridiculous special advantage in television license allocation is allowed to stand, the next logical step would be for the FCC Commissioners to "take the gravy" themselves.

Mr. President, I am referring to the precedent shattering FCC award of channel 10, in Albany, N.Y., to the Capital Cities Television Corp., which in 1959 enjoyed a gross income of more than $6 million, and in which five Congressmen own stock. In making the award, the FCC and its examiner found that "some of the stockholders—of Capital Cities—were Congressmen," and that this gives the corporation a "civic participation" advantage, civic participation being one of the yardsticks the FCC applies.

Mr. President, I suggest that the Congress and the FCC give this matter the promptest and most sober consideration. The decision is seriously improper.

Mr. President, I ask unanimous consent that an article on this matter,

written by David Wise, of the New York Herald Tribune News Service, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 19, 1960]

FIRM WITH FIVE CONGRESSMEN WINS TV NOD—PRECEDENT SET BY FCC RULING IN ALBANY CASE

(By David Wise)

A company with five Congressmen as stockholders has been commended for such "civic participation" and tentatively awarded a valuable Federal license to run a television station.

The Federal Communications Commission in what appeared to be a precedent-shattering decision, acted after the examiner in the case, J. D. Bond, ruled that "it cannot be ignored" that some of the stockholders are Members of "the House of Representatives."

This, we found, gave the firm an edge over a rival applicant in the area of "civic participation," one of the yardsticks used by the FCC in deciding contested cases.

The Commission backed up the examiner and took what it termed a "preliminary" step May 27 toward granting the Capital Cities Television Corp. the right to broadcast on channel 10, Albany, N.Y., it was learned Saturday.

It was believed to be the first time that a regulatory agency had apparently supported the position that an applicant which has Congressmen among its stockholders thereby gains an advantage over its rival.

This should be good news for Congressmen who are in a position to allow or disallow funds for the FCC and who can pass laws affecting the agency's operations. A survey 3 months ago by Broadcasting magazine showed that 30 Representatives and Senators have interests in broadcasting stations directly or through their families.

The five Congressmen who own stock in Capital Cities, which reported a gross income in 1959 of $6,067,424, are Representative DEAN P. TAYLOR, Republican, of Troy, former New York State Republican chairman, former member of the Republican National Committee and former president of the station; Representative LEO W. O'BRIEN, Democrat, of New York, of Albany, a member of the House Interstate and Foreign Commerce Committee, which drafts legislation affecting the FCC; Representative EUGENE J. KEOGH, Democrat, of New York, of Brooklyn; Represenative JAMES J. DELANEY, Democrat, of New York, of Queens; and Representative PETER W. RODINO, Democrat, of New Jersey.

Presidential Press Secretary James C. Hagerty was accused of political intervention in an earlier phase of the Albany TV case, a charge that he flatly denied. The accusation was made in February 1959, in a book by Bernard Schwartz, ousted counsel to a House subcommittee probing the FCC and other regulatory agencies. Mr. Hagerty said his role consisted of a routine referral of a letter to the then FCC Chairman George C. McConnaughey.

Frank U. Fletcher, attorney for the Veterans Broadcasting Co., which was denied the channel in the Examiner's decision and the tentative FCC ruling, said in argument before the Commission May 26:

"Obviously, the number of Members of the Congress of the United States—and there are known to be five—who are stockholders of Capital Cities should not be a factor in awarding a preference to that organization, even though in paragraph 115, the Examiner took that into consideration."

The paragraph referred to in the Examiner's decision weighs the relative strength of the two applicants in the area of "civic participation." Of Capital Cities, the Examiner concludes:

"It cannot be ignored here that some of these individuals have achieved civic and political prominence which denotes in them an ability to discern and be responsive to the interests of the people of their community; to be elected and reelected as a Member of the House of Representatives is such a manifestation. The aggregate civic backgrounds of each applicant are good, but Capital Cities locally acquired familiarity with civic affairs of the Albany area is manifestly superior."

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. I should like to associate myself with the remarks made just now by the Senator from Wisconsin. With his usual keen eye for things in the body politic which call for reform, he has put his finger on a very important point; and I congratulate him for calling it to the attention of the Senate.

Mr. PROXMIRE. I thank the distinguished senior Senator from Pennsylvania.

RESTON DECLARES LEADERSHIP THE PRIME GAP IN AMERICAN NATIONAL PURPOSE TODAY

Mr. PROXMIRE. Mr. President, James Reston, the chief of the New York Times bureau in the Nation's Capital, has contributed the final article in the Life magazine-New York Times series on the national purpose.

Mr. Reston differs sharply with some of his predecessors in this debate. He disagrees with the more general view that the American purpose is clear and obvious. He also disagrees with the widely held notion that today's Americans are any more selfishly absorbed in their private concerns than previous generations have been; and he tellingly points out John Adams' observation at the time of America's great hour of sacrifice and idealism in the American Revolution, when Adams estimated:

One-third of the population was against the American Revolution, one-third for it, and one-third indifferent. And this is the way it has usually been.

The heart of the Reston diagnosis is that a seeming lack of purpose on the part of the American people is not new. What is new is that the leaders now seem to think they have to follow the Nation instead of leading it.

Mr. Reston contends that while Americans are doing less than they could do, they are doing everything they are asked to do by their President—the one man who can get the attention of the American people. As Mr. Reston points out, this generation of Americans has paid out billions of dollars in taxes in order to restore the economies of Europe, and has accepted military conscription in order to help protect our former enemies.

But Mr. Reston emphasizes that we have not met the fundamental and earth-shaking challenge on which the survival of freedom in the world depends; that is, the challenge of the state-controlled system of communism.

To meet it Mr. Reston calls for:

First. An honest debate on how we can meet the competition of the enormously rapid Soviet economic growth.

Second. A determination to devote far more to developing the highest possible standard of education for our children.

Third. A vast improvement in training and recruiting personnel for foreign-service work. Incidentally, Mr. Reston gives the bill introduced last week by the senior Senator from Minnesota [Mr. HUMPHREY] an enthusiastic, if possibly unconscious, plug when he writes:

If the main war is the battle in the underdeveloped areas, why not offer talented young men of draft age the option of using their brains in a civilian service in Indochina, rather than sentencing them to Army kitchen police in Hoboken?

This is precisely what the Youth Peace Corps advocated by Senator HUMPHREY would provide.

Mr. Reston declares:

Isolation is now gone, but the hangover of the old habits of the days of isolation remain: In our assumptions that we can meet the Soviet challenge with the same school system, the same political patronage system, the same diplomatic system, the same attitudes toward politics and the public service, and the same old chestnut about private interests inevitably serving the public interest.

He then writes as concise and precise a concluding sentence as I have read in a long time:

These golden ages were also periods of great leaders who knew how to bring ideas and politics together, and this seems to me to be the heart of our present problem.

Mr. President, I ask unanimous consent that the Reston article be printed in full at this point in the RECORD:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 20, 1960]

NATIONAL PURPOSE: RESTON'S ANALYSIS—THE NATION NEEDS A PRESIDENT WHO WILL LEAD, NOT FOLLOW, IT

(By James Reston)

If it is true that America needs and lacks a sense of purpose, the history of the Nation suggests a remedy.

For if George Washington had waited for the doubters to develop a sense of purpose in the 18th century, he'd still be crossing the Delaware. In fact, most of the great political crises of the American past have been resolved, not by the zeal and purpose of the people, but usually by the willpower or obstinacy of their leaders.

No doubt the massive thirst of a long-tormented majority brought back 3.2 beer, but the plain fact is that in most other emergencies a resolute minority has usually prevailed over an easygoing or wobbly majority whose primary purpose was to be left alone.

John Adams estimated that one-third of the population was against the American Revolution, one-third for it, and one-third indifferent. And this is the way it has usually been.

Some farsighted character like Thomas Jefferson or Teddy Roosevelt was always buying Louisiana or the Panama Canal when nobody was looking, and writers have always been grumbling, mainly to each other, about the feebleness of the national will.

The main difference between today's lamentations and those of the past is that the language is milder and the pay better. Thomas Paine, roaring about America's mulish indifference in 1775, makes today's orators sound complacent.

And even Ralph Waldo Emerson, who was really a pretty cheery fellow, could wail in 1847:

"Alas for America, the air is loaded with poppy, with imbecility, with dispersion, and sloth. Eager, solicitous, hungry, rabid, busybodied America: catch the breath and correct thyself."

CRITICISM IS NOT NEW

Thus, criticism of the American people for lack of purpose is not new. What is new is that leaders now seem to think they must follow the Nation instead of leading it. What is new is that a hostile coalition of nations now has the military power to destroy the Republic. The margin of error granted to us in past wars and crises has vanished. What could be won before with partial effort, late starts, feeble alliances, and mediocre administration can no longer be won in a contest with the Communists.

It is not that they are so efficient but that they are so purposeful. They are all working on the main target and we are not. Life, tyranny, and the pursuit of capitalists is the Russian way of life. They have obliterated the difference between war and peace. They are always at war, all of them, women as well as men, teachers, philosophers, scientists, engineers, lady discus throwers, airmen, and 3 or 4 million foot soldiers.

None of this need trouble us very much except for their national purpose, which is simply to replace our system of individual freedom with their system of state control wherever they can, including regions vital to our security, such as Germany, Japan, and even Cuba.

I must say they have been very frank about it. They have given us timely if not fair warning. They are directing all the energies of all their people to that goal. They are not arguing about the conflict between private interests and the national interest. They have simply eliminated private interest. They have put everybody to work on burying capitalism, and, since our national purpose, among other things, is to avoid being buried, this creates an awkward and even nasty situation.

How then, shall we approach the problem? I was brought up on the Church of Scotland's shorter catechism, the first question of which is:

"What is the chief end of man?"

Accordingly, I am all for self-direction and self-criticism. Nevertheless, I have my doubts about the imminence of any self-induced renaissance or epoch of austerity.

A TALE ABOUT MULES

When I consider attacking the problem through the people, I think of Harry Ashmore's old story about the man who acquired a reputation for training mules with honeyed words and kindness. Hearing about this remarkable achievement the Society for the Prevention of Cruelty to Animals dispatched a lady emissary to present the mule-trainer with a medal.

Upon arrival, she asked for a demonstration. The trainer obligingly trotted out a young mule, reached for a long 2-by-4, and clouted the beast over the head. As the mule struggled back to his feet the good lady exclaimed in horror, "Good heavens, man, I thought you trained these animals with kindness."

"I do, ma'm," he replied, "But first I got to git the critters' attention."

I don't know how just anybody gets the attention of 180 million people these days. They are engaged in the pursuit of happiness, which, incidentally, the Declaration of Independence spells with a capital "H," and to be frank about it, I suspect that public debates on the national purpose give them a pain.

It will not, I think, be wise to underestimate America's current resistance to exhortations from the preachers, professors, columnists, and editorial writers of the Nation. For unless I miss my guess, the Americano, circa 1960, is in no mood to rush off on his own initiative to emancipate the human race, or to set any new records as the greatest benefactor of all time, or engage in any of the other crusades mapped out for him in Cambridge, Mass.

He may do many of these things because he is honest enough to know that he doesn't know all the facts of this dangerous and complicated era, but he is not likely to set out to do them because of his own reflection and reason or the arguments of talkers or writers he seldom sees.

Accordingly, we must, I think, start with the national leadership, partly because this is the engine that has pulled us out of the mud before, and partly because this is an election year, when we will be picking a President, probably for most of the 1960's.

IT'S UP TO PRESIDENT

The President of the United States is the one man who can get the attention of the American people. If he says the Nation is in trouble they will listen to him. If he addresses himself to their doubts and questions, they will hear him out. If he presents programs and legislation to do what he thinks is necessary for the safety of the Republic and explains and keeps explaining why these are essential, he may very well prevail.

All the magazine articles on the national purpose, all the reports by all the foundations on all our manifold weaknesses, all the speeches by Adlai Stevenson, Jack Kennedy, Lyndon Johnson, and Stuart Symington on the wickedness of the Republicans, all the exhortations to return to the faith of our fathers—all are nothing compared to serious programs eloquently expressed and strongly pushed by a determined President of the United States.

"His is the only national voice in affairs," wrote Woodrow Wilson. "Let him once win the admiration and confidence of the country and no other single force can withstand him, no combination of forces will easily overpower him. His position takes the imagination of the country. * * * His is the vital place of action in the system."

Of course, he has to act. He cannot ask for half-measures and run away. But once he expresses the national need, once he decides to try to remove rather than to perpetuate the illusions of the past, then his specific remedies will affect the spirit and direction of the Nation.

I remember when the Marshall plan for Europe was devised in Washington. It was perfectly obvious that the sickness of the European economy was creating a crisis of great magnitude, and the bare bones of a 4-year plan, costing perhaps as much as $20 billion, were worked out and approved by President Truman.

I printed a long story about it one Sunday in the New York Times, and by 10 o'clock that morning, the late Senator Arthur H. Vandenberg of Michigan, then chairman of the Foreign Relations Committee, called me at home and said:

"You must be out of your senses. No administration would dare to come to the Senate with a proposal like that."

Yet once the lead was taken and the need documented, Senator Vandenberg ended up as a key supporter of what almost everybody now agrees was the most farsighted piece of legislation since the war.

THE TASK IS GREAT

I do not underestimate the task. I agree with much that has been said in these essays about the slackness of our society, but I find the present mood understandable, perhaps inevitable, under the circumstances, and not without hope.

At the end of the last war, the American people made a genuine effort to clear the wreckage and understand the new situation.

They went through the biggest geography and history lesson in their history, always with the false optimism that they were dealing with a temporary situation that would eventually go away.

Instead of going away, the problems became larger and more complex: After Europe, it was the Middle East; after the Middle East, the Far East; after the Far East, Africa; after Africa, outer space, and after outer space a lot of inner tensions over U–2, me too, inflation, deflation, rising cost of living, balance of payments, nuclear testing, sputniks, luniks, and a lot of other things that everybody seemed to be differing about.

There was no panic about any of this. The people merely turned from what they did not understand to what they did understand. They turned inward from the world to the community and the family. In the 15 years of the atomic age, they increased the population of the Nation by more than 40 million, which is not the action of a frightened people, and which is interesting when you think that the entire population of the country at the start of the Civil War 100 years ago was only 31 million.

A distinction has to be made, I think, between the facade of America and the other more genuine America. There is, of course, this big obvious clattering America of Hollywood and Madison Avenue and Washington, but there is also the other quieter America, which has either kept its religious faith or at least held on to the morality derived from religious tradition.

I do not wish to glorify the multitude. Much can be said about the dubious effects on the American character of very early marriage, easy credit, cheap booze, cheaper TV, lower education standards, and job security even for sloppy work.

THE GOOD POINTS NOTED

Nevertheless, there is more concern for the outside world, more interest in its problems, more generosity, and more resourcefulness in this society than in any free society I know anything about.

If it is true, as I believe, that this generation of Americans is doing less than it could, it is also true that it has done everything it was asked to do. It may be more concerned about its private interests than about the public interest, but if a man is offered a choice between a Cadillac and a swift kick in the pants, we should not be surprised if he doesn't bend over.

What has it been asked to do that it has not done?

It was asked to restore the broken economy of Europe, and it helped bring that continent within a decade to the highest level of prosperity in history.

It was asked to accept high taxation and military conscription to police the world, and it has done so from the north cape of Norway to Japan and Korea.

It was asked to keep a standing army of a quarter of a million men in Western Europe and it has done so for 15 years with scarcely a murmur of protest from a single American politician.

It was asked to abandon its tradition of isolation, and it took on more responsibilities involving more risks—in Korea and elsewhere—than the British ever did at the height of their imperial power.

These are not the acts of a slack and decadent people. There is nothing in the record of free peoples to compare with it. This is not a static society. The problem is merely that the pace of history has outrun the pace of change. Ideas and policies have lagged behind events, so that by the time policies were formulated, debated and

put in force, the situation they were intended to remedy had changed.

Thus, in a torrent of change, in a revolution of science, a social revolution at home and an unprecedented political revolution in Asia, Africa, and Latin America, it is scarcely surprising that there is a crisis of understanding in the Nation.

This is all the more true because there has been a serious weakening of the ties between the men of ideas and the men of politics in this country during the past decade.

WILSON'S IDEAS RECALLED

"Our slow world," wrote Woodrow Wilson in 1890, "spends its time catching up with the ideas of its best minds. It would seem that in almost every generation men are born who embody the projected consciousness of their time and people.

"Their thought runs forward apace into the regions whither the race is advancing, but where it will not for many a weary day arrive—the new thoughts of one age are the commonplaces of the next.

"The men who act stand nearer to the mass than the men who write; and it is in their hands that new thought gets its translation into the crude language of deeds."

It cannot be said that the men of ideas of the country have not performed in these last few years their traditional tasks. They have observed the convulsions of our time and let their minds run ahead to the logical consequences for the Nation.

I cannot remember a time when there has been more purposeful thought on contemporary problems in the universities and foundations than now. Their reports and conclusions would fill a good-sized library, but the alliance between them and the White House has been feeble, and somehow it must be restored.

What, then, can be done?

We can, at least, look at the world as it is instead of the world as we would like it to be. In the 43 years since the Soviet revolution—of which 20 have been devoted to establishing their regime and fighting the last World War—they have brought their industrial production to about 45 percent of ours.

SOVIET EXPORTS GROW

Since the war, their rate of growth has been between 9 and 10 percent while ours has been in the neighborhood of 3 percent. They are having trouble with their agricultural production, but if they and we both continue at the present rates of growth, the experts figure they will have approximately as much effective industrial production as the United States in 1975.

On the face of it, this may not worry the American people, but it is perfectly obvious that the trend is running against us in this field and that, as former Secretary of State Dean Acheson says, the likelihood is that Moscow will do three things with this new production:

1. Increase their military capabilities.

2. Increase their resources for economic penetration in the underdeveloped nations, and

3. By a combination of these two, demonstrate to the uncommitted countries of the world that the Soviet Union is the country of spectacular growth, and that the Communist system is the way to lift new countries in a short time into the new scientific age.

It is this latter point, rather than the threat of nuclear war against the United States, that concerns most students of this problem.

The Russians have already increased their exports to underdeveloped countries to about $3 billion. They have 5,000 people administering these programs. And they are directing them primarily in six countries of considerable political importance to the U.S.S.R.

It is much harder to understand the threat of this kind of economic penetration than it is to understand the threat of indirect Communist aggression, as, for example, in Korea. But the threat is there just the same.

Since the last war, 1,200 million people have changed their form of government in the world, and 800 million of these have achieved independence for the first time. These new nations are determined to be industrialized, ready or not. Hunger and pestilence are not new in the world, but the 2 billion hungry people are less willing to tolerate hunger and pestilence now that they know something can be done about it.

How these new governments develop, in freedom or by the quicker way of state control, may very well determine, not only the climate of freedom in the world, but the balance of power as well.

Thus the primary problem of foreign affairs may very well be, not the East-West problem we hear so much about, but what Sir Oliver Franks calls the north-south problem: whether the nations of the south, in Africa, Asia, and Latin America, develop along the lines of the free industrialized nations of the north, or the state-controlled methods of the two large Communist northern states of the Soviet Union and China.

We have tended to make several assumptions about this: First, that most nations wanted to develop like the United States, that knowledge cannot develop except in a climate of freedom, and that the Western Powers could deal with the underdeveloped nations without interfering much with present concepts of sovereignty or commercial practice.

All these assumptions are now under challenge. The Soviet Union has shown that spectacular scientific progress can be made in in a closed society. Cuba, to take only one example close at hand, has not only indicated contempt for the American system of free enterprise but is now organizing its whole society under state control.

WHAT THE PROBLEM IS

The problem is not that the Soviet Union produces better engineers than the United States—though it certainly produces more—but that it can direct its engineers into these new countries or anywhere else that helps promote the purpose of the state.

As Dean McGeorge Bundy of Harvard has pointed out:

"It may be that we are at the edge of a time in which authoritarian societies, controlling and using this new investment, the human mind, will be able to produce revolutions in power and in growth as remarkable to us as our own revolution, the industrial and technological revolution of the last 150 years, is remarkable today to the people who inhabit the world of rising expectations.

"To me, this hazardous possibility that centralized control of technology and of science behind it may lead to a new order of growth, of power, and of change in the hands of people with a high degree of political purpose and centralized and ruthless control seems to be the real danger in the growth of Soviet and Chinese power."

My conclusions about all this mysterious sociology and economics are unoriginal, vague, and even modest. All I know about the rate of growth is what happened to three boys of my own in the last 23 years, and even that is a little confusing. It would be pleasant to think, however, that all this concern in the Nation among serious men about the higher rate of growth in the U.S.S.R. was seriously discussed and not dismissed as another left-wing trick to increase the size of Government or elect some Democrat.

First, therefore, an honest debate on the issue might not be a bad idea. Maybe we cannot do everything everywhere. Maybe after 125 years of isolation and a generation of internationalism, somebody should call out once more to America:

"Catch thy breath and correct thyself."

But anyway, a revival of honest plain talk in the country wouldn't do any harm.

Second, in the face of the clear facts, anything less than the highest possible standard of education for the children of America is obviously a disgrace. We cannot punch kids out like cookies and drop them into slots, and wouldn't if we could, but we ought to be able to spend more money on their education than we do on all that sexy advertising.

Third, offhand, I would guess we were kidding ourselves in thinking we could do this job with the kind of people now working on it overseas or that we could do it without far more cooperation and coordination among the Allies.

If the main war is the battle in the underdeveloped areas, why not offer talented young men of draft age the option of using their brains in a civilian service in Indochina rather than sentencing them to Army K.P. in Hoboken?

It is not fair or accurate to say that the voluntary system cannot compete with the directed system in recruiting men for service in the underdeveloped areas, for no really imaginative effort has been made to attract the volunteers.

NEUROTIC FIXATIONS

Thus, wherever you look it is hard to escape the conclusion that our response is unequal to the threat. We are in what Prof. Walt Whitman Rostow of the Massachusetts Institute of Technology calls one of those neurotic fixations of history. There are periods when nations are confronted by radically new situations but hang on to old policies that are increasingly divorced from reality.

This is what George III of England did when confronted by what he called the rebellion of the American Colonies; what Edward VIII did when he hung on to Wally Simpson; what Stanley Baldwin did when he refused to rearm Britain in the face of Hitler's challenge and what the United States did when it clung to isolation after the rise of Nazi Germany.

Isolation is now gone, but the hangover of the old habits of the days of isolation remain: In our assumptions that we can meet the Soviet challenge with the same school system, the same political patronage system, the same diplomatic system, the same attitudes toward politics and the public service, and the same old chestnut about private interests inevitably serving the public interest.

It is not so much that we have lost our way forward but that we have lost our way home. This is the country of freedom, youth, experimentation, and innovation; of pioneers and missionaries and adventurers.

If you ask whether we can meet the Soviet challenge by concentrating on our private interests instead of on the public interest, by losing a great many of our best young brains in poor schools before they ever get to the college level, by not using our intelligent women when the Russians are using theirs, by not making a genuine effort to get our best brains into the most effective jobs to serve the Nation, why I'm bound to say that the answer is "No."

I believe, however, that there is still a lot of spunk and spirit in this country that can be brought by free methods into the service of the Nation, provided Presidential power is used to clarify where the Nation stands.

WHAT WE STAND FOR

The first national purpose is to know who we are and what we stand for, and it would be an impertinence to try to improve on the second paragraph of the Declaration of Independence as a guide to the problem.

"We hold these truths to be self-evident," it says in the first sentence. It thereupon

lists, as if they were the indisputable facts of last Sunday's American League batting averages, a whole catalog of wonderful things that are not only not self-evident in 1960, but are actually in violent dispute among men all over the world, including quite a few in our own country.

"All men are created equal," it says, and of course, this is just the trouble, for you can get an argument on that one anywhere in the Province of Georgia, U.S.S.R., or the State of Georgia, U.S.A.

In the minds of the Founding Fathers, the moral idea came before the political, and the latter was merely an expression of the former. This, too, was apparently the idea Matthew Arnold had in mind when he came to this country before the turn of the century and discussed our national purpose in New York.

He made two points:

"We must hold fast to the austere but true doctrine," he said, "as to what really governs politics, overrides with an inexorable fatality the combinations of so-called politicians, and saves or destroys states.

"Having in mind things true, things elevated, things just, things pure, things amiable, things of good report: having these in mind, studying and loving these, is what saves states."

However, the old gentleman, when writing these exuberant sentences, had no illusion about their being put into force by the majority. These moral concepts would prevail, he said, only as they were upheld by "the remnant" of leaders and thinkers who loved wisdom, for the majority, he insisted, was full of "prosperities, idolatries, oppression, luxury, pleasures and careless women * * * that shall come to nought and pass away."

A TASK OF LEADERSHIP

"The remnant" in America of those who love wisdom and have the ability to compete with any nation in the world is very large. It has greatly increased as the population of the Nation has increased, but it needs to be brought to bear on the great purposes of the Nation more than it is today, and this is obviously one task of Presidential leadership.

Meanwhile there is no cause to despair over the evidence of disorder and menace, for in all the golden ages of history, disorder and hazard have existed alongside vitality and creativeness.

"Surely our age shares many characteristics with the earlier golden times," Caryl P. Haskins, president of the Carnegie Institution of Washington, has written. "There is the wide feeling of insecurity, the deeplying anxiety, the sense of confusion, not unlike the earlier times in general character.

"But there is likewise the same intense concern with new ideas and new concepts, the same eagerness for widened vistas of understanding."

What Mr. Haskins did not say was that these golden ages were also periods of great leaders who knew how to bring ideas and politics together, and this seems to me to be the heart of our present problem.

ABOUT THE AUTHOR OF THIS ARTICLE

James Reston was born in Clydebank, Scotland, in 1909.

His parents brought him to the United States the following year, but he returned to Scotland for some of his early schooling and then came back to this country in 1920. He attended public schools in Dayton, Ohio, and graduated from the University of Illinois in 1932.

After holding a number of news and publicity jobs in the Middle West, he joined the Associated Press in 1934 as a sports writer in New York. Three years later the agency sent him to London where he covered the diplomatic activity preceding the outbreak of World War II. In 1939 he joined the London bureau of the New York Times and spent most of the war years in London and Washington. He became the Washington correspondent of the Times in 1953.

Mr. Reston won the Pulitzer Prize for his news dispatches in 1944 and 1956. He now writes an editorial-page column three times a week in addition to his news reporting.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. I congratulate the Senator from Wisconsin on the comments he has made.

I should like to call his attention to two other points made by Mr. Reston in the article; I think they are equally worthy of being called to the attention of our colleagues.

At one point in the article, Mr. Reston wrote:

> Second, in the face of the clear facts, anything less than the highest possible standard of education for the children of America is obviously a disgrace. We cannot punch kids out like cookies and drop them into slots, and wouldn't if we could, but we ought to be able to spend more money on their education than we do on all that sexy advertising.

Mr. Reston also wrote:

> If you ask whether we can meet the Soviet challenge by concentrating on our private interests instead of on the public interest, by losing a great many of our best young brains in poor schools before they ever get to the college level, by not using our intelligent women when the Russians are using theirs, by not making a genuine effort to get our best brains into the most effective jobs to serve the Nation, why I'm bound to say that the answer is "No."

It occurs to me that these programs are going to cost money.

We now have before us a bill which would cut even further the revenues of the Government. I hope all Members of the Senate will ponder the suggestions made in the article by Mr. Reston, before Senators vote on the pending cut-in-taxes bill.

Mr. PROXMIRE. I agree entirely.

There is no question about the relationship between the challenge and the plea raised by the distinguished head of the New York Times Washington bureau, Mr. Reston, and the bill pending before us today. In terms of immediate responsibility, I think they are very closely connected. Mr. Reston does make the fervent and, I believe, irresistible plea that we meet with firmness and intelligence the Soviet challenge.

MEDICAL CARE INSURANCE BENEFITS CUT OFF WHEN NEEDED MOST

Mr. PROXMIRE. Mr. President, what happens to senior citizens when they are barred from group insurance policies because of retirement? This is the question that plagues millions upon millions of Americans as they approach the retirement years.

Associate Director Frank Van Dyke, of the New York Prepayment Study, when testifying before the Subcommittee on Problems of the Aged and Aging, of the Senate Committee on Labor and Public Welfare, noted that studies reveal that only 22.9 percent of persons covered by group health insurance contracts of life and casualty companies for hospital expense benefits had the right to convert their policies on leaving work.

He added:

> The recent effort by insurance companies to provide special policies for persons over 65 is laudable but ineffective. Premiums of $70 to $80 a year for part-payment hospital policies must be considered in relation to the three-fifths of persons 65 years of age and over whose money income is less than $1,000 a year.

There, in simple, cold statistics, is the problem we must face and solve.

Here, in the warm and thoughtful prose of a Wisconsin citizen, is a typical letter posing the same problem; and I ask unanimous consent, Mr. President, that the letter be printed at this point in the RECORD:

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> Many of us are wondering what your action will be in regard to the Forand bill. Everyone seems to agree that something must be done about the frightening expense involved during illness. It seems to me that this bill is the answer.
>
> During a recent illness my expensive and comprehensive insurance policy did not prove to be sufficient. What will happen to us when we are unable to have a group policy because of retirement? How apt the phrase—only the poor and the rich can afford to be ill. I am a registered nurse. Our national organization has gone on record as being in favor of the Forand bill. It should be easy to understand why nurses who are often much closer to the patient's personal life than the doctors feel this way.
>
> Very truly yours,
>
> _____

CHARLES W. ANDERSON, JR., OF LOUISVILLE, KY.

Mr. COOPER. Mr. President, the Honorable Charles W. Anderson, Jr., of Louisville, Ky., was killed on June 14 when his car was struck by a train in Shelby County, Ky. The untimely death of Charles Anderson is a great loss to Louisville, where he was born and where he lived, to the State of Kentucky, and to the Nation.

There is so much to say about Charley Anderson that I could not cover adequately his life and achievements. Charles Anderson was the son of a distinguished physician of Louisville, Ky., Dr. Charles W. Anderson, and his mother, Mrs. Tabitha L. Anderson, was an educational leader of our State and at one time the dean of women at Kentucky State College. Their educational interests inspired their son, and he became a graduate of Kentucky State College, received a bachelor's degree from Wilberforce University, and then his law degree from the Howard University School of Law in Washington, D.C. Pursuing his profession, he quickly became one of the outstanding lawyers of Louisville, and his colleagues in the legal profession recognized his ability by naming him president of the National Negro Bar Association in 1943.

It was only natural that his educational background, fine mind, ability as a speaker, and deep interest in public affairs, should lead him into political life. He was the first Negro to serve in the Kentucky Legislature, in fact the first Negro lawmaker in a Southern State since the Reconstruction era, and he served with distinction for 12 years, never being defeated.

In 1946, he became assistant Commonwealth's attorney for Jefferson County, in which Louisville, the largest city in our State, is located, and again he discharged his duties with ability and with a deep sense of public responsibility.

In 1959, President Eisenhower named Charles Anderson as a member of the U.S. delegation to the 14th General Assembly of the United Nations. Having been a delegate to the United Nations several years ago, I know many who were delegates to the 14th General Assembly, including members of the delegation of the United States, and the representatives of the State Department who are charged with United Nations affairs. Many of these delegates, and others, who knew of Charles Anderson's service in the United Nations have expressed their admiration and respect for his effective and devoted work in that important body, which means so much to the United States and, indeed, to the peace of the world.

I am glad that Mr. Anderson served as a delegate to the United Nations. His appointment by the President was a recognition of his long and distinguished career in public service. It gave him an opportunity for larger service to his country in international affairs, which he fulfilled in a magnificent way. And I know that his service gave him deep satisfaction. Since the close of the 1959 session, he had made speeches before many organizations and groups of people, explaining the work and purposes of the United Nations.

Charles Anderson leaves a devoted wife, the former Victoria McCall, of Detroit, a cousin of the Honorable Ralph Bunche, of the United Nations, and a leader in her own right. He leaves also two children, Charles Anderson III, and Victoria Margretta Anderson, who I am sure will follow in his footsteps.

Charles Anderson was a tireless worker and an eloquent advocate for his people and for their full equality and opportunity. They will miss him, and will not forget his effective and devoted work for their constitutional rights and for their interests.

Charles Anderson was a devoted and patriotic citizen of his State and of his Nation. He was a kindly and tolerant man.

I feel a deep sense of personal loss in his death, for I have known him as a friend for many years. But the great loss will be to his wife, to his family, and to his State and country, which he served so well.

I ask unanimous consent to have printed as a part of my remarks an article about Charles W. Anderson which appeared in the Louisville Courier Journal on June 15, 1960.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Louisville Courier-Journal, June 15, 1960]

C. W. ANDERSON KILLED WHEN TRAIN HITS CAR

Charles W. Anderson, Jr., former State representative and a leading attorney here, was killed about 4 p.m. yesterday when his car was hit by a train in Shelby County.

The 53-year-old attorney was a member of the U.S. delegation to the United Nations.

He was hurled from his car when it was struck at a crossing on the new Christiansburg Road, about a mile northwest of Bagdad. He apparently died instantly.

Anderson, the first Negro to serve in the Kentucky Legislature, had gone to Shelby County to talk with witnesses in an accident case he was handling.

CAR TORN TO PIECES

His northbound car was torn to pieces by the impact with the Ashland bound Chesapeake & Ohio passenger train.

Anderson was thrown from the car at the crossing. His head reportedly struck a nearby track.

The front of the car and its motor went an estimated 1,100 feet and smashed into a small frame building along the tracks.

A large rear section of the automobile was carried about 2,000 feet. Other pieces were scattered over a wide area.

The six-car passenger train left Louisville at 2:50 p.m.

The engineer was identified as Wilbur Faulkner, Lexington.

He reportedly told State Troopers Edgar Estill and Joe Hicks that the train was about 1,400 feet from the crossing when he saw Anderson's car slowly mounting the slight rise that marks it.

Faulkner said he sounded his whistle but was unable to stop in time. He estimated the train was traveling 55 miles an hour. It went an estimated 2,000 feet before stopping.

The troopers said the crossing area is overgrown with high weeds. The tracks on which the train was approaching make a broad curve, they said.

ALONE IN CAR

Anderson was alone in the car. His body was taken to Hall-Taylor Funeral Home, Shelbyville.

The attorney was appointed August 21, 1959, by President Eisenhower, as a member of the U.S. delegation to the 14th General Assembly of the United Nations.

The appointment capped a long and distinguished career in law and public service for Anderson.

In November 1935, Anderson became the first Negro to be elected as a member of the Kentucky Legislature, and the first Negro lawmaker in a Southern State since the Reconstruction era.

ELECTED TO SIX TERMS

He was reelected for six consecutive terms, serving a total of 12 years. He was a tireless worker for racial equality.

Anderson resigned his seat in the legislature in May 1946, to become assistant Commonwealth's attorney for Jefferson County. He was the first member of his race to hold that post.

In 1949, he was nominated on the Republican ticket for third district magistrate. He was defeated in the general election by a narrow margin.

In 1943 Anderson was elected president of the National Negro Bar Association and served 2 terms.

In 1940 he was awarded the Lincoln Institute key for outstanding contributions toward the advancement of Negroes in Kentucky.

In 1945 he was awarded the Howard University Alumni Award for distinction in law and Government. He held an honorary doctor of laws degree, and alumni certificate of honor from Wilberforce University, Xenia, Ohio.

Anderson was born in Louisville, the son of a physician, Dr. Charles W. Anderson, and Mrs. Tabitha L. Anderson. His mother was State supervisor of Negro schools and later dean of women at Kentucky State College.

He was a graduate of Kentucky State College and received a bachelor's degree from Wilberforce University. He received his law degree from Howard University School of Law in Washington.

Anderson lived at 1025 South Western Parkway. His wife, the former Victoria McCall of Detroit, is a cousin of United Nations Under Secretary Ralph Bunche. Two children, Charles Anderson III, and Victoria Margretta Anderson, also survive.

He was a member of the Elks and Masonic lodges and of Alpha Phi Alpha Fraternity and Tau Delta Sigma Legal Fraternity.

He was also a member of Quinn Chapel A.M.E. Church; American Legislators Association; National Academy of Political and Social Science; American Judicature Society, and the executive committee of the Louisville and Jefferson County Republican organization.

He had served on the national legal committee and the board of directors of the National Association for the Advancement of Colored People, and was a national member at large of the Urban League and a member of the executive committee of the National Bar Association.

NATIONAL PURPOSE—NEEDED TAX REVENUES

Mr. CLARK. Mr. President, several days ago the distinguished Senator from Wisconsin [Mr. PROXMIRE] placed in the RECORD an article by Walter Lippmann, which is one of the New York Times-Life magazine articles on our national purpose, which was entitled—"A Nation on Dead Center Needs a Tow."

I desire to comment on that article, although I shall not ask that it be printed in the RECORD again.

Mr. Lippmann pointed out:

We are now waiting to be shown the way into the future. We are waiting for another innovator in the line of the two Roosevelts and Wilson.

Mr. Lippmann states his thesis is that we cannot substitute mere affirmation of our ultimate ends for declaring our purpose and leading the Nation. Just to talk about our national goals and ends is like standing up when the "Star Spangled Banner" is played and then doing nothing further.

Mr. Lippmann continues:

The remedy, then, will not be found in the restatement of our ideals, however resounding the rhetoric. It will be found in the innovation of the political formulae, the concrete measures, the practical programs by which our ideals can be realized in the greatly changed world we now live in * * * it is not the Nation which is old, but only its leaders.

Again Mr. Lippmann states, and I paraphrase:

On our success in achieving military security by arms and by diplomacy depends our existence. Our ability to meet the challenge depends upon our success in learning to use our growing wealth for something

more than just private satisfaction. It depends upon our being willing to use it for imponderable and immaterial ends, like science, education, and the public amenities.

To do that, we must have more revenues in the Federal Treasury. That is why it is so important that we should close some of the tax loopholes, as we will have an opportunity to do.

Mr. Lippmann continues:

But we have also to be able and willing to pay for the things which cannot be consumed privately, such as the education of children, the development of beautiful cities and the advancement of knowledge. We have to be able and willing to pay for what is, to put it briefly, civilization itself.

That is the issue before the Senate on the pending bill.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to the Senator from Wisconsin.

Mr. PROXMIRE. In view of the article to which the Senator from Pennsylvania has just adverted, I believe I should call attention to the great fight, and successful fight, which the Senator from Pennsylvania began late Friday night, and continued on Saturday, to get the fullest possible expression of what this bill means and the need for fiscal responsibility. I think that is the real substance of what occurred. The conduct of the Senator from Pennsylvania—very lonely conduct, but very, very effective conduct—deserves the highest commendation, because of his fight for fiscal responsibility and for the security of the country. He pointed out that it is necessary to do this in order to meet the Communist challenge.

Mr. CLARK. I thank the Senator for his kind words, which have not been too many lately, so far as the senior Senator from Pennsylvania is concerned.

JAPANESE TREATY

Mr. CLARK. Mr. President, turning to another matter, we shall have before us for ratification the Japanese Security Treaty. In that connection, I think it quite important that the Senate and the country should recognize the very serious setback which we have received in Japan, which, to my way of thinking, makes it all the more important for us to ratify the treaty promptly.

Two exceedingly interesting columns which I believe contribute substantially to a public understanding of just what we are up against in the Far East appeared in the Washington Post this morning, one entitled "Courtesy of N. S. Khrushchev," which appears in Joseph Alsop's "Matter of Fact" column; the other entitled "Grim Tokyo News—Trouble Hasn't Run Its Course," by Roscoe Drummond.

I ask unanimous consent that both these columns may be printed in the RECORD at this point in my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 20, 1960]

COURTESY OF N. S. KHRUSHCHEV

(By Joseph Alsop)

More than a fortnight before the final catastrophe in Tokyo, U.S. Ambassador Douglas MacArthur II was sent to Prime Minister Kishi to suggest that the Japanese Government disinvite President Eisenhower.

Kishi replied with consternation that if he responded to this American initiative by requesting the President not to visit Japan after all, his Government would fall as a result. He added that the new United States-Japanese Security Treaty would fall with the Government. He further pointed out that another probable casualty would be the parliamentary system in Japan. On this basis, the President adhered to his plan to visit Tokyo.

In the end, however, as everyone, alas, knows, the disorders in Tokyo got too far out of hand. Ambassador MacArthur was again instructed to invite the President's disinvitation. This time, Kishi yielded.

These background facts have several important implications, none of them agreeable. They show for instance, that the American Government had at least as big a role in the disinvitation as the Japanese Government. Everyone must be glad, of course, that the President did not run the kind of risk he would certainly have run by refusing to change his plan. Yet there is something contrived, something overly flavored with the arts of Madison Avenue in the Hagerty-style presentation of the change of plan as wholly Japanese in origin.

Above all, moreover, the background facts of the Japanese disinvitation show the underlying fraudulence of the Hagerty-style presentation of all these foreign journeys for which President Eisenhower had acquired such a taste, before the Japanese defeat. The same scene has been repeated in Europe, in India, and in South America. The cheering millions, the smiling President, the trumpeted assurances of the White House public relations staff that "Ike has won new friends for us"—the features are all familiar.

The President himself, apparently, believed these features of his foreign journeys had real meaning. But quite another reality has now been revealed by the ugly events in Tokyo. The truth is that in too many of the countries the President has visited, he got his glittering welcome by courtesy of Nikita Sergeyevich Khrushchev.

It is now clear, for instance, that the happy contrast between President Eisenhower's South American progress and the comparable trip of Vice President NIXON was almost wholly owed to Khrushchev. The magic that made the great difference between cheers and yells of hatred was not Mr. Eisenhower's magic.

The magic was in fact the discipline of the South American Communist Parties, which were ordered to act "in the spirit of Camp David" because Khrushchev was then still hoping to get his way about Berlin at the summit conference.

The realistic policymakers at the State Department in effect recognized these facts, as soon as the explosion at the summit caused a change in the Kremlin's orders to the Japanese Communists. This was the reason why a Japanese disinvitation was first invited by Ambassador MacArthur more than a fortnight ago.

The final disinvitation is the Kremlin's triumph. That cannot be concealed by any amount of Byzantine twaddle about the defeat in Japan being balanced by the success in Manila.

Furthermore, this American defeat in Japan is a far greater triumph for the Kremlin than almost anyone in this country has dared to admit. In Asia, more than in any other part of the world, people judge the direction of the bandwagon of history by rather simple indicators of power and prestige.

The Kremlin's proof that it can force our major Asian ally to disinvite the President of the United States will reverberate through every Asian country for months and years to come; it will do untold damage to American interests. It is a true catastrophe, directly traceable to the original wishful decision to make a journey which could only succeed by Khrushchev's courtesy.

Finally, no prudent person can ignore the contempt for this country which the world Communist leadership is now displaying. The Peking government specifically stated that it was scheduling an extra-heavy bombardment of Quemoy during the President's Taiwan visit, in order to underline its contempt and scorn for him. The orders given the Japanese Communists fit the same pattern. So does the much more disturbing plan for an exchange of visits between Khrushchev and Cuba's Fidel Castro.

Seven years ago, the masters of the Kremlin were showing all sorts of other unpleasant feelings about this country, but not contempt. But 7 years ago, the period of flaccid, comfortable American neglect of the world balance of power was only just beginning. The strong, remember, are never held in contempt.

[From the Washington Post, June 20, 1960]

GRIM TOKYO NEWS—TROUBLE HASN'T RUN ITS COURSE

(By Roscoe Drummond)

Planned violence by which a small minority imposed its will on the elected Government of Japan and forced President Eisenhower to cancel his visit to Tokyo has clearly not run its course.

Having used violence successfully to coerce the Kishi government, the extremist student and labor groups—managed by Communist professionals also—can be expected to continue violence as long as it works.

The immediate consequences are bad enough; what lies ahead could be worse unless the Japanese people and press become aroused in time to say: "Thus far, and no farther."

There should be no minimizing the grave danger which has been done to the authority of the Japanese Parliament and the grave harm which has been done to the prestige of the United States.

When he left Washington intent upon carrying through his trip to Japan, the President warned that demonstrations and threats by minorities must not be allowed to deflect world leaders in their quest for peace.

But minority violence did deflect these leaders from their quest for peace.

As the student disorders and rioting were reaching their peak in Tokyo, Kishi declared that if the Prime Minister yielded to this violence, public confidence in the Government would be destroyed.

Kishi yielded to violence. He conceded one of the demands of the demonstrators—that the invitation to President Eisenhower be withdrawn. It remains to be seen whether public confidence in the Kishi government can be restored.

These are only the first effects of the month-long campaign of the Socialist members of the Diet and the Communist agitators who quickly took charge. The greater dangers are these:

That the elected government of Japan will be brought down, not by an orderly vote in parliament, but by organized violence. That the proclaimed neutralist purposes of the socialist leaders of Japan will then come out into the open whereupon the Japanese people will find they have been saddled with a government which far from being neutral in the Nehru sense, is pro-Communist, pro-Peking, and pro-Moscow.

That the Japanese Socialists, distainful of democracy, are perfectly willing to substitute rule by public violence for rule by Parliament—if that is the only way they can achieve their ends. So far this has been the

only way they could achieve their ends. At no time had they been able to persuade the Japanese voters to follow their leadership. They had lost every postwar election and their parliamentary minority has shrunk at every test.

They have now started to win by force what they were unable to win by votes. This is why the events of the past few days point a gun at the very heart of Japanese democracy.

It remains to be seen whether the worst can be averted. There are some favorable factors. The Japanese people are basically pro-Western in their outlook. The Liberal-Democratic Party, presently headed by Kishi, would undoubtedly be reelected if orderly elections in Japan are still possible.

The most disturbing factor is that through all the political rioting the Japanese press and public seem to have taken a most casual indifferent, plague-on-both-your-houses attitude. As a result the government and the police have felt constrained to give the rioters a nearly free hand.

Unless the Japanese people as a whole are prepared to defend their democracy loyally and alertly, those who are out to subvert it will succeed.

CENTER FOR EAST-WEST CULTURAL AND TECHNICAL INTERCHANGE

Mr. LONG of Hawaii. Mr. President, recent world developments, including those in Japan, underscore the importance of the proposed center for East-West cultural and technical interchange. An editorial in the Honolulu Advertiser of June 18, 1960, makes that very point. point. I ask unanimous consent that the editorial, entitled "The War of Words," be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE WAR OF WORDS

The Communists have stepped up their propaganda war around the world to a frenzied pitch.

Red-led rioters in Tokyo forced Prime Minister Kishi to cancel President Eisenhower's visit, are pressing now for Kishi's resignation and junking of the new United States-Japan Security Treaty.

Communist Chinese rained 32,000 shells on Quemoy on the eve of President Eisenhower's arrival on Formosa, explaining beforehand it was to demonstrate contempt for the United States and its President.

In Geneva, the Soviet spokesman suddenly exploded with a charge that the United States deliberately seeks to prevent disarmament.

In Moscow, it was announced that Cuban Dictator Fidel Castro will pay a state visit.

It's all part of a fast-moving campaign to confuse and divide our allies and to frighten them and us.

The demonstration in Tokyo may have hurt us in Asia. How badly—and for how long—remains to be seen. But meantime, the Communist tactics are unintentionally doing the United States a favor.

Congress is moving to restore a $1 billion cut to the President's foreign aid budget. The United States is taking a hard second look at its policies and programs.

In short, the Communists are forcefully reminding Americans they must remain physically, economically and spiritually strong. This also means continued military and economic aid to such free nations as those in Southeast Asia against which the Communists might move on a limited scale at any time.

It also means the country must recognize, more than ever, the importance of psychological battle. In this connection, the East-West Center at the University of Hawaii, through free interchange of ideas, is precisely the kind of project needed to help counter the false Red propaganda.

This is a war of words and ideas. The truth can prevail—but it must be spoken loudly enough to be heard above the noisy falsehoods of the Communists—and it must be bulwarked by strength.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs be permitted to meet during the session of the Senate today.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Internal Security Subcommittee of the Committee on the Judiciary be permitted to meet during the session of the Senate today.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate Committee on Labor and Public Welfare be permitted to sit during the session of the Senate today.

Mr. DIRKSEN. Mr. President, to that request I must object, and for a reason.

It was my impression, after discussing the matter with the leadership and with the chairman of the committee, the Senator from Alabama [Mr. HILL], that consideration of the matter would go over and the Senate would meet at noon tomorrow in order to make it possible for certain committees to meet. I thought that was a firm arrangement. Insofar as I know, the Senate will meet at noon tomorrow. This puts me in a slightly awkward position, because of some absentees at the moment with respect to the Committee on Labor and Public Welfare, so to the request I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. JOHNSON of Texas. Mr. President, I was prepared to move that the Senate recess this morning, since I understood the Committee on Labor and Public Welfare desired to meet.

We have a problem in connection with meetings of the committees, and I should like to ask the chairmen of the committees to cooperate during the remainder of the session. It is a very difficult situation, when the Senate meets pursuant to an order entered the previous day, when one finds a number of committee requests the next morning that the committees be permitted to meet.

If I know a certain committee desires to meet the following day, I may ask the Senate to meet at 11 o'clock or 12 o'clock, to permit the committee to meet.

I have asked before that this be done, but I now ask the chairman of any committee which desires to meet on Tuesday to file a request on Monday, or authorize his staff to do so, so that when the Senate recesses or adjourns on Monday we can bear in mind which committees wish to meet on Tuesday, and when they wish to meet, in fixing the time for convening of the Senate. Frequently we recess to meet at 10 o'clock. We meet, and about 10:30 in the morning we get a request that some committee desires to meet.

I am informed that the Committee on Labor and Public Welfare, considering the minimum wage bill, desires to meet tomorrow morning. The committee would like to meet as early as 9 o'clock, if possible. The bill before the committee is important. The committee is anxious to report the bill. I understand Senators are prepared to continue consideration of the bill.

I am going to comply with the request of the chairman of the Committee on Foreign Relations that his committee be permitted to meet tomorrow, and the chairman of the Committee on Labor and Public Welfare, which desires to meet tomorrow. An objection was raised to the Committee on Labor and Public Welfare meeting this morning.

I shall ask that the Senate not meet until 12 o'clock tomorrow, so that those committees, or any other committees which desire to meet and which have important business to arrange and schedule, can meet. I hope that in the future the chairmen will ask their staffs to file one of these little form requests, from which I have read, stating the time and the purpose of the meeting, and I will file the request with the Senate.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

ORDER DISPENSING WITH CALL OF THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the call of the calendar under the rule be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

By unanimous consent, the Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain excise tax rates.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3 of the bill.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. As I understand the parliamentary situation, the Senate must act upon the committee amendments first. Is that correct?

The PRESIDING OFFICER. That is the general practice.

Mr. JOHNSON of Texas. Mr. President, I am informed that the amendments adopted by the Finance Committee of the Senate, if concurred in and confirmed by the Senate, would have the effect of reducing revenues anticipated under the provisions of the House bill by some $700 million. I have not had an opportunity, over Sunday, to talk to the members of the Committee on Finance who voted for these amendments to the House bill which would reduce the revenues by that amount. I told the distinguished chairman of the Committee on Finance, before we took up the bill for consideration that the leadership had grave doubts about the wisdom of committee amendments which would reduce the revenues provided by the House bill.

I am prepared to support the dividend amendment the Senator from Minnesota [Mr. MCCARTHY] is preparing to offer, but I am informed that will increase the revenues to the Treasury rather than decrease them.

I hope we can proceed to an orderly discussion of the committee amendments and arrive at some votes. I expect perhaps we will reject some of the committee amendments which would reduce revenues. We should try to get the bill to conference at the earliest possible moment, so that we will not run into the deadline of not having any bill passed when the excise taxes expire.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. I wish to assure the majority leader that, so far as I am concerned, I have no intention of attempting to hold up reasonably prompt action, not only upon the committee amendments but also upon all other amendments which have been presented. I hope very much that we can complete action upon the bill today, but I would not be willing to agree to a unanimous-consent agreement, because some of the amendments are pretty technical, and I am sure those who oppose the amendments will wish to have an opportunity to discuss them. I do not think this means we cannot pass the bill today.

I congratulate the majority leader for the statement he has made.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. President, I am not proposing any unanimous-consent agreement. I would not wish to have one, unless it would expedite action.

I hope the Members of the Senate will be present in the Senate Chamber, and I hope they understand, in the light of the announcement made, that we are likely to have several votes; and they will be very important votes. These are critical times. I do not think there is a Senator who does not advocate fiscal responsibility. At the same time, we wish to defend our country and to provide adequate defenses. It seems to me we must weigh very carefully and very heavily the wisdom of our acts in reducing the revenues provided by the House bill by some $700 million or $800 million. Before I vote for any such action, even though the Democratic members of the committee voted for the amendments, I shall have to have much more persuasive arguments than I have heard up to now, and I so informed the chairman of the Committee on Finance when he reported the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I express the hope that the attachés of the Senate will ask members of the Finance Committee who care to discuss the committee amendments to come to the Senate floor, because we hope we can consider and vote on them today.

SECRETARY MITCHELL DISCUSSES PERFORMANCE OF WORKERS OVER 40

Mr. KEATING. Mr. President, all of us are well aware of the problems which confront those over 40 who seek to find new jobs. I have received letters from many people over 40 who have experienced the frustration and disappointment involved in looking for suitable employment opportunities commensurate with their ability and previous work experience when, for one reason or another, they have had to change jobs.

It is hard to answer these letters. I sympathize with those who are affected, and know it to be a fact that older workers very often are more able and reliable than those newly entering the labor force. I know also that the Department of Labor under the farsighted guidance of Secretary Mitchell has done everything it can to provide opportunities for older workers and to publicize facts and figures which show that these workers are fully as capable, and often more so, than less experienced and younger workers.

I was delighted to read an article written by Secretary Mitchell, entitled "Myths About the Worker Past 40," which appeared in yesterday's New York Times Magazine. This is an excellent and thoughtful article, and certainly merits our attention. I hope particularly that employers who have qualms about hiring workers over 40 will read Secretary Mitchell's article and will give full cognizance to his views and to the factual material presented here the next time an older worker applies to them for a job.

I ask unanimous consent that Secretary Mitchell's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MYTHS ABOUT THE WORKER PAST 40—MORE THAN A MILLION PERSONS IN THIS AGE GROUP ARE SEEKING JOBS—AND IN MANY CASES ARE TURNED DOWN AS TOO OLD—AN EXPERT LOOKS INTO THE FACTS ABOUT THEIR CAPABILITIES

(By James P. Mitchell)

When does an American worker become too old to get a new job or win a promotion? The answer is: at a startlingly early age—40, or sometimes even younger.

Some 28 million members of today's labor force are 45 or older. Of this number, more than a million are seeking jobs.

Each day there arrives on my desk in Washington a letter to two like the recent one from a man I shall call James Haddon. He is 46. For fifteen years he worked as a sales engineer, reaching a salary level of $18,000 to $20,000 a year. He lost his job some months ago when his company, as the result of a merger, moved to a new location and he found himself unable to follow. He didn't worry at first. He was able, experienced, highly recommended by his former employer, and expected a minimum of trouble in finding new work. Until:

"We wish you had come to us 14 years ago, but * * *" The job, with an oil firm, went to a younger man.

"We are looking for a man in your specialty and appreciate the value of your experience, but * * *" That was from an automobile firm.

"Our company does not hire anyone over 40 * * *" A salesman's job. "* * * and you are past 40."

As the replies mounted up, James Haddon began to worry, and worry deeply. He sent me a clipping from the New York Times that reported on recent manpower projections made by the Department of Labor—projections indicating clearly that the Nation cannot afford continued age discrimination in employment.

"All right," Haddon asked, "what is a man to do?"[1]

Haddon and others like him are the victims of a senseless dual image. When employed, they are respected and valued members of the office force, the production line, the executive staff, or the sales team. When seeking work, they suddenly become too old to hire.

Even if hired, however, these workers are sometimes placed in jobs that do not demand their best and do not take full advantage of their often invaluable experience. This sidetracking of valuable abilities because of preconceived notions about age and work is a prevailing practice that endangers our full economic growth.

The projections that Haddon referred to in his letter make sober reading for every businessman, union leader, and family head in America. We anticipate that by 1970 the American economy will be turning out $750 billion worth of goods and services, 50 percent more than today. Even with a rising population this would result in a 25-percent increase in our standard of living.

The number of workers needed to man an economy of that size is estimated at 87 million, 13.5 million more than are in the labor force today. Population increases as-

[1] I could reply only that we in the Department of Labor are doing what we can, and advised him to visit his State employment office. Haddon already had written to the office, on January 29, but he did not go for an interview until mid-April. The office's register listed one job opening, in another part of the State, for which he was qualified. He visited the prospective employer, but was not hired—because of his age, he says. As of this writing. Haddon is still out of work.

sure us of at least that number, but this is a deceptive kind of assurance. When we look carefully at the expected increases of workers in different age groups, we begin to realize that the traditional composition of the labor force, men and women, will be sharply altered in the coming decade:

Workers under 25 years of age will increase 6.4 million by 1970.

Those over 45 will increase by 5.5 million.

Among workers 25 to 34 there will be a relatively small increase of 1.8 million, while there will be an actual decline in the number of workers 35 to 44.

That is all the handwriting on the wall that a company president should need to see that the chief sources of his labor supply in coming years will be the young, inexperienced workers just out of school, and the experienced older workers he may now be turning away or misusing. Those employers who persist in discriminatory policies of any kind are going to find themselves squeezed out as the contest for manpower increases.

Let us examine the prejudices against hiring, and properly utilizing, older people. One prevailing myth is that older workers produce less than younger ones, that they cannot keep up the pace of their prime years. It is thought, too, that older workers are absent a great deal more than their younger colleagues, that they are more prone to serious illnesses and accidents.

Another charge is that older persons are set in their ways and unable to adjust to the rapidly changing conditions of our modern economy. It is argued that an older employee is going to do things his way, failing to take full advantage of efficient modern techniques.

Perhaps the most often stated and most persuasive of the arguments against hiring older applicants is that costs to the employer go up sharply when an older person is enrolled in a pension plan. Rather than pay the higher premiums, the employer will set an arbitrary age limit on new applicants.

The Department of Labor has taken all of the objections to hiring older persons seriously. Why a man or woman should represent one image when employed at a plant or office, and another when arriving for a hiring interview at a similar plant or office down the street, or across the country, is a question that has concerned us greatly, and we began, in 1955, to explore the objections and barriers to hiring older persons.

To the charge that an older employee is less productive, we are now able to cite chapter and verse from our studies that show there is very little difference between the productivity of younger and older workers. A Department of Labor analysis of the job performance of production workers in 26 plants disclosed that the difference in output between the individuals of a selected age group were larger than the differences between age groups themselves.

Another recent study, made of officeworkers in 5 Government agencies and 21 companies in private industry, produced results very similar to those of the factory studies—"relatively little variation in average performance among age groups, but considerable variation among individuals within age groups."

It was significant that a large proportion of the older workers exceeded the performance of the younger, base group average. Even more significant was the fact that the older workers were shown to be more consistent, especially between the ages of 55 and 64, than the younger workers.

The National Association of Manufacturers conducted a study that reported 92.7 percent of the older workers covered were at least equal and frequently superior in productivity to younger men and women. Here again, differences in output within age groups were larger than those between age groups.

Thus, the generalization that younger workers perform better than older ones is hokum. And so is the one stating that older workers are absent more. The reverse is true. The older man is likely to be a family man, a homeowner with community responsibilities that make his presence on the job important to him. He is more settled than his younger colleague; he has, more often than not, put his roots down and is seeking permanent employment and steady work. All of our studies showed that the older worker is less given to absenteeism than the young worker.

The statement that older workers are less flexible is also untrue. It is, no doubt, based on evidence that young people learn faster than older ones—but in this context older learners may be every bit of 20. Psychologists have concluded that, in the working world, a mature individual learns differently from, but as well as, a younger one. He has, from experience, the ability to select, to value and to conserve, and he also has a background that enables him to grasp principles.

A sampling of 160,000 jobseekers showed that the 40-plus worker possesses far better occupational qualifications than the junior. Twice as many were classified as skilled workers.

The question then arises: Aren't many skills going out of date?

The popular conception of the new missile-age industries as a young-people-only world is based on the assumption that, since these fields of work have expanded only in the past few years, skills acquired previously are obsolete. The fact of the matter is that skills are interrelated; a man who can do one job well finds it easier to adapt his skill to a new set of challenges and circumstances. The growing electronics industry of New England, for example, is using the skills of a stable work force previously employed in other industries.

Thus, an individual older worker is probably every bit as flexible as an individual younger one. He may even have a head start from the training already behind him.

The most difficult argument to answer against hiring older workers concerns the added cost to the employers of carrying an older employee on his pension and welfare plan rolls. It is true that, in some cases, the immediate cost to an employer is greater if a relatively older man or woman is added to his pension plan, rather than a younger one. For those to whom immediate cost is a serious consideration, this may be a very real determinant in hiring policies.

But the ultimate cost will not be substantially greater under pension plans covering most workers today. These are plans which relate benefits to length of service or to levels of current or future earnings, or both. Since the older worker entering the plan will have a shorter period of service before retirement, the benefits and the cost will generally be proportionately smaller.

This, in itself, may be an obstacle. Many company presidents may feel that the payment of a small pension, or none at all, is the worst kind of public relations. Today, with improved Federal old-age benefits toward which the employer contributes at the same rate for every employee, the feeling loses some of its validity. Moreover, when the experience, dependability, steady attendance and lower turnover of older workers are taken into account, it becomes apparent that increases in costs are often offset.

Related to the fear of pension-plan difficulties is a prevailing opinion that older workers are more prone to accidents. Here again, cost is the central concern. But workmen's compensation rates are based on a particular company's accident experience and the relative danger of the work performed. Age has no bearing on such rates. This is proper, since our studies have shown that the older worker is no more prone to accidents than the younger one.

From our studies has emerged the important realization that generalizations applied to older workers are simply not true, any more than generalizations applied to younger workers. Neither group is, as a rule, lazy, careless, undependable, subject to illness and accident, stubborn, ill-tempered, disloyal, inefficient, or rigid in attitude. There may be individuals who are some or all of these things—just as there are individuals who are excellent and productive employees—in every age group.

Employment policies in America must be based on the individual, not on any group myth. The Nation must not be deprived of an invaluable resource, the proven ability of its older workers, at a time when we are in a global economic contest.

The prejudice against older workers will not vanish overnight, but the Department of Labor is pushing ahead a nationwide program, through the Federal-State employment services, to help dispel it. Counseling and job placement services for older workers are provided in all 1,800 local offices of the Public Employment Service in the United States. In addition, through money specifically allotted to the program, employment specialists are assigned in all major offices specifically to assist older workers.

We have had some encouraging successes. Even during the business downturn of late 1957 and 1958, when employment was falling off in many major industries, nearly 20 percent of nonagricultural placements made through the Employment Service were of workers over 44. In the heart of the recession, more than 1,100,000 older persons were placed in jobs through our special counseling and placement.

But I do not believe that such a program alone can fully eradicate the prejudice against older workers. Only public opinion, democracy's most powerful weapon, can do that.

That is why the true older-worker story—one of ability and competence—should be brought to the attention of as many people as possible. Until the trend of opinion goes in the direction of helping the older worker, clearing away the false myths that surround him, and opening up new vistas of employment opportunity, the problem will remain with us.

Employers, union leaders, community leaders, civic groups, trade associations—and every interested citizen—can contribute toward opening the way to full opportunity for our older men and women. If this is done, then the recent experience of a firm just outside Washington, D.C., may be repeated everywhere.

The advertisement read: "Over 50—three men wanted now." More than 10 applicants showed up the following morning. The company had originally intended to hire three experienced men to help estimate contract work, but so impressive were the job backgrounds of many of those interviewed that it hired six—three for the estimating department, and three more for production jobs. The manager said to the local employment office representative: "If we win these contracts, I'm going to run another ad, with the same words."

He is sold, as I hope all America will be sold, on my way of looking at the older worker: Ability is ageless.

EDITORIAL SUPPORT FOR OUTER SPACE AGREEMENT

Mr. KEATING. Mr. President, a recent editorial in the Rochester Times-Union contains an incisive discussion of the factors requiring prompt consideration of space law problems. The editorial sagely observes that under present

world conditions, we cannot afford to approach the question of sovereignty in outer space as an "academic matter for political scientists and international lawyers."

The editorial calls upon the U.N. to quickly enter the field. I have been urging action similar to that called for in this editorial for some time. I commend the Rochester Times-Union for centering attention on this momentous issue and for taking a strong stand in favor of a U.N. agreement.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHO OWNS OUTER SPACE? RED THREATS RAISE QUESTION

Under normal world conditions, the question of who controls outer space would be an academic matter for political scientists and international lawyers, like the question of fishing rights on the Grand Banks.

PERILOUS SUBJECT

But world conditions are far from normal, and threats are darting back and forth like intercontinental missiles. Sovereignty is now a dangerous, touchy subject, all the way up to the stars.

It was once agreed, centuries ago, that all nations controlled their territory "to the heavens." In actual fact, however, control was unimportant beyond the upper limits of balloon and later airplane travel. As late as 1954, when all nations reasserted their individual sovereignty over the air in a joint convention, the question of outer space wasn't considered.

But modern satellites and modern weapons now make the subject of critical importance. And since, practically speaking, the question of space sovereignty is as much of a vacuum as space itself, it demands an early solution before the world is plunged accidentally into war while trying to settle things.

Soviet Military Boss Malinovsky now says the orders are out to destroy the foreign base of any plane violating the Soviet Union's air sovereignty.

But suppose the "invader" were a spy satellite, clicking reconnaissance pictures from 100 miles up? Since it would be invulnerable to present antiaircraft weapons, does the Soviet Union propose to destroy the Cape Canaveral base from which it came? And suppose we propose, in retaliation, to do the same with Soviet satellites which whirl in the heavens over our heads?

Things have not yet reached that stage, fortunately. The Russians have largely ignored the satellite question, probably because they're in the space business with both feet too.

But considering present tensions, there's no reason Soviet emphasis couldn't shift as soon as American satellites started taking pictures of things more precise than cloud formations.

Sovereignty from the limits of the atmosphere down is too deep-rooted in ancient national pride to be ignored or abolished. But outer space is something that belongs to all men, or more precisely to none.

U.N. JOB

Here is a field for the United Nations to enter, and quickly. It will not be an easy task—an international conference over the matter of territorial limits in the high seas broke up in disagreement not long ago.

But a worldwide agreement, something like the one made recently to permit unlimited Antarctic exploration, is needed to guarantee space freedom. Space must be kept separate from the battlegrounds of the earth below, which are quite dangerous enough.

GRANDMA MOSES DAY

Mr. KEATING. Mr. President, one of the leading citizens of my State is, in the fullest sense of the word, a citizen who belongs to all the world. She is Anna Mary Robertson Moses of Eagle Bridge, N.Y., better known everywhere as Grandma Moses.

This great lady and artist has brought an inspiring message to people all over the world. Not only has Grandma Moses become a legend in her time; she has also demonstrated to elderly people everywhere that the opportunity for achievement and satisfaction really knows no age. By her example and through her paintings she has projected a wonderful and indelible image of America to the four corners of the globe.

In my view, the message of Grandma Moses and all she stands for could be communicated ideally through the issuance of a commemorative stamp bearing one of her paintings. It would be a fitting tribute on the occasion of her 100th birthday on September 7 of this year. I have made this suggestion to the Postmaster General and I am hopeful an affirmative response will be forthcoming.

In this connection, I was interested to note that Gov. Nelson A. Rockefeller of New York recently issued a proclamation to set aside September 7 as Grandma Moses Day in my State. I ask unanimous consent that the text of the Governor's proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION BY GOV. NELSON ROCKEFELLER OF NEW YORK

A citizen of the Empire State whose personality and accomplishments are quite unique, in this or any other century, is about to celebrate her 100th birthday. Her name, on the register of New York voters, is Anna Mary Robertson Moses. We know her with deep esteem and affection as Grandma Moses.

At an age when most people think only of retirement, Mrs. Moses acquired the ability to paint pictures which are known and sought eagerly by thousands of people throughout the length and breadth of our land.

This she accomplished without benefit of teacher or art school or study. She painted—and today is still painting—for the sheer love of painting. Her success has astonished nobody more than herself.

Our beloved Grandma Moses, born in Greenwich, N.Y., is a highly respected senior citizen of Eagle Bridge, N.Y. But the people of the entire Empire State claim her as a neighbor of whom they are most proud.

Her paintings have endeared her to all who have seen them. Her personality has endeared her to all who have the privilege of knowing her.

Now, therefore, I, Nelson A. Rockefeller, Governor of the State of New York, do hereby proclaim September 7, 1960, as Grandma Moses Day in New York State, in the hope that she may have many more years of health and happiness to continue giving happiness to others.

Given under my hand and the privy seal of the State at the capitol in the city of Albany this 25th day of May in the year of our Lord 1960.

By the Governor:

NELSON A. ROCKEFELLER,
WILLIAM J. RONAN,
Secretary to the Governor.

WE MUST RAISE THE MINIMUM WAGE AND BROADEN ITS COVERAGE

Mr. YOUNG of Ohio. Mr. President, modernization of the wage and hour law should be favorably considered before this session of Congress adjourns. I am glad that we in the Senate shall debate this meritorious legislative proposal within a few days.

The Congress last increased the minimum wage, from 75 cents to $1 an hour, in 1955. Since that time, as we are so painfully reminded every time we make a purchase, the cost of living has steadily soared upward. A new high cost of living record is set practically every month or so.

It is clear that under present circumstances $1 an hour can hardly be considered a satisfactory living wage.

In fairness to underpaid workers who have been helpless to increase their earnings to meet rising living costs, the minimum wage should be raised at least 25 cents an hour to a total of 1 dollar and 25 cents.

Mr. President, equally urgent is a broadening of the coverage of the wage and hour law to include within its provisions millions of workers not now protected.

Originally, this act was applied only to certain workers in the fields of manufacturing, mining, wholesale trade, finance, insurance and transportation.

In the expanding America of the 1960's coverage should be extended to millions of workers who are not now protected.

It should include the half-million migratory farm workers whose poverty and abysmally low standard of living are a blot on the face of 20th century America and make a travesty of our boasts of great prosperity throughout our country.

It should include, too, among many others, those thousands of laundry workers now earning an average and pitiful wage of 53 cents an hour.

Mr. President, one of the great promises of America is the promise that here all persons may live in comfort and dignity. This promise must be fulfilled.

Substandard wages should be eliminated from the American scene. They are a relic of the past and cannot be condoned in the wealthiest nation on earth.

We may boast of our high standard of living and point with pride to our productive economy, but our boast will ring a little hollow and our pride will be a little tarnished as long as there are millions living in unemployment and in poverty in the midst of plenty.

We must help bring more of the fruits of our economy to all Americans by increasing the minimum wage and ex-

panding its coverage. Thereby we shall help bring to millions of American men, women and children just a little more of God's sunshine.

I am hopeful that we in the Senate will do our part in connection with this matter before the end of the present week.

WAIVER OF THE 3-DAY RULE IN CONNECTION WITH THE CONSIDERATION OF APPROPRIATION BILLS

Mr. JOHNSON of Texas. Mr. President, I doubt that we will reach it today, but I would like all Members to be on notice that we hope to proceed to the consideration of appropriations bills with as much dispatch as possible. The independent office appropriation bill, the legislative appropriation bill, and the general Government matters appropriation bill have been reported. I believe that some of them will be taken up today or tomorrow. I ask unanimous consent that it may be possible to take up either of these three bills today, notwithstanding the 3-day rule.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PEDESTRIAN SAFETY AWARD

Mr. ERVIN. Mr. President, I am greatly pleased with the signal honor that has been earned by Statesville, N.C.

This progressive city of 20,000 population in my State has won the Grand Award of the American Automobile Association for its outstanding efforts to save pedestrian lives in traffic. Statesville won the grand award for cities under 100,000 population; Rochester, N.Y., is the winner of the grand award for cities over 100,000 population.

Statesville won the grand award in 1956, emphasizing a continuing record of safety.

The AAA, in announcing the winners, had this to say about Statesville, N.C.:

> The choice of Statesville, N.C., again focused attention on the seemingly miraculous hand of Police Chief William T. Ivey, who has been directly responsible for winning grand awards four other times, two of them in other cities.
>
> Under Chief Ivey's leadership, Statesville has developed an outstanding overall pedestrian program which, according to the AAA, accounted for the absence of fatalities in the city last year.

On a recent visit to Statesville, I had the opportunity to discuss the pedestrian safety program with Chief Ivey and Mayor J. Garner Bagnal. It is a pleasure for me to note here that through the cooperation of the citizens of Statesville with the city officials that this outstanding recognition has been achieved. I want to commend the American Automobile Association for stimulating interest in pedestrian safety.

In closing, I wish to add that Statesville's great record has been materially assisted by my good friend, Victor Soreno, who has inspired an unsurpassed state of morale among the members of the school safety patrol of that city.

BACKGROUND OF THE PHILOSOPHY OF KARL MARX

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a lecture on the background of the philosophy of Karl Marx, by the Reverend Francis J. Conklin, S.J.

There being no objection, the lecture was ordered to be printed in the RECORD, as follows:

Many Americans cannot grasp the significant pressures which arise under a union of church and state. We have had no occasion to suffer under the abuse of political power by men in high ecclesiastical position.

For example, when Grenada was captured in 1492, the first man appointed archbishop, Calaveras, made enlightened efforts to convert the Moors. An intelligent and honest ecclesiastic, he practiced the evangelical counsels in his private life. Some solid and sincere conversions among the Moslems resulted from his efforts. Calaveras was succeeded by Cisneros. In 1499 Cisneros became impatient with the initial slow progress of Christianity among the recently subjected Moors and decreed that the Moslems must be converted or face drastic penalties. On one occasion, Cisneros baptized 4,000 semi-willing Moslems by aspersion. This imposition of Christianity bred hatred and created an underground who remained faithful to Moslem practices but were externally Christians. To combat this resistance movement the Inquisition came into existence with all its tragic consequences.

You will recall that at the Diet of Worms the principle, "cuius regio illius religio" was adopted as the only feasible compromise in the European religious conflict. This political-religious division of Europe at the time of the Reformation underlay the fact that 19th century Prussia under Frederick William IV had orthodox Lutheranism as the official state religion.

Julius Von Stahl best expressed the views of orthodox Lutheranism in Hegel's Prussia. Stahl was a militant Protestant converted from Judaism. To understand Stahl's vehemently defended, yet extreme position, we must refer back to Martin Luther.

Let me first reiterate that in speaking of individual thinkers we have time to give only thumbnail sketches. We almost have to oversimplify because we do not have time to qualify each statement with a myriad number of particulars. Substantially, what we say can be defended.

Martin Luther emphasized human weakness to the point of declaring that fallen man is essentially corrupt, and that without grace fallen man can accomplish no good. You will recall from your reading of history and theology, how Luther arrived at these conclusions. The political implication of Luther's theology is that the political power is an external force which will compel essentially vicious and corrupt men to live together in peace.

Had there been no original sin political force would not be required to hold men in check and restrain their vicious tendencies. Expressed more succinctly—in Luther's view the sole purpose of the state is to keep the peace and permit the gospel to be taught.

Julius Von Stahl was obsessed with one problem: how can we know the will of God with certainty? Von Stahl believed that sin demanded law, justice, constraint, and chastisement. The universal dominion of sin and the corrupt viciousness of human nature adequately demonstrate why God cannot entrust chastisement and law to the caprice and vagaries of individual human beings. Consequently, God has entrusted law, justice and punishment to a supra-human organization: the political state.

In Von Stahl's cosmogony the state represents God upon earth. To restrain the corrupt and vicious tendencies of fallen nature the state monopolizes law, justice and chastisement. The political state has a special God-given power over the actions of men. It must force men to submit. Censorship of the press is a good example of the state's power. This censorship is God-inspired, because such external restrictions leave men interiorly free. The interior freedom of the true sons of God remains the only true freedom worth possessing. In the light of eternity and the Gospel, external freedom—like everything tainted by association with this material and corruptible world—will eventually pass away. (Interior freedom has little meaning when the exterior is completely controlled by an almighty and all too human state.)

Schleiermacher comes at the other extreme of the theological spectrum. Here we meet the theologian of romantic feeling. Luther unquestionably placed tremendous emphasis upon the emotional content of religious experience because Lutheran salvation arises only from a near traumatic experience. Lutheran faith means confidence, or as it is frequently called, fiducial faith, i.e., a trust.

Luther states that man is saved by this faith and by this faith alone. In contrast, the Catholic, by faith, means giving intellectual assent to a truth and relying upon the authority of the impeachable God for the certitude of that intellectual assent. Luther deliberately and painstakingly rejected this traditional concept of faith in favor of a fiducial trust or emotional confidence.

The point here is that the excesses of Schleiermacher's religious impressionism, find their natural origin and repose within the Lutheran system.

For Schleiermacher, theology is no longer a pursuit of Truth (fides quaerens intellectum), but a symbolic expression of personal experience and impressions. The objective truth of traditional Christian doctrine finds its validation in the intensity of our feeling. The inflamed will produces acts of certitude.

We had better pause for a moment. Why are we interested in Luther, Lutheran theology, and the Lutheran theologians Von Stahl or Schleiermacher? The answer is complex and subtle. A good part of the reason lies in the influence exerted by Ludwig Feuerbach upon Karl Marx. Part of the reasons consists in our search for the answer to one question: why did Karl Marx deny the existence of God? Finally, in Prussia, while Marx was young, an open and direct verbal attack upon the state was impossible. Orthodox Lutheranism, the state religion, bulwarked the political status quo. Hegel, the philosopher par excellence of monarchical hegemony, had opened the door for shrewd attacks upon one foundation of the Prussian monarch: Orthodox Lutheranism.

After Hegel's death the disciples split. One group correctly regarded Hegel's philosophy as incompatible with Christianity. They saw in the revolutionary implications of Hegel's teaching a tool that could undermine the Prussian political order by first destroying the church which supported that order. These radicals or reformers were the leftwing Hegelians. The right or orthodox wing hoped against hope to reconcile Hegel and their traditional Christian (i.e. Lutheran) heritage.

Next we consider David Straus. In 1835 he published "The Life of Jesus." Straus contended that the Gospels contain what he called contradictions, i.e. discrepancies in the account. Anyone who reads carefully the four Gospels can obviously see there are irreconcilable disagreements in the four accounts, and that the Gospels contain miracles. Straus argues: Since these contradictions exist in the Gospels, the documents do

not record historical events. What, then, are they?

For Straus, the Gospels are the result of the myth-making or poetic tendencies of the early Christian communities. Jesus was a man who has become myth. Jesus is the Christ myth. When we say that Jesus is divine, we mean that Jesus symbolized the divinity of all men. The Christian religion has some basis in history because a man by the name of Jesus did exist. All communities make their own religion, their own myths, which in time become beliefs, symbols and finally dogmatic precepts.

Bruno Bauer continued the attack upon the Prussian state via the Christian religion. Bauer says that Straus is wrong: The Gospels result from the deliberate attempts of the evangelists to deceive. The events recorded in the Gospel never took place. Just as Homer created his gods the evangelists created theirs. Briefly, the Christian religion has no historical justification.

While this theological ferment was shaking Europe, young Karl Marx was beginning to form his philosophical system. In 1841 Marx published a short work called "The Trumpet of the Last Judgment on Hegel." This was written in collaboration with Bauer. Marx contended that Hegel does not support Prussia. Prussia stands upon Lutheranism, i.e. upon a form of the Christian religion and Hegel is an atheistic rationalist. Hegel's Trinity is not the Christian Trinity and Hegel's god, the absolute spirit, will undermine both itself and Prussia.

Two other articles will give you an insight into the early attitudes of Karl Marx. In 1842 Marx published an article attacking Prussian censorship of the press. Marx insists that the King of Prussia is illogical, because the King had ordered his censors to distinguish between the spirit and the letter. However, the censors made no such distinctions and no writing advocating the overthrow of Prussia or the constitution was permissible. What Prussia fears, said Marx, is criticism.

Another short article illustrating Marx's early social viewpoint was an article concerning the Rhineland peasants. From time immemorial these peasants had been permitted to take wood in the forest. Suddenly, by bureaucratic edict, this right was abolished. Marx argues that the Prussian state, as the purported organ of justice, should assist the poor and not cause them further suffering.

Throughout this outline of theology we have had in mind one person who was extremely influential in Marx's life. That person is Ludwig Feuerbach. Feuerbach won distinction as the first great philosopher to successfully attack Hegel. His attack is devastating.

Says Feuerbach: The existence of the absolute idea is an unproved supposition. What Hegel has done is to assume, not prove, the organic totality of the universe. To make this conception of organic totality function, Hegel has neglected, really he has banished the sensible, the concrete, the singular. In a word, Hegel has forgotten about matter. Hegel has neglected, banished, and omitted the very thing that makes things singular.

Because Hegel neglected matter and because Feuerbach came to matter's rescue, Feuerbach has frequently been classified as a materialist. There are certain expressions in his writing that might pass for classic expressions of materialism. But these expressions must be understood. "Man thinks with his brain" means man also thinks with his brain. "Man is what he eats" means: human is what human does.

We must return again to Martin Luther because we have to view Feuerbach in the context of traditional Lutheran dogmas. For Luther, faith does all. Justification comes from faith and faith alone. This faith is fiduciary and fraught with emotional overtones. In a very profound sense, Luther's faith creates its own God.

Luther despised fallible, weak, human reason, so that the Lutheran God, the mighty fortress, stands impregnable and unapproachable by human reason. Luther denied the fundamental premise of Catholic faith: that the certitude of theological faith comes from the authority of God who can neither deceive nor be deceived. Luther's fiducial faith reduces to a combined intellectual leap in the dark, an emotional experience of confidence. In this sense, Lutheran faith creates its own deity.

The other horn of the Lutheran dilemma is this: Luther would have us seek God upon earth, in the man Jesus. In quest of God upon earth Luther permits the predicates of divine majesty to belong to the humanity of Jesus, in the abstract. Thus, the humanity of Jesus becomes one, true, eternal, immense, everywhere, etc.

What has this got to do with Karl Marx? In 1841 Feuerbach published "The Essence of Christianity." Feuerbach argues: Religion is common to people, but not to animals. What distinguishes men from animals is self-consciousness. Consequently, the secret of religion lies somewhere in man's power to be conscious or to reflect. Moreover, religion is a denial of self; a process whereby man attributes to another the unlimited qualities of which he is conscious. Thus, religion, the consciousness of the infinite, is nothing but man's consciousness of his own unlimited nature. Theology becomes anthropology.

Illustrating Feuerbach's doctrine in terms of the Hegelian dialectic we begin with a thesis, the existing self who has infinite attributes, i.e., the power to reason, to will, and to love. These powers are without limit. Opposed to this self is the antithesis: the self-projected, whom we call God; the denial of self. The synthesis unifies the extremes in a new truth when we realize that man is divine. Man refers to no vague humanity but to the social-emotional fraternity of all men.

For the moment let us make an excursion into the individualism of Max Sterner. Sterner regarded Feuerbach's worship of man as superstitious. "Man" is an abstraction, so why should Max Sterner die for humanity, rather than those other abstractions: God and Country? For Max, to serve humanity, means to serve this humanity; namely, me. Feuerbach made man create God to man's image. Sterner creates man in Sterner's own image. In a word, Sterner is his own God.

We mention Max Sterner in passing because Marx will bitterly attack him for his selfish individualistic, social view of life. Marx's Muse inspires a social vision. Marx focuses attention upon the group and upon the social consequences of human action. Marx's social insight is a valuable and valid intuition which remains, at least, partially unassimilated by modern scholasticism.

Before concluding this introduction to the religious currents prevalent at the time of Marx we must mention Marx and the Jewish question. Some authorities seem to delight in underscoring the "Jewish element" in Marxism with particular emphasis upon the Messianic element in the philosophy of communism. Fortunately, such scholarship is becoming less fashionable. The factual history of Marx's early life will not sustain any preconceived concepts of Jewish influence. Marx was a Jew in name only. His father embraced liberal protestantism when Karl was of tender years. And any Messianic elements permeating the current philosophy of communism are more readily explicable as specifically Russian characteristics, as we shall subsequently demonstrate.

Returning to Marx and the Jewish question, we find that the Jews had no civil rights in the Prussian Christian state. Since Jews had no civil rights so long as they chose to remain Jews, Marx's father had abandoned the Jewish religion in favor of a politically acceptable liberal protestantism.

Marx argued that any form of Christian state is a contradiction in terms: It cannot be Christian because, like every state the Christian state must be founded upon secular principles and often condone injustice. It is not a state because its religious character excluded its natural members. Religious privilege irreconcilably opposes the secular basis of a political state.

Bauer sought to solve this dilemma by separating church and state. Marx goes much farther. Marx defines citizenship, i.e. participation in political unity as incompatible with private religion. To suppress public or official religion, does not suppress religion as a source of evil and dissension in the state. True human emancipation can be achieved only by the abolishment of both public and private religion.

We are not yet prepared to discuss the basic philosophy of communism. We are still developing the background, trying to show what problems Marx had in mind. Once we properly create the context the integrated system of dialectical materialism will have real meaning for us.

Today we will concentrate upon some of Marx's early and most philosophical writings. These documents are, for the most part, unavailable in English translation, but they contain the key to understanding what is to follow.

In 1844 Marx wrote: "A Critique of Hegel's Philosophy of the State" and "An Introduction to the Critique of the Hegelian Philosophy of Legal Right." Some of Marx's most valuable philosophical expressions are in the unpublished economic and political manuscripts which Marx compiled in 1844. In 1845, "The Holy Family, a Criticism of Critical Criticism"; and in 1846 "The German Ideology" were published. During the course of this lecture we will briefly outline each of these works.

Most of these writings were produced during Marx's enforced stay in Paris. Marx was no longer in his native Rhineland because the heavy hand of the Holy Alliance (Russia, Austria, Prussia) had fallen upon his insignificant person. Marx justly criticized the reactionary despotism characteristic of Czarist Russia and even went so far as to specify Russia by way of example. Typically tyrannical, the czar would brook no criticism. Through diplomatic channels, in January of 1843, Nicholas I forced Marx from the Rhineland into Parisian exile.

The iron fist of Prussian censorship constrained no one in Paris. Consequently, Marx could now spell out his inmost thoughts. His reflections focused upon the autocratic, reactionary Prussian state. Such a political state was an anachronism, and, therefore, unreal. The revolution in France had more than proved the futility of autocratic and irresponsible monarchy.

Although Hegel had extolled the monarch as the supreme individual, the Prussia in which Hegel lived was more liberal than the Prussia under which Marx suffered. Marx regarded all German political philosophy, especially all so-called Hegelian philosophy (i.e. any attempt to justify or glorify Prussia) as unreal and idealistic. This doesn't mean that Marx repudiated Hegel's comprehensive system. Despite Marx's bitter criticism of the right wing Hegelians, Marx lived and died an Hegelian.

In the economic and political manuscripts which date from 1844, Marx states that Hegel begins with speculative thought, with abstractions. Hegel terminates with "spirit knowing itself," a final resting place just as unreal and abstract as Hegel's starting point. The whole Hegelian system deviates and ab-

stracts completely from the pregnant world of real men. By believing in these abstractions real man tragically frustrates and alienates himself. Hegel has lost contact with the real because he has lost real men.

Hegel's "Logic" becomes spiritual money, which means that this "Logic" contains only abstract or speculative value. Here lies a real abstraction in which all real values vanish and are lost. Religion, the state, art, philosophy—all the things Hegel cherished so greatly—are abstract alienations. The philosopher criticizing these abstractions is himself alienated. Consequently, this alienation, this frustration, and the attempt to suppress it produces more abstract thoughts in the concrete, singular, individual, frustrated, alienated real man ground down and crushed under by the merciless power of the unjust Prussian state.

Therefore, all enrichment in Hegel enriches not men but abstractions. Marx calls it "mystification."

Marx was obsessed with Hegelianism and the social problems of the 19th century. Real men are truly suffering in an inhuman environment. Marx wants to know why. He can see that Hegel offers no solution for man's suffering. Hegel's thought has not relieved man's suffering, nor enriched mankind; rather it enriches the very abstractions which cause the suffering of real men. Hegel does not penetrate to the criticism of real conditions in which men live, so that real man is lost and alienated in Hegel's state, in Hegel's history, and in Hegel's philosophy. In Hegel's system, men are lost in their own creations. Men are condemned eternally to suffer at the hands of the things which they themselves have created: the state, religion, art, and philosophy.

In the "Critique of Hegel's Philosophy of the State and Introduction to the Critique of Hegel's Philosophy of Legal Right," Marx expressed himself thus: Hegel has stated that the state conciliates citizen and private person. In the real world it does not.

The state remains quite external to human society and is an artificial force. Hegel has placed private right and private good in subordination to the state. The state, therefore, is an external or extrinistic necessity in relation to the family and civil society. In other words, the state is necessary to preserve the family and to hold together the general group of people whom we designate as civil society. Yet, says Hegel, the state is the immanent end, the intrinsic purpose of the family and civil society. This means that the family and the group of united people whom we designate as civil society, exist to serve the state.

How can the state be both immanent end and external? How can it be intrinsic and extrinsic at the same time? Hegel's state is abstract, it is ideal, it is something immanent in the sense that all thought is immanent—it remains within the person thinking. Hegel superimposes his immanent creation upon the family, and civil society—i.e. upon the real groups in daily life. Therefore, real men, the family, the group of concrete, singular individuals whom we call civil society are unreal for Hegel. This ideal abstract world alone has reality for Hegel. In a word, real man, the real family, the real civil society are predestined or determined by an abstract notion of the state.

This abstract predetermination constitutes a fundamental alienation, because man is not created by the state, but man creates the state. Thus, the oft repeated phrase: "The struggle between monarchy and democracy" is no struggle between realities, but a struggle of abstractions. Giving sovereignty to any persons, whether it be one or many, violates the rights of real men who create the state. The anarchistic implication which Marx will draw in later life, is that all forms of political power are abstract alienations like religion. True democracy for Marx means no political state but socially integrated real men.

Next we consider Marx's satire against the three Bauer brothers: "The Holy Family, a Critique of Critical Criticism." The Bauer brothers criticized Hegel in an abstract and unreal fashion, and as, a consequence, end up with more dogmas. Bruno Bauer had seemingly attacked other intellectuals for debasing themselves by considering social problems and things requiring practical solutions. Bauer would have everyone devote his time to pure speculation. This limits the criticism of Hegel to the realms of speculative thought.

Marx clearly realizes that Hegel cannot be defeated in the field on abstract speculation. Hegel remains master in his own house. Consequently, these critics have substituted vague abstractions such as "consciousness of self" in place of real men. Their idle speculations have become a religion, so that the Bauer brothers who pretend to be wolves remain sheep in disguise. They think they are going to bring Hegel crashing to the ground. Hegel and the Prussian state which supports Hegel are immune from such puny assaults.

The portion of "The German Ideology" which we want to emphasize at this time is that part which is directed against Max Sterner. Sterner's real name was Johann Caspar Schmidt. Marx refers to him as St. Max.

As a young man Max Sterner lived for ideals, absorbed by the love of God, country, and emperor. He tried to distinguish himself in every field of endeavor—with the age-old results. In later life a cruel cynicism crept into Sterner and the mature man lived as an independent egotist.

Sterner would destroy the Prussian state by annihilating the ideals upon which the Prussian state rests. Marx is more practical. To destroy ideals does not destroy realities. To rationalize the idea of the emperor's power—to show that this power is an alienation of real men—does not destroy the real power of the emperor. Marx again and again insists upon the practical everyday, real order. The world must be understood in its contradictions and revolutionized in its practice.

True change, i.e., change with lasting consequences and benefit can take place only in the real world.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

The Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain excise tax rates.

Mr. BYRD of Virginia. Mr. President, enactment of Senate Finance Committee amendments to the pending debt and tax bill—H.R. 12381—would reduce Federal revenue $752 million a year. I oppose the committee amendments because they are obviously unwise.

They are unwise in view of the dangerously volatile world situation which confronts us. They are unwise because the predicted $4.2 billion surplus for fiscal year 1961, beginning next month, is fading into a probable deficit.

Deficit financing not only stimulates inflation at home; it has its effects in arousing fear throughout the free world, for which we are the banker, on confidence in the dollar, on our balance of payments position, and on the drain from our stock of gold.

Committee amendments to this bill would eliminate the emergency excise taxes which have been imposed on local telephone, domestic telegraph, and passenger transportation service since the Korean war.

It is doubtful that elimination of these Federal taxes would ever result in much relief to taxpayers. New York State has already indicated it will reimpose the telephone tax at the State level. These amendments would be a signal for further State action along this line.

There is no more reason to eliminate the Federal emergency taxes set forth in the committee amendment, than there is to eliminate the others on such items as automobiles, automobile parts and accessories, and so forth. To eliminate all of these emergency excise taxes would reduce Federal revenue by $1.6 billion a year.

These taxes were imposed to meet war emergency expenditures. If we have been closer to a war emergency situation since Korea than we are now, I do not know when it was. I can find no justification for elimination of emergency taxes under present conditions.

The summit collapsed while this bill was under consideration. There was near insurrection in Tokyo as the Finance Committee reported it. Communist Chinese opened fire again on Quemoy as the bill was set for floor consideration in the Senate.

These developments and others led the Senate on Thursday to increase military appropriations by more than $1 billion, but today, by elimination of emergency excise taxes, we are asked to reduce revenue needed to pay the bills.

Even before the more recent international developments, Budget Director Maurice Stans said built-in budget expenditure increases could be expected to run Federal spending to $90 billion or more in the next few years.

The President in his January budget message estimated a $4.2 billion surplus in fiscal year 1961. I remind the Senate that this was an estimate made 18 months in advance.

With this reminder, I caution the Senate that cutting taxes on the basis of an estimate made so far ahead may result in increasing an actual deficit. There is reason to expect this is what the committee amendments would do.

A deficit in the new fiscal year, beginning a week from Friday, is a realistic possibility. An official box score on current legislation and budget proposals, in their status through Wednesday, June 15, shows clearly that what is—and what is not—being done in Congress may easily wipe out the estimated $4.2 billion surplus for the coming year.

This boxscore, as kept by the Bureau of the Budget itself, is in three parts: First, failure to adopt budget proposals, such as postal rate increases; second, unbudgeted proposals to reduce revenues, such as repeal of the tax on telegrams; and third, unbudgeted proposals to increase expenditures, such as the pay raise bill.

Excluding trust fund items, the Budget Bureau's boxscore shows that failure to adopt budget proposals, and unbudgeted proposals to reduce revenues, would reduce the estimated $4.2 billion surplus for fiscal year 1961 by upward of $1.6 billion.

The boxscore shows further that the 5-year effect of threats in these two categories could be estimated at $11.8 billion.

Excluding trust fund items, the box score shows that unbudgeted proposals to increase expenditures would reduce the $4.2 billion surplus estimated for fiscal year 1961 by $2.9 billion.

The box score shows further that the 5-year effect of threats in this category could be estimated at $14.2 billion.

These unbudgeted proposals to increase expenditures include such increases over budget estimates for fiscal year 1961 as: $703 million in so-called emergency home ownership bill expenditures; $746 million for Federal employees pay raises; $325 million in the school construction bill; $145 million in veterans direct loans; $296 million in the Health, Education, and Welfare appropriation bill; $300 million under the Defense appropriations bill, and so forth.

These reductions in the $4.2 billion surplus estimated for the coming fiscal year 1961 would total $4.5 billion.

This is to say that what is being done, or not being done, in Congress with respect to current legislation would create a deficit in the coming year of $0.3 billion.

But this is not all there is to be considered. The President's budget estimate of revenue was based on individual income at $402 billion, corporate profits at $51 billion, and gross national product at $510 billion. None of these estimates has been reached in the first 5 months of the year.

Currently, individual income is running $3 billion short, at $399 billion; corporate profits are running around $3 billion short, at about $48 billion; and the gross national product is running approximately $8 billion short, in the magnitude of about $502 billion.

The Federal Government taxes corporate profits at 52 percent. A $3 billion overestimate in these profits could mean a $1.5 billion over-estimate in Federal revenue. Overestimates in the other areas are likewise important.

Summarizing: What have we to consider?

First, we have omissions and commissions in legislation, in its status as of June 15, posing the threat of wiping out an estimated surplus and creating a deficit of $300 million.

Second we have possible overestimates of income posing the threat of $1 to $2 billion overestimate of tax collections.

Third, we have a troublesome, and perhaps expensive, international situation confronting us, and we are increasing domestic-civilian expenditures every year. Yet now it is proposed to reduce taxes.

Under such prospects and circumstances, proposals to reduce emergency excise tax rates simply do not meet the test of prudence or fiscal responsibility.

I am a farmer and a businessman. I have been a member of the Committee on Finance for more than a quarter of a century. I have been its chairman for a long time. No one wants taxes reduced more than I do. But look at our terrible debt; look at our $80 billion spending level; look at the dangerous situation that confronts us. How can anyone conscientiously vote for tax reduction?

Fortunately, at the moment, our economic outlook is relatively good. It was better 2 years ago. But then it changed suddenly, and in a few short months we went on a spending spree which changed estimated surpluses into dangerous deficits running as high as $12.5 billion.

Where is the guarantee against repetition? If there is recurrence, there is a new factor to be considered, one which has not bothered us since before World War II. This is our balance of payments position and our gold supply. The days of the so-called dollar gap, in our favor, have gone.

There is nothing so inflationary as continued deficit spending, and our dollar is now worth about 47 cents on the 1939 index. Nothing is so damaging to a nation's balance of payments position as inflation.

No longer can we ignore the balance-of-payments consequences in the conduct of our fiscal affairs. If we shake confidence in our prudence at home, our gold stock will pay for it. It is now down to $19.5 billion.

In return for unnecessary deficits we will receive growing debt, rising interest costs, more inflation, erosion of the dollar, loss of confidence by our allies, unfavorable balance of payments position, reduction in gold stock, indefinite postponement of constructive tax reduction, prospect for higher taxes, and growing suspicion that the Federal Government has no interest in paying off the present debt.

Mr. President, I make these statements reluctantly today, because the committee of which I have the honor to be the chairman reported them by a substantial vote. I know that the Senators who favor them are conscientious in their belief. I do not believe there is any committee of this body whose members are of a higher caliber or who have more outstanding ability and greater patriotism than the members of the Committee on Finance.

Nevertheless, I regard the pending proposal as untimely and improvident. I believe it is dangerous to reduce emergency excise taxes, considering the volatile world conditions and in view of the attitude of Congress toward excessive nonessential expenditures.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. CLARK. I congratulate the distinguished Senator from Virginia for the excellent address he has just completed. I regret very much that so few Senators were on the floor to listen to him. However, I am certain that many Senators will be on the floor before the vote is taken on the committee amendments, and I hope the Senator from Virginia will take at least a few minutes at that time to summarize what he has just said.

Speaking for myself, I believe this will be a gravely critical vote, not only from the standpoint of the solvency of our country, but of the future of the Democratic Party. We cannot go into the coming campaign as a party of fiscal irresponsibility. It is my strong belief that not only should we defeat the committee amendments, but that we should raise substantial sums of additional revenue, through the closing of a number of loopholes which have been called to the attention of the Senate by amendments offered by a number of Senators over the weekend. I wish to assure my friend, the Senator from Virginia, of my warm support of his efforts, and of my hope that they will be successful.

Mr. BYRD of Virginia. I thank the Senator from Pennsylvania.

Mr. COOPER. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield.

Mr. COOPER. I, too, wish to support the position taken by the distinguished senior Senator from Virginia [Mr. BYRD], the chairman of the Finance Committee.

In doing so, I find it necessary to reverse a position I have taken previously, earlier this year, in letters to constituents. I then believed, and so stated, that it would be equitable to repeal the excise tax on the general telephone service and transportation of persons. I hope that these taxes can be repealed in the future, if the fiscal situation permits.

But, I note, in examining the committee report, that the proposed repeal of the excise tax on the transportation of persons, the excise tax on general telephone service, and the excise tax on general telegraph service would result in a revenue loss of approximately $752 million. And, we know that before the Congress adjourns, large expenditures will be appropriated by the Congress, additional to those proposed by the budget.

Only last week we voted the pay increase for Government employees, including the postal service, which will add several hundred million to annual expenditures, if it becomes law. Perhaps additional expenditures for education and for medical care will be voted before we adjourn.

We voted last week an additional billion dollars for defense—an increase which I believe was absolutely essential for national defense. In view of the exposé of Soviet and Chinese Communist intentions, an almost daily event since May 1, military-defense appropriations are certainly the most critical and important expenditures we have authorized. For if we do not maintain our security and freedom, all else that we do will amount to nothing.

So I wish to say to the distinguished senior Senator from Virginia, in whom every Member of this body has the greatest confidence, that I shall support him in his position to maintain these revenues, essential to the defense and fiscal stability of our country.

Mr. BYRD of Virginia. I thank the Senator from Kentucky.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Virginia yield?

Mr. BYRD of Virginia. I yield.

Mr. WILLIAMS of Delaware. I wish to join the Senator from Virginia in urging that the amendments reported by the committee, of which both he and I are members, be rejected.

To reduce the revenue by $750 million at this time would in my opinion be the height of fiscal irresponsibility. We have been hoping to end this fiscal year with a margin of surplus—in the amount of approximately $250 million. Obviously, the only way to provide for an increase in expenditures and cut taxes at the same time would be for us to increase the national debt limit; that is, to borrow the money with which to make the expenditures, but any procedure of that sort would be highly inflationary. I have opposed many of these increased expenditures, but they were adopted. Now we cannot cut the tax rates.

As the Senator from Virginia has pointed out, we are already in a very delicate position in regard to our holdings of gold and our foreign trade deficit. To reduce taxes before we reduce the appropriation bills accordingly would, I believe, touch off a further flow of gold from this country.

So I shall strongly support the Senator from Virginia here on the floor, as I did in the committee, in opposing the proposed revenue reductions at this time.

Mr. BYRD of Virginia. I thank the Senator from Delaware.

Mr. ERVIN. Mr. President, will the Senator from Virginia yield to me?

Mr. BYRD of Virginia. I yield.

Mr. ERVIN. I should like to pay tribute to the Senator from Virginia for the fight he is making on this occasion, and also for the fight he has made for fiscal responsibility on the part of the Government ever since he came to the Senate.

His fight has not been an easy one to make. Of course, it would be much more pleasant to act as if one were perfectly willing to dispense Government funds for all the purposes for which such expenditures were sought. But if the majority of the Members of both the Senate and the House had shown the same courage and the same intelligence the Senator from Virginia has shown on all occasions during his service in the Senate, our Nation would today be practically free from any national debt, our dollar would be stabilized, and we would have the prospect of leaving this Nation to our children and to our children's children free from the greatest national debt in history which now is in prospect as an inheritance which they will receive.

So I wish to congratulate the Senator from Virginia for his steadfast adherence to these sound principles, in the interest of the Nation.

Mr. BYRD of Virginia. I thank the Senator from North Carolina for his kind words.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. LONG of Louisiana. Mr. President, personally I do not care to discuss the committee amendments; but I think perhaps those who offered the amendments in the committee may wish to discuss them. Perhaps the Senator from Oklahoma or the Senator from Florida may wish to discuss them.

Mr. SMATHERS. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG of Louisiana. I yield.

Mr. SMATHERS. I suggest that before we proceed to vote on the question of agreeing to the committee amendments, there be a quorum call, so that the able Senator from Oklahoma, who was the protagonist of one of the committee amendments, may be advised and may have an opportunity to be present, to make a statement. I am sure he would wish to make a statement.

So, Mr. President, I would suggest the absence of a quorum.

Mr. LONG of Louisiana. I join in suggesting the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERR. Mr. President, I ask for the yeas and nays on the first amendment in connection with lines 10 and 11 on page 3.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, that request will cover the vote on lines 10 and 11, page 3, only. Is that correct? That is the first committee amendment.

The PRESIDING OFFICER. That is correct.

Mr. KERR. Mr. President, if I understand, when we vote on the striking out of lines 10 and 11 on page 3, we are also voting on the approval of the language on pages 5, 6, and 7, being section 203 of the bill.

The PRESIDING OFFICER. That is not the case. The amendments on page 3 are separate amendments, and contain House language.

Mr. KERR. Mr. President, I should like to call to the attention of the committee members and the Senate that, in view of the fact that section 203 affects the elimination of the tax on domestic telegraph service and the retention of tax on long-distance leased wire service, and in view of the fact that it is really part of the pending amendment, I can see no justification for having one vote on the amendment striking out lines 10 and 11 on page 3, and then another vote on whether section 203 shall be adopted.

The PRESIDING OFFICER. The Senator may accomplish his purpose by asking unanimous consent.

Mr. KERR. I was getting ready to do that, but I still think the situation is inherently as I have stated. In view of the fact that the Chair rules otherwise, I ask unanimous consent that the vote on striking lines 10 and 11 on page 3 be considered to apply as a vote of approval of section 203.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD of Virginia. That includes the telephone service, telegraph service, and leased wires?

Mr. KERR. That is correct. Approval of the committee amendment on that part of the bill is involved.

Mr. BYRD of Virginia. It would not include the transportation?

Mr. KERR. It would not include action of the committee in the handling of the tax on transportation of persons.

Mr. BYRD of Virginia. I have no objection to that request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

Mr. SMATHERS. Mr. President, reserving the right to object—and I shall not object—I should like to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SMATHERS. Did the order entered a moment ago on the yeas and nays apply only to the amendment with respect to the communications, or did it also apply to a yea-and-nay vote with respect to the repeal of the tax on transportation of persons? I assume it did not.

Mr. KERR. It did not include that part.

The PRESIDING OFFICER. The request for the yeas and nays, which was supported by a sufficient second, related only to the tax on general telephone service.

Mr. JOHNSON of Texas. Mr. President, may we have order in the Chamber? We cannot hear the Presiding Officer.

The PRESIDING OFFICER. The Senate will be in order.

The request for the yeas and nays, which was supported by a sufficient second, related only to lines 10 and 11 on page 3, relating to the termination of the tax on general telephone service.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oklahoma explain the justification for extending the request previously granted? As I understand, the order for the yeas and nays applied to only one part of the bill, and the Senator would like to have it apply to an additional part of the bill. I see no objection on the surface, but I should like to have a justification for the request.

Mr. KERR. I shall explain the action of the committee, Mr. President, with reference to the excise tax on communications. The House sent us a bill which would extend the excise tax not only upon long-distance toll calls but also upon general telephone service and upon telegraph service. The action of the Senate committee was to strike that provision from the House bill and to insert in the bill in connection therewith a provision which would accomplish several purposes. First, the provision would permit the expiration of the excise tax on telephone service other than leased wires, which is now in the law, to become effective June 30. It would, however,

reimpose the excise tax on leased wire services of telephones; that is, when a user in one community or area has its own leased wire to another area, and does long-distance telephoning over that leased wire, the action of the committee would reimpose the excise tax. It would further terminate the excise tax on telegraph service as of June 30 this year.

In view of the fact that the striking out of lines 10 and 11 on page 3 is a part of that action by the committee which, insofar as the committee was concerned, was a single action, and in view of the fact that the action of the committee is further reflected in section 203 of the bill, my unanimous-consent request was that in voting as to the acceptance or rejection of the amendment on page 3, to strike out lines 10 and 11, we also include the language in section 203 beginning on page 5.

Mr. JOHNSON of Texas. Mr. President, I have no objection to that request, and I think it would be highly desirable to do so.

Mr. WILLIAMS of Delaware. Mr. President, I join the Senator from Oklahoma in making that request. I think it would be a clear-cut vote if we put all of the committee action with reference to telephone and Western Union service under one vote.

Mr. KERR. The committee action with reference to communications.

Mr. WILLIAMS of Delaware. Yes; the committee action with reference to communications should be included in one vote.

Mr. BYRD of Virginia. Mr. President, I have no objection.

Mr. JOHNSON of Texas. Before we agree to the request, let me ask the Senator a question. If we take the provisions of the House bill rather than the bill as amended by the Senate committee, so far as communications are concerned, how much more money would be provided under the House bill, with reference to communications, than would be provided under the provisions of the amendment of the Senate committee to the bill?

Mr. KERR. I shall try to answer the question.

Mr. JOHNSON of Texas. Is it over $400 million?

Mr. KERR. The figure is in the report.

Mr. JOHNSON of Texas. I have a tabulation from the Treasury Department on the matter. I simply wanted to confirm the figure. The Treasury says that the receipts anticipated from general telephone service for a full year are $463 million. I assume that under the request this would be the approximate amount involved.

Mr. WILLIAMS of Delaware. That is the approximate amount.

Mr. KERR. That is the approximate amount. I believe the Senator addressed the question to me.

Mr. WILLIAMS of Delaware. Very well.

Mr. KERR. That is the approximate amount for a full calendar year. I will ask the staff member who is present to direct my attention to the page in the report where there is disclosed the revenue to be affected in fiscal year 1961.

Mr. BYRD of Virginia. I think we ought to deal with the full year.

Mr. KERR. I am going to deal with the full year.

Mr. BYRD of Virginia. It is $462 million.

Mr. KERR. Mr. President, the Senator addressed the question to me.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. KERR. I shall be glad to yield to the Senator from Virginia if he wishes to answer the question.

Mr. BYRD of Virginia. I am told by the staff that the amendment, for a calendar year, would reduce revenues for the Treasury $462 million; for the coming fiscal year it would be less.

Mr. TALMADGE. That is covered on page 8 of the report.

Mr. BYRD of Virginia. With the other amendments, if agreed to, the total loss would be about $752 million.

Mr. KERR. Mr. President, the effect for the full year, according to the advice of the Treasury Department, would be a $463 million revenue loss, but for the fiscal year 1961 it would be $350 million.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. McCLELLAN. Is that the amount of tax revenue which would be lost by reason of striking out the provision on page 3, in lines 10 and 11? Is that the amount of tax revenue to be lost?

Mr. JOHNSON of Texas. As I understand the provisions of the House bill, $463 million more would be raised by virtue of the provisions affecting general telephone service than would be raised under the Senate committee amendment.

Mr. McCLELLAN. In other words, if we agree to the amendment we will lose that much in revenue during the next year, unless we make up for the loss elsewhere?

Mr. JOHNSON of Texas. The Senator is correct.

Mr. KERR. I will say to the Senator in that connection, Mr. President, that the existing law provides for the termination of the excise tax on general telephone service effective June 30. The House action would impose the tax beyond June 30, and the amount of revenue which is being discussed would, in effect, be newly provided revenue rather than revenue under existing law without affirmative action by the Congress.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and the request is agreed to.

Mr. JOHNSON of Texas. Mr. President, is the Senator from Pennsylvania [Mr. CLARK] in the Chamber?

Mr. President, I ask the secretary for the majority to see if he can locate the Senator from Pennsylvania, because I desire to propose a request.

Mr. President, I hope we can get a unanimous-consent agreement to vote on the committee amendment. The Senator from Pennsylvania is now in the Chamber, and I hope he will follow my suggestion. I hope we can get a unanimous-consent agreement to limit debate on the adoption of the Senate committee amendment, which, in effect, would reduce the revenues to be produced by the House bill by $463 million, by virtue of the difference in the provisions with respect to general telephone service. If we could get an agreement for, say, 15 minutes on a side, have a quorum call, notify all Members, then the leadership on both sides of the aisle, the chairman of the committee, the ranking minority member, and others, including the advocates of the amendment, would have an opportunity to have an audience. Then we could have a yea-and-nay vote, which has already been ordered, and have a test of the sentiment of the Senate.

I talked with the chairman of the Finance Committee and the ranking minority member before the bill was taken up. They have very grave doubts about the wisdom in this critical hour of amending the House bill so as to permit a $463 million loss to the Treasury. The Secretary of the Treasury tells me that the administration opposes the reduction as strongly as it can. He hopes the Senate will not take such action, and expresses the hope also that the Senate will pass the House bill as soon as it can do so.

If the bill must go to conference, there will be a problem of time. While we can make corporation taxes retroactive, we cannot make retroactive a tax on something that somebody might buy on July 1 if the tax did not apply at that time.

There is involved $1,500 million in excise taxes, and I am willing to debate the merits of any amendment and debate them at such length as Members may desire. But I do think it is important that we face up to this question as early as we can, because if we do so, we shall take some of the pressure off that might otherwise exist in conference and give Senators in the conference time to debate.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. I have no objection to a unanimous-consent agreement on the committee amendments. I must say that I would feel a little more happy and content if we had a half hour on a side, with the thought that we would try to get through quicker and yield back our time. I would like to have 5 minutes myself.

Mr. JOHNSON of Texas. Let us make it 20 minutes. I will yield to the Senator from Pennsylvania from the time of the majority 5 minutes. Each side will have 20 minutes, and there will be 5 minutes for Senators who oppose the committee amendments.

Mr. DIRKSEN. May we agree that there will be a live quorum call before a vote is taken?

Mr. JOHNSON of Texas. Yes.

Mr. SMATHERS. Mr. President, reserving the right to object—and I shall not object—I wonder, in order to facilitate matters, if we may not have the same unanimous-consent agreement apply to the consideration of the committee amendment on the repeal of the transportation tax.

Mr. JOHNSON of Texas. I would like very much to have such an agreement. I believe by doing so we will have a better audience. We will get more done. When Senators hear the condition of the Treasury, how we have increased appropriations, the position of the House on this question, and the position of the Secretary of the Treasury, with whom I have been in conversation over the weekend, and again today, I believe they will be able to resolve the issue according to their own judgment.

I make the request, in accordance with the suggestion of the Senator from Florida [Mr. SMATHERS], that there be incorporated in the unanimous-consent agreement both the general telephone amendment and the transportation amendment of the committee.

Mr. CLARK. I understand that there will be rollcall votes on the two committee amendments, and that 20 minutes will be granted to each side on both amendments; in other words, two 20-minute debates?

Mr. JOHNSON of Texas. Yes.

Mr. CLARK. I have no objection.

Mr. FREAR. I ask the majority leader whether there are not three changes proposed, including the proposed change in telegraph taxes, and does that not require a rollcall vote, also?

Mr. JOHNSON of Texas. The Senator from Oklahoma has incorporated the amendment to which the Senator from Delaware refers in the first rollcall vote.

Mr. FREAR. With the general telephone amendment?

Mr. JOHNSON of Texas. Yes.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. McCARTHY. Would such an agreement as is proposed preclude the possibility of offering amendments to the communication tax amendment and the transportation tax amendment in the event that some Senator wishes to propose to reduce the transportation tax by 50 percent instead of by the entire amount? Would such an amendment be precluded by the proposed amendment?

Mr. JOHNSON of Texas. I should think so. Our hope is that we may vote on the committee amendment as reported by the committee and have a clear-cut issue, with 20 minutes to each side being allowed for debate. If such action fails, then the bill will be open to further amendment.

Mr. McCARTHY. If the committee amendments were agreed to, a subsequent amendment which would reduce the transportation tax by one-half instead of by the whole amount would not be in order?

The PRESIDING OFFICER. The Chair will state that the committee amendment could not be reconsidered without agreement, but separate amendments could be offered.

Mr. McCARTHY. Which would change the effect of the committee amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. Mr. President may we have action on the request?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. KERR. Mr. President, a parliamentary inquiry. Does the unanimous-consent request with reference to the time limit on the amendment affecting the excise tax on transportation include a request for a yea-and-nay vote on the amendment?

Mr. JOHNSON of Texas. No, but I intend to make such a request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and the request is agreed to.

Mr. JOHNSON of Texas. Mr. Chairman, while the request is a little premature, in order that Members may know the intention, I ask for the yeas and nays on the transportation tax amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum, and I ask the attaches to notify all Senators that there will be two rollcalls within 80 minutes.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 236]

Aiken	Ervin	Monroney
Allott	Frear	Morse
Anderson	Fulbright	Morton
Bartlett	Gore	Moss
Bennett	Gruening	Mundt
Bible	Hart	Murray
Brunsdale	Hartke	Muskie
Bush	Hayden	Pastore
Butler	Holland	Prouty
Byrd, Va.	Hruska	Proxmire
Byrd, W. Va.	Jackson	Randolph
Cannon	Javits	Robertson
Carlson	Johnson, Tex.	Russell
Carroll	Johnston, S.C.	Saltonstall
Case, N.J.	Jordan	Schoeppel
Case, S. Dak.	Keating	Scott
Chavez	Kerr	Smathers
Church	Kuchel	Smith
Clark	Lausche	Stennis
Cooper	Long, Hawaii	Symington
Curtis	Long, La.	Talmadge
Dirksen	Lusk	Thurmond
Dodd	McCarthy	Wiley
Douglas	McClellan	Williams, Del.
Dworshak	McGee	Yarborough
Ellender	Mansfield	Young, N. Dak.
Engle	Martin	Young, Ohio

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Washington [Mr. MAGNUSON], the Senator from Alabama [Mr. SPARKMAN], the Senator from Michigan [Mr. MCNAMARA], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER] and the Senator from Minnesota [Mr. HUMPHREY] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from Maryland [Mr. BEALL] and the Senator from New Hampshire [Mr. COTTON] are detained on official business.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). A quorum is present.

Mr. JOHNSON of Texas. Mr. President, as I understand, the time is limited to 20 minutes on each side, the time to be controlled equally by the majority leader and the minority leader.

The PRESIDING OFFICER. The Senator from Texas is correct.

Mr. JOHNSON of Texas. I yield myself 1 minute.

If we adopt the committee amendment which was written into the bill in the Committee on Finance, $463 million will be taken out of the Federal Treasury. At a time when we are increasing defense expenditures and health expenditures, instead of decreasing revenues we ought to be thinking of where we can increase them in order to provide for these desirable increases in expenditures.

Therefore, I hope Senators will act with responsibility and will realize that a vote for the committee amendment will be a vote to deprive the Treasury of $463 million.

The United States has the finest telephone service in the world. Nevertheless, the largest American taxpayer last year was the American Telephone & Telegraph Co., which paid $1 billion. A company which can pay $1 billion is not in too bad a fiscal condition.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. GRUENING. The Senator from Texas just said we should vote for the amendment. In the early part of his speech, he asked us to vote against it. I think he misspoke, or did I misunderstand him?

Mr. JOHNSON of Texas. I said that a vote for the committee amendment is a vote to take out of the Treasury $463 million.

I shall oppose the committee amendment. I hope all Senators who believe in fiscal responsibility will oppose the committee amendment. Senators who do not oppose the amendment should realize that they will deprive the Treasury of $463 million of revenue at a time when that revenue is most needed.

Mr. GRUENING. I thank the majority leader. I am in accord with his view on this amendment.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. LAUSCHE. I subscribe to the words just spoken by the distinguished majority leader. It is folly to believe that we can increase spending and reduce taxing, when in 25 out of the last 29 years the Government has operated at a deficit.

I should like to vote to reduce the communications and transportation tax. It would be the happiest thing, possibly, that I could do. However, I do not want to tell the people back home in Ohio that it is sound to increase spending in the Department of Defense, on the basis of necessity, and at the same time tell them that I shall vote to reduce their taxes.

Both cannot be done. We may as well recognize that fact.

Mr. JOHNSON of Texas. Mr. President, I yield myself an additional minute.

The amendment is very controversial. I do not believe the House will accept it. We are working against a June 30 deadline. I believe we ought not to adopt the amendment, because the House, I feel certain, will not accept it.

If we should run over the deadline date by 1 day, as a result of a conference or a delay in signature, or anything else, $1,500 million in excise taxes will expire.

Mr. LAUSCHE. I commend the Senator from Texas for his courage and forthrightness. This is not a time to play lightly and in a method of folly with the security of the country.

Mr. McCLELLAN. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. McCLELLAN. I thank the Senator. Do I understand that the total amount involved in the committee amendment—the amount of revenues the Government will lose—is $752 million if this amendment is adopted?

Mr. JOHNSON of Texas. In this particular amendment, the amount involved is $463 million.

Mr. McCLELLAN. With the removal of other taxes proposed by the committee amendments, the total will be, as I understand, $752 million. Is that correct? That amount, together with the $800 million by which Federal expenditures will be increased due to the enactment of the salary increase bill, will make a total of $1,500 million.

Mr. JOHNSON of Texas. That is correct.

Mr. McCLELLAN. So $1,500 million will be the potential deficit in the next fiscal year. In other words, by raising salaries of Federal employees by $800 million annually and by eliminating taxes to the tune of $750 million loss in revenues, we will have a further gap of $1,500 million between Federal income and Federal expenditures. Mr. President, I cannot agree to that. I would like to reduce taxes—to eliminate this particular tax. Our fiscal situation will not permit it. It would be imprudent to do it. It would be, in my judgment, a legislative action of fiscal irresponsibility.

Mr. PASTORE. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. PASTORE. I compliment and congratulate the distinguished majority leader. I have been inclined to be against the continuation of the taxes which were imposed in a time of war, and which were considered to be luxury taxes. However, since the last time I voted on these measures—I voted to remove them last year—a change has taken place in world conditions. We have seen the President humiliated at the summit conference. We are witnessing hostile demonstrations in the Far East, especially in Japan. We have voted an additional $1 billion for the Defense budget. We have been asked by the President to increase appropriations for mutual security.

Under the circumstances, I feel impelled at this time to vote for the continuation of these taxes. I think they will enhance the security of America and help to keep peace in the world.

Mr. JOHNSON of Texas. I thank the Senator from Rhode Island. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I have just come to the Chamber and am not certain about all that has been said. However, I know that the pending matter involves the repeal of taxes which none of us like.

I have said before that whenever I thought the budget and fiscal affairs could stand it, I would vote to repeal these taxes. I have not done so yet, because I do not think the Government can stand it. We are increasing the amount of appropriations for the military and are increasing the salaries of Government employees. It is unthinkable to me that we should fail to meet this problem head on and keep taxes where they are now, or, at least, renew them.

I shall certainly vote against any amendments which seek to take away from the Treasury all the money which is necessary for the operation of the Government. I know that at the beginning of the year we were told we would have a balanced budget and a surplus. But I have not seen any real drive made to enact the additional taxes which are necessary to balance the budget and have a surplus, even if we have increased expenditures.

To that extent, I believe it is highly misleading to the American people to have reports issued prematurely. We have not had a sustained drive to increase taxes. Instead, it has been proposed that by this amendment taxes be reduced.

I shall oppose the amendment.

Mr. JOHNSON of Texas. I agree with the distinguished Senator from Mississippi. This is a critical hour for our Nation. The Chinese Communists have been shelling the islands off Formosa. The President of the United States has had to forego his proposed visit to Japan because of the demonstrations which have been made against the Japanese Government.

All of us know the results of the summit conference. We realize that communism has launched an offensive which is disturbing people all over the world.

We must have a defensive shield to protect our Nation. If we are to have a defensive shield, we must spend money. If we are to spend money, we must raise money. I do not think this is a time to repeal taxes to the tune of $750 million.

Mr. BYRD of Virginia. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I shall yield now to the chairman of the Finance Committee; and I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Texas is recognized for 2 additional minutes.

Mr. JOHNSON of Texas. I now yield to the Senator from Virginia.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. Does the majority leader have control of the time allotted to those who are in favor of the amendment, or does he control the time available to those who oppose the amendment?

Mr. JOHNSON of Texas. The majority leader and the minority leader have control of the time—20 minutes to each side. Twenty minutes will be allotted to Senators who oppose the amendment; 20 minutes will be allotted to Senators who favor the amendment.

If the Senator from Oklahoma desires to control the time available to proponents of the amendment——

Mr. KERR. Not at all; I was simply trying to find out what the arrangement was. Frankly, I was under the impression that the majority leader would control the time available to Senators who favor the amendment, and that the minority leader would control the time available to Senators who are in opposition. If the arrangement is vice versa, that will be quite all right. I was merely seeking information.

Mr. JOHNSON of Texas. We have divided the time between the two leaders, who will allot the time as requested. The proponents will have 20 minutes if they desire to use it.

Mr. President, at this time I yield to the Senator from Virginia [Mr. BYRD], the distinguished chairman of the Finance Committee, who, I believe, in the committee voted against these revenue-reduction amendments.

Mr. BYRD of Virginia. Mr. President, I wish to commend the Senator from Texas for making one of the most courageous speeches I have ever heard on the floor of the Senate.

Mr. PASTORE. Mr. President, I call for order in the Chamber. I am not able to hear the Senator from Virginia.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD of Virginia. Mr. President, I said that I desire to commend the Senator from Texas for making one of the most courageous speeches I have ever heard on the floor of the Senate.

I share the embarrassment of his position in that I was the only Democratic member of the Finance Committee to vote against these proposed revenue reductions. But in view of the day-by-day happenings all over the world, I believe it would be very dangerous on our part to vote to reduce the revenue by $750 million and at the same time vote to increase the expenditures.

The Senator from Texas has taken a most statesmanlike and courageous position; the more I see of him, the more I admire him. He is giving real leadership in the face of the great problems confronting our Republic.

Mr. JOHNSON of Texas. I thank the Senator from Virginia.

Mr. HOLLAND. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. HOLLAND. I desire not only to strongly endorse the position taken by the majority leader and by other Senators who have taken the same position, but also to point out that a continuation of the excise tax on telephone and telegraph service will not, after all, jeopardize a continued profit in the business

of the public utilities affected, because each one of them operates under rates set by public utility regulatory bodies which allow rates sufficiently high to enable the companies to meet their tax situations and at the same time operate at a profit, even if their business should be slightly reduced.

All of us would like to see this tax ended. But I thoroughly agree with the position of the Senator from Texas and the Senator from Virginia that this tax should not be ended under present conditions; and if we were to end it at this time, our action would brand us—in contrast with the other body and its action in this situation—as the irresponsible and the radical legislative body, whereas we have always tried to maintain the position of being the conservative body which meets the needs of the public and the Nation as they are shown to exist.

So I thoroughly agree with the Senator from Texas.

Mr. JOHNSON of Texas. I appreciate very much the statement of the Senator from Florida. What he has stated is exactly correct—namely, under the regulations imposed by the various public-utility commissions, the telephone companies are guaranteed reasonable returns on their investments.

I should like to point out that in this instance we are dealing with the company which enjoyed the largest profit made in the Nation, last year. If someone needs relief, certainly it is not a company which has a net income of $2 billion before taxes.

Mr. CLARK. Mr. President, I should like to join in supporting the views of the Senator from Texas. It is not easy for a majority leader to vote for continuing these regressive sales taxes. I disapprove of each and every one of them, and I hope they can shortly be repealed—but not this year, in view of what the Congress has done in the last six months to the President's budget.

Yesterday, when I was at home, I received a telegram from Mr. Bernard Baruch, whom I have never had the pleasure of meeting, much to my regret. I revere him as a great statesman. He was kind enough to compliment me on the stand I have taken in opposing any reduction in revenue in connection with the pending bill, and in supporting the attempt to close some of the tax loopholes, so we can come somewhere near to supporting the budget which was proposed by the President.

I should like to read to the Senate the telegram I received yesterday afternoon.

NEW YORK, N.Y., *June 19, 1960.*

Senator JOSEPH S. CLARK,
Washington, D.C.:

You are right in refusing to support any tax reduction at a time when Congress is voting increasing appropriations with the national debt pressing so heavily against the ceiling and in the face of a deepening world crisis which may require so much more from each of us for our national survival.

BERNARD M. BARUCH.

Mr. President, before we vote, I ask my colleagues to turn to page 13298 of the CONGRESSIONAL RECORD for Saturday, and to note that late Saturday evening I had printed in the RECORD a table showing that the action the Congress has taken and the action I am sure the Congress will fail to take and what the Congress is going to do before it adjourns will reduce the estimated surplus of $4,200 million to a deficit of $193 million if these committee amendments are enacted into law. I consider that to be fiscal irresponsibility of the worst sort; and I, for one—although I voted for those appropriations, and think they are right—am not content to duck my responsibility now by failing to vote to provide sufficient revenues to give us a balanced budget and a surplus with which to make a payment on the national debt.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I am happy to yield.

Mr. JOHNSON of Texas. Mr. President, the Senator from Pennsylvania and I may differ on procedure and on other things, but we are in agreement on this point.

Mr. CLARK. I thank my friend, the Senator from Texas, for his generous comments.

Mr. BUSH. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. Mr. President, in view of the fact that the time is very limited, I wish to continue my statement for just a moment, and then I shall yield.

I ask Senators also to examine page 13301 of the CONGRESSIONAL RECORD for Saturday, where they will see a list of the increased revenue which could be obtained if we adopted the loophole-closing amendments which have been submitted, and which will be debated and voted on later today.

Senators will note that those nine amendments would provide additional revenue in the amount of $3,707 million. Thus, as a result of this 1 day's work, if those of us who believe in fiscal responsibility and a balanced budget and in making a payment on the national debt will stick together, no matter how much we may differ on other subjects, we may be able to restore the President's anticipated surplus to somewhere near the amount he estimated in January.

The PRESIDING OFFICER. The time available to the Senator from Pennsylvania has expired.

Mr. CLARK. Mr. President, I ask for 2 more minutes.

Mr. JOHNSON of Texas. Mr. President, I yield 2 additional minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 2 more minutes.

Mr. CLARK. Mr. President, those revenue estimates were based on a gross national product of $510 billion for the calendar year 1960; but thus far in the calendar year we have not reached $510 billion, and it is now late in June. Steel production is falling off; housing production is falling off; automobile production is falling off; the banks do not seem to have the demand for money which we hoped they would have; and all those situations are bound to have a great effect on the anticipated gross national product for this year of $510 billion.

Therefore, Mr. President, I urge my colleagues to vote against the proposed reductions in revenue, and also to vote to close the tax loopholes.

At this time I am happy to yield to the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, the Senator from Pennsylvania has referred to the table in the CONGRESSIONAL RECORD for Saturday, which makes allowance for the $550 million postal pay increase.

Mr. CLARK. I take the position that that will not be enacted into law. I am sure it will not be.

Mr. BUSH. How about the aviation fuel tax?

Mr. CLARK. I do not think that will be enacted into law, either; I am sure it will not be.

The PRESIDING OFFICER. The time available to the Senator from Connecticut has expired.

Mr. BUSH. Mr. President, will the Senator from Texas yield a few minutes to me?

Mr. JOHNSON of Texas. I should like to do so; but first I desire to yield to the distinguished minority leader.

Mr. BUSH. I should like to have only one more minute, in order to conclude.

Mr. DIRKSEN. Very well; I yield 1 minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 minute.

Mr. BUSH. Mr. President, in the table the Senator from Pennsylvania placed in the CONGRESSIONAL RECORD last Saturday, under the expected revenues he listed $300 million for withholding dividends and $800 million for withholding interest. Is that correct?

Mr. CLARK. The Senator from Connecticut is now referring to the table dealing with revenue increases to be expected from the amendments.

Mr. BUSH. That is true.

Mr. CLARK. Previously, the Senator from Connecticut referred to the table which shows the estimated surplus and the increases and decreases on the basis of action already taken.

Mr. BUSH. I was endeavoring to point out what we shall have reason to expect.

Mr. CLARK. Let me try to clarify that point: If we pass the pending revenue-repeal bill and if we do not close any tax loopholes, we shall be increasing the deficit, in my judgment, to at least $390 million; and in the judgment of the chairman of the Finance Committee the deficit will be even more.

But if we close the tax loopholes, we shall be able to reconvert the deficit into a surplus.

Mr. JOHNSON of Texas. Mr. President, at this time I yield to the distinguished minority member of the Finance Committee, the Senator from Delaware [Mr. WILLIAMS], who last week made the suggestion that these taxes be continued, and has repeated it on every occasion within my knowledge.

Mr. WILLIAMS of Delaware. I shall take just a couple of minutes to join the Senator from Texas in pleading with the Senate to reject the committee amendment. I think that to adopt this committee amendment and to strike down

the potential receipt in revenues of $463 million for fiscal 1961 in the light of our increased defense needs and the condition of our budget, would be wrong at this time.

I know that one of the arguments used in favor of the committee amendment is that taxes are not being decreased by the adoption of the committee amendment. It has been pointed out that under the existing law the telephone tax is scheduled to expire on July 1, and therefore, they argue that they are not changing existing law.

I might say that is true in connection with all of the $3,900 million which is involved in the bill before us. All of it covers the extension of excise and corporate tax rates which would expire June 30 unless the Senate acted. Therefore, it is a fallacious argument to say revenue is not lost by the adoption of the committee amendment, because the $3,900 million provided are all part of the President's recommendation in his budget. The $463 million in the amendment immediately pending is certainly a part of the President's estimate.

If the committee amendment which would repeal the telephone tax is adopted we would lose the $463 million, and the only way we could finance our operations in light of the existing situation would be by borrowing more money. That is the most inflationary action we could take.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that we be allowed 5 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. JOHNSON of Texas. I yield the floor. The Senator from Oklahoma will have 25 minutes and the Senator from Illinois [Mr. DIRKSEN] and I will have 25.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. KERR. Mr. President, I yield myself 5 minutes.

I want to thank the great men of the Senate who have enlightened us thus far on fiscal responsibility. I wish it were possible for me to express my appreciation for the opportunity of associating with men of such distinction and such ability and such generosity in making available their knowledge to us who, in their opinion, do not have the benefit of their great distinction in this regard. It is not only encouraging—it is inspiring.

Of course, I must say a little of the luster is dimmed when I hear speak those who presume to pass upon my fiscal responsibility; it is discounted, and presented either as something which never existed, or which, in the pressure of service here, has been eliminated or destroyed. I say, a little of the luster which has been put upon their knowledge of fiscal responsibility is lost when I hear them talking about this tax in connection with utility rates of telephone companies and profits of the American Telephone & Telegraph Co. I am sure that it is due only to the great stress of debate and their devotion to principle and the maintaining of the posture of fiscal responsibility, whether it is an actuality or a facade, that they once knew, but have forgotten, this tax is not paid by the telephone company. This tax on communications is paid by the users of telephone service. It is paid by the millions of homeowners who have telephones. They pay this excise tax. The telephone company performs the service of collecting the tax from the customer for the collector of internal revenue.

I am sure that these men of esteemed and exalted fiscal responsibility and position do not see their telephone bill. Somebody writes the check, I am sure, and they pay it. The Senator from Oklahoma had to get his the hard way, and he has to look at those bills; and if I had not heard from a single constituent, I would know, from what I see on my telephone bill, that there is an item there of excise tax, in addition to the toll charges and the telephone service charges, and I, as a user of the telephone, pay it.

There has been a bandying here of words about the loss of revenue. Mr. President, this bill, if passed as sent from the House, would result in an increase in revenue. Every item provided for and secured by the bill, whether as brought to the floor out of the Senate Finance Committee, or as brought to the Senate from the House, provides for new revenue in the form of extension of taxes which otherwise will expire on June 30. So this is not a tax on the telephone company, and the telephone company cannot go to a utility regulatory body and secure from it an increase in the rate charged to their customers in an amount to cover taxes which are paid by the customers.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. Mr. President, I yield myself 5 minutes. I am so humble and so overcome in the presence of these mental giants and pillars of fiscal responsibility that I am a little nervous, and it will take a little longer than ordinarily to get my position over.

The utilities, Mr. President, are regulated and permitted to make a profit on their investment, but are not permitted to secure from their consumers an amount of money to reimburse the utilities for taxes which the customers pay.

I am sorry the able senior Senator from Florida is not here. He is one of the great Members of this body. He was Governor of his State when I was Governor of Oklahoma, and he is thoroughly responsible. But I remind him that somewhere in the course of his devotion to the principle of fiscal responsibility and his dedication to service on that basis he has lost sight of the fact, which I am sure as Governor of his State he learned, and if he would refresh his memory, would still know, that taxes on telephone service are paid by the consumers. It is no part of the rate base in a public utility rate, and is no matter for consideration by a regulatory body in fixing the rate on the use of the telephone or in fixing the amount of money which would permit a utility to recover the amount of taxes which it itself had paid. This tax is not paid by the utility. It is not paid by the telephone company. It is paid by the consumer.

I want to talk about the fiscal responsibility of the U.S. Treasury, and I may say I am greatly impressed by it.

Every time I think of the fact that we are paying $3 billion excess interest each year in the form of increased tax rates, over those in effect when this administration went into power, it increases my respect for its fiscal responsibility. It must be something like that, to justify the inauguration of and the keeping of policies which are penalizing the American taxpayers $3 billion a year in excess taxes, to pay that much more interest on the Federal debt, as compared to what the tax rates in effect when the administration came into power would have required.

Mr. President, when men can perpetrate that kind of a monstrosity and then be given an accolade for fiscal responsibility at one and the same time, that is a feature of the hand being quicker than the eye and Madison Avenue magic new in the annnals of political history and governmental operation.

I shall talk about legislative responsibility, but first I shall say that if Senators will look at the budget report which came to the Congress from the President they will find it sets forth the basis for a prediction of a $4.2 billion surplus in next year, 1961. The reduction in the tax with reference to communications will cost the Government, as compared to what would be produced in revenue under the House tax bill, not the $463 million to which my great friend from Texas referred. I know how the Senator got that figure. He got it from the equally eminent and distinguished senior Senator from Virginia [Mr. BYRD], the chairman of the committee. However, they are talking about one thing, Mr. President, and fiscal year 1961 is another thing.

The difference in revenue, between the bill as brought to the Senate by the Committee on Finance and as sent to the Senate by the House of Representatives, is a difference of $347 million. I know the gentlemen in their dedication to leadership responsibility will verify that statement and tell us that the $462 million—as it really is, instead of $463 million—is a figure which has application to the calendar year 1961, which includes part of fiscal year 1961 and part of fiscal year 1962.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. The Senator is correct. The figure I used was not $462 million but was $463 million.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I yield myself 5 minutes.

I did not understand the Senator from Texas.

Mr. JOHNSON of Texas. The figure I used was $463 million for the full year, which is based upon a chart the distinguished Secretary of the Treasury presented to the minority leader and to me within the last hour.

Mr. KERR. I will say to my good friend from Texas that Mr. Colin Stam, the Chief of Staff of the Joint Committee on Internal Revenue Taxation, took the same paper from the Secretary of the Treasury as the basis for his computation, and told the Senator from Oklahoma that the figure for the calendar year would be $462 million, but that the figure for the fiscal year 1961, beginning July 1 of this year and ending June 30 of next year, would be $347 million. That is the fiscal year with respect to which the President and the Director of the Bureau of the Budget tell the Congress we shall have a surplus of $4.2 billion.

Mr. President, I wish to talk a little about legislative responsibility. The Congress of the United States in the year 1959 told the American people that this tax would terminate on June 30, 1960. This effort is not an effort which originated in the minds of men to bring about something now, in this time of stress. I am aware of the time of stress, Mr. President. This is the result of an action taken by the Congress of the United States, signed by the President of the United States.

I remind Senators that action originated in this body, that action originated in the Senate. It was not started by a few wild-haired radicals on the Committee on Finance, Mr. President, engaged in activities which should be condemned on this floor as fiscal irresponsibility, coming from a lack of realization of the seriousness of the world situation. That action was taken by the Congress of the United States and by the President of the United States in 1959. It was taken on the initiative of the Senate. This was the action of the Senate last year. If there is fiscal irresponsibility in it, it is the fiscal irresponsibility of the Senate, of the House of Representatives, and of the President of the United States.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Tennessee.

Mr. GORE. How would the Senator characterize the responsibility of the Senate and of the Members of the Senate who, 1 year ago, at a time of the largest deficit in the peacetime history of the United States, voted to repeal the excise tax on local telephone use, but now, in a year when the budget is predicted to have a $4 billion surplus, suddenly feel such action would become fiscal irresponsibility?

Mr. KERR. Mr. President, the question answers itself. I cannot deliver an answer to it, because I am not going to brand my colleagues in the Senate as being fiscally irresponsible.

I know, Mr. President, we have heard from the great tall timbers of the Senate, men recognized around the world for their standing in legislative matters and on fiscal policies. Who am I, Mr. President, to stand in their presence and assert they are fiscally irresponsible? The heavens above my head would fall and crush me under them were I to perpetrate such an outrage. I shall not do it, nor shall I convict myself of what I would regard as being legislative irresponsibility by now saying to the American users of the telephones, "Yes, last year we made you a promise. We told you that the tax would terminate June 30, 1960. The President told you we were going to have a $4.2 billion surplus, yet we will come into every household in America and put that tax back on your telephones. We are going to take away what we did for you last year, because otherwise we would be fiscally irresponsible."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. KERR. Mr. President, I yield 2 minutes to the Senator from Delaware [Mr. FREAR].

Mr. FREAR. Mr. President, the Members of the Senate, as well as the public in general, I think, are pretty well aware of the promises which this administration made in 1952 and 1956, and which I suspect it will make again in 1960, about what it is going to do for the American taxpayers—how it is going to relieve them from taxes, and especially these excise taxes. I know on more than one occasion the administration has committed itself to the elimination of these excise taxes.

In addition, I do not know how many times the administration has promised to balance the budget. If it had not been for the Democrats assisting some of the Republicans, I doubt if the budget would have been balanced as many times in the 8 years of this administration as it has been.

A person gets a little tired and weary of hearing promises made which are not fulfilled. The American taxpayer is not going to forget promises made to him not only by the administration but also by the Senate, and by the Demorcats. I think the Democrats are fully and equally responsible.

We have been told that removing this $347 million of additional revenue will either produce deficit financing or additional money will have to be raised by some other means. That is true. If we expect, as the administration has promised us, a $4.2 billion surplus in the fiscal year 1961, it will not cause any deficit financing and we can still live up to the promises to taxpayers with respect to this particular excise tax. I hope the Senate will remember what we have done in the past, and the promises that we have made. Whether we are responsible fiscally or not, we certainly should be responsible morally.

Mr. KERR. Mr. President, how much time do the proponents have remaining?

The PRESIDING OFFICER. The proponents have 6 minutes remaining and the opponents 8 minutes.

Mr. KERR. Do the opponents wish to use some time? I wish to use 3 minutes additional.

Mr. DIRKSEN. Mr. President, if anyone is weeping for the telephone user today, let me say that a bill in the New York Legislature to levy this identical tax will be ready the minute the Federal tax is repealed. That information came to my office, with the authority of the Secretary of the Treasury, no later than an hour ago, so if any Senator thinks we are weeping for the user, remember that the States are ready to levy the tax.

If Senators think that the tax is a deterrent, I can show areas all over the country where companies are 6 months behind in trying to provide telephones and telephone service.

When the promises were made, they were made on the basis of the condition that existed at the time, but the condition has changed. In fact, it changed last week in a most expansive moment. We voted $1 billion more for housing, $1,250 million in additional appropriations for defense; $500 million in additional appropriation for HEW; $500 million additional appropriation for public works, to which there is objection of one kind or another; and $750 million for Federal pay. Still, with those increases, there was no additional postal revenue provided to go into the general receipts of the Treasury. Now it is proposed by the amendment and the amendment that will follow to cut revenues by $736 million, according to the Treasury.

One begins to wonder whether there is any virtue in the budget process. Months of effort go into preparing a budget, and then it is kicked into the ash can unceremoniously in a single week. Then we propose to add to the deficit by taking away revenue.

The A.T. & T. did have an income of $1 billion last year. Think of it. But if anyone is weeping about the user, let him remember that New York and other States will levy a corresponding tax immediately.

A group of Governors discussed this subject with the Secretary of the Treasury and others in a State-Federal conference and suggested that it not be done because they would be under pressure to put the tax back. By that time, damage to the revenues of the Treasury will have been done.

It is no wonder that there was such an entreaty on the part of a man who agonizes himself to administer the budget and the expenditures of the country and to keep our fiscal affairs on an even keel. He pops out of his office, comes up to the Hill, and enjoins a Senator to make the best kind of answer he knows. Yes, we promised, but the conditions have changed, and it is the Congress that made the promise and that changed the conditions. Oh, how we changed them only last week.

I yield 1 minute to the distinguished Senator from Utah.

Mr. BENNETT. Mr. President, I should like to make two observations. First, when this tax was set to expire in July, it was placed in the same class with a large number of other taxes that expire every year and require a review. Prior to that time it had been a permanent tax.

The other observation is that as a member of the Finance Committee, I endeavored to keep track of all the pressure that was being applied to remove this tax, and all the pressure I have found has been from the telephone company itself or from leaders inspired by the company, which has conducted a very vigorous campaign to remove the tax.

As has been pointed out clearly, though the tax is a nuisance to the company, it does not interfere with its revenue. I hope the Senate will support the position of the majority leader.

Mr. DIRKSEN. I yield 1 minute to the distinguished Senator from Colorado.

Mr. ALLOTT. Mr. President, I shall support the two leaders of the Senate in their endeavor. I must say frankly that when I came here this year it was my intent to vote not to renew this tax. Events of the past 3 weeks, not only world events, but also events which brought about the appropriation of the additional money that we put in the defense budget, plus other money which I think is not as necessary, but which Congress this year has voted, make it incumbent upon me to reverse my thinking on the question, and to vote for the resumption of this tax.

It is a burden upon the telephone company. There is no question about it. The person who pays it is Mr. John Q. Public. We must never forget that. But if we continue to vote large appropriations, many of them over the budgeted amounts, all of which I have resisted except the appropriation for the Department of Defense, then without impugning the motives or the thinking of anyone else, my own personal sense is that I can only vote to continue these taxes.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KERR. Mr. President, how much time remains?

The PRESIDING OFFICER. The proponents have 4 minutes remaining; the opponents 1 minute.

Mr. KERR. I yield 2 minutes to the Senator from Minnesota [Mr. McCARTHY].

Mr. McCARTHY. Mr. President, I support the committee recommendation. What we are going through today is something we experience every year when the House sends over the corporate profits and excise tax bill just about a week before the terminal date of June 30, and every year they bring up that old bottle of bourbon and say that if we do not collect an excise tax on it, we will never get it. So the Senate is then expected to vote anything that comes over to us, so we can collect the excise tax on the bottle of bourbon.

This is the only bill on which the Senate has an opportunity to enact any kind of substantial legislation each year, and I think we ought to ask the House, if it is concerned about our fiscal responsibility, to send the bill over to us some 6 weeks before the June 30 date, so we can work on it.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. JOHNSON of Texas. I agree heartily with the wise suggestion made by my friend and former Member of the House Ways and Means Committee. I would like to enlist his assistance now to make a plea to the chairman of the House Ways and Means Committee and the other members of the committee, who hold the Senator from Minnesota in such high esteem, because I remember that they talked to me about him as he was entering this body. If he could use his wonderful persuasion upon them, perhaps his suggestion could be carried out, and I assure him he will have my full support in his endeavor.

Mr. McCARTHY. I appreciate the remarks of the Senator from Texas. I think the members of the committee were more responsive when I was on the committee. At least, we were not faced with the prospect of passing on H.R. 10, as we are faced with the prospect of passing on it this year.

The bill as reported by the House to the Senate involves $365 million. The House sent the bill to us during the last month. I should like to call attention to one further point, and that is the question of fiscal responsibility. The report which was submitted with the bill shows at page 5 the kind of tax legislation the administration really wants. There are listed on page 5 the programs and items which the Treasury says may affect the budget surplus. They are all excise taxes or sales taxes, with the exception of the little tax on cooperatives. There are listed there the extension of the telephone tax; the extension of the excise tax on transportation of persons; the increase in the postal rates, which is an indirect excise tax; the recision of diversion of automobile taxes; the excise tax on forest and public lands highways. With the exception of the cooperative tax, I do not know of any tax listed there that is not an excise tax or a sales tax. The administration makes no recommendation with regard to closing any loopholes in the present tax law. I think it is about time, from this very day on, to show that we are not concerned only with excise taxes, but with recommending some taxes which will close loopholes. This is the time to start.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. DIRKSEN. How stands the time?

The PRESIDING OFFICER. The proponents have 2 minutes remaining; the opponents have 1 minute remaining.

Mr. DIRKSEN. What is the pending business before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment to strike out lines 10 and 11 on page 3 of the bill and to insert section 203 on page 5 of the bill.

Mr. DIRKSEN. The pending business is the approval of the amendment inserted in the House bill by the Committee on Finance under which the telephone tax would be repealed, losing thereby $360 million, or approximately that, in fiscal year 1961, to the general revenues of the Treasury. Is that correct?

The PRESIDING OFFICER. The Chair cannot pass upon the accuracy of the figures, but the question is correct.

Mr. DIRKSEN. So that a vote of yea would be a vote for the Finance Committee amendment, which would cut this revenue from the Treasury. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DIRKSEN. And a vote of "nay" would save the revenue for the Treasury.

The PRESIDING OFFICER. The Senator is correct.

Mr. KERR. I yield myself 30 seconds. I dislike to rise to say that the statement by the Presiding Officer is in error. However, the facts compel me to do so. A vote of "yea" is not a vote to repeal the tax on the use of telephones. A "yea" vote is a vote to continue the repeal of the tax on the use of telephones, which Congress repealed last year. That is what a "yea" vote does.

In addition to that, Mr. President, it does repeal the excise tax on telegram charges, and it imposes an excise tax on charges for the use of leased lines of telephone users.

I know that the minority leader is happy to have an accurate statement. With all humility I suggest to the Presiding Officer that that is a correct statement of what is before the Senate.

The PRESIDING OFFICER. The Chair states that a "yea" vote will sustain the committee's position. A "nay" vote will reject the committee's position.

Mr. JOHNSON of Texas. Mr. President, I yield myself 2 minutes.

Mr. President, it is my intention to vote against this amendment.

Like all my colleagues, I realize that this tax is one which represents a burden upon many people. Nevertheless, I feel that this is a period of our history when we must be willing to shoulder our burdens in a responsible, adult manner.

All of us here are aware of the events of the past few weeks and the events which will probably take place in the future. They can be summed up briefly but brief though they may be, they are still stark and compelling.

Premier Nikita Khrushchev broke up the Paris Conference at which the strong nations of the world were supposed to discuss the possibilities of peace.

The break-up of the Paris Conference was followed by an immediate threat to West Berlin—a threat which still hangs over the heads of the free world.

A peaceful visit by the President of the United States to a friendly nation had to be called off because of rioting and the possibilities of violence.

A peaceful visit by the President of the United States to Formosa was greeted by the merciless and indiscriminate shelling of the offshore islands by the Chinese Communists.

Right down the road is the prospect of a visit by Premier Khrushchev to Cuba—a visit to a country right on our doorstep which has unforeseen but menacing implications.

No one can doubt that world communism has launched a massive offensive to humiliate and weaken the United States. It is going to take all of our imagination, our foresight, and our boldness to counter that offensive.

It is also going to take all of our strength—not only military strength but fiscal, economic, and moral strength.

One of our acts this year—an act which I approved fully—was to increase our Nation's defense budget by $1,179 million. I think that this increase was long over-

due but the events of the past few weeks certainly highlighted the necessity.

Another action we have taken was to increase our Labor-HEW appropriation by $464 million—the greater part of which was designed for research into the crippling and killing diseases. Again, I believe this action was justified.

But, Mr. President, in a moment so critical I am not going to vote to increase spending and to decrease taxes. I do not like to pay taxes any more than anyone else in this country. But I like even less than paying taxes the prospect of weakening the Nation.

The amendment before us would cut our tax revenues by almost precisely the amount that we increased spending in the Labor-HEW bill. This is something that I could not justify to my conscience or to my fellow Americans.

Our country is facing great peril. I have every confidence in the capacity of our country to survive that peril. We have the strength, we have the courage, we have the necessary love of freedom.

But this is a world in which only those who are willing to shoulder the responsibilties of freedom will enjoy the blessings of freedom. I think one of the responsibilities of freedom is to maintain a sound fiscal structure even though it may hurt, and therefore, I am going to vote against this amendment.

I ask unanimous consent that a memorandum on the telephone tax be inserted in the RECORD at this point. The figures on telephone company income completely disprove, in my opinion, the contention that this tax has restricted telephone usage.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM RE TAX ON GENERAL TELEPHONE SERVICE

This tax on general telephone service was first imposed by the Revenue Act of 1941. The initial rate was 6 percent. The rate was increased in 1942 to 10 percent and in 1943 to 15 percent. Under the provisions of the Excise Tax Reduction Act of 1954 tax was reduced to 10 percent.

In fiscal year 1959, $398 million was realized from this tax. For fiscal year 1960, it is estimated that the tax will be $435 million. For 1961, it is estimated it will be $463 million, which is the loss which will be suffered if the tax is repealed.

This tax, while collected by the telephone companies, is passed on to the users. It is not a tax on the telephone companies themselves.

While it has been contended that the existence of the tax restricts telephone usage, the facts covering income earned by telephone companies in the United States and the increased number of phones installed do not support this contention.

The American Telephone & Telegraph Co. is now the country's largest single taxpayer, paying taxes at the present time of over $1 billion a year. In 1959, the American Telephone & Telegraph Co. had net income before taxes of over $2 billion. The company's net operating income has increased in each of the last 10 years and in 1959 was nearly four times the amount of the earnings in 1959.

Phones in use increased 3½ million from 1958 to 1959 and the increase is continuing.

In addition, since telephone companies are subject to regulation by public utility commissions, while they are limited in the increases that can be put into effect they also have a very effective protection against decreases which would bring them to a point of operating loss.

It is not believed that a removal of the Federal tax would result in a savings to telephone users and New York has already enacted a tax on local telephone service to become effective if the Federal tax is removed. It is believed that other States would follow this lead. The Governor of New Jersey has already in a message indicated that his State might consider a tax in this field.

It has been said that the Treasury Department in connection with meetings of the joint Federal and State Action Committee had indicated a willingness to relinquish this tax. This is not correct. The Federal Government did propose to the Federal and State Action Committee that the States take over some specified functions now carried by the Federal Government. These included vocational education and waste treatment, etc. It was said if the States did take such action, the Federal Government would give up 4 percentage points on the local tax reducing the Federal tax from a tax of 10 percent to 6. It was intended that these 4 points so surrendered would be picked up by the States. However, Governors did not indicate interest in taking back the functions specified as a condition of the Federal Government surrender of the tax.

Mr. JOHNSON of Texas. Mr. President, in summary, the Finance Committee action by adopting amendments reduced the full year receipts under the bill as follows:

	(*In millions*)
Repealed general telephone service tax	−$463
Retained tax on certain wire services	+5
Net reduction	−458
Exempted domestic telegrams	−18
Repealed transportation of persons tax	−260
Total reduction	−736

The figures are based on those in the budget for 1961.

The PRESIDING OFFICER. All time for debate has expired. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Massachusetts [Mr. KENNEDY] are necessarily absent.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

On the vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Missouri [Mr. HENNINGS]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Missouri would vote "nay."

The Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from New Jersey [Mr. WILLIAMS]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from New Jersey would vote "yea."

I further announce that if present and voting, the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from Maryland [Mr. BEALL] and the Senator from New Hampshire [Mr. COTTON] are detained on official business. If present and voting, the Senator from Maryland [Mr. BEALL] and the Senator from Arizona [Mr. GOLDWATER] would each vote "yea."

The result was announced—yeas 30, nays 54, as follows:

[No. 237]

YEAS—30

Anderson	Gore	Morse
Bible	Johnston, S.C.	Moss
Brunsdale	Jordan	Mundt
Butler	Keating	Proxmire
Byrd, W. Va.	Kerr	Randolph
Cannon	Long, La.	Smathers
Chavez	McCarthy	Smith
Dworshak	McGee	Talmadge
Engle	Mansfield	Young, N. Dak.
Frear	Martin	Young, Ohio

NAYS—54

Aiken	Ervin	Monroney
Allott	Fong	Morton
Bartlett	Fulbright	Murray
Bennett	Gruening	Muskie
Bush	Hart	O'Mahoney
Byrd, Va.	Hayden	Pastore
Carlson	Hickenlooper	Prouty
Carroll	Hill	Robertson
Case, N.J.	Holland	Russell
Case, S. Dak.	Hruska	Saltonstall
Church	Jackson	Schoeppel
Clark	Javits	Scott
Cooper	Johnson, Tex.	Stennis
Curtis	Kuchel	Symington
Dirksen	Lausche	Thurmond
Dodd	Long, Hawaii	Wiley
Douglas	Lusk	Williams, Del.
Ellender	McClellan	Yarborough

NOT VOTING—16

Beall	Green	McNamara
Bridges	Hartke	Magnuson
Capehart	Hennings	Sparkman
Cotton	Humphrey	Williams, N.J.
Eastland	Kefauver	
Goldwater	Kennedy	

So the committee amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the committee amendment was rejected.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I have spoken to the distinguished Senator from Florida [Mr. SMATHERS] concerning the next amendment, in which he is vitally interested. Many Senators are now in the Chamber. I think we can modify our unanimous-consent agreement and allow 10 minutes to a side. The Senator from Florida will have control of 10 minutes and the leadership will control 10 minutes.

I ask unanimous consent that the agreement be so modified, and I ask Senators to remain in the Chamber so that we may vote promptly on the next

amendment. I think the lines have been drawn and the sentiment of the Senate has been expressed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. On page 3, it is proposed to strike out lines 12 and 13, and on page 7, starting on line 21, to insert "SEC. 204."

Mr. JOHNSON of Texas. Mr. President, I yield 10 minutes to the Senator from Florida.

Mr. SMATHERS. Mr. President, last year the Senate voted the repeal of the excise tax on the transportation of persons by a vote of 79 to 0. At that time a deficit of some $11 billion had been predicted.

Like the Senator from Oklahoma and the Senator from Tennessee, and other Senators, I am somewhat shocked by the cries of fiscal responsibility which we have seen suddenly break out on the part of many Senators.

I hold up the hand of the able chairman of the Finance Committee, the Senator from Virginia [Mr. BYRD], because he always votes in a consistent way.

But it seems to me the question of fiscal responsibility means different things, according to what one believes in. I know that the many Senators who favored enactment of depressed-area bills and aid-to-education bills and Federal housing bills believe those programs are perfectly all right, and believe that fiscal responsibility is shown by Senators who vote for them.

On the other hand, when a bill which calls for a program they do not like comes along, then, somehow or other, Senators on the opposite side become fiscally irresponsible.

Mr. President, so far as I am concerned, I believe that repeal of the tax on the transportation of persons will be completely fiscally responsible. When the time comes that we vote on other large items, such as the foreign aid bill, it may be that I will not agree to vote for all of those proposals; and in voting against some of them I would be voting in favor of having a balanced budget, which would ensue if all Members voted in accordance with my view.

Mr. GORE. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield.

Mr. GORE. In addition to fiscal responsibility, is there not another yardstick with which the Senate should measure the various revenue proposals—namely, fairness? Was not this tax imposed for the purpose of discouraging travel during World War II?

Mr. SMATHERS. The Senator from Tennessee is absolutely correct.

Mr. President, we have heard a great deal here on the floor today about the new crisis in Japan and about new crises all over the world. We have heard much said about the fact that the summit conference broke down; and it has been said that, therefore, we should go back, the other way.

But, Mr. President, I can tell you that if this country faces a crisis of serious proportions—and it may likely do so—there will be nothing more important to the country than to have an alert, alive, vigorous, and effective national transportation system.

What are some of the statistics today in regard to that system? In the hauling of passengers alone, last year, the railroads lost $543 million. There are less passenger railroad cars today than there have ever been in the history of the United States since the railroad industry grew up, and that was many, many years ago. If that trend continues the way it is going now, there will be no adequate railroad system for the transportation of passengers in the United States. What will happen Mr. President if we do become involved in a crisis? Then, in order, to show responsibility, we would have to appropriate large sums of money, to try to make up for the neglect we have evidenced toward the transportation system today.

In addition, the airline industry has been picking up the bulk of the transportation of persons throughout the country. Last year, in the first 3 months, the airlines showed a net profit of $7½ million. But this year for a comparable period, the airline industry shows a deficit to $13½ million. Then too in this past year more than 30 intercity busline companies have gone out of existence.

Mr. President, we already have on the statute books laws which allow the airlines to be subsidized. Perhaps some persons think we should do that; but I do not, if we continue as we are going. It is evident from the facts I have related that our national transportation system is on the decline. The repeal of this tax will provide an essential economic incentive to strengthen this system vital to us in times of peace and emergency.

But, Mr. President, if we continue this tax which discourages people from riding buses, airplanes, and trains we shall have to eventually revert to subsidy in order to have a strong transportation system in time of emergency.

Mr. President, this situation does not make a great deal of sense—this sudden breaking out of so-called fiscal responsibility in connection with this particular issue.

Mr. ANDERSON. Mr. President——

Mr. CARROLL. Mr. President——

Mr. SMATHERS. Mr. President, I wish to make one other point, and then I shall yield.

Let me say this tax is highly discriminatory in two ways. First of all, if one who lives in Houston, Tex., wishes to take a trip to Europe, this summer, will he ride on American airlines? No, because the 10 percent travel tax will apply as to them. Instead, he will ride on Air France or KLM. Obviously, people want to save all they can.

By retaining this regressive and discriminatory tax we encourage people to avoid using American-owned airlines, and travel on foreign-owned airlines. They even go to Canada, today, in order to travel to the west coast; they decide to ride across Canada, on their way to the west coast, because in that way they can save money, because of the 10-percent tax which applies only to our own domestic transportation system.

Mr. CARROLL. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. CARROLL. I am very much impressed by the able arguments of the distinguished Senator from Florida.

It was with extreme reluctance that I declined to support the proposal to remove the telephone tax. I took this action because I did not think this country could stand the loss of revenue at a time when the climate of world politics has changed so violently placing the security of this Nation in jeopardy.

But for the same reason the able Senator from Florida urges now, and I commend him for it—I intend to vote for—removal of the tax on the transportation of persons. The desperate economic plight of the railroad industry is well known. We need a strong railroad industry in the interest of national security. Furthermore the tax is regressive, inequitable, and antiquated. It should be removed.

Let me ask the Senator from Florida how long ago we removed the tax on the transportation of freight.

Mr. SMATHERS. We removed it 3 years ago.

Mr. CARROLL. It seems to me the time is long overdue to remove the tax on the transportation of persons. This is a World War II emergency tax to discourage travel. We should repeal it in the hope its removal will strengthen our national security by improving the economic health of the railroad industry.

I could not subscribe to the view of the able Senator from Florida on the first amendment on which we voted; but I intend to vote with him on this issue.

Mr. SMATHERS. I thank the Senator from Colorado.

Mr. ANDERSON. Mr. President, will the Senator from Florida yield to me?

Mr. SMATHERS. I yield.

Mr. ANDERSON. I wish to congratulate the Senator for not talking more about fiscal responsibility in connection with the position of the Democratic members of this committee.

In the subcommittee, 10 Democratic Senators voted to remove the telephone tax, and only 1 Democratic Senator voted the other way. Certainly that justifies a rather severe indictment as regards irresponsibility.

If we examine the votes on some of the other measures, we shall find the source of much of the pressure for the enactment of measures for health, welfare, and other programs.

Inside the committee, no member worried enough about this matter even to ask that a vote be taken on it—neither yea-and-nay vote nor any vote at all, inside the committee.

Mr. SMATHERS. I thank the Senator from New Mexico.

Mr. SCHOEPPEL. Mr. President——

Mr. SMATHERS. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I wish to associate myself with the view of the Senator from Florida [Mr. SMATHERS] with reference to this transportation tax. As he knows, in the long series of hearings which was held we found out the plight of the railroads and the discrimination effected by

the tax on the American transportation systems, especially the airlines.

I can see a very decided distinction between the telephone tax and the tax on the transportation of persons; and on this issue I intend to support the position of the Senator from Florida.

Mr. SMATHERS. I thank the Senator from Kansas.

Mr. President, I reserve the balance of my time.

Mr. JOHNSON of Texas. Mr. President, the distinguished chairman of the committee, the Senator from Virginia [Mr. BYRD], tells me that a vote was taken on this amendment in the committee; and I wish to ask the Senator from Delaware [Mr. WILLIAMS] whether he agrees as to that.

Mr. WILLIAMS of Delaware. Yes; in the committee, a vote was taken; and the result of the vote was 10 to 6, with the 6 votes being against the amendment—that is to say, against the proposal for the repeal of this tax.

Mr. BYRD of Virginia. Yes, Mr. President; we did take a vote in the committee; and the result of the vote was 10 to 6.

Mr. JOHNSON of Texas. Mr. President, I wish to make it clear that I am not referring to any particular group of Senators, either Democratic or Republican.

I am concerned with the people of Houston, Tex., and with their welfare; and I am here to speak for them and to be as helpful to them as I think the circumstances and the facts justify.

But I shall not shed any crocodile tears about a person who can afford to buy a roundtrip ticket from Texas to Europe—although, of course, I do not think such a person would leave Texas without buying a roundtrip ticket. [Laughter.]

This tax was first imposed at a rate of 5 percent back in 1941. The tax on the transportation of persons has been in effect for the last 19 years. It was increased to 10 percent in 1942 and again to 15 percent in 1943. The amount collected was approximately $227 million in fiscal 1959. In fiscal 1961, it is estimated it will be about $260 million. In fiscal 1960 it is estimated that 64½ percent of this tax will come from airline transportation, 16 percent from motor carriers, 19 percent from railroad travel, and one-half of 1 percent from coastal and inland waterways.

I should like to see this tax repealed. I wish the fiscal situation were such that we could repeal it, but I recall a rather classical statement which was made in the Texas Legislature when a member was asked, "Are you against the sales tax?" He said, "Yes; I am against all taxes."

I think all of us vote to levy taxes with strong reservations. But with the situation of the world what it is today, I do not think it is wise or prudent for us to say to the people who are traveling and to the airline people and to the railroad people and the others who do not oppose this repeal that we are going to deprive the Treasury of $260 million.

The major burden of this tax falls on the airlines. I think all of us know it is not restricting airline travel. The number of passengers carried by the airlines is increasing substantially each year. The Federal Government is rather generous with the airlines. We appropriate millions of dollars for safety facilities, communications facilities, and airport facilities that are utilized by the airlines.

I look forward to the day when we can repeal the tax on travel, but the time to repeal it is not when Chinese Communists are bombing Quemoy, when the Communists are disrupting the summit, when the President is confronted with more problems than ever before, when the Congress, in its wisdom, is raising the defense budget. I think the tax should continue for 1 more year. I look forward to the day when we can repeal it but this is not the day.

Mr. President, I yield 1 minute to the Senator from Massachusetts [Mr. SALTONSTALL].

Mr. SALTONSTALL. Mr. President, as one who sits on the Armed Services Committee and on the Defense Subcommittee of the Appropriations Committee, I wish to confirm what the majority leader has said. We are much concerned with our security today. We have increased the defense appropriation by $1,350 million above the President's budget, about $80 million for satellites, and have added about $500 million above the budget for health research and hospitals for our people.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Mr. President, we have a limited amount of time. I yield 1 more minute to the Senator from Massachusetts.

Mr. SALTONSTALL. I need just 30 seconds. We have refused to increase postal rates. We must be insistent that we live up to our own responsibilities for our security and for our health. These are two matters that I mention because they concern our security. Let us not, by budget deficits, pass on our own responsibility to our children and our grandchildren. We should do what we ought to do, and we ought to do it for ourselves at the present time.

For these reasons, much as I and all the rest of us would like to reduce our taxes, I am for continuation of the telephone tax and the transportation tax.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, first, I wish to commend the Senator from Texas for his leadership. The country is asking for leadership. The people will do those things that are needed to secure the future of our Nation. I believe in the last 3 days there have been indications here that we will tell them what is needed.

I merely point out that, with reference to cargo taxes, the railroads claim that unless those cargo taxes are removed, private corporations will continue to develop their own trucking systems. They have said the tax on cargoes is harmful. It was not argued that by relieving the railroads of the passenger tax they could compete better with the airlines. That argument was not made. In my opinion, we shall not be helping the railroads at all by removing that tax.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I want to join the leadership and the chairman of the committee in urging the rejection of this amendment.

I should like to make a parliamentary inquiry first in order that we may get clear the effect of the amendment pending. Would the Chair have the clerk state the amendment? The reason I ask the question is this: Does the Senator from Florida intend that we first vote on the repeal of the full 10 percent tax on transportation or just on the repeal of 5 percent?

Mr. SMATHERS. On the 10 percent.

Mr. WILLIAMS of Delaware. That is what I thought you intended, but I do not think the clerk so stated. I wonder if the Chair will have the clerk state the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, lines 12 and 13, strike out all the language.

Mr. WILLIAMS of Delaware. I call to the attention of the Senator from Florida that the amendment which the clerk has just stated covers only 5 percent, which would involve $145 million, whereas section 204 of the bill takes care of the other 5 percent.

The PRESIDING OFFICER. The Chair will state the pending question is on lines 12 and 13 on page 3 of the bill, striking out that portion, and inserting section 204.

Mr. WILLIAMS of Delaware. With that understanding we are voting on the full 10 percent.

The PRESIDING OFFICER. Yes.

Mr. WILLIAMS of Delaware. As I understood the clerk when he stated the first amendment, he did not include the last part.

Mr. DWORSHAK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DWORSHAK. Can we have a separate vote, a vote first on the 5 percent, and then subsequently on the other.

The PRESIDING OFFICER. The Chair will state that the request was made earlier to combine the two. It was agreed to by the Senate without objection.

Mr. DWORSHAK. When was the request made?

The PRESIDING OFFICER. Earlier this morning, before the vote on the first amendment; and the yeas and nays have been ordered on this combination.

Mr. DWORSHAK. It is a poor way to run a railroad. [Laughter.]

Mr. President, I make a demand for a separation of these two votes. Are we voting only on the 5 percent or on the elimination of the whole thing?

Mr. SMATHERS. Mr. President, we shall be voting on the elimination of the whole thing. If it is defeated, and the Senator wishes to offer an amendment later to make it 5 percent, that will be in order; but the point is, we are voting now

on whether to eliminate the 10 percent tax on the transportation of persons.

Mr. WILLIAMS of Delaware. Mr. President, approval of the pending amendment would result in a $290 million loss in projected revenues for a full year. Five percent of the tax is due to expire June 30 if there is no action by the Senate, and the other 5 percent involves repeal of the 5 percent permanent tax. I certainly hope the Senate will follow its previous action and reject the committee amendment. Let us not deprive the Treasury of $290 million in revenues prior to the time we can balance the budget.

I join other Members of the Senate in hoping that we can soon achieve a real balanced budget so we can cut not only this tax but a lot of other taxes, but we have failed to cut these appropriations. We have not yet closed this fiscal year with a balanced budget. As one Senator, I am not going to vote for any tax cut, no matter how meritorious, until we have by our actions reduced appropriations so that we can have a real balanced budget and not merely an imaginary one.

Mr. JOHNSON of Texas. Mr. President, how much time is left on either side?

The PRESIDING OFFICER. The proponents have 2 minutes remaining, and the opponents 1 minute.

Mr. SMATHERS. Mr. President, I yield one-half minute to the able Senator from New Mexico.

Mr. ANDERSON. Mr. President, I desire to correct the RECORD. I said that there was no rollcall vote. The record of the committee, which has been presented to me, shows there was a rollcall vote. Ten Democrats voted for and one Democrat and five Republicans voted against this proposal. I was in error as to the vote.

Mr. SMATHERS. Mr. President, I wish every Senator who says now he is not going to vote for the repeal of the transportation tax on persons will ask himself how far he will go when the officials of our Government and the people themselves say, "We are in a serious situation and we need some money to revitalize our transportation industry." Then what will Senators vote for?

Mr. President, that day is coming as surely as that we sit here. One of the reasons is that this tax has been a regressive tax. It was regressive in its origin. It was put on the statute books mainly to discourage people from riding on the trains and aircraft. That is what it did and continues to do.

We have the situation at Quemoy today with the bombs falling, as the majority leader said, and crises all around. We cannot run down in a hole and sit until they pass away. We must take affirmative action when the situation calls for such action.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. SMATHERS. We must have transportation. This is the kind of proposal which will help to revitalize our transportation system to cope with any emergency situation that may arise. A step in this direction would be the repeal of this discriminatory, arbitrary, and regressive excise tax on the transportation of persons. Its repeal is long overdue.

Mr. DIRKSEN. Mr. President, how much time remains?

The PRESIDING OFFICER. One minute remains for the opposition.

Mr. DIRKSEN. Mr. President, one of Dickens' great characters, Micawber, said:

> Annual income twenty pounds, annual expenditure nineteen nineteen six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.

In the last expansive week there was provided a billion dollars for housing; a half billion dollars over the budget estimate for the Department of Health, Education, and Welfare; $500 million for projects for rivers and harbors; a billion and a quarter dollars extra for defense. We have to have money to operate the Government. On top of it all, to reduce revenues and to deny the Government other revenues will result in a deficit and danger.

Surely there is a reason why the Secretary of the Treasury sat in my office this morning, along with the majority leader, and entreated and pled and hoped that this would not be done to jeopardize the stability and the solvency of our economy. We must consider the terrific financial load he carries, for he must refinance the public debt and keep the budget in some kind of balance. Is the budget process to go out of the window at the hands of the Congress? Are we going to accept responsibility? Everything dictates that the amendment should be defeated in the interest of our country—not for Democrats, not for Republicans but for our country, in a world which is filled with fever.

Mr. President, I hope we can pass the House bill without any amendment whatsoever.

Mr. GRUENING. Mr. President, will the minority leader yield for a question?

Mr. DIRKSEN. I believe my time has expired.

Mr. GRUENING. The Senator is aware that this is the year the President of the United States has designated as "Travel America Year." Do we not wish to do everything we can to help our transportation arteries?

Mr. DIRKSEN. When one can travel abroad I think one can pay the taxes.

The PRESIDING OFFICER. All time for debate has expired.

The question is on agreeing to the committee amendment, relating to the tax on transportation of persons. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Massachusetts [Mr. KENNEDY] are necessarily absent.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Michigan [Mr. MCNAMARA]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Michigan would vote "yea."

The Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Washington would vote "yea."

I further announce that if present and voting, the Senator from Indiana [Mr. HARTKE], the Senator from Minnesota [Mr HUMPHREY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate.

The Senator from Maryland [Mr. BEALL], and the Senator from New Hampshire [Mr. COTTON] are detained on official business. If present and voting, the Senator from Maryland [Mr. BEALL] and the Senator from Arizona [Mr. GOLDWATER] would each vote "yea."

The result was announced—yeas 29, nays 55, as follows:

[No. 238]

YEAS—29

Anderson	Gruening	Moss
Bible	Javits	O'Mahoney
Butler	Johnston, S.C.	Proxmire
Byrd, W. Va.	Kerr	Randolph
Cannon	Long, La.	Schoeppel
Carroll	McCarthy	Smathers
Dodd	McGee	Smith
Engle	Mansfield	Talmadge
Frear	Martin	Young, Ohio
Gore	Morse	

NAYS—55

Aiken	Ervin	Morton
Allott	Fong	Mundt
Bartlett	Fulbright	Murray
Bennett	Hart	Muskie
Brunsdale	Hayden	Pastore
Bush	Hickenlooper	Prouty
Byrd, Va.	Hill	Robertson
Carlson	Holland	Russell
Case, N.J.	Hruska	Saltonstall
Case, S. Dak.	Jackson	Scott
Chavez	Johnson, Tex.	Stennis
Church	Jordan	Symington
Clark	Keating	Thurmond
Cooper	Kuchel	Wiley
Curtis	Lausche	Williams, Del.
Dirksen	Long, Hawaii	Yarborough
Douglas	Lusk	Young, N. Dak.
Dworshak	McClellan	
Ellender	Monroney	

NOT VOTING—16

Beall	Green	McNamara
Bridges	Hartke	Magnuson
Capehart	Hennings	Sparkman
Cotton	Humphrey	Williams, N.J.
Eastland	Kefauver	
Goldwater	Kennedy	

So the committee amendment to strike out the language on page 3, lines 10 and 11, and to insert a new section 204, beginning at line 21, page 7, was rejected.

Mr. DIRKSEN. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, in order that Senators may make their plans accordingly, since there have been two record votes and some very meritorious discussion today, during which time a good attendance of Senators was present, I wonder if it might be agreeable to the Senate to have 30 minutes debate on each side on amendments and 2 hours on the bill. Time could then be yielded on any amendment that ran over the limitation, but that would give us an hour on amendments and 2 hours on the bill, and Senators could remain in the Chamber. We could have a good audience and get some action on the amendments.

The PRESIDING OFFICER. Is there objection?

Mr. LONG of Louisiana. Mr. President, I am not prepared to agree to that request at this time. Therefore, I must object.

Mr. JOHNSON of Texas. Would the Senator agree to a modification of the request in order to accommodate all Senators?

Mr. LONG of Louisiana. I am not prepared to make such agreement at this time. I have no objection to an agreement on any particular amendment.

Mr. JOHNSON of Texas. Will the Senator agree to accept the limitation except as to his amendment, upon which we might reach an arrangement, while Senators are present to hear the discussion?

Mr. LONG of Louisiana. The Senator from Tennessee [Mr. GORE] has an amendment or two to offer. He is entitled to be consulted. Has he agreed to the limitation?

Mr. JOHNSON of Texas. No.

Mr. LONG of Louisiana. I have no objection to an agreement upon a pending amendment or any particular one, but I cannot agree to a general arrangement.

The PRESIDING OFFICER. The bill is open to amendment.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. SHEPPARD, Mr. CANNON, Mr. FORD, and Mr. TABER were appointed managers on the part of the House at the conference.

The message communicated to the Senate the intelligence of the death of Hon. DOUGLAS H. ELLIOTT, late a Representative from the State of Pennsylvania, and transmitted the resolutions of the House thereon.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (S. 899) to repeal certain provisions of law requiring the submission of certain reports to Congress, and for other purposes, and it was signed by the President pro tempore.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

The Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain excise tax rates.

Mr. McCARTHY. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Minnesota.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following:

SEC. 6. Repeal of credit against income tax for dividends received by individuals.

(a) REPEAL OF SECTION 34.—Effective with respect to taxable years beginning after December 31, 1960, section 34 of the Internal Revenue Code of 1954 (relating to credit for dividends received by individuals) is repealed.

(b) TECHNICAL AMENDMENTS.—

(1) The table of sections for part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 is amended by striking out "SEC. 34. Dividends received by individuals."

(2) Section 35(b)(1) of such code is amended by striking out "the sum of the credits allowable under sections 33 and 34" and inserting in lieu thereof "the credit allowable under section 33."

(3) Section 37(a) of such code is amended by striking out "section 34 (relating to credit for dividends received by individuals),".

(4) Section 584(c)(2) of such code is amended by striking out "section 34 or".

(5) Section 642(a) of such code is amended by striking out the first sentence, and by striking out "section 34 and" in the second sentence.

(6) Section 702(a)(5) of such code is amended by striking out "a credit under section 34,".

(7) Section 854(a) of such code is amended by striking out "section 34(a) (relating to credit for dividends received by individuals),".

(8) Section 854(b) of such code is amended by striking out "the credit under section 34(a)," in paragraph (1) and by striking out "the credit under section 34," in paragraph (2).

(9) Section 1375(b) of such code is amended by striking out "section 34, section 37, or section 116" and inserting in lieu thereof "section 37 or 116".

(10) Section 6014(a) of such code is amended by striking out "34 or".

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply only with respect to taxable years beginning after December 31, 1960.

Mr. McCARTHY. On this amendment, can we agree on limitation of debate. I shall speak for no more than 5 minutes myself.

Mr. JOHNSON of Texas. Mr. President, in view of the statement of the proponent of the amendment, may we have a unanimous-consent agreement?

I ask unanimous consent that 15 minutes be granted to the proponents of the amendment and 15 minutes to the opponents.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. McCARTHY. Mr. President, this is the same amendment that was offered to the bill last year and adopted in the Senate by a vote of 46 to 31. It is essentially the same amendment which was adopted back in 1954 when the Internal Revenue Act with amendments to the act of 1954 were adopted. This amendment carried in the Senate, on a motion by Senator JOHNSON of Colorado, by a vote of 71 to 13. In the same year in the minority report of the House of Representatives, every Democratic member of that committee, save one, voted against including dividend credit in the amendments adopted in 1954.

Mr. President, the question of fiscal responsibility in providing sufficient revenue to meet the expenditures approved within recent weeks by this Congress has been raised. The action taken by the committee today would prevent the loss by the Senate of approximately $750 million. But this must be set against the fact that the appropriations for the Department of Defense have been raised by approximately $1,200 million, and the pay raise approved for Government employees will result in expenditures of approximately $750 million. The total of both increases is approximately $2 billion. If this amendment is adopted, it will increase Federal revenue by approximately $350 million.

Those who wish to vote for fiscal responsibility will be closer to fulfilling that responsibility by the adopting of this amendment. Those who are not concerned with fiscal responsibility will still have approved a billion dollars of expenditures in excess of revenue.

Most Senators are familiar with the effect of the amendment. It does not affect the $50 deduction. It will provide that the tax paid on salaries and wages will be the same as that paid on income derived from dividends. Under existing law a married man with two dependents who has a $10,000 income from wages or

salaries pays a tax of approximately $1,372. A man with two dependents who has an income of $10,000 from dividends pays a tax of approximately $1,091. That is a difference of approximately $280 in the amount of tax which is paid.

I have distributed to all Senators, by having it placed on their desks, a chart which shows who benefits from the dividend credit provision of the Internal Revenue Code. That chart is based upon 1957 figures. It shows that there are approximately 11½ million tax returns filed by people whose income is under $3,000. Of those 11½ million, only 2 percent make any claim for dividend income. The average tax saved amounted to about $18 for each return.

Persons with incomes of $20,000 to $25,000 file about 250,000 returns. Of these, 54 percent put in a claim for dividends. They saved on the average about $147.

If we move into the $100,000 to $150,000 bracket, we note that 14,000 tax returns were filed and that 89 percent of those filing such returns claimed a dividend credit. The amount saved, on the average, was $1,528 for each return.

If we move into the $500,000 to $1 million income bracket, we note that 578 returns were filed, and that 96 percent of those filing such returns claimed dividend credits, and saved approximately $10,470 on each return.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. DOUGLAS. I congratulate the Senator from Minnesota for offering the amendment. I should like to ask the Senator if it is not true that at one time income from interest and dividends was taxed at a higher rate than income from wages and salaries.

Mr. McCARTHY. The Senator is correct. An adjustment was made to bring it down to the point where it was taxed at the same rate.

Mr. DOUGLAS. We have moved from a period in which income from wages and salaries was taxed at a lower rate into a period in which income from earnings was taxed at an equal rate. Since 1954, since the Humphrey-Eisenhower bill, income from dividends is taxed at a lower rate than income from wages and salaries. Is that correct?

Mr. McCARTHY. In each Congress they found a new argument in the name of equity. They have moved now to a point at which the tax rate is lower on incomes derived from dividends than from wages and salaries, interest or rent.

Mr. DOUGLAS. Is it not true that this amendment was adopted last year by the Senate?

Mr. McCARTHY. Yes, by a vote of 46 to 31.

Mr. DOUGLAS. It was deleted in conference. Is that correct?

Mr. McCARTHY. That is correct.

Mr. DOUGLAS. Just as it was deleted in conference in 1954.

Mr. McCARTHY. The Senator is correct.

Mr. DOUGLAS. I thank the Senator.

Mr. McCARTHY. One additional point should be made at this time. Studies which were made by the Joint Committee on Internal Revenue Taxation and other reports which have been received by Congress indicate that there is a gap as between the dividends that are actually earned in this country and those which are reported on tax returns. The best estimate indicates that about 90 percent are reported and about 10 percent are not reported. In effect this means that about a billion dollars in dividend income goes unreported. If it were reported, with a tax rate of approximately 20 percent, at least, about 200 million to 250 million dollars in taxes would be collected.

Mr. DOUGLAS. However, the dividends which are reported are paid at a lower rate than wages and salaries which were earned.

Mr. McCARTHY. Yes.

Mr. DOUGLAS. The four percent deduction is not a deduction from taxable income, but from the tax itself.

Mr. McCARTHY. Yes, it is.

Mr. DOUGLAS. It may well reduce the total amount of the tax by more than 4 percent.

Mr. McCARTHY. Quite possibly, yes.

Mr. DOUGLAS. In fact, on the upper income it almost certainly does.

Mr. McCARTHY. A direct tax credit is given.

Mr. DOUGLAS. Against the tax itself, not against taxable income.

Mr. McCARTHY. Yes. It is not a deduction, but a direct tax credit.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. YOUNG of Ohio. First, I wish to compliment the Senator on the stand he has taken this year and on the identical position he took last year in presenting his amendment to the Senate. I associate myself with the fine argument he had made in behalf of his amendment. Does not the Senator feel that it is even more essential than it was last year that we support his amendment?

Mr. McCARTHY. Yes; especially in view of the action which has been taken by the Senate within the last 2 or 3 weeks.

Mr. YOUNG of Ohio. In addition to that, does not the Senator feel that we are living in a grim period of international anarchy, and that the tensions of the cold war have increased in recent weeks by the failure of the summit conference and by reason of the happenings in Japan? Should not the proposal of the Senator, which will add $350 million to our Treasury, be adopted, because the money can well be used in view of the fact that we shall need to add to our expenditures for our national defense?

Mr. McCARTHY. I certainly agree with the Senator from Ohio, and thank him for the contribution he has made. We should note also that the argument that we should continue the excise taxes because of the emergency situation is not particularly valid. It appears as though we are going to live in a kind of a permanent emergency. Therefore we should establish a fair tax base to carry us over the next 15 or 20 years, if it is necessary to do so. Instead of continuing what is called a temporary wartime excise tax, let us recognize the basic fault in the tax code and eliminate inequities and injustices. My amendment is an important step in eliminating such injustices and inequities.

Mr. YOUNG of Ohio. I should like to ask one further question. Is it not a fact that if the amendment offered by the Senator from Minnesota is adopted it will not cause any real hardship to any taxpayer of this country?

Mr. McCARTHY. It will not cause any hardship to taxpayers who are in any dire need.

Mr. YOUNG of Ohio. That is correct; although I believe the Senator from Minnesota will agree with me that taking these additional feathers will no doubt cause much additional squawking. Is not that correct?

Mr. McCARTHY. I understand the stock exchanges and the brokers have sent out something like 2½ million pieces of some kind of propaganda, and their principal plea concerns the hardship to widows and orphans. Of course, it is good to know that the stock exchanges are concerned with the widows and orphans. Perhaps it would be good to have them win in this particular instance because of this new-found concern of theirs. However, I believe that in the name of equity and justice more widows and orphans will be served by the adoption of this amendment than will be benefited if it is not agreed to.

Mr. YOUNG of Ohio. I again express agreement with the Senator from Minnesota, and compliment him.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. GRUENING. I ask the Senator from Minnesota whether, in addition to the desirable objective of bringing $335 million more into the Treasury at a time when we have increased some of the appropriations for important and desirable national needs, and when those of us who believe in fiscal responsibility feel it is necessary to compensate for these increases in various ways, there is not also a basic difference in philosophy between those who espouse this amendment, which has been considered before, and those who oppose it? And if so, whether the Senator from Minnesota would not like to discuss it briefly? I think an important issue is involved. There is perhaps more to it than merely the addition of revenue, however important that may be.

Mr. McCARTHY. The same point was raised by the Senator from Illinois [Mr. DOUGLAS], who pointed out that there is a basic question of tax philosophy, namely, whether earned income is to be taxed at a higher rate than unearned income.

The Senator from Illinois pointed out that the early practice was to tax dividend income at a higher rate than earned income—salaries, wages, interest, and rent.

The case for equity was that a taxpayer should not be taxed at a higher rate on unearned income than on earned income.

Mr. GRUENING. At what point was the philosophy proposed whereby the coupon-cutter and dividend recipient was offered a lower tax rate, a special privilege as against the wage earner?

Mr. McCARTHY. This was enacted in the code of 1954, when this 4 percent differential was incorporated in the act. As a matter of fact, the original recommendation of the Treasury, under Secretary George Humphrey, was that the dividend tax credit should be 10 percent. A compromise was reached when the Senate rejected the idea, and in conference the 4 percent dividend credit was agreed to.

Mr. GRUENING. Then the new philosophy was an Eisenhower-Nixon administration policy; was it not?

Mr. McCARTHY. It was first incorporated into law in the 1954 revision of the Internal Revenue Code. It was initiated by Secretary of the Treasury George Humphrey.

I might note that that tax reduction of some $3,500 million was approved by the administration in 1954 in the face of an anticipated deficit of $2,500 million.

The amendment seeks to accomplish two things. It will really establish justice in the income tax code; and it will demonstrate what has been called, on the floor of the Senate, namely, fiscal responsibility.

Mr. GRUENING. I congratulate the Senator from Minnesota on presenting his case so forcefully in such a good cause.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield, so long as I have time to yield.

Mr. McGEE. I have studied the Senator's amendment very carefully and am persuaded that in the light of the activity of the Senate in recent days it is certainly called for; and also that on the broader front of philosophy it is called for.

I am one who voted twice earlier today to reduce taxes in two specific fields. I mentioned that I had a live pair on each of those votes. The live pair was with my conscience. It seems to me that in order to fulfill my obligation to that conscience, it is necessary to find money to put into the Treasury to balance the operations with which we are concerned. I support the pending amendment and shall support one or two of the amendments yet to be proposed today in order to provide the money necessary.

I commend the Senator from Minnesota for proposing this particular amendment.

Mr. McCARTHY. I thank the Senator from Wyoming.

The PRESIDING OFFICER. The time in support of the amendment has expired.

Mr. KUCHEL. Mr. President, from the time in opposition, I yield 3 minutes to the Senator from Utah.

Mr. BENNETT. Mr. President, before we reimpose this burden on the investing public of America, I think the Senate might be interested to know the attitude toward this problem held by countries which are becoming our chief competitors, not only in the world market, but in our own market, as well.

Canada, in 1949, gave its investors a 10-percent tax credit; and in 1954 doubled that credit to 20 percent.

Japan allows a credit of 20 percent. Both of these credits compare with the 4-percent credit which exists in the United States, and which the Senator from Minnesota is seeking to have repealed.

West Germany, which has become very important in international affairs, taxes the undistributed profits of a corporation at 51 percent, which is about the same as our own rate; but if the profits are distributed, the tax drops to 1.5 percent, which is a very husky tax credit.

The United Kingdom has a rather complicated device for calculating tax credits on dividends.

We can go down the line. Australia and France tax income on corporations as though it were income to a partnership, thus completely eliminating the double tax. This is done as to certain corporations in France.

Other countries, including New Zealand and Mexico, completely eliminate dividends from the personal income base.

Because time is limited, I am unable to detail this material; but other countries also grant partial tax credit on dividends. They include Argentina and Finland, as well as Japan and Canada.

At a time when the American people are becoming very conscious of foreign competition, I do not believe we should consider burdening the investors in American business by reducing the very meager tax credit of 4 percent which was established in 1954.

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Mr. KUCHEL. Mr. President, I yield an additional minute to the Senator from Utah, to enable the distinguished senior Senator from New York to engage in a colloquy with the Senator from Utah.

Mr. JAVITS. Mr. President, will the Senator from Utah yield?

Mr. BENNETT. I am happy to yield.

Mr. JAVITS. I should like to observe that I have supported the dividend tax credit before. I do not believe it is a liberal versus a conservative measure. I shall again support this exemption from taxation, because I think far more is to be gained from interesting our people in security holdings as the real eventuation of our society than can be gained by the feeling, which I believe is very genuine, about any injustice involved in this particular tax.

I simply wanted to say that to the Senator from Utah, because I think it is a very important point for the consideration of Senators during the consideration of the bill.

Mr. BENNETT. I appreciate having that fact brought out by the Senator from New York. It is important to know that since the dividend tax credit became a part of the law, the number of Americans holding securities has approximately doubled. I think this is a very worthwhile provision in the law.

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Mr. KUCHEL. Mr. President, I yield 5 minutes to the able Senator from Connecticut.

Mr. BUSH. Mr. President, I am looking at the memorandum distributed to Senators by the sponsor of the amendment.

I observe that one of the paragraphs speaks about the equalization of the taxes of citizens who have income from salaries, wages, interest, and rents with those who have income from dividends.

The memorandum purports to show that under existing law, a married man with two dependents, and who has $10,000 of income from wages and salaries, pays a tax of approximately $1,372; whereas a married man with two dependents, and having an equivalent amount of income from dividends, pays a tax of approximately $1,091, a difference of approximately $280.

What about the fellow who does not have any earned income at all, but gets his income from tax-free bonds? If the sponsors of the amendment to close so-called loopholes really want to close one, why do they not propose to tax income from tax-free Government bonds?

Mr. McCARTHY. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I do not have the time to yield. Why do they not get busy and close that loophole? It is perfectly clear that the States are all opposed to such taxation. I know that. But after all, this kind of comparison is not valid, when the most inequitable and most unjust differentiation takes place between the person who pays no income tax because he does nothing but buy tax-free bonds.

In the fourth paragraph of the remarks made by my good friend, the Senator from Minnesota, he spoke of one of the principal arguments in support of the dividend credit—namely, that it would encourage people to invest in risk capital, rather than in Government bonds.

Today he has said there is need to provide incentive, so as to encourage people to purchase Government bonds. On the other hand, the same group of Senators is opposed to raising the interest rate ceiling on Government bonds—in short, is opposed to having the Congress make it possible for the Government to do what it should do in order to make its bonds attractive investments for those who have money to invest in long-term securities.

So I think the sponsors of this amendment are entirely inconsistent, because they oppose giving the Government the tools it needs in order to do its own financing. Instead, they favor keeping the Government's hands tied behind its back, by means of the interest rate ceiling.

Mr. President, the dividend credit was included in the tax reform bill passed in 1954, and it is now part of our tax system.

The business of suddenly bringing up a tax-reform measure shortly before the end of the session is, it seems to me, very bad practice.

The House Ways and Means Committee is working on a complete reform of our tax system, which is badly needed. I am sure that in connection with that reform, the Ways and Means Committee will consider this item, and I believe it should.

However, the business of selective tax repeal is most unwise; and I feel very sure—and last year we had a very good demonstration of it—that the House Ways and Means Committee would throw out this amendment in conference; and, thus, we run the risk of jeopardizing the receipt of $4 billion of income by means of the taxes we are discussing today. So we are dealing with a highly dangerous business, in this connection; and it could result in penalizing the Government, by keeping it from receiving billions of dollars of revenue which it must receive, revenue which is absolutely necessary for the conduct of the Government and in order to provide for the national defense.

Mr. President, my good friend, the Senator from Utah, has pointed out the fact that since the tax bill which provided this exemption was passed, the number of shareholders in American companies has nearly doubled, and that there are now approximately 13 million shareholders. Mr. President, most of these people are far from rich; I think their average income is estimated to be of the order of $6,900. So the average shareholder in this country is not a great capitalist. Instead, a very large percentage of the shareholders are people of very modest incomes, and many of them indeed get most of their very modest income from dividends and interest.

So, Mr. President, I hope the Senate today will reject the amendment of the Senator from Minnesota.

If he wishes me to yield time to him at this point, I shall be glad to do so.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McCARTHY. Mr. President, no time remains available to me.

Mr. BUSH. I believe I have 1 additional minute—if the Senator from California will yield it to me.

Mr. KUCHEL. I yield 1 additional minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for 1 additional minute.

Mr. BUSH. Mr. President, I now now yield to the Senator from Minnesota.

Mr. McCARTHY. Mr. President, the Senator from Connecticut has made his reply to my statement; and I have no reason to press the point any further, except to say that many communities are under severe financial pressure at this time. So, Mr. President, if the Senator from Connecticut wishes to urge that this exemption be repealed, he can make such a recommendation. However, in view of the fiscal problems the communities face at this time, I do not favor repealing it.

Mr. BUSH. Mr. President, I am not one to favor changing the tax structure here on the floor of the Senate, all of a sudden, without having the benefit of hearings. But if the Senator from Minnesota wishes to discuss such a subject, I shall be glad to hear him do so.

Mr. McCARTHY. I do not have the time to proceed further, Mr. President.

Mr. KUCHEL. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from California is recognized for 1 minute.

Mr. KUCHEL. Mr. President, I do not believe there is any moral justification in having the Government of the United States take two bites out of the same dollar of profit. Nevertheless, if any of us are engaged in activities as a corporation, that is exactly what the tax laws of the United States do. With partnership profits, no. With individual entrepreneur profits, no. But with corporations, yes.

In 1954, a very meager attempt at some slight relief from double taxation on the same dollar of profit was written into the law, so that any of us in the land can have the first $50 of dividend income, and also 4 percent of the balance, exempt from taxation.

What is wrong with that? I believe it would be a disservice for the Senate now to take action which would result in wiping out that small and slight dividend credit which we wrote into the law in 1954.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an excellent article on this problem, which was published on the financial page of the Los Angeles Examiner of June 9, 1960.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAX EXEMPTION ON DIVIDENDS AGAIN IN PERIL

(By Ralph Rivet)

Since the 1954 Internal Revenue Act became effective, stockholders have been able to receive $50 in dividends and pay no income tax on it. For a married couple where the dividends are community property the deduction is $100.

This $100 dividend exclusion gives $100 spendable dollars. It will take $125 in salary taxed at the lowest rate of 20 percent to equal that amount. Actually, with other payroll taxes such as social security and disability insurance, and such additional deductions as pension contributions and insurance premiums, the average family has to earn considerably more than $125 to have $100 to spend.

In addition to the $50/$100 dividend exclusion, there is allowed a 4-percent tax credit on dividends above the exemption. For instance, a family which received $500 in dividends can deduct $100 before listing the remaining $400 as taxable income and may deduct another 4 percent, or $16.

Congress provided these credits to encourage people to own shares in American industry. It also was acknowledgement of a basic unfairness of the present income tax laws: the double taxations feature.

Before a corporation can pay a dividend, it must first pay an income tax on its earnings. Then these earnings, already taxed once for income, are taxed a second time when received by the individual.

Last year an attempt was made to remove the dividend credit feature from the income tax law. It is possible a second attempt will be made again this month.

While shareholders of successful companies in this country fight to retain just a little consideration, those in Canada are treated much better. There, a 20 percent dividend credit is authorized, which means double taxation only hits those in the upper income tax brackets.

This is too much to hope for in the United States. Anyone who has dividend income from stock in the United States, however, would do well to write both his Congressman and his Senators and give his views about proposed elimination of the present dividend credit.

There are 12,500,000 stockholders in the United States. This is a large enough bloc of people to make its influence felt strongly in Washington if it would do so.

As we mentioned above, a man has to earn $125 to have $100 to spend for his family. But if he joins with his fellow citizens in a corporation, their investment has to earn something in excess of $250 before he can have $100 to spend, even if the corporation paid out every bit of its earnings.

If the corporation is going to be prudent and save some money for replacing equipment and similar type expenses, it ought to pay no more than half its earnings.

In this event, it will have to earn over $500 for one of its owners to have $100 to spend.

Mr. McCARTHY. Mr. President, will the Senator from California yield briefly to me, to permit me to ask a question?

Mr. KUCHEL. Mr. President, if the Senator from Minnesota will wait a minute, I wish to see whether I have time in which to yield to him.

The Senator from Kansas, who is on my side of this issue, has asked that I yield to him; and I now do so. If time permits, I'll yield briefly a bit later.

Mr. CARLSON. Mr. President, as a member of the Finance Committee, in 1954, when we wrote into the tax laws this credit or exemption in the case of income received from dividends, I felt—at that time—that the exemption would encourage our citizens to invest in corporations.

Since that time, great progress has been made. In 1952, there were 6,490,000 individual shareowners in the United States. In 1956, there were 8,630,000. In 1959, there were 12,490,000; and I assume that at the present time at least 13 million of the American people have share ownership or other ownership in our corporations, which are doing a great deal to provide a strong economy and to provide employment for our workers.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table which shows those statistics.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SHAREOWNERS IN PUBLIC CORPORATIONS

The number of individuals owning stock of publicly held corporations totaled an estimated 12,490,000 in 1959. This was an increase of approximately 3,860,000 or 45 percent since 1956; and nearly double the 1952 total of 6,490,000.

Number of individual shareowners:

1952	6,490,000
1956	8,630,000
1959	12,490,000

Source: New York Stock Exchange Fact Book, 1960.

The median household income of American stockholders has risen to $7,000 from $6,200 in 1956.

The following table, taken from the New York Stock Exchange, "Share Ownership in America: 1959," compares total shareowners of public corporations by income for the years 1959 and 1956. It can be seen that approximately 75 percent of the shareholders of public corporations have incomes less than $10,000.

Reported household income [1]	Individual shareowners				Total population by income, 1959	Percent of each income group who are shareowners	
	1959		1956				
	Number	Percent of total	Number	Percent of total		1959	1956
Under $3,000	1,106,000	9.0	983,000	11.6	43,871,000	2.5	2.1
$3,000 to $5,000	2,469,000	20.1	2,212,000	26.1	44,218,000	5.6	4.5
$5,000 to $7,500	3,145,000	25.6	2,243,000	26.4	50,807,000	6.2	5.6
$7,500 to $10,000	2,776,000	22.6			19,769,000	14.0	
$10,000 to $15,000	1,769,000	14.4	3,042,000	−35.9	11,271,000	15.7	12.2
$15,000 to $25,000	700,000	5.7			2,601,000	26.9	
$25,000 and over	319,000	2.6			867,000	36.8	
Subtotal	12,284,000	100.0	8,480,000	100.0	173,404,000	7.1	5.2
Not classified by income	206,000		150,000		6,172,000		
Total	12,490,000		8,630,000		179,576,000		

[1] Based on 1958 income before taxes.

New shareholders by income since 1956

Reported household income:	*Percent of total*
Under $3,000	6.6
$3,000 to $5,000	10.2
$5,000 to $7,500	32.2
$7,500 to $10,000	22.4
$10,000 to $15,000	15.0
$15,000 to $25,000	3.7
$25,000 and over	0.9
Total	100.0

COMPARISON OF INDIVIDUAL SHAREOWNERS BY INCOME AS SHOWN BY THE 1956 STUDY

Individual shareowners by income 1956 census

Reported household income [1]	Population		Individual shareowners			Reported household income [1]	Population		Individual shareowners		
	Percent	Number	As percent of population	Number	Percent of total		Percent	Number	As percent of population	Number	Percent of total
Under $3,000	34.1	34,020,000	2.8	960,000	11.6	Not classified by income [2]		70,468,000	.5	350,000	
$3,000 to $5,000	36.5	36,470,000	5.9	2,160,000	26.1						
$5,000 to $7,500	19.0	18,940,000	11.6	2,190,000	26.4	Total		170,268,000	5.1	8,630,000	
$7,500 and over	10.4	10,370,000	28.6	2,970,000	35.9						
Subtotal	100.0	99,800,000	8.3	8,280,000	100.0						

[1] Based on 1955 income before taxes as reported by a responsible household member.

[2] Includes minors, members of Armed Forces, U.S. citizens residing abroad, transients, and people in institutions.

COMPARISON OF INDIVIDUAL SHAREOWNERS BY INCOME AS SHOWN BY THE 1956 CENSUS AND THE 1952 BROOKINGS STUDY

Individual shareowners by income 1956 census and 1952 Brookings

	1956 census		1952 Brookings			1956 census		1952 Brookings	
	Number	Percent of total	Number	Percent of total		Number	Percent of total	Number	Percent of total
Under $3,000	960,000	11.6	630,000	9.7	Not classified by income	350,000			
$3,000 to $5,000	2,160,000	26.1	1,420,000	21.9					
$5,000 to $7,500	2,190,000	26.4	4,440,000	68.4	Total	8,630,000		6,490,000	
$7,500 and over	2,970,000	35.9							
Subtotal	8,280,000	100.0	6,490,000	100.0					

ADULT SHAREHOLDERS OF PUBLIC CORPORATIONS BY OCCUPATION FOR 1959 AND 1956

Occupation	Individual shareowners				Total population by occupation, 1959	Percent of each occupation group who are shareowners	
	1959		1956				
	Number	Percent of total	Number	Percent of total		1959	1956
Proprietors, managers, and officials	1,982,000	16.4	1,140,000	13.7	6,958,000	28.5	24.6
Professional and semiprofessional	1,934,000	16.0	1,010,000	12.2	7,275,000	26.6	18.0
Clerical and sales	1,801,000	14.9	1,490,000	18.0	13,706,000	13.1	11.6
Craftsmen and foremen	580,000	4.8	520,000	6.3	8,540,000	6.8	5.9
Operatives and laborers	411,000	3.4	140,000	1.7	14,971,000	2.7	.9
Service workers	326,000	2.7	430,000	5.2	8,013,000	4.1	6.5
Farmers and farm laborers	73,000	.6	230,000	2.8	4,533,000	1.6	4.9
Housewives and nonemployed adult females	4,000,000	33.1	2,830,000	34.2	34,476,000	11.6	8.3
Nonemployed adult males (including retired persons)	980,000	8.1	490,000	5.9	6,958,000	14.1	6.8
Subtotal	12,087,000	100.0	8,280,000	100.0	105,430,000	11.5	8.3
Not classified by occupation	403,000		350,000		74,146,000		
Total	12,490,000		8,630,000		179,576,000		

New adult shareowners since 1956 by occupation	*Percent of total*
Proprietors, managers, and officials	11.3
Professional and semiprofessional	17.1
Clerical and sales	20.8
Craftsmen and foremen	2.1
Operatives and laborers	6.3
Service workers	3.7
Farmers and farm laborers	(1)
Housewives and nonemployed adult females	32.0
Nonemployed adult males (including retired persons)	6.7
Total	100.0

[1] Less than ½ of 1 percent.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KUCHEL. Mr. President, how much time remains available to those who oppose the amendment?

The PRESIDING OFFICER. Three minutes.

Mr. KUCHEL. Mr. President, let me ask whether any Senator desires to speak at this time in opposition to the amendment.

If not, I yield myself 1 minute, which I yield to the Senator from Minnesota so that he may propound a question.

Mr. McCARTHY. The question has to do with the vote the Senator from California cast a few minutes ago in support of the excise tax. Since, in his most recent remarks, he has said he cannot really see any moral justification for double taxation, I am sure he realizes that the tax which is paid as a sales tax is on income on which one has already paid an income tax. So if the pending amendment is said to involve a moral issue, why should not the same be said of the sales tax? Our whole tax system is full of double taxation; and certainly we should not regard one such tax as raising a moral issue, but the other as not a moral issue.

Mr. KUCHEL. Of course, different jurisdictions impose the tax to which the Senator from Minnesota has referred. When a State or local government adopts a sales tax, it cannot be contended that the Federal Government is doing so.

Mr. McCARTHY. But I do not think the Senator from California should attempt to make a moral issue out of it.

Mr. KUCHEL. Mr. President, I agree that we are now dealing with fiscal problems about which, I regret to say, my friend, the Senator from Minnesota, and I have some differences of opinion. But I do not believe there is any justification of any kind for two income tax bites by the Federal Government out of the same dollar of profit.

Mr. McCARTHY. Mr. President——

The PRESIDING OFFICER. No time remains for those who favor the amendment. Only 1 minute remains for those who are in opposition to the amendment.

Mr. KUCHEL. Mr. President, I yield I minute to the able senior Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado is recognized for 1 minute.

Mr. ALLOTT. Mr. President, for many, many years I have been convinced that the dividend credit is a laudable and just part of our fiscal system. If two people are doing business, alongside one another, one as an individual, and the other as a corporation, the one who receives profits from the corporation by way of dividend payments, pays not only the 52 percent corporate tax, but also an individual income tax on those dividends. All my life I have felt that was an unjust burden.

Last year I was persuaded by some of my friends that the other situation was true, but I have come back to my original position, and shall maintain it; namely, that this is double taxation, and until we find some way of equalizing it, despite what the Supreme Court has said, I shall continue to vote for the dividend tax credit.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. McCARTHY and Mr. JOHNSON of Texas asked for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. KERR], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. McNAMARA], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Massachusetts [Mr. KENNEDY] are necessarily absent.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that if present and voting, the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. McNAMARA], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

I further announce that if present and voting, the Senator from Mississippi [Mr. EASTLAND] would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Maryland [Mr. BEALL], is detained on official business.

If present and voting, the Senator from Maryland [Mr. BEALL], and the Senator from Arizona [Mr. GOLDWATER] would each vote "nay."

The result was announced—yeas 42, nays 41, as follows:

[No. 239]

YEAS—42

Anderson	Frear	Mansfield
Bartlett	Fulbright	Monroney
Bible	Gore	Morse
Byrd, W. Va.	Gruening	Moss
Cannon	Hart	Muskie
Carroll	Hill	O'Mahoney
Case, S. Dak.	Jackson	Pastore
Church	Johnson, Tex.	Proxmire
Clark	Lausche	Symington
Cooper	Long, Hawaii	Talmadge
Dodd	Long, La.	Wiley
Douglas	Lusk	Williams, N.J.
Engle	McCarthy	Yarborough
Ervin	McGee	Young, Ohio

NAYS—41

Aiken	Dworshak	Mundt
Allott	Ellender	Prouty
Bennett	Fong	Randolph
Brunsdale	Hickenlooper	Robertson
Bush	Holland	Saltonstall
Butler	Hruska	Schoeppel
Byrd, Va.	Javits	Scott
Capehart	Johnston, S.C.	Smathers
Carlson	Jordan	Smith
Case, N.J.	Keating	Stennis
Chavez	Kuchel	Thurmond
Cotton	McClellan	Williams, Del.
Curtis	Martin	Young, N. Dak.
Dirksen	Morton	

NOT VOTING—17

Beall	Hayden	McNamara
Bridges	Hennings	Magnuson
Eastland	Humphrey	Murray
Goldwater	Kefauver	Russell
Green	Kennedy	Sparkman
Hartke	Kerr	

So Mr. McCARTHY's amendment was agreed to.

Mr. McCARTHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GORE. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. Moss in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I am informed that there is likely to be another vote in a very few minutes, and I hope Senators will remain in their seats.

Mr. GORE. Mr. President, I call up for consideration an amendment designated 6-17-60—C, and ask unanimous consent that the Senator from Delaware [Mr. WILLIAMS] be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, that will be the order.

Mr. LAUSCHE. Mr. President, I should like to join in the request to have my name listed as a cosponsor.

The PRESIDING OFFICER. The amendment of the Senator from Tennessee will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new title and sections:

TITLE III—ADDITIONAL PROVISIONS

SEC. 301. Depletion rate for certain clays and treatment processes considered as mining for computing percentage depletion in the case of minerals and ores.

(a) DEPLETION RATE FOR CERTAIN CLAYS.—Subsection (b) of section 613 (relating to percentage depletion rates) is amended as follows:

(1) Paragraph (3) is amended to read as follows:

"(3) 15 percent—

"(A) metal mines (if paragraph (2)(B) does not apply), rock asphalt, and vermiculite; and

"(B) if paragraph (5)(B) does not apply, ball clay, bentonite, china clay, sagger clay, and clay used or sold for use for purposes dependent on its refractory properties."

(2) Paragraph (5) is amended to read as follows:

"(5) 5 percent—

"(A) gravel, mollusk shells (including clam shells and oyster shells), peat, pumice, sand, scoria, shale, and stone, except stone described in paragraph (6);

"(B) clay used, or sold for use, in the manufacture of building or paving brick, drainage and roofing tile, sewer pipe, flower pots, and kindred products; and

"(C) if from brine wells—bromine, calcium chloride, and magnesium chloride."

(3) Paragraph (6) is amended by striking "refractory and fire clay,".

(b) TREATMENT PROCESSES CONSIDERED AS MINING.—Subsection (c) of section 613 (relating to the definition of gross income from property) is amended as follows:

(1) Paragraph (2) is amended to read as follows:

"(2) MINING.—The term 'mining' means the extraction of the ores or minerals from the ground, the treatment processes considered as mining described in paragraphs (3) and (4), and so much of the transportation of ores or minerals (whether or not by common carrier) from the point of extraction from the ground to the plants or mills in which such treatment processes are applied thereto as is not in excess of 50 miles unless the Secretary or his delegate finds that the physical and other requirements are such that the ore or mineral must be transported to a greater distance to such plant or mills."

(2) Paragraph (3) is redesignated paragraph (5).

(3) Paragraph (4) is deleted and the following paragraphs are inserted in lieu thereof:

"(3) TREATMENT PROCESSES CONSIDERED AS MINING.—The following treatment processes where applied by the mine owner or operator with respect to the minerals or ores extracted from the ground by him shall be considered as 'mining':

"(A) In the case of coal—cleaning, breaking, sizing, dust allaying, treating to prevent freezing, and loading for shipment;

"(B) In the case of sulfur recovered by the Frasch process—pumping to vats, cooling, breaking, and loading for shipment;

"(C) In the case of all other minerals or ores—(i) where applied to crude minerals or ores—crushing, grinding, sorting, screening, washing, and drying to remove free moisture; (ii) beneficiation by concentration, and the processes necessary thereto; (iii) beneficiation by cyanidation, leaching, crystallization, or precipitation, and the processes necessary thereto; (iv) any additional process, if necessary, to bring the mineral or ore to form and condition suitable for shipment; and (v) loading for shipment. For purposes of this subparagraph, the term 'beneficiation by concentration' means the application of processes solely for the purpose of eliminating waste, or separating the mineral or ore from other minerals or ores, by gravity, flotation, amalgamation, electrostatic means, magnetic means, or substantially equivalent processes. The processes referred to in (iv) are those processes which are necessary to bring the mineral or ore to the physical form and condition in which it is capable of being transported as distinguished from those processes applied to make the mineral or ore salable. The term 'loading for shipment' shall not include the cost of packaging unless otherwise provided for under (iv), nor shall it include the cost of containers, bags, or any similar items;

"(D) The pulverization of talc, the burning of magnesite, the furnacing of quicksilver ores, and the sintering and nodulizing of phosphate rock.

"(4) TREATMENT PROCESSES NOT CONSIDERED AS MINING.—The following treatment processes shall not be considered as 'mining':

"(A) In the case of all minerals or ores—electrolytic deposition, roasting, calcining, thermal or electric smelting, refining, polishing, fine pulverization, blending with other materials, treatment effecting a chemical change, thermal action, and molding or shaping, unless such processes are otherwise provided for in paragraph (3); and

"(B) Notwithstanding any other provisions of this subsection, any treatment process which follows a process that is not considered as 'mining' will not be considered as mining for the purpose of this subsection."

SEC. 302. Effective date.

The amendment made by section 301 shall be applicable only with respect to taxable years beginning after December 31, 1960.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. There is a request for the yeas and nays.

Mr. JOHNSON of Texas. Mr. President, I hope that the Senator will not request the yeas and nays. After the Senator from Tennessee has made a brief statement, if it is desired, they can be ordered at that time.

Mr. LONG of Louisiana. Mr. President, I suggest that the yeas and nays be ordered now. A few days ago there was a rollcall vote on a motion to table an amendment on the same subject to which the present amendment refers. The result will be completely misleading. Senators should know and take responsibility for what they are doing. This is one Senator who will not attempt to shirk responsibility. It seems to me Senators ought to be willing to have a rollcall vote. I have never asked not to have a rollcall vote when Senators wished their votes recorded. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. GORE. Mr. President, the senior Senator from Ohio [Mr. LAUSCHE] wishes to be recorded as a cosponsor of the amendment. The senior Senator from Illinois [Mr. DOUGLAS] also wishes to be listed as a cosponsor, and I ask unanimous consent that they be so listed.

The PRESIDING OFFICER. Without objection, it is so ordered. Their names will be entered as cosponsors.

Mr. GORE. The junior Senator from Rhode Island [Mr. PASTORE] also wishes to be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, his name will be entered.

Mr. GORE. Mr. President, I imposed upon the time of the Senate Saturday to discuss this very technical subject at great length. Therefore, I shall speak for only one moment, and then, so far as I am concerned, I am prepared to vote.

This amendment is identical with the amendment which I presented on Saturday as an amendment to the committee amendment. A number of Senators, some of whom are now cosponsors of that amendment, did not wish to vote for it as an amendment to the committee amendment, but are prepared to vote for it as an amendment to the bill. Senators can look in the RECORD and read the discussion. Therefore, I have no desire to debate further. I am ready for a vote.

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays.

Mr. JOHNSON of Texas. Mr. President, the Senate can always order the yeas and nays for a particular vote. I suggest that the Senator withdraw his request momentarily. Let us wait until we are about to vote. Other Senators wish to speak on the subject.

Mr. President, on Saturday when this matter was discussed I followed with great interest and attention the argument advanced by the junior Senator from Tennessee. On several previous occasions the distinguished Secretary of the Treasury had in writing and orally explained to me that in his view such an amendment as is proposed would be desirable.

In view of the statement made by the distinguished ranking minority member of the committee and the subsequent ruling of the Chair, namely, that the Gore amendment, if adopted, would restore approximately $50 million in revenues to the bill, but would take out some $700 million, I felt, after discussing the situation with the Senator from Tennessee that the better part of wisdom would be for him to offer his amendment as he is doing today.

I cannot conceive of any substantial opposition to his amendment. As early as 11 o'clock this morning I reviewed this amendment with the Secretary of the Treasury, and he said in effect that unless the Supreme Court dealt with the situation completely in the cases it is now considering, it would be necessary for Congress to act.

I talked with the Senator from Tennessee, and I believe we, together with the minority leader, are in agreement that we should adopt the amendment. If its provisions are adequately covered by the Court's decision, then we have lost nothing. We could improve it or amend it or eliminate it in conference. If the Court does not uphold the Government, then it not only would be very desirable, but also most of those who have studied the subject think it is very essential that language of this type be in the bill.

I hope that the minority leader and the distinguished minority member of the Finance Committee, the ranking member, and the committee chairman will agree with the views I have expressed and will support the admendment.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. Mr. President, I was present at the conference this morning with the Secretary of the Treasury, and I concur in what the majority leader has said. There is some reason to believe that the Supreme Court may this week hand down its decision involving this subject, and therefore I think the conferees ought to be left quite free and their hands should not be tied by a hard and fast vote. Certainly our conferees would not be obdurate. The ranking Republican, the distinguished Senator from Delaware [Mr. WILLIAMS] will be our principal conferee from this side. It has

been his hope that perhaps the amendment could be taken to conference without a yea-or-nay vote. That would improve the situation, for one thing, and leave the conferees in a position to deal with the subject after they have ascertained what the Court will do.

I think there is some merit in the amendment, and for that reason I hope that the Senate will agree to it.

I believe the chairman of the Finance Committee, the distinguished Senator from Virginia [Mr. BYRD] wishes to make some remarks at this time.

Mr. WILLIAMS of Delaware. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. WILLIAMS of Delaware. I yield to the chairman of the committee.

Mr. BYRD of Virginia. Mr. President, I had hoped that the bill could be passed without amendments by reason of the fact that if it is not enacted by midnight on June 30, the debt will have exceeded the limit fixed by law.

Also a considerable number of excise taxes will have expired. But in view of the peculiar conditions with respect to the pending amendment, I, as chairman of the committee, after consulting with all the members whom I could reach, am willing to take the amendment to conference, and as chairman of the committee and as a conferee I will endeavor to do all I can to induce the House to agree to the amendment.

Mr. JOHNSON of Texas. As I understand, the distinguished chairman of the committee favors the amendment.

Mr. WILLIAMS of Delaware. I am joining the Senator from Tennessee in offering the amendment. I think that this is a most worthwhile amendment, and, as I told him Saturday, I strongly support the position he takes.

We have discussed the amendment with the Treasury Department and the language of the amendment has been recommended to the Congress by the Treasury Department. However, there is a court case pending which conceivably the Government might win in the next few days, in which event the necessity for some of the provisions of the amendment will have been eliminated.

However, if the court decision goes against the Government, or if a decision is not rendered, it will then be imperative that Congress take some action before adjournment, because in the absence of taking any action we could lose millions of dollars. The Treasury has estimated the amount involved to be $400 to $500 million should it lose its court case.

Already the recovery of $50 million is involved in the amendment. I am joining in the offering of the amendment, and I believe it should be approved by the Senate. As one of the conferees I can assure Senators that taking the amendment to conference would not be an idle gesture. Accepting the amendment and sending it to conference is not a gesture merely to get rid of the amendment on the floor. The Senator from Tennessee knows that I have cosponsored similar legislation in the past and that I am strongly in favor of the proposal. I feel very strongly that we must deal with this subject before we adjourn. One glaring example was pointed out by the Senator from Tennessee the other day. That example had to do with tile. Tile is made from clay which costs $1.50 to $2 a ton. The depletion allowance ranges from 5 to 15 percent on the clay. The depletion allowance was intended to be taken on the original clay. However, other interpretations have come up within the last few months. It is now claimed that clay has no resale value and that depletion allowance should be computed on the value of the finished product. That means that if the court decision goes against the Government the depletion allowance will be based on a finished cost of over $20, when the clay does not cost more than $1.50 to start with. As a representative of the Treasury has pointed out, if this interpretation is allowed to stand it will be cheaper for the Government to buy the clay and give it to the companies outright than to grant them a depletion allowance. That is a ridiculous situation. They will then be collecting $4 depletion on a product that cost only $1.50.

It makes no difference to me whether we have a yea and nay vote. The amendment should be overwhelmingly agreed to. The Senate should certainly adopt the amendment and stand by it in conference in the absence of the Government winning a favorable court decision.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SCOTT. When the amendment was considered previously I opposed it because it was joined to another provision and I did not think it should be brought up in that way, in tandem fashion. Now that the amendment appears on its own merits, I should like to have the RECORD show that I am glad to support the amendment.

Mr. WILLIAMS of Delaware. I know that this is the position of the Senator from Pennsylvania, and I agree that we should overwhelmingly adopt the amendment. I voted against the amendment on Saturday for the same reasons that other Senators did; namely, it covered too many other subjects.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MORSE. I wish to correct the majority leader and the minority leader with regard to the procedural matter involved in the pending amendment. I agree with the Senator from Illinois [Mr. DOUGLAS] and other Senators who are seeking a yea-and-nay vote on the amendment. The other day there existed an entirely different parliamentary situation. This is a matter which has been of great concern to many of us for quite some time. I wish to point out that we are doing very well in the closing days of this session in regard to the matter of unanimous-consent agreements to limit debate.

One of the reasons why some of us hesitate to grant limitations on debate on various matters is that we know that we weaken our parliamentary position by such agreements if the Senate takes the position of denying, for example, the right to a yea-and-nay vote. I hope that in view of the very strong feeling some of us hold with regard to this matter and our desire to have a record vote, we will be accommodated by being allowed to have a yea-and-nay vote on the amendment. If we are to get to the situation where accommodation is going to be a one-way street, we will face up to it in the remaining days of the session.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. KEATING. I am glad that the ranking minority member of the committee has expressed his support of the amendment. A rather peculiar situation existed on Saturday. I realized that if we passed a standby law with respect to taking off the general telephone tax, I should support the Gore amendment on Saturday. The Senator from Tennessee, in my opinion, has made a very strong and persuasive case. I join him in the hope that it will be adopted by an overwhelming vote, in order that when we go to conference we will be able to sustain our position.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield

Mr. GORE. I ask unanimous consent that the following Senators may be listed as additional cosponsors of the amendment: Senators AIKEN, MORSE, SMATHERS, CHURCH, and LUSK. I ask unanimous consent that other Senators who may so request within the next hour be also listed as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield.

Mr. WILLIAMS of Delaware. I yield.

Mr. JOHNSON of Texas. First, the matter of a unanimous-consent agreement is not a personal matter so far as the Senator from Texas is concerned. It provides machinery to the Senate whereby Senators are on notice on a vote. I have not the slightest objection to a yea and nay vote if Senators feel that by a rollcall they can be more successful in conference than without one. Third, the chairman has wholeheartedly accepted the amendment, and so has the ranking minority member of the committee, and I believe that feeling is shared by other Senators who will be conferees. I am told that the language may need to be adjusted in accordance with what the Supreme Court may hold while the bill is in conference. If it pleases Senators to have a rollcall vote to send the amendment to conference, and if they feel that with a rollcall vote they can get better action out of the honorable men who compose the conference than without one, I will be the first to ask for the yeas and nays.

I do not agree that that is the way to proceed. I believe we can take the word of the chairman of the Committee on Finance and the word of the ranking minority member and of the other members of the conference committee on the amendment, and that they have the same objective the Senator from Tennessee has. However, if any strategists feel that they would be helped by a yea-and-nay vote, I shall not oppose it. I

wish the RECORD to show that the chairman of the committee and the ranking minority member heartily favor the amendment as now drawn. There was a difference of opinion last Saturday as finally ruled upon by the Parliamentarian, on the effect of the amendment.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. GORE. I wish to take one-half minute to say that things have come to a sad pass in Congress when a committee of the other House reaches a resolution that it will accept no amendment to a bill and then advises the Senate, a coequal House of Congress, of that fact. The Senate is demonstrating its overwhelming sentiment that the bill should be amended. I think it is an insult to the Senate for a committee of the other body to serve notice upon us that they have reached a resolution that they will not accept any amendments. If a Senator wishes to ask for the yeas and nays, I am ready to vote and let the House and the country know the will of the Senate.

Mr. WILLIAMS of Delaware. The amendment should be accepted on its merits. I am hoping that the House will be in a receptive mood when we bring the amendment to conference. I was one who joined the Senator from Tennessee in sponsoring the amendment to the bill today.

Mr. DIRKSEN. Mr. President, insofar as I can ascertain, there is no objection on this side to the amendment. Speaking for myself, it is immaterial whether we have the yeas and nays.

Mr. WILLIAMS of Delaware. I shall be glad to have the yeas and nays.

Mr. DIRKSEN. I am prepared to hold up my hand.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], are absent on official business.

The Senator from Minnesota [Mr. HUMPHREY] and the Senator from Tennessee [Mr. KEFAUVER] are necessarily absent.

The Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that if present and voting the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Washington [Mr. MAGNUSON], the Senator from Michigan [Mr. MCNAMARA], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Maryland [Mr. BEALL] is detained on official business.

If present and voting, the Senator from Maryland [Mr. BEALL] and the Senator from Arizona [Mr. GOLDWATER] would each vote "yea."

The result was announced—yeas 87, nays 0, as follows:

[No. 240]

YEAS—87

Aiken	Ervin	Martin
Allott	Fong	Monroney
Anderson	Frear	Morse
Bartlett	Fulbright	Morton
Bennett	Gore	Moss
Bible	Gruening	Mundt
Brunsdale	Hart	Murray
Bush	Hayden	Muskie
Butler	Hickenlooper	Pastore
Byrd, Va.	Hill	Prouty
Byrd, W. Va.	Holland	Proxmire
Cannon	Hruska	Randolph
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Johnson, Tex.	Saltonstall
Case, N.J.	Johnston, S.C.	Schoeppel
Case, S. Dak.	Jordan	Scott
Chavez	Keating	Smathers
Church	Kennedy	Smith
Clark	Kerr	Stennis
Cooper	Kuchel	Symington
Cotton	Lausche	Talmadge
Curtis	Long, Hawaii	Thurmond
Dirksen	Long, La.	Wiley
Dodd	Lusk	Williams, Del.
Douglas	McCarthy	Williams, N.J.
Dworshak	McClellan	Yarborough
Ellender	McGee	Young, N. Dak.
Engle	Mansfield	Young, Ohio

NAYS—0

NOT VOTING—13

Beall	Hartke	Magnuson
Bridges	Hennings	O'Mahoney
Eastland	Humphrey	Sparkman
Goldwater	Kefauver	
Green	McNamara	

So Mr. GORE's amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CHURCH. Mr. President, I desire to have the RECORD show my reasons for voting against all amendments to the pending bill which would have the effect of reducing revenue to the Government.

During the past week, the Senate has taken actions with respect to appropriations for national defense, for medical research, and for increased government salaries, which would add between $2 and $3 billion to the Government's costs in the coming fiscal year. The consequence of these actions is that the budget will be balanced precariously at best, but only if no action is taken to reduce Federal revenue.

In the past, I have voted against the emergency taxes on telephone service and on the transportation of freight and persons. I think these are an undesirable part of our permanent tax structure, and I shall again vote to eliminate them at the earliest reasonable opportunity. I believe, however, that there is a more urgent need at the present time to maintain the fiscal integrity of the Government. I cannot, in good conscience, vote to reduce government revenue at a time when expenditures are rising to the point where it is reasonable to suppose that a balanced budget is being placed in jeopardy.

Mr. KEATING. Mr. President, on behalf of myself and my colleague from New York [Mr. JAVITS], I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. —. Credit against general telephone tax

(a) CREDIT AGAINST TAX.—Subchapter B of chapter 33 of the Internal Revenue Code of 1954 (relating to tax on communications) is amended by adding at the end thereof the following new section:

"SEC. 4255. Credit for certain State and local taxes

"(a) IN GENERAL.—There shall be allowed to the taxpayer, as a credit against the tax imposed by section 4251 on amounts paid for general telephone service rendered during any period, an amount equal to so much of the State or local taxes on general telephone service rendered to such taxpayer during such period as does not exceed an amount equal to 40 percent of the tax imposed by section 4251 for such period (determined without regard to this section).

"(b) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary or appropriate to carry out this section."

(b) TECHNICAL AMENDMENT.—The table of sections for such subchapter B is amended by adding at the end thereof the following new item:

"SEC. 4255. Credit for certain State and local taxes."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply only with respect to amounts paid on or after the first day of the month following the month in which this Act is enacted for services rendered on or after such first day; except that such amendments (1) shall not apply with respect to amounts paid pursuant to bills rendered before such first day, and (2) shall apply in the case of amounts paid pursuant to bills rendered on or after such first day for services rendered prior to such first day for which no previous bill was rendered.

Mr. KEATING. Mr. President, the amendment may sound rather formidable; but the situation is relatively simple, and I shall try to explain it in simple terms.

As has been said, New York State has passed standby legislation which would pick up the general telephone tax on local calls if the Federal Government surrenders it. I believe that one or two other States have done likewise. I know a number of other States have contemplated such action.

This proposal would not effectuate a total surrender of the general telephone tax on local calls. Furthermore, it would be in conformity with the recommendation of the President's Joint Federal-State Action Committee. Let me read certain relevant sections of the committee's report.

The Joint Federal-State Action Committee believes that the local telephone service tax is a logical revenue source for State and local governments. It recommends, therefore, that the Federal tax on local telephone service be changed so as to provide a 40-percent tax credit to those States enacting a 4-percent local telephone tax. This would mean that the Federal liability under the local telephone service tax would be discharged to the extent of 40 percent for any

taxpayer paying this amount of tax to his State government.

The Joint Federal-State Action Committee recommends that—

1. The President request Congress to take necessary action to provide up to a 40-percent Federal tax credit against the Federal local telephone service tax for States enacting or increasing such taxes.

2. The Governors and the legislatures of the several States take necessary steps to avail themselves of this additional revenue source.

The Federal tax on general telephone service is now levied at 10 percent; and this afternoon that action has been sustained by the Senate.

Our amendment would reduce this tax to 6 percent for taxpayers who reside in States or localities which levy on general telephone service a 4 percent tax to be used for State and local purposes.

The list of members of the Federal-State Action Committee which made that recommendation unanimously is most impressive. Twelve of the members are appointed by the President, from the Administration; and that group is headed, as cochairman, by the distinguished Secretary of the Treasury, Robert B. Anderson. The group also includes Secretary of Labor Mitchell; former Secretary of Health, Education, and Welfare, Marion B. Folsom; Percival F. Brundage, the then Director of the Bureau of the Budget; Meyer Kestnbaum, Special Assistant to the President; John S. Bragdon; and Howard Pyle. They had a distinguished group of consultants.

Among the Governors who served on the Federal-State Action Committee were Governor Dwinell, of New Hampshire; Governor Anderson, of Nebraska; Governor Coleman, of Mississippi; Governor Daniel, of Texas; Governor Docking, of Kansas; Governor Leader, of Pennsylvania; Governor McKeldin, of Maryland; Governor Roberts, of Rhode Island; Governor Smylie, of Idaho; and Governor Stratton, of Illinois.

It is true that this proposal pertains to New York's situation. I want to be completely frank about this matter. The Governor of New York has, for months, been advocating that the general telephone tax be levied by the States, for educational purposes. The New York Legislature has passed a law to do this when the Federal tax expires, and of course, this bill has been signed by the Governor.

Mr. President, we must make every effort to reevaluate the functions of the Federal Government and of the various States and localities. On the basis of this reevaluation we must then seek to reallocate to the States and local governments certain functions which should now come within their jurisdiction, but which now are partially completely carried out by the Federal Government.

New York State is not alone in this situation. It would be impossible to have the Congress adopt and enact into law this amendment if it applied only to the State of New York.

I believe that this amendment should appeal to all who feel that problems such as education are primarily the responsibility of the States and localities. Our amendment would enable States and localities, all States and all localities, to more effectively fulfill this very crucial governmental function.

Of course, our amendment would not apply to any State or locality until the appropriate legislative body enacted such legislation. Indeed, in view of the action taken already today by the Senate, it would now be necessary for the New York Legislature to pass new legislation, in order to obtain the benefit of this 40 percent credit toward the general telephone tax.

Under the New York law, these funds have been earmarked specifically for education. It seems to me that is especially significant; and I appeal to other Senators who feel, as I do, that education is primarily a local function, to support this amendment.

A Federal aid-to-education bill may well not be enacted this year. No one can deny that we need better schools, increased teachers' salaries, and more educational facilities.

The pending proposal would give to the States sources of tax revenue which would enable them to do the job themselves.

One final thought, Mr. President. I want to be realistic about the fiscal impact of our amendment. At the very most, if every one of the 50 States enacted legislation such as I have indicated, picking up 4 percent of this revenue—and so far none have, in that form—the revenue loss would be $135.2 million.

Furthermore, if these taxes were levied by the States, the revenues so derived would be used for purposes which would make it unnecessary for the States and the localities to call upon the Federal Government for aid in these fields.

I hope the Senate will seriously consider this amendment. I have discussed it with several members of the Finance Committee. I concede that, however, they are members who supported the proposal to eliminate this tax as a Federal tax completely.

This is not a new proposal. It is one which has been thought about and talked about for quite some time. In the light of the action we have just taken here, I believe it represents a realistic and sensible compromise on the issue which confronts us at the present time; namely, what to do about the general telephone tax on local calls. To my way of thinking, this tax is peculiarly appropriate to be levied by the localities for local purposes. This view was borne out unanimously by the Joint Federal-State Action Committee, which so carefully studied this entire problem.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. BUSH. What part of the Federal tax on the telephone service on local charges would revert to the States, under the Senator's amendment?

Mr. KEATING. Forty percent.

Mr. BUSH. Forty percent of the tax?

Mr. KEATING. Forty percent of the tax, if all the States enacted legislation in compliance with the amendment. As of today, it would be zero; and my impression is that its impact in the coming fiscal year would be negligible. It probably would be zero. But it would establish a principle that is borne out by the Commission, which is that the tax on general local telephone service should be levied by the States.

Let me add another word before I yield further to the Senator. I simply gave the figure of $135 million in order to be frank in my statement about the overall possible cost of our amendment. It would have no impact at all at the present time. I cite this figure for the future.

Mr. BUSH. It would require that all of the States enact similar legislation; would it not?

Mr. KEATING. That is right.

Mr. BUSH. Why does the Senator's amendment contain the figure of 40 percent, rather than 30 percent or 50 percent?

Mr. KEATING. That is precisely the figure referred to by the Federal-State action committee. They say, "We recommend that the Federal tax on local telephone service be changed so as to provide a 40-percent tax credit for those States enacting a 4-percent telephone tax."

The committee did not act perfunctorily. As the Senator probably knows, it held long hearings on this problem. It went into the problem very fully. I feel confident that the Commission is able to determine what the appropriate amount should be, probably better than we are.

Mr. PROUTY. Mr. President, will the Senator yield?

Mr. KEATING. I yield.

Mr. PROUTY. If the Senator's amendment should be enacted, what funds out of the $135 million would go to New York State?

Mr. KEATING. It would not go to any State. The $135 million figure is the amount of the Federal telephone tax which would be yielded to all of the States.

Mr. PROUTY. I am assuming that all the States had enacted such legislation and that in total they would receive about $135 million.

Mr. KEATING. The statement that "they would receive" is not quite accurate.

Mr. PROUTY. The Federal Government would lose that amount.

Mr. KEATING. The Federal Government would lose that amount; yes.

Mr. PROUTY. How much of that $135 million would go to New York State?

Mr. KEATING. I am not able to answer the Senator's question. I assume it would depend upon the percentage of telephone users there were in New York as compared with the number in the country, and that figure I do not have at hand.

It would inure to the benefit of any taxpayer in a State which had enacted such legislation. The individual telephone user in Vermont would have the same credit on local calls that the individual telephone user in New York would have.

Mr. PROUTY. I understand that.

Mr. KEATING. I am not able to furnish the total amount.

Mr. President, in light of the fact that this amendment costs no money at all, but simply establishes a principle for the future, to the effect that telephone taxes are an appropriate item for local imposition in the future when the State legislatures enact appropriate legislation, I hope this amendment may appeal to the distinguished chairman of the Finance Committee, whose views regarding fiscal responsibility I admire and respect.

Mr. President, I reserve the remainder of my time.

Mr. BENNETT. Mr. President, is time controlled?

The PRESIDING OFFICER (Mr. McGEE in the chair). No.

Mr. BENNETT. Mr. President, I assume that my colleague from New York is basing his suggestion on the recommendations made by the so-called Action Committee of the Governors' Conference. I should like to point out one or two things that seem to be missing in the Senator's recommendation which were recommended by the Action Committee.

In his January 1958 and January 1959 budget messages, the President requested legislation to allow a tax credit against the Federal tax on local telephone service for telephone taxes paid to the States, and at the same time, without any question of whether they would take it after they got the tax, but as a simultaneous arrangement, to transfer to the States complete responsibility for vocational education and waste treatment construction grants from the Federal Government to the States. These recommendations were not adopted.

The President's telephone tax proposal had its origin in the mission he prescribed for the Joint Federal-State Action Committee in his June 1957 address to the Governors' Conference, which was "To designate functions which the States are ready and willing to assume and finance that are now performed and financed wholly or in part by the Federal Government," and "to recommend the Federal and State revenue adjustment required to enable the States to assume such functions."

In its first progress report of December 1957, the Action Committee recommended that the States take full administrative and financial responsibility for financing the vocational education grant program and the local waste treatment construction program in return for the transfer of 40 percent of the revenues from the Federal tax on local telephone service.

Later, in 1958, because there was some question as to whether the transfer of the portion of the tax would, in fact, supply enough money to take care of the vocational education and waste treatment construction grants, the Action Committee modified its proposal to limit the credit for taxes paid to States to 30 percent of the Federal tax and to apportion through Treasury grants revenue equivalent to an additional 10 percent of the Federal tax. The combined total of these two would have remained 40 percent of the telephone tax revenues, but it would have been required that each State's share of the telephone tax revenue should equal at least 140 percent of its present grants for vocational education and waste treatment construction.

I assume this was done to make sure that the States would be able to take over the responsibility for waste treatment and vocational education and still have some money left from the transfer of the Federal telephone tax money to them.

As I listened to my friend from New York, it seemed to me he suggested that if the telephone tax money were released to the States, the States could use it for education. The Senator talked about the needs for classrooms and the needs for teachers' salaries, but I did not hear him specifically refer to the recommendation of the Action Committee and relate the matter directly to vocational education and waste treatment construction grants. The Senator said nothing, so far as I could tell, about these grants. May I ask the Senator from New York if I correctly understood him?

Mr. KEATING. In part the Senator is correct. New York State has passed a law which provides that if the Federal Government gives up the general telephone tax on local calls the State will pick it up and use it for educational purposes. That standby legislation, so-called, would not now be effective, in the light of the action taken in the Senate.

Any action taken by any State would have to be in accordance with the proposal now made, which might be called in the nature of a compromise; namely, that 40 percent of the general telephone tax be turned over to the States for use. It is not inherent in the amendment that the States must use the money for pollution control or for vocational education. The purpose as to the use of the money by the States is not set forth in the amendment.

Mr. BENNETT. As the Senator from Utah understands it, this is to be a trade of tax revenues for acceptance of responsibilities, and two specific responsibilities are set forth. As I understand the President's proposal, if a State were to receive 40 percent of the Federal tax revenue from the telephone service the State would then give up any claim it had upon the Federal Government for funds to support vocational education or for funds as grants for the construction of waste treatment facilities. The Senator is not proposing to give up for New York any of the funds it now may claim under existing law for these two purposes, is he?

Mr. KEATING. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. KEATING. That is correct. However, I would have no objection to having the amendment modified to limit the credit to educational expenses. The legislation passed by the State of New York is in a field in which Federal responsibility exists or in which legislation has been or will shortly be enacted to establish a measure of Federal responsibility. Certainly there should be a quid pro quo.

I invite the Senator's attention to the fact that the New York statute does allocate the funds which would be obtained to a purpose—namely, education—as to which, as the Senator knows, there has been a strong call upon the Federal Government for aid and assistance. If all of the States did what New York has done in the field of education, we not only would not need Federal aid to education at all but, in addition, we would have no problem with respect to the control of education by the Federal Government, which is so troublesome an issue to many of those who wish to have better schools and who wish to pay better salaries to teachers, but who are disturbed by the possibility of Federal control over the processes of education.

Mr. BENNETT. Actually, the proposal would make it possible for New York to continue to receive the grant money for vocational education and for the waste disposal construction and, in addition, to receive 40 percent of the Federal telephone tax money, in exchange for saying to the Federal Government, "You may reduce the amount which the Federal Government might have to give New York in the future if the Government ever adopts a program of Federal aid to education."

I cannot believe, if the bill were passed with this language, that the State of New York would say, "Deduct the money we receive from 40 percent of the Federal telephone tax from our share of Federal aid to education if and when the program is adopted." It would be exchanging a very real value for "pie in the sky."

Mr. KEATING. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. KEATING. Because I have cited the case of New York I do not wish to have it understood that this would be limited to the State of New York. As I say, New York would have to pass new legislation in order to receive the benefit of this compromise proposal, as would any other State. Any State which passed such a law would be expected to shoulder some of the responsibilities which are shared with the Federal Government, if the State took the income from 40 percent of the Federal telephone tax.

Mr. BENNETT. Mr. President, the Action Committee on Joint Federal-State relationships recommended a specific relationship. The committee recommended an exchange of 40 percent of the Federal telephone tax in exchange for the assumption of full responsibility for the vocational education and for waste treatment construction grants. It seems to me this was the plain offer. Apparently, it was rejected by the Action Committee, eventually.

I do not think we should adopt a program piecemeal which either would move us into this field or would enable some States to say, "No. We cannot take over these two things because we have already committed the use of this released Federal telephone tax money to some other equally meritorious program."

I think we ought to have a nationwide and very specific exchange of values in

this case. Therefore, lacking the particular exchange, I fear I shall have to oppose the amendment of my friend from New York.

Mr. JAVITS. Mr. President, I join with my colleague from New York in support of the amendment. I think he has done very well to propose it, because I think the reason for his position and the position which I espouse with him is best shown by the fact that people who voted on different sides of the issue in respect to continuing the telephone tax can unite behind this amendment.

We are talking about the overall national security interest, and the question is, Where can this interest be best served? In the State or in the Nation? I do not think we should hearken back to the Kestnbaum report as the only proof to support this amendment. I think rather the national security test, the national interest test, is the proper one, although the Kestnbaum report indicates that this is the kind of tax in which a division between the State and the Federal Government is a logical recommendation.

I say the national security interest for this reason. I voted, for example, to sustain this tax in the hands of the Federal Government because the amount involved, which is estimated in the committee report for the full year of $450 million, and for 1961 $338 million, cannot be dispensed with under existing conditions. But I believe at the same time where responsibilities are carried by States which fit into the concept of the national interest or the national security interest, and the States will actually carry out those responsibilities and actually ask their residents to support those responsibilities, then I think the State has an excellent case for participation in the avails of the tax. In other words, I am not in favor of yielding the tax. It should go for the national security interest. But it should go either on the national or on the State level or a division between them. I think my colleague [Mr. KEATING] has come to a right division between them.

There are no hard, fast, and ironclad rules in respect of these tax matters. Every one of them must stand on its own two feet.

It might have been observed that I voted to eliminate the transportation tax a little while ago, though I voted to sustain the telephone tax. My reason for doing so is that the national security interest requires every effort we can make to fortify the national transportation system, and if this discourages, as it does, a utilization of the national transportation system, I would rather give them this little tax break that amounts to about $150 million for a full year than to vote them more subsidies, if it can be avoided.

I make that statement because I think my colleague [Mr. KEATING] has tried to cut this pie in an equitable and sensible way, especially in view of the experience of our State. It is a fact that the statute passed by the State legislature—which, incidentally, is bill Nos. 5418, 5538, introduced 4678, passed March 27, 1960—purported to be a standby law, providing that if the Federal telephone tax were repealed, the benefit of the tax would be given on a local election basis, as it were, to school districts which sought to take advantage of it for their particular areas.

Though that law would not be applicable to the situation which would prevail should this amendment carry, nevertheless it does show the intention of our State to utilize the telephone tax for a matter of the highest national security interest in the field of education. Therefore I think that the amendment, though it may not suit the law of New York right now, would suit New York, and we would have law to conform to it. It may safely be assumed that ours is one State which would take advantage of it.

In our State we have a tradition of standby law. Perhaps one of the most notable examples of such laws concerned rent control. When the Federal Government removed rent control, New York was among the very few, if not the only State, that had a standby rent control law, to the great satisfaction of its people, a law which Governor Dewey had the foresight to induce the legislature to put upon the books.

So, in the field we are discussing, Governor Rockefeller has induced our State legislature to put a statute upon the books which could be very helpful to New York if the majority of Congress believe that this tax should go off on the Federal level. I do not mean that I would attempt to convince Senators, as I see it, to vote to take it off. It depends upon the judgment of Senators as to whether they believe it ought to stay on or off in terms of the National Establishment.

So although I believe in terms of the National Establishment the tax ought to remain, I believe also that if a State will carry out a function uniquely within its own power, to wit, education, which makes a decisive contribution to the national security interest, the very purpose for which we retain this tax, then that State ought to be permitted to share in the avails of a tax for that purpose.

New York has shown its intention to do so, although its particular law will not actually have that result.

I do not think there can be any doubt about the purpose for which my own State would propose to use its own share of such a tax if it were made available. There is no single domestic reform, with the exception of equal opportunity for all without regard to race, creed or color, more urgent to the national security interest than a fortification of our educational system.

New York, as everybody knows, under Governor Rockefeller, when he first became Governor, imposed upon itself additional taxes, which is pretty unheard of in these days. The imposition of the taxes was an act of political courage, in order to try to do the best New York could do for its educational system.

I think it cannot be said that the people of New York are not first taxing themselves to the hilt before looking to other sources of revenue for this extremely desirable purpose in our national interest.

I think my colleague, the Senator from New York [Mr. KEATING] has done a fair thing in proposing the amendment. I am honored to join with him in it, based upon the findings of the Kestnbaum Commission, as to a fair division between the State and Federal Governments of a tax of this character, and at the same time his proposal carries out the spirit which dictated the findings. I am sure many Senators have feelings of concern in their own hearts as to whether this was exactly the right course to follow, but in any case the majority decided that at a time like this, the national security in their view required a continuation of this tax. I believe my colleague has shown us a way which, having asserted that principle, we could nonetheless make some of these funds available on a fair division basis which I have described for a purpose which is fundamental and essential to the whole national security interest, to wit, the purpose of education.

I do not think that our friend and colleague from Utah [Mr. BENNETT] has made a proper answer to the point made by my colleague, the Senator from New York [Mr. KEATING] by pointing out that in the Kestnbaum Commission's report the specific purpose of national education and pollution were referred to. I say that because I believe the important thing is the question of what conduces to the very purpose for which we are continuing this tax. I think what is in the minds and hearts of the majority here in continuing the tax is the overriding national security interest. I respectfully submit that the educational purpose which New York contemplates, and which we have every right to believe other States will continue, is very much more directly, as of this writing, related to the national security interest than would be even the specific uses referred to in the Kestnbaum report.

So I join with my colleague not only in word but in deed, and with great feeling on the subject, in putting forward this amendment. I hope that it may have the affirmative approval of the Senate.

Mr. ANDERSON. Mr. President, I speak with the authority of the chairman of the committee and ranking minority member of the Finance Committee in urging that the amendment be defeated. This is a serious amendment. If we take 40 percent of the telephone tax and divert it to States, $185 million is involved. Forty percent of various other types of taxes might then be diverted to States also.

The office of the Secretary of the Treasury has sufficient problems already without trying to add to them with this type of legislation. There may be a time when the general telephone tax will be dropped. If and when the general telephone tax is dropped, then the suggestion which was made a while ago of picking it up within the States and using it for certain purposes may then be timely.

I believe the Senator from Utah [Mr. BENNETT] made a very proper point in saying that the recommendations which

were quoted were recommendations made in exchange for something else.

The Treasury Department has responsibilities.

If it is relieved of this source of revenue, then certain other funds can be taken away from the Treasury Department that they have been using to meet those responsibilities. As long as the trade is not made, action cannot be taken unilaterally.

If we were suddenly to say, "We will give 40 percent of the telephone tax to the States ready to receive it," New York State may be the only State which has passed legislation in the field. I think it is not, but if it were the only State, and word went out that 40 percent of the telephone tax was going back to the State of New York, how long would it take legislators of other States to pass bills to receive 40 percent of the Federal taxes in their States, as well?

They could or could not, as they wished, under the amendment now before the Senate, make provision for any type of education. In fact, the amendment does not require them to spend one penny for education. They could use all the money for roads or schools or for the policing of highways, or on anything to which they may wish to devote it. To take 40 percent of the telephone tax and turn it over to the States would be a very difficult thing at the present time.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. JAVITS. I am grateful to the Senator for yielding, because he suggested to my mind a point I was going to make. I have no doubt that other States would take advantage of the opportunity if it were afforded. New York certainly would not be the only one to do so. The Senator said one other thing which I think is very important, that the law passed by the State of New York is by no means the main one, although it looks now as if we will continue the telephone tax in the national establishment for the overriding reasons which impel a majority of the Senate, including myself. This should be said in fairness, and I am glad the Senator, being on the other side, made the statement.

Mr. ANDERSON. I appreciate what the Senator has said. I agree with what the Senator from Utah has said, however, and I know I also express the feeling of the Senator from Delaware against the amendment, and the feeling also of the chairman of the committee.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CARLSON. I believe that the adoption of the amendment would open a Pandora's box, and I shall certainly oppose it.

Mr. ANDERSON. I appreciate the Senator's statement.

Mr. WILLIAMS of Delaware. Mr. President, I join the Senator from New Mexico in opposing this amendment. It would have the effect of giving a tax reduction to perhaps only two or three States at this time. If we are to revise the tax laws we should revise them affirmatively across the board for taxpayers in all States, not just in certain areas. I hope the amendment will be defeated although I recognize the argument that has been made by the Senators from New York. I appreciate their position, but I cannot agree with them.

Mr. ANDERSON. I believe the conferees on the bill will have enough to do and enough problems to settle before the 30th of June without adding this very complicated amendment.

COLD WAR VICTIMS LEGISLATION

Mr. KEATING. Mr. President, as the legislative machine gets rolling in the fashion to which we sometimes become accustomed, and since this may be my only opportunity to do so, I should like to take a few minutes on a very vital subject.

Few Americans are aware of the number of incidents in which American servicemen have been lost as a result of cold war incidents. The Francis Powers case is a worldwide cause celebre, but there have been a number of other encounters with the Soviet bloc which have attracted no attention at all.

Recently I was furnished a list of 15 known cases in which U.S. planes have been shot down by Soviet bloc forces during the cold war. A total of 87 Air Force crewmen are dead or missing as a result of these incidents.

Instead of reading the list at this time, and taking the time of the Senate under the present circumstances, I ask unanimous consent to have printed in the RECORD at this point the list that I have referred to.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

1. Navy Privateer shot down in the Baltic Sea, April 8, 1950. Ten crew members missing.

2. Navy P–2V shot down by Soviet fighters off Vladivostok, November 6, 1951. Ten crew members missing.

3. USAF C–47 forced down by Soviet fighters near Papa, Hungary, November 18, 1951. Four crew members returned to U.S. custody.

4. USAF B–29 shot down by Soviet fighters off northern Japan, October 7, 1952. Eight crew members missing.

5. Navy P–2V shot down by Chicom AAA off Swatow, January 18, 1953. Seven crew members rescued, six missing.

6. USAF F–84 shot down by Czech MIG fighter near Sasselberg, Germany, March 10, 1953. Pilot returned to U.S. custody uninjured.

7. USAF RB–50 shot down by Soviet fighters off Cape Povorotny, July 29, 1953. One crew member survived, 16 missing.

8. Navy P–2V shot down by Soviet fighters over Sea of Japan, September 4, 1954. One crew member missing, nine rescued.

9. USAF B–29 shot down by Soviet fighters over Hokkaido, Japan, November 7, 1954. One crew member killed, 10 injured.

10. Navy P–2V shot down by Soviet fighters in Bering Strait, June 22, 1955. Aircraft landed in U.S. territory, crew remained in U.S. custody.

11. USA T–6 shot down near Korean demilitarized zone, August 19, 1955. One crew member killed, one injured and returned to U.S. custody.

12. Navy P–4M shot down by Chicom aircraft 32 miles east of Wenchow, August 22, 1956. Sixteen crew members missing.

13. USAF F–86 shot down over demilitarized zone in Korea by NK AAA. Pilot uninjured, returned to U.S. custody.

14. USAF C–118 shot down by Soviet fighters over Armenia, June 27, 1958. All nine crew members, including one injured, returned to U.S. custody.

15. USAF C–130 shot down by Soviet fighters in Soviet territory near Turkish border, September 2, 1958. Bodies of six crew members returned to U.S. custody, 11 others missing.

Mr. KEATING. Mr. President, these are known incidents. In recent months I have had correspondence with a constituent, Mrs. James N. Barker, of Bronxville, N.Y., which indicates that there may have been scores of other encounters of a similar nature in which the facts are not completely verifiable.

On October 2, 1959, Mrs. Barker's husband, 1st Lt. James N. Barker, stationed in Misawa, Japan, was assigned the mission of intercepting and identifying two tracks detected off the coast of Japan by American radar equipment. Within less than an hour, Lieutenant Barker sighted the unknown objects and reported them to be Soviet aircraft. Several other messages were exchanged between Lieutenant Barker and his home base but within a short time, radio and radar contact with him was lost. When communications could not be regained and upon a pickup of a short emergency signal, air rescue aircraft were dispatched to the area of his last known contact. An extensive air and sea search was conducted but no sign of Lieutenant Barker or his plane was ever detected, and he is officially presumed to be dead.

Mrs. Barker is now a widow with three small children. She has been left with practically no means of support for either herself or her little family.

My first concern in looking into this case was in connection with the possible introduction of a private bill for the relief of Lieutenant Barker's family. I know that the American people would be disappointed if they realized that the families of servicemen involved in such hazardous cold war missions were not provided any measure of security by the Government.

I am now convinced that the situation calls for general legislation. In my opinion the members of our Armed Forces involved in such incidents deserve the same treatment as was accorded the participants in World War II and the Korean conflict. These are brave men subject to the same type of risks and dangers as members of the Armed Forces during actual war. The cold war, which shows no sign of terminating in the foreseeable future, has placed many of our troops in the kind of jeopardy which was not anticipated when the special benefit programs for war-time veterans were allowed to lapse following the Korean conflict.

I intend to propose today legislation to deal with this new problem. My bill would extend to veterans who are injured outside the United States by hostile or warlike acts the major benefits now available to veterans of World War II and Korea. It would provide pension benefits for the widows and children of

servicemen injured or killed by such acts identical to those provided to widows and children of hot war veterans. It would extend to such veterans the vocational rehabilitation benefits afforded World War II and Korean conflict veterans. It would likewise extend to the children of such veterans who die of service-connected disabilities the same educational assistance provided children of World War II and Korean conflict veterans. It would provide the same assistance in obtaining an automobile to such veterans as was provided for veterans of World War II and the Korean conflict. Finally, it would make applicable to such veterans the exemption accorded to retired service personnel disabled in combat or during a period of war from the $10,000 limitation on retirement pay which would otherwise be applicable.

Mr. President, we must face up to this new aspect of the current international situation. While we have been technically at peace for several years, it is apparent that many American servicemen have had to engage in activities under warlike conditions. I believe that we have unwittingly neglected to accord these courageous men and their dependents the same benefits and protections which we so willingly bestowed on their comrades who were exposed to similar risks during periods of official war.

Therefore, I introduce for appropriate reference a bill to provide certain benefits for members of the Armed Forces killed or wounded in disturbances other than a state of war. I ask unanimous consent that the text of the bill be printed at the conclusion of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3705) to amend title 38, United States Code, to provide certain benefits for members of the Armed Forces killed or wounded in disturbances other than a state of war, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 38, United States Code, is amended as follows:

(1) Section 101 is amended by adding the following at the end thereof:

"(28) The term 'apparent hostile act' means an encounter, assault, or other act of a warlike nature committed on or after December 7, 1941, outside the United States involving a member of the active military, naval, or air service in his capacity as a member of the Armed Forces of the United States:

(2) Section 541 is amended—

(A) by inserting the following in subsection (a) before the word "pension": "and to the widow of each veteran who suffered an injury in the line of duty as the result of an apparent hostile act,";

(B) by inserting the following in subsection (e)(1) before the semicolon after the words "Korean conflict veteran": ", or (D) prior to the expiration of ten years after his separation or release from service in the case of a widow of a veteran who suffered an injury in the line of duty as the result of an apparent hostile act"; and

(C) by amending the catchline to read as follows:

"§ 541. Widows of World War I, World War II, or Korean conflict veterans, or of veterans injured by an apparent hostile act".

(3) Section 542 is amended—

(A) by inserting the following in subsection (a) before the words "pension at the monthly rate": "and to the child or children of each deceased veterans who suffered an injury in the line of duty as the result of an apparent hostile act,"; and

(B) by amending the catchline to read as follows:

"§ 542. Children of World War I, World War II, or Korean conflict veterans, or of veterans injured by an apparent hostile act".

(4) The analysis of chapter 15 is amended by striking out the following items:

"541. Widows of World War I, World War II, or Korean conflict veterans.

"542. Children of World War I, World War II, or Korean conflict veterans."

and inserting the following items in place thereof:

"541. Widows of World War I, World War II, or Korean conflict veterans, or of veterans injured by an apparent hostile act.

"542. Children of World War I, World War II, or Korean conflict veterans, or of veterans injured by an apparent hostile act."

(5) The subtitle in subchapter III of chapter 15 preceding section 541 is amended to read as follows:

"WORLD WAR I, WORLD WAR II, KOREAN CONFLICT, AND VETERANS INJURED BY AN APPARENT HOSTILE ACT".

(6) Section 1502 is amended—

(A) by inserting the following in subsection (a) before the words "which is, or": ", and every veteran who has a service-connected disability resulting from an injury incurred in the line of duty as the result of an apparent hostile act,"; (B) by striking out the last sentence of subsection (c)(2) and inserting the following in place thereof:

"(3) Vocational rehabilitation may not be afforded a veteran on account of a service-connected disability resulting from an injury incurred in the line of duty as the result of an apparent hostile act after nine years following his discharge or release from the period of service in which such injury occurred.

"(4) Notwithstanding the provisions of paragraphs (2) and (3) of this subsection, where a veteran is prevented from entering, or having entered, from completing vocational rehabilitation training, because of one of the reasons set forth in subparagraphs (A) through (C) of paragraph (1), such training may be afforded him during a period of not to exceed four years beyond the period otherwise applicable to him.";

(C) paragraph (3) of subsection (c) is redesignated as "(5)" and amended to read as follows:

"(5) Vocational rehabilitation may not be afforded outside of a State to a veteran on account of service subsequent to World War II if the veteran at the time of his service was not a citizen of the United States."; and

(D) by striking out the words "Korean conflict service" in subsection (d) and inserting the words "service subsequent to World War II" in place thereof.

(7) Section 1701(a)(1) and (d) are each amended by inserting the words ", or resulting from an injury incurred in the line of duty as the result of an apparent hostile act" after the words "Korean conflict".

(8) Section 1901(a) is amended by inserting the words ", or resulting from an injury incurred in the line of duty as the result of an apparent hostile act" after the words "Korean conflict".

SEC. 2. Subsection 212(b) of the Act of June 30, 1932, as amended (5 U.S.C. 59a), is amended by striking out the period after the words "chapter 11 of title 38)" and inserting the following in place thereof: ", or (3) as a result of an injury in line of duty because of an apparent hostile act, as defined in section 101(28) of title 38."

SEC. 3. This Act is effective from December 7, 1941. However, no person is entitled to any accrued benefits under this Act for the period between December 7, 1941 and the date of enactment.

Mr. KEATING. Mr. President, I draw the attention of the Senate to the 15 instances to which I just had listed in the RECORD. I have included here the types of aircraft, where they were shot down or brought down and the number of crew members who were missing or known to be dead or rescued in each instance.

I feel that if every Senator had had the opportunity, as I did, as a result of my visit with Mrs. Barker, to examine this problem carefully, there is not one who would not feel as I do that it is incumbent upon us promptly to make provisions for the courageous men who have made great sacrifices for their country in this unusual period in which we now find ourselves.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

The Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates.

Mr. JAVITS. Mr. President, unless some other Senator wishes to speak on the amendment, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from New York [Mr. KEATING].

The amendment was rejected.

Mr. PROXMIRE. Mr. President, I call up my amendment designated "6-17-60-J." I ask unanimous consent that the reading of the amendment be dispensed with, but that the amendment may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows: At the end of the bill it is proposed to add the following:

SECTION 1. AMENDMENT OF 1954 CODE.

Whenever an amendment is expressed in terms of an amendment to a section of other provision, the reference shall be considered

as to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. WITHHOLDING OF INCOME TAX ON INTEREST AND DIVIDENDS.

(a) IN GENERAL.—Subtitle A (relating to income taxes) is amended by adding at the end thereof the following new chapter:

"CHAPTER 7—COLLECTION OF INCOME TAX AT SOURCE ON INTEREST AND DIVIDENDS

"SUBCHAPTER A. Interest.
"SUBCHAPTER B. Dividends.
"SUBCHAPTER C. General provisions.

Subchapter A—Interest

"SEC. 1601. Income tax collected at source on interest.
"Sec. 1602. Exemptions.

"SEC. 1601. INCOME TAX COLLECTED AT SOURCE ON INTEREST.

"(a) REQUIREMENT OF WITHHOLDING.—Every person (other than an individual) making payment after December 31, 1960, of interest shall deduct and withhold on such interest a tax equal to 20 percent of the amount thereof. If the withholding agent is unable to determine the person to whom the interest is payable, such tax shall be deducted and withheld at the time payment thereof would be made if such person were known.

"(b) INTEREST DEFINED.—For purposes of this chapter, the term 'interest' means—

"(1) interest within the meaning of section 61(a)(4), and

"(2) in the case of an obligation described in section 454 (a) or (b) (relating to non-interest bearing obligations issued at a discount), the amount by which the amount paid on surrender or redemption of such obligation exceeds the price for which such obligation was issued.

"(c) CREDIT FOR TAX WITHHELD.—

"For credit, against income tax of the recipient of the income, of amounts required to be deducted and withheld under this section, see section 39.

"SEC. 1602. EXEMPTIONS.

"(a) IN GENERAL.—The provisions of section 1601 shall not apply to—

"(1) Any interest which, irrespective of the person to whom payable, is wholly exempt from taxation under chapter 1.

"(2) Interest paid to—

"(A) the United States,

"(B) a State, a possession of the United States, a political subdivision of a State or of a possession of the United States, or the District of Columbia.

"(C) a wholly owned instrumentality or agency of any one or more of the foregoing.

"(3) Interest paid to or by—

"(A) a foreign government,

"(B) a political subdivision of a foreign government,

"(C) an international organization,

"(D) a wholly owned instrumentality or agency of any one or more foreign governments, political subdivisions thereof, or international organizations,

"(E) a foreign corporation not engaged in trade or business within the United States,

"(F) a nonresident alien individual, or

"(G) a partnership not engaged in trade or business within the United States and composed in whole or part of nonresident alien individuals.

"(4) Interest paid by a corporation to another corporation if both corporations are members of the same affiliated group which filed a consolidated return under chapter 6 for the preceding taxable year of the payor corporation.

"(b) IDENTIFICATION OF RECIPIENT.—Paragraphs (2) and (3) of subsection (a) shall apply with respect to any payment of interest only if, at the time of payment, the recipient of such interest has been identified to the withholding agent as a government, organization, or person described in such paragraphs.

"Subchapter B—Dividends

"Sec. 1611. Income tax collected at source on dividends.
"Sec. 1612. Exemptions.

"SEC. 1611. INCOME TAX COLLECTED AT SOURCE ON DIVIDENDS.

"(a) REQUIREMENTS OF WITHHOLDING.—Every person making payment after December 31, 1960, of a dividend shall deduct and withhold on such dividend a tax equal to 20 percent of the amount thereof. If the withholding agent is unable to determine the person to whom the dividend is payable, such tax shall be deducted and withheld at the time payment thereof would be made if such person were known.

"(b) DIVIDEND DEFINED.—For purposes of this chapter, the term 'dividend' means—

"(1) any distribution by a corporation which is a dividend (as defined in section 316);

"(2) a payment made by a stockbroker to any person as a substitute for a dividend (as defined in section 316) on which a tax is required to be deducted and withheld under this chapter; and

"(3) a payment (whether or not designated as a dividend) by a mutual savings bank, savings and loan association, building and loan association, cooperative bank, homestead association, credit union, or similar organization, in respect of withdrawable or repurchasable shares, investment certificates, or deposits.

"(c) WITHHOLDING WHERE AMOUNT OF DIVIDEND IS UNKNOWN.—If the withholding agent is unable to determine the portion of a distribution which is a dividend, the tax required to be deducted and withheld under this chapter shall be computed on the entire amount of the distribution.

"(d) CREDIT FOR TAX WITHHELD.—

"For credit, against the income tax of the recipient of the income, of amounts required to be deducted and withheld under this section, see section 39.

"SEC. 1612. EXEMPTIONS.

(a) IN GENERAL.—The provisions of section 1611 shall not apply to—

"(1) a dividend paid in the stock or rights to acquire the stock of the distributing corporation whether or not the recipient of such stock or rights had an option to be paid in money, or other property, in lieu of such stock or rights;

"(2) distributions (other than capital gain dividends described in section 852(b)(3)(C) to shareholders which are treated under chapter 1 as amounts received on the sale or exchange of property, or distributions with respect to which gain or loss is not recognized under chapter 1 to the shareholders;

"(3) any amount which is includible in gross income as a taxable dividend under the provisions of section 302 or 303 (relating to redemptions of stock), section 354(b) (relating to receipt of property on transfer to corporation controlled by the transferor), section 356 (relating to receipt of additional consideration in connection with certain reorganizations), or section 1081(e)(2) (relating to certain distributions pursuant to order of the Securities and Exchange Commission);

"(4) amounts treated under section 1373 as amounts distributed as dividends;

"(5) dividends paid to—

"(A) the United States,

"(B) a State, a possession of the United States, a political subdivision of a State or of a possession of the United States, or the District of Columbia, or

"(C) a wholly owned instrumentality or agency of any one or more of the foregoing;

"(6) Dividends paid to—

"(A) a foreign government,

"(B) a political subdivision of any foreign government,

"(C) an international organization,

"(D) a wholly owned instrumentality or agency of any one or more foreign governments or political subdivisions thereof, or international organizations,

"(E) a foreign corporation not engaged in trade or business within the United States,

"(F) a nonresident alien individual, or

"(G) a partnership not engaged in trade or business within the United States and composed in whole or part of nonresident alien individuals;

"(7) dividends paid by a foreign corporation not engaged in trade or business within the United States;

"(8) dividends paid by a Federal Reserve bank, Federal land bank, Federal home loan bank, central bank for cooperatives, or bank for cooperatives;

"(9) dividends paid by a corporation to another corporation if both corporations are members of the same affiliated group which filed a consolidated return under chapter 6 for the preceding taxable year of the payor corporation.

"(b) IDENTIFICATION OF RECIPIENT.—Paragraphs (5) and (6) of subsection (a) shall apply with respect to any payment of dividends only if, at the time of payment, the recipient of such dividends has been identified to the withholding agent as a government, organization, or person described in such paragraphs.

"Subchapter C—General provisions

"Sec. 1621. Returns and payment.
"Sec. 1622. Refund or credit of tax to tax-exempt organizations.
"Sec. 1623. Refund of tax to individuals not required to file income tax returns.
"Sec. 1624. Credit for regulated investment companies and personal holding companies.
"Sec. 1625. Failure to file returns.
"Sec. 1626. Nondeductibility of tax in computing taxable income.
"Sec. 1627. Definitions.

"SEC. 1621. RETURNS AND PAYMENT.

"(a) GENERAL RULE.—Every person required under this chapter to deduct and withhold any tax shall make a return of such tax and shall pay such tax, at such time, for such period, and in such manner as the Secretary or his delegate may by regulations prescribe, by making a return of the total amount of interest and the total amount of dividends with respect to which tax is required to be deducted and withheld by such person under this chapter for such period and paying a tax, for which such person shall be liable, in an amount equal to 20 percent of each such total.

"(b) GOVERNMENTAL PAYOR.—If the person referred to in subsection (a) is the United States, a State or political subdivision thereof, a possession of the United States or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, the return and payment required by subsection (a) shall be made by any officer or employer of the United States, or of such State or political subdivision, of such possession or political subdivision, of the District of Columbia, or of such agency or instrumentality, as the case may be, having control of the payment of the interest or dividend, or appropriately designated for that purpose.

"(c) ADJUSTMENT OF TAX.—If more or less than the correct amount of tax due for any period under subsection (a) is paid with respect to such period, proper adjustments with respect to the tax shall be made, without interest, in such manner and at such times as may be prescribed by regulations made under this chapter.

"(d) INDEMNIFICATION OF WITHHOLDING AGENT.—A withholding agent shall not be liable, except as provided in subsection (a), to any person for the amount of any tax required to be deducted and withheld under this chapter.

"SEC. 1622. REFUND OR CREDIT OF TAX TO TAX-EXEMPT ORGANIZATIONS.

"In the case of a person which is exempt from the tax imposed by chapter 1, if the amount required to be deducted and withheld as tax under this chapter with respect to interest and dividends received by it during any calendar quarter exceeds the credit claimed by and allowed to such person under section 3505 (relating to credit against employment taxes) for such quarter, the excess shall be immediately refunded or credit to such person as an overpayment of the tax imposed by this chapter, but only if claim therefor is filed (or, if no claim is filed, if credit or refund is made) after the close of such calendar quarter and on or before March 15 of the fourth calendar year beginning after the close of such calendar quarter. No interest shall be allowed or paid with respect to any such refund or credit for any period before the date on which claim for such refund or credit is filed or before March 16 of the calendar year succeeding the close of the calendar quarter in respect of which such refund or credit is claimed, whichever date is the later.

"SEC. 1623. REFUND OF TAX TO INDIVIDUALS NOT REQUIRED TO FILE INCOME TAX RETURNS.

"In the case of an individual who certifies (in such form and manner as the Secretary or his delegate prescribes by regulations) with respect to interest and dividends received by him during any calendar quarter that he reasonably believes (at the time of such certification) that—

"(1) he will not, for the taxable year of which such calendar quarter is a part, have a gross income of $600 or more, or

"(2) in the case of an individual who has or will attain the age of 65 before the close of such taxable year, he will not, for such taxable year, have a gross income of $1,200 or more,

the amount required to be deducted and withheld as tax under this chapter with respect to interest and dividends received by him during such calendar quarter shall be immediately refunded to him as an overpayment of the tax imposed by this chapter, but only if claim therefor is filed (or, if no claim is filed, if refund is made) after the close of such calendar quarter and on or before April 15 of the fourth calendar year beginning after the close of such calendar quarter. No interest shall be allowed or paid with respect to any such refund for any period before the date on which claim for such refund is filed or before April 16 of the calendar year succeeding the close of the calendar quarter in respect of which such refund is claimed, whichever date is the later.

"SEC. 1624. CREDIT FOR REGULATED INVESTMENT COMPANIES AND PERSONAL HOLDING COMPANIES.

"In the case of any withholding agent which is a regulated investment company (as defined in section 851) or a personal holding company (as defined in section 542), the amount required to be deducted and withheld as tax under this chapter with respect to interest and dividends received by it during a taxable year shall be allowed, under regulations prescribed by the Secretary or his delegate, as a credit against (but not in excess of) the tax for which such withholding agent is liable under section 1621(a) in respect of dividends paid by it during such year. For purposes of this section, a dividend shall be considered as having been paid within a taxable year—

"(1) in the case of a regulated investment company, if treated as paid during such taxable year under section 855(a), or

"(2) in the case of a personal holding company, to the extent elected under section 563(b), in determining the dividends paid deduction for purposes of the personal holding company tax, in the return for such year.

"SEC. 1625. FAILURE TO FILE RETURNS.

"In case of a failure to make and file any return required under this chapter within the time prescribed by law or prescribed by the Secretary or his delegate in pursuance of law, unless it is shown that such failure is due to reasonable cause and not to willful neglect, the addition to the tax or taxes required to be shown on such return shall not be less than $5.

"SEC. 1626. NONDEDUCTIBILITY OF TAX IN COMPUTING TAXABLE INCOME.

"Any tax deducted and withheld under this chapter shall not be allowed as a deduction in computing taxable income for the purpose of any tax on income imposed by Act of Congress.

"SEC. 1627. DEFINITIONS.

"For purposes of this chapter—

"(1) PERSON.—The term 'person' includes a government, a political subdivision of a government, and an instrumentality or agency of one or more governments or political subdivisions thereof.

"(2) NONRESIDENT ALIEN.—The term 'nonresident alien individual' includes an alien resident of Puerto Rico."

(b) TABLE OF CHAPTER.—The table of chapters for subtitle A is amended by adding at the end thereof:

"CHAPTER 7. Collection of income tax at source on interest and dividends."

SEC. 2. CREDITS AGAINST INCOME TAX FOR TAX WITHHELD.

(a) ALLOWANCE OF CREDIT.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by adding at the end thereof the following new section:

"SEC. 39. CREDIT FOR TAX WITHHELD ON INTEREST AND DIVIDENDS.

"(a) GENERAL RULE.—Under regulations prescribed by the Secretary or his delegate, the amount required to be deducted and withheld under section 1601 as tax on interest and under section 1611 as tax on dividends shall be allowed to the recipient of the income as a credit against the tax imposed by this subtitle for the taxable year in which the interest or dividend is received or accrued.

"(b) PARTNERSHIPS, TRUSTS, AND ESTATES.—If the recipient of the interest or dividend is a partnership or a common trust fund, then the credit provided by subsection (a) shall not be allowed to such recipient, but the members of the partnership, or the participants in the common trust fund, as the case may be, shall be allowed their proportionate share of such share. If the recipient is an estate or trust, and if any legatee, heir, or beneficiary subject to the tax imposed by this chapter is required to include a portion of such interest or dividend in computing his taxable income, such legatee, heir, or beneficiary shall be allowed such portion of the credit as is properly allocated to him on the basis of the income allocable to him under subchapter J (sec. 641 and following, relating to estates, trusts, beneficiaries, and decedents) for the taxable year of the estate or trusts, and such portion of the credit shall not be allowed to the estate or trust.

"(c) REGULATED INVESTMENT COMPANIES AND PERSONAL HOLDING COMPANIES.—In the case of a regulated investment company or a personal holding company, the credit provided by subsection (a) shall be reduced by the amount of credit allowed such company under section 1624.

"(d) TAX-EXEMPT ORGANIZATIONS, ETC.—

"(1) IN GENERAL.—The credit provided by subsection (a) shall not be allowed—

"(A) to any recipient which is exempt from the tax imposed by chapter 1; or

"(B) to an individual, with respect to interest and dividends received during any calendar quarter for which he has made a certification under section 1623.

"(2) CROSS REFERENCES.—

"(A) For refund or credit under chapter 7 in case of a recipient which is exempt from income tax, see section 1622.

"(B) For refund under chapter 7 in case of an individual who is not required to file an income tax return, see section 1623."

(b) TABLE OF SECTIONS.—The table of sections for such part IV is amended by adding at the end thereof the following:

"Sec. 39. Credit for tax withheld on interest and dividends."

SEC. 3. CREDIT FOR TAX-EXEMPT ORGANIZATIONS

(a) ALLOWANCE OF CREDIT.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3505. SPECIAL CREDIT IN CASE OF ORGANIZATION EXEMPT FROM INCOME TAX.

"(a) GENERAL RULE.—In the case of any person (including any government or political subdivision, agency, or instrumentality thereof) which is exempt from the tax imposed by chapter 1, the amount required to be deducted and withheld as tax under chapter 7 with respect to interest and dividends received by it during any calendar quarter shall be allowed, under regulations prescribed by the Secretary or his delegate, as a credit against (but not in excess of the amount shown on the return of such person as its liability (after the adjustments, if any, provided for in sections 6205(a) and 6413(a)) for such quarter in respect of the taxes imposed by chapter 21 (Federal Insurance Contributions Act and by chapter 24 (collection of income tax at source on wages). Such credit shall be allowed only if claim therefor is made, in accordance with such regulations, at the time of the filing of the return with respect to the taxes under chapter 21 and chapter 24 for such quarter.

"(b) CROSS-REFERENCE—

"For refund under chapter 7, see section 1622."

(b) TABLE OF SECTIONS.—The table of sections for chapter 25 is amended by adding at the end thereof the following:

SEC. 4. TECHNICAL AMENDMENTS.

(a) WITHHOLDING OF TAX ON NONRESIDENT ALIEN INDIVIDUALS.—Section 1441(c) (relating to exceptions to the withholding of tax on nonresident alien individuals), is amended by adding at the end thereof the following new paragraph:

"(7) INTEREST AND DIVIDENDS ON WHICH TAX IS WITHHELD UNDER CHAPTER 7.—Where any person is required to deduct and withhold a tax under subsection (a) on an amount on which a tax was required to be deducted and withheld under chapter 7, such person shall deduct and withhold under subsection (a) only the excess of—

"(A) the amount which would be required to be deducted and withheld under subsection (a) but for the application of chapter 7, over

"(B) the amount required to be deducted and withheld under chapter 7."

(b) WITHHOLDING OF TAX ON FOREIGN CORPORATIONS.—Section 1442 (relating to withholding of tax on foreign corporations) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and except that where any person is required under this section to deduct and withhold a tax on an amount on which a tax is required to be deducted and withheld under chapter 7, such person shall deduct and withhold only the excess of—

"(1) the amount which would be required to be deducted and withheld under this section but for the application of chapter 7, over

"(2) the amount required to be deducted and withheld under chapter 7."

(c) TAX COMPUTED BY SECRETARY OR HIS DELEGATE.—Section 6014 (relating to income tax not computed by the taxpayer) is amended—

(1) by striking out in subsection (a) "and whose gross income other than wages, as defined in section 3401(a), does not exceed $100," and by inserting in lieu thereof "and whose gross income (other than wages, as defined in section 3401(a), and other than interest and dividends on which tax is required to be deducted and withheld under chapter 7) does not exceed $100,"; and

(2) by inserting after "other than wages on which the tax has been withheld at the source" in subsection (b) the following: "and other than interest and dividends on which tax is required to be deducted and withheld under chapter 7".

(d) DECLARATION OF ESTIMATED INCOME TAX BY INDIVIDUALS.—Section 6015(a) (relating to declaration of estimated income tax by individuals) is amended—

(1) by striking out so much of paragraph (1) thereof as precedes subparagraph (A) and inserting in lieu thereof the following:

"(1) the gross income for the taxable year can reasonably be expected to consist of wages (as defined in section 3401(a)), and interest (as defined in section 101(b)) and dividends (as defined in section 1611(b)) on which tax is required to be deducted and withheld under chapter 7, and of not more than $100 from sources other than such wages, interest, and dividends, and can reasonably be expected to exceed—"; and

(2) by striking out so much of paragraph (2) thereof as precedes subparagraph (A) and inserting in lieu thereof the following:

"(2) the gross income can reasonably be expected to include more than $100 from sources other than wages (as defined in section 3401(a)) and other than interest (as defined in section 1601(b)) and dividends (as defined in section 1611(b)) on which a tax is required to be deducted and withheld under chapter 7, and can reasonably be expected to exceed the sum of—".

(e) INFORMATION BY CORPORATIONS.—Section 6042(1) (relating to returns regarding corporate dividends, etc.) is amended by adding at the end thereof the following: ", except that if the amount of dividends paid to any shareholder during a calendar year is less than $300 and tax is required to be deducted and withheld under chapter 7 on the entire amount of such dividends, no such return shall be required with respect to such shareholder for such calendar year".

(f) PUBLICATION OF STATISTICS ON TAX WITHHELD.—

(1) REQUIREMENT OF PUBLICATIONS.—Subchapter B of chapter 61 (relating to miscellaneous provisions relating to information and returns) is amended by renumbering section 6109 as 6110, and by inserting after section 6108 the following new section:

"SEC. 6109. PUBLICATION OF STATISTICS ON TAX WITHHELD ON INTEREST AND DIVIDENDS.

"The Secretary or his delegate shall prepare and publish annually statistics reasonably available with respect to the operation of chapter 7 (relating to collection of income tax at source on interest and dividends), including the amount of tax withheld on interest under section 1601 and the total amount of interest paid on which tax was withheld, the amount of tax withheld on dividends under section 1611 and the total amount of dividends paid on which tax was withheld, and any other facts deemed pertinent and valuable."

(2) TABLE OF CONTENTS.—The table of contents for such subchapter is amended by striking out

"Sec. 6109. Cross references."

and inserting in lieu thereof

"Sec. 6109. Publication of statistics on tax withheld on interest and dividends.

"Sec. 6110. Cross references."

"(b) EXCESSIVE WITHHOLDING.—If the amounts allowable as credits under section 31 (relating to credit for tax withheld at source under chapter 24) and section 39 (relating to credit for tax withheld on interest and dividends under chapter 7) exceed the taxes imposed by chapter 1 against which such credits are allowable, the amount of such excess shall be considered an overpayment."

(g) EXCESSIVE WITHHOLDING.—Section 6401(b) (relating to excessive withholding) is amended to read as follows:

(h) SPECIAL PERIOD OF LIMITATIONS FOR SMALL REFUNDS ON TAX WITHHELD AT SOURCE.—Section 6511(d) (relating to special rules for limitations on allowance of credits and refunds) is amended by adding at the end thereof the following new paragraph:

"(4) SPECIAL ROLES RELATING TO TAX ON INTEREST AND DIVIDENDS WITHHELD AT SOURCE.—In the case of an individual filing a claim for credit or refund of an overpayment for a taxable year for which he was not required under section 6012(a) to make a return, to the extent that the overpayment is attributable to the credit allowed under section 39 for tax required to be deducted and withheld under chapter 7 (relating to tax withheld at source on interest and dividends), in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be 7 years from the date prescribed by law for filing a return for the taxable year with respect to which the claim is made. In the case of such a claim, the amount of credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2), to the extent of the amount of the overpayment attributable to such credit allowed under section 39, or to the extent of $2, whichever is the lesser."

(i) PRESUMPTIONS AS TO DATE OF PAYMENT.—Section 6513(b) (relating to time tax considered to be paid) is amended by adding at the end thereof the following new sentence: "For purposes of section 6511 or 6512, any tax required to be deducted and withheld at source during any taxable year of the recipient under chapter 7, shall, in respect of the recipient of the income, be deemed to have been paid by him on the last day prescribed for filing the return under section 6012 for such taxable year (determined without regard to any extension of time for filing such return)."

(j) DEFINITION OF WITHHOLDING AGENT.—Section 7701(a)(16) (defining the term "withholding agent") is amended by striking out "or 1461" and inserting in lieu thereof "1461, 1601, or 1611".

(k) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 1960.

Mr. PROXMIRE. Mr. President, the amendment provides for the withholding of taxes on interest on dividends, and provides for a withholding tax of 20 percent. It would raise $1 billion, on the basis of conservative, competent, authoritative estimates made by economists of very high reputation.

The $1 billion is money which the Government now legally owns. It is money which the U.S. Treasury should be receiving, but which it is unable to collect because of the avoidance of the payment of income tax on interest and dividends.

The amendment has been very carefully prepared, based on the experience of a number of years. It is based, as a matter of fact, on studies which go back more than 40 years. Very few persons realize that when the first income tax law was passed in the United States in 1913, provision was made for a withholding tax on interest. The only reason why there was not a withholding tax on dividends was that dividends were exempt from the income tax. However, for 3 years there was a withholding tax on interest, and it worked.

In 1941 and 1942, when consideration was given to a withholding tax on wages, the House provided for a withholding tax on dividends and interest and sent the measure to the Senate. The Senate killed it.

In 1950, again, the House passed a withholding tax on interest and dividends, after the Committee on Ways and Means had approved it. But when the bill came to the Senate, the Senate killed it.

The same thing happened in 1951.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. ANDERSON. Did I correctly understand the Senator to say that there was a withholding tax on interest which was in effect for 3 years?

Mr. PROXMIRE. It is my understanding that there was a withholding tax on interest from 1913 to 1916.

Mr. ANDERSON. Tax rates were pretty low at that time.

Mr. PROXMIRE. The Senator is correct.

Over the years, there have been a number of objections to this proposal; but I am convinced that all of them have been very carefully and thoroughly ironed out.

After I complete my presentation, I shall be glad to engage in colloquy with Senators who may wish to refer to the series of objections which have been raised in the past.

Mr. AIKEN. Mr. President——

Mr. PROXMIRE. I yield to the Senator from Vermont.

Mr. AIKEN. How would the amendment affect farm cooperatives patronage dividends or refunds, inasmuch as the income cannot possibly be known until the end of the year.

Mr. PROXMIRE. A number of exemptions are made in the amendment. The amendment does not call for withholding on patronage dividends.

Mr. AIKEN. Or refunds?

Mr. PROXMIRE. Yes, the amendment does not call for withholding on either patronage dividends or refunds.

Mr. AIKEN. The Senator has given a very important answer.

Mr. PROXMIRE. That is correct.

Mr. President, on pages 3 and 4 of the amendment is a series of exemptions affecting withholding of interest; and on pages 6 and 7 is to be found a series of exemptions for witholding of dividends.

One of the great advantages of this measure is that it provides for quick refunds. When this measure was brought

up last year, many objections were made because older people who receive interest and dividends, and cannot get along without any of their income, might have been deprived for some time of that part of their income. This measure provides for quarterly refunds for them.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am glad to yield.

Mr. WILLIAMS of Delaware. On page 2, in lines 12 and 13, I notice that the amendment would be applicable to "Every person (other than an individual)." What is the definition of the Senator from Wisconsin of that language?

Mr. PROXMIRE. The purpose is to exempt individual persons.

As the Senator from Delaware realizes, the term "persons" is applied indiscriminatory to both corporations and individual persons.

As used in this amendment, the term "person" means individual persons; and the amendment would exempt the individual entity whom the Senator from Delaware and I think of as a person.

Mr. WILLIAMS of Delaware. Then the amendment would be applicable in all instances except to loans made or interest due as between two individuals?

Mr. PROXMIRE. Yes, except as set forth in the exemptions, which begin in line 10 on page 3; and in that connection I refer to the remainder of that page and to page 4, through line 17.

Mr. WILLIAMS of Delaware. Yes, I understand that the exemptions are spelled out in the amendment. But do we understand that other than those the amendment would mean the withholding of all interest except in the case of a transaction between John Smith and Sam Jones as individuals? Is that correct?

Mr. PROXMIRE. Yes.

Mr. WILLIAMS of Delaware. If so, how would the amendment apply if Sam Jones borrowed the money from a bank? The bank is not an individual under this definition. If Sam Jones had a mortgage at the bank and owed $500 interest, when he went to pay the interest to the bank would he have to withhold some of that interest from the bank?

Mr. PROXMIRE. No. On page 2, beginning in line 12, we find the words:

> Every person—other than an individual—making payment—

And so forth. In other words, if the person who makes the payment is an individual person, he will not withhold.

Mr. CLARK. I think that is very clear from the language the Senator has read.

Mr. PROXMIRE. A second objection which has been made to this amendment is that it would handicap tax-exempt organization—for instance, educational institutions.

Mr. ALLOTT. Mr. President, at this point will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am delighted to yield to the Senator from Colorado.

Mr. ALLOTT. The purpose the Senator from Wisconsin has in mind is a very laudable one, and there is no question that much income in this field actually escapes taxation. But to find a workable method, without doing great harm to individuals, is another matter.

As I interpret the amendment on page 2, in line 12, a person who paid interest to a bank would not have to make the withholding. Is that correct?

Mr. PROXMIRE. Yes, a person who paid interest to a bank would not withhold; that is correct. The bank would still be liable to pay a tax, of course; but it would be in the same position as that of an individual who worked for someone under circumstances in which there was no withholding of wages. The bank would still be liable.

Mr. ALLOTT. If the bank paid interest to an individual, there would be withholding, would there?

Mr. PROXMIRE. That is correct.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator from Wisconsin will yield to me at this time——

Mr. PROXMIRE. Certainly.

Mr. WILLIAMS of Delaware. Suppose a small corporation borrowed money from a bank. In that instance neither the corporation nor the bank would be individuals under the definition used in the amendment.

Mr. PROXMIRE. That is correct.

Mr. WILLIAMS of Delaware. If the small corporation borrowed money from a bank, would the corporation have to withhold when it went to pay at the bank?

Mr. PROXMIRE. Yes, if it were not an individual. If it were anything but a person, it would withhold.

Mr. WILLIAMS of Delaware. If a gasoline filling station borrowed money from a bank it would withhold, would it not?

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield to me? I believe I can clarify this point.

Mr. PROXMIRE. I yield.

Mr. CLARK. I ask the Senator from Delaware and the Senator from Colorado to follow my statement. As they know, this is an amendment to the Internal Revenue Code; the amendment does not stand on its own. It would become part of the code.

The code provides that the term "person" would be construed to mean an individual, trust, estate, partnership, association, or corporation. Anyone of those legal entities except an individual would be required to make the deductions called for by this amendment, unless specifically exempted by the terms of the amendment to which the Senator from Wisconsin has referred.

Mr. ALLOTT. That is correct. I was simply trying to bring out one of the individual situations which occurred to me.

One of the things which has always bothered me about this proposal is that I presume a very large percentage of the dividends and interest paid in the United States goes to people of substantial incomes.

Mr. PROXMIRE. The Senator from Colorado is correct.

Mr. ALLOTT. Does the Senator from Wisconsin have any figures in that connection?

Mr. PROXMIRE. Yes, although I do not have them immediately available. But that generalization is absolutely correct.

Mr. ALLOTT. Very well. I am thinking, for example, of Federal savings and loan institutions, private savings and loan institutions, and credit banks; and in my own State there are other types of specialized banks. Those who invest in those banks to a great extent are not people who fall within the generalization I just mentioned.

On the other hand, quite to the contrary, there are people who save $5 a month or perhaps $10 a month from their salaries, and put that money into a savings and loan association or a credit bank of some kind. Then they proceed to draw a little interest on it, and they let the interest ride and compound. That is a method of saving which in this country generally has supplanted the method used at the beginning of the century, when people would put most of their savings into savings accounts in banks.

Since that is the situation, I see that the amendment provides that 20 percent shall be withheld, which is the minimum amount. I am thinking about all of the people who have saved just a little bit of money. I am sure in numbers they far surpass those who have saved substantial amounts. Those who have saved a little bit depend upon the small amount of interest to add to their pensions, whether they be private or Government pensions. I refer to people who are barely living on a subsistence level, who are just getting along. They are the great rank and file of our people. Then all of a sudden we come along with an amendment like this and we take 20 percent out of what income they get from that source, and they have to justify getting it back from the Government.

I am sure the Senator is conscientious and realizes this problem just as much as I do, and probably more, because he was the one who drafted the amendment. What would the Senator say about that matter?

Mr. PROXMIRE. The answer is that those people are in exactly the same position as the wage earner whose wages are small, the person who gets an odd job here and there, works for several weeks or months during the year, and has some of his wages withheld. The fact is that in the case of this bill the interest and dividend refunding is faster than wage and salary refunding. Instead of annual refunding, as in the case of wages, there will be quarterly refunding.

I was discussing this question a little earlier with another Senator who was concerned with the same problem with which the Senator from Colorado is concerned. He concluded that the inconvenience to the people would be only for the first quarter, provided the income was consistent, I should say for the first 3 months at the very most. After that the refund would compensate, and the dividend or interest recipient would be in exactly the same position as before. The inconvenience to the individual would be very slight and transient, and it would be equitable because he would be in the same position the wage earner is in. People with small interest income,

even older people, receive more income from wages earned than from interest or dividends. However, the Senator from Colorado has an excellent point. The interest that older people get does represent a small element of their existence and subsistence.

Mr. ALLOTT. The only difference between the wage earner and the interest or dividend receiver, I may point out to the Senator, since he has used that example—and perhaps he has used it erroneously, although not purposefully so—is that it would affect in the same way only the wage earner who sporadically received wages; but the person who receives wages over a constant period of time, no matter what the level of salary may be, has certain deductions. As a matter of fact, the uniform experience is that, certainly, the average person making a salary of up to $5,000 or $10,000, by using the standard form of deduction which the Government allows him, can get a far bigger deduction than he can if he itemizes his deductions. So as a consequence, most people utilize the deductions. Therefore, the rather small wage earner may or may not have a deduction made, depending upon the size of his family and depending upon the size of his income. A great many of those people actually end up with rebates from the Government at the end of the year.

I am sure the Senator will agree with me that the great majority achieve an actually lower tax payment than they would if they had itemized their deductions.

Mr. PROXMIRE. The Senator is absolutely correct. What he has said indicates that we have at least this kind of transient, personal inequity for the benefit of the Government. Millions of people do receive refunds, and many, of course, with low wage income receive refunds at the end of the year. This represents income which, for the convenience of the Government, has been deferred for a matter of months, up to a year.

Mr. ALLOTT. But in such an instance the tax is deducted upon the basis of the size of the man's family and the size of his salary. In this instance, it gets back to the point which really bothers me. I know that in my own small town many, many people who could never possibly be called people of financial affluence, people who have never done much more than meet their bills month after month, and provide for their families, who have tried to save a little money, will have to wait 3 months now when they want to collect it, because 20 percent of the $400, let us say, is going to be deducted quarter by quarter. It is a real hardship to them when they are thinking of paying doctor bills and medical bills.

Mr. PROXMIRE. I recognize the problem raised by the Senator from Colorado, but I call attention to the fact that it is only temporary. It is only for the first 3 months, until the situation catches up with itself. The interest recipient will be receiving his full income from that period on.

In the second place, he will be getting a refund much more rapidly than a wage earner will, and the amount of inconvenience, therefore, for the interest and dividend recipient, will be comparatively modest and temporary, and the gain of the country to the extent of $1 billion—money really owing to the Government, and which it needs.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JOHNSON of Texas. Does the Senator have any information as to whether he would be willing to agree to a unanimous consent request to limit time on his amendment, so we can notify Senators?

Mr. PROXMIRE. I shall be very glad to do so.

Mr. JOHNSON of Texas. How much time does the Senator think will be necessary?

Mr. PROXMIRE. Let me say to the Senator from Texas that I would prefer to make my presentation and answer a few questions. Then at the end of that time I think we could have a very brief limitation, after the opposition speaks. Perhaps 10 minutes on a side would suffice.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator will yield, how much longer does the Senator expect to speak?

Mr. PROXMIRE. I think I shall take only 15 or 20 minutes. I shall be glad to yield during the presentation. So far in my presentation I think the opposition has used as much time as I have.

Mr. ALLOTT. Mr. President, if the Senator will yield, I do not know whether the Senator would classify me as the opposition. I am not sure yet.

Mr. PROXMIRE. I am very much encouraged.

Mr. ALLOTT. I am trying to decide.

Mr. PROXMIRE. I did not mean to classify the Senator from Colorado as the opposition. He has been asking excellent and perceptive questions, which might buttress the opposition if we were not able to answer. They have been perfectly proper questions.

Mr. ALLOTT. I refer to page 4 of the amendment, subparagraph (f). May I ask why a nonresident alien individual is exempted?

Mr. PROXMIRE. This is from the payment of interest. I have the exact reference to which the Senator is calling attention. I am having the answer determined now. For the moment I cannot answer, but I shall be glad to do so in the next 3 or 4 minutes.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. LAUSCHE. My examination of the part of the bill relating to interest leads me to the conclusion that if interest is paid by one corporation to another corporation, the deduction need not be made. Or must it be made?

Mr. PROXMIRE. It must be made unless the person paying the interest is an individual.

Mr. CLARK. Mr. President, if the Senator will yield——

Mr. LAUSCHE. Let me read the language. I am reading from line 12, page 2:

> Every person (other than an individual) making payment after December 31, 1960, of interest shall deduct and withhold on such interest a tax equal to 20 percent of the amount thereof.

Mr. PROXMIRE. I think the Senator has a different amendment before him. Does the Senator have amendment "6–17–60—J"?

Mr. LAUSCHE. Yes; "6–17–60—J."

Mr. PROXMIRE. To what page does the Senator refer?

Mr. LAUSCHE. Page 2, line 12.

Mr. PROXMIRE. I beg the Senator's pardon.

Mr. LAUSCHE. The language which I read requires a corporation paying interest to a corporation to withhold.

Mr. PROXMIRE. The Senator is correct.

Mr. LAUSCHE. That is, one corporation paying to a bank would have to withhold 20 percent of the interest.

Mr. PROXMIRE. That is correct.

Mr. LAUSCHE. How does the Senator justify that? Does the Senator assume the bank will not pay the tax on the interest when it receives the interest?

Mr. PROXMIRE. No. This is simply a matter of orderly administration. There would be no loss to the bank. There would be no loss to the corporation.

One of the great advantages involved in this proposal is that the burden of withholding is almost nothing. It is a minimum. It is very small. All of the interest payments can be taken into account for the entire period, and the corporation can simply write out one check, put it in an envelope, put a 4-cent stamp on the envelope, and mail it to the Federal Government. That is the only cost. It would be very, very simple. Reporting would be easy. There would be filed no other report of any kind.

Mr. LAUSCHE. I refer the Senator to line 11 on page 3.

Mr. PROXMIRE. The Senator from Colorado [Mr. ALLOTT] raised a point as to nonresident aliens. I have an answer for the Senator. When the Senator returns to the Chamber I shall give him the answer.

Mr. LAUSCHE. I refer the Senator to line 11, on page 3, where it is stated:

> The provisions of section 1601 shall not apply to—

Mr. PROXMIRE. Line 11, page 3.

Mr. LAUSCHE. I now turn to item 4, on page 4.

Mr. PROXMIRE. Line 4?

Mr. LAUSCHE. Item 4, on line 18, page 4.

Mr. PROXMIRE. I see the item.

Mr. LAUSCHE. It states:

> Interest paid by a corporation to another corporation if both corporations are members of the same affiliated group which filed a consolidated return under chapter 6 for the preceding taxable year of the payor corporation.

Mr. PROXMIRE. The Senator is correct. That is to eliminate a nontaxable transaction.

Mr. LAUSCHE. It would mean that a corporation which pays interest to another corporation——

Mr. PROXMIRE. Of the same affiliated group.

Mr. LAUSCHE. No.

Mr. PROXMIRE. Then the Senator is talking about something outside of this exception.

Mr. LAUSCHE. I hope the Senator will permit me to finish. The substance of these provisions I have covered is that a corporation which pays interest to another corporation shall withhold 20 percent of the interest paid, except when the corporation paying the interest and the corporation receiving the interest are members of a consolidated group. Is that correct?

Mr. PROXMIRE. This is correct, provided it is a corporation paying interest to another corporation. Of course, if a corporation should pay interest to some of the other groups in the other exceptions, there would not be withholding, either. The Senator is correct.

Mr. LAUSCHE. I thank the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I will say to the Senator from Colorado [Mr. ALLOTT] that I have an answer to the question he raised, before I continue with my presentation.

Mr. ALLOTT. The Senator may have the answer, but I do not now have before me a copy of the language.

Mr. PROXMIRE. I can refer to it. It is on page 4, line 14, item (F). One exception is "a nonresident alien individual." It is item (F). The answer is that a nonresident alien individual is already subject to a 30 percent withholding requirement under section 1441 of the Internal Revenue Code.

Mr. ALLOTT. That relates to interest or dividends paid?

Mr. PROXMIRE. A nonresident alien individual is already subject to a requirement which, in our judgment, would cover the situation.

Mr. ALLOTT. I thank the Senator for his answer.

Mr. PROXMIRE. Mr. President, of course tax-exempt organizations heavily depend upon dividends and interest. Universities and charitable institutions, and other organizations of that type, have a principal income from dividends and interest. Obviously it would be difficult for these institutions if they had to defer their income even for a matter of 2 or 3 months on 20 percent of this kind of income. In order to correct this situation, the amendment provides that in such a case these organizations can withhold a compensating proportion of the amount of withholding taxes which they collect from their own employees. This will mean, of course, that an institution which has a million dollar payroll, which withholds $150,000 of the $1 million payroll, which at the same time has interest income withheld to the extent of $50,000, could simply pay to the Government $100,000 instead of the $150,000, and thereby not suffer from even a temporary loss of income.

Mr. President, I think in the case of this amendment there has been the most careful, thorough and thoughtful—and I think expert—analysis it is possible to make of the effect it would have upon the revenues of the United States. It is a more careful analysis, I think, than any other I have seen.

Mr. Daniel Holland, an outstanding statistician at the Massachusetts Institute of Technology, has gone into this proposal in very great detail. He has been checked and double checked by Mr. Joseph Pechman, an outstanding economist for the Committee on Economic Development, as well as by others, and they have all come to the conclusion that without question the amendment, if agreed to, would result in the collection of a billion dollars of taxes. I think everyone agrees that if income remains at the 1960 level the amount which would result from passage of the amendment would be substantially greater than that.

It is also pointed out—which seems to me to be quite interesting, and which indicates the moral necessity for the amendment—that 15 percent of the dividends paid are now unreported and escape taxation, and 57 percent of the interest is not reported and no income tax is paid on the 57 percent.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Illinois.

Mr. DOUGLAS. Do I correctly understand the Senator from Wisconsin to say that over half of the interest paid is not reported as income?

Mr. PROXMIRE. The Senator from Illinois is absolutely correct.

Mr. DOUGLAS. Of course, the major portion of interest income goes to those persons in the upper income brackets.

Mr. PROXMIRE. That is right.

Mr. DOUGLAS. Not to the impoverished widows and orphans, but to those who have relatively large incomes.

Mr. PROXMIRE. The Senator is correct. The typical "coupon clipper" keeps his bonds in a vault in the bank. There are some people who have modest incomes, as the Senator from Colorado well brought out. But those who have interest income from coupon bonds are by and large the wealthy people.

Mr. DOUGLAS. Yet those people are avoiding or evading taxes on approximately 57 percent of the interest which they receive?

Mr. PROXMIRE. The statistics are absolutely irrefutable. Those statistics have been subject to challenge for some time, and they have not been challenged. They have been presented to the Committee on Ways and Means and accepted by that committee without any challenge whatsoever. There is no question in my mind that it is a fact—it is a very sad fact.

Mr. DOUGLAS. Do I correctly understand that the Senator from Wisconsin is not proposing to levy any new tax?

Mr. PROXMIRE. The Senator is correct.

Mr. DOUGLAS. The Senator from Wisconsin is merely proposing that people should pay the taxes they now owe.

Mr. PROXMIRE. The Senator is correct. The people should not hold the money which is not their own but which belongs to the Federal Government. As a great Governor of Wisconsin, Walter Goodland, said some 20 years ago, this money does not belong to the person who is depriving the Federal Government of it. These people are actually stealing money from the Federal Government by not paying the taxes they owe, on an amount of 57 percent of the interest income received.

Mr. DOUGLAS. Has the Senator from Wisconsin noticed there is any real enthusiasm on the part of the administration for his proposal?

Mr. PROXMIRE. I am not aware of any, though I was told the administration is studying this kind of approach. The administration was studying it last year. The administration admitted there was great merit in it.

It has been conceded that the amendment, if agreed to, would result in collection of an enormous amount of money, without raising the tax rate for any taxpayer a nickel. We certainly have not seen any proposal from the administration in this regard, nor even any encouragement.

Mr. DOUGLAS. Is it not true that a study frequently is used as an excuse for inaction?

Mr. PROXMIRE. It is, indeed. As a matter of fact, I recall well that last year the defenders of the administration stated on the floor of the Senate, "Give us a little more time. We are close to a solution of the problem. If we have a little more study of the problem, we can solve it."

We have had that study. We have had a year of the study by very, very competent people who agree that there is no question this proposal will work and will work well. If one will look over the appearances of these economists, before the Committee on Ways and Means, it seems to me one can only come to the conclusion the Ways and Means Committee must have been persuaded to reach. I am astonished it was not recommended. They did not so recommend, but it seems to me, since this is a coequal branch of the Government, as is said, we can proceed upon the basis of our own intelligence and our own understanding of the measure, which is a relatively simple proposal.

Mr. DOUGLAS. Is the Senator from Wisconsin aware of the fact that I presented his amendment in the Finance Committee during the hearings on the bill?

Mr. PROXMIRE. Yes, I am aware. I know that the Senator from Illinois was a real champion for the amendment.

Mr. DOUGLAS. Is the Senator aware that it met with delaying tactics on the part of the administration?

Mr. PROXMIRE. The Senator was not aware of that.

Mr. DOUGLAS. That is the truth. While the administration talks about fiscal responsibility, still here is $1 billion of unpaid taxes with respect to which it refuses to move. The $1 billion of unpaid taxes is in the main taxes which would be imposed on wealthy groups in the community who finance the political party of the administration; is that not true?

Mr. PROXMIRE. I think that is a very effective argument, and while it may be a little partisan, I think it is well justified and very true.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Would the Senator from Wisconsin be receptive at this time to a limitation of time—say, instead of 10 minutes to a side, 15 minutes to a side—with the proviso that in addition we have a quorum call so that more Senators can hear the argument?

Mr. PROXMIRE. I shall be delighted to do so if the Senator will bear with me for a few minutes longer.

Mr. MANSFIELD. Will the Senator give me an indication when he is prepared to do so?

Mr. PROXMIRE. I will be happy to do that.

Mr. MANSFIELD. I thank the Senator.

Mr. PROXMIRE. I wish to thank the Senator from Illinois for his helpful colloquy. There is no question in my mind, however, that we can save $1 billion. This is money owned by the United States of America. It is owned by the Treasury. It is owned by all the taxpayers. If we do not collect this $1 billion, it means a great burden upon the taxpayers of the United States. I concede that most of this sum is not paid because of carelessness. If we persist in not providing for the collection of this money, we put a premium on dishonesty and ignorance and a penalty on honesty to go with it.

I wish to conclude by pointing out that in hearings before the Ways and Means Committee, the answer was given, it seems to me, to the argument on whether or not this proposed legislation could be administered. Back in 1941 and 1942 the principal argument against the withholding proposal was that it would be very, very difficult for the Treasury Department to administer it. That was one of the big arguments against the proposal. In the Ways and Means Committee, the chairman of the committee, Chairman Mills, asked Mr. Harrington, of the Treasury Department, about the administration of the present withholding act, and the answer was this:

> I think the total tax collected from individuals would be this year about $42 billion and my recollection is that the amount received by the Treasury on the withholding would be in the neighborhood of $28 to $29 billion.
>
> The CHAIRMAN. It will run around 70 percent, will it not?
>
> Mr. HARRINGTON. That is right.
>
> The CHAIRMAN. Seventy-one percent?
>
> Mr. HARRINGTON. That is right.
>
> The CHAIRMAN. Is that which is involved in withholding much of a problem for the Internal Revenue Service from the point of view of compliance and enforcement?
>
> Mr. HARRINGTON. No.
>
> The CHAIRMAN. Is most of your problem in that area with respect to the income that develops outside of the withholding?
>
> Mr. HARRINGTON. Yes; that is true.
>
> The CHAIRMAN. That is around 30 percent of the total individual income?
>
> Mr. HARRINGTON. Yes.

In other words, on the basis of 18 years of experience the Treasury is now convinced that withholding is working far better, is saving a great deal of money; and the number of employees now in the Federal service, to the surprise of the chairman of the Ways and Means Committee, was less than it was at that time. One of the reasons for these changes is that the Department can function much more efficiently because we now have a withholding system.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Pennsylvania.

Mr. CLARK. The Senator will recall that some of us, including, I believe, the Senator from Illinois [Mr. DOUGLAS] and the Senator from Wisconsin [Mr. PROXMIRE] made quite a fight to support the request of the Treasury Department for additional employees this year in order to permit them to get after some of the tax dodgers. The administration requested 3,000 additional employees, which would still leave the staff 2,000 less than the Internal Revenue Service had during President Truman's last year in office. I regret that the House failed to go along with any part of that request, but the Senate granted the Department the whole request, and in conference compromised on two-thirds. So we shall have 2,000 more employees.

I am sure that my friend is aware of the fact that they have stated they believe the proposed plan would put many thousands of additional employees on the payroll in order to get at the tax dodgers. The place where they would go after the tax dodgers is among the 30 percent whose taxes are not withheld. If we could adopt the amendment so that dividends and interest would be withheld, my guess is that the necessity for putting some of the extra employees which are presently needed would be eliminated.

Mr. PROXMIRE. The Senator from Pennsylvania is absolutely correct. I point out that the figures really shocked me.

They shocked one of the best informed men in the country in the tax field, the chairman of the Ways and Means Committee, WILBUR MILLS. Let me read this colloquy:

> The CHAIRMAN. Mr. Harrington, I did not mean to get into the question of reorganization. What I was thinking about is this: You have $12 or $13 billion of income to the Government from individuals that comes from other than withholding. It used to be that we had all of our individual income payments coming to the Treasury without any withholding tax.
>
> We have this $12 or $13 billion of revenue from individuals outside of the withholding. Before we put in the withholding system we probably had that much revenue from individuals in total in some years. Now, we have a lot more people employed in the Internal Revenue Service than we had at that time, I assume, field and all.
>
> Mr. HARRINGTON. I believe the Revenue Service has 9,000 less employees now than it had in 1948 or 1949, Mr. MILLS.
>
> The CHAIRMAN. It does have?
>
> Mr. HARRINGTON. Yes, sir.
>
> The CHAIRMAN. I did not realize that.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. I wish to clarify the matter of patronage refunds and patronage dividends on the part of cooperatives. I noticed on page 5, there appear the words "dividend defined"—

> (1) Any distribution by a corporation which is a dividend (as defined in section 316.)

What is a dividend as defined by section 316?

Mr. PROXMIRE. We are checking it this minute.

Mr. DOUGLAS. May I say to my good friend from Vermont that I am sure he would not wish to harm members of the cooperatives, who have separate problems.

Mr. AIKEN. I know he would not wish to do any harm to anyone, but I want to be sure he does not.

Mr. DOUGLAS. Does he not want members of cooperatives to pay their taxes? I am sure my good friend from Vermont would not want cooperatives given tax advantages.

Mr. AIKEN. Members of cooperatives certainly pay taxes and plenty of taxes, but when they make an overpayment on a piece of equipment, they do not want that overpayment mulcted into on the way back to them, and when they get only part of a payment on a commodity sold, and when they get the rest of it at the end of the year, they do not want somebody to take a big bite out of it.

Mr. DOUGLAS. I am sure my good friend from Vermont would not like to have the patronage dividends received by individual members of cooperatives evaded, because the Senator from Vermont and the Senator from Illinois have argued that such earnings should not be taxed at the cooperative level but that they should be taxed as individual income when received.

Mr. AIKEN. That is correct.

Mr. DOUGLAS. I hope my good friend from Vermont is not saying that we should permit members of cooperatives to evade payment of the patronage dividends which they receive as income. I would not like to see my friend do that.

Mr. AIKEN. They certainly would not be evading taxes, but if they paid $100 for an article that cost only $80, they would like to get back the $20 that belongs to them.

If they sold a cow, we will say, and got $200 for the cow, and later the cooperative resold it was $250, they would like to get the other $50 back without having part of it taken out. That is why I was asking a definition of "corporation" as defined in section 316, because practically all of our cooperatives are incorporated.

Mr. PROXMIRE. I agree with the position of the Senator from Vermont 100 percent.

Mr. AIKEN. I know the Senator from Wisconsin does.

Mr. PROXMIRE. These are nontaxable income items and should be exempt. It would be inefficient as well as improper if it were not. It is exempt, I am sure. I have consulted with people who have worked hard and long on the

problem. They are working out the documentation. I wish to be accurate before I put it in the RECORD.

Mr. AIKEN. I know the position of the Senator from Wisconsin with regard to farm cooperatives. I believe his State and mine have the largest number of cooperatives per farmer of any States in the Union.

Mr. PROXMIRE. The Senator is correct, and I am very proud of it.

Mr. AIKEN. I would not want him to do any harm to legitimate organizations of that kind.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. Mr. President, while we are getting the necessary documentation, I wonder if my friend from Wisconsin would not agree that the way the amendment is drafted it would require a withholding only on taxable dividends. So far as the suggestion made by the Senator from Vermont is concerned, about selling the cow, it must be clear now that that is not a taxable dividend under present law. If it is not under present law, it would not become so under the amendment.

Mr. AIKEN. I was thinking particularly about an overpayment.

Mr. CLARK. I used to be a cornfield lawyer. I do not see how it could be treated as a dividend.

Mr. AIKEN. This refers to any distribution by a corporation as defined in section 316. Knowing that most of our cooperatives are legal corporations in the States where they are organized, I wished to make sure that they would not be affected.

Mr. CLARK. Of course, I agree with the Senator from Vermont. I am quite sure we will find that the kind of return which the Senator from Vermont has been speaking about could not conceivably be considered a dividend or the kind of distribution which would be classified a dividend.

Mr. PROXMIRE. I believe the answer is in section 316, subsection (a) of the act, which defines a dividend, as follows:

> The term "dividend" means any distribution of property made by a corporation to its shareholders (1) out of its earnings and profits accumulated after February 28, 1913.

As I understand, the definition has been reconciled so far as cooperatives are concerned, and excludes them.

Mr. AIKEN. I was concerned with whether it would apply to the stock dividend I have in mind.

Mr. PROXMIRE. It is not a stock dividend.

Mr. AIKEN. In a case where, instead of cash being paid, a person receives another share of stock, how would the tax on that be withheld?

Mr. PROXMIRE. Stock dividends are exempt. They are not included. They are specifically excluded.

Mr. CLARK. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I yield.

Mr. CLARK. Going back to my dim past, this does not envision stock dividends. It envisions a payment made by a stockbroker to a person as a substitute for a dividend. It involves a situation in which a person has a running account with a stockbroker and the broker collects all the dividends. The broker will send his check to the customer for the amount of dividends, but it will not actually be a dividend from a corporation as such.

Mr. AIKEN. I thank the Senator from Pennsylvania and the Senator from Wisconsin. My experience in this field has been negligible. Therefore, I welcome the explanations which they have given.

Mr. PROXMIRE. The Senator from Vermont has been very helpful in this discussion. After some trouble and investigation we presented facts which should have been presented after a thorough investigation. We now have the facts in the RECORD, thanks to the Senator from Vermont.

Mr. AIKEN. The Senator from Vermont has had something to do with cooperatives, but not with the kind of dividends referred to by the Senator from Pennsylvania.

Mr. PROXMIRE. On the basis of the hearings, the burden will be minimal. The burden on the withholding agency, the corporation, will be even slighter. I read from page 826 of the panel discussion, in which Mr. Pechman has this to say:

> This new withholding system will cost 16 cents per year, plus the time it takes to multiply the withholding rate times the number of deposits. There is absolutely no more burden on the withholding agent. If there is nothing else I have established today, I hope I can convince the committee that that is all there is. As I have said in my previous testimony, this is a system which was devised by the staffs of the Treasury and the Joint Committee at the request of this committee in 1951 specifically to eliminate the cost on the withholding agent.

Therefore, I think it is clear, on the basis of the colloquy before the committee, that the withholding agency is virtually free of any burden, except as Mr. Pechman said. This is a 16-cent amendment. A.T. & T., with hundreds of thousands of stockholders, would have to pay only 16 cents per year to comply with the law. All they have to do is to put a stamp four times a year on the letter and mail the check to the Federal Government.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. WILLIAMS of Delaware. How would this withholding tax work on a coupon bond?

Mr. PROXMIRE. It would work as follows: If the corporation has a coupon bond that has, for example, a value of $60, the individual would take the coupon to his bank. Of course, it is a negotiable instrument, and he could go anywhere. He could take it to a grocery store, or anywhere else where he could cash it. He would present the coupon bond, and he would receive $60 minus 20 percent.

Mr. WILLIAMS of Delaware. I am speaking about the interest, not the bond.

Mr. PROXMIRE. He would take the interest-bearing coupon to any place where it could be cashed, and he would cash the coupon and receive $60, minus 20 percent, or $48. The grocery store, where he had cashed the coupon, would deposit the coupon at the bank. The bank would credit the grocery store with $48. The bank would send the coupon to the corporation, and the corporation would then send the bank $48. The corporation would send the remaining $12 to the Federal Government as interest payment. The whole transaction would then be completed.

Mr. WILLIAMS of Delaware. The U.S. Government itself has billions of dollars of these bonds outstanding, as well as do the corporations. They are not registered bonds. The coupons are marked as being payable to the bearer. They can be cashed anywhere. Suppose there were a bond due on June 16 for $100. Does the Senator mean that he would reduce the cash value of that coupon by 20 percent?

Mr. PROXMIRE. That is correct.

Mr. WILLIAMS of Delaware. How would we get that information out to the multitude of people who hold these bonds? They can cash these bonds at filling stations, grocery stores, or anywhere. They are negotiable the same as a check. I am not trying to confuse the issue, but I am concerned as to the application of the amendment of the Senator from Wisconsin.

Mr. PROXMIRE. I understand. This is a very crucial point. I believe the answer is that this word must be gotten out. Only a small number of agencies actually cash coupon bonds. The overwhelming majority would be cashed in banks. People do not keep these bonds under the bed or in their mattresses. They keep them in bank vaults. Naturally they would cash them at the bank. There may be a filling station occasionally which may cash one for a good friend. Most grocery stores do not want to cash even a personal check. A coupon would be an exotic thing to most of them, and it would be unusual to ask the owner of a grocery store to cash one of these coupons. If he did it and an error was made, there would be legal recourse, of course.

Mr. WILLIAMS of Delaware. But no endorsement is required on a coupon. They are payable to the bearer.

Mr. PROXMIRE. In the event that through ignorance such a coupon were cashed at the face value, without withholding 20 percent, and in addition if it were cashed for an individual who was not identified or whose identity was not certain, then conceivably there might be a loss. Perhaps the proposal could be amended so that it would not affect coupon bonds presently outstanding. It would be better to apply it to everyone across the board. The actual loss would be only occasional and very limited. It would occur only in cases in which the individual is not identified or where his identity is not retained by the agency cashing the coupon.

Mr. WILLIAMS of Delaware. I am not quarreling with the objective of the Senator. We have had this subject under discussion in committee for a number of weeks, and it is a problem for which the committee could not ob-

tain a satisfactory answer. There are billions of dollars' worth of these coupon bonds outstanding.

Mr. PROXMIRE. Yes.

Mr. WILLIAMS of Delaware. They are not registered, and they bear no names but are merely payable to the bearer.

Mr. PROXMIRE. While interest may be paid to small depositors of savings and loan associations, by and large the bondholders who own these Treasury bonds, and those who own corporation coupon bonds, are not the most poverty stricken and financially ignorant people in our society. They are usually people of some substance, and are not the type who would cash their coupons in some grocery store. They would do it at the bank.

Mr. WILLIAMS of Delaware. Of course we do not have any ignorant people in Delaware.

Mr. PROXMIRE. We have none at all in Wisconsin.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. DOUGLAS. Is it not somewhat captious to demand a perfect system of withholding on interest and dividends when we do not have a perfect system of withholding on wages and salaries?

Consider, for instance, casual laborers—persons who work at mowing lawns, and so forth. There is not a general 20-percent withholding tax on them. A certain amount of evasion takes place. Nevertheless, that would not warrant our eliminating the existing withholding tax on wages and salaries.

Mr. PROXMIRE. The Senator from Illinois is absolutely correct. As a matter of fact, I recall that a number of small corporations or companies have withheld the tax on wages from their employees but have failed to pay the tax withheld to the Treasury; they have absconded with it. Those things are known; it is common knowledge.

No one has said that the withholding tax on wages and salaries is a 100-percent success. However, it is one of the most effiicent, effective ways of collecting taxes, not only from the standpoint of the Government but also from the standpoint of the taxpayer. It is a great convenience. Instead of the taxpayer having to borow at the end of the year and go into debt to pay taxes, this method will afford him the greatest assistance. As a matter of fact, it will be one of wonderful advantage and convenience to the taxpayer.

Mr. DOUGLAS. The Senator from Wisconsin is not saying that the proposal will work perfectly; that every dollar of taxes on interest and dividends which is now evaded will be collected. He is simply saying that the method will greatly diminish the extent of evasion.

Mr. PROXMIRE. That is correct. It is my understanding that the withholding tax on wages has reduced evasion to a tiny proportion—to 1 or 2 percent; perhaps even less than that. It seems to me that there is a terrific inequity when the evasion of the payment of taxes by wage earners is only 1 or 2 percent and the evasion of the payment of taxes on interest is 57 percent.

Mr. DOUGLAS. Is it not easy to think in terms of minor details and still miss the main point?

Mr. PROXMIRE. I agree that on the main point that is correct; however, I think most of the questions which have been asked have been useful, helpful, and sincere.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. AIKEN. My office has called my attention to the fact that we have received a great many letters from persons who live on income from dividends, and whose total of such dividends amounts to less than $2,000 per family. They protest very strenuously against having 20 percent of that income withheld and having to wait until the end of the year to have it returned.

Mr. PROXMIRE. They will not have to wait until the end of the year. They will have to wait, at the very most, only 3 months, or perhaps a matter of weeks, because the refund will be made quarterly.

Mr. AIKEN. One person in his letter said his income was $2,000 a year; that every dollar of it was from investments; and that that was all the income he had. He said he did not know what he would do if he had to wait to collect the $400 which would be withheld.

Mr. PROXMIRE. The Senator from Vermont might compare that situation with the situation of some wage earners in the same position. Many wage earners earn $2,000 a year. Also, a person may take a casual job and work for a short period of time, but his tax is withheld for only a limited period of time. It is only for the first 3 months. After that they will be caught up. They will get their refund on an equitable basis from that time on.

The majority leader and the assistant majority leader have been very patient with me. I shall yield once or twice more before I yield the floor.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. I ask the Senator from Vermont to listen to this statement. I suggest to the Senator from Vermont that the case he has made conceivably could result in some disadvantage to the persons he has mentioned, as the Senator from Wisconsin has said, for weeks or months; but it would happen only once; it would not happen more than once. The next time, the persons would receive the amount which was due.

Mr. PROXMIRE. After that time, their refunds would be made regularly, so they would suffer no diminution in income at all. The only diminution would be the very first time.

Mr. President, I have established, in the first place, that the administration of this proposal by the Treasury would be simple. As a matter of fact, it would undoubtedly reduce the number of persons who are now required to enforce the income tax law, at a direct and substantial savings to the Government.

Second, there would be virtually no burden on the withholding agent. Third, older persons, or persons having modest incomes, whose incomes are entirely from dividends and interest, would have a very minimal and transient inconvenience, because a quick refund would be provided. The advantages would be numerous as compared with the inconvenience. The inconvenience would last only for a period of weeks—at most a few months. Then those persons would be through with any inconvenience. All the rest of the time they would have a constant income.

I conclude by pointing out that this proposal involves a matter of a billion dollars—$1 billion of income. It is a billion dollars which would more than compensate—or at least would compensate almost entirely—for the cost of the increase in the defense appropriation bill. We provided $1 billion more in that bill. This proposal would make up for that increase right away.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JOHNSON of Texas. Is the $1 billion a Treasury estimate, or the Senator's estimate, or whose estimate?

Mr. PROXMIRE. This is an estimate made by Dr. Daniel Holland, of the Massachusetts Institute of Technology, and by Dr. Joseph Pechman, of the CED. They appeared before the Committee on Ways and Means and gave their estimates. Their estimates have never been challenged by anyone. They have been widely accepted.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. The Commissioner of Internal Revenue states that something like $25 billion of taxable income was not being returned for taxation, of which about $4 billion was on interest payments on Government bonds. I think the Treasury has indicated that the estimates which the Senator from Wisconsin has placed in the RECORD are quite conservative.

Mr. JOHNSON of Texas. That was a statement by the Commissioner of Internal Revenue?

Mr. CLARK. Yes.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. BENNETT. It is the estimate of the Treasury that a withholding tax on dividends would yield about $83 million, and that a withholding tax on interest would yield about $235 million. That is a long way short of a billion dollars.

Mr. PROXMIRE. Will the Senator from Utah provide the basis for his figure on the withholding tax on interest? We have tried very hard to get the Treasury to give us an estimate on the interest. They have given us an estimate on dividends, which we think is low, but they have never given us a figure on interest.

Mr. BENNETT. The Treasury says that with a rate of 20 percent withholding rate on interest, the amount which could be collected would be $225 million.

Mr. PROXMIRE. What is the basis for that statement?

Mr. BENNETT. I simply have the word of the Assistant Secretary of the Treasury who is responsible for this matter. I do not have a figure in written form.

Mr. PROXMIRE. I am very much shocked by that statement, because the estimates we have were made by very competent economists. They are not persons who have no knowledge of what they are talking about. Dr. Holland and Dr. Pechman probably know more about this subject than anybody else in America. That makes me feel that if the Treasury is going to come in at the 59th second of the 59th minute of the 11th hour, so to speak, and make this kind of assertion, it is very, very shocking. The fact is that when they went before the Committee on Ways and Means, the Treasury was represented by Mr. Harrington. The estimates of Dr. Holland and Dr. Pechman were never challenged by the Treasury or by Mr. Harrington. It seems to me that on that basis, the estimate of the Treasury must certainly be evaluated in that light.

I do not question for a moment the veracity of the Senator from Utah. I think he is a man of complete integrity. However, I would appreciate it if I could see the document to which he has referred and place it in the RECORD at this point, because I think it is pertinent.

Mr. BENNETT. I said the figures are not in a document. These are notes which I have made; and the figure of $225 million came to me verbally from the Assistant Secretary of the Treasury.

I have some material to confirm the $83 million estimate on dividend tax withholding; and when I have a chance to get the floor, after all these hours, I shall be glad to spell out that point.

Mr. PROXMIRE. Mr. President, I have concluded my presentation.

Mr. JOHNSON of Texas. Mr. President, would it be agreeable to allow the opposition 20 minutes and the proponents 10 minutes, and then to have a yea-and-nay vote?

Mr. DOUGLAS. Mr. President, I am sure the Senator from Wisconsin would permit me to ask a final question.

Mr. PROXMIRE. Certainly.

Mr. DOUGLAS. Do I understand that the figures indicate that 57 percent of the interest received does not have taxes paid upon it?

Mr. PROXMIRE. That is correct.

Mr. DOUGLAS. And 10 percent of the dividends do not.

Mr. PROXMIRE. Fifteen percent.

Mr. DOUGLAS. So these sums really run into the hundreds of millions of dollars, as the estimates show.

Mr. PROXMIRE. They run into the billions of dollars.

Mr. DOUGLAS. Is it not fiscally irresponsible to oppose such an amendment, which would bring in such large amounts of much needed revenue without increasing the tax rates?

Mr. PROXMIRE. Yes, it is the height of fiscal irresponsibility to oppose this amendment; and it is the height of fiscal responsibility to support this amendment, because, as the Senator from Illinois has pointed out, it will bring in a great deal of revenue.

The Senator from Utah said it would bring in only $325 million, in the aggregate. We say the amendment will bring in $1 billion; and I call the attention of the Senator from Utah to the 30 pages of very, very careful documentation which I put in the RECORD, Saturday night.

At the last minute the Treasury has brought in another estimate, although the experts on this matter testified in a well-publicized hearing before the Ways and Means Committee; and the Treasury was represented there, but its representatives did not take advantage of that opportunity to challenge that testimony, when they could have.

Mr. DOUGLAS. Then are not these opposition moves the height of irresponsibility?

Mr. PROXMIRE. That is correct.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. JOHNSON of Texas. I ask unanimous consent that beginning at this time, the proponents of the pending amendment may have 10 minutes, and the opponents of the amendment may have 20 minutes, after which there be a quorum call; that the quorum call be begun 15 minutes before the taking of the vote on the amendment, and that the time available for the quorum call be charged equally to both sides.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BENNETT. Mr. President, let me ask just what this agreement means.

Mr. JOHNSON of Texas. It means that the proponents will have 10 minutes more, inasmuch as they have already taken considerable time to state their case; and the opponents will have 20 minutes; and 15 minutes before the vote is taken, there will be a quorum call, so Senators will have an opportunity to be present.

Mr. BENNETT. I am attenmpting to determine just how that arrangement will operate.

Mr. JOHNSON of Texas. The Senator from Utah and other Senators who are in opposition to the amendment will have 20 minutes, from which 7½ minutes must be deducted, leaving them 12½ minutes; and the proponents of the amendment will have 10 minutes, from which 7½ minutes must be deducted, leaving 2½ minutes.

Mr. BENNETT. So those of us who oppose the amendment now have 12½ minutes; is that correct?

Mr. JOHNSON of Texas. Yes.

Mr. President, I wonder whether we can obtain an order for the yeas and nays on the question of agreeing to the pending amendment.

On the question of agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE], I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. BENNETT. Mr. President, I should like to ask the chairman of the committee whether he wishes to make a statement in opposition to the amendment. If so, I shall be happy to defer to him.

Mr. BYRD of Virginia. Mr. President, I am glad to have the Senator from Utah proceed.

Mr. BENNETT. Mr. President, one of the points I should like to make in regard to this proposal is to remind my colleagues that our neighbors to the north of us—Canada—tried this arrangement between 1941 and 1947, but abandoned it because they discovered it would not work. It cost much more to collect and operate than the revenue they received from it, despite the fact that they were attempting to withhold only 7 percent of the amount of the dividends.

The Bureau of Internal Revenue has estimated that approximately $1 billion of dividends is paid but not reported by taxpayers. In that amount must be included the amount of dividends which a taxpayer is not required to report because he is allowed the $50 exclusion. The Treasury assumes that of this amount, approximately $830 million would be taxable. That is not the amount of taxes owed; it is the total amount of dividends which would be taxable.

Now we face the problem of what kind of a withholding rate to apply to these dividends. If we apply a 20-percent withholding rate—as this amendment requires—already we overwithhold 2 percent, which is 10 percent of the 20 percent, because the ordinary taxpayer has the privilege of a 10 percent charitable deduction. So we are going to withhold 2 percent more of the dividends than he owes the taxes on.

The joint committee staff has checked out this matter, and figures that the amount which could safely be withheld is somewhere between 10 percent and 15 percent, in order to have a minimum of overwithholding.

At 10 percent of $830 million, $83 million might be withheld. At 15 percent, $125 million might be withheld.

As has already been indicated, overwithholding is a serious problem in this situation, which is different from the situation in which men's wages are withheld or are overwithheld. We know that those who earn wages will have to account for them; but in the United States there are many millions of persons who are living on interest or on the income from investments, in the form of dividends; and many of those people—because people over 65 years of age have a $2,400 joint exemption, for man and wife—owe no taxes. So to impose a straight 20 percent deduction, and reduce their income by 20 percent, would force them—persons who have retired, persons who are unused to dealing with the Government—into a position of constantly having to file applications and requests for refunds, and would impose a serious burden on them, in my opinion.

The situation with respect to the withholding of dividends then involves the

following problem: For the prospect of increasing the pressure sufficiently to collect by withholding between $83 million and $125 million, we would put all these burdens on the place where most of the dividends, I believe, are not being reported, and where they do not have to be reported; and that could be a very serious burden.

In the face of that situation, it is interesting to observe that the Treasury, in a voluntary program in relation to corporations which pay dividends, has been trying to educate those who owe taxes on dividends, so as to persuade them to report them; and the Treasury has had very substantial success during the last year when this plan has been in operation.

My friend, the Senator from Wisconsin, pointed out that this amendment would not cost anything to those who pay dividends; he said it would cost them only four stamps—or one stamp four times a year. But I am sure he must realize that when a taxpayer received a dividend notice, but also received a check which was 20 percent short, he would immediately write to the corporation and would inquire about the difference; and I can visualize a tremendous increase in the amount of clerical work involved, as well as a tremendous disappointment.

The position of the Department on that matter has been that it should be given the opportunity to find out how far this educational program can be carried successfully, and that an opportunity should be given to reduce to a minimum the unreported dividends before we load both the Department and the payers of dividends with the responsibility of reporting or refunding, which can be extremely expensive, and which, after all, was the reason why Canada decided to drop this arrangement.

During the discussion before the time limitation, it was made perfectly clear to me that the proponents of this measure realize that when we move over into the field of interest and withholding of interest, we are in an area where it is practically impossible to be completely sure that any withholding system will work.

We heard the discussion of the difficulties which arise from the cashing of coupons of bearer bonds. We have the whole problem of interest owed between individuals. I know the proposal is that we shall limit this proposal entirely to interest paid to corporations and the Federal Government, but when that is done, the estimate of undeclared interest is greatly reduced.

The estimates being used for the amount of interest taken into consideration include all interest, both that paid by private citizens and that paid by corporations and the Government. I think the passage of money between people and between corporations and people as interest is so complicated and there is so much of it that it would be completely impossible to develop a system by which interest could be withheld on an equitable basis. Yes, some of it could be withheld under certain circumstances, but I do not think enough of it could be caught to justify the burden which would be placed on the taxpayers.

I have in my hand a schedule of the estimated revenue yield of withholding on dividends and interest. The Treasury estimates, on the basis of 1956 data, that the gap on dividends is $1,064 million, and the gap on interest is $3,270 million. That is a total of $4,300 million.

If an additional $1 billion in taxes is to be collected, we must assume that all the dividends and interest not now being reported will yield an average of more than 30 percent.

Of the $1 billion in dividends, $120 million is attributable to nontaxable returns, $60 million to exclusions on taxable returns, leaving the amount attributable to taxable returns $885 million.

If the withholding tax were applied at 20 percent, the yield from the withholding tax would be $168 million. If it were 10 percent, the yield would be $89 million.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BENNETT. I am on limited time.

Mr. PROXMIRE. The Senator does not have to yield if he does not want to.

Mr. BENNETT. I would rather continue.

Turning to the schedule of interest, the estimated gap, again based on 1956 data, is $3,270 million, of which almost $1 billion is attributable to nontaxable returns, and the amount attributable to taxable returns is $2,290 million. It is assumed $1,500 million would be subject to withholding, assuming interest was withheld only on interest paid on corporate payments and Federal Government bonds. If it were withheld on the basis of 20 percent, the yield would be $285 million. I said $225 million earlier. I am happy to have that statement corrected. If it were withheld at 10 percent, which is the probable and more equitable figure, we could expect $150 million.

So the $1 billion in revenue that it was stated would be saved really shrinks when all the other actual factors are taken into consideration.

These figures, of course, are based on the use of withholding alone, and can be whittled down on the basis of better enforcement. The better the enforcement and the better the compliance, the lower these figures will go.

Mr. President, I think I have used as much time as I had allotted to me.

The PRESIDING OFFICER. The time of the Senator from Utah has expired. The Senator from Wisconsin [Mr. PROXMIRE] has 2½ minutes.

Mr. PROXMIRE. Mr. President, I understand I have 7½ minutes after the quorum call. Is that correct?

The PRESIDING OFFICER. That is correct. Each side has 7½ minutes after the quorum call. The Senator from Wisconsin has 2½ minutes before the quorum call.

Mr. PROXMIRE. Mr. President, the Senator from Utah has still not given us any documentation of his claim that we are overestimating the amount of money the Treasury can pick up by this amendment. I have in my hand a letter from the Assistant Secretary of the Treasury. The letter is dated May 24. This is not a call on the phone. This is not notes. It is a letter. It is signed by Jay W. Glasmann, assistant to the Secretary. Mr. Glasmann estimates the withholding tax on dividends will raise $200 million as the Senator from Utah said. He says it in black and white.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY
OF THE TREASURY,
Washington, D.C., May 24, 1960.

Hon. JOSEPH S. CLARK,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR CLARK: Thank you for your letter of April 21 to the Secretary regarding the Treasury's position with respect to proposals to withhold tax on dividends at source.

At the request of the Senate Finance Committee, the Treasury staff is cooperating with congressional staffs in an examination of alternative methods which might be used in withholding on dividends.

As you know, however, the Treasury Department has not proposed withholding on dividends. In his letter of October 14, 1959, to you, Under Secretary Scribner suggested that every effort should be made to work out effective voluntary means of securing more complete reporting of dividends before legislation is enacted which would provide for withholding on dividends. While I am sure you are familiar with our program for improving voluntary compliance, I am enclosing a copy of our interim report which sets forth the various steps which have been taken by the Service and dividend payers in recent months. We believe that these efforts have resulted in improved reporting of both dividends and interest in the returns filed for the income year 1959. In this regard, it is perhaps significant to note that the April 15 income tax collections from individuals, other than withheld taxes, have been considerably higher than predicted, although the March 15 corporate tax collections were below expectations.

Incidentally, the estimate from the Prentice-Hall statement that withholding would provide the Government an additional $400 million in revenue seems to be far too high. Assuming that the gap between dividends received by individuals required to file tax returns and dividends they actually report for income tax purposes is of the general magnitude of $1 billion, the amount of additional revenue collected as a direct result of withholding would be only about $200 million if the withholding rate were the 20-percent first bracket rate. If the withholding rate were lowered to 14 percent, for example, to take account of the standard deduction and the 4-percent dividend received credit and thus reduce the extent of overwithholding, the additional revenue from withholding would be $140 million.

Sincerely yours,

JAY W. GLASMANN,
Assistant to the Secretary.

Mr. PROXMIRE. Mr. President, the computation on how much this would save is very simple. It would save, on the basis of the Treasury's experience over a period of years, 15 percent of the dividends that are now paid to individual American taxpayers. All one has to do is to take the dividends paid this year and compute 15 percent of them, and he will be able to tell the amount that escapes. Then we apply a factor

which represents the amount below withholding. We have applied the generous factor of $450 million. On the basis of exhaustive tables I put in the RECORD on Saturday, we come up with the figures I have given.

On interest, it showed 57 to 60 percent interest that was not paid. Again, we made a generous allowance that would go to people whose incomes would be below the minimum requirements for filing, and we came up with a figure which, in the aggregate, would be something like $1.4 billion on the amount of interest that is paid this year and the amount of dividends that are paid this year. That should be paid in taxes but that is now lost.

We want to be conservative. On the basis of this computation, while we will not get all that is lost, on the basis of our very good experience with withholding of taxes from wages, we compute that we should be able to get 95 to 99 percent compliance. On the basis of those estimates, we would get well over $1 billion.

This estimate is made on the basis of studies by reputable economists, who have made not a casual study of it on the basis of a few days, but who have devoted their lives to the subject. They consistently estimate that this amendment will raise $1 billion.

The PRESIDING OFFICER. The time of the Senator has expired.

By unanimous consent, a quorum call has been requested, and the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 241]

Aiken	Fong	Lusk
Anderson	Frear	McCarthy
Bartlett	Fulbright	McClellan
Bennett	Gore	McGee
Bible	Gruening	McNamara
Brunsdale	Hart	Martin
Bush	Hickenlooper	Moss
Byrd, Va.	Hill	Muskie
Cannon	Holland	Pastore
Carroll	Javits	Prouty
Chavez	Johnson, Tex.	Proxmire
Clark	Johnston, S.C.	Randolph
Cotton	Jordan	Scott
Dirksen	Keating	Stennis
Dodd	Kuchel	Talmadge
Douglas	Lausche	Wiley
Engle	Long, Hawaii	Williams, Del.
Ervin	Long, La.	Young, Ohio

The PRESIDING OFFICER. A quorum is present.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to make a brief statement without the time being charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from Pennsylvania [Mr. CLARK] has two amendments and the Senator from Illinois [Mr. DOUGLAS] has one amendment, a total of three amendments which they expect to offer. I should like to ask unanimous consent that there be allotted 30 minutes on each of those amendments, the time to be equally divided between the proponents of the amendment and the leadership, and that 10 minutes before a vote on any amendment there be a quorum call. I shall be prepared to join the proponents of the amendments in asking for the yeas and nays.

The PRESIDING OFFICER. Is there objection?

Mr. MONRONEY. Mr. President, I do not intend to object; however, I have a minor amendment with respect to jet airplanes upon which I shall need only about 10 minutes. It is a simple amendment.

Mr. JOHNSON of Texas. I ask unanimous consent that debate on the Monroney amendment be limited to 10 minutes to a side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Tennessee?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. As I understand, the Senator from Texas did not include in his statement amendments which I have at the desk.

Mr. JOHNSON of Texas. No; I did not. I included only the two Clark amendments and the one Douglas amendment.

Mr. GORE. I would be willing to have an amendment that I may wish to offer as a substitute for the amendment to be proposed by the Senator from Illinois [Mr. DOUGLAS] included, with an additional 30 minutes being given to such amendment.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that, in the event the Senator from Tennessee offers the amendment to which he refers, that is, an amendment to the amendment of the Senator from Illinois, he be allowed 30 minutes, to be equally divided.

Mr. GORE. I shall not at this time agree to any limitation of time on the amendments to the bill which I expect to offer.

Mr. JOHNSON of Texas. I understand that.

Mr. GORE. I wish to say specifically it is not my purpose, intention, or desire to delay action on the bill, but on the technical matters before us questions can sometimes arise which one cannot answer in 10 minutes.

Mr. JOHNSON of Texas. I understand.

The PRESIDING OFFICER. Without objection, the request of the Senator from Texas is agreed to.

Mr. JOHNSON of Texas. I wish to express my appreciation to the authors of the amendments. I know this is an exacting, trying sacrifice for all of us, but we are in the last 2 weeks of the session. We have many important bills, appropriation and other bills, which are backed up.

UNITED STATES-JAPAN SECURITY TREATY

Mr. President, in addition, I think I should inform the Senate that I have received a call from the Secretary of State, and he has confirmed that call with a letter saying:

This is just to confirm my telephone conversation with you a few moments ago that the Department of State feels very strongly that action on the ratification of the United States-Japan Security Treaty should be taken as expeditiously as possible.

I should anticipate that if we can conclude consideration of the bill now before the Senate at a reasonable hour this evening, we shall proceed to executive session to consider the treaty, with no final action on it today, but certainly we shall go into executive session for the purpose of considering it.

Mr. CHAVEZ. Mr. President, may I ask if it is proposed that any other appropriation bills will be considered later this evening?

Mr. JOHNSON of Texas. If we can take up legislative matters in which there is no controversy, I should like to do so in order to get them to conference as soon as possible. But if the legislation involves any debate, we should proceed to consider the United States-Japan Security Treaty, in view of the request of the distinguished chairman of the Committee on Foreign Relations and the Secretary of State.

We will ask for yea-and-nay votes on the two Clark amendments and the one Douglas amendment.

Does any Senator, other than the Senator from Tennessee, have any amendments to offer?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CLARK. I have been advised by the junior Senator from Louisiana [Mr. LONG] that he had an amendment.

Mr. JOHNSON of Texas. We will not include any amendment which he proposes to make in the request for limitation of time.

Mr. CLARK. He may decide not to make it.

Mr. DIRKSEN. Mr. President, before the majority leader turns to other matters, may I ask whether it is proposed to have a vote on the treaty tonight?

Mr. JOHNSON of Texas. No.

Mr. DIRKSEN. There will be no vote on the treaty tonight.

Mr. JOHNSON of Texas. With all the amendments pending, I doubt whether we shall get that far, but if Senators desire to proceed with consideration of the treaty, I would not preclude a vote tonight. There will be several votes. There will be three votes, two on the Clark amendments and one on the Douglas amendment. There will probably be some additional votes on the amendments which the Senator from Tennessee [Mr. GORE] has submitted. I do not think there will be much time left for the consideration of any other subject. I do not think we shall be finished in time to do so, but if we do, I want to be free, if I desire, to proceed with legislation with respect to which there is no controversy.

Does the Senator from Illinois desire to inquire further?

Mr. DIRKSEN. It means being here late.

Mr. JOHNSON of Texas. Yes; I expect that we will be here late, and on Saturdays from now until adjournment; 20 or 30 substantial pieces of legislation have yet to clear the Senate and go to

conference. If we talk all day, we shall have to vote all night.

Mr. DIRKSEN. Mr. President, in view of the very substantial calendar to which my distinguished friend, the majority leader, alludes, I am wondering whether he has in mind at least a tentative date for the adjournment of the Congress.

Mr. JOHNSON of Texas. I am very desirous of concluding our deliberations at as early a date as possible. I think we ought to stay here until we do our job. We were elected to come here and do the work of the Senate, which is of the utmost importance. We may have to delay some work for a few days to take up some other matters, such as convention matters. But I hope we can conclude all our work before the conventions. If we cannot do so, I know of no reason why we should not come back after the conventions to get the job done. That is my opinion in the matter.

I think every Senator ought to arrange the matter of club or other engagements that he may have, dinner or otherwise, and be prepared to sit here until late in the evening and come in, generally speaking, early in the morning.

We are not coming in until noon tomorrow because the distinguished chairman of the Committee on Foreign Relations pleaded with us to give him a morning to report important bills. The chairman of the Subcommittee on Labor wants to proceed with the consideration of the minimum wage bill tomorrow. I want to make that possible. Other committees want to meet. We cannot close down the committee system.

Generally speaking I believe we will be coming in early in the morning and staying until late in the evening. We can expect rollcall votes all during that period, because practically everything before us will be controversial. We have established a sort of courtesy arrangement in the Senate, so that whenever any Senator wants a yea-and-nay vote he generally gets it, even if it does not get more than 10 or 12 votes, and even though it usually takes more than 10 minutes of the Senate's time.

I would prefer, if there is no serious question involved in an amendment, to have a standing vote or a voice vote on such an amendment. It seems, however, that hardly any author of an amendment is willing to have that kind of vote, and feels he must have a rollcall vote, because not to get a rollcall vote may be considered as downgrading his amendment and may affect his standing as the author of an amendment, even though it does nothing more than demonstrate his ineffectiveness.

Mr. DIRKSEN. I have one other observation. The Committee on Labor and Public Welfare proposes to meet at 8 o'clock tomorrow morning.

Mr. JOHNSON of Texas. I was informed they would meet at 9 o'clock.

Mr. DIRKSEN. It has since been changed to 8 o'clock. If perchance today's session should run until midnight or 1 o'clock, I can only say that I may be a little obfuscated at such an early hour in the morning in coming to grips with a technical amendment at 8 o'clock, knowing of no way to absent myself and embrace Morpheus now and then in orrer to regain vitality and energy, and therefore this schedule may be a little difficult.

I would say, in the nature of an entreaty, that committees should not start meeting at 6 o'clock or 7 o'clock, even though I do get up to work at that hour. A sustained 18- or 20-hour day might cause a little physical rebellion.

Mr. JOHNSON of Texas. All I can say in that regard, is I imagine the Senator from Illinois has more influence with the Internal Security Subcommittee than I have. If he wishes me to join him in any request that a committee postpone its meeting in the morning and meet during the session of the Senate in the afternoon, or whatever request he has to make, because he is always so accommodating to me and because I believe in the doctrine of reciprocity, I will try to perform the best I can to meet his desires.

Mr. DIRKSEN. My difficulty is that my influence wanes insofar as the Labor Committee is concerned, with particular reference to the minimum wage bill. That is my problem. So the problem of how to be in 2 places at one time and how to perform my public responsibilities both in committee and on the floor of the Senate may offer some difficulty.

Mr. JOHNSON of Texas. If the Senator could work out a schedule under which he could meet with the Labor Committee once or twice, perhaps he would not have to attend meetings of that committee regularly after that.

Mr. DIRKSEN. There are a number of amendments that need to be discussed and disposed of before the matter has been thoroughly presented.

Mr. JOHNSON of Texas. I wonder, while we are in this good humor, if we could get a unanimous consent agreement on the Clark amendment.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, have the yeas and nays been ordered on my amendment?

The PRESIDING OFFICER. The yeas and nays have been ordered on the Senator's amendment.

Mr. PROXMIRE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. On the Proxmire amendment 15 minutes remain, and the time is equally divided.

Mr. PROXMIRE. I yield myself 3½ minutes. I have already spoken on the amendment. However, there were very few Members of the Senate present at the time, and I shall repeat some of what I have said.

The amendment would withhold the tax on dividends and interest. It would raise, on the basis of what I think are competent, conservative estimates, $1 billion. In the course of the debate the opposition to the amendment has challenged this figure and has claimed that it would raise only $445 million.

I refer Senators who are skeptical to the CONGRESSIONAL RECORD of yesterday at page 13265. There is established the basis on which I made my computations. Very simply, the amount of interest which now escapes taxation is approximately 58 percent, and the amount of dividends is 15 percent. That has been applied on the basis of returns on dividends made by the Internal Revenue Service and the Department of Commerce. The returns on interest made by these two agencies have been computed in a very simple mathematical manner. I am sure that any Senator who wants to confirm it can get all kinds of confirmation there.

I wish to point out that my proposal is not a new or radical proposal. It was a part of the law of the land on interest from 1913 to 1916. Taxes were withheld on interest from 1913 to 1916.

In 1942, when the proposal was made to withhold taxes on wages, the House passed the proposal to withhold taxes not only on wages and salaries, but also on dividends and interest. The Senate rejected it. In 1950 and 1951 the same proposal was made.

There have been objections, and very sincere and proper objections, to this kind of proposal on the ground that it would be hard to administer and would impose a hard burden on the withholding agent, and would result in hardship for charitable organizations and individuals.

At the present time all these objections have been eliminated. The fact is that the withholding provision on wages has greatly eased the burden on the Internal Revenue Service. It is almost no burden on the withholding agent. All he has to do is deduct 20 percent of interest and dividends paid and mail it to the Government in each quarter. So far as the individual is concerned, the burden has been greatly reduced, because he can do it quickly in every quarter.

As a matter of fact, the wage earner has to wait a year. We have provided that the interest and dividend recipient may make his application for refund at the end of each quarter. Furthermore, the loss would be only in the first quarter. After that, he will receive his refund regularly. His income, therefore, would be compensated for the withholding tax from that period on.

It seems to me the basic argument for this amendment is a moral argument. The amendment provides that funds now owing to the Federal Government, now not paid to the Federal Government would be paid to the Federal Government. The fact is that the funds not paid to the Federal Government on dividend and interest income are not really the property of the taxpayer who possesses them and defrauds the Federal Government of them. They are the property of the Federal Government itself. On that basis alone the Senate should adopt the amendment.

I did not bring out this point at length during my initial presentation, but this proposal would be a convenience for the taxpayer. It would make it far easier for the taxpayer to know how much in dividends and how much in interest he had to report.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired.

Mr. WILLIAMS of Delaware. Mr. President, I yield myself 4 minutes in opposition to the amendment.

The PRESIDING OFFICER. The Chair understands that the Senator from Utah is in control of the time of the opposition.

Mr. WILLIAMS of Delaware. He is not present.

Mr. DIRKSEN. Mr. President, I yield 4 minutes to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I oppose the amendment of the Senator from Wisconsin. I do not quarrel with the objectives of the Senator from Wisconsin; I merely think his amendment will not work.

I point out that on page 2 of his amendment it states that the amendment is applicable to "every person (other than an individual)."

If one examines the Code, he will find the following definition of "person":

> The term "person" shall be construed to mean and include an individual, a trust, estate, partnership, association, company, or corporation.

In other words, if a partnership is operating a filling station or a small grain store and is borrowing money from a bank, under this amendment when it pays the bank interest it would withhold, according to the amendment of the Senator from Wisconsin, 20 percent of the interest owed the bank.

Any Senator who has had experience borrowing money knows how far he will get when he tells the bank that he is withholding 20 percent of the interest he owes the bank.

Likewise, if a company, partnership, or a corporation is financing its trucks through a finance company, a part of that is interest. The company, under this amendment, would withhold, as it made its financing payment, 20 percent of that which is due as interest to the finance company. Just how he would know what this amounts to, no one knows.

Likewise, the amendment makes no exception for coupon bonds. The chairman of the committee and I have been working for many months to reach a workable solution of this problem because we believe there is merit to the idea if a solution can be found for some of the difficulties, but thus far our committee has not found it.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CURTIS. I support the Senator from Delaware in opposition to the amendment. Many problems are involved. Many recipients of interest and dividends are not in a tax bracket at all. Perhaps an educational or a charitable fund which receives interest or dividends—perhaps an elderly person having a double exemption—pays no tax. Refunds quarterly would be very costly and complicated.

While the proposal may have merit if some of the problems can be solved, it certainly is not workable today.

Mr. WILLIAMS of Delaware. I thank the Senator from Nebraska.

Neither our committee nor the Treasury has been able to find any solution which we think will work.

Another example is the coupon bonds. The Treasury Department itself has outstanding billions of dollars in unregistered coupon bonds. They were sold to the American people in good faith. They have maturity dates of 25, 30, and 40 years from now. Those bonds carry negotiable coupons to be cashed anywhere. They are payable to the bearer and are subject to being cashed at filling stations or grocery stores at face value at any time after the due date. No place is even provided on the back of the coupon for endorsement.

If the amendment of the Senator from Wisconsin is adopted it will mean that the value of all coupons will be reduced by 20 percent. A filling station operator cannot know in what tax bracket the person cashing the coupon is. Are we by legislation going to devalue all of these negotiable coupons?

The bill provides that a $600 exemption may be claimed if one files a certification that his taxable income will not exceed $600, but suppose his income is $610; then the bill provides that 20 percent of his income be withheld. This is not fair.

Mr. President, this proposal would represent a severe hardship on some persons. Canada tried to solve the problem. It passed a similar withholding tax on interest and dividends. The result was that it became so complicated and caused such confusion that they had to repeal the law. I know of no instance in which any country has been successful in imposing such a withholding tax. It has not been possible to devise a method to administer a withholding tax on interest and coupons without imposing a severe hardship on both the companies involved and the taxpayers.

It may be possible to withhold a portion of the interest at banks. That may be the solution of this problem, but the difficulties must first be ironed out.

The PRESIDING OFFICER. The time of the Senator from Delaware has expired.

Mr. WILLIAMS of Delaware. I yield myself 1 more minute. I conclude by saying that at this time I do not believe that the proposal as before us is in a workable form. It needs more careful committee study.

I point out one further misunderstanding. In the colloquy with the Senator from Vermont [Mr. AIKEN], the Senator from Wisconsin said that his amendment did not require a withholding tax on cooperatives. As I understand his amendment it would.

I call attention to the language on page 8, beginning on line 13 and continuing through line 15, under exemptions for the withholding of dividends:

> Dividends paid by a Federal Reserve Bank, Federal land bank, Federal home loan bank, central bank for cooperatives, or bank for cooperatives.

I fail to find any exemption for the cooperatives themselves.

The amendment in the form in which it is now before the Senate should be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Wisconsin has 4 minutes remaining.

Mr. PROXMIRE. In view of the fact that I am the mover of the amendment, I would appreciate it if the opposition would complete its remarks. Then I will take the 4 minutes I have remaining and will then take my seat.

Mr. WILLIAMS of Delaware. If the Senator from Wisconsin has nothing further to say, I will yield back the remainder of my time, if he will yield back the remainder of his time.

Mr. PROXMIRE. I have plenty to say.

The Senator from Wisconsin will speak, but after the opposition has used its remaining time.

Mr. WILLIAMS of Delaware. I suggest that the vote be had now.

Mr. PROXMIRE. Does the opposition yield back the remainder of its time?

Mr. WILLIAMS of Delaware. No.

The PRESIDING OFFICER. The Senator from Utah is in charge of the time of the opposition. In the absence of the Senator from Utah, the Chair rules that the acting minority leader is in charge of the time of the opposition.

Mr. WILLIAMS of Delaware. There is nothing in the rules, as I understand them, which requires that we yield back our time.

Mr. PROXMIRE. As I understood in what I considered a personal agreement with the Senator from Delaware, he was waiting for me to use part of my time. I shall use a small portion of it now to sum up my argument.

Mr. WILLIAMS of Delaware. That is perfectly satisfactory.

Mr. PROXMIRE. Mr. President, the burden of the opposition, as developed by the Senator from Delaware—and I think he made as good a case as anyone could—is that the proposal needs study; that many problems have not been solved.

In the first place, he objected to the assertion that the amendment applies to a person. I think we cleared that up very emphatically during the course of the initial presentation; and the Senator from Delaware, when he stated the definition of "person," pointed out that a person is exempt. So indeed, an individual, a sole proprietor, is exempt; he does not have to withhold taxes. The bill is clear. It says so.

The Senator from Delaware raised the point about coupon bonds. He argued that they are payable to the bearer and are negotiable instruments.

The provision is clear that if a person has a coupon which has a $60 face value, when he goes in, he gets $48, or 20 percent less than the face value. If it is a grocery store or filling station which cashes the bond, it simply sends the coupon to the bank; the bank sends $48 to the filling station; the bank sends the coupon to the corporation; the corporation sends

the bank $48; and the corporation then sends the difference to the Government.

I do not know how this could be simpler. The Senator has raised a complication without real meaning, because the overwhelming majority of people cash their bonds or coupons in banks, not filling stations or grocery stores.

As to educational institutions, the persons who drafted the amendment were ingenious. Incidentally I did not do it. They provided that an educational institution could retain a part of the withholding tax on its employees. It is a tax which the institutions have to withhold from its employees anyway.

This could compensate them for the overwithholding of the interest and dividends due them. On the basis of very careful study, we found that, therefore, this amendment would result in practically no inconvenience to any educational or charitable foundation or any church, because in almost every case they have employees.

The Senator from Delaware talked about the shape this amendment is in. It is the result of years and years and years of work by extremely competent people. And beginning in 1942, they met objection after objection. Last year, the Senator stated that it needed more study; and very careful study has been given to it since that time.

We should particularly remember that the amendment will not increase taxes, but merely will enable the Government to collect more of the taxes which already are due it.

Mr. President, how much time remains available to me?

The PRESIDING OFFICER. One minute.

Mr. PROXMIRE. Does the opposition wish to use some of its time at this point?

The PRESIDING OFFICER. The Senator from Utah has 2½ minutes remaining.

Mr. BENNETT. Mr. President, is this a matter of jockeying between the two groups?

How much time remains available to me, Mr. President.

The PRESIDING OFFICER. Two and one-half minutes.

Mr. BENNETT. I shall now use 1½ minutes of it.

Mr. PROXMIRE. In view of the fact that I am the mover of the amendment, I shall appreciate it if the Senator from Utah will permit me to have 1 minute at the conclusion—just 60 seconds.

Mr. BENNETT. I shall be happy to do so.

Mr. PROXMIRE. I thank the Senator from Utah.

Mr. BENNETT. Mr. President, it should be borne in mind that the Treasury has embarked on a very effective program; and if it can be worked out, it will be infinitely less costly than the program proposed by means of the pending amendment.

It is hard to estimate the costs and the complexity of the pending amendment to those who pay interest and dividends, for the amendment would not only require them to set up machinery to withhold, but would also require that they be prepared at all times to explain to those from whom they withhold why they withheld and what the reasons were.

One who withholds wages from an employee is dealing with a man in a shop who can be met face to face. But one who withholds dividends and interest has to deal with people across the country, by mail.

The hardship of overwithholding cannot be stressed too much—the difficulty of refunding and determining the proper amount of refunds due, and the difficulties faced by those who receive the interest and the dividends, in connection with filing applications and going through all the refunding process.

Finally, the Senator from Wisconsin and the Treasury and the Senator from Utah, who is on the Treasury's side, are in complete disagreement as to the amount of money involved.

The PRESIDING OFFICER. The time available to the Senator from Utah has expired.

Mr. PROXMIRE. Mr. President, the Senator from Utah said the Treasury is conducting a very effective voluntary program or system of informing people that they have to pay taxes on dividends and interest. I call attention to the table which appears on page 13265 of Saturday's RECORD, which shows that since 1949 the percentage of adjusted payments and the estimated gap have been substantially increasing, in the case of dividends paid and the amounts accounted for on income-tax returns; and as regards the estimated gap between the interest paid and the amounts accounted for on income-tax returns, the gap is a shocking 58 percent. So no program such as that now being conducted by the Treasury will do away with that gap. Furthermore, that program is extremely expensive—to notify every dividend or interest recipient what he should receive will cost millions. One mailing to A.T. & T. stockholders in postage alone will cost more than $64,000.

Mr. President, it seems to me that this amendment will be most effective. It will bring in a cool billion of dollars of additional revenue each year, without increasing taxes one nickel.

By means of the pending amendment, all groups, wage earners and stockholders, will be treated exactly in the same way, without any discrimination.

Mr. BUTLER. Mr. President, I ask unanimous consent to have printed in the RECORD, at this point, a statement I have prepared in opposition to the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BUTLER REGARDING WITHHOLDING OF INCOME TAX ON DIVIDEND AND INTEREST PAYMENT AT SOURCE

The proposed amendment to withhold income tax on dividend and interest payments should not, in my opinion, be enacted into law at this time or at any other time without first having complete hearings on every aspect of the problem. The junior Senator from Wisconsin has argued that the amendment as drafted at the present time thoroughly meets all of the arguments that have been made against such legislation in the past. With this statement I do not agree.

Withholding income tax on dividends and interest at source is an extremely complex and complicated problem. It affects many individuals and organizations aside from the corporation making the withholding. To say that all the paying corporation has to do is to deduct a straight 20 percent of the total dividend payment and then submit that amount quarterly to the Treasury at a total cost of 16 cents—a 4-cent stamp per quarter—is neither realistic nor consistent with its effect on the many taxpayers, both corporate and individual, that would be affected.

The contemplated action would substantially increase the amount of expense of clerical work for the corporations, paying agents, fiduciaries, stockbrokers, and others. This burden will be in addition to the tremendous administrative burden already placed upon them, of necessity, if they are to comply with existing tax laws.

The Bank & Trust Company Tax Association at Philadelphia, Pa., recently conducted a survey of the larger trust companies in its association (those with trust assets exceeding $1 billion). That survey revealed that the present recording of several hundred thousand dividend items would be doubled in volume and expense, should a withholding on dividend law be enacted. These companies estimate an additional annual expenditure of over $100,000 with not a cent of additional return. In fact, the expenditure will be made in the face of decreased deposits since a large number of its depositors will receive 20 percent less in dividends, much of which usually finds its way into the depositors' accounts.

A trust company in my own jurisdiction—the Mercantile Safe Deposit & Trust Co. of Baltimore, Md.—estimates that additional expenditures in its case would be in excess of $70,000. These estimates are based on many intangibles. In this connection I include a list of the many additional administrative activities and costs that will be incurred by trust companies if this amendment is passed:

SPECIFIC APPLICATIONS OF THE INCREASED ADMINISTRATIVE ACTIVITIES AND COSTS FOR TRUST COMPANIES

Specific details on units affected

1. Dividend collection, bookkeeping, and tabulating units:

(a) Doubling of posting entries and of time involved in the process.

(b) Doubling of I.B.M. card supplies.

(c) Substantial increase in ledger files and space.

(d) Doubling of storage space.

(e) Additional bookkeeping and/or I.B.M. equipment needed.

(f) Difficulty of allocating tax withheld in all "Nominee" registration accounts.

(g) Increase (doubling) in number of "Holding" cards. (I.B.M.)

(h) Substantial increase in personnel and overtime costs for all of the above.

2. Income distribution units:

(a) Letters of notification and instruction will be required by reason of reduction in distributable income to beneficiaries.

(b) Added expense of redetermining amounts of income available for periodic distribution—in all accounts holding dividend-paying stocks (every account to be analyzed to determine this).

3. Statement units:

(a) Doubling of number of entries as to dividends.

(b) Substantial increase in statement paper supplies and cost thereof.

(c) Increased costs of microfilming statements.

(d) Need for additional equipment and storage space requirements.

4. Investment department:

(a) Every account will have to be reviewed for possible changes in investments.

(b) An increase in the workload will result in administering all accounts invested in common trust funds for computing distributions to the participating trusts.

5. Tax division unit:

(a) Notifications will be required to all parties in interest re changes in reporting of taxable income, at increased costs.

(b) Tax information letter forms will require reprinting with its attending increase in costs.

(c) It is anticipated that the volume of Individual Form 1040 returns now prepared for our customers and trust beneficiaries will double—which returns are done within the Tax Division. (Returns heretofore not required will now have to be filed to obtain refund.)

(d) In trusts whose instruments require guaranteed annuity payments each year—if the tax is withheld, it is foreseen that this will result in a long line of litigation through the courts now already burdened with unsettled cases.

(e) An increase in the work volume will result in recovering the tax and distributing the refund in all "nontaxable" accounts.

(f) Will create additional delays in filing all tax returns involving dividend income.

(g) Result in increasing the complexity of preparing fiduciary income tax returns (forms 1041) at considerable delay and expense—by reason of making extra computations on the returns.

6. Banking departments:

(a) Reduction in deposits and corresponding loss of earnings (since net dividends after tax withheld will be deposited instead of present gross).

(b) The assistance program to correspondent banks will have to be expanded at considerable additional expense.

7. All departmental units:

(a) Loss of time at executive and administrative supervisory levels in "study" on any radical change in the tax law such as is being proposed—instead of applying this time to increase earnings.

(b) Increased correspondence and telephone inquiry time will result.

(c) Increased need for additional space and storage.

(d) Increase in personnel.

(e) Increased need for additional bookkeeping equipment.

Additionally, many legal problems would be encountered. A question would necessarily arise as to whether an annuitant under a trust instrument would receive the amount specified in the instrument or a reduced amount adjusted by the tax paid. This would undoubtedly result in lengthy and costly litigation by many annuitants who can ill afford the additional expense.

For some reason the proponents of this type of legislation always equate dividend withholding with withholding taxes levied on wages. The endless problems which can be foreseen with the former, as well as the inequities inherent therein, simply do not exist with the latter.

Withholding on wages is made in conformance with the tax situation of the individual taxpayer. Withholding on dividend income, as presently contemplated, ignores the individual. The necessary result is that those who owe no taxes or are tax exempt will have taxes unjustly withheld.

I have been supplied with a simple illustration which shows the effect of the proposed provision in contrast with the existing provision as to retention of income tax on wages and salaries. This illustration, which I will submit for the RECORD, is based on an 18-percent tax, but the effect will be the same with a 20-percent tax. The only reason for using this table is that it was computed some time ago and I haven't had time to recompute it on the basis of a 20-percent withholding. The computation is based on annual income of $2,400 from dividends and a supposed annual wage of like amount.

	Number of exemptions			
	1	2	3	4
On an income of $2,400. If this is all salary, income tax withheld by employer will be	$314.00	$194.00	$74.00	0
	316.80	196.80	76.80	0
Making overpayment of	2.80	2.80	2.80	0
If income was all from dividends, tax would be	314.00	194.00	74.00	0
Less 4 percent dividend credit	62.40	38.40	14.40	0
	251.60	155.60	59.60	0
18 percent withheld would be	432.00	432.00	432.00	$432
Making an overpayment of	180.40	276.40	372.40	432
As compared with above overpayment	2.80	2.80	2.80	0
The difference between similar taxpayers being	177.60	273.60	369.60	432

According to the 1954 revised optional tax tables, the amount of tax payable by the recipient under both cases is the same, however, the table shows that an individual with four dependents receiving investment income of $2,400 per year at the end of the year would have an overpayment of $432 because the withholding on dividends is in no way based upon his individual tax situation. The wage earner, on the other hand, with the same income would have no overpayment because there would have been no taxes withheld since his exemptions would have been taken into consideration by his employer in computing his withholding tax. A similar disparity results, though in different amounts, in the case of taxpayers with one, two, or three dependents.

Proponents of the measure say this argument has been eliminated by a quick refund provision. It is my understanding, however, that that provision is available only where the dividend or interest recipient has gross income less than the statutory filing requirements of $600 per year, or $1,200 in the case of a person over 65. Clearly, this provision would not even be available to the person of limited income illustrated in the aforementioned table. Quick refund provisions applicable to everyone would be impractical because of the possibility that earned wages in one or more quarters would throw out of balance refunds which may have been made for previous quarters.

Those not covered by a quick refund provision, and this would be many, would be making a perpetual interest-free loan to the Government of a considerable portion of needed income.

The additional administrative burden on the Treasury Department of such a system would be tremendous. Treasury today complains that it is understaffed and yearly asks for additional funds for personnel. That problem would be magnified tenfold if this legislation is passed.

Proponents of this legislation persist in pushing for enactment this year, notwithstanding that just 1 year ago a cooperative program was undertaken by Treasury and industry to educate stockholders and other investors concerning their obligation to report this investment income in their tax returns. I submit for the record examples of these notices:

MASSACHUSETTS INVESTORS TRUST,
Boston, Mass.

INCOME TAX INFORMATION

Status of 1959 distributions for Federal income tax purposes

The following table shows the tax status for Federal income tax purposes of each payment made by the trust during the year 1959. Whether paid to you or credited to your account such payments must be included in your Federal income tax return. This table is designed to assist you in computing the amounts you should report.

If you owned shares on these dates	The Trust paid to you on these dates	These amounts per share		Shares owned as of dates in first column	Making dollar total of	Which are taxable Federally as
Mar. 31, 1959	Apr. 27, 1959	$0.10	×	—		Dividend income.
June 30, 1959	July 27, 1959	0.10	×	—		Dividend income.
Sept. 30, 1959	Oct. 26, 1959	0.09	×	—		Dividend income.
Nov. 30, 1959	Dec. 24, 1959	0.11	×	—		Dividend income.
		TOTAL		—		
Dec. 31, 1958	Feb. 16, 1959	$0.12	×	—		Capital gain.

Under provisions of the Internal Revenue Code, an individual shareholder may (a) exclude from gross income a maximum of $50 of dividends received from qualifying domestic (U.S.) corporations and (b) credit against his tax 4 percent of the amount of such dividends which are not excluded as part of the $50 exclusion. The credit under (b) may not exceed 4 percent of taxable income. All of the dividends described above as "Dividend income" are designated by the trust pursuant to section 34 and 116 of the code as fully qualifying under the aforementioned exclusion provision (a) and the credit provision (b).

For corporations which are shareholders, the trust also hereby designates all of the above "Dividend income" under section 243 of the code as fully qualifying for the 85 percent dividends received deduction.

CAPITAL GAIN DISTRIBUTION

The special capital gain distribution of $0.12 per share paid February 16, 1959, is designated as, and should be reported as, long-term capital gain for Federal income tax purposes, regardless of whether payment was received in shares (tax cost basis, $13.38 per share) with a balance check, or entirely in cash. Under the code this distribution is not considered a dividend for purposes of the exclusion, the credit, or the dividend received deduction referred to above.

STATE TAXATION OF 1959 CAPITAL GAIN DISTRIBUTION

The National Association of Investment Companies in 1959 received rulings from the tax authorities of the various States concerning the taxable status of a capital gain distribution paid by an investment company to individuals. For further information, we suggest that you consult an attorney, a certified public accountant or a tax official in your State.

State	Value of shares issued is—	Balance check is—	Payment elected in cash is—	State	Value of shares issued is—	Balance check is—	Payment elected in cash is—
Alabama	Taxable income	Taxable income	Taxable income.	Missouri	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.
Alaska	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.	Montana	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.
Arizona	Taxable income	Taxable income	Taxable income.	Nebraska	Nontaxable	Nontaxable	Nontaxable.
Arkansas	Taxable income	Taxable income	Taxable income.	Nevada	Nontaxable	Nontaxable	Nontaxable.
California	Taxable income	Taxable income	Taxable income.	New Hampshire	Nontaxable	Nontaxable	Nontaxable.
Colorado	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.	New Jersey	Nontaxable	Nontaxable	Nontaxable.
Connecticut	Nontaxable	Nontaxable	Nontaxable.	New Mexico	Taxable income	Taxable income	Taxable income.
Delaware	Nontaxable [1]	Taxable income	Taxable income.	New York	Taxable income	Taxable income	Taxable income.
District of Columbia	Taxable income	Taxable income	Taxable income.	North Carolina	Taxable income	Taxable income	Taxable income.
Florida	Nontaxable	Nontaxable		North Dakota	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.
Georgia	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.	Ohio	Nontaxable [4]	Nontaxable	Nontaxable.
Hawaii	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.	Oklahoma	Taxable income	Taxable income	Taxable income.
Idaho	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.	Oregon	Taxable income	Taxable income	Taxable income.
Illinois	Nontaxable	Nontaxable	Nontaxable.	Pennsylvania	Nontaxable	Nontaxable	Nontaxable.
Indiana	Taxable income	Taxable income	Taxable income.	Rhode Island	Nontaxable	Nontaxable	Nontaxable.
Iowa	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.	South Carolina	Taxable income	Taxable income	Taxable income.
Kansas	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.	South Dakota	Nontaxable	Nontaxable	Nontaxable.
Kentucky	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.	Tennessee	Taxable income	Taxable income	Taxable income.
Louisiana	Taxable income	Taxable income	Taxable income.	Texas	Nontaxable	Nontaxable	Nontaxable.
Maine	Nontaxable	Nontaxable	Nontaxable.	Utah	Taxable income	Taxable income	Taxable income.
Maryland	Taxable income [2]	Taxable income [3]	Taxable income. [3]	Vermont	Nontaxable	Nontaxable	Nontaxable.
Massachusetts	Nontaxable [1]	Taxable income	Taxable income.	Virginia	Taxable income	Taxable income	Taxable income.
Michigan	Nontaxable	Taxable income [3]	Taxable income. [3]	Washington	Nontaxable	Nontaxable	Nontaxable.
Minnesota	Taxable capital gain.	Taxable capital gain.	Taxable capital gain.	West Virginia	Nontaxable	Nontaxable	Nontaxable.
Mississippi	Taxable income	Taxable income	Taxable income.	Wisconsin	Taxable income	Taxable income	Taxable income.
				Wyoming	Nontaxable	Nontaxable	Nontaxable.

[1] Cost basis of shares previously held must be adjusted.
[2] Constitutes "investment income," the first $500 of which is taxed at 3 percent, and the balance at 5 percent. "Ordinary income" is taxed at a 3 percent rate. These rates apply to taxable years beginning on or after Jan. 1, 1958.
[3] Michigan has an intangibles tax, and capital gain distributions received in cash form part of the income base. Capital gain distributions received in additional shares do not form part of the income base.
[4] Ohio shareholders who receive distributions in shares of stock, and hold those shares on the following tax listing date, may be subject to an intangibles tax on those shares.

THE DREYFUS FUND INC.

January 25, 1960.

DEAR SHAREHOLDER: The following cash dividend was declared January 6, 1960 payable on January 29 to stockholders of record on January 19: A dividend of $0.06 per share from investment income; a distribution of $0.53 per share from net realized securities profits.

Shareholders who have filed reinvestment orders or are in the Dreyfus voluntary plan will shortly receive a statement with respect to the reinvestment of their dividends. Other shareholders will receive a check under separate cover. After the end of this year we shall advise you of the proper tax treatment with respect to all dividends and distributions paid in 1960.

TAX STATUS OF DIVIDENDS AND DISTRIBUTIONS PAID IN 1959

The following tax worksheet is designed to assist you in computing amounts which should be reported in your Federal income tax return. It may be attached to the duplicate copy of your tax return:

Payment Date	Record Date	No. of Shares (Enter Number Owned by You On Record Date)	Per Share Amounts Reportable As*		Amounts To Be Reported As	
			Dividend Income	Long Term Capital Gain	Dividend Income Col. 3×Col. 4	Long Terms Gains Col. 3×Col. 5
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Jan. 30, 1959	Jan. 19, 1959		$.10	$.20		
Apr. 30, 1959	Apr. 20, 1959		.07	.03		
July 30, 1959	July 17, 1959		.05	.05		
Oct. 29, 1959	Oct. 19, 1959		.08	.02		
TOTAL		XXXXX	$.30	$.30		

*All dividends and distributions should be reported whether received in cash or reinvested in additional shares.

The total of column 6 should be reported on schedule A, line 1, of your Federal income tax return; this amount qualifies for the dividend-received exclusion.

The total of column 7 should be reported on schedule D, line 5, of your Federal income tax return. This amount is treated the same as profits realized from the sale of securities held for more than 6 months.

Tax consequences imposed on capital gains distributions by the various States in which shareholders reside differ substantially from one another. It is suggested that you consult your own tax advisors with respect to the tax consequences imposed by your State of residence.

THE DREYFUS CORP.

WELLINGTON EQUITY FUND, INC.—TAX INFORMATION ON 1959 DISTRIBUTIONS

Federal income tax allocations for dividends paid to you or credited to your account is indicated in the boxes shown below. Include in line 1—Schedule A—page 3 of your Federal individual income tax return the amount of dividends shown in line 1. Include on separate Schedule D of your tax returns the amount of long-term capital gains shown in line 1.

1. Dividend increase: $——.
2. Long-term capital gains: $——.

Please retain this card for your 1959 tax return.

Your Wellington Equity Fund income dividends are eligible for tax credits under the Internal Revenue Code, as explained on the reverse side.

SPECIAL TAX PROVISIONS

Under the present Federal tax law, you may exclude from your taxable income each year the first $50 of your total dividend income. The exclusion is increased to $100 in a joint return of husband and wife who receive at least $100 from jointly owned stock or $50 each from stock owned individually.

In addition, you may reduce your Federal income tax by 4 percent of total dividends (in excess of the above exclusion) received during the year. This reduction, however, may not exceed 4 percent of your net taxable income.

These benefits apply only to dividend income, and not to capital gains distributions. Long-term capital gains distributions are taxed at only about one-half the tax rate of ordinary income.

THE CORPORATION TRUST CO.,
Agent.

In this respect the Commissioner of Internal Revenue testified as follows on March 9, 1960, before the House Subcommittee on Appropriations:

"So the program in which the Treasury itself in particular has taken great interest is what we might term 'an educational program.' The banks and corporations of America, including trade organizations—if you want to include the New York Stock Exchange as such an organization—have cooperated. What they have done is various things. For example, they are notifying their stockholders when they receive dividends that the income is taxable. The same thing is true with the banks, who are notifying all of their savings account holders.

I might add the problem is particularly difficult in the interest area. I am not now talking about large amounts of interest paid on corporate bonds, or mortgages. The real problem is in the savings accounts area because in many such cases the interest, as you know, is not credited to the account until after the close of the year when the individual happens to have his book in there for a new deposit. They lose track of the amount and they forget because most people in the low brackets, as you know, maintain no books of account whatever.

"We feel that we are receiving very satisfactory cooperation from these institutions who pay these sums, and we will watch

very carefully the results this year. We will not know until about next year the effect that program may have."

I think we should await until the results of that program have been determined before enacting drastic legislation of the type proposed. To do otherwise would be to change horses in midstream.

We should keep in mind, as well, that the present situation is not as black as some people would make it out to be. The degree of compliance at the present time on a completely voluntary basis with respect to payment of income tax on individual dividend income is 90 percent. This demonstrates that the recipients of dividend income in general have a high degree of respect for the law. Wage withholding, after 17 years of experience, has produced only 97 percent compliance. The educational program will undoubtedly increase the 90 percent figure materially. It is true that there is a larger percentage of noncompliance as to interest recipients, but that figure also should be materially increased as a result of the educational program. We should at least wait for the results of a program undertaken at great expense to many businesses and the Treasury Department before we undertake another program.

A straight 20-percent deduction in interest payment would impose a considerable burden on savings banks which would have to calculate each depositors interest separately in order to credit the proper amount to the depositor's account.

An additional aspect of withholding on savings deposits—one which in spite of its relatively small volume nevertheless presents an extremely serious operational problem to banks—is the necessity of withholding taxes on school savings deposits.

These accounts are maintained in the schools by many banks, often at considerable expense, as a means of encouraging sound thrift habits among school children. Under the proposed regulations, it will be necessary to withhold taxes on such deposits—minute taxes, in most cases, which would be wholly refundable.

The advocates of this legislation contend that it is necessary to enable the Treasury to collect all the taxes to which it is entitled. They rely on the questionable estimates that approximately $400 million annually in taxes on dividends are not being paid in addition to considerable amounts due on interest payments.

This argument ignores the fact that the Treasury Department today has in its files information forms from corporations listing every dollar of dividend paid and to whom it was paid. This information can and should be utilized to discover who the evaders are. Until such time as it is utilized, I see no need to tax dividends at source.

In considering this matter, it is important to recognize that the Treasury Department does not favor the legislation both upon the basis of its inequitable effect on many taxpayers and because of the administrative burden it would place upon the Treasury Department. In recent testimony, the Commissioner stated as follows: "We hope that withholding will not be necessary because of the impact upon the taxpayers and the inequity in many, many cases, and also because of the refunding administrative burden which it would impose upon the service."

I think that to pass this legislation at this time without the benefit of extensive hearings and without information as to the effect the present educational program will have, would be disastrous.

I feel that the inequities and injustices that would be heaped on a great number of citizens and organizations by such legislation, in addition to the added cost to the Treasury Department and the refunding burden entailed, far outweigh the benefit the Government would receive.

In short, such legislation would impose a penalty on the innocent in order to catch the guilty.

The PRESIDING OFFICER. All time available on the amendment has expired.

The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD: I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Arizona [Mr. HAYDEN] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

If present and voting, the Senator from Arizona [Mr. GOLDWATER] would vote "nay."

The result was announced—yeas 24, nays 62, as follows:

[No. 242]

YEAS—24

Bartlett	Hart	Monroney
Byrd, W. Va.	Javits	Morse
Carroll	Keating	Moss
Clark	Kennedy	Pastore
Dodd	Lusk	Proxmire
Douglas	McGee	Williams, N.J.
Gore	McNamara	Yarborough
Gruening	Mansfield	Young, Ohio

NAYS—62

Aiken	Ellender	Martin
Allott	Engle	Morton
Anderson	Ervin	Mundt
Beall	Fong	Muskie
Bennett	Frear	Prouty
Bible	Fulbright	Randolph
Brunsdale	Hickenlooper	Robertson
Bush	Hill	Russell
Butler	Holland	Saltonstall
Byrd, Va.	Hruska	Schoeppel
Cannon	Jackson	Scott
Capehart	Johnson, Tex.	Smathers
Carlson	Johnston, S. C.	Smith
Case, N.J.	Jordan	Stennis
Case, S. Dak.	Kerr	Symington
Chavez	Kuchel	Talmadge
Cooper	Lausche	Thurmond
Cotton	Long, Hawaii	Wiley
Curtis	Long, La.	Williams, Del.
Dirksen	McCarthy	Young, N. Dak.
Dworshak	McClellan	

NOT VOTING—14

Bridges	Hartke	Magnuson
Church	Hayden	Murray
Eastland	Hennings	O'Mahoney
Goldwater	Humphrey	Sparkman
Green	Kefauver	

So Mr. PROXMIRE's amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was defeated.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE LEADERSHIP OF LYNDON JOHNSON

Mr. MANSFIELD. Mr. President, on last September 15, when the Presiding Officer was the distinguished Senator from Maine, MARGARET CHASE SMITH, I addressed the Senate on the subject of the leadership of LYNDON JOHNSON. What I said then holds just as true today, and I ask unanimous consent that my remarks on that occasion be reincorporated in the RECORD at this point, including an article entitled "Leadership—An Interview With Senate Leader LYNDON JOHNSON," which appears in U.S. News & World Report of June 27, 1960.

There being no objection, the statement and interview were ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, Sept. 15, 1959]

THE LEADERSHIP OF LYNDON JOHNSON

Mr. MANSFIELD. Madam President, as we come toward the end of the session we, of course, express our good wishes to those with whom we have had the honor and privilege of working over the previous months. That applies to the members of the staff, to the reporters, as have been mentioned, and it also applies to the leadership of both sides of the aisle. In my dealings with every Senator in this body I can only say that I have always been treated with courtesy and consideration. They have all been tolerant and understanding, and I am proud to have their friendship and grateful to them for the many favors they have done me.

At this time I wish to pay special tribute to the Republican whip, the senior Senator from California [Mr. KUCHEL] for the cooperation, kindness, and courtesy he has shown through the past several months. He has, indeed, been a tower of strength to his party and our country.

I also wish to pay my respects to the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN] who I think has done an outstanding job in guiding the Republican minority since he took over control in January of this year, and who I think is to be commended for the sterling qualities he has shown. As a friend of many years in both the House and Senate I have always admired his sense of understanding, his tolerance, and his fine sense of balance. He is, indeed, a good and solid public servant.

Madam President, I also want to commend the Senators' Senator, the President pro tempore, the senior Senator from Arizona [Mr. HAYDEN] whose council I value highly and whose understanding I appreciate more than I can say.

We are close to the hour of adjournment. Before the hour strikes, I wish to record certain personal sentiments. If I may have the indulgence of the Senate, I shall try to be brief.

Last January, each of us came into this Congress with certain high expectations. We hoped—each of us—that certain actions would be pursued by this Government. Perhaps, too, we hoped—each of us—that certain actions would not be pursued. The record is now almost complete. Looking back over it, I am sure that few Members will be fully satisfied with the results in terms of January's expectations. Some actions were taken of which some of us do not approve. Other Members will feel shortchanged because the Congress failed to act as they did approve.

It is easy enough in these circumstances to hold the leadership responsible for disappointments. And may I say that it is right and proper to hold the leadership responsible.

Leadership, after all, has its duties and risks. In this Government it is the servant, not the master.

But what we need to ask ourselves in this respect is this question. What part of the leadership of this Government are we holding responsible for our disappointments? Leadership in this Government, as Senators know, is a divided and diffused function. It lies, first of all, in the Presidency. It lies, too, in the majority and minority leaders in both Houses of Congress. It lies in the committees and their chairmen in both Houses of Congress. It lies in individual Members.

The structure of leadership in this Nation has evolved over a century and a half of our history and I do not propose to debate its efficacy in the closing hours of the first session of the 86th Congress. I stress its divided and diffused nature, however, because that is relevant, highly relevant to what I am about to say. I stress it because I am trying to put into perspective the dedicated work of the leader of the Senate majority party, the Senator from Texas [Mr. JOHNSON].

The distinguished majority leader did not create the system of leadership under which we function in this Government. He did not give the Presidency its enormous prestige and influence with Members of Congress or its veto power over the acts of Congress. The majority leader did not create the committee structure of the Senate nor the procedures of the Congress under which we legislate. He did not create the powers of individual Members of the Senate. All of these are elements, highly significant elements, in the structure of leadership in this Government.

The scope which falls to the majority leader of the Senate is proscribed and limited by these other segments of leadership. The limits, I may add, are especially sharp when the administration is controlled by the opposite party.

It is easy to carp at the leadership of any man. But I know of no man who is less deserving of carping criticism than the Senator from Texas. He is fairminded and he is large minded. He has led his party and the Senate, within the limits of the possible, in a responsible and progressive fashion. He has been reasonable with this administration at all times and particularly when the overriding interests of the Nation have been involved. It will be well, Madam President, if all of us—Democrats and Republicans alike—ask ourselves, Have we done as well with our committee and individual responsibilities of leadership? It will be well, too, for the administration to ask itself the same question.

One may regard the record of the actions of this Government during the past 9 months—and, I repeat, it is a record for which the administration and the Congress bear joint responsibility—one may regard it as good, bad, or indifferent, depending largely on one's predisposition. As far as the Senator from Montana is concerned, he is satisfied that it is a far better record from the point of view of the people of the United States because of the participation of the distinguished majority leader in making it.

The proof of constructive leadership, Madam President, does not lie in vetoes sustained or vetoes overridden. Much less does it lie in volume of legislation. I know of only one way to measure the quality of leadership in this Government. There is one yardstick and it applies to all sources of leadership—in the administration as well as in the Congress. How effectively are entrusted powers used by an elected official within the scope of his functions to preserve the basic unity of the Nation and to advance the common welfare? Against that yardstick, the work of LYNDON JOHNSON in the first session measures high, Madam President, very high. He has helped this Government to achieve much and he has laid the groundwork for greater achievements in the future. His work is in the finest traditions of the Nation, as regards dedicated and responsible leadership. As a Democrat and an American, I am thankful that the party and the Nation is served by a man of his caliber. He has given a great deal of himself for the Nation and I did not want this session to close without this acknowledgment of his contribution.

[From U.S. News & World Report, June 27, 1960]

LEADERSHIP—AN INTERVIEW WITH SENATE LEADER LYNDON JOHNSON

Question. Senator JOHNSON, as you see it, what is the most important work that a majority leader does?

Answer. I think that the majority leader is more than the leader of the majority. He is actually the leader of the Senate. As chairman of the policy committee, perhaps his most important function is programing the bills that come out of committee and ultimately become law.

The majority leader has no real power except the power of recognition. Unlike the Speaker of the House, he has no power to make appointments or to designate committees and things of that kind.

The majority leader, through his power of recognition and through the persuasion that he must exert, quickly determines whether he can lead the Senate. And no leader of any party can necessarily lead the Senate, because the Senate doesn't vote on party lines, as you would expect in an ordinary parliamentary body.

Question. What do you mean, exactly, by "power of recognition"?

Answer. I mean the Vice President always recognizes the majority leader first. Once you are recognized, you have an opportunity to express your viewpoint, to outline your program, to explain your reasons. But the only real power available to the leader is the power of persuasion. There is no patronage; no power to discipline; no authority to fire Senators like a President can fire his members of Cabinet.

Question. But you can decide what piece of legislation the Senate is going to discuss on a given day——

Answer. You can recommend, and then there is a majority vote.

Question. Basically, isn't your work conferring with your colleagues?

Answer. It's persuasion with colleagues on both sides of the aisle. Anything the Senate may do requires a majority vote. About all the leader can do is recommend.

Question. Don't you have to know more, really, about the different bills and pieces of legislation than almost any other man in the Senate?

Answer. A good leader should not only know more about the workings of the committee and how the members arrived at the content of the bill as finally recommended, but he must also know the problems of each individual State and the temperament of each individual Senator.

Question. In other words, you have to be familiar with the whole process of lawmaking——

Answer. That's right. You do not have a unicameral system. You have to understand what actuated the House when it sends over the bills that it must originate, such as appropriations and tax bills. You must understand the reasoning behind their reductions or their increases.

You must understand why the committee took certain action and why certain judgments were formed.

And then you have to take those factors and fit them into the entire machinery of the Senate—100 Members—and see how you think they would be accepted.

Question. Where do you get most of your information, your familiarity with these things? From conversations, or by reading documents or reports of committees?

Answer. From both.

Question. Do you do a lot of studying, then?

Answer. Quite a lot. For each bill that is reported, we have a written report to analyze.

The first thing the report states is the purpose of the bill, then how the bill achieves that purpose, and, finally, the committee's recommendations as to the bill and its purposes. You take the report and you study it and analyze it thoroughly. Then you start talking to the members of the committee that reported it—the chairman of the Committee on Appropriations or Finance or Armed Services or Foreign Relations—"Why do you recommend this treaty? Here's what your report says. What are the problems involved? What do you think about this?"

And then you talk to the ranking men down the line, even to the most junior member. You attempt to determine how the committee's views are going to fit in with those of a hundred Senators, and a committee recommendation is not necessarily accepted by the 100 because all Senators have their own views. The committees are the experts, and sometimes you can get so close to the forest you can't see it for the trees.

Question. We often hear the word "compromise" used. You have differences within your party, for instance, and then you have differences outside your party. Does the word "compromise" correctly express the agreement on these questions?

Answer. No. I always seek the best and do the possible. There are different viewpoints and different emphases on nearly every matter. There are 50 different States with different backgrounds, different environments, different geographical and economic interests.

In my party we have HARRY BYRD and WAYNE MORSE, DICK RUSSELL and HUBERT HUMPHREY, JIM EASTLAND and PAUL DOUGLAS, BILL PROXMIRE and STROM THURMOND—all of them Democrats, all of them sent by sovereign States to speak for their States. Now, those men don't always see everything alike.

I have one yardstick that I try to measure things by: Is this in the national interest? Is this what I believe is the best for my country? And, if it is, then we outline it to the fellows of various complexions—and that includes Republicans, DIRKSEN and JAVITS, Senator CASE of New Jersey and Senator DWORSHAK of Idaho. They have their differences.

The thing you must understand is that no man comes to the Senate on a platform of doing what is wrong. They will come determined to do what is right. The difficulty is finding an area of agreement where the viewpoint of a DWORSHAK of Idaho can be blended with a CASE of New Jersey—because the commuter problem in New Jersey is quite different from what it is in Idaho—or the problem of THURMOND of South Carolina and the problem of DOUGLAS of Illinois can be brought to some accord.

Question. Would you say your work is that of a mediator, then, as between opposing points of view?

Answer. No. I think, first, you must have a purpose and an objective and the vision to try to outline what the national interest requires, what the national need is. Then you lay that on the table, and are as reasonably patient and as effective as you can be, from a persuasive standpoint.

THE REPUBLICAN ROLE

Question. Are these bills often rewritten and amended and changed to conform to the results of conferences such as you have just described?

Answer. Well, not so much from conferences as from actual discussion out on the

floor. I move that we take up a bill. A majority vote is required to do that, so a majority has to agree. It happens that before that motion is made it is usually discussed with my counterpart—the Republican leader.

Senator Taft said to me one time when the division was close. "I want you to quit using the words 'majority' and 'minority' leaders of the Senate. Let us say 'coleaders of the Senate.'" And that is really what you do if you are effective—you are a coleader.

You work with the minority leader and say, "Here's what my viewpoint is," and if he has a different one, he expresses it. And then you find an area of agreement and try to carry it out, so you don't spend all your time fighting.

Question. What is your daily relationship with Senator DIRKSEN, the minority leader, for example?

Answer. Well, after I evaluate the bills on the calendar I ask him to make his recommendations. When I walk into the Chamber every morning, he puts on my desk a memorandum stating what he thinks about each bill and what his policy group thinks and what his colleagues think—"This will be trouble," "This will be long debate." "This will have relatively little opposition," and so forth. And he marks the bills on the calendar in blue pencil. I evaluate mine and mark my calendar in red pencil. Then we exchange calendars.

We have every bill that has been introduced and been considered by a committee evaluated in red and blue, and he knows my opinion and I know his opinions. I would say we spend a third or a fourth of every hour during the legislative day talking to each other and either trying to reach an agreement or to ascertain the points upon which agreement is not possible.

Question. How has it all worked out?

Answer. We've had 8 years of this administration, 6 of which have been under conditions of divided government—a Democratic Congress and a Republican Executive. Now, it's very easy to keep government from functioning at all. You could have no confirmations, you could have no treaties, you could pass no laws, you could cut down on all appropriations—you could do all these things to tie the hands of the Executive. But you would win an argument and lose a country.

So what we've tried to do is determine what the leadership thinks is possible and desirable, and present it to the group and hope they will agree. And I would say that 80 percent of the Senators vote the same way. That's largely because of the thorough, careful attention that is given to seeking the best—that's the key to it.

What is in the national interest? What do the people need and desire? What position should be take on the summit conference that Khrushchev torpedoed? What does our national interest require? What would we have done if we had been in the same circumstances as the President?

Then, once you find out what you think is best, you may have to change it some because everybody doesn't agree as to what is best.

We do not have a dictatorship. The thing that most people do not understand is that the majority leader has no power, really, except the power of recognition. He can't name a man to committee. He's one of 18 that participate in making committee assignments—one of 18. He can't order a Senator's bill considered—he can try it, but he has to have a majority supporting him.

Majority rule at all times. A man comes to the Senate for a 6-year term. It's not 5 years and 11 months or 6 years and 1 month—it's 6 years. And he reports only to his constituency.

I sometimes think that the Senate has 98 leaders and 2 followers—that's Senator DIRKSEN and I—we're the followers. We have to be guided by what these groups will support.

Question. In order to accomplish this, do you have to understand all the details involved?

Answer. It's an 18-to-20-hour-a-day job. Each morning my staff puts on my desk the important recommendations made by committees. They must be evaluated. And that's just the first step—studying the actual draftsmanship. The important thing is the feeling and the sectional interest and the national interest that went into a particular bill. A bill for roads may come to the floor and some Senator will say: "Now, wait a minute—that's not fair to the smaller States—and you've overlooked this point." Well, you had better not overlook it, because, if you do, your bill will be killed.

First, you must know what is in the bill. Second, you must understand how it is related to the various States and the various personalities in the Senate. And, third, you have to be sure that it will command the respect of the majority.

Now, all of that is judgment. A very famous man said to me one time: "I would rather be remembered for my judgment than for my sense." One of the problems of leadership is that sometimes we make mistakes of judgment. But the bill must be understood first, or else you can't determine whether it's in the national interest.

That involves much detail work. That involves pondering many pages of testimony. That may involve hearing many witnesses.

On the reorganization of the Space Act alone, the President has held two conferences with us already. We will hear the experts in this field—the head of the Space Agency and Dr. von Braun (Army missiles expert) and others—and we'll go on down the line. It may require a thousand pages of testimony to settle on one paragraph of law.

Question. Majority leaders are elected every 2 years?

Answer. Every 2 years, the majority of your colleagues select the man they want for leader. I've been chosen unanimously.

Question. How many times now have you been elected?

Answer. One time as deputy leader and four times as majority leader.

Question. What about your method of working, with the leadership of the House?

Answer. I think that's a very important question. First of all, you must bear in mind that Speaker RAYBURN has worked with or has trained, so to speak, 46 of the 100 Senators. The only think that keeps him from getting a majority of the Senate soon is that we have added two additional States. He says that he's going to have to stay here until he gets a complete majority.

Now, I've worked with him very closely, because he and my father were in the legislature together and he and Mr. Garner have both been very good to me and given me the benefit of their judgment. I try to go over to the House every afternoon at 5:30 or 6 and have an hour with the Speaker. Sometimes it's 2 o'clock, sometimes it's breakfast, but, when I'm in Washington and he's in Washington, I try to be in his vicinity at least once a day. On one day I talked to him about housing, about education, about the farm bill, about adjournment and the convention and a variety of subjects.

With Mr. MCCORMACK (House majority leader) and Mr. HALLECK (House minority leader), we try to anticipate what the Senate will do and what the House will do. We're very jealous of the prerogatives of each body and we recognize always that I'm not leader of the House, I'm leader of the Senate; he's leader of the House. Each branch has to stand on its own feet, and neither is responsible to the Executive.

That's one reason that the Speaker wouldn't sit in the Cabinet with President Truman. President Truman asked him the night he was sworn in to come and sit in the Cabinet, and he said: "No; I can't do that and be the Speaker of the House of Representatives. The Constitution says 'separate and independent,' and if I get down here and we make a policy, then I'm going to try to carry it out up there, and I don't want to be bound that way." That's why he said, "Well, if I can't serve in the Cabinet, I'm certainly not going to serve on the advisory committee of the Democratic Party, because if I go down there and make policy, I would be binding people up there. So if I wouldn't serve in the Cabinet, I wouldn't serve there." It wasn't just because he didn't like the advisory committee—it was just a matter of principle. He felt very deeply about it.

So, we try in our informal way to meet each day and to understand the problems of each other and to work together.

Question. Do you believe much in labels—"liberal," "conservative," "radical"?

Answer. No.

Question. If you had to characterize the Congress of the United States, would you be able to find a label for it?

Answer. No. I think that most people want what you would call a "prudent progressivism." They want you to march forward, constantly going ahead, but never getting both feet off the ground at the same time. Our people are prudent people. They don't want to go off the deep end. They're afraid of inexperience and impulsiveness, yet they're not willing to accept laissez-faire government.

I'm a rancher and I'm a banker and public employee and a father, and I'm not as young as I once was and I'm older than I'd like to be. I hope I'm progressive without being radical. I want to be prudent without being reactionary. And I think the average Member of the Senate accepts that philosophy, and I think that accounts for the unanimity with which the Senate has functioned. It debates a bill, and sometimes when you walk in the Chamber you'd think that Senators were going to punch each others' eyes out, but the final result is a well-reasoned document. The President may not necessarily approve it, but it's amazing that he approves as many bills as he does, considering the divisions between us.

Question. You have spoken of the importance of the Presidency. Do you think that the Vice Presidency is going to be more and more important in the future?

Answer. Yes, the Vice President must understand the executive department and what is going on, and be kept up to date. He must be prepared for any eventuality because he is in the line of succession. He must also have a knowledge of the legislative branch of the Government because he is constitutionally the Presiding Officer of the Senate and he may be called upon to break tie votes.

Question. Why is it that there is such a belittling of the position so that so many men say they don't want the Vice Presidency and wouldn't be a candidate?

Answer. I think that most men feel that you don't run for Vice President. Many people feel you shouldn't be out running for President, but should let the people select the man instead of the man selecting the job. But I guess a lot of people feel that the Vice President's job is narrowed in scope to presiding over the Senate. I look upon it as much more than that.

Question. When foreign dignitaries come to the Capitol, Senator JOHNSON, do they ever talk about your position as majority leader in the Senate and its analogy to their system where the leader of the parliament is the Prime Minister?

Answer. Yes; and I think that they attribute to us more importance and more power than we really claim for ourselves.

After talking to the President, they always are very interested in talking to the congressional leaders about conditions in the world.

I have had four or five conversations with Chancellor Adenauer of, I guess, 45 minutes or an hour in duration—about his concern with developments in the world. The same thing with Prime Minister Macmillan; the same thing with Mr. Khrushchev.

Question. In a parliamentary system, these Prime Ministers are chosen by their colleagues, aren't they?

Answer. Yes.

Question. But then they became the head of the nation after they are chosen by their colleagues. Is the legislative experience of their leadership over there very much like yours?

Answer. Yes; I think so. I think the daily work is very much alike, and I would say that actually the results that flow from their efforts are very much alike. You can't spend a dime in this country without the Congress. You can't commit the United States to any kind of agreement that's worth a scrap of paper without the Congress.

Now, we had a strong reaction to Mr. Khrushchev telling our President that he might want to break up the summit and resume negotiations a little later, for reasons of his own. So I talked to the Speaker and to the chairman of the Foreign Relations Committee and to Governor Stevenson, who was our nominee in 1952 and 1956. We immediately dispatched a cable to Mr. Khrushchev saying that we wanted peace and that we wanted disarmament and that we wanted to do everything we could to bring peace to the world, but that he would be mistaken if he thought that he could do any better business in January than he could in May. We wanted him to know that the loyal opposition in this country stood behind the President.

Under our system, we didn't communicate directly with him. We did it through our President. We said to President Eisenhower: "Will you please convey the sentiments of the opposition party in your country to Mr. Khrushchev?"

CONFERRING WITH IKE

Question. You've had many conferences with the President while you have been majority leader, haven't you?

Answer. Frequently.

Question. How many would you say you've had in the course of your period with him?

Answer. Oh, I would say 50 to 100.

Question. And in those conferences, have you had intimate discussions about legislation and public policy?

Answer. Yes.

Question. Do you believe the majority leader has an extraordinary opportunity to find out what is going on in the Government?

Answer. Yes, he has. Before the President goes on a trip he talks to us, and after he comes back he talks with us first. Every time visitors such as Chancellor Adenauer or Prime Minister Macmillan or General de Gaulle or Mr. Khrushchev or Mr. Mikoyan come to America, the President invites them to the White House and he has the congressional leadership present. We talk just as we're talking here.

Subsequently, we invite them to the Foreign Relations Committee, and if they are heads of state they address a joint session of Congress. If they are heads of government, like Mr. Macmillan, we'll have them before the Senate.

The Executive—if he's going to make divided government work at all—must have liaison with the leadership of Congress on both sides of the aisle.

When I was a young man, in 1931—I came here in the Hoover administration—I was elected speaker of the "little Congress," an organization of secretaries. Mr. Garner, who was then Speaker of the House, said to me: "Always remember, watch both sides of that aisle. No leader is worth his salt who doesn't have a following and respect on both sides of the aisle, because this Government is too big for one party to run."

HANDICAPS FOR LEADERS

Question. Why do you think the public in the United States doesn't know more about the work of a majority leader than they do? For instance, throughout history it has been rare that the majority leader has been nationally considered for candidacy to high office——

Answer. I think, first of all, that tenure has been very brief. Most of the leaders in the last 100 years have served only 2 years—maybe 4 years. When they have served longer than that—long enough to get acquainted, long enough for the people to know them—it has been in exceptional cases. Robinson and Barkley are the only two that I know who served at any length [Joseph T. Robinson, of Arkansas, and Alben W. Barkley, of Kentucky, both Democrats].

For instance, as I said a moment ago, I've served in the leadership since 1950 and I've served with six or seven leaders of the other party. The only three men who have had any length of tenure as leaders of the Senate are Robinson, Barkley, and myself.

I think also that the Executive has centered on him the press media, and people look to him to outline policies and to lead the Nation.

Leadership in Congress is divided between the majority and the minority leaders in the Senate, and between the Speaker and the majority and minority leaders in the House. It's diffused and the spotlight is not on any one individual. So the people don't become acquainted with a Senate leader, first, because he's not in his post long enough, and, second, because the Presidency "outshines" him, so to speak—for the same reason that the public doesn't remember all the names of the Supreme Court members.

Question. Speaking impersonally and looking to the critical times ahead, do you think that the American people are going to have to choose men who have had experience in government rather than people who haven't had experience?

Answer. I think the most important thing for our country in the days ahead is the selection of a leader who has judgment and who has leadership qualities and who can unite not only the people of this Nation but the people of the free world.

No man's judgment on any subject is any better than his information and his experience. I think that he not only must understand the needs and the wants, but the fears and the hopes of 50 States in this Union. In addition, he must have a working knowledge of how our allies feel about us, what the British approach is, what the Germans think, what the French will do under certain circumstances, what the aspirations of the newborn nations are. That cannot come, as I see it, from administering a job in some city or even from being executive of some State. That can come only, as I see it, from contact, discussion, and exchange of viewpoints with all the representatives of the 50 States and with the representatives of the world.

Question. Isn't it surprising that Government succeeds as well as it does, with so many diverse individuals and viewpoints?

Answer. Yes, it certainly is. But I think that our people sense that we probably have fewer friends in the world now than we've had at other comparable periods in our history. I think they sense the uprising that is taking place and the dangers that are present. They can see the Communist moves here and there and yonder coming all together at a focal point. And they know that this is a time for strong men and for knowledgeable men and for patriotic men—men who are willing to put the national interest first.

Question. But, particularly with respect to the conflicts on the domestic scene, and so many diverse viewpoints in the different States—isn't it surprising that you get so much done in the Congress?

Answer. It is amazing and it's a great tribute to the understanding and patience and quality of the Senators and the Congressmen that the people themselves have selected from both parties.

Question. Do you think, then, on the whole, our system is functioning despite all the cynicism we hear expressed about it?

Answer. I'm very proud of it. There's not a system in the world that can be compared with it. Even though at times we are a little slow and at times we have our problems, there's not one that measures up to ours.

We don't have a dictatorship. Mr. Khrushchev doesn't have to bother with a Senate. Mr. Eisenhower does have to bother with the Senate, but I think it's a very good thing that he does, because it gives us safety, it gives us deliberation, it gives us wisdom—collective wisdom.

AVOIDING BITTER DEBATE

Question. In your handling of the leadership, you don't seem to engage in any acrimonious debate—any personalities. What is your philosophy about that?

Answer. I accept every man as being as patriotic as I am. I think most of them have had experience and judgment, or the people wouldn't have selected them to come here. I know I can be wrong. I think what I do is right or I wouldn't do it. But the other fellow's viewpoint must be considered, too.

I try to be patient and understanding; to express myself; to listen to others and seek the best and do the possible. Sometimes it involves an acceptance of a suggestion by someone else and incorporating it in my proposal because there are 100 men sent to legislate—not just 1. And I'm proud to say that we've called the roll on the appropriations bills—we have about 17 or 18—and the highest vote against any bill last year was 10 votes. Most of them were 80 to 1 or 82 to 4 or 87 to 3, and the highest was 10. That shows the painstaking effort that has been taken to try to reason together.

I am a great believer in the philosophy of the prophet Isaiah, "Come now, and let us reason together."

Khrushchev doesn't have to reason with the people; he can shoot them. Hitler didn't have to reason with people; he could march them. But our system is a government of reason, or judgment, where men have dignity and where each can express himself.

The Supreme Court can pass on what the Congress does, and the President can pass on what the Congress does, and the Congress can pass on what both of them do. It's three separate, independent branches of government—each with respect for each other. And it has resulted in our having a government with the maximum freedom. Sometimes it is a little tardy. We have some delays. It's expensive, and we have some inefficiency. But it works, and we have freedom and the highest standard of living the world has ever known—far higher than in the supposedly efficient dictatorships.

You never accomplish anything by talking about personalities. The first thing I said to my caucus when I was elected was: "If the President is right as I see it, I'm going to support him. I do not believe it's the duty of the opposition just to oppose. I think it's the duty of the opposition to do what's in the national interest. If the opposition cannot agree that the recommendations of the President are good, it should

suggest a constructive alternative. But, it should do so with decency and dignity, never spending time talking about a man's family and his dogs and his private life and his personal habits."

"MOST BURDENSOME JOB"

Question. You don't object to his playing golf, then?

Answer. Not a bit. I'm glad he does, and I want him to have all the rest that he can get. We expect perfection from our President, and when there's some imperfection, as there must be with every individual, we are pretty rough on him.

The Presidency is the most burdensome job in the world. When I fly over cities and I think of all the people in their homes looking to the President to make decisions that are wise and just so far as the economics are concerned, involving their job and their earnings, and their boys and the future of their households and whether the lights will burn there tomorrow night or whether there will be a nuclear blast that will wipe them all out, it's terrifying. Even the responsibility I have as majority leader is heavy.

It is hard to understand how the President can carry the burden that he does carry. I don't want to make him any weaker. I want to make him stronger, because, after all, we've got just one President. It's not the President that gets in trouble when things go wrong. It's the country that gets in trouble. It's not the President or the Secretary of State that gets in a jam. It's the whole Nation in trouble—the whole free world.

So I think that, if we make mistakes, as we do, we ought to coolly and calmly assess the situation and say: "We don't want to repeat this mistake. Let's build ourselves into a stronger country. The next conference we go to we'll be stronger." If we only complain, that is what Khrushchev wants us to do—divide the country.

I'm convinced that at the summit Khrushchev had two objectives: He wanted to divide us from our allies, and he wanted to divide us among ourselves. He thought the Democrats would jump on the Republicans from now until November, and he thought the allies would be quarreling with us because of the U–2 incident.

I don't think he accomplished either. I think he brought our allies closer to us, and I think he was disillusioned when he saw that the opposition party of the United States was not going to do Mr. Khrushchev's work for him. Now, he's got a job laid out for him—trying to divide America.

VISIT U.S.A. YEAR—VISIT BY SENOR DEL GIUDICE, OF NAPLES, ITALY

Mr. JAVITS. Mr. President, there is critical need for improving our ties with peoples from all parts of the world, and one way to do this is by encouraging more visits to the United States. It is extremely important to have citizens of other nations meet Americans from many walks of life to observe our ways and to appraise at first hand our attitudes and intentions. It must also be recognized that a substantial increase in the number of visitors from abroad will result in an expenditure in the United States of sufficient significance to help reduce the annual deficit in our balance of trade payments.

I have been actively engaged for some years in the effort to promote international travel, and some of my proposals are incorporated in S. 3102, a bill to establish an Office of International Travel and Tourism, which I cosponsored with the Senator from Washington [Mr. MAGNUSON] and which was adopted by the Senate on June 7, 1960.

Numerous legal barriers, however, confront potential visitors to the United States. More than 30 provisions under which nonimmigrant visitors can be kept out of this country are listed in our immigration laws, and while many of them can be waived, they nevertheless cannot be regarded as encouraging to the foreign tourist. Visas are required. No other country requires fingerprinting of alien visitors. While in most cases the United States waives this provision of the law, the visa officer may require fingerprinting of an individual to make a security check if he feels it necessary. A visa may be withheld if the officer has reason to believe that the applicant is a person whose presence will be prejudicial to the public interest—itself a value judgment.

Once the tourist passes all these barriers and arrives in this country, he is required to register with the Immigration and Naturalization Service on arrival, giving the address where he will be located and informing the Immigration and Naturalization Service within 10 days of any change of his address.

What this means in terms of its effect on tourist travel to the United States is brilliantly illustrated in a letter which came to my office from Naples, Italy. The writer is Sr. Antonio Del Giudice, commanding officer of the motorized section of the police force in that city. His letter graphically describes the problems which he faced when he tried to visit the United States and provides an object lesson of telling clarity.

His story has a happy ending because recently arrangements were completed to bring him here on a 2-week tour around the United States of America and Pan American Airways gave him passage over. On June 25 Sr. Del Giudice will arrive at Idlewild Airport via Pan American jet clipper for a 2-weeks tour of the United States to study traffic control problems in some of our larger cities. Cooperating with Pan American in these arrangements are the American Express Co., Reader's Digest, the Society of American Travel Writers, and the Travel Writers Association.

I ask unanimous consent that Sr. Del Giudice's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[Translation (Italian)]

NAPLES, *January 25, 1960.*

DEAR SENATOR: In the Italian edition of Reader's Digest for February 1960 I read an article by Harmon Tupper, condensed for the Rotarian, entitled "Benvenuti negli Stati Uniti" [Welcome to the U.S.A.]. I don't know why I am writing you, but I felt the need for congratulating myself as well as you because of the intelligent as well as friendly motion of sponsoring of extensive legislation designed to facilitate international tourist travel ["tourism"] and because of the most fortunate phrasing of the title.

I told you, in fact, that no matter how many speeches may be addressed to us on the subject of the United States, nothing can surpass the old rule: "Seeing is believing."

Dear Senator, the undersigned is an official in the Naples metropolitan police force. As a matter of fact, I am the commanding officer of the motorized section of the "corpo dei vigili urbani" [police force] of my city.

In 1953, by drawing out some of my savings, I managed to get $1,300 together, which I wanted to use for a visit to your great country. I had been all over Europe and in some other countries of Africa and the Middle East. In the rosary of my travels the most interesting and most desirable pearl was missing—the United States, which I had reserved for my last trip so that I might have a more vivid memory of the journey of my dreams. Thus it was that I started my climb up to the big enterprise.

Yes, indeed, dear Senator; in 1953, anyone wanting to spend a few weeks in the United States had to have the courage and persistence of a patient hero.

After I had made my first contacts with the American Consulate in Naples, I had to take over and over again time out of my few free hours in order to go to that office almost every day. In the morning, I had to sit down on a kind of bench, such as is used in the schools; then I was given a number, and when my turn came, I had to tell the clerk why I wanted to spend my vacations in America. Many days later they sent me to another office in the Consulate, where I was again given a number which would permit me to explain for the umpteenth time why I wanted to spend my vacations in the United States, instead of in Patagonia, Russia, or what have you.

After having produced an infinite number of documents, I had to wait for a letter by which some relatives would guarantee my maintenance during my stay in America; then I had to wait for reports about myself, and then, for still other information, and, finally, in April 1954, I was permitted to be interviewed by the consul who, after submitting me to a lengthy, though courteous, interrogation, gave authorization for my fingerprints to be taken, as though this were a case of a person arrested whose personal dossier was to be compiled.

After some months of constant coming and going, I had on my passport the so-anxiously awaited visa entitling me to go to the United States for 1 month. Unfortunately for me, when it seemed that nothing further could possibly stand in the way of my departure, my father had a cardiac infarct with which he was laid up for a long time and from which he finally died. When I wanted to reexamine the possibility of realizing my project, at that time postponed because of my father's death, I found that my funds were no longer sufficient, and therefore I had to give up for all time what had been my great aspiration.

Dear Senator, when I started this letter I did not know why I was writing to you; now, however, I know the reason. America is a big and generous country; to facilitate the influx of visitors into the United States means to strengthen the bonds of friendship between its own and the other part of the world which is not yet well enough known; it also means to give those something to think about whose minds have been filled by their rulers with false theories and deceitful propaganda directed against the truest democracy of the world. You, Senator, have done well, and the great President Eisenhower has done well, to encourage the influx of tourists into the United States; the other people who do not have the privilege of being native-born Americans will be much more inclined to look upon your great country as the most suitable instrument for safeguarding the peace of the world, to be regarded as a model for ever greater social development.

I am fortunate in that I now have among the officials and officers of the United States many friends from whom I try to find out,

through what they have to say, what North America really stands for.

Through my specific knowledge I collaborated in the compilation of the new Code on Lines of Communication [roads, highways, streets] for the Allied Forces in Italy. I am in constant touch with them, and I have placed at their disposal everything that I know in view of my professional experience as police officer. Today, to be sure, my dreams for taking a study trip to America are gone. The system valid in previous years fortunately has now been changed, I am told; but likewise changed have the chances for anyone to be able to afford a return trip to the United States. I let myself be consoled by the fact that my more fortunate fellow citizens will now be able to get to know your country without being subjected to degrading and absolutely unnecessary methods when they only want to see the most important of all countries, the United States of America.

I believe that this is the merit of yourself, dear Senator, and of your President.

If it were possible for you to let me have some magazine or pamphlet dealing with the rules and regulations of the police force of New York [City] and environs, I would be very grateful to you. Who knows, maybe some day I will have a chance to meet you in person, and I congratulate you as well as myself upon your intelligent piece of work in the matter of doing away with the outdated methods applied in connection with temporary immigration [residence in the United States of America] for the purpose of study or pleasure.

Meanwhile, with best regards and expressions of my admiration.

ANTONIO DEL GIUDICE,
Commanding Officer of the Motorized Section of the Naples Police Force
Viale Campi Flegrei 7A, Naples, Italy.

THE 21ST NATIONAL PEDESTRIAN PROGRAM APPRAISAL

Mr. CASE of New Jersey. Mr. President, yesterday the American Automobile Association announced the winners of its 21st National Pedestrian Program Appraisal.

Since this program began in 1937, increased attention to enforcement, public information and accident records has cut pedestrian deaths by 50 percent. School officials, traffic engineers, and police throughout the Nation certainly deserve credit for this achievement, a remarkable one when one considers the greatly increased number of pedestrians and vehicles on the road today.

Mr. President, I was also pleased to see that four New Jersey municipalities were cited for their records in this program. Bloomfield won an award for not having any pedestrian deaths during the past year and West Orange received recognition for improvement of its program activities. Among cities under 10,000 Scotch Plains Township won an honorable mention and Pompton Lakes a special citation for its pedestrian program activities.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

The Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates.

Mr. CLARK. Mr. President, I call up my amendment 6–17–60—H, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. At the appropriate place it is proposed to insert the following section:

SEC. . DISALLOWANCE AS TRADE OR BUSINESS EXPENSES DEDUCTIONS OF CERTAIN EXPENDITURES FOR ENTERTAINMENT, GIFTS, AND CLUB DUES.

(a) AMENDMENT OF SECTION 162.—Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by redesignating subsection (d) as (e) and by inserting after subsection (c) the following new subsection:

"(d) DEDUCTIONS DENIED IN CASE OF CERTAIN EXPENSES.—No deduction shall be allowed under subsection (a) for any expenses paid or incurred for—

"(1) entertainment (unless entertainment is the trade or business of the taxpayer and the expenses are paid or incurred to further such trade or business), except that the expenses paid or incurred for food or beverages for the primary purpose of providing an opportunity to advance the trade or business of the taxpayers may be deducted, if such expenses would have been deductible prior to the enactment of this subsection;

"(2) gifts, except that any gift by the taxpayer in the course of his trade or business to any person may be deducted in an amount not exceeding $10 per person per year, if such expenses would have been deductible prior to the enactment of this subsection; or

"(3) dues or initiation fees in social, athletic, or sporting clubs or organizations."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after the date of the enactment of this Act.

Mr. CLARK. Mr. President, I yield myself such time as I may require, within the limitation imposed by the agreement.

Mr. President, the amendment is quite different from the amendment which I offered last year, which was accepted by the chairman of the Committee on Finance and which was to be taken to the conference. Later, for reasons of a slight disagreement between the chairman and myself, this did not occur.

The amendment would stop certain tax abuses practiced by taxpayers with expense accounts, or "swindle sheets" as they are sometimes called.

I think this year's version of the amendment meets all the objections which were raised in the Senate when the amendment was offered last year.

The amendment would do three things. First, it provides that a taxpayer, whether an individual or a corporation, is not entitled to any deduction for entertainment expenses except for food and liquor. This would mean a person could buy all the "booze" he wanted to to help entertain individuals who are doing business with him, or could buy all the fillet mignons he wanted to while doing business and he could take tax deductions for the expenses if they met all the present requirements of the Code. But he could not take a customer to "My Fair Lady," to the Johansson-Patterson fight, on a yachting trip off Florida, or to a hunting lodge in Texas, and claim deduction for such entertainment expenses. He could provide food and drink—could wine and dine his customers—and deduct such expenses if they were "ordinary and necessary," but the expenses of any other kind of "entertainment" would not be tax deductible.

The second thing the amendment provides is that one cannot give a gift to any customer and charge it off as a business expense if the cost of the gift is more than $10. If the cost is less than $10 the gift would be deductible, if it met the tests of existing law.

This would mean that Olivia DeHavilland and her Hollywood friends, as well as others, could no longer give expensive paintings, silver tea sets, Cadillacs, and other large gifts to their business acquaintances and have Uncle Sam pick up most of the tab. If anyone wished to give a ballpoint pen, a calendar, or a pocket memorandum book, that would be all right. That would be provided for in the new amendment.

Mr. BYRD of Virginia. How about a box of apples?

Mr. CLARK. I could not hear my friend.

Mr. BYRD of Virginia. How about a box of apples?

Mr. CLARK. If the box of apples cost more than $10, I regret to tell my good friend from Virginia—and I know how good his apples are—the gift would not be tax-deductible, but the Senator could give an apple a day, to keep the doctor away, and that would be all right. [Laughter.]

The third thing the amendment prohibits is the paying of club dues, country club dues or Army-Navy Club dues, or Metropolitan Club dues, and charging the expenses off on the returns to Uncle Sam, or charging them off to the corporation for which the person works. If a person wants to join a social, athletic, or sporting club he will have to pay the expenses himself. If the corporation thinks its executive should join the club in order to help out the corporation, the corporation could not consider it a business expense.

The amendment provides that there will be no more "swindle sheet" on entertainment, no more "swindle sheets" on gifts, and no more "swindle sheet" on dues, initiation fees, and so on for social, athletic, or sporting clubs. However, a person could wine and dine his customers to his heart's content, and deduct the costs if they met the tests in existing law.

Mr. President, I reserve the remainder of my time.

Mr. BENNETT. Mr. President, does the opposition to the amendment have 15 minutes?

The PRESIDING OFFICER. The opposition has 15 minutes.

Mr. BENNETT. Under the lead of my colleague, I shall yield myself such time as I may require. It will not be much.

Mr. President, entertainment expenses and the use of expense accounts for personal living have presented troublesome enforcement problems. The Service is making every effort to curtail abuses in this area and has recently announced the various steps that it is taking. Since

1958 much of the responsibility for properly policing employee expense accounts has been placed on employers, to whom employees are required to account for their expenses if they do not submit detailed information regarding these items on their tax returns.

For 1960, the Internal Revenue Service has announced that in the auditing of tax returns of employers, a careful review will be made of the adequacy of the employers' requirements as to accounting by employees for travel, entertainment, and other business expenses and where these requirements are inadequate the returns of employees will be examined. In addition, businesses will be required to give more detailed information on their income tax returns regarding expense account allowances and reimbursements of expenses of top employees. Also for 1960 all businesses will be asked on their returns for information regarding their expenditures for such items as hunting and fishing lodges, hotel suites, yachts, travel expenses of employees and their families.

In the recent hearings before the Ways and Means Committee on broadening the tax base, consideration was given to possible changes in the tax treatment of business expense accounts. The consensus among the panelists and the members of the committee was that questions of what are ordinary and necessary business expenses should be handled through improved enforcement measures rather than by legislation. We believe we are making progress and for the present we believe the matter should continue to be handled through regulations, rulings, and auditing procedures. However, if it is concluded that legislation is necessary, we will work with the congressional tax committees in developing appropriate solutions. Such a major change in the tax law should be undertaken only after full consideration of the problems involved, with opportunity accorded to interested parties to comment on the proposal.

The Senator from Utah would like to make one very personal observation with respect to the comments made by the distinguished Senator from Pennsylvania. He said that the businessman can spend all the money he wishes for booze. The Senator from Utah does not drink, and I am sure that there are many men in business like him. This means that a businessman in a competitive situation, finding a customer who does not drink, or one who does drink when he himself does not, cannot provide what we might call equal treatment to his customer because he cannot take him to "My Fair Lady," or even to a movie, while his customer could ply him with liquor until he is completely obfuscated, and there would be no particular question.

This merely illustrates the difficulty of trying to write in specific language any legislative limitations to the money that can be properly spent in this natural relationship between buyer and seller.

If the Senate wishes to forbid all expenditures of all kinds, though I do not think we can get away with that even though we might try, that would be one approach. But when we start by legislation to say, "This is legal, but this is not," we will have a great deal of trouble. I am reminded of an old gentleman who worked for us in the paint business. We called him a buyer. He entertained many salesmen, and he listened patiently to the many salesmen who called on him, most of whom he had turned down, of course, but he loved to say he never missed a meal or paid a cent, because eventually the last man in in the morning invited him to lunch.

Of course, lunch is possible under this proposed program, but if there is a buyer who has a counterpart, he could also provide him with liquor. I assume from the limitation he could not buy him a cigar because that is not specifically listed. I assume he could not offer to pay his taxi fare because that is not specifically listed.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. CLARK. The cigar would come under the $10 gift exemption.

Mr. BENNETT. That is only $10 per year per man. I do not know how many cigars could be bought with that limitation.

Mr. CLARK. Ten dollars per recipient per year.

Mr. BENNETT. That is what I meant.

Mr. CLARK. So the fellow could buy 25 cigars.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. BENNETT. I am glad to yield.

Mr. BUSH. Will the Senator inform us whether the committee has any reliable information as to the total that the proposed amendment would save the Government or recover in taxes? Is there any testimony on that point?

Mr. BENNETT. The committee has no testimony and, so far as I know, no information because it is almost impossible at this point to figure out how many gifts have been made that were worth only $10 as contrasted with those that might have been worth $10.05 or more.

Mr. President, at this point I ask unanimous consent to insert at this point in the RECORD two technical information releases of the Treasury Department, one dated April 4, 1960, and the other dated December 29, 1959, setting forth the Treasury's program for more adequate enforcement of the existing regulations.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

TECHNICAL INFORMATION RELEASE—TIR–221

Commissioner Dana Latham today announced the rules which the Internal Revenue Service will follow in dealing with entertainment and employee expense accounts.

The Commissioner said these rules were adopted after a thorough study of comments and suggestions submitted by the public with respect to the tentative rules outlined in TIR–198 issued December 29, 1959. A number of these suggestions have been adopted.

Questions in TIR–198 covering the use of resort facilities, yachts, and expense-paid vacations, etc., have been revised in these rules, but the Commissioner stated that the wording of these questions may be modified somewhat in the applicable tax forms yet to be drafted for 1960.

Commissioner Latham assured taxpayers, however, that no additional questions dealing with entertainment and employee expense accounts will be added in these tax forms and that any changes in the language of the questions referred to in the preceding paragraph will not require additional record-keeping.

This TIR with its attachment supersedes that portion of the attachment to TIR–198 entitled "Enforcement Program of the Service."

Revenue ruling No. 60–120, also attached, will assist employees in determining whether they are accounting to their employers in accordance with existing income tax regulations, the Commissioner said.

Mr. Latham expressed his warm appreciation to all those who assisted the Internal Revenue Service in this program.

ENTERTAINMENT EXPENSES AND EMPLOYEES' EXPENSE ACCOUNTS—ATTACHMENT TO TECHNICAL INFORMATION RELEASE NO. 221

ENFORCEMENT PROGRAM OF THE SERVICE

1. Information on expense account allowances

(a) Corporation tax return forms: The 1960 forms 1120, 1120L, 1120M, and 1120S are being expanded to include sections dealing with expense account allowances paid to or on behalf of officers and claimed as deductions in determining taxable income. Information will be required to be submitted with respect to the 25 officers with the highest total compensation determined for this purpose by aggregating salaries and all allowances, including expense account allowances. Information will not be required, however, in the case of any officer whose total compensation determined in this manner is less than $10,000.

The information will be required to be submitted by each member of an affiliated group which files a consolidated return.

The Service has no special definition of the term "officer" for this purpose, but uses the generally accepted meaning of that term. An officer is a person who is elected or appointed to office or who is designated as such in the corporation's charter or bylaws.

(b) Partnership return of income: The 1960 form 1065 will be expanded to secure information dealing with expense account allowances paid to or on behalf of partners, including limited partners. To determine the partners with respect to whom the information will be required, there shall be added: the partner's expense allowances, his salary or other compensation, and his share of the ordinary income of the partnership. Information will be required with respect to the 25 partners with the highest individual totals. However, no information will be required with respect to any partner whose individual total is less than $10,000.

(c) Individual income tax returns: For 1960 schedules C of forms 1040 and 1040B are being expanded to secure information dealing with expense account allowances paid to the five highest paid employees, as well as those attributable to the individual proprietor. In determining the highest paid employees, all expense account allowances shall be added to salaries and other compensation. In determining whether information will be required of the individual proprietor, his net profit from his business or profession will be treated as compensation. This additional information will not be required with respect to the proprietor or with respect to any employee if the total compensation determined in the above manner is less than $10,000.

(d) For the purposes of (a), (b), and (c) above, the term "expense account allowances," means: (1) Amounts, other than compensation, received as advances or reimbursements; and (2) amounts paid by or for the corporation, partnership, or proprietor for expenses incurred by or on behalf of an

officer, partner, employee, or proprietor, including all amounts charged through any type of credit card.

However, this term does not include amounts paid for—

(a) The purchase of goods for resale or use in the employer's business.

(b) Incidental expenses, such as the purchase of office supplies for the employer or local transportation in connection with an errand.

(c) Such fringe benefits as hospitalization insurance, approved pension trust funds and unemployment insurance.

(d) In the case of persons supplying legal, accounting, engineering, or other professional services, the expenses which will be billed directly to the client. However, these persons should maintain records reasonably sufficient to establish the business purpose for the expenditure.

2. Information on certain other expenditures

Corporation, partnership, and individual business returns for years beginning after December 31, 1959, will contain, in appropriate places, the following questions:

Did you claim a deduction for expenses connected with—

(If answer to any question is yes, check applicable boxes within that question.)

1. A hunting lodge ☐, working ranch or farm ☐, fishing camp ☐, resort property ☐, pleasure boat or yacht ☐, or other similar facility ☐? (Other than where the operation of the facility was your principal business.) ☐ Yes. ☐ No.

2. The leasing, renting or ownership of a hotel room or suite ☐, apartment ☐, or other dwelling ☐, which was used by customers or officers or employees including members of their families? (Other than use by officers or employees while in business travel status.) ☐ Yes. ☐ No.

3. The attendance of members of families of officers or employees at conventions or business meetings? ☐ Yes. ☐ No.

4. Vacations for officers or employees, or members of their families? (Other than vacation pay reported on Form W–2.) ☐ Yes. ☐ No.

An affirmative answer to any of these questions does not necessarily mean that the deductions claimed for any of these items will be questioned or disallowed. Nor does the absence of a question relating to other similar expenses mean that such expenses will not receive consideration upon examination.

3. Examinations to determine adequacy of employers' business practice in connection with accounting by employees of business expenses

A program is being initiated whereby, during the course of every examination of a return of a taxpayer who pays for travel, entertainment and other business expenses of his employees, the examining officer will ascertain whether the taxpayer uses acceptable business practices in requiring an accounting of business expenses incurred by his employees. Where the taxpayer's method is found to be inadequate, the examining officer will make a list of the employees who received the expense allowances or reimbursements, and the amounts thereof. The Service will then decide, based upon the facts determined in connection with the examination, the extent to which the returns of the individual employees will be examined.

4. Instructions to field offices

(a) All field offices have been instructed to place increased emphasis on the examination of returns involving entertainment, travel, and expenses of a similar nature. They were informed that particular attention must be given to deductions claimed for expenses in connection with yachts, hunting lodges, club dues, as well as the cost of purported business trips which are, in fact, vacations.

(b) As an integral part of our enforcement program, all field offices have been told to continue to apply the Cohan rule cautiously in those cases in which the taxpayer cannot adequately substantiate deductions claimed for entertainment and similar business expenses.

(c) The field offices have also been advised to pay particular attention to the examination of returns in which the deductions claimed for entertainment and similar expenses appear to be disproportionate in relationship to the income and business activities of the taxpayer. In such examinations, large or unusual expenditures for entertainment expenses will be closely examined to determine whether they are ordinary and necessary business expenses.

(d) All field offices have been told that our longstanding policy of reasonableness will continue to be applied with respect to verification of items relatively small in amount. This applies, in particular, to deductions for such business expenses as taxicab fares, tips, and other items relatively small in amount that are not readily susceptible to substantiation.

REVENUE RULING TO BE PUBLISHED IN INTERNAL REVENUE BULLETIN APRIL 4, 1960, REV. RUL. 60–120

Advice has been requested as to the type of information required to be furnished by an employee to his employer for purposes of section 1.162–17(b)(4) of the income tax regulations and the type of accounting procedure used by the employer for the reporting and substantiation of expenses by employees which the Internal Revenue Service will consider as being adequate.

Section 1.162–17(b)(4) of the income tax regulations provides in part that to "account" to his employer as used in that section means to submit an expense account or other required written statement to the employer showing the business nature and the amount of all the employee's expenses (including those charged directly or indirectly to the employer through credit cards or otherwise) broken down into such broad categories as transportation, meals and lodging while away from home overnight, entertainment expenses, and other business expenses.

For purposes of this section the employee must submit such detailed information to his employer as will enable the employer to determine whether the expenses claimed constitute ordinary and necessary business expenses incurred in connection with the performance of services as an employee.

In the case of traveling expenses it is contemplated that the employee will be required by his employer to submit with his expense account or other required statement detailed information such as: (1) The date and place of travel; (2) cost of transportation; (3) number of days away from home overnight; (4) an itemized statement showing total costs incurred for meals, lodging, and miscellaneous business expenses, such as cab fare, telephone, etc.; and in connection with large or exceptional expenditures supporting documents, such as receipts. This detailed information should be furnished the employer in respect of cash expenditures as well as amounts charged directly or indirectly to the employer through credit cards or otherwise. For example, assume that a salesman made a trip from New York to Chicago for business purposes and was away from home overnight for 10 days. For purposes of section 1.162–17(b)(4) of the income tax regulations, it is contemplated that the employer will require the employee to submit, in addition to information establishing the business nature of the travel, the following information with his expense account:

Date and place of travel: April 1, 1960, to Chicago.

Number of days away from home: 10.

Expenses:

Meals	$60
Hotel	90
Cab fares	8
Telephone and wire expenses	5
Transportation cost (rail)	75
Total expenses	238

In the case of entertainment expense, it is contemplated that the employer will require the employee to submit detailed information as will sufficiently identify the persons entertained (by name or title or otherwise) to establish the business nature of the expense, and will show the place, the nature and cost of the entertainment, and the reasons why it was necessary to incur the entertainment expense.

Section 1.162–17(d) provides, in part, that an employee who is required to and does account to his employer for his business expenses ordinarily will not be called upon to substantiate expense account information except in cases where it is determined that the accounting procedures used by the employer for the reporting and substantiation of the expenses are not adequate.

The Service will determine whether the employer's accounting procedures are adequate by considering the facts and circumstances of each case taking into account the controls the employer maintains to insure that his employees are paid (through advances, reimbursements, or otherwise) for only those expenses which are ordinary and necessary business expenses incurred in connection with their employment. For example, one important control is present if the employer requires that an expense account must be examined and approved by a person responsible directly or indirectly to him for a proper audit of the account except that the person incurring the expense should not audit his own account.

TECHNICAL INFORMATION RELEASE—TIR No. 198

Commissioner Dana Latham today outlined the steps that U.S. Internal Revenue Service is taking to deal with tax abuses in entertainment and employee expense accounts.

The Commissioner said he believes these steps are reasonable and will not require expensive or burdensome compliance by anyone.

"We are not asking anything new of employees," the Commissioner said, "but more detailed reporting will be required on the income tax returns for taxable years beginning after December 31, 1959, of employers such as corporations, partnerships, and sole proprietors."

He said, however, that anyone desiring to submit written comments on the new reporting requirements may do so. Comments should be addressed to Commissioner of Internal Revenue, Washington 25, D.C., and should be submitted prior to February 15, 1960.

As soon as written comments submitted have been considered, Commissioner Latham said, any revisions warranted in the contemplated new reporting requirements will be made. In any event a further announcement will be made as soon as possible after February 15, 1960.

Even though the final requirements might be amended somewhat on the basis of comments received, the Commissioner suggested that employers gear their recordkeeping beginning January 1, 1960, so as to enable them to report in their income tax returns for years beginning after December 31, 1959, the type of information presently contemplated.

The attached statement contains an outline of the principal problems of the Service

in connection with entertainment and employee expense accounts, as well as the contemplated reporting requirements referred to above, and the other enforcement steps being taken.

The Commissioner stated that the Internal Revenue Service has neither the authority nor the desire to tell businessmen how they should spend their money. It does, however, have a responsibility to enforce the tax laws; and it intends to do so in this area, as in all others. If this cannot be done within existing laws, the Service will propose such changes in the laws as it thinks necessary to permit adequate and equitable enforcement. Under no circumstances does the Internal Revenue Service intend to allow taxpayers, whether they be few or many in number, influential or unknown, petty chiselers or large-scale evaders, to escape their just taxes.

ENTERTAINMENT EXPENSES AND EMPLOYEES' EXPENSE ACCOUNTS

The following is an outline of the principal problems of the Service in the administration of the tax laws relating to entertainment expenses and employees' expense accounts and the steps that have been or will be taken to resolve these problems:

PROBLEMS RELATING TO ENTERTAINMENT EXPENSE AND EMPLOYEES' EXPENSE ACCOUNTS

1. Personal expenses claimed as business deductions

There is a growing trend for corporations, partnerships and sole proprietorships to assume the cost of personal expenses of officers, employees, partners, proprietors, and others, and to deduct such costs on their tax returns as ordinary and necessary business expenses. This problem has been greatly magnified due to the increased use of credit cards in recent years for purchasing goods and services of a personal nature. In these cases the officer or employee makes no accounting in his own tax return for the benefits received.

(a) Country club and athletic club dues and charges.

(b) Travel expenses of wives, children, and relatives who accompany an officer, employee, partner, or proprietor on a business trip.

(c) Travel expense of a personal nature, coupled with or independent of a business trip, particularly when visits are made to resort or vacation areas or to homes of friends or relatives.

(d) Maintenance, operation, or rental of automobiles, yachts, hunting lodges, fishing camps, resort properties, houses, apartments, hotel suites, etc.

2. Failure by employees to report as gross income expense account allowances or reimbursements received from employers which have not been accounted for to their employers

(a) Reporting requirements: To simplify tax reporting requirements, Internal Revenue regulations relating to employees' business expenses (sec. 1.162–17) provide that an employee who is required to and does account to his employer for his business expenses need not report on his tax return the amount of such expenses or the reimbursements, allowances, or charges made to his employer therefor, unless he wishes to claim a deduction for expenses in excess of the reimbursements, allowances and charges.

However, where the employee is not required to account to his employer for his business expenses, he must report on his return such expenses and the reimbursements, allowances, or charges made to his employer therefor. Despite the great amount of publicity given to this matter, a large number of employees who are required to report expense allowances and reimbursements on their returns do not do so and do not properly answer the questions relating to these expense accounts on their individual income tax returns.

(b) Accounting practices of employers: In many cases amounts paid as additional compensation are identified or classified by the employer as allowances or payments for other expenses. These accounting practices of some employers make identification of such compensation difficult. For example, some employers pay for the personal expenses of their employees or for members of employees' families. Also, some employers give certain of their employees fixed expense account allowances far in excess of their actual or expected expenses. In these cases, the payments of personal expenses and the excessive amounts of the expense account allowances are intended as additional compensation, but are not included on forms W–2, since the employer does not classify these payments as wages or compensation.

(c) Commission salesmen: Many salesmen paid on a straight commission basis have an arrangement whereby they submit expense accounts to their employers and have their employers designate part of their commissions as reimbursement of expenses. Since such amounts actually represent compensation for services, they should be reported as such.

Furthermore, it is clear that in these cases there is no true accounting to the employer because the employer, having no adverse interest, is not concerned whether the amounts reported to him are accurate. However, these salesmen profess to believe that by adopting this procedure they have accounted to their employer for business expenses within the meaning of the regulations and, therefore, are relieved of the burden of reporting that part of their commissions as income.

3. Deductions based on estimates or inadequate records

A large number of taxpayers do not keep adequate records and supporting documents on travel and entertainment expenses. In the case of employees, this is particularly true of those who are not required to and do not account to their employer for these expenses. Many taxpayers receive an advantage, taxwise, as a result of their poor record-keeping, by claiming deductions for travel and entertainment expenses based on estimates in excess of the amounts actually expended for business purposes. The only procedure available to the Service for determining the correct tax liability in such instances is a reconstruction of expenses under the Cohan rule.

In the Cohan case, the court held that a taxpayer who incurred such expenditures but did not keep adequate records of them should be allowed as close an approximation as possible. (It should be noted, however, that the court emphasized that the burden of proof should bear heavily upon the taxpayer whose inexactitude is of his own making. In those cases the taxpayer often loses deductions to which he would have been entitled had he maintained adequate records.)

ENFORCEMENT PROGRAM OF THE SERVICE

1. Information on expense account allowances

(a) Corporation form: Schedule E of form 1120 (corporations)—1960, "Compensation of Officers" is being expanded to include a section dealing with expense items. This schedule will require information, in addition to the payments designated as compensation, with respect to expense account allowances paid to or on behalf of the officers and claimed as a deduction in determining net income. This information will be required of all corporate officers, except if there are more than 25 officers, then only with respect to the 25 highest paid officers based on the aggregate of compensation plus expense account allowances.

(b) Partnership form: Form 1065 (partnerships) will require similar information concerning all partners, including limited partners.

(c) Individual form: Schedule C of form 1040 (individual proprietorship) will require similar information with respect to the proprietor and the five highest paid employees (based on the aggregate of compensation plus expense account allowances), but it shall not be required that such information be submitted with respect to employees who receive in the aggregate less than $10,000.

Definition: The term "expense account allowances" as used above means:

1. Amounts, other than compensation, received as advances or reimbursements.

2. Amounts paid by or for the corporation, partnership or proprietor for expenses incurred by or on behalf of an officer, partner, employee or proprietor, including all amounts charged through any type of credit card.

This additional information will be helpful in disclosing cases in which payments which really constitute compensation are reported as expense account allowances or reimbursements.

2. Information on certain other expenditures

Form 1120 (corporations)—1960 will contain questions along the following lines:

Did the corporation claim a deduction for expenses connected with—

(If answer to any question is yes, check applicable boxes within that question.)

1. A hunting lodge ☐, working ranch or farm ☐, fishing camp ☐, resort property ☐, or other similar facility ☐? Yes. ☐ No. ☐.

2. The leasing, renting of ownership of a hotel room or suite ☐, apartment ☐, or other dwelling ☐ which was used by customers or officers or employees including members of their families? (Other than use by officers or employees while in travel status.) Yes ☐. No ☐.

3. The attendance of family members of officers or employees at conventions or business meetings? Yes ☐. No. ☐.

4. Vacations for officers or employees, or members of their families? (Other than vacation pay reported on form W–2. Yes ☐. No ☐.

5. The use (in whole or in part) of a yacht or boat for: the entertainment of customers ☐, the personal use of officers, employees, or their families ☐? Yes ☐. No ☐.

Similar questions, as appropriate, will also be added to the partnership return, form 1065, and the business schedule of the individual income tax return, schedule C (form 1040).

An affirmative answer to any of these questions does not necessarily mean that the deductions claimed for any of these items will be questioned or disallowed.

3. Examinations to determine adequacy of employers' business practices in connection with accounting by employees of business expenses

A program is being initiated whereby, during the course of every examination of a return of a taxpayer who pays for travel, entertainment and other business expenses of his employees, the examining officer will ascertain whether the taxpayer uses acceptable business practices in requiring an accounting of business expenses incurred by his employees. Where the taxpayer's method is found to be inadequate, the examining officer will make a list of the employees who received the expense allowances or reimbursements, and the amounts thereof, and the returns of those employees will be examined unless the employee has included the expense account allowances in income on his return.

4. Instructions to field offices

(a) All field offices have recently been instructed to place increased emphasis on the examination of returns involving entertainment, travel, and expenses of a similar

nature. They were informed that particular attention must be given to deductions claimed for expenses in connection with yachts, hunting lodges, club dues as well as the cost of purported business trips which are in fact vacations.

(b) As an integral part of our enforcement program, all field offices have been told to continue to apply the Cohan rule cautiously in those cases in which the taxpayer cannot adequately substantiate deductions claimed for entertainment and similar business expenses.

(c) The field offices have also been advised to pay particular attention to the examination of returns in which the deductions claimed for entertainment and similar expenses appear to be disproportionate in relationship to the income and business activities of the taxpayer. In such examinations large or unusual expenditures for entertainment expenses will be closely examined to determine whether they are ordinary and necessary business expenses.

(d) All field offices have been told that our longstanding policy of reasonableness will continue to be applied with respect to requiring substantiation of items relatively small in amount. This applies in particular to deductions for such business expenses as taxicab fares, tips, and other items relatively small in amount that are not readily susceptible to substantiation.

Mr. CLARK. Mr. President, I wonder if the Senator from Utah knows of any other Senator in opposition who desires to speak?

Mr. BENNETT. I think most Senators are in opposition, but I do not know that there are any others who would like to speak.

Mr. CLARK. Mr. President, I should like to take about 3 more minutes.

In effect, all my friend from Utah has said is that the Treasury is prepared to do by administration what this amendment would require them to do by law. He points out the advice given by a number of panelists at a meeting of the Committee on Ways and Means. But it happens to be a fact that those panelists were tax advisers for business clients and admitted as much. So their testimony was hardly objective.

In fact, they all admitted there were abuses in this area and felt that something should be done to cure them. In my judgment, the way to cure them is to pass a more stringent law than we now have.

Let me give the Senate two or three of the typical abuses which have been held legal in accordance with existing law. A doctor was permitted to deduct the expenses of a cabin cruiser. A tavern owner was permitted to deduct the cost of a Christmas party given for children of the neighborhood to promote the goodwill of their parents toward the tavern; others were allowed to deduct the cost of tickets to hit musicals; football and baseball tickets; the Mardi Gras; the Kentucky Derby.

These expenses have all been claimed and allowed as part of the necessary and ordinary business expense of entertaining prospective customers or clients. These luxury expenses would be disallowed as tax deductions under the language of the amendment which I have offered.

With respect to the amount that the proposed amendment would save, the annual total of expense account spending has been estimated to be between $5 billion and $10 billion. The deductions claimed from these sums have been computed to result in an annual revenue loss of from $1 billion to $2 billion. It is impossible to estimate exactly how much of this sum is made up of expenses and deductions for luxury entertainment items, but I would not be surprised if it amounted to 20 percent of the totals which I have mentioned.

I have therefore included $250 million as a conservative estimate of the amount of additional revenue which this amendment would bring into the Treasury.

I point out with respect to gifts that Printers' Ink estimated expenditures for business gifts in the United States in 1959 at $300 million. The large bulk of this spending is paid for by corporations, and the U.S. Treasury bears 52 percent of the ultimate cost.

The business gift-giving custom is resented by most businessmen who feel trapped by the practice. Printers' Ink reported that 75 percent of the top executives quoted by the magazine thoroughly disapproved of the custom of corporate gift giving, but felt they had to do it because their competitors were doing it, too.

Mr. President, I suggest that this is a clear case in which the question can be determined whether the Senate wishes to help balance the budget or whether it does not. We have removed $2,150 million from the present surplus in the past 10 days, and I say we have an obligation to put some of it back. We could put it back, in part, by adopting the amendment, which does no more than to restore some kind of morality to the business expense deduction situation.

I am happy to yield to my friend from Florida.

Mr. HOLLAND. Is there any limitation under the Senator's amendment on the amount to be spent for a meal or for beverage per person?

Mr. CLARK. No; we changed that from the provision that we had last year. I would also like to say that last year the other Senator from Florida [Mr. SMATHERS] objected because we had certain foreign travel expense deductions forbidden by the amendment then proposed. We took it out this year. One now can go to South America or the Caribbean as often as he wants on any kind of business or convention and deduct the expenses if permitted by existing law, and this amendment would not change the situation.

Mr. HOLLAND. Do I understand that there is or is not a limit on the cost of a meal or the cost of a beverage?

Mr. CLARK. There is no limit so long as it is within the present law, which requires that it be an "ordinary and necessary" business expense. The existing law remains as to that. I assume that even under the present law the agents would have some limit on the amount of food and beverage expenses to be deducted.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. BENNETT. Mr. President, I should like to make some observations and then I will be prepared to yield back the remainder of my time. The Senator from Utah is good at having second thoughts. The amendment would allow the taxpayer to spend money for food and liquor but not for entertainment. That would mean that a man could not take a client to a night club where there was a floor show, even though what he actually paid was the check from the cafe. I assume that a businessman could not even take a customer into a hotel dining room where there was an orchestra. In fact, I am beginning to wonder now whether he could even tell the customer a joke.

Mr. CLARK. Let me say to my good friend from Utah that he can take that client anywhere he wants to take him in order to put a sale over, but Uncle Sam would not pay half the tab.

Mr. BENNETT. I yield back the remainder of my time.

Mr. CLARK. I yield the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN], are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Tennessee [Mr. KEFAUVER] are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from North Dakota [Mr. BRUNSDALE] is detained on official business. If present and voting, the Senator from Arizona [Mr. GOLDWATER] would vote "nay."

The result was announced—yeas 45, nays 39, as follows:

[No. 243]

YEAS—45

Aiken	Dworshak	Long, La.
Anderson	Engle	McGee
Bartlett	Frear	McNamara
Byrd, W. Va.	Fulbright	Mansfield
Cannon	Gore	Monroney
Carroll	Gruening	Morse
Case, N.J.	Hart	Moss
Case, S. Dak.	Jackson	Mundt
Clark	Keating	Muskie
Cooper	Kennedy	Pastore
Dodd	Lausche	Proxmire
Douglas	Long, Hawaii	Randolph

Russell	Thurmond	Yarborough
Symington	Wiley	Young, N. Dak.
Talmadge	Williams, N.J.	Young, Ohio

NAYS—39

Allott	Ellender	McCarthy
Beall	Ervin	McClellan
Bennett	Fong	Martin
Bible	Hickenlooper	Morton
Bush	Hill	Prouty
Butler	Holland	Robertson
Byrd, Va.	Hruska	Saltonstall
Capehart	Javits	Schoeppel
Carlson	Johnson, Tex.	Scott
Chavez	Johnston, S.C.	Smathers
Cotton	Jordan	Smith
Curtis	Kerr	Stennis
Dirksen	Kuchel	Williams, Del.

NOT VOTING—16

Bridges	Hartke	Magnuson
Brunsdale	Hayden	Murray
Church	Hennings	O'Mahoney
Eastland	Humphrey	Sparkman
Goldwater	Kefauver	
Green	Lusk	

So Mr. CLARK's amendment was agreed to.

Mr. CLARK. Mr. President, I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. DOUGLAS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CLARK. Mr. President, I call up my amendment designated "6-17-60—G," I ask that the amendment not be read, but that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD.

The amendment is as follows: At the appropriate place it is proposed to insert the following new section:

SEC. —. (a) section 1231 of the Internal Revenue Code of 1954 (relating to property used in the trade or business and involuntary conversions) is amended to read as follows:

"SEC. 1231. REAL PROPERTY USED IN THE TRADE OR BUSINESS AND INVOLUNTARY CONVERSIONS

"If, during the taxable year, the recognized gains on sales or exchanges of real property used in the trade or business and held for more than six months, plus the recognized gains from the compulsory or involuntary conversion (as a result of destruction in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation or the threat or imminence thereof) of real property used in the trade or business and capital assets held for more than six months into other property or money, exceed the recognized losses from such sales, exchanges, and conversions, such gains and losses shall be considered as gains and losses from sales or exchanges of capital assets held for more than six months. If such gains do not exceed such losses, such gains and losses shall not be considered as gains and losses from sales or exchanges of capital assets. For purposes of this subsection—

"(1) in determining under this subsection whether gains exceed losses, the gains described therein shall be included only if and to the extent taken into account in computing gross income and the losses described therein shall be included only if and to the extent taken into account in computing taxable income, except that section 1211 shall not apply; and

"(2) losses upon the destruction, in whole or in part, theft or seizure, or requisition or condemnation of real property used in the trade or business or capital assets held for more than six months shall be considered losses from a compulsory or involuntary conversion. In the case of any capital assets held for more than six months and held for the production of income, this subsection shall not apply to any loss, in respect of which the taxpayer is not compensated for by insurance in any amount, arising from fire, storm, shipwreck, or other casualty, or from theft."

(b) The amendment made by subsection (a) of this Act shall apply to taxable years beginning after the date of the enactment of this Act.

Mr. CLARK. Mr. President, I yield myself as much time as I may require.

This amendment, I must admit, is one which it is difficult to explain clearly, because it deals with a very complicated situation, as a result of which hundreds of millions of dollars are slipping through the hands of the Treasury every year.

The amendment would narrow the types of income which would be accorded favored capital gains treatment.

Until 1942 gains from the sale of depreciable property used in a trade or business were taxed at ordinary income tax rates. The idea was that gains from the sale of that kind of depreciable property—mostly personal property—machinery, equipment, and the like—could not be treated as ordinary income because depreciation deductions were already being taken on it, with consequent tax savings.

However, in 1942, Congress legislated in the Revenue Act that gains realized from the sale of depreciable property held for more than 6 months were to be treated as capital gains, although losses were to be treated as ordinary losses. This was done because the business community was of the opinion that the then existing law was making it difficult to replace depreciated equipment. It was thought that if gains from sales of this kind of equipment could be treated as a capital gain and only a 25 percent tax paid on it, then corporations would more readily replace their equipment and material which was no longer usable or which had been superseded by some more modern type of equipment.

This rationale was correct because in those days—and I see the Senator from Missouri [Mr. SYMINGTON] in the Chamber—one could deduct only straight-line depreciation and writeoff depreciation costs on an item of depreciable personal property in an equal amount each year. Therefore, there was a good reason for making this exception back in 1942.

But this reason no longer held true after the enactment of the notorious Revenue Act of 1954. Instead of having simply straight-line depreciation, one was allowed to have 3 or 4 different kinds of accelerated depreciation.

I shall not take the time to discuss the subject in detail, but each method made it possible to deduct, in the earlier years, a much larger amount of depreciation than before. Let us assume that for the first 5 years of the life of a depreciable property, which might have a life of, perhaps, 15 years, one could take much more than one-third, and in that way gather together the cash from the depreciation account, which would enable the replacement of the property at, say, the end of 5, 6, or 7 years, if something better had come on the market.

That, in other words, put on top of the definition of "capital asset," which had been put into the Revenue Act of 1942, another and additional allowance for depreciation, so that the need for the original one was no longer obvious, or was no longer even justifiable.

Thus, since 1954, business taxpayers have been permitted to deduct depreciation at an accelerated rate and, in addition, they have been permitted to claim favored capital gains rates on gains from sales of the property on which they have claimed fast depreciation writeoffs. They get both the privileged capital gains treatment under the act of 1942 and also the accelerated depreciation deductions involved in the act of 1954.

I point out that statistics compiled by the Department of Commerce show that from a record high in 1953 of $11,800 million for depreciation, the sum almost trebled by 1958, to reach $31,500 million.

Whereas depreciation was the source of only 30 percent of the funds spent by corporations for new capital goods and replacements in 1947, it was the source of 67 percent of all capital spending by corporations in 1958.

In addition it appears, according to a 1959 survey by the McGraw-Hill Co., that depreciation will continue to supply a greater volume of the funds needed for new plants and equipment for at least the next 4 years, and that by 1962 the total will amount to $26 billion, and depreciation will be the source of 79 percent of all capital spending.

Thus it can be seen that businessmen have found a reliable source of funds to use in financing replacement of used plant and equipment in fast writeoff depreciation deductions. To put on top of this the added incentive of permitting capital gains treatment of income from sale of depreciable property would no longer seem to be justified.

My amendment would tax such income at ordinary income rates.

In other words, accelerated depreciation will continue to be allowed; but when one sells the depreciated property, the gains will be treated as ordinary income.

Mr. SYMINGTON. Mr. President, will the Senator from Pennsylvania yield?

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Does the Senator from Pennsylvania yield to the Senator from Missouri?

Mr. CLARK. I yield.

Mr. SYMINGTON. Then there would be normal depreciation; and then accelerated amortization; and then the question of capital gains, which is allowed after a 6-month period of holding, for example. So the three are tied in to private personal property, are they? Is that what the Senator's amendment would do?

Mr. CLARK. That is substantially correct. In other words, if one were going to have depreciable property, ordinarily he would say that it would be treated, after depreciation, as ordinary income, just like inventory. But because there was such a protest from the business community, that was changed in 1942; and in 1954 they changed the

method of computing depreciation, so that in addition to straight line, there will be the double declining balance method and the sum of the year's digit method.

Mr. SYMINGTON. That is very clear to me. [Laughter.]

Mr. CLARK. I have no doubt that my friend the Senator from Missouri had to call in the accountants, when he was successfully running several big companies, and they told him, "You can build a nest egg out of the double declining balance method of depreciation in the 1954 act."

I want them to continue to have accelerated depreciation, but to change the definition of capital assets to what it was before the 1942 enactment.

Mr. SYMINGTON. So the residual will be on the basis of income, not on the basis of capital gains?

Mr. CLARK. That is correct.

The Treasury approves of this; and the Treasury has stated it believes this should be done.

I now wish to read to the Senate a letter I received from a good friend, Fred C. Scribner, dated October 14, 1959:

> We believe that there is validity in the criticism directed by many at weaknesses in the provisions of the law taxing capital gains. Several months ago the Treasury suggested that consideration be given to a change in the law which would treat gain from the sale of depreciable personal property used in business as ordinary income to the extent of the depreciation previously taken on the property.

And that is just what this amendment does.

In addition the amendment would effect two or three other changes in the code, and these have to do——

Mr. CASE of South Dakota. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. Unfortunately, my time is very limited. I am almost through my remarks. If I have any time left when I conclude my remarks, I shall be glad to yield.

In the Revenue Act of 1943, capital gains treatment was extended to income from the cutting or disposal of timber which had previously been taxed at ordinary income rates.

This amendment would put that back on an ordinary income basis.

In the Revenue Act of 1951, the same preferential treatment was permitted for income from the sale of livestock held more than 12 months; which previously had been taxed at ordinary income rates. In the same act, receipts from unharvested crops and coal royalties were held to be capital gains, although both types of income had been subject to ordinary income rates until 1951.

My bill would prohibit preferential treatment of income from those peripheral items as capital gains, and would subject such income to ordinary income-tax rates, as was the case until these special privilege sections were written into the code.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. Six minutes.

Mr. LONG of Louisiana. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I wonder whether I can get some time from the opposition, if the opposition wishes to ask me questions. Would the Senator from South Dakota be willing to engage me in colloquy in the time available to the opposition?

Mr. CASE of South Dakota. I am perfectly willing to do so. [Laughter.]

Mr. BENNETT. But the opposition has not used any time thus far. So I do not think the proponents should be allowed to dish out the time available to the opposition.

Mr. CASE of South Dakota. Mr. President, will the Senator from Utah yield to me 1 minute from the time available to the opposition?

Mr. BENNETT. I am happy to do so, Mr. President.

Mr. CASE of South Dakota. The Senator from Pennsylvania has referred to the increase in the amount of values, after the 1954 act, which was obtained from the accelerated depreciation. Is it not a fact that most of the property which was given the accelerated appreciation treatment was personal property?

Mr. CLARK. I think almost all of it was.

Mr. CASE of South Dakota. Is the Senator's amendment limited to real property?

Mr. CLARK. No, although I can understand the reason why the Senator has asked that question.

This is a technical problem under section 1231 of the code. My amendment would strike out the present exceptions, and therefore would leave only the general rule in regard to dealing with real estate. I realize the text of the amendment is very technical. It must be considered in terms of what it proposes to delete from section 1231 of the code.

Mr. CASE of South Dakota. That illustrates the statement the Senator made at the beginning of his remarks—namely, that this is a very technical field of tax writing and difficult to handle by amendments on the Senate floor without benefit of comparative language.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. BENNETT. I yield 1 additional minute to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 1 more minute.

Mr. CASE of South Dakota. It is my understanding that the House Ways and Means Committee expects to begin, in November, hearings upon a revision of the Internal Revenue Code. Amendments which are clear in their application and in their import can, I think, be dealt with on the floor of the Senate. But it is very difficult to deal with these technical amendments, which are so confusing that, on their face, they seem to apply to one thing, whereas they really apply to something entirely different.

As one Member of the Senate, at least, I find it very difficult to vote on such amendments.

Personally, I prefer to see such an amendment referred to the detailed review and study which can be given at hearings such as those the Ways and Means Committee proposes to conduct in November.

Mr. CLARK. That is a good point. But how can we balance the budget?

Mr. CASE of South Dakota. Some of the amendments offered for that purpose this afternoon had clear import and I voted for them, but where the effect is uncertain or possibly of mixed results, one cannot vote with assurance.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. CLARK. Mr. President, I yield myself 2 additional minutes, if it is agreeable to the Senator from Utah to have me use them at this time.

Mr. BENNETT. Certainly.

Mr. CLARK. I read now from the President's budget message:

> If gain from the sale of depreciable personal property were treated as ordinary income, the advantage in claiming excessive depreciation deductions would be materially reduced, and the taxpayer's judgment as to the useful life of his property could be more readily accepted. Accordingly, I recommend that consideration be given to a change in the law which would treat such gains as ordinary income to the extent of the depreciation deduction previously taken on the property.

So I hope all Eisenhower Republicans will support the President on this amendment.

Mr. LONG of Louisiana. Mr. President, will the Senator from Pennsylvania yield?

Mr. CLARK. I yield.

Mr. LONG of Louisiana. Is denial of the capital gains treatment to the sale of timber, and matters of that sort, also recommended by the administration?

Mr. CLARK. It recommends study of these peripheral matters.

Mr. President, I reserve to myself the remainder of the time available to me.

Mr. BENNETT. Mr. President, the Senator from Pennsylvania is correct: In the President's budget a proposal was made that this problem be handled. The problem is recognized. The Ways and Means Committee held specific hearings on the proposal to develop a solution for this problem. But at the end of the hearings, the Ways and Means Committee took no action. This matter was never referred to the Senate Finance Committee.

So here on the floor of the Senate we are now asked to consider a proposal on which the Senate Finance Committee has never been given an opportunity to make a study or hold a hearing.

Frankly, I assume that if this amendment were added to the bill, the House would be justified in saying that the study by its Ways and Means Committee was incomplete, and that the Senate Finance Committee had made no study, and that this is no time to enact such a measure.

Earlier, Mr. President, the Senator from Pennsylvania referred to "the infamous 1954 tax code which allowed more rapid rates of depreciation."

One of my interesting memories is of the debate I had with the Senator from Oklahoma, which established the fact that the first change in the law which permitted the declining balance rate of depreciation was passed in the 1940's by the Democrats, and was not originated in the 1954 code. It is true that the 1954 code extended it; but the principle was not established in "the infamous 1954 code."

I should like to ask the Senator from Pennsylvania a question: Under his amendment, gains from the ability of a merchant to sell at a profit an asset other than real estate used in the business would be treated as ordinary income. Would losses from the sale of that kind of material be treated as ordinary losses, under this proposal?

Mr. CLARK. They already are. Let me say, however, that I do not think it is quite correct—and I will take this from my time—to talk about a merchant selling inventory——

Mr. BENNETT. I did not intend to talk about it. He is selling machinery and other assets used in his business, which are depreciable.

Mr. CLARK. Yes; machine tools and that kind of equipment.

Mr. BENNETT. I am sure the Senator from Pennsylvania has not stopped to realize that, under the rules of the Internal Revenue Code, a farmer's dairy herd is a depreciable asset. So the Senator would impose ordinary income rates on the farmer who sells his stock out of his basic herd. The Senator would impose these rates on a farmer who sells anything except the actual produce of his farm.

Mr. CLARK. Will the Senator yield to me on my time?

Mr. BENNETT. Yes.

Mr. CLARK. I do not think most farmers have a high enough income so that the 25 percent capital gains limitation would do them much good. It would be just the big farm operators who would benefit.

Mr. BENNETT. I am sure the farmers will be interested to learn that the Senator has changed the rule affecting them without giving them a chance to be heard.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. BENNETT. Yes.

Mr. WILLIAMS of Delaware. The Senator from Pennsylvania maintains that the capital gains provision does not help any farmers or small businessmen. Does it not work this way? Under capital gains rules one-half of the income is taxable at whatever rate is applicable to the taxpayer, not to exceed 50 percent? If he is in the 20-percent bracket he would pay the 20-percent rate on one-half of his income.

Mr. BENNETT. That is right. The Treasury feels this is a problem which should be studied. The Ways and Means Committee of the House has had no opportunity to study it. It is so complex a situation that it is obvious many Members of the Senate, including the senior Senator from Utah, do not completely understand what are the ramifications of this proposal, and I do not think it should be added to the bill.

Mr. CAPEHART. Mr. President, will the Senator yield 3 or 4 or 5 minutes so that I may speak in opposition to the amendment?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Indiana?

Mr. BENNETT. How much time does the Senator from Utah have?

The PRESIDING OFFICER. The Senator from Utah has 11 minutes remaining.

Mr. BENNETT. How much time does the Senator from Indiana want?

Mr. CAPEHART. Three or 4 minutes.

Mr. BENNETT. I yield 3 minutes to the Senator from Indiana.

Mr. CAPEHART. Mr. President, I have introduced bills in Congress for many years to permit a businessman to depreciate his capital assets 100 percent the first year, if he wished to do so. He could depreciate those assets 100 percent only once. When he did so, the assets would be completely depreciated.

All in the world that happens as a result of strangling business on depreciation of capital assets is a decrease of employment in America, because trade and business are diminished. What we ought to be doing is encouraging the manufacturer and the businessman to dispose of his obsolete equipment, or to dispose of it even before it is obsolete, and buy new equipment, in order to create jobs.

Why do people who claim to be so liberal and claim to be for the underdog and the laboring man want to introduce bills that would deliberately reduce the number of jobs available? The businessman may be hit in a slight way. He may be hurt a little. But, after all is said and done, in America a job can be obtained only from two sources—thank God. One is from the Government, and the other is from private industry. We have too many Government workers now, and we ought to start to do things that will create jobs in private industry.

When legislation such as this is enacted, all it does is result in less buying of machine tools and less buying of capital equipment. Therefore, jobs in America are diminished.

One of the reasons why we have had so much prosperity and one of the reasons why the great majority of the working men of this country have had jobs at such high wages has been due to the law such as the one we are talking about. Why do we not leave it alone? If Senators want to do anything to increase the prosperity of this country, if they want to do something to create more jobs at higher wages, and more all around employment, then they should be advocating a 100-percent depreciation allowance, so that the businessman will sell his old, obsolete equipment, or any other kind of equipment, because it has been depreciated 100 percent, and let him treat it as a capital loss. As a result, more prosperity and more jobs would be created, instead of depressing the market and eliminating jobs. The purchase of new equipment would lead to the general prosperity of America, and particularly of the laboring man.

Why is it that those who always talk about being liberal want to smack a businessman when they can, which will only result in not creating jobs and prosperity? Why do they want to do it? That is something I would like to have somebody answer some day.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CLARK. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. Three minutes.

Mr. CLARK. Mr. President, I desire to modify my amendment. I send to the desk a modification, and ask that it be stated by title. The purpose of the modification is to take out all the peripheral items, such as timber, livestock, and coal, and to confine the amendment to the redefinition of capital assets with respect to depreciable property which is within the recommendation of the President of the United States in his budget message.

I ask unanimous consent that we may have a quorum call, to be charged to neither side, and that at the end of the quorum call each side will have 3 minutes to sum up, and that we then vote.

Mr. BENNETT. Mr. President, how much time do the opponents have?

The PRESIDING OFFICER. Seven minutes.

Mr. BENNETT. This is not a case where the opponents are squeezed down. I shall, therefore, be most happy to agree to a quorum call after I am satisfied that Senators on this side who wish to speak have had an opportunity to be heard, after which I shall be satisfied to have 3 minutes, the same as the other side.

The PRESIDING OFFICER. The modification proposed by the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. It is proposed, at the appropriate place, to insert the following new section:

SEC. —. (a) Subsection (b) of section 1231 of the Internal Revenue Code (relating to property used in the trade or business and involuntary conversions) is amended to read as follows:

"(b) DEFINITION OF PROPERTY USED IN THE TRADE OR BUSINESS.—For purposes of this section—

"(1) GENERAL RULE.—The term 'property used in the trade or business' means real property used in the trade or business, held for more than 6 months, which is not—

"(A) property of a kind which would properly be includible in the inventory of the taxpayer if on hand at the close of the taxable year,

"(B) property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or

"(2) TIMBER OR COAL.—Such term includes timber and coal with respect to which section 631 applies.

"(3) LIVESTOCK.—Such term also includes livestock, regardless of age, held by the taxpayer for draft, breeding, or dairy purposes, and held by him for 12 months or more from the date of acquisition. Such term does not include poultry.

"(4) UNHARVESTED CROP.—In the case of an unharvested crop on land used in the trade or business and held for more than 6 months, if the crop and the land are sold or exchanged (or compulsorily or involuntarily

converted) at the same time and to the same person, the crop shall be considered as 'property used in the trade or business.'"

(b) The amendment made by subsection (a) of this amendment shall apply to taxable years beginning after the date of the enactment of this amendment.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. CAPEHART. Mr. President, reserving the right to object, what is the request of the Senator from Pennsylvania?

The PRESIDING OFFICER. Will the Senator restate his request?

Mr. CLARK. Mr. President, I ask unanimous consent that there may be a quorum call without the time necessary for the call of the roll being charged to either side, that after the quorum call the Senator from Utah may use his remaining 7 minutes, and that thereafter each side may have 3 minutes, at the conclusion of which time there shall be a vote. Is that a correct statement?

Mr. BENNETT. It was my understanding that the Senator from Utah had 7 minutes remaining and the Senator from Pennsylvania had 3 minutes remaining.

Mr. CLARK. I do not think I have any time remaining.

The PRESIDING OFFICER. The Senator from Pennsylvania had 3 minutes remaining until he presented his modified amendment.

Mr. BENNETT. Mr. President, the Senator from Utah is very happy to use as much of the 7 minutes as is required, and to agree that there may be 3 additional minutes for each side after the quorum call, but the Senator from Utah would like to use some time before the quorum call, so that after the quorum call the time may be equally divided.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. CAPEHART. Mr. President, will the Senator from Utah yield me 2 minutes?

Mr. BENNETT. Mr. President, I am happy to yield 2 minutes to the Senator from Indiana.

Mr. CAPEHART. Mr. President, the fact that the Senator is modifying his amendment on the floor, to take care of dairy herds and other farm animals, is the best proof in the world that the amendment ought to be rejected. I am here tonight representing the laboring man, the man who works and the man who wants a job. Senators who are interested in full employment, who are interested in providing jobs at good wages in order to accelerate business, will vote against the amendment, because the more liberal we can be with regard to depreciation and with regard to the taxes which relate to capital assets, the quicker the businessmen are going to change their machine tools and equipment, which cost billions of dollars, and which are used in business as capital assets. That is the way to create jobs. It is simply foolish for any Senator to talk out of the side of his mouth and say in one breath, "I am a liberal and I am in favor of the laboring man," and to turn around and vote so as to cause the laboring man to lose his job.

Mr. BENNETT. Mr. President, unless some other Senator desires to speak in opposition, I yield back the remainder of the time which came to me under the original agreement, and I suggest the absence of a quorum.

Mr. CLARK. Mr. President, it is the understanding that the time necessary for the call of the roll will not be charged to either side.

Mr. BENNETT. The time will not be charged to either side, and at the end of the quorum call each side will have 3 minutes remaining.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask for the yeas and nays on the amendment.

Mr. BENNETT. Mr. President, it is my understanding that the yeas and nays have already been ordered.

Mr. CLARK. That is incorrect. I thought so, too, but it is incorrect.

The yeas and nays were ordered.

Mr. BENNETT. Mr. President, I understand the opposition to the amendment has 3 minutes. I yield that time to the distinguished Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I yield myself 1 minute, and I reserve the rest of the time.

I shall not even attempt to discuss the merits or demerits of the amendment. The first amendment was submitted by the Senator from Pennsylvania a couple of days ago, and then in the last 5 minutes or so it has been completely revised.

I have conferred with several members of the Committee on Finance in an effort to find out what the effect of this last amendment would be. I do not think a single member of the Committee on Finance understands what is in the amendment now pending. I shall go further to say that I do not think any Member of the U.S. Senate present in the Chamber understands what the effect of the amendment would be. The amendment should be rejected until such time as it has gone to the Committee on Finance and we can understand the proposal upon which we are asked to vote. The Senator from Pennsylvania may understand it, but I doubt that anyone else does.

Mr. CLARK. Mr. President, I am a little bit startled at what my good friend from Delaware has just said, because I read from the message of the President of the United States:

> If gain from the sale of depreciable personal property were treated as ordinary income, the advantage gained in claiming excessive depreciation deductions would be materially reduced and the taxpayer's judgment as to the useful life of this property could more readily be accepted. Accordingly, I recommend that consideration be given to a change in the law which would treat such gain as ordinary income to the extent of the depreciation deduction previously taken on the property.

That is the President of the United States speaking. Let me now read from the letter of the Under Secretary, Mr. Fred C. Scribner, Jr., dated October 14, 1959:

> We believe that there is validity in the criticism directed by many at weaknesses in the provisions of the law taxing capital gains. Several months ago the Treasury suggested that consideration be given to a change in the law which would treat gain from the sale of depreciable personal property used in business as ordinary income to the extent of the depreciation previously taken on the property.

That was the Secretary of the Treasury. In addition, the panel of which my friend from Utah spoke with such praise before the Ways and Means Committee recommended unanimously that the amendment be adopted.

So to my friends across the aisle I can only say that this may be called the Clark amendment, but it is actually the Dwight D. Eisenhower amendment. I am afraid I have lost some Senators on this side of the aisle for saying that.

I yield back the remainder of my time.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that a copy of the first version of the amendment as presented by the Senator from Pennsylvania, followed by a copy of his amendment as modified about 5 minutes ago, be printed in the RECORD at this point.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

SEC. —. (a) section of 1231 of the Internal Revenue Code of 1954 (relating to property used in the trade or business and involuntary conversions) is amended to read as follows:

"SEC. 1231. REAL PROPERTY USED IN THE TRADE OR BUSINESS AND INVOLUNTARY CONVERSIONS

"If, during the taxable year, the recognized gains on sales or exchanges of real property used in the trade or business and held for more than six months, plus the recognized gains from the compulsory or involuntary conversion (as a result of destruction in whole or in part, theft or seizure, or an exercise of the power of requisition or condemnation or the threat or imminence thereof) of real property used in the trade or business and capital assets held for more than six months into other property or money, exceed the recognized losses from such sales, exchanges, and conversions, such gains and losses shall be considered as gains and losses from sales or exchanges of capital assets held for more than six months. If such gains do not exceed such losses, such gains and losses shall not be considered as gains and losses from sales or exchange of capital assets. For purposes of this subsection—

"(1) in determining under this subsection whether gains exceed losses, the gains described therein shall be included only if and to the extent taken into account in computing gross income and the losses described therein shall be included only if and to the extent taken into account in computing taxable income, except that section 1211 shall not apply; and

"(2) losses upon the destruction, in whole or in part, theft or seizure, or requisition or condemnation of real property used in the

trade or business or capital assets held for more than six months shall be considered losses from a compulsory or involuntary conversion. In the case of any capital assets held for more than six months and held for the production of income, this subsection shall not apply to any loss, in respect of which the taxpayer is not compensated for by insurance in any amount, arising from fire, storm, shipwreck, or other casualty, or from theft."

(b) The amendment made by subsection (a) of this Act shall apply to taxable years beginning after the date of the enactment of this Act.

At the appropriate place insert the following new section:

SEC. —. (a) Subsection (b) of section 1231 of the Internal Revenue Code (relating to property used in the trade or business and involuntary conversions) is amended to read as follows:

"(b) DEFINITION OF PROPERTY USED IN THE TRADE OR BUSINESS.—For purposes of this section—

"(1) GENERAL RULE.—The term 'property used in the trade or business' means real property used in the trade or business, held for more than 6 months, which is not—

"(A) property of a kind which would properly be includible in the inventory of the taxpayer if on hand at the close of the taxable year,

"(B) property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or

"(2) TIMBER OR COAL.—Such term includes timber and coal with respect to which section 631 applies.

"(3) LIVESTOCK.—Such term also includes livestock, regardless of age, held by the taxpayer for draft, breeding, or dairy purposes, and held by him for 12 months or more from the date of acquisition. Such term does not include poultry.

"(4) UNHARVESTED CROP.—In the case of an unharvested crop on land used in the trade or business and held for more than 6 months, if the crop and the land are sold or exchanged (or compulsorily or involuntarily converted) at the same time and to the same person, the crop shall be considered as 'property used in the trade or business.' "

(b) The amendment made by subsection (a) of this amendment shall apply to taxable years beginning after the date of the enactment of this amendment.

Mr. WILLIAMS of Delaware. Anyone can readily see the difference between these two amendments. I repeat, if the first amendment were to carry out the objectives sought to be achieved by the Senator from Pennsylvania, certainly the last one does not do so because it is a complete rewrite of his original amendment. It is not a minor modification but a complete substitution. It appears that the effect of the proposed amendment would be to handicap the right of the small businessman and the American farmer to depreciate his property at an accelerated rate. I am surprised that the Senator from Pennsylvania would want to do this. I doubt if that is his objective. This amendment should go to the Finance Committee and be studied before being offered on the floor of the Senate.

I repeat, I do not believe any Member of the Senate is familiar enough with the tax code to amend it on the floor of the Senate on 5 minutes' notice.

Mr. CLARK. All I can say in reply to the Senator from Delaware is that I quite agree that my friend from Delaware does not understand the amendment, but I think I do. I yield back the remainder of my time.

Mr. WILLIAMS of Delaware. I yield back the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment of the Senator from Pennsylvania [Mr. CLARK]. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. QUINN], and the Senator from Alabama [Mr. SPARKMAN], are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS], is absent because of illness.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Wyoming [Mr. O'MAHONEY], are necessarily absent.

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNINGS] would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

If present and voting, the Senator from Arizona [Mr. GOLDWATER] would vote "nay."

The result was announced—yeas 16, nays 69, as follows:

[No. 244]

YEAS—16

Carroll	Kennedy	Moss
Clark	Long, La.	Proxmire
Douglas	McGee	Symington
Gore	McNamara	Williams, N.J.
Hart	Monroney	
Jackson	Morse	

NAYS—69

Aiken	Dworshak	Mansfield
Allott	Ellender	Martin
Anderson	Engle	Morton
Bartlett	Ervin	Mundt
Beall	Fong	Muskie
Bennett	Frear	Pastore
Bible	Fulbright	Prouty
Brunsdale	Hayden	Randolph
Bush	Hickenlooper	Robertson
Butler	Hill	Russell
Byrd, Va.	Holland	Saltonstall
Byrd, W. Va.	Hruska	Schoeppel
Cannon	Javits	Scott
Capehart	Johnson, Tex.	Smathers
Carlson	Johnston, S.C.	Smith
Case, N.J.	Jordan	Stennis
Case, S. Dak.	Keating	Talmadge
Chavez	Kerr	Thurmond
Cooper	Kuchel	Wiley
Cotton	Lausche	Williams, Del.
Curtis	Long, Hawaii	Yarborough
Dirksen	McCarthy	Young, N. Dak.
Dodd	McClellan	Young, Ohio

NOT VOTING—15

Bridges	Gruening	Lusk
Church	Hartke	Magnuson
Eastland	Hennings	Murray
Goldwater	Humphrey	O'Mahoney
Green	Kefauver	Sparkman

So Mr. CLARK's amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to lay that motion on the table.

The motion to table was agreed to.

Mr. DOUGLAS. Mr. President, I call up my amendment identified "6-17-60-F. I ask that the amendment be not read, but printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following:

SEC. 7. PERCENTAGE DEPLETION FOR OIL AND GAS WELLS.

(a) Section 613 of the Internal Revenue Code of 1954 (relating to percentage depletion) is amended—

(1) by striking out, in subsection (a), "specified in subsection (b)" and inserting in lieu thereof "specified in subsection (b) and (d)";

(2) by striking out paragraph (1) of subsection (b) and inserting in lieu thereof the following:

"(1) Oil and gas wells.—The percentage applicable under subsection (d)(1)."; and

(3) by redesignating subsection (d) as (e), and by inserting after subsection (c) the following new subsection:

"(d) OIL AND GAS WELLS.—

"(1) PERCENTAGE DEPLETION RATES.—In the case of oil and gas wells, the percentage referred to in subsection (a) is as follows:

"(A) 27½ PERCENT—to the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, does not exceed $1,000,000;

"(B) 21 PERCENT—to the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $1,000,000 but does not exceed $5,000,000; and

"(C) 15 PERCENT.—To the extent that, for the taxable year, the taxpayer's gross income from the oil and gas well, when added to (i) the taxpayer's gross income from all other oil and gas wells, and (ii) the gross income from oil and gas wells of any taxpayer which controls the taxpayer and of all taxpayers controlled by or under common control with the taxpayer, exceeds $5,000,000.

"(2) CONTROL DEFINED.—For purposes of paragraph (1), the term 'control' means—

"(A) with respect to any corporation, the ownership, directly or indirectly, of stock possessing more than 50 percent of the total combined voting power of all classes of stock entitled to vote, or the power (from whatever source derived and by whatever means exercised) to elect a majority of the board of directors, and

"(B) with respect to any taxpayer, the power (from whatever source derived and by whatever means exercised) to select the management or determine the business policies of the taxpayer.

"(3) CONSTRUCTIVE OWNERSHIP OF STOCK.—The provisions of section 318(a) (relating to constructive ownership of stock) shall apply in determining the ownership of stock for purposes of paragraph (2).

"(4) APPLICATION UNDER REGULATIONS.—This subsection shall be applied under regu-

lations prescribed by the Secretary or his delegate."

(b) The amendments made by subsection (a) shall apply only with respect to taxable years beginning after the date of the enactment of this Act.

Mr. DOUGLAS. Mr. President, while many Senators are in the Chamber, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am on limited time. I have only 15 minutes. I would not like to yield on my time. I ask unanimous consent that any colloquy which may now follow will not be charged to my time.

The PRESIDING OFFICER. The Senate will be in order.

Mr. GORE. Mr. President, a parliamentary inquiry.

Mr. DIRKSEN. Mr. President, what is the request?

Mr. DOUGLAS. I understand that the Senator from Tennessee will offer an amendment to my amendment. I have been recognized. I will be glad to yield to the Senator from Tennessee, provided it is understood that this time is not charged to my time, and that such time as the Senator from Tennessee actually takes will either be without limit or be subject to such a unanimous consent request as may be later agreed upon.

Mr. GORE. Mr. President, reserving the right to object, as I understood the unanimous consent agreement, it was that in the event I offered an amendment in the nature of a substitute for the amendment of the Senator from Illinois I would have 30 minutes pro and con in my own right with respect to that amendment.

Mr. JOHNSON of Texas. That is correct.

The PRESIDING OFFICER. That is correct.

Mr. GORE. That being correct, I should like now, if it is agreeable to the Senator from Illinois, to offer my amendment and take my time now.

Mr. DOUGLAS. It is perfectly agreeable to me provided that the time which has already been consumed should not be deducted from the time which has been allotted to me.

The PRESIDING OFFICER. Under the practice of the Senate, the Senator from Tennessee will have to defer the offering of his amendment until the Senator from Illinois has used his time.

Mr. GORE. That is not true if the Senator from Illinois yields for this purpose.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Tennessee may offer his amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. The amendment in the nature of a substitute and the amendment of the senior Senator from Illinois would take, certainly, 30 minutes on a side.

Mr. GORE. That is correct.

Mr. DIRKSEN. Does the Senator propose to request the yeas and nays?

Mr. GORE. I do not.

Mr. DIRKSEN. Is it proposed to use all the time allotted?

Mr. GORE. I hope to finish in 20 minutes.

The PRESIDING OFFICER. The Senator from Illinois [Mr. DOUGLAS] made an inquiry of the Chair. The Chair will respond by saying that the interpretation of the Senator from Illinois is correct. One hour is available, 30 minutes on each side, the time to be equally divided.

Mr. HICKENLOOPER. Mr. President, I should like to address a parliamentary inquiry without having the time for the inquiry charged to either side.

The PRESIDING OFFICER. Without objection, the Senator from Iowa will propound his inquiry.

Mr. HICKENLOOPER. In case the amendment of the Senator from Tennessee, which is in the nature of a substitute, as I understand, is adopted, that certainly would eliminate the further consideration of the main amendment of the Senator from Illinois. However, as I understand, under the agreement there is a total of 1 hour on both of them. I think we would have to wait until action was taken on the amendment of the Senator from Tennessee before we would know what the situation was.

Mr. GORE. Mr. President, I should like to be heard on the parliamentary inquiry of the Senator from Iowa. Should my amendment in the nature of a substitute be adopted, the question would recur on the Douglas amendment as amended by my amendment; and the Senator from Illinois would still have his time.

The PRESIDING OFFICER. The Senator from Tennessee is correct.

Mr. GORE. Mr. President, may I be recognized to offer my amendment?

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. GORE. Ten minutes. First, I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to insert the following new title and section:

TITLE III—ADDITIONAL PROVISIONS

SEC. 301. PERCENTAGE DEPLETION.

Section 613(a) of the International Revenue Code of 1954 is amended by deleting "50 per centum" and inserting "33⅓ per centum."

Mr. GORE. Mr. President, the real limiting factor in the amount of tax reduction permitted by the percentage-depletion formula is the 50 percent of taxable income limitation in the law. The 27½ percent of gross with respect to a large number of taxpayers entitled to percentage depletion is quite unrealistic.

I should like to take a few minutes to put this question in perspective. I feel that my amendment represents a far more realistic and practical way of limiting the percentage-depletion tax reduction than the amendment of the Senator from Illinois.

Mr. SCOTT. Mr. President, will the Senator yield? I should like some clarification.

Mr. GORE. I yield.

Mr. SCOTT. Does the Senator's amendment also apply to the 10-percent depletion allowance for coal?

Mr. GORE. It applies to the limitation on taxable income with respect to percentage depletion for all minerals and oil and gas.

Mr. SCOTT. I thank the Senator.

Mr. GORE. As the Senator knows, the percentage depletion allowed ranges from a high of 27½ percent for oil down to 5 percent for several other products. Some allowances are 15 percent, some 10 percent, some 12 percent, some 5 percent; but the limiting factor which applies equally to all is that no percentage depletion deduction may exceed 50 percent of taxable income computed without regard to depletion.

Mr. SCOTT. I thank the Senator. I asked him the question because in my State of Pennsylvania many people are out of work because a large number of mines have gone out of business. There is great distress in the mining regions. I was curious to know whether the amendment applied to coal, as well.

Mr. GORE. I may say that the present formula does not deal nearly so favorably with the coal industry as it does with certain others.

Mr. SCOTT. I thank the Senator.

Mr. CASE of South Dakota. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. CASE of South Dakota. The Senator from Tennessee is aware, is he not, of the discrimination in the present depletion rate as applied to the gold-mining industry? The 23-percent rate is permitted for many of the hard minerals which are similar to gold, so far as mining processes are concerned. Yet gold mining today is allowed a 15 percent depletion, whereas silver and other hard metals get 23 percent. Gold mining is probably the most depressed metal industry in the country. I am fearful that if the Senator changes the 50 percent to 33⅓ percent, the result will be even more severe against the gold mining industry than the present law is. His amendment will be particularly severe upon low profit and marginal operations. High profit industries might survive but industries with small profits would lose what little cushion for reserves, replacement of equipment, development or dividends the depletion allowance may provide.

Mr. GORE. What I propose is that no taxpayer be allowed to deduct more than one-third of his net profits. As the law is presently written, taxpayers may obtain a deduction of 50 percent of their net profits. This is the real limiting factor for many taxpayers.

Mr. CASE of South Dakota. But if they do not have a fair depletion rate, and if the product has a fixed price, as

the gold mining industry does, and if there has been an increase in the cost or production since 1934 in powder, in steel, and in wages, the amendment of the Senator from Tennessee could condemn the gold-mining industry in the United States to extinction.

Mr. GORE. In that case, the industry does not realize nearly enough net profit to take advantage of the percentage depletion allowed them. My amendment will, I hope, serve to illustrate the lack of uniformity, the unequal application, of percentage depletion.

As the able Senator from South Dakota knows, percentage depletion is not related to the exhaustion or depletion of the property or the natural resource. It is nothing more and nothing less than a formula for tax reduction. This formula applies, as the Senator from South Dakota illustrated, quite unevenly and quite inequitably as among various taxpayers. That would be so even though the percentage depletion rate permitted were the same. But, as I understand, in an overwhelming number of cases the limitation is not 27½ percent or 15 percent of gross, but 50 percent of the net.

Mr. PASTORE. Mr. President, will the Senator from Tennessee yield for a question?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Tennessee yield to the Senator from Rhode Island?

Mr. GORE. I yield.

Mr. PASTORE. What would be the situation in a case in which there was no profit? How much could be deducted then, under the Senator's amendment?

Mr. GORE. Nothing at all.

Mr. PASTORE. In other words, the depreciation formula, which exists today would then apply, would it?

Mr. GORE. Yes.

Mr. PASTORE. All that the amendment of the Senator from Tennessee would allow, as regards depreciation, would be to up to one-third, rather than one-half, of the profits, would it?

Mr. GORE. Exactly.

Mr. PASTORE. Regardless of what the product or article happened to be?

Mr. GORE. That is right; and it would affect only a taxpayer whose depletion allowance in the future proved to be in excess of one-third of his net profits.

Mr. PASTORE. So here we are not dealing with an industry which may be depressed. Instead, we are dealing with the extent to which one may take the allowance, insofar as profits are concerned; is that correct?

Mr. GORE. That is right.

Mr. PASTORE. No matter whether the present formula is 10 percent, 15 percent, 25 percent, or whatnot, the amendment of the Senator from Tennessee would provide that no matter what the depreciation formula happened to be, the amount deducted could not exceed one-third of the profits, rather than one-half.

Mr. GORE. That is it.

Mr. PASTORE. So in the case of an industry that was depressed or in the case of a concern which had lost money, the amendment would not make any change at all, would it?

Mr. GORE. That is correct. My amendment is only directed toward those whose net profits exceed this figure.

Mr. PROXMIRE. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. PROXMIRE. Profits are after intangible drilling costs are deducted, for example; is not that true?

Mr. GORE. Yes, and also exploration costs. That is why I used the term, in the beginning, "net taxable income."

Mr. PROXMIRE. So after the oil companies have been able to deduct all the other special concessions they now have, including intangible drilling costs, an allowance which is of enormous value to them; and I understand that most of the experts in this field claim that it is much more valuable than the depletion allowance—they could still deplete up to one-third of their income, if the Senator's amendment were enacted.

Mr. GORE. Under the amendment, the limitation is one-third of taxable income. The intangible drilling costs, the costs of doing business, the costs of exploration—these legal deductions—would be deducted before my amendment would take effect. Indeed, they now are, before the 50-percent limitation takes effect.

Mr. President, my amendment would affect only those who are in a profitable position. I repeat that the amendment would lower the ceiling, the limitation, from a deduction of 50 percent of taxable income to 33⅓ percent of taxable income; and I am persuaded that no concern ought to be allowed to deduct more than one-third of its profits, tax-free.

I say that because—I repeat—percentage depletion is not related to the exhaustion or depletion of the property or the resources; it is merely a formula for tax reduction.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GORE. Mr. President, I yield myself 5 minutes from the additional 5 minutes available to me.

Mr. CARROLL. Mr. President, will the Senator from Tennessee yield to me, to permit me to ask a series of questions?

The PRESIDING OFFICER. Under the unanimous-consent agreement, a quorum call is to be had 10 minutes before the vote. Under that arrangement, the Senator from Tennessee may have 5 minutes following the quorum call, and before the vote.

Mr. GORE. Mr. President, I did not think the unanimous-consent agreement applied to an amendment to an amendment.

The PRESIDING OFFICER. It does apply.

Mr. GORE. Mr. President, I suggest that the fact that I have not yet read the first sentence of the speech I have carefully prepared illustrates how difficult it is, under the time limitation arrangements into which we enter by unanimous consent, to discuss these technical subjects. It also illustrates the inadvisability of having the Senate or the House of Representatives wait until the last few nights before adjournment to deal with tax matters.

Here is an important subject. Obviously I cannot adequately deal with it in the few minutes which remain to me.

If the Senator from Colorado will ask me a brief question——

Mr. CARROLL. I am very much concerned——

The PRESIDING OFFICER. The Chair must advise the Senator from Tennessee that, under the agreement, he is required to wait until the quorum call is had, following which he may have 5 minutes.

Mr. GORE. Then I shall take my seat.

The PRESIDING OFFICER. The Senator from Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. CARROLL. Mr. President, will the Senator from Virginia yield some time to me?

Mr. BYRD of Virginia. I yield 2 minutes to the Senator from Colorado.

Mr. CARROLL. Mr. President, I come from an area where mining is important. I understand that the amendment of the Senator from Tennessee would apply straight across the board, on the basis of the distinction between 50 percent and 33⅓ percent. I am in sympathy with the amendment; and for many years I have espoused the cause of modification of the depletion allowance with reference to gas and oil.

The able Senator from South Dakota stated the point; namely, that price control has almost destroyed gold mining in my State. There still may be a profit from gold mining there; but it is so small—and the same is true of the mining of lead or zinc—that if we were to reduce the existing small profit, that would further depress the mining industry, which already has almost been destroyed.

On the other hand, I favor reasonable depletion allowance for industries which are making tremendously large profits.

Has the Senator from Tennessee considered that aspect of the matter?

Mr. GORE. Yes. As I said to the Senator from South Dakota, this amendment would have no effect at all on an unprofitable industry or business. My amendment would only limit the deduction from otherwise taxable income to 33⅓ percent of net; and unless a company or business were making profits, neither the 50 percent nor the 33⅓ percent limitation would have any effect.

Mr. CARROLL. Let me say that we on the Committee on Interior and Insular Affairs have been working for 2 or 3 years in an effort to assist the administration—which has been helpful; this is not a partisan quarrel—to set up, for minerals and mineral mining, a program along the line of the wool program or the sugar plan, I may say, because the mining industry of the country is in very serious condition. It may make a small profit; but the question really is, how much profit? We cannot compare mining in the United States with Aramco, in Arabia. We cannot compare the little profit made from gold or other mining industry with the tremendous profits made by the gas and oil industry.

That is why I make this clarifying statement in the limited time we have left for debate. It is true that there is

a depreciation allowance for various minerals, but, as I think the Senator from Illinois has said on several occasions, we are comparing a stew of horses with a stew of rabbits. We have, on the one hand, hundreds of millions of dollars of special tax privilege, which we seek to limit, for the benefit of the taxpayers, by closing a loophole, as against an industry which will die unless we continue to help it.

Because of the tremendous economic significance of this amendment to the whole West, I point out to the Senator from Tennessee, one must understand the mining problems of the West. The mining industry is dying on the vine. Mines are being closed because of economic pricing conditions. There is a fixed price for gold in this Nation which does not correspond to the price of gold on the world market, and that is true of lead, zinc, and other basic metal prices of this Nation. Some years ago my State was the leading producer of gold in this country. Now that is no longer true. Now our lead and zinc mines are closing.

I hope the Senator from Tennessee will reconsider, by withdrawing his amendment for further study. Our first task is to plug the great loophole which is draining hundreds of millions of dollars of revenues away from the Nation, at a critical period in American history.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CARROLL. Yes.

Mr. GORE. I am trying to get at the horses of big profit.

Mr. CARROLL. But it is not the mining industry.

Mr. GORE. The rabbits of little or no profit will certainly not be affected by my amendment. My amendment would reduce only the limitation which, under the law, is 50 percent of net taxable income, which to most people means net profit, down to 33⅓ percent.

I appreciate the able Senator's request that this subject be gone into more fully. There is certainly a point to his plea.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. GORE. I do not have the time.

Mr. CARROLL. I shall be glad to yield in a moment. May I say, first, to the Senator from Tennessee that I wholeheartedly support the integrity and the purpose of his amendment, and I wish it might have been done across the board. Some 10 years ago I served on the House Ways and Means Committee, and I first learned of the way that our people were being taken advantage of by this special privilege concept of depletion allowance. This problem confronted Franklin Roosevelt in 1940 and 1941. We had the same experience with Harry Truman when he was President of the United States. He also recommended that the depletion allowance be modified, especially with reference to gas and oil.

We have to face the fact today that one of the most powerful industries in this Nation is the gas and oil industry, which has its influence in every department, executive and legislative, in this Government. We have a loophole that runs into half a billion dollars a year in revenue loss to the people, to the benefit of one of the most powerful groups in this Nation.

I hope the able Senator from Tennessee will not confuse the issue. If I understand the Douglas amendment, this is an issue which we must meet by frontal assault. Let us find the answer by a record vote. This attempt has been made many times before. We are not going to win. Year after year after year, we make this fight. Year after year after year, we go to the American people and tell them that we should close the loophole. But we have never succeeded.

I say to the able Senator from Tennessee, let us not further confuse the issue.

I apologize to the Senator from South Dakota for not being able to yield to him, unless the Senator from Virginia will permit me two minutes I am unable to yield to the Senator from South Dakota.

The PRESIDING OFFICER. Under the unanimous consent agreement, a quorum call is now in order, at the conclusion of which there will be 5 minutes on each side.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. How did the Senator from Virginia lose 10 minutes by yielding 5?

The PRESIDING OFFICER. He yielded.

Mr. ANDERSON. He yielded 5 minutes. How did he lose 10 minutes?

The PRESIDING OFFICER. The Chair is informed that he yielded 10 minutes.

The clerk will call the role.

The legislative clerk proceeded to call the roll.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to suspend further proceedings under the quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CASE of South Dakota. Mr. President, will the Senator yield me some time?

Mr. BYRD of Virginia. Mr. President, I yield 1 minute to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I merely wish to point out that I for one do not accept the proposition that the limitation of 50 percent, or 33⅓ percent, is merely a formula for tax relief. That is not true when one is dealing with a low profit industry. It might be true with a high profit industry, but it certainly is not true with a low profit industry.

Some persons may think that the hard metal mining industry of this country is expendable. Some persons may think gold mining is an expendable industry. We certainly have destroyed most of that industry in this country. There are only a very few gold mines still in operation.

This amendment furnishes the means for extinction of gold mining. Within the last couple of years we have lost at least $3 billion of our gold reserves in this country. We ought to do something to keep gold mining alive.

The proposal in the amendment would destroy the possibility of gold mines being dividend-paying. I hope the amendment will be rejected.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. MONRONEY. Mr. President, will the Senator yield me 3 minutes?

Mr. BYRD of Virginia. I have only 4 minutes.

Mr. MONRONEY. Will the Senator yield me 2 minutes?

Mr. BYRD of Virginia. I yield 2 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 2 minutes.

Mr. MONRONEY. I wish to ask the distinguished junior Senator from Tennessee about the amendment. I thought I knew a great deal about depletion, and particularly percentage depletion, but this is a new angle which I do not believe has been sufficiently explored. Certainly I have never learned of it in the many years I have had the privilege of representing an important oil State, the State of Oklahoma.

It seems to me at first glance that the greater the net profit of a corporation the greater would be its opportunity to write off the 27½ percent depletion. For instance, a huge corporation having a net profit of $10 million would have a base of $3.3 million for its depletion allowance, yet in respect to the new growth in the industry, the man who has one or two, or perhaps three, wells in a shallow area, the net income is very low. An income of $12,000 a year would be pretty high for a wildcatter of that sort. He would have a base of only $4,000 on which to compute the 27½ percent depletion, but he would be the person who would need the depletion allowance, so that he could continue with exploration.

Because of the effect of the amendment upon other minerals, as well as upon oil and gas, I hope the distinguished Senator will ask the committee to give the amendment at least the advantage of hearings, so that we can listen to all types of producers who will come before the committee to give us examples of what the amendment would do to the development of oil in the various sizes and categories of this highly important industry.

I ask the Senator to reply.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. GORE. Mr. President, I yield myself 2 minutes of my time.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 2 minutes.

Mr. GORE. Mr. President, I ask unanimous consent to have my statement printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GORE

The amendment which I now offer is a simple one in concept. It concerns the

maximum deductions which a taxpayer can take on account of percentage depletion.

Existing law provides for percentage depletion according to differing percentages as set out in the code. These percentages run from 27½ percent in the case of oil and gas on down to 5 percent in the case of brick and tile clay, sand, stone, etc.

There is, however, an overall limitation. The code also provides that the allowance for depletion shall not exceed 50 percent of the taxpayer's taxable income from the property involved, computed without regard to the depletion allowance. My amendment would reduce this 50 percent limitation to 33⅓ percent.

A great deal has been said, over the years, about percentage depletion. It has been attacked vigorously. It has been defended with equal vigor.

There are two principles of taxation involved in our laws and regulations respecting percentage depletion. These two principles have been somewhat intermixed and intermingled and a great deal of confusion has resulted.

One principle of taxation which has always been recognized since we have had a Federal income tax, is that the return of capital should not be taxed. An investor in any enterprise has always been entitled to a tax-free return of the capital he has invested in that enterprise.

Accordingly, we have various schedules for depreciation and cost depletion. On the sale or conversion of a property, cost is recovered before any tax is computed on the gain realized. This principle has been grossly abused from time to time.

Another principle which is generally recognized, although here there is some disagreement, is that a government may legitimately use tax policy as a means of promoting, or dampening down, various activities because of their economic, social or other effects. Accordingly, we have from time to time, by means of tax incentives, encouraged activities which were deemed desirable or beneficial to the Nation as a whole. Under this principle, the Government has, especially in times of emergency, provided for accelerated depreciation, higher depletion rates and special deductions for emergency development or exploration.

Let me say, in passing, that a tax incentive is not necessarily the best way to subsidize or encourage a given activity. An outright subsidy to exploration in the extractive industries, for example, might prove to be more forthright, equitable and efficacious. After all, a tax reduction does not help the small "wildcatter" or coal miner who is losing money.

Percentage depletion has been defended on both of the principles I have briefly mentioned. Most spokesmen, however, are more prone to emphasize the fact that percentage depletion, admittedly far more generous than cost depletion, is justified, and even required, in the national interest. It is claimed that only through such generous treatment can the ordinarily prudent man be induced to undergo the great "risks" involved. Although the gusher is the picture ordinarily painted of oil extraction, these people would have us believe that the more appropriate picture is a succession of dry holes, stretching in unnumbered succession across the horizons of the world's waste lands.

In my opinion, percentage depletion is erroneous in principle, allowing the cost of an operation to be recovered many times over. In practice, it has been greatly abused, resulting in the enrichment of a few at the expense of the many taxpayers not so favorably treated by the tax laws.

I think it might be helpful to review briefly just how our depletion tax practices have developed. The development of depletion laws and regulations is an interesting example of the foot-in-the-door type of loophole creating.

Depletion has been recognized in one form or another from the very beginning of our Federal income tax laws in 1913. The Revenue Act of 1913 provided for a "reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in the business"; that is, an allowance was to be made for the return, untaxed, of capital.

The Revenue Act of 1916 spelled out depletion allowances a little more definitely, and provided that "when the allowance authorized * * * shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made." In other words, depletion was allowed for the purpose of seeing to it that an owner of a mine or well recovered his investment tax free.

In 1918 a new idea was enacted into law, discovery depletion. In explaining this new idea on the floor of the Senate, Senator Penrose, the ranking Republican member of the Finance Committee, stated that the committee had changed the language of the provisions of law dealing with depletion so as to provide "for a more liberal allowance than heretofore permitted in the case of newly discovered mines, or oil or gas wells, permitting the deduction to be based on the fair-market value of property discovered instead of its cost."

Senator La Follette opposed the provision, stating that depletion allowance might permit taxpayers to take depletion deductions far in excess of cost.

Representative KITCHIN, chairman of the Ways and Means Committee, opposed the changes in the law, stating that they were relief provisions and that he could not subscribe to them. He regarded them as "pieces of special favoritism."

It would appear from the Finance Committee report, although it is not specifically stated, that this change was made in order to encourage exploration and discovery of new resources.

At this particular point in the legislative history of depletion, and associated deductions and allowances, the two general principles of taxation to which I have alluded became somewhat fused. They have remained confused ever since. Discovery depletion then, seemed to allow the return of capital untaxed, but in addition, it also gave an extra reward to the wildcatter. Furthermore, since the two principles were incorporated into one tax deduction, the extra reward which theoretically encouraged wildcatting was available to those who operated only in proven fields and had no intention or desire to move into unexplored territory.

In 1926 a gross distortion was written into law. In the Revenue Act for that year, discovery depletion was changed to percentage depletion for oil and gas.

The conference report on the Revenue Act of 1926, in discussing this change for oil and gas, stated that the administration of the discovery depletion provision "has been very difficult" and that the change to percentage depletion was being made "in the interest of simplicity and certainty in administration."

I realize that proper administration must be kept in mind when tax bills are drawn up. Indeed, if we eliminated all of the loopholes and reduced applicable rates, administration would certainly be much improved. To violate a proper principle of taxation and introduce gross inequities into the tax structure in the name of ease of administration, however, is something else altogether. Ease of administration has been invoked many times to masquerade a tax favor.

At least some, however, recognized at the time just what this change was, in fact, intended to accomplish. Senator Couzens stated on the floor of the Senate that "Congress first intended to * * * allow the deduction to the little 'wildcatter' * * *. That was the intent of Congress * * *. That idea has now been entirely abandoned, and this is so profitable and advantageous to the oil industry that it is proposed to extend it so that not only the little wildcatter but the whole industry will get the benefit."

Here, then, we see clearly the result of an attempt on the part of the Congress to incorporate two principles of taxation into one tax law. First, there is the attempt to provide for the return of capital tax free, second, there is the attempt to supply an incentive for additional exploration and discovery, by means of tax concessions, in order to accomplish the social and economic goal of providing the country with an ample supply of oil and gas. The confusion thus introduced is still with us, and subsequent technological and tax developments have compounded the confusion, with wide flow of tax benefits but with only hit or miss promotion of national economic objectives and needs.

Of course, once oil and gas crossed over the Jordan into the promised land, other mineral, mining and extractive interests were not far behind.

In addition to percentage depletion, oil and gas companies also receive deductions for intangible drilling costs, while other mineral and mining interests receive special deductions for exploration and developmental costs. These costs, along with all others, are then recovered a second time by allowing all these operators to take percentage depletion.

The arguments in favor of this special treatment all boil down to one. It is necessary to spur new exploration. It is necessary as an inducement for high-risk operations. It is necessary if the economy is to have the advantages which accrue as a result of having an abundance of energy sources and minerals.

These arguments will not stand close scrutiny.

In the first place, despite the distortions which have been brought about by monopoly, oligopoly, and arbitrary price fixing, our national economy is still basically price regulated. If a commodity is in short supply and in strong demand, the prices generally go up. When that happens, wildcatting, exploration, and development, as well as production from existing sources, and imports, will be increased. Prices do not necessarily come down when conditions are reversed, but that is a different subject altogether.

Granting tax concessions which give the most benefit to large, established producers may not bring about increased production.

Proved, recoverable oil and gas reserves amounted to more at the end of 1959 than they did at the end of 1958. These proved reserves of oil amounted to more than 38 billion barrels, while production last year was only about 2.8 billion barrels.

We have had much testimony on this point over the years. I hope the next administration will support determined efforts to correct percentage depletion abuses.

In 1942, Secretary Morgenthau testified before the Senate Finance Committee on the subject of depletion and related items. He stated then that it was doubtful that percentage depletion encouraged "exploration and drilling for oil. There is grave doubt that it has substantial effect on oil discovery." So far as cost is concerned, Secretary Morgenthau went on to say, "It would have cost the Federal Government about one-third as much to have paid all the cost of every wildcat well that was drilled in 1941 as to have allowed percentage depletion and the associated intangible drilling expenses."

I find it most distressing to hear so many of my collegagues, on both sides of the aisle, speak the old shibboleths about free enterprise when they want to justify a giveaway

by offering tax cuts to the large, well entrenched, and wealthy. It never seems to occur to some that there are ways to stimulate activity other than through tax cuts.

If additional exploration for oil and minerals is needed, for example, the Government, as the agent of the whole society, may follow any number of courses.

In 1942, when the Senate was considering an amendment to broaden percentage depletion, Senator La Follette said, "In my opinion this percentage depletion is one of the worst features of the bill, and now it is being extended. We are vesting interests which will come back to plague us." How right he was.

Senator Taft, during the same debate, stated that "the percentage depletion is to a large extent a gift. It is to a large extent a special privilege beyond what anyone else can get."

Let me give an example of the way these tax loopholes may be used.

Earlier this year, the president of the Sunset International Petroleum Co. put out a publicity sheet for the press which explained in some detail how that company expected to realize a large profit during the next few years, tax free, and, furthermore, on a project wholly unrelated to oil production.

Here is the scheme. The company has purchased a large tract of land in San Diego. It plans to develop out of this land some 50,000 building lots. On this real estate venture the company expects to make a net profit by 1968 of $25 million. At the same time, the company could schedule its drilling operations so that the double deductions of intangible drilling costs and percentage depletion would offset the profit each year on the real estate venture.

This is a neat trick, and perhaps it can be accomplished. Most companies of this sort do not wildcat. They drill in fields that are already proven. The number of dry holes can be very closely estimated.

I would like to hear a defense of this practice. Such a defense surely could not be made on grounds of equity. Such a defense could surely not be made on grounds of national economic necessity. Would anyone advance arguments on grounds of expediency?

Let me emphasize the ordinary treatment for tax purposes of these expenditures I am discussing. When one acquires a property in land which he desires to mine or drill, he then proceeds to explore or wildcat. These costs represent an addition to his capital investment. Ordinarily, the comparable costs in any other profitmaking venture would be so handled. If one purchases real estate, erects a building, purchases machinery for manufacturing purposes, all these costs become a part of his capital investment, to be recovered by depreciation or some other appropriate means.

In the case of mining or oil and gas extraction, costs of this type should be added to other capital investments, and the whole capital investment then recovered tax free by a proper schedule of cost depletion. When the cost is recovered, the tax deduction should cease.

As the law now stands, when an owner recovers his exploration, development and intangible drilling costs, and then at the same time takes percentage depletion which is designed to allow quick recovery of his entire capital investment, that owner is in reality allowed a double deduction.

Of course, even after he recovers all his costs, percentage depletion continues, allowing recovery of costs many times over. This deduction, I believe, violates every rule of equity, accounting and taxation.

Now, I realize that there is little chance of removing the provisions of our tax laws relating to percentage depletion during this Congress. I would hope, eventually, that this could be done so that the extractive industries would be on cost depletion, which more nearly corresponds to the type of depreciation which are applicable to other industries.

What we can do now, both in the interest of equity and increased revenue, is to reduce slightly the tax advantages which percentage depletion gives to certain taxpayers.

As I said, my amendment would not alter the percentage depletion rates applicable to various extractive industries. Some taxpayers would be affected, of course. For the oil industry as a whole, depletion allowances now amounts to approximately 45 percent of net taxable income. My amendment would reduce somewhat the advantage which many companies could take of the 27½-percent allowance.

Other extractive industries would also find this tax advantage reduced somewhat. Here again, the effect would differ from industry to industry and from operator to operator.

No precise figures have been worked out to show the revenue effects of this amendment. The figures involved, however, are appreciable. It was estimated in 1958 that the elimination of percentage depletion for oil and gas alone would result in increased revenues totaling almost $1 billion. At the same time, it was estimated that a reduction from the current 27½ percent to a 15 percent depletion rate would increase revenues by $420 million.

The revenue effect of my amendment would be considerably less than either of the above figures. A Treasury spokesman has estimated that the revenue effect of my amendment, taking into account minerals as well as oil and gas, would be to increase revenues by approximately $250 million. I believe this figure to be conservative.

Mr. GORE. Mr. President, I find the pleas of my friend from Oklahoma [Mr. MONRONEY] and my friend from Colorado [Mr. CARROLL] quite persuasive. Therefore, I shall withdraw the amendment in a moment.

The discussion has served to illustrate several things. It illustrates the inadvisability and impracticality of waiting until the closing days of a session of Congress to deal with a tax bill. It also illustrates the inability of a Senator to discuss adequately a complicated and technical provision of the Internal Revenue Code in a few minutes.

My amendment also serves to illustrate the fact that the limiting factor on the big profit earners, those who benefit most from percentage depletion, is the limitation of 50 percent of net taxable income.

Mr. CASE of South Dakota. Mr. President, before the Senator withdraws his amendment, I hope he will permit me to express my appreciation to him for withdrawing the amendment and to say that the illustration of the Senator from Oklahoma exactly fits the point I sought to make. The limitation could bear most heavily upon the low-income operator.

Mr. GORE. I think the Senator's point of view has some validity. To offset it is the fact that this provision would rest most heavily upon those who have the greatest profits.

Mr. CASE of South Dakota. It might. If the Senator had a graduated proposal, that might be something else.

Mr. GORE. The 27½ percent of gross may be quite different from 50 percent of net.

Mr. CASE of South Dakota. Gold mining does not get the 27½ percent, which was my point.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GORE. Mr. President, I yield myself 1 additional minute.

I thank my friend from South Dakota.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CARROLL. I thank my friend from Tennessee for withdrawing his amendment. This is a subject which needs the most serious consideration and study. More than 30 years ago the depletion allowance was enacted. The time has come for a complete reappraisal.

The Senator from Tennessee has highlighted this most important issue and I heartily commend him for it. I thank the Senator for withdrawing his amendment until we can study it more fully.

Mr. MONRONEY. Mr. President, I wish to express my appreciation to the Senator from Tennessee. In his usual fairminded way the Senator has decided to withdraw his amendment, so that we can study the effect it would have upon the tax laws. The Senator did a great service with respect to the original depletion amendment, which was agreed to almost unanimously. A little more study of this proposal will help a great deal.

Mr. GORE. I thank my friend from Oklahoma.

Mr. President, I withdraw the amendment. I express the hope that this will serve to illustrate the problem. I hope that early next year the Senate will start work, on closing loopholes in our tax laws, and on provisions constituting tax favoritism.

I shall now listen to the senior Senator from Illinois with the greatest of interest.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois. How much time does the Senator from Illinois yield?

Mr. DOUGLAS. Mr. President, I believe I am entitled to 15 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOUGLAS. Mr. President, my amendment, of which a copy is on the desk of each Senator, was printed in the RECORD for last Saturday. It is a very moderate attempt to reduce the greatest tax racket in the entire American revenue system.

The gas and oil industry is the most favored of all industries in this country. It is largely favored because of the depletion allowance system.

My amendment is directed only at the gas and oil industry, and not at the other mineral industries.

In gas and oil, there can, of course, be deducted from gross income the operating costs. This is very proper. The drilling and development costs can also be deducted. Seventy-five to ninety percent of these costs can, as a matter of fact, be written off in the first year of operation of a well. In other words, the fastest rate of acceleration of depletion of all industries is given to gas and oil. There is also a provision that the cost of drilling the dry holes may be deducted

from the income from successful drillings.

There are two other favors applying to income derived from foreign holdings of American companies, into which I shall not go at this time.

In addition to the full and accelerated provision for depreciation, there is also the depletion allowance. This amounts to 27½ percent of gross revenue, and up to 50 percent of net revenue. All forms of depletion allowances, according to the statistics on income, resulted in deductions in 1957 of $3.3 billion. Over 70 percent of this was for gas and oil, so that the depletion allowance for gas and oil amounted to approximately $2.3 billion.

In the 3 years since 1957 there has undoubtedly been an increase in the depletion allowances because these were previously growing at the rate of about $250 million a year. So it is probably safe to say that the depletion allowances given to the gas and oil industry now amount to well over $2.5 billion a year. This is a favor which no other industry has to the same degree. It is one which is enjoyed primarily by the big companies.

The Internal Revenue Service in its statistics for 1957 shows that 69 percent of all the corporate depletion deductions were obtained by corporations with assets of over $100 million; that 7 percent were obtained by corporations with assets of from $50 million to $100 million; and 11 percent were obtained by corporations with assets from $10 million to $50 million.

So this is a favor which is given to the giant corporations; it is not much of a favor to the small driller. It is a favor to the big corporations, and under it the oil industry pays approximately only one-third the rate of taxation of other corporations in this country. The average tax which corporations pay is 51 percent of the net income. The last figures which I saw for the oil and gas industry show that the average tax rate by the oil and gas companies ranged between 17 and 21 percent, so that they are not bearing their share of the load.

I have put into the RECORD time and time again the records of 28 oil companies—which I do not name, and which I identify only by letter, but which I could name—that shows that there was 1 company which in 5 years had net profits of $65 million, and not only paid no taxes, but received $145,000 back from the Government.

There are many other corporations which have a similar favored record.

My proposal is a modest one. I do not propose to abolish the depletion allowance. I do not propose to reduce it across the board. I merely propose to introduce a moderate, graduated reduction. On the first $1 million of gross revenue there would be no reduction whatsoever. That would remain at 27½ percent. On gross income from $1 million to $5 million the depletion allowance would be 21 percent. On gross income in excess of $5 million the depletion allowance would be 15 percent. This is a very moderate proposal.

No farmer would lose a cent in royalties. No small driller would suffer the reduction of a cent in income. But the readjustment would take place entirely in the case of giant companies that are already powerful, already rich, already receiving huge incomes, and already receiving gross tax favoritism. It is a very moderate proposal.

Mr. President, this issue has faced the Senate and the Nation for at least a decade. It is now before us again. We must make our decision as to what we shall do. It is time that we put our fiscal system in order. In our fiscal system some people pay too much because others pay too little.

The time has come when we should deal with this issue. The depletion allowance can continue without any time limit. It occurs after depreciation has been allowed and fully taken account of. As long as the oil and the gas run, the depletion allowance can continue to be taken. There are cases in which the amount of the depletion is many, many times the total original cost which bear in mind has already been deducted under the depreciation practice.

I think Senators are aware of the issues at stake.

I wish to say to the gas and oil industry, which has been fighting this amendment for years, that if they are once again successful in beating this amendment, as they may well be, there is likely to arise in the country a storm of indignation which will not stop with the amendment which I offer, but which will go on to more rigid requirements such as those which were proposed, for example, by my good friend the Senator from Tennessee [Mr. GORE].

The PRESIDING OFFICER. The 10 minutes of the Senator from Illinois has expired.

Mr. DOUGLAS. I will be very glad to yield the floor.

The PRESIDING OFFICER. The Senator from Texas has control of the time in opposition.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Oklahoma [Mr. MONRONEY] such time as he wishes to use.

Mr. MONRONEY. Mr. President, as the distinguished Senator from Illinois has said, this is not a strange matter to the Senate or the House. In my memory of various attacks which have been made upon the historic oil and gas depletion allowance, I do not know of any amendment that has been more thoroughly or more ably discussed by both the House and the Senate than the one which has been offered by my distinguished friend and colleague, the senior Senator from Illinois.

The provision for this depletion allowance is not a sneaker, a hidden effort of special privilege. It is simply an effort to evaluate the exhaustion of natural resources. Again and again we have tried to explain that for every barrel of oil that is produced from an oil well, there is one less barrel in the well. It is not like the tall corn in the State of the distinguished Senator from Illinois, which comes forth as a new crop every year, and in ever greater production. Oil and gas is a diminishing resource. In about 1924 or 1925, Congress, after having made provisions for depletion which resulted in unfairness and uncertainty, arrived at the 27½-percent depletion formula, which has given America the best domestic supply of oil, gas, and petroleum resources of any nation in the world. In spite of the fact that our mineral lands are not rich in resources as Saudi Arabia and other places, the depletion allowance has led to great development by placing the emphasis on exploration.

We have developed a good domestic supply of oil, which has stood us and the free world in good stead. For example, when the Suez Canal was closed, by opening our oil fields to full production, we were able to supply the rest of the free world from the surplus supply which we developed under this system.

I grant that there are great profits being made by the major oil companies. I do not know the companies the distinguished Senator from Illinois has in mind, but I wager that most of these profits he referred to were made by companies which have overseas oil production, such as Aramco, Gulf and other major companies which are not dependent upon depletion because of the working arrangements they have with sheiks and others overseas.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MONRONEY. I have very limited time available. If the Senator could use some of the time of the Senator from Illinois, I would be happy to answer his inquiries. However, I am trying to complete my remarks in 5 minutes. I do not believe the chairman can yield more time to me. The Senator from Kansas [Mr. CARLSON] wants some time to be yielded to him also.

First, Mr. President, to return to the bill, the present depletion allowance has given us a plentiful supply of oil, and it is nearer to the price it was in 1912 per gallon than any other commodity we have.

The Senator proposes a sliding scale of depletion. As I read it and as the general counsel of the committee interprets it, it would apply also to the royalty owners. If I read the bill correctly, a farmer on one side of a fence who leases his property for production of oil to Standard Oil or Gulf, or even to a rather small company, which has over a million dollars of gross revenue, the depletion allowance goes down to 21 percent. If it should exceed $5 million of total production of oil, the depreciation allowance drops to 15 percent. This means that farmer A, getting his royalty from a major company, would receive only 15 percent for the depletion of the oil under his land, whereas farmer B, who leases to a wildcatter would get 27½ percent on the same oil. If that is not a correct statement, I hope the Senator from Illinois will correct me.

A million dollars sounds like a great deal of money. However, let us break it down. The amount of one million dollars of gross production of an oil company, broken down to production per day, amounts to 850 barrels per day. That is not a great deal of oil.

The PRESIDING OFFICER. The 5 minutes allotted to the Senator have expired.

Mr. JOHNSON of Texas. Mr. President, I yield such time as the Senator may desire.

Mr. MONRONEY. So, any company, no matter how small, if its total production in every State is greater than 850 barrels a day, may charge off only 21 percent. If the income happens to be over $5 million, which means a total production of only 4,000 barrels per day the depletion allowance will drop down to 15 percent. If the total of one stockholder who owns 51 percent produces more than 4,000 barrels a day, this reduces everyone else's depletion to 15 percent.

Mr. President, these are not giant companies the distinguished Senator from Illinois is talking about. Those companies produce 5 times that much from each well in Saudi Arabia. Therefore we would not be reaching down to those great sources of great wealth, which avoid all Federal income taxes by shuffling leases with the sheiks or kings of the Middle Eastern empires.

The oil industry in my State—and it was one of the pioneer oil States—is a sick industry. It is scraping the bottom of the barrel and is trying to find saucer size fields. Little explorers are still going out to find oil, because they love the oil industry. The larger ones have moved on to the Williston Basin and other places, as they search for new supplies of oil.

Although there may need to be some adjustment of supply, this is not the way to bring it about. Let us not penalize every small owner. That is what we would do. The boom days of oil have passed us by, and we are trying to get a little oil out of depleted fields. The loss of the 27½ percent depletion allowance will end many leases and will lead to the liquidation of many small businesses, which will probably be absorbed by the giant companies, or be forced to shut down, leaving supplies to be wasted.

Mr. CARROLL. I wish to say to the Senator from Oklahoma that what he has stated is 100 percent correct so far as Saudi Arabia and Aramco are concerned. We never contemplated, 24 or 26 years ago, when we passed the depletion allowance provision, that we would be giving a depletion-allowance benefits to Aramco and Saudi Arabia. Since then we have lost millions of dollars in revenue. I agree with the able Senator from Oklahoma, who comes from one of the richest oil-producing States in the Union.

Mr. MONRONEY. It once was one of the richest.

Mr. CARROLL. I believe Texas has 46 percent of the oil and gas reserves of the Nation today.

In my own State, we have an important and growing oil and gas producing industry. I am not speaking against that industry. I am talking about the principle of depletion allowance. We must look at this question very carefully. That is not solely a question of scarcity of oil. Many able Senators do not understand that there is a regulation of the Internal Revenue Service providing that one can get depletion on oil and gas only if it is in a well. We have over a billion barrels of oil in rock shale in Colorado, Wyoming, and Utah, but we cannot get a favorable Internal Revenue regulation with regard to it. We have oil running out of our ears, but we cannot get an equitable depletion allowance.

My able friend from Illinois has made a brilliant fight through the years. I commend him for his faith, for his courage. I do not mean to take the time of my friend from Oklahoma, and I do not want to take the time promised to the Senator from Kansas. I merely wished to emphasize and further highlight what the Senator from Oklahoma has so ably expressed.

The PRESIDING OFFICER. The time presently allotted for debate has expired. Under the unanimous-consent agreement 10 minutes on each side has been used. A quorum call will now take place, after which each side will be in control of 5 minutes.

Mr. CHAVEZ. I should like to have some time yielded to me. In New Mexico we also have some oil.

The PRESIDING OFFICER. Time will have to be yielded by either the Senator from Illinois or the majority leader after the quorum call is had.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. How much time is left to the majority leader?

The PRESIDING OFFICER. Five minutes.

Mr. MANSFIELD. How much time is left to the Senator from Illinois?

The PRESIDING OFFICER. Five minutes.

Mr. CHAVEZ. I should like to have some time yielded to me.

Mr. MANSFIELD. I yield 1 minute to the Senator from New Mexico.

Mr. CHAVEZ. One minute?

Mr. MANSFIELD. Yes.

Mr. CHAVEZ. I will need more than that.

Mr. MANSFIELD. I will yield 5 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the Senator from Kansas [Mr. CARLSON], under a commitment previously made.

Mr. CARLSON. Mr. President, if I am recognized for 5 minutes, I shall be pleased to yield time to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. CARLSON. Mr. President, we have heard some discussion concerning the oil depletion amendment. Usually it is an annual discussion. This evening, we are considering an amendment offered by the distinguished Senator from Illinois [Mr. DOUGLAS]. This time it is a new proposal. I concur in the statement made by the Senator from Oklahoma [Mr. MONRONEY]. It is my firm opinion that this goes out to the royalty owners. It is further proof that the Committtee on Finance ought to examine an amendment of this kind, because of its far-reaching effect, before it is brought to the floor of the Senate in an attempt to have it adopted this evening.

Mr. President, we could spend much time talking about the percentage of depletion, but we must remember that depletion allowances have helped to establish and maintain the United States as the world's greatest producer and consumer of petroleum products.

The 27½-percent depletion rate has proved to be sound. It is fair. Today it does no more than to reflect the current value; in fact, it does not fully recognize the increase in the cost of finding oil.

I think it is interesting to note that in 1926, when Congress first passed the 27½ percent depletion allowance, the country had 8 billion barrels of oil reserves. In 1960, after this long period of 27½ percent depletion rate, our reserves are 38 billion barrels of oil.

I may note that in 1936, gasoline, less taxes, sold for 20.9 cents a gallon. In 1960, it is selling for 20.2 cents a gallon. That is proof to me, that as a nation we have benefited from the depletion allowance.

Not only that, but in 1926 it took 1 hour's wages to buy 2.6 gallons of oil. Today, 1 hour's wages will buy 10 gallons of gasoline, under the 27½ percent depletion allowance.

The percentage depletion has meant lower prices for oil and gasoline for the consumer. I believe the critics of depletion allowance recognize that fact.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, a table which proves this very point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

PERCENTAGE DEPLETION AND THE PRICE OF GASOLINE

Percentage depletion means lower prices for oil to the consumer. Even critics of depletion recognize this fact.

Edward S. Mason, dean at Harvard University, has stated that the effect of depletion is "to expand investment and output—thus bringing down mineral prices." Prof. Arnold C. Harberger of the University of Chicago has testified that "more oil can indeed be obtained by tax concessions * * * [but] * * * If the rest of the economy wants more oil, it should be willing to pay for it by way of a higher market price."

Elimination or reduction of depletion, therefore, would mean less oil at higher prices, as illustrated by the following figures:

(a) Average U.S. price of crude oil in 1957, $3.09 per barrel.

(b) Maximum amount available from 27½ percent depletion,[1] spent by oil producers to find more oil, 85 cents per barrel.

[1] The 27½ percent applies to gross income, but because depletion is limited to 50 percent of net income, the average for the industry is no more than 23 percent. However, depletion also applies to income from natural gas which is not included in the price of crude oil used above. If all such factors were taken into consideration in a more detailed calculation, the results would be approximately the same as shown in this analysis.

(c) Loss in funds for oil exploration because of additional income tax if depletion were eliminated (52 percent tax rate on 85 cents per barrel), 44 cents per barrel.

(d) Increase in price of crude oil necessary to provide 44 cents per barrel for exploration after payment of 52 percent tax, 92 cents per barrel or 2.2 cents per gallon.

An increase of 2.2 cents per gallon in the price of crude oil would necessarily mean an increase in prices paid by consumers for petroleum products. The price for all products could increase by 2.2 cents per gallon, but it is more likely that the increase would be passed along in the form of higher prices for gasoline, the principal product derived from crude oil. As it takes 2.3 gallons of crude oil to make a gallon of gasoline, an increase of 2.2 cents per gallon in the price of crude oil would mean an increase of about 5 cents per gallon in the price of gasoline at the service station.

Mr. CARLSON. Mr. President, I think the most recent statement on the need for the oil depletion allowance is a report entitled "Amending the Mineral Leasing Act," dated June 10, 1960, and submitted by the distinguished junior Senator from New Mexico [Mr. ANDERSON] from the Committee on Interior and Insular Affairs. I read from the report as follows:

In general, the committee finds that in the past several years there has been a potentially dangerous slackening in exploration for development of domestic reserves of oil and gas so necessary for our security in war and peace. The decline in exploration is caused in large part by the falling off of domestic production—from 7,150,000 barrels daily a year ago to 6,850,000 barrels daily in May of this year—as a result of global factors embracing the fabulously flush production of Middle East oilfields and increase in Venezuelan and, most recently, north African production. At the same time that our domestic production has been declining by some 3 percent, our consumption has been rising by about 5 percent to some 9 million barrels daily.

This falling off of domestic exploration is readily discernible in the figures of the Interstate Oil Compact Commission covering active exploration crews. In April 1960 the number of such crews was 419, in contrast to 490 at the end of 1959 and 725 in the peak year of 1953.

Mr. President, that is from the report dated June 10, 1960, and submitted by the distinguished junior Senator from New Mexico [Mr. ANDERSON] and his committee.

Mr. President, I ask unanimous consent that I may have printed at this point in the RECORD a statement concerning the oil production situation in Kansas.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CARLSON: KANSAS PICTURE

In the State of Kansas, crude oil production averaged about 310,000 barrels daily during the first 4 months of this year compared with 337,000 the same period last year, a drop of 27,000 barrels daily or 8 percent. In May, the Kansas production allowable was cut another 25,000 barrels per day and actual production during the first week in May was down almost 50,000 barrels per day or 15 percent from the same week last year. As things now stand, no improvement in this situation is now in sight.

The combination of depressed prices and reduced markets for Kansas crude has caused severe curtailment of exploratory and development activity. Exploratory crews active during the first quarter of 1960 are down 15 percent from a year ago level. The average number of rotary rigs active this year is down 18 pecent and the total number of wells drilled to date is down 24 percent.

Mr. CARLSON. Mr. President, I am glad to yield back the remainder of my time.

Mr. DOUGLAS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Illinois has 5 minutes.

Mr. DOUGLAS. First, I should like to clear up some misapprehensions. My amendment would cover the income derived by American oil companies from their operations abroad and would, therefore, apply to ARAMCO and Standard Oil Co. of New Jersey drillings in Arabia, Venezuela, and other countries. Their depletion allowances would be reduced. It is no cover up for them.

Second, it would not cover royalties received by farmers. Farmers who lease land to oil companies almost universally receive a share of the fiscal product which is obtained from drilling on the farms—generally one-eighth. This comes as direct income to them. It is not dependent on the profits of the drilling or operating companies. I think no farmer in the country gets an income of more than $1,000,000 from his oil leases. Therefore, since I have not changed the rate for those whose gross incomes are less than $1 million, the total royalty of any farmer in the United States would not be reduced by one cent.

When the 27½ percent allowance was originally enacted a third of a century ago, the corporation tax was approximately 14 percent of net profits. So the allowance of one-half of net profits amounted then to a deduction of a maximum of only 7 percent of the net profits. That was the maximum then. Now the corporation tax is 52 percent. So the allowance of up to 50 percent of net profits would make it possible for a company to have 26 percent of its net profits completely immune from taxation. This frequently happens. This evil has therefore greatly increased as the corporation tax has increased.

My amendment would bring in from $350 million to $400 million more revenue a year. This would still leave the oil industry with approximately $2 billion of depletion allowances. It would be a very moderate reduction.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. CARROLL. The Senator from Illinois has answered the question I was about to ask. I was not here on Saturday and came to the floor late today.

I think we have had a considerable discussion about fiscal responsibility. The Senator has indicated that his amendment would result in an increase of $350 million of revenue to the United States.

Mr. DOUGLAS. That is correct. That is a modest estimate.

Mr. President, I am glad to yield a minute to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, for 3 years I have been listening to discussions on this very important subject. The judgment which I have reached, based upon the arguments, negative and affirmative, is that the oil and gas companies have been given a tax privilege to which I believe they are not entitled.

The Senator from Illinois has pointed out that all the corporations within the country are paying 51 percent of their income as taxes, while the gas and oil companies are paying from 17 percent to 20 percent. I cannot reconcile those two figures and so must conclude that there is injustice in that situation.

My own belief is to accord with the Senator from Illinois that unless Congress does something about this vital problem, there will be a rebellion within the country. Demands will be made for tax reforms which will be far more burdensome than the improvement which the Senator from Illinois suggests.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired. All time for debate on the amendment is exhausted.

All time on the amendment has expired.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN], are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Wyoming [Mr. O'MAHONEY], are necessarily absent.

On this vote the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Mississippi would vote "nay," and the Senator from Washington would vote "yea."

On this vote, the Senator from Alabama [Mr. SPARKMAN] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Alabama would vote "nay," and the Senator from Minnesota would vote "yea."

On this vote, the Senator from Montana [Mr. MURRAY] is paired with the Senator from Missouri [Mr. HENNINGS]. If present and voting, the Senator from Montana would vote "nay," and the Senator from Missouri would vote "yea."

On this vote, the Senator from Wyoming [Mr. O'MAHONEY] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Wyoming would vote "nay,"

and the Senator from Tennessee would vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

If present and voting, the Senator from Arizona [Mr. GOLDWATER] would vote "nay."

The result was announced—yeas 30, nays 56, as follows:

[No. 245]

YEAS—30

Aiken	Javits	Pastore
Carroll	Keating	Prouty
Case, N.J.	Kennedy	Proxmire
Clark	Lausche	Russell
Dodd	Long, Hawaii	Smathers
Douglas	McCarthy	Smith
Ervin	McNamara	Symington
Gore	Morse	Wiley
Hart	Moss	Williams, Del.
Jackson	Muskie	Young, Ohio

NAYS—56

Allott	Dirksen	McClellan
Anderson	Dworshak	McGee
Bartlett	Ellender	Mansfield
Beall	Engle	Martin
Bennett	Fong	Monroney
Bible	Frear	Morton
Brunsdale	Fulbright	Mundt
Bush	Gruening	Randolph
Butler	Hayden	Robertson
Byrd, Va.	Hickenlooper	Saltonstall
Byrd, W. Va.	Hill	Schoeppel
Cannon	Holland	Scott
Capehart	Hruska	Stennis
Carlson	Johnson, Tex.	Talmadge
Case, S. Dak.	Johnston, S.C.	Thurmond
Chavez	Jordan	Williams, N.J.
Cooper	Kerr	Yarborough
Cotton	Kuchel	Young, N. Dak.
Curtis	Long, La.	

NOT VOTING—14

Bridges	Hartke	Magnuson
Church	Hennings	Murray
Eastland	Humphrey	O'Mahoney
Goldwater	Kefauver	Sparkman
Green	Lusk	

So Mr. DOUGLAS' amendment was rejected.

Mr. GORE. Mr. President, I call up my amendment identified as 6-17-60—B, and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee will be stated.

The LEGISLATIVE CLERK. It is proposed at the end of the bill to insert the following new title and section——

Mr. GORE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with, and that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment ordered to be printed in the RECORD is as follows:

At the end of the bill insert the following new title and section:

TITLE III—ADDITIONAL PROVISIONS

SEC. 301. TREATMENT OF CERTAIN LUMP-SUM DISTRIBUTIONS

(a) ELIMINATION OF CAPITAL GAINS TREATMENT OF CERTAIN EMPLOYEES' TRUST DISTRIBUTIONS.—Section 402(a) of the Internal Revenue Code of 1954 (relating to taxability of beneficiary of exempt trust) is amended by striking out paragraph (2) and by striking out subparagraph (C) of paragraph (3).

(b) ELIMINATION OF CAPITAL GAINS TREATMENT OF CERTAIN EMPLOYEES' ANNUITY PAYMENTS.—Section 403(a) of the Internal Revenue Code of 1954 (relating to taxability of beneficiary under a qualified annuity plan) is amended by striking out paragraph (2).

(c) Section 72 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(n) TREATMENT OF CERTAIN LUMP-SUM DISTRIBUTIONS.—

"(1) APPLICATION OF SUBSECTION.—

"(A) DISTRIBUTIONS BY EMPLOYEES' TRUST.—Subject to the provisions of subparagraph (C), this subsection shall apply to amounts distributed to a distributee, in the case of an employees' trust described in section 401(a) which is exempt from tax under section 501(a), if the total distributions payable to the distributee with respect to an employee are paid to the distributee within one taxable year of the distributee—

"(i) on account of the employee's death,

"(ii) after the employee has attained the age of 59½ years,

"(iii) after the employee has become disabled (within the meaning of section 213(g)(3)), or

"(iv) in the case of any employee other than an employee within the meaning of section 401(c)(1), on account of the employee's separation from service.

"(B) ANNUITY PLANS.—Subject to the provisions of subparagraph (C), this paragraph shall apply to amounts paid to a payee, in the case of an annuity plan described in section 403(a), if the total amounts payable to the payee with respect to an employee are paid to the payee within one taxable year of the payee—

"(i) on account of the employee's death,

"(ii) after the employee has attained the age of 59½ years,

"(iii) after the employee has become disabled (within the meaning of section 213(g)(3)), or

"(iv) in the case of an employee other than an employee within the meaning of section 401(c)(1), on account of the employee's separation from service.

"(C) This subsection shall apply if the recipient is the employee on whose behalf such contributions were made, only if contributions which were allowed as a deduction under section 404 have been made on behalf of such employee for 5 or more taxable years prior to the taxable year in which the total distributions payable or total amounts payable, as the case may be, are paid.

"(2) LIMITATION OF TAX.—In any case to which this subsection applies, the tax attributable to the amounts to which this subsection applies for the taxable year in which such amounts are received shall not be greater than 5 times the increase in tax which would result from the inclusion in gross income of the recipient of 20 percent of so much of the amount so received as is includible in gross income.

"(3) DETERMINATION OF TAXABLE INCOME.—Notwithstanding section 63 (relating to definition of taxable income), for purposes only of computing the tax under this chapter attributable to amounts to which this subsection applies and which are includible in gross income, the taxable income of the recipient for the taxable year of receipt shall be treated as being not less than the amount by which—

"(A) the aggregate of such amounts so includible in gross income, exceeds

"(B) the amount of the deductions allowed for such taxable year under section 151 (relating to deductions for personal exemptions).

In any case in which the preceding sentence results in an increase in taxable income for any taxable year, the resulting increase in the taxes imposed by section 1 or 3 for such taxable year shall not be reduced by any credit under part IV of subchapter A (other than section 31 thereof) which, but for this sentence, would be allowable."

Mr. GORE. Mr. President, on Saturday I offered an amendment the adoption of which the Eisenhower administration has beseeched the Congress for 2 years. Fortunately, this afternoon it was adopted. That amendment, in my opinion, is of an emergency nature.

The amendment I have now offered is likewise recommended by the Eisenhower administration. This amendment is similar to that submitted and recommended to the Congress by the Secretary of the Treasury, but it is not of an emergency nature. Therefore, if Senators will continue this generous attention for 5 minutes, I shall, due to the exigencies of the occasion and other reasons, withdraw the amendment.

This amendment may not be important in overall revenue loss, but it is important in principle. It would deny capital gains treatment to certain lump-sum distributions from corporate pension funds.

One reason why I am willing to withdraw this amendment, other than the exigencies of the pressing legislative situation, is that another bill is on the calendar to which this amendment could more properly be offered.

The Senate Finance Committee was informed by the Treasury Department that some corporation officials had received lump-sum corporate pension settlements in excess of $800,000. This large pension fund had been built up by tax-free corporate contributions.

This type of income bears no relationship whatsoever to capital gains. It is, rather, a form of ordinary income which has been deferred and accumulated. There is no equity whatsoever involved in according such income the favorable 25 percent capital gains treatment.

This inequity in the law has been recognized by the Treasury Department in a letter to the chairman of the Finance Committee on April 1, 1960. Under Secretary of the Treasury Fred C. Scribner stated:

> The present long-term capital gains treatment accorded to lump-sum distributions by qualified plans at termination of the employee's service or at his death should be removed.

Despite the recognition of this inequity by the Treasury, and despite this recommendation that such inequity be corrected, the Congress has failed to act.

The Treasury itself has been remiss in this regard. During consideration of the bill H.R. 10 by the Finance Committee, a bill which deals specifically with retirement plans, spokesmen for the Treasury Department indicated the Treasury was not satisfied with the bill as passed by the House and that the Treasury would submit proposals of its own in the pension and profit-sharing field.

The Treasury did submit proposals in the pension and profit-sharing field, to the Finance Committee, in the form of a draft bill. Although this draft contained a great many provisions dealing with pension and profit-sharing plans, it failed to correct completely this abuse which existing law allows.

During the consideration of this Treasury proposal by the Finance Committee, I offered an amendment which would

eliminate capital gains treatment for these lump-sum distributions altogether.

Under this amendment as I am now offering it, any lump-sum payment from a pension or profit-sharing plan would no longer be accorded capital gains treatment. Neither would it be treated, however, as ordinary income received within 1 year. What this amendment provides is that 20 percent of the amount received in a lump-sum distribution would be added to the beneficiary's ordinary income to determine his maximum tax rate. The amount of his tax liability on this 20 percent of the lump-sum distribution, as thus computed, would be multiplied by five and added to whatever tax liability he might have for other income received during that year. This gives in effect a 5-year spread, treating this lump-sum distribution as though it had been received in five equal parts over a 5-year period. This is something of a compromise between capital gains treatment and ordinary income treatment.

In view of the Treasury's recommendation, I have offered the amendment in this form and will support such a treatment of lump-sum distribution, though I doubt if the amendment goes far enough.

I am not able to estimate the overall revenue effect of this amendment. The Treasury does not have sufficiently detailed statistics in this area to determine the revenue loss for recent years caused by the capital gains treatment of lump-sum distributions. The fact that individual cases of this sort where the amounts involved exceeded $800,000, however, have come to light, indicates that the revenue loss has amounted to several million dollars annually.

Regardless of the amount of revenue which may have been lost during past years, I think it is safe to assume that corporation executives, as more of them begin to take advantage of so-called pension and profit-sharing plans, will seek to convert increasingly larger proportions of their ordinary income into such payments as this, purely for tax avoidance purposes. The same corporation official may have several corporate pension plans. There is no statutory limit to the number of corporate pension plans that men with sufficient money to be associated with several corporations may have.

If, instead of cashing in $800,000 at the capital gains rate, one wants to pass on to his grandchildren, or to whomever he wishes to pass the funds on to, they can, under certain circumstances, be passed on without gift tax, or without estate tax. Thus, you will see, the corporate contribution is tax deductible to the corporation. The official does not pay current income tax on the contribution. Moreover, the fund, in part or in whole, can be passed on without gift or estate tax.

I point out to the Senate another loophole of tax favoritism which even a Republican administration is asking a Democratic Congress to close. I hope that early next year the Senate Finance Committee will start work on removal of tax favoritism. Let us not wait again for action late in the session by the other body. The only primacy given to the other body in tax legislation is the origination of revenue measures. This does not lessen the responsibility of the U.S. Senate to promote fairness and equity in tax treatment. Any revenue measure that has originated in the House of Representatives can serve for amended legislation.

Mr. President, obviously this matter should be entitled to committee study. Therefore, with appreciation, first, for the adoption of the amendment earlier today, which was of an emergency nature, and, second, for the patience and attention of Senators tonight, I withdraw the amendment.

Mr. MONRONEY. Mr. President, earlier I gave notice that I intended to propose an amendment and time was reserved. I should like to yield myself 3 minutes on this amendment, and then I shall withdraw the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. This is a very complicated amendment in form, but the intention is to tax fuel for jet aircraft. While the gasoline used in older, piston driven aircraft, is taxed at 2 cents a gallon, there is no tax today on the fuel which is used in our turbine powered airliners today.

I think the tax on this fuel should be equivalent, considering its effectiveness in the propulsion of jet aircraft and turboprop aircraft, to the tax on gasoline used in the reciprocating engine planes.

The amendment is very complicated. There is some question as to what the yield is per gallon of jet fuel as compared with a gallon of gasoline. Therefore, I do not propose to offer the amendment at this time, but I urge distinguished members of the Senate Finance Committee to set some hearings on this question, so they can ascertain what the amount of tax should be on jet fuel.

Therefore, Mr. President, I withhold the amendment at this time. I urge the committee to study the proposal and to act this year, so that we can have the revenue brought in on an equal basis.

Mr. LONG of Louisiana. Mr. President, I have an amendment which I offered on this same subject a year ago, to make it possible for the Federal Government to increase its matching with State welfare plans. The amendment was agreed to by the Senate and was taken to conference. The Senate conferees yielded to the House conferees, and the amendment did not come to a vote in the House.

This is the same provision which the House sent to the Senate 2 years ago. I am hopeful the amendment can be agreed to tonight. I ask the chairman of the committee if he is willing to agree to the amendment, in view of the fact that the amendment was lost in the conference a year ago.

Mr. BYRD of Virginia. Mr. President, I have not had an opportunity to consult with members of the committee. The general feeling of the members of the committee was that we should not accept amendments to this particular bill. I do not feel I can accept the amendment.

Mr. LONG of Louisiana. Mr. President, this is the same amendment which was agreed to by a majority of the Senate last year It would cost $142 million. There is no bill before the committee which would be as appropriate a vehicle to which to offer the amendment as this bill. Last year the Senate agreed to the amendment, which would raise the limit of the State matching from $65 to $75 as the top limit upon which the Federal Government could match the States. It would put into effect what the Senate agreed to a year ago and what the House agreed to 2 years ago, which would result in a variable formula, as high as 70 percent on that part of the payments which are above the amount of $30.

The amendment would be of assistance to 2,372,000 aged people. It would be of assistance to 3 million orphaned children, to 108,000 blind persons, and to 356,000 permanently and totally disabled persons. The amount of assistance to be given those people would be small, from $3 a month to perhaps as much as $7 or $8 a month, depending upon what the States wished to do in matching the available Federal funds.

It seems to me, since we have provided a 7½ percent pay raise for all Federal employees and since we have provided very amply for many others in various places in life, that it would be appropriate for us to provide some additional assistance, which the Congress did not provide last year or this year, for those who are most in need.

Most of what is in the amendment was passed by the House 2 years ago. It was taken out in the Senate on a motion by the Senator from Florida [Mr. SMATHERS]. I supported the motion at that time, because we were threatened with a veto at a time when Congress was anxious to adjourn, and Senators wished to go home. The theory was that if we did as much as even the Committee on Finance had agreed to, and as much as the House had agreed to, the President probably would veto the bill and Congress would not be in session to act upon the veto.

I hope very much that the Senate will add the amendment to the bill, as it did a year ago, in order that we can confer with the House, to see if we can provide some additional assistance for the needy, the aged, the blind, and the orphaned children of this country. I hope we shall have a favorable vote on the amendment.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LONG of Louisiana. Mr. President, I offer the amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 10, after line 17, it is proposed to insert a new title, as follows:

TITLE III—CORPORATE NORMAL-TAX RATE AND CERTAIN EXCISE-TAX RATES

That (a) subsection (a) of section 3 of the Social Security Act is amended—

(1) by striking out "October 1, 1958" and inserting in lieu thereof "October 1, 1960";
(2) by striking out "$65" and inserting in lieu thereof "$75"; and
(3) by striking out "$35" and inserting in lieu thereof "$38".

(b) Subsection (a) of section 403 of the Social Security Act is amended—
(1) by striking out "October 1, 1958" and inserting in lieu thereof "October 1, 1960";
(2) by striking out "fourteen-seventeenths" and inserting in lieu thereof "five-sixths", and by striking out "$17" and inserting in lieu thereof "$18";
(3) by striking out "$30" and inserting in lieu thereof "$33"; and
(4) by striking out "$18" and inserting in lieu thereof "$20".

(c) Subsection (a) of section 1003 of the Social Security Act is amended—
(1) by striking out "October 1, 1958" and inserting in lieu thereof "October 1, 1960";
(2) by striking out "$65" and inserting in lieu thereof "$75"; and
(3) by striking out "$35" and inserting in lieu thereof "$38".

(d) Subsection (a) of section 1403 of the Social Security Act is amended—
(1) by striking out "October 1, 1958" and inserting in lieu thereof "October 1, 1960";
(2) by striking out "$65" and inserting in lieu thereof "$75"; and
(3) by striking out "$35" and inserting in lieu thereof "$38".

(e) The amendments made by the preceding subsections of this section shall be effective—
(1) in the case of money payments, under a State plan approved under title I, IV, X, or XIV of the Social Security Act, for months after September 1959; and
(2) in the case of assistance in the form of medical or any other type of remedial care, under such a plan, with respect to expenditures made after September 1959.

(f)(1) Section 1101(a)(8)(A) of the Social Security Act is amended by striking out "65 per centum" and inserting in lieu thereof "70 per centum".

(2) The amendment made by paragraph (1) shall be effective with respect to the calendar quarter commencing October 1, 1959, and all subsequent calendar quarters.

SEC. 2. (a) Section 3(a)(1)(A), section 1003(a)(1)(A), and section 1403(a)(1)(A) of the Social Security Act are amended by inserting immediately after "$30" in each such section the following: "(or, in the case of any State in which the per capita income is less than 60 per centum of the average per capita income of the United States, five-sixths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $36)".

(b) Section 1101(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(9) The term 'per capita income', as used in sections 3(a)(1)(A), 1003(a)(1)(A), and 1403(a)(1)(A), means the average per capita income of each State or of the United States, as the case may be, for the three most recent calendar years for which satisfactory data are available from the Department of Commerce."

(c) The amendments made by the preceding subsections of this section shall be effective with respect to the calendar quarter commencing October 1, 1960, and all subsequent calendar quarters.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LONG of Louisiana. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum.

I should like to have a vote on the amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with, and I ask for a division on the amendment.

The PRESIDING OFFICER. Without objection, further proceedings under the quorum call will be dispensed with.

The question is on agreeing to the amendment offered by the Senator from Louisiana. A division is requested.

Mr. LONG of Louisiana. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, I should like to have a yea-and-nay vote on the amendment. There is no limitation on debate. I can debate the amendment as long as necessary, but I think Senators would prefer to vote. I do not believe any argument I may make will produce a lot of difference in the vote. I think Senators have other things they wish to do, and that it will accommodate them to vote, rather than to have a quorum call and to have me debate the amendment over a long period of time. I suggest a vote on the amendment.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG of Louisiana. I yield.

Mr. CLARK. How much revenue would the amendment cost the Treasury?

Mr. LONG of Louisiana. It would cost $142 million to assist some 6 million needy people in this country. That is only about one-fourth the amount of revenue the bill would bring in for the Treasury.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Alabama [Mr. SPARKMAN], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Oregon [Mr. LUSK], are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada [Mr. CANNON], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. MAGNUSON], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is detained on official business.

If present and voting, the Senator from Arizona [Mr. GOLDWATER] and the Senator from Nebraska [Mr. HRUSKA] would each vote "nay."

The result was announced—yeas 37, nays 45, as follows:

[No. 246]

YEAS—37

Bible	Jackson	Muskie
Byrd, W. Va.	Johnson, Tex.	Pastore
Carroll	Johnston, S.C.	Proxmire
Cotton	Kennedy	Randolph
Dodd	Kuchel	Russell
Ellender	Long, Hawaii	Schoeppel
Engle	Long, La.	Talmadge
Frear	McCarthy	Wiley
Fulbright	McClellan	Yarborough
Gore	McGee	Young, N. Dak.
Gruening	McNamara	Young, Ohio
Hayden	Mansfield	
Hill	Morse	

NAYS—45

Aiken	Cooper	Martin
Allott	Curtis	Monroney
Anderson	Dirksen	Morton
Bartlett	Douglas	Moss
Beall	Dworshak	Mundt
Bennett	Ervin	Prouty
Brunsdale	Fong	Robertson
Bush	Hart	Saltonstall
Butler	Hickenlooper	Scott
Byrd, Va.	Holland	Smathers
Capehart	Javits	Smith
Carlson	Jordan	Stennis
Case, N.J.	Keating	Thurmond
Case, S. Dak.	Kerr	Williams, Del.
Clark	Lausche	Williams, N.J.

NOT VOTING—18

Bridges	Green	Lusk
Cannon	Hartke	Magnuson
Chavez	Hennings	Murray
Church	Hruska	O'Mahoney
Eastland	Humphrey	Sparkman
Goldwater	Kefauver	Symington

So the amendment of Mr. LONG, of Louisiana was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, the minority leader wishes to know what will follow the vote on the bill presently under consideration. We propose to move to consider Calendar 1668, the legislative appropriation bill. So far as I know, there is no serious objection and no serious controversy relative to that bill. There may be some discussion but not at length. We shall have a yea and nay vote on the legislative appropriation bill if we can reach it tonight.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

The Senate resumed the consideration of the bill (H.R. 12381) to increase for a 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal tax rate and certain excise tax rates.

The PRESIDING OFFICER. The question is on the passage of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Alabama [Mr. SPARKMAN], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Oregon [Mr. LUSK] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada [Mr. CANNON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Missouri [Mr. SYMINGTON] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent. If present and voting, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] would each vote "yea."

The result was announced—yeas 84, nays 0, as follows:

[No. 247]

YEAS—84

Aiken	Ervin	Mansfield
Allott	Fong	Martin
Anderson	Frear	Monroney
Bartlett	Fulbright	Morse
Beall	Gore	Morton
Bennett	Gruening	Moss
Bible	Hart	Mundt
Brunsdale	Hayden	Muskie
Bush	Hickenlooper	Pastore
Butler	Hill	Prouty
Byrd, Va.	Holland	Proxmire
Byrd, W. Va.	Hruska	Randolph
Capehart	Jackson	Robertson
Carlson	Javits	Russell
Carroll	Johnson, Tex.	Saltonstall
Case, N.J.	Johnston, S.C.	Schoeppel
Case, S. Dak.	Jordan	Scott
Chavez	Keating	Smathers
Clark	Kennedy	Smith
Cooper	Kerr	Stennis
Cotton	Kuchel	Talmadge
Curtis	Lausche	Thurmond
Dirksen	Long, Hawaii	Wiley
Dodd	Long, La.	Williams, Del.
Douglas	McCarthy	Williams, N.J.
Dworshak	McClellan	Yarborough
Ellender	McGee	Young, N. Dak.
Engle	McNamara	Young, Ohio

NAYS—0

NOT VOTING—16

Bridges	Hartke	Murray
Cannon	Hennings	O'Mahoney
Church	Humphrey	Sparkman
Eastland	Kefauver	Symington
Goldwater	Lusk	
Green	Magnuson	

So the bill, H.R. 12381, was passed.

The title was amended, so as to read: "An Act to increase for a one-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for one year the existing corporate normal-tax rate and certain excise-tax rates, and for other purposes."

Mr. BYRD of Virginia. Mr. President, I move that the Senate insist on its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

Mr. CLARK. Mr. President, I have no intention of objecting to the motion of the Senator from Virginia. However, I should like to read into the RECORD the procedures in this connection as stated in Senate Procedure, page 172:

> Under rule XXIV, the Senate may elect its conferees, if it sees fit to do so. The Senate has a right to elect its own conferees. A motion to elect certain conferees is amendable by substituting other conferees.
>
> * * * * *
>
> The conferees in theory are appointed by the Presiding Officer but in fact are designated by friends of the measure, who are in sympathy with the prevailing view of the Senate, and with consideration for the usual party ratio. And the Senate, on motion, may elect its conferees as it sees fit.

I read from page 174, as follows:

> Senators have declined to serve as conferees in some instances because they were not in sympathy with the provisions of bills as passed by the Senate or, after a conference report was rejected, a Senator declined to serve on a second conference committee because of views not in harmony with the action of the Senate.
>
> Conferees have resigned because they were not in sympathy with the action of the Senate on the bill or opposed to the bill in question.

The distinguished Senator from Virginia [Mr. BYRD] has been kind enough to advise me the names of the Senators whom he has recommended that the Chair appoint as conferees. I shall not object to their appointment, although a majority of the conferees are not in support of the views of the Senate as expressed this afternoon. However, I have such confidence in the senior Senator from Virginia and in the other conferees that I shall not raise the point raised by the procedures I have just read. Accordingly, I have no objection to the motion of the Senator from Virginia.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Virginia [Mr. BYRD].

The motion was agreed to; and the Presiding Officer appointed Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. CARLSON conferees on the part of the Senate.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the bill H.R. 12381 be printed with the amendments of the Senate numbered, and that, in engrossing the amendments of the Senate, the Secretary of the Senate be authorized to make such clerical and conforming changes as may be necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE APPROPRIATIONS, 1961

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1668, H.R. 12232.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12232) making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, this is the appropriation bill for the legislative branch of the Government. It has already been passed by the House. It contains the usual line items, and there are very few objections thereto.

The committee had many requests for additional positions or employments, and many requests for increases in salaries, almost all of which were declined.

The committee approved an additional clerk for the Office of the Legislative Counsel of the Senate and an additional

position of inspector in connection with the charwomen in the Senate Office Building.

The House of Representatives has approved positions for an air-conditioning mechanic and two safety inspectors, in which the Senate is asked to concur.

Under the Library of Congress, the House approved 32 additional positions; and under salaries and expenses, two additional positions under Books for the Blind, and 28 additional positions for the Legislative Reference Service.

The committee referred that matter to a special subcommittee, comprised of the Senator from Oklahoma [Mr. MONRONEY] and the Senator from Colorado [Mr. ALLOTT], who conferred with the Librarian of Congress. The subcommittee reported that they approved of the new assignments because they were adjudged to be necessary for the work being done.

A few increases in salaries have been approved. The first is that of the Chaplain of the Senate, whose salary was raised to $8,195, the same as the salary of the Chaplain of the House. That is an increase of about $2,500.

The salary of the Superintendent of Mails in the Senate was increased about $900. The salaries of three employees in each of the cloakrooms have been increased $565.

The salaries of the Official Reporters of Debates appointed by the Senate have been increased from $16,300 to $17,050 per annum.

Two other employees in the office of the Official Reporters of Debates have been granted increases of approximately $668.

Slight increases have been granted to two printing clerks.

The Senate has also included language which will permit the payment of transportation—that is, mileage—for four members of a Senator's staff instead of two. That is in connection with travel back to the State, especially with reference to keeping offices open in the summer and in the fall.

The postage allowance was increased from $450 to $550 per annum.

The most important single proposal in the entire bill, in my opinion, is the appropriation of $400,000 to restore the Old Senate Chamber, on the principal floor of the Capitol, to the condition which existed when it was last occupied by the Senate in 1859. That is the room ordinarily called the Old Supreme Court Chamber. It is really the Old Senate Chamber.

Also, provision has been made to restore the Old Supreme Court Chamber, on the ground floor of the Capitol, to the condition which existed when the Supreme Court last occupied the Chamber in 1860.

Photographs are on the desk, if Senators wish to examine them.

The Assistant Architect of the Capitol, who spent 10 years in connection with the restoration of colonial Williamsburg, has said that these two rooms, when properly restored, will represent some of the finest interior architecture to be found anywhere in Washington.

Most happily, the additions to the east front of the Capitol will provide sufficient space for all the activities which are now carried on in the two fine Chambers it is proposed to restore. They will be dedicated, in the language of the bill, as shrines for exhibition to the public, and are to be used for no other purpose.

The committee had for consideration a proposal to paint the old Senate garage. However, after looking into the matter further, the subcommittee recommended that the item be deleted from the bill.

Mr. President, to carry out the work which I have so far described, I move that the Senate disagree to the amendment on page 25, line 15, and to the committee amendment on page 29, line 25, of the bill as now written. They cover the legislative garage and Legislative Reference Service items, which I have explained.

Mr. MANSFIELD. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. MANSFIELD. Do I correctly understand that the distinguished chairman of the Subcommittee on Legislative Appropriations has moved that the Senate agree to the figure of $1,479,300 instead of to the House figure of $1,660,200?

Mr. STENNIS. No; that is not correct. My motion now pertains to the item on page 25, line 15, relating to the legislative garage, and also to the committee amendment on page 29, line 25, relating to the Legislative Reference Service.

Mr. MANSFIELD. Yes. That is what I had reference to. Did I correctly understand the Senator from Mississippi to say that instead of two of our staff members being allowed a round trip back home, we will now, under the bill, allow four members of our staff to go home?

Mr. STENNIS. The Senator is correct. That matter will really be covered in a request for unanimous consent that the committee amendments be agreed to en bloc.

Mr. MANSFIELD. It appears to me that it would be far better to give serious consideration to the House figure rather than to allow two more of our staff members to go home. As I understand, the House figure has been reduced by the committee by $180,900. That means that this amount for the employment of 23 additional budgeted positions, and including $25,000 for temporary employees during the session, was approved by the House committee and passed by the House, but not approved by the Senate committee.

Mr. STENNIS. My motion is to restore the House figure.

Mr. MANSFIELD. Of $1,660,200?

Mr. STENNIS. That is correct.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. JAVITS. I had in mind asking the Senator from Mississippi about the item communications, on page 8. I do not wish to interrupt the Senator or the Senate during the consideration of the Senator's motion.

Mr. STENNIS. I hope we may proceed to dispose of the matter I have mentioned, to which I do not believe there is objection.

Mr. President, I have moved that the Senate disagree to the committee amendment to be found on page 25, in line 15. The effect of disagreeing to that amendment will be to strike out the increased amount proposed by the Senate committee for the painting of the legislative garage. Let us vote first on this item.

The PRESIDING OFFICER. The questions is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

Mr. STENNIS. Mr. President, I now move that the Senate disagree to the committee amendment to be found on page 29, in line 25, of the bill as now written. This is in the Legislative Reference Service item.

Mr. MANSFIELD. Mr. President, just to make the record clear, what is the figure on which we shall vote?

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 29, in line 25, it is proposed to strike out "$1,660,200," and insert in lieu thereof "$1,479,300."

Mr. STENNIS. Mr. President, I have moved that the Senate disagree to the committee amendment, so as, in effect, to restore the amount voted by the House, namely, $1,660,200.

The PRESIDING OFFICER. The Chair rules that on the question of agreeing to the committee amendment, if the negative votes are in the majority, the amount proposed to be supplanted by the Senate committee amendment will be restored.

The question is on agreeing to the committee amendment.

The amendment was rejected.

Mr. STENNIS. Mr. President, I now ask unanimous consent that the remaining committee amendments be agreed to en bloc—that is to say, all committee amendments except the ones which already have been passed on—and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of agreeing to this order. That is the customary motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to.

The amendments agreed to en bloc are as follows:

At the top of page 2, to insert a new heading, as follows:

"SENATE

"Salaries of Senators, mileage of the President of the Senate and of Senators, expense allowance of the majority and minority leaders of the Senate, and salary and expense allowance of the Vice President"

On page 2, after line 6, to insert:

"COMPENSATION OF SENATORS

"For compensation of Senators, $2,433,370."

On page 2, after line 8, to insert:

"MILEAGE OF PRESIDENT OF THE SENATE AND OF SENATORS

"For mileage of the President of the Senate and of Senators, $58,370."

On page 2, after line 12, to insert:

"EXPENSE ALLOWANCE OF MAJORITY AND MINORITY LEADERS

"For expense allowance of the majority leader and the minority leader of the Senate, $2,000 each; in all, $4,000."

On page 2, after line 16, to insert:

"COMPENSATION OF THE VICE PRESIDENT OF THE UNITED STATES

"For the compensation of the Vice President of the United States, $37,775."

On page 2, after line 20, to insert:

"EXPENSE ALLOWANCE OF THE VICE PRESIDENT

"For expense allowance of the Vice President, $10,000."

On page 2, after line 22, to insert:

"SALARIES, OFFICERS AND EMPLOYEES

"For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows:"

On page 3, after line 3, to insert:

"OFFICE OF THE VICE PRESIDENT

"For clerical assistance to the Vice President, at rates of compensation to be fixed by him in basic multiples of $5 per month, $112,140."

On page 3, after line 7, to insert:

"CHAPLAIN

"Chaplain of the Senate, $8,195: *Provided,* That effective July 1, 1960, the gross compensation of the chaplain of the Senate shall be $8,195 per annum."

On page 3, after line 11, to insert:

"OFFICE OF THE SECRETARY

"For office of the Secretary, $646,805."

On page 3, after line 13, to insert:

"COMMITTEE EMPLOYEES

"For professional and clerical assistance to standing committees, and the Select Committee on Small Business, $2,372,960."

On page 3, after line 17, to insert:

"CONFERENCE COMMITTEES

"For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $44,020."

On page 3, after line 21, to insert:

"For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, $44,020."

At the top of page 4, to insert:

"ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

"For administrative and clerical assistants and messenger service for Senators, $11,078,850."

On page 4, after line 4, to insert:

"OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

"For office of Sergeant at Arms and Doorkeeper, $2,309,660: *Provided,* That effective July 1, 1960, the basic compensation of the superintendent of mails, Senate post office shall be $3,540 per annum.

On page 4, after line 9, to insert:

"OFFICES OF THE SECRETARIES FOR THE MAJORITY AND THE MINORITY

"For the offices of the secretary for the majority and the secretary for the minority, $115,575: *Provided,* That effective July 1, 1960, the respective secretaries may fix the basic compensation of the chief telephone pages for the majority and minority at not to exceed $3,780 per annum each; may fix the basic compensation of one telephone page for the majority and minority at not to exceed $2,880 per annum each; and may fix the basic compensation of one telephone page for the majority and minority at not to exceed $2,520 per annum each."

On page 4, after line 21, to insert:

"OFFICES OF THE MAJORITY AND MINORITY WHIPS

"For two clerical assistants, one for the Majority Whip and one for the Minority Whip, at not to exceed $5,580 basic per annum each, $22,050."

At the top of page 5, to insert:

"OFFICIAL REPORTERS OF DEBATES

"For office of the Official Reporters of Debates, $208,500: *Provided,* That effective July 1, 1960, the official reporters of debates heretofore or hereafter appointed by resolution of the Senate shall be employees of the Senate and shall be compensated at the gross rate of $17,050 per annum each: *Provided further,* That the said official reporters are authorized to appoint such reporters, transcribers, and other employees as may be necessary and fix their compensation in basic multiples of $60 per annum."

On page 5, after line 10, to insert:

"OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

"For salaries and expenses of the Office of the Legislative Counsel of the Senate, $216,950."

On page 5, after line 14, to insert:

"CONTINGENT EXPENSES OF THE SENATE

"Legislative reorganization

"For salaries and expenses, legislative reorganization, $117,150."

On page 5, after line 18, to insert:

"SENATE POLICY COMMITTEES

"For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $124,685 for each such committee; in all, $249,370."

At the top of page 6, to insert:

"JOINT ECONOMIC COMMITTEE

"For salaries and expenses of the Joint Economic Committee, $156,950."

On page 6, after line 3, to insert:

"JOINT COMMITTEE ON ATOMIC ENERGY

"For salaries and expenses of the Joint Committee on Atomic Energy, $280,145."

On page 6, after line 6, to insert:

"JOINT COMMITTEE ON PRINTING

"For salaries and expenses of the Joint Committee on Printing, $106,515; for expenses of compiling, preparing, and indexing the Congressional Directory, $1,600; in all, $108,115."

On page 6, after line 11, to insert:

"VICE PRESIDENT'S AUTOMOBILE

"For purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, $8,245."

On page 6, after line 14, to insert:

"AUTOMOBILE FOR THE PRESIDENT PRO TEMPORE

"For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, $11,000."

On page 6, after line 18, to insert:

"AUTOMOBILES FOR MAJORITY AND MINORITY LEADERS

"For purchase, exchange, driving, maintenance, and operation of two automobiles, one for the majority leader of the Senate, and one for the minority leader of the Senate, $16,490."

At the top of page 7, to insert:

"FURNITURE

"For services and materials in cleaning and repairing furniture, and for the purchase of furniture, $31,190: *Provided,* That the furniture purchased is not available from other agencies of the Government."

On page 7, after line 5, to insert:

"INQUIRIES AND INVESTIGATIONS

"For expenses of inquiries and investigations ordered by the Senate or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, including $380,000 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, $3,568,355."

On page 7, after line 12, to insert:

"FOLDING DOCUMENTS

"For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $1.77 per hour per person, $31,900."

On page 7, after line 16, to insert:

"SENATE RESTAURANTS

"For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office Buildings, including personal and other services, to be expended under the supervision of the Committee on Rules and Administration, United States Senate, $85,000."

At the top of page 8, to insert:

"MAIL TRANSPORTATION

"For maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $16,560."

On page 8, after line 4, to insert:

"MISCELLANEOUS ITEMS

"For miscellaneous items, exclusive of labor, $1,974,105."

On page 8, after line 6, to insert:

"POSTAGE STAMPS

"For postage stamps for the Offices of the Secretaries for the Majority and Minority, $140; and for airmail and special-delivery stamps for Office of the Secretary, $160; Office of the Sergeant at Arms, $125; Senators and the President of the Senate, as authorized by law, $55,550, and the maximum allowance per capita of $450 is increased to $550 for the fiscal year 1961 and thereafter; in all, $55,975."

On page 8, after line 14, to insert:

"STATIONERY (REVOLVING FUND)

"For stationery for Senators and the President of the Senate, $181,800; and for stationery for committees and officers of the Senate, $13,200; in all, $195,000, to remain avilable until expended."

On page 8, after line 19, to insert:

"COMMUNICATIONS

"For an amount for communications which may be expended interchangeably for payment, in accordance with such limitations and restrictions as may be prescribed by the Committee on Rules and Administration, of charges on official telegrams and long-distance telephone calls made by or on behalf of Senators or the President of the Senate, such telephone calls to be in addition to those authorized by the provisions of the Legislative Branch Appropriation Act, 1947 (60 Stat. 392; 2 U.S.C. 46c, 46d, 46e), as amended, and the First Deficiency Appropriation Act, 1949 (63 Stat. 77; 2 U.S.C. 46d–1), $15,150."

On page 9, after line 7, to insert:

"ADMINISTRATIVE PROVISIONS

"The ninth paragraph under the heading 'Administrative Provisions' in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 127) is amended by striking out 'two' where it appears therein and inserting in lieu thereof 'four'."

On page 9, after line 13, to insert:

"No part of any appropriation disbursed by the Secretary of the Senate shall be available hereafter for the payment to any person, at the time of the service upon him of a subpena requiring his attendance at any inquiry or hearing conducted by any committee of the Congress or of the Senate or any subcommittee of any such committee, of any witness fee or any sum of money as

an advance payment of any travel or subsistence expense which may be incurred by such person in responding to that subpena."

On page 19, after line 15, to insert:

"JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

"For an amount to enable the Joint Committee on Reduction of Nonessential Federal Expenditures to carry out the duties imposed upon it by section 601 of the Revenue Act of 1941 (55 Stat. 726), to remain available during the existence of the committee, $24,910, to be disbursed by the Secretary of the Senate."

On page 21, line 17, after the word "of", to strike out "$10,000" and insert "$20,000".

On page 23, after line 4, to insert:

"RESTORATION OF OLD SENATE CHAMBER AND OLD SUPREME COURT CHAMBER IN THE CAPITOL

"To enable the Architect of the Capitol to afford to the American people an opportunity to observe in its historic form, and to maintain as objects of interest to the youth of the United States, the rooms in the Capitol in which the United States Senate and the United States Supreme Court conducted their respective sessions in the early decades of our Nation, the Architect of the Capitol is authorized to make such expenditures as may be necessary to restore the Old Senate Chamber on the principal floor of the Capitol and the Old Supreme Court Chamber on the ground floor of the Capitol substantially to the condition in which these chambers existed when last occupied in 1859 and 1860, respectively, by the Senate and the Court, including expenditures for procurement, restoration, and repair of furniture and furnishings for these chambers, $400,000 to be expended without regard to section 3709 of the Revised Statutes, as amended, and to remain available until expended,."

On page 23, after line 23, to insert:

"Said chambers are hereby dedicated as permanent historic shrines of the Senate of the United States and of the Supreme Court of the United States, and when restored, shall be exhibited to the public and used for no other purpose."

On page 24, after line 3, to insert:

"SUBWAY TRANSPORTATION, CAPITOL AND SENATE OFFICE BUILDINGS

"For maintenance, repairs, and rebuilding of the subway transportation system connecting the Senate Office Buildings with the Capitol, including personal and other services, $6,000."

On page 24, after line 9, to insert:

"SENATE OFFICE BUILDINGS

"For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof; for purchase of waterproof wearing apparel, and for personal and other services; including eight female attendants in charge of ladies retiring rooms at $1,800 each, for the care and operation of the Senate Office Buildings; uniforms or allowances therefor as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); to be expended under the control and supervision of the Architect of the Capitol; in all, $2,338,400."

On page 24, after line 21, to insert:

"EXTENSION OF ADDITIONAL SENATE OFFICE BUILDING SITE

"For an additional amount to enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to carry out the provisions of Public Law 85–429, Eighty-fifth Congress, relating to the acquisition of property in square 724 in the District of Columbia, including necessary expenses, $69,500, to remain available until expended."

On page 25, after line 5, to insert:

"For an additional amount to enable the Architect of the Capitol, under the direction of the Senate Office Building Commission, to carry out the provisions of Public Law 85–591, Eighty-fifth Congress, relating to the acquisition of property in square 725 in the District of Columbia, including necessary expenses, $70,000, to remain available until expended."

On page 28, line 11, after the word "by", to strike out "H.J. Res. 352, Eighty-sixth Congress" and insert "Public Law 86–469".

Mr. STENNIS. Mr. President, on behalf of the Senator from Arizona [Mr. HAYDEN], I offer an amendment identified as "6–18–60—C." The amendment is submitted on behalf of the Senator from Arizona [Mr. HAYDEN], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Colorado [Mr. ALLOTT], the Senator from Massachusetts [Mr. SALTONSTALL], and myself. The amendment relates to foreign travel expenses of Senators and employees of the Senate.

I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The Chief Clerk proceeded to read the amendment, which is as follows:

On page 34, line 17, insert the following:

"SEC. 105. (a) Section 502(b) of the Mutual Security Act of 1954, as amended, is amended by inserting before the last sentence thereof a new sentence as follows: 'Such consolidated report, in the case of a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate, shall show, in addition to the information otherwise required to be included, the total amount expended for each purpose by each member and employee during the calendar year covered by the report, or in the case of the report for the calendar year 1960, during the last six months of such year: *Provided*, That for the purposes of any report required by this section, a statement of the total amount of the per diem in lieu of subsistence authorized for any such member or employee in accordance with United States Senate Travel Regulations promulgated by the Committee on Rules and Administration of the Senate shall be considered a sufficient itemization of any expenditures made from such allowance.'

"(b) Each Senate member of the United States group or delegation to the Interparliamentary Union, the NATO Parliamentarian's Conference, the Canada-United States Interparliamentary Group, the Mexico-United States Interparliamentary Group, or any similar interparliamentary group of which the United States is a member, and each employee of the Senate, by whom or on whose behalf expenditures are made from funds appropriated for the expenses of such group or delegation, shall file with the chairman of the Committee on Foreign Relations of the Senate an itemized report showing all such expenditures made by or on behalf of each member or employee together with the purposes of the expenditure, including subsistence, transportation, and other purposes. Within sixty days after the beginning of each regular session of Congress, the chairman of the Committee on Foreign Relations shall prepare consolidated reports showing with respect to each such group or delegation the total amount expended, the purposes of the expenditures, the amount expended for each such purpose, the names of the members or employees by or on behalf of whom the expenditures were made and the amount expended by or on behalf of each member or employee for each such purpose. The consolidated reports prepared by the chairman of the Committee on Foreign Relations shall be filed with the Committee on Appropriations of the Senate. For the purposes of any report required by this section, a statement of the total amount of the per diem in lieu of subsistence authorized for any such member or employee in accordance with United States Senate Travel Regulations promulgated by the Committee on Rules and Administration of the Senate shall be considered a sufficient itemization of any expenditures made from such allowance. Each such consolidated report shall be printed in the Congressional Record within ten days after receipt by the Committee on Appropriations of the Senate.

"(c) Expenditures, whether from foreign currencies owned by the United States or from dollar appropriations, for expenses of members and employees of committees of the Senate, of joint committees whose funds are disbursed by the Secretary of the Senate, or of the Senate group or delegation of any interparliamentary body, incurred after July 1, 1960, in connection with travel outside the United States, shall be authorized only in accordance with the provisions of the United States Senate Travel Regulations promulgated by the Committee on Rules and Administration of the Senate.

"(d) Section 60 of the Revised Statutes (2 U.S.C. 102) is amended by adding at the end thereof a new paragraph as follows:

"'Reports of the Secretary of the Senate under this section shall be printed as a Senate document, and contain an index for all but salary payments.'"

Mr. STENNIS. Mr. President, I ask unanimous consent that the amendment not be read at this time; I think it can be stated, and will be stated, fully.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. The substance of the amendment is that it provides a definite procedure to be followed by Senators and employees of the Senate and Senate committees, when traveling beyond the United States. It pertains to a per diem and to travel expenses, and applies only to foreign travel, and applies only to the Senate.

This subject was submitted to the full committee in the form of an amendment which heretofore has been known as the Williams amendment, which has been adopted by the Senate on prior occasions, but has been lost in conference.

This is an effort to work out a definite, practical rule which will apply, and to limit it to the Senate only; and the attempt is thus to set up, here on the floor, a definite rule; and it will avoid any disagreement in conference; and if it is adopted, it will leave to each House the matter of establishing its own rules with reference to this matter.

Briefly stated, the amendment provides that instead of reporting every detailed item of expense while traveling abroad, either on hard dollars or on foreign currencies, the Senator or the Senate staff member will be allowed a per diem; and that per diem will be, under the present rules of the Senate Committee on Rules and Administration, the same as the one the executive agencies have adopted for that particular country. It will vary from country to country; but under the present rules of the Senate Committee on Rules and Administration, we shall adopt, as a starter, the same rules that the executive branch of the Government now uses for that particular country.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. CASE of South Dakota. Mr. President——

Mr. STENNIS. Mr. President, before I yield, I wish to cover the main points.

If a Senator or a Senate staff member were traveling in a country where the actual expenses were more than the per diem allowance, and if he wished to make a claim therefor, under the present rules of the Senate Committee on Rules and Administration—which are printed, and which will be discussed later by another Senator—he could apply to the Senate Rules Committee for allowance of the additional sum.

There is another major item: The amendment also provides that a report of these expenditures shall be made by each Member of the Senate or each Senate staff member within 60 days after the convening of the January session each year, and will be reported to the Appropriations Committee and 10 days thereafter will be published in the CONGRESSIONAL RECORD.

Mr. President, this amendment was prepared after study and investigation by the Senator from Arizona [Mr. HAYDEN], the Senator from Colorado [Mr. ALLOTT], and the Senator from Oklahoma [Mr. MONRONEY]. If they wish me to do so, I shall be glad, if I may, to yield at this time to the Senator from Arizona [Mr. HAYDEN]—or if he prefers to obtain the floor in his own right, I shall be glad to have him do so—in order to present this matter to the Senate.

Mr. HAYDEN. Mr. President——

Mr. STENNIS. May I yield to the Senator from Arizona?

Mr. HAYDEN. Certainly.

Mr. President, a very similar proposal was before the Senate last month, on an amendment offered by the Senator from Delaware [Mr. WILLIAMS]. We adopted it, and took it to conference. The House very properly, in my judgment, said, "We do not allow the Senate of the United States to tell us what our Members shall do." I feel that the House has that right; namely, to regulate the conduct of its own Members; and the Senate has no right to attempt to do otherwise.

On the other hand, if we set a pattern for ourselves, that is it; and if the House then wishes to include its own Members, or if it wishes to adopt its own rules, it may do so.

I am sure that all Senators would resent an effort by the House to dictate how the Members of this body should conduct themselves while traveling abroad; and of course that rule works both ways, as applied to this measure.

The amendment works in a similar way as does the amendment of the Senator from Delaware [Mr. WILLIAMS], except that this amendment applies only to Senators.

Mr. MONRONEY. Mr. President, will the Senator from Mississippi yield to me?

The PRESIDING OFFICER (Mr. MCGEE in the chair). Does the Senator from Mississippi yield to the Senator from Oklahoma?

Mr. STENNIS. I yield.

Mr. MONRONEY. The amendment relates only to foreign travel, but it relates not only to funds disbursed by Senators in connection with committee travel, but also to funds disbursed by Members of the Senate who travel to the Interparliamentary Union or to the NATO Parliamentary Union—expenditures which heretofore have not been accountable under normal Government regulations, except when they come from contingent funds. This amendment brings all those expenditures under the regular travel rules of the Senate.

In case someone does not understand why we do not refer in the amendment to travel within the United States, I point out that the booklet entitled "U.S. Senate Travel Regulations" sets forth the rules on "Subsistence Expenses." They appear on page 11, as follows:

> No part of the foregoing appropriations made under the heading "Contingent Expenses of the Senate," may be expended for per diem and subsistence expenses (as defined in the Travel Expenses Act of 1949, as amended), at rates in excess of $12 a day; except that (1) higher rates may be established by the Committee on Rules and Administration for travel beyond the limits of the continental United States.

This provision with respect to travel beyond the United States puts us in the same category as that of any Government official who travels abroad.

For instance, in Basutoland the amount of per diem is $8; in Anchorage, $12; in Tibet, $13; in Bulgaria, $14; in Rangoon, $16—and so on, around the world. This is all that is allowable under the per diem expenditures, under this amendment.

Many Members will find they will be "in the hole" in their travel; but this will put the matter on a formal basis, and will put it in line with the practice of the other Government departments.

The main difference between this amendment, as I understand it, and the amendment of the Senator from Delaware is that by means of this amendment we do not try to tell the Members of the House of Representatives what their per diem shall be. It has never been the same as that for the Senate. The Senate has had the $12 per diem rule for many years. I do not think the House has had such an allowance. I understand that the House Members report their actual expenditures.

This amendment also provides that the expenditures shall be reported in the report of the Secretary of the Senate—which is a thick volume. In order to make the information readily available to newspapermen who may be interested in it, we shall index the report, so it will be easy for anyone to find out exactly what any Member spends while traveling on the business of the Senate. In brief, in that connection, we shall do practically everything for the newspapermen, except write their stories.

It is going to be the easiest thing in the world for anybody to find out exactly what every Member spends in his travel abroad, or in this country, which is at $12 per diem. I do not see how it could be more closely drawn. We have made an effort to include the reporting of every dollar spent, or of all counterpart funds spent. It is to stop abuse of excessive amounts sometimes spent in the other currencies that this is necessary.

I think the distinguished Senator from Delaware is to be commended for his service in repeatedly bringing this question up.

Several Senators addressed the Chair.

Mr. STENNIS. Mr. President, the Senator from Colorado [Mr. ALLOTT] is one of the authors of the amendment, and I yield to him first.

Mr. ALLOTT. Mr. President, I think the purpose is to do all that is necessary as good Government servants to expose to newspapers and the public and Government agencies the amount that is spent in travel, so that there can be no doubt about it, and there can be no suspicions printed about what somebody has spent when he has not.

I should like to call attention to several items. First of all, I must confess that when I became a member of the subcommittee for the first time, I ran into the yellow booklet entitled "United States Senate Travel Regulations," issued by our Committee on Rules and Administration, which covers travel in this country and covers the per diem rate, which is $12 in this country. There is a list published by the Bureau of the Budget, which the Senator from Oklahoma has called to the attention of the Senate. Any Member of the Senate is very welcome to read it.

We have gone two steps further. We have reiterated the very fine thing the Senator from Delaware has done over and over again, which is to provide that the spending of counterpart funds be accounted for.

Subsection (c) of the amendment reads:

> Expenditures, whether from foreign currencies owned by the United States or from dollar appropriations for expenses of members and employees of committees of the Senate, of joint committees whose funds are disbursed by the Secretary of the Senate, or of the Senate group or delegation of any interparliamentary body, incurred after July 1, 1960, in connection with travel outside the United States, shall be authorized only in accordance with the provisions of the United States Senate Travel Regulations promulgated by the Committee on Rules and Administration of the Senate.

When that provision is considered, together with the last section, which provides that, "Reports of the Secretary of the Senate under this section shall be printed as a Senate document, and contain an index for all but salary payments," then I think we have put in the hands of the public every possible conceivable access to a disclosure of the expenditures of the Senate, the Senate committees, the individual members thereof, and the staff members, that the public could possibly want, or anyone else could possibly desire.

I agree wholeheartedly with the chairman of the Subcommittee on Appropriations that, in view of the difficulties we always run into with the House telling us that we cannot tell them to write their own rules, this is the best way and the most expeditious way of getting around that problem.

Several Senators addressed the Chair.

Mr. STENNIS. Mr. President, before yielding, I should like to say, first, that the only additional point I wish to emphasize is that we already have in the Senate the U.S. travel regulations, promulgated by the Committee on Rules and Administration, and adopted by the Senate on January 7, 1960. These are detailed regulations for Senate travel within the United States. On the last page, foreign travel is very sketchily covered. This proposal, in effect, would cover and clear up the regulations on foreign travel.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. STENNIS. I had promised to yield to the Senator from Georgia [Mr. RUSSELL].

Mr. CASE of South Dakota. I merely wanted to say that the amendment was well conceived and very much in order, and I commend the members of the Appropriations Committee for presenting it.

Mr. STENNIS. I thank the Senator.

I yield to the Senator from Georgia.

Mr. RUSSELL. Do I correctly understand that if a Member of the Senate and a Member of the other body goes to an Interparliamentary Union, or a NATO Parliamentarians' Conference, or the Canada-United States Interparliamentary Group, or the Mexico-United States Interparliamentary Group, or any other similar interparliamentary group of which the United States is a member, the Senate member must file a more detailed report and has a more limited subsistence account than a Member of the other body?

Mr. STENNIS. If the amendment is adopted, the Senate will have adopted a complete system of rules applying to its own Membership; and, unless the House should adopt that or a similar amendment, the Senator would be correct.

Mr. RUSSELL. I am in favor of a very strict accounting of all public funds, whether they be for travel or otherwise. I have always supported, whether the amendment was offered by the Senator from Delaware or another Senator, an amendment that required both Houses of the Congress to make a more strict accounting of any funds that are expended.

I stand ready and willing to support such a proposal today, even to the extent of postponing action on the legislative appropriation bill from which we all draw our salaries. But, Mr. President, I think there is a limit to self-abnegation and humility, and as a Member of the Senate of the United States I am not willing to go to the extent of saying that the Senate should be required to adopt rules, particularly those dealing with international bodies, that would require us to make much more rigid reports than those that are made by Members of the other body.

For that reason, I am opposed to the amendment; and I make a point of order against it as being legislation on an appropriation bill.

Mr. STENNIS. Mr. President, the authors of the amendment gave notice under the rules of the Senate.

The PRESIDING OFFICER. First, the Chair will rule on the point of order. The Chair rules that the point of order is well taken, and the point of order is sustained.

Mr. STENNIS. Mr. President, I move, notice having been given, that the Senate Rules be suspended for the purpose of consideration of this amendment.

Mr. WILLIAMS of Delaware. Mr. President, I support the motion of the Senator from Mississippi that the rule be suspended. I would like the Senate to dispose of the question now, although I am in complete agreement with what the Senator from Georgia has said. After it has been brought before the Senate, I shall offer a substitute amendment which will lay down the rule for both Members of the Senate and the House, and we can debate it on its merits.

In order to get it before the Senate, however, we must first suspend the rules. Therefore, I join the Senator from Mississippi in urging that the rule be suspended.

Several Senators addressed the Chair.

Mr. STENNIS. I yield to the Senator from Louisiana, who has been on his feet a long time.

Mr. ELLENDER. Mr. President, before we vote on the question of the suspension of the rules, I wonder if the Senator from Mississippi will be kind enough to explain to us as a matter of detail how this will work. For instance, I plan to go abroad this year. I may visit as many as 30 countries. I do not know the length of time I shall remain in any one particular country.

In the past I have received from the State Department a certain amount to cover probable expenses. When I returned I made my report to the State Department. As a matter of fact, I have returned every dollar the Department ever gave me.

I wonder how this new setup will affect the procedure I have been following in the past.

Mr. STENNIS. On the first point, after the adoption of the amendment, the amount of per diem allowed to the Senator from Louisiana in any particular country would depend upon this schedule which has already been worked out and is in effect in the executive branch of the Government. It has been approved by the Senate Committee on Rules and Administration. The Committee on Rules and Administration of the Senate simply adopted the executive schedule.

The Committee on Rules and Administration has the authority, under the proposed amendment, to adopt any other schedule it wishes. Until the committee does so, the Senator would operate under the present schedule as to per diem rates. Transportation expenses, of course, would be in addition.

Mr. ELLENDER. I understand. In other words, if I should decide to go to 30 different countries, I would have to know in advance the length of time I expected to remain in each country.

Mr. STENNIS. No. I do not think that would be required.

Mr. ELLENDER. How would we arrive at the total amount to be given to the Senator?

Mr. STENNIS. I do not think that would be required at all, so far as the operation of the amendment is concerned. The Senator could use his own funds. I am talking about possibilities. The Senator could use his own funds and receive reimbursement, or he could file a tentative schedule subject to correction and have it approved before departure.

Mr. ELLENDER. On the other hand, could an advance be made, let us say, by the State Department for travel, with an accounting to be given upon return?

Mr. STENNIS. The Senator could use the present law and draw an advancement from the State Department, of course, and give the accounting later. The Senator could draw the sums of money, as the Senator from Mississippi understands it, in the respective countries to which he went, if we had counterpart funds there.

Mr. ELLENDER. Would the amount to be drawn in each country be limited to the number of days a Senator remained in that country, at the amount fixed by the schedule to which the Senator referred?

Mr. STENNIS. Not in the opinion of the Senator from Mississippi. The Senator would not know how long he was going to be in the country.

Mr. ELLENDER. That is the point. The accounting would be very difficult.

Mr. STENNIS. The Senator would have control of the accounting. He could wait until he started to leave the country, or he could make an estimate.

Mr. ELLENDER. The Senator might have to carry a bookkeeper around with him, too. It would amount to that.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi has the floor. The Senator has yielded to the Senator from Louisiana.

Mr. ELLENDER. I am simply asking these questions. I am very much interested in the subject.

Mr. STENNIS. That is the point.

Mr. President, I yield to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator yields to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I am very much in favor of the Senator from Louisiana making any trip he wishes to make. I think the Senator gives us factual information when he returns to the Senate, as to what is being done all over the world. I am in favor of that.

I do not wish to have the Senator from Mississippi, the Senator from New Mexico, the Senator from Louisiana, or any other Senator given a free trip. I do not favor that. I know the Senator from Louisiana does not favor it, either.

However, I am in favor of the Senator from Louisiana going anywhere he should go and bringing information to the Senate as to what is going on with reference to foreign aid and our foreign relations in all these other countries. I also favor the same for the Senator from Wisconsin [Mr. WILEY]. I think the Senator from Wisconsin should go anywhere he thinks he should go, in order to bring to the Senate information which may be of benefit to us, to aid us in doing a little better job.

Mr. STENNIS. I say to the Senator from New Mexico, We certainly agree

with him on that. The amendment would provide the machinery whereby the Senator could carry out the mission.

Mr. CHAVEZ. I have no more faith in any Senator, of the 100 Senators, than I have in the Senator from Louisiana.

Mr. STENNIS. The Senate shares that faith.

Mr. CHAVEZ. I could not have more faith in the Senator from Louisiana. I also have great faith in the Senator from Wisconsin, and the other Senators.

Mr. STENNIS. If the Senator from Mississippi may give the Senator from Louisiana an illustration, it may help the Senate to understand the operation of the amendment.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. STENNIS. May I give the illustration for the Senator?

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. STENNIS. If the Senator from Louisiana goes to France and thinks he may be in France for 10 days, 5 days, or any specific number of days, the Senator can draw such amounts as he may wish from the Department of State, either in hard dollars or in counterpart funds, if available. Then the Senator would account for that money as he does now, but it would be according to the formula set forth.

Mr. ELLENDER. In other words, the amount which is listed for each country on the list will be the full amount which can be advanced by the State Department?

Mr. STENNIS. No. The State Department will be permitted to advance any amount of money the Senator may wish to draw.

Mr. ELLENDER. I expect to go to Poland. The per diem rate for Poland is $6.

Mr. STENNIS. That is correct.

Mr. ELLENDER. Does the Senator expect a Senator to live in Poland for that amount of money?

Mr. STENNIS. That is what those who go to Poland representing the executive branch receive. The Senator could apply to the Senate Committee on Rules and Administration, and on a showing of proper facts, of course, could receive $12, $14, or whatever his actual expenses were.

Mr. ELLENDER. Could that be done under the provisions of the amendment?

Mr. STENNIS. Yes.

Mr. ELLENDER. It could be done under the amendment the Senator is presenting?

Mr. STENNIS. Yes.

Mr. ELLENDER. As I understand the proposed amendment, although the amount prescribed for Poland is $6 a day, if the Senator shows his actual cost is $20 a day, that would be the amount paid?

Mr. STENNIS. That would be the amount, provided the Senate Committee on Rules and Administration so ordered.

Mr. ELLENDER. The Senator would have that privilege?

Mr. STENNIS. Yes.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. STENNIS. I believe I should yield now to the Senator from Delaware.

The PRESIDING OFFICER. The Senator from Mississippi yields to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, assuming that the Committee on Rules and Administration decided in the instance the Senator from Louisiana raised that in Poland it would allow a per diem of $25 per day, would that be all the report required?

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. STENNIS. May I answer the question of the Senator from Delaware? The Senator from Delaware has been on his feet for a long time.

The Senator from Louisiana, if he applied to the Committee on Rules and Administration for an additional allowance, of course would have to submit proof that his actual expenses were, let us say, $20 a day in that country. The Committee on Rules and Administration, in its discretion, could allow or disallow the $20. Presumably the committee would allow it.

Mr. WILLIAMS of Delaware. The question I ask is this: After the Committee on Rules and Administration decides to allow the $20 per diem, under the amendment of the Senator from Mississippi, is that all which is to be reported? Is the report only on the per diem allowance? Is that all the report to be made?

Mr. STENNIS. I think the report required is a report of what the Senator actually drew for those purposes.

Mr. WILLIAMS of Delaware. That would be the $20 per diem, with no breakdown? Is that what would be required under the amendment?

Mr. STENNIS. Yes. The Senator would have to prove his actual expenditure of the money, before he would get the additional allowance, and then he would report whatever sum he was allowed.

Mr. WILLIAMS of Delaware. I am asking about the report which would ultimately be made in the official report to the Senate. Would this be itemized or filed merely as a $20 item?

Mr. STENNIS. I do not think it would be filed in any way except as a per diem for Poland for the Senator from Louisiana, allowed by the Committee on Rules and Administration.

Mr. WILLIAMS of Delaware. That answers the question I was raising.

Mr. STENNIS. Yes.

Several Senators addressed the Chair.

Mr. STENNIS. Mr. President, I yield to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Mississippi yields to the Senator from Kentucky.

Mr. STENNIS. May I yield to the Senator from Kentucky?

Mr. MORTON. This schedule does not always work out fairly. It is sometimes a little low. But certainly the schedule which the Senator from Mississippi has developed and read to us is one that applies, as I understand, to every one in the executive branch of the Government.

Mr. STENNIS. The Senator is correct. May I make one exception? The committee amendment does set $12 as the minimum.

Mr. MORTON. In this country.

Mr. STENNIS. In any country, because that was considered the minimum for these purposes.

Mr. MORTON. But those who travel with the State Department or any other department use that schedule.

Mr. STENNIS. They use that schedule, and most of them are $12 or above.

Mr. MORTON. I think we could do the same. I commend the Senator for his amendment.

Would the proposed amendment apply to members of the Appropriations Committee who travel?

Mr. STENNIS. Yes; it applies to all Members of the Senate and all staff members of the Senate committees.

Mr. MORTON. Both those who travel on the funds of the various departments, the Defense Department or the State Department, and those who travel on Senate funds?

Mr. STENNIS. The amendment that is now in the law applies to funds of the Senate and committees of the Senate and the appropriated funds we have for those purposes.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. I think it is a good idea to have legislation like this, but it should apply to all the committees, should it not?

Mr. STENNIS. The amendment applies to all Senate committees.

Mr. AIKEN. This would apply to the Appropriations Committees, too?

Mr. STENNIS. The Senator is correct.

Mr. AIKEN. The Appropriations Committee draws funds from the State Department, does it not?

Mr. STENNIS. Yes; that is possible.

Mr. AIKEN. Then is not the Appropriations Committee exempted under the amendment?

Mr. STENNIS. Yes; that is possible. Mississippi thinks it applies to all committees.

Mr. WILLIAMS of Delaware. Do I understand the Senator to say that the Appropriations Committee can draw funds from the State Department and it would be exempt under the proposed amendment?

Mr. STENNIS. The Senator from Mississippi thinks it would be covered by the amendment. It would be possible to draw those funds, but they would still have to be accounted for and would be covered by this amendment. That is the way the Senator from Mississippi understands it.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi [Mr. STENNIS] to suspend the rule, which requires a two-thirds vote.

The motion to suspend the rule was agreed to.

Mr. STENNIS. Mr. President, I move the adoption of the amendment as heretofore explained.

The PRESIDING OFFICER. The amendment will be printed in the RECORD without reading.

The amendment is as follows:

"SEC. 105. (a) Section 502(b) of the Mutual Security Act of 1954, as amended, is amended by inserting before the last sentence thereof a new sentence as follows: 'Such consolidated report, in the case of a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate, shall show, in addition to the information otherwise required to be included, the total amount expended for each purpose by each member and employee during the calendar year covered by the report, or in the case of the report for the calendar year 1960, during the last six months of such year: *Provided*, That for the purposes of any report required by this section, a statement of the total amount of the per diem in lieu of subsistence authorized for any such member or employee in accordance with United States Senate Travel Regulations promulgated by the Committee on Rules and Administration of the Senate shall be considered a sufficient itemization of any expenditures made from such allowance.'

"(b) Each Senate member of the United States group or delegation to the Interparliamentary Union, the NATO Parliamentarian's Conference, the Canada-United States Interparliamentary Group, the Mexico-United States Interparliamentary Group, or any similar interparliamentary group of which the United States is a member, and each employee of the Senate, by whom or on whose behalf expenditures are made from funds appropriated for the expenses of such group or delegation, shall file with the chairman of the Committee on Foreign Relations of the Senate an itemized report showing all such expenditures made by or on behalf of each member or employee together with the purposes of the expenditure, including subsistence, transportation, and other purposes. Within sixty days after the beginning of each regular session of Congress, the chairman of the Committee on Foreign Relations shall prepare consolidated reports showing with respect to each such group or delegation the total amount expended, the purposes of the expenditures, the amount expended for each such purpose, the names of the members or employees by or on behalf of whom the expenditures were made and the amount expended by or on behalf of each member or employee for each such purpose. The consolidated reports prepared by the chairman of the Committee on Foreign Relations shall be filed with the Committee on Appropriations of the Senate. For the purposes of any report required by this section, a statement of the total amount of the per diem in lieu of subsistence authorized for any such member or employee in accordance with United States Senate Travel Regulations promulgated by the Committee on Rules and Administration of the Senate shall be considered a sufficient itemization of any expenditures made from such allowance. Each such consolidated report shall be printed in the CONGRESSIONAL RECORD within ten days after receipt by the Committee on Appropriations of the Senate.

"(c) Expenditures, whether from foreign currencies owned by the United States or from dollar appropriations, for expenses of members and employees of committees of the Senate, of joint committees whose funds are disbursed by the Secretary of the Senate, or of the Senate group or delegation of any interparliamentary body, incurred after July 1, 1960, in connection with travel outside the United States, shall be authorized only in accordance with the provisions of the United States Senate Travel Regulations promulgated by the Committee on Rules and Administration of the Senate.

"(d) Section 60 of the Revised Statutes (2 U.S.C. 102) is amended by adding at the end thereof a new paragraph as follows:

"'Reports of the Secretary of the Senate under this section shall be printed as a Senate document, and contain an index for all but salary payments.'"

Mr. WILLIAMS of Delaware. Has the Senator from Mississippi offered his amendment?

The PRESIDING OFFICER. The Senator from Mississippi has offered his amendment.

Mr. WILLIAMS of Delaware. Mr. President, I offer my amendment, which I send to the desk, designated "6-13-60—B," on behalf of the Senator from Maine [Mrs. SMITH] and myself, as a substitute for the amendment just offered by the Senator from Mississippi.

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Delaware.

The LEGISLATIVE CLERK. At the proper place in the bill it is proposed to insert the following:

SEC. . (a) The second sentence of section 502(b) of the Mutual Security Act of 1954, as amended, is amended to read as follows: "Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member and employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate)."

(b) Each member of the United States group or delegation to the Interparliamentary Union, the NATO Parliamentarian's Conference, the Canada-United States Interparliamentary Group, the Mexico-United States Interparliamentary Group, or any similar interparliamentary group of which the United States is a member, and each employee of the Senate or House of Representatives, by whom or on whose behalf expenditures are made from funds appropriated for the expenses of such group or delegation, shall file with the chairman of the Committee on Foreign Relations of the Senate in the case of Members or employees of the Senate, or with the Committee on Foreign Affairs of the House of Representatives in the case of Members or employees of the House, an itemized report showing all such expenditures made by or on behalf of each Member or employee together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within sixty days after the beginning of each regular session of Congress, the chairman of the Committee on Foreign Relations and the chairman of the Committee on Foreign Affairs shall prepare consolidated reports showing with respect to each such group or delegation the total amount expended, the purposes of the expenditures, the amount expended for each such purpose, the names of the Members or employees by or on behalf of whom the expenditures were made and the amount expended by or on behalf of each Member or employee for each such purpose. The consolidated reports prepared by the chairman of the Committee on Foreign Relations of the Senate shall be filed with the Committee on Appropriations of the Senate and the consolidated reports prepared by the chairman of the Committee on Foreign Affairs of the House shall be filed with the Committee on House Administration of the House. Each such consolidated report shall be printed in the CONGRESSIONAL RECORD within ten days after receipt by the Committee on Appropriations of the Senate or the Committee on House Administration of the House.

(c) Section 60 of the Revised Statutes (2 U.S.C. 102) is amended by adding at the end thereof a new paragraph as follows:

"Reports of the Secretary of the Senate and the Clerk of the House of Representatives under this section shall be printed as Senate and House documents, respectively."

Mr. WILLIAMS of Delaware. This amendment is printed and is on the desk available to all Senators. Unless some Senator wishes the amendment to be read, I ask that the reading be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. AIKEN. May I ask whether the amendment of the Senator from Delaware applies to Appropriations Committees?

Mr. WILLIAMS of Delaware. Yes.

Mr. AIKEN. And all other committees?

Mr. WILLIAMS of Delaware. The amendment applies to all committees of both the House and the Senate. It applies to all joint committees of both the House and the Senate. It applies to all special committees which are appointed by the Vice President or the Speaker of the House. The amendment covers all committees of which Members of Congress are members. It covers the employees of all such committees, and the amendment is applicable to both the House and the Senate. It would require an itemized accounting by each Member of all expenditures of either dollars or foreign currencies.

I recognize that there are certain rules that provide that the Senate should not amend the House rules. However, I point out that what we are amending tonight is a section of the law which was passed by both the House and the Senate; namely, section 502(b) of the Mutual Security Act, which provides that members of the legislative branch or congressional committees may draw under this act upon the various agencies of the Government for counterpart funds.

We are not amending the rules of either the House or the Senate.

The law was passed by both branches of Congress. It is a part of the law and is applicable not alone to the Senate, not alone to the House, but to Members of Congress as a whole, the legislative branch. We have amended that law on two different occasions.

We have amended that law, and no Member of either the Senate or the House has raised the question as to the propriety of that law being amended as it applies to both Houses of Congress. We amended the law a few years ago under the leadership of the Senator from Kentucky [Mr. MORTON]. We required a certain accounting of counterpart funds which were spent by the congressional committees in both the House or the Senate. That amendment was not accepted in its entirety, it is true. The

House rejected a part of it. But the House did not reject it on the basis that the Senate had no right to amend it. It rejected it on the basis that it did not like the substance of the amendment. It accepted only one part of the Senate amendment.

Earlier this year, by a vote of 68 to 0, the Senate adopted a similar amendment to that now pending before the Senate as applying to both the House and the Senate. By a rollcall vote, 68 Members of the Senate voted for it. No one voted against it. No one raised the question then as to the impropriety of voting for an amendment which would apply to the House. Included in the list of those who voted for that amendment were the Senator from Mississippi [Mr. STENNIS]; the Senator from Arizona [Mr. HAYDEN] was absent, but he was recorded in the Senate as being in favor of the amendment; the Senator from Oklahoma [Mr. MONRONEY]; and the Senator from Colorado [Mr. ALLOTT]. They voted and are so recorded in the RECORD of April 27, 1960, as being in favor of the amendment.

Mr. STENNIS. Mr. President——

Mr. HAYDEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Arizona?

Mr. STENNIS. The Senator from Arizona wishes the floor.

Mr. HAYDEN. I wish to ask whether the Senator's amendment prevailed?

Mr. WILLIAMS of Delaware. In the Senate, yes. A part of the amendment prevailed in conference which would make this accounting under the consolidated report——

Mr. HAYDEN. I am talking about the last amendment that the Senator offered.

Mr. WILLIAMS of Delaware. Yes, it was a part of the mutual security program which was adopted April 27, 1960, and when that amendment came back——

Mr. HAYDEN. I am talking about the amendment the Senator from Delaware offered and the Senate adopted about a month ago. It went to conference and the conferees said, "We will not accept an amendment adopted by the Senate dictating to the House what its Members shall do." Exactly the same thing would happen again if we accepted the Senator's amendment. It would be taken to conference, the conferees would disagree, and we would surrender and come back here again.

Mr. WILLIAMS of Delaware. The House rejected the amendment because it did not want to render any accounting at that time. However, they did accept a part of the amendment.

The vote was taken on April 27, 1960, and appears on page 8755 of the RECORD. Every member of the Appropriations Committee is recorded on that date as being in favor of the amendment which would lay down the same rules we are asking be laid down again tonight as applicable to both the House and the Senate. But the House accepted only that part of the amendment which included the dollar accounting as well as a foreign currency accounting. However, they raised no question as to the propriety of the Senate's right to act.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Irrespective of the questioning of the House, when we go to conference, we do so with the expectation that everything the Senator from Delaware [Mr. WILLIAMS] wishes must be carried out. We have to act as a body and as representatives of the Senate as conferees. That is the whole question in a nutshell. We might agree with the Senator from Delaware. We probably wanted to agree with the Senator from Delaware and did agree with the Senator from Delaware.

However, we were mistaken. After all, in order to enact a law, we must have the agreement of both Houses. I am sorry, but in many instances the House does not agree with the Senator from Delaware. We cannot hold it up. That is all there is to it.

Mr. WILLIAMS of Delaware. The House may not disagree this time if the Senate adopts the amendment. We shall have to cross that bridge when we reach it. Although the House rejected the amendment the last time, a great deal has happened in the past few weeks which may make the Members of the House more receptive than they were the last time. There is no use denying the fact that there have recently been exposed some glaring abuses in this connection. We should send the bill to the House with the amendment.

I point out one other point in favor of the amendment to show that there cannot be any valid argument raised in the House. There are now pending in the House of Representatives nine bills, every one of which proposes to amend the law to require complete accounting of these expense accounts. All of these bills would apply to the Senate as well as to the House of Representatives.

Mr. CHAVEZ. I believe the other 99 Members of the Senate try to be just as honest, just as sincere, and just as candid as any other Senator. There are 437 Members of the House of Representatives. How can we say that the only one who has the correct attitude on this subject is the Senator from Delaware?

Mr. COTTON. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. COTTON. I wish to ask the Senator from Delaware, in order that we may have a clear understanding, whether the amendment he offers is a substitute for the amendment of the Senator from Mississippi [Mr. STENNIS].

Mr. WILLIAMS of Delaware. That is correct.

Mr. COTTON. So if his amendment is adopted, there will not be carried into the bill any of the schedules and other features contained in the amendment of the Senator from Mississippi. Is that correct?

Mr. WILLIAMS of Delaware. Yes; my amendment is an entire substitute.

Mr. COTTON. It provides for a complete, full, and public accounting by every individual and by every committee in both Houses, both within and without the United States. Is that correct?

Mr. WILLIAMS of Delaware. That is correct. If a Member of Congress or an employee of a committee is in a certain country and he has a bona fide expense of $5 or $15, my amendment provides for reimbursement of that amount. There is much general good derived from congressional travel. I am not criticizing that at all. I believe that the commitments of the U.S. Government in foreign countries make it essential for Members of Congress on occasion to make these official trips.

I am in favor of having these official expenditures of the individuals involved paid by the U.S. Government. They should have the expenditures reimbursed; they should not be required to pay them out of their own pockets provided they are bona fide expenses.

On the other hand, we must realize that we are not spending our own money on this travel. We are spending money belonging to the taxpayers of the country. They are entitled to an accounting as to how their money is being spent. That is all I am asking for in the amendment. I am asking for an accounting. The amendment would cover the full amount which is necessary for these officials to spend. It would cover all expenditures, but would require an accounting from every committee and every Member of Congress, both with respect to counterpart funds and dollar expenditures.

Certainly that accounting should be made. A great deal of criticism which is leveled at official travel results from a few isolated cases of abuse. Once all this is put out in the open, I am not the least bit concerned that the public will not approve of this travel. On the other hand, if there are cases in which wrongs are committed, they should be criticized. When we put this information out to public scrutiny, we will not have any trouble with further abuses.

I hope the Senate will not yield on this question before we go to conference. I say, again, nine bills have been introduced in the House of Representatives, all of which are now pending over there, and not one of those bills introduced in the House excludes the Senate. Every one of the nine bills introduced in the House proposes to make the law applicable to both Houses of Congress; they would amend the law as to both Houses.

This procedure has been followed time and time again. The Senator from Georgia [Mr. RUSSELL] made an excellent argument in support of my amendment. Why should we single out the Senate and say that we will have different rules for the U.S. Senate? There are some joint committees involved, too. Why should the Members of the House not render an accounting of their expenses while traveling abroad?

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. ALLOTT. What the Senator is doing in effect, is saying that even though the rules may be excessive in the other body, we must go along with them. I do not believe any Senator agrees with

that contention. I should like to have the Senator answer a few questions. Will he join me in an amendment which will provide for a reporting on counterpart funds?

Mr. WILLIAMS of Delaware. It is already in section 502(b). We do not need to have an amendment on that point. It is already in the law, and an itemized accounting will be required if you will support my amendment.

Mr. ALLOTT. If the Senator wishes to amend the law, why does he not wish to put such a provision in the law? Would he be willing to ask the Senate, since he has already had the yeas and nays ordered on the amendment, to include at the end of line 22 an amendment to read "including funds expended from counterpart funds"?

Mr. WILLIAMS of Delaware. If the Senator thinks it is necessary, yes. However, if the Senator will get a copy of section 502 he will note that it was amended in 1958 to include an accounting of counterpart funds. It was amended in 1960, on the 27th day of April, to include dollar expenditures. That provision is already in the law. At the time I offered my amendment on April 27, 1960, there was included the provision for dollar funds. That part was accepted by the House of Representatives. Why should we put into the law something that is already there? If the Senator wants to do it, I do not know that it makes any difference.

Mr. ALLOTT. Will the Senator agree that it is not effective, because it was not reported, and therefore we put it into the law in a way in which it should be? I have voted for every one of these amendments the Senator from Delaware has offered since I have been in the Senate, which is about 6 years. There is another way in which his amendment is defective. If he will turn to page 4 of his amendment he will find the words:

> Reports of the Secretary of the Senate and the Clerk of the House of Representatives under this section shall be printed as Senate and House documents, respectively.

No mention is made that they shall contain an index, so that anyone who is looking for something can find it.

My position is clear. I shall support the chairman of my committee, because we have gone to the House enough times on this matter and have come home with nothing.

I am sorry about the order of things here. I would rather support our amendment first and then support, if I had to, the amendment of the Senator from Delaware.

Mr. WILLIAMS of Delaware. If my amendment is adopted the Senator need not worry that there will not be a full accounting. The law already provides for an accounting in a consolidated return—that is the way it reads—for appropriated dollars and counterpart funds. This was provided for in previous amendments. This year we included not only foreign currencies but also dollar appropriations. I repeat, it is already in the law that these reports shall be published in the CONGRESSIONAL RECORD within 10 days after receipt by the Committee on Appropriations of the Senate or the Committee on House Administration of the House on a consolidated basis.

My amendment provides for an itemized breakdown and the publication thereof by names of Members.

While the amendment does not provide for an index, if the reports are published in the CONGRESSIONAL RECORD we shall not need an index. Let us not kid ourselves. That is not a valid argument. If the committee felt the amendment lacked a few words, they could very easily have been added in committee or on the floor.

Mr. ALLOTT. I am asking the Senator to accept an amendment.

Mr. WILLIAMS of Delaware. If the Senator will get the Legislative Counsel to say it is necessary, I will accept it. However, Mr. Pinion, of the legislative counsel's office, has told me that it is not necessary. That office has worked on the problem for 4 or 5 days, and members of the staff may be as familiar with the subject as is the Senator from Colorado.

I yield to the Senator from Oklahoma.

Mr. MONRONEY. Under the Senator's amendment, which does not refer at all to the Senate Committee on Rules and Administration, there is no limit whatsoever, so long as a proper itemization is made, on what a Senator can spend a day, whether he is traveling within the United States or outside. As I read the amendment, he can spend $100 a day, so long as he reports his expenditures item by item and has them published in the CONGRESSIONAL RECORD.

Mr. WILLIAMS. That is correct. This amendment does not modify that. If the Senator wants to do it, all right; but he will not find many Members of either the House or Senate, if the amount is to be published in the CONGRESSIONAL RECORD, spending $100 a day.

If the Senate rejects this amendment, it will be saying that a Member of the House of Representatives can spend $500 a day, and we do not care. There would be no required accounting under the committee proposal.

Mr. MONRONEY. Our amendment limits reimbursement for travel within the United States to a per diem of $12 a day. It limits the travel expense to the same schedule as that of every employee of the U.S. Government. It is a schedule made by the Bureau of the Budget. The study estimates the price of an average room with bath in the various countries of the world.

I say that our amendment is much better drafted. I do not want to be running around with a lead pencil and little black book; and every time I spend 25 cents for a taxi, to write down the amount in the little black book, and then try to translate liras, cruzeiros, pesos, or guilders, or whatever other kind of currency it may be, into dollars to be shown on my expense account.

We have a limit on our per diem. We are allowed so much a day. We are going to lose money anyway. I would rather lose more money than to fiddle around keeping books when I ought to be working. I do not want to have to figure whether I paid a waiter or a taxi driver 50 cents.

The amendment which the committee has presented has been carefully prepared. It conforms with the practice which was established in the Legislative Reorganization Act, which was initiated by Bob La Follette.

As passed by the Senate it did not affect a line in the House rules. A provision was put into the Senate rules by the Senate. Then it was put into the House rules by the House. Had it been handled otherwise, the House would not have touched the bill.

Historically, from the establishment of these two great bodies, each has let the other be the judge of its own Members' conduct and of its own rules.

If we want legislation, if we want to limit expenditures to a reasonable amount and say that the reports are to be published, I believe we should accept the amendment suggested by the committee and reject the Williams amendment, which has an unlimited ceiling, so long as a Senator prepares a proper expense account and turns it in, and writes it up for $100 or $200.

Mr. WILLIAMS of Delaware. Mr. President, the Senator from Oklahoma has made much about items of 25 cents or 50 cents. He has complained that this amendment has no limit. Yet he wants no limit and no accounting in the House. Under his amendment there is no limit for the House at all. If a joint committee is involved and a House Member spends $400 a night, there is nothing to prevent him from doing so; and the Senator from Oklahoma says it is none of the Senate's business.

Mr. MONRONEY. I say it is the business of the House.

Mr. MANSFIELD. Mr. President, would the Senator from Delaware yield to permit a unanimous-consent request for a limitation of time, so as to enable the Senate to vote on this question? Would the Senator agree to 20 minutes on a side?

Mr. WILLIAMS of Delaware. No; I shall not delay the Senate unnecessarily. Several Senators desire to have me yield to them so I would not want to have the time limited. If the Senator wishes to finish the bill tonight or to have it go over until tomorrow, either procedure is satisfactory to me.

Mr. MANSFIELD. I think we ought to face up to the question tonight. I think the procedure is ridiculous. I am perfectly willing to be counted.

Mr. WILLIAMS of Delaware. I too am willing to vote tonight.

We are not amending the rules of the House. The objection being made is that the Senate has no right to amend the rules of the House. We do not touch the rules of the House. We do not touch the rules of the Senate. We are amending a law which was passed by both the House and the Senate and was signed by the President. The amendment I am offering has nothing whatsoever to do with the rules of either body. It has no reference to the rules.

Let us not kid ourselves. We do not amend the rules which provide the present per diem for congressional committees so far as travel in the United States is concerned. That provision under both amendments is left the same as it is now.

Under section 3 of my amendment, the same per diem is still carried. It does not change the rules so far as foreign travel is concerned except that we say that the Member when he comes back must render an itemized accounting and that the itemized report be public information.

Under the amendment proposed by the committee, as I understand the interpretation of the Senator from Mississippi, a committee can go before the Rules Committee, and if it can persuade the Rules Committee that in a certain country the per diem should be $20 a day and can get a rule from the Committee on Rules that it will allow $20 a day in X country, then that is all the accounting which is necessary to be made.

Mr. ALLOTT. The Senator from Delaware is decidedly in error.

Mr. WILLIAMS of Delaware. I hope the Senator from Colorado will wait. I said I would yield to the Senator from Mississippi to answer this question and then I shall yield to the Senator from Colorado.

Mr. STENNIS. I said that should a Senator have an actual per diem expense in country X of $20, and the schedule allowed but $15, and if the Senator went before the Committee on Rules and Administration and proved his case for the additional $5, then the committee in its discretion could allow the extra $5, in which event the Senator would, of course, have to report the $20, as in all such cases.

Mr. LAUSCHE. What would the proof in such a case consist of? Vouchers? Receipts?

Mr. STENNIS. I assume that if a Senator went before the Committee on Rules and Administration and stated as a fact that his expenditure was $20 in the country he visited, his statement would be accepted.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I think the Committee on Rules and Administration will be very busy.

I yield to the Senator from Massachusetts.

Mr. LAUSCHE. May I complete my thought?

Mr. WILLIAMS of Delaware. Yes.

Mr. LAUSCHE. I asked the question because the Senator from Oklahoma pointed out that under the Senator's amendment there would be no limitation; that it would be necessary to file vouchers and receipts; and that that would be too great a burden and too liberal a rule to adopt.

I point out that the statement of the Senator from Mississippi indicates that the provisions contained in this proposal are similar to the ones to which the Senator from Oklahoma objects as being in the proposal of the Senator from Delaware.

Mr. WILLIAMS of Delaware. I said that there would be no limit. Under this amendment which I now offer Senators would have to do as they do at the present time; namely, justify their expenditures to the chairmen of the respective committees. After they justify their expenses to the respective committees, the chairmen then report in the CONGRESSIONAL RECORD an itemized account of all such expenditures. I cannot conceive of a chairman of a committee approving an expense allowance with no limit. Remember, the information is all to be published in the CONGRESSIONAL RECORD and available to the American people. Once the expenses are published, I do not think we shall be bothered with abuse.

So far as the argument is concerned that it would be too much trouble for a Member of Congress to make an itemized report of expenditures, let us not forget that we demand the same kind of accounting from every businessman in America when he deducts such expenses from his income tax.

It is no more of a burden on Members of Congress to keep track of their expenses on a trip so that when they return they can render an accounting to the taxpayers than it is to demand that the taxpayers keep an account of their expenses and render it to Uncle Sam.

If it is considered a burden for Members of Congress to make such a report it would do us good to consider the burden which is placed upon the taxpayers.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. SALTONSTALL. It seems to me we are getting away from the point. The point is that it is desired to have every Senator who makes a trip, whether inside or outside the United States, to make a report. Whether he spends $12 a day or $16 a day is for him to decide.

I wish the Senator from Oklahoma [Mr. MONRONEY] were in the Chamber. However, speaking as one Senator who participated for several weeks in the debate on the La Follette-Monroney reorganization bill, I know it was made perfectly clear by the Senator from Wisconsin, Mr. Bob La Follette, that the rules of the Senate were intended to cover the Members of the Senate, and that it was not the intention to interfere with the House, or vice versa.

This is not a general law; it is a question of the rules of the Senate. We can apply those rules only to ourselves.

The distinguished Senator from Delaware and I have discussed this question in private several times. It seems to me it is a question of half a loaf being better than no bread. I have sat in many committees of conference on the legislative appropriation bill. On subjects of this nature, when we have tried to tell the House what to do, they are simply adamant.

What we are now trying to do is to say that so far as we ourselves are concerned, we will report what we have spent. Whether it is $10 or $20, it seems to me, is immaterial. The question is, Shall we make a report, and make it public? That is what the Senator from Mississippi [Mr. STENNIS] and the Senator from Arizona [Mr. HAYDEN] are trying to accomplish. It is what the Senator from Delaware [Mr. WILLIAMS] wants to do. But he is making it impossible to do it, because if the Senate adopts his proposal, then, as I told him in conversation 2 days ago, we will not get anywhere in conference with the Members of the House. We want to get half a loaf of bread, rather than no loaf.

Mr. WILLIAMS of Delaware. Mr. President——

Mr. CHAVEZ. Mr. President——

Mr. WILLIAMS of Delaware. Mr. President, in a moment I shall yield to the Senator from New Mexico; but first I wish to reply to the Senator from Massachusetts. He has referred to the La Follette-Monroney Reorganization Act.

The Senator from Massachusetts has emphasized the fact that each branch of Congress—the House and the Senate—reserves to itself the right to establish its own rules. I recognize that point.

But I point out that this amendment does not touch the rules of either the House or the Senate. It would be an amendment to a law which was passed by both Houses of Congress. This law has been amended at least twice.

I respect the rights of the Members of the House, but neither body is a private club supported by dues paid by its own Members. Each House is a group of elected public officials, working for the American taxpayers, and paid by the funds of the American taxpayers. Why should we not render an accounting of our expenditures? Why should we say that we, as Members of the Senate, are willing to vote tonight that the Members of the House should not make an accounting?

If this amendment goes to conference, I recognize that the House conferees may try to deadlock the conference rather than accept the amendment.

If some Members are so insistent that they will not render an accounting to the taxpayers who provide the funds we use, if the House conferees wish to disagree in conference and let the legislative appropriation bill be tied up, all that we will be doing is tying up our own payroll. If Members do not wish the public to know how they are spending the taxpayers' funds on these trips we should have our pay stopped until we become more considerate.

I am perfectly willing to see the legislative appropriation bill tied up if that is the situation. Why should we not try this proposal in conference?

I certainly would like to see our Appropriations Committee, which voted unanimously on April 27 on a rollcall vote for this same proposal, take that position again here tonight. Certainly, what has happened since April 27 has not changed the opinion of any Member as to the necessity of having an accounting made of these expenditures. On the contrary, we should be even more concerned now than we were then. These recent disclosures of abuse are a reflection on us all unless we act to stop them.

Mr. SALTONSTALL. Mr. President, will the Senator from Delaware yield, briefly?

Mr. WILLIAMS of Delaware. I yield.

Mr. SALTONSTALL. First, although this may be a general law, it would not be effective unless the rules of the committees and the rules of the Senate put it into effect; second, the House of Representatives is composed of grown men and women who are determined to protect the rights of the House of Representatives, as opposed to the rights of the Senate.

If we include this provision, inasmuch as the legislative appropriation bill must be enacted, and we must arrive at a compromise, we cannot do that if we remain firm on this item; and in that event there would be no funds with which to operate the legislative branch of the Government.

Mr. AIKEN. Mr. President——

Mr. WILLIAMS of Delaware. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, both of these amendments require each Member who travels to make a report to the chairman of the committee, who then will make a consolidated report to the Appropriations Committee, I believe.

Mr. WILLIAMS of Delaware. That is correct.

Mr. AIKEN. How will they be required to make the report? If I were the chairman of a committee of 15 or 20 members, all of whom were taking a foreign trip, I would not wish to be responsible for having each one make his report.

No penalty is called for by these amendments. Are the Members supposed to pay their own expenses in advance, and later be reimbursed, when they make their report? How would that matter be handled?

Mr. WILLIAMS of Delaware. This provision requires a report. If the amendment is adopted and is enacted into law, and if a Member of the Senate—to cite an extreme case—drew $1,000 or an equivalent amount of counterpart funds in France, let us say, and upon his return flatly refused to render any accounting, that refusal would be published in the CONGRESSIONAL RECORD within 10 days after the report was made by the chairman of the committee. The chairman of the committee must receive the information from the Members within 60 days after the beginning of the next session of Congress or report their refusal.

Mr. AIKEN. But perhaps only two of the Senators in the group would be members of, let us say, the Interparliamentary Union, and perhaps the other Senators who were making the trip would be traveling in connection with other Senate business. Yet the chairman would be held responsible in case certain Members failed to make their reports. How would the chairman be able to "get off the hook?"

Mr. WILLIAMS of Delaware. Presumably the entire trip would be taken under the authority of the committee in question—for instance, let us say, the Foreign Relations Committee. If, following their return from the trip, one of the Members refused to make his report to the chairman of the Foreign Relations Committee, the chairman would report, "I have waited 60 days after the return of the Members who made the trip, and Member so-and-so has refused to make any reporting to me." That information would be published in the CONGRESSIONAL RECORD, and he could then be called to account by either the House or Senate as the case may be.

I am not concerned about any particular Member of the Senate or any particular Member of the House attempting this because under this amendment the chairman of the committee would report that the Member who refused to make the report had drawn "X" amount of money in a certain country or countries but had refused to render any report; then that information would be reported not only to the Senate and to the House but also to all the American people through the CONGRESSIONAL RECORD.

Under either amendment I am not concerned that Members of Congress who returned from such a trip would make necessary the publication of a notice that they had spent the equivalent, let us say, of $1,000 in a certain country with the notation, "I flatly refuse to make any accounting of how I spent it." If so, we would have to handle that situation when it happened.

Mr. AIKEN. Does the Senator from Delaware agree that if the chairman of the committee had waited a reasonable length of time for reasonable reports to be made to him—and, for instance, if 20 Members were on a bus, I suppose each would pay one-twentieth of the bus expense, and would include that part in his report—but, at any rate, after waiting a reasonable length of time, if some of the Members who had been traveling refused to make their reports, then, in the opinion of the Senator from Delaware, would the chairman—for instance, the chairman of the Foreign Relations Committee—be acting properly if he reported which ones had made their reports, and then said, "Such-and-such Members received so much money, but have declined to account for it."

Mr. WILLIAMS of Delaware. That is the only report he could make.

Mr. AIKEN. Because the chairman could not be held responsible, when he does not have any authority over such Members.

Mr. WILLIAMS of Delaware. Certainly he does not. But this amendment states that each Member would be required to submit his report to the chairman of the committee within 60 days after the convening of the next session of Congress; and, 10 days later the chairman would submit the report for publication in the CONGRESSIONAL RECORD. If any member of a committee of either the House or the Senate were so arrogant that after spending $100 or $1,000 he would refuse to make the required report, the chairman of the committee would not be responsible for his refusal but would merely report that information to the Senate or to the House; and we think that would take care of the matter because either the Senate or the House has authority to discipline its own Members.

Mr. AIKEN. I think the chairmen of the responsible committees will be glad to have in the RECORD the statements of the Senator from Delaware.

Does the Senator from Mississippi have the same understanding, in case a Member of the Senate who traveled declined or failed to make the report to the proper person?

Mr. STENNIS. The Senator from Mississippi would say it would certainly be his opinion——

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Mississippi?

Mr. STENNIS. Will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. STENNIS. A Senator guilty of such conduct would be violating the rules of the Senate and the law of the land. If the amendment is adopted, it will be the law, and I certainly think Senators will comply with it.

Mr. AIKEN. That would be true of either amendment.

Mr. STENNIS. Yes; that would be true of either amendment.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. Mr. President, I am ready to yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Delaware yield to the Senator from Illinois [Mr. DIRKSEN]?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. I should like to ask three questions of the Senator for clarification. The first question is this: The amendment of the Senator from Mississippi applies only to the Senate, and not to the House. Is that correct?

Mr. WILLIAMS of Delaware. That is correct.

Mr. DIRKSEN. The amendment of the Senator from Delaware applies both to the House and the Senate. Is that correct?

Mr. WILLIAMS of Delaware. That is the major difference between the two amendments.

Mr. DIRKSEN. This provision really would become law permanently.

Mr. WILLIAMS of Delaware. Yes.

Mr. DIRKSEN. The third question is this: The amendment of the Senator from Delaware sets no limitation, such as per diem; it requires only that what a Member of Congress spends be reported. Is that correct?

Mr. WILLIAMS of Delaware. That is correct.

Mr. DIRKSEN. A Member of Congress could go to the Claridge in London, at $30 a day; he could go to the Dorchester, at $20 a day; or to the Savoy, at $40 a day; or he could go to some other hotel, and be reimbursed for only $15 a day. It does not make any difference, so long as that Member of Congress reports the full amount. Is that correct?

Mr. WILLIAMS of Delaware. Under my amendment.

Mr. DIRKSEN. Under the amendment of the Senator from Mississippi, there is a $12 per diem limitation. Is that correct?

Mr. WILLIAMS of Delaware. In the United States. The Senator from Mississippi can explain his own amendment,

but the amendment which I have offered retains the existing law with respect to the $12 per diem limitation within the United States. We do not change that at all. It is retained. On expenditures made in foreign countries under existing law there is no limitation in the amount which may be spent by Members of Congress. A Member of Congress could, under existing law, go to any one of the three hotels the Senator has mentioned. Not only that, but rather than get a room he could ask for the presidential suite and charge the $100 a day to the taxpayers, and no one would know about it. No accounting is now required.

Mr. DIRKSEN. But, under the amendment of the Senator from Delaware, it would be all right so long as he reported it. Is that correct?

Mr. WILLIAMS of Delaware. My amendment takes care of excessive charges by requiring that they be reported. However, I am willing to accept an amendment placing a limit on the amount of per diem allowance if it is thought to be necessary. I think the heart of the question is that we get a proper accounting for the public. If there is a proper accounting and every Member has to account for all such expenditures to the people back home, I venture to say he will not be staying at many $50- and $100-a-day hotels, nor will there be many other unnecessary expenditures.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield so that I may propound a unanimous-consent request that there be a vote after a 5-minute debate on each side?

Mr. WILLIAMS of Delaware. I promised to yield to the Senator from Ohio [Mr. LAUSCHE] and the Senator from Vermont [Mr. AIKEN]. Let me yield first to those Senators.

Mr. JOHNSON of Texas. The Senator can yield to them under the 5-minute limitation.

Mr. WILLIAMS of Delaware. I promised to yield to the Senator from Ohio.

Mr. JOHNSON of Texas. The Senator can yield to him. The Senator will have 5 minutes.

Mr. WILLIAMS of Delaware. I do not know for what they wish me to yield. I yield first to the Senator from Vermont [Mr. AIKEN]. Then I shall yield to the Senator from Ohio [Mr. LAUSCHE].

Mr. AIKEN. Mr. President, I asked the Senator to yield because I think the amendment of the Senator from Delaware is the only one that would work, because it applies to committees made up of House and Senate Members. It would be ridiculous to require that half of those Members make individual reports, and not require the other half of the Members to do so. I think, with respect to the joint committees referred to, it would be necessary to put them under the same rule when they travel on the same bus or plane. Otherwise, half of them would say, "We do not make any reports," and perhaps the other half would have to pay the whole bill, for all we know.

Mr. WILLIAMS of Delaware. If that is not done there may be a limitation of $12 per diem applying to Members of the Senate, and Members of the House may at the same time be staying in $50-a-day rooms with no reports to make. I do not think we should adopt any different rules for either branch. Let everybody render an itemized accounting of all their expenditures.

I now yield to the Senator from Ohio [Mr. LAUSCHE]. Then I shall be ready to vote, so far as I am concerned.

Mr. LAUSCHE. Mr. President, reference has been made to the La Follette-Monroney Reorganization Act, which declared that each of the two Houses should be vested with the right of determining the expenditures of their own employees and Members. The study which was made of that subject probably justified that conclusion. However, I should like to point out that whenever a Member of the Senate demeans himself improperly with respect to public funds, it makes no difference what the La Follette-Monroney declaration was—the odium of that misconduct falls upon every Member of the Congress.

Mr. WILLIAMS of Delaware. That is correct. It cannot be otherwise.

Mr. LAUSCHE. On the other hand, when unjustified and extravagant expenditures are made by a Member of the House, that same odium falls upon Members of the Senate.

My mail has been loaded with questions such as, "Why does not Congress do something about this problem?" In my opinion, the effort made by the Senator from Delaware is to reach to the roots of a very critical problem. That critical problem will not be lessened by declarations made in the Senate that it is consequential. The people of the country want some care in the spending of public money on trips which we are making around the world. If there is no one else here to support the fearless Senator from Delaware—and I think there will be others—I am prepared to support him. I want to commend him for the unending, unflinching fight which he has made on the floor of the Senate day after day in trying to maintain decency and protect the taxpayers of the country.

Mr. WILLIAMS of Delaware. Mr. President, I am prepared to yield the floor. First, however, I ask unanimous consent that there be printed at this point in the RECORD an explanation of the amendment as furnished by the legislative counsel.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPLANATION OF AMENDMENT

The amendment adds a new section to the bill. Subsection (a) of the new section is in the form of an amendment to section 502(b) of the Mutual Security Act of 1954, as amended. Section 502(b) requires that members and employees of congressional committees making foreign currency expenditures file itemized reports with the chairmen of their committees showing the amounts and purposes of the expenditures. Under an amendment adopted earlier this year, these reports must also include any expenditures from appropriated dollars made available to a committee or to its members or employees for expenses of foreign travel. Reports filed by individual members and employees are required to be consolidated so as to show the total amount of the expenditures of the committee for each purpose. The consolidated report must be filed with the Appropriations Committee on the Senate, and the House Administration Committee in the House during the first 60 days of each calendar year, and is then required to be published in the CONGRESSIONAL RECORD. At the present time, the consolidated reports are not required to contain the names of the individual members and employees incurring the expenses. Under the amendment made by subsection (b), consolidated reports in addition to showing the amounts spent for each purpose by the committee, would be required to show the total amount expended by each member and employee for each purpose.

Subsection (b) of the amendment would require reporting, in the manner described above, by members and employees of the U.S. delegations to interparliamentary bodies, such as the Interparliamentary Union and the NATO Parliamentarians Conference. Since these delegations are not committees within the meaning of section 502(b), the reporting requirements of such sections are not applicable to them.

These groups are not authorized to spend counterpart funds, but receive regular appropriations for their expenses. Subsection (b) of the amendment would require reports of all expenditures from these appropriations to be made to the chairman of the Committee on Foreign Relations of the Senate in the case of Senate Members and employees, and to the chairman of the Committee on Foreign Affairs of the House in the case of House Members and employees. These consolidated reports, showing an itemized breakdown as described above, would then be filed by the chairman of those committees and would be printed in the CONGRESSIONAL RECORD.

Subsection (c) of the amendment amends section 60 of the Revised Statutes (2 U.S.C. 102). Section 60 provides for the filing by the Secretary of the Senate and the Clerk of the House with the respective Houses of annual reports containing certain information, including detailed statements of contingent fund expenditures. The report filed by the Secretary of the Senate has in the past been published as a public document. It is understood, however, that for the past several years there has been no such publication in the case of the House. The amendment would require no change in Senate practice but would require that the report of the Clerk of the House be published in similar fashion.

Mr. STENNIS. Mr. President, I shall take a moment to summarize. We believe the amendment we have offered is the only practical way to get at this problem. The only way for the Senate to cover the question is to adopt this rule. Dollars and amounts, and variations of schedules, are not important. The major consideration is the adoption of a rule of conduct that will be the law of the land, so far as we are concerned, for the expenditure of public funds as Members of this body.

Under the amendment, the Rules and Administration Committee will still have abundant authority to revise the schedule upward in order to take care of any real need, not only as to individuals, but it will be able to revise schedules upward before they go into operation under the present rules of the Senate and under the amendment.

So, in our opinion, though what the Senator from Ohio has outlined is true, the only proper procedure that can prevail is adoption of our amendment,

which applies to the Senate. Then the House can devise its own rule as it may see fit.

The Senate must not stumble over theories and items of figures. Let us adopt the amendment so that we may have a rule and guide, which the Rules and Administration Committee may revise in any way it sees fit.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield.

Mr. HOLLAND. I think all of us would like to see a measure apply to both Houses. We tried that 2 or 3 times before.

Mr. STENNIS. A number of times.

Mr. HOLLAND. The conferees have returned from the conference unable to accomplish anything, because the House was not willing to accept the proposal. It seems to me the only way we can surely get something done is to support the amendment offered by the Senator from Mississippi, the distinguished chairman of the subcommittee. The only way we can get anything done with assurance is to support the amendment, in the hope that when we go to conference the House will be willing to expand it, with the knowledge that if the House conferees will not agree we shall at least have made a beginning in behalf of the Senate to show affirmatively where we stand. Therefore, I shall support the amendment of the Senator from Mississippi.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS] in the nature of a substitute for the amendment of the Senator from Mississippi [Mr. STENNIS].

Mr. DIRKSEN. Mr. President, I shall ask the Senator from Massachusetts only one question. The Senator is a ranking minority member of the subcommittee and has lived with the problem a long time. I ask the Senator to state in 30 seconds what is his estimate of the situation—whether he thinks the distinguished Senator from Mississippi is correct in the presentation of his amendment, or whether we should support the Senator from Delaware.

Mr. SALTONSTALL. Mr. President, I believe the only practical way to go about accomplishing our objective is to support the Senator from Mississippi and the Senator from Arizona. If we wish to make public the money we Senators spend we should support the amendment of the Senator from Mississippi and vote against the amendment of the Senator from Delaware.

In my opinion, ultimately the objective of the Senator from Delaware may be accomplished, but the only way we can make a start is to make a start with ourselves. I have been through this on three or four conference committees. I believe we will get nowhere in that process, but if we support the amendment of the Senator from Mississippi we shall make a start.

Mr. WILLIAMS of Delaware. Mr. President, I shall take only 1 minute.

I point out that this particular amendment has not been to conference with the House of Representatives since the recent disclosures, which I believe may have changed the sentiment in the House toward accepting the amendment.

The point was made a moment ago that if we should agree to the committee amendment dealing with the Senate only and send it to conference, the conferees could expand it to include the House if the House should so desire. That is in error. That action would be subject to a point of order. The conferees could not expand the provision beyond what was taken to the conference. The proposal would not be in conference unless we accept my amendment.

I point out further that if all the Senate wishes to do is to open its own records it is not even necessary to enact a law. All that is necessary is to have the chairman of the Committee on Appropriations and the chairman of the Committee on Foreign Relations stand on the floor of the Senate tonight and say, "All records of the Senate now in our possession which relate to foreign travel are public information," and then it will all be over. What the Senate is asked to do is to go through the farce of passing a bill which is applicable only to the Senate, in order to make the Senators do what they say they want to be made to do by law. Let us stop kidding ourselves. If we really want to remove this cloak of secrecy we should vote for this amendment being offered on behalf of Mrs. SMITH and me.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware, in the nature of a substitute for the amendment of the Senator from Mississippi. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. SYMINGTON], the Senator from Florida [Mr. SMATHERS], the Senator from Virginia [Mr. BYRD], and the Senator from Missouri [Mr. HENNINGS] are absent because of illness.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Indiana [Mr. HARTKE], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Missouri [Mr. SYMINGTON], the Senator from Virginia [Mr. BYRD], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Arizona [Mr. GOLDWATER] would each vote "nay."

The result was announced—yeas 56, nays 23, as follows:

[No. 248]

YEAS—56

Aiken	Ervin	Mansfield
Anderson	Fong	Martin
Beall	Frear	Morse
Bennett	Fulbright	Morton
Brunsdale	Gruening	Mundt
Bush	Hart	Muskie
Butler	Hickenlooper	Pastore
Cannon	Hruska	Proxmire
Carlson	Jackson	Randolph
Carroll	Javits	Schoeppel
Case, N.J.	Johnston, S.C.	Scott
Case, S. Dak.	Keating	Smith
Cooper	Kerr	Talmadge
Cotton	Kuchel	Williams, Del.
Curtis	Lausche	Williams, N.J.
Dodd	Long, La.	Yarborough
Douglas	McCarthy	Young, N. Dak.
Dworshak	McGee	Young, Ohio
Ellender	McNamara	

NAYS—23

Allott	Gore	Prouty
Bible	Hayden	Robertson
Byrd, W. Va.	Holland	Saltonstall
Capehart	Johnson, Tex.	Sparkman
Chavez	Jordan	Stennis
Clark	Long, Hawaii	Thurmond
Dirksen	Monroney	Wiley
Engle	Moss	

NOT VOTING—21

Bartlett	Hartke	McClellan
Bridges	Hennings	Magnuson
Byrd, Va.	Hill	Murray
Church	Humphrey	O'Mahoney
Eastland	Kefauver	Russell
Goldwater	Kennedy	Smathers
Green	Lusk	Symington

So the amendment of Mr. WILLIAMS of Delaware in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Mississippi [Mr. STENNIS].

The amendment as amended was agreed to.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from New York.

Mr. JAVITS. Some Senators who live close to the Capitol have a problem which I wish to bring to the attention of the Committee. The problem has to do with the interchangeability, if any, between telephone and telegraph allowances. A substantial amount of my telegraph allowance is unused, but I often have a shortage in my telephone allowance. May I ask the Senator to have a study of that question made?

Mr. STENNIS. I assure the Senator that the subject to which he refers will be looked into. As the Senator from Mississippi recalls, the two accounts are handled separately and in different ways. They are not easily made interchangeable. However, we will certainly study the question and attempt to reach a solution to his problem.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. ELLENDER. There has been considerable discussion in the past two or three weeks with respect to the construction of a new swimming pool. I wonder if the Senator will tell us whether or not there is money provided in the bill for the construction of a new swimming pool.

Mr. STENNIS. No, there are no funds provided in the bill for that purpose, to be used or that can be used for the purpose the Senator has mentioned.

Mr. ELLENDER. Can the Senator inform us as to whether any effort is now being made to construct a new swimming pool?

Mr. STENNIS. I am glad to give the Senator from Louisiana such knowledge as I have, which is largely what I have read in the newspapers. But I have understood that there has been recently authorized by the Senate Office Building Commission the building of a small pool in what is ordinarily called the gymnasium, and the Senator from Mississippi is glad to give the following explanation of the amount of money involved and where the money can come from if it is so used.

Two years ago, I believe it was, a request was made for a very large sum of money to re-wire, re-aircondition, and re-do the plumbing in the Old Senate Office Building at a cost of $500,000 or $600,000. The request was denied, but of that amount a sum of around $150,000 was included.

Mr. ELLENDER. As I recall, the Architect of the Capitol had submitted a request for as much as $6½ million to do that job. That is my recollection.

Mr. STENNIS. The Senator is correct.

Mr. ELLENDER. The committee finally gave the Architect of the Capitol $250,000 to remodel the existing facilities in the old Capitol Building, and I understand that of that sum of $250,000 there remains $120,000. I understand the balance of that amount is what the Senator is now referring to.

Mr. STENNIS. Yes, there is a balance on hand. The money expended has been used for cutting doors through walls and increasing the number of rooms. A part of the money was used to take out the old cafeteria on the second floor and to convert it into a hearing room or Space Committee rooms, and quarters, and in a small way the remodeling of offices of different Senators.

The Senate Office Building Commission, as the Senator from Mississippi understands, has authorized the sum of around $45,000 of that existing money to be spent in small items in this gymnasium, the principal one of which is the swimming pool to which the Senator refers.

Mr. ELLENDER. Is it not a fact that the amount of $250,000 was designated for the purpose of remodeling existing facilities in the old office building?

Mr. STENNIS. The provision reads as follows:

Remodeling, Senate Office Building: Toward carrying out the provision of the Act of July 10, 1957, Public Law 85–95, authorizing the enlargement and remodeling of Senators' suites and structural, mechanical, and other changes and improvement in the existing Senate Office Building to provide improved accomodations for the United States Senate, $250,000 to be expended under the direction of the Senate Office Building Commission.

Mr. ELLENDER. Does the Senator interpret that section of the law as giving the Commission the right to construct a brandnew swimming pool in the old office building?

Mr. STENNIS. I think it would, in connection with the enlargement or remodeling of the quarters and the facilities that are there. Among the facilities is a very small swimming pool which the Senator from Mississippi was paid for through the private funds of the Senate many years ago. I cannot vouch for that information, but I believe it was some 40 years ago. The Senator understands that it is not much larger than an old-fashioned wash pot, and can only be used by one Senator at a time, if he is really going to swim. I learned how to swim in a creek.

Mr. ELLENDER. I understand that the dimensions of the present pool are 14 feet by 20 feet. It is proposed to build one 20 feet by 20 feet.

Mr. CHAVEZ. That is correct.

Mr. STENNIS. I should like to conclude my statement. I propose the expansion of the present pool or the building of another swimming pool for the following reasons. Although I do go to the gymnasium, I seldom get into this small size pool. There are Members of the Senate, however, who are in such physical condition that, under doctor's orders, the only kind of exercise they can take is a very mild type, of which swimming is the best.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. STENNIS. I should like to finish this point first. This is a factual statement. I am certainly willing to provide a small pool so that Senators may take some exercise, under the schedule on which we have been operating here, and I am willing to have any reasonable sum of money spent for that purpose.

Mr. ELLENDER. It is not a question of opposing the project, by any means. However, it strikes me that we ought to follow the law. As I read the law, I do not see in it any right on the part of the Commission to construct a brandnew swimming pool. The money was appropriated—and I was present when all of it was done—for the purpose of renovating and renewing present facilities, not for the building of a brandnew structure. Merely reading the law, which the Senator from Mississippi has done, indicates to me clearly that the money that is left over should either be returned to the Treasury or spent, if necessary, for the remodeling of Senator's suites, and things of that kind; in other words, for existing facilities. If the Commission takes some of the $120,000 to spend on a brand new pool, that is not in accordance with the law as I read it.

Mr. STENNIS. There is no proposal that the Senator from Mississippi has heard of about spending $120,000 on a swimming pool. I used the figure of $44,000.

Mr. ELLENDER. I may have misstated it. If so, I am in error. I believe I said out of the $120,000, this amount would be spent for the pool. It is my information that out of it we would spend $44,000, instead of renovating the existing swimming pool, to build a brand new one.

Mr. CHAVEZ. That is correct.

Mr. ELLENDER. Why do we not go through the regular procedure and make a case for it and let the money be appropriated?

Mr. CHAVEZ. We are going through the regular procedures. The Senator from Louisiana is not willing to give $4 billion to foreign aid. I wonder why he is worrying about $44,000 for Senators to take a bath. It makes me sick to think that 99 men and the good lady in the Senate will appropriate $60 million for the State Department and then worry about someone taking a bath in a $44,000 pool. We worry about that.

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER. The Senator from Mississippi has the floor.

Mr. STENNIS. Mr. President, I yield first to the Senator from Oregon [Mr. MORSE]. He has been on his feet a long time.

Mr. MORSE. I wish to associate myself with the remarks of the Senator from Louisiana [Mr. ELLENDER]. I suggest, from the standpoint of safety of Members of the Senate, to which the Senator from Mississippi [Mr. STENNIS] has referred, that I believe it would be better to provide Senators with a cold shower than running the risk of drowning in the pool.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ELLENDER. I wish to repeat that I am not taking issue with the distinguished Senator from New Mexico. It may be that we do need a new swimming pool, but let us get it in an orderly fashion.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. STENNIS. Mr. President, I yield to the Senator from Alaska.

Mr. GRUENING. Mr. President, I think it is desirable that we have two pools. For one thing, the Senate has been guilty of gross discrimination in having a pool only for the male Members of the Senate. In the next Senate we will probably have two or more lady Senators. It is only fair that one of these pools and one of these facilities be reserved for them.

Mr. STENNIS. There is no money in the bill for a swimming pool.

Mr. CHAVEZ. I tell the Senator that we have the money.

Mr. LAUSCHE. Mr. President, I should like to ask the Senator from Mississippi to repeat the statement which he has just made about money being included in the bill for a swimming pool.

Mr. STENNIS. There are no funds in the bill for a swimming pool.

Mr. President, I ask unanimous consent that a statement I have prepared with reference to the restoration of the old Supreme Court Chamber and the old Senate Chamber be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR STENNIS

I strongly support the committee's amendment to provide $400,000 for restoration of the Old Senate Chamber on the principal floor of the Capitol and of the Old Supreme Court Chamber on the first, or ground floor.

The rather casual use of these historic chambers has been an object of concern to many of us.

We feel that these Chambers should be restored and refurnished in an authentic manner to their condition in 1859. Then, these rooms should be dedicated to the public in perpetuity.

These Chambers—true examples of architectural and decorative beauty in their original condition—have witnessed many milestones of American history.

Let me briefly review the history of these two chambers and then relate some historic events that transpired there.

Originally the Senate Chamber in the north wing of the Capitol was two stories high. It extended upward from the Old Supreme Court Chamber to the Old Senate Chamber opposite the Disbursing Office. It was used as a Senate Chamber from 1800 until 1808.

Then it was subdivided by adding a floor on the principal floor level, and in 1810 the Senate moved up to the upper level, while the Court moved into the lower Chamber.

These two bodies occupied the Chambers until the British burned the Capitol in 1814. It took 5 years to complete the repairs, and then (1819) the restored Chambers were reoccupied.

In 1828 a balcony was added around the semicircular portion of the Senate Chamber. It was here that the press, for the first time, had space reserved for free reporting of Senate deliberations.

The Old Senate Chamber was occupied by the Senate until 1859, when it moved into the present Chamber.

Planned restoration includes rebuilding the balcony, removal of the wooden screen on the east side, and the busts of the Justices. It will feature replicas of Senate furniture and draperies. The Peal portrait of Washington will be returned and the ornate central chandelier replaced.

Restoration of the lower Chamber, the old Supreme Court Chamber, will include removal of wooden partitions now subdividing the Chamber, removal of the protective structure which conceals Franzoni's bas relief "Justice Holding Scales." Judicial furniture of the period will be added.

The Architect's Office, working in connection with the Archives and Records Service and the Library of Congress, is gathering photographs, prints, and drawings of the two Chambers, in an effort to recreate, realistically, the environment of a century ago.

In the two-storied original Senate Chamber, Thomas Jefferson was sworn in by John Marshall and delivered his inaugural address. The Louisiana Purchase was ratified here in 1803.

The Chamber on the principal floor witnessed the declaration of war of 1812, the war with Mexico in 1846. The Senate sat here when the Monroe Doctrine message was sent to Congress.

John Calhoun, Henry Clay, and Daniel Webster delivered historic speeches and their farewell addresses here. Funeral ceremonies for Calhoun and Clay were held in this Chamber.

The Supreme Court Chamber on the ground, or first floor, had its moments, too. Under two famous Chief Justices, John Marshall and Roger Brooks Taney, the Court, here, rendered many landmark cases. A few of these are: *Dartmouth College* v. *Woodward* (1819), *McCullogh* v. *Maryland* (1819), *Gibbons* v. *Ogden* (1824), *Martin* v. *Mott* (1827), *Worchester* v. *Georgia* (1831), *Bank of Augusta* v. *Earle* (1839), *Swift* v. *Tyson* (1842), *Abelman* v. *Booth* (1855), and *Dred Scott* v. *Sanford* (1856).

Surely, these events assure these Chambers of important places among our national shrines.

The amount involved is relatively small: $400,000. These Chambers should belong to the public, and particularly should they belong to our youthful visitors who may experience a new sense of historical inspiration, a new dimension of patriotism, by having the opportunity for a clearer look at history that this restoration will provide.

The language included in the bill by the committee reads as follows:

"RESTORATION OF OLD SENATE CHAMBER AND OLD SUPREME COURT CHAMBER IN THE CAPITOL"

"To enable the Architect of the Capitol to afford to the American people an opportunity to observe in its historic form, and to maintain as objects of interest to the youth of the United States, the rooms in the Capitol in which the United States Senate and the United States Supreme Court conducted their respective sessions in the early decades of our Nation, the Architect of the Capitol is authorized to make such expenditures as may be necessary to restore the Old Senate Chamber on the principal floor of the Capitol and the Old Supreme Court Chamber on the ground floor of the Capitol substantially to the condition in which these chambers existed when last occupied in 1859 and 1860, respectively, by the Senate and the Court, including expenditures for procurement, restoration, and repair of furniture and furnishings for these chambers, $400,000 to be expended without regard to section 3709 of the Revised Statutes, as amended, and to remain available until expended.

"Said Chambers are hereby dedicated as permanent historic shrines of the Senate of the United States and of the Supreme Court of the United States, and when restored, shall be exhibited to the public and used for no other purpose."

The PRESIDING OFFICER. The question is on the passage of the bill. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Montana [Mr. MURRAY], the Senator from Georgia [Mr. RUSSELL], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Rhode Island [Mr. GREEN], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Oregon [Mr. LUSK], the Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Montana [Mr. MURRAY], the Senator from Missouri [Mr. SYMINGTON], the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Massachusetts [Mr. KENNEDY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Arizona [Mr. GOLDWATER] would each vote "yea."

The result was announced—yeas 81, nays 0, as follows:

[No. 249]

YEAS—81

Aiken	Engle	Martin
Allott	Ervin	Monroney
Anderson	Fong	Morse
Bartlett	Frear	Morton
Beall	Fulbright	Moss
Bennett	Gore	Mundt
Bible	Gruening	Muskie
Brunsdale	Hart	Pastore
Bush	Hayden	Prouty
Butler	Hickenlooper	Proxmire
Byrd, W. Va.	Holland	Randolph
Cannon	Hruska	Robertson
Capehart	Jackson	Saltonstall
Carlson	Javits	Schoeppel
Carroll	Johnson, Tex.	Scott
Case, N.J.	Johnston, S.C.	Smathers
Case, S. Dak.	Jordan	Smith
Chavez	Keating	Sparkman
Clark	Kerr	Stennis
Cooper	Kuchel	Talmadge
Cotton	Lausche	Thurmond
Curtis	Long, Hawaii	Wiley
Dirksen	Long, La.	Williams, Del.
Dodd	McCarthy	Williams, N.J.
Douglas	McGee	Yarborough
Dworshak	McNamara	Young, N. Dak.
Ellender	Mansfield	Young, Ohio

NAYS—0

NOT VOTING—19

Bridges	Hennings	Magnuson
Byrd, Va.	Hill	Murray
Church	Humphrey	O'Mahoney
Eastland	Kefauver	Russell
Goldwater	Kennedy	Symington
Green	Lusk	
Hartke	McClellan	

So the bill (H.R. 12232) was passed.

Mr. STENNIS. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House thereon; and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. MCGEE in the chair) appointed Mr. STENNIS, Mr. CHAVEZ, Mr. HAYDEN, Mr. JOHNSON of Texas, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. ALLOTT conferees on the part of the Senate.

SUSPENSION OF TARIFF SCHEDULES BY FEDERAL MARITIME BOARD

Mr. BARTLETT. Mr. President, I ask unanimous consent that a report from the Department of Commerce concerning H.R. 10458 be printed in the RECORD. Senators will note that the Department of Commerce has reported adversely about a bill which would extend the time by which the Federal Maritime Board may suspend proposed increases in tariffs. H.R. 10458 is companion legislation to S. 3005, a measure I sponsored in the Senate and which the Senate has approved. When the Federal Maritime Board allowed increases in tariffs in the Alaska trade without any hearings, the Board explained that its powers of suspension were limited to 4 months only. The Board sought to justify its action in the Alaska case with a contention that 4 months is an inadequate period of time to complete a review of the proposed tariff increases. On that basis the Board permitted the increases to become effective and ordered a subsequent investigation. Of course, any subsequent investigation after tariffs become effective can, at most, permit rebates by carriers to shippers. The consumers whose cost of living is inflated by higher shipping costs in the meantime receive no refunds.

My bill was a response to the Federal Maritime Board's complaint that it had authority to suspend increases for too brief a period to make adequate study. The legislation was designed to add to the powers of the Federal Maritime Board. When Clarence Morse, former Chairman of the Federal Maritime Board, testified before the Senate Interstate and Foreign Commerce Committee recently he stated his personal view that the legislation to which I refer would be unobjectionable.

In the light of this background, Mr. President, it is strange that the Department of Commerce opposes a measure, the need for which the Federal Maritime Board had itself indicated. With respect to this report four considerations seem to me particularly salient:

First, H.R. 10458 does not compel the Federal Maritime Board to suspend rates for seven months; instead it gives the Board permissive authority within its discretion to suspend rates for any length of time up to seven months as protection of the public interest may require.

Second, the contention that the bill would work hardship upon carriers is not well taken because the Board's authority under the bill is permissive and because any responsible carrier can anticipate well in advance the need for higher rates required by increases in the cost of its service. It should be customary to file requests for rate increases sufficiently in advance to take into account the suspension period during which the appropriate agency of government reviews the applicant's rate structure.

Third, the public interest requires that the burden of proof in rate cases should always be upon the carrier. The approach of the Secretary of Commerce is to place the burden of proof upon protestants. The public is placed in the position—without access to all of the necessary facts—of having to sustain its burden before a hearing is even ordered. This approach frustrates effective opposition on behalf of consumers to rate increases proposed by the carriers.

Fourth, the report from the Department of Commerce appears to adopt the view that as between the consuming public and the carrier any risk of loss should be imposed upon the public. There is no evidence of concern in the report for the unrecoverable cost to the consuming public if the carriers' rates after investigation are found to be unjustifiably high. The report puts the public interest second, not first.

Mr. President, I again recall that the General Services Administrator has commended this legislation on the ground that it would result in savings to the United States Government as a shipper. I believe that any one who reads the bill and the report will see that the Department of Commerce report is unresponsive to the real issues and that it demonstrates, at the very least, a misunderstanding of the purposes of this legislation.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., May 3, 1960.

Hon. HERBERT C. BONNER,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: This letter is in reply to your request dated February 24, 1960, for the views of this Department with respect to H.R. 10458, a bill "to amend the act of March 3, 1933 (47 Stat. 1426), relating to the length of time by which the Federal Maritime Board may suspend tariff schedules."

The bill, H.R. 10458, would amend section 3 of the Intercoastal Shipping Act, 1933, to provide for a 7-month rate suspension period in lieu of the 4-month period presently provided.

Under the present provisions of the 1933 act, whenever any carrier subject to the act files with the Federal Maritime Board a change in rates, fares, or charges, then either upon complaint or upon its own initiative without complaint, the Board is authorized to provide a hearing concerning the lawfulness of the proposed change. Pending the hearing and decision thereon by the Board, the proposed new schedule of rates, fares or charges, may be suspended for a period not longer than 4 months beyond the time when it would otherwise go into effect.

The bill, if enacted, would extend the duration of such suspension from 4 months to 7 months.

The amendment proposed by H.R. 10458 is not favored by the Department of Commerce and we are of the opinion that its enactment would not be in the public interest.

The proposed amendment establishing a 7-month suspension period is identical with existing law under the Interstate Commerce Act and the Federal Aviation Act. However, this does not justify the establishment of a 7-month suspension period here proposed.

In the report of the Presidential Advisory Committee on Transport Policy and Organization, it was recommended that the suspension powers of the Interstate Commerce Commission be reduced from a 7-month to a 3-month period. In making this recommendation the Committee stated as follows:

"It believes that suspension of new rates should be considered as a special and unusual remedy. However, those affected by proposed changes in rates are now given an opportunity without adequate restriction to have new rates postponed until the ICC has adjudicated the matter or the suspension expires. There is no practical method of indemnifying carriers for possible losses in traffic or revenues over the period of suspension if it is later determined that the rates are just and reasonable * * * the standards which have been developed for determining the lawfulness of suspended schedules have become unduly restrictive, holding the carriers to the meeting of competition only and largely denying them the right to give effect to their full economic capabilities * * * in order to remedy this situation and to be consistent with the proposed revisions in transportation policy which placed more reliance on competitive forces in ratemaking, the power of suspension should be exercised only after the ICC determines on the basis of factual information supplied by the protestant, or as a result of its own investigation, that the proposed rates or related matters are probably unlawful and that making the rate effective would result in injury to the complainant, and that in the absence of suspension the complainant would have no adequate remedy. The period of suspension should be shortened to 3 months * * * by so circumscribing the power of suspension, carriers would be protected from unwarranted attacks by * * * shippers on their pricing adjustments. Unnecessary suspension of new rates would be eliminated on the one hand and, on the other, adequate emergency relief would still be available in situations where a proper showing indicates its desirability * * * the interest of carriers and shippers alike in prompt action demands that administrative procedures should be adjusted to accommodate their needs accordingly. While the above recommendations should produce a marked decrease in the number of suspension dockets, the Commission should use every possible method for expediting such litigation."

The lengthening of the suspension period would discourage or at least retard rate changes. The Department adheres to the above concept and further proposes that as a longrun program the suspension process should be eliminated entirely. An increase in the suspension period would be contrary to this concept and would not achieve the ultimate objective.

The proposed amendment which would compel suspension for a 7-month period or until a full hearing has determined whether or not the proposed rates are reasonable or unreasonable would in our opinion impose an unnecessary hardship on the carrier and result in an undue burden on waterborne commerce. Stated differently, a carrier should not be required to defer a rate adjustment for an unduly protracted period pending investigation and decision by the Board. Such a development could negate the need for prompt rate relief to a carrier.

Under the circumstances the Department is opposed to H.R. 10458 and urges that it be not favorably reported by your committee.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this report to your committee.

Sincerely yours,

PHILIP A. RAY,
Under Secretary of Commerce.

INDEPENDENT OFFICES APPROPRIATIONS, 1961

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1674, H.R. 11776, the independent offices appropriation bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I desire to inform the Senate that it is planned to call the Executive Calendar at an early date, perhaps some time tomorrow. We should like to dispose of the independent offices appropriation bill as quickly as possible, and then proceed to the consideration of the Executive Calendar, if plans work out satisfactorily.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. FULBRIGHT. I understood the Japanese Treaty would be made the pending business.

Mr. JOHNSON of Texas. I said that it was planned to call the Executive Calendar; and the Japanese Treaty is on the Executive Calendar.

Mr. President, I desire to have the RECORD show that following the completion of action on Calendar No. 1674, H.R. 11776, the independent offices appropriation bill, Calendar No. 1673, the general Government appropriations bill, may be taken up.

Also, it is planned to call up the following measures:

Calendar No. 1612, H.R. 10455, to amend the Mineral Leasing Act of February 25, 1920.

Calendar No. 1553, H.R. 2565, to promote effectual planning, development, maintenance, and coordination of wildlife, fish, and game conservation and rehabilitation on military reservations.

Calendar No. 1588, S. 2692, to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys; to promote commerce and navigation, to secure the national defense; to expand ocean resources; to authorize the construction of research and survey ships and facilities; to assure systematic studies of effects of radioactive materials in marine environments; to enhance the general welfare, and for other purposes.

Calendar No. 1580, H.R. 8229, to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts.

It is also expected that the Senate may proceed some time tomorrow to the consideration of Executive E, 86th Congress, the Mutual Security Treaty with Japan; and any other measures which have been previously listed.

ORDER FOR RECOGNITION OF SENATOR MANSFIELD AT THE CONCLUSION OF THE MORNING HOUR ON THURSDAY, JUNE 23, 1960

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be recognized at the conclusion of the morning hour on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEATH OF HON. DOUGLAS H. ELLIOTT, REPRESENTATIVE FROM PENNSYLVANIA

The PRESIDING OFFICER. The Chair lays before the Senate a message from the House of Representatives, which will be read.

The resolution (H.R. 566) was read, as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
June 20, 1960.

Resolved, That the House has heard with profound sorrow of the death of the Honorable DOUGLAS H. ELLIOTT, a Representative from the State of Pennsylvania.

Resolved, That a committee of eleven Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. SCOTT. Mr. President, for myself and on behalf of my senior colleague from Pennsylvania [Mr. CLARK] I submit a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 339) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. DOUGLAS H. ELLIOTT, late a Representative from the State of Pennsylvania.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolving clause, the Presiding Officer appointed Mr. CLARK and Mr. SCOTT as the committee on the part of the Senate to attend the funeral of the deceased Representative.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORTS OF A COMMITTEE

The following additional reports of a committee were submitted:

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, without amendment:

H.R. 3313. An act to amend section 200 of the Soldiers and Sailors Civil Relief Act of 1940 to permit the establishment of certain facts by a declaration under penalty of perjury in lieu of an affidavit; (Rept. No. 1621);

H.R. 7966. An act to amend section 601 of title 38, United States Code, to provide for the furnishing of needed services of optometrists to veterans having service-connected eye conditions; (Rept. No. 1622); and

H.R. 10108. An act to authorize reimbursement of certain Veterans' Administration beneficiaries and their attendants for ferry fares, and bridge, road, and tunnel tolls; (Rept. No. 1623).

TECHNICAL REVISIONS IN INCOME TAX PROVISIONS RELATING TO ESTATES, TRUSTS, PARTNERS, AND PARTNERSHIPS — AMENDMENT

Mr. DOUGLAS submitted an amendment, intended to be proposed by him, to the bill (H.R. 9662) to make technical revisions in the income tax provisions of the Internal Revenue Code of 1954 relating to estates, trusts, partners, and partnerships, and for other purposes, which was ordered to lie on the table and to be printed.

INDEPENDENT OFFICES APPROPRIATION BILL AMENDMENT

Mr. JAVITS submitted an amendment, intended to be proposed by him, to the bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1961, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF SMALL BUSINESS ACT—ADDITIONAL COSPONSOR OF BILL

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the Senator from West Virginia [Mr. RANDOLPH] may be added as an additional cosponsor of the bill (S. 3689) to amend the Small Business Act, and for other purposes, introduced by me on June 16, 1960.

The PRESIDING OFFICER. Without objection, it is so ordered.

STUDENT LOAN INSURANCE ACT OF 1960—ADDITIONAL COSPONSORS OF AMENDMENT

Under authority of the order of the Senate of June 17, 1960, the names of Senators MONRONEY, MANSFIELD, CHAVEZ, CARLSON, BYRD of West Virginia, MURRAY, BIBLE, SPARKMAN, KERR, FREAR, JOHNSTON of South Carolina, PASTORE, HUMPHREY, HART, BARTLETT, MCCARTHY, MCGEE, CANNON, MAGNUSON, GREEN, SYMINGTON, HILL, RANDOLPH, ANDERSON, JAVITS, YARBOROUGH, WILLIAMS of New Jersey, MUSKIE, LONG of Louisiana, MOSS, FULBRIGHT, and HENNINGS, were added as additional cosponsors of the amendment, in the nature of a substitute, submitted by Mr. JOHNSON of Texas, on June 17, 1960, to the bill (S. 2710) to provide for loan insurance on loans to students in higher education.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, June 20, 1960, he presented to the President of the United States the enrolled bill (S. 899) to repeal certain provisions of law requiring the submission of certain reports to Congress, and for other purposes.

ADDITIONAL APPENDIX MATTERS

By Mr. THURMOND:

Address delivered by James J. Kilpatrick, editor of the Richmond News Leader, at a testimonial dinner for Col. W. D. Workman in Columbia, S.C., on the subject of "The Decline of Basic Values in Contemporary Society."

Address entitled "The Equality of Men," delivered by Wayne J. Holman, Jr., at the commencement exercises at Presbyterian College, at Clinton, S.C., on June 6, 1960.

Address delivered by Dr. Edwin R. Walker, president of Queens College, in a speech in Rock Hill, S.C., on May 29, at the Winthrop College commencement exercises, on the subject of "Decisions and Actions Affecting the Outcome of Man's Destiny in the Next 40 Years," which will appear hereafter in the Appendix.

Commencement day address delivered by Hon. Ernest F. Hollings, Governor of South Carolina, at the Medical College of South Carolina, at Charleston, S.C., on June 2, 1960.

ADJOURNMENT

Mr. SCOTT. Mr. President, as a further mark of respect and honor to the memory of the deceased Representative, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was unanimously agreed to; and (at 11 o'clock and 58 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, June 21, 1960, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 20, 1960

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 1: 2: *Blessed is the man whose delight is in the law of the Lord.*

Almighty and eternal God, in the quiet of this moment of prayer, may we come to Thee with glad and grateful hearts as we call to memory Thy grace and goodness.

Give us a courageous and conquering faith in these perilous days when the way of life is dim and its meaning seems to be a bewildering enigma.

We penitently acknowledge that we so frequently yield to inertia and desire the delights of a strong faith without dedicating ourselves to its high demands or surrendering to its disciplines.

Show us how we may enlist the loyalty and service of the virile and educated young people of our generation who, with ambitions for high adventure and lofty enterprises, are scanning the skyline for a new portent of a better day when men shall live together in peace and good will.

Grant unto us, as we mourn the death of our colleague, the assurance that whatever was good and noble in his life, in our sight and Thine, shall abide forever. May the members of his bereaved family be blessed with the consolation of Thy grace.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, June 17, 1960, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and a joint resolution of the House of the following titles:

H.R. 1543. An act for the relief of Angela D'Agata Nicolosi;

H.R. 2007. An act for the relief of May Hourani;

H.R. 3242. An act for the relief of Mrs. Virginia Lee Sage;

H.R. 5530. An act for the relief of Leila Bernstorff Grauert;

H.R. 5738. An act to authorize the Secretary of the Army to transfer to the Waukegan Port District the commitment of the city of Waukegan, Ill., to maintain a public wharf in Waukegan Harbor on land conveyed to the city in 1914, and for other purposes;

H.R. 5850. An act for the relief of the borough of Ford City, Pa.;

H.R. 6149. An act for the relief of Wesley C. Newcomb;

H.R. 6456. An act concerning payment of debts out of compensation for trust land on the Lower Brule Sioux Reservation taken by the United States;

H.R. 6498. An act concerning payment of debts out of compensation for trust land on the Standing Rock Sioux Reservation taken by the United States;

H.R. 6529. An act concerning payment of debts out of compensation for trust land on the Crow Creek Sioux Reservation taken by the United States;

H.R. 7480. An act to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil;

H.R. 7847. An act to make the uniform law relating to the record on review of agency orders (Public Law 85–791) applicable to the judicial review of orders issued under the Federal Aviation Act of 1958 and the Food Additives Amendment of 1958;

H.R. 8457. An act for the relief of Richard Schoenfelder and Lidwina S. Wagner;

H.R. 9028. An act to provide that certain funds shall be paid to the Kickapoo Tribal Council of Oklahoma;

H.R. 9226. An act for the relief of Pietro Mela;

H.R. 9652. An act for the relief of Lt. Col. Alonzo C. Tenney;

H.R. 10631. An act for the relief of George T. Moore, Carl D. Berry, and Dr. Harold J. Heck;

H.R. 10639. An act to amend section 3(b) of the act of May 9, 1958 (72 Stat. 105), relating to the preparation of a roll of the members of the Otoe and Missouria Tribe and to per capita distribution of judgment funds;

H.R. 10840. An act to amend Public Law 85–626 relating to dual rate contract agreements;

H.R. 11161. An act to donate to the pueblos of Zia and Jemez a tract of land in the Ojo del Espiritu Santo grant, New Mexico;

H.R. 11615. An act to amend section 4 of the Watershed Protection and Flood Prevention Act;

H.R. 11706. An act to authorize an extension of time for final proof under the desert land laws under certain conditions;

H.R. 11952. An act to repeal the act of May 29, 1958, which authorized and directed the Administrator of General Services to provide for the release of restrictions and reservations contained in an instrument conveying certain land by the United States to the State of Wisconsin;

H.R. 11985. An act to make American nationals eligible for scholarships and fellowships authorized by the National Science Foundation Act of 1950;

H.R. 12115. An act to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop; and

H.J. Res. 696. Joint resolution to provide for the designation of the month of September 1960, as "National Wool Month."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H.R. 766. An act to amend section 5 of the act of July 16, 1914, relating to penalties for the use of Government-owned vehicles for other than official purposes;

H.R. 4595. An act to clarify and make uniform certain provisions of law relating to special postage rates for educational, cultural, and library materials, and for other purposes;

H.R. 4786. An act declaring certain lands to be held in trust for the Cheyenne River Sioux Tribe of Indians of South Dakota;

H.R. 6479. An act to provide for the conveyance of certain real property of the United States to the village of Highland Falls, N.Y.;

H.R. 7990. An act to convey certain land of the United States in trust to the Citizen Band of Potawatomi Indians of Oklahoma;

H.R. 9443. An act for the relief of Mrs. Ethel B. Morgan;

H.R. 11646. An act to amend the act authorizing the Secretary of Agriculture to collect and publish statistics of the grade and staple length of cotton, as amended, by defining certain offenses in connection with the sampling of cotton for classification and providing a penalty provision, and for other purposes;

H.R. 12052. An act to extend the Defense Production Act of 1950, as amended, for an additional 2 years; and

H.J. Res. 688. Joint resolution for the relief of certain aliens.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is

requested, a bill of the House of the following title:

H.R. 7634. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. KERR, Mr. MCNAMARA, Mr. CASE of South Dakota, and Mr. COOPER to be the conferees on the part of the Senate.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11390. An act making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HILL, Mr. CHAVEZ, Mr. RUSSELL, Mr. STENNIS, Mr. PASTORE, Mr. MONRONEY, Mr. KUCHEL, Mrs. SMITH, and Mr. HRUSKA to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 598. An act for the relief of Anthony DiGiovanni;

S. 1409. An act for the relief of Donald B. Thurston, and other employees of the Fish and Wildlife Service;

S. 1764. An act to amend title 32, United States Code, to authorize the payment of certain claims against the National Guard;

S. 2310. An act for the relief of Peter Dolas;

S. 2353. An act for the relief of Col. John A. Ryan, Jr.;

S. 2548. An act for the relief of Henry C. Larson;

S. 2585. An act for the relief of Josephine Lue Fan (also known as Josephine Fook-Lau), Joseph Lue Fan (also known as Joseph Lew-Fan), and Aura Joan Lue Fan;

S. 2689. An act for the relief of Hwachii Lien;

S. 2711. An act to quiet title to certain lands within the Nez Perce Indian Reservation, Idaho, and for other purposes;

S. 2712. An act to authorize the Administrator of General Services to convey all lands comprising Fort Dearborn, Rye, N.H., and Rye Air Force Base, Rye, N.H., to certain former owners of such lands;

S. 2855. An act for the relief of Brenda Nicholson Miller;

S. 2863. An act for the relief of Kyung Ok Ahn;

S. 2919. An act providing for a study and investigation of the desirability and feasibility of establishing and maintaining a national tropical botanic garden;

S. 2974. An act for the relief of Michael Nolan (formerly Michael Pasvanis);

S. 3053. An act for the relief of the State of Connecticut;

S. 3083. An act for the relief of Andrew Rerecich and his wife, Germana Rerecich;

S. 3105. An act for the relief of William Y. Allen, Jr., Donald Baldwin Quintero, Johann Friedrich Stapelfeld, and Kenneth Gordon Woods;

S. 3117. An act to treat all basic agricultural commodities alike with respect to the cost of remeasuring acreage;

S. 3125. An act for the relief of Robert William Neal, Robert J. Naumann, Charles LeRoy Van Slyke, and Franklin Jordan;

S. 3158. An act to exempt State controlled banks belonging to the Federal Reserve System from the statutory limits on the number of their directors;

S. 3160. An act to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the State of Idaho as a Territory;

S. 3237. An act for the relief of Anastasia Stassinopoulos;

S. 3263. An act for the relief of Cesar S. Wycoco;

S. 3439. An act authorizing the President of the United States of America to present a gold medal to Robert Frost, a New England poet;

S. 3485. An act to amend section 7 of the Administrative Expenses Act of 1946, as amended, to provide for the payment of travel and transportation costs for persons selected for appointment to certain positions in the United States, and for other purposes;

S. 3486. An act to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes;

S. 3487. An act to amend the "Anti-Kickback Statute" to extend it to all negotiated contracts;

S. 3496. An act to amend section 362(b) of the Communications Act of 1934;

S. 3532. An act to provide for the striking of a medal in commemoration of Century 21 Exposition to be held in Seattle, Wash.;

S. 3549. An act to amend the act of September 14, 1959, to authorize studies by congressional committees with respect to sales and use taxes imposed by the States on sales and other business activities in interstate commerce;

S. 3579. An act to authorize agencies of the Government of the United States to pay in advance for required publications, and for other purposes; and

S. 3665. An act to authorize the Secretary of Agriculture to grant an easement over certain lands to the trustees of the Cincinnati Southern Railway, their successors and assigns.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 899. An act to provide for the discontinuance of certain reports now required by law.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9322) entitled "An act to make permanent the existing suspension of duties on certain coarse wool."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9862) entitled "an act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing and shoe last finishing."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9881) entitled "An act to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders."

REPORT ON SUPPLEMENTAL APPROPRIATION BILL, 1961

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to submit a privileged report on the supplemental appropriation bill for 1961.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JENSEN reserved all points of order on the bill.

WATERSHED PROTECTION AND FLOOD PREVENTION

The SPEAKER laid before the House the following communication, which was read by the Clerk and together with the accompanying papers was referred to the Committee on Appropriations:

JUNE 16, 1960.

Hon. SAM RAYBURN,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today considered the work plans transmitted to you by Executive Communications 2013, 2182, and 2233, and referred to this committee and unanimously approved each of such plans. The work plans involved are:

STATE AND WATERSHED

Pennsylvania: Mill Creek.
Ohio: Chippewa Creek.
New York: Ischua Creek.
Kentucky: West Fork of Clarks River, North Fork of Little River.
Georgia: North Broad River.
Wisconsin: Bad Axe.
Missouri: Tabo Creek.
Iowa: Mill-Picayune Creek, Badger Creek.
Colorado: Vineland Area Tributary to Arkansas River.
South Carolina: Huff Creek.
West Virginia: Brush Creek.

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

CONSENT CALENDAR AND MOTIONS TO SUSPEND THE RULES

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the call of the Consent Calendar and motions to suspend the rules in order today may be in order on Tuesday and Friday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, as the gentleman and the Speaker and I have conferred about this matter and under the circumstances it is the only course for us to adopt.

I would like to suggest in this reservation that there were certain special orders for today and after the gentleman's

unanimous-consent request is granted I would ask the Speaker's indulgence in order to make arrangements for insertion in the CONGRESSIONAL RECORD of the remarks which would have been made.

The SPEAKER. The gentleman will be recognized.

Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the following Members, the gentleman from Michigan [Mr. FORD], the gentleman from New Hampshire [Mr. BASS], the gentlewoman from Ohio [Mrs. BOLTON], the gentleman from Michigan [Mr. CHAMBERLAIN], the gentleman from Missouri [Mr. CURTIS], the gentleman from California [Mr. HOSMER], the gentleman from California [Mr. JACKSON], the gentleman from Minnesota [Mr. JUDD], the gentleman from Wisconsin [Mr. LAIRD], the gentleman from New York [Mr. MILLER], the gentlewoman from New York [Mrs. ST. GEORGE], and the gentleman from California [Mr. WILSON] may extend their remarks in the CONGRESSIONAL RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. A further request, Mr. Speaker, that the gentleman from Wisconsin [Mr. BYRNES], the gentleman from Illinois [Mr. ARENDS], and the gentleman from Arizona [Mr. RHODES] may extend their remarks in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEGISLATIVE PROGRAM FOR TOMORROW

Mr. HALLECK. Mr. Speaker, in respect to the program for tomorrow, could the gentleman tell us what will be called first, the suspensions or the bills that were programed.

Mr. ALBERT. The bills that were previously programed will be called first. The bills in order will be the first order of business tomorrow.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ALBERT. Mr. Speaker, may I have permission to request, without establishing a precedent, that all Members may have permission to extend their remarks in the CONGRESSIONAL RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

H.R. 12603

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have until midnight to file a report on the bill H.R. 12603.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

EXTENSION OF REMARKS

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry. I have permission for certain Members to extend their remarks in the CONGRESSIONAL RECORD and to include extraneous matter. Of course, if they had proceeded under orders entered for today the cost would not be an issue. Would it be in order for me to ask unanimous consent that those extensions be made without regard to the cost?

The SPEAKER. If they are the Member's own preparation, the rule would apply.

MARTIN POPPER

Mr. ROOSEVELT. Mr. Speaker, I rise to a question of the privilege of the House.

The SPEAKER. The gentleman will state it.

Mr. ROOSEVELT. Mr. Speaker, I have been subpenaed to appear before the U.S. District Court for the District of Columbia to testify on June 21, 1960, at 10 o'clock a.m., in the case of the United States of America against Martin Popper. Under the precedents of the House, I am unable to comply with this subpena without the consent of the House, the privileges of the House being involved, I therefore submit the matter for the consideration of this body.

Mr. Speaker, I send to the desk the subpena.

The SPEAKER. The Clerk will report the subpena.

The Clerk read the subpena, as follows:

U.S. DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—UNITED STATES OF AMERICA *v.* MARTIN POPPER—CRIMINAL CASE NO. 1053–59

TO CONGRESSMAN JAMES ROOSEVELT,
House of Representatives, Washington, D.C.:

You are hereby commanded to appear in the United States District Court for the District of Columbia at Third and Constitution Avenue NW., Fourth Floor, Courtroom No. 8, in the city of Washington, D.C., on the 21st, 22d, 23d, and 24th day of June 1960, at 10 o'clock a.m. to testify in the above-entitled case.

This subpena is issued on application of the defendant.

HARRY M. HULL,
Clerk.

By JOHN A. O'BRIEN,
Deputy Clerk.

JUNE 16, 1960.

LEONARD B. BOUDIN,
Attorney for Defendant.

NEW YORK, N.Y.

Mr. ALBERT. Mr. Speaker, I offer a privileged resolution, which I send to the desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read the resolution (H. Res. 565), as follows:

Whereas Representative JAMES ROOSEVELT, a Member of this House has been served with a subpena to appear as a witness before the United States District Court for the District of Columbia, to testify at Washington, D.C., on the 21st day of June 1960, at 10 o'clock antemeridian, in the case of the United States of America against Martin Popper, criminal case No. 1053–59; and

Whereas, by the privileges of the House, no Member is authorized to appear and testify, but by order of the House: Therefore be it

Resolved, That Representative JAMES ROOSEVELT is authorized to appear in response to the subpena of the United States District Court for the District of Columbia in the case of the United States of America against Martin Popper at such time as when the House is not sitting in session; and be it further

Resolved, That as a respectful answer to the subpena a copy of this resolution be submitted to the said court.

The SPEAKER. The question is on the resolution.

The resolution was agreed to

DEFENSE DEPARTMENT APPROPRIATIONS, 1961

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11998) making appropriations for the Department of Defense for the fiscal year ending June 30, 1961, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate, and ask for a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MAHON, SHEPPARD, CANNON, FORD, and TABER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 598. An act for the relief of Anthony DiGiovanni; to the Committee on the Judiciary.

S. 1409. An act for the relief of Donald B. Thurston and other employees of the Fish and Wildlife Service; to the Committee on the Judiciary.

S. 1764. An act to amend title 32, United States Code, to authorize the payment of certain claims against the National Guard; to the Committee on the Judiciary.

S. 2310. An act for the relief of Peter Dolas; to the Committee on the Judiciary.

S. 2353. An act for the relief of Col. John A. Ryan, Jr.; to the Committee on the Judiciary.

S. 2548. An act for the relief of Henry C. Larson; to the Committee on the Judiciary.

S. 2585. An act for the relief of Josephine Lue Fan (also known as Josephine Fook-Lau), Joseph Lue Fan (also known as Joseph Lew-Fan), and Aura Joan Lue Fan; to the Committee on the Judiciary.

S. 2689. An act for the relief of Hwachii Lien; to the Committee on the Judiciary.

S. 2711. An act to quiet title to certain lands within the Nez Perce Indian Reservation, Idaho, and for other purposes; to the Committee on the Interior and Insular Affairs.

S. 2712. An act to authorize the Administrator of General Services to convey all lands comprising Fort Dearborn, Rye, N.H.,

and Rye Air Force Base, Rye, N.H., to certain former owners of such lands; to the Committee on Government Operations.

S. 2855. An act for the relief of Brenda Nicholson Miller; to the Committee on the Judiciary.

S. 2863. An act for the relief of Kyung Ok Ahn; to the Committee on the Judiciary.

S. 2919. An act providing for a study and investigation of the desirability and feasibility of establishing and maintaining a national tropical botanic garden; to the Committee on Agriculture.

S. 2974. An act for the relief of Michael Nolan (formerly Michael Pasvanis); to the Committee on the Judiciary.

S. 3053. An act for the relief of the State of Connecticut; to the Committee on the Judiciary.

S. 3083. An act for the relief of Andrew Rerecich and his wife, Germana Rerecich; to the Committee on the Judiciary.

S. 3105. An act for the relief of William Y. Allen, Jr., Donald Baldwin Quintero, Johann Friedrich Stapelfeld, and Kenneth Gordon Woods; to the Committee on the Judiciary.

S. 3125. An act for the relief of Robert William Neal, Robert J. Naumann, Charles LeRoy Van Slyke, and Franklin Jordan; to the Committee on the Judiciary.

S. 3158. An act to exempt State-controlled banks belonging to the Federal Reserve System from the statutory limits on the number of their directors; to the Committee on Banking and Currency.

S. 3160. An act to provide for the striking of medals in commemoration of the 100th anniversary of the founding of the State of Idaho as a territory; to the Committee on Banking and Currency.

S. 3237. An act for the relief of Anastasia Stassinopoulos; to the Committee on the Judiciary.

S. 3263. An act for the relief of Cesar S. Wycoco; to the Committee on the Judiciary.

S. 3439. An act authorizing the President of the United States of America to present a gold medal to Robert Frost, a New England poet; to the Committee on Banking and Currency.

S. 3486. An act to authorize Government agencies to provide quarters, household furniture and equipment, utilities, subsistence, and laundry service to civilian officers and employees of the United States, and for other purposes; to the Committee on Post Office and Civil Service.

S. 3496. An act to amend section 362(b) of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

S. 3532. An act to provide for the striking of a medal in commemoration of Century 21 Exposition to be held in Seattle, Wash.; to the Committee on Banking and Currency.

S. 3549. An act to amend the act of September 14, 1959, to authorize studies by congressional committees with respect to sales and use taxes imposed by the States on sales and other business activities in interstate commerce; to the Committee on Rules.

S. 3579. An act to authorize agencies of the Government of the United States to pay in advance for required publications, and for other purposes; to the Committee on Government Operations.

S. 3665. An act to authorize the Secretary of Agriculture to grant an easement over certain lands to the trustees of the Cincinnati Southern Railway, their successors, and assigns; to the Committee on Agriculture.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 899. An act to repeal certain provisions of law requiring the submission of certain reports to Congress, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on June 18, 1960, deliver to the White House for presentation to the President, for his approval, bills of the House of the following titles:

H.R. 9883. An act to adjust the rates of basic compensation of certain officers and employees of the Federal Government, and for other purposes; and

H.R. 12117. Making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1961, and for other purposes.

THE LATE HONORABLE DOUGLAS H. ELLIOTT

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Speaker, the sudden passing of our friend and colleague, DOUGLAS H. ELLIOTT, is a great shock to our membership, and sadly brings to our attention the tremendous stress and strain in these days of terrific tension.

"DOUG" ELLIOTT, as he was affectionately known, had been with us but a short time, being elected to the House in a special election on April 26 last in Pennsylvania, and the nominee from his district to run next November for the full term of an area which had been served so outstandingly for many years by his predecessor, the beloved Dick Simpson.

Yes, Mr. Speaker, "DOUG" ELLIOTT had a great future before him for during his short stay in the Nation's Capital he had already attracted countless friends with his fine personality and his vigorous approach to the questions that had already faced him.

These are trying times and perhaps the persistent and tireless manner in which he met the problems which face all of us at times created a tension which sometimes is even too great for youth itself. For "DOUG" ELLIOTT, at the youthful age of 39, had already given a creditable account of himself in both private and public life, and the future was even brighter. But fate deemed it otherwise, and today we mourn the loss of a young Member who in the parlance of the day, would have been a "real comer" in State and National affairs. Our hearts are heavy, and to the widow and three children we extend our heartfelt and deepest sympathy. We know that God will give them the strength and fortitude to carry on in the days ahead.

DOUGLAS H. ELLIOTT was born on June 3, 1921, at Philadelphia, Pa. He graduated from Haverford School and attended the University of Virginia. He married the former Rachel Peirson, and there are three children, Deborah, Dana, and Warren.

Congressman ELLIOTT was an elder in the Presbyterian Church and a member of its Synod Council.

During World War II he served 4 years in the Naval Service of the United States, being a veteran of the Southwest Pacific campaigns.

For 8 years DOUGLAS ELLIOTT served as vice president of Wilson College at Chambersburg, Pa., and was on leave of absence since his election to Congress.

From 1945 to 1948 Congressman ELLIOTT had been employed as a representative for the Phoenix Mutual Life Insurance Co. and the Guardian Life Insurance Co. of Philadelphia. During the period of 1948 to 1952 he was manager of the Public Relations Eastern Department of the Lumbermen's Mutual Casualty Co. of Philadelphia. From 1948 to 1952 he was also Director of Public Relations for the Franklin Institute of Philadelphia.

Active at all times in civic affairs Congressman ELLIOTT was a director of the Chambersburg Community Chest; a member at large of the Conococheague District Committee, Boy Scouts of America; vice chairman of the Franklin County Chapter American National Red Cross; past president of the Chambersburg Rotary Club; member of the board of trustees, Eastern Citizenship Clearing House; vice chairman of the Legislative Committee of the Pennsylvania Department, the American Legion; member of the Legislative Committee of the Pennsylvania Motor Federation; past vice president and director of the Pennsylvania Junior Chamber of Commerce; member of American Alumni Council, American College Public Relations Council; parent teachers association; Crippled Children's Society; chamber of commerce; Civil Defense; United Fund; Young Men's Christian Association; and the Franklin County Farmers Association.

Active in Republican Party affairs since 1945, DOUGLAS ELLIOTT was one of the most active members of the Adams and Franklin County Young Republican Clubs.

Before coming to Washington Mr. ELLIOTT was elected to the Pennsylvania State Senate in November 1956 and served until being elected to the 86th Congress at a special election in Pennsylvania on April 26 last. It was at this special election that Mr. ELLIOTT also received such a tremendous majority as the nominee for the full term next November to represent Bedford, Franklin, Fulton, Huntington, Mifflin, Snyder, Somerset, and Union Counties of Pennsylvania in the U.S. House of Representatives.

Mr. Speaker, let me state again that the heartfelt sympathy of the entire membership of the House goes out to Mrs. Elliott and her family, as well as to all the loved ones in their hour of sorrow.

The Elliott family reside at 222 Fifth Avenue, Chambersburg, Pa. The funeral will be held Wednesday afternoon with services at 2 o'clock in the Falling Springs Presbyterian Church at Chambersburg. The family has respectfully requested that flowers be omitted.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, when someone we know has passed on it brings to our hearts a feeling of grief. When

that person is young, perhaps there is a tendency to question the whys and the wherefores in a matter that is beyond question.

In the passing of our friend and colleague we are particularly saddened because those who have known him and known about him saw in him a great, dedicated Christian gentleman. None of us can question the reason for his passing. Suffice it to say that because of his youth and his attainments it brings us a greater measure of grief than would ordinarily be the case.

To his family I extend a feeling of deep sympathy.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I rise to express, as best I can, the distress I feel at the death of our colleague, the Honorable DOUGLAS H. ELLIOTT.

My acquaintance with DOUG ELLIOTT began with correspondence this past spring. It was on April 6 that I met him for the first time during a visit to Chambersburg where I spoke during his campaign and at his invitation.

DOUG ELLIOTT brought to his candidacy for election to the House of Representatives a fine background of public service to his people in Pennsylvania, as has just been recounted by the distinguished gentleman from Pennsylvania, Dr. FENTON. I was particularly impressed with the enthusiasm of DOUG's supporters. I am quite sure that this reflected the high regard in which he was held by his friends and neighbors in his community.

Mr. Speaker, my early impressions of DOUG ELLIOTT as a person of considerable ability and personal charm were confirmed after he arrived among us here in the Congress. He took his responsibilities seriously, but I found him to be patient and understanding during the period we, in the leadership on this side of the aisle, were experiencing some temporary difficulties in finding for him appropriate committee assignments; assignments, may I say, Mr. Speaker, which we worked out and which would have been made official today.

In trying to reconcile what happened to cut short this most promising career, I find myself facing the conclusion that none of us can ever know, really, what the future holds for us. To say simply that I am grievously shocked by the word of this morning is an understatement. My reaction at hearing the news was one of complete disbelief that such a report could possibly be true.

Mr. Speaker, mere words are small consolation to the bereaved at a time like this, but I do want to extend my deepest sympathies to Mrs. Elliott and her children in this most difficult hour.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Georgia [Mr. FLYNT].

Mr. FLYNT. Mr. Speaker, it was with profound sorrow and with deepest regret that I learned this morning of the untimely and tragic passing of our able and distinguished colleague from Pennsylvania, the Honorable DOUGLAS H. ELLIOTT.

DOUGLAS ELLIOTT, late a Representative from Pennsylvania, served only a brief period as a Member of this body. During this time he made a favorable impression upon all of us who were privileged to become acquainted with him. Almost immediately after he was sworn in as a Representative from Pennsylvania, I introduced myself to him and expressed the hope that we would have a long association together as Members of the House of Representatives. We were almost instantly attracted to each other. Our conversations revealed that we held many similar views on matters affecting the security and strength of our Government and our beloved country.

I enjoyed our friendship, brief though it was, and I am deeply saddened and shocked by its tragic termination.

His colleagues on both sides of the aisle predicted for DOUGLAS ELLIOTT a long and distinguished career in the House of Representatives. Coming to Congress at a relatively early age and possessed of a keen mind, strong character and a distinguished appearance, no one doubted that he would become a leader of both his party in this House and of the House of Representatives.

Mr. Speaker, I join with the gentleman from Pennsylvania [Mr. FENTON] and our other colleagues in expressing profound sorrow at the loss which this House and this Nation have sustained.

Mrs. Flynt joins me in extending to Mrs. Elliott and their three children our heartfelt sympathy in their loss. It is our prayer that the Great Healer of all wounds will mitigate the sorrow which now fills their hearts.

Mr. FENTON. Mr. Speaker, I yield to my colleague from Pennsylvania [Mr. DAGUE].

Mr. DAGUE. Mr. Speaker, it is with a sense of profound shock and bewilderment that we are confronted with the untimely passing of this colleague whom we so recently welcomed to our midst.

Of all of our Pennsylvania Members his future seemed most bright with promise. Young, talented, handsome, a fine family man, the victor in a recent special election, with his reelection predicted by even his opponents and with political prospects extending even to the Governor's chair, he of all of our delegation seemed destined for great things. And now he is gone and we can only look at each other in wonderment and in muted tones ask, "Why did this have to be?"

My acquaintance with our late colleague runs less than a year and I did not come to know him intimately until he came to the House following his victory at the special election in April. With his admission to our delegation I immediately came to appreciate his fine qualities and I was particularly impressed with his attention to his legislative responsibilities, to say nothing of his evident grasp of the import of the problems confronting us.

From this short association with DOUGLAS ELLIOTT I came to appreciate him as a dedicated Christian, and as an official of a church-oriented college he lived and moved in a religious atmosphere. As recently as last Thursday morning we sat at the same breakfast table and listened to a stirring sermon by Billy Graham and our late friend and comrade commented on the lift he received from the great evangelist's message. And now he has gone to meet the Maker I know he revered and we who are left to mourn his passing can only in prayerful petition ask the Great Healer to receive his soul.

Yes, my colleagues; we shall miss this bright and youthful friend to whom we had become so attached. And we shall grieve a bit as we contemplate his vacant place. We can only hope that the Master who has opened the gates to receive him will reach down and put His healing arms around the wife and children who are thus bereaved and that He will lighten for them the burden of this hour. And we shall remember them in our prayers as we move in our halting way to keep the memory of this departed brother forever green.

The Lord giveth and the Lord taketh away, Blessed be the name of the Lord.

Mr. FENTON. Mr. Speaker, I yield to my colleague from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, I was most shocked to hear of the passing of our friend and colleague, DOUGLAS ELLIOTT, at the start of what would have been, I believe, a most distinguished career in the Congress. I extend to his family my heartfelt sympathy and may God give them great comfort in this hour of grief.

Mr. FENTON. Mr. Speaker, I yield to my colleague from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, the sudden death of our colleague, Representative DOUGLAS H. ELLIOTT, of the 18th District of Pennsylvania, is a source of great sorrow especially to those of us who had known him for the past several years as a Pennsylvania State legislator, and as one of the leading educators in Pennsylvania.

Representative ELLIOTT, who was vice president of Wilson College, Chambersburg, Pa., was prominent in educational circles in the State and of Pennsylvania and also served as Pennsylvania State senator where his fine personality and outstanding ability caused him to be prominently mentioned in connection with a list of potential candidates for Governor of the Keystone State.

Elected to succeed the late Representative Richard M. Simpson, "DOUG" ELLIOTT, in the short time he served as a Member of Congress, endeared himself to his colleagues by the warmth of his personality and the sincerity of his efforts.

I wish to join with my colleagues in extending deepest sympathy to Mrs. Elliott and children in the great loss sustained in the death of a devoted husband and loving father.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from New York [Mr. MILLER].

Mr. MILLER of New York. Mr. Speaker, I wish to join my distinguished colleagues from the State of Pennsylvania in this tribute to our late and beloved and distinguished colleague, "DOUG" ELLIOTT. Outside of the members of the Pennsylvania delegation I believe I knew "DOUG" ELLIOTT perhaps longer than anyone else in this House. I met him when he was nominated for Congress in the 17th District of Pennsylvania and I campaigned with him during the month of May of this year. I found him to be a dedicated and a loyal American, a man of idealism such as you find in few men. Our great loss is not because of what he has accomplished here but rather because of what he could and would have accomplished had he lived. It is a tragedy that our country will never know the quality of this man or benefit from the great contributions he would have made to the cause of American ideals and the cause of free men everywhere. I join my colleagues in expressing to his family my deepest sympathy.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Speaker, I join my colleagues in the Pennsylvania delegation in eulogizing a great statesman, DOUG ELLIOTT, a man in my opinion who had a great future ahead of him. I had heard about him in educational circles throughout the Keystone State but had never had the pleasure of meeting him personally until he came to Congress. But I would like to say that for a new Member coming in, I never witnessed anyone so interested in his work as he was. The thing he was particularly interested in was the parliamentary procedure in the House of Representatives versus that in the senate in Pennsylvania where he served prior to coming to Congress.

Mr. Speaker, I extend my sincere sympathies to his wife and to his lovely children. I know we shall all miss him.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Speaker, I want to associate myself with the sentiments that have been expressed here on this floor today regarding the death of our beloved colleague, "DOUG" ELLIOTT. I of course had the opportunity to work with him during his recent campaign and, like everybody else associated with him, I was extremely impressed with his popularity and his ability. His passing is a loss to the State of Pennsylvania and to the Nation, as well as to his fine family, his friends, and his neighbors. Mr. Speaker, an expression of sympathy at this time is all that can be advanced. I certainly hope that in tribute to him all of us are motivated to perform our tasks in the time allotted to us in a better and more dedicated fashion.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Speaker, this is a sad occasion of sorrow for everybody in the House, especially for those of us who knew DOUG ELLIOTT. When we were advised of his passing we were shocked, because he had such a bright future ahead of him.

When Congressman DOUGLAS ELLIOTT came to Congress from the Pennsylvania State Senate I was more than pleased about it. I had been a speaker at the Lincoln Birthday observance at Gettysburg a few years ago when I first heard him speak. I saw the wonderful reception he received when he was finished speaking and what a fine opinion his friends and neighbors had of him. I think the Congress has lost a promising Member. I join in expressing our sincere sympathy to his wife and children.

Mr. FENTON. Mr. Speaker, I yield to our colleague, the gentleman from Pennsylvania [Mr. MUMMA].

Mr. MUMMA. Mr. Speaker, I was terribly shocked last night as I watched a television program, when all of a sudden the program was interrupted and an announcement was made of the finding of the body of our colleague. I could hardly believe it. I never knew Mr. ELLIOTT until he came to the House of Representatives. But, being from Harrisburg where he had his previous tour of duty, I remembered seeing in the newspapers many times stories of Senator Elliott, from Chambersburg. And I read during the campaign in the local newspapers about the qualities and possibilities of this fine man. From that I came to like him. When he came to the Congress, I saw what a wonderful man he was. He quickly became acquainted with most of the Members of the Congress in our delegation, and I do really feel sorry for those Members who did not have the privilege of meeting him. He was a dynamic person. I mourn his passing. My heartfelt sympathy goes to his wife and children. Might I say, finally, that last Friday, after we had such a terrific session here, when he left here he was very happy with his committee assignments. He had just found out about it then, and he was very happy. What changed his attitude toward life, I do not know.

Mr. FENTON. Mr. Speaker, I yield to our colleague the gentleman from Pennsylvania [Mr. QUIGLEY].

Mr. QUIGLEY. Mr. Speaker, on this sad occasion I am prompted to recall that I first met DOUG ELLIOTT some 6 years ago in the summer of 1954. I was then a candidate for the Congress, and DOUG ELLIOTT was seeking election to the Pennsylvania State Senate. Our meeting come about because it just so happened that we had one county in common. The congressional district in which I sought to be elected, and the senatorial district from which he sought to be elected had one county, namely, Adams County, which was in both districts. I recall it was on a Sunday afternoon when I was attending a church festival. I was busy doing all the usual things that candidates for public office do at such affairs—meeting people and shaking hands, and as I worked my way through the crowd, I suddenly found a hand extended to me. "JIM QUIGLEY, I believe?" he asked. I said, "Yes." He said, "I am DOUG ELLIOTT." My immediate reaction to DOUG ELLIOTT was the same as almost everyone who has ever met him had. I liked the guy. Despite our partisan differences, that was the start of a fairly close friendship.

As I have indicated, Mr. Speaker, my reaction to DOUG ELLIOTT was not unique. The record shows that voters of his district reacted pretty much the same way and well they might. DOUG was literally tall, dark, and handsome. On top of that, he had a very affable and pleasant way about him. He was additionally blessed, as I discovered on that same Sunday afternoon, with an unbelievably attractive wife and three very lovely children. In a word, he seemed to have everything that any man, and certainly any man who was a candidate for public office, could ever want to have. I was grateful, in fact, as I later told him that he was not my opponent in that particular election. It was an election he won decisively.

With the death of our former esteemed colleague, Dick Simpson, earlier this year, DOUG was selected as the candidate for that vacancy in the House of Representatives. There seemed to be little doubt that considering the district a candidate with DOUG'S outstanding qualifications that he could only emerge as the winner.

This happened. He came to this House less than 2 months ago. This of course gave me an opportunity to again renew our friendship, a friendship which continued during the 4 years when he served in the State senate in Harrisburg.

I talked to him on this floor Friday afternoon. I discussed with him the fact that I was going to the Democratic Convention in Los Angeles and had just that day decided to take my family with me. As of last Friday he had decided not to go to his party convention in Chicago.

Mr. Speaker, I thought I really knew DOUG ELLIOTT fairly well. However, it seems, in the light of events in the past 30 hours, that I did not. I suppose no one will ever know what happened and why it did. I certainly have no idea.

When the word came to me last night about 10 o'clock, I was shocked beyond words. I can only say now that I express my sorrow to his lovely wife and his three fine children, and I trust and hope and pray that in this, their hour of great tragedy, they will have the necessary courage and strength, and that the Lord will give them everything they need to see them through. They have lost, Pennsylvania has lost, the Congress of the United States has lost a man who, in my judgment, was a good man, and a potentially great one.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Speaker, together with my colleagues, I

am shocked over the death of DOUGLAS ELLIOTT, a member of the Pennsylvania delegation. I learned to know him as a friend and as an able, dedicated man. A strong character, a pleasant personality seemed to assure for him a bright and promising future.

To his wife and to his children go my deepest sympathy.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Speaker, I have the honor to represent the district that adjoins the congressional district of our deceased friend, DOUGLAS H. ELLIOTT. Although I never had an opportunity to know him well until he arrived as a Member of this legislative body, I had known previously of his ability as a legislator in our State capital, and as a great educator in one of our colleges in Pennsylvania.

I am sure that those of us who have had an opportunity to work with him, recognized his great ability. I know he had a distinguished political career waiting for him on a statewide basis.

I wish to express my deepest sympathy to Mrs. Elliott and to his three fine children.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. NELSEN.]

Mr. NELSEN. Mr. Speaker, there are times when words fail to measure up to the situation at hand, and today is such a time. We have lost a beloved Member, a young man full of energy, a sparkle in his eye, an engaging friendly smile; a man destined to go places.

As one of the freshman Members, I extend to the family, on the part of our group, our most heartfelt sympathies. We mourn with them in their loss.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. SCHNEEBELI].

Mr. SCHNEEBELI. Mr. Speaker, I was deeply moved to learn of the passing of DOUG ELLIOTT. Since DOUG and I were both sworn in at the same time, I think we have a common kinship.

We both were struggling to learn the mechanics of the House and what was going on; we were learning together. So I believe I have a more personal relationship with DOUG ELLIOTT than anybody else in the House.

His passing is one of those things which is so difficult to understand. I am deeply moved and greatly affected by his passing.

To his lovely family I extend my deepest sympathy in their bereavement.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Speaker, in a very short space of time DOUGLAS ELLIOTT made a very long impression on me, a fellow first-termer. I was shocked and saddened by his tragic death, and I join the other Members of the House in extending to his wife and family my deepest sympathy.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. SAYLOR].

Mr. SAYLOR. Mr. Speaker, last Monday morning as I left my home and started to Washington, I turned on the radio and heard the announcer mention our colleague, DOUG ELLIOTT. He stated he not only had a perfect attendance record in Washington, but also announced an itinerary where his constituents could see him during the week. I have just checked the RECORD and find that in this past week also he had a perfect record.

This morning I turned on the radio and heard the same announcer mention the untimely death of our colleague.

There is not a Member of the House on either side of the aisle who in my opinion was possessed of the tremendous ability and potentiality DOUGLAS ELLIOTT had. I know he will be sadly missed—not only by those who cherished his friendship, but also the members of his family. His passing is indeed a great loss to his district, the Commonwealth of Pennsylvania, the House of Representatives, and our country.

To his family and friends, I extend my deepest sympathy.

Mr. FENTON. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. CURTIN].

Mr. CURTIN. Mr. Speaker, my acquaintanceship with our colleague, DOUGLAS ELLIOTT, is of relatively recent origin. However, his reputation as a hard working and conscientious public servant preceded him here, and during the short time that he had been here among us, he impressed us all with his joviality, energy, ability, and sincere efforts to be a real addition to this great body.

Our colleague was no stranger to legislative halls; he served the 33d senatorial district of Pennsylvania well and ably in the Senate of Pennsylvania from 1957 until his election to serve the 18th Congressional District. During that period he, as a State senator, made a fine record of service to his district. Mr. ELLIOTT'S tragic passing shocks us immeasurably; he had great potentiality as a leader.

He leaves a lovely wife and three fine children. Our sympathy goes out to this grief-stricken family.

Mr. MILLIKEN. Mr. Speaker, will the gentleman yield?

Mr. FENTON. I yield to the gentleman from Pennsylvania [Mr. MILLIKEN].

Mr. MILLIKEN. Mr. Speaker, I was deeply shocked and grieved when I walked into my office this morning and learned of the death of our colleague, DOUG ELLIOTT. I had known Mr. ELLIOTT only a short time, since he has been a Member of Congress, but my sister and his family and my niece and his sister were very close friends. He originally came from my legislative district.

In the short time that I knew DOUG ELLIOTT I had learned to admire his ability and respected his desire to be a good public servant. I want to join my colleagues in expressing sympathy to his parents and to his wife and children.

Mr. ARENDS. Mr. Speaker, I do not know what to say or how to say what is in my mind and heart with the passing of our fine colleague, DOUGLAS ELLIOTT.

Those of us who have been privileged to serve here for a number of years readily recognized in our new Member all the potentials for great service. He demonstrated to us his innate ability which, with time, the whole country would recognize. He was always understanding of different opinions and always tolerant.

The passing of DOUGLAS ELLIOTT is a great loss to us. We have lost a personable young man of great ability.

I extend my sincerest, deepest sympathy to his fine wife and family.

GENERAL LEAVE TO EXTEND REMARKS

Mr. FENTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the life and character of the late DOUGLAS ELLIOTT.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. SCHNEEBELI. Mr. Speaker, since DOUG ELLIOTT and I were sworn into office together a short time ago, I have felt a special kinship and perhaps a closer relationship with him than most of the other Congressmen. We usually sat together at the sessions, discussed policies and procedures, and were mutually concerned with many of the initial problems confronting a new Congressman. With this background of sympathetic understanding, I felt close to DOUG ELLIOTT since we shared the same emotional experiences at the beginning of our congressional careers.

Consequently I was deeply moved and very saddened to learn of DOUG'S sudden passing. His last 2 days in Congress we spent together discussing our thoughts and reactions to the legislation being proposed. It is difficult for me to believe that my friend will not be sitting next to me to confer further on our mutual opinions and reactions to the bills and amendments as they come to the floor for a vote.

I found DOUG ELLIOTT to be most conscientious in his voting; most studious in his attention to House actions, and I sincerely believe that his potential in becoming an outstanding legislator was unlimited. He had a great future before him in the Halls of Congress and from his initial actions it could be easily determined that he would have done exceptionally well for his constituents, his State, and the people of the United States. He had early gained the confidence and respect of his colleagues on both sides of the aisle.

My deepest sympathy goes out to DOUG'S wife and family in this hour of shock and bereavement.

Mr. BOSCH. Mr. Speaker, I was greatly saddened at the untimely death of our colleague from Pennsylvania, DOUGLAS ELLIOTT. I originally had the pleasure of meeting him at the time of his nomination to succeed the distinguished late Richard Simpson through the courtesy of our former colleague, Franklin H. Lichtenwalter. After he became a Member of this body, I had occasion to become better acquainted with

him. Short as that period was, I was convinced that DOUG ELLIOTT had great prospects for distinguished service in this body. Tragedies such as these are indeed hard to understand, and we will sorely miss him.

I extend sympathy to his loved ones.

Mr. FENTON. Mr. Speaker, I offer a resolution.

The Clerk read the resolution (H. Res. 566), as follows:

Resolved, That the House has heard with profound sorrow of the death of the Honorable DOUGLAS H. ELLIOTT, a Representative from the State of Pennsylvania.

Resolved, That a committee of eleven Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

The SPEAKER. The Chair appoints as members of the funeral committee the following Members: Mr. WALTER, Mr. FENTON, Mr. MORGAN, Mr. VAN ZANDT, Mr. DAGUE, Mr. SAYLOR, Mr. MUMMA, Mr. CURTIN, Mr. QUIGLEY, Mr. MILLIKEN, and Mr. SCHNEEBELI.

The SPEAKER. The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 12 o'clock and 53 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 21, 1960, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2278. A letter from the Secretary of the Army, transmitting reports of the number of officers on duty with Headquarters, Department of the Army and the Army General Staff on March 31, 1960; to the Committee on Armed Services.

2279. A letter from the Secretary of the Interior, transmitting a coordinated report on the San Juan-Chama project, Colorado-New Mexico, and the Navajo Indian irrigation project, New Mexico, pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 424); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMAS: Committee on Appropriations. House Joint Resolution 765. Joint resolution making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes; without amendment (Rept. No. 1919). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARMON: Committee on Post Office and Civil Service. H.R. 7810. A bill to credit periods of internment during World War II to certain Federal employees of Japanese ancestry for purposes of the Civil Service Retirement Act and the Annual and Sick Leave Act of 1951; with amendment (Rept. No. 1920). Referred to the Committee of the Whole House on the State of the Union.

Mr. OLIVER: Committee on Post Office and Civil Service. S. 1849. An act to amend the act of August 10, 1939, authorizing the Postmaster General to contract for certain powerboat service in Alaska; without amendment (Rept. No. 1921). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Post Office and Civil Service. S. 3545. An act to amend section 4 of the act of January 21, 1929 (48 U.S.C. 354a(c)), and for other purposes; with amendment (Rept. No. 1922). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on Appropriations. H.R. 12740. A bill making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes; without amendment (Rept. No. 1923). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 12603. A bill to extend and amend laws relating to the preservation and improvement of housing and the renewal of urban communities, and for other purposes; with amendment (Rept. No. 1924). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MACK of Illinois:

H.R. 12727. A bill to amend the act of October 2, 1888, and repeal the act of March 4, 1911, relating to certain payments from the contingent fund of the House of Representatives; to the Committee on House Administration.

By Mr. GEORGE:

H.R. 12728. A bill to amend title 38, United States Code, to liberalize the income limitations applicable to the payment of pension to veterans of World War I; to the Committee on Veterans' Affairs.

By Mr. HALPERN:

H.R. 12729. A bill to provide for the construction of a permanent museum of science and industry at the New York World's Fair of 1964, and for other purposes; to the Committee on Foreign Affairs.

H.R. 12730. A bill to require detailed accounting by Members of the House of Representatives in the case of travel expenses, and for other purposes; to the Committee on House Administration.

By Mr. HARRIS:

H.R. 12731. A bill to promote the efficient, fair, and independent operation of the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission, the Federal Trade Commission, the Interstate Commerce Commission, and the Securities and Exchange Commission; to the Committee on Interstate and Foreign Commerce.

By Mr. HECHLER:

H.R. 12732. A bill to provide that, to the maximum extent practicable, postage rates for second-class and third-class mail shall cover the costs of such mail, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MOSS:

H.R. 12733. A bill to amend the act of September 21, 1959, to authorize conveyance of certain real property of the United States to the county of Sacramento, Calif.; to the Committee on Armed Services.

By Mr. PELLY:

H.R. 12734. A bill to amend title 39, United States Code, the postal service; to the Committee on Post Office and Civil Service.

By Mr. THOMAS:

H.R. 12740. A bill making supplemental appropriations for the fiscal year ending June 30, 1961, and for other purposes; to the Committee on Appropriations.

H.J. Res. 765. Joint resolution making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes; to the Committee on Appropriations.

By Mr. LOSER:

H.J. Res. 766. Joint resolution providing for the designation of the week commencing October 2, 1960, as "National Public Works Week"; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII,

The SPEAKER presented a memorial of the Legislature of the State of Louisiana, memoralizing the President and the Congress of the United States relative to urging immediate action by appropriate legislation to institute some type of program to curtail and control the foreign importation of shrimp, which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAGUE:

H.R. 12735. A bill for the relief of Domenico Antonelli; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 12736. A bill for the relief of Dr. Erol Y. Caypinar; to the Committee on the Judiciary.

By Mr. MITCHELL:

H.R. 12737. A bill for the relief of Milton M. Cole; to the Committee on the Judiciary.

H.R. 12738. A bill for the relief of A1c. Marvin T. Ashley; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 12739. A bill for the relief of Dr. John P. Chiasson and his wife, Alice Chiasson, and their minor children, Louis, Marc, Marina, and Nicole Chiasson; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

501. Mr. CUNNINGHAM presented a petition of Julia Cecelia Provost Sommers and Lucille Mary Sommers of the Omaha Tribe, in opposition to H.R. 11782, which was referred to the Committee on Interior and Insular Affairs.

EXTENSIONS OF REMARKS

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS
OF
HON. JOHN J. RHODES
OF ARIZONA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mr. RHODES of Arizona. Mr. Speaker, today a 15-member task force of the House Republican policy committee has released a report—"American Strategy and Strength"—which is so vital to our national survival that it deserves special note in the RECORD and the serious study of all Members of this body.

I shall describe some of the background of this study, and then the actual report summary will be presented.

At the outset of my remarks, I should point out that this document is nonpolitical. I wish to emphasize that attempts to make it appear political could destroy its usefulness and lead the United States ever deeper into the mire of international miscalculation.

I consider it a great tribute to the 14 members of this body who worked with me and the task force staff in evaluating the papers upon which the report is based that they so effectively shunned partisanship temptations. This is particularly commendable in an election year when the very subject at hand is likely to be one of the most bitter political controversies.

The report is based upon study papers prepared on a full range of subjects dealing with national and international strategy by distinguished experts on diplomatic, military, scientific, economic and psychological phases of the conflict between the free and slave worlds.

In addition, still other authorities from academic and professional life were called on for comments and suggestions. Altogether, more than 50 evaluations by task force staff members, authorities in the fields concerned, and Members of this body, went into the report.

I believe the hundreds of crises which have arisen between this Nation and its allies on the one hand and, on the other, the countries of the Soviet bloc in the past 30 years are ample proof of the need for such a study.

In the consideration of this age-long struggle, those who worked on the report and the study papers upon which it is based have neither sought the solution to an individual crisis nor suggested a course of action designed to meet any particular conflict which may arise. Rather, they have attempted to outline an overall strategy which could be expected to preserve our freedoms for all time.

No one concerned in this project considers the study or its report the complete, or final, solution to all problems at hand. Indeed, Mr. Speaker, such a thing obviously would have been impossible of attainment in the short period which has been devoted to the subject.

The studies were begun 4 months ago under the direction of the distinguished gentleman from Wisconsin [Mr. BYRNES], who is chairman of the policy committee, and my able colleague, the gentleman from Michigan [Mr. FORD], chairman of the study group.

At the outset, those who took part in the project fully considered the problems which would be presented by time limitations and the question of producing something more than a superficial study with the small staff we had available for the task.

The task force recognized that the strategy followed by the slave world in its conquests thus far has not been limited to any particular sphere or spheres of influence, but rather has been as varied as the governmental interests of its opponents. We were aware that mere military deterrents, economic blocs, diplomatic approaches, propaganda techniques, and scientific and industrial development could not, in themselves, halt the spread of world communism or long defend the freedoms Americans consider more important than life itself.

Instead, an articulated strategy, or what we have called a public strategy, in which every area of enemy onslaught could be defended through the coordinated efforts of our entire people, would be necessary.

The ultimate strategy arrived at, of course, should spell out in bold letters the difference between our national survival in freedom and our enslavement.

In a world where every compromise of vital interests work out only to the benefit of our opponents time obviously is not on our side. For this, and other considerations, it was determined to have a report ready prior to the adjournment of this session of Congress. We felt that, if we could enlist the aid of experts in the more vital fields of consideration, we could produce something with which to work. This, we were and are convinced, would be a start.

It perhaps could develop in all of us, a better sense of direction and coordination. It could channel the thinking of Americans everywhere into the streams of a coordinated and well-articulated strategy with which to meet alien onslaughts on our civilization.

An an example of this desire by those responsible for the studies and the report at hand, I should point out that the recommendation for a coordination of vital public information media under the direct supervision of the White House was arrived at before the recent U–2 incident. In this respect, I think it is significantly important to reemphasize that such a strategy as is put forth would not be limited to a particular crisis, but rather would preclude American loss of prestige or power because of them.

In an effort to produce the best possible report within our time limitations, the task force enlisted the aid of the best available experts in all fields concerned. Volunteers were used wherever possible and the cooperation of faculty members at America's leading universities, scientists, diplomats, military leaders, economists, psychologists, legislators, and others was overwhelming.

Now, briefly, here is how we proceeded:

Last February it seemed to certain Members of this body that the then-current debates over the so-called missile gap reflected a lack of real depth and appreciation—both of our national strategy and strength and of how to build upon our present strategy and strength constructively for the decade just entered.

It was shortly after this that the chairman of the Republican policy committee appointed a task force of members to study the total strategy and strength of this Nation in relation to its conflict with the Sino-Soviet bloc. Initially, there were but six members in the group, but as study progressed, the members became increasingly aware of the broad-gage approach needed for the problems involved. Consequently, the task force was enlarged to an eventual 15 members drawn from vital House committees.

It also was felt that the study should be broadened by viewpoints of experts outside of Congress, especially those of academicians and professional people. As a vehicle for initiating this, background papers were sought not only from the staff and some of the Congressmen of the task force, but also from outside authorities on the subjects at hand.

To further enrich the study, the papers are being circulated in the academic community, and remarks and comments thus elicited were and are being considered. Naturally, some of the conclusions and comments differ, and this is good. The report soon to be presented is thus a result of the task force's evaluation of the more than 50 viewpoints available.

The members of the task force, with the increased depth obtained from these viewpoints, papers, and discussions, have consolidated into this task force report summary of conclusions the ideas, concepts, and recommendations which they felt especially needed congressional and public discussion before the close of this session of Congress.

Many equally important problems are considered in the study papers which merit greater discussion for a future task force operation. But we think we have made a real beginning.

As coordinator for the task force, I wish to make grateful acknowledgment to my colleagues on this task force, to the staff members who assisted us, to those who prepared the study papers

which were considered and evaluated by our group, and to those in private fields who gave time and effort to assist Members of this body in their assessments.

Mr. Speaker, first, I will list my colleagues who participated in this study and acknowledge their particular contributions to the project. The gentleman from Wisconsin [Mr. BYRNES] appointed the task force and especially participated in recommendations for improved policymaking within the Congress. The gentleman from Illinois [Mr. ARENDS], the minority whip and the ranking Republican on the Armed Services Committee, has lent overall advice to the preparation of the report and has contributed valuable background material. Of the study group itself, the gentleman from Michigan [Mr. FORD] was chairman and particularly devoted attention to the review of national objectives. The other members of the task force specialized in portions of the report as follows: The gentleman from New Hampshire [Mr. BASS], scientific aspects; the gentlewoman from Ohio [Mrs. BOLTON], diplomacy and awareness in approach to undecided and captive nations; the gentleman from Michigan [Mr. CHAMBERLAIN], appraisals of our forces in being; the gentleman from Missouri [Mr. CURTIS], economic aspects; the gentleman from California [Mr. HOSMER], national policy; the gentleman from California [Mr. JACKSON], psychological aspects and deterrence; the gentleman from Minnesota [Mr. JUDD], Sino-Soviet characteristics; the gentleman from Wisconsin [Mr. LAIRD], military aspects; the gentleman from New York [Mr. MILLER], responsible political partisanship; the gentlewoman from New York [Mrs. ST. GEORGE], individual responsibility; and the gentleman from California [Mr. WILSON], implementing public strategy.

The staff members of the task force also deserve special commendation for the long and arduous hours spent in assimilating and preparing material. Working under the able direction of Dr. David M. Abshire on the staff were Dr. Donald Ackerman, Guy Waterman, and Priscilla E. Turner.

Now, I wish to express the appreciation of the policy committee and the task force to those who prepared the background study papers. The papers and those who prepared them are:

First. "National Character as an Element of Power," by Prof. William Y. Elliott of Harvard University, widely known both for his academic and governmental experience.

Second. "Fundamentals of a National Strategy," by Dr. David M. Abshire, task force staff director.

Third. "How Democracies Die," by John H. Stambaugh, vice chancellor of Vanderbilt University.

Fourth. "An Appraisal of Soviet Economic Capability," by Representative THOMAS B. CURTIS, of Missouri, ranking minority member of Joint Economic Committee.

Fifth. "International Tension and National Defense," by Prof. Robert W. Neumann, director of the well-known Institute of International and Foreign Studies at UCLA.

Sixth. "Key Factors in Future Military Planning," by Adm. Arthur Radford (retired), the distinguished former Chairman of the Joint Chiefs of Staff.

Seventh. "U.S. Defense: Policies and Posture," by Dr. Donald H. Ackerman of the task force staff and special assistant for Defense Affairs to the gentleman from Michigan [Mr. FORD].

Eighth. "The Requirements of Deterrence," by Prof. Paul Peeters of Iona College.

Ninth. "Science and Foreign Affairs," by Dr. George B. Kistiakowsky, the distinguished Special Assistant to the President for Science and Technology.

Tenth. "A History of Ballistic Missiles," by Representative LESLIE C. ARENDS, of Illinois, ranking Republican member of House Armed Services Committee.

Eleventh. "The Cost of National Security," by Prof. Arthur E. Burns of George Washington University.

Twelfth. "The Economics of National Defense in a Free Economy," by Guy Waterman of the task force staff.

Thirteenth. "The Economic Challenge of the Soviet Union," by Dr. Don Paarlberg, Special Assistant to the President for Economic Affairs.

Fourteenth. "The Impact of Inflation on America's Balance of International Payments," by Dr. Rita Hauser, author and lawyer.

Fifteenth. "An Extension of National Security Council Machinery," by Prof. William Y. Elliott, his second paper.

Sixteenth. "Some Psychological Aspects of Soviet Propaganda," by Malcolm Smith, of Senator THOMAS H. KUCHEL's staff.

Seventeenth. "Civil Defense Policies," by Dr. Donald A. Melnick, of Scientific Planning Associates.

Eighteenth. "Disarmament: Problems and Prospects," by Representative CRAIG HOSMER, of California, member of the Joint Atomic Energy Committee, and Arthur Peterson, of the University of Wisconsin.

Nineteenth. "Soviet Subversive Forces," by Ralph De Toledano, well-known author, lecturer, and syndicated columnist.

Twentieth. "Soviet Strategy and Free World Defense," by Prof. Gerhart Niemeyer, of the Notre Dame faculty.

Twenty-first. "An Examination of Partisanship and Bipartisanship in National Security Matters." A symposium of political scientists: Prof. James Atkinson and Prof. Karl Cerny, both of Georgetown University; William Y. Elliott, Harvard University; George Grassmuck, University of Michigan; Ivan Hinderaker, University of California, Los Angeles division; Karl Lamb, University of Michigan; the Reverend Stanley Parry, Notre Dame; Howard Penniman, also of Georgetown University; and Robert Loevy, Johns Hopkins University, who served as secretary for this symposium.

I should like to say at this point that we especially respect and appreciate the advice and assistance which we received from these individuals: Professor Penniman, Dr. Malcolm Moos, Father Parry, Dr. Cornelius P. Cotter, and Prof. Franklyn Burdette.

In behalf of the task force, I also wish to express appreciation to Karl Hess, John Patten III, and Patrick Anderson, for their invaluable voluntary assistance to the staff; and to the following distinguished participants for their evaluation and assessment of studies and other helpful suggestions:

Prof. Vaughn David Bornet of Santa Monica, Calif.; Dr. W. Glenn Campbell, executive director of the Hoover Institution on War, Revolution, and Peace, Leland Stanford University; Prof. George O. Comfort of Butler University; Prof. George Grassmuck of the University of Michigan; Alfred de Grazia, director of the Center for Applied Social Research at New York University; Neil H. Jacoby, dean of the Graduate School for Business Administration, University of California at Los Angeles; Prof. G. Warren Nutter of the University of Virginia; James K. Pollock, chairman of the department of political science at the University of Michigan; Jackson A. Ransahoff, president of Neutron Products, Inc.; Prof. Wilson E. Schmidt of the School for Advanced International Studies, Johns Hopkins University and of George Washington University; Prof. Joseph L. Sutton of Indiana University; Prof. Paul Van Riper of Cornell University; and W. Allen Wallis, dean of the School of Business at Chicago University.

In conclusion, Mr. Speaker, I repeat that we have made every attempt to avoid partisanship in the preparation of this report and that it is intended only as a basis for further study and consideration of the articulated strategy necessary for our national survival. The study papers concerned in the report should provide all Members with a valuable foundation upon which to build future policy and bring wider participation into these efforts.

That our work has been nonpolitical in nature, is attested, I believe in one of the recommendations made: That the policy committees of both major political parties continue these task force studies in order to provide the Government and the people of the United States with sound, well-considered recommendations for a national strategy to deal with the greatest challenge our country ever has known.

Time, as I pointed out earlier, is on the side of the opponent, but we can make it serve us through just such an approach as this task force report.

This task force report summary, submitted by the task force membership, covers the full range of national-international strategy involved in the conflict between the free and the regimented sectors of the world. This report includes diplomatic, military, scientific, economic, and psychological strengths.

The purposes of this task force report are: First, to increase public awareness by offering a clear course for national policy; second, to furnish Members of Congress with a comprehensive viewpoint as an aid in their specialized committee activities; third, to identify American political dilemmas fomented both by the Sino-Soviet protracted conflict and the nuclear age; fourth, to offer specific recommendations, especially in regard to policy machinery, party and personal responsibilities.

OUR OBJECTIVES

Short-cut objectives for military victory in two world wars ignored long-range policy, lost the peace, and created conditions for the present conflict with the Sino-Soviet powers.

In this cold war, a panic-inspired objective of "survival only" might destroy free civilization.

"Survival only" is not a policy. It is the delusion of a nation marked for social suicide. It is the sure graveyard of human dignity. Captive nations survive, but only in slavery.

Free nations with no objectives beyond survival are prone to panic at times of artificial as well as real crisis and to engage in the piecemeal surrender made inevitable by seeking "peace at any price."

"Survival only" seeks glittering substitutes for facing crisis with a courageous and firm will. Cold war medicinemen are daily peddling panaceas with stereotyped plans for economic growth, for fluctuating military organization, for legislating leadership, for unilateral disarmament, for another summit regardless of conditions, for appeasing Khrushchev by apologizing to Khrushchev unnecessarily.

Equally negative is the objective of merely opposing communism. Sparta, resisting external challenge, destroyed internal freedom and creativity. Mere opposition to communism could do the same, erecting in the name of expediency the sort of central, Socialist tyranny it had meant to oppose.

The real challenge to the United States is to reevaluate the methods by which a republic can meet its challenges without renouncing the spirit of liberty. Our concern should center not so much on freedoms from, as on freedoms for, a better, more creative life for all the peoples of the earth.

Proper, positive objectives are:

PROMOTION OF WORLDWIDE POLITICAL AND ECONOMIC ORDER

Anywhere in the world, stability, law, and order work in favor of America's best interests. At home and overseas, the Vice President has spoken of the rule of law. The virus of communism can infect people only in a climate of disorder, discontent, and instability. Mutual security, the Development Loan Fund, the food-for-peace program all support stability. Associations such as the Common Market serve as independent obstacles to Communist expansion.

Emergence of other peace-loving centers of power in Europe, Asia, and Africa reduces the possibility of Soviet attack and eases the tensions inevitable when only two power centers exist in the world.

INCREASING INTERNAL STRENGTH

The free society is being tested by trends in both science and government toward amalgamation into large, more complex systems. But excellence in both derives not from monolithic but from decentralized organization. From outer space to the hometown, America's challenge is to produce scientific creativity and local government responsibility without overreliance upon central support and authority. The consciences of the States, as an example, must be stimulated to revise tax structures and leadership concepts and carry greater burdens in such fields as education and civil defense.

OPEN SOCIETIES

Closed societies constantly pose the possibility of secret preparations for surprise attack. Thus, President Eisenhower has set as a major American objective a world of open societies. The objective can be achieved. Open societies, although frequently not scoring initial successes, have greater staying power, flexibility, originality, and loyalty within. Open societies can harness science for the cause of free men. The lack of walls in space antiquates the Iron Curtain. The Midas satellites proclaim the doom of the closed system.

OUR STRATEGY

To accomplish these objectives, a strategy is needed for the maximum use of our resources. In the cold war battle, the resources are political, military, scientific, economic, and psychological. National strategy must embrace and employ the task force approach, which uses these resources in combinations, mutually complementing rather than competing.

Psychological objectives, especially, can be reached by interchangeable means.

While a massive satellite might have great psychological impact, an exportable cancer cure, or salt-water freshening method might have greater long-range impact among less favored nations.

Since the 1958 reorganization, the military services have placed increased emphasis on the task force or functional approach. Each military service has the mission to provide forces to command, respectively, on the land, sea, or in the air. The mission of actual victory, however, in anything short of all-out war, is assigned the unified theater command in task force organization.

Elimination of rivalry, duplication, and harmful competition depends upon such clear viewpoints of overriding objectives.

A PUBLIC STRATEGY

A national strategy should not be tucked away in a national security document. To be a public affair, it must be readily understood and enthusiastically supported by the scientists, the educator, the reporter, the engineer, the Congressman, and the housewife. Such an understanding would enormously refortify our present position of strength, and enable a real cold war victory.

The framework of a public strategy can only be built upon the timber of past success. This means understanding why war has been deterred since 1953 and why the Communists have not increased, at the expense of our allies, their territorial expansion one square inch since 1954.

Workable alternatives to the strategy that has achieved this success have not been formulated or even proposed. Yet, some critics would pull national strategy to pieces without replacing it by something better—this is like demolishing your house because you assume the roof might leak.

The Monroe Doctrine is an example of a public strategy understood and supported by Americans of both parties, enabling successive administrations to preserve the integrity of the new world.

To develop an equivalent public strategy for the 1960's, Americans must not tear down proven success, but must erect an even better structure upon it. Small but vocal minorities must not be allowed more destruction than construction. Men of both parties working together can transform our present strategy to a public strategy with which a united people can deter war and advance liberty for a century or more—until the final world triumph of the open society.

THE CHARACTER OF THE SINO-SOVIET CHALLENGE INDIVISIBLE, PROTRACTED CONFLICT

Communist strategy is total, with war and peace merging into a completely flexible conflict system designed to seek victory, regardless of how long or what means it takes.

The Sino-Soviet strategy aims to divide the United States from within and from her allies without, to sap her ability to resist, to undermine her will to act, and to monopolize the initiative over an entire historical era.

STRATEGY OF TERROR

Nuclear blackmail, in which Soviet propaganda relentlessly emphasizes the devastation of atomic warfare, is used in an attempt to weaken the fiber of persons seeking "peace above all." Probing maneuvers are used to keep the West off balance, particularly during such politically sensitive periods as national elections. Soviet exploitation of the Suez crisis in 1956, the Quemoy-Matsu crisis of 1958, the U–2 incident of 1960 are examples. A new propaganda probe, possibly in the space field, may be expected, also, prior to the November election.

The Communists shifted from the direct penetration of the Korean limited war to a proxy penetration of peripheral gray areas such as Indochina, and then in 1955 shifted to a leap-frog strategy into the Middle East. Now, Communists are shifting to a forward strategy aimed more directly at the new world—in Cuba, in South America, and in the internal politics of the United States.

Pavlov, the father of Russian psychology, trained dogs to respond by automatic reflex to certain stimuli or signals. By changing the signals enough to produce confusion, he drove them to frustration, neuroticism, and eventual collapse. The Russian psychological strategy aims at conditioning the West to

neurotic frustration, guilt complexes, and conscience destruction. The principal conditioner is sharp alternatives of friendship and bellicosity. The result sought is to make the West react reflexively, in terms beneficial to Soviet power, to each Soviet gambit.

Examples of zig-zags: The 1955 summit "spirit of Geneva"—the Czech arms deal with Egypt; Khrushchev's smiling 1959 tour of the United States—Khrushchev's 1960 summit frowns; stormy threats of immediate settlement of the German problem one day—quiet insistence on patience the next; threatening Pakistan with missiles one moment—proposing disarmament the next.

SUBVERSION

The knife of Communist subversion is in its most deadly form aimed at the national will-to-resist. No modern revolution has succeeded without the destruction of that will in legitimate government. Lenin had the half-hearted Kerensky government efforts in his favor. This erosion of will employs inevitability and wave-of-the-future concepts, downgrading national achievements, upgrading enemy achievements, and use of the strategic minority. This last group, once will is undermined, takes over in a time of crisis.

Three Communist parties infiltrate America today: The open party or card carriers; the underground party, having more than 75 percent at work in industrial plants; and the "sleepers," or most dangerous group, with no recorded history of affiliation, now hard at work muddying policy whenever possible.

DECEPTIONS AND DISTORTIONS

Soviet scientific achievement is a principal weapon, not technically but as propaganda, to batter Western confidence. In this respect, it is not required that the Soviet be actually superior but only that they focus on areas where vocal and uneasy spokesmen in the West will, in panic, concede Soviet superiority on Soviet word alone. An example is Western inferiority statements about the Russian moonshot despite Russia's admission, after many official statements to the contrary, that the famed moon photo was merely a retouched composite.

Soviet economic claims, taken at face value rather than with grains of statistical salt, are used in the same way, to induce Western feelings of inferiority and the fright of panic-proneness that follows.

Actual Soviet strength is vastly inferior to our own. Our steel production, much below maximum capacity, exceeds that of the Soviet, running at full capacity by 60 percent. We have 3 times the number of hydroelectric plants, 9 times the shipping, 20 times the number of cars and trucks, and a standard of living 4 times as high.

Our industrial manpower exceeds that of the Soviet by some 10 million due to the fact that Russia's backward agricultural system keeps half the entire working population chained to the demands of collective farms.

The plight of the United States would be serious if she exchanged places with the U.S.S.R. In the military, we would have a one-weapon strategy based on a handful of first-generation ICBM's, and several hundred bombers less than enemy bombers operating from Bermuda, Hawaii, Alaska, Venezuela, and Newfoundland. We would face thousands of fighter aircraft and IRBM's from bases scattered through Canada, Mexico, and the Caribbean islands, and an enemy capability to fly across our country despite our best air defenses. While our ground troops were dispersed over a restless satellite empire, the enemy would have a quarter million nuclear-armed troops and reliable alliance systems to the east, south, and west.

EXTERNAL ACTIONS AND INTERNAL STRESS

Internal stresses result from domestic imbalance, power struggles, discontent, and rivalry with Red China for Communist leadership. Competent studies suggest that Soviet threats actually cover internal Soviet weaknesses, whereas a real prelude to overt military action would most likely be in the form of a concentrated peace offensive. This is ample reason for never dropping our guard during such periods, and is one reason for the U–2 flight before the summit.

DANGER POINTS

The protracted conflict could only culminate in general war as a result of, first, Soviet miscalculations; second, Soviet desperation; third, Soviet conviction of possessing the strength to emerge victorious. The national strategy of the United States is designed to prevent these three conditions. But one actual threat to world peace is the possibility that the Soviet could be deluded into thinking it has sufficient power to win a contest of arms.

An example of the difficulty faced, however, in substituting fact for fears is that the administration easily could have countered critical charges of a missile gap by revealing information gathered during 4 years of U–2 reconnaissance. But to do so, before the Soviet revealed its knowledge of the flights, would have seriously shortened the duration of the overflight project.

THE COMMUNIST TOTAL STRATEGY OF DIPLOMATIC, MILITARY, SCIENTIFIC, ECONOMICAL, AND PSYCHOLOGICAL MEANS CAN BE MET ONLY BY AN EQUALLY TOTAL STRATEGY, STRENGTHENED BY THE UNITY AND CONFIDENCE OF THE AMERICAN PUBLIC. FOLLOWING ARE WHAT THIS TASK FORCE CONSIDERS TO BE KEY ASPECTS OF OUR NATIONAL STRATEGY: A FOUNDATION OF POSITIVE NATIONAL POLICY

BACKGROUND

Following World War II, the United States tried to build a containment dike around communism, and yet confined her one strong capability-in-being to strategic A-bombing. This containment policy centered upon the European area, NATO, and the Marshall plan, to the neglect of worldwide dangers. The exclusion of Korea led the Communists into a miscalculated attack. Fear of Russian aggression in Europe restricted the response to the Korean aggression to defensive measures and permitted a privileged sanctuary.

Russia had engaged the free world through a pawn. A continued opposition to Communist limited wars with a purely negative strategy would have worked through attrition in favor of a shifting of global strength to the Communist bloc.

DETERRENCE THROUGH INITIATIVE

In 1953 and 1954, speeches by the President, the Vice President, the Secretary of State, and the Chairman of the Joint Chiefs of Staff intentionally announced that the United States no longer would play into the protracted conflict design by meeting aggression according to the ground rules of the aggressor, but would punish aggression at the time, place, and with weapons of our choice.

Thus the gap was spanned between unlimited nuclear retaliation against Moscow and defensive containment on enemy terms. This policy of calibrated retaliation achieved a total deterrent effect, and confronted the aggressor with unacceptable risks on each level of military aggression.

AVOID WAR THROUGH MISCALCULATION

The new national strategy sought to avoid Korea-type miscalculations by communicating in advance our intentions to punish aggression. The new administration in 1953 warned the Chinese Communists that the United States would not continue to tolerate a Manchurian privileged sanctuary and that the fighting might, to the aggressor's peril, soon spread beyond the limits and methods of his selection. The armistice followed.

It is essential that an opponent be convinced of firmness through public and private expressions by our Government. Prior to the proposed 1960 summit meeting, the State Department, on April 4 and 20, strongly reiterated that under no conditions would the free world retreat over the Berlin issue. Summit hopes were inconsequential as compared to avoiding Russian miscalculations leading to war. Similar examples of announced firmness are found in the Eisenhower Middle East doctrine, as well as in strong statements that the United States would resist any attempts of a Russian takeover in Cuba.

COLLECTIVE SECURITY

The third element of national policy has been collective security buttressed by self-help and mutual aid. An enlargement of what was begun in the Marshall plan and in NATO, the Eisenhower policy expanded the alliance systems so that aggression could be punished through a legal system formed in free world interest.

The 1954 Indochina crisis illustrated the need to expand globally the legal basis for U.S. intervention to halt aggression. A Far East alliance system had not been established and thus collective deterrence was lacking. To avoid a repetition of other indirect aggressions, the United States led in forming various security treaties and the SEATO alliance, constituting for Southeast Asia and the Pacific area what Senator George called "the Monroe Doctrine formula."

The Eisenhower doctrine, a unilateral declaration, authorizes the United States to assist economically and militarily nations which want such assistance to preserve their independence. If the independence of a Mideastern nation is declared to be vital to international peace

and the national interest, the United States will act when necessary and with initiative. The commitment of the Middle East resolution, as well as the commitments functioning in the Middle East through NATO—Turkey, SEATO—Pakistan, and CENTO—Iran afford a framework of deterrence which indeed worked, as proved in Lebanon.

Virtually the entire free world now stands in unity against Soviet aggression.

MILITARY CONCEPTS AND CAPABILITIES FOR INITIATIVE

RELATION OF THE MILITARY STRATEGY TO NATIONAL POLICY

Military strategy must be tailored to serve national policy developed to fulfill basic national objectives. Yet, some have considered military policies as if in a vacuum, isolated from a policy foundation.

Present national strategy is translated into military capabilities through five concepts. The long-pull concept is covered in the economic section.

MIXED FORCE CONCEPT

To meet aggression at the time, place, and with the weapons of our own choosing, our military forces need flexibility, selectivity, and variety in weaponry which takes best advantage of our geography and the capabilities of our allies. We seek a comparative military advantage in the decisive areas of deterrence. This eschews the dangerous, defensive concept of exactly matching an opponent in weapons or divisions, but poses for an aggressor risks that outweigh any gain. The mixed force concept was supported in the report of the House Defense Appropriations Subcommittee in this session of Congress.

Important is not only the "mix" of limited war capabilities in current needs, but also the increasing search for more effective future capabilities such as gases for disarming troops. At the same time, any concept of limited war strategy which disavows the possibility of using tactical nuclear weapons when opposed by Russia, Red China, or their pawns, would return us to the "wall of flesh" strategy, encourage Korea-type wars, and lose us our freedom of action.

SHIELD AND SWORD CONCEPT

The shield is largely composed of the conventional war forces of the free world alliance; the sword, massive mobile striking forces of the United States. This means getting more defense per taxpayer dollar by aiding allies to build conventional and limited war forces to meet creeping aggression and brushfire wars, while supplying through our own efforts the missile and nuclear weapons capability which is beyond the economic reach of most allies.

Ways must be sought to strengthen our allies with modern weapons. For example, the mobility and economy of the Polaris or Pershing missiles, on land and floating mounts, however, could add to the shield forces an independent deterrence capacity.

The shield and sword concept vastly enlarges the limited war capabilities of the free world. Mutual security helps to support, and our military missions help to train, over 200 divisions.

MOBILITY CONCEPT

Essential to our national policy is the capacity to react quickly to enemy aggression. Not merely a matter of more planes, airlift, and ships, mobility also is a matter of staging bases, of logistic followup, of improving equipment, of paring down requirements to basic minimums in order not to destroy the mobility sought.

Because of the vast comparative expense of airlift for a number of divisions, and the fact that only Western Europe has adequate airfields for landing a massive airlift anyway, the divisions of the common alliance system remain the primary limited war land deterrent. We must seek ways to improve the air-transportability of the combat division and the air landing facilities around the globe. At the same time, sealift remains the primary means of large limited war troop movements, as demonstrated in Lebanon.

Mobility of missiles is necessary for protection of deterrent capabilities. This administration is giving top priority to mobile missiles invulnerable to surprise attack and thus exploiting a breakthrough in solid fuel missiles. Because missile launching sites, unlike airbases, can be dispersed more widely, and given additional mobility on rails, roads, beneath the seas and under the polar icecap, the missile age will complicate vastly the task of the aggressor.

INVULNERABILITY OF THE DETERRENT

Another component of mobility relates to the indestructibility of the deterrent forces. So great is the destructive power of the megaton missile warhead that it is not in numbers of missiles, but in the invulnerability or the inability of an aggressor to destroy our retaliatory capability, that our true deterrence lies. A potential aggressor will calculate no benefit in aggression if he knows he cannot destroy the opponent's ability to destroy him.

Until we fully enter the solid fuel missile age, the invulnerability of our deterrent will rest not only in hardened liquid fuel missile sites, but more so in our Strategic Air Command. The present dispersion of SAC bases throughout the world, just-announced plans for further dispersion among civilian airfields, and our early warning systems, render SAC indestructible today. As the Russian ICBM capabilities increase, our ability to place a substantial portion of SAC on a sustained airborne alert will increase. Meanwhile, the President can, if necessary, overspend the budget and has standby powers to put SAC on airborne alert during an emergency period. The capacity for the alert in terms of, for example, spare engines and trained crews, is provided for in current budgets (fiscal year 1960 and fiscal year 1961).

FORCE-IN-BEING

Capabilities-in-being are the heart of deterrent power. This demands a new look at the traditional roles of stockpiling, of transport facilities—air, sea and land—and of the Reserves and National Guard. Instead of being wedded to World War II concepts, our forces, services, and industries must seek new roles identified with the forces-in-being concept.

While Russian military might has been concentrated in their heavy reliance on the intercontinental ballistic missile, the United States has included the ICBM as one element in an overall military capability which takes account of our control of the seas, our advanced bases and system of military alliance, our vastly superior bomber force, and other strong points in our position. Thus, while Soviet military strength has been forced into a single and obsolescing channel, due to their lack of carriers, oversea bases, and sound alliances, the United States has built up a force-in-being which concentrates on variety, flexibility, continual modernization, and dispersion of our weapons systems—a truly balanced force.

RÉSUMÉ OF U.S. FORCES-IN-BEING

Actual U.S. military might includes:

2,000 long-range strategic bombers, each with the destructive potential of several ICBM's, with a sizable proportion of them on 15-minute alert.

Sixteen wings of tactical aircraft, each with nuclear capability, deployed on bases strategically located in advance positions around the world.

Operational Atlas missiles now ready for launching from the west coast.

Snark missiles with a very large warhead, difficult to detect through defense radar.

Four more operational tactical missile squadrons equipped with a mix of Matador and Mace missiles which are all to be replaced with the Mace by 1962, each exceeded by far the total explosive power expended against all Axis military targets in Europe during the whole of World War II.

Intermediate range ballistic missiles, the Thor, stationed in allied forces' hands in the United Kingdom.

Two cruisers and five submarines equipped with the Regulus I, a surface-to-surface weapon.

Fourteen aircraft carriers, several of which are deployed around the periphery of the Soviet Union, able to launch more aircraft than the entire Soviet heavy bomber force and capable of nuclear strikes into almost any area of the Communist bloc.

Our naval alert forces also include 9 antisubmarine carriers, 14 cruisers, 269 destroyers, 115 submarines, 81 minecraft and more than 7,000 operational aircraft; augmented in the future by nuclear attack submarines, destroyer-escort vessels and other high priority efforts in research. They will provide an aggressive antisubmarine warfare program.

Fourteen Army divisions, eight overseas and six in this country, all at the highest state of readiness in peacetime history.

Three divisions of Marines, always prepared to move quickly and effectively to trouble spots anywhere in the world.

Allied nations provide the United States with some 250 strategically located bases, and contribute to our collective defense more than 5 million men, air forces of over 25,000 planes, half of which are jet powered, and help insure

free world control of the sea with their 2,200 combat vessels.

Near-future strength will be even greater. Added this year: two atomic-powered submarines each equipped with 16 operational Polaris missiles, with more to be added progressively at a minimum rate of three per year—the House-approved Polaris program would soon add 336 missiles to the strategic forces of the United States—IRBM's soon to be placed in Italy and Turkey—Atlas ICBM forces to be expanded to 13 squadrons by 1963, all but the first squadrons in hardened, underground sites—the Titan ICBM in hardened bases next year, with 14 squadrons available shortly after 1963. The Midas satellite system will double our warning time—the target date for the Minuteman solid-propellant ICBM will be reached earlier than expected, thus giving our missile force the mobility to roll the length and breadth of our country before 1963.

Our striking power, by the dispersal of bases, the mobility of new nuclear missiles, and warning systems, is now sufficiently invulnerable to deter use of surprise attack. It is only by exercises of science-fiction fantasy that critics can say Russia might destroy our retaliatory power. These critics are not, in fact, able to say that Russia actually possesses such power. Such criticism characteristically says that Russia could do such and such if Russia had such and such—that Russia could destroy our SAC bases if they had hundreds of missiles, if they had the sites from which to launch them simultaneously, if our bombers had no warning, if they all were on the ground, if every missile hit. The "if" bomb thus becomes one of Russia's greatest propaganda weapons.

Thus we see that there is no deterrent gap and that our forces today are capable of carrying out their assigned roles and missions. This capability will continue, aided by future procurement policies and research and development work. As General Twining has stated, "the impression in some quarters that the Soviet Union has overtaken or even outdistanced the United States in military power is simply not supported by facts."

BROAD-GAGE SCIENTIFIC DEVELOPMENT

BACKGROUND

The Communists seek superiority in a few key scientific fields for international prestige and power. Totalitarianism can concentrate upon selected areas and probe for technological breakthroughs.

Following World War II, the Soviet Union commenced intensive efforts in the field of high-thrust ballistic missiles and gained a 5- or 6-year head start over the United States. Although their lead in propulsion is waning and the scientific value of their space efforts is inferior to ours, they nonetheless gained a psychological advantage through Sputnik I and other spectaculars.

Russian scientific discoveries could produce special advantages on a short-term basis. Yet, if we narrowed our own research and development efforts into special-purpose crash programs, we would provide neither the lasting scientific reserve, stability, and flexibility to last out the protracted conflict, nor the most reliable end product for any one year of the contest.

By wise management of resources, the United States holds far greater basic advantages in terms of capital, productivity, labor skills, and scientific resources, all in combination with an atmosphere friendly to the spirit of free inquiry so essential to scientific progress. Our accomplishments in science have been more broadly based. While maintaining at least parity in the development of missiles and in other areas of military science, we have achieved preeminence in such fields as chemical research, especially in polymers and pharmaceuticals; molecular biology, with its intriguing advances toward an understanding of the real origins of life; medical and health research, so meaningful to the world's people; and solid-state physics, which have yielded the transistor.

SCIENTIFIC POWER THROUGH PURPOSE

The real danger confronting the United States is not Russian science, but a lack of our ability to integrate scientific perspective into our national purpose. In 1947, when Stalin overflowed with enthusiasm over the theories of the German scientist Sanger about big rockets spanning continents, the United States still thought, scientifically, in World War II research and development terms. Plainly, the Soviets moved into a new field ahead of us, not because of any general superiority, but because they identified the particular field with their national goals.

The establishment in 1957 of the President's Science Advisory Committee and the post of Special Assistant to the President for Science and Technology has already created a new relationship between science and government at the policy-making level. Additional progress for focusing responsibility for technical decisions at policy levels has resulted from the appointment of executives for research and development in the military services, the establishment of a Director of Research and Engineering in the Department of Defense, and the establishment of NASA and clarification of its responsibilities.

SCIENCE AND PRESTIGE

Correct choices must weigh contributions to general scientific data, to national security, and to international prestige, as well as technical feasibility.

The psychological purpose can be accomplished by timing with international events and dramatizing the achievements we do have. Nevertheless, it would be a tragic mistake to upset sound scientific programs for purely psychological goals. It is poor psychological technique, and not any failure in scientific progress, which has made uncommitted nations more aware of who launched sputnik than who invented the Salk vaccine, who produced the recent breakthroughs in molecular electronics, who developed atomic submarines capable of traversing beneath the ice cap at the North Pole or rounding the world completely submerged, or who has communicated farthest into space. Scientific articulation and appreciation is the American lack.

ADEQUATE FLOW OF EFFORT INTO BASIC RESEARCH AND EDUCATION

There is a continuing temptation to bring research resources to bear on the areas where immediate results are being spectacularly achieved. But, if we do not keep the flow of invention and innovation going, if we fail to push forward the frontiers of scientific discovery, the pace of development will relatively and decisively slow 10 years hence. The same long-range importance attaches to education.

Echoing Vannevar Bush's postwar call, Dwight Eisenhower again and again has asserted basic research should be given stronger support. Ultimately, the leader in outer space will be the nation which has made the greatest progress quietly, patiently, and perhaps undramatically on the true frontiers of knowledge—the laboratories of basic research on earth.

Long-range planning essential to scientific research also is essential in our educational process. The nation of schools is the nation of the future.

The strength of our intellectual pursuits will depend upon the ability to improve education and teacher incentives from the bottom up rather than through centralized and federalized education.

We must also recognize that today's and tomorrow's endless frontiers are intellectual ones. We must learn to honor the pioneers of those frontiers as warmly as the pioneers of our territorial frontiers.

FLEXIBILITY IN DECISION-MAKING

Each year compounds the outpouring of research results and at the same time the acceleration of obsolescence. The limitation of any Nation's scientific resources demands of decision makers a keener appraisal, selection, and phasing.

No nation has unlimited resources. Superiority in the technological race will go to the power which makes the best use of its resources. In the shifting sea of technological change, wise management demands a courageous willingness to stop and start major programs in accord with changing analyses to fulfill long-range objectives. The pressures of geographical interests, politics, organizational inertia, conflicting claims, and Russian propaganda conspire against the decision-maker.

An uneconomical crash program is one in which basic understanding or underlying development is lacking. At the same time, it is false economy and unwise timidity which deliberately stretch out a program where the feasibility of the development and production cycle is already assured.

The United States, for example, is the world leader in nuclear research. But a vital next step, the construction of a powerful linear accelerator, has once again failed to pass Congress. Rapidly rising construction costs and, especially, the difficulty of retaining top qualified personnel contribute to the imperative need to push this.

LEAD-TIME

In recent years the lead-time problem has been practically solved for top-priority projects such as Thor, Jupiter, and Polaris. Thor and Jupiter were available for deployment in about

3 years from project initiation. Reducing lead-time involves the development of production, logistical support, training, test and operation concurrently instead of consecutively. However, in advanced technology, concurrent development can add greatly to the cost in resources of a project because of the feasibility of each step in development is uncertain until actually accomplished. The proponent of a system is apt to become very impatient of delay caused because others are not as optimistic as he that the project is ready to move forward. Sound management consists of knowing when to press forward with a concurrent program to reduce leadtime, and when to hold back for further research evidence to avoid false starts and costly waste.

SCIENTIFIC APPROACH TO SPACE

An outstanding example of America's broad-gage approach to scientific advance, as opposed to the narrow-purpose pursuits of the Soviet, is our space program.

Russia, with a headstart in space exploration, has been able to maintain a lead only in the field of rocket thrust. This lead could be closed within 2 years. Of the 22 additional earth satellites launched since Sputnik I, three have been launched by Russia, 19 have been launched by the United States. Of the seven space probes launched since October 4, 1957, four have been launched by the United States and have produced far more scientific knowledge than the Russian probes.

Whereas the Soviets have accounted for some important "firsts," the U.S. programs have achieved the first detailed photo of solar ultraviolet spectrum, the first photo of a complete tropical storm, the first penetration of equatorial ionospheric current sheets, the first detection of X-rays in high atmosphere, the first identification of the Van Allen radiation belt, the creation of a man-made radiation band around the earth, the first geodetic use of artificial earth satellites to obtain refined information on the size and shape of earth, the first communications satellite.

NASA has instituted a 10-year plan which is not keyed to what Russia does (and is therefore not trapped into a "fits-and-starts" program). Target dates include: 1961 lunar impact vehicle, Atlas Centaur vehicle, and manned space flights; 1963, two-stage Saturn vehicle; and 1963–64, unmanned vehicle for controlled landing on the moon. The U.S. program of long-range objectives will increase scientific knowledge, will be a positive counter-force to Soviet propaganda, and will afford a startling quantum jump over Russia's limited approach to space.

AN ECONOMY FOR THE LONG PULL

During the 1940's, the unrecognized need for a long-haul strategy had resulted in the armed services being "princes today and paupers tomorrow." Despite the Russian peril at the close of World War II, our defense budget ($79.9 billion) dwindled by 1950 to $11.9 billion. Development on long-range missiles was eliminated. Had the Communists delayed aggression a year longer, planned service cuts would have further reduced U.S. combat capabilities.

Crash rearmament by 1953 had raised the budget to $43.7 billion. Such a fluctuating budget policy has a seriously adverse impact on our long-range security posture, and inefficient stops and starts destroy effective research and development efforts. Such policies spell ultimate disaster.

After the Korean armistice, the new administration redesigned national policy to provide indefinite sustaining power for the long haul. This concept of the military need for a healthful economy was, therefore, a basic decision of the Joint Chiefs of Staff, and not, as often described, of the Bureau of the Budget. The decision recognizes the danger of tying defense preparations to magical critical years as predicted dates of future war.

The long-haul strategy has several corollaries:

PLATEAU OF PREPAREDNESS

This entails a planned level of national security outlays which will provide and sustain effective military defenses for the indefinite period of the protracted conflict. Hence, the administration opposed a hasty demobilization in 1953.

Short-range crash efforts of the World War II type often compete with instead of reinforce, the capacity to sustain long-range preparedness efforts. A crash bomber program, as demanded by some critics in 1955, in response to Russian propaganda about an unfounded bomber superiority, would have competed with resources for our missiles program.

Second, the concept seeks stability of military, scientific, and Government personnel levels. A limitation on the future size and effectiveness of the armed services is obtaining and holding qualified personnel in the numbers needed.

The plateau of preparedness concept calls for a national security program on a taxation level: First, which the people and the politicians will support over the long pull; second, which furnishes adequate forces in being for every year; third, which gently rises if necessary to meet increased costs of weaponry. This demands a balanced set of priorities and the ability to shift priorities and funds as needed to meet technological changes. A compromise must exist between too much too soon and too little too late. The request to shift funds this year because of successful Polaris tests is an instance of flexibility.

A PROGRAM FOR FINANCING NATIONAL SECURITY

We can afford all the defense that is needed, if we will soundly finance the full cost. But critics who would increase defense spending should discuss the full price tag. Members of the House or Senate who propose preparedness programs involving major cost differentials from the program-in-being should introduce bills or make a matter of public record the total cost and concepts of their program.

Responsible suggestions to increase preparedness expenditures should include specific legislation and public statement of the total costs of the alternate program.

There is no painless way to pay for preparedness. Increased tax revenues mean increased tax rates. Deficit financing means inflationary erosion of our overall economic position in world markets at a time when these markets are, in fact, a battleground, and at a time when our own balance of payments position has shifted downward.

Elimination of waste is a goal toward which to work but not a panacea immediately available.

Economic growth will make more tax moneys available but also will require increased expenditures because of vast built-in spending programs. A very serious view must be taken of adding further such spending programs.

Those who advocate a rising GNP as a painless process to increased defense often are the same persons who proposed the built-in spending schemes which have made this impossible.

Without further legislative action, the Nation is already committed to $25 to $35 billion for highway programs, and $8 billion for public works, as part of a total of $455.5 billion in future spending.

The two sound means of increasing preparedness expenditures remain: First, cutting back on nondefense programs; and, second, increasing taxation, with the potential dangers which that course carries. All factors must be weighed to insure that economic policies do not defeat long-range defense efforts or destroy individual economic freedom. In the last session of Congress alone, the 20 major spending bills introduced in the House and in the Senate for new programs would have added $50 or $60 billion a year to present spending and placed in jeopardy nearly all of the national objectives related to the world conflict between freedom and regimentation.

In the formulation of the defense budget, countless decisions must be made in a context of uncertainty, rapidly changing technology and, unfortunately, political pressures, external and internal. Defense outlays lack the continuous test of the private enterprise market to insure proper allocation. Automobile manufacturers may launch new cars with high hopes, but the market turns in a verdict quickly, ruthlessly, but effectively, and if the verdict is negative, that particular misuse of resources is ended. Lacking this advantage, the managers of the multi-billion-dollar defense budget must make special means of improving efficiency and obtaining more defense per dollar, such as stabilization of outlays over a plateau of preparedness.

Significant assistance to the preparedness program could be provided by prompter action each year on military appropriations, developing better budgetary and appropriations techniques in handling military budgets, developing closer liaison between industry and Congress, forgetting local geographical pressures when considering defense matters, and removing legislative roadblocks to efficient use of personnel and patents by defense contractors.

In sum, economic policies for the long-haul contest between freedom and regimentation should be geared to our

strengths and not our weaknesses. These policies should foster stable growth and a climate favorable to savings, investment, and capital formation. Also, they should encourage competition in private markets while discouraging the need for Government intervention which shelters particular groups from the discipline of such competition.

STRENGTH THROUGH PSYCHOLOGICAL AWARENESS

The United States can escape the frustration of Soviet psychological conditioning only through a counterstrategy of her own based on character, purpose, and by articulating freedom to the world. Essential to such a positive strategy is:

A REALISTIC APPROACH TO UNDECIDED NATIONS

Have-not nations, like have-not people, are seeking to find—in the Soviet system or in the free-enterprise system—identification with their own hopes for a better life.

This psychological struggle must not be interpreted as merely a contest between persuasive efforts, either with money or with words. It is the personal approach that is important on every level—from the tours of President Eisenhower to exchanges of technicians and artists, businessmen, and tourists. This is worth more than tons of literature, thousands of words.

In the world of mass communications, the wistful citizen of an underdeveloped nation, in effect, carries on his back a walkie-talkie tuned to all that goes on within the United States—the bickering especially—the mistakes we make here and within our Government services overseas.

He resents our misinterpretation of his beliefs, his actions, and his needs. He seeks evidence of our real desire to share with him our scientific knowledge, our industrial know-how, and our far-reaching objectives. Most of all does he want to be certain that we care, that our hearts seek to express our interest in his well-being.

APPROACH TO CAPTIVE PEOPLES

This should include: First, continued attempts to break through the Iron Curtain by such visits as that of the Vice President to Russia last year; second, the story of our American free enterprise system which has created the highest level of living in history; third, showing simply and clearly how the American economy serves the individual. If patiently and continuously done this should automatically create internal demands upon the Soviet rulers for liberalization and so further open societies. The Kremlin's determination to torpedo the planned visit of the President to Russia this summer obviously stemmed in part from the telling effects of these visits.

ARTICULATION

We must prove by results rather than by words that America's ideals of political freedom and machinery of individual enterprises have more to offer them than either Russian or Chinese communism. If we truly believe in what is in our Constitution and our Bill of Rights and live our trust in God, this will permeate all we say and do and will be a powerful influence in the decisions they will make. America, therefore, must prove the value of her ideals, her purpose and her goal, not by her words, but by her actions, the visible evidences of her heartful desire to share with them the riches of her understanding of their needs. Men will not choose between what nations say of their ideals. They will choose between what they can see.

DETERRENCE AND PSYCHOLOGY

Deterrence involves a state of mind and will. Throughout history, materially and militarily superior nations with divided will have fallen prey to inferior nations with united will. Without national character and commitment, NATO, SEATO, SAC, STRAC become not deterrents but shambles.

The credibility and respect assigned by a tempted aggressor to our military strength depends upon the aggressor's estimation of the manifest will to use those forces. Throughout the 1930's, Hitler, with inferior forces, calculated the democracies lacked the manifest will to use their combined forces. Critics today who assert a strategy encompassing tactical use of nuclear weapons would not be credible to the opponent, actually are saying our will to act would not be credible. They are saying our will to defend freedom would not be credible. If we lacked this will, the Communists would be allowed an overwhelming advantage in their strategy of terror to monopolize the initiative.

Asserting constantly a lack of credibility can indeed discredit deterrence and lead to miscalculated war. Khrushchev knows that the majority of Americans support the present administration's policy of firmness. But Khrushchev's obvious interest is in whether the next President will continue the same commitment to a national strategy which has deterred the Kremlin from military action. Any presidential candidate who questions the credibility of the deterrent power in such a way as to discredit the national will to act automatically places in jeopardy that credibility if he is elected President.

Maintaining the credibility of our strength by unified purpose and clear objectives is necessary both to the deterrence of war and to the progressive enlargement of liberty throughout the world.

PSYCHOLOGICAL STRATEGY OF INITIATIVE

Psychologically, we must respond to the Communist challenges not in the areas of their advantages, but with initiative, in the ideological manner and with psychological weapons of our choice.

Freedom is our trump card. We believe in the sovereignty of God, the dignity of man, the right of each citizen to seek his own happiness. In this system, the doctor of medicine who promotes the health of the individual is the highest paid professional, whereas in the Soviet he is the lowest paid.

A positive faith can destroy all effects of the Soviet psychological strategy.

IMPLEMENTING THE PUBLIC STRATEGY

A continuing reevaluation of the machinery to implement national strategy is a constant necessity. This task force, refraining from attractive-looking, impracticable recommendations, has sought a few practical steps capable of implementation without upsetting existing workability, effectiveness, and progress:

PRESIDENCY AND VICE PRESIDENCY

It is essential to continue and enlarge upon the policy of the present administration in utilizing the position of Vice President as a vital post in national security policymaking.

PRIORITIES IN RESOURCES UTILIZATION

To further utilization of resources and investment efficiency according to policy objectives, this task force recommends some type of priorities review board for comparative analyses of interagency programs as an adjunct to the National Security Council.

The study paper of Dr. William Y. Elliott proposes that the board consist of a standing group charged solely with studying and reporting on priorities in the allocation of resources—human, military, economic—to maximize national security. These board members, supported by a small staff of top capability, would be unencumbered with other duties and would not be delegates from other agencies. Each member would be an expert with top-level experience in his particular field, preferably with high-level experience in several agencies, the fields being military and foreign assistance defense programs, disarmament problems, NSC mechanism, foreign policy, psychological strategy, basic research and technology, mobilization base, civil defense, national economy, and fiscal policy related to growth factor and inflation.

Because of the advisory relationship of the board to the President, the task force believes that such a board should be established by administrative action rather than by statute, with the President left free to name its chairman and members.

DEFENSE ORGANIZATION

This task force believes that a single chief of staff for all the services would overconcentrate power and decision-making on the wrong level. Such concentration could introduce an imbalance into consideration of our military program as part of, not the whole of, our preparedness program. Also, in the foreseeable future, there will not be present the great balance wheel of a Chief Executive of unparalleled military background who is uniquely trusted by the citizens to exercise independent evaluation in that field.

DEFENSE REORGANIZATION

This task force believes that the Reorganization Act of 1958 should be allowed time to accomplish the objectives of that act before another major reorganization. Highest praise is due the present Secretary of Defense for building splendid teamwork as an element of maturing the Department of Defense operation. His close consultation with the Joint Chiefs of Staff is a model for successors.

EXPERIENCED APPOINTEES

The excellent performances of both Secretary of Defense Thomas Gates and Gordon Gray in the national security

fields points out the advantage of extensive previous experience in national security matters, and sets a precedent for future appointments.

PUBLIC OPINION

Its increased role in the psychological conflict with communism demands a continuing reevaluation of ways to disseminate information at home and abroad. This reevaluation must go beyond the scope of USIA, and fix clear responsibility for coordinating vital information from all departments and agencies bearing on national security or foreign policy. One suggestion is that the State Department be charged with overall responsibility, but the majority of this task force favors such an assignment within the existing framework of the White House staff. At the very top level, the timing and impact of releases can be best appraised.

TOWARDS RESPONSIBLE PARTISANSHIP

Public confidence as an element of deterrence has placed upon political parties new and grave responsibilities. Political parties in the United States must not become the catalyst for the poisonous processes by which our adversary seeks to create disunity and dissension within the free world.

Inevitably, change in government will invite moves to test the national will and upset international balance, unless there is responsible partisanship in national security matters.

In the testing years ahead we must as a Nation cherish this great strength of our political system where the "opposition party" is not forced by political maneuvering to oppose, just because it has a different party level, the sound policies for continuous defense of the Nation. Those many members of the other party in both Houses of Congress who called for unity after the recent summit collapse are to be commended.

POLICY MACHINERY WITHIN CONGRESS

Within the Congress there is a neglected tool, the concept of party policy committees, for achieving responsible partisanship for right policies and for promoting a public strategy. This machinery, at the same time, would afford a vehicle for criticisms of existing policies where such criticism serves as a much needed corrective.

During the 79th Congress, the Joint Committee on the Reorganization of Congress recommended the establishment of policy committees "for the determination and expression of majority policy and minority policy." These committees, to be elected by the party conference, were to be a means of strengthening party responsibility and accountability.

The four policy committees would have comprised a Joint Legislative-Executive Council designed to meet with the President "to facilitate the formulation and carrying out of national policy, and improve relationships between the executive and legislative branches of the Government."

In times of crises, both parties could express opinions and criticisms in executive session through these committees. A joint policy committee resolution would produce an ethical limitation, so that criticisms and divisive influences would not destroy the strength of our international position, give potential opponents undue advantage, and lose prestige with the uncommitted nations.

This policy committee legislation passed the Senate, but was never brought to the floor of the House. In 1949 the Republican Members of Congress unilaterally set up their policy committee. The recent U–2 incident, the summit crisis, and Khrushchev's attempt to influence domestic politics refortify the recommendation of this task force to implement such legislation.

SUBCOMMITTEE ON NATIONAL STRATEGY WITHIN THE POLICY COMMITTEES

The present congressional committee system affords difficulty in properly appraising national strategy. No one congressional committee represents all interests involved. But both in a legislative and in an opinionmaking role, Congress becomes a vital accessory to the national strategy of the Executive.

If the policy committee machinery were fully implemented, consideration might be given to establishing policy subcommittees of select members from applicable standing committees to assess national strategy. This task force has had such a mission. Dissenting reports of counterpart subcommittees could serve to deepen legitimate debate over real issues, and the joint reports could promote a sound, comprehensible public strategy.

Consideration must be given to streamline and compact regular committee hearings. The Secretary of Defense appears before 10 or 12 committees, often for protracted periods, during one session of Congress.

TOWARD INDIVIDUAL RESPONSIBILITY

This Republic, and the freedom for which it stands, was born in the decision that how a nation survives is as important as whether it survives.

No circumlocution or rhetoric of special and expedient interest can long evade the necessity for a similar decision today.

This is America's moral responsibility. Virtually all other arguments between our people are matters of individual conscience. This is a matter of the Nation's conscience.

If a nation doubts its mission in the world, it will regress and cease to retain the confidence of anyone.

The outcome of our contest with Russia will depend upon the personal commitment of the American housewife and the breadwinner to the values that made America—values not exclusively ours, but belonging to a common humanity.

History abounds with examples of nations forced both to fight and surrender because of failure to convince an enemy that it will not only live for its ideals, but is prepared to die for them.

No way has been shown to disengage from this responsibility without also disengaging from freedom.

Nations cannot drift into peace. They can only drift into war. Thus, the national responsibility is to unite in purpose, no matter how divided as to technique. Criticism within such a framework of purpose can be constructive. Criticism oblivious of such purpose can only be destructive.

It is the heavy responsibility of criticism in a republic that it be accompanied by clear and specific alternatives.

It is the responsibility of citizens in a republic to constantly demand this criticism of clear alternatives and to reject those appeals which are simply to disunity, discontent, and discord. The philosopher Ortega y Gasset has noted that the fall of Rome began when discord outweighed concord.

The decisive battles of history which dramatize the death of nations after centuries of life came as a result and not as the cause of decline and decadence.

Weakness or vacillation in national character can be a nation's greatest weakness, irreplaceable by any amount of hardware, material, or money.

National character is the key element of national power.

First. "Survival alone" is unacceptable as the objective of American strength and strategy. Liberty, justice, and open societies are the only goals worthy of our heritage, and these are promoted by the rule of law, by a stable world, and by independent, internally healthy republics.

Second. These can be accomplished by a national cold war strategy which becomes a public affair, understood and enthusiastically supported by people in all walks of life.

Third. The first steps of this strategy have already been accomplished: Since 1953, national policy has renounced any defensive method of meeting aggression on the terms of the aggressor, has embraced a diplomacy of firmness which has deterred a Soviet adventure in Berlin, invasion of Formosa, reinvasion of Korea, and Soviet takeover in the Middle East.

Fourth. The military phase of this strategy has achieved effectiveness by the mix of forces, incorporated with a worldwide shield of troops from the free world alliance and a sword of massive, mobile, and indestructible striking power, capable of varying and calibrated responses.

Fifth. In the scientific phase, real progress has been made in integrating scientific and national purpose. American technology, in comparison with Russia's, is more broadly based, devoted to the welfare of mankind, and has produced far more solid scientific data from space exploration. If the public and the political leaders will give greater attention to basic research and education, in a climate of decentralized responsibility and creativity, and understand and support efforts such as the new 10-year NASA program, American science will win the resurgent confidence of the world and antiquate Iron Curtains.

Sixth. The "long-pull" policies initiated in 1953 have ended the peaks and valleys characteristic of American preparedness since the Revolutionary War and have given stability within the Armed Forces and within the national economy. No sound economic alternative for the cold war has been offered to

this policy, and this task force overwhelmingly endorses it as a basic premise for both preparedness and the preservation of economic freedom and health.

Seventh. Improved psychological techniques and timing are necessary, but by far the best antidote to the attempted Communist strategy of conditioning is an ideological initiative, not to force beliefs, but to articulate beliefs through purpose and public conscience.

Eighth. Essential to a dynamic public strategy is a continuity of successful policies from one administration to the next, an offering of a real alternative by those who criticize, policymaking machinery within Congress to produce responsible partisanship, and executive machinery for overall evaluation and articulation of our strategy and strength. The foundation of any public strategy is national character, conviction, and confidence.

The task force study papers are inserted in the CONGRESSIONAL RECORD under the following Task Force Report headings.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS
OF

HON. JOHN W. BYRNES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. BYRNES of Wisconsin. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD study paper No. 1: "National Character as an Element of Power," by Dr. William Y. Elliott, professor of government, Harvard University:

NATIONAL CHARACTER AS AN ELEMENT OF POWER

(By Dr. William Y. Elliott, professor of government, Harvard University)

National character is probably one of the most fought-over fields among sociologists, philosophers, political scientists, and others who occupy themselves with this kind of thinking. The first thing to be said about it is that there is no such thing as a single national characteristic that is enduring and simple and overwhelming in its control of all other factors in any country.

People who have written about this essence of a nation with the grace, for instance that Salvador de Madariaga did in one of his better books—"Englishmen, Frenchmen, and Spaniards"—do nevertheless try to find some identifiable national characteristics. Perhaps the best way to approach the problem is to ask how national characteristics are formed; what the balance is in what might be called defects and virtues; and how they stamp the behavior of a people in responding to leadership, in creating leadership, in supporting it, and in correcting it, if necessary.

This country inherited in its early stages primarily, of course, a British tradition. But it did have ingredients, even at a very early period, from Dutch as well as German traditions. The French influence comes also, both from Canadian contacts and the Acadians, who it will be remembered were resettled in Louisiana. We also have had some measure of Spanish culture from our country's beginnings. But these were all borne along the main stream: until the potato famine in Ireland our immigrants were mainly British.

These ingredients gave us a national political and constitutional characteristic which meant that we inherited, institutionally, a great constitutional framework of law, as well as a conception of government as a limited government.

De Tocqueville noted clearly this concept of limited—and legal—government in "Democracy in America." With French eyes, he saw this as meaning that there was no feudal element really in the United States that was resisting the evolution of the country. Turner, the historian, put this in "The Significance of the Frontier in American History"—and it is still a frontier in every way—as science carries us whizzing into the future. Lord Bryce, too, made some of the most sage comments on our character in "The American Commonwealth."

We cannot neglect these national origins and, above all, the cultural heritage that they brought. They brought, for instance, Shakespeare and the Bible which were the molding influences upon the American epic of Lincoln. They brought as well the Puritans and the Baptists and Episcopalians, the Quakers, the Methodist circuit riders and the Presbyterian dominie and the Catholics in Maryland.

These religious elements of our culture are absolutely fundamental. They are the foundation of our morality—to which we do not attach sufficient meaning. Whatever our defection from them, or our falling away, they have shaped the ethos of America profoundly. These religious values have given us a sense that we are not the creators of the universe. This is our basic challenge to communism and to all other "magic formula" ideologies. They have given us, in short, a faith by which we live—however poorly and however badly we fulfill it. Nevertheless we do live by it.

Whatever else may be said of us, no one will deny that our values are profoundly religious ones, a fact which accounts for one characteristic in our behaviors which is extremely important: It stresses charity or loving kindness in the full Christian sense. It stresses also the concept of duty to offset the idea of rights. And to the degree that we have lost that conception of duty as a balance we have been false to our own tradition. We lose one of the great elements in American character when we stress only a philosophy of "rights."

Rights, protecting freedom and the development of responsibility are basic to freedom. We call these "natural rights." But, taken in the debased form of "what I get out of it," they degenerate into self-interest or group-interest—not those of mutual moral responsibility implying equal stress on duties. The rights that are mistranslated into "gimme" or "grab" are the basis of pressure-group activity, of self-interests, of egoism and of the softness that chooses the pursuit of pleasure instead of the pursuit of true happiness which Emerson rightly said was achieved by finding and following principles. Selfish rights that are concerned only with "what do I get out of it" erode the moral character of any civilization. The eye of the soft man cannot confront hardship. It will look away. The man behind the eye will choose evasion, not responsible action, courageously faced.

Character cannot be had without risks, hardship and suffering, as we can observe from a great deal of human history which is difficult to refute. Men decay as men when the going gets so soft that there is no challenge. This, at least, is one problem we do not have to contend with. We are now confronted with a clear and visible challenge to our national life. It is a challenge that embraces not only a military field, though certainly the challenge from ICBM's is serious enough.

It encompasses not only will but what lies behind will. Indeed, self-will will never help us in the struggle in which we are involved, for it is precisely the thing that weakens people. Self-will is generally and easily related to appetite—what Shakespeare called a "universal wolf." If a nation does not recognize its duty and destiny and, therefore, a positive mission, it has lost its character because it has lost its ethos. An ethos is the shaping force of a nation. It is the essence of national character. We are molded from our mother's knees and our father's hands, our great-aunts, our great-uncles, and our grandfathers and grandmothers, our schools, our churches, the discipline of our games with our fellows from childhood on. A great variety of forces all converge on what is accepted as good, noble, heroic, or "what is done." What one "gets by with" in the "softest" manner, and what is "smart" and "slick" is the other, the dark side of ethos is habit. To that degree a nation's character is shaped not only by its leaders as examples (exemplars), by its Washingtons, its Jeffersons, its Jacksons, its Lincolns. It can be undone by an unbalanced diet of dubious TV personalities, bred under glass and klieg lights, to whom a wisecrack or a risque joke is more precious than a good name or a just and firm character.

One can have no doubt after he reviews history in these terms that the great epics that have shaped civilization have shown the trials and the struggles of a hero who represents the highest concept of folk character. The epic of the hero is what the bards sing to the youth and what mothers teach their children to be like. It is what young men grow up by imitating as a model. It is what the Arthurian legends, as treated by Mallory and Tennyson, did for England. It is what Shakespeare did in his great historical plays, too, nurtured on Plutarch's "Lives" and Holinshed's "Chronicles."

These lift the imaginations of all men who read them. Even "Doctor Zhivago" is pulled around in this direction, coming from a very different cultural background in all sorts of ways. It is worthwhile to note that the late author of "Doctor Zhivago" was a great Shakespearean scholar.

This epic tradition of the hero, of nobility of purpose and deed, of greatness and magnanimity—if this is lost out of a nation, how can it have character? How can it wish to serve? Who, but a fool, on any basis of pure self-interest, would ever embrace public office or the duties that carry him frequently to obloquy, certainly to savagely hostile criticism, and possibly to destruction through loss of health as well as wealth.

What is it that makes people recognize and follow true leaders? They may kill them, but sooner or later they acknowledge and follow the great leaders of history. When we put up pictures of Washington, of Jefferson, of Old Hickory or Stonewall Jackson, of Lee, and of Lincoln, and of other great Americans, so that we can look at them, it is because we know that the models of the men we produce shape our characters. We can learn from their weaknesses as well as from their strengths.

This is the essence of the problem of how to continue a great tradition of leadership that is simple, humble and wise in the biblical sense of "understanding," that is rooted in man's turning for guidance and strength to God, his Creator, as Lincoln did. What are our assets and what are our liabilities in these terms?

First, from the religious heritage, we are an excessively amiable and open people.

This spirit is plainly evident in our doughboys and GI's. It is this unfailing sense of "buddy," "partner"—an openness, a kind of

fraternal cooperation, first rooted in the frontier spirit and the openness of our society. This amiability, this trustfulness puts a wonderful stamp on our national character because it means that there really is in us, almost universally shared by Americans, a consensus juris (a universal agreement on what is right as the basis for law) that makes us feel "alike," no matter how diverse the racial strains are. It is this spirit that overcomes differences so we can work together as Americans. We not only close ranks against class and other hatreds from outside lands. We open ranks to all men who believe in true human rights and duties of freedom and justice. We don't believe in leveling down but in freeing and educating to grow up.

But the corollary defect of this openhandedness is that we are extremely unsuspicious people and trustful. Since we are peaceful, we accept all pacifists in good faith, even Lord Russell and "Pugwash" Eaton. We are willing to give Stalin, Khrushchev or Mao Tse-tung the benefit of the doubt—in spite of the record of planned deceit and the tactics of terror and subversion, including takeovers by disciplined mob violence, turned off or on. There are times when we should remember the Biblical injunction to be "as wise as the serpent as well as harmless as the dove." It is necessary from time to time in the world we live in, to open our eyes to evil and to discern how to deal with it and not to be overcome by it. This characteristic of watchfulness is not adequately present in our tradition; or at least we might say it is being produced by necessity but very painfully. It is well to state again the basic objective, grounded on a balanced view of human nature, that we aim at as a culture:

Our Constitution is based upon the idea that men are neither angels nor demons but that they have ingredients of both in them. The angelic can be victorious only if the demoniac is controlled. Therefore, we have checks and balances to prevent the usurpation of power or the abuse of it, to limit the Government, to see that men have a right to develop on their own responsibility and by their own choice. That is the only way we can achieve any true morality. All other morality is conditioned—socially imposed by some leader's magic pattern in the manner of Pavlov's trained dogs.

With whatever inscrutable wisdom Providence has put us here, one condition of human life is certain; that we have our own salvation to work out in fear and trembling, that we do have to develop as individuals. The moment we concede that the other "imposed" morality is moral—which is that we are conditioned by our environment like the animals in Pavlov's experiments—we are no longer human. We have retrogressed back down the tree of life—headed back down the evolutionary road perhaps to wind up as completely "adjusted" as the ant heap and the beehive, which are arrested societies. They are indeed in some ways naturally marvelous societies; but they are finished societies: they have no further evolution. They have adjusted themselves to their environment completely. Instinct governs them, not reason. They punish deviation ruthlessly.

How do we show our national purpose? Best of all through the lives, the faces, the families of men and women, bred in freedom, who grow in stature and show it by their faces, by their words, by their deeds. What human race would rather breed Khrushchevs or Stalins or any other such leader than any 10 of the best citizens of any town, city, state, or free nation of this world? The ant heap is not humanity's destiny.

The American tradition is a restless, questing tradition, which has the weakness perhaps of being always on the move and looking for new things, sometimes without digesting and settling down in the old: Main Street lies right down the middle of the town, with houses on each side. It marches through and marches on and the people are always on the move. This is disrupting in some ways. Yet it has advantages; it "mixes" us all up in the process so that there are no castes.

But it is a little extreme to compare us to a melting pot or a mixing bowl, or something that shakes us up, that whips us in, and maybe homogenizes us, or sifts us into the sameness of soft flour. We resist this atomizing by our sound habit of protecting the individual and keeping his own richness and flavor.

The great traditions of any society are carried in people who have their roots deep down in home ground, rooted in the unconscious behavior and social heritage of the past as well as the projection into the future. If we do not want to be windblown by all the passing doctrines, we have to have security in our own background, in our institutions, and in the models that have been set us—the old men and the old women we have known who have set a model like that—our parents, our friends, our community, our neighborhood, and traditions. What is considered right is done because in some ways it has been proved to be a good thing for a long time. We are a conservative people, in the best sense, innovating to preserve old values, tested truths, to meet new times and technologies.

One weakness of American character has come from our supreme eagerness to conquer a continent and to push faster the things that we do with our hands—the creative work of the builder. This was good and necessary. But we have sometimes fallen into the trap of regarding success in these things as an end in itself. That is materialism not as blatant as that of communism, which is materialistic in its origins as well as in its ends. But it is materialism, if it looks only to goods. Let us not have ends that are materialistic. We must use our goods for moral good. Let us attempt once more to balance the virtues of the spirit with organic needs—both for individuals and society.

Aristotle's observation, in short, about the nature of virtue—the golden mean between the extremes, which has become a good part of Christian doctrine in various ways—is a true interpretation of real character. It was rooted in the Judaic tradition, too, of the Old Testament. That is something to remember. That is what checks and balances in our system mean. It is what restraint and moderation mean in a man's character. Without it he is a slave to something, perhaps to his lower self, to appetite. He cannot be a free man on that basis. This is equally true of a nation.

Now, how does this bear on leadership? And how does it bear on power?

The ultimate ingredients for real power in any man depend on his capacity to develop sustained support and "contagious" leadership. To help develop others for leadership is to broaden leadership. It is the real aim of education in the broadest sense, along with understanding the need and the way to pick leaders and to support them. We all depend upon this conception of individual responsibility and duty as being a part of human development. But we do not sufficiently recognize the effect of models and the duty of examples, the contagion of courage and devotion. This must in turn reflect itself (and be reflected in) an image of a national ethos; a mission, a model for humanity and for realizing this model in human life.

Everything depends upon morale in any nation. Weapons are only useful to the degree that they can be used and that it is reasonably clear they will be used. A posture of strength is relatively worthless and can become dangerous, particularly if the posture is a purely defensive posture that never anticipates anything except a resistance of the kind that does not punish but that tries only by piecemeal resistance, on grounds of another's choosing, to prevent the Sino-Soviet bloc, often through "stooges" from pushing freedom out of the world. That is what John Foster Dulles fought, with the courage of a Christian and a free man—and what, God helping us, we Americans shall always understand and fight.

Morale means, first of all, the faith that a nation has in its destiny and its world position and mission. That is quite important. If a nation loses that faith in its own chosen destiny it has lost its battle of conflicting faiths. And it is exceedingly important that leadership should, therefore, be measured in terms of keeping alive this faith of a nation in its destiny. It cannot be done by leadership alone because leadership is a product of a nation's character which is the best guarantee of morale. A nation's leadership is bound to be reflected by the morale of its people, and limited by it.

At certain periods of our history when we have had no very grave challenges, our leadership has reflected it in the most obvious way. At the times when we have had challenges as profound as the Civil War or as that period in which our revolution was fought and the Constitution was created we have produced leadership that was incredible, that stood as a symbol to the entire world. And we have produced it again at very important periods of history and in our own times. Sometimes, of course, and inevitably, that leadership has been fallible, and is after all human. But it was great leadership measured in terms of growth to new potentials of creating national tone."

Well, there never was a time in our history more propitious for great leadership than now. We face a challenge beyond any other that this country or probably humanity has ever undergone, certainly since what were in our known past only the dim struggles for human survival against other forms of life in prehistoric periods. At no time before has the human situation been so fraught with really apocalyptic possibilities, both for good and for evil; for evil in terms of the destructive potentialities of weapons systems that we know about.

What is a more important threat perhaps is the possibility of success for a systematic syllogism of terror, practiced openly by Mr. Khrushchev and his Chinese allies. Certainly both of them are now quite bold in resorting to nuclear weapons as a threat, the risk of which is calculated to deter us from any action anywhere in the world. If we accept Khrushchev's assumption that he can and will destroy us if we don't concede his demands, and that this is the only open alternative if we wish to be "allowed to coexist"—then, of course, he doesn't need more than threats—untested. He can take us at will—the richest prize in history, lost through cowardice in the face of a man who plays up his anger and his terrorization with an actor's skill and a tyrant's method.

At the time of the Quemoy-Matsu crisis in 1958 and at odd moments since then, we heard many arguments to the effect that these small islands were not worth the risk of nuclear war, that they are really part of the mainland of China, etc.; therefore we ought to consolidate our position at some point where we have more of the support of the world, perhaps on Taiwan proper. Yet, on this reasoning there is no better title to Taiwan than there is to Quemoy and Matsu, unless one takes the Chinese Republic as being the legitimate Government of China and as being in de facto possession of both. The same logic that would give up Quemoy

and Matsu would, the next time, when the risk of nuclear weapons and the chips are down on the test of who will support us in the showdown, find equally compelling reasons for yielding our position on the new point d'appui. And where does one draw the line on that basis? We have to reject Khrushchev's first thesis—both that he can and that he would destroy us if we refuse his demands.

In any case, we have made this clear enough as our basic belief and policy. Now, more than ever, we ought to prepare ourselves for resisting terror as a tool. Those in positions of leadership in this country should attempt to prepare other people for facing this kind of challenge with an adequate response. As surely as we do not face this kind of challenge with an adequate response and with that firmness that allows no miscalculation on the part of the other fellow, we have encouraged the most dangerous element in international affairs to miscalculate our intentions and our ability to back them up.

There has not been one single iota of evidence on any record of Russian or Chinese behavior that does not suggest that if we stood absolutely firm we would be confronted with a situation which at the moment risks a good deal more for them than it does for us.

This is what the deluded followers of Bertrand Russell and Cyrus Eaton, the Pied Piper of Pugwash, miss: their logic seems to many softheaded and hysterical intellectuals to be overwhelming: "Better be Red than dead." But we might be Red slaves and still dead, through a falling-out among our masters of the Sino-Soviet bloc, or just over who will run the world even within Russia. Our renunciation of nuclear weapons won't control their future employment by others. Indeed, it will make that employment to destroy any centers of courage and freedom, piecemeal, easy—where an all-out struggle would threaten the safety of both China and Russia (by massive worldwide fallout) on the very premises that Russell has popularized. Even if we were destroyed by adequate surprise, this would still be so.

But to disarm unilaterally—the real theme of the miscalled sane nuclear policy, advocates of slavery rather than extinction—would be the surest way to make extinction probable. Khrushchev has lost control of Mao. Indeed, one day Mr. K., or his successor (and he may have one sooner than he thinks), may reckon us as a restraining force on a Red ally, Peiping, grown to the stature of a challenger for world mastery.

Under those conditions, the undoubted capability and the certain will to punish an aggressor in the measure of his aggression remains our surest hope of peace—by restraint through that power. It is not perfect nor is the world perfect. But it is calculably far more a protection not only for liberty but for the life of most of humanity than encouragement of Khrushchev and company and Mao to risk a showdown of terror because they felt Pugwash had washed out our national character and crippled our unity of will and purpose.

Lord Russell's politics and history are either cynical (puckish) or naive, maybe both. Wars are bred by miscalculations to which Russell may prove a chief contributor.

In other words, the alternatives to the assumptions are always the things we must look at. Our leadership must teach us to do that because it must be as wise as the serpent in these time; but it can only do so if it convinces the people of this country that firmness—not weakness—leads in the direction of just and lasting peace. When this has been made clear, leadership has done what is necessary to have people take the risks with the fortitude and conviction which will enable us to meet, under God's guidance, this challenge with which we are presently confronted.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS

OF

HON. GERALD R. FORD, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. FORD. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD study paper No. 2: "Fundamentals of a National Strategy," by Dr. David M. Abshire, task force staff director:

FUNDAMENTALS OF A NATIONAL STRATEGY

(By David M. Abshire, task force staff director)

I. WHAT IS STRATEGY?

This paper explores fundamentals of a strategy designed to promote our national policy objectives. The paper will seek historical perspective—or the "big picture"—behind these fundamentals which often have explained the rise and collapse of nations.

A sense of historical perspective within the Communist ideology has furnished the fuel for Soviet achievements, whether in space or in a rising industrial output. We think the Communists' sense of history is wrong, but they are right in believing that history is as much of the unwritten future as of the written past. They are right in viewing an age as a whole. This is why Russia and Red China have the most integrated, unified doctrine of military strategy in human history, and this integration maximizes the advantages of their physical strength.

Their principal strategic advantage has resulted from this historical or integrating perspective, and consequently our strategy needs a counterpart historical perspective—except we want our perspective to be true. America traditionally has disunity of policy and a short-range point of view, further fractured by political partisanship. This American disadvantage could enable Russia, although weaker industrially, politically, and spiritually, to overcome the United States, stronger in all these respects.

How is "strategy" defined?

In pre-World War II thought, strategy frequently was understood as the art of moving armies and navies to gain maximum advantage prior to actual battle. Tactics was the art of fighting the battle itself. Some military writers argued, however, that in certain types of conflict, blockade, economic strangulation, or attrition could accomplish the work of battle. Regardless, all agreed that the purpose of the advantage sought was the destruction of an opponent's will to resist, or of a bellicose nation's will to aggression.

Sun Tzu, the ancient Chinese military theorist, wrote in 500 B.C.:

"To fight and conquer in all your battles is not supreme excellence; supreme excellence consists in breaking the enemy's resistance without fighting."

Thus, the best of the ancient Chinese militarists recognized that the final objective of strategy lay in the moral or psychological realm, that power is a function of the will, and that if there is no will to fight, there is no power.

Since World War II, strategy increasingly has been translated into an extended time dimension. Indeed, a "protracted conflict" lasting an entire historical era is not a new concept, for the Hundred Years Wars between England and France, and long before that the extended wars between Italy and Carthage are two of many examples of protracted conflicts. But again, the Communists have perfected a "protracted strategy" for the nuclear age through the intensification of the extended pressures by a varying but constant threat of all-out holocaust. This they do through exploiting the dilemma: the struggle with the Sino-Soviet powers could last a century of cold war or could burst into a hot war Armageddon which conceivably could end within a week.

But the protracted conflict alternative is more probable than the Armageddon alternative, since the true Communists believe that "historical inevitability" or the "wave of the future" is on their side, and consequently that they do not have to undertake gambles such as many past conquerors have undertaken. Hence in the present conflict with Russia, strategy may be defined especially as the art of optimum utilization of resources, before hot war is ever commenced, to destroy or block the will of an opponent. For a peace-loving power it becomes a protracted art in which the pay-off may not be in battle that destroys an acquisitive opponent's will to further aggression, but in a superior diplomatic, technological, or economic position, which deters an acquisitive opponent's temptation for aggression. In fact, for either a peace-loving or an acquisitive power, real "victory" would have to be achieved without nuclear battle, nuclear battle being self-destructive of almost any conceivable national policy.

II. ARE THERE FUNDAMENTALS OF STRATEGY?

In view of these new influences or emphases within the strategic equation, can it be said that there remain certain constant fundamentals of strategy? In 1914 and in 1940, the French talked a lot about principles of war and then fought the next war in archaic terms of the last war. The trouble with the French was that they tried to apply to dynamic change static principles derived from certain temporary conditions of tactics and technology.

Our strategic thinking must not be tied down, to say, fleets, armies, or geographical positions, and project static World War II concepts onto the dynamic time-space age. We must seek fundamentals in recurring relationships between humans trying to utilize to best advantage the resources at hand. It is human nature that does not change.

Britain's brilliant military theorist, G. F. R. Henderson, noted:

"The first thing is to realize that in war we have to do not so much with numbers, arms, and maneuvers, as with human nature.

"What did Napoleon find in the history of the campaigns of Alexander, Hannibal, and Julius Caesar? Not merely a record of marches and maneuvers, of the use of entrenchments, or of the general principles of attack and defense. This is the mechanical part* * *.

"No; he found in those campaigns a complete study of human nature under the conditions that exist in war; human nature affected by discipline, by fear, by the need of food, by want of confidence, by overconfidence, by the weight of responsibility, by political interests, by patriotism, by distrust." [1]

In conflict situations, how human beings obtain maximum advantage with material and human resources forms the basis for any true fundamentals of strategy. Those fundamentals, in a way, are merely highest commonsense.

III. THE FIRST FUNDAMENTAL: THE OBJECTIVE

On the field of battle, the unpardonable military sin always has been for the general

[1] G. F. R. Henderson, "The Science of War" (London, Longmans, Green & Co., 1908), p. 174.

to forget his objective, or to get a false objective (an unimportant piece of land or a useless fort) substituted in his mind for the real objective.

General McClellan made Richmond, not Lee's indefatigable army, his objective. Without the destruction of the mobility and freedom of action of Lee's army, the war could not be won. Grant, avoiding McClellan's mistake, devised a strategy that, through his and Sherman's maneuvers and battles, would paralyze Lee. When this was accomplished, he offered Lee magnanimous terms of surrender, in accord with the objective of the war as laid down by Lincoln: The restoration of the South, in spirit and in fact, to the Union. He used unlimited military means to obtain a limited political objective. Both Lincoln and Grant possessed long-sighted views of strategic and political objectives.[2]

The first step toward a public understanding of a national strategy is understanding of clear national objectives. Karl von Clausewitz, in his book, "On War," pointed to the fact that modern war had become "an affair of the whole nation" where all factors—military, psychological, and political—were involved. He asserted that "political aims are the end and war is the means, and the means can never be conceived without the end," or expressed differently, "war is nothing else than a continuation of political transactions intermingled with different means."

A. Failures of two World Wars

Clausewitz, often pegged as a militarist, was saying that war, to follow any rule of reason and be more than a suicidal absurdity, had to be the instrument of policy, the servant and not the master of national goals. This is quite the opposite of militarism. Clausewitz's central truth was grossly ignored in World War I and World War II. World War I did not serve the true policy ends of the Allies, if those ends or objectives aimed at a stable peace. The phrase "a war to end wars," followed up by a policy of victory wrought by unconditional surrender, might have been means to stir the public effort and enthusiasm, but were self-defeating ways toward an objective of stable peace. Instead of achieving stable peace, we bred the depression, fascism, nazism, and a worse war. As already noted, Grant too used "unconditional surrender" as a military means. But at the end of the war, he conformed to the temperate political objectives.

The conduct of World War II, on the part of the Allied Powers, similarly violated true objectives of American interest. The unconditional surrender policy inaugurated at the Casablanca Conference was carried through to the peace policy and made inevitable a postwar European vacuum which Russia would fill. Again, the demands of shortsighted military expedience dictated many of the concessions to Russia at Yalta, concessions which violated the true aims of the United States.[3]

[2] The best explanation of Grant's strategy is found in Maj. Gen. J. F. C. Fuller, "The Generalship of Ulysses S. Grant" (London, John Murray, 1929).

[3] Hanson W. Baldwin, in "Great Mistakes of the War" (Harper, 1950, pp. 1 and 2) notes:

"The United States has fought wars differently from other peoples. * * * Unlike the British or the Russians, we have had no grand design, no overall concept. * * * During World War II our political mistakes cost us the peace. The British and the Russians thought and fought in terms of the big picture, the world after the war; we thought and fought in terms of what we could do to lick Germany and Japan now."

B. Defensive objective of opposing communism

In the cold war, is America pursuing a self-defeating policy as she did in the two World Wars? What are our true objectives, our grand design, our overall concept? Is our aim to survive the Soviet threat? Or is our aim something beyond survival?

For America in the cold war, the real objective must not be opposing Russia and counteracting communism. Communism thrives on chaos, on the vindictiveness of the have-nots against the haves, on the frustrated hope for order and for total, planned solutions in the human soul. Communism is not the cause, but the product of world disillusionment. Communism is but one solution proposed to bring a sort of order and a kind of progress out of disorder and retardation. A policy or an objective of simply opposing communism is self-defeating. In the long run, communism can only be overcome by a different and more satisfactory answer to man's needs, frustrations and longings. Communism is a faith, a religion, and can only be replaced by a better faith, a better religion.

C. The objective beyond survival

Certainly a proper goal beyond survival is the preservation of freedom in America. But what type of freedom? Freedom from fear of Russia? Freedom from the destruction of the atomic bomb? Or freedom toward greater happiness, greater prosperity, greater humanity, greater constitutional liberties, greater rule of law, greater faith, greater creativity and harmony within and between individuals? [4]

Certainly the objective is somewhere beyond survival and framed in freedom at home and compatible values abroad. Through that frame lie still greater values, according to man's particular faith, religion and conviction that become his ultimate concern, to use theologian Paul Tillich's term.

In the protracted conflict, if we are to follow the principle of the objective, this question must be posed: What do we really mean by a free society based on the foundation of constitutional liberties? When do we reach the point of jeopardizing that freedom? How much are we willing to sacrifice for security? Or rather, how much freedom can we safely sacrifice without violating the ultimate objective—the preservation of freedom?

[4] To this question, Max Ways has addressed his attention in the book "Beyond Survival" (New York: Harpers, 1959).

"We have been struggling for survival and we have survived. Success? Our condition does not have the look or feel of success. So we turn the statement: we have been struggling only for survival and we have only survived. * * * To test our policies now, in the short years that count, we need standards beyond survival, beyond the particular perils of any month's crisis, beyond the kaleidoscope of news."

William Y. Elliott and his associates in a study project for the Woodrow Wilson Foundation ("The Political Economy of American Foreign Policy," New York: Henry Holt, 1955, p. 383) appropriately point out a larger implication of the objective:

"Security is not achieved in a world of dynamic struggle by mere defense.

"Successful protection of the national interests * * * means also that, given the nature of contemporary problems and values, these protective or preventive objectives are not likely to be realized except as part of a broader concern to create new institutions and relationships in the non-Soviet world capable in time of achieving and maintaining the economic health, political effectiveness, and defense capabilities of the other free countries."

D. Giving up freedom to preserve freedom

Confronted by the Kaiser's Germany and Hitler's Germany in World Wars I and II, this was an easy question to answer. Our military expenditures, during fiscal year 1945, were at $75.9 billion. Freedoms were given up. Regulations and controls were instituted in almost every economic phase of American life. Our youth was drafted into the service. There was a temporary abdication of freedom—rationing, higher taxes, price controls, the draft—to fight for the preservation of freedom. We were confident our Nation had sufficient constitutional flexibility to regain that freedom after the war.

But now we are in a continuing cold war, a lasting struggle, a protracted conflict. As President Eisenhower quite clearly explained on May 19, 1953: "We live, as I have said, not in an instant danger but in an age of danger. * * * We must think and plan and provide so as to live through this age in freedom—in ways that do not undermine our freedom even as we try to defend it."

Thus, it becomes not a matter of giving up for 3 or 4 years; it was a matter of giving up for possibly a hundred years.

At the peak of World War II, the Nation spent about 45 percent of our national product on national security, without going bankrupt. As Col. George Lincoln notes in his book, "The Economics of National Security":

"Up to perhaps half our national product, the question is not how much can be taken. It is rather a questioning of what extraordinary economic measures we are willing to institute to enable the efficient expenditure of dollars for defense while at the same time stabilizing the economy. * * * Whatever the proportion, there is a limit beyond which economic controls become necessary. When the budget of the security plan goes beyond a certain level, that budget plan must be associated and coordinated with a plan for exercising the necessary government control (including taxes) over the economy. If the Congress and the people accept both plans, then we can afford a very large budget. If not, then a large budget can be very dangerous indeed to the economy. In chapter I we posed the question, 'How much will you pay to live?' "

This question is on the level of survival only, without guarantees of liberties. Is the young American graduating from school content to just survive—without real choice of where he lives or where he works? That would be his lot under communism or socialism. Indeed, Bertrand Russell thinks the question in the nuclear age should be put on this level of survival only, with or without freedom. In colloquial terms: "Better Red than Dead."

But Colonel Lincoln goes further in his discussion and says: "There is an associated question, "What government economic controls will you accept to live?' "

Such a question, posed before the age of space and of cold war, would carry with it the inference that unwillingness to accept the necessary controls and the necessary sacrifices would be a sign of national softness. In the space and cold war age, there must be genuine concern for the permanent loss of freedom in an attempt to defend freedom. When the period of "giving up of freedoms" may run beyond the average lifetime, the "giving up" is permanent. President Eisenhower was quite conscious of this when he said on May 19, 1953: "We didn't want to become a garrison State, we wanted to remain free. Our plans and programs had to conform to the practices of a free people, which meant essentially a free economy."

This objective must be kept foremost in mind. In the forthcoming decades, it will be quite necessary to increase the amounts being spent on national security. There is no amount which can grant us absolute

security. The amount selected must be based on balanced judgment of short-range and long-range security and objectives. Then the increased security should be financed not by inflation but by a sound tax program and a cutting back on nondefense Government spending.

E. Reaction to the external challenge

Arnold Toynbee notes that challenges arouse nations to unprecedented efforts.[5] Yet he observes that the stimulus of the blow can be too great, especially if prolonged over a long time, as was the case of the Hannibalic war in Italy.

True enough, the Communist empire could break up within a decade or so, but if the struggle continues over a century, the severity to us could be far more dangerous than one single military blow tomorrow.

Liddell Hart makes an apt comment in this regard:

"The acquisitive state, inherently unsatisfied, needs to gain victory in order to gain its object—and must therefore court greater risks in the attempt. The conservative state can achieve its object by merely inducing the aggressor to drop his attempt at conquest—by convincing him that 'the game is not worth the candle.' * * * Indeed, in attempting more it may defeat its own purpose by exhausting itself so much that it is unable to resist other enemies, or the internal effects of overstrain. Self-exhaustion in war has killed more states than any foreign assailant" (Liddell Hart, "Strategy," Praeger: New York).

One danger of the protracted struggle is illustrated by the case of Sparta. She met external challenge with an internal militarization and statism. This so absorbed her energies that she had none left over for real development.

Negative missions and objectives on the part of the United States in the present protracted conflict could produce a similar effect—deprive us of our rationale of freedom at the time we are opposed by a revolutionary rationale of communism. Historians would write that in the protracted conflict, as in World Wars I and II, our means of conflict destroyed our national objectives.

F. The military objective: Destruction of the will to wage war

In military conflict, the immediate objective is to destroy the enemy's will to continue to fight. To accomplish this, force must be applied to sensitive or decisive areas which will destroy the will.

What constitute the most decisive target areas?

In the past decade, the Air Force has argued for a counter-force strategy, i.e., concentration against the enemy forces which will strike at us. By and large, this seemed an appropriate strategy during the air age. But it appears that the equation may shift during the missile age, where, while still maintaining a mix, primary reliance will be placed on what has been labeled a minimum or finite deterrence strategy as the surest road to decision and the greatest comparative advantage for a defending nation. Gen. Pierre Gallois, recently head of the atomic-warfare planning staff of the Western Alliance, noted:

"Simple arithmetic is enough to show the difference between the means needed for defense and those needed for aggression. If the defending nation, for instance, had 400 missile-launching sites thoroughly dispersed throughout its territory, and if these launching sites were well protected, it has been estimated that the aggressor would have to expend some 22,500 missiles—each with a warhead of 1 megaton—to destroy them. But the defense could wipe out 30 of the aggressor's largest cities with less than 50 missiles.

"And so, in this era of long-range ballistic missiles even more than in the age of the airplane, the advantage lies with the defense. The defense can prevent an aggressor from resorting to force by the threat of a relatively small number of missiles capable of reaching the highly populated areas that constitute their objectives." [6]

Certainly the retaliation would be unwise if he made the missile sites, many of them emptied, his primary targets. Retaliation would be aimed at heartland, population, and production. These would be decisive in destroying the will of the opponent. This price would be too great for the aggressor, and hence deterrence would occur.

There is little logic in arguing that such a retaliatory strategy should be outlawed as a violation of the principle of the objective. From the moral point of view, the United States, right or wrong, already inaugurated the use of atomic weapons against population and industry at Hiroshima and Nagasaki. Secondly, the use of unlimited means is necessary to counter the unlimited objective of our opponent—our total obliteration. But at the same time, our unlimited means do not require us to set for ourselves unlimited objectives. We dropped the A-bombs on Japan and then offered conditional, not unconditional surrender, in what became the model peace of human history.

General Grant, as already noted, employed an unlimited strategy to promote a limited political objective.[7]

IV. ECONOMY OF EFFORT

How do we best utilize our resources to accomplish our objectives?

In any conflict, the resources of both contenders are limited, even though the resources of one contender basically may greatly outweigh the resources of the other. Victory has not necessarily fallen to the contender with the greater resources. Alexander, Hannibal, Gustavus, Adolphus, Frederick, Napoleon, and Hitler defeated larger armies and superior nations or alliances. The principle explaining their successful art of getting the most from the least is known in classical military literature as economy of effort.

When this term was first used, the economy part of economy of effort meant the best management of effort, the maximum use of the resources at hand, knowing when and where to spend effort, and knowing when and where to conserve effort to gain a comparative advantage. To gain this advantage in the decisive areas meant conserving in less decisive or lower priority areas. Winning in the decisive, critical area was like cutting the vine at its roots; its branches would wither of their own accord.

The application and misapplication of this fundamental is very easily illustrated by the strategic bombing campaign against Germany in World War II. In January 1943 at the Casablanca Conference, five primary target systems were established: submarine construction yards, aircraft industry, transportation, oil industry, and other industrial targets. This dispersion destroyed effectiveness. In June 1943, a new directive concentrated the air attack on the German aircraft industries. The theory was correct, but the objective was wrong, because the Germans partially nullified the attack by greater industrial dispersion. It was not until May and June 1944, that a new strategic decision was made fully to concentrate on the German oil industry—the key to transportation, a correct and decisive target. Consequently, transportation and resupply slowed towards a halt; the munitions industries were no longer being adequately resupplied.[8]

Here then are two illustrations, first the wrong way: trying to be strong everywhere and ending up with being affective nowhere; and secondly, the right way: economizing in areas of secondary importance in order to concentrate in a decisive area.

A. Flexibility and the mixed force concept

Flexibility is a necessary ingredient for economy of effort. When the Allies chose to concentrate on destroying the German air frame industries, they were applying economy of effort, but they had selected the wrong target. At least the Air Forces had the flexibility to shift to a decisive target. Inevitably, mistakes will be made. As Napoleon said, in war the successful general is not he who makes no mistakes. "No mistake" is impossible. But he is the general who makes the fewest mistakes.

Flexibility allows for correcting mistakes before the opponent can capitalize on them. Flexibility means having alternate plans, or as Bourcet said:

"Every plan of campaign ought to have several branches and to have been so well thought out that one or other of the said branches cannot fail of success."

The 1956 state of the Union message called for an "effective flexible type of power calculated to deter or repulse aggression and to preserve the peace." This was flexibility for a given diplomatic or military crisis, for a general or a limited war—fixed in time and space. By and large, this flexibility has been achieved through the "mixed force" concept. Rather than reliance upon one weapon with a given characteristic, reliance is placed on a combination of abilities to retaliate: SAC bombers, liquid fuel ICBM's (soon in hardened sites), aircraft carriers, hound-dog air-to-ground missiles, IRBM's around the periphery of the Sino-Soviet bloc, and soon the solid fuel nuclear-tipped Polaris. The very "mix" of the forces tends to add to the invulnerability of the striking capacity.

Economy of effort through a "mix" achieves comparative advantages and especially high returns from our mutual security program. Our own defense budget provides a military establishment of about 2½ million men. The $2 billion the administration requested for military assistance facilitates the effective utilization of over 7 million allied personnel in their military structures. A greater return comes at lower cost.

B. Flexibility and technological breakthroughs

Equally, the administration has stressed research and development flexibility over the decades of the cold war where both blocs

[5] Arnold J. Toynbee, "A Study of History" (New York: Oxford, 1947).

[6] The Reporter, Sept. 18, 1958, p. 25.

[7] Maj. Gen. J. F. C. Fuller, in his "Second World War 1939–45" (New York: Duell, Sloan, and Pearce, 1949), criticizes Winston Churchill for initiating a civilian bombing campaign against the Germans. This, he claims, violated British self-interest in maintaining Germany as a counterforce to Russia. The politico-military mistake of the Allies, as Churchill constantly pointed out during the war, was not the bombing, but the failure to occupy central parts of Germany before Russia did. West Germany has certainly revived into a counterforce against Russia.

[8] Observed the postwar Strategic Bombing Survey: "Even if the final military victories that carried the Allied armies across the Rhine and the Oder had not taken place, armaments production would have come to a virtual standstill by May; the German armies, completely bereft of ammunition and motive power, would almost certainly have had to cease fighting by June or July." (U.S. Strategic Bombing Survey, "Effects on German War Economy," p. 14.)

of powers will seek to make new technological breakthroughs and weapons advances. The decision of when and where to place the emphasis demands a sensitivity to change and an unusual sense of balance. As the Secretary of the Navy said in March 1954, we often have to choose between "too-little-and-too-late and too-much-and-too-soon"; we have to "buy our security in installments with the most promising weapons of the day."

This especially involves flexibility in regard to Executive-congressional actions on transferral of funds. Before a weapon has proved itself, economy of force is flouted by rigid over-commitment in advance. When a piece of technology has proved itself, however, major reevaluation is called for.

An example of the type of shifts constantly necessary occurred when the President on April 6, 1960, approved changes in the Navy and Air Force budgets.[9] These actions resulted from increasingly favorable technological and strategic estimates based upon tests of the workability and value of the weaponry concerned. By the time action on the defense appropriations bill had been completed by the House subcommittee, still other shifts were made, incidentally, without changing by 1/1000 of 1 percent the dollar increase over the President's request.[10]

Economy of effort, incorporated into a protracted conflict strategy, demands this constant willingness to make changes, to reassess, to shift funds, to make new decisions, to cut back or cancel out-dated programs. Economy of effort becomes the fulcrum of the see-saw, with too-little-too-late on one end, and too-much-and-too-soon on the other, with the point of balance of the fulcrum having to be constantly shifted. As Secretary of Defense Gates said: "It takes courage to change, to cancel an expensive program that has been overtaken by events, to close an installation employing trusted competent people, or to abandon a proven military mission of the past in exchange for a better way." [11]

In regard to the Atlas, for example, economy of effort demands a never-ending series of shifts and reappraisals. The first generation of missiles is enormously expensive and vulnerable and, in accuracy, it has been estimated that from 6 to 60 of them might be required to take out 1 enemy launching site.[12] Any type of effective counterforce capability, therefore, would demand a considerable superiority of such missiles over the Russians. In accord with the dictates of economy of effort, then, every effort is being made to better utilize our resources by (1) speeding the development of the solid fuel mobile Minuteman, (2) improving the "mix" of our overall retaliatory capability, and relying more on Polaris, (3) covering the period of transition by increasing the SAC air alert and hence its invulnerability, in proportion to the increase in Russian ICBM capabilities.

Obviously, the solution—posed by some critics—to match our Atlas missile for missile with the Russian counterpart would gear our national strategy to a rigid numbers concept of matching the Russians man per man, liquid fuel ICBM per liquid fuel ICBM. Indeed, that would escape hard decision of evaluating the cost and capabilities and effective operational years of Atlas with the mix, flexibility, mobility, and economy of efforts possible from the solid fuel generations. But it would flagrantly violate every commonsense idea that makes up the concept of economy of effort.

C. Economy of effort and fiscal management

This principle of economy of effort, with its demand for flexibility and adjustment, applies to our fiscal economy.

Defense spending, if financed by improper means and methods, can destroy the flexibility and mobility within our fiscal structure. To finance spending by inflationary measures is to invite catastrophe, especially if high levels of expenditures are projected over the entire length of the protracted conflict. To finance high levels of expenditures by higher taxation of the type which destroys savings, investments, and incentives—in short, destroys the ingredients for sound growth and a fluid economy—is likewise to court disaster.[13]

The traditional foundation of American military policy had rested upon a sort of three-point concept: a preeminent industrial base for expansion, comparatively weak forces in being, and dependence upon time to move from no mobilization to full mobilization after attack or great peril. The time-space age shattered this three-point concept. Needed was, first, a plateau of preparedness through an age combining perpetually peace and war; second, a design for forces in being prior to any attack of an aggressor, whether it occurred in 1955 or in 1985.

These new needs of the time-space age were not incorporated in our military policy from 1945 through 1952. Our Government, in the face of Russia, dismantled the greatest military force ever assembled within 2 years of the end of hostilities. Our Armed Forces has been reduced from a peak of 12,125,000 men to about 1,500,000. We were still rapidly cutting the residual force in 1950 when the Korean aggression took place. Then started another massive mobilization back to 3,636,000. In 1953 the new administration conducted a reappraisal which recognized that such extreme fluctuation of peaks and valleys, from a 1945 defense budget of 79.9 billion to 11.9 billion in 1950 to 43.7 in 1953, could spell disaster to America if the Soviet strategy actually was a protracted conflict perhaps extending a century. The defense burden and deficit financing, in part, explained the 50 percent loss of value of the dollar from 1939 to 1949, which meant we were getting 50 percent less defense per dollar.

In a speech on April 16, 1953, President Eisenhower inaugurated the long-haul concept. Not only was this demanded by the principle of the objective, but also by the principle of economy of force. Policy was not to be geared to any "magic critical year" but was to be based upon the "sounder theory that a very real danger not only exists this year, but may continue to exist for years to come," and the old policy would be replaced by a new, long-range policy which would avoid "inefficient and expensive starts and stops."

D. The matching fallacy and England's great strategic mistake

Today we hear cries about a missile gap; in 1955 we heard cries about a bomber gap. The simple advent of the solid fuel Minuteman, which many now picture as an absolute final weapon, is not going to stop the constant flow of technological change. There will be gaps and rumors of gaps from now on. To try to eliminate all gaps would be to try to zig and zag with the Communists and copy the particular weapons which offer the greatest advantage to Russia. Military advantage seldom comes from a strategy of duplicating or matching everything an opponent does. It comes from being stronger in certain specific areas of advantage.[14]

Britain, after nearly a century of the Pax Britannica, abandoned her naval strategy of small land armies striking with mobility out of the blue. The German Empire, in the rapid growth of youth, was making startling advances industrially, economically, and militarily. It was within the shadow of the German peril that Britain forfeited her native national strategy and tried to copy and match Germany division for division. She developed and committed vast land armies to the continent where her sea mobility offered no advantage. Whereas previously, Britain had retaliated against an aggressor at times and places of British choosing and with the unique weapons of Britain, in 1914 she met German aggression at the time and place of the choosing of the German general staff, in a strictly defensive policy. The cost was that Britain never regained her world leadership.

E. Economy of effort and human resources

Especially is economy of effort paramount in relation to human resources in the field of research and development. Dr. Mettler, executive vice president of Space Technology Laboratories, pointed this out to the House Committee on Science and Astronautics (March 31, 1960):

"Space technology was obviously a field in which major projects would become increasingly large and complex and expensive and would increasingly tend to take on the character of national and even global undertakings. And to further complicate matters, a rapidly multiplying number of alternate projects became technically feasible. With limited economic and intellectual resources, it was—and still is—very important to distinguish between what is possible, and what is needed—between what could be done and what should be done. A relatively few large projects must be done superbly well."

Our economic effort behind the space program would be limited even if we doubled

---

[9] Eighteen Atlas ballistic missiles ($226 million) were added to the 130 already scheduled for launching pads by the end of 1962. An additional $86 million was shifted to accelerate development of the Midas, BMEWS warning system, and the Minuteman. $153 million for nuclear reactors and other components needed for six more missile-firing submarines, was added to the Polaris programs.

[10] As Representative GERALD FORD, ranking Republican on the subcommittee, explained on the floor:

"Such changes in this fast-moving world are not only necessary but highly desirable. The maintenance of the status quo is indefensible. Adherence to flexibility is absolutely essential for our national security." Commented Representative MAHON, ranking Democrat on the subcommittee:

"The initial request of the President 'was worked out last fall, and in this rapidly moving world it is expected that changes would be made, and we made a number of them, and the Department of Defense made a number of them.'" (CONGRESSIONAL RECORD, May 3, 1960, p. 9253.)

[11] Annual meeting of the Associated Press, New York City, April 26, 1960.

[12] Johns Hopkins Study on Weapons Technology and Foreign Affairs, p. 109.

[13] See "The Problems of National Security," July 1958, by the Committee on Economic Development, p. 20:

"With national security making huge claims on the Nation's resources, it is indisputably more essential to minimize waste in the use of public funds in both defense and nondefense programs, and to retrench public expenditures that are luxuries we can no longer afford. There must be a new look at nondefense expenditure programs of Government. Since we are facing a protracted period of large defense requirements, what is called for is close examination of the size and character of continuing programs, not temporary deferral of necessary expenditures" (p. 20).

[14] It is interesting to note that in 1952 the Joint Chiefs of Staff reaffirmed that they "consider the general period of 1954 to be the most dangerous for the security of the United States in the foreseeable future." (Report quoted CONGRESSIONAL RECORD, Feb. 23, 1960, p. 3181.) As it turned out, 1954 was not a "dangerous year" at all.

the space budget tomorrow. The human resources behind the space program are even more limited. For example, thousands of engineers are involved in the present Atlas project. It becomes a very critical decision, then, where this scientific talent should be placed after the termination of the Atlas project. Should it be moved into the space field, or the defense field, or split between both? Such decisions are crucial in maintaining a better economy of effort than Soviet Russia.

V. FREEDOM OF ACTION

Freedom of action, necessary to accomplish economy of effort, implies the mobility to retain the initiative. It means dictating—not being dictated to. In all levels of policy, its application becomes quite evident. The freedom of action or mobility needed for flexibility in shifting scientific, industrial, and economic resources can be lost by political and lobby pressures exerted to maintain the status quo or promote a vested interest. The recognized failure of the so-called containment policy was in its lack of freedom of action on the politico-military level.[15]

How is freedom of action gained in a conflict situation? A boxing match furnishes the answer. The negative or defensive part of the match is an ability of a contender to keep the guard up and ward off the punches. The positive part is his ability to deliver the punches into sensitive areas of the head and body, so that the opponent will lose his balance and equilibrium.

In an all-out missile war, the negative, defensive part would come from a relatively secure or invulnerable retaliatory capacity, such as the mobile Minuteman, Polaris missile systems, BMEW:, Midas, and early warning systems should offer. The positive, offensive part would come from an ability to strike at decisive areas of the enemy's defensive structure, so that the enemy will lose his stability, and eventually his capacity and will to resist.

A. Reciprocity of military action: Limited and unlimited war

The relative success of opponents to strike at each other will be determined by which side has a technology and weaponry "one better than the other." In an all-out struggle, each side chooses its own weapons. A man with his fists only is not going to beat a man with a pistol. The one that chooses the pistol forces the other to try to select an even more effective weapon. This principle, Clausewitz called "reciprocity of military action." He said:

"War is an act of force, and to the application of that force there is no limit. Each of the adversaries forces the hand of the other, and a reciprocal action results which in theory can have no limit." [16]

This does not mean that war must be unlimited. With the two boxers in the ring, the fight is limited because they had a referee and they both agreed to limitations. But limited war can only be a product of limited aims of not just one, but both sides. In the age of chivalry, knights settled the disputes of states. Hoffman Nickerson points to the medieval truce of the church as a successful attempt of the papacy to limit war throughout Europe. In the 18th Century, limited wars were often fought over territorial disputes, a duchy or a province. In all cases, the political policies of the states were limited and were not aimed at the ultimate destruction of the opponent.

When the violence of the French Revolution and Napoleon was unleashed in Europe, the nations accustomed to limited means quickly fell before Napoleon's strategy. Not until the allies abandoned their limited means, and adapted themselves to an all-out struggle, was Bonaparte overcome.

With this, there is an interesting parallel in the age of cold war. The Communists have set off an unlimited ideological struggle which reached global proportions after the defeat of Germany and Japan in World War II. While this does not mean that the Communists will unleash nuclear holocaust, it does mean that they hope to maintain the initiative by constantly operating in all areas—economic, psychological, political and military—with less limitations and consequently relatively more powerful means than we. In the late 1940's, they played this game successfully because of our self-imposed limitation, containment. Like the allies opposing Napoleon, the tide globally did not turn in favor of the Allies opposing communism until the new administration in 1953 altered this strategy of containment limitation which played into the hands of the unlimited strategy of our opponents.

B. Graduated retaliation

Dulles realized that deterrence is not just military, that it depends upon conviction and credibility, that power is a function of the will, and that without will there is no power.

The only way, then, that America can maintain its freedom of action is to convince a potential opponent that America will not subscribe to the limitations that an aggressor chooses to place upon war caused by its aggression. The aggressor must know that we will escalate our means or places of retaliation—not all the way to nuclear holocaust, but a notch or so—enough to make aggression not worth the cost.

This concept was applied to NATO, at first ineffectively and then effectively. The original North Atlantic Treaty concept in 1949 envisioned no integrated Allied defense plan; nearly all the forces were on occupation duty disposed administratively. Nevertheless, these factors furnished a wire to trip off a pyrotechnic which could signal for atomic retaliation in case of Soviet aggression.

With the Soviet A-bomb development in September 1949, and the Korean war in June 1950, the inadequacies of threatening major atomic retaliation (we had no atomic weapons, only our strategic bombing capabilities) became apparent. Notes Prof. Lincoln Gordon, "From the tripwire extreme, the NATO strategic concept shifted in 1950 to the other extreme of containing the Soviets by conventional defense." [17]

Certainly, continued reliance on conventional deterrence for the defense of NATO would have been a step backward toward World War II strategy. In order to mold NATO strategy and tactics around one unified, flexible force which employed to better advantages than the Soviet the tools of war born in the nuclear age, decisions were made in 1954 and 1955 which produced the shield and sword concept. The sword of NATO includes the U.S. Strategic Air Command, the U.S. Navy carrier striking forces, the U.K. Bomber Command, IRBM's in Great Britain, ICBM's based in the United States, and soon the well-nigh invulnerable Polaris. The shield forces, not merely conventional forces as planned in 1950, possess tactical atomic capabilities. Yet their conventional capabilities of ground divisions are adequate to cope with probing or ambiguous actions of Soviet satellites. Their tactical nuclear capabilities are adequate to cope with actions still short of all-out conventional aggression by the Soviet Union. In effect, then, the shield function is avowedly to meet the type of aggression with a response one grade higher in the strategic spectrum.

Thus the ultimate deterrent, the sword, is translated into a flexible deterrent at all possible levels of challenge. By clearly defining the strategy to the Soviet Union in advance, any idea that NATO will tolerate the Soviets setting the limitation or rules of an aggression is eliminated. In effect, the Soviets have no choice in the spectrum of aggression, unless they are prepared and willing to initiate all-out nuclear aggression.

This follows Karl von Clausewitz' concept that war is a reciprocal action and that only a limitation of ends can logically result in a limitation of means. That is, provided the opponent which unilaterally limits his means desires to place himself at a decisive disadvantage and fight with one hand tied behind his back.

C. Credibility of the deterrent

Such a theory has indeed been critized: William Kaufmann comments:

"Our actions should symbolize the intentions of the United States to confine both the conflict and the issues over which it is being fought within the narrowest limits commensurate with the security and tactical initiative of our forces." [18]

He then cites the attrition strategy in Korea as a good example of his policy. But we lost initiative, mobility, and freedom of action in Korea.

Critics assert our strategy of graduated retaliation lacks credibility. In situations of lesser magnitude, it is not credible to the Soviet Union that we would meet a probe against NATO with a nuclear strike at Moscow. But it can be and has been made quite credible to Russia that a Soviet probe, or border raid will be met by full division strength, and that a full division attack will be met by tactical nuclear weapons.

It has been argued that, if we do have such a credible deterrent, then the Soviets might launch an all-out attack on us in advance. If they do, it will not be because our strategy of graduated retaliation has failed, it will be because of the conditions already mentioned, namely, first, because Russia feels she can win in an all-out attack, or secondly, a mad ruler of Russia seeks war in desperation, or thirdly, because of diplomatic miscalculations.

Adm. W. F. Boone, former U.S. Representative on the Military Committee and on the Standing Group of NATO, points out [19] that the NATO deterrent comprises three essential elements: (a) a massive retaliatory force, (b) a shield force, and (c) the manifest will to use these forces. If this third element is lacking the whole strategic theory crumbles. It is this danger which makes some criticisms about our defense posture so dangerous. Such criticisms could reach a temper that would indicate a lack of national resolve. That could jeopardize not just the NATO strategy, but the entire global strategy of the United States.

If the credibility is so destroyed, then indeed it would be proper for the United

[15] George C. Reinhardt, in "American Strategy in the Atomic Age" (University of Oklahoma, Norman, 1955, pp. 16–17) points out the failure this way:

"Containment gives the Soviets no inducement to settle down. It precludes our creation of pressures which they cannot ignore. We are, in fact, precariously containing our opponents but effectively blocking ourselves. * * * Containment does not meet the Communist challenge. They may and can decide to challenge us at any point or time of their own choosing. We are under permanent threat; they are under none."

[16] Karl von Clausewitz, "On War" (New York: Modern Library Edition), p. 5.

[17] Lincoln Gordon, Yale Review, spring 1959, p. 323.

[18] William W. Kaufmann, "Military Policy and National Security," p. 116. See also comments of Bernard Brodie in "Strategy in the Missile Age," Princeton, 1959. Also, Gen. Maxwell Taylor in "The Uncertain Trumpet." Also, Henry Rowen in "National Security and the American Economy in the 1960's" for the Joint Economic Committee, p. 44.

[19] U.S. Naval Institute proceedings, April 1959, p. 24.

States to reverse its strategy and follow a concept closer to that advocated by the critics. The only alternative to graduated retaliation would be geared to meeting every Soviet challenge within the limitation set by the aggressor, and at his place and time. It would demand a much higher degree of mobilization and much greater conventional war forces. It would destroy our freedom of action, our economy of force, and place in jeopardy our ability to develop a national strategy which would further, and not be self-destructive, of national objectives which lie beyond mere survival. It would play directly into the hands of the Soviet strategy of protracted conflict.

D. Limited and unlimited challenges

Some critics have become confused by two different sets of challenges. The first is specifically that of the Sino-Soviets. The second grows, not directly, from Russian or Chinese communism, but indirectly from power vacuums, disorder, and conflicts of nationalism and anticolonialism. Russian and Chinese communism indeed exploit and agonize these latter situations, yet their basic causes lie beyond communism.

The British and French actions in the Suez crisis and the U.S. landing in Lebanon fall into this second category. In these limited actions, no major power aimed to destroy another power. Thus, limited aims called for limited applications of force. During the Suez crisis, British cruisers were ordered not to use 8-inch guns. In the Lebanon crisis, Americans were ordered to land without Honest John rockets, since they had the capability of firing an atomic warhead. In other words, we purposefully avoided resorting to a larger calibration of force. The objective, and therefore, the means were limited.

Once the conflict becomes translated to where Russia or Red China is our opponent, or where their pawn is our opponent, the conflict is basically and potentially an unlimited one in aims. The law of reciprocity of means applies and we would destroy our freedom of action by necessarily using only conventional means.

In the case of these genuinely limited conflicts (not involving Russia or Red China) the United States is restricted to limited war forces. In such cases, limited war forces, whether our own STRAC or marines, need to be capable of lightning response, immediate transportation by sea and airlift, landing facilities, and modern equipment once landed. The British sorely bungled the Suez crisis because their reaction was slow, cumbersome, and delayed. It is the quality, not the quantity of the forces, that count.

Many advocates of so-called "limited or conventional war forces," however, call for an entirely different strategic concept than that just outlined. Some critics advocate massive conventional war forces to engage the Soviet Union or Red Chinese forces and pawns directly. Success of such a strategy would depend, first of all, upon our ability to mass adequate conventional war forces to defeat the aggressor on his terms. Secondly, it would depend upon possible victory not being nullified by the aggressor then upgrading or escalating to tactical nuclear weapons. Consequently, such a strategy appears to ignore the reciprocity of unlimited conflict, the Soviet protracted conflict design, and the need for America to retain freedom of action.

The critical need for limited war forces is greater mobility, and as Admiral Radford often has noted, mobility is a matter of more staging bases, of paring down requirements to absolute minimums, and of developing improved technology. But a type of "wall of flesh" strategy, which met the enemy on his terms, would demand huge conventional war forces which would lack mobility.[20]

VI. FORCE IN BEING

This follows the traditional concept of a fleet-in-being, a concept of great moment during the heyday of Dutch and British sea power. The fleet, without going to battle, had a decisive influence upon diplomacy by the very fact that it was "in being." To exercise this effect, however, the Nation in question had to convince other nations of her unquestioned willingness to go to battle if necessary. During the Pax Britannica, there never was any question as to Britain's willingness to use her fleet. This willingness made the fleet-in-being a credible deterrent.[21] Thus, the objective was accomplished without resort to battle.

Nuclear holocaust in our time can be avoided by the capability of force-in-being, if that force resides upon a superior position so clear and credible that the opponent is deterred from temptation to fight. In the Ulm Campaign of 1805, Napoleon deceived the Austrians while he maneuvered around their right flank, crossed the Danube, and blocked their rear. General Mack surrendered to him without a battle, so convinced was he that Napoleon would fight, would not limit or restrict himself during the fighting, and would win. The Japanese Government on July 1945 sought terms of surrender because Japanese leaders were convinced General MacArthur had drawn up invasion plans that would work, and that the United States had A-bombs which she would use. The U.S. capability had the same effect as a battle-in-being.

A. The necessity of the will

On the other hand, military history verifies that the nation unwilling to risk war for the preservation of its vital interest cannot have peace. That nation can never experience the diplomatic dividends of a force-in-being. The rise of Hitler Germany in the 1930's—the move into the Rhineland, Austria, the Sudetenland, and remaining Czechoslovakia—is replete with examples of the peace-loving powers destroying their own deterrent power and the credibility of their military forces—far superior to Hitler's—by lack of national resolve and unity.

The credibility of our deterrent system is not destroyed by Russia's also having a nuclear capability. But the credibility can be weakened by an American attitude which refuses to consider any chance of all-out nuclear war and passes it off as unthinkable. The deterrence of our forces-in-being will be improved when Russia is convinced that we have the will and capability to fight and survive such a war, that we do not consider it—regardless of how horrible—something unthinkable.

B. Skill always counts

Which opposing power comes out best (even though we could not call it victory) in this court of last resort, would depend upon strategy—skillfully using the means at hand. The makeup of this strategy, unlike the strategy which terminated in the battles of Waterloo, Gettysburg, Sedan, or the Ardennes—will have begun long before the campaign of Armageddon is joined. The strategy, in part, would have to be a product of the research and development field over the decades, molded by scientists, engineers, as well as the military. The strategy, in part, would have to be derived from maximum use of geography, of dispersed bases, of mobile and underwater launchers to give us the most invulnerable striking capability possible.

Even in the court of last resort, where destructive power by nuclear weapons staggers the imagination, strategic ability still will count. It is possible for America to retain a position of advantage over Russia, and for Russia to recognize this in advance. If we possess the physical capabilities and moral will to fight through such a contest, then there is a chance of our force-in-being producing a Pax Americana. For the struggle with the sino-Soviet powers is a battle of wills, and the best safeguard the United States has to all-out war is firmness of will.

VII. UNITY AND MORALE

The importance of unity of national will led Napoleon to form his maxim: "the moral is to the physical as three is to one." Napoleon utilized and appreciated the zeal, morale, and unity of spirit of Revolutionary France as contrasted with the negative, disunified purposes of monarchies like Prussia, Austria and Spain, which were filled with negative purposes, splintered alliances, and limited defensive aims.

Morale and the will to resist continue to be more important than the physical. And determination, unity, and conviction equal morale, or moral force.

This moral force explains the rise of communism in Russia and China; small, disciplined minorities held together by indomitable morale that overcame vast numbers. It was not superior numbers of Communists that took over Russia in the "October" 1918 Revolution, but a small, dedicated, determined group that "found power lying in the street and picked it up."

Today, it is this same unified minority which remains a greater threat than missiles or bombs to America. It is this threat which enables Russia to make inroads into uncommitted nations, with less expense than that of the United States. And this is all by

---

[20] Comments Hanson Baldwin:

"Exercise Big Slam/Puerto Pine has stressed, as all troop transportation exercises have done, that any attempt to combine mass and mobility adds up to astronomical aircraft requirements.

"The airborne division has 52 light liaison aircraft and helicopters in its organization. These must be disassembled for air transport and the Army now contemplates using a naval aircraft carrier to transport them.

"In Lebanon, a sea 'tail' of about 25 ships was required to back up and support one airborne battle group of about 2,000 men.

"Thus there are many observers who believe that the Army has set its airlift requirements too high and that the concept of total air transportability—the so-called air transportable army—is beyond achievement now or in the foreseeable future.

"Instead of attempting to move masses of troops and equipment by air, the objectives should be the extremely rapid transportation of fairly small numbers of troops—lightly armed and with limited staying power—to any part of the world.

"These fire brigade forces could then be reinforced and supplied, not only by airlift but also by prepositioned stocks of arms and equipment in various parts of the world and by support from the sea.

"Airlift is essential for speed but sealift is equally essential for mass and staying power." (Hanson W. Baldwin, "The Airlift Problem—II," in the New York Times, Mar. 23, 1960.)

[21] In 1827, during the Turko-Grecian struggle, the allies—Russia, France, and Great Britain—had sponsored a truce between the warring powers. When provoked by the violation of that truce, Admiral Codrington, the allied commander, sunk the Turkish-Egyptian Fleet. Despite the tactical action, no war occurred. Or to put it in another way, war was deterred by the British willingness to take fleet action. See David M. Abshire, "The Battle of Navarino," U.S. Naval Institute Proceedings, January 1959.

design, for Lenin said, resounding the tactics that won Rusisa for the Communists:

"The soundest strategy in war is to postpone operations until the moral disintegration of the enemy renders the delivery of the mortal blow both possible and easy." [22]

Now the Communists successfully employ this concept globally.

The Soviet psychologists brilliantly use military and space developments as psychological weapons to produce, bit by bit, moral disintegration, confusion, and pessimism within our country. Indeed, sputnik was an enormous Soviet achievement, but the greatest and most lasting part of the achievement was psychological, not technological. Today, the totality of our space program is ahead of the Soviets' despite their superior rocket thrust. The United States has placed more satellites in orbit and derived much greater scientific information.

Secretary of Defense Gates has aptly described the Soviet psyochological and moral success in our reaction to sputnik:

"The United States reacted with self-criticism. Doubt and worry produced little that was constructive. A feeling of inferiority swept across the land, a feeling of being second rate began and persisted. No real sacrifices were offered. People were quick to blame, but life went on as usual. Big expense accounts, short working hours, long vacations, and the easy way remained. Men did not change the normal pattern or orient themselves toward the business of government.

"The role of the United States in its free world responsibility was having growing pains at a time we could ill afford them.

"Certainly we should not have reacted with complacency, but we should not have gone with a sense of guilt into a process of tearing down our fundamental beliefs and institutions. This was the time to comprehend fully our defenses and to realize that sound planning existed and anticipated much of the demonstrated Soviet capabilities. The pendulum swung too far." [23]

A. Role of the opinion makers

Ways to gain moral solidarity and national conviction become, indeed, a fundamental necessity for any U.S. national strategy. Criticism must be channeled into constructive, not destructive, avenues. National success must be recognized and dramatized just as much as national failure. The body politic must gain an overall and long-range view, built upon a foundation of recognizing basic advantages of our system of government. For there is no leader who can resist public opinion when it becomes strong enough. As a Council on Foreign Relations report to the Senate noted:

"The Government must be generally responsive to public opinion. It cannot get too far ahead or too far behind. It works under a great handicap if the public is ill-informed on the significant issues or if political leaders choose to play domestic politics with them." [24]

B. Concord

Certainly the formulation of the Marshall plan and the NATO alliance by a President of one party, approved and advanced by a Congress controlled by another party, remains as a shining example of American unity. Initially, NATO, physically, was weak indeed. But the moral support given it by both political parties immediately bolstered its deterrent value far out of proportion to any inherent physical strength.

Ortega y Gasset in "Concord and Liberty" notes how dissent on surface issues promotes progress, but how dissent on the fundamental issues in a society, as in the latter days of the Roman Republic, spells the doom of that society. Concord in the United States will be increased when the individual American develops a sense of mission, and a closer personal identification with the role of the United States in offering world leadership toward free, open societies. And upon this identification within the body politic can spring a national strategy far superior to what the Communists possess.

We have defined strategy and reviewed a set of its fundamentals. A strategy becomes a national strategy when employed by a nation to promote its national policy ends. Hence a national strategy, in terms of the United States, is reflected in National Security Council documents.

But the review of these fundamentals clearly indicates that a national strategy is not enough, and that it is a public strategy which is needed. The term is used in this paper in a context similar to that used in Walter Lippmann's term "public philosophy." A national strategy becomes a public strategy when the majority of the people understand and support it. As already noted, the modern day advantage of the Communist Party members is that they do have a public strategy which furnishes a means of total integration of national effort into clear purpose.

VIII. IS A PUBLIC STRATEGY POSSIBLE FOR A REPUBLIC?

This leads to the question: Can a republic such as ours truly understand and embrace a unified public strategy, achieve continuity from one administration to the next, and one party to the next? Perhaps upon the answer to this question hangs the future of the Republic.

A. First case: Pax Britannica

Historically, Great Britain was able to develop such a strategy, fully understood and approved by the butchers, bakers, merchants, and housewives of England. The protection of Antwerp, a potential naval arsenal for invasion of the island kingdom, and a base from which the Channel could be controlled, became the key to British national security: In strategic defense of Antwerp, Charles II in 1670, Anne in 1704, Chatham in 1742, and Pitt in 1792 took England to war.

In the 19th century, British national strategy became so perfected as an instrument of state policy that the Pax Britannica resulted: major war was deterred from Waterloo to Sarajevo. In unity there is strength, and the strength of the British deterrent sprang from popular English understanding and appreciation of all the elements which made up that national strategy: the uniqueness of the British island position as a springboard for maritime power; the need for a small, highly mobile amphibious army, rather than an attempt to match man per man the cumbersome continental armies; control of the narrow seas and global bases like Gibraltar, Malta, Aden, St. Lucia, Cyprus; an integration of military and naval power with economic power of peacetime commerce and industrial supremacy.

Why did the British strategy produce an effective deterrent to war? Because the British did not destroy its workability by internal disunity and destructive criticisms. Germany, France, and Russia fully realized that Britain had committed herself wholeheartedly to the defense of this policy, and was willing to fight for it.

B. The second case: The Monroe Doctrine

There are also encouraging examples in American history of an ability of the body politic to adopt a public strategy. Notably, the Monroe Doctrine was a unique application of a public strategy to the particular American geography, interests, and need for deterrence of European intervention in the New World. Crystallized in 1823 by President Monroe and Secretary of State John Quincy Adams, this initial expression did not make it fully "national policy," it is significant to note. In fact, this doctrine aimed initially at deterring England's greed in America (as Professor Perkins' research has shown) [25] was in turn enforced, from 1823 to 1845, not by the United States, but by England. Finally, in 1845, James K. Polk, in his annual message, grabbed the doctrine back and brandished it at Europe, particularly at England, its recent custodian, to demonstrate that the United States would allow no colonization in California.

Even with this dramatic reassertion by Polk, the doctrine was championed for the next decade by only one political party. Although it became a topic of public conversation, the United States still did not always act upon it: During the American Civil War, with impunity France violated it in Mexico and Spain violated it in the Dominican Republic. Why? To have enforced the doctrine in the midst of our Civil War would have jeopardized a greater objective—the preservation of the Union.[26]

Failing to act, when not to our best interest and when the setting was incorrect, did not invalidate the strategy, as Henry Wriston has commented.[27]

Its validity and force grew, however, with the almost universal public support it received in the United States after the Civil War. American public opinion, Republican and Democratic alike, united behind the "maxims of Monroe," maxims so sacroanct by 1923 that a noted American religious leader typified national sentiment by writing "I believe strictly in the Monroe Doctrine, in our Constitution, and in the laws of God." [28]

C. The third case: Mahan's strategy

The United States adopted a clear, decisive national strategy, beginning with the Manifest Destiny Period of 1896 and blossoming fully during the Theodore Roosevelt administration.

In lectures, articles, and books, Capt. Alfred Thayer Mahan, supported by Theodore Roosevelt and Henry Cabot Lodge, integrated naval, economic, political, and even religious

---

[22] "Surveying in turn the decisive battles of history, we find that in almost all the victor had his opponent at a psychological disadvantage before the clash took place. Examples are Marathon, Salamis, Aegospotamoi, Mantinea, Chaeronea, Gangemela (through grand strategy), the Hydaspes. * * * Austerlitz, Jena, Vicksburg, Koniggratz, Sedan." (B. H. Liddell Hart, "Strategy" (New York, Praeger, 1955, p. 163.)

[23] Address before annual meeting of Associated Press, New York City, April 25, 1960.

[24] "Basic Aims of U.S. Foreign Policy": Study prepared at the request of the Senate Committee on Foreign Relations, Nov. 25, 1959, Washington, GPO, p. 19.

[25] Dexter Perkins, "The Monroe Doctrine, 1826–1867," Baltimore, the Johns Hopkins Press, 1933, ch. 2.

[26] It is interesting to note that after the war was over it was a Republican Secretary of State, Seward, who issued to Napoleon III a declaration supporting the Monroe Doctrine principles, inaugurated by the Democratic Party. France did withdraw; the doctrine regained renewed respect in Europe; the doctrine in America truly became national bipartisan policy. In 1896, incidentally, both party platforms subscribed to the doctrine. (Julius W. Pratt, "A History of United States Foreign Policy," New York, Prentice-Hall, 1955, p. 344.)

[27] "The Doctrine was not a law, not a fiat, but a desideratum. Occasionally there was no opportunity to act effectively * * *. At other times those in charge lacked the understanding, the energy, the skill, or even the will to pursue our fundamental national objectives. None of these circumstances affected either the reality or the validity of the policy itself." ("Diplomacy in a Democracy," New York, Harper, 1956, p. 74.)

[28] Dexter Perkins, "Hands Off." (Boston, Little, Brown Co., 1941, pp. 370–371.)

considerations into a strategy to promote national greatness and prosperity. The question, whether to follow an expansionist course based on trade, colonies, and naval power, reached a crux during the summer of 1898 over the annexation of Hawaii. Arguments were clearly stated on both sides, in the Senate and House, by proponents Senators Lodge, Platt, and Beveridge, and by opponents Speaker Read, Senators Hoar, Vest, and Mallory. Public opinion was truly allowed to crystallize; by and large, it crystallized in favor of the national strategy advocated by Mahan. When T. R. Roosevelt entered the White House, the people and the President, jointly, supported a unified, clearly defined national strategy of international firmness and national preparedness, incorporating our Navy as a deterrent to intervention of foreign powers in the New World, promoting our strategic control of the Caribbean, pushing the construction of a canal to increase maritime mobility, and inviting the public to look outward toward the Pacific. Public debate over real alternatives and issues had made possible a public consensus which led to an acceptance of such a well-defined public strategy.[29]

IX. WHY THE BODY POLITIC HAS NOT REACHED A CLEAR CONSENSUS ON A PUBLIC STRATEGY

Since World War II, sufficient public debate on the long-range issues of the decades has seldom occurred, and hence, neither has there developed a genuine public strategy. Political partisanship and constant confusion from swift technological change has further clouded clear alternatives and at times has led to an onslaught on much constructive thought and leadership.

How the public has been distracted from the true issues is easily illustrated. In the Korean war, the Truman administration, the Congress, and the public were confronted with this fundamental issue of cold war: What type of national strategy is needed to meet a type of Communist aggression where the bases for aggression are located in a major Communist power, but the battlefield itself is located within a pawn of that power. The real questions were: Would America respond purely defensively against the power or would she seek a policy of initiative to punish the real aggressor? Did isolated events—Yalta, Potsdam, the Communist coup in Czechoslovakia, the Berlin blockade, the takeover in Red China, and then the Korean aggression—point to a pattern? Were the crises related in some kind of grand design? Could each crisis only be met, not in isolation and panic or in a packaged solution for each emergency, but by a long-range national strategy, prepared, if necessary, for a century of crisis between freedom and communism?

Perhaps such questions could have crystallized had there been the type of debate that took place over the Monroe Doctrine or the Theodore Roosevelt-Alfred Mahan strategy. But in popular discussion, the Korean issue became distorted into secondary surface issues, such as civilian control over the military, or the personality of MacArthur versus the personality of Truman, or the right of the Executive to fire MacArthur.

Although the public did not come to see the need for a long-range national strategy at the time of the Truman-MacArthur dispute, the public, by supporting the 1952 presidential candidate committed to seek a positive solution to the Korean war, did revolt against the indecisive, stalemated Korean war. Thereby, it also revolted against containment policies.[30]

X. EFFORTS OF PRESIDENT EISENHOWER AND SECRETARY DULLES TO DEVELOP A PUBLIC STRATEGY

Following this electoral mandate, the new Eisenhower administration, in the words of Secretary of State Dulles, notified the aggressor that the new administration would not tolerate a privileged sanctuary in Manchuria, and that "the fighting might, to the aggressor's peril, soon spread beyond the limits and methods which he had selected." It seems reasonable to conclude that this warning—that the United States would follow a new strategy of initiative—had a decisive effect on ending the Korean war.

Next, Secretary Dulles attempted to codify this successful strategy for global use, so that Red China and Russia would not again be tempted into new Koreas in other parts of the world. In a speech explaining the policy before the Council of Foreign Relations on January 12, 1954, Dulles referred to a secure, massive retaliatory capacity. He did not mention a concept whereby the United States would meet any scale of aggression by dropping atomic bombs on Peking and Moscow. His point was that we had abandoned the pure containment policy which forced us into the inflexible defensive position of having to meet any aggression by limiting ourselves to the ground rules of the aggressor. At the same time, the strategy sought to improve the position of NATO, the best product of the containment era. The new strategy amounted to a policy of maximum flexibility, firmness, and initiative whereby we would respond to aggression by going beyond the particular limitations, geographical or weaponwise, set by the aggressor. In terms of Korea, for example, he proposed the possibility of striking at the privileged sanctuary of the Red Chinese in Manchuria, if aggression were renewed.

The subsequent public debate, however, took form around a doctrine of meeting all aggression by threatening general war with Moscow, as opposed to a doctrine of meeting all aggression in kind. In short, the public was not debating the Dulles policy at all. What came to be interpreted by certain segments of the public as the Dulles policy of "massive retaliation" was not his policy.

What is more, administration critics seized upon the Indochina crisis of 1954 as evidence that the administration had failed to follow its own strategy, thereby proving its fallacy. The truth of the matter was that it failed to be in our national interest to intervene in Indochina, just as it failed to be in our national interest to intervene in Mexico or in the Dominican Republic in 1861. Mr. Dulles explained on June 11, 1954, requisites for American intervention, assuming Red China did not openly intervene. Intervention would have to be a collective, not a unilateral effort; there would have to be agreement that Vietnam, Laos, and Cambodia would be granted independence. France would have to maintain her forces in the combat. It was not our strategic concept that failed; it was that unilateral action would not have served our objectives. On the other hand, a United Nations Security Council resolution had furnished a legal and common basis for intervention in Korea.

Considering how long it took the Monroe Doctrine to obtain public acceptance and understanding, it is not surprising that the Eisenhower-Dulles strategy is still not fully understood. It is esential, however, that the American public really debate this strategy in its true context of meeting aggression on our terms. Then the public may reach a consensus of opinion and a philosophy of action which will be the first genuine step forward toward understanding an American strategy for the second half of the 20th century. Then the Eisenhower-Dulles strategy could furnish the beginning of a doctrine comparable to the Monroe Doctrine. We will have much less confusion over such things as missile gaps, deterrent gaps, and even about whether to put more emphasis on the Bomarc, the Nike-Zeus, the Polaris, or the aircraft carrier. For the Eisenhower-Dulles strategy coordinates military with diplomatic strategy by asserting we will meet aggression, not on enemy terms, but with the weapons best suited to our purposes. And this focuses on the need to develop the weapons system to our greatest advantage, intead of matching Russian weapons.

XI. STRATEGY REVIEW MACHINERY ON CONGRESSIONAL LEVEL

The policymaking machinery for developing a consensus on a public strategy could greatly be advanced by both political parties in the House and the Senate by following the 1946 recommendations in regard to policy committees of the La Follette-Monroney Committee on Reorganization of Congress. This committee recommended, as a step toward better party accountability and responsibility, that each party establish policy committees elected respectively by the Members of House and Senate. In matters of great concern to the national welfare, the four policy committees could meet in executive session with the President. While this recommendation was not concerned with a public strategy, the merit of the machinery in this regard is obvious.

What is more, each party policy committee could establish a subcommittee on national strategy. This would bring into one body congressional Members from key congressional committees in a manner they are not brought together now.[31]

---

[29] Although A. Whitney Griswold, in "The Far Eastern Policy of the United States," (New York, Harcourt, Brace & Co., 1938, p. 32) asserts that the debate over the 1899 Philippines problem largely centered on constitutional and moralistic arguments, and not upon American interests in the Far East; Julius W. Pratt, in "Expansionists of 1898" (New York, P. Smith, 1951, p. 350) observes the opposite: for example, Senator Spooner feared possession of the Philippines might involve us with Asiatic powers. Prof. S. F. Bemis has termed this phase of diplomatic history, the great American aberration ("A Diplomatic History of the United States," New York, Holt, 1951, pp. 463–475), opinions echoed by George Kennan in his "American Diplomacy 1900–1950" (New York, New American Library, 1951). See differing opinions in Foster Rhea Dulles' "America's Rise to World Power" (New York, Harpers). Whether or not the policies were carried too far in regard to the Philippines, this national strategy, from 1898, through the Theodore Roosevelt administration, successfully guided our rise to world power, gave us security in the Caribbean and in the Pacific through Hawaii, without which we might have incurred war on our very shores. See J. Fred Rippy, "The Caribbean Danger Zone" (New York, G. P. Putnam's Sons, 1940). The second point is, such a national strategy must be based on a conviction of right, a reasonable sense of moral justification. The fact that morals can be turned into hypocrisy does not mean the cure is to abolish morals and conviction. This Admiral Mahan understood quite well. The best account of Mahan's philosophy and its influence is William E. Livezey's "Mahan on Sea Power" (Norman, Okla., U. of Oklahoma Press, 1947).

[30] Samuel Lubell says, in "The Revolt of the Moderates" (New York, 1956, Harpers, pp. 45–46): "In his conduct of the Korean war, President Truman fought to preserve the concept of a limited war, in which atomic weapons would not be used. The political effect of the 1952 election was to repudiate that concept." And, on p. 39: "The angriest condemnations of the Truman administration from traditionally Democratic voters were provoked by the grievances that rose out of the Korean war—higher taxes and higher prices and the drafting of 'our sons' for a 'useless war.'"

[31] See article by Samuel Huntington in Foreign Affairs, January 1960.

Through studies and resolutions from these subcommittees, key issues could be presented to Congress and thereby to the public. Where bipartisan agreement existed between the subcommittees of the two parties in House and Senate, joint resolutions could be issued to articulate aspects of national strategy and unanimity of concepts of deterrence. Differing opinions between the party subcommittees would serve to point up the real issues of debate. As a special benefit of such policymaking machinery, each Member would take back to his particular standing committee (Foreign Affairs, Armed Services, Joint Atomic Energy, Appropriations, Government Operations, etc.) a much enlarged knowledge of the overall requirements of national strategy. This knowledge would eventually be translated into more effective legislative action.

In the century of protracted conflict, it is indeed essential that the Congress and the public reach an understanding of a basic national strategy. When this happens, citizens will begin to view each day-to-day crisis in the larger context of long-range concerns and will surely demand of all politicians a greater effort to see our century, our strategy, and our strength as a whole. Granted, such an attitude would not eliminate the risks. But it would certainly strengthen the national will, reduce the anxieties, and immensely diminish the possibility of all-out war through cumulative evasions of the real alternatives and fundamentals of a public strategy.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS

OF

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. ARENDS. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD, study papers Nos. 3 and 4, "How Democracies Die," by John H. Stambaugh, vice chancellor, Vanderbilt University; and "An Appraisal of Soviet Economic Capability," by Congressman THOMAS B. CURTIS, of Missouri, member of the Joint Economic Committee, as follows:

HOW DEMOCRACIES DIE

(By John H. Stambaugh, vice chancellor, Vanderbilt University)

The prominent historian, Channing Pollock, addressing a group of teachers observed that most democracies last for about 200 years. They are conceived and developed by simple, vigorous, idealistic, hard-working people who unfortunately with success become rich and decadent, learn to live without labor, depend more on the largess of big government and end by trading domestic tyrants for foreign tyrants.

With the end of the second century of our democracy a short 16 years away, it appears very much in order to examine its political, social, and economic structure, to ascertain whether it contains a unique character which makes it impervious to the lessons of history.

Are our people subject to the same frailties as the citizens of the democracies that died in the past?

Can we overcome these weaknesses and remain the strongest and most blessed people on earth?

Are we willing to stand firmly with the basic American idea that there can be no substitute for individual initiative and productivity?

An indication of weakness became evident when the Soviet rocketed Sputnik I into orbit in October 1957. A strange state of mind seized the United States. We seemed to question our own abilities. Some Senators and Congressmen screamed for sputniks in their Christmas stockings and an ICBM in each garage. The rest of the world looked on in amazement and seriously questioned whether we would demonstrate the same toughness and dedication that we had demonstrated in past international crises.

Fortunately some of our leaders, and in particular the President of the United States, refused to accept the premise that this great Nation could be overwhelmed by the Soviets' material contrivance. This faith was dramatically justified when in a short 4 months, under extreme pressure, Explorer I soared heavenward. Since that time, the scientific value of American achievement in space has vastly outstripped the Soviets'.

THE BASIC DANGERS FOR A DEMOCRACY

However, there are dangers other than the fantastic space-age weapons, dangers much more persistent and insidious. These dangers are two:

One from without—Communist ideological and economic penetration.

The other from within—the loss of our individual freedoms by a willingness to let the Central Government be all things to all people.

If we use our resources positively and wisely we have within the framework of free enterprise capitalism all the tools necessary to demonstrate to the world the fallacy of the Communist doctrine of absolute economic and social control by government.

Surely the system which permits our 6 percent of the world's population to produce and consume 40 percent of the world's goods can win this struggle. This system can win, if its exponents practice what they preach while investing our capital abroad and trading throughout the world. It can win if we refuse Government subsidies and protection, welcome competition, and support the sovereignty of the market. It can win the struggle with communism if its people have the will.

THE DANGER FROM WITHIN

It is the second danger which is the more frightening, the danger from within. Among our citizens an attitude of dependency on Washington has developed. This trend toward "Let Uncle Sam do it" argues in effect that only Federal bureaucrats and their intellectual associates are wise enough to tell us how we attain "life, liberty, and the pursuit of happiness." We have come to depend on the Central Government to finance many of our responsibilities which we should assume in the home or at the city and State level. While doing so, the Federal Government inevitably lays down the rules of the game. This trend can lead only to the weakening of the American family and of our State and local governments and hence to destruction of the Federal system.

The liberal editor, John Fischer, of Harper's magazine, has pointed out:

"Up till now, at least every nation of continental size has had to be governed in one of two ways: either as a federation or as an autocracy. The coming generation of politicians, therefore, will have to find some way to renovate the idea of federalism and get it back into working order."

If we permit our system to be destroyed, not only will the lessons of history be reaffirmed but Communist Chief Khrushchev will indeed have been a prophet when he said to five visiting U.S. Senators, "I prophesy that your grandchildren in America will live under socialism."

THE WILLIAMSBURG IDEA

The President of the United States, speaking at the Governor's conference in Williamsburg, Va., in June 1957, gave evidence of his deep concern for the preservation of our way of life. President Eisenhower rang the alarm with the statement, "Those who would be and would stay free must stand eternal watch against excessive concentration of power in government." He then challenged the conference of Governors to join with him in an effort to reverse the trend toward Washington.

The Joint Federal-State Action Committee was thus created by the President of the United States and the Governors of the 48 States as a task force for action—a joint committee charged with three responsibilities:

"1. To designate functions which the States are ready and willing to assume and finance that are now performed or financed wholly or in part by the Federal Government;

"2. To recommend the Federal and State revenue adjustments required to enable the States to assume such functions; and

"3. To identify functions and responsibilities likely to require State or Federal attention in the future and to recommend the level of State effort, or Federal effort, or both, that will be needed to assure effective action."

The conference of Governors readily accepted the President's proposal. For years it had concerned itself with problems of Federal-State program responsibilities, the division of tax revenue sources between the Federal and State Governments, and with emerging problems calling for governmental action—Federal, State, and local. Many State Governors were deeply troubled by the same trend which so concerned the President. The conference, accordingly, authorized its chairman to appoint a committee of Governors to serve with Federal representatives chosen by the President on the Joint Federal-State Action Committee.

It is interesting to note that this is the first time in our history that a President suggested action be taken to reverse the growing trend toward reliance on the central authority for services to our people far beyond the responsibilities originally intended for assumption by the Federal Government.

The initial phase of this mission was a limited one. It was to recommend that action be taken to shift a small number of governmental functions and revenue sources from the Federal Government to the States and to define more clearly certain responsibilities that might continue to be shared by Federal and State Governments. The purpose was not to accomplish the whole job, but merely to demonstrate that a long-term drift to governmental responsibility toward Washington is not inevitable.

OPPOSITION TO LOCAL INITIATIVE

Many with overdeveloped senses of Federal responsibility reacted strongly against this move by the President. They protested that the complexity of our society requires the Central Government to concern itself more and more with the welfare of the individual citizen. In turn they argue that State and local governments are poorly organized and unable to finance adequate public services. Yet rather than join in a realistic examination of ways to revitalize State and local governments, these opponents fall back on a familiar plea that the Central Government solve all problems on a crash basis. What these so generous people fail to acknowledge is that each time the Government assumes responsibility for our personal economic and social welfare, we take another long stride away from those principles which have permitted us through

individual initiative to become the most privileged of the earth's people.

Unfortunately, even the President of the United States joined by a committee of the Governors of the sovereign States, was unable to do much more than slow down the trend toward more dependence on the Central Government. Northern Democratic Governors from highly populated and rich States resisted the effort. In spite of the protest of some of the more moderate in that party and the Republican Governors, mostly from the Middle and Western States, the centralist view prevailed. The northern Democrats prevailed because the traditional States rights Democrats of the South had been so seduced by the Federal dollar that they refused to take back to the States the responsibilities which must be assumed at that level if the term "States rights" is to be anything more than just that—a term.

The simple fact is that for every dollar of Federal aid, the citizen who believes in State sovereignty forfeits a dollar's worth of States rights. It is entirely logical that Federal control follow Federal funds. This has to be because when a Congressman from New York votes to support a project for Tennessee, he has a right to say something about how the money is spent. His constituents after all are paying their share of the bill.

OTHER PROBLEMS

There are other evidences of this voluntary weakness on the part of our people. The great moderate masses of our society have withdrawn from the political scene as a consequence of the very abundance which our free system has provided, the blessings of education and the advances of technology. The professional and businessman, the technician, the white-collar worker, the highly trained and productive operator of our massive machines, all enjoy a way of life which leads them to prefer to be left alone. The businessman is restrained from political participation for fear of public criticism or the loss of a customer, not understanding that it is much better to lose a customer than to lose the climate which permits him to make a profit.

In the meanwhile, highly militant and well-organized minority groups control the body politic.

The overwhelming desire for security rather than for opportunity on the part of our young people has been encouraged even by our great corporations. Recruiters visiting the campuses of our universities no longer challenge the young American male with opportunity, but instead with what is going to happen to him 45 years hence. This young American with a mind like a sponge and muscles of steel then is tempted to enter the competitive world looking for a pension rather than a risk, little realizing that his forefathers who developed this great country were risk-takers above all else.

CONCLUSION

The historical cycle of the body politic indicates that man progresses from bondage to spiritual faith—from spiritual faith to courage, from courage to freedom, from freedom to abundance; and then comes the warning, from abundance to selfishness, from selfishness to apathy, from apathy to dependency, and from dependency right back into bondage again.

It does not require the talents of the highly trained political scientist to show us where we are in this cycle. It only requires a little serious thinking on the part of any reasonably intelligent citizen.

Certainly all thoughtful people must agree that if the system we cherish is to survive we must learn to understand that democracy is more difficult to maintain than to attain. Only by our individual efforts can we be sure that the lessons of history do not catch up with our Republic.

An Appraisal of Soviet Economic Capability

(By Thomas B. Curtis, Congressman from Missouri)

One of the most vital aspects of the long-run competition between the United States and the Soviet Union is the economic one. With both sides likely to abstain from any all-out and mutually destructive military clash, the more subtle and basic contest of economic strengths comes to the fore.

Following the ancient axiom, "Know thy enemy," it is incumbent on us to appraise accurately the Soviet's economic capability.

THE JOINT ECONOMIC COMMITTEE'S STUDIES

In November 1959, the Joint Economic Committee's Subcommittee on Economic Statistics held panel hearings based upon 31 study papers on comparison of the United States and Soviet economies prepared by some of the leading students of Soviet Russia's economy. The publication of these series of papers by the subcommittee was described by Prof. G. Warren Nutter as "more complete and covers more ground, than any other such publication I know of." These papers and the hearings on them have been widely acclaimed by students of the Russian economy.

However, the subcommittee failed to issue a report to the Congress and to the people of the United States based upon these materials and other materials available to the subcommittee upon the important subject of Soviet economic capability.

The failure of the subcommittee to make a meaningful report to the Congress has left this subject shrouded in unfortunate ambiguity. In some quarters there is a tendency to exaggerate the economic progress and potential of the Soviets. Apparently there are those who have found fear of Russia to be an effective emotional appeal to gain popular support for particular political objectives.

IMPORTANCE OF ACCURATELY APPRAISING SOVIET CAPABILITY

Presenting Russia's economic achievement through a false magnifying glass has two extremely damaging effects upon the United States. The greatest damaging effect results from unintentionally aiding and abetting Soviet Russia's own propaganda among the uncommitted nations concerning her prowess and the superiority of the Communist system over the private enterprise system. Indeed, Russia would not dare make some of the extravagant claims of achievement that some Americans make for her in an effort to frighten the United States into a course of action which, in a calmer context, would never be considered seriously.

The second damaging effect is undue complacency in the public mind, when the people find that exaggeration has been employed. It is true that we are in a tough economic competition. This being the case, our people need to know the true picture of the adversary we face. If an exaggerated picture is later discredited, undue complacency is sure to follow.

The best course and the course of wisdom is to seek the truth as best we can. We should neither overestimate nor underestimate an enemy. There is much room for honest dispute even among experts who undertake to appraise Soviet economic capability.

For this reason, it was appropriate that the Subcommittee on Economic Statistics undertake the appraisal of Soviet economic capability inasmuch as one of the greatest limitations we have in this undertaking is that of our economic measuring devices.

LIMITATION OF THE STATISTICS

Even before we examine the limitations of statistics for finding the truth about Russia's economic capability, we must recognize the limitations we face in determining what is the economic capability of the United States. It is generally recognized that the economic statistics of the United States are the best in the world. Yet the Subcommittee on Economic Statistics is constantly confronted with the inadequacy of our own economic statistics in measuring economic factors which are fundamental in determining economic capability, such as total plant investment and capacity; human skills available by accurate nomenclature and number; productivity figures in various industries, and especially for the economy as a whole; convertibility of plant, equipment, and skills from civilian type operation to military oriented operations; and many other data. Even such a simple concept as the cost of living involves problems of measurement which have been often debated by scholars appearing before the Joint Economic Committee.

We in the United States have no statistical series that really measure the industrial, transportation, communications, raw materials, human skill capabilities. There are no series that can measure the extent of the organizations that relate human skills to plants and machinery. There are no real figures that give us a clear insight into productivity. There are some figures of capabilities in a few of our industries. We have some data on steel capacity and capacity to produce some basic metals and raw materials, but these are indeed raw figures and certainly we have little breakdown information for example in steel production as to shapes and forms, grades, etc.

There are some productivity figures by individual industries, but even these are quite limited and before these figures are usable they need considerable interpretation. It is because our statistics in this direct area are so limited that we have resorted to such broad statistical series as gross national product to try to measure economic capabilities.

Certainly we know by just a casual analysis of the gross national product indicator its great limitations in measuring the economic capabilities of a society. Yet the gross national product indicator is probably the most meaningful indicator we have.

The limitations of gross national product as a device for measuring economic capability might be partially listed as follows:

1. It measures yearly effort not capability.

2. It measures waste product and economic mistakes equally with sound economic production.

3. It does not suggest the real significance of research and development, education, discoveries, and breakthroughs.

4. It unduly weighs newly built capital plant, heavy industry, and industrial products in relation to other equally important economic factors which go to make up economic capability.

5. Increased productivity can receive a negative weighting (e.g., eliminating a long transportation haul by building plant and raw material source closer together will decrease its contribution to gross national product).

These and other limitations affect our own measurements of gross national product as well as other countries. But when we look at the further difficulties in measuring Soviet capability, the problems increase. Testimony before the subcommittee was quite explicit on this problem.

The statement of Robert W. Campbell, University of Southern California (p. 33, hearings), noted as follows:

"The statistics of any nation have their parochial distinctiveness, but those of the Soviet Union are particularly difficult to compare with those of other countries. Because they are used to glorify as much as to illuminate, the numbers released by the Russians tend to be ambiguously defined and subject to change in meaning over them. Obscurities in meaning might be clarified, were there an abundance of data

because of the many interrelationships existing in any fabric of statistical economic description. But the statistical raw materials for the Russian side of comparisons are unfortunately sparse as well as ambiguous."

Hans Heymann, Jr., economics division, the Rand Corp., Washington, D.C. (p. 31 of hearings), stated:

"In the last 3 years the Soviet authorities have released more statistical information about their own economy than they have in the preceding 20. The new data fill some gaping voids, afford us greater opportunities for checking internal consistency, and provide a somewhat more rounded picture of Soviet economic development. But the new data are still a long way, indeed, from meeting what would be considered in the Western World minimum acceptable standards of statistical adequacy. Thus, despite its recent easing, the restrictive and propagandistic Soviet information policy continues to impose on us a heavy burden of statistical compilation, interpretation, and verification, and seriously impedes our ability to reconstruct a reliable, balanced, and undistorted statistical image of Soviet progress."

Therefore in making any appraisal of Russia's economic capabilities we must do a great deal more than usual in checking internal statistical inconsistencies.

THE TRICKY QUESTION OF ECONOMIC GROWTH

Thus far we have not yet alluded to the further statistical problems which arise when we get into the area of economic growth.

Economic growth rate based upon gross national product figures is an even more dangerous method of estimating economic capabilities and yet it is the growth rate that has become the basis of much present misconception in evaluating Russian capabilities vis-a-vis U.S. capabilities.

The limitations on the use of rates of growth measured in gross national product might be listed as follows:

1. A rate depends upon the base from which it starts. The smaller the starting base the more rapid the rate in the initial stages and the slower the rate in the more mature stages.

2. Economic growth has a real relation to the maturity of an economic society. This relationship has been inadequately studied, but it is nonetheless real. The more mature an economy the less the rate of growth measured in gross national product.

3. The limitations of gross national product as a measuring device listed above become even more limited, indeed, almost antithetical, when placed into the rate of growth measurements. For example, investment in capital plant for heavy industry shows up more heavily than anything else in gross national product and accordingly an emphasis upon growth in this area will make the overall growth rate look high. Yet sustained growth depends upon a broader economic development. It particularly depends upon great sums of investment going into research and development and into education which show up poorly in gross national product and growth figures based on gross national product.

4. Productivity increases upon which much future sustained growth is based, frequently show up as a negative in growth rates. Furthermore, labor efficiency as one of the bases of productivity increase, is dependent upon such things as health improvements, better housing, more education and training, and other things frequently and falsely referred to as consumer items and luxuries.

5. An industrialized country recovering from war damage to its industry will show very rapid growth rates which show up some time after the actual plant replacements. It is more than a coincidence that the industrialized countries of World War II which had extensive war damage are in the countries showing the very rapid rates of economic growth. Russia is merely one of this group.

The economists testifying before the Joint Economic Committee over a period of years have made the valid point that economic growth per se is almost meaningless. The tests to be applied are where is the growth needed for a well balanced economy and where has it been occurring. The U.S. gross national product is higher in one sense than it should be because of unwanted farm production. How silly it would be to have more rapid growth measured in gross national product occurring in that area. Does the United States need more steel production? More oil? What does Russia need? It is in respect to the specific areas of an economy that we are most apt to find our answers to present economic capabilities and meaningful projections into the future.

To the extent that overall economic growth rates are of any value, it is worth noting that as respected and cautious an economist as W. Allen Wallis stated without equivocation recently:

"In short, there is no possibility that the Russian economy will overtake ours, at any time in the visible future—certainly not in this century."

SOME IMPORTANT QUESTIONS

It is clear that the Soviet Union poses to us a challenge, economically. However, any serious appraisal of Soviet economic capability must raise certain questions which have too often gone unasked.

For example, how much of an economic plant did the Communists simply take over from the prerevolutionary regime? Our Director of the Central Intelligence Agency, Allen Dulles, made an interesting observation on this point during the joint committee's hearings (p. 4):

"The year 1913 is taken as the base for many Soviet studies and claims. The Soviets try to picture prerevolutionary Russia as the economic counterpart of black Africa today. The official myth about the relative backwardness of imperial Russia has been deliberately created so that Communist economic achievements will appear to be even greater than they have been. * * *

"The weight of the evidence, as I see it, would place prerevolutionary Russia as the sixth or seventh largest industrial power of its time, though it is true it was relatively backward by then existing Western European standards of per capita output."

Another key question is how old is Russia's economic plant? Some of it dates back to the czars, particularly in agriculture and housing. On the other hand much of it is quite modern, particularly that which constitutes a replacement of World War II destruction.

How balanced is its economic plant? This is the area where I believe any fair analysis will show that not only is Russia far behind the United States in gross figures, but even farther behind in the area that must be developed if she is to catch up. She has built the plant that shows up the largest in gross national product indicators and neglected that which does not show up.

It is worth examining three specific industries each of which is crucial to an appraisal of economic capability, especially as it relates to the question of balanced capability. These industries are transportation, communication and power, and housing.

TRANSPORTATION

One of the weak links in the Soviet economy is the transportation system.

In transportation Russia has so throttled her economic growth that her economy can be described as a string of beads. The string is her railroad lines and the beads are the industrial plants strung on it. Move off the main rail lines and you find no industry. Russia's transportation is over 80-percent rails and the rails have no feeder lines or feeder highway system. Even the length of her trackage is a small part of the United States and yet she has three times the distance to cope with. She seeks to overcome her transportation bottleneck by a more extensive use of what she has, but primarily she seeks to overcome it by subjecting the shipper to the needs of the transportation system—a cramp which our producers would regard as unthinkable.

Russia apparently has little plans for immediate building up of her transportation system, weak as it is, except through a stepped-up program of dieselization of her locomotives. The transportation system is so weak that it is doubtful if she can have the production she claims she has in other sectors of her economy.

Such a transportation system renders the Soviet economy brittle. Consider the vulnerability to military attack such limitations and rigidities mean. Furthermore, her usage of her rail system is probably over 100 percent, which means that there is not the shutdown for necessary maintenance. In the long run this eats into the capital investment itself and can only be replaced by calling upon the rest of the economy to produce more rail equipment than would be necessary if proper maintenance practices were followed.

Relate this picture to U.S. transportation. The U.S. transportation system is so widespread and filled with variety that it gives amazing flexibility to the rest of the economic plant, including mobility of labor. It is being used at well below capacity. These characteristics minimize the destruction and disruption that can come from military attack but, even more important, give an economic capability that probably could be tripled in the event of mobilization.

COMMUNICATIONS AND POWER

The same story exists in regard to the other lifelines of a modern industrial economy—communications and power. Russia's communication system is not even on a par with her transportation system. U.S. communications system is unparalleled in extent and flexibility anywhere.

The story on power shows a similar vast disparity between Russia and the United States.

In 1958 Russia had a total generating capacity of 53 million kilowatts. The same year the United States had a capability of over 167 million kilowatts.

In 1959 Russia jumped to 59 million kilowatts.

During the same period the United States jumped to 183 million kilowatts.

Russia's announced goal for 1965 is 110-112 million kilowatts.

The United States is expected to have about 245 million kilowatts in 1965.

One of the important aspects of power is its usability, and this depends to a large degree upon transmission lines.

At the end of 1957 the total length of transmission on lines of 35,000 volts and above in Russia was about 46,485 miles.

In the United States the same year the total length of lines 35,000 volts and above was 240,000 miles.

These facts should be viewed in the light of the knowledge that Russia has at least three times the distances to be covered as the United States.

In 1958, 80 percent of the power generated in Russia was devoted to industry and construction. Only about 16 percent went for rural and residential use.

In 1959 Russia produced 1,161 kilowatt-hours per capita.

In 1959 the United States produced 4,481 kilowatt-hours per capita.

The average home use of electricity in Russia is about 400 kilowatt-hours a year.

In the United States the average home use of power in 1959 was about 3,550 kilowatt-hours per year.

But even in utilization of personnel in the power industry itself (which Russia has upgraded well ahead of almost any other industry) we find some startling contrasts—as we should expect when we analyze the health, housing, and educational standards of Russia. From 1950 to 1957 the number of personnel per megawatt of installed capacity was reduced from 9.6 to 5.6 persons. By 1958 in the larger power stations with a capacity of 500,000 kilowatts or over, the number of personnel was 2 to 2.5 persons per megawatt of installed capacity. In the United States, according to the Federal Power Commission, the large coal-burning plants built during the last decade require from 0.2 to 0.5 employees per megawatt of plant capacity.

Available power is a good indicator of overall economic strength of a society. Certainly it relates to potential use of the overall economic plant, flexibility, and mobilization multiplier.

HOUSING

Adequate housing is not just a matter of nice living—it has a direct relation to worker efficiency and productivity. Worker health also is related. Certainly electric power in the home has real bearing on worker productivity if for no other reason than it permits home study. Vacations and the 40-hour week were adopted in the United States for reasons of increased productivity as well as the well-being of the human being.

It is foolish to speak of America's high standard of living as if it were merely a matter of luxury and were not directly related to worker productivity. It is this high standard of living that produced worker productivity. Furthermore, it is no cliche to state almost as an axiom that free men have greater efficiency and productivity than slaves.

Furthermore, overall national good housing means greater worker mobility and worker mobility is important in keeping any economy dynamic. It seems strange that all the reasons we have used to persuade our people to increase their standard of living which we have rightly related to economic productivity are completely forgotten by some of our American scholars in their evaluation of Russia's economic capabilities.

LIMITATION OF A CONTROLLED ECONOMY

Shortcomings of the Soviet economic capability in the fields of transportation, of communications and power, of housing—these evidences of gross imbalance tend to blur the image of Russian economic power.

Socializing an economy does not eliminate economic mistakes; it merely buries them from view. The cost of the economic mistake is bound to have its effect somewhere. This is illustrated by the interesting fact that Russia has not cared to develop a realistic system of cost accounting. This stems either from a belief that costs are not real or from a more cowardly and cynical approach which seeks to thwart the truth by hiding from it. We have the same problem in our society in dealing with the Military Establishment. There seems to be an inherent faith that dollars are not devices for measuring manpower, material, and the business processes of putting the two together.

There are those who argue that a dictatorship makes fewer economic mistakes than a free market economy because the dictatorship knows what it wants to do and accordingly can short-cut the economic process. Their misconception arises from two fundamental errors: (1) A misunderstanding of the essence of a free market economy; (2) a misunderstanding of how our own military establishment fits into our free market economy.

The essence of a free market economy is that it is a laboratory, testing new ideas, new products, new processes. It is through this kind of testing that mankind, under our free system, moves ahead into the unknown.

Certainly an observant dictatorship may benefit from the experiments being conducted in the laboratories of free societies. This is a parasitic relationship, however, which will always keep it second best. Furthermore, the very failure to establish a laboratory to test new economic and social ideas which is inherent in a totalitarian government where political and economic power is merged, is fatal.

The second misunderstanding is shared by an altogether too large body of American thinkers. They do not distinguish clearly the fundamental difference between our military institution and our civilian society. The systems are antithetical.

This is in the nature of the case. An effective military organization is bound to be based upon principles fundamentally opposed to those of a free and growing society. And yet, to protect that society we must allow for coexistence of a military organization. Our code of military justice has been in essence a common law code, not a statutory code, evolving from centuries of battle and experience. When, after World War II, we tried to introduce elements of the civilian code of justice, we destroyed a good military code and ended up with something that was neither good for the soldier nor the civilian.

Actually the military institution can exist and should exist as a separate system, restricted to military matters. The difficulties arise when we extend the military jurisdiction into areas where military organization is not necessary to achieve the results.

THE REAL NATURE OF THE THREAT

Russia's economic capability shows severe limitations on close inspection. However, it is precisely because she has channeled her strengths so single-mindedly into certain areas that she constitutes a threat.

In testimony on the last day of the Joint Economic Committee's hearings, in a colloquy with the witness, Mr. Lovestone, I pointed out what I believe is the nature of this threat. (p. 223):

"The question is how much of that system which seems to me so lopsided can be set up to transmit power into a military machine which could be a threat and, secondarily, how much of that power can be set up and transmitted through the machine of subversive devices * * *.

"Nazi Germany's system in the long run could not prevail. Yet by channeling its efforts into a military force, it came very close to taking over systems that were better suited in the long run to prevail.

"The result would have been disaster and I think that is the very point to watch for."

Russia is a threat to us, of course, in a military way, just as every man, regardless of his size and physical prowess, became a threat to every other man when the pistol was perfected. In gangster language a pistol is referred to as an equalizer because it made the little runt equal to the biggest and most powerful male. So atomic bombs are in effect equalizers among nations which have atomic bombs and the ability to deliver them.

But should the strong man be afraid of the little man if both have guns? He has to look at things a bit differently, but it is spiritual values that are the test of whether he is or is not afraid, not weapons.

The real threat to America is ideological. If we believe in the private enterprise system then we must understand it and promote its philosophy. The facts of history and of the present day demonstrates beyond much doubt that communism is self-defeating. To the extent that we in this country have abandoned some of the basic features of the private enterprise system by substituting political bureaucratic or industrial oligopolic decisions for the decisions of the marketplace—and we have—to that extent we have weakened ourselves. Herein lies our danger, not Russia's economic capability.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS

OF

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. RHODES of Arizona. Mr. Speaker, as part of the Task Force Studies on American Strategy and Strength, I place in the CONGRESSIONAL RECORD, study papers Nos. 5 and 6: "International Tension and National Defense," by Robert G. Neumann, director of the Institute of International and Foreign Studies, University of California at Los Angeles; and "Key Factors in Future Military Planning," by Adm. Arthur Radford, retired, former Chairman of the Joint Chiefs of Staff:

INTERNATIONAL TENSION AND NATIONAL DEFENSE

(By Robert G. Neumann, director, Institute of International and Foreign Studies, University of California, Los Angeles)

Tension is the watchword of our times, and it is therefore perfectly natural that much of our thinking should gravitate around the problem of how that tension might be reduced.

In this connection, however, it is sometimes overlooked that tension is not only the result of certain situations and policies, but as far as the Soviet Union is concerned, frequently is policy in itself. Tension favors subversive activities; it encourages conditions in which the wildest rumors flow freely and authority is undermined. Tension favors revolutionary activities in which Communist movements may try to tie themselves to, and infiltrate, revolutionary movements which in themselves may be quite non-Communist and even anti-Communist.

In the realm of diplomacy, tension is frequently and deliberately engendered by Soviet policy in order to place impending negotiations under great pressure. And when tension is then allowed to decrease slightly—in as artificial a manner as it was originally increased—an actual gain for the Soviet side may be made to appear like a concession merely because it is perhaps somewhat less extreme than that which the Soviets demanded at the height of the crisis.

This technique has been invariably pursued before every major international conference, and the exploitation of the U–2 incident and the blowup of the Paris summit conference are merely another evidence of this policy of tension, although undoubtedly not the only explanation for this latest Soviet step.

Because the creation and manipulation of tension is an important Soviet policy, one cannot assume that it will be readily abandoned. No country feels inclined to give up a policy which is clearly in its own best interests. Hence, it must be clear that Western concessions made entirely or primarily for the purpose of reducing tensions are fruitless. The Soviets may indeed permit

tension to die down on one issue only to arouse it again somewhere else or even in the same area where and when it meets their purpose. Western concessions to the Soviet Union can be very much in point where they are met by concrete, realizable Soviet counterconcessions. They are a pointless abandonment, however, where they are merely designed to insure Communist good behavior. Such a policy of abandonment without quid pro quo tends to create an unending opportunity for blackmail, making it possible for the Soviet Union to demand in effect, "What will you pay me for not kicking you around?"

EFFECTS OF STRUCTURAL CHANGES WITHIN RUSSIA

A number of observers have expressed the view that tension in the world might relax as a result of certain important structural changes occurring within the Soviet system, and that it might be possible to return to the more realistic methods of power politics and classical diplomacy in relations with the Soviet Union, free from the pressures and the smokescreen of ideological considerations. Mr. Walter Lippmann, in particular, is to a considerable extent a proponent of this interesting analysis.

Now it is an unquestionable fact that important changes have occurred in the Soviet Union. Since the end of the Stalin era the living standards of the Soviet people have considerably improved, and the coercive machinery of the state, while still formidable, is now less in evidence and its forays less deadly then they used to be. There is also the beginning, or perhaps the potential beginning, of a certain amount of decentralization. In addition the eventual rise of a new managerial class with some relatively independent ideas, lately comparable to a middle class, cannot be excluded.

It is however, in my opinion, a fundamental error to believe that only the Stalinist version of communism constitutes true communism and that all important modifications indicate a departure from communism itself. Just as the capitalistic or free enterprise system of the 19th century, the century of heavy capital accumulation, was very different from the free-enterprise system of the 20th century, so the communism of Stalin's era of capital accumulation and brutal buildup at any price is different from the communism of Khrushchev. For all its structural changes, Soviet communism has given up none of its theoretical claim to infallibility, nor its messianic fervor, nor its unabated desire for world domination.

Nikita Khrushchev has been most explicit on these points, and to believe that he does not really mean what he is saying when he speaks about the aims of communism, is as dangerous as it was to disbelieve the words of Adolf Hitler about the aims of nazism.

There is perhaps this much to the abovementioned theory: If the improvement of the living standard within the Soviet Union is permitted to continue, if the internal security mechanism is further relaxed, if the process of decentralization is pursued, then it is conceivable that at some time in the distant future the Government of the Soviet Union may not be quite so free to embark upon an aggressive policy, because its people may have acquired too much of a stake in a peaceful development and may have acquired some means of impeding such a Soviet Government policy.

But surely nobody would argue that this is the situation now. Whatever the possibilities for the future, the structural changes in the Soviet Union are in their infancy, and the Soviet Government and the Communist Party high command have every opportunity to arrest this development and to reverse the course should they so desire. Hence, these changes in the Soviet Union, whatever their potential future significance, do not have much of a bearing on the present crisis.

EFFECTS OF RELATIONS BETWEEN RUSSIA AND CHINA

Another area of intense speculation is that of the relations between the Soviet Union and Communist China. It is sometimes suggested that these two rash countries are likely to have a falling out before long. From this expectation, some draw the conclusion that we should have a much softer policy toward the Soviet Union in order to separate her from China, while others feel that we ought to ease Red China's road into the United Nations and to general recognition in order that she may speak for herself rather than through Russia.

Now it is quite true that a considerable body of evidence is available, indicating tactical differences between Russia and Red China. During my recent travels in the Middle East and north Africa I have come across quite a number of such instances. It is, however, only too easy to exaggerate these differences.

The evolution of communism in the Soviet Union and China is in two entirely different phases in the two countries. Moreover, due to its size and significance, China never was and has never been treated like a Soviet satellite.

To this must be added the fact that in the Communist family Mao Tse-tung is the last of the remaining great founders and his position in the evolution of Communist theory is more comparable to that of Lenin than to that of Khrushchev. It is also undeniable that Mao's theory and Chinese Communist practice have powerful attraction in Africa and especially Asia, where the Chinese are regarded as fellow Asians, and the Russians, after all, as Europeans. Also Mao's theories on revolutionary warfare have been required reading in areas of revolutionary or colonial struggle, especially in the prisons which have bred leadership of anticolonialism.

The Chinese Communists are feeling their oats, and in their doctrinaire rigidity they often enjoy the support of those Eastern European Communist leaders like Walter Ulbricht who, because of the weakness of their support, instinctively fear and distrust any relaxation of Communist control. Thus there is considerable material for conflict and diversion of views between the Soviet Union and Communist China.

But in their search for expansion these countries need not be in each other's way for a long time to come, and their leaders are far too intelligent not to see that any serious conflict would be bound to benefit that Western World which they both regard as essentially hostile. It would therefore be more realistic to regard the conflicts between Russian and Chinese tactics as comparable to the differences of views which exist between the United States and Great Britain, rather than to indulge in the idle hope of a major conflagration.

IMPLICATIONS FOR U.S. DEFENSE POSTURE

For these reasons it might be concluded that while the aspects of the struggle between communism and the free world may be subject to occasional variations, the conflict itself remains unabated. It is a long-range conflict and our policies and defense posture have to assume the same long-range nature.

This means in particular that our defense needs must not be assessed in terms of a given crisis. Certainly it must be clear to everyone that in view of the complex nature of modern military equipment, especially in electronics and rocketry, any step-up in expenditure could have practical results only years hence, and therefore could not possibly have a practical bearing on a crisis which has already broken out.

Our defense needs have to be assessed for a variety of crises. And, as the long-range forecasts must take into consideration the likelihood of continued, though perhaps, intermittent tension, our defense level must be an appropriately high one. In determining the desirable level of our defense effort, we must take into consideration the probable nature of any conflict that might break out. This means, in particular, that we must face the fact that we are politically and psychologically incapable of striking the first blow. Our defense posture is therefore determined not by a pointless counting of missiles, but by our capacity to absorb the first murderous blow and reserve enough retaliatory capacity to strike decisively against the enemy. In other words, our defense, no matter how strong or weak in numbers of missiles and other equipment, can serve as a true deterrent only if the potential enemy realizes that we have the means to protect enough of our weapons, of our means of delivery, and of our population to return to the fray and deal him punishing blows. The very variety of our means of delivery is therefore in itself a strategic advantage which makes it more difficult for a potential enemy to bring us to our knees in one destructive blow.

It is, however, necessary that we take a hard second look, not only at our much publicized, probably too much publicized missile program, but also at our means of protecting the missiles against a first attack, and in particular at our system of civil defense. Because our ability to protect at least a large portion of our population from possible destruction is an integral part of our defense posture and our deterrent capacity, it seems highly doubtful that this important sector of our national defense should be left to a largely voluntary effort.

IMPLICATIONS FOR DISARMAMENT

It is a common saying that an armament race leads to war. Historically this generalization is far from correct, but it is nevertheless true that an arms race does increase tension and make for general fear and uneasiness. It is therefore obviously in our interest to reduce or even eliminate the arms race if that were possible. There is little doubt that the peoples of the world profoundly hope for such a course. And in an era where the struggle between East and West is also, to a very large extent, a struggle for the minds and the decisions of largely uncommitted nations and peoples, this desire for disarmament cannot be lightly dismissed.

But whether we like it or not, we cannot afford to lose sight of an unpleasant, but nevertheless very real fact; that the uneasy peace of our time, the fact that despite all tension and provocation, full-fledged war is not likely to break out, is primarily due to this "balance of terror" which has made it very unsafe for an aggressor to unleash atomic war. If, by the same token, disarmament were to be undertaken in such a way as to gravely upset this balance, either by being too unilateral or by being too uncontrolled, then such action would not be a step toward peace, but would, quite on the contrary, immeasurably increase the fearful danger of war.

Because of the highly complex nature of this "balance of terror," because of the high complexity of modern defense systems, any suggestion toward immediate and total disarmament, such as Mr. Khrushchev proposed is revealed as unserious and as pure propaganda. The only serious and possible form of disarmament is a gradual and controlled one.

This is also the course of action which our delegation has pursued at the 10-power Geneva disarmament negotiations. We have suggested that disarmament be achieved through four stages, each of which is to be carefully controlled: That (1) it might begin with a system of regulation and control

of existing armaments; that (2) these armaments be limited either at their present level or at a lower one; and that (3) a level of armament be gradually reduced until it is possible to reach the final level; (4) namely, that of disarmament proper. The keyword here is "control" in order to prevent an imbalance which might easily and speedily lead to war or to enforced surrender.

In view of the overriding importance of this point, it would seem that the argument that an "imperfect control agreement is better than no control agreement at all" is more than questionable.

LESSONS OF THE SUMMIT

Many people had hoped that the Summit Conference of May 1960 would result in some concrete steps toward disarmament. The brutal breakup of this conference by Mr. Khrushchev has therefore filled many people throughout the world with bitter dismay and dark foreboding.

I doubt that these fears are any more justified than was the unwarranted optimism which preceded this conference. One does not have to be any inverted Pollyanna to say with considerable assurance that the Summit Conference of 1960 never had a chance.

When busy heads of government get together for a few days, they can indeed make important decisions and bridge gaps between their positions, if the original gaps had been sufficiently narrowed in previous conferences on lower levels so that a final decision can close the gap. But when, in exceedingly complex and technical subject matters such as disarmament, only very insufficient progress has been achieved on lower working levels, a miraculous solution at a summit conference is out of the question, or can be achieved only if one side blunders badly. It is equally clear that not enough progress had been made on the problem of Berlin to warrant great expectations.

The breakup of the Paris summit conference should serve, at the very least, to discourage the holding of other summit conferences without an agenda and without essential preparatory work. Let us hope that this shocking experience may help to place greater emphasis on the more traditional methods of diplomacy which, because of their quiet and more confidential characters, are further removed from the war of propaganda, and which, because they take place without the pressure of time that characterizes a summit conference, may have greater chance of success.

A return to the more normal ways of diplomacy will also give us an unparalleled opportunity to test the true intentions of the Soviet Union. For if the Soviet Government really desires agreement on a given subject, it will permit its representatives to make at least some concessions and generally to allow some progress to be achieved. If this is not the case, it ought to be pretty clear that even a summit conference could not clear up the issue, but rather that another gigantic propaganda trap would be in the making.

Progress in diplomatic negotiations is usually very slow; it becomes far slower still when Soviet representatives participate, for their disregard for time can take on oriental proportions. They know very well that being in a hurry is a Western, and especially an American characteristic, and that if you are too much in a hurry to reach agreements you are likely to make all the concessions. Progress, if any, will therefore have to be excruciatingly slow. But if any progress can be achieved by these means, it will be far more real than the ephemeral "spirit of Geneva" or the "spirit of Camp David."

Patience and a calm outlook are therefore of the essence. But our diplomats and representatives will hardly be in a position to exercise this requisite patience, if they are constantly pushed by a nervous and impatient public. The cold war takes place on many fronts; one of its most important is the nervous equilibrium of our people. By our realizing and accepting the fact of life, which means the fact that we shall have to live with crisis, we can all add immeasurably to the strength of our country and help to make it truly invincible.

KEY FACTORS IN FUTURE MILITARY PLANNING

(By Adm. Arthur W. Radford, former Chairman, Joint Chiefs of Staff)

Many factors are involved in military planning, but eight are particularly basic. Their resolution one way or another vitally affects not only our military planning, but our whole military structure.

First, it is well to note what makes a good plan. An effective plan must provide for changes in short-range and even long-range objectives, for shifts in policy as a result of varying degrees of success and failure, for changes in relative strengths and alinements of our enemy and our allies, and for the counterplay of the programs of our enemy and our friends. It must anticipate what a probable enemy can do in the future, and what we will need 2 or 3 years from now. It goes, almost without saying, that it must be both comprehensive and flexible.

Then there are the men who must carry out these plans. This country needs men who are not panicked by problems but men with the wisdom, the intellect, and principle to find solutions rather than faults, to come with aid rather than anger, to encourage and not to discourage and to do good for the Nation rather than good for themselves.

I believe that today we have such men—in the President, in the Department of Defense, who are making a very real effort to solve the difficult problems with which this country is faced.

I. NUCLEAR WEAPONS

The use of nuclear weapons is what I would call the No. 1 planning factor. Our present military force structures and our war plans provide for integrating nuclear weapons with other weapons in our military arsenal. There has been no change in this policy, nor has there been a change in the conditions which dictated the need for this policy. In fact, if the policy were changed, it would have a tremendous effect on all our forces' structure.

General Gruenther has said he feels that if nuclear weapons were banned, it would require our forces to adopt a wall-of-flesh type of strategy. If such a situation can be avoided, it certainly seems foolish to match man for man the regimented military power of the Communist bloc. A would-be aggressor must be made to understand that he cannot hope to carry out any attack, even a surprise one, which would destroy our ability to strike back in a devastating manner.

Briefly, here is how this policy came into being: In July 1953, the President and the Secretary of Defense asked the Joint Chiefs of Staff to reassess our national strategic and logistic capabilities in the light of foreseeable developments and the world situation. The motif for our study took into account many factors: the armistice in Korea, the changes in the military posture of nations and in the regional defense arrangements around the world, and technological advancements, particularly since 1950. Despite familiar Soviet protestations to the contrary, there was no evidence of any fundamental change in Soviet long-range objectives.

After receipt of the JCS study in August 1953, and following discussions in the National Security Council, two basic decisions were made by our President: First, to base our defense program on "preparations for the long pull"; secondly, to maintain "a great capacity" to retaliate by means and at places of our own choosing. These decisions became national policy and the cornerstones to our strategy. Atomic weapons became part and parcel of our military arsenal.

At the top of my list of myths is the one that assumes atomic weapons will remain locked in the barn. I do not believe it. First of all, there is no atomic stalemate. Nor could there be—so long as wars involve human traits of cunning and wit, skill, and training, and willpower and determination.

Besides, the Soviets have not hesitated to break agreements whenever it has served their purpose. The Senate Judiciary Committee has studied nearly a thousand treaties and agreements in which the Soviets have been involved. Their staff found that in the 38 short years since the Soviet Union came into existence, its Government has broken its word to virtually every country to which it ever gave a signed promise.

A Senator once asked me whether I thought any nation, including our own, would keep modern weapons locked in the barn while it went down in defeat using the equivalent of the flintlock. I had to give him a frank and candid answer: "No, I don't." Atomic weapons, like other weapons, are part of our arsenal. It is imperative that every individual with a role in military planning know and understand that this is national policy.

II. STABILITY OVER THE LONG PULL

Through the decades of American history, our military strength usually had its ups and downs. In case of war, we went all-out for mobilization. In case of peace, we went all-out for demobilization. The peaks depicted our alarm in an emergency; and the valleys depicted our apathy in peacetime. Such is the path charted from Lexington and Concord all the way to Korea. Prior to 1950, the United States liquidated the most powerful military machine in American history, and placed it at such a low level as prectically to invite aggression. Even during the first year of the Korean war, we had to more than double our Armed Forces. Again, we paid a heavy price for a swift demobilization, the one that followed World War II.

In the reappraisal of 1953, it was the aim of the administration and the Joint Chiefs of Staff to eliminate forever these cycles of feast and famine. In their place was adopted a defense program based on preparations for the long pull.

Since 1953 strength and defense budget levels have been based on world conditions, on improved military preparedness of other free countries of the world, on improved weapons ssytems, on better utilization of manpower, on the continued Communist threat, among many other factors. There are, of course, a number of intangibles always to be considered when determining our required force levels. One of the greatest intangibles is just exactly where, when, or how the next shooting war might be forced upon us. If we knew we were going to face a major onslaught in the next 6 months, then we might need additional manpower and appropriations. On the other hand, if we were guaranteed that we were not going to be forced into a war for the next 20 to 50 years, our force levels could be reduced. We cannot guarantee such a course of events and, therefore, must be prepared for the possibility of war.

The provision of adequate military strength is indispensable to our future safety. Moreover, it is imperative that from here on out, our country have a defense program that is reasonably stable—one that is not materially disturbed by every hot and cold effort of an unfriendly nation, or wishful thinking on the part of ourselves or a friendly nation. Large upswings or downswings in force levels have disastrous effects upon defense planning, just as they do on business. Not only is this wasteful but it also involves serious risks which militarily we cannot afford to take.

Stability in all the Armed Forces, stability which is being made possible by the President's program, is probably the most important single defense policy we want to see continued. It permits planning, orderly procurement, and efficient operation. It gives us a defensive posture which is readily appreciated and understood by the rest of the world.

III. COLLECTIVE SECURITY

A third key factor is collective security. Most planners believe in collective security; they understand the need for allies. They realize that the Communists are continuing to work for the piecemeal collapse of our friends, and are doing everything possible to undermine Western defenses. National security policy is predicated on our having allies, and on our giving them selective military assistance in building and maintaining those forces of their own which will best contribute to collective military power.

Our collective security and our retaliatory forces give us what might be termed a "two-fisted defense." Like any good fighter in the boxing ring, there is in one glove a defensive fist to meet, parry, and defend against an enemy's blows. This is the collective defense force—the worldwide system of allied forces which constitute the guard or the shield. American forces are part of that shield. By participating in various regional defense pacts, our forces help dissuade a would-be aggressor from a hostile act which would touch off a war. The other fist is the counterpunch—the fist that can retaliate and strike back. The American portion of the retaliatory fist includes long-range air forces, ICBM's, IRBM's, carrier task forces, and our active striking forces of all services.

IV. ARMED FORCES TEAM

A fourth key factor is the nature and variety of our Armed Forces team. Our ability to defeat the major enemy in a global war depends first of all upon our ability to survive the initial phase of such a war, and then subsequently upon our ability to gain superiority over the enemy.

The initial phase, however, could be the decisive phase, since we, the United States, have to assume that we will not be the aggressors and, therefore, may have to survive a surprise attack. At the same time, it cannot be assumed that a next war will be only a short, violently destructive affair, and will terminate in a period of only a few weeks. Hence, our forces also must be prepared to initiate subsequent operations of much longer duration.

We are not, and must not count too much on one weapon, or one service, or one type of warfare. No one weapon, service, or form of military action is sufficient to meet all our security needs. Specifically, the United States needs highly mobile atomic striking forces and strategic reserves in a constant state of combat readiness. We must emphasize forces for defense of our continental U.S. vitals, and for swift offensive counterblows, plus the necessary forms of military assistance to back up and support our allies, thereby increasing their defensive strength. Our national strategy presently requires and probably always will require the combined and varied capabilities of all the Armed Forces.

V. MOBILITY

If our forces are to constitute a real deterrent, we must be willing, and potential aggressors must be made to understand that we are willing to apply quickly whatever power it may take to defend against Communist aggression. To be able to apply power quickly, we emphasize mobility—the ability to move ready forces rapidly into forward areas to reinforce other forces or to fight unassisted.

Mobility needs better definition. We want mobility, and more of it. But all too frequently there is an inference that more mobility is merely a matter of more airlift and airplanes and ships. The advocates of this say that with more airplanes, we could shorten all our time factors for the movement of our divisions and air groups.

This is rather wishful thinking, for mobility is much more than numbers of airplanes or ships. It is, for example, a matter of bases. In addition to the facilities in an area of projected deployment, mobility is also affected by intermediate staging bases and by the status of our petroleum products, both at the end of the line and at intermediate staging bases. Mobility is further affected by the availability of supporting personnel and maintenance personnel, both at the destination and en route, both during the actual movement and during the logistic followup. Finally, mobility is a function of minimum requirements. It is a matter of paring down requirements to basic minimums lest we destroy the very mobility we seek.

The mobility U.S. military planners must seek is the kind that comes first from streamlining the units to be deployed after the technical services have designed equipment that fits into the mobile concept. These comments are applicable to all the services.

VI. TECHNOLOGICAL RACE

Inherent to our mobility is another factor, namely, first-class weapons and equipment. The main danger we must constantly guard against is our tendency to be complacent. In a sense, this is the most insidious weakness a nation can have. Any conclusion based on the premise that the Soviet scientists and engineers are not as well qualified as ours will not hold water. Because of the Communist capability of enforced concentration on technical skills, there is always the grave possibility that the Soviets can develop in some particular field a weapon more radically advanced than one that we may have. No stone must be left unturned to insure that our rate of technological progress is the best.

All political, military, and scientific leaders must help other Americans to understand the great influence that technology will have on the future. This is not to spread alarm, but rather to develop a full understanding of the need for a technological base that is without peer in the world. An increasing portion of our young men must be encouraged to become scientists and engineers, good ones, particularly if we are to develop and support the weapons of tomorrow necessary for survival. Skilled men must be used wisely and not wasted on jobs others can do.

VII. TRAINED, CAREER MANPOWER

Our long-range planning has achieved reasonable stability in numbers within the services. The next step must be to achieve stability of personnel within these numbers—to further reduce personnel turnovers, and increase the ratio of career personnel to total personnel. The governing limitation on the future size and effectiveness of the Armed Forces will not be money, nor weapons, nor research, nor production. The governing limitation will be that of obtaining and holding the qualified people in the numbers we need. Our personnel policies, and our national attitude toward the man in uniform, must be shaped accordingly.

VIII. CONVICTIONS

The final factor has to do with the courage of our convictions and our ability to express and explain the reasons for our convictions. It is obvious the Communists have made amazing gains, largely because they know what they believe, why they believe it, and can explain it. They are educated and completely versed in it.

On the other hand, we who are free have many times been incoherent or have lacked the verbal ability to explain or defend completely what our way of life really is.

Our Founding Fathers established the framework in which freedom could flourish. Those who conceived this Nation, and brought it to life, breathed into it a sense of mission, of destiny, and of progress. As representative government grew, Americans realized that our governmental processes would have to be free of dependence on the few, and rest on the informed cooperation and hard work of the majority. We rejected tyranny, and took up democracy. We became, in fact, the living proof that freedom is the most worthwhile heritage of all.

But this is not a heritage we are able to take for granted. Communism continues to be the major challenge to our way of life. At issue is the true nature of man himself. There are voices which say we live in a world which could be destroyed without notice, that our national values have decayed, that we have no great cause to guide our future history, and thus it is futile to try to maintain feelings of true patriotism and self-sacrifice. This leads, of course, to a newer version of an old saying: "Eat, drink, and be merry, for tomorrow we die." Perhaps this comes from Communists themselves who would like us to think that communism is irresistible.

Yet, the United States, its institutions, its people, and its great progress are refutations of the Communist dogma. Our free system is the complete antithesis of Communist dictatorship. But our Nation must know itself. "We hold these truths * * *"—indeed we hold these noble truths right in our own hands, in trust. If we doubt our mission in the world, we probably will cease to progress. If America ever loses confidence in herself, we will retain the confidence of no one.

Our ultimate strength lies in our faith in God, the same faith that sustained our ancestors against the perils of their time, the same faith that encompasses our greatest hopes for the future.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS

OF

HON. MELVIN R. LAIRD

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. LAIRD. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD, study paper No. 7: "U.S. Defense: Policies and Posture," by Dr. Donald H. Ackerman, task force staff:

U.S. DEFENSE: POLICIES AND POSTURE

(By Donald H. Ackerman, Jr., task force staff, formerly on faculty of Western Michigan University, currently on staff of Representative GERALD R. FORD, JR.)

AREAS

1. U.S. defense policies, 1945–52.
2. Long-range goals of U.S. defense, 1953–59.
3. Current issues of U.S. defense policies.
4. U.S. military capabilities—1960 and beyond.

[May 1960]

PREFACE

In a study of past, present, and future defense policies of the United States, so much ground must be covered that of necessity selection of inclusions and exclusions

becomes a great factor. The topic has been divided into four shorter papers which can be used either as entities or as part of the organized whole.

The first, reviewing the history of U.S. defense policies and programs since World War II, serves as a background for the present and compares, in a sense, the approaches of two administrations to the defense picture. Recently, President Eisenhower suggested that such a project be undertaken to show how, when, and why certain issues evolved as they did.

From there, we proceed to an examination of the long-range goals of U.S. defense policy today. Frequently, critics of a program will denounce a specific item without critically examining its place in the total picture. We do have a consistent policy today, and perhaps through an understanding of the long-range elements thereof a better critique of plus and minus factors can be made.

Issues evolving from current defense stature range from the need for personnel increases to the alleged missile gap. Recent indictments of one or more of these by General Taylor, Lanphier, Kissinger, Jackson and others must be answered by hard and fast examination of each component as well as the total deterrent picture, rather than merely by stressing the infallability of President Eisenhower and top military experts.

This total picture is represented by American capabilities now and in the future, taking into account intelligence data, future weapons systems, Russian performance and capabilities, and the future of defense in our world to come.

The recent Johns Hopkins Foreign Policy Research Center report on "Development in Military Technology and Their Impact on U.S. Strategy and Foreign Policy," concluded with the statement that "a relatively stable strategic-nuclear stalemate and a reasonable degree of protection against nonstrategic aggression can be established, provided the United States equips itself with a secure retaliatory missile force and, with its allies, creates strong dual-purpose defense forces backed by readily available reserves." [1]

A close examination of our past record, present posture and future capabilities should convince the thinking public that this protection exists today and will continue into the future.

DEFENSE POLICIES OF THE UNITED STATES, 1945–52

The issues of today are often rooted in the past. While we strive to see present problems in the U.S. defense posture, and look into the future to judge the effect of new weapons systems, diplomatic efforts and defensive developments, many defense policies of our administration are based on lessons of the past—both of a sound or mistaken nature.

On June 30, 1945, the close of the fiscal year 1945, the United States had over 12 million men in its Military Establishment.[2] A war which had cost the Treasury around $350 billion,[3] exclusive of later debt interest incurred and veterans benefits paid, was ending. How we came from that point to the issues of today is a fascinating and vital story.

National security expenditures for the period varied from over $50 billion, in fiscal 1953, to a low of less than $12 billion during 1948. Military strength ranged[4] from the aforementioned 12 million to the 1¼ million plus manpower figures at the close of fiscal 1950. Through the passage of 15 years the strength of our Nation bobbed up and down on the waves of world tension and power relationships.

It is always easy to second-guess with historical hindsight and the related temptations to blame and praise. We can see which alternative would have brought the optimum results, while those taking part in the unfolding drama had no such opportunity. However, it is part of our democratic tradition to examine history with a view toward examining performance as well as antecedents of current issues and trends. As examination of American military posture and policy since World War II is made, one can see that, while both the Truman and Eisenhower administrations performed in superb and ragged style at certain times, it was only with the advent of the latter that a sound, consistent, long-range policy evolved with its purpose to build America's strength to keep the peace.

Disarmament, demobilization and disillusion 1945–52

When World War II ended, American policy recognized the new responsibilities of America in compatibility with the basic interests of free people everywhere. Adherence to principles of generous peace treaties, establishment of the United Nations, emergence of colonial peoples to self-government and democratic institutions for former captive peoples were all undertaken with the hope that the powers of the United States and the Soviet Union would continue their wartime cooperation into the peacetime period.

However, even during the war, some military and diplomatic officials having firsthand dealings with the Russians sent warning after warning that the Soviets had not forgotten their long-range plans of world domination.[4] The Soviet was undergoing only a partial demobilization, planned to leave her ground forces superior to those of the Combined Western Powers. By 1948, the Russian actions had caused revival of conscription in the United States, based on enumerated actions such as: [5]

"The Communist coup d'etat in Czechoslovakia, the excessive pressure put upon the Government of Finland immediately thereafter, the Soviet diplomatic probings on the Scandinavian Peninsula, the severe and annoying restrictions put upon the American occupation forces in Berlin and Vienna."

It took the explosion of an atomic device by the Russians on September 23, 1949, to wake some up to the comparative capabilities as well as the intentions of the Russian military machine. In February 1948, General Gruenther briefed the White House on our military capabilities and their failure to measure up to our intentions and commitments in foreign affairs.[6] The House Committee on Armed Services had by now realized that 1,384,500 men were not enough to enable the services to meet their commitments.[7]

What had happened, among other things, was that the administration, echoing the sentiments of the American citizenry, gave little thought to the method and effect of demobilization of manpower and instead strove to "get the boys back home." Despite the existence of fairly comprehensive plans for demobilization of European troops, a public clamor for this wholesale return, only natural under the circumstances, along with the unexpectedly sudden end of the war in Asia, led to a dilemma solved by putting off the long-range security of the United States until later. As General Marshall testified: [8]

"The rate of demobilization has been determined by transportation facilities and by the availability of trained personnel to carry its administrative requirements out. It has no relationship whatsover to the size of the Army in the future."

Results included the loss of the older and experienced men in units, due to the individual rather than unit discharge plan. There thus was a dearth of trained personnel to adequately occupy conquered areas, to keep unit equipment in operating condition, and to impart training and necessary knowledge to replacements.

Especially was the situation critical as far as disposition of surplus war material was concerned. By 1946, the Army had close to $32 billion in surplus property and the Navy about $17 billion.[9] The program had been slow in forging ahead due to changes in administration from the Surplus War Property Board to the Surplus Property Board to the Surplus Property Administration to the Reconstruction Finance Corporation to the War Assets Administration. Due to the lack of trained manpower, conflicting and complicated criteria and the resultant failure to make an accurate inventory, the goals of prompt disposal on a broad basis with a fair chance for the purchaser, good price for the Government, and avoidance of disruption to the national and world economy alike were not met.[10] It is of interest to note that the value of surplus war property at the end of calendar 1946 exceeded the total military expenditures for fiscal 1949, 1950, and 1951 combined.

On the positive side, our commitments to principles of collective security were both necessary and beneficial. We worked to settle disputes through the United Nations, but a series of Russian vetoes tied the hands of the U.N. Security Council. Through bilateral and multilateral treaties, notably the Rio Pact (September 1947) and the North Atlantic Pact (April 1949), we became fully cognizant that peaceful but free nations must help themselves by promising the assistance of others. Financial, economic, and technical assistance through the Truman doctrine in the Near East, the Marshall plan (Economic Recovery Program) in Europe, and later addition of technical assistance to constitute the point 4 program all over the world had a great impact on our defense programs and showed Americans that we were in the world to stay.

Senator Arthur Vandenberg perhaps best summed up our foreign policy as related to defense by the so-called Vandenberg resolution, which stated that the policy of our Nation was "to achieve international peace and security through the United Nations so that armed force shall not be used except in common interest. * * * The United States should associate itself with such regional and other collective arrangements as are based on continuous and effective self-help and mutual aid, and as affect its national security." [11]

At the time of signing of the Southeast Asia Collective Defense Treaty and Protocol (SEATO) in Manila, September 8, 1954, the United States was tied by defense treaties to

---

[1] United States Foreign Policy: "Developments in Military Technology and Their Impact on U.S. Strategy and Foreign Policy." Prepared by Washington Center of Foreign Policy Research, the Johns Hopkins University, Washington. U.S. Government Printing Office, 1959, p. 118.

[2] Office of Secretary of Defense, Office of the Comptroller, "Progress Report and Statistics," p. 22.2, Nov. 28, 1956.

[3] Manning, Raymond, "Cost of U.S. Wars." Legislative Reference Service, Library of Congress, 1956, p. 26.

[4] Deane, Maj. Gen. John, "The Strange Alliance." New York, Viking, 1947.

[5] Selective Service Act of 1948, "Report No. 1881," p. 1.

[6] Millis, Walter, ed., "The Forrestal Diaries." New York, Viking, 1959, pp. 374–377.

[7] Selective Service Act of 1948, op. cit., p. 3.

[8] "Demobilization of the Army," hearings, S. Doc. 90, 79th Cong., 1st sess., p. 1.

[9] Donnelly, Charles, "U.S. Defense Policies Since World War II." H. Doc. 100, 85th Cong., 1st sess., p. 7, footnotes 12, 13, and 14.

[10] See Public Law 78–457, ch. 479 (H.R. 5125), enacted Oct. 3, 1944.

[11] S. Res. 239, 80th Cong., 2d sess., June 11, 1948.

42 other nations [12] and by bilateral defense assistance agreements to 51.[13] The implication for future defense policies and expenditures was plain, even though it took a "conflict" to stop the decline of men and money for the protection of our Nation.

On the home front, meanwhile, a special committee under Vice Adm. J. O. Richardson had since 1944 been studying the matter of unification of the Armed Forces under one head. The recommendations of the committee provided for just such a thing, urging a single department with a single commander and civilian Secretary. They reasoned that because of the failure of necessary integration in theaters of operation "the theater commander's ability effectively and efficiently to carry out his command decisions is hampered by conditions over which he has little or no control." [14] Admiral Richardson dissented. For those who presently quarrel with the Joint Chiefs of Staff system and the "bickering in the Pentagon," it must be recorded that for over 2 years bickering between civilian and military leaders alike reached a new height back in the postwar years, and resulting compromises no doubt led to long-range defense policies existing even to today.

Hearings and debates failed to point up the problem more sharply, and it was apparent that the traditional arguments between the services regarding their roles and missions were being continued in this great debate. The advice of Senator Welsh to Secretary Forrestal leading to the formation of the Eberstadt Committee in 1945 may have held back successful unification of the services for another 4 years. The report recommended change of existing departments to War, Navy, and Air; set up the National Security Council idea; but recommended no superior Department of Defense and paved the way for the inadequate National Security Act of 1947, a compromise in that it tried to unite federation and confederation. Secretary Forrestal commented that "good will can make any organization work; conversely, the best organization chart in the world is unsound if the men who have to make it work don't believe in it." [15]

These and other comments on the National Security Act of 1947 seemed to weaken its effect, which was to establish a federated agency to merely coordinate 3 separate executive departments, and showed that unification was still a theory and not an established fact. It was obvious to groups like the Eberstadt Task Force and the Hoover Commission that the authority of the Secretary of Defense to bring about certain reforms and to exercise control over the military departments must be extended. On August 12, 1949—some 5 years after the Richardson Committee began its deliberations, Public Law 216 was adopted to set up the Department of Defense as an executive department, expand the authority of the Secretary of Defense, and give him staff assistance in the Department of Defense and the military departments.

This seemed too late to mitigate the controversy over missions of the Armed Forces, which raged from 1945 on through the end of the Truman administration. Issues such as strategic bombing, amphibious operations and delivery of the atomic bomb separated service from service and often resulted in decisions primarily affecting one service being made by another with less access to pertinent information and more liable to be based on pettiness and jealousies.

While conferences at Key West and Newport in 1948 solved some current issues, no meeting of the minds within the Armed Forces actually resulted. In 1949, investigations by the House Armed Services Committee turned up a dispute which resulted in waste of money and materials, and which has had its effect on the U.S. defense posture down to this day. Those interested in the details of the controversy can find the details of the B–36-Carrier problem in the hearings and report on "Unification and Strategy." [16] Suffice it to say, the Navy interest in strategic air warfare rather than mere strategic bombing led to opposition of the B–36 as a long-range intercontinental heavy bomber, while Army and Air Force spokesmen felt that the building of the carrier *United States* was a waste of funds, since they saw no logical employment of such a supercarrier in future wars.[17]

Though investigators vindicated the B–36 and never did assure the Navy that carriers would continue to be important, time and subsequent developments have changed the picture to the point where the need for control of the seas is implicit in long-range military strategy.[18] Most budget-conscious citizens felt that the tragedy of this controversy was the cancellation by Defense Secretary Louis Johnson of a project (The *United States*) on which $10–20 million had already been spent. In light of the current efforts of the Navy to build up their carrier force, the far-reaching tragedy may still be felt today.

Following President Truman's recommendation of universal military training, revival of conscription and the Marshall plan on March 17, 1948, the House Armed Services Committee issued a report significant in its contributions to future defense policy. Besides recommending strength to bring the Armed Forces up to about 2 million (something never approved by the administration since our military strength as of June 30, 1950, was still only 1½ million), the committee established the valuable balanced forces principle as a justification for selective service. The committee concluded that "no single military arm can be fully effective unless adequately supported by the other arms" and "a 70-group Air Force is not a substitute for selective service." [19] Since the Army needed "beefing up," a temporary two-year draft was the answer.

Meanwhile, Russia got a taste of America's willingness to use power to promote peace. When a Soviet inspection system of Allied personnel entering the Russian zone of Germany was extended to the halting of all rail, road and waterway traffic between the Western zone and Berlin by August 4, 1958, the Berlin airlift resulted. Were it not for events in Korea, the Truman military policy might well have been judged more favorably, as this would have constituted its high-water marks. Results of the prompt and effective American action included not only a lifting of the blockade the next year, but also a rise of prestige, strengthening of the North Atlantic Alliance, and, ironically, stationing of two SAC B–29 units capable of carrying the atomic bomb in bases in Great Britain.

After the Russian explosion of a nuclear device in 1949 and a growing realization that the Russian threat was on the rise, President Truman announced that he had directed the Atomic Energy Commission to continue its work on the hydrogen bomb as well as all forms of atomic weapons. Coming at a time when some scientists felt the atomic bomb to be an ultimate weapon, this decision turned out to be most fortunate. Since, by October, 1953, Soviet explosion of a thermonuclear bomb had been confirmed, Truman's decision no doubt saved the United States considerable embarrassment in future years. It became evident at this point in history that the United States could no longer slacken research and development because of the feeling that we had reached the ultimate in any weapons system—all weapons systems from then on would be relative to Soviet capabilities in the field.

It appeared that actions of the Truman administration would affect weapons systems for some time to come. The decision on development of the H–bomb added to the U.S. capability, but taking the economically easy way out in other matters had violated the principle of balanced forces and placed so much reliance on SAC and the delivery of atomic bombs that other arms capabilities suffered.

Forrestal reported that President Truman proposed a strictly mathematical limit on defense spending for fiscal 1948, 1949, and 1950, which led to respective ceilings of $11, $12, and $15 billion.[20] Rather than stretching out adequate programs and force levels, the decision was made for reduction instead.[21] While the former policy would have been amenable to acceleration in an emergency like Korea, the latter policy proved disastrous. As Secretary Lovett explained, "We have never found a situation before in this country where we are fighting a war in Korea with one rate of expenditure; trying to provide initial equipment for three services as rapidly as possible; and at the same time trying to provide a mobilization system for vastly larger services." [22]

Those who today talk of a missile gap and look back on recent ICBM and IRBM appropriations often forget the early history of the programs. For fiscal 1961, total ICBM and IRBM funding requests total $3.424 billion.[23] This marks an increase of about 36 percent over fiscal 1960, 8,200 percent over fiscal 1955, and 51,778 percent over the total budget requests of President Truman over the period for fiscal 1946–53, inclusive.[24]

From fiscal years 1946–49, the Air Force MX–774 ballistic missile research program operated on total funding of $2.3 million. This precursor to the Atlas ICBM was stunted quite quickly when the budget request dwindled from $1.9 million in fiscal 1946 to $0.1 million in 1949 to nothing for fiscal 1950.

When Brig. Gen. D. N. Yates submitted the requests and justification for Air Force Research and Development in the fiscal 1952 budgets, the statement was included that "during preceding years, accomplishments in this area for the most part have been minimized due to the pressing requirements for funds in other areas or activities." [25] By the next year, General Craigie was able to state, "this pilotless aircraft program has reached the stage where quantities of test

---

[12] The Republic of China became the 43d on Mar. 3, 1955.

[13] Appendix B and C, Donnelly, op. cit., pp. 78–80.

[14] Hearings before the Senate Committee on Military Affairs, 79th Cong., 1st sess., on S. 84 and S. 1482, p. 415.

[15] Hearings before the Senate Committee Armed Services on S. 758, 80th Cong., 1st sess., 1947, p. 23.

[16] Hearings on the national defense program before House Armed Services Committee, 81st Cong., 1st sess., 1949, and report by same committee, 81st Cong., 2d sess. Mar. 1, 1950, H. Doc. 600.

[17] Ibid, pp. 472–473, 529–530.

[18] See statement of Secretary McElroy, Senate defense appropriations hearings, fiscal 1960, pp. 11–12.

[19] Selective Service Act of 1948, Report No. 1881, p. 5.

[20] Based on one-third of the national budget less national debt interest.

[21] Air groups were reduced to 55 for fiscal year 1950, along with Army material support and deferral of important parts of the Navy program.

[22] Defense appropriations hearings, House, fiscal year 1952, p. 14.

[23] House hearings, fiscal year 1961, vol. III, p. 133.

[24] Ibid.

[25] House hearings, fiscal year 1953, Air Force, IV, p. 650.

vehicles are required to obtain the data and experience necessary for the development of the ultimate full-scale weapon."[26] Many feel that an earlier start during the critical years 1948–50 would have resulted in either a reduction or elimination of the missile gap facing us today.

In a speech on January 12, 1950, Secretary Acheson had said that "so far as the military security of other areas in the Pacific (other than Japan, the Ryukyus, and the Philippines) is concerned, it must be clear that no person can guarantee these areas against attack."[27] Whatever judgment historians give to this policy of the administration, these facts remain. First, no military guarantee had been given the independent nation of South Korea. This speech obviously meant that in the event of an attack, they would first have to meet it themselves and then hope for help from the United States. Second, our forces were withdrawn from Korea by late summer, 1949. Third, North Korean ground forces invaded South Korea over the 38th parallel on the morning of June 25, 1950.

Whether a deterrent force in South Korea would have prevented this or if a strong declaration by Secretary Acheson in early 1950 might have changed the minds of those who pulled the trigger will never be known. But the facts are clear. The assistance rapidly dispatched to bolster the South Korean forces marked the advent of military as well as economic, moral, and technological assistance to free nations of the world.[28] It started controversies over terms like "limited wars" and "political objectives." It caused a rapid mobilization of an understrength and underequipped Army. Many today still feel that military action had become necessary as a price of political mistakes.

General Wedemeyer's report on Korea hints at similar views. He felt that American withdrawal could lead only to a Korea unified under Soviet Communist direction, and feared as far back as 1947 that such a development could only weaken the American strategic position in the Far East.[29] Some felt that the economic reasoning for our agreement to the United Nations recommendation for a general withdrawal of troops from Korea was a result of a "background judgment about the relatively minor importance of Korea when weighed against the values of maintaining a clear U.S. position in the United Nations."[30]

From a military point of view, Donnelly states that "new measures to rebuild had been practically countered by the administration efforts to balance the budget and strengthen the Nation's economy."[31] Since the Korean war demanded experienced men, and since the haphazard demobilization of 1945 resulted in recall to duty of those who had served in World War II instead of men who had had no duty, morale was not as high as would have been the case with consistent Reserve and training policies. The buildup of combat effective troops to raise our Armed Forces strength from 1,460,000 to 3,250,000 in a year's time could not be accomplished by mere drafting and training of inexperienced youth. Thus, to many the system seemed unfair, to others insufficient, but to all a haphazard rather than planned policy. To Donnelly, "the effects of the lack of an effective postwar Reserve policy and program became very apparent."[32]

During the period from 1947 on, some progress was made in study and evaluation of the Reserve programs and policies. The report of the Gray board on the National Guard, however, was implemented by a joint Federal-State mission responsibility for the National Guard which set the stage for future conflict between areas of jurisdiction as in the Little Rock dispute. Provisions of the Armed Services Reserve Act of 1952 provided seven components and three categories of Reserve forces. By 1954, it was apparent that insufficient motivation existed for transfer to the Standby Reserve from the Ready Reserve.[33] Weaknesses of the Reserve system eventually were somewhat resolved by the Reserve Forces Act of 1955.

As history has recorded, the Korean conflict slowly ground to a close as the Eisenhower administration took over. Instead of adopting rapid demobilization policies, the President began an era of searching analysis of defense issues and attempts to find long-range solutions to what had been solved previously only by temporary and inadequate actions.

DEVELOPMENT OF LONG-RANGE GOALS OF U.S. DEFENSE POLICIES 1953-59

After the Korean armistice, the Eisenhower administration set out after an evaluation of long-range defense goals which could be pursued regardless of peaks and valleys in the cold war, economic trends and other variables. Admittedly, the Truman administration had programmed such an attempt, but events like atomic explosions, the Berlin blockade, budgetary requirements and finally the Korean conflict upset the timetable.

By 1951, General Bradley came to the conclusion that "we face a period of tension for a long time, and I would think that the only way to solve that is by some long-range policy, military policy, which would provide adequate defense and security forces."[34] However, it remained for President Eisenhower to bring this long-range planning into being, and for the first time the military services could make plans for consistent buildup of forces, research and development programs, establishment of an effective Reserve system and modernization of equipment on a more valid budgetary basis than merely crisis-to-crisis requests.[35]

Over the 7-year span of the Eisenhower administration, events have transpired to indicate that the U.S. defense policy has been channeled into a consistent pattern of objectives and emphases. If we look at the overall picture, we find that these objectives can be classified quite well into five categories, which include:

1. A long-range buildup of forces, based on a capability to defeat aggressors over an extended period of time rather than on critical danger dates. As President Eisenhower said in April 1953, "This policy of ours will not be tied to any magic, critical year * * * but will be based on the sounder theory that a very real danger not only exists this year but may continue to exist for years to come; that our strength * * * must now be made stronger, not by inefficient stops and starts, but by steady, continuous improvement."[36]

2. A flexible and selective posture of deterrent strength. This would include not only the maintenance of strong capabilities for massive retaliation, but also the highly trained and mobile forces equipped with both nuclear and conventional weapons as the situation demands to deal with local emergencies in order to stop their expansion into a general war.

3. The United States must be able to wage war effectively. While we must be able to engage our forces, especially in limited situations, the fact that future wars will differ from those in the past in that deadly blows will be delivered at the outset will make actual warfare a function of both deterrence and continental defense.

4. Establishment of continental defense and warning systems to make the effective destruction of the U.S. retaliatory potential an objective the enemy cannot hope to achieve by surprise.

5. Goals of defense must be coupled with the overall goals of plans for economic expansion. Certainly this is a twofold goal, on the one hand keeping the economy strong and expanding and, on the other, to refrain from letting our military effort interfere unduly with economic expansion.

These consistent courses of action in military circles should lead America to attainment of the national objectives voiced by General Bradley in 1949, when the then-Chairman of the Joint Chiefs of Staff enumerated them as consisting of:

1. The national desire is for peace and security without sacrifice of individual rights or national sovereignty, but not peace at any price.

2. We want the maintenance of our political way of life and our form of government; we do not require other nations to have either.

3. We wish to maintain and raise the American standard of living.

4. We seek peace and security for the entire world.

5. We will work for an effective world organization, based on the United Nations.

6. We hope ultimately for the elimination of warfare as a means for the resolution of international dispute.[37]

The long-range nature of our goals pointed out the fallacy of what President Eisenhower called inefficient and expensive starts and stops. On April 23, 1953, he stated that "for anybody on the defensive position to base his defense on his ability to predict what the exact date of attack would be was crazy."

In later comment about the current issue of personnel, charts show the more steady figures for size of the Armed Forces since fiscal 1955, as presently compared to the rise and falls of previous administrations. Granted that policies of demobilization and rapid mobilization at the onset of the Korean conflict made long-range personnel and fiscal planning difficult, the fact still remains that a drop from 12 million in military forces to 1¼ million and then back to 3¼ million again within 7 years' time constitutes an unbalanced force at best. A sound economy was not aided by national military expenditures ranging from $43 billion to $11 billion and up again to $50 billion within 7 years' time. If practical, a plan based on moderate long-range goals is a key one if proper planning in related fields is to be possible.

This New Look also spread to our international commitments. Early in 1953, our search for revitalization of rearmament led to the North Atlantic Council approving a long-haul schedule of defense planning in April. Again, this did not reflect a relaxation of effort, but rather a firm, continuous commitment of resources as well as a firm distribution of effort throughout the alliance.

---

[26] House hearings, fiscal year 1953, Air Force, p. 315.

[27] CONGRESSIONAL RECORD, vol. 96, pt. 1, pp. 672–675.

[28] Semiannual report of Secretary of Defense, Jan. 1–June 30, 1951, p. 2.

[29] Report to President: Korea. Senate Armed Services Committee Print, 82d Cong., 1st sess., p. 8.

[30] Brookings Institution, U.S. Foreign Policy, 1945–55, p. 77.

[31] Donnelly, op. cit., p. 29.

[32] Op. cit.

[33] See second report on Interim Subcommittee on Preparedness of the Senate Armed Services Committee, Dec. 28, 1954.

[34] "Military Situation in the Far East," hearings, Senate Armed Forces and Foreign Relations Committees, 1st sess., 82d Cong., p. 884.

[35] See statements by Secretary Wilson and Admiral Radford on the so-called New Look, House appropriation hearings, fiscal year 1955, pp. 2, 120–122.

[36] White House press release, Apr. 30, 1953.

[37] Hearings, "Unification and Strategy," op. cit., p. 14.

Almost all writers on our present defense stature, critic and apologist alike, agree in substance with the goal of a flexible and selective posture of deterrent strength for both general and limited war situations. Definition of terms and practical use of weapons systems to meet this requirement constitute the reasons for debate and difficulties in expressing exact opinions on our defense posture.

Gen. Maxwell Taylor's celebrated outline of 1956, "A National Military Program," showed as the objectives of the national military program "the maintenance of military strength which is capable of dealing with both general war and aggression under conditions short of general war. The military strength of the United States and her allies must be so constituted as to prevent war if possible, limit war if it occurs, and successfully defeat any aggression that may threaten the national interest." [38]

Brodie's work, "Strategy in the Missile Age," propounds this theory in a different way. "Thus it seems inescapable that the first and most basic principle * * * is * * * a great nation which has foreswon preventive war must devote much of its military energies to cutting down drastically the advantage that the enemy can derive from hitting first by surprise attack. * * * It means above all guaranteeing through various forms of protection the survival of the retaliatory force under attack." [39]

The well-publicized study of the impact of developments in military technology on U.S. strategic and foreign policy, conducted by the Washington Center of Foreign Policy Research of the Johns Hopkins University, emphasized the need for balance in the deterrence by stating that "the overriding objective of such a strategic weapons program should not be that of matching assumed Soviet capabilities in number of ICBM's, but, instead, the early attainment of such an inventory of diverse and relatively secure retaliatory systems that the potential aggressor could not have confidence in his ability to locate and destroy a sufficiently high proportion of them to risk launching a surprise attack." [40]

This flexibility was also expressed by President Eisenhower in his state of the Union message of January 6, 1955, when he warned that "undue reliance on one weapon or preparation for only one kind of warfare simply invites an enemy to resort to another," [41] and also the next year, when the President called for a program emphasizing "an effective, flexible type of power calculated to deter or repulse aggression and to preserve the peace." [42] He later clarified this by saying that we must constantly improve our defense by "substituting power, speed, mobility, flexibility for just men."

In terms of the long-range defense policy of the Eisenhower administration, flexibility means a balanced security, where the United States can choose its time, place and means of warfare. By making security generally attributable to scientific and technological development, by increasing the rate of combat personnel to total strength, and by making the most efficient use possible of weapons and techniques, our concept of flexibility means that within the concept of feasibility our military posture must be relative to the emphasis to be placed on airpower and new weapons, and which will reduce forces in some areas and expand in others, depending on the problems posed by general or local aggression. This is to be preferable over staking preparedness on one type of weapon or one type of situation.

The matter of selectivity of deterrent force is one to which little attention has been paid by critics of the administration defense policy. When the late Secretary Dulles made his famous speech before the Council of Foreign Relations in New York, January 12, 1953, he stated that "the way to deter aggression is for the free community to be willing and able to respond vigorously at places and with means of its own choosing. * * * The basic decision was to depend primarily upon a great capability to retaliate, instantly, by means and at places of our own choosing." [43]

This was not a particularly new doctrine. General Bradley, in 1949, testified that "lacking such forces in being, our greatest strength lies in the threat of quick retaliation in the event we are attacked." [44] But when Secretary Dulles announced this policy, critics were quick to condemn this policy of so-called "massive retaliation" as one relying completely on nuclear-armed strategic forces, as one deterring the threat of conventional military aggression on the same basis as deterring a direct attack on the United States, and as one diverting from the creation of tactical forces which could give substance to a strategy of local defense.

This criticism continued despite assurances by Secretary Dulles himself, along with Admiral Radford, Senator Flanders, Secretary Wilson, Secretary Quarles, and others that what some called "massive retaliation" could be better characterized as "graduated, or selective, deterrence."

Brodie fears the assertion that the thermonuclear bomb can do everything, and finds the key question to be in this case finding sanctions for keeping out of action gigantically, powerfully centered military instincts even though we must keep them standing by in order to similarly hobble the opponent." [45] General Taylor feels that limited war forces must be given equal priority with the size, composition and modernization of the atomic deterrent force." [46] He would place main, rather than sole reliance upon conventional weapons. His National Military Program of Flexible Response would contain "at the outset an unqualified renunciation of reliance on the strategy of massive retaliation," and would have the United States "prepare itself to respond anywhere, any time, with weapons and forces appropriate to the situation."

The Johns Hopkins study claims that "the United States and its allies remain in a dangerous position as long as they must rely primarily on the effectivenes of such a form of deterrence (massive retaliation). * * * The precariousness and dangers of these situations will necessarily increase as growing Soviet strategic power diminishes the credibility of the American interest. Therefore, both the United States and its allies have a vital interest in establishing a more reliable deterrent to limited Sino-Soviet assaults." [47]

It must first of all be said that almost all critics have artificial and differing definitions as to what constitutes "limited" and "general" war. Taylor defines general war as being synonymous with a nuclear exchange between the U.S.S.R. and the United States with limited war covering all other forms of military operations. Brodie felt limited war involves deliberate restraint, avoiding strategic bombing of cities with nuclear weapons. The Johns Hopkins study constantly differentiates between deterrents of attacks on the United States and that of attacks upon our allies.

Whatever the definition, and many would say that any difference was purely a matter of degree, the fact remains that the United States has embarked on a program of great diversity involving collective security, foreign assistance, diplomatic leadership, broadcasting truth behind the Iron Curtain, and the maintenance of a powerful military force adequate to cope with the emergencies ranging from limited, local conflicts to total war.

Peeters states [48] that partisanship has failed to prove that the defense program achieved by the Eisenhower administration within the limits of a balanced budget has jeopardized national security because of too much emphasis on air-atomic power at the expense of conventional armaments.

Yet, the criticisms continue. Senator KENNEDY said on August 14, 1958, that "our past reliance upon massive retaliation has stultified the development of new policy", while Senator JACKSON previously had said on February 1, 1956, "up until now, the Soviets have been put on notice that all-out Red aggression could be answered by our air-atomic strength." All these critics had done was to reveal their ignorance of the meaning of so-called massive retaliation and of our overall defense strategy.

Secretary Dulles sought several times to clarify this point. Before the Senate Foreign Relations Committee, he stated in March, 1954, that "the possession of this capacity does not impose the necessity of using it in every instance of attack. It is not our intention to turn every local war into a general war. * * * It seems to have been assumed that we were committed to instant massive retaliation against any form of aggression. That is very far from the truth." [49]

Admiral Radford asserted the same thing when he told the Committee that "our planning does not subscribe to the theory that the ability to deliver massive atomic retaliation is, by itself, adequate to meet all our security needs. * * * I believe that this Nation could be a prisoner of its own military posture if it had no capability other than one to deliver an atomic attack." [50]

The late Secretary Quarles put it on this basis. "If the decision is made to come at our forces, it must be expected that we will at once bring to bear those weapons that will be most effective militarily in the task of repelling the aggression. * * * This is not a program designed to make a big war out of a little one. It is a program to avoid any kind of war through the strength of our deterrent. * * * It is true that the vast strength of air/atomic power may reduce the number of divisions and combat ships we require. It may also reduce the number of combat wings we require. * * * From now on, potential aggressors must reckon with the air/atomic power which can be brought to bear inevitably in whatever strength, and against whatever targets, may be necessary to make such an attack completely unprofitable to the aggressor." [51]

THE THEORY AND PRACTICE OF LIMITED WAR

Despite the obvious intent of our flexible, selective deterrent policy, critics still ask if we have adequate equipment and personnel to cope with another crisis like Korea or Indochina, and what assurances we have that the use of limited nuclear warfare will not spread into an all-out total war. More detailed data in the next section of this paper

[38] Taylor, Maxwell, "The Uncertain Trumpet," Harper, 1959, p. 31.

[39] Brodie, Bernard, "Strategy in the Missile Age," Princeton, 1959, p. 394.

[40] Johns Hopkins, op. cit., p. 11.

[41] CONGRESSIONAL RECORD, vol. 101, pt. 1, p. 123.

[42] CONGRESSIONAL RECORD, vol. 102, pt. 1, p. 139.

[43] Department of State Bulletin, Jan. 25, 1954, pp. 107–9.

[44] National defense program, op. cit., p. 522.

[45] Brodie, op. cit., pp. 305–57.

[46] Taylor, op. cit., pp. 98–99, 145–6, 149–51.

[47] Johns Hopkins, op. cit., p. 112.

[48] Peeters, Paul, "Massive Retaliation," 1959, p. 132.

[49] Hearings before Senate Foreign Relations Committee, 2d sess., 83d Cong., pp. 4–5.

[50] Ibid., p. 50.

[51] DOD, Office of Public Information, news release No. 999–56, pp. 5–7.

on current defense issues should help with these problems.

At any rate, statements and actions of defense officials have emphasized that the United States must and will keep its Armed Forces so organized, equipped, and balanced that it can cope with any emergency, large or small, with the type of weapons and force which the situation calls for.

General Taylor states that "if one regards the force structure of our three services, one finds that nearly all of the Army and of the Marine Corps, much of the Tactical Air Force, some of the Navy's carriers, and large parts of our strategic air and sea lift must be associated with limited war forces and are available in an emergency." [52]

In his testimony before the Senate Subcommittee on Disarmament, Atomic Energy Commissioner T. E. Murray testified on April 12, 1956, that "increasing concentration should be set on the stockpiling of very small weapons. * * * With this diversified nuclear armament, America and her allied military forces of reasonable size would be equipped to handle all the various wartime contingencies that might arise." [53] This limited warfare by nuclear weapons is a possibility for meeting local war threats.

Critics, of course, state that the use of even limited atomic weapons will snowball into the use of thermonuclear bombs. They claim that Suez, Indochina, and Lebanon showed that limited war deterrence was not aided by limited use of nuclear weapons. They will also say that we need more equipment and personnel, more airlift capability, more SAC combat readiness to stop local aggression.

The answer to all this may well rest on the allegations by Peeters that one more division in NATO or one more division in Korea is not the answer. We would not win a ground war in Korea or Europe today because we are not preparing for it. We do want to deter local aggression by what General Ridgeway calls "military power, real and apparent to all concerned," and by application of that power to specific situations as they arise.

We do have such deterrents to local aggression. Besides our general nuclear deterrent, we have tactical atomic weapons. We have over 2 million men, 900 ships, and 35,000 planes which are certainly more than mere byproducts of general war deterrence. In the Lebanon crisis, we moved in with a great determination to do what was needed at that particular time. Our 15,000 soldiers in the area were as overwhelming at that time and place as were millions in the European theater of World War II. To have committed more planes to an airlift when we had no more airfields or fuel available would have been folly.

Basically, then, our defense policy at present has the determination and ability to deter general war by so-called massive retaliation of all sorts of nuclear weapons of massive destructive capabilities. This "massive retaliation" also has relevance to limited aggression, both in deterrence and in tactical use. In both general and limited war situations, our Armed Forces can cope with any emergency, and will judge on the basis of the situation what action is called for, taking it instantly and successfully.

CONTINENTAL DEFENSE POLICIES

Some will object to the inclusion of a defense goal encompassing continental defense and warning systems. Recent cutbacks in the BOMARC program,[54] and problems created in development of the Nike-Zeus anti-missile-missile system cause doubts that there is a chance of a new weapons generation emerging from development of defensive systems that could nullify progress in the speed and range in the carriers of destructive nuclear weapons.[55]

The Johns Hopkins study cites handicaps of the defense as including the offense's initiative in technological development, in choice of time, place, and method of attack, plus the destructive force of the payload bombers now can carry. Due to the great destructive potential of individual nuclear bombs, an impractically high level of defense effectiveness would be required. The study also concludes that to reduce the impact of the offensive by more than a modest fraction, it becomes more costly than is the price for the offense to take the needed steps to overcome defense measures that have been taken.[56]

However, despite its pessimistic tendencies, the study states that "disastrous consequences could accrue to the side whose opponent first produced a highly effective aircraft and missile defense. * * * The desperate effort to find a defense counter to actual and even potential offensive threats can and must go on." [57]

President Eisenhower, in his budget message of January 17, 1955, announced the creation of a separate air defense command reporting to the Joint Chiefs. Including weapons, aircraft control, and warning networks, the Army antiaircraft and guided-missile battalions, the Navy radar ships and other means of continental defense, this CONAD setup works at constantly detecting, identifying, intercepting, and destroying enemy threats by air. The more practical aspects of this policy will be discussed later. But, as General Partridge pointed out in 1956, "the mere existence of an air defense system in this country forces the enemy to adopt many measures which he would otherwise be able to avoid."

General Taylor's theories for a national military program include reliance upon "a continental defense system, including both active and passive measures, strong enough to prevent an enemy from delivering a crippling blow to the continental United States." [58]

Brodie places emphasis on the defense of our deterrent force, whether by active defense consisting of shooting at enemy planes or missiles or by passive defenses involving hiding, shielding, or dispersing the targets. "Known ability to defend our retaliatory force," states Brodie, "constitutes the only unilateral attainable situation that provides potentially a perfect defense of our homeland. A compromise inability or unreadiness to defend our retaliatory force tempts him (our opponent) to an aggression he might not otherwise contemplate." [59]

So, although admittedly prospects for an effective missile defense are not too promising, the effort must go on. At the time of the Battle of Britain, a 10 percent attrition on attacking bombers was rare indeed. More recently, however, estimates of the probable effectiveness of surface-to-air and air-to-air missiles range around 50 percent. The theoretical possibility thus envisions a defense which could mitigate the increase in weapons destructiveness and the extended geographic scale of the strategic battle.

Wilcox states that it does not appear possible to create a 100-percent effective antigravity screen or other defense system, especially when man now has the means to "kill every living thing on the earth at a level of biological organization higher than that of insects and plants." [60] However, others, knowing that it is difficult to rule out any possibility over the technological horizons, state that present research may yet turn up an antimissile beam or some other similar defense.[61]

Other aspects of the continental defense system include our comprehensive radar early warning system, which has been commonly misunderstood as to goals. Many criticize this drive for 15 or 30 minutes' warnings of coming attacks as of little solace to those killed and displaced by subsequent attacks. However, the early warning system is but one of several means to insure that the effective destruction of the U.S. retaliatory potential is a strategic objective that the enemy cannot hope to achieve by surprise.

Thus the primary purpose of our air defense is not to shoot down bombers and missiles or evacuate cities, but to deter aggression. Antimissile missiles, early warning systems, and other defensive devices are all mere functions of that goal. The recent developments in radar technology permitting earlier detection of ballistic missiles and faster aircraft are important steps in our continuing efforts to deter attacks. Thus the potential loss to the United States in the event of nuclear bombing is so vast that any measures which tend to deter such an attack are not too steep a price to pay.

ECONOMIC ISSUES OF DEFENSE POLICIES

We must guard not only against the Soviet threat in a military way, but we must also have an America which develops with determination its productive power. As Representative GERALD FORD stated at Mount Pleasant, Mich., "I submit that America can and must face up to the hard fact that if our free society is to be preserved, we as a nation can afford neither the luxury of inadequate defense nor an unsound economy stemming from habitual unbalanced Federal budgets. * * * This Nation must reject the philosophy that our only choice in order to prevent military surrender to the Russians is to spend ourselves into an economic and political defeat." [62]

Many critics whose theory involves merely the spending of more money overlook the total Soviet threat in their concentration on defense posture. In countless ways, the Communists demonstrate that military force is but one of the means that they expect to use to take over the world. Director Allen W. Dulles of the Central Intelligence Agency, stated that "while we must be ever mindful of the Soviet emphasis on the military applications of science and technology in order to anticipate any attempts at a breakthrough which would change the balance of military power, it is most probable that the fateful battles of the cold war will, in the foreseeable future, be found and fought in the economic and subversive arenas."

Despite sharp criticisms of restricted expenditures for defense in his RAND study, Dr. Brodie states that "if the criticism is intended to imply that there is too much concern with dollars in the apportionment of resources, and often it seems to have that character, then it is nonsense. The absence of a deep and constant concern with dollars in military claims between weapons systems would argue the grossest kind of incompetence. It (holding the line on defense budgets) has indeed helped in making some choices, especially where inter-service and political issues were not greatly in-

[52] Taylor, op. cit., p. 150.

[53] CONGRESSIONAL RECORD, Apr. 16, 1956, A2993-4.

[54] Announced by the Defense Department in Mar. 1960.

[55] See ARPA estimates on Nike-Zeus, House defense appropriation hearings, fiscal year 1960, VI, pp. 94-7.

[56] Johns Hopkins, op. cit., p. 69.

[57] Ibid., p. 70.

[58] Taylor, op. cit., p. 33.

[59] Brodie, op. cit., p. 185.

[60] Wilcox, Howard, "Weapons, Science and Civilization," Astronautics, 4:8, August 59, 81-2.

[61] Sanger, Eugene, "The Photon Rocket and the Weapon Boom," New Scientist, Sept. 49, 147.

[62] Page 3 of unpublished speech, "U.S. Defense: $41 Billion or More," April 17, 1959.

volved. In an imperfect world, that could be much to be grateful for." [62]

When it was first developed, the first-generation Atlas showed an initial cost of $35 million per missile. To get a picture of that price, if 100 workers, each making $5,000 a year, were to turn over every cent of their earnings for the next 70 years, their total wages would buy 1 Atlas. One submarine, loaded with 16 Polaris missiles, costs over $110 million. The B–52 costs $8 million as compared to a cost of just over $1½ million for the heavy bomber used at the end of World War II. The cost of modern weaponry, of course, is no excuse for not developing a strong retaliatory force, but it is a cause for keeping alert to the damages that could result from extravagance.

The constant criticism that the Eisenhower administration is sacrificing strength for economy and that we were trying to achieve national security in the large, economy size is an inconsistent argument without regard for the overall goals of American defense policy. The Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Chief and Secretaries of the services have been in support of the President's budgets since 1953; in fact, have in some instances complained that we were overstructured. One might want more of the total spent for one item, but by and large the support given by Taylor, Ridgway, Radford, Carney, Twining, Burke, White, and civilian Secretaries have agreed with the policies of Secretaries Wilson, McElroy, and Gates as to the overall adequacy of the budget for carrying out their assigned missions.

Even if they had not, any attack on so-called economy in defense must contend with the fact that appropriation figures are established by Congress, and over all but 4 of the past 28 years the Democratic Party has been in control of Congress. An attempt in 1959, for example, was made to establish a floor of size for the Army at 900,000, and was defeated by a 43-131 division vote. Congressman WEAVER stated that "for nearly $39 billion we are not buying total, impenetrable defense. If we could spend $200 billion or even 10 times that amount, we would not buy a total defense this year. There are too many, too rapid changes in the scientific and technical knowledge at our command and at the command of a potential enemy." [64]

Since the administration has requested the new obligational authority it has deemed necessary in view of a well-established program of procurement and expenditures (leaving, incidentally, unexpended funds from one fiscal year to the next to make available funds far in excess of appropriations) and since Congress has by and large approved these appropriations with a very small fluctuation,[65] and since it will be argued in the next section of this paper that not to make cuts in certain items would have led to intolerable waste, Peeters assumes that "a stronger defense is not necessarily a more expensive defense" and "it is true that the American economy could support greater defense expenditures, but would the few billion dollars that it could thus support make so much difference?" [66]

Donnelly, in "U.S. Defense Policies Since World War II," summarizes the goals of present defense problems and issues (1957) as including "the economy of the United States is to be kept strong and expanding, readily able to convert in support of a war effort." [67] Basically, national security and solvency are indispensable requirements for keeping America strong. Secretary Thomas Gates agreed in 1960 that defense spending through at least 1964 should be in the general area of $41 billion "because I feel that we are in a continuous struggle with those people that may last for the rest of my lifetime. This is going to be the kind of spending that is going to be required to have an adequate defense. Actually, the present level of defense spending is a high one. It is about $5½ billion higher than what it was in 1955, in fact, it's only about $2½ billion under the Korean war peak." [68] When asked by Chairman MAHON if he thought that for the time being we need not be unduly concerned about whether or not we can keep the ceiling constant and level while the price of everything is going up, the Secretary answered, "That is correct." [69]

It is evident that the United States must have not only the military but also the economic strength to induce the Soviets to refrain from all forms of aggression. On May 24, 1957, Khrushchev stated that "we do not intend to blow up the capitalist world with bombs. If we catch up with the United States in per capita production of meat, butter, and milk we will have hit the pillar of capitalism with the most powerful torpedo yet." [70] Thus inflationary pressures resulting from defense spending for spending's sake could cripple our economic and military strength alike, for us and for future generations.

SUMMARY

We have reviewed in this paper the theoretical, long-range goals of the United States defense policy since the advent of the Eisenhower administration. There seems to be little disagreement on those broadly stated goals. Secretary Gates summed it up by stating that "the two principal objectives of our defense program continue to be: First, to deter the outbreak of general war by maintaining and improving our present capability to retaliate with devastating effectiveness in case of a major attack upon us or our allies; and, second, to maintain, together with our allies, a capability to apply to local situations the degree of force necessary to deter local wars, or to win or contain them promptly if they do break out." [71] This emphasis on deterrence is a logical one, primarily concerned not with the fighting and winning of a war but with the discouragement of Soviet aggression, be it generalized or localized.

Critics of the administration policy have generally failed to assume the need for or advantages of these goals of long-range defense policy. Without understanding at least their basic nature, it is foolish to base an argument on issues like 25,000 men or 6 missile squadrons. An understanding of these goals and their practical application to present defense issues, to be presented in the next paper, can and should make subsequent controversy on the means by which they can be pursued under present and foreseeable circumstances of considerably less sharpness and duration.

An awareness of the place that continental defense, personnel needs, and specific issues such as the so-called missile gap, manned bombers, and other play in the current picture must be the next step in this series of papers. If we bear in mind their place as functions of deterrence to the outbreak of general war and maintenance of capability to apply the proper degree of force necessary to deter local wars, they will fall in a much more orderly pattern. Critics must not lose sight of that orientation, nor can they fail to heed the warning of Senator DENNIS CHAVEZ, chairman of the Senate Defense Appropriations Subcommittee, when he stated that "second only to our need for security is the necessity for keeping our economy strong, for this is the mainspring of the Nation. We know that the Communists believe that our form of government will destroy itself through economic collapse. Excessive spending by the Government, that breeder of rapid inflation, could contribute to such a condition." [72]

CURRENT ISSUES OF U.S. DEFENSE POLICIES

Since 1953, several critics of the Eisenhower defense policies have kept up a fairly steady barrage against various principles of our defense posture.

One classification of criticisms, chiefly instituted against budgetary restrictions, fails to stress positive values, but instead constantly criticizes subordinating a $40 billion defense budget to principles of fiscal responsibility. They offer no suggestions as to the priorities a $45 or $50 billion budget would entail. Rather, they feel that money expended somehow will automatically be channeled to the proper function of the military forces, and will somehow inspire improvement.

More constructive criticisms have come from those who on the one hand have pressed for increases in our retaliatory atomic capabilities, especially in the way of the so-called missile gap, and on the other have bemoaned our lack of conventional armaments and modernization for limited wars. It is a tribute to most of these that not too many take both means of attacking our defenses. However, it is to the administration's credit when one group can ridicule the overkill capacity of our nuclear retaliatory force and extol preparations for limited war while another group searches for an overwhelming nuclear deterrent that will close the missile gap.

Each year the critics seek to convince Congress that billions should be added for Army and Marine personnel, more and faster manned bombers, speedier modernization and airlift capability for limited wars, faster development and hardening of ICBM's, stronger continental defense systems, concentration on disarmament proposals and better Department of Defense organization. Many of these specific issues will be briefly explored in this paper.

However, the best overall reply to these criticisms is to look at the results of congressional deliberations on the defense budget. Under the present system, overall review and coordination on the service recommendations take place at the Defense Department level before Presidential recommendations. Months of review through hearings before the Defense Appropriations Subcommittees of each House result in a budget markup which is approved before the respective Appropriations Committees, the full House and finally the Senate. A conference committee compromises any differences in the bill as approved in the two Houses, and, after final passage, the bill is enacted after Presidential approval.

With all this analysis and these built-in safeguards, and on the basis of expert testimony year after year of over 200 witnesses annually, Congress has cut $3.5 billion from the Presidential recommendations for fiscal years 1955–60, inclusive.[73] It seems that re-

---

[62] Brodie, op. cit., p. 364, p. 389.

[64] CONGRESSIONAL RECORD, vol. 105, pt. 7, p. 9611.

[65] Defense bills for the past 5 fiscal years have varied less than 2 percent from Presidential requests—and that was a downward revision.

[66] Peeters, op. cit., p. 132, p. 140.

[67] Donnelly, op. cit., p. 70.

[68] House Defense Appropriations Hearings, fiscal year 1961, I, p. 27.

[69] Ibid, p. 28.

[70] Quoted in "Meeting the Challenge of the Sixties," excerpts from addresses to the House, Jan. 20, 1960, by Representative GERALD R. FORD, Jr., p. 15.

[71] House defense appropriations hearings, fiscal year 1961, I, p. 137.

[72] Senate defense appropriations hearings, fiscal year 1960, p. 3.

[73] The House Appropriations Committee increased fiscal year 1961 proposals by 2.8 million, an increase of only 7/1000 of 1 percent.

gardless of disputes over "how the pie is cut," Congress seems satisfied with the cost of the entire pastry despite the complaints of individual Members and outside critics.

PERSONNEL

In our stabilized years of 1948–50, our Armed Forces averaged around 1½ million in personnel, following the peak year of 1945 (12 million) and preceding Korean strength of 3¼ million. Programmed for fiscal 1961 is a military personnel of some 2½ million. This marks an increase of 67 percent over the stabilized personnel of the Truman years, and, as we will see, marks an even greater increase due to improvements in the quality of the U.S. personnel due to recent legislation and its factors. Fringe benefits, proficiency pay, and the added legislative improvements have increased the cost of personnel even though they have eliminated the need for excess numbers.[74]

However, attempts are annually made to up personnel figures, especially in the Army and Marine categories. In the hearings for fiscal 1961, we find a typical statement of this philosophy in Representative FLOOD'S remarks on Marine Corps personnel. "I do not want you to have any idea that the Congress of the United States is going to abandon the Marines on this 175,000, because this is not so. We are going to keep at this until you go back to the strength that the Congress and the people think you should be." [75]

These critics cite the low cost of proposed increases—about $50 million to up the Marines from 175,000 to 200,000, and $70 million for an Army increase from 870,000 to 900,000. This is an obvious fallacy, since if proof of a need for such an increase were offered, then the amount of money would not be a serious factor. Congressional sentiment on this point has most recently indicated that such a move has not been justified.

However, the personnel of our Armed Forces is the result, for the first time in our history, of a studied evaluation of supporting the amount and kind of forces necessary in peacetime so as not to jeopardize the Nation's security. Admiral Radford described the plan as "attempting to explore overall manpower ceilings in the various services which could produce major combatant forces, and examined them to see whether they would be adequate. We did not limit—in fact, we encouraged each individual service to do better as far as units were concerned if they could within their manpower ceiling. * * * Under that policy the personnel limitations for the next 4- or 5-year period would be somewhere between 2,800,000 and 3 million.[76]

Contemporary examples of this policy of increasing combat strength of fighting units without raising personnel requirements include the fiscal 1961 addition of two Marine battalion landing teams and two Hawk missile battalions, along with rearrangements that General Lemnitzer described as adding two Army battle groups and European equivalents of two battle groups for fiscal 1961, also without increasing Army size.

Chief reasons for this improvement without increased size have been the fringe benefits and other improvements granted by major personnel legislation since 1955. At a cost of $5.5 billion, estimated through fiscal 1960,[77] legislation such as the Career Incentive Act of 1955, Survivors' Benefit Act of 1956, Military Pay Act of 1958, and seven other public laws has increased improvements far beyond the original hopes of Congress.

Let us take the Army, for an example. Even before the Eisenhower administration some felt that post-Korean demobilization would take the greatest toll on the Army. As of June 30, 1951, the Army strength was 1,531,774. Ten years later its size is planned to be 870,000—a cut which to the eye appears to be one of 43 percent. But is it in actuality?

Improvements in mental standards, health, effectiveness and behavior have made the Army more battle-ready than ever before in its history. The removal of Nike-Ajax batteries to the Army National Guard will relieve about 7,400 Active Army personnel for other duties.[78] The noneffective ratio is now at an all-time low, and the health of the Army is as good as it ever has been.[79] In fact, the noneffective ratio (excused from duty per 1,000 men strength) has lowered from 21.8 in calendar year 1949 to 11.8 in calendar year 1959—a drop of some 8,700 in an 870,000-man army.

Disciplinary problems have dropped, showing a reduction of 9,000 in the Department of Defense from fiscal 1957 to fiscal 1959. This not only has saved the Army in fiscal year 1960 $816,063 as compared to the 1956 expense for apprehension of deserters, absentees, and escaped prisoners, but has led to the reduction of 85 percent in prison population since 1955 and the closing of 4 disciplinary barracks and 15 Army stockades since 1957.[80] Courts-martials have affected 33,000 less in fiscal 1959 as compared to 2 years earlier.[81]

It is of interest to note that Army reenlistment rates increased 7.5 percent from fiscal 1957 to fiscal 1958 (24.8 to 32.8 percent). During the same period, Marine Corps reenlistments jumped 10.7 percent. This not only led to the retention of more trained personnel [82] but also resulted in the earmarking of fewer Army personnel for the purpose of getting others in battle-ready condition. General Lemnitzer testified that "we are getting better people—more experienced people, who are staying in the service. Therefore, less effort is required for training and more effort is available out on the line." [83]

Enactment of Public Law 85–564, authorizing increases in induction standards, has resulted in substantial reductions of the percentage of new intakes from mental group IV, the lowest acceptable mental group, in all services. In the Army, for example, the percentage of Army inductee accessions in this mental group went from 39.5 to 30.8, a decline of 22 percent in 1 fiscal year.[84]

Some have felt that adding up all the "bodies" saved by Army personnel improvements would more than make up for the 30,000 extra men requested by those critics emphasizing the need for more Army forces. At any rate, the expenditure of over $5.5 billion in 6 years to improve the quality of Defense Department personnel is impressive when compared to the issue of 30,000 Army troops and 25,000 Marines.

Secretary Gates summed up this point by concluding that "recruitment capability has improved * * * first-term reenlistment rates have generally increased * * * the enlisted force has become more experienced * * * mental quality is definitely higher in all services * * * and there has been a gratifying reduction in disciplinary rates." [85]

Russian troop cuts required Khrushchev to explain to the Supreme Soviet that "the proposed reduction will in no way reduce the firepower of our armed forces and, this is the main thing, after all. * * * This enables us to reduce our armed forces without harming the country's defense capacity." This policy, followed by the United States since 1953, has made us stronger and not weaker.

Critics of personnel policies of the administration forget that the largest army in the world today could not win a war, even if one could be won or lost, without deterrent strength. They forget the changing basis of war, making large military force a waste. Examples of this include Congressman KOWALSKI'S disclosure of large numbers of enlisted men performing personal services to generals and lesser officers, and the fact that one man today can fire a machinegun with the firepower that took 1,400 men to duplicate in flintlock days.[86] Personnel cuts do not necessarily amount to combat personnel cuts—under the Eisenhower administration personnel policies have led to stronger, combat-ready military forces.

THE MISSILE GAP

The idea, fancied or otherwise, that Russia is several years ahead of the United States in the production of missiles has led to the defense controversy of our time—the missile gap. In the early months of 1959 and 1960, disclosures by defense officials, Congressmen, and civilian experts that from 1961 through early 1963 the Soviet lead in ICBM's would range up to a 3-to-1 ratio caused a stir replacing the manned bomber controversy as a headline topic.

Joseph Alsop, of the New York Herald Tribune, penned a 6-part series on the missile gap in February 1960, stating, among other things, that "the Eisenhower administration is literally playing a gigantic game of Russian roulette with the national future" and "if these first estimates (American intelligence estimates prepared at the time of the first sputnik) happened to be correct, the Kremlin may already have enough ICBM's to wipe out our nuclear deterrent." Walter Lippmann called the philosophy behind the 1961 Eisenhower budget "deadly, and it will reduce this country to a second-class power."

Secret testimony on January 29, 1960, by CIA Director Allen Dulles credited Soviet missiles with greater accuracy than estimated by Secretary Gates a week before, according to Senator HENRY JACKSON, of Washington.[87] He stated that "nothing in the briefing warranted taking the risks I think Gates is taking in the missile field." A week or so later, the situation had proceeded to the point where Senator SYMINGTON told the Preparedness Senate Committee that if the administration did not admit the official intelligence estimates shows the future missile gap to look worse than it did in last year's estimate, he would give the true percentage figures to the public.

Even General Taylor, who had a year before testified to the excess of our retaliatory massive deterrent, published a book confessing that he had reluctantly come to accept the "reality and significance of the so-called missile gap. * * * Somehow it must be made clear to our citizens that the Nation will face a serious crisis beginning in about 1961. For a period of years thereafter the balance of military strength will tip dangerously in favor of the Communist bloc unless we take drastic action now." [88]

Experts have fixed the greatest danger as occurring in 1962 or possibly 1963. Gen. Bernard Schriever, commander of the Air Force Ballistic Missile Division, said the So-

---

[74] The Air Force, with 100,000 fewer men, has added $300 million in their personnel budget—the Navy $150 million for 57,000 fewer men, all in the past 5 fiscal years. (See House defense appropriations hearings, fiscal year, 1961 II, pp. 136, 329.)

[75] Ibid, III, 309–10.

[76] Study of Airpower, op. cit., p. 254.

[77] House defense appropriations hearings, fiscal year 1961, III, p. 173.

[78] Ibid., III, 211.

[79] Ibid., vol. III, p. 313.

[80] Ibid., III, p. 257.

[81] Ibid., II, 298, 503.

[82] Ibid., vol. III, p. 502.

[83] Ibid., II, p. 500.

[84] Ibid., II, p. 504.

[85] Ibid., I, p. 143.

[86] President Eisenhower made this statement on Aug. 9, 1956.

[87] Washington Star, Jan. 30, 1960, p. 8, and Feb. 9, 1960, p. 1.

[88] Taylor, op. cit.

viets could achieve the capability of launching relatively large numbers of missiles in salvo by this date.[89] James Shepley finds that the Soviets are assumed to be capable of 500 ICBM's by 1962 compared with a programmed force of some 200 U.S. ICBM's by mid-1963.[90] Alsop, more pessimistically, estimates force levels as 30 vs. 100 missiles in 1960; 70 vs. 500 in 1961; 130 vs. 1,000 in 1962 and 1,500 in 1963. He feels this gap will exist until it closes by mass production of solid-fuel ICBM's in 1965–66.[91]

Former Secretary of Defense Neil McElroy was quoted as saying in 1959 that, "If the Russians build all the ICBM's they can and if the United States produces the number it now plans, the USSR will maintain a 3-to-1 lead through the early 1960's."[92]

After questioning by the Defense Appropriations Subcommittee in preparation for the fiscal 1961 budget, Secretary Gates submitted a statement to the effect that "on the basis of our current intelligence * * * we do not believe that the Soviet superiority in ICBM's will be as great as that previously estimated."[93]

The picture is thus one of an acknowledged missile gap, with ratios running anywhere from slightly in favor of the Soviet Union to the 12-to-1 extreme reached by Alsop. The probable Soviet lead in numbers of ICBM's during the early and middle 1960's which may neutralize the U.S. strategic deterrent seems to some the greatest danger to its security that America has ever found.

Before the numbers game leads the reader to panic, may I state parenthetically that there are certain characteristics which must be asserted about this missile gap before proceeding further. This gap is not due to the policies of the present administration, and is narrowing, even though the gap is, in a sense, deliberate. It is based on our intentions and the Soviet Union's capabilities. Russia and the United States, due to certain capabilities, cannot be compared in a sense, anyway. Finally, ICBM's are but one of a total picture which shows the United States far ahead in total deterrent and general military strength in 1960, as it will be in 1962, 1965, and for years to come.

The fact that Russian capabilities rather than intentions are taken account of by the missile gap theorists is a critical distinction. Four years ago it was estimated that the Soviet Union could have by 1959 600 to 700 long-range jet bombers in operational units. As we now know, they did not divert the entire energy and scientific capability needed for this and instead built only a fraction of that number. This is why Secretary McElroy last year was careful to define the missile gap as being the difference between the number of ICBM's the United States actually plans to produce and the estimated number that the Soviet Union could produce.[94]

Thus, if the missile gap is supposed to be 300 to 1,000 (a good educated guess) by 1963, there is no reason to assume that the United States could not build more than 300 by that time if it so desired. For example, a new Pentagon order in March 1960 sped up long-range missiles by increasing the number of Atlas long-range missiles on launching pads during calendar 1962 to 12 missiles on each of 6 bases, rather than only 9 on each. This could be done again.[95]

Also, there is no reason to assume that the Soviet Union would reach its potential in ICBM's any more than it had in manned bombers. Secretary McElroy stated that "past experience has demonstrated that the Soviet Union does not always do what the estimates say it could do. * * * It (the missile gap) is not intended to mean that the Soviet Union will actually produce the numbers of missiles that have been estimated."[96]

A glance at the history of the missile program shows why we are still at work catching up with the Russians. IRBM funding, of course, did not start until shortly after the beginning of the Eisenhower administration, with a $4.4 million request for fiscal 1956. Meanwhile, ICBM funding, limited to $6.6 million total budget requests from World War II through fiscal 1953, jumped to a request of $13.9 million in fiscal 1954 through a $2.47 billion original request for fiscal 1961. Total requests in the Eisenhower administration totaled $7.061 billion, or over 1,000 times the rate of expenditure under 8 years of a Democratic administration.[97]

An example of the 1945-type thinking is revealed by the statement of Dr. Vannevar Bush, wartime Director of the Office of Scientific Research and Development, who said that a 3,000-mile rocket was impossible and would be for many years. "The people have been talking about a 3,000-mile, high-angle rocket, shot from one continent to another, carrying an atomic bomb, and so directed as to be a precise weapon which would land exactly on a given target, such as a city. I say, technically, I don't think anybody in the world knows how to do such a thing. * * * I wish the American people would leave it out of their thinking."

Fifteen years later Lieutenant General Schriever was able to tell the following story: "In February, 1954, Dr. John von Neumann told the American Air Force that an operational ICBM could be achieved by this country in from 6 to 9 years, provided that an all-out development effort was initiated immediately. On September 1, 1959, the Defense Department announced to the American people that the Atlas ICBM had become operational. This was just a little over 5 years from the time that the accelerated ICBM program had gotten under way." Atlas had a range of over 7,000 miles (as of May 20, 1960, over 9,000) as compared to a 5,500 range set by the Von Neumann committee, while their hopes for a 5-mile accuracy goal has been by far exceeded by shots within 2 miles of the target.[98]

In his history of the ballistic missile program, Representative ARENDS states that today these programs involve the "expenditure of 10 times as much each day as was spent in all of fiscal year 1952."[99] After showing how skepticism as to the practicability of long-range ballistic missiles held efforts down to low-support studies, ARENDS concludes that "it is hardly remarkable that as of 1960, 15 years after World War II, American long-range rocketry is in some respects matched or surpassed by the Soviets. What is remarkable is how rapidly the ICBM and IRBM programs of the United States have advanced in less than 6 years.[1]

Even the Committee on Science and Astronautics of the U.S. House of Representatives, in summing up their study of progress of the Atlas and Polaris missiles, concluded that "the fact is that both projects are progressing at a highly satisfactory rate and that there is no doubt in either the Air Force or the Navy that their respective missiles will be operational on or about their scheduled dates" and that "both the Air Force and the Navy have achieved an outstanding record in the planning, organization and management of their respective research and development missile programs.[2]

Once missiles proved out, the Administration has been quick to expand and speed up successful programs. In March and April of 1960, the Defense Department added $90 million to the Atlas program, $27 million to long-range Minuteman appropriations, and $153 million to the Polaris IRBM program; all for the fiscal 1961 budget. For that matter, President Eisenhower, contrary to the notions of his critics, added almost half a billion dollars to the Air Force submission for missile procurement for fiscal 1961, from $2.610 billion to $3.024 billion in his budget estimate.

Clearly, Administration policy has been to rectify past mistakes and errors of judgment in previous estimates, upgrading where the probability exists of benefits accruing for our deterrent program. Our missile program is now at a more than adequate level. General Lemnitzer testified that "there was general agreement on the overall ICBM, or Polaris-type program—retaliatory missile program, let us put it that way," when questioned by Congressman Ford as to the opinion of the Joint Chiefs on the adequacy of the ICBM program for fiscal 1961.[3]

In answer to "numbers critics," General Thomas White said on January 31, 1960, that though the Russians may be ahead in missiles, in the whole defense picture "I don't think we're behind at all. * * * The U.S. missile program and our defense program is a properly balanced one, in my opinion, and will continue to give us the deterrent capability we desire."[4]

The same day, Secretary of Defense Thomas Gates, while admitting that Russia will have slightly more missiles until we start catching up in 1962, said "we believe we are in a first rate, first position compared with Russia. We are expanding our missile program * * * putting missiles in our bombing force and bringing into operation Polaris submarines which we believe will offset any so-called missile gap, at least from the point of view of the validity of our deterrent."[5]

Therefore, because of the difference in the needs of Russia and the United States, and because of our concentration on a balanced deterrent force, a numbers game is mere nonsense and, in a sense, our failure to pour money and men into indiscriminate crash programs for missiles is not only due to the unfeasibility and waste of such a program, but is also a measured decision.

In answer to questioning of Representative MAHON, who asked, "is it not correct to say that the so-called ICBM gap has been more or less deliberate in view of the many circumstances in the defense picture?" General White replied, "I think that is correct, everything considered." Mr. MAHON continued, "Would it have been better if we had gone crashing through and been able to

[89] Hearings, House defense appropriations, fiscal year 1961, I, p. 24.

[90] Shepley, James, "Life and Death Debate Over Missile Program," Life, Mar. 9, 1960, pp. 116–117.

[91] "After Ike, the Deluge," Washington Post, Oct. 7, 1959, p. 17.

[92] John Norris, Washington Post, Jan. 4, 1961.

[93] House defense hearings, fiscal year 1961, I, p. 24.

[94] Senate defense hearings, fiscal year 1960, p. 20.

[95] Wall Street Journal, Mar. 30, 1960, p. 1.

[96] Senate defense hearings, fiscal year 1960, pp. 9–10.

[97] History of ICBM and IRBM funding, fiscal years 1946–61. House defense hearings, fiscal year 1961, III, p. 133.

[98] See Loosbrook, John, "Imagination, Brains, and Guts," Air Force/Space Digest, April 1960, p. 6.

[99] CONGRESSIONAL RECORD, Feb. 1, 1960, p. 1637.

[1] Ibid.

[2] House Report 1181, "Progress of the Atlas and Polaris Missiles," 86th Cong., 1st sess., p. 5.

[3] House defense hearings, fiscal year 1961, II, p. 440.

[4] Interview on College News Conference.

[5] Taped interview with Senator BUSH, reported in Washington Post, Feb. 1, 1960, p. A2.

match missile for missile in the intercontinental ballistic missile field?" General White replied, "I do not believe that with our lead in really good manned aircraft that it need have been closed. I do not regret that we have not done it.[6]

Why? For one reason, Russia has much more need to build ICBM's than the United States.[7] Since they are by nature most liable to commit a surprise attack, a missile is a more useful weapon for them, but merely one of several weapons systems in our deterrent posture. Russia does not have the advantage of a circling ring of bases from which to launch IRBM's, nor Polaris submarines to lob missiles from under water onto enemy shores; thus must concentrate on longer-range missiles. The lack of balanced forces and deficiencies in aircraft carriers, manned bombers and amphibious forces has further made Russia a one-weapons-system nation, and spurred them to concentrate on missile research, development and production.

Despite the claims of the missile gap critics, several of our military leaders feel that we have developed an overkill in retaliatory forces. On page 330 of volume I of the House Defense Appropriations hearings for fiscal 1960, General Taylor testified that "when I add together all those vehicles capable of delivering the atomic retaliatory attack, in my judgment the aggregate is excessive to the requirements." This despite his recent conclusion that "there indeed is such a gap which * * * has a most significant bearing on military security."[8] General Pate, Admiral Burke and General Twining agreed in many ways with his fiscal year 1960 opinions in their testimony.

The ultimate answer to the missile gap critics is that you can play the numbers game in many ways and come out with almost any ratio you choose. Do you count the Polaris or not? Do you include the air-breathing intercontinental missile, the Snark? Do you use the capabilities of the Soviet ICBM force, or their actual intentions? Do you include factors like hardening, early warning, mobility and accuracy? Nothing detracts from the fact that any missile gap ratio is a guess based on the assumptions of the guessor.

Even with an agreed ratio, the missile gap, closing though it may be, is a false index of the relative power of two nations with widely divergent needs and backgrounds. We include the ICBM as only one element in an overall military capability which takes advantage of control of the seas, regional alliances throughout the free world, superior bombing forces and other strong points. Thus we limit our first-generation ICBM production and concentrate on the Minuteman and other missiles of the future.

Basically, then, our strength is superior to that of the Soviet Union, changing the critic's quizzing to the more logical question of whether Russia can ever catch up with us in overall deterrent capability.

MODERNIZATION

One of the key issues of modern defense is the problem of modernization, especially in view of personnel problems of today. The Eisenhower administration has consistently planned for modern weapons systems, strategy and transportation devices to greatly increase the combat strength of fighting units.

The Department of Defense has done much to accelerate research and development on a scale which would meet the Soviet challenge in the modern arms race. An Assistant Secretary of Defense was provided for research and development under the reorganization plan of 1953 while a 1956 proposal to provide research and development assistant secretaries for each of the services failed to win congressional approval. We find that in fiscal 1955 only $3.4 billion was spent for overall Department of Defense support of research, development, test, and evaluation work as compared to a request of $5.2 billion in the 1957 budget. This request was over twice the estimated annual expenditure for research and development by private industry. Much use has been made of university and private research organizations on a constant contract basis in pushing this enviable record forward.[9]

ARMY

In the past 6 years much has been accomplished toward the adaptation of nuclear weapons to tactical use, along with development of new conventional weapons, as well. The older "square" division of infantry organization, more suitable for the time of trench warfare, has been converted to pentomic divisions, with five combat groups, organized around five rifle companies. Thus a change has been made in the interest of mobility of movement, especially by air, resulting in a reflection of Army adaptation of tactical doctrines to the nuclear age.

As the Army has become more modernized, its combat-effective ratio has increased greatly. After the Korean conflict, the Army had a total of 567,000 combat troops as compared to 966,000 others, a ratio of 1:1.7. By the end of fiscal 1956, this ratio had been reduced to 1:1.1, almost parity.[9a] This ratio between combat and support forces, almost an exactly balanced force, has led to cuts in the noncombat forces and more effective use of Army personnel, even though plans for fiscal 1961 only approached a 1:1.4 ratio.

One of the big issues of defense today is the claim by some Army spokesmen that modernization has been held up by the lack of available funds. In 1960, the Army presented a shopping list of equipment that would be bought to expedite the modernization of the Army if additional funds were made available. Included were battlegroup assault weapons and ammunition, combat vehicles, artillery; air mobility, missiles and rockets (Pershing, Honest John, Little John, Hawk, Redeye, and Davy Crockett), communications and electronic equipment and tactical vehicles. The total cost of the shopping list for 1 year in added funds would be, by the Army estimate, $928 million.[10]

Actually, a sound program has been developed which provides significant quantities of equipment in all of these fields, and which is based on an overall view of modern forces which takes into account needs of the Army, Navy, Marine Corps, and Air Force alike. In this orderly improvement of Army capabilities, both conventional and nuclear Army procurement has been raised to $1.5 billion in recommendations for fiscal 1961, as compared to just over $1 billion 2 years before. It is significant that in the Army ordnance and vehicle procurement activity (the bulk of ground force modernization) the 1961 level is over 300 percent of the 1959 figure. In the research and development account, the gateway to future modernization, almost three-quarters of a $1 billion plus Army R. & D. budget for fiscal 1961 is devoted to support of all problems facing the maintenance of a modern Army.

In looking at what this money is already buying for the Army, we find first of all that missiles have been accented. First deliveries will take place in 1961 of the Davy Crockett (man-carried, nuclear capable rocket for the use of frontline troops), Little John rocket (lightweight and air transportable) and Sergeant missile (larger and longer-range). Initial procurement of the Redeye is provided for in the fiscal 1961 budget, with that portable missile earmarked for the defense of forces in the field against low-flying aircraft. Finally, new deliveries in the coming year will increase inventory of the Hawk surface-to-air missile, providing field forces with a mobile defense against aircraft and air-breathing missiles.

Small arms modernization has been accelerated to the point where the Army will receive some 180,000 new M–14 NATO-standard 7.12 millimeter rifles and 15,000 7.62 millimeter machine guns in 1961, with the budget also allowing for procurement of another 120,000 rifles and 12,000 machine guns. Acquisition of surveillance drones, modern helicopters, and the Mohawk turboprop observation aircraft will allow for greater battlefield surveillance, while procurement of the lightweight M–113 armored personnel carrier, two types of improved helicopters, and the Caribou transport aircraft, along with 21,500 trucks, tractors and jeeps, will enhance greatly tactical mobility.

A few years back, constant criticism was heard of the World War II vintage tanks and artillery still in use by the Army. During fiscal 1961 alone, 720 new M–60 tanks armed with 105 millimeter high velocity guns and equipped with a longer range diesel engine will be delivered, while the new budget provides for a continuation of this procurement along with first procurement purchasing of a new family of self-propelled artillery pieces.

In addition to this, action by the House of Representatives for fiscal 1961 added some $207 million to the Army modernization program, which will allow the Army to procure additional quantities of the new M–14 rifle together with ammunition for the rifle and the new 7.62 millimeter machine gun, 600 additional armored personnel carriers, 300 additional battle tanks with supporting ammunition and fire control equipment, additional artillery pieces with necessary supporting equipment and ammunition, over 6,000 additional Davy Crockett weapon systems and 13,000 additional 115 millimeter chemical rockets and multiple launchers." [11]

NAVY

The complexity of Navy modernization was best expressed by Admiral Burke, who stated that "we are going from props to jets, from oil burners to nuclear reactors, from subsonic to supersonic, from TNT to nuclear weapons, from conventional shells to missiles, from atmosphere to space." [12]

Specific examples of Navy modernization include the commissioning of the Nautilus in 1955—bringing a new age of ship propulsion. Since then nuclear power has been used whenever combat advantages justify the additional cost, as in the use of nuclear aircraft carriers. Cruisers and submarines have been equipped with the Regulus I, a surface-to-surface weapon, and more recent improvements of that missile.

The 1960 operational status of the *Polaris* submarine means that our vessels can carry, submerged in the ocean depths, 16 missiles, each capable of destroying a good-sized city. It is relatively invulnerable to ICBM attack and thus forms a great part of our retaliatory capability. While original proposals were geared to progressive expansion of our Polaris force at a minimum rate of 3 per year, recent modifications by the President and by the Department of Defense have led to an expanded Polaris program, completely

[6] House defense hearings, fiscal year 1961, II, p. 270.

[7] Drummond, Roscoe, Washington Post, Apr. 3, 1960.

[8] Taylor, Maxwell, op. cit., p. 131.

[9] Senate defense hearings, fiscal year 1957, p. 239.

[9a] Army, Navy, Air Force Journal Sept. 29, 1956, pp. 1–3.

[10] House defense hearings, fiscal year 1961, p. 29.

[11] House Defense Committee Report, fiscal year 1961, p. 54.

[12] Department of Defense News Release, No. 353–56, Apr. 17, 1956.

financing 14 submarines and partially financing 7, and thus providing for a 21-submarine program which will add 336 Polaris missiles to the strategic forces of the United States.

In propulsive power, the Albacore-type submarine with a hull designed for minimum underwater resistance has meant that its speed and maneuverability under water is greater than anything that we have had before. When combined with nuclear-propulsion power, a new field has been opened up for naval vessels to operate under water. Present emphasis in the Navy is on antisubmarine warfare. Secretary Thomas told the Senate Armed Services Committee in 1956 that "this problem receives our highest, our best, and our constant attention."[13] The House took this problem most seriously as well, adding $321 million to the defense budget for fiscal 1961 for ASW in financing three nuclear attack submarines, two destroyer escort vessels, and financing further high priority research efforts in this field.

It is fairly evident that House action in adding some one-half billion dollars to the Navy modernization and development program for fiscal 1961 takes note of the importance of seapower and control of the seas during any future general or limited war. The $293 million saved by their deletion of an aircraft carrier which had been requested may still be reversed by Senate action, and most of those who view the Polaris and carrier as complementary units feel that both are needed even in times of nuclear wars.

AIR FORCE

While the Army has increased battlefield mobility and capability, the Air Force has achieved a similarly spectacular change and adjustment in the art of warfare. "In adaptation of jet power to produce higher speeds and altitudes, development of air refueling to make two-way intercontinental operations feasible, and greatly improved weapons systems in the field of strategic air warfare, modernization of the Air Force has been especially significant.[14]

In 1953, our strategic retaliatory forces consisted of propeller-driven B–36's and some medium-range B–47's. Today the B–36's have been replaced by B–52 jets, and supersonic B–58's are augmenting our B–47 striking power. Since the feasibility of lightweight nuclear warheads became evident in early 1954, thousands of smaller land and carrier-based aircraft also acquired a nuclear capability.

Our long-range bombers are supported by a fleet of refueling tanker aircraft, and are being equipped with Hound Dog air-to-surface missiles which can be launched hundreds of miles from their targets. When the Sidewinder comes into operation, this distance can be approximately doubled. Thus planes can disorganize defenses from a distance, come in with safety, and perform their missions still carrying a payload several times greater than an Atlas missile.

Research and development continue on the B–70 prototype program. Problems of large airframes and propulsion systems at Mach 3 (three times the speed of sound) are now being explored with future consideration of this plane as a weapons system, though many doubt its advantage over the B–58 against the ground defenses of 1965, 1967, or 1968, when varied estimates have been made as to the operational date of such a system. By 1965, as well, four systems of ICBM's will be operational, thus raising the issue of weapons systems competition and duplication.

Air Force modernization also looks to the future. Besides expansion of forces equipped with the Atlas, Titan and eventually the Minuteman ICBM, a progressive buildup to three wings is planned for forces equipped with the B–58 supersonic bomber. Our mix of Matador-Mace missile squadrons will go completely to the Mace missile by 1962, completing the operational setup of four squadrons. It should be noted that the Mace missile by far exceeds the total explosive power expended against all Axis military targets in Europe during World War II.

Thus we see that today an intensive program is under way to expand and improve all elements presently giving us superiority over the Russians, while progressing through the research stage on new projects to continue this. In research and development as in procurement, the most modern and effective techniques and equipment possible are being provided for our Armed Forces here and abroad.

U.S. CONTINENTAL DEFENSE

Obviously, the first line of U.S. continental defense is the deterrence of war through a strong retaliatory force capable of discouraging aggression. An aggressor seeking to destroy the United States would first need to insure that we could not retaliate with force great enough to cripple his own warmaking potential. Through our primary goals of defense policies, we seek to assure a strong deterrent which will make continental defense an unneeded luxury.

However, for several reasons, the United States finds it necessary to develop a strong continental defense system, both now and in the future. For one thing, the usual assumption is that we will never be an intentional aggressor, making it necessary to provide the means by which our defense can soften blows to the point where we could develop and deliver a devastating counterattack. Also, the fact is that the first nation that develops a highly effective defense against aircraft and missile attacks would thus have the ability to threaten war without fear of major retaliation.

This may be an impossibility, due to the initiative possessed by the offensive in both technological development and choice of the time, place and method of attack. At any rate, many now feel that there is a possibility of a weapons system to deal with ICBM's, even though these experts doubt mastery of such a system. Certainly the potential loss to the United States through a missile attack is so great that any measures to try to alleviate the damage from such an attack are worth while. General Partridge, the commander in chief of CONAD, stated in 1956 that, if air defenses were strong enough, losses to an enemy trying to get through would act as a deterrent other than mere fear of retaliation. It must be borne in mind, however, that he was speaking primarily about manned bombers and defenses against them, though many feel our greatest threat is currently still from this source.[15]

While the search for antigravity screens, antimissile beams, and antimissile missiles goes on in the field of research and development, the United States has also tried to combine the elements of continental defense under one master plan. Establishment of the CONAD (Continental Air Defense Command) has led to a vast complex of radar warning nets stretching across the northern edge of the continent and extending down across the Atlantic and Pacific approaches. One BMEWS (ballistic missile early warning system) station will be in operation during calendar 1960 and another next year. Giving us warning of ballistic missiles on their way toward us will permit us to launch a retaliatory strike. Long-range radars will be able to detect an enemy ICBM at about the midpoint of its trajectory. The MIDAS early warning system, under accelerated development, would be able to detect enemy ICBM's at "blast-off" time, thus giving us 30 minutes warning instead of 15, enabling a very large part of our bomber and missile forces to be on the way with counterstrike force. The evaluation and coordination of information secured from various aspects of our continental defense system by SAGE (semiautomatic ground environment) has[16] increased the capability of our air defense system by a factor of something like 5 or 10.

If a manned aircraft attack should come, nuclear-capable surface-to-air missiles, such as the Nike-Hercules and Bomarc, as well as all-weather supersonic interceptors armed with air-to-air missiles (some with atomic warheads) all stand ready to repel the attack. In the case of missiles, of course, the problem has been accented. In efforts to develop an effective ICBM defense, development work has been under way for some time on the Nike-Zeus system, as well as on the Bomarc B and advanced Defender project, which tries to explore detection, warning, tracking, discrimination, and destruction of missiles on a new basis.

Some time ago, the Army established an aggressive antimissile program,[17] under their responsibility for point defense as contrasted with the Air Force area defense concept. Through fiscal 1961, over $1 billion has been provided for our most advanced effort for an effective antimissile defense. As of now, many problems remain. A range of only 75 nautical miles is provided, thus creating the need for Nike-Zeus installations in great numbers. Prospects of the Nike-Zeus, to some, look brightest as far as spot defense of a relatively few vital targets from a relatively primitive missile attack.[18]

Since Nike-Zeus relies on the same general concepts of active terminal defenses as does the Nike-Hercules, skepticism has been aroused as to its effectiveness against swarms of warheads approaching targets at speeds of 250 miles per minute along with confusing and disrupting devices.[19] Though the Army requested $1.5 billion for Nike-Zeus for fiscal 1961, it was cut to research and development money of $302 million by the Secretary of Defense on the recommendations of the Joint Chiefs, a difference of over $1.2 billion.[20] To go into production at this time was thought impossible by these experts along with the Appropriations Subcommittee and, for that matter, the House of Representatives.

O. M. Gale, Special Assistant to the Secretary of Defense, stated in a letter of April 19, 1960, that "we still don't know whether this system is really going to work, and if it does work, whether it will work well enough to justify the investment of the $15 billion or more that would be required. It seems prudent to withhold our decision until our problems are licked."

However, as stated previously, we must continue to try to find a defensive counter to actual and potential offensive threats, as "desperate and disastrous consequences could accrue to the side whose opponent first produced a highly effective aircraft and missile defense."[21]

Besides early warning systems and supplementary 15- and 30-minute alerts, and over and above the need for active defense against bombers and missiles alike, the administration has concentrated to date on so-called passive defenses such as hardening and dispersal of our retaliatory weapons and civil defense policies to more or less harden our population in an organized fashion in underground shelters.

[13] Study of Airpower, op. cit., p. 1390.
[14] Donnelly, op. cit., p. 52.
[15] Study of Airpower, op. cit., p. 268.
[16] Ibid., p. 254.
[17] Ibid., p. 726.
[18] Johns Hopkins, op. cit., p. 70.
[19] Burgess, Eric, "The Anti-Missile Missile—A Myth," Interavia, XIV, Nov. 2, 1954, 170–2.
[20] House defense hearings, fiscal year 1961, II, p. 498.
[21] Johns Hopkins, op. cit., p. 70.

We plan to expand forces equipped with Atlas missiles to a total of 13 squadrons by 1963. All but the first of these squadrons will be hardened in underground sites and dispersed. In 1961, forces equipped with the Titan ICBM will become operational, with that force built up to 14 squadrons sometime in 1963, all in hardened bases. When "in-silo" launched capabilities and storable fuels are added to the Titan, we will be even better prepared to meet the threat of a sudden enemy ICBM attack.

Recent administration action included planning for 12 missiles on launchers at each of the last 6 Atlas squadrons rather than the previously planned 9. One reason why this is important is the subsequent raising of the number of attacking missiles required for the destruction of our retaliatory force. Murphy estimated in April 1959, that if the Soviets attained an ICBM of high reliability (less than 2 miles accuracy) and a 2-megaton warhead by 1962, at least 13 such missiles would have to be launched at a hardened ICBM site to provide a 90-percent probability of its destruction; or a salvo of 1,500 missiles to destroy the then-programmed U.S. force of 110 Titan hardened and dispersed missiles. With a missile accuracy of only 3 miles by 1962, the total number required to take out the Titan force would increase to 6,000.[23] Recent expansion of planned Atlas and Titan squadrons would raise that number to a figure even farther from the scope of reality.

The administration has been careful to disperse and harden Atlas and Titan squadrons rather than merely to try to match numbers with the Soviet. A large number of cumbersome first-generation ICBM's, especially if deployed in fixed, unprotected positions above ground, is hardly the answer to the problem, and would expose the missile to easy destruction by enemy ICBM's.

Thus we will concentrate on second-generation, solid-fuel ICBM's like the Minuteman, which will be moved around the United States on railroad cars, and which will be capable of survival even when deployed in fixed, but well-dispersed and hardened, underground sites. Starting in 1963, forces equipped with the Minuteman ICBM's will become operational, and some hint that it may be much sooner than this.

Our mix of continental defense components were further implemented by action of the House Defense Appropriations Subcommittee this year. Funds were provided in the bill for both the ballistic missile early warning system, to detect and track missiles once they are well on the way to targets; and for the Midas early warning system to provide almost instantaneous warning through a satellite project to detect mass missile launching. The committee provided extra funds for the Midas, Samos, and Discoverer space projects. On May 24, 1960, a Midas test satellite was orbited and drew attention as a "spy satellite" in light of the then-recent U–2 spy plane incident.

The committee provided an increase in airborne alert funds, not for the purpose of instituting such an alert, but for "the procurement, storage, and distribution of the extra engines, spare part stocks and supplies that would be necessary to sustain the accelerated rate of aircraft operation should it become necessary.[22]

Re-evaluation of the air defense program by the Air Force and Department of Defense in February 1960, resulted in a voluntary reduction of $381.1 million in funds for the Bomarc-B program. Further reductions were instituted by the committee, which were applied in the amount of $215 million to fighter planes as replacements for Bomarc missiles. Combined with continued research on the Bomarc and Nike-Zeus, the procurement of an additional two squadrons of F–106 fighter aircraft, fully equipped and ready for operation, establishes a much more desirable move "from the standpoint of an overall defense posture."[24] Added to this, of course, are the consistent efforts being made by the OCDM and other groups to increase awareness and adequacy of civil defense operations.

Johns Hopkins' report concludes that "a high degree of national security is likely to remain an objective unattainable by military means during the next decade."[25] However, we will continue to emphasize research toward this end, and meanwhile will depend on our ability to deter an enemy from using his strategic weapons, destroying them before they can be used, and protecting our retaliatory power by the dispersal, multiplication, and mobilization of our weapons systems.

REORGANIZATION OF THE DEPARTMENT OF DEFENSE

It was definite at the outset of the Eisenhower administration that something would be done about the poor organizational setup of the Defense Establishment. The National Security Act of 1947 had added the will of Congress toward a degree of unification, but had resulted in a unique compromise of a federated agency coordinating separate executive departments. Amendments in 1949 at least converted our National Military Establishment into an executive department and gave the Secretary of Defense more control over the departments and more assistance through an Under Secretary and Comptroller.

Conflicts over the roles and missions of the Armed Forces continued even after the Key West and Newport agreements. Extent of naval air operations, size of the Marine Corps, delivery of the atomic bomb, controversies between advocates of the B–36 and of the supercarrier, and subsequent questions over obvious duplications in the fields of antiaircraft guided missiles and the IRBM led to disputes which exploded far beyond the Pentagon.

A memorandum by the Secretary of Defense on November 26, 1956, angered some but resolved many of the interservice disputes. Based on previous statements of missions and on 9 years of operating experience under the National Security Act of 1947, it clarified and interpreted roles and missions to a much higher degree.

In air defense, for example, the Army was assigned responsibility for point defense (with appropriate missiles such as the Nike-Zeus and Talos) while the Air Force was made responsible for area defense (including the Bomarc system). Operational employment of the IRBM was left to the Navy and Air Force for sea and land systems, respectively, which served to end the duplication of Jupiter and Thor development up to that time, and paved the way for successful work on the Polaris project. Finally, the directive differentiated between the battlefield air missions of the Army (observation, liaison, combat transportation, etc.) and the airlift, tactical reconnaissance, and combat air support responsibilities of the Air Force.[26] These decisions eliminated many duplications and pointed the way ahead for more sure development in the future.

Controversies, however, continued over such matters as tactical air support, the adequacy of the airlift for Army ground forces, antimissile missiles, control of IRBM's, and carrier versus land-based aviation, much of it caused by elements that resulted from the failure of many to accept the new order. This served to bring into clearer, sharper focus the need for new legislation spelling out details of a more effective, reorganized Department of Defense.

Launching of the Soviet sputnik served to bring matters to a head, as did recommendations of the Senate Preparedness Subcommittee on January 27, 1958, which called for reorganization to prevent duplications; complex, unrealistic civilian controls; and interservice rivalry against the public interest.[27]

On April 3, the President offered Congress a plan for defense reorganization that would unify strategic planning, form our fighting forces into unified commands, streamline military command channels, give the Joint Chiefs professional military assistance, and expand control by the Secretary of Defense over research and development. Among the specific recommendations made by President Eisenhower included several Executive actions as well as legislation to remove obstacles to the full unity of our commands, remove limits on the size of the Joint Staff, remove the restriction on voting by the Chairman of the Joint Chiefs, remove any statutory authority vesting responsibility for military operations in officials other than the Secretary of Defense, eliminate provisions for separate administration of the military departments and reduce the Assistant Secretaries in number from nine to seven.[28]

It is interesting to note that the President's legislative request included mostly negative things, while his Executive orders were aimed at strengthening and broadening in a positive way. His specific legislation was introduced as H.R. 11958 and S. 3649, while H.R. 11001, on the other hand, expressed the views of Chairman Vinson and two other members of the House Armed Services Committee. Differences between proposals concentrated around the powers to be given to the Secretary of Defense, the separate entities of the military departments, and the type of military staff to be furnished the Secretary of Defense.[29] To some, the issue devolved into a fundamental checks-and-balances problem. The resulting legislation was a compromise, but a forward-moving one.

The President got much of what he had requested, but Congress gave in most reluctantly on points hinting at transfer of constitutional authority of the legislative branch, or at weakening of the ties of the separate services. The Secretary of Defense was strengthened in many ways: for example, the services did not have to be separately administered but had to be separately organized. However, Congress did not repeal section 202(a)(6) of the National Security Act of 1947 which permitted any service Secretary or Chief of Staff to present to Congress any suggested recommendation—an avenue, incidentally, which General Taylor never chose to use, despite its availability.

Provisions of the Department of Defense Reorganization Act of 1958[30] plus the directive issued by Secretary McElroy on December 31, 1958, put into effect several changes coordinating and tightening our Defense Establishment. In hearings held on the defense budget in each House during the early months of 1960, Secretary Gates, General Twining, and other top Defense Department officials expressed cautious satisfaction over early experiences with the new organization, and announced no requests for changes at that time, preferring to let the new law and directives operate for more than a year before offering new suggestions. This is in sharp contrast to the suggestions of some

[23] Murphy, Charles, "The Embattled Mr. McElroy," Fortune, Apr. 1959, p. 147.

[22] House defense report, fiscal year 1961, p. 12.

[24] Ibid., p. 14.

[25] Johns Hopkins, op. cit., p. 80.

[26] Donnelly, op. cit., p. 46.

[27] Senate inquiry, pp. 2429–30, part 3.

[28] See House Document 366, 85th, 2d.

[29] Donnelly, Defense Policies in 1958, p. 51.

[30] Public Law 85–599.

who would change the new establishment before the new ideas were given adequate testing.

One result of the 1958 reorganization was a greater accent on research and development work, with the establishment of the office of the Director of Defense Research and Engineering as the principal adviser to the Secretary of Defense. The Joint Chiefs of Staff were given a staff similar in organization to that of the unified commanders instead of the old system of committees, groups, and working teams. Thus the cumbersome command system has been channeled into a direction which would leave the JCS to deal with matters of command and would leave support and administration to the military departments. Formation of ARPA (Advanced Research Projects Agency) and creation of a Director of Guided Missiles showed the emphasis on space and the attempts to eliminate previous duplication on missile and rocket projects.

As is usual with such orders and laws, some were convinced that the change had gone too far, and many felt that there still remained too much rivalry and too little coordination. In retrospect, it seems that the resulting changes were most beneficial and marked a true legislative process compromise wherein executive and legislative differences resulted in functional effects. Donnelly states that the result was to "amend the original Key West-Newport agreements to bring them into consonance with the latest concepts and laws for organizing and insuring our national defense." [31] This major change is over and above the usual improvements in defense financing, procurement policies, fiscal policies, and national stockpiling, which have gone on through the entire administration.

Criticisms continued, however. General Taylor has particularly suggested changes in his "Uncertain Trumpet," despite his favorably worded testimony on the Defense Reorganization Act of 1958.[32] However, all his suggestions would interpose more persons and committees between levels of present administration, or would change the defense organization which has not as yet been given an adequate test.

Secretary Gates has already put into practice several improvements in organization by gradual implementation, though in office less than a year. Other suggestions, less earth shaking than General Taylor's but perhaps sounder in practical effect, have been offered. Most experts recognize the need for a sort of review board to choose ultimate priorities and budgetary guidelines on a level separated from control by the administration, the Bureau of the Budget, or congressional pressures. However, to place such a board in the chain of command, as would Taylor, merely would lead to more confusion and disorganization, as well as the probability of added duplication of authority and responsibility.

Speaking before the Electronics Industries Association "Defense Market Planning Seminar" in Washington, D.C., ranking minority member of the Defense Appropriations Subcommittee, Representative GERALD R. FORD, JR., suggested, among other things, "the establishment, by legislation if necessary, of an independent and continuing National Defense Planning Group, which would encompass or have within it knowledgeable representatives from industry, from the executive, and military branches of the Government, and the legislative." [33] Others have suggested that such a group could be part of the staffing of the Joint Chiefs. At any rate, thoughts such as this and such as the ideas of Secretary Gates that he take more responsibility in screening industry claims in the choice of products for procurement and in meeting with the Joint Chiefs on knotty subjects and problems, are positive steps in the process of evolution of Defense Department organization to the point we are all striving to reach.

With the legislative and executive mandates we have had since 1953 for this purpose, and with the suggestions now being offered for change within these basic frameworks, we may be sure that Defense Department organization will continue to keep up with the times, balancing unification with service identification, and service rivalry in its healthy aspects as against duplication and overlapping on the other.

U.S. MILITARY CAPABILITIES—1960 AND BEYOND

In summarizing American defense posture and in comparing it with Soviet capabilities now and in the future, it seems that the basic orientation depends upon what book your interests dictate or on what authority you study. The reader has the choice among those who criticize our defense policies today and see a rosy picture from 1964 on; those who downgrade both our capabilities and our potentialities; and those who feel our defense is adequate as a deterrent to war today and that it will be in the measurable future.

A reason for this difference in both direction and shading of thinking about defense might lie in the fact that for unclassified details on U.S.-Soviet comparisons today the student must roam far and wide. Even classified estimates rarely attempt predictions beyond the next 4 or 5 years.[34] Perhaps the best method of comparison would be to sketch the present capability of American and Soviet forces in both general and specific terms, and then to detail as much as possible new systems now undergoing research and development in our military planning.

ARMY

The Soviet Army today is composed of roughly 2½ million men, organized into about 175 line divisions. On January 13, 1960, Premier Khrushchev announced that Russia would cut its conventional armed force one-third as a result of their buildup in nuclear rocket striking force. "Khrushchev set present strength of the Soviet armed forces at 3,623,000 men and said they could be slashed by 1,200,000 because of what he called Russia's growing rocket superiority." [35]

Though the Soviet divisions (tank, mechanized, and rifle) range in size from 12,500 to 15,000 men, not all are maintained at full strength. Some estimates credit the Soviet with 60 percent combat-ready divisions, implying that combat would require substantial personnel augmentation in 40 percent of these divisions.

Committee testimony showed that as of November 1, 1958, Russia had 175 divisions and the Soviet bloc 217, for a total of 392. Their 7,800,000 men compare to our 6 million free world and allied strength. Some committee members were puzzled as to how we could be within 2 million of Soviet strength with about half as many divisions, but the smaller size of the Russian division coupled with the number of skeleton Soviet divisions were mentioned as explanations.[36]

Further information leads us to believe that Soviet ground forces have been completely modernized since the end of World War II. Army sources claim that the Soviet Army has on hand "modern material to equip its 175 line divisions and to support them in combat. * * * including that required to fight either nuclear or conventional wars anywhere on the Eurasian or Middle East landmass. In quality they about equal our modern equipment—they lag behind us in some items, have drawn even on some, and surpass us in others.[37] General Twining, in evaluating the fighting strength and attack superiority of the Soviet, assured the committee that Russia had a sufficient force to launch an attack and maintain it." [38]

Soviet ground troops are supplied with a group of 7.62 mm. small arms, the identical caliber of weapons with which we now equip our own ground forces. Besides 50-ton-heavy tanks with 122 mm. guns, tactical amphibious vehicles include 15½-ton light tanks with 76 mm. guns, while the T–54 medium tank uses the 100 mm. gun. Of the surface-to-surface rockets and missiles, the Soviets have at least 4, ranging from the "Honest John" type rocket with a 15-mile range to tactical missiles with a range of over 300 miles.[39]

There are some problems the Russians must meet in nonmilitary fields. Drinking water barrels, dishes being washed by hand, men detached to process cabbage, and military men carrying firewood for stoves in their barracks all do little to conserve scarce manpower.[40]

Revisions have been made to possible return to the territorial system of military organization which existed in the Soviet Union prior to 1939. This would mean that the majority of ground personnel would become part-time soldiers—similar to our Reserve or National Guard. This, together with the proposed reduction in armed forces, shows graphically the personnel problems resulting from requirements for farm labor, problems of low worker productivity and the losses in male population due to the staggering toll of death during World War II and the subsequent drop in the birth rate.[41]

As compared to this, our Army needs are substantially different from those of the Soviet. We do not need to patrol our borders with unfriendly nations, nor maintain control of restless satellites. All our ground forces are ready to respond to limited or general war demands.

Our Army and Marine forces of 1,045,000 are equipped with modern, mobile nuclear-capable missiles in addition to a complete arsenal of conventional weapons. A good portion of these forces are deployed in advance positions around the Communist bloc, and are backed up by ready forces in the continental United States, and by Reserve forces ranked at their highest level of readiness in peacetime history. Support by 3 air wings of the Marine Corps, 33 wings of the Tactical Air Command of the Air Force, and by the carrier-based aircraft of the Navy is of higher quality than the Soviet Union, which has no all-weather, supersonic fighter-bomber such as our F–105.

Through our alliances with other nations of the free world, we have access to some 250 bases, and additional forces sufficient to set the free world strength at 5 million men, air forces of 30,000 planes and sea control of 2,200 combat vessels. Most estimates give

---

[31] Donnelly, "Defense Policies in 1958," p. 55.

[32] See hearings, House Armed Services Committee, 85th, 2d, book 4, pp. 6294–6344, especially statements on 6321–6322.

[33] Weekly report of the electronics industry, p. 9a, vol. 16, No. 12, Mar. 22, 1960. The speech was given on Mar. 15, 1960.

[34] Estimates of Soviet ICBM capabilities, for example.

[35] UPI dispatch, Jan. 13, 1960.

[36] House appropriation defense hearings, fiscal year 1960, I, pp. 33–34.

[37] House defense hearings, fiscal year 1960, and Senate fiscal year 1960, p. 933.

[38] Ibid., House, I, pp. 33–34.

[39] Speech by Henry Glass, Office of Assistant Secretary of Defense (comptroller) at Kalamazoo, Mich., Mar. 21, 1960.

[40] General Belyayev, "Red Star," fall, 1959.

[41] Over 24 million lives were lost as a result of World War II in the Soviet Union, while a loss of 11 million occurred in the age group born during and shortly after World War II.

credit to the contribution of our allies as being far more significant than that of the Communist satellite armies.

At the end of 1961, our Army will have 14 divisions and 25 other major units including 9 battle groups, 5 armored cavalry regiments and 5 missile commands, one battle group and one missile command more than planned for the end of 1960. By the end of fiscal year 1961, there will be about 500 additional helicopter and 109 more fixed wing aircraft in the active inventory as compared to June 30, 1959.[42]

Committee action coupled with administration requests led to "a substantial increase over the 1960 level in Army aircraft procurement of such modern aircraft as the Mohawk (turboprop observation), Caribou (transport), Iroquois (utility helicopter) and Chinook (helicopter). The bill will also provide for a versatile range of missile and rocket weapons including the solid fuel longer range Pershing; the shorter range Little John, Honest John, Sergeant and LaCrosse; air defense missiles such as the Nike-Hercules, the Hawk and the Redeye; and the Davy Crockett—a man-carried nuclear weapons system. Finally, the recommended funds will provide for significant quantities of such modern equipment as the M–60 tank, M–113 armored personnel carrier, a new family of self-propelled howitzers and the 7.62 mm NATO-standard family of small arms." [43]

Additions of $207.6 million to the Army modernization will have an effect traced in the last section of this paper. Recent maneuvers at Fort Benning with these weapons illustrated the importance and magnitude of those weapons which will be procured with this sum over and above procurement contained in the specific recommendations of the President for fiscal 1961.

The new tactical missiles and rockets compare well with Soviet procurement to date. The Pershing range of 700 miles more than doubles the range of the most powerful Soviet army tactical missile, while the Davy Crockett can be fired in the field by one or two men with a range of 5,500–8,800 yards and a nuclear warhead. Shoulder-fired bazooka-type rocket weapons like the Redeye weigh but 20 pounds but meet Army requirements for use by combat trops against low-flying aircraft. The 1,275 pound Hawk surface-to-air missile has a range of 22 miles and is slated for oversea deployment by the Army and Marine Corps and is to be supplied to our allies.

Development of future systems like the Lobber, Missile A, and Shillelagh continue as well. The latter, intended for vehicle-mounted use against armor, troops, fortifications, etc., will be a surface-to-surface close support guided missile of great promise. Also ahead are decisions to add two Army surface-to-surface and three and one-half Army surface-to-air missile battalions to our oversea deployment, with conversion of seven other battalions from conventional to rocket missile capability.

In summarizing the relative ground forces of the United States and the Soviet Union today, Secretary Gates stated that "the Soviet Union clearly outnumbers the United States, but a comparison of the ground forces of the Sino-Soviet bloc with those of the free world allies, including the United States, is more favorable. It is not necessary to match the ground forces of the opponent on a unit-by-unit basis. Our Army and Marine Corps make substantial contributions to our deterrent strength. The Army furnishes an important part of the shield forces in Europe and Korea which, with U.S. air and naval units in such oversea areas, provide ready evidence of our willingness to contribute our fair share of forces to the common defense and our continued faith in the policy of collective security." [44]

NAVY

There is no doubt whatever that the United States is far superior to the Soviet Union in terms of global naval power. For one example, the U.S.S.R. has no aircraft carriers and they are apparently building none. For the United States, four new Forrestal-class carriers have already been commissioned, three more are under construction, including the first nuclear-powered carrier, and another is still a possibility in the current budgetary process, depending on Senate action. We have a 24-hour carrier task force in both the Mediterranean and in the Far East, backed up by additional carriers in the Atlantic and Pacific fleets. This is equivalent to the advantage Russia would have if they could deploy a carrier task force off California and in the Caribbean. As it is, our carrier task force is a means of maintaining our military presence in critical areas of the world far from our own shores, while the Soviet surface fleet is more of a defense power without the capability of operation at long distances from home bases.[45]

In nuclear power, the Soviets are estimated to be in the process of achieving the first operational capability with nuclear-powered submarines, while we have 32 nuclear-powered submarines either in commission or under construction. While the Soviet icebreaker, the Lenin, is their first nuclear-powered surface ship, it is in shakedown status at a time when the U.S. mix includes the *Savannah*, a merchant ship, along with a nuclear-powered aircraft carrier, guided missile frigate, and guided missile cruiser, all under various degrees of construction.

Basically, the Soviet Navy is the second largest in the world, having undertaken a program of naval expansion since World War II to build up to 25 cruisers, 140 destroyers, 400–500 submarines, and an air arm of some 3,500 land-based aircraft. Surface ships are losing their importance in Soviet theory, with no carriers and a halt in the building of cruisers, though some suspect a changeover to nuclear cruiser building. Recently Khrushchev forecast that "in the navy" the submarine fleet is assuming great importance and surface ships can no longer play the role they played in the past.

Since the free world has more than 95 percent of world shipping, these differing requirements led the Soviets to build 400–500 submarines as compared to our approximate number of 120. This "sub gap" has caused us to step up efforts in antisubmarine warfare. One-half the Soviet submarines, it might be added, are incapable of operating in distant areas, while the others are challenged by our Navy, with wartime experience and skill in antisubmarine warfare operations as well as including ASW capabilities in the equipment of almost every naval vessel. Four permanent naval task groups now provide training for destroyers, ASW carriers and hunter-killer submarines. A year ago, U.S. intelligence informed Congress that Russia has slowed down their submarine production, thus leading to the feeling that they would construct new and improved types of submarines (missile and/or nuclear propulsion.[46])

Congress provided for fiscal 1961 the financing of three nuclear attack submarines (one more than the original budget request), two destroyer escort vessels, and finance for high priority efforts in research of antisubmarine warfare to the tune of $321 million additional funding. Inasmuch as numbers of submarines marks the only gap in American naval superiority today, the Navy is giving top priority to antisubmarine warfare. This is in marked contrast to the Soviet Union, which has no ASW carriers, no hunter-killer forces and only limited numbers of the specialized aircraft needed to detect and attack submarines.

Introduction of several new items of ASW will take place in the American military inventory in fiscal 1961. These will include ASROC, a rocket-assisted torpedo and depth bomb; new sonar equipment; the HSS–2, a new all-weather search helicopter; the S2F–3, a carrier-based ASW aircraft, and Dash, a drone ASW helicopter, all of which should be operational by mid-1961.

Perhaps the biggest advantage in the near future our Navy will have is the Polaris submarine missile force. The marriage of the atomic submarine with the Polaris fleet ballistic missile promises to give us one of the greatest deterrent weapon systems yet devised, according to the House Appropriations Subcommittee on Defense,[47] which also characterized the atomic submarine with its performance capabilities together with advancements in armaments as "the most formidable naval warship yet devised." [48]

Budget adjustments proposed by the Secretary of Defense on April 6, 1960, led to approval of a Polaris submarine program of 21, with 5 fully funded in fiscal year 1961 and 7 partially financed. This program, added to the 9 already funded, will result in an addition of 336 Polaris missiles to the strategic forces of the United States as already stated. While the committee recognized the capability for massive destruction of the Polaris to be less than the ICBM's and admitted that it is a costly weapons system ($241 million extra for full funding rather than partial funding of two submarines) and that it has not been fully tested as yet, the report called the Polaris weapons system "because of its almost complete invulnerability to enemy ICBM attack and its other capabilities, of great importance to the nation's deterrence in the ICBM era." [49]

Two Polaris submarines will be operational by the end of calendar 1960, and thus it will be possible to more accurately assess their performance. Since Secretary Gates testified that "if the Polaris proves out sooner than expected, a reconsideration of the program would be undertaken," [50] good performance in the operational submarine will no doubt lead to further expansion of the program.

For the near future, the active fleet will be maintained at a level of 817 ships, of which 382 will be warships. In 1961, the Navy will receive from construction 29 new ships representing more tonnage than was received in any one year since World War II. Two Forrestal-type aircraft carriers, the first nuclear-powered carrier, 9 nuclear submarines and 7 guided missile frigates are included. Heavier and more powerful modern naval aircraft are being introduced into the force. Meanwhile, Congress provided funds for fiscal 1961 to institute a ship-building program of 31 new ships; to continue the fleet rehabilitation program for 14 more World War II destroyers; and to procure advanced aircraft such as the A3J (supersonic), F8U–2N and F–4H.

Significant missile procurement will continue. Included will be fleet air defense missiles like the Talos, Terrier and Tartar, plus additional quantities of the air-to-air missiles Sparrow and Sidewinder. As examples of our lead over Soviet naval forces, the Terrier is a good example—a solid-pro-

[42] House defense report, fiscal year 1961, p. 29.
[43] Ibid., pp. 30–31.
[44] House defense hearings, fiscal year 1961, I, p. 5.
[45] Glass, op. cit., p. 18.
[46] House defense hearings, fiscal year 1960, I, p. 546.
[47] House defense report, fiscal year 1961, p. 15.
[48] Ibid.
[49] Ibid., p. 11.
[50] House defense hearings, fiscal year 1961, I, p. 9.

pellent surface-to-air missile, it can be launched from a cruiser and has a range of 10 miles, with an advanced version with greater range in production. The Sidewinder is now operational and has been supplied to several allied air forces, and features a range of up to 11,000 feet at 50,000 foot elevation, along with accurate infrared heat-seeking guidance. Development of the Eagle long-range (100 mile plus) air-to-air missile will some day mean a new departure since it could be launched from long, slow patrol type aircraft. The Corvus will serve as an air-to-surface stand-off missile of supersonic speed and range of over 100 miles, while the Astor, Subroc and Asroc will fire at submarines from other submarines or surface ships.

As a summary statement on U.S. naval forces today, we turn to Admiral Russell, Vice-Chief of the Navy, who said that "the United States has the strength to maintain control of the seas today. This strength embraces a versatile and diversified capability for limited and general war on the one hand, while on the other it permits a selective demonstration of strength in the cold war as may be required in support of our national policies. Naval forces, due to their mobility at sea, might comprise the major residual capability following an all-out nuclear exchange." [51]

AIR FORCE

Other than the "missile gap" commented on in the last section, Soviet aviation itself includes but 20,000 modern aircraft plus about the same number of obsolete planes in reserve. The tactical command contains about one-half of the total air strength, continuing the traditional emphasis on the importance of ground combat.

However, there has been a recent emphasis on long-range aviation capability in the Soviet Union. From a copy of our B–29, the Soviets have increased their posture in this field to the point where their strategic manned bomber force is second only to our own. Both their Badger (medium jet bomber) and Bison (heavy jet bomber) are capable of delivering nuclear weapons.

The Badger has a maximum speed of about 600 miles per hour, and an unrefueled combat range of 1,500 miles, while the Bison, of about the same speed, has a range of about 2,700 miles. The use of bombers as tankers to develop refueling capabilities has cut into the number of bombers available for long-range bombing missions.[52]

At one time, General Twining reported to the House Appropriations Subcommittee that by 1959 Russia could have 600–700 long-range bombers. Reduced estimates of Soviet bomber forces by January 1959, were explained as either meaning that Russia had experienced technical difficulties in the operation of these planes or that the drop was a matter of policy in concentration on other weapons such as missiles.[53] Thus the Bison, with a general performance somewhat similar to our B–52 but with a somewhat shorter range, has been downgraded in Soviet intentions as contrasted with capabilities.

In contrast to this picture, the United States has four to five times as many intercontinental jet bombers and somewhat more medium jet bombers, supported by a large fleet of refueling tanker aircraft. The U.S. long-range bombers are being equipped with Hound Dog air-to-surface missiles which can be launched up to 500 miles away from the target. This force is manned by experienced crews, capable of delivering night or day with pinpoint accuracy bombs whose individual explosive power is greater than all bombs dropped by all bombers, enemy and Allied, during the entire course of World War II.

We are continuing to improve the tried and proved manned bombers. The budget for fiscal 1961 includes funds for B–58 supersonic medium bombers, B–52 H heavy bombers with the new turbofan engines, and the associated KC–135 jet tanker. Hound Dog missiles and Quail decoy missiles are provided in the budget to be carried by the B–52's, improving greatly the penetration capabilities of our manned bomber force.

Funds are available to continue development work on the B–70, designed to fly at 3 times speed of sound. Two prototypes of this advanced bomber will be available for flight testing, so that the Air Force will be in a position to determine the future course of its development. Many have felt that the $5.5 billion program scheduled for the bomber to be operational by 1965 was optimistic both in terms of cost and time period, especially in view of its duplication of four strategic ICBM systems and its questionable advantages over the B–58. Meanwhile, the B–58 supersonic bomber program is progressively being built up to three wings. Protected by the capabilities of airborne alert, the 15-minute BMEWS and research on the MIDAS 30-minute system, a SAC manned bomber program will continue to form a major part of our deterrent strength.

A brief summary of our future ICBM capabilities shows the Atlas as now operational, with additional missiles becoming operational within the next several months. The Titan will be operational in 1961, with the Minuteman scheduled to be operational on or before June 1963. The Atlas will be built up to 13 squadrons and the Titan to 14 by 1963, with all but the first few Atlas squadrons hardened. The Minuteman, of course, promises mobility rather than hardening alone, and progressive expansion of this solid-propellant missile will go on after 1963.

Though the program for the Air Force in fiscal 1961 shows a reduction of 2 wings because of the phase-out of aging B–47 medium bombers, the House subcommittee feels that "total retaliatory capability will continue to grow despite this reduction as B–58 medium bombers and additional B–52's with their Hound Dog and Quail missiles are delivered.[54]

Delivery of the nuclear-capable F–105 attack aircraft and more tactical missiles, plus procurement of 760 aircraft, an increase of 200 over the quantity purchased in 1960, insures an improved aircraft program for 1961. Included are additional quantities of the improved B–52 H heavy bomber, the B–58 medium bomber, the KC–135 jet tanker, all already mentioned, plus the supersonic F–105 fighter-bomber, the supersonic, all-weather F–106 interceptor and the C–130 and C–135 type transports.

Among the missiles still in development, the Skybolt would double the range presently achieved by the Hound Dog, hurling at hypersonic speed 1,000 miles to its target from B–52's and B–58's. The Longbow has now supplemented the Crossbow as a development antiradar missile, designed to home on enemy sites as defense measures for incoming U.S. bombers. Siam (supersonic low-altitude missile) will have a range of over 6,000 miles under a nuclear ramjet power system now being developed.

Air Force comparisons were best summed up by Secretary Gates, who stated that "manned bombers are still the primary means of delivering heavy nuclear weapons in the volume and with the accuracy needed to strike a decisive blow. In this category, the United States far excels the U.S.S.R. We have several times more intercontinental jet bombers and more medium jet bombers. We enjoy a marked qualitative advantage and can claim credit for the most experienced bomber crews in the world. We are well ahead of the U.S.S.R. in air-to-air refueling capabilities, air-to-surface missile development, and other important air warfare techniques.[55]

RESEARCH AND DEVELOPMENT

Our overall research and development program includes over $200 million a year for projects assigned to the Advanced Research Projects Agency (ARPA). Among ARPA projects are included ballistic missile defense, which takes up approximately half the appropriation for fiscal year 1961; solid propellent chemistry; materials research; communications satellites; navigation satellites and tracking.

All services have some space development occurring at a rapid pace, attempting to do things in space that will permit the services to better do their respective jobs on land, on the sea and in the air. The Navy, for example, is taking over the transit space system from ARPA, as the Army takes over Notus and the Air Force Midas, Samos and Discoverer. This is in line with the theory that more interest and enthusiasm will occur where projects are placed in the service that has a substantial interest.

Some of the more amazing accomplishments planned for the future include for one the Navy Typhon, which will be effective against submarine-launched ballistic missiles, tracking down and shooting these missiles when they are coming out of the sea. As Representative FLOOD said, it was like "knocking down one bullet with another bullet." [56]

The Army has design-tested an armored vest with a ballistic collar to decrease neck wounds—it is expected to reduce wounds in this vital area by 11 percent based on Korean war experience figures.

Meanwhile, the Air Force will test next winter an ice-jet snow and ice removal vehicle which would not only melt the ice and snow on runways, but actually evaporate the resulting water.

In the area of CBR warfare (chemical, biological and radiological) appropriations have been raised from $35 million in fiscal 1959 to $57 million in fiscal 1961. In hearings on the fiscal year 1961 budget, Dr. William Summerson, Deputy Commander for Scientific Activities, Research and Development Command, stated that "with this budget we expect to have in the time from 1963 to 1965 a program to give us for defense the following items: an improved alarm for the rapid warning against chemical agents; vaccines for defense against these biological warfare agents where vaccines are known to be satisfactory at the present time; and we expect to have adequate nerve gas treatment." [57]

In summarizing our research, development, test and evaluation at present, Dr. H. F. York, Director of Defense Research and Engineering, said, "I believe that the R.D.T. & E. program presently under way and planned for fiscal year 1961 by the Department of Defense is in proper balance with the other important defense programs and that it is adequate to support our national military objectives." [58]

SUMMARY

Former Assistant Secretary of Defense W. J. McNeil used to graphically illustrate the differences in our economy with Russia by suggesting that we imagine swapping our economy with that of the Soviet Union. At present, this would entail our abandoning

[51] Senate defense hearings, fiscal year 1960, p. 194.

[52] Glass, op. cit., p. 13.

[53] House defense hearings, fiscal year 1960, I, 18–19.

[54] House defense report, fiscal year 1961, p. 33.

[55] House defense hearings, fiscal year 1961 I, p. 3.

[56] Ibid., VI, p. 401.

[57] House defense hearings, fiscal year 1961, VI, p. 292.

[58] Ibid., VI, p. 18.

three-fifths of our present steel capacity. We would have to destroy two out of every three hydroelectric plants and get along on about one-tenth our present amount of natural gas. We would rip up about 14 of every 15 miles of paved highway and 2 out of very 3 miles of railroad tracks. We'd sink 8 out of every 9 oceangoing ships, scrap 19 out of every 20 cars and trucks, and shrink our civilian air force to a fraction of its present size. In reducing our standard of living to one-fourth of what we presently enjoy, we would destroy 40 million television sets, 9 out of every 10 telephones and 7 out of every 10 homes.

Even if the goals of the Soviet 7-year plan are attained in total, a remarkable achievement, Soviet economic capacity in 1965 would still be significantly below that of the United States today. Their crude steel capacity by that year would reach 90 million tons—our pre-Korean level. Even conceding the Soviet Union a 6 percent growth rate in gross national product to our 4.4 percent, the gross national product gap would grow to $345 billion (630–285), a rate of over 2 to 1 and an absolute gap of over $90 billion in excess than the difference today. In light of the close relationship between economic policy and military posture, the Soviet Union must give great weight to the problem of alternative uses of limited resources in military as in economic progress.

Perhaps the best military summary would be a similar exchange of military capabilities with the Soviet Union:

In ICBM production, we would have an operational ICBM, but so would the enemy. If we went ahead with first-generation ICBM's, we would have more in a few years, only to be faced with successful enemy development of second-generation ICBM's and submarine missiles, flexible and reliable. These would be moving into the enemy arsenal while we still sought to achieve mathematical first-generation ICBM supremacy.

As previously recounted, our jet bomber force would be faced with a nuclear force four to five times as large. Our continent, virtually defenseless, would be faced with enemy bomber forces operating from bases in Bermuda, Hawaii, Alaska, Venezuela, and Newfoundland. We would have nothing comparable to the power of thousands of fighter aircraft, bombers, tactical missiles, pilotless aircraft, and IRBM's at dozens of bases scattered through nearby Canada, Mexico, and the Caribbean Islands.

Remember that in air defense we would have a few ground-to-air missiles clustered around our metropolitan centers and elsewhere would have only antiaircraft guns. The enemy would have a worldwide system of radar warnings, a powerful all-weather fleet of jet interceptors, substantial ground-to-air missile bases and promising developments in antimissile missiles.

On the ground, lest we forget, we would face one-fourth million nuclear-armed enemy troops in Mexico and Canada and these would be allied with large and powerful forces of other nations in our own hemisphere. Our large ground troop array would be required to maintain internal security, to defend our borders and to maintain our domination of a restless satellite empire.

On the sea, enemy naval forces would be cruising a few hundred miles off our coast, with aircraft carriers capable of launching nuclear bombers, and Polaris submarines, soon to join the fleet, ready with 16 missiles each. We would have nothing comparable.

Finally, let us not overlook collective security. With our tinderbox of satellite nations subdued by military dictatorship, we would face enemy allies of free men banded together in collective organizations and treaties ringing us with 250 strategically located bases for planes and nuclear missiles in addition to ground forces.

As President Eisenhower outlined the force some would be willing to swap: "This is a force not unduly dependent upon any one weapon or any one service, not subject to elimination by sudden attack, buttressed by an industrial system unmatched on earth, and unhesitatingly supported by a vigorous people determined to remain free. Strategically, it is far better situated than any force that could be brought to bear against us."[50]

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS

OF

HON. CHARLES E. CHAMBERLAIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. CHAMBERLAIN. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD, study paper No. 8: "The Requirements of Deterrence," by Prof. Paul Peeters, Iona College:

THE REQUIREMENTS OF DETERRENCE

(By Paul Peeters, Iona College)

1. National strategy is not developed in a vacuum. It has to fulfill many tasks. It is subject to variable conditions, and its success depends on an environment which is economic, political as well as ethical.

The complexity of the challenge now facing the United States is best understood when stated in dialectical terms: the dialectic of peace and power, of collective security and leadership, of economic and military strength.

Partisan criticism follows a dialectic of its own. It appeals to idealism when national policy ought to be realistic (nuclear testing). It advocates political realism when a question of principle is involved (Berlin). It opposes unilateral action by the United States when this country must act alone (Taiwan). It calls for decisive leadership when the situation facing us demands evasion (Suez).

The purpose of this paper is to redefine some of the fundamentals of successful deterrence while distinguishing the proper dialectic of national policy from the fatal dialectic of partisanship.[1]

I. PRINCIPLES

2. The Communist threat is presently centered in the growing military power of the Soviet Union. As an ideology, communism is failing. It cannot make decisive advances without using force. If it were not identified with Soviet power, communism would soon lose control over what it has conquered, and slowly cease to be itself. To maintain our military posture is, therefore, the first task of national policy, not only because our survival is at stake, but because peace is the true antidote to communism.[2]

In our partisan debates, we have denounced this interpretation as a naive description of Soviet objectives. We have said that communism in essence was not a military problem, but a great social movement. We have pressed the United States to launch "the greatest political offensive in history," to get out in the marketplace of ideas, to compete for the minds of men, and to tackle the "real" problems of poverty, sickness, and illiteracy. When the time came to resist to Communist probing, however, we made frantic pleas for an all-out military buildup. The balance of power had supposedly shifted to the Communists. We were not ready. The hour was late, and the agenda of the things we had failed to do was long. A war was going to break out. The Communists were not bluffing, but we found ourselves in the straitjacket of past policies, at the brink of war, and alone.

National policy considers Communist power as the core of a many-headed threat. Dialectical partisanship, on one day, denounces national policy as narrowly militaristic. On the next day, it speaks as if we only faced a military threat.

3. The U.S.S.R. has specific strategic assets and specific needs. So does the United States.

By developing our own assets, we can do much to strip the Soviets of their assets and increase their needs. One of the tasks of national policy is to prevent the Soviet Union from doing the same to us. One of the pitfalls of partisan debates is to measure our assets in terms of Soviet needs, and to evaluate our needs in terms of Soviet assets.

4. We do not think in terms of national defense alone, but rather in terms of the total defense needs and capabilities of the entire free world.

Dialectical partisanship seeks to thrust upon us the full responsibility of defending allied countries, but it denies us the right to draw from their capabilities. These countries may refuse to support us, but we are forbidden to do anything alone.

5. Our present strategy is a strategy of total deterrence and graduated retaliation. It is based upon our massive retaliatory power and complementary forces that we must be able to maintain indefinitely for global as well as for limited war.

So defined, national policy leaves no room for partisan controversy. First proclaimed by Secretary Dulles on January 12, 1954, this complex strategy has been consistently enforced by the Eisenhower administration ever since. It has been completely successful. The fact that it survived revolutionary technological changes is a further proof of its fundamental validity.[3]

6. The world is now approaching a condition generally called "nuclear stalemate." The interpretation of this term is of paramount importance.

In our partisan debates, we have often alluded to the administration's "Maginot line" mentality, its reliance upon strategic weapons, and we have denied that there was any balance of terror in existence. Yet we have

---

[50] Speech of February 21, 1960.

[1] Partisanship refers here to a certain type of criticism, and not to the party affiliation of the critic.

[2] As Albert Wohlstetter wrote in the New York Times of June 16, 1960, "we need not sound excessively disdainful about the value of keeping alive. Physical survival is necessary to achieve our other widely shared purposes, even though it is not enough."

[3] Most Americans, including noted specialists, have chosen to overlook the complexity of the Dulles-Eisenhower strategy. In spite of overwhelming evidence to the contrary, they obstinately asserted that the United States had no strategic plan other than knocking down a number of Russian cities in case of war.

One of our favorite techniques of debate consists in pushing national policies into a Procrustean bed—making the administration say more and say less than it actually did—and then we proudly announce that such policies have been abandoned and largely forgotten. In 8 years, the critics have proved unable to move away from the pitiful oversimplifications they had fabricated.

also claimed that war was now impossible. Neither the United States nor the Soviet Union could initiate an attack, no matter how provoking the other side would become. The balance of terror thus existed, after all, and it amounted to signing a nonaggression treaty with Russia, and the only alternative was coexistence.

This again is a dialectical inversion of what national policy truly is. The thought that war is impossible can be a counsel of despair. As President Eisenhower said, on September 30, 1953, there is a tragedy "greater than winning a war," and this "would be losing it." We must be ready to defend if need be by life itself, the values and interests for which we stand. Any willingness to abandon our values would only give to the Communists the hope of achieving their goals without war.

National policy also holds that military superiority is a notion that has lost much of its meaning in the atomic age. Since we occupy a defensive position, however, and we want to deter the aggressor, this depreciation of military power benefits us.

Finally, the administration never said that the very existence of nuclear weapons created a reliable balance of terror. A nuclear stalemate is not a static condition. It is in our power to develop a strategy and the means to implement it that would give us global superiority over Russia in spite of a numerical inferiority in some sectors.

7. The adequacy of our military posture is under constant review. The opposition has legitimately disclaimed major responsibility for defense planning, and the administration has never claimed having discovered any magic formula for achieving perfect security—a formula that would never have to be adjusted to changing circumstances.[4]

No fundamental change in our present strategy has proved to be necessary yet. Even if we did not have the will nor the means to implement it at this time, our defense policy would still be valid and necessary. Doubts concerning the adequacy of our military means have induced many to believe that long agreed national strategy had suddenly become controversial or even that it had been discarded. Such assertions are simply not founded.[5]

II. THE DETERRENT

8. "Any orderly balance sheet of military strength must be in two parts," President Eisenhower said on January 9, 1958. "The first is the position as of today. The second is the position in the period ahead."

A. Forces in being

9. Deterrence is achieved, at any given time, only by existing forces. Weapons still in development are no deterrent. Conversely, if weapons in being are adequate, deterrence has been achieved, and we can act accordingly.

This simple point had to be made because it is so often inverted in partisan debates. We often speak as if deterrence today had to be achieved with weapons we did not yet have—the weapons of tomorrow—and as if we had to rely, for future deterrence, on today's weapons—which we know to be already obsolescent.[6]

10. "What you want is enough, a thing that is adequate," President Eisenhower said on February 3, 1960. "A deterrent has no added power once it has become completely adequate." But what is adequate power to deter the Communists from general war? This question must be answered dialectically.

11. "Major aggression is unlikely unless the aggressor has the advantage of surprise and can hope to strike a blow that will be devastating because it is unexpected" (J. F. Dulles, Nov. 10, 1955).

National policy must emphasize the feasibility of a surprise attack upon us, and so undertake whatever measures are necessary to protect the country against it. Now surprise attack is feasible because of the nature of modern weapons and because of the relatively small number of targets to destroy by the enemy in order to cripple our retaliatory capacity. Dialectical partisanship asserts, in contradistinction, that there is no evidence that Soviet planning is based upon a surprise attack against the United States. In other words, we would be preparing ourselves for an attack that would never come.

In order to achieve deterrence, national policy also proclaims the unfeasibility of surprise. A surprise attack is unfeasible because of the countermeasures we take, such as intelligence, warning, dispersal, and hardening; because of our mixed deterrent concept, and also because the enemy can have no advance certitude that our retaliatory potential will be effectively wiped out. For in order to be successful such an attack must strike all targets at the same moment. It must destroy most of our retaliatory capabilities. A surprise effect measured in terms of minutes must be achieved. Unless these three conditions are actually met, a surprise attack is suicidal.

Dialectical criticism of national policy holds that a Soviet surprise attack is feasible. Striking at a time and with tactics of its own choosing, the U.S.S.R. would quickly recover from the damage inflicted by a small, uncoordinated American force, operating in a postattack environment against a fully altered enemy and evacuated Russian population centers.[7]

12. "Wars have a way of coming about in circumstances that have not been fully foreseen by humans," President Eisenhower said on August 27, 1958. He added that he did not see any reason for saying that "we necessarily have to take the first blow." Consequently, we are not basing our requirements on just bombing the Soviet Union for retaliation purposes. A valid deterrent thus includes the capability of attacking the enemy's military power before he has the possibility to bring complete destruction upon us.[8]

The critics have disassociated themselves from the suggestion that we must contemplate striking first. Having so ruled out the possibility of any preemptive action from our part, they have exaggerated both the destructive power of our strategic forces—for they assumed that these forces would be exclusively used for retaliation purposes—and the relative weaknesses of our retaliatory capacities—since they assumed a postattack environment.

The validity of national policy on this point is not open to question. The application of counterforce will be necessary in situations where the national survival is at stake in order to blunt the forthcoming attack upon us. The secondary aim of a preemptive action will be to paralyze Soviet postretaliatory operations. We are not going to prevent war unless we have the capability to initiate a war and the power necessary to engage the enemy.

It is not in the national interest, however, to make the distinction between retaliation and counterforce any clearer than necessary to deter a potential aggressor.

13. "No responsible person would contend that our present defenses are inadequate to our needs," Senator L. JOHNSON said on February 23, 1960. "The real issue," he added, "is whether the course we are following will continue to build our defenses at the needed rate. In other words, in the foreseeable future, will we have enough power to meet the anticipated power of a potential enemy? This is of vital importance, because today defense requires a leadtime of a number of years. The decisions we make today will set the limits of our power for some time to come."

B. The foreseeable future

14. The progress accomplished in stabilizing military planning and procurement during the two Eisenhower administrations contrasts strikingly with the chaotic decade that preceded his tenure of office. The principles that guide our present policy for the long-range outlook cannot be reasserted too strongly.

15. Mr. Robert Sprague has testified on February 24, 1960, that "the idea that an increase in spending for survival will bankrupt us is, to put a plain word on it, silly." The question—as he saw it—"is whether we are willing to use a small fraction of our increased wealth for the defense of our way of life." We would rather be safe than sorry. If we increase our defenses and if they are not needed, all we lose is money.

The emotional simplicity of this argument is apt to deceive. No matter how much we spend, we will not have absolute security. In addition, the critics are satisfied with simply begging the question. They assume that increased spending is needed for survival; that the administration has claimed that such an increase would bankrupt us; that the American people would not consent to it if it were proved that it is needed—the very points that the critics had to prove.

The truth of the matter is far from simple. The long-range outlook is for an endless series of attempts on both parts to achieve

---

[4] See, for instance, J. F. Dulles' article in Foreign Affairs, April 1954.

[5] As H. W. Baldwin wrote in the New York Times of Feb. 14, 1960, "we have not really outgrown the Victorian age of our security. Despite nuclear weapons, jet planes, and missiles we yearn for and half believe in the possibility of a return to the security of yesterday."

In 1954, the Dulles-Eisenhower strategy was described as stillborn. With the advent of tactical nuclear weapons in 1955, the critics declared that the policy had been finally interred. In 1956, some merits were recognized to it, but only for the pre-Bison era. The same was said in later years of the pre-sputnik and the pre-ICBM periods. In spite of its many lives and in the eyes of those who criticized it so relentlessly, the policy was never good.

[6] To give to the American people what he later called a "ballpark feeling," Gen. T. S. Power, SAC's commander in chief, said on Jan. 19, 1960, that "with only 300 ballistic missiles, the Soviets could virtually wipe out our entire nuclear strike capability within a span of 30 minutes." He never meant to say that the Soviet Union had the means to do so. He had said, on the contrary, that "if the Soviets decided to launch a surprise attack on this country today, they would have to rely mainly on their long-range bomber force," a force that was, in his own estimation, inferior to SAC in every respect. If, God forbid, we should ever fall behind Russia militarily, it would be soon enough to adopt what Senator KENNEDY once called the "underdog strategy," then, and not a single day before. But if we are strong, why should we act as if we were weak? Nations seem to have as much difficulty as individuals to live in the present.

[7] As Secretary Gates noted on Jan. 13, 1960, we are dealing here with "a complex situation under changing circumstances." The Soviet Union could have more missiles than we have, but numbers alone are misleading. "Factors that deal with time of warning, relative hardening, dispersal, mobility, and most important, accuracy must also be considered. If you change any factor in this formula you change the result."

[8] To quote from the House Appropriations Committee's recent report on the Defense bill, "this is an element of deterrence which the United States should not deny itself. No other form of deterrence can be fully relied upon."

a certain military balance at one's advantage, and to unbalance any balance temporarily achieved by the other side, with overall costs and danger projecting upward. Continuous technological advances and the inflexibility of military procurement mix up with budgetary limitations that cannot be removed just by brave talk and wishful thinking. As Secretary of the Navy, R. B. Anderson, said on March 9, 1954, we must choose between "too little and too late and too much and too soon."

In that connection, it is well to remember that we ought to be able to move quickly into any breakthrough in good and reliable weapons that we can get; that we often have to reserve judgment as to what we might want to do about weapons still in development, and yet have the capability to decide at a later date, to procure them. This is being done by the administration. Funds are being requested by the Department of Defense to exploit promising developments and to expand or accelerate programs, such as Polaris, when progress achieved proves this wise. Finally, the administration has repeatedly stressed that it would not hesitate to depart from its long-range programs in an emergency and to take any necessary measure.

16. To give to the world at large the impression of a country that does not know what it wants is the one thing that we cannot afford. "We want to keep adequate forces and we want to keep as strong in our hearts and our heads as we do in our military," Mr. Eisenhower said on March 11, 1959, "and then carry forward our policies." It would be foolish indeed to be pushed off the plans we made "time and again by something suddenly described as a crisis. What we have to do is to stand steady * * *, to be alert, to watch what we are doing, and to make certain that we know how and where we would have to produce action, if action became necessary."

17. The administration has tried to achieve what George Washington called "a respectable military posture." Our defense policies should not induce the enemy to overestimate his own needs. Such a prolification of weapons would only increase the dimensions of our own task. The position of relative superiority that we should attempt to maintain should be measured and rational. One of the greatest merits of our present strategy is that it allows us to reconcile the principle of relative superiority with a nonprovocative defense effort.

As long as our deterrent remains adequate, the U.S.S.R. would do well to act in conformity with the basic law of a nuclear stalemate instead of wasting its resources on first generation ICBM's. It has no reason to engage into crash programs, but should rather tailor its own defense effort to the size and nature of our forces. And for the same reason, we should consider what the Russians actually do as closely as what they are supposedly capable of doing.

18. It remains, however, that we have now entered into a period of transition. When we have hardened and mobile missiles and a mixed deterrent, we will find ourselves in a condition that will be much more stable than the one in which we are today. As General Power pointed out, we will then reach a point where even surprise attack would not substantially minimize the risk of retaliation.

The point is that we will soon have the possibility to build up a relatively invincible deterrent. The issue is whether we should do so as rapidly as we know how and without stretchout. There is no question of whether it should be done—and it will be done.

19. A potential aggressor primarily needs counterforce capabilities, and we need a deterrent which is indestructible. If our deterrent cannot be destroyed, the enemy is not in a position to calculate that aggression is a paying proposition.

The size and composition of our deterrent is mainly determined by its counterforce function. If we possess a mixed, flexible, and numerically adequate deterrent, the enemy would be forced to develop a retaliatory deterrent.

If counterforce on either side is neutralized by retaliation on the other side, the notion of deterrence would undergo a qualitative change. Together with large land armies, attack submarines, and air defenses, the ICBM would be relegated to a role of passive deterrence. This weapon might be well suited for the initiation of a strike, but it can hardly be fired on the basis of warning. Before retaliating, a country that feels threatened must make sure that it is attacked. An important advantage would then accrue to the country that could engage in active deterrence.

Active deterrence refers to weapon systems that can be deployed without automatically unleashing general war, and it also refers to diversified deterrence: Manned aircraft armed with ballistic missiles, aircraft carriers, missile submarines, reliable alliances, nuclear stockpiles in allied countries, and national deterrents.

Obviously, the United States is in a much better position than the Soviet Union to develop active deterrence.[9]

20. The United States enjoys, at present, a global strategic superiority over the Soviet Union. But we can assume, for argument's sake, a Russian numerical superiority in strategic missiles. SAC's ability to penetrate Russian territory does not need to be proved any longer. Recent events have served to illustrate that the nuclear balance is more stable than generally believed in the sense that it cannot be upset by any single advance or temporary superiority, even in a weapon as critical as the ICBM.

If it were to materialize, the missile gap would not be a deterrent gap. Under the cover of adequate deterrence, we can develop our own programs without engaging into wasteful emergency measures or investing heavily in interim weapons. This only applies, of course, to weapon systems that are known to be of limited or temporary value; and we should keep in mind that we are dealing with one of the most unstable empires in history.[10]

21. If followed, the principles now guiding national policy will enable us to maintain our deterrent posture in the foreseeable future. "If you will take the things that the Soviets could probably do 3 or 4 years from now, and then we sit like we are now and do nothing, well, that's a different story. Now, as we go ahead, they will go ahead," President Eisenhower said on February 3, 1960. "Three years from now, if we are working as hard as we do now, we are going to be in the same relative position."[11]

III. COMPLEMENTARY FORCES

22. From 1953 to 1956, the Eisenhower defense program, achieved within the limits of sound budgetary practices, has been criticized on the ground that national security had been placed in jeopardy because too much emphasis had been put on air-atomic power. Advocating a conventional strategy, the critics demanded more Army divisions, more airlift, more of everything.

The controversy then shifted to the B–52 program. The critics suddenly became the apologists of a supermassive retaliation concept. They demanded an overwhelmingly superior deterrent.

A year later, the B–52 was described as a major blunder in view of Soviet concentration on the ICBM. The Russians had supposedly led us to believe that they were building a great long-range bomber force, and we had fallen for it.

The grave inconsistency of such an approach was disguised by accusing the administration of having placed economy ahead of security. The limits set by budgeteers had caused reductions in conventional forces as well as the inadequacy of our retaliatory forces.

Taken as a whole, the partisan argument is fraudulent. The adequacy of our conventional forces is a problem that must be treated in context, but separately. As we shall see presently, the critics have taken it out of context by failing to discern that local defenses and conventional forces were complementary to the deterrent; and they have refused to discuss the problem on its own merits by failing to distinguish it from the problem of deterrence.

23. The conventionalist argument generally proceeds in two parts. It is first said that "massive retaliation is a two-way street." The deterrent cannot be used. In case of war, we will have to fall back on conventional forces which are said to be utterly inadequate as compared to Russian forces. The critics secondly refer to ever-renewed cuts in military personnel, to the aging of the fleet, to the obsolescence of MATS planes, and so forth.

24. This obviously relates to the hypothesis of total war. Now if a general war started with a massive surprise attack and counterattack, neither the United States nor Russia would possess the ability to move large amounts of personnel and materials; nor would they be in a position to engage at once in large-scale operations. In that first phase of a general war, a fraction only of our conventional forces—airlift, for instance—would directly support our retaliatory actions; the balance would be used for operations that can be called, at best, holding actions.

Our present defense program recognizes the criticality of the initial period of a conflict. It is tailored to assure the full combat

---

[9] Active deterrence does not nullify passive deterrence, of course. Assuming a condition of stalemate, critics have often ascribed this active deterrent function to defensive weapons—such as the antimissile missile—and to conventional forces. This problem is partly discussed below. Mobile forces for intervention in local war situations are part of an active deterrent, but conventional forces as such are not. Active deterrence has also been confused with counterforce.

We must also keep in mind that in a general nuclear war, missile forces cannot "destroy their enemy counterpart without destroying the corporate body of the enemy state itself" (Adm. A. A. Burke, Feb. 20, 1959). This also tends to reduce the difference between retaliation and counterforce.

[10] As a matter of fact, the administration's decision to bank on second generation ICBM's has already proved to be right. It is not a matter of speculation any more.

[11] See the statesmanlike speech of Representative MAHON in the CONGRESSIONAL RECORD of May 3, 1960. "If we continue to maintain our bomber strength, our oversea bases and military personnel, and our fighting ships, and if we move forward as planned with our long-range missiles, and if we develop a strong and thoroughly dependable airborne alert, and if we move along with our ICBM detection systems as planned," the Representative said, "I see no reason why there should be a deterrent gap during the next 3 years. I believe we will move forward. Therefore, in summary, I would say there should not be a deterrent gap during the next 3 years."

capability of the primary forces at any given time.[12]

Would the enemy ever start a full-scale conventional action, daring the United States to use its deterrent? By doing so, he would lose the benefit of surprise and expose himself to a preemptive action. Such an extreme provocation as a direct offensive against us is inconceivable in the atomic age. It means all-out nuclear hostilities.[13]

25. Our inability to rely upon conventional forces for deterrence of general war does not stem from a lack of will or a lack of means, but from the very nature of the problem. The advent of nuclear power has forced us to revise not only the size and composition, but the very character of security. The critics often seem to consider nuclear weapons as conventional weapons of unusually large yield. They still seek to integrate the notion of deterrence into the strategic patterns of the past.

If conventional forces are to be increased considerably, we would need a defense effort that would amount to mobilization. Now, mobilization would not reduce world tensions; it would not diminish the risk of Soviet attack; and it would make sense only if we were able to predict when the attack would come. But, as the President said on April 23, 1953, "for anybody on a defensive position to base his defense on his ability to predict the exact date of attack was crazy."

The opposition was careful enough never to determine the levels of force that should be set up to meet its own criticisms. It was satisfied to pretend that the ideal Army should have 925,000 men instead of 870,000, or to propose an increase in military expenditures of $3 billion "for immediate defense needs." None of the changes ever proposed in this fashion would justify scrapping our present defense plans or shifting to a conventional strategy.

Such gimmicks are all of doubtful honesty, but none is more unworthy of us than the assertion that, if more imagination had been displayed, we would have long found the solution to our problems. The grandiloquent, amateurish call for fresh ideas always leads to the accusation that the arms race and the cold war are the only grand strategy we have.

The fact is that a workable alternative to our present strategy has not yet been formulated and that the critics are most vulnerable on this point. Whatever can be said to rationalize such an abuse of the democratic process, it is unpatriotic and irresponsible to pull national policy to pieces on such a vital point without replacing it by something better.[14] The debate on the adequacy of our complementary forces thus limits itself to the limited war problem.

26. In a typical inversion of national policy, we have spoken derisively, in our partisan debates, of "massive retaliation," and advocated "graduated deterrence." But the notion of graduated deterrence is nonessential. It is in the nature of deterrence to be total or not to be.

Any aggressor must be put on notice that his aggression will be met with appropriate retaliation. If war breaks out, in spite of our efforts to prevent it, deterrence has admittedly failed, but only to a point. For it remains necessary to stop the aggressor effectively, and to prevent the conflict from spreading.

Graduated retaliation means that a variety of responses to military aggression is feasible. It refers to the flexibility of striking power that we possess. We do not have to resort to the most destructive weapons.

The gap that existed between the largest TNT weapon and the tactical nuclear weapon of the smallest yield has been largely eliminated. The small yield of tactical nuclear weapons makes their use in local hostilities more likely. And the continuity that exists between chemical and nuclear firepower allows us to use nuclear escalation. The means of retaliation are thus available. They are credible. They are graduated.

It has been said that anything that has to do with atomic power is too dangerous because the enemy would retaliate in kind; weapons of a larger and larger yield would be used on both sides, and the conflict would eventually graduate into total war. This is another dialectical interpretation of national policy. Partisan criticism believes in escalation in reverse—a crude notion that combines lingering ignorance of nuclear tactics and neurotic self-criticism. For nuclear escalation tends to limit retaliation and it makes it feasible to achieve total deterrence with tactics of limited warfare.[15]

27. Many say that local war is more likely than total war. This truism is relative to the insanity of total war. Under a total deterrence policy, local war is irrational because retaliation is certain and because the aggressor's limited objective does not justify his taking great risks upon himself. If the expected gain is small, the risk is comparatively large.

The perpetuation of a well-planned aggression in cold blood and with considerable means as in Korea seems almost unthinkable today. If it were to break out, however, it would justify some strategic bombing of the enemy and certainly call for the instant use of tactical nuclear weapons. Aggression would then cease to be a paying proposition.

Let us repeat that any discussion concerning our present or future ability to wage limited war must start from the realization that our deterrence policy tends to reduce the scope of any likely limited war. Local situations likely to develop fall into the following categories: (i) War situations in which the United States cannot intervene (Hungary, Tibet); (ii) civil wars or very limited outbreaks calling for what President Eisenhower has called "police actions" (Lebanon); (iii) preventive deterrent actions which do not actually lead to hostilities (Syria, Quemoy).

Considering the nature and the scope of likely situations, the forces that we possess—both conventional and nuclear—are ample, even if their mobility and general effectiveness could be much improved. And they are supplemented by substantial allied forces.[16]

28. The United States shrunk from employing the atomic bomb in Korea. Our allies apparently opposed its being used during the Dien Bien Phu crisis in 1954. The fact that it can be used, however, must be included in the equation of any potential aggressor. In addition, it is not so certain that past indecision deserves praise. Declarations have been made since that time, which clearly intimate that the United States would make a decisive use of its atomic potential right at the outset of any clear-cut aggression of the Korean type.

In view of the risks involved and the limited gain to expect from local aggression, the Soviet Union would be well advised to deter its own satellites from committing aggression by refusing to promise to supply them with atomic weapons of sufficient yield and in sufficient numbers. And it is entirely safe to assume that it would never surrender nuclear weapons to its European slaves, nor allow them to fabricate these weapons under national control. It might not be able to impose the same restrictions on Red China. Now, the position of the United States vis-a-vis Red China is exceptionally secure: atomic weapons are well fitted for the type of retaliatory actions as would be needed against Red China. Finally, to threaten atomic retaliation in order to deter local aggression does not impose any obligation upon us to do so in actuality. We must and can decide in the light of circumstances and according to our own interest.

29. We do not have to be 100 percent ready for any kind of military emergency that could possibly arise, particularly those local situations which do not directly threaten our vital interests. As President Eisenhower said on December 15, 1954, he would, as Commander in Chief, "rather improvise and resort to expedient in little wars than he would in big wars. He would rather cast and mold his security arrangements to meet the great threats to the United States, and take the others, as far as he could, in his stride." Most of our forces could be used in limited wars. Any effort to categorize the various elements of our power is, generally speaking, arbitrary.

30. No strategy would be more unpopular in this country than a strategy necessitating the commitment of ground forces. President Eisenhower's defense policy conforms to our idiosyncrasy.

IV. CREDIBILITY

31. The Soviet Union is well informed of the reality of our military power, and real power is always credible. Therefore, when we ask ourselves the question whether our deterrent policy is credible, we seek a moral alibi. The real question is whether we believe in it, and this is also the only question the Russians ask themselves. In both cases, the question is about ourselves.

The dialectic of partisanship suggests that we cannot threaten the U.S.S.R. with total destruction if, by doing so, we threaten our own existence. Either we do not mean what we say, or we resign ourselves to the folly of nuclear war.

This dilemma is obviously deceitful: It excludes the alternative of successful deterrence which is, to say the least, as valid as

---

[12] The administration has never claimed that a general nuclear war would be short and that it would not necessitate the engagement of ground forces. The term "primary forces" is not synonymous, therefore, to strategic forces. It refers to those forces that will be primarily employed during the first, short, and most violent phase of a general nuclear war.

[13] The same remark applies to the various things the Soviets might do to alleviate their military problems before a general war starts, such as the destruction of our Polaris submarines one by one.

[14] The critics may think that they have made a constructive speech when they list a number of things that could be done to strengthen our defenses without explaining how and why these things should be done. This practice is dishonest and also unintelligent. The classic doctrine that all requirements for assured security must be met is long bankrupt. Balanced security obviously involves some calculated risks. And the reasons why we must deliberately forego some military capabilities are not all budgetary.

[15] This must be understood in the light of the two following paragraphs. I certainly do not mean to say that escalation suffices for achieving total deterrence. It is one of the elements that makes it possible to achieve total deterrence with means of graduated retaliation.

[16] In all fairness to the opposition, we must recognize that there are limitations to the shrinkage process which has affected the effectiveness of our ships, planes, and military personnel. But the urgency of this problem is relative to the fulfillment of essential tasks, and, except for the limited force we need for coping with peripheral aggression (a force which already is in a fine state of readiness), the problem will never have absolute urgency, as the critics seem to claim.

bluff and madness. If our threats were not credible, who would be to blame? Is it too much to expect from Americans that they denounce, in the same manner, Russian bluff and bluster? But if Russian threats are not credible, we have achieved deterrence; and if ours were not, we would have to use graver threats still.[17]

32. The balance of terror is often considered as precarious because the risks of upsetting it are catastrophic. Some people have said that our deterrence policy was irrational because of the degree of rationality it required.

If the risks of upsetting it are great, the balance of terror is relatively stable, and not precarious. For the same reason, the rationality expected from a potential aggressor is elemental. If he does not possess the degree of rationality needed for the success of our deterrence policy, he is insane.

There remains, of course, the possibility that he might challenge us in a fit of madness. Any proof of irrationality in Soviet conduct might force us to change certain features of our present defense program, and to gather more strength for an emergency. It would not be a reason to weaken in our determination to deter a potential aggressor.

33. Much of the debate concerning the credibility of deterrence is academic. We must make it clear that, in case of general war, the U.S.S.R. cannot count upon the effect that a wavering public opinion would exercise upon national policy. Our actions would be instant and long underway before the impact of Soviet destruction would be felt.

The decision to intervene in certain limited war situations can prove to be agonizingly difficult, but no less difficult than the decision not to intervene. In both instances, public opinion will exercise no immediate effect on policymaking.

The study of our recent debates conclusively proves that the noxious effects of partisanship on national policy begin to appear long after the country has already been committed to a policy of resistance and, not infrequently, when resistance has already paid off. This was particularly evident during the two Quemoy crises.

34. National policy suffers most at the hands of domestic public opinion in situations where the enemy is just probing. This is the paradox that we create by our divisive controversies. Our deterrence policy seems to be at its worst when its credibility is actually greatest and where its success ought to be complete and painless.

It is safe to assume that the Soviet Union would not advertise any impending strike by grand maneuvers on the cold war front. Conversely, the Byzantine labors of Soviet diplomacy are wasted as soon as we unmask the threat that they intend to communicate.

The dialectic of partisanship tends to take any Communist threat at face value. Something must be done about it, or a thermonuclear disaster would ensue from our failure to act. The administration is accused of waiting, like Mr. Micawber, for something good to turn up.[18] At the same time, Soviet motives are scrutinized again and again. The crisis is traced back to some of our blunders. And self-appointed augurs divine, from their prejudiced standpoint, the erratic movements of world opinion.

Any credibility is also denied to national policy. As recent history so clearly demonstrated, the need to deter is taken as the proof that deterrence has failed. "Why did policy go so wrong," the critics ask, "that we have to use threats, land troops, and display such a bellicosity?"

Using the same reasoning process, we would put the blame for broken families on social workers, and claim that the very existence of physicians proves the failure of medicine.

Partisanship finally transforms the reasons why we should be firm into reasons why we should fear. The Government then attempts to counter public pressure. It is inclined to overstate the seriousness of the crisis. The more it does, the more public opinion has an excuse to indulge in hysterics and in self-righteousness. The need to deter and the risk of resistance to Communist probing come to be so exaggerated that a certain gratitude is experienced toward the Communist leaders when, sure enough, they decide to relax the tension, at their own time, by announcing that the attack has been postponed or by acting better than expected. Everyone knows that there was no crisis until they created one. Yet the Communists are given the semblance of a moral initiative in promoting peace, and their recklessness is never penalized. These are the true crowbar and sledgehammer that we always again hand over to the Russians to wreck national policy.

Deterrent threats are most effective, insofar as the potential aggressor is concerned, when they are stated in general rather than in precise terms, with relative bluntness rather than rarefied complications.

This salutary vagueness often serves as an excuse for public opinion to pretend that our warnings are too vague to be credible. Once more, we analyze the effect produced upon ourselves by our own threats. Such an introverted behavior leads to paralysis, and not to action. It does not fit the powerful leader of the free nations.

V. COLLECTIVE SECURITY:

35. The Indochina crisis of 1954 has dramatically illustrated the need and the usefulness of treaty commitments. The declarations that were made at the time by the United States did not meet with a full measure of success because the juridical basis for intervention was lacking.

In absence of a commitment that is legally binding, we must resort to improvisations and expedients. Indecision and the caprices of public opinion combine to ruin the effectiveness of stated policy, and the enemy's diplomatic moves achieve maximum impact both upon our allies and upon ourselves. Once we are committed, we must either back down or stand firm.

The Eisenhower administration has successfully completed the legal arrangements required for global deterrence. It has been accused of "pactomania." Fearing an overcommitment, the critics have compared our treaties to ominous sight drafts that could be presented in payment at any time.[19]

The fear of overcommitting ourselves is not founded. It is the same enemy that we face everywhere; it is, therefore, in our power to devise a global strategy to oppose him in every place at once. But if we shrink from committing our support to defend any free country threatened with Communist aggression, we would simply invite the enemy to attack that country. Finally, none of the treaties we have concluded since 1953 creates a legal obligation for us to send troops. They just make action possible if and where we freely decide to intervene.

36. The various security treaties concluded by the United States for the defense of the Pacific area and of southeast Asia reproduce the Monroe Doctrine formula. The United States declares that Communist aggression would endanger its own peace and safety, and that it would be met according to the constitutional process.

Mr. Dulles compared these treaties to the fingers of the hand. Each commitment is independent from the others; the United States is thus able to maintain a bilateral relationship with every one of its partners. But the fact that it has given the same commitment to all gives cohesion and unity to the various parts.

It is for that reason that we have decided not to earmark forces for particular areas of the Far East (except Korea), but to develop what Dulles called, on September 15, 1954, "the deterrent of mobile striking power, plus strategically placed reserves." Such forces would be able, he added, to strike at an aggressor "by means and at places of our choosing. The deterrent power we thus create can protect many as effectively as it protects one." If we attempt, however, to be strong everywhere, we would be strong nowhere.

This strategy is peripheral. It insures great flexibility of tactics. It presupposes disengagement.

37. The same complexity, unity and flexibility characterize our commitments in the Middle East. The Eisenhower doctrine is a unilateral declaration of policy which "authorizes the United States to assist economically and militarily nations which want such assistance in order to preserve their independence."

Aimed as it is at Soviet imperialism and military aggression, the doctrine has been denounced as illusory in view of the fact that Soviet aggression in the area seemed unlikely. But if the United States had not aimed at that target, shadowy though it might be, it would have had to foresake the restraining use of its power east of Suez. The fact is that, far from being useless, the resolution was successfully invoked not less than four times in 3 years.

Acting pursuant to the Middle East resolution, the United States concluded special defense arrangements with Turkey and Iran. These two countries acted through Cento, even though the United States was not a party to it. This osmosis effect again proved the usefulness of the doctrine as well as of Cento.

As in the Far East, our strategy is peripheral, and it requires disengaged forces. It is different on a very important point. The two Quemoy crises have shown that, in some instances, maximum deterrence is achieved by insisting upon the feasibility of powerful, albeit, limited, retaliatory actions to which Red China is particularly exposed and for which the type of power we have is well suited. The reverse must be said of the defense of the Middle East. In this case, no deterrence is fully credible unless we refuse, in principle at least, to limit retaliation arbitrarily. The same is true of the European theater.

38. The parties to the North Atlantic Treaty have agreed that "an armed attack against one shall be considered an attack against them all." They also agreed that, if such an attack would occur, each one of them would take "forthwith such action as it deems necessary." The "one for all, and all for one" principle is thus set in opposition with the restrictive character of the commitment; for the parties are not obligated to do more than what they deem necessary. The time has come to resolve this structural antinomy.

Every new crisis produces aspirations for greater allied unity. These are generally short lived. They cannot stand against the realities of allied policy. The reality of NATO is diversity: the special Anglo-Saxon

---

[17] The dilemma of bluff and madness is as fraudulent as the two alternatives of nuclear war and peaceful coexistence (as the Communists understand this term).

[18] As the Berlin crisis proved it, nothing could be done, except to stand on our positions, and nothing would happen, except if we fail to stand firm.

[19] Curiously enough, our treaty commitments were also denounced as parts of a general pattern of policy followed by the administration to lower the level of our military effort.

partnership versus the continental bloc; peripheral positions and the central front; the Bonn-Paris Axis and European integration; the Sword and the Shield; the long overdue renascence of European national pride. An entirely new climate would be created in the Western Alliance if these basic realities were considered as assets to be developed rather than as liabilities to be eliminated as soon as possible.

Allied solidarity is always desirable and constructive, if it is genuine and if it can be achieved without entangling us in hopeless dilemmas. Any unqualified, doctrinaire insistence for increased interdependence and integration would only deprive us of our leadership. Being an association of free nations, NATO must steer a cautious course between the Charybdis of stifling unity and the Scylla of disunity.

This means that the Western Alliance must establish its own rules for mutual independence as well as coordinate the execution of tasks and policies that can be fulfilled best by integrated effort.[20]

39. A national deterrent policy is now pursued, with inadequate means and intermittent determination, by France and the United Kingdom. A separate NATO deterrent has also been proposed. We have, in the main, opposed national deterrents with passive resistance.

The advantages of diversified deterrence are manifold, and they are decisive. The idea of a Europe devoid of any deterrent of its own, entirely dependent upon our own deterrent, and fully exposed to Soviet nuclear attack is inconceivable in the long run. Europe must have a capacity for independent action. National deterrents would face the Russian aggressor with the impossible task of destroying everything before doing anything and they would do much to relieve the European nations of their anti-American obsession, and thus lead to greater allied solidarity. This point must be shortly explained.

It is believed that the diffusion of nuclear weapons would greatly increase the danger of accidental war, and that "a stray bullet could blow up the town." This idea is the fetish of our present approach to the problem. Not only have European countries equal reason to fear an accidental war being started by us, and any war that would be started because of our actions would be accidental as far as they are concerned, but we must recall the distinction that H. A. Kissinger has made in his "Nuclear Weapons and Foreign Policy" between the "nuisance" character that nuclear weapons can have in the hands of a foreign country, and the sophisticated apparatus without which they would have no strategic effectiveness. The number of countries that can achieve strategic nuclear power is very limited indeed.

In addition, a national deterrent is a deterrent under national control, but it is not a deterrent that can be used in actuality for a purely national objective. The only decision that a country possessed with a deterrent of its own can make alone is the decision not to use it. Such a decision might be unwise, from the standpoint of our own interest, but it would have no catastrophic consequences. And if it were used against our will, it would be that our will had become so perverse that we would prefer to be Red than dead.

40. The Western Alliance must be disengaged from the nadir of frustrated nationalism. If this were done, the Allies would naturally seek to improve the effectiveness of their defensive shield. We all agree that there should be a force of all the allies in Europe to confront the aggressor with the necessity of raising violence to such a level that nuclear retaliation would become unavoidable.[21] This force should be integrated so as to engage the whole alliance into the conflict. If disengagement makes no sense for the United States, we can say, with stronger reason, that it is inconceivable for any country so directly threatened as France and Germany.

Integration is a shibboleth today because we consider it as the opposite of national sovereignty. It would make more sense to oppose integration to waste, to inefficiency, and to procrastination.

The fact is that integration is most needed in sectors where a sacrifice of national control is the least difficult to consent. Certain defense tasks—such as logistic support and air defense—cannot be fulfilled at all except on an integrated basis, and as far as they are concerned, national sovereignty is a myth. In other areas—research and procurement, for instance—the myth is that a true sacrifice of sovereignty is at stake. And the same can be said of most diplomatic problems confronting the West at present.

VI. CONCLUSION: THE NATIONAL SELF

41. Like individuals, nations tend to develop a complicated rationale of their own self, and they marshal their best talents to draw a picture of themselves. This picture contains attractive as well as ugly features, both of which gratify the national ego.

Self-accusation is one of the commonest tricks we use to fool ourselves. Unjust, unsincere breast beating does not hurt, and it does not help. But a true insight into what we are, would hurt us. It would also liberate the great, the indispensable force of genuine self-love.

Unless this is recognized, a debate on the national self is worse than useless. It would only serve to undermine national confidence still further.

Let us start, then, from the realization that our national character comprises specific qualities and destructive patterns.

Our weaknesses are not better than Prussian militarism or French chauvinism. They are just different.

There is much room, indeed, for intelligent debate and for self-criticism. At no time of our history was it more necessary to stress that an informed public opinion is essential to the conduct of government in a modern, pluralistic society.

All political philosophers have stressed, however, that injustice begins with meddling. There is no validity in the notion that systematic criticism is a sign of democratic validity. It is a sign of the moral decadence of a free country.[22]

As a people, we have a pernicious inclination for abstractions, particularly those abstractions that put obstacles in the way of moral progress.[23]

The great moral issue of the coming election campaign is whether we will continue to hold a pessimistic view of the national self while ignoring our true faults or taking them much too lightly. Are we going to continue to display a naive confidence in Americanism and to deprecate constantly our illusions and complacency, and materialism? Or will we realistically defend the national interest of the United States and love what we truly are.

42. The principle of separation of powers which is so fundamental to our constitutional system can be dangerously misconstrued. If the separation of powers were to give us the right to demolish executive actions while refusing to commit ourselves to national policy, it would destroy our system more effectively than Khrushchev can do it, and Khrushchev knows that well. One of the paradoxes of the present situation is that our enemy—and some of our allies—have well understood the laws that rule our political behavior and that we, in our pride, have decided to ignore them.

There is no alternative, in a democratic country, to a full commitment. This commitment should be actual. It must be given in concrete situations. It is particularly needed when and where a multiplicity of reasons can be invoked for refusing it.

Is it not true, however, that, even in the face of the most vulgar, most extreme provocation, our commitment has the hollow ring of insincerity? We rally—so we think—behind the Government. We warn the Russians not to interfere with American politics. We defend the President of the United States against Communist abuse, and immediately proceed to indict Mr. Eisenhower at the bar of opinion. For there is too much at stake, of course, to sweep the whole sorry mess under the rug in the name of national unity. We pretend that our Government has left to the Russian leaders no choice but to act as they did. We instantly call for an investigation of Executive actions, in due time or otherwise, as if the national survival depended on the immediate revelation of a great scandal. There is nothing much to reveal, however, and the dust soon settles. The investigation ends at the moment when it should have started. There is no room left for sensationalism, and we can praise one another for the mature fairness of our investigators.

The time might come when this double talk could have treacherous implications. To paraphrase Mr. Stevenson's much repeated slogan: "We do not succeed in deceiving the enemy, but we cannot succeed better in deceiving ourselves."

43. A nonpartisan, common quality runs through the Truman doctrine, the Marshall plan, the creation of NATO and SEATO, the Formosa resolution and the Eisenhower doctrine.

The actions taken by the Eisenhower administration which have been the most vocally denounced by a concerted opposition are the actions that the American people have most overwhelmingly supported.

---

[20] Some of the administration's critics have long flirted with the idea of disengagement, and they have deprecated the bipolarity of East and West. As I tried to explain elsewhere, NATO needs a psychological disengagement of American diplomatic influence in Europe, and a multipolar deterrent. Our role in Europe has many parts, and the problem for us is to keep it fragmented. We hold the sword, but we also provide the core of effective landpower. We are the keeper of Franco-German friendship, and the special friend of England, and so forth. In other words, we should not play one big role, but several partial ones.—Cfr. Malcolm W. Hoag, in "World Politics," April 1960, p. 389: "The current trend is toward both a primarily nuclear shield for NATO and independent strategic retaliatory forces. We might get the worst of all worlds."

[21] As Dean Acheson so truly said in his great speech on the Berlin question in November of last year.

[22] "I want my country to be strong, to be safe, and to have a feeling of confidence among its people so they can go about their business," President Eisenhower said on Feb. 11, 1960. The deep wisdom of the President's political philosophy is anathema to the busy-body democratic man. "Government is the people's business."

[23] For instance: "We believe in Soviet backwardness," so Soviet advances can never be exaggerated enough; "Vital information is withheld from the people and the people have the right to know," so we can always accuse the Government of withholding information; "Pessimism has always been distinctly un-American," so we will always be complacent; "A suspension of criticism would be a disservice to the Nation, however appealing such a moratorium on partisanship can appear as a short cut to national unity," so criticism will always be permissible. And we make these idols untouchable by warning the iconoclast that he does not understand American democracy.

The gap that exists at present between the true opinion of the American people and the picture that America projects in the world is the gravest of our domestic problems today. Mass communications have caused a divisive atomization of political consciousness instead of political wisdom.

44. The dialectic that saps our national strength at home also works against us in our relations with the rest of the world.

We generally take a much too lenient view of the insanity of anti-Americanism. We seek to excuse rioting and hostile behavior toward us in terms of our own faults. We report faithfully reckless accusations leveled against us, as if they were expressed in good faith by responsible people. At the same time, we seem anxious to force some of our ideology upon others, with a capricious pendantry that verges on contempt for their cultural tradition and in a manner that is legitimately resented.

Instead of claiming that we have been the source of the revolutionary concepts of human freedom, we would do well to consider that some of our values are not good, and that the true values from which our national strength is derived are not American values, in the sense that they are common to all humanity.

It is our appointed place in history—and also the greatness of our country—to protect, by our strength and power, the spiritual heritage of mankind. And if we do our duty, we will also be respected.

45. We are now concentrating our energies against a cataclysmic holocaust and confronting a total ideological challenge. We cannot, as a nation, fail to ask ourselves the question: What is the purpose of human existence?

Like totalitarian societies, we would like to find our national purpose in some great role to seize and to pursue "with passion." We cry for "leaders."

The democratic state exists for values higher than itself. It makes a direct appeal to our individual conscience. It is based upon the belief that, if our mind is clear and our will upright, we have the ability to distinguish between honest dissent and self-seeking partisanship, boldness and importance, political courage and personal ambition.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS

OF

HON. PERKINS BASS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. BASS of New Hampshire. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD, study paper No. 9, "Science and Foreign Affairs," by Dr. George B. Kistiakowsky, special assistant to the President for Science and Technology:

SCIENCE AND FOREIGN AFFAIRS

(By George B. Kistiakowsky [1])

The theme of this paper is the impact of science and technology on foreign policy.

The proposition hardly needs to be demonstrated that the advances of science gradually, sometimes suddenly, are altering the relations between nations and peoples. Of course, it is the technology which is the carrier of change, but it is the basic science, the acquisition of knowledge that constitutes the seed from which man makes technology grow.

After World War II, the advances of science made our political isolation from the rest of the world impossible just as they earlier made economic isolation impossible. In military affairs, perhaps, are visible the most dramatic and fast-moving changes, as technological developments took us from TNT to H-bombs, from artillery to bombers to ballistic missiles, from cavalry patrols to early-warning radar, all with the significance of shrinking the world and of increasing the mutual dependence and vulnerability of nations. Public policy, whether domestic or foreign, must recognize this transformation, cope with the problems it generates, and use it as appropriate for the goals of our society.

If, for a moment, this writer may revert to the language of chemist days, humanity but a century ago was in the condition of a steady state reaction, whereas now it is in the midst of a nonsteady branching chain process and science is the chain carrier.

The need to adjust public policy to changing human conditions, of course, isn't new. What is new today is the rapidity with which the developments of science are altering the human conditions, the rapidity with which policy, particularly foreign policy, must adjust to the changes being wrought by the pace of scientific advance. Not only adjust—policy must prepare for, must predict, the impact of scientific discovery, and must also in some sense attempt to guide it.

This paper will discuss several important aspects of the relation between science and world affairs; then we shall mention the present governmental organization for developing public policy in the field of science; and we conclude with some thoughts on science and public policy in the future.

First, however, let us review briefly scientific developments of the last decade.

A DECADE OF PROGRESS

Ten years ago, Dr. James B. Conant, as Chairman of the National Science Board, concluded his foreword to the first annual report of the new-born National Science Foundation with this urgent warning: "Until such time as disarmament becomes a reality, the free nations must be deeply concerned with finding and developing scientific pioneers, for on their efforts we must rely as much for increasing national security in a war-torn decade as for industrial progress in periods of peace."

Clearly audible today is the echo of Conant's warning—"until such time as disarmament becomes a reality." The reality then—and now—was that temporary comrade in arms became an intransigent foe, reaffirming the subservience of the individual to the state, ruthlessly engulfing unwilling neighbors as satellites; threatening the freedom of peace-seeking peoples throughout the world. The science of the United States had no choice but to focus on the needs of national defense, and this it has done well.

History began to record the early years of a quasi-peace we have come to call the cold war. From time to time its temperature climbed to boiling point, and sporadic outbursts of "hot" war flared up in places distant in miles from our shores but, measured in time, now our next-door neighbors—Korea, Suez, Taiwan, Vietnam.

Science found no release from its association with arms and armament, nor did it seek any, so long as its help was needed to safeguard the liberty of the world by ensuring the strength of our defenses.

Unprecedented funds were unloosed that we might maintain our leadership in weaponry. Corporations, big and small, and even universities, entered into contractual relationships with Federal agencies involving very many dollars, to undergird our defenses. Science and its offspring, technology, flourished and prospered as never before in our history. Under the impetus of this massive Federal support, our scientists and engineers contributed vastly to our storehouse of knowledge and its applications.

Working closely with military people on military problems, scientists and engineers supplied the elan for one of the most striking technological developments to emerge from the postwar period—automatic data processing, using the high-speed digital computer. Most of the stimulus behind this development came from the military sources seeking fast methods for processing data on military tactics, logistics, flight simulators for testing and training, or any other end-product which required the speedy reduction of a vast input of data.

Fortunately for our long-term leadership, more basic aspects of science were not forgotten. High-energy, elementary-particle physics is a field in which vast progress has been made since World War II. Similarly, radio astronomy has pushed rapidly ahead in the last decade, using advances in electronics born out of military-related work. Molecular biology made spectacular advances and brings us near the understanding of the origins of life.

Creativity budded and bloomed in a brilliant burst of innovation. Despite their essential preoccupation with developing the defensive strength of the Nation, science and scientist demonstrated the great rewards of research irrespective of the environment to which it was applied.

In retrospect, the decade of the fifties may become known best for its identity with two capital letters, "R" and "D."

Until the midperiod of the decade, economists had to guess the amount of research and development performed within the United States. At that point, the National Science Foundation, on the basis of a thorough survey of the 1953 period, pegged the dollar figure for R and D, not at the estimated $2.5 billion, but at more than double that amount—$5.4 billion. Today it has more than doubled again, the Foundation's estimate being on the order of $12 billion.

The late, great Harvard economist, Sumner Slichter, coined a most connotative phrase for research and development—"the industry of discovery." We might also call it "the industry for tomorrow." None need be surprised to learn, therefore, that those industries which have invested most in research and development, the electronics and pharmaceutical companies, have shown the most rapid rate of growth in recent years.

The industry of discovery cannot be confined. It is as profitable for mankind as it is for the corporation. Although science, no less than any other human activity, was engulfed by the political strife of the cold war, it showed a way to demolish political barriers during the 18-months' period of the International Geophysical Year, even though such was neither its mission nor its design. Scientists supported by their Government, sought simply to map man's physical environment, to achieve a scientific understanding of the earth and its cosmic environs. They succeeded magnificently in accomplishing their scientific mission. From investigations of the universe made or initiated between mid-1957 and the end of 1958, a microsecond on the cosmic clock, will emerge a volume of geophysical knowledge greater than any theretofore assembled.

For its scientific value alone, the IGY was impressive. But in a world of tensions, it is almost more encouraging as a kind of a breakthrough of its own, to better interna-

[1] Special Assistant to the President (Science and Technology). This paper was originally prepared as an address before the American Physical Society and the American Association of Physics Teachers. Ideas and material from other addresses have been incorporated.

tional understanding. Sixty-six nations, representing the free and Communist world, participated in this exploration of the unknown. They marshaled 30,000 scientists and technicians to work together as a team, although separated across the distance between the poles. With but few exceptions, they shared the knowledge they uncovered.

Similarly in the Antarctic, an area for years dominated by rivalries for territorial claims and rights, the cooperative efforts of scientists of many countries served as a pattern of international cooperation accepted as valuable by their political leaders. Work started during the International Geophysical Year, including the exchange of scientific personnel, the sharing of facilities and results, and the efforts to plan cooperative schedules and arrangements, is now more than ever developing a broader spirit of cooperation among the scientists of these countries and, perforce, drawing in the political interests as well. The United States is deeply engaged with its scientific personnel in cooperative efforts and is receiving the same type of help from other countries.

Attesting to the value and importance of these scientific efforts led by the United States, the interested nations have recently drafted and signed a treaty for Antarctica which opens all areas freely for scientific research to all nations of the world, places claims for individual territory in abeyance for the duration of the treaty, and assures all that Antarctica shall not become a place for military operations or military rivalries. Were it not for the scientific effort in this area during, and following, the International Geophysical Year, the pattern for cooperative arrangements in Antarctica would never have been established, nor would there have been the impetus for drafting a treaty.

However substantial were the cooperative aspects of the International Geophysical Year, the period was characterized as well by a heightening of international competition in science and technology. The International Geophysical Year literally thrust us into the space age. Our country can justly be proud for first announcing space satellite plans to assist the International Geophysical Year program. However, the sputnik launch provided the thrust, without doubt. Perhaps though, the emphasis should be on the spectacle of immaturity we made of ourselves over this engineering accomplishment. Today, most of us feel a bit shamefaced about our sputnik-provoked anxiety, particularly when we realize that only the one most recent Soviet satellite remains in orbit that is transmitting information, while several of our own still riding through the reaches of space continue to send back most of the scientific information they were designed to uncover. Even the humblest of these, Vanguard I, continues to remit valuable scientific data. Tiros I proved to be much less of a tyro with a camera than we had thought. The quality of its photographs permits identification of individual hurricanes and other centers of disturbance as well as study of the gross features of cloud cover. The amount of useful information transmitted will contribute to a deeper understanding of the earth's atmosphere for the benefit of all mankind.

Let no nation count the United States out of competition in any contest for superiority in science and technology. Though the frontiers of science are endless, the competitive spirit of frontiersmen is a legacy of the American tradition. By compelling the United States to keep its guard up, our antagonists may yet be hoist on their own petard. The competition in armaments into which we have been unwillingly thrust has served as a driving stimulus to scientific creativity. Because we are fortified with a credo which insists on the primacy of the individual, and are not perverted by the drive for aggrandizement of state, our science seeks to serve, rather than master, mankind.

NEW PROBLEMS OF PUBLIC POLICY

Let us explore now some aspects of the relation of science to foreign affairs that are unique to our age (at least their importance is unique) and that provide us with our greatest immediate opportunities, and some of our major problems. These include:

1. The unparalleled and in many ways unexpected political importance to a nation of having the appearance of world scientific leadership (the word "appearance" is used advisedly).

2. The effect international scientific activities have, and can have, on the relations between states.

3. The importance of the technical component of some prospective arms control measures.

4. The relation of science to technical aid for less-developed countries.

Each of these is worth careful consideration, for they are not always understood, and yet must be understood if the Government and the scientific community are to fulfill the obligations and opportunities ahead of us in these areas.

THE IMPORTANCE OF WORLD SCIENTIFIC LEADERSHIP

First, consider that matter of scientific leadership and its political impact. Scientific and technological progress has acquired status as the symbol of strength because of its obvious relation to military power, as well as of productivity and the good life. This is in evidence within our borders and everywhere beyond. The striving to emulate American scientific and technological progress has become an ambitious and urgent goal for countless millions of people, including, one might note, the Soviet Union.

But unfortunately it is the technological spectaculars which tend to be used by the public at large and, often, the press, as the sole measure of scientific as well as technological prowess, and thus, of military power as well. Achievements in outer space activities are as we have already noted, the prime example of this. Perhaps a few further observations about our space and missile program in this light are in order.

As has been emphasized by Dr. Herbert York, an intercontinental ballistic missile capability is not necessarily dependent on huge rocket booster vehicles capable of sending multiton payloads into space. To the general public, both in this country and certainly abroad, this is not well understood. The Soviet Union, of course, has not been lax in attempting to confuse the issue.

Our development of long range rockets began late because our military planning was founded on air-breathing engines. To move ahead as rapidly as possible in ballistic missiles, we chose to make our missiles as compact as possible to deliver warheads of adequate yield. We could do this with an ICBM with a thrust only one-half that of Soviet ICBM's because of our advanced nuclear weapons technology.

In this we have been successful; first the IRBM's and now the Atlas missile are perfected and are operational. But, the planning and preoccupation with smaller missiles, adequate to do the military job required, led to rocket vehicles with inadequate thrust to send spectacular payloads into space. We did not begin work on large rocket boosters until it was too late to match past Russian performance in outer space. But, it is important to remember that the extra-large rockets are not required for our long-range missiles; hence, our deficiency in outer space payload capability does not indicate an inferior military capability.

We must also recall the important fact already alluded to, that our scientific achievements in space have easily matched those of the Soviet Union. This is generally recognized by the world's scientific community. In addition, we are now making rapid progress toward practical applications of "near outer space" for the benefit of all nations and people.

This is not to suggest that we accept a secondary role in future outer space activities requiring large rocket boosters. We cannot ignore the very real political implications of various spectacular accomplishments in outer space that have come to have symbolic meaning to the world at large. We are indeed moving ahead rapidly to develop boosters for space exploration missions requiring very large payloads and are vigorously pursuing the man-in-space program. But we must accept the technical reality that despite a vigorous national effort to develop such boosters, there are limits on how quickly the gap can be closed and these limits are largely set by technological factors.

In the meanwhile there are for us major opportunities to carry out sound and exciting programs in space science and technology that will redound to our national benefit in terms of enhanced prestige and welfare. For example, the development of meteorological satellites could prove to be of great benefit to all nations and could substantially contribute to our scientific and technological stature throughout the world.

To repeat: We cannot accept a secondary role in future outer space exploration. But true leadership must be seen in the context of far broader efforts. We must be constantly aware that our strength lies in excellence spread over a wide scientific and technological base.

It is a feature of an authoritarian form of society that its government can concentrate efforts in narrow fields. If the total strength of such a society is substantial, as is that of the Soviet Union, then what one might term temporary technological superiority can be achieved by it in selected directions. So long as this superiority is temporary; so long as it does not permit a vital military advantage; and so long as it is not across a broad front, there is no need for alarm, but we must increase our efforts to cancel out imbalances that arise and are significant. On the other hand, we must not permit ourselves to be stampeded into overemphasizing one area at the expense of others. We must constantly bear in mind the sound military doctrine not to accept battle on the field of the enemy's choosing. Rather, we must continue to move across the entire broad front of scientific and technological advance. Thus, as a nation, we will remain a world leader.

EFFECT OF SCIENCE ON RELATIONS BETWEEN NATIONS

Let us turn to the second aspect of the relation of science and foreign affairs, the significance of international scientific activities to the relations between nations. Here is perhaps the most important of the roles science and scientists can play in today's embittered and divided world—not a new role in the sense that international activities of science are part of the lifeblood of science; but new in its potential impact on political relations.

Science today is one of the few common languages of mankind; it can provide a basis for understanding and communication of ideas between people that is independent of political boundaries and of ideologies. Over time, these personal relationships, established with Soviet scientists who form a major portion of Russia's intellectual elite, can provide a bridge between our cultures and perhaps bring about a gradual erosion of the militant aspects of Communist ideology.

Science also provides a sometimes unique opportunity for cooperative endeavors that can contribute in a major way to the reduction of tension between nations and, more positively, to close relations between the United States and other countries. All this,

of course, in addition to offering a way for cooperative attack on problems of interest to all nations.

This has been recognized many times before. Many activities of the Government and private scientific bodies further these goals. Normal international scientific union activity, the IGY, the exchange agreement between the National Academies of Sciences of the United States and U.S.S.R., the very recent McCone-Emelyanov agreement, the U.N. Atoms for Peace Conferences, and many, many others. However, the question must be asked whether we are doing enough in this area, and particularly whether the Government is sufficiently active in terms of projects of its own, in support for nongovernmental activities, and in creation and preservation of the necessary conditions for effective international scientific activity.

What are some of the issues that face the Government in this area?

The most obvious is how to balance the resources for international scientific projects against domestic scientific needs. Should the Federal Government be doing more itself internationally, or should it support private efforts only? In either case, can you justify international support when there are good scientific projects lacking sufficient support within the country?

A good illustration of this problem is presented by the scientific program in the Antarctic, mentioned before. The Government had to face the question of setting the level of Antarctic activity in the knowledge that the funds for that program would detract in some measure from the support of deserving programs within the United States. There are few guidelines for the appropriate scientific level of activity in Antarctica, just as there are few guidelines for the appropriate level of activity in specific scientific fields.

In fact, the problem of the Antarctica is not dissimilar from that of outer space (except for the rather wistful observation that we now have a treaty reserving the Antarctic for scientific research). Political considerations are important in setting this program level also. These considerations relate to the stature and scope of our effort relative to that of other countries, particularly the U.S.S.R., and, in the case of Antarctica, the relation of research to possible territorial claims. And so, the Antarctic program is set as an orderly, sound scientific effort, but with political awareness that there are other attributes to the scope and excellence of the U.S. effort there.

The appropriate means for carrying out international activities comes up time and again. Can it be handled through the scientific community in the way that ICSU planned and organized the IGY? What is the appropriate role for the U.N., UNESCO, for NATO? Should it be a government-to-government project because of the resources required? And if so, are bilateral or multilateral arrangements to be preferred?

A recent example may be illustrative, referring to space science once again. When establishing the U.N. Outer Space Committee, the suggestion was made that the Committee should be responsible for conducting outer space research itself, or at least planning research on an international scale. Notwithstanding our strong desire for international cooperation in space, this was thought to be clearly inappropriate. Because of the large resources required to provide boosters for space exploration, it was considered necessary to keep the final decisions regarding space flights in the Government's hands. On the other hand, international scientific planning and cooperation was clearly desirable at the scientist level, without the complex governmental machinery of the U.N. that would inevitably have to face political issues. Therefore, the U.N. Committee will be concerned with the mutual exchange and distribution of information, the study of legal problems of outer space, the conference on outer space exploration, and the general encouragement of space science. NASA will make formal agreements with foreign governments for scientific cooperation, but both the U.N. and NASA will look to the Committee on Space Research of ICSU for the scientific cooperation and planning to bring about effective international scientific collaboration.

The issue of bilateral versus multilateral agreements is of major interest at the present time, in view of the recent United States-U.S.S.R. agreement in peaceful uses of atomic energy. Notwithstanding the very real gains we may achieve through increased contacts with the Soviet Union, we must avoid any series of moves that would create a United States-U.S.S.R. scientific axis. Thus, it was carefully stated in the agreement with the U.S.S.R. that any joint projects would be carried out under the aegis of the International Atomic Energy Agency where all member countries could participate. Clearly, what may be now the finest high-energy physics facility in the world—CERN—should be included in activities under the agreement.

A receptive climate for international scientific activities requires Government action too, or in some cases, lack of Government action (in a positive sense). Science must not be sacrificed to political expediency, or ignored for political expediency, because to do so would be like canceling one's life insurance on account of temporary financial straits. We must be ever-certain that science is adequately represented in those areas where policy will impinge on science, so that considerations of science will be included in policy formulation. International scientific activity, for example, has moved historically without regard for political boundaries and this is one of its great strengths. This traditional nature of science must not be neglected or forgotten, as it all too often is, in the application of restrictions to be placed on the free movement of individuals among nations. Nothing will erode our basic traditions and our scientific leadership, and our influence, more quickly than a willingness to sacrifice basic long-term beliefs for short-term political consideration.

In the same vein, the needs of science must be adequately represented in international as well as domestic-policy formulation. Radio-astronomy recently almost came to an untimely end, simply through negotiation of an international treaty on frequency allocations without adequate recognition of the needs of this young science for listening windows. Through the good offices of the National Academy of Sciences, it was possible to bring scientists and the appropriate Government officials together in time to establish a U.S. position for the Geneva ITU conference compatible with the needs of the radio-astronomers.

International scientific activities thus carry with them many problems for Government, but their benefits far exceed those problems. To achieve the benefits, however, requires that we be alert to the opportunities and that we be prepared to make some of the necessary policy decisions and commitments of resources.

SCIENTIFIC ASPECTS OF ARMS CONTROL

A third new element in the relation of science to foreign policy is the importance of the technical components of prospective arms control measures.

The negotiations on nuclear test cessation have shown the importance of scientific and technological factors for the formulation of national policy in this area. These factors had to be evaluated by ad hoc groups that found a dearth of experimental data on which to base their conclusions. A similar ad hoc approach had to be employed regarding certain phases of the conference on the problem of reducing dangers of surprise attack. The fact that scientific advice and evaluation were used in both these attempts to reduce military tensions is, in itself, important. It is a sign of the changing attitude and the growing awareness on the part of policymakers that technical considerations and knowledge are essential for the formulation of sound concepts for arms limitation measures—just as they are in formulating development plans for military hardware.

The success of future negotiations to relieve tensions by arms limitation agreements will depend in some measure on the understanding of the capabilities of proposed multilateral monitoring systems and on the understanding of inherent limitations of any monitoring system in a world of rapidly advancing technology. The limitations of technical analysis need also to be fully understood. There is no doubt, for instance, that the reliability of monitoring systems is largely a technical question. But the adequacy of such systems, from the point of view of national security, is not. It is a politico-military one. And we must realize that political issues or disagreements cannot be resolved by technical agreement on facts; the political questions of national interest remain. It is well that these issues be understood by the public as they are being understood by the policymakers. Especially we, as scientists, must understand that we can contribute but one of several inputs that are essential for the formulation of sound national policy.

SCIENCE AND U.S. TECHNICAL AID

The relation of science to technical aid for less-developed countries is the fourth, and last, of our list of new relations of science and foreign policy.

The foreign aid programs supported by the United States are powered by a matrix of motivations made up of altruism, a belief that it is to our best interest to strengthen independent nations, and a desire to contain menacing philosophies. Motivation notwithstanding, it is evident that any program, any experiment, will fall short of success unless it is soundly conceived, soundly planned, and soundly executed.

In helping to achieve a sound aid program, we, as scientists, must not think in terms of developing only the more advanced scientific capability of other nations, which is often a reflection of our own standards and comfortable abundance. We must try to strike a balance between basic needs and sophisticated development.

This requires an appreciation of how science and engineering develop within a nation. The history of science in many lands has not been written beyond the prologue. We must, for instance, be aware of the long-term relation between primary and secondary school education and advance research institutions.

We do little good to provide only for esoteric research facilities when a nation lacks roads, general practitioners, and machine operators. Of course, we do a disservice also when we ignore the advanced educational institutions that set a nation's standards, provide its teachers, offer a future for gifted citizens, and bring prestige to a nation or a region.

An important report was recently prepared by the National Academy of Sciences' National Research Council for the International Cooperation Administration, entitled "Recommendations for Strengthening Science and Technology in Selected Areas South of the Sahara." This report is an outline of how assistance of a technological type should be designed to be properly utilized. It is an intelligent and realistic attempt to strike the necessary balance between the basic needs and sophisticated wants, within a

framework of limited resources from within and without an area. It is also an attempt, a very successful one, to show how a scientific approach can be used in the early planning stages of aid programs.

The reading of the report will have a sobering and disturbing, if not a frightening effect, on thinking individuals. It treats with selected areas of sub-Sahara Africa, a land mass equal to that of the United States and with a population one-half that of our Nation—and this is only part of all of sub-Sahara Africa. It is an area which, within our lifetimes, will be transformed into a multiplicity of independent nations which, collectively, will greatly influence world affairs. What is particularly disturbing about this study are the revelations of extreme shortages that still exist in this region; the nearly complete lack of public health measures and medical service; of communications and transportation; of the means for earning an income; of even the most elementary educational facilities.

Clearly, these embryonic nations need educated people in large numbers to provide not only civil servants, but an understanding electorate to carry them along the path to democracy. But how can the needs for higher education, for doctors of medicine, for engineers, for political scientists, for so many other specialists be properly balanced against the needs to provide even the most primitive health measures, to provide teachers for the many millions of illiterates, and to train artisans and skilled laborers without whom the standard of living cannot rise? Against these multiple desperate needs, indigenous efforts, our aid and the aid of others, appear so utterly inadequate that one becomes fearful lest decades will pass before the level of education and the standard of living will rise enough to make democracy viable.

The question then comes to mind, will the awakening of latent desires permit democracy the time—that is so inherent in its evolutionary nature—or will this region fall prey to the legerdemain appeal of the revolutionary authoritarianism, especially Communist ideology?

For a research scientist this report will have a sobering influence: It will impress upon him that he is a luxury that can, and must, be afforded by an advanced Nation like ours. But in Africa, south of the Sahara, a nurse, an elementary schoolteacher, a technician, these are the luxuries.

Science impinges on aid to technologically more advanced nations also. Various Government departments have for many years supported research overseas. By and large, these programs have been well run. Such programs raise some serious issues for consideration, however, for outside support of science in a given country affects the relationships between that government and its citizens and universities. Some programs, even those in support of basic research, are welcomed by many foreign scientists, and yet cause affront to others. We must therefore, consider the effects of such programs on all who are concerned, and especially on the natural growth of the scientific communities in the recipient countries.

Does such support, for instance, actually retard the development of a healthy relation between science and government in other countries? What commitments for continuity of support are we making once foreign scientists have become dependent on U.S. support, commitments from which it may be impossible to withdraw or which may cause hardship should withdrawal be necessary? What is the effect of our support on the pattern of research in a given country? And is the manner in which our support is given in this area, best calculated to further good relations between the scientific communities of other countries and the United States?

We are not the only ones who are aware of these problems. In its most recent annual report, the United Kingdom's Advisory Council on Scientific Policy, addressing itself to just these questions, had this to say about U.S. research support:

"Whilst we warmly welcome this substantial financial support for research in this country, we recognize that research grants, and particularly specific contracts, of this magnitude (one and a quarter million pounds annually) must have a considerable influence on the general pattern of research undertaken. We, therefore, consider it desirable that the various bodies concerned with the financing of research in our universities and other institutions should be aware both of the extent and the purpose of these numerous U.S. research grants and contracts. We are glad to be able to record that the U.S. authorities have fully appreciated the position and have shown themselves ready to cooperate with us."

Of course, there are no general answers to most of the specific questions raised, for they vary with the country concerned and with the manner in which our support is given in each country. But these questions need to be asked—and answered—before support is provided. These programs cannot be operated independently of foreign policy considerations.

GOVERNMENT ORGANIZATION FOR PUBLIC POLICY IN SCIENCE

It is worthwhile to review some of the measures Government has taken in order to bring these problems into focus, and thus to help bring about corrective action. These steps were taken for a wide variety of reasons, of course, not merely to serve the requirements of foreign policy.

In two speeches during November 1957, President Eisenhower emphasized the need for strengthening science education and bringing our overall scientific and technological effort to peak performance levels.

In the first of these speeches, in which he called for an all-out effort to mobilize the best resources of science and scientists in support of the national security and welfare, the President announced the creation of the office which it is now my privilege to hold. He also reconstituted on the White House level the Science Advisory Committee. Later, in his 1958 state of the Union message, President Eisenhower stated: "In both education and research, redoubled exertions will be necessary on the part of all Americans if we are to rise to the demands of our times."

The office of special assistant to the President for Science and Technology did not exist before November 1957. Nor had there been, except for the wartime National Defense Research Committee, a science advisory committee directly responsible to the President. The NDRC had large operating responsibilities. The present committee and the special assistant do not. Their function is advisory, making scientific advice and analysis available wherever they are needed in the formulation of national policy. The committee also endeavors to insure that science and technology contribute their maximum to the welfare of the United States by seeking ways—

To enhance the excellence of U.S. science, both basic and applied, and to add to our effort, relatively, in basic research.

To extend the recognition of science as a creative activity that augments man's dignity and understanding and affords him intellectual adventure of the highest order.

To recognize that outstanding accomplishments in science appeal deeply to the hopes and aspirations of men everywhere, and contribute to the prestige and good will of nations.

To demonstrate that the democratic environment of the free world is the best environment for achievement in science.

To improve the ways in which our Government uses and supports science and technology.

To apply technology more effectively to improve our national security, to strengthen our economy, to enhance the health and welfare of our citizens and other peoples.

To promote international understanding and good will.

These are broad and ambitious objectives. Even small progress in each area would be a significant achievement.

The organization that works toward these goals comprises the 18-man committee proper, numerous panels involving members as well as consultants, the special assistant, and his small full-time staff of technical aides. The committee's members are representative of those fields of science and technology especially important to the Government. The membership rotates, most of the new appointments being on a 4-year basis. This practice brings to the committee fresh points of view and representation from different fields of science and technology. To discharge its responsibilities, the committee has established panels, some on an ad hoc, others on a continuing basis. First Dr. Killian, and then this writer was elected to the chairmanship of the committee, which knits the whole organization together.

The panel structure has consistently been a distinctive feature of the committee's work. It has made possible intensive studies on problems that could not have undertaken by the committee because of its limited membership. At the present time, over 100 scientists and engineers are associated with the committee and my office in part-time capacities, thus providing a wide range of expert advice. Committee and panel members are selected not only because of their expert knowledge and achievement, but also because they possess something which might be called wisdom in a broader sense. Partnership in this organization means work and, therefore, some sacrifice of personal careers. It is willingly undertaken in the spirit of national service. The magnitude of personal involvement is indicated by the fact that more than 500 man-days of work were needed recently for the study of certain problems in the classified area and the preparation of one short summary report.

A major concern of the committee is how to bring the young generation of scientists and engineers into panels and other types of advisory services to the Government. We need to explore every way of making their services, skills, and fresh ideas available without handicapping their professional developments, or curtailing their contributions to science.

The special assistant, as a member of the President's staff, is invited to attend meetings of the National Security Council and of the Cabinet, and—when appropriate—to present the views and findings of the Science Advisory Committee. He is also a member of, or attends the meetings of, special Cabinet-level interdepartmental committees, such as the Radiation Council. He is the Chairman of the new Federal Council on Science and Technology, consisting of representatives, at the policymaking level, of 10 departments and agencies.

Some of the panels of the Science Advisory Committee deal with unclassified fields of interest to the Federal Government and a few of their activities have led to reports and statements which were published under the imprint of the White House. The titles indicate the broad scope of these activities: "Introduction to Outer Space," "Scientific Information," "Strengthening American Science," "The Argus Experiment," "High Energy Accelerator Physics," "Education for the Age of Science," and "Food Additives."

Other panels' activities result in detailed recommendations to various agencies of the executive branch of the Government, which

are not suitable for public dissemination, such as the work of several panels dealing with classified matters pertaining to the national security.

The creation of the Office of the Special Assistant and of the Science Advisory Committee is, however, but a small part of the actions which the President and Congress have taken recently to strengthen American science and technology and to make the Government process more responsive to a world of rapidly changing technology. These actions include:

Expansion of the National Science Foundation program and a threefold increase in its appropriations for support of basic research and education in the sciences.

Enactment of the Department of Defense Reorganization Act, reflecting the impact of modern weapons technology and systems engineering on the Military Establishment.

Establishment of the Office of the Director of Research and Engineering and the Advanced Research Projects Agency in the Office of the Secretary of Defense.

Assignment of engineers and scientists at policymaking levels in the offices of the Secretaries of the three services.

Establishment of the National Aeronautics and Space Administration to provide a civilian space-science and exploration agency.

Reactivation of the Office of Science Adviser to the Secretary of State, and the appointment once again of science attachés to overseas posts.

Establishment of the Federal Council for Science and Technology as a means of bringing together for common planning policy-level representatives of agencies having major scientific programs.

Enactment of the National Defense Education Act, designed to aid education generally, with specific provision for strengthening science education.

In the Congress, the House of Representatives established a standing Committee on Science and Astronautics. The Senate, also, has created a new standing Committee on Astronautics and Space Science. A number of important actions have been taken by the Congress, and by the executive branch, to improve the status of scientific personnel in the service of the Government.

In addition to these national efforts, there have been important advances in international cooperation which have been mentioned already.

SCIENCE AND PUBLIC POLICY IN THE FUTURE

We have attempted to outline some of the ways science can contribute to foreign policy, the effect of policy considerations on science, and some of the governmental machinery which has been built up to assist policy formulation. But to integrate the scientific with the political, economic, military and other factors that make up foreign policy operations, requires above all, competent people who understand the relationship of science to these other factors.

If we appreciate our responsibilities, we, as scientists, may well have an important role to play in the future in the policymaking process. It will be a different role than the one to which we have become accustomed. It will demand a new breed of public servant, although the appropriate name for him is not immediately clear. The term "political scientist" has been preempted for a very different use than this. None of us would want to be called scientific politicians, and few indeed would dare to lay claim to scientific statesmen. But there is a significance here that is far more important than finding the right name. The role demands that this new breed of citizen-scientist be continually aware that the scientific community must accept its appropriate share of the responsibility for the intelligent and successful resolution of the challenges facing the world.

Another kind of individual must be recruited, too: an individual with training in science in addition to the usual disciplines of the foreign service. The general presumption is that science is so specialized that the only way to provide scientific inputs to policy formulation is to obtain advice from practicing scientists on an ad hoc basis as needed. But as valuable as such advice is, it does not fill today's requirements for a continuing and intimate involvement in the policymaking process of competent people who also understand science and its significance to policy, and who could therefore work effectively with the practicing scientists supplying the specialized ad hoc studies.

Perhaps science and engineering graduates should be attracted for regular careers in the Foreign Service and in our other overseas programs. We must also provide a better scientific background for nonscientists in the international affairs field. This, perhaps, is the most important measure of all. Essential to these efforts is the development of an academic field of teaching and research in the interrelationship of science and foreign affairs, to be able to educate properly and to understand better the underlying significance and opportunities of this relationship.

These are not easy tasks, nor ones that can be accomplished overnight. Unlike toasters, automobiles, and television sets, we cannot push a button to mass-produce diplomats in striped pants and laboratory coats.

In discussing international relations, the American historian, Julius Pratts, states: "Neither the tools of diplomacy nor the tools of force can be suddenly improvised for use in crises. They must be kept in a state of readiness for use. The success of a nation's foreign policy will depend, in part, upon the efficiency and the readiness of the instruments with which the policy is pursued." We, as scientists, must do all we can to help keep the tools of our diplomacy and the tools of our force in efficient readiness.

We have entered a new era, a scientific revolution, as C. P. Snow terms it, in which science and technology are transforming our way of life and the relations between nations. We cannot stand aside and simply watch this process, regardless of where it takes us; we must and we can use science and technology to achieve the humanistic goals of our free society.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS

OF

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. HOSMER. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD, study papers Nos. 10 and 11, "A History of Ballistic Missiles," by Congressman LESLIE C. ARENDS, member of the House Armed Services Committee; and "The Cost of National Security," by Prof. Arthur E. Burns, George Washington University.

A HISTORY OF BALLISTIC MISSILES

(By LESLIE C. ARENDS, Congressman from Illinois)

Major military weapons never spring forth full bloom overnight. The first operational B–17 took a decade to develop. The B–29 and B–52 are likewise the outgrowth of years of effort.

Similarly with modern rocketry. Though it began in America 17 years ago, rocket development turned seriously to long-range ballistic missiles only 7 years ago.

Not until fiscal year 1953 were expenditures in any one year on long-range ballistic missile programs even as much as a million dollars. Since then, these programs have advanced with impressive speed. Today, they involve the expenditure of 10 times as much each day as was spent in all of fiscal year 1952.

In the early postwar years, military studies slowly advanced American ballistic missile knowledge. Propulsion, guidance, heating and weight problems appeared very difficult. Their solution obviously was costly. Yet, the level of effort remained low and sporadic.

Moreover, critical data controlling warhead weights were unknown. Until 1953, the operational feasibility of long-range ballistic missiles seemed far distant to those in authority. As a result, these programs were deemed unworthy of major effort. To be sure, one such program, the forerunner to Atlas, was started as long as 14 years ago, in 1946, but it died 3 years later in the 1949 defense cutbacks. The program was revived in 1951, but even then only as a component development effort.

From World War II to 1953, due partly to this skepticism as to the practicality of long-range ballistic missiles and due also to emphasis on strategic bombers, our missile effort, such as it was, went mainly into air defense missiles such as Nike-Ajax, Terrier I, and Falcon. Some short-range ballistic missiles and some relatively slow nonballistic aerodynamic type long-range missiles did receive some support. Long-range ballistic missile efforts, however, were held down to low support studies.

Viewed in retrospect, therefore, it is hardly remarkable that as of 1960, 15 years after World War II, American long-range rocketry is in some particular respects matched or surpassed by the Soviets. That result was foreordained by years of low-priority attention and lack of funds while the Soviets evidently were advancing their rocketry full blast.

What is remarkable is how rapidly the intercontinental ballistic missile (ICBM) and intermediate range ballistic missile (IRBM) programs of the United States have advanced in less than 6 years. The speed of this advance in so short a period augurs well for the Nation's security. It is convincing testimony to the competence of our scientists and engineers.

It is the purpose of this paper to outline the history of ballistic missile development during the past two decades.

THE WORLD WAR II PERIOD

The year 1942 marks the beginning of our World War II rocket program. The work was principally on solid propellants, which burn like cigarettes within the rockets. It was carried forward, with military support, by the Office of Scientific Research and Development. From it evolved our World War II artillery rockets, air-to-surface rockets, rocket boosters for airplanes, other special rocket motors, and our first serious efforts to propel rockets with liquid fuels. During the summer of 1945, this work produced the Army WAC Corporal, a rocket fueled by nitric acid and aniline.

When World War II ended, the Allied Nations placed scientific teams in Germany to analyze that nation's technical accomplishments in rockets and missiles. A number of the best German scientists and engineers were induced to go to Russia and to the United States. The United States, however, pressed this effort less aggressively than the Soviets.

In the latter part of 1946, the Russians identified other scientists and technicians associated with German missile programs. Hundreds of them were removed to Russia. German research facilities and production plants were stripped of machinery, instruments, blueprints and missiles or missile components. These, too, were shipped to Russia. Thus, the Russians were able to exploit German missile technology. The indoctrination of Soviet scientists and technicians was thereby facilitated, and they acquired faster the know-how to bring uncompleted German ideas to practical realization.

The advantage the Soviets achieved due to their early decision to develop and extend this German missile technology is evident.

THE EARLY POSTWAR YEARS

The years immediately following World War II constitute a period of halting, low-level efforts on long-range ballistic missiles. In 1946, several potentially useful programs had been started. While some of these programs contributed advances during the 1946–50 period, the level of effort and results was meager by today's standards.

For instance, in 1946, the Army arranged to rebuild the German V–2's. In the so-called bumper program, the V–2 was converted into a first-stage booster rocket. It carried a second rocket, the WAC Corporal, which, in turn, carried scientific instruments to high altitudes. Maximum speeds attained during these later tests was about 5,200 miles per hour; maximum altitude was about 250 miles. These represented significant improvement over the standard V–2 performance (3,600 miles an hour and 100 miles maximum altitude).

The year 1946 marked also the Air Force's first attempt on the ICBM. The program, known as the MX–774 at Convair, was intended to advance long-range rocket techniques. It turned out, however, to be rather short-lived when the defense slashes of 1947 terminated this program. For the next several years Convair used corporate funds to carry on MX–774 weapons studies, but at low financial levels.

In 1946 the Air Force also established the Snark and Navaho programs. These were long-range, airplane-type guided missiles, not the ballistic type. However, from the liquid propellant rocket booster to be used with Navaho grew the high thrust liquid propellant engines for today's major missiles, such as Atlas, Thor, and Jupiter.

Also, in the late 1940's the Navy developed the first version of its Viking, a high altitude scientific research rocket.

THE KOREAN WAR PERIOD

During the Korean war, missile development at length began in earnest. Even in this period, however, progress was slow as most official attention was devoted to the immediate problem of Korea.

In the design of long-range ballistic missiles, weight is critical. Generally speaking, it takes about 200 pounds of launching weight to place 1 pound of warhead on a target several thousand miles away. Because the first atomic warheads weighed 9,000 pounds, clearly a major reduction was required in nuclear warhead weight for missile use. Ever since the end of World War II, the Atomic Energy Commission had been working on atomic weapon improvement which resulted in lighter and higher yield nuclear warheads. However, during this entire period the significance of warhead improvement was not applied to the problem of long-range ballistic missiles. For this and other reasons, long-range ballistic missile development languished. During this slack period in the United States, the Soviets appear to have gone full speed ahead with their own long-range ballistic missile programs.

Missile feasibility studies, started in 1949 by the Rand Corp., were completed in the fall of 1950. These studies confirmed the military worth of long-range ballistic missiles.

In October 1950, as one result of the Korean crisis, Mr. K. T. Keller, president of Chrysler Corp., was appointed Defense Department Director of Guided Missiles, with authority to institute a Manhattan-type project for missiles. However, after analysis of the missile programs, Mr. Keller decided against a Manhattan-type project on the grounds that it would take a year to institute such a program. In 1953, Mr. Keller was asked to remain with the new administration, but resigned late that year at his own behest.

In 1950, the development of the Army's Redstone, a 200-mile tactical ballistic missile, was begun. However, not until 1953 was the first Redstone fired, a flight test that was only partially successful. Much of the information obtained from this and subsequent firings was applied later to the Jupiter, when that program was initiated in late 1955.

In January 1951, the decision was made by the Air Force to resume studies of the old MX–774 weapon, redesignated "Atlas." This program, however, was given only a long-term, low-priority objective—that of determining whether a large 5,000-mile ballistic rocket was then technically feasible. Six months later, in June 1951, the Atlas project was formally reactivated.

THE VON NEUMANN COMMITTEE'S RECOMMENDATIONS

On June 16, 1953, Secretary of Defense Charles E. Wilson ordered a review of the guided missile program to identify and eliminate duplication. He stated that "a continuous effort should be made to standardize on one missile for production and use by all military departments, wherever, within the employment limitation of each type of missile, standardization appears to be practicable." As a part of this review, a group of civilian scientists, headed by Dr. John von Neumann, which later came to be known as the Strategic Missiles Evaluation Committee, was requested to review the strategic missile programs.

The Strategic Missiles Evaluation (Von Neumann) Committee reported in February 1954 the highly significant possibility of achieving a major technological breakthrough on warhead size, and expressed its conviction that other technical problems associated with the development of ICBM's could be resolved in a period of a few years. The committee also recommended the formation of a special management organization to assure early ICBM availability. As for technical factors, the Von Neumann Committee recommended that the ICBM project be completely reoriented to take advantage of the advancing warhead technology, thus permitting relaxation of guidance tolerances and propulsion requirements. The committee also noted the potential desirability of an IRBM.

Nine days later the Assistant Secretary of Air Force (R. & D.) approved the broad reorientation of the program recommended by the committee. The Air Force set up a group to study the Von Neumann report and define the organizational realinement required to accelerate the ICBM. From June through August, major management and procedural changes were placed into operation. A streamlined organization under the Air Force Research and Development Command was set up. It was known as the Western Development Division (WDD) and became an autonomous group responsible for directing and coordinating the effort toward primary objectives. Under the command of Brig. Gen. B. A. Schriever, Atlas became WDD's basic mission.

The soundness of the Von Neumann group's recommendations was confirmed during the CASTLE tests in the Pacific through the period of March to May 1954, when the feasibility of developing a smaller lightweight, high-yield thermonuclear weapon was proven.

MILITARY REORGANIZATION TO ENCOURAGE MISSILE DEVELOPMENT

Further indications of the potential importance of missiles led to additional changes. In 1955, advisory committees of scientists urged (1) that two ICBM's be developed concurrently in order to assure earliest attainment of success, and (2) that along with the ICBM effort, an IRBM program be initiated to develop a missile of 1,500-mile range.

In November 1955, shortly after the President had assigned highest priority to ICBM research and development, the Secretary of Defense ordered organizational changes in the military departments to handle the ICBM and IRBM programs. At the same time, he approved a program of two 1,500-mile intermediate range missiles. The first, Jupiter, was to be launchable either from land or sea. It was intended that the second, Thor, would be based upon experience already gained in the Atlas program, while Jupiter would be based on experience gained by the Redstone Arsenal team from the V–2 and Redstone missiles. To provide the desired multiple ICBM approach, the Titan project was established in supplementation of the Atlas program.

The Secretaries of Army, Navy, and Air Force at once implemented the new organizational program, with over half a billion dollars of defense funds reserved to carry them out.

The Air Force placed its ICBM and Thor programs under the already established WDD, now renamed the Air Force Ballistic Missile Division.

A joint management committee was established by the Army and Navy for the Jupiter program. The Navy created the Office of Special Projects and assigned to it responsibility for the technical development of the seabased IRBM. As a corollary to the Jupiter program, which employed a liquid propellant, the Navy also began studies of a solid propellant version to reduce shipboard logistical problems.

Later, land-based IRBM's were assigned to the Air Force and ship-based IRBM's to the Navy, and the Navy withdrew from the Jupiter program.

On January 20, 1956, in order to assure a common interchange of technical information, as well as provide competent guidance for all the programs, the original Von Neumann Committee, now called the Scientific Advisory Committee, was transferred from the Air Force to the Office of the Secretary of Defense. On the same date, this committee presented certain recommendations to assure that the long-range ballistic missile programs would proceed at maximum speed. The office of a Special Assistant for Guided Missiles to Secretary of Defense was established, first with Dr. Murphree and later Mr. Holaday occupying this key position.

TECHNOLOGICAL PROGRESS ACCELERATES

Meanwhile, in the years immediately following the Korean armistice, the tremendous military potential of ballistic missiles began to advance toward practical realization.

In February 1956, the Army activated the Army Ballistic Missile Agency at Huntsville, Ala., under the direction of Brig. Gen. J. B. Medaris.

In September of that year, the Jupiter C, a multistage test vehicle, was fired. It went 3,300 statute miles, rose to 680 statute miles, and reached a maximum velocity of 13,000 miles per hour. During the same period,

Air Force reentry test vehicle flight tests clearly demonstrated that the reentry problem was solvable.

In October 1956, the Scientific Advisory Committee recommended initiation of a new, smaller, solid-propellant IRBM with improved capability of being launched from a submarine. As a result, the Secretary of Defense approved the development of the Polaris program, including six submarines.

POST-SPUTNIK DEVELOPMENTS

The shock of the Soviet sputnik in October 1957 produced, of course, a major effect on U.S. ballistic missiles development.

The President reaffirmed the highest national priority for both Jupiter and Thor systems, aiming to obtain an IRBM capability at the earliest practicable date and provide for continuance of both missiles until one proved successful. The Army was authorized to produce the Jupiter at a rate of five missiles per month. Four Jupiter 15 missile squadrons were to be established with the operational date of the first squadron to be December 1958. The same target date was set for the first squadron of Thor, with three more 15-missile squadrons scheduled later.

A schedule was approved for four squadrons of Titan in hardened bases. Components of the missile system were delivered and a few of them tested.

Research and development of the Minuteman were begun. Minuteman is to be a solid propellant, three-stage ICBM and will carry a nuclear warhead up to 5,500 nautical miles. It will be guided by a self-contained, all-inertial system.

During 1958, major progress was made on the Thor guidance system, permitting an average impact accuracy better than that originally specified. By the end of 1958, Thor was meeting its production schedule with operational missiles being shipped to England for deployment.

The initial increment of the first Jupiter squadron was also ready for deployment in December.

The President, in November, approved a nine-submarine Polaris program. The initial operational capability date of the first Polaris submarine was advanced to late 1960. Later, it was again advanced to early 1960 with four more following at 3-month intervals.

Meanwhile, flight tests proved the performance of the Atlas guidance system and the integrity of the airframe. Among the successful test flights in the development series, one Atlas was placed in Earth satellite orbit in December 1958. Other flights demonstrated the operational radio-inertial guidance system.

PROGRESS IN 1959

All the major missiles programs moved ahead during 1959. A survey of the field shows this progress.

Atlas: Flights of the operational prototype Atlas which began in April had little initial success and the planned date for achieving a limited operational capability was changed from June to September. Considerable effort was devoted to determining the causes of the malfunctions that resulted in the explosion of four out of five Atlas missiles launched before June 30, and how to correct them. Since June 30, causes of the malfunctions have been corrected and the first launch by the all-military team on September 9 at Vandenberg AFB was successful. A plan to improve the system's survivability and provide a faster reaction time was approved. Beginning with the third squadron, the complexes, each with three missiles and three launch positions, will be about 18 nautical miles apart, and, to shorten missile launching time, all squadrons from the third on will have individual missile launchers. Beginning with the fifth squadron, each missile will be dispersed to a separate firing point.

Titan: Progress to date on the Titan resulted in approval of an increase in the number of squadrons from 4 to 11. Each squadron will have 10 missiles. The first six squadrons will be organized into three complexes, each with three launchers and the missiles will have radio-inertial guidance. The complexes will be about 18 nautical miles apart. In the 7th through the 11th squadrons, the nine launchers will be at least 18 miles apart and guidance will be all-inertial.

Minuteman: Prototype Minuteman missiles were fired from silo launchers, verifying the feasibility of launching Minuteman missiles from underground launchers of the silo type.

Thor: The total planned Thor force was reduced from nine squadrons to four, all deployed in England. In January, it became evident that the construction, installation, checkout and modification effort in England would require more time and personnel than was originally planned. This caused about a 4-month delay in turning over the first squadron to the RAF. In June, RAF–USAF representatives drafted preliminary procedures for declaring the U.S. squadrons "satisfactorily operational" in conformance with a governmental agreement.

Jupiter: The operational version of the ablating nose cone for Jupiter was flown on all missiles fired this year, and has proved to be completely satisfactory. Two operational type nose cones were recovered with all their payloads in perfect condition. One of these carried biomedical experiments in support of National Aeronautics and Space Administration programs. A site for two Jupiter squadrons was selected in southern Italy. Each squadron of 15 missiles will be deployed in five sites, with three missiles at each, all launchers to be more than 11 nautical miles apart.

Polaris: All major objectives of the Polaris program to date have been achieved. The launching system for the first Polaris submarine, the U.S.S. *George Washington*, passed its tests. The launcher for the next submarine class entered development; it will accommodate the 1,200-mile missile as well as the 1,500-mile missile planned for 1962. The sixth submarine will have several improvements, one being a greater operating depth. On July 1, contracts were let for the seventh, eighth, and ninth submarines. The first submarine launched in June, will probably become fully operational in late 1960 and the remainder will follow at 3- or 4-month intervals.

SUMMARY

Today, and for the near future, our deterrent and retaliatory capabilities depend largely on the ability of current Air Force and Navy jet bombers to survive enemy attack on the ground and in the air, and to deliver nuclear weapons. However, with passage of time, potential enemies' ability to destroy jet bombers on the ground and in the air may be improving faster than the jet bombers' ability to survive, thus weakening their deterrent qualities. Therefore, in 1955 we gave highest priorities to our IRBM and ICBM programs.

The Atlas, our first ICBM, started in 1946, canceled in 1949, begun again at low priority in 1951, accelerated in 1954, finally became operational in 1959. This missile is the beginning of the ballistic missile phase of deterrence. We can strike a large portion of the earth with 5,500-mile range Atlas missiles launched from this country. On the other hand, potential enemies have Atlas-type missiles also, and our Atlas missiles are vulnerable to surprise attack by them. Therefore, we are hardening and dispersing our newer Atlas launching sites and developing other ICBM's, Titans, and Minuteman, which will be in even harder sites. Titan was begun in 1955 as a backup in case Atlas failed. Minuteman, a smaller, solid-propellant, 3-stage rocket, was begun in 1958. These newer missiles, widely dispersed, will be capable of launching on shorter notice, so that some of them could be launched before enemy missiles destroy the sites, assuming we got sufficient warning.

The least vulnerable deterrent seems to be our Polaris-launching submarines, because they are hard to find. Polaris, begun in late 1956, will be operational late in 1960 with the availability of the first submarine.

From an expenditure of one-half million dollars in fiscal year 1951, programs for IRBM's and ICBM's will reach almost $3 billion in the current fiscal year. Missile programs in the research stage quickly overtake and obsolete those in production. Therefore, programs are designed so as to meet current needs without stockpiling missiles that will soon be outdated. Furthermore, our skilled research and development manpower is being taxed to the fullest on existing and scheduled missile programs. Both because of the evolutionary stages of missile development and the utilization of technical manpower, it is unfeasible and uneconomical to pour more money and men into "crash programs" that might disrupt the sound and orderly missiles program now intended to give the United States full deterrent power.

Department of Defense—Obligational program for missile systems,[1] fiscal years 1946–60

[Millions of dollars]

	IR/ICBM programs	Other surface-to-surface missile programs	All other missile programs	Grand total, all missile programs
Fiscal year 1946 and prior	(2)	19	51	70
Fiscal year 1947	(2)	20	38	58
Fiscal year 1948	(2)	36	45	81
Fiscal year 1949	(2)	45	53	98
Fiscal year 1950	(2)	65	69	134
Fiscal year 1951	0.5	185	598	784
Fiscal year 1952	.8	239	818	1,058
Fiscal year 1953	3.0	403	760	1,166
Fiscal year 1954	14.0	336	717	1,067
Fiscal year 1955	161.0	398	911	1,470
Fiscal year 1956	515.0	387	1,368	2,270
Fiscal year 1957	1,365.0	603	2,502	4,470
Fiscal year 1958	2,077.6	639	2,391	5,107
Fiscal year 1959	2,959.0	685	3,269	6,913
Fiscal year 1960	2,952.0	509	3,173	6,634

[1] Program data reflected in this table cover the developmental and capital costs involved in missile programs; i.e., the cost of bringing missile systems to operational status plus the costs of procuring missiles and related equipment for operational purposes. These data include all procurement, construction, and research and development programs directly associated with missile programs. These figures do not include military pay, operation and maintenance costs for operational missile units and sites and include only those shipbuilding and aircraft costs directly associated with providing missile capability.

[2] Excludes $2,300,000 programed in fiscal year 1946–49 for the Air Force MX–774 ballistic missile research program which was a precursor to the Atlas ICBM.

NOTE.—Estimates are subject to minor revision due to program adjustments.

THE COST OF NATIONAL SECURITY

(By Arthur E. Burns, professor of economics, George Washington University)

No amount of money can guarantee this country complete security. This uncomfortable fact is a consequence of the ballistic missile with its nuclear warhead. For whatever comfort it may bring, the Soviet Union faces the same problem. Since offensive-weapon technology has vastly outstripped the defense, security rests on retaliatory power. Specifically it rests on a highly invulnerable, diversified strike force whose capability is known. Such a force costs enormous sums which augment the growing costs of conventional arms. Rapid changes in technology promise only more complex, more destructive, and more costly weapons systems for the future.

This year the United States will spend about $46 billion in its effort to gain some measure of security. Of this the military services will spend about $41 billion, and related security programs the remaining $5 billion. Some 9 percent of the Nation's output of goods and services—the gross national product—will go into these programs. These absorb over half the huge Federal budget. In more manageable terms, national security expenditures will average $255 per man, woman, and child, or nearly $1,100 per family, this year.

Small wonder then that national security is a major item in political discussion, in economic affairs, and in the personal welfare of the people of this country. It is the most complex business of Government today, as well as the most costly. It is also one of the most contentious issues of the day. The contention that swirls around this matter finds expression in such questions: How much should we spend for national security? Are we spending too much, or too little? Are we spending it for the right things? What do we get for these vast outlays? and could we get more for our money?

These questions cannot be answered definitively. Here we are in the realm of judgment, formed in a context of great uncertainty. Uncertainty surrounds the effectiveness or capability of our own new weapons systems, the weapons systems of the enemy, and his intentions. Judgment on these matters is subject to controversy. Political leaders, professional military men, engineers and scientists, the press, and other less qualified witnesses, differ widely among themselves. Whatever the President might recommend for the military budget and whatever the Congress might appropriate, the fact is that no one is wholly satisfied with the result, and some are deeply dissatisfied.

This paper first considers the underlying reason for these differences and then goes on to examine some of the cost-increasing elements in the defense budget picture.

THE BASIS OF CONTROVERSY

National security poses a basic but familiar economic problem: In this uncertain world we have an urgent need for security against aggression; the resources available to meet this need are scarce and have alternative uses. It is the business of the military to use these limited resources to satisfy this need, or want. The sense of security is the product it produces—the capacity to deter aggression or defeat transgression.

The resources required to produce this service or product can also be used to produce the innumerable other goods and services wanted by the public at large—educational and health facilities, TV sets and household appliances, other consumer goods, industrial plant and equipment, and so on. A larger defense budget and therefore more security comes at the expense of other things—unless there is some slack, or idle resources, in the economic system. The real cost of national security, or anything else, is the alternative that must be sacrificed to get it. If we should double our defense budget, some nonsecurity wants would necessarily go by the board. If taxes were raised to finance the increase, taxpayers would spend and save less. If Government borrowed the funds, capital for private purposes would shrink. If it were financed by credit creation, inflation would cut the consumption and savings of many. Thus we cannot avoid the necessity of choice and the sacrifice of alternatives.

There is no clear-cut, objective criterion for choosing to commit more or less of our resources to national security. The military capability and the specific intentions of an enemy can only be assessed by the exercise of judgment. Similarly our own military capability or effectiveness is a matter of judgment. Rapidly changing technology on both sides injects great uncertainty in this process of assessing relative capabilities. The economic impact of a defense budget, including the alternatives to be sacrificed, enter into the determination of the size of the defense budget. Internal political considerations and foreign policy objectives play their part in the decision.

By way of contrast, consider the budget problem of a business firm, say General Motors. How large an annual budget should it set up? This depends on what the public "wants" from General Motors, measured by the amount the customers are prepared to spend for its products. Judgment and hunch enter into the calculations to be sure. But as the year unfolds GM adjusts its budget and production schedules to meet the public's wants for its products. Here there is an objective, measurable, and simple criterion to guide the firm, to answer the basic question: How much?

Defense planners have no objective, comprehensive measurement of what we need and what we get when they put together the defense budget. The product produced by the military—national security—cannot be "valued" and the need for it cannot be measured. Hence controversy is endless and inevitable—as it is with practically all governmental programs.

Whatever the size may be, the military budget is finite and therefore limited. Again, choices must be made and alternatives sacrificed. How much should go to the Army, the Navy, the Air Force? One thing is certain: each gets less than it wants. Once the budget pie is sliced in three parts, other choices turn up. The more that goes to SAC the less there is for TAC. Funds spent for Atlas, Titan, and Minuteman cannot purchase B–58's. New tanks compete with self-propelled guns, and both with tactical nuclear weapons. More Polaris submarines may cost the Navy another carrier, or antisubmarine warfare facilities. And so it goes, endlessly. Each choice involves a cost; alternatives are sacrificed.

If the military effectiveness of the alternatives could be measured with reasonable precision, division of the defense budget would be relatively simple. But can the effectiveness of the B–70 in 1966 be measured against the effectiveness of, say, the Polaris submarines, or the Minutemen, that might have been purchased instead? Estimates, of course, are made, but no common unit of measurement is at hand. And none can be devised. Professional military judgment, together with service and political pressures, decides the outcome.

Again by contrast, the allocation of the business budget is relatively simple. The General Motors budget must be allocated among its many divisions for the production of a considerable array of end products. The divisional allocation is based on objective criteria: the estimated cost of each product, its price in the market, the prices of competing products, and consumer and commercial purchases of GM products. The effectiveness of the dollars allocated is measured by the financial return. Budget and production plans are quickly altered to avoid, for example, a surplus of Pontiacs and a shortage of Chevrolets. The military lacks this objective criterion which might signal, say, a shortage of airlift planes and a surplus of fighters, relative to need. Compared with the military budget process, business budgeting is child's play.

This, of course, is familiar enough. The lack of a comprehensive measurement of effectiveness, and the vast international and technological uncertainties, make military planning and budgeting a stupendous task. To be sure it is complicated and made more costly by service rivalries, the weight of tradition, business practices, political pressures, budget limitations, ordinary human frailty, and the sheer size of the whole operation. A brief consideration of these comes later. The basic point right now is this: there are no definitive answers to the questions, How much? and What for?

All budgets, therefore, are inherently controversial. And controversy is fed by the fact that each service, and all professional military leaders, usually get less than they want from the budget. This is inherent in the logic of choice; with scarce resources some needs cannot be filled. Every military budget therefore is "too small." This is not to argue that one budget is as good as another, or that the present defense budget is adequate. The purpose of this paper is not to assess adequacy but to bring out the underlying problem. Another $3 billion, or $5 billion added to the present budget would mitigate, but not eliminate, controversy.

THE BUDGET-MAKING PROCESS

The 1961 military budget illustrates the complexity of the budget-making process. The President requested $39.3 billion of new money for the military services. This request culminated 20 months of work and perhaps tens of thousands of man-years of effort. Each service built up its estimates, piece by piece, based on "what it really wanted," and then on several more probable and smaller amounts. The President, the National Security Council, the Bureau of the Budget, the Department of Defense, and the Joint Chiefs of Staff then began the complex job of fashioning a "balance" among the services and weapons systems and a total amount for submission to Congress. The pressure from the bottom is always upward; restraint comes from the top—the President. The result is a vast compromise, achieved by cutting estimates, readjusting programs, dropping this, stretching out that, and adding something new. For each service this is an exercise in frustration, compounded by interservice rivalry.

Budget consideration by the appropriations committees of the Congress is a searching affair. The Secretary of Defense, the Joint Chiefs, and other senior civilian officials and military men lay out their defense of the budget, together with their qualified doubts, uncertainties, and differences in judgment. This is a serious business in which the informed judgment of committee members plays a crucial role.

House committee action increased the total requested by $121 million, and changed some $4 billion in specific budget items. For example, the Polaris program was increased and a new carrier dropped out; the Bomarc program was drastically scaled down; funds for the airborne alert were increased, as were those for military airlift; Army modernization was accelerated and travel funds reduced; proposed reductions in Reserve forces were restored and procurement funds were cut across the board.

Many considerations enter into these changes. Maintaining the reserves is not without political overtones. Increasing the Polaris program at the expense of carrier forces is an exercise of military judgment. Across-the-board cuts in travel and procurement were economy measures intended to

reduced alleged waste of funds. Each service, and the branches within each service, has its congressional protagonists and this weighs in the final decisions. And each service has earned the justifiable irritation of some Members of Congress which helps fashion the outcome. Over it all, we have here an exercise of judgment by knowledgeable committee members and an expert staff.

The Senate Appropriations Committee takes up the budget where the House left it. Similar considerations shape their work. The summit collapse led the Senate to add $1 billion to the House bill. Among other things it restored funds for the Bomarc program, approved the carrier, provided additional funds for the B–70 development, added more money for the Samos satellite, for Army modernization, and for other programs. Again we have the exercise of informed judgment, with a leavening of political and economic ingredients and service loyalties. In the end, the House and Senate compose their differences, usually with prompting from the executive branch.

Budgetmaking is a tortuous, time-consuming process. The end product is not the creature of the Bureau of the Budget, or the Department of Defense, or even of the President. It is the creature of Congress for only Congress can appropriate funds. But the end product is a joint budget, the joint responsibility of two constitutionally separate branches of Government—something some critics overlook. In a sense, the process moves from one arena to another—within and among the services, in the Bureau of the Budget, and the White House. The main event takes place in the most important area of all, the Congress.

This process is not efficient; it was not designed for efficiency but for the balance of political power. In any event it cannot be efficient in the sense of matching returns or effectiveness against the dollars spent. We have no objective, measurable criterion for doing so. The military budget is a product of professional military judgment, service competition, fiscal limitations, political and economic considerations, the assessment of threat, hard work, imagination, and compromise. As with all budgets—personal, business, and public—more results could be gotten from it. And like all other budgets, it is smaller than its managers would like to have. Its adequacy is attested only by results—its capacity to deter and to win should deterrence fail.

COST ELEMENTS

Before discussing some of the elements which account for large military budgets, a few sobering contrasts are worth noting. In the century before 1935 the average annual cost per man in uniform increased about fourfold. Output per man in industry increased far more than this. In the quarter century since 1935 cost per military man increased another fourfold, while output per man at work did not quite double. These rough estimates take into account price changes; real military costs are accelerating, both in relation to their past behavior and to output per man employed. However, military productivity (destructive potential) is rising faster than military costs; that is to say, military technology has greatly reduced the unit cost of its output. The big bombs are getting cheaper and their delivery systems more costly. We face the bleak fact that over the past 25 years the increase in military outlays and the capacity to destroy has far outpaced the growth in capacity to produce and replace.

High and rising costs of national security stem from many causes—some are remediable others are not. Some of the excessive or needless costs are internal to the military; they result from its organizations, procedures, and interests. But the main causes of high cost lie elsewhere. These are due to political policy, strategic considerations, technological change, and uncertainty. By no means is this a complete catalog, but it suffices for present purposes.

First, consider the internal elements that tend to inflate cost needlessly. These come under the general rubric "waste". Committees of Congress, the Bureau of the Budget, the Hoover Commission, the Comptroller General, groups within the Department of Defense and the separate services have probed deeply into the "business" end of the service programs, personnel practices (e.g., flight pay), travel, and the cost of service amenities. On all counts the investigations point to instances of excessive cost. This is particularly true of the business operations: the systems for computing supply requirements, contracting, the cataloging and storing of items, distributing these items, and disposing of surplus. The main criticism is lack of integrated, businesslike operations, with consequent waste of funds.

These operations are sizable. Currently the Department of Defense purchases about $24 billion a year in weapons and supplies. This takes nearly 7 million procurement actions. The personal property inventory of the Department is valued at $118 billion, made up of 3.4 million items, and stored in nearly 600 million square feet of space throughout this country and in foreign depots. Nearly $27 billion of this inventory is surplus. Under present plans some $10 billion of surplus is to be disposed of yearly, at a yield of about 2 percent of acquisition cost.

Examples of waste and inefficiency in the handling of this business are legion. A recent estimate places the annual excess cost at $2 to $3 billion a year. The estimate is probably exaggerated; but, whatever the figure is, it could build up the military effectiveness of the services. This answers an earlier question: Could we get more security from present appropriations?

Defense is the Government's biggest business. Yet DOD has still to take a practical, businesslike first step toward increased efficiency; namely, to establish requirements on a comprehensive, coordinated basis. The remaining phases of the supply cycle are only partly coordinated. Under the prodding of Congress the services are moving toward more efficient supply management operations for items common to two or more of the services, such as single department procurement, cross-servicing of assets, single manager plans, uniform cataloging and standardization. The results are encouraging but not impressive. DOD in time will face the choice: to coordinate the present service supply programs more effectively, or to accept an integrated supply system in the hands of a single agency.

The first choice is difficult, the second is unacceptable to the services. This is so for a number of reasons: service rivalries, different procedures and ways of doing things, organizational interests that clamor for protection, the weight of tradition and inertia. As impediments to efficiency, these elements gradually give way, partly from outside pressures and partly from pressures generated within the services. But progress is slow; the do-it-yourself attitude is deeply embedded in each service. There is a basic and traditional urge for self-sufficiency, for the linking of control with responsibility. Each service is responsible for its mission; it wants a control commensurate with this responsibility. This is understandable and may be worth some added cost, but not the present excess cost. Far better results can be achieved by persistent, practical efforts at comprehensive coordination of the supply function and the overhaul of procedures.

Another aspect of cost internal to the military services receives much attention—the costs of rivalry and duplication in research and development. The Navy is said on occasion to obtain from Aviation Weekly information withheld from it the week before by the Air Force. The same source avers it works both ways. With the enormous emphasis on scientific research and development, and with rapid changes in technology, much is at stake in terms of service prestige and roles. Some duplication and therefore loss of scientific talent undoubtedly occurs in these service programs.

But there is another side to this coin that critics rarely notice. Rivalry in trade, in the military, within the professions, in love, and in the arts produces innovation, drive, and stirs the imagination. Rivalry has its costs, and its advantages—on balance perhaps a net advantage over time.

The maintenance of standby facilities and stores is another practice which frequently evokes complaints of waste. Heavy stores are frequently the result of inefficient supply management, but the need for readiness is the underlying cause. At times the Navy may charter private tankers and lay up some of its own tanker fleet, or contract work out to private shipyards while its own yards are idle. Commercial planes may be called upon to do work that could be done by service planes. At times contracts are let to aircraft companies for planes of low priority. In the short run practices of this type cost substantial sums and at the time appear needless. But commercial fleets, sea and air, are auxiliaries; war production facilities are essential in case of emergency. But for these facilities the military would need to build its own. Probably in the long run the standby arrangement with its annual subsidy saves money.

The military is by no means the only source of its excess costs. Some are imposed upon it. Identical bids from suppliers, the loading of costs under negotiated contracts are among the sharp business practices that inflate costs. Legislation requires the payment of prevailing (i.e., the highest) wage, and limits the purchase of cheaper foreign goods, thus adding to total cost. Political influences have their effect, for example, when a DOD-recommended reduction in Reserves is opposed by Congress, or the closing of an airbase or other installation is resisted. Some procurement programs are prolonged to avoid political trouble. Restraint on the one side and a practical realism on the other limit these costs. Often such propitiation merely shifts the geographical incidence of the outlay without increasing the total materially.

Budget ceilings in the face of rising production costs, and the burgeoning of new weapons systems, add to excessive costs of national security. Ironically, the effort to save money by the imposition of budget ceilings may actually cost money. Fixed budgets are squeezed from below as labor and material costs rise, as more complex equipment is introduced, and as new weapons systems vie for the limited funds. In the face of this squeeze some new programs are stretched out; by the time they reach the production stage the weapons may be obsolescent. Short run effectiveness is sacrificed on the one hand while costs of obsolescence rise on the other. Or the squeeze may work another way. Airlift planes may be sacrificed, ship repairs may be slighted, and Army modernization may be slowed up while the new glamor items are vigorously pushed. Some of these may be in the developmental stage with uncertain prospects of success. Imbalances thus develop at the cost of military effectiveness.

This problem will grow as time goes on. Research and development spawns ever more costly new weapons systems. Meanwhile existing equipment and weapons, if not displaced, require replacement. Naval ship repair and replacement highlights this problem. Most of the ships of the Navy, built in World War II, need replacement soon. This

need must compete with the new technological developments. The tighter the budget ceiling the greater the cost in terms of effectiveness—replacement is delayed or new programs are stretched out, or canceled. This again underscores the fact of limited resources, the necessity of choice and the sacrifice of alternatives. As the alternatives continue to grow in relation to available resources, the sacrifices tend to create imbalances. For this reason efficiency in supply management is a growing imperative.

The pace and uncertainty of technological change add heavily to national security costs. This year the research and development budget approximates $6 billion. The uncertainty of such work is evidenced by the fact that some $4 billion of R. and D. contracts have been canceled in recent years. In other cases the new item in production faces obsolescence—much of the hardware ages almost overnight. In some cases the services have stayed too long with a dubious development. The costs of change and uncertainty are heavy and will doubtless grow.

In retrospect many of these costs seem needless. But the advantage of hindsight is not present when the decision to commit resources is made. We have here the familiar distinction between ex post and ex ante costs. The ex post costs are those incurred; they can be compared with whatever results they bring. If the results are poor, the costs are excessive. The ex ante costs are those projected into the future to produce an expected result. The expected result justifies the decision to spend; as the result materializes the cost, now ex post, may or may not be justified. If not, criticism falls upon the military planners, and often unfairly, for in this field rapid scientific changes and uncertainty loosen the link between expectation and realization.

Strategic considerations and defense policy likewise make national security a costly affair. Our policy is moving rapidly toward the creation of a highly invulnerable mixed attack force. Soon there will be four different ICBM weapons systems in operational status. Diversifying the attack force and giving it mobility increases the problems of a potential enemy and reduces his chance of knocking retaliatory power out with the first strike. That is to say diversification lessens vulnerability and thereby provides a formidable second-strike capability. Since invulnerable retaliatory capability is the presumed goal it assumes forces large enough to withstand the first strike. Hardened ICBM bases, mobile ICBM's, a Polaris submarine fleet at sea, a sizable airborne alert, and possibly airborne ballistic missile capability fit this specification. The cost of achieving this is enormous.

But such capability is designed to deter general war. Mobile forces, to deter, or handle, local war and to be ready in cold war situations, add other elements to the mixed attack force, add greatly to costs. Furthermore, oversea support to allies expands the U.S. deterrent capability through geographical dispersion. This increases cost.

Conceivably retaliatory capability on both sides might be achieved in such degree that neither side could be reasonably certain of success. Such a stability, or equilibrium of force, might level off the growth in arms expenditures. But this is by no means certain. New developments in delivery systems, or in detection and defense, could upset an equilibrium; in any case such developments themselves are costly.

And finally it should be noted that national security is not only a matter of building a highly invulnerable mixed attack force. The threat is not limited to armed aggression. Nonviolent forms of aggression are widely practiced and may grow in severity. The costs of countering these forms of aggression must be charged to national security.

SOME CONCLUSIONS

The range of choice in allocating the national security budget is widening inexorably with the rapid pace of technological change in offensive weapons and in means of defense.

The choice among alternatives is an extraordinarily difficult matter owing to the lack of an objective, comprehensive measurement of effectiveness. With a quiescent military technology this problem is more manageable than it is when, as at present, technological change and uncertainty are the rule.

Choosing among alternatives involves a real cost, which is the effectiveness of the alternatives sacrificed. The basic objective in military planning is to minimize these real costs. In practice, there is no objective and general measurement of them. Tests and evaluations provide a range of partial measurements to guide the exercise of judgment.

However, it might be said that inefficiency is an alternative with zero effectiveness. Any reduction here is a net gain to military effectiveness, or alternatively a net saving to the taxpayers. When the military absorbed only 1 percent of the gross national product annually, the cost of inefficiency was not so pressing a matter as it is at present with an absorption rate of almost 10 percent.

Two general principles to guide the selection of alternative weapons systems may be stated. The first is to choose that mix or combination which maximizes invulnerability. The second is to choose that combination which maximizes the capability of handling the varied situations described as a general war, or a limited war, or an aggravated cold war. This calls for a varied mix with heavy emphasis on weapons systems having at least a dual capability. The general acceptance of these principles in national security budgeting would probably add considerably to present levels of expenditure.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS
OF
HON. THOMAS B. CURTIS
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. CURTIS of Missouri. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD study paper No. 12: "The Economics of National Defense in a Free Economy," by Guy Waterman, task force staff:

THE ECONOMICS OF NATIONAL DEFENSE IN A FREE ECONOMY

(By Guy Waterman, task force staff)

1. INTERRELATIONSHIP OF MILITARY POLICY AND ECONOMIC POLICY

To be complete, the overall design of a nation's policies for achieving national security must include economic policy, as well as military, diplomatic, and other policies. The fundamental interrelationship between military and diplomatic policy is widely recognized. More often we fail to recognize, or fail to act on the basis of, the equally significant interrelationship between military and economic policy.

In the world in which the United States has assumed leadership today, a strong national defense is imperative. Without adequate military preparedness, our leadership position would be lost. Furthermore, as the possibilities of space exploration become actualities, the requirements of our international position extend to the space race as well as more purely military matters.

The United States' position in the world today carries with it another imperative: A strong national economy. A vigorous, adaptive, expanding economic system is itself a key element in a strong international posture. A healthy growing economy makes it possible to meet the challenges of economic and trade competition. It also forms the base which makes it possible to carry a strong military defense program. A nation which lacks economic strength cannot be militarily strong for any period of time. As former Air Secretary W. Stuart Symington stated in 1950: "The Nation can be defeated by economic disaster as well as military disaster." [1]

Military power and economic strength are mutually reinforcing. They are complementary, not competing goals. They are fundamentally interrelated. This point was expressed well by the Republican Committee on Program and Progress (the so-called Percy committee) in the following words:

"We must realize that national security and the maintenance of a stable economy are not antithetical ideas. Indeed, should we be successful in providing defense on the military front and, at the same time, allow our economic system to collapse, we would thereby be sustaining defeat by communism." [2]

Our policy in the economic sphere, however, has broader purposes than just that of serving and enhancing military strength. We seek a strong economy because of other benefits it brings, such as material progress in the form of rising real incomes. Beyond economic strength, we also seek to advance the goal of economic freedom. Freedom is the highest value which we, as the relatively new leader of western civilization, are now called upon to protect and enhance. We seek to survive for a purpose—the maintenance of a civilization which exhalts the dignity of the individual, his freedom, and his opportunity.

The growing importance of economic policy

Strong national defense, a strong economy, and an underlying dedication to the maintenance and spread of economic freedom—these have always been among our important goals. The context in which we pursue these goals, however, has changed radically since the end of World War II. The main difference in the new international situation which we face today is the long-range, almost open ended, nature of the challenge.

In World War II, we confronted an all-out, unlimited war. We mobilized our national war capability to something like the maximum. The conflict lasted a finite period of time and then was over. Having won the war, we converted back to a peacetime economy.

But the peacetime to which we were restored began to be shaken, as the fall of Czechoslovakia, the Berlin blockade, and other events began to show. In 1950, the Korean crisis presented us with a different problem. Again we mobilized for a specific conflict which lasted a finite period of time. However, war was not unlimited; nor did we mobilize our full strength; nor, on the conclusion of the fighting, did we reconvert to a wholly peacetime economy.

What we have settled down to since the cessation of open hostilities in Korea is something new to this country. We are not at war; yet we face a threat to our national security which is perhaps more dangerous than any past wars. We know that we must maintain a strong military posture; yet we know that we may have to hold our

[1] New York Times, Apr. 25, 1950.

[2] Task Force on National Security and Peace, 1959.

military strength for decades perhaps—and may never have to use it. We also know that the challenge we face is not confined to military power, but is being hurled at us from every side—political, economic, and even psychological.

George A. Lincoln has described the security program which this new situation calls for as "a sustained high plateau of preparedness," [3] as distinguished from "full mobilization" (e.g., World War II) and "limited (or partial) mobilization" (e.g., Korea). Lincoln quotes a vivid statement of the problem by Bernard Baruch in a speech before the Industrial College of the Armed Forces on June 28, 1949:

"Both as a nation and as individuals we grew up accustomed to regard war and peace as distinctly separate states, like night and day. Today we live in an around-the-clock emergency, a twilight of neither war nor peace. Reared to think of war as a brief emergency to be rallied to temporarily, we find ourselves confronted by a continuous threat of war, which requires something Americans have habitually lacked—a see-through constancy in action between peace and war." [4]

This new and different situation—"between peace and war"—requires that economic policy play a more important part in our national thinking. In a situation of full mobilization, economic problems were enormous, but there was no difficulty in deciding exactly what our broad economic policy objective was: it was simply, and almost exclusively, the support of an all-out military effort to win the war. Furthermore, our concern for economic freedoms was modified by a willingness to sacrifice certain values during the war with the clear understanding that the sacrifices were temporary. The phrase, "the duration," was commonly used; it expressed the concept of a temporary emergency after which the economic policies of a peaceful world would be restored.

In our new situation, however, economic policy is more complex and more central to the problem. If we are not to enter full-scale mobilization, then we must make certain decisions as to how much of our economic capability we will devote to military defenses. If we are to maintain adequate military defenses over a long time period, we must pay attention to the effects of alternative defense budgets on economic growth and efficiency, since growth and efficiency will make possible better defense later. If this sustained time period is one of rapid technological change, we must make difficult decisions on the allocation of defense effort between weapons now feasible and the development of new ones. Furthermore, if the challenge during this period extends to far more than military strength, economic strength becomes an end in itself as well as a support for military policy.

Finally, the new situation raises troublesome issues with respect to our larger goal of maintaining and enhancing economic freedoms. We may be willing to regard certain freedoms as expendable during a conflict which has a perceptible beginning and an end. But in an "open-ended" conflict, how much are we willing to give up?

2. PAYING FOR MORE DEFENSE

Recently there have been several significant proposals for increasing defense spending by usually unspecified but substantial amounts. If such proposals are being considered, it is important to examine the question of how a large increase would be financed.

In addressing ourselves to this question, we are not passing judgment on the need for such an increase. For purposes of this discussion, we will simply assume hypothetically that an increase is to be made. We will look only at the choices which must be made on how to finance this increase in defense spending.

A number of ways of financing higher defense spending may be dismissed before we turn to the basic question of what choices must be made if we are to reallocate resources in the direction of a large defense effort.

Financing defense via inflation

We should mention, first, the alternative of financing a defense spending increase via a deficit. A deficit does not, of course, increase the country's total resources; it merely shifts the burden. Oversimplifying a bit, this alternative would amount to paying for more defense via inflation.[5] The price level generally would rise and the cost of the increased defense spending would be diffused throughout the economy, with the usual undesirable effects associated with inflation.

This way of financing a greater defense load is not seriously advanced as a responsible policy alternative. While the catchphrase is sometimes expressed that, "national security is more important than a balanced budget," [6] it is generally conceded in serious discussion that if an increase in defense spending is necessary, it ought to be financed in some way other than a deficit. In principle, at least no political figure would favor a planned deficit except as a tool of fiscal policy in time of economic slack. The only danger would be that deficit financing of increased defense spending might result out of an unwillingness to face up to the problem of revenue. However, in this discussion we will assume that some method of financing other than inflation would be desired.[7]

It is to be hoped, therefore, that we may dismiss inflation as a legitimate way of financing higher defense spending.

"Painless" sources of higher defense spending

Several more quasi-serious proposals for ways to finance a higher defense budget should be mentioned, since they are advanced prominently from time to time. Four such proposals might be mentioned:

1. To finance more defense by cutting the "fat" out of the defense budget.

2. To finance more defense by cutting the "fat" out of other parts of the budget, especially the multibillion dollar farm program.

3. To finance more defense by raising more Federal revenues via closing certain tax loopholes.

4. To finance more defense by raising more Federal revenues via a more rapid expansion of the economy than has recently occurred.

These proposals all have two important points in common.

First, they are each based on an important "grain of truth." That is, each of the four suggestions could command almost universal approval if properly restated—yet, is usually so distorted as to invite grossly misleading conclusions.

Second, each of these proposals holds out the hope of a costless increase in defense, financed by means which are virtually painless, at least to the average taxpayer. That is, when closely examined, each turns out to be a more or less sophisticated promise of something for nothing.

(1) Cutting the "Fat" Out of the Defense Budget

One leading advocate of more defense has been reported as saying that present Defense Department procedures are wasting $10 billion. According to one headline, this advocate, a candidate for the Presidency, pledges: "More Defense for Less Money." [8]

The idea of increasing effective defense spending simply by making the Defense Department more efficient is an appealing one. There is ample evidence that the Defense Establishment is not a model of efficiency. Bureaucratic rivalries and interservice jealousies undoubtedly generate inefficiencies. Horrible examples of waste have been repeatedly dredged up. Beyond that, many studies, notably those of the two Hoover Commissions, have outlined specific and, from many standpoints, practical plans for eliminating wasteful and costly practices.

There is, therefore, far more than a "grain of truth" to the suggestion that a serious effort should be made to tackle the problem of efficiency. The urgency of adequate military power over the years ahead gives added emphasis to the value of eliminating defense "fat," a point to which we shall advert again, later in this paper.

It is fallacious, however, to jump from this point, on which there would be little disagreement in principle, to the conclusion that we can now up our military spending plans by X billion dollars, and pay for it by cutting "fat" by the same amount. Yet this is often implied.

It is always appropriate to cut "fat" out of the defense budget. It is always difficult, too. In fact, while optimism may be a virtue, there has never been much dramatic evidence of progress in eliminating waste, progress of the kind which might suddenly free up two or three billion dollars without damaging the effectiveness of existing defense programs. If elimination of waste proved difficult for a commander in chief as experienced as an Eisenhower, and a corporation executive with the credentials of a Wilson, it would appear doubtful that anyone else would produce a magic key for unlocking a problem on which everyone would like to see progress but on which the best efforts have produced only meager results thus far.

At any rate, the important point is the separability of the twin goals of more defense and greater efficiency in defense spending at whatever level. Why gear efficiency only to a need for greater defense? If we can improve efficiency, we should do so not only if we want to strengthen our power, and not only if we want to retain roughly our present strength. The goal of greater efficiency would still be important even if the remote possibility of limited disarmament materialized.

It is, therefore, somewhat irrelevant to promise to finance a specific increase in military power out of unspecified efficiency programs.

(2) Cutting the "fat" out of nondefense budgets

Many of the same considerations apply to a variant of the above argument. This var-

---

[3] "Economics of National Security," 1954, p. 21.

[4] Ibid., p. 26.

[5] Except under certain assumptions which it is not reasonable to anticipate would be borne out fully in the present situation.

[6] As stated, of course, this catch phrase would be endorsed by nearly everyone. Clearly, however, it misstates the alternatives.

[7] An interesting analysis recently by Boris P. Pesek compared the relative impact of inflation and higher taxes on income distribution. Pesek found that, as a means of financing increased Government spending, inflation was the most regressive of the alternatives. The most progressive method, of course, was the income tax; next, a sales tax with food exempt; next, a straight sales tax; and finally inflation. This conclusion would presumably lessen the political attractiveness of financing higher Government outlays for defense (or other) programs via deficits and inflation. (See Pesek, "A Comparison of the Distributional Effects of Inflation and Taxation," American Economic Review, March 1960.)

[8] "Washington Post and Times Herald," Apr. 3, 1960.

iant promises to finance higher defense spending, by cuts in unnecessary nondefense portions of the budget.

A frequent tack here is to point to the multi-billion-dollar Agriculture Department budget. It is fairly easy to secure agreement that the dollars spent on the farm program are not solving the farm problem, are of little benefit to the farmers who most need income, and should be drastically pruned. It is tempting, therefore, to propose that we reduce farm subsidies by X billion dollars and apply the savings to an increase in defense outlays.

Other frequent targets are veterans' benefits, the burden of interest payments on the public debt, rivers and harbors "pork," questionable stockpile purchases, and subsidies in general.

The point on these matters is similar to that on cutting defense waste. Again there is a considerable grain of truth. Certainly economists would agree almost without dissent that the volume of dollars flowing into farm subsidies is only adding to, not solving the farm problem—a conclusion with which the harried low-income farmer would immediately agree.

But just as certainly, no one has produced a simple way out of the predicament. And if practical means are found to reduce unnecessary and undesirable spending on farmers, veterans, bankers, or subsidies of any kind, surely we ought to institute the savings immediately, whether defense needs are rising, constant, or falling at the time.

It is meaningless to say that we should cut farm subsidies by X billions and apply the money to more defense. If we need more defense let us have it now, not when we finally figure out the farm problem. If we find out how to cut X billions off the Agriculture Department budget, let us do it now, and not necessarily shuttle all the money over to the Defense Department (unless we simultaneously radically revise the relative value we attach to military activities).

(3) Closing Tax Loopholes

Another means of financing higher defense spending is to raise more revenue by revision of the tax laws. This proposal envisions closing of what are called loopholes in the tax structure, through which it is estimated several billion dollars of tax revenues go uncollected.

It is vital to distinguish between raising revenue by closing loopholes and raising revenue by a general tax increase. (We shall discuss the latter alternative later in this paper.) The idea behind closing loopholes is that more revenue can be raised without adjusting tax rates generally. Again the hope is held out of financing a considerable increase in defense or other spending without any sacrifices being required (at least not by anyone who can't afford it).

The specific loopholes which are ordinarily introduced for consideration are: (1) The dividend credit and exclusion features; (2) depletion allowances for various minerals, notably oil; (3) lack of withholding procedures on dividends and interest payments; (4) lax policing of expense accounts; (5) loose interpretation of what constitutes a capital gain; (6) preferential provisions in estate and gift taxes; (7) exemption of cooperatives; and (8) inadequate enforcement generally.

The bulk of public discussion of closing loopholes centers around the first two in this list: specifically, the dividend credit and the oil depletion allowance.

There are severe limitations to relying on closing tax "loopholes."

One problem is implied in our use of quotation marks around the word. The two loopholes which are most prominently mentioned are loopholes only to those who oppose these provisions in the code. To those who support these provisions—a majority of the Congress at the time of their adoption, at least—they were fully intended to have a part in the code. Some writers have argued that the term "loophole" ought to apply only to features of the code through which the Government loses income which it intended to tax. Such a loss can occur either because Congress did not write the law carefully enough or because the Treasury Department does not administer the law carefully enough. Under this concept, however, neither the dividend credit nor the oil depletion allowance constitutes a loophole.

Semantics aside, however, there is honest disagreement among policymakers and economists as to the value of these two tax provisions. Many would argue that the dividend credit instituted in 1954 is justifiable on grounds of equity, beneficial to economic growth, and basically more of a reform (i.e., good) than a loophole (i.e., bad). The oil depletion allowance would probably command less support from economists, but certainly more from policymakers.[9] In the case of both provisions, economists would generally argue that the effects of repeal would be shifted, in greater or less degree, so that the income distribution effects of repealing these provisions might not be as different from the effects of a general tax rate increase as might popularly be supposed.

What destroys the practical value of these loopholes as a source of financing higher defense outlays is the improbability of Congress acting on them. It is fairly clear that until major tax reform is undertaken—which will not be in 1960—the major provisions cited above (and particularly the oil depletion allowance) are here to stay. This being the case, it appears that no painless source of financing higher defense spending is available from this source.

With respect to some of the minor loopholes listed earlier, there is less disagreement. Generally speaking, better enforcement of the tax laws would indeed yield more revenue. Here the relevance to increased defense spending is no closer, however, than it is in the case of "waste" on the spending side of the budget books. In both cases, more efficient governmental administration is a meritorious end in itself and in no way can be tied directly to higher defense outlays.

Again, however, as in the case of proposals for reducing "fat" in defense or nondefense budgets, we may note an important grain of truth. That the tax code badly needs reform on a major scale is a proposition on which wide agreement can be found. In the interests of equity, of efficiency, and of growth, the day when genuine tax reform can be accomplished ought not to be long postponed. The demands on our economy of a high level of defense activity add to the urgency of this problem, which, however, would exist under any circumstances.[10]

(4) Revenue From Economic Growth

Yet another "painless" source of financing more defense, increasingly advanced in circles somewhat more sophisticated than those from which the above suggestions emanate, is economic growth. The thesis is that as the economy grows, the tax base grows and more revenue becomes available to the Federal Government, even without any change in tax laws.

In a study for the Joint Economic Committee, Henry Rowan stated this thesis concisely:

"Consider a $10 billion increase in the defense budget. If the increase took place over several years, there would be scarcely any problem with inflation from the extra defense outlays. In 3 or 4 years, growth of the economy would bring in extra revenues amounting to $10 billion annually." [11]

The Joint Committee itself, in the concluding report of its "Study of Employment, Growth, and Price Levels," asserted: "Economic growth in itself, therefore, is a major source for financing improvements and expansion in necessary Federal programs without increasing tax rates." [12]

The "grain of truth" in this increasingly popular position is obvious. A vigorously expanding economy can carry a rising load of any category of expenditure with greater ease than a stationary economy. It is also true that with a Federal tax system based largely on progressive income taxes, rising incomes will tend to generate even more rapidly rising Federal tax revenues.

Nevertheless, it is not logical to proceed from these generalizations to the conclusion that the phenomenon of economic growth provides a growing fund of tax revenues available for financing an expanded defense effort or other public programs (or a tax cut for that matter).

The basic difficulty is that a growing country requires higher Government expenditures just as surely as it produces higher revenues. The hope that economic growth will make more revenues available is based on clear recognition of the automatic expansion of the revenue side of the Federal ledger, but tacitly takes as constant the expenditure side. Yet, as a moment's thought will recall, the forces tending to automatic expansion of the expenditure side are probably at least as powerful as those on the revenue side. The reference here is not to political pressures or tendencies to initiate new Government programs—although these too may be very much a part of the picture. The reference here is to the automatic institutional expansion of existing programs. These are increases in expenditure which can be anticipated in the next few years, just as we can anticipate increases in tax revenues.[13]

The Director of the Bureau of the Budget, Maurice H. Stans, has recently alluded to these automatic expenditure increases with growing frequency, calling them "built-in increases in existing programs which are now producing a continuing upcurve in expenditures." Stans estimates that we already face future commitments of $25–$35 billion for the interstate highway system, $8 billion for public works projects already started, $6 billion for public housing, $4.4 billion for shipping subsidies, and a variety of other obligations.[14]

Built-in cost increases are particularly predictable in the defense field. As weapons technology advances, costs rise (entirely apart from the effects of inflation). Defense Comptroller John M. Sprague recently gave these examples of "the increased procurement cost of these new and more complex weapons. The cost of a fighter airplane, for example, has increased by over 30 times since World War II; the cost of a submarine

---

[9] One Senator, as recently as Sept. 5, 1959, was perfectly candid during debate on the Senate floor. He stated: "The reason why it will not be possible to * * * (cut) the 27½ percent oil depletion allowance is that there are not enough votes in the Senate to do it. It is just that simple." (CONGRESSIONAL RECORD, vol. 105, pt. 14, p. 18212.)

[10] The House Ways and Means Committee, in which all tax legislation must originate, has underway a full-scale study of tax reform. It is widely hoped that this study will ultimately produce the major overhaul of the code which all observers agree, on principle at least, is needed.

[11] "National Security and the American Economy in the 1960's," Jan. 30, 1960, p. 69.

[12] P. 27.

[13] See, for example, Kenyon Poole, "Public Finance and Economic Welfare."

[14] Address before the Tax Foundation, Dec. 1, 1959.

(Polaris), twentyfold. A modern supersonic bomber costs nearly one hundred times its World War II predecessor, the B–17. The Navy's nuclear-powered carrier which is currently under constructon will probably cost eight times as much as the carrier which fought the Battle of Leyte Gulf." [15]

Sprague also pointed out the certainty of rising costs for military personnel:

"More directly, even without a general pay increase, the cost of military personnel goes up about 2 to 3 percent a year. This comes about from a somewhat higher grade structure; increased longevity pay; an increased number of dependents and, therefore, dependents' allowances; the new program of enlisted proficiency pay; and a steady increase in military retired pay." [16]

Dr. Otto Eckstein, then of Harvard University and later staff director for the Joint Economic Committee's Study on Employment, Growth, and Price Levels, in a paper prepared for the Committee on Economic Development (CED), drew some projections of rising public expenditures over the next decade. Eckstein projected rising expenditures from $79 billion in fiscal year 1960 to $97.1 billion in fiscal year 1968 (as a medium assumption), or as high as $105 billion or as low as $87.1 billion.[17] The significance of these projections is that, at present tax rates, most of the increased revenue from economic growth will be eaten up by increased spending under present programs. Under the high projection of spending, about all of the increased revenues will be required.[18] Illustrations of built-in increases in nondefense programs include the Veterans' Administration (pension mostly) from $5,098 million in fiscal year 1958 to $6,375 million in fiscal year 1968; urban renewal and other housing programs from $199 million to $2,040 million; highways from $8,300 million to $13,300 million; Department of Interior programs (reclamation, Indian affairs, national parks, etc.) from $666 million to $1,110 million. In the defense budget, simply continuing present evaluation of security needs, and in the author's words, assuming "continuation of economy policies," the projection runs from $39.1 billion in fiscal year 1958 to $51 billion in fiscal year 1968. Space, AEC, and other defense-related programs also are expected to eat up revenues simply extending the present approach.[19]

Economic growth, therefore, provides no freely available revenue for use in expanding our defense effort. Economic growth produces more revenue, but it also produces more expenditure. We must conclude again that we have failed to uncover a costless source of revenue for higher defense outlays.

The basic question

Reluctantly we come to the conclusion that if we wish to spend more on defense, we are going to have to face the cost. While everyone would like to see elimination of unnecessary spending; while genuine tax reform is desirable on its merits; and while economic growth will strengthen the economic base which supports an adequate defense—while these considerations are all true, we must conclude that none of them offers a free ticket to a costless increase in defense spending.

This fact has been acknowledged by some of those who advocate higher defense spending. There have been several hints that some of the advocates of higher defense spending favor a tax increase to pay for it. However, these indications have always been in most general terms. No major political figure has presented his program for a general tax increase. Nor has anyone indicated which needed nondefense programs should be cut or postponed. But having rejected the possibilities of a something-for-nothing increase in defense outlays, we are forced to analyze specifically what the cost of any substantial increase would be.

3. THE COST OF MORE DEFENSE

The cost of an increase in defense spending may be viewed in one of two ways: Either as more dollars to be spent—in which case, the question becomes: How do we raise the money? or, what do we spend less on in order to spend more on defense? or as more resources to be allocated—in which case, the question becomes: In real terms, what relative shifts must take place in other sectors so that more resources, relatively may be allotted to defense?

If we are going to increase the defense sector, where will the money (or resources) come from?

It is sometimes inferred that an expansion of the defense budget must be financed by foregoing enjoyment of consumer goods, with the implication that this is the only area in which sacrifices must be made. In fact, however, an increase in the defense sector might be expected to be drawn from many different places, including:

1. Consumer expenditures of many kinds, not just luxuries or frills.
2. Savings and investment expenditures.
3. Nondefense Government programs.
4. Lower-priority sections of the defense programs.
5. Defense spending on the part of our allies.

These sources of financing higher defense outlays are discussed in more detail in this section.

(1) Effects on Consumption

When speaking of higher taxes, it is popular to speak as if the tax would cut only into consumption—and indeed, only into less desirable forms of consumption at that. Often, in reply to the rhetorical question, "Can we afford more defense?" the response is that we spend too much on frills now. Our affluent society, it is contended, certainly can afford to forgo self-indulgence in luxury consumer goods in the interests of meeting social priorities, including defense. Tailfins and television are especially fair game. Among more sophisticated audiences, advertising budgets are a favorite target. ("Surely the real waste is not in the public sector.")

The implication running through discussions in this vein is that if we are forced to a tax increase, the tax will reduce consumer spending only in areas which don't really matter. The implication is that when consumers' disposable income is reduced, consumers will reduce spending only on goods which have a lower social importance, like tailfins.

To bring out the fallacy of this approach, it is only necessary to make explicit what is usually treated, albeit in polished phrases, by implication and inference. Clearly, if a tax increase reduces disposable personal income by, say, $5 billion, we do not know what industries would be affected. The only things we can be reasonably sure of are that consumption expenditures generally are very likely to fall, and that the decline will probably be felt along a wide range of consumer products. It may be comforting, but it is not realistic to assume that only "frills" would be adversely affected.

(2) Effects on Savings and Investment

We also can suppose that a fall in disposable personal income would probably reduce not only consumer expenditures, but also personal savings to some extent. While the marginal propensity to consume is thought to be lower going down than going up, it would still be positive, barring some exceptional circumstances.[20]

A reduction in personal savings would put downward pressure on private investment. This would tend to have an adverse influence on economic growth, since the volume of private investment is surely a key factor, if not the main determinant of the rate of economic growth. (Certainly the same amount of dollars spent through private investment would be quite likely to have greater growth effects than the same amount spent on national defense.) If we see economic growth as essential for long-range defense needs, as well as for the economic aspects of the international challenge, then we would want to recognize that a tax increase would probably have some downward effect on growth.[21]

If the flow of personal savings were reduced because of a tax increase, the capital markets might become slightly more difficult for State and municipal governments to secure credit from. In this way, a Federal tax increase could reduce State and local revenues (bond issues) in absolute as well as relative terms. Because the effect is indirect, however, it would probably be small.

(3) Effects on Nondefense Public Programs

As we have seen, it would be unrealistic to suppose that an increase in defense spending would come solely out of certain categories of consumption (those of a low social priority). It is more realistic to expect that a tax increase would come out of consumption expenditures of a variety of types, and further that some of the increase would be likely to come out of savings and investment, with downward effects on growth.

We may go further, however, and raise the question of whether an increase in defense spending should logically be financed entirely by means of a tax increase.

Put in terms of resource allocation, the question is: Should a greater relative defense effort be taken entirely from the private sector? Or should part of it come from the public (nondefense) sector?

In dollars and cents, if we have to raise the defense budget by $5 billion, why raise taxes by the full $5 billion? Why not take $1 or $2 billion (or more) from other sections of the Federal Budget?

It is rather important to distinguish between this point and the suggestion, discussed earlier, that we can finance defense increases by eliminating waste or unnecessary Government spending. The inference in that suggestion is that no one will be hurt by such cuts, that the wasteful spending has little or no value anyway. As pointed out before, wasteful or unnecessary spending should be cut anyway, whether we want to

---

[15] Address before the Electronic Industries Association, March 15, 1960.

[16] Ibid.

[17] Eckstein includes a "very high" projection of $115 billion.

[18] Eckstein projects receipts, with present tax rates, to a level of $104.6 billion in fiscal year 1968.

[19] "Trends in Public Expenditures in the Next Decade." April 1959.

[20] Under exceptional circumstances, a reduction in disposable personal income which resulted from a tax increase could be associated with an absolute increase in consumption expenditures. This would occur if the tax increase was coincident with a bad inflation scare, or with public anticipation of controls and rationing. An international crisis precipitating a boost in defense spending and therefore a tax increase could conceivably be tied to either or both of those two effects. They, however, appear to be remote from the present discussion.

[21] The adverse effect on growth referred to here is entirely apart from possible effects of a tax increase on incentives, a matter discussed later. The effect discussed here is almost a technical function of a tax increase, as opposed to the more intangible effect on incentives.

increase defense spending, hold it constant—or even reduce the defense budget, too. If a practical way can be found to save money by eliminating military duplication and interservice rivalry, or by substantially reducing agriculture payments, or by cutting the interest burden of the debt—if practical ways can be found to make such cuts, surely they should be instituted immediately, independent of decisions on the adequacy of the present defense program.

The point we turn to now involves not wasteful spending which should be cut anyway, but rather Government spending which is not wasteful, which we do value, and which would not be reduced were it not for the hypothetical decision to raise defense spending. Logically an increase in defense spending should be financed by drawing resources from all other sectors, not just private sectors. This implies some reduction in the nondefense public sector.

The newsletter, Economic Intelligence, commenting on the heightened interest in defense and space following sputnik, brought this point into perspective well, as follows:

"Since there seems to be no obvious reason why the relationships previously existing between the social valuations of expenditures in the private and nondefense public sectors should have been radically changed by sputnik, it would seem that the brunt of increased defense should be borne by both of the other two sectors." [22]

In specific terms, this could mean that a decision to expand the Defense Department's budget, or NASA's, should be associated with other decisions involving, let us say, a slowdown in highway construction or suspension of new public housing units or reduction in the agricultural support price for some commodity.

(4) Effects on Defense Budget

To press this point further, if we want to increase defense spending in certain types of weapons, we not only want to reduce private and nondefense public sectors; logically we should also examine other phases of the defense sector. If the value of modern weapons systems has increased in our minds, then presumably the value of some other phases of the defense structure has relatively declined.

(5) Effects on Allies

If ours is a mutual defense, presumably a decision that more defense spending is needed would be a decision agreed to not only by our own people, but by our allies as well. That being the case, the expansion of defense spending would logically be shared by us and them.

Conclusion

This discussion has attempted to point out the impact which an increase in defense outlays might be expected to have. We have attempted to point out that a shift in resources in the direction of a greater relative defense effort would imply relative shifts away from all, not just some, of these sectors:

1. Private consumption.
2. Private investment.
3. Nondefense public spending.
4. Low priority defense items.

Consideration of possible increases in defense spending ought to be undertaken with a full awareness of the implications for private living standards, economic growth, and the progress of public programs other than defense.

4. COMPARISON OF WORLD WAR II AND THE KOREAN WAR

It is instructive to look at the cost of World War II and of the Korean war in the terms in which the cost of national defense has been analyzed in the preceding discussion. In these terms we ask the question, What relative shifts out of other sectors made possible an enormous expansion of defense spending in World War II and a significant, if lesser, rise in the Korean war? After answering this question, we can better judge the impact of current and proposed levels of defense spending. In making these judgments, however, we will also have to note carefully the difference between the new situation and the earlier ones.

The cost of World War II

In table 1, the national income accounts are classified in such a way as to bring out what shifts took place in nondefense sectors to make possible a huge increase in defense spending during World War II. (Note: Items do not add to totals due to rounding, and due to exclusion of net foreign investment, a relatively minor item.[23])

TABLE 1.—*World War II*

Year	Gross national product	Consumer expenditures	Private investment	Nondefense Government	Defense
Dollars (billions):					
1940	100.6	71.9	13.2	11.9	2.2
1944	211.4	109.8	7.1	9.1	88.6
Percent of total GNP:					
1940	100	71	13	12	2
1944	100	52	3	5	42

Source: Council of Economic Advisers.

This table shows that in 1940 we devoted only 2 percent of our gross national product to national defense. In 4 years, this proportion was raised by 42 percent. The table shows that, in order to do this, all other major sectors were scaled down. Private consumption expenditures fell from 71 percent of gross national product to 52 percent. The biggest impact proportionately was felt in private investment which was cut from 13 percent to 3 percent. Government spending for purposes other than defense was also cut way back, from 11 percent to 5 percent.

It should be noted, of course, that a very large part of the defense effort, in absolute terms, came from resources which were unused in 1940. Much of the defense manpower, for example, came by reemploying unemployed workers, expanding the labor force, and increasing the workweek substantially.

The cost of the Korean war

The shifts which took place for the limited mobilization of the Korean war were less pronounced than for the all-out World War II effort.

TABLE 2.—*Korean War*

Year	Gross national product	Consumer expenditures	Private investment	Nondefense, Government	Defense
Dollars (billions):					
1950	284.6	195.0	50.0	24.9	14.3
1953	365.4	232.6	50.3	33.9	58.0
Percent of total gross national product:					
1950	100	69	18	9	5
1953	100	63	14	9	16

Source: Council of Economic Advisers.

Here again we observe shifts away from all other sectors—vagaries of the statistics hide a minor shift out of the nondefense Government sector—to make possible a relative increase in the defense sector from 5 percent of gross national product to 16 percent. Again, it is private investment which falls most, relatively.

Current sector shares

For purposes of comparison and conjecture as to the appropriateness of our current allocation of resources it might be added that the 1959 gross national product was divided as follows:

	Percent
Gross national product	100
Consumption expenditures	65
Private investment	15
Nondefense Government	10
Defense	10

Similarities and differences: World War II, Korea, the present

The all-out defense effort of World War II and the more limited mobilization of 1950–53 show that this country has an enormous capacity for arming itself, if it decides to do so. We are now devoting roughly 10 percent of our gross national product to national security purposes. In World War II, we committed 42 percent and in Korea, 16 percent of our gross national product to these purposes. Clearly this affords us a substantial margin of extra effort should we decide that it is needed.[24]

While the World War II record is some indication of what we can do in a full-scale effort, it is crucial to avoid the fallacy of supposing that it even suggests a measure of what kind of effort can be sustained on a plateau of preparedness for a protracted national security posture. Similarly, the Korean war is no guide to the present problem.

It probably is superfluous to point out the essential difference between a defense effort designed for a temporary war and the kind of long-range challenge we face today. The principal difference is in the timespan involved, what CED has termed the "perspective" of our present position, which is "not merely the crisis of the moment, but the continuing situation of constant danger with

[22] February 1958.

[23] This breakdown of gross national product is rather crude; for example, in terms of our analysis, it would be more appropriate for housing to appear as a consumption rather than investment expenditure. However, the general points stand.

[24] It might be observed that 42 percent of our current gross national product might exceed the total Soviet gross national product, were safe, comparable measurements available.

which we apparently must live for many years." [25]

The wartime mobilization was impressive, but it would clearly not be an appropriate course to pursue today. During World War II (and to a lesser extent, this point applies to the Korean war as well), our goal was immediate production, and we achieved it. But the spectacular increase in output was not on a sustainable basis. The reasons for the spectacular rise in production included:

1. The wartime expansion started from an extremely low depression base, a fact which exaggerates the magnitude of the upswing;

2. Millions of persons were called into the labor force who do not normally work and most of whom (but, significantly, not all) retired from working after the war;

3. The workweek was fairly generally 6 days instead of 5;

4. Patriotic appeals made some extraordinary measures possible which could not have been done in anything less than a shooting war;

5. To an amazing extent, our effort was channelled into the huge current production effort, with little attention to capital formation—we were, as a Nation, "living off capital;" [26]

6. Production was expanded, but not productivity—output was raised almost entirely by an increase in man-hours, while output-per-man-hour was largely ignored.

An important point to observe with respect to the World War II step-up in defense spending is the drastic cut in private investment. In dollar terms, private investment fell by $6.1 billion—more if changes in the value of the dollar (due to inflation) were considered. In the relative share of the economy, the drop was most spectacular—from 13 percent of GNP in 1940 to a mere 3.3 percent in 1944. In other words, when all-out defense spending was necessary, the sector which had to go was private investment.

The significance of this observation is that private investment is the essential element in economic growth. A rapid growth rate comes about fundamentally not because the labor force works harder or longer hours, nor because Government programs are expanded, but because the labor force expands and, most important, productivity is raised, primarily as a result of capital formation—investment in new machines and methods, modernized plants, replacement of obsolete facilities and techniques with more efficient ones. While many public services contribute to the growth process—certainly, education has an important role [27] the really big factor is investment.

Without a high level of capital formation, economic growth cannot be sustained. A society that diverts resources from investment either to current consumption or to military defense—however, enjoyable the former or essential the latter—pays a penalty in terms of relatively slower expansion of productive capability over a period of years.

Thus, many of the reasons for a successful war record, while entirely appropriate in that context, suggest that a short-range all-out war effort and long-range economic growth may be competing, not complementary goals.

Preoccupation with long-range growth considerations would have limited somewhat the success of the war effort. The corollary of this point, however, in the present situation, is that excessive preoccupation with immediate defense needs could limit our long-range growth potential, and thus hamper our long-range national security capability.

The lessons of World War II and Korea are helpful largely as indications of what we could do if the present international situation radically changed (for the "worse"). Those experiences, however, are poor indications of what to do if, as most observers would suppose, our current posture must be maintained for a long-drawn-out response to the challenges of our international adversaries.

5. ECONOMICS OF NATIONAL SECURITY ON A "PLATEAU OF PREPAREDNESS"

As we indicated at the start, economic policy on a "plateau of preparedness," plays a more crucial role than it does in perhaps any other international setting. When national security needs make large and continuing demands on the system, economic growth and efficiency are at a premium. When the Soviet challenge takes, as one of its many channels, the form of economic and trade competition, our response must be swift, strong, and sustainable. As George A. Lincoln put it, "Peace must be waged by economic power." [28]

Anticipating that the demands of national security will remain high for the indefinite future, we need to consider how these demands affect the economic system and what overall policies will enable us to satisfy these demands best. We need to place a very high value on economic efficiency and on economic growth. We also need to insure a stable, expanding system and a free one.

National security and economic growth

Economic growth, valuable on many counts, makes a strong national defense easier to finance. The growth of resources and know-how that accompanies economic growth permits a more efficient defense effort. Because of the long-range nature of our security needs, growth must concern us.

For these reasons, it is imperative to retain and strengthen the dynamic, growth-giving elements in the system. It is also important to make some meaningful progress toward removing roadblocks to expansion.

The importance of economic growth suggests that short-range emphasis on defense spending should not be permitted to detract unduly from capital formation and private investment. It also suggests that research and development in purely military technology must not be permitted to detract unduly from research which is more directly related to advancing productivity, from basic research, or from science education. It is axiomatic in economic development that future growth depends on partially forgoing current consumption. In an analogous fashion, it might be argued that future security depends in part on balancing current defense efforts with long-range strength.

An added consideration affecting growth is the question of how national security expenditures are financed. The tax system is important from two standpoints. First, the structure of taxes must be examined in light of whether it facilitates or needlessly obstructs growth; most economists argue that effective tax reform could significantly improve the impact of the tax structure on growth. Second, the overall level of taxation must be considered in terms of the effects on incentives. The impact of the tax level on incentives has never been agreed on. There probably is some level at which the disincentive effect would become pronounced. We cannot know where that breaking point is, other than that we do not appear to have struck it yet.

Furthermore, we may suspect that it changes over time: in World War II it was surely higher than it is now. It is precisely the indeterminacy of the incentives effect which makes it doubly important to bear in mind.

National security and economic efficiency

Aside from economic growth over time, the demands of security also suggest that we should be concerned about how much we are getting out of the system at any point in time.

There is ample reason to examine closely the effects of a high rate of defense spending on the efficient performance of the economic system. Defense spending is not subject to the market test. One of the chief functions of competition is the pressure it puts on competitors to keep costs down and find more efficient methods of production. The market ruthlessly punishes or even eliminates the inefficient producer.

In the defense field, as in most public programs, the discipline of competition is lacking. The resulting laxity regarding costs is one of the major disadvantages of public management. The problem is thought to be especially acute in the defense budget.

Concern with efficiency suggests a careful eye on results being achieved from dollars spent on defense. It also suggests, of course, attention to a host of built-in or pushed-in inefficiencies in the private as well as public sector—lack of competition in some product markets, Government subsidies and special advantages for particular producers, union activities from featherbedding and encouragement of slowdown all the way through to crippling industrywide strikes capable of closing vital production for a period of months, and other obstacles to effective functioning of the system.

Effects of defense spending on research and development

It is a widely held view that defense support of scientific research and development is a beneficial side effect of a high level of national security expenditures.

Certainly the volume of research and development generated during World War II must have stimulated the pace of scientific advance. One obvious case is the development of atomic energy, but there would be many less dramatic instances. The aggregate figures suggest that the war must have very favorably affected scientific developments. It is estimated that total spending on research and development, as late as 1940, amounted to less than $500 million. As a result of the great surge of Government-supported research during the war, research and development spending rose to an approximate $2 billion level in the early post-war years. It is safe to conclude that the wartime military effort made a major contribution to the pace of scientific progress.

Evaluating the impact of post-war defense spending for research and development is more difficult. Undoubtedly, defense-supported research continues to contribute to scientific advances. But that is not the question. The question is, if the military were not supporting this research, what would happen? Would the net scientific progress be greater, the same, or less than it is at present? Merely listing scientific discoveries which originated in a laboratory doing military contract work does not enable us to compare what would have happened under different circumstances.

The research performed by and supported by the Defense Department is in part competitive with other scientific efforts which might have greater overall scientific significance. The gobbling-up of scientific talent and resources for strictly military purposes (even granting some nonmilitary side products) may in some measure prevent the use of those talents and resources for more productive uses. This is not to contest the

[25] "The Problem of National Security," July 1958, p. 2.

[26] The value of industrial construction actually declined after 1941, reaching a low in 1943 and not regaining the 1941 level until 1946.

[27] During World War II, of course, education was also set back. The gap in classroom construction has still not been made up.

[28] Op. cit., p. 4.

priority of defense needs; it is simply to caution against assuming that a high level of military-supported research and development may not necessarily accelerate technological advance as a whole, and may actually retard it.

One way to focus the problem is by an illustration. Consider three alternative hypothetical levels of defense support of research and development from 1946 to the present: (a) For the first, assume that the military supported no research at all from 1946 on, leaving all of the country's scientific resources to find their way into other uses; (b) for the second, assume that the proportion of scientific resources used by the military remained at the peak war-time level from 1946 on; and (c) for the last, take what actually occurred from 1946 on, which would lie somewhere in between (a) and (b), and a fair distance from either extreme. Now ask the question: Would the Salk antipolio vaccine have been developed at the same time under each of these three assumptions? Only conjecture is possible, of course. Furtheremore, to consider the question fully, we would need an agreed-on measure of scientific progress.

Another consideration is that the bulk of defense-supported research is on the development end of research, rather than basic research. Many informed observers have contended that the ratio of basic to applied research should be raised. If proportionately more scientific resources were channeled into basic research, the pace of progress over the long run might be quickened. In this respect, too, the military's research support may have a retarding rather than accelerating effect on scientific advance.

On the other hand, one other effect of the research activity stimulated by the defense program should be noted. While military research competes for the available supply of scientific manpower, it also adds to the total supply. The high demand for scientists and engineers on the part of defense-related research and development activity unquestionably exerted a major influence in expanding the total number of scientists and engineers, especially since 1950.

National security and inflation

A high level of national security expenditures, sustained over a period of years, imposes on policymakers an added reason for vigilance concerning inflationary pressures. If care is taken with the financing of large defense spending, inflationary pressures can be dampened, though they will still very likely be a threat. Arthur F. Burns has noted that, "huge Government spending, even when it is fully met from tax revenues, is likely to release inflationary forces in the economy."[25] Wise fiscal policies, featuring restraint in nondefense spending, together with firm and flexible monetary policy and debt management offer much promise for holding the line against serious inflation. The last few years have provided encouraging evidence. It would appear, however, that should sizable increases in national security be contemplated, one of the costs to consider would be the inflationary pressures which any increase in their present high level would imply.

National security and freedom

Ultimately, perhaps the most important concept which ought to underlie our national thinking about security in a protracted conflict is the relationship of survival and freedom. As we mentioned at the outset, it would be tragically self-defeating to forget what it is that makes national defense worth billions of dollars—or, enlarging the frame of reference, what makes mutual security worth while for all of Western civilization, as well as the emergent nationalities seeking a goal which has to do with liberty.

This question needs to be thought out on two levels. The first must carefully evaluate specific controls and restrictions with the question as to whether the contribution each proposal makes to national security is "worth it" in terms of the freedoms given up. The second must look beyond the specific series of proposals currently under consideration; the second and broader level must constantly reappraise how effectively we are balancing the twin requirements of security and liberty.

With defense spending at a high level, some measure of specific economic controls and restrictions appear inevitable. They are part of the price of security. It will be noted that when defense spending consumes 10 percent of the Nation's gross national product, the proportion must be markedly higher in certain product lines. And when the Federal Government sits over a large share of particular product markets, controls—for example, allocations systems for private users of the product—become very tempting if not actually necessary. The continuing debate over patent policy in defense-supported research and development is one indication of how growth-inhibiting controls tend to be associated with high defense activity.

The problem of economic controls is especially relevant in thinking about a long-range security posture. In World War II and Korea, we took on an extraordinary burden of defense—but, note the controls we incurred also. In World War II we had—

Allocation of scarce materials.
Curtailment of plant expansion without approval.
Prohibition against use of certain scarce materials.
Limitation on use of certain materials to military contracts.
Priority orders for producers.
Centralized scheduling of war-related production.
Ceilings on prices, wages, and rents.
Rationing of many consumer goods.
Comprehensive direction of production, refining, treating, storage, shipment, and distribution of petroleum.
Complete authority over manufacture of rubber.
Priorities over food imports.
Production quotas for farmers.
Control of shipbuilding.
Operation and maintenance and allocation of all shipping.
Regulation of civilian hiring.
Employment ceilings for employers.
The draft.
Jurisdiction over labor disputes.
Consumer and real estate credit controls.
Authority to require temporary rearrangement of electrical facilities.

These comprehensive controls applied only during World War II. However, it is instructive to note that during the Korean War, when our total defense effort was not a great deal larger than it is today, many of these same controls were invoked. It is also instructive to note how certain steps undertaken in wartime become well rooted and remain after the war. Experience with consumer credit control in World War II and the Korean war has left many people interested in reinvoking it today. A classic example was the Government control and operation of the synthetic rubber industry. This was launched in World War II, but it was 1953 before a program was developed to get the Federal Government out, and several years later before the deed was accomplished.

Constant vigilance with regard to specific controls appears to be necessary as long as a high level of national security is required. Beyond that, there needs to be a broader evaluation of the relationship of economic freedom and survival.

Public spending as a whole, including national defense, can be differentiated from private spending in one important and relevant respect.

In the case of public spending, decisions to spend are taken collectively and then enforced on a compulsory basis—in the nature of the case, not because of any alleged evils of bureaucracy or anything of that kind. The mechanism for assuring democratic control is the political process.

In the case of private spending, decisions to spend are made individually and remain voluntary and always subject to change at the individual's discretion. The mechanism for assuring democratic control is the market.

Neither the political process nor the market work smoothly at all times; but we tend to accept them in the spirit of Churchill's celebrated comment, until anything better turns up.

There is an essential difference between the public and private sectors in one key point.

In the public sector, when the political process has made its decision, everyone including a minority of as many as 49 percent must accept the decision. If, through the legislative process, we decide to have a $10 billion highway program, then everyone enjoys that highway program, whether or not 20 percent of the taxpayers would have gained greater satisfaction from an alternative use of that $10 billion, such as school construction.

In the private sector, when the market has made its decision, everyone exercises his fairly free choice as to what kind of product he buys, where, and when. If 51 percent of the consumers want to buy a General Motors car, this in no way requires the other 49 percent to do so. They may splinter their dollars among many other brands, while some buy no car at all and others buy two or three.

These examples may seem a trifle pat. But they do help to bring out a point which is too often overlooked. The political process as we practice (or at least preach) it and the market as it is (or should be) prevalent in most of the private sector—both are essentially democratic. But clearly the market provides a far better defense of individual rights, a safeguard against the tyranny of the majority, opportunity for the nonconformist. Of course, many expenditures most logically fall in the public sector for practical reasons. Our concern for freedom, however, ought to give us a constant bias in favor of the private sector as against the public sector, whenever hard choices must be made.

This kind of framework is helpful in relating the needs of national security to the underlying objective of maintaining, enhancing, and enriching individual freedom.

[25] "Prosperity Without Inflation," p. 75.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS
OF
HON. BOB WILSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mr. WILSON. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD study papers Nos. 15 and 13: "An Extension of National Security Council Machinery," by Dr. William Y. Elliott, professor of government, Harvard University; and "The

Economic Challenge of the Soviet Union," by Dr. Don Paarlberg, Special Assistant to the President for Economic Affairs:

AN EXTENSION OF NATIONAL SECURITY COUNCIL MACHINERY: THE CREATION OF A HIGH-LEVEL CONTINUING ADVISORY BOARD TO REVIEW NATIONAL SECURITY PROGRAMS FOR POLICY PRIORITY TREATMENT

(Summary of paper by William Y. Elliott, professor of government, Harvard University)

The progress that has been made in the National Security Council machinery is generally admitted, even by its critics. Yet, many of the participants in NSC procedures have recognized that in the absence of a high-level reviewing staff to relate programs of an interagency import to policies, and to establish priorities for support and follow-through, the Council machinery ground out policies that were too much the product of people who acted as the interested spokesmen for agencies rather than as a unifying policy staff for the President. The problem of getting a high-level staff review always presents, however, the danger of second guessing the responsible high officials whom the President alone controls. To substitute the judgment of any staff for review of basic national defense and foreign policies or programs runs the risk of delaying or of undoing costly programs before they can bear fruit; or alternatively, of encouraging inaction until the review group has given its sanction. It is arguable that the only feasible preclearance is by the Bureau of the Budget plus congressional authorization; and that these hurdles are hard enough to operate under with efficiency and speed, without adding another. Yet the fact remains that the Bureau of the Budget and the Appropriations Committees almost never ask and never answer the basic positive question: Are the programs in the national security area which affect and depend on several agencies getting the right priorities of attention to see that they effectively carry out the President's national security objectives and policies?

The very substantial achievements for improving the National Security Council mechanism and procedures have introduced occasional reviews by groups of outsiders. This method of getting independent high level advice to help the President, as suggested in Eisenhower's first campaign, could be improved by getting some continuity for a single group, and by the selection of people who were more nearly insiders in terms of past experience. This would mean creating a regular program review board to advise, rather than a whole series of ad hoc groups, like the Draper Committee. Many of the same people appeared from committee to committee; so that the experience was not entirely wasted. But there was no continuity through a permanent staff such as there would be in any kind of adaptation of the wartime model of a continuing requirements committee for program review such as we developed in the War Production Board. Priorities set by the Board were translated into allocations by the program vice chairman after the hearings by this requirements committee.

Furthermore, the very necessary effort to see that the sum total of programs would not be beyond the capacity of the country to bear would seem, particularly in this era of advanced costs because of the complexity of technical improvements, to require even closer attention to a discriminating treatment of weapons systems—in terms of time phasing as well as of enemy capabilities and some concern for policy priorities as well as investment efficiency.

Professional political scientists generally underestimated, until after World War II, the degree to which any basic national security policy must transcend party politics. If an agonizing reappraisal is to be made by a change of parties, or if we must, at every change of party control, "pull up by the roots" every basic policy in order to reexamine it, we do have an impossible situation from the point of view of the continuity of policies and of the type of planning that has to be made when we are expending something around two-thirds or three-fifths of the national budget on the long-term security sectors of policy. The machine cannot be reversed without chaos, even though it must be flexible enough to change direction, or take a new tack. Enormous waste is possible through either over insurance or the bad habit of building on existing, though obsolescing programs that should be phased out in favor of new ones.

The contribution of the agencies to the formation of national security policy must transcend jurisdictional and departmental attitudes, and their spokesmen, both in the Council, in the Planning Board, and in the Operations Coordinating Board, which follows up programs, must be kept under continual pressure, both by the President and by their own sense of national responsibility, to achieve this attitude.

However, it is clear that no Department can, of itself, be expected to exercise the necessary self-criticism to make a fair assessment of its programs in relation (a) to other programs, or (b) to be really aware of or frank enough about the shortcomings in its own achievement of programs.

What seems to be lacking is something in the nature of a sort of continuing and expansible "Requirements Committee" which could be called an Advisory Review Board for the Special Assistant (NSA) that could do a comparative evaluation job before the budget ceilings were set. It would have the requisite powers to obtain the necessary supporting data to criticize both the voluminous programs and unscreened financial appendices submitted by the agencies; and the status reports to the Operations Coordination Board that are ordinarily put in on a unilateral basis, and get no real NSC scrutiny at an effective level helpful to Presidential decision.

If it proved to be possible to enlist the part-time services, with periods of concentrated sustained effort, for special evaluations and studies by a half-dozen leading figures, broadly experienced in high governmental responsibilities, preferably through training at the top policy posts in several agencies, these board members would really be insiders to the problems of the five or six major areas concerned. These areas are the broad policy priorities as applied to defense, diplomacy, and foreign programs, fiscal and economic policy, mobilization and procurement programs, psychological and cultural programs associated with the cold war, the basic research needed and technological phasing of programs to the areas of pure and applied science in their application to growth as well as to defense policies. The Review Board should be headed by someone familiar with the entire organizational programs of the Federal structure and with the procedures for achieving staff integration. The Special Security Affairs Assistant to the President, with the help of advisory recommendations for emphasis by such a Board, might present something more simple, selective, and useful than unilateral or ex parte evaluations of the many separate reports to the President and the Council.

It should also have the additional sanction of having its opinions probably (and in practice ordinarily) affect the allocation of budgetary support and other resources to the programs of the interested agencies. It should, therefore, have the power of recommending, through symbolic priority systems or other methods of comparative evaluation involving time-phasing and orders of magnitude, an overall judgment on the importance of major programs. This evaluation should necessarily stress the essential elements of programs that must be given top priorities and the downgrading or phasing out of other aspects of programs which will keep them in balance with the total framework of national security policy.

This evaluating function for allocations by priorities explains why such a group is spoken of as a sort of requirements committee on the analogy with a well tried and highly developed wartime method of reviewing programs to assure both efficiency in the investment of resources, and conformity to policies. If programs cannot be worked out to support policies, policies must be revised. Its members must be sufficiently sympathetic and acquainted with the areas that they are treating to realize the practical problems confronting the Cabinet Secretaries and agency heads. Otherwise they will be treated simply as ignorant meddlers. They must have been high-level operators. They must understand the difficult management component of the struggle to give sound administration to these areas, and yet be able to take the kind of broad overall view which will assist the President in his own superhuman effort to hold all this great apparatus to a single stream of unifying purpose and policy.

It is in this light that a review of the framework and the evaluation of national security policies in relation to budgetary and other resources would afford the necessary and helpful guidance to the Budget Bureau for a task for which it is presently unequipped, namely, for the presentation of a selective frame for the implementation of policies through fiscal support. In the process after policy guidance has been established, the Budget Bureau can furnish a large part of the continuing staff mechanism of scrutiny and support for the Program Review Board (proposed) as can the OCB and the other institutional staff arms of the President, including the National Security Council staff itself.

The great advantage of this approach to extending the range and effectiveness of the National Security Council's staff support is that it could bring in people who are acceptable to both parties in Congress in the light of service to previous administrations and their independent attitude as public servants.

Free from the pressure of departmental duties and controls, these advisers could furnish that long-range view of national security policy that has to take into account, above all, balance and importance for the essentials. They should be able to assist the President first of all in his own formulation, and then in his control and followup of policies, by really comprehensive, critical and simple reporting of the main issues with which the President must be concerned. In this way they might restore to the National Security Council the overall integration and evaluation which has, so far, been sought, not always successfully, by multiplying new agencies or adjunct committees for specific problems.

No mechanism, of course, can do more than assist the President to make decisions in time and in anticipation for the prevention of crises. But it can help to escape the dead hand of merely multiplying administrative mechanisms at levels which tend to delay decisions until crisis action is the only remedy, or to provide a framework in which remedial rather than preventive action becomes, through sheer volume of crises, the principal preoccupation of the Secretary of State.

Immediately after the presidential elections, the incumbent President should invite his elected successor to all Security Council meetings. With no change in party control

the transition is natural and simple because of the Vice President's experience with the Council. But the dangerous interregnum of breaking in a party out of power would require special efforts. It would appear also possible to expand the consultants staff of the NSC to bring in designees of the incoming President for the sort of requirements committee appraisal of programs previously projected to meet NSC policies. An indoctrination source by bringing in such Assistant Secretaries as had not previously served, to learn the ropes as part of a training in office prior to January 20, would also help.

This country could ill afford an interregnum of even a few months after the period of cramp and added strain to which it has necessarily been subjected by the fact that this is the year of presidential elections.

The new Vice President would be a useful person to preside over the proposed Program Review Board. It would be the best way quickly to bring him up to date and to broaden his education for the responsibilities which Presidents must increasingly devolve on the only other official of super-Cabinet rank who naturally presides in the absence of the President both over Cabinet and NSC meetings. The job is one for decisions by one man; but it is of such a complex magnitude today that a wise President will have to find someone, or perhaps several men, to share the framing of the issues on which he alone must decide. If his Vice President has been well selected, both because of his sharing the only national mandate, and because his future, too, depends on the success of the administration, he ought to be as useful as anyone available for chairing this very important advisory Program Review Board, loyally taking a great load off the President. But his effectiveness, like that of the Board, will depend on his own caliber, experience and ability to learn.

The Economic Challenge of the Soviet Union

(By Don Paarlberg [1])

Among the many economic problems which we have confronted in past years a few have been of great importance and high visibility. They dominated a considerable span of years before we finally overcame them, wore them out, or learned to live with them. These dominant problems differed in their nature, their intensity and their duration. In a manner convenient to the historian, they have roughly associated themselves with 10-year chunks of history.

During the thirties, the dominant economic problem was depression and the fear of secular stagnation.

During the forties, preparation for war, the waging of it, and its aftermath were the overriding features of economic life.

The fifties were characterized by efforts to lift the level of material well-being, both at home and abroad.

What will be the dominant economic problem of the sixties? A number of subjects have been nominated for this role:

Efforts to achieve further advances in living levels and a broader sharing of the fruits of technological change.

The curbing of concentrated economic power, and a better harmonizing of group objectives with the public interest.

Cushioning the sometimes harsh adjustments in economic life which flow from the onrush of technology.

An attack on inflation, with something approximating the diligence and resourcefulness that was employed in combating depression three decades earlier.

Efforts to aid the underdeveloped countries, in a manner similar to the recently accomplished rebuilding of wartorn Europe.

There are other economic problems which might be appended to this list.[2] But there is one which in a broad sense includes within it all of the foregoing; that is our response to the economic challenge of the Soviet Union.

Everyone has heard of the challenge issued to the United States by Chairman Khrushchev—his frequently stated goal of first equaling and then exceeding the United States in the output of goods and services. "We will bury you," he has said, and there can be little doubt that he means it.

U.S. and Soviet Economic Comparisons

Much has been said and written comparing Soviet economy with our own.[3]

Any economic comparison is made difficult by the inherent awkwardness of measurement, by the uncertainties which surround Soviet statistics, and by the lack of comparability between the two economies. To chart accurately the size of our own product is itself a difficult statistical operation. How does one add together such unlike things as crude oil and college training? To compute the output of the Soviet economy from the fragmentary and questionable figures available is far more difficult. To compare these two approximate quantities is to run the risk of compounding the errors in both.

Once economic output has been estimated, the calculation of trends in the growth rates inevitably follows. Once trends have been computed, the urge to project them into the future is irresistible.

The projection of trends is one of the most fascinating and hazardous occupations known to man. The first year of my life I gained 20 pounds. If I had gained that much each year, I would now weigh half a ton.

Despite all the difficulties of making comparisons of the two economies, comparisons of some sort must be made. Lengthy hearings have been held during this past year by the Joint Economic Committee of the Congress, and the most expert people in the country have given testimony.[4]

Well-qualified people differ in their estimates of Soviet capabilities. But a composite of the testimony of able persons perhaps would reach the following conclusions.

The gross national product of the United States, the sum total of all goods and services produced, is presently at least twice that of the Soviet Union. But our rate of economic growth, in percentage terms, is much less than theirs. During the last decade or so the best computations show that our economy has been advancing at rate somewhat in excess of 3 percent annually. The consensus of informed estimates is that the Soviet Union has been growing at something like twice that percentage. In absolute amounts, say those who have studied this problem closely, the yearly increment of growth in this country is roughly comparable in volume with that of the Soviet Union, though greatly different in composition. Our own economic output is weighted heavily by consumer goods and services; the Soviet economy is heavily weighted by capital investment and military outlay.

Last year the rate of economic growth in this country, in real terms, was 7 percent, this being larger than usual by virtue of the fact that we were emerging from a recession. In 1960 the American economy is generally expected to advance by an additional like amount, reflecting full recovery. While we are very happy to have them, these favorable figures are related to a particular phase of the business cycle and are not to be interpreted as the long-run prospect. The problem of dealing with the business cycle is related to but different from the problem of promoting long-term sustainable economic growth, with which we are concerned here.

The Importance of Economic Growth

What is the meaning of growth rates in this country and in the Soviet Union? Are differential rates of growth a matter of real significance? Or is this just some sort of numbers game?

The rate of economic growth has great meaning. For one thing, it is from increments in economic growth that a country achieves improvement in the well-being of its citizens. Our people aspire to further advances in the quantity and quality of goods and services available to them; if the economy grows these will be forthcoming. Advances in living levels have to do with better education, improved health, and better housing for larger numbers of our people. Thus, a high, sustainable rate of economic growth is for us a desirable thing, good in itself, apart from any consideration of what goes on in the Soviet Union.

The Soviet Union also wishes to lift the living level of its people, and has recently emphasized this aspect of economic life. Since the average person in the Soviet Union has available only about one-fourth of the goods and services enjoyed by the average American citizen, the drive for improvement is probably greater there than here.

The rate of economic growth is also important in that it is a measure, though not by any means the sole measure, of the growth of military potential. The greater the total output of goods and services, the greater can be the military effort. Our military effort amounts to about 10 percent of a large gross national product; the military effort of the Soviet Union is a much larger percentage of a much smaller product. Our present economy is well capable of supporting such military effort as our needs prescribe. A marked and sustained advance in the Soviet economy would lift the level of that country's military capability and hence is of concern to us.

Finally, there is an element of prestige and leadership involved in having a high economic output, and in having a high rate of economic growth.

One-third of the world presently enjoys free government. One-third is regimented. The remaining third is to some extent uncommitted on this issue. This third, including parts of Asia, Africa, and Latin America, presently underdeveloped, aspires to lift its level of living. Many underdeveloped countries, anxious to advance themselves, may be more inclined to embrace a regimented system if one of its attributes is a rapid rate of economic growth.

To an underdeveloped country, a high level of economic output, such as we have in the United States, is not as impressive as one might think; such a high level is often viewed as simply unattainable. A high rate of economic growth, however, beginning from where they are, is more readily translatable into meaningful terms.

For these obvious reasons, we wish to have a high rate of sound, sustainable economic growth. There may be much that is odd and ludicrous in computations and discussions of economic growth, but our interest in a high growth rate is wholly clear.

If the Soviet Union were to use its increments of economic growth for advances in the well-being of its people, we would, of

---

[1] Special Assistant to the President (Economic Affairs). This paper was originally prepared as an address before the University of Chicago Graduate School of Business.

[2] An interesting panoramic view of the range of candidates for the role of dominant economic problem in the years ahead was put together by the Committee for Economic Development. See "Problems of U.S. Economic Development" (two volumes).

[3] This paper is concerned exclusively with economic comparisons, not military capabilities, though the two are related to a degree.

[4] Background studies and hearings of the Joint Economic Committee are available. No report was issued.

course, be happy. But if it uses them to threaten us militarily, or to subvert the underdeveloped and uncommitted nations, then the matter is a serious one indeed. The significance of economic advances in the Soviet Union depends upon Soviet objectives. The counsel of history is that we consider the Soviet Government as not being exclusively concerned with the living level of its citizens.

MEETING THE SOVIET CHALLENGE

For a long time there was little attention paid to the economic challenge laid down by the Soviet Union.

It is not surprising that this would have been the American reaction. The enterprise system of the United States has made us the most productive country on the face of the globe, and has given us the highest level of living ever enjoyed by any people. It is a deep-rooted American belief that the enterprise system is able to outproduce a regimented economy.

It is true that we have had periods of time, as during World War II, when we temporarily and partially regimented the American economy, and thereby much changed and increased its output of basic items. But our whole history has been such as to cause us to question the idea that a regimented economy could seriously challenge the economic supremacy of this country.

However, the economic challenge of the Soviet Union has reached such proportions that it must be taken into account. This appears from such statistical comparisons as we have. Even if we totally discount the statistical comparison, the economic advance of the Soviet Union is evident in judgments made by visitors to that land, who compare present conditions with the remembered circumstances of former years.

AVOIDING THE WRONG APPROACH

Those who characterize the economic challenge of the Soviet Union as a serious threat may be classified in two broad groups.

First, there are those whose primary interest is in other matters, but who use the rise of the Soviet economy as a new rationale for the promotion of programs they have long held dear. Chief among these are the proponents of pet spending schemes. Their programs have, during the past 30 years, been successively rationalized on the basis of overcoming the depression, winning the war, and expanding social services. Now they are rationalized on the basis of promoting economic growth so as to match the Soviet standard. These pet schemes are hooked onto whatever is the prevailing public concern. They should be discussed on the basis of their merits or demerits, not on the basis of some alleged association with whatever is currently regarded as a problem. These over-rationalized proposals are therefore not discussed here.[5]

Second, there are those who endeavor, from honest motivation, to deal constructively with this problem. These people and their proposals merit consideration.

Whereas formerly the tendency was to play down the economic challenge of the Soviet Union, some people now overplay it. They counsel us to accept the Soviet challenge on whatever terms it is laid down. If the Soviet Union generates a certain rate of economic growth, we are told that we should strive to equal or approach it. If they set up specific objectives, industry by industry, we are told that we should adopt a similar approach. If they issue an economic challenge in any field, it is said that we should automatically accept it and try to outdo them. "Whatever you can do, I can do better."

This form of strategy would have the leaders of the Soviet Union selecting the area of competition, choosing the issues they wish to raise, and naming the field in which we are to contend. Inevitably they would choose such objectives and name such areas of competition as were advantageous to them, as had for them a natural competitive advantage.

To accept a challenge in this form would be like playing cards in a game in which your opponent always names trump.

If we allow the Soviet Union to name the area in which our two nations are to compete, we would in effect make their objectives our own. We would in time take on their image.

The reason for our rivalry is that we don't want to be like they are; if in order to overcome them we become like them, then our cause is lost as soon as the issue is joined.

The rapid rate of economic growth in the Soviet Union is a matter of concern, and it is a foolish man indeed who would shrug it off. But it would be an even more foolish man who would accept the Soviet objectives and emulate the Soviet technique of regimentation in an effort to beat them at their own game. Such an effort is not likely to win, and if it were, the fruits of victory would have been foregone before the battle began. Far more is at stake than merely to see which country can post the largest statistic, measuring the annual rate of growth.

There are various ways of trying to register the larger percentage increase in the rate of growth. We could lengthen the workweek, recruit millions of women and old people for the labor force, reassign half of our clerks and waitresses to other duties, squeeze down the level of consumption, dispense with certain of our frills, and forcibly extract savings from the people to spend on capital investment. This is what the Soviet Union does. But if we were to imitate them, we would lose our character as a free and independent people.

The rapid growth rate achieved by the Soviet system with its regimented system is accomplished by the suppression of individual rights, a technique made easier by the fact that their people have never known freedom to the degree we have. They went from autocracy under the czars to regimentation under the commissars.

Our people have a heritage of freedom. Individual rights in this country will not easily be relinquished. The point of the matter is that any attempt at central direction of this country's economy will encounter political, economic, and sociological obstacles unknown to the Soviet Union. We cannot succeed with their system.

This kind of argument is being made: By central direction of its economy, the United States vastly increased its output during World War II. Now, it is said, we are faced with a similar challenge. We should, it is maintained, prune away, by Government action, some of the frivolities of our free economy, adopt a program of austerity, and by some form of central direction channel a greater share of our resources to capital investment.[6]

Let us examine this argument carefully; there is a persuasive sound to it.

The United States temporarily adopted central direction of its economy during the two great wars, firm in the belief that freedoms temporarily surrendered would be taken up again at the close of the war. The first war lasted 2½ years; the second one lasted 4½ years. The desire for freedom was kept alive during these relatively short periods; when the wars were over we again took up our freedom, only slightly impaired by its temporary and partial eclipse.

What is the probable duration of the economic rivalry between the United States and the Soviet Union? This may be a rivalry whose duration is to be measured in decades or generations rather than in years. No man can say how long it will be; no man would predict that it will be brief.

Could we put freedom aside for decades, and then reinstate it? If a whole generation were deprived of freedom or had its freedom substantially impaired, would freedom be sufficiently cherished so that we would return to it? Would we remember the rewards of freedom? Would the desire for freedom be strong enough to shatter a pattern of regimentation, laid down and congealed over a period of decades? Would looking to Central Government become so habituated that local government and indeed the capacity for local government would wither and die? To put these questions to the test would place in jeopardy our most precious heritage. It would demonstrate that we hold in low esteem the capabilities and the merits of our free system.

We need to be reminded that economic freedom, extended to all the people, is a relatively new concept in the world's history. It has emerged only in recent centuries, only in parts of the world, and only at immense cost. It is not the kind of system which can be put in escrow. It must be practiced if it is to be kept alive. This system, which has rewarded us beyond our brightest dreams, deserves better than that we should voluntarily impair it through fear of a still-distant competitor.

While we should recognize and respect the economic capabilities of the Soviet Union, we should not underestimate our own capabilities and our own strength.[7]

Put into the terms of a baseball game, the situation is somewhat as follows: Early in the game, we are ahead four to two. In the next inning, each team adds a run. For us this additional run was a 25-percent addition to our score; for our opponents it was a 50-percent increase. Some clever fellow might calculate that if the visitors kept increasing their score by 50 percent every inning, while we increased ours by only 25 percent, then in time they would be ahead. No sensible manager would basically change his strategy on the basis of such a computation. Least of all would he adopt the strategy of the opposing team. He would follow the best strategy he could, and make as many runs as possible. He would not underestimate the strength or the threat of his opponent, but neither would he underestimate his own strength.

POLICIES FOR GENUINE ECONOMIC GROWTH

To promote the right kind of solid growth is a shared responsibility, a responsibility which rests upon private persons and local and State governments as well as the Federal Government.

The Federal Government cannot long force a high rate of economic growth upon us unless basically the people want it. And if we want it, which we should, there are many ways to bring it about besides making it the sole responsibility of the Federal Government. These include:

The business community can enhance economic growth by adopting new techniques, by more competitive pricing and by a more open stance with respect to the entry of new firms.

Labor can promote economic growth by accepting the consequences of technological change and by accepting the responsibilities as well as the benefits of size and power.

Local governments can promote economic growth by providing adequate education and community services.

---

[5] For a full discussion of this controversy, see Max Ways, "A New Mask for Big Government," Fortune, April 1960.

[6] For an exposition of this argument, see Leon H. Keyserling, "Is Inflation the Problem?" New Republic, Feb. 9, 1959.

[7] Presently more than twice those of the Soviet Union.

State governments can help equalize educational opportunities, provide better roads, and better social services.

The Federal Government can help provide a climate within which enterprise and economic growth can flourish. It can round out and supplement the efforts of State and local governments in the development of human and natural resources, being careful in the process not to preempt, substitute for, or discourage local and State efforts. It can pursue sound fiscal and monetary policies. It can develop realistic price and production-control policies in agriculture rather than perpetuate nonsensical and costly distortions. But the Federal Government cannot, singlehanded, take responsibility for producing a specified rate of economic growth.[8]

Our capabilities have made us the most productive and most powerful Nation in the world. They have given us the highest level of living ever achieved by any nation at any time in history. They have given us a measure of individual freedom unmatched anywhere on the globe. We should be heartened by this tremendous accomplishment.

Great though our performance is, we should not be satisfied with it. The key to improving the performance of the American economic system is to be found in the preservation of the initiative, vitality, energy, and resourcefulness of our people. We can improve our economic system through the development of our human and material resources, through better and broader education, more research, inducement for saving and investment, better use of the incentive system, less indulgence of special interests, and responsible fiscal and monetary policies. Enhanced economic performance comes from these solid sources, not from politically motivated spending in behalf of ever-greater centralization of governmental power and authority, and certainly—most certainly—not from the adoption of techniques alien to our system.

MORE THAN AN ECONOMIC CHALLENGE

This final and major point: We would be terribly wrong if we accepted the Soviet view that the contest between us is solely an economic one.

Theirs is a philosophy of dialectical materialism. They count material goods to be of overwhelming importance. In fact, history is explained in terms of one discipline only, economics. Human rights are considered wholly subordinate, God is said not to exist, and human life itself is considered a luxury indulged by the state.

Our country, on the other hand, was founded on belief in the sovereignty of God and the dignity and rights of man. The marvelous economic productivity of our system is essentially a byproduct of these strong beliefs. If we should now forget the central theme of our country, and be persuaded to defend its byproduct rather than its substance, we could be terribly and tragically wrong. It is time to reexamine fundamentals.

What are the major attributes of the American system? What are the things to which the American people truly aspire? Despite our occasional preoccupation with other matters, respect for the individual, for his fulfillment, for his capabilities, his rights and aspirations, for his freedom and responsibility, for his efforts to achieve an understanding with his God, these are the distinguishing features of the American system.

In these matters we excel the Soviet Union by so wide a margin as to be completely unchallenged. Freedom is meaningful not only in the United States, but in any country in the world. We have so long enjoyed this great blessing that we have come to take it for granted. But in many countries of the world it is not taken for granted; it is greatly desired and much sought. Freedom is still the most revolutionary concept on the face of the earth.

Freedom, indeed, is our trump; we ought to recognize that we have a strong hand and bid so that we can name trump.

We should strive constantly to improve the performance of our economic system, but we should do this within the framework and not to the detriment of our free institutions. We should do it without depriving the individual of his rights or of his responsibility. This is not to be accomplished simply by appropriating more money, launching more bureaucratic schemes, or trying to match the Soviet Union in competitive areas of its choice. Nor will it be done by taking on the image of the evil we would like to overcome. It will be done by cultivating the creative energy of people, which our system is uniquely capable of doing.

In the last analysis, the rivalry between the Soviet system and our own is not merely economic, it is also ideological and spiritual. If we remember that, we can win.

[8] See Economic Report of the President, January 1960, pp. 4–8.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. JUDD. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD study papers Nos. 18 and 14, "Disarmament: Problems and Prospects," by Congressman CRAIG HOSMER, member of the Joint Atomic Energy Committee, and Arthur Peterson, of the University of Wisconsin; and "The Impact of Inflation on America's Balance of International Payments," by Dr. Rita E. Hauser, author and lawyer:

DISARMAMENT: PROBLEMS AND PROSPECTS

(By CRAIG HOSMER, Congressman from California, and Arthur Peterson, University of Wisconsin)

The problem of regulation, control, and reduction of military power took its place at the forefront of U.S. foreign policy following World War II. American leaders clearly foresaw the consequences in the development of nuclear energy without international control and inspection. A distinguished group of American scientific, legal, and industrial leaders, in consultation with U.S. congressional committees on atomic energy, developed a series of comprehensive proposals for international development and control of nuclear energy for peaceful uses. These proposals contemplated the establishment of an International Atomic Development Authority whose functions would have included:

1. Control or ownership of all atomic energy activities potentially dangerous to world security.

2. Control, inspection, and licensing of all other atomic activities.

3. Fostering of the beneficial uses of atomic energy.

4. Research and development activities enabling the Authority to comprehend and detect any misuse of atomic energy.

5. Power to control nuclear raw materials and primary nuclear production plants.

"Immediate, swift, and sure punishment" was to be assured violators through the organization of an inspection and enforcement team of international civil servants.

Under this proposal the manufacture of atomic weapons would have ceased, all existing weapons would have been destroyed as weapons, and the useful nuclear material transferred to the international agency for peaceful purposes.

This offer, at a time when the United States alone possessed the atomic bomb, could have meant the removal of the nuclear threat at the very beginning of the nuclear age. Unfortunately, the offer was rejected by the Soviet Union.

The failure to get the Soviet Government to negotiate seriously on the overriding problem of atomic controls in the years immediately following World War II inhibited any real efforts in the area of conventional armaments as well. The Soviet Union maintained its conventional military forces at a high level. The United States, on the other hand, reduced its forces from a World War II peak of 12,124,000 to a total force level of 1,459,000 by May 1950.

Then in June 1950 the Communist aggression against the Republic of Korea was launched. Unilateral conventional arms reduction by the United States had been answered by the Communist world with the aggression against Korea. Korea thus became a grave reminder that would-be aggressors are often tempted by thoughts of what they assume will be sudden and easy conquests.

To many it appeared that the Soviet answers, in word and deed, to all serious disarmament efforts had rendered any further negotiations in this area futile. And yet the phenomenal growth of firepower capability and the ever-increasing efficiency of the means of delivering this firepower upon a target did give rise to the hope that even the Soviet leaders would be forced to give more serious thought to a reasonable system of arms control. Upon this hope was based our continuing efforts in the disarmament field.

In 1955 President Eisenhower, concerned with the increasingly difficult problems time and technology have raised for arms control, called for a thorough analysis of the problems, requirements, and methods involved in achieving an international arms limitation system fitted to the existing situation.

After long and intensive study the newly appointed White House Disarmament Staff recommended a set of principles to serve as a guideline for U.S. disarmament policy. These principles were:

1. The United States should not accept an agreement for arms limitation or control unless provision is made for effective inspection of each phase of the agreement.

2. The United States should never agree to make any reductions or accept any controls in regard to its own armaments unless other signatory powers agree to carry out comparable reductions or controls in regard to their own armaments.

3. In the existing state of scientific knowledge, there could be no safe agreement to eliminate nuclear weapons. It is not possible by any known scientific or other means to account for the total previous production of nuclear weapons material. The margin of error in existing methods is sufficient to allow for clandestine fabrication or sequestering of enough nuclear weapons to constitute a devastating power advantage to the possessor.

4. The problem of controlling nuclear weapons would be complicated enormously, if not made impossible, once the capability to produce such weapons spread to many additional countries.

5. Widespread fear of nuclear surprise attack exacerbated international tensions and

was a principal motive for a continuing and accelerating competitive arms buildup.

6. The United States should never cease searching for a sound agreement and should always be willing to enter serious discussions in pursuit of such an agreement.

7. Because of the development of missiles of intercontinental range and the proliferation of the means of nuclear production, the need for a solution to the armaments problem was increasingly urgent.

Based upon this set of principles the present administration has at every opportunity advanced specific proposals designed (1) to help prevent war by relaxing tensions and fears created by armaments and (2) to provide for a balanced and coordinated progressive program which would avoid any aggression-inducing disequilibrium of power.

Among the specific plans advanced was President Eisenhower's proposal in 1955 of "confidence through disclosure" or what became known as the "open skies" plan. The heart of this plan was unrestricted but monitored reciprocal aerial inspection by visual, photographic and electronic means. Mr. Molotov, for the Soviet Union, rejected the President's plan.

The years 1956–60 have seen the United States and her allies continue to advance concrete bases of discussion for disarmament negotiations. These specific proposals have generally included as interdependent, beginning steps:

1. Cessation of production of fissionable materials for weapons purposes.
2. Cessation of testing of nuclear weapons.
3. Reduction of existing nuclear stockpiles.
4. Proposals for specific force and armaments levels.
5. Inspection safeguards against surprise attack.
6. Agreement not to use atomic weapons except in situations of self-defense.
7. Measures to control the outer space missiles.
8. Development of a system to regulate the import and export of armaments.
9. The creation of an international control organization.

At times during these years it has appeared that the differences between the Western Powers and the Soviet Union on various of the disarmament proposals have narrowed. These periods of seeming progress, however, have ultimately all proved illusory. The record is indeed disappointing from the standpoint of the Soviet response to the Western intention and hope that international accord on the limitation of armaments can be reached. And yet we must not overlook the fact that during the past few years the Allies have welded into one unified and practical policy their individual proposals for arms control. Never before in history have so many nations of such great military power joined to make such far-reaching proposals.

But it also must be remembered that the drive for disarmament, no less than the armaments race itself, is a reflection of the intricate power relationships among the major nations of the world. And though the control of armaments is an indispensable step in a general settlement of international conflict, it cannot be the first step nor can it be conceived apart from the other weapons used in the waging of the peace.

It must be established at the outset that men do not fight because they have arms. Rather they have arms because they find it necessary to fight.

In the past disarmament efforts have too often been based upon the assumption that if men would give up their arms all fighting would be impossible. History clearly demonstrates, however, that if we do take away their arms men will then either fight with their bare fists or find new weapons with which to fight.

Reducing the quantity and quality of weapons available at any particular time thus is no sure guarantee that war will not come. And yet disarmament efforts nevertheless can contribute much to the improvement of the political situation by lessening political tensions and by helping to create some confidence in the stated purposes of the respective nations. Moreover, weapons-control efforts in our time could well determine the very nature of a future war.

For these reasons the decade ahead must see intensified efforts to achieve an international arms agreement. Our approach must be geared to the realities of the nuclear age and must include periodic reevaluations in the light of changing political and military conditions brought about by the vast growth of technical and scientific knowledge. At all times we must proceed on the premise that any disequilibrium in total military power vis-a-vis the Soviet Union might prove fatal to the free world.

The task of remaining strong enough to deter aggression while striving to reduce, stage by stage, man's ability to destroy himself is obviously one of utmost complexity.

But we have no other choice than to continue on our pathways to peace. For as President Eisenhower said in his second inaugural address:

"We know clearly what we seek and why.

"We seek peace, knowing—as all ages of man have known—that peace is the climate of freedom. And now, as in no other age, we seek it because we have been warned by the power of modern weapons that peace may be the only climate possible for human life itself."

The Impact of Inflation on America's Balance of International Payments

(By Rita E. Hauser, author and lawyer)

Few economists will disagree with the premise that continued deficit spending will, in the long run, produce an inflationary situation domestically which, in turn, yields higher prices for export as well as other goods.[1] Nor will many economists take issue with the statement that a higher price level for export goods will, in a competitive world market, greatly reduce the salability of these products. This paper is concerned with the extent to which the world market for most American export items has become more competitive in the last few years, and with the impact of higher American prices (or lesser ability to compete in world trade) on our balance of international payments and on the solidity of the dollar as the major world currency.

I. Increased world competition

The first 10 years of the post World War II era were marked by one dominant economic phenomenon: the absolute supremacy of the dollar in world trade. The formerly great mercantile competitors of the United States—Western Europe and Japan—found their economies in 1945 either in total shambles or nearly so, with production at a standstill and with capital markets destroyed. Because a healthy world trading situation was necessary not only for the well-being of America but for continued world peace, the United States early adopted an unprecedented economic policy destined to facilitate the recovery of Western Europe and Japan. The tale is so familiar that one need only cite the organizations and programs created to achieve recovery and the picture immediately comes into focus: the Marshall plan and its counterpart, the Organization for European Economic Cooperation (OEEC), the International Cooperation Administration and its predecessor bodies, the General Agreement on Tariffs and Trade (GATT), the point 4 program, the Development Loan Fund—these are but some of many.

These various programs were markedly successful—much to the surprise of many an American who, suddenly, in 1958 found that his dollar bought less and less abroad as the dollar gap slowly closed or that his once secure export market was lost to the West Germans, French or Japanese. Indeed, by 1958 the former needy nations were not only able to end most restrictions on dollar-area products as their stock of dollars and gold reached substantial proportions, but they also witnessed an enormous spurt of economic growth that surpassed our own. Concomitant with this growth were far-reaching measures taken to prevent the return of inflation in order to ensure continued expansion both at home and abroad. And further, rather bold measures to promote increased expansion were inaugurated in Western Europe in January 1959 with the advent of the European Common Market which, in itself, poses the most serious economic challenge American business has faced in recent years.

The European Common Market, or European Economic Community as it is formally named, grew out of various movements to achieve a politically strong, united Western Europe, or as some people have termed it "the United States of Europe"; its immediate predecessor is the European Coal and Steel Community (Schuman plan) which makes one the market in coal and steel of West Germany, France, Belgium, Italy, Holland, and Luxembourg—the member nations.

In a strict economic sense, the immediate purpose of the European Common Market is to obviate all impediments to trade among the Six by the elimination of tariffs, quotas and other restrictive practices. When this purpose is achieved, the goods produced in each member State will move freely in a market much greater in size than the territory of any member—the total area of the Six or the heartland of Western Europe. As a consequence, the goods of France, for example, will sell more cheaply in Italy because the current Italian tariff now added to the base price will be eliminated. Similarly, many more French goods will be sold in Italy because all quotas will be removed. In effect, the Six hope to create a trading area similar to that existing among our 50 States as a result of the constitutional prohibition on any State from affixing export or import duties. Steps have already been taken by the Six to achieve this complete trade freedom, for in 1959 an across-the-board reduction in tariffs was effectuated as well as the conversion of all bilateral import quotas into global quotas available without discrimination as to any member. Further reductions are expected shortly.

The immediate and natural effect of the operation of the free trade provisions of the European Common Market is a discrimination against American goods entering its territory. While tariffs and quotas will be dropped on Italian or German goods, they will still remain on American goods entering the Common Market area. Indeed, the very feature of the Common Market that distin-

[1] This is true even if the Government exercises the utmost prudence in the management of its debt and borrows in the least inflationary manner, e.g., through the sale of Government securities with supporting revenue derived from higher taxes. Sooner or later, and the time depends on the general state of activity of the economy, the Government's continued competition with private enterprise in the money market will, by the lessening of available capital for private investment purposes, produce an upward price cycle. And needless to say, the amount of Government securities that can be issued at reasonable rates of interest is limited as is the demand for them; at some point, then, resort to the easier, but more inflationary avenue of created bank reserves will occur.

guishes it from the Free Trade Area sponsored by Britain is that a uniform tariff wall vis-a-vis the outside world must be maintained; Belgium and West Germany both were thus forced to raise the tariff on many of their goods in order to meet the higher common level set out in the Common Market Treaty. As a consequence, many American goods greet the Western European consumer with a higher price tag on it than its counterpart Common Market product. This higher price tag is due both to the initial fact that the cost of producing an item in the United States is greater than the cost incurred in producing a similar item abroad, mainly because of higher American wage levels, and to the added cost imposed in the form of a tariff when an American good enters the European market.

This natural trade discrimination hits hardest at the American manufacturing community whose goods, in general, face high duties in Western Europe (this as distinct from exports of food and raw materials which now largely enter duty free or at low duties). These same manufactured items also bear the highest costs of production among American export items, and to add further to the competitive situation, the production of these items constitutes Western Europe's economic forte.

While it is true that at present regional markets in areas less economically developed than Western Europe would not pose as stiff a competitive situation at least for manufactured goods, the tendency to group regionally into one trading unit of fairly large size is most prevalent in the more highly industrialized nations. If, for example, the free trade area comes into being, its members, although not bound to a common external tariff, will afford each other mutual benefits by virtue of a reduction, if not a total elimination, of tariffs and quotas inter se. This, again, places American goods at a natural competitive disadvantage. Moreover, it should be noted that the Common Market Treaty calls for the eventual coordination of labor, fiscal, investment and antimonopolistic policies. If and when this total economic unity comes about, presumably reinforced by uniform commercial laws, then the price of these various factors of production will decrease as their supply is more readily assured by the elimination of artificial impediments to their mobility. And with a declining cost for these factors, the competitive situation will shift even further in favor of America's trading partners. As is now becoming clear, disfavorable terms of trade will reduce America's trading competitiveness not only within the area of the regional markets but elsewhere in the free world. West Germany, for example, has now replaced America as the leading exporter of certain manufactured goods in both the Middle East and in Brazil, just as Japan is duplicating this pattern throughout Asia.

It can, then, readily be seen that the free trading world in 1960 is infinitely more competitive for American business than it was but a few short years ago—and the trend will continue. This hard, sober fact of economic life has recently been appreciated by the administration. Under Secretary of State Dillon, at a meeting this year of the OEEC, offered suggestions to expand the scope of operation of this body and to permit a limited affiliation or participation by the United States. The latter measure was intended to prevent the application of any possible discriminatory measures against American goods and to erode the natural discriminatory effects flowing from the operation of the regional markets. Dillon called for a greater reduction of current tariffs and quotas for all trading nations. In effect, the administration is working toward the promotion of greater free trade on a worldwide basis.[2]

Since world competition has so sharply developed in recent years, it is obvious that any further increase in the cost of production of American export items brought about by a general rise in the domestic price level (inflation) will add further to America's trading disadvantage.

II. THE IMPACT OF INCREASED PRICES ON AMERICA'S BALANCE OF INTERNATIONAL PAYMENTS

Because America is both a substantial importer of foreign products and an exporter of dollars through investments, tourist spending, defense and other Government expenditures, a large number of dollars flows out of the United States each year. If income from American investments abroad and foreign spending here, as well as from American exports to other nations, equalled the outflow, America's total position would be that of equality in its balance of international payments. As a matter of statistical fact, however, at no time, save for 1957, did America's balance of international payments show an equal position; to the contrary, we ran a deficit of slightly over $1 billion a year from 1950 to 1956.[3] This deficit was considered salutary because it was due, in large part, to our defense spending and economic assistance abroad and was not correlated to any adverse trading situation. This small deficit was but a way of aiding our trading partners to build up needed dollar reserves; America's payment of this deficit barely reflected itself in any gold loss since our creditors were quite contented, if not anxious, to take dollars as payment.

As of 1958, however, America's balance of international payments showed a marked increase on the deficit side. The balance of payments for that year looked as follows:

U.S. balance of international payments, 1958

[Billions of dollars]

PAYMENTS OF THE UNITED STATES	
Purchase of goods and services	16.7
Income on foreign investments in United States	.6
Unilateral transfers	2.3
Private capital outflow	2.9
Government capital outflow	1.0
Military expenditures	3.4
Total	26.9
RECEIPTS OF THE UNITED STATES	
Sales of U.S. goods and services	20.2
Income on U.S. investments abroad	2.9
Errors and omissions	.4
Long-term capital inflow	----
Total	23.5
Deficit	3.4
Settlement of the deficit was made by:	
1. Transfer of gold to foreigners	2.3
2. Foreign acquisition of short-term dollar assets	1.1

Source: Committee for Economic Development, 1960.

[2] The United Nations Economic Commission for Europe, in its last annual report issued in April 1960 urged Western European nations to open their doors to American imports to prevent a worsening of America's negative balance of trade. Concern was reported over the constant drain of American monetary reserves which will, in turn, produce a loss of confidence and declining liquidity for the dollar.

[3] In 1957 we had a small surplus chiefly because of the Suez crisis when Western Europe turned to the United States for certain basic products, such as coal. Nineteen hundred and fifty-seven, then, represents an abnormal year not at all representative of the general pattern of post-1950 trade.

The source of this deficit can be readily seen by glancing at the following table:

[In billions of dollars]

	Average			
	1951–53	1954–56	1958	1959
Net U.S. receipts for goods and services	2.6	3.0	2.8	0.5
Net U.S. payments for grants and investments	3.8	4.2	6.2	4.6
Deficit	1.2	1.2	3.4	4.1

[1] Estimated figures.

As the table shows, while American grants and investments abroad increased in 1958, to the contrary the rest of the world did not increase its purchases of goods and services from us. Indeed, in 1959, as compared with 1951–56, it reduced its purchases from America. Thus, America continued to make greater payments to the rest of the world while its payments to us decreased—hence an increased deficit over earlier years.

In 1958, our total external deficit equaled $3.4 billion; in 1959, it grew to a record of $3.7 billion. As illustrated by the charts, America's increased deficit wa: due largely to a decline in American exports abroad. This decline, according to several recent studies, may be attributed to the following causes:

1. The recession of 1957–58 cut capital expenditures in Europe as well as here to a far greater extent than consumer spending. Thus, while America maintained its general level of imports from abroad, which consist primarily of consumer goods, Europe reduced its imports from the United States since capital goods make up a good share of America's exports. The recession also caused a decline in the earning power of raw material producing countries, such as the Latin American nations, which in turn caused a drop in their imports from the United States.

2. American investments abroad have generally been more directed to the purchase of foreign securities than to the direct establishment of a subsidiary company. Indirect or portfolio investment is not likely to result in an increase in American exports, whereas the establishment of an American subsidiary abroad does produce exports since a subsidiary generally "purchases" equipment and other goods from the parent and other American companies. In 1958, indirect investment in Europe alone jumped to $1.4 billion a year from the prior $400 million annual figure for 1954–56.

3. American competitiveness in certain items has fallen generally, resulting in their replacement by local products or products of other exporting nations. A recent Department of Commerce study bears this out. It showed that if in 1958 the United States' share of world markets for the export of manufactured goods had been as large as in 1954–56, America would have exported some $500 million more in 1958 than it did. Moreover, if one traces the direction of the international flow of dollars, it clearly appears that in 1958–59 a large part of the dollars received by Asian, African, and Latin American nations have not been spent or deposited in the United States; rather, the dollars appear to have moved primarily to Western Europe from which these nations are now purchasing a large amount of their imported goods and services.

In sum, then, it is clear that the recent marked increase in Americas external deficit is due primarily to a fall in exports. While a part of this drop had unusual causes engendered by the recession of 1957–58, it seems evident that even absent these circumstances the deficit would still have shown a marked rise. This is borne out by

the fact that America's exports in 1959 exceeded its imports only by some $900 million, whereas in earlier years the excess was running more than $6 billion. During this same period, American imports remained at a relatively stable level, so that the narrowing of the excess is largely attributable to a decline in exports.

A continued large-size deficit reflects itself ultimately in a loss of gold for America. In 1958 alone we exported over $2 billion in gold to make up part of our deficit of that year. When America's deficit was small, the rest of the world was willing to incur dollar liabilities to fill the narrow gap since most nations were anxious to build up their dollar reserves. As the deficit increases, these nations will want to balance their dollar and gold holdings and will be inclined to take less dollars and more gold. Moreover, this shift to gold is accentuated by a growing loss of confidence in America's continued willingness to convert all dollars into gold, and indirectly into foreign currency, without restrictions and at a fixed price. As confidence fails, more foreign dollar holders convert to gold or other currencies, such as the deutschemark or the Swiss franc, which they now feel are safer, and therefore stronger currencies. Thus, were America to permit a serious increase in its external deficit, the dollar would be gravely undermined and so too the effective operation of the existing international gold exchange standard. This standard is necessary for an organized international payments system, and at present it rests primarily on the continued strength and stability of the dollar which is the world's trading currency. Should the dollar and the gold exchange standard be undermined, there undoubtedly would be grave political consequence for the free world.

If these rather drastic results are to be avoided, the United States must decrease its current international deficit, or at the least, prevent any further increase. This, of course, can be achieved in many ways, and it is not the purpose of this paper to discuss the policy implications of the various alternatives. But for the sake of analysis, the author presumes that current levels of Government spending for defense and economic assistance abroad will be maintained. With this assumption in mind, it is obvious that a reduction of the deficit will come either from a diminution on the payments side (reduced imports or investments and tourist spending abroad) or by an increase on the receipts side of the Balance of International Payments (increased American exports or greater investment and tourist spending by foreigners in America). It should be noted, however, that any reduction on the payments side will have a counterpart effect, for the reduction translates itself in reduced income for other nations which, in turn, obliges these nations to diminish their purchases of American goods and their investments in American companies. The end result of this pull-in is a general reduction in world trade in which no nation benefits as each attempts, in the words of Joan Robinson, to beggar-his-neighbor. This was the situation which existed between the two World Wars, and few would wish to see the return of this period.

Efforts to reduce the deficit and thereby to avoid the erosion of the dollar, should, then, be made on the receipts side of the international ledger. This means, essentially, that America must increase its exports abroad. And only by maintaining, rather than diminishing American economic assistance to other nations, especially to the less-developed countries, will the ability to expand American exports without undue harm to our trading partners come about. Continued economic assistance, if properly used, should cause the economic expansion of the less-developed nations and lead eventually to their greater ability to both import and export—thereby bringing about higher levels of world trade.

How, then, can American exports be increased? Part of the task is, as the ad man would say, a "harder sell," that is, a more aggressive attitude on the part of American exporters who must, as the European has learned, acquire language and other skills in order to compete effectively. The President recently recognized this need to sell more, and announced a new program to stimulate exports by expanding the activities of the Commerce, Agricultural, and State Departments and by establishing overseas trade centers in order to better assist American firms selling abroad. But, fundamentally, American exports will compete well abroad only if their prices are rigorously held down. The first and major line of defense against a continued rise in America's external deficit, pregnant as it is with serious political dangers to the free world, is a domestic anti-inflationary policy. The maintenance of production costs and prices is the essential ingredient in any effective export program for American business. This, as well, is indispensable if the erosion of the dollar is to be prevented.

By a full return to our opening premise, we can now conclude that continued deficit spending, which results ultimately in an inflationary situation, will undermine the dollar as the world's major currency. This will, in turn, destroy the international gold exchange standard the maintenance of which is essential for the continuance of free trade, economic prosperity and, in the final analysis, the political integrity of the free world.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS
OF
HON. FRANCES P. BOLTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mrs. BOLTON. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD study paper No. 16: "Some Psychological Aspects of Soviet Propaganda," by Prof. Malcolm Smith:

SOME PSYCHOLOGICAL ASPECTS OF SOVIET PROPAGANDA

(By Malcolm Smith, office of Senator THOMAS H. KUCHEL, formerly on faculty of Leland Stanford University)

One must have a great deal of temerity to undertake to write about a topic of such vast dimensions within a few pages. In order to get into this topic as quickly as possible, let me state by way of preface a few postulates about the topic, which should serve to delineate the principal areas of discussion with which we are concerned.

First, we are dealing here primarily with the techniques used by the Soviet Union and the Communist bloc countries to influence the minds of men throughout the free world. While important, and highly desirable, we cannot direct our attention to the use of propaganda within the territories occupied by the Soviet Union and Communist China. Our major interest is directed to the use of propaganda by the Sino-Soviet bloc throughout the free world, and the as yet uncommitted nations of Asia, Africa, and Latin America.

Secondly, the author has approached this subject with certain preconceptions about communism, and the use made of communism by the Soviet Union in particular, as a tool for the achievement of certain ends. There are, as lawyer friends are wont to say, points about which reasonable minds may differ. Thus there are several leading scholars in America whose special field of study has been the Soviet Union, who still maintain that Soviet aggression and the use of Communist parties throughout the world are merely means of insuring the Soviet homeland against aggression.

The invasion of Finland in 1940, the annexation of the Baltic States, Latvia, Lithuania, and Estonia in 1940, the partitioning of Poland in 1939, the postwar occupation of East Germany, Czechoslovakia, Hungary, Rumania, Bulgaria, Albania—the satellites—Tannu Tuva in 1944, Sakhalin Island, and Kurile Island—are justified in terms of historic Russian interests, essentially defensive in nature. Even the bloody suppression of the Hungarian revolt in 1956, and the earlier uprising in East Germany in 1953, are rationalized by this school of thought as being defensive moves only. Let me hasten to state that the author totally rejects this particular interpretation of Soviet foreign policy. No doubt, many of those who still adhere to this convenient view of Soviet policy, do so out of honest conviction. At least I feel more secure in holding this belief about some high level Foreign Service officers and ICA officials (all on active duty) who have expressed this interpretation of Soviet actions privately.

Third, for our purposes, it may be well to restate what are probably very simplified observations about communism, generally understood, I trust, by most Americans. Nonetheless, a fairly short restatement at this juncture may be helpful. Within this third point, I will discuss in ever so summary a fashion, communism in terms of doctrine and deeds, its growth and present physical resources.

Communism is both a theory of history and a revolutionary movement, whose purpose is the overthrow and replacement of the present world economic and political structure.

This theory, originally formulated by Karl Marx (who borrowed extensively from others, notably Hegel), claims to be scientific. Because it is "scientific" it is an "infallible" guide to the future. In the words of Friedrich Engels, Marx's longtime collaborator, this theory was "destined to do for history what Darwin's theory has done for biology."

Marx was by no means the first Communist or advocate of economic change. Many reform movements appeared in Europe in the early 19th century. Some of the movements led to the establishment of the "utopian communities," in Europe and America—societies in which all property was owned communally. Other movements (some of which borrowed ideas from Marx) became modern Socialist Parties—Christian Socialists, Social Democrats, Labor Parties, and so forth.

The majority of these parties diverted from the action program of their more militant cousins, at least insofar as total overthrow of existing institutions was concerned. Marx, Lenin, Stalin, and other Communist theoreticians demand a total overthrow of the existing economic and political system everywhere. Violence, the use of terror; these are the means to achieve the end of revolution. Lenin's comment in 1918 following the Treaty of Brest-Litovsk, that now there would be time for consolidation by terror, indeed a necessary adjunct in Lenin's view; complete control of the machinery of the state.

The relation of action to theory among Communists was begun early in the second

quarter of the 19th century when a secret revolutionary group with branches in London, Paris, and Brussels met to draft a program for revolutionary action. The resulting Communist manifesto has been the basis for Communist action groups ever since. Written by Marx and Engels, the document contained two basic theories: The labor theory of value, and the economic interpretation of history. The scientific theory cannot detain us long, except as it relates to the later uses made of it.

According to the Marxian theory, the political, social, and cultural characteristics of any period in history are nothing more than a reflection of the existing economic system—the manner in which goods are produced and exchanged. Thus, what a society does depends upon who owns the property in that society, which came to mean the means of production.

History then is simply a record of endless struggle between different economic classes, with one economic class replacing another. History does support, or at least can easily be made to support this facet of the Marxian doctrine in a general way. For example, no great ingenuity is required to show that in the Middle Ages the chief source of wealth was certainly land; and it was obvious that the great land owning aristocracy was the ruling class. Nor is any great ingenuity required to show that political, social, and religious customs and ideas of that time were suited to maintaining the political and economic ascendancy of the aristocracy. Likewise, it is fairly obvious that during the last three centuries land has gradually been replaced by capital as the chief source of wealth; and the history of the time may easily be regarded as a struggle between landowners and capital owners, as a result of which the latter have replaced the former as the ruling class and have substituted, in their interest, a new set of institutions and ideas—representative government, individual liberty, popular sovereignty, free competition—for the old.

Marx of course went on to predict that the final struggle in the evolution of civilized society would be the struggle between capitalism and the new proletariat societies. While this struggle has been, and will be, a violent struggle, it will ultimately free "society at large from all exploitation, oppression, class distinctions, and class struggles."

Marx maintained that the capitalist regime would by its own nature destroy itself. Its nature is to be ruthlessly competitive, so that in any industrial society the tendency is for wealth to be more highly concentrated in the hands of a few, while the mass of the people tend to fall into the condition of wage slaves, or so runs the Marxian argument. When this process reaches a certain point, the system breaks down. Moreover, when the system ceases to work the people will necessarily take control, and since it is their interest to do so, they will establish a classless society based upon the common ownership of the means of production, and a more equitable distribution of the product. This was the social revolution Marx predicted.

Of course there was one condition central to the achievement of the ultimate utopia. In order to insure a rational transition from the "socialist" period to full blown communism there would be a temporary dictatorship of the proletariat. A one-party, closed society, would be necessary, so Marx thought, in order to effect the consolidation of the state, and to prevent counterrevolutionary activity.

Of course Marx's prediction went astray at the outset. The revolution did not come in a highly industrialized society like pre-World War I Germany—a nation that had one of the largest, most articulate Marxist Parties in the Reichstag. These same Marxists were persuaded to vote for the German naval and military appropriations increases in 1913, on the ground that they were going to have the opportunity of fulfilling an old prediction of Karl Marx—they would help to overthrow the czarist government and free the Slavs.

But the revolution occurred in Russia, that is to say, not the most highly industrialized society but the least highly industrialized society. The social revolution clearly occurred before its time in Russia. Whether providence, or dialectic materialism, or military defeat, or whatever it is that regulates such social changes, certainly performed a strange feat in bringing the revolution to this agrarian society before it brought it to more highly industrialized countries, like England, Germany or France. But the cataclysmic event of the Russian revolution doesn't do anything to verify the predictions of Marx; what it does indicate is that in a country in which the people were accustomed to being ruled by a dictatorship, a country moreover in which the prevailing form of dictatorship was especially corrupt and incompetent, it was very easy to establish a dictatorship of a different sort.

But there is a more fundamental basis for questioning Marxian doctrine than the Russian accident. One is that it is extremely difficult to predict the future on the basis of past experience; or rather it is extremely easy to find in the past support for diverse predictions of the future. The other difficulty is to understand why a persistent economic class conflict in the past justifies us in predicting a classless society in the future.

This prediction, based upon the "objective realities of the past" as the Marxists might say, takes an idealistic view of the future. During the last 2,000 years, from Jesus' tortured march to Calvary, to the present day, all the saints and sages of the world, deploring greed and strife, poverty and injustice, have looked forward to the time when a more just society would be established. They have many times predicted the coming of a classless society in which everyone would have enough; but the course of events has never yet verified their hopes. In fact, Marx's interpretation of the past, if projected into the future, seems to refute his own prediction.

For Marx's interpretation of the past is explicit and realistic; his forecast of the future is vague and idealistic—utopian. It may be a tautology and a dubious denial. Marx finds that in the past the effective force that has determined a social change is the economic class conflict.

He goes to great pains to point out that this economic class conflict explains the rise of the present capitalist societies. He shows, or at least his disciples claim to show, how this economic class conflict is working to undermine our capitalistic society. From this historic experience, it would seem to follow that there will be in the future what there was in the past—a never-ending class conflict, an endless replacement of one dominant class by another, an endless transformation of institutions and ideas in accordance with the changes effected by the class conflict. But this precisely is not what Marx predicts. What he predicts is the end of the economic class conflict, the establishment of a classless society. What happens after the revolution has established a classless society? Here we are left to our own devices. For after having developed a law of history to interpret the past and predict the future, Marx apparently abandons the law at a fixed determinate point in history. The profound conviction of Communists that the proletariat is destined to establish a classless society on the ruins of the present capitalist regime is not justified by Marxian philosophy: if you interpret Marx in terms of mechanistic determinism, this profound Communist conviction is a pure delusion; on the other hand, if you interpret Marx in terms of free will, this conviction is no more than a splendid hope.

But consider the methods the Communists have chosen as the path to a better world. Using the experience of the second Russian Revolution in 1917, the Communists claim that nothing really worthwhile can be done until conditions are ripe for the application of a revolutionary technique. And that technique, as we well know, is to seize control of the government, forcibly expropriate the bourgeois class, and ruthlessly suppress the expression of all opinion that a dictatorial government judges to be hostile to the welfare of the community. Now this is the central fact of Communist doctrine: the use of force to obtain power and ruthless repression as the means of sustaining it. The resort to force as a means of persuasion, as a means of obtaining consent, this has been the nature of the Marxist theory in practice. Marxist-Leninist doctrine calls, ultimately, for the "withering away of the state", in theory the disappearance of the vast administrative machinery and the institutional devices for controlling the people. The Communists have been willing to justify the most incredible tyranny as the necessary road to utopia. Yet the tyranny of the Soviet Union, especially during the despotic rule of Stalin (and here we have only to read Khrushchev's speech in denunciation of Stalin to the 20th Party Congress to know just how much Stalin had tyrannized over them all) not only has not withered away, but has developed a super state "the mightiest and strongest state power which ever has existed" (Stalin's words).

It is very difficult for the Western democracies, whose essential test of civilized society is the extent to which law and public authority rest on free discussion and voluntary consent, to comprehend how this massive tyranny, justified on a specious philosophy, dependent upon the "big lie," violence and terror to sustain it, can continue to challenge the West in every area of the globe.

The answer lies, I believe, in this: Communism is theory of history (however false); it is a worldwide revolutionary movement; and it is the power resources and strategy in world affairs of the Soviet Union, Red China, and their allies and satellites. And, in the fact that Soviet officials are not inhibited by the use of any method best calculated to achieve a given end. If Paul Joseph Goebbels could say: "Propaganda built the Third Reich," we can say with even greater force: "Propaganda built the present complex of Sino-Soviet power." Not propaganda alone, of course. Behind the propaganda techniques are the solid achievements of transforming their economy into a highly industrialized society in a relatively brief period of time. The transformation, however, has come only at the cost of millions of human lives, deemed expendable in the interests of a presumed better life for the survivors. Yet, even the reconstruction of society has been dependent upon the skillful use made of every minor, as well as major success in any field, and the willingness of Soviet officialdom to exploit occupied territories until brought under total control.

In support of Soviet objectives, the U.S.S.R. has been able to profit immensely from the organization of Communist parties in 26 countries, including about 20 free countries with a membership of 6 million people of which 3½ million are in "5 mass parties (France and Italy are 2 examples among NATO countries), 2 million in the 20 or so "sturdy little parties," and half a million scattered in very small groups. Each of these organizations includes hard-core professional revolutionaries—paid agitators—trained in special schools which may be fairly elementary or very advanced institutes, technical schools and universities.

Their size is no determinant of their significance and ability to take advantage of every crisis, indeed to foment the crisis first. These cadres will vary in size, depending upon the Kremlin's current foreign policy commitments. But they are always in a position to use the facilities of auxiliary organizations, either existing or created to meet a current need.

One of the most exportable items of propaganda used by these organizations to convince underdeveloped countries that history is on the Communist side is the economic growth record within the Soviet Union.

It is this record, coupled with the development of a new capability in rocketry and thermonuclear weapons that has awed the rest of the world. And if the rest of the world were not fully aware of these developments, the Soviet's affiliates overseas have made certain that every last propaganda advantage was wrung from each new development, Sputnik I being a characteristic example.

The Soviet message is simple. To the people of Africa, struggling to form new governments for their new states, to the backward countries of Southeast Asia where famine, death, pestilence and disease are life's boon companions, to the have-nots in every country of the world, the Soviets offer new hope. "Look what we have done in 40 years. If we can do it, so can you." And the price they ask isn't much, or so the would-be beneficiaries are led to believe. "Let us show how to organize your state, to produce a new abundance. Join us, and we will lead you into a new world of peace, abundance, and happiness." Communist China, which managed to drive the United Nations back in their first major aggression, is not overlooked, as part of the evidence of what a "temporary dictatorship" and reorganization of society can do.

It is the strategy of the Soviets and the Chinese Communists to concentrate first on the weak and then to encircle us, the strong, by penetrations in Asia, Africa, Latin America. A central part of this strategy is to deprive us of bases, essential raw materials, and any and all military allies in these areas, as well as in Western Europe.

Let's take a characteristic technique which serves the interest of Soviet propaganda in a very effective way: Importation of students from non-Communist bloc countries to be educated in the Soviet bloc.

Approximately 3,000 students from free world nations—mostly from the underdeveloped areas of the Near East, Asia, Africa, and Latin America—and 19,000 from bloc countries attended Soviet and East European satellite institutes of higher learning during the 1958–59 academic year. Some 15,000 of these were studying in the U.S.S.R., which despite increasing attention to student exchanges is still far behind the United States in this field. There were 46,500 foreign students in the United States in 1958–59. Czechoslovakia and East Germany each had some 2,000 foreign students resident last year. Students in Czechoslovakia are divided about equally between those from the bloc and from underdeveloped areas.

Nonbloc foreign students are recruited in three ways: Through scholarship and educational aid offers from the bloc to underdeveloped countries, through mutual exchange agreements between bloc countries and Western nations, and through scholarships offered by the bloc countries to proteges of nonbloc Communist Parties.

The bloc is gradually increasing its mutual exchange programs with Western countries, but the number of students involved is still small—little more than 100 this year. The U.S.S.R. has exchange agreements with the United States, Britain, France, West Germany, and Norway. Poland has exchange agreements with the United States, Britain, and France.

Scholarships and educational aid for proteges of Communist Parties outside the bloc are not reciprocal and in many cases are made without the consent of the student's home government.

Many of the Africans now studying in bloc schools were recruited while at school in Cairo and are "illegal." Such students, as well as a number from Latin America, are chosen initially for their sympathy toward communism and are heavily indoctrinated during their stay in the bloc.

The main type of foreign student program—unilateral offers by bloc countries of scholarships and other types of educational aid—is directed primarily toward the underdeveloped nations of the Near East, Asia, and Africa. Scholarship offers are made through the U.N. and its specialized agencies, such as the World Health Organization and UNESCO, and are also offered directly on a country-to-country basis.

The U.S.S.R., for example, has offered 15 medical scholarships to Nepal and 21 scholarships to Egypt for study in the arts. Such scholarships are for 5 to 6 years of study and cover tuition, free medical care, and free trips during vacations. They include 1 year of intensive language training and, in the case of Soviet scholarships, a year of remedial education if the student fails to meet academic standards. The U.S.S.R. also provides transportation from and to the student's homeland at the beginning and end of his schooling.

Satellite scholarships also are generous, although only a few provide transportation expenses. Soviet stipends granted to nonbloc students are at least double those of Soviet students.

The Soviet Union has also offered some 550 "accommodation" scholarships, mainly to underdeveloped areas. These are reserved places for 3 months to 5 years in higher educational institutions for students whose expenses are borne by their homelands. Few such scholarships are available in the satellites, although there is evidence that Poland may be adding some to its program.

After a full academic year of language training, the students enter their specialized courses of study, the most popular being engineering, the humanities, and agriculture. Fields of major study for exchange students are stipulated in the official agreement, as are those for "accommodation" offers. Some of the unilateral scholarships are made for specialized fields, as in the case of the 15 medical scholarships offered to Nepal. In others the decision as to the field of study may be made by the student's homeland on the basis of its needs.

Living accommodations for foreign students in the Soviet Union are equal to those of the local students.

Foreign students in the U.S.S.R. usually eat with their Soviet fellows. Where there are unusually large numbers of one nationality, a separate canteen may be established and some effort made to serve foods characteristic of the student's homeland.

Social life among the students often reflects the political atmosphere existing between their homelands.

One avowed aim of the program is to inculcate foreign students with Communist doctrine. Typical is the statement of Dr. Ludek Holubeck, chairman of the Division for Relations With Foreign Countries of the Czech Ministry of Education and Culture, who wrote in an education monthly last January that the foreign student program of the universities must support the political and educational activities of the Communist Party and state administration. "We will increase our political and ideological demands in the evaluation of every foreign operation," he said, "so that anything we organize shall by its contents and methods have a distinct socialist character."

Holubeck charged a special institute at Charles University in Prague—set up to deal with the training of foreign students—with "evaluating the methods of instruction, political work, and ways and means of influencing the culture and social life of the students in Czechoslovakia. We want foreign students to return to their countries as dedicated adherents of socialist ideas," he stated.

This training has not been universally successful in creating the desired effect on nonbloc students, for there is evidence that "socialist reality" is sometimes educational in ways Moscow never intended.

An additional problem for the bloc in sponsoring the training of students from underdeveloped areas through government-to-government programs is the instability of the national governments involved. While foreign Communist Party proteges are not affected by changes in the government at home, the 3- to 6-year programs of the government-sponsored legal students bridge potential changes in national attitudes such as have taken place in the U.A.R.

Despite these difficulties, however, there is no evidence that Moscow is sufficiently dissatisfied with results to drop its educational aid programs. There have been some successes.

Bloc offers are gaining in respectability—the son of Nepal's former foreign minister is studying in Prague at the present time—although where offers of stipends and other assistance from the bloc and from the West are equally advantageous, the West is still overwhelmingly preferred. Acceptances of Soviet scholarships in 1958, however, were double those accepted in 1957.

The Soviet Union is directing special attention to Africa. It has recently established diplomatic relations with Tunisia and offered aid and favorable trade agreements. Diplomatic representations were established in both Morocco and Libya shortly after these countries attained their independence. The Soviets have been active with the Communist Parties in these areas, especially in Libya where they have concentrated not only on Libyan Communists, but also on the Italian Communist group. And the Chinese Communists have extended official recognition and offered arms and financial aid to the provisional Algerian Government in exile.

In Ethiopia, a permanent cultural exhibition in Addis Ababa disseminates Communist propaganda, offers courses in Russian language, and generally seeks to indoctrinate its visitors—mainly young Ethiopians and students from east Africa. A strong indication of the active Soviet interest in Africa and the heavy selling job being done by the U.S.S.R., are the offers of "aid without strings" to this ancient land. An aid agreement of $100 million was signed between the Soviets and Emperor Haile Selassie last year, and an oil refinery and technical school staffed by Soviet representatives are planned. This month, a Soviet industrial exhibition will be held in Addis Ababa with high Soviet officials in attendance.

In west Africa, the Soviets are planning to construct a polytechnical institute in Guinea, which will accommodate from 1,500 to 2,500 Guinean students. Soviet personnel will comprise the staff. This is a very effective means for influencing long-term economic planning and planting intelligence experts to work with the local Communist Party apparatus.

We may soon expect dramatic moves in our own backyard. For years, the Soviets maintained the largest Embassy staff of any nation in their Mexican Embassy. The Mexican Communist Party has long served as an agency for exploiting the differences in wealth between the United States and Mexico. Every source of friction is kept alive by a continuous barrage of charges, lies, distortions of would-be facts, half-truths, and the

theme of "you are poor because you have been been robbed" repeated in a fashion reminiscent of Hitler's classic charges that Germany was not defeated in World War I, but was the victim of traitors, treason, and the "stab in the back".

But in Cuba, the revolutionary fervor that led to Fidel Castro's victory over Batista, has been directed at fever pitch against the United States. The recent sugar agreement between Cuba and the U.S.S.R. was only the beginning. Khrushchev plans a state visit to Cuba, and no one can be certain what consequences will flow from this visit. In all likelihood, there will be a stepped-up program of infiltration by Soviet agents in Latin America, the Caribbean, and Central America. We may expect a more extensive, centrally coordinated drive against American control of the Panama Canal, a demand that we evacuate the Guantanamo Naval Base in Cuba, as well as demands that we evacuate Air Force and naval installations in Puerto Rico and the Virgin Islands. These demands will be conducted by the native populations, and flames of nationalism will be fanned by the agent provocateur. The distinguished Brazilian sociologist, Gilberto Freres, in his brilliant analysis of Brazilian society a few years ago in "Casa Grande and Senzales" ("The Masters and the Slaves") suggests some of the soft spots Communist propaganda may be expected to concentrate on. The ethnic, racial, and cultural groups which comprise the Brazilian population will hear and see distorted scenes of racial discrimination in the United States. To the Amerindian Indian of Brazil, the poor, illiterate Indians of Peru, Bolivia, Paraguay, and Colombia whose marginal existence is barely at subsistence level, this "colossus of the north" is little known, and even less understood.

But the Soviet inspired Communist propaganda comes in simple messages so all may understand through the eye and the ear.

Throughout the free world, to every level of society, to the intellectual, the working man, the white-collar worker, the young and the old, the Communists broadcast the arguments for communism from within the Soviet Union, their European satellites and Communist China. Millions of words are spewed out in scores of languages, each broadcast designed to exploit local conditions to the recipient country.

Moscow is highly selective in disseminating propaganda. An infinite variety of types and roles are played by the U.S.S.R. particularly in broadcasts, for external consumption. If it is the Middle East, one propaganda play for a particular audience may be used. If it is to Western Europe, quite another line may be stressed, such as the attempt to arouse French fears of West German rearmament. Or then again, it may be broadcast only to the peoples of the Soviet Union or to the Soviet Union and the satellites.

Then there is the use of literature, particularly technical and scientific publications, which are published in very inexpensive paperback editions, easy to read and yet technically accurate. The importance of these materials to the U.S.S.R. results from the fact, that directly or indirectly, they stress the growing competence of the Soviet Union in the fields of science, engineering, technology, and the Soviet-asserted lead in explorations of outer-space.

It is difficult to compete with these publications because the Soviet Union and Red China not only can produce them at minimal cost, but cost to them is not an object of concern. They are determined to achieve a given end, and their energies can be directed toward that end without the limitations a free, democratic society must inevitably encounter.

The Internal Security Subcommittee of the U.S. Senate recently published an English translation of Mme. Suzanne Labin's paper, "The Technique of Soviet Propaganda." The author, a graduate of the Sorbonne, a journalist who has published four books, one of which, "Must We Grant Freedom to the Enemies of Freedom," won the French literary award, the Prize of Freedom for this book "which best defends the principles of liberty." Senator EASTLAND'S subcommittee has performed an invaluable service in making Mme. Labin's paper available, and especially if it can have the widest possible distribution.

Mme. Labin uses the name "auxiliaries" to identify people who serve the ends of Communist propaganda by echoing Soviet positions in international affairs. Thus, on page 5 of the committee's translation, the author has indicated some of the variant positions taken by "auxiliaries" in international politics. ("For some, the labels of 'crypto-Communist' or 'fellow traveler' are too mild, for others too strong. In this paper (Mme. Labin's), the more neutral term 'auxiliaries' will be used.")

"The assertion that Soviet propaganda uses auxiliaries as various as they are concealed makes it essential to be able to recognize them despite their concealment and their multiformity. Two traits constitute their distinctive mark: on the one hand, the auxiliary always supports all the positions supported by the Soviets in international affairs and changes them the very moment the Soviets do; on the other hand, toward the Soviet and Western regimes he adopts an attitude which systematically tends to blacken the latter and whitewash the former."

A partial catalog of these positions as prepared by Mme. Labin "with no claim to exhaustiveness" follows:

Against building Europe and especially a European army.

For withdrawal of American troops from Europe.

Against NATO and SEATO.

For the right of veto at the U.N.

For abandonment of Berlin and disengagement in Germany.

Against the Federal Germany of Bonn and the "revengemonger" Adenauer.

For recognition of the Hankow and Peiping governments.

For cessation of nuclear tests and disarmament without further control arrangements.

Against installing missile-launching platforms directed toward the U.S.S.R. in Western Europe, but not against launching platforms directed toward Europe in the U.S.S.R.

Against the "feudal and corrupt dictators" Chiang Kai-shek, Ngo Din Diem, and Syngman Rhee, but for the anti-American dictators of Latin America, Peron and Vargas.

For surrendering Quemoy and Matsu to Peiping.

Against the Franco-British action at Suez, but for the anti-Franco-British action at Baghdad.

Against Israel and for Arab nationalism, against France and for the FLN, against Britain and for the Mau-Mau, but in Moslem Kashmir for India against Pakistan.

For a summit conference at any price.

For "cultural exchanges" but without demanding that book censorship and radio jamming stop in the U.S.S.R.

For total independence of the peoples of Asia and Africa from the West, but for total dependence of Eastern European satellites on the U.S.S.R.

Against free elections under international control in Germany, but for "elections" in Vietnam under the established governments, one of which is Communist.

Against "dollar imperialism" all over the world, but for "ruble aid" to underdeveloped countries.

Against American bases in Europe and Asia, but for freedom of Soviet bases (Communist Parties) in every country.

"It is quite clear that an independent mind can very well come (rightly or wrongly) to the same conclusions as the Soviets on one or another of these points, but it is impossible to be in systematic and synchronized agreement with all the positions of the Kremlin. It is by this kind of agreement that the auxiliary can be recognized."

Most of Madame Labin's "auxiliaries" work through front organizations, some well known, some not so well known. Some of these function on a worldwide scale, others spring into being for a short time like the "committee to save the Rosenbergs" and to achieve a limited, immediate objective.

While never having tolerated free trade unions in the Soviet Union, the U.S.S.R. has nonetheless sought through the World Federation of Trade Unions to control the trade unions of the free world. Here they have succeeded in controlling some of the largest of the trade unions, for example in France, Italy, Japan, Indonesia, and several other countries. But their claims to have 92 million members through the world are generally discounted by intelligence experts. Nonetheless, they will have many millions of members and this threat to free labor cannot be overlooked.

Another area of intensive cultivation by the Soviet Union is the World Federation of Democratic Youth, a major Communist front which has claimed a membership ranging upward from 86 million in 96 countries. We have already noted the use of scholarships, grants, and courses available within the U.S.S.R. to selected students. The WFDY, working closely with another front in this student field, is the International Union of Students, which produces 2 major publications in 11 languages, together with hundreds of pamphlets, and a weekly radio broadcast in 7 languages from Budapest.

There is the Women's International Democratic Federation to reach audiences of women throughout the world with the theme that the living conditions of women and children, particularly in underdeveloped areas, are far behind those in Russia. This organization has claimed a membership of over 200 million.

A number of other front organizations have been developed to reach and influence particular professional audiences. These include the World Federation of Teachers Unions, the International Association of Democratic Lawyers, the International Organization of Journalists, the International Medical Association for the Study of Living Conditions and Health, and the International Federation of Resistance Fighters. Add to this the phony "peace committees" in 47 countries, and one begins to have some idea of the use of organizational devices operating in behalf of Soviet objectives.

Increasingly, the Soviet Union has begun to concentrate on the trade policy as a means of disrupting the economies of largely one-crop, or one-product nations. Tin in Malaya, cotton in Egypt, coffee in Brazil, and copper in Chile, are examples of commodities which are vulnerable to disruptive trade practices. In this respect, the Soviet Union, with much greater sophistication, is following in the footsteps of Hitler's Germany. The German tactic was to offer to buy all of a nation's principal export commodity—Rumanian wheat for example—at roughly twice the world market price. Hitler's finance minister would arrange a barter-cash deal, but payment was usually delayed. Once the wheat was in German storage bins, payment would either not be made at all, or only token payments would be made. The next year the Germans would come back to Rumania and demand all the export wheat available, at any price the Germans were willing to pay—aspirin tablets, bicycles, sewing machines—but at a rate about one-half the world market price. If the Rumanians protested that they hadn't even been paid for

last year's crop, they were bluntly told that their year's crop was all still in storage, and available to be dumped on the world market at one-fourth the world price. Confronted with a Hobson's choice, the Rumanians capitulated. This is the kind of tactic which Khrushchev may have had in mind when he said "we'll bury you—in the field of trade, that is."

And a new dimension to the use of trade policy as a propaganda device has emerged with the serious bid by the Soviets to become the world's leading maritime power. There are two phases of this development: (1) Construction of a modern, powerful navy relying on submarines, cruisers, destroyers and auxiliary craft to penetrate the ocean seaways and support Soviet maritime power; (2) development of a large, modern, fast and, in the future, nuclear powered merchant marine to carry on Soviet trade in ships manned by personnel from the U.S.S.R.

The National Academy of Sciences recently prepared a special report on the U.S. merchant marine in comparison with the U.S.S.R., under the chairmanship of Admiral Radford. The substance of this report is frightening, and indicates how important an immediate change of policy with regard to our own merchant marine is, if we hope to have any merchant ships flying the U.S. flag at all in another 10 years. At the very time the Soviets are launching an aggressive, all-out drive to control the seas, our merchant shipping is declining, with 70 percent of our ships flying "flags of convenience" and manned by foreign crews. While still available for defense, it is doubtful how useful these ships would be. Our nuclear powered *Savannah* will help to offset some of the propaganda gains made by Soviet ships beginning to appear in the major parts of the world, but we will have a hard time competing after 1963 unless the recommendations of Admiral Radford's distinguished panel can be implemented beginning now.

We, with the greatest technology and productive capacity the world has ever seen, have tended to let the Communist bloc countries seize the initiative in areas of the world where we ought to be conducting an offensive for freedom unparalleled in human history. As one example, on March 8, 1955, Stewart Alsop reported in the New York Herald Tribune that the United States would launch the world's first artificial earth satellite in 2 years. His description was most accurate. Unfortunately, the Russians knew our plans and simply determined to score a propaganda victory throughout the world by launching a larger satellite first. Our immediate response was to overreact to this Russian coup. We simply did not equate a scientific development of our own with the impression it would have on other men's minds.

We must not underestimate the appeal of Soviet propaganda to the new nations in Asia and Africa. Their agents are dedicated, they think conceptually, and they never neglect their main objective: ultimate world control, by force if need be, by infiltration, subversion, and treachery if possible. It is difficult at best to explain the complicated devices of a free nation. We are not at liberty to fashion our every move in international affairs to conquer the world. We have never sought to do so. But we can perhaps develop an offensive policy to strengthen and enlarge the free world, to challenge communism everywhere—in the East, in Latin America, in Africa, in Asia. This suggests a new look at our "informational services," at our whole scheme of values in relation to the U.S.S.R. But we will not stop Communist aggression by waiting until they move, before we sluggishly respond.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS
OF
HON. KATHARINE ST. GEORGE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mrs. ST. GEORGE. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD, study paper No. 17, "Civil Defense Policies," by Dr. Donald A. Melnick, Scientific Planning Associates:

CIVIL DEFENSE POLICIES

(By Donald A. Melnick, operations analyst, Scientific Planning Associates)

A. INTRODUCTION

1. Previous impressions

When I began writing this paper I had the impression that there was something lacking in the civil defense program. From the little I had known about questions of fallout and nuclear attack it seemed as if the measures that had been taken were surprisingly short of what was necessary. I had read articles which indicated that scores of millions of the American people would be killed in a nuclear attack and that most of these lives could be saved with an adequate civil defense program. I had heard that fallout was a very serious problem for unprotected people but that a minimum amount of protection would save most of the people exposed to fallout who had not been killed as a result of blast and the thermal effects of nuclear weapons. I had also noted that virtually no fallout shelters were being built by either private people, industries, school systems or other branches of local and State governments, but I did not know about the complete failure of the Federal Government to do the same. Because I had received so little information through advertising media and brochures on the civil defense problem, I assumed that the Federal Government had decided that it was not a very great threat or else that nothing could be done about it.

When I decided to study this problem further, I assumed that I would quickly find out that I had misunderstood the problem. Somehow I felt that I would find out that I had miscalculated one of the aspects of the problem—possibly, that either the potential danger was much smaller than I had crudely estimated, or this danger was adequately taken care of by other measures.

However, in performing this study I soon discovered that my initial impressions were not only quite correct but that they understated the problem somewhat. Actually, there is marked agreement that our civil defense program is an important part of our total military posture; there is marked agreement that there is potential threat to the American people in case of nuclear attack in terms of scores of millions of people; there is marked agreement that quite inexpensive civil defense measures in terms of dollars per capita would potentially save a considerable number of lives; and furthermore, that in spite of the necessity for all these measures only an infinitesimal proportion of what must be done is being done.

Although the title of this paper is "Civil Defense Policies," the study is almost completely limited to the shelter and evacuation programs. Although there are other aspects to civilian defense, it is quite apparent that it is in these programs that the greatest needs lie. When the term "civil defense" is used in the text it usually refers exclusively or primarily to the shelter and evacuation programs.

2. Reasons for civil defense

There are three principal reasons for civil defense measures—i.e., evacuation and shelter measures.

1. They increase the margin of deterrence.
2. They make our diplomatic maneuvering more believable.
3. They save human lives.

It interesting to note that because of the first two reasons civil defense decreases the probability of nuclear war. It thereby saves more lives than it would in the event of war.

Deterrent Margin

There is much talk today of deterrence. There is fairly wide agreement that we owe whatever immunity from nuclear war that we presently have to the fact that in the event of nuclear attack our side will be able to destroy more of the enemy's forces than the enemy can destroy of our forces.

In the event of nuclear war a significant factor in our military strength would be the number of civilians surviving the initial attacks. Although it is probably true that the war will not be long enough for the marshaling of weapons production as in World War II, there are many other ways wherein civilian survival contributes to defense. Since there probably will not be time for a military draft, before the attack, the Armed Forces will have to be augmented from civilian and Reserve ranks after the attack. A civil population will be necessary for various functions to aid the Armed Forces, such as communications, transportation, and food preparation, not to speak of military morale. Besides, it is estimated that there would be sufficient capital remaining to provide significant maintenance functions for military equipment. This item alone is an important part of the total defense picture.

Believability of Our Diplomacy

Probably the most important contribution of civil defense is to make our worldwide diplomacy more believable. Primarily, we are able to maintain the status quo against Soviet attacks by the ultimate threat that we are willing to resort to nuclear war if necessary. This necessity could arise in any number of ways. Probably the most likely situation, however, is the Munich-type situation. This could easily happen, for example, over Berlin. The Soviet leaders could announce that they are closing down Western access to Berlin and that if any attempt were made on our part to reopen this access, they would strike with nuclear weapons against the homeland of the United States. The only thing keeping them from making such a threat is their calculation that we would resist such an ultimatum.

Without civil defense measures, as many as 50 percent of the American population would be killed by a blast and fallout. In the latter part of this decade, close to 90 percent would be killed. It seems very likely that the Soviet leaders might miscalculate and decide that the American people would accept diplomatic defeat rather than to sustain such a high proportion of casualties.

It is quite apparent then that an appreciable reduction in the number of casualties from a nuclear attack would have the effect of reducing the chances for Soviet leaders to make such a miscalculation. As a direct result then, this reduction of casualties would decrease the chances of a nuclear war being started in this way.

Thus, by increasing our deterrent margin and our diplomatic believability, civil defense makes nuclear war less likely.

President Eisenhower was quite aware of this when he said:

"An effective civil defense is an important deterrent against attack on our country and

thus helps preserve peace. In the event of an attack upon us, civil defense at once becomes one of our immediate reactions imperatively required for our Nation's survival." [1]

Saving Human Life

It is probably true that a civil defense program tends to save human lives primarily because it would decrease the probability of nuclear war. However, this program could very easily be justified on the sole basis that it would tend to save human lives in the unfortunate eventuality that a nuclear war actually did occur. Even the most optimistic admit that there is a small probability of nuclear war. Of course, some pessimists, aware of the tremendous danger of accidental war, estimate the probability of nuclear war in the next 10 years as high as 60 percent to 80 percent. Such accidents could be an irrational blunder on the part of Red China, or a technical accident such as might occur if a commander on either side went beserk and ordered the firing of a substantial number of weapons. It seems quite conservative to estimate the probability of nuclear war at 10 percent. A typical per capita investment for an adequate defense and evacuation program is $100 per person. Accepting the calculation that this may result in the saving of some 45 percent of the population who would otherwise be killed, the cost per life saved runs to only about $220. Even with the assumption of only a 10-percent risk of nuclear war, this appears to be a reasonable investment in human lives.

3. Practicability

A considerable amount of resistance to civil defense measures seems to lie in the fatalistic attitude that virtually everything and everybody would be destroyed in the case of a nuclear attack and that therefore civil defense measures are like flapping in the breeze. This is an extremely pessimistic point of view. Actually, in the case of an attack made at the present time, civilian casualties could be reduced to as little as 6 percent by the use of adequate shelter and evacuation measures. Such a small level of casualties could be achieved even in the latter part of this decade when perhaps 90 percent of the population would be killed if no civil defense measures were taken. Beside the human survivors there will be enough of other things left to make life worth living. It is estimated [2] that a sufficient quantity of capital would survive the attack so that in the first year after reorganization a per capita gross national product as high as in 1929 or 1940 is possible. There is obviously no rational justification for the fatalistic approach.

B. THE PROBLEM

A thermonuclear weapon will cause a considerable number of human casualties by the effects within the first few seconds after the blast. These casualties are caused primarily by the blast and thermal effects but partially by immediate radiation effects. While it is true that human beings are not easily damaged by the blast, the structures surrounding them are quite vulnerable. The blast effects are the same effects as are caused by any explosion; that is, a shock wave of air goes out from the explosion and it knocks down buildings, trees, and other structures in the vicinity. For example, a 1-megaton nuclear weapon will destroy brick apartment houses up to about 3 miles from the blast point. A 10-megaton weapon will destroy these buildings up to 7 miles. Obviously, most of the inhabitants of these brick apartment houses would be killed in the collapse of the structures.[3] For wood frame buildings the figures are 4 and 9 miles, respectively.[4]

The damage to persons in the open at the time of a nuclear explosion is primarily caused by the thermal effects. The nuclear blast resembles a tremendous ball of fire, literally "brighter than 1,000 suns". The clothes and the skin of a person that is not shaded from the ball of fire are burned. However; since it is expected that most people will seek shelter in the event of a nuclear explosion, this is probably not an important factor in causing death. The other effect of the blast is to set afire easily kindled material, such as curtains and trash. This in turn sets the surrounding buildings afire. These easily kindled materials are ignited as far as 9 miles from a 1-megaton burst and 25 miles from a 10-megaton burst.

There is a considerable amount of radiation which emanates from the bomb in the first few seconds, and this is quite lethal to humans. The lethal distance is only 1.5 or 2 miles for the 1-megaton and a 10-megaton burst, respectively. It will be noted that the distance for blast damage of structures is much larger than this, and therefore the damage by initial radiation is not important since it is expected that anybody who could be killed by this initial radiation would also be killed by the collapse of the structures surrounding him due to blast.

There is no question that if the enemy chooses to attack the civilian population a considerable number of deaths will be caused by these immediate effects of blast and thermal and initial radiation. However, since these reach out to 9 or possibly 25 miles from the biggest bombs that are presently available, they still affect a relatively small proportion of the country's population.

A problem of much more far-reaching importance is the so-called fallout. If a bomb is exploded close to the earth, a tremendous amount of earth is actually sucked up into the fireball and irradiated by the nuclear reaction within the burst. As a result, a considerable number of radioactive products result from the explosion. These are propelled into the atmosphere, are carried by the wind, and may later fall to the ground hundreds of miles from the point of explosion. As a result, people in areas very far from potential targets may be subjected to lethal doses of radiation from this fallout. At the end of 2 days a proportion approximating 50 percent of the land area of the United States would be covered by potentially lethal doses of fallout.[5] Therefore, the major proportion of the population would escape the immediate effects of the nuclear weapon only to die later, in the absence of a shelter, of the fallout effect.

Most of the casualties to the civilian population would occur from this fallout. Fortunately, however, fallout is by far the easiest to protect oneself against. It is quite expensive to build a shelter against blast, but if one escapes the blast effect, a rather simple shelter will go quite far toward protecting against all but the most concentrated fallout.

For the immediate future, fallout shelters are of the greatest importance. However, with the development of larger nuclear warheads and better means of delivery a large proportion of the population would be killed by the effects of blast, if no measures are taken. Therefore, in a few years blast shelters will be important.

C. THE CIVIL DEFENSE PROGRAM

Under the terms of Public Law 920 of the 81st Congress, Congress established the Federal Civil Defense Agency as an independent agency. Under the terms of this bill the responsibility for civil defense was vested primarily in the several States and their political subdivisions. The Federal Government was given the responsibility of providing coordination and guidance to the States. In considering this law the Senate Armed Services Committee declared that civil defense "is a problem of survival to be solved by the individual, the community and the State under the guidance and coordination of the Federal Government." [6]

In 1958 the FCDA was combined with the Office of Defense Mobilization to form the Office of Civil and Defense Mobilization.

In order to strengthen the civil defense program the National Plan for Civil Defense and Defense Mobilization was promulgated by the President in 1958. In this plan the responsibilities were shifted somewhat. Whereas in Public Law 920 the responsibility for civil defense was vested primarily in the States and subdivisions, in the national plan the Federal Government was given the primary responsibility for the direction and coordination of the total national effort. The State governments still retained the responsibility for the direction and coordination within the State.

In connection with this national plan the President directed the declaration of the national policy on shelters in July 1959. This national policy on shelters contained six points. The administration would provide (1) information and education programs to acquaint the people with the fallout hazard; (2) a survey of existing structures to assemble definite information on the capabilities of these structures to provide fallout shelters; (3) a research program to show how fallout shelters may be incorporated in existing as well as new buildings; (4) the construction of prototype shelters. An important role of the administration was contained in items 5 and 6. In these, the administration declared its policy to incorporate fallout shelters in new as well as existing Federal buildings. The purpose was to provide Federal example to stimulate State, local government and private investment for fallout shelters. In this national policy on shelters it was stated: "There will be no massive federally financed shelter construction program."

In spite of the President's intention to provide Federal example under point 6 of the policy, the Congress turned down the General Services Administration's request for additional funds for incorporating fallout shelters in all existing Federal buildings. GSA requested $2 million in fiscal 1960 to provide fallout shelters in existing Federal buildings in order to set an example for both Government and industry. This request was denied by Congress in its entirety.

An insignificant number of shelters have been built by private individuals in their homes or by private parties in large buildings. A considerable amount of public apathy may be partially traced to the fact that the information and education program which is supposed to have inspired them to build fallout shelters has been nearly completely ineffective. The education program has consisted primarily of radio and television time. OCDM's budget for radio and TV for 2 years has been $871,400. Recognizing the urgency of the program, networks and local stations have donated time amounting to $57 million. Therefore, for every dollar of OCDM money, $65 worth of time was made available. In spite of this multiplication feature the public has not received enough information to make any impression, to acquaint them with the nature of the problem or its urgency, or to stir them to appreciable action.

---

[1] President Eisenhower, letter to FCDA Administrator Peterson (July 17, 1956).

[2] Rand Corp., "Report on a Study of Nonmilitary Defense," Rand No. R-322-RC, July 1, 1958, p. 26.

[3] Hearings Before the Special Subcommittee on Radiation of the Joint Committee on Atomic Energy, June 1959, p. 22.

[4] Ibid., p. 26.

[5] Ibid., Chart 4, p. 44.

[6] U.S. Cong., Senate Committee on Armed Services, "Federal Civil Defense Act of 1950," 81st Cong., 2d sess., S. Rept. 2683, p. 1.

Although the local civil defense program is not a part of the study, the writer received the impression that there is a marked lack of coordination and that local civil defense is completely spotty. The stockpiling of medical supplies and of strategic materials has gone ahead. It can be reported that the stockpiling of strategic materials has been practically completed and the stockpiling of medical supplies has made considerable progress.

D. DISCUSSION AND RECOMMENDATION

The achievement of an adequate civil defense program has as a prerequisite the congressional realization of the basic importance of such a program in the national defense picture. With this realization, the Federal responsibility should be increased, an adequate shelter program should be instituted, starting with a minimal shelter program, and a thoroughgoing attempt should be made to educate the public on the civil defense problem.

1. Federal responsibility

The present division of responsibility between the Federal Government on the one hand and State and local governments and private individuals on the other must be reinvestigated. Aside from the lack of congressional cooperation, the delegation of the principal burden to the State and local governments and to private individuals seems to be a major difficulty of the civil defense program. This delegation apparently arises from two factors. The first is that local government has an intrinsic role in civil defense. There are certain advantages in delegating the civil defense program to State and local governments. In the event of an attack the carrying out of the programs will have to be performed by the local authorities. Decisions will have to be made locally because the situation will vary from locality to locality. Besides, civil defense after an attack dovetails with the problem of reestablishing civil authority.

The second reason for the delegation to State and local governments, and furthermore to individuals, is historical. During the Second World War, and for that matter, in the early fifties, when the FCDA was first established, the number of civilian casualties expected in the case of attack would have been a small percentage of the entire civil population. In those times, therefore, it was partly a private or local matter as to whether steps should be taken to shelter the individual. That is, it made very little difference to a person in New York City whether a person in Dubuque protected himself against the enemy attack. This was of importance primarily to the person in Dubuque. However, in the sixties, the situation has changed very radically. The percentage of casualties which can be expected in the absence of civil defense measures is of the order of half or more of the population. As is pointed out earlier, the proportion of civil casualties expected is an important consideration in determining our total defense and diplomatic posture. Therefore, it is of grave importance now to citizens from New York as to whether his fellow citizens from Iowa are willing to take measures to protect themselves.

As pointed out in the first section, the ability of the country as a whole to survive a nuclear attack is an important factor in making a nuclear war less likely. There is no question then that this is a matter of national concern. If it were possible to delegate these powers to the individual or to the State and achieve satisfactory results, then there certainly would be no objection to the Federal Government's making the delegation. However, satisfactory results have not been obtained, and there is absolutely no reason to expect them in the future. And we should not consider that we have achieved satisfactory results until shelter has been provided for close to 100 percent of the population.

The writer has a strong tendency to feel that where possible it is a good policy to leave programs to State and local authorities, or to private initiative. However, there seems to be little justification for such a policy in this case.

Starting from a matter of principle, the national defense is traditionally a Federal concern. Any delegation then would be an exception to this principle. The wisdom of this principle is well illustrated in the infinitesimal success of the shelter program. It is not realistic to expect private citizens to evaluate the military, scientific, and geopolitical considerations necessary to decide whether to build a shelter or not. This is clearly a job for experts. As a practical matter, it seems psychologically impossible for people to take personal measures to prepare for war. In doing this they must admit to themselves in a direct way the possibility of their being subjected to the horrors of war. It is much easier for them to participate in impersonal decisions about war such as buying guns and airplanes.

In short, leaving the decision to build a shelter to a private individual makes as much sense as asking him whether to build an aircraft carrier or not. Achieving a shelter program by Federal example may seem like a good idea in a bargain-basement sense. It actually makes as much sense as trying to achieve a nationwide Nike defense system by building merely a Federal example system for Washington, D.C., or as trying to buy SAC bombers by taking up a private collection.

There must be a realization that civil defense is an intrinsic part of the total defense picture. Therefore, the Federal Government should assume the primary responsibility for the execution of the civil defense program. The OCDM should be given the authority concomitant with the responsibility. It should have the power to order its goals accomplished where necessary. For example, it should have the power to order the practice evacuation mentioned later. As part of that increased responsibility, the Federal Government must become the primary source of funds. These should be used for fully supporting or matching funds for its programs. Since it is important for the local governments, who in the event of emergency must exercise the civil defense authority, to have experience at exercising the authority, the OCDM should leave as much authority to them as possible. However, this should only be done where it does not interfere with the accomplishment of the OCDM's programs.

2. Shelter program

(a) Future Goal

The Federal Government should begin a program slated to achieve, later in this decade, an extensive system of blast shelters to house about 50 percent of the population and an adequate system of fallout shelters for the remainder of the population. It is estimated[7] that such a program could decrease the percentage of casualties from the 90 percent that would occur if no protective measures were taken to 45 percent in case of short warning. In case of several hours' warning this could be decreased somewhat more. This program is very expensive, costing perhaps $700 per person. However, a program of this magnitude is absolutely essential for the success of the entire defense program of the United States. It is inconceivable that an enemy would believe us prepared to engage in nuclear war if he knew that 90 percent of our population would be destroyed in such a conflict.

[7] Rand Corp., op. cit., p. 11.

(b) Immediate Minimal Shelter

Meanwhile, a minimum-cost makeshift program of fallout shelters must be instituted. It would be possible to provide fallout shelters for virtually 100 percent of the population on a minimum basis.

For the next few years, it seems reasonable to give up two unrealistic hopes. The first is that private individuals, or local governments, will build enough shelters to protect most of the population. The second is that the Federal Government will appropriate enough money for really adequate shelters. Therefore, a low-cost, minimum shelter program ought to be started immediately that is completely federally financed. The primary idea of this minimum shelter would be to save lives, rather than to make people comfortable while they are being protected. The shelter OCDM suggests for a private family is quite lavish.[8] It provides a bed for each person and an area of 10 square feet per person, and suggested supplies for 14 days.

For a minimal shelter, these features are quite extravagant. A shelter could be built quite inexpensively by (1) putting it in the basements of buildings already in existence, such as schools and churches and other buildings; (2) by having the material ready for shielding the ceiling, but not installed; (3) by providing only enough food for 2 days and providing a rather uninteresting diet for 10 cents daily per person; (4) by being satisfied with shielding to cut down the radiation to only one one-hundredth rather than the one two-hundredths which is contemplated by OCDM; (5) by providing a very uncomfortable 5 square feet per person.

These contemplated shelters would be put in the basement of schools, churches, and other public buildings. The reason for using schools and churches is that these are well distributed in all areas of the country; no residence is very far from a school or church. Besides, at least for schools, people are very likely to know the location of the nearest one to their houses.

A normal basement with an unprotected ceiling cuts the radiation exposure to fallout to less than one-seventh of that received by an unsheltered person. A layer of 25 pounds per square foot (which amounts to a layer of 3.3 inches of earth or 2.2 inches of cement block) has the effect of cutting the radiation to one-half.[9] A layer of 100 pounds per square foot would cut the radiation even further, to one-sixteenth.

Ideally, a protective layer would be added to the ceiling during peacetime. However, in addition to the fallout protection, the school or other building would meanwhile have to be used for normal purposes. Therefore, it would have to be reinforced to take both the shielding of, say, 100 pounds per square foot plus the normal load, which is usually rated at 100 pounds per square foot. This reinforcement would involve some expense. The proposed makeshift shelter contemplates adding the shielding after the warning, and, if necessary, even after the burst has actually taken place.

Sandbags would be stockpiled in the basement, together with inexpensive racks. Hooks would be provided in the ceiling. These would be the only things installed before the attack.

The sandbag would be hung from the ceiling on these inexpensive racks. It is probably optimal to provide two or three layers of racks. In this way, a thin layer of sand-

[8] Office of Civil and Defense Mobilization, "The Family Fallout Shelter," MP-15 (June 1959).

[9] U.S. Atomic Energy Commission, "The Effects of Nuclear Weapons," June 1957, p. 402.

bags, say, about 25 pounds per square foot (averaging 4 inches thick), could be put in in a very short time. Then with this somewhat better protection of the first layer, a thicker layer or layers could be added later. Of course, if there are any windows in the basement, these should be covered immediately with sandbags.

Since the first floor is probably reinforced to support a load of 100 pounds per square foot, such a weight of shielding could now be added to the basement ceiling since the first floor would not be in use. This layer of sandbags would average about 16 inches thick, and would cut the radiation to one-sixteenth. The effect of the sandbags and the protection of the earth surrounding the basement should be to reduce the dosage to approximately one-hundredth of the dose which would be received by an unsheltered person. The shelters suggested by the OCDM reduce the radiation to one two-hundredths [10] of the dose received by an unsheltered person. Actually, the area of the country where a person exposed to one two-hundredths would survive and a person exposed to one one-hundredth would die, is almost negligible.[11]

A minimum amount of space would be provided for each occupant—perhaps only 5 square feet per person. This is the crowding that was accomplished in overnight shelters in Europe. This is somewhat uncomfortable and would require sleeping in shifts.

Minimal food supplies for 2 days would be supplied. One pound of flavored sugar, plus 75 grams of an inexpensive source of protein would be provided per person per day, giving about 2,000 calories per day. This would cost only about 10 cents per person per day, but would be an adequate daily ration.

One cheap transistor radio would be provided for the entire shelter and an outside aerial would have to be installed during peacetime to pick up Conelrad stations. Since this is a minimal shelter, an insignificant amount of medical supplies would have to be furnished. It seems more important to prevent people from exposure to radiation rather than to repair the damage after it has been done. Reading material could be easily supplied in the form of old magazines.

It is necessary to provide a small amount of light. In order to cut down the necessity for replacing aging batteries during peacetime, flashlight batteries would not be provided, but a few candles and matches would be included. About 10 candles per 100 persons should be adequate.

Reading material could be supplied in the form of old magazines. In addition to the regular reading material, instructions would be provided which concern the operation of the shelter. This would include information on fallout, the theory of a shelter, rules for the government of the shelter, and finally, a shopping list to be used after the food runs out in 2 days.

After the 2 days' worth of supplies is exhausted either evacuation to a safer area will be made, or an expedition will be sent out for supplies. The evacuation will be made if there is a nearby area relatively free of fallout. If there is no evacuation, members of a supplies expedition would be chosen by lot from among the more vigorous occupants. They would, of course, be instructed to run at top speed and to have the list of supplies carefully in mind before they leave the shelter. By this time, the fallout that they would receive would be only 1 percent of the first hour intensity.

One small pick would be provided in each shelter, and a stockpile of bags. With the pick the people could chop through the basement wall and dig a tunnel in the earth with their hands. They could fill the bags with dirt. They could use these bags of dirt for filling the overhead racks if they are not already filled, and also for building vertical partitions in the basement. Vertical partitions will cut down the radiation coming obliquely through the ceiling.

It would be too expensive to provide blankets. It is expected that few people would bring sufficient clothing and blankets for comfort during the winter months. However, they could probably manage to be reasonably comfortable by using each other for warmth, if necessary.

By means of such a crude shelter, the radiation which a person would receive would be markedly less than that received by an unsheltered person. If the entire ceiling shielding had been put up before the arrival of the fallout, persons in the shelter would receive only one one-hundredths of the unshetered dose. If the ceiling shielding is not put up until after a nearby burst, the occupants would receive approximately another one one-hundredths of the cumulative dose received by an unsheltered person. The dosage received by those going outside after 2 days to procure supplies is fairly insignificant.

The writer's estimate indicates that shelter could be provided for no more than 50 cents per person. In some cases the cost would be somewhat less, because of the protection inherent in the structure of the building in which the shelter is located. For example, the basement of a heavily constructed apartment building, with concrete floors, gives so much natural protection tha it is possible to do entirely without the sandbag ceiling protection provided for other shelters.

It is apparent then that fallout shelters can be provided for the most vulnerable 80 percent of the population, for a total cost of less than $70 million. This program must be instituted at once.

3. Evacuation

Very little mention has been made in this report of evacuation, since the evacuation program, though leaving much to be desired, is considerably more successful than the shelter program. However, it is quite essential that the American people be acquainted with the evacuation procedure so that an evacuation would be more effective if it were necessary. An immediate nationwide evacuation test should be ordered. The rules should be carefully publicized in advance, and the evacuation called for a time which is not specifically announced in advance, preferably during the rush hours on a weekday. In spite of doubts to the contrary, this writer is convinced that a city like Washington could evacuate more than 200,000 people per hour if an evacuation were carefully practiced.

4. Education

The present education program is so insignificant in its scope that it is probably contributing to public apathy. Since the average citizen hears so little of civil defense needs, he probably says to himself, "The danger must not be nearly so great as some of my pessimistic friends seem to think; otherwise the Government would make some strong efforts to alert me to these dangers." The education program ought to be enlarged whether or not the Government institutes the minimal shelter program outlined above. However, if the program is not instituted the educational program ought to be increased manyfold. As mentioned before, OCDM spent less than $1 million on TV and radio time in the last 2 years, although the stations and networks contributed some $57 million of time. The writer has found from questioning many alert citizens that even this larger amount of time made virtually no impression on the public. It is time for the education program to stop being a poor relation, having virtually no funds of its own and depending primarily on handouts from the stations and networks. Sufficient funds should be appropriated for a fivefold increase in the use of the radio-TV medium. Assuming the contribution from the stations remains constant, this would require $228 million per 2 years, or $114 million per year.

In addition, short, digest-style articles should appear frequently in magazines, either as paid or unpaid advertisements, and newspaper length articles should be inserted in newspapers. Most of the booklets presently in use are too long to be read by the general public. Short, readable booklets, each on a small aspect of civil defense, must be written and sent frequently to all households.

It is time for the Federal Government to play a commanding role in this important aspect of national defense. The recommended steps, small but vital, should be taken immediately lest it be said of the American people, "For want of a nail, the battle was lost."

[10] Leo A. Hoegh, White House Conference on Fallout Protection (Jan. 25, 1960), p. 18.

[11] See, for example, hearings before the Special Subcommittee on Radiation of the Joint Committee on Atomic Energy, June 1959, p. 44, charts.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS

OF

HON. DONALD L. JACKSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. JACKSON. Mr. Speaker, as part of the "Task Force Studies on American Strategy and Strength," I place in the CONGRESSIONAL RECORD study papers Nos. 19 and 20, "Soviet Subversive Forces," by Ralph de Toledano, author, lecturer, and syndicated columnist; and "Soviet Strategy and Free World Defense," by Prof. Gerhart Niemeyer, Notre Dame:

SOVIET SUBVERSIVE FORCES

(By Ralph de Toledano, author, lecturer, and syndicated columnist)

If the missile age seems to have eliminated the problem of Communist subversion, a quick look at the turmoil in the "new democracies" of Asia and Africa—and a closer look at the United States—will demonstrate the fallacy of this belief. All the revolutionary technology of the nuclear era has not made obsolescent what to some may appear like horse-and-buggy concepts of civil war and civil disturbance. The recent riots in Japan, financed and directed by trained Soviet operatives, are proof enough that the Soviet Union and Peiping still make full use of them.

The awesome destructiveness of present-day arsenals have, in fact, made Communist subversion one of the main weapons of the Soviet system. Our armies and navies, our air forces—these are vitally necessary in the elaborate process of stalemate which has become the function of Western and Soviet armed might. The use of deterrent power, as a means of holding within bounds the adventurism of Premiers Khrushchev and Mao Tse-tung, must be a basic element in the strategy of the West. But this Nation is lost if it does not understand, assimilate,

and on occasion employ the methodology of applied subversion.

Americans do not understand this methodology—and in fact they resent those who devote their attention to the problem. During the U–2 episode, there were many who felt it somehow beneath America's dignity to take necessary countermeasures when faced by a closed society with a vast espionage and subversive network at its disposal. When the State Department, employing its usual understatement, noted that there were 30,000 trained Soviet agents at loose in the world, incredulity blossomed on some faces. (In fact, there are some 5,000 professional Communist agents in the United States alone.)

But to anyone whose reading of history extends beyond elementary school texts, civil war and subversion as we know them have been endemic since the overthrow of England's Charles I. Communist revolutionists did not invent the techniques so successful today. Cromwell's seizure of power and the French Revolution, by their controlled interaction of troops and mobs, were brothers under the slogans of Lenin's seizure of the Constituent Assembly. The 18th and 19th centuries were marked by a series of internal upheavals linked by a worldwide Weltanschauung which in 1919 concretized itself in the Communist International. Today, civil war is all about us in a thousand manifestations of subversion and conspiracy, of stupid aquiescence and cynical resignation. It is the toy of millionaires and the self-abuse of intellectuals.

The H-bomb and the ICBM are, in the active sense, significant and commanding only insofar as they are not used. The arsenal of nuclear weapons serves a phychological rather than a military function. For the Soviets, it is designed to destroy the will to resist in the free world, to make American power put its head on the block and ask for a coup de grace which the Soviets cannot deliver.

Nuclear weapons serve to stir the Gargantuan mind and picayune understanding of a Bertrand Russell, who urges us to disarm unilaterally and to accept Communist domination rather than what he chooses to call the end of the human race—and millions of people throughout the world, of lesser comprehension, follow him. They encourage the outbursts of a Cyrus Eaton who rattles his dollars and rushes to Paris to kiss Premier Khrushchev's ring. Otherwise sane individuals support the insanity of the Committee for a Sane Nuclear Policy—and at every turn joggle the arm of our Government as it attempts to face Soviet propaganda on equal terms.

This is the basic fact: Communist strategists know what we do not: that the secret weapon of any state when confronted by internal subversion and disturbance is the will to resist.

It is a prime axiom that no revolution in modern history has succeeded without a concomitant destruction of the will to resist in legitimate government. There is much talk of belly communism—as if hunger were the only source of revolutionary discontent—which derives from a complete falsification of history and facts. The semianarchy in Tokyo has little relationship to economic motives, and it has persisted because the government in office refused to take stern measures against it. The French Revolution, going back to history, is another excellent example.

Generations of schoolchildren, since the days of William Wordsworth, have held the passionate belief that hunger and oppression led the mobs which guillotined Louis XVI and Marie Antoinette. But the meticulous and inspired reporting of Alexis de Tocqueville (in "La Révolution et l'Ancien Régime"), ignored by the popularizers, shows conclusively that (1) the power of the monarchy was undermined first by the nobles and a rising middle class, and (2) that France was going through a period of great prosperity when sansculottism swept in, and the Bastille (presumably crowded with political prisoners) was literally empty and had been for some time when its walls were "stormed." These points, incidentally, are supported by the eyewitness accounts of Arthur Young and the British historian Lecky.

We forget that Lenin himself described the Kerensky regime which preceded his as the "freest government in the world"—whereas desperate heroism, hunger, ideological fervor, and the desire for freedom could not prevail in Hungary as long as the government's will resisted. The successful revolutionary assault, therefore, is not on the government but on the national will. Fidel Castro won few, if any battles, but he triumphed when the Batista dictatorship lost its nerve.

The immediate function of any Communist Party, therefore, is not in the violent overthrow of the government—in the limited legal sense demanded by the Supreme Court—but in the sapping of allegiances, the dissemination of confusion, the instillment of fear, the poisoning of faith in our institutions, in ourselves, in our God. Its aim is to halt the civil peristalsis. The Communist Party is a paramilitary force, true, but its ammunition is far subtler than bullets and hand grenades.

With this in mind, it becomes important to consider first the nature of the Communist who makes up this paramilitary force. For the sake of precision, let me refer to him as the Bolshevik. The Bolshevik is not a "liberal in a hurry." He is a Marxist only to this extent—that he accepts a general theory of the organization of the state. "Scientific socialism," the totality of a regimented world structure, certain outward patterns and certain semantic stridencies—all these he has incorporated into his thinking.

But the ancestors of Bolshevism are not Karl Marx and Friedrich Engels. They are two men, one hardly known to the West, Bakunin and Nechaev—two faces merged into the Januslike configuration of Leninism and Stalinism. There is no facet of the Communist world revolution which does not reflect the baleful light of these two Messianic Russians—one self-deluded, the other so obsessively evil that he served as a model for Dostoevski's "The Possessed." The Bolshevik practitioners, piling faggots on the world's trouble spots, may think that they were suckled on the Communist Manifesto, but they drew their milk from a forgotten little pamphlet, 2,500 words in all. It is called "Catechism of a Revolutionist"; it was written by Bakunin and Nechaev; this is how it begins:

"The revolutionist is a doomed man. He has no personal interests, no affairs, sentiments, attachments, property, not even a name of his own. Everything in him is absorbed by one exclusive interest, one thought, one passion—the revolution."

The Byronic concept of the revolutionist—or its more intellectualized counterpart in a man like André Malraux—is cast aside. So too is the doctrinaire conformity of the orthodox Marxist. Morals, the accoutrements of culture, the softening decencies of everyday association no longer exist. The revolutionist of the Bakunin-Nechaev school—and therefore the Leninist school—makes a pact with the revolution which prepares him for torture or death (or, far more bitter, ridicule). His enemy is established society, a society he categorizes neatly. Some members of the world as we know it are to be condemned to death and ruthlessly liquidated. Those of the ruling class who contribute to the revolutionary spirit by their acts of brutality are to be encouraged and preserved—which may account for the recent secret rapprochement between General Trujillo and Fidel Castro. They will goad the "inert mass" into unreasoning violence. And, the "Catechism" adds:

"One may conspire with the liberals in accordance with their programs, making believe that one follows them blindly, and at the same time one should take hold of them, get possession of all their secrets, compromise them to the utmost * * * use them as instruments for stirring up disturbances in the state."

The Bakuninist-Nechaevist has a basic contempt for the "doctrinaires" who spend their time "talking idly in groups and on paper." The contempt we have seen in the utterances of Joseph Stalin—and latterly in those of Nikita Khrushchev—which utterly disregard the Marxist dialectic. "Catechism of the revolutionist argues that these "Talmudic" debaters of revolution—the anti-Semitism was not unintentional—are to be tugged into the area of force and violence which will destroy most of them but serve as "real revolutionary training" for a hard core which will break loose and join the true faith. Agents in what Harold Laski called the "organization of catastrophe" and makers of despair, these revolutionists are urged to seek out the "bold world of bandits" and to combine with it. Have we forgotten that Stalin, the master technician of subversion, robbed banks?

Here then is the iron law which binds the Bolshevik, reiterated many decades later by J. Peters in his "Manual of Organization," a Communist vade mecum, summed up poetically by Bertold Brecht in that chillingly luminous line, "Sink into the mud, embrace the butcher, but change the world," and chanted in tender ditty by German Communists as the Weimar Republic sank into its own morasses: "Grease the guillotine with the fat of tyrants, blood, blood, blood must flow."

If we are to understand what faces the free world, we must first come to grips with this Leninist concept of the revolutionary. Not every conspirator or subversive is cut from the same heroic pattern or shares the same determination. There are time servers and bureaucrats in plenty, all helping to make up the corpus of international communism. There are weak men and scoundrels and men of soul who defect to freedom. But the weak and the dishonest do not command the paramilitary forces of communism—they are merely a part of them. If military victory were a simple function of unanimous courage, what wars would be won?

We once thought of the Communist as an unkempt type futilely debating in a Union Square cafeteria. It would be an equally serious mistake to accept the stereotype of the steely eye and the commissar manner. Alger Hiss was, and is, one of the prototypes of the Bolshevik. Yet on the surface and in ordinary discourse, he was a man of somewhat mincing step and manner and, behind the charm, a crashing bore. Richard Sorge, perhaps the most effective espionage agent turned out by the Red Army's Fourth Bureau, was hard drinking and hard lusting, yet he plundered the secrets of the very Nazis and Japanese whose whisky he drank and whose wives he seduced. The leaders of the American Communist Party seem flabby, even a little fey—yet the incidence of combat decorations among them is startlingly high.

It is from this diversity that communism fills its table of organization. Each comrade has his rank and his assigned role. Each comrade delivers himself to a military discipline. Thousands of intellectuals, to the lecture platform born, in 1948 accepted party orders to join the campaign of industrial concentration, a process of colonization and infiltration of the Nation's key plants and factories.

"Plant you now, dig you later," the Communist Party said. One man held in reserve until the calibrated moment can do more damage than a dozen rioting mobs, just as a single sniper can immobilize a company of troops.

A strategic minority can achieve much with little—on somewhat the same principle. Neither theory is original with the Communists, nor is it exclusively theirs. Walter Reuther, with less than a hundred men, employed the theory of the strategic minority in the 1930's. With this fulcrum he broke management resistance to the UAW and launched a powerful mass union.

Size, therefore, is secondary in Communist organization. When the revolutionary situation comes about, sergeants become colonels as new recruits are trained by the Bolshevik cadres. For those who find the size of today's Communist Party a cause for encouragement, let it be recalled that Lenin disapproved of mass membership in the precombat stages, and that he developed the technique of the continuing purge to keep the party vigorous. Organization must fit the situation, and in the CPUSA that organization is triangular.

There are, then, three Communist Parties in this country, directed by parallel chains of command from Moscow, the Soviet Embassy, and a highly mobile field headquarters. These three parties are: The so-called open party, the underground party, and the reserve or sleeper apparatus. (I have not listed any of the dozen apparatuses, working in tandem, which carry out the Soviet Union's espionage missions. These fall into the category of military intelligence and are directed by the Red army, the secret police, the Comintern, or the torture brigades known as Smersh.)

Of these three parties, the "open party" is the least important. It is made up of the expendables, the old hacks, the swing men of the front groups, the shouters and debaters. It has a double mission: To draw fire and to bring in the recruits. Its membership is estimated at 7,000 to 10,000.

The underground party is organized on Bakuninist lines, concretized by one B. Vassiliev in 1931, under the title "Organizational Problems in Underground Revolutionary Work." This Communist outline runs to five pages. It merits serious study. Vassiliev directed:

"In proportion as the legal apparatus of the party is liquidated, the directing functions will inevitably require a regrouping of party forces and the reorganization of the party apparatus. This reconstruction of the work will pass more and more to the illegal apparatus."

This has been going on, carefully and methodically, since the inception of the cold war. The underground party has been split up into several thousand fragments, the base being a cell of no more than 10, but usually 5, members. Maximum security is maintained in liaison between cell, section, district, and national leaders. There is frequent use of couriers—telephones are banned—with the time-honored use of "cut-outs" to evade discovery. The party's financial structure has been overhauled to make the millions of dollars previously invested in legitimate enterprises more easily available. Caches of money—one of about half-a-million dollars—are kept.

Each member of the underground party operates like a soldier behind enemy lines. The more important comrades are provided with a false identity, false social security cards, and a false driver's license. For the top echelons, party doctors are available to change the color of hair, shape of eyebrows, size of nose. In Vassiliev's detailed instructions, it was mandatory "(a) to find a building for storing party archives; (b) to organize an illegal printing plant in which it would be possible to print the party organ in case of suppression and closing of the legal party papers and journals; (c) to form an apparatus for distributing illegal party literature; (d) to prepare a definite group of leading party activists to pass into illegality; (e) to prepare addresses and houses for illegal correspondence, for secret sessions of the leading party organs and also for housing the illegal party activists and for conferences between them and the workers who continue to be on a legal footing; (f) to prepare a minimum number of workers who understand the elementary rules of the technique of underground work."

Every one of these organizational plans is now operational. Combat veterans in the party have been organized into hard-hitting flying squads for use in riot work. Beyond this, the Communists have set up a Red equivalent of the underground railroads which existed prior to the War Between the States. The policy of "industrial concentration" has put more than 75 percent of the underground party's mobile effectives into plants and factories where they can mold trade-union policy now and sabotage by slowdowns and flash strikes in times of international crisis. Today, they have successfully infiltrated the largest local in the United Auto Workers union, and have begun the slow recapture of other unions. Less muscular troops have been carefully planted in everything from parent-teacher organizations to the grassroots echelons of legitimate political parties—and this includes the Republican Party. For the first time in a decade, spheres of influence have been reestablished in the Congress of the United States.

The third grouping of Communists is the most dangerous and the most potent. I refer to the "reserve" or "sleeper" apparatus. It is made up of people who have never joined a Communist front or identified themselves with a secret party cell. Record of the membership is kept in Moscow, and an approach to one of them may not be made for months or years. The member of the reserve remains on tap for one great assignment which exposes him, or for the small, subtle undermining of the will to resist of the nation.

There is another function of the sleeper apparatus, effective but beyond the reach of counterintelligence. It operated silently during the Hiss case when—from the bars of Wall Street clubs to the comfortable reaches of Park Avenue—its poison dripped down every day and in every way, never defending treason but always besmirching those who exposed it. Editors and editorial writers on great newspapers, commentators, artists, and entertainers—those responsible for the propaganda fallout which deforms the minds and thoughts of people in these terrible times—are included in the sleeper—part of the three-way drive to destroy America.

This is the paramilitary organism which threatens us. Seizure of power is its ultimate goal, but not by any frontal attack. The civil war to which it is directed has been going on for years; and, despite our smug complacencies, its victories have been considerable and steady. Let me enumerate:

1. In the past 4 years, anti-Communists in this country have been systematically discredited and destroyed. With wise looks and smart sayings, those with specialized knowledge have been driven out of the marketplace of ideas. By innuendo, they find themselves deprived of standing in the intellectual community. They are accused of being hysterical, of seeing Communists under beds, of having lost a sense of proportion. And in time, they are elbowed out of the scholarly projects, the entertainment field, the bookstores. Foundations, which control so much of the Nation's intellectual life, shun them.

This is not accident. It is all planned—the work of the sleeper, but never sleeping, apparatus—and in most cases those who carry out the plan do not know that they are being manipulated.

2. Communists and pro-Communists who were painstakingly forced out of positions of influence in the mass media and the field of communications are returning. They are back on the networks, in Hollywood, in the publishing houses. They are strong enough to keep the paperbook field relatively clean of anti-Communist material. They are back in the teaching profession. Even convicted traitors—like Alger Hiss—are now being renovated by such publications as the Saturday Review.

3. At every point of vulnerability, campaigns are being mounted and are meeting with increasing success: Stop nuclear testing, with or without adequate safeguards; recognize Red China, however it may open the way for Communist domination of the critically important oversea Chinese. Lower barriers on trade with Iron Curtain countries, even if it means stengthening their war potential. Curb the FBI, whatever the cost to internal security. Abolish congressional investigation of subversion. Rip away all forms of Government secrecy, legitimate or not, in the name of press freedom. And most of all, let's not be beastly to the Russians; turn the other cheek.

4. Coincident with these campaigns, voices urge the superiority of the Soviet system—its science, its education, its armaments, even its creaking productive capacity. At every hand so-called experts loudly deplore presumed American inadequacies—till the average citizen believes that this Nation is hopelessly weak and unable to withstand the Communist onslaught. In this context, Bertrand Russell's plea that we surrender begins to make sense.

This is not to imply that every man who raises his voice in behalf of these causes is broadcasting on a Moscow wavelength. No one asks for a nation of tub thumpers. But the fact remains that the agitation over issues which should find unanimity—at least in principle—among the American people lends credence to those who say we cannot stand up to the Soviet subversive and psychological war.

Irresponsible and purely partisan attacks on the President and on the American posture are as much a manifestation of the civil war as the drilling squads of underground party activists. Those squads exist, trained in the use of baseball bats, pickets, sticks, hatpins, and the rest of the close-order drill of riot duty. But they are used seldom—Tokyo is one example, the Peekskill riots over Paul Robeson another. When the order comes to put them into the field, the will to resist has been crushed, the true battle is over, and they become the end phase of a long struggle. The Bastille is already empty.

Civil war and the violent seizure of power are easy to understand. The will to resist is intangible. Once destroyed it may never be recreated. Not all the nuclear weapons, not all the brilliant strategic plans, not all the genius of production and logistics can prevail—once that will is gone.

This is what the Communists understand.

This is what they mean by civil war, by internal subversion.

Karl Marx once wrote: "Neither a nation nor a woman can be forgiven for the unguarded hour in which a chance comer has seized the opportunity for an act of rape." Can there be less forgiveness for those who watch the rapist at work?

SOVIET STRATEGY AND FREE WORLD DEFENSE
(By Gerhart Niemeyer, University of Notre Dame)

BASIC COMMUNIST ASSUMPTIONS

It is often said that the Communist objective is world conquest. This is true, but in a more fundamental sense than is usually

implied. Communists are not people who simply decided one day to conquer the world, and presumably could just as easily drop this objective if it does not attract them any longer. What is called the basic Communist objective is part and parcel of the entire world view in which the Communists see man, society, and history.

Communists believe that the world, as a result of inescapable social and historical laws, is embroiled in an all-pervading and irreconcilable struggle between two hostile "camps": one consisting of the forces of the future age of socialism, the other of the forces of the present age of capitalism. This struggle, rooted in the hostility between social classes, will go on for a protracted period of unknown duration, but will surely end with the total victory of the forces of the future over those of the present. Of those forces the Communists pretend to be the leaders, and the Soviet Union the foremost instrument of power.

Communists therefore assume that in view of this all-pervading struggle, men are not now united by anything like common truth, common morality, or common good. Society is essentially a battlefield, the only laws being those of the class struggle. Thus, for Communists, struggle is a condition into which they were born and which they expect to continue for an indefinite time to come. Only a total victory of the Communist forces—a victory of which they do not have the slightest doubt—can put an end to this struggle. As a result of a Communist total victory, mankind supposedly would be redeemed from all the ancient curses of human existence, particularly war, oppressive power, and want. Communists believe that their victory is assured by the laws of history, and that it is the only hope for mankind.

The so-called objective of world conquest is therefore not simply a chosen goal of communism, but the logic of the entire world situation as seen by dialectical materialism. Before Communists could abandon that goal, they would have to give up their world view, a process which is rarely a success in an individual person and well-nigh impossible in a society in which that world view is authoritatively maintained.

BASIC PRINCIPLES OF COMMUNIST STRATEGY

Communists, assuming themselves to be engaged in a lifelong struggle with a definite and hopeful end in view, think above all in terms of strategy. The most fundamental assumption of Communist strategy is that the party is carrying on a power struggle from a position of weakness. The forces of the present age—that is, the forces contending for capitalist society—are supposedly far stronger than those of the future, Socialist, age. This is true even when and where Communists have seized the power of government. Communist strategy has from the beginning focused on the problem of how to destroy the power of a vastly stronger class enemy.

The main principles of this strategy were first conceived by Lenin, further articulated by Stalin, and later expressed in the most consistent form by Mao Tse Tung. Starting from the concept of a small, compact, tightly disciplined party which always would be in the minority, it operates along three lines: (a) The power momentum of large masses led and manipulated by the Communist Party; (b) the dissolution of the bonds of public order among the Communists' enemies; and (c) the multiplier effect of organizational key positions.

Unlike the strategic concepts developed by Blanqui and Tkachev, Lenin always insisted that Communists could not succeeed unless they managed to move and control large masses. They count on being able to mobilize a considerable part of the masses under Communist leadership, although under non-Communist slogans and appeals (e.g., land for the peasants, nationalism, democracy). Other masses they seek to neutralize, that is, to move to indifference with respect to the struggle, thus denying their support to the enemy. These principles are formulated in the concept of "alliances" and "neutralization" which first emerge in Lenin's "Two Tactics."

The Communist concept of "revolutionary situation" focuses on the kind of general crisis which would loosen the bonds of allegiance, loyalty, and order to such an extent that a minority can prevail against an enemy of otherwise superior strength. "Only when the 'lower classes' do not want the old way and when the 'upper classes' cannot continue in the old way, then only can revolution conquer" (Lenin, "Left-Wing Communism"). In other words, troops, police, public institutions, laws, and funds are all of no avail when two things coincide: Panicky ineptness on the part of the rulers, and lack of confidence and discipline on the part of the masses. A power structure is never stronger than the immaterial bonds holding it together. When the will to rule is gone and the will to obey weakened, power disintegrates.

The multiplier effect of organizational key positions is envisaged in the concept of "transmission belts," organizations existing for ordinary, everyday needs and ends in which relatively small cadres of Communists could wield power over vast parts of society. Without changing the raison d'être of these organizations and their appeal to the membership, the Communists in key positions would use these structures to further the strategic interests of the party.

THE USE OF FORCE

Communists believe that the class struggle can neither be fought nor won except by force. In keeping with their basic assumption that theirs is a position of weakness, however, they have used force sparingly, though systematically. Above all, force is never used apart from political persuasion and organization. A direct frontal attack on enemy positions by force is not in the Communist concept, which is based on the axiom of the adverse ratio of power. The strategy is one of loosening, undermining, infiltrating the enemy's power structure, and force is only one among several factors brought to bear on the loyalties of men to their present society and their present leaders. As Mao Tse Tung put it: "War cannot for a single moment be separated from politics. Any attitude * * * to belittle politics, to isolate war from politics, and to become advocates of 'war is everything,' is erroneous and must be corrected. * * * A gigantic national revolutionary war as ours cannot succeed without universal and thoroughgoing political mobilization" ("The Protracted War").

This principle has clearly guided Soviet practice. The Soviets have seldom sought a direct decision mainly by force. In most cases, they have employed force for its terror (threat) effect. Especially against other nations, the Soviets have preferred to use pressure for which military force provided merely the background. While brandishing a sword, they have nevertheless played on their victims' fears, reason, and moral convictions, and have obtained something like "voluntary" surrender based on such motives as resignation to the inevitable, assent to the values invoked by Communists, and fear of dire consequences.

It should also be remembered that Communist leaders acquire certain habits in the long school of internecine party struggles through which they have to pass before they get to the top. In these struggles, force is invariably used only to cap a victory already won by political means. First the opponent is maneuvered onto the wrong side of a political controversy while the ideological ground is prepared on which he can be made to stumble. By a series of maneuvers, the impression of an irresistible momentum is created, which causes the weight of numbers to shift against him. An open debate is used to force him into an admission of his error. Then, only then, does force enter into the picture. These tactics have only superficially changed since Stalin's death.

One must assume that the habits of these methods condition Communist leaders also in cold war operations, although in international relations, the disposal of an army-in-being introduces an instrument of force which is not available in party conflicts. Khrushchev's performance just before and after the abortive summit conference seemed to be an almost direct application of tactical principles learned in fighting party rivals. He prepared the ideological ground, he thought he had Eisenhower on the wrong side of a controversy, and his only miscalculation was to assume that the world would or could be united in indignation against American aggressiveness.

In general, it would stand to reason that the Soviets would incline not to commit their armed strength to expenditure in a head-on clash, but rather to use it as if it were a bank reserve. In other words, armed power would for them be more useful as an untouchable reserve enabling them to handle vastly more capital of political power than bayonets would yield if engaged directly.

THE STRATEGIC OBJECTIVE

The aim of Soviet strategy has been conceptually formulated by Stalin through the term "overwhelmingly superior strength." This concept should be taken quite literally. It connotes an edge in military, political, and social power which has overwhelming effects on those on whom it is brought to bear. Once "overwhelmingly superior strength" is attained by the Soviet, they would expect to be able to talk other countries into submission, one by one. Their methods in the case of the Baltic Republics are quite instructive as to how they would expect to accomplish this. Stalin also described the strategic objective in terms of converting the present "capitalist encirclement" into "socialist encirclement," which amounts to the same thing as "overwhelmingly superior strength." Since Stalin's death, Khrushchev seems to have come to the conclusion that the "socialist camp" is no longer "encircled," but is not yet strong enough to "encircle" the capitalist world.

CHANGE IN STRATEGY

From 1943 to 1953, the Soviets used a strategy of territorial expansion, pushing into areas which were indifferently held by the West. In response to this strategy, a tremendous strengthening of the Western Powers of resistance occurred. The West rearmed rapidly and effectively and established a series of alliances which led to the deployment of Armed Forces around the periphery of the Soviet orbit. The armed and organized strength of the Western Powers now constitutes the single most effective obstacle to Soviet policy. It is so formidable a power structure that the Soviets, in keeping with their strategic doctrine, are not likely to contemplate a direct attack on it.

Since 1953, they have therefore concentrated on methods of indirect attack against the Western Power position. These methods follow, by and large, the pattern of the strategy they have used in most situations: The mobilization of large masses, simultaneously with the neutralization of other masses; attempts to deprive the ruling elements in the West of both will and capacity to govern, and the ruled elements of the will to abide by established leadership; endeavors to occupy organizational key positions.

The appeal to masses of people has been made chiefly under the slogans of peace and disarmament, which proved quite suitable for this operation in the Russian revolution in 1917. National independence and eco-

nomic development are other mass appeals. The fear of atomic destruction has been the main device by which the Soviets have sought, with considerable success, to promote neutralism, that is, to move both masses of people and national governments to indifference in the struggle.

The will and capacity of the governing elements of the West has been attacked mostly through civil wars, as, e.g., in Greece, Iran, China, the Philippines, Malaya, Vietnam, Algeria, etc. It would stand to reason that the recent riots in Korea, Turkey, and Japan are another phase of the same pattern. Another form of attack against the capacity to rule is the fomentation of international tensions and quarrels in which the Western will-to-power is challenged, as, e.g., in the Near East and Latin America. Each of these attacks aims, in a different sense, at the wills of both ruling and ruled elements, with the objective of producing a process of disintegration resembling what the Communists call a "revolutionary situation."

The occupation of key positions has been the least successful part of Soviet strategy. The Soviet plan for the reunification of Germany by means of a commission composed of East and West German Government representatives is obviously designed to deliver key positions in a unified Germany into Communist hands. So have been their attempts to obtain recognition for Communist China and Communist Germany. Communist infiltration in front organizations as well as governments is, of course, an old method.

THE INDIRECT ATTACK ON WESTERN MILITARY STRENGTH

The armed might of the free world is not any more of an obstacle for the Soviets than was the czarist army in 1917. Insofar as it is strength in being, to be potentially used, it commands utter respect, a respect which no Communist is ever likely to set aside. But Communist strategy is designed to prevent the use of existing armed strength, and, by political means, to disintegrate its very existence.

The indirect attack on Western armed strength would be successful if the Soviet Union could get the key nations in the Western alliance system into one of several moods that would deprive them of the will to contemplate the use of their arms. While these moods would, naturally, vary with the circumstances, they might resemble the following:

(a) The concrete issue at hand is not worth fighting over.

(See France, 1940: "Why fight for Danzig?")

(b) In an atomic age, the use of armed force is immoral.

(c) The enemy is too strong; we cannot win.

(d) Fighting is useless; even if we win, the enemy will prevail in the long run.

(e) We dare not fight, because we have not the right to impose our society on others.

(f) The other side represents the up-and-coming force in history while we, historically speaking, are have-beens.

Once any one, or a combination of such moods would prevail in the governing circles of the key nations, the Soviets could turn to the task of detaching one or several of the minor allies. They would seek to promote any one of the following impressions:

(a) In a showdown, the United States will not come to your help, except when it is too late.

(b) The Western alliance system has already begun to dissolve, sauve qui peut.

(c) Allies are subject to atomic extinction, while neutral nations will be safe in case of war.

If such moods should result in the breaking away of a number of minor allies, the resulting effect of growing isolation could again be used to promote deepening gloom in the key nations and thus to paralyze their will to consider their own armaments as something of potential use.

Another method of indirect attack on free world armed strength is to create the impression that the entire conflict is over, in one way or another. With the cause removed, the possession of masses of armaments in an age of atomic weapons is then likely to be considered a liability rather than an asset. Disarmament would become the preferred policy and might be so eagerly sought that unilateral disarmament and disengagement might appear to some governments the supreme counsel of wisdom.

The impression that the conflict is over could be promoted in one of several ways:

(a) The free world might possibly be persuaded that the changing balance of power has at one moment definitely tipped in favor of the Soviet camp. Such an impression could be promoted by means of spectacular feats of military weaponry, as well as by economic statistics coupled with displays of alleged productive power.

(b) The free world might be convinced that the overwhelming majority of the world's population has definitely embraced the Soviet order, so that the complete communization of the world is only a matter of time.

(c) The impression that the conflict is over could also be created if the United States (or one or several of the other key nations in the free world) should, by establishing an understanding of friendship and agreement with the Kremlin, signify to the world that the days of resistance to the Soviets are past.

IDEOLOGICAL LEVERS

In all these strategies, the Soviets make use of a number of ideological levers with which they hope to pry loose the power structure of the free world. These levers can best be identified in terms of the concepts to which they are attached:

(a) Peaceful coexistence, as formulated by Khrushchev at the XX Party Congress. This includes the ostentatious abandonment of the inevitability of war concept, the doctrine of peaceful competition, the prospect of the peaceful victory of socialism.

(b) Imperialism, or the wickedness of the power of the West. The rule of the West represents supposedly exploitation, greed, selfishness, oppression, and war.

(c) Socialism as the wave of the future. The momentum of history moves against the Western World and favors both socialism and the colonial peoples.

(d) The greater efficiency of the Socialist system. Soviet Russia allegedly has made greater achievements than any capitalist country, as attested by its supposedly higher rate of economic growth and more advanced military weapons.

(e) Disarmament, as the key to enduring peace. Permanent peace between nations is possible and depends only on a universal disarmament pact.

STRATEGIC FOREIGN POLICIES

In order to be able to influence and manipulate world events with the help of these ideological levers, the Soviet Union seeks to create, through its foreign policies, repeated situations which favor the application of ideological leverage. The method can best be characterized as push-and-pull, a violent rocking movement from peace to war, tension to relaxation, accusation to conciliation, with the intent of loosening the fabric of the Western order on which the armed strength of the West depends.

This is achieved by repeated international crises, none of which is an end in itself. The crises, which might of course yield some kind of windfall gain for the Soviets, have the main purpose of shaking the confidence of the West in itself, deepening its sense of guilt, increasing its fear of war, and quickening its desire of final agreement with the Soviets. Each crisis would be followed by offers of settlement, agreement, and relaxation of tensions. The objectives, which in each case (including Berlin) are tactical rather than strategic, could be any of the following:

(a) To maneuver the West into repeated situations where it becomes persuaded that it is defending an unjustifiable cause (e.g., Berlin looked upon as an abnormal situation).

(b) To increase, for a period, and over some concrete issue, the fear of total atomic war, and to put governments under the strain of having to face the ultimate decision. The repetition of such moments could lead to nervous exhaustion.

(c) To repeat the basic moral charges of "imperialism," "militarism," "warmongering," "Wall Street wire pulling," "exploitation," and "colonialism" against the West.

(d) To display publicly the Soviet "will to peace," to insist on the practicality of peaceful coexistence and disarmament.

(e) To move the West nearer to an overall settlement with the U.S.S.R., implying "peaceful acceptance" of the Soviet empire and its interests.

The strategy of Soviet foreign policy consists in the plan to bring about, by a series of such tactical engagements, the gradual self-demobilization of the anti-Communist bloc.

SOME REQUIREMENTS OF WESTERN STRATEGY

At this point, only a few scattered conclusions will be drawn from the above analysis of Soviet strategy.

One conclusion is obviously that Western military policy should not be designed in purely military terms. Given the strategic outlook of the two main antagonists, an about atomic war is not likely. Defense arrangements are rather likely to have considerable significance in the context of political warfare. A good case can be made for the thesis that the pattern of Soviet military policy has been designed as much for maximum political rather than purely military effect. We could not, of course, imitate the Soviet Union in this, since our political objectives are quite different from those of the Kremlin. But we would do well to realize that a most important, if not at present the most important, utility of our military preparations is their effect in countering the enemy's indirect (political) attack against the political foundations of our defensive strength. In other words, we have to learn something that is quite alien to our way of conducting our national affairs: the strategy and tactics of a special kind of limited war, the cold war.

Defensive cold war strategies include plans to keep our military capability from falling below the balance point, to guard and maintain our fighting will, and to cultivate the solidarity of the free world alliance system.

Offensive cold war strategies would aim at a reduction of Soviet power, at the recuperation of territories and peoples which have fallen under Communist rule, and eventually, at the ousting of communism from all centers of public power.

As we guard our military capability from falling below par, we should remember that political reputation for superior power is, both in Soviet eyes and in the logic of cold war operations, more important than the actual test of capabilities in open warfare. It would therefore seem highly advisable not to underestimate the effect of spectacular achievements suited to keep up the world's respect for our technological prowess.

As this would surely imply a continued arms race, a word may be in order about the contribution of arms races to the outbreak of wars. In both World Wars, arms races

played an important role in the timing of hostilities. Significantly, in both cases the armaments of the two sides were not balanced when hostilities broke out. One side still had a considerable advantage, with the prospect that the balance would be restored 2 or 3 years later. The fact that both of these wars broke out before the balance was achieved suggests the possibility that they would have been avoided had a balance of armed strength been maintained. At any rate, neither war supplies evidence that a continued, even though actively competitive balance in armaments must issue in open hostilities.

A far more difficult task is the guarding of our defensive will against deterioration. Under the present conditions of public opinion, it would seem a rather hopeless task to try to get ourselves into a mood where we will bravely face atomic destruction in order to defend ourselves against the Soviet Union. The public has been too deeply saturated with the fear of indescribable horrors which the use of atomic weapons of mass destruction would bring about. Hence our continued fighting will depends decisively on the development of both clean and tactical atomic weapons. It is not so much the desirability of "limited wars" which should prompt us to develop such weapons with utmost speed, but rather the need to regain our own willingness to use modern weaponry at all. The destructive power of fission and fusion exists in our age. The problem is to get it under our control, instead of allowing it to master our will.

Apart from this, our defensive will must be guarded by a continued effort to recognize the Soviet threat for what it is, and to beware of all temptations to enter into a summit agreement that would in fact amount to a "peaceful acceptance" of the Soviet Empire.

In maintaining the solidarity of the alliance system, the deployment of our troops is of decisive importance. Our presence has a deep psychological effect. After all, nations closer to Russia than we continue to be our allies mainly on the strength of their confidence that we will fight at their side from the first day, and on the spot where they may be attacked.

Our willingness to risk a fight may need periodical demonstrations. The action in Lebanon was such a demonstration, and had a powerful effect. Reversely, our inaction in the case of Hungary has done us much harm. What was required was not necessarily a military intervention, but something other than the hands-off attitude we then adopted, because an important part of the allies on whom we can and must count is found behind the Iron Curtain, where the captive peoples act as a deterrent that may well match the atomic bomb in effectiveness.

Offensive cold war strategies can and should not be discussed in a public document. It may, however, be said that some public preparations must be made before we can think of engaging in offensive cold war strategies. First among these is a reversal of the public sense of historical momentum.

The Communist view of history has been allowed a virtual monopoly in the modern world. According to that view, we represent the (already half dead) past and the Communists, together with the colonial peoples, the budding and hopeful future. We must restore to the Western World a sense of historic reality. To this end, we must place the Soviet power itself into the perspective of history and begin publicly to envisage a world that has been delivered from the Soviet threat. We must begin to speak of a future beyond communism, of things as they would be when Communists have been toppled from their dictatorial seats of power, of the development of their social and political legacy toward justice and freedom. We must display public confidence that we shall see this day, and see it without total atomic destruction.

We must also publicly develop a concept of genuine peace. We seem to have left this term to the Soviets as their exclusive possession. At any rate, we have not spelled out, in fairly precise terms, under what kind of conditions peace could be restored. We no longer specify certain political terms in Central Europe as prerequisites of an acceptable order. We also should, for our own use, have a list of priorities of things we should like to accomplish internationally, as opportunities offer themselves. Such a list could begin with items like "free access to Berlin" and culminate in items like "non-Communist governments in all satellite states."

We must publicly counter the impression that has been created by a barrage of false and misleading Soviet economic statistics. The Soviet Union has not accomplished anything that can compare with the accomplishments of Western nations, both in the past and the present. Their claim to efficiency as a social and economic system must not be allowed to stand.

Our chances of winning a limited war fought by political strategies and tactics are excellent. But, first, we must develop the will to win this war. At present we have at best a will to survive.

Task Force Report: American Strategy and Strength

EXTENSION OF REMARKS
OF

HON. WILLIAM E. MILLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. MILLER of New York. Mr. Speaker, as part of the Task Force Studies on American Strategy and Strength, I place in the CONGRESSIONAL RECORD, study paper No. 21: "An Examination of Partisanship and Bipartisanship in National Security Matters," by a symposium of political scientists:

AN EXAMINATION OF PARTISANSHIP AND BIPARTISANSHIP IN NATIONAL SECURITY MATTERS

(By a symposium of political scientists: Professors James Atkinson, Karl Cerny, William Y. Elliott, Ivan Hinderaker, Karl Lamb, Stanley Parry, Howard Penniman, and Robert Loevy (secretary))

The problem of opposition criticism tempting the Russians into thinking we are not adequately defended and ready to fight—what might be called the criticism deterrent crisis—is the subject of this paper.

The paper is divided into two parts.

Part I was prepared by Robert Loevy of Johns Hopkins University, who acted as secretary for the symposium.

Part II represents the ideas which flowed out of the discussions and comments, based on Part I.

PART I

Intercontinental ballistic missiles that fly halfway around the world in 30 minutes have rendered as obsolete as the cross bow the American pastime of indulging in great internal disagreements. Gone forever are the happy days when the protective expanses of two great oceans assured the United States a large measure of leeway for internal bickering. Unrestrained freedom of criticism and other political luxuries which could be tolerated during the isolationist period today must be reevaluated to make sure they are not endangering national security.

The psychological deterrent

Irresponsible opposition criticism which casts doubt on the credibility of our military deterrent is one political luxury which could lead to national disaster. The philosophy of deterrence is based on two principles. The first is that the United States must have the military capability to destroy the great majority of Russian military targets and industrial centers should the Soviet Union be foolish enough to start a third world war. The second principle is to make sure Russia knows we have this deterrent capability and that we are ready and willing to use it. This second principle is commonly referred to as the psychological nature of the deterrent or, more simply, the psychological deterrent.

In addition to convincing the Kremlin that attacking the United States would be national suicide, the psychological deterrent serves the function of convincing our allies in Western Europe, the Middle East, and Asia that we are able to defend them from Communist aggression. If these allies should ever come to doubt our ability in this sphere, our vast system of collective security alliances, such as NATO and SEATO, would be in serious danger of disintegrating, thereby leaving the United States to face Russia alone.

The psychological deterrent must also be maintained so that the uncommitted nations of the world do not begin thinking Russia is going to be the eventual victor in the cold war. Such an illusion of U.S. weakness might tempt these nations "to jump on the band wagon" and prematurely join the Communist bloc.

Past failures of the psychological deterrent

History abounds with examples of nations who failed to maintain the psychological side of their deterrent and as a result found themselves in the middle of a shooting war. In 1914, when a crisis developed between Austro-Hungary and Serbia, Russia failed to make crystal clear its intention to come to the aid of Serbia. This failure of Russia's psychological deterrent led Austro-Hungary to expect that Russia would back down if Austro-Hungarian troops were rushed into the crisis area. But Russia did not back down, and the way to World War I was paved through a needless miscalculation.

The successful Japanese attack on Pearl Harbor in 1941 could have been avoided if the United States had let Japan know of the advanced state of her air-defense radar. Japanese admirals stated after the war they would never have struck at Pearl Harbor if they had known detection would be so easy. It is one of the grim ironies of American history that our radar picked up the incoming swarms of Japanese dive bombers but no one paid any attention to it.

The Korean war was another conflict which the United States could have avoided if full use had been made of the psychological deterrent. In outlining in 1950 the perimeter which America would defend in the Far East, Dean Acheson, then Secretary of State, made the mistake of excluding Korea. The Communists calculated from this that the United States would not intervene if they attacked South Korea. The end result was 100,000 American casualties and billions of American dollars spent to rectify an unnecessary Soviet miscalculation.

Damaging effects of criticism

These historical examples illustrate clearly that it does no good to have deterrent capability if you do not also take concrete steps to see that the enemy knows you have this capability. A serious problem arises here for democracy in terms of freedom of criticism. When the party-out-of-power criticizes administration defense policy in

order to agitate public opinion, it gives the impression that our defense capability is not adequate. Such criticism, especially when it is unwarranted or untrue, has the effect of damaging our psychological deterrent and tempting the Russians to begin a nuclear war.

Opposition criticism is particularly destructive when it attacks the administration defense program on a piecemeal basis, pointing out shortcomings in one field without pointing out our advantages in other fields which compensate for these shortcomings. Thus critics dwell on the small size of our ground forces, creating an impression that the United States would come out second best in a limited war on the ground. What they fail to note is that the superior mobility of our war machine—in terms of landing craft, troop planes, and helicopters—is sufficient to make up for the relatively small number of actual combat soldiers. Also the troops of our Western European and Asian allies should be added to ours when making any comparison with Soviet Russia.

In the defense debate in the spring of 1960, opposition critics way overemphasized a leaked statement repeated by newspaper columnist Joseph Alsop that "150 Russian ICBMs could wipe out every American missile base and SAC base, thus destroying the U.S. deterrent." The article failed to add, however, that even if the Soviets had such capability, they would still have to take care of nuclear bombers launched from aircraft carriers and nuclear missiles launched from soon-to-be-operational Polaris submarines.

The problem of unity

The destructive nature of irresponsible opposition criticism is not limited to the military field. It also can destroy the national unity and firmness which the United States needs to maintain on the diplomatic front. Russia would never attack a United States whose people, politicians, and allies were firmly united. But the Soviets would be sorely tempted to attack if the United States erroneously gave the impression that her people are disunited, vacillating, and would be undecided on just how to meet such an attack. Here again recent history provides several examples of when American strength and unity were questioned at exactly the wrong time.

On election eve in 1956 the Suez crisis in the Middle East demanded national unity at home as well as firm diplomacy abroad. At that time Adlai Stevenson launched a violent attack on the Eisenhower program and called for a return to the policies of the previous administration. Mr. Stevenson charged that Eisenhower-Dulles policies had collapsed. He charged that the West was divided and predicted that the President, if he won, would not live through his next term. Naturally, this caused alarm in Europe and hindered unity within the Western Alliance.

About a year ago Dean Acheson was the principal author of a pamphlet which painted a picture of disunity within the free world and claimed that our position in the world and our alliances were dissolving "as just a hundred years ago men watched the Union dissolve." The release of this pamphlet was timed to coincide with the week that the NATO ministers were meeting in Washington to reaffirm unity and solidarity. The Berlin crisis had begun, and it was necessary to our diplomacy to present Khrushchev with the picture of a united NATO. And yet Acheson turned his efforts to propagandize the line of disunity.

This statement by Acheson was described by the Washington Star as "a massive exercise in irresponsible nonsense" and brought the following comment from Mr. Arthur Krock of the New York Times:

"Since the council includes former President Truman, Adlai E. Stevenson, and a few Democratic Governors and Senators, this bitter attack on the administration's foreign policy that it authorized, for publication in the week the Ministers were gathering, might have had that deplorable consequence in the midst of the Berlin crisis. * * * Yet not only was it authorized for release, and at this time, by the distinguished council. It is the product, specifically, of the group which is the voice of the council in foreign policy matters, and the editor and principal author of this group's pamphlets is Dean G. Acheson, former Secretary of State."

The problem of leaks

Not only does overzealous criticism give our enemies erroneous estimates of our strength and wreck Western unity, but it sometimes results in critical security information being leaked to Russian intelligence. The best example of an improvident leak by a Congressman occurred during World War II. Through the incredible good fortune of breaking the Japanese naval code, the U.S. commanders were able to read every order transmitted from Tokyo. This advance information had much to do with preparing the way for the United States' great victory in the Battle of Midway. But some incautious member of a congressional committee or its staff leaked the information to a reporter, and 30 minutes after the next edition of his newspaper hit the street Japan changed her naval code and all further advantage was lost.

Leaks force out more information

After the irresponsible opposition has spilled the beans and leaked security information to the public and the enemy, the administration is forced to move in and clean up the mess. In doing so it often has to release more security information or clarify that which was previously leaked. This is done so the administration can set the record straight and adequately defend itself. In the process Russian intelligence agents pick up much useful information they might otherwise not have obtained.

An example of this occurred in the spring of 1960 when the administration was under attack for having too few ICBM's in relation to Russia. To defend itself, the Defense Department was forced to release classified information gained by our intelligence agents concerning the current state of Soviet rocket forces. This information revealed that the Russians were burying their missiles in well-protected underground launching pads instead of leaving them in a vulnerable position on surface launching pads. As a result of this expensive burying, Russia had fewer missiles than the opposition had irresponsibly claimed. In the process of revealing this, however, the administration had to reveal secret information that should best have remained classified.

Opposition criticism often puts the administration in a seemingly bad position because patriotic public officials refuse to release critical security information in order to defend their policies. Certainly no American administrator would want to give away key national defense secrets simply to maintain himself politically. The bind is particularly hard on the party in power because in many cases you have to know what the security information is in order to understand why it was classified.

The U–2 affair

The recent capture of one of our U–2 intelligence planes by the Russians illustrates this point. During the defense debate in the spring of 1960, the Eisenhower administration could have defended its military policies very adequately on the basis of information gathered by the U–2 in its high level flights over the Soviet Union. To do so, however, would have exposed to the Russians and to the world an aerial surveillance program about which we had to maintain rigid secrecy. The Eisenhower administration thus had to take it on the chin from its critics, unable to defend itself without endangering the entire U.S. intelligence effort.

Problem based in U.S. politics

Any attempt to solve the problem of irresponsible criticism and the psychological deterrent runs into trouble because freedom of speech and freedom of criticism are at the very backbone of the American governmental system. The way we get things done in this country is to use free discussion to mobilize public opinion and thus produce a popular mandate on a particular governmental action. American politics—and this includes the Presidency, the Congress, and State and local government—has been rightfully described as a "gab shop." This dependence on the revelation of information is one of the great strengths of the American political system. At the same time it is the single greatest threat to the credibility of our psychological deterrent.

Most American politicians have a tendency to way overstate political arguments in order to agitate public opinion and thus get Goverment action. This is known as the consensus-building process. Every Congressman is aware that often you have to scare the people with terrorizing overstatements in order to get the consensus going. The endless leaks of secret information are thus not really evidence of blabbermouthed irresponsibility but attempts by the opposition to force an issue to decision or outflank an opposing point of view. Steeped in our traditions and customs, it is these consensus building distortions that do the greatest damage to the psychological deterrent.

Distortions from the compromise system

The U.S. political system is also firmly based on compromise. This has created a tendency for American politicians to overstate their arguments so that the compromise consensus reached is close to the politician's original position. Here again statements and press releases become distorted and shed doubt on the credibility of the deterrent.

The need for security puts a horrible strain on the politician brought up under the American tradition of seeking publicity whenever and wherever possible. Unfortunately, the most critical security information is also that which will get the best press run throughout the news media of the country. The temptation is often too great to bear. Congress and other American legislative bodies simply are not the sort of organizations that lend themselves to keeping secrets and maintaining tight security.

Political campaigns create worst abuses

The worst offenders along this line are not Congressmen working hard in Washington but members of the opposition party campaigning for political office, especially Senators campaigning for a presidential nomination. The greatest abuses appear in quiet campaigns where the various candidates are searching for jarring announcements with which to draw attention to themselves. In extreme cases, Congressmen who support the administration on the House and Senate floor become critical and indulge in gross overstatements when they hit the campaign trail.

Another group often found guilty of distorting defense and diplomatic criticisms is the opposition party's advisory committee. The party rank and file as well as the party's congressional and senatorial delegations have little control over this independent group's irresponsible statements and is often embarrassed by them. Other offenders are military men and defense products manufacturers who endeavor to increase military appropriations by frightening the country with

overdone announcements on the weak state of our defense.

A rare problem but one that does have to be handled from time to time is the occasional Congressman or politician who deliberately fosters a reputation for vindictiveness and has an utterly ruthless disregard for the restrictions of security and the psychological deterrent. Fear, especially the hopeless fear of inappropriate and unreasoning reprisal, is their means to power. These people purposely cultivate the impression they will stop at nothing—even when it means ruining the faith of the American people in their leaders and wrecking Western unity.

Although security leaks by Congressmen hurt the defense effort and help Russian intelligence agents, it is questionable whether rash overstatements by campaigning politicians give the Kremlin any useful information. Soviet intelligence probably compensates for overstatement in American political campaigns just as most intelligent voters do. There is real danger from these overstatements, however, because of the impression they create on world opinion.

Campaign statements do not stop at the American border but are picked up by the various news agencies and sent all over the world. Foreign readers do not understand the U.S. tradition of overstatement in politics, take the distortions seriously, and begin thinking our defenses really are inadequate. This does severe damage to the confidence of our allies in our ability to defend them. It also injures the impression of military strength the United States must maintain among the uncommitted nations.

Also the foreign press, a portion of it biased and state-controlled, does not have the United States reporting tradition of balancing distorted opposition attacks with the administration's defense. Anti-American foreign news media are quick to pick up congressional overstatements, distort them still further, and use them to create the illusion that the United States cannot protect itself. Russian propaganda agencies are particularly adept at picking up overstatements on military deficiencies and sending them all over the world.

Divisive nature of criticism

The greatest danger from irresponsible statements during political campaigns is that they divide the American people on the defense issue and rob them of the self-confidence and unity they need to compete with a totalitarian enemy. The Russians have an active policy of trying to split U.S. public opinion at home and the Western Alliance abroad. Their psychological attack is designed to play on our nerves and tempt some fainthearted Americans into advocating appeasement. The opposition plays into Russia's hands when it uses unwarranted criticisms that help foster such a split.

The Communist shelling of Quemoy and Matsu during 1958 was a direct maneuver on the part of the Kremlin hierarchy to divide Western public opinion, both within the United States and within NATO. The opposition played into Russia's hands at this time by calling for the administration to abandon protection of the offshore island defenses of Formosa. An opposition politician, trying to win votes for his party's 1958 congressional candidates, advocated the United States "get out and stay out" of these islands and press for Nationalist Chinese evacuation as well. The false impression of American disunity thus created was probably viewed with elation by Moscow.

In June of 1960 the Soviets attempted to use the U–2 spy plane affair to discredit the United States in the eyes of her allies and the uncommitted nations. Fortunately the initial reaction of the opposition party was to rally to the support of the Government. An opposition Congressman, Representative CANNON of Missouri, rose on the floor of the House and explained that the opposition-controlled Committee on Appropriations had known about the U–2 flights and approved of them. He also complimented the administration for maintaining an excellent intelligence operation and closed with a statement that the entire affair proved the ability of the United States to present a united front against an authoritarian dictatorship.

Problem faced only in democracies

If, as shown above, distortions and overstatements during political campaigns are at the very heart of the American democratic process, then any attempt to restrain opposition criticism that harms the psychological deterrent will go to the very roots of our political institutions. This is a problem that could only occur in a free society. Russia is a totalitarian dictatorship and can use her entire press and Government to convince the world of Soviet military strength.

PART II

This section of the paper presents the general views and comments growing out of discussions by the political scientists on the symposium.

The high degree of danger

Opinion was expressed in the panels of political scientists which discussed this problem that the dangers arising from the criticism-deterrent crisis are very real. The danger is based on the assumption that the leaders of the Kremlin do not understand American democratic procedures and are unable to read the lesson of American history—that the American people stand united in times of a clear external threat. This assumption that the Russians do not really understand us is proven by the recent behavior of Premier Khrushchev.

Permanence of the problem

The panels also felt that the criticism-deterrent crisis is going to be with the United States for many years to come. It will be worth our while to do some thinking about creating permanent institutions designed to lessen the danger of irresponsible political distortions to national unity.

Congress at the middle levels of power

Many political scientists argue that the present international crisis and the resultant need for security is reducing Congress to the middle levels of power. Most of the major policy decisions, they contend, are now made by military experts in the Pentagon simply because security requirements will not permit the matter to be discussed by the Senate and the House. This is a trend which should not be permitted to continue. Any solution to the criticism-deterrent problem must provide for security but at the same time not eliminate Congress from its important job of overseeing all general policy formation.

The crisis of conscience

The criticism-deterrent problem leads to a crisis of conscience among responsible critics of the administration. These people often feel it is their patriotic duty to speak out on certain aspects of our defense or diplomatic program about which they are genuinely concerned, but security requirements forbid them from doing so. Many of our most responsible military and political leaders are pulled apart by this crisis of conscience. An adequate solution to the problem must provide a way for these people to present their criticisms to the President and the Congress without violating security or hurting the credibility of our deterrent.

Any solution to the criticism-deterrent problem will naturally involve giving up some freedoms, but any freedoms given up should be given up knowingly. Continued crises such as the present one have the hidden danger of making the American people accustomed to giving up freedoms, resulting in a slow strangulation of all freedoms that may not be noticed. Thus in any instance where freedom of criticism is to be limited, an apparatus must be provided for constant review of the freedoms given up and the continuing need for doing so.

It is also necessary that any group vested with the power to try to make opposition criticism more responsible must be solidly based in the civilian rather than the military wing of the Government. It should contain members of those groups being acted upon—including Members of Congress and members of the party out of power.

The problem of accountability

Perhaps the greatest danger to democracy in making opposition criticism more responsible is that it could cut down the accountability of the party in power to the people. One of the basic principles of American Government is that the press and opposition party will serve as watchdogs and be the first to ring the alarm bell when the people holding high political office step out of line. Any solution to the criticism-deterrent problem must provide strong institutional safeguards for keeping the executive department accountable to both the Congress and the people.

The danger of drift

The problem goes much deeper than simply controlling distorted criticisms. No one in our Government is in a position to take time out and make overall policy. The end result is that decisions and the opposition criticisms of them are isolated and made on a piecemeal basis.

This hit-or-miss relationship based on handling crises as they come up has resulted in a gross mismanagement of American public opinion. Often public opinion has been built up on oversimplified issues that are not relevant. In other cases good programs are neglected because public opinion is not built up in time. This phenomenon represents the failure of both the administration and the opposition to center public attention on the right issues at the right time. The inevitable conclusion is that we must change the way we make and criticize decisions as a first step in solving the criticism-deterrent problem.

Executive-congressional relationships

The criticism-deterrent problem is also rooted in the relationship between the President and Congress. The separation of powers theory which led to the creation of an independent executive and independent legislative has partially failed. Designed by the Founding Fathers to protect freedom by having the two segments of Government check on each other, the separation of powers has served in practice only to produce discord and inefficiency in foreign and military affairs.

One problem is that military matters can become involved in executive-congressional fights and get blown out of all proportion to their real importance. Often a military question will be seized upon by dissident Congressmen and used to show the President "who really makes policy in this country." The end result is a highly publicized argument conducted in the military sphere but where military matters are not the real issue.

Separation of powers leads to mutual suspicion between the President and the Congress as to just who should be doing what in the military field. To keep an eye on the Executive, the Congress often goes messing into the minute details of military policy with which it should not be involved. At other times, Congressmen have the feeling that the President is hiding something from them and, in order to protect their

jurisdiction, try to force critical security information out of the President.

On the other hand, separation of powers causes the President to become wary of congressional cussedness where military matters are concerned and try to bypass the Congress if possible. President Franklin D. Roosevelt engineered such a bypass in the famous destroyers-for-bases deal with Great Britain early in World War II. Congress had previously demonstrated its jurisdictional jealousy by passing a law forbidding the President to sell military material to a foreign power without first getting congressional approval. Roosevelt ran an end run around Congress simply by making the destroyer deal a trade for bases rather than a straight sale of military material.

Congressional-Executive relations in the military field also break down because of the natural distrust between the politician and the professional policymaker. Defense policy specialists are often regarded with suspicion by the average Congressman. We can conclude, therefore, that any solution of the criticism-deterrent problem must make some provisions for improving Presidential-congressional relationships where military and foreign policy matters are concerned.

Possible solution I: Increased party responsibility

Millions of words have been written by political scientists on methods for increasing party responsibility, none of them optimistic. In the United States, where party labels and platforms mean little, Congressmen can easily bolt their party and still survive politically. The parties even fail to use what sanctions they do have—denial of committee chairmanships and other seniority privileges—to bring intransigent Members into line. Under our system of geographical representation, Congressmen are beholden only to a narrow section of the population back home rather than national party officials.

Sentiment was expressed in this symposium that increasing party responsibility holds little or no promise of solving the criticism-deterrent question. There is also the problem that both parties contain two wings—liberal and conservative—and it would have to be decided which wing the majority of the party is going to be responsible to.

Possible solution II: Bipartisanship

The idea that enmity and conflict between the two parties should cease when we get to the critical areas of military problems and foreign affairs is an old one in U.S. politics. From time to time, Secretaries of State, like Hay and Root, made a practice of conferring with leading Senators from the opposition party in advance of treaty negotiations. The contemporary development of bipartisan collaboration, however, dates from 1943 when Franklin D. Roosevelt sought Republican cooperation in putting over the United Nations. As much as anything, this was the result of the Roosevelt administration not wishing to experience a repeat performance of what happened between Woodrow Wilson and a Republican Congress when the League of Nations came up for ratification.

Members of both parties in both Houses of Congress were brought in on the negotiations for the United Nations at the very beginning. Bipartisanship reached its highest level when President Truman sent Republican Senators Vandenberg and Connally as American delegates to the San Francisco convention which drew up the charter. After that time the practice of consultation and collaboration became rather common—Greek-Turkish aid, European Recovery Program, North Atlantic Pact, for example—but by no means customary. Policies regarding German and Japanese occupation, Palestine, and China were entirely Executive in nature.

Bipartisanship is thus a tool which is available but not always used. Its success depends on the existence in the opposition party of a party specialist who is well versed in the particular area concerned and who is able to lead most of his fellow party members his way. Senators Vandenberg and Connally played such a role during the Truman era. As these two men went, so did the rest of the Republican Party, and bipartisanship became an efficient and workable technique.

But bipartisanship has a full share of liabilities. It can be irksome, time-consuming, tiring, and limited by the jealousies, hatreds, and status requirements which infect all human personalities. It works only when the two parties are in basic agreement on the issues concerned and can only be applied to overall policies rather than to detail work. No one put the case more strongly than Senator Vandenberg in defining the limits of bipartisan consultation:

"When and where it is possible, in clearly channeled and clearly identified projects, for the Legislature, the Executive, and the two major parties to proceed from the beginning to the end of a specific adventure, so that all are consulted in respect to all phases of the undertaking, I think it is a tremendously useful thing. * * *

"But to think that that can be done as an every-day practice in regard to all of the multiple problems of international import which now descend upon the State Department every day, in my opinion is totally out of the question."

Certainly the problem of curbing criticism that harms the psychological deterrent comes under the heading of over-all policy rather than day-to-day business. As a result, any solution of the criticism-deterrence problem should provide for bipartisan cooperation and consultation.

Possible solution III: Intraparty cooperation

Even when bipartisanship is unworkable, Executive-congressional relations can often be smothered by having the President work closely with the members of his own party in the Senate and the House. This technique is effective because, like bipartisanship, it lessens the suspicions and antagonisms inherent in the separation of powers principle. Here again the party specialist acts as an intermediary whom the rest of the party's Congressmen trust to do their thinking for them in certain critical areas. Any solution to the criticism-deterrent problem should provide for improved intraparty congressional-Executive relations as well as bipartisanship.

Possible solution IV: Increased personal responsibility

Much of the irresponsible criticism that damages the psychological deterrent could be curbed simply by appealing to the personal responsibility of Congressmen. An effort should be made to see that all Members of the House and Senate are fully informed on how unwise criticisms could lead to Russian miscalculations or wreck Western unity. Congressmen should be made aware that, whether they like it or not, their campaign statements and distorted criticisms are part of general American propaganda and have all the effects of good or bad propaganda. Congressmen are all good Americans, and the simple act of pointing out the danger to them will probably curb 90 percent of the abuse.

In the field of security requirements and leaking, Congress has proved many times in the past that it can keep secrets and keep them well. During World War II the House Appropriations Committee guarded its private secret that billions of dollars were being spent to develop the atomic bomb. Recently, it was revealed that the same committee knew of the existence of the U–2 flights for more than 4 years and never leaked so much as a hint about it. Thus, it is very clear that Congress can and will keep secrets if the reasons for classification are made crystal clear.

Possible solution V: Counterappeal to public opinion

Should even the appeal to personal responsibility fail, the administration still has one sanction available for encouraging Congressmen to curb distorted criticisms. This is the counterappeal to public opinion in which members of the opposition are chided for letting out security information and making divisive statements that help the enemy. The severe public and press reaction to opposition statements designed to sabotage NATO the day before its 1959 meeting probably did much to tone down the future irresponsible criticisms of this sort.

Many political scientists feel that irresponsible opposition criticism is not so much to blame for national disunity as is the failure of the party in power to make full use of the counterappeal to public opinion. They claim the Republicans have failed to adequately defend themselves and the country against the neutralist-defeatist position of many administration critics. Rather than trying to silence opposition criticism, these political scientists think the administration should take concrete steps to see that all irresponsible attacks are soundly countered and that the positive side of the psychological deterrent is strongly maintained on the propaganda front. In other words, there should be an offensive operation where national unity is concerned rather than just a defense.

It appears logical at this point that four of the five possible solutions outlined above—bipartisanship, improved intra-party Executive-congressional relations, increased personal responsibility, and the counter-appeal to public opinion—should be included in any proposed solution to the criticism-deterrent problem.

Concrete Proposal I

This symposium felt generally that the Republican Congressional Policy Committee take upon itself the responsibility of seeing that the psychological deterrent is positively defended whenever possible. It should attempt to do the following things:

1. See that irresponsible charges made by opposition political campaigners which harm national unity and question our defense capability are quickly and firmly answered. In particularly important areas, the committee should appeal to the publicity powers of the President for countering irresponsible criticisms.

2. Endeavor to arouse public opinion against opposition party members who leak critical defense information to further their political ends. It should also arouse opinion against those who spread disunity and defeatism at a time when unity of purpose is called for.

3. Follow a general positive policy of strengthening the psychological deterrent and maintaining national unity. Thus the committee need not wait for opposition criticism before taking action in this field.

Defense of Proposal I

Conscious maintenance of the psychological deterrent and national unity by the Republican congressional policy committee fits in with the idea that the best defense against irresponsible opposition criticism is a counterblast of your own. This solution also has the advantage that it fits in with the American tradition of the two opposing political parties taking concrete stands on the issues and letting the voters have their choice.

It was pointed out that no Congressman can command the newspaper space or position that is given to the statements of opposition party leaders. Also individual

Congressmen are not clearly identified in the public mind as party spokesmen. For this reason it is argued that the policy committee of the party in the White House should appeal to the publicity powers of the President so that the policy committee's answer will have the same strength and publicity value as the opposition charge.

It was argued that what the American people want is not to have the Democrats silenced but to be reassured that their leadership has the courage required in today's international situation. They are looking for a reaffirmation that all Russians are not 10 feet tall. This is not to say that they want soothing sirup, but that they want to be told this tremendous society we have is worth while and worth fighting for. The policy committee would take upon itself the job of providing this assurance and rededication to purpose.

It was also argued that the question is broader than simply maintaining the psychological deterrent. It is felt the U.S. Government should realize it is fighting psychological warfare in the most general sense. The concept of just a deterrent gives the idea of a defensive posture when we need to convey the idea that we are taking the offensive as well. The policy committee can help foster and clarify such an offensive attitude.

The discussants noted that our Government must remain responsible in its foreign policy and should never go so far as to stir up international chaos the way Soviet foreign policy is designed to do.

Concrete Proposal II

It is proposed for the future that a joint session of the four congressional policy committees meet with the President (or his representative) to formulate strategy on how the criticism-deterrent issue can best be handled. Such a joint session would have the following duties:

1. Encourage political campaigners not to overstate their criticisms of the defense situation or make distorted statements that would tend to damage Western unity. Foreign policy and defense matters were, by mutual consent, left entirely out of the presidential campaign of 1948.

2. Publicize around Congress the danger of questioning the credibility of our psychological deterrent. Point out clearly to the average Congressman that he is part of the U.S. propaganda machine and should endeavor to strengthen the psychological deterrent whenever possible.

3. Constantly review any irresponsible criticisms being curbed to make sure they are curbed knowingly and that we give up no more freedoms than absolutely necessary.

4. Find ways for military men and Congressmen suffering a crisis of conscience to make their views known to the President, the people, and the rest of Congress without hurting the psychological deterrent.

5. Serve as a permanent organization for producing joint Presidential-congressional national policy when sudden policy crises arise.

6. Serve as a body cutting across several committees that gets above the present piecemeal nature of defense and foreign policy planning. Abundance of time and detachment from detail would permit the joint session to take an overall view and come up with continuous policies to replace the present stopgap measures.

7. Rule on what security information can be leaked. The committee could serve as a clearinghouse for declassification through which all security information Congressmen want to release would have to pass. A code of ethics in this field could be worked out as a general guide for the joint session.

8. See that party specialists from both parties have been informed on all security matters and are kept on the inside of Government policies in the military and foreign affairs fields. In this way the rank-and-file Members of Congress would be assured that trusted members of their party know what is going on and the administration is not "pulling a fast one" on the Congress.

Procedures for Proposal II

Ideally, the joint session of policy committees would meet personally with the President, but since the Chief Executive is already overworked, some provision should be made for having a qualified member of the administration in a policy position take his place.

Both the Republican House and Senate policy committees will be members of the joint session along with their Democratic counterparts. Both the liberal and the conservative wings of both parties should be represented. Also, all party specialists in military and foreign affairs should be asked to serve.

The joint session would meet periodically to discuss overall policies and advise the President. Provision should be made for having it called into crisis session by either the President or the chairman of any two of the four policy committees.

All conferences would be in executive session, although results would be reported to the entire Congress and the people.

Defense of Proposal II

Although the contemporary need for security puts Congress at the middle levels of power, under the joint-session system specialists are kept in the know and at the top levels of power. These watchdog party specialists are an additional means of keeping the Executive accountable.

The joint session will satisfy the plea for a group in our Government to make overall policies instead of operating defense and foreign affairs on a hit-or-miss basis. Thus, joint policy committees will have a positive role of building public opinion on needed policy issues instead of a merely negative role of checking for security leaks.

Since the joint session will contain both the President and Congress, it will face the problem of military and foreign policy matters getting involved in Executive-congressional relationships.

Such a meeting of representatives of the two most powerful branches of our Government should serve to reduce suspicions, get Congress out of messing with detail, and reduce the tendency of the President to try and bypass Congress. It also should help to reduce the natural distrust between the politician and the administration policymaker.

It was observed, however, that the joint session will be stillborn unless its membership includes the real inner circle of leadership in the House and Senate. It must include people (such as the Senate majority leader) who can get a large majority of their party to support the decisions of the joint session.

The joint session will represent the liberal and conservative wings of each party, provide for bipartisanship, take into account the role of the party specialist, and strengthen intraparty Executive-congressional relationships. All these requirements were set up as necessary to smooth dealings between the President and Congress.

Attempts by the joint session to make criticism more responsible will mean much more since they will come from a bipartisan committee rather than a partisan administration. A group representing both parties can apply moral pressure and requests for increased personal responsibility of Congressmen which could never be applied by the President himself.

The need for unity

The great strength of the joint session is that it is a concrete step toward the national unity which is so badly needed in combating a totalitarian dictatorship like the Soviet Union. Previously, the American people have been able to wait for some dramatic event—the sinking of the battleship *Maine*, unrestricted German submarine warfare, the bombing of Pearl Harbor—to create the unity necessary for national survival in a time of crisis. But the time-space age will not allow the time to wait for a dramatic event to bring the Nation together with one purpose. We must have unity now, and the joint session is an institutional step in that direction.

Minority Views on Social Security Amendments of 1954

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mr. ALGER. Mr. Speaker, in a further effort to understand how far we have come from the original concept of the social security program, I would like to call your attention to some of the statements made in the minority views to the report on Social Security Amendments of 1954. The report was signed by my good friends, NOAH M. MASON and JAMES B. UTT, and points up the drastic departure from the original plan and the threat such departure, which has been compounded every 2 years since, poses to our free enterprise system.

DISSENTING VIEWS ON H.R. 9366

The committee has the grave responsibility of framing social security legislation which will improve and maintain the system on a sound basis, compatible with its purpose and with our system of free enterprise.

Some of the hastily adopted amendments contained in H.R. 9366 are highly questionable and probably would not have been adopted upon mature consideration. The most important of these amendments expanding the social-security tax base from $3,600 to $4,200, are fundamentally wrong and have far-reaching implications. The inflated wage base proposals were adopted with a strong dissenting vote and mark a departure from the basic purpose and justification of social security—that of affording a basic floor of protection—and would directly impair both the ability and incentives of the individual to achieve security through the normal processes of free enterprise.

Private arrangements for security, in contrast with the sterile taxing and spending processes of social security, are an integral part of free enterprise and provide the funds for capital investment upon which our economic system is based. Private thrift and insurance purchases also provide a flexibility of protection adaptable to the particular needs of the particular family. This flexibility is impossible under social security. Furthermore, security privately achieved by voluntary action, as contrasted with unnecessary inflated compulsory social security, is compatible with our traditions and our way of life.

Thus, even though social security were in fact bought and paid for by the individual and his equities, typical of free enterprise, were preserved, it would violate our basic principles to extend its taxes and benefits beyond the levels required to meet its pur-

pose of providing a minimum floor of protection against destitution.

The bill's provisions extending the system's taxes and benefits to earnings in excess of the present $3,600-per-year limit, manifestly raise the fundamental issue of whether we shall progressively depart from the original purpose of the system. The proposal assumes that the $4,200 man requires more compulsory, publicly provided protection than does the $3,600 man. The next step, already proposed and urged, is that of providing still greater Government protection for the $6,000 man than is provided for the $4,200 man. There is no stopping point when one accepts the philosophy of more and more compulsory reliance upon the State, with the corollary of less and less reliance by the individual upon his private voluntary arrangements.

These amendments are indefensible in our opinion. The proposed superbenefits for the high-income man are incompatible with the purpose of the system. Burdening other social security taxpayers with their payment shocks one's sense of equity.

The powerful drive for expanding the wage base and providing higher and higher benefits, and the lack of public understanding of the consequences of this action, place the committee and the Congress in a most difficult position—particularly in an election year.

But the inescapable fact is that younger people, including those not yet of voting age, and millions yet unborn, must largely support benefits for persons who retire in the next two or three decades. This situation places a special trusteeship on this committee and on the Congress. For not only the purpose of social security, but the welfare of our young people and their children, strictly limits the social security benefits which can be provided for the aged through taxation of the young. We must halt the constant increases in present and future benefits, and in the taxes required to support those benefits.

It is far from certain that the present tax schedule will support the presently scheduled benefits, and still less certain that the proposed increased taxes would support the increased benefits.

It is manifest, in any event, that the proposed wage base extension would provide an unwarranted increase in benefits of persons with high earnings, who least need social security protection. It is also manifest that the unwarranted increase in benefits—and for younger people the lifetime burden of the additional social security taxes—would adversely affect individuals and our economy and would be contrary to the general welfare.

FURTHER DISSENTING VIEWS OF MR. UTT

In addition to the foregoing minority report, I wish to state it is my fearful belief that the social security tax is fast shaping up to become a secondary graduated income tax upon wages and salaries, a tax which, when its full impact is felt, will shake our social security system to its very foundation.

Fourteenth Anniversary of the Founding of the Italian Republic

EXTENSION OF REMARKS
OF
HON. ROBERT N. GIAIMO
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mr. GIAIMO. Mr. Speaker, on June 10, the Italian people observed the 14th anniversary of the founding of the Italian Republic. I am pleased and proud to bring this anniversary date to the attention of this House and to extend congratulations and best wishes to a nation of friends which has contributed so much to our culture and the culture of the entire world throughout the ages.

It was in 1948 that Italy, for the first time in the exercise of popular sovereignty, gave herself a fundamental law in adopting its republican Constitution. Italy's adoption of its Constitution, and its establishment of a republican form of government 2 years earlier, gave notice to all peoples that it was her intention to become associated with the free nations of the world.

The founding of the Italian Republic was a great landmark in the history of Italy. After the downfall of Fascist dictatorship came a political vacuum, and the Government that existed was in disrepute. It was in June 1946 that the Italian people became masters of their own destiny and chose between retaining their old monarchial form of government, or of adopting a republican form of government.

Over 22 million Italians expressed themselves at the polls on June 2 and 3, 1946, with 10 million in favor of retaining the monarchy, and over 12 million favoring a republic. On June 10, 1946, Italy became a Republic.

A year and a half later, its Constitution was adopted, and Italy began on the road of democratic progress. It is one of the largest and most progressive republics in the world, and I believe that the many advances Italy has made since the war in all fields of human endeavor has been largely due to its new form of government.

Despite the tremendous advances Italy has made in the short time since World War II, there is still much to be done. But there is no doubt in my mind that under its Constitution, with the freedoms it guarantees to the people, and with the encouragement and help of Italy's friends throughout the world, Italy will continue to grow and prosper.

The United States has close ties with Italy, and despite the intervening actions of hostile Italian Governments, it has always had a high regard for the people of Italy. Italian immigrants have contributed greatly to the growth of our own United States in helping to build this new nation. It was particularly fitting, therefore, for us to contribute toward Italy's recovery after the Second World Conflict, not only in recognition of the contribution of Italian immigrants to our own growth, but also in a reaffirmation of our friendship and of our faith in the future of the Italian Republic.

United States aid, through the Marshall plan, mutual security, the United Nations, and so many other programs, helped express the American people's friendship for a noble people who had suffered much.

On this 14th anniversary of the founding of the Italian Republic, we can be proud that we were able to extend a helping hand to the Italian people with whom we in America have such close and common ties. We can rejoice in Italy's splendid recovery and its continuing progress, and be happy to have played a small part in assisting this progress.

We can be confident, too, in knowing that the people of Italy have achieved a maturity in government and in governing themselves, and that Italy will continue to play a vital role in the promotion of freedom and peace throughout the world.

Expense Payments From the Contingent Fund of the House of Representatives

EXTENSION OF REMARKS
OF
HON. PETER F. MACK, JR.
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mr. MACK. Mr. Speaker, I have today introduced H.R. 12707 for the purpose of assuring an independent audit by the General Accounting Office of expense payments from the contingent fund of the House of Representatives.

In proposing this legislation, I am in no sense passing on the purported disclosures made in recent newspaper and magazine articles about committee expenditures from this fund.

I have the utmost confidence in the integrity of Members of this House. Furthermore, I believe we owe it to ourselves to provide for an independent audit of our expense funds as a means of assuring that our activities are reported accurately so the innocent would not suffer with the guilty.

I do not believe we are getting the complete picture from newspaper and magazine stories which are designed to make news but which reflect on the propriety and honesty of Members of Congress. While I fully respect the rights of newsmen to report the news, and even to draw reasonable inferences from the information they are able to gather, I do not believe that such disclosures are the most accurate way of getting at the facts. Too often have disclosures of this type resulted from hasty perusal of incomplete records. When this happens I do not believe Members of Congress are accorded the same fair treatment we afford to witnesses before our investigating committees. It would be much better, in my opinion, to provide for regular and thorough study of all payment vouchers by the one agency equipped to do the job, the General Accounting Office.

More than our own reputations is at stake. We have imposed a heavy burden of taxation on the people of this country. They have a right to know how their money is spent. We demand an accounting from the executive agencies of the Government. There is no logical reason why the legislative branch should not also be held to account for its expenditures, down to the last cent.

It is unfair to burden any committee of the House with this responsibility. A committee of our colleagues has a natural reluctance to cross-examine any Member as to the details of his expense account. Fortunately, the Congress long

ago established an agency to scrutinize the accounts of all three branches of the Government, executive, legislative and judicial. The General Accounting Office is an arm of Congress. The Comptroller General of the United States, the administrative head of GAO, is appointed by the President, with the advice and consent of the Senate, for a term of 15 years. So far as I know there has never been any serious question raised as to the independence of the Comptroller General and the GAO. They are as free as human institutions can be of pressures from either the executive or legislative branches. This makes the GAO the ideal agency to scrutinize the expense accounts of House Members and committees.

The U.S. Government Organization Manual for 1959–60, on page 35, describes the GAO as follows:

The purpose of the General Accounting Office, an agency in the legislative branch of the Federal Government, is to perform an independent audit of Government financial transactions to provide a basis for the settlement of accounts and to determine how well the agencies are managing their financial affairs; in so doing, exercise the power of disallowance based on the finality of the Comptroller General's settlement of accounts and claims, and report to the Congress in special and annual reports its findings as to financial conditions in the Government. In order to accomplish its purpose, the General Accounting Office has responsibility for: performing an independent Government-wide audit of receipts, expenditures, and use of public funds; prescribing principles, standards, and related requirements for accounting to be observed by the executive agencies, and cooperating with the agencies in carrying out their primary responsibilities for the development of their own accounting systems; settling claims by or against the United States; rendering legal decisions pertaining to governmental fiscal matters; performing investigations relating to the receipt, disbursement, and application of public funds; reporting to the Congress the results of its activities including recommendations to further the effectiveness of governmental operations; and for other related functions.

Mr. Speaker, the manual, on page 36, contains this additional statement:

The financial transactions of the executive, legislative, and judicial agencies, including but not limited to the accounts of accountable officers, are audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States.

Mr. Speaker, the foregoing statement would appear to indicate that congressional accounts already come under the purview of the GAO. And so they do, except for the contingent funds. More than 70 years ago, in 1888, the Congress passed a law making the administration committees of the House and the other body responsible for final audit of payments from the contingent funds.

The bill that I have introduced today would amend the 1888 law to remove this barrier to GAO audit of the contingent fund of the House of Representatives. I purposely refrained from broadening my proposal to include the other fund because I feel that the initiative for that should come from the other body.

My bill is confined to removing the provisions of the 1888 law, and a similar 1911 statute, that inhibit the GAO from performing its otherwise statutory duty with respect to the House contingent fund. It does not specifically authorize the GAO to audit the contingent fund because the House legislative counsel advised me that the GAO already has all the authority it needs, provided the inhibitory statutes are repealed.

OASI Basically Unsound

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mr. ALGER. Mr. Speaker, since the very inception of the social security program, a far-seeing minority on the Ways and Means Committee has continued to point out some basic weaknesses in the plan. Before we vote to further increase benefits and add new programs, such as medical care, we should review some of the views stated in previous years. Among these views I would like to include some excerpts from the minority report of Hon. CARL T. CURTIS, then a Member of the House, to the report on Social Security Act amendments for 1949.

MINORITY VIEWS

My dissent from the bill reported out does not stem from opposition to a liberalized social security program; instead it arises from the fact that the bill reported out fails in some major respect to do the very things a liberal and effective social-security program should do.

The old age and survivors insurance program is a grossly unsound and ineffective tool for the social-security purposes it attempts to accomplish. Because it is so unsound and ineffective, I cannot agree that the mere extension of its coverage or a mere numerical revision of its benefit formula, such as the majority of the committee proposes, can bring about significant improvement. Instead, the very fundamentals of the program should be objectively reexamined, and to the extent that such reexamination indicates the need for drastic overhauling of the program, that overhauling should be done, even though it proves necessary to abandon completely those concepts on which the present program rests.

Social security funds are necessarily limited in amount, since they depend upon the amount of economic productivity in the Nation and the possibility of drawing off a portion of this productivity for social-security purposes that is not too large to injure the Nation's economic health. Because of this limitation, it is of the utmost importance that these funds be distributed wisely.

On frequent occasions Congress has voted a very costly program, such as in the field of veterans' legislation or housing. There is an end to such programs. They do expire. There is no end to our social security program. It runs into perpetuity. We bind oncoming generations to pay untold billions of dollars not only 50 years from now, or 100 years from now, but so long as the Government of the United States stands. It is totally unmoral.

Let us permit our children and our grandchildren to decide how much per year they of their generation will pay for social security. We should not bind them by contract to pay untold billions each year, as the present system does. The right of self-government means not only freedom from kings, tyrants, and dictators, but it means freedom from the past.

Imports of Foreign-Made Surplus Military Rifles Into United States as Sporting Guns Is Threatening American Firearms Industry

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mr. BOLAND. Mr. Speaker, during debate last Friday I had planned to offer an amendment, with the support of my colleague, the gentleman from Massachusetts [Mr. CONTE], and members of the Connecticut delegation in the House, to the mutual security bill in order to halt the importation in the United States of firearms which were manufactured abroad for military purposes and which are now being dumped upon the world market.

Due to the parliamentary situation at the time of the reading of the mutual security bill for amendment, however, it was impossible for me to offer my amendment because I had been advised by the Parliamentarian that it would be subject to a "point of order."

Mr. Speaker, the dumping of these surplus foreign made firearms is occurring in such increasingly large volume and at such ridiculously low prices that it is causing a serious reduction in the skills and investment of American manufacturers of firearms. The result has been a drop in arms research and development and a slowing down or abandonment of the modernization of small arms plants in the United States. If this trend is not halted, American arms manufacturers will obviously be harmed to an extent which gravely impairs their defense mobilization capacity.

In fact, the defense mobilization base of the United States has probably already been impaired by the dumping upon our markets of surplus military firearms. These firearms are virtually being given away and are dramatically reducing sales by American arms manufacturers. The J. Stevens Arms Division of the Savage Arms Corp. is located at Chicopee Falls, Mass., in my congressional district. This American arms manufacturer, producer of the famous sporting Savage .99 rifle, and other manufacturers located in Connecticut, have been feeling the pinch in sales as a result of the importation of foreign made surplus rifles. They are being sold here as sporting rifles at prices with which the American arms industry cannot compete.

These surplus rifles are coming primarily from Italy, England, Sweden, and Germany. There appears to be no end to the supply abroad; and since the United States is the only major market for these guns, the outlook for the American firearms industry is very grave indeed. European governments refuse to permit their people to buy these military rifles.

Mr. Speaker, under the munitions control provisions of the Mutual Security Act, the State Department has the authority to regulate traffic in arms. Licenses are issued by the State Department for both import and export of arms and ammunition. Under the law, the Secretary of State is authorized to issue a license if he finds that the license furthers U.S. foreign policy, world peace, and the national security. To date, the Secretary of State, applying these standards, has concluded that the mass importation of surplus military rifles does not conflict with world peace, our foreign policy or the national security.

On June 29, 1959, six of the leading American firearms manufacturers filed a petition with the Office of Civil and Defense Mobilization, asking for relief against these excessive imports of military surplus. Unfortunately, however, the OCDM decision will not be forthcoming before autumn. Meanwhile, the American arms manufacturers continue to be threatened by the dumping of surplus foreign-made military rifles which are glutting the American market and selling for prices ranging from $14 to $30 in direct competition with American sporting rifles retailing between $80 and $130.

Jet Flight Between Friendship Airport and Paris, France

EXTENSION OF REMARKS
OF
HON. SAMUEL N. FRIEDEL
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mr. FRIEDEL. Mr. Speaker, last Saturday, June 18, Pan American World Airways introduced a new service to the people of Baltimore which is of great interest and importance to our area. Beginning on this date, Pan American inaugurated round trip, jet service between Friendship Airport and Paris, France, marking the first time any scheduled air carrier has ever connected Baltimore with the European Continent. This service is of the highest value to the greater Baltimore area which relishes the opportunity to avail itself of the splendid jet facilities at Friendship Airport for a speedy, uninterrupted journey to the wonders and beauties of Europe.

We are reminded on this occasion of a similar pioneering feat accomplished in the thirties when the first air service to Bermuda was introduced by the famous old Pan American flying boat—the B314—which made history by its flight from Baltimore to the island of Bermuda. I commend Pan American for its pioneering spirit and its president, Mr. Juan Trippe, himself a native of Maryland, for providing this excellent service.

Mr. Speaker, I was also pleased to note that a most interesting speech was recently made by the gentleman from New York [Mr. ROONEY] regarding Pan American's aid in the Mutual Security Pact by organizing and getting airborne the Afghanistan Airline at the request of our State Department. This is indeed a worthwhile and well managed project.

West Virginia Approaches the Century Mark

EXTENSION OF REMARKS
OF
HON. KEN HECHLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mr. HECHLER. Mr. Speaker, today marks the 97th birthday of my State of West Virginia.

Back in the days of the Revolutionary War, George Washington remarked:

> Give me a hundred men from West Augusta (later West Virginia) and I will plant my feet on the west bank of the Potomac and defy the world.

The mountaineers of West Virginia have lived up to that tradition.

West Virginia was born in 1863 of determination to meet a challenge—the challenge of preserving the Union. This challenge inspired men to daring deeds.

Courage is not new to the West Virginian. In fact, the entire history of the State is a chronicle of challenge and courage to meet each new difficulty.

There were challenges like that thrown down by Gov. Alexander Spottswood when he struck Golden Horseshoe medals for those hardy and brave enough to conquer the vast wilderness that lay within the mountain slopes. Or the courage of Mary Ingles, who faced incredible hardship to cross the State and rejoin her family after she had been carried off to the wild Ohio country in 1775 by marauding Indians. Or of the 29 delegates who firmly opposed secession when Virginia left the Union and even dared to hold a rump session to pledge their efforts to keep the State in the Union in 1861.

It is from this breed of men that West Virginia was born.

Today my State is faced with new, grave challenges.

A decline in coal mining employment has stripped many towns of their source of all wealth. Ghost towns have sprung up.

There are gnawing physical needs within the land. Children go without bread, and are forced to miss school because they have no shoes.

How can we cope with the serious problem of our older workers who have lost their jobs? We refuse to accept the heartless and inhuman solution of those who tell these older workers to pull up their roots and leave the mountains of their homeland.

But even worse is the problem of the flight of West Virginia's younger people, the source of future strength and vigor in any society, who have left the State for a more promising future elsewhere. My attention was first called to this problem by our own young Governor, Cecil H. Underwood, in an address to the Elks Club at Huntington. Governor Underwood pointed out that when the West Virginia State bonus was paid to veterans of the Korean conflict, 43 percent of the checks were sent to out-of-State addresses. This means that the cream of our younger people have left the State for better opportunities elsewhere.

Between 1950 and 1960, West Virginia was one of the two States in the Union which suffered an absolute decline in population. We lost over 158,000 people in this period—the largest decline among the States. We face this stark fact squarely and without self-pity. We recognize the challenge, just as our mountaineer forefathers recognized the challenges they faced.

Mr. Speaker, these are the challenges of today. Are they greater than the massive challenges of yesterday? They are not. Nor are the people of West Virginia going to surrender and abandon hope in the face of such challenges. For we are not a "dying State," as a desk-bound editor tried to characterize us recently. West Virginia, her men, her minds, and her muscle, have a tremendous potential for the future. Already bright glimmers of hope—like heat lightning flickering across a sultry summer sky with the promise of cooling relief to come—are evident in our State's affairs.

In my own Ohio Valley district, a great and diversified industrialization is gathering momentum, providing new jobs for our people. This golden area, which is just awakening to its real potential, can truly become the "Ruhr of America," and offers the true key to the State's salvation.

Our pleasant mountain areas are beginning to realize their great tourist potential, drawing thousands from the heat and pavements of the eastern seaboard.

West Virginia, 97 years old today, thus faces a confident and expanding future, rising to meet the new challenges as we have in the past.

Supplemental Views to the Report on Social Security Amendments of 1955

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, June 20, 1960

Mr. ALGER. Mr. Speaker, in a further review of the development of the social security system, we find that in 1955 the Committee on Ways and Means reported to the House, without holding hearings and with only a limited number of executive sessions, amendments

designed to increase benefit payments from the trust fund of $2 billion a year, on the average. While most of the minority members of the committee voted to report the bill favorably, they strongly protested the failure to hold hearings. In the supplemental views to the report on the 1955 amendments we find additional warnings as to the danger to our economy of continual increases in the social security tax and the inequity which it creates. Following are some pertinent statements from these supplemental views:

BASIC PROBLEMS

Cost: In order to finance the multibillion-dollar increase in benefits contained in this bill, a higher tax schedule is provided. An almost immediate increase to 2½ percent each on employees and employer, respectively, is provided effective January 1, 1956. Each of the subsequent periodic increases provided under existing law is also increased by one-half of 1 percent. As a result the ultimate tax rate projected under the bill, effective in 1975, is 9 percent shared equally by employees and their employers. The self-employment tax, applicable to professional individuals, will become 6¾ percent at that time.

As high as these future rates are, the rates themselves do not convey a complete picture of the true burden they involve. The tax on wages is a tax on gross wages without any allowance for personal exemptions, dependents, or other deductions. The tax on self-employment income only permits certain business deductions, such as depreciation. It is, in effect, a tax on adjusted gross income. Therefore, unlike the income tax, the social security tax is not limited to net income. As a result, that tax, as a percentage of net income, is substantially higher than the actual rates would indicate. In fact, the eventual 6¾-percent rate on the self-employed would be the equivalent of a net income tax in the neighborhood of 20 percent and higher in many cases.

Let us take the example of a farmer with a net income from self-employment of $4,200 in 1975. Assuming that he has a wife and two children and uses the standard deduction, his Federal income tax under present rates, will be $276. His social security tax, on the other hand, will be $283.50. In this example, which is a completely average case, the social security tax, as a percentage of net taxable income, would be in excess of 20 percent. If the same individual had three children his income tax would be cut to $156 but his social security tax would still amount to $283.50. In such a case, the latter tax would be the equivalent of a net income tax of 36 percent. We again point out that this would be an ordinary case and not at all an unusual one.

It is estimated that in 1975 the total social security tax collections will approximate $20 billion annually, a colossal sum. Moreover, this estimate assumes continuation of existing wage levels and makes no allowance for the increase in those levels which past experience indicates will occur. The $20 billion estimate, is therefore, extremely conservative.

We are concerned over this fact, moreover, because by their very nature, the liberalizations contained in this bill will create demands for additional changes involving further costs.

We are further concerned over these ultimate costs because of the danger that they may eventually weaken or even destroy public acceptance of the social security system. A social insurance program cannot be expected to provide against all insurable risks. It must be designed to provide a basic protection at a cost within the reach of all, especially those in the lower income brackets who are most in need of that protection. Despite this fact, we are creating a scale of benefits which must be supported by a social security tax which, in the not too distant future, will be equal to and in many cases higher than the Federal income tax.

Finally, insofar as the cost of this program is concerned, we should take sober warning that, in our zeal to provide ever greater benefits and to provide against an ever wider area of need, we do not destroy the very system which we have created. We have succeeded in avoiding the full impact of the cost by shifting most of the burden to the future. At that time, the high tax rates may make it very difficult to retain the contributory principle which we believe so essential to the program. However, we would be deluding ourselves should we believe that the general revenue could be depended upon to support the system. We have already pointed out that, under the present schedule, social security tax collections in 1975 will amount to about $20 billion. If such a vast sum were financed through the individual income tax for example, it would necessitate approximately a 50-percent across-the-board increase in that already burdensome tax. These figures show clearly the magnitude of the problem we are so casually creating.

It is our earnest hope that the questions we have raised will lead thoughtful citizens everywhere to search for the answers. The social security system was created to give our people confidence and faith in their future. It should be above politics.

THOMAS A. JENKINS.
RICHARD M. SIMPSON.
ROBERT W. KEAN.
NOAH M. MASON.
JOHN W. BYRNES.
ANTONI N. SADLAK.
THOMAS B. CURTIS.

Hollidaysburg, Pa., Elicits Nationwide Attention Through the Success of Project 60 Which Modernized the Downtown Business Section, Thus Recapturing the Historic Charm of the County Seat of Blair County, Pa.

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. VAN ZANDT. Mr. Speaker, the completion of project 60 by the businessmen of Hollidaysburg, Pa., in my congressional district, was the source of a community celebration that included a week of festivities beginning June 13, with outstanding leaders in Pennsylvania being scheduled for programs on June 15, 16, and 17. During the week, Gov. David M. Lawrence visited Hollidaysburg and was escorted on a tour of the borough after which he delivered an address warmly commending those responsible for the success of the community effort to beautify the business district of the county seat of Blair County, Pa.

Mr. Frank M. "Bud" Palmer, general manager of WFBG–AM–TV, was the creative genius and the sparkplug in the community effort behind project 60. Bud found that his ideas received the wholehearted endorsement and support of the community's businessmen and the Hollidaysburg Chamber of Commerce whose president, William Hubler, mustered the support of his group to the extent that more than 75 percent of the businessmen and property owners in the downtown area embarked on a campaign of facelifting for their respective properties. The result was a great success and reflected credit on the sponsors and businessmen who devoted their time and efforts to attaining the common goal.

Special credit is due the Peoples Natural Gas Co., which underwrote the expense of obtaining services of Prof. Milton Osborne, the head of the Pennsylvania State University's School of Architecture. Professor Osborne was commissioned to sketch more than 75 storefronts and buildings in a 5-block section of downtown Hollidaysburg. In commenting on project 60, Professor Osborne said—

No small Pennsylvania community has attempted downtown revitalization on such a wide scope and with such unified effort.

As an example of the keen interest in the project, representatives of the fifth generation of the descendants of Adam Holliday, founder of Hollidaysburg, donated $400 to the project although they own no property in downtown Hollidaysburg. State Assemblyman Joseph R. Holliday, of Blair County, made the donation on behalf of himself, the last male descendant of the founder, his wife, daughter, and a sister and niece living in Indianapolis, Ind.

Because of weather conditions and the legislative situation on the floor of the House Friday afternoon, June 17, I was unable to leave Washington in time to appear on the project 60 program that evening when I was scheduled to deliver the principal address. Since I had prepared the following remarks for the occasion, I wish to incorporate them at this time in my tribute to all those who played a part in making project 60 such an outstanding success:

ADDRESS DELIVERED BY REPRESENTATIVE JAMES E. VAN ZANDT, MEMBER OF CONGRESS, 20TH DISTRICT OF PENNSYLVANIA, AT THE CELEBRATION OF THE COMPLETION OF PROJECT 60, HOLLIDAYSBURG, PA., JUNE 17, 1960

It is an honor to be here tonight with all of you distinguished guests and citizens on this happy occasion to celebrate the completion of project 60 here in Hollidaysburg, the county seat of Blair County.

We have all heard of the marvelous job of revitalizing done on the Golden Triangle in Pittsburgh and similar projects undertaken in Philadelphia and Harrisburg.

These projects have cost millions of dollars in Federal and State moneys.

Project 60, a program of beautifying the main business district of Hollidaysburg, has of course involved a far more modest outlay of funds.

But I am sure that no Pennsylvania community of this size has undertaken a bootstrap operation like project 60—planned and executed on an entirely local level.

I would like to take a few moments to commend the leading figures in this wonderful community effort.

The originator of project 60 and the driving force behind it is Frank M. Palmer, general manager of WFBG–AM–TV.

Mr. Frank Palmer had the idea of beautifying Hollidaysburg in his mind for a long time.

As he himself has said, tearing every structure down and starting over was impossible.

Funds for a project on such a large scale were not available.

However, renovation of existing buildings did seem to him a good possibility.

Bud—as all of his friends know him—next talked with Prof. Milton Osborne, head of the School of Architecture at the Pennsylvania State University.

From an 8-inch by 10-inch photograph, Professor Osborne drew sample sketches of a plan for refurbishing the business district. The rest is history.

Bud then visited the Hollidaysburg Chamber of Commerce. They gave him complete support. Bill Hubler, president of the chamber, and the entire membership became enthused.

Bill Hubler envisioned Hollidaysburg as "one of the most unique and charming shopping centers in the East."

The Peoples Natural Gas Co., under its new program of community development, underwrote Professor Osborne's sketches for renovation of the buildings. In all, sketches were drawn for more than 75 stores and buildings in a 5-block area, and project 60 was underway.

Community response was extraordinary. The county commissioners, whose headquarters are here at Hollidaysburg, have restored some of their buildings along the lines suggested by Professor Osborne.

The borough council has cooperated generously in the project.

The fifth generation descendants of Adam Holliday, founder of Hollidaysburg, donated $400 to the project. Joseph R. Holliday, last male descendant of Adam Holliday, made the contribution for himself, his wife, daughter, a sister, and a niece.

Hollidaysburg's garden club agreed to maintain flower boxes, shrubs, and trees placed in front of many stores.

Now, ladies and gentlemen, I have been paying tribute to many individuals and organizations who have been moving spirits behind this program to beautify the business district of Hollidaysburg.

We must never forget, however, the many merchants and property owners who have participated in this renewal project by giving of their time, effort, and funds.

To all of these individuals, organizations, and the entire community of Hollidaysburg, my heartiest congratulations.

As I view this charming, quaint shopping center, a symbol of what a body of civic-minded citizens can accomplish on its own, I am certain that Hollidaysburg has fulfilled the destiny which its founder, Adam Holliday, foresaw in 1790—170 years ago.

Today this borough is peaceful, happy, untouched by the scars of yesterday's strife.

In those early years, settlement of this area, then the frontier of our new Nation, was beset by battle after battle with the Indians.

Many a pioneer perished in frightful massacres.

Only through extraordinary sacrifices and superhuman courage could the settlers, banding together, pursue their historic destiny.

Today, at this time of crisis in our national and world affairs, it is imperative that once again Americans band together toward a common goal—the goal of survival of our Nation.

True, we are not assailed by tribes of tomahawk-wielding Indians. Far worse, we are confronted with a totalitarian force which seems bent upon imperiling the peace and safety of the entire world—aggressive and godless communism.

Those qualities which our forebears exhibited during those dangerous years of settlement of western Pennsylvania—the same qualities manifested in perhaps a different way during this year of project 60—represent the moral fiber of which freedom fighters are made.

Following the recent collapse of the Paris summit conference, we may all be called upon to make further sacrifices in the cause of greater preparedness.

As President Eisenhower said in his speech of May 26, "we must keep up our strength and hold it steady for the long pull."

And speaking of America's policy of strengthening freedom President Eisenhower further stated, "We must do far more than concern ourselves with military defense against—and our relations with—the Communist bloc."

"Beyond this," he finally said, "we must advance constructive programs throughout the world for the betterment of peoples in the newly developed nations."

Therefore, the community spirit which made project 60 the tremendous success we see before us here in Hollidaysburg must be infused throughout the entire Nation.

And that sense of destiny, which earlier sustained our Pennsylvania pioneer forebears, must guide our entire Nation in its never-ceasing efforts to keep the free world truly free.

As I close, Mr. Chairman, let me congratulate again each and every one of you who participated so magnificently in project 60.

This undertaking of the citizens of Hollidaysburg is truly a thrilling example to the rest of Pennsylvania, and to the entire United States, of the achievements of concerted action at the community level.

In thanking you for inviting me to participate in this evening's program, let me urge you to keep up the good work because your efforts here are not only helping to build a better community, but also a better Nation.

1958 Report on Social Security Amendments Proves Early Assumptions Wrong

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. ALGER. Mr. Speaker, in previous insertions in connection with our review of the progress of social security legislation, I have included excerpts from minority views to committee reports, warning that the actuarial soundness of the program was open to serious question. Contained in the committee report, generally, were assurances that assumptions based on future earnings and benefits proved the program sound. However, when we reach the 1958 report, we suddenly find that the assumptions did not prove accurate and the committee had to come up with a recommendation for an increase in the wage base to be taxed in order to reduce the actuarial deficit. To complete the record on a study of the concern of the committee over the soundness of the program, I would like to include the following brief excerpts from the committee report on Social Security Amendments for 1958:

The old-age and survivors insurance benefit structure and the contribution schedule by which the benefits are financed have not been revised by the Congress since 1954. Since that date there have been significant increases in wages and prices; also, new cost estimates have shown an increase in the actuarial deficit of the program. In the light of these developments, it is imperative that the Congress take prompt action to assure that the program be kept both effective and actuarially sound.

The latest long-range cost estimates prepared by the Chief Actuary of the Social Security Administration show that the old-age and survivors insurance part of the program (as distinct from the disability part) is further out of actuarial balance than your committee considers it prudent for the program to be. When the last major changes were made in 1956 the estimates prepared at that time showed an expected long-range actuarial deficit for old-age and survivors insurance of two-tenths of 1 percent of payroll on an intermediate cost basis. More recent estimates show that the old-age and survivors insurance part of the program is now expected to be out of balance by fifty-seven one-hundredths of 1 percent of payroll. Your committee believes that a deficit of the size indicated by present cost estimates should not be permitted to continue.

Soviet Russia's Vodka Diplomacy

EXTENSION OF REMARKS

OF

HON. ROMAN C. PUCINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. PUCINSKI. Mr. Speaker, following is the speech which I had the honor of delivering last Saturday at the Department of Illinois AMVETS Convention in Peoria, Ill.:

REMARKS BY CONGRESSMAN ROMAN C. PUCINSKI, DEMOCRAT, OF ILLINOIS, DELIVERED AT THE COMMANDER'S DINNER ON JUNE 18, 1960, DURING THE STATE CONVENTION OF THE DEPARTMENT OF ILLINOIS AMVETS IN PEORIA, ILL.

My fellow Amvets and ladies of the auxiliary, this year's convention of the Department of Illinois AMVETS is being held at a time when the whole world is anxiously awaiting developments in the most crucial period of the cold war.

It is indeed fortunate that you men and women who have made such a great sacrifice in the defense of freedom and survival for democracy should be meeting here today to collectively appraise the situation which is threatening the peace for which you so desperately fought. I hope that before you leave here, you will have agreed on a program of action for our Nation which will represent the collective thoughts of those who have experienced the horror of war and who today so vividly understand the price of freedom.

Your task is not an easy one, but I am confident that because of the leadership which you are fortunate to have in the Department of Illinois AMVETS at this particular time, the program you will recommend for future action will reflect the high degree of responsibility the American people have learned to accept from your organization.

The free world today is locked in a bitter ideological struggle with those who, through despotism and brutality, are intent upon destroying man's God-given right to be free.

Not since the end of hostilities in World War II has the international arena been so fraught with tension as it is today. We are living in an era that demands the highest

degree of responsible analysis and understanding so that we can bring the world back to a concept of conduct acceptable to all civilized nations. The situation today demands extremely careful analysis because it is patently clear to all of us that one false move, one ill-conceived decision, could plunge the entire world into a nuclear war that could well set civilization back many centuries.

The free world today, with its high ideals and unyielding determination to preserve peace with dignity, is pitted against a conspiracy emanating from the Kremlin, which has made "vodka diplomacy" the order of the day.

I have no fear that leaders of the free world will do anything sufficiently provocative to touch off a third world war. But, unfortunately, we in the free world are not masters of the situation. Rather, we must endure countless humiliations and retain a degree of patience not even equaled by Job, simply because we know that the Kremlin leaders shift and pivot their own regard for peace commensurate with the amount of vodka they have consumed.

We in the free world are being forced to play "Russian roulette" with a despotic leadership in the Kremlin which has repeatedly shaken the peaceful conduct of diplomatic relations with violent threats of nuclear retaliation. I need not tell you that on any number of occasions at diplomatic receptions in Moscow, after consuming several vodkas, the Premier of the Soviet Union has made not only bold and arrogant insults against the leaders of the free world, including our own President, but also has threatened to destroy our bases in friendly countries with nuclear bombs.

The real threat to world peace is the ever present possibility that these unstable and unpredictable leaders of the Kremlin, in one of their fits of rage or outright intoxication, could very well throw the entire world into nuclear conflict.

Your responsibility, therefore, as leaders of your respective communities, is to constantly help place this entire situation in its proper perspective to our American people, because as never before, our people must understand the complex problems of the world today.

We are witnessing the ugly specter of conventional diplomatic relations being forced to surrender to mob rule. A few weeks ago we watched with horror as a wild and violent mob drove the President of Korea out of office. Only last Thursday we witnessed one of the most catastrophic diplomatic disasters when we saw our own President forced to abandon his plans to visit Japan because the Japanese Government is apparently unable to cope with mob violence in its own country.

It is important for those of us who have learned the meaning of respect and discipline as veterans to be ever mindful of the fact that mob rule is infectious. If it could happen in Korea; if it could happen in Japan; we, as Americans, must go beyond the realm of normal assumption and take cognizance of the ugly fact that it could happen here.

You, therefore, have the challenge to make sure that young people in your own communities recognize the meaning of orderly dissent, if they so wish to dissent, within the framework of standards commonly accepted in an organized society. Let there be no question about this.

The AMVETS has a history of tolerance and respect for diversity. Your organization has attracted many veterans from the armed services because they know that within your framework there is ample provision for free debate and progressive ideas. But you also have a proud history of service to the community to preserve the highest ideals of America in freedom and democracy. Now, more than ever before, you must recognize the fact that through your leadership the people of your community, especially the young people, can have a better understanding of the great complexity of freedom. I am certain that the young people in your community will not be any party to mob violence—such as we witnessed among students in Korea and Japan—if you properly orient them on the responsibility of their citizenship.

People are moved to mob violence and to forsake law and order only when they fail to understand the complex structure of the democratic process. You, as men and women who have fought so hard to preserve that democratic process in our country, must today become the ambassadors who will carry to your communities not only the meaning of freedom, but also the responsibility that goes with it to those who would enjoy it.

The AMVETS, by the very nature of your organization's charter, have a responsibility to make your collective voice heard on urgent legislation and on policy of our national administration. I hope that before you leave here this weekend, your organization will reemphasize America's national purpose and, having done that, will spell out in a series of resolutions how you believe this national purpose can best be dramatized and implemented among the growing number of Americans who, either through impatience or lack of desire, seem to have forgotten what our national purpose really is. Those of you present here today certainly know what it is because you fought so valiantly to defend it.

Perhaps every one of us present in this room may have a different opinion on the details of our national purpose. But I trust we can be unanimous in our agreement that the foundation of our national purpose is to remain free.

Freedom is built of many ingredients. In order to be able to preserve freedom, we, as a nation, must be economically strong; and to do this, we must have a normal economic growth which can absorb the increasing number of Americans coming into the labor market. Ironically, in recent years our Nation has failed to maintain a degree of growth which can give us the economic strength we need to preserve our freedom. There are still almost 4 million people unemployed, and we have many areas of our country which have been chronically depressed because of shifting industries and changing times. You must take cognizance of this and give serious thought to this problem, particularly since right here in Illinois we have four counties that are listed by the Labor Department as chronically depressed areas.

In order to preserve our freedom, we must have a strong defense establishment. This does not mean one that would tolerate or condone waste of the taxpayers' money; but on the other hand, it does not mean that in our search for economy we should deprive our military leadership of those sinews which they consider absolutely essential to preserve our Nation's survival.

You, as veterans, have a twofold responsibility. One, to ferret out, wherever you see them, examples of waste and inefficiency. But just as important is your responsibility to explain to the people in your community why the vast sums which we are spending today on defense are so urgently needed.

In order to remain free, we Americans must realize that the two large oceans which have for centuries safeguarded us from the problems of the rest of the world are today but insignificant ciphers on the sliderule of guided missiles.

Our own survival today requires alliances and treaties of mutual security with our allies. Earlier this week there were many voices raised in Congress to eliminate the mutual security program, which in the last 14 years has cost this Nation $103 billion. No one would contend that this is not a serious amount of money, but I dare say no one can deny that this serious expenditure has helped us to preserve the allies on whom we must today rely for mutual assistance should the Soviet Union be foolish enough to disturb even the shaky peace the world is experiencing. It is up to people like you to explain to those in your communities the real significance of mutual security.

In order to remain free, there is a myriad of domestic problems which we must first try to understand and then persuade our neighbors to support legislation which would help alleviate them.

Finally, in order to remain free, you must make your own voice heard in the great debate on foreign policy. This is a subject which under no circumstances should we Americans ever permit to become discussed on a partisan basis. Conversely, if we feel that our foreign policy is not achieving results which would produce better understanding among nations, we would be derelict if we failed to make our voices heard. This is the dynamics of our Republic: the ability to contribute your own views to the great discussion on survival.

Too often I have seen in Washington outright carelessness, inefficiency, or even tragically bad judgment being concealed under the guise of secrecy with excuses that full disclosure might affect our national security. Here again the situation requires extreme responsibility. It is one thing to assail our President or his administration with bitter criticism for demagogic reasons only. It is another thing to point out in responsible tones where you feel our national leaders have erred in their conduct, if you believe they have indeed erred.

I, myself, for instance, very severely criticized our State Department for inviting the Soviet leaders to this country. I said then—and I think time has proven me right—that we were wrong in dignifying them with the traditional hospitality so characteristic of us Americans. But that does not mean that today, when we have recognized the degree of our mistake in inviting these men I or anyone else should engage in reckless criticism of the President just for the sake of criticizing.

This, therefore, is your challenge: Help your fellow man to better understand the complicated world in which he lives. You veterans are the leaders of your community. Do not make the mistake of looking for leadership elsewhere; it rests with you. Through the process of leaving the job of leadership to somebody else, we might conceivably reach a point where but a handful of Americans could actually affect the future of our country. This you must never permit.

I am very disturbed that this Nation for some years now has been tragically slipping into the limbo of conformity. More and more of our people are perfecly willing, often subliminally, to fall into a single cadence; and those who want to speak out on the great issues of a tremendously complicated world are being more and more shouted down by a populace that is growing increasingly impatient with the art of free speech. I need not remind you that perhaps the greatest tragedy to beset our Nation would be to have all of us march in a single cadence and for all of us to think alike. We would then lose that precious characteristic which distinguishes us as free people from those now enslaved behind the Iron Curtain.

The AMVETS were organized because you wanted a greater voice in the affairs of your postwar Nation. Let us then rekindle the spirit that gave birth to this organization; let us then as veterans go back into our communities and soberly provide that avenue of understanding which we as Americans need if our Nation is to survive. Our form of government is the most complicated form of government in existence anywhere in the

world today. Yet, in this complexity we have been able to guarantee our citizens the greatest degree of freedom enjoyed by people anywhere in the world today.

I urge you to exert your leadership to keep our country great. You have fought hard on the battlefields of World War II, and you won the war. Now you must continue to fight to preserve the peace.

May I take this opportunity to congratulate your State department commander, Edwin Fifielski, and his entire staff for the excellent work he has done during the past year and may I wish all of you success in your efforts during this coming year.

Thank you.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my newsletter of June 18, 1960:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, Fifth District, Texas, June 18, 1960)

A pay raise for all Federal employees was voted in the House this week amid confusion which would have been comic had it not pointed up so graphically the power of certain self-serving lobbying organizations. A discharge petition demanded by postal unions and other employee organizations gained the requisite 219 signatures of House Members with almost unbelievable promptness, took jurisdiction away from the Post Office and Civil Service Committee which was considering selective pay boosts, and called up for floor debate the straight-across-the-board 9-percent hike sought by the unions. On the day this bill was to come up on the floor, the committee met again and voted out the new and different version calling for a 7.5-percent increase. This amendment wasn't printed up, read or explained to the committee members but it was passed by the committee nevertheless. Later on the floor of the House it was more of the same. Member after Member took the floor to condemn the procedure and deplore the lobbyists' pressure (the galleries were filled with employee representatives who had earlier jammed the corridors and committee room). The bill passed 378 to 40. I was one of the 40. Frankly, I'm content (and I believe that most of the 40 dissenters would agree) that some sensible pay raise for postal employees and other Federal workers is in order. I'm certain, though, that it should be a selective one considering the demands of varying jobs, the increase in the cost of living since last Federal pay rates were adjusted, and other pertinent factors. There was no basis whatever to my mind for any across-the-board increase—no basis, that is, other than the baldly-stated demands of the lobbyists seeking this increase.

The constitutional amendment granting District of Columbia residents the right to vote for President and Vice President passed handily, and I agree that this right should not be denied. This amendment should not be confused with home rule which would grant local control of Washington to locally elected officials—a control now residing in Congress. After ratification by three-fourths of the States, this suffrage amendment will become law.

Tighter accounting and control of funds covering the necessary additional expenses of Congressmen during the course of official business would be provided by H.R. 11654 in whose sponsorship I joined this week.

The mutual security appropriation (foreign aid) evoked the usual controversial debate. Few new ideas or arguments came to light except as further developments of earlier presentations (see newsletter Apr. 23, 1960). Here, however, are a few thoughts that struck home to me: (1) Foreign aid since World War II totals $103,209 million for mutual security gifts of money and goods, grants and loans under seven separate lending institutions, Public Law 480 (surplus food disposal), and oversea military construction and expenditures; (2) foreign nations are now in a position to demand our gold, if they choose, to the full extent of our holdings of some $19 billion ($12 billion of our $19 billion is earmarked to support our currency); (3) each year part of the funds appropriated are now spent; (4) the Comptroller General in a report on foreign aid states the problems stem from too much money; (5) we continue to support, as a matter of policy, Communist regimes in Yugoslavia and Poland; (6) some of the snafus are hard to believe. Among some new ones: We shipped 421 jet planes to a country with 186 pilots; 255 tanks to a country whose total active tank force is 30 men; 391 jet planes ($70 million cost) to a country which placed 160 of them in temporary storage and 45 in permanent storage. We provided three army surgical hospitals to Ethiopia at a time when there was only one native doctor in the Ethiopian Army; (7) $451 million in counterpart funds have been "discovered," which we apparently didn't know we had; (8) the very name, Development Loan Fund, is a misnomer. The funds provided under it are gifts. Loans are repayable in local currencies which we can't spend without the local country's permission to take the money out of the country; (9) defense support (economic aid) in Vietnam: a highway system to cost $18,300,000, at this point $130 million; (10) we now have 44,000 employees and 10,000 trainees in "mutual security" work in 77 countries.

In the field of economic assistance we have found ourselves only subsidizing our enemies or at best dubious "fair weather" friends while weakening our own economy and pyramiding our own debt. Militarily we have poured money and materiel into a number of nations with no assurance of their military support when it may be needed. Certainly all of us are now concerned as a result of Japan's Communist-inspired student and labor uprisings that we are vulnerable in our oversea bases. Such bases can be neutralized politically before they can be used militarily. This leaves us faced with the realization that our strategic air command may not prove the deterrent force we think it to be in an emergency. Only as we ourselves are demonstrably strong will our allies rally to us.

National Rivers and Harbors Congress: Report of Committee on Irrigation and Reclamation

EXTENSION OF REMARKS
OF
HON. J. EDGAR CHENOWETH
OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 20, 1960

Mr. CHENOWETH. Mr. Speaker, I include in my remarks a copy of the report of the committee on irrigation and reclamation to the National Rivers and Harbors Congress 47th National Convention which was held in Washington in May. This report was submitted to the convention by the vice chairman, Mr. J. W. Grimes, State engineer of South Dakota, on May 26, and was unanimously adopted. I again had the honor to serve as chairman of the committee, but much of the credit for this report belongs to Ival V. Goslin, chief engineer and secretary of the Upper Colorado River Commission, and to William E. Welsh, secretary-manager of the National Reclamation Association. I am happy to also include a list of the members of the committee.

The committee's report follows:

NATIONAL RIVERS AND HARBORS CONGRESS—COMMITTEE ON IRRIGATION AND RECLAMATION

Chairman: Representative J. EDGAR CHENOWETH, Colorado.

Vice chairman: J. W. Grimes, Pierre, S. Dak.

Secretary: Ival V. Goslin, Salt Lake City, Utah. Chief engineer and secretary, Upper Colorado River Commission.

MEMBERS

Arizona: Representative STEWART L. UDALL, Tucson; member, Interior and Insular Affairs Committee.

California: Representative B. F. SISK, Fresno, Calif.; member, Interior and Insular Affairs Committee.

Colorado: Representative BYRON G. ROGERS, Denver. Harold H. Christy, Pueblo; director, National Reclamation Association.

Idaho: George L. Crookham, Jr., Caldwell; president, Guffey Water Development Association.

Kansas: Robert V. Smrha, chief engineer, division of water resources, State board of agriculture, Topeka.

Montana: Everett W. Rising, Washington representative, State Water Board of Montana.

Nebraska: Pete Badura, Ashton; president, Farwell Irrigation District.

Nevada: Representative WALTER S. BARING, Reno; member, Interior and Insular Affairs Committee.

New Mexico: John P. Murphy, Albuquerque; secretary, New Mexico Reclamation Association.

North Dakota: Fred Fredrickson, Valley City; Washington representative, Greater North Dakota Association.

Oklahoma: Frank Raab, Oklahoma City; president, Canton Irrigation District; represented by Guy H. James.

Oregon: Representative AL ULLMAN, Baker; member, Interior and Insular Affairs Committee.

South Dakota: J. W. Grimes, Pierre, S. Dak., State engineer.

Texas: Kenneth M. Smith, McAllan; water master, Lower Rio Grande.

Utah: T. W. Jensen, Salt Lake City; secretary, Utah Water Users Association.

Washington: John Richardson, Olympia, Wash.; supervisor, department of conservation and development.

Wyoming: State senator Earl T. Bower, Worland.

REPORT OF COMMITTEE ON IRRIGATION AND RECLAMATION

INTRODUCTION

The committee on irrigation and reclamation of the National Rivers and Harbors Congress was convened for the first time at the 44th annual convention 3 years ago. Since that time the committee has continued to function and to maintain a high level of interest and participation in the

irrigation and reclamation program of the United States.

During January of 1960 efforts were made to hold an extra session of the irrigation and reclamation committee for the purpose of reviewing the Federal reclamation program and making recommendations relative to it to the U.S. Congress. Because it became apparent that it would not be practicable to have a majority of the committee members present at such a meeting these efforts had to be abandoned.

PURPOSES OF THE IRRIGATION AND RECLAMATION COMMITTEE

This committee has been directed to deal only with matters of general policy.

At its inception the purposes of this committee were defined as the formulation of a policy and a program for the continued, orderly development by reclamation and irrigation of our water and land resources in the arid and semiarid regions of the West, and to suggest ways and means whereby the National Rivers and Harbors Congress may better cooperate and coordinate its efforts with the advocates of reclamation and irrigation.

COMMITTEE PERSONNEL

The personnel of the committee on irrigation and reclamation are listed on page 1 of this report. This committee is interested not only in irrigation and reclamation, but in flood control projects, rivers and harbors projects, and, in fact, all phases of water resource development.

PROGRESS

In this committee's report for 1957 to the National Rivers and Harbors Congress, several policy and procedural recommendations were outlined. These were designed as guides and suggestions for implementing basic principles. The adoption of these recommendations by this organization has contributed greatly to a better understanding of water resources problems. It is gratifying to note that sponsors of projects are recognizing new possibilities for coordination of efforts and cooperation in developing water and land resources. This new spirit and its resultant accomplishments constitute progress—not because during the past year we feel that the program of project development has been accelerated to the point necessary or desirable—but because future results will prove the wisdom of united efforts.

As a result of cooperative efforts, Congress enacted a public works appropriation bill for fiscal 1960 that contained many unbudgeted water development projects, of which seven were major reclamation new starts. In addition, four were initiated under the Small Reclamation Projects Act, Public Law 984, and two were loans for irrigation distribution systems under Public Law 130.

RECLAMATION IS A VITAL PART OF AMERICA'S FUTURE

Our committee concurs with the Honorable WAYNE N. ASPINALL, of Colorado, chairman of the Interior and Insular Affairs Committee of the U.S. House of Representatives, who said to the House Appropriations Committee "the continued development of supplemental water supplies for existing irrigated areas and the opening of new lands to settlement through reclamation are entirely consistent with sound, long-term agricultural objectives. Such development provides the most important basic element to a successful regional economy—a stable, diversified agriculture. In addition to improving our existing agricultural situation, reclamation helps to insure adequate future food and fiber for our rapidly growing population.

"The objective of expanding the economy of the West is of prime importance to the whole Nation. The Federal reclamation program has been one of the important tools by which the underdeveloped arid and semiarid regions of the West have been made into a habitable and productive part of the Nation by promoting westward movement of population, business, and agriculture, and providing a solid base for investment and employment where little existed previously. The reclamation program still has these positive influences today.

"With respect to my statement that reclamation tends to alleviate the existing imbalances of agriculture, I have this to say. It is not widely understood that irrigation farming in the West enjoys a complementary, rather than competitive, relationship with the whole of the country's agriculture. Of the major crops in surplus, those that constitute more than four-fifths of the holdings and loan commitments of the Commodity Credit Corporation, reclamation farms grew only three of these crops, and the 1958 contribution from reclamation farms amounted to only 1.8 percent of the holdings. The reason why this proportion is so small when the total importance of reclamation in the economy of the West is so great is that the irrigation farmer has been able to shift production from surplus crops to those that are in current demand. The nonirrigated land is largely tied to a 1-crop economy and cannot diversify in response to changing demand patterns. Reclamation has played a large role in facilitating these adjustments and in enhancing the efficiency of the agriculture of the West as a whole. The misapprehension that any extension of irrigation will compound the Nation's agricultural difficulties is not borne out by the facts, either past or present.

"In addition, we are advised by agricultural authorities that our present crop imbalances are merely temporary and that continued efforts are needed in research and the conservation and development of soil and water resources. They emphasize that the capacity to meet the food and fiber needs of the expanding population does not happen automatically. Because major irrigation projects do not reach a fully developed stage until 15 to 25 years after authorization or start of construction, it is essential that reclamation needs be viewed in future perspective.

"The Nation's population is increasing at about 8,600 additional persons per day while the acreage of good cropland diminishes at a rate of 3,000 acres per day due to conversion to roads, airports, and cities. Just how soon our agricultural abundance will give way to shortages depends on what positive steps are taken to overcome the efforts of these incursions."

Senator ALLEN ELLENDER, of Louisiana, said at a dinner sponsored by the National Association of Soil Conservation Districts honoring the 25th anniversary of the Soil Conservation Service:

"It is interesting to note that these additional mouths must be fed; these additional bodies must be clothed, these additional people housed from substantially fewer acres than are now available for cultivation. The fact is we have no new land to bring into cultivation. All we have is land which we can improve.

"Yet, each year we are losing precious irreplaceable soil and water resources due to the encroachments of urban population areas, among other things. Specifically, by the year 2000 some 80 million additional acres of our very finest cropland will be lost to creeping urbanization. Against this 80 million acre loss we can count, on this plus side of the ledger, only about 25 million acres, which we hope to add to our production base during the same period of time. The difference, that is 55 million acres, must be derived from increased productivity—by producing more food and fiber from the same acreage which we cultivate today."

RECLAMATION—KEY TO THE FUTURE

Reclamation is the key to the future. It is a real American enterprise that unlocks the doors to opportunities in industry and business. Reclamation is not to be considered only in terms of agricultural development. Recognition must be given to the industrial and business economies that are directly dependent upon and inevitably follow the development of an irrigated agricultural project.

A productive agricultural economy and the availability of water for domestic and industrial uses, made possible by reclamation, are essential to provide for our expanding populations. Agriculture and industry are complementary.

Reclamation projects are providing millions of Americans with opportunities for recreation and constructive use of an increasing amount of leisure time in a world filled with nervous tensions. Immeasurable as these recreation values may seem, they are real values and contribute greatly to both physical and mental health and productive potential in many vocations. In 1959 the visitor count at reclamation reservoirs of the 17 Western States reached the astounding total of 22,700,000.

Only through continuing the development of our water resources can our Nation meet the future needs of its citizens.

The reclamation program has proved to be an economically sound and financially feasible enterprise for the Federal Government. Every four years the value of crops produced on reclamation farms equals the total money appropriated for Federal Reclamation since its inception 58 years ago. The cash value of the crops produced in 1958 was almost $1 billion. Since the reclamation program was initiated in 1902, $14,265,102,000 worth of crops have been produced. The Federal Government has received nearly $3,900 million in Federal taxes derived from reclamation projects and adjacent trade areas since 1902.

From a financial standpoint, Reclamation projects repay the investment in many ways besides repaying to the United States all of the costs allocated to irrigation features without interest and the costs allocated to power and municipal water supplies with interest. Reclamation portions of Federal multiple-purpose developments create economic returns in the form of stabilized downstream flows for industrial waters, pollution abatement, and other benefits that are not reflected in the financial feasibility of irrigation use of water. Western reclamation projects develop floodwater as the irrigation water supply, thereby accomplishing flood control as an important by-product.

IMPORTANT CURRENT PROBLEMS

1. Criteria for evaluating water development projects

There is a definite need for the formulation of modern, consistent and realistic general principles to guide Federal agencies in analyzing and appraising potential water development projects. The National Rivers and Harbors Congress can do a real service to future progress by urging the U.S. Congress to establish the policy to be followed by Federal agencies in the evaluation of project benefits.

2. Protection of water rights acquired under State laws

For many years efforts have been made to persuade Congress to enact legislation that would protect owners of water rights acquired in the various States against the encroachment of Federal agencies. These efforts have been largely unsuccessful. There are several bills for this purpose pending before the U.S. Congress. It is the consensus of our committee that the National Rivers and Harbors Congress should join the campaign to inform our legislators of the

importance of enacting a States water rights bill that will accomplish the desired purpose of protecting water rights vested under State laws.

RECOMMENDATIONS

The following recommendations embody principles essential to a well-rounded yet progressive irrigation and reclamation program to be correlated with and complementary to a national program of development, utilization, and conservation of our Nation's water resources.

It is recommended that:

1. Where opposition to water development programs exist, officers, members of, and delegates to, the National Rivers and Harbors Congress should act without delay to neutralize such opposing influences with any effective means available at local, State, and National levels.

2. Authorization and construction should not be subjected to a stop-and-go policy. Funds for reclamation portions of multiple-purpose developments should be increased and maintained at a level that would be consistent with the annual gross national product.

3. The Congress of the United States should establish the policy and criteria under which all Federal water development projects will be authorized and constructed.

4. On multiple-purpose projects, wherever practicable, the development of water resources should be preceded by basinwide planning.

5. Power revenues derived from Federal projects should be used on a basinwide or areawide basis to assist in repayment of irrigation allocations on Federal projects.

6. The principle of the interstate compact should be encouraged in order to avoid litigation between and among States and to preclude domination of the development and control of natural resources by Federal agencies.

7. Procedures under which Federal water resources projects are investigated and reported should be simplified.

8. Criteria under which Federal agencies evaluate water resource development projects before submitting them to Congress for authorization or construction should be reviewed and reestablished to include consideration of all future benefits.

9. Basic land and water inventories, soil and water research, snow surveys and stream forecasting should be continued, expanded, and modernized in order to provide adequate data for current and future planning.

10. The use of conservancy-type districts capable of levying taxes on project beneficiaries as agencies to execute repayment contracts with the Federal Government should be encouraged in order to more equitably allocate costs of a project and meet the burden of expensive and complex project construction.

11. In planning and constructing water resource projects the principle of supplying supplemental water to lands presently inadequately irrigated should be given priority over bringing new lands into cultivation.

12. It is further recommended that the National Rivers and Harbors Congress, through its executive offices and appropriate committees:

(a) Accelerate its campaign in support of a water-utilization program designed to fully develop our land and water resources placing special emphasis on starting new water development projects that are financially feasible and economically justified;

(b) Continue to bring to the attention of the executive and legislative branches of our Federal Government the need for a continuous, progressive, planned program of project authorization;

(c) Urge and actively support adequate appropriations for investigating and planning conservation water-use projects;

(d) Support legislation requiring compliance with and adherence to State water laws by Federal agencies.

(e) Support legislation to require Federal agencies to employ more liberal and realistic criteria in their evaluation of water development projects prior to authorization and construction.

SUMMARY

In summary, the purposes of the committee on irrigation and reclamation of the National Rivers and Harbors Congress shall be to promote the development, control, conservation and utilization of the Nation's water resources, to work for the continuation of the services and the coordination of activities of Federal agencies dealing with water resources, to cooperate with and assist in securing authorization and construction of Federal conservation water-use projects which meet with the approval of States and local agencies, to assist water users of the Nation in the economic development of river basins, to preserve the rights and interests of the States in their water resources, to promote the enactment of legislation favorable to these principles.

SENATE

TUESDAY, JUNE 21, 1960

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Most merciful God, who art the fountain of all grace, the source of all goodness, in whose keeping are the destinies of men and nations:

Before our wistful yearnings break into the faltering words of our stammering tongues, Thou seest our deepest needs. Every thought of every heart is fully known to Thee.

Open our eyes to the futility of changing systems and maps without changing men. Make us aware and sensitive to the beauty and strength of a spiritual world more real even than the dust beneath our feet, or June gardens where loveliness reigns—more real than the feathered songsters that wing their trackless way above our heads.

As those in whose unworthy hands have been placed the crying needs of stricken humanity, may the thoughts of our minds, the sympathies of our hearts, the words of our lips, and the decisions of our deliberations be acceptable in Thy sight, O Lord, our strength and our Redeemer. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 20, 1960, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a joint resolution (H.J. Res. 765) making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 1543. An act for the relief of Angela D'Agata Nicolosi;

H.R. 2007. An act for the relief of May Hourani;

H.R. 3242. An act for the relief of Mrs. Virginia Lee Sage;

H.R. 5530. An act for the relief of Lelia Bernstorff Grauert;

H.R. 5738. An act to authorize the Secretary of the Army to transfer to the Waukegan Port District the commitment of the city of Waukegan, Ill., to maintain a public wharf in Waukegan Harbor on land conveyed to the city in 1914, and for other purposes; and

H.R. 5850. An act for the relief of the Borough of Ford City, Pa.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Is there morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On the request of Mr. MANSFIELD, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary and the Committee on Foreign Relations were authorized to meet during the session of the Senate today.

On request of Mr. JOHNSTON of South Carolina, and by unanimous consent, the Subcommittee on Trading With the Enemy Act of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Subcommittee on Education of the Committee on Labor and Public Welfare was authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON NUMBER OF OFFICERS ON DUTY WITH HEADQUARTERS, DEPARTMENT OF THE ARMY

A letter from the Secretary of the Army, transmitting, pursuant to law, a report of the number of officers on duty with Headquarters, Department of the Army, and the Army General Staff, on March 31, 1960 (with an accompanying report); to the Committee on Armed Services.

CONTRACTS COVERING DRAINAGE CONSTRUCTION PROGRAM ON ROZA DIVISION OF YAKIMA PROJECT, WASHINGTON

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, drafts of contracts covering drainage works and minor construction required for completion of the drainage construction program on the Roza division of the Yakima project, Washington (with accompanying papers); to the Committee on Interior and Insular Affairs.

CONTRACT FOR DRAINAGE WORK, WELLTON-MOHAWK DIVISION, GILA PROJECT, ARIZONA

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a draft of contract relating to proposed drainage work, exceeding a total cost of $200,000, on the Wellton-Mohawk division, Gila project, Arizona (with accompanying papers); to the Committee on Interior and Insular Affairs.

EXPRESSION OF THANKS FROM CHILEAN SENATE

The PRESIDENT pro tempore laid before the Senate a letter from the Assistant Secretary of State, transmitting a telegram dated June 9 from the American Embassy in Santiago, Chile, conveying a message from the Chilean Senate to the United States Senate expressing appreciation for the assistance given to Chile in connection with the recent disasters, which, with the accompanying paper, was ordered to lie on the table.

RESOLUTION OF BROOKLYN, N.Y., INSURANCE AGENTS ASSOCIATION

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the Brooklyn Insurance Agents Association, Inc., of Brooklyn, N.Y., relating to the public debt.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas it is our considered opinion that the constantly decreasing value of the American dollar has been brought about mainly through the steady increase in Government spending, bringing the public debt of the country to an all-time high; and

Whereas the interest and refunding of the public debt together with the steadily rising costs of Government services requires a tax-load on the American public which is fast approaching the confiscation stage; and

Whereas there is constant pressure by various groups for more and more so-called welfare legislation, whereby the public debt would be further increased, or alternatively, taxes would be increased to meet the costs of such projects; and

Whereas this association representing the insurance agency business in Brooklyn believes the time has come to call a halt to Government spending for any but defense purposes and the most essential services: Now, therefore, be it

Resolved, That we call on our representatives in Congress to actively oppose any legislation that would further increase the public debt, or increase the already heavy tax-load on the people, and that they further oppose any legislation that will extend the present "creeping" inflation in our American economy; and be it further

Resolved, That a copy of this resolution be sent to each Senator from New York, and to each Representative from Brooklyn in the Congress.

BROOKLYN INSURANCE AGENTS ASSOCIATION,
By W. F. STANZ, *Secretary*.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, without amendment:

H.R. 10695. An act to provide for the rotation in oversea assignments of civilian employees under the Defense Establishment having career-conditional and career appointments in the competitive civil service, and for other purposes (Rept. No. 1624).

By Mr. HILL, from the Committee on Labor and Public Welfare, without amendment:

S. Res. 336. Resolution extending greetings to Miss Helen Keller on the occasion of her 80th birthday (Rept. No. 1625).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 9201. An act to validate certain mining claims in California (Rept. No. 1626).

REPORT ON DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Administrator of General Services that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JAVITS:

S. 3706. A bill to establish a medal to be known as the Presidential Medal for Civilian Achievement to provide recognition for certain persons who have made outstanding contributions in the arts, sciences, and related fields, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND:

S. 3707. A bill for the relief of John E. Beaman and Adelaide K. Beaman; to the Committee on the Judiciary.

S. 3708. A bill to authorize the Secretary of the Interior to sell reserved phosphate interests in the United States in lands located in the State of Florida to the record owners of the surface thereof; to the Committee on Interior and Insular Affairs.

By Mr. THURMOND:

S. 3709. A bill to provide for the conveyance of certain real property to the City of Myrtle Beach, S.C., for National Guard purposes; to the Committee on Armed Services.

By Mr. MURRAY (by request):

S. 3710. A bill to provide for the withdrawal from the public domain of certain lands in the Granite Creek Area, Alaska, for use by the Department of the Army at Fort Greely, Alaska, and for other purposes; and

S. 3711. A bill to provide for the withdrawal from the public domain of certain lands in the Big Delta Area, Alaska, for continued use by the Department of the Army at Fort Greely, and for other purposes; to the Committee on Interior and Insular Affairs.

PRESIDENTIAL MEDAL FOR CIVILIAN ACHIEVEMENT

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a bill to establish a medal to be known as the Presidential Medal for Civilian Achievement. The bill would authorize the President of the United States to award annually 25 Presidential medals for civilian achievement to individuals whose outstanding contributions in public service, the arts, sciences, and related fields deserve national recognition.

The award would be called the Presidential Medal for Civilian Achievement and carries with it a cash grant of up to $10,000 which would be tax exempt under existing law; no grant would accompany the posthumous award of the medal. Under the terms of the bill, any citizen or national of the United States would be eligible to receive a Presidential medal, as well as any alien legally admitted to this country who is in the process of applying for citizenship and is eligible to become a naturalized citizen.

The awards would be made by the President following his receipt of recommendations from a special Medal for Civilian Achievement Board composed of 15 members, including 9 appointed by the President—3 from the executive branch and 6 from private life—3 selected by the President of the Senate and 3 more appointed by the Speaker of the House of Representatives.

The Presidential Medal for Civilian Achievement would represent the highest honor that any U.S. civilian could receive. It would be the equivalent of the Congressional Medal of Honor awarded for wartime heroism by members of the U.S. armed services.

My reason for introducing the bill is to codify in one place, at one time, the fact that a great free people like ours knows how to recognize outstanding and unusual distinction in the fields of public service in national affairs, social and spiritual betterment, science, health and medicine, education, letters, the arts, law, engineering, agriculture, labor, industry and related fields. The principal means of recognizing such U.S. civilian contributions today comes from private sources such as the Ford, Rockefeller, and Carnegie foundations and through the awarding of the Pulitzer and Bollingen prizes, among others, and through the establishment of special chairs at universities and colleges.

It seems to me that our Nation ought to give such recognition. We do not create knights or baronets or marquis, but it seems to me to be essential that we provide for such award in this tremendous struggle for freedom in which we are engaged, and give this kind of recognition and distinction.

Our Federal Government has an awards program limited to the Fermi and Lawrence awards of the Atomic Energy Commission and the President's Award for Distinguished Federal Civilian Service for presentation to Government employees, created by President Eisenhower 3 years ago. Last year Congress made provision for a National Medal of Science—a program which has not yet gotten under way.

On occasion, Congress has authorized the President to award medals to individual civilians for various services and acts of heroism; as witness, for example, the awarding of a medal the other day to Robert Frost, the poet.

However, none of these programs or individual awards to civilians is equivalent to those in countries like England, Sweden, Netherlands, Denmark, France, Austria, Argentina, and the U.S.S.R. No one U.S. award now carries with it the official recognition and respect of the U.S. Government and 180 million Americans for a job done beyond the line of duty. President Eisenhower has repeatedly asked Congress to establish such a program, and the request was made again in this year's budget for an awards program giving "suitable recognition in the United States for distinguished achievement."

The United States, more than any country on earth, should have such a program. We are the world's mightiest democracy and our free institutions need constant replenishment from the initiative, drive, zeal and accomplishment of the individual who while exercising freedom of choice, voluntarily works for human betterment and the advancement of all mankind. A permanent program of Presidential medals would further strengthen our national morale and in so honoring civilian achievement, it would help spell out our national purpose and our pursuit of peace to our allies and friends abroad.

This kind of recognition is one of the elements of our growing up. I sincerely hope the bill may have the very early attention of Congress. I believe such a proposal can help tremendously in the struggle in which we are engaged, in building up the morale of our country, and in showing that we respect and honor in a very appropriate way our outstanding citizens.

The PRESIDING OFFICER (Mr. CLARK in the chair). The bill will be received and appropriately referred.

The bill (S. 3706) to establish a medal to be known as the Presidential Medal for Civilian Achievement to provide recognition for certain persons who have made outstanding contributions in the arts, sciences and related fields, and for other purposes, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

FEDERAL HIGHWAY ACT OF 1960—AMENDMENT

Mr. WILLIAMS of Delaware (for himself and Mr. FREAR) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 10495) to authorize appropriations for the fiscal years 1962 and 1963 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, which was referred to the Committee on Public Works and ordered to be printed.

COMMISSION ON NOXIOUS PRINTED AND PICTURED MATERIAL—AMENDMENT

Mr. MUNDT submitted an amendment, in the nature of a substitute, intended to be proposed by him to the bill (S. 3325) creating a Commission to be known as the Commission on Noxious Printed and Pictured Material, which was referred to the Committee on Government Operations and ordered to be printed.

RETIREMENT BENEFITS PROTECTED AGAINST INCREASES IN COST OF LIVING—ADDITIONAL COSPONSOR OF BILL

Mr. McNAMARA. Mr. President, I ask unanimous consent that the name of the senior Senator from Minnesota [Mr. HUMPHREY] may be added as an additional cosponsor of the bill (S. 3684) to assist individuals to obtain retirement benefits protected against increases in the cost of living by providing for the issuance by the Treasury of a new series of bonds containing adjustments, under certain conditions, in maturity and redemption values to compensate for increases in the cost of living which may be purchased by individuals and eligible institutions, introduced by me on June 16, 1960, on behalf of myself and other Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MUNDT:

Address delivered by Senator STYLES BRIDGES, at the FBI commencement exercises in Washington, D.C., June 8, 1960.

GOVERNOR'S CONFERENCE ON AGING—ADDRESS BY GOVERNOR GAYLORD NELSON, OF WISCONSIN

Mr. PROXMIRE. Mr. President, Governor Gaylord Nelson, of Wisconsin, delivered an extremely fine address on the subject of the elderly. Before I put it in the RECORD, I wish to read the last brief paragraph, in which he said:

Beyond all of this, we must set our goals far above the old standards of mere custodial care. We are dealing with human beings, many of them retaining great talents and abilities, many possessing knowledge and judgment only acquired after many years of experience. Our entire society is the real loser if we fail to use the full potential of every elder citizen, in government, in industry and in civic activities. What I am saying is quite simple. We must stop thinking of our senior citizens solely in terms of their disabilities. We must begin in terms of their abilities, and in terms of how much these abilities can contribute to our communities, our State, and our Nation.

I ask unanimous consent that the address by Governor Nelson be printed in the RECORD, at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH BY GOV. GAYLORD NELSON, GOVERNOR'S CONFERENCE ON AGING, MEMORIAL UNION, MADISON, WIS.

Aging has different meanings for different people.

To the doctor, aging means the changes in the human body that occur with the passage of time. Physicians agree that the onset of what we call old age cannot be measured by the calendar, but varies widely from person to person.

To the psychologist, aging refers to changes in the intellectual and emotional capacities of the individual. Again, the point of entry into old age varies widely. Today, we are discovering that earlier notions on the decline in intelligence and learning ability—assumed to occur rapidly past the age of 50—must be revised. The decline is less than once supposed. Most older persons are still well equipped to learn and function. There are even certain tasks where the older adult appears to exceed the younger in performance.

To the individual, entry into the later years is marked by the loss of the responsibilities of a job, frequently at an arbitrarily determined age. Retirement is generally preceded by the end of child-raising responsibilities, and the individual is thus given a chance to construct an entirely new pattern of life, built around leisure and the freedom to do what he wants. Unfortunately, many find themselves unprepared for this transition. They lack meaningful and challenging activities to replace those of earlier years. And in many cases, this situation further deteriorates as a result of declining income.

To society, the startling increases in our aging population present a major challenge. Modern medicine and ever-higher American standards of living have combined to raise life expectancy in the United States from 49 years in 1900 to almost 70 years in 1960. During the same period, mechanization has provided the means of increasing productivity while requiring less and less time from our work force. Thus, we have achieved two of the ancient dreams of mankind—the ability to live long and the chance to live out a portion of our lives without the iron necessity of work. Yet, paradoxically, the achievement of these dreams is referred to as a problem when it arrives. It is a problem because the wealthiest nation the world has ever known has not made timely provision for this new group of elder citizens. The success we have in meeting this challenge will become a measure of the humanitarian instincts of our society.

Despite a 21-year increase in life expectancy at birth, the person reaching 65 today does not have many more years ahead of him than his grandfather did at the same age. Life expectancy at 65 has only increased from 12 years in 1900 to 14 years in 1960. Most of the medical progress thus far has been in the reduction of mortality in infancy, childhood and early manhood.

Today, medical research is for the first time turning its attention to cancer, heart disease and the other causes of death in the later years. Even though this work has barely begun, however, the fact remains that the person reaching 65 this year still has one-sixth of his total life span ahead of him.

In Wisconsin today, 1 out of every 10 citizens is over 65, compared to 1 out of 20 in 1900. Wisconsin's proportion of people over 65 is about 10 percent above the national average. This is substantially higher than in California or any other State in the Southwest, and only slightly lower than in Florida.

These 395,000 elder citizens of our State have some definite characteristics. They are—and prefer to be—independent members of their communities. Less than 4 percent live in private nursing homes or in State and county institutions. Less than 30 percent live with their children. Two out of every three live in their own households.

The greatest immediate problems facing our elder citizens are money and medical care. People over 65 comprise about one-third of the entire "low income" group in the United States. In 1952, national estimates showed a median income of $2,276 for families headed by persons 65 and over and $803 for persons living alone.

The past 8 years have seen a pronounced improvement in income due to expansion of old-age and survivors insurance and to the introduction of mass industrial pension programs. The share of Wisconsin's elder citizens receiving OASI payments has increased from 14 percent in 1949 to 68 percent in 1958. And in the same period, the average OASI grant has increased from $265 a year to $732. These figures are indeed encouraging. But we should not delude ourselves into thinking that $732 a year provides any degree of economic security.

Personal health poses an even more tragic dilemma for our elder citizens. At the very time when their earning power is declining, their need for medical care greatly increases. The aged require about 2½ times more medical care than persons under 65 and have only one-third of the income.

The problem has also become critical because of soaring medical costs. The increase for all items on the consumer price index between 1948 and 1958 was 20 percent. Medical costs rose 43 percent, and hospital costs increased even more.

In the face of this cost-and-increase squeeze, a 1957 national survey showed that less than 40 percent of those over 65 had any form of health insurance coverage, and another survey the following year showed that only one elder citizen in 200 was covered against catastrophic medical expenses.

Both Wisconsin and the Nation have made important strides toward meeting this twin problem of income and medical care in the past few years. The increase in both payments and coverage under old-age and survivors insurance is part of this pattern, as are the introduction of mass pension systems and the State's old-age assistance program, which is one of the most liberal in the entire Nation.

We in Wisconsin have moved forward in other fields in the past year. We have passed a law prohibiting discrimination in employment because of age. We have authorized State standards of care and treatment in Wisconsin's 38 county mental hospitals, which means better treatment for the 4 out of every 10 people in these institutions who are over 65. We have made major changes in procedures at the University of Wisconsin Hospital, promoting greater use by public patients. We are well along on a study of basic tax revision, and one of the basic goals of this study is relief of the property taxes that are so harsh on those with fixed incomes. We have instituted an examination of retirement policies in State government. Finally, in one of the proudest accomplishments of this State administration, we have changed the statutory definition of "total disability" to conform with the Federal interpretation, thereby permitting almost four times as many Wisconsin residents to qualify for total disability payments. Today, more than 180 people a month are being transferred from local relief rolls to total disability rolls. The average grant to those transferred has jumped from $64 to $107 a month, or 67 percent. By August, more than 2,000 citizens will be transferred to total disability rolls, or almost 1 out of every 10 receiving general relief at the time the new act went into effect. And an additional 1,100 people will be approved for total disability payments who were never on relief.

This means a substantial saving in local property taxes that go to pay for general relief. Far more important, however, it means that more than 3,000 disabled people will get anywhere from $30 to $100 more per month. Everyone here knows how often such increases can spell the difference between poor health and good health, between human misery and human dignity.

More—much more—remains to be done. We should study the possibility of a publicity campaign aimed at the employment of older workers, on the order of the present campaign for employment of the handicapped. We should examine the terms in workmen's compensation and pension programs to see if they inhibit the hiring of older workers. We should investigate broader use of our State vocational rehabilitation program to retrain elder citizens. And we should provide State guidance and planning help for the whole scope of problems facing the aged, ranging from housing to nursing homes to civic programs to recreational needs.

State planning assistance offers many bright hopes. Unknown to most, for example, and unheralded, Wisconsin is developing a new kind of community—the retirement village. In the lake region of southwest Kenosha County, resort communities are developing large clusters of retired Chicagoans who live there year round. This could be duplicated in other resort areas around the State. But the process to date is haphazard, and no community has attempted to offer facilities or make itself attractive for this kind of development. Planning assistance can open the door to this and many other opportunities.

On the Federal level, I think we must give early consideration to raising the $1,200 earning level permitted before reduction in social security benefits. And we must act now to meet the medical care and hospital needs of our senior citizens. This matter has been before the Congress for several years. The problem has been well studied and all of the various viewpoints fully presented to the Congress and the public. The time has come for action and such action to be considered adequate must do the following: (1) Guarantee good, comprehensive health services to senior citizens now and in the future without regard to their income, where they may live, increases in health costs, or the willingness of State legislatures to appropriate funds. (2) Recognize that most States, particularly the low-income States, will be unable to financially assist, in whole or in part, in meeting this problem with any degree of adequacy without impairing other services. (3) Avoid expensive administrative procedure which will limit funds available for needed benefits. (4) Minimize the means test approach to this problem and recognize health care as a basic human right to which all people are entitled.

Thus, I believe that the most direct and simplest way to meet the objective is to provide health and hospital benefits under the provisions of the old-age and disability insurance program. I urge you to do everything in your power to obtain congressional action immediately.

Beyond all of this, we must set our goals far above the old standards of mere custodial care. We are dealing with human beings, many of them retaining great talents and abilities, many possessing knowledge and judgment only acquired after many years of experience. Our entire society is the real loser if we fail to use the full potential of every elder citizen, in government, in industry and in civic activities. What I am saying is quite simple. We must stop thinking of our senior citizens solely in terms of their disabilities. We must begin thinking in terms of their abilities, and in terms of how much these abilities can contribute to our communities, our State, and our Nation.

Thank you.

MEDICAL NEEDS OFTEN CONSUME ENTIRE INCOME OF SENIOR CITIZENS

Mr. PROXMIRE. Mr. President, letters pouring into my office continue to tell the story of senior citizens of this Nation caught in the trap of sudden staggering debts incurred through illness, and literally eliminating their income.

Our senior citizens actually are forced, in many cases, to sign over to hospitals their entire social security checks each month, sometimes for a period of years. Is this the situation that we want to confront our senior citizens during their retirement years? If we answer in the negative, then we must act, quickly and effectively, before this Congress adjourns.

Mr. President, I have here a letter which tells that very tragic story. I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

I hope the Senate will pass some kind of a health bill for the old people. I am collecting $49 per month social security. The first part of May I was in a hospital for 12 days having undergone a major operation. So now I will pay the bill with my social security check for the next 27 months. I will sign my social security check over to the hospital. I am 67 and I will be almost 70 before I will have another social security check for myself.

Yours truly,

——— ———.

TAX DEDUCTIONS FOR ENTERTAINMENT

Mr. BENNETT. Mr. President, last Friday I was charged with having sabotaged a conference by opposing in conference things I had opposed on the floor.

Yesterday I opposed the amendment to the rate extension bill which would deny expense deductions for entertainment and for gifts. So, frankly, if what I am saying today should sabotage this particular amendment in conference I am doing it openly because this time I will not be a conferee.

The amendment denies deductions for entertainment without defining them, allowing unlimited expenditures for both food and drink.

Reference was made yesterday to the use of company yachts. The amend-

ment does not deny expenditures for transportation or lodging of customers. Yachts provide transportation and lodging as well as food and drink. So I assume that if the yacht had a specific destination, the amendment would allow deductions for its use. On the other hand, a seller could not take his customer to a ball game or pay his green fee for a round of golf because this is obviously entertainment.

As I said last night, the amendment leaves a wide open question as to whether food and drink can be purchased in a place where entertainment is provided, ranging from a string quartet playing dinner music to a nightclub with a floor show.

Because travel and lodging are not eliminated, it seems to me this amendment permits sales conventions and dealer education programs, so long as they provide no entertaining relaxation.

But what about the company picnic, which is certainly entertainment? Would it be denied by the bill?

When we get into the area of gifts, the problem, in my opinion, becomes impossible.

I should like to raise this question for the information of the conferees. If unlimited expenses for food and drink are permitted, does not that destroy the $10 limit if the gift is of food or drink?

I see the Senator from Pennsylvania present. It was stated last night that if a box of Senator BYRD's apples cost $10, he could not give them. I think if apples are food, he could certainly give any amount of them away, and still claim a deduction. Under the amendment as it was written, it would be possible for the seller to give his customer an unlimited supply of whisky and champagne. It could not be said drinks could be given only when they are served with a meal, because in my State it is against the law to serve a drink with a meal. If one wants to give a customer a drink, he would have to buy him a bottle.

So that leaves the question, What is a gift? Is it anything of value given to a customer without charge? For instance, does it include sales helps? In the paint business, the manufacturer supplies color cards to dealers. Is that a gift? Is the total value of such helps that may be provided without loss of the deduction limited to $10? Does the limit include sample kits, or special display devices, or window displays, if they cost more than $10? Is there going to be a limitation of $10 on these things in combination when so supplied?

Would the bill eliminate prizes for contests, since they are gifts? I suppose a case could be made for eliminating advertising giveaways. What about bonuses paid by manufacturers to wholesalers and their customers, and salesmen, as a part of a sales promotion program? And what about prizes and scholarships for students?

A little while ago Mrs. Bennett and I attended the American table dinner contest, which was a dinner given by General Mills to high school girls who, in each State, had won a contest, which I think included cooking with General Mills products. There were prizes given, including scholarships. They are gifts worth more than $10. Would such prizes be denied under the bill?

In my State there are a number of corporations that give scholarships at local universities to deserving students. Would the bill deny these?

Finally, what about the traditional gold watch to the retiring employee after a lifetime of service?

These are only a few of the problems created by the bill.

On the other hand, the Senator from Utah thinks the bill is incomplete, because it leaves the company free to pay travel and hotel bills, and in the area of entertainment and gifts, it strikes down many things which its authors did not intend to strike down.

I hope the conferees will recognize this weakness in the bill and eliminate the amendment. At the same time I hope the conferees will recognize the abuses that exist and will cooperate with the two committees involved and the Treasury to develop both legislation and regulations by which these abuses can be eliminated.

I think it would be completely appropriate if the conference report recognized this problem and made some statement which could later lead to what I think would be a more effective solution of the problem.

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The time of the Senator from Utah has long since expired. Does the Senator wish to ask for additional time?

Mr. CLARK. Mr. President, I ask unanimous consent that the Senator may retain the floor for not more than 1 minute, in order that I may direct a comment to him.

The PRESIDING OFFICER. Will 1 minute be enough?

Mr. CLARK. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania? The Chair hears none, and it is so ordered.

Mr. CLARK. Mr. President, I shall reply on my own time to the Senator from Utah. I hope he will be present. I disagree with every single one of the interpretations the Senator has given of the amendment. I can only conclude that my good friend, for whose ability and integrity I have the highest regard, would never have made these suggestions had he been a lawyer.

Mr. BENNETT. The Senator from Utah is a businessman and has had experience with all these problems. I think the meaning of the amendment is so simple and so clear that it would undoubtedly have the effects I have mentioned.

THE LASSIE LEAGUERS

Mr. SALTONSTALL. Mr. President, our country owes much to the many people who have worked hard to build it to its present position as leader of the free world. Our moral code and our spirit of friendly cooperation with other nations have been the keynote of this world leadership.

This spirit was not built by accident. It is one which needed the encouragement of dedicated people.

The education which produced our present leaders began when they were very young. So today, to educate our country's future leaders we must begin in their youth. The President has recognized this need to build in his proclamation of National Youth Fitness Week which began the 1st of May of this year.

To encourage youth fitness we must build both the mind and the body—best of all is the activity which builds them together. For girls between the ages of 10 and 15, one of the most attractive and enjoyable activities with this purpose is the Lassie Leaguers, which has its international headquarters in Worcester, Mass. This organization was founded in Pennsylvania in 1953, and moved its headquarters to Worcester in January 1959. It presently has franchised leagues in 10 States and some 10,000 girls are playing lassieball, over 1,500 of them in Massachusetts, which is a game similar to softball, and especially designed to suit the needs of girls in the 10 to 15 year age group. Its emphasis is on development of mind and body, without the pressure of all-out competition.

Any of my colleagues who have individuals in their States who wish to participate in this activity may write to Mr. Lawrence A. Bacon, the executive director, at the international headquarters of Lassie Leaguers, Inc., 18 Auburn Street, Worcester, Mass. Mr. Bacon will be pleased to provide the particulars of this game which is now achieving national recognition. Mr. Bacon is one of those dedicated individuals to whom the future of our present day youth is very important.

My colleague, the junior Senator from Massachusetts [Mr. KENNEDY] joins with me in paying tribute to this fine organization.

SALUTE TO THE LASSIE LEAGUERS

Mr. CLARK. Mr. President, today is Lassie League Day in Mahanoy City, Pa., and it is a pleasure to welcome to Washington and to the Senate galleries a group of young ladies who make up the Mahanoy City Lassie League, along with their team managers and officers, and some of their mothers.

Lassieball gives girls of 10 to 15 an opportunity to play a game similar to baseball, organized on the national level.

In a community like Mahanoy City, which is plagued by the economic problems that distress so many Pennsylvania areas, it is particularly important to have organized recreational activities providing constructive outlets for youthful energies. The adults of Mahanoy City who are devoting their effort and time to working with the girls of the Lassie League are to be commended on a worthy job, well done.

As a fan both of baseball and of girls, I look forward to a chance to see a game of lassieball. I am sure that irresistible combination makes it a delightful sport to watch.

I ask unanimous consent to insert in the RECORD the names of the members of this group.

There being no objection, the names were ordered to be printed in the RECORD, as follows:

MAHANOY CITY LASSIE LEAGUERS

Lassie Leaguers: Gwen Eichman, Cathey Tierney, Monica Gabuzda, Audrey Palulis, Nelda Palulis, Sherry Gavel, Stephanie Perry, Donna Perry, Kathy Petrucka, Grace DiLabio, Ginny Butcavage, Victoria Pleszkoch, Judy Ulshafer, Marie Merinsky, Kitty Minnick, Andrea Geshan, Jean Eichisak, Janet Wirtz, Celeste Whalen, Kitty Green, Helene Starkey, Sonia Syzdek, Lucille Salvadore, Jane Dower, Carol Koval, Mary Jane Picciano, Barbara Nolter.

Managers of the teams: Mrs. Catherine McCann, Mrs. Eunice Palulis, Mrs. Anna Streisel, Miss Kathleen Paris, Miss Elsie Tolan, Miss Judy Boner, Miss Doretta Jones.

Mothers of the Lassie Leaguers: Mrs. Natalia Gabuzda, Mrs. Anna Merinsky, Mrs. Betty Nolter, Mrs. Eleanor Whalen, Mrs. Mary Geshan, Mrs. Helen Syzdek, Mrs. Arthur Picciano.

Officers of the Lassie League: Mr. Peter Mahalage, president; Mr. Edward Nahas, vice president.

PERU WINNING FIGHT AGAINST INFLATION

Mr. AIKEN. Mr. President, the United States is presently being honored by a visit from one of the most distinguished businessmen and statesmen of the Western Hemisphere. I refer to the Honorable Pedro G. Beltran, the Finance Minister of Peru. The manner in which Mr. Beltran is guiding the economic and political fortunes of his country is set forth in an article published in the New York Times this morning, entitled "Peru Scoring Against Inflation," and I ask unanimous consent that the article may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PERU SCORING AGAINST INFLATION

Although not quite a year old, the Financial Ministry of Pedro G. Beltran in Peru is attracting wide attention in financial circles because of the achievement of Peru's Prime Minister in halting inflation and bringing stability to the cost of living there.

A year ago, Peru's foreign exchange reserves were exhausted, the Government was living off freshly printed money, advances from the central bank, the international value of the Peruvian sol was deteriorating rapidly and the cost of living was soaring.

Senor Beltran took over the top financial job last July 20. There was no money in the till and Government employees were due to be paid in 3 days. He went to the central bank for the money, but it was the last time.

Senor Beltran brought to the Finance Ministry broad experience fed by years as an industrialist and an official figure. He served as Peru's Ambassador to the United States in 1944 and 1945. Among his business interests is the publication of a daily newspaper—La Prensa—in Lima. He resigned from the newspaper upon entering Government service.

The Beltran formula for breaking the inflation fever in which Peru was caught consisted of old-fashioned practices that smacked of austerity. Among them were these:

No more borrowing from the central bank.

Balancing Government spending with tax collections.

Permitting the treasury to have access to certain tax collections pending the time for their specially dedicated use.

Wiping out certain import subsidies—meat, for instance—that was bringing injury to Peru's livestock industry and other enterprises.

Tiding the Government over an initial period of financial stringency by borrowing money, not from the central bank, but from the public. A short-term loan amounting to 250 million soles (about $9 million) was floated successfully. Tax-free and bearing 10 percent interest, the loan was subscribed by more than 63 percent, even though industrial corporations were limited by allotment to the amount of notes they could buy.

OTHER COUNTRIES EYED

With Peru's foreign exchange reserves the highest since the spring of 1957 and with the sol stabilized at 27.40 to the U.S. dollar, against 31.50 to the dollar a year ago. Finance Minister Beltran is now shifting his scrutiny from Lima to major cities of the outside world, especially centers of capital export.

The reason lies in the fact that Peru needs investment capital from abroad—long-term loans as well as equity investment money. Internal loans—probably there will be more following the success of the $9 million short-term credit arranged last year—can promote financial stability, but the long-term capital that Peru needs to reform the nation's agrarian structure is not obtainable at home. Senor Beltran's present problem is to convince those who might supply foreign capital that the money will be safe working at long term in developing the Peruvian economy.

Agrarian reform and urban housing renewal are foremost among the priorities, as they are viewed from the perspective of Senor Beltran and other leading citizens of the South American Republic. Money outlays for such purposes are not self-liquidating and do not qualify for loans of the bankable type granted by the International Bank for Reconstruction and Development (World Bank) and by commercial lending institutions. Neither do such expenditures lend themselves to the loans generally extended by the Export-Import Bank, where money advances usually are related to export sales of U.S. equipment.

The Peruvian Prime Minister was interviewed here while en route to Washington, where he will address the Pan American Union tomorrow. He expressed the hope that Peru would be able to make a start in his administration toward financing agrarian reform and housing renewal. He said that Peru's greatest resource was her people and that the living conditions of Peru's masses must be improved if their productivity were to be enhanced.

The Beltran dream is resettlement of the mountain communities that are now getting a scanty living from shallow soil in altitudes of 10,000 feet or more. Most of these people could be resettled in the broad and fertile river valleys—those of the Apurimac and Urubamba, for instance—if connecting roads giving access to the rich valleys could be built and if the mass migrations could be otherwise financed by long-visioned capital.

VICE PRESIDENT'S DYNAMIC AND PRAISEWORTHY FOOD SURPLUS PLAN

Mr. KEATING. Mr. President, the proposal of Vice President NIXON to distribute food surpluses to hungry people all over the world is a wise and statesmanlike move. This suggestion represents a carefully planned initiative in the cause of peace. What could reveal more sharply the differences in United States and Soviet aims than this generous offer, made in the spirit of charity and of brotherhood?

While Khrushchev and his colleagues were scheming in the Kremlin to destroy the summit conference and raise cold war temperatures, the President and his advisers were drawing up an unprecedented offer for harmonious joint action to help less fortunate nations. Now the raucous, war-crazy voices from Moscow and Peiping have drowned out any hopes of United States-Russian cooperation in this humane venture. But for the United States and for such other free world nations which do produce surplus crops, the proposal is timely and promising.

A United Nations agency for distributing surplus foods would serve many good purposes. First, and foremost, it would ease the hunger pangs that, more than anything else, have inclined many poorer nations toward the false but alluring promises of Communists.

Second, it would show in a very tangible way the very real concern which citizens of this country feel for the well-being of all free world peoples. Third, it would exemplify the U.S. desire and ability to work through the United Nations harmoniously for the good of all people. Fourth, it would make clear, to put it bluntly, that the only food the Soviets have a surplus of is baloney. All this Communist talk about great strides forward in agriculture is, in fact, pure baloney, because the surpluses will not come from the boastful Communist lands, but from the United States and other countries where free enterprise continues to offer the best incentives for increased productivity. Fifth, although we might not relish the idea that some of our surpluses could go to Communist-subjugated countries, such assistance would, in reality, constitute a moral victory, since a fair, United Nations supervised distribution would make clear both the failure of Communist programs and the success and generosity of free world policies.

While the Communist countries feed the world nothing but propaganda, violence, and war, let us offer grains and foodstuffs to provide real nourishment where it is needed. If the way to a man's heart is through his stomach, let us not neglect this important channel.

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator from New York has expired.

Mr. KEATING. Mr. President, I ask unanimous consent that I may proceed for 1 additional minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York? The Chair hears none, and it is so ordered.

Mr. KEATING. Mr. President, the Vice President's proposal represents the kind of bold, imaginative, positive action which is imperatively called for in the presence of the systematic and hard-hitting worldwide campaign of communism to extend the frontiers of tyranny. We must have such dynamic counteraction as this—we must set forth affirmative programs of this nature—if we are to cope successfully with the massive Red design to win the hearts and loyalties of men as a prelude to their enslavement.

Mr. President, I hope the Vice President's proposal will gain wide support. In a "bread for peace" program, all free world people can be winners.

TASK FORCE STUDIES OF AMERICAN STRATEGY AND STRENGTH

Mr. KEATING. Mr. President, I was delighted yesterday to learn about the task force studies recently released by a number of distinguished and very able Republican Members of the House. These studies seek to analyze and evaluate America's defense strategy and economic strength in the world in which we live.

Mr. President, I heartily commend the task force members and the many well-qualified academicians and research consultants who worked with them. I have read a summary of their study papers and task force report and am looking forward to the complete documents which, I assume, are now being released for general circulation.

It is, of course, necessary that America's political leaders, of both of our major parties, look to the future in a spirit of imagination and vitality, keyed to the challenges which face America and the free world. The leaders of our two great political parties are fully aware of this need. Perhaps this explains the strength and vigor of American democracy.

The Republican Party is sometimes criticized for a lack of planning—an inability to see and understand the handwriting on the wall, the events of the future. I think we can and have very emphatically repudiated this allegation.

Let me cite a few of the many examples of the ways in which the Republican Party has looked—and continues to look—to the future. President Eisenhower has just appointed a new council on national goals. This is indeed a most dramatic and far-reaching idea. It will certainly make America stronger.

The report by the Republican Council on Program and Progress headed by Charles H. Percy, now platform committee chairman for the forthcoming Republican Convention, recently released a series of forward-looking and dynamic studies and proposals. Gov. Nelson A. Rockefeller of my own State of New York has, through the Rockefeller Brothers Fund and his own research and staff efforts, produced some historical and abundantly sound recommendations for the future of our Nation.

The task force studies of the Republican Members of the House are a new and similarly clear affirmation of the Republican Party's vision and perspective.

Mr. President, I was particularly impressed with the House Republican task force study entitled "An Economy for the Long Pull" by Representative THOMAS B. CURTIS, of Missouri. This report is riddled with realism and is at the same time bereft of overambitions, promises, and generalizations. The author recognizes the hard facts which confront us. He is, in customary fashion, fully aware that these challenges cannot be met simply with glibness and a fine phrase. He points out that we need a very extensive defense force, that this will cost us a great deal of money and that the tax burden upon every American will not as a result be shortly and easily reduced.

Let me quote a number of excerpts from this particular report which illustrates the spirit in which this entire document is written:

> We can afford all the defense that is needed, if we will soundly finance the full cost. But critics who would increase defense spending should discuss the full price tag.
>
> There is no painless way to pay for preparedness. Increased tax revenues mean increased tax rates. Deficit financing means inflationary erosion of our overall economic position in world markets at a time when these markets are, in fact, a battleground, and at a time when our own balance of payments position has shifted downward.
>
> Elimination of waste is a goal toward which to work but not a panacea immediately available.

Mr. President, I hope that Members of this body on both sides of the aisle, and all informed Americans will read and think about all of the several House Republican task force reports. I certainly think that this is a fine and worthwhile endeavor and I wish to join in congratulating all those responsible.

RESOLUTIONS ADOPTED BY LONG ISLAND FEDERATION OF WOMEN'S CLUBS

Mr. KEATING. Mr. President, on May 20 of this year the Long Island Federation of Women's Clubs, representing some 60,000 women, held a convention in Rockville Centre. They have been kind enough to send me copies of resolutions adopted at that time, and at their request, I ask unanimous consent that they be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

LONG ISLAND FEDERATION OF WOMEN'S CLUBS CONVENTION RESOLUTION IN SUPPORT OF PRESIDENT EISENHOWER AT THE SUMMIT CONFERENCE

Whereas the Premier of Russia, Nikita Khrushchev, has for the past several years urged meetings of the heads of great states, known as summit conferences, to discuss and settle matters incident to world peace; and

Whereas such a summit conference was scheduled to open in Paris on May 16, with the President of the United States, Mr. Eisenhower; the Prime Minister of Great Britain, Mr. Macmillan; the President of France, Mr. Charles de Gaulle; and Mr. Khrushchev; and

Whereas, at or prior to the opening of such conference Mr. Khrushchev in a most reprehensible, vindictive, and scurrilous manner verbally attacked and derogated Mr. Eisenhower and demanded from him a humiliating and self-disgracing apology for the presence of a spy plane in Russia; and

Whereas it is a well-known fact that spying by whatever means is a universally accepted practice by all nations; and

Whereas the barbaric behavior of Mr. Khrushchev and his dishonorable attack on Mr. Eisenhower were of a nature unparalleled in modern diplomatic history; and

Whereas Mr. Eisenhower, in declining to demean his honor and his country's honor to the whim and anger of an upstart, boorish dictator, and in refusing to lower his dignity and his country's dignity to this humiliating demand, conducted himself in a dignified, honorable, and gentlemanly manner in the fullest and finest traditions of his country and its heroes, past and present: Therefore be it

Resolved, That the Long Island Federation of Women's Clubs in convention assembled this 20th day of May 1960 commend and uphold the President of the United States, Dwight D. Eisenhower, for his unremitting efforts in behalf of peace, for his honorable and dignified efforts to achieve peace through negotiation, and for selfless devotion to these continued efforts in the face of discouraging and adverse circumstances and sacrifices; and be it further

Resolved, That the Long Island Federation of Women's Clubs unanimously endorse and approve Mr. Eisenhower's refusal to lower his personal honor and his Nation's honor to this irresponsible demand, his honorable conduct in upholding the dignity of his high office, and his heroic refusal to lower the Stars and Stripes to the unreasonable demands of the tyrannical ruler of Red Russia.

PROPOSED RESOLUTION OF THE LONG ISLAND FEDERATION OF WOMEN'S CLUBS, INC.

Whereas in the preparation of income tax returns the head of the household is permitted to deduct a fixed sum for the expenses of a minor child; and

Whereas families of moderate circumstances are discovering that the cost of higher education has risen approximately 50 percent in the last 10 years to an almost prohibitive level; and

Whereas our Federal Government urges college, university, or other specialized training as a benefit to the Nation to the extent of postponing national military service until the successful completion of such education; and

Whereas it is manifestly unjust that deductions for the higher educational expenses of a dependent child are not allowed at a time when these tuitions represent a virtual family deprivation: Now, therefore, be it

Resolved, That the Long Island Federation of Women's Clubs, Inc., in convention assembled this 20th day of May, 1960, urge the immediate adoption of a law to exempt all higher education tuitions from all income taxation; and be it further

Resolved, That copies of this resolution be sent to the Secretary of Health, Education, and Welfare; superintendent of New York State Department of Education; chairman of the Finance Committee of the Senate and House of Representatives; and Commissioner of Internal Revenue.

PROPOSED RESOLUTION OF THE LONG ISLAND FEDERATION OF WOMEN'S CLUBS, INC.

Whereas widespread propaganda of Communist origin has been, and still is, aimed at the internationalization of the Panama Canal and the wresting of its ownership and control from the United States of America; and

Whereas radical elements in the Republic of Panama are carrying on active and highly provocative propaganda on behalf of fantastic demands for (a) further, and impossible annuity and other benefits, and (b) the impairment and practical destruction of the absolute and exclusive sovereignty, in perpetuity, of the United States of America over constitutionally acquired territory of the Canal Zone, and over the Panama Canal, constructed at the expense of the American taxpayer and maintained and operated by the United States of America on terms of equality for all nations as required by treaty; and

Whereas these agitations have as their purpose the liquidation or fatal weakening of such sovereignty altogether indispensable for the maintenance, operation, and protection of the canal, and this without the slightest suggestion of reimbursement to the United States of America for its vast investment in the canal enterprise: Therefore be it

Resolved by the Long Island Federation of Women's Clubs, Inc. (in convention assembled this 20th day of May 1960), That the recurring crises in relations between our Government and that of the Republic of Panama should receive immediately the most serious attention of our executive as well as our legislative bodies; and be it further

Resolved, That we urge both Houses of the Congress of the United States to proclaim by joint resolution the constitutional sovereignty of the United States over the Canal Zone, and to declare that the policy of the United States shall be not to surrender in any way, nor to compromise, U.S. jurisdiction over and control of the Canal Zone and U.S. ownership, control, management, maintenance, operation, and protection of the Panama Canal in accordance with existing treaty provisions; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, Vice President of the United States, Secretary of State, and Secretaries of the Senate and House of Representatives.

PROPOSED RESOLUTION OF THE LONG ISLAND FEDERATION OF WOMEN'S CLUBS, INC.

Whereas there is a perilous movement to repeal the Connally reservation which was incorporated by the U.S. Senate in the resolution of submission to the jurisdiction of the United Nations World Court in 1946. The Connally reservation reserves to the United States the right to determine what matters are within our domestic jurisdiction as determined by the United States; and

Whereas the majority of the nations subject to the World Court retain similar safeguards as the Connally reservation for the protection of their domestic affairs; and

Whereas the United States is entitled to have only one member at any time on the 15-member World Court, although there are now two representatives of Communist countries (Russia and Poland) now on the World Court, with no limit to the others which may be added from Iron Curtain countries with dissimilar ideas of justice; and

Whereas no Iron Curtain country will submit to the jurisdiction of the World Court, although they have judges on the Court; and

Whereas the proposed elimination of the Connally reservation, in the opinion of informed patriots, would mean a dangerous surrender of our sovereignty to an alien court with perilous consequences to our Nation and its citizens: Therefore be it

Resolved by the Long Island Federation of Women's Clubs, Inc. (in convention assembled this 20th day of May, 1960), urges the retention of the Connolly reservation as a vital safeguard to our Nation; and be it further

Resolved, That copies of this resolution be sent to the President, Vice President, Secretary of State, Attorney General, chairman of the Senate Foreign Relations Committee, and chairman of the House Foreign Relations Committee.

Mr. KEATING. Mr. President, it is not necessary to agree in every respect with the comments which the members of the federation make, but they have certainly performed a very useful service in furnishing to the Congress these well-thought-out resolutions.

PURCHASE OF FURNITURE FOR U.S. EMBASSY IN VENEZUELA

Mr. DIRKSEN. Mr. President, I should like to insert in the RECORD a letter in connection with the discussion which took place last week by the distinguished Senator from Wisconsin [Mr. PROXMIRE] and myself as to the allegations he made in the Senate with respect to the Mueller Metals Co., the president of which is the son of the Secretary of Commerce. One of the allegations was that the State Department had no authority to contract for the purchase of furniture for the new Embassy at Caracas. I have a letter from the Comptroller General addressed to the Senator from Wisconsin dated June 16, and I ask unanimous consent to have it printed in the RECORD at this point in my remarks. I am sure that the letter will close the whole incident and it will require and receive no further elaboration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., June 16, 1960.

B-142814.

Hon. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: Reference is made to our letter to you of May 26, 1960, in reply to your letter of May 16, 1960, concerning the purchase of furniture for the Embassy office building at Caracas, Venezuela, by the Department of State from the Mueller Metals Corp.

In our letter to you of May 26, 1960, we stated in answer to your question No. 5 that we found nothing in Public Law 547, 79th Congress, or in the pertinent appropriation act which would authorize the Department to negotiate contracts for the purchase of furniture without advertising.

In view of the recent statements made on the Senate floor concerning the matter, we have reexamined the authority relied on by the Department of State to negotiate the purchase in question and we find it necessary to correct our answer to your question No. 5.

The authority originally cited by the Department of State for the negotiation of the purchase order involved was section 3 of the Foreign Service Buildings Act of May 7, 1926 (44 Stat. 404), as amended. Section 3 specifically authorizes the negotiation of contracts for "all work of construction, alteration, and repair" provided for in the act. It is our view this authority does not extend to the purchase of furniture.

The Department later cited Public Law 547, approved July 25, 1946 (60 Stat. 663). Public Law 547 authorized an appropriation of $125 million for the purpose of further carrying into effect the provisions of the Foreign Service Buildings Act. It was also provided that expenditures for furnishings from sums appropriated pursuant to the act should not be subject to the provisions of section 3709 of the Revised Statutes.

In authorizing the appropriation of $125 million, the Congress specified that $110 million of the total authorization should be available exclusively for payments representing the value of property or credits acquired through lend-lease settlements, the disposal of property abroad, or otherwise, and held abroad by the Government or owing the Government by any foreign government or by any person or organization residing abroad, which property or credits may be used by the Department of State for sites, buildings, equipment, construction, and leaseholds.

While Public Law 547 is primarily concerned with the payment for and use of foreign credits or property, it also authorizes an appropriation of $15 million for use under the Foreign Service Buildings Act for purposes other than the payment for foreign credits and property. In the absence of any legislative history showing a contrary intent, we must conclude that the exemption for purchases of furnishings from section 3709, Revised Statutes, under the 1946 act is applicable to all appropriations made pursuant to the authorization.

Accordingly, we are of the opinion that the Department of State did have authority under the exemption in the 1946 act to negotiate for the purchase of the furniture in question without advertising.

Copies of this letter are being sent to Senator DIRKSEN, the Secretary of Commerce, and the Director, Office of Foreign Buildings, Department of State.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, we plan to proceed today to the consideration of the Japanese Security Treaty in an orderly manner.

The distinguished Secretary of State, Mr. Herter, has advised us that the State Department considers ratification to be of extreme importance. The Senate will consider the treaty with great care and thoroughness. It is of importance that the world realize that we are neither going to accelerate nor delay the treaty because of events which have taken place in Japan. The treaty will be considered now as it would have been under any circumstances, upon its merits. I do not anticipate that there will be any serious difficulty, as I think most Members of the Senate feel that the treaty was well drawn in the mutual interest of both nations.

I understand that there are some speeches to be made today on other subjects, although the independent offices bill is the pending business. The minority leader has a policy meeting at lunchtime, but I wish all Senators to be informed. I ask attachés of the Senate to inform all Senators that we plan to proceed to consider the Japanese Security Treaty sometime during the day.

SPENDERS AND SAVERS

Mr. YOUNG of Ohio. Mr. President, none of us is immune from a certain amount of partisanship in interpreting the actions of the Congress and the Executive. It might be said that this is especially true when any analysis of the Federal budget is being made by spokesmen of one party or the other.

Recently, the Republican leader of the House of Representatives, Mr. HALLECK, in a speech in California accused the Democratic Party of wild spending. His reference was that the Democratic Party is the party of spenders. At just about the same day and hour, across the country, speaking in New Hampshire, the distinguished junior Senator from New York [Mr. KEATING] charged this Democratic controlled Congress with cutting too many billions of dollars from President Eisenhower's budget request for national defense and foreign aid programs.

Perhaps these two outstanding spokesmen for that Grand Old Party of which I am not a member should meet in the geographical center of the United States and agree on a joint statement which might possibly impress those Republicans who are presently confused over these conflicting statements.

However, Mr. President, regardless of partisanship, certain realities do exist. The fact is that during the first session of this 86th Congress, we cut over $1,300 million from the President's appropriation requests; this in addition to eliminating a $500 million appropriation that was requested by President Eisenhower at that time for fiscal year 1961.

Let us refer to facts demonstrated by the record made in this Democratic-controlled Congress. The record demonstrates that this Congress under Democratic leadership saved taxpayers that sum—$1,800 million—by appropriating that amount under President Eisenhower's budget requests.

Mr. President, in addition to the substantial saving of last year, the Congress, controlled by the Democratic Party, has sliced a total of $10,600 million from appropriations requested by President Eisenhower from fiscal 1955 through fiscal 1959.

I am sure that these savings of taxpayers' money were not the result of action by Senators on only one side of the aisle. It was an achievement for which all Senators and Representatives who so voted may take credit. In doing so, however, let us remember that it was the Democratic Party that organized this Congress under the magnificent leadership of Speaker SAM RAYBURN and of our majority leader, Senator LYNDON B. JOHNSON.

Incidentally, Mr. President, when General Eisenhower first became President our national debt was $265 billion. The annual interest charge on this was less than $6 billion. Government bonds were selling at par. This was the fiscal situation when Harry S. Truman retired from the White House.

After 7 years of the present administration, our national debt is $292 billion. Our annual interest charge is $9,500 million. Government bonds have been selling below par.

In connection with these figures it must be remembered that only one of the President's vetoes was overridden by the Congress. The responsibility for these increases cannot, therefore, be laid to the Congress.

Now, I ask, if a label must be assigned, which is the party of savers?

Mr. President, the great issues before us are not those involving "spenders" or "savers." The great and pressing issues are those involving the future safety, well-being, and economic growth of our Nation.

Much, if not all, of the cost of what is necessary to be done can be defrayed out of savings achieved through the elimination of current waste, duplication, and inefficiency in our sprawling Federal bureaucracy. Elimination of waste and duplication in our defense policy alone would result in savings of at least $5 billion annually.

Mr. President, in this election year I realize it would be foolhardy to call for an end to partisan statements. However, if these statements must be made, let them be based on the facts. A look at the record proves that actions of the Democratic Congresses from 1955 to date have saved American taxpayers billions of dollars.

HOUSTON, TEX.

Mr. JOHNSON of Texas. Mr. President, it is with a deep feeling of pride that I am privileged to call the attention of my distinguished colleagues to a notable achievement by one of the great cities of our Nation and one of the great cities of Texas—Houston.

This booming gulf coast port, industrial and agricultural center, has demonstrated a record of growth and of civic vitality that places Houston virtually in a class by itself.

Census Bureau figures show that since the last population count in 1950, Houston has leapfrogged eight other great metropolitan centers of the United States.

Fourteenth in size a decade ago, Houston now ranks No. 6 in the Nation.

The latest count shows that Houston has a population of 929,991, an increase of 56 percent over the tally of 1950.

In 10 years—in moving from 14th to 6th place—Houston has advanced in population ahead of Milwaukee, Pittsburgh, San Francisco, Boston, Washington, D.C., St. Louis, Cleveland, and Baltimore.

This great city is now riding hard on the heels of Detroit, Philadelphia, Los Angeles, Chicago, and New York.

The record of Houston in the last 10 years offers a factual answer to the cynics who say that America is old, that America is tired, that the age of our growth has ended.

Demonstrated in the growth of Houston are the qualities that have made—and will keep—America great. It is with confidence that I predict that in the 10 years ahead—by 1970—Houston will have demonstrated equal or even greater growth than it has in the decade just ended.

AMERICAN STRATEGY AND STRENGTH AND THE NATIONAL PURPOSE

Mr. SALTONSTALL. Mr. President, yesterday's CONGRESSIONAL RECORD includes a series of insertions relating to America's strategy and strength. This group of excellent statements is the work of a task force appointed by the chairman of the Republican policy committee of the House of Representatives, Representative JOHN BYRNES, of Wisconsin.

The study group itself was headed by Representative GERALD R. FORD, JR., of Michigan. The so-called Task Force Report is a commentary on the challenges we face and our preparedness—present and future—to meet them—U.S. public strategy in the latter 20th century. It is based on 21 background papers contributed by Congressmen, academic authorities, and Government leaders.

The whole project represents a positive effort to depict the great issues of our times in a thoughtful, objective, constructive manner; and to consider carefully the resources and the mechanics through which they can be utilized. Particular emphasis is placed on the relativity of our capabilities to those of the Soviet Union. But the Ford report also is a valuable guide to the absolute strengths of our system, and how they can best be sustained for the future.

It is a forward-looking report, measured and thoughtful; not shallow, negative, or hysterical. It is not bipartisan, since the project was conceived and executed by the House G.O.P. policy committee, but it is nonpartisan in that its motivation and tone are essentially not political. I believe that this is the kind of study which honestly and profoundly serves the national interest. It is a standard for depth analysis and positive conclusions which can be used by all American citizens interested in either studying or solving the public problems of our times.

I have read certain newspaper accounts describing the Ford report both as an answer to Governor Rockefeller's recent public statements and as a prelude to the 1960 Republican Convention platform. This dual characterization seems to be based on the fact that Vice President NIXON has given his support to the overall purposes of the project and that G.O.P. Platform Chairman Charles W. Percy is impressed by its findings. I feel that such a description of the Task Force Report misses the basic point; that this is an effort devoted to the larger purpose of understanding the core of our survival. Of course it is helpful if this can be directed to more limited and specific objectives also.

The various segments of the continuing nationwide debate on our national purpose has focused on many aspects. I feel that this spontaneous, informal, varied self-appraisal is a very helpful institution—the hallmark of a free society—and I believe that the Ford report comprises a valuable contribution to this debate.

Obviously there are many dimensions to our national destiny. We have heard about leadership, religious strength, public awareness of traditional ideals, and so forth. I believe that the national purpose is intimately related to the national vitality. Our health, our future, our survival depends on a vigorously inquiring populace, a populace concerned about the great challenges of the age and dedicated to contributing to their solution, each according to his own individual abilities. Our electorate must be critical without being destructive, aware without being desperate, self-confident without being complacent. We must resist the shallow temptation to oversimplify and distort for the purposes of vested interest, whether it be political, economic or social.

The principal issue before America in the 1960's is whether a society which is dominated by a large and powerful Central Government and by a huge and unprecedented wealth can sustain the strength and stamina of her great ideals—intellectually, spiritually, and physically.

In my opinion, the House Task Force Report contributes substantially to the objective of national vitality and alertness.

At the present moment in the struggles of the cold war, we are perhaps discouraged at the collapse of the summit conference and the recent events in

Japan which prevented the visit of President Eisenhower during his otherwise triumphal tour in the Far East. I believe that these developments underscore two points which particularly attracted my own attention in the House study of American strategy and strength. These are, first, that we must emphasize the long-term realities rather than short-sightedness; and, second, that "survival only" as a national policy is a dangerous and introverted strategy largely unaware of the basic problems of the world today.

Here I would like to mention two critical aspects of public policy with which Congress is dealing at this very moment. Recently the Senate passed a $40-billion plus defense appropriations bill, which has now gone to conference. The Senate added more than $1 billion in excess of the President's request, believing that a new aircraft carrier was needed, that the B–70 supersonic bomber's development should be funded, that more money should be allowed for the Bomarc antiaircraft missile program, that modernization of our land Army's weapons should be speeded up, and so forth. These objectives are very worthy and as we heard on the Senate floor during the debate of this measure, "there can be no price tag on freedom." But there is more to the picture than this—there is more to the business of preserving freedom and guaranteeing security, and we must be aware of the long view and the broad view as we approach this greatest question of public policy.

For instance, the House study points out that military power in the final analysis must be based on economic power—on sound monetary and overall economic policies. The full view demands practical understanding of this. So as we consider the uses of money in any given direction, we must consider also the stamina of that money's value—our overall economic soundness for the long haul.

Second, I would like briefly to call attention to the mutual security appropriations bill recently sent over to the Senate of $3,584,500,000—$590,500,000 below the President's request, but well below threatened cuts of up to $1½ billion. I hope that in its final consideration of this measure, Congress will demonstrate its awareness of the full challenge before us and further reduce the cuts which have taken place. Our security is imperatively involved with the plight of the rest of the world. First, we cannot stand alone against the threat of a united Communist bloc. Second, we must act to reduce the huge causes of international strife, discontent, and threatened nuclear annihilation. This can be done by helping to reduce poverty, disease, and human frustration in the less-developed areas of the world and by assisting their peoples in gaining dignity, self-respect, and international recognition. The strong and free nations must help to bridge the world's social and economic gaps. Mutual security is a major means of public policy to accomplish this. Here again is the broad view.

I am grateful to those who prepared background papers for the study of America's strategy and strength, and I compliment those House Members who have worked 4 months toward its successful completion.

TRADE WITH FINLAND

Mr. JAVITS. Mr. President, as one who has long been an advocate of expanded world trade, I call attention to the noteworthy strides that have been taken by Finland in setting the stage for increased mutually beneficial trade with the West and the United States. This small nation of 4½ million people is well known to all of us for at least two important reasons: for paying its debts and for fighting valiantly for its independence. It is not so well known that Finland is a constitutional democracy, in which the traditions of freedom and individual liberty, as they are in the United States, serve as cornerstones of a private enterprise system.

Early this year the Finnish Government modified trade restrictions so that the United States can now sell more goods to Finland. Other significant steps, such as liberalization of currency restrictions, have strengthened consumer buying power and have provided the opportunity for increased trade between our two democratic countries.

It is worth pointing out that the Government of Finland has never solicited aid, grants, or gifts from any country—nor has it received any. Only on a strictly business basis has Finland entered into loans which she has received from this country or from international banking institutions; and, as has been her custom, Finland is repaying such obligations.

The vitality of Finland's way of life was dramatically exemplified when this small country harnessed its resources to pay in a relatively short period about $650 million in reparations to Russia after World War II. This tremendous burden was met and overcome by the determination and perseverance of the Finnish people.

Though located on the very border of Communist Russia, Finland's private economic system serves as a meaningful symbol to all mankind. Clearly, this is a country which deserves our esteem and our cooperation. Its economic life is no longer one sided. The leadership of the forestry and paper industries is being followed vigorously by Finland's metal and manufacturing industries in establishing themselves on a world market level.

In this connection, a report has been published expressing concern that American businessmen today are not sufficiently aware of the opportunities for profitable trade between Finland and the United States. I ask unanimous consent to have printed in the RECORD pertinent excerpts from an article entitled "Finnish Trade Turns to West," written by Frank C. Porter, and published in the Washington Post and Times Herald, June 8, 1960.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FINNISH TRADE TURNS TO WEST—BUT U.S. MISCONCEPTIONS HURT

(By Frank C. Porter)

A Finnish trade representative approached a large American women's magazine. Could arrangements be made, he asked, for qualified Finnish products to display the magazine's consumer research seal of quality?

No sir, the magazine replied. After all, was not Finland a Soviet satellite?

Another Finn visited a leading U.S. textile firm, proposing that some of its products be manufactured under license in his country. He was turned down flatly on grounds that Finland is a member of the Russian trade bloc.

These and countless similar rebuffs have deepened the quandary of the brave little country that won U.S. hearts by holding Russia's military might at bay for months in 1939.

Despite her traditional resistance to encroachments by her huge neighbor, Finland finds herself sometimes labeled a Soviet bedfellow. And nowhere is the misconception more widespread than among American businessmen, with whom the Finns would like to trade.

The misunderstanding stems from the post-World War II peace treaty which forced a Soviet trade partnership on the Finnish people. Finland was required to pay the equivalent of about $650 million in reparations—roughly one-fifth of its annual gross national product—and virtually all of this was in the form of exports to Russia.

The Finns also recognized that they could not afford to join any alliance which might be hostile to Russia, and thus passed up membership in NATO and similar groups. At the same time, if Finland appeared to step out of line, Russia could put the squeeze on her by worsening the terms of their trading relationship.

A decade ago, there were dire predictions that Finland could never stand up under such pressure, that it would slip to the slave status of a Hungary or a Czechoslovakia.

But the reverse has been true. Although some 50 of the 200 members of the Finnish Diet are Communists, the rival Agrarian Socialist and Conservative Parties have worked effectively to keep the cabinet free of Reds.

Equally important has been Finland's growing independence in the economic sphere. She paid off all Soviet reparations within 4 or 5 years and since then has been steadily strengthening her trade ties with the free world, particularly with the other Scandinavian countries and Western Europe.

Part of Finland's increased trade appeal in non-Communist markets is due to its rapid diversification. Until recently the country was limited by largely a forest economy—timber, pulp, paper, and other wood products. In later years, there has been a great increase in metalworking, heavy machinery, textiles, agriculture, and crafts. Forest products made up 91 percent of exports in 1952; since then they have declined to 73 percent while metal and engineering exports have quadrupled, agricultural exports nearly tripled.

Finland is particularly noted for its artistic work in furniture, glass, and architecture.

American friends of Finland insist U.S. businessmen are passing up not only a growing source of imports but a promising market for American goods as Finland continues to improve its reserves of free world currencies.

KHRUSHCHEV'S BLUEPRINT FOR CONQUEST

Mr. MARTIN. Mr. President, I have come across a very interesting and informative discussion that I know will be of great interest to all Members of Congress at this time. It is contained in the June 1960 issue of Air Force in the form of a special report, and I ask unanimous consent to have it printed at this point in the body of the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

The Communist propaganda apparatus made it appear that Soviet Premier Khrushchev delivered a disarmament address to the Supreme Soviet early this year. In fact, what Russia's top government body heard was—

KHRUSHCHEV'S BLUEPRINT FOR CONQUEST

As 1960 dawned, some Western analysts still were describing Soviet military developments in terms of factors the Communists long ago relegated to Orwell's "memory hole of history." They maintained that Soviet reliance on mobile infantry—the predominating practice before the advent of nuclear weapons—was likely to continue to prevail in the missile-space age. They argued that the Soviets still adhere to the strategy of the counteroffensive embraced by Czar Peter, Kutuzov, and Stalin. According to them, Asia and Africa, conquerable through infantry invasions, would remain the principal targets for Soviet conquest—even in the 1970's. Soviet missiles would serve to deter U.S. interference should Communist troops attempt to conquer Burma or invade Ghana.

Although these analysts admitted the possibility of a war "of desperation" against the United States and her NATO allies, they ruled out deliberate Soviet resort to total war to plant the red flag of communism over all world capitals. If, somehow, the Soviets should be forced into all-out war, doctrinal commitment to the importance of occupation still would govern Communist military strategy. One has gone so far as to argue that the U.S.S.R.'s massive numbers of ground troops would then be transported by rockets to carry out transoceanic invasions and occupy the United States.

Against this farrago of western sovietology, Nikita S. Khrushchev, on January 14, 1960, personally disclosed 13 new concepts in Soviet military doctrine. The nature and role of the Soviet military establishment, as Khrushchev described it, bears little resemblance to the wish-dreams indulged in by experts unskilled in looking forward. Khrushchev, of course, envisages a "strike-the-United States-and-NATO-first" strategy. And he does not intend to march troops across the Bering Straits and down the Mississippi Valley, let alone drop them from rockets like manna from heaven.

Khrushchev made his disclosures in a speech to the U.S.S.R. Supreme Soviet—a high-level body to which, theoretically, he must account. In the same speech, he said that the U.S.S.R. possessed the capability in being to implement the concepts he had enunciated. Some Western observers have, quite rightly, accused him of exaggeration on this point. But the best evidence indicates that the Soviets are converting their force structure as rapidly as possible to one which meets the requirements of the nuclear age and of continuing advances in technology. Present Soviet capabilities have been dismissed too lightly and too often.

There have been earlier indications that Soviet military doctrine was undergoing drastic revisions. Yet future historians are likely to describe Khrushchev's innovations as a turning point in Soviet military history. For the first time since securing his position as absolute dictator, he revealed that, like Stalin, he had assumed the role of the final authority on military doctrine.

Undoubtedly, Khrushchev, in formulating his doctrinal concepts, sought the advice of his military high command. However, in public at least, all of them—including Minister of Defense Rodon Y. Malinovsky—have been reduced to a position of endorsement and implementation. And there are indications that, like Stalin, Khrushchev has forced his military commanders to carry out his orders, turning a deaf ear to protests and objections from some of them. He is demonstrating the total Bolshevik ruthlessness characteristic of his predecessors and is directing all efforts toward the urgent business of communizing the world.

The 13 Soviet strategic concepts Khrushchev disclosed are:

1. Weapon systems capable of defeating the United States and completing the world revolution exist for the first time—nuclear/thermonuclear firepower plus superior delivery vehicles.

2. The rest of the world will surrender automatically if the United States has been conquered. Steps are being taken to translate into reality Marx' dream of a rapid revolution resulting in Communist domination of the world.

3. All types of surprise and all their components have assumed new and perhaps decisive significance—in the initial phase of the war and in all subsequent phases.

4. Timing surprise is a factor governing all phases of strategy, tactics, training, and organization.

5. Initial surprise blows will take the form of rapidly executed missile salvos; the prime objective will be to destroy the bases of the enemy's retaliatory forces first.

"Our armed forces * * * have been transferred over to missile-nuclear arms. These arms have been perfected and will continue to be perfected. * * * Potential depends on total firepower and means of delivery. * * * The Soviet military establishment now has delivery systems and firepower never before possessed." (Khrushchev, Jan. 14, 1960.)

6. Targeting of the initial ICBM strike and threats of follow-on strikes by delivery systems with a recall capability are expected to deter enemy retaliation. Despite these measures, retaliatory strikes still could occur during the first hours of the war. Therefore, should they eventuate, steps are being taken to minimize their effectiveness and to absorb inevitable resultant damage.

7. To absorb enemy retaliation, trained reserves prepared for instant mobilization will fight at home, performing missions of population defense and control.

8. Advantages gained in the initial strike must be exploited by follow-on strikes on key industrial targets and other strategic centers. A mixed-force structure of missiles, aircraft, and, ultimately, space-weapon systems, will be used to maximize surprise in the second strike and in subsequent strikes.

9. ICBM's and IRBM's must be based to ensure 360 degrees coverage of the earth's surface. Proper basing arrangements permit such coverage from sites on Soviet-controlled territory.

10. Concepts of ground operations have been adapted to missile/nuclear warfare—firepower conquers and ground forces occupy, to accept surrender and supervise installation of Communist regimes.

11. Constant and intensive research and development is required to maintain a winning force structure in the face of rapid technological advances.

12. Leadtimes must be pared to the minimum to insure technological surprise and to meet continuing requirements for combining all modern arms.

13. No obsolescent weapon systems will be tolerated, now or in the future.

"Modern missiles can destroy the selected target with the first salvo. * * * A missile salvo has enormous power, exceeding the total power of all explosions which have occurred on earth during all the wars in the history of mankind." (Maj. Gen. G. I. Pokrovsky, Mar. 9, 1960.)

In enunciating these 13 strategic concepts, Khrushchev and high-level Soviet military leaders have left no doubt that they envisage a decisive war ending in global communization. They are inspired by this vision of future war:

Mass use of nuclear weapons of all yields and types and employment of delivery systems with global range and a capability to be switched rapidly from one theater to another will characterize the entire war.

Surprise of many types will govern both strategy and tactics throughout the conflict.

War will start with massed attacks by missiles with nuclear warheads to knock out the U.S. strategic striking forces.

Threat of a second strike can deter us from retaliation, or a second strike can be launched from hidden bases to take out remaining military capabilities with spillover to population and industrial targets.

A third strike could be used to increase destruction to the level of genocide or, in the form of threat, could serve to include surrender followed by the installation of a Communist regime.

Firepower will be redirected quickly, by threat or employment, to induce the capitulation of nations allied to the United States as well as the surrender of underdeveloped and neutral nations. In all cases, conquest will serve as the prelude to communization.

"The Soviet Union is militarily the most powerful state in the world." (Khrushchev, Mar. 1, 1960.)

After nuclear strikes, regular ground forces will occupy areas easily accessible to them. Areas less accessible to ground forces will be occupied by irregulars—guerrillas and local revolutionaries—assisted where practicable by airlifted Soviet cadres.

In the Soviet homeland, reserves will perform cleanup and disciplinary missions.

The Communist propaganda apparatus has applied characteristic and skillfully worked-out methods to conceal Khrushchev's doctrinal innovations and to convince the world that his speech to the U.S.S.R. Supreme Soviet—where he initially disclosed his strategic plan—was a "disarmament" speech and another Soviet move in the interests of peace.

Despite Communist concealment efforts, even superficial examination of Khrushchev's remarks and subsequent statements by Minister of Defense Malinovsky, Air Force Commander in Chief Vershinin, Marshal A. A. Grechko, and other high-level Soviet military leaders reveals the true nature of the Soviet military "new look."

Thirteen implications affecting free-world security may be derived from the 13 newly disclosed Soviet strategic concepts. What are these implications?

1. The Soviets have added a new dimension to their spectrum of conflict weapons. Possession of nuclear firepower means that Soviet capabilities to mount a surprise attack on the United States, and thereby to conquer the world, have been increased by a quantum jump. The U.S.S.R. is acquiring a set of weapon systems based on nuclear firepower and characterized by the following advantages:

Global coverage.

Ability to shift rapidly from one target to another.

Flexibility of levels of destruction, which now can be tailored to suit the target.

Surprise potentials.

"In the * * * competition with capitalism * * * the question of the time factor, of gaining time * * * is the main question." (Khrushchev, Nov. 28, 1959.)

Material and psychological impact in combination.

Effectiveness for cheap world conquest, particularly if utilized in the absence of a free-world capability to survive the first strike with adequate retaliatory forces.

In brief, the Soviets estimate that proper utilization of nuclear weapon systems will furnish the means required to carry out their fundamental ideological commitment: bringing the entire world under Communist domination.

2. Khrushchev never tires of assuring us that this doctrinal commitment remains unchanged. He says that the Soviets have stood and will continue to stand like a rock on the principles of Marxism-Leninism, that there can be no coexistence on questions of ideology; that capitalism is historically doomed; that he will bury us. Furthermore, since his return from the United States, he has iterated the orthodox doctrine that war is required for Communist conquest of the most powerful non-Communist states.

Khrushchev also frequently reminds us that a third world war would result in the destruction of capitalism, but that, meanwhile, communism and its home base—the U.S.S.R.—would survive. He adds that the U.S.S.R. is capable of absorbing the losses caused by U.S. nuclear retaliation.

3. The Communists consider the United States, the chief capitalist power, to be the principal enemy. They believe that if North America goes, the rest of the world will capitulate. Initial massed missile salvos would hit both the U.S. zone of interior and our oversea bases, and affect non-American populations.

Conquest of NATO, SEATO, and CENTO nations would be simplified in the wake of the disruption of communications, command, and control which would result. Domination of South America, Asia, and Africa would be accelerated by utilizing a combination of indigenous revolutionary forces and guerrilla units, both striking under the shield of Soviet missile threats.

4. The key to successful nuclear war is to avoid harm to oneself. Minimizing expected retaliation has created a Soviet doctrinal requirement for maximizing all types of surprise. Since the weapon systems involved in the first exchange are ICBM's, the initial blow assumes new importance. Moreover, deterrence of a retaliatory strike may be achieved by launching or threatening to launch follow-up strikes. Absorption of retaliation also is possible; effective military and civil defense and population control will reduce considerably the impact of expected retaliatory blows. Radiological prophylaxis will be accomplished by preplanning and executing well timed decontamination and evacuation measures. Population control and panic prevention measures will include dispersing or sheltering essential cadres, furnishing medical care, prepositioning food and water, and exploiting previously carried out conditioning designed to reduce fears of fallout.

"The central task and the supreme form of revolution is the seizure of political power by force of arms and the solution of problems by war." (Mao Tse-Tung.)

5. Despite the new importance attached to the initial surprise blow, the Soviets remain committed to the idea of the necessity to combine all arms, nuclear and nonnuclear, military and psychopolitical. A winning strategy depends upon follow-on strikes to exploit opportunities resulting from the initial success. Such blows are designed both to complete conquest of the United States and to expand the war in other theaters. To be effective, such blows depend on preservation of a second-strike missile capability through the phase of U.S. retaliation. Furthermore, other strategic systems must be utilized in combination with missiles, and military success must be exploited through occupation.

6. To meet these requirements, the Soviets, in true dialectic fashion, have synthesized all other weapons in the spectrum of conflict with nuclear/missile systems which form the core of their military and psychopolitical power.

7. Consolidation of the gains from the war will pose stringent postwar demands on the Soviet leadership. The concept of a citizen's army of trained reserves is based, in part, on the necessity to preserve the means to carry out postwar demands on the capital of world communism.

8. The Soviets already have made the decision to prepare themselves to retain, at all times, the option to attack. Orthodox doctrine requires the exercise of extreme caution on the eve of the final showdown with capitalism, and the enemy must be softened up before the attack. The softening-up process has taken the form of the current intensive Communist effort to convince the West of the necessity for disarmament, a nuclear test ban, peaceful coexistence, and interminable negotiations on other outstanding issues such as Berlin.

The purposes of these moves are: deception concerning actual intentions, paralyzation of Western leadership and initiative, isolation of the United States from its allies, and a gain in time to increase Soviet force superiority.

The Soviets believe that the greater the success of these degradation tactics, the less the risk involved in launching an attack.

"Missile forces are undoubtedly the main type of our armed forces. However; it is not possible to solve all the tasks of war with one type of troops. * * * In a modern war, to carry out military actions successfully requires unified use of all means of armed combat, combining the efforts of all types of armed forces. * * * In organization and means of action * * * military operations will little resemble those of the last war." (Malinovsky, Jan. 14, 1960.)

9. A decision concerning timing of the initial surprise strike could be made any time that requisite strength has been achieved. Precisely when the strike will be launched will depend on Soviet assessment of the success of degradation moves, the balance of forces, and the status of training, as well as on evaluation of the effectiveness of preattack preparations, including Soviet salvo capabilities. United States alertness, if extant, could cancel out a Communist decision to exploit a superior strength ratio which was purely statistical.

"If anyone in the West imagines that the status of the Soviet economy does not permit the maintenance of the military establishment required * * * then so much the worse for those who think so. * * * It should be clear * * * that if an increase in expenditure for the maintenance of the armed forces [is required], our budget and our economy would make it possible to allocate extra tens of billions of rubles." (Khrushchev, Jan. 14, 1960.)

10. Possibilities of further new advances in technology introduce further uncertainties which the Soviet planners must take into account. In order to eliminate the possibility that the United States might achieve technological surprise, the Soviets are applying their degradation tactics in an effort designed to commit us to a completely predictable program of technological progress.

11. The Soviets have taken further steps to nullify all uncertainties by commitments to a broad and intensive spectrum of R. & D. efforts, by announced intent to win the leadtime race, and by planning operations around a program of continuous phaseout of all obsolescent weapons combined with phasein of new ones. They have the necessary technological know-how, raw materials, funds, and motivation to come up with imaginative new weapon systems, and Khrushchev has announced their R. & D. intentions. He told the Supreme Soviet:

"The armament which we now have is formidable armament. The armament under development is even more perfect and more formidable. The armament which is being created and which is to be found in the folders of the scientists and designers is truly unbelievable armament.

"We deploy our missile complexes in such a way that duplication and triplication is guaranteed. The territory of our country is huge; we are able to disperse our missile complexes, to camouflage them well. * * * If some weapons * * * were put out of commission one could always send into action weapons duplicating them and hit targets from reserve positions." (Khrushchev, Jan. 14, 1960.)

The Soviets have become technocrats and are intensely preoccupied with firepower. It would be a mistake to interpret Khrushchev's warning exclusively in terms of new delivery systems. For a nation committed to global conquest, a nation which has already impacted the moon, delivery systems cease to be "unbelievable." Khrushchev may very well be referring to a new type of firepower.

12. If the Soviets find they cannot insure victory by military means, they will continue to employ psychopolitical measures to lull the West to sleep, to induce us to abandon our missiles and nuclear weapons, and to slow down our R. & D. effort even more. Meanwhile, they will be preparing to strike a few years later with new weapons furnishing a capability for even more effective technological surprise.

13. If current degradation tactics succeed, the Soviets could complete the world revolution at minimal cost resulting from retaliation. U.S. alertness, as well as our deterrent and retaliatory capability, would virtually disappear if the Soviets were able to cheat on nuclear disarmament and test-ban agreements, if any are made. Communist doctrine teaches that agreements of all types must be signed "whenever life and the interests of the cause demand it" but should be broken without notice whenever they cease to serve the interests of the global revolution.

Missile delivery systems coupled with nuclear firepower have confronted the leaders of the world Communist movement with the most difficult military problem they—or others—have ever faced. On the one hand, weapons in being promise an initial opportunity for completing the world revolution once and for all. But on the other hand, global conquest is impossible unless Western alertness to the true intentions of the Communists is minimized and U.S. strengths degraded to a point where the risks of retaliation become negligible.

"Present-day ballistic missiles guarantee a high probability of inflicting powerful strikes simultaneously on a great variety of targets * * * to redirect firepower quickly, shifting the decisive thrust from one target or one theater of operations to the other, and by means of massed nuclear strikes to * * * change the situation to one's own advantage." (Malinovsky, Jan. 14, 1960.)

If they wish, citizens of the United States—and of the entire free world—can assist the Communists to gain global domination. The requirements are simple and easy to execute. They can continue to be apathetic toward civil defense and disinterested in effective utilization of our own potential and actual strengths. They can be reluctant to pay for effective missile hardening, and for airborne alert. They can attack proposals to accelerate the phase-

in of second-generation ICBM's and to surge forward with the nuclear aircraft program. They can join groups supporting a nuclear test ban à tout prix.

In the process, they will give the Soviets new basis for their contemptuous assessment that the balance of power is shifting to favor the Communist camp. They will reinforce the Soviet belief that the free world can be deceived about true Communist objectives and has been deterred from taking effective steps to prevent global takeover.

We are confronted with an enemy born and bred on violence. Khrushchev and his henchmen have been utterly explicit about their intentions. Eventually, we will have to face the final showdown.

We have danced too long and too ceremoniously in the helau of "horrors of nuclear holocaust," proffering our military superiority and moral strength on the altars of "negotiation," "disarmament," and "coexistence." The god we are worshiping is one the Communists neither recognize nor fear—the false god of international "togetherness" who, by accepting our sacrificial offertories, assists the Communists without realizing it.

"Flying machines piloted by man have been mechanized, semiautomated, and, finally, fully automated and integrated with missiles. Air Force personnel * * * will be required to learn to use the new, more perfect, and hence more complicated airplanes." (Vershinin, Jan. 19, 1960.)

URGENT NECESSITY FOR INEXPENSIVE METHOD OF CONVERTING SALINE AND BRACKISH WATER INTO FRESH WATER

Mr. WILEY. Mr. President, we are approaching a strange, new day in our land when we must create a planned sufficiency of water, rather than passively enjoy a natural abundance of this precious resource. This is the carefully substantiated prediction made in a recent staff study conducted by the Select Committee on National Water Resources of the Senate. This study further indicates that the national water requirements by 1980 will closely approximate the supply of 600 billion gallons per day, which is our estimated present limitation. This amount, incidentally, represents about half the total outflow of all the rivers in our country.

Secretary of the Interior Fred Seaton, as well as other qualified sources, have recently emphasized that the United States will have to turn to the ocean for our water supply by the year 1980—if consumption of this precious resource continues at the present rate.

Mr. President, we know that a vast amount of research is currently being done and that a number of water resource agencies and research centers are putting to work more scientists and engineers who can provide the type of research information that is needed. The vital question facing our country is: Can they come up with the necessary answers in time? The Nation is rapidly approaching a period when we will need and use all the water we can possibly get from every conceivable source.

Recognizing this important fact, I recently joined in sponsoring proposed legislation to carry forward the program to find more inexpensive ways of transferring saline, or brackish, water into water suitable for industrial and other consumptive purposes. The bill S. 3446 would authorize the Secretary of the Interior to negotiate contracts with public-owned organizations for the use of saline water conversion plant facilities in order to further the research and demonstration programs now authorized. Preliminary hearings on this legislation have already been held by the Senate Committee on Interior and Insular Affairs and it is my understanding that it is scheduled to be considered in executive session by that committee today.

Experts generally agree that low-cost conversion of saline and brackish water is a goal that can be achieved. Future conversion processes—which would be aided in development by the proposed legislation—hold promise of the attainment of a major breakthrough in turning sea water into fresh water so that the cost will eventually be lowered to less than 50 cents per 1,000 gallons. This figure favorably compares with the present average cost of water in the United States of 30 cents per 1,000 gallons.

Believing it to be essential that the Senate Committee on Interior and Insular Affairs take early action to report out the bill S. 3446, so that this important program can be effectively continued, I recently contacted its distinguished chairman, the senior Senator from Montana [Mr. MURRAY], in this regard. I ask unanimous consent that the text of my letter to the committee be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. JAMES E. MURRAY,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to respectfully urge early and favorable approval by your committee of S. 3446.

As you know, this legislation—if enacted—would authorize the Secretary of the Interior to negotiate contracts with public owned organizations for the use of saline water conversion plant facilities to further the research and demonstration programs now authorized.

As you recall, the Secretary of the Interior has stated that the United States will have to turn to the ocean for water by 1980; but has added that future conversion processes hold promise of developing entirely new methods which may permit the attainment of a major breakthrough in turning sea water into fresh water so that the cost will eventually be lowered to less than 50 cents per 1,000 gallons. Although a vast amount of research toward this objective is currently being done, the vital question is whether or not such research information can be supplied by the time that it will be urgently required.

It is my understanding that hearings have recently been completed by the Subcommittee on Irrigation and Reclamation, of the Committee on Interior and Insular Affairs, on this measure which I have been happy to cosponsor. It is hoped that your committee will take action to issue a favorable report on the bill as soon as possible.

With best wishes, I am
Sincerely yours,

ALEXANDER WILEY.

THE MEANING OF MATERIALISM

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a lecture on the meaning of materialism delivered by the Reverend Francis J. Conklin, S.J.

There being no objection, the lecture was ordered to be printed in the RECORD, as follows:

In the preceding lectures we examined the meaning of Hegel's philosophy and came to an understanding of the word "dialectic." The philosophy of communism is classified as dialectical materialism. We must now explore the meaning of the word "materialism."

Karl Marx began with the fundamental premise that matter alone exists. To understand why this seemed so self-evident to him one must understand a bit of Marx's background.

Marx began with a false philosophical dichotomy. He believed that philosophers were easily categorized into idealists and materialists, and that one must choose either horn of this dilemma. Idealism for Marx represented the unreal so he chose materialism.

While writing his doctorate dissertation at Jena, Marx brought forward two ideas that were to permeate all of his philosophy. The dissertation compared the materialism of two Greek philosophers: Democritus and Epicurus. For Democritus, everything was fixed and unvarying. The world was composed of nothing but atoms and a void. These atoms fell in straight lines and predetermined all else. For Epicurus, only atoms and the void existed, but the atoms were endowed with an active principle. They were free to go where they wanted. Marx favored this more active type of materialism because it allowed room for free will and for hope in the fight against entrenched religion and authority.

Marx attended the University of Berlin shortly after the golden age of idealism closed with the death of Hegel in 1831. For those attending the university no middle course lay open between idealism and materialism, and in that context materialism was the inevitable choice for progressives. This intellectual situation had political and religious implications for the leftwing Hegelians as we mentioned previously. Consequently, it should come as no shock to find that Marx terminates his doctorate dissertation with the words of Prometheus: "I hate all the gods."

Marx interpreted the history of philosophy in the light most favorable to materialism. In "The Holy Family" Marx states that materialism is a natural-born son of Great Britain. "Duns Scotus had asked whether it was possible for matter to think. In order to effect a miracle, Duns Scotus took refuge in God's omnipotence, i.e., he made theology preach materialism. Moreover, Scotus was a nominalist and nominalism, the main form of materialism, is chiefly found among the English schoolmen."

After Dun Scotus in the history of British materialism, comes Francis Bacon. Bacon attacked the Aristotelians and in a way, was very much in the right. The Aristotelians (and the woods were full of them) had created a world in which everything conformed with Aristotle's astronomy of metaphysics. (Apart from the geocentric nonsense of the spheres, Aristotle's "Prime Mover," races after the unattainable "Uncaused Cause" like a squirrel on a treadmill.)

Bacon reacted by stressing the need for empirical proof of all metaphysical and physical assertions. Accentuating the particular and sense experience came to be misinterpreted so that only sense knowledge was respected as valid knowledge. Bacon asserted, but made no serious attempt to prove, that our knowledge is confined to what may be formally known in the senses.

Materialism took a giant step forward in the person of Hobbes. For Hobbes, philosophy concerns itself only with things of

bodily nature, which are generated through motion. Hobbes, a nominalist, opened the passage for materialism into mathematics. Thought no longer remains separate from thinking matter. In the practical sphere might makes right.

From Hobbes the torch was passed on to Locke because Locke advanced theoretical proofs that Bacon and Hobbes were correct. You will recall that Rene Descartes had separated mind and matter into two watertight compartments. For those who choose to emphasize matter a mechanical explanation of the material world sufficed. Everything ran like a machine; sensation itself was nothing more complex than a mechanical reflex. Descartes had isolated the human mind by his absolute separation of mind and matter. Consequently, Descartes had to demand and insist upon infused ideas because access to the intellect through the senses had been stopped.

Locke attacked infused ideas, insisting that all knowledge comes through the senses. This insistence was accepted as theoretical validation of Bacon and Hobbes.

At this time materialism splits into two groups. One group is very myopic; mechanical, and one might say, artificial in its expression. The other seeks solace in social humanitarianism.

Lamettrie published a famous book in which he called man a machine. This represents the extreme of the mechanical materialism arising out of Descartes. In the same tradition Diderot preached complete determinism as the only solution to the human equation. Man, the machine, lacks free will or freedom of any type.

Helvetius and Condillac represent the social outlook. These men look for progress in reason to match progress in industry and they regard education as all powerful. Only sense knowledge, of course, has validity. But to change man's knowledge they would change what he senses. In a word, all depends upon education and environment. They place the materialist accent upon the social life of man so that man may be changed by changing his environment. Holbach, the next materialist, insists that all men are created equal; that education is the all powerful solution to man's problems because every man is naturally good.

Marx will side with the latter group of materialists. Marx will nowhere acknowledge his debt to them but will adopt them by qualifying their position and integrating it into his world view.

By contrasting two materialisms—scientific determinism versus liberal, social progressivism we arrive at some interesting points of departure. Engels favored scientific determinism, and, as we shall see in subsequent lectures, had to be rescued by Lenin because he relied too heavily upon the narrow limits of the materialistic interpretation of science. Marx, a more profound thinker than Engels, embraced the social doctrine of the materialists and the great vision that the material world must be organized in a more human way.

When we study progressive materialism's emphasis on the natural goodness of man; the equal intelligence of all men; the all importance of experience in habits and education; the influence of external forces such as work; etc. the connection between progressive materialism and socialism or communism becomes rather apparent—and so does the insoluble dilemma of legislative thought investigation and/or control. Man draws his knowledge from the material world and acts on that world as a result of this experience. This world of experience must be organized in such a fashion that man here encounters and fulfills all truly human aspirations. Man must come to realize his human potentialities.

The materialism of Karl Marx may be logically integrated with the philosophical materialism of his predecessors, but logical analysis may abstract the man from the social context of his times. Marx embraced materialism in a logical—but more profoundly—in a social and humanitarian quest for truth. To appreciate this quest we turn to the "Thesis on Feuerbach":

"The chief defect of all hitherto existing materialism, that of Feuerbach included is that the object, reality, sensuousness, is conceived only in the form of the object of contemplation, but most as human sensuous activity; practice; not subjectively. Thus it happens that the active side in opposition to materialism was developed by idealism, but only abstractly, since idealism does not know real sensuous activity as such.

"Feuerbach wants sensuous objects really differentiated from thought objects, but he does not conceive human activity itself as activity through objects."

Fundamentally, Marx is saying that philosophy must cease to be pure contemplation.

Up until Marx's time, materialism has stressed the concrete; the real; the object which is known. In this analysis of knowing the object, the thing known, remains passive. This is especially true in the mechanical theory of sensation, where all emphasis is placed upon the object as something apart. An active, knowing subject counterbalances an inactive object.

On the other hand, the idealists have placed emphasis upon the creativity of the subject. They have monopolized the dynamic view. Idealists stress the subject to such an extent that they delineate the object—the subject comes to create its own object. Marx wants to take the dynamic or active insights of the idealist and transfuse them into the anemic staticism of the materialist camp. Marx wants to make the real active; to unify thought and action. Human activity is the real action of real men who change the world while being changed themselves.

Marx comes to grips immediately with an epistomological problem: "The question whether objective truth can be attributed to human thinking, is not a question of theory but a practical question. In practice, man must prove the truth—i.e., the reality and power, the this-sidedness of his thinking. The dispute over the reality or nonreality of thinking which is isolated from practice is a purely scholastic question."

Practice for Marx is the dynamic activity of the real. Activity permeates the real world, the object of human thought. The Hegelian dynamic spirit now inhabits matter. The test of truth; the test of union of mind and matter, of thought and objects, becomes the simple question: Does the thought work in its conformity with the real?

Just as Hegel rejected Kant and Fichte because they were based upon a false theory of opposition between subject and object, Marx has rejected Hegel by denying the validity of all knowledge which exists only for itself. Marx has repudiated all contemplative knowledge. What counts for Marx is the this-sidedness of thinking. This-sided thinking has reality and power.

Expressed in other terms: intrinsic contradiction has always been a test of truth in the speculative order. The real criterion of truth is whether the thought proves itself in the real world. If it does, intrinsic contradiction is quite academic. Real truth can be grasped only in real action.

From this premise Marx alludes to the social progressive trend in the history of materialism: "The materialistic doctrine that men are products of circumstances and up-bringing, and therefore changed men are products of other circumstances and changed up-bringing, forgets that circumstances are changed precisely by men and that the educator must himself be educated. Hence, this doctrine necessarily arrives at dividing society into two parts of which one towers above the other."

Society divides into the institutions and traditions which condition the thinking of people and the people conditioned or molded by these same institutions and traditions. For Marx, human progress cannot be incarnated in political and social institutions and traditions. Circumstances make men. External forces and forms at work in a society condition the thinking of any historical era. But existing conditions are not self-explanatory. In a word, Marx wants to know what makes external forces or external circumstances what they are. Marx's solution to this problem, we will have occasion to describe later on as historical materialism or economic determinism.

"Feuerbach starts from the fact of a religious self-alienation—the duplication of the world into a religion, imaginary world and a real one. His work consists in the dissolution of the religious world into its secular basis. He overlooks the fact that after completing this work, the chief thing still remains to be done. For the fact that the secular foundation can lift itself above itself and establish itself in the clouds as an independent realm, is only to be explained by the self-cleavage and self-contradictions in the secular basis. The latter must itself be understood in the contradiction and then, by removal of that contradiction, revolutionized in practice."

Marx simply states that the materialism, the atheism, if you prefer, of Feuerbach, did not go far enough. Feuerbach has correctly explained the origin of religion and of religious ideals. Feuerbach has answered the question "how"; he has not answered the question "why."

Marx will devote the rest of his life to seeking an answer to that second question: "Why does man create his own gods?" Feuerbach does not understand that religion is a product of society; nor that the individual he analyzes pertains to a definite form of society. For Marx, there must be a return to the real, a return to the individual—or, in epistomological terms, a return to the given. There must be an analysis of society and a solution offered to societies' evils.

"The supreme result so far obtained by perceptive materialism, that is, materialism which does not conceive the sensible world as practical activity, is the perception of isolated individuals in bourgeois society. The point of view of the old materialism is bourgeois society; the point of view of the new materialism is human society or socialized humanity."

The trouble with older materialists has been passivity; content to sit back and point out the evils of society then let things go as they are. Marx will not stop at such an elementary position as this: "The philosophers have hitherto only interpreted the world in different ways; the point is to change it."

Let us begin to integrate. The metaphysics of communism is called dialectical materialism. In Hegel we have seen the dialectic; in the last lecture we considered the materialist origin of Marx's thought. The fusion of these elements produced the alloy of dialectical materialism.

Matter alone exists. This is Marx's fundamental and most self-evident intuition. Why did Marx say that matter alone exists? For many reasons. First of all, he is concerned with the problem: which is more important, spirit or nature. In his view, those who have emphasized spirit, have fallen into the trap of idealism. Those who have emphasized nature, have fallen into the trap of static materialism.

Marx insists that nature is primary, that our concepts, our ideas (or whatever you want to call them) are nothing more than images of nature and are themselves products of organized matter. We do know the world as it is. Things can be known and things are known by the human mind. With one quick stroke, Marx brushes through a whole epistomological problem. Nature is active and the human mind is active. Nature copies or photographs things and the human mind expresses the photographs in terms of concepts or images. This is to say, that the thing in itself is the thing for us. All of the object's relations must be known and are known by the active human mind.

From what has already been said we may be led to oversimplify Marx and equate Marxism with pragmatism. This facile classification must be resisted. Marxists criticize the shallow, superficial approach of the true pragmatist and there is a good deal of truth in what the Marxists say. Although the Marxist test of truth is successful action upon matter, this test of practice if emphasized in isolation, becomes a very selfish and individualistic thing. To state that Marxism is merely another form of pragmatism, fails to properly evaluate the social content in the teaching of Marx.

The second fundamental metaphysical principle propounded by Marx is that this existing material world constantly changes. Eternal matter moves unceasingly. In this regard, Marx agrees with Heraclitus: "Change is the essence of things." (Recall, once again, that Marx is thinking in the atmosphere of evolution and progress which permeated the 19th century.)

Marx sees many dialectic or contradictory oppositions in the real world. First of all, a dialectical action permeates men's thoughts. Secondly, man and nature interact dialectically. Finally, a dialectical action lies in the heart of nature itself.

The dialectical interaction in human thought needs no comment. Anyone who momentarily considers the problem realizes that our concepts are clarified and purified by a constant opposition and interplay between contradictory, or opposed ideas. For example: One doctor says cancer is caused by a virus; another says it is not. The truth probably lies somewhere in between: a virus unlike any that have hitherto been discovered, etc.

The dialectical intersection between man and nature are explicable thus: Nature—i.e., the material world—has produced man. Man is the highest product of organized matter. Yet, man, the product of nature, wants to change nature—in other words, to humanize it. The contradictory pulls are man with his material needs opposed to nature which is supposed to provide satisfaction for these fundamental needs. Material satisfaction results from work. Work is the action which mediates between man's material needs and the material world which will provide satisfaction. Thus, the true equation is: man plus need, plus work, plus nature give satisfaction.

However, in the 19th century Marx looked around him and saw man plus need, plus nature, plus work all adding up to frustration. This is a simple way of saying that work is estranged; it is alienated; that work does not satisfy elementary human needs; that man in his most profound relationship to the world is alienated or estranged.

Finally, and without doubt, on a somewhat more superficial basis, Marx propounded a dialectical interaction in nature expressed in three laws. Actually, we are indebted to Engels for most of this material. A good part of it is contained in Engels refutation of the German philosopher Dühring.

Let's insert a parenthesis: Engels makes vociferous and emphatic claims that dialectical materialism is the only true materialistic philosophy of becoming. He proves this by certain terminological laws which we shall discuss in a moment. Actually, these laws are carried over from the Hegelian dialetical system. Eugen Dühring correctly understood Hegel's analysis of the dialectical nature of human thought and Hegel's attempt to explain the real world in terms of this natural dialectical process. Dühring questioned the legitimacy of transferring this idealistic concept to matter and using it to explain the motion of material beings in a philosophical system that rejects all the spiritual characteristics which render the dialectical thought process possible for humans. A careful examination of Engel's only major philosophical work: "Herr Eugen Dühring's Revolution in Science (Anti-Dühring)," will reveal that Engels did not give a satisfactory solution to the problem—despite the thunder and lightning.

Returning to the dialectical interaction in nature and the famous three laws of the dialectic: In theory these three laws are supposed to explain why there is motion in the material world. Engels popularized them in the "Anti-Dühring" and in the manuscript: "The Dialectics of Nature." Marx's adherence to these laws—especially in later life—may be seriously questioned. But whether true or false these laws provide the system with a marvelously logical coherence.

First of all, there is the law of opposites; reality is a unity of opposites. In other words, motion is a contradiction. A thing which is moving, both is and is not at the same time. Life itself is a contradiction; life is a process; life is the interaction of anabolism and katabolism. From time to time either anabolism or katabolism predominates, but life itself lives by simultaneous construction and destruction. Life is a contradiction in terms. In mathematics we have positive and negative. In calculus, we have differential and integral. These are contradictory operations. In electricity we have positive and negative. In magnetism we have north and south. In atomic physics we have proton and electron, or matter and antimatter. Thus the world as we discover it, is truly a unity of opposites. Whatever is, if you think about it enough, is really a contradiction.

Motion proceeds according to the second principle which is the negation of the negation. To paraphrase a passage from the Bible: if a grain of seed falls into the ground and dies, it brings forth many grains. In other words, one grain drops into the ground, dies; that is, ceases to exist, and there comes into life the negation of that one grain—the plant with its abundant grains. The new plant in its turn must die. And it bequeaths the world many grains. Thus, the many grains are negations of plant, or negations of a negation.

Reality makes progress by this process of negation of negation. This is illustrated in mathematics by the old dictum that minus times minus is plus. Two negatives make a positive. Perhaps the clearest example may be brought from geology. If you study the crust of the earth as you find it today and consider the effect of rainfall, you will note that the crust of the earth is gradually being worn away, washed down in rivers and deposited as fine sand or mud on the bottom of the ocean. The fine sand and mud is a negation of the dolomites, red and green argillites, or white quartzites that once constituted impassible mountain barriers on the surface of the earth. However, this accumulated fine sand and mud creates pressure of its own, and this downward thrust at sea level forces up new mountains, so that we find algae colonies and other evidences of ocean life in the Sizeh limestone high in the Rockies. The new crust is not really a negation of the old—but a negation of the negation—a negation of the fine sand which was a negation of the original crust. Thus minus times minus gives plus.

Applied to history: at the beginning of time common ownership of land prevailed but yielded to the march of private ownership. Private ownership was the negation of common ownership. The new order will demand a common ownership of land in a classless society. Thus will be accomplished the negation, the extinction, of the first negation.

Marx (really, Engels) is saying that the old is constantly dying and being replaced by the new. In the world of philosophy the old materialism ran up against its negation in the form of idealism. The old materialism could not cope with idealist philosophy because it could not incorporate the dynamism found in idealist philosophy. The new materialism negates idealism. It incorporates the best to be found in idealism because the new materialism is the negation of a negation.

The final metaphysical law is the law of transformation of quantity into quality. This explains why the new is better. The problem confronting Engels is that in nature there seems to be a leak: there seems to be a jump from simple negation to something new, which is a negation of that negation. Engels believes that this results from a simple process whereby continuous quantitative change produces a new quality.

Engels proves his contention by example: if you take water and heat it, the change is quantitative—that is to say, the increase in temperature is measurable in degrees. You are adding new measurable quantities of heat to the water. However, prolonging this process for a sufficient period of time develops a new quality in the water: steam. Conversely, if water is cooled the gradual quantitative diminution results in a quantitative change, and terminates in the production of a qualitatively different substance: ice.

The same may be illustrated from the field of organic chemistry. If you commence with an elementary hydrocarbon: Methane (CH_4) and make quantitative additions such as CH_2 you have Ethane, Propane, Butane, Peutane, Octane, etc. Each of these new products is entirely new—something never seen before—something never ascertainable from the nature of the original CH_4. Thus continuous quantitative change produces new qualities.

In summary: matter alone exists; matter is constantly in motion; matter's motion is dialectical in pattern. The dialection motion develops from the nature of the dialectical interaction in men s thoughts; in the dialectical manner of operation between man and nature; finally, from the dialectical interaction within nature itself. This latter interaction in nature is explicable through the three laws of the dialectic: Reality is a unity of opposites; progress is explicable by a process of the negation of the negation; continuous quantitative transformation results in the production of new qualities. This constitutes the metaphysical foundation of dialectical materialism.

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there any further business in the morning hour?

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there further business in the morning hour?

Mr. RUSSELL. Mr. President, I desire to ascertain whether there is further business in the morning hour, because before the Senate proceeds to consider the unfinished business, I desire to have a live quorum.

Mr. CLARK. Mr. President, will the Chair indulge me for a moment while I confer with the Senator from Georgia?

Mr. President, I renew my request that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask unanimous consent that I may proceed for not in excess of 10 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960

Mr. CLARK. Mr. President, earlier during the morning hour the distinguished senior Senator from Utah [Mr. BENNETT] undertook to criticize at some length the amendment sponsored by me, and which, in my judgment at least, if not in the judgment of the Senator from Utah, the Senate wisely adopted yesterday afternoon in connection with the excise tax bill.

My amendment dealt with the problem of business expense deductions for entertainment, gifts, and dues to social and athletic clubs. It would, I believe, conservatively yield an additional $250 million of badly needed revenue.

The Senator from Utah made a series of quite extraordinary statements. I should like to repeat them and then rebut them. He said, first, that my amendment permitted unlimited expenditures for liquor and food. This, of course, is not true.

The amendment retains the present requirement that any entertainment expenditure, to be deductible as a business expense, must be a necessary and ordinary expenditure in furtherance of the business. The amendment does not change that requirement at all. The amendment simply prohibits deductions for entertainment expenses except for food and beverages. The reason for the exception is that as a matter of both draftsmanship and administration, it was found impossible to draw an amendment which would be fair and just, and yet prohibit deductions for necessary and ordinary business expense in connection with trying to put across a business deal by the purchase of food and beverages. However, there is a clear limitation in present law on the amount which can be deducted for such expenses, and that limitation will continue.

My friend said that although I talked a great deal about yachts, in support of the amendment, that, as he read the amendment, one could yacht to his heart's content and could charge off the expenses to Uncle Sam, because we had not forbidden travel. Of course that comment is equally unsound; the bill did not prohibit deducting travel expense if it is a necessary and proper business expense, because we found that the administrative difficulties in writing such a provision into the amendment were quite substantial.

Mr. President, the distinguished Senator from Utah suggested that despite my amendment, an individual or a business could maintain and operate a yacht for entertainment purposes and could charge off the expense for it as business expense, to the heart's content of the owner of the yacht. Of course, the Senator from Utah stated that his belief is based on the fact that in the amendment there is no prohibition against travel.

But I can assure the Senator from Utah that I am quite certain that any competent lawyer would advise him that my amendment does prohibit business-expense deductions based on the use of yachts for the pleasure or entertainment of business customers, not for travel. Of course, if a yacht were chartered to take a group to some sort of business convention in another part of the world, that travel expense would be a legitimate business expense. But the ordinary entertainment for which a yacht is utilized would not be a deductible business expense under the provisions of my amendment.

Then my friend wished to know whether my amendment would exclude deduction of expenses of the well-known company picnic. Of course, it would not, because food and beverages would be deductible on the same basis as they were before. If a company picnic is found by the revenue agents to involve an ordinary and necessary business expense—within the meaning of section 162 of the code—the company could continue to deduct the cost of such picnics. Under the amendment the company could not deduct the expenses of hiring entertainers to perform at the company picnic. But if the company wished to hold a picnic in a park, I assure my friend that nothing in the amendment would prevent deduction for the food and drink expenses of that picnic.

Then my friend said he thought deduction of the costs of sample kits and window displays would be forbidden under my amendment, if they cost more than $10. But, of course, they would not, because those are not gifts. They are advertising expenses; and my amendment does not prohibit in any way legitimate advertising.

Then the Senator asked what would happen if at the end of the year one gave a salesman a bonus for having sold an extraordinarily large number of automobiles or dishwashers or whatever might be the article he was selling; and the Senator said that bonus would be a gift. But, of course, it would not be a gift, because a payment of this sort is treated as compensation for services performed, deductible by the employer and taxable as ordinary income for the employee.

Then the Senator said—and he almost wept as he said it—that the result of the amendment would be that corporations with a heart or with a soul would be denied the privilege of giving a scholarship to some worthy cake baker who used General Mills products, as he said, or to some worthy youth who, by means of a contest, won a scholarship. But, of course, my amendment would not prohibit that. A scholarship is a charitable or educational contribution and if it is deductible under section 170 of the code which covers the tax treatment of such contributions, it would continue to be deductible if and when my amendment becomes law, since my amendment does not change section 170.

Then my friend, with emotion in his words, inquired whether a faithful employee who had served a company for 50 years, would be prohibited, by my amendment, from receiving a gold watch when he retired from the company. The Senator suggested that in that respect there was a sad contest between permitting someone to wine and dine a customer, but forbidding a gray-haired, 50-year employee from being rewarded by being given a gold watch.

Mr. President, this does not bother me very much. Either the gold watch would be treated as extra compensation for services rendered which would be fully deductible under existing law, or if it would be considered to be a genuine "gift," and the company would claim a $10 deduction, after 50 years of service it would not seem too harsh to make the company carry the balance of the cost of the watch without help from Uncle Sam. At any rate there is no doubt that the practice of rewarding old employees will continue.

So, Mr. President, I hope very much that the Senate conferees will stand firm behind this wise amendment, which will make a beginning on cutting in on one of the most disgraceful aspects of our free enterprise system—namely, the swindle sheet racket—and, in addition, I am confident that the amendment will raise an additional $250 million of revenue for the Treasury.

Mr. President, I turn to another allied matter, and I ask unanimous consent that I may proceed on this matter for not in excess of 7 minutes.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Is there objection? The Chair hears none, and the Senator may proceed.

Mr. CLARK. Mr. President, the action taken by the Senate yesterday in defeating the committee amendments to the tax extension bill, H.R. 12381, and in passing three loophole closing amendments, if approved, will increase revenues in the coming fiscal year by $1.165 billion dollars. This could well spell the difference between a $200 million deficit and a $1 billion surplus in fiscal 1961. I ask unanimous consent that a table which I have had prepared to demonstrate these facts be inserted in the RECORD at this place in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated surplus for fiscal year 1961 (spending $79.8 billion; revenue $84 billion)	$4,200,000,000

Less net increases over budget estimates in appropriation bills passed to date:	
Increases:	
Defense, June 16	$1,179,997,000
HEW, June 17	465,566,950
Interior, May 13	7,337,300
Subtotal	1,652,901,250
Decreases:	
Commerce, May 13	69,990,625
Treasury-Post Office	55,939,000
Agriculture	141,165,590
District of Columbia	2,932,567
Subtotal	270,027,782
Net increase	1,382,873,468
Surplus balance	2,817,126,532
Less cost of Federal employee pay bill	746,000,000
Surplus balance	2,071,126,532
Less postal rate increase (budgeted but not agreed to)	554,000,000
Aviation fuel tax and miscellaneous taxes (budgeted but not agreed to)	146,000,000
Subtotal	700,000,00
Surplus balance	1,371,126,532
Less cost of certain bills which may be passed before adjournment:	
Education (S. $900 million; H.R. $325 million) average	612,500,000
Housing	100,800,000
Medical care for aged (McNAMARA)	132,000,000
Foreign tax credit (S. $20 million, H.R. $45 million) (average)	32,500,000
H.R. 10 (estimate $150–$250 million) (average)	200,000,000
Subtotal	1,000,000,000
Surplus balance	371,126,532
Less cost of H.R. 12381, as reported by Finance Committee	565,000,000
Deficit	−193,873,468
Plus restoration of communications and passenger excise taxes	565,000,000
Plus new revenue raised by loophole closing amendments to H.R. 12381, as passed by Senate:	
McCarthy amendment repealing 4 percent dividend credit	175,000,000
Gore amendment preventing depletion allowance on finishing processes	300,000,000
Clark amendment narrowing expense account deductions	125,000,000
Subtotal	+600,000,000
Total revenue added by H.R. 12381 as passed by Senate	1,165,000,000
Surplus balance	+971,126,532

Mr. CLARK. Since there are no differences in H.R. 12381, as passed by the Senate and the House, in regard to the extension of all existing taxes, this matter will not be at issue in the conference committee. The three loophole closing amendments adopted by the Senate, however, do represent points of disagreement which will have to be ironed out by the conferees.

Before the Senate conferees were appointed last night, I reminded the Senate of the principle stated in Cleaves' manual that "the majority party and the prevailing opinion shall have the majority of the managers" in the conference committee. That principle was not followed in the appointments made last, because a majority of the Senate conferees voted against the McCarthy amendment to repeal the dividend credit provision of the code, and against my amendment to tighten the rules regarding the deduction of business expenses. As I indicated last night, however, I did not object to the appointment of conferees in violation of the precedent I have just cited, because I have confidence that they will truly and ably represent the views of the Senate majority in conference, regardless of their own individual opinions of the actions taken yesterday.

The importance of retaining the loophole-closing amendments in the bill on the revenue position of the Treasury cannot be overemphasized. The best estimates we have show that the three amendments adopted by the Senate will add $1.2 billion to Government receipts in the first full year of their operation, or $600 million in fiscal 1961—since they all become operable under their terms on December 31, 1960.

The Washington Post, in an editorial in this morning's edition, complimented the Senate on the soundness of its actions on the tax bill yesterday, and I ask that the editorial be inserted in the RECORD at this place in my remarks. Even the Wall Street Journal gave grudging acknowledgment that the Senate had acted in the interests of fiscal responsibility on the tax extension bill, although, of course, it added the usual pleas to stop all further spending. I ask unanimous consent that the editorial also be included in my remarks at this place in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post June 21, 1960]

TAXES IN THE SENATE

The Senate has acted responsibly in overriding its Finance Committee to continue, for another year, the communications and transportation taxes. While it is quite true that the original purpose of the transportation levy—to discourage travel in wartime—is no longer relevant, the need for Federal revenues is pressing. And while it is true that many States need an expanded tax base and would have welcomed the opportunity to take over the excise on telephone and telegraph bills, the Federal Treasury is this year in no position to be generous. For Congress to have voted several necessary increases in the budget and, at the same time, to have allowed these taxes to lapse would have made a poor record for any Democratic candidate to run on.

The budget surplus foreseen for fiscal 1961 now seems bound to be much smaller than had been hoped for 6 months ago. Congress' refusal to raise postal rates and its insistence upon pay increases at a time of relative price stability threaten, along with justified increases for defense and other items, to eliminate much chance of debt retirement or advantageous refinancing. Against this backdrop, tax cuts of any kind would look—and would be—quite irresponsible.

Several of the moves in the Senate to close certain tax loopholes have much merit, but without early and concerted action in the House, where revenue measures must originate, it is nearly impossible to accomplish such reforms. We hope the extended study of the tax structure which the House Ways and Means Committee has been conducting will lead to enactment of some of these and other corrective amendments to the internal revenue laws in the next Congress, if, as seems likely, complete action is impossible now. The Senate action and debate have at least pointed to some of the more obvious flaws, such as the unduly broad minerals depletion allowances (which it voted unanimously to curtail), the abuse of entertainment expense accounts, the poorly justified tax credit on dividend income and the seemingly widespread evasion of dividend and interest taxes altogether, to say nothing of the excessive oil and gas depletion allowance rates.

These are but a few of the many opportunities that exist to broaden the income tax base, which must be done before nuisance taxes like the transportation levy and other similar inequities can be eliminated. It is a pity that this Congress could not have addressed itself broadly and early to revenue problems, but the Senate, at least, has done about the best that it could under the gun of a July 3 adjournment.

[From the Wall Street Journal, June 21, 1960]

PINNING THE LABEL

The Senate, this newspaper reports, will face a lot of opposition to the Senate Finance Committee's approval of a bill to repeal the 10 percent Federal levy on local telephone calls, telegrams, and passenger travel.

The taxes are unduly burdensome, but some of the Democrats fear somebody might pin a label of "fiscal irresponsibility" on the Congress they control if those taxes—laughingly labeled "temporary" when enacted—are killed. The reason for the fear is that repeal would cost the Government around $752 million annually, and some Democrats want to spend much more money than even the administration thinks proper on a great many things such as Federal school construction aid, Federal medical aid to the aged and Federal housing aid, to cite a few.

Well, in an election year it's probably a futile exercise to suggest that Congress ought to do the sensible thing and not increase spending just to lure unwary voters. And in any other year, either, it's probably equally futile to hope that Congress will cut special taxes that provide money to spend. Once a tax is on and the initial taxpayer grumbling has ceased, it's about as hard to get elected officials to reduce taxes as it would be to get them to cut their own pay.

Still, there's a gleam of hope in all this. For here is a clear case of letting the public know outright that anything it gets from Washington the public itself must pay for. We don't know how many people use telegrams or travel around, but there are a mighty lot of them who have telephones and if the Senate does refuse a tax reduction they'll know their bills are 10 percent higher than they might be because of greater spending by Congress.

In a way, we suppose the taxpayer ought to be grateful to the Senators who say they want to keep the taxes so as not to endanger the balanced budget the administration is hoping for. That's a lot better than going deeper into debt, which truly would be fiscal irresponsibility of the worst sort, considering that some of the programs Congress seeks aren't necessary.

But since the Democratic majority seems worried about labels, we'd like to remind them that there are degrees of fiscal irresponsibility. And spending just about every cent they can get their hands on—with the country deep in debt and the public deep in taxes—can hardly be called fiscal responsibility.

Mr. CLARK. Mr. President, I should like to express my strong hope that the Senate conferees will stand firm behind the amendments passed by the Senate yesterday. I point out again to my colleagues in this body who may perhaps read the RECORD tomorrow that we are about to go into a political campaign in which our party is going to be accused of thriftless spending and of lack of fiscal responsibility. This charge may be made to stick, Mr. President, if it can be shown that this Congress, controlled by the Democrats, has taken the $4.2 billion surplus set forth in the President's budget and has substituted therefor a deficit of $200 million.

I hope this will not come to pass. The best way to handle the situation, both from the point of view of party policy and the national interest, is to see to it that we provide enough additional revenues before we adjourn this year to assure a balanced budget in fiscal 1961.

That, in my judgment, can be done only if the loophole-closing amendments are retained in the bill we passed yesterday.

Mr. President, I shudder to think of both the political implications and the effect on our national economy if we leave Washington having been only too willing to appropriate for the public interest, but entirely unwilling to provide the revenues to give us a balanced budget and an opportunity to make a payment on the national debt.

I hope very much the Senate conferees will stand firm. I would hesitate a long time before approving a conference agreement which left my party again subject to the charge of fiscal irresponsibility.

Mr. President, I yield the floor.

TRIBUTE TO SENATOR BYRD OF WEST VIRGINIA

Mr. YOUNG of Ohio. Mr. President, I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. The Chair will state to the Senator from Ohio that there is no limitation on time.

Mr. YOUNG of Ohio. Mr. President, may I express my high admiration for the distinguished and very able junior Senator from West Virginia [Mr. BYRD], who is presently presiding over the Senate, and my pleasure over the fact that the junior Senator from West Virginia is in the Presiding Officer's chair this afternoon.

Mr. President, from the knowledge I have acquired since I first became a Senator in January 1959, I have learned to regard the present Presiding Officer, the junior Senator from West Virginia, Mr. ROBERT BYRD, as one of the most devoted, dedicated, and industrious Members of the Senate.

During his 2 years in the Senate—it will be 2 years at the end of the present year—and his three terms in the other body, I know that the junior Senator from West Virginia has made a remarkable record of achievement. He has served his State and the Nation with fidelity and zeal, and great brilliance.

The people of West Virginia may well be proud of his contributions to our Nation's welfare. Those of us who know Senator BOB BYRD well have learned that he is one of the hardest working and most selfless Members of the Senate.

It has come to my attention that, as of last Saturday, our distinguished colleague who is presently presiding over the Senate, has spent 104 hours presiding over the U.S. Senate during this second session of the 86th Congress.

It is interesting to note, Mr. President, that the Vice President of the United States, who is, officially, the Presiding Officer of the Senate, has served a little more than one-fifth as much time in presiding over this body during the present session as has the distinguished junior Senator from West Virginia.

As of last Saturday, Mr. President, the record shows that Vice President RICHARD NIXON had presided over the Senate for a total of 24 hours during this session, while, as I have said the distinguished present occupant of the Chair had presided for a total of 104 hours.

On the other side of the aisle I observe the distinguished junior Senator from Pennsylvania [Mr. SCOTT], who is a most interesting letter writer.

I read recently in a newspaper a most informative letter which the distinguished junior Senator from Pennsylvania had written. In addition to his long record of notable service in the House of Representatives, the Senator has been the chairman of the Republican National Committee. He has a distinguished place in his party.

It may be that in addition to the informative letter which the distinguished Senator from Pennsylvania recently wrote, he might choose to write an informative letter to Vice President RICHARD NIXON, advising him of what we are accomplishing during these night sessions under the leadership of the majority leader, the senior Senator from Texas [Mr. JOHNSON]. He may choose to report that. I would not choose to do so, Mr. President, because I realize the Vice President has important work he is seeking to accomplish throughout the Nation. I only make the suggestion.

Mr. SCOTT. Mr. President, will my friend from Ohio yield?

Mr. YOUNG of Ohio. I shall yield in a moment. I promised I would yield to the distinguished junior Senator from Wisconsin [Mr. PROXMIRE], and of course I shall also yield to the Senator from Pennsylvania.

The distinguished Senator from Pennsylvania, to whom I shall yield shortly, became a Member of the Senate at the same time I became a Member. It has been the high honor of some of us freshman Senators, so-called, to be asked to preside over the Senate of the United States. I am not boasting about the time I have spent presiding, because it is insignificant contrasted with the service of the distinguished Senator from West Virginia, the present Presiding Officer of the Senate. However, it is a fact, and the RECORD shows, that the junior Senator from Ohio has presided a total of approximately 44 hours in the Senate of the United States. If the Senator from Pennsylvania chooses to write another of those informative letters, he might advise the Vice President of the United States that he himself has presided over this body for a total of 2 hours during the same period the present Presiding Officer has presided a total of 104 hours.

Mr. President, I did not mean to refer to political matters. I meant only to advert to the service of the distinguished junior Senator from West Virginia. I wished to express my high admiration to the Senator, to attest my deference and devotion to the great work he is doing as a Senator of the United States. The great amount of time which our colleague from West Virginia has spent presiding over the Senate has made it necessary, I know, for him to burn the midnight oil in order to keep pace with the staggering workload of a Senator's office.

In my opinion, Mr. President, the distinguished junior Senator from West Virginia has earned the admiration of all of us for his notable efforts in presiding over the Senate for a total of 104 hours during the present session of the Congress.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. I yield to the Senator from Wisconsin, and then I shall yield to the Senator from Pennsylvania.

Mr. PROXMIRE. Mr. President, I am very happy to join the distinguished Senator from Ohio is commending the present occupant of the Chair, the junior Senator from West Virginia [Mr. BYRD]. I was impressed, when I was presiding over the Senate a week or two ago, by the figures as to the Senators who had presided, and for how long. I was particularly amazed by the fact that the distinguished present Presiding Officer has actually presided over the Senate for more time than all of the Republicans combined, including the Vice President of the United States, whose constitutional duty it is to preside over the Senate. It has been a neck-and-neck race between our present Presiding Officer and the entire Republican Party, but the Senator from West Virginia has been doing a magnificent job.

I have presided for some time myself, particularly last year and the year before, and I know it is a chore. It is a tedious chore. There are few things which are more tedious than having to sit in the Presiding Officer's chair and listen to speech after speech after speech. It is necessary that some Senator do it. It is necessary that the Presiding Officer conduct himself with dignity and propriety. It is necessary that the Presiding Officer have control over the parliamentary situation.

I point out that the present Presiding Officer is not a Senator who does nothing.

He is a very busy Senator. I know few Senators who are as busy. It is well known that the Senator does graduate work. He is a very hard-working committee member. I have the honor to serve on a committee with the Senator from West Virginia. He is very concerned about proposed legislation, and particularly concerned about legislation affecting his State. He has some very deep, profound, and well-articulated convictions about international affairs. He has given some of the finest speeches given by any Senator on the floor of the Senate. I think the Senator from West Virginia deserves great approval for the fine record he has compiled.

I am delighted to join the distinguished Senator from Ohio in commending the Senator from West Virginia for his service. The fact that he, all by himself, has served in this difficult but important, tedious but important, job more time than all the Republican Senators combined, including the man who has the constitutional responsibility for doing it, is a particularly impressive feat.

Mr. SCOTT. Mr. President——

Mr. YOUNG of Ohio. I yield to the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, I am very much gratified that the distinguished junior Senator from Ohio has paid this tribute to the present occupant of the chair, the Senator from West Virginia [Mr. BYRD], whom we all admire and whose willingness through long and tedious hours to occupy the chair of the presidency of the Senate is appreciated by all of us, many of whom regard it as a chore to be avoided. Many of us often, I fear, escape from the Chamber at times when we feel we are about to be asked to preside. Many of us would prefer not to make this particular sacrifice, but the generous and kindly character of the Senator from West Virginia is such he does relieve all of us many times from this obligation. Therefore, I wish to join in paying tribute to the Senator not only in this capacity but also because he does work hard and because he is a man whom we like and whom we admire.

Since I seem to have been caught in a slight downdraft by virtue of some of the remarks of my friend from Ohio, which refer to the fact that occasionally I write a letter, I will say to the Senator from Ohio that such a letter, of course, would not be addressed to him, because he has been present much more than 22 percent of the time. He is a very faithful Senator. He responds to his duty as a representative of his State in this body. He has voted on most of the bills. He is well known in his reaction to the press and to various groups of people as "Mr. Blunt" himself. He speaks his mind, and we respect him for it.

Mr. YOUNG of Ohio. I thank the Senator very much for that kind remark.

Mr. SCOTT. It should be noted first of all that there are some Senators on the other side of the aisle who still believe in the ancient concept of the Vice Presidency as an office somewhat sedentary in nature, with the Vice President thought to be no more than a figurehead, to be no more than a man who presides over all manner of subjects, no matter what the state of the world or the state of the Union may be.

So this was the old concept of the Vice Presidency, and under the Vice Presidency of members of the party of the Senator from Ohio, the rather gruesome privilege of innocuous desuetude was enjoyed by numerous occupants of the Vice Presidential chair. Most regarded the office as one which one of our Founding Fathers described as the most useless office ever invented by the mind of man for the discomfort of a human being.

However, I am glad to say that the concept of the Vice Presidency has changed during the occupancy of that chair by Vice President NIXON. He has not regarded it as a sedentary post for the purpose of presiding and avoiding other responsibilities.

First, it ought to be called to the attention of the Senate that the Vice President has seldom failed to be present every time there has been a tie vote to be broken and that the Vice President has courageously cast his votes. He was present even during the long hours of the civil rights filibuster, when there were certain Senators on the Democratic side of the aisle, as we all know, who showed a marked disinclination to occupy the chair in the event of a close vote involving the touchy issue of civil rights.

It ought also to be noted that the Vice President has been present by far the greater part of the time when other candidates for the Presidential office have distinguished this Chamber by their absence.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. The Senator from Ohio has the floor.

Mr. SCOTT. I should like to conclude this part of what I have to say. One is not, of course, too critical of those who campaign for the Presidency, because it is a post which requires a frequent return to the people. But the Vice President, generally speaking, has observed the necessity to be present, even though his duties here are occasional at best, and his principal duty is to break a tie in the event of such a vote in the Senate. He has observed the duties and responsibilities of his office to a far better degree than have others who are competing for the Presidency. By that I certainly do not mean to include the majority leader (Mr. JOHNSON of Texas), who has been faithful in the Senate day and night, and whose leadership is of the sort which has commanded the respect of Senators on both sides of the aisle.

The Senator from Ohio has mentioned the fact that I myself have presided only 2 hours during my year and a half in the Senate. I shall be glad to advise the Senator from Ohio——

Mr. YOUNG of Ohio. The Senator is mistaken. The junior Senator from Ohio stated that the Senator from Pennsylvania presided approximately 2 hours during the present session.

Mr. SCOTT. During the present session.

Mr. YOUNG of Ohio. I have been referring only to Vice President NIXON, who presided only 24 hours during the present session.

Mr. SCOTT. I take no offense. I should be glad to continue and supplement my statement by advising the Senator from Ohio that during my 16 years in the House I doubt very much if I presided any more than 2 hours during the entire 16 years, because I come from a State neighboring to his, with 11 million people. Those 11 million people make many demands upon my time. I am a member of four committees and several subcommittees.

Mr. YOUNG of Ohio. The junior Senator from Ohio appreciates the truth of that statement, because he comes from a State that has a population of 9 million. The junior Senator from Ohio during the present session of the Senate has presided only 44 hours.

Mr. SCOTT. I am all the more grateful to Senators who are willing to permit the use of their sitting endurance for the benefit of the rest of us. I say only that it is not my particular forte.

Il n'est pas mon metier, as the Senator will understand—it is not my hobby—to spend time in presiding. I am glad that other Senators do so.

Mr. YOUNG of Ohio. I merely commented on that. I intended to compliment the junior Senator from Pennsylvania upon his forte as a very informative letter writer, who receives widespread publicity.

Mr. SCOTT. I am glad the Senator from Ohio appreciates that.

I wish to make some reference to what the distinguished Senator from Wisconsin has said. I am aware that there has been a certain amount of interest in a recent letter of mine. I have found more interest on the other side of the aisle than I have on this side and, I may add, with fully as much approval. I shall be very glad to make further comment on the letter. I am very glad to have the additional notice brought to it.

But at this point I wish to make a comment on what my friend the Senator from Wisconsin [Mr. PROXMIRE] has said, because I am afraid that his statement as it now appears in the RECORD may mislead the general public. He remarked that the present occupant of the chair had spent more time in the chair than all the Republican Senators combined.

During the 20 years since I first came to Washington, throughout my study of political science and in all the period preceding that time, under the two-party system, a certain custom has existed and been observed. The custom is that the Vice President—constitutionally the President of the Senate—presides frequently at the opening of the Senate and for the occasion of breaking a tie vote. But when the Vice President gives up the chair to attend to other duties, the right to fill the chair is assumed by the majority party. Under the direction of the distinguished President pro tempore of this body, who is the Senator from Arizona [Mr. HAYDEN], a Democrat, various officials of the Senate select members of the Democratic Party to

preside over the Senate. Therefore, because this custom is and almost always has been followed, the Senator from Wisconsin would have people believe that the reason why one or more Democrats have occupied the chair more often that Republicans is due to the fact that the President pro tempore of the Senate is an office pertaining to the majority party.

There are twice as many members of the majority party in the Senate, and therefore it is not unusual that there should be more Democrats sitting in the Presiding Officer's chair than Republicans. Visitors to the galleries, I am sure, if they arrive early, will ordinarily see the Vice President in the chair. They may see one or two Senators of the party of the Vice President presiding briefly. Then when the Senate reaches legislative issues, the President pro tempore, through agents of the Senate, designates a Democrat, who is normally succeeded by Democrats throughout the rest of the session.

Finally, I think it should be pointed out, as I have said, that the present Vice President has given a new concept to the office. Rather than do nothing save preside nominally in the Senate, this Vice President has presided over a very considerable percentage of the meetings of the President's Cabinet. He has presided many times over the very important meetings of the National Security Council. He has, moreover, been Chairman of the President's Committee on Government Contracts. He has served ex officio, by designation, on many other agencies or missions. He has been the busiest Vice President in the history of the United States. He has been the best trained Vice President in the history of the United States, and the most experienced. I am sure neither he nor his party would trade that record for the privilege of presiding endlessly over a distinguished body where, as one visitor has observed, the procedure goes something like this: One Member gets up and says nothing. Nobody pays any attention. Then everybody gets up and disagrees.

I hope that is not a fair judgment of our body. However, certainly in this distinguished body, which has been facetiously referred to as a cave of the winds, there are other duties than merely presiding all day and all night and listening to other distinguished Senators express their views on everything from men to manhole covers. I thank the Senator from Ohio for yielding.

Mr. YOUNG of Ohio. Mr. President, I yield to the junior Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, to reply explicitly to the Senator from Pennsylvania in his disagreement with me, I should like to say that I have served in the Senate from the end of 1957 until now, and in that time I have observed that, because of generosity and consideration and a recognition of the tedium of presiding over the Senate, the Republicans, at least in 1958, were very generous in sharing the burden of presiding over the Senate.

I think it is striking and impressive that the Senator from West Virginia [Mr. BYRD] has such a deep conception of his duty that he has actually served more time in the chair, as I have said, than the Vice President and all the Republican Senators combined.

What the junior Senator from Pennsylvania says is correct; it is the duty of the majority party to preside. But there is a matter of consideration and exchange of burdens in the Senate, which is one of its finest characteristics. The fact that some Senators in both parties are willing to take this burden over is to their great credit. The fact that the Senator from West Virginia has been willing to assume this burden more than all the Republicans combined is to his great credit.

Mr. SCOTT. I agree that we are all indebted to the Senator from West Virginia for his thoughtfulness in relieving the rest of us of that burden for a considerable period of time.

Mr. YOUNG of Ohio. Mr. President, may I interrupt briefly?

Mr. PROXMIRE. The Senator from Ohio has the floor.

Mr. YOUNG of Ohio. I intend to yield further to the Senator from Wisconsin for any further remarks he wishes to make. As a student of history, I know something about the history of this country and the Constitution of the United States. The Constitution, as the Senator from Wisconsin will agree, specifically imposes two duties upon the Vice President. One is to serve as Presiding Officer over the sessions of the Senate. The second is to cast his vote to break tie votes in the Senate. It is not the duty of members of the majority party to preside. The Constitution specifically makes it the duty of the Vice President of the United States.

When the junior Senator from Pennsylvania speaks about the ancient concept of the Vice Presidency and the new concept of the Vice Presidency, there is no basis for such assertion. The precise duties of the Vice Presidency are set forth in the Constitution of our country.

I should like to answer the statement of the junior Senator from Pennsylvania, and I am certain that the junior Senator from Wisconsin will agree with me. According to the Congressional Quarterly of February 8 of this year, at page 4660, to be exact—if the junior Senator from Pennsylvania cares to look it up—Vice President NIXON has not voted following nine tie votes, as of February 3. It may be that he intended to vote in the negative on all of these occasions. However, that is difficult for me to believe. He did not break even one of these nine tie votes.

I do recall distinctly that not many weeks ago the Vice President, when one of his duties to which the junior Senator from Pennsylvania [Mr. SCOTT] has adverted took him elsewhere, spoke in Chicago. At that time, according to newspaper reports, he stated publicly that he favored Federal aid to education. However, when the chips were down, and when the amendment of the senior Senator from Pennsylvania [Mr. CLARK], providing for that very thing, came up for vote, a tie vote resulted, as I recall, of 42 to 42. On that day the Vice President was here and he cast a negative vote, contrary to his stated beliefs.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. YOUNG of Ohio. The Senator from Wisconsin has the floor.

Mr. PROXMIRE. I should like to complete my remarks. I hope to make them very brief. I do not wish to detain the Senate. I realize that we have a great deal of business to transact, and perhaps we should not spend too much time on this subject. I did wish to answer the issues the junior Senator from Pennsylvania has developed.

He said that Vice President NIXON has developed a new concept of the Vice Presidency, not the sedentary occupation of merely sitting endlessly in the chair in presiding over the Senate.

I should like to call to the attention of the junior Senator from Pennsylvania the fact that the immediately preceding Vice President was Alben Barkley. I believe that all Americans in both parties recognize the fact that Alben Barkley was an exceedingly active and responsible and effective Vice President. He was not content simply to sit still and let time go by. He was a man who contributed greatly to the Nation, not only as a Senator, but also as Vice President. He was extremely active.

I wish also to say to the junior Senator from Pennsylvania that the burden of his remarks and the burden of the letter which the Senator from Ohio has discussed, was a discussion of the junior Senator from Massachusetts [Mr. KENNEDY]. I think the junior Senator from Massachusetts has had a superb record in the Congress, both in the House and in the Senate. I believe that most objective persons who evaluate his record will agree.

Of course, he has not been present a great deal this year. The fact is that it is necessary for him to be an active candidate for the Presidency. He knows that his only chance is to go out and win in the primaries.

I recall that back in 1952 Senator Robert Taft, who had a much heavier obligation considering his position at that time for being on the floor of the Senate, was out in Wisconsin campaigning in our primary, day after day, every day for weeks during the 1952 presidential primary in Wisconsin. No one criticized Senator Taft for that, and nobody should have done so. The fact is that there are few greater responsibilities than serving in the Senate of the United States, but I think one of them is running for the Presidency as a major candidate of one of our two great political parties.

When JACK KENNEDY goes around the country and makes his important speeches, and when he appeals to the Nation, as he has done repeatedly throughout the country, in State after State, he is performing a great service to the country. Both Winston Churchill and Woodrow Wilson have said that the most important function of public service in a democracy is in the campaign, because that is where the democratic—and I spell that with a small "d"—consensus is arrived at. Here is where

the vital discussion, deliberation, and decision of democracy takes place. JACK KENNEDY deserves credit for the wonderful campaign he has conducted. It is impossible for him to sit in the Senate day after day and vote on the measures the Senate is considering. The fact is, however, that, except for this campaign year, Senator KENNEDY has had an excellent record of attendance, as well as a brilliant record of performance. However, in every year the Vice President has spent very little time presiding over the Senate, performing the duty which he is required to perform under the Constitution. And frankly under all the circumstances I cannot blame him much for it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. Which Senator had charge of marshaling through the committee and handling on the floor the repeal of the disclaimer affidavit?

Mr. PROXMIRE. The junior Senator from Massachusetts [Mr. KENNEDY] did, and he did his usual very high quality job, and he did it only a few days ago.

Mr. CLARK. Which Senator is in charge of marshaling in the committee and bringing to the floor the infinitely complicated minimum wage bill?

Mr. PROXMIRE. The junior Senator from Massachusetts. Not only is that bill infinitely complicated; it is a controversial bill mined with boobytraps. It is dynamite and has to be handled with maturity and skill. The Senator from Massachusetts has done a masterful job with this measure, in spite of his other responsibilities as a candidate.

Mr. CLARK. Does the Senator from Wisconsin realize that on practically every yea-and-nay vote the Senate has taken this session, the position of the junior Senator from Massachusetts has been announced?

Mr. PROXMIRE. I am aware of that; and also, as far as possible, he has been paired. But in all cases, as the Senator from Pennsylvania has said, the position of the junior Senator from Massachusetts has been made crystal clear.

Mr. CLARK. Does the Senator from Wisconsin appreciate the fact that the Senator from Massachusetts has been here and has voted substantially more frequently than a good many of his colleagues, even in this session?

Mr. PROXMIRE. The Senator from Pennsylvania is correct. I have examined the record of the Senator from Massachusetts over the years. He has compiled a fine conscientious attendance record.

Mr. SCOTT. Mr. President, will the Senator from Ohio yield?

Mr. YOUNG of Ohio. I yield.

Mr. SCOTT. First, with respect to the duties of the Vice President, I call the attention of the Senator from Wisconsin to the fact that about all that appears on that point is to be found in this paragraph:

> The Vice President of the United States shall be President of the Senate, but shall have no vote, unless they be equally divided.

As the junior Senator from Ohio has pointed out——

Mr. YOUNG of Ohio. I may say that I promised the junior Senator from Louisiana [Mr. LONG] that I would yield to him. He must leave the floor shortly.

Mr. SCOTT. I shall try to be brief. What I shall say is in line with the discussion.

The junior Senator from Pennsylvania made the statement that the Vice President has been here every time there has been a tie vote. The Senator from Ohio said the Vice President did not vote on certain tie votes. That is because, as the Senator from Ohio has said, if the Vice President is not in favor of a measure, and his vote would be negative, there is no need to cast it. Therefore, the Vice President abstains from voting.

The Vice President breaks a tie, but only by voting in the affirmative. If the vote is a tie, the particular measure fails to carry. The Senator from Ohio mentioned that fact on various occasions.

I do not wish to go into the matter of the junior Senator from Massachusetts. His views are of record. His votes are of record.

I did not rise for that purpose. I rose because some sort of effort, apparently, is underway to make it appear that when the Vice President is not presiding over the Senate, he is not working as Vice President. I say to Senators who evidently have that thought in mind that they are not going to get away with it. The general public knows that the Vice President is working. They know that he was in Russia and stood up to Khrushchev. They know that the Vice President has made other visits to chiefs of state and to peoples. They know that he presides over the National Security Council. They know that he presides over the Cabinet on many occasions.

Therefore, the attempt to make it appear that the most important job in the world for Vice President NIXON to perform is to sit here and preside over this body, even when no great issues are involved, is an effort which, I am certain, will come to nothing.

Mr. PROXMIRE. The junior Senator from Pennsylvania wants to have it both ways. When Vice President NIXON goes around the country giving his speeches, that is statesmanship; it is an example of the Vice President going to the people.

When the junior Senator from Massachusetts [Mr. KENNEDY] does it—and everyone recognizes that he is the leading Democratic candidate for President of the United States—that is absenteeism; apparently it is felt that he should not be conducting this great crucial presidential campaign of 1960. He should be in the Senate, performing his routine duties.

I think it is obvious to any fairminded American that both these men have a perfect right to go out and campaign. The junior Senator from Massachusetts has been performing a great service to all Americans by talking hard, tough sense to them on the great issues of 1960 as the leading Democratic candidate, bringing his position to them at first hand. The Vice President has been the leading Republican candidate. He too has been performing a service to his country by campaigning.

Mr. YOUNG of Ohio. I thank the distinguished junior Senator from Wisconsin. I now yield to the distinguished senior Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I have been listening to the discussion. I could not help thinking of the past and what has taken place in history.

So far as the Vice President is concerned, he has been going out over the country, and when something was popular in a certain territory, he spoke in behalf of it. He would not mention anything which was not popular, and when his party had taken a position to the contrary.

To illustrate the point, we might consider the subject of agriculture for a minute. Where does the Vice President stand on that subject? Is he for Benson or against Benson at the present time? The people of the Nation realize that the farmers have been thrown into bankruptcy, so to speak. About three-quarters of a million people leave the farms every year because they cannot make a living on them. Also, the income of farm families has been dropping at the rate of about $500 million a year. The Vice President does not talk much about that subject, so it is not possible to tell where he stands on the subject. One does not know whether he is for Benson's policies, or whether he stands with the administration or against it on agricultural policy at the present time. No; he will not take any part in that matter.

On other matters, he comes around only when there is a tie vote. Of course, he votes at that particular time.

I am reminded of what is said about a chandelier in the Vice President's office. A Vice President who became President of the United States—and one of the best Republican Presidents the country ever had, in my opinion—was Theodore Roosevelt. He was a great outdoor man. When he went to the White House, he raised all the windows to let the air come in and blow around.

It is said that the tinkle tinkle of the chandeliers kept him awake at night, and that he said they should be moved. He was asked, "Where shall we put them, if you will not have them at the White House?"

It is said that Theodore Roosevelt replied, "Put them in the Capitol. It does not make any difference where they go. But be sure to put one in the office of the Vice President. He does not have anything to do; maybe it will keep him awake in the future."

The Vice President does not have much to do; and he has not presided often over the Senate, whether it has been in a time of campaign or not. He has not waited until campaign time to get away from here. He has been away from here, speaking on popular issues in every area of the United States.

He could say, "No, I did not have anything to do with this matter," if it is something unpopular which Congress passed. "I did not have anything to do with that. I am the Vice President. I do not have any authority at all."

But he has authority in connection with some of the other matters, and he claims authority when he speaks of something which is popular.

That is politics. It goes on and on.

Mr. SCOTT. Mr. President, will the Senator from Ohio yield for a correction?

Mr. YOUNG of Ohio. I yield to the distinguished junior Senator from Louisiana. I thank the Senator from South Carolina for his contribution.

Mr. LONG of Louisiana. Mr. President, I assumed the Senator from Pennsylvania [Mr. SCOTT] had researched the statement he made when he said the Vice President had always been here in the event of a tie vote, so as to take a position on it.

Mr. SCOTT. If the Senator from Louisiana will yield, I said the Vice President had been here every time there had been a tie vote. While the Senator from Louisiana was out of the Chamber, I indicated that there are certain tie votes as to which the Vice President by abstaining from voting will create the same effect as if he had voted negatively, and the motion will lose. There were nine such occasions.

Mr. LONG of Louisiana. I assume that would have been the result in the case of a vote on an amendment of the junior Senator from Louisiana 3 years ago, in which I sought to provide additional funds for needy persons.

So far as the good State of California is concerned, the State which the Vice President had earlier represented both in the House and the Senate, he voted against an amendment which would have been of benefit to the health of aged persons. The amendment lost on a tie vote. I regret that we did not get the vote of a single Senator from California. I suppose the amendment would have been lost even if the Vice President had been present. The amendment was lost by a vote of 40 to 40.

I notice the statement that the question was put to a vote by the Presiding Officer. I assume that means that the Vice President, if he had been present, would have voted against 3½ million aged persons, needy old folks, because there is no indication that he would not have done so. I should say that that perhaps would stand as an exception to the statement that the Vice President had always been here in case of tie votes.

I think it would be well if the Vice President would make it clear that on an amendment which would have benefited 3,500,000 aged and needy persons, he would have cast his vote in the negative had he been present.

I am pleased to say that every time the junior Senator from Louisiana has offered an amendment to help the aged and needy, the junior Senator from Massachusetts [Mr. KENNEDY], in all fairness to him, has been here and has voted for my amendment.

Mr. YOUNG of Ohio. What date was the vote on additional unemployment compensation?

Mr. LONG of Louisiana. There was a yea-and-nay vote on May 28, 1958.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the proceedings in connection with the vote on my amendment to H.R. 12065, to provide for temporary additional unemployment compensation, and for other purposes, which was offered on May 28, 1958, in the 2d session of the 85th Congress.

There being no objection, the proceedings in connection with the vote were ordered to be printed in the RECORD, as follows:

SUBJECT AND RESULT OF VOTE, 85TH CONGRESS, 2D SESSION

ADDITIONAL UNEMPLOYMENT COMPENSATION (H.R. 12065)

(A bill to provide for temporary additional unemployment compensation, and for other purposes.) Vote on LONG, of Louisiana (and 32 others) amendment providing for additional average payment of $5 per month for needy aged and needy blind. This would increase the maximum monthly payment to $70 per person.

Rejected: Yeas 40, nays 40.

ADDITIONAL UNEMPLOYMENT COMPENSATION

The Senate resumed the consideration of the bill (H.R. 12065) to provide for temporary additional unemployment compensation, and for other purposes.

Mr. LONG. Mr. President, I call up my amendment which is at the desk, and which is identified as "5–26–58—C."

Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. Without objection, the text of the amendment will be printed in the RECORD.

The amendment offered by Mr. LONG is as follows: At the end of the bill insert a new title III, as follows:

"TITLE III

"SEC. 301. Section 3(a) of the Social Security Act is amended to read as follows:

"'SEC. 3. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing July 1, 1958, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $70—

"'(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $30 multiplied by the total number of such individuals who received old-age assistance in the form of money payments for such month; plus

"'(B) two-thirds of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of $45 multiplied by the total number of such individuals who received old-age assistance in the form of money payments for such month; plus

"'(C) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (B); and (2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of old-age assistance to help them attain self-care, and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of $6 multiplied by the total number of individuals who received old-age assistance under the State plan for such month.'

"SEC. 302. Section 1003 (a) of the Social Security Act is amended to read as follows:

"'SEC. 1003. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind for each quarter, beginning with the quarter commencing July 1, 1958, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $70—

"'(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $30 multiplied by the total number of such individuals who received aid to the blind in the form of money payments for such month; plus

"'(B) two-thirds of the amount by which such expnditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of $45 multiplied by the total number of such individuals who received aid to the blind in the form of money payments for such month; plus

"'(C) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (B); and (2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quarter as aid to the blind in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of aid to the blind to help them attain self-support or self-care; and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of $6 multiplied by the total number of individuals who received aid to the blind under the State plan for such month.'

"SEC. 303. Section 1403(a) of the Social Security Act is amended to read as follows:

"'SEC. 1403. (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning

with the quarter commencing July 1, 1958, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $70—

"'(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $30 multiplied by the total number of such individuals who received aid to the permanently and totally disabled in the form of money payments for such months; plus

"'(B) two-thirds of the amount by which such expenditures exceed the maximum which may be counted under clause (A), not counting so much of any expenditure with respect to any month as exceeds the product of $45 multiplied by the total number of such individuals who received aid to the permanently and totally disabled in the form of money payments for such month; plus

"'(C) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (B); and (2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled in the form of money payments under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of such aid to help them attain self-support or self-care; and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of $6 multiplied by the total number of individuals who received aid to the permanently and totally disabled under the State plan for such month.'

"SEC. 304. The amendments made by this title shall become effective July 1, 1958."

Amend the title so as to read: "An act to provide for temporary additional unemployment compensation, to provide for increased Federal financial participation in the State programs of public assistance established pursuant to titles I, X, and XIV of the Social Security Act, and for other purposes."

The question is on agreeing to the amendment of the Senator from Louisiana, Mr. LONG. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARRETT (when his name was called). On this vote I have a pair with the Senator from Nebraska, Mr. HRUSKA. If he were present, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. ERVIN (when his name was called). On this vote I have a pair with the junior Senator from Texas, Mr. YARBOROUGH. If he were present, he would vote "yea." If I were permitted to vote, I would vote "nay." I, therefore, withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico, Mr. ANDERSON, the Senator from Idaho, Mr. CHURCH; the Senator from Arkansas, Mr. FULBRIGHT; the Senator from Tennessee, Mr. GORE; the Senator from Minnesota, Mr. HUMPHREY; the Senator from Arkansas, Mr. MCCLELLAN; the Senator from Oklahoma, Mr. MONRONEY; the Senator from Wyoming, Mr. O'MAHONEY; and the Senator from Texas, Mr. YARBOROUGH, are absent on official business.

I further announce that if present and voting, the Senator from Idaho, Mr. CHURCH; the Senator from Minnesota, Mr. HUMPHREY; the Senator from Oklahoma, Mr. MONRONEY; and the Senator from Wyoming, Mr. O'MAHONEY; would each vote "yea."

Mr. DIRKSEN. I announce that the Senator from Indiana [Mr. JENNER] is necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business, and his pair with the Senator from Wyoming [Mr. BARRETT] has been previously announced.

The Senator from Minnesota [Mr. THYE] is absent on official business.

The Senator from Nevada [Mr. MALONE] is absent because of illness, and, if present and voting, would vote "yea."

The result was announced—yeas 40, nays 40, as follows:

Yeas, 40: Bible,[1] Carroll,[1] Chavez,[1] Clark,[1] Cotton, Douglas,[1] Eastland,[1] Ellender,[1] Frear,[1] Green,[1] Hayden,[1] Hennings,[1] Hill,[1] Holland,[1] Jackson,[1] Johnson of Texas,[1] Johnston of South Carolina,[1] Jordan,[1] Kefauver,[1] Kennedy,[1] Kerr,[1] Langer, Long,[1] Magnuson,[1] Mansfield,[1] McNamara,[1] Morse,[1] Murray,[1] Neuberger,[1] Pastore,[1] Payne, Potter, Proxmire,[1] Revercomb, Russell,[1] Smathers,[1] Smith of Maine, Sparkman,[1] Symington,[1] Talmadge.[1]

Nays, 40: Aiken, Allott, Beall, Bennett, Bricker, Bridges, Bush, Butler, Byrd,[1] Capehart, Carlson, Case of New Jersey, Case of South Dakota, Cooper, Curtis, Dirksen, Dworshak, Flanders, Goldwater, Hickenlooper, Hoblitzell, Ives, Javits, Knowland, Kuchel, Lausche,[1] Martin of Iowa, Martin of Pennsylvania, Morton, Mundt, Purtell, Robertson,[1] Saltonstall, Schoeppel, Smith of New Jersey, Stennis,[1] Thurmond,[1] Watkins, Williams, Young.

Not voting, 16: Anderson,[1] Barrett, Church,[1] Ervin,[1] Fulbright,[1] Gore,[1] Hruska, Humphrey,[1] Jenner, Malone, McClellan,[1] Monroney,[1] O'Mahoney,[1] Thye, Wiley, Yarborough.[1]

So Mr. LONG's amendment was rejected.

Mr. SCOTT. Mr. President, will the Senator from Ohio yield, to permit me to offer a correction to a statement which was made by the Senator from South Carolina?

Mr. YOUNG of Ohio. Yes.

Mr. SCOTT. I understood the Senator from South Carolina to say the Vice President has been away most of the time.

As one who has been present for, I think, all but eight of the some 240 quorum calls and yea-and-nay votes this year, and for approximately 96 or 97 percent of them last session, I, personally, am aware of the fact that the Vice President has been here most of the time during the weekdays. When he has had to go away, he has done so largely on weekends. Certainly he has responded to his duty.

The Senator from Massachusetts [Mr. KENNEDY] has been here, I think, only 22 percent of the time on yea-and-nay votes on the various issues, and has been absent 78 percent of the time

I have not wished to say that, and would not have done so, except for the fact that the Senator from South Carolina stated that the Vice President has been away most of the time.

As the press knows from its own contacts with the Vice President, he has been here most of the time.

Mr. JOHNSTON of South Carolina. Mr. President, all I can say in passing is that I have not seen the Vice President here in the Chamber or presiding over the Senate more than 5 percent of the time when the Senate was in session. I defy anyone to say to the contrary, based on the facts.

Mr. YOUNG of Ohio. Mr. President, in concluding my remarks, let me reiterate that the yea-and-nay vote adverted to by the junior Senator from Louisiana took place on May 28, 1958. That vote was on a measure to increase the aid for the aged by $5 a month, in some States, and by as much as $7.50 a month in other States. At that time there was a tie vote by the Senate. The vote was 40 to 40. The proposal failed because, according to the RECORD, the tie was not broken.

Presumably, the Senate was then presided over by some Member of the Senate, who cast his vote either for or against the proposal, because the RECORD shows that the Vice President was not present at the time. That was in 1958. At that time, there was no campaign for the Presidency of the United States; and yet some Senator, not the Vice President, was then presiding over the Senate.

Finally, Mr. President, let me say that I commenced my remarks for the purpose of paying tribute to the distinguished junior Senator from West Virginia [Mr. BYRD], for his diligence and his outstanding service in presiding over the Senate. I wish to conclude my remarks by once more paying tribute to him.

I yield the floor.

Mr. PROXMIRE. Mr. President, I should like to conclude on the same note.

However, I wish to point out, in all fairness, that there is a great difference between the problems faced by the Senator from Massachusetts [Mr. KENNEDY] and those faced by the Vice President. All of us know that the Vice President has not had any very serious election competition.

The Vice President was in Wisconsin for only part of one day in this campaign year. He was automatically winner of the Wisconsin primary as elsewhere without competition. On the other hand, the Senator from Massachusetts [Mr. KENNEDY] has had to fight every inch of the way. He has had to earn his right to represent his party in hard-fought primary elections, sometimes against heavy odds.

I believe that in all fairness we should consider these facts when we consider the activities of the two candidates.

One who has to campaign and campaign hard, 16 to 18 hours a day, 7 days a week, all over the country, obviously cannot be in two places at the same time. It is physically impossible for him to be constantly in the Senate.

On the other hand, I know of no reason why the Vice President cannot

[1] Democrats. Republicans unmarked.

discharge his duties as the Presiding Officer of the Senate—although I wish to make it clear that I do not criticize him, for he has his other duties, too.

I should like to conclude this colloquy by pointing out, once again, that at this session the distinguished Presiding Officer [Mr. BYRD of West Virginia] had, when I recently checked the RECORD—presided over the Senate more times and more hours than all 35 Republican Members of the Senate and the Vice President combined.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

H.R. 6149. An act for the relief of Wesley C. Newcomb;

H.R. 6456. An act concerning payment of debts out of compensation for trust land on the Lower Brule Sioux Reservation taken by the United States;

H.R. 6498. An act concerning payment of debts out of compensation for trust land in the Standing Rock Sioux Reservation taken by the United States;

H.R. 6529. An act concerning payment of debts out of compensation for trust land on the Crow Creek Sioux Reservation taken by the United States;

H.R. 7480. An act to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil;

H.R. 7847. An act to make the uniform law relating to the record on review of agency orders (Public Law 85–701) applicable to the judicial review of orders issued under the Federal Aviation Act of 1958 and the Food Additives Amendment of 1958;

H.R. 8457. An act for the relief of Richard Schoenfelder and Lidwina S. Wagner;

H.R. 9028. An act to provide that certain funds shall be paid to the Kickapoo Tribal Council of Oklahoma;

H.R. 9226. An act for the relief of Pietro Mela;

H.R. 9652. An act for the relief of Lt. Col. Alonzo C. Tenney;

H.R. 10631. An act for the relief of George T. Moore, Carl D. Berry, and Dr. Harold J. Heck;

H.R. 10639. An act to amend section 3(b) of the act of May 9, 1958 (72 Stat. 105) relating to the preparation of a roll of the members of the Otoe and Missouria Tribe and to per capita distribution of judgment funds;

H.R. 10840. An act to amend Public Law 85–626 relating to dual rate contract agreement;

H.R. 11161. An act to donate to the pueblos of Zia and Jemez a tract of land on the Ojo del Esperitu Santo grant, New Mexico;

H.R. 11615. An act to amend section 4 of the Watershed Protection and Flood Prevention Act;

H.R. 11706. An act to authorize an extension of time for final proof under the desert land laws under certain conditions;

H.R. 11952. An act to repeal the act of May 29, 1958, which authorized and directed the Administrator of General Services to provide for the release of restrictions and reservations contained in an instrument conveying certain land by the United States to the State of Wisconsin;

H.R. 11985. An act to make American nationals eligible for scholarships and fellowships authorized by the National Science Foundation Act of 1950;

H.R. 12115. An act to extend the minimum national marketing quota for extra-long staple cotton to the 1961 crop; and

H.J. Res. 696. Joint resolution to provide for the designation of the month of September 1960, as "National Wool Month."

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I should like to have the Senate proceed to consider executive business, to pass on certain of the nominations on the Executive Calendar, and the Japanese Security Treaty, and, after acting on some of the nominations, to make the treaty the pending business. I wish to have that done, because in a few moments I must leave the floor.

Will the course I propose be acceptable to the Senator from Pennsylvania?

Mr. CLARK. Certainly.

Mr. JOHNSON of Texas. Then, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of executive business, to consider certain of the nominations on the Executive Calendar, beginning with the postmaster nominations.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Henry Cabot Lodge, of Massachusetts, to be a representative of the United States of America to the 15th session of the General Assembly of the United Nations;

WAYNE MORSE, U.S. Senator from the State of Oregon, to be a representative of the United States of America to the 15th session of the General Assembly of the United Nations;

GEORGE D. AIKEN, U.S. Senator from the State of Vermont, to be a representative of the United States of America to the 15th session of the General Assembly of the United Nations;

Francis O. Wilcox, Assistant Secretary, International Organization Affairs, Department of State, to be a representative of the United States of America to the 15th session of the General Assembly of the United Nations;

Mrs. Oswald B. Lord, of New York, to be a representative of the United States of America to the 15th session of the General Assembly of the United Nations;

Miss Frances E. Willis, Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway, to be an alternate representative of the United States of America to the 15th session of the General Assembly of the United Nations;

Mrs. Zelma Watson George, of Ohio, to be an alternate representative of the United States of America to the 15th session of the General Assembly of the United Nations;

Arthur F. Lamey, of Montana, to be an alternate representative of the United States of America to the 15th session of the General Assembly of the United Nations;

Frederick Blake Payne, of New York, to be an alternate representative of the United States of America to the 15th session of the General Assembly of the United Nations;

Charles Rosenbaum, of Colorado, to be an alternate representative of the United States of America to the 15th session of the General Assembly of the United Nations;

Vinton Chapin, of New Hampshire, a Foreign Service officer of the class of career minister to be Ambassador Extraordinary and Plenipotentiary to the Dominican Republic;

Leland Barrows, of Kansas, a Foreign Service officer of class 1, now Ambassador Extraordinary and Plenipotentiary to the Republic of Cameroun, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary to the Republic of Togo; and

Herbert P. Fales, of California, and sundry other persons, for appointment and promotion in the foreign and diplomatic service.

The PRESIDING OFFICER. If there be no further reports of committees, the nominations on the Executive Calendar, beginning with the postmaster nominations, will be stated.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the postmaster nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the postmaster nominations will be considered en bloc; and, without objection, they are confirmed.

U.S. ARMY

The legislative clerk read the nomination of Maj. Gen. Lionel Charles McGarr, O17225, U.S. Army, to be lieutenant general.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

U.S. NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the Navy nominations will be considered en bloc; and, without objection, they are confirmed.

APPOINTMENTS IN THE REGULAR ARMY

The legislative clerk proceeded to read sundry nominations for appointment in the Regular Army.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc; and, without objection, they are confirmed.

NOMINATIONS IN THE REGULAR ARMY AND THE REGULAR AIR FORCE, FAVORABLY REPORTED AND PLACED ON THE VICE PRESIDENT'S DESK

The legislative clerk proceeded to read sundry nominations in the Regular Army and the Regular Air Force, favorably reported, and placed on the Vice President's desk, without printing.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

SCHEDULE FOR CONSIDERATION OF NOMINATIONS TO CIVIL AERONAUTICS BOARD, FEDERAL MARITIME BOARD, AND FEDERAL COMMUNICATIONS COMMISSION

Mr. JOHNSON of Texas. Mr. President, I should like to ask Senators to observe that we would like to give consideration on tomorrow—assuming that all Senators have notice, and that it is agreeable—to the nominations to the Civil Aeronautics Board, the Federal Maritime Board, and the Federal Communications Commission.

TREATY OF MUTUAL COOPERATION AND SECURITY WITH JAPAN

Mr. JOHNSON of Texas. Mr. President, while we are in executive session, I should like to have the Japanese security treaty reported and made the pending business.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the treaty, Executive E (86th Cong., 2d sess.), a Treaty of Mutual Cooperation and Security Between the United States of America and Japan, signed at Washington on January 19, 1960, which was read the second time, as follows:

TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN

The United States of America and Japan,

Desiring to strengthen the bonds of peace and friendship traditionally existing between them, and to uphold the principles of democracy, individual liberty, and the rule of law,

Desiring further to encourage closer economic cooperation between them and to promote conditions of economic stability and well-being in their countries,

Reaffirming their faith in the purposes and principles of the Charter of the United Nations, and their desire to live in peace with all peoples and all governments,

Recognizing that they have the inherent right of individual or collective self-defense as affirmed in the Charter of the United Nations,

Considering that they have a common concern in the maintenance of international peace and security in the Far East,

Having resolved to conclude a treaty of mutual cooperation and security,

Therefore agree as follows:

ARTICLE I

The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purpose of the United Nations.

The parties will endeavor in concert with other peace-loving countries to strengthen the United Nations so that its mission of maintaining international peace and security may be discharged more effectively.

ARTICLE II

The parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between them.

ARTICLE III

The parties, individually and in cooperation with each other, by means of continuous and effective self-help and mutual aid, will maintain and develop, subject to their constitutional provisions, their capacities to resist armed attack.

ARTICLE IV

The parties will consult together from time to time regarding the implementation of this treaty, and, at the request of either party, whenever the security of Japan or international peace and security in the Far East is threatened.

ARTICLE V

Each party recognizes that an armed attack against either party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes.

Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of article 51 of the charter. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

ARTICLE VI

For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted the use by its land, air, and naval forces of facilities and areas in Japan.

The use of these facilities and areas as well as the status of U.S. Armed Forces in Japan shall be governed by a separate agreement, replacing the administrative agreement under article III of the Security Treaty Between the United States of America and Japan, signed at Tokyo on February 28, 1952, as amended, and by such other arrangements as may be agreed upon.

ARTICLE VII

This treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

ARTICLE VIII

This treaty shall be ratified by the United States of America and Japan in accordance with their respective constitutional processes and will enter into force on the date on which the instruments of ratification thereof have been exchanged by them in Tokyo.

ARTICLE IX

The Security Treaty Between the United States of America and Japan signed at the city of San Francisco on September 8, 1951 shall expire upon the entering into force of this treaty.

ARTICLE X

This treaty shall remain in force until in the opinion of the Governments of the United States of America and Japan there shall have come into force such United Nations arrangements as will satisfactorily provide for the maintenance of international peace and security in the Japan area.

However, after the treaty has been in force for 10 years, either party may give notice to the other party of its intention to terminate the treaty, in which case the treaty shall terminate 1 year after such notice has been given.

In witness whereof the undersigned plenipotentiaries have signed this treaty.

Done in duplicate at Washington in the English and Japanese languages, both equally authentic, this 19th day of January, 1960.

For the United States of America:

CHRISTIAN A. HERTER.
DOUGLAS MACARTHUR 2D.
J GRAHAM PARSONS.

For Japan:

NOBUSUKE KISHI.
AIICHIRO FUJIYAMA.
MITSUJIRO ISHII.
TADASHI ADACHI.
KOICHIRO ASAKAI.

AGREED MINUTE TO THE TREATY OF MUTUAL COOPERATION AND SECURITY

Japanese Plenipotentiary:

While the question of the status of the islands administered by the United States under article 3 of the treaty of peace with Japan has not been made a subject of discussion in the course of treaty negotiations, I would like to emphasize the strong concern of the Government and people of Japan for the safety of the people of these islands since Japan possesses residual sovereignty over these islands. If an armed attack occurs or is threatened against these islands, the two countries will of course consult together closely under article IV of the Treaty of Mutual Cooperation and Security. In the event of an armed attack, it is the intention of the Government of Japan to explore with the U.S. measures which it might be able to take for the welfare of the islanders.

U.S. Plenipotentiary:

In the event of an armed attack against these islands, the U.S. Government will consult at once with the Government of Japan and intends to take the necessary measures for the defense of these islands, and to do its utmost to secure the welfare of the islanders.

WASHINGTON, *January 19, 1960.*

C.A.H.
N.K.

WASHINGTON, *January 19, 1960.*

His Excellency CHRISTIAN A. HERTER,
Secretary of State of the United States of America.

EXCELLENCY: I have the honor to refer to the Treaty of Mutual Cooperation and Security between Japan and the United States of America signed today, and to inform Your Excellency that the following is the understanding of the Government of Japan concerning the implementation of article VI thereof.

"Major changes in the deployment into Japan of U.S. Armed Forces, major changes in their equipment, and the use of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted under article V of the said treaty, shall be the subjects of prior consultation with the Government of Japan."

I should be appreciative if Your Excellency would confirm on behalf of your Government that this is also the understanding of the Government of the United States of America.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

NOBUSUKE KISHI.

DEPARTMENT OF STATE,
Washington, January 19, 1960.

His Excellency NOBUSUKE KISHI,
Prime Minister of Japan.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note of today's date, which reads as follows:

"I have the honor to refer to the Treaty of Mutual Cooperation and Security Between Japan and the United States of America signed today, and to inform Your Excellency that the following is the understanding of the Government of Japan concerning the implementation of article VI thereof:

" 'Major changes in the deployment into Japan of U.S. Armed Forces, major changes in their equipment, and the use of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted under article V of the said treaty, shall be the subjects of prior consultation with the Government of Japan."

"I should be appreciative if Your Excellency would confirm on behalf of your Government that this is also the understanding of the Government of the United States of America.

"I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration."

I have the honor to confirm on behalf of my Government that the foregoing is also the understanding of the Government of the United States of America.

Accept, Excellency, the renewed assurances of my highest consideration.

CHRISTIAN A. HERTER,
Secretary of State of the United States of America.

DEPARTMENT OF STATE,
Washington, January 19, 1960.

His Excellency NOBUSUKE KISHI,
Prime Minister of Japan.

EXCELLENCY: I have the honor to refer to the Security Treaty Between the United States of America and Japan signed at the city of San Francisco on September 8, 1951, the exchange of notes effected on the same date between Mr. Shigeru Yoshida, Prime Minister of Japan, and Mr. Dean Acheson, Secretary of State of the United States of America, and the Agreement Regarding the Status of the United Nations Forces in Japan signed at Tokyo on February 19, 1954, as well as the Treaty of Mutual Cooperation and Security Between the United States of America and Japan signed today. It is the understanding of my Government that:

1. The above-mentioned exchange of notes will continue to be in force so long as the Agreement Regarding the Status of the United Nations Forces in Japan remains in force.

2. The expression "those facilities and areas the use of which is provided to the United States of America under the Security Treaty Between Japan and the United States of America" in Article V, paragraph 2 of the above-mentioned Agreement is understood to mean the facilities and areas the use of which is granted to the United States of America under the Treaty of Mutual Cooperation and Security.

3. The use of the facilities and areas by the U.S. Armed Forces under the unified command of the United Nations established pursuant to the Security Council resolution of July 7, 1950, and their status in Japan are governed by arrangements made pursuant to the Treaty of Mutual Cooperation and Security.

I should be grateful if Your Excellency could confirm on behalf of your Government that the understanding of my Government stated in the foregoing numbered paragraphs is also the understanding of your Government and that this understanding shall enter into operation on the date of the entry into force of the Treaty of Mutual Cooperation and Security signed at Washington on January 19, 1960.

Accept, Excellency, the renewed assurances of my highest consideration.

CHRISTIAN A. HERTER,
Secretary of State of the United States of America.

WASHINGTON, *January 19, 1960.*

His Excellency CHRISTIAN A. HERTER,
Secretary of State of the United States of America.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note of today's date, which reads as follows:

"I have the honor to refer to the Security Treaty Between the United States of America and Japan signed at the city of San Francisco on September 8, 1951, the exchange of notes effected on the same date between Mr. Shigeru Yoshida, Prime Minister of Japan, and Mr. Dean Acheson, Secretary of State of the United States of America and the Agreement Regarding the Status of the United Nations Forces in Japan signed at Tokyo on February 19, 1954, as well as the Treaty of Mutual Cooperation and Security between the United States of America and Japan signed today. It is the understanding of my Government that:

"1. The above-mentioned exchange of notes will continue to be in force so long as the Agreement Regarding the Status of the United Nations Forces in Japan remains in force.

"2. The expression 'those facilities and areas the use of which is provided to the United States of America under the Security Treaty Between Japan and the United States of America in article V, paragraph 2 of the above-mentioned agreement is understood to mean the facilities and the areas the use of which is granted to the United States of America under the Treaty of Mutual Cooperation and Security.

"3. The use of the facilities and areas by the United States Armed Forces under the Unified Command of the United Nations established pursuant to the Security Council Resolution of July 7, 1950, and their status in Japan are governed by arrangements made pursuant to the Treaty of Mutual Cooperation and Security.

"I should be grateful if Your Excellency could confirm on behalf of your Government that the understanding of my Government stated in the foregoing numbered paragraphs is also the understanding of your Government and that this understanding shall enter into operation on the date of the entry into force of the Treaty of Mutual Cooperation and Security signed at Washington on January 19, 1960."

I have the honor to confirm on behalf of my Government that the foregoing is also the understanding of the Government of Japan.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

NOBUSUKE KISHI.

WASHINGTON, *January 19, 1960.*

His Excellency CHRISTIAN A. HERTER,
Secretary of State of the United States of America.

DEAR SECRETARY HERTER: I wish to refer to the Treaty of Mutual Cooperation and Security between Japan and the United States of America signed today. Under article IV of the treaty, the two Governments will consult together from time to time regarding the implementation of the treaty, and, at the request of either Government, whenever the security of Japan or international peace and security in the Far East is threatened. The exchange of notes under article VI of the treaty specifies certain matters as the subjects of prior consultation with the Government of Japan.

Such consultations will be carried on between the two Governments through appropriate channels. At the same time, however, I feel that the establishment of a special committee which could as appropriate be used for these consultations between the Governments would prove very useful. This committee, which would meet whenever requested by either side, could also consider any matters underlying and related to security affairs which would serve to promote understanding between the two Governments and contribute to the strengthening of cooperative relations between the two countries in the field of security.

Under this proposal the present "Japanese-American Committee on Security" established by the Governments of the United States and Japan on August 6, 1957, would be replaced by this new committee which might be called the Security Consultative Committee. I would also recommend that the membership of this new committee be the same as the membership of the "Japanese-American Committee on Security," namely, on the Japanese side, the Minister for Foreign Affairs, who will preside on the Japanese side, and the Director General of the Defense Agency, and on the U.S. side, the U.S. Ambassador to Japan, who will serve as Chairman on the U.S. side, and the Commander in Chief, Pacific, who will be the Ambassador's principal adviser on military and defense matters. The Commander, U.S. forces, Japan, will serve as alternate for the Commander in Chief, Pacific.

I would appreciate very much your views on this matter.

Most sincerely,

NOBUSUKE KISHI.

DEPARTMENT OF STATE,
Washington, January 19, 1960.

His Excellency NOBUSUKE KISHI,
Prime Minister of Japan.

DEAR MR. PRIME MINISTER: The receipt is acknowledged of your note of today's date suggesting the establishment of "the Security Consultative Committee." I fully agree to your proposal and share your view that such a committee can contribute to strengthening the cooperative relations between the two countries in the field of security. I also agree to your proposal regarding the membership of this committee.

Most sincerely,

CHRISTIAN A. HERTER.

AGREEMENT UNDER ARTICLE VI OF THE TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN, REGARDING FACILITIES AND AREAS AND THE STATUS OF UNITED STATES ARMED FORCES IN JAPAN

The United States of America and Japan, pursuant to article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan signed at Washington on January 19, 1960, have entered into this Agreement in terms as set forth below:

ARTICLE I

In this Agreement the expression—

(a) "members of the United States armed forces" means the personnel on active duty belonging to the land, sea or air armed services of the United States of America when in the territory of Japan.

(b) "civilian component" means the civilian persons of United States nationality who are in the employ of, serving with, or accompanying the United States armed forces in Japan, but excludes persons who are ordinarily resident in Japan or who are mentioned in paragraph 1 of Article XIV. For the purposes of this Agreement only, dual nationals, United States and Japanese, who are brought to Japan by the United States shall be considered as United States nationals.

(c) "dependents" means

(1) Spouse, and children under 21;

(2) Parents, and children over 21, if dependent for over half their support upon a member of the U.S. Army Forces or civilian component.

ARTICLE II

1. (a) The United States is granted, under article VI of the Treaty of Mutual Cooperation and Security, the use of facilities and areas in Japan. Agreements as to specific facilities and areas shall be concluded by the two Governments through the Joint Committee provided for in article XXV of this agreement. "Facilities and areas" include existing furnishings, equipment and fixtures necessary to the operation of such facilities and areas.

(b) The facilities and areas of which the United States has the use at the time of expiration of the Administrative Agreement under article III of the Security Treaty Between the United States of America and Japan, shall be considered as facilities and areas agreed upon between the two Governments in accordance with subparagraph (a) above.

2. At the request of either Government, the Governments of the United States and Japan shall review such arrangements and may agree that such facilities and areas shall be returned to Japan or that additional facilities and areas may be provided.

3. The facilities and areas used by the United States armed forces shall be returned to Japan whenever they are no longer needed for purposes of this agreement, and the United States agrees to keep the needs for facilities and areas under continual observation with a view toward such return.

4. (a) When facilities and areas are temporarily not being used by the United States armed forces, the Government of Japan may make, or permit Japanese nationals to make, interim use of such facilities and areas provided that it is agreed between the two Governments through the Joint Committee that such use would not be harmful to the purposes for which the facilities and areas are normally used by the U.S. Armed Forces.

(b) With respect to facilities and areas which are to be used by United States armed forces for limited periods of time, the Joint Committee shall specify in the agreements covering such facilities and areas the extent to which the provisions of this agreement shall apply.

ARTICLE III

1. Within the facilities and areas, the United States may take all the measures necessary for their establishment, operation, safeguarding and control. In order to provide access for the U.S. Armed Forces to the facilities and areas for their support, safeguarding and control, the Government of Japan shall, at the request of the U.S. Armed Forces and upon consultation between the two Governments through the Joint Committee, take necessary measures within the scope of applicable laws and regulations over land, territorial waters and airspace adjacent to, or in the vicinities of the facilities and areas. The United States may also take necessary measures for such purposes upon consultation between the two Governments through the Joint Committee.

2. The United States agrees not to take the measures referred to in paragraph 1 in such a manner as to interfere unnecessarily with navigation, aviation, communication, or land travel to or from or within the territories of Japan. All questions relating to frequencies, power and like matters used by apparatus employed by the United States designed to emit electric radiation shall be settled by arrangement between the appropriate authorities of the two Governments. The Government of Japan shall, within the scope of applicable laws and regulations, take all reasonable measures to avoid or eliminate interference with telecommunications electronics required by the United States armed forces.

3. Operations in the facilities and areas in use by the U.S. Armed Forces shall be carried on with due regard for the public safety.

ARTICLE IV

1. The United States is not obliged, when it returns facilities and areas to Japan on the expiration of this Agreement or at an earlier date, to restore the facilities and areas to the condition in which they were at the time they became available to the United States armed forces, or to compensate Japan in lieu of such restoration.

2. Japan is not obliged to make any compensation to the United States for any improvements made in the facilities and areas or for the buildings or structures left thereon on the expiration of this Agreement or the earlier return of the facilities and areas.

3. The foregoing provisions shall not apply to any construction which the Government of the United States may undertake under special arrangements with the Government of Japan.

ARTICLE V

1. United States and foreign vessels and aircraft operated by, for, or under the control of the United States for official purposes shall be accorded access to any port or airport of Japan free from toll or landing charges. When cargo or passengers not accorded the exemptions of this agreement are carried on such vessels and aircraft, notification shall be given to the appropriate Japanese authorities, and their entry into and departure from Japan shall be according to the laws and regulations of Japan.

2. The vessels and aircraft mentioned in paragraph 1, U.S. Government-owned vehicles including armor, and members of the U.S. Armed Forces, the civilian component, and their dependents shall be accorded access to and movement between facilities and areas in use by the U.S. Armed Forces and between such facilities and areas and the ports or airports of Japan. Such access to and movement between facilities and areas by U.S. military vehicles shall be free from toll and other charges.

3. When the vessels mentioned in paragraph 1 enter Japanese ports, appropriate notification shall, under normal conditions, be made to the proper Japanese authorities. Such vessels shall have freedom from compulsory pilotage, but if a pilot is taken pilotage shall be paid for at appropriate rates.

ARTICLE VI

1. All civil and military air traffic control and communications systems shall be developed in close coordination and shall be integrated to the extent necessary for fulfillment of collective security interests. Procedures, and any subsequent changes thereto, necessary to effect this coordination and integration will be established by arrangement between the appropriate authorities of the two Governments.

2. Lights and other aids to navigation of vessels and aircraft placed or established in the facilities and areas in use by U.S. Armed Forces and in territorial waters adjacent thereto or in the vicinity thereof shall conform to the system in use in Japan. The United States and Japanese authorities which have established such navigation aids shall notify each other of their positions and characteristics and shall give advance notification before making any changes in them or establishing additional navigation aids.

ARTICLE VII

The U.S. Armed Forces shall have the use of all public utilities and services belonging to, or controlled or regulated by the Government of Japan, and shall enjoy priorities in such use, under conditions no less favorable than those that may be applicable from time to time to the ministries and agenices of the Government of Japan.

ARTICLE VIII

The Government of Japan undertakes to furnish the U.S. Armed Forces with the following meteorological services in accordance with arrangements between the appropriate authorities of the two Governments:

(a) Meteorological observations from land and ocean areas including observations from weather ships.

(b) Climatological information including periodic summaries and the historical data of the Meteorological Agency.

(c) Telecommunications service to disseminate meteorological information required for the safe and regular operation of aircraft.

(d) Seismographic data including forecasts of the estimated size of tidal waves resulting from earthquakes and areas that might be affected thereby.

ARTICLE IX

1. The United States may bring into Japan persons who are members of the U.S. Armed Forces, the civilian component, and their dependents, subject to the provisions of this article.

2. Members of the U.S. Armed Forces shall be exempt from Japanese passport and visa laws and regulations. Members of the U.S. Armed Forces, the civilian component, and their dependents shall be exempt from Japanese laws and regulations on the registration and control of aliens, but shall not be considered as acquiring any right to permanent residence or domicile in the territories of Japan.

3. Upon entry into or departure from Japan members of the U.S. Armed Forces shall be in possession of the following documents:

(a) personal identity card showing name, date of birth, rank and number, service, and photograph; and

(b) individual or collective travel order certifying to the status of the individual or group as a member or members of the U.S. Armed Forces and to the travel ordered.

For purposes of their identification while in Japan, members of the U.S. Armed Forces shall be in possession of the foregoing personal identity card which must be presented

on request to the appropriate Japanese authorities.

4. Members of the civilian component, their dependents, and the dependents of members of the U.S. Armed Forces shall be in possession of appropriate documentation issued by the U.S. authorities so that their status may be verified by Japanese authorities upon their entry into or departure from Japan, or while in Japan.

5. If the status of any person brought into Japan under paragraph 1 of this article is altered so that he would no longer be entitled to such admission, the U.S. authorities shall notify the Japanese authorities and shall, if such person be required by the Japanese authorities to leave Japan, assure that transportation from Japan will be provided within a reasonable time at no cost to the Government of Japan.

6. If the Government of Japan has requested the removal from its territory of a member of the U.S. Armed Forces or civilian component or has made an expulsion order against an ex-member of the U.S. Armed Forces or the civilian component or against a dependent of a member or ex-member, the authorities of the United States shall be responsible for receiving the person concerned within its own territory or otherwise disposing of him outside Japan. This paragraph shall apply only to persons who are not nationals of Japan and have entered Japan as members of the U.S. Armed Forces or civilian component or for the purpose of becoming such members, and to the dependents of such persons.

ARTICLE X

1. Japan shall accept as valid, without a driving test or fee, the driving permit or license or military driving permit issued by the United States to a member of the U.S. Armed Forces, the civilian component, and their dependents.

2. Official vehicles of the U.S. Armed Forces and the civilian component shall carry distinctive numbered plates or individual markings which will readily identify them.

3. Privately owned vehicles of members of the U.S. Armed Forces, the civilian component, and their dependents shall carry Japanese number plates to be acquired under the same conditions as those applicable to Japanese nationals.

ARTICLE XI

1. Save as provided in this agreement, members of the U.S. Armed Forces, the civilian component, and their dependents shall be subject to the laws and regulations administered by the customs authorities of Japan.

2. All materials, supplies and equipment imported by the U.S. Armed Forces, the authorized procurement agencies of the U.S. Armed Forces, or by the organizations provided for in article XV, for the official use of the U.S. Armed Forces or for the use of the members of the U.S. Armed Forces, the civilian components, and their dependents, and materials, supplies and equipment which are to be used exclusively by the U.S. Armed Forces or are ultimately to be incorporated into articles or facilities used by such forces, shall be permitted entry into Japan; such entry shall be free from customs duties and other such charges. Appropriate certification shall be made that such materials, supplies and equipment are being imported by the U.S. Armed Forces, the authorized procurement agencies of the U.S. Armed Forces, or by the organizations provided for in article XV, or, in the case of materials, supplies and equipment to be used exclusively by the U.S. Armed Forces or ultimately to be incorporated into articles or facilities used by such forces, that delivery thereof is to be taken by the U.S. Armed Forces for the purposes specified above.

3. Property consigned to and for the personal use of members of the U.S. Armed Forces, the civilian component, and their dependents, shall be subject to customs duties and other such charges, except that no duties or charges shall be paid with respect to:

(a) Furniture and household goods for their private use imported by the members of the U.S. Armed Forces or civilian component when they first arrive to serve in Japan or by their dependents when they first arrive for reunion with members of such forces or civilian component, and personal effects for private use brought by the said persons upon entrance.

(b) Vehicles and parts imported by members of the U.S. Armed Forces or civilian component for the private use of themselves or their dependents.

(c) Reasonable quantities of clothing and household goods of a type which would ordinarily be purchased in the United States for everyday use for the private use of members of the U.S. Armed Forces, civilian component, and their dependents, which are mailed into Japan through U.S. military post offices.

4. The exemptions granted in paragraphs 2 and 3 shall apply only to cases of importation of goods and shall not be interpreted as refunding customs duties and domestic excises collected by the customs authorities at the time of entry in cases of purchases of goods on which such duties and excises have already been collected.

5. Customs examination shall not be made in the following cases:

(a) Units of the U.S. Armed Forces under orders entering or leaving Japan;

(b) Official documents under official seal and official mail in U.S. military postal channels;

(c) Military cargo shipped on a U.S. Government bill of lading.

6. Except as such disposal may be authorized by the United States and Japanese authorities in accordance with mutually agreed conditions, goods imported into Japan free of duty shall not be disposed of in Japan to persons not entitled to import such goods free of duty.

7. Goods imported into Japan free from customs duties and other such charges pursuant to paragraphs 2 and 3, may be reexported free from customs duties and other such charges.

8. The U.S. Armed Forces, in cooperation with Japanese authorities, shall take such steps as are necessary to prevent abuse of privileges granted to the U.S. Armed Forces, members of such forces, the civilian component, and their dependents in accordance with this article.

9. (a) In order to prevent offenses against laws and regulations administered by the customs authorities of the Government of Japan, the Japanese authorities and the U.S. Armed Forces shall assist each other in the conduct of inquiries and the collection of evidence.

(b) The U.S. Armed Forces shall render all assistance within their power to ensure that articles liable to seizure by, or on behalf of, the customs authorities of the Government of Japan are handed to those authorities.

(c) The U.S. Armed Forces shall render all assistance within their power to ensure the payment of duties, taxes, and penalties payable by members of such forces or of the civilian component, or their dependents.

(d) Vehicles and articles belonging to the U.S. Armed Forces seized by the customs authorities of the Government of Japan in connection with an offense against its customs or fiscal laws or regulations shall be handed over to the appropriate authorities of the force concerned.

ARTICLE XII

1. The United States may contract for any supplies or construction work to be furnished or undertaken in Japan for purposes of, or authorized by, this agreement, without restriction as to choice of supplier or person who does the construction work. Such supplies or construction work may, upon agreement between the appropriate authorities of the two Governments, also be procured through the Government of Japan.

2. Materials, supplies, equipment, and services which are required from local sources for the maintenance of the U.S. Armed Forces and the procurement of which may have an adverse effect on the economy of Japan shall be procured in coordination with, and, when desirable, through or with the assistance of, the competent authorities of Japan.

3. Materials, supplies, equipment, and services procured for official purposes in Japan by the U.S. Armed Forces, or by authorized procurement agencies of the U.S. Armed Forces upon appropriate certification shall be exempt from the following Japanese taxes:

(a) Commodity tax.

(b) Traveling tax.

(c) Gasoline tax.

(d) Electricity and gas tax.

Materials, supplies, equipment, and services procured for ultimate use by the U.S. Armed Forces shall be exempt from commodity and gasoline taxes upon appropriate certification by the U.S. Armed Forces. With respect to any present or future Japanese taxes not specifically referred to in this article which might be found to constitute a significant and readily identifiable part of the gross purchase price of materials, supplies, equipment, and services procured by the U.S. Armed Forces, or for ultimate use by such forces, the two Governments will agree upon a procedure for granting such exemption or relief therefrom as is consistent with the purposes of this article.

4. Local labor requirements of U.S. Armed Forces and of the organizations provided for in article XV shall be satisfied with the assistance of the Japanese authorities.

5. The obligations for the withholding and payment of income tax, local inhabitant tax and social security contributions, and, except as may otherwise be mutually agreed, the conditions of employment and work, such as those relating to wages and supplementary payments, the conditions for the protection of workers, and the rights of workers concerning labor relations shall be those laid down by the legislation of Japan.

6. Should the U.S. Armed Forces or as appropriate an organization provided for in article XV dismiss a worker and a decision of a court or a labor relations commission of Japan to the effect that the contract of employment has not terminated become final, the following procedures shall apply:

(a) The U.S. Armed Forces or the said organization shall be informed by the Government of Japan of the decision of the court or commission;

(b) Should the U.S. Armed Forces or the said organization not desire to return the worker to duty, they shall so notify the Government of Japan within 7 days after being informed by the latter of the decision of the court or commission, and may temporarily withhold the worker from duty;

(c) Upon such notification, the Government of Japan and the U.S. Armed Forces or the said organization shall consult together without delay with a view to finding a practical solution of the case;

(d) Should such a solution not be reached within a period of 30 days from the date of commencement of the consultations under (c) above, the worker will not be entitled to return to duty. In such case, the Government of the United States shall pay to the Government of Japan an amount equal to

the cost of employment of the worker for a period of time to be agreed between the two governments.

7. Members of the civilian component shall not be subject to Japanese laws or regulations with respect to terms and conditions of employment.

8. Neither members of the U.S. Armed Forces, civilian component, nor their dependents, shall by reason of this article enjoy any exemption from taxes or similar charges relating to personal purchases of goods and services in Japan chargeable under Japanese legislation.

9. Except as such disposal may be authorized by the United States and Japanese authorities in accordance with mutually agreed conditions, goods purchased in Japan exempt from the taxes referred to in paragraph 3, shall not be disposed of in Japan to persons not entitled to purchase such goods exempt from such tax.

ARTICLE XIII

1. The U.S. Armed Forces shall not be subject to taxes or similar charges on property held, used or transferred by such forces in Japan.

2. Members of the U.S. Armed Forces, the civilian component, and their dependents shall not be liable to pay any Japanese taxes to the Government of Japan or to any other taxing agency in Japan on income received as a result of their service with or employment by the U.S. Armed Forces, or by the organizations provided for in article XV. The provisions of this article do not exempt such persons from payment of Japanese taxes on income derived from Japanese sources, nor do they exempt U.S. citizens who for U.S. income tax purposes claim Japanese residence from payment of Japanese taxes on income. Periods during which such persons are in Japan solely by reason of being members of the U.S. Armed Forces, the civilian component, or their dependents shall not be considered as periods of residence or domicile in Japan for the purpose of Japanese taxation.

3. Members of the U.S. Armed Forces, the civilian component, and their dependents shall be exempt from taxation in Japan on the holding, use, transfer inter se, or transfer by death of movable property, tangible or intangible, the presence of which in Japan is due solely to the temporary presence of these persons in Japan, provided that such exemption shall not apply to property held for the purpose of investment or the conduct of business in Japan or to any intangible property registered in Japan. There is no obligation under this article to grant exemption from taxes payable in respect of the use of roads by private vehicles.

ARTICLE XIV

1. Persons, including corporations organized under the laws of the United States, and their employees who are ordinarily resident in the United States and whose presence in Japan is solely for the purpose of executing contracts with the United States for the benefit of the U.S. Armed Forces, and who are designated by the Government of the United States in accordance with the provisions of paragraph 2 below, shall, except as provided in this article, be subject to the laws and regulations of Japan.

2. The designation referred to in paragraph 1 above shall be made upon consultation with the Government of Japan and shall be restricted to cases where open competitive bidding is not practicable due to security considerations, to the technical qualifications of the contractors involved, or to the unavailability of materials or services required by U.S. standards, or to limitations of U.S. law.

The designation shall be withdrawn by the Government of the United States:

(a) Upon completion of contracts with the United States for the U.S. Armed Forces;

(b) Upon proof that such persons are engaged in business activities in Japan other than those pertaining to the U.S. Armed Forces; or

(c) When such persons are engaged in practices illegal in Japan.

3. Upon certification by appropriate U.S. authorities as to their identity, such persons and their employees shall be accorded the following benefits of this agreement:

(a) Rights of accession and movement, as provided for in article V, paragraph 2;

(b) Entry into Japan in accordance with the provisions of article IX;

(c) The exemption from customs duties, and other such charges provided for in article XI, paragraph 3, for members of the U.S. Armed Forces, the civilian component, and their dependents;

(d) If authorized by the Government of the United States, the right to use the services of the organizations provided for in article XV;

(e) Those provided for in article XIX, paragraph 2, for members of the Armed Forces of the United States, the civilian component, and their dependents;

(f) If authorized by the Government of the United States, the right to use military payment certificates, as provided for in article XX;

(g) The use of postal facilities provided for in article XXI;

(h) Exemption from the laws and regulations of Japan with respect to terms and conditions of employment.

4. Such persons and their employees shall be so described in their passports and their arrival, departure and their residence while in Japan shall from time to time be notified by the U.S. Armed Forces to the Japanese authorities.

5. Upon certification by an authorized officer of the U.S. Armed Forces, depreciable assets except houses, held, used, or transferred, by such persons and their employees exclusively for the execution of contracts referred to in paragraph 1 shall not be subject to taxes or similar charges of Japan.

6. Upon certification by an authorized officer of the U.S. Armed Forces, such persons and their employees shall be exempt from taxation in Japan on the holding, use, transfer by death, or transfer to persons or agencies entitled to tax exemption under this agreement, of movable property, tangible or intangible, the presence of which in Japan is due solely to the temporary presence of these persons in Japan, provided that such exemptions shall not apply to property held for the purpose of investment or the conduct of other business in Japan or to any intangible property registered in Japan. There is no obligation under this article to grant exemption from taxes payable in respect of the use of roads by private vehicles.

7. The persons and their employees referred to in paragraph 1 shall not be liable to pay income or corporation taxes to the Government of Japan or to any other taxing agency in Japan on any income derived under a contract made in the United States with the Government of the United States in connection with the construction, maintenance or operation of any of the facilities or areas covered by this agreement. The provisions of this paragraph do not exempt such persons from payment of income or corporation taxes on income derived from Japanese sources, nor do they exempt such persons and their employees who, for U.S. income tax purposes, claim Japanese residence, from payment of Japanese taxes on income. Periods during which such persons are in Japan solely in connection with the execution of a contract with the Government of the United States shall not be considered periods of residence or domicile in Japan for the purposes of such taxation.

8. Japanese authorities shall have the primary right to exercise jurisdiction over the persons and their employees referred to in paragraph 1 of this article in relation to offenses committed in Japan and punishable by the law of Japan. In those cases in which the Japanese authorities decide not to exercise such jurisdiction they shall notify the military authorities of the United States as soon as possible. Upon such notification the military authorities of the United States shall have the right to exercise such jurisdiction over the persons referred to as is conferred on them by the law of the United States.

ARTICLE XV

1. (a) Navy exchanges, post exchanges, messes, social clubs, theaters, newspapers, and other nonappropriated fund organizations authorized and regulated by the U.S. military authorities may be established in the facilities and areas in use by the U.S. Armed Forces for the use of members of such forces, the civilian component, and their dependents. Except as otherwise provided in this Agreement, such organizations shall not be subject to Japanese regulations, license, fees, taxes or similar controls.

(b) When a newspaper authorized and regulated by the U.S. military authorities is sold to the general public, it shall be subject to Japanese regulations, license, fees, taxes, or similar controls so far as such circulation is concerned.

2. No Japanese tax shall be imposed on sales of merchandise and services by such organizations, except as provided in paragraph 1(b), but purchases within Japan of merchandise and supplies by such organizations shall be subject to Japanese taxes.

3. Except as such disposal may be authorized by the United States and Japanese authorities in accordance with mutually agreed conditions, goods which are sold by such organizations shall not be disposed of in Japan to persons not authorized to make purchases from such organizations.

4. The organizations referred to in this article shall provide such information to the Japanese authorities as is required by Japanese tax legislation.

ARTICLE XVI

It is the duty of members of the U.S. Armed Forces, the civilian component, and their dependents to respect the law of Japan and to abstain from any activity inconsistent with the spirit of this Agreement, and, in particular, from any political activity in Japan.

ARTICLE XVII

1. Subject to the provisions of this article,

(a) the military authorities of the United States shall have the right to exercise within Japan all criminal and disciplinary jurisdiction conferred on them by the law of the United States over all persons subject to the military law of the United States;

(b) the authorities of Japan shall have jurisdiction over the members of the U.S. Armed Forces, the civilian component, and their dependents with respect to offenses committed within the territory of Japan and punishable by the law of Japan.

2. (a) The military authorities of the United States shall have the right to exercise exclusive jurisdiction over persons subject to the military law of the United States with respect to offenses, including offenses relating to its security, punishable by the law of the United States, but not by the law of Japan.

(b) The authorities of Japan shall have the right to exercise exclusive jurisdiction over members of the U.S. Armed Forces, the civilian component, and their dependents with respect to offenses, including offenses

relating to the security of Japan, punishable by its law but not by the law of the United States.

(c) For the purpose of this paragraph and of paragraph 3 of this article a security offense against a state shall include—

(i) treason against the state;

(ii) sabotage, espionage, or violation of any law relating to official secrets of that state, or secrets relating to the national defense of that state.

3. In cases where the right to exercise jurisdiction is concurrent the following rules shall apply:

(a) The military authorities of the United States shall have the primary right to exercise jurisdiction over members of the United States Armed Forces or the civilian component in relation to

(i) offenses solely against the property or security of the United States, or offenses solely against the person or property of another member of the U.S. Armed Forces or the civilian component or of a dependent;

(ii) offenses arising out of any act or omission done in the performance of official duty.

(b) In the case of any other offense the authorities of Japan shall have the primary right to exercise jurisdiction.

(c) If the State having the primary right decides not to exercise jurisdiction, it shall notify the authorites of the other State as soon as practicable. The authorities of the State having the primary right shall give sympathetic consideration to a request from the authorities of the other State for a waiver of its right in cases where that other State considers such waiver to be of particular importance.

4. The foregoing provisions of this article shall not imply any right for the military authorities of the United States to exercise jurisdiction over persons who are nationals of or ordinarily resident in Japan, unless they are members of the U.S. Armed Forces.

5. (a) The military authorities of the United States and the authorities of Japan shall assist each other in the arrest of members of the U.S. Armed Forces, the civilian component, or their dependents in the territory of Japan and in handing them over to the authority which is to exercise jurisdiction in accordance with the above provisions.

(b) The authorities of Japan shall notify promptly the military authorities of the United States of the arrest of any member of the U.S. Armed Forces, the civilian component, or a dependent.

(c) The custody of an accused member of the U.S. Armed Forces or the civilian component over whom Japan is to exercise jurisdiction shall, if he is in the hands of the United States, remain with the United States until he is charged by Japan.

6. (a) The military authorities of the United States and the authorities of Japan shall assist each other in the carrying out of all necessary investigations into offenses, and in the collection and production of evidence, including the seizure and, in proper cases, the handing over of objects connected with an offense. The handing over of such objects may, however, be made subject to their return within the time specified by the authority delivering them.

(b) The military authorities of the United States and the authorities of Japan shall notify each other of the disposition of all cases in which there are concurrent rights to exercise jurisdiction.

7. (a) A death sentence shall not be carried out in Japan by the military authorities of the United States if the legislation of Japan does not provide for such punishment in a similar case.

(b) The authorities of Japan shall give sympathetic consideration to a request from the military authorities of the United States for assistance in carrying out a sentence of imprisonment pronounced by the military authorities of the United States under the provisions of this article within the territory of Japan.

8. Where an accused has been tried in accordance with the provisions of this article either by the military authorities of the United States or the authorities of Japan and has been acquitted, or has been convicted and is serving, or has served, his sentence or has been pardoned, he may not be tried again for the same offense within the territory of Japan by the authorities of the other State. However, nothing in this paragraph shall prevent the military authorities of the United States from trying a member of its Armed Forces for any violation of rules of discipline arising from an act or omission which constituted an offense for which he was tried by the authorities of Japan.

9. Whenever a member of the U.S. Armed Forces, the civilian component or a dependent is prosecuted under the jurisdiction of Japan he shall be entitled:

(a) to a prompt and speedy trial;

(b) to be informed, in advance of trial, of the specific charge or charges made against him;

(c) to be confronted with the witnesses against him;

(d) to have compulsory process for obtaining witnesses in his favor, if they are within the jurisdiction of Japan;

(e) to have legal representation of his own choice for his defense or to have free or assisted legal representation under the conditions prevailing for the time being in Japan;

(f) if he considers it necessary, to have the services of a competent interpreter; and

(g) to communicate with a representative of the Government of the United States and to have such a representative present at his trial.

10. (a) Regularly constituted military units or formations of the U.S. Armed Forces shall have the right to police any facilities or areas which they use under article II of this agreement. The military police of such forces may take all appropriate measures to insure the maintenance of order and security within such facilities and areas.

(b) Outside these facilities and areas, such military police shall be employed only subject to arrangements with the authorities of Japan and in liaison with those authorities, and insofar as such employment is necessary to maintain discipline and order among the members of the U.S. Armed Forces.

11. In the event of hostilities to which the provisions of article V of the Treaty of Mutual Cooperation and Security apply, either the Government of the United States or the Government of Japan shall have the right, by giving 60 days' notice to the other, to suspend the application of any of the provisions of this article. If this right is exercised, the Governments of the United States and Japan shall immediately consult with a view to agreeing on suitable provisions to replace the provisions suspended.

12. The provisions of this article shall not apply to any offenses committed before the entry into force of this agreement. Such cases shall be governed by the provisions of article XVII of the Administrative Agreement under article III of the Security Treaty Between the United States of America and Japan, as it existed at the relevant time.

ARTICLE XVIII

1. Each party waives all its claims against the other party for damage to any property owned by it and used by its land, sea, or air defense services, if such damage—

(a) was caused by a member or an employee of the defense services of the other party in the performance of his official duties; or

(b) arose from the use of any vehicle, vessel or aircraft owned by the other party and used by its defense services, provided either that the vehicle, vessel or aircraft causing the damage was being used for official purposes, or that the damage was caused to property being so used.

Claims for maritime salvage by one party against the other party shall be waived, provided that the vessel or cargo salved was owned by a party and being used by its defense services for official purposes.

2. (a) In the case of damage caused or arising as stated in paragraph 1 to other property owned by either party and located in Japan, the issue of the liability of the other party shall be determined and the amount of damage shall be assessed, unless the two Governments agree otherwise, by a sole arbitrator selected in accordance with subparagraph (b) of this paragraph. The arbitrator shall also decide any counterclaims arising out of the same incident.

(b) The arbitrator referred to in subparagraph (a) above shall be selected by agreement between the two Governments from amongst the nationals of Japan who hold or have held high judicial office.

(c) Any decision taken by the arbitrator shall be binding and conclusive upon the parties.

(d) The amount of any compensation awarded by the arbitrator shall be distributed in accordance with the provisions of paragraph 5(e) (i), (ii) and (iii) of this article.

(e) The compensation of the arbitrator shall be fixed by agreement between the two Governments and shall, together with the necessary expenses incidental to the performance of his duties, be defrayed in equal proportions by them.

(f) Nevertheless, each party waives its claim in any such case up to the amount of 1,400 U.S. dollars or 504,000 yen. In the case of considerable variation in the rate of exchange between these currencies the two Governments shall agree on the appropriate adjustments of these amounts.

3. For the purposes of paragraphs 1 and 2 of this article the expression "owned by a party" in the case of a vessel includes a vessel on bare boat charter to that party or requisitioned by it on bare boat terms or seized by it in prize (except to the extent that the risk of loss or liability is borne by some person other than such party).

4. Each party waives all its claims against the other party for injury or death suffered by any member of its defense services while such member was engaged in the performance of his official duties.

5. Claims (other than contractual claims and those to which paragraphs 6 or 7 of this article apply) arising out of acts or omissions of members or employees of the U.S. Armed Forces done in the performance of official duty, or out of any other act, omission or occurrence for which the U.S. Armed Forces are legally responsible, and causing damage in Japan to third parties, other than the Government of Japan, shall be dealt with by Japan in accordance with the following provisions:

(a) Claims shall be filed, considered and settled or adjudicated in accordance with the laws and regulations of Japan with respect to claims arising from the activities of its self-defense forces.

(b) Japan may settle any such claims, and payment of the amount agreed upon or determined by adjudication shall be made by Japan in yen.

(c) Such payment, whether made pursuant to a settlement or to adjudication of the case by a competent tribunal of Japan, or the final adjudication by such a tribunal denying payment, shall be binding and conclusive upon the parties.

(d) Every claim paid by Japan shall be communicated to the appropriate U.S. authorities together with full particulars and a proposed distribution in conformity with subparagraphs (e) (i) and (ii) below. In

default of a reply within two months, the proposed distribution shall be regarded as accepted.

(e) The cost incurred in satisfying claims pursuant to the preceding subparagraphs and paragraph 2 of this Article shall be distributed between the parties as follows:

(i) Where the United States alone is responsible, the amount awarded or adjudged shall be distributed in the proportion of 25 percent chargeable to Japan and 75 percent chargeable to the United States.

(ii) Where the United States and Japan are responsible for the damage, the amount awarded or adjudged shall be distributed equally between them. Where the damage was caused by the defense services of the United States or Japan and it is not possible to attribute it specifically to one or both of those defense services, the amount awarded or adjudged shall be distributed equally between the United States and Japan.

(iii) Every half year, a statement of the sums paid by Japan in the course of the half-yearly period in respect of every case regarding which the proposed distribution on a percentage basis has been accepted, shall be sent to the appropriate U.S. authorities, together with a request for reimbursement. Such reimbursement shall be made, in yen, within the shortest possible time.

(f) Members or employees of the U.S. Armed Forces, excluding those employees who have only Japanese nationality, shall not be subject to any proceedings for the enforcement of any judgment given against them in Japan in a matter arising from the performance of their official duties.

(g) Except in so far as subparagraph (e) of this paragraph applies to claims covered by paragraph 2 of this Article, the provisions of this paragraph shall not apply to any claim arising out of or in connection with the navigation or operation of a ship or the loading, carriage, or discharge of a cargo, other than claims for death or personal injury to which paragraph 4 of this Article does not apply.

6. Claims against members or employees of the United States armed forces (except employees who are nationals of or ordinarily resident in Japan) arising out of tortious acts or omissions in Japan not done in the performance of official duty shall be dealt with in the following manner:

(a) The authorities of Japan shall consider the claim and assess compensation to the claimant in a fair and just manner, taking into account all the circumstances of the case, including the conduct of the injured person, and shall prepare a report on the matter.

(b) The report shall be delivered to the appropriate United States authorities, who shall then decide without delay whether they will offer an ex gratia payment, and if so, of what amount.

(c) If an offer of ex gratia payment is made, and accepted by the claimant in full satisfaction of his claim, the U.S. authorities shall make the payment themselves and inform the authorities of Japan of their decision and of the sum paid.

(d) Nothing in this paragraph shall affect the jurisdiction of the courts of Japan to entertain an action against a member or an employee of the U.S. Armed Forces unless and until there has been payment in full satisfaction of the claim.

7. Claims arising out of the unauthorized use of any vehicle of the U.S. Armed Forces shall be dealt with in accordance with paragraph 6 of this article, except insofar as the U.S. Armed Forces are legally responsible.

8. If a dispute arises as to whether a tortious act or omission of a member or an employee of the U.S. Armed Forces was done in the performance of official duty or as to whether the use of any vehicle of the U.S. Armed Forces was unauthorized, the question shall be submitted to an arbitrator appointed in accordance with paragraph 2(b) of this article, whose decision on this point shall be final and conclusive.

9. (a) The United States shall not claim immunity from the jurisdiction of the courts of Japan for members or employees of the U.S. Armed Forces in respect of the civil jurisdiction of the courts of Japan except to the extent provided in paragraph 5(f) of this article.

(b) In case any private movable property, excluding that in use by the U.S. Armed Forces, which is subject to compulsory execution under Japanese law, is within the facilities and areas in use by the U.S. Armed Forces, the U.S. authorities shall, upon the request of Japanese courts, possess and turn over such property to the Japanese authorities.

(c) The authorities of the United States and Japan shall cooperate in the procurement of evidence for a fair hearing and disposal of claims under this article.

10. Disputes arising out of contracts concerning the procurement of materials, supplies, equipment, services and labor by or for the U.S. Armed Forces, which are not resolved by the parties to the contract concerned, may be submitted to the Joint Committee for conciliation, provided that the provisions of this paragraph shall not prejudice any right which the parties to the contract may have to file a civil suit.

11. The term "defense services" used in this article is understood to mean for Japan its self-defense forces and for the United States its Armed Forces.

12. Paragraphs 2 and 5 of this article shall apply only to claims arising incident to noncombat activities.

13. The provisions of this article shall not apply to any claims which arose before the entry into force of this agreement. Such claims shall be dealt with by the provisions of article XVIII of the Administrative Agreement under article III of the Security Treaty Between the United States of America and Japan.

ARTICLE XIX

1. Members of the U.S. Armed Forces, the civilian component, and their dependents, shall be subject to the foreign exchange controls of the Government of Japan.

2. The preceding paragraph shall not be construed to preclude the transmission into or outside of Japan of U.S. dollars or dollar instruments representing the official funds of the United States or realized as a result of service or employment in connection with this agreement by members of the U.S. Armed Forces and the civilian component, or realized by such persons and their dependents from sources outside of Japan.

3. The U.S. authorities shall take suitable measures to preclude the abuse of the privileges stipulated in the preceding paragraph or circumvention of the Japanese foreign exchange controls.

ARTICLE XX

1. (a) U.S. military payment certificates denominated in dollars may be used by persons authorized by the United States for internal transactions within the facilities and areas in use by the U.S. Armed Forces. The Government of the United States will take appropriate action to insure that authorized personnel are prohibited from engaging in transactions involving military payment certificates except as authorized by United States regulations. The Government of Japan will take necessary action to prohibit unauthorized persons from engaging in transactions involving military payment certificates and with the aid of U.S. authorities will undertake to apprehend and punish any person or persons under its jurisdiction involved in the counterfeiting or uttering of counterfeit military payment certificates.

(b) It is agreed that the U.S. authorities will apprehend and punish members of the U.S. Armed Forces, the civilian component, or their dependents, who tender military payment certificates to unauthorized persons and that no obligation will be due to such unauthorized persons or to the Government of Japan or its agencies from the United States or any of its agencies as a result of any unauthorized use of military payment certificates within Japan.

2. In order to exercise control of military payment certificates the United States may designate certain American financial institutions to maintain and operate, under U.S. supervision, facilities for the use of persons authorized by the United States to use military payment certificates. Institutions authorized to maintain military banking facilities will establish and maintain such facilities physically separated from their Japanese commercial banking business, with personnel whose sole duty is to maintain and operate such facilities. Such facilities shall be permitted to maintain U.S. currency bank accounts and to perform all financial transactions in connection therewith including receipt and remission of funds to the extent provided by article XIX, paragraph 2, of this agreement.

ARTICLE XXI

The United States may establish and operate, within the facilities and areas in use by the U.S. Armed Forces, U.S. military post offices for the use of members of the U.S. Armed Forces, the civilian component, and their dependents, for the transmission of mail between U.S. military post offices in Japan and between such military post offices and other U.S. post offices.

ARTICLE XXII

The United States may enroll and train eligible U.S. citizens residing in Japan, who apply for such enrollment, in the reserve organizations of the Armed Forces of the United States.

ARTICLE XXIII

The United States and Japan will cooperate in taking such steps as may from time to time be necessary to insure the security of the U.S. Armed Forces, the members thereof, the civilian component, their dependents, and their property. The Government of Japan agrees to seek such legislation and to take such other action as may be necessary to insure the adequate security and protection within its territory of installations, equipment, property, records, and official information of the United States, and for the punishment of offenders under the applicable laws of Japan.

ARTICLE XXIV

1. It is agreed that the United States will bear for the duration of this agreement without cost to Japan all expenditures incident to the maintenance of the U.S. Armed Forces in Japan except those to be borne by Japan as provided in paragraph 2.

2. It is agreed that Japan will furnish for the duration of this agreement without cost to the United States and make compensation where appropriate to the owners and suppliers thereof all facilities and areas and rights-of-way, including facilities and areas jointly used such as those at airfields and ports, as provided in articles II and III.

3. It is agreed that arrangements will be effected between the Governments of the United States and Japan for accounting applicable to financial transactions arising out of this agreement.

ARTICLE XXV

1. A Joint Committee shall be established as the means for consultation between the Government of the United States and the Government of Japan on all matters requiring mutual consultation regarding the implementation of this agreement. In particular, the Joint Committee shall serve as the means for consultation in determining the

facilities and areas in Japan which are required for the use of the United States in carrying out the purposes of the Treaty of Mutual Cooperation and Security.

2. The Joint Committee shall be composed of a representative of the Government of the United States and a representative of the Government of Japan, each of whom shall have one or more deputies and a staff. The Joint Committee shall determine its own procedures, and arrange for such auxiliary organs and administrative services as may be required. The Joint Committee shall be so organized that it may meet immediately at any time at the request of the representative of either the Government of the United States or the Government of Japan.

3. If the Joint Committee is unable to resolve any matter, it shall refer that matter to the respective Governments for further consideration through appropriate channels.

ARTICLE XXVI

1. This agreement shall be approved by the United States and Japan in accordance with their legal procedures, and notes indicating such approval shall be exchanged.

2. After the procedure set forth in the preceding paragraph has been followed, this agreement will enter into force on the date of coming into force of the Treaty of Mutual Cooperation and Security, at which time the Administrative Agreement under article III of the Security Treaty Between the United States of America and Japan, signed at Tokyo on February 28, 1952, as amended, shall expire.

3. The Government of each party to this agreement undertakes to seek from its legislature necessary budgetary and legislative action with respect to provisions of this agreement which require such action for their execution.

ARTICLE XXVII

Either Government may at any time request the revision of any article of this agreement, in which case the two Governments shall enter into negotiation through appropriate channels.

ARTICLE XXVIII

This agreement, and agreed revisions thereof, shall remain in force while the Treaty of Mutual Cooperation and Security remains in force unless earlier terminated by agreement between the two Governments.

In witness whereof the undersigned plenipotentiaries have signed this agreement.

Done at Washington, in duplicate, in the English and Japanese languages, both texts equally authentic, this 19th day of January, 1960.

For the United States of America:

CHRISTIAN A. HERTER.
DOUGLAS MACARTHUR 2D.
J GRAHAM PARSONS.

For Japan:

NOBUSUKE KISHI.
AIICHIRO FUJIYAMA.
MITSUJIRO ISHII.
TADASHI ADACHI.
KOICHIRO ASAKAI.

AGREED MINUTES TO THE AGREEMENT UNDER ARTICLE VI OF THE TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN, REGARDING FACILITIES AND AREAS AND THE STATUS OF U.S. ARMED FORCES IN JAPAN

Two Plenipotentiaries of the United States of America and Japan wish to record the following understanding which they have reached during the negotiations for the agreement under article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, Regarding Facilities and Areas and the Status of U.S. Armed Forces in Japan, signed today:

ARTICLE III

The measure that may be taken by the United States under paragraph 1 shall, to the extent necessary to accomplish the purposes of this Agreement, include, inter alia, the following:

1. To construct (including dredging and filling), operate, maintain, utilize, occupy, garrison and control the facilities and areas;

2. To remove buildings or structures, make alterations, attach fixtures, or erect additions thereto and to construct any additional buildings or structures together with auxiliary facilities;

3. To improve and deepen the harbors, channels, entrances and anchorages, and to construct or maintain necessary roads and bridges affording access to such facilities and areas;

4. To control (including measures to prohibit) insofar as may be required by military necessity for the efficient operation and safety of the facilities and areas, anchorages, moorings, landings, takeoffs and operation of ships and waterborne craft, aircraft and other vehicles on water, in the air or on land comprising, or in the vicinity of, the facilities and areas;

5. To construct on rights of way utilized by the United States such wire and radio communications facilities, including submarine and subterranean cables, pipelines, and spur tracks from railroads, as may be required for military purposes; and

6. To construct, install, maintain and employ in any facility or area any type of installation, weapon, substance, device, vessel or vehicle on or under the ground, in the air or on or under the water that may be requisite or appropriate, including meteorological systems, aerial and water navigation lights, radio and radar apparatus and electronic devices.

ARTICLE IV

1. "U.S. and foreign vessels * * * operated by, for, or under the control of the United States for official purposes" mean U.S. public vessels and chartered vessels (bare boat charter, voyage charter and time charter). Space charter is not included. Commercial cargo and private passengers are carried by them only in exceptional cases.

2. The Japanese ports mentioned herein will ordinarily mean "open ports."

3. The exemption from making "appropriate notification" will be applicable only to exceptional cases where such is required for security of the U.S. Armed Forces or similar reasons.

4. The laws and regulations of Japan will be applicable except as specifically provided otherwise in this article.

ARTICLE VII

The problem of telecommunications rates applicable to the U.S. Armed Forces will continue to be studied in the light of, inter alia, the statements concerning article VII recorded in the official minutes of the 10th Joint Meeting for the Negotiation of the Administrative Agreement signed on February 28, 1952, which are hereby incorporated by reference.

ARTICLE IX

The Government of Japan will be notified at regular intervals, in accordance with procedures to be agreed between the two Governments, of numbers and categories of persons entering and departing.

ARTICLE XI

1. The quantity of goods imported under paragraph 2 by the organizations provided for in article XV for the use of the members of the U.S. Armed Forces, the civilian component, and their dependents shall be limited to the extent reasonably required for such use.

2. Paragraph 3(a) does not require concurrent shipment of goods with travel of owner nor does it require single loading or shipment.

3. The term "military cargo" as used in paragraph 5(c) is not confined to arms and equipment but refers to all cargo shipped to the U.S. Armed Forces on a U.S. Government bill of lading, the term "military cargo" being used to distinguish cargo shipped to the U.S. Armed Forces from cargo shipped to other agencies of the U.S. Government.

4. The U.S. Armed Forces will take every practicable measure to ensure that goods will not be imported into Japan by or for the members of the U.S. Armed Forces, the civilian component, or their dependents, the entry of which would be in violation of Japanese customs laws and regulations. The U.S. Armed Forces will promptly notify the Japanese customs authorities whenever the entry of such goods is discovered.

5. The Japanese customs authorities may, if they consider that there has been an abuse or infringement in connection with the entry of goods under article XI, take up the matter with the appropriate authorities of the U.S. Armed Forces.

6. The words "The U.S. Armed Forces shall render all assistance within their power etc." in paragraph 9 (b) and (c) refer to reasonable and practicable measures by the U.S. Armed Forces.

ARTICLE XII

1. The U.S. Armed Forces will furnish the Japanese authorities with appropriate information as far in advance as practicable on anticipated major changes in their procurement program in Japan.

2. The problem of a satisfactory settlement of difficulties with respect to procurement contracts arising out of differences between United States and Japanese economic laws and business practices will be studied by the Joint Committee or other appropriate persons.

3. The procedures for securing exemptions from taxation on purchases of goods for ultimate use by the U.S. Armed Forces will be as follows:

a. Upon appropriate certification by the U.S. Armed Forces that materials, supplies, and equipment consigned to or destined for such forces, are to be used, or wholly or partially used up, under the supervision of such forces, exclusively in the execution of contracts for the construction, maintenance or operation of the facilities and areas referred to in article II or for the support of the forces therein, or are ultimately to be incorporated into articles or facilities used by such forces, an authorized representative of such forces shall take delivery of such materials, supplies and equipment directly from manufacturers thereof. In such circumstances the collection of commodity and gasoline taxes shall be held in abeyance.

b. The receipt of such materials, supplies and equipment in the facilities and areas shall be confirmed by an authorized officer of the U.S. Armed Forces to the Japanese authorities.

c. Collection of commodity and gasoline taxes shall be held in abeyance until

(1) The U.S. Armed Forces confirm and certify the quantity or degree of consumption of the above referred to materials, supplies and equipment, or

(2) The U.S. Armed Forces confirm and certify the amount of the above referred to materials, supplies, and equipment which have been incorporated into articles or facilities used by U.S. Armed Forces.

d. Materials, supplies, and equipment certified under c (1) or (2) shall be exempt from commodity and gasoline taxes insofar as the price thereof is paid out of U.S. Government appropriations or out of funds contributed by the Japanese Government for disbursement by the United States.

4. The Government of the United States shall ensure that the Government of Japan is reimbursed for costs incurred under relevant contracts between appropriate authorities of the Government of Japan and the organizations provided for in article XV in connection with the employment of workers to be provided for such organizations.

5. It is understood that the term "the legislation of Japan" mentioned in paragraph 5, article XII includes decisions of the courts and the Labor Relations Commissions of Japan, subject to the provisions of paragraph 6, article XII.

6. It is understood that the provisions of article XII, paragraph 6 shall apply only to discharges for security reasons including disturbing the maintenance of military discipline within the facilities and areas used by the U.S. Armed Forces.

7. It is understood that the organizations referred to in article XV will be subject to the procedures of paragraph 6 on the basis of mutual agreement between the appropriate authorities.

ARTICLE XIII

With respect to article XIII, paragraph 2 and article XIV, paragraph 7, income payable in Japan as a result of service with or employment by the U.S. Armed Forces or by the organizations provided for in article XV, or under contract made in the United States with the U.S. Government, shall not be treated or considered as income derived from Japanese sources.

ARTICLE XV

The facilities referred to in paragraph 1 may be used by other officers and personnel of the U.S. Government ordinarily accorded such privileges abroad.

ARTICLE XVII

Re paragraph 1(a) and paragraph 2(a):

The scope of persons subject to the military laws of the United States shall be communicated, through the Joint Committee, to the Government of Japan by the Government of the United States.

Re paragraph 2(c):

Both Governments shall inform each other of the details of all the security offenses mentioned in this subparagraph and the provisions governing such offenses in the existing laws of their respective countries.

Re paragraph 3(a)(ii):

Where a member of the U.S. Armed Forces or the civilian component is charged with an offense, a certificate issued by or on behalf of his commanding officer stating that the alleged offense, if committed by him, arose out of an act or omission done in the performance of official duty, shall, in any judicial proceedings, be sufficient evidence of the fact unless the contrary is proved.

The above statement shall not be interpreted to prejudice in any way article 318 of the Japanese Code of Criminal Procedure.

Re paragraph 3(c):

1. Mutual procedures relating to waivers of the primary right to exercise jurisdiction shall be determined by the Joint Committee.

2. Trials of cases in which the Japanese authorities have waived the primary right to exercise jurisdiction, and trials of cases involving offenses described in paragraph 3(a)(ii) committed against the state or nationals of Japan shall be held promptly in Japan within a reasonable distance from the places where the offenses are alleged to have taken place unless other arrangements are mutually agreed upon. Representatives of the Japanese authorities may be present at such trials.

Re paragraph 4:

Dual nationals, United States and Japanese, who are subject to the military law of the United States and are brought to Japan by the United States shall not be considered as nationals of Japan, but shall be considered as U.S. nationals for the purposes of this paragraph.

Re paragraph 5:

1. In case the Japanese authorities have arrested an offender who is a member of the U.S. Armed Forces, the civilian component, or a dependent subject to the military law of the United States with respect to a case over which Japan has the primary right to exercise jurisdiction, the Japanese authorities will, unless they deem that there is adequate cause and necessity to retain such offender, release him to the custody of the U.S. military authorities provided that he shall, on request, be made available to the Japanese authorities, if such be the condition of his release. The U.S. authorities shall, on request, transfer his custody to the Japanese authorities at the time he is indicted by the latter.

2. The U.S. military authorities shall promptly notify the Japanese authorities of the arrest of any member of the U.S. Armed Forces, the civilian component or a dependent in any case in which Japan has the primary right to exercise jurisdiction.

Re paragraph 9:

1. The rights enumerated in items (a) through (e) of this paragraph are guaranteed to all persons on trial in Japanese courts by the provisions of the Japanese Constitution. In addition to these rights, a member of the U.S. Armed Forces, the civilian component or a dependent who is prosecuted under the jurisdiction of Japan shall have such other rights as are guaranteed under the laws of Japan to all persons on trial in Japanese courts. Such additional rights include the following which are guaranteed under the Japanese Constitution:

(a) He shall not be arrested or detained without being at once informed of the charge against him or without the immediate privilege of counsel; nor shall he be detained without adequate cause; and upon demand of any person such cause must be immediately shown in open court in his presence and the presence of his counsel;

(b) He shall enjoy the right to a public trial by an impartial tribunal;

(c) He shall not be compelled to testify against himself;

(d) He shall be permitted full opportunity to examine all witnesses;

(e) No cruel punishment shall be imposed upon him.

2. The U.S. authorities shall have the right upon request to have access at any time to members of the U.S. Armed Forces, the civilian component, or their dependents who are confined or detained under Japanese authority.

3. Nothing in the provisions of paragraph 9(g) concerning the presence of a representative of the U.S. Government at the trial of a member of the U.S. Armed Forces the civilian component or a dependent prosecuted under the jurisdiction of Japan, shall be so construed as to prejudice the provisions of the Japanese Constitution with respect to public trials.

Re paragraphs 10(a) and 10(b):

1. The U.S. military authorities will normally make all arrests within facilities and areas in use by and guarded under the authority of the U.S. Armed Forces. This shall not preclude the Japanese authorities from making arrests within facilities and areas in cases where the competent authorities of the U.S. Armed Forces have given consent, or in cases of pursuit of a flagrant offender who has committed a serious crime.

Where persons whose arrest is desired by the Japanese authorities and who are not subject to the jurisdiction of the U.S. Armed Forces are within facilities and areas in use by the U.S. Armed Forces, the U.S. military authorities will undertake, upon request, to arrest such persons. All persons arrested by the U.S. military authorities, who are not subject to the jurisdiction of the U.S. Armed Forces, shall immediately be turned over to the Japanese authorities.

The U.S. military authorities may, under due process of law, arrest in the vicinity of a facility or area any person in the commission or attempted commission of an offense against the security of that facility or area. Any such person not subject to the jurisdiction of the U.S. Armed Forces shall immediately be turned over to the Japanese authorities.

2. The Japanese authorities will normally not exercise the right of search, seizure, or inspection with respect to any persons or property within facilities and areas in use by and guarded under the authority of the U.S. Armed Forces or with respect to property of the U.S. Armed Forces wherever situated, except in cases where the competent authorities of the U.S. Armed Forces consent to such search, seizure, or inspection by the Japanese authorities of such persons or property.

Where search, seizure, or inspection with respect to persons or property within facilities and areas in use by the U.S. Armed Forces or with respect to property of the U.S. Armed Forces in Japan is desired by the Japanese authorities, the U.S. military authorities will undertake, upon request, to make such search, seizure, or inspection. In the event of a judgment concerning such property, except property owned or utilized by the U.S. Government or its instrumentalities, the United States will turn over such property to the Japanese authorities for disposition in accordance with the judgment.

ARTICLE XIX

Payment in Japan by the U.S. Armed Forces and by those organizations provided in article XV to persons other than members of the U.S. Armed Forces, civilian components, their dependents and those persons referred to in article XIV shall be effected in accordance with the Japanese foreign exchange control law and regulations. In these transactions the basic rate of exchange shall be used.

ARTICLE XXI

U.S. military post offices may be used by other officers and personnel of the U.S. Government ordinarily accorded such privileges abroad.

ARTICLE XXIV

It is understood that nothing in this Agreement shall prevent the United States from utilizing, for the defrayment of expenses which are to be borne by the United States under this Agreement, dollar or yen funds lawfully acquired by the United States.

WASHINGTON, *January 19, 1960.*

C.A.H.
N.K.

DEPARTMENT OF STATE,
Washington, January 19, 1960.

His Excellency NOBUSUKE KISHI,
Prime Minister of Japan.

EXCELLENCY: I have the honor to refer to paragraph 6(d) of article XII of the Agreement under article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, Regarding Facilities and Areas and the Status of U.S. Armed Forces in Japan, signed today. The second sentence of the said paragraph provides that "in such case the Government of the United States shall pay to the Government of Japan an amount equal to the cost of employment of the worker for a period of time to be agreed between the two Governments."

I wish to propose on behalf of the Government of the United States that the period of time mentioned above shall not exceed 1 year after the notification provided for in paragraph 6(b) of article XII of the above-cited agreement, and may be determined in the consultations under paragraph 6(c) of

article XII above on the basis of mutually agreeable criteria.

If the proposal made herein is acceptable to the Government of Japan, this Note and Your Excellency's reply to that effect shall be considered as constituting an agreement between the two Governments.

Accept, Excellency, the renewed assurances of my highest consideration.

CHRISTIAN A. HERTER,
Secretary of State of the United States of America.

WASHINGTON, *January 19, 1960.*

His Excellency CHRISTIAN A. HERTER,
Secretary of the State of the United States of America.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's Note of today's date, which reads as follows:

"I have the honor to refer to paragraph 6(d) of article XII of the Agreement under article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan, Regarding Facilities and Areas and the Status of U.S. Armed Forces in Japan, signed today. The second sentence of the said paragraph provides that 'in such case the Government of the United States shall pay to the Government of Japan an amount equal to the cost of employment of the worker for a period of time to be agreed between the two Governments.'

"I wish to propose on behalf of the Government of the United States that the period of time mentioned above shall not exceed 1 year after the notification provided for in paragraph 6(b) of article XII of the above-cited agreement, and may be determined in the consultations under paragraph 6(c) of article XII above on the basis of mutually agreeable criteria.

"If the proposal made herein is acceptable to the Government of Japan, this note and Your Excellency's reply to that effect shall be considered as constituting an agreement between the two Governments."

I have the honor to inform Your Excellency that the Government of Japan accepts the above proposal of the Government of the United States, and to confirm that your note and this reply are considered as constituting an agreement between the two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

NOBUSUKE KISHI.

Mr. JOHNSON of Texas. Mr. President, as I said earlier today, we shall proceed in orderly fashion to the consideration of the treaty. The Department has advised us that it considers ratification of the treaty of extreme importance. The Secretary testified again to that effect this morning.

At the moment, the chairman of the Foreign Relations Committee [Mr. FULBRIGHT] is having lunch with an Ambassador, but thereafter will be prepared to go into a detailed discussion of the treaty.

I should like to have all the aids, on both sides of the aisle, notify absent Senators, because this is a matter of the highest importance, and all Senators should be prepared to come to the Chamber and discuss the matter on its merits.

The minority policy committee is having its meeting. For that reason, it is agreeable to the chairman of the Foreign Relations Committee that the Senate not proceed to discuss the treaty at the moment. But we shall do so in a short time.

In a moment, I must leave the floor, and I shall not be able to return for a while. I wish all Senators to know what is planned.

Mr. CASE of South Dakota. Is it planned to take up the independent offices appropriation bill before the Japanese Treaty is acted on?

Mr. JOHNSON of Texas. No. That appropriation bill is the unfinished business. But when it is agreeable to the Senator from Arkansas [Mr. FULBRIGHT] and when it is agreeable to the minority leader [Mr. DIRKSEN], we shall discuss the treaty with Japan; and I wish all Senators to be on notice.

Mr. CASE of South Dakota. Can the Senator from Texas give any indication, in point of time, as to when that might be—possibly around 2 o'clock?

Mr. JOHNSON of Texas. I cannot tell; I do not know how long it will be before the Senators who now are out of the Chamber will enter the Chamber.

Mr. CASE of South Dakota. I hope to get some lunch, myself, in a few minutes.

Mr. JOHNSON of Texas. Certainly the Senator from South Dakota is entitled to do so, for he is one of the most dedicated and conscientious Members of this body; and certainly he should not hesitate to leave the Chamber to go to lunch.

Mr. McCLELLAN. Mr. President, there is a matter which I should like to have taken up.

Mr. JOHNSON of Texas. Has the Senator from Arkansas cleared his request with the minority?

Mr. McCLELLAN. I am sure there is no objection.

Mr. JOHNSON of Texas. It would be best, first, to have definite clearance with the minority.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Are we in executive session to consider the Japanese Treaty?

The PRESIDING OFFICER. The treaty is before the Senate as in Committee of the Whole.

Mr. JOHNSON of Texas. Mr. President, for several days I have been in constant touch with the highly respected, very able Senator from Arkansas [Mr. FULBRIGHT], chairman of the Foreign Relations Committee, and the State Department, and I am informed by the Senator from Arkansas that he is now prepared to make his recommendations to the Senate.

As all of us who serve with him know, the Senator from Arkansas has rendered outstanding service in the field of relations with other nations. Since he first came to Congress as a Member of the other body, he has taken active leadership in this field. His voice and his vote are respected throughout the world, but particularly in this Chamber, with those of us who know him best.

I shall follow with great interest the recommendations the Senator will make, and I hope other Senators will do likewise.

The PRESIDING OFFICER. The treaty is before the Senate for consideration.

Mr. FULBRIGHT. Mr. President, I wish to express my appreciation to the majority leader for the kind words he has said about the chairman of the Foreign Relations Committee. He has cooperated in every possible way with the chairman in arranging to have this treaty brought before the Senate today.

Mr. President, the Committee on Foreign Relations has favorably reported Executive E, the Treaty of Mutual Cooperation and Security to the Senate. This agreement has been nearly 2 years in the making, but in the past few weeks—on the eve of its ratification by both parties—it has become an issue of barely manageable proportions in Japan and a source of deep concern in this country and elsewhere. The uncomfortable intensity of this drama has been sharpened by the cancellation of the President's visit to Japan, a regrettable and unfortunate development.

In trying to get a broad understanding of this situation, it should first be noted that the Sino-Soviet bloc, in whipping up opposition to the treaty, has unleashed a torrent of slander and abuse that is interesting, both for its intensity and its volume. This campaign has been supported tactically by a peculiarly crude, arm-twisting diplomatic pressure. Clearly, the revision of this security treaty is for our adversaries an event so inconsonant with their objectives as to dictate a maximum—indeed, an exceptional—effort to prevent its happening.

Having said this, I should quickly add that the opposition in Japan to the pending treaty is by no means confined to Communist-oriented elements. Great numbers of literate, highly motivated people oppose it—wrongly, in my view—because they believe that any such treaty will earn for Japan not security, but insecurity. More specifically, they fear that the war-renouncing article of the Japanese Constitution will eventually disappear, in the face of a revived militarism. They also fear that a mutual security treaty conceivably could involve Japan in a war that might otherwise have been avoided.

Mr. President, I deeply respect the concern of these well-meaning Japanese. Their reservations are doubtless reinforced by their shattering experience in World War II, which for them included massive bombings and, finally, atomic attack.

I should like to quote at this point a fragment of the conclusion of the committee report on the treaty:

Some of the pacific, antitreaty elements in Japan ask that their country be left free

to cultivate such benign pursuits as trade, commerce, and science. The committee would sympathetically remind the Japanese who hold such views of the threats of those who, by one means or another, are determined to bring all such activities within the scope of their own dictatorial control.

The point I should like to leave with my Japanese friends, some of whom are in the galleries, is that the prospect of war is as abhorrent to the United States as it is to Japan. In view of the unmistakable and implacably hostile intentions of the Communist bloc, the United States has taken the lead in trying to protect the non-Communist countries from either war, or external domination. In performing this historic role, the United States has made alliances with many other nations. The United States can only perform this urgent mission in collaboration with other nations whose benign and peaceful aspirations are compatible with its own. Japan is surely one of these nations.

It is my belief that the majority of the Japanese acknowledge and welcome the growing interdependence between their country and ours. I believe, as well, these Japanese recognize that the aims and sentiments of the American people are much the same as their own. The communique that was issued by Prime Minister Kishi and President Eisenhower on the occasion of the signing of this treaty contained strong evidence that both leaders were deeply aware of this dominant interest of their peoples in the quest for peace.

Mr. President, I should like to quote a significant section of that joint statement:

> The President and the Prime Minister agreed that disarmament, with the essential guarantees of inspection and verification, is a problem of urgent and central importance to all nations, whose resolution would contribute greatly to reducing the burden of armaments and the risk of war. They expressed the further hope that early agreement can be reached on an adequately safeguarded program for the discontinuance of nuclear weapons tests. They concluded that the world is entering a period affording important opportunities which they have every intention of exploring most seriously, but only on the basis of tested performance, not merely promises. Both leaders recognized that all of man's intellect, wisdom and imagination must be brought into full play to achieve a world at peace under justice and freedom.

I hasten to say that the views expressed in the communique of last January are shared in this country by Republicans and Democrats alike. Whoever our next President is, he will most certainly endorse the spirit and letter of the Eisenhower-Kishi statement. And I know that most Japanese are profoundly interested in advancing the cause of such objectives as phased disarmament and a nuclear test suspension.

In my studied opinion, nothing in the treaty before the Senate is inconsistent with the spirit of the language that I have just quoted. The treaty is defensive in character. It formalizes a relationship that has grown in importance both to the treaty parties themselves, and to other nations with a common interest in remaining free of foreign domination.

Earlier in these remarks, I used the word "interdependence" to characterize the relationship that has developed between the United States and Japan. It was used advisedly. Both countries are among the world's great trading nations, and each is a great market for the other's goods. In 1958, the United States supplied nearly 35 percent of Japan's imports and absorbed about one-fourth of Japanese exports. Only Canada buys more American goods.

In the arts and sciences, there is a growing mutuality of respect between Americans and Japanese. A great many Americans record their fondest experiences with Japanese cameras, buy Japanese prints and paintings, and see performances by Kabuki dancers when the rare opportunity presents itself. A good many American soldiers who were assigned to Japan returned home with Japanese wives. There is no question but that the two peoples find much that is admirable and compatible in one another. In view of the bitter war that was concluded only 15 years ago, this salutary development in their relations is all the more remarkable.

The consequences of war caused significant changes in Japan. Military vulnerability is one example. However, nothing has discouraged or deterred the prodigious Japanese enterprise and capacity for economic growth. By 1958, virtually all sectors of the Japanese economy—industry, mining, public utilities, agriculture and fishing—were well above the prewar—1934–36—average. National income had risen by about 68 percent above the prewar level. Per capita income was about $262, which, while substantially below that of many Western nations, is about three times higher than the average of other Asian nations in the Far East. In total industrial output, Japan ranked seventh in the non-Communist world in 1957, falling barely behind France and Italy. Japan has led the world in shipbuilding in the last 3 years and in 1958 was the fifth largest producer of crude steel, exclusive of Communist bloc countries.

In short, Japan represents one of the four great industrial complexes of the world. The other three are, of course, the United States, Western Europe, and the Soviet Union. The latter will be joined in this small elite by Communist China. At that point it would seem that the only other modern industrial society in Asia will still be Japan. The example of Japan has significance for other Asian nations, and by its example Japan can represent a counterpoise to the aggressive thrust of international communism in the Far East. Thus, Japan has become a factor in the struggle for freedom which has become the central struggle in our lives and which will dominate our future, almost certainly for the balance of this century.

It is against that background that the campaign by the Sino-Soviet bloc against this treaty must be considered. As noted, there is nothing aggressive in the treaty. Nor does it grant to the United States a "senior partner" status, or privileges outside the framework of a normal quid pro quo. To the contrary, less than 15 years after Japan's unconditional surrender to the Allied Powers, this treaty emphasizes, in the language of the committee report, "Japan's rebirth as a fully sovereign nation." This is implicit in the preamble, in several of the articles of the treaty, and in relevant exchanges of notes between officals of the treaty parties.

Under the existing security treaty, which was signed in 1951, Japan, by implication, was required to rely for its defense upon the military forces of the United States. However, the preamble of the new treaty says that the two nations share "a common concern in the maintenance of international peace and security in the Far East."

What this and other concessions to Japanese opinion reflect is the somewhat anachronistic character of certain provisions in the existing agreement. For example, one significant deletion is the provision—in article I of the old treaty—that U.S. forces could be used at the discretion of the Japanese Government to "put down large-scale internal riots and disturbances in Japan." Also deleted was a provision forbidding Japan to grant "without the prior consent" of the United States any military rights to a third power.

Article V stresses the coequal status of the partners, providing that an attack on either in Japanese territory would constitute a "common danger" that both must meet together "in accordance with the constitutional provisions and processes" of each. As noted in the report, the reference to "constitutional provisions" implies an acknowledgment of article IX of the Japanese Constitution, the war-renouncing article which forbids Japan to send military forces away from its own shores. Furthermore, under this article, the treaty parties acknowledge the ultimate authority of the United Nations in settling disputes between nations. They pledge themselves to report all measures taken to deal with an armed attack to the Security Council, and to terminate these measures when the Security Council "has taken the measures necessary to restore and maintain international peace and security."

Mr. President, at this point I should add that, of the 10 articles in this treaty, 4 of them either affirm or imply the primacy of the role of the United Nations in settling matters that endanger international peace and security.

Under article VI the continued use by the United States of certain military facilities in Japan is assured. The details regarding maintenance of these facilities, as well as the status of U.S. forces in Japan, are spelled out in an executive agreement that supersedes the present agreement covering these matters.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. LONG of Louisiana. Does the treaty provide some arrangement that requires the consent of the Japanese Government for the shifting of American troops to other theaters?

Mr. FULBRIGHT. The agreement is that such movement would follow consultation with the Japanese. The agreement provides for consultation, a term which was interpreted in the hearings to mean the assent of the Japanese.

Mr. LONG of Louisiana. Let me see if I understand the answer. The troops that are stationed on Japanese soil, for the most part, are from either the Air Force or the Navy, are they not?

Mr. FULBRIGHT. They are largely from the Air Force.

Mr. LONG of Louisiana. Does the Senator know whether there are any substantial Navy contingents there?

Mr. FULBRIGHT. The number is substantial, but the number is not as large as that of the Air Force.

Mr. LONG of Louisiana. There could conceivably be a number of marines in addition to the Air Force?

Mr. FULBRIGHT. That is correct.

Mr. LONG of Louisiana. Under the agreement, the troops that are there could be used outside Japan only with the consent of the Japanese Government, if I understand correctly what the Senator has said.

Mr. FULBRIGHT. The language of the treaty is "prior consultation" with the Japanese Government. During our interrogation of the Secretary, the committee asked, "Does that term mean 'assent'?"

He said it did.

Mr. LONG of Louisiana. Does the agreement between the President of the United States and the Prime Minister of Japan stipulate that there must be assent or agreement with the Japanese before our troops on Japanese soil could be used outside Japan?

Mr. FULBRIGHT. If there is an attack upon Japan in which both countries are involved, it is understood that the military forces would be used in our common defense. A situation in which the United States desired to use its forces outside Japan, and an attack upon Japan itself was not involved, those forces could be used after consultation, which, as explained at the hearings, means the assent of the Japanese.

Mr. LONG of Louisiana. So if the Senate ratifies the agreement, it will do so with the full understanding that our troops stationed on Japanese soil cannot be used outside of Japan without the consent of the Japanese Government, is that correct?

Mr. FULBRIGHT. I think that is a fair statement. That is not the language of the treaty but the Secretary of State, in response to questioning, said that he interpreted the word "consultation" to mean the equivalent of Japan's assent. If the Japanese seriously objected and would not assent to an action that we wished to undertake I would assume that the spirit of this treaty would mean that we would not take the action.

Mr. LONG of Louisiana. Certainly, so far as Senators are concerned, when we vote to ratify the treaty, we should understand the meaning of the word "consultation" in the context in which it is used. It means American forces cannot be used outside Japan without agreement of Japan. Is that correct?

Mr. FULBRIGHT. I refer the Senator to the transcript of the hearings. I think I have stated the hearings as accurately as I can. That is what the hearings reflect.

Mr. LONG of Louisiana. Does the executive agreement make any more clear what the word "consultation" means in the context?

Mr. FULBRIGHT. I can refer to the page of the transcript of the hearings, which makes the point very clear. There are two places in which reference is made. I refer first to the note on page 9, if the Senator has that before him.

Mr. LONG of Louisiana. Does the Senator have a copy of the executive agreement which implements this language?

Mr. FULBRIGHT. To complete the RECORD, let me read this language and then I will show the Senator from Louisiana the point where the question was asked of the Secretary.

> Major changes in the deployment into Japan of U.S. Armed Forces, major changes in their equipment, and the use of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted under article V of the said treaty, shall be the subject of prior consultation with the Government of Japan.

This is an agreed exchange of notes between Mr. Herter and the Prime Minister of Japan. Then at page 10 of the hearings I asked the Secretary:

> The CHAIRMAN. Does the term "prior consultation" as expressed in the minute to the treaty mean that Japanese assent is required as a precondition to certain U.S. military activities in the area?
>
> Secretary HERTER. It would.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. At the bottom of page 19 also the Senator from Vermont [Mr. AIKEN] asked the meaning of "prior consultation," and at the top of page 20, Secretary of State Herter in effect gave to the Senator from Vermont the same answer in a little more detail than he gave to the chairman of the committee.

Mr. LONG of Louisiana. So no doubt remains that, after the treaty is agreed to, we could not use our bases in Japan in the way we did during the Korean war, when those bases were used as staging bases to bring our forces forward into that conflict without the consent of the Japanese Government?

Mr. FULBRIGHT. That is correct. I think there could be independent logistic support, but no independent movement of forces. And I think that it would be useful to have this freedom of logistic activity.

Mr. LONG of Louisiana. To cite a specific situation, if fighting broke out tomorrow and this treaty were ratified and became effective tomorrow, and fighting should break out in Korea the day after tomorrow, our forces that are stationed in Japan could not be shifted forward into Korea for support or to engage in hostile activities there without the consent of the Japanese Government?

Mr. FULBRIGHT. I think that is correct. This is one of the principal changes between the present treaty and the new treaty.

I have tried to make that clear in my remarks. I shall make it even clearer by saying that I have no doubt that we are giving up rights of a substantial nature that we now have. But most of us believe that there are good reasons for doing that. In the broadest sense this treaty means a return of full sovereignty to Japan. This is one of the key adjustments. I hope I have made that clear. I certainly intended to do so. The rest of my remarks will, I hope, support that same thought.

Mr. LONG of Louisiana. Would the Senator not agree that this is a very major concession so far as the defense posture of this Nation is concerned?

Mr. FULBRIGHT. I would say it is a major concession, yes; but we believe there are good reasons for making it.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. TALMADGE. I should like to ask the distinguished chairman of the Foreign Relations Committee, if Russia or Red China fired a thermonuclear missile and it landed on the city of Washington or the city of New York, would we still have to consult with the Japanese Government before we could use our forces stationed in Japan for the purpose of retaliation?

Mr. FULBRIGHT. Under the treaty, I think so.

Mr. TALMADGE. Is that same situation true with other treaties with countries where we have American forces stationed?

Mr. FULBRIGHT. Does the Senator mean in NATO?

Mr. TALMADGE. Yes; in NATO, or SEATO.

Mr. FULBRIGHT. Well, under the NATO agreement we do agree to consult as to the measures to be taken in our common defense. But as for our own defense the NATO treaty is more flexible in this respect. We could use our own forces. I might say that one of the further reasons for this particular aspect of the treaty, with regard to Japanese participation, is article 9 of the Japanese constitution, which forbids Japan to take the reciprocal obligation that our NATO partners do.

Mr. BUSH and Mr. HICKENLOOPER addressed the Chair.

Mr. TALMADGE. Will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. I should like to interject on the point the Senator from Georgia has raised. It occurs to me that the NATO treaty contains a specific provision that an attack on one is an attack on all. There is that particular provision in the NATO treaty.

Mr. FULBRIGHT. Yes; but the Senator asked if the Russians, in a hypothetical case, should attack us, we could use our forces stationed in England in retaliation without consulting the Government.

Mr. HICKENLOOPER. I am sorry, but I think perhaps I misunderstood the statement.

Mr. TALMADGE. I asked, first, with reference to Japan. The able Senator replied, as I understand, that our forces located in Japan could not retaliate without prior approval of the Japanese Government. I followed that up by asking if that were true of other countries where we have American military components stationed.

Mr. HICKENLOOPER. Mr. President——

Mr. TALMADGE. Would the Senator answer that question first?

Mr. HICKENLOOPER. Perhaps I misconstrued the statement. In the NATO agreement and in some of the other agreements, as I understand, where the statement is used that an attack is an attack on all, it would be my personal opinion that in these cases an attack on us would be considered an attack on our allies, under the NATO agreement.

Mr. FULBRIGHT. Under the NATO treaty, the parties would act together in a common cause. It would follow consultation in accordance with our constitutional processes. But as to how we could deploy our forces from another NATO country, it is our opinion that we could use them in a retaliatory gesture.

Mr. TALMADGE. Are there any other agreements, except the proposed treaty with Japan, under which we could not utilize our military forces for retaliation if we were attacked?

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. FULBRIGHT. We have so many different alliances, I do not believe I should answer that question offhand. I will review it.

Mr. TALMADGE. Does the Senator know of any other existing treaty under which American forces could not be used for retaliation if we were attacked?

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I am trying to think on that point. I might mention the case of Taiwan. As a practical matter I think that we certainly would have no difficulty in achieving agreement with our allies either in NATO or in SEATO in this connection. I would hesitate to answer immediately the question with regard to forces on Taiwan, for example.

Mr. TALMADGE. Does the able Senator have an opinion as to whether it would be wiser to have our military forces located in some other area, where they could be immediately utilized for retaliation if the situation made it necessary?

Mr. FULBRIGHT. No; not so far as speaking of Japan is concerned. I think it is the right place for the forces we have there. I have tried to make that clear. It is the strongest nation in the area. It has the greatest industrial base. It is an area which we have a greater interest in protecting than any other in the Far East.

Mr. TALMADGE. I am delighted that the Senator from Arkansas has the floor and that he has yielded for a series of questions.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. In response to the question raised by the distinguished Senator from Georgia, article 5 of the treaty states:

Each party recognizes that an armed attack against either party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes.

Mr. TALMADGE. That language would have to do with an attack on Japan, at which point we would go to the aid of Japan. If an attack were made against America, Japan might not go to the aid of America.

Mr. MANSFIELD. It reads:

Each party—

That is, Japan and the United States—

recognizes that an armed attack against another party in the territories—

Mr. TALMADGE. Under the administration of Japan.

Mr. MANSFIELD. Yes.

Mr. TALMADGE. That does not mean Washington or Florida or Seattle.

Mr. MANSFIELD. No. What I am trying to get at is this. The American troops and a few marines and some sailors stationed there, so far as the treaty is concerned, are in an area under the jurisdiction of Japan. That is why I wished to call this article to the attention of Senators, as to just what the situation is vis-a-vis this particular treaty as it affects American forces in Japan.

Mr. TALMADGE. I still do not understand how the treaty would apply to release and trigger American forces stationed in Japan if the attack were not on Japan itself but against the continental United States of America or on some of our possessions.

Mr. MANSFIELD. I would have the idea that there are other countries in which American troops are stationed which would likewise be in the same position. I refer to the fact that we have a large base at Wheelus Field in Libya, and another at Dhahran, Saudi Arabia. There very likely are other places where the same situation would apply and the same result could be anticipated. As far as the NATO countries are concerned, the Senator from Iowa [Mr. HICKENLOOPER] is correct when he states that an attack against one is an attack against all the other members of the NATO group.

Mr. TALMADGE. Mr. President, will the distinguished chairman of the Foreign Relations Committee yield further?

Mr. FULBRIGHT. I yield.

Mr. TALMADGE. What are the terms of the treaty with reference to the jurisdiction of the courts of Japan over American troops, military personnel or civilians that are involved in the criminal or civil courts?

Mr. FULBRIGHT. The criminal jurisdiction provision is the same as that provided in the NATO Status of Forces Treaty. I refer the Senator from Georgia to page 23 of the message from the President of the United States on Executive E.

ARTICLE XVII

1. Subject to the provisions of this Article.

(a) the military authorities of the United States shall have the right to exercise within Japan all criminal and disciplinary jurisdiction conferred on them by the law of the United States over all persons subject to the military law of the United States;

(b) the authorities of Japan shall have jurisdiction over the members of the United States Armed Forces, the civilian component, and their dependents with respect to offenses committed within the territory of Japan and punishable by the law of Japan.

2. (a) The military authorities of the United States shall have the right to exercise exclusive jurisdiction over persons subject to the military law of the United States with respect to offenses, including offenses relating to its security, punishable by the law of the United States, but not by the law of Japan.

(b) The authorities of Japan shall have the right to exercise exclusive jurisdiction over members of the United States Armed Forces, the civilian component, and their dependents with respect to offenses, including offenses relating to the security of Japan, punishable by its law but not by the law of the United States.

(c) For the purposes of this paragraph and of paragraph 3 of this Article a security offense against a State shall include

(i) treason against the State;

(ii) sabotage, espionage or violation of any law relating to official secrets of that State, or secrets relating to the national defense of that State.

3. In cases where the right to exercise jurisdiction is concurrent the following rules shall apply:

(a) The military authorities of the United States shall have the primary right to exercise jurisdiction over members of the United States Armed Forces or the civilian component in relation to

(i) offenses solely against the property or security of the United States, or offenses solely against the person or property of another member of the United States Armed Forces or the civilian component or of a dependent;

(ii) offenses arising out of any act or omission done in the performance of official duty.

(b) In the case of any other offense the authorities of Japan shall have the primary right to exercise jurisdiction.

(c) If the State having the primary right decides not to exercise jurisdiction, it shall notify the authorities of the other State as soon as practicable. The authorities of the State having the primary right shall give sympathetic consideration to a request from the authorities of the other State for a waiver of its right in cases where that other State considers such waiver to be of particular importance.

These are the same provisions that we ratified in 1953, with respect to the NATO countries.

On page 81 of the hearings there is a discussion of the subject.

Mr. BUSH. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield to the Senator from Connecticut.

Mr. BUSH. Mr. President, I am very much disturbed by this very discussion. I should like to point it up a little more closely. It does not seem to me that the treaty or the letter from the Prime Minister would foreclose the possibility of the United States acting promptly by using its Armed Forces in the event, for

instance, of an attack on South Korea, where we have our own forces stationed for the defense of South Korea; or, let us say, upon Okinawa, where we have forces stationed also. I do not believe the treaty should forbid the use of our forces stationed in Japan for such a purpose.

Mr. FULBRIGHT. It does not forbid their use.

Mr. BUSH. That is the point I wanted the Senator to make very clear for the record.

Mr. FULBRIGHT. It does not forbid their use. It merely provides that we shall consult with Japan.

Mr. BUSH. That is correct; but it does not necessarily give the Japanese a veto power upon the use of forces for such a purpose.

Mr. FULBRIGHT. It would be only those forces stationed in Japan itself; it would not apply to other forces. The situation mentioned by the Senator from Georgia [Mr. TALMADGE] would apply only where the act of aggression took place outside the area concerned. He cited a situation in which New York or Washington was bombed. It is contemplated by the treaty, and the proper interpretation of it, in my opinion, is that in certain situations the forces which are in Japan would be used only after consultation with Japan. I am confident there would be no great difficulty in the consultations. The treaty parties have common concerns and common objectives.

Mr. BUSH. The word "consultation" is a moot expression.

Mr. FULBRIGHT. There is nothing moot about it. It is clear from the letter and the record that it means that the consent of Japan is a precondition to certain activities. I do not want any misunderstanding to arise about that. That is my interpretation of the language, and it is what our Government says it means.

Mr. BUSH. I have the greatest respect for the Senator from Arkansas, but I frankly think that if the treaty meant to say it would require the consent of the Japanese Government for us to use such forces, under the circumstances I have mentioned, the treaty ought to say so; but it does not say so.

Mr. FULBRIGHT. The trouble with that view is that it neglects the borderline cases. I think it is wiser not to try to anticipate every possible combination of circumstances in a treaty. I think there are valid reasons for drafting the treaty in the way in which it was drawn. I think it will be found in actual practice that situations arise which do not follow preconceived ideas; so it is necessary to have some flexibility.

I do not want to deceive anyone. I asked the Secretary of State about this matter, and I read what he said.

As a general proposition, where the issue is quite outside the territory of Japan, the Japanese Government wants to be consulted before the forces on their land involve them in a war. To me, there is nothing irrational or irregular about that. I think a country which allows foreign military forces to be stationed on her own soil has some interest in how those forces are used.

We must remember that Japan is a great country and is allowing the forces of another country to be stationed on her soil. I think Japan has an interest in the question when something takes place in another theater. If something occurred within the area of Japan, that would be a different matter.

Mr. BUSH. I appreciate what the Senator says, but I still return to the language about consultation. I think it is safe, as does the Senator from Arkansas, and as the Secretary of State probably does. I think it is safe because it does not talk about consent; it talks about consultation.

I think it is appropriate that the Japanese, if we are to station our troops in Japan—and incidentally, we have no ground troops there; we have only Air Force and Navy personnel there—should be consulted, because the relationships between the two Governments are close, and we hope they will remain close and become closer. We hope our ties will become cemented by friendly, satisfactory relations. There is little doubt that the Japanese would respond to any reasonable request or any reasonable consultation if we felt it was necessary for us to use our forces stationed there in connecton with an incident in Korea, for example.

Mr. FULBRIGHT. I think the Senator from Connecticut is carrying this further than I intended to.

I refer again, if it concerns the Senator from Connecticut too much, to a further statement on the question on page 19 of the hearings, when the Senator from Vermont [Mr. AIKEN] explored it a little further.

Mr. BUSH. Is this statement in the RECORD?

Mr. FULBRIGHT. It is in the hearings. The Senator can see that the matter was not overlooked at all. I first asked about it, and later the Senator from Vermont asked almost the same question.

The language does not mean that we are tied down and cannot use our troops at all; that they are immobilized. It means that if something occurs between the United States and Cuba, for example, and we wanted to use our forces here, we could bring them back and use them, if necessary.

I believe, as a practical matter, that this provision is not nearly so important as it is made to appear. I do not imagine anything could occur in the Far East without involving Japan. Japan is one source of strength in that whole area outside the Communist world. I think, as a practical matter, that we are not taking any great risks. I think Japan would be involved in a conflict in that theater. It would be very foolish, it seems to me, for Communist Red China or the Russians to bypass Japan. I do not believe they could. Japan is a source of strength.

Mr. BUSH. I thank the Senator from Arkansas for his statement. I should like to make a further observation. So long as we are talking about consultation and not consent, I think the Senator is correct. I do not believe that there is any danger in that respect. Nevertheless, I wanted the record to show that when we are approving a treaty on the floor of the Senate, we are talking about consultation and not consent.

Let us consider the possibility of using our troops in an area in connection with a possible incident, as I can visualize one which might take place in Korea, where we have a division station on the line, or in Okinawa; or our wanting to use our naval or air forces very quickly sometime. I have little doubt that Japan would be ready to agree to consultation, but I believe it should be made clear here that the treaty does not forbid the use of these forces. It does require consultation.

Mr. FULBRIGHT. It requires consultation. Suppose a very minor skirmish occurred, and it did not appear to the Japanese that there was any point in their becoming involved, but that we had to use aircraft which happened to be based in Japan. We might move them to bases in Korea and use them there. I do not believe Japan's position is unreasonable.

Mr. BUSH. I do not think so, either. I thank the Senator from Arkansas for his patience with me on this question.

Mr. FULBRIGHT. Not at all; I have been glad to yield.

Mr. CASE of South Dakota. Mr. President, will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Arkansas yield to the Senator from South Dakota?

Mr. FULBRIGHT. I yield.

Mr. CASE of South Dakota. It seems to me that whatever the facts are, they should be on the record very clearly.

On the date of the signing of the treaty, here in Washington, on the 19th of January, notes were exchanged between the Department of State and Secretary Herter and Mr. Kishi; and I find in the Executive E report to the Senate from the committee these notes are given. In both our note to the Japanese Minister and in his reply, this paragraph appears:

> Major changes in the deployment into Japan of U.S. Armed Forces, major changes in their equipment, and the use of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted under article V of the said treaty, shall be the subjects of prior consultation with the Government of Japan.

The committee report, at page 3, recites the sentence I have just read, and then states:

> The committee was interested to have a precise understanding of the meaning of the term "prior consultation." In a public hearing on the treaty, the Secretary of State was asked by two members whether Japanese "assent" would be a precondition to certain U.S. military activities. The Secretary's answer was unequivocally affirmative. The committee understands that the Department of Defense's interpretation of "prior consultation" is in harmony with that of the Department of State.

It seems to me that on the record and from the report, it is very clear that the committee undertook to determine what "prior consultation" meant, and that it means assent of the Japanese with respect to certain U.S. military activities.

In the light of that statement in the report that assent is involved, it seems to me that any personal or individual opinions of Members of the Senate would fall before the plain statement of the committee in its report that in open session it asked the Secretary of State for a definition of the term "prior consultation," and that the committee understands that the Department of Defense has the same interpretation as does the Department of State.

Mr. FULBRIGHT. I think that is correct.

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. I think that is very clear. This plainly means that the United States would not use Japan as a base of operations from which to launch any attack upon other countries, without consultation with the Japanese; and, according to the interpretation of the Secretary of State, in the event of such circumstances, "prior consultation" would mean consent.

After all, should we expect to establish in other countries around the world, and without their consent, bases from which to launch attacks upon other countries? We would not want them to do that to us.

Mr. CASE of South Dakota. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. CASE of South Dakota. In that connection, let me say that General Norstad felt it necessary to remove certain squadrons from France to England, because there was some objection by France to the storage of certain weapons with those troops in France; and we respected the desires and the sovereignty of France in that connection.

I assume that with respect to consultation, our respect for Japanese sovereignty in certain matters is very similar to our respect for French sovereignty in certain matters.

Mr. AIKEN. In this case it clearly implies consent.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. LAUSCHE. I wish to elaborate a little on the questions put by the Senator from Connecticut.

According to my understanding, nowhere in the treaty is there any provision that we could not withdraw our forces, and operate them from bases of our own or from other bases. The language, as read by the Senator from Vermont, and as it was explained by him, simply states that we cannot use that as an operating base, without the consent of Japan, on any involvement that we may be in, in that area.

We can withdraw our forces and rush them to the United States or wherever we are; but we cannot use Japan as bases for military combat operations to be undertaken from Japan, under the conditions covered by article V.

To reduce it to a few words: Nothing in the treaty prevents us from moving out our troops and equipment, and operating them from our own bases or other nations' bases. But if we are involved in that area, we cannot use the Japanese bases without consulting with them. And "consultation," according to Secretary Herter, means that we must have their assent.

Mr. FULBRIGHT. I thank the Senator from Ohio.

Mr. JAVITS. Mr. President, on this point, will the Senator from Arkansas yield briefly to me?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. It seems to me that many people wish to know what the United States gets out of the treaty. All the things which have been referred to recently are negative, insofar as the United States is concerned; they are protective things for Japan.

If the chairman of the committee would interpret in an affirmative way the sentence which appears on page 6 of the report, it seems to me that would answer this big question. The sentence is:

> It is not the treaty, but Japan's free institutions, that their Communist allies are trying to stifle. The treaty will not alter the Japanese Constitution, with its war-renouncing provision. But the treaty should serve to deter any external force from taking hostile, overt action against Japan.

Therefore, will the chairman of the committee agree that the value which the United States gets out of this treaty, which commends itself to the Senate of the United States, is that Japan, this key industrial power—and perhaps the only one—in the Far East must, by this treaty, be kept integral, in terms of her free institutions; and, right there, there is in being a deterrent, to keep anyone from having designs on Japan or from contemplating the extinction of Japan as a nation of free institutions.

Mr. FULBRIGHT. The Senator from New York is quite correct. We have great interest in helping Japan maintain her independence. Japan has only 360,000 in her defense forces at this time, I believe; and I think 160,000 of them are ground troops. They are, so to speak, an internal police force. They are not mobile; and if we had no bases there, I think Japan would be utterly helpless to resist an attack by any of her neighbors.

So it is very much in our interest to retain these bases, to maintain the independence of Japan, because we want Japan to be a member of the free world and to have control of her own affairs. There is no doubt in my mind about that.

I think the point discussed a moment ago was in connection with an attempt to make a comparison between this treaty and the old treaty.

The old treaty, conceived during the occupation, certainly gave us greater rights than those we have under this treaty. It is by comparison with the old treaty that the question is asked, "Are we giving up any rights?" The answer is that we are, for the old treaty gave us greater and more unfettered rights than this treaty does.

But certainly it is time for us to recognize the progress which has been made by Japan since that time—in other words, to recognize her sovereignty—for she is now a full partner of the other free countries.

Mr. JAVITS. Would the Senator from Arkansas say that, considering Japan's industrial strength and key position in the Far East, our policy that Japan be kept free is analogous with our policy that West Germany be kept free, and for the same reason?

Mr. FULBRIGHT. I think so. Both countries have shown remarkable stability in their governments, despite the very regrettable events in recent days, which are very complex. Nevertheless, over this 15-year period, Japan has had great stability. The Japanese are a great and extremely industrious people. It is in the interest of all that they retain their freedom, and not be dominated by any foreign power.

Mr. JAVITS. And that this vote today is a real gesture of friendships, the hand of friendship, by us?

Mr. FULBRIGHT. Yes. I think our country has gone far. I do not criticize that. I think it should have gone as far as it has. There is no question about it. I have tried to make it very clear that this treaty yields many rights we had under the old treaty.

Mr. JAVITS. And treating Japan as an equal.

Mr. FULBRIGHT. Yes.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Yes.

Mr. McCLELLAN. I am trying to determine what benefits we get out of the treaty.

Mr. FULBRIGHT. By comparison with the old treaty?

Mr. McCLELLAN. Any benefit at all. What benefit do we get under it? That is the crux of the question. I want to know where we get any advantage.

Mr. FULBRIGHT. The crux is related to what the Senator from New York has said. Here is one of the few highly industrialized nations in the world. She is seventh in the production of crude steel. She leads the world in shipbuilding. She is endowed an able people numbering 90 million. Our purpose is to preserve this very strong bastion of free people in the Far East.

To put it the other way, if Japan were brought under Communist domination and its strength were added to the strength, let us say, of Red China, the latter would present a far more formidable antagonist to us than presently. The industrial capacity, the scientific ingenuity, and the great skill of the Japanese would be an incalculable addition to the manpower of Red China. It would create a very dangerous force to the free world, and particularly to us.

So our interest is helping to maintain Japan; we cannot do it all, by any means; she is doing a great deal, herself, and she is doing more each year so that she may maintain her independence and stand as a bulwark of strength in this area of the world which is undergoing tremendous changes. I would say it would be dangerous to abandon Japan

to the dangers she faces from her Communist neighbors.

Mr. McCLELLAN. Our advantage from the treaty, or anything we gain, is indirect, in the fact that Japan remains a sovereign nation and retains her strength and power, whatever she may develop.

Mr. FULBRIGHT. That is correct.

Mr. McCLELLAN. Which is an indirect benefit to us.

Mr. FULBRIGHT. I do not know that it is indirect. I do not know how one could distinguish that benefit from that which derives from our close relations with West Germany, for example.

Mr. McCLELLAN. Well, let us see. If Japan is attacked, we are obligated to go to her help. Is that correct?

Mr. FULBRIGHT. Yes; if she is attacked, we are under obligation to go to her help.

Mr. McCLELLAN. If we are attacked, is she under obligation to come to our defense?

Mr. FULBRIGHT. No.

Mr. McCLELLAN. That is the difference. That is what I mean when I say she has a direct advantage, and we have only an indirect advantage, under the treaty.

Mr. FULBRIGHT. As I pointed out earlier, article 9 of Japan's Constitution, which we in our wisdom sponsored during the occupation, forbids her to take any of her military forces beyond her shores.

Mr. McCLELLAN. I am trying to get this picture right.

Mr. FULBRIGHT. The Senator has the picture right. That is exactly it.

Mr. McCLELLAN. The reference to consultation means Japan's consent. I hope no one disagrees with that interpretation. That is my interpretation. Under this treaty we must get her consent. If we are not able to get her consent, we are handicapped, and she does not become an ally.

Mr. FULBRIGHT. I do not think that is correct. We do not have a great many troops there. If the necessity arose, it would be a simple matter to move our troops to Korea or to Europe. It would take some time, but we have troops scattered in many places over the world. Unless they are needed in a particular area where they are stationed, they can be moved. I do not think that is a very serious handicap. As a practical matter, I cannot imagine any trouble taking place in that area which would not involve us.

Mr. McCLELLAN. Just one further observation that may help me in trying to understand the treaty. We are getting the right to maintain bases in Japan, are we not?

Mr. FULBRIGHT. That is right.

Mr. McCLELLAN. Of what advantage are those bases going to be to us if we cannot use them when we need them? In other words, they are of no advantage on earth except as we would defend Japan. That is the only way they could be used.

Mr. FULBRIGHT. I do not dissociate our own security from Japan's.

Mr. McCLELLAN. I do not, either. That is why I called it an indirect benefit.

Mr. FULBRIGHT. Japan's security increases our own.

Mr. McCLELLAN. The direct benefit flows to Japan. The indirect benefit flows to us, in the sense that if Japan is preserved and sustained and kept free from destruction, we benefit. That is what I call an indirect benefit, whereas Japan is given the direct benefit of all-out assistance from us.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. Yes.

Mr. SPARKMAN. I should like to submit to the distinguished Senator from Arkansas this thought: There is a direct benefit if one considers the fact that when the original peace treaty was entered into, it was anticipated there would be a modification of the treaty as we went along. Remember, under this treaty we continue to have bases not only in Japan itself, but we have the use of the Ryukyu Islands, and probably one of the strongest bases in all the world is on Okinawa, over which we have virtually complete control.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes.

Mr. McCLELLAN. That is what I am trying to find out. The bases are of great advantage so long as we are defending Japan, but the minute we are not, we have to get her consent before we can move.

Mr. SPARKMAN. I do not think that is true with reference to Okinawa.

Mr. McCLELLAN. Perhaps it is not with reference to Okinawa. I am talking about Japan.

Mr. SPARKMAN. Our strongest bastion of defense in the Pacific is Okinawa, and we retain control over it.

Mr. McCLELLAN. That is not controlled by Japan?

Mr. SPARKMAN. No; under residual sovereignty, it belongs to Japan, but we have control over it.

Mr. McCLELLAN. We have that control under the present agreement; do we not?

Mr. SPARKMAN. That is right.

Mr. McCLELLAN. We are not giving it up.

Mr. SPARKMAN. We get a direct benefit, if the Senator considers the fact that it was contemplated in the original treaty there would be modifications as we went along.

Mr. McCLELLAN. What direct benefits are we getting by reason of this treaty? We have pointed out some that we are giving up. What are some of the direct benefits? I am not attempting to say there are none; I am trying to make the record. There are direct benefits flowing to Japan. We have indirect benefits. Insofar as we are able to maintain and preserve Japan as a free country, we get overflow or residual benefits from that fact. But there is no direct obligation upon Japan to defend us. Japan does not have to defend us unless we are attacked in Japan.

Mr. SPARKMAN. Of course, we recognize Japan as being a part of what might be called the chain of defense. It is part of the chain of defense of the free world. I am of the opinion that, if we did not have a treaty, we would probably feel obligated to go to her defense.

Mr. McCLELLAN. I want to be perfectly clear as to what we are doing, so there will be no misunderstanding. I do not think we are getting any benefits from this treaty we do not already have and we are giving up some we do have.

Mr. SPARKMAN. This treaty is of advantage to Japan. As a matter of fact, one of the surprising things about the recent uprisings in Japan is that here is a treaty that is for the benefit of Japan. It carries out our word. We promised Japan in 1951, or early 1952, when the treaty was ratified, that, as time went on, and she made progress that would justify our doing so, we would make modifications in the treaty.

We started that, the Senator will remember, a couple of years ago when we started moving out our forces. We have a very small force in Japan now. We returned the buildings. There has been a gradual demilitarizing and deoccupying of Japan from the time we signed the original peace treaty. We promised Japan at that time we would modify the treaty. This is carrying out the promise. This is keeping our word. I think we are doing it in a way which is quite advantageous to Japan.

Mr. McCLELLAN. Mr. President, I thank my colleague for yielding. I definitely agree with the last statement of my friend from Alabama, that we are doing this quite advantageously for Japan.

Mr. SPARKMAN. At the same time, we should not overlook the fact that it is a good arrangement for us.

Mr. LONG of Louisiana. Mr. President, will the Senator yield at that point?

Mr. FULBRIGHT. I yield.

Mr. LONG of Louisiana. I should like to ask the chairman of the committee [Mr. FULBRIGHT] or the Senator from Alabama [Mr. SPARKMAN] for any evidence which can be shown that we did promise to modify, to rescind, or to withdraw the previous treaty. The best information I have is that there was no promise at the time we entered into the old treaty to make a subsequent treaty.

Mr. FULBRIGHT. In the original treaty I think that is clearly implied. I read to the Senator from the treaty:

> In exercise of these rights, Japan desires, as a provisional arrangement for its defense, that the United States of America should maintain armed forces of its own in and about Japan so as to deter armed attack upon Japan.

I think that phrase alone indicates this is a provisional arrangement, rather than a permanent one. That states the position.

Mr. LONG of Louisiana. Does the treaty say that Japan desires the United States to maintain forces? Will the Senator read the provision again?

Mr. FULBRIGHT. It says:

> In exercise of these rights, Japan desires, as a provisional arrangement for its defense,

that the United States of America should maintain armed forces of its own in and about Japan so as to deter armed attack upon Japan.

That is only one of the preambles.

Mr. LONG of Louisiana. I thank the Senator.

Mr. AIKEN, Mr. LAUSCHE, and Mr. RUSSELL addressed the Chair.

Mr. FULBRIGHT. I yield first to the Senator from Vermont.

Mr. AIKEN. I think the record would be incomplete if no Senator mentioned that Communist China has several million armed men. Communist China has not hesitated to use armed forces against any neighboring countries in southeast Asia. Red China has announced she is determined to annex Formosa, whether Formosa wishes to be annexed or not, by force.

Is there any reason to believe Red China, with 3 million or more men in the armed forces, would let Japan remain free?

If Japan is a virtually defenseless country militarily, although an extremely vital country industrially, is there any reason to believe Red China will permit Japan to remain free if no other country is willing to assist Japan in protecting herself? Japan has almost no military force at all to stand against the 3 million armed Chinese.

Let us suppose we got out of Japan. Suppose we threw the treaty away and said, "We do not want anything to do with it. We do not want anything more to do with it."

Let us suppose that the countries on the periphery of China became Chinese satellites. Then what would be the situation for us? The Philippines could not stand for long. None of those countries could stand, except for the American forces and the Seventh Fleet in that area at the present time. Our frontline of defense would be California, with Hawaii as an outpost for a while.

It is ridiculous to say that this is a one-sided treaty. Of course it is favorable to Japan, and it should be favorable to a country which permits us to maintain bases within its borders. Other countries in the world permit us to maintain bases, and receive certain assistance from us along different lines for so doing.

When we ask, "What does the United States get out of this?" It is easy to say that we get the protection of the Western Hemisphere. That is all—a simple little matter like that.

We would not get out of Japan and leave her defenseless unless Japan insistently asked us to get out. If Japan wanted to be a satellite of Red China, she surely could do so. No doubt we would have difficulty maintaining troops in Japan by force. I do not wish to see the time ever come when we would wish to do so, or think of doing so.

This is not a one-sided treaty by any means.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Ohio.

Mr. LAUSCHE. I wish to pursue the thought expressed by the Senator from Vermont.

For the moment, I ask Senators to visualize Japan, with about 165,000 troops, facing Red China and the Soviet Union on its borders. Japan has a constitutional provision which says that Japan shall have no military force, and our power is far removed. I think we would have grave reason to be apprehensive about what would happen to Japan.

Can we afford to see Japan engulfed by Red China and the Soviets? If that is done, what will be our position regarding the defense of our own country? To what extent will we have brought the Reds closer to our shores? What will be the probability that battles may be fought on our land?

I believe the factor which has been mentioned by the Senator from Vermont is one we cannot dismiss. We cannot afford to leave Japan defenseless.

I think an examination of the treaty will point out to Senators that, in effect, we recognize this fact. Article V says:

> Each party recognizes that an armed attack against either party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes.

What are the constitutional provisions and processes which will regulate Japan? We saw to it that there was written into the Japanese Constitution a provision substantially as I shall now read.

Mr. BUSH. Mr. President, from where does the Senator propose to read?

Mr. LAUSCHE. I shall read from page 22 of the hearings, from a note which was sent by General MacArthur to Brigadier General Whitney, indicating what the Japanese Constitution should contain. That note, from MacArthur to Whitney, suggested the inclusion in the Constitution of a provision as follows:

> War as a sovereign right of the nation is abolished. Japan renounces it as an instrumentality for settling its disputes and even for preserving its own security. It relies upon the higher ideals which are now stirring the world for its defense and its protection.
>
> No Japanese army, navy, or air force will ever be authorized and no rights of beligerency will ever be conferred upon any Japanese force.

What position would Japan be in, with the Red threat at its doors, with such a limitation upon its powers?

Mr. FULBRIGHT. Mr. President, I wonder if the Senator from Ohio will permit me to finish my remarks, so that I may yield the floor? I have an injured foot, and I shall have to sit down before long.

Mr. LAUSCHE. I beg the Senator's pardon.

Mr. FULBRIGHT. I do not like to interrupt. I appreciate what the Senator is saying. It occurred to me that although I am holding the floor I could yield the floor and the Senator from Ohio could obtain it.

Mr. LAUSCHE. Will the Senator permit me to continue for 2 minutes?

Mr. FULBRIGHT. Yes.

Mr. LAUSCHE. We cannot overlook the value of the peace treaty, even with the limitations which are imposed.

Third, we cannot dismiss as final that the Japanese will not, under consultation, recognize the joint interests which we have for the security of both countries.

Mr. FULBRIGHT. Mr. President, I shall be glad to yield for a question. I shall be glad to relinquish the floor fairly soon.

Mr. RUSSELL. I had an observation I wished to make, but in view of the Senator's statement, I will confine my thoughts to a question.

Mr. FULBRIGHT. I welcome the Senator's observation.

Mr. RUSSELL. I merely wish to observe that even if we made a mistake in putting this provision in the Japanese Constitution or insisting that it go in—and it now appears very clearly that it was a mistake—I am quite sure that Japan, as a free and independent power, can now change that provision of its Constitution whenever she desires to do so. There are no restrictions in the treaty which would prevent her from doing so, are there?

Mr. FULBRIGHT. The Senator is quite correct. One of the sources of internal trouble that now afflicts Japan, of which there was clear evidence at least 2 years ago, revolves around this very problem. The experiences of the Japanese people in the last war were such as to give rise to a considerable sentiment of pacifism. I think the Senate must understand that. I believe the provision about which the Senator from Georgia is speaking is utterly unrealistic in the kind of world in which we live. The people of Japan will not be able to solve this problem as a political matter until they go through some considerable internal trouble. They are doing so right now. I think that issue is one of the things which has disturbed the political situation in Japan, and that out of the turmoil some solution will come. Not that it is our business to make it come, but this internal difficulty existed before the treaty became an issue.

Mr. RUSSELL. I hope I may be permitted, without in any way appearing to dictate or even to give advice to the people of Japan, to express the hope that they will clear up this problem. We know, perhaps better than does any other nation on earth, that the Japanese make magnificent soldiers. The free world could use a number of Japanese soldiers to great advantage in maintaining world peace today. I think this would make a contribution to world peace much more realistic than the provision in their Constitution.

The Senator does not really think, does he, that there is any close comparison between our treaty with Germany and that with Japan, other than the fact that both are great industrial nations—and that it is in our own enlightened self-interest to see that they stay outside the Communist orbit and remain free and independent?

Mr. FULBRIGHT. While I think it is of great importance to our selfish interests, I do not want to limit it to that. It also has great importance to the continued freedom of all free people.

Mr. RUSSELL. That is a part of it.

Mr. FULBRIGHT. All I said in answer to my colleague's question was that, in justification of our interest in the continued independence of Japan, the situation is somewhat comparable to that of Germany. We have an interest in both those peoples remaining independent and free from domination of a foreign power.

Mr. RUSSELL. The Germans, of course, have agreed to an arrangement by which they are rearming; they will make a material contribution in military might to the defense of the free world.

Mr. FULBRIGHT. That is true. The Senator must remember that the Japanese suffered a psychological blow similar to that suffered by the Germans, only greater perhaps because Japan was the only country upon which a nuclear bomb had ever been dropped. I think the horror of nuclear war is probably much greater in Japan than it is in any other country. I have been told, and I believe, that during the immediate past and as of the present no government could remove this difficulty or do anything about it, as a political matter. Whether or not they can we do not know. It is one of the burning issues of internal Japanese policy.

Mr. RUSSELL. Suppose Mr. Khrushchev should rattle his rockets so persuasively that the Japanese Government, under the domination of some of the forces that have been in play there in the last 2 or 3 weeks, were to demand that we withdraw from Japan. Would we then have any recourse? We would be compelled to leave; would we not?

Mr. FULBRIGHT. We would have the same recourse we have under any other international agreement. Any treaty can be denounced. Treaties are denounced from time to time, but it would be a denunciation of a solemn obligation which was assumed according to their constitutional processes when the treaty was ratified.

I agree with the Senator from Georgia that we always face the possibility which he mentioned in any case. A NATO partner could say, "We do not want any more to do with you," and get out. But I do not expect the Japanese to take such action. I hope they will not do so. We have no reason to believe they will except, of course, the nervousness which has arisen from the recent rioting which, I would say, was ultra vires. It certainly was not the act of responsible elements in government. I hope they will be able to maintain order.

I agree with the Senator that there is no certainty in this world. This is the best we can do in making these international arrangements.

Mr. RUSSELL. What amazes me, however, is that the Japanese treaty should apparently have met with such violent and widespread opposition within that country. The treaty may not be completely unilateral, but it is certainly extremely favorable; I think everyone agrees to that. It seems to me that someone must have done a poor job in publicizing the terms of the treaty and in expressing our good faith to have caused such tremendous turmoil as has apparently been generated among an otherwise very peaceful and law-abiding people.

Mr. FULBRIGHT. I am not quite clear as to the implication of the Senator's question. I am not certain whether he is questioning whether our representatives have been as efficient and as intelligent in their jobs as they should have been. All I am endeavoring to do is to talk about the treaty itself and its terms. I must comment that I believe the riots are influenced by many considerations besides the treaty. I think the treaty is only one of several influences and is rather a symbol of internal problems that are far more difficult, at times, than the mere treaty. But many considerations besides the treaty enter into the very complex internal problems. I do not really think the treaty is the inspiration and principal motive for the riots that have been taking place in Japan.

Mr. RUSSELL. Of course, the press may have done a poor job of reporting, but from all I have read the riotings were aimed at the President of the United States and his representatives, including Mr. Hagerty, his press secretary, because they in some way symbolized this treaty. That was the impression I received from reading the press reports on the situation.

Mr. FULBRIGHT. I do not interpret the situation that way. It is a complicated problem. If the Senator wishes to discuss it, I shall be glad to offer one or two thoughts. I believe the riots have a direct relation to what has happened in the past. I believe Communists all over the world have had instructions to do everything they can to embarrass the President of this country. Such instructions have come as a result of the blow-up in Paris. That is one consideration.

Another consideration is that the dominant party in Japan, which is led by Mr. Kishi, is made up of about four factions. Those factions are now, and for some time have been, struggling one against the other. The struggle has nothing to do with the United States, but they are struggling for power within the Government just as we have struggles in some of our own parties, though in a less violent way.

There is a struggle going on in our party as to whether this or that faction will gain control, which candidate will prevail, and so on. There is a struggle going on in Japan as to who will succeed Kishi.

Kishi uses the treaty as one of his accomplishments, which is quite natural, and the opposition is trying to denounce that accomplishment, to demean it, to lower it in importance, as a part of their effort to get rid of Mr. Kishi and take over the power of the Government. That struggle is involved.

Then a strong pacifist feeling grew out of the war, which was given constitutional expression by article 9 of the Japanese Constitution, which the United States caused to be written in.

All of those elements have contributed to the present situation. But is there not a rather strange contrast between that situation and the reception of the President of the United States in such countries as India not very long ago? There is no doubt in my mind that much of the present sentiment is due to the inspiration of the Communists growing, first, out of their frustration and disappointment and, second, from the collapse of the Paris meeting. That is why I and others thought it might have been wise for the President not to undertake his proposed trip because it also fed fuel to the fire. But that is water over the dam.

I do not believe the Senator is entitled to say that the pending treaty and the substance of the treaty is the primary objective of all that has been going on in Japan.

Mr. RUSSELL. I have no intention of challenging the distinguished Senator from Arkansas in the international field. I understood from reading press reports that the objection of the Japanese people to the treaty was probably the primary factor in the riots. The television reviews I saw showed that most of these people carried signs which, according to the interpretation given me, said that this treaty would get them into war, and they were opposed to getting into war.

Mr. FULBRIGHT. I believe that the organized leaders of the riots did use this argument and undoubtedly did tell the people that the treaty would get them into war. Of course, we have the difficulty of communication. We have great misunderstanding in our own country. There is no doubt that a number of these people felt that way. On the other hand, even in these riots, as large as they were, out of 90 million people in Japan they were confined almost altogether to the group in Tokyo, led by the Communists and radical student organizations, such as the Zengakuren. I do not believe it was representative of even a large minority of the people of the country.

What press reports I have seen and what official reports have come to me all indicate that the Liberal Democratic Party, the Kishi party, if an election were held in the near future, would receive a majority of the vote, assuming a change in leadership. The press reports I have seen, written by the most responsible reporters, show that.

I say this with the reservation that in many of these countries, which have not had a democratic system of government for very long, there is always the possibility of an organized, well-directed minority, particularly one that has been schooled in Moscow, taking over by force. That is possible. It is a possibility in Japan. I do not believe it is probable, and none of the other people I have talked to think it is probable.

I do not wish to minimize the seriousness of the situation. The only point I wish to make is that I do not believe the treaty is the principal cause of the turmoil in Japan at the present time.

Actually, as has been pointed out, the treaty is a fair reflection of United States-Japanese relations. If we do not ratify the treaty, the old treaty continues in force indefinitely. That treaty gives

us many rights or, stated another way, subjects Japan to many more onerous burdens and obligations than does the pending treaty. Thus, in comparative terms, Japanese opposition to the pending treaty is ill advised.

Mr. RUSSELL. I do not want to tax the Senator's patience or physical endurance, particularly in view of his injured foot. However, there is one further question I should like to ask. I will sum it up in a few words. I notice that the treaty would be in effect for 10 years, with the privilege of denunciation by either party after that on 1 year's notice.

Mr. FULBRIGHT. Yes.

Mr. RUSSELL. If conditions get somewhat parlous in Japan, is there any honorable way we can extricate ourselves within that 10-year period?

Mr. FULBRIGHT. No; I do not think so. If we enter into the treaty, it will be for 10 years, with the reciprocal and mutual right to give it up. We do not have to keep a certain number of troops in Japan, if we think it is not in our interest to do so. The treaty does not require any minimum number. We do not have a great many personnel there now, as the Senator from Georgia well knows.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. In response to the question raised by the able senior Senator from Georgia [Mr. RUSSELL], at any time during the 10-year period either or both countries could undertake to bring about a renegotiation of the treaty.

Mr. FULBRIGHT. Oh, yes.

Mr. MANSFIELD. At any time.

Mr. FULBRIGHT. Yes.

Mr. MANSFIELD. So I believe we would be protected there. I think we also ought to keep in mind the fact, as the chairman has pointed out, that the treaty vis-a-vis Japanese-American relations, is far more wholesome, is far better than the present 1951 treaty, which, in effect, is an occupation treaty. It is still in operation. Unless it is displaced by the treaty before the Senate, that treaty will remain in operation. That treaty puts the entire burden upon our country so far as the defense of Japan is concerned. The pending treaty equalizes that burden somewhat. This is a very fair treaty. It is certainly favorable to both Japan and the United States.

I point out also that Japan furnishes a good backstop, so to speak, for the two American divisions which we have in Korea, and which we may have to keep there for some time to come. We ought to keep in mind also that as far as peace in the Pacific is concerned, in my opinion, at least, it depends primarily upon the Empire of Japan and the United States of America. Together, our two countries can go a long way toward maintaining peace and stability in that area.

If there is a separation or a break, then I believe we can anticipate that the shift will be in the other direction, toward Communist China and the Soviet Union.

I point out also that if we look at the map of the western Pacific, we will note the Aleutians and the Japanese islands and Okinawa and Taiwan and the Philippines, and that they furnish a further protective ring for this country.

In response to the question raised earlier by the distinguished junior Senator from Georgia [Mr. TALMADGE], I have been looking over the treaty again, and it appears to me that, while article III is far from definite in its wording, nevertheless, it could be read to supply at least in part a satisfactory answer to the question raised by the junior Senator from Georgia. It reads as follows:

> The parties, individually and in cooperation with each other, by means of continuous and effective self-help and mutual aid will maintain and develop, subject to their constitutional provisions, their capacities to resist armed attack.

In contrast to article V, which looks to the situation in Japan or any territories under the sovereignty of Japan, article III is quite far ranging and, while it is hard to interpret, it would be my opinion that it would furnish an answer to the question raised by the junior Senator from Georgia [Mr. TALMADGE].

Mr. FULBRIGHT. I thank the Senator.

Mr. SCOTT rose.

Mr. FULBRIGHT. Does the Senator wish me to yield to him?

Mr. SCOTT. I am seeking recognition in my own right as soon as the Senator has finished his remarks. Is the Senator prepared to yield the floor?

Mr. FULBRIGHT. I have only a small part of my prepared statement remaining. I shall conclude in a very few minutes.

Mr. President, there are few significant changes in the new administrative agreement. The criminal jurisdiction provisions are unaltered and are in harmony with the NATO Status of Forces Agreement, which was ratified by the Senate in 1953. Indeed, such changes as have been made are designed to bring the new agreement nearer to the spirit of the NATO agreement.

An exchange of notes between the treaty parties more clearly defines the scope of American military activity in the treaty area, and deepens the bilateral spirit of the agreement. The note says:

> Major changes in the deployment into Japan of U.S. Armed Forces, major changes in their equipment; and the use of facilities and areas in Japan as bases for military combat operations to be undertaken from Japan other than those conducted under article V of the said treaty, shall be the subjects of prior consultation with the Government of Japan.

Mr. President, the committee has been assured by representatives of the Departments of State and Defense that the term "prior consultation" means that Japanese assent is a necessary precondition to the military activities covered in the exchange of notes.

I shall not dwell on the other provisions of this treaty; they are summarized in the committee report. However, in my opinion they are all entirely consistent with the tone of the preamble, which reaffirms the paramount interest of both parties in improving the prospects for peace by helping one another; and by pledging their faith in the purpose and principles of the United Nations, which includes the inherent right of individual and collective self-defense.

Mr. President, before concluding I should like to say a final word about the opposition to the treaty in Japan, much of which, as I have indicated, is represented by people who bear no animosity to the United States and are motivated by the highest concerns. However, between these people and the truculent Communist-oriented elements, with whom they share this common cause, are certain cynical groupings who would use the treaty issue to gain a political advantage. The present Japanese Government was voted into office by a majority of the electorate. The elections held since have added to the strength of the conservative bloc, which this government represents. Nevertheless, by their obstructionist tactics a noisy minority in the Diet for a period of time prevented any parliamentary action on the treaty. Finally, Prime Minister Kishi took the dramatic step of getting the necessary lower house ratification, while the opposition was boycotting the Diet chamber.

I shall not speculate on the advisability of this action, or its possible consequences. However, it should be noted that the issue raised by the performance of the Communist manipulated obstructionists is not the advisability of the treaty, but the future status of parliamentary government in Japan. Because if a noisy minority can stifle major government policies and even scuttle visits from friendly chiefs of state the principle of responsible, majority rule is placed in serious doubt.

Mr. President, in commending this treaty to the Senate, as I so unreservedly do, my deepest hope is that Japan's democratic institutions will suffer no permanent damage from the strains to which they are now being subjected.

Mr. MANSFIELD. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. I commend the distinguished Senator from Arkansas, the chairman of the Committee on Foreign Relations, not only for the speech he has made in behalf of this necessary and worthwhile treaty, but also for the patience and understanding he has shown in undergoing a grueling set of questions.

I believe the Senator is correct when he indicates in his speech that so far as Japan and the United States are concerned, we really need one another, and we can mutually accomplish much that is worth while.

Japan, as a country, occupies a peculiar position. It is 10,000 square miles smaller than my State of Montana. Montana has a population of 650,000. Japan's population is in excess of 90 million, and her annual increase in population is between 1 million and 2 million.

Not more than 16 percent of the land of Japan is arable. The Japanese are limited in their resources. So Japan must trade in order to live; and Japan must trade with the free world. If she does not, then she will be forced into the

arms of the Soviet Union and Communist China.

Thus there is much more besides a treaty which is involved in this arrangement. The future welfare of Japan and the future maintenance of peace in the Pacific, perhaps our own security, a better understanding between the two peoples, and a greater degree of tolerance and understanding, likewise are involved.

Again I commend the Senator from Arkansas. I hope the treaty will be overwhelmingly approved.

Mr. FULBRIGHT. I appreciate very much indeed the words of the assistant majority leader, the Senator from Montana. He has been of great assistance in the deliberations of the committee on this treaty. He has always come to the committee meetings with a wide personal knowledge of affairs in the Far East. He is an invaluable member of the committee.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. First, I thank the distinguished Senator from Arkansas for his able and effective presentation. I think he has cleared up all the questions which have occurred to me.

I should simply like to ask the Senator if the background of the new treaty is not really this: In 1951, the United States entered into an agreement with Japan, when she was just reemerging from the position of being completely occupied; that the terms of that treaty necessarily gave Japan fewer rights, and gave to us more privileges and rights.

Is it not true that as Japan has sustained her independence, has regained her economic strength, and has regained, in great measure, her stature as one of the outstanding nations of the world, much less of the Orient, a time came when the old treaty would never be acceptable to a proud, independent, and successful people, and when the terms of the new treaty must recognize this growth, this strength, this complete emergence of a free and independent Japan? Is that not the real background of the treaty?

Mr. FULBRIGHT. I think the Senator has stated the case very well indeed. He has described exactly, I believe, the principal reasons why it was believed necessary to negotiate the new treaty, which has been in progress for 2 years. It was in recognition of those very factors, I believe, that it was felt necessary to have a new treaty.

Mr. HOLLAND. It would be unthinkable for us to assume for a moment that Japan as of this time, with her renewed strength, her independence, and economic stability, and her great stature among the nations of the world, would be satisfied to continue her relationship with us upon the basis of the 1951 treaty.

Mr. FULBRIGHT. The Senator is absolutely correct.

Mr. STENNIS. Mr. President, will the Senator yield.

Mr. FULBRIGHT. I yield.

Mr. STENNIS. I, too, am among those who appreciate the fine presentation made by the Senator from Arkansas. I think he is in a peculiar position, and a very advantageous one, to give us more of an analysis of the recent happenings and events in Japan. The Senator touched on that point very lightly. However, I think what he said will shed light on the spirit in which the treaty is adopted. I myself shall vote for the treaty.

However, I believe that things are not so rosy or so peaceful and quiet. I do not believe that everything is as fine as it might have appeared to be during the debate today. If it is, then Prime Minister Kishi was doubtless in error when he said a few days ago that he could not be responsible for the safety of the President of the United States.

Mr. FULBRIGHT. I hope the Senator from Mississippi did not interpret anything I said so as to leave the impression that things are stable and peaceful. They are not, at all. The only point I was really trying to make was that I do not believe the fact that the treaty has been negotiated is the prime cause of the disturbances; that is, the real reason for the trouble. I wish that were all. I think there are some of the other causes that go deeper than the treaty.

Mr. STENNIS. The Senator is very helpful on that point. If it was not the treaty which was causing the trouble, what was the basis of the disturbance, in the Senator's opinion?

Mr. FULBRIGHT. That is a long story.

I happened to be in Japan on my way home from a meeting of the International Bank which took place in New Delhi more than 2 years ago, in 1958. A struggle was then in progress between the Kishi government and the Diet over a bill which Premier Kishi had introduced to strengthen the power of the internal police. He also tried to curb or restrict the power of the unions.

Japan, as a result of the war, suffered serious emotional and psychological effects. These came not only from the military defeat, but from the use of the atomic bomb, as well. That was something to which the people of no other country had been subjected. The defeat of Japan was complete. Her disillusionment was complete.

Then there was the period of the occupation. The Japanese had not been accustomed to real democracy.

I dislike to talk too long about this matter.

Mr. STENNIS. I think the Senator is being very helpful.

Mr. FULBRIGHT. These struggles have been taking place since 1958, with Kishi trying to establish greater authority in the central government so as to control just such elements among the people as created this regrettable situation.

The Diet has been reluctant and tentative in this field and has now and then employed obstructive tactics.

I do not want to overemphasize that point. The French used similar tactics before de Gaulle came to power. There was a period when the French Parliament was almost as disruptive. I do not wish to offend the French with an inexact comparison. However, it will be recalled that the French could not maintain a durable government for some years.

Japan has had an internal problem. She has lacked a strong internal police. The policemen are not armed, and they have hesitated to act because of the fear of a revival of a militaristic government. The Japanese believe, and rightly, I think, that the militarists who led them into the last war, under the war cabinet, did a great disservice to their country.

It will be remembered that in 1936, I think, a group of young officers assassinated some of the principal leaders of the civilian government and assumed power. The Senator will recall that incident. It was a brutal and savage act.

The current situation must be viewed against this background.

Pacifism and resistance to anything which looked like a strong police or military have arisen out of Japan's recent history.

Japan has had a remarkably good government, I think, in recent years. There is a very fine, permanent civil service which deserves much of the credit for the very fine operation of the Japanese Government.

I think Mr. Kishi and those who have served with him during his service as Prime Minister have run "a very good show," and deserve much credit, and up to this time have kept peace in Japan.

The party itself is split by four different factions. The different factions are not really contending over the treaty. Actually, they are contending within their own party for power.

I hesitate to draw an analogy, but I observe that the situation there is somewhat similar to the situation in this country, where, within the Democratic Party, there are different groups, each of which would like to have its own candidate become the next President. Similarly, in Japan there are factions which wish to have their candidate become the Prime Minister. Since the war, the Prime Minister of Japan has changed approximately every 3 years.

I do not wish to stress particularly the various names. Mr. Ikeda is one. His views are thought to be approximately the same as those of Mr. Kishi and Mr. Yoshida, the former Prime Minister. There is also Mr. Ohno; and there are two or three others. The situation is much like that in our own country, in that, if one man holds a high position, his opponents attempt to attack him and weaken his position by attempting to lower his prestige.

Therefore, in this case opponents who can discredit the treaty may discredit Mr. Kishi. The situation, as I have said, is a complex one.

There are those internal conditions. In addition, there was the blowup of the Paris meeting and the attempt by Mr. Khrushchev to embarrass the President whenever he could; and those developments have come at the same time.

An internal struggle is now going on in Japan; and some of the groups or elements have opposed the treaty on pacifist or antimilitarist grounds. Communists moved into the situation, for there are Communists in Japan. The

Socialist Party there, which is leftist inclined, also has opposed it, and unfortunately allowed itself to be used by the Communists.

So the picture is a complex one; and the combined effects of these elements militated against the President's visit to Japan.

Mr. STENNIS. Mr. President, let me say that I am certain that the statement the Senator from Arkansas has made on this point has added to the record, and has clarified the thinking of some, and is of definite value, particularly because of the position he holds.

Mr. President, I desire to state that I shall support the treaty. I look upon Japan as a strong and very necessary and very valuable ally of ours in the Pacific.

But when I read about the great crowd and mob in Tokyo which held the personal representative of the President of the United States a virtual prisoner for 70 minutes, and then when I observed that there were no reports of strong public reaction or resentment on the part of the people of Japan, I felt that there must be some underground or beneath-the-surface movement or some other underlying reasons for that situation, and that it might grow. And it did grow.

I resent the treatment of the President's representative and of our Nation, by means of what happened in Tokyo; and I think everyone in the United States should resent it, and we should not be timid in saying so.

I cannot conceive that a government would remain in power if it were so weak as not to be able to try to do more about such a situation than the Japanese Government actually did.

However, I take it that that situation did not represent the real spirit and intent of the Japanese people, who form a fine nation, and certainly are worthy of this treaty, which also is to our advantage.

Mr. FULBRIGHT. Yes.

It is very difficult to be accurate in our description of that situation. I do not desire to paint too cheerful a picture. I think it is serious when a government cannot control its people any better than that government did, in the capital city.

But I have tried to point out some of the elements which have contributed to this serious situation. We know that in other countries there have been riots, including some very unpleasant ones in certain Latin-American countries. There have been local agitators, and probably in many cases there were local grievances. In such situations, the occasion of an important foreign dignatory can provoke trouble.

I take the position—and I think the Senator did—that this is not a very good time for a Presidential visit. Probably he stated that, and I agree with him.

But I believe the treaty should be judged on its own merits.

If for any reason the riots are not controlled, and if Japan cannot recover from the chaos which temporarily existed in Tokyo, that will be a tragedy. But a great many factors more important than the treaty would have produced the tragedy.

Mr. STENNIS. Does the Senator from Arkansas agree that if we ratify the treaty, our action certainly will not constitute approval of what has happened in Japan in recent days?

Mr. FULBRIGHT. Certainly it will not.

Mr. STENNIS. Does the Senator from Arkansas agree that, on the contrary, our action in ratifying the treaty, if we do, will be an expression of our faith in what will happen in Japan from now on?

Mr. FULBRIGHT. That is correct.

Mr. STENNIS. In regard to one matter on which the Senator touched, let me say that I have assembled some figures; and from them it is obvious that the really strong tie between the two countries is the economic tie, based on the very fine, excellent economic relationships between Japan and the United States.

Mr. FULBRIGHT. That is correct.

Mr. STENNIS. In 1959, our imports from Japan amounted to more than $1 billion worth, and in that year our exports to Japan amounted to more than $931 million worth. That shows a two-way exchange which makes the ties between the two countries binding and strong.

Mr. FULBRIGHT. I am sure the Senator from Mississippi will not be influenced adversely when I say that included in those exports there was a great deal of cotton. I am quite glad of that. The Japanese are our best cotton customer, I believe. They are very discriminating people; they want the best cotton.

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield—although I am ready to yield the floor.

Mr. AIKEN. I wish to proceed for only a minute.

The Senator from Mississippi referred to the imprisonment—although it was harmless—of Mr. Hagerty, in Japan. All of us regret that the demonstrations in Japan got out of hand, and that the police force was unable to control them.

Nevertheless, we might point out the difference between the methods of controlling demonstrations or not controlling them in a democratic country and in a country where a Communist government is in control.

All of us are familiar with the recent student demonstrations in Hungary. What happened? The Hungarian Communist Government called for troops and tanks to come there, and they killed approximately 10,000 of those students, sent thousands more to exile in Siberia, and drove 100,000 students out of the country, because they feared that they would lose their lives if they remained there.

So I think the world has a fairly good example of the difference, and that the people of the world will make up their minds as to which they prefer.

It is unfortunate that one girl, I believe, was killed in Japan. She was crushed in some way, and no one seems to know precisely what happened. But when we contrast that situation with the slaughter of tens of thousands of young Hungarian youth by the Russians, who had their armed forces in Hungary, I believe that in the long run we shall have to agree that even though the Japanese demonstrations got out of hand, what happened there was vastly preferable to what happened in Hungary.

Mr. FULBRIGHT. I am very glad the Senator from Vermont has made that point.

Mr. AIKEN. And that what happened in Japan is vastly preferable to what would happen in Japan or in any other country once the Communists got control of it.

Mr. FULBRIGHT. Yes, the Senator from Vermont is quite correct. Despite all the difficulty and commotion, the Japanese police did not use firearms; and only once—at the last, I believe—did the Japanese police even use tear gas. Those police do not carry firearms; and that fact adds to the problem, because I believe more police than students were injured, because of the desire of the police not to use force.

Mr. PASTORE. Mr. President, will the Senator from Arkansas yield for a question?

Mr. MORSE. Mr. President, I propose to discuss the treaty——

Mr. FULBRIGHT. Mr. President, I am ready to yield the floor, but I yield for a question.

Mr. PASTORE. I am wondering if this internal strife of which the Senator has spoken so eloquently is not, somehow, a symbol of mass resentment on the part of the working people of Japan because their wages are being kept down deliberately and because the profits are not filtering down to them, that the standard of living of the Japanese wage earner is not being improved in spite of the winning of world markets by Japan?

The reason I ask the question is that there is a continuous and consistent complaint on the part of American manufacturers. For instance, it has been said that Japan is the largest purchaser of American cotton, and at the same time the greatest exporter of textile goods in the world. I realize that in the nature of progress Japan must industrialize in order to meet world competition. I am wondering if, in this design, which I do not criticize, but which I understand, there is some reason for resentment on the part of the workers. They may feel that they are not getting their share of the benefits of industrialization and the winning of world markets.

Mr. FULBRIGHT. The Senator opens up a very broad area. Although I do not have them with me, I have seen the figures. What the Senator has said is true in any industrial country, and that resentment probably is behind some of the conflict between the factions and parties I have mentioned, one party being, let us say, prolabor, and the other being promanagement, representing the same kind of differences we have in this country. I did not anticipate this argument, but I may mention that the real wages in Japan have been substantially increased. However, they are never as much as people would like to have. The per capita income in Japan is $253, which is about three times the average of the other Asian nations in this area. It is still too low, but Japan is far better off than any other country in the area.

That fact probably explains some of the internal political infighting going on. However, I do not think it has anything to do with the treaty.

Mr. PASTORE. I realize that. The treaty may have been the excuse for the explosion.

Mr. FULBRIGHT. Yes. It may have been a symbol.

Mr. PASTORE. But I think the causes were already there.

Mr. FULBRIGHT. I agree. That condition is typical in a country making progress. When it is really poor and really poverty stricken, the masses are so inert that they do not riot. Often the people riot when a country is on the "make," when it has made some progress, when the people have tasted a bit of the better life and is eager to gain more of it.

Mr. PASTORE. The Senator knows that, while tremendous progress has been made in stabilizing the economy of countries in Europe and Asia through the foreign aid supplied by this country, much of the complaint we heard was that the rich were getting richer and the poor were getting poorer.

Mr. FULBRIGHT. That is true.

Mr. PASTORE. In many instances, strangely enough, the resentment felt by the people of those countries was directed toward the country furnishing the aid. I wondered how much of that was true in Japan.

Mr. FULBRIGHT. I think that is what we witnessed in France in earlier years. It was one reason why there was such a large following in the Community Party, which has receded. When France was on the "make," and was making the most progress under the Marshall plan, we heard the same complaint that all those benefits were accruing to management, and not to labor. During such a period there must be an accumulation of capital for the purchase of equipment, and labor resents the absence of immediate benefits. I am sure that feeling is involved in the recent events in Japan, but how much I do not know.

Mr. PASTORE. I thank the Senator for his fine presentation. I shall vote for ratification of the treaty.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. COOPER. I should join all of those who have commended the Senator from Arkansas, chairman of the Committee on Foreign Relations, for his presentation of the treaty. I have read the report, and I congratulate the committee. I think it one of the best reports I have read.

If the chairman of the committee will permit, I should like to address him concerning an aspect of the subject which I do not believe has been discussed in the debate. We have been discussing the treaty, under the assumption that having been ratified by Japan, and ratified by the Senate, as it will be, the greater part of the questions it has raised will be concluded. I earnestly hope this will be true, but I think it necessary to point out that it may well be an issue in Japan for some time. The success of the treaty will depend at last upon its understanding and its acceptance by the people of Japan as well as their Government.

I do not speak of its acceptance by the people of the United States, because I believe its importance to our country and to free peoples will grow.

We can agree with the comments of the distinguished Senator from Arkansas [Mr. FULBRIGHT] and the distinguished Senator from Vermont [Mr. AIKEN] that while the riots in Japan and the treatment of the President of the United States have been unhappy events, the Government of Japan did not use force against its own people, as Russia used in Hungary and as Communist China and other Communist countries would undoubtedly use to suppress any dissenting viewpoints. But it has raised the very serious question for Japan whether a minority, inspired by Soviet Russia and Communist China or any other minority can obstruct by force the parliamentary processes of a government. It raises serious questions about the depth of democratic support in Japan.

Again, as the Senator from Arkansas has suggested, there may be a strong movement in Japan toward neutrality, based in part upon emotional remembrance of the atomic bombing. From my own experience, I have no doubt that it is based in part upon the feeling one finds throughout Asia. There is a desire to avoid any situation they think draws Japan into the conflict between the United States and Russia. I am sure some of this thinking exists.

Does the Senator from Arkansas not believe that, even though this treaty is ratified, and it should be, the Japanese people will have to decide, at a general election, which we cannot know is coming, and in which the treaty will be an issue, whether they understand the treaty importance to their security and freedom, and will support it?

Mr. FULBRIGHT. I agree with the Senator, but I think it may be an oversimplification to assume that the treaty will be the main issue in an election. I think Mr. Kishi, perhaps individually—perhaps some others in his party are also concerned—has some prestige involved with respect to the treaty. As we know, in this country very often in an election certain issues become identified with a certain candidate. After the candidate is elected sometimes the issues have a way of changing, and go off in another direction. I think we can only await events and await developments.

Mr. COOPER. That is very true.

Mr. FULBRIGHT. I think as of the moment, considering what we know, with the obvious merits of the treaty, there is nothing for us to do other than to approve the resolution of ratification of the treaty. Then we should hope for the best. We should hope the Japanese can straighten out their political affairs.

I, for one, certainly do not wish to have my support of the treaty to be interpreted as any endorsement of any particular officeholder in Japan. I do not think it should be. We do not have any desire to influence the electorate in Japan simply because we support a treaty. That has nothing whatever to do with the matter. We shall judge the treaty upon its own merits. The Japanese, of course, will choose their own representatives upon their merits. In the election I think the treaty should be purely an incidental affair. I hope it will be.

Mr. COOPER. I appreciate the Senator's statement.

I do not wish to oversimplify the matter nor suggest that we should intervene in Japan's internal affairs. I raised the point because I believe it bears upon the effectiveness of the treaty. If we expect the Japanese to fully support the treaty, to resist the propaganda and subversion of the Communists with true and enduring support, there must be reciprocal advantages for the Japanese and we must recognize fully their sovereignty and equality. On their part, they must know the great obligations we undertake. The treaty is a deterrent to war, a protection for their security and their free system of government, as well as the protection for all the rest of us. The Japanese undertake a great obligation in accepting our bases and our troops, but it could mean their continued existence as a free nation.

Mr. FULBRIGHT. I agree with the Senator that it is necessary for the Japanese to understand the treaty to appreciate it. I have no doubt that the Communists and some of the pacifists have misrepresented what the treaty will do. The job of providing an understanding of the treaty is a job for the Japanese Government and the Japanese press to fulfill.

Mr. COOPER. I close by saying I earnestly hope and believe—I do not know, but I am very hopeful—that the treaty will be supported henceforth by the Japanese Government and by the Japanese people as it will be fully supported by our people. It is probably true that the overwhelmingly majority of the Japanese people will support the treaty.

I think it is incumbent upon the Congress and the administration to consider the alternatives which we may face in the future, if this treaty does not last, and we ought to be prepared for them. It could make it necessary to build new defenses in the Pacific, and further strengthen our forces at home.

I ask unanimous consent to have printed in the body of the RECORD, following my statement, a very incisive and I believe correct analysis of the situation in Japan, an editorial appearing in the Louisville Courier-Journal, June 19, 1960.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

PERHAPS A JAPANESE ELECTION SHOULD PRECEDE THE TREATY NOW

In the further collapse of personal diplomacy, Far Eastern division, it is easy to reach simplified answers and to react emotionally toward the "ungrateful" Japanese. Such reactions are foolish and dangerous.

It is true that Japanese Premier Kishi and, after him, our Ambassador, Douglas MacArthur II, seriously miscalculated the extent to which an apparent minority could sway students and leftwing groups toward violent anti-American demonstrations. But there are many more facets to these demonstrations than mere anti-Americanism or even anti-Kishi feeling. There was the emo-

tionalism of Japanese youth, brought up with a fear of war that has its roots in defeat and in a pacifism that was considered good for the Japanese until our need for bases and a strong Far Eastern ally supervened.

But this need for bases, embodied in the new Japanese treaty and also in the old one that it supersedes, has never been sold to the student groups, even though most of their elders reluctantly acknowledge its existence. And the student groups have proved fertile ground for agitators, not all of them party line Communists.

The reaction of Americans toward the troubles of Premier Kishi must be primarily one of sympathy. But we can do little to help in light of the double loss of face he has suffered. The fall of his government seems almost inevitable. There is some comfort, however, in the knowledge that left-wing groups have never been able to summon enough votes to dominate a government by themselves. The shock and embarrassment suffered by millions of reasonable Japanese who stayed aloof from demonstrations and expressions of opinion may well react to the Kishi government's advantage.

One must wonder, however, whether the Premier is wise in struggling still to force the disputed treaty on the country without taking his case to the country. In this case, our own prompt and good-humored ratification might help him to persuade the moderate Japanese that the new treaty is actually fairer to Japan than the old one was.

A vote of confidence in the treaty would give it a far firmer basis than its enforced passage in the face of hostile demonstrations. But if the contrary happens and the reservations of the objectors are shared by large numbers of Japanese voters, we and Japan's Government might as well know the truth and plan a reappraisal of the mistaken diplomacy which led us so far on so unpredictable a road.

Mr. FULBRIGHT. I thank the Senator.

Mr. MORSE. Mr. President, as a member of the Committee on Foreign Relations, I propose to discuss the treaty and some of its implications for the next few minutes.

At the outset, I say I shall vote to agree to the resolution of ratification of the treaty, because I think, after the treaty is considered from its four corners and after its weaknesses, so far as some of its implications are concerned, are carefully weighed, we find ourselves in a position where the preponderance of the evidence is in support of the resolution of ratification of the treaty.

The chairman of the Committee on Foreign Relations, I think, deserves the thanks of the entire Senate for the very judicial, impartial, and scholarly work he did as chairman of the committee during our hearings and our executive deliberations with respect to the treaty. Once again in the field of foreign policy the Senator from Arkansas [Mr. FULBRIGHT] has demonstrated his statesmanship.

It is a great pleasure for me to serve under his leadership in the Committee on Foreign Relations of the Senate. He happens to be the type of chairman who respects sincere and honest differences of opinion with him on some matters of detail, as we are confronted with those details in connection with such a problem as this treaty.

The Senator from Arkansas is a great team worker with his associates on the Committee on Foreign Relations. He is always tolerant of the points of view of other Senators. He is always willing to listen to arguments and to evidence, and to modify his opinion according to the evidence when a modification seems to be justified. That was particularly well demonstrated by the Senator from Arkansas [Mr. FULBRIGHT] during our deliberations with respect to the treaty.

I caution the Senate to keep in mind today, as we consider the resolution of ratification of the treaty, that we should consider the matter with a good many mental reservations. It is unfortunate that we are not considering some actual reservations written into the treaty itself.

Mr. FULBRIGHT. Mr. President, will the Senator yield to me before he begins a discussion of the treaty itself?

Mr. MORSE. I am happy to yield.

Mr. FULBRIGHT. I could not let this opportunity go by, Mr. President, without expressing my appreciation for the kind words the Senator has spoken with regard to the chairman of the committee. I appreciate them very much. I certainly reciprocate the statements the Senator has made with respect to cooperation. The Senator from Oregon has certainly been of great help to me and to the other members of the committee in the committee deliberations on this treaty and on other matters of recent date. I appreciate it very much.

Mr. MORSE. Mr. President, the Senator from Arkansas has only further proved, by the utterance he has made, my words with respect to the complete fairness and the ever-present courtesy of the Senator from Arkansas in our work together on the Committee on Foreign Relations.

Mr. President, as I was saying, as we consider the resolution of ratification of the treaty we should certainly do so with a good many mental reservations. I felt perhaps it would have been better if we had proposed some reservations in the treaty itself. For a time I considered, Mr. President, the possibility of offering some reservations to the treaty. However, after conferring with my colleagues on the committee, after discussing the matter with some officials of the State Department, and after studying the text of the material we had before us, much of which is on the desks of Senators this afternoon, in the form of the exchange of notes which led to the final submission of the treaty, I felt it would not be the best procedure to offer reservations to the treaty.

I think it is perfectly clear that the prospects for getting further consideration of reservations on the part of the Japanese Government are practically nil. I felt also that the offering of reservations in the Senate might be subject to interpretations elsewhere in the world which would not be in the best interests of my country.

Mr. President, when we consider the mater of foreign policy, no matter what differences we may have on the legislative front in the Senate in respect to American foreign policy, in the carrying out of our duties as Senators in the legislative field the problem takes on a different complexion when we are confronted with international affairs and questions which are raised in regard to treaties. Mr. President, I think it is important that we should close ranks. We should ask ourselves the question, "Can we, in all honesty and sincerity, say to ourselves that under the advise-and-consent clause of the Constitution it should be our individual advice as Senators that the treaty, in view of all the circumstances, should be ratified?"

In keeping with that obligation, Mr. President, I have reached my decision. I voted in support of the treaty in the committee, and I shall vote for the resolution of ratification of the treaty in the Senate this afternoon. However, I wish to discuss the treaty a bit, for the purpose of the historic record and for future reference.

I do wish to talk about what I consider to be some of the implications of this treaty which cause us to have some mental reservations in regard to it. The Senator from Arkansas [Mr. FULBRIGHT] I think is quite right when he points out that there are two types of opposition to this treaty in Japan. There is the Communist opposition, which was manifested by the stirring up of the type of riots and mob demonstrations that characterized the protesting groups that participated in demonstrations in recent days in Japan. These groups did great damage to the history of Japan. They also did great injury, it seems to me, to the reputation of Japan as a nation that seeks to be fair and courteous and one that endeavors to conduct a foreign policy based upon good international manners.

I think we would make a great mistake if we completely ignored another group in Japan that also has a great many reservations about this treaty, and to some extent expresses hostility toward the treaty.

In this morning's issue of the Washington Post another one of those great writings by the great Walter Lippmann was published, and because during the course of my remarks I shall have some comments to make on some of the premises contained in the Lippmann article, I ask unanimous consent that the entire article, entitled "Trouble in Japan," be printed at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TROUBLE IN JAPAN

(By Walter Lippmann)

The cancellation of the President's visit to Japan, and his embarrassing experience in Okinawa, stems from the refusal in Washington to look squarely at the U–2 affair and its significance.

The capture of the U–2 and the way the incident was handled in Washington compromised gravely the whole circle of American bases from Norway through Turkey and Pakistan to Okinawa and Japan. When we confessed, and indeed boasted, that for 4 years we had been using these bases for a secret and illegal operation against the Soviet Union, our allies were morally and legally defenseless against the threats of the Soviet Union. A small and exposed nation is bound to take such threats seriously, and although the threats may have been blunted they were not removed by the President's renunciation of aerial espionage. Thus the effect of the U–2 was to undermine our whole system of encircling bases. For it focused

attention upon the fact that the bases had been secretly used for an operation which exposed the country containing the base to grave risk.

In the very days when the U–2 had become the occasion for Mr. Khrushchev's actions in Paris, the Kishi government was trying to have the new Japanese-American Treaty ratified by Parliament. This treaty grants to us the base right in Japan for at least 11 years. A less auspicious movement for railroading the treaty through the Parliament can be hardly imagined than was the moment in which the summit conference collapsed. But Mr. Kishi, who was fighting not only for the treaty but for his own political life, did railroad the treaty through the Parliament in the face of a very large volume of public disapproval, by no means confined to the Communists.

The President was then called upon to decide whether instead of traveling to Tokyo from Moscow, as originally planned, he would go to Tokyo anyway and would arrive there on the day when Mr. Kishi's coup for the treaty was consummated. The President decided to go to Tokyo, to go despite the fact that the U–2 and the collapse at the summit had aroused great popular fears about the American base. The President chose to go despite the fact that after his quarrel with Mr. Khrushchev, his visit to Japan had ceased to be conciliatory and had become defiant. He chose to go despite the fact that the timing of the visit enabled Mr. Kishi to exploit for his own political purposes the President of the United States.

This was a wrong decision. After the collapse of the summit the right decision would have been to cancel all visits, and to remain in Washington on the grounds that the world situation required the full attention of the President for the purpose of strengthening the national position. This would have been an answer to Mr. Khrushchev's vituperations. It would have done much to restore the shaken confidence of our allies. And it would have spared the President the humiliation in the Far East which has been inflicted upon him and his office.

It can be said that the wrong decision was taken without any strong protest and criticism in Congress or in the press. That is true. The opposition had been virtually silent when the Republicans and Senator JOHNSON cried out that it was unpatriotic to inquire seriously into the causes of the U–2 disaster.

So the President and his advisers had a free hand to take the decision about the Far East. Unfortunately for them and for the country, they showed the same kind of bad judgment which had caused them to fumble the U–2 affair. In both cases they ignored the well-known conventions and the old wisdom of the art of diplomacy. In both cases they judged the immediate situation not objectively but wishfully.

Thus, in the affair of the U–2 they abandoned the ancient convention which is that a government never avows responsibility for espionage, much less attempts to justify it. In the affair of the Tokyo visit they ignored the conventions which protect a state visit. One of these conventions is that a visit by the head of a state is a visit to the whole nation and not to a political head of the Government which happens to be in office. A state visit, therefore, should never be made to a country which is divided within itself on an issue in which the visiting head of state has a special interest. The very reasons which have been advanced on behalf of the visit are compelling arguments against it—that the treaty would fail if the President decided not to come to Tokyo and that Kishi would fall. This was a misuse of the institution of the state visit, and if the President and his advisors had known or had remembered the old rules of the diplomatic game, we would all be much better off today.

Furthermore, in their judgment of the immediate situation in the Far East and especially in Japan, they grossly under-estimated the impact on Asian popular opinion of the U–2 and the renewed quarrel with Moscow. There is no use deluding ourselves as Mr. Hagerty does, that the opposition to the treaty and to the President's visit was confined to a small minority of Communists incited and paid for by Peiping and Moscow. The preponderant opinion of any Asian country within the military reach of Russia and China is bound to be neutralist. When we urge them to be antineutralist, they respond by being anti-American, and it is a great error to act as if an antineutralist policy can rally popular support. In Tokyo mighty little has been heard recently from the alleged majority who are supposed to be for the treaty.

The treaty has nevertheless been ratified. But we must realize that we are not at the end of the story. It is a question whether the treaty can now be made to work against a mounting agitation. In fact, we have to ask ourselves whether a much greater disaster to our position in the Far East can be averted unless there is, as powerful Japanese newspapers are already demanding, a renegotiation of the treaty, and with it a reformulation of our Far Eastern policy.

Mr. MORSE. Mr. President, at a point of the article by Walter Lippmann we read the following:

> The treaty has nevertheless been ratified. But we must realize that we are not at the end of the story. It is a question whether the treaty can now be made to work against a mounting agitation. In fact, we have to ask ourselves whether a much greater disaster to our position in the Far East can be averted unless there is, as powerful Japanese newspapers are already demanding, a renegotiation of the treaty, and with it a reformulation of our Far Eastern policy.

Mr. President, I am greatly concerned about the fact that there is growing opposition in Japan in the non-Communist groups and among very substantial economic groups. I say most respectfully that we shall only have our heads in the sand if we blithely go forward in the ratification of this treaty on the basis of the assumption that all is well in United States-Japanese relations in Japan except our relations with Japanese Communists. I do not think anything could be further from the realities in Japan.

There are substantial leaders in the economy of Japan who are greatly concerned about this treaty and think that this treaty is a very unwise step to take on the part of Japan.

The Senator from Arkansas [Mr. FULBRIGHT] very rightly pointed out that within the Liberal Democratic Party in Japan, the Kishi party, there is a great power political play. Let us always keep in mind that power political play in the Democratic Party in Japan and that Kishi is the head of the ultra-conservative wing of the Liberal Democratic Party in Japan.

I always find it a matter of interest that so frequently we find the United States lined up on the side of the ultra-conservatives in the countries around the world in which we have so many international policy problems. Here again we have the so-called moderates and liberals in the Liberal Democratic Party in Japan against Kishi, and in my judgment they are going to throw him out.

In my judgment, when the election takes place in Japan in the not too distant future, the Liberal Democratic Party will beat the radicals. Let us pray that that becomes a reality. I believe they will beat the Communists, win the election, and, of course, if the Liberal Democratic Party wins, there will be a new Liberal Democrat as Prime Minister. Obviously he will not be Kishi because there is the power drive to which I referred within the Kishi party in Japan to make that party a more liberal party.

I say in passing that such development should be no new experience for us to understand in the United States. That is even true of my own party in the United States. It has reached a great point of crisis in Japanese politics.

I have been in Japan, too. I am not one of those who feels that because he has visited a country he is in an expert position to speak with authority upon the problems of a country he has visited. At least it does put one in a position to take note of his observations and to keep in mind the many conversations that he has had with leaders of a foreign country in regard to the internal problems of the country when he is in that country.

Nothing has happened in Japan that has surprised me since my visit to Japan, because businessmen, professional men, and politicians in Japan told me in conferences I had with them that Japanese politics would follow just about the course of action that they have followed. This treaty will not create a rosy, pro-American political climate in Japan, and if any Senator votes for the treaty this afternoon on the basis of that assumption, I wish to say most respectfully that in my opinion he is voting on the basis of a false assumption.

We hope Japan is on the march to greater and greater progress. In my judgment, the moderate, private-enterprise, economic, and political forces of Japan will prevail. I believe we should do everything we can to help strengthen that approach, because that is the approach of the political society for Japan based upon a system of government by law, as contrasted to a system of government by men, which always prevails when radical groups such as the Communist bloc or State Socialist bloc or other radical groups take over the government of a country, including, may I say, also fascist groups.

One of the first mental reservations we should make this afternoon is one in regard to the effect of this treaty upon pro-American feelings in Japan. It is my judgment that this treaty will not strengthen pro-American feelings in Japan. I think that for the time being, under our present foreign policy in the Pacific, it will help to strengthen the security of our country and the security of Japan because of the mutuality of agreement in regard to defense policies under the treaty.

But there is another reservation I would have the Senate consider this

afternoon as we ponder this treaty and come to vote upon it. When all is said and done, this treaty is but another structure in the containment policy of U.S. foreign policy. This is nothing but an extension of the containment policy.

I had hoped that even before now more people in our country and that more Members of Congress would have given recognition to the fact that our containment policy in the long run will not work. When I say it will not work, I mean it will not win the peace. This is one of the great issues in American foreign policy, about which too few people are doing very much thinking.

I believe that if we continue to build a foreign policy based upon the program of containment of the Russian-Red Chinese Communist threat, the end will be war, and inevitably so. Such a policy as this, based upon a bilateral relation between the United States and Japan will produce—what? It will produce a further strengthening of the arms race. I say to Senators, "You wait and see." I say that Senators should expect in future sessions of Congress proposals that will be made to strengthen the military containment implications of the pending Japanese Treaty.

There may be those who think that we can continue that containment policy, with an ever-growing increase in the nuclear armaments program, to produce permanent peace in the world. Those who think so have read some history that I have never read; obviously they have never read the history I have read. If the history of mankind teaches anything, it teaches that armament races which last very long are armament races that end in war.

Therefore, one of the mental reservations I have about the treaty is the reservation expressing my fear that I believe it will add to the armaments race and not increase the possibilities of diminishing the armaments race.

I will give my reason for that observation in a moment. I wish to stress the premise first, because it is one of the major premises of my analysis of the treaty and its implications in terms of future American history.

Mr. President, what we have here again is another pact, in this instance a bilateral pact, between two great powers in the world, pledged to come to each other's assistance in the case of attack. From what direction will the attack come if it comes? It can only come from Red China and Red Russia.

Once again we proceed with a military course of action, in which we make very clear to the Communist section of the world that "we are getting ourselves ready to take you on if you in turn make a mistake in judgment which results in increasing nuclear armament program, cause an accident or an incident or make a mistake, or if you in turn, in your ever-the dropping of the first nuclear bomb."

I would have Senators keep in mind that such information as we have seems to indicate very clearly that the probabilities are great that within the next 10 years Red China will be a nuclear power.

That is why I believe it is important, if we are to ratify treaties such as the one before us, that we should accelerate a program which seeks at least to lead our foreign policy down another road, a road which seeks to set up a world authority whereby the issues which threaten the peace of mankind will be settled, and not by a proposed program of military containment, but by a program which will result in the application of the rules of reason, rather than the jungle law of military force, to the problems that threaten the peace of the world. If we are to travel that road, we must travel it with many others.

So I move to the next mental reservation I have about the treaty. Why is this a bilateral treaty? Why are we being asked to ratify a treaty this afternoon which places upon the United States the tremendous military obligation and defense obligation the treaty assumes for us? Where are our allies in this treaty? Where are our friends in the world with respect to the treaty?

Why is it a treaty only between the United States and Japan? Could it possibly be that England, with Hong Kong, has no vital concern or interest in a treaty which is entered into between Japan and the United States? What about Canada, Australia, New Zealand, France, Italy, and all the other free nations of the world?

One of my mental reservations is that once again we see our allies in the background perfectly willing to let Uncle Sam do it—to paraphrase the old saying, "Let George do it." In this instance it is Uncle Sam who is asked to do it.

Therefore, I have been concerned about the bilateral nature of the treaty. If no one else will help, then I would not have my country shirk its responsibility to the meeting of the evergrowing Communist threat.

In seeking to find an answer to the question, "Where are our allies?" I went back into our documents. In fairness I believe the record should show this afternoon how it came about that we find ourselves in this bilateral relationship with Japan, although we sacrificed the lives of many American boys in World War II, which was participated in by other allies as well as by the United States. Of course, the war against Japan was not a war between the United States and Japan alone. When I say that, I do not detract one iota from the great contributions which other allies made to that war. Of course, it is true that the United States assumed the greatest burden of that part of World War II which involved war with Japan.

It is very interesting to note what happened at the close of that war. We spoke for our allies. We did not speak for our allies without their approval. However, when we came to enter into a treaty, when we came to determine the terms of a surrender policy, the interesting thing is that, in effect—and I know this is subject to modification as far as technicalities of international law are concerned, but I am putting it in language which I believe the public can understand—in effect, the Allies delegated to us the role of spokesman and negotiator for all the Allies.

We find it in many documents that followed World War II, and in negotiations and relations which developed between the Allies and Japan, through the spokesmanship of the United States of America. I could offer many exhibits to document the observation I have just made, but I shall not do so in view of the hour, except to call attention to a few documents which demonstrate what I mean. I simply say that anyone who wishes to be a student of this problem can find many official documents which show that in effect, if not formally, the Allies delegated to us that spokesmanship role and the negotiator role in behalf of the Allies—excluding Russia.

I digress to say that a very important piece of research needs to be done. As a former professor, I should like to recommend to the deans of the graduate schools in America that a doctorate thesis needs to be written on the differences in attitudes and actions between the Allies and Red Russia following World War II, in the treaty that brought an end to the war, and in the terms-of-surrender policy which was to prevail in Japan.

One of the most remarkable things to be found is that at that very time Russia, over and over again, served clear notice that she could not be relied upon as an ally. She was a nonparticipant in a good many of the negotiations with Japan and has remained so up to the very hour when I speak.

That is the main reason, as I find as I study the record and read the accounts of those who know all the background of the treaty with Japan, why the word "Formosa" is not even mentioned in the treaty with Japan. It is pretty well understood that from the standpoint of relations with Russia, it had better not be mentioned. So up to the very moment at which I speak, we still have suspended in international law, undetermined and in complete abeyance, the whole question of the sovereignty of Formosa. It is not touched in the first Japanese Treaty, and is not touched in this one either, please take note.

Does any Senator think he can tell us who has sovereign power over Formosa within the terms or the meaning of international sovereignty or international law? Not a nation in the world at this moment. Surely not the United States. No matter how much military control we exercise over Formosa, we do not have a scintilla of international law or sovereign right over Formosa.

Certainly not Chiang Kai-shek, no matter how much military backing we give him to keep him in power.

Certainly not Red China, and certainly not Japan. Yet it was Japan that last had any sovereign power over Formosa.

The sovereignty of Japan over Formosa was well recognized in international law prior to World War II. Japan got Formosa by conquest, but she met all the criteria over the years for the establishment of sovereign rights.

So we ought to keep in mind the fact that the question of Formosa and the Pescadores is still in the background, unsettled by any Eisenhower doctrine in the Formosa Strait, unsettled by any

use of American military might in the Formosa Strait. Here, we see, we have a problem which can be settled only by the rules of reason, not by nuclear bombers or jet fighters or hydrogen bombs, so far as international law is concerned.

Of course, the question can be settled by the exercise of jungle law, if it is willed to do so. In consequence, that part of the world, and subsequently all the rest of the world, would be thrust into a great nuclear holocaust.

I would have the Senate keep in mind, as we come to ratify the treaty, that here is an implication which does not arise from the problem simply because we vote to ratify the treaty. Therefore, I respectfully suggest that our allies cannot escape this problem, even though they remain silent at the present time, and even though they do not participate with us in this new treaty, but apparently are content to let what I respectfully recall an international fiction be extended once more into a treaty between the United States and Japan, as that international fiction was extended into the first treaty between the United States and Japan.

I am of the opinion that many years after all of us here are gone, history will record that the Allied Powers which fought World War II and conquered Japan evaded a very delicate and hot issue at the time the Japanese treaty was signed after World War II. I think history will probably record that it would have been in the best interest of peace and in the best interest of setting up an international order under which the rules of reason through international law could have been applied for the creation of a permanent system of peace in the world if all the Allies, including Russia, had gone to work for as many months, or possibly more than months—2 or 3 years—to try to iron out the difficulties. We should not forget that at that time we were working together in a common cause. At that time we might have created an Allied treaty with Japan, equally binding on Russia as well as on the United States and on our allies. I respectfully submit that our allies were bound by the spokesmanship of the United States in the negotiation of the Japanese treaty in 1951. They can be charged with a tacit understanding of giving their power of attorney to the United States in the negotiating of that treaty.

But where were they in connection with the negotiating of the treaty now before the Senate? The course of action which was followed in this instance was a completely bilateral one between the United States and Japan.

I am not one to pause longer than to take note of what has happened in history and to try to learn a lesson from it, as a guide to our future course of action. In other words, I am not one to cry over spilt milk. I ask myself, once the facts of a situation are presented to me: Where do we go from here? What I am saying is that following the defeat of Japan our allies passed to the United States the major responsibilities of negotiating a peace settlement with Japan.

As a documentation of our spokesmanship in behalf of our allies—that is, our true allies, in my judgment—I cite the postsurrender policy of Japan announced in a document as of that time dated September 6, 1945.

When I use the phrase "true allies," I repeat what I have said on other occasions; namely, that during World War II it was my public position that Red Russia was never an ally of ours; all she was was a country with a common enemy, fighting a common enemy. I had too many opportunities to make observations of incident after incident and evidence after evidence that clearly demonstrated that if Russia was an ally of ours, she was a very strange, peculiar, and novel ally, because I knew something about the shiploadings on the west coast and about the Russian ships which took away our lend-lease offerings to Russia and our military supplies to Russia; and I knew of the policies and restrictions and censorship and prohibitions against any official observation by representatives of our Government on the very ships on which those supplies were being loaded. In fact, in most instances it was impossible even to find out what the course of the ship was to be; and time and time again there was manifested anything but the attitude of an ally. All of us know that even in Russia itself, by means of the prohibitions the Russian Government imposed upon our forces that were inside Russia during the war, we had ample warning that we were dealing with a country and a government which had a common enemy, but was not a true ally.

When it came to the problem of determining the post-surrender policy for Japan, a very interesting document, dated September 6, 1945, was entered into. At the beginning it states:

> This document is a statement of general initial policy relating to Japan after surrender. It has been approved by the President and distributed to the Supreme Commander for the Allied Powers and to appropriate United States departments and agencies for their guidance. It does not deal with all matters relating to the occupation of Japan requiring policy determinations. Such matters as are not included or are not fully covered herein have been or will be dealt with separately.
>
> PART I—ULTIMATE OBJECTIVES
>
> The ultimate objectives of the United States in regard to Japan, to which policies in the initial period must conform, are:
>
> (a) To insure that Japan will not again become a menace to the United States or to the peace and security of the world.
>
> (b) To bring about the eventual establishment of a peaceful and responsible government which will respect the rights of other states and will support the objectives of the United States as reflected in the ideals and principles of the Charter of the United Nations. The United States desires that this government should conform as closely as may be to principles of democratic self-government but it is not the responsibility of the Allied Powers to impose upon Japan any form of government not supported by the freely expressed will of the people.
>
> These objectives will be achieved by the following principal means:
>
> (a) Japan's sovereignty will be limited to the islands of Honshu, Hokkaido, Kyushu, Shikoku and such minor outlying islands as may be determined, in accordance with the Cairo Declaration and other agreements to which the United States is or may be a party.
>
> (b) Japan will be completely disarmed and demilitarized. The authority of the militarists and the influence of militarism will be totally eliminated from her political, economic, and social life. Institutions expressive of the spirit of militarism and aggression will be vigorously suppressed.
>
> (c) The Japanese people shall be encouraged to develop a desire for individual liberties and respect for fundamental human rights, particularly the freedoms of religion, assembly, speech, and the press. They shall also be encouraged to form democratic and representative organizations.
>
> (d) The Japanese people shall be afforded opportunity to develop for themselves an economy which will permit the peacetime requirements of the population to be met.

Mr. President, this afternoon I would not have the Senate seek to ignore that military policy of surrender, which we imposed upon Japan.

We did a great job in imposing it, because we came to deal with the problem of demilitarization of Japan by way of obtaining educational acceptance by millions of the Japanese people. I believe history will also record that one of the greatest contributions made by the MacArthur administration in Japan was in getting an overwhelming majority of the Japanese people during that period of time to accept the philosophy of demilitarization and the historic fact that one of the great causes of Japan's problem, which led to World War II, insofar as Japan was concerned, was the military dictatorship which in effect had come to characterize the Japanese Government. Japan had come to be ruled and dominated by the military powers in Japan.

We did a remarkably good job in convincing millions of the Japanese people that that course of action must be reversed. In these articles of surrender policy we made very clear that we would impose that policy upon Japan, if necessary.

But the interesting thing is that we did not have to impose it by any expression of force. We stated it. We got the leaders who came into political power in Japan, following World War II, to accede to it; and it became Japanese policy. Today, it is deeply entrenched in the thinking of millions of the Japanese people who seek to help establish a world order of peace.

I wish to draw a line of distinction between two classes of Japanese citizenry. There is no doubt that the Japanese Communists, aided and abetted by Communist agents from Red China and Red Russia, play upon this policy for propaganda purposes. Mr. President, they will always do that, everywhere in the world. The sad thing which confronts us in regard to our attempts to win the peace and set up economic and political procedures which will strengthen the peace and strengthen freedom and help us expand a private enterprise economy in all the areas of the world where the fight for freedom has to be won, is that the Communist will come in and, with their wicked and lying and clever propaganda,

seek to use these very legitimate and desirable economic and political objectives to mislead the people of that country.

So, in Japan today, I am well satisfied, part of the Communist drive is to point out that the United States and the other allies took the position that Japan should be demilitarized, that military power was not to be restored; and the Communists make attacks—very unfair ones, at least from the standpoint of the thesis from which I argue this afternoon—upon this treaty, in that they allege that it constitutes a reversal of American policy, and that now the United States is seeking to build up another military class in Japan.

Mr. President, all of us know better than that; but we cannot escape the fact that the treaty will, to some extent, supply a false platform for Communists who so argue.

However, Mr. President, I am not basing my point on the attitude of the Communists in Japan. I am basing this argument on the attitude taken by a very large number of non-Communists, Communist-hating, freedom-loving Japanese in the professions, in business, in labor, and in politics.

A part of the struggle within the Liberal Democratic Party in Japan today against Kishi, on the part of some of the moderates in that party who seek an election and seek to overthrow Kishi and supplant him with another Prime Minister from the same party, but more liberal in point of view, is their fear that Japan is moving again in the direction of seeking to build up her military power and become in the Pacific again a military country.

Mr. President, I would that that could have been avoided. I think we ought to try to avoid it. I think if the approach had been an approach other than a bilateral approach, but an allied approach, with the Allies coming out from under cover, with the Allies ceasing to set up the United States as their spokesman in regard to the Pacific problem, the cause of peace for the future would have been much more enhanced than, I fear, it may be if this treaty is accepted as the sole answer to the approach toward communism in the Pacific.

Let us see what these articles, of September 6, 1945, have to say so far as they concern a surrender policy for Japan, have to say about military occupation, because we come to the next major point I want to mention, which was alluded to by Walter Lippmann in his column and by many other writers here in the United States in recent weeks as they have discussed in their editorials and in their columns the implications of the Japanese treaty.

This article of September 6, 1945, on the problem, reads as follows:

> There will be a military occupation of the Japanese home islands to carry into effect the surrender terms and further the achievement of the ultimate objectives stated above. The occupation shall have the character of an operation in behalf of the principal Allied Powers acting in the interests of the United Nations at war with Japan.

I repeat that sentence, Mr. President:

> The occupation shall have the character of an operation in behalf—

I emphasize the words "in behalf"—

> of the principal Allied Powers acting in the interests of the United Nations at war with Japan. For that reason, participation of the forces of other nations that have taken a leading part in the war against Japan will be welcomed and expected. The occupation forces will be under the command of a Supreme Commander designated by the United States.
>
> Although every effort will be made, by consultation and by constitution of appropriate official bodies, to establish policies for the conduct of the occupation and the control of Japan which will satisfy principal Allied Powers, in the event of any differences of opinion among them, the policies of the United States will govern.

That is the catch. That provision created the problem. That is the major point of my thesis in respect to this premise. That is the spilled milk, Mr. President. That was a great mistake which we made.

I am not in a position this afternoon to give an indication as to why that mistake was made. It is going to require a good deal of research and probably the passage of a lot of time for that research; but of one thing I am satisfied: Our country made a great mistake when we took that position so early that, in the event of any differences of opinion among the Allies, the policies of the United States will govern.

I hold to the point of view, and have expressed it on other occasions here on the floor of the Senate when other great documents were before us for ratification, that the greatest mistake of American foreign policy in the Pacific is that foreign policy in the Pacific is dominated by the United States.

So long as foreign policy in the Pacific is dominated by the United States, I think the cause of peace in the Pacific will be greatly jeopardized. Many persons do not like to hear that statement, but I am quite impersonal about it. I mean to be very objective and coldly realistic about it. I just do not think that the United States and Russia can build up and build up and build up, year after year, now with Red China becoming more and more of a major power, what has every evidence of two sides choosing up their forces, without their finally doing battle with each other.

That is why I regret that the treaty I shall vote for today—because I think it is more in the interest of my country to vote for it than to reject it—is a United States-Japanese treaty. It ought to be a Japanese-Allied treaty. It ought to be a treaty that is the result of a much greater stride toward the building up of a system of international justice through law than this treaty is.

When all is said and done, Mr. President, the essence of this treaty makes it a military treaty. I think the world should be done with military treaties. Oh, I know it cannot be done overnight; but my plea is a plea for the march of mankind in the opposite direction from military treaties, because of my very deep conviction that, if we continue for many more years adding military treaty on top of military treaty on top of military treaty, we shall be in a holocaust from which there will be no return. It will certainly be the end for the participant nations, and too many innocent, nonparticipating nations will get caught in the holocaust at last.

We are again confronted with the same old paradox. We must do those things which are necessary to make it clear to the Communist sector of the world that it has nothing to gain by an aggressive course of action against the free world. That is the chief justification given for the treaty. Senators may read the report and analyze the arguments. I do not see how anyone could escape the conclusion I present. This is a military treaty offered to give further notice to Russia that she has everything to lose and nothing to gain by an aggressive course of action.

But this does not further the cause of peaceful procedures for the settlement of disputes. The treaty does not even include our allies. No matter what happens under the treaty, Mr. President, they at least can say, "We were only parties to it by proxy. We were only parties to it by an extension of what was understood in 1945, that the United States spoke in behalf of the Allies."

But did we? Really, did we? What evidence do we have from England, France, Canada, Australia, New Zealand, Italy or any other ally that we really did speak for our allies? What tangible, concrete support have we had from our allies in regard to the solution of any of these problems of the Pacific? They are perfectly content to let us carry the burden. I wonder how content they will be if things go awry?

It is said, "Well, Mr. Senator, it is one thing to point that out, but what do you propose to do about it?" I have made proposals from time to time. For the RECORD, I shall summarize them again this afternoon as I bring this speech to a close.

I have one additional word to say about the attitude in Japan on the part of that type of substantial citizen we want on our side, who is very much puzzled about the treaty today, referred to again by the great Lippmann and other writers. We should not forget, Mr. President, that the treaty continues to a degree, American military occupation in Japan. If Senators do not like the word "occupation"—if they find that causes a little tension—then let us use another word. The treaty would authorize the maintaining of an American base or bases in Japan.

From the standpoint of the Japanese citizen in this much larger group, I fear, than some who have discussed the matter would have us believe, this amounts to foreign soldiers on Japanese soil. I do not care how serious is the threat of a vicious ideology such as communism in any part of the world, the maintaining of a foreign soldier on a country's soil automatically is a source of resentment. It has always been so, and I think it will forever be so.

There is great criticism even in the newspapers to which Lippmann refers in his article this morning. These newspapers are already proposing renegotiation of the treaty, although the U.S. Senate has not yet acted upon the resolution of ratification. There have been editorials on the part of non-Communist newspapers in Japan expressing this emotional attitude to which I have referred about American military personnel being kept on Japanese soil. I think the situation will get worse rather than better.

This leads me to comment on the point made by the Senator from Arkansas [Mr. McCLELLAN] in his colloquy with the chairman of the committee [Mr. FULBRIGHT] concerning the duration of the treaty. I cannot reach the conclusion which was expressed on the floor of the Senate that there is any open end to the treaty, other than the 10-year end, with a year's notice.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. LAUSCHE. If it is wrong for us to have our troops in Japan under a joint understanding between our country and Japan, what about the troops of the Soviet Union in the satellite nations of Poland, Hungary, Czechoslovakia, Rumania, Lithuania, Latvia, Estonia, and all the other captive nations?

Mr. MORSE. I think, from the standpoint of the promotion of world peace, both are indefensible.

Mr. LAUSCHE. Both of them?

Mr. MORSE. One is as indefensible as the other.

Mr. LAUSCHE. Is it not a fact that so long as the Soviet Union pursues the course it has pursued, for our own security we have no alternative to seeking alliances and bases which enable us to compete with them?

Mr. MORSE. This is not an adequate answer, and I shall attempt to give a more adequate answer in a moment, but I say, good naturedly, as a parent I never accepted the idea that my child should continue improper behavior simply because a neighbor's child was guilty of improper behavior. I always thought we had a neighborhood problem, and that the parents ought to get together and negotiate a peace settlement.

Mr. LAUSCHE. I agree with the Senator in that regard, but when there are thieves and bandits upon the highway the peaceloving citizen must discard his judgment that he can do without police and do without arms to protect himself.

Mr. MORSE. I have never proposed that. The Senator understands, I am not making an argument this afternoon for a non-defense policy on the part of the United States. I am making an argument this afternoon for joint action with our allies.

Mr. LAUSCHE. I think it would be wonderful.

Mr. MORSE. I am raising a question as to why we did not try to arrive at such an agreement. From the investigation I have made I have been left with the conclusion that no attempt was made to change the position to which we acceded in 1945, when we assumed the role of spokesman for the Allies. I think it was a mistake then. I think it is a greater mistake to continue it now, after we have had all the lessons to learn since 1945.

Mr. LAUSCHE. I think it would be remarkable if the major nations with whom we are allied, especially those who have interests in the Far East, would join with us in the treaty. I do not know why it was not done. Frankly, in meditating during the Senator's argument, I assumed there must be some good reasons. I do not know what the reasons are. Perhaps there are none at all. The argument of the Senator from Oregon was so potent in regard to the comfort one would find in knowledge that there were more than merely Japan and the United States as parties to this agreement, that I did meditate upon it and come to that conclusion.

Mr. MORSE. Honest men can differ as to the interpretation of the course of action which has been taken by our Government. But, in my judgment, ever since World War II, we have not made a really vigorous attempt to try to get Pacific problems first within the jurisdiction of the United Nations and, failing in that, at least get them within the common cooperative enterprise of the other allies acting with us.

I think the sad fact is that we have followed to a greater extent than we should, a U.S. unilateral course of action in the Pacific. I think it should be changed. We will not change it overnight or drastically, but I shall make certain suggestions before I take my seat that I think would be at least first steps toward that change and which would increase the chance, I think, of our avoiding what might very well be, if we continue to build up the armament race in the Pacific, a war in the Pacific.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. LAUSCHE. Returning to the thought which I originally expressed, I feel that in the face of the persistence of the Soviet penetration everywhere, and now within 100 miles of our shores, our country must try to develop allies among people who show a disposition to subscribe to the philosophy of liberty and democracy.

During the hearings I said to Secretary Herter that in my opinion, of all people in the Far East, the Japanese have shown a greater tendency to adopt our ways than had other people in that area.

This morning I saw a picture somewhere of little Korean boys in baseball uniforms. It may be that some of our basic thinking has penetrated into Korea.

Mr. MORSE. They love Indian suits, too.

Mr. LAUSCHE. That is correct. But I think by disposition Japan leans to the West. The treaty which we are considering today is more beneficial to our country than the treaty that we are abandoning if domination over a country is considered.

Mr. MORSE. I completely agree. I think it would be a matter of only a few years, anyway, when we would have had to abandon the other treaty, because I think if we had continued that practice of domination, we would have increased the danger of more and more Communist control in Japan, and there would be less likelihood of a Liberal Democratic Party, such as the Kishi party, winning the next election. Maybe they would not win the next election, but they might win two or three elections from now.

I think that is one of the strengths of the treaty. At least there is less military domination than previously existed.

I am worried, as I said, about the extent to which the treaty involves also the building up of some military power on the part of Japan itself, after we have done such a fine educational job in getting the Japanese people to reverse centuries of military philosophy and accept the notion of a demilitarized country.

Mr. LAUSCHE. I do not know whether it is generally understood, but the fact is that the treaty which we exacted as military conquerors imposed conditions upon the Japanese people that should not be imposed upon any dignified human beings.

Mr. MORSE. That is true, and yet it was a remarkably moderate and fair treaty in view of the public demand at the time. The Senator will remember—though it is so easy to forget—the attitude that prevailed in the United States following the Japanese war, because our boys had been subjected to some unbelievable atrocities, and the bitter feeling toward Japan and the people of Japan. It went beyond the Government of Japan; it went to the people of Japan.

Mr. LAUSCHE. That is correct.

Mr. MORSE. The feeling was very intense, and I felt that our Government was remarkably moderate in that treaty in view of what the emotional extremists at the time wanted us to exact from Japan.

Mr. LAUSCHE. I am glad the Senator agrees with me that if we wanted to be tyrannical and to remain conquerors, we would insist upon the terms of the treaty of 1951, which was finally approved in 1952. Those terms would have probably precipitated great difficulty, and instead of being beneficial, they would have been harmful to us.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. CASE of South Dakota. Mr. President, the Senator from South Dakota has listened with great interest to most of the debate, and he thinks that all this debate will be found useful in the days, weeks, and years ahead. I found myself intrigued by several of the observations that were made.

First, I refer to two or three of the observations which were just made in the exchange between the Senator from Ohio and the Senator from Oregon with respect to the retention of some of the features of the original 1951 treaty. I think history will demonstrate that any treaty must be lived with if we are to have self-respect between the engaging powers. If there were provisions in the

1951 treaty which, even if it was a moderate treaty under the temper of the times, were provisions which were somewhat onerous, let us say, to the Japanese, there would have to come a time when they would have to be changed.

The ratification of a treaty is a formal act. Living with a treaty is something else. It is much like the marriage vow. Marriage can be entered into as a formal contract, but the marriage is something that must be lived with day after day and in the years ahead. If it does not provide for mutual self-respect, or if in the carrying out of the contract there is no mutual self-respect, the contract will eventually fall.

It seems to me that it is in the interest of both Japan and the United States to have a treaty which each country can honor and retain its self-respect.

The treaty with Japan in 1951 was moderate in relation to the temper of the times, and to remind ourselves of how moderate it was all we need do is to compare it with the unconditional surrender which was imposed upon Germany earlier during World War II. The treaty with Japan, it always seemed to me, was better considered in that respect than the extreme conditions which were written into the unconditional surrender idea.

With respect to the importance of our maintaining troops or bases in Japan, and as to the justification that we should maintain such troops because Russia has troops in some of our satellite countries, we ought to remember, it seems to me, the principle of human psychology to which the Senator from Oregon has alluded when he said that over a period of time any country resents having foreign troops within its borders.

Mr. MORSE. Particularly a free people.

Mr. CASE of South Dakota. Particularly a free people. Even in countries which have surrendered or lost some of their freedom. I have no doubt that there are germs of resentment in the so-called satellite countries of Communist Russia, and that the real seeds of freedom will grow in those countries as that resentment increases.

Mr. MORSE. If the Senator will yield for one interruption—and I want him to continue with his discourse—the interesting thing about this to me is that our own American intelligence, working in those countries, is counting on what the Senator envisages. That happens to be one of the things we are counting on to eventually help overthrow these totalitarian governments. In a sort of negative way we hope it will prove the point we are making, that the resentment will be the seed of the revolt against the foreign government.

Mr. CASE of South Dakota. To the extent that the occupying power pushes these countries down or tightens the screws in them, the greater the resentment and the greater the possibility of an eventual explosion. The placing of foreign troops in any country where there is self-respect and a desire for freedom must in the long run be regarded as a liability to the country that tries to keep the troops there.

The only intelligent approach, it seems to me, is an attempt to respect, as conditions permit, the desire for liberty, the desire for self-respect, and the encouragement of democratic processes in the occupied country.

I am glad that the treaty does contain a 10-year provision, rather than an open end. I am glad that the Japanese, after 10 years, if they wish, can serve a 1-year notice and say the treaty will end after 1 year.

As the Japanese people consider this treaty, they will regard it as something in their favor. I regret as much as anyone can the situation which has developed in Japan in the last few weeks. I was in Japan over New Years Day. When I was there I had a talk with Ambassador MacArthur about the scope of the treaty. That was only 3 weeks before he came to Washington for the signing of the treaty. I came to Japan through southeast Asia, through Taiwan and Hong Kong. I thought I had obtained some impressions on the developing attitudes in the Far East.

The Senator from Oregon makes a point with regard to the way in which we count upon ferment in the satellite countries or occupied countries or depressed countries to be the yeast which will eventually lead to the overthrow of oppression.

In Hong Kong and in Taipei, the people who discuss these matters with visiting Members of Congress point to the fact that people in Red China are commencing to react against the pressure the present government of Red China places upon them. They point to reports of the long hours that people are compelled to work, on the way in which the policy of the present Chinese Government runs counter to the traditional respect for families, and the traditional respect for ancestors, and the way in which the present government of China is destroying traditional Chinese life. All these things are seized upon by our friends in Hong Kong and Taipei as evidence of the fact that eventually the policy of Mao must come to disaster in China.

We seize upon it. Therefore, in the long run oppression will bring about an explosion. I have no doubt that it is the aim of the Communist world to try to cause as much trouble as they can, to fish in as many troubled waters as they can. I believe the Communist world would like to neutralize Japan. I believe they would like to defeat in some manner the effective operation of the proposed treaty.

One cannot travel through Okinawa without realizing there are pressures at work to try to reduce the influence of the United States in the Ryukyu Islands. All of those things are at work. It is unfortunate not merely for the United States but also for Japan that these elements were given an opportunity to fan feelings into flame at this particular time.

On second thought I believe that the great majority of the Japanese people will see that the treaty is in the interest of their country, because it gives them a shield, because it gives them the protection of the United States against possible aggression. They are not in a position to defend themselves today. With the limitations that were placed upon the development of their military forces, what air force they have, what navy they have, and what ground forces they have must all be considered in terms of self-defense. It is a self-defense air arm. It is a self-defense navy. It is a self-defense ground unit. They must all be considered in terms of self-defense under the treaty. I do not believe that the number of troops—they cannot even be called troops—would be utterly inadequate to defend Japan against Communist aggression.

I am also convinced in my own mind that, given a little time, the Japanese people will thank God for the fact that there is in effect a treaty which gives them the shield of the United States.

Some questions were raised about the advantage of the treaty to the United States. It is asked what advantage is there to the United States to have this mutual security treaty in effect, when the United States assumes the big burden and cost of providing defense for Japan. What does it provide for us? That question can be answered simply by saying that if we were not there and aggression took place tomorrow, we would want to get there in the shortest time possible. Jet planes would not be fast enough. We are already there, with a deployment up and down the 1,500 miles of the islands that constitute the whole Japanese area there. We are already there. That is of some benefit to the United States under the pressures that exist.

In addition to that, I believe the treaty has other benefits. It makes possible a better exchange of cultural relations, better trade relationships, and things of that sort. We are in much better position today, if we act wisely with our personnel, than if we did not have them there.

I am glad that there is a termination date for the treaty, so that as these things grow, changes can be made. Perhaps the treaty will be succeeded by a treaty which will be more in the economic field. However, for the time being, I believe the treaty is a treaty of mutual interest. The Japanese people, on second thought, will be just as glad that it is in effect. I suspect that a majority of them are in favor of it.

There is one other point I wished to comment on, and this is where I take a little issue with my friend from Oregon. The Senator from Oregon suggests that it would be desirable if we had some allies with us in the treaty. First, I wish to point out—and I am sure that the Senator from Oregon is even more familiar with this than I am—that the treaty does repeatedly refer to the United Nations.

Mr. MORSE. I am going to quote that. I have that point marked for discussion.

Mr. CASE of South Dakota. It provides:

> Any armed attack * * * shall be immediately reported to the Security Council of the United Nations.

In the first article of the treaty there is provided:

> The parties undertake, as is set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means.

In the next sentence, the United Nations is mentioned again. It reads:

> The parties will endeavor in concert with other peace-loving countries to strengthen the United Nations so that its mission of maintaining international peace and security may be discharged more effectively.

Therefore, there is recognition in the treaty of the United Nations and of our allies.

The point at which I differ particularly with the Senator from Oregon is in wishing that there were other parties to the treaties. I do not suggest that Russia herself should have been made a party to the treaty. I think it is an oversimplification to make that statement. Yet it meets my point. I am glad Russia is not a party to the treaty, because I would not want Tokyo today to present a problem akin to that which Berlin presents. I do not see how we could have Russia come into partnership in the treaty without taking a chance that we would have a divided Tokyo, a Tokyo divided into sectors, as Berlin was divided into sectors, and perhaps be confronted with the problem of access and other problems which we find in our relationships with Berlin.

I thought Russia got considerably more out of the Japanese war than she put into it, for only a couple of days' participation, which was precipitated by the action which we took in August with the bomb. Russia hurried and rushed in, then asked for the fulfillment of the Yalta Treaty, and expected to take the Manchurian Railway, the Kuriles, and Sakhalin. I thought she got more out of the war than she put into it.

Thus, so far as making Russia a party to this particular treaty is concerned, I would not favor that. I do not regret that Russia is not a party to it.

At the same time, having said that—and I have already spoken longer than I said I would, to deliver myself of a few thoughts which have occurred to me as I listened to the debate this afternoon—I feel very deeply that it is impossible for the United States, on the one hand, and Russia, on the other, to continue the arms race without expecting that some day something will happen by miscalculation, by accident, or by some impetus or movement to cause a holocaust or catastrophe to come to the world.

I have believed that we should, at every possible opportunity, attempt to find ways to lessen the tension which exists in the world. That is why I have wholeheartedly supported the President in his efforts to find some way to lessen the tensions of the cold war.

I have some feelings, some convictions, concerning the way in which certain actions have been handled. I shall not take the time to dwell on them now. I recognize that the U–2 incident and the events which have followed have shaken our entire oversea posture. In some remarks on the floor before the "blowup" at Paris, I observed that I thought the U–2 incident meant we had to reexamine our military posture overseas. I said then that I thought it raised questions about the ratification of the Japanese treaty. I suggested that some clarification, at least, would be needed; and that if the situation became a little shaken in Japan, repercussions would be felt throughout the Far East. I think we shall have to take cognizance of that.

We shall have to recognize that the small countries of the world, the countries in which we have bases, do not want to become the first battleground in a nuclear war. We cannot expect small powers, up against the borders of the Communist world, to approve of our using bases in their countries as launching points for reconnaissance machines, or whatever they may be called. Such countries are simply too close to Russia. The inevitable result for them would be to be ground between the hammer and the anvil.

In recognizing that fact, I think we should reexamine our entire posture overseas, and place our emphasis on the development of a defense capability which will fall more upon our own self-reliance. That was the basis on which I supported, the other day, some of the changes in the defense appropriation bill. The B–70, the carrier, and the modernization of the Army, I thought, were movements in the direction of improving our own military posture. They are means by which we can depend upon ourselves. I thought the action which was taken was justified in the light of the present situation.

I have strayed a bit from the discussion of the treaty; but I believe what I have said is related to it, because the incidents which have led to the situation which we find expressed in the very regrettable incidents in Japan have their repercussions in our total security position.

So far as the treaty is concerned, I certainly intend to support it. I think it is in our interest to do so. I think it is likewise in the interest of the Japanese to do so. If it were not a mutually beneficial treaty, it could not live or survive, in any event. However, it is a mutually beneficial treaty; therefore, I shall vote for it. At the same time, I shall hope we will not consider that this treaty is the end of the matter. We shall have to live with this contract afterward; and day by day, week by week, month by month, and year by year we must seek to make the relationships between the United States and Japan a rich, fruitful experience, beneficial to us all.

Mr. MORSE. Mr. President, I deeply appreciate the contribution which the distinguished Senator from South Dakota has made to my discussion of the treaty this afternoon. Many of the reasons he expressed, up to the point where he expressed certain differences with points of view which I have expressed, are the same reasons which caused me to reach the decision I reached in the Committee on Foreign Relations to support the treaty. That is why I said at the beginning of my speech, in effect, that I thought the benefits of the treaty, read from its four corners, outweigh its disadvantages. I think the treaty has some advantages which I am seeking to develop this afternoon.

I shall comment, when I reach that point in my speech, concerning the factor of the United Nations, which I think is involved. I shall also comment concerning my view about what we ought to try to do to carry a peace offensive against Russia with respect to the treaty. It is not my view that, in doing so, we would set up Tokyo as another Berlin. I hope we will not make the same mistake twice. We must promptly take advantage of the opportunity which we have, and which I think we must use, to carry a peace offensive against Russia in respect to this treaty We must not give up the opportunity, which I think is ours to get our allies to play a greater part in solving the problems in the Pacific.

Furthermore we must not give up the opportunity to bring the United Nations into the picture. This we certainly have not done.

Mr. MANSFIELD. Mr. President, will the Senator from Oregon, who has already been so generous with his time, yield?

Mr. MORSE. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. First, I commend the Senator from Oregon for going into such great detail to express so frankly the views he has expressed. I think it is very worthwhile to put all the facts we can into the RECORD.

I may state again that I favor the treaty and shall vote for it, but that does not, by any means, mean that it is a perfect instrument. Far from it.

From the Japanese point of view, it is far better than the 1951 agreement.

According to the testimony of Assistant Secretary of State for Far Eastern Affairs J. Graham Parsons, as it appears on page 12 of the hearings before the Committee on Foreign Relations on Executive E, 86th Congress, 2d session, on January 7, 1960, the old treaty did not reflect the Japanese interest in the following respects:

> The United States was permitted to use bases in Japan without consulting the Japanese Government for actions in other parts of the Far East that might involve Japan in a war irrespective of her own desires.
>
> Second, the old treaty permitted the United States to bring into Japan whatever weapons she chose regardless of the wishes of the Japanese.
>
> Third, the old treaty provided for the intervention of U.S. forces in large-scale international disturbances in Japan.
>
> Then it provided for a U.S. veto over any arrangements for the entry of the forces of a third power into Japan. And finally, as has been stated, there were no provisions for the termination of the treaty.

I should say that from the point of view of the United States, the new treaty, the one under consideration now, creates problems and raises questions, as the Senator from Oregon is so ably bringing out. According to testimony at the hearings, which the Senator from Oregon attended, a question arose as to what would happen if an opposition party or a party opposed to Mr. Kishi came to power. The question was whether it would be possible for the new party to

disavow the treaty now under consideration, if it is ratified. I believe the answer was, "Yes, it could."

I think we ought to point out that even though this is a 10-year treaty, with a 1-year period added, to make it an 11-year treaty, during which time either side can give notice of withdrawing from the treaty, in my opinion it would be possible at any time, after the treaty shall be ratified, for renegotiations to take place in view of changed conditions.

One way would be voluntary action on the part of the two Governments.

Another way would be if perhaps some party different from the one which Kishi represents came into power, and had different ideas—not that I am advocating that; I am simply raising the possibility.

Both the Senator from Oregon and the Senator from Ohio [Mr. LAUSCHE] will recall that the State Department and the Department of Defense consider the treaty satisfactory from a security point of view. They informed us that the treaty has been 16 months in the making, and that it represents a reassessment of our position vis-a-vis Japan, and, by the same token, the position of Japan vis-a-vis the United States. It represents the achievement of equality to a degree on the part of Japan, and the acquiescence of Japan to our use of the bases there, on conditions agreeable to the Japanese.

I hope that as time passes, Japan—as the Senator from Oregon has said—will more and more take care of her own defense. It would be on that basis that we could begin to consider the possibility of withdrawal from Japan.

I am sure the same reasoning would apply to the Bonins and to Okinawa, in which the "residual sovereignty" of Japan is recognized. The use of the term "residual sovereignty" recognizes the fact that when real peace and stability are achieved, these areas will, as a matter of course and as a matter of right, be returned to Japan.

In view of developments to date, in my opinion it is now too late to consider a reservation, because we have reached the "take it or leave it" stage. The treaty is better for Japan than it is for the United States; but the treay does keep Japan and the United States together; it does keep Japan allied with the West; it does recognize a mutual dependence—which is very important in any consideration—of peace and of stability in the Pacific.

I wished to make these remarks while I had a chance to do so, especially in view of the fine, outstanding speech being made by the Senator from Oregon.

I desire to point out that some of these questions were raised in the committee. For instance, the question of the legality of the ratification of the treaty by the lower house of the Japanese Parliament was raised. We were assured by Secretary Herter that that was entirely legal, insofar as we know. The question of questionability was raised; and Secretary Herter replied, "I do not think it is questionable. It has been questioned; but a quorum was present, and all the normal legislative procedures were complied with."

Question was also raised at that time about the Ryukyu Islands and the Bonin Islands, as well as other matters very pertinent to the debate now under way.

I desire to thank the Senator from Oregon for his courtesy, and I wish to assure him that I appreciate his kindness in giving me this time.

If I may, I now ask unanimous consent that the colloquy between Secretary Herter and me, at the time of the holding of the 1-day hearing on the treaty, be printed at this point in the RECORD.

Mr. MORSE. Certainly.

The PRESIDING OFFICER. Is there objection?

There being no objection, the excerpt from the hearing was ordered to be printed in the RECORD, as follows:

SIGNERS OF THE TREATY

Senator MANSFIELD. This treaty now before the Senate Committee on Foreign Relations was initiated by the Kishi government?

Secretary HERTER. Yes.

Senator MANSFIELD. This treaty was initiated or signed by Prime Minister Kishi and President Eisenhower on January 19, last?

Secretary HERTER. It was not signed by President Eisenhower. I signed and—Mr. Parsons and I signed and Ambassador MacArthur signed on behalf of the United States.

STATUS OF THE BONIN AND RYUKYU ISLANDS

Senator MANSFIELD. Now, the Bonins and the Ryukyus will be returned to Japan once a stable peace has been achieved in the Far Eastern area?

Secretary HERTER. Excuse me?

Senator MANSFIELD. The Bonins and the Ryukyus will be returned to Japan once peace and stability has been achieved in the Far Eastern area. Is that the intention of the U.S. Government?

Secretary HERTER. That has always been the interpretation of the phrase, "residual sovereignty."

DURATION OF THE TREATY

Senator MANSFIELD. Why is there a 10-year, really an 11-year, treaty under consideration rather than a standard 1-year treaty?

Secretary HERTER. Well, when as extensive rights as base rights that were given to us were envisaged a longer term treaty seemed to be to our mutual advantage so that there wouldn't be a sudden shift that might take place perhaps because of a political gesture of some kind. This would insure that for at least a 10-year period this mutual relationship could continue.

CIRCUMSTANCES OF APPROVAL OF TREATY BY LOWER HOUSE OF JAPANESE DIET

Senator MANSFIELD. Under what conditions did the Japanese Lower House approve the treaty last month?

Secretary HERTER. That—I tried to describe that rather briefly. The conditions were very disturbed in that the Japanese Socialist Party tried to keep the speaker of the House from getting to his desk for 6 hours or so; they kept him a prisoner.

Finally, the police were called in and the Socialists were removed forcibly in order to allow the speaker to get into the Diet chamber. At that time, the ratification took place by very considerable over the majority required.

Senator MANSFIELD. Was that ratification legal?

Secretary HERTER. Entirely legal so far as we know.

Senator MANSFIELD. Was it questionable?

Secretary HERTER. I dont think it was questionable. It has been questioned, but there was a quorum present and all the normal legislative procedures had been complied with.

Senator MANSFIELD. The reason I raise the question is that it is my understanding that the Socialists stayed away en masse and did not participate in this vote.

Secretary HERTER. That was a voluntary abstention on their part.

Senator MANSFIELD. Did the one Communist member in the Lower House appear at that time, or did he likewise stay away?

Secretary HERTER. I am not sure, but it is my impression he stayed away, too. He stayed away.

EFFECT ON TREATY OF A CHANGE IN THE JAPANESE GOVERNMENT

Senator MANSFIELD. If the Kishi government were replaced by a neutralist government, let us say, and this treaty was in force, do you think the subsequent government following Kishi would adhere to the agreement entered into between the two countries?

Secretary HERTER. Well, that is entirely a matter of speculation as to whether a successor government would abide by its international obligations or not.

IMPORTANCE OF THE TREATY

Senator MANSFIELD. Mr. Chairman, I have no more questions, but I want to make one brief statement. I think this is a good treaty. I think it is beneficial to both Japan and the United States, and it is my belief that the peace of the Pacific may well be determined by the continued partnership, understanding, and unity of these two countries which occupy such an important position in the Pacific area.

That is all, Mr. Chairman.

Mr. MORSE. Mr. President, I wish to thank the Senator from Montana very much for his contribution to this discussion.

As he knows, in the committee, I joined him in the views he expressed there; and I took the position that I would vote for the treaty because I think its benefits far outweigh its disadvantages.

On the other hand, I believe that some of the disadvantages and some of the implications of the treaty need to be pointed out during the course of the debate on ratification. That is why I am doing so today.

Mr. LAUSCHE. Mr. President——

Mr. MORSE. Mr. President, before I yield to my good friend, the Senator from Ohio, I ask unanimous consent to have printed in the RECORD, at the end of my remarks, the full text of the Japanese Treaty of 1951, because I believe the Senator from Ohio is about to discuss certain portions of it, and I believe the entire treaty should be in the RECORD, so those who read the RECORD will be able to refer to it.

The PRESIDING OFFICER (Mr. MCGEE in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. LAUSCHE. Mr. President——

Mr. MORSE. I yield.

Mr. LAUSCHE. The Senator from Montana has enumerated five respects in which we have made concessions to Japan in the proposed new treaty, as compared with the treaty of 1952.

The mysterious aspect of the whole confused situation of mob rule in Tokyo becomes rather pointed when we realize that from the time when the new treaty was proposed, the Communists began to oppose it. For 15 months they have been propagandizing, provoking disorders, and stimulating opposition to a treaty which

admittedly is better for Japan than the 1952 treaty.

Therefore, it is proper to ask why the Soviets have provoked disorder and have urged rejection of this treaty, which any reasonable person must concede is better than the 1952 treaty.

At the risk of repeating too much, I shall again enumerate the five provisions of the treaty which the Senator from Montana identified a moment ago.

The 1952 treaty, exacted by a conqueror from a conquered people, provided, among other things, the following:

First, the United States was permitted to use bases in Japan, without consulting the Japanese Government, for actions in other parts of the Far East that might involve Japan in war, irrespective of her own desires.

Mr. President, certainly the good, peace-loving American people would not wish to impose such a condition, even upon a conquered people.

Second, the old treaty, which is still in existence, permitted the United States to bring into Japan whatever weapons the United States might choose, regardless of the wishes of the Japanese.

In that connection, I make the same observation—namely, that we are not blood-lusty people; we do not wish to exact from the Japanese people the concession that we can bring into their land thermonuclear or nuclear weapons, without allowing the Japanese people to say anything about that.

Third, the 1952 treaty provided for intervention by U.S. forces in any large-scale international disturbances in Japan. We declared that the Japanese people shall be a free and sovereign people, but the 1952 treaty provided that our forces would be allowed to enter Japan and to quell or otherwise handle any disturbances which might occur there.

Fourth, the 1952 treaty provided for a U.S. veto over any arrangements for the entry into Japan of the forces of a third power.

The Senator from Oregon has observed that we said, "You shall deal with no one but us. You shall allow only our forces to be with you." That amounts to an exaction by a conqueror, not an effort by a fellow nation to seek peace and dignity in the world.

Fifth, the 1952 treaty had no terminal date; it was to continue indefinitely, with these rights vested in the United States.

The point I am trying to make is the mystery of the Communists stimulating Japanese youth and socialists into demonstrations against our Government when we made concessions which would never have been made by the Soviet, and would have been made only by a people of our character, who were seeking peace.

I thank the Senator from Oregon very much for yielding.

Mr. MORSE. I thank the Senator from Ohio very much. I think it is important to have in the RECORD the material which the Senator from Ohio has put in it.

Mr. President, I shall not yield further until I finish my remarks. I think I can conclude in 15 minutes if I am not interrupted. Then, if any Senator wishes to ask me a question when I am through, I shall be very glad to yield. There are two or three loose ends I wish to tie up which need to be tied up in view of the discussion during the interruption. Then I shall return to my speech in the order in which I had intended to give it.

Relating to the period of the treaty for 10 years, with a year's notification for its termination at the end of 11 years, the Senator from Montana [Mr. MANSFIELD], has said there is no doubt about the fact that, voluntarily, the two countries could negotiate for a modification of the treaty or the ending of the treaty during the 10-year period. However, the fact is they did agree to a period of 10 years, and that puts the initiator at a great disadvantage if it seeks to bring to an end a treaty to which it has put its signature.

Therefore, as I expressed in some of our discussions in committee, I think it would have been better if there had been a specific clause in the treaty that would have provided further opportunity on the part of either party to request negotiations at the end of the second year, or at the end of any year thereafter. I think such a provision would have eliminated some of the propaganda advantage that I understand both the Communist forces and the moderate forces in Japan are making use of in their attack on the treaty—that this is an attempt on the part of Kishi to tie up Japan in a straitjacket for 10 years under this treaty. A little change in the language, I think, could have avoided that propaganda advantage on the part of those who are making it. But, as the Senator from Montana has said, it became too late to seek to improve the treaty by reservation, and it was very much a take-it-or-leave-it proposition. I recognize that fact, and I, therefore, make these points only by way of a record of the debate on the treaty here in the Senate.

Then, too, some mention has been made as to the effect of the U–2 incident. I do not propose to discuss it other than to point out that I think Walter Lippmann again is unanswerably right when he comments on the effect of the U–2 incident on the uprisings and demonstrations in Japan. I think the incident was unfortunate from the very beginning. I have not only said publicly, but I am perfectly willing to repeat today, I do not think we should have used any U–2 plane over any country at any time, because, in my judgment, under international law, it constitutes aggression. I think we are guilty of it. I think we shall be guilty of it in all history as a nation that resorted to aggression by use of a U–2 plane.

I do not think we have heard the last of its psychological effects on our friends in the world. Our allies are remarkably silent about it. Their silence is attributable, I believe, to the fact that they cannot say anything good about it. They know any attempt upon their part to come right out and support the United States use of the U–2 plane flights for espionage purposes cannot be justified under international comity. I think it was a stupid, shortsighted mistake on the part of our Government. But, it has happened, and again I say, there is no sense in crying over spilt milk. At this point we must ask ourselves, "Where do we go from here?"

As Walter Lippmann has pointed out, one of the effects of the U–2 incident among our friends, where we have bases, is that they are much concerned because they cannot be too sure—and who can be sure?—as to whether or not the Russians will completely lose their heads and, by a madman's mistake, carry out the threat of their air marshal, which seems to have been underwritten by Khrushchev, that, if they have any evidence that a plane leaves any base in order to fly over Russia, they will fire on that base. I think that threat has provided a propaganda advantage which is a part of the great cost of the U–2 incident. So much for that. It is a mistake we must live with. I think it lends support to the argument I shall make, before I close, as to the importance of our trying to get our allies to join with us in some United Nations action in the great cause of trying to win the peace before it is too late.

Before I turn to the 1951 treaty and make the comments I was going to make on it, I wish to make another point as to the matter of tying in the ratification of this treaty.

The Senator from Montana [Mr. MANSFIELD] spoke about what would be the effect of a Japanese election in which the Liberal Democratic Party was thrown out, or the Liberal Democratic Party won and there were some change of attitude on the part of the winning group in regard to the treaty.

It has bothered me, Mr. President, as to whether or not we ought to ratify the treaty until after the Japanese election. I have decided to go along with ratification now, although I think a very good argument could be made for recognizing that the treaty is at least one of the major issues involved in the political struggle going on inside Japan at the present time. Undoubtedly this struggle will lead to an election, and the treaty will be a subject matter for discussion in that election.

I do not know, and I do not see how anyone can be sure, what the political effect in Japan in respect to that election will be by reason of our ratifying it in advance of the election. I am willing, however, on this occasion to take the advice of our Ambassador in Tokyo, Mr. MacArthur. I am glad there was reference made by the Senator from South Dakota [Mr. CASE] to Ambassador MacArthur. There have been writings recently that have seemed to be somewhat critical of our Ambassador, and I think this word of commendation needs to be spoken in the midst of this debate. I think Ambassador MacArthur has been doing a remarkable job in Tokyo.

I think he has been a very good "good will" Ambassador for the United States

in Tokyo. I base that upon my own observations when I was in Japan, as to the stature he has attained and the confidence the leaders of Japan have in him. I do not share some of the criticism to the effect that he should not have advised the President to come to Japan. After all, that was obviously the wish of the Japanese Government. When Ambassador MacArthur was giving that advice to our President, he was doing it upon the basis of what he believed to be good assurances that no untoward incidents which could not be controlled by the Japanese Government would occur, and his feeling that the overall good will the President would create in Tokyo would be a pretty good check on the progress which Communist propaganda seemed to be making.

It all did not work out that way, but I do not think there is any basis in fact for the criticism of the Ambassador for the course of action or the policies followed in respect to it.

Mr. President, I return to the thesis which I was discussing before I yielded to the Senator from South Dakota, the Senator from Montana and the Senator from Ohio.

I have already received permission to have printed in the RECORD the Peace Treaty of September 8, 1951, but I wish to read the first paragraph or two. Then I shall make a brief comment.

Whereas the Allied Powers and Japan are resolved that henceforth their relations shall be those of nations which, as sovereign equals, cooperate in friendly association to promote their common welfare and to maintain international peace and security, and are therefore desirous of concluding a Treaty of Peace which will settle questions still outstanding as a result of the existence of a state of war between them;

Whereas Japan for its part declares its intention to apply for membership in the United Nations and in all circumstances to conform to the principles of the Charter of the United Nations; to strive to realize the objectives of the Universal Declaration of Human Rights; to seek to create within Japan conditions of stability and well-being as defined in Articles 55 and 56 of the Charter of the United Nations and already initiated by post-surrender Japanese legislation; and in public and private trade and commerce to conform to internationally accepted fair practices;

Whereas the Allied Powers welcome the intentions of Japan set out in the foregoing paragraph;

The Allied Powers and Japan have therefore determined to conclude the present Treaty of Peace, and have accordingly appointed the—

and so on. I cite these paragraphs because they bear on the point I made earlier in my speech that after World War II, we really functioned as the chief spokesman and negotiator for the Allied Powers. We find that also true with respect to the Security Treaty between the United States and Japan of September 8, 1951.

Mr. President, I ask unanimous consent to have the Security Treaty printed in the CONGRESSIONAL RECORD following the Treaty of Peace with Japan, at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit 2.)

Mr. MORSE. All through our negotiations since World War II, Mr. President, we have been the chief spokesman for the allies and, in effect, we have been granted power of attorney by the Allied Nations in dealing with Japan.

With that as the background, I think it is all the more important that greater attention should have been paid to my point that the Allied Powers should have been specifically drawn into the matter of negotiating a new treaty with Japan and should have played a very active part.

What about the possible role of Russia? It would have been a pretty good test to see what Russia's demands would have been, or what Russia's attitude would have been, as to whether she would have been willing to cooperate at all. I happen to hold to the point of view that we ought always to keep the Soviet Union on the spot in the United Nations and before the people of the world in the matter of the course of action she is willing to follow in promoting peace. I happen to think that for propaganda purposes, for so-called psychological purposes in relation to the people in the underdeveloped areas of the world, we lost another opportunity to demonstrate again who is seeking to prevent the development of a permanent system of peace in the world.

I think it is probably true that Russia would not have gone along. If she did not, or if she took a position which was completely unacceptable, as she took at Berlin—which ought to have been considered unacceptable at the time—we would not have had to consummate any treaty with her as a party thereto. But instead of doing that, we have repeated which I think is a mistake in foreign policy. We have entered into another bilateral arrangement, and we have entered into it really, in spite of what I shall quote from the treaty in a moment, without the participation of the United Nations. I think we have to stop that course of action. I think we have to stop our bilateral pacts, because I fear that our bilateral pacts are increasing the danger of war.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. MORSE. I wish to finish my remarks. I have been yielding for a long time. I do not wish to wear out those Senators who are not present, who may say, "Is that fellow still talking?"

This would have been a relatively short speech if I had not yielded so much to my colleagues. I wish to finish my main speech, and then I shall be glad to yield to the Senator from Louisiana.

I think this bilateral course of action upon our part is having a tendency to speed up the nuclear armaments race. I think this is going to help speed it up. I think we need a slowdown in it. We need, as I said before, to keep ourselves so strong that Russia will not dare to attack. But we have to bring our allies into the program with us.

It is true, as the Senator from South Dakota pointed out in his colloquy—and as Senators will find stated in the committee report on page 5—that under article VII the two parties disavow any possible conflict between the terms of the treaty and the Charter of the United Nations, which they acknowledge as a higher authority. But that is only a bilateral agreement between Japan and the United States. There is no participation of the United Nations in that determination.

There is also cited the primary responsibility of the United Nations for the maintenance of international peace and security, but that does not bring the United Nations into the treaty.

All this amounts to, after all, is that Japan and the United States are bowing respectfully to the United Nations in language form. In fact, in no way is the United Nations brought into the treaty as a party.

Articles VIII and IX define the means by which the pending treaty supersedes the existing agreement.

Article X declares that the treaty shall remain in force until such time as the two parties are persuaded that the maintenance of peace and security within the Japan area is within the capability of the United Nations, and decide to terminate it.

The interesting thing is that even in language form Japan and the United States recognize the desirability to make a bow of courtesy to the United Nations.

I would have them do more than that. I would have them use the United Nations. I would at least try to make the United Nations a party to any international agreement which involves military defense, military security, or military agreement which is entered into henceforth. I happen to believe it is important that as rapidly as we can—and it will take years—we get the United Nations to supersede the nations in maintaining the security of the world.

One of the things I do not like about this treaty is that, in my judgment, it does not strengthen that approach to world peace. It is a long way away. Instead of American military power pledging itself under this treaty to maintain peace in the Pacific, we ought to move as rapidly as we can to the point that we can place in United Nations the responsibility for maintaining peace in the Pacific through United Nations forces, and not U.S. forces.

Again I say that if we do not come to that point, there will be no permanent peace. The countries which make these bilateral military pacts, of which this is one, and similar ones entered into by the Communist segment of the world, will finally engage in contests and the holocaust will be on.

This is not a new position for the Senator from Oregon. For years in the Senate I have either opposed such pacts or I have raised my voice in trying to point out the implications and the mental reservations we ought to have in regard to such pacts, as I am doing this afternoon in regard to this one.

In 1955 I fought the Formosa doctrine and the Formosa resolution, and I am glad I did so. I proposed then a United Nations trusteeship over the Formosa Straits and, because the United Nations had no police force, I included a pledge

then that the United States guarantee to the United Nations that we would defend Formosa and the Pescadores from a Communist blood bath or from any attack by the Communists. I think it is unfortunate that Formosa today is not under a United Nations trusteeship, because in my judgment Formosa today is one of the great potential threats to the peace of the world. I pray to my God that we will not have to experience that threat once Red China becomes a nuclear power.

That is why I have said so many times I think we have only about 10 years to win this peace. I think we have only about 10 years to avoid a nuclear war. I believe if this mad, immoral, nuclear armament race continues for another 10 years, the holocaust will be inevitable. That is why I prefer a United Nations treaty to a bilateral treaty this afternoon or, rather, a United Nations compact whereby the United Nations would assume the responsibility for maintaining the peace in the Pacific area.

Of course, that means we must have a program that will set up a workable arrangement whereby the United Nations will have the international police force that will make it possible to maintain the peace. It means something else, too. It means that in the 10-year period we must find, with the reasoning power that God gave man, a basis for setting up an international judicial system, the decisions of which would be enforced by the United Nations, so that we shall not be confronted with all the implications of a military pact which, no matter what one says about it, means that it carries with it the potentiality that Japan and the United States may possibly find themselves in armed combat against Red China and Red Russia in that area of Asia and the Pacific.

These are some of the reservations I thought we ought to take note of as we come to vote for the treaty this afternoon. I am going to vote for it, but I hope that within the 10-year period we shall be able to carry out the procedure that the Senator from Montana [Mr. MANSFIELD] suggested is inherent in this language, namely, that the parties themselves voluntarily agree to negotiate a new understanding. I hope that within that 10-year period we can negotiate with Japan a scrapping of this treaty along with the scrapping of other military pacts, because we will have been able to attain, through the United Nations, an agreement and the procedures to enforce such agreement that will make forever unnecessary this type of a military pact.

I go to the United Nations this fall as a delegate of the Senate in association with my dear friend from Vermont [Mr. AIKEN], and under the leadership of our Ambassador in the United Nations, Henry Cabot Lodge. If the treaty is confirmed, I shall do what I can within the framework of American policy to try to strengthen the judicial articles of the United Nations Charter to the end that in our time we can make a constructive contribution to the establishment of a system of international justice through law, for which the great Arthur Vandenberg so eloquently pleaded in the Senate in a series of historic speeches he made before his untimely death. I would call attention to his plea again this afternoon.

There is no hope for permanent peace, and in my judgment there is no hope for the survival of America, Western civilization, and Russian civilization unless the great powers of the world in the next 10 years put into force a practice and system of international justice through law, enforced not by Russia, not by the United States, not by any combination of nations working by way of military pacts outside of the United Nations, but by the United Nations through the enforcement procedures that were placed in it.

I yield the floor.

EXHIBIT 1

TREATY OF PEACE, SEPTEMBER 8, 1951 [1]

Whereas the Allied Powers and Japan are resolved that henceforth their relations shall be those of nations which, as sovereign equals, cooperate in friendly association to promote their common welfare and to maintain international peace and security, and are therefore desirous of concluding a Treaty of Peace which will settle questions still outstanding as a result of the existence of a state of war between them;

Whereas Japan for its part declares its intention to apply for membership in the United Nations and in all circumstances to conform to the principles of the Charter of the United Nations; to strive to realize the objectives of the Universal Declaration of Human Rights; to seek to create within Japan conditions of stability and well-being as defined in Articles 55 and 56 of the Charter of the United Nations and already initiated by post-surrender Japanese legislation; and in public and private trade and commerce to conform to internationally accepted fair practices;

Whereas the Allied Powers welcome the intentions of Japan set out in the foregoing paragraph;

The Allied Powers and Japan have therefore determined to conclude the present Treaty of Peace, and have accordingly appointed the undersigned Plenipotentiaries, who, after presentation of their full powers, found in good and due form, have agreed on the following provisions:

CHAPTER I

Peace

Article 1

(a) The state of war between Japan and each of the Allied Powers is terminated as from the date on which the present Treaty comes into force between Japan and the Allied Power concerned as provided for in Article 23.

(b) The Allied Powers recognize the full sovereignty of the Japanese people over Japan and its territorial waters.

CHAPTER II

Territory

Article 2

(a) Japan, recognizing the independence of Korea, renounces all right, title and claim to Korea, including the islands of Quelpart, Port Hamilton and Dagelet.

(b) Japan renounces all right, title and claim to Formosa and the Pescadores.

(c) Japan renounces all right, title and claim to the Kurile Islands, and to that portion of Sakhalin and the islands adjacent to it over which Japan acquired sovereignty as a consequence of the Treaty of Portsmouth of September 5, 1905.[2]

(d) Japan renounces all right, title and claim in connection with the League of Nations Mandate System, and accepts the action of the United Nations Security Council of April 2, 1947, extending the trusteeship system to the Pacific Islands formerly under mandate to Japan.[3]

(e) Japan renounces all claim to any right or title to or interest in connection with any part of the Antarctic area, whether deriving from the activities of Japanese nationals or otherwise.

(f) Japan renounces all right, title and claim to the Spratly Islands and to the Paracel Islands.

Article 3

Japan will concur in any proposal of the United States to the United Nations to place under its trusteeship system, with the United States as the sole administering authority, Nansei Shoto south of 29° north latitude (including the Ryukyu Islands and the Daito Islands), Nanpo Shoto south of Sofu Gan (including the Bonin Islands, Rosario Island and the Volcano Islands) and Parece Vela and Marcus Island.[4] Pending the making of such a proposal and affirmative action thereon, the United States will have the right to exercise all and any powers of administration, legislation and jurisdiction over the territory and inhabitants of these islands, including their territorial waters.

Article 4

(a) Subject to the provisions of paragraph (b) of this Article, the disposition of property of Japan and of its nationals in the areas referred to in Article 2, and their claims, including debts, against the authorities presently administering such areas and the residents (including juridical persons) thereof, and the disposition in Japan of property of such authorities and residents, and of claims, including debts, of such authorities and residents against Japan and its nationals, shall be the subject of special arrangements between Japan and such authorities. The property of any of the Allied Powers or its nationals in the areas referred to in Article 2 shall, insofar as this has not already been done, be returned by the administering authority in the condition in which it now exists. (The term nationals whenever used in the present Treaty includes juridical persons.)

(b) Japan recognizes the validity of dispositions of property of Japan and Japanese nationals made by or pursuant to directives of the United States Military Government in any of the areas referred to in Articles 2 and 3.

(c) Japanese owned submarine cables connecting Japan with territory removed from Japanese control pursuant to the present Treaty shall be equally divided, Japan re-

[1] TIAS 2490; 3 UST, pt. 3, p. 3169. Ratification advised by the Senate, Mar. 20, 1952, subject to a declaration (see infra); ratified by the President, Apr. 15, 1952; entered into force, Apr. 28, 1952.

[2] Foreign Relations of the United States, 1905, pp. 824–828.

[3] TIAS 1665; 61 Stat., pt. 3, p. 3301.

[4] The United States was designated as the administering authority of all trust territories formerly administered by Japan under mandate of the League of Nations by a resolution adopted by the U.N. Security Council, Apr. 2, 1947 ("A Decade of American Foreign Policy," pp. 1031–1035). All of the territories referred to here in article 3 have remained under United States jurisdiction and outside of the U.N. trusteeship system with a view to their eventual return to Japanese sovereignty. The Amami Oshima group of the Ryukyu Islands reverted to Japanese sovereignty by the terms of a United States-Japanese agreement signed Dec. 24, 1953 (TIAS 2895; 4 UST, pt. 2, p. 2912). See infra, p. 2430.

taining the Japanese terminal and adjoining half of the cable, and the detached territory the remainder of the cable and connecting terminal facilities.

CHAPTER III

Security

Article 5

(a) Japan accepts the obligations set forth in Article 2 of the Charter of the United Nations, and in particular the obligations.

(i) to settle its international disputes by peaceful means in such a manner that international peace and security, and justice, are not endangered;

(ii) to refrain in its international relations from the threat or use of force against the territorial integrity or political independence of any State or in any other manner inconsistent with the Purposes of the United Nations;

(iii) to give the United Nations every assistance in any action it takes in accordance with the Charter and to refrain from giving assistance to any State against which the United Nations may take preventive or enforcement action.

(b) The Allied Powers confirm that they will be guided by the principles of Article 2 of the Charter of the United Nations in their relations with Japan.

(c) The Allied Powers for their part recognize that Japan as a sovereign nation possesses the inherent right of individual or collective self-defense referred to in Article 51 of the Charter of the United Nations and that Japan may voluntarily enter into collective security arrangements.

Article 6

(a) All occupation forces of the Allied Powers shall be withdrawn from Japan as soon as possible after the coming into force of the present Treaty, and in any case not later than 90 days thereafter. Nothing in this provision shall, however, prevent the stationing or retention of foreign armed forces in Japanese territory under or in consequence of any bilateral or multilateral agreements which have been or may be made between one or more of the Allied Powers, on the one hand, and Japan on the other.[5]

(b) The provisions of Article 9 of the Potsdam Proclamation of July 26, 1945,[6] dealing with the return of Japanese military forces to their homes, to the extent not already completed, will be carried out.

(c) All Japanese property for which compensation has not already been paid, which was supplied for the use of the occupation forces and which remains in the possession of those forces at the time of the coming into force of the present Treaty, shall be returned to the Japanese Government within the same 90 days unless other arrangements are made by mutual agreement.

CHAPTER IV

Political and economic clauses

Article 7

(a) Each of the Allied Powers, within one year after the present Treaty has come into force between it and Japan, will notify Japan which of its prewar bilateral treaties or conventions with Japan it wishes to continue in force or revive, and any treaties or conventions so notified shall continue in force or be revived subject only to such amendments as may be necessary to ensure conformity with the present Treaty.[7] The treaties and conventions so notified shall be considered as having been continued in force or revived three months after the date of notification and shall be registered with the Secretariat of the United Nations. All such treaties and conventions as to which Japan is not so notified shall be regarded as abrogated.

(b) Any notification made under paragraph (a) of this Article may except from the operation or revival of a treaty or convention any territory for the international relations of which the notifying Power is responsible, until three months after the date on which notice is given to Japan that such exception shall cease to apply.

Article 8

(a) Japan will recognize the full force of all treaties now or hereafter concluded by the Allied Powers for terminating the state of war initiated on September 1, 1939, as well as any other arrangements by the Allied Powers for or in connection with the restoration of peace. Japan also accepts the arrangments made for terminating the former League of Nations and Permanent Court of International Justice.

(b) Japan renounces all such rights and interests as it may derive from being a signatory power of the Conventions of St. Germain-en-Laye of September 10, 1919,[8] and the Straits Agreements of Montreux of July 20, 1936,[9] and from Article 16 of the Treaty of Peace with Turkey signed at Lausanne on July 24, 1923.[10]

(c) Japan renounces all rights, title and interests acquired under and is discharged from all obligations resulting from, the Agreement between Germany and the Creditor Powers of January 20, 1930, and its Annexes, including the Trust Agreement, dated May 17, 1930;[11] the Convention of January 20, 1930, respecting the Bank for International Settlements;[12] and the Statutes of the Bank for International Settlements.[13] Japan will notify to the Ministry of Foreign Affairs in Paris within six months of the first coming into force of the present Treaty its renunciation of the rights, title and interests referred to in this paragraph.

Article 9

Japan will enter promptly into negotiations with the Allied Powers so desiring for the conclusion of bilateral and multilateral agreements providing for the regulation or limitation of fishing and the conservation and development of fisheries on the high seas.[14]

Article 10

Japan renounces all special rights and interests in China, including all benefits and privileges resulting from the provisions of the final Protocol signed at Peking on September 7, 1901,[15] and all annexes, notes and documents supplementary thereto, and agrees to the abrogation in respect to Japan of the said protocol, annexes, notes and documents.

Article 11

Japan accepts the judgments of the International Military Tribunal for the Far East[16] and of other Allied War Crimes Courts both within and outside Japan, and will carry out the sentences imposed thereby upon Japanese nationals imprisoned in Japan. The power to grant clemency, to reduce sentences and to parole with respect to such prisoners may not be exercised except on the decision of the Government or Governments which imposed the sentence in each instance, and on the recommendation of Japan. In the case of persons sentenced by the International Military Tribunal for the Far East, such power may not be exercised except on the decision of a majority of the Governments represented on the Tribunal, and on the recommendation of Japan.

Article 12

(a) Japan declares its readiness promptly to enter into negotiations for the conclusion with each of the Allied Powers of treaties or agreements to place their trading, maritime and other commercial relations on a stable and friendly basis.[17]

(b) Pending the conclusion of the relevant treaty or agreement, Japan will, during a period of four years from the first coming into force of the present Treaty

(1) accord to each of the Allied Powers, its nationals, products and vessels

(i) most-favored-nation treatment with respect to customs duties, charges, restrictions and other regulations on or in connection with the importation and exportation of goods;

(ii) national treatment with respect to shipping, navigation and imported goods, and with respect to natural and juridical persons and their interests—such treatment to include all matters pertaining to the levying and collection of taxes, access to the courts, the making and performance of contracts, rights to property (tangible and intangible), participation in juridical entities constituted under Japanese law, and generally the conduct of all kinds of business and professional activities;

(2) ensure that external purchases and sales of Japanese state trading enterprises shall be based solely on commercial considerations.

(c) In respect to any matter, however, Japan shall be obliged to accord to an Allied Power national treatment, or most-favored-nation treatment, only to the extent that the Allied Power concerned accords Japan national treatment or most-favored-nation treatment, as the case may be, in respect to the same matter. The reciprocity envisaged in the foregoing sentence shall be determined, in the case of products, vessels and juridical entities of, and persons domiciled in, any non-metropolitan territory of an Allied Power, and in the case of juridical entities of, and persons domiciled in, any state or province of an Allied Power having a federal government, by reference to the treatment accorded to Japan in such territory, state or province.

(d) In the application of this Article, a discriminatory measure shall not be considered to derogate from the grant of national or most-favored-nation treatment, as the case may be, if such measure is based on an

---

[5] See the United States-Japanese Security Treaty of Sept. 8, 1951, and the attendant Administrative Agreement of Feb. 28, 1952 (infra, pp. 885–886 and 2406–2423) and the agreement respecting the status of U.N. forces in Japan, signed at Tokyo, Feb. 19, 1954 (TIAS 2995; 5 UST, pt. 2, p. 1123).

[6] "A Decade of American Foreign Policy," pp. 49–50.

[7] See the United States note to Japan, Apr. 22, 1953; Department of State Bulletin, May 18, 1953, pp. 721–722.

[8] Treaty Series 779 (46 Stat. 2199 ff.) and Treaty Series 877 (49 Stat. 3027 ff.).

[9] League of Nations Treaty Series, vol. 173, pp. 213 ff.

[10] Ibid, vol. 28, pp. 11–113.

[11] "British and Foreign State Papers," vol. 132, pp. 411 ff.

[12] Ibid, pp. 525–528.

[13] Ibid, pp. 528–538.

[14] See the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed by the United States, Canada, and Japan, May 9, 1952; TIAS 2786 (4 UST 380).

[15] Treaty Series 397. (Not reprinted in the Statutes at Large.)

[16] See "International Military Tribunal for the Far East Established at Tokyo, January 19, 1946" (Department of State publication 2765; 1947, and TIAS 1589) "Trial of Japanese War Criminals: Documents" (Department of State publication 2613; 1946).

[17] See Treaty of Friendship, Commerce, and Navigation, Protocol and Exchange of Notes of Aug. 29, 1953, United States and Japan, signed Apr. 2, 1953; TIAS 2863 (4 UST 2863).

exception customarily provided for in the commercial treaties of the party applying it, or on the need to safeguard that party's external financial position or balance of payments (except in respect to shipping and navigation), or on the need to maintain its essential security interests, and provided such measure is proportionate to the circumstances and not applied in an arbitrary or unreasonable manner.

(c) Japan's obligations under this Article shall not be affected by the exercise of any Allied rights under Article 14 of the present Treaty; nor shall the provisions of this Article be understood as limiting the undertakings assumed by Japan by virtue of Article 15 of the Treaty.

Article 13

(a) Japan will enter into negotiations with any of the Allied Powers, promptly upon the request of such Power or Powers, for the conclusion of bilateral or multilateral agreements relating to international civil air transport.

(b) Pending the conclusion of such agreement or agreements, Japan will, during a period of four years from the first coming into force of the present Treaty, extend to such Power treatment not less favorable with respect to air-traffic rights and privileges than those exercised by any such Powers at the date of such coming into force, and will accord complete equality of opportunity in respect to the operation and development of air services.

(c) Pending its becoming a party to the Convention on International Civil Aviation [18] in accordance with Article 93 thereof, Japan will give effect to the provisions of that Convention applicable to the international navigation of aircraft, and will give effect to the standards, practices and procedures adopted as annexes to the Convention in accordance with the terms of the Convention.

CHAPTER V

Claims and property

Article 14

(a) It is recognized that Japan should pay reparations to the Allied Powers for the damage and suffering caused by it during the war. Nevertheless it is also recognized that the resources of Japan are not presently sufficient, if it is to maintain a viable economy, to make complete reparation for all such damage and suffering and at the same time meet its other obligations.

Therefore,

1. Japan will promptly enter into negotiations with Allied Powers so desiring, whose present territories were occupied by Japanese forces and damaged by Japan, with a view to assisting to compensate those countries for the cost of repairing the damage done, by making available the services of the Japanese people in production, salvaging and other work for the Allied Powers in question. Such arrangements shall avoid the imposition of additional liabilities on other Allied Powers, and, where the manufacturing of raw materials is called for, they shall be supplied by the Allied Powers in question, so as not to throw any foreign exchange burden upon Japan.

2. (I) Subject to the provisions of subparagraph (II) below, each of the Allied Powers shall have the right to seize, retain, liquidate or otherwise dispose of all property, rights and interests of

(a) Japan and Japanese nationals,

(b) persons acting for or on behalf of Japan or Japanese nationals, and

(c) entities owned or controlled by Japan or Japanese nationals,

which on the first coming into force of the present Treaty were subject to its jurisdiction. The property, rights and interests specified in this subparagraph shall include those now blocked, vested or in the possession or under the control of enemy property authorities of Allied Powers, which belonged to, or were held or managed on behalf of, any of the persons or entities mentioned in (a), (b) or (c) above at the time such assets came under the controls of such authorities.

(II) The following shall be excepted from the right specified in sub-paragraph (I) above:

(i) property of Japanese natural persons who during the war resided with the permission of the Government concerned in the territory of one of the Allied Powers, other than territory occupied by Japan, except property subjected to restrictions during the war and not released from such restrictions as of the date of the first coming into force of the present Treaty:

(ii) all real property, furniture and fixtures owned by the Government of Japan and used for diplomatic or consular purposes, and all personal furniture and furnishings and other private property not of an investment nature which was normally necessary for the carrying out of diplomatic and consular functions, owned by Japanese diplomatic and consular personnel;

(iii) property belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes;

(iv) property, rights and interests which have come within its jurisdiction in consequence of the resumption of trade and financial relations subsequent to September 2, 1945, between the country concerned and Japan, except such as have resulted from transactions contrary to the laws of the Allied Power concerned;

(v) obligations of Japan or Japanese nationals, any right, title or interest in tangible property located in Japan, interests in enterprises organized under the laws of Japan, or any paper evidence thereof; provided that this exception shall only apply to obligations of Japan and its nationals expressed in Japanese currency.

(III) Property referred to in exceptions (i) through (v) above shall be returned subject to reasonable expenses for its preservation and administration. If any such property has been liquidated the proceeds shall be returned instead.

(IV) The right to seize, retain, liquidate or otherwise dispose of property as provided in subparagraph (I) above shall be exercised in accordance with the laws of the Allied Power concerned, and the owner shall have only such rights as may be given him by those laws.

(V) The Allied Powers agree to deal with Japanese trademarks and literary and artistic property rights on a basis as favorable to Japan as circumstances ruling in each country will permit.

(b) Except as otherwise provided in the present treaty, the Allied Powers waive all reparations claims of the Allied Powers, other claims of the Allied Powers and their nationals arising out of any actions taken by Japan and its nationals in the course of the prosecution of the war, and claims of the Allied Powers for direct military costs of occupation.

Article 15

(a) Upon application made within nine months of the coming into force of the present Treaty between Japan and the Allied Power concerned, Japan will, within six months of the date of such application, return the property, tangible and intangible, and all rights or interests of any kind in Japan of each Allied Power and its nationals which was within Japan at any time between December 7, 1941, and September 2, 1945, unless the owner has freely disposed thereof without duress or fraud. Such property shall be returned free of all encumbrances and charges to which it may have become subject because of the war, and without any charges for its return. Property whose return is not applied for by or on behalf of the owner or by his Government within the prescribed period may be disposed of by the Japanese Government as it may determine. In cases where such property was within Japan on December 7, 1941, and cannot be returned or has suffered injury or damage as a result of the war, compensation will be made on terms not less favorable than the terms provided in the draft Allied Powers Property Compensation Law approved by the Japanese Cabinet on July 13, 1951.[19]

(b) With respect to industrial property rights impaired during the war, Japan will continue to accord to the Allied Powers and their nationals benefits no less than those heretofore accorded by Cabinet Orders No. 309 effective September 1, 1949, No. 12 effective January 28, 1950, and No. 9 effective February 1, 1950,[20] all as now amended, provided such nationals have applied for such benefits within the time limits prescribed therein.

(c) (i) Japan acknowledges that the literary and artistic property rights which existed in Japan on December 6, 1941, in respect to the published and unpublished works of the Allied Powers and their nationals have continued in force since that date, and recognizes those rights which have arisen, or but for the war would have arisen, in Japan since that date, by the operation of any conventions and agreements to which Japan was a party on that date, irrespective of whether or not such conventions or agreements were abrogated or suspended upon or since the outbreak of war by the domestic law of Japan or of the Allied Power concerned.

(ii) Without the need for application by the proprietor of the right and without the payment of any fee or compliance with any other formality, the period from December 7, 1941, until the coming into force of the present Treaty between Japan and the Allied Power concerned shall be excluded from the running of the normal term of such rights; and such period, with an additional period of six months, shall be excluded from the time within which a literary work must be translated into Japanese in order to obtain translating rights in Japan.

Article 16

As an expression of its desire to indemnify those members of the armed forces of the Allied Powers who suffered undue hardships while prisoners of war of Japan, Japan will transfer its assets and those of its nationals in countries which were neutral during the war, or which were at war with any of the Allied Powers, or, at its option, the equivalent of such assets, to the International Committee of the Red Cross which shall liquidate such assets and distribute the resultant fund to appropriate national agencies, for the benefit of former prisoners of war and their families on such basis as it may determine to be equitable. The categories of assets described in Article 14(a)2(II) (ii) through (v) of the present Treaty shall be excepted from transfer, as well as assets of Japanese natural persons not residents of Japan on the first coming into force of the Treaty. It is equally understood that the transfer provision of this Article has no application to

[18] Convention of Dec. 7, 1944 (TIAS 1591; 61 Stat., pt. 2, p. 1180). (Excerpts in "A Decade of American Foreign Policy," pp. 311–318.)

[19] Text in the Department of State Bulletin, Sept. 10, 1951, pp. 429–432.

[20] See the "Third Report on the Activities of the Far Eastern Commission, December 24, 1948–June 30, 1950"; ibid., Aug. 21, 1950, pp. 288–293.

the 19,770 shares in the Bank for International Settlements presently owned by Japanese financial institutions.

Article 17

(a) Upon the request of any of the Allied Powers, the Japanese Government shall review and revise in conformity with international law any decision or order of the Japanese Prize Courts in cases involving ownership rights of nationals of that Allied Power and shall supply copies of all documents comprising the records of these cases, including the decisions taken and orders issued. In any case in which such review or revision shows that restoration is due, the provisions of Article 15 shall apply to the property concerned.

(b) The Japanese Government shall take the necessary measures to enable nationals of any of the Allied Powers at any time within one year from the coming into force of the present Treaty between Japan and the Allied Power concerned to submit to the appropriate Japanese authorities for review any judgment given by a Japanese court between December 7, 1941, and such coming into force, in any proceedings in which any such national was unable to make adequate presentation of his case either as plaintiff or defendant. The Japanese Government shall provide that, where the national has suffered injury by reason of any such judgment, he shall be restored in the position in which he was before the judgment was given or shall be afforded such relief as may be just and equitable in the circumstances.

Article 18

(a) It is recognized that the intervention of the state of war has not affected the obligation to pay pecuniary debts arising out of obligations and contracts (including those in respect of bonds) which existed and rights which were acquired before the existence of a state of war, and which are due by the Government or nationals of Japan to the Government or nationals of one of the Allied Powers, or are due by the Government or nationals of one of the Allied Powers to the Government or nationals of Japan. The intervention of a state of war shall equally not be regarded as affecting the obligation to consider on their merits claims for loss or damage to property or for personal injury or death which arose before the existence of a state of war, and which may be presented or re-presented by the Government of one of the Allied Powers to the Government of Japan, or by the Government of Japan to any of the Governments of the Allied Powers. The provisions of this paragraph are without prejudice to the rights conferred by Article 14.

(b) Japan affirms its liability for the prewar external debt of the Japanese State and for debts of corporate bodies subsequently declared to be liabilities of the Japanese State, and expresses its intention to enter into negotiations at an early date with its creditors with respect to the resumption of payments on those debts; to encourage negotiations in respect to other prewar claims and obligations; and to facilitate the transfer of sums accordingly.

Article 19

(a) Japan waives all claims of Japan and its nationals against the Allied Powers and their nationals arising out of the war or out of actions taken because of the existence of a state of war, and waives all claims arising from the presence, operations or actions of forces or authorities of any of the Allied Powers in Japanese territory prior to the coming into force of the present Treaty.

(b) The foregoing waiver includes any claims arising out of actions taken by any of the Allied Powers with respect to Japanese ships between September 1, 1939, and the coming into force of the present Treaty, as well as any claims and debts arising in respect to Japanese prisoners of war and civilian internees in the hands of the Allied Powers, but does not include Japanese claims specifically recognized in the laws of any Allied Power enacted since September 2, 1945.

(c) Subject to reciprocal renunciation, the Japanese Government also renounces all claims (including debts) against Germany and German nationals on behalf of the Japanese Government and Japanese nationals, including intergovernmental claims and claims for loss or damage sustained during the war, but excepting (a) claims in respect of contracts entered into and rights acquired before September 1, 1939, and (b) claims arising out of trade and financial relations between Japan and Germany after September 2, 1945. Such renunciation shall not prejudice actions taken in accordance with Articles 16 and 20 of the present Treaty.

(d) Japan recognizes the validity of all acts and omissions done during the period of occupation under or in consequence of directives of the occupation authorities or authorized by Japanese law at that time, and will take no action subjecting Allied nationals to civil or criminal liability arising out of such acts or omissions.

Article 20

Japan will take all necessary measures to ensure such disposition of German assets in Japan as has been or may be determined by those powers entitled under the Protocol of the proceedings of the Berlin Conference of 1945 [21] to dispose of those assets, and pending the final disposition of such assets will be responsible for the conservation and administration thereof.

Article 21

Notwithstanding the provisions of Article 25 of the present Treaty, China shall be entitled to the benefits of Articles 10 and 14 (a) 2; and Korea to the benefits of Articles 2, 4, 9 and 12 of the present Treaty.

CHAPTER VI

Settlement of disputes

Article 22

If in the opinion of any Party to the present Treaty there has arisen a dispute concerning the interpretation or execution of the Treaty, which is not settled by reference to a special claims tribunal or by other agreed means, the dispute shall, at the request of any party thereto, be referred for decision to the International Court of Justice. Japan and those Allied Powers which are not already parties to the Statute of the International Court of Justice [22] will deposit with the Registrar of the Court, at the time of their respective ratifications of the present Treaty, and in conformity with the resolution of the United Nations Security Council, dated October 15, 1946,[23] a general declaration accepting the jurisdiction, without special agreement, of the Court generally in respect to all disputes of the character referred to in this Article.[24]

CHAPTER VII

Final clauses

Article 23

(a) The present Treaty shall be ratified by the States which sign it, including Japan, and will come into force for all the States which have then ratified it, when instruments of ratification have been deposited by Japan and by a majority, including the United States of America as the principal occupying Power, of the following States, namely Australia, Canada, Ceylon, France, Indonesia, the Kingdom of the Netherlands, New Zealand, Pakistan, the Republic of the Philippines, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.[25] The present Treaty shall come into force for each State which subsequently ratifies it, on the date of the deposit of its instrument of ratification.[26]

(b) If the Treaty has not come into force within nine months after the date of the deposit of Japan's ratification, any State which has ratified it may bring the Treaty into force between itself and Japan by a notification to that effect given to the Governments of Japan and the United States of America not later than three years after the date of deposit of Japan's ratification.

Article 24

All instruments of ratification shall be deposited with the Government of the United States of America which will notify all the signatory States of each such deposit, of the date of the coming into force of the Treaty under paragraph (a) of Article 23, and of any notifications made under paragraph (b) of Article 23.

Article 25

For the purposes of the present Treaty the Allied Powers shall be the States at war with Japan, or any State which previously formed a part of the territory of a State named in Article 23, provided that in each case the State concerned has signed and ratified the Treaty.[27] Subject to the provisions of Article 21, the present Treaty shall not confer any rights, titles or benefits on any State which is not an Allied Power as herein defined; nor shall any right, title or interest of Japan be deemed to be diminished or prejudiced by any provision of the Treaty in favor of a State which is not an Allied Power as so defined.

Article 26

Japan will be prepared to conclude with any State which signed or adhered to the United Nations Declaration of January 1, 1942,[28] and which is at war with Japan, or with any State which previously formed a part of the territory of a State named in Article 23, which is not a signatory of the present Treaty, a bilateral Treaty of Peace on

---

[21] *A Decade of American Foreign Policy*, pp. 34–50.

[22] "A Decade of American Foreign Policy," pp. 140–155.

[23] U.N. doc. S/INF/2, July 18, 1949, p. 35.

[24] See the declaration of Nov. 24, 1951, by the Japanese Foreign Minister; International Court of Justice Yearbook, 1951–1952, p. 213.

[25] The treaty entered into force Apr. 28, 1952, following the deposits of instruments of ratification by Japan (Nov. 28, 1951), the United Kingdom (Jan. 3, 1952), Mexico (Mar. 3, 1952), Argentina (Apr. 9, 1952), Australia and New Zealand (Apr. 10, 1952), Canada and Pakistan (Apr. 17, 1952), France (Apr. 18, 1952), and the United States (Apr. 28, 1952).

[26] The treaty was subsequently ratified and automatically entered into force with respect to Ceylon (Apr. 28, 1952), El Salvador (May 6, 1952), Brazil (May 20, 1952), Cambodia (June 2, 1952), the Dominican Republic (June 6, 1952), Ethiopia (June 12, 1952), the Netherlands and Peru (June 17, 1952), Viet-Nam (June 18, 1952), Norway (June 19, 1952), Laos and Venezuela (June 20, 1952), Turkey (July 24, 1952), Cuba (Aug. 12, 1952), Belgium (Aug. 22, 1952), Union of South Africa (Sept. 10, 1952), Costa Rica (Sept. 17, 1952), Nicaragua (Nov. 4, 1952), Uruguay (Dec. 2, 1952), Liberia and Syria (Dec. 29, 1952), Egypt (Dec. 30, 1952), Paraguay (Jan. 15, 1953), Panama (Apr. 10, 1953), Haiti (May 1, 1953), Greece (May 19, 1953), Honduras (Sept. 4, 1953), Lebanon (Jan. 7, 1954), Saudi Arabia (Mar. 13, 1954), Chile (Apr. 28, 1954), Guatemala (Sept. 23, 1954), Iraq (Aug. 18, 1955), Ecuador (Dec. 27, 1955), the Philippine Republic (July 23, 1956), and Iran (Aug. 29, 1956).

[27] The lists of these states in either category correspond to the lists set forth in the two preceding footnotes.

[28] "A Decade of American Foreign Policy," pp. 2–3.

the same or substantially the same terms as are provided for in the present Treaty,[29] but this obligation on the part of Japan will expire three years after the first coming into force of the present Treaty.[30] Should Japan make a peace settlement or war claims settlement with any State granting that State greater advantages than those provided by the present Treaty, those same advantages shall be extended to the parties to the present Treaty.

Article 27

The present Treaty shall be deposited in the archives of the Government of the United States of America which shall furnish each signatory State with a certified copy thereof.

In faith whereof the undersigned Plenipotentiaries have signed the present Treaty.

Done at the city of San Francisco this eighth day of September 1951, in the English, French, and Spanish languages, all being equally authentic, and in the Japanese language.

[The treaty was signed by the plenipotentiaries of the following states in the following order: Argentina, Australia, Belgium, Bolivia, Brazil, Cambodia, Canada, Ceylon, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia, France, Greece, Guatemala, Haiti, Honduras, Indonesia, Iran, Iraq, Laos, Lebanon, Liberia, Luxembourg, Mexico, the Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Panama, Paraguay, Peru, the Philippine Republic, Saudi Arabia, Syria, Turkey, the Union of South Africa, the United Kingdom, the United States, Uruguay, Venezuela, Vietnam, and Japan.]

EXHIBIT 2

SECURITY TREATY BETWEEN THE UNITED STATES AND JAPAN

TEXT OF TREATY, SEPTEMBER 8, 1951[1]

Japan has this day signed a Treaty of Peace with the Allied Powers.[2] On the coming into force of that Treaty, Japan will not have the effective means to exercise its inherent right of self-defense because it has been disarmed.

There is danger to Japan in this situation because irresponsible militarism has not yet been driven from the world. Therefore Japan desires a Security Treaty with the United States of America to come into force simultaneously with the Treaty of Peace between the United States of America and Japan.

The Treaty of Peace recognizes that Japan as a sovereign nation has the right to enter into collective security arrangements, and further, the Charter of the United Nations recognizes that all nations possess an inherent right of individual and collective self-defense.

In exercise of these rights, Japan desires, as a provisional arrangement for its defense, that the United States of America should maintain armed forces of its own in and about Japan so as to deter armed attack upon Japan.

The United States of America, in the interest of peace and security, is presently willing to maintain certain of its armed forces in and about Japan, in the expectation, however, that Japan will itself increasingly assume responsibility for its own defense against direct and indirect aggression, always avoiding any armament which could be an offensive threat or serve other than to promote peace and security in accordance with the purposes and principles of the United Nations Charter.

Accordingly, the two countries have agreed as follows:

ARTICLE I

Japan grants, and the United States of America accepts, the right, upon the coming into force of the Treaty of Peace and of this Treaty, to dispose United States land, air and sea forces in and about Japan. Such forces may be utilized to contribute to the maintenance of international peace and security in the Far East and to the security of Japan against armed attack from without, including assistance given at the express request of the Japanese Government to put down large-scale internal riots and disturbances in Japan, caused through instigation or intervention by an outside power or powers.

ARTICLE II

During the exercise of the right referred to in Article I, Japan will not grant, without the prior consent of the United States of America, any bases or any rights, powers or authority whatsoever, in or relating to bases or the right of garrison or of maneuver, or transit of ground, air or naval forces to any third power.

ARTICLE III

The conditions which shall govern the disposition of armed forces of the United States of America in and about Japan shall be determined by administrative agreements between the two Governments.[3]

ARTICLE IV

This Treaty shall expire whenever in the opinion of the Governments of the United States of America and Japan there shall have come into force such United Nations arrangements or such alternative individual or collective security dispositions as will satisfactorily provide for the maintenance by the United Nations or otherwise of international peace and security in the Japan Area.

ARTICLE V

This Treaty shall be ratified by the United States of America and Japan and will come into force when instruments of ratification thereof have been exchanged by them at Washington.[4]

In witness whereof the undersigned Plenipotentiaries have signed this Treaty.

Done in duplicate at the city of San Francisco, in the English and Japanese languages, this eighth day of September, 1951.

Mr. CASE of South Dakota. Mr. President, I rise to express my appreciation to the Senator from Oregon for yielding to me earlier this afternoon. He was generous to do so. May I add that I was delighted when I read a few days ago that President Eisenhower had designated the able Senator from Oregon, along with the great Senator from Vermont [Mr. AIKEN] to serve as advisors to our Ambassador, at the forthcoming Assembly of the United Nations. This will be one of the most important sessions in the history of the Assembly. The Senator from Oregon is well qualified to make there an outstanding contribution to the development of a system of order for the nations of the world. His knowledge of law and procedure may easily combine to make his contribution the greatest public service of his career.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CASE of South Dakota. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT AND LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberation today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, that will be the order.

Mr. JOHNSON of Texas. It is expected that the Senate will remain in session until late this evening. I would like to finish consideration of the treaty and get along in the consideration of the General Government and Independent Offices appropriation bills.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 762. An act for the relief of Manuel Alves de Carvalho;

S. 2089. An act for the relief of Henry K. Lee (Hyun Kui);

S. 2106. An act for the relief of Emiko Nagamine;

S. 2528. An act for the relief of John Lipset;

S 2639. An act for the relief of Mo Tong Lui;

S. 2646. An act for the relief of Lloyd C. Kimm;

S. 2681. An act for the relief of Yi Young An;

S. 2768. An act for the relief of Frederick T. C. Yu and his wife, Alice Siao-Fen Chen Yu;

S. 2822. An act for the relief of Low Wing Quey (Kwai);

S. 2886. An act for the relief of Nikolija Lazic;

S. 2918. An act for the relief of Boris Priestley;

S. 2942. An act for the relief of Eugene Storme;

S. 2964. An act for the relief of Kang Sun Ok;

S. 2991. An act for the relief of Ah See Lee Chin;

S. 3016. An act for the relief of Walter F. Beecroft;

S. 3038. An act for the relief of Jung Hi Pak;

---

[29] Bilateral treaties of peace were subsequently negotiated and signed by Japan with the National Government of China at Taipei, Apr. 28, 1952 (United Nations Treaty Series, vol. 138, pp. 3 ff.), with India at Tokyo, June 9, 1952 (not yet registered with the U.N. Secretariat), and with Burma at Rangoon, Nov. 5, 1954 (not yet registered with the U.N. Secretariat). Outside the time limits set forth in this article Japan and the U.S.S.R. signed a joint "peace declaration" at Moscow, Oct. 19, 1956.

[30] I.e., Apr. 28, 1955.

[1] TIAS 2491; 3 UST 3329–3340. Ratification advised by the Senate, Mar. 20, 1952; ratified by the President, Apr. 15, 1952; entered into force, Apr. 28, 1952.

[2] Supra, pp. 425–440.

[3] See infra, pp. 2406–2423.

[4] Instruments of ratification were exchanged Apr. 28, 1952.

S. 3049. An act for the relief of Oh Chun Soon;

S. 3091. An act for the relief of Pasquale Mira;

S. 3130. An act for the relief of Anne-Marie Stehlin; and

S. 3235. An act for the relief of Cecilia Rubio.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 6081. An act for the relief of M. Sgt. Emery C. Jones; and

H.R. 9443. An act for the relief of Mrs. Ethel B. Morgan.

The message further announced that the House had agreed to the amendments of the Senate to the joint resolution (H.J. Res. 688) for the relief of certain aliens.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAVIS of Tennessee, Mr. BLATNIK, Mr. JONES of Alabama, Mr. BALDWIN, and Mr. CRAMER were appointed managers on the part of the House at the conference.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11390) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FOGARTY, Mr. DENTON, Mr. CANNON, Mr. LAIRD, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 12381) to increase for 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MILLS, Mr. FORAND, Mr. KING of California, Mr. O'BRIEN of Illinois, Mr. MASON, Mr. BYRNES of Wisconsin, and Mr. BAKER were appointed managers on the part of the House at the conference.

REVIEW OF VETERANS' AFFAIRS

Mr. JAVITS. Mr. President. The senior Senator from New Hampshire [Mr. BRIDGES] has compiled an excellent review of veterans' affairs since 1953 under the Republican administration. It points up the major accomplishments in the affairs of those who have served our country in uniform.

In these days, when we are particularly concerned with the defense of our Nation, it is well to reflect on what is being done in behalf of the men and women who have so nobly responded to defend our freedom in the past. As in the other, in this body we have always been aware of our responsibilities in the affairs of our veterans, and the report of the Senator from New Hampshire is most gratifying.

Mr. President, I ask unanimous consent that this report be printed in the body of the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE STEWARDSHIP OF VETERANS AFFAIRS UNDER THE REPUBLICAN ADMINISTRATION, 1953–60

(By U.S. Senator STYLES BRIDGES, of New Hampshire, chairman, Senate Republican policy committee)

Under the leadership of the Nation's best loved and most respected wartime military commander the Republican administration has, since 1953, substantially advanced the affairs of those who have defended the Republic and its flag against aggressors who have sought to deprive men of freedom and the world of peace.

The Republican Party, since its founding a little more than a hundred years ago, has traditionally respected the Nation's responsibility, as George Washington said, "to care for him who shall have borne the battle and his widow, and his orphan." The Republican administration has enhanced its already splendid record in the field of veterans' affairs by a number of major accomplishments as follows:

COMPENSATION AND PENSIONS

1. Compensation for the wartime disabled was increased twice, once in 1954 and again in 1957.

2. Legislation was enacted in 1959 which provides more equitable treatment of needy veterans and modernized the veterans' pension program. This legislation also provides pension benefits to widows of World War II and the Korean conflict on the same basis as those for widows of World War I veterans.

MEDICAL BENEFITS

1. Thirteen new veterans' hospitals have been opened and there has been a substantial increase in the number of hospital beds in operation and the average number of patients treated in VA hospitals throughout the year.

2. A $900 million program has been developed and approved to modernize the veterans hospital system. The first $75 million increment of this 12-year program was included in the 1961 budget.

3. A new Presidential policy was established which authorizes the continued operation of 125,000 beds in the VA hospital system and gives the Administrator of Veterans' Affairs the authority to shift and adjust the number and type of beds from one area to another to coincide with population movements and the changing diagnostic demands for hospitalization.

4. The medical research program of the VA has been broadened and strengthened, thus enhancing the quality of medical care for veterans and contributing generally to the health and welfare of the Nation.

EDUCATION AND TRAINING

1. Legislation was enacted in 1956 to provide educational assistance to orphans of war veterans. Since then a total of 19,000 war orphans have received benefits under this act.

2. Two million eight hundred and eighty thousand veterans have received training under VA education and training programs since 1953.

3. One hundred and five thousand disabled veterans have received vocational rehabilitation training benefits since 1953.

HOME LOANS

1. Between 1953 and 1960, a total of 2,639,140 loans to veterans were guaranteed or insured by the VA.

INSURANCE

1. New benefits have been provided for the GI insurance policyholder, including additional disability insurance, additional conversion rights and liberalized standards for reinstatements.

2. A new investment formula for insurance trust funds allows the investment of these funds at higher rates of interest. Increased earnings will mean increased dividends to policyholders.

MANAGEMENT

1. The VA went through a major reorganization which resulted in economies and improved service to veterans.

2. Modern electronic machines have been installed for the insurance operations and to process the compensation and pension payments. This will result in improved efficiency and economy.

3. The personnel program has been strengthened, resulting in improved morale and efficiency of employees.

4. The stature of the Administrator of Veterans' Affairs has been heightened by having him serve more directly as the adviser to the President in veterans' matters. This includes attendance at Cabinet meetings when matters under discussion involve the VA.

5. The public image of the VA has been improved vastly through sound personnel and management practices.

FIGURES SHOW SCOPE OF ACTIVITIES UNDER REPUBLICANS

Summary statistics give a picture of the scope and growth of veterans' benefits from 1954 to 1961 as follows:

	Fiscal year 1954	Fiscal year 1961	Increase
Total VA budget	$4,282,591,740	$5,397,291,000	$1,114,719,260
Compensation payments	$1,730,915,000	$2,066,288,000	$335,873,000
Pension payments	$715,635,000	$1,715,807,000	$1,000,172,000
Regular insurance dividends	$182,300,000	$250,000,000	$67,700,000
VA hospital beds in operation	114,244	121,456	7,212
Average daily patients in VA hospitals	103,491	111,600	8,109
Outpatients visiting	2,152,000	2,279,000	127,000
	June 30, 1954	Estimated, June 30, 1961	Increase
Principal value of loans guaranteed:			
Cumulative	$23,948,000,000	$51,640,000,000	$27,692,000,000
Outstanding	17,580,000,000	32,350,000,000	14,970,000,000
Direct loans:			
Cumulative	346,000,000	1,525,000,000	1,179,000,000
Outstanding	298,000,000	1,200,000,000	902,000,000

TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN

The Senate resumed the consideration of Executive E (86th Cong., 2d sess.), the Treaty of Mutual Cooperation and Security Between the United States of America and Japan, signed at Washington on January 19, 1960.

Mr. HICKENLOOPER. Mr. President, at the outset of the few remarks which I have to make I wish to assure my friends who are rather anxious about the time, that my remarks will take about 10 minutes.

I congratulate the Senator from Arkansas, the distinguished chairman of the Committee on Foreign Relations [Mr. FULBRIGHT], for his very forceful and lucid discussion of the treaty and for the clarity with which he engaged in the colloquies with Senators who had some questions about the meaning and the impact of the various terms of the treaty. He has worked very diligently as chairman of the committee to bring about a full appreciation of the significance of the treaty. Those of us who have worked with him are very grateful indeed for his services and his efforts.

Mr. President, behind all the tension in Japan that the treaty before the Senate has caused, and the thousands of words which have been written about it, there stands a single fact of overriding importance. It is that the treaty is beneficial to both Japan and the United States. For that reason I fully commend it to my colleagues in the Senate.

For the Japanese this treaty signals the end of an arrangement in which the Japanese may have appeared—to themselves at least—as the junior partner of the United States in a relationship which has been regarded by both governments as essential to the security of each nation.

In addition, the present treaty between the United States and Japan, while undoubtedly a most liberal and generous treaty, so far as a defeated nation which unconditionally surrendered is concerned, was one between victor and vanquished.

This no doubt has caused some understandable irritation in Japan, and has stimulated a strong desire there for a treaty made in a new climate of equal sovereignty. Japan, through its remarkable economic and social rehabilitation, has certainly earned this consideration.

The pending treaty has been approached and signed on that basis.

Mr. President, after 10 years the new treaty may be terminated by either party on 1 year's notice to the other. The old treaty, lacking any time limit, could continue indefinitely, with the maturing friendly relationships between the two countries still in need of an adjustment.

Perhaps most important, under the new treaty, the United States gives up the unilateral right to use Japanese bases as staging areas for military operations without the consent of the Japanese. An exchange of notes to the new treaty provides that prior consultation between the two governments is a necessary precondition to military activities of the kind that might cause concern in Japan. I urge my colleagues to study this exchange of notes carefully. My regret is that they have been so inadequately reported in Japan, where the opponents of this treaty—many of them well meaning, as the Senator from Arkansas [Mr. FULBRIGHT] has suggested—either do not understand or do not choose to acknowledge the distinction between absolute American military rights and the old treaty and rights to be maintained by mutual consent under the new treaty.

For the United States the new treaty assures continued use of military bases and other facilities in the Japanese islands based on consultation. The agreement covering the use of these facilities is elaborated and detailed in an administrative agreement which in my judgment is comprehensive and equitable.

I believe, as well, that the United States can take rare satisfaction in the knowledge that a nation from which it received unconditional surrender only 15 years ago has in this short space of time restored itself to full sovereignty, maturity, and sympathetic orientation within the other great democracies of the world.

Mr. President, I use the word "maturity" advisedly, because the emotional immaturity which is characterized by a small but militant minority in many of the events attendant on the ratification of the treaty in Japan is not a fair reflection of the Japanese people as a whole.

Based on the informed observations and judgment of people with experience in Japan, I believe that the opposition to the pending treaty represents an uneasy minority coalition of elements which, taken altogether, does not represent the calm attitude of the great majority of the Japanese people.

The decibel level of these elements is high, but the level of their political responsibility is regrettably low. And, most regrettable, this minority has allowed itself to be transformed by a small, disciplined Communist nucleus into a force that could conceivably destroy Japan's free, parliamentary political institutions.

Mr. President, I do not believe that will happen. I believe that if and when the Kishi government is replaced, at some time in the future, it no doubt will be replaced by a regime whose orientation is essentially that of his or other recent Japanese Governments. Yet I think we should be alert to the danger posed by this destructive minority in Japan. In the Senate I urge the speedy ratification of the new treaty. It will strengthen the hand of the mature, responsible leaders of Japan. It will reassure the masses of pro-Western Japanese whose views have not been so vocal but which are nonetheless of the greatest importance to the future of the great Japanese Empire.

Mr. President, I should like to bring out one or two other matters in reference to the rather short, formal statement which I have made concerning the treaty.

One is the question which has been raised by Senators on the floor today about the advantages or disadvantages of the ratification of the treaty. There seems to be substantial agreement that the treaty will be advantageous to Japan; and, indeed, it will. I have tried to point out briefly, as did the Chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], that the treaty constitutes the complete maturity of Japan following World War II, a maturity among the free nations of the world, in which they have negotiated on a voluntary basis, a basis of freedom, and on a basis which they sought and received.

Japan has the advantage of the elimination of a treaty, regardless of how generous it might have been, which was, as I said a moment ago, a treaty of the victor over the vanquished. That treaty has been eliminated. The right of Japan to act within its own sphere and its own sovereignty has been completely restored. The treaty is advantageous to Japan.

However, a question has been raised concerning the advantages of the treaty to the United States. I think the treaty is very advantageous to the United States. Senators have raised here today, and in the hearings, the point that while we agree to come to the defense of Japan in the event she is attacked, Japan does not agree to come to our defense in case we are attacked on some of our territories outside the Japanese area.

I again point out, as has been pointed out repeatedly, that there is an absolute prohibition in the Japanese Constitution against the development of military forces for either offensive or defensive purposes. It is a provision which is probably as restrictive as any provision which has ever been written into a constitution on that subject, and probably is the most restrictive. Nevertheless, the Japanese, in my opinion, have exhibited every possible resource, within the legal limitations which were imposed upon them by the Constitution which they adopted immediately following World War II, to align themselves with us and to exert their fullest cooperation from the standpoint of mutual security and freedom in the world.

Mr. LONG of Louisiana. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. LONG of Louisiana. Recognizing that Japan is bound by the folly of American policy in imposing the conditions to which the Senator refers, why should we undertake to give a commitment that we will go to war to defend Japan, in view of the fact that Japan can make no reciprocal commitment?

Mr. HICKENLOOPER. There is one completely ample reason for that position, and it is that if Japan is attacked by superior force in the Pacific, the island periphery of Asia will be endangered; our whole position in the Pacific will be endangered, as the Senator from Ohio [Mr. LAUSCHE] pointed out earlier in a colloquy with the chairman of the committee; the bastion of American defense would rapidly recede to the State of Hawaii, if not to the west coast of the

United States; and the Philippines would be gone and the rest of that area would be gone.

Mr. LONG of Louisiana. The point which concerns me is that we give so much free to those to whom we are making the commitment. Turkey wanted an arrangement with the United States. She wanted a United States-Turkish pact whereby Turkey would assist us, and we would assist Turkey, in the event either country was compelled to go to war with the Soviet Union. Turkey made every effort to get the United States to agree to such an arrangement, and the effort resulted in Turkey being admitted to the North Atlantic Treaty Organization.

But how can we expect to get other nations to agree to a reciprocal arrangement if they can get an arrangement which will require us to help them without their helping us?

Mr. HICKENLOOPER. Japan is doing much in this respect. Japan is permitting us to maintain and operate bases in Japan. We are permitted to locate our troops, supplies, and logistics center in Japan. Japan is permitting us to maintain that great center in the island complex.

Mr. LONG of Louisiana. Do we not have that right already?

Mr. HICKENLOOPER. We have that right under this treaty.

Mr. LONG of Louisiana. How about the old one?

Mr. HICKENLOOPER. Under the treaty that now exists?

Mr. LONG of Louisiana. Yes.

Mr. HICKENLOOPER. The old treaty, as I tried to point out a while ago, was a treaty inflicted, we might say—I do not think that is the proper word, because it is too harsh; the treaty was liberal—it is a treaty which the Japanese were required, as a vanquished people, to accept from the victor. It was a treaty that was obtained under the duress of an unconditional surrender on the part of Japan.

The Japanese people, after 15 years of substantial and remarkable economic and political recovery, and after considerable proof during the last 15 years that they are oriented toward the West and oriented toward freedom and democracy and self-determination, are now entitled to the dignity of having the old treaty set aside and the new treaty adopted, a treaty based upon mutual consent, and their own sovereignty as a sovereign nation. This, I think, is very important.

Mr. LONG of Louisiana. If the Senator will permit me to suggest it, in dealing with a nation which is spending only a pittance for its own national defense, I question whether the army of that nation can control the Communist mobs which are rioting there today. In dealing with such a nation as that, which is doing so little to provide for its own defense, it seems to me it would be better if it did not feel that it could rely entirely upon the United States to provide adequately for the defense of Japan.

Mr. HICKENLOOPER. I point out again the provision of the Japanese Constitution which denies to Japan the right not only to have military forces for offensive purposes, but the right to have military forces for defensive forces, but only for police action. The Japanese have stretched that constitution far out.

Mr. LONG of Louisiana. If the Constitution of the United States had such a provision, I should think anybody would be foolhardy to agree to go to war to defend the United States, when we had written it into our Constitution that we could not, under any circumstances, assist a nation which would fight for us, in the event it was compelled to fight in its own defense. Does the Senator think that was a wise provision to put in the Constitution of Japan, looking at the situation with hindsight?

Mr. HICKENLOOPER. Does the Senator mean the provision which was put into the Constitution?

Mr. LONG of Louisiana. Yes.

Mr. HICKENLOOPER. No, I do not think it was wise to include that in it. But several things which were done in Japan at that time were not wise, in my opinion—and several things which were done in other parts of the world at that time were not wise, in my opinion.

But now we are facing a fact, not a theory.

I should like to ask the Senator a question in regard to our signing the treaty or getting into this so-called defensive alliance: Is the Senator from Louisiana of the opinion that if a superior, major power in the Orient—let us say Russia—today were to attack Japan, even in the absence of a treaty, we would not be in that conflict? Even in the absence of a treaty, would not our own security and best interests demand that we look to the integrity of Japan and the Philippines and Formosa and Korea?

Mr. LONG of Louisiana. It would be my reaction that in view of the small effort that our so-called allies are making—and we have many who are genuine allies—as compared to the tremendous effort the United States is making, they would be doing more for their own defense and for the defense of the free world if they did not have the assurance that the United States would go to war, in an effort to save any and all of them.

Each of them has a piecemeal commitment from us, although few of them is required to go to war in the event we have to go to war in order to fulfill our commitments elsewhere—with the result that we can be sure that if war were to break out, the Soviet Union would not begin the war by attacking Japan. Treaties of this sort are giving us a rock-ribbed guarantee that if war comes, it will come first to us, and by surprise, and that will bring us surprise attack casualties numbering to the tens of millions, because we never would receive any advance notice or warning of the war.

The United States would be attacked first, and without warning, because, by means of these commitments the United States is making it impossible for any nation to go to war with another nation, without making war on us, also.

Mr. HICKENLOOPER. But the treaty provides great benefits both to Japan and to the United States, and we shall derive great benefits from the treaty. Even if we assume that at long last, perhaps after 15 years, we would wish to set aside the war-enforced treaty with Japan, the great benefits will come to us, in the main, as a result of the bases we shall maintain in Japan and as a result of the cooperative efforts the Japanese will be making to assist us in the maintenance of those bases and in the maintenance of that strength in the Far East. That is a very great contribution. If we did not have those bases, where would we go? Would we perhaps go to Okinawa?

Mr. LONG of Louisiana. Let me ask this question: If in a few years the Russians had developed their atomic power and other power sufficiently to be in a position to be able to knock us out, by means of a surprise attack, does the Senator from Iowa believe we should be in a position to strike back at the Soviet Union from those bases in Japan, if those bases and a few planes in England would then be about all we had to strike back with?

Mr. HICKENLOOPER. In my judgment, if the situation reached that point, there would be no question but that the Japanese would be in the conflict, in one way or another.

Mr. LONG of Louisiana. Even under a neutralist government?

Mr. HICKENLOOPER. Of course I cannot look into a crystal ball and say what will be the complexion of the Government of Japan in 10 years.

I can only believe that in 10 years an enlightened self-interest would compel Japan to enter such a war, because Japan would have no other course, except slavery.

Mr. LONG of Louisiana. But would not it be better for us to have the right to make that decision alone, rather than to have to make it in part with Japan—because in view of the present commitments we have with so many other countries in the world, any nation which wished to make such an attack on Japan would strike first at the United States.

Mr. HICKENLOOPER. Does the Senator advocate that we abandon all our bases in Japan?

Mr. LONG of Louisiana. No; because we have rights there—rights obtained by conquest.

Mr. HICKENLOOPER. It is true that they are rights by conquest. But there comes a time when rights by conquest should disappear, in the interest of better international relationships. That is what we are trying to do now—in other words, set aside the old peace treaty which was obtained by the victor from the vanquished and was imposed by right of conquest. Regardless of whether that treaty was liberal or was not liberal at that time the Japanese had to accept it; they had no other choice.

Today we hope to set aside that treaty, and to deal with the Japanese on the basis of sovereign equality, and I think, thus greatly strengthen the feeling of the Japanese in regard to their equality in the family of nations; and I believe it will greatly promote the common strength and the common purpose of our two nations in the Pacific.

Mr. LONG of Louisiana. Can the Senator from Iowa tell me what nation ever made a treaty to go to war to defend the United States, without having a reciprocal commitment that the United States would respond likewise in the event that nation was attacked?

Mr. HICKENLOOPER. I cannot say there has been none, but at the moment I know of none.

Mr. LAUSCHE. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. LAUSCHE. Let me say that I think the attitude of the people of the United States in regard to the treatment the Communists are giving the captive nations should likewise be the attitude of the United States in regard to the treatment we should give to the Japanese. The Congress passed the captive nations resolution, which condemned the captivity into which the conquering Communists have placed the satellite nations of Europe. The United States and the other conscientious peoples of the world have said to the conquering Communists of Russia, "You are not treating the satellite nations correctly and justly. You are degrading their dignity. You should allow them to live as worthy human beings." That is what we are saying to the Communist leaders of Soviet Russia.

But it seems to me that if we insist upon our rights under the 1952 treaty with Japan, we are degrading the Japanese people.

It is on that basis that I believe that to yield the powerful rights which were given to us under the 1952 treaty with Japan will be only in conformity with a just attitude and a proper recognition of the rights of those people.

Mr. HICKENLOOPER. I agree completely with the Senator from Ohio. I agree that it is foreign to our policy and our belief to keep these nations in a state of servility. We do not believe in that. We have practiced our beliefs by making equitable treaties with nations which were on the other side during the recent war; and we have criticized and condemned communism for enslaving the peoples of other nations when the force and power of Soviet Russia has permitted the Soviets to do so.

Mr. FULBRIGHT. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. FULBRIGHT. First, I wish to thank the Senator from Iowa for the kind words he had to say about me.

Second, I desire to thank him for the great contributions he has made, both to this debate and to the consideration of this matter by the committee.

Under the circumstances which have arisen, this became a serious undertaking. Speaking for myself, and also for the committee and for the entire Senate, I wish to state that I certainly appreciate very much the contributions the Senator from Iowa has made to this debate.

Mr. HICKENLOOPER. I thank the Senator from Arkansas.

Again, I wish to refer to my earlier expressions of appreciation—which I made at the outset of my remarks—in regard to the contributions the Senator from Arkansas has made and in regard to what I believe to be the great and constructive step he is advocating in connection with the association of Japan and the United States.

Mr. President, I do not wish to prolong the debate; but I desire to point out one other matter which was referred to earlier in these proceedings. I believe it impossible to overemphasize the fact that the Japanese must consent to our use of bases in Japan. I believe that is a fundamental part of sovereignty if we are dealing with Japan on a basis of mutual and equal sovereignty. So I think it proper and just that that provision be included. But I also call attention to the fact that the maintenance, operation, and servicing of those bases in Japan was agreed to, and is a basic part of this treaty by reference.

I call attention to article VI of the treaty, which states:

> For the purpose of contributing to the security of Japan and the maintenance of international peace and security in the Far East, the United States of America is granted—

It does not say "may be" or "will be." It says:

> the United States of America is granted the use by its land, air, and naval forces of facilities and areas in Japan.

That is the first paragraph of article VI.

The second paragraph reads:

> The use of these facilities and areas as well as the status of the U.S. Armed Forces in Japan shall be governed by a separate agreement, replacing the administrative agreement under article III of the Security Treaty Between the United States of America and Japan, signed at Tokyo on February 28, 1952, as amended, and by such other arrangements as may be agreed upon.

The administrative agreement under article III refers to the old treaty, which is now the one in force, and which will be superseded by this one. But the important thing is that under article VI there has been agreed to between Japan and the United States a document which is contained, beginning on page 13, in the Senate document known as Executive E., 86th Congress, 2d session, which is the message of the President of the United States containing the treaty and related documents, a document entitled "Agreement Under Article VI of the Treaty of Mutual Cooperation and Security Between the United States of America and Japan, Regarding Facilities and Areas and the Status of U.S. Armed Forces in Japan."

Then it goes on through 28 articles, plus 6 or 7 pages of agreed minutes. The 28 articles in the original agreement encompass about 18 pages in this document; and there is the agreement, already arrived at, which is just as binding, in my view, as is this treaty, because it is a part of this treaty by reference for the maintenance of American bases in Japan and all the details that go with it.

The Japanese have agreed to it. There is not any question of their waiting or any question of their agreeing. The agreement is there. They will from time to time, by their consent and ours, mutually agree to alterations and changes; but, throughout the treaty and the agreement, any changes that occur must be mutually agreeable. That is, we have to agree to the changes just as the Japanese do. I see nothing in the treaty that necessarily would permit the Japanese to throw us out of their bases in Japan merely on a whim or caprice. I see nothing in it that would give the Japanese justification, under international law or treaty law, to do anything like that whatsoever. The alterations and changes must be by mutual consent and agreement, and the agreements are already made and entered into. We know what they are, and they are in black and white.

Mr. President, I have occupied the floor about twice as long as I had intended to. I think the subject has been quite thoroughly covered by the chairman of the Foreign Relations Committee and by the discussions engaged in by other Members of the Senate. I was not on the floor at all times. May I inquire of the chairman of the committee, the Senator from Arkansas [Mr. FULBRIGHT], whether this agreement, under article VI, has been put in the RECORD?

Mr. FULBRIGHT. I do not believe so, although the treaty in its entirety was referred to. Why does not the Senator put it in the RECORD?

Mr. HICKENLOOPER. I believe it would be informative for the people of the country to have available the agreement made pursuant to article VI of the treaty. Therefore, Mr. President, I ask unanimous consent that this particular agreement, beginning on page 13 of the Senate document entitled "Executive E," ending on page 31 of the document, be placed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HICKENLOOPER. Mr. President, we are indeed in a vital struggle. I do not think there is a loyal, patriotic American who does not fervently hope and pray that the time will come—soon, we hope—when a reliable peace can be in effect throughout the world. But even greater than peace is freedom and the right of men to have freedom.

Civilization has been built upon freedom, and it has flourished and come to its highest pinnacle because people have been willing to sacrifice security for freedom. They have preferred freedom and sometimes all of the sacrifices that go with it because freedom is the dearest thing we have. And today I believe we are taking a step, in the relations between nations, and especially in the Pacific area, that will strengthen our progress toward the extension of freedom in this world and our progress toward a system of unity in the world which we hope will bring closer that day when a reliable peace may be our lot.

This treaty in and of itself will not, of course, revolutionize international affairs in the world, but it will contribute greatly to stability. It will restore, finally and at long last, the sovereignty of a great and strong and vigorous nation, Japan. It will relieve the people of

that country from the onus of a treaty under which they may feel servile at the present time. It will bring full brotherhood in the community of nations to Japan, which no doubt is the strongest nation in the Pacific area today.

It will continue a friendship between the United States and Japan which began well over 100 years ago and which, sadly, was interrupted only for a short period of misguided military philosophy which for a temporary season got hold of the people of Japan and led them into mistakes and errors from which they have suffered greatly.

I think it is a constructive treaty. I think it is a forward step toward international peace, security, and unity. I earnestly hope the Senate will advise and consent to the resolution of ratification by a very substantial majority.

EXHIBIT 1

AGREEMENT UNDER ARTICLE VI OF THE TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN, REGARDING FACILITIES AND AREAS AND THE STATUS OF U.S. ARMED FORCES IN JAPAN

The United States of America and Japan, pursuant to article VI of the Treaty of Mutual Cooperation and Security between the United States of America and Japan signed at Washington on January 19, 1960, have entered into this agreement in terms as set forth below:

ARTICLE I

In this agreement the expression—

(a) "members of the United States armed forces" means the personnel on active duty belonging to the land, sea or air armed services of the United States of America when in the territory of Japan.

(b) "civilian component" means the civilian persons of United States nationality who are in the employ of, serving with, or accompanying the United States armed forces in Japan, but excludes persons who are ordinarily resident in Japan or who are mentioned in paragraph 1 of article XIV. For the purposes of this agreement only, dual nationals, United States and Japanese, who are brought to Japan by the United States shall be considered as United States nationals.

(c) "dependents" means

(1) Spouse, and children under 21;

(2) Parents, and children over 21, if dependent for over half their support upon a member of the United States armed forces or civilian component.

ARTICLE II

1. (a) The United States is granted, under article VI of the Treaty of Mutual Cooperation and Security, the use of facilities and areas in Japan. Agreements as to specific facilities and areas shall be concluded by the two Governments through the Joint Committee provided for in article XXV of this agreement. "Facilities and areas" include existing furnishings, equipment and fixtures necessary to the operation of such facilities and areas.

(b) The facilities and areas of which the United States has the use at the time of expiration of the Administrative Agreement under article III of the Security Treaty between the United States of America and Japan, shall be considered as facilities and areas agreed upon between the two Governments in accordance with subparagraph (a) above.

2. At the request of either Government, the Governments of the United States and Japan shall review such arrangements and may agree that such facilities and areas shall be returned to Japan or that additional facilities and areas may be provided.

3. The facilities and areas used by the United States armed forces shall be returned to Japan whenever they are no longer needed for purposes of this agreement, and the United States agrees to keep the needs for facilities and areas under continual observation with a view toward such return.

4. (a) When facilities and areas are temporarily not being used by the United States armed forces, the Government of Japan may make, or permit Japanese nationals to make, interim use of such facilities and areas provided that it is agreed between the two Governments through the Joint Committee that such use would not be harmful to the purposes for which the facilities and areas are normally used by the United States armed forces.

(b) With respect to facilities and areas which are to be used by United States armed forces for limited periods of time, the Joint Committee shall specify in the agreements covering such facilities and areas the extent to which the provisions of this agreement shall apply.

ARTICLE III

1. Within the facilities and areas, the United States may take all the measures necessary for their establishment, operation, safeguarding and control. In order to provide access for the United States armed forces to the facilities and areas for their support, safeguarding and control, the Government of Japan shall, at the request of the United States armed forces and upon consultation between the two Governments through the Joint Committee, take necessary measures within the scope of applicable laws and regulations over land, territorial waters and airspace adjacent to, or in the vicinities of the facilities and areas. The United States may also take necessary measures for such purposes upon consultation between the two Governments through the Joint Committee.

2. The United States agrees not to take the measures referred to in paragraph 1 in such a manner as to interfere unnecessarily with navigation, aviation, communication, or land travel to or from or within the territories of Japan. All questions relating to frequencies, power and like matters used by apparatus employed by the United States designed to emit electric radiation shall be settled by arrangement between the appropriate authorities of the two Governments. The Government of Japan shall, within the scope of applicable laws and regulations, take all reasonable measures to avoid or eliminate interference with telecommunications electronics required by the United States armed forces.

3. Operations in the facilities and areas in use by the United States armed forces shall be carried on with due regard for the public safety.

ARTICLE IV

1. The United States is not obliged, when it returns facilities and areas to Japan on the expiration of this agreement or at an earlier date, to restore the facilities and areas to the condition in which they were at the time they became available to the United States armed forces, or to compensate Japan in lieu of such restoration.

2. Japan is not obliged to make any compensation to the United States for any improvements made in the facilities and areas or for the buildings or structures left thereon on the expiration of this agreement or the earlier return of the facilities and areas.

3. The foregoing provisions shall not apply to any construction which the Government of the United States may undertake under special arrangements with the Government of Japan.

ARTICLE V

1. United States and foreign vessels and aircraft operated by, for, or under the control of the United States for official purposes shall be accorded access to any port or airport of Japan free from toll or landing charges. When cargo or passengers not accorded the exemptions of this agreement are carried on such vessels and aircraft, notification shall be given to the appropriate Japanese authorities, and their entry into and departure from Japan shall be according to the laws and regulations of Japan.

2. The vessels and aircraft mentioned in paragraph 1, United States Government-owned vehicles including armor, and members of the United States armed forces, the civilian component, and their dependents shall be accorded access to and movement between facilities and areas in use by the United States armed forces and between such facilities and areas and the ports or airports of Japan. Such access to and movement between facilities and areas by United States military vehicles shall be free from toll and other charges.

3. When the vessels mentioned in paragraph 1 enter Japanese ports, appropriate notification shall, under normal conditions, be made to the proper Japanese authorities. Such vessels shall have freedom from compulsory pilotage, but if a pilot is taken pilotage shall be paid for at appropriate rates.

ARTICLE VI

1. All civil and military air traffic control and communications systems shall be developed in close coordination and shall be integrated to the extent necessary for fulfillment of collective security interests. Procedures, and any subsequent changes thereto, necessary to effect this coordination and integration will be established by arrangement between the appropriate authorities of the two Governments.

2. Lights and other aids to navigation of vessels and aircraft placed or established in the facilities and areas in use by United States armed forces and in territorial waters adjacent thereto or in the vicinity thereof shall conform to the system in use in Japan. The United States and Japanese authorities which have established such navigation aids shall notify each other of their positions and characteristics and shall give advance notification before making any changes in them or establishing additional navigation aids.

ARTICLE VII

The United States armed forces shall have the use of all public utilities and services belonging to, or controlled or regulated by the Government of Japan, and shall enjoy priorities in such uses, under conditions no less favorable than those that may be applicable from time to time to the ministries and agencies of the Government of Japan.

ARTICLE VIII

The Government of Japan undertakes to furnish the United States armed forces with the following meteorological services in accordance with arrangements between the appropriate authorities of the two Governments.

(a) Meteorological observations from land and ocean areas including observations from weather ships.

(b) Climatological information including periodic summaries and the historical data of the Meteorological Agency.

(c) Telecommunications service to disseminate meteorological information required for the safe and regular operation of aircraft.

(d) Seismographic data including forecasts of the estimated size of tidal waves resulting from earthquakes and areas that might be affected thereby.

ARTICLE IX

1. The United States may bring into Japan persons who are members of the United States armed forces, the civilian component, and their dependents, subject to the provisions of this article.

2. Members of the United States armed forces shall be exempt from Japanese passport and visa laws and regulations. Members of the United States armed forces, the civilian component, and their dependents shall be exempt from Japanese laws and regulations on the registration and control of aliens, but shall not be considered as acquiring any right to permanent residence or domicile in the territories of Japan.

3. Upon entry into or departure from Japan members of the United States armed forces shall be in possession of the following documents:

(a) personal identity card showing name, date of birth, rank and number, service, and photograph; and

(b) individual or collective travel order certifying to the status of the individual or group as a member or members of the United States armed forces and to the travel ordered.

For purposes of their identification while in Japan, members of the United States armed forces shall be in possession of the foregoing personal identity card which must be presented on request to the appropriate Japanese authorities.

4. Members of the civilian component, their dependents, and the dependents of members of the United States armed forces shall be in possession of appropriate documentation issued by the United States authorities so that their status may be verified by Japanese authorities upon their entry into or departure from Japan, or while in Japan.

5. If the status of any person brought into Japan under paragraph 1 of this article is altered so that he would no longer be entitled to such admission, the United States authorities shall notify the Japanese authorities and shall, if such person be required by the Japanese authorities to leave Japan, assure that transportation from Japan will be provided within a reasonable time at no cost to the Government of Japan.

6. If the Government of Japan has requested the removal from its territory of a member of the United States armed forces or civilian component or has made an expulsion order against an ex-member of the United States armed forces or the civilian component or against a dependent of a member or ex-member, the authorities of the United States shall be responsible for receiving the person concerned within its own territory or otherwise disposing of him outside Japan. This paragraph shall apply only to persons who are not nationals of Japan, and have entered Japan as members of the United States armed forces or civilian component or for the purpose of becoming such members, and to the dependents of such persons.

ARTICLE X

1. Japan shall accept as valid, without a driving test or fee, the driving permit or license or military driving permit issued by the United States to a member of the United States armed forces, the civilian component, and their dependents.

2. Official vehicles of the United States armed forces and the civilian component shall carry distinctive numbered plates or individual markings which will readily identify them.

3. Privately owned vehicles of members of the United States armed forces, the civilian component, and their dependents shall carry Japanese number plates to be acquired under the same conditions as those applicable to Japanese nationals.

ARTICLE XI

1. Save as provided in this agreement, members of the United States armed forces, the civilian component, and their dependents shall be subject to the laws and regulations administered by the customs authorities of Japan.

2. All materials, supplies and equipment imported by the United States armed forces, the authorized procurement agencies of the United States armed forces, or by the organizations provided for in article XV, for the official use of the United States armed forces or for the use of the members of the United States armed forces, the civilian component, and their dependents, and materials, supplies and equipment which are to be used exclusively by the United States armed forces or are ultimately to be incorporated into articles or facilities used by such forces, shall be permitted entry into Japan; such entry shall be free from customs duties and other such charges. Appropriate certification shall be made that such materials, supplies and equipment are being imported by the United States armed forces, the authorized procurement agencies of the United States armed forces, or by the organizations provided for in article XV, or, in the case of materials, supplies and equipment to be used exclusively by the United States armed forces or ultimately to be incorporated into articles or facilities used by such forces, that delivery thereof is to be taken by the United States armed forces for the purposes specified above.

3. Property consigned to and for the personal use of members of the United States armed forces, the civilian component, and their dependents, shall be subject to customs duties and other such charges, except that no duties or charges shall be paid with respect to:

(a) Furniture and household goods for their private use imported by the members of the United States armed forces or civilian component when they first arrive to serve in Japan or by their dependents when they first arrive for reunion with members of such forces or civilian component, and personal effects for private use brought by the said persons upon entrance.

(b) Vehicles and parts imported by members of the United States armed forces or civilian component for the private use of themselves or their dependents.

(c) Reasonable quantities of clothing and household goods of a type which would ordinarily be purchased in the United States for everyday use for the private use of members of the United States armed forces, civilian component, and their dependents, which are mailed into Japan through United States military post offices.

4. The exemptions granted in paragraphs 2 and 3 shall apply only to cases of importation of goods and shall not be interpreted as refunding customs duties and domestic excises collected by the customs authorities at the time of entry in cases of purchases of goods on which such duties and excises have already been collected.

5. Customs examination shall not be made in the following cases:

(a) Units of the United States armed forces under orders entering or leaving Japan;

(b) Official documents under official seal and official mail in United States military postal channels:

(c) Military cargo shipped on a United States Government bill of lading.

6. Except as such disposal may be authorized by the United States and Japanese authorities in accordance with mutually agreed conditions, goods imported into Japan free of duty shall not be disposed of in Japan to persons not entitled to import such goods free of duty.

7. Goods imported into Japan free from customs duties and other such charges pursuant to paragraphs 2 and 3, may be reexported free from customs duties and other such charges.

8. The United States armed forces, in cooperation with Japanese authorities, shall take such steps as are necessary to prevent abuse of privileges granted to the United States armed forces, members of such forces, the civilian component, and their dependents in accordance with this article.

9. (a) In order to prevent offenses against laws and regulations administered by the customs authorities of the Government of Japan, the Japanese authorities and the United States armed forces shall assist each other in the conduct of inquiries and the collection of evidence.

(b) The United States armed forces shall render all assistance within their power to ensure that articles liable to seizure by, or on behalf of, the customs authorities of the Government of Japan are handed to those authorities.

(c) The United States armed forces shall render all assistance within their power to ensure the payment of duties, taxes, and penalties payable by members of such forces or of the civilian component, or their dependents.

(d) Vehicles and articles belonging to the United States armed forces seized by the customs authorities of the Government of Japan in connection with an offense against its customs or fiscal laws or regulations shall be handed over to the appropriate authorities of the force concerned.

ARTICLE XII

1. The United States may contract for any supplies or construction work to be furnished or undertaken in Japan for purposes of, or authorized by, this agreement, without restriction as to choice of supplier or person who does the construction work. Such supplies or construction work may, upon agreement between the appropriate authorities of the two Governments, also be procured through the Government of Japan.

2. Materials, supplies, equipment and services which are required from local sources for the maintenance of the United States armed forces and the procurement of which may have an adverse effect on the economy of Japan shall be procured in coordination with, and, when desirable, through or with the assistance of, the competent authorities of Japan.

3. Materials, supplies, equipment and services procured for official purposes in Japan by the United States armed forces, or by authorized procurement agencies of the United States armed forces upon appropriate certification shall be exempt from the following Japanese taxes:

(a) Commodity tax

(b) Travelling tax

(c) Gasoline tax

(d) Electricity and gas tax.

Materials, supplies, equipment and services procured for ultimate use by the United States armed forces shall be exempt from commodity and gasoline taxes upon appropriate certification by the United States armed forces. With respect to any present or future Japanese taxes not specifically referred to in this article which might be found to constitute a significant and readily identifiable part of the gross purchase price of materials, supplies, equipment and services procured by the United States armed forces, or for ultimate use by such forces, the two Governments will agree upon a procedure for granting such exemption or relief therefrom as is consistent with the purposes of this article.

4. Local labor requirements of United States armed forces and of the organizations provided for in article XV shall be satisfied with the assistance of the Japanese authorities.

5. The obligations for the withholding and payment of income tax, local inhabitant tax and social security contributions, and, except as may otherwise be mutually agreed, the conditions of employment and work, such as those relating to wages and supplementary payments, the conditions for the protection of workers, and the rights of workers concerning labor relations shall be those laid down by the legislation of Japan.

6. Should the United States armed forces or as appropriate an organization provided

for in article XV dismiss a worker and a decision of a court or a Labor Relations Commission of Japan to the effect that the contract of employment has not terminated become final, the following procedures shall apply:

(a) The United States armed forces or the said organization shall be informed by the Government of Japan of the decision of the court or Commission;

(b) Should the United States armed forces or the said organization not desire to return the worker to duty, they shall so notify the Government of Japan within seven days after being informed by the latter of the decision of the court or Commission, and may temporarily withhold the worker from duty;

(c) Upon such notification, the Government of Japan and the United States armed forces or the said organization shall consult together without delay with a view to finding a practical solution of the case;

(d) Should such a solution not be reached within a period of thirty days from the date of commencement of the consultations under (c) above, the worker will not be entitled to return to duty. In such case, the Government of the United States shall pay to the Government of Japan an amount equal to the cost of employment of the worker for a period of time to be agreed between the two Governments.

7. Members of the civilian component shall not be subject to Japanese laws or regulations with respect to terms and conditions of employment.

8. Neither members of the United States armed forces, civilian component, nor their dependents, shall by reason of this article enjoy any exemption from taxes or similar charges relating to personal purchases of goods and services in Japan chargeable under Japanese legislation.

9. Except as such disposal may be authorized by the United States and Japanese authorities in accordance with mutually agreed conditions, goods purchased in Japan exempt from the taxes referred to in paragraph 3, shall not be disposed of in Japan to persons not entitled to purchase such goods exempt from such tax.

ARTICLE XIII

1. The United States armed forces shall not be subject to taxes or similar charges on property held, used or transferred by such forces in Japan.

2. Members of the United States armed forces, the civilian component, and their dependents shall not be liable to pay any Japanese taxes to the Government of Japan or to any other taxing agency in Japan on income received as a result of their service with or employment by the United States armed forces, or by the organizations provided for in article XV. The provisions of this article do not exempt such persons from payment of Japanese taxes on income derived from Japanese sources, nor do they exempt United States citizens who for United States income tax purposes claim Japanese residence from payment of Japanese taxes on income. Periods during which such persons are in Japan solely by reason of being members of the United States armed forces, the civilian component, or their dependents shall not be considered as periods of residence or domicile in Japan for the purpose of Japanese taxation.

3. Members of the United States armed forces, the civilian component, and their dependents shall be exempt from taxation in Japan on the holding, use, transfer inter se, or transfer by death of movable property, tangible or intangible, the presence of which in Japan is due solely to the temporary presence of these persons in Japan, provided that such exemption shall not apply to property held for the purpose of investment or the conduct of business in Japan or to any intangible property registered in Japan. There is no obligation under this article to grant exemption from taxes payable in respect of the use of roads by private vehicles.

ARTICLE XIV

1. Persons, including corporations organized under the laws of the United States, and their employees who are ordinarily resident in the United States and whose presence in Japan is solely for the purpose of executing contracts with the United States for the benefit of the United States armed forces, and who are designated by the Government of the United States in accordance with the provisions of paragraph 2 below, shall, except as provided in this article, be subject to the laws and regulations of Japan.

2. The designation referred to in paragraph 1 above shall be made upon consultation with the Government of Japan and shall be restricted to cases where open competitive bidding is not practicable due to security considerations, to the technical qualifications of the contractors involved, or to the unavailability of materials or services required by United States standards, or to limitations of United States law.

The designation shall be withdrawn by the Government of the United States:

(a) upon completion of contracts with the United States for the United States armed forces;

(b) upon proof that such persons are engaged in business activities in Japan other than those pertaining to the United States armed forces; or

(c) when such persons are engaged in practices illegal in Japan.

3. Upon certification by appropriate United States authorities as to their identity, such persons and their employees shall be accorded the following benefits of this agreement:

(a) Rights of accession and movement, as provided for in article V, paragraph 2;

(b) Entry into Japan in accordance with the provisions of article IX;

(c) The exemption from customs duties, and other such charges provided for in article XI, paragraph 3, for members of the United States armed forces, the civilian component, and their dependents;

(d) If authorized by the Government of the United States, the right to use the services of the organizations provided for in article XV;

(e) Those provided for in article XIX, paragraph 2, for members of the armed forces of the United States, the civilian component, and their dependents;

(f) If authorized by the Government of the United States, the right to use military payment certificates, as provided for in article XX;

(g) The use of postal facilities provided for in article XXI;

(h) Exemption from the laws and regulations of Japan with respect to terms and conditions of employment.

4. Such persons and their employees shall be so described in their passports and their arrival, departure and their residence while in Japan shall from time to time be notified by the United States armed forces to the Japanese authorities.

5. Upon certification by an authorized officer of the United States armed forces, depreciable assets except houses, held, used, or transferred, by such persons and their employees exclusively for the execution of contracts referred to in paragraph 1 shall not be subject to taxes or similar charges of Japan.

6. Upon certification by an authorized officer of the United States armed forces, such persons and their employees shall be exempt from taxation in Japan on the holding, use, transfer by death, or transfer to persons or agencies entitled to tax exemption under this agreement, of movable property, tangible or intangible, the presence of which in Japan is due solely to the temporary presence of these persons in Japan, provided that such exemption shall not apply to property held for the purpose of investment or the conduct of other business in Japan or to any intangible property registered in Japan. There is no obligation under this article to grant exemption from taxes payable in respect of the use of roads by private vehicles.

7. The persons and their employees referred to in paragraph 1 shall not be liable to pay income or corporation taxes to the Government of Japan or to any other taxing agency in Japan on any income derived under a contract made in the United States with the Government of the United States in connection with the construction, maintenance, or operation of any of the facilities or areas covered by this agreement. The provisions of this paragraph do not exempt such persons from payment of income or corporation taxes on income derived from Japanese sources, nor do they exempt such persons and their employees who, for United States income tax purposes, claim Japanese residence, from payment of Japanese taxes on income. Periods during which such persons are in Japan solely in connection with the execution of a contract with the Government of the United States shall not be considered periods of residence or domicile in Japan for the purposes of such taxation.

8. Japanese authorities shall have the primary right to exercise jurisdiction over the persons and their employees referred to in paragraph 1 of this article in relation to offenses committed in Japan and punishable by the law of Japan. In those cases in which the Japanese authorities decide not to exercise such jurisdiction they shall notify the military authorities of the United States as soon as possible. Upon such notification the military authorities of the United States shall have the right to exercise such jurisdiction over the persons referred to as is conferred on them by the law of the United States.

ARTICLE XV

1. (a) Navy exchanges, post exchanges, messes, social clubs, theaters, newspapers and other nonappropriated fund organizations authorized and regulated by the United States military authorities may be established in the facilities and areas in use by the United States armed forces for the use of members of such forces, the civilian component, and their dependents. Except as otherwise provided in this agreement, such organizations shall not be subject to Japanese regulations, license, fees, taxes or similar controls.

(b) When a newspaper authorized and regulated by the United States military authorities is sold to the general public, it shall be subject to Japanese regulations, license, fees, taxes or similar controls so far as such circulation is concerned.

2. No Japanese tax shall be imposed on sales of merchandise and services by such organizations, except as provided in paragraph 1(b), but purchases within Japan of merchandise and supplies by such organizations shall be subject to Japanese taxes.

3. Except as such disposal may be authorized by the United States and Japanese authorities in accordance with mutually agreed conditions, goods which are sold by such organizations shall not be disposed of in Japan to persons not authorized to make purchases from such organizations.

4. The organizations referred to in this article shall provide such information to the Japanese authorities as is required by Japanese tax legislation.

ARTICLE XVI

It is the duty of members of the United States armed forces, the civilian component, and their dependents to respect the law of Japan and to abstain from any activity inconsistent with the spirit of this agreement, and, in particular, from any political activity in Japan.

ARTICLE XVII

1. Subject to the provisions of this article,

(a) the military authorities of the United States shall have the right to exercise within Japan all criminal and disciplinary jurisdiction conferred on them by the law of the United States over all persons subject to the military law of the United States;

(b) the authorities of Japan shall have jurisdiction over the members of the United States armed forces, the civilian component, and their dependents with respect to offenses committed within the territory of Japan and punishable by the law of Japan.

2. (a) The military authorities of the United States shall have the right to exercise exclusive jurisdiction over persons subject to the military law of the United States with respect to offenses, including offenses relating to its security, punishable by the law of the United States, but not by the law of Japan.

(b) The authorities of Japan shall have the right to exercise exclusive jurisdiction over members of the United States armed forces, the civilian component, and their dependents with respect to offenses, including offenses relating to the security of Japan, punishable by its law but not by the law of the United States.

(c) For the purposes of this paragraph and of paragraph 3 of this article a security offense against a State shall include

(i) treason against the State;

(ii) sabotage, espionage or violation of any law relating to official secrets of that State, or secrets relating to the national defense of that State.

3. In cases where the right to exercise jurisdiction is concurrent the following rules shall apply:

(a) The military authorities of the United States shall have the primary right to exercise jurisdiction over members of the United States armed forces or the civilian component in relation to

(i) offenses solely against the property or security of the United States, or offenses solely against the person or property of another member of the United States armed forces or the civilian component or of a dependent;

(ii) offenses arising out of any act or omission done in the performance of official duty.

(b) In the case of any other offense the authorities of Japan shall have the primary right to exercise jurisdiction.

(c) If the State having the primary right decides not to exercise jurisdiction, it shall notify the authorities of the other State as soon as practicable. The authorities of the State having the primary right shall give sympathetic consideration to a request from the authorities of the other State for a waiver of its right in cases where that other State considers such waiver to be of particular importance.

4. The foregoing provisions of this article shall not imply any right for the military authorities of the United States to exercise jurisdiction over persons who are nationals of or ordinarily resident in Japan, unless they are members of the United States armed forces.

5. (a) The military authorities of the United States and the authorities of Japan shall assist each other in the arrest of members of the United States armed forces, the civilian component, or their dependents in the territory of Japan and in handing them over to the authority which is to exercise jurisdiction in accordance with the above provisions.

(b) The authorities of Japan shall notify promptly the military authorities of the United States of the arrest of any member of the United States armed forces, the civilian component, or a dependent.

(c) The custody of an accused member of the United States armed forces or the civilian component over whom Japan is to exercise jurisdiction shall, if he is in the hands of the United States, remain with the United States until he is charged by Japan.

6. (a) The military authorities of the United States and the authorities of Japan shall assist each other in the carrying out of all necessary investigations into offenses, and in the collection and production of evidence, including the seizure and, in proper cases, the handing over of objects connected with an offense. The handing over of such objects may, however, be made subject to their return within the time specified by the authority delivering them.

(b) The military authorities of the United States and the authorities of Japan shall notify each other of the disposition of all cases in which there are concurrent rights to exercise jurisdiction.

7. (a) A death sentence shall not be carried out in Japan by the military authorities of the United States if the legislation of Japan does not provide for such punishment in a similar case.

(b) The authorities of Japan shall give sympathetic consideration to a request from the military authorities of the United States for assistance in carrying out a sentence of imprisonment pronounced by the military authorities of the United States under the provisions of this article within the territory of Japan.

8. Where an accused has been tried in accordance with the provisions of this article either by the military authorities of the United States or the authorities of Japan and has been acquitted, or has been convicted and is serving, or has served, his sentence or has been pardoned, he may not be tried again for the same offense within the territory of Japan by the authorities of the other State. However, nothing in this paragraph shall prevent the military authorities of the United States from trying a member of its armed forces for any violation of rules of discipline arising from an act or omission which constituted an offense for which he was tried by the authorities of Japan.

9. Whenever a member of the United States armed forces, the civilian component or a dependent is prosecuted under the jurisdiction of Japan he shall be entitled:

(a) to a prompt and speedy trial;

(b) to be informed, in advance of trial, of the specific charge or charges made against him;

(c) to be confronted with the witnesses against him;

(d) to have compulsory process for obtaining witnesses in his favor, if they are within the jurisdiction of Japan;

(e) to have legal representation of his own choice for his defense or to have free or assisted legal representation under the conditions prevailing for the time being in Japan;

(f) if he considers it necessary, to have the services of a competent interpreter; and

(g) to communicate with a representative of the Government of the United States and to have such a representative present at his trial.

10. (a) Regularly constituted military units or formations of the United States armed forces shall have the right to police any facilities or areas which they use under article II of this agreement. The military police of such forces may take all appropriate measures to ensure the maintenance of order and security within such facilities and areas.

(b) Outside these facilities and areas, such military police shall be employed only subject to arrangements with the authorities of Japan and in liaison with those authorities, and in so far as such employment is necessary to maintain discipline and order among the members of the United States armed forces.

11. In the event of hostilities to which the provisions of article V of the Treaty of Mutual Cooperation and Security apply, either the Government of the United States or the Government of Japan shall have the right, by giving sixty days' notice to the other, to suspend the application of any of the provisions of this article. If this right is exercised, the Governments of the United States and Japan shall immediately consult with a view to agreeing on suitable provisions to replace the provisions suspended.

12. The provisions of this article shall not apply to any offenses committed before the entry into force of this agreement. Such cases shall be governed by the provisions of article XVII of the administrative agreement under article III of the Security Treaty between the United States of America and Japan, as it existed at the relevant time.

ARTICLE XVIII

1. Each party waives all its claims against the other party for damage to any property owned by it and used by its land, sea or air defense services, if such damage—

(a) was caused by a member or an employee of the defense services of the other party in the performance of his official duties; or

(b) arose from the use of any vehicle, vessel or aircraft owned by the other party and used by its defense services, provided either that the vehicle, vessel or aircraft causing the damage was being used for official purposes, or that the damage was caused to property being so used.

Claims for maritime salvage by one party against the other party shall be waived, provided that the vessel or cargo salved was owned by a party and being used by its defense services for official purposes.

2. (a) In the case of damage caused or arising as stated in paragraph 1 to other property owned by either party and located in Japan, the issue of the liability of the other party shall be determined and the amount of damage shall be assessed, unless the two Governments agree otherwise, by a sole arbitrator selected in accordance with subparagraph (b) of this paragraph. The arbitrator shall also decide any counterclaims arising out of the same incident.

(b) The arbitrator referred to in subparagraph (a) above shall be selected by agreement between the two Governments from amongst the nationals of Japan who hold or have held high judicial office.

(c) Any decision taken by the arbitrator shall be binding and conclusive upon the parties.

(d) The amount of any compensation awarded by the arbitrator shall be distributed in accordance with the provisions of paragraph 5(e)(i), (ii), and (iii) of this article.

(e) The compensation of the arbitrator shall be fixed by agreement between the two Governments and shall, together with the necessary expenses incidental to the performance of his duties, be defrayed in equal proportions by them.

(f) Nevertheless, each party waives its claim in any such case up to the amount of 1,400 U.S. dollars or 504,000 yen. In the case of considerable variation in the rate of exchange between these currencies the two Governments shall agree on the appropriate adjustments of these amounts.

3. For the purposes of paragraphs 1 and 2 of this article the expression "owned by a party" in the case of a vessel includes a vessel on bare boat charter to that party or requisitioned by it on bare boat terms or seized by it in prize (except to the extent that the risk of loss or liability is borne by some person other than such party).

4. Each party waives all its claims against the other party for injury or death suffered by any member of its defense services while such member was engaged in the performance of his official duties.

5. Claims (other than contractual claims and those to which paragraphs 6 or 7 of this

article apply) arising out of acts or omissions of members or employees of the United States armed forces done in the performance of official duty, or out of any other act, omission, or occurence for which the United States armed forces are legally responsible, and causing damage in Japan to third parties, other than the Government of Japan, shall be dealt with by Japan in accordance with the following provisions:

(a) Claims shall be filed, considered, and settled or adjudicated in accordance with the laws and regulations of Japan with respect to claims arising from the activities of its self-defense forces.

(b) Japan may settle any such claims, and payment of the amount agreed upon or determined by adjudication shall be made by Japan in yen.

(c) Such payment, whether made pursuant to a settlement or to adjudication of the case by a competent tribunal of Japan, or the final adjudication by such a tribunal denying payment, shall be binding and conclusive upon the parties.

(d) Every claim paid by Japan shall be communicated to the appropriate United States authorities together with full particulars and a proposed distribution in conformity with subparagraphs (e)(i) and (ii) below. In default of a reply within two months, the proposed distribution shall be regarded as accepted.

(e) The cost incurred in satisfying claims pursuant to the preceding subparagraphs and paragraph 2 of this article shall be distributed between the parties as follows:

(i) Where the United States alone is responsible, the amount awarded or adjudged shall be distributed in the proportion of 25 percent chargeable to Japan and 75 percent chargeable to the United States.

(ii) Where the United States and Japan are responsible for the damage, the amount awarded or adjudged shall be distributed equally between them. Where the damage was caused by the defense services of the United States or Japan and it is not possible to attribute it specifically to one or both of those defense services, the amount awarded or adjudged shall be distributed equally between the United States and Japan.

(iii) Every half year, a statement of the sums paid by Japan in the course of the half-yearly period in respect of every case regarding which the proposed distribution on a percentage basis has been accepted, shall be sent to the appropriate United States authorities, together with a request for reimbursement. Such reimbursement shall be made, in yen, within the shortest possible time.

(f) Members or employees of the United States armed forces, excluding those employees who have only Japanese nationality, shall not be subject to any proceedings for the enforcement of any judgment given against them in Japan in a matter arising from the performance of their official duties.

(g) Except in so far as subparagraph (e) of this paragraph applies to claims covered by paragraph 2 of this article, the provisions of this paragraph shall not apply to any claim arising out of or in connection with the navigation or operation of a ship or the loading, carriage, or discharge of a cargo; other than claims for death or personal injury to which paragraph 4 of this article does not apply.

6. Claims against members or employees of the United States armed forces (except employees who are nationals of or ordinarily resident in Japan) arising out of tortious acts or omissions in Japan not done in the performance of official duty shall be dealt with in the following manner:

(a) The authorities of Japan shall consider the claim and assess compensation to the claimant in a fair and just manner, taking into account all the circumstances of the case, including the conduct of the injured person, and shall prepare a report on the matter.

(b) The report shall be delivered to the appropriate United States authorities, who shall then decide without delay whether they will offer an ex gratia payment, and if so, of what amount.

(c) If an offer of ex gratia payment is made, and accepted by the claimant in full satisfaction of his claim, the United States authorities shall make the payment themselves and inform the authorities of Japan of their decision and of the sum paid.

(d) Nothing in this paragraph shall affect the jurisdiction of the courts of Japan to entertain an action against a member or an employee of the United States armed forces unless and until there has been payment in full satisfaction of the claim.

7. Claims arising out of the unauthorized use of any vehicle of the United States armed forces shall be dealt with in accordance with paragraph 6 of this Article, except in so far as the United States armed forces are legally responsible.

8. If a dispute arises as to whether a tortious act or omission of a member or an employee of the United States armed forces was done in the performance of official duty or as to whether the use of any vehicle of the United States armed forces was unauthorized, the question shall be submitted to an arbitrator appointed in accordance with paragraph 2(b) of this Article, whose decision on this point shall be final and conclusive.

9. (a) The United States shall not claim immunity from the jurisdiction of the courts of Japan for members or employees of the United States armed forces in respect of the civil jurisdiction of the courts of Japan except to the extent provided in paragraph 5(f) of this article.

(b) In case any private movable property, excluding that in use by the United States armed forces, which is subject to compulsory execution under Japanese law, is within the facilities and areas in use by the United States armed forces, the United States authorities shall, upon the request of Japanese courts, possess and turn over such property to the Japanese authorities.

(c) The authorities of the United States and Japan shall cooperate in the procurement of evidence for a fair hearing and disposal of claims under this article.

10. Disputes arising out of contracts concerning the procurement of materials, supplies, equipment, services, and labor by or for the United States armed forces, which are not resolved by the parties to the contract concerned, may be submitted to the Joint Committee for conciliation, provided that the provisions of this paragraph shall not prejudice any right which the parties to the contract may have to file a civil suit.

11. The term "defense services" used in this article is understood to mean for Japan its self-defense forces and for the United States its armed forces.

12. Paragraphs 2 and 5 of this article shall apply only to claims arising incident to noncombat activities.

13. The provisions of this article shall not apply to any claims which arose before the entry into force of this Agreement. Such claims shall be dealt with by the provisions of article XVIII of the Administrative Agreement under article III of the Security Treaty between the United States of America and Japan.

ARTICLE XIX

1. Members of the United States armed forces, the civilian component, and their dependents, shall be subject to the foreign exchange controls of the Government of Japan.

2. The preceding paragraph shall not be construed to preclude the transmission into or outside of Japan of United States dollars or dollar instruments representing the official funds of the United States or realized as a result of service or employment in connection with this agreement by members of the United States armed forces and the civilian component, or realized by such persons and their dependents from sources outside of Japan.

3. The United States authorities shall take suitable measures to preclude the abuse of the privileges stipulated in the preceding paragraph or circumvention of the Japanese foreign exchange controls.

ARTICLE XX

1. (a) United States military payment certificates denominated in dollars may be used by persons authorized by the United States for internal transactions within the facilities and areas in use by the United States armed forces. The Government of the United States will take appropriate action to insure that authorized personnel are prohibited from engaging in transactions involving military payment certificates except as authorized by United States regulations. The Government of Japan will take necessary action to prohibit unauthorized persons from engaging in transactions involving military payment certificates and with the aid of United States authorities will undertake to apprehend and punish any person or persons under its jurisdiction involved in the counterfeiting or uttering of counterfeit military payment certificates.

(b) It is agreed that the United States authorities will apprehend and punish members of the United States armed forces, the civilian component, or their dependents, who tender military payment certificates to unauthorized persons and that no obligation will be due to such unauthorized persons or to the Government of Japan or its agencies from the United States or any of its agencies as a result of any unauthorized use of military payment certificates within Japan.

2. In order to exercise control of military payment certificates the United States may designate certain American financial institutions to maintain and operate, under United States supervision, facilities for the use of persons authorized by the United States to use military payment certificates. Institutions authorized to maintain military banking facilities will establish and maintain such facilities physically separated from their Japanese commercial banking business, with personnel whose sole duty is to maintain and operate such facilities. Such facilies shall be permited to maintain United States currency bank accounts and to perform all financial transactions in connection therewith including receipt and remission of funds to the extent provided by article XIX, paragraph 2, of this Agreement.

ARTICLE XXI

The United States may establish and operate, within the facilities and areas in use by the United States armed forces, United States military post offices for the use of members of the United States armed forces, the civilian component, and their dependents, for the transmission of mail between United States military post offices in Japan and between such military post offices and other United States post offices.

ARTICLE XXII

The United States may enroll and train eligible United States citizens residing in Japan, who apply for such enrollment, in the reserve organizations of the armed forces of the United States.

ARTICLE XXIII

The United States and Japan will cooperate in taking such steps as may from time to time be necessary to ensure the security of the United States armed forces, the members thereof, the civilian component, their

dependents, and their property. The Government of Japan agrees to seek such legislation and to take such other action as may be necessary to ensure the adequate security and protection within its territory of installations, equipment, property, records and official information of the United States, and for the punishment of offenders under the applicable laws of Japan.

ARTICLE XXIV

1. It is agreed that the United States will bear for the duration of this agreement without cost to Japan all expenditures incident to the maintenance of the United States armed forces in Japan except those to be borne by Japan as provided in paragraph 2.

2. It is agreed that Japan will furnish for the duration of this agreement without cost to the United States and make compensation where appropriate to the owners and suppliers thereof all facilities and areas and rights of way, including facilities and areas jointly used such as those at airfields and ports, as provided in articles II and III.

3. It is agreed that arrangements will be effected between the Governments of the United States and Japan for accounting applicable to financial transactions arising out of this agreement.

ARTICLE XXV

1. A Joint Committee shall be established as the means for consultation between the Government of the United States and the Government of Japan on all matters requiring mutual consultation regarding the implementation of this agreement. In particular, the Joint Committee shall serve as the means for consultation in determining the facilities and areas in Japan which are required for the use of the United States in carrying out the purposes of the Treaty of Mutual Cooperation and Security.

2. The Joint Committee shall be composed of a representative of the Government of the United States and a representative of the Government of Japan, each of whom shall have one or more deputies and a staff. The Joint Committee shall determine its own procedures, and arrange for such auxiliary organs and administrative services as may be required. The Joint Committee shall be so organized that it may meet immediately at any time at the request of the representative of either the Government of the United States or the Government of Japan.

3. If the Joint Committee is unable to resolve any matter, it shall refer that matter to the respective Governments for further consideration through appropriate channels.

ARTICLE XXVI

1. This agreement shall be approved by the United States and Japan in accordance with their legal procedures, and notes indicating such approval shall be exchanged.

2. After the procedure set forth in the preceding paragraph has been followed, this Agreement will enter into force on the date of coming into force of the Treaty of Mutual Cooperation and Security, at which time the Administrative Agreement under Article III of the Security Treaty between the United States of America and Japan, signed at Tokyo on February 28, 1952, as amended, shall expire.

3. The Government of each party to this Agreement undertakes to seek from its legislature necessary budgetary and legislative action with respect to provisions of this Agreement which require such action for their execution.

ARTICLE XXVII

Either Government may at any time request the revision of any Article of this Agreement, in which case the two Governments shall enter into negotiation through appropriate channels.

ARTICLE XXVIII

This Agreement, and agreed revisions thereof, shall remain in force while the Treaty of Mutual Cooperation and Security remains in force unless earlier terminated by agreement between the two Governments.

In witness whereof the undersigned Plenipotentiaries have signed this Agreement.

Done at Washington, in duplicate, in the English and Japanese languages, both texts equally authentic, this 19th day of January, 1960.

For the United States of America:

CHRISTIAN A. HERTER.
DOUGLAS MACARTHUR 2D.
J. GRAHAM PARSONS.

For Japan:

NOBUSUKE KISHI.
AIICHIRO FUJIYAMA.
MITSUJIRO ISHII.
TADASHI ADACHI.
KOICHIRO ASAKAI.

Mr. ALLOTT. Mr. President, first I commend the senior Senator from Iowa for the very well considered and brilliant discourse which he has made upon the Japanese Treaty. I concur in what the Senator has said. I also concur in the remarks of the Senator from Arkansas, who this afternoon made such a fine presentation of all the ramifications of the Japanese Treaty to the Members of the Senate.

I intend to support the treaty. There is one thing I wish to state, as a result of some of the colloquy which occurred in the last few minutes. It seems to me that to deny the treaty is to draw a line down the Pacific. I do not think the United States can afford to do so. I do not think we can afford to bring our outer perimeter of defense closer to the United States than it is. We do not have to go far back in history to remember the Oxford movement of the 1930's and the very sad effect it had upon the thinking, the alertness and the wakefulness of this country. After World War II, I think we should ever be mindful of the effects which drawing a line closer to the United States might have upon our national policy and international policy.

I think we are all indebted to the Senator from Iowa [Mr. HICKENLOOPER], to the Senator from Arkansas [Mr. FULBRIGHT], to the Senator from Ohio [Mr. LAUSCHE], and to other Senators who have taken such a clear-cut stand upon this question.

Mr. President, for the benefit of my colleagues in the Senate I intend to devote myself for some 15 or 20 minutes to an entirely different subject, so Senators who have other things to do can take care of them in these few minutes.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield.

Mr. HICKENLOOPER. I merely wish to express my thanks to the Senator for the kind words he has said about the treaty. I am happy the Senator agrees with me with regard to the treaty and is going to support it.

Mr. ALLOTT. Oftentimes the Senator from Iowa and I have minor disagreements, but this is not one of those occasions. I think the Senator has contributed a very great argument in behalf of the treaty.

Mr. HICKENLOOPER. I thank the Senator.

THE NATIONAL SPACE EXPLORATION PROGRAM

Mr. ALLOTT. Mr. President, I shall take several minutes of the Senate's valuable time to make what I believe to be some pertinent comments on our national space exploration program. As ranking minority member of the Appropriations Subcommittee, which is responsible for approving the operating funds of the National Aeronautics and Space Administration, I have been somewhat disturbed by an apparent public confusion and outlook on this Nation's space efforts. I hope the statements and suggestions submitted in the course of my remarks will, on analysis, be considered as a constructive attempt to promote clarity and public understanding toward a program which unquestionably involves one of the most noble national endeavors upon which this country has ever embarked.

The study and deliberations I have made of our national space activities have led me to the conclusion that the Congress itself has been guilty of not providing the degree of enlightened cooperation which our space scientists and technologists require if they are to advance in their efforts on this challenging frontier of space. In fact, congressional enthusiasm and apathy on our space efforts have been so intermixed that our citizens have not been able to feel the real pulse of the truly great developments occurring in space in their own lifetimes.

Before providing the particulars in support of this conclusion, it may be helpful to review briefly what lies ahead on the space horizon for all humanity if our national space program is fully supported as well as vigorously pursued. Most of our scientists who have come to grips with the realities of our technical capabilities in space believe that within the lifetimes of most of us our progress in the world outside the earth will give us instantaneous communications around the earth. Television programs, for example, originating in New York, will be viewed in Bombay or Cairo. International telephone conversations will, without delay, be as easily made from Denver to Paris as they presently are today from Denver to Chicago.

Second. Our space capabilities reflect the great advances which lie before us in weather forecasting and possibly even weather control in the near future. Meteorologists of every nation have already acclaimed the breathtaking cloud cover pictures taken over millions of miles of the earth's surface by Tiros I. Pictures from Tiros I have now accumulated to a number of over 24,000. Our own weather experts indicate that with the earlier weather predictions now promised through our space efforts, billions of dollars in terms of lives and property can be saved to this Nation and the world.

It becomes immediately apparent that if our satellites can photograph with accuracy and detail cloud structure and formation, typhoons, and hurricanes, as they have, they will be able to observe, also in detail, launching sites, nuclear explosions, and military production sites. In the near future, then, hopefully the

world can be protected against sneak attacks and surprise aggression. If in December of 1941, the photographic capabilities of satellites had been available to the Nation, the destruction of our naval strength at Pearl Harbor might never have occurred.

In the field of navigation, there appears now to be no unsolved technological problems ahead to the development of a satellite system producing instantaneous information for accurate guidance of our ships and commerce on the high seas.

Sometime late next year, if present schedules can be maintained, the Nation's first man traveling in space will circle the earth in his mercury capsule. Twenty-seven thousand miles in 90 minutes, Mr. President, will be the greatest jump in manned traveling speed the world has experienced to date. In fact, it will be over a 1,200 percent increase in the speed attained today in even our advanced jet military aircraft. If our commerce keeps pace with our technological progress, it is not too unrealistic to visualize transportation between our east coast and Europe in a time period of less than 15 minutes. Yes; it sounds incredible, Mr. President, but we must remember that the Wright brothers were considered as "loony tinkerers" not too many years ago.

Even beyond the exciting vista which lies before us in the fields I have mentioned, great advancements can be expected in a number of areas upon which our lives are already heavily dependent today. The electronics industry, for example, pressed by the demands of space technology, has taken great strides forward in the development of new techniques and the miniaturization of existing equipment.

Medical research will be given new information through the experience of animate life traveling through space, some of which may open new avenues for remedies of present day diseases and illnesses. New and more powerful propulsion fuels are in development; the desire for new materials that are harder, lighter, and more durable under intense heating conditions in space may revolutionize the present day manufacture of industrial products in the days ahead; new power sources through a better understanding of the sun-earth relationship may develop; and perhaps beyond anything else, the great increase in our basic knowledge about the origin of the earth and indeed the existence of life on other planets holds a promise and excitement that few experiments in all recorded history could reflect.

I have not referred directly as yet to the international character of our space activities or the international prestige that is implicit in the competition between the United States and the U.S.S.R. in this field. The successful orbiting of Sputnik I on October 4, 1957, marked a new era in the Communist cold war, and the free nations of the world are, 4 years later, still rebounding from the claims of technological superiority of the Marxist societies.

Scientific community and world leaders, at home and abroad, know that the United States has launched successfully far more satellite and deep space probes than the Russians and have provided far more valuable data to benefit the world at large than their counterparts in the Soviet Union. However, the vast propagandist mill of the Communist network has exploited to the fullest measure, the sputniks, and luniks, which have been launched to the moon and beyond in order to achieve the greatest psychological advantage for Russia.

Our scientists inform us that the Soviet Union has revealed to the world at large relatively little scientific data that they may have obtained through these efforts. And this in spite of the condition that our data, as well as the information on our successes and failures in space, have been placed in open view, even to the Soviet Union.

I believe there is no question that we are in a technological race in space with the Soviet Union and that our competition views this race as a critical factor in their drive to communize the world. Our scientists and technicians are not hanging their heads in shame, nor are they fearful of the outcome if they can be assured of continuous support for their research efforts. They have proven to date that they are not only willing but capable of keeping this Nation in the forefront in the fields I have already mentioned but are confident of leading the way in many others that will bring credit to the Nation and the free world as well.

Most of the Members of the Senate recall the lengthy hearings held several years ago in both Houses of Congress by select committees on the subject of this Nation's space effort. These hearings culminated in the establishment of a national policy that our exploration of space should be dedicated to peaceful purposes and the establishment of the National Aeronautics and Space Administration to conduct our space exploration program. Provision was made at that time to safeguard the responsibilities of the Defense Department to carry on defense programs in space. And finally, for the first time in some 80 years, both Houses of the Congress, established new permanent committees to legislate and have jurisdiction over a new function of the Federal Government.

Since these developments have occurred, programs, personnel, and facilities have been concentrated in the NASA and a long-range plan for space exploration has been formulated by the scientists in the new agency.

In addition to these rapid developments, appropriations have been requested of the Congress to provide the financial foundation that this challenging and promising program required. And it is in this area, Mr. President, that I would like to direct my final comments to the attention of my colleagues.

I, and I am sure the citizens of my State, have been disturbed by the comments of leading members of the opposition party that we are not going fast enough in space and that budget restrictions are retarding our space efforts.

However, I find that in the last 3 fiscal years, the Congress of the United States has cut the funds for our National Space Administration by $74,900,000. And the other body of Congress has already approved a reduction of $38,900,000 for next year's operating funds for NASA. I am pleased to state quite openly that the reduction in funds for this vital program has not originated in this body. To the contrary, the Senate has supported on every occasion the appropriations requested by our space scientists and technicians. But, as the Members well know, controversies between the two Houses are settled by compromises and these compromises in our space budget have resulted in vital programs being delayed or canceled by the space agency.

I believe that the Members of Congress should be as consistent in the support which they give to the space program as they are consistent in their repeated statements regarding the urgency for our national space efforts.

In conclusion, I want to state that there may be a valid question as to whether our present organizational structure in Congress for consideration of space legislative matters is designed to promote the information needed by its members in order for them to intelligently support their efforts.

I do not wish my remarks however to be misunderstood for I have the highest regard for the work which the present Space Committees of both houses have performed to date.

Over the years the Joint Committee on Atomic Energy has become a valuable mechanism to the Members of Congress in bringing pertinent and timely information on a scientific program of great national significance. I believe that a Joint Committee on Space Exploration which would have legislative jurisdiction over our national space activities would possibly produce a greater degree of congressional support for our technical space oriented programs.

I ask unanimous consent that an information fact sheet about the National Aeronautics and Space Administration, together with a table 1 entitled, "Significant Firsts in Sounding Rockets, Satellite, and Space Probe Research," be printed in the RECORD at this point in my remarks.

There being no objection, the fact sheet and table were ordered to be printed in the RECORD, as follows:

INFORMATION FACT SHEET ABOUT THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

BACKGROUND

The National Aeronautics and Space Administration (NASA) was established by Public Law 85–568 signed by President Eisenhower on July 29, 1958. Earliest public statements about official governmental interest in scientific experiments in space occurred in 1955 when announcement was made of our intention to launch artificial satellites as part of our contribution to the program of the International Geophysical Year (IGY). Military interest in the use of the space environment has existed, but not publicly, for many years.

Prior to 1958, the limited space activities of the United States were conducted by the military departments. Although financed by the National Science Foundation, the Vanguard IGY program was under the management and technical direction of the Navy.

Projects initiated following Sputnik I (Oct. 4, 1957) were funded by the Department of Defense, Advanced Research Projects Agency (ARPA) and carried out by the military services whether for civilian scientific or for military purposes.

On October 1, 1958, NASA officially came into existence and several projects were transferred from the Department of Defense (DOD) to NASA. The Administrator of NASA and the Deputy Administrator, T. Keith Glennan and Hugh L. Dryden, respectively, were confirmed by the Senate on August 14, 1958, and sworn in on August 19, 1958. Throughout the balance of 1958 and 1959, transfers of various projects between DOD and NASA occurred as the program and operating responsibilities of each agency were clarified.

PROVISIONS OF THE SPACE ACT

The act set forth the policy of the United States that activities in space should be devoted to peaceful purposes for the benefit of all mankind and that a civilian organization, NASA, was being organized to conduct such activities. The act reserved to the Defense Department jurisdiction over those space activities which were necessary in carrying out the military responsibilities of the respective departments.

The President was made directly responsible for (1) surveying all significant aeronautical and space activities, (2) developing a comprehensive program of such activities to be conducted by agencies of the United States, (3) designating the agency to carry out major activities, (4) providing for effective cooperation between the DOD and NASA and (5) resolving differences between these two agencies on matters of jurisdiction. He was given a Space Council composed of governmental and nongovernmental members to advise him on the performance of these duties and there was established a Civilian-Military Liaison Committee through which the Secretary of Defense and the Administrator of NASA would advise and consult on matters of concern to each.

PROPOSED CHANGES IN SPACE ACT (85–568)

On January 14, 1960, the President transmitted a message to the Congress proposing changes in Public Law 85–568 which are intended to make it clear that the Nation's program in space exploration for peaceful purposes is and should be the responsibility of a single civilian agency—NASA. Provision is made for the President to allocate responsibility for the design and development of new launch vehicles and to resolve possible disputes between NASA and the DOD. While there are proposed changes in the wording regarding military activities in space, there is no change in the intent to leave the Department of Defense free to meet its military responsibilities through the use of space and the development of weapons using space vehicles.

Further, the President states his belief that it is no longer desirable to retain in the act those provisions which impose planning and supervisory duties on the President. Since the purpose of the Space Council is solely that of advising the President on the performance of his duties, the enumeration of which is to be repealed, he proposes the elimination of the Space Council. Because of the many channels for communication between NASA and the DOD, the President further proposes the elimination of the Civilian-Military Liaison Committee.

A proposed change that has attracted some attention has to do with property rights in inventions. In brief, it is proposed that the patent policies of NASA be changed to approximate those of the Department of Defense so that the Government, through both of these agencies, treats its contractors in this field similarly, while adequately protecting the interests of the Government.

TECHNICAL COMPETENCY OF NASA

NASA has transferred to it the 43-year-old National Advisory Committee for Aeronautics (NACA), including 8,000 scientific, technical, and administrative personnel. The NACA's reputation for research in the development of advanced aircraft was unexcelled anywhere in the world. Its research program, for some years, had been oriented substantially toward space related problems. In addition, the President has transferred scientists from the Naval Research Laboratory, 2,700 technical and scientific personnel of the Jet Propulsion Laboratory, and recently approximately 5,000 Government personnel from the Army's Huntsville Ordnance Command (Von Braun group) to NASA. The last transfer will become effective March 15, 1960, unless Congress disapproves, but the technical management of the group's main program, Saturn (the 1½-million-pound thrust engine) is already being carried forward by NASA.

NASA'S PROGRAM OF SPACE EXPLORATION

The major components of the Nation's space exploration program being conducted by NASA are:

(a) Manned satellite program: The first step in this program is Project Mercury. The objectives are to place a man in orbit; to recover him safely; and to study his capability to perform useful functions while in orbit. Ballistic training flights for the Astronauts are scheduled for the last half of calendar year 1960. Present plans call for orbital flight in calendar year 1961.

(b) Scientific investigations in space: A broadly based program of research in a variety of fields (chemistry, physics, astronomy, biology, etc.) will employ satellites and sounding rockets. This program will continue over many years at a significant but relatively constant funding level.

(c) Lunar and planetary programs: First steps involve the launching of lunar probes and satellites followed by hard and soft lunar landings and finally by manned lunar expeditions. Similar exploration of the environment and surface of Mars and Venus will follow in a later time period. Other projects in this category will involve the use of probes to study interplanetary space. A manned lunar landing is not anticipated before 1970.

(d) Satellite applications: This program utilizing orbiting satellite spacecraft is designed to produce practical applications of space technology. It is expected to provide greatly improved weather forecasting, worldwide television and telephone services, improved and more reliable navigational aids and more accurate mapping of the earth's surface. In this area, there exists the greatest possibility of duplication of activities between NASA and the DOD. This being recognized, effective means of avoiding needless duplication have been developed. It is important to note, too, that in these areas, the greatest opportunity for mutual support between NASA and the DOD also exists.

(e) Launch vehicle systems: A very substantial portion of NASA's budget is being devoted to the development and testing of launch vehicle systems necessary to carry instruments and men into space. This program shares with Project Mercury the highest urgency in the entire NASA effort.

The launch vehicles that are presently in use are those that for the most part have been assembled from available missile hardware and have been marginal for the missions to which they have been assigned.

However, a family of new launch vehicles is under development that will provide the capability to place payloads ranging from 200 to 30,000 pounds into a low earth orbit. It is expected to develop this capability to orbit payloads of 5,500 pounds in 12 to 15 months, 9,000 pounds in 18 months to 2 years, and 30,000 pounds in 3 to 5 years.

UNITED STATES-U.S.S.R. SPACE COMPARISON

Immediately after World War II, the Soviet Union began intensive work in the field of high-thrust ballistic missiles. This was 5 or 6 years before any serious organized activity within the United States. Due to this headstart, the U.S.S.R. has demonstrated a considerable lead over the United States in the field of propulsion, and, consequently, the ability to project heavier payloads into space. Within 2 years the present U.S. vehicle development program will enable the United States to catch up with the present effort of the U.S.S.R., but it will take 4 or 5 years before we can expect to significantly surpass their present capabilities. This will come with the development of the Saturn (1½-million-pound thrust) vehicle. All available evidence indicates U.S. superiority in tracking and data acquisition operations and equal or superior ability with the U.S.S.R. in the scientific instrumentation field.

In the past 2 years the United States successfully launched 12 scientific earth satellites and 3 deep space probes. Seven U.S. satellites are still in orbit, and one space probe orbits the sun. In the same period, the U.S.S.R. has launched three satellites and three space probes; one satellite orbits the earth, one probe orbits the sun; another probe impacted the moon, and a third is in an earth-lunar orbit. Because the U.S.S.R. has had more powerful launch vehicles, they have been able to launch heavier payloads and perform more spectacular experiments than the United States. Table I lists some of the significant accomplishments of both countries. Table II lists U.S. launchings for calendar year 1959.

INTERNATIONAL COOPERATION

The United States has continued the cooperative nature of its space activities that was the keynote of the International Geophysical Year (IGY) program. This has been effected through U.S. participation in the extension of IGY in the International Council of Scientific Unions Committee on Space Research (Cospar). Through Cospar the United States has offered to launch scientific satellites containing experiments of foreign scientists. In addition arrangements are being made for limited joint programs of space exploration between the United States, Canada, and the United Kingdom.

The operation of the extensive U.S. tracking network required for all space launchings, and in particular for project Mercury, is another avenue through which our program has attained an international character. We have even offered the services of this network in support of the Soviet-manned space flight program since they have no comparable facilities.

Last but not least the United States has taken the initiative in the United Nations to bring about the appropriate study, cooperation and action that is due a subject of such wide appeal to nations around the world.

Space program funds

NEW OBLIGATIONAL AUTHORITY

[In millions]

Fiscal years	1958	1959	1960	1961 [1]
NASA	117	305	[2] 524	915
Defense	52	440	454	407
AEC	20	33	52	47
Total	189	778	1,030	1,369

[1] Requested from Congress.
[2] 23 million requested from Congress as 1960 NASA supplemental.

CONGRESSIONAL ACTION ON NASA APPROPRIATIONS

[In millions of dollars]

Fiscal year:	Reductions
1958	45.0
1959	6.7
1960	23.2
Total	74.9

TABLE I. SIGNIFICANT FIRSTS IN SOUNDING ROCKETS, SATELLITE, AND SPACE PROBE RESEARCH

UNITED STATES

1. A number of firsts in high altitude rocket research, including among others:

First detailed photo of solar ultraviolet spectrum.

First photo of complete tropical storm.

First penetration of equatorial ionospheric current sheets.

First detection of X-rays in high atmosphere.

First detection of auroral particles in high atmosphere.

2. Discovery of the Van Allen Radiation Belt.

3. Discovery that the Van Allen Radiation Belt consists of at least two zones.

4. Creation of a manmade radiation shell around the earth (the Argus experiments).

5. The first precise geodetic use of artificial earth satellites (Vanguard I) to obtain refined information on the size and shape of the earth, providing a more accurate measurement of the flattening and showing that the earth is actually slightly pear shaped.

6. First achievement of an elementary communication satellite, in Project Score.

U.S.S.R.

1. First artificial earth satellite.

2. First lunar near miss.

3. First lunar impact.

4. First pictures of the hitherto unseen side of the moon.

5. First detection of what may be a current ring about the earth (the Chapman-Störmer ring).

6. First routine recovery of large animals (dogs and rabbits) from high altitude rocket flights.

7. Development routine use of a meteorological sounding rocket, recoverable and reflyable.

8. First launching of a large animal (laika) in a satellite of the earth.

9. First high capacity, maneuverable, heavily instrumented, spacecraft with fully successful long range communications (Lunik III).

TABLE II.—*Calendar year 1959 launchings*

Date	Experiment	Results
Feb. 7, 1959	Vanguard II	Success.
Mar. 3, 1959	Pioneer IV	Do.
Apr. 13, 1959	Vanguard	Failure.
June 22, 1959	Vanguard	Do.
July 16, 1959	Explorer	Do.
Aug. 7, 1959	Explorer VI	Success.
Aug. 14, 1959	Beacon (12-foot sphere)	Failure.
Sept. 18, 1959	Vanguard III	Success.
Oct. 13, 1959	Explorer VII	Do.
Nov. 26, 1959	Lunar Orbiter	Failure.
Sept. 9, 1959	Mercury-Atlas	Success.
Aug. 21, 1959	Mercury-Little Joe I	Failure.
Oct. 4, 1959	Mercury-Little Joe II	Success.
Nov. 4, 1959	Mercury-Little Joe III	Do.
Dec. 4, 1959	Mercury-Little Joe IV	Do.

PROPOSED NATIONAL INSTITUTE FOR ATMOSPHERIC RESEARCH

Mr. ALLOTT. Mr. President, it is with a great deal of confidence that I can announce to the Senate that plans now are under way for a new National Institute for Atmospheric Research.

This will be announced by the National Science Foundation and the University Corporation for Atmospheric Research. Both will support this coordinated endeavor to further our basic research into the atmosphere.

A Director will be announced soon. It will be his task to select a research and planning staff. New, major facilities for atmospheric research, so important in our space and other programs, are envisioned ultimately. However, it will be the task—one of several months or even of several years—of this planning group to determine exactly what is needed and where it should be located.

The National Science Foundation plans to participate by making grants to the University Corporation on Atmospheric Research to pay the salaries and costs of this planning work.

This is just one of the reasons that it is so important to restore the cuts made by the House in the proposed Foundation budget, much of which would have come from funds urgently needed for broad basic research if we are to continue to match or exceed the Soviet Union in scientific endeavor.

To background this just a bit more, let me say that in 1959 a report was published by a committee composed of scientists from 14 major universities which pointed up many deficiencies in the atmospheric sciences in the United States. A major deficiency was the lack of suitable facilities for the conduct of broad-scale research in the complex and diverse phenomena affecting the atmospheric envelope of the earth. As a result of recommendations contained in the report, the Foundation proposes a gradual buildup in the research facilities necessary to support this field of science. Examples of such facilities include aircraft, equipped and instrumented, to serve as platforms for atmospheric research; ground-based and airborne equipment for probing the atmosphere with radar and other electromagnetic radiation techniques; and, instrumented balloons and rockets for probing the upper atmosphere. Assistance in building atmospheric science laboratories will also be provided to individual university groups to improve the effectiveness and coverage of the cooperative research programs.

TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN

The Senate resumed the consideration of Executive E (86th Cong., 2d sess.), the Treaty of Mutual Cooperation and Security Between the United States of America and Japan, signed at Washington on January 19, 1960.

Mr. GRUENING. Mr. President, I rise to support the ratification of the treaty with Japan. I shall vote for it with no slight misgivings, but shall do so because I believe that on balance, and, perhaps better said, because I hope, the treaty will be beneficial both to Japan and to the United States, and that it may contribute to the keeping of the peace, which certainly is the desire and hope of the peoples of the world. Actually, we have no desirable alternative.

I wish to take this occasion to congratulate the chairman of the Committee on Foreign Relations on his well-balanced, objective, and dispassionate presentation of the pros and cons of ratification, and of the complexities underlying the situation.

He has illuminated the problems involved and has truly informed us. He has in no sense minimized the uncertainties that lie ahead after ratification. His has been a statesmanlike performance.

Likewise, I wish to pay tribute to the senior Senator from Oregon [Mr. MORSE] for his penetrating discussion of the weaknesses and omissions of the treaty. The Senator from Oregon has likewise announced his support of ratification, but his criticism of the administration's foreign policy deserves wide reading. It is notable that again and again in the past Senator MORSE, a member of the Committee on Foreign Relations, has been a dissenter, at times a lone dissenter, at times supported by only two or three, from the policies recommended by the administration and adopted, often reluctantly, by the Senate. Time and again his analysis of the shortcomings of these policies has proved sound, and his prophetic judgments have been vindicated with the passage of time. So his views on the treaty and the circumstances and events surrounding it are entitled to the utmost respect.

I likewise wish to commend the value of the remarks expressing doubt and probable opposition to the treaty which have been raised by the Senator from Louisiana [Mr. LONG].

Nor in deciding to support ratification, am I unmindful of the moving plea against ratification found on pages 48, 49, and 50 of the hearings, signed by nearly 400 representatives of the clergy, from all parts of the Union, who illustrate in their objection to the treaty the great dilemma which arises from the conflicting desire for disarmament, a goal we must all seek, and the need for military sufficiency, which the realities of this contemporary world with its totalitarian aggressors requires.

There are strong bonds of amity between us and the great people who occupy the narrow chain of islands that constitute the homeland of Japan. It is clearly desirable to erase as far as we may the harsh memories of the bitter struggle in which our two nations engaged, with the sacrifices of so many young lives, which have left a legacy of mourning in countless homes, both in Japan and in the United States.

It is clearly desirable to erase as far as we can the bitter fruits of what President Roosevelt labeled "a day of infamy," when, under the misleadership of a fanatic military clique, Japan precipitated the unprovoked attack without warning on Pearl Harbor.

It is desirable for us to remember always that the people of a nation are not necessarily responsible for the acts of their governmental leaders. They are,

as often as not, the victims. While we like to believe, and do believe, that even, in a democracy like ours where the people rule, and are hence presumed responsible for our Government's acts, in a system that whatever its faults we still consider the best yet devised by man, yet the acts of our Government may be unwise and productive of disaster. Much that has happened to us recently falls into this category.

So, we should try to dissociate ourselves from holding the people of Japan responsible for the actions of their warlords in 1941, just as we should clearly distinguish between the people of Russia and the actions of their rulers in the Kremlin, and no doubt also between the people of Red China and the leaders Mao Tse-tung and Chou En-lai.

Mr. President, the Japanese are a noble people, with a high culture, a great history, and with unique qualities of an outstanding order. They fought with great bravery in a war into which they were pushed. They have returned to the difficult struggles of peace, after a crushing defeat, with courage and determination. They are a hard-working, industrious people with exceptional standards of morality. They are an artistic people, a courteous people, a friendly people. Whatever we may do to get to know them better, to achieve a better understanding by us of them and by them of us, will be in the best possible cause.

Incidentally, I am glad to report in this connection that an entirely new and unprecedented industrial and trade relationship is in the making between the State of Alaska and Japan. Japanese and American capital have combined to establish a new and important industry in Sitka, a pulpmill which utilizes the hitherto unused virgin timber resources of southeastern Alaska.

The mill will be dedicated with appropriate ceremonies in a few days, on June 29. I wish I could be there. However, I consider it of sufficient importance to warrant my sending a member of my staff to represent me and convey my good wishes.

From Wrangell and other southeastern Alaskan communities, spruce, hemlock, and cedar timber is being directly exported to Japan, which is so short of its own forestry resources.

Alaskan iron ore, chromite, and oil, all needed in Japan, are in prospect as exports, from Alaska to Japan. Conversely, we hope to see the direct importation from Japan, on its steamers, of the superlative arts and crafts of Japan, and of its many manufactured products in the perfecting of which the Japanese have made such great progress in recent years, and whose export is necessary to sustain a stable economy in those crowded islands of Nippon.

Some grave problems, particularly in the field of fisheries, remain as yet unresolved between Alaska and Japan but we hope that by an attitude of mutual understanding, forbearance, reasonable compromise, and give and take, we may resolve some of these thorny differences.

The able Ambassador of Japan, Mr. Koichiro Asakai, will visit Alaska this summer. We have gotten to know him well here in Washington and both like and admire him. I bespeak for him a warm and hospitable welcome.

Whether the treaty will serve the purposes which its Government sponsors in Japan and the United States hope for is by no means certain. As the New York Times in its leading editorial today said, "the ultimate fate of the security treaty and our bases in Japan must depend on the will of the Japanese people as expressed in new elections which now seem inevitable. Bases in a hostile country are of little value. The great majority of the Japanese people has thus far been realistic enough to support their alliance with the United States. This choice will now be put to the test again. The United States could well contribute to a positive result by ratifying the pact as quickly as possible."

Mr. President, I agree with that conclusion. I ask unanimous consent that the full text of the Times editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, Tuesday, June 21, 1960]

WHITHER JAPAN?

The course of events in Japan in recent weeks has demonstrated clearly that two vital issues are at stake. One is Japan's position as a key bastion in the defense structure of the free world, now represented by the mutual security pact and the American bases in Japan. The other is the fate of Japan's new democracy.

The Communist objective is obviously to knock Japan out of the defense structure, as Premier Khrushchev seeks to knock out Germany, to neutralize both and thus pave the way to further Communist gains. To this end they have mobilized in Japan what they could not mobilize in Germany—namely, a Communist "Fifth Column." They have also sought to exploit a postwar jumble of emotions which Japan has been unable to resolve and in which neutralism and pacifism blend with pro-communism to produce an anti-American reaction.

In this situation the ultimate fate of the security treaty and our bases in Japan must depend on the will of the Japanese people as expressed in new elections which now seem inevitable. Bases in a hostile country are of little value. The great majority of the Japanese people has thus far been realistic enough to support their alliance with the United States. This choice will now be put to the test again. The United States could well contribute to a positive result by ratifying the pact as quickly as possible.

That the leftwing riots, of which more seem likely to follow, are jeopardizing Japan's democracy is self-evident. Japanese Communists have been able to get control of large student and labor organizations and to form them into political fighting groups for their own ends. The Japanese Government has thus far lacked power to deal with the rioters effectively before the rioting begins. This may change after the elections. But if it does not, one result seems inevitable. The leftwing "storm troopers" will stimulate the formation of rightwing "storm troopers" by rightist organizations already on the scene, and Japanese democracy could well be crushed between the forces of communism and fascism, as democracy was crushed in the Weimar Germany. Only the Japanese Government and the Japanese people can ward off this danger.

The debate on the treaty and the events which have preceded and accompanied its ratification in Japan, and which continue, have been the subject of pertinent and illuminating comment, not only on the floor of the Senate today, but by some of the country's leading columnists.

It should be a part of our duty to inform the American people, as fully as possible, of what is implied in the action the Senate will shortly take. It is regrettable that these comments by the most respected and responsible of our commentators inevitably find so much to criticize in the policies of this administration.

I call attention particularly to the article written by Walter Lippmann, already referred to by other Senators in the course of the debate. Mr. Lippmann makes clear that the "Trouble in Japan," which is the title of his widely syndicated column published in this morning's Washington Post, is that the administration's policies have played no small part in that trouble.

Mr. Lippmann begins his article by saying:

The cancellation of the President's visit to Japan, and his embarrassing experience in Okinawa, stem from the refusal in Washington to look squarely at the U–2 affair and its significance.

The capture of the U–2 and the way the incident was handled in Washington compromised gravely the whole circle of American bases from Norway through Turkey and Pakistan to Okinawa and Japan. When we confessed, and indeed boasted, that for 4 years we had been using these bases for a secret and illegal operation against the Soviet Union, our allies were morally and legally defenseless against the threats of the Soviet Union. A small and exposed nation is bound to take such threats seriously and although the threats may have been blunted they were not removed by the President's renunciation of aerial espionage. Thus the effect of the U–2 was to undermine our whole system of encircling bases. For it focused attention upon the fact that the bases had been secretly used for an operation which exposed the country containing the base to grave risk.

It was in this atmosphere that the Kishi government felt compelled to secure the ratification of the treaty. This naturally led to the rioting. Nevertheless, it seems to me inevitable that we should ratify the treaty.

I ask unanimous consent that the article by Mr. Lippmann be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TROUBLE IN JAPAN

(By Walter Lippmann)

The cancellation of the President's visit to Japan, and his embarrassing experience in Okinawa, stem from the refusal in Washington to look squarely at the U–2 affair and its significance.

The capture of the U–2 and the way the incident was handled in Washington compromised gravely the whole circle of American bases from Norway through Turkey and Pakistan to Okinawa and Japan. When we confessed, and indeed boasted, that for 4 years we had been using these bases for a secret and illegal operation against the Soviet Union, our allies were morally and le-

gally defenseless against the threats of the Soviet Union. A small and exposed nation is bound to take such threats seriously, and although the threats may have been blunted they were not removed by the President's renunciation of aerial espionage. Thus the effect of the U–2 was to undermine our whole system of encircling bases. For it focused attention upon the fact that the bases had been secretly used for an operation which exposed the country containing the base to grave risk.

In the very days when the U–2 had become the occasion for Mr. Khushchev's actions in Paris, the Kishi government was trying to have the new Japanese-American treaty ratified by parliament. This treaty grants to us the base right in Japan for at least 11 years. A less auspicious moment for railroading the treaty through the parliament can be hardly imagined than was the moment in which the summit conference collapsed. But Mr. Kishi, who was fighting not only for the treaties but for his own political life, did railroad the treaty through the parliament in the face of a very large volume of public disapproval, by no means confined to the Communists.

The President was then called upon to decide whether instead of traveling to Tokyo from Moscow, as originally planned, he would go to Tokyo anyway and would arrive there on the day when Mr. Kishi's coup for the treaty was consummated. The President decided to go to Tokyo, to go despite the fact that the U–2 and the collapse at the summit had aroused great popular fears about the American base. The President chose to go despite the fact that after his quarrel with Mr. Khrushchev, his visit to Japan had ceased to be conciliatory and had become defiant. He chose to go despite the fact that the timing of the visit enabled Mr. Kishi to exploit for his own political purposes the President of the United States.

This was a wrong decision. After the collapse of the summit the right decision would have been to cancel all visits, and to remain in Washington on the grounds that the world situation required the full attention of the President for the purpose of strengthening the national position. This would have been an answer to Mr. Khrushchev's vituperations. It would have done much to restore the shaken confidence of our allies. And it would have spared the President the humiliation in the Far East which has been inflicted upon him and his Office.

It can be said that the wrong decision was taken without any strong protest and criticism in Congress or in the press. That is true. The opposition had been virtually silenced when the Republicans and Senator JOHNSON cried out that it was unpatriotic to inquire seriously into the causes of the U–2 disaster.

So the President and his advisers had a free hand to take the decision about the Far East. Unfortunately for them and for the country, they showed the same kind of bad judgment which had caused them to fumble the U–2 affair. In both cases they ignored the well-known conventions and the old wisdom of the art of diplomacy. In both cases they judged the immediate situation not objectively but wishfully.

Thus, in the affair of the U–2 they abandoned the ancient convention which is that a government never avows responsibility for espionage, much less attempts to justify it. In the affair of the Tokyo visit they ignored the conventions which protect a state visit. One of these conventions is that a visit by the head of a state is a visit to the whole nation and not to a political head of the government which happens to be in office. A state visit, therefore, should never be made to a country which is divided within itself on an issue in which the visiting head of state has a special interest. The very reasons which have been advanced on behalf of the visit are compelling arguments against it—that the treaty would fail if the President decided not to come to Tokyo and that Kishi would fall. This was a misuse of the institution of the state visit, and if the President and his advisers had known or had remembered the old rules of the diplomatic game, we would all be much better off today.

Furthermore, in their judgment of the immediate situation in the Far East and especially in Japan, they grossly underestimated the impact on Asian popular opinion of the U–2 and the renewed quarrel with Moscow. There is no use deluding ourselves, as Mr. Hagerty does, that the opposition to the treaty and to the President's visit was confined to a small minority of Communists incited and paid for by Peiping and Moscow. The preponderant opinion of any Asian country within the military reach of Russia and China is bound to be neutralist. When we urge them to be anti-neutralist, they respond by being anti-American, and it is a great error to act as if an anti-neutralist policy can rally popular support. In Tokyo mighty little has been heard recently from the alleged majority who are supposed to be for the treaty.

The treaty has nevertheless been ratified. But we must realize that we are not at the end of the story. It is a question whether the treaty can now be made to work against a mounting agitation. In fact, we have to ask ourselves whether a much greater disaster to our position in the Far East can be averted unless there is, as powerful Japanese newspapers are already demanding, a renegotiation of the treaty, and with it a reformulation of our Far Eastern policy.

Mr. GRUENING. Mr. President, a similar column, written by another distinguished columnist, Marquis Childs, entitled "The Asian Volcano Ready To Erupt," also published in today's Washington Post, expresses his forebodings. He begins by saying:

The sounds out of Asia are like the rumblings of a volcano about to erupt. The subterranean roar, breaking out into the open in Korea and Japan, is a deepseated symptom that American policymakers have in recent years either ignored or have failed to face up to.

They have believed that by backing "strong" men and providing military assistance for military pacts the line could be held. What is happening today, belies this comfortable assumption.

The easy explanation is communism—the Communists have been at it again. Certainly communism is the trigger. But an explosion could not be set off if in the mass there were not the potentialities for an outburst.

Mr. Childs concludes with the wise advice:

There are two ways to react to what is happening. One is to learn from it and to try to formulate new and more realistic policies to be carried out by those who understand what recent events mean. The other way is to belabor the Communist scapegoat, to go on ignoring the present trend away from the West—and to be shocked and surprised when the volcano erupts again.

I ask unanimous consent that the article by Mr. Childs be printed at this point in my remarks.

There being no objection, the article by Mr. Childs was ordered to be printed in the RECORD, as follows:

THE ASIAN VOLCANO READY TO ERUPT

(By Marquis Childs)

The sounds out of Asia are like the rumblings of a volcano about to erupt. The subterranean roar, breaking out into the open in Korea and Japan, is a deepseated symptom that American policymakers have in recent years either ignored or have failed to face up to.

They have believed that by backing "strong" men and providing military assistance for military pacts the line could be held. What is happening today belies this comfortable assumption.

The easy explanation is communism—the Communists have been at it again. Certainly communism is the trigger. But an explosion could not be set off if in the mass there were not the potentialities for an outburst.

In the view of this observer, America's China policy, ignoring the existence of 600 million people and hoping that something would turn up, preferably that long-promised internal revolution, is at the root of the trouble. The effect of the Chinese revolution throughout Asia has been incalculable. The material achievements of the Red regime, trumpeted by a powerful and uncreasing propaganda, have had a far-reaching influence.

Those achievements seem to the West to have come at an appalling cost in human values, reducing human beings to ants or bees entirely at the mercy of an all-powerful dictatorship. But in Asia, where all but a tiny fraction of the people live close to the hunger line and where "freedom" is only the vaguest word, this has nothing like the same impact. The mass of Asians see the highways, schools, research centers, modern weapons achieved by an Asian people who breathe defiance at the West.

The surprises for policymakers in Washington, such as the uprising that drove Syngman Rhee from Korea, are far from ended. Knowledgable analysts in the top echelon of Government believe that something like this may happen in the not too distant future in Vietnam. Or, at any rate, the potential is there to be fired by a Communist fuse.

It is a familiar situation. The head of the Government, President Ngo Dinh Diem, is a man of integrity and courage dedicated to a free Vietnam oriented toward the West. But recent reports indicate that grafting by officials of his National Revolutionary Party is reaching an intolerable stage. In some areas the Government exercises authority during the day and the Communists take over at night, as in the last phase of the French Indo-China war.

What is disturbing is to hear from State Department officials something like the following: Yes, there is graft. Perhaps it is not as bad as some sources represent it to be. Anyway, in the Orient you have to accept a degree of graft as a matter of course.

This was exactly what was being said by apologists for Chiang Kai-shek before the Communists triumphed in 1949 and drove Chiang and a remnant of his force to Formosa. Certainly in China the graft had reached an intolerable level, with members of Chiang's family amassing enormous fortunes as a ruinous inflation ran riot and contributed to the ultimate tragedy.

Graft in the Philippines is reported to be at such an oppressive level that some sources advised the President against visiting Manila lest he seem to sanction what is going on. Richard Dudman of the St. Louis Post-Dispatch staff, traveling with the President, reports that leaders of the opposition Liberal Party were kept away from Eisenhower, although the likelihood is that they will come to power in elections next year on a wave of discontent.

That illustrates one handicap of the personal diplomacy of these Presidential tours. The visiting American President sees only those sitting currently in the seats of power and he hears only their formal protestations of friendship at big, showy ceremonial functions.

There are two ways to react to what is happening. One is to learn from it and to

try to formulate new and more realistic policies to be carried out by those who understand what recent events mean. The other way is to belabor the Communist scapegoat, to go on ignoring the present trend away from the West—and to be shocked and surprised when the volcano erupts again.

Mr. GRUENING. Mr. President, likewise, in another category, is a moving letter which was published in today's Washington Post and Times-Herald. The letter was written by a Japanese student who is in Washington studying medicine. He said:

I like your country very much. One of the many reasons why I came all the way from Japan to study medicine in your country is because I wanted to have many good friends in this lovely country.

Then he discussed the history of the war, the peace treaty, and the renunciation of war by Japan. He ends with a conclusion adverse to the treaty, but which is revealing, because it supports the favorable sentiment in Japan, which is pacifistic, not communistic, but which is the natural reaction to recent history. He says:

America as a great country once taught Japan how to adopt a democratic constitution in her country. I do not believe that the same America teaches the same Japan now how to destroy it.

I ask unanimous consent that the letter be printed at this point in my remarks.

There being no objection, the letter was ordered printed in the RECORD, as follows:

BEHIND THE PROTESTS

I am a Japanese student visiting your lovely country in order to study at Howard University Medical School in Washington. I like your country very much. One of the many reasons why I came all the way from Japan to study medicine in your country is because I wanted to have many good friends in this lovely country.

I like America as well as my own country. Therefore, the major concern between the two countries is also my personal concern. For this reason, I am forced to mention my opinion about the United States-Japan military treaty, which is now going to create misunderstanding between the people of the two nations.

According to the news, it is said that the demonstration in Tokyo against the United States-Japan military treaty was the biggest and the toughest one that Mr. Hagerty had ever encountered in this life.

"More than 150,000 Japanese marched through Tokyo's broad downtown avenues for 10 hours Saturday * * *. Marching sometimes 30 abreast, columns—including workers, actors, artists, teachers, farmers, Communists, Socialists, and fanatical university students—paraded riotously. Buddhist priests, hymn-singing Christians and hundreds of women joined in." (Quotation from Washington Post, June 12.)

Reading this, it was hard for me to believe the demonstration was done only by a small group of pro-Communists. My strong feeling is that the demonstration was done by a majority of Japanese including all kinds of people. It was nationwide in scale. It may be difficult for most Americans to know the reason why such a demonstration of great scale was held.

I will try to explain that reason. The demonstration is in its essence nothing but the protest against the United States-Japan military treaty which was signed recently between the two Governments. The main reason why the Japanese people protest so seriously against this treaty is because it is against the Japanese Constitution for her to have such a treaty.

Some of the readers may not know this fact, but Japan adopted the new Constitution after the end of World War II. The most conspicuous feature of this new Constitution is the absolute and unconditional renunciation of war as a sovereign right of a nation, thereby outlawing the use of threat as well as of force itself as a means of settling international dispute.

Therefore, it is a matter of common sense for the Japanese people to demand their Government as well as American Government to cancel such a treaty. But their demand was refused with the reason that it does not represent the opinions of the majority Japanese.

However, since this demand does represent the opinions of the majority Japanese, such a large number of Japanese of all kinds are still seriously protesting against the United States-Japan military treaty. It is true that there is a small group of Communists who are participating in the protest. However, all the protestants are not the Communists. On the contrary, the majority of the participants in this movement are the pacifists. They are the ones who love peace. Because of this love for peace they are united with each other.

With this understanding, the only way for both American and Japanese Governments to solve this problem is to cancel their military treaty. Japan is determined to exist as a peace-loving country. Let her grow in that line. For Japan to have any kind of military treaty with any nation is against her Constitution. To respect Constitution is the vital importance for any democratic government to be survived.

America as a great country once taught Japan how to adopt a democratic constitution in her country. I do not believe that the same America teaches the same Japan now how to destroy it.

MITSUNOBU TOYAMA.

WASHINGTON.

Mr. GRUENING. Mr. President, we hope this treaty will not destroy Japan or destroy our friendly relations with Japan. We hope, on the contrary, that it will strengthen both nations and their relations. As the treaty is now written, I think we have no alternative. Let us hope for the best. Let us support the treaty with as large a vote as the conscience of the Senate will permit.

Mr. KEATING. Mr. President, the treaty of mutual cooperation and security with Japan now before the Senate for ratification is a truly historic document. Its importance is, of course, underscored by developments in recent days.

This agreement should mark a great step forward in the development of a strong alliance between the people of Japan and America. It is a milestone of cooperation between two sovereign, democratic nations. It represents a partnership between two countries which share a common interest in securing a free and peaceful world.

In replacing the 1951 treaty between Japan and the United States, the new treaty grants recognition to the changes which have taken place in the last 9 years regarding the relative position of the two nations involved. This is a treaty to which Japan has agreed as a free and equal partner, not one which was imposed upon her.

The agreement now before us eliminates many of the onerous burdens of the 1951 treaty. It removes the present authority of the United States to intervene in the internal affairs of Japan. Further, it deprives us of a right which the old treaty granted us; namely, the right to use our bases in Japan for purposes other than the defense of Japan against attack, without engaging in prior consultation. Now we can only use these bases for the defense of Japan, unless the Japanese Government agrees with us as to some further or other use.

This marks another concession to the Japanese, stemming from the change in the relationship between the two countries since 1951.

Surely the new treaty must be recognized as a symbol of the progress Japan has made in recent years. Why, then, has there been so much opposition to the treaty on the part of Japanese demonstrators in recent weeks? While it is clear that there is some sincere opposition from Japanese liberals of a neutralist bent who fear that the treaty may drag Japan into a military conflct of which she wants no part, it is highly likely that the impetus for the demonstrations has come from the Communists and Communist sympathizers who have used the treaty as a pretext with which to seriously threaten the democratic processes of Japan.

It is, of course, a bitter paradox that the Japanese should represent their pacifist sentiments by means of violent rioting and the establishment of conditions making impossible a good-will visit, a mission of peace, by the respected leader of another nation. That these demonstrators, a violent, extra-legal minority, were able to frustrate the will of the majority of the Japanese people and create a situation in which the safety of the President of the United States could not be guaranteed is truly unfortunate, more so for Japan than for us.

The participants in the riots were mainly hard-core radicals. The attack was led by the tough mainstream extreme wing of the student federation, many of whose leaders were expelled even from the Communist Party of Japan because of their violent activities and views. This group, combined with the party-line Communists representatives, and supported by Communist funds, have provided the spearhead of the demonstrations.

The constant agitation of the radio propaganda of Communist China and the maneuvering of the Soviet Union—such as the note sent to Japan attempting to intimidate the Japanese Government into abandoning its pro-Western orientation by warning them of the serious consequences of the Japanese-American treaty—have both worked relentlessly to arouse the radical elements in Japan to violent action. The obvious aim of such propaganda is the creation of a situation of chaos and anarchy, the sort of conditions under which Communists function most effectively.

All three of these factors—the highly organized way the riots were carried out, the extremist and Communist nature of the participants, and the constant agitation by the Soviets and

Chinese Communists—indicate that the riots were anything but spontaneous or representative of the will of any great number of Japanese.

It is hard to understand, however, why the demonstrations of a Communist-led minority were allowed to reach such proportions that they could not be controlled. In a genuine attempt not to repress dissent and to keep state police powers under restraint, the Government did not move against a clear threat to its authority until it was too late.

The situation is forebodingly reminiscent of the one in the 1930's, when the first attempt at democracy in Japan failed. A small and determined minority undertook a deliberate policy of assassination, in order to make democratic government impossible, and to hand over power to right-wing militarists. Today, a left-wing group is using violence and threats to destroy the government of the people. It would be tragic for Japan and for the world if the Communists were to succeed with this kind of tactic.

The future course of the Kishi government will not be easy. Members of Zengakuran, the radical student federation, greeted the postponement of the visit with cries of "We have won! We have won!" Even now, they are holding a huge victory parade. The next step in their campaign against democracy, so they have announced, will be to overthrow the Kishi government, obstruct the implementation of the Japanese-American security pact, and break off Japan's links with the free world.

The Kishi government will have to stand more firmly against that kind of mob rule. Many reports indicate that the majority of the Japanese people are ashamed of the radicals' action. Even more important, Japanese moderates are beginning to fear, for the first time, the force of a Communist conspiracy that could put their country into so shameful a position. There is still hope that the rioting may have the result of awakening the rest of the country to a more positive stand for democracy.

Mr. President, what can the United States do to repair the damage that has been caused to United States-Japanese relations? Mainly, of course, the task is up to Japan; and it is up to the Japanese moderates to support the Government they have freely elected. But we can help the forces of democracy in Japan survive. An immediate and unanimous ratification of the Japanese-American security pact will show that we, at least, are not to be intimidated by Communist machinations. We must continue to support, as fully as we can, the Kishi government or whatever government represents the free choice of the Japanese electorate. The present situation reveals only too clearly that freedom is in danger in Japan. It is a time for more, not less, United States support of the forces of democracy everywhere in the world.

With respect to the present treaty, we must be concerned with the effect it will have both on the Far Eastern defenses of the free world against the Communists and on relations between the United States and Japan. In these two vital areas, the treaty offers a noteworthy contribution. By granting us bases in Japan for at least 10 more years, and by strengthening the ties between the United States and Japan, as a result of our working together for mutual defense and our recognition of the equal status of the Japanese, the new treaty performs a vital function.

For these reasons, the treaty deserves support and ratification by the Senate.

We can hope, and not wholly without substance, that in the Japanese elections which appear likely to come in the not too distant future, the people of Japan will assert their respect for democracy, by vetoing the demands of the extremists. It would not be surprising to find that, in the long run, the violence and even the success of extremist action so far will undermine the extremist position, by making all the more clear the need for real democracy, and the threat posed to it, and by serving as a rallying point for the mobilization of other groups to political action. The victory of the extremists may well be their undoing. They may have won the battle, but they may well lose the war.

Mr. President, I hope the treaty will receive speedy and, as I have said hopefully, unanimous approval by the Senate.

At this time I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WIRETAP EVIDENCE

As in legislative session,

Mr. McCLELLAN. Mr. President, on May 23 of this year I again brought to the Senate's attention the grave and crippling effect that recent court decisions and present Federal law are having on the administration of criminal justice in several States. I speak of those cases in the United States Court of Appeals for the Second Circuit holding that the introduction of wiretap evidence by State officials in State courts constitutes a violation of section 605 of the Federal Communications Act of 1934. These decisions, of course, are following the precedent laid down by the U.S. Supreme Court in *United States* v. *Benanti* (355 U.S. 96). In that case the Supreme Court held that wiretap evidence obtained by State officials under authority of State law was inadmissible in Federal courts. That decision was based, not on constitutional questions, but solely on the Court's interpretation of congressional intent in the enactment of section 605 of the Federal Communications Act.

I have always maintained that in the enactment of section 605 Congress never intended to obstruct or restrict State and local law enforcement agencies in their efforts to enforce criminal statutes, or prosecute and convict those guilty of crime. Therefore, on January 16, 1958, shortly after the Benanti case was decided, I introduced S. 3013, 85th Congress, 2d session. This bill would have amended section 605 of the Federal Communications Act of 1934 to authorize wiretaps by State officials and the use of evidence so obtained in State criminal proceedings when done in compliance with State law and under authority and direction of a State court order. I regret, however, that the 85th Congress adjourned before this bill could be fully considered and enacted.

On April 6 of this year the distinguished junior Senator from New York [Mr. KEATING], whose State law enforcement agencies have been most seriously handicapped by the Benanti case and the court of appeals' decisions following it, introduced S. 3340. With certain minor changes, the bill of the Senator from New York follows the language of S. 3013 except that it would amend title 18 of the United States Code, rather than the Federal Communications Act of 1934.

When I introduced S. 3013 in the 85th Congress, and also in my remarks on the Senate floor on May 23 of this year in support of S. 3340, I stated that the detection, investigation, and prosecution of crime, particularly organized crime, had been seriously handicapped and weakened by the Supreme Court's decision. I further stated that Congress should enact remedial legislation without delay. Failure to do so will only aggravate and compound the intolerable situation that has followed in the wake of the Benanti decision.

Subsequent to my statement on the Senate floor of May 23, I have received several communications from State officials which very vividly serve to confirm the validity and importance of my remarks.

One very pressing appeal comes in the form of a letter of May 31 and telegram of yesterday from Hon. Edward S. Silver, the district attorney for Kings County, N.Y. Mr. Silver is also president of the National District Attorneys' Association and chairman of the executive committee of the New York District Attorneys' Association. He declares that unless Congress enacts S. 3340 or some comparable measure, he personally will be forced to dismiss at least 200 criminal cases now pending in his district.

Mr. President, if he is forced to do this, due to the failure of Congress to act, it will serve as a windfall of immeasurable benefit to organized crime.

Mr. President, I ask unanimous consent to have printed as a part of my remarks at this point in the RECORD the letter from District Attorney Silver, to which I have just referred, together with the telegram I received from him on yesterday.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

BROOKLYN, N.Y., *May 31, 1960.*

Hon. JOHN L. McCLELLAN,
Chairman, Subcommittee on Investigations, Senate Office Building, Washington, D.C.

DEAR SENATOR: Both in my capacity as district attorney of Kings County (Brooklyn) and as president of the National District Attorneys' Association, I want to express my deep thanks to you for your remarks in the Senate on wiretapping.

Unless, as you put it, Congress does something about it at this session, organized crime will have a field day and the law-enforcing agencies will be shackled from doing its job.

In my county, I have at least 200 cases that I'll have to dismiss unless Congress does something with these bills. I know that similar situations exist in other counties in our State. Just as important, we will have to discontinue many important investigations that are now in progress and disregard others that we would inaugurate if we were not hamstrung by Benanti.

Only recently from the Halls of the Senate came the statement that racketeering and organized crime is on the increase. There can be no question about that. At the same time, Congress has done nothing to give the law-enforcing agencies the tools with which to fight this very racketeering and organized crime with which they are so concerned.

I am mindful that you and some of your colleagues introduced in the 85th Congress a bill (S. 3013) which would have extricated law-enforcement agencies from the decision of the Supreme Court in the Benanti case handed down in December 1957.

In this Congress, Senator KEATING and Congressman CELLER have introduced companion bills (S. 3340 and H.R. 11589) which would accomplish the same result, but nothing has been done to move these bills along.

The National District Attorneys' Association in convention assembled on March 19 of this year, in Miami Beach, unanimously passed a resolution urging Congress to do something about this desperate situation.

Last year, I personally saw Senator O'MAHONEY and talked to him about the matter and I was encouraged by his point of view. Unfortunately, as you know, illness has prevented him from an active part in this work.

Our own Senator KEATING has been most helpful but he needs the help of his brothers if he is to accomplish anything.

I have been advised that Senator EASTLAND, chairman of the Senate Judiciary Committee, is favorably disposed toward S. 3340.

I can think of no one who knows more about organized crime and racketeering in our country than you do. I beseech you, on the part of law and order, to do all humanly possible to get these bills out of committee and passed by Congress.

It is unfortunate that this situation has been muddled by persons honestly concerned with civil liberties. Frankly, this situation is in no way involved with civil liberties. Under the laws as we have them in New York State, a district attorney must state under oath giving facts showing that the person whose wire he desires to intercept is engaged in criminal activities and he has reasonable grounds to believe that the interception of his telephone will produce evidence of his nefarious activities. It is only then that we can get a court order to intercept a telephone wire of one engaged in crime.

For 20 years, the 62 district attorneys in New York State have operated under our law and have never abused this privilege which is given to us by our State constitution and by our enabling statutes.

It might be of interest to you to know that the district attorneys in New York State have introduced more legislation to protect defendants' rights than the Civil Liberties Union or any bar associations. I can send you the details if you wish. We are jealous of our liberties as American citizens and all the imaginary ills that are raised are fully answered by 20 long years of experience in this State.

Again, let me say thanks to you for what you have done. I hope that with your interest and effort we can get something accomplished in this Congress on this most important problem to law enforcement.

With esteem and warm regards,

Respectfully,

EDWARD S. SILVER,
District Attorney, Kings County.

BROOKLYN, N.Y.

Hon. JOHN L. MCCLELLAN,
Chairman, Subcommittee on Investigations, Senate Office Building, Washington, D.C.:

Failure of Congress to act on wiretapping bill, S. 3340, creating grave crisis to law enforcement. Please refer my letter to you May 31, 1960. Unless action taken promptly I personally will have to dismiss at least 200 cases, as will district attorneys throughout this State. Vital investigation against racketeering and organized crime will also have to be discontinued. Recent Senate statement bewails fact racketeering and organized crime on increase. Failure to give this vital tool to those States that need it will be responsibility of Congress. No question that failure to act is green light to crime.

Respectfully submit this requires emergency action.

EDWARD S. SILVER,
District Attorney, Kings County; President, National District Attorneys Association; Chairman, Executive Committee, New York State District Attorneys Association.

Mr. MCCLELLAN. Mr. President, another such appeal comes in a letter from the district attorney for the county of New York, the Honorable Frank Hogan. Mr. Hogan states that he will be unable to proceed with the prosecution of seven defendants involved in a multi-million-dollar narcotics business unless their telephone conversations, legally intercepted under New York law, can be used in the trial of the cases. He also states that a number of other investigations now in progress, and cases of utmost importance to his district, will also have to be abandoned unless S. 3340 is enacted during this session.

I ask unanimous consent that the letter from District Attorney Hogan be printed at this point in the RECORD as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FRANK S. HOGAN,
DISTRICT ATTORNEY,
New York, N.Y., May 27, 1960.

Hon. JOHN MCCLELLAN,
U.S. Senator from Arkansas,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCCLELLAN: I have read and reread your urgent remarks, made this past Monday on the floor of the U.S. Senate, concerning the need for Federal legislation in the field of telephonic interception. I am certain that those of us throughout this Nation who are directly charged with responsibility for law enforcement are encouraged by the logic and reason and by the strength of your statement. We are deeply indebted to you. I wish there were some way that we might help you to impress upon your colleagues in the Congress the desperate plight in which law enforcement finds itself.

At present, some of the most significant work of my office is dangerously hampered by the cloud under which heretofore legal interception of telephone conversations has existed since the December 1957 opinion of the U.S. Supreme Court in *United States* v. *Benanti* (355 U.S. 96). The situation, as you noted in the Senate, has not since improved, and it is clear that we cannot look to our courts for improvement. Last month it deteriorated further with the decision of our Federal circuit court in the Pugach and O'Rourke cases.

We have now a number of vital investigations and cases pending with respect to which we cannot proceed further in light of these recent cases. These specifically include some important matters in the labor-management field in which you and your committee have so effectively functioned. There is another matter that may be of particular interest to your colleagues and their home communities in which our inability to proceed—and the reasons therefor—are already a matter of public record. In January of this year, after a lengthy investigation, we arrested seven defendants for their participation in a multi-million-dollar heroin business that they had been conducting in New York for some years. They all pleaded not guilty, and are presently out on bail, awaiting a trial date. That, however, may never be reached because the case against them is untriable if our legal interceptions of telephone conversations cannot be used in our State courts.

I am ready to review with you in detail other matters that have been halted because they also involve court ordered legal interception of telephone conversations, and which cannot be reactivated until the Congress acts to remove from the law an interpretation that the Congress never intended it to have.

In 1955, more than 2 years before Benanti, the chairman of the House Judiciary Committee stated, at a time when his committee was considering amendments to the Federal Communications Act:

"I think the general idea of this committee is that we would not interfere with the practices, the legal practices that obtained in the various States. So you can set your mind at rest as far as New York is concerned: that is New York's problem, and I don't think we would attempt to make the Federal statute, and I don't know that we could, paramount, if there are any restrictions inconsistent with the New York statute, and I am sure the New York State statute would prevail, insofar as New York is concerned."

I know that you have always believed and have repeatedly stated that section 605 was never intended to bar the States from authorizing wiretapping as a proper exercise of the State police power. In early 1958, when, joined with many of your colleagues of the Senate's Committee on Improper Activities in the Labor or Management Field, you introduced Senate 3013, you stated:

"When the select committee launched its investigation into the labor situation in the New York area, it did so, unaware of the extent racketeers had penetrated the Teamsters Union and certain other branches of organized labor in the nation's largest city. The committee and, I believe, the public was shocked at its revelations.

"What was portrayed was a picture of ruthless gangsters led by Johnny Dio and Anthony Ducks Corallo joining in an alliance with Jimmy Hoffa to seize control of the transportation industry in the Nation's largest and richest city. The control of this strategic economic area by unscrupulous gangsters presented, and continues to present, a threat to the economic security of this country. For the past 23 years, since the enactment of section 605, there was no question of the right of State authorities to authorize wiretapping to obtain evidence of serious crimes. This conspiracy would not have been presented in such clarity without the use of intercepted telephonic messages which were made available to this committee through permission of the New York State

Supreme Court and the offices of the New York County district attorney."

Recently, in hearings conducted in this city by our New York State Commission of Investigation, I took the liberty of quoting at length from your statement. Our commission, after listening to extensive testimony concerning the need for the legal interception of telephone conversations, went on record urging congressional action to permit the States to continue that reasonable exercise of their police power that Congress did not intend to ban.

If there is any way that I can bring to the attention of your colleagues in the Congress the host of instances in which important criminal conduct could not have been brought to the bar of justice were it not for court authorized interception of telephone conversations, I should be pleased to have such opportunity. With ever increasing public concern about organized crime, and with mounting crime rates, I find it difficult to believe our Congress can any longer fail to recognize this emergency, and can permit law enforcement to remain stripped of this important weapon.

Again my thanks to you for your great energies and understanding on behalf of fair and proper law enforcement, and my hopes that you will let me know how I may be of assistance.

Sincerely,

FRANK S. HOGAN,
District Attorney, County of New York.

Mr. McCLELLAN. Similar and equally urgent letters come from the Honorable Manuel W. Levine, district attorney of Nassau County, N.Y.; Mr. Stephen P. Kennedy, police commissioner of the city of New York; and Mr. Miles J. Lane, chairman of the New York State Commission of Investigation.

Mr. President, I ask unanimous consent that these communications be printed in the RECORD at this point, and I most respectfully urge immediate action by the Congress in response to and in accordance with the appeals of these dedicated State officials.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

CITY OF NEW YORK,
June 2, 1960.

Hon. JOHN L. MCCLELLAN,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MCCLELLAN: Jerry Adlerman, general counsel of the United States Senate Permanent Subcommittee on Investigations, over which you preside, was kind enough to send to me a copy of your statement placed in the CONGRESSIONAL RECORD on May 23, urging action in this session of the Senate on Senator KEATING's bill S. 3340, which would authorize law-enforcement agencies of the States to intercept telephonic communications pursuant to court order.

As stated by you, court-authorized interception by law-enforcement officers is an indispensable weapon in combating the machinations of the overlords of the underworld. All law enforcement applauds your efforts to make this weapon available to them in order to better safeguard the interests of the people.

I expect to be in Washington on or about June 8 and would greatly appreciate the opportunity to stop in at your office, if you are free, to further discuss the importance of this problem.

Faithfully yours,

STEPHEN P. KENNEDY,
Police Commissioner.

NASSAU COUNTY,
Mineola, N.Y., May 25, 1960.

Senator JOHN L. MCCLELLAN,
U.S. Senate, Committee on Government Operations, Senate Permanent Subcommittee on Investigations, Washington, D.C.

DEAR SENATOR MCCLELLAN: I am in receipt, from Jerome S. Adlerman, of the copies of the press release of your statement on the floor of the Senate on May 23, 1960, for which I thank you.

If you don't mind my saying so, I found the contents to be a concise, accurate, and intelligent summary of the facts and also the problems confronting all law-enforcement agencies. It is most heartwarming to have your support on this very important problem of wiretaps.

Yours very truly,

MANUEL W. LEVINE,
District Attorney.

STATE OF NEW YORK,
COMMISSION OF INVESTIGATION,
June 7, 1960.

Hon. JOHN L. MCCLELLAN,
U.S. Senator from Arkansas,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCCLELLAN: On April 5 and 6 of this year, this commission held a public hearing concerning wiretapping in New York State. The purpose of the hearing was to inform the public of the serious law-enforcement problem that has arisen by virtue of recent court rulings relating to the effect of the provisions of section 605 of the Federal Communications Act on the admissibility in New York State criminal trials of evidence obtained through New York State court-authorized wiretaps.

The following prominent law-enforcement officials and other distinguished persons interested in this problem attended and presented their views at the hearing:

Frank S. Hogan, district attorney of New York County.

Edward S. Silver, district attorney of Kings County; president, National District Attorneys' Association.

Raymond C. Baratta, district attorney of Dutchess County; president, New York State District Attorneys' Association.

Joseph F. Gagliardi, district attorney of Westchester County.

Manuel W. Levine, district attorney of Nassau County.

Harry L. Rosenthal, district attorney of Monroe County.

Daniel Gutman, dean of New York Law School.

Anthony P. Savarese, Jr., chairman of the New York State Joint Legislature Committee on Privacy of Communications and Licensure of Private Investigators.

Stephen P. Kennedy, police commissioner of the city of New York.

Francis S. McGarvey, superintendent of the State Police of New York State.

Manuel Lee Robbins, counsel, Grand Jury Association of New York County.

Ferdinand Pecora, attorney and former justice of the New York Supreme Court.

Testimony received at the hearing was overwhelmingly to the effect that the administration of criminal justice in New York State is gravely affected by the recent court decisions and present Federal law. District attorneys from different parts of this State testified that investigations of great public importance, especially those dealing with organized crime in the fields of narcotics and official corruption, have been halted or seriously restricted. Whatever the problems of law enforcement in other States, it is undeniable that the authorities in New York State are confronted by a deeply serious crisis in their fight against organized crime in New York.

During our hearing, we were pleased to receive telegrams from Senator KENNETH B. KEATING and Congressman EMANUEL CELLER advising us that, jointly, they had introduced a bill in the Congress of the United States which would amend section 605 of the Federal Communications Act by exempting from its sanctions those States that provide for wiretapping by court order. Senator JACOB K. JAVITS also sent us a telegram assuring us that he will give every consideration to Federal legislation on this subject in the light of the requirements of New York. We are informed that the Senate bill, S. 3340, is presently pending in the Judiciary Committee.

The need for this remedial legislation is urgent. We respectfully request that immediate consideration be given to Senator KEATING's bill, as aforementioned, and that it be voted out of committee for action by the Senate during this session.

Your cooperation will be deeply appreciated.

Very truly yours,

MYLES J. LANE,
Chairman.

Mr. McCLELLAN. While the Supreme Court has placed the burdensome millstone of the Benanti case upon our law-enforcement agencies and courts of justice, it is now the responsibility of Congress to act to remedy this deplorable situation that favors the hoodlums, thugs, criminals, and underworld elements in our society, to the hurt and irreparable injury of law and order and human decency.

I shall, at the next meeting of the Senate Judiciary Committee, join with the distinguished author of the bill to which I have referred, S. 3340, in insisting that the committee report that bill favorably, in the hope that we can get it passed before this Congress adjourns. So long as we do nothing about this situation we are providing a virtual haven of protection for criminals which was never intended by the law the Congress passed.

Mr. President, if it is not a violation of the Constitution to go before a court of law and to make a showing that a crime has been committed and that the fruits of the crime, the stolen property, are in concealment in a home or in a place of business, in order to secure a search warrant to find the stolen and concealed property—if that is constitutional and is an essential instrumentality in our laws for the enforcement of law and order, against larceny and other crimes—then, Mr. President, it is my thought that comparable procedures should be established and made legal for the interception of telephone messages and communications which are made in pursuance of criminal activity. Unless we take such action, in line with the bill introduced by the distinguished Senator from New York, the enforcement of law in this country will seriously be impaired, and a burden will be placed upon law-enforcement agencies and upon the courts, which will simply be unable to discharge their responsibilities.

The only profit which will flow from the whole procedure will flow to the underworld characters and to those elements which have no respect for law and order and for decent society.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am happy to yield to my distinguished friend from New York.

Mr. KEATING. Mr. President, I am very grateful that the distinguished Senator from Arkansas has again brought to the attention of the Senate, as he did a short time ago, the imperative need for legislation along the lines of the bill which I have introduced. It is a very limited bill. It provides that when a State requires a court order in order to obtain a wiretap, after the court order has been obtained the evidence shall be admissible in the court despite the provisions of the Federal Communications Act.

The district attorneys of New York State are greatly exercised over this problem. Mr. Hogan, of New York County; Mr. Silver, of Kings County; Mr. Kennedy, the police commissioner; and the district attorneys of several of the other counties, as well as a number of other law enforcement officials of the State of New York, came to Washington, D.C., to talk with the New York congressional delegation about this matter.

The New York law permitting wiretapping by the district attorneys requires four things. First, they must sign an affidavit in which it is stated under oath that they have reason to believe they can get evidence of a crime. Second, they must set forth sufficient facts to justify the conclusion. Third, in applying for a court order they must subject themselves to examination by the court. Fourth, they must submit proof of reasonable cause if they wish an extension of the order, which is limited to 60 days.

The court, in the decision to which the distinguished Senator has referred, in the opinion of one or two of the judges, virtually invited the U.S. attorney to bring a criminal prosecution against the State district attorney if any effort were made to introduce wiretap evidence in court. There are literally hundreds of cases which it will not be possible to have prosecuted, some of them involving very serious crimes, unless some relief is obtained in this field, because, in the light of the decision rendered, the district attorneys are naturally very reluctant to proceed further. If the Congress adjourns without taking any action in this field we shall be directly responsible for jeopardizing several hundred criminal prosecutions in the State of New York alone. I do not know how many are involved in other States. We also shall succeed in exposing to criminal prosecution under the Federal law a number of State district attorneys who have done nothing more than to carry out the provisions of the New York State wiretapping statute.

Mr. President, the modern criminal has at his disposal means of communication and transportation which were completely unknown in an earlier period. The telephone, for example, provides him with an avenue of communication which is swift and comprehensive. Under present Federal law, as it has been interpreted, telephone communications are, in effect, privileged. One can go into court and obtain a court order to search a man's home or, indeed, to search his pants pocket. There seems to be no reason for saying that one should not be able to obtain a court order to tap a wire and to place the evidence taken before the court.

Mr. President, the Department of Justice in very strong language—in unusual language—has not only approved of the proposed legislation but states, "For these reasons the Department of Justice strongly recommends its enactment."

As my friend the Senator from Arkansas knows, it is not very frequent that one gets a letter from the Attorney General with the wording "strongly recommends" in it.

I am very grateful that the powerful support of the distinguished Senator from Arkansas has been brought to bear upon this problem. In behalf of all the district attorneys of the State of New York, who, as I say, are greatly exercised over this problem, I express to the Senator my gratitude for the interest he has taken in this problem. I shall certainly join the Senator at the next meeting of the Committee on the Judiciary in an effort to have reported this very limited bill.

It is probable that a more comprehensive bill should be enacted into law. I have introduced bills for many years on this subject. I introduced one in the House, to do two things: First, to tighten up on the "snoopers" who use wiretapping for improper purposes—business snooping upon labor, labor snooping upon business, husbands snooping upon wives, wives snooping upon husbands, and that sort of thing; and second, to permit law-enforcement officials operating under the provisions of State law to use this weapon, and to prevent the telephone from being a privileged sanctuary for the criminal.

I realize that the broader proposal probably requires more debate. It is a controversial subject. The very narrow bill, which the Attorney General has so vigorously supported, which is so strongly supported by the distinguished Senator from Arkansas, I hope will become law before the present session of Congress is over.

SUPPLEMENTAL DEPARTMENT OF LABOR APPROPRIATION, 1960

Mr. HAYDEN. Mr. President, as in legislative session, I ask unanimous consent that the Presiding Officer lay before the Senate, House Joint Resolution 765, making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes, just received from the House of Representatives.

The PRESIDING OFFICER laid before the Senate the joint resolution (H.J. Res. 765) making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes, which was read twice by its title.

Mr. HAYDEN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 765.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. HAYDEN. Mr. President, this joint resolution passed the House of Representatives today. It appropriates $6 million for unemployment compensation for veterans and Federal employees. The $6 million recommended in the resolution represents a more recent and accurate estimate of actual requirements. These funds are required to prevent the stoppage of payments to unemployed workers the latter part of this month.

This is a statutory obligation of the United States and these payments must be made.

I have conferred with members of the Committee on Appropriations on this matter and we are all agreed that the joint resolution should be passed.

Mr. President, I move that the joint resolution be passed.

Mr. DIRKSEN. Mr. President, will the distinguished chairman of the Committee on Appropriations yield?

Mr. HAYDEN. I yield.

Mr. DIRKSEN. I presume these items are lifted out of the supplemental bill because of their urgent nature and brought in as separate items in a special supplemental appropriation bill.

Mr. HAYDEN. That is undoubtedly why the House took the action it did.

Mr. President, I ask unanimous consent to have printed in the RECORD the justification submitted by the Department of Labor, as well as a memorandum prepared in the committee and the House report.

There being no objection, the justification and memorandum were ordered to be printed in the RECORD, as follows:

SUPPLEMENTAL DEPARTMENT OF LABOR APPROPRIATION, 1960 (REPT. NO. 1919)

The Committee on Appropriations to which was referred the House Joint Resolution No. 765, making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes, reports the same to the House without amendment and with the recommendation that the joint resolution be passed.

The President submitted a supplemental budget estimate of $8 million for unemployment compensation for veterans and Federal employees for the fiscal year 1960 in House Document No. 384. The $6 million recommended in the resolution is based on more recent and accurate estimates of actual requirements.

This appropriation item finances payments to unemployed veterans and Federal employees which are made through State agencies as authorized by title XV of the Social Security Act. When the departmental witnesses testified on the 1961 budget in January it was expected that $5 million of the $125 million appropriation for the current fiscal year would not be needed. The situation has recently changed drastically for the surplus has been used and this special enactment is required to prevent the stoppage of payments to unemployed workers the latter part of this month.

MEMORANDUM ON HOUSE JOINT RESOLUTION 765, MAKING A SUPPLEMENTAL APPROPRIATION FOR THE DEPARTMENT OF LABOR FOR FISCAL YEAR ENDING JUNE 30, 1960

The budget estimate for this item "unemployment compensation for veterans and Federal employees" was $8 million. The House has allowed $6 million, a reduction of $2 million, suggested by the Department of Labor.

The Department advises that this allowance will be adequate, and furnish the attached table, based on more recent data than that furnished the House committee. It will be noted that they anticipate an actual need for benefit payment of $2,906,499, and contemplate a need for $1 million in the "pipeline," or $3,906,499. The House allowance is then some $2 million more than actually required, but the funds will remain available for fiscal year 1961, the appropriation for which in the regular bill is $5 million under the estimate.

SCHEDULE ON SUPPLEMENTAL APPROPRIATIONS AND REVISED ESTIMATES

Appropriation title: Unemployment Compensation for Veterans and Federal Employees.

Agency: Department of Labor, Bureau of Employment Security, date, Apr. 27, 1960.

1. Present appropriation or estimate	$125,000,000
2. Additional amounts available: Recovery of prior year obligations	+6,530,246
3. Total amount available for obligation 1960	131,530,246
4. Obligations:	
1st 10 months	113,193,415
Estimate for May	10,543,330
Estimate for June	10,700,000
Pipeline	1,000,000
5. Total actual and estimated obligations	135,436,745
6. Less total amount available	131,530,246
7. Revised estimated supplemental required	[1] 3,906,499

[1] It is urgently suggested that the amount of the supplemental be not less than $6 million due to difficulty in being precise and due to fact that any unused balance will carry over to 1961.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 765) was ordered to a third reading, read the third time, and passed.

MEDICAL CARE FOR THE AGED

Mr. HUMPHREY. Mr. President, the Governor of Minnesota, the Honorable Orville L. Freeman, recently delivered the keynote address at the second annual Institute on Aging at Gustavus Adolphus College in St. Peter, Minn.

In this outstanding speech, Governor Freeman discussed the urgent problem of financing medical care for our older citizens and called for a program using our tested social security system to provide medical care as a matter of right, and not as a result of a means test with its degrading effects on the self-respect and self-reliance of our senior citizens.

Mr. President, I ask unanimous consent that excerpts from Governor Freeman's speech relating to medical care for the aged be printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

FINANCING MEDICAL CARE—AN IMMEDIATE PROBLEM

There is one major problem in the field of aging that is today the subject of much discussion and controversy. Representatives of the Department of Health, Education, and Welfare have stated that the most important issue that will be before the White House Conference in Washington is that of financing medical care for the aging. This is an issue to which I have given long and careful study, and on which you will consider making recommendations.

You will, of course, make those recommendations as a result of careful study. But because I regard this issue as so important, because of its human and social significance, and because it is controversial, I am asking that you consider my recommendations on this subject as a part of your study. I present them to you in the hope that you will give them the same kind of serious consideration that I intend to give to your recommendations in the entire field.

The problem of financing health services for the aging has been an urgent problem for many years. Its urgency is increasing with each passing year because of several factors. (1) The numbers of people over 65 years of age are constantly increasing. (2) As medical science progresses the potential benefits from preventive measures, from medical care, from rehabilitation services—in fact, from all kinds of health services—are constantly increasing. (3) The costs of these services constantly increase because of the shift to chronic illnesses of long duration, the increase in disabling aftereffects, the need for steady use of costly drugs and medicine, and because of the value of long-term rehabilitation care and for medical social services. (4) These increases have not been matched by anywhere near a comparable increase in the financial ability of the aged. Census estimates indicate that 60 percent of aged individuals have annual incomes of less than $1,000, and that half of the families with aged heads have annual incomes of less than $2,600.

But you are all familiar with the general picture of the problem. At the time of life when incomes are substantially lowered, the costs of adequate health care and the need for that care are substantially increased.

No one with a sense of social responsibility denies that in this problem lies an urgent need that society must meet. Yet the subject is regarded as an extremely controversial one because of disagreement as to how it should be done.

I believe that this is the kind of controversy that must be faced. The human values involved demand that we take a stand. The health and happiness of millions of senior citizens preclude any further continuation of a wait-and-see, trial-and-error experimentation. In the interest of humanity, we ought to take a stand for action now.

A year and a half ago, I presented this problem to the House of Delegates of the A.M.A. when it met in Minnesota. At that time I appealed for the help of that organization in working out an adequate program.

The A.M.A. continues to express the hope that the so-called voluntary approach with some form of insurance could meet the need. Yet the highest current estimate of how many aged now have hospital insurance of all kinds is about 6 million, or 40 percent. And even this insurance does not begin to fulfill the health needs of those who are insured.

The most reliable projection, by the Department of Health, Education, and Welfare, of how many aged persons will be protected by any kind of voluntary insurance by 1965 indicates that by that date: 9 million can be expected to have some kind of insurance; 6 or 7 million will have no insurance protection; about 2 million will be on public assistance, and thus be eligible for some medical care through a means test.

The projections indicate that millions of older people will have no coverage or inadequate coverage, and that very few will have coverage that is sufficiently comprehensive to provide the health care they really need.

In considering this projection, it seems to me that two conclusions are inevitable.

First, that private insurance programs, through no fault of their own but rather because of the inherent nature of insurance, cannot meet the need. Premiums sufficient to pay for really adequate coverage for the aged, as a separate group, would be prohibitively high. Yet the principle of insurance is sound, and the actuarial burden can be carried if it can be applied universally and the costs paid over each person's years of employment.

The second conclusion follows: Such a program of universal application, to be paid over a long period, can be carried out most effectively through the OASDI system of the Federal Government.

A program thus developed under our social security system would provide our senior citizens with medical care as a matter of right, and not as the result of a means test, with its especially cruel effect on older people who particularly need a feeling of self-respect and self-reliance. It should further be extended to cover, as nearly as possible, all retired people. It should include preventive medicine and rehabilitation programs, hospital care and nursing home care, home health services, some assistance in paying for expensive drugs, and some provisions for continuous research and experimentation.

Such a program would make use of a social security system that has already proved its value in the field of retirement pensions. It would operate at administrative costs much lower than those of private insurance plans—the OASDI program now operated at less than 2 percent of its premium income. It would enable those covered to pay for their protection as they earn. And it would be no more compulsory than the national administration's present proposal, since the only compulsory part of either proposal is the taxation required to pay for them, and it is no more compulsory to tax payrolls than to tax incomes and other sources that make up the general revenue.

Before making a decision in favor of the financing of medical care for the aging through our social security system, it is essential to consider objections to such a proposal.

One objection I have heard is that, in Minnesota, the needy aged now have adequate medical care, paid for under our old-age assistance program. I believe that Minnesota does have one of the best programs for the care of the needy aged in the Nation. But this program is available only to those on old-age assistance, only to those who pass a means test, only to 1 out of 6 Minnesotans who are over 65 years of age.

What about the other five-sixths? What about those who are retired on very moderate pensions, for whom a serious illness is a major economic catastrophe? What about those increasing numbers of Minnesotans who are retired on pensions sufficient

to meet their needs only as long as they stay well? Let's note these Minnesota figures: In 1948 we had 53,000 people receiving old-age assistance, of whom 5,000 received it for medical care only; in 1959 we had 47,000 on old-age assistance, of whom 25,000 received it for medical care only; in 1948 this medical care cost us $3,300,000; in 1959 it cost us $18,738,000.

What about those countless, and uncounted, senior citizens, retired on limited incomes, clinging to their self-respect and their feeling of independence, who fail to seek medical care early in the game when it might help them most, because they know their incomes will not cover such care? I know there are many of these, for many of them write to the Governor.

I believe that the facts and figures overrule the objection that people in Minnesota do not need the kind of financing of medical care for the aged that I have described.

Another objection I have heard is that, under such a social security program the very wealthy aged, who could well afford to pay, would also be covered. This objection is not hard to answer. In the first place, there aren't very many aged people who are that rich. In the second place, they would probably seek and get care far beyond the minimum that a program under social security would provide. And in the third place, this objection goes contrary to well-established American principles. The very rich can, and frequently do, send their children to our public schools, even though they could well afford to pay for private schools. They use our parks and playgrounds. It is the American way to provide and make available to all those services that are regarded as essential.

Now let's turn to an objection that seems to be the most fearful of all—the objection that such a program might be socialized medicine. What about this objection?

Well, what is socialized medicine? This term apparently means different things to different people.

One answer might be that socialized medicine is the providing of medical care through some branch of government. Yet that definition is inadequate for our purpose, because we all take it for granted that government should provide medical care in certain cases, as, for example, in tuberculosis and mental hospitals. We in the United States have asked for and have thoroughly accepted this principle for so long that I feel sure that the most ardent opponents of socialized medicine, by whatever definition, would not ask that government cease that function.

This confusion about the meaning of the term "socialized medicine" is most unfortunate. The term in itself often arouses violent and sometimes emotional disagreement among some who do not agree on what they are disagreeing about. Semantics then becomes almost as important as substance. We can lose sight of real problems and real issues in our confusion about the meaning of words. I often wonder whether a misunderstanding about the meanings of terms does not often create as much conflict and disagreement as is created by an actual difference in opinion and judgment. It would be tragic to permit such misunderstandings to delay our progress toward meeting real human need.

In the United States we have traditionally decided questions relating to what services government ought to provide on a pragmatic basis rather than on the basis of an ideology or an "ism." We ask, "Is it needed?" and "How can it be done best?" Let me illustrate briefly.

When Americans, more than a century ago, decided that education should be free, universal, and compulsory they made this decision without considering any "ism" or asking whether they should adopt socialized education. Government provided schools simply because that was the only way they could be made available to all.

When government provided hospital and medical care for the victims of long, expensive, chronic ailments, such as tuberculosis and mental illness, it did so for similar reasons. It was socially desirable that the people suffering from such ailments be given care and treatment. Very few could afford such long and expensive care. The people asked government to provide it, because that was the only way it could be made available.

The same principles hold true, I believe, in all other areas where government performs functions relating to medicine. Government provides a substantial share of the cost of educating doctors because it is socially desirable and necessary. Government carries out those public health functions that could be performed adequately in no other way.

In other words, government is not some outside power seeking to aggrandize itself by taking over more and more functions. On the contrary, government in a democracy, by the very definition of the term, is the institution through which the people seek to make sure certain needs are met that are not adequately met by other means.

It is this attitude toward government meeting the needs of the people that I believe has impelled such varying—and unsocialistic—sources as a lead article in the Harvard Business Review, an editorial in Business Week, and an editorial in Life magazine to support the principle of financing medical care for the aging through our social security system by means of payroll taxes.

It is with this attitude toward government that I hope that you will consider my recommendation of this same principle.

Certainly a society with the great resources we have in both material goods and scientific talent cannot leave the health and happiness of our senior citizens to chance. Certainly we must do all we can to make most effective use of the public expenditures that are necessary to insure that our older citizens will receive health care and services of the highest quality.

I believe that by financing such programs through social security, we can achieve not only the highest degree of fiscal responsibility but, even more important, the highest degree of social and moral responsibility.

PUBLIC DEBT AND TAX RATE EXTENSION ACT OF 1960—SENATOR HUMPHREY'S VOTE ON H.R. 12381

Mr. HUMPHREY. Mr. President, yesterday I was necessarily absent from the Senate when action was taken on H.R. 12381. I wish the RECORD to show that had I been present when the committee amendment to eliminate the 10-percent tax on local telephone service was considered and voted upon, I would have voted "yea." My position on the amendment was inadvertently not included in yesterday's RECORD.

I also wish to have the RECORD show that had I been present and voting I would have voted "yea" on the amendment offered by the junior Senator from Wisconsin [Mr. PROXMIRE] to provide for withholding income tax on dividends and interest.

I wish to add that the Treasury has estimated that some $5 billion of income in the form of dividends and interest goes unreported in this country. Surely, since we have withholding of taxes on wages and salaries, the Government can design a program to withhold taxes on dividends and interest.

I believe this is the most flagrant loophole in the tax laws and ought to be closed and closed quickly. In so doing, the Federal can retrieve or collect substantial sums of income tax for the necessary activities of the Government without having to run the risk of deficit financing or to add additional excise taxes on consumer items, which taxes are within themselves regressive and, I believe, unfortunate for the economy.

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LONG of Louisiana. I regret, too, that the Senator was not present because in years gone by the Senator has voted for amendments to increase Federal funds for the needy.

Mr. HUMPHREY. Yes, indeed.

Mr. LONG of Louisiana. Those votes have oftentimes been close. I recall that one was decided on a tie vote. Unfortunately, the Vice President could not be present at the time to register his position, but because it was a tie vote the amendment failed to prevail. The Senator from Minnesota [Mr. HUMPHREY] was present on that occasion to vote in favor of that measure. Last night his vote would not have made too much difference because I believe the proposed amendment lost by a few votes more than one. However, I think the Senator would have voted to increase welfare payments for the 5-million-and-some-odd-thousand people in the land who are classified as needy.

Mr. HUMPHREY. As the Senator from Louisiana knows, I have been in favor of such an amendment and feel it is one that is really needed. I have always supported the Senator's activity in behalf of the amendment of which he speaks. It is one of the finest parts of his legislative record and I wish to compliment him for it.

TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN

The Senate resumed the consideration of Executive E, 86th Congress, 2d session, the Treaty of Mutual Cooperation and Security Between the United States of America and Japan, signed at Washington on January 19, 1960.

Mr. HUMPHREY. Mr. President, there has been a long debate today on the Treaty of Mutual Cooperation and Security with Japan. I offer a few remarks relating to that treaty, expressing my concern about it, and at the same time attempting to point out what I believe to be some of the more rewarding aspects of the treaty.

First, we have gone through a rather difficult period in American-Japanese relations. I was one of the Senators who had grave doubts as to the wisdom of the President's proposed visit to Japan. I had these doubts because I felt that with riots taking place, the conditions of violence, in the streets of Tokyo indicated that a visit by the President could well result not only in embarrassment to the President as a person but also embarrassment and humiliation to the office of

the Presidency, even leading to a grave international incident.

I expressed those doubts and said that the President should not go to Japan unless the Japanese Government could give positive, absolute guarantees of security and safety. Then I said that I doubted that it could do so.

It was my view that the mobs or the crowds of people that were rioting and carrying on in the streets were larger than our Government had estimated. It was my view that the Kishi government either was not able or was not willing to take the measures that were necessary to control these riots; and, therefore, for the President of the United States to visit the capital of Japan under those circumstances would be unwise.

Also, as has been pointed out in the Senate, the proposed visit of the President was tied in with the stability of the current regime in Japan, the so-called Kishi administration. I doubted very much whether the President of the United States ought to become identified with any particular regime, but rather a visit by the head of state should be one to all the people of Japan and not to a current parliamentary majority.

As we found out later, the Government of Japan withdrew the invitation, and it did so for the reason that it was felt that the President's safety could not be guaranteed and that a visit might result in very embarrassing circumstances.

I might add that the State Department indicated at all times that the visit should take place. It was, apparently, poorly informed as to the conditions in Tokyo.

Today the headline in the Washington Evening Star is "Error on Japan Treaty Conceded by Herter." The story goes on to say that the Secretary of State admits that the State Department and the officials of our Government underestimated the attitude of the Japanese people, underestimated the size of the demonstrating groups, underestimated the degree of violence and turmoil that existed in Tokyo and other parts of Japan.

Many of us in the Senate receive letters from friends in Japan who are acknowledged students of Japanese affairs, and the letters I have received, almost without exception, told me that these were very perilous days in Japan and that a visit by the President could result only in further aggravation of the problems. That is all past now.

The next point that came up was whether we should ratify, and, if so when, the Treaty of Mutual Cooperation and Security with Japan which was negotiated this fall. The senior Senator from Minnesota was one of those who cautioned that we should proceed slowly and carefully. I said so in the committee and also said so over the television and radio and in public statements. I felt that the insistence of the State Department last week that we should proceed at once with the ratification of this treaty could result in very serious international problems. I believed that were we to ratify it immediately, as we were requested to do, the Government of the United States would be accused of having forced something upon the Japanese people prior to the final act of ratification by the Japanese Government.

Of course, as we know, that final act of ratification was the fact that the Japanese Diet was not dissolved, and the treaty went into effect on a date certain by the fact that the Government was still in power. So we have delayed.

I commend the majority leader and those responsible in the Senate for our leadership in having delayed the act of ratification. It was a wise decision and one that I supported and encouraged.

It would be unwise for the greatest power on the face of the earth, the United States of America, to act as if we had to take hasty action, by ratifying a treaty with a government that was unable to maintain law and order in its own country. The plea was made to us that ratification at once was important to stabilize the political situation of Japan. To me, this had no merit, since the treaty itself was a bone of contention in Japan.

I do not believe that ratification last week would have stabilized the situation. I believe it would have aggravated it. I am not at all sure that even now ratification of the treaty will tend to stabilize the political situation in Japan. In fact, there is reason to believe a further delay in ratification until after the Japanese elections would be advisable. The Senate would be well advised to act on this treaty in terms of what is in our best interest, not in terms of what the political interest is in Japan. We have a great many second guessers around here, Monday morning quarterbacks, who seem to be figuring out what is going to happen in Japanese politics.

The truth is that the demonstrations in Tokyo were not all anti-American nor were they just Communist demonstrations. The American President became involved in Japanese politics by the fact that the trip was being made at a time when the Kishi government was in serious trouble. This trouble was due in part to the manner in which it had gained ratification of the treaty in the lower house. The treaty was ratified at a time when certain deputies in the lower house of the Japanese Diet had walked out. This was considered to be a sort of tricky and slick way of getting ratification of an important document such as a treaty between two great countries. Then, too, the Kishi administration was under attack from the Socialists and others over fiscal, labor, and defense policies. The projected visit of President Eisenhower and the treaty were but added fuel to an already smoldering fire.

So we became involved in domestic Japanese politics. That is something we ought to get out of right away. The political situation in Japan is an uncertain one. I do not believe that the United States Government ought to aline itself with one poltical party or another. I believe that we should direct our efforts toward trying to have a treaty between the Japanese nation and the United States regardless of the kind of elected government is in power in Japan. I emphasize elected government, because I do not believe that the Communists are going to elect any government in Japan. If the Communists take over the government in Japan, it will not be through the process of election, but through the process of force and violence. The best we can do is encourage the strengthening of parliamentary institutions.

But, the proposed treaty is better than the current situation. The pending treaty is the result of the desire on the part of responsible persons in Japan to get away from the occupation status and get away from an earlier treaty that was consummated some years ago, when Japan was looked upon, in a sense, as a conquered nation. Japan today is one of the great nations of the world. She is without doubt one of the largest industrial nations of the world. We would therefore be very foolish if we did not take into consideration that, while Japan may not have a big army or military establishment, because it was limited by her Constitution, that Japan is a strong nation industrially. The strength of a nation is not in the power of its armed forces alone. The strength of a nation lies in its economy. Japan's economy is a vital sector in the economic life of the free world.

Therefore, when we look upon Japan as an ally, we should not see her merely in terms of her military forces. We must recognize her for the economic and social system she has developed. It has been said that Japan has no troops and no navy and no air force. This, in a sense, is true. It has what we might call police units. There has been a good deal of stretching of that provision in her Constitution prohibiting any military establishment. She is denied military forces but permitted to have substantial police or security forces.

But Japan today has one of the largest merchant marines in the world. Japan has one of the largest industrial complexes in the world. She has one of the largest and most able and skilled labor forces in the world. She has great managerial talent, and vast productive skill and capacity. This makes her a good ally—a strong nation.

I would hope that the treaty, not merely its military aspects, but those parts which encourage economic cooperation and economic consultation, will tend to strengthen the relationships between our two great countries.

In the discussion of this treaty, we have pointed to the minority in Japan, which caused the violence and the riots. We should also point to the majority in Japan, which has been hard at work doing its job of rebuilding the country and expanding the markets of the country with the rest of the nations of the world, and competing with other nations and, indeed, with our own country, and, making for Japan a solvent and productive economy.

After all, the Japanese people are an exceedingly capable and energetic people. It is to the advantage of the free world that the Japanese economy be a vital, viable, and productive economy.

If this treaty contributes to such a development then it makes a contribution to mutual security.

Mr. HUMPHREY. Mr. President, I call to the Senate's attention, while this is essentially a treaty of a military nature, it also provides for other forms of cooperation. It is my view that the cooperation which is underlined in the treaty does much to cement the relationships between Japan and the United States.

I should like to make one or two other observations, as we consider the articles in the treaty. I hope that the legislative history will be perfectly clear that there is considerable emphasis in the treaty on the Charter of the United Nations.

Take, for example, article I:

> The parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered and to refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations.

Then the article goes on to state:

> The parties will endeavor in concert with other peace-loving countries to strengthen the United Nations so that its mission of maintaining international peace and security may be discharged more effectively.

Also, I call attention to article VII of the treaty:

> This treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the parties under the Charter of the United Nations or the responsibility of the United Nations for the maintenance of international peace and security.

The treaty also provides, in article V, relating to the possibilities of armed attack:

> Each party recognizes that an armed attack against either party in the territories under the administration of Japan would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional provisions and processes.
>
> Any such armed attack and all measures taken as a result thereof shall be immediately reported to the Security Council of the United Nations in accordance with the provisions of article 51 of the Charter. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article V coupled with article IV has special relevance to the possibility of trouble that may lie ahead. Article IV reads:

> The parties will consult together from time to time regarding the implementation of this treaty, and, at the request of either party, whenever the security of Japan or international peace and security in the Far East is threatened.

Mr. President, I have read these portions of the treaty because I want the record to be clear that the treaty is not written to bypass the Charter of the United Nations, but rather to implement it, and that our obligation is to the Charter of the United Nations, and so is that of Japan.

The purpose of the treaty is to strengthen the security articles of the Charter, those provisions of the Charter of the United Nations which provide for international peace and security, particularly in the Far East, and, indeed, all around the world. Article IV calls upon the parties to consult from time to time regarding the implementation of the treaty. I hope this article might also be interpreted to call upon the parties to consult from time to time as to what, if any, modifications may be needed in the treaty.

I am of the opinion that in the long run the treaty will require rather substantial modification, particularly as it relates to the presence of American nationals in Japan, and as to the presence of American bases in Japan, and the rights with respect to those bases.

Finally, it seems to me that the whole concept of our foreign policy in the Far East requires a very careful reexamination and, I should say, reorientation. There has been a tendency of late to build a foreign policy in the Far East upon the uncertain foundation of military alliances. Too little has been done in terms of regional economic development and of regional, cultural, and economic cooperation. All too little has been done in terms of consultation with our partners in the Far East.

I feel that the sentiments expressed by the Senator from Oregon [Mr. MORSE] relating to the use of the facilities of the United Nations, as well as consultation by the United States with our allies relating to the treaty in the Far East, is a very pertinent observation. The United States has sought to conduct foreign policy in the Far East as if it were a bilateral arrangement, with the exception, I should say, of the SEATO countries; and even in the Southeast Asia Treaty Organization, we emphasize the military over and above that of the economic, cultural, scientific, and educational.

I feel that military power in the Far East is only one of the many factors which must be considered for an effective foreign policy in that area of the world. I know that we must have close working relationships with Japan, which is a major industrial nation. I also know that if we are to have relationships with Japan, we must be willing to make concessions.

As was pointed out today by the chairman of the Committee on Foreign Relations [Mr. FULBRIGHT] and by the distinguished Senator from Montana [Mr. MANSFIELD], the assistant majority leader, the area of Japan is smaller than the State of Montana but, as was said by the Senator from Montana, it has a population of almost 90 million, and a population increase of from 1 to 2 million every year. Japan has limited natural resources. About 60 percent of its land is tillable or usable for agricultural purposes.

Yet Japan as a nation must survive. Its possibilities to survive lie in trade and production. They lie in the development of education, of skills, and of science. It is in these categories that the strength of Japan will be found. It seems to me that we in this country should recognize that in our foreign policy.

I do not want Japan to fall into the orbit of the Communist powers. If Japan were to be communized, to be taken over, or in any way to become what might be called effectively neutralized toward the Communist orbit, such a development would have a decided effect upon the power relationships in the world.

Japan is a vital link in the security system of the free world, if we look upon the security system as one which relates not only to military power, but also to economic, cultural, scientific, and political power. It is in that spirit that I believe this treaty performs a valuable service.

This treaty is a better one than the treaty which now is in force. This treaty provides opportunity for revision. It is of 10 years' duration—a limited period permitting changes.

If the Government of the United States will implement this treaty by regarding Japan as an equal and by giving Japan, as well as other countries, qualitative recognition, not just quantitative recognition, then, indeed, this treaty can serve a very useful purpose.

I believe it would be wrong to ignore the arguments made today by some of our colleagues who have said this treaty would have no effect if an unfriendly government were to develop in Japan. Accordingly, it is in our national interest to take such action as we can to encourage, at least, a responsible and friendly government in Japan. I believe one of the ways we can do so is to look upon Japan as a partner, not as a faraway place. We need to look upon Japan in the way that we look upon the Philippines or any other friendly country—as a friend and as a partner in fact. When I say a partner, I mean a partner in consultation and in economic, cultural, scientific, military, and political cooperation, a partner which at times will disagree with us, but at other times will agree with us.

I hope we shall use the treaty to strengthen the participation by the United States and by Japan in the United Nations, because I believe the United Nations to be peculiarly well adapted to dealing with some of the problems of the Far East; and I hope we shall look upon the United Nations and its related agencies as very significant parts of our foreign-policy machinery as well as our foreign-policy program, in dealing with the nations of the Far East and their problems.

I urge that we call upon Japan to take a responsible role in terms of foreign aid in the Far East. It seems to me the time has come for the United States to stop thinking it, alone, can pay all of the bills. We should call upon a prosperous Japan to make her contributions to economic recovery in the friendly and free nations of Asia, Africa, and the Middle East. We should also be calling upon Western Germany to be doing the same—both former enemies, both today our allies and friends. Both of them have made phenomenal economic recov-

ery. Both have received liberal economic aid from the United States. Now the time is at hand for the Western European nations and the nations of Asia which have the means to do so to take on their share of the responsibility and to do their part in giving economic assistance and technical assistance to the other nations of the world.

Therefore, Mr. President, this treaty can be a forward step in closer cooperation between the United States and Japan on matters even more significant than military matters. This treaty can be an indication, at least, to the people of Japan that we in the United States want a working relationship with them on many items on the international agenda.

I am of the opinion that Japan can offer us much guidance in the field of disarmament, for example; and we should be calling upon Japan to take the lead in the Far East in encouraging disarmament. We can call upon her to provide a good deal of active participation in giving technical assistance to the so-called emerging countries of Asia, Africa, and the Middle East; and we can call upon Japan to render aid in the field of science and education. Certainly we should do so. I believe it can best be done through the multilateral agencies we have developed thus far in the United Nations.

Today, one or more Senators have expressed concern over the fact that this treaty requires the United States to come to the defense of Japan, in the event she is attacked, but does not require corresponding action by Japan in the event the United States is attacked. Of course, the treaty simply faces one of the facts of life—namely, that if Japan is attacked, such an attack will vitally affect the security of the United States. If that would not be the case, we have no business having military commitments in the Far East. We have military commitments, for instance, with the Philippines, and within the week those commitments have been reaffirmed by the President of the United States; and we have military commitments by treaty with Nationalist China, on the Island of Formosa; and we have military commitments with South Korea. So it goes without saying that an attack upon Japan would be an attack upon the United States and her allies in Europe and in Asia.

Therefore, Mr. President, although the treaty does not, in a sense, require the Government of Japan to come to our aid immediately, in the event of an attack upon the United States—although, it does require immediate consultation and the following of the constitutional processes—the treaty does require assistance by the United States in the event of attack upon Japan. The reason for that is quite obvious. The Japanese Constitution contains a prohibition against large military establishments. That constitutional provision was established with our insistence and the desire of the people of Japan.

I repeat that I believe that Japan's best contributions to freedom and security in the world today can be made in areas equally significant to the military.

However, I feel that the United States of America, by reason of her long-term commitments in one country after another around the world, particularly in the Far East, has a unique responsibility as regards Japan.

Mr. President, although there may be weaknesses in the treaty—and some of them have been referred to this afternoon—and although the treaty has limitations, and although the treaty might never become operative if an unfriendly government were to take over in Japan, certainly this treaty is at least an expression by the Government of the United States that it would like to normalize the relationships between the United States and Japan; and the treaty provides means for further discussions and further modifications of the diplomatic and political and economic and other relationships between the United States and Japan. The treaty also provides for economic and diplomatic consultations and for activities within the framework of the United Nations; and the treaty brings Japan in as a partner in the system of alliances and security arrangements on the part of the United States and her allies.

Therefore, Mr. President, I shall vote for ratification of the treaty, even though I was one of those who counseled against hasty action. I counseled against hasty action because I thought it would inject the United States, at that moment in Japanese history, into Japanese domestic politics, to the detriment of stable government in Japan.

I hope that now the people of Japan will look upon the treaty as a further opportunity to have more friendly relationships with the United States of America; and I hope that both the Government of Japan and the Government of the United States will look upon the treaty as a means of strengthening the cooperation of these two great nations within the framework of the United Nations.

If that is the spirit in which the treaty is ratified, and if the President of the United States—whoever he may be—will look upon the treaty as a further step in the normalization of relationships between these two great powers, then, indeed, this treaty will have contributed to peace and security in the world.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. I wonder if we could enter into a unanimous-consent agreement that after the morning hour tomorrow we have not to exceed 30 minutes of debate, to be divided equally and controlled by the majority and minority leaders, and then proceed to a yea-and-nay vote on the treaty. If we have 30 minutes of debate I will yield to the Senator from Louisiana [Mr. LONG] the time that he desires to speak on the treaty, and if anyone else desires time on either side of the question we will yield to him also.

Mr. HUMPHREY. Mr. President, I shall have to object, because tomorrow I intend to have a few words to say about Mr. NIXON's farm speech in North Dakota. We were here late last night.

Mr. LONG of Louisiana. Mr. President, will the Senator withhold his objection?

Mr. JOHNSON of Texas. Does the Senator wish to make another speech?

Mr. HUMPHREY. I am going to have something to say tomorrow about Mr. NIXON's farm speech in North Dakota. I believe we can finish consideration of the treaty tonight. The Senator from Minnesota will be through in a few minutes.

Mr. JOHNSON of Texas. My request would not bar the Senator from Minnesota from making a speech about Mr. NIXON. It would provide an opportunity for us to vote on the treaty after 30 minutes of debate. In that way Senators would know when we would vote. Several of them wish to leave. We could set the time when we would vote on the treaty. If the Senator wishes to set a specific time when he wishes to make his speech, we can arrange that. If he wishes to make his speech before consideration of the treaty tomorrow, we will hold up the treaty. If he wants to make it after the treaty, we will do that. All we are trying to do is to set a specific time for a yea-and-nay vote on the treaty.

Mr. LONG of Louisiana. I hope the Senator from Minnesota will agree to some arrangement of that sort, because I, for example, wish to make a speech against the treaty. I do not know whether that will provoke further debate. However, if the Senator wishes to make his speech tomorrow, I suggest that he make it either before or after the vote on the treaty. My suggestion would be that the vote on the treaty come first and then that the Senator from Minnesota be recognized to make his speech. In that way he will have a good attendance in the Senate.

Mr. HUMPHREY. That is agreeable to me.

Mr. JOHNSON of Texas. He may speak before or after action on the treaty.

Mr. HUMPHREY. Immediately after the treaty is disposed of will be the best arrangement.

Mr. JOHNSON of Texas. Mr. President, I renew my unanimous consent request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. HUMPHREY. What is the request?

Mr. JOHNSON of Texas. That there be 30 minutes of debate, 15 minutes on each side, after the morning hour, and then that the Senate proceed to vote on the treaty.

Mr. HUMPHREY. And that immediately after the treaty the Senator from Minnesota will be recognized.

Mr. JOHNSON of Texas. If the Senator so desires.

Mr. HUMPHREY. Yes.

Mr. JOHNSON of Texas. Very well.

Mr. HUMPHREY. I thank the Senator from Texas.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

Mr. JAVITS. Mr. President, will the Senator yield, to permit me to ask the distinguished majority leader a question concerning the appropriation bills which were supposed to be scheduled for action today?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, may we hear from the Senator from Texas concerning his plans for the consideration of the appropriation bills which were due to be taken up tonight?

Mr. JOHNSON of Texas. That will depend entirely on the speeches to be made by Senators. It is not planned to transact any business following the speeches. There will be nothing but speeches this evening. We will get down to voting tomorrow; and after we vote on the treaty, it is proposed to take up either the Independent Offices or the General Government Matters Appropriation bill.

Mr. JAVITS. I thank the Senator from Minnesota and the Senator from Texas.

Mr. JOHNSON of Texas. So far as the leadership is aware, there will be no votes this evening. The Senate will convene at 12 o'clock noon tomorrow. There will be a morning hour. Following the morning hour there will be 15 minutes to a side on the treaty. Then the vote on the treaty will take place.

Following the vote on the treaty, the Senator from Minnesota will be recognized. How much time will the Senator from Minnesota desire?

Mr. HUMPHREY. I have not the slightest idea.

Mr. DIRKSEN. Mr. President, put my name on the list, too. I do not have the slightest idea of how much time I may use, when I follow the Senator from Minnesota.

Mr. HUMPHREY. What the Senator from Illinois will probably say afterward is "Amen."

Mr. DIRKSEN. That is what the Senator from Minnesota thinks.

Mr. JOHNSON of Texas. Mr. President, we will have for consideration two appropriation bills which must also go to conference.

Mr. HUMPHREY. My speech will not be too long; it will take about a half hour.

Mr. JOHNSON of Texas. Mr. President, I modify my request to include one-half hour for the Senator from Minnesota [Mr. HUMPHREY], following the vote on the treaty.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

Ordered, That, effective on Wednesday, June, 22, 1960, at the conclusion of the routine morning business, during the further consideration of the Treaty of Mutual Cooperation and Security Between the United States of America and Japan (Ex. E of 86th Cong., 2d sess.), all debate shall be limited to 30 minutes to be equally divided and controlled by the majority and minority leaders: *Provided further*, That after the vote on the treaty, the Senator from Minnesota [Mr. HUMPHREY] shall be recognized for 30 minutes to address the Senate.

Mr. JOHNSON of Texas. Mr. President, I desire to inform the Senate that immediately following the speech by the Senator from Minnesota an appropriation bill will be taken up.

Mr. DIRKSEN. Mr. President, I shall offer an amendment in order to secure time for my speech.

LEGISLATIVE SESSION

Mr. McCARTHY. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

PETITION OF MINNEAPOLIS LODGE 260, BROTHERHOOD OF RAILWAY AND STEAMSHIP CLERKS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a letter which I have received from Minneapolis Lodge 260 of the Brotherhood of Railway and Steamship Clerks in opposition to Senate bill 3548 relating to union bargaining, be printed at this point in the RECORD and appropriately referred.

There being no objection, the letter was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

JUNE 6, 1960.

HUBERT H. HUMPHREY,
Washington, D.C.

DEAR SENATOR: Senator Dirksen, of Illinois, on May 13, 1960, introduced S. 3548 which would amend the Railway Labor Act, the Norris-La Guardia Act, and National Labor Relations Act, making it impossible for labor unions to lawfully bargain or strike over demands involving the stabilization of employment.

The members of Minneapolis Lodge 260, urge you to oppose this bill, S. 3548.

Yours truly,

H. E. DURAND,
Secretary Treasurer.

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. MURRAY, from the Committee on Interior and Insular Affairs, with amendments:

S. 77. A bill to establish the Chesapeake & Ohio Canal National Historical Park and to provide for the administration and maintenance of a parkway, in the State of Maryland, and for other purposes (Rept. No. 1632).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 2709. A bill directing the Secretary of the Interior to convey to the city of Flandreau, S. Dak., any interest remaining in the United States to certain property which it conveyed to such city by the act of August 21, 1916 (39 Stat. 524) (Rept. No. 1633);

S. 2914. A bill to authorize the purchase and exchange of land and interests therein on the Blue Ridge and Natchez Trace Parkways (Rept. No. 1634);

S. 3264. A bill to abolish the Arlington Memorial Amphitheater Commission (Rept. No. 1635);

S. 3399. A bill to authorize the exchange of certain property within Shenandoah National Park, in the State of Virginia, and for other purposes (Rept. No. 1636); and

H.R. 8740. An act to provide for the leasing of oil and gas interests in certain lands owned by the United States in the State of Texas (Rept. No. 1637).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 8226. An act to add certain lands to Castillo de San Marcos National Monument in the State of Florida (Rept. No. 1638).

By Mr. MOSS, from the Committee on Interior and Insular Affairs, with amendments:

S. 2757. A bill to supplement the act of June 14, 1926, as amended, to permit any State to acquire certain public lands for recreational use (Rept. No. 1630); and

H.R. 6597. An act to revise the boundaries of Dinosaur National Monument and provide an entrance road or roads thereto, and for other purposes (Rept. No. 1629).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 3122. An act directing the Secretary of the Interior to issue a homestead patent to the heirs of Frank L. Wilhelm (Rept. No. 1627).

By Mr. GRUENING, from the Committee on Interior and Insular Affairs, without amendment:

S. 3267. A bill to amend the act of October 17, 1940, relating to the disposition of certain public lands in Alaska (Rept. No. 1628).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 11953. An act to provide for the assessing of Indian trust lands and restricted fee patent Indian lands within the Lummi Indian diking project on the Lummi Indian Reservation in the State of Washington, through drainage and diking district formed under the laws of the State of Washington (Rept. No. 1640).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 9142. An act to provide for payment for lands heretofore conveyed to the United States as a basis for lieu selections from the public domain, and for other purposes (Rept. No. 1639).

By Mr. BIBLE, from the Committee on the District of Columbia, with amendments:

S. 3193. A bill to aid in the development of a unified and integrated system of transportation for the National Capital region; to create a temporary National Capital Transportation Agency; to authorize creation of a National Capital Transportation Corporation; to authorize negotiation to create an interstate transportation agency; and for other purposes (Rept. No. 1631).

By Mr. FREAR, from the Committee on the District of Columbia, without amendment:

S. 3415. A bill to exempt from taxation certain property of the American Association of University Women, Educational Foundation, Inc., in the District of Columbia (Rept. No. 1641).

By Mr. FREAR, from the Committee on the District of Columbia, with an amendment:

S. 3258. A bill to amend the District of Columbia Alcoholic Beverage Control Act (Rept. No. 1643).

By Mr. FREAR, from the Committee on the District of Columbia, with amendments:

S. 3195. A bill to exempt from taxation certain property of the Army Distaff Foundation (Rept. No. 1642).

ADDITIONAL BILL INTRODUCED

Mr. KENNEDY, by unanimous consent, introduced a bill (S. 3712) relating to the effective date of the qualification of the Pipe and Refrigeration Fitters Local 537 pension fund as a qualified trust under section 401(a) of the Internal Revenue Code of 1954, which was read twice by its title and referred to the Committee on Finance.

PROPOSED AMENDMENTS OR NEW AGREEMENTS, FOR COOPERATION WITH OTHER NATIONS IN THE PEACEFUL USES OF ATOMIC ENERGY

Mr. PASTORE. Mr. President, pursuant to the requirements of section 123c of the Atomic Energy Act of 1954, as amended, the Atomic Energy Commission has recently forwarded to the Joint Committee on Atomic Energy a number of proposed amendments, or new agreements, for cooperation with other nations in the peaceful uses of atomic energy.

As chairman of the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy, and in accordance with past practices, I request unanimous consent to have printed in the CONGRESSIONAL RECORD, at a conclusion of my brief remarks, copies of representative amendments, and new agreements, preceded by a brief summary prepared by the Atomic Energy Commission, for the purpose of informing all Members of the Senate, the Congress, and the public, of the provisions of these amendments and agreements.

The Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy has scheduled a hearing for tomorrow, June 22, 1960, at 10 a.m., to consider the provisions of these amendments and agreements, as well as certain other matters. The subcommittee, and the full Joint Committee, may subsequently consider the possibility of waiving the remainder of the 30-day review period by the Joint Committee, pursuant to section 123c of the Atomic Energy Act of 1954, as amended.

All of these amendments or agreements, Mr. President, are for the peaceful uses of atomic energy. Seven of the amendments are primarily to extend for 2 or 3 years the bilateral agreement, and to provide an opportunity for transfer of the administration of safeguards to the International Atomic Energy Agency, and for future cooperation through the Agency.

Two other amendments authorize transfer of highly enriched materials for use in research or test reactors. The agreement with Canada provides for a cooperative program in the development of heavy water moderated reactors, for the mutual benefit of both nations.

The new agreement with Euratom authorizes supply of certain nuclear materials for the Euratom research program.

Mr. President, all of these amendments and agreements are demonstrations of U.S. leadership and dedication to the development of the peaceful uses of atomic energy in close cooperation with other nations of the world. They contain the usual guarantees and safeguards against diversion of the materials from peaceful to military purposes.

I send to the desk, Mr. President, the following, and request unanimous consent that they be reprinted in the CONGRESSIONAL RECORD at this point for the information of all Members of the Senate, the Congress, and the public:

First, a letter dated June 20, 1960, to James T. Ramey, executive director, Joint Committee on Atomic Energy, from Mr. John A. Hall, for the General Manager of AEC, with appendixes A and B, summarizing the amendments to the agreements with various countries, and with Euratom;

Second, a copy of amendment to agreement for cooperation with Argentina—similar to that with Brazil, China, Greece, Israel, and Portugal—together with supporting correspondence;

Third, an amendment to agreement with New Zealand—similar to that with Thailand—and supporting correspondence;

Fourth, an amendment to cooperation with Canada, and supporting correspondence;

Fifth, an amendment to agreement for cooperation with Switzerland, and supporting correspondence; and

Sixth, an additional agreement for cooperation with Euratom, and supporting correspondence.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

U.S. ATOMIC ENERGY COMMISSION,
June 20, 1960.

MR. JAMES T. RAMEY,
Executive Director, Joint Committee on Atomic Energy, Congress of the United States, Washington, D.C.

DEAR MR. RAMEY: In response to your request of June 13, 1960, there is attached as appendix A brief summaries of the amendments to the Agreements for Cooperation with Argentina, Brazil, Canada, China, Greece, Israel, New Zealand, the Philippines, Portugal, Switzerland, and Thailand, and of the agreement with Indonesia. Attached as appendix B is a detailed discussion of the provisions of the additional agreement for cooperation with Euratom, supplementing that information provided in Chairman McCone's letter of June 11, 1960, to Senator ANDERSON.

If there is any further information you require, we should be glad to hear from you.

Sincerely yours,

JOHN A. HALL
(For General Manager).

APPENDIX A

SUMMARY OF AMENDMENTS TO THE AGREEMENTS FOR COOPERATION WITH ARGENTINA, BRAZIL, CANADA, CHINA, GREECE, ISRAEL, NEW ZEALAND, THE PHILIPPINES, SWITZERLAND, AND THAILAND

ARGENTINA, BRAZIL, CHINA, GREECE, ISRAEL, AND PORTUGAL

Each of these amendments provides for a 2-year extension of the agreement with the respective country. The purpose of entering into 2-year extensions is to provide continuity in the bilateral arrangements in connection with fuel and equipment that has been or is expected shortly to be transferred, and, at the same time, provide an opportunity for the development of arrangements for the administration of safeguards by the International Atomic Energy Agency and for future cooperation through the Agency. The following standard articles are also being incorporated into those agreements which do not presently contain such provisions, as indicated:

(1) IAEA article: Affirmation of the parties to avail themselves, as soon as practicable, of the facilities and services of the IAEA (Argentina, Brazil, China, Greece, and Portugal).

(2) Disclaimer article: Provides for a disclaimer of responsibility under which neither party warrants the accuracy, completeness, or suitability of information or data exchanged for any particular use or application (Argentina and Greece).

(3) Hold harmless article: Provides for a hold harmless provision indemnifying and saving harmless the United States from any and all liability arising from the lease of source material, special nuclear material or other reactor materials (Argentina and Greece).

NEW ZEALAND AND THAILAND

The existing agreements provide for the lease of six kilograms of material enriched up to 20 percent in the isotope U^{235}, plus pipeline quantities, for fueling research reactors.

The amendments change the above provisions by providing for the sale or lease, as may be agreed, of a net amount of 10 kilograms of material enriched up to 20 percent in the isotope U^{235} for use in research reactors, materials testing reactors, and reactor experiments. At its discretion, the Commission may make all or a portion of this material available as material enriched up to 90 percent for use in the foregoing facilities, each capable of operating with a fuel load not to exceed 8 kilograms of contained U^{235}. New Zealand and Thailand requested this provision in connection with research reactors they are planning to construct. The amendments also add a provision permitting the transfer of special nuclear materials, on an "as may be agreed" basis, for use in defined research projects other than fueling reactors or reactor experiments. In view of these provisions, there have been included in the amendments standard comprehensive controls and safeguards and a comprehensive IAEA article in which the parties affirm their common interest in the IAEA and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement. The amendment with Thailand also extends that agreement for a 2-year period.

PHILIPPINES

This amendment provides, at the request of the Philippines, for a 3, rather than 2 years, extension, to cover, if possible, the life of the first-core loading of their research reactor, and its return to the United States. The amendment also adds a standard provision to permit the tranfer of specified gram quantities of special nuclear materials for research purposes, and contains "hold harmless" and "disclaimer" provisions as well as an IAEA article.

INDONESIA

The agreement with Indonesia is, in all but one respect, the standard type of research bilateral providing for the lease of 6 kilograms of uranium enriched up to 20 percent in the isotope U^{235}, plus pipeline quantities, for use as fuel in research reactors. It differs from the standard research agreement only in that it is limited, at Indonesia's request, to cooperation with respect to a single specified project; namely, a research and training project for nuclear science and engineering at the Bandung Institute of Technology.

CANADA

The Joint Committee is aware of the cooperative program entered into with Canada on heavy water moderated reactors. The

main purpose of the amendment is to permit full implementation of this program.

The existing agreement would expire on July 31, 1965. The amendment extends the agreement for a period of 20 years from the date the amendment enters into force. This period is in line with the terms of our power agreements with Italy and Japan and the joint program under our agreement with Euratom.

The amendment also permits enriched uranium and heavy water for power reactor programs to be provided by lease, or, subject to required governmental authorizations, loan. The present agreement permits sale only of these items.

Certain changes are also made in the patent provisions to permit wider freedom of governmental action with regard to licensing. The existing agreement provides that, as to inventions based on information communicated under the agreement, the licenses are for "governmental purposes and for purposes of mutual defense" and that the license shall be "for its governmental purposes." The amendment removes the above restrictions and provides instead for licenses, with the right to sublicense, for all purposes. The amendment also provides that additional patent arrangements may be made with respect to inventions or discoveries made or conceived in circumstances other than those specifically provided for in the agreement.

SWITZERLAND

Under the terms of the existing agreement, reactor fuel is available to Switzerland on a sale basis only and highly enriched uranium fuel is limited to use in a materials testing reactor capable of operating with a fuel load not to exceed six kilograms of contained U^{235} in uranium. The amendment will permit the Commission also to lease reactor fuel to Switzerland and to supply highly enriched uranium for use in research reactors and reactor experiments, as well as materials testing reactors, each capable of operating with a fuel load not to exceed eight kilograms of contained U^{235} in uranium. The amendment also provides that our usual language relieving the Government of the United States of liability arising out of or in connection with special nuclear material, source material, or other reactor material leased to Switzerland shall be contained in all contracts for the lease of such materials. This minor deviation from the usual practice of making the "hold harmless" provision directly operative within the agreement itself was requested by the Swiss in order to avoid submittal of the amendment to the Swiss Parliament, with consequent delay.

APPENDIX B

DISCUSSION OF THE PROVISIONS OF THE ADDITIONAL AGREEMENT FOR COOPERATION BETWEEN THE UNITED STATES AND EURATOM

The additional agreement for cooperation between the United States and Euratom is designed to meet the urgent need on the part of Euratom and one of its member states for assurances, required before the next session of Congress, of the supply of certain nuclear materials for their research programs. If the assurances that are provided by the additional agreement are not forthcoming during this period, it is possible that some of the research projects for which the materials are designated may have to be deferred. It should also be noted that the principal need is that of a member state, Italy, which has chosen to seek these materials through Euratom as an indication of support for this organization.

Only materials for which assurances are urgently needed are provided for in the additional agreement. The specific quantities of materials to be made available by sale or lease, as may be agreed, and the research projects for which they are intended are:

1. One hundred kilograms of uranium, enriched up to 90 percent in the isotope U^{235} for use in an Italian organic reactor experiment: The Italian National Committee for Nuclear Research (CNRN) is anxious to proceed with the design and construction of this experiment, which is to be completed by 1962. It wishes to use highly enriched U^{235} in the first core (similar to that of the OMRE) of this facility so as to accelerate the attainment of meaningful data for the organic system.

2. Two hundred kilograms of uranium, enriched up to 90 percent in the isotope U^{235}, and 30 kilograms of U^{233} contained in unseparated, irradiated, uranium-thorium fuel elements for use in an experimental reprocessing plant and associated fuel fabrication facility. The CNRN plans to start up an experimental plant for reprocessing irradiated uranium-thorium fuel elements from the Elk River reactor during the first half of 1964. Allis-Chalmers will participate in this project, which the Commission's Division of Reactor Development has strongly endorsed.

3. Forty kilograms of uranium, enriched up to 90 percent in the isotope U^{235} for critical experiments related to Euratoms' heavy-water moderated, organic-cooled reactor prototype, ORGEL. This project is the principal element in Euratom's joint research program with Canada on heavy water reactors. Although critical experiments have been performed in a French reactor, with fuel configurations already available, it is desired to further experiment with elements which more closely approximate those planned for the ORGEL project. The material requested would be used to fabricate these special critical assembly test elements.

The additional agreement also contains a research materials article (article II) under which limited quantities of special nuclear material may be supplied for small-scale research uses, as may be agreed. Pertinent articles of the existing Joint Program Agreement, including those on safeguards, have been incorporated in the Additional Agreement by reference.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

HON CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR SENATOR ANDERSON: Pursuant to section 123c of the Atomic Energy Act of 1954, as amended, there is submitted with this letter:

1. An executed amendment to the agreement for cooperation between the Government of the United States of America and the Government of the Argentine Republic concerning civil uses of atomic energy;

2. A letter from the Commission to the President recommending approval of the amendment; and

3. A letter from the President to the Commission containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security, approving the amendment, and authorizing its execution.

Article IV of the proposed amendment provides for a two-year extension of the present agreement. It is hoped that the proposed two-year extension will permit the Government of the United States of America and the Government of the Argentine Republic sufficient time in which to reach agreement with the International Atomic Energy Agency for Agency administration of safeguards for the reactor and fuel transferred, or to be transferred, and to arrange for further cooperation through the Agency.

Article I of the amendment contains a disclaimer of responsibility clause under which neither party warrants the accuracy, completeness or suitability of information or data exchanged for any particular use or application.

Article II of the amendment contains a hold harmless clause indemnifying and saving harmless the United States from any and all liability arising from the lease of the fuel to the Government of the Argentine Republic.

In article III of the amendment the parties affirm their common interest in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the Agreement for Cooperation in view of the establishment of the Agency.

The amendment will enter into force when the two Governments have exchanged notifications that their respective statutory and constitutional requirements have been fulfilled.

Sincerely yours,

_____,
Chairman.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 4, 1960.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed "amendment to Agreement for Cooperation Between the Government of the United States of America and the Government of the Argentine Republic Concerning Civil Uses of Atomic Energy," determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The Department of State supports the Commission's recommendations.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would extend and modify the Agreement for Cooperation signed by the Government of the United States of America and the Government of the Argentine Republic on July 29, 1955. That agreement will expire on July 28, 1960, unless extended by amendment. Major features of the amendment are summarized below.

Article IV of the proposed amendment provides for a 2-year extension of the present agreement. It is hoped that the proposed 2-year extension will permit the Government of the United States of America and the Government of the Argentine Republic sufficient time in which to reach agreement with the International Atomic Energy Agency for Agency administration of safeguards for the reactor and fuel transferred, or to be transferred, and to arrange for further cooperation through the Agency.

Article I of the amendment contains a disclaimer of responsibility clause under which neither party warrants the accuracy, completeness or suitability of information or data exchanged for any particular use or application.

Article II of the amendment contains a hold-harmless clause indemnifying and saving harmless the United States from any and all liability arising from the lease of the fuel to the Government of the Argentine Republic.

In article III of the amendment the parties affirm their common interest in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the Agency.

Following your determination, approval, and authorization, the amendment will be

formally executed by the appropriate authorities of the Government of the United States of America and the Government of the Argentine Republic. In compliance with section 123c of the Atomic Energy Act of 1954, as amended, the amendment will then be placed before the Joint Committee on Atomic Energy.

Respectfully,

JOHN A. McCONE, *Chairman.*

THE WHITE HOUSE,
Washington, June 9, 1960.

The Honorable JOHN A. McCONE,
Chairman, Atomic Energy Commission,
Washington, D.C.

DEAR MR. McCONE: Under the date of June 4, 1960, the Atomic Energy Commission recommended that I approve the proposed amendment to agreement for cooperation between the Government of the United States of America and the Government of the Argentine Republic concerning civil uses of atomic energy, determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would extend and modify the agreement for cooperation signed by the Government of the United States of America and the Government of the Argentine Republic on July 29, 1955. The agreement will expire on July 28, 1960, unless extended by amendment.

Article IV of the proposed amendment provides for a 2-year extension of the present agreement. It is hoped that the proposed 2-year extension will permit the Government of the United States of America and the Government of the Argentine Republic sufficient time in which to reach agreement with the International Atomic Energy Agency for Agency administration of safeguards for the reactor and fuel transferred, or to be transferred, and to arrange for further cooperation through the Agency.

Article I of the amendment contains a disclaimer of responsibility clause under which neither party warrants the accuracy, completeness or suitability of information or data exchanged for any particular use or application.

Article II of the amendment contains a hold harmless clause indemnifying and saving harmless the United States from any and all liability arising from the lease of the fuel to the Government of the Argentine Republic.

In article III of the amendment the parties affirm their common interest in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the Agency.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby:

1. Determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States, and

2. Approve the proposed amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of the Argentine Republic enclosed with your letter of June 4, 1960, and

3. Authorize the execution of the proposed amendment for the Government of the United States of America by appropriate authorities of the United States Atomic Energy Commission and the Department of State.

Sincerely,

DWIGHT D. EISENHOWER.

AMENDMENT TO AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE ARGENTINE REPUBLIC CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the Government of the Argentine Republic,

Desiring to amend the Agreement for Cooperation Between the Government of the United States of America and the Government of the Argentine Republic Concerning Civil Uses of Atomic Energy signed at Washington July 29, 1955 (hereinafter referred to as the "Agreement for Cooperation"),

Agree as follows:

ARTICLE I

Article I of the Agreement for Cooperation is amended to read as follows:

"A. Subject to the limitations of Article V, the Parties hereto will exchange information in the following fields:

"1. Design, construction and operation of research reactors and their use as research, development, and engineering tools and in medical therapy.

"2. Health and safety problems related to the operation and use of research reactors.

"3. The use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry.

"B. The application or use of any information or data or any kind whatsoever, including design drawings and specifications, exchanged under this Agreement shall be the responsibility of the Party which receives and uses such information or data, and it is understood that the other cooperating Party does not warrant the accuracy, completeness, or suitability of such information or data for any particular use or application."

ARTICLE II

The following new paragraph is added to Article VI of the Agreement for Cooperation:

"D. Some atomic energy materials which the Commission may provide in accordance with this Agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of the Argentine Republic the Government of the Argentine Republic shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any source or special nuclear materials or other reactor materials which the Commission may, pursuant to this Agreement, lease to the Government of the Argentine Republic or to any private individual or private organization under its jurisdiction, the Government of the Argentine Republic shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such source or special nuclear materials or other reactor materials after delivery by the Commission to the Government of the Argentine Republic or to any authorized private individual or private organization under its jurisdiction."

ARTICLE III

The following new article is added directly after Article VII of the Agreement for Cooperation:

"ARTICLE VII BIS

"The Government of the United States of America and the Government of the Argentine Republic affirm their common interest in making mutually satisfactory arrangements to avail themselves, as soon as practicable, of the facilities and services of the International Atomic Energy Agency and to this end the Parties will consult with each other from time to time to determine in what respects, if any, they desire to modify the provisions of this Agreement for Cooperation."

ARTICLE IV

Article VIII of the Agreement for Cooperation is amended by deleting the date "July 28, 1960" and substituting in lieu thereof the date "July 28, 1962".

ARTICLE V

This Amendment shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Amendment and shall remain in force for the period of the Agreement for Cooperation, as hereby amended.

In witness whereof, the undersigned, duly authorized, have signed this Amendment.

Done at Washington, in duplicate, this 11th day of June 1960.

For the Government of the United States of America:

R.R.R.—ROY R. RUBOTTOM, Jr.,
Assistant Secretary, Inter-American Affairs, Department of State.

J.A.M.—JOHN A. McCONE,
Chairman, Atomic Energy Commission.

For the Government of the Argentine Republic:

E.D.C.—EMILIO DONATO DEL CARREL,
Ambassador of Argentina, Washington, D.C.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR SENATOR ANDERSON: Pursuant to section 123c of the Atomic Energy Act of 1954, as amended, there are submitted with this letter:

1. An executed amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of New Zealand Concerning Civil Uses of Atomic Energy;

2. A letter from the Commission to the President recommending approval of the amendment; and

3. A letter from the President to the Commission containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security, approving the amendment, and authorizing its execution.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State, pursuant to the Atomic Energy Act of 1954, as amended, would modify the agreement for cooperation signed by the Government of the United States and the Government of New Zealand on June 13, 1956. Major features of the amendment are summarized below.

The existing agreement provides that the Commission will lease to the Government of New Zealand, as fuel for research reactors, up to six kilograms of contained U^{235} in uranium enriched up to a maximum of 20 percent U^{235}, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous use of the reactor involved. Article I of the amendment provides that the Commission may sell or lease, as may be agreed, a net amount of 10 kilograms of uranium enriched up to 20 percent in the isotope U^{235}, except as noted below, for use in research reactors, materials testing reactors, and reactor experiments. The Commission, at its discretion, may make all or a portion of the 10 kilograms available as material enriched up to 90 percent for use in the foregoing facilities, each capable of operating with a fuel load not to exceed 8 kilograms of contained U^{235} in uranium. In addition, article I provides that when any source or special nuclear material received from the

United States requires reprocessing, such reprocessing will be performed either in Commission facilities, or in facilities acceptable to the Commission.

The quantity of uranium enriched in the istotope U^{235} transferred to the Government of New Zealand for use as fuel in reactors will not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel is radioactively cooling or in transit, or, subject to Commission approval, is being reprocessed in New Zealand.

Article II of the amendment permits the transfer of quantities of special nuclear materials, including U^{235}, U^{233}, and plutonium, on an as may be agreed basis, for defined research projects related to the peaceful uses of atomic energy other than fueling reactors and reactor experiments.

Article III of the amendment incorporates several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes.

In article IV of the amendment the parties affirm their common interest in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the agency.

The amendment will enter into force when the two Governments have exchanged written notifications that their respective statutory and constitutional requirements have been fulfilled.

Sincerely,

———— ————,
Chairman.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 4, 1960.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed "Amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of New Zealand Concerning Civil Uses of Atomic Energy," determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The Department of State supports the Commission's recommendation.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would modify the Agreement for Cooperation signed by the Government of the United States and the Government of New Zealand on June 13, 1956. Major features of the amendment are summarized below.

The existing agreement provides that the Commission will lease to the Government of New Zealand, as fuel for research reactors, up to 6 kilograms of contained U^{235} in uranium enriched up to a maximum of 20 percent U^{235}, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous use of the reactor involved. Article I of the amendment provides that the Commission may sell or lease, as may be agreed, a net amount of 10 kilograms of uranium enriched up to 20 percent in the isotope U^{235}, except as noted below, for use in research reactors, materials, testing reactors, and reactor experiments. The Commission, at its discretion, may make all or a portion of the 10 kilograms available as material enriched up to 90 percent for use in the foregoing facilities, each capable of operating with a fuel load not to exceed 8 kilograms of contained U^{235} in uranium. In addition, article I provides that when any source or special nuclear material received from the United States requires reprocessing, such reprocessing will be performed either in Commission facilities or in facilities acceptable to the Commission.

The quantity of uranium enriched in the isotope U^{235} transferred to the Government of New Zealand for use as fuel in reactors will not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel is radioactively cooling or in transit, or, subject to Commission approval, is being reprocessed in New Zealand.

Article II of the amendment permits the transfer of quantities of special nuclear materials, including U^{235}, U^{233}, and plutonium, on an as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy other than fueling reactors and reactor experiments.

Article III of the amendment incorporates several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes.

In article IV of the amendment the parties affirm their common interest in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provision of the agreements for cooperation in view of the establishment of the Agency.

Following your approval and subject to the authorization requested, the amendment will be formally executed by the appropriate authorities of the Government of the United States of America and the Government of New Zealand and placed before the Joint Committee on Atomic Energy in compliance with section 123c of the Atomic Energy Act of 1954, as amended.

Respectfully,

JOHN A. MCCONE,
Chairman.

THE WHITE HOUSE,
Washington, D.C., June 9, 1960.

Hon. JOHN A. MCCONE,
Chairman, Atomic Energy Commission,
Washington, D.C.

DEAR MR. MCCONE: Under date of June 4, 1960, you informed me that the Atomic Energy Commission has recommended that I approve the proposed "Amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of New Zealand Concerning Civil Uses of Atomic Energy," determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The amendment would modify the agreement for cooperation signed by the Government of the United States and the Government of New Zealand on June 13, 1956.

Among other things, the amendment provides that the Commission may sell or lease, as may be agreed, a net amount of 10 kilograms of uranium enriched up to 20 percent in the isotope U^{235}, except as noted below, for use in research reactors, materials-testing reactors, and reactor experiments. The Commission, at its discretion, may make all or a portion of the 10 kilograms available as material enriched up to 90 percent for use in the foregoing facilities, each capable of operating with a fuel load not to exceed 8 kilograms of contained U^{235} in uranium. It is also provided that when any source or special nuclear material received from the United States requires reprocessing, such reprocessing will be performed either in Commission facilities or in facilities acceptable to the Commission.

The quantity of uranium enriched in the isotope U^{235} transferred to the Government of New Zealand for use as fuel in reactors will not at any time be in excess of the amount of material necessary for the full loading of each defined reactor project plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel is radioactively cooling or in transit, or, subject to Commission approval, is being reprocessed in New Zealand.

The amendment further permits the transfer of quantities of special nuclear materials, including U^{235}, U^{233}, and plutonium, on and as-may-be-agreed basis, for defined research projects related to the peaceful uses of atomic energy other than fueling reactors and reactor experiments.

The amendment also contains several provisions which are designed to minimize the possibility that material or equipment transferred under the agreement will be diverted to nonpeaceful purposes. Finally, the amendment contains a provision whereby the parties affirm their common interest in the International Atomic Energy Agency and agree to consult with each other to determine in what respects, if any, they desire to modify the provisions of the agreement for cooperation in view of the establishment of the Agency.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby

1. Determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States,

2. Approve the proposed Amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of New Zealand enclosed with your letter of June 4, 1960, and

3. Authorize the execution of the proposed agreement for the Government of the United States of America by appropriate authorities of the U.S. Atomic Energy Commission and the Department of State.

Sincerely,

DWIGHT D. EISENHOWER.

AMENDMENT TO THE AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF NEW ZEALAND CONCERNING CIVIL USES OF ATOMIC ENERGY

The Government of the United States of America and the Government of New Zealand,

Desiring to amend the Agreement for Cooperation between the Government of the United States of America and the Government of New Zealand Concerning Civil Uses of Atomic Energy, signed at Washington on June 13, 1956 (hereafter referred to as the "Agreement for Cooperation"),

Agree as follows:

ARTICLE I

Article IV of the Agreement for Cooperation is amended to read as follows:

"1. The Commission will sell or lease, as may be agreed, to the Government of New Zealand, uranium enriched up to twenty per cent (20 percent) in the isotope U–235, except as otherwise provided in paragraph 3 of this Article, in such quantities as may be agreed, in accordance with the terms, conditions, and delivery schedules set forth in contracts, for fueling defined research reactors, materials testing reactors, and reactor experiments which the Government of New Zealand, in consultation with the Commis-

sion, decides to construct or authorize private organizations to construct and which are constructed in New Zealand and as required in experiments related thereto; provided, however, that the net amount of any uranium sold or leased under this Article during the period of this Agreement shall not at any time exceed ten (10) kilograms of the isotope U–235 contained in such uranium. This net amount shall be the gross quantity of such contained U–235 in uranium sold or leased to the Government of New Zealand during the period of this Agreement less the quantity of such contained U–235 in recoverable uranium which has been resold or otherwise returned to the Government of the United States of America during the period of this Agreement or transferred to any other nation or international organization with the approval of the Government of the United States of America.

"2. Within the limitations contained in paragraph 1 of this Article, the quantity of uranium enriched in the isotope U–235 transferred by the Commission under this Article and in the custody of the Government of New Zealand shall not at any time be in excess of the quantity necessary for the full loading of each defined reactor project which the Government of New Zealand or persons under its jurisdiction construct and fuel with uranium received from the United States of America, as provided herein, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of such reactors or reactor experiments while replaced fuel is radioactively cooling, is in transit, or, subject to the provisions of paragraph 5 of this Article, is being reprocessed in New Zealand, it being the intent of the Commission to make possible the maximum usefulness of the material so transferred.

"3. The Commission may, upon request and in its discretion, make all or a portion of the foregoing special nuclear material available as uranium enriched up to ninety per cent (90%) in the isotope U–235 for use in research reactors, materials testing reactors, and reactor experiments, each capable of operating with a fuel load not to exceed eight (8) kilograms of the isotope U–235 contained in such uranium.

"4. It is understood and agreed that although the Government of New Zealand may distribute uranium enriched in the isotope U–235 to authorized users in New Zealand, the Government of New Zealand will retain title to any uranium enriched in the isotope U–235 which is purchased from the Commission at least until such time as private users in the United States of America are permitted to acquire title in the United States of America to uranium enriched in the isotope U–235.

"5. It is agreed that when any source or special nuclear material received from the United States of America requires reprocessing, such reprocessing shall be performed at the discretion of the Commission in either Commission facilities or facilities acceptable to the Commission, on terms and conditions to be later agreed; and it is understood, except as may be otherwise agreed, that the form and content of any irradiated fuel shall not be altered after its removal from the reactor and prior to delivery to the Commission or the facilities acceptable to the Commission for reprocessing.

"6. Special nuclear material produced in any part of fuel leased hereunder as a result of irradiation processes shall be for the account of the Government of New Zealand and after reprocessing as provided in paragraph 5 of this Article, shall be returned to the Government of New Zealand, at which time title to such material shall be transferred to that Government, unless the Government of the United States of America shall exercise the option, which is hereby granted, to retain, with appropriate credit to the Government of New Zealand, any such special nuclear material which is in excess of the needs of New Zealand for such material in its program for the peaceful uses of atomic energy.

"7. With respect to any special nuclear material not subject to the option referred to in paragraph 6 of this Article and produced in reactors fueled with material obtained from the United States of America which is in excess of the need of New Zealand for such material in its program for the peaceful uses of atomic energy, the Government of the United States of America shall have and is hereby granted (a) a first option to purchase such material at prices then prevailing in the United States of America for special nuclear material produced in reactors which are fueled pursuant to the terms of an agreement for cooperation with the Government of the United States of America, and (b) the right to approve the transfer of such material to any other nation or international organization in the event the option to purchase is not exercised.

"8. Some atomic energy materials which the Commission may provide in accordance with this agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of New Zealand the Government of New Zealand shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any source or special nuclear material or other reactor material which the Commission may, pursuant to this agreement, lease to the Government of New Zealand or to any private individual or private organization under its jurisdiction, the Government of New Zealand shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such source or special nuclear material or other reactor material after delivery by the Commission to the Government of New Zealand or to any authorized private individual or private organization under its jurisdiction."

ARTICLE II

Article V of the Agreement for Cooperation is amended to read as follows:

"Materials of interest in connection with defined research projects related to the peaceful uses of atomic energy and under the limitations set forth in Article II, including source materials, special nuclear materials, byproduct materials, other radioisotopes, and stable isotopes, will be sold or otherwise transferred to the Government of New Zealand by the Commission for research purposes other than fueling reactors and reactor experiments in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially."

ARTICLE III

Article VIII of the Agreement for Cooperation is amended to read as follows:

"1. The Government of the United States of America and the Government of New Zealand emphasize their common interest in assuring that any material, equipment, or device made available to the Government of New Zealand pursuant to this Agreement shall be used solely for civil purposes.

"2. Except to the extent that the safeguards provided for in this Agreement are supplanted, as provided in Article X bis, by safeguards of the International Atomic Energy Agency, the Government of the United States of America, notwithstanding any other provisions of this Agreement, shall have the following rights:

"A. With the objective of assuring design and operation for civil purposes and permitting effective application of safeguards, to review the design of any—

(i) reactor and

(ii) other equipment and devices the design of which the Commission determines to be relevant to the effective application of safeguards,

which are to be made available to the Government of New Zealand or persons under its jurisdiction by the Government of the United States of America or any person under its jurisdiction, or which are to use, fabricate, or process any of the following materials so made available: source material, special nuclear material, moderator material, or other material designated by the Commission;

"B. With respect to any source or special nuclear material made available to the Government of New Zealand or any person under its jurisdiction by the Government of the United States of America or any person under its jurisdiction and any source or special nuclear material utilized in, recovered from, or produced as a result of the use of any of the following materials, equipment, or devices so made available:

(i) source material, special nuclear material, moderator material, or other material designated by the Commission,

(ii) reactors,

(iii) any other equipment or device designated by the Commission as an item to be made available on the condition that the provision of this subparagraph 2B will apply, (a) to require the maintenance and production of operating records and to request and receive reports for the purpose of assisting in ensuring accountability for such material; and (b) to require that any such material in the custody of the Government of New Zealand or any person under its jurisdiction be subject to all of the safeguards provided for in this Article and the guaranties set forth in Article IX;

"C. To require the deposit in storage facilities designated by the Commission of any of the special nuclear material referred to in subparagraph 2B of this Article which is not currently utilized for civil purposes in New Zealand and which is not purchased or retained by the Government of the United States of America pursuant to Article IV, paragraph 6 and paragraph 7(a) of this Agreement, transferred pursuant to Article IV, paragraph 7(b) of this Agreement, or otherwise disposed of pursuant to an arrangement mutually acceptable to the Parties;

"D. To designate, after consultation with the Government of New Zealand, personnel who, accompanied, if either Party so requests, by personnel designated by the Government of New Zealand, shall have access in New Zealand to all places and data necessary to account for the source and special nuclear materials which are subject to subparagraph 2B of this Article to determine whether there is compliance with this Agreement and to make such independent measurements as may be deemed necessary;

"E. In the event of non-compliance with the provisions of this Article, or the guaranties set forth in Article IX, and the failure of the Government of New Zealand to carry out the provisions of this Article within a reasonable time, to suspend or terminate this Agreement and require the return of any materials, equipment, and devices referred to in subparagraph 2B of this Article;

"F. To consult with the Government of New Zealand in the matter of health and safety.

"3. The Government of New Zealand undertakes to facilitate the application of the safeguards provided for in this Article."

ARTICLE IV

The following new Article is added directly after Article X of the Agreement for Cooperation:

"ARTICLE X bis

"The Government of the United States of America and the Government of New Zealand affirm their common interest in the International Atomic Energy Agency and to this end:

"(a) The Parties will consult with each other, upon the request of either Party, to determine in what respects, if any, they desire to modify the provisions of this Agreement. In particular, the Parties will consult with each other to determine in what respects and to what extent they desire to arrange for the administration by the Agency of those conditions, controls, and safeguards, including those relating to health and safety standards, required by the Agency in connection with similar assistance rendered to a cooperating nation under the aegis of the Agency.

"(b) In the event the Parties do not reach a mutually satisfactory agreement following the consultation provided for in subparagraph (a) of this Article, either Party may by notification terminate this Agreement. In the event this Agreement is so terminated, the Government of New Zealand shall return to the Commission all source and special nuclear materials received pursuant to this Agreement and in its possession or in the possession of persons under its jurisdiction."

ARTICLE V

This Amendment shall enter into force on the day on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Amendment and shall remain in force for the period of the Agreement for Cooperation.

In Witness whereof, the undersigned, duly authorized, have signed this Amendment.

Done at Washington, in duplicate, this eleventh day of June, 1960.

For the Government of the United States of America:

JOHN M. STEEVES,
Deputy Assistant Secretary, Far Eastern Affairs, Department of State.

JOHN A. McCONE,
Chairman, Atomic Energy Commission.

For the Government of New Zealand:

G. D. L. WHITE,
Charge d'Affaires ad interim, Embassy of New Zealand, Washington, D.C.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR SENATOR ANDERSON: Pursuant to section 123c of the Atomic Energy Act of 1954, as amended, there is submitted with this letter:

1. An executed amendment to the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of Canada;

2. A letter from the Commission to the President recommending approval of the amendment; and

3. A letter from the President to the Commission containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security, approving the amendment, and authorizing its execution.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would revise in certain respects the agreement for cooperation between the United States and Canada signed at Washington on June 15, 1955, as amended by the agreement signed at Washington on June 26, 1956, and as modified by the agreement signed at Washington on May 22, 1959. The proposed revisions are required in order to permit full implementation of an expanded program of cooperation with Canada in the development of heavy-water-moderated power reactors. The desirability of amending the agreement for cooperation accordingly was previously brought to the attention of the joint committee in my letter of April 4, 1960, with which there was transmitted a proposed memorandum of understanding on the heavy water reactor program.

Article I of the amendment provides that the agreement for cooperation, as amended, shall remain in force for a period of 20 years from the date the amendment enters into force.

Under the existing agreement (article VI A) it is possible for the United States to supply enriched uranium for use as fuel in Canada's power reactor program on a sale basis only. Article II of the amendment modifies article VI A of the agreement in order to permit enriched uranium to be supplied also by lease or loan. Corollary changes are made elsewhere in article VI A as appropriate.

Similarly, article III of the amendment modifies article VI C of the agreement to provide that heavy water may henceforth be supplied to Canada on a lease or loan basis instead of sale only.

When required to permit the loan of enriched uranium or heavy water, appropriate congressional authorization will, of course, be sought.

Article IV of the amendment makes certain revisions in the patent provisions of the agreement. The existing agreement provides that as to inventions based on information communicated under the agreement the licenses are for "governmental purposes and for purposes of mutual defense" (paragraph A(1) of article IX) and that the license shall be "for its governmental purposes" (paragraph A(2) of article IX). To permit complete freedom of governmental action in this area, however, article IV of the amendment removes the above restrictions and provides instead for licenses, with the right to sublicense, for all purposes. At present, the agreement (paragraph A of article IX) refers only to "invention or discovery employing information which has been communicated" and does not, therefore, cover inventions made by exchanged personnel. In view thereof, a new provision (article IV, paragraph C, of the amendment) is added to the agreement.

The amendment will enter into force when the Government of the United States has notified the Government of Canada that the statutory and constitutional requirements of the United States for entry into force of the amendment have been fulfilled.

Sincerely yours,

———— ————,
Chairman.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed "Amendment to Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of Canada," determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The Department of State supports the Commission's recommendation.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would revise in certain respects the agreement for cooperation between the United States and Canada signed at Washington on June 15, 1955, as amended by the agreement signed at Washington on June 26, 1956, and as modified by the agreement signed at Washington on May 22, 1959. The proposed revisions are required in order to permit full implementation of an expanded program of cooperation with Canada in the development of heavy water moderated power reactors.

Article I of the amendment provides that the agreement for cooperation, as amended, shall remain in force for a period of 20 years from the date the amendment enters into force.

Under the existing agreement (art. VI A) it is possible for the United States to supply enriched uranium for use as fuel in Canada's power reactor program on a sale basis only. Article II of the amendment modifies article VI A of the agreement in order to permit enriched uranium to be supplied also by lease or loan. Corollary changes are made elsewhere in article VI A as appropriate.

Similarly, article III of the amendment modifies article VI C of the agreement to provide that heavy water may henceforth be supplied to Canada on a lease or loan basis instead of sale only.

Article IV of the amendment makes certain revisions in the patent provisions of the agreement. The existing agreement provides that as to inventions based on information communicated under the agreement the licenses are for "governmental purposes and for purposes of mutual defense" (par. A(1) of art. IX) and that the license shall be for "its governmental purposes" (par. A(2) of art. IX). To permit complete freedom of governmental action in this area, however, article IV of the amendment removes the above restrictions and provides instead for licenses, with the right to sublicense, for all purposes. At present, the agreement (par. A of art. IX) refers only to "invention or discovery employing information which has been communicated" and does not, therefore, cover inventions made by exchanged personnel. In view thereof, a new provision (art. IV, par. C, of the amendment) is added to the agreement.

Following your determination, approval, and authorization, the amendment will be formally executed by the appropriate authorities of the Government of the United States of America and the Government of Canada. In compliance with section 123c of the Atomic Energy Act of 1954, as amended, the amendment will then be placed before the Joint Committee on Atomic Energy.

Respectfully,

JOHN A. McCONE,
Chairman.

THE WHITE HOUSE,
Washington, June 11, 1960.

The Honorable JOHN A. McCONE,
Chairman, Atomic Energy Commission, Washington, D.C.

DEAR MR. McCONE: Under date of June 4, 1960, the Atomic Energy Commission recommended that I approve the proposed "Amendment to the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of Canada," determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The amendment would modify the Agreement for Cooperation between the United States and Canada signed at Washington on June 15, 1955, as amended by the agreement signed at Washington on June 26, 1956, and as modified by the agreement signed at Washington on May 22, 1959.

The amendment has as its purpose the modification of the Agreement for Cooperation in order to permit full implementation of an expanded program of cooperation with Canada in the development of heavy-water-moderated power reactors.

Article I of the amendment provides that the Agreement for Cooperation, as amended, shall remain in force for a period of 20 years from the effective date of the amendment.

Under article II of the amendment, the Agreement for Cooperation is modified to permit the United States to provide enriched uranium for use as fuel in Canada's power reactor program on a lease or loan basis, in addition to sale as at present. Similarly, article III of the amendment makes it possible to supply heavy water to Canada by lease or loan in addition to sale.

Article IV of the amendment makes certain revisions in the patent provisions of the agreement. The existing agreement provides that as to inventions based on information communicated under the agreement the licenses are for "governmental purposes and for purposes of mutual defense" (par. A(1) of art. IX) and that the license shall be "for its governmental purposes" (par. A(2) of art. IX).

To permit complete freedom of governmental action in this area, however, article IV of the amendment removes the above restrictions and provides instead for licenses, with the right to sublicense, for all purposes. At present, the agreement (par. A of art. IX) refers only to "invention or discovery employing information which has been communicated" and does not, therefore, cover inventions made by exchanged personnel. In view thereof, a new provision (art. IV, par. C, of the amendment) is added to the agreement.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby:

1. Determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States; and

2. Approve the proposed amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of Canada enclosed with your letter of June 4, 1960; and

3. Authorize the execution of the proposed amendment for the Government of the United States of America by appropriate authorities of the U.S. Atomic Energy Commission and the Department of State.

Sincerely,

DWIGHT D. EISENHOWER.

AMENDMENT TO AGREEMENT FOR COOPERATION CONCERNING CIVIL USES OF ATOMIC ENERGY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF CANADA

The Government of the United States of America and the Government of Canada,

Desiring to amend the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of Canada signed at Washington on June 15, 1955 (hereinafter referred to as the "Agreement for Cooperation"), as amended by the Agreement signed at Washington on June 26, 1956, and as modified by the Agreement signed at Washington on May 22, 1959,

Agree as follows:

ARTICLE I

Notwithstanding the provisions of Article I of the Agreement for Cooperation, that Agreement, as amended, shall remain in force for a period of twenty years from the date this Amendment enters into force.

ARTICLE II

Article VI A of the Agreement for Cooperation is amended as follows:

1. In the first sentence a comma is inserted after the word "sell" and the phrase "lease, or, subject to required governmental authorizations, loan" is inserted directly thereafter.

2. In the second sentence a comma is inserted after the word "sell" and the phrase "lease, or loan" is inserted directly thereafter.

3. In the second paragraph the word "purchased" is deleted and the word "received" is substituted in lieu thereof.

ARTICLE III

The second sentence of Article VI C of the Agreement for Cooperation is amended by deleting the phrase "sell to Atomic Energy of Canada Limited," and substituting in lieu thereof the phrase "transfer to Atomic Energy of Canada Limited, by sale, lease, or, subject to required governmental authorizations, loan,".

ARTICLE IV

1. Subparagraph (1) of Article IX A of the Agreement for Cooperation is amended by inserting a comma after the word "license" and by deleting the phrase "for its own governmental purposes and for purposes of mutual defense" and substituting in lieu thereof the phrase "with the right to grant sublicenses, for all purposes".

2. The first sentence of subparagraph (2) of Article IX A of the Agreement for Cooperation is amended to read as follows:

"(2) As to its right, title, and interest in and to any such invention, discovery, patent application, or patent in its own or third countries will, upon request of the other party, grant to the other party a royalty-free, nonexclusive, irrevocable license, with the right to grant sublicenses, for all purposes in all such countries."

3. The following new paragraph is added to Article IX:

"C. With respect to inventions or discoveries made or conceived in circumstances other than those provided for in paragraph A of this Article, it is agreed that additional mutual specific patent arrangements may be made."

ARTICLE V

This Amendment shall enter into force on the date of receipt by the Government of Canada of a notification from the Government of the United States of America that all statutory and constitutional requirements of the Government of the United States of America for the entry into force of such amendments have been complied with, and it shall remain in force for the period of the Agreement for Cooperation, as amended.

In witness whereof, the undersigned, duly authorized, have signed this Amendment.

Done at Washington, in duplicate, this eleventh day of June 1960.

For the Government of the United States of America:

FOY D. KOHLER,
Assistant Secretary, European Affairs, Department of State.

JOHN A. MCCONE,
Chairman, Atomic Energy Commission.

For the Government of Canada:

A. D. P. HEENEY,
Ambassador of Canada, Washington, D.C.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR SENATOR ANDERSON: Pursuant to section 123c of the Atomic Energy Act of 1954, as amended, there is submitted with this letter:

1. An executed amendment to the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of Switzerland;

2. A letter from the Commission to the President recommending approval of the amendment; and

3. A letter from the President to the Commission containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security, approving the amendment, and authorizing its execution.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would modify the Agreement for Cooperation Between the United States and Switzerland signed at Washington on June 21, 1956, as amended by the agreement signed at Washington on April 24, 1959.

Under the terms of the existing agreement, reactor fuel is available to Switzerland on a sale basis only and highly enriched fuel is limited to use in a materials testing reactor. The objectives of the amendment are to modify the agreement so as to permit lease, as well as sale, of reactor fuel, as may be agreed, and in addition to permit the transfer of uranium enriched up to 90 percent U^{235} for use in research reactors. These changes will make it possible for the Swiss to effect certain bilateral transactions with the United States for which the time requirements are too pressing to make feasible the utilization of the services of the International Atomic Energy Agency.

Because the supply of fuel for reactor experiments is provided for under the revised fuel article of the agreement (art. II of the amendment), article I of the amendment excludes fuel for reactor experiments from being supplied under the terms of the research materials article of the agreement (art. IV A of the agreement as previously amended).

Article II of the amendment substitutes for the existing fuel article of the agreement, a revised fuel article incorporating current standard provisions. The substantive effects of that change are that (1) fuel for reactors and reactor experiments may be supplied by lease as well as sale, as may be agreed, and (2) uranium enriched up to 90 percent U^{235} may be supplied for use in research reactors and reactor experiments, in addition to materials testing reactors, each capable of operating with a fuel load not to exceed 8 kilograms of contained U^{235}.

Article II also provides that all contracts for the lease of special nuclear material, source material or reactor material pursuant to the agreement shall include a provision that the Government of Switzerland shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever rising out of the production or fabrication, the ownership, the lease, and the possession and use of such source or special nuclear material or other reactor material after delivery by the Commission to the Government of Switzerland or to any authorized private individual or private organization under its jurisdiction. This differs slightly from the usual practice of making the "hold harmless" provision directly operative in the Agreement for Cooperation itself. This minor deviation was requested by the Swiss in order to avoid submittal of the amendment to the Swiss Parliament, with consequent delay.

To reflect the fact that special nuclear material may, under the proposed amendment, be transferred to Switzerland by lease as well as sale article III of the amendment modifies accordingly to provision in the agreement (art. XII, subpar. A(3)) concerning the right of the United States to require the deposit in storage facilities designated by the Atomic Energy Commission of

any special nuclear material not utilized or otherwise disposed of pursuant to the terms of the agreement.

The amendment will enter into force when the two governments have exchanged notifications that their respective statutory and constitutional requirements have been fulfilled.

Sincerely yours,

———— ————,
Chairman.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 8, 1960.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed "Amendment to Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of Switzerland," determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The Department of State supports the Commission's recommendation.

The amendment, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would modify the Agreement for Cooperation between the United States and Switzerland signed at Washington on June 21, 1956, as amended by the agreement signed at Washington, April 24, 1959.

Under the terms of the existing agreement, reactor fuel is available to Switzerland on a sale basis only and highly enriched fuel is limited to use in a materials testing reactor. The objectives of the amendment are to modify the agreement so as to permit lease, as well as sale, of reactor fuel, as may be agreed, and in addition to permit the transfer of uranium enriched up to 90 percent U^{235} for use in research reactors. These changes will make it possible for the Swiss to effect certain bilateral transactions with the United States for which the time requirements are too pressing to make feasible the utilization of the services of the International Atomic Energy Agency.

Because the supply of fuel for reactor experiments is provided for under the revised fuel article of the agreement (art. II of the amendment), article I of the amendment excludes fuel for reactor experiments from being supplied under the terms of the research materials article of the agreement (art. IV A of the agreement as previously amended).

Article II of the amendment substitutes for the existing fuel article of the agreement a revised fuel article incorporating current standard provisions. The substantive effects of that change are that (1) fuel for reactors and reactor experiments may be supplied by lease as well as sale, as may be agreed, and (2) uranium enriched up to 90 percent U^{235} may be supplied for use in research reactors and reactor experiments, in addition to materials testing reactors, each capable of operating with a fuel load not to exceed eight (8) kilograms of contained U^{235}. Article II also provides that all contracts for the lease of special nuclear material, source material or reactor material pursuant to the agreement shall include a provision relieving the Government of the United States of liability arising out of or in connection with the material after delivery.

To reflect the fact that special nuclear material may, under the proposed amendment, be transferred to Switzerland by lease as well as sale article III of the amendment modifies accordingly the provision in the agreement (art. XII, subpar. A(3)) concerning the right of the United States to require the deposit in storage facilities designated by the Atomic Energy Commission of any special nuclear material not utilized or otherwise disposed of pursuant to the terms of the agreement.

Following your determination, approval, and authorization, the amendment will be formally executed by the appropriate authorities of the Government of the United States of America and the Government of Switzerland. In compliance with section 123c of the Atomic Energy Act of 1954, as amended, the amendment will then be placed before the Joint Committee on Atomic Energy.

Respectfully,

JOHN A. MCCONE,
Chairman.

THE WHITE HOUSE,
Washington, June 11, 1960.

The Honorable JOHN A. MCCONE,
Chairman, Atomic Energy Commission,
Washington, D.C.

DEAR MR. MCCONE: Under the date of June 8, 1960, the Atomic Energy Commission recommended that I approve the proposed "Amendment to the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of Switzerland," determine that its performance will promote and will not constitute an unreasonable risk to the common defense and security, and authorize its execution. The amendment would modify the Agreement for Cooperation between the United States and Switzerland signed at Washington on June 21, 1956, as amended by the agreement signed at Washington on April 24, 1959.

The objectives of the amendment are to modify the agreement so as to permit lease, as well as sale, of reactor fuel, as may be agreed, and in addition to permit the transfer of uranium enriched up to 90 percent U^{235} for use in research reactors.

Because the supply of fuel for reactor experiments is provided for under the revised fuel article of the agreement (art. II of the amendment), article I of the amendment excludes fuel for reactor experiments from being supplied under the terms of the research materials article of the agreement (art. IV A of the agreement as previously amended).

Article II of the amendment substitutes for the existing fuel article of the agreement a revised fuel article incorporating current standard provisions. The substantive effects of that change are that (1) fuel for reactors and reactor experiments may be supplied by lease as well as sale, as may be agreed, and (2) uranium enriched up to 90 percent U^{235} may be supplied for use in research reactors and reactor experiments, in addition to materials testing reactors, each capable of operating with a fuel load not to exceed 8 kilograms of contained U^{235}. Article II also provides that all contracts for the lease of special nuclear material, source material, or reactor material pursuant to the agreement shall include a provision relieving the U.S. Government of liability arising out of or in connection with the material after delivery.

To reflect the fact that special nuclear material may, under the proposed amendment, be transferred to Switzerland by lease as well as sale article III of the amendment modified accordingly the provision in the agreement (art. XII, subpar. A(3)) concerning the right of the United States to require the deposit in storage facilities designated by the Atomic Energy Commission of any special nuclear material not utilized or otherwise disposed of pursuant to the terms of the agreement.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby:

1. Determine that the performance of the proposed amendment will promote and will not constitute an unreasonable risk to the common defense and security of the United States;

2. Approve the proposed amendment to the Agreement for Cooperation Between the Government of the United States of America and the Government of Switzerland enclosed with your letter of June 8, 1960, and

3. Authorize the execution of the proposed amendment for the Government of the United States of America by appropriate authorities of the U.S. Atomic Energy Commission and the Department of State.

Sincerely,

DWIGHT D. EISENHOWER.

AMENDMENT TO AGREEMENT FOR COOPERATION CONCERNING CIVIL USES OF ATOMIC ENERGY BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF SWITZERLAND

The Government of the United States of America and the Government of Switzerland;

Desiring to amend the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the Government of the United States of America and the Government of Switzerland signed at Washington on June 21, 1956 (hereinafter referred to as the "Agreement for Cooperation"), as amended by the Agreement signed at Washington on April 24, 1959;

Agree as follows:

ARTICLE I

Article IV, paragraph A, of the Agreement for Cooperation, as amended, is amended by inserting after the phrase "other than fueling reactors" the phrase "and reactor experiments".

ARTICLE II

Article VII of the Agreement for Cooperation is amended to read as follows:

"A. The Commission will sell or lease, as may be agreed, to the Government of Switzerland, uranium enriched up to twenty percent (20%) in the isotope U–235, except as otherwise provided in paragraph C of this Article, in such quantities as may be agreed, in accordance with the terms, conditions, and delivery schedules set forth in contracts, for fueling defined research, experimental power, demonstration power and power reactors, materials testing reactors, and reactor experiments which the Government of Switzerland, in consultation with the Commission, decides to construct or authorize private organizations to construct and which are constructed in Switzerland and as required in experiments related thereto; provided, however, that the net amount of any uranium sold or leased under this Article during the period of this Agreement shall not at any time exceed five hundred (500) kilograms of the isotope U–235 contained in such uranium. This net amount shall be the gross quantity of such contained U–235 in uranium sold or leased to the Government of Switzerland during the period of this Agreement less the quantity of such contained U–235 in recoverable uranium which has been resold or otherwise returned to the Government of the United States of America during the period of this Agreement or transferred to any other nation or international organization with the approval of the Government of the United States of America.

"B. Within the limitations contained in paragraph A of this Article, the quantity of uranium enriched in the isotope U–235 transferred by the Commission under this Article and in the custody of the Government of Switzerland shall not at any time be in excess of the quantity necessary for the full loading of each defined reactor project which the Government of Switzerland or persons under its jurisdiction construct and fuel with uranium received from the United States of America, as provided here-

in, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of such reactors or reactor experiments while replaced fuel is radioactively cooling, as in transit, or, subject to the provisions of paragraph E of this Article, is being reprocessed in Switzerland, it being the intent of the Commission to make possible the maximum usefulness of the material so transferred.

"C. The Commission may, upon request and in its discretion, make all or a portion of the foregoing special nuclear material available as uranium enriched up to ninety per cent (90%) in the isotope U–235 for use in research reactors, materials testing reactors, and reactor experiments, each capable of operating with a fuel load not to exceed eight (8) kilograms of the isotope U–235 contained in such uranium.

"D. It is understood and agreed that although the Government of Switzerland may distribute uranium enriched in the isotope U–235 to authorized users in Switzerland, the Government of Switzerland will retain title to any uranium enriched in the isotope U–235 which is purchased from the Commission at least until such time as private users in the United States of America are permitted to acquire title in the United States of America to uranium enriched in the isotope U–235.

"E. It is agreed that when any source or special nuclear material received from the United States of America requires reprocessing, such reprocessing shall be performed at the discretion of the Commission in either Commission facilities or facilites acceptable to the Commission, on terms and conditions to be later agreed; and it is understood, except as may be otherwise agreed, that the form and content of any irradiated fuel shall not be altered after its removal from the reactor and prior to delivery to the Commission or the facilities acceptable to the Commission for reprocessing.

"F. Special nuclear material produced in any part of fuel leased hereunder as a result of irradiation processes shall be for the account of the Government of Switzerland and after reprocessing as provided in paragraph E of this Article, shall be returned to the Government of Switzerland, at which time title to such material shall be transferred to that Government, unless the Government of the United States of America shall exercise the option, which is hereby granted, to retain, with appropriate credit to the Government of Switzerland, any such special nuclear material which is in excess of the needs of Switzerland for such material in its program for the peaceful uses of atomic energy.

"G. With respect to any special nuclear material not subject to the option referred to in paragraph F of this Article and produced in reactors fueled with material obtained from the United States of America which is in excess of the need of Switzerland for such material in its program for the peaceful uses of atomic energy, the Government of the United States of America shall have and is hereby granted (a) a first option to purchase such material at prices then prevailing in the United States of America for special nuclear material produced in reactors which are fueled pursuant to the terms of an agrement for cooperation with the Government of the United States of America, and (b) the right to approve the transfer of such material to any other nation or international organization in the event the option to purchase is not exercised.

"H. Some atomic energy materials which the Commission may provide in accordance with this Agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of Switzerland, the Government of Switzerland shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. All contracts whereby the Commission may, pursuant to this Agreement, lease source or special nuclear material or other reactor material to the Government of Switzerland, or to any private individual or private organization under its jurisdiction, shall contain a provision that the Government of Switzerland shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such source or special nuclear material or other reactor material after delivery by the Commission to the Government of Switzerland or to any authorized private individual or private organization under its jurisdiction."

ARTICLE III

Article XII, subparagraph A(3), of the Agreement for Cooperation is amended to read as follows:

"(3) To require the deposit in storage facilities designated by the Commission of any of the special nuclear material referred to in subparagraph A(2) of this Article which is not currently utilized for civil purposes in Switzerland and which is not purchased or retained by the Government of the United States of America pursuant to Article VII, paragraph F and paragraph G (a) of this Agreement, transferred pursuant to Article VII, paragraph G(b) of this Agreement, or otherwise disposed of pursuant to an arrangement mutually acceptable to the Parties;"

ARTICLE IV

This Amendment shall enter into force on the date on which each Government shall have received from the other Government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Amendment and shall remain in force for the period of the Agreement for Cooperation.

In witness whereof, the undersigned, duly authorized, have signed this Amendment.

Done at Washington, in duplicate, in the English and French languages, this eleventh day of June, 1960.

For the Government of the United States of America:

FOY D. KOHLER,
Assistant Secretary, European Affairs, Department of State.

JOHN A. MCCONE,
Chairman, Atomic Energy Commission.

For the Government of Switzerland:

ERNESTO THALMANN,
Minister, Embassy of Switzerland, Washington, D.C.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 11, 1960.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR SENATOR ANDERSON: Pursuant to section 123c of the Atomic Energy Act of 1954, as amended, there is submitted with this letter:

(a) An Additional Agreement for Cooperation Between the Government of the United States of America and the European Atomic Energy Community (Euratom) Concerning Civil Uses of Atomic Energy;

(b) A letter from the Commission to the President recommending approval of the additional agreement; and

(c) A letter from the President to the Commission containing his determination that its performance will promote and will not constitute an unreasonable risk to the common defense and security, approving the additional agreement, and authorizing its execution.

The proposed additional agreement, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would permit Euratom to receive uranium–235, uranium–233 (in irradiated fuel elements) and plutonium for uses outside our present joint program. This agreement is required to provide assurances of material availability to Euratom, which must be obtained before the next session of Congress if certain projects are to proceed in the Community without undue delay. The undertakings under the agreement are subject to appropriate statutory steps. It will be necessary, pursuant to the requirements of section 54 of the Atomic Energy Act of 1954, as amended, to obtain statutory authorization to distribute special nuclear material under this proposed agreement. Such authorization is now being sought through a requested amendment to section 5 of the Euratom Cooperation Act of 1958.

The additional agreement permits the transfer of the following:

(a) 100 kilograms of enriched uranium up to 90 percent in the isotope uranium 235 for an organic-moderated reactor experiment to be built by the Italian Government;

(b) 40 kilograms of enriched uranium up to 90 percent in the isotope uranium 235 for an organic-cooled, heavy water-moderated reactor experiment to be built by Euratom;

(c) 200 kilograms of enriched uranium up to 90 percent in the isotope uranium 235 and 30 kilograms of uranium 233 contained in irradiated fuel elements (from a reactor constructed in the United States under the Commission's power demonstration program) for feed material to a uranium-thorium processing plant to be built by the Italian Government;

(d) Limited quantities of special nuclear material to be supplied for small-scale research uses as may be agreed.

The additional agreement will enter into force when the two Governments have exchanged notifications that their respective statutory and constitutional requirements have been fulfilled.

Sincerely yours,

JOHN A. MCCONE,
Chairman.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 10, 1960.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed "Additional Agreement for Cooperation Between the Government of the United States of America and the European Atomic Energy Community Concerning Civil Uses of Atomic Energy," determine that it will not constitute an unreasonable risk to the common defense and security and authorize its execution. The Department of State supports the Commission's recommendations.

The proposed additional agreement, which has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, would permit Euratom to receive uranium 235, uranium 233 (in irradiated fuel elements) and plutonium, for uses outside our present joint program. The undertakings under the agreement are subject to appropriate statutory steps. This agreement is required to provide assurances of material availability to Euratom, which must be obtained before the next session of Congress if certain projects are to proceed in the Community without undue delay.

The additional agreement permits the transfer of the following:

(a) 100 kilograms of highly enriched uranium for an organic-moderated reactor

experiment to be built by the Italian Government;

(b) 40 kilograms of highly enriched uranium for an organic-cooled, heavy water-moderated reactor experiment to be built by Euratom;

(c) 200 kilograms of highly enriched uranium and 30 kilograms of uranium 233 contained in irradiated fuel elements (from a reactor constructed in the United States under the Commission's power demonstration program) for feed material to uranium-thorium processing plants to be built by the Italian Government;

(d) Limited quantities of special nuclear material to be supplied for small-scale research uses as may be agreed.

Following your determination, approval and authorization, the additional agreement will be formally executed by the appropriate authorities of the Government of the United States of America and the European Atomic Energy Community (Euratom). In compliance with section 123c of the Atomic Energy Act of 1954 as amended, the proposed agreement will then be placed before the Joint Committee on Atomic Energy.

Respectfully,

JOHN F. FLOBERG,
Acting Chairman.

THE WHITE HOUSE,
Washington, D.C., June 11, 1960.

Hon. JOHN A. MCCONE,
Chairman, Atomic Energy Commission,
Washington, D.C.

DEAR MR. MCCONE: Under date of June 10, 1960, you informed me that the Atomic Energy Commission and the Department of State had recommended that I approve the proposed "Additional Agreement for Cooperation Between the Government of the United States of America and the European Atomic Energy Community (Euratom) Concerning Civil Uses of Atomic Energy," and authorize its execution.

The proposed agreement will provide assurances of material availability to Euratom, which must be obtained before the next session of Congress if certain projects are to proceed in the Community without undue delay. The undertakings under the agreement are subject to appropriate statutory steps.

The additional agreement permits the transfer of the following:

(a) One hundred kilograms of highly enriched uranium for an organic-moderated reactor experiment to be built by the Italian Government;

(b) Forty kilograms of highly enriched uranium for an organic-cooled, heavy water-moderated reactor experiment to be built by Euratom;

(c) Two hundred kilograms of highly enriched uranium and 30 kilograms of uranium–233 contained in irradiated fuel elements (from a reactor constructed in the United States under the Commission's power demonstration program) for feed material to uranium-thorium processing plants to be built by the Italian Government;

(d) Limited quantities of special nuclear material to be supplied for small-scale research uses as may be agreed.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby:

(a) Determine that the performance of the proposed additional agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States;

(b) Approve the proposed additional agreement for cooperation between the Government of the United States and the European Atomic Energy Community (Euratom), enclosed with your letter of June 10, 1960;

(c) Authorize the execution of the proposed additional agreement for the Government of the United States by appropriate authorities of the Atomic Energy Commission and the Department of State.

Sincerely,

DWIGHT D. EISENHOWER.

ADDITIONAL AGREEMENT FOR COOPERATION BETWEEN THE UNITED STATES OF AMERICA AND THE EUROPEAN ATOMIC ENERGY COMMUNITY (EURATOM) CONCERNING PEACEFUL USES OF ATOMIC ENERGY

Whereas the Government of the United States of America and the European Atomic Energy Community (Euratom) signed an Agreement for Cooperation on November 8, 1958, Concerning Peaceful Uses of Atomic Energy, as a basis for cooperation in programs for the advancement of peaceful applications of atomic energy,

Whereas such Agreement contemplates that from time to time the Parties may enter into further Agreements for Cooperation in the peaceful aspects of atomic energy,

Whereas current programs within the Community require additional quantities of special nuclear material that are not provided for by existing Agreements for Cooperation,

Whereas the Government of the United States of America has indicated its readiness to supply these supplementary requirements for special nuclear materials,

The Parties have agreed as follows:

ARTICLE I

A. 1. The United States will sell or lease, as the Parties may agree, to the Community for use in an organic-moderated reactor experiment, an organic-cooled, heavy water-moderated reactor experiment, and an experimental plant for the chemical processing or fabrication of special nuclear materials:

(a) up to a net amount of 140 kilograms of U–235 contained in uranium;

(b) up to a net amount of 30 kilograms of the isotope U–233 and 200 kilograms of the isotope U–235 contained in unseparated, irradiated, fuel elements, the transfer of such U–233 and U–235 being subject to the availability of appropriate elements.

2. The net amount of each of the types of special nuclear materials specified above shall be its gross quantity, sold or leased to the Community, less the recoverable quantity thereof which has been resold or otherwise returned to the Government of the United States of America or transferred to any other nation or international organization with the approval of the Government of the United States of America. The net amount of uranium 235 transferred under this Article will be charged against the net amount of 30,000 kilograms of uranium 235 to be delivered under Article III of the Agreement for Cooperation signed on November 8, 1958 between the Parties.

B. The uranium supplied hereunder may be enriched up to ninety per cent (90%) by weight in the isotope U–235.

C. Contracts for the sale or lease of special nuclear material by the United States Commission to the Community will specify the maximum quantities to be supplied, composition of material, charges for material, delivery schedules and other necessary terms and conditions. It is understood and agreed that title to leased special nuclear material shall remain in the United States of America as Lessor of such materials, it being represented by the Community that retention of such title by the United States of America is not inconsistent with the Treaty establishing the European Atomic Energy Community. It is further understood and agreed that subject to the retention of such title by the United States of America, and not in derogation of it, the Community shall have power and authority, pursuant to the Treaty establishing the European Atomic Energy Community, over special nuclear material leased by the United States Commission to the Community while such material is in the Community, and that the Community may exercise and enforce rights, powers, and authority conferred upon the Community by the Treaty, and particularly Chapter VIII thereof, against Member States, enterprises and persons within the Community, provided, however, that such rights, powers, and authority of the Community shall not be asserted against or in any way infringe upon the right, title and interest of the Government of the United States of America or of the United States Commission as Lessor of such materials.

D. It is agreed that the Community may distribute to authorized users in the Community special nuclear material which it purchases hereunder; the Community will retain, pursuant to the Treaty establishing the European Atomic Energy Community, title to any special nuclear material which is purchased from the United States Commission. Title to special nuclear materials produced in any part of fuel sold or leased hereunder to the Community shall be in the Community.

E. 1. The United States Commission agrees to accept from the Community irradiated fuel elements containing special nuclear material sold or leased to the Community by the Commission hereunder and will either process such material or will make financial and material settlements therefor, on terms and conditions to be agreed. The provision of such chemical processing services to the Community will be at the same charges as are provided by the United States Commission to its domestic licensees at the time of delivery of such material to the United States Commission.

2. At such time as the United States Commission determines that chemical processing services for fuels from the Community are commercially available, it may, upon no less than twelve months' notice to the Community, discontinue furnishing such services.

F. With respect to any special nuclear material produced in any part of fuel sold or leased hereunder which is in excess of the need of the Community for such material for the peaceful uses of atomic energy, the International Atomic Energy Agency is granted the right of first option to purchase such material at the United States announced fuel value price in effect at the time of purchase. However, if the Agency's option is not exercised within a reasonable period of time, the United States shall have and is hereby granted an option to purchase such material at the United States announced fuel value price in effect at the time of purchase.

G. With respect to special nuclear materials produced in any part of fuel sold or leased hereunder which is sent to the United States for reprocessing or other treatment, the United States shall acquire title without compensation and shall after such processing or treatment return equal quantities of materials to the Community, less process losses, at which time title to such materials shall be reinvested in the Community without compensation, unless the Government of the United States of America exercises the option provided for in paragraph F of this Article.

H. 1. Some atomic energy materials which the Community may request the Commission to provide in accordance with the Agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Community, the Community shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any special nuclear materials which the United States Commission may, pursuant to this Agreement, lease to the Community, the Community shall indem-

nify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production, fabrication, ownership, lease, possession and use of such special nuclear materials after delivery by the Commission to the Community.

2. The Parties recognize that certain nuclear liability which could arise out of the implementation of this Agreement is expected to be covered by the proposed Convention of the Organization for European Economic Cooperation on Liability in the Nuclear Field and a proposed supplementary Convention, to which the Member States of the Community would be Parties, as well as by corresponding legislation existing in the Member States.

ARTICLE II

Materials of interest in connection with defined research uses other than those concerned with the fueling of reactors and reactor experiments, including source materials, special nuclear materials, by-product material, other radioisotopes, and stable isotopes, will be sold or otherwise transferred in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially.

ARTICLE III

A. Subject to the provisions of this Agreement, the availability of personnel and material, and the applicable laws, regulations, and license requirements in force in the United States and in the Member States of the Community, the Parties shall assist each other in the achievement of the use of atomic energy for peaceful purposes.

B. Unclassified information will be exchanged between the Parties with respect to the application of atomic energy to peaceful uses.

C. Restricted Data shall not be communicated under this Agreement, and no materials or equipment and devices shall be transferred, and no services shall be furnished, under this Agreement, if the transfer of any such material or equipment and devices or the furnishing of any such service involves the communication of Restricted Data.

D. The communication of information received from any third party under terms preventing such communication shall be excluded from the scope of this Agreement.

ARTICLE IV

The Government of the United States of America and the Community reaffirm their common interest in fostering the peaceful applications of atomic energy through the International Atomic Energy Agency and intend that the results of the cooperation envisaged by this Agreement will benefit the Agency and the nations participating in it.

ARTICLE V

The provisions of Articles IV, V, VI D, XI, XII, XV and Annex B of the Agreement for Cooperation Between the Government of the United States of America and the European Atomic Energy Community signed at Brussels on November 8, 1958 also shall apply to this Agreement and are hereby incorporated in this Agreement by reference with the same force and effect as if set forth herein verbatim.

ARTICLE VI

A. This Agreement shall enter into force on the first day on which each Party shall have received from the other Party written notification that it has complied with all statutory and constitutional requirements for the entry into force of such Agreement and shall remain in force for a period of ten (10) years.

B. The Parties agree that their undertakings under this Agreement are subject to appropriate statutory steps, including authorization by competent bodies of the Government of the United States of America and the Community, and the provisions of applicable laws, regulations and license requirements in effect in the United States, in the Community and within the Member States.

In witness whereof, the undersigned representatives duly authorized have signed this Agreement.

Done at Washington and New York in duplicate, this eleventh day of June, 1960.

For the Government of the United States of America:

FOY D. KOHLER,
Assistant Secretary for European Affairs, Department of State.

JOHN A. MCCONE,
Chairman, Atomic Energy Commission.

For the European Atomic Energy Community (EURATOM):

HEINZ L. KREKLER,
Euratom Commissioner.

EMANUEL M. J. A. SASSEN,
Euratom Commissioner.

ADJOURNMENT

Mr. McCARTHY. Mr. President, I move that the Senate now adjourn until tomorrow, at 12 o'clock noon.

The motion was agreed to; and (at 9 o'clock and 10 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, June 22, 1960, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 21, 1960:

POSTMASTERS

ALABAMA

Elizabeth R. Bosarge, Bellamy.
C. Burley Finch, Detroit.

ALASKA

Roberta L. Chronister, Whittier.

ARIZONA

Billie Jean Irwin, Superior.

ARKANSAS

Herman A. Tuck, Fayetteville.
Gus L. Sanders, Springdale.

CALIFORNIA

Ava V. Page, Atwood.
Laurence D. King, Del Mar.
Hazel L. Gill, Seven Oaks.

COLORADO

Ertis D. Shelton, Pritchett.
Joe Snepenger, U.S. Air Force Academy.

FLORIDA

Edythe C. Smith, Canal Point.
John B. Dixon, Center Hill.

GEORGIA

Larree Johnston, Cartersville.
Henry R. Bennett, Darien.
Melvin L. Burke, Millen.

IDAHO

Levin H. Benson, Cobalt.
Jesse L. Dobbs, Kuna.

ILLINOIS

Edna M. Parker, Cedarville.
Harry R. Johnson, Madison.

IOWA

Russell R. McLarty, Kingsley.
Lewis F. Paisley, Sherrill.

KANSAS

Ted W. Kyle, Erie.
William C. Rice, Larned.
Donald L. Long, Sylvia.

KENTUCKY

Fletcher F. James, Mammoth Cave.
Manie B. Greene, Park City.

LOUISIANA

Ruth F. Cuevas, Belle Chasse.
Louis H. Turner III, Watson.

MAINE

Pauline L. Sawyer, Cambridge.
Eugene P. Duran, East Corinth.

MARYLAND

G. Carlton Powell, Berlin.
Charles D. Biser, Cascade.

MASSACHUSETTS

John A. Champ, Rockland.
Arthur F. King, Sharon.

MICHIGAN

Charles H. Hill, Ontonagon.
Irene J. Awrey, Oxford.

MINNESOTA

Harry E. Maki, Menahga.
Henry J. Maertens, Wabasso.

MISSISSIPPI

Ellen G. Feigler, Dublin.
Robert E. Payne, Lauderdale.

MONTANA

Lavina I. Powell, Richland.

NEBRASKA

Marvin J. Capoun, Dwight.
James L. Pool, Madison.
C. Clifford Dame, Tekamah.
John R. Baumert, Walthill.

NEW HAMPSHIRE

Thomas M. Murphy, Belmont.

NEW JERSEY

Calvin R. Patterson, Neptune.
A. Robert Deter, Woodbridge.

NEW MEXICO

Donald A. McGhee, Lordsburg.
Clarence L. Healey, Raton.

NEW YORK

Millard H. Bury, Callicoon Center.
Robert S. Freeman, Constableville.
James R. Fuller, Fleischmanns.
Donna A. Dort, Kennedy.

NORTH CAROLINA

Carl C. Denton, Morganton.

NORTH DAKOTA

Leland L. Ribb, Donnybrook.
Lester H. Paulson, La Moure.
Albert E. Storhoff, Nome.

OHIO

Warren J. Gardner, Montpelier.
Matthew E. Gibson, New Philadelphia.

OKLAHOMA

Jimmie L. White, Langston.
E. Blake Grennell, Okeene.

OREGON

Lola F. Barclay, Crabtree.
William H. Fair, Stayton.

PENNSYLVANIA

Donold R. Springer, Hunkers.
George K. Bilger, Kreamer.
Dorothy S. Hull, Rutledge.
Norman W. Abbott, Sugargrove.

SOUTH CAROLINA

Jones R. Copeland, Campobello.

SOUTH DAKOTA

Robert E. Weber, Emery.
Clarence L. Grohnke, Warner.

TENNESSEE

John W. Simonton, Brighton.

TEXAS

Dorsey G. Robinson, Jr., Big Sandy.
Whittaker D. Bains, Jr., Brookshire.
Arlene M. Morris, Colorado City.
Marie D. Long, Mirando City.

VERMONT

William H. Jenks, Danville.
Paul T. Williams, East Corinth.

VIRGINIA

Lucille B. Lakes, Cloverdale.
James M. Rodgers, Shipman.

WASHINGTON

Cloyce G. Johnson, Dayton.
E. Beth Williams, Hadlock.
Gordon W. Rux, Lake Stevens.
Elma M. Sarchet, Lamont.

WEST VIRGINIA

Ernest M. Townsend, Madison.

WISCONSIN

James M. Rumpf, Cambridge.
Elmer E. Lidicker, Jefferson.

U.S. ARMY

The following-named officer, under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066 in rank as follows:

To be lieutenant general

Maj. Gen. Lionel Charles McGarr, O17225, U.S. Army.

U.S. NAVY

Adm. Herbert G. Hopwood, U.S. Navy, to have the grade of admiral on the retired list pursuant to title 10, United States Code, section 5233.

Vice Adm. Ralph E. Wilson, U.S. Navy, to have the grade of vice admiral on the retired list pursuant to title 10, United States Code, section 5223.

Vice Adm. William L. Rees, U.S. Navy, to have the grade of vice admiral on the retired list pursuant to title 10, United States Code, section 5233.

Having designated, under the provisions of title 10, United States Code, section 5231, the following-named officers for commands and other duties determined by the President to be within the contemplation of said section, I nominate them for appointment to the grade indicated while so serving:

To be admiral

Vice Adm. John H. Sides, U.S. Navy.

To be vice admirals

Rear Adm. Frank O'Bierne, U.S. Navy.
Rear Adm. Laurence H. Frost, U.S. Navy.
Rear Adm. Howard A. Yeager, U.S. Navy.

APPOINTMENTS IN THE REGULAR ARMY

The following-named officers for appointment in the Regular Army of the United States to the grades indicated, under the provisions of title 10, United States Code, sections 3284, 3306, and 3307.

To be major generals

Maj. Gen. Edwin Hugh John Carns O17560, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Elliot Theimer O17566, Army of the United States (brigadier general, U.S. Army).

Lt. Gen. Paul Lamar Freeman, Jr., O17704, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. David Haytor Buchanan O17746, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Robert William Porter, Jr., O18048, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Andrew Pick O'Meara O18062, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Alva Revista Fitch O18113, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Sidney Clay Wooten O18126, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Ned Dalton Moore O18212, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Thomas Alphonsus Lane O17075, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Lyle Edward Seeman O17082, Army of the United States (brigadier general U.S. Army).

Maj. Gen. Nelson Marquis Lynde, Jr. O17730, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. William Arnold Carter O18023, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Philip Campbell Wehle O18067, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. John Knight Waters O18481, Army of the United States (brigadier general, U.S. Army).

Maj. Gen. Edwin John Messinger O18503, Army of the United States (brigadier general, U.S. Army).

To be brigadier generals

Maj. Gen. Roy Tripp Evans, Jr., O19140, Army of the United States (colonel, U.S. Army).

Maj. Gen. Harold Keith Johnson O19187, Army of the United States (colonel, U.S. Army).

Brig. Gen. Jean Evans Engler O19198, Army of the United States (colonel, U.S. Army).

Maj. Gen. Frederick William Gibb O19222, Army of the United States (colonel, U.S. Army).

Maj. Gen. Ben Harrell O19276, Army of the United States (colonel, U.S. Army).

Maj. Gen. William Wilson Quinn O19283, Army of the United States (colonel, U.S. Army).

To be brigadier general, Medical Corps

Brig. Gen. Joseph Hamilton McNinch O18645, Medical Corps (colonel, Medical Corps, U.S. Army).

IN THE REGULAR ARMY

The nominations of Lester W. Abrams et al. for promotion in the Regular Army, said nominations having been received on May 27, 1960.

IN THE REGULAR ARMY

The nomination of Sarah Evelyn Perkins for promotion in the Regular Army, said nomination having been received on June 6, 1960.

IN THE REGULAR AIR FORCE

The nominations of Johnny M. Barton et al. for promotion in the Regular Air Force, said nomination having been received on June 3, 1960.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 21, 1960

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Luke 18: 8: *When the Son of Man cometh, shall He find faith on the earth?*

Eternal and ever-blessed God who art always drawing us to Thyself and seeking to show us what life really means, when touched by the wonder and glory of Thy presence, may there be no reluctance in our response and obedience to Thy divine love.

Inspire us daily to manifest the strength and blessedness of our faith to all who are sorely troubled and wistfully searching for the right and satisfying answer to mankind's many problems with their tragic social, racial, and economic setting.

Grant that in a time when men and nations are being brought so near to one another, as neighbors, by the findings of science and invention, we may all be more docile and determined to learn the fine art of living together in a neighborly and brotherly spirit.

Hear us in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed the following resolution:

SENATE RESOLUTION 339

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. Douglas H. Elliott, late a Representative from the State of Pennsylvania.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12232. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1961, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. CHAVEZ, Mr. HAYDEN, Mr. JOHNSON of Texas, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. ALLOTT to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12381. An act to increase for one-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for one year the existing corporate normal tax rate and certain excise-tax rates.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BYRD of Virginia, Mr. KERR, Mr. FREAR, Mr. LONG of Louisiana, Mr. WILLIAMS of Delaware, and Mr. CARLSON to be the conferees on the part of the Senate.

DEPARTMENT OF LABOR SUPPLEMENTAL APPROPRIATION BILL

Mr. THOMAS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 765) making a supplemental ap-

propriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes.

The Clerk read the title of the bill.

Mr. THOMAS. Mr. Speaker, there is no objection to this resolution on either side. It simply authorizes an appropriation of $6 million deficiency for the remainder of the year to take care of unemployed veterans and Federal workers.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Labor for the fiscal year ending June 30, 1960, namely:

DEPARTMENT OF LABOR

Bureau of Employment Security

Unemployment Compensation for Veterans and Federal Employees

For an additional amount for "Unemployment compensation for veterans and Federal employees", $6,000,000.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A MOST APPROPRIATE AND TIMELY APPOINTMENT

Mr. PORTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, last Thursday the White House announced the appointment of my widely known and very active fellow townsman, the senior Senator from Oregon, WAYNE MORSE, as a member of the American delegation to the General Assembly of the United Nations.

This is a most appropriate and timely appointment. It is appropriate because the senior Senator from Oregon has long been a vigorous supporter of the United Nations and because his outstanding forensic and legal abilities will now be put directly to use in the interests of world peace in this most vital of all assemblies.

It is a timely appointment because, in this day of incredibly powerful weapons and in the wake of the abortive summit meeting and our disappointments in Japan, the United Nations increasingly is recognized by men of good will in every nation as the institution on which our survival depends.

Senator MORSE has often stated that he agreed with the late Senator Arthur Vandenberg, of Michigan, that the only hope of permanent peace in the world depends upon all nations of the world setting up a system of international justice through law for the settlement of any dispute that threatens the peace.

The reputation of the senior Senator from Oregon as a fighting and resourceful liberal is known around the world. His colleagues in the General Assembly this fall in New York will greet him with interest and respect.

CONTRACT AWARD TO FOOD MACHINERY & CHEMICAL CORP.

Mr. GUBSER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. GUBSER. Mr. Speaker, several days ago the gentleman from Ohio [Mr. VANIK] charged on this floor that the bidding procedure for the procurement of the M–113 armored personnel carrier was rigged so as to insure that this award went to the Food Machinery & Chemical Corp., in San Jose. We argued this point for several hours on this floor. This morning the award was made to Food Machinery & Chemical Corp. About 15 minutes ago I called Assistant Secretary of the Army, Courtney Johnson, who authorized me to quote him as follows:

If all applicable evaluation factors had been applied against the Food Machinery & Chemical bid and none had been applied against the lowest bidder in the Cleveland Arsenal, Food Machinery's bid would still have been low.

In other words, if no charge or Government-owned facilities were assessed against a bidder using the Cleveland Arsenal, if they used the facilities absolutely free of charge, and if Food Machinery had been forced to pay these charges then they still would have had the lowest bid.

Thus Mr. VANIK's charges and his request for an investigation by the Hébert subcommittee have been knocked into a cocked hat.

RELIEF OF CERTAIN ALIENS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the joint resolution (H.J. Res. 688) for the relief of certain aliens, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the joint resolution.

The Clerk read the Senate amendments, as follows:

Page 3, after line 24, insert:

"SEC. 13. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Ernest Lee (Lee Ming-Sing) shall be held and considered to be the minor natural-born alien child of Watson G. Thoms, a citizen of the United States."

Page 3, line 25, strike out "13" and insert "14".

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PUBLIC WORKS AUTHORIZATION BILL

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. DAVIS of Tennessee, BLATNIK, JONES of Alabama, BALDWIN, and CRAMER.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first bill on the Private Calendar.

F. P. TOWER AND OTHERS

The Clerk called the bill (H.R. 1526) for the relief of F. P. Tower, Lillie B. Lewis, Manuel Branco, John Santos Carinhas, Joaquin Gomez Carinhas, and Manuel Jesus Carinhas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to F. P. Tower, Port Isabel, Texas, the sum of $3,180.10; Lillie B. Lewis, Brunswick, Georgia, the sum of $3,691.24; Manuel Branco, Port Isabel, Texas, the sum of $4,958.53; John Santos Carinhas, Patterson, Louisiana, the sum of $5,168.06; and Joaquin Gomez Carinhas and Manuel Jesus Carinhas, doing business as Independent Fish Company, Brownsville, Texas, the sum of $3,992.93. The payment of such sums shall be in full settlement of all claims against the United States for the failure of the Government of the United States to recover from the Government of the United Mexican States compensation for seizing outside the territorial waters of the United Mexican States, as recognized by the United States, five American shrimp trawlers owned by F. P. Tower, Lillie B. Lewis, Manuel Branco, John Santos Carinhas, Joaquin Gomez Carinhas, and Manuel Jesus Carinhas, detaining such trawlers, fining such owners, and confiscating the cargoes, and for loss of probable catches because of such seizure and detention: *Provided,* That no part of the amount appropriated in this Act for the payment of any one claim in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provision of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6, strike "$3,180.10" and insert "$578.35".

Page 1, line 7, strike "$3,691.24;" and insert "$578.35; the Estate of".

Page 1, line 8, strike "$4,958.53" and insert "$578.35".

Page 2, line 1, strike "$5,168.06" and insert "$578.35".

Page 2, lines 3 and 4, strike "$3,992.93. The payment of such sums shall be" and insert "$578.35".

Page 2, line 7, strike "seizing" and insert "fines imposed on the individuals and the decedent named in this Act by the Government of the United Mexican States and paid by them as the owners of five American shrimp trawlers seized by Mexican authorities."

Page 2, lines 9 through 14, strike ", five American shrimp trawlers owned by F. P. Tower, Lillie B. Lewis, Manuel Branco, John Santos Carinhas, Joaquin Gomez Carinhas, and Manuel Jesus Carinhas, detaining such trawlers, fining such owners, and confiscating the cargoes, and for loss of probable catches because of such seizure and detention."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of F. P. Tower, Lillie B. Lewis, the Estate of Manuel Branco, John Santos Carinhas, Joaquin Gomez Carinhas, and Manuel Jesus Carinhas."

A motion to reconsider was laid on the table.

HEDWIG DORA

The Clerk called the bill (H.R. 6338) for the relief of Miss Hedwig Dora.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Alien Property Custodian be, and is hereby, authorized and directed to return all funds vested by the Office of Alien Property through order numbered 9325, July 8, 1947, belonging to Miss Hedwig Dora, who suffered greviously at the hands of the enemy while she was supporting the cause of the United States: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOMMY TADAYOSHI SHUTO (TADAYOSHI TAKEDA)

The Clerk called the bill (S. 2384) for the relief of Tommy Tadayoshi Shuto (Tadayoshi Takeda).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Tommy Tadayoshi Shuto (Tadayoshi Takeda) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available: *Provided,* That the natural father of Tommy Tadayoshi Shuto (Tadayoshi Takeda), by virtue of such parentage, shall not be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause in sert the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Tommy Tadayoshi Shuto (Tadayoshi Takeda). From and after the date of the enactment of this Act, the said Tommy Tadayoshi Shuto (Tadayoshi Takeda) shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALESSANDRO MARAESSA

The Clerk called the bill (H.R. 1422) for the relief of Alessandro Maraessa.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Alessandro Maraessa may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FRANCESCO CAROZZA

The Clerk called the bill (H.R. 1643) for the relief of Francesco Carozza.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Francesco Carozza may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUBERT O. BECKLES

The Clerk called the bill (H.R. 7551) for the relief of Hubert O. Beckles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Hubert O. Beckles shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATUS OF CERTAIN ALIENS

The Clerk called the concurrent resolution (H. Con. Res. 660) relating to the status of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 101; 64 Stat. 219):

A–6236179 Sciama, Alberto, also known as Alberto Vita Sciama.

A–7210380 Wei, Edith Hou.

SEC. 2. The Congress approves the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 6 of the Refugee Relief Act of 1953, as amended (67 Stat. 403; 68 Stat. 1044):

A–8117815 Assing, Carlton also known as Yin Ket Wong.

A–10145339 Chang, Chin also known as Chang, Gene.

A–10491831 Cheng, Chan also known as Quan Hong.

A–8031577 Kuldkepp, Oscar.

A–9547460 Lee, Fou Yuch.

A–7274366 Lee, Irving Tack-Shing or Tack Shing Lee.

A–7274430 Lee, Vivien Wei-Ning or Wei-Ning Lee.

A–10237562 Linker, Jonas Beno.

A–10237561 Linker, Estera Idesa.

A–10136001 Podlacki, Jozef.

A–9771465 Wing, Koon.

With the following committee amendment:

On page 1, after line 10, add four new lines to read as follows:

"A–6355520, Charia, Steven J.

"A–6355517, Charia, Nevenka.

"A–6348962, Charia, Tania Mira.

"A–6384962, Charia, Igor Ivan."

The committee amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

MILTON S. KOBLITZ

The Clerk called the bill (H.R. 4835) for the relief of Milton S. Koblitz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Milton S. Koblitz, Los Angeles, California, the sum of $500. The payment of such sum shall be in full settlement of all claims of Milton S. Koblitz against the United States for refund of the amount a departure bond deposited by him on behalf of the alien Moisha Alzara. Such bond was declared breached, and the amount thereof forfeited, because of the failure of the alien Moisha Alzara to depart from the United States on December 1, 1955: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VLADISLAV FOTICH

The Clerk called the bill (H.R. 7877) for the relief of Vladislav Fotich.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the limitations of time contained in section 33 of the Trading With the Enemy Act with respect to the filing of claims and the institution of suits for the return of property or interests therein pursuant to that section, Vladislav Fotich, a citizen of Yugoslavia who was precluded by illness and absence from the United States from making timely assertion of claim, may, within six months after the date of enactment of this Act, file a claim or institute suit for the return, pursuant to section 32 of such Act, of (a) twelve shares of securities of the International Nickel Company of Canada, Limited (certificate numbered MB 289246, registered in the name of Egger and Company) which in 1951 were vested in the Alien Property Custodian for the benefit of the United States by vesting order numbered 17940, or (in the event of their liquidation) the proceeds thereof, and (b) all revenue received by the Attorney General from such securities. Any claim filed or suit instituted pursuant to this Act shall be received, considered and determined as if such claim or suit had been filed within the time prescribed in section 33 of such Act. Any return made pursuant to authority conferred by this Act shall be subject to the provisions of section 20 of the Trading With the Enemy Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed. and a motion to reconsider was laid on the table.

RALPH W. ANDERSON

The Clerk called the bill (H.R. 8989) for the relief of Ralph W. Anderson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Ralph W. Anderson, lieutenant colonel, United States Army, is hereby relieved of all liability for repayment to the United States of the sum of $1,550.25, representing overpayments of longevity pay paid to him as the result of his claiming membership in the Enlisted Reserve Corps of the Army for the period July 16, 1938, to August 1, 1940, which period was disallowed by the Army after the said Ralph W. Anderson had been paid on the basis of such period for over fifteen years, the said Ralph W. Anderson having believed such period was a matter of record in the official files of the United States Army.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Ralph W. Anderson, the sum of any amount received or withheld from him on account of the overpayment referred to in the first section of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAJ. EDMUND T. COPPINGER

The Clerk called the bill (H.R. 9432) for the relief of Maj. Edmund T. Coppinger.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the Act entitled "An Act providing for the barring of claims against the United States", approved October 9, 1940 (31 U.S.C. 71a), are hereby waived in favor of Major Edmund T. Coppinger, of Harrisburg, Pennsylvania, with respect to his claim for lump sum payment under section 2 of the Act of June 16, 1936, as amended (10 U.S.C., 1952 edition, sec. 300a), if such claim is filed with the General Accounting Office within the one-year period which begins on the date of enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BROOKLYN STEEL WAREHOUSE CO.

The Clerk called the bill (H.R. 9958) for the relief of Brooklyn Steel Warehouse Co.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $3,458.19 to the Brooklyn Steel Warehouse Company of Brooklyn, New York, in full settlement of all claims against the United States. Such sum represents storage charges on certain equipment owned by the United States and leased to the Premier Textile Machinery Company of Brooklyn, New York, in July 1952: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ISAMI NOZUKA

The Clerk called the bill (H.R. 10431) for the relief of Isami Nozuka (also known as Isami Notsuka).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the limitations of time contained in section 33 of the Trading With the Enemy Act, as amended, with respect to the filing of claims and the institution of suits for the return of property or any interest therein pursuant to section 9 or section 32 of such Act, Isami Nozuka (also known as Isami Notsuka), a citizen of the United States, may file a claim or institute a suit for the return of his property vested by the Attorney General under Vesting Order Numbered 16184, dated December 5, 1950, which order described such property as follows:

"That certain debt or other obligation of Bank of America National Trust and Savings Association, 300 Montgomery Street, San Francisco, California, arising out of a savings account, account numbered 2199, entitled 'Isami Nozuka', maintained at the branch office of the aforesaid bank located at 147 North Wilson Way, Stockton, California, and any and all rights to demand, enforce, and collect the same".

Any such claim or suit for the return of such property shall be received, considered, and determined as if such claim or suit had been filed within the time limitations prescribed in section 33 of such Act, if such claim or suit is filed within the six-month period beginning on the date of enactment of this Act: *Provided,* That any return made under authority of this Act shall be subject to the provisions of section 20 of the Trading With the Enemy Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RAY C. THOMPSON

The Clerk called the bill (H.R. 10793) for the relief of Ray C. Thompson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ray C. Thompson, Greensboro, North Carolina, the sum of $1,139.75. Payment of such sum shall be in reimbursement to the said Ray C. Thompson for the payment by him of an equal amount to one Edward L. Gardner in connection with the compromise settlement of the claim of the said Edward L. Gardner for personal injuries sustained as a result of being hit by a mail truck operated by the said Ray C. Thompson in the course of his duties as a parcel post mail carrier in the postal field service on December 17, 1955, at Greensboro, North Carolina. The said Edward L. Gardner was unable to recover

damages from the Government of the United States under the tort claims procedure of title 28 of the United States Code by reason of lapse of time under the applicable time limitations provisions of such title. The said Edward L. Gardner subsequently filed suit on such claim against the said Ray C. Thompson personally and settlement was made in the above-specified amount. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARK L. SIMPSON

The Clerk called the bill (H.R. 10801) for the relief of Clark L. Simpson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Clark L. Simpson, of College Park, Maryland, is hereby relieved of liability to the United States in the amount of $912.55, the amount by which he was overpaid during the period from December 5, 1954, through October 3, 1959, as a result of an administrative error in the determination of his longevity step increases. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for any amount for which liability is relieved by this Act.

With the following committee amendments:

Page 1, lines 4 and 5, strike "in the amount of $912.55, the amount by which he was overpaid during the" and insert "for excess salary payments received by him, covering the".

Page 1, line 6, strike "from".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDWARD S. ANDERSON

The Clerk called the bill (H.R. 11188) for the relief of Edward S. Anderson.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the law firm of Power, Griffith, and Jones, of Columbus, Ohio, on behalf of the Lake Shore Insurance Exchange, the sum of $154.70. The payment of such sum (1) shall be in full settlement of all claims of said firm and exchange against the United States and against Edward S. Anderson, a post office carrier of Columbus, Ohio, arising out of a collision on October 27, 1956, between a private vehicle and postal vehicle numbered 52737, driven by the said Edward S. Anderson while acting in the scope of his employment, and (2) shall be made only upon satisfactory assurances being furnished to the Secretary of the Treasury that there will be refunded by said firm or exchange to the said Edward S. Anderson the difference between (A) all amounts paid by the said Edward S. Anderson to the said firm pursuant to a compromise settlement between the said Edward S. Anderson and the said firm, dated November 13, 1959, and (B) interest at the rate of 6 per centum per annum on the unpaid amounts due under such settlement from November 13, 1959.

Suit on such claim may not be instituted under the tort claims procedure as provided under title 28, United States Code.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNUITY FUND OF THE ELECTRICAL SWITCHBOARD AND PANELBOARD MANUFACTURING INDUSTRY OF NEW YORK CITY

The Clerk called the bill (H.R. 7854) to provide tax relief to the annuity fund of the electrical switchboard and panelboard manufacturing industry of New York City and the contributors thereto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the annuity fund of the electrical switchboard and panelboard manufacturing industry of New York City, created May 23, 1957, as a result of an agreement between Local Union Numbered 3, International Brotherhood of Electrical Workers, American Federation of Labor and Congress of Industrial Organizations, and the Electrical Manufacturers of New York, Inc., which fund has never been operated in a manner which would jeopardize the interests of its beneficiaries, shall be deemed to have met the requirements of section 401(a) of the Internal Revenue Code of 1954 and shall be deemed to be exempt from tax under section 501(a) of the Internal Revenue Code of 1954 and section 165(a) of the Internal Revenue Code of 1939 for the period beginning April 1, 1956, and ending May 29, 1957.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELIZABETH FOWLER

The Clerk called the bill (H.R. 9648) for the relief of Mrs. Elizabeth Fowler.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 15 to 20, inclusive, of the Act entitled "An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (5 U.S.C. 765–770), are hereby waived in favor of Mrs. Elizabeth Fowler so as to enable her to file a claim for compensation based upon the death of her late husband, Thomas John Fowler, which was alleged to have resulted from an injury which he incurred while on active duty at Wendover Field, Utah, as an Army Reservist, on January 31, 1946, and her claim is authorized and directed to be considered and acted upon under the remaining provisions of such Act, as amended, if she files such claim with the Department of Labor (Bureau of Employees' Compensation) not later than six months after the date of enactment of this Act. No benefits shall accrue by reason of the enactment of this Act for any period prior to the date of its enactment.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SENDING BILL (H.R. 4426) ENTITLED "A BILL FOR RELIEF OF CHARLES G. G. GROUP," WITH ACCOMPANYING PAPERS, TO COURT OF CLAIMS

The Clerk called the resolution (H. Res. 538) providing for sending the bill H.R. 4426, with accompanying papers, to the Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H.R. 4426) entitled "A bill for the relief of Charles G. G. Group", together with all accompanying papers, is hereby referred to the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and the court shall proceed expeditiously with the same and report to the House, at the earliest practicable date, such findings of fact, including facts relating to delay or laches, facts bearing upon the question whether the bar of any statute of limitation should be removed, or facts claimed to excuse the claimant for not having resorted to any established legal remedy, and conclusions based on such facts as shall be sufficient to inform Congress whether the demand is a legal or equitable claim or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GUADALUPE VILLARREAL

The Clerk called the bill (H.R. 3536) for the relief of Guadalupe Villarreal, Sr. (in behalf of his minor son, Guadalupe Villarreal, Jr.).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated to Guadalupe Villarreal, Senior, Elgin, Texas, in behalf of his minor son Guadalupe Villarreal, Junior, the sum of $50,000. The payment of such sum shall be in full settlement of all claims of the said Guadalupe Villarreal, Senior, and his said minor son, Guadalupe Villarreal, Junior, against the United States, arising out of the personal injuries sustained by the said Guadalupe Villarreal, Junior, on July 20, 1955, at the Elgin Butler Brickyard, Elgin, Texas, as a result of the explosion of a 37 millimeter high explosive shell. This claim is not cognizable under the Federal Tort Claims Act: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, lines 5 and 6, strike "to Guadalupe Villarreal, Senior, Elgin, Texas, in behalf of his minor son," and insert "the sum of $10,000 to the legal guardian of".

Page 1, line 7, strike "sum of $50,000. The payment of such sum shall be" and insert "minor son of Guadalupe Villarreal, Senior, of Elgin, Texas,".

Page 1, lines 8 and 9, strike "Guadalupe Villarreal, Senior, and his said minor son,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Guadalupe Villarreal, Jr."

A motion to reconsider was laid on the table.

WILLIAM EDGAR WEAVER

The Clerk called the bill (H.R. 8054) for the relief of William Edgar Weaver.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the expiration of the period prescribed by Public Law 744, Eighty-third Congress, approved August 31, 1954 (68 Stat. 1934), for the filing of claims under section 16 of the War Claims Act of 1948, as amended (62 Stat. 1240), the Foreign Claims Settlement Commission of the United States is directed to determine the validity and amount, in accordance with the provisions of that Act and the Commission's regulations previously in force with respect to claims under that section, of a claim for civilian detention benefits filed within ninety days after the enactment of this Act by or in behalf of William Edgar Weaver. The Commission shall certify to the Secretary of the Treasury for payment out of the War Claims Fund any award made by the Commission in accordance with applicable provisions of the War Claims Act of 1948, as amended, in favor of William Edward Weaver.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN CALVIN TAYLOR

The Clerk called the bill (H.R. 8882) for the relief of John Calvin Taylor.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Navy is authorized and directed to settle and pay in accordance with the Armed Forces Leave Act of 1946, the claim of John Calvin Taylor, of Salisbury, Maryland, for unused leave accrued incident to his service in the United States Navy from April 2, 1943, to November 17, 1945, notwithstanding the time limitation of June 30, 1951, for applications for such payments contained in section 5 of such Act of 1946, if an application for such settlement and payment is made by John Calvin Taylor not later than six months after the date of enactment of this Act. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LT. MATTHEW A. WOJDAK, U.S. NAVY (RETIRED)

The Clerk called the bill (H.R. 9913) for the relief of Lt. Matthew A. Wojdak, U.S. Navy (retired).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Lieutenant Matthew A. Wojdak, United States Navy (retired) is hereby relieved of liability to the United States in the amount of $13,014.24, the gross amount of civilian compensation paid him in the period from August 3, 1956, through March 18, 1959, for the services he rendered in a civilian capacity at the United States Naval Air Station, North Island, San Diego, California, which payments were ruled to have been made in violation of the provisions of the Act of July 31, 1894 (5 U.S.C. 62), but without knowledge on his part of any violation of law. In the audit and settlement of the accounts of any certifying or disbursing officer to the United States, credit shall be given for any amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lieutenant Matthew A. Wojdak, United States Navy (retired) an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him and applied in satisfaction of the liability to the United States referred to in section 1 of this Act: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERT J. REEVES

The Clerk called the bill (H.R. 11165) for the relief of Robert J. Reeves.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Robert J. Reeves is hereby relieved of all liability to the United States to refund the amount of $868.16 resulting from an overpayment of compensation he received, through administrative error, as an employee of Wright Air Development Division, Wright-Patterson Air Force Base, Ohio, in the period between August 24, 1958, and January 23, 1960.

With the following committee amendment:

Page 1, line 4: Strike "$868.16" and insert "$935.20, but not in excess thereof,".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARION JOHN NAGURSKI

The Clerk called the bill (H.R. 12350) for the relief of Marion John Nagurski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Marion John Nagurski (serial number 9610124), International Falls, Minnesota, the sum of $182.84. The payment of such sum shall be in full settlement of all claims of Marion John Nagurski against the United States for amounts due him as payment for unused leave accrued by him as an enlisted member of the United States Navy during the period beginning May 2, 1944, and ending January 10, 1946, both dates inclusive: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 3, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. MAUD A. PROVOOST

The Clerk called the bill (H.R. 3800) for the relief of Mrs. Maud A. Provoost.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in lieu of any annuity which she is receiving under any other law, Mrs. Maud A. Provoost, Port Chester, New York, shall be entitled to receive an annuity payable, from and after March 1, 1948, out of the civil service retirement and disability fund, as the surviving widow of William B. Provoost, late an employee in the United States post office, Port Chester, New York, as if the death of the said William B. Provoost had occurred on February 29, 1948.

With the following committee amendments:

Line 5, after the word "annuity" insert "authorized by the Civil Service Commission."

Line 6, strike out "March 1, 1948," and insert "the date of enactment of this legislation".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COL. JOSEPH A. NICHOLS

The Clerk called the bill (H.R. 11322) for the relief of Col. Joseph A. Nichols.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 212 of the Act of June 30, 1932 (5 U.S.C. 59a), is waived for the period beginning January 1, 1951, and ending November 30, 1953, both dates inclusive, insofar as it applied to Colonel Joseph A. Nichols, retired (Army serial number O9699), and he is relieved of liability to repay to the United States the sum of $13,590.65, which was erroneously paid to him as civilian salary during such period while he was employed by the officers' open mess, Fort Benning, Georgia. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for all amounts for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GOURGEN H. ASSATURIAN

The Clerk called the bill (H.R. 2584) for the relief of Gourgen H. Assaturian.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of the Immigration and Nationality Act, Gourgen H. Assaturian shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 21, 1948, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider, was laid on the table.

AUTHORIZING THE AWARD POSTHUMOUSLY OF APPROPRIATE MEDALS AND CERTIFICATES TO CHAPLAIN GEORGE L. FOX, ET AL.

The Clerk called the bill (S. 2969) to authorize the award posthumously of appropriate medals to Chaplain George L. Fox, Chaplain Alexander D. Goode, Chaplain Clark V. Poling, and Chaplain John P. Washington.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to award posthumously appropriate medals and certificates to Chaplain George L. Fox of Cambridge, Vermont; Chaplain Alexander D. Goode of Washington, District of Columbia; Chaplain Clark V. Poling of Schenectady, New York; and Chaplain John P. Washington of Arlington, New Jersey, in recognition of the extraordinary heroism displayed by them when they sacrificed their lives in the sinking of the troop transport Dorchester in the North Atlantic in 1943 by giving up their life preservers to other men aboard such transport.

SEC. 2. The medals and certificates authorized by this Act shall be in such form and of such design as shall be prescribed by the President, and shall be awarded to such representatives of the aforementioned chaplains as the President may designate.

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

With the following committee amendment:

On page 1, line 5, strike "Cambridge" and insert "Gilman".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. RODINO. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. RODINO. Mr. Speaker, the passage today of S. 2969, to award appropriate medals to the four chaplains, marks the culmination of several years of effort to grant proper recognition to four of the greatest men in American history.

Over 17 years have passed since February 3, 1943, when the troopship *Dorchester* was torpedoed off the coast of Greenland. The *Dorchester,* en route to Europe, carried on board four chaplains: Rev. George L. Fox, of Gilman, Vt.; Rabbi Alexander Goode, of Washington, D.C.; Rev. Clark V. Poling, of Schenectady, N.Y.; and Father John P. Washington, of Arlington, N.J. As the ship sank the four chaplains, having given away their lifejackets so that four others might live, linked arms in prayer and slowly went down to their death. Two Protestants, a Jew, and a Catholic went valiantly to their deaths under circumstances of the highest human drama, leaving behind them an object lesson in self-sacrifice and tolerance for all mankind.

In order that this eternal message of the unity and brotherhood of man and his identity with God be memorialized, I called upon the 84th Congress to dedicate a special day for this purpose. In due course my resolution was adopted, and February 3, 1957, was officially dedicated as Dorchester Day.

Since that time, I have determined to press for personal recognition for the courage of these four chaplains. It was my feeling, and that of several other Congressmen, that the valor exhibited by these men merited nothing less than the award of the Congressional Medal of Honor.

I therefore introduced a bill for this purpose in the 85th and again in this Congress. Unfortunately, technical objections against the award of the Congressional Medal of Honor prevented the adoption of this bill.

The substitution of what is now before us as S. 2969, to award the four chaplains a special medal to be designed by the Department of Defense, is, in my opinion, a proper alternative and a fitting tribute to heroic service far above and beyond the call of duty.

A slight change added to the bill which passed the House today will require S. 2969 to go back to the Senate for approval. I am confident, however, that this approval will be speedily given and that the President's signature will promptly enact this most meritorious measure into law.

I should like to add that one of these great men whom we have honored today, Chaplain John P. Washington, was born in Newark, N.J., and was one of my constituents. Father Washington served in Kearny, N.J., before enlisting in the Army at the outbreak of the war. At a recent memorial mass in his honor, Msgr. Vincent Corbin, of St. Bridget's Church, said of him:

> Many things have been written about him, and many things have been said about him. Some think of him, not as a hero, but as a martyr. But that is not for us to judge. That's for someone greater than ourselves. We know Father Washington as a good boy from a good family who became a good priest. What more can one ask of a man?

HANS E. T. HANSEN

The Clerk called the bill (H.R. 1671) for the relief of Hans E. T. Hansen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Hans E. T. Hansen may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IRENEO D. BRODIT AND ANTONIO D. BRODIT

The Clerk called the bill (H.R. 2117) for the relief of Ireneo D. Brodit and Antonio D. Brodit.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Ireneo D. Brodit and Antonio D. Brodit shall be held and considered to be the natural-born minor alien children of Vicente Brodit, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. TERUKO TERI MIYAMOTO (NEE IKEDA)

The Clerk called the bill (H.R. 2124) for the relief of Mrs. Teruko Teri Miyamoto (nee Ikeda).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Teruko Teri Miyamoto (nee Ikeda) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Page 1, line 8, after the word "fee." strike out the remainder of the bill.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BERNARDO PATERNOSTRO

The Clerk called the bill (H.R. 2705) for the relief of Bernardo Paternostro.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212 (a)(6) of the Immigration and Nationality Act, Bernardo Paternostro may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of said Act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISS ELISABETH HOLLANDER

The Clerk called the bill (H.R. 2716) for the relief of Miss Elisabeth Hollander.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Miss Elisabeth Hollander shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUCIANO DI FRANCO

The Clerk called the bill (H.R. 2944) for the relief of Luciano Di Franco.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212 (a)(9) of the Immigration and Nationality Act, Luciano Di Franco may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EPIFANIO TRUPIANO

The Clerk called the bill (H.R. 3534) for the relief of Epifanio Trupiano.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(3) of the Immigration and Nationality Act, Epifanio Trupiano may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROSOLINA CIUFERRI

The Clerk called the bill (H.R. 3804) for the relief of Rosolina Ciuferri.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Rosolina Ciuferri, who lost United States citizenship under the provisions of section 401(c) of the Nationality Act of 1940, as amended, may be naturalized by taking, prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Rosolina Ciuferri shall have the same citizenship status as that which existed immediately prior to its loss.

With the following committee amendment:

Page 1, line 4, after the word "of" strike out "section 401(c)" and insert "section 401(e)".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAH QUOCK

The Clerk called the bill (H.R. 4236) for the relief of Woo Bow Land.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Woo Bow Land shall be deemed to be a nonquota immigrant.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of the Immigration and Nationality Act, Mah Quock shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 8, 1935."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mah Quock."

A motion to reconsider was laid on the table.

ANATOLIJS JANITIS

The Clerk called the bill (H.R. 4555) for the relief of Anatolijs Janitis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(6) of the Immigration and Nationality Act, Anatolijs Janitis may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That unless the beneficiary is entitled to care under the Dependents' Medical Care Act (70 Stat. 250), a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided, further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

With the following committee amendment:

Page 2, line 1, after the word "under" strike out "the Dependents' Medical Care Act (70

Stat. 250)" and insert "chapter 55, title 10, United States Code."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARALAMBOS GROUTAS

The Clerk called the bill (H.R. 4970) for the relief of Haralambos Groutas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Haralambos Groutas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

On page 1, line 5, after the words "have been" strike out the remainder of the bill and substitute in lieu thereof the following: "born in Great Britain."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WONG GEE SING

The Clerk called the bill (H.R. 5647) for the relief of Wong Gee Sing.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Wong Gee Sing shall be held and considered to be the minor alien child of Wong Len Chong, citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY ELIZABETH TIGHE CRESPO

The Clerk called the bill (H.R. 6804) for the relief of Mary Elizabeth Tighe Crespo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(4) of the Immigration and Nationality Act, Mary Elizabeth Tighe Crespo may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of the Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

With the following committee amendment:

On page 1, line 11, after the word "Act" strike out the period and add the following: ": *Provided further,* That, unless the beneficiary is entitled to care under chapter 55, title 10, United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HUMIKO ROSS

The Clerk called the bill (H.R. 7425) for the relief of Mrs. Humiko Ross.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mrs. Humiko Ross, the widow of a United States citizen, shall be deemed to be within the purview of section 101(a)(27)(A) of the Immigration and Nationality Act, and the provisions of section 205 of that Act shall not be applicable in this case.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PIERRE R. DeBROUX

The Clerk called the bill (H.R. 8253) for the relief of Pierre R. DeBroux.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of section 316(a) of the Immigration and Nationality Act as they relate to residence and physical presence requirements for naturalization, shall be inapplicable in the case of Pierre R. DeBroux.

With the following committee amendment:

Page 1, line 6, after "DeBroux" insert ": *Provided,* That nothing in this Act shall be held to waive the six-month residence requirement within the State in which the petition for naturalization is filed."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OTTO SMALL

The Clerk called the bill (H.R. 8384) for the relief of Otto Small.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Otto Small, who lost United States citizenship under the provisions of section 352(a)(2) of the Immigration and Nationality Act, may be naturalized by taking prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Otto Small shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISTER FRANCES CABRINI (VIRGINIA BILBAO)

The Clerk called the bill (H.R. 9610) for the relief of Sister Frances Cabrini (Virginia Bilbao).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the immigration and naturalization laws, Sister Frances Cabrini (Virginia Bilbao) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence as provided in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Sister Frances Cabrini (Virginia Bilbao). From and after the date of the enactment of this Act, the said Sister Frances Cabrini (Virginia Bilbao) shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IDA EXLE (NEE IDA STERIO)

The Clerk called the bill (H.R. 10002) for the relief of Ida Exle (nee Ida Sterio).

There being no objection the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 203(a)(2) and 205 of the Immigration and Nationality Act, Ida Exle (nee Ida Sterio) shall be held and considered to be the natural mother of Charles Klippel, a citizen of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOCUMENTATION AS A VESSEL OF THE UNITED STATES WITH LIMITED COASTWISE PRIVILEGES OF THE VESSEL "EDITH Q."

The Clerk called the bill (S. 1765) to authorize and direct the Treasury to cause the vessel *Edith Q.*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with full coastwise privileges.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 4132 of the Revised Statutes of the United States, as amended (46 U.S.C. 11), and section 27 of the Merchant Marine Act, 1920, as amended (46 U.S.C. 883), the Secretary of the Treasury is authorized and directed to cause that certain vessel now known as the Edith Q., (formerly the Miss Paul), built in 1950 in Nova Scotia, and now owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with full coastwise privileges, upon compliance with the usual requirements, so long as the vessel is owned and shall continue to be owned by a citizen of the United States.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, notwithstanding the provisions of section 4132 of the Revised Statutes of the United States, as amended (46 U.S.C. 11), the Secretary of the Treasury is authorized and directed to cause that certain vessel now known as the Edith Q. (formerly the Miss Paul), built in 1950 in Nova Scotia, and now owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States, upon compliance with the usual requirements, with the privilege of engaging in the coastwise trade to the extent necessary to permit the carriage of passengers and merchandise, whether for hire or otherwise, between Camden, Great Spruce Head Island, and other points in Maine, located on the Penobscot River and Penobscot Bay, and the tributaries and approaches thereto, during the period from May 15 through September 15 annually, so long as the vessel shall continue to be owned by a citizen of the United States."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title of the bill was amended to read: "An act to authorize and direct the Treasury to cause the vessel *Edith Q.*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with limited coastwise privileges."

A motion to reconsider was laid on the table.

MANUEL ALVES DE CARVALHO

The Clerk called the bill (S. 762) for the relief of Manuel Alves de Carvalho.

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Manuel Alves de Carvalho shall be held and considered to have been lawfully admitted to the United States for permanent residence as of March 13, 1957.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY K. LEE (HYUN KUI)

The Clerk called the bill (S. 2089) for the relief of Henry K. Lee (Hyun Kui).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Henry K. Lee (Hyun Kui) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMIKO NAGAMINE

The Clerk called the bill (S. 2106) for the relief of Emiko Nagamine.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Emiko Nagamine shall be deemed to be within the purview of section 101(a)(27)(B) of that Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN LIPSET

The Clerk called the bill (S. 2528) for the relief of John Lipset.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, John Lipset shall be deemed to have retained the status conferred upon him under Private Law 844 of the Eighty-fourth Congress, and the provisions of section 205 of the Immigration and Nationality Act shall not be applicable in this case.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MO TONG LUI

The Clerk called the bill (S. 2639) for the relief of Mo Tong Lui.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) of the Immigration and Nationality Act, Mo Tong Lui shall be held and considered to be under 21 years of age: *Provided,* That a petition is filed in his behalf under section 205 of the said Act within one year from the date of enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LLOYD C. KIMM

The Clerk called the bill (S. 2646) for the relief of Lloyd C. Kimm.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Lloyd C. Kimm shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 21, 1925.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

YI YOUNG AN

The Clerk called the bill (S. 2681) for the relief of Yi Young An.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Yi Young An, shall be held and considered to be the natural-born alien child of Staff Sergeant and Mrs. John L. Brown, citizens of the United States: *Provided,* That the natural parents of the said Yi Young An shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FREDERICK T. C. YU AND HIS WIFE ALICE SIAO-FEN CHEN YU

The Clerk called the bill (S. 2768) for the relief of Frederick T. C. Yu and his wife, Alice Siao-Fen Chen Yu.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Frederick T. C. Yu and his wife, Alice Siao-Fen Chen Yu, may be naturalized upon compliance with all of the requirements of title III of the Immigration and Nationality Act, except that—

(a) no period of residence or physical presence within the United States or any State shall be required in addition to their residence and physical presence within the United States since October 31, 1947; and

(b) their petitions for naturalization may be filed with any court having naturalization jurisdiction.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NIKOLIJA LAZIC

The Clerk called the bill (S. 2886) for the relief of Nikolija Lazic.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 4 of the Act entitled "An Act to provide for the entry of certain relatives of United States citizens and lawfully resident aliens", approved September 22 1959 (73 Stat. 644), Nikolija Lazic shall be held and considered to be eligible for a quota imigrant status under the provisions of section 203(a)(4) of the Immigration and Nationality Act on the basis of a petition approved by the Attorney General prior to January 1, 1959.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BORIS PRIESTLEY

The Clerk called the bill (S. 2918) for the relief of Boris Priestley.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Boris Priestley shall be deemed to have been born in Great Britain.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EUGENE STORME

The Clerk called the bill (S. 2942) for the relief of Eugene Storme.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Eugene Storme, shall be held and considered to be the natural-born alien child of Stanley Storme and Adele Storme, citizens of the United States: *Provided,* That the natural parents of the said Eugene Storme shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KANG SUN OK

The Clerk called the bill (S. 2964) for the relief of Kang Sun Ok.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Kang Sun Ok, the fiance of Sergeant Norman W. Lade, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months, if the administrative authorities find (1) that the said Kang Sun Ok is coming to the United States with a bona fide intention of being married to the said Sergeant Norman W. Lade and (2) that she is otherwise admissible under the Immigration and Nationality Act. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Kang Sun Ok, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Kang Sun Ok, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Kang Sun Ok as of the date of the payment by her of the required visa fee.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

AH SEE LEE CHIN

The Clerk called the bill (S. 2991) for the relief of Ah See Lee Chin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Ah See Lee Chin shall be held and considered to be within the purview of the first proviso to section 312 (1) of that Act and may be naturalized upon compliance with all of the other requirements of title III of that Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIUS F. STEINHOFF

The Clerk called the bill (H.R. 1588) for the relief of Julius F. Steinhoff.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(c) of the Immigration and Nationality Act, Julius F. Steinhoff shall be held and considered to be a native of Canada.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of the Immigration and Nationality Act, Julius F. Steinhoff shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAURICE DEVLIN

The Clerk called the bill (H.R. 1681) for the relief of Maurice Devlin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(9) and (17) of the Immigration and Nationality Act, Maurice Devlin, may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground, for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

With the following committee amendment.

On page 1, line 3, after "section 212(a)(9)" insert a comma.

On page 1, strike out all of lines 4, 5, 6, 7, and the language "apply only to a ground" on line 8, and substitute the following: "(17) and (19) of the Immigration and Nationality Act, Maurice Devlin, may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act: *Provided,* That these exemptions shall apply only to grounds".

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTER F. BEECROFT

The Clerk called the bill (S. 3016) for the relief of Walter F. Beecroft.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Walter F. Beecroft may be naturalized upon compliance with all of the requirements of title III of the Immigration and Nationality Act, except that—

(a) no period of residence or physical presence within the United States or any State shall be required in addition to his residence and physical presence within the United States since July 31, 1952; and

(b) the petition for naturalization may be filed with any court having naturalization jurisdiction.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JUNG HI PAK

The Clerk called the bill (S. 3038) for the relief of Jung Hi Pak.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Jung Hi Pak, shall be held and considered to be the natural-born alien child of Captain and Mrs. William S. Herrington, citizens of the United States: *Provided,* That no natural parent of Jung Hi Pak, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OH CHUN SOON

The Clerk called the bill (S. 3049) for the relief of Oh Chun Soon.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Oh Chun Soon, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Alvin L. May, citizens of the United States: *Provided,* That the natural parents of the said Oh Chun Soon shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PASQUALE MIRA

The Clerk called the bill (S. 3091) for the relief of Pasquale Mira.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Pasquale Mira may be issued a visa and be admitted to the United States for permanent residence if otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNE-MARIE STEHLIN

The Clerk called the bill (S. 3130) for the relief of Anne-Marie Stehlin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Anne-Marie Stehlin, a naturalized citizen of the United States, shall be permitted to reside in France until May 31, 1964, without losing her United States citizenship under section 352(a) of such Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CECILIA RUBIO

The Clerk called the bill (S. 3235) for the relief of Cecilia Rubio.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Cecilia Rubio shall be deemed to have been born in Spain, and the provisions of sections 201(a), 202(a)(5) and 202(b)(2) of that Act shall not be applicable in this case.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

JULIA SUKKAR

The Clerk called the bill (S. 2740) for the relief of Julia Sukkar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Julia Sukkar shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Julia Sukkar. From and after the date of the enactment of this Act, the said Julia Sukkar shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MING-CHEN HSU

The Clerk called the bill (S. 2941) for the relief of Mrs. Ming-Chen Hsu (nee Nai-Fu Mo).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 6 of the Act entitled "An Act to provide for the entry of certain relatives of United States citizens and lawfully resident aliens", approved September 22, 1959 (73 Stat. 644), Mrs. Ming-Chen Hsu (nee Nai-Fu Mo) shall be held and considered to be the beneficiary of a visa petition approved by the Attorney General pursuant to section 203(a)(3) and section 205 of the Immigration and Nationality Act prior to January 1, 1959.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, for the purposes of the Immigration and Nationality Act, Ming-Chen Hsu shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 12, 1948."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed.

The title of the bill was amended so as to read: "A bill for the relief of Ming-Chen Hsu."

A motion to reconsider was laid on the table.

HUAN-PIN TSO

The Clerk called the bill (S. 2967) for the relief of Huan-pin Tso.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 203(a)(3) and 205 of the Immigration and Nationality Act, Huan-pin Tso shall be held and considered to be the natural-born son of Mr. and Mrs. Ting Hsien Wang, aliens lawfully admitted to the United States for permanent residence: *Provided,* That the natural parents of the said Huan-pin Tso shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 3, strike out "sections 203(a)(3) and 205" and substitute in lieu thereof "sections 101(a)(27)(A) and 205".

On page 1, lines 6 and 7, strike out the language "aliens lawfully admitted to the United States for permanent residence" and substitute "citizens of the United States".

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM RADKOVICH CO., INC.

The Clerk called the bill (H.R. 9079) for the relief of William Radkovich Co., Inc.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That jurisdiction be, and the same is hereby, conferred upon the United States Court of Claims to hear, determine, and render judgment upon the claims of William Radkovich Company, Incorporated, arising under contracts with the United States for the construction of various structures, said contracts being numbered W-04-353-eng-2036 and W-04-353-eng-2050, against the United States for the difference between the reasonable value of said structures as of the time of the completion of such contracts and the amount paid to said company for such structures, said recovery to be permitted only in the event that it shall be established that the actual cost of the said William Radkovich Company, Incorporated, of erecting such structures exceeded the reasonable value of such structures, such judgment to be entered notwithstanding any limitations imposed by law upon Government representatives whose responsibility it was to let the aforementioned contracts and notwithstanding the technical provisions of said contracts with respect to payment thereunder: *Provided,* That the suit herein authorized shall be instituted within six months from the date of the approval of this Act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That jurisdiction is hereby conferred upon the United States Court of

Claims to hear, determine, and render judgment upon the claims of William Radkovich Company, Incorporated, arising out of contracts numbered W-04-353-eng-2036 and W-04-353-eng-2050, against the United States for the reasonable value, computed as of the time when made, of any reasonable and necessary changes and increases beyond the terms of said contracts made at the direction of the contracting officer, for which the said William Radkovich Company, Incorporated, was not compensated because of the provisions of section 12 of the Military Appropriation Act, 1947 (60 Stat. 565), which precluded payment of more than $7,500 per unit for the construction of temporary family quarters: *Provided*, That the suit herein authorized shall be instituted within six months from the date of the approval of this Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICHARD J. POWER

The Clerk called the bill (H.R. 11486) for the relief of Richard J. Power

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Richard J. Power is hereby relieved of all liability to the United States to refund the amount of $660.80, resulting from an overpayment of compensation he received, through administrative error, as an employee of Air Materiel Command, Wright-Patterson Air Force Base, Ohio, in the period between June 25, 1958, to June 6, 1959.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MINA AND HENEK SZNAIDER

The Clerk called the bill (H.R. 4981) for the relief of Mina and Henek Sznaider.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(19) of the Immigration and Nationality Act, Mina and Henek Sznaider may be issued a visa and admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that Act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

With the following committee amendments:

On page 1, line 3, strike out "provision of section 212(a)(19)" and substitute in lieu thereof "provisions of section 212(a)(9) and (19)".

On page 1, line 5, strike out the words "a visa" and substitute "visas".

On page 1, line 8, strike out the words "this exemption" and substitute "these exemptions".

On page 1, line 8, strike out the words "a ground" and substitute "grounds".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. TZE I. CHIANG

The Clerk called the bill (H.R. 9960) for the relief of Dr. Tze I. Chiang.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Tze I. Chiang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of January 9, 1954.

With the following committee amendment:

Page 1, line 6, after "1954," insert the following: "upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADOLF B. JOCHNICK

The Clerk called the bill (H.R. 10376) for the relief of Adolf B. Jochnick.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Adolf B. Jochnick shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 1, 1953.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSPENSION OF DEPORTATION IN THE CASES OF CERTAIN ALIENS

The Clerk called Senate Concurrent Resolution 103.

There being no objection, the Clerk read the Senate concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than six months:

A-7197635, Apsis, Crysostome Alexander.
A-7415400, Apsis, Diane Helen.
A-7351220, Donze, Peter.
A-4031108, Farfan, Domingo.
A-3544790, Fatovic, Sime.
A-7137472, Rodriguez-Guzman, Guillermo.
A-10255185, Santos, Manuel.
A-9678132, Tsakiridis, Anastassios.
A-8960659, Young, Richard Kai.
A-2088508, Gomez, Salvador.
A-7083633, Lyras, Sozon.
A-6799270, Ojeda, Miguel Carrizales.
A-11134483, Ojeda, Simona Hernandez.
A-5962211, Schoendfeldt, Rudolph Herman.
A-10088698, Yew, Lai Wo.
A-10073984, Sirakof, Mehmadale Ibrahim.
A-3848598, Ying, Shih Tseng.
A-3354528, Ying, Agnes S.
A-4314277, Hochstaedt, Amalie.
A-3870732, Hochstaedt, Samuel.
A-9799578, Wong, How Tung.
A-9734746, Wai Young.
A-5631916, Cooper, Morris.

With the following committee amendments:

On page 1, strike out lines 6, 7, and 9.

On page 2, strike out lines 4, 8, 10, 11, 14, 15, and 16.

The committee amendments were agreed to.

The Senate concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

ANNA SEMECHOLE MARCOLINA

The Clerk called the bill (H.R. 9042) for the relief of Anna Semecnole Marcolina.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, Anna Semechole Marcolina, who lost United States citizenship under the provisions of section 401(e) of the Nationality Act of 1940, may be naturalized by taking, prior to one year after the date of the enactment of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, an oath as prescribed by section 337 of such Act. From and after naturalization under this Act, the said Anna Semechole Marcolina shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOW WING QUEY (KWAI)

The Clerk called the bill (S. 2822) for the relief of Low Wing Quey (Kwai).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Low Wing Quey (Kwai) shall be held and considered to be the natural-born minor alien child of Low Shiu Hong, a citizen of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that further call of bills on the Private Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

M. SGT. EMERY C. JONES

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6081) for the relief of M. Sgt. Emery C. Jones, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 6, strike out "$1,421.43" and insert "$1,436.40".

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MRS. ETHEL B. MORGAN

Mr. LANE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 9443) for the relief of Mrs. Ethel B. Morgan, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out line 6 and insert "have been the wife and subsequently the widow (as those terms are defined in section 216 of that Act)".

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

INCREASING FOR 1 YEAR THE PUBLIC DEBT LIMIT SET FORTH IN SECTION 21 OF THE SECOND LIBERTY BOND ACT

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12381) to increase for 1-year period the public debt limit set forth in section 21 of the Second Liberty Bond Act and to extend for 1 year the existing corporate normal-tax rate and certain excise-tax rates, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MILLS, FORAND, KING of California, O'BRIEN of Illinois, MASON, BYRNES of Wisconsin and BAKER.

FARM SURPLUS REDUCTION ACT OF 1960

Mr. THORNBERRY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 564 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12261) to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. ANDERSEN of Minnesota. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 139]

Alford	Diggs	May
Anfuso	Donohue	Meader
Auchincloss	Dooley	Michel
Baker	Durham	Miller, N.Y.
Barden	Evins	Mitchell
Barr	Fisher	Moorhead
Blitch	Frazier	Morris, Okla.
Boykin	Gallagher	Norrell
Brademas	Hardy	Philbin
Brooks, La.	Hogan	Powell
Brooks, Tex.	Jackson	Roush
Buckley	Kasem	Shelley
Burdick	Kastenmeier	Steed
Cahill	Kilday	Taylor
Carnahan	McCormack	Teller
Celler	McSween	Wampler
Coffin	Macdonald	Wharton
Curtis, Mo.	Madden	Willis
Denton	Magnuson	

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall 374 Members have answered to their names, a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

NATIONAL DEFENSE

Mr. CANNON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

AMERICA'S RECESSIONAL

Mr. CANNON. Mr. Speaker, the release of Kipling's "Recessional" at England's greatest hour struck the world with the heaviest immediate impact of any epode ever published.

It was received with tolerance. No one accepted it at face value. England was mistress of the seas. Britania ruled the waves. Her morning drumbeat encircled the globe. The Ambassador from the Court of St. James was accorded preeminence in every chancellery in the world. British statesmen had maintained world peace for a hundred years.

But overnight her empire crumbled. Her armies shrank. Her navies rotted. One by one her colonial possessions were abandoned. She withdrew her troops from strategic outposts. Briefly and inexoribly her overlordship vanished.

The United States took over the burden. American troops supplanted British regulars in Greece. American might policed the world's trouble spots. And American philanthropy established a new international policy which refused to accept colonial dependencies and spent billions of dollars in fostering independent democracies in the Philippines and Cuba and in the rehabilitation of defeated enemies.

At the conclusion of the Second World War we stood alone—the greatest military power the world had ever seen. We had the greatest army, more planes, more tanks, more ships than any other nation, and in our teeming cities more wealth and a greater productive capacity than all the rest of the world combined.

And once more—overnight—the wheel turns and we are a second-rate power. Our position in the world is dramatically weaker. We have given billions of dollars, and in every quarter of the globe we are the most hated nation. Our representatives cannot leave the borders of our country—north, south, east, or west—without being subjected to the most degrading and insulting personal abuse and actual physical violence.

We are bound to the enlightened nations of the world by treaties of mutual assistance. In the days of our military supremacy they were glad to join us in nonaggression compacts of mutual defense and to accord us military bases for our Strategic Air Command. But recently the Icelandic Althing has insisted on the removal of our base, France has notified us that she will no longer permit us to maintain nuclear weapons or warheads on French soil and England has insisted that we enter into negotiations with Russia at summit meetings.

Why this sudden change? Why this remarkable reversal in attitude of our allies? It is very simple. Here in the House we have blindly followed the admirals and wasted our time, money, and resources on useless carriers while the Russians have concentrated on missiles and submarines. They have never been foolish enough to build a carrier but they are 2 to 4 years ahead of us in missiles and submarines—and to that extent they are in control of the world situation. They are taking full advantage of it and their leaders daily insult and abuse and deride us until the attitude of the world is one of pity and contempt instead of the esteem and regard in which we were held a short decade ago.

The administration and our congressional leaders tell us that we are still supreme and able to lick any nation in the world with one hand tied behind. What else could they say? But it is well known on the most competent authority that we are in vital respects as much as 3 or 4 years behind Russia in modern military armament, and that the Russian lead is increasing instead of diminishing.

The responsibility is right here on this floor where we have failed to take the initiative and keep abreast of the times. If we had expended on submarines and missiles the emphasis we have wasted on carriers we would not today find ourselves in this humiliating and dangerous situation.

We have ignored the history of undersea warfare. But Russia and Red China have been alert to its significance.

This is why today Russia is operating a submarine fleet three times the size of our own, why Russia years ago abandoned large surface naval vessels and instead embarked on the construction of 100 submarines a year, and why Russia today is concentrating on the development and construction of nuclear submarines. This is also why the Chinese Communist navy now has a fleet of about 20 submarines, why Red China is currently constructing more attack submarines per year on the average than is the United States, and why Premier Chou En-Lai recently stated that Red China will have nuclear submarines within 5 years.

Submarine warfare came close to bringing the Western Allies to their knees, and to possible defeat, by World War I and World War II. The German Navy failed only because Germany, ironically, failed to provide the German Navy with a sufficient number of submarines. This was particularly ironic for the reason that, historically, Germany had been the foremost exponent of submarine warfare. The United States today must understand this mistake of Germany in two world wars, and benefit from the lesson by providing our own Navy with the number of nuclear submarines needed to cope with present defense requirements.

In August 1914 Germany had 28 submarines of which only 10 were fit for use beyond her own harbors and only 2 were really seagoing boats. Notwithstanding, German submarines, during World War I, sank 5,708 merchant ships with a combined gross tonnage of 11,018,865 tons, and practically paralyzed the supply lanes from the United States to Western Europe. Our convoys were repeatedly decimated with terrible loss of life. Final victory over the U–boats came only because the blockade of attrition mounted and maintained against Germany made it impossible for Germany to replace the U–boats lost in action. The submarine warfare of World War I was a bitter pill for the Allies.

In the span of 21 years between the end of World War I in 1918, and the outbreak of World War II in 1939, neither Germany on the one hand, nor the Allied nations, on the other, profited from the brutal lesson taught by the U–boats. During the pre-World War II era, the Germany Naval High Command moved rapidly to rebuild the German Navy. However, submarines were not given sufficient priority and, as a result, at the outbreak of World War II, Germany had only 57 submarines of which but 22 were oceangoing. In this Germany made a serious mistake. During the same time period, the Allied Nations gave grossly inadequate attention to the problems of undersea warfare.

The horrors of the grim, deadly Battle of the Atlantic are still recent enough to be remembered, and the United States must profit from its lesson. The German submarines blockaded our Atlantic seaboard. Oil tankers were sunk with sickening regularity. Oil supplies to our industrial complexes in the East and Northeast dwindled to a trickle. Troopships and supply ships were under constant attack. The convoy system was only partially successful against the German submarine wolfpacks. Their effectiveness is strikingly demonstrated—they sank 14,547,463 tons of Allied shipping, more than half of the total tonnage sunk—24,246,489—by submarines, aircraft, surface craft, mines, collisions, and other enemy action.

If the German Naval High Command had only had the foresight to provide a larger submarine fleet, the Allies' losses would have been much more crippling. And, on the other hand, if the Allied navies had devoted themselves in the 1930's to the perfection of antisubmarine warfare weapons and tactics, World War II would have unquestionably been shortened and victory won sooner with less losses and suffering.

The World War II story in the Pacific, from the Allied standpoint, was exactly the reverse of the story in the Atlantic. In the Atlantic the German submarines had the initiative and the Allies were constantly on the defensive, down to the bitter end of the war. In the Pacific, however, our small submarine fleet of 51 took the initiative and wrought havoc on the Japanese Navy and Japanese supply and troop ships. Before Pearl Harbor, the popular concept was that submarines would play a minor role in war, acting principally as scouting and attack agents for the surface fleet. This explains the name "fleet boats" given to our World War II type submarines. But our submarines proved to be much more devastating and effective than was foreseen.

The following extracts from "United States Submarine Operations in World War II," by Theodore Roscoe, illustrates the far-reaching effects of American submarine depredations against the Japanese—effects which were in fact decisive:

> The part played by U.S. submarines in Japan's maritime demise is depicted with reasonable accuracy in the figures compiled after the war by the Joint Army-Navy Assessment Committee.
>
> U.S. submarines scored as below:
>
> Number of merchant ships sunk, 1,178.
>
> Merchant tonnage sunk, 5,053,491 tons.
>
> Number of Japanese naval vessels sunk, 214.
>
> Japanese naval tonnage sunk, 577,626 tons.
>
> About 55 percent of all Japanese shipping (merchant and naval) downed in World War II was sunk by U.S. submarines—an achievement accomplished by a force that consisted of less than 2 percent of the U.S. Navy's personnel.

A more or less impartial observer, German Vice Admiral Weneker, who was stationed in Japan during the war, when asked what he considered the cause for Japan's loss of the war, stated that, in his opinion, Japanese overconfidence, underestimation of the enemy and overextended supply lines which could not be protected were basic causes. He further stated:

> After that I would say the reasons for their disaster could be classed about as follows in order of importance: First, and by far the worst, were the attacks of the highly efficient American submarine.

In retrospect, submarine warfare played a decisive role in the Atlantic in both World Wars and in the Pacific in World War II, even though the submarines in both these wars were not true submarines, but in effect surface vessels which could submerge for limited periods of time during which their speed and mobility were sharply restricted. The nuclear submarine has proven itself to be a real submarine, capable of operating for more than 2 months fully submerged, completely divorced from the earth's atmosphere. It constitutes a revolutionary third dimension to warfare, made possible by atomic energy. And the application of atomic energy has drastically changed still another concept of naval warfare and supply. The convoy system of the two World Wars is as outmoded and archaic as a Roman chariot on a superhighway. The nuclear warhead in today's missile or torpedo packs such a devastating punch that a single megaton detonation anywhere near a convoy will wipe out every ship in the convoy. With convoy operation no longer a protection but a trap, troop and supply vessels will once more have to travel alone and be picked off by submarines one by one like ducks in a barrel.

Soviet Russia has read history well. Just as Russia has concentrated on the development of missiles to the subordination of manned aircraft, Russia has applied its resources intensively to the buildup of a large submarine fleet at the total expense of large surface naval vessels. The latest edition of "Jane's Fighting Ships"—1959–60—reports on Russian submarine strength and plans as follows:

> One atomic powered submarine is nearing completion, another is in an advanced stage of construction, and a third is being assembled. * * * There are now about 500 submarines. Over half are of the large or intermediate oceangoing type. Another large type is reported to be armed with guided missiles. * * * Some 50 submarines are under construction in Soviet dockyards. These include five different types:
>
> 1. Large nuclear-powered type with a very long range.
>
> 2. Large guided missile type with a high speed.
>
> 3. Oceangoing patrol type with a long range.
>
> 4. Minelaying type with a high speed.

5. Antisubmarine patrol type with a long range.

The Russian potential in the matter of building a large fleet of nuclear submarines was considered in the Report of the Underseas Warfare Advisory Panel to the Subcommittee on Military Applications of the Joint Committee on Atomic Energy which stated in August 1958:

We regard it as likely that the Soviets can soon have the capability of building many more nuclear submarines than we now plan to construct. The record of Soviet performance, both in building conventional submarines and in other military-scientific-industrial endeavors, leaves little room for doubt on this score. In fact, assuming a continuation of our present and planned construction program, we regard it as probable that the Soviets will have it within their capability to build a larger nuclear submarine fleet than our own by the mid-1960's.

Today Russia has a fleet of conventionally powered submarines nearly 10 times as large as was the German submarine force at the outbreak of World War II, and will be adding nuclear submarines in substantial numbers just as soon as they reach a degree of development approaching the *Nautilus* and her sister ships. Why is Russia concentrating on underseas warfare? The answer is elementary.

Today there are about 2,000 ships under way at sea in the Atlantic Ocean alone. Over 99 percent of all goods in the world market is transported at sea. All of our alliances are dependent on keeping open the sea lanes. If these arteries of trade were to be cut, the collapse of the West would soon follow. The control and use of the sea are the keystones of free world power. The most serious threat to the ability of our Navy to control the seas is the large Soviet submarine fleet already in being.

On this past May 26, Adm. Arleigh A. Burke, Chief of Naval Operations, in a speech said:

God has been most generous to this country. In addition to all other resources, He has given us two-ocean geography. These two oceans provided the road for America's development, and long served as barriers to foreign aggression. Now again, they can contribute to our Nation's security. All we must do is exploit them.

Exploit them we have; and exploit them we will. The seas have never been more important, or more militarily useful to this country, than they are today, as we move into the ballistic missile era.

For a century and a half, until the outbreak of World War II, the two vast oceans were a bulwark of defense for this country. World War II and subsequent history has proven that this bulwark can be for this country a Maginot line, unless these oceans are exploited in their third dimension — undersea warfare. They provide almost unlimited concealment to our nuclear submarine fleet, but they will do as much for the enemy.

The Russian submarine fleet is designed to cut off sea communications between the United States and its allies. The Red Chinese submarine fleet is designed for the same purpose. It is in this area that the thousands of miles of width of the two oceans become for this country a serious handicap. The Russian submarines on patrol for the purpose of raiding shipping have to do no more than leave the North Sea and lurk off the coast of western Europe. American submarines, in order to engage in antisubmarine warfare against the Russian raiding submarines will have to travel more than 2,000 miles from home port. The situation is even more acute in Asia where Red Chinese submarines need not venture more than 500 miles from home ports, and our American submarines will have to travel thousands of miles to defend our shipping against the Red Chinese raiders.

The combat strength of our American submarines, contrary to popular misconception, is far less than the number of submarines we have in commission. Actually, experience has shown that only one-third of the submarines of our Navy can be on patrol and that one-third must be at base being refitted. The vast distances from our home ports to patrol station, across the Atlantic and across the Pacific, tie up the final one-third of our submarines en route to and from patrol stations. Nuclear-powered submarines, due to their greater endurance and higher speeds, can increase the ratio of time spent on patrol, particularly when two crews are used for each ship. It is doubtful, however, that we could count on keeping more than an average of 50 to 60 percent of our nuclear submarines on patrol.

Just as the United States was forced into carrying out sea warfare against German submarines for many months prior to entering World War II, it is entirely conceivable that Russia and Red China might, during a period of missile or deterrent gap, attempt to destroy us the humane way by opening up a wholesale submarine war at sea. Our cities would not be attacked. We would not attack the cities of Russia or Red China. But the victory that the Communists could win, if we are not prepared to cope with their submarines, would be just as much the death of our way of life as leveling American cities and towns to rubble.

The Spanish Civil War brings memories of mystery submarines constantly reported in the Mediterranean and the Atlantic coast of Spain. If there should develop a period of international tensions, mystery submarines in the far Pacific off the Asiatic coast and in the farflung island archipelagoes would unquestionably cause great concern to our Asiatic friends.

Just as the vast widths of the two oceans constitute a real liability to our undersea fleet in reaching the area of operation off the coasts of West Europe and Asia, the degree of concealment afforded to Russian submarines operating off the Atlantic coast of the United States constitutes an equal liability. Russia has at least 200 submarines capable of laying mines in U.S. coastal waters. This is a force adequate to bottle up, at least temporarily, almost every commercial seaport and coastal naval base in the United States. On a single skillfully executed mission, the Russians could in a few hours leave close to 8,000 mines in the sea approaches to our harbors.

Again, a few of these Soviet submarines equipped to fire missiles can place our cities in danger of being destroyed in the event of war. The Russians are clearly capable of effecting their own unique marriage of the IRBM to the nuclear-powered submarine, as we are doing with the Polaris-type submarine. They are advanced in the missile field; they are known to be building nuclear-powered submarines; and they have long pointed out the vulnerability of the United States to such attacks.

What is our defense against the Russian submarine threat to our homeland? Is it our highly touted ASW—antisubmarine warfare—force? The public has been deluged with the dramatic stories and photographs of the ASW force in action, but has not been told how relatively ineffective the ASW force is against the enemy submarine threat. In ASW maneuvers a nuclear submarine of our Navy is sent out to sea as the target, or enemy, submarine. Because the nuclear submarine is practically impossible to locate, or even detect, the submarine commander is severely restricted. He is told to operate in a fixed area, at limited speed, within certain prescribed depths, and to restrict his maneuvering. This makes the hunt a sporting proposition for the surface naval forces. It gives the ASW personnel the opportunity to practice with sonar and radar, and eventually find the submarine, only after 2 to 5 days of intensive searching. The maneuver would be a frustrating failure for all concerned, except the submarine crew, if the submarine were not eventually tracked down and destroyed.

Several years ago one of our nuclear submarines participated in NATO maneuvers off the western coast of Europe. The submarine crew had a fine time. The submarine planted itself directly under the flagship of the combined NATO fleet and there remained in a perfect position to pick off the surface naval vessels, one by one, until the commanding admiral radioed London to get the blighter out from under him.

Not long thereafter, maneuvers were held in the Pacific off the western coast of Canada. A terrible storm came up and the entire surface fleet had to batten down the hatches and heave to to ride out the elements. One of our submarines radioed to the flagship of the surface fleet that everything was warm and comfortable down below, and please advise when the game would resume.

Fortunately we have in our arsenal a weapon, if produced in sufficient numbers, that can defeat the large Russian submarine fleet. This weapon is the nuclear-powered attack submarine. The majority of scientists and tacticians agree that the best way to hunt down and kill a submarine is with another submarine. When dealing with the threat of Soviet submarines with nuclear power, this naval fact becomes intensely significant. An atomic submarine is an extremely durable, elusive craft and is immune to many of the search and attack techniques effective against conventional submarines.

The nuclear submarine is an ideal offensive and defensive weapon because it (a) can operate near Russian bases where other ASW forces cannot; (b) has the inherent advantages of concealment and surprise; (c) gives the best possible mobile sonar platform for detecting submarines—this because nuclear submarines can carry their sonar to the most effective search depth; (d) has exceptional mobility—this due to the ability to steam at high speeds almost indefinitely without refueling and without being impeded by bad weather; (e) can operation on station for periods of 60 days or longer without logistic support; and (f) can remain in action in the face of strong opposition except when matched against better nuclear-powered submarines.

Let us now turn our attention to the condition of our submarine fleet, in terms of the present and of the future. Most of our present submarine fleet was built during World War II. Ordinarily these submarines would be expected to have a maximum useful life of about 14 years, later extended by the Navy by administrative fiat to 17 years. This is due to two factors:

(a) Hull deterioration becomes so pronounced that the ships become unsafe to operate. At this point hull repairs are so expensive as to be prohibitive.

(b) Space and arrangement limitations make it impossible to install the later types of equipment needed to keep the submarine militarily effective.

The Navy now talks of extending the effective life of a World War II submarine, once more by administrative fiat, to 20 years. I wonder whether the Navy has taken into account the increased risks to our American sailors who will be called to take these submarines into the ocean depths after 14 years, and after 17 years, in patched-up hulls to confirm the administrative objectives of the Navy in stretching the useful submarine lifespan to 20 years. The Navy conceals the true status of our submarine fleet by continuing to invest the taxpayers' dollars in these old ships. A new aircraft carrier will cost, according to present estimates, $293 million, and this same figure will build six modern nuclear attack submarines. So long as the submarine fleet is kept at least six nuclear attack submarines below present day requirements, on the basis of six "oldgoat" World War II patched-up hulls, the Navy can scrounge around and find the $293 million for a supercarrier, this year and next year, and the year after.

The era of the battleships was tragically ended the day after Pearl Harbor in 1941 when the Japanese bombers obliterated Britain's proudest battleship off the Malayan coast in less than 2 hours, and they took with them to death at the bottom of the sea 5,000 brave and courageous sailors.

Today in America the decisive years are at hand and already passing. We are faced with a submarine gap, no less serious than the missile gap about which the American public has been told.

The Navy has put out a lot of propaganda on the effectiveness of our surface antisubmarine forces. However, it is evident that the only ASW weapon that we can count on is the nuclear-powered submarine. Unfortunately we only have a handful of these ships. How can we expect less than a dozen nuclear submarines to protect us in both oceans against the overwhelming number of several hundred modern Soviet submarines?

The average rate of production in this country of nuclear submarines since the *Nautilus* first went to sea in January 1955 has been two per year. At the present rate of authorization and appropriation by the Congress, this country will have a nuclear submarine fleet in ensuing years, as shown in the following table:

ATTACK TYPE LESS THAN 20 YEARS OLD

	Now	Late 1960	1961	1962	1963	1964	1965	1966
Nuclear	7	13	16	23	27	30	33	36
Conventional	87	87	87	87	84	59	23	19
Total	94	100	103	110	111	89	56	55

MISSILE TYPES LESS THAN 20 YEARS OLD

Nuclear, Polaris	2	5	7	9	12	15	18	21
Nuclear, Regulus	1	1	1	1	1	1	1	1
Conventional, Regulus	4	4	4	4	4	3	2	2
Total	7	10	12	14	17	19	21	24

At this point the Polaris-firing nuclear submarine should be reevaluated. It is supposedly invulnerable to detection, discovery, and destruction. But this is gaged solely on the theory that a potential enemy will not look for our Polaris subs with nuclear attack submarines. A time will inevitably come when the undersea is an open book, just as the sea surface is today. With the imminent advent of this day, the Polaris submarine will need protection and shielding, in the exact same sense that was true of the obsolete battleship and the more recently decadent aircraft carrier. Just as armies require pickets and scouts, and aircraft carriers require a ring of protective destroyers and cruisers, the Polaris submarines, as the new capital ships of our Navy, require undersea scouts to control the undersea areas in which the Polaris submarines must operate. The picket and scout ships of the Polaris submarines are attack submarines—hunter-killer submarines—and we have hesitated to provide enough of them. The ratio of support attack nuclear submarines to nuclear Polaris submarines must be maintained at an approximate ratio of 2 to 1. We must have a minimum of 100 attack nuclear submarines by 1967 to support a minimum of 45 Polaris nuclear submarines, in no less than the following program:

	Previously authorized	Fiscal year 1961	1962	1963	1964	1965	1966	1967	Total
Attack	28	6	10	10	10	12	12	12	100
Polaris	9	6	6	6	6	4	4	4	45

This program from fiscal year 1961 through fiscal year 1967 will cost an average of a little over $1 billion a year. This approximates the overall cost of the super carrier which the Navy insists upon in the present bill. But it is not just this year about which we must focus our concern. The Navy high command seems determined to force upon the country a new superaircraft carrier not just this year, but next year, and the year after, to the detriment of an adequate nuclear submarine program.

During the past 5 years we have constructed an average of only two nuclear submarines a year. Our current construction rate is increasing, but is still utilizing only about 50 percent of the existing submarine building facilities. This is most appalling when we consider the magnitude of the submarine threat facing us.

Although we have constructed an average of only two nuclear submarines a year during the past 5 years, our current construction is at the rate of eight nuclear subs, utilizing about 50 percent of the existing submarine building facilities, with the advantage to the taxpayers of practically 100 percent competitive bid. There is a most appalling factor in this whole picture. The United States, the most industrialized and mechanized Nation in the world today, is permitting the dispersal of qualified personnel from the shipyards that can build nuclear submarines. Our largest submarine shipyard has laid off 800 people since the first of this year, and the present lack of a firm long-range program of nuclear submarine construction disrupts both shipyard planning and employment. Our submarine shipyard production potential is vital to our defense. It is essential that we establish now an orderly build-up of our nuclear submarine fleet and avoid the exorbitant waste of inadequate planning.

Aircraft carriers have had their day. They have won their proper place in history. However, we are only starting to exploit the nuclear submarine. It has given our Navy undreamed-of potential. The Soviets see this clearly—why not we? It is our only hope to maintain freedom of the seas and protect our shores from hordes of missile-firing enemy submarines.

History unfortunately teaches us that the military have seldom recognized the potentialities of new weapons. The countless examples of this blindness are too well known to need enumeration here.

But too often their fallacies go unanswered. For example, Senator ENGLE recently asked a number of pertinent questions relative to the effectiveness of the submarine.

Here are some of the answers:

1. Question. Have we as yet solved the technical problems involved in accurately firing a submerged missile? I understand that gravity information is required concerning the land mass from which a missile is fired and that this gravity information must be coordinated with information as to where the missile is going. I have not been able to figure out how we will get this information with reference to particular points under the sea when the Polaris submarine is traveling from place to place.

Answer. In the design of the Polaris weapon system, we have considered all possible errors which would affect missile accuracy at the target. These errors include naviga-

tional, fire control, guidance, ballistics (free flight), and reentry. Allowances have been made for these errors in arriving at the overall system circular error, probable (CEP). One of the objectives of the test and development program has been to evaluate the various subsystem errors and determine whether or not they fall within allowed tolerances. In each case the errors have been demonstrated to be less than or equal to that needed to achieve the required CEP.

Errors which could result from gravity anomalies have been analyzed in detail. At ranges up to 2,500 nautical miles, errors which could be caused by gravity are insignificantly small—in the order of a few hundred feet. The total weapon system error is determined by taking the square root of the sum of the squares of all contributing errors. The contribution, therefore, of a few hundred feet clearly is small. With longer range, land-based missiles, gravity induced errors will be of greater concern because of the longer time of flight and the fact that they could be sited on a gravity anomaly.

2. Question. Have we been able to solve navigational problems which will make it possible for a submarine traveling under water to know precisely where it is at all times? For instance, what happens to the navigational problems where there are underwater currents exceeding 5 knots? I have been informed that in launching a missile the launch platform must be on the same datum plane as that of the target. Have we solved these problems?

Answer. The SINS (ships inertial navigation system) contained in the fleet ballistic missile (FBM) submarines, in this instance a precision device, continually measures and records the submarine's geographical coordinates with respect to the earth's surface. Thus all movements of the submarine over the earth's surface, whether due to waves, currents, tides, or other influence, are sensed and recorded by SINS. Periodic checks on the performance of the SINS can be made using the navigation methods referred to in the answer to question 5, below.

In order to aline a ballistic missile, the launch position must be directly and accurately relatable to the same geodetic datum as the one by which the target's position on earth is identified. In calculating the missile trajectory, the datum plane need not be the same as that of the target, at least in the Polaris system, because altitude differences between the launch platform and the target are compensated through the fire control system.

3. Question. Am I correct in the information I have that a gyrocompass navigational system degrades substantially when the submarine is deployed in areas above 70° latitude? If this is true, the North Atlantic does not constitute an ideal launching area not only because of ice but because of guidance problems.

Answer. The performance of any and all inertial navigation and guidance systems is degraded somewhat when operated in the polar areas. This applies to inertially guided missiles launched from, or in powered flight in, polar areas as well as to inertial navigation systems operated in the vicinity of the poles. The sea areas above 70° north latitude are the Arctic Ocean and the Greenland and Barents Seas. The North Atlantic Ocean and the Norwegian Sea are excellent areas for launching Polaris.

In the Polaris navigation system, the degradation in performance of inertial components at the poles is compensated for by a combination of methods. These include altering the mode of operations of the SINS and placing greater reliance on other means of navigation.

4. Question. If these questions have not all been solved, or if they have been solved and have not been tested under operational conditions, do you believe it is wise to build a great number of these submarines until those problems are solved and their solutions tested under operational conditions?

Answer. There has never been any question of whether the technical problems in the FBM system development could be solved. The only question outstanding over 2 years ago, when sputnik was launched, was when could they be solved. At that time, this calculated risk was accepted and the system development was accelerated. Exhaustive test results over 2 years' intensive development give full confidence of meeting the goal of achieving an operational capability this fall, and justifying the decision of 2 years ago. With the technical status in such good shape today, there can be no question as to the technical validity of authorizing construction of ships which would become operational 3 years hence.

The recent underwater launch and ignition of the missile and two successful tests of the fully integrated weapon system in an "at sea" environment from the test ship U.S.S. *Observation Island* are further evidence of the continuing progress of the Polaris program under operational conditions. The decision as to the ultimate number of Polaris submarines, or other missile weapon systems currently being developed, has not been made. The final force levels will depend on many factors. The factor of survivability will be one of great importance. Weapon systems which are characterized by unfettered mobility and concealment will be receiving more emphasis in the development of our future weapon systems.

5. Question. If the Polaris submarine must utilize a fixed predesignated, presurveyed underwater point as a part of its initial positioning process, will it not be possible for the Soviets to locate those underwater positions and destroy our submarines either by mining the locations or by using antisubmarine submarines?

Answer. The SSB(N) is not constrained to used a fixed, predesignated underwater point for ascertaining its position. They will be continuously on the move in the vast operating area mentioned above. Moving quietly at low speed, in random fashion, at depths and in areas unfavorable for sonar search, their operations, coordinated with other naval forces by men with years of experience in operating ships, SSB(N)'s will present to a potential enemy a dynamic situation wherein a surprise attack by any means on the great majority of these forces is virtually impossible.

As mentioned above, the precise position of a Polaris submarine is provided by the ships inertial navigation system (Sins). In addition, accurate navigational fixes can be obtained by optical observation of celestial bodies, by radio observation of sun and moon, by electromagnetic navigation systems and, ultimately, by navigational satellites. As the oceanographic community develops charts of the ocean floor, SSB(N)'s will use such information in the same fashion as all ships have used fathometers for many years as a tool to assist the navigator.

In answer to the question that the Polaris operating areas might be mined by the Soviets, there is little reason for concern since the depths of water in these areas make mining infeasible.

6. Question. If we assume that the Soviets have the same technical competence in underwater detection that we have, will it not be possible for the Soviets to locate our Polaris submarines and destroy them?

Answer. In order to give you an appreciation of the ASW problem with which the Soviets will be faced, all one need do is select a target situated in the Moscow, Riga, or Leningrad area and swing a 1,500-mile arc. It will then be seen that, in the Norwegian Sea alone, the submarines have a vast three dimensional area of over 300,000 square miles in which to operate.

There are good indications that the Soviet ASW capability is far less than our own. Therefore, comparisons made on the basis of an equal capability are misleading. In any case, such a comparison would have to include the facts of geography. The Soviets lack a friendly coastline contiguous to the SSB(N) operating areas. This denies them access to shore controlled devices and severely degrades their capability to mount an effective air search without over-flying neutral territory. They would therefore be forced to rely upon surface ships or submarines. The surface ship, with active sonar, searching the extent of a vast ocean area is easily avoided by an SSB(N) who can hear from the active sonar many times farther than its effective range. The SSB(N) proceeding quietly at depths and in areas unfavorable for sonar search, is nearly an impossible target for other submarines to find.

7. Question. Inasmuch as the Polaris is programed for a range of 1,500 miles, does not that limit the areas from which our submarines can launch a useful attack against the Soviet mainland to the Norwegian and mediterranean areas?

My concern here is that during peacetime the Soviets can isolate the areas from which the Polaris can effectively operate, can thoroughly explore those areas for the purpose of determining our possible launch points, and keep those areas under complete surveillance with every type of detection system with which our own scientists are familiar. The present size of the Soviet underwater fleet suggests that the Soviets could practically saturate the limited areas from which the Polaris can operate with antisubmarine submarines and with the attendant detection systems on the sea, under the sea, and in the air. This is what leads me to raise the question as to whether or not the Polaris has the invulnerable characteristic which has been credited to it in information given to the general public. This also raises the question of what will be our response if some of our subs are destroyed and whether it is prudent to expose ourselves in this manner.

Apparently my concern about Soviet tactics in destroying our submarines one by one during so-called peacetime is shared by Admiral Burke because he recently indicated in the Holifield Subcommittee on Military Operations that the Soviet ASW capability could force him to withdraw his submarines to more friendly waters. What bothers me here is that by doing so, they would be deprived of timely response of our strategic systems.

Answer. An SSB(N) armed with a 1,500-mile missile can launch a useful attack on targets in the Soviet mainland anywhere from more than three-fourths million square miles of the North Atlantic (including the Norwegian and other seas), and from virtually anywhere in the Mediterranean. In addition many hundreds of thousands of square miles in the Indian Ocean and Pacific sea areas can also be used to launch attacks against Soviet targets. The destruction of quiet SSB(N)'s in such vast ocean expanses with other submarines is a nearly impossible task. To maintain the well recognized clear lead the United States has in the area of submarine-launched missiles, and to maintain the inherent survivability advantages of this system in the face of any threat, the Navy plans to have by 1965 a Polaris missile, usable in the submarines now under construction, whose maximum range will be about 2,500 nautical miles. So equipped, our Polaris submarines will be able to attack, if required, all known Soviet targets from almost anywhere in some 60 percent of the sea areas of the Northern Hemisphere.

A review of the verbatim testimony before the Holifield committee on March 31, 1960, reveals that the concern which you have expressed over the so-called peacetime operations of the Polaris submarine is not shared

by Admiral Burke. Admiral Burke's statements on possible methods of SSB(N) operation that could be undertaken were in answer to Congressman KILGORE's question which was directed to limited war rather than peacetime operations. Admiral Burke was merely indicating the range of choices available to the operational commander because of the mobility of the Polaris submarines. In a limited war, the overall international situation, the geographical area involved, the general strategic and operational situations would dictate the deployment of all of our forces, including Polaris submarines. It is safe to say, however, that in a limited war the potential threat of deployed Polaris submarines is one factor which is likely to keep the war from becoming general.

In addition to the foregoing enumerated questions you requested information with regard to the comparative costs of Polaris and Minuteman. In comparing the costs of Polaris and Minuteman, it must be borne in mind that the Minuteman missile is roughly a Polaris with a third stage added and with certain additional refinements to enable it to travel a greater distance. From an overall system point of view, a meaningful cost comparison is valid only when the total amortized life of the system is considered in relation to the changing threat over the expected life of the system. Additionally, in computing cost it must be remembered that in systems with high survivability rates the total number of missiles required in our national inventory is less than with more vulnerable systems in order to insure that the requisite number survive.

However, in order to make valid direct cost comparisons between these two systems, detailed total weapon system costs for Polaris and both the fixed and movable Minuteman applications are required. This information is presently being compiled in response to a request from Congressman HOLIFIELD for the use of himself and his committee in comparing the costs of the two systems.

FARM SURPLUS REDUCTION ACT OF 1960

The SPEAKER pro tempore. The Chair recognizes the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Speaker, I yield myself such time as I may consume, after which I will yield 30 minutes to the gentlemen from Illinois [Mr. ALLEN].

Mr. Speaker, as a reading of House Resolution 564 has shown, it provides for consideration of H.R. 12261, a bill to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price-support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes.

The resolution provides for an open rule, with 2 hours general debate. I think it fair to say to the Members of the House that the bill is a controversial one and one which should be considered by the Committee of the Whole very carefully, if the rule is granted.

The bill consists of three titles. The first deals exclusively with wheat and will offer wheat producers a choice between two entirely different wheat programs. Program A entails tight production controls, a reduction of 25 percent in wheat acreage, price supports at 85 percent of parity, and payment in kind for retired cropland.

This bill is similar to a bill which was passed in the House and in the other body and which was vetoed by the President.

Program B involves unrestricted wheat production with price supports at approximately the feed grain level, and a 3-year extension of the soil bank conservation reserve. This is the program presented by the American Farm Bureau.

Title II deals solely with feed grain. This title is enabling legislation which will authorize and provide the machinery and the guideposts for feed grain producers to work out their own production and price stabilization program and present it for ratification by the Congress.

Title III is designed to increase substantially the quantity of dairy, poultry, and meat products distributed to the needy, to institutions, and through the school lunch program. It would be carried out under the direction of the Secretary of Health, Education, and Welfare through the facilities of the Commodity Credit Corporation and in such manner as to assist the price support and stabilization programs authorized in the first two titles of the bill.

The cost of administration would be charged to the Department of Health, Education, and Welfare rather than to the Department of Agriculture.

As I stated at the outset, wheat legislation is always controversial. There will be those who will say that no bill at all should be passed. There will be others who will say that they would prefer some other program. What I feel the people of the country are insisting on is that the Congress act in time to reduce the tremendous cost for the storage of wheat, to somehow or other reduce this great surplus we have. The only way I know for the House to act in time is to adopt the rule, to consider whatever amendments are offered to the bill in the hope that we can bring out a fair and satisfactory program for the support of wheat and the other commodities which are contained in this bill, and which will afford the farmers of America their fair share of the economy with a minimum of restrictions and without imposing a burden on the taxpayers of the Nation.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Texas has consumed 4 minutes.

The gentleman from Illinois is recognized.

Mr. ALLEN. Mr. Speaker, I yield myself such time as I may require.

Mr. ALLEN. Mr. Speaker, the other body has passed a wheat bill. This legislation being called up under an open rule, permits the Senate bill to be offered as an amendment in lieu of this bill. As far as I have been able to understand, the Senate bill follows the general guidelines suggested by the President of the United States. Why under these conditions and circumstances we should be considering this most complicated and controversial bill at this time when we are so near adjournment instead of accepting the Senate bill I really cannot understand.

The Senate bill takes care of the little wheat farmer where this bill is designed and intended to take care of those who raise hundreds and hundreds of acres of wheat. I hope therefore that when the Senate bill is offered as a substitute for the House bill it will receive the approval of this body.

Mr. Speaker, I cannot understand who is for this bill that is before us. The American Farm Bureau, the greatest, the largest farm organization in the United States, wrote me the following letter:

WASHINGTON, D.C., *June 20, 1960.*

Hon. LEO E. ALLEN,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ALLEN: We recognize that you are very busy during these closing days of the 86th Congress; however, we hope you will take time to read the attached statement regarding the Poage bill, H.R. 12261.

There can be little question about the need for corrective legislation to deal effectively with the wheat problem. However, the Poage bill moves in a direction that will further aggravate the situation.

The provisions of this legislation are unsound. It not only fails to solve the wheat problem but also threatens to create new problems for the producers of feed grains, livestock, dairy, and poultry products.

We urge (1) that you vote aganist the rule for consideration of this measure; (2) should the House vote to consider this bill, we recommend the elimination of all provisions except subtitle B. (See last paragraph of attached memorandum.)

No plan will solve the basic problem or serve the long-run interests of farmers, including wheat and feed grain farmers, unless it encourages market expansion, reduces incentives for the production of unneeded supplies, minimizes economic hardships on wheat growers, and avoids shifting the burden of adjustment to other farmers.

Sincerely yours,

CHARLES B. SHUMAN,
President.

There is no question as to the need for constructive action to deal with the wheat surplus problem. Instead of providing a long overdue solution to this problem, H.R. 12261 is the sort of "political poultice" to which President Eisenhower made reference in his farm message to the Congress earlier this year.

No more revealing point can be made in this regard than the metamorphosis of this bill itself. At first it was titled the "Family Farm Income Act of 1960." In the first major revision of it the word "Income" significantly was deleted. In the second major revision the phrase "Family Farm" was dropped from the title and it now is known as the "Farm Surplus Reduction Act of 1960." First the "Income" was dropped out of it and then the "Family Farm" was dropped out.

If what remains would in fact reduce farm surpluses in a workable manner, it would be worthy of consideration by this body; however, it does not even do that.

This bill would not deal effectively with the wheat surplus problem. It is a political dodge of the first order. Instead of dealing responsibly with the problem it provides for a loaded referendum. I say "loaded" because an effort is made to bribe producers into choosing the high support and control

program by means of a 55-percent payment-in-kind provision.

Furthermore, so far as the proposed referendum is concerned, most of the wheat growers would be disenfranchised. The Revolutionary War was fought over the question of taxation without representation. It is difficult to comprehend how a voting procedure that disenfranchises 60 percent of the wheat growers can be defended.

This bill would allow the whole future of the conservation reserve program which affects all farmers—and nonfarmers as well—to be decided by a minority of the producers of one commodity.

The proposed payment-in-kind rates are at least twice as high as the rates paid under the conservation reserve program to farmers throughout the country. It is difficult to comprehend how this kind of discrimination among farmers can be defended. I would not want to try to defend it in my district.

The increase in support level provided under alternative A is unsound. On the basis of the present parity price an increase in the support level from 75 percent to 85 percent of parity would increase export program costs 24 cents for every bushel exported. With exports currently running around 475 million bushels per year, this would mean an increase of $114 million in the cost of export programs.

Alternative B in title I has some real merit; however, as the bill is drafted it is doubtful if it could become operative.

Not only does H.R. 12261 not solve the wheat problem, it creates new problems for producers of other commodities.

The authorization provided in title II is sort of a hybrid between the infamous Brannan plan and the old Blue Eagle—NRA.

The prohibition against use of commodity loans and the express authorization to use alternative income stabilization methods means to me they are trying to grease the skids for a Brannan plan type program.

You will recall what the Supreme Court said about this sort of delegation of congressional authority. The Court held as follows:

> Congress cannot constitutionally delegate its legislative authority to trade or industrial associations or groups so as to empower them to enact laws they deem to be wise and beneficent for the rehabilitation and expansion of their trade or industries, and such delegation cannot be validated by a legislative preface of generalities as to permissible aims. (*A. L. A. Schechter Poultry Corporation* v. *U.S.* (N.Y. 1935, 55 S. Ct. 837, 295 U.S. 495, 79 L. ed. 1570, 97 A. L. R. 947).)

Legislation authorizing marketing quotas for corn was in effect from 1938 to 1958. In this 20-year period five different Secretaries of Agriculture consistently avoided proclaiming marketing quotas for corn even though this occasionally required the use of a sharp pencil in figuring supplies and disappearances.

Also the food distribution plan provided by title III is unnecessary and unsound.

H.R. 12261 does not provide a satisfactory basis for House consideration of wheat legislation. As that old, old story goes, "You can't get there from here."

What is needed is for the House Agriculture Committee to come up with a constructive solution to the wheat problem—one which is designed to find an economic solution to this problem—one that has a chance of being enacted into law.

This bill should be opposed because:

First. It calls for a system of doles and controls.

Second. It is even more costly than the present program.

Third. It destroys the influence of the family farm in American agriculture.

Fourth. No hearings were held on the bill. It is substantially different from two previous versions which failed to get committee support.

Fifth. It provides for unsound and unnecessary alterations in the present successful surplus food distribution plan for needy people.

The bill consists of three titles—"Wheat," "Feed Grains," and "Food Distribution."

TITLE I—WHEAT

The wheat title is unacceptable because:

First. It does not let the small wheatgrower vote in the first referendum.

Second. It would increase the already high cost of the wheat program by $100 million or more a year.

Third. It goes contrary to the President's recommendations by both increasing export subsidy and the financial incentive to maximize yields per acre.

Fourth. Diverted acres tend to increase production of nonsupported crops and cause new problems to growers of vegetables and many other crops.

Fifth. Relatively few wheat farmers would determine the fate of the conservation reserve program for all farmers. The payments for the conservation reserve are excessive.

TITLE II—FEED GRAINS

The feed grain provisions of this bill are unsound because:

First. Congress would abdicate its responsibility to a nongovernmental committee which would have authority to impose controls and withdraw from the U.S. Treasury up to $600 million for a feed grain program. In the absence of congressional disapproval within 30 days, such a program would become law.

Second. This unprecedented scheme of lawmaking might encourage Treasury-raiding opportunities for other groups in and out of agriculture.

Third. The costly referendum plan would discriminate against the small farmer by limiting the voting to growers of $500 or more annually.

Fourth. Provision is made to adopt the discredited direct payment Brannan plan.

Fifth. Funds for this plan would not be subject to the regular appropriation process. No limitation is placed on the amount any one individual could receive.

Sixth. The high price of the grain would cause export problems, increase export subsidies, and undermine current efforts to liberalize trade.

TITLE III—FOOD DISTRIBUTION

The section pertaining to the distribution of protein food is unworkable because:

First. It would put HEW in the agriculture business for which it has no experience, and would duplicate and complicate the functions of USDA.

Second. Having made it difficult for low-income people to buy food, the Government would then donate these foods free to the needy.

Third. It takes responsibility for caring for the needy from local and State authorities where it belongs and recklessly expands welfare assistance in the hands of Federal authorities.

In conclusion, Mr. Speaker, may I say that personally I am not going to fight the rule or ask for a rollcall. There are Members who know more about agriculture than I do, and they should be heard. After you hear them I am convinced that the majority of you will vote to substitute the Senate bill. While that bill is far from being a sound and practical bill it is far superior to the one being considered today.

Mr. CHIPERFIELD. Mr. Speaker, will the gentleman yield?

Mr. ALLEN. I yield to the gentleman from Illinois.

Mr. CHIPERFIELD. Mr. Speaker, farm production has been running from 4 to 8 percent above the volume that can be moved into domestic consumption and export under existing programs.

The resulting accumulation of surplus stocks has depressed market prices for current production and imposed a heavy cost on the public Treasury.

This situation must be corrected if farmers are to have the opportunity to earn and get high per family net incomes.

The fundamental thing that must be done to bring farm production into balance with market needs, is to stop supporting prices at levels that encourage unneeded production. Enactment of the Agricultural Act of 1958 was a significant step toward more realistic price support levels for cotton, rice, corn, and other coarse grains.

Experience with past programs clearly indicates the difficulty of controlling production by taking acreage out of production in the face of price guarantees that provide an incentive for increased production. The chief lesson to be learned from past experience with acreage retirement and control programs, is that the provisions of all programs affecting production must be consistent with our production objectives—if such objectives are to be achieved.

A properly administered conservation reserve, of adequate size, could greatly facilitate the adjustments that are needed to bring production into balance with market needs—but only if the effects of withdrawing land from production are not offset by price support levels that provide an incentive for increased production.

As a temporary measure to help farmers in adjusting production to current needs, I favor a properly designed and

administered conservation reserve program which, first, retires land that otherwise would be devoted to crops; second, keeps land out of production for a long term of years; third, prohibits harvesting or grazing of land under the program; fourth, encourages farmers to put entire farms in the reserve; and fifth, secures sufficient participation to reduce production substantially, bringing total agricultural production into balance with domestic and foreign market demand.

Land is only one of several factors that affect agricultural production, but it is a very important factor.

The 1954 Census of Agriculture indicates that we have a total of 459.6 million acres of cropland. In 1959, 22.4 million acres, or 4.9 percent of our total cropland, were held out of production under the conservation reserve program. The 1960 conservation reserve program will withhold 28 million acres, or 6.1 percent of total cropland. Because of the relatively low rental rates paid under the conservation reserve program, much of the land currently in the reserve is marginal land with a low level of productivity. As better land is retired through the progressive expansion of the program, the effects on production will be materially increased.

I recommend extension of the USDA's authority to enter into new conservation reserve contracts for 3 years with adequate funds to increase the reserve acreage at a rate of 5 million acres per year to a total of 43 million acres in 1963.

I estimate that these recommendations for expansion of the regular conservation reserve would require that the appropriation for rental payments be increased at a rate of $65 million per year for 3 years—that is, from $335 million for 1960 to $400 million for 1961, $465 million for 1962, and $530 million for 1963.

In addition, as an integral part of the legislation for wheat, subtitle B of title I would raise the total amount of land in the conservation reserve from the 43 million acres proposed above to 60 million acres at the end of 3 years. At least half of this proposed additional authorization of 17 million acres signed up the first year to cushion the adjustment to the proposed new wheat program.

The net effect of these recommendations on the size of the conservation reserve program would be about as follows:

[In millions]

Year	Proposed acres in regular program	Additional acres under wheat bill	Total acres in reserve
1960	28	----------	28
1961	33	9	42
1962	38	13	51
1963	43	17	60

By dividing the recommendations for expansion of the conservation reserve, I recognize that, first, the present conservation reserve is performing a valuable function in helping individuals make needed adjustments—particularly where whole farms are being placed in the reserve, and where marginal land is being diverted from crops to grass or trees; and second, the conservation reserve cannot make a maximum contribution to the solution of the wheat problem unless accompanied by a major overhaul of the existing wheat program.

Mr. THORNBERRY. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Speaker, I was happy to learn that the minority member of the Rules Committee did not advocate defeating this rule. We have heard some rumors this morning that there was a move on to defeat the rule. I am not going to speak about the bill itself today but I am going to address myself to the adoption of the rule to consider a farm bill which many of us feel would make a great contribution toward solving the farm problem.

Those who might want to evade their responsibility and take the easy way out would probably vote against adopting this rule in an effort to try to wash their hands of any responsibility for dealing with what is unquestionably the greatest domestic problem we have today, one that is affecting our economy the most.

In my opinion, it would be impossible for our committee or any group consisting of even three people to sit down and agree on a farm bill that met every objective they would like to see met. We had considerable difficulty in our committee but I will say that during the almost 10 years I have been a member of the Committee on Agriculture I have never seen a more dedicated effort to try to arrive at a solution of this problem than was exerted by the members of the committee in reference to this bill.

Again I am not going to tell you that this is the perfect answer to the farm problem. It is not. It does attack some of the problems.

I do want to mention one thing, however. The gentleman from Illinois spoke about the Senate bill and suggested that it be adopted as it pertains to wheat.

Now, Mr. Speaker, that is one of the very reasons why I think this rule should be adopted. Only by adopting the rule here today do we have any assurance that the Senate bill, which deals with wheat, can even be considered here in the House. I think that I know something of the ideas and the opinions and the feelings of the members of the House Committee on Agriculture, and I think I am correct in saying that the Senate bill, if it is considered by our committee, will not be reported out. So, if you want to act on this Senate bill, you should adopt this rule here today.

Now, the gentleman from Illinois made another statement that I do not agree with. He mentioned the fact that all three of the large farm organizations were opposed to the bill. I do not agree with that, and I do not think the record will bear it out. The Farm Bureau is against the bill. Our committee—at least the majority of us—has found that they have been opposed to any of the solutions which the majority party has advocated. I think everyone understands that. Furthermore, I think some of the people on my left do not agree with the Farm Bureau's stand. When the gentleman mentioned that the Grange was opposed to this bill, I would question that. My information is that the Grange has said that they have taken a neutral attitude. As regards the Farmers Union, I think I can state correctly that the authorized representatives of that great organization have told the members of our committee that they favored this bill as it is written.

But, again, what I am trying to bring to the attention of the Members here today, my friends, is this: If you are interested in doing something for the farm problem, you will vote for this rule. It is an open rule. It will give an opportunity for you to strike from the bill anything that you do not like. It will give an opportunity for the gentleman from Minnesota, the gentleman from Kansas, or Representatives from every other area of the country an opportunity to offer any solutions that they have, and let the House work its will. The thing I want to impress upon you today, especially those who might be inclined to vote against this rule, is this: It is the only chance that you are going to have before the Congress adjourns to do something for the farmer, and if you vote against this rule, you are going to say in effect that you do not want to do anything for the farmer.

Mr. ALLEN. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, when this bill was originally before the Committee on Rules, I was very much in hopes that we might be able to report some other measure relating to the national farm problem that would be more satisfactory to the House, to the Congress, and to the administration. But, now we have only this particular bill before us.

As has been said by the previous speakers, there is no question but that we do have a great and real farm problem confronting us here in the United States. We have great farm surpluses, primarily in wheat.

This bill, of course, was presented to the Committee on Rules with the agreement by its proponents that it was a solution for our present farm problem, and especially so, as far as the great wheat surplus we have with us here in this country.

Mr. Speaker, as I studied this bill in the Committee on Rules and heard the arguments for and against it, I became convinced in my own mind this piece of legislation, as it will be presented under this rule, is not the answer to the agricultural or farm problems which confront us. I realize fully we have to do something; that we should do something here and now to meet the costly and great wheat surplus that is plaguing the Nation, and has plagued the American people for so many years. However, this may be the only opportunity we will have to consider amendments and changes in the present farm laws. In my opinion, this bill does not, in itself, solve any of the problems or answer any of the questions which trouble the Nation. It will not reduce costs to the Government.

It will not reduce, in any substantial degree, the production of wheat. Instead it will work to the benefit of the large wheat farmer, and to the detriment of the small family-owned farm, and the little wheat producer of the country.

I am especially interested in the fact that this bill will do nothing for the Midwest producer of wheat, except injure him, and especially so as to farmers in the States east of the Mississippi where we produce only soft winter wheat which is not in surplus, never has been in surplus, and should not come under any Government controls.

I feel also that the small grain section of this bill would be of great detriment to the farmer on the family-sized farm of the Midwest. After all, if you look at this bill carefully, I feel you will agree with me that we must amend it greatly if we are going to have any kind of workable farm legislation come out of this Congress.

In my opinion, while it is not perfect by any means, the farm bill passed recently by the Senate would be less costly, more workable, and a better measure than the one that was presented to us here by the House Committee on Agriculture.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman.

Mr. AVERY. In view of the gentleman's long experience as a member of the Committee on Rules, I wonder if he can enlighten us on this point. The gentleman from Missouri [Mr. JONES] who preceded the gentleman from Ohio [Mr. BROWN] made the statement, I believe, that this would be the last chance the House would have to work its will on farm legislation during this session. That does not necessarily follow, does it?

Mr. BROWN of Ohio. No. I cannot speak for other members of the Committee on Rules, but my judgment of the membership of that committee is this; that the committee would quickly report to the floor of the House any legislation the committee believes would be of any help in solving these important farm problems.

Mr. AVERY. Mr. Speaker, will the gentleman yield further?

Mr. BROWN of Ohio. I yield.

Mr. AVERY. It is my recollection that in 1958 we had a labor bill that came over from the other body, lay on the Speaker's desk, and was taken up under suspension of the rules. Would it not be possible for this Senate bill to which the gentleman referred to be taken up later on under that procedure?

Mr. BROWN of Ohio. Certainly; it could be called up at any time under that procedure.

Mr. Speaker, in conclusion let me say this. If you will study the pending bill, which this rule makes in order, you will find about 70 percent of the small wheat producers of this country will have nothing whatsoever to say as to what sort of program or plan they will come under. Instead, the control of wheat planting will rest with the large wheat producers of the country. A great many Members of this House come from States, like my own State of Ohio, where wheat is grown not as a money crop, but primarily as a rotation crop, or as a cover crop, and where our soft winter wheat is not in surplus supply. Instead of permitting these little farmers to do as they have been doing, even under a bad law, they will be crucified, under this bill, by the big wheat operator of the far West, and the small grain producers of the same areas.

Mr. Speaker, I certainly hope this bill will be considered carefully, and that the much needed amendments that will be offered to it will be given every proper consideration.

Mr. THORNBERRY. Mr. Speaker, I yield such time as he may desire to the gentleman from Nebraska [Mr. MCGINLEY].

Mr. McGINLEY. Mr. Speaker, I rise in support of adopting the rule on H.R. 12261.

I am privileged to represent a district which includes some of the finest wheatlands in America. Despite the ingenuity of our applied science in attaining such a high degree of efficiency in farm production—and, ironically because of the impact of such advances—the American farmer, and particularly the wheat farmer of the Western Plains States is faced with a very dismal economic picture, both presently and in the future.

H.R. 12261, very likely, has some defects, and there are parts of it that are not completely favored by me. However, I think that it must be passed in order to indicate our sense of responsibility to the farmers of the Nation. At best, however, it should be considered as only a temporary measure, to try to maintain the income of the farmer at the present level—which is admittedly low—for at least 1 year, or possibly a little longer until we can formulate more comprehensive legislation for the long term ahead. The 85–25–55 combination in the House committee bill would do just about that—to maintain the present level on prices. But on this portion of the measure there is no room for compromise. It is the limit to which we can fairly ask the farmer to go in cutting production and price.

It is important, too, in the fact that it presents to the wheat farmers of the country a clear choice of alternatives in a type of program for them to live under for the next few years. It presents a much clearer and more meaningful choice, both in effects and in principle, than was available in the corn referendum 2 years ago. They will have a choice of a higher support and more strictly controlled program, with the purpose of eliminating our huge surplus stores—and a program offering wide-open production and lower and lower price supports, with no hope of cutting down the damaging surplus effectively for the relief of the taxpayer, who is now rightfully screaming about the high cost of our farm programs with the large storage costs that are being carried.

Although it is within the province of Congress to legislate a definite program, without a referendum, I recognize that in such a controversial subject where the farm groups themselves are not united completely in a single approach, it is difficult for Congress to pass a definite farm program. Therefore, since it is unlikely that the matter can quickly be decided by the politicians—and I use the term respectfully—I think we should offer some determination to the farmers themselves.

May I say that I do not believe that H.R. 12261 represents the best proposal that has been submitted to Congress. I still look for the day when the proposal embodied in H.R. 11018 which I have introduced along with many other of my colleagues from both political parties, will be accepted. It is a refinement of the so-called domestic parity plan which has been presented to Congress before. In fact, it has sound roots in principle back to the 1920's in the McNary-Haugen bill that was presented then, offering a two-price system, one level for domestic purposes, and another level for foreign export trade in the world market. It also offers the benefit of a marketing quota of bushels of wheat as the method of allotting a share of marketable wheat to the farmer. This system would be in lieu of the present system of trying to control production by means of acreage allotments. Everyone must admit that with the advances of science and improvements in fertilizing and cultivating methods, that the acreage-allotment control system has not effectively controlled our production. The result is that the present farm program has been marked as the "cause" of the agricultural crisis we now have with us.

H.R. 11018 and companion bills would allow the farmer the freedom to plant all the wheat he wanted to raise and to use it in any manner he wanted and sell it as he wanted—except that portion of his bushel allotment which would go for primary use. Yankus could come home.

This bill, sponsored by the National Wheatgrowers Association, The National Farmers Union, and the National Grange was listened to with interest in the Committee on Agriculture. The proponents were praised for their industry in presenting a fair measure. I understand, however, that it was not considered by the committee as a vehicle for current floor consideration, first because the essentials of it have previously been approved by the Congress and subsequently vetoed by the President, and secondly because some said it was too complicated.

The latter I disagree with. I express my regrets that this measure has not been reported to us as the Wheat Act of 1960.

Having said that, and having the highest respect for the members of the Committee on Agriculture and understanding somewhat their problems in this field of lawmaking, I am ready to accept the House committee bill.

Next it is most important that we do not give our approval to any amendments to the committee bill which would substitute the unfortunate Senate bill, embodying a 75–20–50 formula. This would be ruinous to the income potential of our wheat farmers, and an adequate reduction of surplus would still not be

accomplished. I urge my colleagues to vote for the rule and to support the committee bill as the best offering that can be presented to the American public in the last days of the 86th session of Congress, and one that will mark a substantial advance in our overall agricultural situation.

Mr. THORNBERRY. Mr. Speaker, I yield 5 minutes to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. JOHNSON of Colorado. Mr. Speaker, I rise in support of H.R. 12261. I would like to take this time to reduce the issues involved in the debate over wheat policy to terms which can be understood immediately by every citizen, and especially by every housewife. When we talk in terms of parity and dollars and cents per bushel we are talking of what are essentially abstract sums.

I hold in my hand a plastic bag containing the amount of wheat needed to make the flour that goes into a loaf of bread. This sack contains 14.3 ounces of wheat. The farmer who grew this wheat—which, incidentally, was contributed by the National Association of Wheat Growers, and is prize-winning Nebraska wheat—got 2.3 cents for the flour value of this wheat. Yet this loaf of bread which I purchased at a nearby store sells typically for 20 or 21 cents. The wheat flour is the major component of the loaf of bread.

There was a time, in 1947, when the farmer would have gotten 2.7 cents for this wheat flour, and you could have bought a loaf of bread for 14 cents, in any store. While the price of wheat has gone down, the price of bread has gone up. If H.R. 12261 is enacted, the farmer next year might hope, depending on which option the farmers choose, to receive 2.6 cents, or an additional 3 mills for the flour that goes into a loaf of bread.

He also gets an extra 3 mills from the mill feed value left, after the flour is extracted from the wheat, and contained in the bran and wheat germ. It is obvious that the housewife is paying enough for food to give the farmer a fair price for it. What is not so obvious is that this price is not fair.

I placed in the CONGRESSIONAL RECORD on March 19 last year an analysis showing that a competent Colorado wheat farmer, with an investment of $175,000, is lucky to make a modest wage for his labor, and he gets nothing from his investment. Or if you could assume that his labor is for free, he is getting only 3 percent on his investment. The farmer is entitled to a fair return on both his labor and on his capital just as is any other worker or businessman, and the farmer is both. It is also alleged that if we would simply cut support prices the farmer would stop producing surpluses. This ignores the practical fact of the farmer's life. He has high fixed costs in taxes and insurance, for support for himself and his family, for seed, fuel, and maintenance of his equipment, all of which must be met regardless of the price. Every time the price per unit is reduced the farmer is driven to increase his output so as to try to maintain his gross income and keep from bankruptcy.

It is also argued that there are too many farmers and too many acres in production, and the theory seems to be that if the Nation would force farmers out of farming this would reduce surpluses. But the wheat is produced on acres, and as farm sales occur—and the number of farm sales is rising—this acreage is taken over by other farmers seeking to use their equipment more efficiently and to increase their wheat base acreage, and the result is that the land is farmed at least as efficiently by the next operator as by the present one. Reducing the number of farmers will do nothing to take acreage out of production.

Fortunately the passage of H.R. 12261 will greatly cut into the surpluses because it will reduce acreage by 25 percent. Reducing acreage does not reduce the farmer's costs proportionately. His fixed costs continue. He has only a modest saving on feed and fuel. Consequently it is essential if our wheat farmers are not to be driven into bankruptcy to raise the parity support level, as H.R. 12261 proposes to do, so that the farmer maintains the same gross income. This will still be a saving to the taxpayers because the 25-percent cut in acreage will have an almost proportional cut in output. It will bring next year's crop below our current utilization, and then draw down the surplus.

I am sending every Member of the House a detailed analysis of a typical wheat farm investment, income, and expense sheet, and an explanation of the relationship between urban and rural economics, together with an explanation of the bill. Before we vote on this bill tomorrow I urge every Member to review these materials. I include them at this point in the RECORD:

COST AND PROFIT ANALYSIS FOR A TYPICAL COLORADO DRYLAND WHEAT FARMER

Here is an example of actual income and actual costs. It is based upon experience of a farm, consisting of 960 acres of good farmland, in the hard-wheat section of northeastern Colorado. This is an owner operated unit, using modern equipment.

The operator is in compliance with the ASC program, planting his allotted acres to wheat and his excess acres to barley.

The operator combines all of his grain, but hires barley windrowed. He hires extra trucks during harvest. He does all of his own work, except that he hires one extra man during harvest.

He does nearly all of his own repair work and utilizes some work of children during summer. He does his own tax and accounting work.

Of the 960 acres, 480 acres are in summer fallow, and 480 acres are in cropland. He has a 300 acre wheat allotment and has 180 acres in barley. He is currently earning 75 percent of parity (or some $1.60 per bushel—farm stored). He is getting 20 bushels to the acre.

On his 300-acre allotment, at 20 bushels per acre, he is producing 6,000 bushels of wheat a year. At $1.60 a bushel, his gross sales in wheat amount to $9,600.

The farmer also has 180 acres available for other crops. He is getting 30 bushels of barley per acre. He is producing 5,400 bushels and selling them at 80 cents per bushel, so his barley earnings amount to $4,320.

Total gross earnings, $13,920.

As with any businessman, this farmer has a heavy investment and is faced with operating costs.

INVESTMENT IN REAL ESTATE AND EQUIPMENT	
960 acres land at $150 per acre	$144,000.00
Tractor	5,300.00
Combine	8,300.00
One-way	1,000.00
2 rod weeders	600.00
1 chisel	1,000.00
2 grain drills	1,600.00
1 truck with hoist	4,000.00
1 pickup truck (used)	1,000.00
Shop equipment	1,000.00
Shop and storage building	9,000.00
One-half of automobile ($3,000)	1,500.00
Total investment	178,300.00
(6 percent interest on investment, $10,698.)	
OPERATING EXPENSES	
Taxes	1,518.00
Labor	200.00
Seed	700.00
Supplies purchased	200.00
Repairs and maintenance	750.00
Gas, diesel fuel, oil and grease	1,212.80
Insurance	159.85
Electricity and telephone	150.00
Trucking	456.00
Automobile upkeep (farm share)	100.00
Repairs to wells and buildings	50.00
Miscellaneous	25.00
Total operating expense	5,521.65
DEPRECIATION	
Farm equipment, $25,300 at 10-year life	2,530.00
Shop and storage building $9,000, 30 years	300.00
Total depreciation	2,830.00
Total operating expense	5,521.65
Total operating expense and depreciation	8,351.65
Total gross income	13,920.00
Total operating expense and depreciation	8,351.65
Net operating income	5,568.35

NOTE.—This is the amount the operator has for his management and labor, for his living for himself and family, to pay income tax, personal tax, car expense, etc., and for interest on his investment.

If you allow nothing for his labor, and the costs of subsistence, his return is only 3.12 percent on his investment, $5,568.35, divided by his investment of $178,300, equals 3.12 percent.

Assuming the labor of the owner is worth $5,500 to manage and operate the farm, he has no return on his investment. (For the detailed analysis, see the CONGRESSIONAL RECORD for Mar. 19, 1959.

WE NEED EACH OTHER

The welfare of the urbanite is intimately linked with the welfare of the farmer—we need each other. The farmer produces 65 percent of the raw materials used in industry in addition to producing the Nation's food and fiber. It is obvious that urbanites as well as farmers have a vital interest in the outcome of proposed farm legislation.

Herein is a quick review of how the farmer affects his city brother, a look at the current farm situation, and a short analysis of H.R. 12261.

FARMERS AS CONSUMERS

There are twice as many jobs in industry serving farmers as there are farmers. These farmers are yearly buying $14 billion worth of farm supplies. For example, each year farmers buy 6½ tons of steel, consume 17½ billion gallons of crude petroleum, and use 285 billion pounds of raw rubber. It takes $6 billion worth of containers and packing materials alone to pack the food that U.S. farmers raise in 1 year. And farmers are steadily purchasing more products from nonfarmers—between 1951 and 1960 farm purchases of motor supplies and vehicles were up 40 percent and purchases of building materials were up 7 percent. In short, 16 million Americans in manufacturing, processing, and distribution are dependent upon the farmer for their jobs.

FARMERS AS PRODUCERS

American farmers make up less than 1 percent of the world's population, but they provide 20 percent of the world's meat, 30 percent of the milk, and 40 percent of the corn; one farmer feeds himself and some 20 others in this Nation alone. A farmer's output (per man-hour) is up 65 percent since 1950—this must be regarded as a blessing, not a curse, for the United States will never lose power due to a food shortage.

FOOD COSTS

Farmers are now receiving only 38 cents of the housewife's food dollar. If the wheat farmer in Colorado gave away his wheat, you'd still pay 18 cents for a 20-cent loaf of bread. In the 10-year period 1948 to 1956, the annual food costs for the average American family rose by $260—marketers and processors received $253 more, food importers got $15 more, and farmers received $8 less.

FARM SITUATION

In 1958, total farm production was 29 percent higher than in 1947, yet the net income of farmers (including Government payments) was down 25 percent. At the same time factory wage rates rose 33 percent, the cost of living increased 23 percent, and corporate profits rose 20 percent, farm income dropped 16 percent. These figures mean that the average farm income is around $2,547 while the average nonfarm income is some $6,470. They mean that there are 18 percent fewer farms since 1951 and that the toll of distress sales is rising throughout the Nation (the Wall Street Journal recently found a 50 percent increase in farm sales in 15 major farm States). They mean that the farmer's buying power is the lowest it has been in 20 years.

FARM SUBSIDIES

The total cost of farm price supports have really been only about 10 percent of the cost of financial aids to industry. From 1946 to 1956 mail subsidies amounting to $6 billion were paid to newspapers and magazines, business reconversion payments amounted to $43 billion, subsidies to maritime companies from 1938 through 1957 totaled $3.5 billion, and subsidies to the airlines amounted to $614 million during the same period. And furthermore, only about half of the $6 billion farm subsidy figure actually went to farmers. The rest was used to provide services for the entire population. These services included scientific research and education, grading of food products, forest services, soil conservation, and food inspection. They provided school lunch programs and fed hungry people throughout the world. We should also not forget that a large part of the budget used for commodity loans and purchases is being paid back to the Government.

SIMPLE FARM ECONOMICS

A farmer receives his income from units of products marketed; these units may be represented by such measurements as bushels, bales, gallons or pounds. When the farmer receives a lower price per unit, he naturally increases his number of units to try and maintain a steady gross income. Lower prices per unit do not mean that the farmer will lower production and reduce his number of units (as is often the case in manufacturing), because the farmer must continue to meet the mortgage payments, to buy tractors and other equipment, and to take care of insurance payments and family living expenses. The farmer has high fixed costs and low variable costs. In the short run, prices only need to cover variable costs. For manufacturers, the low fixed cost and high variable cost means that a sharp drop in price will reduce output. Furthermore, you can shut down a factory, you can't really shut down a farm, or a cow.

Therefore, even depression prices do not substantially decrease production under the so-called sliding scale of parity. We must never forget that in the past, depressions have often been farm-led and farm-fed. This is one basic reason why the administration's policies of lowering prices to the farmer in an effort to lower production and reduce surpluses have not and cannot work. Adequate farm legislation is a must.

H.R. 12261

The House Agriculture Committee's farm bill, H.R. 12261—The Farm Surplus Reduction Act of 1960—differs from the Senate wheat bill in three major ways. The House bill uses a different formula for acreage allotments, contains a special provision for feed grain producers, and incorporates a provision for distribution of high protein foods to the needy.

TITLE I—WHEAT

The wheat farmers would have a choice by referendum between two different wheat plans. Plan A provides for a 25 percent reduction in wheat acreage and provides for 85 percent parity of allotted acres and calls for payments-in-kind from surplus stocks equal to 55 percent of the average yield on the acres taken out of production. Plan B provides for unrestricted wheat production with price supports at around 50 percent of parity. It also calls for a 3-year extension of the soil bank to establish a reserve of 60 million acres. In giving wheat producers a choice between Plan A and Plan B, the Congress would be following the President's message of last January in which he indicated he would pass a bill which allows "the farmers themselves to choose between realistic alternatives."

The Senate wheat bill provides for 75 percent parity with a reduction of 20 percent in acreage with payments-in-kind equal to 50 percent of the reduced acreage. The House bill will do a better job of cutting surpluses and maintaining a reasonable farm income—yet, it won't raise the price of bread.

TITLE II—FEED GRAIN PRODUCERS

This authorizes feed grain producers (corn, grain sorghum, barley, oats, and rye) to work out their own production and price stabilization program which would then be ratified by Congress. The program would then go into operation when approved by two-thirds of the feed grain producers.

TITLE III—DISTRIBUTION OF PROTEIN FOOD

The Secretary of Health, Education, and Welfare is authorized to distribute dairy, poultry, and meat products to needy persons, to eligible institutions, and through the school lunch program. The size of the program would be established by annual appropriations and surplus stocks would be utilized when available.

Mr. ALLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. ANDERSEN].

Mr. ANDERSEN of Minnesota. Mr. Speaker, I commend the Committee on Rules for its action in bringing a farm bill before us with an open rule in order that our farmers may have their full day in court. We have had a long wait and should make the most of this opportunity to do something constructive and worth while for agriculture.

If I spoke harshly of the committee in recent weeks regarding the delay in granting a rule, I beg the indulgence of the distinguished members of the Rules Committee and their understanding of my concern. The committee has rendered great service to the Congress and to the Nation and I would be the last person on earth to categorically condemn the Members for their caution and deliberation when it comes to granting rules.

But the rural business and agricultural communities of our Nation are in serious economic straits, and businessmen as well as farmers are entitled to full and fair consideration of their problems.

In my judgment, the farm problem is the number 1 domestic problem facing us today. The economic slump in the Midwest is not localized. It reaches into all corners of our land. The lack of purchasing power in rural areas has its impact upon the automobile plants in Detroit and the steel mills in Pittsburgh, and industrial interests all over the Nation are feeling the effects. If this decline in our rural economy is not promptly reversed, our entire Nation and probably the whole free world will suffer the consequences of a depressed American economy.

Some of our colleagues may argue in good conscience that we should reject this rule because we do not like all of the provisions of the bill, but let me remind you that few bills come before us that are entirely to our liking and that is why we have these open rules to give everyone an equal opportunity to stand or fall on the merits of his or her proposal.

We must have a vehicle before us if we are to do anything constructive about this number 1 domestic problem, and that is why I urge adoption of the rule with the clear understanding that I will at the proper time offer for consideration my own amendment to make the bill more to my liking. This, of course, will be the privilege of every Member concerned with the farm problem and all its implications.

Mr. THORNBERRY. Mr. Speaker, I yield to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Speaker, I rise at this time to urge the House to adopt the rule on H.R. 12261.

It is my understanding that opponents of this legislation are serious in their intentions to defeat the rule and deny to the House an opportunity to debate new wheat legislation.

I plead with you not to kill all the hopes for wheat legislation at this session through such a back door parliamentary maneuver. If you do kill the rule, let me remind those of you who vote

against the rule that you will have to take the responsibility for continuing unchanged for another year the present program. And may I further remind you that this is the program denounced by President Eisenhower and the metropolitan press as being responsible for the present difficult situation in which wheat finds itself.

If you want to continue the present program—and I might say wheat farmers are not too unhappy with this law—vote against the rule. Kill the rule. Refuse to allow the House to debate this grave and serious national issue.

The House Committee on Agriculture reported H.R. 12261 after months of careful and painful deliberation. It is not a perfect bill. But I accept it in preference to any other measure offered at this time. H.R. 12261 does have the virtue of protecting the income of farmers while it reduces production and surplus stocks.

The bill is controversial. Some Members believe the two alternatives offered in the bill is not the right approach. Others may feel the plans are not the right answer.

But I plead with you to vote for a rule so the legislation can be debated. Permit the bill to go to the floor in the usual manner so the matter can be debated and the House will have an opportunity to work its will.

Let us debate for the next 2 hours the type of wheat legislation that is needed in the public interest. The House is capable of making its own decision once the debate is concluded.

Mr. THORNBERRY. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I wish to congratulate the Committee on Rules for reporting out this rule. I regret that some other features were not included in the bill. But I intend to suport the rule and I hope to be able to support the bill.

Mr. Speaker, I was amused to read in the morning press—Washington Post—that from the wheatfields of North Dakota comes the word that Mr. NIXON and the Republican administration favor the "creation of a United Nations unit to give surplus food to needy countries and that the United States should ask other surplus producing nations to join in the undertaking."

I am amused because this is a proposal for which I have consistently struggled for the past 18 months to get the Congress to accept and authorize. On April 27, 1959, I introduced a bill in the House—H.R. 6681—which was immediately cosponsored by 26 other Congressmen, and made several trips at my own expense to discuss the implementation of this proposal with United Nations officials.

Being unable to secure committee action on my bill, I offered it as an amendment to the Mutual Security Act both last year and this year. On two occasions, this belated national leader and his Republican colleagues had an opportunity to support this proposal, but we received only three Republican votes—only three Republican votes—in its behalf, and these were not of record.

Sincerity of purpose is hard to believe in the face of the above record. When work on this proposal was being done in the Congress last year and again this year, neither Mr. NIXON nor his party representatives were there. If they are serious about this proposal, they should have been on hand to support it when there was a chance for its enactment.

I am sorry that Mr. NIXON did not speak out for this proposal in the Halls of Congress when his support might have counted—instead of in the fields of North Dakota just before an election in an effort to bring another Bensonite to the Congress. His desire is apparently for progress at the ballot boxes, not for progress in filling empty stomachs and in economic returns to the struggling farmers of America.

Mr. Speaker, I submit that the Vice President is apparently engaging in mere election year rattlings to impress the farmers of the Nation.

This is reminiscent of the 1952 campaign and the pledges of early 1953. Mr. Benson was in Denver, Colo., in April 1953, at the Stock Pavilion, and he said it was his intention to move food out of storage and into stomachs. In 7½ years since then, we have moved food into storage and we have neglected the empty stomachs. But now it is time to pick a new administration, and once more we hear the old familiar pledge. What we need is deeds—not words.

To show that this is consistent NIXON strategy, I quote from an article by William M. Blair, which appeared in the Des Moines Register on September 24, 1956:

> COLORADO SPRINGS, COLO.—Vice President RICHARD M. NIXON will recommend that the White House act to make sure that hog prices remain stable in the farm belt from now until the presidential election.
>
> What action NIXON has in mind remains to be seen, but he has indicated to midwestern party leaders that he wanted to make certain that hog prices did not slip below $15 a hundred pounds.

The food for peace program is still a good program, Mr. Speaker. I was convinced it was one very effective solution to our farm problem—as well as a step toward the solution of other world problems—when I made it. I am still convinced. Now that we have Republican support for it—now that they are on record in support of it—perhaps when we get a new administration next year, this very worthwhile proposal can be implemented.

I regret that I cannot offer my United Nations Food for Peace amendment on this bill, but I have been advised there is no way to make it germane, because I would like to know whether Mr. NIXON stands alone or whether this great Republican group would like to support his position now.

The SPEAKER. The time of the gentleman has expired.

Mr. ALLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Speaker, I am going to ignore the political tirade that just happened wherein the sincerity of one of the great leaders of America has been questioned, and return to the subject before us.

I had originally been opposed to this rule, but I have recognized from the remarks that have been made here that there is no opportunity whatsoever, or very little opportunity, to do anything to improve the surplus wheat and grain products situation unless this rule is adopted and unless amendments are agreed to.

Mr. Speaker, the Members of this House and the Members of the other body ought to know that the consumer-taxpayers of the United States are getting mighty sick of this farm program. They are getting mighty sick of the nonsense of surplus on top of surplus, enormous storage costs and the like. I think unless something is done in a reasonable time to correct this economic nonsense, the consumers and taxpayers of the United States are going to throw this whole program out of the window and they are going back to some normal solution through supply and demand.

Mr. Speaker, I hope this rule is adopted and I hope the House in its wisdom does something practical to help the taxpayers and consumers and farmers of America.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. ALLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Speaker, I intend to support the rule, but it by no means should be construed as an intention on my part to vote for the bill in its present form. It is a montrosity and, since under the open rule we will have an opportunity to work our will, I intend to support the move to strike all but subtitle B when we read the bill under the 5-minute rule.

Mr. Speaker, H.R. 12261 should be opposed because:

First. It calls for a system of doles and controls.

Second. It is even more costly than the present program.

Third. It destroys the influence of the family farm in American agriculture.

Fourth. No hearings were held on the bill. It is substantially different from two previous versions which failed to get committee support.

Fifth. It provides for unsound and unnecessary alterations in the present successful surplus food distribution plan for needy people.

The bill consists of three titles—wheat, feed grains, and food distribution.

TITLE I—WHEAT

The wheat title is unacceptable because:

First. It does not let the small wheatgrower vote in the first referendum.

Second. It would increase the already high cost of the wheat program by $100 million or more a year.

Third. It goes contrary to the President's recommendations by both increasing export subsidy and the financial incentive to maximize yields per acre.

Fourth. Diverted acres tend to increase production of nonsupported crops and cause new problems to growers of vegetables and many other crops.

Fifth. Relatively few wheat farmers would determine the fate of the conser-

vation reserve program for all farmers. The payments for the conservation reserve are excessive.

TITLE II—FEED GRAINS

The feed grain provisions of this bill are unsound because:

First. Congress would abdicate its responsibility to a nongovernmental committee which would have authority to impose controls and withdraw from the U.S. Treasury up to $600 million for a feed grain program. In the absence of congressional disapproval within 30 days, such a program would become law.

Second. This unprecedented scheme of lawmaking might encourage Treasury-raiding opportunities for other groups in and out of agriculture.

Third. The costly referendum plan would discriminate against the small farmer by limiting the voting to growers of $500 or more annually.

Fourth. Provision is made to adopt the discredited direct payment Brannan plan.

Fifth. Funds for this plan would not be subject to the regular appropriation process. No limitation is placed on the amount any one individual could receive.

Sixth. The high price of the grain would cause export problems, increase export subsidies, and undermine current efforts to liberalize trade.

TITLE III—FOOD DISTRIBUTION

The section pertaining to the distribution of protein food is unworkable because:

First. It would put HEW in the agriculture business for which it has no experience, and would duplicate and complicate the functions of USDA.

Second. Having made it difficult for low-income people to buy food, the Government would then donate these foods free to the needy.

Third. It takes responsibility for caring for the needy from local and State authorities where it belongs and recklessly expands welfare assistance in the hands of Federal authorities.

Mr. ALLEN. Mr. Speaker, I yield the remainder of my time to the gentleman from Wyoming [Mr. THOMSON].

Mr. THOMSON of Wyoming. Mr. Speaker, I agree, and I think everyone in this House does, that the wheat situation, is one which demands attention.

As the gentleman from Pennsylvania, [Mr. CORBETT], who just preceded me, pointed out, unless something realistic is done to solve this problem in the reasonably near future, we must rightfully expect the taxpayers to insist upon discarding the entire program. Therefore, I think that we are approaching a critical period with regard to finding a solution to the wheat problem.

I cannot support the bill, as reported by the committee for the reasons already pointed out and other reasons. I do not think it could ever become law. Therefore, at the proper time I expect to either support or to offer an amendment to strike out all of the bill except title B. The provisions of title B are almost identical to a bill which I introduced last February. It has the support of the American Farm Bureau Federation. It has the approval of the Department.

This does offer a sound solution based on sound economic principles. It will restore wheat production on the basis of sound economics to those parts of our country that are best able to produce it and are the historic producing areas. In addition to that, it will provide for the expansion of wheat markets and reduction of artificial production incentives. It would result in minimum economic hardships on growers. It provides protection against shifting the burden of adjustment to producers of other farm commodities. It would result in a reduction in costs to the taxpayers. The provisions of this bill are as follows:

It eliminates all acreage allotments and marketing quotas effective with the 1961 crop of wheat. This would permit each wheat grower to determine for himself the acreage of wheat on his farm which would make the most efficient use of his land, labor, and machinery.

It provides for a price support on wheat that is a realistic one and would be a floor instead of a ceiling. Beginning with the 1961 crop, the price support of wheat would be related to the support level of corn with a proper adjustment to reflect differences in wheat, in weight, nutritive value, and buyer preference. However, for the 1961 crop of wheat the price support would be not less than 120 percent of the price support for corn. This would make a minimum price support of $1.27 a bushel.

This provides assurances to the producers of corn and other feed grains that prices of such commodities will not be demoralized by the entry of additional wheat into the feed market. It also assures wheat producers of a 1961 price support somewhat above the feeding value of wheat.

This price support policy would restore the pricing of wheat to supply and demand conditions as reflected in the marketplace. This does not mean that market prices of wheat would fall into the exact relationship indicated by differences in feeding value. The relative market values of corn and wheat are affected by domestic and foreign demand for milling wheat which normally price wheat higher than corn, and by the fact that a great deal of wheat is produced in areas where corn prices reflect substantial transportation costs. There is every reason to believe that good milling wheat would bring a substantial premium over its feed value.

It would greatly reduce the incentive for producers to increase yields through the heavy use of fertilizer and other yield-increasing practices in the humid areas.

It would permit growers in traditional wheat areas to return to production practices that offer possibilities of greater efficiency and thus lower production costs.

It would provide a basis for greatly reducing the cost of maintaining wheat exports and thereby strengthen the basis for a continued United States participation in world wheat markets.

It would reduce the basis for criticism of United States export policies by other countries which compete with the United States for world wheat markets.

The bill would provide adequate protection for all farmers from the competition of Commodity Corporation sales from accumulated wheat stocks.

It would provide for an extension of the conservation program in the soil bank to 60 million acres at the end of 3 years. The expansion of the conservation reserve would cushion the adjustments faced by two types of wheat-growers: The farmer who is farming marginal land in traditional wheat areas, and the grower who has become a wheat producer under the 15-acre exemption and who may choose not to grow wheat under the new program.

I point out, that the wheatgrower in the historic producing area has had his opportunity to produce taken away from him by Government action. As long as a program continues with an artificial stimulus and acreage controls there is no chance for him to get that market back. He is being put out of business at the taxpayers' expense. Give the wheatgrower in the historic producing area a chance to compete on a sound economic basis and his costs of production are sufficiently low that he can furnish the wheat and make a profit and gain back these extreme cuts in acreage that have been imposed upon him. He will be better off, the country will be better off, and the taxpayer will be better off. I think the wheatgrowers in the historic area have awakened to that fact.

Mr. HAGEN. Mr. Speaker, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield to the gentleman from California.

Mr. HAGEN. Is it not true that the major commodity problem right now is wheat, and that this body would be extremely derelict in its duty unless it passed a wheat bill exclusively which has a reasonable chance of becoming law? We cannot afford as taxpayers another year of delay in passing wheat legislation that will lift some of the burden off the taxpayers.

Mr. THOMSON of Wyoming. I agree with the gentleman, and that would be accomplished by the proposal I am suggesting. The provisions of title A, of the committee bill according to the minority committee report, would increase the cost of the program we now have, which is around $600 million, by $104 million a year. I am satisfied that the proposal I am suggesting taking into account the cost of the conservation reserve would reduce the expenditures under the wheat program by as much as $300 million.

I urgently suggest that this should be supported in the best interest of the wheatgrower, in the best interest of agriculture generally, and in the best interest of the taxpayers of the Nation.

Mr. THORNBERRY. Mr. Speaker, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. Speaker, today the House of Representatives has before them the question of whether they will consider the so-called Farm Surplus Reduction Act of 1960. There is no question that the Congress has much work yet to be done before its adjournment.

I have studied closely H.R. 12261 and I strongly urge that the rule be rejected and that the House refer this matter back to the Committee on Agriculture with instructions to bring legislation to the floor that will provide a sound solution to some of our agricultural ills.

There is no question that the wheat situation is critical and without corrective legislation it will get worse. However, the proposal that has been reported by the committee is not a sound solution to the wheat problem. In fact, it not only fails to solve the critical wheat situation, but would pose new problems for other agricultural producers.

Earlier this year I, along with my colleague, the gentleman from California, HARLAN HAGEN, introduced wheat legislation that would provide a sound solution to this problem. My bill, H.R. 11699, would do four things:

First. Eliminate all Government controls by terminating wheat acreage allotments and marketing quotas effective with the 1961 crop.

Second. Base the price support for wheat on the support level for corn, but at not less than 120 percent of corn supports in 1961.

Third. Provide adequate protection for farmers from the competition of sales of wheat stocks acquired by the Federal Commodity Credit Corporation.

Fourth. Expand the soil bank conservation reserve program substantially to provide a cushion for the producers of wheat and feed grains against the effects of reducing the support level and eliminating controls on wheat production.

This is the kind of a wheat program that I believe must be enacted. I am greatly disappointed that the House Committee on Agriculture did not see fit to favorably report this particular proposal. I would hope that the rule on H.R. 12261 would be defeated and that the committee would report legislation as I have outlined. My proposed wheat legislation would be of benefit to farmers, but it would also benefit all taxpayers.

Some of my colleagues have suggested that in an election year the way to assure the farm vote for our party is to have a bill that provides higher price supports and greater subsidies to farmers. I would urge my colleagues who come from districts like my own that have more nonfarm people than farm people that they reexamine this conclusion. There is no question in my mind that the consumers of agricultural commodities are rapidly growing tired of the great public costs involved in our farm program.

As a matter of fact, the proposed legislation would provide for increased cost to the Government. Under this bill there is a payment-in-kind program. The payment rates in this program are about twice as high per acre as under the conservation reserve program. It is estimated that the average payment-in-kind would be worth approximatly $25 per acre. This compares with the national average rate of $2.90 per acre under the conservation reserve program. There is no question that this program will be more costly than an expanded conservation research approach might be.

The second and unsound provision involves an increase in the support level for wheat. The support level would be increased from 75 to 85 percent of parity. This would mean an incerase of $114 million in the cost of our wheat export products alone. The higher price would add to the problems of our domestic feed market and increase the cost to the Goverment of this program.

The bill also provides a third provision dealing with feed grains which is completely unnecessary. Under this particular section there would be additional costs to the Government as a result of the responsibility for storing larger quantities of our feed grain supplies. Currently the present feed grain situation is good and if left alone will prove more sound as time goes on.

As I have indicated there is no question that the provision of this legislation will increase the cost to the Government. This is not the road that I feel we should be traveling.

From my own point of view, it is important that we have a sound farm program that protects the commercial farmers, but at the same time greatly reduces some of the Government costs that are borne by all taxpayers. I believe that my wheat proposal is sound even in an election year because it meets this test.

I strongly urge that the rule be rejected for I feel that if this is done the House Committee on Agriculture will understand more clearly that this Congress is in no mood to spend its time trying to improve a completely unsound farm bill. We have neither the time nor is the floor of the House of Representatives the place to try to draft constructive agricultural legislation.

Mr. THORNBERRY. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. LEVERING].

Mr. LEVERING. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. LEVERING. Mr. Speaker, I am sure that the Members of this body are aware of the fact that our agricultural economy is in serious trouble and that it is imperative upon this Congress to approve a sensible program in the interest of our farmers, consumers, and taxpayers alike. Leaders on both sides of the aisle recognize that the downward trend of farm prices is endangering the overall welfare of the Nation's economy and that the unworkable programs now in effect must be eliminated.

Mr. Speaker, in view of the situation which prevails in agriculture today, this House would be derelict in its duty to vote down the resolution we are now considering and thus deprive this body of the right to work its will on farm legislation in this session of Congress.

Mr. Speaker, I recognize that the bill, H.R. 12261, is not a perfect bill and I intend to offer a number of amendments, if this resolution is adopted, to improve this legislation, particularly in the interests of family farmers. For one thing, I intend to offer an amendment which will give the family farmers of this Nation a real voice in determining the kind of a farm program to be adopted.

H.R. 12261 offers to the farmers of this country a choice between two alternative plans covering wheat, but would permit less than half of the producers who grew wheat for harvest in 1960 to vote in the referendum. This is undemocratic and un-American. Under the bill as now written producers of less than 15 acres could not vote on the question of which plan they prefer. My amendment would make them eligible to vote.

Mr. Speaker, in the democratic processes under which our Government operates, we deplore the idea of rule by a minority, and yet if the amendment which I propose to offer is not adopted, we will be putting our stamp of approval on just such a practice.

Mr. Speaker, I also propose to offer amendments in opposition to the reduction of the 15-acre exemption for wheat quotas, because any provision which impairs the 15-acre exemption will in my opinion affect adversely the interests of a great multitude of our smaller farmers, particularly those who grow Soft Red Winter wheat such as that which is produced in my State of Ohio. The reduction in small farm wheat acreage would be disastrous for the Soft Red wheatgrowers in the eastern half of the United States where we have never had a surplus of this type of high quality wheat.

It would also endanger the cookie and biscuit industry which relies on soft wheat flour for the making of its products. Any restriction in the production of this type of wheat would work a severe hardship on this industry by imposing on them the necessity of changing their milling operations drastically. Of course, the farmers who traditionally produce this kind of wheat would ultimately suffer from a substantial loss of this cookie and biscuit market.

Mr. Speaker, these amendments which I propose to offer are designed to do what I believe the majority of this House thinks is proper to do, namely, protect the interests of the family farmer in America.

Mr. Speaker, it seems to me that any legislation that attempts to achieve this desired objective should at least permit the family farmer to participate in the formation of such a program.

Perhaps the most practical reason for maintaining the family farm, is that it is still the most efficient type of operation in the farming industry. I am referring to the kind of farm, regardless of the number of acres involved, where the family that lives on it furnishes the greater portion of the labor required to operate it.

The Voice of America, in regular broadcasts in many languages to other nations, emphasizes one central point which we in this country frequently seem to forget.

This is the fact that, dollar for dollar and item for ite, the groceries we buy at the store are cheaper in the United States than in any other nation on

earth. When the Queen of England came to Washington 3 years ago, she commented on the variety of goods in a supermarket she visited. Even Russian leaders visiting our food stores gasped at the quality and the quantity of the food available to shoppers.

The average American worker has to work fewer hours each week to feed himself and his family, than the workers of any other country on earth. In 1958, 1 hour of factory work paid for 11 loaves of bread, 2.9 pounds of butter. In 1929, an hour of factory work bought only 6.4 loaves of bread and 1 pound of butter.

Mr. Speaker, as I indicated, the one big reason why American housewives are able to buy food cheaper than shoppers anywhere else in the world, is the efficiency of those who operate the family farms in this country. I feel dutybound to do everything I can to promote their welfare.

Mr. THORNBERRY. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Speaker, at this stage of the discussion the question is not whether you agree with this bill or whether you do not. The question presently before us is whether we should consider farm legislation this year or whether we should tell the people that we really did not mean it when we said that we wanted to revise an antiquated and discredited farm program—and both parties have said in effect that a revision of the existing program was of paramount importance. Now, the only way to get a revision is to vote for this rule. It is an open rule. I hope you will like the bill the committee has brought in, but if you do not like it, this rule gives you every opportunity to alter or strike out sections with which you disagree. The Agriculture Committee has tried hard to bring you a democratic measure. One on which you can work your will, and one which, if adopted, will in fact give to farmers that opportunity for self-expression which Vice President NIXON has so eloquently pleaded when he said last night that—

> A method must be developed whereby the farmers themselves have a greater opportunity to choose the kind of farm program they want.

There is not a thing in this bill which forces any program on anybody until it has been approved by two-thirds of the producers of the commodity affected. On wheat, this bill gives a clear-cut choice between substantial supports and controls on the one hand and no controls and very low supports on the other hand. On feed grains it allows farmer selected committees to work out programs which must then be submitted first to this Congress and then to feed grain producers—and two-thirds of the producers must vote in the affirmative before any controls can be enforced. What could be more democratic?

One of the great farm organizations says they are for the bill as it is written. One says they neither support nor oppose. The third which sent you a letter on this subject last night says that they are opposed to everything in the bill except their own wheat plan which is presented word for word as option (b) in part 1. They suggest that rather than submit the choice to producers that this Congress decide the issue in favor of their proposal. But even so they recommend action on the bill. For fear that you did not follow the communication to its conclusion, let me read from page 5 of the statement.

> In view of the foregoing, we recommend the adoption of the amendments necessary to strike out everything in H.R. 12261 except the enacting clause and subtitle B of title I, and that the amended bill be passed.

Of course, I would not agree with the desirability of such drastic surgery on the bill, but I cannot emphasize too strongly the fact that almost everyone agrees we need farm legislation and that the only practicable way to get any kind of farm legislation is to pass this rule.

Mr. METCALF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, as far as Montana's biggest cash farm crop, wheat, is concerned, this bill as reported is an improvement over the existing program and over the measure passed by the other body.

It is built upon the principle that any successful farm program must be equally fair to farmers and consumers alike. As a pattern for the future, it includes faith in the ability of farmers themselves to develop or select programs based on this principle.

As reported, the measure has three major parts, dealing with wheat, feed grains, and surplus food.

Title I would give farmers a choice between a program based on strict production controls—75 percent of present allotments—with price supports at 85 percent of parity—about $2.03 per bushel, compared with $1.77 under existing law—and payment in kind for retiring cropland at 55 percent of normal production and a program of no production controls with the support price of wheat at approximately the feed grain levels—$1.27 in 1961, $1.15 in 1962.

My H.R. 11919 would have provided for price supports at 100 percent of parity, a 30-percent reduction in planted acreage and payments in kind based on 60 percent of the average yield of the retired acres.

Title II of H.R. 12261 authorizes election of a farmer committee to develop for feed grains—corn, grain sorghum, oats, barley, and rye—a program which would bring production into line with demand, return feed grain producers between 85 and 100 percent of parity, and authorize retirement of up to 50 percent of cropland on the farm in return for payment in kind in feed grains.

Title III authorizes an increased program of distribution of dairy, poultry, and meat products to the needy, charitable institutions and the school lunch program.

As our committee pointed out, the conditions in agriculture demand action. The net income of farmers in 1959 dropped to the lowest level—in relation to the volume of their sales—of any year since the Agriculture Department started keeping books in 1910. A further decline is predicted for 1960.

Average farm prices in December 1959 hit bottom, in terms of parity with other prices, for any December since 1933.

The per capita annual income of people living on farms in 1959, including Government payments and for off-farm work—dropped again to less than half that of nonfarm workers. The per capita income of farm people was $960, compared to $2,202 for nonfarm people.

Net farm income in 1959 was 24 percent below 1952, although the national income increased by 35 percent in this same period.

Last year, farmworkers—operators and labor—received an average 71½ cents an hour, 13 percent less than in 1952. In contrast, hourly earnings of industrial workers in 1959 averaged $2.22, up 33 percent from 1952, and 1959 corporation dividend payments exceeded those in 1952 by 47 percent. The net income of farmers in the past 7 years has been $20 billion less than in the previous 7 years.

The administration's policy of unlimited production at low prices has returned many farm families to depression levels at a time when many other Americans are prospering as never before.

During the past 7 years, the President has sent many messages to Congress urging abandonment of the parity principle for agriculture, the removal of production controls, and the reduction of price supports. His reference to delivering our taxpayers from the "mounting failures and staggering excesses of the mandatory farm price support and production control program" reminds us that the program for the major crops operated for 20 years prior to 1953 at a profit to the Government of $13 million, that during 11 of these years the average price level of all of agriculture was at or above 100 percent of parity each year, and that at the end of 1952 the Government investment in farm commodities amounted to some $2.5 million.

With "the change" voted in 1952, came the departure from a program which had been a success. During the past 7 years, farm prices and income have fallen, farmers have been caught in a cost-price squeeze, surplus has piled upon surplus, Federal investment in farm commodities has almost quadrupled, and farm program costs have multiplied manyfold.

A study by the Library of Congress discloses that appropriations or expenditures of the Department of Agriculture since January 1, 1953, have exceeded the combined total of such expenditures or appropriations during the 90 previous years of the history of the Department. The total for the period 1862 through 1952 is $35.8 million, compared with $37 million for the period 1953 through July 1, 1960.

The present administration has had more authority to deal with the farm problem than any of its predecessors. It has had more money to do so than all of its predecessors combined. It has had

more employees in the Department than ever before.

As it comes from committee, this bill is not the sole answer to all the problems of our farmers. But it does seek to reduce Government holdings of farm commodities, bring down the cost of farm programs while adhering to the principle that farm income must be protected while surpluses and costs are reduced.

Mr. THORNBERRY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12261) to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12261, with Mr. IKARD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOLEY. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, that we need farm legislation is known to everyone. The farmer points to his dwindling income and his greatly increased costs. The taxpayer points to the enormous expenditure that this program is imposing on the Government, while giving the farmer less and less.

Just a few years ago, with a program of relatively high, rigid supports on all our basic commodities, the Commodity Credit Corporation books showed a modest profit. That was on all of the price-support programs on the six basic commodities; that is, controlled commodities. I would not at this time try to say what might have happened had we continued the program which was working so successfully. The fact is that we did not continue it; instead we embraced the so-called sliding scale or variable supports. And supports since that time have varied but in one direction, and prices have varied in that same direction—down, down, always down.

This is not the time nor the place to try to fix the responsibility. When a man is abandoned by his own candidate for the Presidency I am not going to add my condemnation. I just want to make it very clear that neither I nor the majority of my colleagues on the Agriculture Committee ever approved this flexible program of low and still lower supports and prices.

Surely I need not dwell on the ruin which this program has brought to farmers across all this broad land. Surely I need not describe the decline of the small towns of this Nation—the bankruptcy along Main Street. No; the 1960 census figures can describe these tragedies better than I.

Surely I need not call the attention of the Members of this House to the cost this program has placed on the backs of our taxpayers.

In the 7 years just passed the Department of Agriculture spent $1,174,414,704 more than had been spent by that Department during all its previous existence from its founding 91 years before.

Maybe these stupendous expenditures would be justified if they had brought prosperity to our farmers. But we know that they have not done so. Maybe they would be justified if they had brought comparable benefits to our people as consumers. But let us look at the record.

Under "rigid" supports—and I want my city friends to listen to me—under "rigid" supports the American farmer received $2.40 or more for a bushel of wheat and the American housewife paid 13 cents a pound for bread.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. ANDERSEN of Minnesota. I know the gentleman wants to be fair. Last year I made a speech on the floor of the House blaming both parties for the situation we are in in agriculture today; the Republicans because of keeping a man like Ezra Benson in power as Secretary of Agriculture, and the Democrats because they have had control of both Houses of Congress more than 8 years. They should have done something. But we are both to blame.

Mr. POAGE. I am not placing blame. I said a moment ago I was not going to kick a man when his own candidate for President went to North Dakota to kick him. I am not blaming anybody. I am just reciting the facts.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to my chairman, of course.

Mr. COOLEY. Mr. Chairman, I want to call the attention of the House to the fact that we did try to deal with the wheat problem during the last session. Both Houses of Congress passed a very good wheat bill and sent it to the White House, only to have it vetoed by a Republican President.

Mr. POAGE. And there have been four other vetoes of farm bills I can recall in the last few years.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. HALLECK. That wheat bill was passed in the House and went to the other body. They enacted it in different form. It came back here in a conference report and the House of Representatives defeated the conference report.

Mr. POAGE. And we later passed the House bill and sent it to the President, who vetoed it. We sent a bill to the President, enacted by this Congress, and he saw fit to turn it down.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. POAGE. I yield.

Mr. HALLECK. The fact of the matter still is that after the conference acted on that wheat bill, the House of Representatives, with an almost 2-to-1 Democratic majority, turned down the conference report.

Mr. POAGE. And passed a much better bill. I cannot see the relevancy of the gentleman's observations, unless it is to divert attention from the fact that the President did veto the wheat bill which we passed.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. COOLEY. Certainly the distinguished gentleman from Indiana has not forgotten the fact that President Eisenhower vetoed the wheat bill. I am sure he does not want to leave the impression that the President did not veto the wheat bill, along with a tobacco bill and other bills, during the last session of Congress.

Mr. POAGE. He has, I believe, vetoed five farm bills in the last few years. But let me go back to what I was saying.

Just a few years ago under rigid supports wheat brought $2.40 a bushel or more, and the housewife at the same time purchased bread for 13 cents a pound or less. Today, with wheat selling at $1.80 a bushel or less, the housewife is paying 20 cents or more for a one-pound loaf of bread.

Before any of my friends from the big cities see fit to let some country slicker soft-soap them into opposing this bill, let them ask him to explain that phenomenon. Unless he can give a good explanation, then I suggest that it would be well to stay with the Committee on Agriculture and try to give a fair price to the farmer and establish fair prices for the consumer.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. We can all agree that President Eisenhower did veto that wheat bill, but as a member of the committee from the wheat area I thank God for that, because if he had not we would take 25 percent more from our production and send it down to Louisiana to be raised in the bayous and further raise the surpluses to be stored. If it had not been for the President we would have had a greater cut made.

Mr. POAGE. I am sorry Members feel they must take my time in trying to place the blame or to explain actions of other branches of government. I have not been trying to blame anybody. I have just tried to explain the facts, just tell the facts. I have not tried to explain the blame. I had not mentioned a veto when Members began to apologize for it. I am sorry others feel they must excuse somebody for what has been done. I hope no one has a guilty conscience in connection with this matter.

I should like to proceed with the discussion of the bill.

Of course, I know many of you are asking yourselves, "If low supports are costing us so heavily, how could higher supports possibly cost us less?" I think that is a fair question, and I think you are entitled to a fair answer. I think I should point out that most of us who have championed higher supports have

at all times firmly insisted that those higher supports be coupled with effective controls. Were it not for the fact that I am not trying to fix any blame I could tell you why we do not have effective controls. I never did subscribe to the idea that the Congress should repeal or could repeal the law of supply and demand. On the contrary, I have always recognized, and so has a majority of the Committee on Agriculture, that Congress cannot repeal or even amend economic laws. Instead, we have tried to make those laws work for the benefit of our people rather than work against them. We have sought to make those fundamental laws help farmers just as those same laws have been used to help labor and help industry and help business. We have sought the same help from our Government to control the excess of unneeded production which has so long been extended by Government to oil producers through our proration laws.

Time and again we have sought more effective controls of production only to meet with positive opposition from both influential governmental as well as farm sources.

We can all remember the support of noncompliance corn. That was the straw that broke the cornstalk and overflowed the storage bins. You remember what happened. Those who produced corn in plain violation of their allotment were supported at a price almost as high as those who complied. This was not done at the request of Congress. How could you expect to have a program function under that kind of administration? Well, it did not function, of course. But let us get to the question.

I am convinced we can control farm production to equal market demand just as we control the production of crude oil or just as the automobile industry controls the production of automobiles. We have failed in the past for three basic reasons. I do not want to pass the buck. I accept my share of the responsibility, at least for the first of these reasons, which has been our failure to bring the overall acreage floor low enough. In the case of wheat that floor is 55 million acres. While this is a cut of 30 million acres from the former plantings of 85 million, it is not enough. This bill allows an additional cut of 25 percent from the present floor, and it requires it if producers are to enjoy the 85 percent supports provided in part A.

In the feed and grain section of this bill, it is required that any support program adopted by producers shall bring supply down to demand. It does not give supports without any cooperation from the producers.

The second reason why our present control program has not functioned adequately has been the fact that we have tried to give unworkable exceptions in behalf of certain small growers.

In the case of wheat, we have allowed anyone to grow up to 15 acres with no control. This has resulted in the production of surplus wheat. Whether that wheat was good or bad quality was beyond the question. It has produced more wheat than we have needed.

If the committee's plan is adopted, these small growers will be given allotments just exactly as everybody else, allotments figured from a base of the highest they have grown in the last 3 years. These bases will be subject to exactly the same cuts which are imposed on the allotments of other growers, and those small growers will be given the same voice in the program that is given to other growers, in other words, we treat them all alike under this bill except that we do not require these small growers to take the 30 to 40 percent cut which present allotment holders have already taken.

The third weakness in our present wheat program, at least, has been the failure to enforce sufficient stringent penalties. Cotton and tobacco have always had far more severe penalties and they come a whole lot nearer keeping a balance between supply and demand.

This bill, if producers accept supports under part A, will approximately double the penalties for overplanting.

In short, I think we are offering you a bill which will allow wheat producers to actually balance supply and demand. If they vote for part A, they will get 85 percent support for their wheat. They will be privileged to receive payments in kind; that is, in wheat out of the Commodity Credit Corporation surplus stocks equal to 55 percent of the wheat they could expect to grow on the acres they retire from wheat. But, they would be required to cut their total wheat acreage by at least 25 percent.

Now to you laboring men that means only a 6-hour working day for which the farmer will be paid. That is equivalent to working 6 hours a day and being paid about 85 percent of a fair wage for those 6 hours. And in addition they will receive unemployment compensation at the rate of 46¾ percent of a fair wage for the 2 days they are unemployed. Actually, that illustration is not quite accurate because they will not be unemployed. They must work the retired acres so as to conserve the soil in order to get the 46¾ percent of a wage. But, there will be no soil bank taking whole farms out of production and destroying whole towns nor will there be any opportunity for any city man to buy up several farms and let the Government pay for them through soil bank payments, that is, not if the producers adopt plan A.

Of course, if they adopt plan B, which is the program sponsored by one of the great farm organizations, the soil bank will continue to take whole farms out of production. There will be unlimited production of wheat. The Government will still provide storage and the farmers will, after next year, receive no more for wheat than for corn, adjusted to food value.

I do not recommend this program, but like the Vice President said in North Dakota last night, I believe in letting the farmers make their own decisions. I do not believe the farmers will select any such program, but if a majority of our farmers are actually willing to give up effective supports in order to have the privilege of growing unneeded and unusable surpluses, then it is time we knew it. I know of no way of finding out except to let the farmers themselves vote, and that is what this bill does. It allows a clear-cut choice, but I have been astounded to find the very organization which has so long claimed that most all farmers wanted freedom is now opposed to this referendum. Frankly, I am not for their low price program, but I have enough confidence in democracy to submit the question to the farmers and to abide by their decision.

I have but one request. If you agree that we should have a clear-cut test, by all means help us keep it just that; a clear-cut test, between high rigid supports on the one hand with strict controls, and low supports and no controls on the other hand. Please do not amend this to the point where the choice will be some controls and low supports or no controls and low supports, like we had in the corn referendum. That is not a meaningful choice. We ought to have a clear-cut choice between the two ideas, and this bill gives you just that.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. In the referendum of 1958 the farmers had no choice. The base was so low that they could not get along on it, and they went all out. In regard to this 25 percent under this proposal, that is going to be taken out of the allotment nationwide? I understand the producers can get payment in kind for that?

Mr. POAGE. If he sees fit.

Mr. ANDERSEN of Minnesota. If he sees fit?

Mr. POAGE. Yes.

Mr. ANDERSEN of Minnesota. Then, if he does not see fit, can he put in corn and compete with my corn products?

Mr. POAGE. I think he can, but the economics of the thing would generally induce him to take the payment in kind.

Mr. ANDERSEN of Minnesota. Would it not be better if we made it mandatory that he should take payment in kind?

Mr. POAGE. I see the gentleman from Oklahoma is questioning my answer.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman is correct in part. There is no penalty, but he loses the price support. He loses price support on allotted acreage and payment in kind.

Mr. ANDERSEN of Minnesota. If a farmer has a 100-acre allotment and cuts it down to 25, he can put it in corn if he sees fit?

Mr. ALBERT. Yes; but he loses price support.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. At the present time, if he wants to, he can reduce to 25 acres, but he would still get price support. Under this bill he would not do so.

Mr. POAGE. Yes. This bill makes it more difficult to engage in that kind of practice.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Kansas.

Mr. AVERY. The gentleman is discussing the option that the farmers have. He would have a clear choice of high support and controls, opposed to no acreage control and no price supports. Is there anything in this bill that would make controls on a lower average than in the present law?

Mr. POAGE. Yes.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. ALBERT. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. AVERY. I did not understand the gentleman's reply. What is the difference in this bill?

Mr. POAGE. The penalties for overplanting are nearly doubled.

Mr. ALBERT. Mr. Chairman, will the gentleman yield further?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. But the farmer has to prove his actual production. In addition to that, the penalty rate is raised from 45 to 65 percent on the excess.

Mr. POAGE. There is a very substantial increase in the penalties.

There are two other sections of the bill deserving of attention. Title 2 simply allows feed grain farmers to develop their own program to balance supply and demand. It says:

> Such a program shall not cost more than 10 percent of the value of the crop—

Far less than at the present time. I think we owe the taxpayers a break.

This feed grain producers program must cover all feed grains; not simply corn, and must not result in any further Government acquisition of additional surpluses. It stops the increases of surpluses in Government storage, and I believe most Members of this House as well as most citizens of this country want to bring a stop to that. Again, we are trying to protect the taxpayer. I do not have time to go into the feed grain situation further than to point out that the present buildup of corn and other feed grains poses a continuing threat to the livestock industry in all of its forms—including chickens and dairying. Everyone knows that cheap corn makes cheap hogs and cheap feed makes cheap beef—and cheap red meat will destroy the chicken business. I can see nothing but disaster to livestock producers in unlimited production of cheap feed. I know an effort will be made to take this section out of the bill. Before you vote for it, I would suggest that you ask yourself how you propose to deal with the livestock industry.

We have maintained the livestock market right well in recent years, really because we have had a feed grain program. Now, if you should abandon your feed grain program, if you fail to use these vast surpluses of feed grain you are going to affect the livestock market just as you have seen other markets affected. If we want to maintain a sound rural economy we must have the feed grain program.

The third and last title of this bill provides machinery whereby the Secretary of Health, Education, and Welfare may distribute protein foods, meats, milk, eggs, and such, to needy people, to the same people who are presently eligible to receive cornmeal and flour from the Secretary of Agriculture. But since we know that you cannot produce these protein products without there being substantial consumption by animals of these feed grains which are presently in surplus, does it not make sense to allow the Secretary to distribute to these needy people the foods that are more palatable, that will give them greater health than to simply give them cornmeal? Is it not better, from the standpoint of the needy, to get some bacon instead of cornmeal? From the farm standpoint does not the production of the bacon involve the use of the corn which otherwise might have gone into meal? So we provide that the Secretary of Agriculture may sell in the open market a bushel of feed grains for each $2 worth of protein feed that the Secretary of Health, Education, and Welfare distributes.

To my mind we have here a sound and reasonable use of our agricultural surpluses for the needy people of America, and we do it without doing any harm to any farmer in America. I cannot see why you should seek to strike this out, why you should want to deny to the people of America who cannot buy even cornmeal, the opportunity to use protein foods. But there will be efforts to take this section out of the bill. I hope these efforts will be turned back. I want this bill to help every living person it can. This title does not open any doors to raids on the Treasury. It requires a congressional appropriation approved by the Appropriations Committee of this House before any funds can be used for protein food.

I think we have been able to bring the House a well-rounded bill. It is not exactly what I would have preferred. I do not think it is perfect. It is not all-inclusive, but if approved by producers, it could deal with 85 percent of all of our surplus crop, and with well over half of all the tilled acres in the United States. It imposes no program of itself. It is democratic. It does protect taxpayers and consumers as well as farmers—and it is in truth a farm bill—a farmers' bill—a bill which can be used to raise farm income.

Mr. HOEVEN. Mr. Chairman, I yield myself 5 minutes.

Mr. HOEVEN. Mr. Chairman, it is quite apparent that we are following the same old pattern, in involving the farm problem in politics. I am one of those who has tried desperately hard to keep the agricultural problem out of politics.

The farm problem has no business in politics. This idea of getting up on the floor of the House and castigating somebody, calling names and finding fault, will never solve the farm problem. Let us be realistic in facing a most perplexing problem. The American people expect us to do exactly that. It is quite apparent to me also that some on the majority side apparently prefer an issue rather than a solution.

My efforts have been directed during the past several months in trying to pass a wheat bill which can actually be enacted into law. Anything less is simply shadowboxing. The President of the United States in his farm message to the Congress said he did not want a political poultice. The bill under consideration is in that category.

Agriculture is the Nation's basic industry. Every segment of our economy is dependent upon the welfare of the American farmer. We stand pretty well together when it comes to foreign affairs. We stand united for the defense of our country; but when we consider the Nation's basic industry, to wit, the farm problem, it seems as if it has to be dragged into politics. The American farmer is getting sick and tired of being kicked around in this political arena.

I want a wheat bill. I think it is incumbent upon us to send a wheat bill to the White House which can be enacted into law. If we do not do that we are not true to our obligations to the American people.

The committee vote on this bill was 20 to 13, the Rules Committee reported the bill by a vote of 5 to 4, which certainly indicates it is very controversial, to say the least. In this connection, I hope you will carefully study the minority report on the bill.

I find no demand for this legislation. Representatives in the Congress from the wheat sections of this country, as far as I can determine, are not for the bill. I have not had a single letter from my feed grain people urging me to vote for the feed grain section or the bill.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. For a question.

Mr. ALBERT. Will the gentleman support the proposal of the wheat farmers of this country as made through the National Wheat Growers' Association as offered to the Congress?

Mr. HOEVEN. That proposal was fully explored in the Committee on Agriculture and was turned down.

Mr. ALBERT. The gentleman knows no other proposal has been supported by it.

Mr. HOEVEN. Let me call the gentleman's attention to the fact that his own Party having control of the other body passed a wheat bill which was referred to the House Committee on Agriculture. It should be given some attention by the House Committee on Agriculture. The committee then could work its will and present a bill to the House which I hope could be enacted into law.

Mr. Chairman, I find no clamor for the bill. The Farm Bureau is opposed to the bill, the National Grange is opposed to the bill and, up until today, at least, I understood the Farmers Union was opposed to this bill. I doubt that they are very much enthused about it.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOEVEN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, even some of the sponsors of the original Poage bill have run out on it. The first version of the bill was a grandiose proposition. It took in every agricultural commodity. It was the answer to the maiden's prayer. It was supposed to solve the farm problem. Then it was suddenly discovered the bill would not do the things being claimed for it. Even the sponsors were unhappy, and different commodity groups affected started to "get out from under." The cotton people said, "We don't want to be covered." The tobacco people said, "We don't want any part of this." And other commodities disclaimed ownership. So those commodities were finally eliminated, with the exception of wheat and corn and other feed grains.

But when the representatives on the committee from the Corn Belt and the feed grain sections of this country attempted to eliminate the feed grain section they were outvoted. The third and last version of the bill now before us has gotten to be a face-saving operation.

The original bill was called the Family Farm Income Act of 1960. In the second version they cut it down to size and made it the Family Farm Act of 1960. They forgot about the income. Then in the third version, which is before us now, they forgot all about the farm family, all about the farm income, and it is now the Farm Surplus Reduction Act of 1960. So we have gotten down now to a face-saving operation.

Mr. Chairman, this bill is more costly than the program under which we are now operating. Title I will cost approximately $104 million more. Title II, the feed grain section, as closely as I can estimate, will cost $250 million more. Title III, relating to the distribution of protein food, will cost $500 million more, making a total of about $850 million increase. Certainly this should be of concern to the taxpayers.

The passage of the bill will mean placing more employees on the Federal payroll. Many more people will be needed to police the referendum and control provisions of the bill. The most glaring defect in this bill is the abdication of legislative authority by the Congress. For the first time in the history of the Congress, I believe the bill will permit nine men from different sections of the country to write a farm bill. Eight of them can outvote the representative from the Corn Belt, for instance. They can operate in secret if they choose. They would have the authority to formulate a farm bill which might well encompass the Brannan plan of production payments. It might well be something else. Who knows? Whenever a plan is formulated by this committee of nine, the proposal is sent to the Secretary of Agriculture who then sends it to the Congress. If the Congress does not take affirmative action in disapproving the proposal, within 30 days, it is submitted in a referendum. I wonder what would happen if such a proposal, in the closing days of this session and within the 30-day period, had come to our attention. The Congress would have no voice in the matter whatsoever.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Illinois.

Mr. ARENDS. I am very pleased that the gentleman has called attention to this particular bill and to prove how absurd some of the provisions in this legislation are. It is a complete abdication of power on the part of the Congress.

Mr. HOEVEN. I thank the gentleman.

Authorizing nine people to formulate a farm program would set a very bad precedent. If we start on this kind of an operation of delegating legislative authority, why not permit nine individuals to formulate a program for Federal employees; why not permit nine members of labor organizations, or nine members of a teachers' organization to enact legislation in this same fashion? Furthermore, I seriously question the constitutionality of that kind of a provision. How can the Congress legally surrender its legislative authority in this field?

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I should like to finish my statement.

Mr. POAGE. Does the gentleman refuse to yield?

Mr. HOEVEN. I hope the gentleman will not press me as I would like to complete my statement.

Mr. POAGE. I merely wanted to get it clear; I do not understand.

Mr. HOEVEN. I did not interrupt the gentleman and would like to proceed.

Mr. POAGE. If the gentleman refuses to yield, I shall not ask him to.

Mr. HOEVEN. Not at this point. Going back to the delegation of legislative authority, why should not you people from the industrial centers of this country, the big cities, have something to say about farm legislation? Are you willing to delegate your authority to a group of nine people and have nothing to say about the format of it, or anything else?

Furthermore, the bill is going to mean higher export subsidies in the amount of about $150 million.

The bill also provides for "back-door spending," if you please. Section 207, in the feed grain section, provides that funds can be made available out of Commodity Credit Corporation funds. Of course, the Congress must reimburse Commodity Credit Corporation so we wind up with "back-door spending" which, if I sense the temper of the Congress, is something that most Members of Congress are very much opposed to.

In summary the bill before us simply cannot be enacted into law. That is my frank opinion.

I assume several amendments will be proposed and Members are going to have the opportunity to vote on the bill that passed the Senate the other day. After the House has worked its will, if the bill has not been perfected to make it at least reasonably palatable, I propose to strike section 2 and section 3 so that we can go to conference with the Senate and work out a wheat bill. In my humble judgment, that is about all we can expect at this late date in this session of Congress.

Other members of the committee on our side will discuss the different provisions of the bill. I did want to point out some of the practical difficulties which confront us. May I express the hope that we now get down to brass tacks. Let us enact a wheat bill which can become law. If that can be accomplished, I think the country will applaud us for having tried to accomplish something for agriculture.

Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. BELCHER].

Mr. BELCHER. Mr. Chairman, Members who serve on other committees have no idea what a problem we have on the Committee on Agriculture. In the first place, we have several different commodities to consider and we have several different types of farmers within any one commodity. That is what makes it so difficult to write a wheat bill. In the first place wheat is the only commodity, the production of which we did not actually control from the beginning. The history of price supports and the control program for agricultural commodities is that you try to balance production with consumption. As far as wheat is concerned, we have not had control of production. Although 30 million acres have been retired from the traditional wheat areas of this country we are going to produce more wheat this year than we ever have produced in the history of America.

This is due to the fact that under the wheat program a farmer in a traditional wheat area that used to farm 100 acres of wheat is now reduced about 45 acres, but that 45 acres does not go out of production. It is split up into three 15-acre patches and spread out in other States of the Union where they never have raised wheat before. On these 15-acre patches more wheat is raised than was raised in the original wheat producing area. So as we reduced acres in the traditional wheat areas we transplanted them to Louisiana and various other States and they produce more wheat than was produced in the beginning.

This Congress and the Committee on Agriculture have never had the courage to face that situation. The day is coming when we will either face that situation or we are not going to have a wheat program.

I know a lot of Members of this House would like to see the agricultural programs eliminated and the cost of the agricultural programs saved. If that is what you would like to do, all you need to do is to continue to cut the wheat acreage in the wheat areas, instead of eliminating the 15-acre exemption and preventing the spread of wheat. This bill merely brings the 15-acre farms in as traditional wheat acres. Now instead of permitting them to raise 15 acres and sell the wheat without penalty, which they used to do, whereas the traditional wheat farmer if he raises a bushel of wheat over his allotment pays a $1.07 penalty before he can market that bushel, whereas a farmer who has never raised wheat can sell the entire production without paying a single cent of penalty.

This bill not only does not prevent that, it brings the new farmers into the wheat program and gives them a price support just the same as is given the traditional wheat farmers. Over the

past number of years at the very time we have had too much wheat, and members of the committee have continuously come to the floor and talked about the high storage costs and the huge surplus, we were puting 100,000 new farmers into the production of wheat each single year until up to the present time there are 1,200,000 of those new farmers producing wheat against the 600,000 farmers that used to depend and still depend on wheat for their entire source of income.

If you want to split up the wheat area and spread the acreage all over the United States, all you need do is just completely break the wheat areas and take them over, but just bear in mind that when we go out of wheat production we might produce something your area has to produce.

It has always been my theory, in view of the fact that we can raise wheat more cheaply than you folks can, the traditional wheat area ought to be permitted to raise the wheat and the other areas permitted to raise the crops they can raise best on their farms, but that is not what we have done. We have permitted you to keep your acreages of cotton, tobacco, rice, sugarcane, and all the others, and at the very same time take our wheat acreage. We have not taken any of the sugarcane from Louisiana or taken any of the tobacco acreage from the chairman's home district. I think it is just a practical proposition that we ought to raise wheat where wheat is a profitable crop and you ought to raise tobacco where tobacco should be raised, and cattle where cattle should be raised, and dairying the same. But that is not the program we have been following. If you continue to split this up and spread it out all over the country, we will not have any wheat area but we will have to compete with your tobacco, cotton, rice, or some other product in order for our farmers to stay in business at all. I think until this Congress faces up to the proposition and eliminates the 15-acre exemption and put the wheat acreage back in the traditional wheat area, we are not going to solve any wheat problem ever with any kind of program that continues to cut acreage in the traditional wheat area. I realize the problem that some of you ladies and gentlemen of this committee face when you have a group of these 15-acre farmers in your districts. I recognize how hard it is to vote to eliminate that. But just keep one thing in mind. If you do not vote to eliminate that, you are going to some day have to vote to eliminate the entire agricultural program. It might be bad and it might hurt your areas.

One more thing. The 15-acre farmer is not a small farmer. He is a corn farmer or a cotton farmer or a farmer engaged in some other activity for his source of income. He merely plants the 15 acres for a little cash crop in the summertime. He is not the little farmer. He is another farmer who has horned in on the wheat farmer.

I recognize how tough it is for some of you folks to vote for that kind of a program, but until you are ready to do it, you might just as well vote to repeal all agricultural programs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Chairman, a few minutes ago, one of the most distinguished members of our committee warned that the committee should not deal with this problem before us in a political vein and that we should not devote our time this afternoon attempting to fix responsibility for the difficulties in which we find ourselves today. Having made what I thought was a very commendable opening statement, he then proceeded to spend most of the next 15 minutes ridiculing those some two dozen Members of the Congress who are sponsors of the Family-Farm Income Act of 1960. This was a piece of legislation which was introduced in good faith by a number of Democratic Members of the House to accomplish three basic purposes: To give the producers of any farm commodity an opportunity, if they wanted to use it, to establish a market stabilization program, but only after two-thirds of them had agreed that that was the kind of program they wanted. I cannot see anything undemocratic about that, and I cannot see any regimentation or anything objectionable about giving the producers an opportunity to establish the kind of program that two-thirds of them want. We further provided that the program would have to be reviewed by the Congress and the Department of Agriculture, and that it could not go into effect if there were action by the Congress to disapprove it. The gentleman made a great point about the fact that we removed a number of commodities from the bill during the course of discussion in the committee. That is true, but it must also be recognized we did that because of the storm of criticism and propaganda that was set up by the Department of Agriculture and organizations such as the American Farm Bureau that really want no program at all. The only concrete suggestion we have had from the Farm Bureau and Secretary Benson to date is that we increase the amount of acreage in the soil bank from 28 million acres to 60 million acres by throwing whole farms into the soil bank and taking them out of production. If we were to do that, we would be destroying most of the communities in rural America and we would undermine agriculture itself. It was our further purpose in this legislation to reduce the costs of the program and to reduce the accumulation of surpluses. Those who have really been playing politics with American agriculture are not to be found here in the Congress of the United States—those who are really playing politics with American agriculture reside in the White House and in the Department of Agriculture. These are the gentlemen who came out to South Dakota and to other parts of rural America and promised the farmers in 1952 that they would work not for 90 percent of parity but for 100 percent of parity.

After 7½ years of this administration, farm commodities are down to about 75 percent of parity. What is at stake in this legislation before us at this time is this fundamental question: Do we want the wheat farmers of America to produce 55 million acres of wheat per year in the coming 5-year period or do we want them to produce 41 million acres while protecting their net income? That is the basic question.

If we kill this bill before us the farmer will again plant 55 million acres of wheat at a time when we already have 1.3 billion bushels in Government hands. If we pass this bill we enable our farmers to participate in a referendum that will enable them to cut back their production to about 41 million acres, but at the same time protect them against disastrous drops in income.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield to the gentleman from North Dakota.

Mr. SHORT. Would the gentleman state for the benefit of the Members whether or not he believes a 25-percent cut in acreage and a 10-percent increase in the price-support levels, plus 55 percent payment in kind, will maintain the wheat farmers' income at the present level?

Mr. McGOVERN. I think it will result in a very slight increase. I have no way of knowing for certain what the income level would be, but the best information I have is that it would result in a slight increase. In any event, we are giving the farmers a choice to take no controls at all or to take the route suggested by the committee.

The CHAIRMAN. The time of the gentleman from South Dakota has again expired.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, I want to call attention to title II of this bill, which deals with the program designated as the "national stabilization program for feed grain." These are areas of agriculture that are interested in this legislation aside from those that are just producers of feed grain.

I realize the importance of price stability in feed grains, as well as the importance of price stability in other lines of American agriculture, but so that the members of the committee will understand what we are dealing with in these areas of the country that are deficit feed grain areas, I would like to bring to your attention a few facts.

First, let me say that the items we are dealing with, with the exception of corn—the other items of barley, grain sorghums, oats, and rye, are already operating within the framework of price stability under title III of the Agricultural Adjustment Act of 1949, as amended. In order that you would get the proper perspective, the price support on these items are as follows:

Barley 61 percent of parity; corn 65 percent; grain sorghums at 61; oats at 60, and rye at 60 percent of parity.

In the very first part of this title, section 201 of this bill, it states that the objective is to raise the price support level of those commodities to 85 percent. This is roughly a 20 or 25 percent increase in price.

Let me call attention to a few of the feed grain deficit States. While I appreciate these figures are generalities, nevertheless they are approximately correct.

The State of California has an annual feed cost of $412 million. The cost of this stabilization program to California will be approximately $100 million per year.

Let us turn to the State of Florida. The increased cost is about $18 million. For the State of Georgia it is about $35 million. For the State of Mississippi, $20 million; for the State of Virginia approximately $15 million. For Pennsylvania there is approximately a $50-million increase in the cost to the producers of dairy and poultry products of that State on their food grain costs. For the State of New York the increase will be about $40 million; for the State of Massachusetts $10 million.

In my own State, Maine, which of course is a deficit feed grain area, there will be an increased cost of $10 million; for Vermont $9 million, for West Virginia $6 million.

Feed costs represents 30 to 40 percent of the cost of production of milk and poultry products. This legislation, if it is effective, will increase the cost of feed grains in these feed deficit States.

I think in order to be fair, those of us in feed deficit States must recognize the problem in the feed surplus States; however, I think we need to give this legislation very careful consideration, and I certainly do not think we should support this measure which increases feed grain cost in feed deficit States.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentlewoman from Idaho [Mrs. PFOST].

Mrs. PFOST. Mr. Chairman, I am one of the score of Democratic Members of Congress who are sponsoring this Farm Surplus Reduction Act of 1960. It is the kind of comprehensive program that has been needed by American agriculture for a long time.

I think it is unfortunate that opponents of the bill are trying to make it appear as an election-year football. It emphatically is not. A small, representative group of Democratic House Members—and I was one of them—first got to work on this legislation last August, after it became clear that we could expect nothing concrete in the way of action from Agriculture Secretary Benson to help the family size farmer. We worked diligently on it and had the bill ready for introduction the day after the President delivered his farm message to Congress last February 9.

That legislation has since been under study by the House Agriculture Committee. Lengthy hearings were held on the measure during which numerous experts on farming along with representatives from farm organizations testified.

Some 11 Governors appeared either in person or sent in statements supporting the measure. The committee then combed through the hundreds of pages of testimony and made changes accordingly in the original structure of the bill. The legislation before us today is the result of the weeks of study by the committee. I wish to take this opportunity to commend the members of that great committee for their tireless efforts in perfecting a bill that would benefit the family size farmer.

In the President's farm message, as I recall, he referred to the plight of the family farmer as a most vexing domestic problem, and he invited the Congress to come forward with a solution.

Let us not forget that the President was not the only one who was throwing out a life preserver when it comes to the farm situation. It is a fact that the Nation's 4.5 million family farmers, who make up the backbone of our great Nation, have been throwing out life preservers for almost 8 years now. It is also a fact that no help has been forthcoming to them in all that time. The record shows that the President has vetoed five major farm bills so far. And Secretary of Agriculture Benson is operating a policy that has the clear-cut aim of driving the family farmer off the land, which is his heritage, and into the overcrowded job scrambles now taking place in our major cities.

This is hardly the way to treat such a large and important segment of our citizenry—a citizenry that has made the American breadbasket into the largest and richest in the world.

A brief look at the plight of the family farmer today explain readily enough why this legislation was prepared. The net income of farmers has dropped from $15.3 billion in 1952 to less than $10.3 billion today, and the trend is continuing downward. The parity ratio has gone down from 100 percent to about 77 percent during that period. Farm indebtedness at $14 billion in 1952, is now above $20.8 billion today. Interest rates paid by farmers have increased sharply during these same years. The farmers share of the food dollar has dropped from 47 to 37 cents. Farm population, moreover, has declined from 24.3 million to under 20 million today. And the number of farm units has gone down from 5.4 million to under 4 million today.

Net income to the farmer as a whole, is at a 19-year low at the present time. And, as everyone in this body knows, we have the weird situation of the Nation's farmers literally drowning in the plenty they are producing.

After this brief look—and I could have cited even more unhappy statistics—it is reason enough to explain the need for a new attack on the farm problem.

The Family Farm Income Act of 1960, which has been amended and is now cited as the Farm Surplus Reduction Act of 1960, is designed to raise the income of the family farmer and protect him from ruin. It would reduce our fantastic farm surpluses which, in the President's own words, are costing the taxpayers more than $1,000 a minute to store. And the new program would cost only a fraction—about a half billion dollars a year—compared to the more than $5 billion that the administration is now spending to shore up its existing patchwork agriculture stabilization programs.

I will not go into the other details of the bill because it is being well covered here by other speakers. But, in conclusion, I want to urge the Members of the House to support this legislation. It is must legislation to fill the vacuum which exists in our agricultural policies today.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I offer a privileged motion.

The CHAIRMAN. The Chair will advise the gentleman that his motion is not in order at this time.

Mr. ANDERSEN of Minnesota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSEN of Minnesota. Mr. Chairman, as long as I cannot get time from my side, I wonder if the gentleman from North Carolina may have 5 minutes for me at this time?

Mr. COOLEY. Mr. Chairman, I will yield the gentleman 3 minutes.

Mr. HOEVEN. Mr. Chairman, may I say that all of the time was allotted on this side before the gentleman from Minnesota requested time.

Mr. ANDERSEN of Minnesota. I am meeting a realistic situation, that is all.

The CHAIRMAN. Is the gentleman from North Carolina yielding 3 minutes to the gentleman from Minnesota at this time?

Mr. COOLEY. Mr. Chairman, I yield 3 minutes to the gentleman at this time.

Mr. ANDERSEN of Minnesota. Mr. Chairman, we are faced with what kind of a situation here today? We are faced, first, with the problem of trying to bring to the farmers of America a little bit higher price level for what they produce. We are faced with a situation where we have $9.1 billion worth of commodities owned by the Commodity Credit Corporation which are coming to the point where they are becoming unbearable from the viewpoint of storage costs to the general public.

What can we do in reference to this? Personally, I am willing to say to the wheat farmers: "Here, you have two alternatives, take your pick."

I am going to offer an amendment when we get to the feed grain section which would say to the farmers: "Now, if you like this committee proposal that the Committee on Agriculture has brought before us today, you can choose between that and the so-called green acres proposal which the gentleman from Iowa [Mr. JENSEN] and I have been proposing during the last 2 months."

That is all I am asking, and I intend to try to get that before the House for action so that we in the feed grain part of it will be able to give to our farmers a choice between two alternatives. I would really prefer to see three there. I would like to see the Farm Bureau proposal put in there and give the farmers an opportunity to choose between Mr. JENSEN'S and my green acres proposal. The Farm Bureau proposal of wide open production, or, as the committee has made it, leaves it up to nine members, a committee of nine, who have nothing whatsoever to do with the Congress. Let the farmers decide; that is all I am asking. I think here today, if we are reasonable men and women, we can do something good for agriculture in America. I feel if we do not, we will be falling down on our job.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Iowa.

Mr. JENSEN. I am sure the record will show that the gentleman from Minnesota and I have always helped the cotton and the tobacco farmers.

Mr. ANDERSEN of Minnesota. And the peanut farmers.

Mr. JENSEN. And the rice farmers of America.

Mr. ANDERSEN of Minnesota. All through my 22 years. And, the same thing applies to the gentleman from Iowa. We have helped you gentlemen from the South to get a fair break for your commodities, but we have no fair break in this bill as far as corn and feed grains are concerned, my friends.

Mr. JENSEN. That is what I was coming to. It just seems to me in all fairness that since many of us on this side from the agricultural States and many from the large cities have supported legislation to give the cotton and the tobacco farmer a break, the same consideration should be accorded those of us who are constantly and sincerely trying to help the farmers of the Midwest.

Mr. ANDERSEN of Minnesota. I thank the gentleman for his contribution.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. HOEVEN. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I repeat it appears to us in all fairness and sincerity that we from the corn and feed grain producing States, the large breadbasket area of these United States, should have something to say about the kind of farm legislation which we know will be good for our farmers. And, if it is good for the farmers, it is good for every American. The Andersen-Jensen green acres bill, if enacted into law, will be beneficial to every farmer in America over the long pull.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I would like to urge the House to reject H.R. 12261 because its net affect would be to aggravate rather than to solve the farm problem. I shall offer as a substitute S. 2759—the wheat bill passed by the other body.

The wheat problem today is terribly serious. During the past 5 years the net realized cost for the stabilization of wheat prices and income amounted to about $2.9 billion. This is 30 percent of the net realized cost for all commodities although wheat represents only 6 percent of the cash receipts of all agricultural products.

It is incredible that Congress has permitted this problem to grow to the proportions that we now face. Our wheat surplus is now 2½ times greater than the annual entire U.S. consumption of wheat for food.

The fundamental reason that the problem has grown to this magnitude has been Congress' unwillingness to face the problem realistically. The majority leaders in the Congress have constantly fought for high price supports, and yet they have been unwilling to cut production sufficiently to bring it into line with consumption.

It is obvious that incentive level price supports of 75 percent combined with the 55 million minimum national acreage allotment, and the 15-acre exemption should produce far more wheat than we need.

H.R. 12261 would repeat this identical blunder—

First. By raising the price support of wheat from 75 percent to 85 percent it would discourage the development of new markets for wheat which is a key to a real solution of adjusting demand to supply. It would price wheat out of the market. Raise wheat 25 cents a bushel.

Second. By raising price supports it will raise incentive for greater production for more intensive production of the land which is still permitted to be used for wheat.

Third. Instead of lowering the cost of the wheat program which is the crying demand of the taxpayers it would raise the annual cost about $104 million a year and $230 million over S. 2759 which I am offering as a substitute.

Fourth. In addition to this raise in cost to the taxpayers it would raise the price of wheat and in all probability the price of bread and its products to the consumer. It is just another bread tax. Raises bread about 1 cent per loaf and flour ¾-cent per pound or 10 percent.

Fifth. The idea of setting up commodity committees to determine programs for the feed grains seems to be an unconstitutional delegation of power by Congress.

Sixth. These commodity committees could set up programs for feed grains which could damage other segments of agriculture. What guarantee is there that our poultry, dairy, sheep, cattle, and swine producers would be protected against artificially high priced feed grains?

Hugh Colton, president of the Utah Cattle Association, has advised me that most cattlemen throughout the Nation are unalterably opposed to this kind of treatment of the feed grain segment of agriculture. I have similarly received dozens of letters and wires from other livestock people.

The proceeds from livestock amounted in 1959 to 55.9 percent of all of the agricultural proceeds and certainly their needs must be taken into account in this legislation. By contrast the proceeds from the feed grains amounted to only 7.4 percent. There can be no justification in any sense for permitting the feed grains to establish programs which could damage the livestock industry.

Seventh. The House bill would extend the area of controls.

Eighth. The House bill would set up a costly, difficult to administer and discredited food stamp plan.

Considering all of these regrettable deficiencies in the House bill, I would like to move that we replace the House bill with the Senate bill, S. 2759, which, although it is not perfect, is from every important standpoint a much better bill than the House bill.

In essence the Senate bill would continue the present level of price supports at 75 percent for wheat for 3 years. It would require reduction of 20 percent in acreage for those who comply with the program. The marketing quotas would have to be adopted by a two-thirds vote of all those who are permitted to vote. Those permitted to vote are restricted in the Senate bill—similar to the House bill—to those subject to marketing quotas. The wheat growers are given 50 percent of the previous 3-year average yield of wheat for the 20-percent acreage that they reduce their production. They are also permitted to reduce their acreage by more than 20 percent and collect the 50 percent acreage in kind.

Let me point out that this is a generous provision. The estimates that I have been able to gather indicate that for most wheat farmers they would make a good deal more money by receiving the 50 percent payment in kind than they would if they had to grow wheat on their land. Consequently, this bill can certainly not be said to hurt the wheat farmer in any immediate sense, but to the contrary helps him and, of course, in the long run it helps him even more because it helps in adjusting supply and demand.

The Senate bill reduces the 15-acre exemption to the highest acreage produced in the years 1956 to 1960, not to exceed 12 acres. The Senate bill also raises the penalties for noncompliance as does the House bill.

In summary, the Senate bill is infinitely preferable to the House bill and should be adopted by the House for the following reasons:

First. It eliminates the unpredictable, potentially dangerous and probable unconstitutional program for feed grains.

Second. It eliminates the costly and unwieldy food stamp plan.

Third. It does not raise price supports and thereby dry up market expansion.

Fourth. It does not raise price supports and thereby greatly raise the already exorbitant cost of the wheat program.

Fifth. It does not raise price supports and thereby become a bread tax to the consumers.

Sixth. The 50-percent payment in kind will be attractive for wheat farmers but much less costly than the 55-percent payment in kind provision of the House bill.

Seventh. The administration will accept the Senate bill. Consequently, House passage of the Senate version will insure at least a partial solution for the wheat problem.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield.

Mr. JOHNSON of Colorado. Earlier today I showed the House that the flour that goes into one loaf of bread brings to the farmer 2.3 cents. The Poage bill would bring the farmer 2.6 cents for that flour that goes into one loaf of bread. A loaf of bread sells for 21 cents and the farmer is only getting 2.3 cents. If we

passed a bill that would give him 2.6 cents, I do not see why that should increase the price of bread.

Mr. DIXON. Mr. Chairman, I cannot yield further. I merely wish to say that there is a considerable number of people, thrifty people, who make their own bread, and this would raise the cost of the flour to them by 10 percent. That is a major factor. Let thrifty housewives save the difference between the 2.3 cents which the farmers receive and the 25 or 27 cents which the consumer pays for bread.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. QUIE].

Mr. LANGEN. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Minnesota.

Mr. LANGEN. Mr. Chairman, I thank my distinguished colleague from Minnesota for yielding and ask unanimous consent to extend my remarks in the RECORD following the remarks of the gentleman from Minnesota [Mr. QUIE].

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. QUIE. Mr. Chairman, in the brief time that I have, I should like to point out some of the things I dislike about this bill. First, let's take the wheat section. About 70 percent of the people who raise wheat today would not be allowed to vote in the referendum on whether they supported subtitle A or subtitle B. In the past it has been argued that not all the people who raise wheat should be allowed to vote, because those who raise less than 15 acres have the choice of taking part in the program, if they wish, or of not taking part in it if they so desire.

Under this bill all farmers who raised wheat in the past would be subject to quotas whether they have been raising 15 acres or less than 15 acres, and I think this is as it should be, but I believe all farmers subject to quotas in 1961 should have the right to vote in the referendum and unless this bill is amended 70 percent would be denied their right to vote.

A second thing about this bill which I think is faulty and will prevent it from becoming law is that the price support is set higher than the President would accept. We have been arguing price supports for a long time. If we are going to help farmers who raise wheat we must pass a bill which can become law. I am more concerned about increasing the amount my farmers will receive in dollars and cents than I am in what the price support will be. One reason why there is opposition to increasing the price support on wheat from 75 percent to 85 percent of parity, as in this bill, is that it will greatly increase the export subsidy which is necessary if we are to continue the present great export of wheat and we all hope it will continue. I do not believe we should saddle the American taxpayer with a further expense of this nature when it isn't necessary.

The bill has been designed as a means of helping the farmer through a payment in kind. Properly used, the payment in kind can greatly assist farmers' income while reducing production and reducing surpluses of wheat without the use of higher price supports. I think a payment in kind of 60 percent coupled with the present support of 75 percent of parity would be a good compromise. If this had been done, I think we all know that the wheat section of this bill could become law.

Going into the feed grain section, I just cannot agree at all with this effort to completely abdicate our congressional responsibility and authority and give it to nine men who can no more easily agree than nine men in Congress could agree. We have the opportunity here through our committee system to hear the testimony of the farmers all over the Nation and come to grips with this whole situation and draft legislation of benefit to the farmers. Under this proposal nine men would set up a program. They would not just turn over their suggestions to us. If we did not veto their proposal in 30 days, it would become law. If we should be tied up in such action as we were earlier this year such as consideration of civil rights, or the tieup in the last days of the session, it would be impossible to bring their proposals up and consider them and they become law without congressional action. Surely the Congress should have to take positive action before any proposal by individuals who have not been elected by all the people of this country would have the effect of becoming law.

It is not only the farmers who raise feed grain who have an interest in the feed grains. There are the people of whom the gentleman from Maine spoke who are in deficit feed producing areas. Surely these people do have an interest and should be represented. The reason laws must be passed by Congress and should continue that way is that we represent all the people rather than any special group.

We are concerned about the welfare of feed grain producers. Under this bill, no proposal of the nine-man committee in all probability would take effect for 2 years after the passage of this bill if all goes well. I have an amendment to this title which would be beneficial to the feed grain situation next year directly and an indirect immediate beneficial effect.

Mr. LANGEN. Mr. Chairman, the legislation that is the subject of debate before the House today possibly is designed to fill as great an area of need as any legislation that has or will come before us during the course of this session. This need can be emphasized just as effectively in terms of its significance to the taxpayer, the consumer as well as our farm populace. Therefore, I should want to emphasize that we are not only considering the degree of benefit that this legislation has to the American farmer, the producer of our Nation's food and fiber, but that we are also considering legislation that is of equal importance to our Nation's economy, our supply of nutritious foods, and even the much discussed matter of a balanced budget.

I shall not take the time of the House to present a long and intricate, statistical report of the need that legislation be enacted in order to stabilize and improve the farm economy, for this fact has been set forth so emphatically on numerous occasions by Members of this House, by the Department of Agriculture and by statistical reports from a wide variety of sources. All of them portray very vividly the almost continuous decline in farm income matched by comparable increases in the cost of farm operation as well as the cost of the everyday living expenses in the same proportion as has been experienced by our entire national populace. Likewise, it is just as common knowledge to the membership of this House that there is a need for our concern of this legislation from the taxpayer's standpoint. For here again, the cost of the present farm program and its many provisions have been sufficiently and adequately emphasized. The committee report sets forth this need most emphatically. With regard to the need for our concern of this legislation in relationship to the consumer, history has revealed to us over the years that any nation's strength economically, morally, and militarily has never been any better than the extent to which the nation has had available adequate supplies of nutritious foods and fibers. Therefore, this legislation must supply the opportunity for the producers of food and fiber to produce adequate supplies and to do so in a manner that will grant them the assurance of a livelihood that is comparable to other segments of our populace, and at the same time, to do so without any unnecessary burden to the taxpayer.

I am sure that every farmer throughout the Nation has no desire other than to enjoy an equal and equitable participation in the wealth of individual opportunity and standard of living that this Nation can offer. All of our attempts to achieve this goal and objective over the past 30 years have been found lacking in many degrees. Our latest experience with present regulations is a very real example of the degree to which this problem can become burdensome to the segments of our populace that I have previously referred to.

I should want to express my compliments to the Agriculture Committee for the effort they have expanded in seeking a solution to this problem, and to the Rules Committee for having brought this legislation before us under a rule that offers ample opportunity for debate and expression. The legislation before us, however, fails to meet the criteria that, in my humble opinion, are essential if we are to entertain any hope of arriving at a solution that might provide the answers to the already established needs. May I point to a few of them.

First, may I say that I find the legislation as reported lacking in the sense that it places further restrictions and regulation upon the individual farmer's activities and operation without giving to him sufficient opportunity, responsibility, and the assurance of an improved income. Regulations provided by the different titles would have the tendency to divide producers of wheat and feed grains into separate groups, with each being subject to regulation by separate authorities. My experience as a farmer,

together with a number of years in the administration of existing farm programs, has very firmly convinced me that the responsibility connected with the reduction of surpluses needs to be brought closer to the farmer himself rather than by the penalized direction of the Federal Government. I am just as firmly convinced that this responsibility the farmer both can and will accept if he has the assurance that his efforts will produce the desired results. It is not my purpose to say that I have the only or the foolproof answer to this suggestion, but I have introduced legislation that does provide for entirely voluntary participation by the farmer in return for an assured stability in his income. This legislation offers and provides for the following 11 goals:

First. It offers opportunity for the farmer to achieve full parity prices and his rightful share of our gross national income.

Second. It offers less Government control to the farmer and provides him with the opportunity of voluntarily curtailing production to meet demands.

Third. It offers sufficient incentive to the farmer which will encourage a very high percentage of compliance. Experience has surely proven that no program will be effective to any greater degree than the extent to which we can expect to get compliance.

Fourth. It presents no problem of administration. All of the provisions of the bill can be successfully and effectively administered through the township, county, and State committees and the regulations which govern our present program.

Fifth. It permits the law of supply and demand to function within the provisions of the legislation so that acreage shifts from one crop to the other will be governed by prices as determined by supply and demand.

Sixth. It deals with the entire national productive unit of wheat and small grain feed crops and reductions are required from actual planted acres, giving assurance that compliance will produce a reduced total production.

Seventh. It offers a reduced price support on wheat to those who make no contribution to a reduced production and eliminates the present loophole permitting anyone to seed 15 acres by permitting him to collect a payment in kind if he selects to keep these acres out of production entirely.

Eighth. It does not permit the acres taken out of production to be used in producing other crops that can further enhance the surplus situation.

Ninth. It provides that the President shall institute an investigation whenever it would appear that agricultural commodities are being imported in such amounts as to interfere with the laws and price-support programs for those crops.

Tenth. Compliance with this program will be less costly to the Government in that it will reduce surplus costs and so be beneficial to consumers and taxpayers as well as to farmers.

Eleventh. It will permit the law of supply and demand to again function as soon as present surplus stocks have been diminished to a point of having only adequate supplies in cases of emergency.

That these provisions would be acceptable to the farmer might well be emphasized by his willingness to participate in the many programs that he has been exposed to up to the present time. The reason that many of these programs have not produced the desired results, by my interpretation, has been because the relation the individual farmer has had to them has been entirely without any responsibility on the part of the farmer himself. It is surely in keeping with the American tradition, established by our great Constitution providing for the rights of the individual in a free enterprise system, that growth and progress can best be achieved by adequate means of developing our full potential of individual responsibilities and talents. This goal can be achieved in the field of farm legislation to the advantage of the entire Nation.

A second item that I find completely lacking in the proposed legislation is that no consideration seems to have been given to factors that are beyond the control of the farmer himself. May I mention in passing that I note no reference to the amount of dollars that are referred to as expenditures of the Department of Agriculture which have no relationship or benefit to farm income. But more important is the fact that there is no reference or consideration given to the extent to which the farm income, the volume of surpluses, and the cost of caring for these surpluses, together with resulting increases in the total Government expenditures, have been affected by imports of agricultural products.

I have previously called to the attention of the House how in three of the main crops in my area we have had substantial surpluses and Government expenditures, even though the American farmer has not produced a single bushel of surplus in any of these crops during the past 12 years. During this period, we have constantly had large storage expenditures plus a most depressing market and a continuous reduction in support prices with the application to the Nation that our farmers were the cause of these surpluses as well as expenditures, while the actual truth of the matter has been that the farmer was rather the victim of an import situation over which he had no control. It seems completely futile to me that we should even attempt to curtail production of crops in which our own production has actually been below total disappearance. This same problem has been emphasized by other Members of this House, particularly Congressman E. Y. BERRY, of South Dakota, concerning the extent to which imports have played a part in the entire livestock industry. When this entire scene is surveyed, actually we have no farm or surplus problem within our Nation's boundaries, for if we were called upon to produce quantities sufficient to meet all of our domestic and export needs, our total productive capacity might well be found wanting.

The production of sugar beets and cane is another very lucid example of the same principle. For here is a product in which we produce only 30 percent of our continental needs, and something over 50 percent of our needs in the 50 States. In view of these glaring examples of factors that affect the surpluses and economic problems pertaining to agriculture, how can we possibly expect that the American farmer is going to accept a standard of income that is far below the rest of our citizenry without his expressed and just concern.

I would hope that each of these items might be a substantial part of our consideration today. While I could continue for a more extended time to cite comparable and factual examples of these many inequities, in the interest of time, I shall not do so, for I think that these items alone provide sufficient reason for the Congress to respond to the need of this legislation. In conclusion, may I emphasize one further point. I have noted during the course of today's discussion, in addition to the many long hours of previous deliberations, an element of fear that we had not ought to enter into new fields of legislation pertaining to agriculture and that we might rather admit defeat and hope that by some miracle the problem will go away. I should emphatically state that I do not share this fear, for rather it would seem to me that our experience with the problem over the years should rather encourage us to try and to explore every possible avenue of correction and improvement, and that surely we need have no fear in so doing, for I do not see how we could possibly do any worse than we are now doing. The only possible way that the situation could get worse would be by our neglect to meet our responsibilities as a Congress, to face up to the problem that is before us, and I have every confidence that if we do, we can come forth with a solution that will more adequately serve the needs of the farmer, the consumer and the taxpayer to the complete advantage of the entire Nation's economy. It would be a folly to assume that this can be done overnight, however. I think we need necessarily to assume that it can be done only over a period or years, for we can not correct all of the problems pertaining to surpluses and inequities that it has taken the entire period since World War II to accumulate. We definitely need an adjustment period during which we can work our way out of the dilemma that we now face. This period might require a greater degree of direction and regulation than what will be needed after we get back to a normal balance of supplies and needs for agricultural products.

Because of the great variation in agricultural practices throughout the Nation, I know that it is most difficult to arrive at a unanimity of opinion as to how we ought best to legislate in this field. May each of us today, whether we represent agricultural or metropolitan areas, display our most cooperative and compromising attitudes, for there is no plan that can possibly serve every last little need of a specific segment of the

Nation. But there is every possibility that by proper consideration of the many amendments that will be proposed we can come forth with a plan that will better serve American agriculture, the taxpayer and consumer, and in this manner add strength to our entire national economy.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. JOHNSON].

Mr. JOHNSON of Colorado. Mr. Chairman, I take this time to try to answer two or three cost estimates cited this afternoon that I think are of unusual interest. Taking them in reverse order, the gentleman from Utah mentioned that this would be a tax on wheat flour. This could only raise the price of wheat going into flour by some 3 mills a pound. If flour is selling at 7 cents that could not be an increase of about 10 percent. The really important question is, What would be a fair price to the farmer? If it takes 3 cents instead of 2.7 cents to produce the wheat, I think we should get a fair price for the farmers.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Utah.

Mr. DIXON. With regard to whether or not this is a bread tax, most of the thrifty housewives make their own bread from flour. This bill would raise the cost of flour three-fourths of a cent a pound. Flour sells at approximately 7.5 to 8.5 cents a pound. Therefore the bill would cost the housewife approximately 10 percent more for her bread, because outside of the little salt and yeast the flour is the main ingredient, and she saves the spread in the bakery bread due to the high labor cost.

Mr. JOHNSON of Colorado. My own wife bakes bread from flour. Raising the price of wheat would increase the raw material by 10 percent, but I see no reason why it should increase the finished product by 10 percent.

The suggestion was made by the gentleman from Maine, speaking about title II, that this would increase the cost to the consumers.

I would call to the attention of the Members section 205 of the bill, pages 20 and 21, which points out that any different income stabilization method individually or in combination may be used, in order to achieve a fair price to the producers at the lowest possible cost to the consumer or the taxpayers. This is the criterion to be used. I do not see how under those circumstances the figures cited by the gentleman can be supported, and unless supporting evidence is given in the RECORD, I shall have to retain a doubt with respect to those figures.

Finally, the gentleman from Iowa [Mr. HOEVEN] speaking earlier on the overall cost, gave some figures which he did not substantiate. I would like to take the remaining time to review the estimates made by the senior specialist in agriculture for the committee on the data involved in program A of the bill.

At the present time we are producing 1,200 million bushels of wheat and only using for both domestic utilization and export about 1,050 million bushels, which means that we are increasing stocks annually at the rate of 150 million bushels. It is estimated that the reduction of 25 percent in allotments would cut production to 960 million bushels or 240 million bushels below present levels. This assumes a 20-percent reduction in output for a 25-percent reduction in acreage, a not unreasonable estimate. Therefore, we actually will not only not be adding to surplus, but we will be taking 90 million bushels out of surplus. The 150 million bushels we are currently putting into storage each year, at a cost of $1.75 per bushel, will provide a $265 million savings to the taxpayers at the outset. In addition to that, there will be savings on storage of 240 million bushels of reduced output at 30 cents per bushel, which provides a $72 million saving; or a gross annual saving of $337 million.

Against that gross saving, there is some increase in cost. For example, exports overseas would have a net increase under the terms of the bill. After taking into account the increased value of wheat under the 85-percent support figure, the increased subsidy is 10.5 cents per bushel, and figured on 450 million bushels exported, there is a $47 million increase in the export subsidy payments.

Then there is the payment in kind on reduced acres. The payment in kind needs to be figured on a net rather than a gross basis, because we are saving the cost of storing additional bushelage that would otherwise be added to it. So we have, against a 149 million bushel payment in kind, we have a reduction in stocks under this program of 90 million bushels. So that the net would be some 56 million bushels at $2.03 a bushel or $121 million.

The increased payments in kind, and the increased export payments come to $168 million, against savings of $337 million. Consequently, the net saving in governmental outlays or costs would be some $155 million to the taxpayers as a direct result of the adoption of the bill, which is pending before the committee as it stands. I fail to see, unless the gentleman from Iowa can enlighten the committee, how one can say it will be a $500 million increase.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. SHORT].

Mr. SHORT. Mr. Chairman, a Congressman representing a State which produces roughly 10 percent of the wheat produced in the Nation finds himself in a rather peculiar position on the day that we bring before the House a bill that can so very drastically affect the income of a very large percentage of our population in the State of North Dakota. Most of the things, Mr. Chairman, that I intended to say have already been said by some of my colleagues.

I just want to make one further comment on the remarks of my colleague, the gentleman from Oklahoma [Mr. BELCHER] when he mentioned briefly the 15-acre aspect of our present wheat legislation. I think, perhaps, few people realize fully the ridiculousness of the situation that we have been in in our present wheat program.

As most of you know, we presently have a wheat-production control program. That is true so far as the original traditional wheat producers of this Nation are concerned. The wheat producers in my State that have been producing wheat for 50 years, and in all other States, have been reduced from their traditional production acreage about 35 percent. This was a curious aspect of our present wheat legislation. While we were attempting to apply controls that would to some degree balance supply and demand, what did the Congress do? They left the door wide open to every farmer in the United States that was not already producing wheat to grow up to 15 acres of wheat without any penalty. He was not eligible to participate in the Commodity Credit Corporation loan program, but he could grow up to 15 acres of wheat and sell it without any penalty.

I just wanted to inject this little aspect into consideration today as it relates to our overall farm and agricultural situation. We have been advised many times that wheat or any other feed grain, when it was in surplus would immediately contribute to a vastly increased supply of livestock. We were told last fall when hogs were selling as low as $10 and $12 per hundred that we could look forward to nothing but a continuation of that same price level. Today I am happy to report that hogs are selling today at 18 cents a pound. We did not pass any legislation last year that would have attempted to control hog prices or production. I think we can be thankful that we did not. I think the hog producers can be thankful that we did not.

Being primarily a cattleman, I want to say a word or two about cattle production and cattle prices. As most of you know, the livestock people of the United States, largely the cattle people, have resisted with everything at their command any attempt to include cattle prices or cattle production under any price support or production control program. What has happened? To me this points up an important aspect of our entire consideration of agricultural problems. Without any controls, without any supports, cattle enjoys the highest parity level of any agricultural commodity produced in the United States today. The livestock people still stand firmly behind their traditional position of wanting no part of any attempt on the part of our Government to control or subsidize or support the price of the commodity that they produce. The experience they have enjoyed has proven beyond any doubt that they are right in their contention, that the price of their commodity will enjoy a better level if left alone.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. PIRNIE].

Mr. PIRNIE. Mr. Chairman, it is certainly true that every Member of this body is desirous of reaching an effective solution to this very, very perplexing problem, but I hope that in so doing we

are not going to create another type of problem that can very well plague us in the days ahead.

Reference has been made in the course of the debate to title 2 of H.R. 12261 and its proposal that there shall be established a nine-member committee which shall have the power to determine upon a program which shall be reported to Congress by the Secretary of Agriculture. In the event either body upon receiving a report of its action does not disapprove within 30 days the recommendation shall become final. This approach is clearly an improper delegation of authority. In addition to being unwise, as has been pointed out by my colleagues, it does not permit proper representation of all segments of our Nation directly concerned with this program. It does involve a delegation of authority which appears to be unconstitutional. We certainly should not adopt a procedure which has been demonstrated by prior action not to have the approval of the courts and not to be in keeping with the responsibilities of this body.

While it is true that we should seek and should welcome the advice of those who actively engage in the particular field with which we are dealing, we should not forget the taxpayer and the consuming public. However, their roles should be purely advisory. We have a Department within the executive branch of the Government which is charged with protecting the agricultural interests of this great Nation. This not only includes the adequacy of our food supply but also the livelihood of the farmer himself.

The recommendations of the Department of Agriculture should reflect this broad approach, and should be of great assistance to this body, enabling it to formulate a legislative program recognizing a precedent we can follow in dealing with every other similar phase of our economy.

Do we intend to say to all groups plagued with a problem of income or supply that they shall come to us, state their problem, make their recommendations, and they will be enacted into law unless we veto it? Can this be applied as a pattern in dealing with labor, in dealing with industry, in dealing with all phases of our economy producing something that may go into surplus? I think you will agree with me that such cannot be a continuing practice. Then why should it be the practice here?

I should like to call your attention, Mr. Chairman, to two cases dealing with the constitutional question of the delegation of legislative power to private persons.

The Bituminous Coal Conservation Act of 1935 provided that the producers of more than two-thirds of the annual tonnage in the preceding year and more than one-half of the mine workers could fix wages and hours for all producers and mine workers in the district. The act was declared unconstitutional by the Supreme Court in *Carter* v. *Carter Coal Co.* (298 U.S. 238, 311), wherein it was said:

> The difference between producing coal and regulating its production is, of course, fundamental. The former is a private activity; the latter is necessarily a governmental function, since, in the very nature of things, one person may not be entrusted with the power to regulate the business of another and especially of a competitor. And a statute which attempts to confer such power undertakes an intolerable and unconstitutional interference with personal liberty and private property.

By way of contrast the Bituminous Coal Act of 1937 provided for the determination of prices by a commission appointed by the President with the advice and consent of the Senate. The constitutionality of the act was upheld in *Sunshine Anthracite Coal Co.* v. *Adkins* (302 U.S. 381, 399), wherein the Court said:

> Since lawmaking is not entrusted to the industry this statutory scheme is unquestionably valid.

In *Schechter* v. *United States* (295 U.S. 495, 537), in which the Supreme Court declared invalid the "Live Poultry Code" promulgated under the National Industrial Recovery Act, the Court, speaking through Chief Justice Hughes, made the following statement:

> The Government urges that the codes will "consist of rules of competition deemed fair for each industry—by representative members of that industry, by the persons most vitally concerned and most familiar with its problems." • • • But would it be seriously contended that Congress could delegate its legislative authority to trade or industrial associations or groups so as to empower them to enact the laws they deem to be wise and beneficent for the rehabilitation and expansion of their trade or industries? Could trade or industrial associations or groups be constituted legislative bodies for that purpose because such associations or groups are familiar with the problems of their enterprises? And could an effort of that sort be made valid by such a preface of generalities as to permissible aims as we find in § 1 of title I? The answer is obvious. Such a delegation of legislative power is unknown to our law and is utterly inconsistent with the constitutional prerogatives and duties of Congress.

These precedents should inject a note of warning respecting adoption of the approach outlined in table 2, and I hope this improper procedure will be disapproved.

Mr. COOLEY. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, as a member of the great House Committee on Agriculture I believe that this is the time when we must speak out in behalf of the American family farm. It is a way of life that we are attempting to defend here, the family farm.

Much has been said today about the fact that we should take the agricultural problem out of politics. I am one of the first to agree that this should be done, it must be done, and it should be done today. I believe every one of us who can assume any stature at all should assume the stature of a statesman. That applies to the Members of the House and it applies to the Members of the other body as well. It also applies to those who are candidates for the Presidency of the United States, including the candidates of both parties.

If we would look at the situation today we would find that there are those on both sides of the aisle, in both political parties, who are attempting to play politics. They are not confined to the Democratic side.

In this morning's press it is stated that Vice President NIXON attempted to reassure the farmers in North Dakota that if elected President he would support a new kind of a farm program different from both the Eisenhower and the Democratic proposals, which would sustain farm income. The Vice President refused, according to the dispatch, to discuss the crucial issue of farm price supports while Congress is still debating the President's proposal, but he promised to do it later.

I say that today, the sooner the better, we need to do something for the American family farm for it is in the best interest of the entire citizenry of this country that we do. It is time that we have people stand up here and take a stand and quit waiting until it is politically expedient to do that which needs to be done.

A few weeks ago I was called home to my district. I was asked to return by a group of bankers of Winnebago County. The county of Winnebago is the richest county in the State of Iowa, bar none, and Iowa is one of the richest agricultural States in the Union.

These bankers, who are not necessarily political friends of mine, asked me to come there and talk about the serious situation that confronts the family farmers who live in that county. Winnebago County has never had a drought that has been cataclysmic to the farmers, it has never had a total crop failure for any reason. But here in this richest county of Iowa the bankers, not the farmers, asked me to come there, sit down and talk about the problems of the family farm. I believe it is high time that we quit blaming one or the other, but if we have a solution to come forward with it, and this includes Mr. NIXON.

We who are members of the Committee on Agriculture of the House have worked diligently, we have worked long and hard, and we have come forth with this bill, a bill that is not perfect but it does do some constructive things.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. COAD. I yield to the gentleman for a question.

Mr. ANDERSEN of Minnesota. I want to ask the gentleman if in his opinion the farmers of Iowa and Minnesota can make both ends meet with 95-cent corn?

Mr. COAD. They cannot make both ends meet with 95-cent corn; no. I know that the farmers, the bankers, and the Main Street merchants are concerned about the problem of 95-cent corn. And I know what it is to listen to the haunting chants of an auctioneer selling out a family farm.

We have heard some here today from farm States who are most concerned about higher consumer prices. I regret to say one of my colleagues from Iowa is seemingly most concerned and is worrying about the consumers. I am worrying about the consumers, too, but I am first worrying about the farmers. If the farmer has a strong economy the con-

sumer will receive a reflection of that stronger economy. In the wheat section of this bill there is a realistic referendum choice. I believe it is sure, I believe it is sound. Let the farmers select what they really want. The feed grain section does not impose legislatively anything upon the backs of the feed grain farmers. It simply presents guide lines that the feed grain farmers can set up in the way of their own programs; then the Congress has the right of veto. If it is not a wise program the Congress has 30 days effectively to veto it. Then in section three of the bill is a program distributing protein food to the needy. The cost of this entire bill will be low to the consumer and greatly beneficial to the farmers. I urge its adoption.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. BROCK. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BROCK. Mr. Chairman, as we approach the closing days of this final session of the 86th Congress we are again at the crossroads in earnest deliberation to legislate a sound and workable farm program, one that will attempt to satisfy all elements vitally interested in this very important segment of our national economy.

There should be no question in the mind of any Member of this House in that we are faced with a very serious farm problem, one that represents a very definite challenge to resolve. This problem has been growing steadily worse for the past 7 or 8 years and has resulted in continual mounting surpluses of agricultural commodities, lower prices for farm products, and the constant dropping of annual net income for the average American family farmer.

It is the direct result of a series of impractical and unworkable theories and farm proposals that have not taken into consideration the technological advances made in the field of agricultural production, but instead have brought the average family farmer to the brink of bankruptcy.

I can tell you from personal knowledge and observation in my own Third District of Nebraska, which is wholly comprised of agricultural and rural communities, that we in the Midwest farm areas are in a serious economic condition.

This depressed economic situation can be better illustrated by reviewing the farm income status—for the past, present, and the future—in a very few simple and detailed steps that defy contradiction.

First. Farm prices at 75 percent of parity—the lowest in 19 years.

Second. Farmer's share of the consumer's food dollar at 37 cents—the lowest in 20 years.

Third. Net farm income, $10.3 billion for the year 1959—the lowest in 17 years.

Fourth. Farmers' out-of-pocket net income losses since 1951—over $24 billion.

Fifth. Farm production expenses at new peak of $26 billion in 1959, using up 68 cents out of each gross farm dollar—that is almost as bad as in the year 1932, the peak of depression.

Sixth. Accurate forecasts of even lower farm prices and net income for the present year 1960.

Seventh. Five Presidential vetoes of major farm bills in 7 years.

That, Mr. Chairman, tells part of the story but not all of it. While it was not, and is not, my intention to burden you and this House with statistics and figures, it is sometimes very difficult to present a constructive picture without them.

The loss of net income to the farmer started in 1951 in the amount of $2.3 billion for that year. It has progressively increased until the year 1959, when the total reached an accumulated net income loss of $24.1. The net income loss for that year, 1959, cost the farmers and the businessmen in my own State of Nebraska $800 million.

To further bring out the depressed economic situation in which the average family farmer finds himself today, we need only to look at the records of per capita income for the various segments of our national economy. You will find that in the year 1959, some 21 million people living on the farm averaged only $960 of per capita income, whereas the rest of our national population had a per capita income of $2,202.

The total national income has risen from $279 billion in 1951 to $398 billion in 1959, an expansion of $119 billion, in our national economy. Wages and salaries represented $98 billion of this expansion. Meanwhile, total farm income for the same period dropped $4.5 billion. These figures are enough to make the average farmer weep.

While the farmer has been forced to bear the increased costs of living, reflected in his purchases of farm equipment and other necessities, increased labor costs, education of his children, stipulated and the many other hidden taxes, he has been very definitely shortchanged on the distribution of the increased national wealth.

As the per capita income of the industrial worker and the other segments of the national economy moved steadily upward, the net income of the average farmer steadily declined. This lack of equal distribution of the national wealth has brought upon us the "farm problem" with which we are faced today. Unless it is solved, and promptly, we will be faced with a further and unsurmountable problem that can only result in national economic depression.

There are other reasons for the existing "farm problem" that must be taken into consideration. Of prime importance is the constant increases in our importation of livestock and red meats. During the past 2 years I have made a thorough study of this related problem and have made numerous objections to our Department of Agriculture, the Tariff Commission, and the White House, requesting them to use their constituted authority to invoke quotas that would impede or halt these increasing imports that were threatening the very existence of some of our domestic markets, particularly so when these domestic markets were in a depressed condition.

Figures compiled by the National Livestock Feeders Association indicate that in the year 1958 we imported a total of 1.154 billion pounds of beef products, livestock and the equivalent, which represented 8.2 percent of our domestic production. In the year 1959, there was a very slight drop, to a total poundage of 1.067 billion, or 7.5 percent of our domestic production. We might also refer these figures to the year 1956, when we imported a total of only 182 million pounds of beef products.

It is interesting to note that while this Nation is the world's greatest hog producer—one of the principal agricultural commodities of the Midwest States—we actually import more pork products than we export. During the 12-month fiscal year period of 1959, we imported a total of 196 million pounds of pork products, whereas our exports for the same period amounted to only 60 million pounds.

Lamb and mutton represented by far the largest percentage gain in meat imports, rising 165 percent in 1959 over the 1958 figure. This gain resulted from the imports of over 42 million pounds, as compared to less than 16 million pounds in the year 1958. The importation of these particular lucrative products have become so important to the down under countries of Australia and New Zealand that the importers have chartered innumerable freighter ships, have embarked on a shipbuilding program of larger refrigerated vessels, and have now resorted to flying in their product.

Similarly, the same products are being flown in from Iceland, and other cold countries who have realized that our wide-open import policies beckon them to greater profits than they could possibly realize in their own countries, all to the detriment of our domestic producer.

To add insult to injury, kangaroo meat, not generally used as food even in Australia today, has been imported into some of our Eastern States, in large quantities, labeled as "eating meat," to the unsuspecting public. It almost belies description when you think that our Department of Agriculture would be so lax in the performance of their duties to permit such a situation to happen. It required action on the part of the Attorney General's office to halt this corrupt and vicious import practice.

To fully understand the danger of this increased importation of meats into the United States, its effect on the economy of our domestic producers, as well as its contribution to our already mounting agricultural surpluses, it is necessary to discuss some of the problems involved in the production, and feeding of livestock, and particularly beef. Across the Nation generally it requires the annual production of an average of 20 acres to produce a beef. It also requires an average of 2 years to put that beef on the market. The beef imports alone last year supplanted the production of more than 80 million acres of land. These 80 million acres of land had to be used for some other purpose, which naturally resorted to the raising of crops

that are now branded as a surplus agricultural commodity.

While on the subject of agricultural surpluses, we might recall to mind the subject of farm subsidies. When the average persons hear the word "surpluses" and "subsidies" they immediately think of agriculture and the farmer. Far too many of our good and conscientious citizens labor under the delusion that the average farmer is the beneficiary of tremendous subsidies, all at the expense of the other taxpayers.

Actually, nothing could be further from the truth, as factual evidence will bear out. The farmer is charged with much more subsidies than he actually receives and what he does get is comparable to a drop in the bucket when you stop to consider the other enterprises subsidized by the Federal Government.

The fiscal year budget for 1959 included an item of $6.8 billion, which was supposed to subsidize agricultural activities. Many people who were fortified with adverse publicity, thought it all went to the farmer. Upon analysis we find that $2.1 billion went for losses on price supports, other supports, and the acreage reserve, all properly chargeable to the farmer.

Now, let us look at the other side of the ledger and bring it into balance. One and four-tenths billion dollars included payments for conservation, loans for rural electrification, and so forth—repaid with interest to the Federal Government—and agricultural research and education. These make the farmer more productive and efficient and the benefits accrue to the consumer in the future.

Three billion three hundred million dollars, or about half of the agricultural budget, went for foreign disposal of surpluses, storage and interest charges on surplus agricultural commodities, donations of food, free school lunches, and reserve for future losses. In a sense, this group indirectly helps the farmer by expanding the market but the majority of the benefits therefrom go to others than the farmer.

This indicates that hardly more than 50 percent of the so-called farm subsidy for that year went directly into the hands of the average farmer.

Subsidies do not have to be a direct Government handout but public acceptance is often dependent upon how well the subsidy is disguised or hidden. Very substantial subsidies are paid to the commercial aircraft and shipping industries, but the biggest and most concealed subsidies are paid out in the form of business reconversion payments, including tax amortization, which has amounted to almost $50 billion since that tax writeoff went into the statute books.

If I be permitted to use a Biblical phrase, the subsidies directly paid to the average farmer could be well-called a "Peter's Pittance" compared to the tremendous amount of subsidies paid out by the Federal Government in the field of amortization in the form of tax grants or exemption.

Today, we are considering the Surplus Reduction Act of 1960, introduced by my good friend and colleague from the State of Texas, a sincere and dedicated friend of agriculture. His bill is a step in the right direction, one that will provide for reductions in our future anticipated surplus production of agricultural commodities. In some features of the bill, we will find variance with our colleagues on the Senate side of the Capitol, particularly so in the problems of our production controls and price supports on wheat.

As previously stated, this is a good bill and one that was reported after considerable deliberation by the House Committee on Agriculture. In the absence of any other agricultural bill for this purpose, I will support it. My concern, however, does rest in my own State of Nebraska and the other Midwest States that place much dependence on the production of feed grain. It is a must with me that the producers of feed grains in my own Third District and the rest of my State and the Middle West be protected in this legislation.

With this thought in mind, I refer you to my own farm proposal, H.R. 11799, introduced in this House on April 19, this year, that will provide a new farm program for 13 basic agricultural commodities, which includes corn, wheat, oats, cotton, barley, flax, tobacco, rice, grain sorghums, soybeans, peanuts, rye, and wool.

My bill would provide for the more orderly marketing of agricultural products at reasonable process, creation of a national food and fiber reserve, price supports that would yield an average of 100 percent of parity for agriculture, and necessary controls of production that will eventually lead to reduction of our present surpluses.

In behalf of my proposal, may I say that people generally recognize that agriculture must conform to the practices of industry and produce in accordance with the demand for any or all of the basic agricultural products.

This was uppermost in my mind when drafting this legislation.

However, this cannot be conceived by the farmer himself at this time, simply by throwing him on the slogan rule of the law of supply and demand. It must be accomplished in measured steps, with the help of the Federal Government, until such time as we reach a goal of diminished surpluses of agricultural commodities, a return to a fair and just market price for farm products, aided and abetted by orderly marketing processes, and a control of production that will meet the law of supply and demand.

My bill also provides for the protection of our domestic agricultural markets by the imposition of import quotas and tariff fees on commodities imported from foreign countries. Such tariff fees collected under the authority of this bill would be deposited in a special account and credited to the nation where such imports originated for the purchase of goods produced in the United States. This would have the effect of giving us a balance in the area of reciprocal trade and would be to the advantage of the domestic producer.

One of the abject failures in our recently administered farm program has been the falling off of our exports of agricultural commodities. As a record-producing nation in the field of agriculture we naturally should be exporting far more of these products than we would import. Unfortunately, this is not true in official statistics recorded by the Departments of Agriculture and Commerce.

Any attempt to restore farm prices by curtailment of production or higher price supports will be ineffective unless we prevent an excess of farm imports. On the other hand, we cannot have any prosperity on the farm until we achieve a greater balance of exports over imports. To achieve such a balance it is necessary that our exports of agricultural products reach a figure of not less than 1½ percent of our total national income. If this ratio was maintained at the present time, we would dispose of some $6 billion in export goods which would spell the difference between prosperity and depression in the agricultural areas.

In the period 1943–52, 90 percent price support legislation resulted in 100 percent average parity for agriculture. The parity price, as defined in my bill, H.R. 11799, shall be based on an average of not less than 90 percent, or more than 110 percent of parity.

Parity prices for the 13 basic agricultural commodities under the provisions of this bill would approximate the following:

Wheat, $2.19 per bushel.
Corn, $1.67 per bushel.
Oats, 93 cents per bushel.
Barley, $1.43 per bushel.
Soybeans, $2.92 per bushel.
Rye, $1.77 per bushel.
Sorghums, $2.65 per hundredweight.
Butterfat, 78 cents per pound.
Milk, $4.91 per hundredweight.
Eggs, 49 cents per dozen.

If you will compare these given prices with the prevailing prices today for the same commodities, you will readily see the difference between prosperity and depression on the farm.

There are, however, some among us who advocate the theory of removal of all price supports and production controls of agricultural products.

With your indulgence, I will now outline the future prices that would prevail under such conditions.

A recent study completed by the economists of the Department of Agriculture and the land grant colleges, on the theory of the total elimination of price supports and acreage controls on agricultural products, will not come as a surprise to the majority of practical farmers and others in the rural areas. It should not be a surprise to the many Members of this House who are the representatives from the agricultural areas.

The conclusions reached in these economic studies indicate that farm income would fall to about $7 billion by the year 1966. if all price supports and acreage controls are removed. This represents a drop of 46 percent from the 1958 level and less than half that of 1952.

There was a difference in the related studies as to the actual prices that would prevail for the various products. The

USDA economists came up with prices projected to 1965, as follows: Wheat, 90 cents; corn, 80 cents; hogs, $11.20 and cattle, $15. The land grant economists projected their figures to the years 1962–63, and produced the following prices; wheat, 74 cents; corn, 66 cents; hogs, $10.80; and cattle, $11.51.

Now, even the figures submitted by the USDA economists would bankrupt most of the farmers and a good portion of commercial agriculture would have to go through a complete reorganization to survive. If present standards of living were to be maintained on family farms, land values would have to be assigned zero value. Farmers owning their land and other property outright, free of mortgages, would have nothing left above operating and living expenses. Their real income would be zero.

Further analysis of these studies indicate that the wheat farmers would have their net income reduced by 50 to 75 percent; feed grains and hog producers by 50 percent; and cattle producers and feeders, 25 to 35 percent.

The net result of these economic studies clearly shows the end of the low price road in a high price country, and points up the unbalanced national economy that presently exists.

Prosperity for our farmers can be brought about only by passage of good, workable farm legislation that will boost the net income of farm families, and by changing our lopsided national economy into some semblance of balance between the annual incomes of the urban industrial workers and other high-paying occupations, and the farmer who toils in our agricultural areas.

Lack of equal prosperity for the farmer will not only destroy small business in the rural communities but will be reflected in considerable measure throughout the industrial and manufacturing areas of the rest of the Nation.

In visiting with some of my colleagues who represent various industrial and manufacturing areas of the Nation, I find that they are genuinely concerned with the economic depression in the agricultural areas, particularly so, due to the adverse effect it is having on the production of the industries in their areas.

The pinch has been getting deeper as time progresses and now has become a major factor in the planning production of these industries. This has vitally affected the steel industries in Pennsylvania, Indiana, Ohio and other States, as it has also affected the tire and rubber productions in Akron and the other rubber manufacturing centers.

To realize the enormous purchasing power of the agricultural areas one needs but to turn to some of the official statistics compiled at the end of 1958:

There were more than 12 million trucks, tractors and cars on the farms.

Agriculture consumed more than 15 billion gallons of petroleum products, more than any other segment of the national economy.

Agriculture consumed more electric power than the combined total of the cities of Chicago, Detroit, Houston, Baltimore, and Boston.

Agriculture purchased over 6½ million tons of steel.

Agriculture purchased enough rubber tires to equip over 6 million cars.

Agriculture purchased more than 50 million tons of chemicals.

Agriculture and rural America represented a purchasing market of $40 billion for the national economy.

The cities of America depend on agriculture for an abundance of food and raw materials, for part of its expanding markets, much of its labor, its management and its genius.

Let us legislate wisely in this area and not cast aside the returns that come to us annually from this very important segment of our national economy.

We have made mistakes in the formulation and administration of some of our previous farm programs but it is not too late to correct them.

Mr. HOEVEN. Mr. Chairman, I yield 6 minutes to the gentleman from Ohio [Mr. LATTA].

Mr. LATTA. Mr. Chairman, for this Congress to pass H.R. 12261 would be a public admission that it cannot cope with the surplus agricultural problem that it itself helped to create. By the passage of this legislation, the greatest legislative body in the world would hope to relieve itself of the responsibility of finding an adequate and just solution to one of our greatest domestic problems.

For this Congress to attempt to delegate authority and responsibility which the people have imposed in it, would certainly be construed to be an admission of incompetency on the part of the membership to deal with this difficult problem. I personally am not ready to make such an admission and I know many other Members of this House are not ready to do so either. We need no other reason than this to strike the delegation of power from this bill.

Let us now examine what this bill proposes to do to the small family-type farmer. Even the former title of this bill, "The Family Farm Act," which in itself was a misnomer has been stricken, can now in all frankness be referred to as the act to eliminate the family-type farmer.

This bill would deny a small family-type farmer a voice in the basic referendum which is provided for herein.

The wheat section, title I, calls for a referendum in which growers would decide by a majority vote between a program of high price supports and strict controls and a program without controls and unlimited acreage with lower price supports. Such a referendum would obviously be of vital concern to the small wheat producer; yet some 70 percent of all wheat producers are denied the right to vote because they produce 15 acres or less of wheat. It seems utterly ridiculous to exclude these small wheat producers from participating in a referendum that could possibly head the Nation's wheat program in a direction in which both the producers and consumers want to go. Such a provision can only be intended to favor the large commercial wheat producer, who produces a type wheat which is causing our surplus, and assure him a dominant voice in the wheat referendum.

We also have discriminated against the small producer in the feed-grain provisions of this bill.

Under the feed-grain title, after a program has been drafted by a farmer committee, a referendum of feed-grain producers would be held to determine whether the program should take effect. The authors of this bill have denied a vote in this referendum to all farmers whose annual production of feed grains amounts to less than $500, unless the feed grains total more than 50 percent of his farm output.

This provision not only would deny many farmers the right to vote on a program that would vitally affect their family livelihood, but it would involve a cumbersome and costly chore by government people in trying to determine voting eligibility.

Lack of fairness in voting eligibility is only one of the many undesirable features of this proposed legislation. It would increase the amount of export subsidy and would create many new, costly administration problems. It could conceivably resurrect the discredited Brannan plan.

In short, the wheat and feed-grain sections of this bill would aggravate—not eliminate—our farm problem.

This bill continues the unrealistic approach to the wheat problem by failing to take cognizance of the fact that all classes of wheat are not in surplus and for this reason should not be treated in the same manner as the classes of wheat which are in surplus. Let me now direct your attention to the chart which I have prepared showing the wheat carryover by classes since 1952 to date. It is obvious to anyone examining this chart that could we eliminate but one-half of the surplus of one class of wheat, we would go far in solving this problem.

Notwithstanding the fact that our normal carryover of Soft Red Winter wheat since 1943 has been 19 million bushels and that the carryover of this class of wheat on July 1, 1960, will be but 8 million bushels—not 10 million bushels as shown on this chart according to new figures to be released on June 28, 1960, by the Department of Agriculture. This bill would apply the same reductions to this class of wheat which would be applied to the Hard Red Winter class. In view of the fact that Hard Red Winter is used primarily for the making of bread, and that Soft Red Winter wheat is used primarily for pastries, there is no justification for applying these reductions similarly as contemplated in this bill.

Another feature of this bill which does not show up on its face which is detrimental to the consumer of Soft Red Winter wheat is the fact that the 15-acre farmer who produces most of this type wheat is asked to take a larger reduction in his production than are the large farmers of the West who are producing Hard Red Winter wheat—the type wheat which is causing the lion's share of our surplus. On this hastily sketched map, I have attempted to divide the United States by the classes of wheat grown in the various regions. From examining this map, one can easily determine where the greatest production has been and

which class of wheat will be reduced the most. For example, in my State of Ohio, 123,000 of the 153,000 wheatgrowers operate under the 15-acre exemption; in Indiana, 99,000 of the 121,000 wheat farmers operate under the 15-acre exemption; in Illinois, 108,000 of the 137,000 wheat farmers operate under this exemption; in Arkansas, 18,000 of the 19,000 wheat farmers operate under this exemption; in Tennessee, 33,000 of the 35,000 operate under this exemption; in Pennsylvania, 80,000 of the 88,000 wheatgrowers operate under this exemption; in New York, 32,000 of the 38,000 operate under this exemption; in Virginia, 46,000 of the 49,000 operate under this exemption; in North Carolina, 77,000 of the 79,000 operate under this exemption; and so on throughout the entire eastern half of the United States. Yet these are the farmers who are growing the class of wheat which is not contributing to our surplus but are asked to take a greater reduction than the growers of Hard Red Winter wheat which is causing our surplus. Does such a proposal make sense?

Mr. ABBITT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Virginia.

Mr. ABBITT. I want to commend the gentleman for the fine statement he is making. Will you agree with me that the little 15-acre farmer is not the one that is producing these surpluses?

Mr. LATTA. I agree with the gentleman, and I want to show the committee at this time a map to substantiate that statement.

Mr. ABBITT. And will you not also agree with me that this bill should be known as the big producer bill, a bill to take care of the big producers?

Mr. LATTA. The gentleman is absolutely correct.

Mr. POAGE. Mr. Chairman, I yield 4 minutes to the gentleman from Kansas [Mr. BREEDING].

Mr. BREEDING. Mr. Chairman, at the outset of my remarks, let me say that I represent one of the largest wheat-producing districts in the Nation. The economy of the 33 counties comprising the Fifth Congressional District of Kansas are based primarily upon wheat. What happens to the wheat farmer affects the fortune of every man, woman, and child in the district.

Therefore, my great interest in the legislation now before the House is understandable. What the House does here today can, in great measure, affect the welfare of all the people of my district.

I have insisted since first coming to the Congress that the overriding consideration of any wheat legislation should be the protection of the income of the wheatgrower. I plead with you to keep that consideration in mind as we debate H.R. 12261 by the gentleman from Texas [Mr. POAGE] and the various amendments which will be offered under the 5-minute rule.

There has been a lot of loose talk, particularly by persons and publications outside the wheat areas, about the earnings of wheatgrowers. We are told they are riding the gravy train, that wheat farmers are making a killing each year at the expense of the U.S. taxpayer.

This is dangerous talk—because many well-meaning people who know absolutely nothing about the facts believe it. That explains in great part, I believe, the demand in some quarters for a drastic downward revision in support levels and, as a consequence, a decline in the income of the wheat farmer. People look at the present supply of wheat in Government warehouses and they demand Government action—without any thought given to what possible effect alternative programs might have on wheat producers.

Wheatgrowers have not insisted that the present program be continued. In fact, they recognize that changes must be made to reduce the cost to the taxpayers. Last year, wheatgrowers almost unanimously supported legislation that would have reduced production and cut about $250 million from the cost of the program during a 2-year program.

Unfortunately, the President, upon the advice of Secretary Benson, vetoed the bill.

Earlier this year, the National Association of Wheat Growers took the lead in drafting legislation to revise the wheat program. The National Grange, the Farmers Union, and a number of other farm and commodity groups approved a marketing plan under which producers could have achieved full parity and at the same time taken the Government out of the wheat storage business.

This was a bold, new proposal—the type of thinking we must have to solve a most difficult problem. Mr. Benson opposed the proposal. Unfortunately, neither the House nor the Senate Agriculture Committee saw fit to report this bill.

The House committee instead reported H.R. 12261 by the gentleman from Texas [Mr. POAGE]. I make no claims that H.R. 12261 is the answer to all wheat problems. Frankly, I would much prefer the wheat marketing plan of the national association as I introduced it in H.R. 11011.

But as an interim measure, to help us over an extremely difficult period, wheat farmers can live with subtitle A in the Poage bill. This subtitle calls for reducing the national wheat allotment of 55 million acres by 25 percent. The support level would be increased from 75 to 85 percent of parity and farmers would receive a payment in kind from CCC stocks equal to 55 percent of the average production on the idled acres.

I realize full well the Department of Agriculture and the White House have both let it be known they oppose increasing the support level. During the course of the debate I am sure we will hear threats of a veto.

My answer to that is simple. The House should do what it thinks is right for the country and for wheat producers. Then if the President in his judgment believes the legislation is unsound he should exercise his constitutional prerogative and veto the bill. But let us not legislate under the threat of a veto.

H.R. 12261 provides for a referendum at which qualified wheatgrowers will choose between two alternatives.

The first alternative is subtitle A which I outlined earlier in my remarks. Subtitle B—the second alternative—would tie the price of wheat to the support level for corn and pegging it at 120 percent of the corn price support for 1961, which means $1.27 per bushel or 50 cents per bushel below today's price.

Frankly, Mr. Chairman, I have no doubt that if this bill becomes law and wheat producers are permitted to vote, they will choose plan A instead of plan B. They will so choose because of cold, hard economic necessity.

Plan B would cut the price of wheat to ruinously low levels. Farmers in my part of the country simply could not survive. If farmers in commercial wheat areas are to continue in business they must have a higher price than plan B offers them.

Also, Mr. Chairman, I would like to comment on the bill the Senate passed last week. It is my understanding that opponents of H.R. 12261 will offer the Senate bill as a substitute for the Poage bill.

In all honesty, Mr. Chairman, I must say that the Senate bill, calling for a reduction of 20 percent in acreage with supports to remain at 75 percent of parity, is wholly unacceptable to wheat producers in my area.

This formula—including payment in kind of 50 percent—would drastically reduce farm income, already at the point where it can hardly support the ever increasing costs of doing business. For example, on a 100-acre wheat allotment, farmers would receive a gross income of $3,916 under the present program.

Under the Senate bill, this gross income would be reduced to $3,523.40—a decline of almost $400. That may not sound like much, but to a wheat farmer who is hard pressed to make ends meet, it can mean the difference between profit and loss.

Under the Poage bill, the farmer's income would be protected. He would have a gross income of $3,900 on the 100-acre allotment.

I plead with you not to be misled by propaganda about all the money wheat farmers are making. The truth is that all through the western wheat area people by the dozens are selling out and leaving the farm. I hold in my hands 25 sale bills advertising auction sales, all of which were collected by one man in a week's time in one county of my congressional district. I ask you, is this the sign of unprecedented prosperity? Are forced sales the sign of good times?

Mr. Chairman, I urge this House to accept the Poage bill as reported. It will protect the farmer's income. It will reduce production substantially, and remove almost 170 million bushels of wheat from CCC stocks. This means less cost to the taxpayer.

This is interim legislation. It offers protection for the farmer as we work off our surplus stocks and approach the time

when supply will permit larger plantings and a free market. But we simply cannot abandon the wheat farmer to ruinously low prices while he waits for the law of supply and demand to provide him once more with a decent price for the product of his toil.

If you strike out subtitle A—which affords income protection while it reduces supply—or if you substitute the Senate bill, you will have seriously injured the wheat farmers of my area. I plead with you not to do this, but instead to support the Poage bill.

Mr. HOEVEN. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. NELSEN].

Mr. NELSEN. Mr. Chairman, we have heard a good deal of talk about the family farm. I presume that in the Midwest the family farm is one where they milk the cows, feed the pigs and the steers, and the entire crop is produced on the farm and fed on the farm. My farm is exactly that type of operation. I have never sealed a bushel of grain in my life. I never negotiated a loan of any kind, and I have operated my farm successfully.

There are 156 million acres of land in the United States where the crops are produced and they are retained on the farm. We have a little better than 187,000 farmers in the State of Minnesota, and 75 percent of them have never participated in any crop price support program whatever. It seems to me that when we are dealing with the farm program we spend a lot of time talking about individual commodities like wheat or corn or tobacco or cotton or whatever it may be and we forget that actually the thing we must do is consider the total tillable acres that produce the crops that produce the surplus. If we have 156 million acres of land that produce crops to be fed on the farm, it seems to me here is an area in which we should move with a voluntary payment-in-kind program.

I regret that in this committee bill, when all commodities were included, little by little items were taken out, and finally we are having forced on us in the feed grain areas a bill that nobody else wanted.

I should like to suggest at this time that we give some thought to amendments that will be offered later. The gentleman from Minnesota [Mr. QUIE] and myself have an amendment patterned after our payment-in-kind bills. The gentleman from Minnesota [Mr. ANDERSEN] has a bill, associating himself with the gentleman from Iowa [Mr. JENSEN], in the payment-in-kind approach. I believe in the payment-in-kind approach especially for the small dairy farmer as I have mentioned. If he could idle acres and then take from surplus what he would have raised he then would not have to sell off his dairy cows. He could continue to operate as he has in the past. If he takes 20 percent of his acres out of production, he at the same time will be replacing that 20 percent out of surplus, and you have gained 40 percent in the overall picture.

I am of the opinion we are spending too much time talking about support levels, especially since 75 percent of the average family farms in an average agricultural State like Minnesota get no direct benefit whatsoever from crop supports.

I think more time should be spent in trying to figure out a plan to reduce the surplus that is producing, as the aviator says, "a low ceiling" that we cannot penetrate. The farmer never gets an opportunity to enjoy some of the surges we find in a normal economy.

I believe the payment-in-kind amendments that will be offered have greater merit than some of the provisions that are in this bill. But I also believe the committee has worked hard, and I compliment the committee whether they agree with my point of view or not. I think it is high time we recognize that something must be done.

When we talk about the family farm, I would like to call attention to the fact that one of our problems is the cost of operation. When I started farming, way back in 1935, I bought a three-bottom plow for $140 brand new. I thought I was really going into business in a big way. Last year I bought a four-bottom plow—$918. Tractors and equipment and taxes have risen year by year by year, and the little family farm has received very little benefit under the legislation that we have had in the past and that we are talking about at this moment. The only way you can help them is to replace what the little family farm loses in idle acres so that they can continue their normal operations. Then I think you will have voluntary participation that will be more effective than all the policing you can put into any kind of bill, because here is an area where you can make headway.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield myself the balance of the time remaining.

Mr. Chairman, I think this debate has been very well conducted. I think the bill before us has been very well discussed and presented. I want to say that the Committee on Agriculture has worked faithfully and diligently trying to solve some of the problems of agriculture.

Our committee brought the wheat bill before the House in the last session. The bill finally went to the White House and was vetoed. Still we continued our efforts.

The gentleman from Oklahoma [Mr. ALBERT], as chairman of the wheat subcommittee, held extensive hearings. On the bill we have before us, which started out as the Poage bill and ends up as the Poage bill in a different form, the Committee on Agriculture held hearings for about 15 days. Everybody desiring to be heard was given an opportunity to be heard. All of the farm organizations presented their views and their plans and their programs.

The Poage bill before you now is quite different from the original Poage bill, which was a very comprehensive and all-embracing bill. Actually, it originally offered to the producers of just about all of the agricultural commodities grown in the country to develop programs to stabilize their production and income. It offered to crops that could use it advantageously a national marketing order provision. We eliminated one commodity after another. As the original bill became very controversial, we eliminated the national marketing order provision.

Now we are dealing with agriculture's problem No. 1, to wit, wheat. And we are dealing with the second most troublesome problem: the growing and costly surplus of feed grains.

The President has time and again reminded the Congress of the great magnitude of the problem presented to the American people by virtue of the manner in which the wheat program has operated. Most of you know we now have more than $3 billion invested in wheat. Something must be done about it. The President says so. Everybody else says so.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. Would the gentleman point out that this bill, as it now stands, deals with 85 percent of the total surplus commodities that the U.S. Government holds and it deals with 59 percent of the tilled acres of the Nation?

Mr. COOLEY. I thank the gentleman for that contribution, and that makes this a national farm bill because it does deal with the greatest problems of agriculture.

Mr. Chairman, I do not want to get into any politics about this thing.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. ANDERSEN of Minnesota. The bill would really, in my opinion, be a pretty fair bill if there were another alternative so that the farmers could choose between them on the feed-grain portion of it.

Mr. COOLEY. I want to say to my friend, I have considered his green acres proposal. I have no devotion to the language in this bill to the exclusion of alternatives which might improve the bill. What our committee had in mind was to try to provide some alternatives for the farmers so that they could present their views to the Congress of the country.

Mr. ANDERSEN of Minnesota. I think that is good procedure.

Mr. COOLEY. Speaking only for myself, I have no objection to having the green acres proposal placed in the bill, but I cannot speak for the committee.

Mr. ANDERSEN of Minnesota. I thank the gentleman.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. I have listened all afternoon to this discussion, and I am impressed with the fact that the committee has worked diligently. I noticed what you said about hearing the people who wanted to be heard. You said every farm organization was heard on this legislation. You mean the Farmers Union, and so forth? Can you tell

me which of those organizations support this legislation?

Mr. COOLEY. Unfortunately, the farmers' organizations have not been able to agree on any legislation in the last several years. It is difficult for us to say which organization recommends and approves any particular provision of this bill, but I will say this, that the bill does provide that the Farm Bureau proposition on wheat shall be submitted to the farmers in a referendum, and if two-thirds of the farmers approve the Farm Bureau provision, then they come back to the Congress and it becomes the law of the land.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. It only requires a majority.

Mr. COOLEY. That is correct. I stand corrected.

Mr. SCHWENGEL. Does any one of these farm organizations support this legislation?

Mr. COOLEY. I am not in a position to say that any farm organization supports it in its entirety. We heard a lot of talk about the lack of leadership. The Congress has presented the leadership with at least one wheat bill which was vetoed. We are now presenting another one.

On February 18, the Secretary of Agriculture, Mr. Benson, presented a wheat bill in our committee room. I challenge any Republican in the House to stand up now and say that he is the author of that bill. Mr. Benson has shopped around for 7 years trying to get Members of Congress to introduce legislation for him. Never has he been able to get any Member to introduce legislation on general farm policy. Mr. Marvin McLain, the Assistant Secretary, presented Mr. Benson's wheat bill to us again on March 14. Why has not some faithful Member of the minority party placed his name on this bill? Where is the administration bill? Where is the bill of my friend the gentleman from Iowa [Mr. HOEVEN]? He criticizes everything under the sun, but he has not presented a bill.

You can talk about bills and sending this bill back to the committee and recommitting the bill, but you know this late in the session you either take this to begin with or we will have no wheat legislation at this session.

I am not wedded to this bill. I am willing to consider every amendment which may be constructive.

But as to the Eisenhower-Benson wheat bill, why is it not here? It has not even been introduced, and yet we are to be criticized because we have not enough votes to override a Presidential veto. The only reason we have not already dealt effectively with the wheat problem is that we have too many Republicans and not enough Democrats. We do not have enough Democrats to override a veto.

Now let us get down to the bill. The bill is here. It has three major parts dealing respectively with wheat, feed grains, and the distribution of protein foods, as follows:

WHEAT

Farmers would be offered in title I of the bill a choice between (A) a wheat program, developed by the committee, based on strict production controls—75 percent of present allotments—with price supports at 85 percent of parity and payment in kind for retiring cropland at 55 percent of normal production and, (B) a program of no production controls with the support price of wheat at approximately the feed grain level.

The (A) program follows the lines of the bill which was reported by the Committee on Agriculture last year and approved by both Houses of Congress, but was vetoed by the President. It makes substantial changes in that bill, however, by reducing the level of price support from 90 to 85 percent—approximately $2.03 per bushel—increasing the payment in kind for retiring cropland from one-third to 55 percent of the average yield per acre, and providing acreage allotments for the 15-acre growers, those not now subject to marketing quotas, making them subject to marketing quotas, but permitting them to participate in the acreage retirement and payment-in-kind program and to vote in the referendum which will be held on the approval of marketing quotas.

The (B) wheat program was proposed by the American Farm Bureau Federation. It would repeal all acreage allotments and marketing quotas on wheat and would depart from the parity formula in determining a fair price for wheat and set the level of price support at the level of price support for corn, adjusted for the relative feed value of wheat and corn. It carries a proviso that the level of support for wheat, for the 1961 crop only, will not be less than 120 percent of the level of price support for corn, adjusted for feeding values. This means about $1.27 per bushel for wheat in 1961 with about $1.15 per bushel in 1962 as compared with the present level of $1.77 a bushel under existing law. This wheat proposal also extends the conservation reserve part of the soil bank for another 3 years, authorizes the expansion of this program to 60 million acres, with payments to be made in cash rather than in kind, and emphasizes that the greater part of the expansion is to be achieved in the first year of its operation.

FEED GRAINS

The feed-grain provisions—title II of the bill—authorizes the election of a farmer committee to develop, with the assistance of the Department of Agriculture, a program for feed grains—corn, grain sorghum, oats, barley and rye—which would bring production into balance with demand, return feed grain producers between 85 and 100 percent of parity, and authorize the retirement of up to 50 percent of cropland on the farm in return for payment in kind in feed grains. A salient feature of the feed-grain part of the bill is that it would prohibit any program entailing Government purchase or storage of grains and would limit the overall cost of any such program to not more than 10 percent of the value of the crops involved.

PROTEIN FOOD

Title III of the bill authorizes a substantially increased program for distribution of dairy, poultry, and meat products to the needy, to charitable institutions, and through the school lunch program. The program would be carried out under the general direction of the Secretary of Health, Education, and Welfare, but supplies would come not only from stocks of the Commodity Credit Corporation but also from purchases made in local markets by CCC as the agent for HEW. The cost would be charged to the Department of Health, Education, and Welfare and not to Agriculture.

The bill directs that this program be carried out in such a manner as to assist and effectuate the price support programs established under other portions of the bill. Recognizing the close interrelation between feed grains and livestock products, the bill authorizes the sale of 1 bushel of feed grains from CCC stocks for each $2 expended in the procurement of livestock products for distribution under the protein food distribution program, but the bill does not in any way authorize any controls on the production of livestock or poultry.

Mr. Chairman, H.R. 12261—the Farm Surplus Reduction Act of 1960—opens the way for effective farm programs on 198,206,000 acres, or approximately 60 percent, of all the 324,892,000 acres devoted to cultivated crops in the United States. Wheat and feed grains, which are dealt with directly in this legislation, accounted on January 1, 1960, for 80.8 percent of all Government investments in farm commodities—or $7,385 million of a total of $9,154 million of such investments.

This bill proposes to bolster the whole farm economy, at a time when farmers, caught in a depression while the remainder of the economy is experiencing unparalleled prosperity, are confronting desperate circumstances.

It seeks to reduce Government holdings of farm commodities.

It will bring down the cost of farm programs.

It adheres to the principle that farm income be protected and improved while Government surpluses and Government cost are reduced. It incorporates the principle that existing income protections must be continued until the producers themselves work out improved programs for stabilizing supplies and prices of their various commodities.

It sets up the machinery whereby wheat and feed grain producers, with the help of Government, can balance their supplies with markets available and exercise a degree of bargaining power in the marketplaces.

It seeks to remove unneeded land from production and in that way contribute to the balance of production and demand and save soil fertility for future generations.

It will provide for distribution of additional high protein food to needy people, to public institutions, and to schoolchildren.

It improves the status of the family farm through greater bargaining power, resulting from a balance in the supply and demand of farm commodities.

The bill, with these accomplishments, is not a complete answer to all the hard circumstances that again have settled upon our farm people. The committee, at the outset of its considerations of general farm legislation, sought to offer the producers of all major crops opportunities to develop programs enabling them to adjust their output to effective market demand and to command reasonable prices in the marketplaces. I regret to report that in this undertaking the committee received no cooperation from the Secretary of Agriculture who, with others who oppose the parity principle for agriculture, created such misunderstanding and confusion among farmers and friends of farmers that the committee cannot at this time develop wide agreement upon an overall commodity-by-commodity approach to the general farm problem.

However, H.R. 12261 deals directly with major surplus and cost problems of agriculture, and it establishes the guideposts on the road back to general farm stability and prosperity.

The bill is built upon the principle that any successful farm program must be fair to farmers and consumers alike. It embraces, as a pattern for the future, faith in the ability of farmers themselves to develop or select programs based upon this principle.

Mr. Chairman, with special reference to wheat, I must point out that during the last 7 years, 1953–59 inclusive, American farmers have produced less, not more, wheat than in the previous 7 years. The 1946–52 inclusive production amounted to 8,217 million bushels, whereas in the last 7 years the output has totaled 7,637 million bushels. Meanwhile, both domestic use and export of wheat have declined in the last 7 years.

During these most recent 7 years, while there has been a severe reduction in the price supports for wheat farmers, domestic use of wheat has declined to 4,269 million bushels, from the total of 4,936 million bushels consumed in the previous 7 years. A lower price has not brought about greater use of our wheat.

During the last 7-year period U.S. exports of wheat amounted to 2,708 million bushels, a drop of 138 million bushels from the total of 2,846 million bushels exported in the previous 7-year period.

World movement of wheat from 1946 through 1952 amounted to 6,524 million bushels and 44 percent of the total was American wheat; in the 1953–59 period exports of wheat by all countries amounted to 8,036 million bushels, and our share of the world movement of this food grain declined to 34 percent.

The decrease in our share of the world's market has occurred despite the fact that in 1954 the Congress gave to the Secretary of Agriculture virtually unlimited and unprecedented authority (a) to deliver wheat abroad for the currency of the country receiving the wheat, (b) to barter wheat for strategic materials needed in our own country, and (c) to donate wheat to friendly and needy peoples in other nations.

Meanwhile, Russia's wheat production now again has surpassed the United States' production and U.S.S.R. exports of wheat, although still small by comparison to ours, have increased substantially in the last 3 years.

Now, the statement has been made in this debate that so-called soft wheat, used in crackers, cookies and such, is not in surplus supply, and the acreages of the producers of soft wheat should not be reduced. I have checked the Department of Agriculture on this point.

The Department advises that production of soft wheat has been running at 160 million to 200 million bushels a year, while domestic consumption amounts to 130 million to 140 million bushels. We export from 20 to 40 million bushels of this wheat annually, most of it under the Public Law 480 programs which amounts to virtually a giveaway proposition.

There recently has been a drift away from soft wheat production, entirely apart from any production control program, largely because the small farmers are finding they get better yield and price in the production of hard wheat. An improvement of price for soft wheat no doubt would bring about the production of any amount of soft wheat that ever may be needed in the United States and for export.

Mr. Chairman, in conclusion, I feel it to be my duty to review briefly for the House the distressful conditions now prevailing in agriculture.

Farmers' net income in 1959 dropped to the lowest level, in relation to volume of their sales, of any year since the Department of Agriculture began keeping records in 1910. A further decline is predicted for 1960.

Average farm prices in December 1959 reached their lowest, in terms of parity with other prices, for any December since 1933.

The per capita annual income of people living on farms in 1959—including Government payments and, also, their earnings from off-farm work—again dropped to less than one-half that of nonfarm people. The per capita income of farm people totaled $960, compared to $2,202 for nonfarm people.

Farm net income in 1959 was 24 percent below 1952, while in this 7-year period the national income increased by 35 percent.

In 1959, farmworkers (operators and labor) received an average of 71½ cents an hour. Farmworkers' hourly earnings were down 13 percent from 1952. Farm operators actually paid their hired help 80 cents an hour which was more than they themselves received. In contrast, hourly earnings of industrial workers in 1959 averaged $2.22 an hour, up 33 percent over 1952, and corporation dividend payments in 1959 exceeded such 1952 payments by 47 percent.

The net income of farmers in the last 7 years has been $20 billion less than in the previous 7 years.

Mr. Chairman, the conditions in agriculture demand action. I hope that we may have the wisdom here today to reaffirm our faith in the parity principle for agriculture, so that the farm families of America, now so hard pressed, may make a start on the road back to recovery and stability, so that they may look forward again to sharing equitably in our economy where their contribution is so large and is such a blessing to all of us.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Surplus Reduction Act of 1960".

Mr. DIXON. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. DIXON: On page 1, line 3, strike out all afer the enacting clause and insert:

"That this Act may be cited as the 'Wheat Act of 1960'.

"TITLE I—PRICE SUPPORT AND ALLOTMENTS

"SEC. 101. Title I of the Agricultural Act of 1949, as amended, is amended by adding the following new sections:

"'SEC. 107. (a) Notwithstanding the provisions of section 101 of this Act, for each of the 1961, 1962, and 1963 crops of wheat price support shall be made available as provided in this section. The support price for each such crop shall be 75 per centum of the parity price therefor. Price support under the foregoing provision of this section shall be made available only to cooperators, only in the commercial wheat-producing area, and only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support to cooperators shall be as provided in section 101(d)(3).

"'(b) If marketing quotas are in effect for the particular crop of wheat, wheat of any such crop, and any other commodity produced on a farm to which a wheat marketing quota is applicable and in the calendar year in which wheat of any such crop is normally harvested, shall be eligible for price support only if—

"'(1) the farm is in compliance with the farm wheat acreage allotment for such crop;

"'(2) the total acreage on the farm devoted to the production of nonconserving crops as determined by the Secretary which would normally be harvested in the calendar year in which such wheat crop is normally harvested does not exceed the total average annual acreage on the farm devoted to the production of such nonconserving crops for harvest in 1958 and 1959, less an acreage equal to 20 per centum of the farm acreage allotment for such crop of wheat which would be in effect for the farm except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended; and

"'(3) the producers on the farm in accordance with regulations prescribed by the Secretary—

"'(1) designate an acreage on the farm equal to the 20 per centum reduction in the

farm acreage allotment required under section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended, for the particular crop of wheat, and

"'(ii) do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year.

A farm shall be deemed in compliance with the requirements of clauses (1) and (2) if no crop not subject to acreage allotments is produced on the farm for harvest, and the farm is in compliance with the farm acreage allotments. In accordance with regulations prescribed by the Secretary, the acreage of such nonconserving crops for harvest in 1958 and 1959 may be adjusted to the extent the Secretary determines appropriate for abnormal weather conditions, established crop rotation practices for the farm, changes in the constitution of the farm, participation in soil bank or Great Plains programs, or to give effect to the provisions of law relating to release and reapportionment or preservation of history, and such other factors as the Secretary may deem appropriate. For the purposes of eligibility for price support a producer shall not be deemed to have violated any of the foregoing conditions unless the producer knowingly violated such condition, but the Secretary may provide by regulation for adjusting any payment in kind under subsection (c) or (d) on account of any violation of any such condition or any other condition of eligibility for such payment. For the purposes of this section a wheat marketing quota shall not be deemed to be applicable to any farm exempt from wheat marketing quotas under item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)) or exempt from wheat marketing penalties under section 335(f) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1335(f)).

"'(c) Producers of wheat meeting the foregoing conditions of eligibility for price support for any calendar year shall be entitled for such year to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to one-half of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year for which the designation is made, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage designated under this section shall be in addition to any acreage devoted to the conservation reserve program.

"'(d) If marketing quotas are in effect for the 1961 crop of wheat and the producers on the farm agree to meet the requirements of subsection (b) for 1961, 1962, and 1963, and, in accordance with regulations prescribed by the Secretary—

"'(1) designate an acreage on the farm equal to not less than 20 per centum nor more than 100 per centum of the acreage allotment which would be in effect for the farm for the 1961 crop of wheat except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended, and do not produce any crop thereon which is normally harvested in the calendar years 1961, 1962, and 1963 and do not graze such acreage during such years, but devote such acreage to soil and water conserving uses;

"'(2) reduce by the number of acres so designated the acreage of wheat on the farm in each such year below the acreage allotment which would be in effect for the farm for such year except for the reduction thereof as provided in section 334(c)(2) of the Agricultural Adjustment Act of 1938, as amended; and

"'(3) reduce by the number of acres so designated the acreage of nonconserving crops on the farm in each such calendar year below the average annual acreage on the farm devoted to the production of such nonconserving crops for harvest for 1958 and 1959 adjusted as provided in subsection (b), such producers shall be entitled to a wheat payment in kind, in lieu of the payment provided by subsection (c), for each such year from Commodity Credit Corporation stocks equal in value to one-half of the average annual yield in bushels of wheat per harvested acre on the farm for the three years 1958 through 1960, adjusted for abnormal weather conditions and as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number one wheat of the crop normally harvested in the year for which the payment is made and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The share of any producer in certificates issued under this subsection with respect to any year and with respect to all farms in which he has an interest, based on the face value of the certificates, shall not exceed the greater of (1) $10,000, or (2) such producers' share of payments made under this subsection for acreage required to be designated either in 1961 or in such year as a condition of price support. If such producers fail to comply with the requirements of this subsection for all or any part of the three year period, such producers shall forfeit or refund in cash all or such part of the payments provided for by this subsection as the Secretary determines to be fair and equitable and prescribes by regulation. The acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of wheat by reason of designation under this subsection shall be considered acreage devoted to wheat for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended. In applying the provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340(6)), and section 326(b) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1326(b)), relating to reduction of the storage amount of wheat that part of the acreage designated under this subsection in excess of the 20 per centum reduction required under section 334(c)(2) of the Agricultural Adjustment Act of 1938 on any farm shall be regarded as wheat acreage on the farm of normal production as that term is defined in section 301(b)(9) of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301(b)(9)).

"'SEC. 108. Notwithstanding the provisions of section 101 or 107 of this Act or any provision of the Agricultural Adjustment Act of 1938, if marketing quotas are disapproved for the 1961 crop of wheat, the level of price support to cooperators and noncooperators for the 1961 crop and each subsequent crop of wheat shall be 50 per centum of the parity price of wheat and no national marketing quota or acreage allotment shall be proclaimed with respect to any subsequent crop of wheat: *Provided*, That if price support at 50 per centum of the parity price is in effect under this section, the current price support for wheat, for the purposes of section 407 of the Agricultural Act of 1949, as amended, shall be determined on the basis of a price support level for wheat of 75 per centum of the parity price therefor.'

"SEC. 102. (a) Item (1) of Public Law 74, Seventy-seventh Congress, as amended, is amended, effective beginning with the 1961 crop of wheat, to read as follows:

"'(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary.'

"(b) Item (2) of Public Law 74, Seventy-seventh Congress, as amended, is amended, effective beginning with the 1961 crop of wheat, to read as follows:

"'(2) During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of wheat. The rate of the penalty shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.'

"(c) Item (3) of Public Law 74, Seventy-seventh Congress, as amended, is amended,

effective beginning with the 1961 crop of wheat, to read as follows:

"'(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production, the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.'

"(d) Item (7) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(7)), is amended to read as follows:

"'(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed fifteen acres: *Provided, however,* That a farm marketing quota on the 1961 and subsequent crops of wheat shall be applicable to—

"'(i) any farm on which the acreage of wheat exceeds the smaller of (1) twelve acres or (2) the highest number of acres planted to wheat on the farm for harvest in the calendar years 1956, 1957, 1958, 1959, or 1960; and

"'(ii) any farm on which any wheat is planted if any of the producers who share in the wheat produced on such farm share in the wheat produced on any other farm.'

"(e) Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (12)), is repealed, effective beginning with the 1961 crop of wheat.

"(f) Section 326(b) of the Agricultural Adjustment Act of 1938, as amended, is amended, effective beginning with the 1961 crop of wheat, to read as follows:

"'(b) If a farm is in compliance with its farm acreage allotment for any crop of wheat and the actual production of such crop of wheat on the farm is less than the normal production of the farm wheat acreage allotment, an amount equal to the deficiency may be marketed without penalty from wheat of previous crops stored by the producers on the farm to postpone the payment of marketing quota penalties.'

"SEC. 103. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"(a) Section 334 is amended by inserting '(1)' after '(c)' and adding a new subparagraph (2) following subparagraph (c) (1) to read as follows:

"'(2) Nothwithstanding any other provision of law, each old or new farm acreage allotment for the 1961 and subsequent crops of wheat as determined on the basis of a minimum national acreage allotment of fifty-five million acres shall be reduced by 20 per centum. In the event notices of farm acreage allotments for the 1961 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable.'

"(b) Section 334(e) is amended to read as follows:

"'(e) If, with respect to any crop of wheat, the Secretary determines that the production of any kind of wheat will be inadequate to provide a sufficient quantity of that kind of wheat to satisfy the demand therefor, the wheat acreage allotment (and the number of acres which may be planted under item (7)(1) of Public Law 74, Seventy-seventh Congress, without making a farm marketing quota applicable to the farm) for such crop for each farm located in a county which has produced such wheat for commercial food products during one or more of the five years immediately preceding the year in which such crop is harvested, shall be increased by such uniform percentage as he deems necessary to provide for such quantity. No increase shall be made under this subsection in the wheat acreage allotment of any farm (or in the acreage which may be planted without making a farm marketing quota applicable to the farm) for any crop if any kind of wheat other than that for which the increase is made is planted on such farm for such crop. Any increases in wheat acreage allotments authorized by this subsection shall be in addition to the National, State, and county wheat acreage allotments, and such increases shall not be considered in establishing future State, county, and farm allotments. The provisions of paragraph (6) of Public Law 74, Seventy-seventh Congress (7 U.S.C. 1340 (6)), and section 326(b) of this Act, relating to the reduction of the storage amount of wheat shall apply to the allotment for the farm established without regard to this subsection and not to the increased allotment under this subsection, except that any farm in compliance with its increased allotment under this subsection shall be considered in compliance with its farm acreage allotment for the purposes of said section 326(b). Any farm receiving an increased allotment under this subsection shall be excused from complying with clauses (2) and (3) of section 106(b) of the Agricultural Act of 1949 to the extent deemed appropriate by the Secretary to provide for the increase in allotment under this subsection, and no farm on which acreage is designated pursuant to section 106(b)(3) or 106(d) of the Agricultural Act of 1949 in a greater amount than required as a condition of price support for any crop shall be eligible for an increased allotment under this subsection for such crop.'

"(c) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding 'and shall not apply to other farms with respect to the 1961 and subsequent crops;'.

"(d) Section 336 is amended to read as follows:

"'SEC. 336. Between the date of issuance of any proclamation of any national marketing quota for wheat and July 25 of the year in which the proclamation is made the Secretary shall conduct a referendum by secret ballot to determine whether farmers favor or oppose such quota. Farmers eligible to vote in such referendum shall be farmers who were engaged in the production of the crop of wheat normally harvested in the calendar year immediately preceding the calendar year in which the referendum is held on a farm in the commercial wheat-producing area for such crop and on which more than twelve acres was planted to wheat of such crop if such crop was the 1961, 1962, or 1963 crop, or on which more than fifteen acres was planted to wheat of such crop if such crop was any crop other than the 1961, 1962, or 1963 crop. Any acreage considered as being devoted to wheat in establishing future allotments under applicable provisions of law shall be considered as wheat-producing acreage for the purpose of determining eligibility to vote. If the Secretary determines that more than one-third of the farmers voting in the referendum oppose such quota he shall prior to the effective date of such quota by proclamation suspend the operation of the national marketing quotas with respect to wheat.'

"(e) Section 362 is amended by deleting the second sentence thereof.

"(f) Subsections (b) and (c) of section 335 are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1961 crop of wheat.

"(g) The first proviso of section 377 is amended by striking out '*Provided,* That beginning with the 1960 crop' and inserting in lieu thereof '*Provided,* That beginning with the 1964 crop in the case of wheat and the 1960 crop in the case of any other commodity'.

"SEC. 104. Section 101(d) of the Agricultural Act of 1949, as amended, is amended by—

"(A) striking out paragraph (5); and

"(B) amending paragraph (7) to read as follows:

"'(7) No price support shall be made available for any crop of wheat for which acreage allotments are not in effect and no price support shall be made available for any crop of wheat in any State designated under section 335(e) of the Agricultural Adjustment Act of 1938, as amended, as outside the commercial wheat-producing area for such crop.'.

"TITLE II—AMENDMENTS TO GREAT PLAINS PROGRAM

"SEC. 201. Section 16 of the Soil Conservation and Domestic Allotment Act of 1938, as amended, is amended as follows:

"(1) Paragraph (3) of subsection (b) is amended to read as follows:

"'(3) insofar as the acreage of cropland on any farm enter into the determination of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, the cropland acreage on the farm shall not be decreased during the period of any contract heretofore or hereafter entered into under this subsection by reason of any action taken for the purpose of carrying out such contract and, under regulations of the Secretary, shall not be decreased, for such period after the expiration of the contract as is equal to the period of the contract, by reason of the maintenance of any change in land use from cultivated cropland to permanent vegetation carried out under the contract;'

"(2) Paragraph (4) of subsection (b) is amended to read as follows:

"'(4) the acreage on any farm which is determined under regulations of the Secretary to have been diverted from the production of any commodity subject to acreage allotments or marketing quotas in order to carry out any contract heretofore or hereafter entered into under the program or in order to maintain, for such period after the expiration of the contract as is equal to the period of the contract, any change in land use from cultivated cropland to permanent vegetation carried out under the contract shall be considered acreage devoted to the commodity for the purposes of establishing future State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended;'."

Mr. ABBITT (interrupting the reading). Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ABBITT. Is this the Ellender bill which has already been passed by the other body?

The CHAIRMAN. That is not an inquiry the Chair can answer.

Mr. ABBITT. May I ask the gentleman from Idaho whether or not the bill has been printed and whether copies are available?

Mr. DIXON. This is the exact bill which the other body passed.

Mr. ABBITT. Mr. Chairman, I ask unanimous consent that the amendment be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The gentleman from Utah is recognized in support of his amendment.

Mr. DIXON. Mr. Chairman, I was very pleased to hear the gentleman from North Carolina, chairman of the Committee on Agriculture, say he was not wedded to any bill. I feel the same way. I do not think any of them is perfect. I do believe, however, that the bill which the other body passed is the best bill we have for consideration. I shall try to summarize briefly the reasons.

First, the Senate bill leaves price supports at 75 percent of parity, just as they are under present law, for the next 3 years.

Second, it reduces acreage allotments by 20 percent. It pays any man in kind who reduces his acreage by 20 percent, 50 percent of the amount of wheat he would grow on that acreage.

It will not pay any farmer more than $10,000; there is a limitation here.

Then, this reduction in acreage will place the maximum at 44 million acres of wheat that can be planted instead of the present 55 million under present law. It reduces the total number of acres, therefore, that can be planted by 11 million.

To some extent the 15-acre exemption has done most of the mischief. The bill reduces it to a 12-acre exemption, or the largest number of acres that had been used for this purpose over the last 5 years. If the largest number of acres were eight, for example, then the farmer cannot have more than 8 acres under this exemption.

It increases the penalty for overplanting, makes penalties far more severe, so we will not have farmers deliberately violating the principle of the act.

It takes away the 30-acre limitation which the farmer can plant for feed. Under the present law he can plant only 30 acres to feed his own livestock. Under the Senate bill he can plant whatever he wants so long as it is fed on the farm.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield.

Mr. ALBERT. The points the gentleman is discussing at the present time are also in the committee bill.

Mr. DIXON. Yes; but I will proceed further. It will reduce the production, and that is what the committee bill will not do, approximately 1,270 million bushels to about 960 million bushels.

It will permit us to dip into and move some of the surplus wheat. That is what we want to do. It costs the taxpayers $104 million less than the present law, and $230 million less than the Poage bill provides. The Poage bill will raise the price of wheat 25 cents and go that much further to price wheat out of the market in the export trade. If we export the wheat it will cost the Government 25 cents more so that we can compete with foreign countries.

It protects the consumer. The Poage bill is a bread tax. It will raise the baker's price by about 1 cent. It will raise the cost of flour to the thrifty housewives who make their own bread about 10 percent. There is not much else in bread than flour, except a little salt and a little yeast, and the housewife can profit by her own work, so if she is thrifty she can save this spread between 2.5 cents which the farmer receives, and 25 to 27 cents that a loaf of bread costs. That is what we ought to encourage our housewives to do.

It will not injure other branches of agriculture. The Poage bill definitely will. It will injure poultry and it will injure livestock; it will raise the price of wheat that we export under Public Law 480. Wheat already gets 65 percent of the money under Public Law 480 and if we have to tack another 25 cents a bushel on that to make it compete with foreign countries, wheat will get about 75 percent of all the money.

Where is that going to put cotton? Where is it going to put our other exports? It will just simply consume very nearly the whole appropriation and other commodities will not stand for such injustice.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. DIXON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

Mr. ANDERSEN of Minnesota. Mr. Chairman, reserving the right to object, and I do not intend to object provided, Mr. Chairman, that this policy will prevail all the way through the consideration of this bill. I hope that consideration of this bill will go over until tomorrow so that we may have ample and full discussion of this very important situation. On that basis and on that assumption I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. AVERY. Mr. Chairman, I have a question. That is in respect to payment in kind. I would like to have the record be abundantly clear as to what might be done with the payment in kind. I think we are realistic enough to know that the farmer is not going to drive his truck down to the commodity bin and get his payment in kind in form of a commodity. Undoubtedly he will get a certificate. What can he do with that certificate? Can that be sold on the open market the same as the 15-acre wheat without a marketing penalty? In other words, would it go to the open market or must he sell that to a livestock feeder for feed?

Mr. DIXON. I will ask the gentleman from Oklahoma of our committee to answer that.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from Oklahoma.

Mr. ALBERT. A negotiable certificate will be given the producer on the price of wheat in the county in which it is produced, No. 2 wheat.

Mr. AVERY. A negotiable certificate?

Mr. ALBERT. To be deliverable at the price of wheat at point of delivery.

Mr. AVERY. At his local point of delivery?

Mr. ALBERT. Wherever the certificate is negotiated for the wheat. If in a certain county in Kansas you get a certificate, if the gentleman will permit me, the value of that certificate will be the value of wheat in your county in Kansas, the No. 2 grade.

The Government from its warehouse in Chicago will deliver wheat upon the basis of the price of wheat at the point of delivery in Chicago.

Mr. AVERY. Now, as to the negotiable certificate, I would like to pursue that just a litle further with the gentleman from Oklahoma, if the gentleman from Utah will permit.

Mr. DIXON. I should like to have the gentleman from Oklahoma take the "mike."

Mr. AVERY. As to this negotiable certificate, I presume that the same response that the gentleman is giving me now with respect to the Senate bill, as to payment in kind, would also apply to the House bill before the committee this afternoon.

Mr. ALBERT. The gentleman is correct. There is no difference in the procedure, as I read it, in the two bills.

If the gentleman would yield further, I would like to say that the amount of the payment in kind is 50 percent under the Senate bill for No. 1 wheat and 55 percent for No. 2 wheat under the House bill.

Mr. AVERY. I recognize that, but I am concerned about what happens to this negotiable certificate after it is issued by the Commodity Credit Corporation to the eligible producer. Then we are to accept the gentleman's statement as to this, that the negotiable certificate can be received and redeemed in cash by the wheat producer who has complied with the restrictions in this bill.

Mr. ALBERT. I think the normal manner in which it would be held, he would probably sell it to a miller or to some dealer in wheat, and he would redeem it in wheat at some point of delivery.

Mr. AVERY. Would he have to do that? Does it have a cash value?

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I think what you are trying to say is that the Government will not redeem it in cash. The Government will redeem it in wheat. It is a negotiable instrument and he can get cash for it, but somebody will eventually have to take down wheat, and that is the good thing about both of these bills. It will take wheat out of the elevator eventually.

Mr. AVERY. I am not trying to say anything; I am trying to get the record straight.

Mr. DIXON. I refuse to yield any more time now. I think the matter has been well explained, and I thank the gentleman from Oklahoma [Mr. ALBERT].

Mr. JONES of Missouri. Mr. Chairman, if the gentleman will yield further, I wish the gentleman from Utah would explain one statement that he made. He left the impression that the Senate bill would bring about a 20-percent reduction in wheat; is that right?

Mr. DIXON. I conferred with the Department this afternoon relative to that.

Mr. JONES of Missouri. The bill says it will reduce it 20 percent.

Mr. DIXON. I have the statistics here that the bill would reduce the production from 1.27 billion bushels to about 960 million bushels.

Mr. JONES of Missouri. Well, that would be 20 percent.

Mr. DIXON. Yes; approximately.

Mr. JONES of Missouri. And you also left the impression—I do not think you did it intentionally, but you left the impression that the House bill would not reduce it that much, whereas the House bill calls for a 25-percent reduction and would actually reduce the production below consumption.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think that what we have to get clear here today is this: We are either going to solve the wheat problem, or we are not going to solve it.

Now, the Senate bill goes just part of the way. The Senate bill does not bring about enough reduction, and you are still going to pile up wheat in the Government warehouses regardless of how you interpret this bill, because with a 20-percent reduction over what we are producing now, we will still produce more wheat than we can eat or sell.

Now, what are we trying to do under this legislation? I think we have a correct title on the bill before us today. We have a farm surplus reduction bill, and we are trying to bring down the amount that we have in the surplus. Of course, both of these bills have this payment in kind, and the theory is fine. I think that is something that should have been done a long time ago, because if you can encourage a man not to produce wheat and still give him wheat that would have been produced on that land, you are giving him some incentive and additional wheat will not be produced. Under the Senate bill, the only maximum you are getting there is a 20-percent reduction.

A 20-percent reduction in the bill will not reduce the surplus that you have. It will add to the surplus we already have.

I am saying to you in all good conscience that if we want to do something to help the farmer in this crisis we are going to have to get rid of the unconscionable surplus; we have got to reduce it to a reasonable reserve. We have to have a reserve of wheat just as we have to have a reserve of cotton. But whenever you have a surplus you are in trouble. Even a 5-percent surplus is enough to destroy the market price and to make these artificial supports necessary.

I am pleading with you today, if you really want to do something for the farmer, make this reduction sufficient to bring about some effect on the market. That is the reason I would have to oppose the Senate bill. I am here today not committed to any particular bill but unless we can do something to help somebody we are just kidding ourselves. We are not here to pass a political bill. We are here presumably today to try to help the American farmer—the wheat farmer; he is the one who is in the greatest trouble. But we have to recognize that the wheat farmer is tied in with the feed grain farmer. We are going to have to attack the problems of both at the same time. That is why your committee brought in a bill which tries to solve the two major problems facing us today.

The Senate bill will not do it. The Senate bill does not go far enough to do any good. It will not cure the evil. It will still cost you a lot of money without bringing you any benefits.

Mr. Chairman, I am saying to you in all sincerity that we would be making a great mistake to pass that bill. That is why I told you this morning, that if the Senate bill came to the Committee on Agriculture I feel sure that the committee would not report it. That is why I asked you to vote for this rule under which we are discussing this bill now. We have to do something to reduce the surplus and the Senate bill will not do it.

Mr. THOMSON of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman.

Mr. THOMSON of Wyoming. The domestic consumption is only to 649 million bushels per year. The committee bill would fall far short of bringing production down to that level; would it not?

Mr. JONES of Missouri. It would fall short of bringing it down to the domestic consumption, but with the anticipated exports and the commitments that we have, I think we would still wind up having to take wheat out of surplus. Under the committee bill we will not produce enough wheat in 1961 to take care of all our needs. It would necessitate using a part of the surplus that we now have in storage. The Senate bill will not do that. That is why I oppose the Senate bill.

Mr. THOMSON of Wyoming. Of the over 400 million bushels exported, most of that would go into export under Public Law 480, or other Government-supported programs which amount to a subsidy. Would not the effect of the House bill be to increase the subsidy with a cost to the taxpayers on those 400 million bushels?

Mr. JONES of Missouri. No; I do not agree with the gentleman on that at all.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman would have to deduct from that every bushel of wheat taken out of Commodity Credit Corporation stocks on which the Government now pays storage. The Department figures on costs as explained here today apparently do not take that fact into account.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. JONES] has expired.

Mr. ALBERT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it seems to me that the objections to the Senate bill, which is the amendment under consideration, are twofold. In the first place, the adoption of this bill would reduce the income of wheat farmers at a time when their income is already at a 10-year low. The second major objection is the one suggested by the gentleman from Missouri [Mr. JONES], that is, that it will not reduce the surplus. Unless we are willing to cut the national allotment by 25 percent, we are not going to start getting rid of the surplus. This point I think we ought to keep in mind in considering this aspect of the bill. Both of these bills provide for a payment in kind. This means that every year about 20 percent of the total production, or some 250 million bushels, is going to be taken out of the stocks of the Commodity Credit Corporation. This wheat is going out into the market. Farmers are going to sell it. It cannot be returned to Government warehouses. It is not subject to price supports.

What is that going to do with the wheat the farmer has grown during that year? It is going to mean that 150 million bushels, grown during the year, if the cut is 20 percent, must go back into Commodity Credit warehouses. The result will be that the farmer will simply be trading wheat with the farmers. This just does not make sense.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. ANDERSEN of Minnesota. I think the gentleman will agree with me that the wheat bill as passed by the Senate is a very sorry thing for the farmers of America.

Mr. ALBERT. It will reduce their income, it will not take care of the surplus, it is an ill-considered bill, in my judgment.

Mr. ANDERSEN of Minnesota. The gentleman is absolutely correct; and beyond all else it reduces the income of the farmers.

Mr. ALBERT. It will unquestionably reduce the income of the farmers.

Let us now consider the house bill. Under plan A we have a high support, a strict control proposal. We have the farm bureau bill under plan B. The farm bureau bill takes care of this extra loss in income through an accentuated conservation reserve program of up to 60 million acres.

It seems to me that as we approach this problem we must first start cutting down production and, second, at the same time, we must try and not drastically curtail the income of the farmers of the country. The only way to do that is either by subsidies and a reserve program

or by price-support increases and drastic cuts. I think the two alternatives presented by the committee bill are the only sound alternatives. The Senate bill should not be enacted into law.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The gentleman was talking about a 20-percent cut. Do not the figures show that in 1953 there were 78 million acres planted in this country and we produced 1,141 million bushels of wheat, and this year the allotted acres in the United States are but 55 million yet we are going to produce between 1,300 and 1,400 million bushels of wheat. While acres have gone down from 78 to 55 million, production has gone up.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(By unanimous consent (at the request of Mr. BELCHER) Mr. ALBERT was permitted to proceed for 4 additional minutes.)

Mr. BELCHER. While we cut acreage 23 million acres, we produced 200 million bushels more of wheat. Is there any reason to believe that a cut of 20 percent would affect any further reduction in view of those figures?

Mr. ALBERT. I would say to the gentleman that is based on averages and that is the best we can do. We do not know what the weather is going to be. We may have a bigger cut or we may have no cut at all. But based on averages, a cut of 20 percent will not get rid of the surpluses.

Mr. BELCHER. And that is on the averages for the past 5 years, and further the bill we are discussing does not prevent an extra 100,000 new farmers from planting 12 acres of wheat in addition to the number of acres planted this year.

Mr. ALBERT. That is true. The Senate bill, for those who think the 12-acre farmer should take more of the cut, certainly does not go as far as the House bill does in that respect. But the House bill will give the 15-acre producer more income, and it will give him a vote.

Mr. BELCHER. But under the Senate bill, is it not possible for a brandnew farmer to start raising 12 acres of wheat?

Mr. ALBERT. No, I think it is limited to 12 acres or the highest planted, if I understand it correctly.

Mr. BELCHER. I think not.

Mr. ALBERT. I have a copy of the bill here.

Mr. BELCHER. I think a new farmer can produce 12 acres of wheat next year even if he never produced any wheat at all.

Mr. ALBERT. It is a 12-acre exemption, or the highest planted.

Mr. BELCHER. That is the House bill, but I do not believe that is the provision of the Senate bill.

Mr. ALBERT. No; the House bill requires him to cut after he takes his allotment.

Mr. BELCHER. The House bill requires that, if he produced 15 acres of wheat to reduce that to 12 acres.

Mr. ALBERT. It requires him to cut it 25 percent.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Ohio.

Mr. LATTA. If we were to adopt this substitute, we could make amendments to the substitute to take care of the very think that you are talking about; could we not?

Mr. ALBERT. You have to do that before you adopt it.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Iowa.

Mr. JENSEN. I am sure the gentleman and I agree perfectly when he says we must reduce acres in order to cut down this great production capacity that we have. Your bill, as I understand it, will make a greater acreage reduction than the Senate bill; is that correct? Do I understand that the wheat producer will receive a sufficient price for his wheat to justify making this acreage cut?

Mr. ALBERT. The answer is definitely, "Yes." The 55-percent payment in kind and 85-percent supports should bring income just about even with or slightly above present income.

Mr. JENSEN. And the reason you want to make the additional cut in acreage is the fact that the minute you make this bigger cut, the price of wheat on the open market will immediately be increased?

Mr. ALBERT. Yes; there is no question about that. The payment-in-kind wheat under the House bill will sell for more.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I suspect it might very properly be said I am in the position of rushing in where angels fear to tread because I cannot claim to be too much of an expert in this field although I have tried as best I could to become at least fairly well informed about some of the issues that are involved.

In all my time here I have been voting for farm programs of one sort or another, recognizing, as I have that some sort of farm program is essential to the well-being of our agricultural economy, since if our agricultural economy goes down, then sooner or later the whole economy suffers.

There have been differences of opinion through the years as to what was best to help the farmers, but by and large I have supported measures that have been brought before us. The bill that the committee has reported refers to the fact that it is an amendment of the Agricultural Adjustment Act of 1938. That was enacted during the years of a Democratic Congress. By the same token, the Agricultural Adjustment Act of 1949 was also enacted during a Democratic Congress. As I remember it, I supported both of those measures.

I would like to say also at this juncture there is no question but what the farmer, by reason of the cost-price squeeze, is the low man on the totem pole as far as our overall country is concerned. There is no one who does not want to do everything he can to improve his situation and his lot. This particular legislation deals primarily with wheat. I realize that the wheat farmer, along with the cattle and hog and corn farmers in my area, have been caught in this cost-price squeeze. I wish we could guarantee the farmer by legislative action whatever he would like to have, but there are limits beyond which we just cannot go. I am supporting the bill that has passed the other body. It is before us.

I am sorry that the Committee on Agriculture did not see fit to report that bill. I want to tell you why. Everybody here is disclaiming any political motivation in connection with this measure, and I hope everybody who says that means it, because actually what we need is sound legislation and not just something for a political issue for next November. I think in the final analysis we are going to be measured in that regard.

Why do I undertake to point that up at this time? The substitute bill incorporates the exact provisions of the measure passed in the other body by a substantial vote. If it were to be adopted here today it would go to the White House tomorrow, and I am quite sure that as soon as the President got back he would affix his signature to the bill. Let us not say it is not any improvement over existing law. Reference has been made to overproduction. May I ask the gentleman from Oklahoma [Mr. ALBERT] whether it is not true that it represents a 20-percent reduction under existing law and it represents a reduction of the 15-acre allotment from 15 to 12 acres, which is about a 20-percent reduction?

Mr. ALBERT. If the gentleman will yield, I will answer his question in the affirmative, but it also represents a big cut in the farmer's income now, and a bigger one later when payment in kind runs out.

Mr. HALLECK. The gentleman refers to what might be a cut in the farmer's income. I agree that his income is low, but reference was made by the chairman of the committee to the $3 billion worth of wheat we have. So we have got to begin to work out of it. I realize what I am about to say may not fall pleasantly upon the ears of some, but I cannot help but believe that when you raise the support price from 75 to 85 you have a built-in guarantee of production increases.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. HALLECK] has expired.

(By unanimous consent, Mr. HALLECK was granted 5 additional minutes.)

Mr. HALLECK. So, unless we do something along the lines of this substitute proposal, whatever else we undertake here would be self-defeating.

I want to say further that earlier in the session—we are late in the session now—but earlier the President sent up recommendations which set up broad general guidelines. I believe the bill passed in the other body follows those guidelines and can become law.

I think it would be an improvement to the farm picture; I think it would be helpful all around. I have serious doubts

whether or not first of all if you pass the bill the committee has reported you can ever get it out of conference and get favorable action on the conference report. I am not at all sure you can pass the committee bill here in the House of Representatives. I am very sure that if the substitute prevails it will improve the existing situation.

We have been sending bills over to the other body, and it always pleases me to see them take the House version, not sending it to conference, in order to complete legislative action. They did that on the civil rights bill and on many others I might mention. So, I do not believe it would be out of order for us to take, on this occasion, the bill passed by the other body and hence complete legislative action and be sure, first, that the Congress will pass a piece of legislation which will be helpful and, second, that it will become law upon that enactment.

I asked for 5 additional minutes, but I think I have spoken my piece.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I will yield briefly, then I will yield back the balance of my time.

Mr. WOLF. What do you propose to do with the feed grains? Are you going to take no action on that this year or hope that something will be done about it later?

Mr. HALLECK. If the gentleman will permit me, I want to be as charitable as I can.

Mr. WOLF. I am all for charity.

Mr. HALLECK. I understand that, and the gentleman and I are good friends, and we are not going to fall out over this. Let me say to the gentleman that these recommendations for legislative action came up here in January, as I remember, or very early thereafter, and all this time until we are right down in what I hope are the closing days of this session, all of this time has elapsed before the committee brought the bill to the floor for action. In other words, I think everybody is hopeful at least, and expectant that this Congress will adjourn, if not July 2, then July 6, 7, 8, or 9. I want all of you Democrats to be able to go out to that convention. I am sorry you will not ask me to go along with you, but certainly we want you to get there for your convention, and I am going to be at mine. But I am simply saying that if this legislative process is complicated then we may well wind up with nothing.

Everybody has said there are many facets to the farm problem. The committee has not undertaken to deal with all of them. The debate here today indicates that the primary concern is with wheat, and this is heralded as a wheat bill. If that is the fact, let us deal with it by the adoption of this substitute.

Mr. Chairman, I yield back the balance of my time.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. ANDERSEN of Minnesota moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I was of the opinion that I had better offer this amendment while the bill was still in such shape that I could honestly support it.

Mr. Chairman, I would like to refer to the remarks of the gentleman from Oklahoma [Mr. ALBERT]. It is entirely correct that unless we do something in some way to start chiseling away this huge surplus we are going to accomplish nothing. The green acres proposal that the gentleman from Iowa [Mr. JENSEN] and I plan to offer as an amendment to title II will supplement what is in the first title having to do with wheat. It will do what that particular title does not do too effectively; it will help to cut down production.

We in our green acres proposal say that the farmers of America, nationwide, who produce feed grains must reduce their producing cropland acreage by 20 percent, put it in alfalfa, pasturage, or other green cover, and we protect the dairy and other cattlemen by saying that if they take that 20 percent completely out of production they can get payment-in-kind certificates to draw grain from the Commodity Credit Corporation at the rate of 25 percent of normal yield.

The amendment that will be offered by the gentleman from Iowa [Mr. JENSEN] or myself later in the day or tomorrow, if we can get the floor, will take 34 million acres of cropland that is now in production out of production.

If you will study it I believe you will see that that is one of the best plans that has been submitted. It is based in part on what is known as the "Virginia plan" and the "Illinois plan." It is not just CARL ANDERSEN'S plan or BEN JENSEN'S idea. It is a commonsense plan based on very practical principles. It would take 34 million acres of land out of production. It will help the entire situation. It will also help the wheat producer whose allotment will not be affected by this. It will be saying to the small 15- or 12-acre wheat farmers "If you have no place to put this wheat, you can put it into the green acres program and receive payment-in-kind. You do not have to grow that wheat."

It is just common sense, Mr. Chairman. We have to reduce this production. The proposal offered by the gentleman from Iowa [Mr. JENSEN] and myself will reduce it by 34 million acres according to the best estimates we can obtain.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from North Carolina.

Mr. COOLEY. Am I to assume that the gentleman is not in favor of the pending amendment, which is the Senate bill?

Mr. ANDERSEN of Minnesota. The pending amendment would be ruinous to agriculture in America. I know that. If you will look at the rollcall on the bill passed by the Senate you will see there was hardly a Senator from the upper Midwest who voted for that particular bill. You see gentlemen like CLINTON ANDERSON, Mr. HOLLAND, and Mr. ELLENDER voting for it, dictating to the wheat farmers what should be done.

The substitute would take away from the wheat farmers of America a certain amount of what they have today, and they have little enough already.

What are we trying to do? Are we going to reduce production and at the same time reduce the income of the farmers of America by hasty action? Let us not do that. Let us do something that amounts to common sense. Let us take the first section, the first title of the House bill as far as wheat is concerned, and give the farmers an alternative. Give them also an alternative under the feed grain provisions. Let them say whether they want Mr. JENSEN'S and my proposal or whether they want the committee proposal. That is all we ask.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Iowa.

Mr. WOLF. I would like to ask the gentleman what provision he has in his proposal to take care of the small town that might be suffering?

Mr. ANDERSEN of Minnesota. We are providing for them under this method. Raise the general level of farm income and you do as much for small-town business.

Mr. Chairman, on the Subcommittee on Appropriations which studies these matters and which has studied them for 18 years, we have experienced members such as the original authors of the soil bank proposal, the gentleman from Minnesota [Mr. MARSHALL] and myself. I have argued with Mr. Benson on this very point. I told him he did the wrong thing when he said you must take 100 percent of any farm out of production. That was never our intention.

Mr. BROWN of Missouri. Mr. Chairman, I rise in opposition to the pending motion.

Mr. Chairman, I want to talk to some of my city friends who may not know too much about this problem and who may be confused with all this agricultural discussion.

First of all, most city district Congressmen I know support a bill now pending before the Rules Committee, which raises the existing minimum industrial wage from $1 an hour to $1.25 an hour. Fair-minded people who want to see Americans live and labor at decent wages and enjoy a decent living standard support that bill. Yet, let me tell you about some 5 million Americans who are not even making $1 an hour for their labor. Net farm income in 1959 was 24 percent below 1952, while in this 7-year period the national income increased by 35 percent. Do you know that farm people who own their farms are making 71½ cents an hour for their labor? That is the average. In my area the dairy farmers, according to a study made by the University of Missouri, are making less than 50 cents an hour for their labor.

Now, legislators ask us to take the Senate version of a wheat bill that would cut the wages, the income of farmers another 20 percent. Now, is that fair? Do you really want to raise the industrial workers, even 15 percent to $1.15, or 25 percent to $1.25 and in the same

year, cut the wheat farmers in this country 20 percent in their wages, in their income? That is what you will be doing, because the Senate bill leaves the price of wheat at exactly the same level but cuts their volume by 20 percent.

Now, I think our House committee took the fair approach to this problem. They recognized that the cost of storing wheat in this country is absurd. We are piling up wheat in Government warehouses that is not necessary and that we cannot use. Storage alone is costing millions of dollars a year. So, we must cut down the volume of wheat production. But it can be done without forcing farmers to take a still further cut in their income. Here is the offer the House bill makes: Cut the acreage 25 percent, and we will give you a slight raise in price to 85 percent of parity, and at the same time we will pay you in kind for acreage not planted. In other words, we will take some of this surplus that we have stored up and give it back to wheat farmers to help supplement the income they have lost.

The question before the House is which is the fair thing to do for the 5 million American people who, as the gentleman from Indiana said, are the low men on the totem pole. Do you want to cut them another 20 percent, by adopting the Senate bill, or do you want to give them a fair deal, such as the House committee has done? I say that there is no comparison between the two bills. Our House committee did a fair job, a reasonable job, something we can go back to our people and support with pride, whether it is before city people or country people. This wheat bill will save $155 million a year that the taxpayers are now paying in the wheat program plus what will be saved through the feed grain program. This is a good bill as the House committee has prepared it. I wish it had something in it for milk. I wish it had a long-range program that could be adapted to poultry producers in this country, because that is going to be a serious problem come this fall. I wish there were more in it, but as far as it goes, this is a good, fair, reasonable bill. I think it is an effective bill. I think the farmers will live up to it and they will be proud that this Congress passed it.

Mr. Chairman, I hope the Committee will give it careful, fairminded consideration, vote down the Senate version, and pass the House bill.

The CHAIRMAN. The question is on the motion offered by the gentleman from Minnesota [Mr. ANDERSEN].

The motion was rejected.

Mr. HAGEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I serve on the Committee on Agriculture. I represent a farm area, a farm area that is the most productive in the United States. And, I represent wheatgrowers. And, I would like to see legislation passed by the House, which will become law and do something about this wheat situation which has become a terrible burden to the taxpayers and threatens to tear down the whole structure of price support programs in this country.

Some statistics were quoted here on farm income. These statistics showing real farmers to have incomes under $1,000 are false. Now, I do not know how many of you here in this Chamber know some farmers. I certainly do. And, I will say this, there are literally tens of thousands of farmers who make more money from subsidies than is conscionable and defendable. That is the simple fact of the matter. There are all kinds of farmers and these programs we have on the books do not recognize that fact. Until we make some effort to bring some equity into these programs, attempts such as H.R. 12261 to perpetuate them should be turned down.

The gentleman from Oklahoma [Mr. ALBERT], who is a very able Member of this body and who I know wants to write a fair wheat bill, pointed the finger at the Senate bill. He did not say this, but I will say it for him. He indicated that the only difference was a difference of 5 percent in this acreage cutback. If that is the only fault of the Senate bill let it be amended. But the Senate bill does not raise the price support from 75 percent to 85 percent and it will, therefore, produce a greater reduction of bushels of wheat than the higher House acreage reduction figure. It does not compensate the farmer at the rate of 55 percent of his average yield for cutting back, as compared to the 55 percent the House bill grants him. In referring to the wheat farmer, I do not say that there are no wheat farmers who are losing money. There are participants in any business who do not make money under the best sort of conditions. But I will say this: There are wheat farmers, and a great many of them, who are making money and who are making more money than you and I and more than many fine entrepreneurs who enjoy no Federal subsidy. In effect, we have a wartime wheat production plant in this country and a great many other commodities. Somebody has got to absorb the cutback to a peacetime plant. Is the Federal Government going to have to absorb all that burden, or are these people who made great amounts of money during the war going to have to absorb part of it?

Mr. Chairman, what I wish to say is this: I think it is absolutely vital that we pass some meaningful wheat legislation that has a chance of becoming law. If this committee bill is passed, I agree with the minority leader, it will not be accepted by the Senate. The whole issue will die. If we pass a wheat bill and get it down to the White House, if it is reasonably fair both to the Government—that is, the taxpayers, and to the wheat farmers, it will be signed. This is a matter of urgent necessity. H.R. 12261 does not meet this criteria.

This feed grain section is a mere Christmas card. I cannot visualize the producers of sorghums and corn and barley and oats, all sitting down together and devising a program that one group could vote the other into. I cannot see that. It is a Christmas card. As far as the protein section goes, we all know why that is in the bill. That is a sop to the city voters. It is supposed to gain votes for this basic wheat and feed grain proposition.

I say let us adopt the Senate bill and do something about wheat. If we fail to confine this bill to wheat or fail to make the wheat provisions reasonable we will have perpetuated the present failing program by inaction and the wrath of the taxpayers will pursue us. We know the kind of legislation which has a chance of becoming law; let us, then, provide it by adopting a substitute bill.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman just referred to title III of the bill. I am glad he did because I want to point out, too, that the amendment before us would also strike title III of this bill. The proposal is to substitute only a wheat bill. In this bill title III is an important part. Maybe the city folks would like to have it because, as he says, it is a sop. But the fact of the matter is anybody would like to have it if you believe in getting some of these storable goods into the stomachs of hungry people in this country. This is a provision that is properly labeled by some as a welfare provision.

As a matter of fact, this provision will give to the widows and orphans and the disabled and the blind and the elderly low-income people of this country some of this wonderful surplus we have. Most everybody talks about the surplus as if it is a curse, but we can do something about it here to make it something good.

We have heard a lot this afternoon about wheat. I want to remind the House here today there are more bushels of feed grains in storage than there are of wheat in the United States Government bins and in commercial storage rented by the U.S. Government. There is more money going out today to pay for storage on feed grains than on wheat. We cannot just slip away from this problem of feed grains lightly. We ought to deal with both of them because together they constitute 80 or 85 percent of the total Government investment in agricultural commodities today.

It was mentioned a while ago that Mr. NIXON made a speech last night in North Dakota. I notice he said we should have a program to distribute surpluses to the needy people in other countries. I say to you this is a worthy objective, but why not distribute some to the people in this country? If we can provide a way to get surpluses to the hungry people in other countries without hurting our markets, why in the world can we not do it in this country?

Mr. LEVERING. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Ohio.

Mr. LEVERING. If the Vice President's proposal for sharing our great abundance with hungry people around the world is a good idea, and I believe it is, having worked and spoken in favor of it for a long time, is it not also true that title III, which is a sort of a domestic version of the Vice President's idea, will be good for our own folks at home who are in need?

Mr. SMITH of Iowa. Exactly; that is what it is.

I have a press release here that I have received dated June 17, and it shows conclusively the Department of Agriculture is not now distributing to the needy people in this country the protein foods that could be converted from these feed grains that are in storage today.

Mr. ANFUSO. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from New York.

Mr. ANFUSO. Do I understand correctly that title III would permit youth organizations and charitable organizations who have camps, for example, to give this food to the children?

Mr. SMITH of Iowa. Title III permits the Department of Health, Education, and Welfare to distribute to needy folks through the various welfare agencies. If they come within the categories described, within their purview, that would be true.

Mr. WOLF. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Iowa.

Mr. WOLF. I should like to have the gentleman read that telegram to which he just referred.

Mr. SMITH of Iowa. It was a press release issued by the Department of Agriculture on June 17, and I believe it was sent to every Member of the House.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Minnesota.

Mr. QUIE. I think we also ought to bear in mind that in 1953 only 100,000 people in this country received surplus food from the Department of Agriculture. Now more than 5 million people receive surplus food. As was said in the report from the Department of Agriculture, we have been disbursing through relief agencies certain substantial protein foods, beef and beef products, 280 million pounds, pork and pork products, 180 million pounds, and poultry and poultry products, 135 million pounds. We have been doing a tremendous job but we could do more. Why does not our present program provide for the distribution of surplus food for the needy people throughout the country?

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SMITH of Iowa. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SMITH of Iowa. I may say to the gentleman that regardless of what has been done in the past we are not today distributing these foods and at a time when we have more abundance than ever before. I recall an experience in 1956 when I was chairman of a welfare board in Iowa, I was authorized to come to Washington to get some meat and gravy for people in that area, and do whatever was needed and to pay for the transportation of those goods. I was told at that time at the Department of Agriculture that they were not going to purchase enough food for any of the needy people, that what they would buy would only go to the school lunch program. At that time hogs were selling at 10 cents per pound and there was no surplus food for the widows and orphans and low income folks in this country. We can surely do better than that.

Mr. QUIE. The gentleman knows that when the price of hogs was down, the Department of Agriculture went into a purchase program not only on processed pork but also on frozen pork and distributed it through our various programs. Now when prices are up and there is a cutback on that program, do you feel the Department of Agriculture should continue buying pork and pork products and beef and beef products even when prices are at their present levels?

Mr. SMITH of Iowa. Under this program, they can buy any protein products which are converted from feed grains into protein food. Eggs, certainly, are not high. Cheese is not too high. There are plenty of high protein products available that needy people, people on welfare and relief, that widows and orphans and disabled people are never going to be able to buy in the amount needed in order for them to be on the kind of a diet that we think is proper in this country. We would not think of raising hogs in this country if they did not have a balanced ration. We give hogs a 10 percent protein diet. But do you know what? The needy people in this country do not begin to get that much of a protein diet. I want to point out also under this bill for each $2 spent, we take one bushel of grain in Government storage and sell it because, in fact, we have created a new market for one bushel of grain. Some people are going to convert it and merchandise it into $2 worth of protein food. As a result, that one bushel gets you more than a dollar back. In addition, the U.S. Department of Agriculture estimated it is going to cost us $1.52 for every bushel of corn we have in storage before we get rid of it. So you see, we get $2.52 back and actually we save future appropriations under this until the time when storable commodities are down to a normal supply.

Mr. FOGARTY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have sat here and listened to all of the debate here today. The longer I sit here, the more confused I get. The Committee seems to be divided. The Democrats on this side of the aisle, and the Republicans on the other side of the aisle are divided as to what kind of a program we should enact to help the farmers of our country. It seems that every speaker gets up and talks about this being necessary for all of the farmers of our country. But, it is my understanding that only 25 percent of the farmers of our country are affected by the subsidy program of our Government.

It seems to me that the bill before us today represents a pretty good example of how not to solve the farm situation. I could be wrong, but as I understand the situation one of our tremendous problems is a surplus of agricultural commodities, particularly wheat and feed grains, and the other difficult aspect is a drop in the net income of farmers.

Now then, we come along and we say—in this bill—that the way to stop all this trouble is to increase the already too high price support on wheat and on feed grains. We attempt to say that we will compensate for that high support price by taking land out of production, but I am sure that all of us realize land is only one resource in the production of any crop.

If we are willing to raise the price support of wheat from $1.79 to $2.03 a bushel, we also must be willing to face up to the fact that a lot of wheat growers are going to be doing all they can to increase their wheat yield per acre. Would not all of us here do just that?

How will all this solve the tremendous surplus problem?

Earlier, I mentioned the lowering net income of farmers. This particularly concerns me because farmers in my State and in all of the Northeast—as well as in other regions—buy tremendous quantities of livestock feed. They would buy wheat, too, if we, the Congress, had not priced it out of the livestock feed market long ago.

As my colleagues know, I spoke about this entire farm problem on June 9—particularly with regard to the manner in which the bill now before us—H.R. 12261—would affect New England. I now have had the opportunity to study this legislation even further, and I am more convinced than ever that it will do nothing to solve our farm situation.

There can be no question about the need for legislation to correct the wheat situation. But I am convinced this bill will only further aggravate the problem.

It not only fails to solve the wheat problem, but it also threatens to create new problems for the producers of feed grains, livestock, dairy, and poultry products. As my colleagues know, I am vitally concerned with dairy and poultry production.

I feel it will be a tremendous mistake to move in the direction of increasing the price support on wheat by 25 cents a bushel. The additional cost to the taxpayer—in taxes alone—would be about $114 million.

The payment-in-kind rates for cutting wheat acreage are fantastically high. It is obvious it would be more profitable not to grow wheat. It has been estimated that under this bill the average wheat farmer in Kansas would get a return of roughly $22 an acre, and in the higher yielding areas like Illinois, the payment could run as high as $33 an acre. All this money for not producing.

The feed grains provisions of this legislation provide for increasing price supports from 20 to 35 percent. If I understand the bill correctly, it could increase the price level on a bushel of corn from $1.06 to possibly $1.65. My farm constituents do not like this one little bit, and neither do my constituents who have to buy farm products.

I am for common sense in agricultural legislation—legislation that gradually gets the Government out of direct interference with production; legislation that

does not fix the prices of farm commodities.

Farmers in my State know of my keen interest in their affairs. They have not asked for any special favors, but, neither do they want special favors given to farmers of other areas.

My farmers compete, just like every other businessman does—like the grocer, the car dealer, the filling station owner, the hardware merchant, and so on. But, they do not want to have to compete against subsidized farmers elsewhere.

That is where I am, Mr. Chairman—for common sense in agricultural production. I do not believe that farmers anywhere in this country want to be thought of as a special class demanding special privileges.

Let us here in this Congress stop thinking of farmers as a special class. Let us give them the opportunity they desire—to compete, to grow, to prosper—not under the thumb of Government, but as a free and vital part of our private enterprise society.

Let us not add to our great domestic problem of our time—too much that consumers do not want.

The CHAIRMAN. The time of the gentleman from Rhode Island has expired.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. FOGARTY. I yield.

Mr. ANDERSEN of Minnesota. The gentleman from Rhode Island has through the years been one of the Members of Congress most interested in the welfare of the people of America. I admire him for his work. The gentleman is also one of the strongest proponents of a bill shortly to come before the House and Congress to raise the minimum wage. I know the gentleman is going to work hard for that bill.

Mr. FOGARTY. You are right.

Mr. ANDERSEN of Minnesota. Now, if the gentleman is to be consistent he certainly will not object to raising the minimum wage for my farmers from about 50 cents—I think that is what they average—would he? I do not see how he could object to raising the minimum wage of my farmers, which will be the effect in a small way, of the passage of this bill.

Mr. FOGARTY. I am in favor of the farmers getting a decent annual wage, but I am not in favor of your farmers paying, as the gentleman from Missouri said a while ago, 35 cents or 40 cents an hours to farmhands that is being paid now. It just does not make sense to me. I do not think they have to pay that kind of slave wages in order to exist in that part of the country.

Mr. ANDERSEN of Minnesota. I may say to the gentleman that I have 42,000 farmers in my district, the most extremely agricultural district in America and those farmers, to buy the products manufactured in the district of the gentleman from Rhode Island have got to be able to make a little profit. So I cannot see the reason for the attitude the gentleman takes in always being against anything that helps my farmers.

Mr. FOGARTY. I am against it because the programs that you are supporting today are driving the farmers in the northeastern section of the country out of business. That is why I am opposed to it. It is costing the farmers of the State of Rhode Island over a million dollars.

Mr. ANDERSEN of Minnesota. Would the gentleman want his poultry raisers to use feed produced in my district and not pay my farmers the cost of production?

Mr. FOGARTY. I do not expect anybody to produce anything at a loss, not at all.

Mr. ANDERSEN of Minnesota. I still think the gentleman from Rhode Island is a fine gentleman, but cheap feed and the inevitable cheap poultry and livestock is no answer for either his district or mine.

Mr. FOGARTY. I think under a good administration you can do a good job. If you have a poor administration we should not be made to suffer for it.

Mr. COAD. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, the gentleman from Rhode Island is one of the best friends I have in the Congress. I feel that he is one of the most philanthropic Members we have. He has fought more battles in the well of the House for the welfare of the people of this country than any other person I know who has ever served in the Congress of the United States, living or dead.

But because of the statement he has just made, I would like to read from a recent editorial in the Des Moines Register concerning "Naive Reasoning on the Farm Policy," and this is directed to the attention of the gentleman. I quote the following:

> Opponents of Government farm income support program sometimes argue that farmers not receiving price support (or payments) for their products are "doing better" than producers of the major price-supported crops. Secretary of Agriculture Ezra Benson often has made this argument, and the Farm Bureau leaders frequently use it.
>
> For example, Charles B. Shuman, president of the American Farm Bureau, recently said that about 80 percent of U.S. farm products are now sold on a relatively free market, and that producers of those products which are "Government priced" are generally in the worst situation.
>
> It is like saying that people receiving medical care for, say, arthritis, are in worse shape than those receiving no treatment. The reason for the price support program is to help farmers who have been afflicted with surplus and low price problems beyond their control as individuals.
>
> Mr. Chairman, the reason the farmers are in trouble now is because there is a surplus, brought about because they are producing too much, and they are producing too much because the price is too low. Under the bill we have before us today there is to be a reduction in wheat production of 25 percent, but the price has moved up only 10 percent of parity. On this basis, the farmer actually is taking out of production a certain amount and getting a small increase in pay. In addition, to help make up some income deficiency a payment in kind is also made which comes out of the Government-held surplus.
>
> I believe that the gentleman from Rhode Island has stated that he feels this kind of thing is necessary. He does not want farmers necessarily to go broke; he wants them to receive a decent and honorable wage. So we are going to cut back on the surplus that is Government held. We are going to increase the farmer's pay just 10 percent of parity, but for this he is going to cut production. The farmer is doing more than his share under the principles of the bill that we have before us today. In this bill the wheat farmers are contributing, and the consumers are contributing a small amount.
>
> The feed grain aspect of this bill is merely a set of guidelines so that the grain people can come in and work out a program that is going to cut back on production, which will stabilize the farmer's income and keep all of the people—farmers and consumers—in a much more sound position than they were heretofore.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. COAD. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Am I not correct that last year the average farmworker in the United States received about 80 cents an hour while the average farm operator received less than 70 cents?

Mr. COAD. That is correct. When we look at the complete aspects of farm economics, we find that the farmers are living off of inventories. They are not living off of income in the whole of the Middle West, and if that goes on it will force corporation farming. That is the kind of thing that makes for worse relations. It gets into a kind of socialism of farming by corporations, and that is certainly not a good economic system.

Mr. ANDERSON of Montana. Mr. Chairman, I move to strike the requisite number of words.

Mr. ANDERSON of Montana. Mr. Chairman, I rise to support the rule because it is in the best interest of all the people. Let me make one point quite clear. For the short term the American taxpayer will be the great gainer by passage of the Poage bill, H.R. 12261. Let us be frank. This bill is not going to make any big change in the wheat farmers' income in the next year or two. The bill will do what the people all over the country have been demanding—it will eliminate the production of wheat for storage—it will cut the costs to the taxpayer of our farm program. The wheat farmer is willing to go along, first, because he is a taxpayer, too, and interested in cutting Government costs, and second, because this legislation does protect him against a further cut in income.

We are faced at this point with a clear-cut choice between the Senate bill and the House bill. There are numerous reasons why the House should approve the carefully worked out House bill rather than accept the improvised Senate bill which was hurriedly put together on the floor of the Senate without hearings and without adequate consideration.

The Senate bill slashes the income of the wheat farmer.

The other cogent reasons are clearly evident from the discussions so far.

You talk about the subsidy to the farmer. The taxpayer is not subsidizing the farmer. For 7 years now the farmer has been subsidizing the economy of the country. For 7 years, a little more each year and most of all in the year just ended, the farmer, through the low prices he gets for producing this Nation's food and fiber, has subsidized every order of food the housewife has taken home to feed her family; every item of wool and cotton goods that she buys to clothe them. The farmer has produced more and better supplies of food and fiber than ever before in the history of the world. He has been absorbing about 25 percent of the Nation's grocery bill. His contribution has partially concealed the ever-rising prices and inflation in almost every other segment of agriculture.

How can less than 5 million farmers afford to subsidize the food for almost 175 million Americans? He cannot afford it, but I will tell you how he does it.

First, the American farmer subsidizes the food you eat because he is putting up almost $200 billion; dollars he has invested in farm plant, land and equipment. On that $200 billion, equal to about two-thirds of the national debt, he receives not a penny of interest.

Suppose all the millionaires and billionaires in the country said they would loan $200 billion to the U.S. Treasury without interest. That will be the day. But just try to imagine it. Do you not think we would fairly say they were subsidizing the taxpayers of America? Sure we would, and in the same way the farmer is subsidizing every meal served in America. Of course, there are a few farmers who make interest on their investment, but they are a relative few, generally favored by circumstances and conditions which are not typical. And, for every one who is receiving a fair rate of return on his investment, there are several who are not only not receiving any return, but they are seeing their capital eroded by ever-increasing yearly deficits. Throughout America, the farmer receives no return on his almost $200 billion investment, as I will make clear before I am through.

There is a second way in which the farmer is subsidizing every person who eats food or wears clothes. The farmer is working for less than half the wages of those in nonfarm jobs. Again, let us look at the whole picture. The total net income of America's farmers last year was less than $11 billion. That is about $2,400 per farmer, with the usual help from other members of the family, whose labors may be considered as another subsidy which helps account for the fact that an hour of the industrial worker's time will buy more and better food than ever before.

You can talk about little bits and pieces, you can point out a farmer here and there who seems to be making a profit, but the Department of Agriculture statistics make quite clear what is happening to agriculture as a whole.

Almost 5 million farmers have invested close to $200 billion so that they and their families may produce the food and fiber you eat and wear for a net return of less than $11 billion. In other words, the average farmer, the composite farmer, has put up $40,000 to buy a job; yes, that is just what it is. He has bought a job that will pay him and his family about $2,400 a year.

In our economic world, the farmer is a second-class citizen, and we have found that when our neighbor is consistently hurt, sooner or later all of us are hurt. I have copies of the Wall Street Journal, headlining, "Farmers Cut Purchases of Equipment as Drop in Income Deepens," and "Rural Retrenching, Dealers Feel Profit Pinch." Thoughtful people all over are asking how long America can keep the economic squeeze on her farmers without injuring the rest of her economy. Most of them want to make at least a start in the right direction. The Senate bill, Mr. Chairman, is a move in the wrong direction. The Senate bill means disaster for many farmers who have just been able to hang on. It is an anti-wheat-farmer bill, for it will cut farm net income even lower than the present level which is causing so much distress. Let us not give the farmer another push down the Benson road to disaster.

The Poage bill, H.R. 12261, is the bill that this Congress should pass. It moves in the right direction, it meets all the criteria for agricultural legislation. It gives the farmer an opportunity to decide which way he wants to go. In open referendum, the wheat farmer himself will decide whether he wants to go Benson's way toward unlimited production and a cutthroat free market price, or if he wants to bring his production into line with requirements and assure himself of at least his present level of income.

I am confident, Mr. Chairman, that he will choose to follow the lead of every major segment of the American economy, producing ample supplies of food and fiber, but not indulging in that unrestrained and unreasoning production which will glut the market and bankrupt the producer.

If this is his choice, then H.R. 12261 will serve all of us—farmer, housewife and taxpayer. It will eliminate production of surplus wheat, it will reduce the amounts of wheat in storage, it will reduce the Government costs for the agricultural program, and it will assure the farmer against another drop in his income.

The feed grains section of the bill provides a field test of the principles of the Family Farm Act of 1960. It will permit feed grain producers to work out their own commodity program within the broad guidelines of the bill. Such a program cannot help but provide a better program at less cost to the Government and more benefit to the farmer.

I hope my colleagues will support the Poage bill, H.R. 12261.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as some of the previous speakers have said, I am thoroughly confused. I read in the newspaper this morning a statement which says:

> A method must be developed whereby the farmers themselves have a greater opportunity to choose the kind of farm program they want.

I thought that was a remarkably fine statement. And it is in keeping with the plan which the committee brings you. But I do wish that somebody would explain the situation. Those words are the words of the Vice President of the United States delivered at a political rally in North Dakota last night, where he was seeking to get farm votes. That is why he was there. It was a farm speech calculated to influence the coming senatorial election in the State of North Dakota.

I am sure that the Vice President meant what he said in this respect. This committee agrees with the Vice President that there should be a greater participation of farmers in determining these programs.

But if you accept the suggestion made by the minority leader that we simply wipe out this bill and adopt something from the Senate, farmers will have no participation whatsoever in the program, because the Senate bill did not have any consideration for farmers. The other body wrote a program which was admittedly intended to attract Presidential support and nothing else. The reason we now find a growing interest in the Senate bill seems to be because the Senate bill proposes now to support prices at something less than the level of support in the original measure. It clearly outlines the question of adequate versus low supports, but it does not leave the decision up to the farmers, as the Vice President said we should. Instead, the minority leader would have us make a decision in favor of low supports without any expression from farmers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. GROSS. Did the Senate bill have the support of the Senate majority leader?

Mr. POAGE. I understand that it did not. I recall seeing that it did not have the majority leader's support. I do not know what the minority leader did, but I do know that the Senate bill requires a 20-percent cut in wheat acreage without one single compensating cent in the way of supports. I do know that it means the same thing as requiring a cut from an 8-hour day to a 6-hour day without 1 single cent of increase in wages if we may liken the payments in kind to unemployment compensation. That is what it means to the wage earners.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to my chairman.

Mr. COOLEY. Does it not mean a 20-percent permanent cut?

Mr. POAGE. It means a 20-percent permanent cut; and I am glad the chairman has called attention to that. There is a phony proposition in that Senate bill; some of you do not know it, but that Senate bill makes a 20-percent permanent cut in production and gives support in kind for only 3 years, no longer. So that the effect of the Senate bill is permanently to seal upon the wheatgrowers of America a kind of serfdom Americans do not want.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman.

Mr. ANDERSEN of Minnesota. Mr. Chairman, the gentleman from Texas [Mr. POAGE], whom I have known for 22 years and whose work I have watched, I think is a real friend of agriculture. He and I differ very seldom. The gentleman has correctly stated that the first title of the bill does give an alternative, but the same title on food and feed grains gives no alternative.

Mr. POAGE. It allows farmers to work out their own programs. As the gentleman knows, and I have told him, I am perfectly willing to include in the bill the suggestion he has made of giving farmers a still further option, because I believe in what the Vice President said. I do not know how many of you believe it, but when we take a vote on this we will know who believes in this pronouncement by the Vice President and how many are endorsing it simply for political purposes.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. MCGOVERN].

Mr. BREEDING. Mr. Chairman, I ask unanimous consent to yield my time to the gentleman from South Dakota [Mr. MCGOVERN].

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. McGOVERN. Mr. Chairman, I appreciate the fact that the substitute amendment before us, which is the bill from the other body, was offered in good faith, but if it should carry I know that I and I think many Members from the wheat-producing sections of the country would vote against it on final passage. We would rather have no bill at all than this inadequate proposal now pending as a substitute.

Mr. ANDERSEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. ANDERSEN of Minnesota. Is it not a fact that regardless of party the great group of Senators from the upper Midwest voted against this bill?

Mr. McGOVERN. Yes. I think with one or two exceptions all the wheat-producing representatives in the country opposed it in the other body, as I hope they will here.

Mr. Chairman, the Senate bill, as has been pointed out many times here this afternoon, has the effect of taking away from the wheat farmer 1 day's pay every week. It cuts off 20 percent of his earning power with no increase in the price per unit. We would have the same principle in operation if we went up and down Main Street 1 day a week at the end of the day and took all of the money out of the till and deprived the operator of that portion of his income for 1 day out of 5. That is exactly what this bill from the other body attempts to do to hard-pressed farmers who are already suffering from the cost-price squeeze.

There has been an argument raised here that if we were to give farmers a decent price on wheat and feed grain this would constitute a tax on bread, but, as the gentleman from Colorado demonstrated early this afternoon, when wheat prices were around $2.50 a bushel, bread was selling at a lower price than it is today with wheat price supports at $1.78. So if that inverse ratio were to hold, by raising the price of wheat maybe we will get cheaper bread.

It has also been suggested that to give farmers a fair price on wheat, or even 15 percent less than a fair price, would produce more surpluses, but here again, when we had wheat selling at 100 percent of parity and supported at 90 percent of parity, we had only 267 million bushels in surplus, which is really just a safe reserve, whereas today with wheat supported at 75 percent of parity we have accumulated surpluses of Government stocks of 1.3 billion bushels.

I want to conclude my remarks by saying that I have offered some criticism here of my Republican friends but I want to remind the Members of my party of our pledge in the platform of 1956 to support the basic commodities at 90 percent of parity.

Mr. BREEDING. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BREEDING. Mr. Chairman, I rise in opposition to the amendment.

Before the House votes on this proposal to substitute the Senate bill for the Poage bill, I wish to repeat some figures I cited earlier in general debate.

Under the Senate bill a 100-acre wheat allotment would produce a gross income of $3,524.40 for the wheatgrower.

The Poage bill would maintain his income at $3,900—just $16 below what it would be under the present program.

Let me emphasize this point. With the cost-price index as unfavorable as it is now, the decline of almost $400 in gross income could have disastrous effects in the wheat area. It could mean nothing but red ink for thousands upon thousands of farmers.

The Poage bill will actually reduce production more than will the Senate bill. Production and supply is our great problem. We have too much wheat. The Poage bill calls for a reduction of 25 percent in acreage. It would take about 170 million bushels of wheat out of CCC stocks. This means substantial savings in storage and carrying charges.

The point to remember about the Poage bill is this. It will carry the wheat producer through this interim period without letting his head sink below the water. It will keep him going until we can achieve the balance between consumption and supply which we all so earnestly desire.

Speaking as the representative of a great wheat producing area and as a man who was active as a wheat farmer until elected to Congress, I urge you to vote for the farmer the added protection which the Poage bill offers.

I urge you to defeat this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, there are a considerable number of wheatgrowers whom I represent. I have not received one single communication from any one of them in favor of the bill H.R. 12261. Most all of them are members of the Farm Bureau, which is an organization strongly opposed to this bill.

I do not think we are going to solve the wheat surplus problem by providing for an increase in wheat price supports. For that reason I am in opposition to the bill H.R. 12261.

Most of the wheatgrowers in my district actually would be much happier if they were relieved of Government controls of all types. Of the two versions, the Senate bill and H.R. 12261, I believe the Senate bill which has been offered as an amendment is at least an improvement over H.R. 12261 because it does not increase wheat price supports and, therefore, is not going to provide the same stimulus to increase present wheat surpluses which are a burden upon the American taxpayer and a burden upon the whole economy of this country.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, in my work on the Committee on Appropriations for the Department of Agriculture, I have been intrigued with a few things in connection with our agriculture. The first thing is the tremendous cost of carrying the surplus stocks of the Commodity Credit Corporation. I am going to base my opinion in voting on this bill on one thing and one thing only because, with all due regard to my friends on the Committee on Agriculture, and they are a fine group of people on both sides of the aisle, the bills that are proposed and what we are talking about today in my estimation will not solve the farm problem. But when we come to the matter of costs of the program, I do not believe the taxpayers of this country can afford to put up with a bill that has been proposed in the other body for this reason. It is going to add more stocks to the Commodity Credity Corporation. It is going to cost more dollars. The cost of the Commodity Credit Corporation and the support prices have not, in a large measure, gone to the farmers. The losses have been incurred after Commod-

ity Credit has taken possession of the stocks. Storage, transportation, handling, maritime shipping and so forth, costs make up the lion's share of the loss.

The most economical way to vote on this bill is to vote against the Senate proposal offered as an amendment by the gentleman from Utah [Mr. DIXON].

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I take this time in order to propound a question to the ranking Republican member on the committee. Previously, when the gentleman was speaking in the well of the House, I asked him to yield. He did not yield so I thought I would ask this question now. The question arises, if we support the amendment which has been introduced here, what happens to the feed-grain farmer?

Mr. HOEVEN. As I understand it, the amendment offered by the gentleman from Utah [Mr. DIXON] is a substitute for the entire bill, which, of course, if adopted would be a substitute for the bill and would eliminate the feed-grain section.

Mr. WOLF. The answer to me, as I see it, is if I want to do something for the feed-grain producers in the Middle West in the Corn Belt, I will have to vote against the amendment.

Mr. HOEVEN. Not necessarily, because I pointed out earlier during the debate that there was no reason in the world why the Committee on Agriculture cannot promptly tomorrow pass out a bill which can be enacted into law.

Mr. WOLF. Does the gentleman from Iowa [Mr. HOEVEN] have such a bill ready to go that would have the support of his administration?

Mr. HOEVEN. I do not have a bill myself. I do have a payment-in-kind bill, which the gentleman knows, but I am handicapped on the Committee on Agriculture, as the gentleman very well knows, being on my side completely outnumbered. We do not have the votes to enact the legislation that we would like to present.

Mr. WOLF. Would it not be a good place, right here and now, to amend the amendment and include your payment-in-kind bill for the feed-grain producers.

Mr. HOEVEN. That is the gentleman's privilege, if he desires to do so. I am just pointing out that the substitute proposed by the gentleman from Utah would supplant the committee bill.

Mr. WOLF. My feeling is that if the gentleman from Iowa truly is concerned for the feed-grain producers, he would introduce it. As the ranking minority member of the committee, his arguments might be quite persuasive.

I thank the gentleman for his help.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, everybody in this House, I think, is agreed on the need for action in the field of wheat legislation and is agreed that there must be a change in the law. We also, certainly, must recognize the issue is a very controversial one. Even the wheat representatives here cannot agree on exactly what should be done. I am not an expert in this field, and I am not going to discuss the merits of the Senate bill or the merits of any other bill, although I must suggest I am quite amazed at some of the language used by my colleagues on my right to describe a bill that was written in the Senate of the United States where they control that body. I just cannot understand how under these circumstances they could put out such a defective bill. But, I want to talk about the situation right now.

Each of us has his own ideas as to what should be in the bill. Let me suggest, however, that speeches and amendments are not necessarily going to get something down to the President's desk. There is only one way to get this legislation down to the President, and that is by adopting the substitute that has been presented here. It has passed the other body. If we adopt it here we send it down to the President.

Mark this well: If no bill gets to the President, let those who have turned down this opportunity remember that they did have the opportunity to send a bill down to the President which we have some assurance the President will sign.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. LEVERING].

Mr. LEVERING. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEVERING to the amendment offered by Mr. DIXON: On page 12, line 11 of said amendment strike out all of subsection (d) of section 102.

Mr. LEVERING. Mr. Chairman, the effect of subsection (d) under section 102 of the substitute amendment is to strike a real blow, in my opinion, to the family farmers of America, because it strikes at the very heart of the traditional 15-acre exemption which applies to the great multitude of small family farms throughout America. In other words, this provision reduces the 15-acre exemption down to 12, or the highest planted acreage over the past 5 years, 1956, 1957, 1958, 1959, and 1960, and then makes that permanent.

I say to you that if you are interested in preserving the interests of the small farmer in America adopt my amendment which strikes subsection (d) of section 102 from the substitute. This will permit us to continue under existing law that gives our family farmers a 15-acre exemption. I hope my amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I would like to ask the gentleman from Ohio [Mr. LEVERING] a question: Do I understand that the gentleman from Ohio is now changing his position? Did he not vote in committee for the 12-acre proposition?

Mr. LEVERING. The gentleman is incorrect when he says that in committee I voted for the 12-acre limitation. If the gentleman recalls, I worked very hard to get the 15-acre exemption back into the bill which was reported out by the committee.

Mr. HOEVEN. Mr. Chairman, just let me say in the remaining time that I want to emphasize what the gentleman from Indiana, the minority leader, and the gentleman from Wisconsin [Mr. BYRNES] have said: If you actually want a wheat bill in this session of Congress, in my humble judgment you should support the substitute as proposed by the gentleman from Utah [Mr. DIXON]. The substitute may not be to everyone's liking but it seems to afford the best possibility of being enacted into law.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield.

Mr. HALLECK. I would just like to say with regard to the 15-acre exemption that in my district I could not very well call upon my large wheat producers to accept a reduction of 20 percent and not ask my small farmers to reduce by the same percentage.

I shall vote against the Levering amendment.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized to close the debate.

Mr. COOLEY. Mr. Chairman, we are in a rather unusual situation, because if we adopt the pending amendment that is the end of it; we are then, in effect, adopting the Senate bill which we have never seen. We have not even heard it read. No member of the Committee on Agriculture has spoken in behalf of the pending substitute except the gentleman from Idaho [Mr. DIXON].

Conspicuous by his absence from this debate is the distinguished minority leader of our committee, the gentleman from Iowa. At the last minute he comes in and says: "Yes, if you want to have a bill you must adopt the substitute and take the Senate bill." Just how stupid can we be to sit here and adopt a Senate bill that has not even been read?

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes, but be quick, for I have very little time.

Mr. HOEVEN. The Senate bill has been in the Committee on Agriculture for several days, but the gentleman never held hearings on it.

Mr. COOLEY. Did not the gentleman say in the Rules Committee he was not for the Senate bill?

Mr. HOEVEN. I did not. I said I was ready to accept the Senate bill.

Mr. COOLEY. The Senate bill?

Mr. HOEVEN. The Senate bill; yes.

Mr. COOLEY. I understood the gentleman opposed the Senate bill. But he does not have and the administration does not have a bill to offer here. How can we be so naive in voting on one of the greatest problems we have today, wheat, and vote for a bill we have never seen?

If we pass the House bill I will call up the Senate bill and move to strike out everything after the enacting clause and substitute the House bill. Then the whole thing goes to conference. We shall work out our differences and bring back a bill that will be acceptable, I am sure, to both Houses of Congress.

We should defeat the amendment offered by the gentleman from Utah.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Ohio [Mr. LEVERING].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Utah [Mr. DIXON].

The question was taken; and on a division (demanded by Mr. HALLECK) there were—ayes 85, noes 92.

Mr. HALLECK. Mr. Chairman, I demand tellers.

Tellers were ordered and the Chairman appointed as tellers Mr. POAGE and Mr. DIXON.

The committee again divided and the tellers reported that there were—ayes 92, noes 108.

So the amendment was rejected.

The clerk read as follows:

TITLE I—WHEAT

SEC. 101. (a) Notwithstanding the provisions of sections 332 and 336 of the Agricultural Adjustment Act of 1938, as amended, the Secretary of Agriculture shall conduct a referendum, by secret ballot on or before July 25, 1960, of producers subject to marketing quotas on the 1960 crop of wheat, to offer such producers a choice between the programs set forth in subtitles A and B of this title.

(b) Notwithstanding any other provision of law, if less than a majority of producers voting in the referendum conducted pursuant to subsection (a) hereof favor a program as provided by subtitle B, such subtitle B shall become inoperative, and the program as provided in subtitle A shall be in effect for the 1961 through 1965 crops of wheat. In such event, the Secretary shall, within thirty days thereafter, conduct a referendum, by secret ballot, of producers who will be subject to the marketing quota provided in said subtitle A to determine whether such producers favor or oppose such quota for the 1961 crop of wheat. If more than one-third of the producers voting in such referendum oppose such quota, the Secretary shall by proclamation suspend the operation of such quota with respect to the 1961 crop of wheat.

(c) Notwithstanding any other provision of law, if less than a majority of producers voting in the referendum conducted pursuant to subsection (a) hereof favor a program as provided by subtitle A, such subtitle A shall become inoperative, and the program as provided in subtitle B shall be in effect for the 1961 through 1965 crops of wheat.

Mr. AVERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I asked for the floor in order to propound two questions to the gentleman from Texas. Since it appears that the committee bill can possibly become law I think we should have something in the record to clarify the meaning of some of the language. For instance, on page 24 of the bill, line 5, it says:

Such products may be purchased on the local market in accordance with regulations promulgated by the Secretary.

What does "local market" mean? And how is he supposed to purchase these protein products?

Mr. POAGE. That means that the Secretary of Health, Education, and Welfare—not the Secretary of Agriculture—may from appropriated funds go on to any local market.

Mr. AVERY. What does "local market" mean?

Mr. POAGE. That means any market, whether it be in New York City or Emporia, Kans.

Mr. AVERY. Does that mean a retail market or a wholesale market?

Mr. POAGE. It means either market, a "local market," as we understand it, refers to the location and not the type. Presumably he would make purchases of the size he intended at the time. It would be rather inconsistent for him to go to the wholesale market to buy a side of bacon, and it would be equally inconsistent for him to go to the regular market to buy a carload.

Mr. AVERY. On the other hand, it might also be presumed from the quantities it is anticipated he would be buying, that it would hardly be in the public interest for him to go to a retail market, because he would not be buying only a pound of bacon at one time. Will the gentleman state for the RECORD at this point to indicate whether the Secretary of HEW is to do this by open competitive bids, or issue invitations to bid, or would he be compelled to go into the open market and buy at regular retail or wholesale prices, whatever they happen to be? This language is ambiguous on this point.

Mr. POAGE. I think it is rather clear that it is intended for him to go into the market, the same as any other purchaser would go. The purpose is to maintain the "local market" and it is contemplated that he would become a purchaser just the same as anyone else would become a purchaser.

Mr. AVERY. Then he is not to issue invitations to bid, is that the inference? I think there should be something said on the subject in the debate, so there would be some guidance to the Secretary. Does the gentleman wish to comment on this?

Mr. POAGE. I think it should be pointed out, of course, that the legislation as written does not prohibit him from securing whatever he can from the CCC, in which case he would do just as he does today. But neither does it prohibit him from going into local markets and making purchases just as you and I would do, nor does it prohibit him if he prescribes certain regulations that certain amounts will be purchased on competitive bids, on certain days, to follow that course. That would be permissible under the regulations he issues. But it is definitely not intended that he should bypass the local dealers.

Mr. AVERY. I have no particular feeling on this, just so there is some guidance in the bill. There should be something in the RECORD to explain what the intent is.

I call the attention of the gentleman to the next line which reads:

The Secretary shall obtain such assurance as he deems necessary that recipients will not diminish their normal expenditures for food by reason of such donations.

Is he supposed to go around to all the recipients and welfare agents and say, "How many pounds of bacon did you buy last year?" or, "How many eggs did you get?" and therefore he must buy that much and get this in addition? Or how is that determination to be made?

Mr. POAGE. He is supposed to determine it just as it is determined today. We have that provision in the existing law relating to the disposition of cereal stocks. The Secretary of Agriculture has to make that determination now in using these cereals. The Secretary of HEW would be required to use the same formula that is now imposed on the Secretary of Agriculture.

Mr. AVERY. For the distribution of surplus commodities held by the Commodity Credit Corporation?

Mr. POAGE. That is right.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12261) to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes, had come to no resolution thereon.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL, 1961

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11390) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1961, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. FOGARTY, DENTON, CANNON, LAIRD, and TABER.

RECAPITULATION OF FEDERAL REVENUES

Mr. PASSMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. PASSMAN. Mr. Speaker, intended for the particular attention of those who persist in believing, or pretending to believe, that anything and everything can be accomplished through the appropriation and spending of more and more money, a large portion of which is borrowed money, I wish to present a recapitulation of U.S. Treasury revenues since the beginning of our Federal system of government in 1789. This tabulation of Treasury receipts covers the period from

April 30, 1789, to June 1, 1960, and it is divided into three categories—154 years from the beginning of George Washington's term to the administration of President Truman, the 7-plus years of President Truman's incumbency, and 7 years, 4 months and 11 days of President Eisenhower's term. I certainly hope the Members will have an opportunity to study these figures, which I also mailed to them yesterday in the form of a letter. The facts of the recapitulation are self-evident, and do not require any further comment from me. Therefore, I submit at this time, and incorporate as a part of my remarks, the following verified tabulation:

U.S. Treasury receipts

157 YEARS (WASHINGTON TO TRUMAN)

Apr. 30, 1789, to Jan. 1, 1946: Total	$233,124,696,392

7-PLUS YEARS—(TRUMAN)

Jan 1, 1946, to Jan 20, 1953:	
1946	$42,867,772,454
1947	42,911,827,900
1948	43,098,474,025
1949	39,833,226,896
1950	40,510,854,464
1951	56,842,879,512
1952	69,336,974,951
1953 (to Jan. 20)	2,259,855,220
Total	337,661,865,422
Total revenues received: George Washington-Harry Truman (inclusive), 164 years	570,786,561,814

7 YEARS, 4 MONTHS, AND 11 DAYS—(EISENHOWER)

Jan. 20, 1953, to June 1, 1960:	
1953 (from Jan. 20)	$65,811,590,850
1954	66,894,388,427
1955	69,613,680,692
1956	78,233,911,713
1957	82,091,696,351
1958	79,285,472,618
1959	84,515,760,844
1960 (to June 1)	45,811,318,170
Total revenues received: Eisenhower (7 years, 4 months 11 days)	572,258,819,664
Eisenhower revenues over all other Presidents	1,472,257,850

Is it not quite obvious that more and more unjustified spending on the part of Government does not provide the solution for our problems? Do not the facts make it clear that our Federal Government must return to the policy and practice of fiscal responsibility?

LEGISLATION RELATING TO FOREIGN COMMUNIST PROPAGANDA

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I have introduced a bill to plug certain loopholes in the law applicable to foreign Communist propaganda which has been the subject of extensive investigations and hearings by the Committee on Un-American Activities.

During the past year, the U.S. Customs Service processed over 6 million packages of foreign Communist propaganda entering the United States. These 6 million packages contained over 10 million items of printed matter and constituted an 18 percent increase over the preceding year. This was exclusive of the millions of mail articles containing Communist propaganda which are received from overseas via first class mail which, of course, is not subject to inspection.

The studies of the Committee on Un-American Activities at the various ports of entry show that there is a steady increase in the volume of Communist propaganda entering the United States. One of the devilish aspects of this Communist propaganda is its subtlety. In very few publications do identifying data appear. In fact, as in most Communist operations, these publications present an appealing masquerade.

The material directed to youth in this country has increased almost 40 percent during 1959 over the preceding year. In 1959 there were 380,000 packages containing 580,000 items destined to youth groups in the United States.

The Foreign Agents Registration Act requires the registration with the Attorney General of those agents of a foreign power who disseminate political propaganda in the United States, and also requires a labeling of the political propaganda so that the American public can be on notice respecting it. The theory underlining the law rejects any concept of censorship, but is based on the same premise which undergirds the labeling provisions commonly found in food and drug laws which require the producers of poisonous drugs to label them as such.

While I am in thorough accord with the concepts of the existing law, the factual situations which our investigations and hearings have brought to light, compel me to conclude that the American public is not being given the protection which the law contemplates, because we have yet to find a port of entry where Communist propaganda is being processed, in which there is compliance with the labeling requirements of the law. In other words, the poison is being poured into the veins of our society without notice or warning of its nature.

In the studies which our committee has conducted at different ports of entry, we have found several different subterfuges used in order to avoid the impact of the law. We have found, first of all, that the existing exemptions in the law for certain commercial enterprises have been used as a conduit for evading the impact of the general statute. Likewise, we have found that certain of the criteria pertaining to the form of political propaganda subject to the provisions of the act are cumbersome and difficult to apply. We have, moreover, observed a pattern of evasion because of various interpretations of the term "foreign principal." In the enforcement of the law, furthermore, there has not been a fixation of responsibility which would appear to be essential for effective control.

I have, from time to time, over the course of many months, been in conferences with experts on the subject matter relating to the foregoing principal loopholes requiring legislation, as well as some minor related defects which I believe could be handled administratively. Accordingly, the bill which I have just introduced amends the Internal Security Act of 1950 in order to expand the provisions of the Foreign Agent Registration Act by—

First. Bringing within the coverage of the definition of "foreign principal" an organization which is "supervised, directed, controlled, or financed, in whole or in part, by any foreign government or foreign political party," regardless of whether the organization is supervised by a foreign government.

Second. Including within the registration requirements of the Foreign Agents Registration Act persons who have used the existing exemption for certain commercial activities to disseminate propaganda.

Third. Eliminating cumbersome criteria pertaining to the form of political propaganda subject to the provisions of the act; and

Fourth. Establishing in the Bureau of Customs an Office of a Comptroller of Foreign Propaganda and fixing responsibility for the control of foreign political propaganda.

A NATIONAL LOTTERY

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, while some of the Members of this Congress, as well as some of our Government officials, express fear that a national lottery in the United States might raise economic, social, and moral issues, most of the foreign countries throughout this civilized world continue to capitalize on the natural gambling urge of their people.

In all of these foreign countries where lotteries are legal and proper and where their governments harvest fat and painless revenue, gambling, regulated and controlled, has had no adverse effect on the economic, social, or moral standards—if anything, it has improved their lot. In fact, gambling in these foreign countries is treated and respected as an instinctive and universal human trait and not as an evil.

Mr. Speaker, although these foreign nations are small and poor in comparison with the United States, they have shown themselves smarter by coupling the gambling spirit of their people with the need for revenue. This realistic and sensible approach toward the human urge to gamble has been most profitable to these countries. The governments in these countries know the fiscal facts of life and by adopting an understanding and

courageous attitude they have brought pleasure to their inhabitants and financial benefits to their government treasuries.

Mr. Speaker, I wonder whether the opponents of a national lottery in the United States would suggest that all of these foreign-run lotteries and the people who voluntarily participate in them are immoral and evil? None of these countries express any fear that there is evil in capitalizing on the gambling instincts of man. As a matter of fact, in none of these countries have moral, economic, or social arguments prevailed against the spirit of optimism.

On the other hand, Mr. Speaker, we in the United States by ignoring this gambling issue and by continuously and stubbornly refusing to recognize and control this deeply ingrained urge, have encouraged this evil—if we can call it such—to flourish and triumph. This, to me, represents hypocrisy at its best.

Mr. Speaker, I believe the time is now ripe for all of us to stop playing this game of hypocrisy and apply a commonsense, realistic approach toward this multi-billion-dollar gambling industry. The time has come for this Congress to take a good, long look at this entire gambling problem in the United States and realize that the American urge to gamble cannot be curbed nor stopped any more than we were able to prevent people from drinking during the sad, stupid, expensive, and illogical prohibition era.

Mr. Speaker, it is about time that we wiped out hypocrisy and started to treat this entire gambling question with commonsense. It is about time that we showed some courage and tied the gambling spirit of our American people together with the ever-growing need for additional revenue and the increasing demands for tax relief.

I believe we have reached the point where we can no longer be two faced about this whole problem.

Mr. Speaker, I would like to bring to the attention of the Members of this House some interesting figures which I have gathered from 43 countries where the wheels of fortune spin. In the foreign countries listed below, the gross receipts for the year 1959 were $1,277,981,844 and, after payment of generous prizes and ample overhead expenses, the governments' share was $412,765,883. Not bad for these financially hard-pressed foreign treasuries.

I hope that these startling revenue figures will help convince this Congress that a national lottery in the United States would not only satisfy the American people's appetite to gamble but would pump into our Treasury $10 billion a year in added revenue.

Mr. Speaker, with a national lottery we would not only regulate, check, and control the gambling desire of our American people but we could with the additional revenue bring tax relief to our overburdened wage earners and help to reduce our mounting national debt.

Mr. Speaker, if we are honest with ourselves, we must admit that the situation that now exists in this country regarding a national lottery is in every way reminiscent of the one during prohibition. When we found that that law became impossible to enforce, we wisely repealed it. As a result, the crime wave that existed diminished and the Government profits soared to the tune of upward of $3 billion a year. I say the time has come for us to be equally sensible and realistic about a national lottery. The money, $30 billion a year, is going to be gambled, whether we legalize it or not, and, by legalizing it, we can have it gambled honestly and to everyone's benefit—the Government and the people.

Mr. Speaker, I hope that this Congress will have the intestinal fortitude to tap this new source of revenue which can be ours just for the asking. Let us make Mr. and Mrs. Taxpayers' dreams for tax relief become a reality and relieve our people from what President Eisenhower has described, "the heavy burdens of taxation." It is worth a try—at least, for the sake of our American people. There is no question in my mind that a national lottery is the only profitable and satisfactory answer to the whole problem of gambling and the best solution to our taxpayers' demands for tax relief. Why not at least try it?

Country	Population	Gross receipts	Government's share
1. Argentina	20,613,900	$19,630,265	$10,464,003
2. Australia	10,166,000	71,578,409	21,981,419
3. Austria	6,933,905	14,300,000	4,100,000
4. Belgium	9,144,000	16,800,000	5,872,437
5. Bolivia	3,416,000	727,905	112,771
6. Brazil	65,000,000	17,465,000	6,090,000
7. Chile	7,550,000	18,700,000	5,250,000
8. Colombia	14,000,000	3,506,283	194,592
9. Costa Rica	1,099,862	9,437,036	2,874,897
10. Cuba	6,300,000	35,420,000	11,125,304
11. Czechoslovakia	13,500,000	11,000,000	9,000,000
12. Denmark	4,500,000	6,042,000	280,000
13. Dominican Republic	2,900,000	31,870,306	6,984,988
14. Ecuador	4,254,000	3,152,300	1,045,597
15. Finland	4,434,000	3,867,200	1,314,800
16. France	45,400,000	123,700,000	41,500,000
17. Germany	54,798,000	240,000,000	48,000,000
18. Greece	8,618,000	15,000,000	3,700,000
19. Guatemala	3,618,000	2,954,080	458,976
20. Haiti	3,500,000	1,628,800	100,000
21. Honduras	1,887,389	11,977,867	1,282,959
22. Ireland	2,894,822	46,059,680	19,500,000
23. Israel	2,089,000	7,111,111	3,666,666
24. Italy	50,600,000	71,200,000	58,100,000
25. Japan	93,050,000	11,467,000	4,366,000
26. Mexico [1]	33,304,000	55,120,000	14,160,000
27. Netherlands	11,400,000	9,654,204	2,500,000
28. New Zealand	2,343,000	1,684,145	617,747
29. Norway	3,572,000	12,000,000	3,700,000
30. Panama	1,000,000	27,289,919	4,522,005
31. Paraguay	1,728,000	1,363,934	279,738
32. Peru	10,000,000	2,460,800	465,200
33. Philippines	23,662,900	17,827,335	7,554,778
34. Poland	29,500,000	53,364,417	17,236,958
35. Portugal	8,980,682	20,749,400	6,943,727
36. Puerto Rico	2,300,000	45,000,000	9,970,060
37. Spain	30,000,000	82,803,000	22,590,000
38. Sweden	7,475,000	51,200,000	29,400,000
39. Switzerland	4,714,929	5,916,353	1,549,367
40. Turkey	26,000,000	7,513,880	3,459,652
41. Uruguay	2,600,000	8,779,215	3,251,242
42. Venezuela	6,500,000	67,300,000	13,700,000
43. Yugoslavia	18,530,000	13,960,000	3,500,000
Total		1,277,981,844	412,765,883

[1] Only 1958 figures available.

CYRUS EATON: MERCHANT OF PEACE

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, the question has been raised by several newspapers in Oregon and by a few individuals outside of Oregon in letters to me as to whether or not it was proper for me to permit Cyrus Eaton, Cleveland industrialist, to pay my way to a recent disarmament conference of parliamentarians in Stockholm.

This question was not raised last February when Cyrus Eaton paid my way to a similar but larger conference in London although the fact was duly publicized at that time.

It was not raised after I mentioned it in the RECORD—page 10993—May 24, 1960, and disclosed that Mr. Eaton had agreed to pay my way to the Stockholm conference.

The question was first raised by the distinguished chairman of the National Republican Congressional Committee [Mr. MILLER] in a press release made public on June 3, 1960, the day I left for Stockholm. I had expected the criticism to arise earlier because this is an election year and I knew that Cyrus Eaton was, to many people, a controversial person.

In late January 1960 a mutual friend relayed Eaton's offer to pay my expenses to the London Disarmament Conference of Parliamentarians. Before I accepted I obtained from the Library of Congress and the Department of State information about the conference and about Cyrus Eaton.

URGENCY OF ABOLISHING WAR

While it was clear that on many issues I did not agree with him, we definitely did agree as to the urgency of working earnestly and ceaselessly to abolish war before war abolished mankind. It was clear to me that no fairminded person could dismiss Cyrus Eaton as either Communist or crackpot although one certainly can disagree, as I do disagree, with various opinions expressed by him.

I emphatically agree in both the judgment and the determination set forth in the following statement which was included in a speech Cyrus Eaton made June 9, 1959, in Canada at the annual dinner of the Canadian Manufacturers' Association:

> The stark and terrifying fact is that the use of only 5 percent of the atom and hydrogen bombs now in the possession of the nuclear powers would completely wipe out every last vestige of life on this earth. We businessmen cannot be called cowards if, to safeguard our families and the commercial and cultural institutions to which we have devoted our lives, we remonstrate with heedless statesmen for running the nuclear risk. For myself, I long ago incorporated into my personal philosophy Spinoza's advice to harbor "no regrets, no fears." I have lived a busy and productive life, and I shall labor to the end to enable my children and grandchildren to enjoy the opportunities that have been mine. I know that the United States cannot go on spending $50 billion a year for military weapons without succumbing to annihilation or impoverishment, and I shall fight both awful fates with all my strength.

Cyrus Eaton is a rare bird on the contemporary scene but not in history. We can recall Andrew Carnegie, Henry Ford, Alfred Nobel, and other leading industrialists who turned their talents and

fortunes to the quest for peace. But how many such men are living today? Too few. I hope more will appear on the scene, and soon.

What made Cyrus Eaton embark on his stormy path? This question was put to him by a London reporter earlier this month. Here is a part of the interview:

Mr. Eaton then started to talk about the reasons that had made him, a dedicated capitalist, pursue his policy, in spite of all the troubles he has run into.

"First, there was the awareness of the annihilation that an all-out nuclear war would mean. Secondly, there is the crushing burden of taxation to carry out the cold war. And thirdly, there was the conviction that World War II didn't produce the results we have hoped for.

"I had two sons and six nephews in the war. Two of the nephews were killed. And then I saw so many of the most brilliant sons of cousins and friends who were killed, many of them in the Battle of the Bulge in the winter of 1944–45."

WHERE WE DISAGREE

In that same story Mr. Eaton told the reporter, "We have more of a police state than there is in those countries," referring to Eastern European countries. I do not agree with that opinion. What he saw in a brief visit is hardly adequate proof. I also doubt that he would be likely to see much of that side of these governments.

Nor do I agree with another statement he is supposed to have made at one time:

The only people in the United States who believe that communism is a menace—

Time magazine quoted him as saying—

are the boys on the payroll of the FBI.

On the other hand, one must concede that extreme statements in the other direction are far more common, and equally erroneous.

In April of this year Cyrus Eaton made a ripsnorting, capitalistic speech to his fellow Chesapeake & Ohio Railway stockholders. Consider these statements:

A question of paramount importance to all of my fellow stockholders today is, I am sure, can we ever again have our stock selling for $400 a share? My answer is, if all the railroads of America could be emancipated from the bondage of Federal Government regulations, and really be permitted to practice free enterprise, I am certain we could pursue policies that would again bring our stock to the $400 level.

Our railroad has done well, it is true, because of the extraordinary dedication and devotion to our entire organization. The C. & O. probably has the most continuous record of success of any railroad in the world. But we can do infinitely better if the Government wraps are removed.

Such free enterprise might be fine, for a while, for the stockholders, but I know it would be hard on the employees and the public. Again I record my disagreement.

MAN MUST USE HIS BRAINS

These disagreements and others we may have do not matter. This is a free country. Where we agree and where we collaborate—his money and my time—has to do with our mutual conviction that man has to use his brains quickly if he is to survive his incredibly powerful weapons.

I have never met Cyrus Eaton. He has never tried to tell me what to do or say, He did commend the report I made to the House on the London East-West Disarmament Conference last February. He even requested reprints. And I commend him for his major role in improving East-West communication.

Before I studied up on Cyrus Eaton and his speeches I knew about and was grateful for the Pugwash Thinkers Conferences. In five of those Conferences up in Nova Scotia and in Europe, 112 leading international scientists from 23 nations of the East and of the West came together to consider ways of saving the world from nuclear, biological, and chemical warfare.

The first two such Conferences had much to do with the inspiration and support of the Geneva negotiations on nuclear weapons tests cessation. This is no small accomplishment.

It is seldom that any two people agree on all questions. This is particularly true with persons of wide experience, deep feelings, and aggressive character like Cyrus Eaton. Most thoughtful voters have reservations about their favorite candidates. I have reservations about Cyrus Eaton, but if there were a contested election for the title "The American Industrialist Doing the Most for Peace," I would vote for him. I wish there were such a contest. As it is, because there is apparently no competition, Cyrus Eaton wins the title by default.

Under unanimous consent, I am including hereafter editorials from Oregon newspapers and my replies; the full text of the interview I quoted in part from the London Evening Standard; the full text of the two speeches quoted; another longer speech; and a brief biography of this remarkable and most timely merchant of peace, Cyrus Eaton:

[From the Eugene (Oreg.) Register-Guard, June 8, 1960]

CHARLIE, WHY DO YOU DO IT?

Political observers are saying that Representative CHARLES O. PORTER may be in for trouble this fall. They feel that Dr. Edwin Durno may give him his toughest race yet, and that the Medford doctor might actually unseat him.

This could be. However, the odds appear to be against it. First, there is a Democratic majority in every county in the Fourth Congressional District. Second, there is the matter of name familiarity that attaches itself to an incumbent, especially to one as active as Mr. PORTER. So, for those reasons the Congressman would seem to have the edge.

However, Mr. PORTER should not let himself forget that he has irritated a great many of his constituents since they returned him to office in 1958. This he has done courageously, true enough, clinging to the advice of Edmund Burke who told the electors of Bristol in 1774 that a representative should use his own judgment and not sacrifice it to the opinions of his constituents. He apparently believes, and we agree, that a representative should be more than a messenger boy. He should go to Congress as a freeman. If, at the end of his term, the voters in his district do not approve of what he has done, they can call him home.

Nobody can doubt Mr. PORTER's courage, nor his intelligence, nor his industry. But we are entitled to doubt his judgment. "Quick." That is the word for the Congressman. He thinks fast and is given to acting fast, sometimes when more considered judgments are called for. If we were asked to put a finger on his greatest single weakness, we'd settle upon his apparent inability to "play it cool."

He certainly didn't play it cool when he went down the tube for Castro 18 months ago. Even WAYNE MORSE, who is also given to shooting from the hip, played it cool on Castro. Time, an amazingly short amount of time, showed that Castro was certainly not the great liberator that Mr. PORTER had been telling us about. Even Mr. PORTER admits that—now, long after he had let himself be stampeded into a serious error of judgment.

Mr. PORTER's constituents have reason to wonder, as he continues to advocate closer relations with Red China, if his judgment today is as bad as it was the day Castro entered Havana.

Mr. PORTER's latest error in judgment was his acceptance of a no-strings-attached gift of $1,000 from Cyrus Eaton, the Cleveland industrialist who is so often associated with party-line causes. Mr. PORTER will use the money to pay his way to a foothills conference on disarmament in Stockholm. Many voters will remember that the first time Mr. PORTER made headlines was by picketing the NIXON train in the Eugene train station in 1952. He objected to the fact that businessmen were helping Senator NIXON with his expenses. Voters now are entitled to ask how much difference there is in what Mr. NIXON did and what Mr. PORTER is doing. And, considering Mr. Eaton's record of espousing leftwing causes, Mr. PORTER certainly opened himself to criticism of another type. Too many of his enemies are already too willing to accuse him of being a radical of some sort. If his judgment were better, he would have avoided any and all association with Mr. Eaton. That he did not will accrue to his woe come fall.

Likeable, affable, energetic, bright, ambitious, articulate, a splendid companion, the Congressman keeps irritating his own friends by painting himself into corners. They, even more than his opponents, have reason to ask "CHARLIE, why do you do it?"

JUNE 13, 1960.

The EDITOR,
Eugene Register-Guard,
Eugene, Oreg.

DEAR SIR: Grateful though I am for the kind words in your editorial, "CHARLIE, Why Do You Do It?" (June 8, 1960) and conscious though I am of the fallibility of my judgment, I don't believe that I acted with too much haste in connection with the examples you mention.

What exactly you mean by "playing it cool" I am not sure. If it means sniffing the political winds, being cautious, then I'd say I don't try to play it cool.

Castro had my enthusiastic support for knocking over Batista and promising to establish democracy in Cuba. Castro lost my support as he broke his promises. No Member of Congress has criticized Castro more than I have. A lot of people changed their minds about Charles Van Doren.

If I acted too quickly and shot from the hip in advocating closer relations with China, then I've persisted in this error very publicly since 1954. Moreover, my fellow Democrats Jack Kennedy, Adlai Stevenson, Stuart Symington, Chester Bowles, and others are in the same boat with me.

You say that my permitting Cyrus Eaton, Cleveland industrialist, to pay my expenses to a Stockholm disarmament conference was an error in judgment. You say that voters can ask how this differs from what NIXON did in allowing businessmen to help him with his expenses. It differs, for one thing, in that I publicized this underwriting whereas NIXON's fund was kept secret. Mr. Eaton, by the way, paid my expenses to a 16-nation

peace conference of parliamentarians in London last February, a fact I included in my press releases at the time and nobody was at all disturbed.

Another obvious difference is the purpose of the money. The contributions to NIXON went for his personal and political benefit. Eaton's money went for expenses so I could be present at a conference where conferees from eight nations exchanged points of view in the interests of averting world war III.

Last January when Mr. Eaton offered to pay my way to the London conference I received reports from the Library of Congress and the Department of State on the conference and on Mr. Eaton before I agreed to go. I did not shoot from the hip. I wanted to attend these conferences to do what I could, however little, for world peace.

I'll soon be back in Oregon to discuss with my constituents why I continue to be active with regard to leaders like Castro, nations like China and active peace seekers like Cyrus Eaton. From the looks of my mail from Oregon, many of them emphatically approve.

Of course I don't like to irritate any of my friends, but my friends must come to understand, if they don't already, that I am dead serious about this job of being the U.S. Representative from the Fourth District of Oregon. I still believe that the gravest problem facing us all is whether or not we can survive our incredibly powerful weapons.

I believe everyone should do what he can and that those of us in public office have larger responsibilities. If this entails political risks, as you properly point out, well, so be it. Playing it cool on matters this critical is not my idea of worthwhile politics or a worthwhile life.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

[From the Albany (Oreg.) Democrat Herald]

WHY THEY DON'T LIKE PORTER

Fourth District Congressman CHARLES O. PORTER evidently doesn't like newspapers, and we don't blame him much, for most newspapers don't like him, either. And neither do a lot of people.

It isn't that newspapers and people don't like PORTER personally—far from it. He is a personally likable guy. It is the things that he says and does that they don't like.

Most recent example is his implied acceptance of $1,000 from Cyrus Eaton to help him finance a trip to Stockholm, Sweden. Objective of the trip is attendance at an East-West meeting of parliamentary officials.

Now there would be nothing wrong about this gift, in our opinion, were it not for the fact that Eaton has long since been nuzzling Nikita Khrushchev, though we suspect that if somebody else, say Harvey S. Firestone, should pay $1,000 to First District Congressman WALTER NORBLAD, to enable NORBLAD to attend a conference of rubber plantation owners in Indonesia PORTER might make quite a noise about it.

Eaton's avowed goal is to establish trade between Communist countries and the United States. His motive is primarily mercenary and he seems to give little consideration to the intangible ideological conflicts between the two political systems—capitalism and communism, and the irreconcilable differences between them—irreconcilable because the Communists cannot tolerate any concessions that might become obstacles in the path of their program of world conquest. Theirs is, to them, a movement that cannot be challenged on moral grounds for it is above morals, ethics, or humanism, of any kind.

It is PORTER's insistence on advocating compromises with the Reds, such as recognizing Red China and being kind to Fidel Castro, that makes many Oregonians dislike PORTER.

PORTER is not endearing himself to newspapers, particularly the smaller ones, in pushing for an increase in second-class postal rates only. His bill would, according to a National Editorial Association survey, increase publications costs to smalltown newspapers, including many small weeklies, by $2,000 a year and that in some cases is just about their margin of profit. Since larger dailies distribute a smaller percentage of their circulation by mail it is not they that would be hurt the worst, though all would suffer some. Papers delivered by carrier would not be affected.

PORTER's bill says nothing about increasing rates for other classes of mail. When he was accused by the NEA of sponsoring "punitive" legislation he denied it but it can hardly be only coincidental that he singled out second-class mail for a rate boost.

At a hearing on his bill starting May 10 at Washington, D.C., PORTER, according to the National Editorial Association Bulletin, unnecessarily prolonged the examination of witnesses through excessive questioning. In fact, said the Bulletin, "the NEA witnesses felt they had been badgered or even filibustered" by PORTER. So long did he query witnesses that there was no time for reading two of three NEA statements, so the other two had to be inserted in the record without being read in full.

At the hearing PORTER alluded to the so-called "free in county" newspaper privilege as a subsidy. It is enjoyed mainly by weeklies, most of whose subscribers receive their papers through rural carriers within the county in which they are published. PORTER asked if NEA witnesses would support a bill for an outright subsidy to the weekly press, and when Edgar S. Bayol, executive vice president of NEA, remarked that "subsidy is a horrid word" PORTER offered sarcastically to term it "a consideration from Congress."

We would not have Representative PORTER be a habitual conformist, but when he becomes a nonconformist on so many things that the American people stand for he must expect to reap the harvest.

JUNE 10, 1960.

The EDITOR,
Albany Democrat Herald,
Albany, Oreg.

DEAR SIR: I thank you for saying, in your editorial, "Why They Don't Like PORTER," June 3, 1960, that I am "a personally likeable guy." I hope, however, that you are not as wrong in that as you are elsewhere in that article.

You say I don't like newspapers. You are wrong. I like them. I value them. I don't always agree with them. Sometimes I deplore their editorial and news policies. As an institution, newspapers are essential in a free society. (I'm an old newspaperman myself.)

You say my accepting expenses for my Stockholm trip from Cyrus Eaton would be all right except for the fact that "Eaton has long since been nuzzling Nikita Khrushchev." Here you are up to your old tricks of making those of us who believe in communication between the East and West into "pals" of the Communists.

The purpose of my trip to Stockholm was to discuss peace and disarmament with parliamentarians of other nations and to plan a larger meeting for this fall. I can't see how you can believe that this resembles Harvey Firestone's giving $1,000 to WALTER NORBLAD to go to a conference of rubber plantation owners in Indonesia. How would such a trip be in the public interest?

Your statement that Eaton's motives are "primarily mercenary" is ridiculous. Cyrus Eaton is 75 years old and worth more than $100 million. His crusade for peace is no business enterprise. He believes we have to work hard if we want reason to prevail in time to prevent a nuclear holocaust. I agree with this point of view.

According to the Postmaster General, the newspapers and magazines will be paying only 26 percent of their mailing costs after the final step of the 1958 rate increase goes into effect next January. The National Editorial Association at the hearing you mention offered no evidence to refute this figure. Their witnesses said they felt they were paying their way.

The record of the hearings will soon be printed and you can see for yourself that I did not badger or filibuster the NEA executive vice president, Mr. Bayol, about whether the NEA wanted a subsidy from the Government for part of their mailing costs.

Suppose we turn to the record. I asked Mr. Bayol if he thought that newspapers ought to pay the full costs of their mailings:

Mr. Bayol: "We do not agree with that theory; no, sir."

Mr. Esters: "No."

Mr. Bayol: "The Post Office is a public service, and it should not have to pay its way any more than the Agriculture Department."

Mr. PORTER: "Fine. Then you think that the second-class users ought to have a subsidy?"

Mr. Bayol: "Subsidy is, shall we say, a horrid word. Is that not the language?"

Mr. PORTER: "All right. But you deal in words; so do I. Let's find a word. You should have some sort of consideration from the Congress because you are achieving such great things for the public?"

Mr. Bayol: "Yes, that is right."

Mr. PORTER: "What does that add up to, though? That somebody has to pay what you do not pay, and that somebody is going to be the taxpayer."

Would you take a different position? I hope not.

Maybe some newspaper publishers don't want to pay their fair share of postal rates. I believe most of them will not object although they may not like us Congressmen who want to end at least part of their present subsidy.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

[From the Portland Oregonian, June 8, 1960]

PORTER'S PEACE SUBSIDY

There should be some discussion among voters in Oregon's Fourth Congressional District about the propriety of Representative CHARLES O. PORTER's acceptance of $1,000 from Cyrus Eaton, Cleveland industrialist and close U.S. pal of Nikita Khrushchev, to pay his way to an unofficial "foothills" conference of Communists and non-Communists in Stockholm.

Representative PORTER says no strings were attached to the cash. It may be assumed that Mr. Eaton did not feel it necessary to attach any strings because Representative PORTER has been advocating steps favored by Mr. Eaton—trade with and diplomatic exchange with Red China, admission of Red China to the United Nations, an open-arms policy toward the Soviet Union, etc.

But whatever the coincidence of their views on U.S. policy toward the Communist nations, we believe it questionable for a Member of Congress to accept expense money from a private citizen of the United States who has identified himself so closely, in business and in politics, with the Communist dictatorships. Also, in patronizing this so-called disarmament rally in Stockholm, Representative PORTER is lending his name as a U.S. Congressman to an activity not in keeping with U.S. foreign policy.

We do not challenge Representative PORTER's right to seek headlines in Castro's Cuba, where his ardent support of the "liberator" blew up in his face; to challenge the State

Department's right, though unsuccessfully in the courts, to refuse him a passport to Red China; to join in these international gatherings chiefly sponsored by Communists, Socialists, and pacifists which usually make propaganda for the Kremlin.

We do think the voters of the Fourth District should consider carefully whether or not Mr. PORTER is representing their interests and views accurately. One doubts they approve his acceptance of money from Cyrus Eaton to attend the Stockholm "peace" conference.

JUNE 10, 1960.

The EDITOR,
The Oregonian,
Portland, Oreg.

DEAR SIR: With regard to your editorial, "PORTER'S Peace Subsidy," June 8, 1960, you are inaccurate in an important respect and you rival the late Joe McCarthy in your slurs.

You write that in going to the Stockholm "disarmament rally" I was "lending my name to an activity not in keeping with U.S. foreign policy." You are in error. Disarmament has long been a major aim of our foreign policy. Moreover, the President rightly continues to stress the need for East-West contacts at all levels.

You say you don't challenge my "right . . . to join in these international gatherings chiefly sponsored by Communists, Socialists, and pacifists which usually make propaganda for the Kremlin." The East-West Round Table was started by West Europeans, Socialists, yes, but most of them are. Meaningful discussion of disarmament and other problems having to do with peace requires the presence of your opponents. At Stockholm, of the eight conferees all came from NATO nations except our Swedish host and Ilya Ehrenburg from the Soviet Union.

The labor member of Parliament in attendance at the Stockholm committee meeting is, I suppose, a pacifist but then so are about half or more of the British people these days.

Your assertion that these groups "usually make propaganda for the Kremlin" is a snide slur. Any East-West contact can be used by the Kremlin to make propaganda. This is no reason why we should break off such associations. We can and do make our own propaganda.

You criticize my acceptance of Stockholm travel expenses from Cyrus Eaton. You call him "close pal of Nikita Khrushchev" with as much reason as you could put the President in that category prior the U–2 incident. You compound this slur in the next paragraph alleging that Eaton and I want "an open-arms policy toward the Soviet Union, etc."

Like the President and many others, I want communication, contact at all levels, but not in any way to suggest that we approve police-state methods. This is the familiar formal handshake-warm embrace distinction which Mr. NIXON learned in Puerto Rico in 1958 from Governor Munoz-Marin.

You say it is "questionable" for me to accept money from Eaton because "he has identified himself so closely, in business and politics, with the Communist dictatorships." I say baloney. Eaton is a capitalist, make no mistake about that, and a firm believer in freedom. He believes that men of good will have to work hard to make reason prevail if we are to avoid disastrous nuclear war. So do I.

Where were you last February when Eaton paid my way, a fact I made public at the time, to London for a 16-nation meeting of some 60 parliamentarians in London? I had no protests then from you or anybody else. It would seem that blunders of Republican leadership have made you Republicans a little touchy about international conferences. This is too bad because there is no other way to make peaceful adjustments.

As for the voters in the Fourth District, for whom you show concern, none has to date protested to me. It may be that, as in the 1956 and 1958 elections, they disagree with your pontifications, inaccuracies and slurs.

I hope you will read the enclosed pages from the CONGRESSIONAL RECORD. One of them has to do with Cyrus Eaton. The other is the report that I made on the floor of the House yesterday about the Stockholm meeting followed by a colloquy with Representative WALTER JUDD, Republican, of Minnesota.

Your attitude with respect to my trying to help in whatever ways I can, to further the cause of peace is deeply disappointing to me. I would like to think that you wrote the editorial out of sheer partisanship. I suspect, however, that the origins go deeper, namely, that you are ignorant where you ought to be informed and indifferent where you ought to be concerned.

Sincerely,

CHARLES O. PORTER,
Member of Congress.

[From the London, England, Evening Standard, June 8, 1960]

MR. KHRUSHCHEV'S CAPITALIST FRIEND ON POWER AND THE PENTAGON

(By Donald Edgar)

It is not often that you come away from an interview saying to yourself—"I think that was a great man."

I did last night as I went down the lift in Claridges after seeing Mr. Cyrus Eaton.

He is the 76-year-old powerful and rich North American industrialist who has been trying to build bridges between the East and the West.

Trying to build a bridge of peace.

Needless to say, with the result that he has been vilified in his own country.

A MENACE

I asked him what he thought the situation was after the breakdown of the summit talks.

"There is a great change needed in the United States. The Pentagon is a power and a menace.

"The generals have been intoxicated by their successes in World War I and II. They have forgotten the part played by the British. They have a complex of omnipotence. It's a state of mind that they have got themselves into.

"As you know," he added, "at the moment the world is teeming with generals who are heads of state. We have had two fine generals who have exercised power in recent years. There was General Marshall, who was Secretary of State.

"He was a fine man. But the trouble of it was that he thought in terms of military power. And it was Marshall who laid down the basis of our postwar policy.

"And then General Eisenhower came later as President. And they can't escape the idea of military strength. They have a military complex.

"You remember we had a great general in our civil war, Ulysses Grant. He was a great general but he turned out a poor President. You had Wellington who was a great soldier—but not so good, it appears, as a politician.

"The trouble is we are relying too much on weapons of war. Not on a mentality of political thinking."

Mr. Eaton, who has spent some time with Mr. Khrushchev in the past, has just come back with his wife from a tour of eastern Europe—Poland, Hungary, Czechoslovakia, and Eastern Germany.

I asked him whether he had found many restrictions on liberty.

He became even more lively.

"We have more in the United States," he said. "Do you know that there are practically half a million people in the United States whose job in one way or another is to supervise the citizens?"

ALARMED

"There are in all 75 agencies. We didn't see policemen everywhere in the countries we have just visited. But if Ike came to Cleveland there would be 60 security men looking after him. We found nothing like that where we went.

"We have more of a police state than there is in those countries."

Mrs. Eaton nodded in agreement. She is a very attractive woman—many years younger than her husband. She was sitting in the wheelchair that is her life. She is a polio victim.

"How did you find it otherwise in Eastern Europe?"

"Well, they are worried. They are greatly alarmed over the rearming of Germany. They feel that the United States is encouraging the Germans.

"And I was greatly concerned over the lack of effective diplomatic activity on the part of the American diplomats and their allies."

OUT OF TOUCH

"They are all out of touch with the people. There is little or no contact with political leaders. The representatives of the English speaking world have a real hatred of communism.

"Therefore, it is not fashionable to mix. And therefore they are living in a world completely cut off from reality.

"They still repeat the old cliches and they still keep themselves to themselves."

I then asked Mr. Eaton why he thought the summit talks had broken down.

"In my opinion," he replied, "there was a great influence brought to bear on President Eisenhower after his meeting at Camp David with Mr. Khrushchev.

"I think at that time there was an honest desire to reach an understanding.

"But then pressure was brought. There was the Atomic Energy Commission. The Pentagon. The CIA—the Central Intelligence Agency.

"All people who have a vested interest in keeping tension between the East and the West.

"And of course, the Germans did their bit."

HIS REASONS

Mr. Eaton then started to talk about the reasons that had made him, a dedicated capitalist, pursue his policy, in spite of all the troubles he has run into.

"First, there was the awareness of the annihilation that an all out nuclear war would mean. Second, there is the crushing burden of taxation to carry out the cold war. And third there was the conviction that World War II didn't produce the results we have hoped for.

"I had two sons and six nephews in the war. Two of the nephews were killed. And then I saw so many of the most brilliant sons of cousins and friends who were killed, many of them in the Battle of the Bulge in the winter of 1944–45."

He mentioned then about his last meeting in Paris with Mr. Khrushchev. "What do you think of him?" I asked.

"Oh, he's a very clever man. He impressed me right from the start. He has a keen intelligence, blunt frankness, and an extensive knowledge of what is going on in the world.

"He astonished me by the width of his information. He is hard working and widely read. I told him that if he had come to America as a boy he would have been the head of one of our greatest corporations."

I felt the time had come to ask Mr. Eaton what he felt about the long-term development of capitalism and communism.

"I think that undoubtedly capitalism is going to undergo many changes and be influenced by the Socialist experiment. But I think that on the other hand Socialist countries will also change as they develop economically."

A CHANCE

"If we let time and evolution work, free from the threats of a hostile attitude by the Western World, then I think there would be a great chance of lasting peace. The emphasis must be on the progress of the human race."

"How are you able to think in these terms when you are a supremely successful example of high capitalism?" I asked.

"Oh," answered Mr. Eaton, "I don't think there is much in the prestige of wealth. You can only wear one suit. You can only eat three meals a day. What matters is the creativeness. That is the real distinction between one man and another."

We then talked about other Americans who have also tried to work for peace.

There was Ford with his Peace Ship which he sailed across the Atlantic to try to end the First World War.

There was Andrew Carnegie, the great steelmaster, who left most of his fortune in the interests of peace.

But is it altogether strange that Nobel, the explosives king, Carnegie maker of one of the materials of war—and now Eaton, who is also a great steel man, should devote themselves to peace?

CANADA'S CHOICE: LEADERSHIP OR ANNIHILATION?

(Address of Cyrus Eaton, Canadian-born chairman of the board, Steep Rock Iron Mines Ltd., and Chesapeake & Ohio Railway, at annual dinner meeting of the Canadian Manufacturers' Association, St. Andrews by-the-Sea, New Brunswick, June 9, 1959)

My pleasure in addressing this distinguished group of Canadian business leaders is doubled because of your selection of my beloved Maritimes as the site of your 1959 meetings.

In nearby Pugwash, Nova Scotia, where I was born 75 years ago and where I still spend part of every summer, one readily gains a sense of the seaside glory of the Atlantic provinces. Look north from Pugwash across the Northumberland Straits, and the coast of Prince Edward Island fills the horizon. Turn your head but slightly to the west, and New Brunswick's Cape Tormentine quickly catches your eye.

I shall have something else to say about the Maritimes and their place in the Canadian economy later. First, however, I should like to have you share with me a broad view of the complex world in which we are living in this revolutionary new nuclear age, and a more particular look at the preeminent part Canada can play in it if she chooses.

MOOD OF WHOLE MODERN WORLD IS TO BUILD INDUSTRY

The keynote of this convention, "Build Industry—Build Canada," clearly states the ideal goal. The mood of the whole modern world, east and west, capitalist and Communist, is to build industry. The peoples of every race, creed and color are doggedly determined to secure for themselves a greater share of the good things of this earth.

Old Mother India, whose civilization dates back 5,000 years, typifies the trend. Some years ago I spent a weekend with Sir Rabindranath Tagore, Bengal scholar and classicist whose poetry had won him the Nobel Prize for literature. Justifiably proud of India's ageless fame for art, poetry and philosophy, Tagore frankly expressed his scorn for Western industrialism. "In India," he asserted, "we do not want your automobiles, we do not want your locomotives. We are happy as we are." More recently there has been assurance from Prime Minister Nehru that India will not rest in her quest to upbuild industry. At the same time, I feel sure she will demonstrate that emphasis on the material need not result in neglect of matters of the mind and the spirit.

Those of us who dedicate the working part of our lives to industry and trade will find strong allies in many quarters. I have just been reading Faber's new life of Jowett, one of the greatest classical scholars and philosophers the English-speaking world has known. Jowett gave tremendous impetus to the growth of Oxford as a center of learning during the second half of the 19th century. Quoting a less orthodox but better known British savant as saying, "The greatest of evils and the worst of crimes is poverty," Jowett designated that as the one statement by Bernard Shaw with which he completely agreed.

NINETEENTH CENTURY CANADA LACKED ECONOMIC OPPORTUNITIES

The Canada of my boyhood, particularly the Maritime Provinces, offered limited economic opportunities for ambitious and industrious boys and girls. So it was around the turn of the century that I joined my footsteps with the countless others beating a path across the border to the better jobs that then beckoned there. My good fortune was to find my first American business association with the late John D. Rockefeller, the very model of creative and imaginative industrialism. At that time Mr. Rockefeller was receiving lavish praise for his philanthropies. Although he took satisfaction in the founding of universities and the building of hospitals and churches, I often heard him say that he considered his greatest contribution to the welfare of mankind the giving of gainful employment through the industry he created.

TWENTIETH CENTURY CANADA OFFERS LIMITLESS POSSIBILITIES

If I were a boy in Canada today, I would waste no time casting a covetous eye across the border. My native land, which was content to be little more than a colony in my youth, has attained sovereign status. Second in area only to Soviet Russia, Canada possesses rich and limitless natural resources, whose surface has barely begun to be scratched. Industry for the most part is in its young and vigorous beginnings.

Canada is blessed with a strong centralized banking system, for which I am impelled to say a special word of praise. The small and scattered banks of the archaic American system suffer sharply in contrast. Their impotence in times of financial difficulty have accentuated panics of the past. Sooner or later, banking in America is bound to be reformed.

Because of her comparatively small population, as contrasted with the gigantic and costly enterprises pressing to be undertaken, Canada must call on outside capital. The generally high character of her governments, federal, provincial, and municipal, under whatever political party, fortunately commands the confidence of the investors of the world. This is not to say that Canada will always automatically win the keen worldwide competition for capital. Other countries hold out great inducements. Chile, for instance, allows all machinery and equipment for new mines to enter duty free, in her eagerness to develop her iron ore deposits.

I spoke earlier of the colonial status with which Canada was so long content. Even more we were proud to do obeisance to Britain, and to follow her lead both at home and abroad. I must confess that I have never lost my nostalgic affection for England, and that I have made a conscious effort down the years to maintain daily contact with things British. The Times of London and the Economist of London come regularly to my desk by airmail. In 60 years I have never missed an issue of Punch, the Illustrated London News, or the Times Literary Supplement.

BRITAIN SETS THE EXAMPLE IN WORLD COMMERCE

Four hundred years ago England dispatched her first trade mission to Russia. Within recent weeks she has concluded a promising new 5-year trade treaty with the Soviet Union. She is following up to bring about the broadest exchange of goods by making government loans to her industries that will conduct the trading. This makes better sense than our customary American and Canadian policy of direct foreign aid for the development of resources and industries in countries that will not permit our nationals to participate in ownership of any of their enterprises.

The British, very wisely in my view, have concluded that Russia is determined to occupy a prominent place in world commerce, and that Russia will accordingly make a policy of maintaining her credit at a high level. The Soviet Union, after all, is no feeble or faltering economy seeking a handout, but a front rank industrial power possessing vast resources and hard-working people, ambitious to excel in every field of modern life.

Even while we bow to Britain for her brilliant success in maintaining world leadership in commerce for more than four centuries, we must also recognize that her failure to encourage the upbuilding of industry in Canada, Australia, India, and South Africa not only retarded their development, but ultimately changed the empire into a loosely knit commonwealth. Through this oversight, England has become a "tight little island" in fact as well as in poetry.

Canada has cut the ties that bound with Britain as far as foreign policy goes. For her former deference to English judgment in this field, however, she has substituted hesitation to differ with the United States on international matters. Here I submit, as one who knows and loves both North American countries well, Canada is making a mistake. Her most favorable course, not only to further her own economic development but perhaps to help save all mankind from annihilation, lies in exercising complete independence in foreign policy.

America's late Secretary of State persistently proclaimed that we could not do business with the Soviets because they embraced ideologies that differed from ours. On the same grounds, he forced the United States to embrace the fatuous myth that Red China, with its 600 million citizens occupying the world's third largest land area, did not exist. These precepts have been repeated so frequently and so shrilly that burning hatred of everything Russian and Chinese has practically become a condition of political respectability in the United States. Hopefully the new head of the U.S. State Department will adhere to sounder and less fanatical doctrines.

VAST CANADIAN COMMERCIAL POTENTIAL LIES ACROSS PACIFIC

Whether or not this turns out to be the case, Canada cannot afford to wait and see, without sacrificing her tremendous potential for trade with the Far East. Opportunities for business with expanding Communist China have already manifested themselves. An examination of the ambitious Siberian development program in the new Soviet 7-year plan leaves no doubt of the thriving traffic that can be conducted across the Pacific between the west coast of Canada and the Russian Far East. The Siberian prison bastion of the storybooks should not be allowed to cloud the reality that here is a vast area, liberally endowed with rich mineral wealth and fertile soil, and destined to

become a busy modern industrial workshop. Certainly the Soviets have not inaugurated jet plane service to connect Moscow and Vladivostok by a vast 5,300-mile flight for the mere purpose of quickly transporting political malcontents into exile.

OPPOSING IDEOLOGIES POSE NO OBSTACLE TO COMMERCE

Let us examine the fallacy that peoples of opposing ideologies cannot do business with each other, that cold war or even hot war between them becomes inevitable. I speak as a dedicated capitalist and an incurable free enterpriser, who believes that the economic system under which I have enjoyed success is the best that man has been able to devise. Despite these unshakable convictions, I see no reason for the United States to declare cold war and to threaten to unleash hydrogen bombs on Great Britain because she has socialized all of her railroads, telephone companies, electric and gas utilities and coal mines.

As a director of the Cleveland Electric Illuminating Co. and the Kansas City Power & Light Co., I credit private ownership with providing the incentive that spurs these utilities to operations of unsurpassed efficiency in the electric power world. The Chesapeake & Ohio Railway, of which I am chairman, last year made more profit under private ownership than any railroad in the world, privately or publicly owned. These records of success incite no uncontrollable urge on my part to demand that the United States aim nuclear warheads at Canada to force her to give up Federal ownership of her largest railroad and airline, as well as provincial proprietorship of all but a fraction of her electric power facilities.

As long as the Canadian people support the able men who are employed to operate Government-owned enterprises, and as long as the Government companies satisfactorily serve their purpose, public ownership of them will continue. The United States would be regarded as guilty of unwarranted interference to suggest that Canada change her system. Does the American cold war on Russia constitute less of an impertinence?

CANADA SHOULD DISASSOCIATE HERSELF FROM AMERICAN OBDURACY IN FOREIGN AFFAIRS

The insistence of the U.S. State Department on preserving the status quo, if not indeed harking back to the status quo ante, flies in the face of all recorded history. Change is inevitable; to attempt to stop it is to induce violence. Tremendous transformations are now taking place in standards and conditions that were established in Soviet Russia and Red China when they were backward countries. Success and prosperity stand to modify, while failure can only intensify, the more extreme and less desirable features of their political and economic systems. When and as the Communist countries make progress, the strong likelihood is for less dogmatism and more flexibility. By disassociating herself thoroughly from American obduracy, Canada can set a salutary example for her bellicose southern neighbor and, at the same time, lessen the prospect of a nuclear holocaust that will engulf all mankind if it ever happens.

U.S. SUCCESS IN WARFARE HAS LED TO MILITARY CONCEIT

In my lifetime, the United States has engaged in three wars—the Spanish-American War and World Wars I and II, all fought away from her shores. In both World Wars, America came in late with her great industrial resources, and contributed heavily to the success of the winning side. With the conceit to which human nature is given, she has subsequently claimed almost complete credit for the victories, and come to the conclusion that she is invincible.

The atom bombs that rained down on Hiroshima and Nagasaki at the end of World War II marked a revolution in the nature of armed conflict. Civilians and soldiers alike, grownups, and children, wherever situated, become frontline combatants when the first nuclear warhead begins to describe its trajectory. American monopoly of nuclear weapons was transitory. In fact, while the U.S. State Department smugly sat back and taunted the U.S.S.R., Soviet scientists went earnestly to work and demonstrated the capacity to produce weapons of even greater deadliness than those created in the United States. In recent weeks, I have been heartened to observe Viscount Montgomery, the 20th century's ablest soldier, repeatedly warning the world to step back from the nuclear abyss and to work tirelessly for better understanding between East and West.

U.S. SCIENTISTS CALL FOR HALT IN NUCLEAR ARMAMENTS RACE

I have watched the evolution of nuclear weapons with intense concern from the start. The University of Chicago, of which I am a trustee, conducted the initial experiments that led to the production of the first bombs. Most of the leading scientists who participated in the early development work have subsequently been devoting their full energies to efforts to persuade the American Government to halt the armaments race. Through the Pugwash Conferences of international nuclear scientists, I have been trying to help. I fervently hope that history will support the famous French scientist who predicts that Pugwash will rank with Austerlitz and Waterloo as a turning point in the fate of the world.

ENOUGH NUCLEAR WEAPONS IN EXISTENCE TO WIPE OUT ALL LIFE

The stark and terrifying fact is that the use of only 5 percent of the atom and hydrogen bombs now in the possession of the nuclear powers would completely wipe out every last vestige of life on this earth. We businessmen cannot be called cowards if, to safeguard our families and the commercial and cultural institutions to which we have devoted our lives, we remonstrate with heedless statesmen for running the nuclear risk. For myself, I long ago incorporated into my personal philosophy Spinoza's advice to harbor "no regrets, no fears." I have lived a busy and productive life, and I shall labor to the end to enable my children and grandchildren to enjoy the opportunities that have been mine. I know that the United States cannot go on spending $50 billion a year for military weapons without succumbing to annihilation or impoverishment, and I shall fight both awful fates with all my strength. Canada is caught in the same web, so I would hope that Canadian policy and Canadian opinion might be directed to bringing American statesmanship to its senses.

FORMULA FOR FULLEST CANADIAN DOMESTIC DEVELOPMENT

Let us turn now from the foreign scene to the leadership that must be provided at home if Canada is to realize her almost infinite potential to the full. It should go without saying that the people of Canada should be encouraged toward the highest physical and intellectual development. The new world in which we live is no place for weaklings of mind or body. The amazing advances in science throw down a tremendous intellectual challenge. Colleges and universities must pursue the truth relentlessly wherever it leads, even if it means modifying opinions that have been tenaciously held for centuries.

Even as better understanding and closer cooperation are needed among nations of the world, so are they essential between management and labor. This, I think, is industry's most crucial problem, and it is one that cannot successfully be delegated, but must be handled directly by constant contacts between top management and the leaders of labor. Crossing the Atlantic last fall on the Queen Elizabeth, I heard from the commodore of the Cunard fleet a success story of labor relations that all businessmen could profitably ponder. Conducting the largest shipping operation on the high seas, the Cunard Line has not had a strike for 50 years. Problems that arise are discussed and settled at monthly meetings of high Cunard officers with top union officials. The two sides recognize the mutual benefit of finding some middle course of agreement. Thus, while the rest of the world's shipping has become notorious for labor troubles, Cunard has set a unique record in its freedom from destructive warfare between management and labor.

INDUSTRIAL LEADERS MUST TAKE INTELLIGENT INTEREST IN GOVERNMENT

Leaders of industry should, I believe, form a habit not only of making their views frequently known to Government leaders, but also of keeping in close touch with politicians, whether of the city, the province, or the Federal Government. This is not to go so far as to recommend that big businessmen attempt a wholesale invasion of the Cabinet, because I think we have demonstrated in the United States that the 1952 American Cabinet composed of eight millionaires and a plumber was not an unqualified success. In democracies like Canada and the United States, however, it behooves all citizens, including businessmen, to take an active and intelligent interest in government.

Finally, since this is a gathering of businessmen who have made their marks in their various fields, I am sure it would be in order to point out that a special moral and social obligation rests upon those of us who have prospered under the capitalistic system. If we exercise restraint in our conduct, and give loyal support to all that is highest and best in our civilization, then we can be confident that we have done our utmost to make this wonderful world of ours a better place in which to live.

May I add a postscript on the Maritimes to these remarks, even as you are adding a post-convention tour to these meetings you have held here.

MARITIME TOURIST POTENTIAL CALLS FOR BROAD DEVELOPMENT

Early in the season though it is, I hope your tour will give you some appreciation of the vast possibilities of the Atlantic Provinces for large and profitable tourist traffic. A look at the map will show you that the superlative summer attractions of this area could by adequate transportation be made easily accessible to the eastern American population numbering some 50 million.

Recently I made a brief visit to Puerto Rico, which makes tourism its principal and thriving industry. The government and the newspapers have worked hard to popularize Puerto Rico as a tourist paradise. Their efforts would have come to nought, however, if first class transportation had not been available. Flying the 1,600 miles from New York to San Juan, the tourist has his choice of magnificent modern planes owned by a number of strong airlines. New Brunswick, Newfoundland, Nova Scotia, and Prince Edward Island deserve as much.

There are other ways in which the Maritimes can and should be lifted economically. One would be the location here of a number of small industries to give year around employment to the present labor surplus. The problem belongs not to the Maritimes alone, but to all of Canada. In the interests of brevity, I shall not attempt to spell the subject out.

I could not be in New Brunswick without saluting Lord Beaverbrook, who has just celebrated his 80th birthday here, and who has made such generous contributions to the

Province's cultural institutions. In my own way, through the Pugwash Conferences and through Deep Cove Farms, with its Shorthorn cattle herd and its wild fowl conservation program, I am trying to give my native Nova Scotia a hand.

May I remind you that the only Canadian in the great American Hall of Fame in New York is Simon Newcomb, the noted astronomer who was born near Pugwash in Nova Scotia. I challenge any other part of the world to match the Maritimes' record for producing university president, scholars, physicians, statesmen, bank president, and business leaders.

In conclusion, I commend the Maritimes to you, and ask that you give them the earnest consideration to which they are entitled.

BACKGROUND DATA ON CYRUS EATON

Cyrus Eaton, Canadian-born chairman of the board of the Chesapeake & Ohio Railway, has been prominently identified with both Canadian and American industry and mining for more than half a century.

Mr. Eaton's largest present business interests in Canada are Steep Rock Iron Mines Ltd., of which he is also chairman of the board, the C. & O., which operates an important division from Windsor to Sarnia and Buffalo, and Ungava Iron Ores in far northern Quebec. On September 17, 1957, formation of Ungava Iron Ores Co. was announced in Montreal by Mr. Eaton and representatives of five leading West German steel producers. The joint development, to cost an estimated $200 million, will tap vast iron ore deposits to supply world industry. As a director of Sherwin-Williams Co., Mr. Eaton is closely associated with another company doing a broad business in Canada.

Other basic segments of the economy in which Mr. Eaton is recognized as a leader are steel, coal, public utilities, and agriculture. Among his other corporate offices, he is chairman of Portsmouth Steel Corp., and West Kentucky Coal Co., and director of Cleveland-Cliffs Iron Co., Cleveland Electric Illuminating Co., and Kansas City Power & Light Co.

Mr. Eaton owns and operates the 3,000-acre Deep Cove Farms in Nova Scotia and the 860-acre Acadia Farms in Ohio, and specializes in the raising of purebred and registered Scotch Shorthorn cattle. PS Troubadour, the 995-pound Shorthorn calf that was crowned 1956 International Grand Champion over all breeds, was bred by Mr. Eaton at Acadia Farms. Troubadour brought the all-time record price of $20.50 a pound at auction for a total of $20,397.50 after winning this most coveted award of cattledom.

Mr. Eaton held his earliest business position with John D. Rockefeller, Sr., and through association with the Rockefeller family's oil and natural gas enterprises, gained his first experience in natural resources.

On December 28, 1954, Mr. Eaton announced he was turning his ancestral home at Pugwash, Nova Scotia, into a vacation place for authors, scholars, statesmen, labor leaders, and businessmen. His plan was to give thinking men from all over the world an opportunity to relax together, exchange views, sharpen their own thinking, and design formulas for us to live in this brand new world. Conspicuous among participants of first Pugwash sessions in 1955 was Julian Huxley, world-famed British biologist. In 1956, Mr. Eaton broadened the Pugwash plan to bring together Communist and anti-Communist, Israeli and Arab, in an atmosphere of comradeship.

The main 1957 Pugwash conference, for the first time in history, brought together international nuclear and other scientists, from East and West, to discuss nuclear perils to mankind. They issued a warning that misuse of nuclear energy could mean annihilation of mankind.

The New York Herald Tribune subsequently devoted a major part of its editorial page to an article by Mr. Eaton entitled, "A Capitalist Speaks: Let's Meet the Soviets Half Way." The newspaper backed the article with a leading editorial on the same page lauding Mr. Eaton on his stand. The editorial commented on an appeal by 195 Soviet scientists and a formal resolution by the Presidium of the Academy of Sciences of the U.S.S.R. for a "broad international conference of scientists" to discuss the dangers to mankind of a thermonuclear war.

In response to worldwide demand, a second international conference of nuclear scientists was held under the Pugwash name in Canada in March-April of 1958, while a third Pugwash Conference was convened in Austria in September, under the joint sponsorship of the Austrian Government and Mr. Eaton. An all-time record indoor crowd of 15,000, including Austria's President Adolf Schaerf, jammed Vienna's city hall auditorium to hear 11 of the world's leading scientists report the findings of the Third Pugwash Nuclear Conference, at its final session.

Three additional meetings of international opinion leaders took place in Pugwash itself during the summer of 1958. Greatest public attention was attracted by a conference of 14 leading American, British, and Canadian historians and men of letters, who concluded their deliberations with a call to their colleagues everywhere to "work in cooperation with scientists to help create an atmosphere of common understanding which can prevent the mass suicide of mankind."

Mr. Eaton's visit to leading European countries in late 1958 was marked by a history-making 90-minute interview with Soviet Premier Nikita Khrushchev in Moscow. The Soviet Government took occasion during Mr. Eaton's Russian sojourn to present him with a Troika, national championship team of three matched white Russian stallions, in recognition of his earlier service to Soviet agriculture. In 1955 Mr. Eaton had sent one of his prize Scotch Shorthorn bulls to Russia for improvement of Soviet beef cattle.

Mr. Eaton's vacations are always spent in Canada. Every winter he leads the older of his 13 grandchildren on a skiing expedition in the Quebec mountains, while the whole family joins him in dividing their summers between Deep Cove Farms and Pugwash in his native Nova Scotia.

Mr. Eaton is also noted for his literary and intellectual attainments. He is the author of many articles and essays on economic, philosophical, and political subjects.

ADDRESS TO STOCKHOLDERS

(By Cyrus Eaton, chairman of the board, Chesapeake & Ohio Railway, at meeting marking 175th anniversary of founding of C. & O. by George Washington, College of William and Mary, Williamsburg, Va., April 28, 1960)

Fellow stockholders, we can all take great satisfaction that George Washington, the founder and first president of the Chesapeake & Ohio Railway's predecessor company, excelled as a sound and successful businessman, as well as a superlative statesman.

Washington was a capitalist, both in theory and in practice. In 1785, when our predecessor company was chartered, he opened its stock subscription books at $200 a share. The enterprise prospered, so that the stock was selling for $400 a share within a few years.

A question of paramount importance to all of my fellow stockholders today is, I am sure, can we ever again have our stock selling for $400 a share? My answer is, if all the railroads of America could be emancipated from the bondage of Federal Government regulations, and really be permitted to practice free enterprise, I am certain we could pursue policies that would again bring our stock to the $400 level.

Our railroad has done well, it is true, because of the extraordinary dedication and devotion of our entire organization. The C. & O. probably has the most continuous record of success of any railroad in the world. But we can do infinitely better if the Government wraps are removed. You, of course, appreciate that this is a family party, where one can speak with complete frankness.

Last week I devoted a day in Toledo, Ohio, to inspecting our modern docks and examining our matchless new coal-loading facilities. In Toledo we, in fact, have the most modern and most efficient coal docks in the world. We can put 300 cars of coal into a 20,000-ton ship in less than 4 hours. I am vastly impressed with what the Toledo installation represents in human intelligence, skill, and accomplishment.

From Toledo I went to Detroit for a day at the Ford Motor Co. I spent several hours in the Henry Ford Museum, a building that covers 8 acres, all under one roof. The museum displays models of all forms of transportation from the earliest times until now, and also exhibits replicas of material progress in many other fields of industry and science.

My visit to the museum was made in company with distinguished representatives of our Federal Government. All of us became acutely conscious of the vast progress that has been made from the days of the ox-drawn covered wagon to the miracles of modern-day transportation. I said to these Government representatives, "We are looking at a thrilling picture of American accomplishment in the fields of science, industry, and agriculture over the past 175 years. One is accordingly doubly depressed to realize that, in our political institutions and form of government, we are still back in the covered wagon era."

The system devised by our wise Founding Fathers was appropriate for the time when the Federal Government played only a small part in the affairs of the Nation, and when the individual States held most of the authority and made most of the decisions. In recent years, the power and size of the Federal Government have increased far beyond the point contemplated by the Founding Fathers. Let me just cite an example or two of outworn features of our Government.

A Congressman faced with a primary and a final election every 2 years has, in effect, an election every year. His mind must therefore be on what will get him votes, so he consistently appeals to the prejudices and whims of the moment. In this way, he substitutes expediency for sound, fundamental principles. With only 2 years between these congressional contests, as compared with 4 years between Presidential elections, frequent conflict is bound to arise between the legislative and executive branches of Government. Meanwhile, we are forced to witness the biennial spectacle of candidates from the same party fighting each other in the primaries, and furnishing fuel to the opposition by denouncing each other in undignified fashion. I submit that national elections should be held at 4, or perhaps even 6, year intervals, and that all Federal elective offices should be filled at the same time.

Let me give you another illustration that seriously affects our railroad industry. In recent years a total of 75 so-called independent governmental agencies have been created in Washington. The men who run these bureaus are not responsible to either the executive or legislative branches of the Government. The occupants of these offices are human, so they are constantly seeking an extension of their powers. Well-meaning though they are, they consume endless time

in efforts to interpret statutes. They feel that their main task is to crib, cabin and confine American industry and finance, and all of their ramifications. The railroad industry is the most completely regulated. Management is not permitted to use, on behalf of stockholders, the imagination and drive that are essential to success in the capitalistic system. One of the weaknesses of our Government that demands sweeping changes is the vast system of bureaucracy represented by these Federal agencies.

I appeal to you stockholders to take a personal interest in these political problems. The main buttress of free enterprise and the capitalistic system is the stockholder. If all stockholders of all companies would speak up at one time on a given subject, their voices would have a far-reaching effect on the politicians. In my economic philosophy, I believe every man and woman should be a stockholder in some corporation. I should like to see all men and women who work for companies have a personal stake in the ownership of those companies. This would bring labor and labor leadership into partnership with the management of corporations, big and small, and the combined influence would be irresistible.

We urgently need a revival of the spirit of George Washington, both as applied to business and to Government. We urgently need a new constitutional convention to bring our Federal Government up to date and put it in harmony with the marvelous progress of science, business, industry and finance. The Chesapeake & Ohio Railway, I may add, would be proud to extend the superb facilities of our Greenbrier Hotel for such a constitutional convention.

We have neglected George Washington's example and advice. The father of our country warned us against entangling alliances. He reiterated, again and again, that we should never let our foreign policies be influenced by prejudices against any other nation. We have flagrantly disregarded these two pieces of sound advice. We are now inextricably entangled with one-third of the nations of the world. We are angling for alliances with another third through a lavish foreign aid program. Finally, we are permitting prejudice to lead us into bitter wrangling with the remaining third. As Walter Lippmann wrote a few days ago, the ghost writers of the State Department and the Defense Department cannot compose a letter or issue a statement concerning any part of the Communist world without employing vulgar and opprobrious epithets.

These policies that flout the advice of George Washington are burying us under a crushing burden of taxation. If they are allowed to go to the length of flaring into open war, our people will be annihilated and everything that industry and science have created will be utterly destroyed. If the wise man who founded this transportation system and started his country on the road to greatness were alive today, he would move vigorously to restore us to commonsense and wisdom.

For my peroration, may I borrow a couple of lines from Wordsworth. "Washington! thou shouldst be living at this hour: America hath need of thee."

[From the Commercial and Financial Chronicle, Dec. 4, 1958]

Is the Globe Big Enough for Capitalism and Communism?

(By Cyrus S. Eaton, chairman of the board, Chesapeake & Ohio Railway; chairman of the board, Steep Rock Iron Mines, Ltd., at meeting of the Economic Club of Detroit, Monday, November 24, 1958; presiding officer, John S. Knight, editor and publisher, the Knight Newspapers)

As a dedicated capitalist, I recently went to Russia to try to see for myself what makes the rival system of communism tick. I visited the Soviet Union for a relatively brief period, and I do not pretend to have come away with all the answers. But I saw enough to convince me that communism is not likely to crumble from within, despite all the wishful thinking of some of our diehard, sandy-headed, political and economic ostriches.

The Union of Soviet Socialist Republics occupies the largest land area of any nation in the world, and its 200 million people are moving swiftly to make the utmost of the broad array of resources that abound in their vast and varied terrain. You are struck with this sense of both distance and speed as you wing your fast way the comparatively short 1,000-mile journey from Copenhagen to Moscow by giant Russian jetplane in 2 hours.

Your impression of speed is reinforced as you observe the rapid pace with which the Russian people move, even as they walk along the city streets and country roads. You simultaneously observe that they must be ardent devotees of physical fitness, for they combine powerful physiques with abundant good health. Watch them at their jobs, and you conclude that love of hard work occupies a high place in their credo. Especially striking is the large number of women enthusiastically performing tasks that we normally consider the exclusive province of men.

RUSSIANS ARE EAGER TO LEARN

As you visit the Soviet schools and libraries, you are impressed with the obvious eagerness of both young and old to learn. From 5,000 to 10,000 people come each day to Moscow's All-Union Lenin Library, which contains 20 million books and pamphlets. You cannot fail to marvel at the almost universal literacy of a nation in which 40 years ago, 80 percent of the people could neither read nor write.

At the same time, one must not forget that Russia has traditionally held a position of prominence among nations in cultural fields. Some of the world's literary masterpieces have been produced by Russian writers, and the theater, the opera, and especially the ballet, today as in the past, flourish and excel in Russian hands. The museums, particularly in Leningrad, serve as a reminder of Russia's reverence for the arts.

RUSSIANS ARE FRIENDLY AND PEACE-LOVING

Throughout my stay in the Soviet Union, I made a determined effort to meet and talk to as many people of all ages and occupations as possible. Regrettably, I do not speak Russian, so I was obliged to communicate through an interpreter. I did not have to rely on my interpreter, however, to sense that one of the most marked characteristics of the Russians is their friendliness. With this pronounced trait, I feel there goes hand in hand an overwhelming desire for peace. Here, in my mind, lies great hope for the future harmony of the world, for I believe the people of America match the Soviet populace both in capacity for friendliness and in love of peace.

I met the editors of Pravda, Izvestia, and Trud, the three leading papers, as well as a number of magazine editors, and the head of Tass, Russia's wire service. I hardly need point out to this sophisticated audience that Soviet journalism differs markedly from American, but I do want to stress that I was impressed with the intelligence and ability of these leading editors. I also had private conferences with ambassadors and foreign correspondents of leading countries.

RUSSIAN LEADERS ARE ABLE

Able is also distinctly the word for the men who head Russia's Government, industry and banking. I met with seven cabinet members, numerous other government officials, a number of industry leaders and the head of the State Bank of Moscow. Let me say a word concerning Russian banking. Deposits draw 3 percent interest, while only 2 percent is charged on loans. Credit is extended solely for the building of homes. A Russian can own his own house if he chooses to, but the land on which it is built belongs to the state. There is no rent for the land, but a property tax based on the value of the land. The Russian owns all the furnishings of his home and, if he has an automobile and a radio, those are his property, too. At present, he has to pay cash on the barrelhead for everything. If installment buying is ever introduced in the Soviet Union—and my hunch is that it will come eventually—the consequent increase in demand for consumer products will create a mass market well worth American attention.

RUSSIANS ARE SOLD ON THEIR SYSTEM

I would not know where to look for the American who would want to trade our system for the Russian way. On the other hand, I think we Americans must take full cognizance of the fact that the Russians are enthusiastically sold on their system. In the 40 years since their revolution, they have made immense material and intellectual progress on a mass scale, and they are determined to continue to get ahead. Furthermore, they are as imbued with devotion to Mother Russia as we are with respect for our beloved Stars and Stripes. The nation that succeeded in launching the first sputnik must be taken as seriously as the country in whose laboratories the first nuclear chain reaction was produced.

From my 90-minute interview with Premier Nikita Khrushchev, I believe I gained some insight into the Russian attitude. I hope I also left with him some notion of the intensity with which an American industrialist can and does believe in both capitalism and peace.

Mr. Khrushchev struck me as a powerful personality, utterly lacking in the pretense and pose associated with the stuffed shirt school of pompous politicians and statesmen. He is strong of body, intellect, and will. Short and stocky, he seemed hardly more than half as tall as I, but twice as broad. He looks as though he takes good care of his health. Natural and down-to-earth, he gives frequent evidence of enjoying a good sense of humor.

KHRUSHCHEV EXPLAINS WHY RUSSIANS WANT PEACE

Mr. Khrushchev expounded in detail the reasons why the Russians want peace. First he cited the colossal cost of armaments, and pointed out that, in these days of astounding scientific progress, today's effective weapons may well be obsolete 6 months from now. The more you spend on armaments, in fact, the more you have to spend. Then he quickly enumerated half a dozen programs, to which the Soviet Union has committed itself, and for the rapid accomplishment of which the maximum of money and labor are required.

At the top of his agenda was a broad expansion of schools, colleges, and other educational facilities, requiring hundreds of thousands of new buildings and additional teachers.

Second came an ambitious housing and home building program. "You will observe the great number of apartment houses that have been put up in Moscow," Mr. Khrushchev said. "We have only started. We want every citizen of the Soviet Union to have a comfortable modern home."

Next Mr. Khrushchev called attention to important developments under way in the agricultural field, in which he takes particular interest and pride because of his own farm background. He mentioned that he had opened up great areas of virgin territory. He wants to expand that program, while also introducing the most modern scientific agricultural methods on all farms, old and new.

Also prominent on Mr. Khrushchev's list was a transportation plan calling for new highways as well as substantial additions and improvements to existing railroad facilities. Large-scale expansion of Soviet electric generating and transmitting facilities is also in progress. Attention is also being turned to the chemical industry, and so on down the list.

MR. KHRUSHCHEV SUGGESTS UNITED STATES-U.S.S.R. TRADE AND FRIENDSHIP

"To take our country from its backward position of 40 years ago to the modern ideal we hold for it calls for unlimited capital and for the labor of all of our people," Mr. Khrushchev stated emphatically. He added that machinery, equipment, and materials from the United States could be used in these vast Soviet expansion programs, and that there should be profitable opportunities for trade between our two countries. By engaging in mutual trade, furthermore, he felt that we might find a way of establishing friendship between our two nations.

Then Mr. Khrushchev made the observation that I consider the most significant of the entire long discourse. If by some means, he said, genuine cooperation and understanding could be created between the Soviet Union and the United States, if these two most powerful nations the world has ever seen could come to work together in harmony, all of the political disturbances in every other part of the world would be adjusted by compromise and peaceful means, instead of becoming the occasion for fomenting renewed bitterness and hatred between the United States of America and the U.S.S.R. Both of these giant nations are so extensive geographically and so richly endowed in natural resources that neither needs have much incentive to impose on other countries. If the two giants agree, the rest of the world will pose no major problem. This suggestion, I believe, is realistic and offers promise of a workable peace.

MR. KHRUSHCHEV HEARS THAT CAPITALISM IS IDEAL FOR UNITED STATES

For my part, I told Mr. Khrushchev I thought capitalism had produced excellent results in my country, and would remain the ideal system for us. I reminded him that Andrew Carnegie, perhaps the most successful steel man in our history, had dedicated his large fortune to the promotion of peace and education, and I suggested that the Russians consider Carnegie as a typical American capitalist. I told Mr. Khrushchev that anyone who pictured the American businessman as encouraging war preparation in order to sell more iron ore, coal, and steel, misunderstood the United States. I stated that I had long advocated a working partnership between capital and labor, and that I liked to have the men and women who work for companies with which I am associated become stockholders, as I believed that the ownership of American industry should be widely diffused.

Mr. Khrushchev did not overlook the opportunity to inject good-humoredly at this point that while he considered this a commendable policy, in his country they did even better; the people owned everything. He went on to asert that he had no desire to try to change the form of government or the system of economics of America. He added that the Soviet Union was eager to live on good terms with the United States, and that he wished the United States would stop our worldwide denunciation of the Soviet system, and cease to try to ring Russia with missile and bomber sites. (Neither of us raised the point, but I had a graphic mental image of our own agitated state of mind if the Soviet Union were able to build similar installations in Canada and Mexico.)

DOES U.S. FOREIGN POLICY FOLLOW THE ELECTION RETURNS?

I told Mr. Khrushchev that I had been a lifetime student of Russian history and Russian literature. In recent years, I noted, I had enjoyed meeting Russian scientists, scholars, journalists, and others visiting North America and, from my visit to the Soviet Union, I had become convinced of the friendliness of the Russian people. I expressed the view that we ought to reach friendship and understanding, and that we should trade with each other, and I ventured to suggest that, in due course, the American industrialist, the American labor leader, and the American farmer would demonstrate that they agree with me. Meanwhile, I suggested patience and forbearance on the Russian part. I also invited Mr. Khrushchev to watch the election returns carefully in November, to see if the American voters did not express strong sentiment in favor of fresher and wiser foreign policies.

In the course of our discussion, when I commented on Mr. Khrushchev's ability to speak decisively for his country, he replied emphatically, "Any policy I announce must first be discussed with the cabinet and backed by it. Furthermore, we make no decision unless we are sure it will have the support of the people." Mr. Khrushchev added that the cabinet customarily meets several times a week, and holds daily meetings in times of emergency.

In reply to my question, How can our two countries move toward friendship and understanding?—Mr. Khrushchev said that a first and important step would be a good will visit from President Eisenhower to the Soviet Union. Mr. Khrushchev thought it would be fruitful for the President to determine the friendliness of the Russian people and their Government for himself, and to observe at firsthand the progress that the nation was making. For his own part, Mr. Khrushchev said he would like to pay a visit to the United States and Canada, to see for himself our great cities, our industrial companies, our railroads, and our agriculture. I told Mr. Khrushchev that this sounded like a good sensible program to me, and that, in my modest and unofficial way, I would encourage it.

U.S. SPECIALISTS TESTIFY TO SOVIET PROGRESS

On this subject of see-for-yourself trips, I should like to call attention to three distinguished delegations of specialists who have visited the Soviet Union and come away impressed, in recent months. The steel group was headed by Edward T. Ryerson, retired chairman of the board of Inland Steel Co. Walker L. Cisler, president of Detroit Edison Co., led the electric power group. Prominent among the educational delegation was my long-time friend, Dr. T. Keith Glennan, former member of the Atomic Energy Commission, who not long ago left the presidency of Cleveland's Case Institute of Technology to become head of the new National Space Agency.

No one can conceivably write these men off as being weak in the intellect or lacking in devotion to their country. The accounts they and those who accompanied them have given of what they saw certainly can be accepted as reliable by their fellow Americans. While their reports were issued with restraint, they all emphasize the great progress Russia has made in the respective fields of steel, electric power, and education. What is more, all of these men testify to the friendliness and kindness of the Russian people.

If visits like these can be productive, would it not be worth while to have a political delegation headed by the President go to the Soviet Union? With America spending $50 billion a year for defense, and the fate of humanity at stake, surely the head of our Government, with his fine personality and his infinite capability for friendship, can afford to make an attempt to deal directly with his Russian counterpart on the ground.

THE GLOBE IS BIG ENOUGH FOR BOTH CAPITALISM AND COMMUNISM

By this time, I think it must be abundantly clear to you that I emphatically believe the globe is big enough for both capitalism and communism. For capitalism to flourish as I am convinced it can, though, I suggest that rapid and radical changes are required not only in our international relationships, but also in our domestic industrial relationships.

I have already had considerable to say about our foreign policies. Let me go further and suggest that we urgently need a new Secretary of State. Mr. Dulles goes gaily on gambling with the destiny of the world, without restraint from any quarter. Rejected by the voters of his own State when he ran for office in New York, and then elevated to high office by appointment, he evidently is impervious to the 1958 election returns, which his inflammatory activities helped to render catastrophic for the Republican Party. He blithely courts the ultimate world catastrophe of the bomb, without consultation with even the Senate Foreign Relations Committee and the House Foreign Affairs Committee.

U.S. FOREIGN POLICY HAS LOST INTERNATIONAL FRIENDS

Let's take an objective look at the present state of our international relations. When I came to the United States from my native Canada at the beginning of the century, this was the only major nation in the world without a single enemy. Since then we have contrived to tread on the toes of practically every country on earth. We are constantly meddling in both the internal and external affairs of other nations, friendly and unfriendly.

Our critics are not confined to Communist nations. When I traveled through Europe recently, I was chagrined to discover that the newspapers of such countries as Denmark, France, Germany, Austria, and England were unanimously critical of our Formosa Strait policy. Our high Government officials can no longer visit the Republics of South America without inciting riots. In Canada, our near neighbor and best customer, the latest Federal election was won by the party that proclaimed its lack of warmth, if not its downright hostility, to the United States.

U.S. STATE DEPARTMENT SIMULATES THE OSTRICH IN CHINA POLICY

We have elected to invite the enmity of the 600 million Chinese on the mainland, and have substituted for our old friendship with that proud and powerful nation a futile alliance with Chiang Kai-shek, an exiled has-been whom we have installed and maintained on a neighboring island at fantastic expense to the American taxpayer. Thanks to the ostrich-like antics of our State Department, few Americans have been permitted to go see for themselves what is happening in the People's Republic of China. We can take the word of such reliable and distinguished Canadians as James Muir, head of the Royal Bank of Canada, and Dr. J. Tuzo Wilson, president of the International Union of Geodesy and Geophysics, who have been in China this year. Banker and scientist alike testify to the tremendous advances of the Chinese in all fields. Muir's injunction to his fellow businessmen, on his return to Canada, was to trade with China or miss the opportunity of a lifetime.

Now let's consider the alternatives to reaching a livable accommodation with communism. Through the Pugwash Conferences I have for several years been trying to promote understanding on a private and in-

formal level between scientists and scholars of East and West. The proceedings and conclusions of our several Pugwash Conferences of Nuclear Scientists have been made available to the heads of the world's major states, as well as the Pope and the United Nations. From President Eisenhower, India's Prime Minister Nehru, The Vatican, Canada's Prime Minister Diefenbaker, Yugoslavia's President Tito, to name just a few, have come letters endorsing the purpose of the conferences. When I was introduced to Premier Khrushchev in Moscow, his first words were, "I have personally read the proceedings of the Pugwash Conferences, and I want to thank you on behalf of the Soviet people for bringing the scientists of the world together. It is a highly constructive move."

PUGWASH SCIENTISTS WARN AGAINST NUCLEAR ANNIHILATION

At the recent Third Pugwash Conference of Nuclear Scientists, 80 experts gathered from 22 Eastern and Western nations to consider "The Dangers of the Atomic Age and What Scientists Can Do About Them." Bear in mind that all that united these participants was that they were scientists and that they had given much of their individual thought to the implications of modern science for the future of mankind. At the conclusion of their meetings, they reached the unanimous conclusion that enough atom and hydrogen bombs have now been stockpiled by both sides to blow all the cities off the face of the earth and to annihilate all their inhabitants. They further agreed that there is no defense, civil or military, against the bomb.

In the absence of an understanding between the capitalist and the Communist nations, both sides will go on increasing their lethal stockpiles. Twelve years of this cold war have already cost astronomical amounts. Ever increasing expenditures have been accompanied by ever increasing hatred and bitterness. Continuation of the cold war will create a crushing burden of taxation that will bankrupt us.

Meanwhile, make no mistake about this: every day that the arms race continues, the chance of mutual destruction grows greater. Any day, by accident or by design, some fool, some fanatic, even some fumbler, may touch off the explosion that will cause the holocaust. Consider the consequences from your personal standpoint. One hydrogen bomb dropped anywhere within 40 miles of Detroit, whether in the lake or on the land, will obliterate every form of life in this great city and reduce all its institutions to dust and ashes.

FRIENDSHIP WITH RUSSIA VERSUS COLD AND HOT WARS

Which course shall we choose? Certainly the risk in a treaty of peace and friendship with the Soviet Union is fraught with far less hazard to humanity than either the cold war or the hot war.

Assume that we do reach an understanding with Russia. What steps must we take at home to make sure that capitalism will flourish on the same globe that also holds communism?

First we will have to stop fussing about the progress of other countries. The Soviet Union, Red China, India, and Africa are determined to create their own successful industrial civilizations. We will have nothing to fear from any part of the world if we concentrate on upbuilding our own capitalistic system.

At the same time, I should like to suggest that our Government quit subsidizing socialism in other countries. If a nation forbids American corporations or individuals to have a financial interest in one of its natural resources or any of its other business institutions, our Government has no business turning the American taxpayers' money over to that nation to create state-owned enterprises to develop those natural resources or conduct those other businesses.

HOW WE CAN MAKE OUR CAPITALISM FLOURISH

To begin with, all of us, whatever our calling, are going to have to repledge our allegiance to the old-fashioned credo of joyful hard work that originally made America great. We must give close attention to the physical fitness and the mental development of every man, woman, and child in the United States.

Next we must search for further and surer ways to ward off the depressions and recessions with which our economy is periodically beset. Few if any of you will remember the financial panics of 1907, 1914, and 1921. Some of you will recall, and vividly, the depression that began in 1929 and took years to run its course. Our weak banking system was the root of our trouble then and, while we have strengthened it some since, we still have a distance to go.

Black Friday, October 18, 1929, has gone down in history as the fateful day when the stock markets started their downward plunge. The following Monday, October 21, when I was in Detroit for a celebration of the 50th anniversary of the invention of light, with such familiar figures as Thomas Alva Edison, Henry Ford and President Herbert Hoover, word came that panic had struck the markets. The banks started falling all over one another to see which could sell out their customers fastest, in an effort to keep liquid. This, of course, heightened the crisis. Before the ensuing debacle was over, the stocks of sound companies had shriveled almost to nothing, and business had ground almost to a standstill.

Two examples from among my own companies will suffice as illustrations. The stock of a great industrial like Sherwin-Williams, which today has a market around $190 a share, sold down to $7 a share. The stock of the conservative old National Refining Co., whose assets in 1929 consisted largely of cash and Government bonds, plummeted from $50 to 25 cents a share.

I am not attempting to prove that there would have been no 1929 readjustment if our banking system had been stronger, but I do firmly believe we could have avoided the depths to which the combination of weak banks and our own emotionalism carried us. We still need larger and more powerful banks.

UNITED STATES NEEDS RAPPROCHEMENT BETWEEN CAPITAL AND LABOR

Now I come to what I consider the most important step we must take to give our capitalism fresh impetus. Just as we need a rapprochement between east and west on the international scene, we need a warmer understanding between capital and labor on the domestic front, with the full approval and cooperation of the farmer.

To get started in this direction, I suggest that, in every important industry in the United States, there should be a meeting at least once a month between top management and labor leaders, to discuss their mutual problems in a friendly spirit. Wisdom and restraint are required on both sides. The business leaders responsible for putting right-to-work legislation on the ticket this year hopefully learned some lesson from the defeat not only of this phony measure, but also of the candidates who went down with it.

NEW U.S. LEADERSHIP NEEDED FOR NEW ERA OF ENLIGHTENED CAPITALISM

Let me conclude on an optimistic note, for I fervently believe that we can carry American capitalism to new heights. We need additional leadership and, with all due credit to the politician, who must be elected, and to the editor, who cannot get too far ahead of his constituency, I think we must look beyond these old sources. I should like to nominate the industrialist, the labor leader and the farmer, as representing the indispensable elements of dynamic capitalism. Let the teacher, the preacher and the scholar add their best thinking, and I know we can look forward to a new era of enlightened capitalism that will excite the admiration of the entire world.

SUPPLEMENTAL BIOGRAPHICAL INFORMATION ON CYRUS EATON

Born in Pugwash, Nova Scotia, Canada, December 27, 1883. Son of Joseph Howe and Mary Adelle (McPherson) Eaton.

Student Amherst Academy, Woodstock College; A.B., McMaster University, Toronto, Canada, 1905; D.C.L., Acadia University, Nova Scotia, 1946; LL.D., Mount Allison University, Sackville, New Brunswick, Canada, 1957; LL.D., Bard College, Annandale-on-Hudson, New York, 1958.

Married; 6 or 7 children living; 13 grandchildren.

Came to the United States 1900, naturalized citizen 1913.

Held earliest business position with John D. Rockefeller, Sr. Subsequently associated with East Ohio Gas Co.; later organized Canada Gas & Electric Corp. In 1912 began extensive activity in American utility industry and formed Continental Gas & Electric Co., which consolidated a number of electric and gas companies in the American West. Joined Otis & Co., 1916.

Principal business association has been with iron ore, steel, coal, railroads, paint, chemicals, rubber, and lake shipping, as well as public utilities. Also active in agriculture.

In 1929 formed Cliffs Corp. (now Cleveland-Cliffs Iron Co.), holder substantial interest in six important iron and steel companies. In 1930 organized Republic Steel Corp., has led in formation and reorganization many other corporations.

Present corporate offices are: Chairman of the board and director, Chesapeake & Ohio Railway, Steep Rock Iron Mines, Ltd., Portsmouth Steel Corp., and West Kentucky Coal Co.; director, Cleveland-Cliffs Iron Co., Cleveland Electric Illuminating Co., Kansas City Power & Light Co., Sherwin-Williams Co., etc. Past director, Republic Steel, Inland Steel, Youngstown Sheet & Tube, and other companies, including Cleveland Trust Co. and National Acme Co., in Cleveland.

Owner and operator: Acadia Farms, Northfield, Ohio, U.S.A., and Deep Cove Farms, Upper Blandford, Nova Scotia, Canada, specializing in raising purebred and registered Scotch Shorthorn beef breeding cattle, and breeder of record price 1956 International Grand Champion Steer over all breeds.

Founder and sponsor of Pugwash Thinkers Conferences to promote international understanding and stimulate renewal of intellectual life. More than 20 conferences have been held not only at Pugwash but also in the United States and Europe since 1954. Five Pugwash Conferences of international scientists have brought together 112 authorities from 23 nations of East and West to consider ways of diminishing the grave hazards of nuclear, biological, and chemical warfare. The first and second Pugwash Conferences of nuclear scientists in mid-1957 and early 1958 have been acclaimed for paving the way for the official 1958 Geneva conference of technical experts on detection of nuclear weapons tests, the first such official postwar deliberation to result in measurable agreement between East and West.

Since inception of Pugwash Conferences, has conducted a broad speaking campaign in major centers of North America to urge

rapprochement between East and West. After visiting leading European countries, including U.S.S.R. where he was received by Soviet Premier Nikita S. Khrushchev and also had private interviews with eight other leading Soviet Cabinet Ministers and Ambassadors to the Soviet Union from principal nations of the world, delivered a rapid series of major addresses with the common theme, "A Capitalist Speaks: Let's Meet the Soviets Half Way," to record-breaking audiences in key cities in the United States of America and Canada. These public appearances have been widely credited with softening the cold water spirit.

Active in educational and civic affairs. Trustee, University of Chicago, Case Institute of Technology, Denison University and Harry S. Truman Library. Cofounder and lifetime trustee, Cleveland museum of natural history. Director, Cleveland Metropolitan park board, 1930–39. Elector, U.S. Hall of Fame. Member, American Council of Learned Societies, American Historical Association, and American Philosophical Association.

In 1958 elected a fellow of the American Academy of Arts and Sciences. The academy, which is limited in membership to men of "genius and learning," was founded in 1779 to "advance the honor, dignity and happiness of the people."

Author of many articles and essays on international affairs, economics, philosophy, and politics.

Residence, Acadia Farms, Northfield, Ohio, U.S.A. Summer residences, Thinkers Lodge, Pugwash, Nova Scotia, Canada, and Deep Cove Farms, Upper Blandford, Nova Scotia, Canada.

Office, 36th floor, Terminal Tower, Cleveland, Ohio.

MEDICAL CARE FOR THE AGED

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the two major issues of concern to the American people are:

First. Measures to strengthen the military, economic, and political position of the United States in order to improve its leadership of the free world, and;

Second. Legislation to provide health and medical care for the elderly, and to insure them against the costs of hospital, nursing home, and surgical services.

The Federal census will reveal that there are almost 16 million persons in the United States who are 65 years or older.

In the year 1900, they constituted only 4 percent of the population.

Today, they comprise 9 percent of all our people.

Older people have two to three times as much chronic illness as the rest of the population. Most of their illnesses are of the crippling, long-term type, needing extended periods of care or hospitalization.

They have reached the time of life when they need more medical care, but do not have the income to pay for it.

Most persons over 65 either cannot afford, or do not want health insurance policies that are available from commercial companies and nonprofit organizations. About 45 percent of them do have some coverage under these plans, but the benefits are insufficient, especially in cases of long-lasting illnesses.

In its April 7, 1960, editorial summarizing the testimony given at the U.S. Senate hearings on the health needs of the aged, the Washington, D.C., Post observed:

> The one practical way to provide insurance against the health hazards of retirement years is to let people pay the premiums in the form of social security taxes while they are earning wages and are able to do so. This is precisely how they now provide retirement income for themselves under the social security program * * * and this kind of protection is made compulsory because the lack of it would have a disastrous social impact. Those who denounce this proposal as socialistic without proposing any workable alternative, are foolishly doctrinaire. They might just as well oppose * * * as being socialistic * * * the Nation's public schools, fire departments, and parks because these represent communal efforts financed through taxation. One of the fundamental purposes for which the U.S. Government was established, was to promote the general welfare.

The United States is the only large industrialized country where the Government does not, in some form or another, provide medical care for all, or most, of its inhabitants.

Most of the 59 countries of the world which have such programs, provide medical benefits under a social insurance system.

But the United States, which is wealthier by far, than any other country, and which is proud of its ability to solve social and economic problems, is dragging its heels when it comes to providing health insurance for the aged.

Mr. Patrick A. Tompkins, commissioner of public welfare, Commonwealth of Massachusetts, spoke eloquently on this subject at hearings held by the Committee on Ways and Means, U.S. House of Representatives, last year:

> H.R. 4700 * * * the Forand bill * * * represents a victory over the most growing, destructive, degenerating evil, experienced by any man or woman; victory over fear. Fear of pain unrelieved, fear of loneliness and rejection by society because of helpless invalidism, due to advanced age alone and to the sin or the virtue of growing old; fear of being unwanted, fear of being an anchor and a hindrance to one's children and grandchildren, fear of the charity ward and its too frequently impersonal, aloof, cold and unfriendly atmosphere, fear of becoming a statistic both in life and in death, fear of physical and mental torment alike, but most of all, fear of loss of intrinsic dignity, graciously and eternally given to man by God and richly and deservedly earned by all aged during their trial on earth.
>
> More than the assured solvency of our voluntary and municipal hospitals and nursing homes, more than a strengthening of our free enterprise system in the purchase of drugs, glasses, and prosthetic appliances, more than the maintenance of the proper economic status of doctors, dentists, nurses, optometrists, and other professional medical practitioners by a reasonable fee for service payment, more than the guaranteed medical and surgical services of an insurance plan, H.R. 4700 becomes a burning flame of hope, a symbol of faith, and living testament to all men in all countries that in America, so blessed and so enriched by the Almighty, men never need live in fear of anything, and least of all, in fear of growing old.

With all the skills and facilities available in the United States, our people should be the healthiest in the world. But the life expectancy of Americans who are 60 years of age and over, is less than in Canada, Cyprus, Denmark, West Germany, Iceland, Israel, Japan, the Netherlands, Norway, and Sweden.

The reason that many older Americans are not getting the medical care that they need is that they cannot afford it.

Ask the old people themselves and they will tell you that medical care and drugs are first among their unmet needs.

A great many people accept their symptoms, instead of having them treated, because of the expense.

A study of this problem in Boston discovered that people in the lower socio-economic group cited expense as the reason for not seeking treatment—three times as frequently as those in the higher groups.

Or take the testimony of Mrs. Jennie Herbon, Detroit housewife, aged 69, who is a social security and old-age assistance beneficiary.

She gets $129 a month. Her basic expenses for rent, utilities, burial insurance and drugs, come to $79 a month. That leaves this elderly couple with only $50 a month for food and all other expenses. By economical buying, which means that they have had no fresh meat on the table except chicken in 6 months, they can eat for about $12 a week. This leaves practically nothing for incidental expenses, including transportation, clothing, recreation, and so forth.

Many times they had to "piece out" their food during the last week before their next social security check came in, so much so that she was blacking out from anemia until her doctor recommended vitamins to supplement the lack of protein in her diet; but of course this added more to her expenses for drugs. Even though she considers herself better off financially than many of her friends and neighbors, she asks the pointed question: "Where then, would they, or I, get the money for Blue Cross-Blue Shield, or even one of those 65-plus plans?"

After all—

As Mrs. Herbon said to the committee—

> it is time that America recognized its responsibilities to us old folks. We built the country into what it is today. We furnished the manpower and the war machines to keep America free. We did most of the suffering associated with the troubles through which our country has come in the past 50 to 75 years * * * the hot wars, and cold wars, and, worst of all, the great depression and the hard times.
>
> We raised our families and we contributed through our taxes and social security payments to our own old-age security. Our only real fault is that we seem to have lived too long. But, I ask you, gentlemen, what is wrong with that? We can still be independent and useful citizens if you only give us a chance. All we ask is an opportunity to live out our lives with a sense of personal dignity and self-respect. The Forand bill will help us to do this.

I believe that Mrs. Herbon, the little old lady from Detroit, was speaking for every "senior citizen" in the United States.

What is the Forand bill?

Sponsored by Representative AIME J. FORAND, Democrat, of Rhode Island, it proposes to add health insurance features to the old age, survivors and disability provisions of the social security system.

It provides for 120 days a year of care, including surgical fees, in hospitals and nursing homes. Hospital care alone would be limited to 60 days a year. A beneficiary would have the right to freely select the surgeon of his choice.

This insurance would be financed by an extra social security tax of one-half of 1 percent on employers and employees, and three-eighths of 1 percent on the self-employed. This spreads the cost of health insurance over the whole of our working population and assures a strong financial base for the program.

Opponents of this bill say that it will not help about 4 million persons over 65 who are not covered by the old age and survivors' insurance benefits of the Social Security Act. But this can be corrected by a special appropriation. Eventually, as coverage is expanded, all the younger people will come under the protection of the Social Security Act and no one will be without health insurance.

The administration, on the other hand, proposes a program that shall be financed out of compulsory taxes collected by the National and State Governments that shall pay health insurance doles only to the aged who are very poor. This would be based on the means test which is repulsive to the dignity and self-respect of every person over 65.

One cannot say when the Forand bill, or legislation similar to it will be enacted into law.

But one can predict, without reservation, that nothing can stop it.

Walter Lippmann in his column of last Thursday in the New York Herald Tribune, wrote:

> In 1798 Congress set up the first medical insurance scheme under the U.S. Marine Hospital Service. The scheme was financed by deducting from seamen's wages, contributions to pay for their hospital expenses. If that was socialized medicine, the generation of the Founding Fathers was blandly unaware of it.

To which I add my own confident belief that health insurance for the aged is on the way.

FITTING THE COMMUNIST PATTERN IN JAPAN

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 30 minutes.

Mr. MICHEL. Mr. Speaker, last fall our Agricultural Subcommittee on Appropriations capped its trip to the Far East with a visit to Japan. The subcommittee members were very impressed with what we saw in Japan. At the testimonial dinner given for me by my friends in Peoria last December 7 after my return, I devoted the greater part of my remarks to our future relations with our new friend and ally comprising the great industrial complex of Japan. I predicted during the course of those remarks that when the new security treaty would come up for ratification, there would be "considerable trouble fomented by the left-wing elements in Japan." The recent turn of events have borne out my prediction in a much more forceful and effective manner than any of us would have dared to predict.

Mr. Speaker, what has been going on in Japan during the last several weeks should leave no doubt whatsoever in the minds of our people that a vicious Communist minority is responsible for this lawlessness. It fits the pattern and Communist design perfectly.

This is just one of the means by which the worldwide Communist conspiracy is implemented to impose its brutal will upon the entire free world.

V. I. Lenin once explained the methods by which the party could achieve its aims, by propaganda or agitation:

> A propagandist * * * must explain the capitalist nature of crises, the reasons why crises are inevitable. * * * In a word, he must present "many ideas," so many indeed that they will be understood as a whole only by a (comparatively) few persons.

This tool of propaganda is used to recruit party members. To enlist mass support, however, the Kremlin, again in the words of Lenin, uses agitation:

> An agitator * * * will take * * * a fact that is most widely known and outstanding among his audience * * * and, utilizing this fact, which is known to all and sundry, will direct all his efforts to presenting a single idea to the masses. * * * He will strive to rouse discontent and indignation among the masses.

Communist tactics, in every part of the world, have built the discontent into schemes that include provocative mass meetings designed to ultimately produce mob violence. The party has never deplored bloodshed as a means to gain its ends. God is denied and law and order laughed at as this obstructionist minority moves always to destroy every constitutionally created country and to enslave the free. This is the most serious aspect of the present cold war, as evidenced in the Khrushchev torpedoing of the summit and the incitement to riot of students and Red sympathizers in Japan.

All the while, the Communist Party cries, with tongue in cheek, for "peaceful coexistence." Mr. Khrushchev, in a speech in Leningrad in July 1957, described this as "a policy directed to the strengthening of our mighty socialist camp." He revealed more of the lie behind the cry when he spoke, in January 1959, before the 21st Congress of the Soviet Communist Party, stating that in the field of foreign policy "the fundamental problem of the coming 7 years is to make the most of the time factor in socialism's peaceful economic competition with capitalism."

Clearly, the Kremlin expected peaceful coexistence to last only so long as it desired it to last. Central Intelligence Agency Director Allen Dulles, in an address in December 1959, put a heavier finger on the way of the Soviet. In discussing the tactics the Kremlin had been using in the recent past and would probably continue to use in the years immediately ahead, he said that in its messages to the West the idea of "coexistence" had been stressed. He then added:

> However, to avoid any confusion among the Communist Party faithful, the latter have recently received clarifying directives which point out that: "In the ideological field there never was peaceful coexistence between socialism and capitalism and there can never be."

By this means, communism seeks to convey the impression that its world revolution has been called off, to delude and ensnare the free world into letting down its guard, to become easy prey for the monster.

American diplomacy has been criticized severely, and from many quarters, for the summit failure and the riotous Tokyo fiasco. Blame has been placed here, there, and everywhere, from the President to the State Department and even upon the Congress. We must accept some blame as justifiable, but let me say that, regardless of who sits in the White House, who heads the State Department and who controls the Congress, any diplomacy in dealing with the Communists is hazardous diplomacy.

Let us take a look, for example, at the evidence of Communist support for the recent turmoil in Japan, turmoil that is continuing and will continue.

June 5: At United States-Japan centennial ceremonies at Sakura City, Chiba Prefecture, Transportation Minister Narahashi stated that the then current demonstrations in Japan were directed by the Soviets and Chinese Communists in an attempt to divide Japan from the United States.

June 7: At a visit to the American Embassy, two top officers of the 7-million-member International Council of Youth Organizations in Japan identified the spearhead group of the present agitation as a "minor group manipulated by the Chinese Communists and the Soviets."

June 7: A meeting of the executives of the Federation of Employers Associations stated that the Socialist struggle against the Kishi regime has developed into an anti-American drive, testifying to the fact that the Socialists have fallen into a trap set by the Chinese Communists.

June 8: At the opening of upper House deliberations on the Security Treaty, Prime Minister Kishi stated that some opponents of the treaty advocate neutrality for Japan, but that their true goal is to bring Japan closer to the Communist bloc.

June 10: Refuting the Socialist-Sohyo claim that the Eisenhower visit would constitute interference in domestic affairs, the Yomiuri, one of Japan's big three national dailies, stated that, on the contrary, if the Socialist Party forced a suspension of the President's visit, the Socialist Party could be charged with employing the "influence of a foreign nation in order to deal a blow to our own Government."

June 11: Kishi directly blamed international communism for the demonstrations against Hagerty, saying that the

incident was closely linked with the international Communist infiltration strategy against democratic nations.

Straws in the wind? Certainly, and straws that smack of the old Bolshevik tactics; tactics which will be continued, I am sure, for some time to come.

And there is additional evidence. Tokyo's Japan Times reported in its June 16 English edition that—

> A Government statement issued early this morning after an emergency Cabinet meeting describes yesterday's riot at the Diet as "nothing but a planned destructive action agitated by Communists in line with the international Communist principle of taking over the world."

And the Yomiuri, of the same date, reported:

> The Communist Party, acting under direct orders from Communist China, is directing the wave of demonstrations against the Japan-United States Security Pact and President Eisenhower's visit to Japan, Liberal-Democratic Diet Member Kosaku said Wednesday * * * Kosaku strongly hinted that the demonstrations were financed by money from Russia and Communist China.

This is typical of the cold-war technique employed by the Communists. They wait for a suitable issue to arise on the basis of which they can cause democracy to lose face, or a basis on which they can successfully provoke mob excitement and violence. The U–2 incident gave them basis for the first, which, with vilification and vulgarity, Khrushchev used to undermine the summit. Fortunately, the reaction of the free world was such that the Soviets, not the Big Three, lost face. A basis for the second method of Communist action was given the Kremlin in the United States-Japan Security Treaty and the Eisenhower visit. On this occasion, the vicious minority was successful.

Let me point out, here, that the Communists are a minority. Even in Russia, with a population of 208 million, there are only 8 million Communists, and, in Japan, within its 92 million population, a mere 80,000. Should such a minority, whose aims are enslavement and domination of the free people of the world, force democratic Japan—or any other of the free nations—to bow to its brutal will? That is the issue at stake. That is the issue that must be decided, one which cannot be dodged by futile partisan debate over foreign policy.

America cannot leave Japan, or any other country of the free world, at the mercy of an arrogant Communist minority. To do so would pave the way to a Communist grab of all the Far East and a stepped-up program, undoubtedly inclusive of nuclear blackmail, against the rest of the world.

I do not profess to know all the avenues by which we can hold Communist aggression in check. We must be alert and we must be militant. We must take calculated risks, just as the President was willing to do in his visit to Japan. We must continue to explore every avenue of hope of freedom and lasting peace despite the fact that the ways of the Communists make such hope seemingly futile.

We must, of course, negotiate from our strength. This the Communists can and will understand. We cannot expect to contain communism from a position of weakness. Along with this, we need a fighting anti-Communist spirit at home, for we need to use our moral and spiritual power as well as our industrial and military as bulwarks against the ungodly threat that makes our present peace a precarious one.

Whatever our course of action, bearing in mind that the basic goal in all our policy is peace with dignity, we must have behind us an enlightened, alert and united people. Every citizen must understand that communism, as it denies God, also denies the very foundation of our civilization, and so destroys everything upon which human rights and the individual value of man have been built. The tragedy of communism is not only that it murders and seeks to destroy but that it considers such acts righteous and moral. And, when it has been successful in inciting bloodshed and riot, it goes merrily on its way to further such despicable acts.

In this year of 1960 alone, the Kremlin has used its satanic ways to incite a series of riots in Korea, Italy, Indonesia, Laos, Brazil, Great Britain and, in our own country, in New York and San Francisco. And then came the confusion and chaos and bloodshed in Japan which led to the request by Premier Kishi that the President cancel his planned visit.

We can expect the same for the immediate future and many years to come. But the infamy must some day run its course, for free men with the will and determination to remain free have always triumphed over tyranny.

THE SAVINGS BOND BONUS ACT

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. PUCINSKI] is recognized for 10 minutes.

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PUCINSKI. Mr. Speaker, I have today introduced legislation which will encourage thrift and at the same time will help the Treasury Department convert a substantial part of our Federal debt to non-interest-bearing bonds, thus reducing the annual expenditure of some $9½ billion which we Americans are paying in the form of interest on the national debt.

The legislation which I have introduced today would be known as the "Savings Bond Bonus Act."

I am very deeply concerned with the fact that this Nation is now forced to appropriate in its annual budget the sum of $9½ billion for interest alone on the national debt, which today stands at $289 billion. The annual appropriation for interest on the national debt becomes even more significant when we consider that the total cost of the Federal Government 20 years ago was only $8½ billion. It appears, then, that we are now spending more money for interest on the national debt than we did 20 years ago for the total cost of our Government—and I should like to point out that two decades ago, when we were spending only $8½ billion annually the Federal budget included such items as WPA, PWA, and many other projects designed to bring the Nation out of the prolonged depression.

It is not my purpose at this time to enter into any lengthy debate as to whether or not our Federal expenditures are too high. Certainly, it goes without saying, that Congress should make every effort to bring down the huge national debt. I, myself, am supporting legislation which would require an item in the budget every year to reduce the debt by at least 1 percent annually. Meritorious as the arguments may be for keeping Federal expenditures down, this is not a simple task in view of the present world and domestic situation. However, the fact remains that as long as this Nation has a Federal debt on which we are compelled to pay some $9½ billion interest annually, we here in Congress should make every effort to find at least a partial solution to this problem. The bill I have introduced today is intended for just that purpose.

Stated in its simplest form, this legislation would permit the Treasury Department to issue a new savings bond to be known as "savings bonus bonds." These bonds would be issued at a face value of $25 each and would bear no interest. Under provisions of this bill, no individual could purchase more than four of these bonds annually.

The immediate effect of this plan would be that every American could loan his Federal Government up to $100 a year interest free. This principle was first introduced in America when the Civil War was financed with noninterest bearing bonds issued by President Lincoln and frequently referred to as "green back."

As an inducement to encourage people to do this very patriotic thing, under my proposal the Secretary of the Treasury, four times a year, or once in each quarter, would cause to be selected at random among the serial numbers of the eligible savings bonus bonds holders the serial numbers of 1,003 bonds. The Secretary would pay to the owner of the first bond so selected a bonus of $1 million. The second person so selected would receive $750,000; the third person would receive $500,000; and the next 1,000 savings bonus bond holders selected would receive a bonus of $1,000 each.

Under provisions of my proposal, this bonus money would be exempt from income taxation imposed by the United States or any State.

It appears, then, that under my proposal, millions of Americans would be asked to invest in these non-interest-bearing bonds, and as an inducement, they would be eligible to share in these very attractive bonuses four times a year.

I want to point out that this is not a lottery because the legislation provides that these savings bonus bonds shall be redeemable on demand by the holder so that actually the owners of these bonds would continue to retain their money. They would merely be waiving the interest rate on the money they have loaned to their Government. The Treasury Department in turn would apply the revenue from these non-interest-bearing bonds to buy up outstanding interest-bearing bonds on which we are now spending such a colossal sum of money in interest.

I am aware that there might be those who will argue that waiver of the interest by the holder of the bond, which could amount to anywhere from $3 to $4 a year, constitutes a lottery, but after studying the various court decisions, I find that there is considerable variance of opinion, and it is my own firm belief that since the owners of these non-interest-bearing bonds could redeem them at any time, this removes this project from the strict sense of a lottery as most of us know it.

As you know, within the common definition of a lottery those who participate in it divest themselves of any further claim on their investment after the lottery has been concluded. This is not the case under the legislation which I am proposing today.

Mr. Speaker, I am aware that many bills have been introduced in Congress to permit a national lottery and many of these proposals would actually deprive our people of their investment once the lottery has been concluded. For instance, under the Irish Sweepstakes, in which thousands of Americans participate annually—and I might say that one of my constituents last year won $140,000—the amount of money which a participant invests in a ticket is lost forever to this person unless he is fortunate enough to win.

I want to stress that under my legislation the participants would have constant access to their initial investment and could cash in their bonds at any time they needed the money.

One reason I have introduced this legislation and hope it will be approved by Congress is that under our present tax structure in America it is mathematically impossible for a person to accumulate $1 million in cold cash during his lifetime. It would appear to me that my legislation could very well rekindle the dream of many an American to do the many things he would like to do if he were a millionaire. Since the bonus under my proposal would be tax free, perhaps this is one way to give America a new class of millionaires.

The only limitation in order to make a bondholder eligible for a bonus in any given quarter is that he must have purchased the bond at least in the preceding quarter. In order to eliminate violent fluctuations in the purchase and sale of these bonds, I have proposed that the bonuses be paid four times a year. Thus, while an owner of the bonds may withdraw the bond at any time, he automatically would remove that particular bond from consideration for the bonus in the following quarter.

I have also set a limitation that states each person can purchase only four such bonds a year because I do not want to affect the overall economy of our Nation in any adverse manner. If we did not provide for this type limitation, I fear that too many people in their enthusiasm to support this plan might withdraw large sums of money from conventional savings institutions, and this, of course, we do not want.

My other reason for limiting this to only four savings bonds a year per person is to give everybody in this country, wealthy or otherwise, an opportunity to share in this bonus program.

Under this legislation, once a purchaser bought one of these non-interest-bearings bonds, it would remain effective for as long as the purchaser did not redeem it. Thus every year a purchaser could add four additional certificates to those he had bought in previous years and they would all be eligible for the bonus if selected.

Mr. Speaker, I am advised that the Federal Government is now paying well in excess of 4 percent on all of its short-term bonds, that is, those which mature in less than 5 years. I am further informed that the average interest rate paid on all outstanding obligations which constitute our national debt is 3.3 percent. Since the overall trend seems to be toward the short-term market, it appears that more and more the Treasury Department will be forced to pay in excess of 4 percent interest on the short-term obligations, which in ever-increasing numbers are making up a major portion of our national debt.

On the basis of these figures, therefore, if every wage earner in America loaned Uncle Sam $100 interest free, the Federal Government would take in during each calendar year approximately $6½ billion. At 4 percent, this means that the Federal Government would save an estimated $260 million annually, which it must now pay to borrow this amount of money or which it must pay on outstanding short-term obligations.

The bonus under my plan which would be paid to owners of these non-interest-bearing bonds would be $13 million a year. Subtracting this amount from the $260 million that the Government would save in interest, the net saving to the Government the first year would be $247 million, less the cost of administering this project.

During the first year of this program the savings admittedly would be relatively small, even if every wage earner in the country bought the maximum of savings bonus bonds permissible. But this project takes on very significant meaning if we project it for the next 10 years. If during this next 10-year period every wage earner in this country were to buy four additional bonds each succeeding year, by 1970 there would be some $65 billion worth of non-interest-bearing bonds outstanding, and the present interest-bearing Federal debt could be converted to a non-interest-bearing Federal debt by this amount. Since the annual bonus paid out by the Treasury Department in 1970 would be the same as in any other year, the total saving to the Federal Government in interest on the Federal debt by 1970 under my plan would be in excess of $2½ billion annually.

Since I am mindful of the fact that various pension trusts rely on the interest they earn from their investments with the Federal Government, I am not sure that it would be a good idea to convert the entire Federal debt to a non-interest-bearing debt and, therefore, I believe that under the limitations I have written into this legislation, the likelihood of such a thing happening is highly remote.

I believe this is sound legislation.

Throughout my discussion so far I have used the figure 65 million wage earners, but there is nothing in this legislation that would prohibit a parent, for instance, from purchasing these savings bonus bonds for his children. Thus, we see that properly presented and properly promoted, this program conceivably might attract a good deal more people than I have suggested.

I believe this program would be good for the Nation. It would help people to be more interested in their Federal Government and the financial difficulties it is encountering, and I think it would also give the entire Nation a great deal of pleasure four times a year when the Treasury Department commences to select the fortunate recipients of the quarterly bonuses. I shall leave to the imagination of others an appraisal of the situation in America on the eve, four times a year, of the Treasury's announcement of the bonus recipients. I doubt very much that the press of America would be able to print enough papers to carry the news to the country with the listing of 1,003 recipients on those 4 days during the year, unless they vastly improve the potential of their presses.

Mr. Speaker, I hope this legislation will receive serious consideration by the appropriate committee. It is my firm belief that the tremendous cost of our national debt will plague us for many years to come. I feel confident that the American people, fully apprised of the situation, would be more than happy to loan their Federal Government $100 a year interest free at a total loss to each such individual of only $3 or $4 a year, or at the end of a 10-year period, assuming each of these people bought an additional $100 worth of bonds every year for a total of $1,000 worth by 1970, a total loss of $30 a year in interest, particularly when we consider the very enticing inducement.

There are two significant things I should like to stress:

First of all, any holder of these bonds could cash them in and get the face value of the bond at any time such holder desires to do so. In effect, therefore, under this plan, we are encouraging savings and thrift.

Second. I would like to emphasize that with every 4 additional bonds that a person bought, he would have that many more bonds making him eligible for the bonus. In other words, a person who bought 4 bonds every year would have 40 bonds eligible for a bonus at the end of 10 years, and at the end of 20 years would have 80 such bonds eligible for a bonus.

Under this legislation those who now hold series E savings bonds could, if they wish to waive the interest rate on these bonds, under proper procedures established by the Secretary, convert them to the savings bonus bonds.

I have discussed this legislation with literally hundreds of my constituents, and I can assure you, Mr. Speaker, that the immediate response from every single person to whom I spoke has been, "Put me down for the first saving bonus bond to be issued by the Treasury Department." There is no question in my mind that all of us in this country would not only have a great deal of pleasure—and heaven knows in this troubled world we need a little bit of diversion—but we, as Americans, would be making a great contribution to our Nation at a time when our financial difficulties are mounting.

Since I have limited this legislation to a maximum of $100 a year invested by each participant, I can see no reason for any serious opposition from the conventional banking or savings institutions. As a matter of fact, I rather hope that the conventional banking and savings institutions of the country will support this legislation because under this plan the Treasury Department could take in billions of dollars annually which are needed for short-term financing and, in this way, perhaps get the Government out of the short-term market and bring down the entire interest structure so that our established banking and savings institutions would again be in a better position to compete for short-term loans.

Mr. Speaker, I am enclosing a copy of my proposed bill. I hope this legislation will get speedy consideration from Congress.

H.R. 12749

A bill to authorize the issuance of savings bonus bonds and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Savings Bond Bonus Act".

SEC. 2. For the purposes of this Act—

(a) The term "Secretary" means the Secretary of the Treasury.

(b) The term "quarter" means a period of three consecutive calendar months beginning on January 1, April 1, July 1, or October 1 of any year.

SEC. 3. (a) The Secretary is hereby authorized and directed to offer for sale to the people of the United States bonds which shall be known as savings bonus bonds.

(b) Each savings bonus bond shall be issued in the denomination of $25, shall bear no interest, shall be redeemable on demand, shall be issued only to a natural person or persons, shall be registered in the name of the owner or owners, and shall be transferable only in accordance with such rules and regulations as the Secretary may prescribe. Such rules and regulations may permit the transfer of such bonds to fiduciaries (including corporate fiduciaries).

SEC. 4. (a) Once in each quarter, the Secretary shall cause to be selected at random, from among the serial numbers of eligible bonds (as defined in subsection (b)), the serial numbers of 1,003 bonds, which shall be listed in the order selected. Such list shall be known as the quarterly bonus list. The Secretary shall pay to the eligible owner or owners (as defined pursuant to subsection (c)) of each such bond a bonus in accordance with the following table:

Position on quarterly bonus list:	*Amount of bonus*
1st	$1,000,000
2d	750,000
3d	500,000
4th through 1003d	1,000

(b) The term "eligible bond" with respect to any quarter means a savings bonus bond outstanding at the beginning of such quarter and originally issued prior to the beginning of the quarter immediately preceding such quarter.

(c) The term "eligible owner" with respect to any quarter means a person who, at the beginning of such quarter, did not own more than four savings bonus bonds originally issued to him in any one calendar year. The Secretary may prescribe such rules and regulations as may be appropriate to carry out the purposes of this subsection and subsection (a) in the case of bonds held in individual ownership, coownership, ownership by a fiduciary, and such other forms of ownership as may be permitted.

SEC. 5. The savings bonus bonds authorized by this act shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act. The provisions of section 22 of that act (31 U.S.C. 757c) with respect to utilization of, and compensation for, the services of the Postmaster General, the Post Office Department, the Postal Service, and nongovernmental financial institutions in connection with savings bonds shall be applicable to savings bonus bonds.

SEC. 6. The bonuses authorized by this act shall be exempt from income taxation imposed by the United States, any State, or any taxing authority subject to the jurisdiction of the United States or any State.

PENNSYLVANIA CHAPTER OF FBI NATIONAL ACADEMY ASSOCIATES

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. BYRNE] is recognized for 10 minutes.

Mr. BYRNE of Pennsylvania. Mr. Speaker, I have received a most pleasant request to present some remarks relating to a resolution adopted by the Pennsylvania Chapter of the FBI National Academy in connection with the 25th anniversary of the FBI National Academy, which will be observed on July 29, 1960.

The resolution was proposed and adopted by the Pennsylvania Chapter of the FBI National Academy Associates on May 25, 1960, during their spring dinner held at Dugan's on the Boulevard.

The Pennsylvania Chapter of the FBI National Academy Associates is composed of those law enforcement officers who have graduated from the FBI National Academy, and numbers approximately 200 police executives and educators. The resolution commends the Director, J. Edgar Hoover, for having founded the Academy and for having guided it so successfully during the last 25 years.

The president of the Pennsylvania chapter is Chief John G. Good, of Williamsport; the first vice president is Capt. George W. Purvis, of Pittsburgh; the second vice president is Sgt. Harris J. Wilson, of Fountain Hill; and the secretary-treasurer is Chief Lawrence H. Shores, Upper Moreland Township, Willow Grove, who forwarded the resolution to me.

Many of the associates are Philadelphia police executives, among them being Chief Inspector Albert J. Trimmer; Inspector Harry G. Fox; Staff Inspectors Edwin S. Shriver, William P. Britton, and Millard T. Meers; Capts. Edward J. Bell and Frank E. Nolan; and Police Academy Superintendent Harry G. Merker.

As a former U.S. marshal of the U.S. District Court for the Eastern District of Pennsylvania, I am well acquainted with the reputation of the FBI National Academy. The new booklet released on June 6, 1960, by the Federal Bureau of Investigation, entitled "Cooperation—The Backbone of Effective Law Enforcement," describes the FBI Academy located at the Marine Corps Schools, Quantico, Va., which is used for training both FBI agents and police officers, as follows:

The FBI National Academy, established in 1935, often is referred to as "The West Point of Law Enforcement." Its purpose is to reduce crime by teaching the most effective methods of combating it and by acquainting law enforcement officers with new and improved techniques. This is accomplished by preparing selected career police officers to serve as instructors and administrators in their own departments.

Two sessions of the Academy, each attended by approximately 60 men, are held every year. The FBI selects those who will attend from men nominated by the heads of their respective departments, and each officer must meet specific requirements in order to be considered. An intensive 12-week course of instruction is offered. There is no charge either to the individual officer or to the department he represents for this schooling, and FBI facilities, including the laboratory, gymnasiums, classrooms, firearms ranges, and training and identification equipment are shared with National Academy students.

More than 3,800 officers have been graduated from the National Academy. Of those still active in law enforcement, 28 percent hold the position of executive head of their respective agencies.

The resolution adopted by the Pennsylvania chapter of the FBI National Academy Associates is as follows:

Whereas July 29, 1960, marks the 25th anniversary of the FBI National Academy;

Whereas we, as graduates of the same, consider it to be one of the foremost forces in the establishment of law enforcement as a profession;

Whereas we are sincerely appreciative of the outstanding training, high prestige, and beneficial associations we have secured through attendance at the Academy:

Therefore, it is deemed most appropriate and timely that the Pennsylvania Chapter of the FBI National Academy Associates laud and pay well-deserved tribute to J. Edgar Hoover, Director of the FBI, for his foresight, sagacity, and outstanding administrative ability, so ably demonstrated in the founding of the Academy, and for the 25 years in which he has been a guiding force in accomplishing the intentions for which the FBI National Academy was created: Now, therefore, be it

Resolved, That on this day we wish to reaffirm our dedication to the ethics and pur-

poses of our profession and to pledge our continued cooperation and support of those principles for which the Academy was founded, namely, the training of police officers as instructors and executives in the profession of law enforcement;

Furthermore, it is directed that our secretary forward a copy of this resolution to William P. Rogers, Attorney General of the United States, and to John Edgar Hoover, Director of the Federal Bureau of Investigation.

GROWTH OF URBAN AREAS

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HALPERN] may extend his remarks in the body of the RECORD and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HALPERN. Mr. Speaker, one of the more serious challenges to the Nation is the uncontrolled growth of our great urban areas. About 85 percent of all Americans live entirely within or on the fringes of our cities. Inadequate urban planning in the past has left us with a residue of problems ranging from slums to outdated mass-transportation facilities.

Many of us are deeply concerned with the lack of coordinated guidance to what is actually a national problem. Some of us, including myself, have introduced bills to establish a Department of Housing and Urban Affairs in the Federal Government which could provide leadership to all levels of government in a total attack on the problems of urbanization.

On June 12, our distinguished junior Senator from New York, Senator KEATING, delivered an excellent, thought-provoking address on this subject in Boston before the National Society of Professional Engineers. Senator KEATING's bill to create such a Department was, I am pleased to say, recently reported out by the Senate Banking and Currency Committee—S. 3292.

Because this is a national problem—

The Senator stated—

it calls for a national solution.

The attack cannot be sporadic on the regional, State, or local level. It must be total. It must be a grand design. It must be given the stature and direction of a Cabinet responsibility.

The Department of Agriculture—

He said—

was founded at a time when 80 percent of the Nation's population lived on farms. Today, with that situation literally reversed, in terms of urban population, it seems to me that the time has come for the establishment, in our executive branch, of a new, cabinet-level department especially created and empowered to deal with the problems of expanding population.

Such a Department, he pointed out, could be viewed "as a means of assuring that the cities get a fair share of the substantial funds now being spent on housing, highway and similar problems. In close cooperation with State and local government, it could develop national programs for combating smog, slums, and traffic snarls just as the Department of Agriculture has developed programs to combat drought, soil erosion and depressed farm income."

It is time, Mr. Speaker, that the House bestirred itself on the need to meet this direct challenge to the orderly development of our cities. A Department of Housing and Urban Affairs is more than just a subject for contemplation, it is a necessity. I appeal for consideration of the problem by the House and for the enactment of legislation which would provide for the responsible representation of urban matters in the Cabinet.

In this connection, Mr. Speaker, under unanimous consent, I include at the conclusion of my remarks the outstanding address on this subject by Senator KEATING, as follows:

Mr. Chairman, members of the National Society of Professional Engineers, it is a heartfelt pleasure for me to be here with you tonight, and to participate in this important meeting.

Tonight I should like to discuss with you the implication of one of the great social phenomena of this century—the unparalleled trend towards urbanization in America. We are all aware of an accelerated population movement from rural to urban areas, but the extent of the migration is not fully appreciated until we are confronted by the cold statistics of this mass displacement. Today 85 percent of Americans are city-dwellers, living either in cities or in the sprawling urban peripheries that have given rise to such a new designation as greater New York, greater Boston, or greater Philadelphia.

What has happened is simple to state, but it is born of a host of social and economic complexities. In our grandfather's day, the farmer hitched up and went to town on market day. In our day, he drives to town—and stays there. Mechanization of farms, consolidation of acreage, and big business marketing methods—have resulted in a massive reduction in farm population. Concurrently, the pressures, economic, social, psychological that urge men from the field to the city have been intensified as the industrial age increases its opportunities and its lures.

I think it is fair to state that the shifting of the population balance from farm to city has caught us all by surprise. Certainly, it is a phenomenon we continue to stare at, mesmerized by its magnitude, rather than to accept its implications and act vigorously upon them.

In a sense, one might say that the city is the little boy that suddenly grew up. His suit no longer fits him. It's bursting at every seam. He has put on weight, he has put on muscle, and he needs to be completely re-tailored, readjusted to the new and different world in which he lives.

I submit to you that the time for such retailoring is now. The problem grows as we continue to stare at it, and it's time we begin to cut our cloth and study our designs for a blueprint of the cities of tomorrow, not of yesterday.

It is, of course, true, that those closest to the problem have often appeared to ignore it, as though it were something that might go away if left alone. In far too many metropolitan areas there have been sins of omission and commission which have speeded the onset of urban decay and self-strangulation.

This log jam of neglect and out-dated thinking must be broken. We need to develop a fresh, creative attitude about the kind of city planning that responds to the needs of the times. There is much talk of the modern "design for living"—but the designers seem more concerned with the fragments than with the whole. Sometimes I think we are plagued by a split-level mentality. Our homes are geared for the present. Our cities are geared for the past.

Our vocabulary is full of new words—urbanite, suburbanite, exurbanite, but our planning is tethered to the hitching post of horse-and-buggy days.

What we need is to initiate a bold and imaginative change in our whole concept of the demands of this new urban age. Only in this way will we be able to cope with the task of making our cities more liveable and of insuring their social and economic viability.

Last January, in his State of the Union Message, President Eisenhower drew attention to the explosive growth of our metropolitan areas. He cited the fact that by 1975 those areas will occupy twice the territory they do today. In my opinion, the fact of the President's underscoring of this vital problem augurs well for the prospect of his executive approval of the idea of a Department of Urbiculture.

Clearly, the crises which face all major cities today are of vast dimensions. They range from slums to juvenile delinquency, from crime problems to financing problems, from water and air pollution to the need for additional parking and recreation areas.

As you are aware, the Federal Government has already come to the assistance of our municipalities by means of a variety of important programs. This help is provided notably in the field of housing, but grants are being made also for urban and metropolitan planning, and public works projects are an integral part of Federal aid to communities.

Because this is a national problem, it calls for a national solution. The attack cannot be sporadic, on the regional, State, or local level. It must be total. It must be a grand design. It must be given the stature and the direction of a cabinet responsibility.

The Department of Agriculture was founded at a time when 80 percent of the Nation's population lived on farms. Today, with that situation literally reversed, in terms of urban population, it seems to me that the time has come for the establishment, in our executive branch, of a new, Cabinet-level Department especially created and empowered to deal with the problems of expanding urbanization.

To that end, I have formally placed before the Senate a bill authorizing the creation of a Department of Urbiculture in the Executive Branch of our Government. I intend to push it as strongly as I possibly can.

This projected Department could center attention on the many unique city and suburban problems of national scope and importance. It would allow the coordination of numerous existing Federal programs directed at the metropolitan areas of the country. It would promote consideration of the interests of the Nation's city dwellers at the highest levels of Government.

I look to a Department of Urbiculture as a means of assuring that the cities get a fair share of the substantial Federal funds now being spent on housing, highway, and similar programs. In close cooperation with State and local governments, it could develop national programs for combating smog, slums, and traffic snarls just as the Department of Agriculture has developed programs to combat drought, soil erosion, and depressed farm income.

I should like to emphasize that this Department would not seek out new means for Federal interference in urban affairs.

Its prime and constant function would be the task of providing guidelines, advice, programing and planning assistance, and overall cooperation and coordination intended

to assist our cities and localities in solving their own problems. In a word, the proposed Department of Urbiculture would subscribe fully to the philosophy that the best answers to the problems of the people lie as close as possible to the people themselves.

Already a first beginning has been made by official recognition of the need for action.

On September 10, of last year, the proposal for a Study Commission on Metropolitan Problems passed the Senate. It is presently under consideration in the House.

Wherever Americans live, the city is the very heartbeat of their social and economic lives. To the extent that any city is made a better, healthier, more productive place in which to live and raise one's family, the whole of our Nation is the benefactor. Conversely, inadequate urban planning, or no planning at all, robs the present of its opportunities and robs the future of its rightful heritage.

Surely no one group is more aware than you engineers are of the extent to which physical conditions constitute either the shaping forces of growth or the eroding forces of decay in our urban communities. A healthy, vigorous urban climate is the atmosphere of dynamism and prosperity. A climate choked by the weeds of neglect, of backwardness, of civic apathy, is not the garden where progress grows. It's all dressed up to be a graveyard—for opportunities that die a premature death.

The time is past when we can stand by in bemused fashion and watch the malady of our cities spread. This is not a remote challenge. It is a challenge of today—a challenge that confronts us wherever we turn. Let us meet it in the only way it can be met—with courage. And let us beat it in the only way it can be beaten—with action.

The entire problem is a challenge to all of us as Americans, but it represents a special and provocative challenge to you and to the members of your profession throughout the Nation. The modernization of our city agglomerations is not a mere matter of spending money. It is, above all, an exercise in imagination, in vision—a projection of trained minds beyond the doorway of the present into the vistas of the future. Only the gifted and dynamic forces of your intellects and talents can create the physical America-to-be—can untether us from the past and build the setting proper to a new, expanding and evolving national life.

In this exploding new era, we must look to men equipped to handle the kind of urban explosions that challenge us—that cry for attention and solution.

As engineers, you are, in the truest sense, shapers of history. No one group of professional men has changed the economic and social fabric of our Nation to the extent that you have. The creative work of your minds is the yeast of ferment that has transformed, remolded, revolutionized the daily lives of millions of people. You have brought the gifts of work, of achievement, of opportunity, of happiness, to an entire population.

This tremendous influence of your imagination, your discoveries, your amelioration of conditions of life must be more than a source of gratification to you. It must carry with it, as well, a sense of the responsibility that develops upon you, precisely because of the magnitude of your influence.

In this connection, I am referring to the added responsibility of your role in the direction—the political direction— of the Nation whose pattern of life you have been so instrumental in creating and developing. Government must not be conceived as incidental in your careers—as a kind of fringe interest that commands your attention periodically. Good government—effective government, the best possible government, must be a constant preoccupation of men like yourselves. It must be conceived by you—not as an automatic democratic process that will run forever with the occasional oiling of new ideas and new approaches—but as a living democratic process that has to be nurtured, enriched, improved, if its full benefits and blessings are to be assured to the people.

For this reason, I would urge an intensification of your personal interest in the political life of your community and of your Nation. Do not isolate yourself from the forces that determine the course of history, be it local history or natural history. Cultivate an interest in the issues, in the candidates, in the platforms that are placed before your minds, that compete for your favor. Accord them the personal commitment of time and analysis that they deserve. Remain immersed in, rather than isolated from, the stream of history that must affect so many lives, not the least of all your own.

To the extent that we Americans consider politics as a kind of occult science, with participation of a limited number of practioners, we miss the whole point of true democracy.

DETERMINATION OF STOCKOWNERSHIP OF PERSONAL HOLDING COMPANIES

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. KING] may extend his remarks at this point in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. KING of California. Mr. Speaker, on June 16 I introduced H.R. 12691, a bill relating to the determination of stockownership of personal holding companies.

The following statement is to briefly outline the purpose of the legislation.

ATTRIBUTION OF STOCKOWNERSHIP FOR PERSONAL HOLDING COMPANY PURPOSES

A corporation cannot be classified as a personal holding company under the Federal tax laws unless more than half its stock is owned by five or fewer individuals. The Internal Revenue Code, at section 544(a)(1), provides that stock owned by a trust or estate "shall be considered as being owned proportionately by its beneficiaries."

This amendment clarifies this rule by providing specifically, as was originally intended, that the ownership be divided among the beneficiaries of the trust or estate in proportion to their actuarial interests.

The amendment is necessary at this time because of recent indications that the Internal Revenue Service may attempt to attribute the entire value of trust stock to the income beneficiary—even though the actuarial value of the interest of the remainder beneficiary was as great or greater than that of the income beneficiary. This attempt may be based on statements in a 1943 opinion of the Tax Court—Steuben Securities Corp. (1 T.C. 395)—which go beyond the issue submitted to the court in that case, and on a Service ruling under the stock option provisions of the code—Revenue Ruling 58-325—which was itself based on the same statements in the Tax Court opinion. These statements were rejected in a subsequent decision of a U.S. court of appeals—*Phinney* v. *Tuboscope Co.* (268 F. (2d) 233)—and are clearly contrary to the intent of the Congress.

In providing that ownership be proportioned among beneficiaries, it was certainly never intended to exclude beneficiaries holding remainder interests. An apportionment in such cases on the basis of an actuarial determination obviously reaches the proper result, and is in accord with the principle followed for determining ownership under other provisions of the code.

Being of a clarifying nature, the amendment is made applicable from the effective date of the 1954 Code.

DISCLOSURE OF COUNTERPART EXPENDITURES

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. REUSS. Mr. Speaker, the other body last night added to the legislative appropriation bill, 1961—H.R. 12232—an amendment requiring the public accounting of counterpart expenditures of Members and employees of either body. The amendment was adopted by a rollcall vote of 56 to 31. The entire bill, as amended, passed by a rollcall vote of 81 to 0.

The amendment is substantially identical with measures offered by myself and by other Members of this body over the last 4 years designed to bring about public accounting of congressional foreign travel expenditures.

Recent press stories have complained of alleged abuses in congressional travel acounting. I have great confidence in the integrity of the Members of this body. In my opinion, the best way of vindicating that integrity is to make full and straightforward disclosures of travel expenditures. This House has rightfully opposed secrecy in the executive branch of the Government. Secrecy should likewise have no place in congressional travel expenditures.

Accordingly, Mr. Speaker, I hope that the conferees on the part of this body will go along with the amendment made by the other body. If they do, I am confident that the House will approve the bill, containing the counterpart reporting provision, just as unanimously as did the other body.

News accounts of last night's amendment report that "the Senate put the House on the spot." We can get off the spot readily and with dignity by accepting the amendment.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HOGAN (at the request of Mr. ALBERT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FLOOD, for 1 hour, on Thursday.

Mr. RHODES of Pennsylvania, for 60 minutes, on Friday, June 24, and 60 minutes, on Tuesday, June 28.

Mr. MACHROWICZ, for 60 minutes, on Monday, June 27.

Mr. PUCINSKI, for 10 minutes, today.

Mr. BYRNE of Pennsylvania, for 10 minutes, today.

Mr. BROCK, for 10 minutes, tomorrow.

Mr. SCHWENGEL (at the request of Mr. CHAMBERLAIN), on June 22, for 30 minutes.

Mr. BRAY (at the request of Mr. CHAMBERLAIN), on June 29, for 15 minutes.

Mr. CHAMBERLAIN, on June 24, for 30 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. METCALF.

Mr. BOLAND and to include extraneous matter.

Mr. FEIGHAN in two instances and to include extraneous matter.

Mr. LINDSAY and to include extraneous matter.

(At the request of Mr. CHAMBERLAIN, and to include extraneous matter, the following:)

Mr. CUNNINGHAM.

Mr. SCHERER.

Mrs. DWYER.

(At the request of Mr. JOHNSON of Colorado, the following Member was granted permission to revise and extend his remarks in the CONGRESSIONAL RECORD and to include extraneous matter.

Mr. ANFUSO in two instances.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1543. An act for the relief of Angela D'Agata Nicolosi;

H.R. 2007. An act for the relief of May Hourani;

H.R. 3242. An act for the relief of Mrs. Virginia Lee Sage;

H.R. 5530. An act for the relief of Lelia Bernstorff Grauert;

H.R. 5738. An act to authorize the Secretary of the Army to transfer to the Waukegan Port District the commitment of the city of Waukegan, Ill., to maintain a public wharf in Waukegan Harbor on land conveyed to the city in 1914, and for other purposes;

H.R. 5850. An act for the relief of the Borough of Ford City, Pa.;

H.R. 6149. An act for the relief of Wesley C. Newcomb;

H.R. 6456. An act concerning payment of debts out of compensation for trust land on the Lower Brule Sioux Reservation taken by the United States;

H.R. 6498. An act concerning payment of debts out of compensation for trust land in the Standing Rock Sioux Reservation taken by the United States;

H.R. 6529. An act concerning payment of debts out of compensation for trust land on the Crow Creek Sioux Reservation taken by the United States;

H.R. 7480. An act to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil;

H.R. 7847. An act to make the uniform law relating to the record on review of agency orders (Public Law 85-701) applicable to the judicial review of orders issued under the Federal Aviation Act of 1958 and the Food Additives Amendment of 1958;

H.R. 8457. An act for the relief of Richard Schoenfelder and Lidwina S. Wagner;

H.R. 9028. An act to provide that certain funds shall be paid to the Kickapoo Tribal Council of Oklahoma;

H.R. 9226. An act for the relief of Pietro Mela;

H.R. 9652. An act for the relief of Lt. Col. Alonzo C. Tenney;

H.R. 10631. An act for the relief of George T. Moore, Carl D. Berry, and Dr. Harold J. Heck;

H.R. 10639. An act to amend section 3(b) of the act of May 9, 1958 (72 Stat. 105) relating to the preparation of a roll of the members of the Otoe and Missouria Tribe and to per capita distribution of judgment funds;

H.R. 10840. An act to amend Public Law 85-626 relating to dual rate contract agreement;

H.R. 11161. An act to donate to the pueblos of Zia and Jemez a tract of land on the Ojo del Esperitu Santo grant, New Mexico;

H.R. 11615. An act to amend section 4 of the Watershed Protection and Flood Control Act;

H.R. 11706. An act to authorize an extension of time for final proof under the desert land laws under certain conditions;

H.R. 11952. An act to repeal the act of May 29, 1958, which authorized and directed the Administrator of General Services to provide for the release of restrictions and reservations contained in an instrument conveying certain land by the United States to the State of Wisconsin;

H.R. 11985. An act to make American nationals eligible for scholarships and fellowships authorized by the National Science Foundation Act of 1950;

H.R. 12115. An act to extend the minimum national marketing quota for extra-long staple cotton to the 1961 crop; and

H.J. Res. 696. Joint resolution to provide for the designation of the month of September 1960, as "National Wool Month."

ADJOURNMENT

Mr. JOHNSON of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 57 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 22, 1960, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2280. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to make nationals, American and foreign, eligible for certain scholarships under the Surplus Property Act of 1944, as amended"; to the Committee on Government Operations.

2281. A letter from the Assistant Secretary of the Interior, relative to drainage works and minor construction, and submitting a draft of contract relating to proposed drainage work exceeding a total cost of $200,000 on the Wellton-Mohawk Division, Gila project, Arizona, pursuant to the act of June 13, 1956 (70 Stat. 274); to the Committee on Interior and Insular Affairs.

2282. A letter from the Assistant Secretary of the Interior, transmitting for approval drafts of contracts covering drainage works and minor construction required for completion of the drainage construction program on the Roza Division of the Yakima project, Washington; to the Committee on Interior and Insular Affairs.

2283. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 27, 1960, submitting a report, together with accompanying papers and illustrations, on a cooperative beach erosion control and interim hurricane survey of the south shore of Long Island from Fire Island Inlet to Montauk Point, N.Y., authorized by section 2 of Public Law 520, 71st Congress, approved July 3, 1930, as amended and supplemented, and Public Law 71, 84th Congress, approved June 15, 1955 (H. Doc. No. 425); to the Committee on Public Works and ordered to be printed with six illustrations.

2284. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1960, submitting a report, together with accompanying papers and an illustration, on a review of reports on Vermilion River and tributaries, South Dakota, requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted on February 29, 1956 and June 13, 1956 (H. Doc. No. 426); to the Committee on Public Works and ordered to be printed with one illustration.

2285. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 27, 1960, submitting a report, together with accompanying papers and an illustration, on an interim report on Texas City Channel, Tex., requested by a resolution of the Committee on Public Works, House of Representatives, adopted April 21, 1960 (H. Doc. No. 427); to the Committee on Public Works and ordered to be printed with one illustration.

2286. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 1, 1960, submitting a report, together with accompanying papers and an illustration, on a review of reports on Brazos Island Harbor, Tex., requested by a resolution of the Committee on Public Works, House of Representatives, adopted on July 29, 1955 (H. Doc. No. 428); to the Committee on Public Works and ordered to be printed with one illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. H.R. 7209. A bill to amend the Immigration and Nationality Act to accord Korean war veterans equal naturalization privileges, and to authorize the Attorney General to admit certain aliens who have served in the Armed Forces of the United States for a period aggregating 5 years as permanent residents; with amendment (Rept. No. 1925). Referred to the Committee of the Whole House on the State of the Union.

Mr. PORTER: Committee on Post Office and Civil Service. H.R. 8424. A bill to amend section 505 of the Classification Act of 1949 with respect to positions in the Library of Congress; without amendment (Rept. No. 1926). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. House Report No. 1927. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mr. LANE: Committee on the Judiciary. H.R. 5435. A bill to extend the Federal Tort Claims Act to members of the National Guard when engaged in training or duty under Federal law, and for other purposes; with amendment (Rept. No. 1928). Referred to the Committee of the Whole House on the State of the Union.

Mrs. GRANAHAN: Committee on Post Office and Civil Service. H.R. 12595. A bill to clarify the law with respect to transportation of airmail, and for other purposes; with amendment (Rept. No. 1929). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAVIS of Georgia: Committee on Post Office and Civil Service. S. 2575. An act to provide a health benefits program for certain retired employees of the Government; with amendment (Rept. No. 1930). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSEN of Minnesota:

H.R. 12741. A bill to provide a reduced third-class (bulk) mail rate for local mailings of small business; to the Committee on Post Office and Civil Service.

By Mr. BOGGS:

H.R. 12742. A bill to amend the definition of a small business corporation for purposes of subchapter S of chapter 1 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. CUNNINGHAM:

H.R. 12743. A bill to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes; to the Committee on the Judiciary.

By Mr. DOWDY (by request):

H.R. 12744. A bill to repeal the provisions of the Reorganization Plan No. 5 of 1952 relating to the Real Estate Commission of the District of Columbia; to the Committee on the District of Columbia.

By Mrs. DWYER:

H.R. 12745. A bill to amend section 701 of the Housing Act of 1954 (relating to urban planning grants), and title II of the Housing Amendments of 1955 (relating to public facility loans), to assist State and local governments and their public instrumentalities in improving mass transportation services in metropolitan areas; to the Committee on Banking and Currency.

H.R. 12746. A bill relating to the reporting by Members of the House of Representatives of expenditures from the contingent fund of the House of Representatives and of expenditures of counterpart funds by Members of Congress; to the Committee on House Administration.

By Mr. FOLEY:

H.R. 12747. A bill to increase the salaries of assistant U.S. attorneys and certain other attorneys appointed by the Attorney General; to the Committee on the Judiciary.

By Mr. McMILLAN:

H.R. 12748. A bill to authorize the Commissioners of the District of Columbia on behalf of the United States to transfer from the United States to the District of Columbia Redevelopment Land Agency title to certain real property in said District; to the Committee on the District of Columbia.

By Mr. PUCINSKI:

H.R. 12749. A bill to authorize the issuance of savings bonus bonds, and for other purposes; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H.R. 12750. A bill to authorize an appropriation for the special milk program for children for the fiscal years 1962 and 1963; to the Committee on Agriculture.

By Mr. TEAGUE of Texas:

H.R. 12751. A bill to amend chapter 11 of title 38, United States Code, to provide that certain medical questions involved in veterans' claims shall be referred to medical panels appointed by the Director of the National Institutes of Health; to the Committee on Veterans' Affairs.

By Mr. VAN PELT:

H.R. 12752. A bill to amend section 1478, title 10, United States Code; to the Committee on Armed Services.

By Mr. WALTER:

H.R. 12753. A bill to amend the Subversive Activities Control Act of 1950 so as to require the registration of certain additional persons disseminating political propaganda within the United States as agents of a foreign principal, and for other purposes; to the Committee on Un-American Activities.

By Mr. BURKE of Massachusetts:

H.R. 12754. A bill to relieve certain members of the Armed Forces from liability to repay to the United States certain payments erroneously made to them; to the Committee on the Judiciary.

By Mr. CELLER:

H.R. 12755. A bill to amend section 960 of title 18 of the United States Code; to the Committee on the Judiciary.

By Mr. HERLONG:

H.R. 12756. A bill to amend the Tariff Act of 1930 as it relates to clinical thermometers; to the Committee on Ways and Means.

By Mr. OLIVER:

H.R. 12757. A bill to provide for the humane treatment of animals used in experiment and tests by recipients of grants from the United States and by agencies and instrumentalities of the U.S. Government, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILBIN:

H.R. 12758. A bill to amend the Internal Revenue Code of 1954 so as to permit certain tax-exempt organizations to engage in certain activities for the purpose of influencing legislation directly relevant to the purposes which qualify such organizations for tax exemption, without losing certain benefits under that code; to the Committee on Ways and Means.

By Mr. SISK:

H.R. 12759. A bill to amend title V of the Agricultural Act of 1949, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. BECKWORTH:

H.R. 12760. A bill to amend title II of the Social Security Act to increase from $1,200 to $2,400 the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. McMILLAN:

H.R. 12761. A bill to provide for the bonding of persons engaging in the repair, remodeling, alteration, conversion, or modernization of residential property; to impose limitations on the assertion of mechanics' liens where payment has been made for work in connection with the repair, remodeling, alteration, conversion, or modernization of residential property, and for other purposes; to the Committee on the District of Columbia.

By Mr. TEAGUE of Texas:

H.J. Res. 767. Joint resolution providing for a study by the Veterans' Administration into the problems of veterans who are elderly, chronically ill, or otherwise handicapped, and providing for the establishment of a pilot project of assistance to veterans' organizations operating convalescent centers for disabled veterans, to gain experience in the practicability of such a program; to the Committee on Veterans' Affairs.

By Mr. LESINSKI:

H. Con Res. 703. Concurrent resolution to authorize printing as a House document "Volume 1: Number of Inhabitants of the 1960 Census of Population"; and providing for additional copies; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:

H.R. 12762. A bill for the relief of Dr. John M. Zytkiewicz; to the Committee on the Judiciary.

By Mr. BURKE of Kentucky:

H.R. 12763. A bill for the relief of Harry Zegart; to the Committee on the Judiciary.

By Mr. FARBSTEIN:

H.R. 12764. A bill for the relief of John L. Afros; to the Committee on the Judiciary.

By Mr. FOGARTY:

H.R. 12765. A bill for the relief of Marie Silva Arruda; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 12766. A bill for the relief of Turenne Jean; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 12767. A bill to provide tax relief for certain pension and annuity funds and the contributors thereto; to the Committee on the Judiciary.

By Mr. WESTLAND:

H.R. 12768. A bill for the relief of Ki Su Moun; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

502. By Mr. CHIPERFIELD: Petition of citizens of Rock Island, Ill., area in favor of H.R. 1354; to the Committee on Interstate and Foreign Commerce.

503. By the SPEAKER: Petition of Roy Bateman, city secretary, Fort Worth, Tex., with reference to enacting legislation repealing the special excise taxes on the transportation of passengers; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

The Failure of Our Foreign Policy

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 21, 1960

Mr. ANFUSO. Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD the text of an address which I delivered at the opening session of the 14th biennial convention of the Affiliated Young Democrats of the State of New York on Friday, June 17, 1960, at the Hotel Piccadilly in New York City:

Mr. Chairman, my good friends of the Affiliated Young Democrats, ladies and gentlemen, it is a pleasure to be back with you again. I appreciate very much the invitation of my dear friend and your very able State president, Harold Moskovit, to participate in this opening session of your 14th State convention. May I take this opportunity to extend to you my best wishes for a most successful convention.

Nineteen hundred and sixty is a most important political year for us Democrats. This could very well be a year of great victory, if we show the necessary courage and bring the true facts to the American people. It could be a year of great disaster, for America as well as for our party, if we should nominate the wrong candidate. Knowing you as I do, I feel that I can speak my mind.

For the next 5 months, until election day, you and I are going to be very busy people. It will be our job to help clear up the confusion and the smokescreen of the Republican apologists, who will seek to explain away the mistakes of this Republican Administration with the aid of Madison Avenue tactics and unlimited funds.

And while I am on this subject, may I say that I am strongly opposed to Madison Avenue technique, regardless of which party indulges in it, when it comes to nominating and electing a President of the United States. We are not trying to sell a piece of soap or a brassiere which would make all women look like Miss America. We are endeavoring to sell a man with all of the virtues and shortcomings of a human being, except that he must be the best man this country has to offer for its highest position of leadership.

Time was when we would search for that kind of a man in every nook and corner of the land. He did not have to be rich or have a wide TV grin. You and I know that an Abe Lincoln could not have run for the Presidency in this day and age for the simple reason that he couldn't afford to pay for the television and radio time and the newspaper publicity. Is this good for America? Are we getting the best man in public office? Think about it, if you please.

What are some of the major issues of the day which demand that we nominate and elect, not the richest man or the one with the most charming smile, but the best man that America has to offer at this crucial time?

Take the international situation, for example, which involves such problems as peace or war, the security of our country, and our very survival in the future. When you try to engage the average citizen in a discussion of foreign policy, he will usually shrug you off. It is too technical for him. It is something which is out of his realm of interest, something remote and unreal. But ask the same person whether he would like to see another world war prevented, or whether he would rather see his children marching off to war, his country attacked, his city bombed and destroyed, his whole life disrupted—and he will react promptly and with utmost interest.

It is clear, therefore, that when it comes to foreign policy we need a man of proven ability, one who has demonstrated responsible leadership, if we are to survive as a free nation and as a world power. I cannot emphasize this too strongly for you.

We must remember at all times that we are dealing with the most cagey, the shrewdest, the most unorthodox enemy in all history, who utilizes every phase of human activity in the process to bring us to our knees—political, economic, psychological, technological, cultural, and at the opportune moment also military. A struggle of this type, whether you call it "cold war," "protracted conflict," or by any other name, can be very quickly lost if we are unaware of the tactics of the enemy, or if we refuse to recognize that we are in the midst of a desperate struggle for survival.

Just to show you what kind of an enemy we are dealing with, I want to quote to you from a brochure which recently came to my attention, where the basic guidelines for the Communist conflict against us are stated as follows:

1. Knock off your enemies one by one, as they become exposed.
2. Keep the enemy off balance.
3. Sap the enemy's will to resist.
4. Avoid a frontal assault, a knockout punch, until such time that it can succeed without powerful retaliation.
5. Divide the battlefield into a peace zone and a war zone. Whatever the Soviet Union does comes within the realm of the peace zone; whatever the United States does comes within the realm of the war zone, because the United States represents "warmongering imperialism."

This is not a new concept. It is new to us, but actually it is an old oriental concept which has been practiced in the past by both China and Russia. In fact, it was an old Chinese militarist named Sun Tzu, who wrote some 2,500 years ago:

"To fight and conquer in all your battles is not supreme excellence; supreme excellence consists in breaking the enemy's resistance without fighting."

And that is exactly what communism is trying to accomplish: To break our resistance without fighting. It is using every possible means—diplomatic pressure, economic competition, scientific achievements, propaganda, culture, education, and other ways—to convince us that we are inferior, that our tactics are stupid, that we are doomed, that we should give up the struggle before we start.

Unfortunately, the leadership this Nation has been given during these past seven and a half years has been anything but inspiring and mature, anything but virtuous and honorable, and very often anything but the truth.

The damage done to our prestige abroad is quite evident to all by now. Under the Democratic administrations of Franklin D. Roosevelt and Harry S. Truman we enjoyed the trust and cooperation of many nations. They were our willing allies in war and peace. They were our dependable friends in the international councils. I leave it to you to make your own comparison of the situation today, where nations all over Asia, Africa, Latin America and elsewhere jeer at us, berate us, condemn us at the least provocation, show disrespect to our highest officials and our flag. Never in my life do I recall witnessing such a "hate America" campaign as exists today throughout the world. I am not going to try to explain it, I am merely citing a fact—no matter how much it hurts.

Who is to blame? Is it President Eisenhower? No. He was a very capable general and a great war hero, but he allowed himself to be captured by the Old Guard Republicans—as the next Republican Presidential nominee is sure to be. You know what the policy of the Old Guard has always been: Prosperity at any price; business as usual; get rich quick; and the public be damned.

What bothers me today is the irrefutable fact that this great land of ours is in mortal danger, our very survival as a free Nation is at stake. There have been many warnings, including some from Republican ranks, but the top men of this administration profess not to see any such danger.

To my mind, the most critical indictment of the present administration is the fact that it has failed to ask Congress for sufficient ballistic missiles and manned aircraft to close the growing deterrent gap relative to Soviet Russia in the area of massive weapon systems. Mr. Khrushchev would not be talking as tough as he now does, if we were as strong as we should be.

It is my view that, at this very moment, we are losing world war III for a number of reasons. Let me mention a few of these reasons: lack of a sufficient and timely intercontinental ballistic missile (ICBM) program; lack of proper defense against a submarine attack; lack of an adequate civil defense program; lack of a weapons program and policy to deter limited aggression; lack of an adequate space program; and, finally, lack of recognition that we are, and for a long time have been, actually engaged in world war III.

I know this to be a fact because, as a member of the House Committee on Science and Astronautics, I have learned in these past 2 years that modern weaponry, in the hands of the Soviet Union, can be assumed to have reached a qualitative and quantitative point at which our incalculable power to destroy an aggressor can probably itself be destroyed now in the matter of minutes.

Let me try to make this thought a little clearer. It is by this time a matter of common knowledge that a revolution in the development of arms has taken place on both sides of the Iron Curtain over the past decade. We speak of the most fantastic weapons, but let us not forget for a single moment that the Russians have such weapons, too. We have no monopoly in this field.

The most amazing thing about it is that this revolution in arms is not yet fully recognized or acknowledged at the policy-formulating levels of the present administration in Washington—but you can be sure that it is not only recognized by those who determine policy in the Kremlin, but it is being utilized for every possible advantage it can give the Russians.

I emphasize these things merely to point up the danger which America and the free world are facing. As we look back in retrospect of events in recent years, we must reach the conclusion that we need never have gotten into the position in which we find ourselves today. Certainly we had the

resources, the money, the scientists, and the manpower to have retained the supremacy that we enjoyed during and after World War II. But we have neglected to use all this to our advantage, because of the desire on the part of the Republican leadership to balance budgets, to economize on expenditures, and to play favoritism toward certain groups.

We are in this mess now because the Republican Party is, and always has been, the party of a single interest—the party of big business. The Democratic Party, on the contrary, has always represented the interests of all the people, of the entire Nation. The Republican Party was a bankrupt party 8 years ago—not financially—but bankrupt in ideas. It received a temporary respite because its ticket was headed by a national military hero, who first found it expedient to become a member of the Republican Party after he had retired from the Army and had become a candidate for public office.

In conclusion, I wish to State my opinion that the failure of the summit conference, the increased tensions and demonstrations against the United States in other countries, plus the inability of Japan to guarantee the safety of a President of the United States, mark a complete failure of the present administration's foreign policy. This, in itself, calls for a change in administration.

Yet, I must warn you that we can lose the election next November 8 if we permit Madison Avenue tactics to prevail. The people of America and of the free world will be the losers if the nominee of the Democratic Party is picked by the same pressure methods as those used by the Republican Party in foreclosing a convention fight.

We must allow a free choice to be made at the Democratic Convention. All the candidates must have a chance to be heard and to state their views on the major issues, so that the American people may have all the facts. Unless we do this, the people will not have much to choose from in the election.

Address of Hon. Michael A. Feighan of Ohio, Before the Donauschwaben Society of the United States

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 21, 1960

Mr. FEIGHAN. Mr. Speaker, on Sunday, June 12, 1960, the Donauschwaben Society of the United States held its annual meeting in Cleveland, Ohio. The Donauschwaben people were among the many who were dispossessed and pauperized by the Russian Communists during and immediately following World War II. Many of these victims of Red tyranny have come to our shores and here they have built a new life in freedom for themselves and for their families. A deeply religious and hard-working people, they look to the United States to give vigorous leadership to the cause of justice as the key to a lasting peace.

Under leave obtained, I include in the RECORD my address "The Donauschwaben People Look for Justice":

I am happy to have this opportunity to attend this national meeting of the Donauschwaben (Dough-na-schwa-ben) and to say a few words of greeting. At the outset, I want to commend Reverend Sulzer for the wonderful work he has done and I am confident will continue to do, for the Donauschwaben people here in Cleveland. He deserves the grateful thanks of all present here for his untiring efforts and sacrifices in the cause. You have a fine man as president of the Cleveland chapter, Mr. Anton Rumpf, who is equally concerned with the future welfare of your people; good leadership is the requisite to happy results and I am sure you have enjoyed both.

It was some years ago that I became acquainted with the Donauschwaben people. The circumstances were not happy ones because it had to do with the expulsion of all people of German ethnic origin from the nations and territories occupied by the Red Army. As a member of the Judiciary Committee I made a number of official visits to Europe immediately following the war to study the plight of the homeless and dispossessed. I was concerned with all who were so stricken regardless of their ethnic origin or country of nationality. The magnitude of this problem in the years 1945 to 1948 was such as to cause some people to throw up their hands in despair. I was not among them. This, I felt, was the greatest of our immediate postwar problems because it involved millions of innocent people. A solution to this problem had to be found, a solution which met the requirements of justice.

Sufficient time has passed to permit an objective examination of the reasons which led the Russian Communists and their collaborators to expel the people of German ethnic origin from homelands they had enjoyed for centuries. I see these as the major reasons:

1. Most of these people were dedicated Christians, people who clung to their faith in the face of all odds. As such they would find all the works and demands of communism as repulsive, as something to be fought. This attitude would lead to resistance against the new order the Russians planned to impose upon the people. Thus, the Russians decided forced expulsion was in the interest of communism. This would mean fewer people to control and fewer problems for their police state methods.

2. Communist functionaries were demanding loot and reward for their collaboration with the Russians. By expropriating all the property held by the people of German ethnic origin and expelling them, the Russians would acquire a rich treasure of loot which they could share with their hired hands in the countries occupied by the Red Army. The record of performance tells us this is exactly what they did. But the record also tells us that many of those who collaborated with the Russians to share in this loot were later liquidated by the Russians—a just reward for their treasonable services.

3. The Russians were convinced that by throwing some 10 million homeless and pauperized people upon the war-torn economies of Germany and Austria they would create chaos and insoluble human problems—the grounds upon which the Communist vulture feeds. They believed the people of the Western world would lack the courage and spirit of sacrifice required to resolve this great human problem. But here they were wrong. We have reduced the size of the problem to manageable proportions, we have found new homelands for several millions of the dispossessed, we have provided economic programs for the assimilation of more millions of people in the Federal Republic of Germany, we have utterly defeated the hopes of the Russians for chaos and civil disorder on a scale which would make Communist takeover of Germany possible. What we have done has not fully compensated the individuals who were deprived of their rights, property, and heritage by these Russian expulsions but we have acted in the spirit of justice. Time and the scales of international justice, we know, will take care of the rest.

The United States became a haven for over 400 thousand of the dispossessed and homeless of all creeds, all nationalities and all ethnic origins. There were those who sought to exclude persons of German ethnic origin from the right to participate in our resettlement programs. They sought to blame the expellees for the crimes of the Nazis, being blind to the fact that the expellees were equal victims of tyranny and inhumanities, that they were human beings with the same problems, the same hopes and the same rights before God as all the rest of the displaced. Any effort to discriminate against people on the basis of their ethnic origin is completely un-American. That is why Congress provided opportunities for your people to come to America and here to build a new life in freedom. I have always been proud of the part I played in making this possible. My efforts have been amply rewarded by the fine record of achievement and good citizenship your people have made in this land of their adoption.

Let us look for a moment to the Russian problem in its broader context, in the context of their struggle for the world. All thinking people are concerned with the tensions which grip our international life. The Russians have created these tensions during the past 40 years of Communist conspiracy. Today they occupy and enslave more than a score of non-Russian nations with a total population of over 200 million people. They are attempting to put the entire world behind their Iron Curtain, to turn back the pages of history to the dark days of the Mongol khans. Seeing this in its reality has caused free men to unite, to prepare to meet the challenge, to turn back the Muscovite hordes.

The great question of our times is not summit conferences, it is not personal diplomacy. It is not peaceful coexistence. All these questions have been disposed of by the present administration in Washington. They have disposed of them by proving the utter futility of attempting to resolve the Russian problem by these methods. For this we give them credit, they have performed a useful service, they have proven that no administration can carry on negotiations with the Russians unless it is prepared to agree to concessions which will lead only to war or peaceful surrender.

The time has arrived to take the political offensive against the Russians. We must look forward to the peaceful dismemberment of the present-day Russian Empire—the source of all the world tensions. This can be done by the people of the captive, non-Russian nations if we will give them full moral and political support. There are only 70 million Russians in the U.S.S.R. To this we can add no more than a few thousand non-Russians who are fully collaborating with them in the preservation and extension of the empire. We have several hundred million non-Russian captives behind the Iron Curtain who want the United States and other free nations to collaborate with them in their fight against Russian imperial communism. It is foolhardy on our part to reject their pleas for assistance in destroying the menace which is attempting to destroy our free way of life. This is the only sure course to prevent war, the only road to peace with justice.

I do not believe it is too much for us to believe that the restoration of freedom and national independence to these captive nations will open the door for a just settlement of the injustices done the Donauschwaben people by the Russians and their communistic collaborators in those countries. We Americans believe in justice for all nations and people. This includes the just

claims of your people for the properties expropriated by the Russians who occupy these captive nations.

You have found the good life here in the United States of America. You have worked hard for the success you have attained. You have found a new happiness in all the opportunities our free way of life offers to all other people. You are proud of your heritage. You have preserved your culture and the historic aspirations of your people. This is a story of success. It is the American story. This is the story all of us seek to preserve and share with all the nations of the world.

Accounting for Congressional Expenses

EXTENSION OF REMARKS
OF
HON. FLORENCE P. DWYER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 21, 1960

Mrs. DWYER. Mr. Speaker, it is imperative, I believe, that the House take action prior to adjournment next month on legislation to establish a workable and effective system for the public accounting by Members of Congress of their expenditures of public funds.

Only in this way can we help erase the suspicion and cynicism among the people bred by reports of loose handling and inaccurate accounting of public moneys by Members of Congress. Only in this way can we help to restore the confidence of the people in the integrity of their elected representatives—a confidence that is essential to the proper functioning of free, representative government.

In order to encourage the earliest possible action by the House, I have introduced a comprehensive bill which I believe would establish the necessary procedures in the legislative accounting system of the House to assure full, frequent, and public understanding and control of House expenses.

Mr. Speaker, I know of no Member of Congress who has publicly objected to legislation of this kind or who has maintained that some kind of reform is unnecessary. On the contrary, there is general agreement that present accounting procedures are inadequate to protect the public interest. For these reasons, therefore, I urge the leadership of the House, on both sides, to make it possible for the House to act during this session on expense accounting legislation. Since the House Administration Committee is presently studying this matter, there seems to be no good reason why a bill cannot be reported in time for action this year.

The principal provisions of my bill, Mr. Speaker, are as follows:

No payment could be made from the contingent fund of the House except in accordance with regulations issued by the House Administration Committee and on vouchers approved by that committee.

All such vouchers approved for payment, together with supporting documentation, would be available for public inspection.

At least once every 6 months, the Comptroller General of the United States would audit all disbursements from the contingent fund and within 30 days after completion of the audit would report the results to the Speaker of the House and the House Administration Committee.

Within 30 days from their return from foreign travel, for the purpose of investigation, study, meetings, or conferences, each Member of the House and Senate would be required to file with the Senate Committee on Rules and Administration or the House Administration Committee a statement of expenses including: an accounting of foreign counterpart funds used for the Member's expenses, the number and identity of all persons in the party, and information concerning expenses, if any, paid for husbands or wives of Members from Government or counterpart funds and services, if any, performed by such persons for the Government.

At the beginning of each session of Congress, all such expense statements together with a detailed statement of the manner in which the contingent fund of the House has been expended during the preceding year would be printed as a House document.

Certain provisions of present law, including the "finality clause" which hold that payments approved by the House Administration Committee are conclusive on all departments and officers of the Government, would be repealed.

H.R. 8860, A Bill To Stabilize the Mining of Lead and Zinc by Small Producers

EXTENSION OF REMARKS
OF
HON. LEE METCALF
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 21, 1960

Mr. METCALF. Mr. Speaker, H.R. 8860, which I have cosponsored, would stabilize the mining of lead and zinc by small producers, conserve domestic reserves of lead and zinc, provide jobs for unemployed miners and payrolls for the depressed business communities which serve them.

The measure would authorize stabilization payments to domestic producers of lead and zinc. These payments would make up the difference between the stabilization price of 17 cents per pound for lead and 14½ cents a pound for zinc, and the price received by the producers in the open market. Payments would be limited to "small domestic producers," defined in the bill as those producing or selling up to 2,000 tons of lead and/or 2,000 tons of zinc in a 12-month period.

Current prices (13 cents for lead, 12 cents for zinc) are below the domestic cost of production.

As they have done previously, administration agencies are leading the opposition to this legislation, claiming, among other things, that the import quotas imposed late in 1958 are doing a job. Secretary of the Interior Seaton says the quotas "have already materially assisted in stabilizing the domestic lead and zinc industries." As far as the small miners are concerned, they have been stabilized right out of business.

In 1956, U.S. mine production of lead totaled 348,329 short tons, of which 18,610 came from Montana mines. In that same year, we imported 458,553 tons of lead. Preliminary figures for 1959 show that total domestic production fell to 253,260 only 7,520 tons of it mined in Montana. Imports totaled 410,954 tons.

For zinc, the picture is the same. In 1956, domestic mines produced 537,643 short tons, 71,865 of it mined in Montana, and we imported 770,775 tons. Last year, total domestic production fell to 416,965 short tons, of which only 27,560 tons was mined in Montana.

As you can see, foreign producers still dominate the market, as they have for at least 10 years. Imports of lead, 75 percent of U.S. production in 1951, rose to 91 percent in 1958. From 72 percent of U.S. production in 1952, imports of zinc increased to 119 percent in 1958. In the same period, domestic mine output of lead dropped 35 percent and that of zinc fell 37 percent.

In 1956, there were 696 individual mines in the United States producing lead and zinc. By 1958 this number had dropped to 447.

The decline in domestic production of ores and concentrates has brought a depression to our mining centers, among them Butte, Mont. Thousands of men have been laid off. When their unemployment compensation benefits were exhausted, they were forced to turn to welfare agencies. The loss of payrolls multiplied throughout the business community as merchants were forced to cut back in their operations.

Our domestic mining industry is basic in peace, vital in war. We cannot stockpile a mine for emergency use. When necessary daily maintenance ceases, shafts and tunnels shift or fill with water, gas creeps in, supports give way and roofs collapse, machinery deteriorates rapidly, and it may take years to get that mine back into production.

Maintenance of a healthy, active domestic mining industry is in the national interest. This bill would help.

Pony Airlift

EXTENSION OF REMARKS
OF
HON. GLENN CUNNINGHAM
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 21, 1960

Mr. CUNNINGHAM. Mr. Speaker, during the past several weeks a Subcommittee of the House Committee on Post Office and Civil Service has been busily engaged in examining the activities of the Post Office Department in the field of transporting 4-cent letter mail by air.

The Post Office Department has maintained that it is able to transport this

mail by air without paying any more in overall costs than is currently being paid for surface transportation. The Post Office Department is also making claims of drastic service improvements.

In its philately section on Sunday, June 19, the New York Times included an item on the Pony Express. The Times article explained how the Post Office Department has announced that it will not use jet airplanes to carry first day "Pony Express" covers westward from St. Joseph, Mo.

The Post Office Department said it has had to discard its plans because the flight schedule could not be worked out, and therefore first day covers from the respective points will be dispatched through ordinary mail channels. Many postal patrons feel that the schedules on transporting 4-cent letter mail by air have not been very well worked out and as a sponsor of a bill to eliminate the so-called airlift I feel that the Post Office Department has not worked out the necessary congressional authority to enable the operation to be continued.

Mr. Speaker, I am concerned over the way in which the Post Office Department has continued to expand its unauthorized transportation of 4-cent letter mail by air, even though the House Subcommittee on Appropriations has specifically asked that there be no extension and even thought the full Committee on Post Office and Civil Service has approved a bill directing that the operation be discontinued. The reported bill, H.R. 12595, should be approved swiftly on the floor of the House of Representatives and the Post Office Department should immediately take note of official expressed congressional displeasure and desist from any further experimentation with this type of mail transportation.

Commencement Address by Senator Keating at Pace College

EXTENSION OF REMARKS
OF
HON. JOHN V. LINDSAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 21, 1960

Mr. LINDSAY. Mr. Speaker, I am pleased to insert in the CONGRESSIONAL RECORD an address by my colleague the Honorable KENNETH B. KEATING before the graduating class at Pace College, which awarded him an honorary doctor of civil law degree. The subject of Senator KEATING's remarks is timely and it is another indication of the distinction with which he serves New York.

The address follows:

I am indeed honored to be here with you today, and to have the opportunity to address you, on this day that means so much in your lives, this day that is at once an end and a beginning.

Many senior classes have gone out from your fine college in the past. None, I am certain, goes out into a world of greater ferment, of greater challenge, and, potentially, of greater opportunity. You do not embark upon a placid sea of history. The tides of change, of evolution, yes of transformation, are running high.

The world of your graduation is no longer the world of your matriculation at Pace. The pressures of events have reshaped it, literally before our eyes, in the immediate past. Yesterday is a land we shall never see again. We stand, all of us, at the threshold of a new and exciting tomorrow—a tomorrow that holds hope as well as danger—but whose immense challenge to the human mind, the human heart, and human energies is unparalleled in history.

The first graduates of Pace lived in the context of America, in the well-bounded confines of their chosen careers and surroundings. In a sense, they were hermetically sealed against pressures from beyond our shores.

It is your destiny, in this year of 1960, to live in the context of humanity, in a world where all men are your neighbors, where what happens anywhere is something that happens to you—that touches your life, that leaves its mark in your mind and in your heart.

Korea, Lebanon, West Berlin, Ghana, South Africa—these were once names to memorize in a geography lesson. Today they have become names that we live rather then learn—for they are a part of the fabric of the new history—the world-spanning history that leaves no man an island, no man a hermit.

One of the great challenges, therefore, that confronts you today is to equate yourself with this new-dimensional world, to widen the vistas of your intellect and your spirit in order to encompass the full range of the vast human experience in which you are now called upon to participate. Alexander Pope once wrote: "The proper study of mankind is man." Today, we can well paraphrase that historic line by saying that "the proper preoccupation of man is mankind."

Consider for a moment the tremendous phenomenon that is taking place in Africa. After centuries of being locked in the chrysalis of time—whole nations—millions of people—are emerging into the sunlight of a destiny of their own. And as they emerge, into freedom, into self-determination, they pose a challenge which each one of us, as brothers in freedom, must feel, to which we must respond.

It is heartening to know that the Government and people of the United States are, in fact, responding to this monumental challenge. Under our mutual security legislation, we now operate programs in 13 African nations and territories.

By June 30 of this year, we will have about 780 American technicians in all of Africa, and we expect to increase this number to 1,000 in the coming year. This is no more than a first step on the stairway out of darkness—for the challenge of Africa will be a continuing, an expanding one—and it must ever be considered by each of you as a personal challenge to free men. Africa is not remote. It is only a heartbeat away, on the map of humanity.

And no farther, too, are the lands of Asia, of the Far East, of South America—wherever the quest for human dignity, for self-realization, for lives unyoked to degradation or tyranny stirs men to make their own history rather than to have it made for them.

If the challenge presented to us by these emerging nations were confined to the purely economic realm of support and assistance, it would still be of awesome magnitude. But it is a challenge compounded and intensified—because the great drama of this emergence of new nations is being played against the ominous backdrop of a world struggle between freedom and tyranny.

This great silent struggle is precisely the effort on the one hand to extend the area of human freedom and on the other the effort to reduce that area. History shows us how fragile, how perishable a commodity freedom is. Nations once free are no longer free.

They have been manacled by tyranny—or their freedom has slowly, subtly been eaten away by the termite colony of infiltration and propaganda. In Cuba we have the chilling paradox of a nation that lost its freedom while ostensibly fighting for it—that threw one brutal master only to be mounted and ridden by another.

The great and overriding point to remember is that we are not mere spectators wherever freedom loses ground. We are involved — inescapably involved — because whenever and wherever in the world the enemy of freedom gains a yard, we are forced back a yard.

And here is the greatest challenge of all—not only because it is the supreme challenge in point of meaning for our lives—but because it is the easiest to avoid. We are prone to make the defense of freedom a vested interest of Government, rather than a personal and deeply felt responsibility of each of us as individuals. Do not, I pray you, catch this fatal disease of apathy. It does not become a young heart. It does not become a young intellect. For apathy is a way of dying, not a way of living—throughout history it has been the suicide weapon of men who mistook freedom for a jewel that could never be stolen.

Stop with me for a moment to reflect on how your freedom came about. You accept it as a birthright—but ponder on how it was born. You didn't have to lift a finger for it—because young men before you—from Lexington through the centuries—whole generations of men your age, yes and even younger—bought freedom with their blood, and left thousands of unlived years on the battlefields of the world—so that we, you and I, might meet here today as free men and women, unchained, unbowed, unmastered.

Thus, the defense of human freedom is more than a challenge to you. It is a sacred and unending responsibility.

We must not wait until it is in jeopardy, or lost, to discover how priceless a gift we hold. For when it is lost, it is the young people like yourselves who must win it back. The youth of Hungary had to meet that historic test—and they met it with a heroism so magnificent, so memorable, that it touched the hearts of free men throughout the world. In other lands, still fresh in memory are the spontaneous marches against oppression—marches in freedom's name—and the marchers, the fighters, the victors, were in the flower of their youth—but old enough to know that nothing in this world is more worth fighting for than human dignity, than the right to think, to speak, to act as free men.

May you never, please God, be put to the test of regaining your lost freedom—but if there is one thought I would leave with you today it is this: Freedom is not an heirloom that is passed on automatically from one generation to another. It is rather a treasure left in trust—a treasure that is kept only so long as it is guarded—and it is best guarded when its irreplaceable value is burned into the hearts and minds of those in whose custody it is left.

There is one last challenge I would touch upon on this day you enter the world of your careers. It is the personal challenge that each of you must feel instinctively, and deeply—the challenge to make the most of your life, to realize to the full your talents and capabilities, to make those you love—and those you will love—proud of who you are and what you represent in their lives. I would counsel you sincerely, as you embark upon your careers, to think more of the giving of yourself than of the getting in terms of money. If you live your life on the gold standard—with everything calcu-

lated in salary return—you are missing the true and wonderful adventure of life—which is the growth of you as a person, not the growth of your bank deposits.

I do not suggest that you cultivate insecurity, but I would warn you against a too intense preoccupation with security. Life can be a dull and empty journey if your mind is on the destination rather than on the pleasure and excitement of the journey. Security is not the proper business of young people. Always consider it a fringe benefit of life, not an ultimate reason for diligence and dedication.

And I would counsel you to treasure above all else your personal dignity—the sense of yourself as a God-made individual, distinct, not identical, mindful that you wear nothing more precious than your name. Be zealous to conform, not to each new style in thought and taste, but to the inner compulsions of your own spirit and intellect, of your individual concept of the true, the good, and the beautiful.

Today, this moment, you hold your life-to-be in your hands. The true spending of it is not in the currency of days and years, but in the deeper, richer exchange of the offering of your talents, your energies, your gifts of heart, to making this a world that will be—because you have lived in it—a finer dwelling place for all humanity.

Onion Trading

EXTENSION OF REMARKS
OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 21, 1960

Mr. ANFUSO. Mr. Speaker, on August 28, 1958, a bill to abolish futures trading in onions was signed by President Eisenhower.

In November 1959, after court tests of the measure, futures trading in onions ceased on the Chicago Mercantile Exchange and on all other commodity exchanges.

The passage of the onion bill marked the first time in history that the Congress had enacted a measure to prohibit futures trading on an organized commodity exchange, although between 1880 and 1930 more than 200 bills were introduced.

When this matter was considered in the House on March 13, 1958, I stated that this measure helps no one, neither the farmer nor the consumer, and that it would be a mistake to pass it.

Many of the Members of Congress will remember the campaign against futures trading in onions. It was well organized and, at times, was so intensive in character that it became hysterical.

The principal complaint against futures trading in onions was that this trading depressed prices. It did little good to argue that onion prices always had been highly volatile in nature.

Nor did it curb the opponents of futures trading to point out that the per capita consumption of onions has not increased in the past 20 to 30 years. But since 1949 the production of onions has increased 35 percent more than the rise in population.

Nor did it avail to have oniongrowers tell the committees of Congress that they used futures trading to protect themselves from the unpredictable and drastic changes which frequently took place in onions.

One of the most articulate of these, Chester W. Kempley, onion producer of Montello, Wis., told the House Agriculture Committee:

> If the Congress approves a measure to end futures trading in this commodity, I will lose the privilege of insuring my crop against a possible decline in prices. I will have to assume the entire risk of those unforeseeable changes in price which affect most commodities. Since there is no Government floor for onion prices, I will be thrown to the wolves.
>
> With today's high fixed costs of production, hedging has become a most valuable privilege, the continuance of which could mean life or death to the grower. Without it, many of us could be wiped out by a couple of consecutive bad years.

The pleas of growers who used the exchanges to protect themselves made little impression. The chorus that low prices and price declines were the fault of futures trading rose higher and higher.

One argument against futures trading in onions was that the commodity was perishable and, therefore, not adaptable to trading. I never quite grasped this argument, but it was made.

During the hearings on the onion bill it developed that the only study conducted by the Department of Agriculture indicated that futures trading lessened price fluctuations and contributed to price stability in the commodity.

The survey was made by the Division of Agricultural Economics, Agricultural Marketing Service, USDA. The gist of it was contained in this statement:

> Price variability is best measured in short-time periods, such as month to month, or, if feasible, on a week-to-week basis. Of price variability data herein measured, the month-to-month changes in the cash price of onions in the 1930–40 period and 1947–55 period are probably the most valuable. This analysis showed that a significantly greater average month-to-month variation occurred in the 1930–40 period than in the 1947–55 period.

Once again, we went right ahead to outlaw futures trading—and do away with low prices in the onion industry.

What has happened since futures trading in onions ceased?

The aftermath has been some of the lowest prices in recent years.

It is evident that the solution for the troubles of the oniongrowers is not the abolition of futures trading.

Let me quote some of the prices since November by comparison with prices in other years:

Average monthly prices per hundredweight

Year	January	February	March	April	May	June	July	August	September	October	November	December	Season average price
1957	2.20	2.55	2.55	4.35	4.55	4.90	2.85	1.75	1.65	2.00	2.10	2.20	2.85
1958	2.45	3.10	5.00	5.50	2.65	2.50	2.45	2.20	2.30	2.50	2.70	3.25	3.39
1959	4.50	5.00	7.70	7.90	3.85	2.40	2.70	2.80	1.90	1.90	1.80	1.60	2.41
1960	1.50	1.30	1.60	2.50									

May prices are not yet available, but all indications are that they will be well below average prices for the month for the past 3 years.

In February, 1960, the Food Research Institute at Stanford University published a comprehensive study of futures trading in onions. The study is contained in the February bulletin of the Institute.

For those interested, I would advise that they get the February bulletin and study the article, "Price Effects of Futures Trading" by Holbrook Working.

Like the study by the Department of Agriculture, the Stanford study concludes that futures trading promotes price stability in onion prices, the inference being that such trading is in the interests of the producers.

We have then this aftermath of the action in banning futures trading in onions:

First. Extremely low onion prices, contradicting the primary argument relied upon in the campaign against trading.

Second. The power of the Congress has been employed to outlaw a legitimate business and one which, on the basis of the record, served a most useful purpose.

Third. The attention of the onion industry, and of those interested in its welfare, has been diverted from the real problems of the industry which must be dealt with on a practical basis if the situation of the onion producers is to be improved.

Fourth. The abolition of futures trading in onions has injured all commodity exchanges through a precedent which indicates that they are conducting their operations on sufferance.

Mr. Speaker, we live in a most dangerous period, a period when propaganda and agitation are weapons employed systematically and effectively against democracy and free enterprise.

This is all the more reason for us to keep our heads, to proceed on the basis of logic and reason rather than emotion and prejudice.

From one standpoint, abolition of futures trading was a minor matter, one with comparatively little effect. From another, it is disturbing and raises questions as to our own ability to conduct our affairs in an orderly, calm, and logical manner. We were, in my opinion, stampeded into an unwise act. This entire episode has some most disturbing implications.

I have heard it said that if the commodity exchanges had done away with abuses and had cooperated with the Congress and the onion growers, the abolition of futures trading in onions never would have taken place.

I do not defend abuses on the commodity exchanges any more than I defend abuses and excesses in any industry. But the remedy is not to kill the

business concerned; granted, of course, that the abuses can be eliminated.

I think we made a mistake when we killed futures trading in onions. I said so at the time. I think the developments since then prove I was right.

There is no equity in singling out futures trading in onions for death, while leaving futures trading in potatoes and in many other commodities untouched. All the arguments made against futures trading in onions can, for example, be made against trading in potatoes.

Yet today we deny the onion farmer the means of protecting himself through futures trading. We grant that protection to the potato farmer and other farmers whose products are traded in on the commodity exchanges.

Not that I advocate further action toward the abolition of futures trading. Quite the contrary. I think we should take steps to restore futures trading in onions. This is the way to correct a mistake and to undo a wrong.

Twentieth Anniversary of the Occupation of Baltic States

EXTENSION OF REMARKS

OF

HON. MICHAEL A. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 21, 1960

Mr. FEIGHAN. Mr. Speaker, on Sunday, June 12, 1960, it was my pleasure to address a large rally held at Ciurlionis Hall in Cleveland, commemorating the 20th anniversary of the Russian Communist takeover of the Baltic States. The chairman of this rally was Mr. Julius R. Smetona, who is the son of the last legal President of Lithuania. Much has happened during the 20 years of Russian occupation of the Baltic States. I felt the major events of this period should be examined in terms of whether or not they advanced the emancipation of Lithuania, Latvia, and Estonia from the yoke of Russian imperial communism. By so doing, I believe we can best evaluate national policy, past and present, and find the guideposts for our policy of the future.

Under leave obtained, I insert in the RECORD my address on the 20th anniversary of the occupation of Baltic States:

My Lithuanian-American friends, I deem it a privilege to be here with you today to play a part in this sad commemoration of the 20th anniversary of the Russian occupation of the Lithuanian, Latvian, and Estonian nations. This is the anniversary of one of the blackest chapters in the history of civilized mankind. It marks the days when the true colors of the Russian Communists were exposed for all to see, the days when the Russian imperialists were the happy allies of the tyrant Hitler. It also marks the days when the peace-loving people of the Baltic States were forced to accept, by treaty, peaceful coexistence with the Russians which turned out in reality to be military occupation. These long 20 years which have elapsed since have provided undisputed evidence of what the Russians mean by peaceful coexistence. Let us look, briefly, at the record of these past 20 years.

We see that all the Baltic States are still occupied by the Russian Communists. They are in these countries in violation of solemn treaties of peace and mutual understanding entered into between these countries and the U.S.S.R. They are not welcome. They remain there by military force alone.

We recall the brutal mass deportations carried out by the Russian Communists—deportations which violate the genocide code and shock the conscience of all mankind. Today loyal sons and daughters of Estonia, Latvia, and Lithuania are scattered throughout the Russian Empire against their will. Thousands and thousands have died at the hands of the Russian slave masters.

We remind the people of the world that these mass deportations were directed by none other than one General Serov, an NKVD specialist in crimes against humanity. This same General Serov is Czar Khrushchev's favorite executioner. He accompanied Khrushchev on his tour of London a few years ago, serving as chief of security for the Russian dictator and his entourage. Khrushchev selected him to succeed Beria as head of the dreaded MVD. These two are real buddies in crime, inseparable partners. This, by the way, is the same Khrushchev who was invited by President Eisenhower to be his guest in the United States.

We can never forget that the people of Lithuania, Latvia, and Estonia have been fighting these past 20 years to preserve their national identity, their rich Christian cultures, their historic values. These are the things the Russians have been attempting to destroy in their plan to make the people of these countries into Soviet peoples. We all know what they mean by Soviet people—they mean Russian Communists, people without love for their fellow man, people who live on hate, people who worship tyranny and despotism and reject all thoughts of God and the divine plan for mankind.

We are constantly reminded that the people of the Baltic States remain dedicated to human liberty, to freedom, and to the political ideals of the West. They are prepared to fight for the restoration of their national independence if the United States and its allies will take the political initiative against the Russian imperialists who are their oppressors. This spirit, this desire for liberty and national independence by these captive people constitutes a powerful deterrent to war. The Russians know that if they start a war the captive people will seize this opportunity to fall upon them, to destroy the chains which bind them to the empire, to dismember once and for all this empire of fear. This is a fact, an inescapable fact, of contemporary international political affairs. It is time the American people were awakened to this fact and the present administration in Washington did something to help keep this flame of freedom burning ever brighter.

This is the record of the past. Now what is the record we are going to make in the future? We have several choices as to the course of action we shall take. Let us look at them.

1. We can accept a status quo which the Russians have been attempting to force down the throats of free people. The Russians say that if we will recognize their empire of captive nations as final and unchangeable, they will not drive us out of free Berlin. They ask us to close our eyes to the genocide of nations going on behind the Iron Curtain. They ask us to join with them in killing the aspirations for freedom in the hearts of several hundred millions of non-Russian people. They ask us to turn our backs on our proven allies, the captive people, in return for which they promise not to throw us out of Berlin until they are ready for an all-out war against the free world. This, then, is the certain course to war and it must be publicly rejected by both political parties in the United States.

2. We can continue to engage in the Russian instigated plan of coexistence, as the present administration has been doing these past years. We are now censored to speak no evil against the Russian tyrants, which throttles the truth. We are admonished by Vice President NIXON to receive the arch criminal Khrushchev with courtesy and consideration. The Voice of America has been reduced to a faint whisper, daring not to even echo the call to freedom. We are speaking over the Voice of America to the people of many captive nations in the Russian language, the mother tongue of communism and the language of their oppressors. On all sides the caution is urged "Do not provoke the Russians"—which has come to mean moral and political paralysis for our Nation. The time has long passed when we should have stepped out of this Russian bear trap. We can be sure the people are going to demand a new administration this November, which will remove these chains from our national honor.

3. We can continue to allow our Nation to be dragged into and out of so-called summit conferences. This device is nothing but the stage for the "mirage of peace" which the present administration has attempted to foist upon the American people. Our people were thoroughly brainwashed into believing some good could come out of such propaganda exhibits. But the complete collapse of this ill-conceived balloon at Paris a few weeks ago has awakened the American people to the Disneyland in which our leaders have been living and into which these same leaders sought to entice them. Summit conferences and personal diplomacy with the Russians have been exposed as the road to appeasement and the road to appeasement is the course to war. The only way anyone can do business with the Russians is to concede to them all they demand—and this is peaceful surrender.

4. We can look honestly at the nature of the Russian Communist empire. If we do we will find the road to peace with justice and freedom. We will find that the empire is tottering, that the 70 million Russians cannot possibly hold it together much longer, that the several hundred million non-Russians in the empire—the people of all the captive nations—are anxious to work with us in bringing about the dismemberment of this unholy empire. If we take the time to look close enough we will find abundant evidence that a great political explosion is in the making, an internal explosion, an explosion caused by the powerful desire of enslaved people to be emancipated. Look what is happening again in Tibet, recall what happened in Turkestan a month ago, see what is now happening in Poland, remember what happened in Hungary and East Germany but a short time ago. This is the march of freedom, the march which our Nation must lead with courage and boldness.

This brings us to the Captive Nations Week observation under Public Law 86-90, which will take place this year from July 17 to 23. I am proud of the part I played in introducing this law in the House and in helping to bring about its enactment. This law forms the foundation for the foreign policy our country must pursue if we are going to win the struggle for a just and lasting peace.

Allow me to point out that 1 month from now the Democratic Party will hold its convention in Los Angeles. Immediately following the Republicans will gather in Chicago. Now I ask you—what are your plans for informing both parties of what you

believe our foreign policy toward the Russian Communists should be? Both parties are moved by what the electorate demands. This is the strength of our democratic system—it is the duty of informed citizens to make their demands known.

How should our country observe Captive Nations Week this year? This is my second question leading to citizen action. I have recommended to Mayor Celebrezze that he appoint a civic committee here in Cleveland to make certain we make the most of this opportunity. I am sure that all present here will want to play a part in the work of that committee.

If we do these things, not just once a year, but in spirit and dedication every day of the year, the record for the future will look much brighter and more hopeful than the record of the past. We must not wait another 20 years for Lithuania and her sister republics on the Baltic Sea to be free and independent. We must act now. This is my wish for the gallant people of Lithuania and all other nations behind the Russian Iron Curtain.

Address Delivered by Senator Bridges at FBI Commencement Exercises

EXTENSION OF REMARKS
OF
HON. KARL E. MUNDT
OF SOUTH DAKOTA
IN THE SENATE OF THE UNITED STATES
Tuesday, June 21, 1960

Mr. MUNDT. Mr. President, I ask unanimous consent that there may be inserted in the CONGRESSIONAL RECORD an address delivered by the Honorable STYLES BRIDGES, senior Senator from the State of New Hampshire, delivered at the commencement exercises of the Federal Bureau of Investigation, held in the city of Washington, D.C., on June 8, 1960.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY U.S. SENATOR STYLES BRIDGES, REPUBLICAN, OF NEW HAMPSHIRE, AT THE FBI COMMENCEMENT EXERCISES IN WASHINGTON, D.C., JUNE 8, 1960

Mr. Hoover, Mr. Justice Clark, Mr. Assistant Attorney General Morton, Mr. Bartley, distinguished guests, members of the graduating class and your friends and associates, it was just 14 years ago when I had the privilege of giving a commencement address here once before. It's good to be back. This year marks the 25th anniversary of this Academy, one of the very unique institutions in this Nation. Director J. Edgar Hoover is universally recognized today as one of our greatest living Americans—a man whose entire life has been devoted to the single ideal of service to his country without thought of self-interest or politics. His numerous contributions to more effective law enforcement are well known to all of you, but I regard the creation of this Academy, 25 years ago, almost as a stroke of genius and great credit must go to all his associates in the FBI organization and in the hard-working staff that conducts this Academy, who have prepared this course and who have made this Academy world renowned.

I am particularly proud of my own State of New Hampshire which now has 25 graduates from this academy and of Chief of Police Richard Flynn of Dover, N.H., who is a member of this graduating class.

Hundreds of thousands of young men and women are graduating at this time of year from colleges and universities. The great service academies at Annapolis, Colorado Springs, and West Point this month will graduate our future naval and military leaders in colorful and impressive ceremonies. The leaders of this country's continuous war against crime graduate from the FBI Academy twice a year. Actually, of course, this is really a sort of postgraduate course for all of you in forms of police administration and law enforcement as you are already qualified and trained professionals or you wouldn't be enrolled here. According to Director Hoover, our annual tribute to crime has now reached the incredible total of $22 billion per year. In this sense, crime does pay as it snatches $9 from our pockets for every dollar we donate to churches and religious work. In 1958 our population had increased a trifle less than 2 percent over 1957—but crime in this Nation jumped 9 percent.

According to the FBI figures, we now have a murder, forcible rape, or assault to kill committed in the United States every 4 minutes. Last year, some 271,000 automobiles were stolen and, as you have to deal with the problem of mounting crime, I am sure you are as deeply disturbed with the problem as I am.

We used to believe, you know, that crime was largely the product of poverty, of ignorance, of lack of schooling, of bad companions, and "bad home influence." Now some of our most shocking and senseless crimes are committed by youngsters from fairly good homes, some the very best homes, and the products of the best and most expensive educational system in the world. Some 800,000 youngsters under 18 years of age were arrested in 1958 for crimes other than traffic violations.

Obviously, 800,000 juveniles involved in crimes in one year could not all have come from "broken homes" or "underprivileged families." Most professional men in police work, I think, recognize that that source, at least, is not wholly the cause.

Testifying last February before a congressional subcommittee, Mr. Hoover stated that lewd films, indecent magazines, sensational yellow journalism, and lurid crime-inciting TV shows were in part responsible. Particularly those books, magazines, TV shows, films, and other media which glamorized and glorified criminals rather than the old-fashioned virtues which most of us knew in growing up in this country.

Adolescents naturally like to think they are grown up. So, it is not hard to understand why some of them should ape the manners and morals of what they conceive to be the sophisticated and the "smart" people. They little realize that these ultrasophisticates actually represent the wormy and rotten fruit on the tree of culture.

Just as sex deviates often fancy themselves a third and superior sex, so the intellectual decadent feels quite sure that he represents a new and sparkling elite. I draw a sharp line, of course, between the sex degenerate, who is a psychopathic problem, and the intellectual degenerate, who is harder to detect and expose. This whole problem, menacing our culture and our way of life, has been inadequately studied and reported.

Instead, we have seen that whole new development in this country of the so-called social scientists who tend to blame everything on society or the system instead of the individual responsible for the criminal or antisocial activity. Indeed, there is even a small segment of this new school of behavioral science, perhaps we should call them, prepared to argue there is no such thing as the criminal type. There are only misunderstood problem people.

Today, of course, everything is a problem—even such simple things as lawbreaking or gross breaches of the accepted moral codes. And needless to say, problems can only be studied and treated by specialists and experts. To these problem experts there are no criminals or bad actors—just maladjusted people. Their maladjustment, they say, is never the responsibility of the individual concerned or those who failed to bring him up properly—it is all the fault of organized society. It is as simple as that.

We often tend to go from one extreme to the other in our attempts to solve all the problems of life. Up to 60 or 70 years ago it was believed that severe punishment was the only answer to crime. Until recent times savage prison terms and often brutal treatment in many countries of the world were the answer to the punishment of crime. Today, the concept of crime has had a change. It is probably well known to most of you, but I want to observe that many of us feel that in dealing with crime the pendulum has swung too far the other way.

The Chessman case is probably a good example of the other extreme in giving a condemned, hardened criminal every advantage to be squeezed out of the law.

I am sure you are all familiar with the Mallory case. This was an extraordinary example of stretching the law to the breaking point through the use of a needle's eye technicality. The U.S. Supreme Court ordered the conviction of Mallory thrown out—even though he had admitted his guilt—on the technicality that he had been held for questioning a few hours longer than was considered proper before arraignment. Here we have a case where the Court was more concerned with correcting what it believed to be a minor abuse of police power than it was in seeing that justice was done in a major crime. So Mallory was freed and went on to Philadelphia where you know by the papers he recently allegedly committed the same crime.

Now in 1958 all forms of murder in the United States took 8,182 lives. There were 75,347 armed robberies and 679,000 burglaries. These are disturbing figures. But they are small indeed in comparison with the toll taken by the worldwide criminal conspiracy known as communism.

No accurate figure exists for the total number of human lives taken by Communists all over the world since the Bolshevik seizure of power in Russia in 1917. But it is generally estimated, and in my judgment the estimates are correct, as between 30 and 40 million human lives. Five million people perished alone in 1931 and 1932 as a result of Stalin's "liquidation" made possible by a manmade famine.

The horrible part of these Communist mass murders, dwarfing any others in history, is that they were ordered and carried out with complete detachment and in a spirit of absolute righteousness. These Communist massacres were not based on anger, hatred, or even blood lust—the most common reason for most murders. Communists murder entire classes of people and entire social groups solely on the grounds of what they believe to be "socialist hygiene." Their reasons are as impersonal as that of a cattleman or a farmer who reluctantly kills off some diseased cattle lest they infect and destroy the whole valuable herd.

As for the not-so-gentle art of robbery, here too the Communists make ordinary criminals appear softhearted. They never settle for just part of their belongings—they want to take everything as Mikoyan boasted to Castro recently in Cuba. Only in Communist terminology they use the word "expropriate"—it's nicer sounding than stealing or robbery because it comes from Latin.

I did not come here today to deliver another speech against communism. We've been denouncing communism and Communists in this country now over 40 years, and I'm sorry to say, in many instances, we still have an apathetic public. I mention communism today for two reasons. One, because communism and internal subversion will continue to be a big problem for law enforcement officials for some time to come in the future. This means your profession will have to devote considerable time and study to the ramifications of communism.

Let me remind you that some of the most authoritative information available on communism will be found in the congressional committee reports and hearings which you can obtain by writing your Senator or your Congressman or to the committees directly. You can also turn to Mr. Hoover's book, "Masters of Deceit," which should be a handbook for every well-informed police officer. May I also call your attention to a book written by the former chief of police of Salt Lake City who has published one of the best books on the subject entitled "The Naked Communist."

Almost everybody is against communism, but all too few of us fully understand the nature of the beast, and even fewer of us are prepared to do anything practical to expose and retard it from making further inroads in our society. Merely being against leprosy is not going to do much to stop the spread of that dread disease or to prevent others from contracting it. Communism has been aptly described as leprosy of the human soul. Or, if you prefer, the syphilis of the human intellect. It is most positively not the result of poverty and ignorance as so many well-meaning but badly informed people will still try to tell you today.

During 1947 and 1948 when the House Committee on Un-American Activities was holding its sensational hearings exposing Soviet atomic espionage in this country, a long list of witnesses took the fifth amendment, not only on the question of whether they were Communists, but also whether they had ever engaged in espionage. You can look the list over and you will find, with a few exceptions, that most of them were native-born Americans with exceptional scholastic records in some of the best schools and colleges in this country. That's a shocking thing.

One could also very easily draw up a long list of Americans of considerable wealth and fine educations who have been deeply involved in various other aspects of Communist subversive activity in this country.

Secondly, many leaders of the West still make the mistake of assuming that Communists think and act like normal human beings. They are bent on world domination and the creation of a world Soviet state, and anything they do is predicated solely on the single question—Does this advance the world revolution?

That is why I firmly believe that we are permitting ourselves to be boobytrapped over the so-called summit situation—fiasco, some people call it. Khrushchev knew in advance that Western unity could not be split at Paris. He knew he would get very little or nothing in the way of concessions. Why, then, go to Paris and waste time negotiating with people he despises anyway and have to come back and report to his people and the satellites over the world that he came back empty-handed?

He also knew that President Eisenhower had less than 8 more months to serve and that any agreements worked out with him might be rejected by his successor or the next administration. That is why he torpedoed the conference and said he would be ready to talk again in 6 to 8 months. The U–2 plane incident was made to order for his scuttling act, but had it not occurred, believe me, he would have forced a showdown over some other issue, and charged the West with bad faith anyway.

The lesson of history has been all too plainly written—you can't do business with Communists. It is high time we stopped kidding ourselves that through endless talks with Communist leaders we may be able to find mutual agreement and accommodation that they will keep. We may be able to find areas of mutual agreement sometimes, but if a maniac in your community threatens to kill you and your family and has demonstrated that he means what he says, having killed several people prior to that, what in the name of common sense would the object be of negotiating with him? You might be able to negotiate for a little more time. You might be able to negotiate the choice of the cemetery where you are going to be buried, but if he persists in threatening to kill you, the real area of any possible negotiation is practically nil.

You would be better advised to have him locked up and put out of circulation, or, failing that, to defend yourself to the utmost against any surprise or treacherous attack.

We learned to our cost that one could not do business with Hitler and the Nazis. Millions lost their lives, their countries, and their freedom as the result of chasing the will-o'-the-wisp hope that if only we tried hard enough and talked long enough, we might persuade that madman from his openly announced designs. Why anybody in his right mind and knowing the facts of history in this late day still believes and asks others to believe that somehow we can work out things with Khrushchev and the Communists is beyond me.

I understand that this academy has graduated close to 4,000 law enforcement officers in the past 25 years. I congratulate Director Hoover and his able staff on the fine work they have done. This postgraduate academy has been very effective. A Federal police force which some people advocate in this country would be a direct contradiction to the 10th amendment to the Constitution reserving to the States all rights and functions of Government not spelled out in the Constitution. It would also create a most undesirable precedent for further expansion and extension of Federal power into every community and village in this country. The manner and the way in which the FBI has conducted itself during the years of its existence are probably the best argument we have against some of the people in this country who have been trying from time to time to create a national policy system.

After some 300 years of local self-government, I think Americans have more than amply proven they can also police their own communities without Federal intervention, and I would be similarly doubtful about any other device directly trying to set up a Federal clearinghouse for local police information and records. I am not so sure that the Federal Government under the 10th amendment should be asked to act in this capacity for States and communities.

I know you have all profited from this course. I know you will go back to your own communities better equipped to face the mounting problems of crime and subversion. We face dark and uncertain days ahead as long as the men of the Kremlin and Peiping continue their plotting against the free world. This is a long-time proposition I point out to you, and may last during your entire lifetime. You may face this problem of outside and inside threats. You will be in the front lines on the home front, and you will need all the courage, all the intelligence, and all the fortitude you can muster. I am delighted to be with you on the occasion of this graduation, and I extend each and every one of you my best wishes and good luck in your chosen profession.

High School of Commerce, Springfield, Mass., Graduation Exercises, June 13, 1960

EXTENSION OF REMARKS
OF
HON. EDWARD P. BOLAND
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, June 21, 1960

Mr. BOLAND. Mr. Speaker, the High School of Commerce in Springfield, Mass., is one of the finest commercial secondary institutions in this country. It has contributed much to the well-being of its own locality and to the thousands of students that have passed through its doors. Founded and built in 1915, its function was to give special business training, development of punctuality, industry, self-reliance, and trustworthiness. Today, Commerce High prepares students for college, nursing, or business. Throughout its existence it has had a long list of dedicated teachers. The principals who have supervised the curriculum from its birth to the present day have been outstanding educators. Its record of accomplishment has added immeasurably to the excellent reputation that Springfield's school system enjoys throughout the Nation.

Mr. Speaker, it was my honor to be invited by Principal Philip A. Sweeney to deliver the address to the graduating class of 1960 of the High School of Commerce on June 13. Under unanimous consent, I include the address, program, and list of graduates as part of my remarks:

Your honor, Mayor O'Connor; chairman of the school committee, Mrs. Lynch; Superintendent of Schools McCook; Principal Sweeney; members of the faculty; President Dolan and members of the class of 1960; their parents, family, and friends, first let me express my gratitude for the invitation which makes possible my presence here this evening and the honor you pay me by the invitation to speak to you on this happy occasion.

When your principal and my friend, Mr. Sweeney, asked me, some time ago, to be your guest speaker, I felt then and I know now that my talents would not be equal to the task. For this is no ordinary, run-of-the-mill affair. Indeed, it is a movingly deep, significant event in the lives of all who are presented tonight to receive their diplomas. For the High School of Commerce class of 1960, it is the first time and the only time that it will experience this event.

For an occasion so important and for an event that so swells the emotions, it is not an easy task to put words together that will spell out momentous or lasting impressions. Perhaps this is not too important. It seems to me in a high school or any graduation, it is the awarding of the diplomas that pales everything else into insignificance.

But guest speakers are thrown in for good measure and they have become part and parcel of the graduation ritual.

When Eleanor Larson interviewed me for your fine high school paper, Commerce, I quizzed her on what I should talk about. A good newspaperwoman, she suggested that I talk about 5 minutes.

With a few minutes leeway, I have taken her advice. Too many years back to remember, in the very place you now sit, I sat,

with starched collar, tight shoes, and rented jacket. As with you, we had things to do and places to go before the day was ended. With us, and some of your parents will recall, it was Sam's Diner. Of course, that was before the days of house parties, Howard Johnson and Friendly with their three deckers and awful-awfuls.

Well, what counsel to give you or what wish to hold? As I look into your clean, fresh, beautiful faces, I can tell you what I wish. I wish I were 17 again.

For these, indeed, were and are the wonderful years. Teenage and high school. Rose-hued, fragrantly fresh, excitingly pleasant days. Always on the move but always moving forward in development and ability. I am sure that as you now pause and reflect, you are shocked by the rapidity with which your high schol days have raced by. As a matter of fact, it seems only yesterday that you were taken by hand of devoted parents to start in kindergarten or first grade. Surely, you can recall the untutored, self-taught answers of those days.

From those very first days, the educational process set in, and slowly, but steadily, you advanced in wisdom and learning.

And tonight you step across another threshold of life—you enter a new era and a new phase. Some of you will go on to business schools and colleges, others will find their place in the great field of nursing and public health, most of you will seek and find employment. But, for all of you, the scenery will change, the values of life will increase, responsibility will begin to grow heavier.

The rather carefree high school days will become a lovely memory. It will not now be so important to you that Frankie Avalon, Rickey Nelson, or Conway Twitty were replaced in the record race or hit tunes by Bobby Rydell, Bobby Darrin, or the Everly brothers.

Within a few years, you will be moving into legal maturity and adulthood. What the future has in store for each of you, it is impossible to foretell.

None of us doubt, for all of us know, that we are living in a marvelous, magnificent, ever-changing period. The fusion and fission of the atom—the incredible exploration of space—the miracles of aviation and electronics—the fantastic progress in medical research that portends the ultimate conquering of the diseases that afflict mankind—all of these you are now witnessing, and they have played or will play an important part in your future. For you, life itself will be longer and healthier than for any of the grown adults you now know. Life expectancy has jumped remarkably over the past 25 years. It will expand even more in the next 25. So, you have very, very many years ahead of you.

I am sure you are also aware that you are living in a dangerous, difficult period. That is why you have to continue to develop your character, your ability—whether through further college study or the practical education that comes through experience or self-study. It might very well be that, in your time, just as have your parents, you will be called upon to make sacrifices to keep freedom alive, the Nation strong and democracy safe.

There is something to an editorial I read the other day which said "Our age is likely the blackest and brightest in human history; the most destructive and the most creative; the most humanitarian and the most barbarous; the most pagan and the most religious. What direction the world takes tomorrow depends on the rising generation of today."

You are the rising generation. The future belongs to you. To meet its challenge, there is a need that you make a success of yourself—of your own personal life. I do not mean success which is measured by the material considerations of fame and personal gain—or the attainment of high place and prestige. But rather, that true success which is the crown of all those who honestly, earnestly, do their best and live the everyday, simple life with all that it involves in the practice of the commonplace duties of every day—that consists in the unselfishness of motive, the integrity of purpose, the passion for fairness.

No one else can purchase these attributes for you. The way can be pointed by training and loving parents. But the sort of a person you will make of yourself—how you will be regarded—whether people will admire and respect or despise you—all this is in your hands.

No matter where your lot may be cast, no power on earth can keep you from making a real person of yourself. Only you can choose the direction in which you will go. Every day you can say to yourself: Without capital, without influence—even in spite of the opposition of others, I can be true to myself. I can be a real woman or a real man and make my life a masterpiece. I am the only enemy I shall ever have. The only one who can wreck my personal career, keep me from being a success is the man or woman living inside my own skin. There is no destiny, no fate, that can ruin me. Under God, I am my own maker, my own destiny. "I am the master of my fate * * * the captain of my soul."

You have had a magnificent start to cope with the problems of the future. You have looked forward for years to this day—one of the crowning achievements of your young life. Your parents—self-sacrificing, devoted, loving—have toiled and lived for this day. For the part they have played in the success that is yours tonight, you can never repay. Teachers who have inspired and taught you and brought you to this moment are entitled to your gratitude.

This thanks and gratitude can best be expressed by doing the very best you can in whatever task is yours. By so doing, you will be a credit to Springfield's outstanding educational system, the High School of Commerce you love so much, to your devoted teachers, to your wonderful parents.

Yes, the future belongs to you. May God grant you the ability, the courage and the wisdom to face it with confidence and to meet it with unbounded success.

GRADUATION EXERCISES, HIGH SCHOOL OF COMMERCE, SPRINGFIELD, MASS., MONDAY, JUNE 13, 1960, AT 8 O'CLOCK, MUNICIPAL AUDITORIUM

PROGRAM

Organ Prelude: Prelude in F Minor, Bach; Folk Tune, Whitlock.

Processional: Pomp and Circumstance, Mr. LeRoy Hanson, organist, Elgar.

"Star-Spangled Banner," class, choir, chorus, and audience, Smith.

Invocation: The Lord's Prayer, High School of Commerce girls' choir, Walter D. Nickerson, director, Malotte.

Hymn of Praise, Mozart.

Three Wishes, Roff.

One World, O'Hara.

Greetings from the school committee, Mrs. Mary M. Lynch, chairman.

Address: "The High School Graduate's Responsibility for the Future," Hon. EDWARD P. BOLAND, U.S. Representative, Second District, Massachusetts.

Presentation of class for graduation, Philip A. Sweeney, principal.

Declaration of graduation, Dr. T. Joseph McCook, superintendent.

Awarding of diplomas, Hon. Thomas J. O'Connor, Jr., mayor.

In appreciation, Bert Dolan, president, class of 1960.

Benediction: The Lord Bless You and Keep You, choir, Lutkin.

Recessional: "Pomp and Circumstance," Elgar.

MEMBERS OF THE GRADUATING CLASS

Ann Marie Abair, Judith Carole Abbe, Carolyn A. Agen, Brenda Dawn Agnoli,[1] Sandra Ann Aiken, Marianne Ames, Dorothy R. Arabik, Grace Catherine Arillotta.

Amos Lee Bailey, Barrie R. Baker, Laura Mae Barry, Beverly Ann Barufaldi, Ruth D. Beaulieu,[1] Joan Becker, Marvin E. Becker, Lucille Ann Bedard, Carol Ann Begley, Richard Belden, Elizabeth Frances Bell, Joan-Ann Bell, Charles H. Bentley, Ida Marie Bernardes,[1] Rosemary Katherine Beturne, Roy Edward Beusee, Carole Ann Bianconi, Annalouise Almeda Bieard, Sandra Lee Bielecki, Dianne Marie Bisi,[1] Carol Ann Black, Rita Blaiz, Gail Patricia Blanchard, Sandra Joy Blanchard, Patricia Ann Bordeaux, Ann Ellen Borecki, Rosemarie May Borowik, Hazel Borrette, Elizabeth Borst, Rita Marie Bourcier, Maureen Rita Bourque Cherie Carmen Bousquet,[1] Judith Thurston Bradway, Karen Irene Brauns, Karen Ann Bressette, Robert H. Brosnon, Carole Ann Brown, James Edward Brown, Sandra Harriet Brown, Joanne Olive Brunt, Sandra Vicki Bryant, Margaret Ann Buchanan, Catherine Marie Buldrini, Geraldine Ann Burke, Carol Ann Burrell, Judith Ann Burt, Pamela Joan Butler.

Cecelia Ann Calabrese, Louis A. Calabrese, Mary Ellen Cameron, Rose Marie Theresa Casali, Jane Marie Caserio, Rosemary J. Cavanaugh, Frances June Champagne, Patricia Lee Chapin, Elaine Alice Choiniere, Nancy May Clark, Joanne Consolini, Eleanor Rose Ann Cote, John W. Coughlin, Jr. Annette Marie Cox, Barbara Joan Coyle, Geraldine Giles Cullen.

Joanne Marie D'Amato, Linda Daniele, Helen Anne Daubmann, Judith Ann Davignon, Dorothy Mary Delarm, Annette R. Demers, Gloria Ann DePalo, Theodore Paul Dernago, Jr., Irene B. Desmarais, Anna Isabelle DiNoia, Bert Dolan, Dennis Robert Donahue, Catherine Marie Donnellan, Joyce Beatrice Dorman, Rena Helen Douglas, Linda Ann Dressel, Barbara Ann Dunn, Irene Jeanne Duquette,[1] Carolyn Margaret Durkee, Martha Angela Dziura.[1]

M. Judith Edgerton, Pamela Mae Edwards,[1] Richard A. Elsoid, Sondra Anne Elim, Judith Ann Elms, Regina Mary Emirzian.

Anne Marie Falcone, Marilyn Ann Farina, Gloria Jeanne Yay, Carol Marini Fazio, Donna Lee Fett,[1] Marilyn Ruth Figarsky, Marie Louise Fiorentino, Frances E. Fisk, Edna Mae Fitzgerald, Esther Ida Flemister, Joyce Mary Flynn, Elaine Alice Forsyth,[1] Joyce Ann Fortini, Portia Mae Freeman, Gale Lnida Freyenhagen, Judith Barbara Friedman, Martha Miriam Froebel, Barbara Jean Fronzi.

Dennis R. Gagnon, Suzanne Theresa Gallagher, Gay Carol Gallerani, William Anthony Galletti, Bettyanne Doris Gardner, Catherine Theresa Garvey, Beverly Faith Geiger, Joyce Ann Gelineau, Rosalie Diane Gentile,[1] Peter Eugene George, Geraldine Frances Giancola, Adelaide Giupponi, Joan P. Goodnough, Carol Ann Gordon, Agnes Pauline Gore, Arlene F. Gouvan, Joan Marie Gouvan, Joyce Amelia Grant,[1] Carl Arthur Greene, Regina Grilli, Lorraine Eva Groulx, Jean Alma Grover, Carolyn Lois Grundstrom, Lois Evelyn Gurney.

Frank Halloran, Evelyn Ann Hanson,[1] Priscilla Mildred Hartmann, Juliette Ann Hebert,[1] Vivian Madeleine Hebert, Rachel Virginia Hewitt, Carol Irene Holman, Judith Elizabeth Holman, Barbara Ann Hooper, Sandra Mary Hovagimian, Joseph H. Hrycay, Paula Hurley.

Shirley Elizabeth Jackson, Marjorie Ann Jameson, Petronela Helen Jaszewski, Irene Anne Jodlowski, Carol Ann Jodoin, Donna Lee Jones,[1] Lisa F. Jones, Vernia Mae Jones.

Camille Ann Kaczowka, Barbara A. Kamuda, Anne Marie Kane, Dinah Kay Kaplinger,[1] Joanne Beverly Keane, Sandra Mary

[1] Honor students.

Keeley, Dennis F. Kimball, Gwendolyn Viola King, Emmanuel P. Kienakis, Portia Kienakis,[1] Beverly Ann Knaus, Robert G. Knox, Marie Elaine Koob, Victoria Jane Kucharski, Cathryn Ann Kudrikoff[1].

Gail Margaret LaBrode, Joyce E. LaCroix, Shirley Ann LaPine, Marie Ellen Larro, Eleanor Louise Larson, Carol Lauer, Linda Ruth Law, Janet Leddy, Kathleen Marie LeDuc,[1] Annette Celia Lemire, Elaine Ann LeMoine, Constance Ann Letourneau, William Spiros Leventis, Elizabeth Ann Lewis, Joyce Marilyn Lewis, Priscilla Elsa Lindquist, Maryann Frances Lipczak, Margaret Ann Lohan, Patricia Ann Loizzo, Angelina Marie Lombardi, Sandra Diane Marie Longhi, Sandra Anne Lopata, Angela R. Lore, Barbara Ann Los, Ann Lotito,[1] Richard Allen Luchini, Joan Luppi, Lucille Barbara Lussier, Elizabeth Anne Lyle, Joanne Lilla Lyman,[1] Charlotte Louise Lynch.

Linda Jane Macaulay, Carolyn Mamuska, Virginia Mantoni, Ann Shirley Marie Marino, Elaine Virginia Markham, Susan Mary Marren, Daniel Martin,[1] Donald G. Martin, Ruth H. Martin, Joyce A. Marucua,[1] Alberta Mason,[1] Diana Mastrangelo, Roger Mayhew, Judith Ann Mazza, Patricia J. Mazzie, Maxine Alma McCants, Dorothy Louise McCaskill, Cecelia May McCormick, Lenard G. McCoy, Patricia A. Mederian, Dorothy Ann Meissner, Patricia Gail Mellen, Janet Theresa Merola, Muriel Elizabeth Millette,[1] Elizabeth Ann Moline, Wendy Ann Moran, Judith Ann Moriarty, Kevin John Moriarty, Joanne Marcia Morin, Dorothy Morini, Theresa Mula.

Susan Eunice Nadelman, Jean Ann Nelson, Robert J. Newman, Gail Nicholson, Marilyn Claire Noel, Art W. Noren, Marilyn Ann Norris, Patricia Lee Norris.

Joanne Margaret Ober, Patricia Mary O'Connor, Christine Shirley O'Donnell, Elizabeth A. O'Donnell, Lynn O'Leary, Judith Ann Oliver, Carol Eivor Ottoson.

Patricia Ann Palozie, Soola G. Passidakis, Ann Marie Paul, Yvonne Mary Pelletier, Paul Penna, Madeline Rita Perrotta, Joyce Elaine Pierce, Thomas Adams Pietras, Joanne Pietras, Mary Pietroniro, Marlene Elena Pianzo, Elizabeth Jane Plourde, Arnold Podgorski, Mary Rita Poulos, Carol Ann Pratt, Donald Maurice Prifti, Edith Annie Prindle, Cherrie Lea Putnam, Patricia Merle Putnam, Theresa Carolyn Pyzik.

Frances Rae Quaggin.

Dorothy Joyce Richards, Marcia Claire Richards, Virginia May Richards,[1] Violet Eden Richardson, Marcia Faye Richmond, Judith Rose Rickson,[1] Louise Ellen Robbins, Judith M. Roberts, Emily E. Robinson, Bonnie Sue Roode, Teresa Donna Rourke, Frances Rozkuszka, Kathleen Mary Ruel.

Betty Ann Safarik, Carole M. Samble, Barbara Jean Sarage, Alice Ann Sares, Nancy Eleanor Savage, Joanne Carroll Savoy, Robert Louis Scott, Crystalou Sergides, Gloria Marie Serra, Norma Jean Sharpe, Ronald Edwin Shaw, Kathleen Mary Shea,[1] Patricia Gail Shea, Margaret Ruth Sheldon, Patricia A. Sherman, Patricia A. Siano, Charles F. Simard, Gary Lee Small, Carolyn Janet Smith, Elizabeth Ann Marie Smith, Gloria Mary Smith, Mary Ann Smith, Sandra Faye Smith, Barbara Elaine Snyder, Beverly Ann Snyder, Eleanor H. Soja, Nancy Ann Spagnoli, Gene Spencer, N. Lesly Spry, Joan V. Stabile, Ann Marie Steiger, Carol-Ann Filomina Stella, Ruth E. Sterner, Margaret M. Stewart, Sarah L. Stovall, Barbara Joyce Streeter,[1] Elizabeth Louise Stuart, Barbara Lee Sturtevant, Barbara Jean Sullivan, Joan Margaret Sullivan, Lillian Sullivan, Rosalie Sutton, Carol Jean Swiattouski.

Diane Marie Talbot, Carol Marie Tamkovich, Judy Ann Taverner, Elizabeth Jeanne Taylor, Patricia Ann Teel, Katherine Mary Theocles, Cynthia Sue Theroux, Ruth E. Therrien, Edward B. Thomas, Grace Margaret A. Thomas, Paige Ann Thompson, Marilyn Anne Till, Ann Marie Tranghese,[1] Doris Charlotte Treat, Barbara Ann Treia, Janet Marian Tremblay, Arline May Trombley, Judith Mary Tunstall, Joyce Jeanne Turcotte.

Beverly Jean Vaz, Shirley Rose Veratti,[1] Yvonne Marie Vermette, Richard Verville, Judith Ann Vignone, Shirley Rosalie Villeneuve, Louis Anthony ViVenzio, Jr., James Charles Voltz, Patricia Bertha Vyskocil.[1]

James Curtis Wadleigh, Judith Alden Wadsworth,[1] Lynn Irene Watson,[1] Joan Ann Wdowiak, Beverly Jean Webster, Mary Anne Whatley, Barbara Jean White, Lillian White, Pauline White, Linda Anne Wiley, Barbara J. Williams, Frances M. Williams, Bonnie Leah Wills,[1] Elizabeth Mary Wilson, Eugenie Wisiolek,[1] Sandra Anna Wojcik, Patricia B. Wondolowski, Edward Francis Woods, Alan Cleaves Wright, Thomas E. Wright, Patricia Ann Wyman.[1]

Gloria Jean Yando, Carol Mae York.

Carolyn Zawrotny, Virginia Zucco.

[1] Honor students.

Will We Point With Pride?

EXTENSION OF REMARKS

OF

HON. GORDON H. SCHERER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 21, 1960

Mr. SCHERER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech:

WILL WE POINT WITH PRIDE?

(Speech by GORDON H. SCHERER, Republican, Ohio, at Convention of National Society of Professional Engineers, Boston, Mass., June 10, 1960)

When President Eisenhower took over in 1953, he decided that a new and dynamic highway program had to be brought into being to break the traffic bottlenecks and snarls that were slowly but surely strangling a large segment of the American economy. He decided that our outmoded and deteriorated highway system had to be rebuilt in the shortest possible time to reduce the tremendous loss in life and property which was increasing at an alarming rate.

Those of us on the Roads Subcommittee in the Congress, who in 1954 began the formulation of legislation to make the President's program a reality at first had no conception of the magnitude of the undertaking, even though we knew that we were embarking on the biggest public works program in the history of the world. We had only a faint glimmer of the difficult and complex problems which would be encountered in the planning and construction of this highway system.

We get some idea of the magnitude of this program when we realize that, if we could have a public works program which would combine the Panama Canal, the Grand Coulee Dam, and the St. Lawrence Seaway into one tremendous construction project, and then multiply it 35 times, we would have the equivalent of this highway construction program I am talking about today.

This highway effort which is now under serious attack from various quarters contains some new, basic, and sound provisions and principles. If we lose our perspective, some of these landmark provisions of the act are going to fail. You men of the engineering profession should be in the frontline of the fight not only because of your own personal interests but also because the basic concepts and principles established in the 1956 Highway Act conform to the general ethics which are a guide to the engineering profession.

Let's take a brief look at the four benchmarks of this historic legislation.

The 1956 act for the first time provided that highways should be built and the money spent where the need exists, where the roads would do the most good for the general public, where they would relieve the terrible traffic congestion which is adversely affecting our whole economy, where they would cut the terrific accident and death toll. In support of this principle, the 1956 act, insofar as the Interstate System is concerned, did away with the old pork-barrel formulas for distributing funds and specifically provided that the money should be spent where the need exists.

Let us move on to a second, basic principle enunciated by the 1956 act. For more than two decades the Federal Government has been going deeper and deeper into debt. During practically all of these years we have had unbalanced budgets and have engaged in deficit financing, thereby feeding and accelerating the ruinous fires of inflation which have devalued Uncle Sam's dollar all over the world and increased the cost of everything we buy and sell.

In the 1956 Highway Act we finally decided to pay for this tremendous public works program as we built it and not pass the cost on to our children.

Third, we provided that the beneficiaries and users of these highways should pay for them in proportion to the use and benefits derived. I, for one, recognize that we must reexamine—and we will—whether or not those who are now classed as users and beneficiaries are paying fairly in accordance with this principle. We must also decide whether or not the tax base should be broadened to include others who may be beneficiaries of this program but are presently contributing nothing to the highway trust fund.

Prior to the passage of the 1956 act the highway program went along on a sort of hit-or-miss plan. Congress appropriated funds every 2 years. The States, highway engineers, contractors, and suppliers were never certain as to the amounts that would be available. There could be no planning ahead. In the 1956 act, as I have said, we provided for a 13- to 16-year construction and financing program. We thought we could complete the entire job in that time. Thus the States, highway engineers, contractors, and others could plan a well-integrated program. They could safely expand their organizations to do the job.

Some will say: "Well, SCHERER, if these are such fine and sound principles, why are we now facing such a crisis in this highway program? Why all the bitter and unpleasant controversy?" Let me tell you.

During the hearings on the 1956 act we were told by the experts that the 40,000-mile Interstate System would cost $27 billion to build. Today we know that, in order to complete the Interstate System as now contemplated, it will cost $40 billion or more. Of course, the cost of the ABC System has increased in almost the same proportion.

Why almost a 50 percent increase in a 4-year period? Who goofed? Let me tell you five things that happened which put us in this precarious financial condition.

You will recall that sufficient revenues were provided for the trust fund over the 16-year period to pay the estimated cost of this program. Here's what happened.

1. The trust fund absorbed, as was not contemplated, approximately $1.5 billion of highway obligations due and owing on the effective date of the 1956 act.

2. In 1958 Congress, particularly the Senate, got the recession jitters and provided in the 1958 act for an acceleration of the road program by $1.6 billion. This was done without providing the revenue for the trust fund to meet this increased cost.

3. The Senate also added 1,000 miles to the 40,000-mile Interstate System. These are

often called political miles. Again, no revenues were provided for the trust fund to pay for this additional mileage.

4. Highway standards and requirements were increased to take care of some local needs. Standards had to be increased because, like our population, there was an unexpected and unforeseen increase in motor vehicles. Even since 1956 motor vehicle use on our highways had increased at a far greater rate than was predicted by the experts just 3 years ago.

5. The original estimates of cost on which the 1956 act was based were made rather hurriedly by the State highway departments in 1954. There were some miscalculations. From 1954 to 1958 construction costs and right-of-way acquisitions increased by about 12 percent because of inflation.

We can now understand why on July 1, 1959, almost $500 million then due the States for obligations already incurred could not be paid. We can now understand why the apportionment of the $2.5 billion provided for fiscal year 1961 could not be made, and why this July only a token apportionment of the $2.2 billion for fiscal year 1962 could have been made.

It was apparent on January 1, 1959, and to some of us sooner, that the trust fund was busted. The President immediately asked for an additional 1½-cent increase in the Federal gas tax in order to meet the crisis. This would have made up the deficiency.

The Congress faced three alternatives: pass the 1½-cent gas tax increase; stop the road program for a little over 2 years, which, of course, would have been disastrous for the country and for those industries which had expanded their organizations at the request of the Congress to accomplish this mammoth highway construction job; or, third, borrow the money and go further into debt with all of the attendant evils which I have pointed out resulting.

The majority in the Congress dawdled and politicked for 9 months while the road program started slowly to grind to a halt. Finally in September of last year they provided a 1 cent gas tax increase for 21 months. The balance was provided by deficit financing as a result of diversions from the general fund. Of course, the total amount provided for 1960–61 was far short of the moneys contemplated to be spent under the construction levels provided in the 1956 act. The interstate construction levels for these 2 years have had to be cut back between 20 and 25 percent.

Now there are a lot of people in the United States who either through ignorance or politically motivated, are blaming the administration or the Bureau of Public Roads for these cutbacks, for the so-called contract controls that have had to be put into effect.

This is pure and unadulterated nonsense. The responsibility lies with the Congress for not providing the necessary funds. Furthermore, the Congress enacted the so-called Byrd amendment which in effect says that the Bureau of Public Roads cannot approve contracts unless there will be sufficient money in the trust fund to pay the Federal Government's share when the States present their bills for reimbursement.

Now while we have had a cutback for these 2 years, I feel confident that this program will be straightened out, that it will go forward as contemplated in the 1956 Highway Act. As you know, there are two reports called for by the 1956 act. These will be before our committee next year. These reports, resulting from exhaustive, scientific studies, will enable us to determine the many highly controversial questions that have temporarily stymied the program.

Here is what these two reports will tell us:

1. Should the tax base for the trust fund be broadened to include other than highway users who may receive benefits from our modern highways, such as adjoining landowners, Department of Defense, and so forth?

2. What effect do various vehicles have on the highways and the life thereof, and what standards and costs of construction are made necessary to carry and support the different sizes and weights of vehicles?

3. What is the fair and equitable share of the taxes or charges that each class of highway users should pay?

4. What will be the actual cost of completing the Interstate System?

5. Are highway users paying too much or too little of the cost of building and maintaining highways?

6. Are commercial vehicles paying too much or too little compared to passenger cars?

7. Should standards of construction, right-of-way widths, etc., be increased or decreased?

8. Is the Interstate or ABC System being discriminated against?

9. Should the formula of sharing costs between the States and the Federal Government be changed?

Now you have seen what has happened and what can and in all probability will be done to get this program back on schedule. In the meantime, unfortunately, when the funds ran out, when the construction program had to be curtailed for the reasons I have shown, there were some people, both in and out of Congress, who panicked. There were others who wanted to and did make political hay out of the highway crisis.

They looked for scapegoats. The Bureau of Public Roads and State highway departments became the chief whipping boys and so did private consulting engineers. In the short space of a few weeks we developed an amazing number of sidewalk highway engineers and experts on road legislation.

The country was led to believe from the way some people talked that the depleted condition of the trust fund was due to the fact that the highway engineers and others had gone hog wild with the people's money.

Charges of waste, inefficiency, and even fraud in the administration of the highway program were hurled about with some abandon. State highway departments were repeatedly accused of squandering money on the Interstate System because the Federal Government was paying 90 percent of the cost. It was argued that by raising the State's contribution to the Interstate System, this waste could be stopped.

Now I would be the last to say that in a program of this size, the biggest public works program in the history of the world, one encompassing the whole United States, one involving millions of people, both in government and in private industry, you are not going to have some mistakes, inefficiency, waste, and even fraud.

In speech after speech, as far back as in 1956, I discussed at length the necessity of guarding against waste, graft, and fraud in a program such as this. I pointed out the necessity of having a committee maintain constant surveillance over this program in order to keep these incidents at a minimum.

What some of us wanted was a committee which realized that in a program of this magnitude there was bound to be negligence, fraud, and graft, but a committee that would keep these incidents in proper perspective with the entire program.

We did not want a politically inspired committee which would leave the public with the impression that the whole program was fraught with waste, inefficiency, and fraud. We wanted a fair comparison between the deficiencies in the program and the magnitude of its accomplishments.

We did not want the public misled by charges of wholesale overdesigning, frills, excessively wide rights-of-way, and unconscionable engineering costs unless and until such wholesale charges were proved by competent evidence.

As you know, there was eventually appointed a Special Highway Investigating Committee. Whether we got the type of committee that was wanted only time will tell. I have been highly critical of some phases of this committee because of the political connotations attached to its organizational makeup and some of its activities.

The committee recently completed hearings in connection with the construction of a bypass around Tulsa, Okla. These hearings were an elaboration of a local grand jury investigation which had returned a series of indictments for fraud in connection with the building of this bypass. Both the grand jury investigation and the hearings revealed evidence of gross fraud and chicanery.

Employees of the State highway department, some of them inspectors and engineers, readily admitted that they had engaged in various fraudulent practices. Their conduct was certainly reprehensible, not only insofar as this particular job was concerned, but also because it gave to those who were seeking headlines and wanting to discredit the road program the opportunity to throw an ominous shadow over this great construction effort. For this reason their acts were more reprehensible.

There is no question but that the conduct of these people in Oklahoma weakened the confidence of the public in this great highway effort and hurt it badly.

Frankly, as I have indicated, this is not only a vitally needed construction program in which we are engaged, but to date it has been a highly successful one. We can point with pride to hundreds of fine accomplishments resulting from the competent and dedicated service of the men in the Bureau of Public Roads—headed by that excellent administrator, Bert Tallamy, and his assistants, Frank Turner and Ellis Armstrong—the fine service of the overwhelming number of State highway engineers and their staffs, and of you men in the private engineering organizations.

This unfortunate fiasco in Oklahoma should be a lesson to all of us that we must be extremely careful and scrupulously honest in every phase of this program; that, like Caesar's wife, we must even be above suspicion, because there are always those who for political considerations or otherwise are willing to tear down at the slightest pretext. Unless we follow this course, we can discredit and bring about a dangerous curtailment of this highway construction program. This will be a disservice to the Nation and certainly a disservice to those whose business it is to build highways.

Now let me pass for a minute to another and a little brighter note. All of us are aware of the fact that, as the result of the shortage of money in the trust fund and the charges of frills and overdesign, the Bragdon staff at the White House was about to make recommendations that the Interstate System in urban areas be substantially cut back. The adoption of such a policy would have been a serious mistake. I feel certain that such a policy and such a course have now been averted. But all of us who are interested in highways must keep on top of the efforts that will continue to be made by some to cut back on standards and design.

Let's be sure that such a mistake is never made.

Remember we are building these roads so that, when they are completed about 1975, they will be able to handle 1975 traffic. Traffic like our population is now increasing at a rate far exceeding that predicted by the experts just 4 years ago. We need to build permanence into the new highways to protect this multibillion dollar investment from becoming obsolete at the very moment it is completed.

In the years past the most crucial failure in highway construction has been to underestimate traffic, the potential of the automobile, and the urgent need for sufficient highway capacity. We must realize that, if we cannot buy rights-of-way adequate for future widening, we do not have the correct location. As Charles Noble, the former Ohio highway director, said: "We must not allow today's desires and pressures to blind us to tomorrow's needs."

In the Wall Street Journal, we find this quote which pretty well answers the question as to what constitutes real waste: "Some of these plans may look too big for their britches in 1959, but they will fit just right in 1979. It does not make sense to build something new and then have to rebuild it in 10 years. That is real waste."

Before concluding, I want to discuss briefly the problem with which you here today are most vitally concerned, namely, the use of private professional engineers by Government agencies in the construction of public works.

As I have previously pointed out, when it was found that this great highway program which had started with so much promise was grinding slowly to a halt because of the lack of money in the trust fund, some people began to look for scapegoats, either to excuse their own failures to act or to make dramatic headlines. One of the principal charges was that the Interstate System was overdesigned; that the rights-of-way were too wide, and the interchanges too complex; and that the entire highway layout was adorned with too many frills. It was then that the roof fell in on you consulting engineers and you wondered who had kicked away the supports.

Well, I will tell you. These charges of overdesign were the answer to the professional bureaucrats' prayer, the boys who believe in bigger and bigger Government and the paternalistic, all-powerful state. For quite some time these professionals have been attempting to build up and expand the engineering departments of the Federal Government. This is the very nature of the bureaucracy with which we are plagued in this country and, believe me, it is not confined to one department, one agency, or one field of activity.

You private engineers should not get too chesty and feel that you are the only segment of private enterprise that is constantly being given the bum's rush by the professional bureaucrats and politicians who believe that the Great White Father in Washington knows best. This charge of overdesigning gave these boys the club they have been looking for to knock you completely out of Government work. So you were charged with overdesigning and overbuilding so that your percentage cut for engineering services would be higher.

Now, as I have indicated, with a program of this magnitude, in all probability we will find occasionally where this charge can be justified. You have some bad apples in the engineering profession, the same as we find in other professions, in business, in labor, and in Government—but not quite as many proportionately. However, we cannot tar the entire engineering profession or let the bureaucrats get away with it because of a few bad boys. But, believe me, they are trying.

To say that the taxpayer will save money by having the various agencies of the Federal and State Governments set up huge staffs and bureaus to perform all of the engineering services required by Government for all of its public works programs, including highways, is plain, unadulterated nonsense. I have been around Washington just long enough to know that, whenever it is possible to have private enterprise perform a service, it is done more economically and more efficiently than when Government tries its hand.

Let me give you the prize example. As you know, during the 8 years I have been in Congress, I have been a member of the Committee on Public Works. I have heard the liberals, the spenders, the proponents of big Government and the welfare state, use TVA as an example or yardstick of a successful Government operation. Every time the proponents and operators of the Tennessee Valley Authority come before our committee, they go back to the valley with their arms in slings from patting themselves on the back for their accomplishments.

I am no engineer, I am no businessman, just an ordinary lawyer, but if I could not operate an enterprise successfully if the Government gave me all the money to start the business, provided additional amounts when I needed to expand it, and did not require me to pay any income taxes, my parents ought to disown me.

Now why do I mention TVA? Simply because it is the best illustration of the point I want to make. Of all the Government agencies, TVA is the only one that has its own fully staffed, engineering department and never uses private consulting engineers in any way. You guessed it—it is at the head of the class—it takes first prize as having the highest engineering costs of all governmental agencies for the type of engineering services required. Need I go further?

The Atomic Energy Commission which has only a skeleton engineering staff of its own to make preliminary studies and to supervise the Commission's construction projects, makes the greatest use of private consulting engineers. According to the Hoover Commission task force report, its engineering costs are 5.23 percent which are the lowest of any Government agency. It is significant that those agencies which make the least use of private engineering organizations have the highest costs, some running as high as 17 percent. In fact, the engineering costs of agencies increase in proportion to the lesser use they make of the services of private engineers.

And don't let those who are crying crocodile tears and looking for whipping boys because of the increased costs of the highway program tell you that it is different when it comes to highway engineering services. The companies and organizations which built most of our toll roads with private capital have used the highest standards of highway construction because they want to be able to handle the tremendously increased traffic loads in the next 5, 10, and 15 years. The toll road people, to be able to pay off their bondholders, had to keep their costs at a minimum. All the engineering work on these toll roads was done by private consulting engineers. These costs, as you know, averaged approximately 8.79 percent. This is considerably lower than the engineering costs for any publicly constructed highways. By contrast, the State of California which has a fine highway engineering department, and does all of its own highway engineering services has a comparable cost of 24.1 percent.

Now don't get me wrong. The various highway departments of the several States are excellent organizations headed by competent and dedicated men who are doing an outstanding job in getting this mammoth highway program under way. To their credit they have used, particularly in urban areas where the design is unusually complex, consulting engineering firms. It is not the fault of these men if their costs are higher.

This always happens, as I have pointed out, when Government performs a service. It is the very nature of bureaucracy. It is the result of the way Government works, the result of political and other pressures, and the fact that the department does not have to make a profit or pay taxes as do your private organizations.

There are peaks and valleys, as we all know, in highway construction. We had a cogent example last year when the highway program ground almost to a halt because Congress dawdled and politicked and for 9 months failed to provide the necessary moneys for the depleted trust fund. A great big valley resulted which hurt everyone connected with the highway program. The contractors and engineers who had expanded their organizations and invested large sums of money, some through borrowing, in order to meet this great construction challenge, were left sitting, holding the bag because of the dropoff in awarding contracts they had been promised by the 1956 act.

As I have said, there are peaks and valleys in this game. When a State highway department builds up an organization of sufficient magnitude to take care of the engineering services that are so vitally needed during the peaks, then it has a lot of people sitting around, twiddling their thumbs during the valleys. This costs money—this is waste—and it is not the fault of the State highway engineer if the professional politicians want that kind of operation and adopt that kind of a policy.

In contrast, the private consulting engineer during the off seasons has his organization geared to perform a dozen different types of engineering services not only for other agencies of Government but also for the great private industrial empire in this country.

I am aware of the fact that the General Accounting Office of the Government, which is not entirely free from the attitude of the professional bureaucrats I have been talking about, last year complained about the use of private consulting engineers on the highway program and blamed some of the increase in costs on their use. Now, as I have said, you are going to find an occasional instance where they will be able to substantiate that charge, but I will bet my last dollar that on the thousands and thousands of highway projects, this charge will not stand and that the very opposite is true. In fact, if you read GAO's report carefully, you see that it makes the general charge without substantiating it by competent evidence or reasonable arguments.

Let's look at a few of the excerpts from the report and findings of the task force of the Hoover Commission on this very subject. We find this language:

"The Atomic Energy Commission has the most efficient design and construction procedures of all Government agencies. AEC takes full advantage of the services of private architect-engineer and construction organizations by contracting all phases of its design and construction work. Its small technical staff is engaged in preparation of preliminary plans and budgets and in the supervisory control normally exercised by a client employing an architect-engineering firm.

"If other Federal agencies could attain the operating efficiency of the AEC, the savings to Government in just the cost of design and supervision of construction, on the basis of present volume of business, would be more than $100 million annually."

In another part of its report, we find this language:

"The Tennessee Valley Authority is the only Federal organization of the eight under consideration which does not use the services of private engineering-construction organizations. Its costs for engineering and construction services are abnormally high."

Finally, the Hoover task force makes this recommendation:

"That the Federal design and construction organizations retain in their own organizations only the personnel required for preliminary study, preplanning and budgeting, and essential supervisory management and control, and that they contract to private architect-engineering and construction firms design and supervision of construc-

tion to the maximum extent consistent with national security."

In spite of the findings and recommendations of the Hoover Commission, you are going to have an increasing demand for bigger and bigger engineering departments and for the elimination of private engineering services in Government work. The only way to stop this assault on this particular segment of the private enterprise system is to bring about an informed public opinion through an educational process.

This special Highway Investigating Committee, of which I am a minority member, is going to investigate private engineering costs. I assure you there is a lot of preconceived sentiment for the reduction or elimination of private consultants in highway work. Of course, they will overlook that section of the Highway Act which says:

"It is declared to be in the national interest to encourage and develop the actual and potential capacity of small business and to utilize this important segment of our economy to the fullest practicable extent in construction of the Federal highway systems, including the Interstate System. In order to carry out that intent and encourage full and free competition, the Secretary should assist, insofar as feasible, small business enterprises in obtaining contracts in connection with the prosecution of the highway program."

We must insist that before any action is taken, an unbiased study be made of highway construction engineering costs by both Government agencies and by private engineering companies. In other words, the Hoover task force report made in 1955 must be brought up to date. I myself have no doubt as to the outcome of an impartial survey, especially if there is taken into consideration the fact that the private organizations pay taxes back to the Federal Government on whatever profit they make.

SENATE

WEDNESDAY, JUNE 22, 1960

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou who art from everlasting to everlasting: We come conscious of the cloud of witnesses no longer here in the flesh, but who look down upon this Chamber where vital questions challenge the best in mind and heart.

We pray that those who, in this tense day, bear the responsibilities of public office may serve in the spirit of the great legislators and liberators of the past.

May the final enactments which emerge be the true expression of the fairer ideals of brotherhood and freedom which now are seeking their incarnation in a new age.

Grant that the servants of the state may feel ever more deeply that my diversion for private ends of the powers with which the people have entrusted them is a betrayal of the Nation.

In the red glare of the titanic battle now engulfing the earth in a war against Thy supreme sovereignty and against the rights of the individual man, may those who speak or write from any pedestal of influence, scorning party cunning, unite to breathe a new dedication to the things of the spirit which alone have made our America the hope of the world. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 21, 1960, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 2384. An act for the relief of Tommy Tadayoshi Shuto (Tadayoshi Takeda);

S. 2740. An act for the relief of Julia Sukkar; and

S. 2969. An act to authorize the award posthumously of appropriate medals to Chaplain George L. Fox, Chaplain Alexander D. Goode, Chaplain Clark V. Poling, and Chaplain John P. Washington.

The message also announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 1765. An act to authorize and direct the Treasury to cause the vessel *Edith Q.*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with full coastwise privileges;

S. 2941. An act for the relief of Mrs. Ming-Chen Hsu (nee Nai-Fu Mo); and

S. 2967. An act for the relief of Huan-pin Tso.

The message further announced that the House had agreed to the amendments of the Senate to each of the following bills of the House:

H.R. 6479. An act to provide for the conveyance of certain real property of the United States to the village of Highland Falls, N.Y.; and

H.R. 8241. An act to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 103) favoring the suspension of deportation in the cases of certain aliens, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1422. An act for the relief of Alessandro Maraessa;

H.R. 1526. An act for the relief of F. P. Tower, Lillie B. Lewis, the estate of Manuel Branco, John Santos Carinhas, Joaquin Gomez Carinhas, and Manuel Jesus Carinhas;

H.R. 1588. An act for the relief of Julius F. Steinhoff;

H.R. 1643. An act for the relief of Francesco Carozza;

H.R. 1671. An act for the relief of Hans E. T. Hansen;

H.R. 1681. An act for the relief of Maurice Devlin;

H.R. 2117. An act for the relief of Ireneo D. Brodit and Antonio D. Brodit;

H.R. 2124. An act for the relief of Mrs. Teruko Teri Miyamoto (nee Ikeda);

H.R. 2584. An act for the relief of Gourgen H. Assaturian;

H.R. 2705. An act for the relief of Bernardo Paternostro;

H.R. 2716. An act for the relief of Miss Elisabeth Hollander;

H.R. 2944. An act for the relief of Luciano Di Franco;

H.R. 3534. An act for the relief of Epifanio Trupiano;

H.R. 3536. An act for the relief of Guadalupe Villarreal, Jr.;

H.R. 3800. An act for the relief of Mrs. Maud A. Provoost;

H.R. 3804. An act for the relief of Rosolina Ciuferri;

H.R. 4236. An act for the relief of Mah Quock;

H.R. 4555. An act for the relief of Anatolijs Janitis;

H.R. 4835. An act for the relief of Milton S. Koblitz;

H.R. 4970. An act for the relief of Haralambos Groutas;

H.R. 4981. An act for the relief of Mina and Henek Sznaider;

H.R. 5647. An act for the relief of Wong Gee Sing;

H.R. 6338. An act for the relief of Miss Hedwig Dora;

H.R. 6804. An act for the relief of Mary Elizabeth Tighe Crespo;

H.R. 7425. An act for the relief of Mrs. Humiko Ross;

H.R. 7551. An act for the relief of Hubert O. Beckles;

H.R. 7854. An act to provide tax relief to the annuity fund of the electrical switchboard and panelboard manufacturing industry of New York City and the contributors thereto;

H.R. 7877. An act for the relief of Vladislav Fotich;

H.R. 8054. An act for the relief of William Edgar Weaver;

H.R. 8253. An act for the relief of Pierre R. DeBroux;

H.R. 8384. An act for the relief of Otto Small;

H.R. 8882. An act for the relief of John Calvin Taylor;

H.R. 8989. An act for the relief of Ralph W. Anderson;

H.R. 9042. An act for the relief of Anna Semechole Marcolina;

H.R. 9079. An act for the relief of William Radkovich Co., Inc.;

H.R. 9432. An act for the relief of Maj. Edmund T. Coppinger;

H.R. 9610. An act for the relief of Sister Frances Cabrini (Virginia Bilbao);

H.R. 9648. An act for the relief of Mrs. Elizabeth Fowler;

H.R. 9913. An act for the relief of Lt. Matthew A. Wojdak, U.S. Navy (retired);

H.R. 9958. An act for the relief of Brooklyn Steel Warehouse Co.;

H.R. 9960. An act for the relief of Dr. Tze I. Chiang;

H.R. 10002. An act for the relief of Ida Exle (nee Ida Sterio);

H.R. 10376. An act for the relief of Adolf B. Jochnick;

H.R. 10431. An act for the relief of Isami Nozuka (also known as Isami Notsuka);

H.R. 10793. An act for the relief of Ray C. Thompson;

H.R. 10801. An act for the relief of Clark L. Simpson;

H.R. 11165. An act for the relief of Robert J. Reeves;

H.R. 11188. An act for the relief of Edward S. Anderson;

H.R. 11322. An act for the relief of Col. Joseph A. Nichols;

H.R. 11486. An act for the relief of Richard J. Power; and

H.R. 12350. An act for the relief of Marion John Nagurski.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 660) relating to the status of certain aliens, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 762. An act for the relief of Manuel Alves de Carvalho;

S. 2089. An act for the relief of Henry K. Lee (Hyun Kui);

S. 2106. An act for the relief of Emiko Nagamine;

S. 2528. An act for the relief of John Lipset;

S. 2639. An act for the relief of Mo Tong Lui;

S. 2646. An act for the relief of Lloyd C. Kimm;

S. 2681. An act for the relief of Yi Young An;

S. 2768. An act for the relief of Frederick T. C. Yu and his wife, Alice Siao-Fen Chen Yu; and

H.J. Res. 765. Joint resolution making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the Judiciary:

H.R. 1422. An act for the relief of Alessandro Maraessa;

H.R. 1526. An act for the relief of F. P. Tower, Lillie B. Lewis, the estate of Manuel Branco, John Santos Carinhas, Joaquin Gomez Carinhas, and Manuel Jesus Carinhas;

H.R. 1588. An act for the relief of Julius F. Steinhoff;

H.R. 1643. An act for the relief of Francesco Carozza;

H.R. 1671. An act for the relief of Hans E. T. Hansen;

H.R. 1681. An act for the relief of Maurice Devlin;

H.R. 2117. An act for the relief of Ireneo D. Brodit and Antonio D. Brodit;

H.R. 2124. An act for the relief of Mrs. Teruko Teri Miyamoto (nee Ikeda);

H.R. 2584. An act for the relief of Gourgen H. Assaturian;

H.R. 2705. An act for the relief of Bernardo Paternostro;

H.R. 2716. An act for the relief of Miss Elisabeth Hollander;

H.R. 2944. An act for the relief of Luciano Di Franco;

H.R. 3534. An act for the relief of Epifanio Trupiano;

H.R. 3536. An act for the relief of Guadalupe Villarreal, Jr.;

H.R. 3800. An act for the relief of Mrs. Maud A. Provoost;

H.R. 3804. An act for the relief of Rosolina Ciuferri;

H.R. 4236. An act for the relief of Mah Quock;

H.R. 4555. An act for the relief of Anatolijs Janitis;

H.R. 4835. An act for the relief of Milton S. Koblitz;

H.R. 4970. An act for the relief of Haralambos Groutas;

H.R. 4981. An act for the relief of Mina and Henek Sznaider;

H.R. 5647. An act for the relief of Wong Gee Sing;

H.R. 6338. An act for the relief of Miss Hedwig Dora;

H.R. 6804. An act for the relief of Mary Elizabeth Tighe Crespo;

H.R. 7425. An act for the relief of Mrs. Humiko Ross;

H.R. 7551. An act for the relief of Hubert O. Beckles;

H.R. 7854. An act to provide tax relief to the annuity fund of the electrical switchboard and panelboard manufacturing industry of New York City and the contributors thereto;

H.R. 7877. An act for the relief of Vladislav Fotich;

H.R. 8054. An act for the relief of William Edgar Weaver;

H.R. 8253. An act for the relief of Pierre R. DeBroux;

H.R. 8384. An act for the relief of Otto Small;

H.R. 8882. An act for the relief of John Calvin Taylor;

H.R. 8989. An act for the relief of Ralph W. Anderson;

H.R. 9042. An act for the relief of Anna Semenchole Marcolina;

H.R. 9079. An act for the relief of William Radkovich Co., Inc.;

H.R. 9432. An act for the relief of Maj. Edmund T. Coppinger;

H.R. 9610. An act for the relief of Sister Frances Cabrini (Virginia Bilbao);

H.R. 9648. An act for the relief of Mrs. Elizabeth Fowler;

H.R. 9913. An act for the relief of Lt. Matthew A. Wojdak, U.S. Navy (retired);

H.R. 9958. An act for the relief of Brooklyn Steel Warehouse Co.;

H.R. 9960. An act for the relief of Dr. Tze I. Chiang;

H.R. 10002. An act for the relief of Ida Exle (nee Ida Sterio);

H.R. 10376. An act for the relief of Adolf B. Jochnick;

H.R. 10431. An act for the relief of Isami Nozuka (also known as Isami Notsuka);

H.R. 10793. An act for the relief of Ray C. Thompson;

H.R. 10801. An act for the relief of Clark L. Simpson;

H.R. 11165. An act for the relief of Robert J. Reeves;

H.R. 11188. An act for the relief of Edward S. Anderson;

H.R. 11322. An act for the relief of Col. Joseph A. Nichols;

H.R. 11486. An act for the relief of Richard J. Power; and

H.R. 12350. An act for the relief of Marion John Nagurski.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 660) relating to the status of certain aliens, was referred to the Committee on the Judiciary, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 101; 64 Stat. 219):

A-6236179 Sciama, Alberto, also known as Alberto Vita Sciama.

A-7210380 Wei, Edith Hou.

A-6355520 Charia, Steven J.

A-6355517 Charia, Nevenka.

A-6348962 Charia, Tania Mira.

A-6384962 Charia, Igor Ivan.

SEC. 2. The Congress approves the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 6 of the Refugee Relief Act of 1953, as amended (67 Stat. 403; 68 Stat. 1044):

A-8117815 Assing, Carlton also known as Yin Ket Wong.

A-10145339 Chang, Chin also known as Chang, Gene.

A-10491831 Cheng, Chan also known as Quan Hong.

A-8031577 Kuldkepp, Oscar.

A-9547460 Lee, Fou Yueh.

A-7274366 Lee, Irving Tack-Shing or Tack Shing Lee.

A-7274430 Lee, Vivien Wei-Ning or Wei-Ning Lee.

A-10237562 Linker, Jonas Beno.

A-10237561 Linker, Estera Idesa.

A-10136001 Podlacki Jozef.

A-9771465 Wing, Koon.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

TREATY WITH JAPAN—DEATH OF REPRESENTATIVE ELLIOTT, OF PENNSYLVANIA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at this time the senior Senator from Pennsylvania [Mr. CLARK] and the junior Senator from Pennsylvania [Mr. SCOTT] be recognized for 3 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CLARK. Mr. President, in a few moments it will be my sad duty, as a representative of the Senate, to leave the floor, to attend the funeral of Representative Douglas H. Elliott, of Pennsylvania.

Accordingly, under the unanimous-consent agreement adopted last night, I shall not be able to cast my vote in support of consent to the ratification of the Japanese Treaty.

However, I should like to take just a moment to state for the record my strong support of that treaty, and to have it noted that if I could be on the floor at the time of the taking of the vote, I would vote in favor of consent to the ratification of the treaty.

Anyone who reads the debate which took place yesterday in the Senate must reach the conclusion that this treaty is in the best interest of the United States of America. I harbor some reservations about the treaty; nevertheless, I am convinced that, all things considered, it should be ratified.

We must keep Japan as our friend. She is a stanch ally as well as our second greatest customer. We must have an understanding heart about the problems of Japan. We must not conclude

that only a small handful of Communists is opposed to this treaty. There is a strong neutralist sentiment in Japan, too; and this we must understand, and be sympathetic with, because if we were in the situation of Japan, there would be a large neutralist sentiment in our country, too.

Nevertheless, on the whole, and all things taken into consideration, I am convinced that the treaty should be ratified; and if I were here at the time of the taking of the vote, I would vote for consent to the ratification of the treaty.

I thank the majority leader for his courtesy in making it possible for my colleague, the Senator from Pennsylvania [Mr. SCOTT] and me to make these comments before we must leave the floor.

Mr. SCOTT. Mr. President, as my colleague, the senior Senator from Pennsylvania [Mr. CLARK], has just now stated, the two Senators from Pennsylvania have been appointed by resolution adopted by the Senate, to represent the Senate at the funeral, in the middle of today, of the late Hon. Douglas H. Elliott, a Member of the House of Representatives from the State of Pennsylvania.

I had known Doug Elliott for a great many years. He was a State Senator before he was elected in a special election on April 22 to the present Congress.

He was a man of wonderful, magnetic personality—a tall, handsome, extraverted man, whom all of us admired, respected, and loved.

His death is a great and tragic loss to his family, to all his friends, to all who knew him, and to the Members of Congress. At this very sad time, my colleague and I will attend his funeral.

Mr. President, before leaving the Chamber, my colleague and I have requested this time in order to make these statements.

I wish to say, in addition, that, by the action of the Senate itself, our departure at this time will compel our absence from the Chamber at the time when the vote is taken on the question of consent to the ratification of the security treaty with Japan.

I am very strongly in favor of the treaty. I wish that fact to be recorded at this time, inasmuch as I was unable to gain recognition on the floor on yesterday.

I have visited Japan six times. I was there on the first day of the occupation, as a member of the Third Amphibious Force. I actually drove the first Navy jeep into Tokyo, following the landing of the occupation forces.

I have grown to admire and love the Japanese people and to respect their commitments toward the free world and their definite and strong feelings as a people for freedom, honor, decency, and justice under law.

We need the Japanese people on our side. We need them as much as they need us. The treaty is favorable to Japan, but it is also favorable to the United States.

It is my earnest hope that the ratification of the treaty may, in itself, lead to a subsidence of the difficulties which presently are occurring in Japan.

Therefore, Mr. President, I gladly and wholeheartedly support the treaty.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

WORKWEEK OF FIRE DEPARTMENT OF DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the act of June 19, 1948, relating to the workweek of the Fire Department of the District of Columbia, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

ELIGIBILITY FOR CERTAIN SCHOLARSHIPS UNDER SURPLUS PROPERTY ACT OF 1944

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to make nationals, American and foreign, eligible for certain scholarships under the Surplus Property Act of 1944, as amended (with an accompanying paper); to the Committee on Government Operations.

AUDIT REPORT ON FEDERAL HOUSING ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Federal Housing Administration, Housing and Home Finance Agency, fiscal year 1959 (with an accompanying report); to the Committee on Government Operations.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the Board of Supervisors of San Diego County, Calif., favoring the enactment of legislation to repeal the excise tax on transportation, which was ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, without amendment:

H.R. 9751. An act for the relief of Mrs. Icile Helen Hinman (Rept. No. 1663).

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with amendments:

H.R. 7758. An act to improve the administration of overseas activities of the Government of the United States, and for other purposes (Rept. No. 1647).

By Mr. SMATHERS, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 3228. A bill to amend the provisions of part II of the Interstate Commerce Act which authorize certain operations within a State as a common carrier by motor vehicle engaged in interstate or foreign commerce if State authorized (Rept. No. 1648).

By Mr. MORSE, from the Committee on the District of Columbia, without amendment:

S. 3416. A bill to provide for the restoration to the United States of amounts expended in the District of Columbia in carrying out the Temporary Unemployment Compensation Act of 1958 (Rept. No. 1649).

By Mr. MORSE, from the Committee on the District of Columbia, with amendments:

S. 2363. A bill to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons, and for other purposes (Rept. No. 1650).

By Mr. HARTKE, from the Committee on the District of Columbia, without amendment:

H.R. 10021. An act providing a uniform law for the transfer of securities to and by fiduciaries in the District of Columbia (Rept. No. 1652).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

H.J. Res. 397. Joint resolution to enable the United States to participate in the resettlement of certain refugees (Rept. No. 1651).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 2806. A bill to revise the boundaries of the Coronado National Memorial and to authorize the repair and maintenance of an access road thereto, in the State of Arizona, and for other purposes (Rept. No. 1654); and

S.J. Res. 95. Joint resolution to provide for the acceleration of the various reforestation programs of the Department of Agriculture and the Department of the Interior, and for other purposes (Rept. No. 1653).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 6179. An act to grant the right, title, and interest of the United States in and to certain lands to the city of Crawford, Nebr. (Rept. No. 1656).

By Mr. FONG, from the Committee on Interior and Insular Affairs, without amendment:

S. 3623. A bill to designate and establish that portion of the Hawaii National Park on the island of Maui, in the State of Hawaii, as the Haleakala National Park, and for other purposes (Rept. No. 1655).

By Mr. HAYDEN, from the Committee on Rules and Administration, without amendment:

S. Res. 329. Resolution to provide additional funds for the Committee on Interior and Insular Affairs;

S. Res. 330. Resolution to study the conditions in American Samoa (Rept. No. 1657);

S. Res. 333. Resolution to print additional copies of the report entitled "Documentation, Indexing, and Retrieval of Scientific Information";

S. Res. 335. Resolution to provide additional funds for the Committee on Appropriations; and

H. Con. Res. 691. Concurrent resolution authorizing the disposal of certain publications now stored in the folding room of the House of Representatives and the warehouse of the Senate (Rept. No. 1661).

By Mr. HAYDEN, from the Committee on Rules and Administration, with an amendment:

S. Res. 337. Resolution to print a certain number of copies of the prayers of the Chaplain of the Senate for the 85th and 86th Congresses.

By Mr. HAYDEN, from the Committee on Rules and Administration, with amendments:

S.J. Res. 176. Joint resolution authorizing the preparation and printing of a Supplement to the Constitution of the United States of America, Annotated, as published in 1953 as Senate Document No. 170, 82d Congress (Rept. No. 1659);

S. Con. Res. 107. Concurrent resolution to print for the use of the Internal Security Subcommittee of the Senate Judiciary Committee copies of certain publications (Rept. No. 1660); and

S. Res. 328. Resolution amending S. Res. 244 authorizing the Committee on Interstate

and Foreign Commerce to investigate certain matters within its jurisdiction (Rept. No. 1658).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, without amendment:

H.R. 7965. An act to amend section 612 of title 28, United States Code, to authorize outpatient treatment incident to authorized hospital care for certain veterans (Rept. No. 1662).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, with amendments:

S. 3274. A bill to permit certain veterans pursuing courses of vocational rehabilitation training to continue in pursuit thereof for such period as may be necessary to complete such courses; (Rept. No. 1644).

EXTENSION OF WORLD WAR II LOAN GUARANTEE PROGRAM—REPORT OF A COMMITTEE—MINORITY VIEWS

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with an amendment, the bill (S. 3275) to extend, with respect to World War II veterans, the guaranteed loan programs under chapter 37 of title 38, United States Code, to February 1, 1965, and I submit a report (No. 1646) thereon. I ask that the report be printed, together with minority views thereon.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Texas.

EDUCATIONAL ASSISTANCE FOR ORPHANS—REPORT OF A COMMITTEE—MINORITY VIEWS

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (H.R. 4306) to provide education and training for the children of veterans dying of a service-connected disability incurred after January 31, 1955, and before the end of compulsory military service, and I submit a report (No. 1645) thereon. I ask that the report may be printed, together with minority views thereon.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Texas.

ROSANNE WILLCOX PURVIS

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 341) to pay a gratuity to Rosanne Willcox Purvis, which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Rosanne Willcox Purvis, widow of Melvin H. Purvis, an employee of the Senate at the time of his death, a sum equal to 8½ month's compensation at the rate he was receiving at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

LEON R. DEVILLE, JR.

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 342) to pay a gratuity to Leon R. DeVille, Jr., which was placed on the calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Leon R. DeVille, Jr., son of Leon DeVille, an employee of the Senate at the time of his death, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

THELMA MARGUARETTE HEDGE

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 343) to pay a gratuity to Thelma Marguarette Hedge, which was placed on the Calendar, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Thelma Marguarette Hedge, widow of Porter M. Hedge, an employee of the Senate at the time of his death, a sum equal to 10 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Charles R. Ferguson, of Pennsylvania, to be a member of the Federal Coal Mine Safety Board of Review;

Theodore M. Hesburgh, of Indiana, and sundry other persons, to be members of the National Science Board, National Science Foundation; and

James L. Baker, and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service.

TIMOTHY J. MURPHY—EXECUTIVE REPORT OF A COMMITTEE—MINORITY VIEWS (EX. REPT. NO. 9)

Mr. MAGNUSON. Mr. President, as in executive session, from the Committee on Interstate and Foreign Commerce, I report favorably the nomination of Timothy J. Murphy of Massachusetts to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1964, vice Anthony F. Arpaia, resigned; and I submit a report thereon.

I ask unanimous consent that the report be printed, together with the minority views of Senators YARBOROUGH, ENGLE, BARTLETT, and MCGEE.

The PRESIDING OFFICER. The report will be received and printed, as requested by the Senator from Washington, and the nomination will be placed on the Executive Calendar.

Mr. DOUGLAS. Mr. President, will the Senator from Washington yield for a question?

Mr. MAGNUSON. I yield.

Mr. DOUGLAS. May I ask the Senator from Washington if this is the gentleman who is being appointed to fill the vacancy created by the failure to reappoint Mr. Connole?

Mr. MAGNUSON. No; this is in the Interstate Commerce Commission, not the Federal Power Commission.

Mr. DOUGLAS. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BEALL (for himself, Mr. BIBLE, and Mr. MANSFIELD):

S. 3713. A bill to increase the salaries of officers and members of the Metropolitan Police force, and the Fire Department of the District of Columbia, the U.S. Park Police, the White House Police, and for other purposes; to the Committee on the District of Columbia.

By Mr. ROBERTSON (by request):

S. 3714. A bill to authorize adjustments in accounts of outstanding old series currency, and for other purposes; to the Committee on Banking and Currency.

By Mr. HUMPHREY:

S. 3715. A bill to improve commerce and industrial development through the establishment of a county industrial agent program; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. JORDAN:

S. 3716. A bill to delay for 60 days in limited cases the applicability of certain provisions of law relating to humane slaughter of livestock; to the Committee on Agriculture and Forestry.

By Mr. MUSKIE (for himself, Mr. ANDERSON, Mr. BARTLETT, Mr. BEALL, Mr. CAPEHART, Mr. CASE of South Dakota, Mr. DODD, Mr. DOUGLAS, Mr. ERVIN, Mr. FONG, Mr. GREEN, Mr. GRUENING, Mr. HUMPHREY, Mr. JAVITS, Mr. KEATING, Mr. LUSK, Mr. MANSFIELD, Mr. MOSS, Mr. MORSE, Mr. RANDOLPH, Mr. SYMINGTON, Mr. YOUNG of North Dakota, Mr. MCGEE, and Mr. STENNIS):

S. 3717. A bill to authorize the enlargement of the Arlington National Cemetery and to provide that land therein shall be reserved for the interment of persons who have served with greatest distinction and valor in the Armed Forces of the United States as a memorial to the preservation of our freedoms and the ideals of democracy and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MUSKIE when he introduced the above bill, which appear under a separate heading.)

By Mr. MOSS:

S. 3718. A bill for the relief of Misako Takahashi; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 3719. A bill to authorize an additional Assistant Secretary of Commerce; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. MAGNUSON when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND:

S. 3720. A bill to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in lands

located in the State of Florida to the record owners of the surface thereof; to the Committee on Interior and Insular Affairs.

By Mr. KEATING (by request):

S. 3721. A bill to amend section 371, title 28, United States Code, to provide an alternative plan for the retirement of justices and judges of the United States having 10 or more years' service, after the attainment of the age of 65 years, and for other purposes; to the Committee on the Judiciary.

By Mr. HARTKE:

S. 3722. A bill for the relief of Giacomo Ferro; to the Committee on the Judiciary.

By Mr. JAVITS (for himself and Mr. KEATING):

S.J. Res. 210. Joint resolution to provide for the determination of U.S. participation in the New York World's Fair to be held at New York City in 1964 and 1965; to the Committee on Foreign Relations.

RESOLUTIONS

INTERNATIONAL FOOD AND RAW MATERIALS RESERVE

Mr. MURRAY submitted a resolution (S. Res. 340) to provide for the creation of an International Food and Raw Materials Reserve, which was referred to the Committee on Foreign Relations.

(See the remarks of Mr. MURRAY when he submitted the above resolution, which appear under a separate heading.)

ROSANNE WILLCOX PURVIS

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 341) to pay a gratuity to Rosanne Willcox Purvis, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. HAYDEN, which appears under the heading "Reports of Committees.")

LEON R. DEVILLE, JR.

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 342) to pay a gratuity to Leon R. DeVille, Jr., which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. HAYDEN, which appears under the heading "Reports of Committees.")

THELMA MARGUARETTE HEDGE

Mr. HAYDEN, from the Committee on Rules and Administration, reported an original resolution (S. Res. 343) to pay a gratuity to Thelma Marguarette Hedge, which was placed on the calendar.

(See the above resolution printed in full when reported by Mr. HAYDEN, which appears under the heading "Reports of Committees.")

COUNTY INDUSTRIAL AGENT PROGRAM

Mr. HUMPHREY. Mr. President, community cooperation has a very special meaning for Americans. It is a very special part of American life—a hallmark especially of the development of our smaller communities.

We Americans like to get together and talk over a community problem and then set about together to do something about it. This is the basis for many fine community ventures designed to rehabilitate and revitalize the many declining rural communities and smaller depressed areas in our Nation by attracting new industries, opening new markets, developing new skills among our unemployed men and women and initiating relief measures to ease the terrible personal hardship of economic depression.

Mr. President, since the administration insists on stubbornly ignoring the desperate needs of our people who live in these unfortunately depressed small urban areas or in rural communities losing population to heavily industrialized cities, I propose that the Federal Government take at least one modest step toward creation of new employment opportunities in these areas without reducing employment in other parts of our Nation.

It should be clearly understood that the proposal I am making is not to be viewed as a substitute for so-called depressed areas legislation or area redevelopment legislation. That legislation is still needed. It is regrettable, and unforgiveably regrettable, that the administration blocks such legislation at every turn, and that the President has vetoed it.

I believe we can borrow a page from the experience of our agricultural community and establish a county industrial agent program. Like the work of the agricultural extension agent, this program would be supported with equal financial support from county, State, and Federal governments.

It would be the work of this agent to give technical assistance, channeling information on opportunities for diversification of industries, new legislation, new industrial improvements, and new markets to the local community. He would also have the responsibility of reporting on the local situation to the State and Federal authorities so that their policymaking would be based on the hard facts of local conditions and not solely on statistical projections. He would further promote cooperation and coordination of voluntary groups now at work in local communities with public governmental agencies—eliminating costly duplication and false starts. Finally, he would create opportunities for vocational training of the unemployed men and women in each locality.

These responsibilities are stated in terms of the work such an agent might undertake in a depressed area. But, though born of the emergency of the present situation in which some 140 communities bear the label "depressed area," the county industrial agent like his partner, the agricultural agent, would give continuing service to his area.

The vocational training responsibilities he would undertake could easily be adapted to provide for retraining for older workers or those displaced from their farms by automation. The cooperation the agency would promote among private groups—labor and management, a major example—would be of lasting value to the stable growth of the local community.

And finally, a byproduct of efforts to attract new industries would have repercussions for national security, relocating and decentralizing portions of our massive Defense Establishment to reduce its vulnerability to surprise attack.

We must not overlook the fact also that by maintaining smaller communities and rural areas with their own existing educational, health, and other facilities, this program would ease the steadily increasing financial burdens of our large cities faced with sudden influxes of untrained workers.

Thus, Mr. President, for both present and future development of America's industrial and rural communities, I introduce, for appropriate referral, a bill to improve commerce and industrial development through the establishment of a county industrial agent program, and ask unanimous consent that it be printed at this point in my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3715) to improve commerce and industrial development through the establishment of a county industrial agent program, introduced by Mr. HUMPHREY, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS OF THE CONGRESS

SECTION 1. The Congress finds that there exists special circumstances in certain areas of the United States which cause such areas to be at a disadvantage insofar as economic development and social stability is concerned for the following reasons:

(1) Excessive concentration on one product or one nonbasic industry.

(2) Changing agricultural technology, which produces a need for fewer and fewer workers, combined with a significant drop in farm income has caused supportive towns and industries to become depressed areas.

(3) A nonintegrated approach to the problems of economic development in underdeveloped or depressed communities.

PURPOSE OF THE ACT

SEC. 2. The purpose of this Act is to:

(1) Promote the economic development of certain areas of this country which have been known as one-industry areas.

(2) Preserve, improve, and protect the sociological advantages of rural communities and family farm living through the creation of new economic opportunities.

(3) Reestablish as rapidly as possible the industrial and commercial basis of communities outlined in paragraphs (1) and (2) of this section, so that emigration to large urban areas will decrease.

(4) Establish extension-type education programs to teach alternative jobs and technical skills to residents of areas described in section 1 of this Act.

(5) Develop well-organized and integrated approach to the problem of area economic development through Federal-State-local cooperation.

COUNTY INDUSTRIAL AGENT PROGRAM

SEC. 3. In order to carry out the purposes of this Act, the Secretary of Commerce is authorized to establish a county industrial agent program as part of the Office of Area Development, and to appoint that number

of industrial agents which he deems appropriate to carry out the purposes of this Act, but no fewer than one-half the number of county agricultural extension agents provided by the Department of Agriculture on the date of enactment of this Act.

COOPERATION WITH CERTAIN AGENCIES AND ORGANIZATIONS

SEC. 4. The Secretary of Commerce and the industrial agents are authorized to cooperate with Government officers and agencies and commercial, agricultural, and labor organizations on a local, State, and National level for the purpose of receiving (1) support and assistance in the establishment of an area development program, and (2) support and assistance in training persons in alternative job skills.

APPROPRIATIONS AUTHORIZED

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

Mr. HUMPHREY. Mr. President, Father Francis Hayden, rural life director of the diocese of New Ulm, Minn., in a column in the Catholic Bulletin of St. Paul, Minn., on June 3, 1960, analyzed some of the signs of vitality and growth potential in small communities. These signs, development of community facilities, attraction of new industries, vocational training and retraining and, of course, a cooperative spirit of determination and self-help within the community—are all matters which would be the concern of the county industrial agent, who would assist and develop existing community initiatives.

Mr. President, I ask unanimous consent that Father Hayden's article, entitled "Improve Your Town; People, Jobs Will Come," be printed at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IMPROVE YOUR TOWN, PEOPLE, JOBS WILL COME

(By Fr. Francis Hayden)

GAYLORD, MINN.—I am sure it was only a coincidence that placed a report on declining farm population next to the obituary notices in one of our recent Sunday papers.

Unofficial U.S. census figures show, the article said, that 40 of the agricultural counties of Minnesota have suffered a loss in population in the last decade.

Falling farm income and higher city wages are given as part of the reason for the population shift.

Another cause is larger and better machinery which enables a farmer to accomplish much more by himself today than he did 20 years ago with a helper or two. Two decades ago, 23 percent of our population lived on farms. Today, only 11 percent live on the land.

A declining farm population is the result of progress which we have all gladly accepted. No one wants to go back to the horse and buggy or to the sulky plow.

What we do not want to accept, however, is the population loss which we are suffering and which is a problem for the whole rural community. Can we do anything about it?

We can best answer that question by considering the rural counties that reported an increased population and examining the reasons they did.

First of all, there were people who liked their home communities enough to want to stay here.

They hoped that their children too would remain near their homes instead of joining the 70 to 80 percent of the rural youth who go elsewhere to work and live after they have been raised and educated.

There were also businessmen who, with an eye to the future, sought unselfishly to save their places of business.

Pastors needed their parishioners to share the burden of support of their churches and schools, and they realized that conditions in the rural communities were good for family life.

These people cooperated to build their future.

Secondly, there were others who noted the attractiveness of those towns and moved to live in them. Some were district salesmen who had to make a choice between a dozen or so of the neighboring towns.

Others who made similar decisions were retiring farmers and businessmen. That is about all it takes to make small towns continue to thrive.

Finally, industrialists who were seeking favorable sites for their small factories decided that they could have flourishing establishments in those types of communities. They hired some of the youth who would otherwise have had to move away.

They employed a few of the farmers who were looking for part-time work or, in some cases, gave full-time employment to farmers leaving the land before they were ready to retire.

It usually takes only one such energetic community in a county to enable that county to hold its population. While this happens, it is good for the local governments.

It contributes to the continued success of the businessmen. Churches and schools find it easier to be effective. Many good rural homes are also saved.

That is what happened in the rural counties that showed an increased population. It is really quite simple, beginning with knowing, loving, and serving God through thoughtfulness of our neighbor who bears His image.

How is your town doing?

Maybe you have wanted and have been looking for a factory to coax into your town while you should have been busy making yours the kind of community that factory people would want.

FREEDOM MEMORIAL ACT OF 1960

Mr. MUSKIE. Mr. President, on behalf of myself and Senators ANDERSON, BARTLETT, BEALL, CAPEHART, CASE of South Dakota, DODD, DOUGLAS, ERVIN, FONG, GREEN, GRUENING, HUMPHREY, JAVITS, KEATING, LUSK, MANSFIELD, MCGEE, MOSS, MORSE, RANDOLPH, STENNIS, SYMINGTON, YOUNG of North Dakota, I introduce for appropriate reference, a bill to authorize the enlargement of Arlington National Cemetery and to provide that land therein shall be reserved for the interment of persons who have served with the greatest distinction and valor in the Armed Forces of the United States.

Mr. President, I was dismayed to learn recently that America's most hallowed ground—Arlington National Cemetery—is filling up so fast that within a very few years all remaining space for the interment of the Nation's honored dead will have been occupied. It has been reliably estimated that the cemetery will be closed to future burials by 1968.

Upon investigation, I found that the area adjoining the north boundary of Arlington National Cemetery, the so-called Nevius tract, consists of approximately 20 acres of unoccupied federally owned land that could well be utilized in extending the cemetery. It has the same general topography and is contiguous to the present cemetery.

This land is presently under the jurisdiction of the Department of the Interior. Proposed plans would utilize this high, gently sloping tract of land facing the Potomac River, Washington, and the Mall for a monument to freedom symbolized by the erection of a so-called Freedom Wall 68 feet high, 327½ feet long, and 204½ feet wide.

Mr. President, it would be sheer folly to waste this tract of land, so admirably suited to receive the last remains of those who have borne the Nation's battles, by constructing with Federal funds this gigantic wall and terming it a monument to freedom. I submit that a more appropriate memorial to freedom would be the reservation of this land for the remains of those who have served in the Armed Forces and have been awarded our Nation's highest decorations.

The bill I am introducing would transfer the tract of land in question to the jurisdiction of the Secretary of the Army and would reserve it for the interment of persons who have received the Congressional Medal of Honor; the Distinguished Service Cross; the Navy Cross; the Distinguished Flying Cross; the Army and Navy Distinguished Service Medals and such other persons as may be designated by the President of the United States.

This shall then be a fitting memorial to the preservation of our freedoms and the ideals of democracy, and to those persons who by their acts of great valor in time of war exemplified most magnificently the very great contribution made by all members of the armed services of the United States in the defense of this Nation and its ideals and its people.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3717) to authorize the enlargement of the Arlington National Cemetery and to provide that land therein shall be reserved for the interment of persons who have served with greatest distinction and valor in the Armed Forces of the United States as a memorial to the preservation of our freedoms and the ideals of democracy, and for other purposes, introduced by Mr. MUSKIE (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

ADDITIONAL ASSISTANT SECRETARY OF COMMERCE

Mr. MAGNUSON. Mr. President, by request, I introduce, for appropriate reference, a bill to authorize an additional Assistant Secretary of Commerce. I ask unanimous consent to have printed in the RECORD a letter from the Under Secretary of Commerce, requesting the proposed legislation.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3719) to authorize an additional Assistant Secretary of Commerce, introduced by Mr. MAGNUSON, by

request, was received, read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

The letter presented by Mr. MAGNUSON is as follows:

THE SECRETARY OF COMMERCE,
Washington, D.C., June 15, 1960.

Hon. RICHARD M. NIXON,
President of the Senate
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is a draft bill "to authorize an additional Assistant Secretary of Commerce."

Enactment of this legislation is necessary to carry out a major recommendation of the Special Advisory Committee of the National Academy of Sciences and to assure that the important scientific and technical functions and responsibilities of the Department of Commerce are effectively directed by the Secretary assisted by an officer of high rank.

Today, more than ever before in our history, science and technology are playing an ever-increasing role in the industrial and business activities of our Nation. Included within the Department of Commerce, and importantly related to our basic mission of fostering and promoting industry, commerce, and transportation are such outstanding scientific agencies as the National Bureau of Standards, the Weather Bureau, and the Coast and Geodetic Survey. Also contributing to the scientific and technical needs of our expanding economy are such agencies as the Patent Office and the Office of Technical Services. In addition, the fulfillment of the responsibilities of the Bureau of Public Roads and the Maritime Administration require extensive research and development activities in a number of scientific and technical fields. These agencies and the activities they conduct are of immeasurable importance not only to our economy, but to our national defense and the general welfare of our people as well. The scientific and technical functions conducted within the Department of Commerce are important links in the overall scientific efforts being conducted by other agencies of our Government in the areas of national defense, atomic energy, space technology, oceanography, meteorology, and others. The scope and importance of these functions and the part which agencies of the Department of Commerce must assume are constantly increasing.

It is of vital importance that there be competent direction and administration of our scientific and technical programs and that they be adequately coordinated with other related activities throughout the Government to assure the maximum effectiveness of our national efforts.

It is intended that this additional Assistant Secretary of Commerce will serve as the principal adviser to the Secretary on all scientific and technological matters of concern to the Department.

The incumbent in this new position will provide vital assistance to the Secretary in:

1. The coordination and evaluation of existing programs of the Department in the fields of science and technology;

2. The expansion of such programs where deemed desirable to meet our national needs;

3. The development and implementation of new research and development programs in furtherance of the Department's objectives;

4. Representing the Department on top policy level scientific committees and groups, including the Federal Council for Science and Technology.

Authorization for the appointment of an additional Assistant Secretary of Commerce will make it possible to provide the most effective review of the expanding science activities of the Department of Commerce by a highly qualified science administrator. The increasing importance of the scientific and technological agencies of the Department of Commerce require an officer with the rank of Assistant Secretary to assure that our responsibilities and programs are adequately carried out in the interests of our economy, national defense, and public welfare.

We strongly urge prompt favorable consideration of this proposed bill by Congress.

It is estimated that enactment of this legislation will involve the expenditure of approximately $50,000 per year.

We have been advised by the Bureau of the Budget that it would interpose no objection to the submission of this proposed legislation.

Sincerely yours,

PHILIP A. RAY,
Under Secretary of Commerce.

AMENDMENT AND EXTENSION OF SUGAR ACT OF 1948—AMENDMENTS

Mr. CHAVEZ (for himself, Mr. ANDERSON, Mr. KERR, and Mr. YARBOROUGH) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3361) to amend and extend the provisions of the Sugar Act of 1948, as amended, which was referred to the Committee on Finance, and ordered to be printed.

Mr. CHAVEZ (for himself, Mr. ANDERSON, Mr. KERR, and Mr. YARBOROUGH) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3508) to amend and extend the provisions of the Sugar Act of 1948, as amended, which was referred to the Committee on Finance, and ordered to be printed.

AUTHORIZATION FOR HIGHWAY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEARS 1962 AND 1963—AMENDMENT

Mr. JAVITS (for himself and Mr. KEATING) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 10495) to authorize appropriations for the fiscal years 1962 and 1963 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, which was referred to the Committee on Public Works and ordered to be printed.

AMENDMENT OF MERCHANT MARINE ACT, 1936, TO CHANGE THE LIMITATION OF CONSTRUCTION DIFFERENTIAL SUBSIDY

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 10644) to amend title V of the Merchant Marine Act, 1936, in order to change the limitation of the construction differential subsidy under such title, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MAGNUSON. I move that the Senate insist upon its amendments, agree to the request of the House for a conference and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. PASTORE, Mr. BARTLETT, and Mr. BUTLER conferees on the part of the Senate.

NOTICE OF HEARING ON NOMINATION OF HAROLD R. TYLER, JR., TO BE AN ASSISTANT ATTORNEY GENERAL

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to announce that a public hearing has been scheduled on the nomination of Harold R. Tyler, Jr., of New York, to be Assistant Attorney General, vice W. Wilson White, resigned, for 10:30 a.m., Wednesday, June 29, 1960, in room 2228, New Senate Office Building.

At the indicated time and place all persons interested in this nomination may make such representations as are pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from North Carolina [Mr. ERVIN], the Senator from Illinois [Mr. DIRKSEN], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARING ON NOMINATION OF JACOB MISHLER TO BE U.S. DISTRICT JUDGE, EASTERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to announce that a public hearing has been scheduled on the nomination of Jacob Mishler, of New York, to be U.S. district judge, for the eastern district of New York, vice Mortimer Byers, retired, for 2:30 p.m., Wednesday, June 29, 1960, in room 2228, New Senate Office Building.

At the indicated time and place all persons interested in this nomination may make such representations as are pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARING ON NOMINATION OF ROBERT S. RANKIN TO BE A MEMBER OF COMMISSION ON CIVIL RIGHTS

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to announce that a public hearing has been scheduled on the nomination of Robert S. Rankin, of North Carolina, to be member of the Commission on Civil Rights, vice John S. Battle, resigned, for 2:30 p.m., Wednesday, June 29, 1960, in room 2228, New Senate Office Building.

At the indicated time and place all persons interested in this nomination may make such representations as are pertinent. The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. BYRD of Virginia:

Address delivered by him at Peaks of Otter, Va., in connection with the ceremonies opening the James River Bridge on the Blue Ridge Parkway.

THE TREATY WITH JAPAN

Mr. JOHNSON of Texas. Mr. President, we are soon to take one of the most important actions of this session—ratification of the Japanese security treaty.

I think it is a good example for the world that the Senate has debated this treaty objectively, coolly, and with dignity. We have neither stampeded into hasty action nor slowed down to no action at all.

I do not intend to go into a lengthy discussion of the treaty itself. I am convinced it is one of mutual advantage to both the United States and Japan; and the distinguished chairman of the Foreign Relations Committee [Mr. FULBRIGHT], for whom I have great respect, and the other members of that committee have assured me that, after many tedious hours and much diligent study, they too, have reached that conclusion. That is good enough for me; and I am convinced, as I have said, that the treaty is of mutual advantage to both the United States and Japan, and is in the best interest of our country and in the best interest of the free world.

It is crucial in these days that we look to shoring up the defenses of the free world. We must erect a shield around the boundaries of freedom, if the institutions that we cherish are to survive.

The unfortunate events which took place in Japan itself are evidence of the threat against freedom. There can be no question but that Communists played upon the understandable fears of the Japanese people—the only people who have felt the fury of atomic war—to humiliate and to embarrass our country.

But I think we can be certain that the Communists in Japan are a very small minority, and that the great majority of the Japanese still prefer freedom as a way of life.

The massive Communist attack against our way of life is being felt on many fronts—Japan; Quemoy and Matsu; West Berlin; the Middle East; here in our own hemisphere, our own front door, Cuba; and many other areas. Without strength we cannot survive, because the Communists will always resort to brute force if they think it will achieve their ends.

I think it should be said, however, that we also realize that strength alone will not bring us peace. The best we can hope from weapons and armed might is a shield to frustrate a physical attack upon the free world.

We will not be worthy of our heritage or equal to our responsibilities if we do not make moves behind that shield which will truly bring us peace.

For the past 2 days, I have been conducting hearings upon the State Department appropriation bill for the coming fiscal year. I have heard the dedicated officials of our State Department outline their activities throughout the world.

It seems to me that there is a depressing lack of vital, new ideas in our foreign policy. What we are doing is commendable. The people who are carrying out our programs are patriotic, dedicated, and devoted. But I cannot find the bold steps that would reach to the hearts and souls of men throughout the world and convince them that their future lies with freedom;

I believe we will have to launch somewhere along the line, sometime soon, a really massive offensive for peace.

I think it is incumbent upon us, as the leader of the free world, and one of the stronger nations, to propose great programs, through the United Nations, that would stamp out killing and crippling disease.

I think we will have to propose great programs of international cooperation in moving the world's food surplus to areas of deficit.

I should think we will have to propose great programs of international cooperation to break down the barriers that prevent communications between people.

I think we will have to propose great programs of international cooperation to harness the water resources in arid regions of the world.

Some of these things we are doing already. But they are being done on far too modest a scale and without the dramatic drive that would symbolize the heart and soul of America.

I vote for this treaty today because I believe it is a wise and prudent move; because it has been recommended by the outstanding scholars and the ablest foreign relations experts in this body.

But I hope that in the days which lie ahead we shall really realize that this treaty is basically a defensive measure, and that we in America must do much more—yes, much more—if we are to find true peace in this world.

THE LAUNCHING TODAY OF TRANSIT–II–A

Mr. BRIDGES. Mr. President, the United States has achieved outstanding success in the science of space exploration in the short span of just 2 years.

Since our first successful launching of a space vehicle in 1958, we have put 24 scientific devices in orbit, compared with 6 by the Soviet Union—our only rival in this field.

Our latest achievement, the perfect launching early today of the Transit–II–A, should silence any regular critics who apparently seek to make a career of disparaging their own country.

The Transit–II–A success serves to reassure all Americans, as well as the rest of the world, that the United States intends to stay in the foreground of the space race.

Our scientists, engineers, and skilled technicians—not to mention the American taxpayers who foot the bills for all this—deserve the hearty congratulations and thanks of the entire world, for Transit–II–A was designed to benefit the whole world.

The scientific objectives of this two-package satellite attest to the moral fiber of the people of the United States, who unselfishly seek information to be shared with all peoples everywhere.

First. We intend to give all nations a pinpoint accurate navigation system for ships and planes. The prospect of a time when a ship never will be lost at sea, when rescuers will go directly and promptly to a downed aircraft, when food can be shipped to any point on the globe directly and in record time, staggers the imagination.

Second. The significance of a completely accurate time system—when all the clocks of the world will strike at the same time—is a monumental contribution to civilization.

Third. Further and accurate measurement of the sun's radiation will contribute immensely to scientific achievement in many areas.

Those who were so willing to relegate the United States to a "has-been" status in science and technology should take heart from the notable achievement represented by the launching of Transit–II–A.

I congratulate the Navy and Air Force in their successful joint endeavor, and I also congratulate the administration for its continued success in space achievements.

"THE SACCO-VANZETTI STORY"—TELEVISION PLAY

Mr. BRIDGES. Mr. President, in these days when the fundamental institutions of this country are constantly open to question and attack, in many instances, I believe, by Communist propagandists who are trying to undermine us, it seems hardly necessary to further that effort, even unwittingly, in the field of entertainment.

Mr. President, I refer specifically to the play, "The Sacco-Vanzetti Story," by Reginald Rose, which was recently adapted for television and appeared in two parts of 1 hour each on June 3 and June 10. I do not for a moment feel that our institutions are so untouchably sacrosanct that they should be immune to growth and helpful change. It is essential to the proper working of our republican form of government that failures and shortcomings in our institutions should be openly and objectively discussed. What I do object to is taking historical incidents, distorting them apparently for dramatic effect, and yet presenting them as though a strictly documentary presentation was being made. That is actually what was done in the case of the NBC television show to which I referred and in which the American judicial system, as administered by the courts of the Commonwealth of Massachusetts, was presented in a most unobjective and slanted fashion.

The tragedy of this sort of presentation of a course of events starting 40 years ago is that many people are too

young to have a firsthand knowledge of the historical facts, and the tendency will be for them to give full faith and credit to this distorted dramatic presentation, rather than to take the time in this fast-paced life to do their own historical research.

It is for this reason, Mr. President, that I felt that the television reviews pointing out the historical distortion should have as wide distribution as possible. To that end, Mr. President, I request that at this point in the body of the RECORD the following articles be included: the column of Arthur E. Fetridge entitled "On Television," with particular reference to the section entitled "Lovely People," from the Boston Herald of June 3, 1960; the article by Arthur E. Fetridge entitled "Famed Trial 'Distorted' as TV Play," from the June 4, 1960, issue of the Boston Herald; the article by Peter Barnicle entitled "TV Play Excoriates Courts, Governor Fuller," from the June 11, 1960, issue of the Boston Herald; the column by Percy Shain entitled "Night Watch," with subtitle "Governor Fuller Vilified as S-V Drama Ends," appearing in the June 11, 1960, issue of the Boston Globe; the editorial entitled "Bias and Distortion," from the Boston Traveler of June 14, 1960; and the article by Paul Jones entitled "Television's Slanted Sacco-Vanzetti Drama," appearing in the June 23, 1960, issue of Human Events.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Boston Herald, June 3, 1960]

ON TELEVISION—"THE MILLIONAIRE" DEPARTS IN FALL

(By Arthur E. Fetridge)

"The Millionaire," one of the longest run television series, will join "Father Knows Best," "The Steve Allen Show," and "George Gobel Show" in departing from the evening scene next fall. "The Millionaire," which has "given away" a million dollars each Wednesday night on the CBS network during the regular season, has been on the air for the past 5 years.

It will be replaced in the Wednesday night 9 to 9:30 time period by "My Sister Eileen." Elaine Stritch will portray Ruth Sherwood. The role of Eileen is yet to be filled.

The sponsors made their decision on "My Sister Eileen" only after a research bureau was hired to help it choose between this series, which will be based on the Ruth McKinley stories in the New Yorker, and a drama anthology series.

A hot tip for those who care to stay up tonight: Don't under any circumstances miss the premiere play of the week, "Medea," on channel 4 at 11:15. Judith Anderson's performance is one of the best we've ever seen on television.

Channel 2's popular summer feature, "Pianoforte," opens the series tonight at 9 with the noted concert pianist and Boston University professor, Alexander Borovsky, who will play Bach, Beethoven, and Prokofieff.

LOVELY PEOPLE

The more interviews we read in other newspapers with Robert Aurthur, executive producer, and Reginald Rose, who did the television script, the more convinced we are that "The Sacco-Vanzetti Story," to be seen on channel 4 in two parts—the first tonight at 8:30—will follow the "they weren't guilty theory" straight down the line.

Rose is quoted by a nationally syndicated columnist as saying of Sacco and Vanzetti: "They were intelligent, lovely, gentle people." What utter rot. They were admitted draft dodgers, they admitted they carried loaded guns and there is little doubt they were anarchists. Vanzetti had been convicted only a short time before he was arrested in this controversial case of another armed robbery.

Of course they were intelligent, lovely, gentle people.

Producer Aurthur is so certain these two men, who were convicted of murder by a jury, were innocent that he would like to have them tried again and then have Governor Furcolo issue posthumous pardons.

I shall watch this great exposé of a miscarriage of justice in the Commonwealth of Massachusetts as done by that unbiased pair with great interest tonight at 8:30.

[From the Boston Herald, June 4, 1960]

FAMED TRIAL "DISTORTED" AS TV PLAY

(By Arthur E. Fetridge)

To those who knew little or nothing about the famous Sacco-Vanzetti case the Commonwealth of Massachusetts stood convicted of a grave miscarriage of justice in hanging them on the basis of the first part of the "Sacco-Vanzetti Story," as presented last night on channel 4.

The author, Reginald Rose, made out a very plausible case for the innocence of these two men. People who never had read unbiased newspaper accounts of the trial and the jury's decision that they were guilty in the first degree of the murder of two paymasters in Bridgewater on April 15, 1920, would have little choice but to agree with Rose that they were not guilty.

VIEW OF JUDGE

Judge Webster Thayer, who presided over the trial, was made to look like a doddering old man. If it was the intent of the producer to make him a knave, as well, he succeeded beautifully.

Prior to the trial Rose let us in on a bit of conversation between two of the prospective jurors. One was overheard saying that if he had his way all "Dagoes" would be banned from this country and he'd be glad to help convict this pair. He became the jury foreman.

The author played the "Italian angle" heavily. He also built up the anarchist angle, evidently in an effort to show that it was because these men were anarchists and draftdodgers that they were convicted for that reason alone and that they never should have been found guilty of the murders.

District Attorney Frederick Katzmann was seen practically ordering Capt. William H. Proctor of the State police to change his testimony as to whether the bullet found in the body of one of the victims came from Sacco's pistol.

SCENES INJECTED

Scenes like that and many others that did not take place in the courtroom were injected into the drama, all of which gave the definite impression that Sacco and Vanzetti were victims of a horrible frameup.

Credibility of several witnesses for the prosecution was impugned, but never actually in the courtroom in this presentation. We constantly wondered why the defense lawyer failed to bring out the points that Rose emphasized so strongly in his play.

From an entertainment point of view, the play was dull. However, the acting of Martin Balsam as Sacco and Steven Hill as Vanzetti was excellent. Carroll O'Connor made a fine district attorney and the narration by Ben Grauer couldn't have been bettered.

Part II to be seen next Friday will cover the fight to free the men through numerous appeals and mass meetings throughout the world.

[From the Boston Herald, June 10, 1960]

MORE SACCO, VANZETTI—TV PLAY EXCORIATES COURTS, GOVERNOR FULLER

(By Peter Barnicle)

The courts of Massachusetts, Gov. Alvan T. Fuller and the Lowell Commission, named to review testimony, were excoriated last night in the second part of NBC's television version of the famed Saco-Vanzetti case (WBZ–TV, Ch. 4).

What viewers in other sections of the country thought we do not know. But we are sure that Massachusetts viewers were shocked to see TV author Reginald Rose imply that the Governor of the Commonwealth visited the state prison at Charlestown and offered condemned murderer Celestino Maderios a chance for commutation if he would retract his alleged confession of the crime for which Nicola Sacco and Bartolomeo Vanzetti were convicted.

Granted, the narrator did say that the scene was based on a conversation which Maderios reported to defense attorneys.

The play also implied that Governor Fuller had his eye on the White House in holding firm against commuting the sentences of the two men who were convicted of the murder of a South Braintree paymaster and his guard on April 15, 1920.

The Lowell Commission made up of A. Lawrence Lowell, president of Harvard, Julius A. Stratton, president of M.I.T., and Judge Robert Grant, were depicted as three men who had made up their minds before they sat down to discuss the case.

The worst indictment was read against Judge Webster Thayer who presided at the trial. He was portrayed as a doddering old man who looked to be about 85 or 90. At the time of the trial Judge Thayer was in his mid-sixties—hardly the age of senility.

It is difficult to understand why after more than 30 years the case should be presented again in such a biased and prejudiced manner and why the courts of Massachusetts should be held up to ridicule.

Although the action was slow, comprising a series of scenes in which each defeat for the condemned men was highlighted with hope and then dispair, the acting was excellent.

[From the Boston Globe, June 11, 1960]

NIGHT WATCH—GOVERNOR FULLER VILIFIED AS S-V DRAMA ENDS—SACCO-VANZETTI STORY, CHANNEL 4

(By Percy Shain)

Massachusetts officialdom in an hysterical frenzy; killing Sacco and Vanzetti because it didn't dare not to; even hoping to profit personally by their executions.

That was the frankly nauseating picture left behind in the concluding chapter of this searing, tearing, Robert Alan Arthur production on the NBC network last night.

Gov. Alvan T. Fuller, a public benefactor of long standing and considered one of Massachusetts' abler Governors, was the latest to be vilified by the train of events as built up by writer Reginald Rose in sketching the losing fight to save these two men from the shadow of the electric chair.

This is what Rose said about Fuller (by putting the words into the mouth of a defense committee leader):

"He's trying to become President of the United States over their dead bodies, as Calvin Coolidge did before him on the issue of law and order."

And this is what Rose said Fuller did (on the word of a convicted killer):

He offered Celestino Madeiros, the killer, a "deal" for his life. He would commute the pending execution if Madeiros would take back his statement that he was in on the Braintree murder-robbery and that Sacco and Vanzetti were not there.

Those weren't the exact words he was quoted as using in their prison cell talk, but the meaning was plain.

And when Madeiros refused, the Governor, according to the TV version, called him a "double murderer," which to Madeiros meant that Fuller didn't think the famed pair were guilty.

Fuller was depicted as being frankly contemptuous of the poor—as calling them the rabble, the great unwashed. He was shown as more horrified by the property damage done in demonstrations than by the possibility that he might be putting two innocent men to death.

But that's not all.

"Gentlemen, there's such a thing as overselling your case," he told committee counsel (as if he were talking about a product instead of human lives, Rose points out).

And he couldn't understand why William Thompson was fighting for them.

"You're not Italian, are you?" he asked the noted lawyer.

"They are anarchists. I believe they should be crucified," he said at another point.

To him, the issue was strictly class and race, according to the script. The merits of the case were secondary. And all he did about the facts were to try to twist them to justify his actions, such as believing one man who said Sacco and Vanzetti were at the crime scene and ignoring the testimony of 40 others who said they weren't. That's the way Rose plainly viewed it.

But what about the commission he appointed to study the case, headed by A. Lawrence Lowell, president of Harvard?

Rose dismisses them casually.

They listened to an eccentric, taking her words seriously even though she spoke vaguely of "music running through my head."

And one of the three members of the board was biased anyway. He believed the two were guilty even before they started the probe, according to Rose.

And of course there was more about old Judge Webster Thayer, who was the prime villain in last week's chapter.

TO SUPREME COURT

"Did you see what I did to those anarchistic * * * the other day?" he asks a friend at a Dartmouth homecoming football game. "Now let them go to the Supreme Court."

(The Supreme Court was powerless to act on the evidence; only on the conduct of the trial. It did not find the trial was conducted unfairly.)

Later, as execution day nears, he is shown sidling up to some newsmen.

"I treated you pretty good. See what you can do for me," he pleads plaintively.

There was much of this emotional type of drama—the blacks very black, the whites very white, in the manner of the most elemental crime yarns.

But there was also a solid array of facts on the crime itself which attests to the thorough research done by Arthur and his cohorts in advance of filming.

They not only set out to prove Sacco and Vanzetti didn't do it; they told who did, almost down to the last detail.

It was the Morelli gang from Providence, professional killers out on bail from another job, according to writer Rose. And the motive? They needed the money to finance their coming trial.

The guns checked, the number of bullets checked, the facts checked, the story was complete, in this version.

Who fired the bullets? Joe Morelli and Tony Mancini, two members of the mob.

Also the defense dug up a Maine man, Roy E. Gould, who was within 5 feet of the bandits and swore Sacco and Vanzetti weren't among them.

But all this made no difference to Judge Thayer. He kept turning down appeals for a new trial.

HEARTRENDING

And if much of this material was most moving to those who hate injustice, the last words of the defendants just before they went to the chair were even more heartrending.

Sacco is seen writing to his son, urging him to "live for father's plea: Love me a little."

Vanzetti's final words: "This last moment belongs to us. This agony is our triumph."

Once again, the acting was on a high level.

Martin Balsam and Steven Hill showed the torture and agony of 7 long years of waiting in most convincing terms. Robert Emhardt made a brusque, heartless Governor Fuller. Stuart Germain completed the task of making Judge Thayer an object of contempt. E. G. Marshall was excellent as shocked lawyer Thompson who could not believe what was going on around him.

Summing up: This was as stirring a drama as has been seen on the networks this season. But in sharpening the conflict, pointing up the story values, the script was guilty of shameless distortions and omissions that make it highly suspect as a documentary.

It was an absorbing story. How true it was nobody will ever know. It's a shame Massachusetts had to be the scapegoat in the 1960 televised play that will be remembered longest.

[From the Boston Traveler, June 14, 1960]

BIAS AND DISTORTION

The television version of the Sacco-Vanzetti case was a dangerous disservice to the American public.

It was dangerous in the sense that it set a precedent for feeding the TV fans a concoction of distortions and half-truths that perverted the documented facts of the case. This may have opened the way for other outpourings of bias through the TV pipeline.

It was a disservice in the sense that it misled the public, it ridiculed a respected judicial system, and it deliberately misrepresented honorable men like Judge Thayer and Gov. Alvan T. Fuller.

All this—for the sake of arousing old bitterness, deriding American justice and whipping up sympathy for two convicted murderers.

Scores of TV editors already have blasted author Rose for his misshapen story and his spurning of the truth. There's no sense in beating a dead horse by citing more of the same here.

The TV industry needs a sharp warning, though. It has lost face in allowing itself to be the stooge for the false rantings of author Rose. His is the sort of hokum that turns an audience away in disgust.

[From Human Events, June 23, 1960]

TELEVISION'S SLANTED SACCO-VANZETTI DRAMA

(By Paul Jones)

What is adult television?

TV is not precisely our field, but the question we have just posed has been nagging us ever since we sat through two programs concerned with the Sacco-Vanzetti case. Critics in general found the direction routine, the presentation partial, and the characters oversimplified. Yet, said many, this was adult television, and we should have more of the same.

Presumably it was adult because it dealt with a controversial subject which agitated many people 25 years ago. On the other hand, it is scarcely adult to present a complicated issue in the crude colors of a children's primer.

The "goodies" and the "baddies" in the melodrama we saw were neatly divided. The prisoners at the bar, their defense counsel, their friends and families, everybody who was on their side glowed with the inner light of perfect innocence and unselfish devotion. Their adversaries, the Commonwealth of Massachusetts, its Governor, the prosecutor, and the judge, not to mention the police, came off very badly.

The judge was represented as doddering and senile, with a persecution mania; in point of fact, he was 63 at the time of the first trial, and sat on the bench for 13 years thereafter, retiring only after his house was blown up by a bomb.

The Governor was shown as a monstrous combination of political ambition and dishonest doubledealing. The prosecutor was ready at all times to falsify evidence, with the ready cooperation of an unprincipled police force.

These, of course, are routine characterizations in the sort of fictional courtroom drama that TV writers love. But the Sacco-Vanzetti case was supposed to be a documentary, with some of the accuracy of history and some of the responsibility that reporters have.

One difficulty that must have confronted the playwrights was the fact that Governor Fuller, 7 years after the first trial, named a public commission to look into the case and offer impartial advice on whether justice had or had not been done. The members of this tribunal were A. Lawrence Lowell, president of Harvard, Samuel Stratton, president of the Massachusetts Institute of Technology, and Robert Grant, a former probate court judge.

On August 6, 1927, they rendered a report on their findings.

They said: "The inquiry that you have asked the committee to undertake seems to consist of the three following questions:"

1. "In their opinion, was the trial fairly conducted?" To this, their answer was "Yes."

2. "Was the subsequently discovered evidence such that in their opinion a new trial ought to have been granted?" To this they answered "No."

3. "Are they, or are they not, convinced beyond reasonable doubt that Sacco and Vanzetti were guilty of the murder?" On this their verdict was guilty, after an exhaustive examination of the record, and long questioning of 10 jurors (1 had died, another was in Florida) and available witnesses.

A key paragraph read: "To the committee the jury seemed an unusually intelligent and independent body of men, and withal representative, 7 of the 12 appearing to be wage earners, 1 a farmer, 2 engaged in dealing in real estate, a grocer. Each of them felt sure that the fact that the accused were foreigners and radicals had no effect upon his opinion, and that native Americans would have been equally certain to be convicted upon the same evidence."

They examined the evidence for and against in the greatest detail, weighing the credibility of witnesses and the statements of the accused, as well as the evidence of the ballistic experts. "The fact," they said, "that persons accused are or are not Socialists or radicals of any type neither increases nor lessens the probability of their having committed the crime, and should be left wholly out of account."

The basic question, of course, is: Did the prisoners get a fair shake? And on the record, but not on TV, the answer had to be yes, unless you assume an enormous conspiracy to defeat justice.

TWELVE-NATION TREATY ON THE ANTARCTIC

Mr. ENGLE. Mr. President, today I addressed a letter to the Honorable Thomas S. Gates, Jr., Secretary of Defense, relating to the treaty on the Antarctic, this week approved by the

Senate Committee on Foreign Relations. I addressed the Secretary as follows:

DEAR MR. SECRETARY: As you perhaps know, the Senate Committee on Foreign Relations met this week and voted out with approval the 12-nation treaty on the Antarctic. On June 14, I appeared before the committee and opposed the ratification of the treaty. At that time I expressed considerable interest, among other things, in the military aspects of the treaty and raised some serious questions regarding the effect the treaty may have on the military posture of this country.

Mr. President, I ask unanimous consent that my statement before the Senate Committee on Foreign Relations be made a part of my remarks at the conclusion hereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ENGLE. Mr. President, I continue to read the letter to the Secretary of Defense, Mr. Gates:

I have noted that within recent months we have substantially increased the range of our Atlas missile. Present reports indicate also that the Navy plans on perhaps doubling the range of the Polaris. Our information is that the Russians have a greater capability in the field of thrust than we have. Under these circumstances

Mr. President, this is a key question:

I would like to raise the question as to whether or not it would be possible in the foreseeable future for the Soviets to increase the range of their intercontinental ballistic missiles sufficiently to enable them to launch missiles around the underside of the globe at targets in the United States.

In asking this question I have in mind that we have built and are building our detection system on the assumption of an attack over the arctic regions. This detection system will be built at great expense. It seems to me that we may be guarding the front door and leaving the rear of our house wide open to attack. My reading of the Antarctic Treaty indicates that it would preclude the installation of even passive defensive systems, that is, detection systems of any type.

This is the key to the matter. The treaty precludes the installation of any defensive system, including a passive defensive system for detection purposes. It is my belief the Soviets can increase the range of their missiles, fire them around the underside of the world, and hit targets in the United States of America; and in approving the treaty we are, while guarding our front door in the Arctic region, leaving the rear door open to attack.

Mr. President, I continue to read the letter:

If it is technically possible for the Soviets to increase the range of their missiles and come around the underside of the globe, passive defensive systems for detecting purposes would be of immense importance to our Government, and the time might come when the installation of active defensive systems in the Antarctic area would be the logical location for such systems.

I mean that when we perfect the Nike-Zeus and other active defensive systems it may be logical to put them in the Antarctic, rather than somewhere else, and the treaty would preclude it from happening.

Mr. President, I continue to read the letter:

In addition to the answer to this specific question, it would be appreciated if you would give me your observations on what you think is the general effect of demilitarizing the Antarctic area on the present and future military posture of this country.

I have in mind that the Navy testified in this matter for the Department of Defense. I read the testimony. It boils down to what we could call, out West, "a bucket of smoke." It does not amount to anything. I should like to have the Secretary of Defense give us the kind of answers we ought to have with respect to this vital question.

I continue to read the letter:

Inasmuch as there are only several days left in this session and since it is anticipated that the treaty will be called up in the Senate in the next few days, I would like your answer at the earliest possible time for my guidance in discussing the treaty when it comes up on the Senate floor.

Mr. President, because I have read the letter in excerpts and because I have commented upon the letter in reading it, I ask unanimous consent that the letter in toto be made a part of the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

EXHIBIT 1

THE SENATE SHOULD REJECT THE ANTARCTIC TREATY

(Testimony of Senator CLAIR ENGLE, before the Senate Foreign Relations Committee, June 14, 1960)

Mr. Chairman, I am sure that my colleagues are all aware that the Antarctic Treaty, which was signed by the 12 participating countries last December 1, is pending before the Senate for ratification. They may not be equally aware of the fact that the United States took the lead in initiating the conference in 1958 which led to the creation and signature of the treaty. They may not be aware that the U.S.S.R., as 1 of the 12 countries participating in the International Geophysical Year program in Antarctica, received a gratuitous invitation to enter into the treaty and lost no time in doing so. They may well consider these matters and ask "why?"

Indeed, I ask that primary question and a good many others besides. And I am still looking for adequate answers. It is difficult for me to escape the conclusion that there are none, and that the Antarctic Treaty perforce is a setback for U.S. interests.

Frankly, I cannot but believe that signature of the treaty by this country violates at least two sound maxims: One historically prevalent in legal and diplomatic circles, and the other of a proverbial nature. On the one hand, we are giving something for nothing; or, if we insist on the value of small promises, we are giving a very large quid for an insignificant quo. In essence, we are settling the seal of free world recognition on the Soviet presence in Antarctica in return for whatever assurance the treaty offers that the Soviets will not be troublemakers. On the other hand, we are indeed "putting the cart before the horse." For the treaty demilitarizes the continent and prohibits nuclear explosions and disposal of waste just as if we had already concluded disarmament and nuclear test ban agreements with the U.S.S.R. The truth seems to be that prospects for such agreements have been made dimmer by the current Soviet tantrums of bellicosity and bad manners than they have been for quite some time.

But before I pursue these lines of inquiry in greater depth, let us first look at the historical setting in order to ascertain the comparative relevance of Soviet, American, and other interests in the subcontinent.

Between 1819 and 1821, the Russian explorer Von Bellingshausen, duplicated the feat of Capt. James Cook nearly 50 years earlier by crossing the Antarctic Circle; the Russian also sighted two islands off the coast of the continent, but apparently did not sight the mainland. During the century and a quarter between that time and the period after the end of World War II, the Russians displayed no further interest in Antarctic exploration. In fact, the Soviet bases established through participation in the IGY are all located in territory claimed by Australia.

The United States, on the other hand, has had perhaps the longest and clearest record of continuing interest in the Antarctic Continent. There is little doubt that it has the legal right to territorial sovereignty over a large portion of Antarctica. It could base its claim on discoveries, explorations, occupations, or performance of administrative acts, the main basis for the claims which have been filed to date.

On any basis that sovereignty over new territory is determined, the United States has a sound position. An example is discovery. American investigators believe that the continent of Antarctica was first sighted by Nathaniel Brown Palmer, an American sealing captain, on November 17, 1820. Nineteen years later the American naval officer, Charles Wilkes, made a voyage more than halfway around Antarctica and demonstrated the existence of a continental landmass.

Rights based upon early discoveries are strengthened by an outstanding American role in exploring the continent. Americans all take pride in such activities as the establishment of Little America by Rear Adm. Richard E. Byrd—Byrd's flight over the South Pole on November 29, 1929—and Lincoln Ellsworth's later flight across the entire continent.

Many of the American citizens who took part in these historic explorations have made claims on behalf of their country. For example, Marie Byrd land was claimed for the United States by the first Byrd expedition. James W. Ellsworth land was claimed in 1936 by Lincoln Ellsworth, who also claimed another portion for the United States in 1939. Additional markers laying the basis for U.S. claims were planted during the postwar Antarctic expeditions undertaken prior to the International Geophysical Year. Instructions for these expeditions called for the extension and consolidation of U.S. sovereignty over "the largest practicable area of the Antarctic Continent." By these activities the groundwork has been laid for the United States to assert its sovereignty. All that has been lacking is the official action on the part of the Government which would solidify the claims.

Unfortunately, while the State Department through the years adopted a narrowly legalistic interpretation of the basis for a claim, other countries were not encumbered by the fiction that a requirement of permanent settlement had much relevance to Antarctica. Seven nations have made formal claims to portions of the continent. Of these, Britain and Norway, through years of exploration, have rights most nearly comparable in weight to those of the United States. Whatever the status of these disputed claims, none of which is recognized by this country, the fact remains that only the unfavorably situated territory between 90° and 150° west longitude is as yet unclaimed. At a minimum then, it would seem that the United States should be concerned with establishing its rights in this one uncontested area.

On the contrary, however, the U.S. Government has signed a treaty which in effect

denies this country the opportunity to take such a step. For the treaty explicitly provides that no new claims may be asserted as long as it is in effect.

Now proponents of the treaty argue that no nation will be giving up anything, since the treaty also provides that claims, rights to claims, and recognition of claims are frozen as they currently exist for the duration of the treaty. This is true in theory because the treaty states that nothing in it shall be interpreted as a renunciation of previously asserted claims to territorial sovereignty, or as a renunciation or diminution of any basis of claim. In spite of these provisions, however, it is only realistic to recognize that once the treaty comes into force it is very unlikely the United States will ever gain any benefit from its preeminent role in the opening up of Antarctica.

In the first place, the whole purpose of the treaty is to extinguish national claims once and for all. It seems apparent that the clause freezing the status of claims was adopted primarily for the purpose of making the treaty palatable to states which have already made claims. The treaty has no termination date and seems designed to stay in effect indefinitely. As long as it remains in force, the entire continent would be under international control. But while the treaty is supposedly permanent in nature, the provisions freezing sovereign rights give the impression that at some future date the treaty will expire and the status of claims will fall back into the same pattern which exists today.

Second, even if the treaty were unsuccessful in its objective of bringing about permanent internationalization, it is extremely unlikely that U.S. rights in the unclaimed area would ever again be as predominant and undisputed as they are now. Countries such as the Soviet Union, which have been given a voice in the control of Antarctica by this treaty, will not readily pack up and go home if the treaty comes to an end. Meanwhile, the claims problem will have become more difficult as more and more countries undertake activities.

Again, the treaty has a provision to mask this danger. It states that no activities taking place during the treaty period shall constitute a basis for asserting, supporting, or denying a claim. In practice, however, we can be fairly sure that if the treaty arrangement eventually were to dissolve, new claims not now justified would be made. It is difficult to believe that the Soviet Union would be backward in this respect.

Well, some may ask, why all the fuss about an almost inaccessible chunk of ice at the bottom of the world? Perhaps they should also ask the skipper of the *Nautilus* why he believed there was any significance in his trip under the ice across the roof of the world. Yet we need not be quite so contemporary in our thinking about the shrunken nature of our globe and its lines of communications.

Even in World War II Antarctica proved of military advantage to an enemy. German raiders operated very successfully from antarctic waters against allied shipping, sinking or capturing several hundred thousands tons; a substantial part of the Norwegian whaling fleet was captured in the area. So important were the shipping routes near the Antarctic that three major fleet actions were fought by the British squadron based in the Falkland Islands. If the Panama or the Suez Canals were closed in a future war, Western shipping would be detoured into the southern oceans around Cape Horn, the Cape of Good Hope, and Australia. Whoever controlled Antarctica would have a great asset in the control of these vital southern routes.

With current advances in military technology, the strategic importance of Antarctica for the defense of the free world has manifestly increased. Not only is the continent advantageously situated for the observation and conduct of space activities, it could also be made into a long-range missile base of signal importance.

It is true that the treaty makes sweeping provisions for demilitarization of Antarctica, and for complete freedom of inspection from land, sea, and air. Yet the use of military personnel and equipment for scientific and other peaceful purposes would be permitted. This in itself could provide an avenue for evasion of the much-heralded full inspection to be permitted each country. Far more significant, however, is the fact that the vast inaccessible Antarctic Continent is over 5 million square miles in extent, more than six times the size of Greenland and not very much smaller than all of South America. The policing of this isolated region could prove a monumental undertaking.

Other applauded features of the treaty which could have quite reverse effects from those intended relate to the prohibitions against nuclear explosions and disposal of radioactive waste material. It is also stated that in the event of an international agreement on these issues, the rules of the agreement would be applied to Antarctica—provided all the Antarctic Treaty countries adhere to the nuclear treaty. Despite the breakdown at the summit, it is still within the realm of possibility that a global test ban, including Antarctica, may yet be concluded. Until that time, however, it seems unwise to prohibit all nuclear explosions in the Antarctic Continent.

In the first place, if tests are going to continue, Antarctica would be a better region in which to explode nuclear weapons than previous and existing possible sites. It is isolated from any centers of population, and residual radioactivity would not be as great a problem as in populated areas. In the second place, nuclear explosions for peaceful uses could have greater possibilities in Antarctica than anywhere else in the world. They might be used to open up harbors or melt the icecap. The Soviet Union has agreed, in principle, that nuclear explosions for peaceful purposes should be permitted under a worldwide test ban. If such a treaty were not concluded, however, Antarctica would be denied the use of nuclear explosions, no matter how necessary they might be.

Similarly, the prohibition of the disposal of radioactive waste material in Antarctica could be very disadvantageous. Nuclear power may be the key to opening up Antarctica and developing its potentialities. Even for the scientific projects of the near future, nuclear power could save the transportation of huge quantities of fuel. The flat prohibition of all disposal of radioactive waste material, a prohibition which does not exist in this country, should be carefully studied by those engaged in nuclear power projects to make sure that radioactive waste would not be diverted to locations more dangerous to mankind.

Alongside these political and strategic considerations, it would be shortsighted not to think of Antarctica in terms of economic importance. Antarctica is a land of the future. Its potentialities are hidden by ice and snow. Nevertheless, we can be virtually certain that modern science and technology in time will open up the continent to beneficial uses. For the United States to give up the sovereign rights it has earned in Antarctica would be as great a folly as it would have been many years ago to forego the purchase of Alaska.

The amount of natural resources in Antarctica is still a subject of study. Already, however, traces of some 175 minerals have been found, including manganese, copper, lead, nickel, and uranium. It is believed Antarctica may contain one of the most extensive coal fields in the world. Certainly there are many problems to be solved before these resources can be extracted, but in an atomic age there is every reason to believe it can be done. As the resources in the rest of the world are depleted, the resources of Antarctica will increase in value.

Looking further into the future, Antarctica may hold even greater benefits in store. For example, it is not inconceivable that Antarctica might help provide food for the world's rapidly growing population. The Antarctic seas abound in certain types of plant and animal life which scientists believe might be harvested someday.

Although the Antarctic Treaty provides for freedom of scientific investigation, it makes no mention of the logical aftermath of the scientific research—namely, economic development. This is a subject which is entirely omitted. Moreover, because the development of the Antarctic resources will require large amounts of funds, it is highly questionable whether development will be undertaken as long as the continent is under international control. A nation such as the United States could afford to make the necessary investments if it knew that the American taxpayers who paid the bill were also to reap the benefits. However, it would be reluctant to invest for the benefit of the Soviet Government. The experience of the United Nations has shown that it is very difficult to obtain large amounts of funds for international projects; it is thus no idle fear that the economic development of Antarctica will be impeded by this treaty.

Mr. Chairman, I think I have said enough to permit a summing up of one American's reaction to the Antarctic Treaty. In practice, if not in theory, it will reduce the preeminent rights which the United States has in a large part of Antarctica. It will give the Soviet Union a position of equality which it does not deserve, and which poses a danger to the security of the United States and its allies in the Southern Hemisphere.

One alleged return for these sacrifices is freedom of scientific investigation. This has always existed in Antarctica anyway for the nations willing to undertake the effort involved.

Another alleged gain is the settlement of a political problem by the freezing of national claims in favor of international control. It seems likely that if international control ever ends, and the claims thaw, they will be more complicated than ever before. They certainly will not be restricted to free world nations as they have been in the past.

Proponents of the treaty point to the demilitarization of Antarctica as a step forward. In reality, it appears to take what could have been an asset to the defense of the free world and, at best, neutralizes it. At worst, the treaty does not fully insure against the possibility of clandestine military operations by the Soviet Union.

Frankly, Mr. Chairman, I do not believe that the Soviet record with respect to the maintenance of treaties is one which could inspire confidence in anyone but a congenital optimist. I do believe that the Senate should reject this treaty as being contrary to the best interests of the United States.

EXHIBIT 2

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., June 22, 1960.

HON. THOMAS S. GATES, JR.,
The Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: As you perhaps know, the Senate Committee on Foreign Relations met this week and voted out with approval the 12-nation treaty on the Antarctic. On June 14, I appeared before the committee and opposed the ratification of the treaty. At that time I expressed considerable interest, among other things, in the military aspects

of the treaty and raised some serious questions regarding the effect the treaty may have on the military posture of this country.

I have noted that within recent months we have substantially increased the range of our Atlas missile. Present reports indicate also that the Navy plans on perhaps doubling the range of the Polaris. Our information is that the Russians have a greater capability in the field of thrust than we have. Under these circumstances, I would like to raise the question as to whether or not it would be possible in the foreseeable future for the Soviets to increase the range of their intercontinental ballistic missiles sufficiently to enable them to launch missiles around the underside of the globe at targets in the United States.

In asking this question I have in mind that we have built and are building our detection systems on the assumption of an attack over the Arctic regions. This detection system will be built at great expense. It seems to me that we may be guarding the front door and leaving the rear of our house wide open to attack. My reading of the Antarctic Treaty indicates that it would preclude the installation of even passive defensive system, that is, detection systems of any type.

If it is technically possible for the Soviets to increase the range of their missiles and come around the underside of the globe, passive defensive systems for detecting purposes would be of immense importance to our Government, and the time might come when the installation of active defensive systems in the Antarctic area would be the logical location of such system.

In addition to the answer to this specific question, it would be appreciated if you would give me your observations on what you think is the general effect of demilitarizing the Antarctic area on the present and future military posture of this country.

Inasmuch as there are only several days left in this session and since it is anticipated that the treaty will be called up in the Senate in the next few days, I would like your answer at the earliest possible time for my guidance in discussing the treaty when it comes up on the Senate floor.

Sincerely yours,

CLAIR ENGLE,
U.S. Senator.

PRESIDENT EISENHOWER'S TRAVELS ABROAD

Mr. SALTONSTALL. Mr. President, there has been some criticism recently of President Eisenhower's travels abroad. I believe that this primarily stems, simply enough, from the fact that all has not gone exactly as well as it might have in our relationship with friends abroad and our efforts to seek peace. But the reasoning offered is that the administration is substituting so-called "personal diplomacy" for normal and traditional diplomatic procedures.

Yesterday I listened to Secretary of State Herter testify on the State Department appropriations bill, and he touched upon the President's trip to the Far East. Mr. Herter emphasized the importance of regular channels for international contact. But he stressed that the purpose of President Eisenhower's travels were to increase friendliness and understanding across the world, and not to negotiate with foreign chiefs of state. The one exception, of course—and the point has been clearly made—was the trip to Paris for the summit meeting.

It seems to me that the criticism I have mentioned is founded on a misunderstanding, either accidental or contrived, of the true purpose of the President's trips. There is need, therefore, for a clear distinction to be made between international contact among Government officials for actual negotiation and, on the other hand, for the generation of good will.

Perhaps the catchy term "personal diplomacy" has been used too often to describe the President's intent. It has certainly been used imprecisely and even inaccurately. Diplomacy relates directly to conducting negotiations; to arranging treaties, for instance. The President's travels did not have negotiation as their purpose, and therefore could not supplant the normal diplomatic processes, which have continued unabated. Perhaps we should carefully make the distinction between "social" and "business" purposes when we characterize the Eisenhower trips. When the term "personal Presidential diplomacy" is used it must be applied specifically to a situation like the Paris summit meeting, rather than tossed around casually as a description of everything the President does outside the borders of the United States. Good will missions, efforts to convince farflung peoples of the basic unity of free men everywhere, travels to demonstrate the dynamic belief of the United States in world peace—these must be separately identified and given full credit for what they are.

I believe these purposes are not only valuable, but necessary, considering the nature of the world today and the character of the Soviet challenge.

It is actually standard practice for chiefs of state and heads of government to advance their national interests by good will trips, and with good reason. We all know of Chairman Khrushchev's efforts in this regard, continuing, in one way or another, since the highly publicized Bulganin-Khrushchev "team visit" to India in 1955. There is no doubt that this is a crucial weapon in the battle for men's minds, and it would be preposterous for anyone to suggest we should leave it for the Russians alone.

The need for goodwill tours for the President of the leader of free world nations has been advanced by the revolution in transportation and communications technology. If a head of state can easily and practically visit those he claims to be his foreign friends, it becomes increasingly difficult for him not to do so.

There is another revolution, so-called, which affects the matter also, and more basically. The new, yearning, emerging nations of the less developed areas have high aspirations for success and prestige in a world previously closed to them. This is the revolution of rising expectations. In order to encourage these peoples to sustain self-determination, independence and progress in a free democratic context, we must prove our affection and regard for them. We must seek to build their self-confidence and self-respect. We go to their homelands to do this, demonstrating directly and personally our recognition of and regard for them. This the President has sought to accomplish in his immensely successful visits to the Near East in 1959, and Latin America and the Far East in 1960. His European trip in 1959 was directed toward vigorously cementing the ties of unity and friendship between ourselves and our Western allies.

Indeed, a prime reason for Chairman Khrushchev's cancellation of President Eisenhower's visit to the Soviet Union was the fear that such a trip might be too successful from the free world's point of view. The same apprehension undoubtedly directed the organized Communist efforts to block the President's visit to Japan more recently. President Eisenhower's tremendous reputation as a man of peace has had a profound effect on the tactics of international communism.

The dissatisfaction of the Tokyo agitators must be measured against the overwhelming outpourings of affection, admiration, and support from millions of people who have greeted President Eisenhower across the world. We must not overdraw this recent and temporary damage to our prestige. In many visits—for the first time—of the American head of government to overlooked nations and peoples, President Eisenhower has demonstrated his willingness to go many thousands of extra miles to improve the chances for peace. Foreign leaders have assured us of the great value to the cause of peace of these journeys, and they have received universal support from within the United States.

USELESS AGENCY—CIVIL DEFENSE

Mr. YOUNG of Ohio. Mr. President, later today the Senate will consider the independent offices appropriation bill, which includes the appropriation for the Office of Civil and Defense Mobilization.

Civil defense, Mr. President, might have been of some value during World War II and for a few years thereafter. However, we are now in an age of intercontinental ballistic missiles, nuclear bombs and space satellites.

Civil defense as it is now operated is about as useful as flintlock muskets, tallow dips, mustache cups, or Civil War cannonballs. This boondoggling bureaucracy has spent over $1 billion of taxpayers' money during the past 9 years. I challenge anyone to prove that the American people are in reality any more secure than when this wasteful program began.

Yet, with this fact staring us in the face, we continue to fool ourselves and to take money from taxpayers with a civil defense program which is not only false in concept of defense in this nuclear age, but wasteful and extravagant in its implementation.

The goals of our civil defense planners are hidden by confusion. On the one hand they tell us to build shelters in our basements and back yards. On the other hand they map out elaborate evacuation schemes and tell us to run in event of attack.

As I have pointed out many times before, neither of these plans is feasible. Together they are ludicrous.

The futility, the waste, and the bungling of this outmoded agency are almost beyond belief.

In the bill which will be before the Senate shortly this agency is requesting $12 million in matching funds for personnel. In reality, we are being asked to provide this money to create more than 4,000 paid positions in city halls and county courthouses. Not only is this a waste of Federal funds, it is also an encouragement to State and local governments to waste money.

In Ohio there are some 90 employees in the State organization costing the State $554,000. Under the proposed matching program, Ohio would have 200 salaried civil defense workers and would spend almost $1½ million, of which the Federal Government would contribute $570,000. I wonder whether the people of Ohio will be any more secure with these added paid employees. To judge by the past, there will be no more safety but a lot more confusion.

We are told that these new employees will be chosen under State civil service merit systems. If these are the same merit systems that have given us the paid civil defense employees we have today, I shudder to think of the consequences.

At the same time I cannot say enough on behalf of the fine volunteer workers who have made sacrifices and rendered great services in time of floods and fires and other disasters without thought of compensation. They will do so again as they have always done without paid civil defense officials directing them from behind desks.

This bill also contains an appropriation of $6½ million for the General Services Administration for fallout shelters in proposed Government buildings throughout the country. The only people this will help are contractors.

Of what earthly use will shallow shelters be in Federal buildings, most of which are located in metropolitan areas where shelters will be of little or no protection?

At a time when the Nation faces serious housing problems which administration leaders refuse to face for fear of unbalancing the Federal budget, this same administration proposes $6 million worth of useless shelters in Government buildings.

It is interesting to note that, of the $76 million requested for this agency, $47 million, or 62 percent of the total appropriation request, is designated for salaries and expenses.

Mr. President, the House of Representatives denied the $12 million request for salaries and the $6½ million for fallout shelters. I intend to vote against this bill if these requests are included in its final version. It is my fervent hope that the House of Representatives will stand firm, as it did last year, in refusing to grant these sums.

If we allow this bureaucratic monstrosity to expand this year, who knows to what extent it will grow and spend; grow and waste—always a refuge for ex-governors, defeated politicians, and political hangers-on of the party in power.

Mr. President, rather than pouring additional millions of taxpayers' dollars into a worthless plan for passive resistance, let us scrap civil defense as now conducted. Boot out the politicians from the Federal Administrator of the Office of Civilian Defense and Mobilization right down the line. Remove these paid officials and employees from the public payroll. Place the defense of citizens of our country in the hands of those trained to defend and maintain our freedom—the Armed Forces of our country. Surely, the defense of civilians is too important to be entrusted to civilians in armbands.

Shelter programs for basements and backyards required in the construction of buildings connote a waste of money. In reality, in event of a nuclear attack and conflagrations that would follow, such so-called shelters would not be shelters but would prove deadly firetraps. We should depend upon our Armed Forces and their power for instant retaliation and defending this nation and its citizens instead of adding appropriations for this worse than useless Office of Civil and Defense Mobilization.

PLAIN TALK ON CIVIL RIGHTS

Mr. RUSSELL. Mr. President, the July edition of Reader's Digest magazine contains an informative and interesting article that is in the nature of a debate between two of our distinguished colleagues, the Senator from Georgia [Mr. TALMADGE] and the Senator from Illinois [Mr. DOUGLAS]. The subject matter of their debate deals with the so-called civil rights question.

As every Member of the Senate is well aware, both of these Senators are well informed on this subject. Both are able and articulate spokesmen for the point of view they hold on this issue. Because of the general interest in the so-called civil rights question, I ask unanimous consent that the article be printed in the body of the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLAIN TALK ON CIVIL RIGHTS

(Senator PAUL H. DOUGLAS versus Senator HERMAN E. TALMADGE)

(The explosive civil rights issue will undoubtedly shake the platforms of both the Democratic and Republican national conventions during the coming month. It is an issue on which it is impossible for an informed U.S. citizen not to have an opinion. With this in mind, shortly after passage of the controversial Civil Rights Act of 1960, the Reader's Digest asked Senator PAUL H. DOUGLAS, Democrat, of Illinois, leading advocate of civil rights legislation, to participate in a candid, face-to-face discussion of the subject with Senator HERMAN E. TALMADGE, Democrat, of Georgia, a most articulate spokesman for the southern viewpoint. A recording of their forthright talk follows:)

Senator DOUGLAS. Senator TALMADGE, the current conflict over civil rights, to my mind, is the most tragic thing that has occurred to divide our Nation in this century. If we are going to discuss our views—and we know we differ—I think we must do so calmly but frankly, and with the hope that we can make some contribution toward solving the problem.

Senator TALMADGE. I certainly want to enter the discussion in that spirit, Senator DOUGLAS. I agree that this tragic issue is dividing our country, setting section against section and race against race, at a time when we should be strong and united in a troubled world.

Senator DOUGLAS. Let us begin with fundamentals. I think our attitude toward the Negro depends largely upon our view of the nature of man. If we believe, as I think most Americans do, that all men, regardless of race or color, are created equal by Almighty God, that they all have within them the divine spark, and that they all have the right and, indeed, the obligation to develop their moral character as God would have it, then we must reexamine our attitude toward the Negro in the light of that belief.

Senator TALMADGE. I agree that all men of all races are equal in the sight of God and that all American citizens have equal rights under the Constitution of the United States and the laws of the individual States.

Senator DOUGLAS. Then we cannot set the Negroes apart as social or intellectual inferiors. We cannot hamper them in getting an education. We cannot deprive them of the right to vote. On the contrary, we have an almost sacred duty to enhance the Negroes' social, economic, and political development. That is what we are trying to do in our efforts to safeguard the Negroes' rights as American citizens. I believe that is the basic issue in the present civil rights controversy.

Senator TALMADGE. I cannot agree that that is the basic issue. The people of the South do not want to deny the Negro his right to vote, or to deprive his children of an equal education. Neither do they want to hamper his development as an individual or as a good citizen.

Senator DOUGLAS. Those are brave and heartening words, Senator. But, unhappily, they are not supported by the facts in the Southern States. May I ask what you consider the basic issue?

Senator TALMADGE. What the people in the South resent is the attempt of powerful forces within this country to elevate a minority, in this case, the Negroes, to a special and favored status by means of Federal laws. They resent Federal compulsion to make fundamental changes in the social traditions of the majority merely as a special political favor to the minority.

Senator DOUGLAS. That is not the case, Senator. We seek only to obtain and guarantee equal rights for the Negro under the law.

Senator TALMADGE. But when we speak of equal rights, Senator, we must remember that under our republican form of government the individual has other rights. Among them are the rights of privacy, of protecting one's family, of educating one's children according to one's own choosing. These are rights that are cherished not only by southerners but by free men everywhere. Yet the social reformers and agitators would sacrifice these rights of the majority in order to bestow special rights on a minority. That is the issue that is now dividing our country. And it is working to the detriment of our Negro citizens instead of advancing their interests.

Senator DOUGLAS. I am afraid you are confusing the issue, Senator. No one is proposing that white people must invite Negro citizens into their homes. No one is saying that white girls should marry Negro boys. No one is saying that Negroes must be admitted to white private clubs. What we are discussing is the attitude of the Southern States toward the law of the land. Will the Southern States, in defiance of the Constitution, hamper the Negro in obtaining an adequate education. Will the Southern States continue to set the Negroes apart as inferiors? Will the Southern States continue to deprive the Negro citizen, because of his race, of his right to vote?

Senator TALMADGE. Senator, those rights were established in 1868–70 by the 14th and

15th amendments to the Constitution. When those amendments were adopted, most States already had separate school systems for whites and for Negroes. And up until 1954 the courts held in a long series of decisions that the provisions of the 14th amendment were being complied with when the States provided separate but equal facilities for both races. Then, in 1954, without any amendment to the Constitution or any act of Congress, without any basis except sociological and psychological theories, the Supreme Court reversed all these precedents and ruled that separate but equal schools were no longer constitutional.

Senator DOUGLAS. But you and I know Senator, that these separate schools for Negroes were seldom equal. I thing it is undeniable that schools for Negroes in the South, indeed in some sections of the North, were grossly inferior. But then, a few years ago, came the case of Topeka, Kans., where the separate high schools for Negroes were approximately equal to the white schools. The Supreme Court then had to decide whether segregation in itself was not a denial of the equal protection of the laws guaranteed by the 14th amendment. The Court ruled unanimously that the segregation of children because of race and during their formative years actually retarded their education and implanted an inferiority complex in the children which becomes a handicap in later life. That decision was reaffirmed later by the Supreme Court, and again unanimously, with three new justices sitting.

Senator TALMADGE. But public education is the right and responsibility of the States, Senator. The acts of Congress admitting the last 14 States to the Union makes that perfectly clear. Yet the Supreme Court decision of 1954 sought to deny the Southern States that right.

Senator DOUGLAS. The court decision dealt with but one thing, segregation—which it declared unconstitutional. It didn't tell you how to desegregate or when to desegregate, and I don't think it interfered with your States rights. I know that you have called the decision "sociological and psychological jurisprudence." But I believe that the decision clearly reflects the awakening of America's moral consciousness to what is involved in the separation of American citizens along racial lines.

Senator TALMADGE. During recent years the people of the South, whites and Negroes, have made real progress in promoting racial harmony and good will. The court decision of 1954, contrary to its own declaration, really turned back the clock. Why? The answer can be found in the Supreme Court decision of 1896 which declared: "If the races are to meet upon terms of social equality, it must be the result of natural affinities, a mutual appreciation of each other's merits, and a voluntary consent of the individuals." We cannot solve by Federal laws or court decisions social problems as old and complex as those involved here. If the 18th amendment taught us anything, it is that Federal laws cannot be effective or enforced when they lack the support of the majority of the people—or what the Declaration of Independence calls the "consent of the governed."

Senator DOUGLAS. But that refers to the consent of the majority in the Nation as a whole. What you are saying, as I understand it, Senator, is, "These are local problems, and we must deal with them locally in the South." The sad fact is that the white South has not dealt with the problems either fairly or realistically. Even today, 6 years after the Supreme Court decision, every State in the South appropriates less money for Negro schools than for white schools.

Senator TALMADGE. I do not say that our schools for white or colored children are what we want them to be. But I must remind you that until very recent years the South has been struggling to overcome the legacy of destruction and poverty which it inherited after the War Between the States. Only after World War II were the Southern States able to provide for the educational needs of their children, both white, and colored. During my administration as Governor of Georgia from 1947 to 1955, we spent about 53 cents of every tax dollar for education, and launched a $200 million building program which has since been accelerated. The people of Georgia do not have to apologize to anyone for their schools for whites or Negroes, and those schools are open to the inspection of anyone.

Senator DOUGLAS. Well, Senator, perhaps we should take another look. For the record shows plainly that in Georgia as well as in other Southern States there is a great disparity between public school facilities for Negroes and those for white children. But let us talk about voting, which is another critical problem. There are 16 counties in the South where, even though Negroes constitute the majority, there is not a single registered Negro voter. There are 49 counties where Negroes are the majority, but where less than 5 percent of the Negroes of voting age are registered. There are about 5 million Negroes of voting age in the South, but only about 1,200,000 were registered in 1956. Is this the best that the white South, left to its own devices, can do to solve that problem?

Senator TALMADGE. You must be aware, Senator DOUGLAS, that a time factor is involved here. Until 1946 we had white Democratic primaries in the South in which Negroes did not vote. Since the Supreme Court held the white primaries unconstitutional in 1946 we have come a long way. While I do not consider the report of the Civil Rights Commission authoritative, let us look at those figures. They show that Negro registration in the Southern States climbed from 595,000 in 1947 to about 1,200,000 in 1956. In Georgia, where we have some 600,000 Negroes of voting age, more than 180,000 are registered and voting, and the number is increasing every year.

Senator DOUGLAS. But aren't these Negro voters nearly all in the cities? How many are voting in the rural areas?

Senator TALMADGE. These voters are scattered all over the State. True, there is a large concentration—about 33,000—in Fulton County where Atlanta is located. But in Liberty County, which is rural, there are more Negroes than whites voting. The Negro vote is equal to the white vote in Long, McIntosh, and Taliaferro Counties, all of which are rural. Colored voters in Georgia have elected public officials. They frequently hold the balance of power in local elections. My point is that we have accomplished this in less than 15 years. We have done it under State law and without Federal compulsion. We cannot help it if all the Negroes who are qualified to vote do not choose to exercise that right. The National Association for the Advancement of Colored People has reported that only 25 percent of the Negroes in Cleveland, Ohio, register and vote. We do better than that in Georgia.

Senator DOUGLAS. Well, it is good to know that Negroes in Georgia are voting in such numbers. But let us not blink the fact, Senator, that in many parts of the South, Negroes are being denied their right to vote in an outrageous manner. Read the facts in the report of the President's Civil Rights Commission—a six-member body that included three southerners, incidentally.

Senator TALMADGE. In my opinion that report is a prejudiced and unreliable document, and I call your attention to the dissent of Commissioner Battle, who states: "I concur in the proposition that all properly qualified American citizens should have the right to vote, but I believe that the present laws are sufficient to protect that right."

Senator DOUGLAS. But, Senator, the evidence shows that present laws are far from sufficient. Consider what happened in Tuskegee, Ala., the site of the renowned Tuskegee Institute. Negro Ph. D.'s were denied the right to register on the ground that they were not qualified. Then the State of Alabama gerrymandered the town boundaries in such a way as to disenfranchise Tuskegee Negroes in the local elections.

Senator TALMADGE. Let me say that if any citizen in the Tuskegee area feels he has been denied his right to vote, he has four recourses under Federal law, including the Civil Rights Acts of 1957 and 1960. I have yet to hear of any citizen, of whatever race, who sought protection of his voting rights who did not receive redress in the courts.

Senator DOUGLAS. Well, thus far, Senator, you have asserted that the white people in the South do not wish to deprive the Negro of his right to vote, and you have pointed with pride to the increasing number of Negroes in Georgia who are voting. Why, then, do you oppose the recommendation of fair-minded people who are only trying to enable the Negro to exercise his constitutional rights?

Senator TALMADGE. We oppose such recommendations because they tend to violate our States rights, because they usually emanate from agitators and social theorists, and because they result in dangerous and unworkable laws which do more harm than good. So far as voting is concerned, further laws are unnecessary. But the Supreme Court decision affecting the schools of the South is particularly repugnant to the majority of southerners because it would force the intermingling of white and colored children at their most impressionable ages. I think it is fundamental that people prefer to associate with their own kind—whites with whites, Negroes with Negroes: you may call this discrimination. But people of all races discriminate all through their lives and even among themselves. We whites discriminate when we select our churches, schools, and clubs. We discriminate when we choose our friends and our children's playmates. We discriminate when we decide which boys may escort our daughters to a dance.

Senator DOUGLAS. Now, Senator, I think you are getting to the crux of the matter. But you are only hinting at it. I believe that the southern attitude is based upon fears or prejudices which are unjustified.

Senator TALMADGE. We are reluctant to discuss this aspect of the problem. Whenever we do, we are called racist or worse. But I cannot agree that the fears of southern people are as unfounded as you say. Let me put it this way: history shows that wherever people of different races have been forced to mingle intimately, as would be the case in our public schools, the result has been a biological mixing of the races, whether legally or otherwise. This has been true in Cuba, Egypt, Brazil, and elsewhere. People in some of these countries are proud of their racial assimilation. We do not want it to happen in the South. Indeed, I think it is repugnant to Americans of all regions, whether they are white or colored. You will find a number of Negro sociologists who have written that assimilation will be the inevitable result of integration. Only a few years ago, to cite a specific example, a Negro lawyer in South Carolina, a local counsel of the NAACP, told a reporter that while intermarriage was not discussed at NAACP meetings, "I am sure the NAACP knows that once you integrate it is the natural consequence." You cannot expect us to derive any reassurance from that sort of talk.

Senator DOUGLAS. That does not follow at all. There is no more intermarriage in the North than in the South, and, I might add, there is far less interbreeding.

Senator TALMADGE. Nor are we reassured, Senator, when we read about what happens

in the North as a result of efforts to mix Negroes and whites in schools and housing developments. There has been plenty of violence in your own State of Illinois, and only recently there was rioting and at least one fatal stabbing in a newly integrated school in Philadelphia. We have been able to avoid that sort of thing in the South, and we want to continue doing so.

Senator DOUGLAS. We are not entirely blameless in the North, and we, too, have our problems to solve. Nevertheless, there have been racial clashes in the South recently, and the whites have been the aggressors. The peace which previously existed in southern communities was due primarily to the Negroes' fear of white violence if they stood up for their rights. A graveyard is a rather peaceful place, too, Senator; but who wants to live there?

Senator TALMADGE. Most southerners, Senator, are born and bred in the traditions of the Old and New Testaments. They know and acknowledge the true brotherhood of man. We are also traditionally a conservative and law abiding people. But Thomas Jefferson once said that while strict observance of the law is one of the highest duties of a good citizen, it is not the highest. "To lose our country by scrupulous adherence to written law," he said, "would be to lose the law itself, with life, liberty, property and all those who are enjoying them with us—thus absurdly sacrificing the end to the means."

Senator DOUGLAS. Yes, Senator, but it was Thomas Jefferson who fought to have slavery outlawed by the Constitution, and he was defeated by his colleagues from the South. I believe Thomas Jefferson would be on our side today. And, despite what you say, I am convinced that there is a large and growing body of white citizens in the South who are eager to have this problem settled once and for all within the framework of the Constitution.

Senator TALMADGE. These people would like to see the school issue settled, Senator, by a constitutional amendment, and not by the whims of the Court. It has not been easy for us to get the southern viewpoint before the rest of the Nation. But I think that is changing. Last April a survey of public opinion in 39 States outside the South disclosed genuine sympathy for the southern viewpoint.

"From California to Maine," the survey reported, "men recognize that decades of strict social custom in the South cannot be overturned quickly." Those are heartwarming words to all thinking southerners.

JANE ADDAMS AND THE ARTS

Mr. WILEY. Mr. President, it was my privilege this morning to hear a wonderful talk by the distinguished Senator from Minnesota [Mr. HUMPHREY] when he addressed the Women's International League for Peace and Freedom. As usual, he did a grand job. The occasion, of course, was a part of the Jane Addams Centennial.

Mr. HUMPHREY. I thank the Senator.

Mr. WILEY. Mr. President, it might seem a contradiction to some that Jane Addams, raised in an almost Puritanical background and early in life deeply concerned with righting the social injustices that she saw, should have begun her efforts to help the poor by providing an opportunity for them to participate in and appreciate the arts.

Hull House was begun as a kindergarten where mothers could leave their children with Jane Addams and Ellen Gates Starr, while they worked long hours over a machine, knowing that the children would be fed and well cared for. More than that, as Jane Addams observed the children playing, in the particularly creative way that children play, the idea of this creative life for all people, for the continuing use of the imagination that adults often forget, beban to take hold. She wrote: "We realize afresh that it is the business of youth to reaffirm the beauty and joy in the world that such spontaneity may become a source of new vitality, a wellspring of refreshment to a jaded city. It is easy to fail to utilize it; the artists are preoccupied trying to recapture it after the first bloom has escaped them and only occasionally do the educators demonstrate that each child lives not only in an actual environment visible to all, but in enchanted surroundings which may be reproduced by the child himself."

She saw the value of each national and racial culture as a very real contribution to American society into which each was assimilating, and she saw this growing American culture as the product of all of them.

But more than that she recognized the value to each individual and family of preserving and taking pride in the music and art of the old country. She watched older immigrants gain new self-respect when given the opportunity to pursue crafts they had learned as young people and which had since been shunted aside in the growing industrialism of the New World. It was to foster the art instinct of these immigrants that the Hull House Labor Museum was started; and it was a delight to Miss Addams. Here one found a Russian woman spinning, an Irish woman carding, Syrians making rugs, a German potter's wheel, a bindery, a basketry, and the din of cabinetmaking or metalwork.

And she watched the young people, children and grandchildren of the immigrants, take a fresh look at the old folks. "It has made Americanized children look upon the Old World accomplishments of their parents with something better than eyes of scorn," she writes.

The very first large gift of funds to Hull House was used for the erection and maintenance of an art gallery, and it was a matter of great pride to Jane Addams that "the first brick-and-mortar expansion of Hull House should be in the field of pure esthetics." She saw the awakening of pride in the young people, and the surge to go forward, beginning where their parents had left off. There immediately began clubs and classes for children in the studio. Adults, too, soon entered the fold, and Hull House later developed a close alliance with the Chicago Art Institute.

A key, then, of Jane Addams' receptivity to art was its use toward that goal that half a century later, we are faced with the problem of achieving through the educational and recreation programs that began in her days: the fullest development of the child and adult potential.

I ask unanimous consent that an article entitled "Jane Addams and the Arts" be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JANE ADDAMS AND THE ARTS

CHILD-NATURE AND ART

Nurtured as Jane Addams was in an almost Puritanical background, her warm response to the creative arts may seem a strange anomaly, but as we follow her development of social consciousness, the key quite easily reveals itself. Take Jane, the eight-year-old little girl playing with her stepbrother: "When we said that the purple windflowers—the anemone patterns—'looked as if the winds had made them,' we thought much more of the fact that they were windborn than that they were beautiful; we clapped our hands in sudden joy over the soft radiance of the rainbow, but its enchantment lay in our half belief that a pot of gold was to be found at its farther end." In the chapter on "The Play Instinct and The Arts" of her book, "The Second Twenty Years At Hull House," her words carry us along in the development of this early theme: "We realize afresh that it is the business of youth to reaffirm the beauty and joy in the world that such spontaneity may become a source of new vitality, a wellspring of refreshment to a jaded city. It is easy to fail to utilize it, the artists are preoccupied trying to recapture it after the first bloom has escaped them and only occasionally do the educators demonstrate that each child lives not only in an actual environment visible to all, but in enchanted surroundings which may be reproduced by the child himself."

CITY DWELLER AND ART

But Jane Addams had equal concern for the old ones: "What is the function of art but to preserve in permanent and lovely form those emotions and solaces which cheer life and make it kindlier, more heroic and easier to comprehend; which lift the mind of the worker from the harshness and loneliness of his task, and by connecting him with what has gone before, free him from a besetting sense of isolation and hardship?" She sees the release function of art, the offering of an escape from the monotony of daily living. Nor did she omit to stress the American's need to appreciate the rich heritage of the foreign-born; has he been properly taught if he never learns to recognize that the Greek peddling bananas at the corner once wakened every morning in sight of the Acropolis, and what that sight has meant to him? It was to foster the art instinct of these immigrants that the Hull House Labor Museum was started; and it became a delight to Miss Addams. Here one found a Russian woman spinning, an Irish woman carding, Syrians making rugs, a German potter's wheel, a bindery, basketry, and the din of cabinetmaking or metal work. This inspired Julius Rosenwald to found the Industrial Museum in the Fine Arts Building at Jackson Park, Chicago. Of even more importance to Jane Addams: "It has made Americanized children look upon the old-world accomplishments of their parents with something better than eyes of scorn."

MORAL RESPONSIBILITIES OF ART

Art for art's sake was never enough for Jane Addams, even as a very young woman traveling abroad: "The wonder and beauty of Italy later brought healing and some relief to the paralyzing sense of the futility of all artistic and intellectual effort when disconnected from the ultimate test of the conduct it inspired." She reiterated: "We were spending 2 months in Dresden that winter, given over to much reading of the 'History of Art' and to much visiting of its art gallery and opera house, and after such an experience I would invariably suffer a moral revulsion against this feverish search after culture."

Now she began to demand a certain artistic integrity. "It was doubtless in such moods that I founded my admiration for Albrecht Dürer, taking his wonderful pictures, however, in the most unorthodox manner, merely as human documents. I was chiefly appealed to by his unwillingness to lend himself to a smooth and cultivated view of life, by his determination to record its frustrations and even the hideous forms which darken the day for our imagination and to ignore no human complications. * * * I believed that his canvases intimated the coming religious and social changes of the Reformation and the peasants' wars, that they were surcharged with pity for the downtrodden, that his sad knights, gravely standing guard, were longing to avert that shedding of blood which is sure to occur when men forget how complicated life is and insist upon reducing it to logical dogmas." A unique approach, indeed.

ART AT HULL HOUSE

With art so closely interwoven by Jane Addams' consciousness into the very art of living, it is more easily understood how art became such an important cornerstone at the founding of Hull House. So it happened that the very first large gift of funds was used for the erection and maintenance of an art gallery, and it was a matter of great pride to her that "the first brick-and-mortar expansion of Hull House should be in the field of pure esthetics." There immediately began clubs and classes for children in the studio. Miss Addams "was not in the least afraid of what much later came to be called fads and frill in the schools—she would have liked to see everybody 'privileged' in the same fashion." Adults soon entered the fold, and Hull House then developed a close alliance with the Chicago Art Institute.

"Her quest for beauty, her dream of bringing beauty into even the most miserable of the lives about her did not cease." And there began at Hull House "that scheme for giving the public school children of Chicago a chance to see good pictures every day, which has since developed so splendidly into the Public School Art Society." The Hull House Dramatic Association was founded—to become "the oldest continuously performing 'Little Theater' group in America." At the same time the Music School began to flourish: "In addition to sharing with our neighborhood the best music we could procure, we have conscientiously provided careful musical instruction that at least a few young people might understand those old usages of art." * * * "From the first lessons they are taught to compose and to reduce to order the musical suggestions which may come to them, and in this wise the school has sometimes been able to recover the songs of immigrants through their children." Again that concern for sharing at all ages.

From the music school young professionals began to emerge and take their place in the musical world, and from the Hull House Theatre talented young actors entered the legitimate stage. The art studio, presided over by the genius of Enella Benedict, who had been there from the very first, mothered improverished artists—even to allowing an occasional student to sleep upon the studio couch when all resources had failed, one among: "that gallant company of men and women—who are fairly indifferent to starvation itself because of their preoccupation with higher ends." Added to the young unknowns (many of whom have since become famous), a nucleus of established artists came from far and wide as residents. Under the leadership of some of these "the work of the studio merged into the crafts—a shop was opened at Hull House under the direction of residents who were also members of the Chicago Arts & Crafts Society" and "buildings on the Hull House quadrangle furnish studios for artists who find something of the same spirit in the contiguous Italian colony—they find their classes filled not only by young people but also by the older people to whom the studio affords the one opportunity of escape from dreariness."

In the last months of her life Jane Addams proudly noted: "A thousand children a week find room there (at Hull House) to sing, to dance, to act, to draw, to read poetry—and to play games." The key, then, of Jane Addams' receptivity to art was its use toward that goal she consistently cherished—the fullest development of the child, or adult, potential. We hope her words may be especially prophetic at this late hour: "Doubtless our scientific advance depends more upon disinterested intellectual curiosity than upon any other human trait, but we may be faced at this moment with an opportunity to so revitalize our own experiences that we may score as never before in the very art of living itself. We may drink from a fountain into which are flowing fresh waters from remote mountain ranges which only the artists could have discovered and made part of our familiar world."

(ACKNOWLEDGMENT.—All quotations are from: "First 20 Years at Hull House"; "Second 20 Years at Hull House"; "Jane Addams," by James Weber Linn.)

FOUR HUNDRED THOUSAND DOLLARS FOR ARMS CONTROL STUDIES SHOULD BE RESTORED IN STATE DEPARTMENT APPROPRIATION

Mr. PROXMIRE. Mr. President, in our discussions and evaluations of recent events in Japan and the Far East, let us not lose sight of a relatively small but crucially important appropriation in the State Department budget for 1961. I refer to the appropriation of $400,000 requested for arms control studies and preparation for disarmament.

In his prepared statement before the Subcommittee on Appropriations for the State Department, Secretary of State Christian Herter yesterday gave top priority to the restoration of this sum, which has been deleted in the House. Here is what Secretary Herter said:

First there are items which bear directly upon the future of East-West relations. The most important of these is the request for disarmament studies and staff.

Disarmament negotiations are continuing at Geneva, as you are aware, both those dealing with a possible nuclear test ban, and those looking toward broader arms reductions. The prospects for early progress are, frankly, a bit uncertain at present. Nevertheless, discussions continue. The problems of disarmament are so important that we must exhaust all avenues in seeking meaningful, enforceable agreements. We must by every action demonstrate the continuing good faith of our side. We must by our preparations be ready to deal promptly and realistically both with technological change and with any eventual progress in negotiation.

In the past 10 days we here in the Senate have appropriated over $41 billion to maintain and strengthen our Military Establishment. All of us supported this enormous expenditure on final passage, because we believe it is essential for our country to stay strong, at a peak of military ability, to deter attack from any potential enemy.

It was timely that a few minutes ago the majority leader, the Senator from Texas [Mr. JOHNSON], called for a massive program for peace. I could not agree more with the majority leader, but what a travesty it will be if the Senate fails to match its words with deeds when we have this opportunity to do so.

The $400,000 request for disarmament and arms control studies in the State Department represents a fantastically tiny fraction of our total arms budget, less than one-thousandth of 1 percent. Small as it is in the total arms picture, this sum would make possible a far more effective and coordinated program of research and development concerned with an enforceable nuclear test ban, effective arms control, and eventual controlled worldwide disarmament. It would permit the State Department to devote the full time and skills of some of its personnel to preparations in this area, providing badly needed background support for our negotiators in Geneva. We are currently engaged in two sets of negotiations in that city, one concerned with the achievement of a ban on nuclear testing, the other with the more general question of disarmament. Setting aside a specific sum for preparations in this area seems to me the very least we can do at this time to demonstrate our good faith, and our continuing belief in the possibility of a successful conclusion to these negotiations.

I have written to the Appropriations Subcommittee in support of this appropriation, and I ask consent that a copy of my letter be printed at this point in my remarks.

Mr. President, I should also like to have printed at the conclusion of these remarks two articles which demonstrate the need for thorough preparations prior to disarmament, arms control, and test ban negotiations. One is by columnist Marquis Childs, and is entitled "Lack of Support Perils Arms Talk." It appeared in the Washington Post and other papers on May 13, 1960. The events of the 5 weeks since Mr. Child's comments appeared have served to underline the urgency of his concern.

The United Nations correspondent of the Christian Science Monitor, Mr. William R. Frye, has written a thoughtful account of the present state of disarmament research in this country, which points again to the need for a greater expenditure in this area.

I ask unanimous consent that both these articles be printed at this point in the RECORD.

There being no objection, the letter and articles were ordered to be printed in the RECORD, as follows:

JUNE 21, 1960.

HON. LYNDON B. JOHNSON,
Chairman, Subcommittee on Departments of State, Justice, Judiciary, and Related Agencies Appropriations, Senate Committee on Appropriations, Washington, D.C.

DEAR LYNDON: I am writing to urge that the appropriation of $400,000 for arms control studies and preparation for disarmament be included in the Department of State appropriation for 1961.

As you know, the disarmament and nuclear test ban talks are continuing in Geneva. In the New York Times today, Mr. Dana Adams Schmidt reports that the chief U.S. delegate to the 10-nation disarmament

conference, Mr. Frederick M. Eaton, on June 20 advised the State Department and Department of Defense that "the West needed a fresh approach to disarmament." The article goes on to state that it is Mr. Eaton's belief "that the West's March 15 (disarmament) proposals could be modified and made more effective for purposes of propaganda and negotiation."

In a companion article, New York Times correspondent A. M. Rosenthal reports: "Geneva's two East-West conferences were in political suspension today while their futures were being decided in Washington and Moscow. * * * Under the urging of its allies, Washington is considering whether to present any new disarmament proposals to the Geneva conference. Some Western diplomats feel that, having praised the Soviet Union, perhaps too fully, for having made 'concessions' the West should now make a move of its own."

In my view, it is of the greatest importance that the United States once again clearly demonstrate its readiness to explore every avenue which may lead to a solution of the very difficult questions being discussed in Geneva. We have ample evidence that technological changes are continually reshaping the problems connected with arms control. New detection systems are devised, and more advanced military weapons are invented. Research in this field is badly needed. Expenditure of a relatively modest sum would enable the State Department to coordinate a program of research and preparation looking toward effective arms control, an enforcible nuclear test ban, and eventual worldwide, controlled disarmament. This is the least we can do at this time to demonstrate our good faith, and our continuing belief in the possibility of a successful conclusion to the negotiations in Geneva.

Sincerely,

WILLIAM PROXMIRE.

[From the Washington Post, May 13, 1960]

LACK OF SUPPORT PERILS ARMS TALK

(By Marquis Childs)

GENEVA.—It is not alone the pilots of espionage airplanes who brave great dangers in the service of their country on oversea missions. Diplomats and negotiators confronting the Russians across the conference table all too often find themselves perched precariously at the end of a forgotten limb.

A case in point is Ambassador James J. Wadsworth, who was sent here 18 months ago by Washington to negotiate a nuclear test agreement treaty with the British and the Russians. Close to success after long and painstaking effort, he finds that a massive propaganda attack is being launched against the treaty and, incidentally, against him. From the principal figures in the administration, who are supposedly behind his efforts, there comes scarcely a peep of support, not to mention encouragement.

The propaganda concentrates on the technical difficulties of perfecting a system of inspection that will be cheatproof, and these difficulties are considerable. But this stress entirely ignores the political advantages of a test treaty and by implication it greatly exaggerates the gains that might come from further testing.

A familiar experience of the American negotiator is to have an American Senator or Congressman pop in and out for a few days and then to presume on the basis of this brief experience of an enormously complicated subject that he knows more than the men around the conference table. Wadsworth has experienced this kind of harassment which has included inspired attacks on him in the familiar cliches of "soft" and "appeaser."

He comes of a family distinguished for public service in a tradition more familiar in Britain than in America. His father, the late James W. Wadsworth, served first in the Senate from his native New York and then in the House. Ambassador Wadsworth's grandfather was John Hay, who started his public career as secretary to Lincoln and then, as the climax to a series of diplomatic posts, became Secretary of State.

A big, shambling man with an easy, friendly manner, he has shown a monumental patience and persistence in bringing the Soviets around to the Western view on the major issues of control, inspection and joint research. If he—and far more important his work—are to be shot down in flames, the disastrous effect on America's standing in the world can hardly be exaggerated.

America's position is rapidly deteriorating because the visible signs of leadership, the friendly grin to one side, are fewer and fewer. The tragedy of the U–2 illuminated this as with a lightning flash. The universal regret and sorrow in the European press, even in West Germany where there is a confused desire to cling to the concept of American infallibility, are expressed in terms of restraint that cloak dismay and indignation.

At the 10-nation disarmament conference, which met here for 7 weeks of polite futility, the chief of the American delegation was Frederick M. Eaton. A New York lawyer of standing and integrity, Eaton started from scratch with no knowledge of disarmament, of the Russians, or of negotiation. He proved himself a quick and resourceful learner who often puzzled the Soviets by the novel frankness of his approach.

But he was thrown in against a tough, hardened, experienced, professional Valerian Zorin, a deputy foreign minister and head of the Soviet delegation. Zorin held repeated press conferences at which the world press represented in Geneva was free to ask any and all questions. After repeated prodding, Eaton announced a press conference. He appeared with a written statement which he said he would read but no questions would be permitted. That was the last as well as the first Eaton press confernce.

What is most damaging to America's prestige and standing is the wibble and wobble of American policy from one side of the road to the other. Nothing could illustrate this more forcefully than the backing and filling over the proposed nuclear test treaty; the impression so strongly reinforced in the U–2 case that the left hand and the right hand are operated by quite different sets of intellectual and emotional controls. The record on nuclear testing can be set straight only by strong affirmative words from the President and his Secretary of State.

[From the Christian Science Monitor]

UNITED STATES RESTUDIES ARMS CONTROL

(By William R. Frye)

UNITED NATIONS, N.Y.—As East and West sit down anew at Geneva to explore disarmament with the propaganda initiative apparently in Soviet hands, a group of leading American educators, natural scientists, businessmen, and others have posed this question:

Why should the United States spend hundreds of millions—indeed, billions—of dollars each year developing new weapons systems and at the same time refuse to spend more than a few thousand dollars exploring such other paths to national security as arms control?

A mere handful—not even a dozen—full-time experts are assigned to this subject in the U.S. Government, it is pointed out; and although a number of private study groups have been established to consider it, their work is ill coordinated and rarely has direct impact on governmental policy planning.

IMPROVISATION CHARGED

At least two proposals have gone through the machinery of the Eisenhower administration for a special department or section devoted to peace planning. For a time, special Presidential Assistant Harold E. Stassen headed the nucleus of such a group. But the Stassen operation broke down, and efforts to replace it have been wrecked by interdepartmental rivalries.

Thus at a time such as this, with a new or ostensibly new Soviet proposal on the table in Geneva, the United States must improvise its response as best it can and hope that the technique of asking questions and making skeptical speeches—that is, of "barking and nipping at the heels," as it sometimes is called—will prove adequate in the worldwide market place of ideas.

Continuous, long-range contingency planning would do much to help regain the initiative in such instances, and to avoid losing it in the first place, it is pointed out.

QUESTIONS FIRED

Had the Western powers been on record with a more imaginative plan of their own, many feel, the Soviet Union could not have outbid them with anything of such limited novelty and value as the latest Moscow plan for general and complete disarmament.

The group of educators, natural scientists, and business and professional men was brought together at Arden House, Harriman, N.Y., by Tom Slick, multimillionaire Texas oilman, with Mrs. Mary Lasker, New York philanthropist, also a sponsor. There were approximately 110 in the group.

Their "strategy for peace conference" lasted 3 days, June 3 to 5. In that time, they could not do much more than attempt to ask the right questions, it was agreed. Some of the questions posed during the discussion were these:

Are there any circumstances under which the United States could go down to "zero force level," that is, complete disarmament, accepting the risk that, despite all legal inspection and illegal espionage, between 50 and 500 nuclear weapons might still be secreted away in the Soviet Union?

NEW STRATEGY NEEDED?

Would surreptitious delivery mechanisms—mobile intercontinental ballistic missiles, for example—be of much value in a surprise attack after they had been left unused for, say, 3 or 4 years? Would an international police force be able to deal with whatever security threat there was?

On the other hand, would general and complete disarmament simply be followed by some political crisis—for example, over Berlin or Formosa—which would touch off a new arms race in which the Soviet Union, because of its ability to concentrate formidable efforts in a single field, would have an advantage?

In a completely disarmed world, policed by an international force, which rival in the political, economic, and psychological cold war would have an advantage? Would a disarmed world be more or less likely to become gradually communized than an armed world?

If total disarmament is not desired or feasible, should the West frankly say so at Geneva? Or should it continue to accept battle on the terms Soviet Premier Nikita S. Khrushchev has laid down, professing to seek total disarmament and attempting to demonstrate Soviet insecurity?

If a minimum nuclear deterrent should be kept by both sides to protect against secret evasions, how large should it be? Large enough to knock out the enemy's forces in a first-strike blow? Or just large enough to retaliate in a second strike?

PRIORITIES PROBED

The latter, it is estimated, probably would require no more than 500 to 1,000 bombs, plus hard (relatively invulnerable) delivery mechanisms which an enemy could not knock out without vast superiority in num-

bers. Efforts to build such a superiority could be detected by any reasonably adequate inspection system, it was argued, once both sides had reduced down to the agreed minimum.

Those who preferred the latter plan to general and complete disarmament expressed dissatisfaction that higher priority had not been given inside the Government to the task of hardening the United States present nuclear deterrent.

Few agreed conclusions were reached on matters of this kind, since the group was chosen from a broad spectrum of opinion. But virtually no one disagreed that intensive, full-time study of the problem was needed both inside the Government and outside, and, indeed, within the United Nations Secretariat as well. The need was called tremendous.

The group also called for "more active steps to develop and implement a working system of international law," beginning with repeal by the U.S. Congress of the Connally amendment, which restricts World Court jurisdiction over disputes involving the United States.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Minnesota, without losing my right to the floor.

Mr. HUMPHREY. I wish to thank the Senator from Wisconsin for his timely remarks. It is wonderful to have assistance in the cause of disarmament, and the brilliant mind and effective words of the Senator from Wisconsin will be the power of a legion. I am deeply grateful to him for his words this morning relating to this appropriation. His words relating to the appropriation are surely very helpful. As the Senator knows, it is my privilege to work with him in this effort to see if we cannot at least make some beginning toward the kinds of studies and inquiries that are necessitated by the disarmament problem.

Mr. PROXMIRE. What I am doing, of course, is following the leadership of the Senator from Minnesota. There is no leadership I would rather follow. There is no question that he has led a fight which sometimes must have seemed to him to be a lonely contest. The fight for a thoughtful and effective arms control program is the most important fight in America today.

ELDERLY MAN FACES BLINDNESS BECAUSE OF HIGH MEDICAL COSTS

Mr. PROXMIRE. Mr. President, picture the plight of senior citizens who desperately need operations—perhaps to block or arrest serious disease or to save their eyesight—and who put off such operations simply because they have no way to pay for them.

Major surgery plus extended hospital care costs anywhere from several hundreds to several thousands of dollars. Compare that with the facts cited by Secretary Arthur S. Flemming of the Department of Health, Education, and Welfare in testimony before the Subcommittee on Problems of the Aged of the Senate Labor and Public Welfare Committee:

Fifty percent of the aged have less than $1,000 a year in income; 23 percent have between $1,000 and $2,000; 8 percent have between $2,000 and $3,000; 12 percent have $3,000 or more.

The cost of medical care to the aged is more than double the cost to the average citizen because of the high incidence of illness among older people, and those costs are rising rapidly.

Every day we delay action, we are prolonging a great and growing American tragedy that cries out for a solution only we can provide. Here is a letter from a senior citizen of Wisconsin that illustrates this tragedy. I ask unanimous consent, Mr. President, that this letter be printed in the RECORD at this point.

There being no objection, the letter was ordered printed in the RECORD, as follows:

DEAR SENATOR: I am writing about the medical and hospital benefits you are trying to get for old people. They do need it so badly; I know as I am one of them.

I have cataracts on my eyes and don't see how I can afford an operation, which costs about $1,000 for one eye and $2,000 for both eyes in two separate operations. I am 70 years old and my husband is 76 and it's impossible to get work.

I do hope this bill will be passed before I have to have my eyes operated on which may be in another year. We had to drop our hospital and medical insurance as we can't afford to pay on it each month, and I know at least a dozen of my friends who are in the same fix. What can we do?

So please push hard for this bill. I pray that you will be able to get them to see how we older ones need this.

Sincerely,

——— ———.

DOCUMENTATION OF THE VESSEL "EDITH Q"

Mr. MAGNUSON. Mr. President, I ask the Presiding Officer to lay before the Senate a message from the House on the bill, S. 1765, to authorize and direct the Treasury to cause the vessel, *Edith Q*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with full coastwise privileges.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1765) to authorize and direct the Treasury to cause the vessel *Edith Q.*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with full coastwise privileges, which were, to strike out all after the enacting clause and insert:

That, notwithstanding the provisions of section 4132 of the Revised Statutes of the United States, as amended (46 U.S.C. 11), the Secretary of the Treasury is authorized and directed to cause that certain vessel now known as the *Edith Q.* (formerly the *Miss Paul*), built in 1950 in Nova Scotia, and now owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States, upon compliance with the usual requirements, with the privilege of engaging in the coastwise trade to the extent necessary to permit the carriage of passengers and merchandise, whether for hire or otherwise, between Camden, Great Spruce Head Island, and other points in Maine, located on the Penobscot River and Penobscot Bay, and the tributaries and approaches thereto, during the period from May 15 through September 15 annually, so long as the vessel shall continue to be owned by a citizen of the United States.

And to amend the title so as to read:

An act to authorize and direct the Treasury to cause the vessel *Edith Q.*, owned by James O. Quinn, of Sunset, Maine, to be documented as a vessel of the United States with limited coastwise privileges.

Mr. MAGNUSON. The House added a very minor technical amendment to the bill. I move that the Senate concur in the amendment of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

PILOTAGE REQUIREMENTS IN NAVIGATION OF WATERS OF GREAT LAKES

Mr. MAGNUSON. Mr. President, I ask the Chair to lay before the Senate a message from the House on the bill, S. 3019, to provide for certain pilotage requirements in the navigation of U.S. waters of the Great Lakes, and for other purposes.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3019) to provide for certain pilotage requirements in the navigation of U.S. waters of the Great Lakes, and for other purposes, which were on page 11, line 4, strike out "(a)", and on page 11, strike out lines 8 through 15 inclusive.

Mr. MAGNUSON. The only difference between the House and the Senate bills is that the Senate bill provided for the creation of some supergrades in the civil service to handle the pilot problem. The House bill did not do so. In view of the time element involved, and the necessity of having pilotage in our growing commerce on the Great Lakes and St. Lawrence Seaway, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to.

THE JAPANESE-UNITED STATES TREATY

Mr. HUMPHREY. Mr. President, yesterday I addressed myself to the subject which is on our executive calendar, namely, the treaty between Japan and the United States. I wish to supplement those remarks during the morning hour with some insertions in the RECORD.

When the summit conference collapsed, I predicted that there would be a significant step-up of both propaganda and military attack by the Chinese Communists.

It seemed to me that the Communists would feel that the failure of the summit conference would catch the United States off balance and cast our leadership into a sea of doubt.

We have already been given proof of a step-up of Chinese Communist military efforts. While the President was in Formosa, Red Chinese guns fired across the Formosa Strait to blast Quemoy.

This might be just a beginning. I think we can expect further aggressive

military tactics by the Chinese Communists, including additional infiltrations on the Chinese-Indian border and on every other front.

The Peiping regime was also quick to intensify a propaganda campaign of hate directed toward the United States. An Associated Press story in this mornings' Washington Post reports:

Newspapers, radio stations, posters on sidewalk bulletin boards and public address systems piped into every town and village square blared their message of hate against the United States in general and Mr. Eisenhower in particular.

These stories need to be read and understood by every American.

It indicates what confronts us in the Far East and, therefore, the caution with which we must proceed.

Mr. President, I ask unanimous consent that the Associated Press article entitled "Red Chinese Drive Against the United States Rises in Fury," published in the Washington Post and Times Herald of June 22, 1960, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RED CHINESE DRIVE AGAINST THE UNITED STATES RISES IN FURY

TOKYO, June 21.—Red China today launched an anti-United States imperialist propaganda week keyed to its furious campaign of vituperation against President Eisenhower.

Drumming out its main theme that Mr. Eisenhower's Asian good will tour was a flop—the campaign went into high gear at mass rallies across China. The Peiping radio said millions of Chinese from subtropical Kwangtung Province to northernmost Heilungkiang were screaming denunciations of the American President.

Mr. Eisenhower was described as the "chieftain of U.S. imperialism," the "god of plague," and the "viscous wolf of Western imperialism."

Newspapers, radio stations, posters on sidewalk bulletin boards, and public address systems piped into every town and village square blared their message of hate against the United States in general and Mr. Eisenhower in particular.

The official Peiping People's Daily said the President's tour ended in "ignominious failure."

The Communist New China News Agency said that "everywhere he went he was like a rat scurrying down the street with the people shouting, 'Kill it.'

"Mr. Eisenhower," it said, "made a laughing stock of himself and was condemned everywhere."

According to the Peiping radio, the million or more Filipinos who turned out to welcome Mr. Eisenhower in Manila were shouting curses and not friendly greetings.

The Chinese on Formosa who gave Mr. Eisenhower one of his most colorful welcomes had, according to the broadcast, nothing but scorn for the President.

One hundred thousand Okinawans "put Eisenhower to such fright "that he left earlier than scheduled," the radio said. Actually the overwhelming majority of the Okinawan crowds welcomed Mr. Eisenhower, and only a small Communist-led minority staged a noisy anti-American demonstration.

Mr. HUMPHREY. Mr. President, it is also vital for us to realize the delicate situation in the Far East today. The focus of the Communist attacks there is Japan, which is a center of free world power in Asia. An article written by Wilbur Elston, and published in the Minneapolis, Minn., Tribune, reads, in part:

Japan, of course, is an especially inviting target for both Communist China and the Soviet Union. * * *

Japan has become an important factor on the anti-Communist side in the struggle in Asia between the free world and the Communist world.

Mr. President, I commend to all Senators the reading of the article because it contains a very thoughtful discussion of the complex political situation which exists in Japan and the relationship of the United States-Japanese treaty to that political situation. The article is particularly pertinent at this time in the Senate's deliberations because of the action to be taken by the Senate relating to the ratification of the treaty. Therefore, I ask unanimous consent that Mr. Elston's article entitled "Why Japan Is Choice Communist Target," be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY JAPAN IS CHOICE COMMUNIST TARGET

(By Wilbur Elston)

It is too early to say whether the Japanese-United States security treaty will be a casualty of the rioting in Japan, but it is obvious that American-Japanese relations already have been severely damaged.

Such a result must be extremely satisfying to Premier Chou En-lai in Peiping and Premier Khrushchev in Moscow. Both no doubt will view it as one of the major dividends of Mr. K's new tough line toward the West.

After the breakdown of the Paris summit talks, Khrushchev renewed his campaign to destroy America's system of defensive alliances that encircle the globe. Now Khrushchev and Chou, who had been attacking U.S. bases in the Far East even during Khrushchev's advocacy of peaceful coexistence with the West, will take credit for what happened in Japan, although many other factors also were responsible.

Japan, of course, is an especially inviting target for both Communist China and the Soviet Union.

In just the 15 years since the end of World War II, Japan has rebuilt its economy and now is one of the most productive industrial nations in the world. Japan also has allied itself with the free world. It has provided bases for American forces. And it has even begun to give economic help to the other free nations of Asia.

In other words, Japan has become an important factor on the anti-Communist side in the struggle in Asia between the free world and the Communist world. In that part of the world, the territories and independence of more than 300 million people are at stake in this contest.

Supporting the Communists in that area are bases in the eastern part of the Soviet Union, in North Korea, in North Vietnam and in Communist China, Adm. Harry D. Felt, Navy commander in chief in the Pacific, recently told the House Foreign Affairs Committee.

America's contributions to the defense of the free nations in the Far East include 243,000 sailors, marines and naval aviators manning two fleets, one in the eastern Pacific and the Seventh Fleet in the western Pacific, Felt told the committee. In addition, 67,000 American soldiers are stationed in Korea and in reserve in Hawaii. Another 70,000 air force officers and men fly from bases in Korea, Okinawa, the Philippines, Taiwan and Japan.

The United States also backs up its allies in the Far East with military and economic aid programs. In the last 10 years, for example, the United States has provided $711,557,000 in military aid and $16,253,000 in economic aid to Japan as part of more than $9,500 million allocated to the Far Eastern area in the 1950–59 decade.

Those expenditures in Japan do not include the cost of procurement for and maintenance of American military forces in Japan. Back in 1955, the cost amounted to more than half a billion dollars a year, but it has been cut in recent years because of Japan's economic recovery and the rebuilding of Japan's own military forces.

Starting in 1950, the Japanese, with American help, now have developed a military force of more than 210,000 men. In addition, the Japanese recently decided to build the F–104 all-weather jet fighter. This is the third postwar aircraft production program started in Japan.

The new democracy of Japan has increased in economic growth in the past decade at a rate almost twice as high as that in the United States and in Western Europe. As a consequence, the living standard has risen rapidly and national income per capita now surpasses the prewar level by more than 30 percent.

Japan also has become the second largest market for American goods and the United States is Japan's largest single market with almost one-third of Japan's exports coming to this country. Japan expects to become the world's third largest steel producer, after the United States and the Soviet Union.

In part because of Japan's resurgence, American administrators of the mutual security program were optimistic about the Far East when they went before congressional committees early this spring. One said "stabilization has been substantially achieved," although he acknowledged that the activities of Communist China in its border disputes indicated that stabilization is inimical to its objectives.

MSA witnesses also did note that "repeatedly the Chinese Communists revert to tactics of bluster and threat as they did in January when the Japanese signed the new treaty of mutual cooperation and security." This is the same treaty that now is up for ratification in Japan.

But the MSA administrators, while asking for $1,231,000,000 in aid for the Far East during the 1961 fiscal year, also seemed optimistic about Japan's future. They pointed out the United States technical assistance is being phased out in Japan and U.S. military aid there is becoming "more selective and limited."

In addition, they pointed with pride to the "important Japanese assistance" being extended to other countries of southwest Asia in the form of reparations and special assistance.

Such factors help explain why Japan now is an inviting target for the Communists. They also help explain why the United States is anxious to keep Japan in the non-Communist camp and to help preserve its freedom.

Mr. HUMPHREY. Mr. President, the situation in Japan right now is extremely complex and delicate. Our relations with that country hang in the balance. Any misstep on our part could fan new violence and opposition and could result in a government unfriendly to the United States.

The issue of the Japanese-American security treaty has stirred strong pacifist feelings on the part of the Japanese people, particularly among the students and the young, whose views were formed during a period when pacifism was en-

couraged by the occupation by the United States.

This suggests the need for America to expand not only its military programs in Japan, but its political, technical, and cultural efforts, as well. We must show the Japanese people that the United States will back up its talk about peace with solid works for peace.

I was very much pleased to hear the remarks of the majority leader this morning, when he said to the Senate, in support of the Japanese-American security treaty:

I believe we will have to launch somewhere along the line a really massive offensive for peace.

I think it is incumbent upon us, as the leader of the free world, and one of the stronger nations, to propose great programs, through the United Nations, that would stamp out killing and crippling disease.

I think we will have to propose great programs of international cooperation in moving the world's food surplus to areas of deficit.

I should think we will have to propose great programs of international cooperation to break down the barriers that prevent communications between people.

I think we will have to propose great programs of international cooperation to harness the water resources in arid regions of the world.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may have 3 more minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUMPHREY. Mr. President, the words of the majority leader I have read must be taken seriously. It is important that they have been said by the leader of the majority of the Senate, because his word means, at least, a statement of policy by the majority. I commend the majority leader.

Mr. President, an editorial entitled, "Japanese Dilemma," published in the Minneapolis Tribune of June 19, 1960, points up the dilemma of the Japanese in the matter of conflicting pacifist-militarist viewpoints. I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

JAPANESE DILEMMA

Japan's seven major newspapers have issued a joint statement saying, "Never have we been so concerned over the future of Japan." They might well be worried—not because there is a difference of opinion about the security treaty with the United States but because Communist elements have been able to use widespread pacifist feeling to generate demonstrations which threaten growing chaos.

Americans would be deceiving themselves if they placed all antitreaty sentiment with the Communists. A recent editorial in the Asahi Evening News of Tokyo said: "The Japanese people are firmly determined to uphold the spirit of article 9 of the Constition which renounces war and bans the possession of war material. The Japanese will endure any hardship to live up to the spirit of the article.

"While we fully recognize the improvements that have been made in the revised security treaty, we have opposed the inclusion of the purport of the Vandenburg resolution and article 5 which gives the pact the character of a joint defense pact. It is our belief that United States-Japan cooperation must gradually switch from military cooperation to political and economic cooperation."

The Japan Times, however, defends the new treaty as rectifying the arrangements of the old security treaty (signed at San Francisco in 1951) to which many Japanese objected—permitting the United States to use bases and deploy forces elsewhere in the Far East in such a manner as might involve Japan; allowing the use of nuclear arms without consultation with the Japanese Government; permitting American forces to intervene in large-scale domestic disturbances.

Says the Times: "We have to look further afield for the real reasons for the noisy opposition to ratification of the new treaty. We see first of all the Socialist Party, repeatedly defeated at the polls and recently torn asunder by internal faction, seeking under new leadership for an opportunity to ride to power on a wave of popular emotion, however unfairly engendered, and secondly a combined effort on the part of the various leftist elements whose political and economic ideas are borrowed from the Communist regimes in Soviet Russia and Red China to break off Japan's friendship with the United States."

The situation calls for careful handling by those in authority in both Japan and the United States so that the leftists are not able to capitalize enough on Japanese antiwar feeling to put themselves into power in Tokyo.

Mr. HUMPHREY. Mr. President, an article entitled "Contradictions Blur Picture of Japanese Crisis," written by Bill Hosokawa, of the Denver Post, relates, in concise, succinct terms, some of the issues which are at stake in the present political situation in Japan. I commend the article to the careful reading of Senators as a part of the general discussion relating to the Japanese-United States treaty. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONTRADICTIONS BLUR PICTURE OF JAPANESE CRISIS

(By Bill Hosokawa)

TOKYO, June 21.—On the same night last week that a quarter million Japanese demonstrated against the Kishi government—and incidentally the United States, thousands jammed a Tokyo stadium to see a baseball game. Both events were televised and some viewers switched from one to the other as excitement rose or waned.

Nor did the Japanese think it unusual when a group of students, who had been up most of the night in a snake-dancing protest to Mr. Eisenhower's impending visit voiced concern when their American teacher failed to appear for a class.

This is the confused atmosphere in which Japan's American-imposed democracy is getting its severest test. Some Japanese see that current series of demonstrations as a battle to the death between constitutional democracy and anarchy.

Oher sophisticates, carousing in Tokyo's countless tiny bars, kid the girls and chant lewd parodies of the rallying cries used by leftist student demonstrators.

This much is certain:

The demonstrations, with a broad range of targets, have stirred the public imagination as nothing else since war's end.

The demonstrations are well organized and bear the unmistakable earmarks of professional Communist leadership and financing.

Demonstration masterminds are capitalizing on the public's genuine and widespread fear of war and intense pacifism. However, most of the demonstrators and their sympathizers have only vague understanding of real issues.

The Kishi government has been inept but by no means is it a bad, repressive or corrupt government.

The American people still enjoy a good deal of respect, if not affection, among the Japanese masses.

The Japanese people are a long way from political maturity, and the nation will suffer many crises before it reaches maturity.

DISCONTENT MOUNTS

The magnitude and rapid spread of Japan's protest demonstrations bespeak discontent that was building up for a long time. However, the event that touched off the demonstrations took place the night of May 19.

On that night Japan's Parliament was studying extension of the session another 50 days. For months, Parliament had been locked in debate on the United States-Japan security pact. The majority party, Kishi's Liberal-Democrats, had sought to ratify it. The opposition Socialists opposed it bitterly.

A joint committee had met 39 times and debated the treaty inconclusively for a total of 140 hours.

Now, as the Parliament session neared its constitutional end, it appeared the Socialists' delaying tactics would force postponement of a ratification vote. So the Liberal-Democrats proposed to extend the session, the strategy being to let the Socialists talk themselves out and bring the matter to a vote. Since Kishi commanded an absolute majority, there could be no question of the outcome.

When the Speaker of the House announced his intention to call for a vote on extending the session, the Socialists imprisoned him in his office so he could not reach the chamber. Six hours later the Speaker summoned police, who carried out a number of Socialists bodily to clear a path for the Speaker.

Once the Speaker reached the floor the police left and the Socialists were free to enter the chamber for the vote. They chose instead to boycott the session.

TREATY APPROVED

Since a quorum was present Parliament quickly voted to extend the session as proposed. Then someone—he was never identified—suggested that the treaty be approved while the Socialists were absent, and this was quickly done.

The Socialists reacted explosively. They accused Kishi of high-handed tactics and demanded his resignation. By a curious logic, the Socialists portrayed themselves as defenders of parliamentary government and Kishi as its foe. The Socialists came up with the concept "tasu boryoku," which can be translated as "dictatorship by the majority." In other words, they were arguing Kishi was wrong to utilize his majority power.

The militant far-left Zengakuren student federation needed no encouragement to jump into the hassle. Soon, chanting, marching students were demonstrating almost nightly against the security pact and Kishi.

The demonstrations were not born of mass indignation. Many students admit they showed up because their friends did, and their friends were demonstrating because somebody told them to.

The demonstrators I talked to could answer glibly that they were opposed to the security pact, that Kishi must resign, but they were far less articulate when asked precisely why the treaty was bad for Japan, or where Kishi had failed.

Nor are their elders often better informed, most having never studied the treaty.

Obviously, when a people as highly literate as the Japanese are willing to follow the crowd unquestioningly, there's something wrong.

Mr. HUMPHREY. Mr. President, it is widely and erroneously believed that the demonstrations in Tokyo were caused by a small minority, dominated by the Communists. Although there is no question that the Communists played a leading role in organizing these demonstrations, there is also every evidence that they reflected widespread public sentiment. No definitive study has been made of neutralist sentiment in Japan, but responsible estimates range from 35 to 50 percent of the Japanese public opposed to the security pact. If the prevalence of neutralist thinking in Japan is ignored, the nature of recent events cannot be properly understood and future policies cannot be intelligently appraised. Clear evidence of public sentiment is that the Kishi government was unwilling to quell the riots by the use of traditional anti-riot police work. This inability is widely interpreted in Japan as a recognition that forcible suppression of the riots would not have been tolerated by the public.

Much of the public reaction in Japan to the current situation can be explained as anti-Kishi rather than anti-American or even anti-pact.

Kishi's unpopularity in Japan stems from the following factors: First, he is identified with the prewar and wartime governments of Japan and although he espouses democracy publicly, it is feared by some that his real sentiments are of another era; second, he has declared himself in favor of amending the "no-war" provision of the constitution; third, in the fall of 1958, he proposed an amendment to the police laws which would have strengthened the powers of the police to arrest. This, it was feared, was the first step in a return to prewar police power; fourth, his espousal of the security pact was looked upon as an integral part of a program which included revision of the constitution and amendment of the police laws; and fifth, Kishi's parliamentary tactics, although perhaps defensible in our view of the role of majorities, were in Japan widely interpreted as anti-democratic.

Kishi is and has for some time been generally unpopular in Japan. A poll conducted on June 2 by the Asahi, Japan's leading newspaper, showed the following: Do you approve of Kishi pushing the security pact through the Diet? Fifty percent were against; 6 percent were for; 18 percent were undecided; 25 percent, no answer; other opinions, 1 percent. Do you approve of the Socialists' sitdown and blockade tactics in the Diet? Eleven percent were for; 32 percent were against; 31 percent were undecided; 25 percent had no answer; 1 percent had other answers. Do you think the Diet really represents the opinions of the people? Yes, 17 percent; no, 56 percent; other, 5 percent; no answer, 22 percent.

I remind the Senate that this information came from the largest and supposedly most responsible press in Japan.

A poll taken about a month ago showed that only 20 percent supported the Kishi cabinet. In the face of this widespread unpopularity, our policies, nevertheless, were apparently directed to the support of Kishi. The facts here are elusive, but the statement of the Secretary of State before the Senate Foreign Relations Committee on this pact left little doubt that in fact our policies were directed toward the support of Kishi. It is widely believed in Japan that our Ambassador played Japanese politics in support of Kishi. It is widely alleged that our Embassy had limited contacts with other factions of the Liberal Democratic Party and for all intents and purposes completely ignored the opposition party. The facts here are difficult to ascertain, but these widespread beliefs cannot be ignored. Whether true or not, these rumors and comments are repeated again and again. I, personally, doubt their validity; but I am concerned.

Our State Department has apparently not been well informed of Japanese thinking. This may be attributed to the lack of contact with other factions of the Liberal Democratic Party and with the Socialist Party.

In view of the foregoing, it seems to have been a mistake to have interjected a Presidential visit to Japan in the midst of great internal disruption. It calls into question the judgment of those who felt it desirable that the pact be rushed through the Diet so as to complete action before the President's visit. There have been stories in the Japanese press to the effect that the initiative came from our Ambassador. I do not know if this is true and perhaps the facts will never come to light, but it should have been clear to those in positions of responsibility that a visit by the President on June 19, the same day on which ratification was completed, would be inopportune. At best, it would have given a flavor to the visit—which was planned to commemorate the centennial of United States-Japan relations—which was inappropriate. At worst, the riots, which in fact resulted, and which caused the President to cancel his trip could have been foreseen.

In conclusion, we have rather clumsily interjected ourselves or have been drawn into Japanese politics and greatly damaged what have been the most cordial and friendly relations with Japan.

Therefore, I urge that in our action on the treaty we emphasize the economic, political, and social aspects, and that we seek to improve the relations between our two countries in the most careful and prudent manner.

CENTENARY OF BIRTH OF JANE ADDAMS

Mr. DOUGLAS. Mr. President, Miss Jane Addams was born 100 years ago, and the Nation is properly celebrating the centenary of her birth.

Miss Addams died a quarter of a century ago. A great deal of recognition of her true worth and nobility has dawned upon the American public.

It was my personal privilege to know Miss Addams fairly intimately for the last 15 years of her life, and of course, for many years previous to that I had known about her work and her character.

I can say with due restraint that Miss Addams is the only person of my knowledge who could properly be called a saint. To me, she was the finest character I have ever known or known about in my generation. She was the living embodiment of intelligent good will translated into action. She was a woman of great courage, who was willing to take unpopular positions; and although she suffered from attack and contumely which she felt keenly, that never damaged her spirit, which always was loving and kind to all those who attacked her.

Some weeks ago, I had the privilege of speaking at greater length about Miss Addams at a service at Rockford College, from which she graduated in the early 1880's; and on a previous occasion I had that address printed in the RECORD, together with an address by another noted person, Dr. Frank Graham. So, at this time I shall not make lengthy comments about Miss Addams.

We in Illinois have sometimes been criticized for abuses which have occurred in our State. But we take pride in the fact that not only Abraham Lincoln came from Illinois, but also Jane Addams came from Illinois.

She lived for almost 50 years in what was known as the Bloody 20th Ward; and her influence was always for good. She had culture, as well as character. She had intelligence, as well as compassion. She had kindness, as well as acuteness of mind. She supported every good movement for the benefit of mankind. Since her name began with "Add," it was always at the head of every list of supporters of good causes. Hence like Arnold von Winkelried, she drew upon herself the arrows and slings of those who were opposed to those measures.

I did not always agree with Miss Addams in every position she took, but I knew that everything she did was swayed by her sensitive conscience and her brave soul.

I have often thought of the similarity between Miss Addams and the last scene in Bernard Shaw's "St. Joan," where St. Joan is about to return to the earth, and where those who praised her suddenly take alarm at the thought that she might come back, and that they would be exposed to great dangers if she once again started to crusade for the things in which she believed.

It is very easy to praise Miss Addams, now that she has been dead for 25 years. I could not agree with her on every position she took, particularly on the question of nonresistance; but I certainly loved and admired her; and the concluding words of Shaw's play are, I think, appropriate in the case of Miss Addams:

O God, who made this beautiful earth, when will it be ready to receive Thy sons? How long, O Lord, how long?

Mr. HUMPHREY. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I am glad to yield.

Mr. HUMPHREY. I wish to associate myself with the remarks of the Senator from Illinois in regard to this great and wonderful woman, Miss Jane Addams. It is always a joy to hear the Senator from Illinois give testimony in praise of our great Americans, or, indeed, to hear him speak on any subject.

But I believe his remarks today were especially moving, because he was speaking of a person whom he has known, and one for whom he has great respect and admiration.

Such testimony to a crusader and reformer is much needed at this time in American life. In our America of 1960 there is a great lack of Jane Addamses; and if ever there were a time when we needed this same spirit, it is now, when we see such monstrous evil throughout the world, so many challenges which need to be met, and so many problems which need to be faced.

Mr. President, it is a particular honor to pay tribute to Jane Addams, an extraordinary American woman, who with vision and determination brought our Nation to realize and accept its responsibilities to our neighbors who were poor, weak, exploited, or otherwise unfortunate.

Jane Addams had great courage. She had tremendous respect for the dignity of every individual. For a woman of her times, she had an unusual grasp of the "solidarity of the human race."

Her understanding of the worth of every man, woman, and child, and of the impact of every individual's life on that of every other individual, not only in his neighborhood, but in the entire world, was at the root of her concern for peace.

Jane Addams devoted her life to the cause of peace—within the family, in her city, and, finally, on the international scene, through her founding and leadership of the Women's International League for Peace and Freedom.

Nineteen hundred and sixty is the 100th anniversary of the birth of Jane Addams, Mr. President. Because of Jane Addams' leadership and inspiration, we are closer to attaining some of the goals of social peace in our Nation which she set. Our educational system, our social welfare programs, our standard of living, and our great labor movement are ample testimony to this. But the goal of world peace seems at times to recede, especially as the threat of a nuclear holocaust appears on the horizon and grows.

In honoring Jane Addams, I know that we could do nothing better than rededicate ourselves, whatever the sacrifices required, to a great offensive in the cause of world peace with justice and with freedom.

I always believe that when one talks of peace and dedicates himself to it, he must never forget that peace is meaningless without justice and without freedom. It is the peace of justice and freedom that is worthy of people of democratic persuasion.

I thank the Senator from Illinois.

Mr. JAVITS. Mr. President, this year marks the 100th anniversary of the birth of Jane Addams, famed social worker and founder of one of our most notable institutions of social welfare—Hull House in Chicago. I think it appropriate that we pause to remember her today and to note the latest of many tributes to her. Two days ago, the Committee of Twenty-one of the Hall of Fame for Great Americans announced that Miss Addams was one of three people deemed worthy of special consideration for election to the Hall of Fame at New York University. That election will be held on November 1.

Jane Addams' accomplishments served both America and the world. At home, she made Hull House a lively community of those whose interest was reform and whose end was justice. She led the effort to obtain passage of juvenile court laws, mothers' pensions, tenement house regulations, workmen's compensation laws, and woman suffrage. Internationally, Miss Addams worked consistently for world peace through the Women's International League for Peace and Freedom, of which she was president. The work of the International Congress of Women at The Hague in 1915, over which she presided, became important to President Woodrow Wilson when he composed his program for world peace. And Miss Addams worked after the war as well to see that Europe's food needs were satisfied.

Jane Addams' teachings can guide us today. Her articulate concern for civil rights—as well as her awareness of the difficulty of their vindication—is clear in these words from her book, "Democracy and Social Ethics":

> We believe that man's moral idealism is the constructive force of progress—but we are skeptical of the moral idealism of the few and demand the education of the many. * * * We are not content to include all men in our hopes but have become conscious that all men are hoping and are part of the same movement.

SENATOR CHURCH, OF IDAHO, TO DELIVER KEYNOTE ADDRESS AT DEMOCRATIC NATIONAL CONVENTION

Mr. MANSFIELD. Mr. President, the youngest Member of the Senate of the United States, the junior Senator from Idaho [Mr. CHURCH] is, in many respects, one of the most mature Members of this body. He has been selected to be the keynoter at the Democratic Convention in Los Angeles on July 11. We are honored indeed that this outstanding member of our party has been selected.

I ask unanimous consent that a series of editorials, articles, and stories relative to this honor may be inserted at this point in the RECORD with my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Post, May 29, 1960]

VERY JUNIOR SENATOR FROM THE GOLDEN WEST

(By Robert G. Spivack)

When his colleagues speak of Senator FRANK F. CHURCH, JR., the 35-year-old, modern-day "silver-tongued orator of the Golden West" who has been chosen to keynote the Democratic National Convention, they call him a "nice young fellow" who is "well mannered and pleasant"—the "kind of kid who doesn't try to throw his weight around."

They will also tell you that the junior Senator from Idaho is not the most exciting young man to hit this hard-boiled town. Certainly he lacks the dash and daring of, for example, his Democratic confrere from Ohio, STEPHEN M. YOUNG, twice CHURCH's age but a rebel whose tart, well-phrased barbs have made him the delight of the press corps.

Nor is CHURCH a brash young Bobby Kennedy, or a Roy Cohn, or a Rush Holt, the former West Virginia Senator who started out in the Senate, also in his early thirties, as ultraradical and finished up at the other side of the political spectrum.

In short, FRANK CHURCH is not an angry young man. To put it more specifically, he is a happy young man—but in a hurry.

When the word reached him that he had been chosen as convention keynoter, he was motoring between Leadore and Mountain Home, two tiny towns in his home State, to which he returns at this time of the year to deliver commencement addresses.

"I am deeply moved by this news," said CHURCH in a statement issued by his office. "The keynoter must state the case for the Democratic Party at a convention which will be watched by an attentive nation and an anxious world.

"This is a grave responsibility," he somberly continued.

Then he injected the proper note of boldness and caution: "I intend to pull no punches, but there will be no hitting below the belt."

These were the public utterances.

But his first words, according to his attractive young wife, Bethine, were, "Well, we made it, didn't we?"

She added earnestly that "it was nice of him to include me in it." However, her own reaction on hearing the good news was more succinct. "Yippee."

Actually, she explained, the young Senator has been thinking all year about the possibility that he might be named keynoter and has given much thought to the "posture of the Democratic Party."

Obviously, the bigger things are not all that CHURCH gives thought to. Although from Los Angeles he will be addressing a nationwide television audience of possibly 100 million, there were only 7 students in the high school graduating class at Leadore, Idaho. He is not one to overlook the smaller things that affect people in their daily lives, and therein lies a clue to his success as a politician at such an early age.

While he has not set the Capital on fire, CHURCH's popularity stems, in part, from the contrast people inevitably make between him and some of the bright, young men who started to come here in the early days of the New Deal.

Most of the others have worn too well. They tended to become too opinionated, or too self-centered, or too eager to rebuild Rome in a day.

MOTIVE

Politics being politics and politicians being a naturally suspicious breed, there has been the usual search for motives behind Democratic National Chairman Paul Butler's choice of CHURCH as the Los Angeles keynoter.

As far as the presidential hopefuls are concerned, CHURCH is a self-proclaimed neutral (although as a Member of the Senate he has been a faithful follower of Majority Leader LYNDON JOHNSON). He has a rich, sonorous voice, is mildly liberal, won an American Legion oratory award and used the $4,000 prize to help pay his way through Stanford University. But if there is anything otherwise significant about the selection of CHURCH it has yet to be discovered.

Some wits have suggested that CHURCH was really chosen because he is so young in appearance that the delegates may come to think of the current frontrunner, Senator JOHN KENNEDY, as elderly by comparison.

When CHURCH first came to Washington his biggest problem, once the thrill of being a Senator subsided, was that he was constantly being mistaken for a Senate page boy. So often was he asked to run errands and carry messages that he gave up blue suits in favor of brown. By Senate custom, page boys always wear blue.

Aside from such minor annoyances, CHURCH's first term has been relatively tranquil. His voting record on liberal questions, as rated by Americans for Democratic Action, has varied between 77 and 83 percent. The only time he ran into real trouble was in trying to help out JOHNSON and some of the majority leader's western allies in the Senate.

This was during the civil rights debate of 1957. CHURCH and 10 others went along with the southerners in insisting on the so-called jury trial amendment, which meant the Justice Department could not get injunctions where civil rights violations were charged. CHURCH tried to remove some of the onus of being allied with the Dixie Democrats by introducing an amendment which provided that Negroes be given the right to serve on Federal juries.

TEMPEST

Critics felt that this was a meaningless gesture, although it was dressed up as a new civil right for Negroes. CHURCH's move so angered Negro leaders that an invitation to address a Minnesota Young Democratic-Farmer-Labor dinner in September, 1957, was withdrawn. CHURCH defended himself and insisted he was dedicated to the cause of civil rights.

In time, he predicted, the jury trial amendment will come to be regarded as having served the best interests of civil rights for all the people, colored and white alike.

CHURCH's other views have stirred less controversy. He has criticized the Eisenhower policy of peace by pilgrimage and he has spoken of a stopgap agreement with Russia to halt nuclear tests.

One of his major activities has been to fight for construction of the Hell's Canyon power project, a matter of intense interest in his State and throughout the Northwest. He helped pilot a Hell's Canyon bill through the Senate, but the administration and private utilities killed it eventually.

Although it is his reputation as a boy orator that first won him national attention, CHURCH practiced law in Boise, Idaho, served two terms as departmental judge advocate for the American Legion in his State, and in 1950-51 was legal counsel for the Idaho Office of Price Stabilization.

He was born on July 25, 1924, at Boise. His father operated a sporting goods store. In 1942, at the age of 18, he enlisted as a private in the Army and 2 years later was commissioned a second lieutenant in the infantry. He transferred to military intelligence and served overseas in the China-Burma-India theater.

CHURCH received the Bronze Star and was commended for his work with the Chinese Combat Command. He was discharged on June 22, 1946, as a first lieutenant.

VICTORY

Although brought up in a Republican family, he married Democratic. His wife is the daughter of a former Federal judge. The Churches have two sons, Forrester, 11, and Clark, 2.

After he returned to his studies at Stanford, he earned a Phi Beta Kappa key, studied briefly at Harvard and then returned to Stanford, winning a law degree in 1950. In the next 2 years he became active in the Young Democratic Clubs of Idaho and served as their State president in 1952–54. In 1956 he entered the Democratic senatorial primary and defeated, by 170 votes, former Senator Glen Taylor, the banjo-strumming 1948 Progressive Party candidate for Vice President.

CHURCH went on to wallop Herman Welker, a Joe McCarthy Republican, by some 50,000 votes out of 250,000 cast. That made him the youngest Senator and he was on his way.

Despite his reputation as a talker, he has generally abided by the rule that first-term Senators are seen and not heard.

Once he turned to poetry during the debate over the missile gap and said this is how the President might have expressed the state of the Union:

"Now we lay us down to sleep
With Ike's smug team the watch to keep;
If we die before we wake,
Well, the bed was soft and we slept too late."

He may have to work up a little more oratorical lather to make the rafters ring at Los Angeles, but these days the administration seems to be providing him with enough material to make his assignment comparatively easy.

His big problem will be to overcome the tradition that the words of convention keynoters are not long remembered. But considering some of his predecessors in recent years, that may be just as well.

[From the Montgomery County (Md.) Record, June 2, 1960]

DEDICATION TO YOUTH

It was 1896 at the Democratic National Convention at Chicago. William Jennings Bryan, a 36-year-old silver-tongued orator from Nebraska, delivered his "Cross of Gold" speech. He swayed the delegates into nominating him for President despite his years. It was the first of three times that his party was to make the Commoner its standard bearer.

July 16 at Los Angeles, another silver-tongued orator will be 9 days short of his 36th birthday. Senator FRANK CHURCH of Idaho has the gift to sway the convention and he will be the keynote speaker. But while no one expects him to sweep the delegates to give him the presidential nomination, the second place on the ticket could come his way.

CHURCH has been an orator 20 of his 36 years. At 16, he won a nationwide American Legion oratory contest on "Our Way of Life" that brought him a $4,000 scholarship. At 20, he was commissioned a second lieutenant and saw service in the China-Burma-India theater. At 28, he was the keynote speaker at the Idaho State Democratic Convention. At 32, he was elected U.S. Senator.

He is sure to get the Democratic Convention off to a rousing start, and especially to emphasize its dedication to youth.

[From the Payette (Idaho) Independent-Enterprise, June 2, 1960]

THE NAMING OF SENATOR CHURCH AS DEMOCRATIC KEYNOTER WAS A COMPLIMENT TO THE STATE OF IDAHO

We believe that the naming of Senator FRANK CHURCH to be the keynoter speaker at the Democratic National Convention at Los Angeles next month was a compliment to both the young Senator himself and to the State of Idaho as well.

Moreover we believe that the appointment to the coveted post should be considered complimentary both by Idaho Republicans and Democrats.

We should remember, that while government and politics are important, and necessarily bring differences of opinion among us, we can and should be on common grounds when it comes to the matter of loyalty to our great State.

Idaho as everyone knows, because of its size is pretty "small potatoes" when it comes to the tremendous big game of national politics. For a man from Idaho and particularly one as young as Senator CHURCH, to receive such a prize plum, is something to be elated over and cherished.

In fact it will be the first time in history that Idaho has received such an honor.

All Idahoans should therefore be pleased, because it will bring much needed good publicity to the State.

People across the Nation will learn that here in Idaho we produce outstanding young men as well as big potatoes.

[From the Idaho County Free Press, June 2, 1960]

THE KEYNOTER

Idaho Democrats are quite proud of the selection of Senator CHURCH to be keynoter for the Democratic Convention in Los Angeles beginning July 11. This genius at oratory will undoubtedly spark the convention from the outset and set the pace for an unending attack on Republicans everywhere.

This does not mean the Grand Old Party must run for shelter, for its chance comes in Chicago at another date.

It is timely, however, to congratulate Idaho's youthful Senator on his assignment. Idaho elected him in 1956. During his service in Congress his speechmaking ability won acclaim in a ripsnorter about Hells Canyon. President Eisenhower appointed him to serve the United States in a delegation to South America and he also was enrolled in an international conference in Poland. The Senator also has met Premier Khrushchev, if that means anything now.

The Senator has won respect from leaders of both political parties for his proposals regarding the Geneva conference on curtailing worldwide atomic tests of lethal weapons.

So the Democratic keynoter in a brief time has established himself as a coming statesman.

[From the Kimberly Advertiser, June 2, 1960]

IDAHO'S SENATOR CHURCH TO KEYNOTE AT DEMOCRATIC CONVENTION IN LOS ANGELES

Senator FRANK CHURCH will be the first Idahoan in history to play a major role at a National Democratic Convention when he keynotes the 1960 session at Los Angeles.

Selection of CHURCH as keynoter was announced last week by the convention arrangements committee meeting in New York.

In recent years, the keynote address has been delivered by a Democratic Governor, and CHURCH will be the first United States Senator to deliver the address since the late Alben W. Barkley in 1948. Barkley was elected Vice President the same year.

The convention has been keynoted by a Senator only 4 times since 1920, with Barkley doing the honors in 1932, 1936 and 1948. Senator Pat Harrison, of Mississippi, was keynoter of the 1924 convention in New York.

CHURCH has earned a reputation as one of the outstanding speakers of the Senate, which has a tradition of oratory, and only recently was named to the Senate Democratic campaign committee.

The Idaho Senator was keynoter for the Young Democratic Clubs of America at the annual convention in Reno, Nev., in 1957. In 1958, in recognition of his work for Alaskan statehood, he was invited to keynote the new State's Democratic convention.

[From the Louisville Courier-Journal, May 26, 1960]

TWO FAIR OMENS FOR THE SUMMER

Of the two national political conventions this summer, the Democratic gathering promises at the moment to be far the more interesting and thus to attract the larger television audience. Vice President NIXON seems likely to be in unchallenged, cut-and-dried control of the Republican machinery, able to dictate not only his own nomination but also that of his running mate. Not many people think that Governor Rockefeller, who among all the leading Republican figures excites the most popular curiosity, expects to be in the picture, even though available.

So the Democrats have an unusual opportunity, and the early signs are that they propose to take advantage of it. Gov. LeRoy Collins, of Florida, has been chosen to be their chairman and Senator FRANK CHURCH, of Idaho, their keynoter. Neither of them is a mere windbag. Each has impressively substantial qualities. Governor Collins has displayed both outstanding ability as an administrator and the courage to be a moderate on the race question in a region whose more violent inhabitants regard moderation as a kind of treason.

Senator CHURCH, youngest Member of the upper House has, without being brash, won more attention than a newcomer generally does in that august assembly. He is 36 years old, and Governor Collins, at 51, can hardly be classed as an ancient. Both men have engaging personalities and appealing speaking styles. The impression they make upon the televiewers should be favorable.

Of course, the Democrats, as history proves, are always capable of making a shambles out of a national convention. If they do that this time, it will be in spite of the good omen suggested by the choice of Messrs. Collins and CHURCH.

[From the Miami News, June 1, 1960]

CHURCH: "DEMO" KEYNOTER

Senator FRANK FORRESTER CHURCH, Democrat of Idaho, will make the keynote speech at the Democratic National Convention at Los Angeles in July. This address, to be heard throughout the Nation, will keynote the program presided over by permanent chairman, Gov. LeRoy Collins (Governor Collins also will address the gathering).

The 35-year-old Senator doubtless will be ready with a thundering speech—one which both points with pride and views with alarm. This is in the time-tested tradition of all good keynoters.

Public speaking is nothing new to the Idaho Democrat. As a boy of 16 he won a nationwide public speaking contest sponsored by the American Legion.

As a young man of 28 he keynoted the Idaho State Democratic convention.

Senator CHURCH has made rapid progress in politics since his election to the Senate in 1956. Prior to that, he was virtually unknown outside of Boise, where he was born July 25, 1924.

When he first came to the Senate, he was so youthful in appearance that he found it necessary to wear brown suits so (he) wouldn't be mistaken for one of the page boys, who have to wear blue.

The Senator's interest in politics began during his high school days when, he says, he became a converted and confirmed Democrat despite a Republican family, and was determined to become a U.S. Senator.

Son of a sporting goods dealer, the young CHURCH married Bethine Clark whose father, Chase A. Clark, was a former Idaho Governor. (The latter is now a Federal judge.)

Senator CHURCH has a personal feeling for history.

Affixed to his Senate office door is a simple, handwrought brass plate bearing the name "F. F. CHURCH." The marker originally belonged to his grandfather who had nailed it to his own office door when appointed a U.S. assayer in Boise during the gold rush of the 1890's.

Someday the nameplate will be passed on to the Senator's oldest son, 11-year-old Frank Forrester Church IV.

[From the Blackfoot (Idaho) News, May 26, 1960]

SENATOR CHURCH SPEAKS TO GRADUATES

"Schooling is the means provided to help you achieve a good life as a free citizen," Senator FRANK CHURCH told members of the Snake River High School graduating class last night at commencement exercises.

"Only by earning your own way can you achieve the independence that will permit you to be free.

"But don't spend the rest of your life working just to make money. You can make life as flat and dull as this gymnasium floor, or you can make of it a beautiful tapestry.

"Acquire good reading habits. Learn to read a good book a week. Set aside time to appreciate the beautiful, both man-made and God-made."

He told members of the graduating class they have inherited a bundle of rights in a free land. Those rights came to them unearned. They can earn them only by using them and passing them on, Senator CHURCH said.

Those unearned rights include the right to choose the place in which they shall live—the right of free movement. Included are the right to choose work and the right to change that work—the right to own property which is protected against the trespass of others. They have the right to worship in the church of their choice.

Other inherited rights that Senator CHURCH reminded them of are the rights to a fair trial if accused of a wrong; the right to learn; the right to differ; the right of self-government; the right to engage in politics which is the art of self-government by majority vote.

Senator CHURCH told of the college student who told him he couldn't see the difference between the United States and Russia. Russians are acquiring housing and automobiles, he said: they own television sets and refrigerators.

In a world half slave and half free, Senator CHURCH said, that student had not learned to measure the value of his country. He did not understand that the United States is great not because it is rich, but because it is free.

As an example of wrong emphasis he cited an evening of TV commercials. "You owe it to yourself to be beautiful—to be comfortable—"

"It takes character and intelligence to remain free. In a world filled with people who would like to do your thinking for you, you must look within. With the training that you have received if you look within you, you will find the means to help keep your country strong and free."

So spoke the junior Senator from Idaho, a man who in the coming months will be in the national spotlight as he delivers the keynote address of a national political convention.

There was not a reference to politics or to national affairs.

It is hard to reproduce words and make them meaningful out of context of manner and delivery.

Those hearing him last night, regardless of political affiliation, must have experienced a sense of pride that in 4 years of service in the U.S. Senate he has demonstrated a high order of statesmanship.

When the Senator from Idaho speaks to the Nation he will carry conviction to his listeners.

[From the New York Times, May 26, 1960]

LOS ANGELES APPROACHING

The quickening tempo of this campaign year is signaled by the Democrats' announcement that they have chosen the permanent chairman and the keynote speaker for their Los Angeles convention. Now all they have to do is agree on a presidential nominee.

The man selected for the chairmanship, Governor LeRoy Collins, of Florida, is universally liked and respected, even though he did receive a rude political defeat in his home State on the very day he was picked to run the convention. In a hot gubernatorial primary which was the equivalent of election, the candidate Mr. Collins had endorsed was, unfortunately, beaten by an opponent who had taken a much stronger prosegregational line.

Mr. Collins himself, now nearing the end of his 6 years' service as chief executive, is nationally known as one of the leading Southern "moderationists" as well as an exceptionally able and successful Governor. His selection as permanent chairman of the Democratic convention would be a good choice on any grounds, but it is of particular interest because it clearly reflects the tragic dichotomy on integration that exists within the party. Though a southerner, Governor Collins is acceptable to the northern liberals, or at least he is not mortally offensive to them, because he is a moderate on the race question; though a moderate on the race question, he is still a southerner and thus anathema only to the radical extremists of the South. As the convention's permanent chairman he is a symbol of the Democratic hope that on this most important domestic issue the South can be restrained from walking out while the North remains satisfied with the party's platform position.

Senator FRANK CHURCH, this generation's boy orator from well beyond the Platte, is a natural for keynoter. He is young, handsome, articulate, uninhibited, with a western enthusiasm that is sure to blow in upon the steaming delegates like a refreshing Idaho mountain breeze. It may be irrelevant in a keynote speaker, but Senator CHURCH is also capable of thought; and it would be a delightful innovation if he should decide to exercise his very considerable talents to give this keynote speech some real content appropriate to the grave issues that are facing the voter and the country.

[From the New York Daily News, May 28, 1960]

D.C. WASH

(By Gwen Gibson)

WASHINGTON, May 27.—It's debatable at best whether young Senator FRANK CHURCH, the golden-voiced orator from the west, won a political plum or a hot potato when he was named keynote speaker for the 1960 Democratic National Convention. Since the advent of nationwide TV, the job has spelled nothing but trouble.

Two of CHURCH's promising predecessors, the late Paul A. Dever and Frank G. Clement, keynoters respectively of the 1952 and 1956 conventions, went on to political obscurity.

And don't forget Arthur B. Langlie, who keynoted the 1956 Republican convention. Langlie lost his bid for reelection as Governor of Washington the next fall.

CHURCH steps into the make-or-break hot spot with one ironic strike against him—his youthful good looks. He's 35 and looks younger. He also is a serious-minded, able lawmaker with courtly manners, all of which once caused a colleague to joke that "sometimes he seems like a cross between a Boy Scout and an old maid."

HE'S PLAGUED BY "PAGE BOY" JOKES

Jokes about how often he is mistaken for a Senate page boy have been the bane of CHURCH's existence since the voters of Idaho sent him to the Senate in 1956 as the youngest Member of that body.

The classic involves the day the tall, dark, and boyishly slim Senator was standing near a page boy waiting for an elevator. A kindly little old lady walked up and said, "I understand you boys are often mistaken for Senator CHURCH."

On the plus side, CHURCH is a champion speaker. He has been winning oratorical prizes since he was 16, when the American Legion awarded him $4,000 as the top high school speaker in a nationwide contest.

CHURCH still makes springtime tours of Idaho, delivering high school commencement

addresses. He was talking to a graduating class of seven at Leadore, Idaho, a remote sheep and cattle-raising village, when the official announcement came that he was to make the keynote address at Los Angeles for an audience of some 70 million.

HE'LL PULL NO PUNCHES AND HIT HIGH, HE SAYS

"I intend to pull no punches," CHURCH proclaimed. "But there will be no hitting below the belt."

The chubby Dever, then Governor of Massachusetts, appalled many TV viewers and party faithfuls with a diatribe, delivered in a hoarse and gravelly voice as beads of sweat poured into his collar. So raucous was the speech that Republicans used recordings of it when Dever sought reelection the next fall. He was defeated by Christian Herter, now Secretary of State.

Clement, whose appearance had been widely heralded, came to the 1956 Democratic Convention at Chicago with one asset—his beautiful, blonde wife. The arm-waving, hackneyed speech he gave was pure backwoods demagoguery, and even some Democrats cringed at his vitriolic attacks on Vice President NIXON.

Clement was then serving his second term as Governor of Tennessee. He apparently felt his popularity had plummeted, because he failed to run against ESTES KEFAUVER for U.S. Senator as expected. He has retired from bigtime politics.

CAN BE BLISTERING WITH HONEYED TONES

If CHURCH delivers ringing denunciations of the GOP, they will be in honeyed tones.

He has provided the CONGRESSIONAL RECORD with some of its most eloquent language. For example, his opening speech on the Alaskan statehood bill began: "Mr. President, many years ago a poet stood on America's last frontier. With wonderment he watched the Arctic lights turn the sky to fire. He listened to the crack of the glacier as it yielded to the sea. He heard the sounding water of mighty rivers and he felt the loneliness of this virgin land."

CHURCH proceeded to quote to his elders verses which he said "give voice to the need of Alaska."

Assistant Senate Majority Leader MIKE MANSFIELD, Democrat, of Montana, gives CHURCH as much credit as anyone for getting the Alaskan statehood bill through the last Congress.

Church has moved ahead exceptionally fast in the Senate, copping assignments on such committees as the labor rackets investigating group (now dissolved) and the Foreign Relations Committee.

GAVE JIMMY HOFFA HIS COMEUPPANCE

During a labor rackets hearing, he once shut up Teamster czar Jimmy Hoffa—no easy job—with a fatherly scolding that started, "We don't need you, Mr. Hoffa, to come up here and moralize on what's right and wrong."

It was a long time before CHURCH, the low-ranking member in terms of seniority, got a chance to preside over a session of the Foreign Relations Committee. When the chance finally came, CHURCH walked to the chairman's high-backed swivel chair trying to look as old and dignified as possible. With confidence he leaned back—and toppled right over on his head.

Unruffled, he righted himself and the chair and calmly observed: "The junior Senator from Idaho is not accustomed to presiding over this lofty committee."

WIFE REMINDS YOU OF GIRL NEXT DOOR

CHURCH is married and the father of two boys, 2 and 11. His wife, Bethine—an attractive brunette who reminds you of the girl next door—is from an Idaho family long prominent in Democratic politics.

Asked to size up CHURCH as a keynoter, she diplomatically predicted that he will be "different * * * straightforward."

"He looks older on TV," Mrs. Church said.

CHURCH and other Democratic officials will be welcomed to Los Angeles for the July convention by Mayor Norris Poulson, a stanch Republican who made national news last September by dressing down Communist boss Khrushchev.

RELIEF FOR LAMB AND WOOL GROWERS—TRIBUTE TO SENATORS FROM WYOMING

Mr. MANSFIELD. Mr. President, the senior Senator from Wyoming [Mr. O'MAHONEY] has long been known as "Mr. Wool" because of the interest he has displayed in the sheep industry, which is one of the most important economic segments of the State of Wyoming. To our sorrow, the Senator from Wyoming [Mr. O'MAHONEY] is to leave us shortly; but those of us who come from the West and who have a deep interest in the wool and sheep industry in our part of the country, are glad to know that the junior Senator from Wyoming [Mr. MCGEE] is not only a worthy associate of JOE O'MAHONEY, but is also an extremely capable successor.

I ask unanimous consent that an editorial which appeared in the Wyoming Eagle, of Cheyenne, Wyo., on June 16, 1960, entitled "Relief for Sheepmen," be included in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RELIEF FOR SHEEPMEN

Wyoming's Senator MCGEE has taken the lead in Congress in attempting to get relief for one of the vital economic interests in the West—the business of lamb and wool growing.

In a speech on the floor of the Senate last week, the Wyoming Senator urged careful study by his colleagues of a report by two members of the U.S. Tariff Commission in which they advocate fixed quotas on imports of live sheep and lambs, lamb and mutton.

Relief for the industry is long overdue, for it has been in serious economic straits for some time. The seriousness of its economic condition has been aggravated by the imports of lamb from the Pacific side of the continent, primarily Australia and New Zealand.

Various appeals have been presented to the Tariff Commission in recent years, but the Commission has not seen fit to take action to sustain the interests of the lamb and wool industry of this country.

"I hasten to point out to my colleagues that in the event of national emergency, such as in time of war, both lamb and wool are regarded as indispensable parts of our national economic effort; it is agreed by all that the industry should be sustained.

"Yet in recent years, the industry has been losing ground; now it is threatened with going out of existence entirely," MCGEE declared.

While recognizing the necessity for the international exchange of goods, MCGEE added, "It is necessary to help sustain essential industries which must operate in the American economy if the Nation is to continue its economic growth and also is to have sufficient economic capacity in the event of emergency."

It is to be hoped MCGEE's petition that the lamb and wool industry be shown more consideration than the Tariff Commission has given to date will be given favorable attention. Some relief is essential if one of the West's great industries is to survive and provide a modest measure of profit.

PRIVILEGE OF THE FLOOR FOR THE HONORABLE PEDRO BELTRAN, PRIME MINISTER OF PERU

Mr. MANSFIELD. Mr. President, the Senate is honored today to have as its guest the distinguished Prime Minister of Peru, the Honorable Pedro Beltran.

I ask unanimous consent that Prime Minister Beltran may be accorded the privilege of the floor so that he may be introduced to the Senate by the distinguished chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I am making this request ahead of time, because the Prime Minister of Peru is not on the floor at this time, but will be, I believe, within the hour.

AMERICAN NURSES' FOUNDATION DRIVE

Mr. HILL. Mr. President, the American Nurses' Foundation has made and continues to make tremendous strides forward in its program for research in nursing. The foundation is undertaking, at this time, to further expand this important nursing research program. As funds become available, the foundation will make grants to research teams, to colleges and universities, to hospitals, special study groups, and to selected individuals in the promotion of an expanded nursing research program. Research fellowships, research consultant services, and research information services will be initiated to carry the program forward.

Mr. President, many of us today remember when nursing consisted of little more than an elaborate system of domestic service. It was just before the turn of the century that schools were founded offering regular courses of instruction for American nurses. It was not until after 1900 that standards for licensing nurses were first established.

In the years following these early beginnings, the nurse's responsibilities grew rapidly both in variety and complexity. Her quick hand, versatility, and courage in the face of emergency gained for her a ready acceptance among men of medicine. Patients, too, were quick to appreciate the essential care that the nurses alone could render.

Her special skills soon were in great demand in areas outside the general hospital; in chronic disease hospitals, in public health, in industry, in institutions for the mentally ill, in the convalescent home, in private homes, in the doctor's office.

Keeping pace with the mounting need for well-trained nurses, the number of schools dedicated to nursing education has risen from 35 before 1900 to over a thousand institutions today located throughout the United States and its territories. Our nursing population has grown to nearly a half million licensed professional nurses actively engaged in providing expert nursing care for the American public.

Probably no other profession has attained greater maturity in so short a

time. In 1950, nursing authorities recognized that if sound progress were to continue, a way had to be found whereby the rapid advances already made in nursing practice could be more efficiently assimilated, and new areas and methods could be explored to provide the knowledge and direction needed to maintain continued improvements in patient care.

To determine how this might best be done, the American Nurses' Association initiated an intensive 5-year program of studies of nursing functions. This program was financed entirely by the nurses themselves.

Approximately 30 separate investigations into nursing practice brought to light much information of immense value to the profession. It was discovered, for example, existing research activity in the field was the work of a comparatively few nurses, and their efforts represented an attempt to determine the forces which prevent or enhance the effective performance of nursing personnel.

Great credit is due these sturdy pioneers, because they had voluntarily undertaken these tasks while carrying heavy responsibilities in full-time positions. Most of their research work had been done in comparative isolation, and only occasionally did the results of their studies reach a wider public through Government reports or publications in the health field.

The evidence gathered during the 5-year program pointed to an overwhelming need for an effective national organization to conduct and sponsor research and for a center where nursing research information could be made available, quickly sifted, evaluated and disseminated to all members of the profession and to other interested groups.

To meet the need for such a research center, the American Nurses Association, in 1955, brought into being the American Nurses Foundation, located at 10 Columbus Circle in New York City. The foundation was created as a nonprofit organization to identify nursing needs and to enrich nursing knowledge urgently required for the proper health care of America's fast growing population.

In its first year of service, the foundation administered the final phases of ANA's original 5-year program. Since then, it has struck out in many directions to uncover new knowledge and to record and to correlate a wealth of facts about existing procedures in nursing.

With funds made available to ANF from private sources, foundations, the Government, and from the American Nurses Association, the foundation has sponsored, guided, and conducted research studies on: Private duty nursing in a metropolitan hospital environment, and its relation to other areas of nursing practice; patterns of career mobility in professional nursing; practical nursing in nonmetropolitan hospitals; patterns of psychiatric nursing; current nursing practice in relation to care of the chronically ill; social and psychological factors involved in nursing practice in hospital outpatient departments; nursing practice in industrial plants; and public health nursing practice.

On an international level, the foundation has undertaken a program to implement the exchange of information with nurses from other countries studying in the United States. As a result of a special grant from the Rockefeller Foundation, the nurses foundation has been able to locate Hungarian refugee nurses and advise them on requirements for reestablishing their careers in this country.

A grant of $11,831 from the National Institutes of Health of the U.S. Public Health Service enabled the foundation to conduct a major workshop session on the progress and future of research in nursing. This conference and workshop, held at Cleveland's Western Reserve University in September of 1958, was attended by 87 outstanding leaders in the fields of social science, health, and patient care.

Mr. President, in its brief 5-year history, the achievements of the American Nurses Foundation have been significant. Since its founding in 1955, almost $300,000 has been expended in research projects. Approximately $100,000 of this sum was dispersed in the form of grants to nine institutions consisting mainly of universities to conduct research in nursing studies. Most of the studies supported by the foundation were conducted by staffs on which nurses participated with social scientists, clinical psychologists, and psychiatrists.

In those instances where projects have now been completed, research reports have been prepared and widely distributed. Interim reports have been issued on projects which are still going forward.

In addition a nucleus of books, papers, and pamphlets has been assembled by the foundation to form the beginnings of a comprehensive research library.

In a recent address, a leading sociologist said:

> We must recognize that a profession is committed to the task of enlarging the body of knowledge that applies to the problems and troubles with which it deals. The provision of research personnel and resources is one of the greatest requirements of a profession.

While great satisfaction can be taken in the progress that has been made, the work accomplished to date has also provided ample evidence that we need to continue the present programs and to move out into new areas of research now more than ever before.

Today, research in nursing faces a prime responsibility for finding—in a variety of nursing situations—new and better methods of patient care to help ease both immediate and future shortages of well-trained nurses to meet the needs of our increasing population. The foundation is emphasizing four areas of study:

First. Nursing procedures: Continue activities in promoting or conducting studies, surveys, and demonstrations in patient care and nursing practices. A part of this program will include experiments on new and more effective ways of providing comfort and safety to patients, ways of improving human relations with patients and families, and methods for health teaching and the rehabilitation of patients.

Second. Effects on nursing due to changing patterns of patient care: Study the impact of changes taking place outside the nursing profession, such as: the development of new drugs and equipment, new techniques, and new philosophies of health care, which automatically necessitate new approaches to patient care.

Third. Effects of administrative organization on patient care: Study nursing care in a variety of administrative units including hospitals, clinics, public health agencies, industries, nursing and convalescent homes and the physician's office.

Fourth. Nursing needs of patients and nursing in different categories of illness: Seek a deeper understanding of the many types of patients and their particular nursing problems since the values, attitudes, and cultural background of the patients and their families affect what medicine and nursing care can accomplish. Special emphasis will be directed toward studying chronically ill and long-term patients in their own homes as well as in hospitals.

To strengthen research in nursing, the foundation is concentrating its efforts through five principal approaches:

First. Sponsor research projects: The foundation will identify and sponsor financially the most urgent projects that can be carried out with qualified personnel within the four general research areas described above. Such projects will be performed by colleges, universities, hospitals, special study groups, and selected individuals.

Second. Conduct research projects: Although the ANF is primarily committed to sponsoring—rather than doing—research, there are instances wherein unique circumstances would indicate a limited number of projects which should be undertaken by the organization itself because of its position in the field of nursing research. In such instances, the foundation staff will conduct research projects.

Third. Stimulate research progress: Through a program of fellowships, the foundation will provide financial aid to nurse researchers and encourage other nurses with research talents to take part in projects.

Matching funds will be made available for joint research projects undertaken in cooperation with other organizations.

Fourth. Provide research consultant services: A staff of skilled and experienced personnel will be maintained to provide counsel, both in the headquarters office and in the field, in planning and developing research projects. Research consultants will be available to advise organizations and groups on particular problems.

Fifth. Disseminate research information: Research findings and other pertinent information will be distributed in the United States and abroad. Monographs and a journal of applied research will be published and a research library will be maintained to stimulate interest in and give information on research

findings. Mailings, field demonstrations, lectures, seminars, annual workshop conferences, and other activities will be included in this program.

Mr. President, the nursing profession of our Nation is closely associated with and directly influences the degree of success with which our medical profession is able to protect and improve the health and happiness of our people.

The American Nurses' Foundation is doing a splendid and challenging job of helping the nursing profession to better meet its vast responsibilities by providing immediate and developing programs for better nursing and health care for our people.

The foundation's efforts in this regard directly affect the care of more than 25 million Americans each year, or one out of every seven persons throughout our Nation.

I believe, therefore, that the program of the American Nurses' Foundation is of urgent interest and common concern to all of us, Mr. President, and it is for this reason that I bring the matter to the attention of my colleagues at this time.

COLD WAR GI BILL SHOULD PASS NOW

Mr. YARBOROUGH. Mr. President, within a few days the Senate again will be called upon to consider and pass the cold war veterans readjustment bill, this time as an amendment to H.R. 10596.

Additional Senate action on the cold war veterans bill was made necessary by the fact that, although the original proposal, S. 1138, was approved by the Senate last July 21 by a vote of 57 to 31, the full House membership has not yet been given the opportunity to vote on it.

Since this matter is of vital importance to more than a million veterans and their families, as well as a significant step in our national effort to develop the abilities and talents of more of our young people, I believe all Members of the Congress will be particularly interested in seeing estimates on how many veterans from their States can be expected to train under this program.

As I have said, S. 1138 passed the Senate last year by a vote of 57 to 31. It is in the House Veterans Affairs Committee, and the House as a whole has had no opportunity to pass on it, though many informal polls show that Members of the House favor the bill by a margin of over 2 to 1.

With respect to H.R. 10596, which is pending on the Senate Calendar, the Senate Committee on Labor and Public Welfare amended the bill by placing the full text of S. 1138 in the bill, which was passed by the Senate last year, in order to give this body an opportunity to pass it and to give an opportunity to the entire House to vote on the bill.

It is one of the most critically needed programs in our country today. For example, based on experience with the Korean GI educational program, the Veterans' Administration estimates that 72,000 young Texans would participate in this cold war veterans training program and would have allowances totaling $106.5 million.

In California, which would have the largest number of participants, 121,000 young veterans would probably take the training and receive allowances of $131.5 million over the 5-year life of the program. A total of 1,237,000 veterans could be expected to take part in the program.

From the State of Ohio, for example, 50,000 are expected to take the training, representing a total outlay of more than $53 million.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table of probable participation and total amounts of educational allowances by State for the first 5 years under the readjustment training program proposed by amendments to H.R. 10596.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Probable participation and total amounts of educational allowances by State for the 1st 5 years under the readjustment training program proposed by amendments to H.R. 10596

State	1st 5 years only [1]	
	Veterans expected to train	Amounts of educational allowances
Total	1,237,000	$1,654,000,000
Alabama	32,000	53,900,000
Alaska	1,000	500,000
Arizona	8,000	10,100,000
Arkansas	12,000	19,000,000
California	121,000	151,500,000
Colorado	14,000	19,000,000
Connecticut	15,000	17,000,000
Delaware	2,000	2,000,000
District of Columbia	16,000	24,600,000
Florida	34,000	43,800,000
Georgia	34,000	50,000,000
Hawaii	4,000	10,400,000
Idaho	4,000	6,500,000
Illinois	64,000	76,300,000
Indiana	26,000	33,200,000
Iowa	18,000	29,400,000
Kansas	13,000	15,900,000
Kentucky	18,000	24,800,000
Louisiana	24,000	40,500,000
Maine	4,000	5,800,000
Maryland	15,000	11,600,000
Massachusetts	40,000	44,700,000
Michigan	42,000	50,800,000
Minnesota	27,000	35,900,000
Mississippi	15,000	26,800,000
Missouri	32,000	45,800,000
Montana	4,000	6,100,000
Nebraska	12,000	19,800,000
Nevada	1,000	1,200,000
New Hampshire	3,000	4,300,000
New Jersey	28,000	26,500,000
New Mexico	7,000	9,600,000
New York	107,000	109,700,000
North Carolina	33,000	47,100,000
North Dakota	6,000	10,800,000
Ohio	50,000	53,300,000
Oklahoma	22,000	33,200,000
Oregon	11,000	14,400,000
Pennsylvania	75,000	90,300,000
Rhode Island	6,000	8,900,000
South Carolina	17,000	27,100,000
South Dakota	7,000	11,600,000
Tennessee	27,000	39,000,000
Texas	72,000	106,500,000
Utah	11,000	16,900,000
Vermont	2,000	2,600,000
Virginia	18,000	22,500,000
Washington	20,000	24,000,000
West Virginia	12,000	14,700,000
Wisconsin	22,000	31,600,000
Wyoming	2,000	2,800,000
Territories and possessions (total)	23,000	60,400,000
Foreign (total)	4,000	4,300,000

[1] State distributions are based on cumulative experience with Korean veterans.

PADRE ISLAND

Mr. YARBOROUGH. Mr. President, for more than a quarter of a century efforts have been made periodically to have a national park area established on Padre Island. Establishing such a national park is mandatory if this last long stretch of America's natural shoreline is to be kept open for the inspiration and enjoyment of all Americans.

Today the fight to preserve Padre Island has moved into an emergency status. Some landowners and cattle owners have taken railroad ties and driven them into the beach as barricades to prevent free access to the beach and passage up and down the beach.

From the earliest days of the settlement of the area, the people have had full and free passage to the beach, first under Spanish rule, then under Mexican rule, then under the Republic of Texas, and then under the flag of the United States.

Mr. President, after more than 200 years of settlement by people of European descent in that area, for the first time in more than two centuries under the four different governments and the six flags which have waved over Texas, this effort is made to disturb the free passage over those beaches. After two centuries of free passage, within the past 3 weeks the land and cattle companies are driving in the railroad ties. Unfortunately, we cannot have photographs printed in the RECORD. I should like to have some photographs of crosstie barriers shown. One would think these men were putting up barricades to keep tanks from going up and down the beach.

This fight has been a critical one, from the standpoint of time. Some property owners already have built fences and are attempting to regulate access to the beaches of Padre Island. Therefore, I believe pending legislation to establish a national seashore recreation area has taken on new significance and immediacy.

Nothing is to be gained and a great deal may be lost by further delay on this already too long delayed project. I strongly urge the Senate Interior and Insular Affairs Committee to approve S. 4, as amended, without loss of time so that we may have congressional action on the bill this year.

Mr. President, I should like to explain my proposal. As I introduced the bill S. 4 early last year, to create the Padre Island National Seashore Recreation Area, we had hoped to have a recreation area on that beach for 100 miles of the island. The island is 117 miles long, and about 5 miles on each end is developed, either under private ownership or in county parks. There is Cameron County on the south end and Nueces County on the north end.

The bill would have provided a 100-mile national recreation area, would have excluded all the developed areas at each end, and would have excluded some other lands, so that they might be developed also. That left a 100-mile beach on the island, without a single building.

This is a barrier reef island from a half mile to 3 miles wide, which is off the mainland and the shore. It is separated from the mainland by a body of water known as Laguna Madre, a shallow body of water.

The area has been found by the National Parks Advisory Board as an ideal site for a seashore recreation area. It is the longest stretch of undeveloped beach in America.

Mr. President, it is 3,700 miles along the Gulf of Mexico and the Atlantic Ocean, from Brownsville, Tex., at the mouth of the Rio Grande, the southernmost point in Texas, to the easternmost point on the shore of Maine. In those 3,700 miles we have only 265 miles of public parks, beaches and recreation areas. Of the 265 miles of such areas, over half are federally owned. Over half of the limited area of 265 miles of public beaches, from a total along the vast Atlantic Ocean and Gulf of Mexico coast shoreline of 3,700 miles, is in Federal ownership. The Acadia National Park in Maine, with its great rockbound coast, has little beach. The great swamp areas of the Everglades of Florida, on the southwestern shores of Florida, have few beaches. The marshes gradually merge into the sea. We have the one good beach at Cape Hatteras recreation area in North Carolina, which is about 50 miles long.

If we establish the proposed 100-mile park we shall have the greatest beach area in America, the only place which is still available which might be made into a recreation area for all Americans.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that I may speak for an additional 3 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. YARBOROUGH. Mr. President, this beach needs to be preserved for all Americans.

One item which held up the establishment of this park was an objection to the full 100-mile area which I advocated. However, the Secretary of the Interior has endorsed an 88-mile park. I agree with him in that matter. The majority leader has issued a public statement approving the 88-mile park. There is a composite administration bill to create the Padre Island Park, the Oregon Dunes Park, and the Cape Cod Park in Massachusetts, all of which are covered in one bill.

On the 23d of May, 1960, Secretary of the Interior Seaton wrote a letter to the chairman of the Committee on Interior and Insular Affairs, the Senator from Montana [Mr. MURRAY] approving S. 4 as a separate bill, and placed the support of the administration behind it.

Mr. President, S. 4 as a separate bill would establish the Padre Island recreation area alone.

We have the statement of the Secretary of the Interior that the administration is willing to spend $8 million in a 5-year period to preserve the beach for the American people.

These are the reasons why the need is immediate and is urgent, Mr. President. The Committee on Interior and Insular Affairs should report the bill to the Senate immediately, because of the fact that railroad ties have been driven into the beaches to block access by Americans. The Secretary of the Interior recognizes the urgency of the problem, and says that he is willing to spend this money in a period of 5 years, $4 million to buy the land and the other money for facilities.

Mr. President, I ask unanimous consent to have printed in the RECORD two timely editorials on this subject; one from the Corpus Christi Caller of June 10, 1960 entitled "Act Now To Make Padre National Seashore Area," and the other from the Houston Press of June 16, 1960 entitled "What's Holding Up Action on Padre?"

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Corpus Christi Caller-Times, June 10, 1960]

ACT NOW TO MAKE PADRE NATIONAL SEASHORE AREA

Padre Island ought to be made a national seashore area.

The designation, which requires an act of Congress, should be made without further delay.

Developments in the last few days should make it clear to all that the best way to preserve the primitive beauty of the long, windswept, sandy island and guarantee its accessibility to this and future generations is to bring it under the protection of the Federal Government's National Park Service.

Visitors to national parks all over the Nation are generally in agreement that the Park Service has done an outstanding job of safeguarding natural wonders and taking care of the millions of citizens who want to enjoy them. National Park Service experts have testified that Padre Island would make an excellent shoreline park. They have stated that it would be desirable to have 88 miles of the island included within the park. This would leave a few miles at each end for private development.

Some of the politicians who have publicly committed themselves to a national seashore on Padre have remained vague on the area to be involved. It appears they are willing for the Federal Government to control a portion of the island, provided, of course, that it builds highways the full length to provide access to all types of private development. If this attitude prevails it will kill the whole project. Federal officials here for the Senate hearing last fall made it clear that they were not interested in any such plan; they want to preserve the whole primitive seashore area. If Texans don't want a national seashore, the Government money can be spent in Massachusetts, Oregon, or some of the other States which are clamoring for the establishment of such a park.

We believe that Texans do want the national seashore, however. Those who have taken for granted their right of access to the beaches of the gulf don't want that right denied to their children and grandchildren.

Congress probably will adjourn within the next few weeks. There is still time, however, to enact a national seashore measure. If you want this done, act today. If you live in the 14th (Corpus Christi) Congressional District, your Congressman is Representative JOHN YOUNG, House Office Building, Washington, D.C. If you live in the 15th (Valley) Congressional District, your Congressman is Representative JOE KILGORE, House Office Building, Washington, D.C. Your Senators are Senator LYNDON B. JOHNSON and Senator RALPH YARBOROUGH, both of whom can be addressed at Senate Office Building, Washington, D.C.

Write or wire them right now.

[From the Houston Press, June 16, 1960]

WHAT'S HOLDING UP ACTION ON PADRE?

Now that our State conventions are over and our Congressmen are back on the job in Washington, we'd like to remind them of one serious piece of unfinished business.

That's congressional action approving and providing funds for the establishment on Padre Island of a national seashore park.

Nearly everybody's for this project to some degree. There are those, however, who would try to use this development for private gain by having an inadequate part of Padre preserved as a park. Most of us agree with the National Parks Board that a national park covering 88 miles of Padre's 110-mile length would retain the island's magnificent isolation and untouched grandeur while leaving ample space at each end for private, commercial development.

President Eisenhower weeks ago put in a request to Congress for the necessary funds and action. Senators JOHNSON and YARBOROUGH have given their unqualified support. Most of Texas' 25 Congressmen are on record for the project.

Everything's set for Congress to act.

What are we waiting on?

The national conventions begin shortly. This Congress is due to adjourn before they begin.

No good purpose can be served by losing any more time.

From Corpus Christi, we've recently had news that private owners are trying to fence off sections of Padre Beach and require the public to register at their "gates" to improve their land titles.

Fortunately, Texas Attorney General Will Wilson hopped on this hard and fast. He has secured temporary injunctions. He has stopped the fence builders. But the warning is clear:

Act now on Padre or trouble as well as fences will build up—and build up fast.

That's something we mustn't let happen, on a project that means as much to America as the preservation of Padre.

THE REPUBLICAN RECORD OF ACCOMPLISHMENTS IN REGARD TO THE PEACEFUL UTILIZATION OF ATOMIC ENERGY

Mr. HRUSKA. Mr. President, since its innovation, all mankind has been interested in opportunities for peaceful utilization of atomic energy. The senior Senator from Iowa [Mr. HICKENLOOPER] has compiled and presented an important report on the Republican record of accomplishments in this field.

President Eisenhower expressed his view in 1953 that this new source of energy should be dedicated to man's betterment rather than his annihilation. Since that time the administration has made great progress along this road. The construction of nuclear powerplants and the flow of knowledge from research have materially contributed to the success of this program.

Mr. President, I ask unanimous consent that this excellent report by the Senator from Iowa be printed in the body of the RECORD following these remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE REPUBLICAN RECORD OF ACCOMPLISHMENTS IN ATOMIC ENERGY, 1953–60

(By U.S. Senator BOURKE B. HICKENLOOPER, of Iowa, senior Republican member, Joint Committee on Atomic Energy)

The Atomic Energy Commission programs for developing the uses of atomic energy have been reshaped and organized in the past 7 years to place full emphasis upon the President's fundamental policy, announced in 1953, that this great new source of energy should be dedicated to man's betterment—not to his annihilation.

Under this policy, the Republican administration has taken the first steps toward economic benefits, both in this country and among our friends in other nations, has accomplished sound progress in the search for new knowledge, and has promoted the peace of the world through scientific and economic cooperation, and through providing the free world with a defensive shield of atomic weapons.

BACKGROUND

When the Republican Party took office, the Nation was rich in opportunities for peaceful utilization of atomic energy, and the full weapons potential also remained to be developed. An international deadlock—unbroken since 1946—prevented all constructive international cooperation in the field of atomic energy. The Federal Government held a monopoly of ownership of atomic energy facilities and of atomic knowledge. Late in 1952, the Joint Committee on Atomic Energy had reported that "Since spring 1950 there has been no major project whose purpose is to achieve a reactor directly advancing industrial power." The United States had a strong stockpile of atomic weapons, but thermonuclear bombs had only recently been tested. The first nuclear-powered submarine was still on the way. Major production plants were under construction in the years after the outbreak of the Korean conflict. The United States was still largely dependent on imports for the raw materials of nuclear power and nuclear weapons.

All of these situations were left to the Republicans when Mr. Eisenhower took office in January 1953.

INTERNATIONAL

The international deadlock was broken when, on December 8, 1953, President Eisenhower made a world-applauded address before the United Nations General Assembly, and brought forth the first fresh approach to this problem since 1946: That peaceful boons from atomic science could be achieved by united effort, and need not wait until the intricate problem of weapons control was solved.

Since that time, 42 nations, and the city of West Berlin, have joined with the United States in bilateral agreements to develop and apply this new source of energy to economic betterment and human welfare throughout the free world.

The nations of Western Europe formed the Euratom Community to develop and build nuclear power stations in cooperation with the United States.

The International Atomic Energy Agency, which President Eisenhower proposed in his historic address, has become an actuality with 70 nations cooperating for peaceful uses of the atom. The Organization of American States is moving forward with atomic sciences and applications.

In recent months there have been conferences between the Western Allies and the Soviet Union on means of ending the menace of nuclear warfare, and weapons tests have been suspended.

The United States has given comprehensive libraries of atomic energy information to 58 countries, and five international organizations. It has made or authorized grants to 19 nations to assist in research reactor projects, and is making grants of research equipment.

Our Nation has allocated more than three-quarter billion dollars' worth of uranium 235 for sale or lease to friendly nations, and has provided deferred payment for the fuel for power reactors overseas. An equal amount has been made available for similar purposes in the United States.

The United States initiated the First International Conference on Peaceful Uses of Atomic Energy in 1955 in which 72 nations participated. In this and in the Second United Nations Conference on Peaceful Uses of Atomic Energy held in 1958, this country presented for unlimited use a great volume of data to assist further progress in beneficial uses. Cooperation in the application of atomic energy to the welfare of man has become a living fact throughout the free world.

THE NEW ATOMIC CHARTER

The President's pledge before the world in 1953 was swiftly supported in 1954 by a new charter for the peaceful development of atomic energy in the United States, and for cooperative work with other nations. This notable legislation of the Republican administration—the Atomic Energy Act of 1954—opened the door for private ownership and development of atomic power. It ended the Federal monopoly on atomic science and technology. It authorized and energized international cooperation for all peaceful purposes. It made possible the rapid advances of the last 6 years in applying atomic energy to mankind's betterment.

ATOMIC POWER

The United States leads the world in atomic power today, a leadership measured not in the production of high-cost kilowatts, but in the basic technology and variety of approaches to the problem of competitive costs for power. Industry is cooperating fully in the attack on this problem.

Eight nuclear powerplants that were not even on the designing boards when this administration took office are now operable, and 21 additional plants have been authorized for construction, either by government or by industry.

Most of the plants are relatively small, but we can expect—on the basis of plants already authorized—a total of some 1,400,000 kilowatts of electricity on the line by the end of 1964. Most of this capacity will come into operation during 1960, 1961, and 1962.

A survey of expenditures and commitments for nuclear reactors, as of the end of 1959, showed that about $1.7 billion was being invested in civilian and military reactors under construction or active development by the Government and industry. About $1 billion of the total was for civilian projects and the remainder for military projects, including more than $650 million for naval powerplants.

This administration has formulated and adopted as guidelines for the Nation's development of civilian nuclear power these five broad objectives:

1. To reduce the cost of nuclear power to competitive levels in high-cost energy areas of this country by 1968.

2. To assist friendly nations now having high energy cost to achieve competitive levels in a shorter period.

3. To support a continuing long-range program to further reduce the cost of nuclear power.

4. To maintain the U.S. position of leadership in the technology of nuclear power for civilian use.

5. To develop breeder type reactors to make full use of nuclear energy latent in both uranium and thorium.

The Republican administration has laid plans for an aggressive 10-year effort to accomplish these objectives. We are laying down detailed programs for efficient development. With expanded industrial cooperation, we believe this effort will make it possible to achieve economic nuclear power in high-cost areas of the United States by 1968 with two types of reactors—those cooled with water, and those cooled with organic materials such as benzene derivatives. We believe that, later on, it will be possible to attain economic costs in wider areas of the country.

The Republican administration is continuing its pattern of cooperative development under Federal leadership with the vigorous support of publicly and privately owned utilities.

The leadership of this administration has produced and will continue to produce technology, and to promote development so that before this country must have nuclear energy to supplement conventional fuels in meeting the ever-growing energy needs of this expanding economy nuclear power will be available at competitive costs.

NUCLEAR MERCHANT SHIPS

Late this year, the world's first nuclear-powered merchant ship, the NS *Savannah*, will begin initial test operations in domestic waters. When initial operations are successfully completed, the *Savannah* will visit various ports on both coasts of North America, after which a cruise in foreign waters will be scheduled.

Operation of this vessel will carry over into ships of peace the success of the Navy's developing fleet of nuclear craft. Plans for other merchant ships, and for increasingly efficient nuclear plants, are under development.

The United States is extending into this promising field the technological leadership it already has demonstrated in design, construction, and operation of power reactors.

THE PROMISE OF RESEARCH

The flow of knowledge and ideas from research in the atomic energy sciences which has contributed to this Nation's advances has been broadened and expanded.

The Atomic Energy Commission's major laboratories have been strengthened and provided with new facilities for research in physical, medical and biological sciences. Research in colleges and research institutions has been largely increased. For the current year, there were 1,083 contracts for research of this kind that in total amounted to $52 million—an increase of 75 percent in numbers and more than 185 percent in dollar amounts over 1953.

A portion of this research is directed toward producing useful power from heavy hydrogen in the fusion reaction—the field of controlled thermonuclear research. Encouraging first results have been won, and each year sees further gains.

This program is for the future, but to make sure that this Nation and the world gain every possible advantage from this field, our research in controlled thermonuclear power has been expanded several hundredfold, and the results made available to the public, to science, and to industry.

Every practical use for nuclear energy that our scientists and technologists can extract is being fully exploited.

The United States is investigating the possible peaceful uses of nuclear explosives (the Plowshare program).

Many peaceful applications such as scientific measurements, excavation, exploitation of natural resources, production of power and isotopes and the development of new industrial chemicals appear to be feasible. Initial experiments are being considered in

excavation, power and isotope production, and in oil recovery. No detonation of nuclear devices has been authorized.

Initial tests have been successfully completed in a series of experiments leading toward the use of nuclear energy to propel space vehicles.

Lightweight, compact nuclear batteries—actually miniature electric plants—are being developed for a wide range of applications, including power for space vehicle instruments. They give promise of having other practical uses—to power remote weather stations and navigation aids, and as power sources for isolated stations.

RADIOISOTOPES

Since 1953 the use of radioisotopes in research and in practical applications has increased threefold. As tools of research, as diagnostic and therapeutic devices in medicine, and as adjuncts of industrial operations, these radioactive varieties of chemical elements have already yielded the equivalent of large dividends on the tax investment in atomic energy.

The ills of a million medical patients are being diagnosed or treated with the aid of radioisotopes each year—a rapidly developing program urged by the Republican Administration.

In agriculture, radioisotopes have opened the way to new and more accurate knowledge of the action of fertilizers on crops, of weed killers and other chemical aids to agriculture. Radiation applied to plant genetics has assisted in developing rust-resistant strains of oats and wheat, and stronger, higher yielding strains of peanuts. The screwworm fly—that costly pest of the cattle industry—has been practically eradicated from the southeastern States, and the campaign of eradication is being extended.

In industry, savings through the use of isotopes have been increasing rapidly since 1953 and further savings lie ahead. Radioisotopes are being used to preserve food and avert food contamination, to improve sewage disposal, to combat sewage and stream pollution, and to increase industrial safety.

Many isotope applications have become standard practice for an entire segment of industry.

Over 90 percent of the tire fabric and 80 percent of the tin cans made in the United States now are controlled in production by radioisotope thickness gages. Similar devices are contributing to the efficiency of steel rolling mills.

To hasten realization of these, and of other benefits from the use of radioisotopes, the Atomic Energy Commission has undertaken, with the encouragement of the Republican administration, a development program to discover new uses of public benefit, to increase training and understanding in industrial uses, and to make larger quantities of radioisotopes available at lower cost.

Over 1 million curies of radioisotopes valued at $20 million have been shipped to doctors, researchers, industries, and private processors.

INDUSTRIAL PARTICIPATION

The great increase of industrial participation in the atomic energy program, and the growth of international cooperation, were made possible by the grants of authority under the new charter, the Atomic Energy Act of 1954. Under the previous law, a vast body of scientific and technical knowledge necessarily was held secret.

Since passage of the act, the United States has established a privately owned atomic energy industry, licensed, regulated, and inspected to assure the public health and safety.

This progress would not have been possible without the success of vigorous efforts to place in the public domain, accessible to all, most of the nonweapons technological data previously held secret by the Government. This enormous, but careful, release of information has been accomplished without compromising the essential defense and security of this country.

Indicative of this progress is the rate of declassification of technical reports during the last 6 years. In 1954 fewer than 9,000 reports had been declassified; by 1960 the total had grown to more than 30,000.

In addition, the United States has made strong efforts to see that the technical information produced in the atomic energy program has been assembled into reports and distributed. In 1954 some 300,000 individual copies of reports had been placed on deposit at libraries through the country for open use by scientists and engineers; by 1960 this number of documents had grown to over 2,400,000. The reports also have been made available through public sale.

HEALTH AND SAFETY

The Republican administration has actively enforced safeguards for the public health in every phase of atomic energy activity.

It laid down the licensing and regulation procedures for U.S. industry, based on years of experience and research in Government operation.

It established a Federal Radiation Council to advise on safety standards, and a Reactor Safeguard Committee to review licensed reactor installations from the standpoint of safety—both bodies afterward being given a statutory charter by the Congress.

This country has readily made available to the use of all nations its knowledge and techniques in the fields of radiation safety—the basis for an unprecedented record of safety in the Federal atomic energy program which has received numerous safety awards—so that this vast new source of energy may be put to work for mankind with a minimum of hazard.

PRODUCTION

During this administration, a complex of production plants was completed which pours out a steady flow of uranium 235 and plutonium for production of the nuclear weapons that guard the free world, and for the production of power in nuclear reactors.

The United States has become the world's leading producer of uranium ore. In fact, the rate of discovery and the flow of raw materials in this country became so large that, since 1957 and 1958, it was necessary for the Government to announce a limitation on development and purchase to bring the domestic supply, plus its commitment for imports, more nearly in line with requirements. This contrasts with the inadequate supplies of uranium up to the mid-1950's—under another administration.

ATOMIC DEFENSE

The United States has, of course, continued to produce and improve powerful weapons for the defense of the free world.

The noblest product of this Nation's atomic energy program is the shield for the peace of the free world. The number of weapons has increased manifold in total numbers as well as in the variety and military usefulness of fissionable material. New designs have been introduced, and others are under development, which greatly simplify the logistic problems of nuclear weapons use, and which meet specific military requirements. As a result of these gains, increased emphasis became possible on defensive weapons to protect the people of the free world from airborne or missileborne attack.

The contribution of atomic energy to free-world defense goes far beyond the design and production of weapons and new methods for their delivery. It has made possible a fleet of nuclear-powered warships without equal in the world.

The first nuclear-powered submarine was launched in January 1954. Since that time, the *Nautilus* and other nuclear submarines—the *Skate*, the *Seawolf*, the *Triton*—have cruised thousands of miles beneath the surface, have crossed and recrossed the North Pole beneath the ice, have circled the globe while submerged. They are the first true submersibles in the world, as contrasted with the earlier submarines which were actually surface craft capable of submerging.

This achievement, unique in the world, has added greatly to the international stature of the United States as a pioneer in technology, and as a leader in atomic energy development.

This administration has been prompt to seize upon and exploit our lead in this important aspect of defense.

We are building a nuclear Navy, presently including 37 atomic submarines, constructed or authorized—10 already are operating—3 surface vessels, a missile-armed cruiser and destroyed, and an aircraft carrier.

We are developing small portable nuclear power stations for use in remote regions such as on the DEW line radar warning system.

SUMMARY

The progress of this Nation in all aspects of atomic energy during the Republican administration has been sound and rapid—in peaceful uses of this new source of energy and its products, in developing power, and in promoting human welfare in this and other countries.

Equally, this awful power has been harnessed for the defense and protection of the free world.

The promise for mankind's betterment, and for peace, is strong and encouraging.

The progress is steadily forward.

THE REPUBLICAN RECORD ON BEHALF OF SMALL BUSINESS—1953–60

Mr. COTTON. Mr President, the status of the American small businessman has long been of concern to Congress. My colleague, the senior Senator from New Hampshire [Mr. BRIDGES], has prepared a heartening report reviewing the record of the Republic administration on behalf of small business, to which I commend the attention of this body.

The birth of the Small Business Administration in 1953 has proven a tremendous impetus to the character of our economy over the past 7 years. Today there are nearly 5 million businesses in the United States, and 95 percent of these are small enterprises.

We hear much these days about the growth and influence of big business. It is gratifying indeed to know that the backbone of our national economy is still the small businessman; as he prospers so does our country prosper.

Mr. President, I ask unanimous consent that the excellent report of the Senator from New Hampshire be printed in the body of the RECORD at this point.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE REPUBLICAN RECORD ON BEHALF OF SMALL BUSINESS—1953–60

(By U.S. Senator STYLES BRIDGES, of New Hampshire, chairman, Senate Republican policy committee)

American small business has grown and prospered more in the 7½ years of the Republican administration than at any time during the previous 20 years.

Today, there are 4,666,000 businesses in the United States, an alltime high, and 95 percent of them are small enterprises.

The Small Business Administration, created in 1953 by the Republican 83d Congress upon recommendation of the Republican administration, now is a permanent agency, by act of Congress in 1958—upon the recommendation of President Eisenhower.

Twenty thousand business loans have been made by the Small Business Administration for an aggregate of about $930 million, of which about $787 million have been furnished by SBA, the remainder coming from local banks and lending institutions which participated.

SBA loans of all types—though running high into the thousands—have been good loans in more than 98 cases out of 100. Fewer than 2 percent of all SBA loans have been written off as losses. This record attests to the character of those who are the backbone of our economy—the small businessman.

Enterprises in all States, the District of Columbia, Puerto Rico, and the Virgin Islands have been aided.

The Small Business Administration's activities extend far beyond the lending program.

More than 9,000 disaster loans have been made—at 3-percent interest—to owners of homes, businesses, and charitable institutions damaged or destroyed by floods, storms, droughts, or other natural disasters. These loans have amounted to some $96 million, with local banks furnishing about $3½ million and the SBA furnishing the remainder.

The Congress declared, in creating the agency, that particular efforts should be directed toward helping small businesses to participate in Government contracts and services.

Under what is called the joint set-aside program, SBA has worked closely with other Government agencies to get proposed Federal purchases, sales, and services specifically earmarked for competitive bidding by qualified small enterprises. The results in this case have been great. More than 79,700 contracts, valued at nearly $5 billion, have been channeled into small businesses by this program.

Similar services by SBA include certificates of competency which go to concerns showing their capacity to perform specific Government contracts. About 700 of these certificates have been issued, resulting in contracts amounting to $105 million.

Another program is called registration of facilities. Under it, small concerns are placed on appropriate bidders' lists. There are approximately 46,600 firms registered with SBA under this program.

A popular SBA program is that of research and development which is carried on at Government expense and the findings or benefits passed on to small concerns not individually able to do it themselves.

Other SBA projects provide small plant production surveys and regular listings of new products and processes which small firms might want to take up.

The Small Business Administration's management assistance program has been of widespread value. The agency publishes a variety of technical aids for small manufacturers, wholesalers, and retailers, which are distributed free upon request. Nearly 8 million of these have been distributed.

This program includes special management courses offered by public and private schools and other institutions. Instituted 6 years ago, this project has been offered in 275 institutions for a total of 800 courses. More than 24,000 small business owners and managers have attended. The cost is borne by tuitions.

Financial grants have been made to schools and colleges across the country for specific small business management research studies. These findings are later released, in published form, to small businesses.

The Small Business Investment Division, created by Congress in 1958, helps finance small firms at the local level.

This program has generated (mid-June) over $80 million in funds, mostly private, which are available for long-term loans and equity financing of small businesses through privately owned and operated small business investment companies (SBIC's), licensed by the Small Business Administration.

Already, more than 100 SBIC's have been formed. They are located in all parts of the country. Hundreds of small firms have been financed by these SBIC's in a wide variety of industries.

SBA helps small businesses through loans to State and local development companies. This is to help establish diversified industries in local communities through Government cooperation with local citizens. In this way, SBA has helped to finance some 50 projects in 19 States totaling some $10 million.

The small business record of the Republican administration is one of outstanding assistance in helping to keep the national economy healthy and prosperous and to provide jobs.

ADDRESS BY SENATOR GREEN BEFORE INTER-AMERICAN DEFENSE BOARD

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an address which I delivered on June 22, 1960, before representatives of the Inter-American Defense Board.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF U.S. SENATOR THEODORE FRANCIS GREEN OF RHODE ISLAND, CHAIRMAN EMERITUS OF THE SENATE COMMITTEE ON FOREIGN RELATIONS, ADDRESSING REPRESENTATIVES OF THE INTER-AMERICAN DEFENSE BOARD, WEDNESDAY, JUNE 22, 1960

General Mathewson and representatives of the Inter-American Defense Board, it is a pleasure and an honor for me on behalf of the Congress of the United States to welcome you to our Capitol. In these troubled times it is of increasing importance that we Americans stand shoulder to shoulder and present a united front to the rest of the world. There probably is no single group which contributes more in the way of practical achievements toward this solidarity than you gentlemen here. I wish personally, and also in behalf of my colleagues in the Congress, to congratulate you upon this extremely important work which you are accomplishing.

We members of the American Congress are happy that you have taken the time from your busy schedules to come to the Capitol and observe the workings of our Congress. We believe that it presents an excellent example of how peoples with varied and sometimes conflicting interests can solve their problems to their mutual advantage. Perhaps this Congress will serve as a useful example of how the American States working together may contribute to the common good.

Many times, as a member of the Senate Foreign Relations Committee I have visited your various Embassies and in several instances your respective countries. On all of these occasions I have been greeted with a warm handshake of friendliness. I have many cherished friendships among your countrymen. It is this type of warm friendship that all of us seek on a worldwide basis. I am sure that each of you as a representative of your individual country shares in this desire. Individually and as a body you are probably the greatest influence toward peace and friendship throughout the Americas. It is the firm belief of my colleagues and myself that only through the ceaseless, tireless, work accomplished by organizations like yours, can we ever arrive at a lasting peace based on friendship, mutual understanding and above all else, respect. Gentlemen, I salute you and again on behalf of all Members of the U.S. Congress I bid you welcome to our Capitol and may your stay among us be happy, fruitful, and an experience you will cherish forever.

AMENDMENT OF THE NORRIS-LAGUARDIA ACT, THE NATIONAL LABOR RELATIONS ACT, AND THE RAILWAY LABOR ACT

Mr. DIRKSEN. Mr. President, I ask unanimous consent that there be inserted in the RECORD three statements that have been made before the subcommittee of the Senate Judiciary Committee on Senate bill 3548, on which hearings are in progress at the present time.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF THEODORE R. ISERMAN ON BEHALF OF NATIONAL SMALL BUSINESS MEN'S ASSOCIATION, BEFORE THE COMMITTEE ON THE JUDICIARY, U.S. SENATE, SPECIAL SUBCOMMITTEE HOLDING HEARINGS ON S. 3548, JUNE 16, 1960

My name is Theodore R. Iserman. I am a member of the law firm of Kelley, Drye, Newhall & Maginnes, 70 Broadway, New York, N.Y. I appear here today on behalf of the National Small Business Men's Association. This association represents some 35,000 small business concerns, a great many of which have a vital interest in S. 3548.

Featherbedding is one of the most malignant evils in our economic system. It is one with which Congress long has battled, but too often when Congress thought it had gained a victory in its war on this particular form of social and economic waste, the courts have managed to turn the victory into defeat or to deprive the country of the fruits of the victory.

Featherbedding is, perhaps, most notorious on the railroads. The facts in the Chicago & North Western case, in which the Supreme Court, contrary to what seems to be the clear congressional intent, opened wide the doors to more and more featherbedding, typify the tremendous waste that featherbedding involves in that industry. But featherbedding takes many other forms and prevails in many other industries.

Labor, whether organized, or unorganized, generally tends to resist laborsaving changes. But, as the late Professor Slichter pointed out,[1] organized resistance always is much more effective than unorganized resistance. Employees fear that more output will mean fewer jobs. This has not been the general experience of American industry. With higher output, costs and prices go down. So many people buy the cheaper goods or services that, notwithstanding the greater output per man-hour, we use more people to make the goods or to render the services.

The practice of unions, either through formal agreements or through pressure on their members, to limit the output resulting from improved methods and techniques has two evil effects on the public. First, it makes

[1] "Union Policies and Industrial Management," Brookings Institution, 1941, p. 172.

the cost of goods needlessly high, thereby pricing some consumers out of the market and holding down their standard of living. When unions limit output, they increase not only the cost of direct labor in the product, but also the cost of indirect labor, burden and overhead that goes into each unit. Thus, in the North Western case, the railroad must not only pay the wages of scores of employees it does not need, but it must pay, also, the cost of maintaining the surplus stations in which those employees idle away their time.

The second adverse effect of featherbedding is to discourage progress. Employers are less inclined to invest ingenuity and capital in new methods and machines that raise output and lower costs if unions are unwilling to permit the new methods and machines to operate efficiently.

Congress repeatedly has shown its concern over various forms of featherbedding. An early instance was in 1934, when it passed the Anti-Racketeering Act (48 Stat. 979 U.S.C., T. 18, 420(a)). That act undertook to put a stop to a form of racketeering that was common in the trucking industry, especially around New York, where officials of Teamsters Local 807 coerced drivers of trucks entering New York City, including members of other Teamster locals, farmers and other self-employed persons, to pay the equivalent of a day's wages to the officials or to hire members of local 807 to ride the trucks into the city. The Supreme Court in effect eviscerated the Anti-Racketeering Act, holding local 807's extortion to be permissible if it offered to provide drivers, even if it persisted in its demands after the truckowner declined those services.[2]

In the Case bill (H.R. 4908) in 1946, Congress sought to correct that decision, but the President vetoed that bill. Congress later incorporated the Case bill's antiracketeering provisions in the Hobbs bill, which it passed (60 Stat. 420; U.S.C., T. 18, 1951, 62 Stat. 793). This third effort to discourage one form of extortion in trucking has been relatively effective.

In 1946, Congress passed also the Lea Act (60 Stat. 89). That purported to forbid the American Federation of Musicians to coerce radio stations to employ or agree to employ "any person or persons in excess of the number of employees needed * * * to perform actual services," or to pay more than once for services rendered. In *United States* v. *Petrillo*, Judge La Buy, in the District Court for the Eastern District of Illinois, held the Lea Act to be unconstitutional under the 5th (due process and equal protection of the laws), 1st (free speech), and 13th (involuntary servitude) amendments (68 F. Supp. 845 (N.D. Ill., 1946)). On appeal, the Supreme Court sustained the constitutionality of the Lea Act (332 U.S. 1 (1947)). On a retrial before Judge La Buy, notwithstanding that Mr. Petrillo had publicly proclaimed that he was deliberately violating the act in order to test its constitutionality, the judge held that Mr. Petrillo was innocent because the prosecution did not show that Mr. Petrillo knew that the radio station involved in the case did not need the extra employees that Mr. Petrillo, by picketing, had forced it to hire. The judge again dismissed the indictment (75 F. Supp. 176 (N.D. Ill., 1948)). Since then, there has been no effective enforcement of the Lea Act.

In 1947, in enacting the Labor-Management Relations Act, 1947, over the President's veto, Congress made it an unfair labor practice for a labor union "to cause or attempt to cause an employer to pay or deliver or agree to pay or deliver any money or other thing of value, in the nature of an exaction, for services which are not performed or not to be performed."[3]

The U.S. Supreme Court made a dead letter of this provision in two decisions. In the first, it held that the International Typographers Union's enforcing its "bogus work" rule did not violate the clause. Under this rule, the union requires newspapers and other employers in the printing business to set up duplicate forms for mats from which they print advertisements, which forms ordinarily serve no useful purpose and are destroyed as soon as the printers finish setting them up (*American Newspaper Publishers' Ass'n.* v. *N.L.R.B.*, 345 U.S. 100 (1953)). In the second case, the Court held that the American Federation of Musicians did not violate the act by requiring a theater to employ a local orchestra to render services that the theater did not want or need (*N.L.R.B.* v. *Gamble Enterprises*, 345 U.S. 117 (1953)). Since then, the National Labor Relations Board has deemed it futile to try to enforce the clause.

Turning now to S. 3548, it does not go nearly as far as the Hobbs Act went in dealing with abuses in the trucking industry, as the Lea Act purported to go in dealing with abuses in the broadcasting industry, or as Congress obviously intended to go in enacting section 8(b)(6) of the National Labor Relations Act, as amended. Indeed, if there is any fair criticism of the bill, it is that the bill does not go far enough.

The truth is that a statute ought not to be necessary to exclude the creation or discontinuance of positions from the area of collective bargaining. Very respectable authority holds that a union, when it strikes to prevent an employer from discontinuing an operation, illegally interferes with the employer's business. New York has a "Little Norris-LaGuardia Act" (Civil Practice Act, sec. 876a). Yet the courts of that State have held repeatedly that striking and picketing to force an employer to continue an operation does not constitute a "labor dispute" within the meaning of the State's Anti-Injunction Act, and that such strikes and picketing may be enjoined notwithstanding such act.

The leading New York case is *Paul* v. *Mencher* (169 Misc. 657 (1937), aff'd in 254 App. Div. 851 (1938), leave to appeal denied in 279 N.Y. 813 (1939)). At special term, the Court said:

"There is no labor dispute as defined by statute between the parties hereto. It is the prerogative of any businessman, with or without reason, to continue or discontinue in business as he sees fit without necessity of explanation or excuse to anyone. When the plaintiff elected to discontinue his factory no one was privileged to complain even though it was done deliberately to avoid a labor dispute. Since there is no labor dispute there is no need to consider whether compliance with 876–a, Civil Practice Act, has been had, as that is not an issue."

The same reasoning applies to strikes and picketing to prevent employers from discontinuing either all or part of their operations. See, for example, *Huron Stevedoring Corp.* v. *Grogan* (127 N.Y.S. 2d 99 (1953)), involving maintenance work that the employer discontinued and contracted out to another company; *Anheuser-Busch, Inc.* v. *Brewery Workers Local 1059, et al.* (N.Y.L.J. Apr. 6, 1955, leave to appeal denied in 285 App. Div. 1134 (1955)), involving the discontinuance of certain branch distribution centers. In *American Type Founders, Inc.* v. *Webendorf-Wills Employees' Ass'n., Inc.* (N.Y.L.J., Jan. 13, 1955, p. 3) the employer announced its intention to close a branch operation at Mount Vernon, N.Y., and move it to the main plant in New Jersey. The employees picketed the New York plant, preventing the employer from moving its operations. In granting an injunction, the Supreme Court of New York, per Bailey, J., said:

"It is the prerogative of any man in business to terminate such business or a branch thereof. The decision to do so constitutes the exercise of a fundamental right and is binding upon the employees. The cessation of business terminates the employer-employee relationship and precludes the existence of a labor controversy. Any picketing thereafter is without a lawful labor objective and may be restrained (*Paul* v. *Mencher* (169 Misc. 657, aff'd 254 App. Div. 851, leave to appeal denied, 279 N.Y. 813); *Huron Stevedoring Corp'n et al.* v. *Grogan* (127 N.Y. Supp. 2d 99), and *M. Mittman & Co.* v. *Sirota* (111 N.Y. Supp. 2d, 100, not otherwise reported)).

"Picketing conducted without a lawful labor objective may be enjoined without compliance with section 876a, Civil Practice Act (*Goodwins, Inc.* v. *Hagedorn* (303 N.Y. 300)).

"The absence of a labor controversy and a lawful labor objective reduces the picketing to tortious conduct which does not fall within the preempted field of Federal jurisdiction but may be enjoined by State courts (*S–M News Co., Inc.* v. *Simons* (279 App. Div. 364); *Willoughby Camera Stores* v. *District No. 15, etc.* (205 Misc. 455); *G. H. & E. Freydberg, Inc.* v. *Internat. Ladies' Garment Workers Union et al.* (128 N.Y. Supp. 2d 470, not otherwise reported))."

The effect of S. 3548 would be to provide, as the New York courts now hold, that striking and picketing to compel an employer to create jobs or to continue existing jobs does not constitute a labor dispute within the meaning of the Norris-LaGuardia Act. This would not in any way interfere with the right of labor unions to negotiate concerning the terms and conditions of employment in jobs that the employer establishes or concerning benefits, in the way of severance pay or new jobs, for employees who lose work by reason of the discontinuance of their positions, nor would the new statute limit the right of labor unions to strike and picket in order to enforce their demands in these areas.

In concluding, I wish to commend to the attention of the committee language that appeared in H.R. 3020, which the House adopted by an overwhelming majority in 1947. That bill made "featherbedding practices" unlawful concerted activities, and defined "featherbedding practice" in section 2(17) as follows:

"(17) The term 'featherbedding practice' means a practice which has as its purpose or effect requiring an employer—

"(A) to employ or agree to employ any person or persons in excess of the number of employees reasonably required by such employer to perform actual services; or

"(B) to pay or give or agree to pay or give any money or other thing of value in lieu of employing, or on account of failure to employ, any person or persons, in connection with the conduct of the business of an employer, in excess of the number of employees reasonably required by such employer to perform actual services; or

"(C) to pay or agree to pay more than once for services performed; or

"(D) to pay or give or agree to pay or give any money or other thing of value for services, in connection with the conduct of a business, which are not to be performed; or

"(E) to pay or agree to pay any tax or exaction for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining any article, machine, equipment, or materials; or to accede to or impose any restriction upon the production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance of the

[2] *United States* v. *Local 807* (315 U.S. 521 (1942)).

[3] 49 Stat. 452, 61 Stat. 140; U.S.C., T. 29, 158(b)(6).

same, if such restriction is for the purpose of preventing or limiting the use of such article, machine, equipment or materials."

S. 3548 is a step in the right direction, but it is only a step. Complete and effective relief against such practices can result only from exempting them, as the Hartley bill defined them, from the immunities of the Norris-LaGuardia Act or by making such practices unlawful under the antitrust laws or other statutes.

STATEMENT OF HARRY O. MATHEWS ON BEHALF OF THE NATIONAL INDUSTRIAL TRAFFIC LEAGUE BEFORE A SPECIAL SUBCOMMITTEE OF THE SENATE COMMITTEE ON THE JUDICIARY IN SUPPORT OF S. 3548

My name is Harry O. Mathews and I am manager of transportation for Armour & Co.; my office is in Chicago, Ill. I appear today in my capacity as chairman of the legislative committee of the National Industrial Traffic League, of which my company is a member and in which I have been active for many years. The league strongly supports the principle of the bill, S. 3548, insofar as it relates to transportation, either private or for hire.

The league is a nationwide organization of shippers. Its membership numbers over 1,700 and includes those directly and individually engaged in the shipment and receipt of commodities, as well as numerous chambers of commerce and traffic associations which in turn represent many members of their own. Many league members conduct extensive transportation operations as private carriers. League members generally are the ones who pay the freight.

The league has a primary concern for sound economic conditions in transportation and the encouragement of fair wages and equitable working conditions in accordance with the National Transportation Policy. Accordingly, it is a policy of the league that work rules which are inconsistent with modern operating practices and sound economic conditions in transportation should be eliminated. The league favors fair and flexible working rules in harmony with modern economic transportation methods. This policy was considered by the entire membership and adopted at the last annual meeting of the league in November 1959.

The league policy is opposed to unwarranted requirements or payments for work that is not needed or not performed. So far as such requirements or payments are proposed in connection with existing jobs as to which there is no question of the creation or discontinuation of positions, they raise questions which may be recognized as labor disputes and which are customarily handled by labor negotiation between the carriers and their employees. The proposed bill would not affect that process. However, a very different situation exists in respect of attempts to require a carrier to continue to provide jobs even though the jobs relate to a service or facility that has been abandoned or merged by authority of regulatory agencies. Where such jobs are proven to be unnecessary or to involve no performance of work their continuance runs counter to the sound principle of economic conditions in transportation. Moreover, until recently such matters have not been the subject of labor dispute or negotiation between the carriers and their employees. Instead, they have been treated in the regulatory proceedings in which the carriers obtained authority for the service abandonment or unification which resulted in the discontinuance of jobs.

For example, when a railroad desires to abandon a branch line it is required as a requisite therefor to obtain a certificate from the Interstate Commerce Commission under section 1(18) of the Interstate Commerce Act. In exercising its authority to grant such certificate the Commission is authorized to impose conditions for the protection of employees who are eliminated by the abandonment. This is customarily done as in the case of *Chicago, B. & Q.R. Co. Abandonment* ((1944) 257 I.C.C. 700). Further, consolidations of railroads are permitted only with approval of the Interstate Commerce Commission under section 5(2)(f) of the Interstate Commerce Act, which provides that the Commission "shall require a fair and equitable arrangement to protect the interests of the railroad employees affected." Similar treatment of other types of carriers is provided.

I am not familiar with all the State laws on the subject but I do know that the general custom and practice in the railroad industry in connection with discontinuance of service has been for the unions to appear in the formal regulatory proceedings, where they urge and obtain protection of the employees. State and Federal regulatory authorities have generally granted such protection according to their fair and impartial view of the merits. In any event it has not been the practice of labor and management to negotiate the discontinuance of service or jobs or the terms and conditions for the protection of employees affected thereby.

As far as I know the first important example of a labor union attempting to negotiate a contract providing that its consent must be obtained for the discontinuance of any jobs is the recent case of the railroad telegraphers demands upon the Chicago & North Western Railway, which was decided by the Supreme Court of the United States last April. Although the Court was divided on the questions of law presented, we think there can be no question but what the inclusion of such dispute in the broad range of subjects for labor negotiation will be a revolutionary and wholly injurious change.

Labor unions understandably desire to have the right to veto any discontinuance of jobs. They attempted to get that right through the Harrington amendment to section 5(2)(f) of the Interstate Commerce Act as presented in the 84th Congress. That amendment would have forbidden the approval of any merger or consolidation if such transaction would result in unemployment or displacement of employees. Congress wisely rejected the Harrington proviso because the very object of unification is to save expense, usually by the saving of labor. The matter is fully discussed in the dissenting opinion of four Justices in the recent North Western case.

Since the North Western case, it is clear that amendment of labor laws along the lines proposed in S. 3548 is absolutely necessary. Otherwise, labor unions will have the power to veto any unification or abandonment of service even though it has been authorized or is required by order of the Interstate Commerce Commission or a State regulatory body. Under the present workable scheme of regulation of transportation, the subject of job discontinuance is simply not an appropriate subject for negotiation. It always has been and should remain a subject for managerial discretion subject only to such appropriate terms and conditions as may be within the power of Government agencies to impose in the regulatory certificates.

The league urgently petitions the Congress to act before adjournment in this important matter by adopting the principles of S. 3548 to exclude from the broad coverage of the phrase "terms or conditions of employment" the creation or discontinuation of positions.

TESTIMONY OF STUART G. TIPTON, PRESIDENT, AIR TRANSPORT ASSOCIATION OF AMERICA, BEFORE A SUBCOMMITTEE OF THE SENATE JUDICIARY COMMITTEE, ON S. 3548, JUNE 22, 1960

My name is Stuart G. Tipton. I am president of the Air Transport Association of America, which is the association of the certificated, regularly scheduled airlines of the United States. The airline industry is grateful to the committee for this opportunity to state its views in support of S. 3548.

As the committee studies the legislation before it, occasioned by the Supreme Court decision in the *Telegraphers* v. *North Western Railroad* case, it is necessary, we believe, that the committee understand the probable effect of this case on the airline industry.

Specifically, the Supreme Court case treated the question of whether the Norris-LaGuardia Act, prohibiting Federal court injunctions in cases involving labor disputes, would bar an injunction in the circumstances there presented.

Briefly stated, the underlying facts were as follows:

In the latter part of 1957 the North Western Railroad filed petitions with various State utility commissions to institute a "central agency plan" which would consolidate and abolish many small, unproductive, outdated freight stations. A few weeks later the union presented the company with a contract demand to the effect that:

"No position in existence on December 3, 1957, will be abolished or discontinued except by agreement between the carrier and the organization."

When the railroad refused to consider this demand and suggested instead that they discuss severence pay, relocation allowances, etc., the union threatened to strike. The railroad sought an injunction from the Federal district court, challenging the legality of the demand in that the State regulatory commissions had given, or were considering, approval to abolish these stations, which included the jobs in issue at those stations.

The Supreme Court, in a 5 to 4 decision, upheld the legality of a strike over this demand and denied the Federal court's jurisdiction to grant an injunction.

It is significant to note that in denying North Western's claim for an injunction, the Supreme Court was not altogether unsympathetic with the situation of the railroad. Justice Black stated:

"In concluding that the injunction ordered by the court of appeals is forbidden * * * we have taken due account of the railroad's argument that the operation of unnecessary stations, services, and lines is wasteful and thus runs counter to the congressional policy * * * these arguments, however, are addressed to the wrong forum. If the scope of the Norris-LaGuardia Act is to be cut down in order to prevent waste * * * Congress should be the body to do so."

The bill before the committee responds to these latter remarks.

S. 3548, in our opinion, will prevent waste. It will relieve unions of the temptation to make demands for veto power over job discontinuances or abolishments. It will allow the company, presented with such a demand, to seek a Federal court injunction against a strike to enforce such a demand. This is as it should be. Such a demand should not be decided upon the basis of relative economic strength.

We, therefore, support S. 3548.

In essence, the result of this legislation would be to preserve the recognized methods of protecting employee rights. The right to be represented by a union would not be affected. The right to bargain over seniority rights, severance pay, unemployment compensation, retirement benefits, relocation expenses, etc., would not be reduced.

In terms of the airline industry and airline employees, the general application of the Railway Labor Act would not be changed; existing union representation certifications would continue; existing conflicts would not be eradicated, the National Mediation Board would continue to mediate airline labor disputes in an attempt to bring about peaceful

settlements; the Federal Aviation Agency would continue to exercise its best judgment for promoting safety in the public interest, as it has done in the past; and the Civil Aeronautics Board would continue to exercise its best economic judgment for promoting and safeguarding the public interest, as it has done in the past.

What is sought is "the ounce of prevention" more than "the pound of cure."

Just as the North Western case involved abandonments and abolishments which required Commission approval, so too, the airline abandonments and abolishments require Civil Aeronautics Board approval.

Once an air carrier has received a certificate of public convenience and necessity from the CAB, prescribing the points it may serve and the service to be rendered, it may not give up, transfer or otherwise abandon that service without approval from the CAB in the public interest. Likewise, the CAB, upon its own initiative, may alter, amend, modify or suspend any such certificate, if the public convenience and necessity so require (sec. 401 of the Federal Aviation Act).

Just as the railroad was considering a "Central Agency Plan" to eliminate inefficient operations and to prevent waste, so too, are the airlines operating under an avowed policy, supported by the Civil Aeronautics Board, to eliminate inefficient operations and to prevent waste.

As you know, the trunk air carriers have been reequipping with long range jets at a very rapid rate. This equipment, because of its size and operation, requires a realinement of route patterns. As a result, there are some instances where short distance service between intermediate points is being transferred from the larger trunk carriers to the smaller, local service carriers. The local service carriers, at the same time, have stepped up from the old DC–3 equipment to faster more modern aircraft which allow them to adequately serve these intermediate points. In addition, the local service carriers are instituting new air service at some communities on a use it or lose it basis, which means that if the locality will support air service by enplaning an average of five daily passengers during a specified period, the service will remain; if not, it will be abandoned.

In terms of specifics, the most significant recent case is one involving an area of seven States (Illinois, Iowa, Minnesota, Nebraska, North Dakota, South Dakota, and Wisconsin). The CAB here, approved requests for suspension of service at 3 points and deletion of service at some 22 points by Braniff Airways, United Air Lines, and Western Air Lines. These points and others were to be served by local service carriers in accordance with the use it or lose it policy.

In the past year and a half, since the Seven States Area case, the CAB has heard the Pacific Northwest and the Montana-Local cases involving suspensions and deletions for Northwest and United; the North East Area case involving suspensions and deletions for American, Capital, Northeast, and United; and the South East Area case involving suspensions and deletions for Delta and National.

Based on these mentioned cases, the CAB has approved trunkline "abandonments" of service in 48 instances. More will follow. The Wall Street Journal recently predicted that the CAB is planning to "overhaul its policies to better fit the jet age," which will mean "abandonment of money-losing airline service to perhaps 100 smaller cities and towns."

These forward steps, involving the discontinuance of service by trunk carriers in favor of the local service carriers and the possible future abandonment of service by local service carriers where the "use it or lose it" test is not satisfied, could be seriously hampered if the air carriers are forced to negotiate the type of union demand held to be legal in the North Western case. It would be senseless for a carrier to discontinue service at an intermediate point and at the same time perpetuate the employment of personnel at such point. A union rule which would freeze jobs on the airlines could also freeze progress.

Another area of potential injury to airline progress is in terms of restriction on mergers and consolidations. It is well known that TWA and Northeast Airlines are considering a merger and that various other airlines have stated their willingness to consider mergers which will strengthen their position and allow them to give better service in this highly expensive jet age. Some writers have even predicted that the only salvation for the airlines' poor earning future lies in reduction of almost violent competition through mergers and consolidations.

In order to perfect a consolidation, merger, purchase, operational lease, contract or other arrangement, air carriers must obtain the approval of the CAB. To be approved the action must be in the public interest (sec. 408 of the act). Since 1943 there have been approximately 20 proposals for mergers, half of which were consummated.

In 1952 the CAB approved the merger of Braniff Airways with Mid-Continent Airlines, and Delta Air Lines with Chicago and Southern Air Lines. In 1954 the CAB approved the merger of Flying Tiger Line with Slick Airways, and of Continental Air Lines with Pioneer Air Lines. In 1956 the CAB approved the merger of Eastern Air Lines with Colonial Airlines.

Each of these mergers was subject to certain economic conditions which included employee protective provisions so that no one would be placed in a worse position without appropriate compensation. The compensation referred to included CAB-determined monthly displacement allowances, dismissal allowances, and separation allowances, as well as moving allowances and relocation expenses and losses.

Future mergers, like these, will invariably result in duplicated job positions, and a union rule that jobs may not be discontinued without union approval could seriously affect a proposed merger. The price a union may demand for job discontinuance could more than offset the advantages sought and thus deny the practicality of the merger.

Thus you have the picture of the airline industry in terms of the discontinuance of service and jobs occasioned by abandonments or mergers and consolidations. An airline may not discontinue service unless the CAB finds such action to be in the public interest. And the CAB's guardianship of the public interest includes the imposition of conditions to protect employees who may be separated from service entirely, temporarily laid off, relocated, or otherwise put in a worse position financially.

As stated by Second Circuit Judge Chase in a 1953 test case of this interpretation of the public interest, *Kent* v. *CAB* (204 F. 2d 263 at p. 265):

"Statutory authority is broad enough to enable the Board to approve a merger and transfer of a certificate upon 'such terms and conditions as it shall find to be just and reasonable' in the public interest. This public interest, though not broadly one of general employee welfare, is to obtain the degree of stability in air transportation that freedom from industrial strife will provide."

If the recent Supreme Court decision in the North Western case is to stand, however, what was determined by an arm of the Federal Government in the public interest, may hereafter be determined by a strong union bargaining committee in the private interests of a minority of its union members. There will not be "freedom from industrial strife."

Let us assume for the purposes of this discussion that trunk airlines, which may be contemplating a deletion or suspension of service at intermediate points which are better served by local service carriers, or a merger or consolidation, are faced with the same type of contract demand that the North Western Railroad received. That is, that no position in existence on a given date will be abolished or discontinued without union approval. To give in to such a demand would totally divest management of its inherent right to control the size of its work force; it would be granting the union the power of veto. To refuse to give in to such a demand could mean a long and costly strike.

The air transport industry requires the protection that S. 3548 offers. Without it, continued progress may be seriously curtailed.

THE EXISTENCE OF GOD

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a lecture on the existence of God, delivered at Gonzaga University in Spokane, Wash., by the Reverend Francis J. Conklin, S.J.

There being no objection, the lecture was ordered to be printed in the RECORD, as follows:

We have outlined the fundamental materialistic interpretation which Karl Marx gave to this universe. In this lecture we will endeavor to understand his analysis and conclusions regarding the existence of God. Before proceeding we must emphasize a very important distinction. A considerable gulf often separates the rational proofs for the existence of God and the personal relationship which each individual human being has with God.

Marx rejects some of the rational proofs for the existence of God and his interpretation is perfectly correct because the rejected proofs were invalid. With some reservations, the God whom Marx denied did not exist anyway.

On the other side of the slate, the question of Marx's personal contact with God remains a mystery. We do not know and cannot discover what graces Marx may have received; we do not know what special lights he received, nor what formal sin he may or may not have committed. The judgment of any individual person remains in the hands of God alone, and no idle speculation can anticipate nor supplant the judgment of God in so profound and intimate a matter.

In one sense we must sympathize with Marx, because you will remember that St. Augustine spent years before he realized that something can exist which is not matter. Marx selected matter as the absolute; as the eternal and self-explanatory. Once this commitment crystalizes, as a philosopher (perhaps logician is a better word) Marx no longer need look beyond external matter for an explanation and ultimate principle of being. Marx sincerely believed—and we must give him credit for that—that the material evolution explained everything requiring explanation in the philosophic world. We can call his viewpoint shortsighted and we can disagree—but we must acknowledge his sincerity—and the climate in which he lived.

Without too much playing at the psychologist, we can examine in some detail certain motives which bolstered Marx's conviction that God does not exist. To begin with, the political attitude of the clergy was, to Marx, appalling. The prominent representatives of God in Europe in the early part of the 19th century were alined with the forces of political reaction. Make no mistake about that.

Catholic Austria was easily identified with the ultraconservatism of Metternich. On the throne of Peter, prior to Pius IX, sat some

of the most conservative and reactionary Popes that ever walked the earth. And the incipient liberalism (too little, too late) of Pius IX was summarily stifled by the exigencies of the times. In Protestant Prussia, Lutheranism was the state religion. And Marx quickly pointed to the anomoly of an official state religion: the Jew could not be a citizen in Prussia because the public question of religious affiliation cut off from the body of the state a natural member.

In Russia the Orthodox Church was tied in so completely with the reigning Czar that the situation simply eludes comprehension, due to our American prejudices. We cannot form a simple apprehension of Russian Caesaro-papism.

The phrase "Caesaro-papism" dates back to the Council of Nicea. Shortly after Christianity became the official religion of the Roman State, the very bishops who had been so bitterly persecuted just a short time before marched to the sessions of the Council between honor guards of servient soldiers. Most were frightened by the presence of the soldiers. The sudden transformation from fugitives to powerfully protected administrators ultimately pleased the hierarchy. Gradually, the idea developed that the head of the church and the head of the state should reside in the same place. In later years Constantinople became the center of the Eastern Roman Empire and the focal point around which the orthodox bishops sattelized. After Kiev, Moscow became the center of Russia's political world and Russian orthodox bishops transferred their allegiance from the patriarchs of Constantinople to the patriarch of the third Rome.

Without doubt the union of church and state solves a host of financial and administrative problems for the church. But the judgment of history must be that politico-religious union creates more problems than it solves. Despite the advantages gained by individual ambitious churchmen through concordats and other concessions, the sword of the spirit always seems to end up in the service of the great sword of state.

Continuing our view of religion in Europe in Marx's time: in England the established church was the church of the respectable or propertied class. Such new religions as Methodism were disreputable. We can draw a parallel in the United States today. Middle class, comfortable Catholicism, to a certain extent, although not exclusively; certain branches of Lutheranism and Episcopalianism have arrived. They have established and proved themselves as respectable religions. This seems to mean that the majority of their members belong to the classes which are financially secure, or at least, financially independent. For the poor classes—Negroes; poor whites; many Mexicans—religious desires are increasingly filled in those forms of religion which are less reputable: evangelical and pentecostal sects, revivalism, etc.

In Catholic France the passionate agitation for the restoration of L'ancienne regime served to identify many members of the laiety and hierarchy with the cause of ultra conservatism. This political partisanship alienated many of the French social thinkers of that era. Moreover, the Catholics in France developed a ghetto attitude, which may be defined as a defensive outlook, whereby all must be defended and justified. In any organization as large as the Catholic Church, the human element plays a vital part. Human mistakes are inevitable. A ghetto attitude refuses to concede the error in human frailty and defends mistakes after they are made. This refusal to face very evident shortcomings and defects in individual clergymen, joined with the longing for the restoration of the good old days of political absolutism, was enough to permanently turn away many who had more progressive and liberal ideas.

Permit me to digress for a moment. Without any doubt any alert Catholic may be tempted to sin because he sees unconscious injustice or even deliberate wrong committed by those who hold high places in the visible hierarchy of the church's administration. When we are victims of this supposed or real injustice the human element of the church stands out in all its naked reality. Even a sincere and mutual desire for the good, even for the same good, does not prevent tragic clashes. It can even provoke them. In such a situation patience and loving silence will be of more value than anything else to the true Catholic. There is, of course, nothing to fear in the judgments of those who do not see the heart and we can comfort ourselves with the thought that the church never gives Christ to us better than when she offers us a chance of sharing in the likeness of his passion. But while they may be profoundly true for an "insider"—even the "insider," occasionally rebels. The "outsider"—and Marx was an outsider, by instinct, a natural instinct of justice—turns away from the institution which occasioned his misfortune.

Returning to our central theme: another point bears emphasis: When an individual clergyman speaks in behalf of religion—whether he be Catholic, Protestant, or Jew—and his teaching or writing reaches an atheist, the reader does not make the distinctions which a person more familiar with religion would make. For example, the fact that a single priest or an individual minister makes an intemperate statement will be interpreted as the common teaching of all religions by a person who is not disposed to make careful distinctions.

Without doubt, during the 19th century, certain religious leaders taught that the existence of the poor was a plan of divine providence. We mentioned some of them in our first lecture. In other words, God was held up as a justification of existing social inequalities. To classify morality as an exclusively individual problem appealed to the self-directed men in Victorian Europe. In this view the only consequential moral considerations relate to personal holiness and sanctification. Anything dealing with a broader application of the moral code; anything relating to the social consequences of the gospel message, is passed over in silence.

We might add—and must add—that today one of the frequent charges pressed against Western European religions by the various Communist parties, is that the churches lack a social conscience. One proof advanced for this assertion—and not without foundation—in questions of personal morality, especially anything pertaining to chastity, the thinking of divines and moral theologians has been very specific and detailed. For example, ask any Catholic girl who has had the benefit of a Catholic education what is the most serious sin she can commit. Her instinctive defense of purity will scarcely coincide with the emphasis Christ placed upon charity as the characteristic of the new life of grace. When more complex questions are proposed: problems of legal justice, e.g., the moral effect of a statute of limitations, etc.; or distributive justice; or social justice; the chorus of unanimity is replaced by an apprehensive silence—broken by a few isolated thinkers.

At this point we must clarify the phrase "promethean antheism." In the myth Prometheus, a Titan out of power, and Zeus or Jupiter or Jove, the supreme god, clashed. Prometheus tricked Zeus by placing sacrificial bones covered with a thin layer of fat alongside entrails stuffed with fat. Zeus loved fat meat, greedily chose the bones—discovered the fraud, and angrily took fire from Prometheus so that no more such fraudulent sacrifices could be offered.

Prometheus stole fire from heaven, i.e., he showed men how to rub sticks together in order to make fire. This infuriated Zeus. To punish Prometheus, Zeus tied him to a rock over in the Caucasus and all day long an eagle picked out Prometheus' liver. Since Prometheus was an immortal the liver grew back again at night, and Prometheus was thus condemned to eternal torment. To punish mankind for having received the gift of fire Zeus created woman.

The idea behind the myth is that Zeus—i.e., the supreme god—is a tyrant, a despot and an enemy of man. In other words, men suffer because of God's tyranny. God is unjust and enjoys torturing men. Prometheus symbolizes man's defiant will. Even though God is all-powerful, man will resist to the last. It is better to reign in hell than to serve in heaven. Man's immortal spirit cannot be killed and those who benefit mankind, although they must suffer to wrest secrets from nature and from nature's god, will nevertheless triumph by defying the all-powerful but merciless God.

What we are saying is simply this: the central problem in the philosophy of Marx is the problem of evil. This gives rise to the whole of this system. The entire superstructure of dialectical materialism constitutes a solution to the problem of evil. Of course, we have memorized somewhere, that God wills physical evil only indirectly; moral evil He does not will at all but only permits. So that takes care of Karl Marx. Would to God it were that simple.

One rational proof for the existence of God which Marx attacks was an argument which is often confused with the fifth way of St. Thomas: If we contemplate the order and harmony within the universe, we find the balance so delicate that one cannot move a flower without moving a star. Such a disposition and ordering could not have come into existence by chance. It could only be the result of a supreme intelligence which exists and guides all beings to their proper destiny. The intricate mechanism of an ordinary watch could not have come about by chance, so the universe itself could never be the result of blind forces in nature. Consequently, there must be a God.

This argument does not prove the existence of God. The supreme architect could have passed out of existence many years ago, and the universe itself would continue to exist just like the watch—a mute memorial to the skill of its fabricator. The frequently misunderstood five proofs of St. Thomas are not five distinct proofs but one proof which St. Thomas expressed in five different ways. In this same connection, St. Thomas pointed out that any attempt to prove the existence of God by what he calls causae per accidens subordinatae is predestined to failure. Among other reasons there is the fact that you cannot prove by reason alone whether or not the world, that is, the material world, is eternal. Another difficulty: Suppose we say that A was made by B, which was made by C, etc. Finally we may arrive at a concept of a being which is necessary—and then we fall into the trap of the Anselmian argument. In other words, we argue from the nature of the concept to the existence of a supreme being.

These arguments, especially the argument from order in the universe, were used by the Deists at the time of Marx. Deism was a respectable type of religion for the statesman and businessman, because Deism demanded very little and provided a convenient method to dispose of God during the important hours of the business week. By allowing God a certain amount of time on

the Sabbath the Deist could keep pace with respectable neighbors, and return to the jungle of the Monday morning business world without the impediments which arise from conscience.

Marx and Engels launched out against Deism. The charges of hypocrisy which they leveled against many of their English acquaintances were certainly well founded. Their classic attack on Deism is contained in Engels' "Dialectics of Nature":

"God is nowhere treated worse than by natural scientists who believe in Him. * * * But what God has had to suffer at the hands of His defenders. In the history of modern natural science, God is treated by His defenders as Frederick William III was treated by his generals and officials in the campaign of Jena. One division of the army after another lowers its weapons, one fortress after another capitulates before the march of science, until at last there is no place left in it for the Creator. Newton still allowed Him the 'first impulse' but forbade Him any further interference in His solar system. Father Secchi bows Him out of the solar system altogether, with all canonical honors it is true, but nonetheless categorically for all that, and he only allows Him a creative act as regards the primordial nebula. And so in all spheres. In biology, his last great Don Quixote, Agassiz, even ascribes positive nonsense to Him; He is supposed to have created not only the actual animals, but also abstract animals, the fish as such. And finally Tyndall totally forbids Him any entry into nature and relegates Him to the world of emotional processes, only admitting Him, because, after all, there must be somebody who knows more about all these things (nature) than J. Tyndall. What a distance from the old God—the Creator of Heaven and Earth, the maintainer of all things—without whom not a hair can fall from the head."

We come now to a more profound consideration of the influence of Ludwig Feuerbach. In the "Essence of Christianity," Feuerbach writes:

"Religion has its basis in the essential difference between man and the brute—the brutes have no religion. What is the essential difference between man and the brute? The most simple, general, and also the most popular answer to this question is consciousness; but consciousness in the strict sense, for the consciousness implied in the feeling of self as an individual, in discrimination by the senses, in the perception and even judgment of outward things according to definite sensible signs, cannot be denied to the brutes. Consciousness in the strictest sense is present only in a being to whom his species, his essential nature, is an object of thought. Religion being identical with the distinctive characteristic of man is then identical with self-consciousness—with the consciousness which man has of his nature. But religion, expressed generally, is consciousness of the infinite; thus it is and can be nothing else than the consciousness which man has of his own not finite but infinite nature."

Expressed in terms of the Hegelian dialectic, the same concept may be more easily comprehended. We begin with the thesis: The existing self with the attributes, i.e., the potentialities for reason and love which are infinite; i.e. unlimited. This self projects a god: i.e. man creates his own God. Then comes the synthesis wherein man realizes that he is divine and that God is a denial of self.

Marx is not content to merely accept Feuerbach at face value. Marx says that Feuerbach has done a good job, but has not gone far enough. "Feuerbach starts out from the fact of religious self-alienation, the duplication of this world into a religious imaginary world and a real one. But he overlooks the fact that after completing this analysis the chief thing remains to be done." ("Thesis on Feuerbach.")

Feuerbach does not explain why man creates God. The man who creates God is no abstraction like humanity; he is a real concrete human being, a social being, an individual immersed in society. Consequently, it is society which creates religion and society creates religion or creates God because society is alienated, unreal, frustrated—or, if you prefer, contains a contradiction at the heart.

Marx goes further. Men are distinguished from animals by consciousness or anything else that you want. But the real thing that distinguishes man from animal is the fact that men produce the means of their existence: in a word men produce their own material life. Marx employs a phrase which has to be pondered: "It is not the consciousness of men which determines their existence, but their existence determines their consciousness."

Marx has completely broken with subjective idealism, so it is not the makeup of the human mind that determines the real world—the world of existence—but this world in which economics is of such vital importance is what determines the thinking of men. Thus, it is the production of life's necessities and after their production, their exchange, which forms the basis of all history.

Engels wrote: "Then came Feuerbach's 'Essence of Christianity.' With one blow it pulverized the contradiction, in that without circumlocutions it placed materialism on the throne again. * * * Nothing exists outside nature and man, and the higher beings our religious fantasies have created are only the fantastic reflection of our own essence."

In the process of creating God man is no abstract being squatting outside the world; man is the world, of men, the state and society. The essence of man is no abstraction inherent in each individual; it is the reality of the ensemble or group of social relations. Men distinguish themselves from animals, as soon as they begin to produce their means of subsistence. By producing these means of subsistence, men are indirectly producing their actual material life—their own existence, as such. For this reason the production of life's necessities, and after production their distribution and exchange constitutes the driving force of all history.

The consequence of this is that the contradiction which creates religions must be sought for in the world of political economy. In political economy, the true contradiction must be found, understood and revolutionized in practice. In the 19th century society in which Marx lived, production was a social phenomena; in other words, all men worked, but the enjoyment of the fruits of work was granted only to the few. Consequently, social production was contrasted starkly with individual enjoyment. This contradiction lay like a cancer at the very core of 19th century economic life. To eradicate this cancer Marx would reconstruct society through revolution. A new society must be created which is humane; which is constituted by a socialized humanity in which all will enjoy the fruits of production.

"This is the process of development of practical humanism. Atheism is humanism brought about by abolishing religion; communism is humanism brought about by abolishing private property. Only by first removing this interceding element, which, however, is a necessary prerequisite, does positive, self-created humanism come into being. Atheism and communism are not escapes; they are not abstractions, they are not a loss of the real world produced by man or of his powers which have matured into objectivity. They are not a poverty returning to unnatural, undeveloped simplicity. They are the first real development, the first materialization for man of his being." ("Literature and Art," p. 62.)

"When this act has been accomplished, when society by taking possession of all means of production and using them on a planned basis has freed itself and all its members from the bondage in which they are now held by these means of production which they themselves have produced but which now confront them as an irresistible extraneous force; when therefore, man no longer merely proposes, but also disposes—only then will the last extraneous force which is still reflected in religion vanish, and with it will also vanish the religious reflection itself, for the simple reason that there will be nothing left to reflect." ("Anti Duhring," p. 355.)

"Thus the criticism of heaven transforms itself into a criticism of earth, the criticism of religion into the criticism of legal rights and the criticism of theology into the criticism of politics." (Marx penned this prophecy in an early newspaper article.)

Marx has surpassed Feuerbach. Feuerbach has correctly analyzed the nature of religion. Marx has explained why man creates religion. Religion arises from the contradictions, strain, alienation and frustration in the real day-to-day economic order.

The problem with all previous philosophers—Feuerbach included—is that they have only interpreted the world. The point is to change it.

Therefore, "The criticism of religion ends with the doctrine that man is the supreme being for mankind, and with the categorial imperative to overthrow all conditions in which man is a degraded, serval, neglected contemptible being."

"The religion of the worker has no god since it seeks to restore the divinity of man."

Mr. HRUSKA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, is morning business concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

TREATY OF MUTUAL COOPERATION AND SECURITY BETWEEN THE UNITED STATES OF AMERICA AND JAPAN

The Senate resumed the consideration of Executive E (86th Cong., 2d sess.), the Treaty of Mutual Cooperation and Security between the United States of America and Japan, signed at Washington on January 19, 1960.

The PRESIDING OFFICER. Under the order of the Senate, the resolution of ratification of the Japanese-United States treaty is before the Senate under a 30-minute limitation.

Mr. JOHNSON of Texas. Mr. President, I ask that 15 minutes be allotted to the distinguished and beloved Senator from Louisiana [Mr. LONG].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG of Louisiana. Mr. President, as one member of the Foreign Relations Committee, I purposely absented myself from the session of the committee when it was considering the Japanese Treaty, in deference to the desire of many members that the treaty might be favorably reported by unanimous vote. Had I voted, I would have voted against it.

Since the day the treaty was reported, I have had occasion to consider what advantages, if any, this Nation would achieve from a unanimous showing of advice and consent. It is my conclusion that, in this case, unanimity gains us nothing. In fact, it will even be costly to us. The Communists around the world will seize upon the ratification of this treaty to claim that we have imposed upon a vanquished nation terms and conditions to which the people of that nation were unwilling to agree. A unanimous vote will be construed by many to indicate that the treaty was extremely favorable to the United States and contrary to the interests of Japan.

Actually, the facts are the other way around.

This treaty is entirely a one-way street. We give much and gain practically nothing that we do not already have.

In the first place, this treaty gives away the right of the United States to use bases on Japanese soil for the defense of the free world unless the Japanese Government agrees to such use. In view of the imminent fall of the Kishi government and the indications that this government is likely to be succeeded by a Socialist or neutralist government, with the clear possibility that the nation will be taken over by a Communist coup at any time, the rights which we give here can very well mean that the Japanese bases upon which we have spent more than a billion dollars could not be used to defend the position of the free world.

Second. In contrast to our existing treaty, it will be possible that troops of a foreign nation can be stationed on Japanese soil without our consent. While this is not an immediate possibility, it could lead to the eventual situation wherein Communist forces could be stationed on Japanese soil, and perhaps enjoy the use of some of the same facilities constructed there with our money.

Third, and most important of all, we undertake to commit ourselves to defend the nation of Japan if that country is attacked, without any reciprocal commitment that the Japanese nation will take similar action to assist the United States if we are the victim of aggression. Under the terms and conditions to which we agree here, it could very well happen that the United States will be attacked suddenly by intercontinental missiles and nuclear explosives. We might find within a few hours that over 40 million of our people had been killed and 80 percent of our fighting capacity destroyed by surprise.

If this Nation had been so devastated that it had little left with which to retaliate, it is entirely likely that any nation which was privileged to remain neutral would not dare subject itself to the same devastation. Under those conditions, we could predict that the Japanese Government would not permit our planes to take off from the bases in Japan. Under this treaty, the government which succeeds the Kishi regime will have the right and power to insist upon precautions to assure the compliance with article 5 of this treaty with the result that American forces in Japan will not be used to engage in hostilities outside of that nation without the agreement of the Japanese Government.

Our experience in Korea should have demonstrated how little assistance we can expect from other nations under the general terms of the United Nations Charter. It will be recalled in that instance that the Soviet Union had boycotted the Security Council and was not present to exercise its veto. This is not likely to happen in the future.

Even after the Security Council had called upon all United Nations members to resist aggression in Korea, it was only the United States that sent more than token forces. The help that we received varied from one division to an ambulance.

A nation which made one of the greatest contributions was Turkey—a nation which lies in a very exposed position to the Soviet Union. At that time, Turkey had no treaty with the United States and she was seeking to obtain a commitment that we would assist Turkey in the event of Soviet aggression. Turkey was perfectly willing and expected to make a similar commitment to respond in the event that the United States was attacked.

One of the reasons why Turkey responded so admirably compared to other members of the United Nations was the hope of Turkey that she could obtain an alliance with the United States.

This Nation is, in my judgment, foolhardy to agree to defend nations who are not willing to make a firm agreement that they will join in the common defense. Those who are unwilling to assist in the common defense have no right to request or demand that others should fight for them.

The United States has far more to offer than any other nation to the resistance of Communist aggression and Communist subversion. We have, by far, the strongest Air Force, Army, and Navy, as well as the most advanced missiles and weapons in the free world. Based on the relation of military expenditures to gross national product, the United States is making almost twice the effort being made by any of our allies, with the possible exception of those nations whose governments are being supported by the American Treasury.

How can we expect other nations to provide adequately for their own defense when they can expect Uncle Sam to do it for them and Uncle Sam has a good reputation for keeping his word?

How can we expect them to provide anything like adequate defenses for themselves when that which they can provide is only a fraction of that which Uncle Sam will provide otherwise?

How can we expect them to fight at all when they are faced with the imminent threat of nuclear destruction on the one hand while their contribution may very well be small and undecisive on the other?

The smaller and weaker nations have every incentive and every advantage in standing aside while the great powers fight it out. A power which is privileged to remain neutral can be spared the horrors of nuclear warfare by staying out of the conflict and by bending to the will of the victor, whoever he may be, if demands should be made by that power.

A neutral government in Japan would not permit the use of American forces from Japanese bases knowing that the granting of such permission would immediately subject that nation to a charge of belligerency by the Soviet Union or by Communist China.

It would be my suggestion that this Nation should seek firm commitments from all nations of the free world that each member would join in the common defense and that each member would make an adequate contribution to that common defense. Failure of any nation to make its adequate contribution should cause it to be in default on its obligations and hence not entitled to the protection which would otherwise have been accorded.

As the Nation with the most to give, this Nation should withhold commitments to those who would not join in the common effort.

Instead of working consistently toward such a policy, our State Department has undertaken to commit us first by one treaty and next by another to defend almost every nation on earth which borders upon the Soviet Union or Communist China and almost every nation that is located anywhere in the vicinity of those great powers. Practically all of these undertakings are sufficiently vague to permit other powers to stop short of actual hostilities in the event the United States is attacked. There is no doubt of the intentions of this country that we expect to fight if those nations are attacked. The worst part of these piecemeal pacts and treaties is that, in many instances, we are committed to fight under circumstances where very few, if any, of our allies are committed to do likewise.

The Japanese Treaty is, in this respect, the worst of them all.

We undertake to defend Japan against aggression if an attack is made upon territory under the administration of Japan. Japan does not agree to fight if an attack is made upon the United States or any of its possessions, or upon any of our military units located in the Far East and outside Japanese territory.

These one-way, unilateral, lopsided agreements, always tilted against the United States, seem to be a part of a

State Department pattern to firmly pledge the United States to go to war no matter where the Communist powers may move without any serious effort to assure us that we will have strong and dependable allies at our side. The developments of postwar diplomacy—viewed in totality—amount to a tremendous diplomatic victory for many free nations over the United States of America.

At the close of World War II, nations which bordered the Soviet Union were in a very exposed position. They were in danger of being overrun by Communist armies and in need of a strong defense which an alliance with the United States could provide them. Those nations have now succeeded in working out arrangements whereby Communist movements must, in all events, be engaged by U.S. arms. There is no ironclad agreement that any of these nations will go to war under all conditions. In fact, it can hardly be said that there is a firm agreement anywhere that any of these nations will go to war under any conditions.

The United States is expected to fight under all conditions.

It would be foolish indeed for the Soviet Union to start a war by military aggression upon those nations which lie along its borders. To do so would offer the United States complete justification for striking the first blow with all of the enormous military advantages which that decision entails. If the Soviet Union has decided to embark upon a pattern of military aggression, the kind of pacts, treaties, and agreements to which this Nation has become committed since World War II gives us assurance that the entire weight of her military potential will be thrown against the United States as the first victim. The type treaty to which we here agree is conferring to another nation the protection of our arms and a free ringside seat as an observer at the fight if it should occur.

Stress has been laid upon the provision of the Japanese Constitution in which that nation renounces the right to wage war. This condition was imposed upon the Japanese by General MacArthur in pursuance of American policy at that time. Viewed from hindsight, it has been regarded as a major mistake. The Japanese as well as the Germans, notwithstanding past differences with other nations of the free world, are potentially two of the strongest forces to maintain freedom and resist Communist aggression. They should bear their fair share of the cost and burdens of freedom.

Unless and until Japan is willing to modify its Constitution to join in a common defense with other free nations, it is, in my opinion, an unwise commitment for the strongest military power in the free world to agree unilaterally to defend that nation or any other which will not make a reasonable effort to assist in a joint undertaking.

One further point should not be overlooked.

The Communist and otherwise politically inspired rioting going on in Japan today precedes the fall of the Kishi regime. I know little of Premier Kishi but everything I know about him is good. If ratification of this treaty would save his government, I might be inclined to reconsider my position. Unfortunately, Premier Kishi is a man of peace who is on his way out of power. From all appearances, he is a marked man for assassination or other brutality at the hands of Communists and Communist sympathizers. It will not be Kishi who will administer the powers of the Japanese Government under this treaty. In all probability, the successor to the Kishi government will immediately demand renegotiation of this treaty, ratified by a lame-duck government of Japan against the stormy protests of mobs in the street.

Sooner or later—and probably sooner—our Nation will be compelled to renegotiate and make further concessions. When the renegotiations begin we will already have given away everything we could afford to give and much that we could not afford to give. We will have nothing left with which to bargain and yet we shall be compelled to make further concessions to pacify the same type mob violence of which we are being daily informed.

Accordingly, Mr. President, I see much to be lost and little to be gained by ratification of the treaty before us, and I shall cast my vote against consenting to it.

Mr. MANSFIELD. Mr. President, I yield 3 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, the treaty which we are considering has caused me grave concern, as I am sure it has the other Members of the Senate. I have certain reservations about some of its provisions, but I feel that the serious world conditions we face today make it imperative that the Senate consent to the ratification of the treaty and do so by an overwhelming vote.

Communists in Japan have been leading riots against the ratification of this treaty, evidently because they feel that ratification would not be in the best interest of their goal of communization of the world. If we were to refuse to consent to the ratification at this time, we would be playing directly into the hands of the Communists by insuring without question not only the downfall of Mr. Kishi but of the entire Japanese Government. This would result in increased strength and prestige for the radical and rioting elements in Japan.

In addition, this treaty serves notice on Mr. Khrushchev and his Communist cohorts that the armed might of the United States stands behind the security of the Japanese people against Communist attack. If we refuse to approve the treaty, we will present the Soviets an open invitation to gobble up Japan, which, in the view of experts on world affairs, is the key to the entire Far East. Should Japan fall to communism, then all of Korea, Formosa, and other vital areas of the Far East, extending on into southeast Asia, with its huge populations and great wealth of mineral and other resources, will be endangered.

As I stated at the beginning of these remarks, I realize full well that this is by no means a perfect treaty. However, under the circumstances I have mentioned, I feel that there is no alternative to the Senate voting to consent to the ratification of the treaty, despite the very serious reservations which I have as to some provisions of it.

Mr. President, at this critical time we cannot fail to affirm our unswerving purpose to stand steadfastly by our friends throughout the free world.

Mr. JOHNSON of Texas. Mr. President, we shall soon make one of the most important decisions we shall be called upon to make at this session. The distinguished members of the Committee on Foreign Relations, on both sides of the aisle, have given the treaty their most thorough consideration. They have reported the treaty to the Senate with the recommendation that it is in the national interest to ratify it.

I am hopeful that the Senate will carefully reflect upon those recommendations, will consider them studiously, and will confirm the action of the committee.

I believe the approval of the treaty by the Senate is in the best interest of the Nation and in the best interest of the free world. In these crucial days, it is incumbent upon us, as responsible leaders, to do all we can to shore up the defenses of the free world. I think the treaty is a step in the right direction.

The distinguished Secretary of State has written to the leadership, has testified before the Committee on Foreign Relations, and as late as yesterday afternoon felt that the course of wisdom dictated that the Senate should act expeditiously and favorably upon the treaty. I trust that the Senate will support the recommendations of the Secretary of State, the President of the United States, and the Committee on Foreign Relations. I have confidence that we shall do so overwhelmingly.

I yield to the distinguished Senator from Montana.

Mr. MANSFIELD. Mr. President, I join with the distinguished majority leader in urging the Senate to consent to the ratification of the treaty which is now before the Senate. I hope the treaty will not be involved in personalities, either in this country or in Japan, and that it will not be involved in any issue either in this country or in Japan.

We are, as a matter of record, faced with an accomplished fact. The treaty has passed through the Japanese Diet and has been ratified and signed by the Emperor of Japan. It is now in its final stage here.

In the best interests of both Japan and the United States, I believe the best thing we can do is to bring the matter to a speedy and successful conclusion.

Mr. JOHNSON of Texas. I thank the Senator from Montana. I believe the Senate has set a very good example for the world, because we have debated the treaty in an atmosphere of calmness and judiciousness. We have been thorough. Now we are about to resolve the matter.

I yield to the distinguished Senator from Illinois.

Mr. DIRKSEN. Mr. President, when the consultations begin on a matter as solemn as a treaty, I think the experts who sit around the table are conscious of their responsibilities and who they represent. In this connection, obviously the representatives of the Japanese Government were considering some 90 million people who had their peculiar problems. The representatives of the United States, on the other hand, were thinking of a country of 180 million people who had their problems, also. To put everything together in a solemn document, ultimately to be ratified and to be placed into effect for a long period of time, is indeed a solemn responsibility. I believe all the experts have measured up to it, and have brought to us a most acceptable treaty.

As the majority whip, the distinguished Senator from Montana [Mr. MANSFIELD], has pointed out, the treaty was ratified in Japan. As a matter of fact, it was ratified in the Japanese Diet on the 20th day of May.

All the stormy action which took place followed a very carefully calculated pattern. It was Red inspired, even as the Japanese Prime Minister said. It followed two lines: First, an effort to stop the ratification of the treaty; second, if that could not be done, then either dissolve or prorogue or adjourn or put an end to the sessions of the Japanese Diet, because then the treaty would automatically fall.

The Japanese opposition failed on the first count. The treaty was ratified on May 20. They failed on the second count because the Diet remained in session until Saturday noon, our time, Sunday noon, Japanese time, and automatically the treaty became effective.

Under the treaty, we retain our bases; we retain our facilities. It is an 11-year treaty, meaning 10 years plus the year which is involved when notice might be given by either side. If ever there was a defeat for the Red-inspired crowd, that was it.

I add one thought. There have been many speculations as to whether the United States has lost prestige in this matter. When one wins, he does not lose prestige. When we win by having the treaty ratified, we do not lose prestige. When we win by keeping the Diet in session, we do not lose prestige. When we retain our bases, contrary to every Communist hope that the U.S. troops might ultimately be expelled from Japan, we do not lose prestige.

As we prepare for the final approval of the treaty, I concur fully in what the distinguished majority leader said. I hope there will be an overwhelming vote in favor of the ratification of the treaty.

If I might utter a fervent hope, it would be that there will be no vote against the treaty, so that when the word goes out across the Pacific, the Japanese people will know how this body acted as representative of the American people.

Mr. JOHNSON of Texas. I thank the distinguished minority leader for his very fine comment.

I conclude on this note: The alternative to this treaty is the existing treaty. I do not believe there is any question that all of us admit that what we are seeking is a better treaty than the one which exists. I am confident that the great majority of the Japanese people still prefer freedom as the way of life. I think that in the interest of freedom in Japan and the United States, and all the other countries who look to us for leadership, the treaty should be ratified.

Mr. President, I yield back the remainder of my time.

Mr. LONG of Louisiana. I yield back the remainder of my time.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. All time has been yielded back.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Without objection, it is so ordered.

If there be no objection, the treaty will be considered as having passed through its several parliamentary stages, up to the point of consideration of the resolution of ratification, which the clerk will read.

The Chief Clerk read the resolution of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive E, 86th Congress, 2d session, the Treaty of Mutual Cooperation and Security between the United States of America and Japan, signed at Washington on January 19, 1960.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification of the treaty?

Mr. MANSFIELD. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification of the treaty?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSTON of South Carolina (when his name was called). On this vote, I have a pair with the senior Senator from Pennsylvania [Mr. CLARK] and the junior Senator from Pennsylvania [Mr. SCOTT]. If the two Senators from Pennsylvania were present and voting, they would each vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], and the Senator from Tennessee [Mr. GORE] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER] is necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Missouri [Mr. HENNINGS], and the Senator from Tennessee [Mr. KEFAUVER] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. SCHOEPPEL] is absent because of death in his family. If present and voting, the Senator from Kansas would vote "yea."

The Senator from Pennsylvania [Mr. SCOTT] is absent on official business, as a Member of the Senate attending the funeral of Representative Douglas H. Elliott.

The pair of the Senator from Pennsylvania has previously been announced.

The yeas and nays resulted, yeas 90, nays 2, as follows:

YEAS—90

Aiken	Ervin	Magnuson
Allott	Fong	Mansfield
Anderson	Frear	Martin
Bartlett	Fulbright	Monroney
Beall	Goldwater	Morse
Bennett	Green	Morton
Bible	Gruening	Moss
Bridges	Hart	Mundt
Brunsdale	Hartke	Murray
Bush	Hayden	Muskie
Butler	Hickenlooper	O'Mahoney
Byrd, Va.	Hill	Pastore
Byrd, W. Va.	Holland	Prouty
Cannon	Hruska	Proxmire
Capehart	Humphrey	Randolph
Carlson	Jackson	Robertson
Carroll	Javits	Saltonstall
Case, N.J.	Johnson, Tex.	Smathers
Case, S. Dak.	Jordan	Smith
Church	Keating	Sparkman
Cooper	Kennedy	Stennis
Cotton	Kerr	Symington
Curtis	Kuchel	Talmadge
Dirksen	Lausche	Thurmond
Dodd	Long, Hawaii	Wiley
Douglas	Lusk	Williams, Del.
Dworshak	McCarthy	Williams, N.J.
Eastland	McClellan	Yarborough
Ellender	McGee	Young, N. Dak.
Engle	McNamara	Young, Ohio

NAYS—2

Long, La.	Russell

NOT VOTING—8

Chavez	Hennings	Schoeppel
Clark	Johnston, S.C.	Scott
Gore	Kefauver	

The PRESIDING OFFICER. On this vote, the yeas are 90; the nays are 2. Two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified immediately that the Senate has advised and consented to the ratification.

The PRESIDING OFFICER. The President will be so notified.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

INDEPENDENT OFFICES APPROPRIATIONS, 1961

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1674, H.R. 11776, the independent offices appropriation bill.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senate that we are going to ask the Senate to take a 5-minute recess in order that Members of the Senate, at the suggestion of the very able and distinguished Senator from Arkansas [Mr. FULBRIGHT], chairman of the Committee on Foreign Relations, may have an opportunity to visit with the distinguished Prime Minister of Peru.

I should like all Members of the Senate to know we anticipate debating, and voting if possible, on the independent offices appropriation bill and the general government matters appropriations bill. These appropriation bills need to go to conference. We hope we may act on them first, and that Senators will make their speeches on extraneous matters later; but we agreed last night to consent to a 30-minute speech. Perhaps it will be necessary to give consent for an equal amount of time to the other side.

I plead with Senators to give me their cooperation, so that we may act on the bills and so they may go to conference first. Then we shall be glad to keep the Senate in session as long as necessary for Senators to make speeches on other matters.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the minority leader.

Mr. DIRKSEN. Mr. President, I am sure Senators would like to be advised, if the majority leader knows at this time, what will follow the two appropriation bills, which will probably take the remainder of the day, and whether the calendar of business for tomorrow has been determined at this time.

Mr. JOHNSON of Texas. Mr. President, I would anticipate the order of business would be the independent offices appropriation bill first. How long it will take, I do not know. It depends largely on the desire of Members of the Senate to get the bill to conference.

Second, I would think the general government appropriations bill.

Appropriation bills have the highest priority.

Third, I would think the amendment to the Mineral Leasing Act.

Fourth, I would think Calendar No. 1553, H.R. 2565, relating to wildlife conservation on military reservations.

Fifth, Calendar No. 1588, S. 2692, relating to marine sciences, and so forth.

In addition, there are some other measures that I do not have before me at the moment, but that have been cleared by both sides and are on the calendar.

It could very well be we shall be in here late tonight and not complete action on the appropriation bill. If I could get a unanimous-consent agreement to limit debate, I would request one, but I am informed I could not. We will have to play it by ear. I do not know how many Senators will want to talk. It is important that we get these two appropriation bills to conference.

VISIT TO THE SENATE BY PEDRO BELTRAN, PRIME MINISTER AND MINISTER OF FINANCE OF PERU

Mr. FULBRIGHT. Mr. President, the Senate is honored today by the presence of one of the most distinguished leaders of the Latin American world. I take great pleasure in introducing the Prime Minister of Peru, Senor Pedro Beltran.

Mr. President, I ask unanimous consent that the Senate take a recess for 10 minutes in order to give Senators an opportunity to meet the Prime Minister.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

[Applause, Senators rising.]

Thereupon (at 2 o'clock and 20 minutes p.m.) the Senate took a recess until 2:30 p.m.

During the recess, the Prime Minister of Peru was greeted by Members of the Senate, who were presented by Mr. AIKEN.

On the expiration of the recess, the Senate reassembled, and was called to order by the Presiding Officer (Mr. CANNON in the chair).

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a biographic sketch of Pedro Beltran, Prime Minister and Minister of Finance of Peru.

There being no objection, the biographic sketch was ordered to be printed in the RECORD, as follows:

BIOGRAPHIC SKETCH OF PEDRO BELTRAN, PRIME MINISTER AND MINISTER OF FINANCE OF PERU

Born in Lima on February 17, 1897, Pedro Beltran comes from the old aristocracy of Peru, with considerable land holdings and investments in mining and other enterprises. His secondary education was at the Colegio de la Recoleta in Lima, and he is a graduate of the School of Economics of the University of London. He is married to the former Miriam Kropp, of San Francisco.

Beltran's career has been devoted largely to finance, journalism, diplomacy and government. In the field of diplomacy and international financial and economic affairs, he served as Commercial Delegate of Peru to Great Britain, France, and the United States (1940–43); member of the Inter-American Financial and Economic Advisory Committee, Washington (1940–43); delegate to the Third Meeting of Ministers of Foreign Affairs of the American Republics, Rio de Janeiro (1942); Ambassador to the United States (May 1944–November 1945); the U.N. Monetary Conference, Bretton Woods (1944); the Chapultepec Conference, Mexico City (1945); the U.N. Conference on International Organization, San Francisco (1945); and President Prado's representative on the Committee of Presidential Representatives formed to improve operations of the OAS (1957). At home Beltran has served as president of the Central Reserve Bank (1948–50); and more recently as chairman of President Prado's Committee for Agrarian Reform and Housing. In addition to managing his land holdings (including ranching) and business investments, Beltran is the owner and was long the editor of the Lima daily La Prensa, a moderate conservative paper.

By mid-1959, Peru's economic and financial situation had reached the point of serious crisis, with an increasingly unfavorable balance of trade resulting largely from a drop in the prices of Peru's major export commodities, with the near exhaustion of Peru's dollar reserves, with continued deficit spending, with an increasing spiral of inflation and with the expatriation of capital. Beltran, while serving President Prado on the aforementioned committees, was one of the Government's strongest critics as far as its financial policies were concerned, and his criticism was voiced both directly and through La Prensa. In July 1959, however, President Prado asked his critic to head a new Cabinet to face up to the crisis.

Under Beltran's firm and able leadership great strides have been made to reverse the deteriorating economic and financial situation and to restore confidence. As a result of a series of measures undertaken by the Government (as well as an improvement in the prices of Peru's export commodities), Peru's unfavorable trade balance has been converted to a favorable one, deficit spending has been largely halted, dollar reserves have grown notably, the inflationary spiral has been checked and flight capital has been returning. With the restoration of a sound, stable economy, Beltran is now in a position to undertake his longer range economic and social program, encompassing the fields of economic development, housing, agrarian reform, colonization, etc.

As far as the United States is concerned, Prime Minister Beltran is one of our stanchest friends both in the political and economic spheres of international relations. A firm believer in the free enterprise system, he is in full sympathy with Peru's policy of encouraging American capital investment. His friendship is frank, however, and he has not hesitated to criticize certain U.S. policies with which he disagrees.

WORLD FOOD BANK

Mr. MURRAY. Mr. President, the headlines of yesterday's morning paper from Minot, N. Dak., report that Vice President RICHARD M. NIXON has made the distribution of food surpluses to needy people around the world through the United Nations a major plank in his farm program.

The Vice President revealed that President Eisenhower had intended to make the proposal at the summit conference in Paris last month.

The proposal is extremely familiar to me. As a matter of fact, I was the author, together with a number of other Senators, of resolutions in both the 83d

and 84th Congresses to initiate a World Food Bank.

On March 30, 1955, in the 84th Congress, I introduced Senate Resolution 86, for myself, Mr. Case of South Dakota, Mr. Chavez, Mr. Douglas, Mr. Hennings, Mr. Hill, Mr. Humphrey, Mr. Jackson, Mr. Kefauver, Mr. Kerr, Mr. Kilgore, Mr. Lehman, Mr. Long of Louisiana, Mr. Magnuson, Mr. Mansfield, Mr. Morse, Mr. Mundt, Mr. Neely, Mr. Neuberger, Mr. Scott, Mr. Sparkman, Mr. Stennis, and Mr. Young. The resolution declared it the policy of the Congress that the United States participate with other nations under the auspices of the United Nations, the Food and Agriculture Organization, and other specialized international agencies in sponsoring an international food and raw materials reserve.

The resolution authorized and requested the President to enter into international negotiations on a specific international agreement or agreements along the lines proposed.

Hearings were held on Senate Resolution 86 on May 28 and 29, 1956. Assistant Secretary of Agriculture Earl L. Butz advised the subcommittee of the Foreign Relations Committee that—

> We see no need for the proposed World Food Bank or the proposed food and raw materials reserve.

Thorston B. Kalijarvi, Deputy Assistant Secretary of State for Economic Affairs, advised the committee that the proposed World Food Bank would be unmanageable. He was concerned by interference with free market forces. He advised the committee:

> The inherent difficulties in managing such programs would surely be increased by the multiplicity and conflict of interests represented through a large number of participating governments.
>
> In view of the existing programs, and in view of the prospective heavy cost, negotiating and administering difficulty and threat of displacement of normal trade and interference with private enterprise connected with the proposed food bank or materials reserve, the Department is unable to support Resolution 85 or 86.

It is heartening to know, despite the wasted years, that the Vice President and the President of the United States now regard an international food agency as a workable, promising, and enlightened proposal.

In view of the new situation, I resubmit in my own behalf, and in behalf of any others who may wish to join me, a copy of Senate Resolution 86 of the 84th Congress, edited slightly to bring up to date section 1, which is in the nature of a preamble. I request that the resolution lie on the desk until Friday, June 24, so any other Members who care to do so may join in its authorship.

Now that the Vice President is for it and the President was prepared to propose a world food agency at the summit conference, perhaps we can get some action on this proposal before the Congress adjourns rather than wait another year while it is used as a political vehicle.

I do not desire to discourage the Vice President in any way in taking the position on this matter which he took in North Dakota yesterday. I ran for reelection to the Senate on it in 1954 and won. I might add that I won in spite of an effort to smear me which is today being repeated against the Democratic candidate for the Senate in North Dakota.

The PRESIDING OFFICER. The resolution will be received and appropriately referred; and, without objection, the resolution will lie on the desk until June 24, as requested.

The resolution (S. Res. 340) was referred to the Committee on Foreign Relations, as follows:

Resolved, That the Senate of the United States hereby finds that—

(a) the prices and incomes received by American farmers have been declining and threaten to decline still further in the future;

(b) there is need to increase the export of American farm products;

(c) shrinkage in foreign markets for American farm products might bring about a decline in farm and national income which could not be offset, even with a more adequate system of farm credit, price supports, and stockpiling programs;

(d) the world market for farm commodities and raw materials has historically been characterized by fluctuations which adversely affect prices, undermine the security of producers, and impede steady expansion consistent with the need for larger supplies of food, clothing, and other commodities as basic elements in expanding economies and improved living standards;

(e) fluctuations in the level of the prices of primary materials have had disruptive effects on world production and trade, and declines in the general level of these prices have historically been important factors in world economic depressions;

(f) food, clothing, and other essential supplies per person in many areas of the world are far below the minimum required for healthful and productive living;

(g) the people in some countries live under the ever-present threat of famine and starvation;

(h) the development of more adequate reserves of farm products and other raw materials would provide essential safeguards against shortages resulting from natural causes such as drought, flood, and pestilence; from breakdowns in distribution; from inflation, insurrection, and war;

(i) the ever-present threat of a major decline in the level of raw-material prices makes it impossible for underdeveloped countries to proceed with the confidence that is needed for their orderly development; and

(j) the existence of a reserve from which could be drawn, in time of need, some of the basic materials from which food, clothing, and other essentials are produced, would be an important step toward strengthening democracy throughout the world and creating the economic foundations and the atmosphere of hope and confidence necessary for world peace.

SEC. 2. It is the policy of the Congress that the United States participate with other nations, under the auspices of the United Nations, the Food and Agriculture Organization, and other specialized international agencies, in establishing an International Food and Raw Materials Reserve which would—

(a) provide for the acquisition and appropriate storage, in the United States and in other countries, of raw or processed farm products and other raw materials, such acquisition to take place at times when overall surpluses of such materials would otherwise cause undesirable price movements;

(b) be developed in a manner that will help to prevent extreme price fluctuations in the international market for farm products and other raw materials and keep production expanding to meet the world's pressing need for more food, clothing, and other essential supplies;

(c) be used to prevent famine and starvation;

(d) help absorb temporary market surpluses of farm products and other raw materials;

(e) provide for the use of currencies paid to the International Food and Raw Materials Reserve by purchasers of materials, or for the use of instruments of credit issued in connection with the operations of the Reserve, to finance purchases of raw or processed products or to assist in the financing of approved economic and social development programs, formulated in cooperation with the appropriate international lending, economic development, and technical assistance agencies, such programs to include (without being limited to) those which further universal public general and vocational education, literacy, public health and medical care.

SEC. 3. The President and his representatives before the United Nations and the Food and Agriculture Organization and other appropriate international bodies are hereby authorized and requested to enter into international negotiations for the purpose of preparing a specific plan and a proposed international agreement or agreements on the creation of an International Food and Raw Materials Reserve along the general lines set forth in section 2 hereof.

SEC. 4. The plan and agreement or agreements developed in accordance with section 3 hereof, together with full supporting material and information on operating methods, shall be presented to the Senate of the United States for approval.

NATIONAL CLEARINGHOUSE OF INFORMATION ON CROOKED BUSINESS SCHEMES

Mr. KEATING. Mr. President, on May 10, I introduced, on behalf of the senior Senator from New York [Mr. JAVITS] and myself, a bill (S. 3530) to authorize the Attorney General to maintain records of fraudulent and other unethical business practices. The purpose of the bill is to make it easier for State and local authorities to keep tabs on business racketeers, and to make it as difficult as possible for unscrupulous promoters to set up fly-by-night operations in locality after locality throughout the country.

The bill was an outgrowth of recommendations made by the attorney general of New York, the Honorable Louis J. Lefkowitz, who has done outstanding work in the field. Attorney General Lefkowitz recently wrote a letter to each member of the Senate Committee on the Judiciary, explaining the importance of the establishment of the clearinghouse proposed in the bill, and urging its support. I know that many Members of the Senate will be interested in Attorney General Lefkowitz' comments on this important subject, and I therefore ask unanimous consent that the text of his letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, N.Y., *June 15, 1960.*

DEAR SENATOR: I am writing to urge your support of S. 3530 (cosponsored by Sena-

tors KEATING and JAVITS) and now before the Committee on the Judiciary.

This bill authorizes the Attorney General of the United States to maintain, and make available to other governmental and private agencies, records of injunctions, dissolutions and other civil and administrative actions involving unethical or fraudulent business practices.

There is a shocking scope to the frauds, deceptions and illegal practices which enable a relatively small segment of business and security racketeers to drain millions of dollars from the consumer and investor each year.

Shady operators and their slick schemes not only rob the consumer but do incalculable harm to the legitimate businessman. Through monopolistic practices which destroy free competition and impose arbitrary price premiums, they squeeze a bit more out of the consumer's pocketbook. Silently and unseen, they drive upward the cost of living and add to inflationary pressures.

Unscrupulous securities promoters not alone defraud the investor but undermine public confidence in the integrity of capital markets, and deprive industry of the mechanism by which is raised the capital required to serve the economic needs of our people.

In New York State, and in other States I am sure, law enforcement agencies are carrying on a vigorous fight to drive these business charlatans out of business. But these unprincipled operators do not give up easily. The individual or firm driven out of business in one State moves to another location and continues fraudulent activities there. Without a central agency which can catalog and make the pertinent information available to all States and local agencies we find ourselves in a merry-go-round situation.

The central clearing medium established by S. 3530 would be the center for an exchange of information. Here would be gathered and cross indexed all data concerning these operators and the schemes and devices which they use to bilk the public. Such information could be made available to governmental agencies and law enforcement forces fighting for business decency. The scheming promoter who is thrown out of one State will find that his record has preceded him to every other place where he may seek to set up shop.

I am taking the liberty of enclosing a copy of the statement released by Senator KEATING in connection with this bill. I respectfully urge you to give S. 3530 your full support.

Best wishes.

Cordially yours,

LOUIS J. LEFKOWITZ,
Attorney General of New York.

NEED FOR FEDERAL AIR POLLUTION CONTROL EFFORTS

Mr. KEATING. Mr. President, several weeks ago I spoke on the floor and discussed my views on the great and pressing need to control air pollution in our Nation's major industrial and metropolitan areas. Although I am by no means expert in this field, I feel strongly that we must correct the all too widely held notion that the air we breathe can also serve as America's wastebasket.

In my remarks on May 24 I spoke of a number of the most common causes of air pollution and of existing Federal, State, and local agencies which are working hard to combat them. I am delighted that these efforts are going forward, and I certainly intend, wherever possible, to be of assistance in this very vital work. In this statement I paid special attention to the programs on air pollution research carried out by the Public Health Service and of the attitude of the Secretary of the Department of Health, Education, and Welfare, which, of course, is responsible for the implementation and coordination of all of the activities of the Federal Government in assisting in the fight against air pollution.

Mr. President, I was very gratified to recently receive a letter from Secretary Flemming of the Department of Health, Education, and Welfare in which he comments on my remarks on the floor and in which he discusses the problem of air pollution and the types of legislation which are needed to expand our Federal programs in this area. The Secretary clearly asserts that "air pollution problems are not confined to any specific section of our country." He further states that "We think it is important that the Federal Government exercise leadership in the development of measures needed for coping with this problem."

I think this thesis is a sound one and is extremely significant. Certainly the air pollution problem crosses State boundaries and is national in its scope and impact. New York's air this morning may be New Jersey's this afternoon.

Mr. President, the position and attitude of the Department of Health, Education, and Welfare on the matter of air pollution control is both constructive and realistic. I commend the Secretary for the leadership which he has taken in this field and ask unanimous consent that his letter to me, dated June 20, be inserted at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., June 21, 1960.

Hon. KENNETH KEATING,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KEATING: We have read with interest your statement regarding air pollution in the May 24 issue of the CONGRESSIONAL RECORD, a copy of which was forwarded with your memorandum of June 3.

Your statement clearly delineates the fact that air pollution is of national significance, and outlines the need for greater attention to air pollution problems by many groups in our society.

It is important to note that air pollution problems are not confined to any specific section of our country. Air pollution of the type which has been widely publicized as afflicting certain sections of the west coast has been measured in significant quantities, and its effects on vegetation have been recorded now in some 19 States and the District of Columbia. Similarly, one recent study by the Public Health Service has shown the widespread occurrence of 3,4-benzpyrene, a pollutant of suspected health significance, to be present in varying quantities in the atmospheres of over 100 cities included in the survey. All in all, it is fair to state that all of our urban communities of appreciable size have air pollution problems which, of course, may vary in degree and character from one location to another. Inevitably, the air pollution potential nationally may be expected to increase significantly because of our growing population and economy, and increasing urbanization.

We think it is important that the Federal Government exercise leadership in the development of measures needed for coping with this problem. A good start has been made along these lines under the provisions of Public Law 84–159, which authorized a research and technical assistance program in the Public Health Service. It is important that this program be further strengthened. The recent enactment of Public Law 86–493, providing for an intensification of research by the Public Health Service into the health-related aspects of automobile exhausts, will be helpful. We consider it highly necessary, also, that favorable consideration be given to the amendments to the Air Pollution Control Act which we forwarded to the Congress and which have been embodied in H.R. 10696 and S. 3108.

We sincerely appreciate your interest in and concern about the overall problem of air pollution. We, too, are much concerned with the hazard to health and well-being which is posed by air pollution.

Sincerely yours,

ARTHUR S. FLEMMING,
Secretary.

AGRICULTURAL PROGRAM

Mr. HUMPHREY. Mr. President, I wish to express my thanks and appreciation to the Senator from Montana [Mr. MURRAY] for again reminding us of his leadership through the several Congresses relating to the establishment of a world food bank or an international food and fiber reserve under the general provisions of the Charter of the United Nations. I am well aware of the activities of the Senator from Montana, because I was one of his cosponsors on that measure, and it was my privilege to participate in the hearings to which the Senator from Montana has referred in the Committee on Foreign Relations when the proposal of the Senator from Montana, the Senator from Minnesota, and others, along with the proposal of the late Senator from North Carolina, Kerr Scott, was also before us.

I have commented on the statement of the Senator from Montana because the measures to which he has referred, and which we have had before us in several Congresses, and other related measures, some of which, by the way, have been passed by the Congress, are now back in headline news.

In the Midwest on June 30, while speaking at Minot, N. Dak., and extending his assistance to the Republican candidate for the U.S. Senate against the Democratic candidate, Mr. QUENTIN BURDICK, the Vice President of the United States outlined his views relating to agricultural policy. I have in my hands a copy of the address of the Vice President. Many parts of his speech I find reassuring. Many parts I find at least interesting from an historical point of view. Many parts I find very general, loosely drawn and without any specific nature.

For example, the Vice President of the United States said:

Putting it bluntly, there has been a political stalemate between the administration and Congress over the past 5 years. The majority in Congress has persisted in refusing to face up to the farm problem, and it continues to support obsolete solutions which were conceived for an entirely different period and for different problems.

After those pointed remarks towards the majority, the Vice President made a generous, kindly remark about the administration. He said:

> The administration, on the other hand, has sought solutions which were in effect a reversal of previous policies. The result has been that Congress has refused to approve the administration's program, but has not come forward with one of its own which the administration could accept.

Mr. President, the fact is that the majority has passed five farm bills since 1953 and five farm bills have been vetoed. The fact is that the majority has been compelled, because some of the provisions of the farm legislation were expiring, to renew these provisions with administration-supported modifications leading into what we call the flexible price support program, including the reduction of controls over production and marketing, which has been basic to the agricultural philosophy of the administration.

The philosophy of those of us of the majority has not been sustained, because we have not had the two-thirds vote necessary to override the vetoes. The philosophy of the administration on agricultural economics is the prevailing law of the day. Its effect is clear; its effect is unmistakable. There are fewer farms and fewer farmers; there is lower farm income, higher farm production, accumulated surpluses, an increase in farm mortgages at the rate of $600 million a year, a tremendous increase in the Government's holdings of surplus commodities; and a fantastic increase in the cost of the operation of the Department of Agriculture even though there are fewer farmers and fewer farms. That is the result of the administration's farm program.

It will do us no good at this late date to argue the merits and demerits of the administration's farm program. That question has been decided by the farmers themselves. Most of them have rebuked it, and those who have not will have their opportunity to do so in the months ahead, specifically, in November. I have a feeling they will then make manifestly clear their views relating to the administration's farm program. At least, I am sure that will be so in the Midwest.

What I should like to comment upon are the proposals of the Vice President relating to the expansion of the rural development program, strategic food reserves, commercial uses of surpluses of agricultural commodities, and the international food and fiber program.

I find all of these proposals most interesting. I find all of them issues which some of us have fought for in the Congress for years. Each and every one of these suggestions has been resisted by the administration as if it were consummate evil. The Vice President of the United States has purloined, so to speak, a number of proposals such as that of the Senator from Montana [Mr. MURRAY], and he now claims them as his own.

For a period of time the administration refused to recognize even the existence of these agricultural children—for example, emergency food reserves—but now they would like to claim them as blood sons.

Let me start with the rural development program. I quote from the Vice President's message. Mr. NIXON said in Minot, N. Dak., appealing essentially to farmers:

> The rural development program, which has been so successful, should be expanded so that the marginal farmers can supplement their income and not be forced to move from the rural communities in which they live.

That is a noble expression of philosophy and policy, but an expression of the philosophy and policy that is adhered to by this administration in token proportions only.

Let me give the facts. The rural development program was initiated in 1955 and passed by this Congress. It was supposedly expanded by the administration to 30 rural counties by September 30, 1957—30 counties out of the thousands of counties in the United States.

In 1960 there are still 30 counties in this pilot program. It started as a pilot program. It continues as a pilot program. With only 30 rural counties in the pilot program, still the Vice President of the United States, speaking to the farm people of North Dakota, said that the rural development program which has been so successful should be expanded so that marginal farmers can supplement their income.

I agree it should be expanded. I have been an advocate of its expansion. I have quizzed representatives of the Department of Agriculture repeatedly about its expansion, and they have refused to move. Their feet are imbedded in political concrete, and their imagination with regard to farm programs is without substance. The effect is that the rural development program remains only a pilot program, instead of being pushed forward as a positive aid and improvement to the farm economy.

I would suggest to Mr. NIXON that the people of North Dakota are well aware of the needs of agriculture. Where Mr. NIXON should have taken his message was to the Secretary of Agriculture. Where Mr. NIXON should have taken his message and suggestions was to the President of the United States. Mr. NIXON is a member of the "Eisenhower team." He has been a loyal player on the "team." He says he is going to run on the record of the administration. He is a part of it.

I must say for Mr. Benson, for whom I have had many words of criticism, that I must say a word of praise at this time. He likes to keep the record straight. In recent months the Vice President, carefully checking back in his files, has found that the Secretary of Agriculture is a political liability in many areas of the country, if not all. Looking forward to his hoped-for but not-to-be-realized occupancy of the White House, the Vice President has suggested that he has a program different from that of Mr. Benson, that he disagrees with Mr. Benson, that he disagrees with the administration. But I should like to say, for the integrity of the Secretary of Agriculture, that he is unwilling to let such a tricky answer, such a tricky proposal, be pulled on the American people. He is not for such a slick deal. He says that Mr. NIXON has been part and parcel of the program. He says Mr. NIXON was one of the architects of the program. He cannot imagine Mr. NIXON's not supporting it, because he helped to design it.

I compliment Mr. Benson for his words of integrity, his words of honesty, and his clear and unqualified statement. The Secretary of Agriculture is not about to let RICHARD MILHOUS NIXON, the Vice President of the United States, avoid responsibility for the disastrous policies which this administration has followed.

Mr. President, the family farm yardstick credit bill, S. 2111, which the Senator from Minnesota and others introduced, under title V, proposes a positive action program for the development of family farms in 500 counties having the largest low income farm population. Under this title, means are provided to insure adequate credit facilities to implement farm and home plans and to increase the income-producing ability of farm units; to assist in securing part and full time employment opportunities for farm people; to provide vocational training to adults, both in farm and home management and in other farm and nonfarm activities in order to maximize family income and productivity of family labor; and to provide industrial dispersion in rural areas in the interest of increased employment and national security. This administration's Department of Agriculture submitted an adverse report on the family farm yardstick credit bill. It said it was opposed to all titles of the bill.

Regarding the Family Farm Development Act, title V, the Department report said: More experience is needed.

Mr. President, this administration is addicted to slow learning. By the time it gets enough experience to do something about a problem, the problem has consumed the people who have been beset with the problem.

So, Mr. NIXON's advice on the necessity of a rural development program fell on ears that had heard these soothing words many times. The farm people in North Dakota are fully aware that their needs are not being met. I think they will respond accordingly.

What is the next point Mr. NIXON made in his address? He said:

> Our major aim and our major effort must be, however, not to reduce production but to expand markets for farm products and to increase consumption.

That is a noble thought, with which I fully agree:

> There are three proposals in this area that I think are among those that are worthy of consideration. Governor Rockefeller, in his recent appearance in North Dakota, proposed that a year's supply of food for the Nation be set aside against the eventuality of an atomic attack. This is a sound and constructive proposal and I would only add that because a 1-year or a 2-year reserve would represent an enormous permanent storage burden in its present form, a research program should be undertaken to find economically feasible ways to convert surplus grains into storable form.

Mr. President, this is called the strategic food reserve program. Is it new? The proposal has been made in Congress. Here are the facts:

Back on February 8, 1955, the Senator from Minnesota proposed a national food and fiber policy.

I ask unanimous consent to have printed in the RECORD at this point a press release issued by me relating to the proposal.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY PROPOSES NATIONAL FOOD AND FIBER POLICY

Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, called upon the Congress today to adopt a national food and fiber policy setting guideposts for wise use of America's abundance.

Senator HUMPHREY introduced a resolution asking establishment of a national policy for the production and utilization of food and fiber so as to make full economic use of the productive capacity of U.S. farms to improve domestic nutrition and clothing standards, and buttress the foreign policy of the United States. Cosponsors include Senators Neuberger, Lehman, Scott, Langer, McNamara, Murray, Mansfield, and Neely.

"The great productive ability of American farmers and farm families should be put fully to work in the interest of national security and the maintenance of the health, efficiency, and morale of the American people," Senator HUMPHREY declared.

He described the resolution as a companion to one previously introduced calling for establishment of an American family farm policy, saying both were intended to clarify objectives "in the national interest," and to serve as a yardsick for future legislation aimed at achieving such objectives.

The new resolution declares it the policy of the Congress that:

1. The means of obtaining sufficient food for an adequate diet and clothing for an adequate standard will be placed, so far as possible, within the reach of every person in the Nation;

2. The food and fiber products on American farms and not needed for fully adequate domestic consumption will be put to work to implement U.S. foreign policy through facilitating—

(a) The inauguration of universal public general and vocational education systems in friendly nations not now having them,

(b) more rapid economic development that will expand markets and increase consumer purchasing power in friendly nations,

(c) the elimination of the threat of starvation and famine; and

(d) increases in the security and income-earning capacities of farm families in friendly nations;

3. Adequate safety reserves of farm commodities and of food and fiber products will be developed and maintained;

4. Extreme price fluctuations in the international market for farm products will be prevented and production will be kept expanding; and

5. American farm families will be assured of adequate income to maintain a standard of living equivalent to those afforded persons dependent upon other gainful occupations, while maintaining full production on the family farms of the Nation, conserving and improving the Nation's farm soil and water resources, and meeting all costs of production and capital replacement.

The resolution calls upon the President to incorporate in the Economic Report required by the Employment Act of 1946 a program for carrying out the policy, together with such recommendations for legislation as he may deem necessary or advisable in connection with the program.

Mr. HUMPHREY. Mr. President, I have before me the proceedings of the Senate for February 27, 1956. At that time the senior Senator from Oregon [Mr. MORSE] joined me in offering what we called the national security reserve amendment. The amendment is found in the CONGRESSIONAL RECORD, volume 102, part 3, page 3355. The debate is found on pages 4168, 4169, 4170, 4172, and 4175. This proposal was incorporated in the Agricultural Act of 1956, to provide for a national security reserve of food, to meet emergency conditions in the United States.

The Agricultural Act of 1956 provides in section 201(b) in part as follows:

(2) The Secretary shall submit to Congress within 90 days after the enactment of this act detailed programs, with recommendations for any additional legislation needed to carry out such programs * * * (3) for strategic stockpiling of foodstuffs and other agricultural products (A) in the United States and (B) outside the United States as authorized in section 415 of the Mutual Security Act of 1954.

The Secretary of Agriculture submitted his report, required by the act, and it came to us in January 1957.

On the subject of a strategic food reserve, a safety reserve, the Secretary said:

Strategic stockpiling of food for emergency use in the event of nuclear attack upon this country would present extensive difficulties and involve substantial costs. The inadequacy of suitable warehousing facilities, the difficulties of management and rotation of supplies, and other problems such as to make stockpiling on a large scale undesirable if it can be avoided without undue risk to the population.

Instead of borrowing the idea from Mr. Rockefeller, I say with all due modesty that Mr. NIXON borrowed it from the Senator from Minnesota and the Senator from Oregon. He borrowed it from the law of 1956, to which his own administration has said, "No, no, that cannot and will not be done."

I shall not burden the RECORD with the debate of 1956. I have made reference to it, and it is available for all to see. I merely want the Senate to know that the proposal was offered as a floor amendment, that it was adopted, and that the legislative history is crystal clear.

The Family Farm Program Development Act, S. 2502, introduced by the senior Senator from Minnesota and others, authorizes and directs the Secretary of Agriculture, among other things, to submit a domestic food and fiber program for the United States, including provisions for a national security reserve of food and fiber products designed to protect people of the United States against shortages of such products in the event of war or other national emergency.

The bill also directs the Secretary to submit an international food and fiber program. It directs the Secretary to submit to Congress a comprehensive study of the food needs of the free world and a plan by which the United States could join with other surplus-producing nations in meeting these needs. I say this particularly, and most respectfully, to the senior Senator from Montana [Mr. MURRAY].

The Family Farm Program Development Act also offers a method "whereby the farmers themselves have a greater opportunity to choose the kind of farm program that they want—that is what Mr. NIXON says he supports.

What was the attitude of the Department of Agriculture on the domestic food and fiber program and the international food and fiber program in this bill?

The Department of Agriculture recommended against every one of the provisions of the bill. The programs proposed were in conflict, the Department said, and the Bureau of the Budget said, with the President's program.

Mr. NIXON cannot be on the "Eisenhower team" on Sunday, and get off the team at Minot, N. Dak., on Monday.

If he is going to take credit for Mr. Eisenhower's popularity, or to share in Mr. Eisenhower's popularity, he will have to share in responsibility for the undesirability of some of the administration's programs and for the adverse comment made by the administration on more worthy program proposals.

Mr. President, I ask unanimous consent that the pertinent sections of the bill to which I have referred, together with the report of the Department of Agriculture, be printed at this point in the RECORD.

There being no objection, the sections and the report were ordered to be printed in the RECORD, as follows:

TITLE II—DOMESTIC FOOD AND NUTRITION PROGRAM

SEC. 201. (a) The Secretary of Agriculture (hereafter called the Secretary) is authorized and directed to formulate annually and submit to the Congress on or before February 1 of each year a domestic food and fiber program for the United States, both immediate and long range, together with budgetary estimates for carrying out such program in the first year and in subsequent years of operation.

(b) Any food and fiber program submitted by the Secretary pursuant to subsection (a) shall include provisions for—

(1) expanding and liberalizing the national school lunch program (carried out under the National School Lunch Act) and the special milk program for children (carried out under the Act of July 1, 1958 (72 Stat. 276));

(2) a food allotment program under which the nutritional needs of low income persons, the unemployed, the aged, and the handicapped will be more adequately fulfilled; and

(3) a national security reserve of food and fiber products designed to protect people of the United States against shortages of such products in the event of war or other national emergency.

TITLE III—INTERNATIONAL FOOD AND FIBER PROGRAM

SEC. 301. (a) The Secretary is authorized and directed to cause a study to be made for the purpose of determining the annual fiber, food, and nutritional deficiency in the world and submit a report of such study to the Congress annually on or before February 1 of each year. He shall include in such report—

(1) recommendations as to the fair and feasible share of that deficiency which should

be met from food products produced in the United States;

(2) recommendations for making food and fiber products produced in the United States available to aid in meeting such deficiency; and

(3) estimates of the annual cost of carrying out such program.

(b) The program specified in subsection (a) shall be planned as a long-term program in order to facilitate the effective use of food products made available in the recipient countries. Such program shall be planned in such a manner as to be consistent with the international objectives of the United States and so as not to interfere with the commercial trading activities of friendly exporting countries; but planned so as to afford maximum economic benefit to the recipient countries.

TITLE IV—ADJUSTING SUPPLY AND DEMAND

SEC. 401. (a) Whenever the Secretary determines that the supply of any agricultural commodity exceeds effective demand at a fair price, he shall establish for each such farm commodity a farm commodity program development committee to be composed of representative producers of such commodity. Each such committee shall be composed of members elected from their own number by the producers of such commodity and shall be established and operated in accordance with regulations prescribed by the Secretary.

(b) Whenever any such farm commodity program development committee recommends it, the Secretary is authorized to conduct a referendum of the producers of such commodity to determine whether they favor a national marketing quota for such commodity as outlined by the Secretary after the consultation and guidance of the commodity committee. If two-thirds or more of the producers voting in any such referendum vote in favor of such a program, the Secretary shall submit to the Congress a national marketing program for the commodity concerned in conformity with principles hereafter outlined in this title, together with estimates of the annual costs of each such program.

(c) The national marketing quota for any marketing year in the case of any farm commodity for which a marketing program is effectuated pursuant to subsection (b) shall be an amount of such commodity which will move in domestic and foreign markets in such marketing year, as determined by the Secretary, at a fair price for such commodity, taking into account the amount of such commodity to be utilized pursuant to any program effected under title II and III of this Act.

(d) With respect to any national marketing quota program submitted to the Congress under subsection (a), the Secretary shall—

(1) establish the necessary production adjustment and orderly marketing control procedures for the commodities concerned, including the necessary incentives or penalties to effect compliance with the program;

(2) establish procedures for transferring sales quotas among producers in the same area, and among different areas; and

(3) utilize, as may be necessary for the effective administration of such program, any alternative income stabilization methods, individually or in combination, including but not limited to crop loans, marketing premium payments, marketing agreements, marketing orders, surplus diversion purchases, purchase agreements, export incentive payments, export equalization payments, stabilization pools, or income deficiency or compensatory payments direct to farmers, in order to achieve the fair price objectives of this legislation at the lowest possible cost to consumers and taxpayers: *Provided, however,* That in no instance shall any individual farm operator receive total Government payments of more than $5,000 for such purposes in any one marketing year, or more than $25,000 in crop loans.

(e) The term "fair price" as used in this section means, with respect to any commodity, the price which will yield returns on capital and labor (on representative family farms) comparable to nonfarm earnings, as determined by the Secretary on the basis of costs and returns collected and published annually by the United States Department of Agriculture for typical family-operated commercial farms.

(f) If the Secretary determines that the fair price for any commodity encourages competition from synthetics or tends to otherwise significantly reduce domestic consumption or export of such commodity, or in the case of oilseeds the products thereof, he may allow the commodity to move through the market at a competitive price and pay the difference between the competitive price and the fair price as a compensatory payment directly to the producer.

(g) Unless any such marketing program submitted to the Congress under provisions of this title is disapproved by concurrent resolution of the Congress after sixty days after submission by the Secretary, it shall be placed into operation; and all other previously existing price-support provisions for such commodity shall be suspended for the period for which such program is in effect.

(h) The Secretary shall use funds of the Commodity Credit Corporation for the purposes of implementing this title.

TITLE VI—LOW PRODUCTION FARMS

SEC. 601. (a) The Secretary is authorized and directed (1) to review and report to the Congress the progress of the rural development program in solving the production and income problems of low production and low income family farms, and (2) to submit to the Congress, within six months after the date of the enactment of this Act, further recommendations for dealing more effectively and more rapidly with these problems, and (3) to submit estimates of the costs of carrying out such recommendations.

(b) The Secretary shall, with respect to any recommendation submitted pursuant to subsection (a), consider, but not be limited by—

(1) the use of increased supervised credit to help speed farm reorganization and to help achieve more efficient sized and better organized farm units;

(2) the establishment of special services, including individual farm and home management guidance;

(3) the feasibility of payment of special grants to assist families with poor economic futures in agriculture who may desire to seek more gainful opportunities; and

(4) better protection for the benefit of families or persons who gain their living primarily as hired farm workers; and

(5) stimulation of further industrial development in underdeveloped rural areas; and

(6) the desirability of extending the United States Employment Service to rural areas and providing counseling service to people living in rural areas.

Mr. HUMPHREY. Mr. President, the Vice President had something to say about the commercial uses of agricultural commodities. It was a very splendid statement.

I may say to Mr. NIXON that his speech had statesmanlike qualities to it. The speech contained some wonderful features. There is only one thing wrong with it. It is all fluff and no substance. It has no follow through. If Mr. NIXON could not convince his own administration, how does he think he will convince the clear thinking people of North Dakota? If he could not convince his own President, Secretary of Agriculture, and the Director of the Bureau of the Budget, how does he expect to convince the general constituency? The power has been in the hands of the administration to do everything which Mr. NIXON has recommended, but the administration has refused to act on every count. Yet the Vice President of the United States now says that he has something new to offer. It is about as new as Ben Franklin's Alamanac.

Relating to the expansion of the commercial uses of farm commodities, I quote:

> I believe the amount of effort we are presently devoting to research for expanding the commercial uses of farm products is inadequate. It is an established practice in business to allot funds for basic research which bear a proper relationship to the overall magnitude of the problem to be dealt with. It doesn't make sense to spend only $16 million a year on finding new uses for agricultural products when we are spending $5 billion a year in financing and storing surplus farm products.

Mr. President, what is the record? In the 1st session of the 86th Congress, the Senate passed a bill, S. 690, to provide for research into the increased use of agricultural products for industrial purposes. The bill was introduced on January 27, 1959. Its sponsors were the Senator from South Carolina [Mr. JOHNSTON], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Georgia [Mr. TALMADGE], the Senator from Texas [Mr. YARBOROUGH], and me.

The Department of Agriculture submitted an adverse report on the bill, stating:

> We support the objectives the bills are designed to achieve, but oppose their enactment.

In other words, the Department supported the objectives but opposed anything being done about them.

S. 690 passed the Senate on July 27, 1959. The bill is now in conference, and the administration has been blocking it at every step of the way. I suggest most respectfully to the distinguished Vice President that he use his eloquence, his persuasive logic, and his unique rhetorical ability upon the administration. It has passed the Senate and House in a form which requires a conference. It could be enacted in this Congress. I suggest that the help of the Vice President will be mightily appreciated.

Finally, within the limitations of my time, I quote further from the speech of the Vice President:

> There is a third area which provides by far the best opportunity for making our food surpluses a national asset rather than a liability as they tend to be today. I refer to the use of our foods in the humane, as distinguished from the commercial market abroad.

Then the Vice President points out:

> The first step would have been to call a conference of all the surplus-producing nations, including the Soviet Union. These nations would then work out a joint proposal for a multilateral program under which the food surpluses of all nations which desired to participate would have been turned

over to United Nations agencies for distribution to the hungry people of member nations.

Mr. President, that proposal is not new. A World Food Board was proposed immediately after World War II by Lord John Boyd-Orr, the first Director General of the World Food and Agriculture Organization. It was widely supported by nations around the world, but failed at that time because of the hesitancy of the United States and Great Britain to give it their support.

An International Commodity Clearinghouse was later proposed by the so-called Committee of Exports of the Food and Agriculture Organization and the International Federation of Agricultural Producers.

In 1954 the International Federation of Agricultural Producers, meeting in Nairobi, Kenya, adopted a report declaring:

> The matter of a world food reserve should be kept under active consideration and to that end, the Committee recommends that the Secretariat prepare a study indicating the nature of the machinery needed to implement the plan and the obstacles that have stood in the way of attainment of this objective and giving all possible suggestions as to how such obstacles might be overcome.

The study was prepared in thorough detail. Necessary subsequent action to put the findings into building a concrete program has not been taken.

In 1955, in the 1st session of the 84th Congress, the following resolutions were submitted:

Senate Resolution 85, World Food Bank. Sponsors: Scott of North Carolina, and MURRAY.

Senate Resolution 86, International Food and Raw Materials Reserve. Sponsors: Murray, Humphrey, Case of South Dakota, Javits, Douglas, Hennings, Hill, Jackson, Kefauver, Kerr, Kilgore, Lehman, Long, Magnuson, Mansfield, Morse, Mundt, Neeley, Neuberger, Scott, Sparkman, Stennis, Young of North Dakota.

Hearings on these proposals were held May 28, and 29, 1956, before a special subcommittee of the Committee on Foreign Relations. I was chairman of this subcommittee. Witnesses for the State Department, the Department of Agriculture, and the Department of Interior, all testified in strong opposition to these measures. The Deputy Assistant Secretary of State for Economic Affairs Testified that: "It is hard to visualize how an operation of this nature could be 'businesslike.' "

The Assistant Secretary of Agriculture stated "we see no need" for the proposals.

On July 18, 1956, the Committee on Foreign Relations reported Senate Resolution 316. This resolution expressed the sense of the Senate that the President should explore with other nations the establishment of an International Food and Raw Materials Reserve under the auspices of the United Nations.

There was strong objection to the resolution by the administration. It was stated at the time that we should not act. The Republican administration had every opportunity to do so, but it prevented any exploration of the possibilities of the suggestion, and discouraged official discussions of it.

I might add that the mutual security authorization bill of 1956, as passed by the Senate, included a request to the executive branch to take the initiative in negotiations for the establishment of a World Food Bank or an International Food and Raw Materials Reserve. I offered that amendment. It was adopted. Due to administration opposition, this section was deleted from the bill in the conference. The administration firmly refused to act.

I may say to the Vice President that I was a delegate to the United Nations and handled the subject of international food reserves for our Government in the United Nations. I wanted an international food and fiber organization, such as the Vice President now talks about. However, the State Department, the President, and the United States delegation to the United Nations opposed it.

I went to see the Secretary of State and the representatives in the State Department and insisted that the Government of the United States quit dragging its feet on the use of our surplus foods for international purposes and to relieve suffering. As a result, a compromise was effectuated. The compromise resulted in a resolution favoring the establishment of national food reserves, with the United States pledging both food for the reserves and financial assistance to implement the building of storage facilities. Compared with an international reserve or world food bank, this was a poor compromise. Unfortunately, even this compromise plan has never been put into effect.

So I conclude in the limitation of my time. I have here the testimony of the representatives of the State Department and of the Assistant Secretary of Agriculture. They have all opposed what Mr. NIXON proposed at Minot, N. Dak.

Mr. President, we cannot work both sides of the street with honor. We cannot in Congress and we cannot in the executive branch oppose the use of agricultural commodities for a world food program and then parade out in the public domain, before the American people, and get huge headlines as if it were a brand new program and that we are for it.

Mr. President, I call the attention of the Senate to an editorial in the Washington Post this morning. It is entitled, "Surplus Food and Hunger." I am amazed. I have the greatest respect for that fine newspaper. But the editor seems to think that the concept of a strategic food reserve is new. He said it is a new proposal of the Governor of New York; that the international food and fiber organization concept is new.

Mr. President, the only thing new about this is that at long last a responsible official in the administration is belatedly getting political religion and is coming around to acceptance of these sound proposals.

Mr. NIXON today is proving that when he was a member of the Eisenhower team, he did not fight for this proposal; he did not work for this proposal. He is proving that when he is out looking for votes, when he is out promoting his own candidacy, when he is promoting the well being of his own party, he accepts these proposals. He marches out to the American people and says: "We need strategic reserves of food. We need to keep a supply of food in reserve. We need an international food and fiber reserve. We need a world food bank. We need an expansion of commercial uses of agricultural commodities. We need to expand the rural development program."

Mr. President, everything we have fought for, everything for which many of us in the Senate have worked, he now makes a part of his public platform.

I suggest that the true test of political integrity, the true test of political responsibility, when one is in a position of authority, is the exercise of that authority to fulfill his commitments. The administration has reneged on its commitments, commitments made in the campaign of 1952. An administration spokesman must now recognize either that he is playing politics with those issues today, or that the administration has been wrong during the past years.

I hope Mr. NIXON will continue to make speeches. I hope he will come to the concept of the soundness of the proposals which are being advanced by some of us. I may say that if he wants a really good speech on agriculture, I shall place one in the RECORD today. He can make this speech in Minnesota, because it went over well the last time I made it in Minnesota.

Mr. President, I ask unanimous consent that the speech I delivered to the Farmers Grain Union Terminal Association, at St. Paul, Minn., on December 15, 1953, be printed at this point in the RECORD. I suggest to Mr. NIXON that the next time he writes a speech, he should not skip some paragraphs and so leave out some of the proposals we have developed.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FARMER'S "BILL OF RIGHTS"

(Address by Senator HUBERT H. HUMPHREY, Democrat of Minnesota, at the 16th annual dinner of Farmers Union Grain Terminal Association, St. Paul, Minn., Tuesday, December 15, 1953)

Mr. Thatcher, Senator YOUNG, other distinguished guests, and ladies and gentlemen:

It is indeed a pleasure and an honor to address this 16th annual banquet of the Grain Terminal Association—a great enterprise symbolic of the growth and progress of agriculture in the Midwest, and symbolic of what farm people can do working together.

It's an inspiring and thrilling sight to look out over this vast gathering of farmers from throughout the great breadbasket of the Midwest.

This is America—the solid, determined, dependable America—the deep roots of democracy, embedded firmly in the soil.

America owes a tremendous debt of gratitude to its farmers, the farmers of the past and of the present.

Every farmer in this auditorium, yes, every farmer in the Nation, can be justly proud of the great contribution American agriculture has made, and is still making, to our country's growth and progress.

Agriculture is basic to life itself. It is the lifeline of food and fiber, without which we cannot survive.

Farmers were among our Nation's founders. They paved the way for creation of our great Nation of today, by producing in ever-increasing abundance the essentials of our survival—the food and fiber we needed for a growing and struggling nation of free people.

The struggle for food comes before all else. By the ever-increasing efficiency of America's farmers, in providing food not only for themselves but for others about them as well, they have made possible the release of manpower to create a mighty industrial as well as a rich agricultural empire in our new world.

But agriculture has contributed more than food and fiber to our Nation. It has contributed much to our basic strength of moral character, our hardiness, our respect for family ties. It has contributed our American pattern of family farming, with its broad base of independent landholders as a firm foundation upon which democracy could survive and grow.

Is it any wonder, then, that I say America owes a great debt of gratitude to its farm people?

Farmers today, however, are seriously concerned about the future. They have every right to be concerned. They see strangely familiar symptoms of economic trouble. Farm prices have been falling too far and too fast. The parity ratio—the relation of what a farmer receives to what he must pay—has gone steadily downward. It has slumped to a national average of 90 percent, the lowest since 1941. It's even lower in many States, and for many important commodities.

Farmers aren't the only ones concerned about these danger signs. The President and Congress are concerned. The business community is growing increasingly concerned. Why? Because we have learned that agricultural income and national prosperity go hand in hand. We have learned that depressions start on the farm. We have learned that the economic problems of agriculture are not just farm problems, but everybody's problems.

Agriculture is still basic to America's economy. Without a sound, efficient, abundant, prosperous agriculture, America's dynamic economy cannot long maintain its expending pace of higher living standards and greater comforts of life for all.

We have learned that lesson in the past—the hard way. We must never forget it.

There is a public interest responsibility toward agriculture that cannot be ignored.

Our Government early recognized the public's interest and the Nation's welfare in a strong agriculture, in a family-farm type of agriculture, by opening up vast public lands to homesteading in order to encourage agricultural expansion and farm ownership.

By making such opportunities available, the Nation was repaid many times the value of its investment in agriculture's future.

And, if you'll pardon an aside, I very much doubt if the moral fiber of our pioneering fathers was corrupted by accepting that homestead subsidy of free land.

As our Nation embarked upon its industrial development, it was business and industry—not agriculture—that first shunned the risks of the "free market," and asked for aid and protection by law—the tariffs, the grants and subsidies, the power of regulating production—and competition—to assure reasonable profits.

As a new aristocracy of industrial barons developed in our country, their influence upon Government resulted in public policy being designed more and more to serve their own ends—at the expense of American agriculture, and the American workingman.

Our economy grew out of balance, and weaker became the foundation upon which it all was based.

The rich grew richer, and the poor grew poorer, until the bubble had to burst.

I need not, I am sure, remind you at length of the great depression. Most of us remember all too well that tragic period in our economic and political history.

Agriculture, as usual, felt its impact first, longest, and hardest.

Agriculture was and is today the bellwether of our economy. It is where the symptoms first strike, then spread to the main streets, the factories, and the homes of all America, rural and city alike.

Out of that depression of the twenties and thirties, we learned that the cost of depression is far greater, in money and human misery, than any cost of maintaining a sound and prosperous nation.

From the despair of the great depression, agriculture united in a historic fight for rightful recognition of the importance of its role in American life. It brought forth a great concept so in keeping with the principles of American democracy that it has earned a permanent place in America's economic life—the parity concept, of equality for agriculture.

All of the efforts down through the years by our great organizations of farmers became solidly pinpointed toward one major purpose:

The clear declaration of public policy that prices and income of farmers should be maintained on a basis of parity with industrial wages and industrial prices.

None of us should ever forget the fight it took to establish the parity concept of equality for agriculture as the law of our land.

The great voices of that earlier historic battle for farm parity—the voices of the agricultural statesmen of that day, Ed O'Neal of the American Farm Bureau Federation, Louis Taber of the Grange, and yes, the great voice of your own hard-hitting Bill Thatcher—these voices refused to be silenced. They knew they were right. They knew they were not only fighting for farmers. They knew they were fighting for the sound economic welfare of America, for the country they loved.

It wasn't an easy fight. Powerful forces were arrayed against them. A strange coalition of the uninformed, the ill-advised, the men of little faith and little vision, looking backward instead of ahead, was moulded together and manipulated as a "front" against agriculture.

Let me make myself clear: Fairminded Americans—and I think most Americans are fairminded—have never been against decent prices and fair and equal treatment for agriculture, or for anyone else. But always in any society, there are a few who refuse to look beyond their own money-counting tables, regardless of the public interest that may be involved.

It is always these vocal few who raise the entirely false cry of Government interference with "free enterprise," when their own toes are stepped upon in order to assure the benefits and blessings of free enterprise to all the rest of us.

But all the misleading attempts to distort agriculture's just plea for equality failed.

We became realists about our economy, and the world we live in.

We recognized that there no longer exists a complete free exchange of goods and services, a complete "free market." Instead, we faced up to the fact that we work and live in the midst of protective regulations by Government, firm prices administered by business, fixed costs established by accepted standards of fair wages and reasonable profits in other segments of our economy. Federal reserve regulations, utility and transportation rate fixing, tariffs to protect industry, minimum wage laws, the fair trade practices act to eliminate unfair price cutting, and subsidies to shipping firms, airlines, and newspapers are but a few of many examples.

The farmer has never lost his spirit of independence, his willingness to work, and work hard.

But the world about him has changed. The ways of farming have changed. The world in which he must compete for survival has changed. Manmade changes have hemmed him in on all sides by a complex, legislated economy, in which he has too often become the forgotten man.

None of us can thwart the tide of change. The hands of Time can never be turned backward. Our task is to keep abreast of change, to keep pace with the progress and the problems it creates, and to look to the future.

If the farmer must compete in a legislated economy, to ask him alone to exist by the simple standards of a bygone generation is like asking our superhighways of today to be governed by traffic rules of the horse-and-buggy days. Only confusion and tragedy can result.

In a democracy dedicated to serving all the people, what is wrong with farmers asking the Government—their Government—to remember that they, too, must be able to keep pace with the times, and must have traffic rules that do not leave them by the wayside as everyone else zooms past on the highway of modern life and modern living?

Government—your Government—has the obligation, under our Constitution, to promote the general welfare—not the welfare of the few at the expense of the many.

Congress recognized that obligation in declaring it to be the policy of our country that prices and income of farmers should be maintained on a basis of parity with other segments of our economy. With full parity as its goal, our Government launched a courageous and historic series of national farm programs aimed at achieving that objective.

From time to time those programs have been changed, improved, and adapted to agriculture's changing needs—but always the same objective has been spelled out—the objective of parity prices and parity income.

Let me say right now, that it has taken nonpartisan support from the great farm States of our Nation to maintain our strides toward the objective, and to withstand the powerful pressure that would divert us. It has taken the wholehearted support of men who know and understand agriculture, and men with plenty of gumption to stand up and be counted—sometimes against their own colleagues—like my good friend, the distinguished Republican Senator MILT YOUNG of North Dakota. I was proud to fight shoulder to shoulder with him in the great battle of 1949 for the Russell-Young amendment, to keep our farm program from being directed away from its historic objective.

We have made progress—tremendous progress—under the stabilizing influence of our national farm programs.

Hand in hand with the concept of fair returns for agriculture came other great strides forward in American farm life—reasonable credit, sound conservation, rural electrification. We've tossed out the kerosene lanterns, and brightened the rural countryside with electricity. We've eased the drudgery of farm life by bringing the blessings of modern conveniences and modern power to the farm. We've checked the depletion and waste of America's potential productivity, by lifting the face of the rural countryside through sound conservation farming. We've strengthened the opportunities for farm ownership, by a credit structure geared to agriculture's needs. We breathed new life, new hope, new opportu-

nity into a prostrate rural America—and with it, we breathed new strength and new stability into the entire American economy.

From such gains we can never turn back. Yet the real job has just begun. We are still far from our goal, far from the original objective of equality which agriculture started out to achieve. And there are still forces at work to divert us from that objective, both through misguided differences of opinion over methods of achieving it, and deliberate intent to keep us from achieving it. Together, they make a formidable foe.

By devious means, they seek to divide and divert the farm unity of this country. They try to turn consumers against farmers, to turn farmers against labor, and labor against farmers, and to even turn farmers against farmers—to split your own household against you.

They are failing on one front. American labor is still the farmer's best friend. They are your customers, yet they know you are their customers, too. They too haven't forgotten grim lessons of the past; and they are worried about dangerous symptoms of the present. They want farmers to have decent prices and decent incomes, just as they want such goals for themselves. They know that only in a well-balanced, expanding economy, can higher living standards be maintained for all. Farmers need more of such understanding among consumers.

But the forces historically alined against you have gained on another front. They have split the ranks of agriculture itself.

At a time when unity of purpose is needed in agriculture as never before since the great crusade of 1933, new leadership of some major farm groups has wavered from the very objectives upon which their own organizations grew great and powerful. In the heat of controversy over how such objectives can best be achieved, willingly or unwillingly, they have allowed themselves to be diverted from the objectives themselves.

Where now are the voices of Ed O'Neal and Louis Taber, forceful voices crying out for full parity, for full equality of economic opportunity for agriculture?

Thank God the great voice of Bill Thatcher has never been stilled, has never wavered, has never been sidetracked from the main line of agriculture's fight for full economic equality.

You can be thankful, too, for the vigorous leadership of Jim Patton as president of the National Farmers Union.

Every farmer stockholder of GTA can be proud of the great record of achievement and service of this cooperative grain marketing organization. It has done more than serve you well. It has fought for you. Along with the Farmers Union, with which it is affiliated, it has always been in the forefront of the struggle for a square deal for all farmers.

Agriculture needs such vigorous champions today.

Agriculture would do well, today, to harken back to the wise words of Ed O'Neal in 1941, when he prophetically said:

"This issue raised is very clear * * * that issue is whether the parity objective is to be a reality for American farmers, or whether it is to be merely an illusive mirage, constantly dangled before the eyes of farmers, but which they are never permitted to attain."

Now, as then, that is the issue.

The issue is joined; the battle lines are being drawn.

On the one hand, we have those lacking faith in democracy, men of little vision and less confidence in America's ability to maintain a dynamic, expanding economy. They are the flexers, holding to a philosophy of scarcity, an outmoded philosophy of survival by jungle laws alone.

On the other hand, we have those holding firm to the conviction that government in a democracy must promote the general welfare, with equality of economic growth and progress.

Between these groups is a large segment of the American population which, unfortunately, fails to fully realize how much everyone is involved. They have taken our abundance for granted. America has never suffered scarcity. As a result, many haven't stopped to realize, perhaps, how our abundance has kept prices to consumers reasonable. A smaller percentage of our income is required to purchase food and clothes in America than anywhere else on earth, freeing more money for purchase of homes, automobiles, television sets, and other products keeping the wheels of industry and commerce spinning. All of us should be concerned about what makes that abundance of food possible. We should be looking ahead, too, at our population growth of 2,700,000 a year—new people who have to be fed and clothed and provided with jobs. They, too, have a stake in this struggle.

The issue is not whether the present farm programs are perfect.

It is whether we hold firm to the basic objective of those farm programs—the right of farmers to equal economic opportunity—while seeking to improve our means of achieving it.

The challenge is to go ahead, rather than turn backward.

With our eyes firmly fixed on the same historic goal, there is much more that we can and must do—and do now.

We must point closer to the income objectives set forth time after time in our farm legislation, the take-home pay the farmer receives. We must raise our sights, rather than lower them, toward effective devices to achieve full parity.

We need to extend price protection to the major income-producing perishable commodities, as well as the storage products. To achieve such price protection, we must use the methods or combination of methods most effective for each commodity. A diversified agriculture may call for a diversified approach. On those commodities where the price support system has worked well, both to the benefit of the producer and the consumer, let there be no tinkering or tampering. For those commodities, particularly in the perishable field, where experience may reveal the need for improved methods of price protection, let us have the courage and the imagination to try new methods. This is within the American spirit. We are not hidebound by doctrine or theory. We are a practical people. As such, all of us want to see food used, not wasted.

We need longer-range assurance of stability for agriculture. The American farmer justly deserves a long-range policy he can depend upon. Temporary extension of legislation, year by year, does not represent a policy; it represents only expediency. Constant uncertainty as to the long-range agricultural policy is within itself a source of instability within the marketplace. Farmers must not be left to the discretionary whims of any Secretary of Agriculture. Discretionary authority will always mean indecision and uncertainty; mandatory protection under the law means certainty and stability. The time is at hand to quit treating agricultural policy as if it were a biennial political football, to be kicked around every election year.

Effective price protection, of course, is just a foundation.

We need to develop new outlets and uses for our food and fiber. We need to learn to live with abundance, and use it wisely for the greatest good of humanity. To protect and expand areas of freedom in this world, we must think of full stomachs as well as full cartridge belts.

We need expanded international trade, but we need, at the same time, commonsense protection against certain groups of farmers having to suffer economic losses amounting to more than their fair share of the burden of maintaining our foreign trade policies. I refer specifically to the increasingly serious problem of competing barley, rye, and oat imports from Canada. I want to commend both Senators Bill Langer and MILT YOUNG for their leadership in seeking the proper use of the protective administrative devices Congress has had the wisdom to provide for such a situation, a fight in which I have given my wholehearted support.

We need assurances that production restrictions shall not be placed upon any important food commodity at any point below the total of domestic consumer need, plus normal exports and an adequate safety reserve, including a special reserve for use in strengthening our foreign policy. In acreage restrictions on wheat, we need recognition of the differentials in types and qualities, some of which are in short supply while others are in surplus. Wheat is not just wheat; it has many varieties used for different purposes. Durum is an example of a variety of which we need more, rather than less.

We need adequate incentive premiums to convert diverted acres under production restrictions to soil-building conservation practices, rather than to other competing and soil-depleting crops.

We must make greater progress in conservation. We must harness the destructive force of excess water, and convert it to constructive use. We must extend rural telephone service to farm homes of America, just as we have extended electric lights and power. We must continue our progress in research and marketing efficiency.

Obviously, there is much that can be done to improve our farm legislation—without taking away any of the advantages it now offers. It is in that spirit Congress must approach its task of writing firm, constructive, long-range farm legislation at its forthcoming session. And, it is in that spirit, I am sure, that my Senate colleagues of the great agricultural Midwest and South will stand firmly together, regardless of party.

American agriculture, at long last, has come of age.

It accepts responsibility to be concerned about the well-being of all the American people.

Farmers ask only what is rightfully theirs, by their heritage as American citizens: The right of equal treatment and equal respect, under the law of our land.

I know that is your conviction. I know it has long been mine. But it is time that all the American people recognized and accepted that right of equality for agriculture. It's time they accepted it as in the best interest of the entire Nation—not just for the benefit of farmers alone.

Tonight marks the 162d anniversary of our Nation's Bill of Rights. As a nation, we are dedicated to preservation of these rights of all the people, rights we hold to be inalienable. We guard and protect these rights zealously. They are the very cornerstone of our democracy.

But, perhaps it is time that we, as a nation, also dedicate ourselves to preservation of certain rights for the American farmer, as the custodian of the very basis of our national life.

I propose as a standard from which agriculture should never again retreat this "farmer's bill of rights":

1. The right to full equality of economic opportunity.

2. The right for improved standards of rural living.

3. The right of reasonable protection against natural hazards.

4. The right to extend agricultural free enterprise through cooperative action.

5. The right to public cooperation and assistance in saving the soil.

6. The right to preserve the social and human values of family farming.

7. The right to decent land tenure which would encourage the desirable goal of farm ownership.

8. The right to a democratic voice in his own farm programs.

9. The right to benefits of an expanding world trade.

10. The right to a long-term program of food storage to encourage abundance.

Much could be said about each of these fundamental rights for agriculture. They involve the right to a fair share of the national income for agriculture through more reasonable assurance of fair rewards and adequate incentives for those who efficiently and abundantly provide for the food and fiber needs of the Nation. They mean modern schools, roads, housing, and health facilities and services in rural areas, equal to those afforded city folks. They mean protection against forces beyond agriculture's own control, through adequate farm credit facilities geared to agriculture's needs; through crop insurance, within the farmer's ability to participate; through disaster aid when needed to protect both the public and the individual interest; and through price support programs designed to contribute stability to our entire economy, and to protect the farmer from being left at the mercy of speculators.

The bill of rights for agriculture means the right of farmers to self-help through forming cooperatives for marketing farm products, purchasing farm supplies, and providing essential services, such as extending the benefits of electricity and telephones in rural areas, with legal protection against efforts to curtail the effective functioning of such farm cooperatives. They mean the right of aid in conserving the Nation's agricultural resources—our productive lands, water supplies, and forests—so that these resources will be permanently useful for the benefit of generations to come.

They mean adequate landlord-tenant arrangements for sharing the income that the soil produces, with adequate opportunity for tenants to advance up the ladder toward farm ownership. They mean an effective voice for the farmer in his own destiny such as farmer participation in both administration and development of farm programs through democratically elected farmer committeemen, and self-determination of the needs of adjusting production to a reasonable balance with demand through voluntary farmer referendums. They mean facilitating the flow of farm exports to broaden the base of our farm economy.

The farmer's bill of rights means greater public recognition of the wisdom and necessity for maintaining at adequate levels our storage food banks of feed and food reserves safeguarding the Nation from any eventuality. They mean public policies making more effective use of the abundance farmers are capable of producing, policies enabling the farmer to see his food used wisely, rather than be wasted; to see the output of his land and his toil make its utmost contribution toward stamping out hunger and deprivation at home and abroad, and serving as the humanitarian arm of the Nation's foreign policy, in our efforts to create a better and more peaceful world.

These, I believe, are basic rights of American agriculture.

They are not new rights. They are not rights of special privilege, gained through misuse or abuse of tremendous power over the lifelines of the Nation's food supply.

Rather, they are rights of historic precedent, earned by the great and continuing contribution of agriculture to American life—the fulfillment of the Nation's needs in peace or war, in good times or bad, at personal profit or personal loss.

They are rights set forth as public policy, time after time, in the objectives of legislation enacted by the Congress of the United States.

They need reiterating now only as a guiding beacon of light, cast upon the darkness of confusion surrounding current controversy over America's farm policy.

They must be just as zealously guarded, against forces which seek to destroy them, as we guard other historic rights, privileges, and responsibilities of freedom in our democracy.

That, I believe, should be American agriculture's rallying point for unity today—and the Nation's challenge to fully exemplify the meaning of democracy as equal opportunity for all.

Mr. BUSH. Mr. President, I have listened with interest to the distinguished Senator from Minnesota. I have listened to many assaults on Mr. Benson, the Secretary of Agriculture, during the past few years. As one who has always admired Secretary Benson as a thoroughly honest and devoted public servant, I reserve the right to disagree, and do disagree, with the assaults which have been so frequently made upon him.

In order that those who may read today's RECORD and may observe the speech made by my distinguished friend, the Senator from Minnesota, may also have some idea of the agricultural accomplishments under the Republican administration from 1953 to 1960, I ask unanimous consent that a statement under that title, by the Senator from Vermont [Mr. AIKEN], be printed in the RECORD following these remarks. The Senator from Vermont is the ranking Republican member of the Senate Committee on Agriculture and Forestry.

The PRESIDING OFFICER. Is there objection?

Mr. CASE of South Dakota. Reserving the right to object—although I do not intend to object—let me say that I hope the Senator from Connecticut will permit me to observe that I listened quite closely to the remarks of the Senator from Minnesota; and I came to the conclusion that if Mr. NIXON is elected President of the United States, Mr. Benson will not continue as Secretary of Agriculture.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AGRICULTURAL ACCOMPLISHMENTS UNDER THE REPUBLICAN ADMINISTRATION, 1953–60

(By U.S. Senator GEORGE D. AIKEN, of Vermont, ranking Republican member, Senate Agriculture and Forestry Committee)

1. Total agricultural assets are at an all-time high of $208.2 billion as of January 1, 1960.

2. Owner equities on January 1, 1960, were $37 billion above January 1, 1953, and hit a new peak of $184.2 billion.

3. Farm ownership is at a record high, and there is a smaller proportion of tenants than ever before.

4. Farm foreclosures are near an all-time record low.

5. Total financial assets of farmers, including farmer cooperatives, have risen from $16.7 billion in January 1953, to $19.4 billion, January 1, 1960.

6. Farm debt amounts to only 11½ percent of the value of farm assets.

7. The standard of living on farms is the highest in history, measured in terms of electrical appliances, automobiles, and other conveniences owned by farm families.

8. Repeal of Federal taxes on gasoline used in tractors and other machinery saves farmers $60 million a year.

9. Farmers in 1954 were benefited by the largest tax reduction in history.

10. Per capita farm income rose from $838 in 1950 to $960 in 1959.

11. Well-administered emergency livestock feed programs have helped farmers and ranchers overcome effects of drought, floods, and other natural disasters.

12. Approximately $600 million a year has been extended in disaster and drought aid since 1953. Such aid enabled families to stay on the land.

13. The Water Facilities Act was amended to provide for direct and insured loans for certain soil and water conservation activities in all States to conserve the Nation's water and soil resources. Prior to this amendment, the act had applied to 17 western States only.

14. Upon the Republican administration's recommendation of July 31, 1953, Congress authorized (in the Watershed and Flood Prevention Act of 1954) State and local agencies to undertake flood-prevention work and agricultural phases of water management in watersheds.

15. Legislation has been passed which has held down the accumulation of surpluses by the Government by an amount estimated to total $14 billion through adjustment in price supports, Public Law 480, and the soil bank.

16. A major reorganization of the Department of Agriculture was effected in 1953 to improve the quantity and quality of its services to the farmer.

17. The bipartisan National Agricultural Advisory Commission was established in 1953 to review agricultural policies and work with the administration in developing and administering farm programs.

18. Social security coverage was extended to farmers in 1954, ending 19 years of discrimination.

19. The Rural Electrification Administration continues to meet the growing demand for electric and telephone service in rural areas, including the expanding needs of rural industry. More than one-third of all REA electrification loans have been made since January 1953. During this 7½-year period, about 925,000 new consumers have been added to the lines of REA-financed electric systems. In calendar year 1959, five out of six of these were nonfarm consumers. An estimated 1 million subscribers have received new or improved telephone service since January 1953 as a result of the REA telephone loan program. Electric loans in fiscal 1960 amounted to more than $200 million; telephone loans exceeded $100 million.

20. The rural development program is raising living standards of those on the lowest rung of the economic ladder through the cooperation of the Federal Government and local authorities and private leadership. Work is progressing in 30 States and Puerto Rico.

STABILIZATION

21. The payment-in-kind export program for grain and cotton came into being in 1956 and 1958. This program resulted in higher prices to producers. This also resulted in fewer commodities coming to CCC—a saving to the Government.

22. The new uniform grain storage agreement rates in effect July 1, 1960, will mean saving between $85 million and $100 million yearly. The 19-percent lower storage rates generally represent a net saving to farmers who use commercial facilities.

23. More than $20 billion worth of food and fiber was moved out of storage and into use at home and abroad in less than 7 years

through disposal programs designed for the needy and drought and storm relief and to help the free nations throughout the world.

24. More than 28 million acres of farmland have been taken out of production by the conservation reserve program of the soil bank and put to soil conserving uses. These acres would have otherwise added to surpluses, whereas participating farmers are now adding to their income, thus making unprecedented strides in the conservation of soil, water, forests, and wildlife resources.

CREDIT

25. Total credit extended farmers by the Farmers Home Administration during fiscal 1960 is estimated at $310 million, compared with $228.7 million in 1953. Arrangements were made in 1959 for FHA credit to more fully meet the needs of part-time farmers. Loans totaling $12 million will be made in rural development counties in 1960; the 1959 total was $10.2 million.

26. The agricultural credit system was made more responsive to farmers' needs. The Farm Credit Administration was made an independent agency.

EXPORTS

27. The food-for-peace program was set in motion by President Eisenhower and is enabling the United States and other food-exporting nations to better share their abundance with people in the free world. It is helping to feed hungry people, is supporting economic development of friendly countries, is providing additional outlets for U.S. farm production, and is helping to develop future markets.

28. Exports of farm commodities grew from $2.8 billion in 1953 to an all-time high of $4.7 billion in fiscal 1957, and for the past 3 years have averaged about $4 billion per year. Exports in fiscal 1960 are estimated at $4.5 billion, the second highest total on record.

29. The agricultural attaché system was returned to USDA from the State Department to make more effective efforts to expand foreign markets for farmers.

FOREST SERVICE

30. Operation Outdoors was set up to expand family recreational facilities in the national forests. In 1953, 35.4 million people visited the national forests; in 1959 the number was 81,521,000. The Forest Service has built 7,036 new family units for camping and picnicking and rehabilitated 8,973. It has also built 23 new winter sports areas, 38 new swimming places, and 10 new organization campsites.

31. A new milestone was reached by the Forest Service in 1959 when for the first time 2 billion trees were planted, double the 1958 record.

32. Timber cut in national forests is at the rate of 8.3 billion board feet, the highest on record. The yield of the national forests is being sustained and constantly increased. The income from these sales largely offsets the cost of running the national forests.

33. National forest receipts passed the billion dollar mark in 1958. It took 50 years to collect this amount from use fees and the sale of forest resources. In 1959 receipts hit $142.7 million. At this rate it will take less than 10 years to collect the second billion dollars.

34. Progress has been made in reducing forest fire losses and in 1957 they were reduced to an alltime low.

MARKETING

35. The special milk program was inaugurated in 1954. The program in 1960 operated in 83,000 schools and child care institutions, where nearly 2.4 billion half pints of milk helped improve diets of our children.

36. The school lunch program absorbs large quantities of plentiful foods and improves diets of 13 million participating children. Fiscal 1960 purchases totaled $540 million. Complete meals in 1960 were increased more than 1 billion over the 1 billion served in 1951.

37. About 60 million people in 82 foreign countries have been receiving food and fiber donated by the United States. Over 4 million American people are sharing in our abundance through donations of surplus foods.

38. In periods of oversupply, 906 million pounds of meat products, poultry, and eggs worth $388 million were bought for the school lunch program, welfare institutions, and needy people. Cattle, hog, poultry, and egg prices were thus bolstered without the Government getting into the meat business.

39. Producers of dairy products, one of the mainstays of agriculture, will receive estimated cash receipts of $4.7 billion in 1960, an alltime high.

40. A major consumer health protection measure, the Poultry Products Inspection Act, went into effect January 1, 1959. During the first year nearly 5 billion pounds of poultry were examined and certified as wholesome.

RESEARCH

41. Appropriations for agricultural research have been increased by 117 percent since 1953. Much of this has gone into successful research to find new uses for our farm abundance, and to develop new crops for current needs.

42. Research workers in 1959 discovered the mechanism of plant growth. In a major breakthrough they isolated a pigment that controls germination, flowering, and seed formation.

43. Important new facilities were established to insure future agricultural progress and livestock health. Among these is the Plum Island Animal Disease Laboratory, Long Island Sound, where diseases foreign to our country are being studied for control purposes. Native diseases will be studied at the new National Animal Disease Laboratory at Ames, Iowa. Victories have been registered in the battle against two serious livestock diseases—screw-worm infestation in cattle in the Southeastern United States and vesicular exanthema in hogs.

44. New concepts in eradication of insect pests have resulted from the successful use of radiation in the sterile-male method against screw-worms in Florida.

45. Success was achieved in the campaign to help wipe out an outbreak of foot-and-mouth disease in Mexico which, had it spread, would have meant incalculable losses for United States stockmen.

46. The drive to eradicate brucellosis from the United States passed a milestone in June 1960, when New Hampshire became the first State completely free of the disease. Twenty-four other States have almost eliminated the disease. (Brucellosis is a primary threat to the Nation's cattle; in man it is known as undulant fever.)

SOIL CONSERVATION

47. The Great Plains conservation program was established in 1956 and is operating in 351 countries. A total of 12 million acres was covered by cost-sharing contracts as of May 1, 1960. The long-range purpose is to minimize drought, flood, and wind erosion damage in the western States once embraced in the Dust Bowl.

48. The number of soil conservation districts assisted in 1959 totaled 2,865 compared to 2,493 in 1952. The land of 21 States, Puerto Rico, and the Virgin Islands is covered by soil conservation districts.

49. In recognition of the Nation's mounting need for water conservation, this Department has stressed protection of watersheds. As of June 1, 1960, 236 local watershed projects in 45 States were receiving assistance. Authorizations for planning assistance had been extended to 549 projects in 48 States.

50. The importance of water to farm and city people has been stressed by this administration. The first Soil and Water Conservation Advisory Committee was established, and meets regularly to plan for the future.

51. The internal revenue law was amended to permit farmers and ranchers to deduct from their taxes expenditures made for installing certain soil and water conservation practices.

Mr. DIRKSEN. Mr. President, I say this in the politest way and with the greatest courtesy and respect; but a fascinating fulmination of this kind by my distinguished friend, the Senator from Minnesota, on the farm issue, intrigues me no end.

When I heard that the Senator from Minnesota and I were to engage in debate today on this subject, I thought that, like two valiant gladiators, we would exchange thrusts and would parry off the blows and would shake the world with some hard and enduring truth.

But, Mr. President, I am a little disappointed.

First. The Senator from Minnesota mentioned the fact that, contrary to what the Vice President may have said, a Democratic Congress had passed five farm bills. Certainly the Vice President has taken that into account, because in his statement he said:

> Putting it bluntly, there has been a political stalemate between the administration and the Congress over the past 5 years.

Farm bills have been passed, and then they were vetoed; and then they came back to Congress, and then there were not sufficient votes to override the vetoes. That is a peculiar situation, particularly in a Congress of this kind, where there are two troops on that side for every one we have on this side. They do not need any votes from this side, but we must keep all ours and must have all of them in town all the time in order to sustain the President's veto.

So evidently these agricultural programs were not so prizeworthy or so world shaking that they could command enough support in a Democratic-controlled Senate or House to get by the President's veto.

The Vice President has justly dealt with that situation, and has not gone beyond the record.

My distinguished friend, the Senator from Minnesota, stated that the Vice President went to North Dakota, to aid a Republican candidate. Well, certainly he did not go to North Dakota to hurt him; that is for sure. But we should mention the fact that the distinguished Senator from Massachusetts [Mr. KENNEDY], who is a candidate, also went to North Dakota—unless I have misread all the contemporary press. No one quarrels about that.

My regret is that I could not disengage myself from all this business long enough to go out and help the candidate in North Dakota—assuming that he would like to have me come. I am not at all sure that he might. But assuming that he would, and assuming that I could have gotten loose, I would have been glad to go.

I am informed that the distinguished Senator from Missouri also went. So the score is 2 to 1.

We have been very modest about it; but that is all part and parcel of the political atmosphere in which we live.

The Senator from Minnesota mentioned industrial research. I have to ask my distinguished friend, the Senator from North Dakota [Mr. YOUNG], who is something of a mentor to me on matters agricultural—except when I disagree with him. But it seems to me there have been requests from the Department of Agriculture for funds for industrial research. The Senator from North Dakota serves on the Appropriations Committee and on the legislative Committee on Agriculture and Forestry. I shall ask my distinguished friend from North Dakota what happened to those requests by the Department of Agriculture for adequate funds with which to deal with industrial research.

Mr. YOUNG of North Dakota. As a frequent critic of Secretary Benson, I wish to say this to his credit: I do not believe any Secretary of Agriculture in the history of the United States has done more for research than has he. For most if not all of the last 7 years the Congress has refused to appropriate all of the funds for industrial research and other research requested by the Secretary of Agriculture.

Mr. DIRKSEN. Mr. President, there are only one or two other allusions I wish to make.

In his speech in Minot, N. Dak., the Vice President alluded to what the platform committees will do when they deal with the agricultural planks. Then the Vice President said:

> Before doing so, I should like to state my basic attitude toward this and other problems confronting the Nation today. It would be easy for me to make promises to America's farmers that I knew I could not keep, to advocate programs that I knew wouldn't work, or to put forth proposals that I was sure the Congress would not adopt.

Mr. President, if you can find for me in the English language words that could more candidly express the attitude of a candidate than those, I do not know quite where you would find them.

The Vice President went on—and I think the statement he made was a very fair and equitable one. He said:

> From a purely political standpoint, it might be enough for the Democrats to blame the program on the Secretary of Agriculture and for the Republicans to blame it on a Democratic Congress.

That is one of the niceties about this thing: We can throw our charge at Ezra Benson, or we can throw it at the other side, and they can throw it at us. After all, they are permitted to do so.

It reminds me of a story about a young private who was in a plane over the Korean front for the first time, flying his first mission, along with a tough, old sergeant. As the enemy flak began to go through the fuselage of the plane, the young boy, getting his first baptism of fire, turned white, and began to cringe, and said, "Sarge. Sarge. They're shooting at us."

The old sergeant said, "Sure; they're allowed to."

So in this business one is allowed to shoot; and I am always glad when my friend, the Senator from Minnesota, takes off on this subject. But we always have to roll him back a little and provide the record.

The Vice President said:

> I think the American farmers and the American people deserve better than patent demagogery and political fakery.

Mr. President, that is a good, rugged statement, and I stand by it. The American farmer does deserve better, because there is no question but that for years we made a political football of the farm problem.

I ask the distinguished Senator from North Dakota whether there is any politics about a bushel of wheat or corn. I do not know that any one of these bushels is either Republican or Democratic. Of course, it is neither; there is no politics about it. So we ought to spend most of our time on a keen economic approach and an analytic endeavor to find the answer, instead of scolding all up and down the line, fulminating against Benson, fulminating against the Vice President because he went to Minot, N. Dak., and then, of course, scolding a little because it would appear that we might have borrowed an idea from the other side.

I think the Senator from Minnesota ought to get up today and just praise the Vice President to the sky. He should say, "Here is a man of humility. Here is a man with candor and understanding. Here is a man of open heart, because he saw a good idea that maybe somebody advanced some time ago on this side, and suddenly we find he adopts it. That shows the breadth of his understanding. It shows the extent of his political forbearance, a man of great heart, a man of candor, eminently qualified, by every moral and spiritual yardstick, to be a great President of the United States."

Instead of that, he scolds him for having borrowed this idea. Goodness me, I go around borrowing ideas. I do not always remember the source; but if the idea is pretty good and I cannot remember the source, I borrow it, anyway.

We speak about Public Law 480. The Vice President mentions it, and what we must do in order to expand operations in this field. So that brings into view the question of who was the original parent of the old Public Law 480 idea.

You know, Mr. President, I am the modest and shy type. I do not claim much parentage over legislation. I am afraid if they ever read the RECORD on me back home and say to me, "What did you put on the law books?" the chances are I shall say, "I spent most of my time keeping bad legislation off the law books and taking off those books some that already got there." If anybody ever wants to erect a monument to me, let him do it on that basis, rather than on things inscribed on parchment for which perhaps I would have no pride some years later.

Referring to Public Law 480, I see the Senator from South Dakota [Mr. CASE] present in the Chamber. He had a great record in the House of Representatives. He is a great student. He comes from South Dakota, the neighboring State to which Mr. Symington, and Mr. Kennedy, and the Vice President, and Mr. Rockefeller all journeyed. I should say to my distinguished friend, MILT YOUNG, you are being honored in 1960. I hope you will invite me to join the galaxy. If I can find time, I shall come out there, and course up and down the great spaces of North Dakota, where the air is clear, where there are no exhaust fumes from automobiles, where, if one learns abdominal breathing, he can breathe deeply. They live longer out there.

It comes to my mind it must have been 7 or 8 years ago that the Senator from South Dakota [Mr. CASE] came up with the idea of the matter of foreign currencies in connection with a situation which existed in Korea at the time. He is a modest person, but I am going to ask him to say now what that situation was out of which the whole foreign currency idea came.

Mr. CASE of South Dakota. Mr. President, I think the Senator from Illinois probably is overly generous. The Public Law 480 idea was based on the idea of selling surplus commodities in exchange for foreign currencies. The junior Senator from South Dakota, as a member of the Armed Services Committee, early in 1953, I believe it was, heard General Van Fleet tell about the distressed conditions in Korea, where there was a shortage of food and an abundance of paper money. The price of food was skyrocketing because the Korean farmer had become a soldier. General Van Fleet said the Chinese war prisoners were being fed a better diet than the Korean soldiers were getting. It occurred to me to ask him why that was. He said it was because, under a Geneva Convention, we had agreed that prisoners of war should get a diet that was not less than what the lowest ranking soldier would get. We were seeing that the prisoners of war were well fed, and we had no responsibility in that regard toward the Korean soldiers.

I introduced a bill which proposed that we sell Korea some of our surplus commodities and take their paper money, with the idea of using the Korean money afterward to employ soldiers, after the war, to rebuild the economy of Korea by building roads, and so forth.

So far as I know and understand from research in the Congressional Library, that idea was the first proposal that surplus commodities be sold for foreign currencies. The idea was picked up and incorporated in a bill in which several members of the Agricultural and Forestry Committee joined, which was the bill that became Public Law 480.

Mr. DIRKSEN. Now I am going to ask the distinguished Senator from North Dakota whether it is or is not a fact that the Senator from Kansas [Mr. SCHOEPPEL] probably formalized these proposals out of which distribution of food surpluses for foreign currencies come.

Mr. YOUNG of North Dakota. Yes. Public Law 480 was one of the best farm programs ever enacted by Congress. The first sponsor was the senior Senator from Kansas [Mr. SCHOEPPEL], and I believe it was cosponsored by practically all, if not all, of the members of the

Senate Committee on Agriculture and Forestry, including myself.

Mr. DIRKSEN. There is no further response necessary, but I want to borrow a leaf from the page of the book of the Senator from Minnesota. His State almost became my second home, because I went up there and enrolled at the University of Minnesota. I fully intended to stay there, graduate from law school, hang out a shingle in Hennepin County, in Minneapolis, and engage in the practice of law. The war intervened and took me off the campus. So one never knows what is going to happen to him in this world. That is the reason why I have such an affinity with the Senator. It makes us kinfolks. That is why my affection for him is as high as the sky and as deep as the sea. That is why we could take a leaf out of his lesson book.

He was scolding because all this was done and had been announced to the whole wide world, and evidently the world has been niggardly in its approbation and credit. The distinguished Senator from South Dakota pioneers an idea. It points up one weakness we have. The distinguished Senator from Kansas visualizes a great idea. The distinguished Senator from South Dakota has been giving great leadership in the farm field. But, somehow, we just have not bragged about it. We have not boasted about our ideas and our achievements in that field at all. We have that necessary fecundity of imagination to pioneer a program, but we are the shy and retiring type. We are forever hiding our light under a bushel. But it seems to me there is a Scriptural admonition not to hide one's light under a bushel. So let the lights be pointed upward. Let them shine brightly so all the people can see them. Before election day they will be advised where the real imagination, the real courage, the real achievement in the whole farm program happens to be.

Then, of course, our brethren on the other side can ventilate their frustration to their hearts' content.

I think my beloved friend is a little frustrated. Think of it—five farm bills and five vetoes, and then not enough Senators, even on his own side of the aisle, to override a veto. Of course, that is likely to engrave frustration on even the most redoubtable person.

He is a humble fellow. I love him. I salute him. I trust as he goes forward he will pin the accolade on the Vice President and say, "A noble person with great grasp, deeply unselfish, because when a great idea comes along which is in the interest of the country he does not have the slightest hesitancy in applying his efforts for the good of the people and for the good of agriculture."

So, for a moment, I think we shall let the case rest. Mr. President, I yield the floor.

Mr. HUMPHREY. Mr. President, I sit here in amazement and wonderment at the unique ability of the distinguished minority leader, a gentleman for whom I have sincere affection and friendship. I cannot help thinking of what a tremendous impact he could make if he had a good case. Really, based upon the threadbare material with which he has had to work, namely, the record of this administration in the field of agriculture—he has been entertaining at least to his own political kinfolk. I have noticed the cheering section which was generously and, I am sure, carefully arranged. I noticed that the questions and answers, if not well rehearsed, at least had the appearance of spontaneity.

I feel we ought to compliment the minority leader. I have great respect and admiration for his qualities of rhetoric and elocution. He presents an argument which is smooth, soothing, and mellow—but not convincing. Were he selling some delicacy, I think he would present a master job of salesmanship. It is sweet. When one listens to it, it sounds very entrancing and it sounds very engaging. The only trouble is that when one reaches out to touch it, it is like the candy floss at the county fair—it simply is not there. It has the appearance of substance, but it fades away under careful examination.

I will say to my good friend the Senator from Illinois——

Mr. DIRKSEN. Does the Senator mind if I come to his side?

Mr. HUMPHREY. Please come over. Please come over. [Laughter.]

I will say to the Senator, there is more rejoicing in heaven over the repentance of one sinner than for a meeting of the faithful. If this is an indication of any degree of repentance of action, then in truth we are delighted. Even if it does not so indicate, we are delighted to have the Senator on our side, because he is a fine gentleman.

Mr. President, the Senator from Illinois has given us a good dissertation upon history. It was sketchy. It was not in detail. In terms of the broad sweep of history of the last decade, it had a degree of relevancy.

The Senator has gone into the parenthood of Public Law 480. I am forced to say that historically his findings are within a degree of being factual, except that there were a number who were claiming the child.

I wish to say, however, there were others of us in the fight. For example, my colleagues will recall that in 1953 I presented to the Committee on Foreign Relations a proposal for the use of soft currencies for the purchase of American surplus foods under the Mutual Security Act, at the time when Mr. Stassen was the Director of what was called the Foreign Operations Administration. I had Mr. Stassen's office prepare the amendment I suggested. When I brought it to the Committee on Foreign Relations, immediately there was a great protest that the administration opposed it. I pointed out that it had been prepared by one of the officers of the administration. There was a special meeting of the Committee on Foreign Relations, to see to it that the amendment was not attached to the bill.

This was during that short period of time when the Republicans were in control, in the 83d Congress. It was a very brief interlude in the progress of this Nation.

I wish to make it crystal clear that no Democratic bill was ever reported during that time. A Senator could introduce any bill he desired, but it was reported under the name of a member of the Republican Party, which was then the majority party. That is as it should be. I am not complaining about that. At the present time we are not quite that disciplined in our action.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am delighted to yield. It is a pleasure.

Mr. DIRKSEN. I may be called away from the Chamber before this fascinating dissertation comes to an end, but I always think about Ezekiel, the great missionary. After the Lord taught him to see the light he said he went among the people and, "I sat where they sat."

I am something of a missionary in this field. Of course, when I go out upon a missionary journey I have to go where there are sinners, so I came to this side of the aisle. [Laughter.]

Mr. HUMPHREY. I wish to say to this modern day Ezekiel that he did not need to leave the promised land on the other side of the aisle. There were plenty of cash customers on his side of the aisle, before he came to work these precincts. Nevertheless, we are delighted to have the companionship of the minority leader. I repeat, we respect his capability, his qualities, and his ability to do well with a limited case.

I also compliment the minority leader for another thing. I always like to listen to his stories, even when they are not pertinent. [Laughter.]

I believe that Congress needs a light touch occasionally, a demonstration of a sense of humor. The minority leader has done us a great favor. It is particularly helpful for him to tell a story when there is nothing else to say. It has a way of taking one's mind off the subject matter, if there is a subject matter. In this instance, the minority leader has done well.

We give the minority leader an "A" in history– no, a "B" in history. He did not tell all of it.

We give him an "A" in story telling. He has been superior, excellent, smooth, and soothing in elocution, in rhetoric, in diction, and in oratory.

However, when it comes to the record, he fails. Zero. The reason he fails is that the record of the administration is best described by the Vice President's own statement, which was quoted by the minority leader. I ask Senators to listen to the quotation from Mr. NIXON. He ought to know about the subject, because he and others have been the practitioners of what I am about to quote:

> I think the American farmers and the American people deserve better than this kind of patent demagogery and political fakery.

That is the epitaph which will be put upon the political tombstone of this administration, "Here lie those who were past masters of demagogery and political fakery, at least as they relate to the farmers."

Who promised at Kasson, Minn., that farmers should have 90 percent of parity? Who was it who promised not only 90 percent of parity but also 100

percent of parity, and then added, in small print, as to the 100 percent of parity, "in the marketplace"?

Who said, from the public platforms, "The Democrats are giving you too little."

Who was it who made the golden promise? I say that Adlai Stevenson was outpromised 10 percent in one afternoon before 100,000 farmers in southern Minnesota.

Who was it who broke that promise? It was this administration.

Who was it who said that Secretary Benson was one of the greatest Secretaries this country ever had?

I repeat, Mr. President, I have not been assailing the Secretary of Agriculture this afternoon. I have been praising him for pulling to his bosom the Vice President of the United States and saying, "This is one of our men. This is one of the architects"—as he said—"of the administration policies."

Mr. NIXON said in 1954 at Des Moines, Iowa, on April 21:

> I predict that the verdict of history will be that the Secretary of Agriculture Ezra Taft Benson has been one of the greatest Secretaries of Agriculture in our history, and that he was the friend of the farmer in the program he advocated and put into practice.

Mr. President, where was the Vice President of the United States when the Senator from Montana [Mr. MURRAY] was fighting for, working for, testifying for and arguing for his international food and fiber program? Where was the Vice President of the United States when the Congress put into action by law the request to the administration for a plan and legislative recommendations for a national security reserve. Where was this articulate, courageous, statesmanlike gentleman?

The minority leader said of the Vice President:

> Here is a man of humility. Here is a man of candor. Here is a man of open heart.

But was he a man who told the truth about agriculture? The Vice President has spoken up on any issue at any time he wished to. He has spoken on all sides of it. The Vice President did not lift his voice for a single one of the measures in behalf of which he now goes to the peoples of North Dakota, South Dakota, Minnesota, and all the other people of the Nation. He did not lift his voice for the World Food Bank. He did not say a word for industrial uses of agricultural commodities.

I will not let the Republican administration off the hook on this subject. They claim they have asked for greater funds for industrial use research. But the fact of the matter is that the Committee on Agriculture and Forestry and the U.S. Senate have approved legislation in this area, saying that the Research Service of the Department of Agriculture has not done an adequate job in research on the industrial uses of agricultural commodities, and the administration has opposed the legislation. Nobody knows that better than the Senator from South Carolina [Mr. JOHNSTON] who was the main author of this bill, and, may I add, the distinguished Senator from Indiana [Mr. CAPEHART], who on two occasions, I recall, has also sponsored legislation in this area, and I compliment him for it.

Mr. President, the Secretary of Agriculture of this administration has fought against strategic food reserves while talking always about surpluses, surpluses, surpluses. Now the Vice President has gone into North Dakota, where there are great farm people, and said:

> We need a year's food supply.

I say that the Vice President of the United States was mighty late in his conversion to truth. Of course, one should not be too critical. Perhaps I should be praising him. I shall praise him.

But I will also say that the United States of America cannot wait 8 years for a man to find out what he should know in the first year. The United States of America cannot wait for the next 8 years, if a Republican is put in the White House, to find out what all other people already know. The United States of America cannot afford to have a President who catches on only after a need has been written into law, ignored by his administration, and then, when he is fighting for his political life out on the hustings, talk about demagogery.

The true test of political leadership is whether one acts when he is in a responsible position.

The true test of political leadership is not the speech on the stump but the work in the office.

The true test of political leadership would have been passed by the Vice President if he had spoken out in the election year of 1954 when we were fighting for a world food bank. Did he speak out? No. He supported the administration.

Did he speak out in favor of strategic food reserves in 1956 when he was on the ticket as a Vice Presidential candidate? No. He supported the administration's position.

What have they done about rural development in the counties of marginal agricultural production? There have been only 30 counties in the whole United States since 1955 under the program, he says it is a success that may be expanded a little.

The record speaks for itself. Any time that my Republican colleagues wish to campaign for reelection by the American people on the issue of agriculture, we welcome the challenge. What a joyful experience this will be.

And I welcome the Vice President of the United States into a belated acknowledgment of some of the economic facts of life. If he believes what he now says, then indeed he ought to apologize for what he has failed to do, because the greatest sin is not the sin of commission, but the sin of omission. At a time when American agriculture has suffered, when it has lost over $20 billion in income, when thousands of farmers have been driven from the land, when mortgage indebtedness has skyrocketed, when farm people have been put through the economic wringer, where has Mr. NIXON been? He has been supporting policies of economic oppression. He has been supporting economic injustice. Now when it looks as if he might have a chance, at least, to be on the ticket, he is out telling the people of America of the wonders of the new findings of this administration. He now says that he is going to recommend this program to the Republican Platform Committee.

All he will have to do is to take the Democratic Platform of 1956, have it copied, and sent airmail-special delivery, and we can predict the result. It will be there too late, and they will be able to do with this what they have done with other good recommendations—write it into the platform; ignore it in action.

I think the Vice President's speech has been adequately analyzed. While it had the interesting quality of being all things to all people, it had very little to offer except that which my colleagues in the Senate have already offered and which this administration has rebuked, vetoed, refused to act upon or shunted aside. That to me is not a demonstration of political responsibility; that is political fakery.

Mr. DIRKSEN. Mr. President, I believe it would be appropriate to insert the address of the Vice President made at Minot, N. Dak., on June 20 as a part of the very illuminating discussion that has been carried on by my distinguished friend from Minnesota and myself. I ask unanimous consent that the address of the Vice President at Minot, N. Dak., on June 20, 1960, be inserted in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

> The farm problem has been kicked around like a political football for so long that we have lost sight of some truths of which we should be reminded. In talking about what is wrong about our farm problem we should not forget what is right.
>
> We should be eternally grateful to America's farmers that our problem in this country is one of plenty rather than scarcity. The productivity of our farmers is directly responsible for our being the best fed, best clothed people in the world, with the highest standard of living any people have enjoyed in history.
>
> The productivity of our farmers also is responsible for the greatest advantage we have over the Soviet Union in the economic competition in which we are engaged. Six million American farmers and farmworkers produce approximately the same amount that 50 million agriculture workers produce in the Soviet Union. Until Mr. Khrushchev is able to close this gap he will have no chance whatever to catch up with the United States in the over-all production.
>
> Having in mind those things that are right about our farm problem, let us consider those things that are wrong. Putting it in its simplest terms, our difficulties stem from the fact that we produce more food and fiber than we can consume. The net effect of our Government programs, as far as the basic crops are concerned, is to make this problem worse rather than better. The sizes of our surplus and the costs to the taxpayer continue to go up and farm income continues to go down.
>
> How did we get this way? There are two basic causes—the first generally recognized, the second often overlooked.
>
> During World War II we needed and adopted a program to increase agriculture production to meet war needs. Today the need no longer exists but the program which was adopted to meet it continues.

A second factor which has aggravated the problem is the production explosion which was brought about by the technological revolution on the farm. Today, for example, in the production of basic crops, one man can do the work that it took two to do 20 years ago. And in the same 20-year period, productivity per acre has almost doubled.

As a result, the American people have developed the capacity of feeding themselves, supplying large foreign markets and still accumulating mountainous surpluses, with a smaller percentage of the population engaged in agriculture than has been the case in any society in history.

Why haven't we been able to make more progress in solving this problem to date?

Putting it bluntly, there has been a political stalemate between the administration and the Congress over the past 5 years.

The majority in Congress has persisted in refusing to face up to the farm problem and it continues to support obsolete solutions which were conceived for an entirely different period and for different problems.

The administration, on the other hand, has sought solutions which were, in effect, a reverse of the previous policies.

The result has been that the Congress has refused to approve the administration's program but has not come forward with one of its own which the administration could accept. Consequently, America's farmers and the American people continue to be stuck with the present program which everybody agrees should be changed.

This stalemate must be broken. That is why the President sent a message to Congress earlier this year in which he indicated that within certain guidelines he would sign any bill which offered a reasonable chance to achieve a solution.

Until the Congress acts or refuses to act on the President's recommendations we will not know the exact nature of the problem that will confront the next President and the next Congress. But of this we can be sure: Whatever action the Congress takes, the farm problem is the most difficult domestic issue confronting the American people in this campaign. It will be the responsibility of both candidates for the Presidency to offer new solutions to this problem which will break the 5-year stalemate which has existed between the Executive and the Congress.

While it would not be proper for me to comment on those phases of the President's program currently being considered by the Congress, there are other areas in which there is no possibility that the Congress will act. I should like to spell out tonight some of the approaches in those fields which I have asked the Republican platform committee to consider in its deliberations.

Before doing so, I should like to state my basic attitude toward this and the other problems confronting the Nation today. It would be easy for me to make promises to America's farmers that I know I couldn't keep, to advocate programs that I knew wouldn't work, or to put forth proposals that I was sure the Congress would not adopt.

From a purely political standpoint, it might be enough for the Democrats to blame the program on the Secretary of Agriculture and for the Republicans to blame it on the Democratic Congress.

I think the American farmers and the American people deserve better than this kind of patent demagogery and political fakery. The programs I shall discuss now and during the course of the campaign will be designed not to create a good issue for the election but to find a workable solution for the problem. The American farmer deserves better than simply to be caught in the crossfire of a political name-calling contest.

There are five general guidelines that I believe we should follow in developing an agricultural program.

Because the Government shares the responsibility for getting the farmer into his present troubles, the Government must share the cost for getting him out of that situation.

The solution of the farm problem does not lie in simply doing more of what we have been doing since our present programs have aggravated rather than solved the problem.

We should reject any program which would put the farmer in a Government straitjacket in which what he plants, how much he can sell, and the price he receives is determined by bureaucrats in Washington.

While the parity price program on which we have placed such great reliance in the past has proved useful in stabilizing farm prices, we must recognize that a parity formula at its best treats the symptoms and not the cause of the farm problem.

A method must be developed whereby the farmers themselves have a greater opportunity to choose the kind of farm program they want.

Let us turn now to some of the specific proposals which I have asked the Republican platform committee to consider. I want to emphasize at the outset that these proposals are not intended to be all inclusive. For example, I shall not discuss the problem of parity at this time since it is currently before the Congress. But, the proposals I shall make are ones designed to deal with the causes and not just the symptoms of the farm problem.

To help the farmer to get out of the cost-price squeeze, we must wage an effective fight against inflation. In a period of inflation with surpluses overhanging the market, the prices of the products the farmer grows are the last to go up and they never catch up with the prices of the things he buys. There should be a sharply expanded program of research in the marketing of farm products, designed to reduce the gap between what the farmer receives for his crops and what the consumer pays for his food.

To bring supply more directly into relation with demand, we must recognize the necessity for taking acreage which produces crops in surplus out of production. In administering this program, we must take every possible precaution to avoid creating ghost towns in the traditionally agricultural areas. The rural development program, which has been so successful, should be expanded so that marginal farmers can supplement their income and not be forced to move from the rural communities in which they live.

Our major aim and our major effort must be, however, not to reduce production but to expand the markets for farm products and to increase consumption. There are three proposals in this area that I think are among those worthy of consideration.

First, Governor Rockefeller, in his recent appearance in North Dakota, proposed that a year's supply of food for the Nation be set aside against the eventuality of an atomic attack. This is a sound and constructive proposal and I would only add that because a 1- or a 2-year reserve would represent an enormous permanent storage burden in its present form, a research program should be undertaken to find economically feasible ways to convert surplus grains into storable form.

Second, I believe the amount of effort we are presently devoting to research for expanding the commercial uses of farm products is inadequate. It is an established practice in business to allot funds for basic research which bear a proper relationship to the overall magnitude of the problem to be dealt with. It doesn't make sense to spend only $16 million a year on finding new uses for agriculture products when we are spending $5 billion a year in financing and storing surplus farm products.

There is a third area which provides by far the best opportunity for making our food surpluses a national asset rather than a liability as they tend to be today. I refer to the use of our foods in the humane, as distinguished from the commercial, market abroad.

It has been estimated that a third of the world's population, approximately a billion people, go to bed hungry every night. Everybody agrees that it doesn't make sense to have huge surpluses at home and millions of hungry people abroad. How can we bring our surplus food and hungry people together?

The United States has been doing a great deal in this field. In the past 6 years, under Public Law 480, over $9 billion of surplus food has been distributed to people in other countries who could not afford to purchase this food in the commercial market.

There are two potential objections to the program. Since it is unilateral in character we do not get the credit that we might from our generosity because of the criticism in some countries that the sole purpose of the program is to further selfish U.S. objectives in the cold war.

Second, we have good friends and allies, the Canadians, Australians, French, and Argentines who produce the same foods that we have in surplus. This means that whenever our surpluses are distributed without adequate regard to the effect on the normal commercial markets, the effect is potentially disastrous as far as these countries are concerned and in the long run would be detrimental to our own interests as well.

Immediately prior to the summit conference the President, in discussions with his staff in which I participated, developed a proposal which meets these objections and which can lead to a major breakthrough in getting surplus food to hungry people abroad. He was considering presentation of this proposal for the first time at the summit conference in Paris.

The first step would have been to call a conference of all the surplus producing nations, including the Soviet Union. These nations would then work out a joint proposal for a multilateral program under which the food surpluses of all nations which desired to participate would have been turned over to United Nations agencies for distribution to the hungry people of member nations. The recipients of the United Nations food would be those unfortunate people who still are unable to supply themselves with an adequate diet either by their own agriculture efforts or by exchange of goods. The distribution would be handled in such a manner as not to disturb commercial markets.

Since Mr. Khrushchev's actions in Paris have ruled out the U.S.S.R.'s participation in such a program at this time, the only course of action left open to us is to explore with other surplus producing nations their attitude toward joining us in such a program.

Let me emphasize that I do not suggest that this proposal is a cure-all for the farm problem or for the world's problems. It does, however, have these obvious merits: It will not be harmful to our friends and allies since they will participate in the program. It will not be subject to the criticism directed against unilateral U.S. aid since it will be administered through the United Nations. It will be in the best American humanitarian tradition in expressing concern for and offering assistance to less fortunate people. It will serve the cause of peace and freedom by giving hungry people the food which will help provide them with the necessary energy to build independent, free societies which can resist foreign domination from any quarter.

The proposals that I have discussed tonight are not presented as a complete farm program. They do indicate my conviction

that we should not dig in and fight the battle over farm policy in the entrenched positions which we have occupied over the past 5 years. Beating Secretary Benson around the head on the one hand or damning the Democratic Congress on the other will not help the farmer.

This is the toughest and biggest domestic problem confronting America today. Its solution requires the most creative and imaginative thinking the Nation can produce.

If we approach the problem with that spirit, we will be able to develop a program which will command the support of the overwhelming majority of America's farmers and of the American people, regardless of their partisan affiliation.

OREGON COLLEGES

Mr. MORSE. Mr. President, recently the president of the University of Oregon, O. Meredith Wilson, spoke to the Colleges for Oregon's Future statewide committee, of which I am happy to be a member.

In this speech, President Wilson spoke dramatically of the real meaning of education to contemporary America and to our future. In order that his outstanding address may be more widely read, I shall ask unanimous consent that his speech be printed in the body of the CONGRESSIONAL RECORD.

I know that I speak for many citizens of our State in expressing regret that President Wilson will be leaving the University of Oregon shortly to become President of the University of Minnesota. We shall miss him, but Oregon's loss will be Minnesota's gain.

Mr. President, I ask unanimous consent that the speech be printed at this point in my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

COLLEGES FOR OREGON'S FUTURE

(By O. Meredith Wilson, president of the University of Oregon and president-elect of the University of Minnesota)

All historians have taken pleasure in classifying. For convenience they overlook a great deal of contradictory detail in order to describe a period in time as the age of enlightenment, or of Renaissance; or the Middle Ages. In a similar way particular eras have been associated with the ascendancy of great states or persons. So we have Hellenic and Roman ages; a period of Spanish grandeur under Ferdinand, Isabella, and Charles V; French ascendancy under Louis the XIV, the Sun King; British rise and power during the 18th and 19th centuries, interrupted briefly by a Napoleonic era. Not until the end of World War I did anyone but an American seem to take us seriously and Russia, except by Russian historians, was generally dismissed as a matter of secondary concern, a factor of less than first rate importance in the intrigues and balances of power among Western European states, until 1917.

Today our historians, still with a penchant for classification, are searching for a name that fits our time. In the twenties we confidently thought this to be the era of American dominance. The depression shook our confidence. The Second World War restored our pride. Then, suddenly, the Soviet Union emerged. The shambles of war were less deterrent to the Russians than Stalingrad was an inspiration. In less than 10 years, by ruthless determination, they overcame handicaps of war devastation, industrial underdevelopment, a shortage of technical personnel, and our lead in atomic science. Now in 1960 half the world either accepts or fears the possibility that this is Russia's century.

Under the circumstances, it is instructive to read again Alexis de Tocqueville's amazing analysis and prophecy, written 126 years ago:

"There are at the present time two great nations in the world which started from different points, but seem to tend toward the same end. I allude to the Russians and the Americans. Both of them have grown up unnoticed; and while the attention of mankind was directed elsewhere, they have suddenly placed themselves in the front rank among the nations, and the world learned their existence and their greatness at almost the same time.

"All other nations seem to have nearly reached their natural limits, and they have only to maintain their power; but these are still in the act of growth. All the others have stopped, or continue to advance with extreme difficulty; these alone are proceeding with ease and celerity along a path to which no limit can be perceived. The American struggles against the obstacles that nature opposes to him; the adversaries of the Russian are men. The former combats the wilderness and savage life; the latter, civilization with all its arms. The conquests of the Americans are therefore gained by the plowshare; those of the Russian by the sword. The Anglo-American relies upon personal interest to accomplish his ends and gives free scope to the unguided strength and common sense of the people; the Russian centers all the authority of society in a single arm. The principal instrument of the former is freedom; of the latter, servitude. Their starting point is different and their courses are not the same; yet each of them seems marked out by the will of heaven to sway the destinies of half the globe."

Our instruction from this passage is incomplete unless we are patient enough to draw from it its more subtle lessons.

When Tocqueville viewed America, he found everywhere a restless energy, a faith in the country and its future, and an aggressive will of common men to make democracy work. None of the men he met were equal to the giants of our Revolution and our Constitutional Convention, but they better prove the power of ideas because, as common men with an uncommon idea, they were ready to move the world.

Tocqueville's observations about the Russians are less easily understood. For 60 years, their vast territory and potential power were ineffective; but then they, too, were moved by an idea; it was in 1917 that the Communist idea became the controlling force in Russian national policy. Since that date history has been a test of strength between the idea of "76" and the idea of "17". At stake has been, and is, the future of our civilization. Since the contest is essentially between two ideas, it is obvious that it is the mind of man that is the critical resource in our present struggle. But in a more particular way, the issue is one of minds.

Tocqueville contrasted the United States and Russia by saying our conquests were gained by the plowshare; theirs by the sword. In a symbolic sense this observation was true and at the time useful. But the symbolism clouds our vision now, and tempts us toward a bucolic nostalgia when what we require is a rebirth of conviction that can support both effort and sacrifice.

Seen in retrospect, the cutting edge of our plowshare has been improved by an experimental industry that hardened the steel and sharpened the blade. It was multiplied to become a gang plow and attached to a diesel driven tractor. While implement manufacturers were adding seeders, combines, cotton pickers, and a host of almost human machines to the farmer's arsenal of conquest, plant geneticists were developing hybrids to increase yield and to resist plant infestation; and chemists were transforming corn and carbons into fuels and fabrics that nature had never contemplated. In the new symbolism, Tocqueville's plowshare must be replaced by the ferrule or the classroom, for the conquests of America have been made by education.

The central role of education in American progress is clearly seen by every foreign observer. In our recent visit in Latin America it was constantly stated as axiomatic that our material progress was the result of education; and that their material progress would depend upon their ability to imitate or improve upon our example. The King of Nepal visited our campus on the sixth of May. When he spoke to our guests, his lead sentence was: "We need not tell you how important education is in making democracy more purposeful and meaningful, for your great country is an example of this meaning."

It is characteristic and good that we ask "Why Johnny can't read," for we cannot afford to be satisfied. But we have dwelt upon our faults, failing to notice that the rest of the world marvels that for every Johnny there are 99 of his friends that read very well. As a result, we have depreciated education and made our educators whipping boys while our neighbors have sought ways to emulate what our educators have done. Somehow we need to become big enough to be self-critical without becoming self-debasing. And perhaps a different view of Russia may help.

Tocqueville remarked that Russian conquests were made by the sword. This observation was also symbolic. And it may be remembered that for 70 years after Tocqueville, Russia's conquests were a precious few, and that in 1905 she was humiliated by a little known and unappreciated country, Japan. It was not until after the Communist revolution of 1917 that the Russian blade was tempered and sharpened for modern conquest. At that time the Leninist government seized control of a disorganized government, an underdeveloped economy, and an uneducated people. They thought of themselves as a peoples revolutionary government—as a 20th century parallel to our men of 1776. Quite naturally they studied our experiment to see what had made possible our success.

Initially the common Russian was not likely to deride our country, but rather asked the American traveler how our Revolution was coming, as though 142 years made no difference, and we were still brother revolutionaries. Even the leaders of doctrinaire communism had great respect for our material achievements and carefully studied our methods. They soon recognized that the proximate cause of the amazing American achievement was education. And Russia learned this lesson well. She established 5-year plans for the Kulaks, and 5-year plans for heavy industry, but she began to organize a lifetime plan of education, on the assumption that without education all her other plans must fail.

The dreadful power of the Nazi invaders that swept into the Ukraine in World War II and pushed east to the Volga before they were stopped at Stalingrad destroyed Russia's best hydroelectrical installations, reduced her most highly developed industrial area to rubble, and blackened the fields and leveled the buildings in her most productive agricultural region. Russia's economic situation in 1945 was desperate. She could well have said, "We can afford no money or time for preparation now. Every Russian must produce today!" But Russia had been completely persuaded that United States progress had been the child of education. Her response to disaster was not, "We cannot afford education," but rather "Only education can restore us to a competitive position. No

sacrifice is too great, and no other program so important that it should be permitted to interfere. We can afford nothing else until we afford education."

She did not quibble about tuition fees; rather, she paid her brightest students to go to college. Between 1945 and 1957 Russia refashioned her sword for conquest, shaped it for space flight, equipped it with an atomic warhead, powered it with rocket fuel, and made possible a thrust or parry at 9,000 miles; sent a sample to circle the sun; and this month announced that one sword can be carried undersea by nuclear engines, while another large enough to carry men patrols the immediate band of outer space. This transformation of the Russian sword, like our earlier transformation of the plowshare, has been done with the sliderule and the classroom. Today Russia's real instrument of conquest, which Tocqueville symbolized as a sword, is education.

If, therefore, we return to the historian with the penchant for classification, we may well say, "This is not the age of the United States, nor of Russia, nor the nuclear age, nor the atomic age, but rather the age of education." The angry threats of Khrushchev as he left Paris should remind us that today we can leave nothing to chance; nor can we depend on good will or the ameliorating force of natural human kindness. The present international climate is cold indeed. And we must prepare ourselves against the most grim possibilities. When we arrange for historical classification we may talk as though this were the age of education, but we must act as though it were the final hour. And we should recognize that we will never again be in a position to afford anything if we do not afford education now.

My preoccupation with international affairs is born of our present crises. However, there are other considerations that require the same prescription. This fall Oregon will present to its private and public colleges 12 percent more candidates than last year. We are entering the baby boom era. On occasions we may have tired our listeners with warnings about the capital costs and instruction costs attendant on this sudden expansion.

For the moment, therefore, consider this population explosion as a sociologic rather than an educational issue. When the students in the enlarged graduating classes walk away from high school this spring, where will they make good their commencement? What or whose jobs will they take? When the numbers have doubled (1970), will those who are given no additional training be carrying their weight or being carried? For a generation we have experienced an increase in adolescent crime. Our folkways tell us idle hands are the devil's workshop. Our experience tells us that an unoccupied mind gathers trash more quickly than classics, and that both good literature and good music are educated tastes.

If you do not face the issue of costs and provide a welcome at college for these increasing numbers, where will you entertain them? How will you finance the men who must watch them on street corners, or feed them in the additional McLaren and Hillcrest schools that we will require?

Perhaps we should reexamine our assumptions about what a society can afford. Certainly so long as we live we can afford what is necessary to survive; and this requires defense; and defense is education. But a country as well developed as ours should require more of life. We should also ask that the life we save be worth living. That would imply that the leisure hours, those beyond the 40- or 35-hour workweek, be worthy of rational men.

At this point we return to first principles and the language of our Founding Fathers. We require more than life. We require liberty and the pursuit of happiness. The first of these requires wise men, for liberty is possible only among men of sound judgment and good will. We may be born free, but we are not born wise. And the freedom with which we are born is the first casualty in a society that chooses to be ignorant. The second, the pursuit of happiness, cannot be confused with the cheap satisfaction of appetites or the idle titillation of our animal sensations.

Yet we seem dangerously bent on a life of pleasure which would make a mockery of our early high hopes. Happiness is born of achievement and is inextricably bound up with satisfactions of the mind. The pursuit of happiness from which a proud culture might emerge, depends upon man seeing the mind as that part of God's image which is born in him, as that feature which alone separates him from the rest of the animal kingdom. It is man's mind that distinguishes him as human; intellectual satisfaction is at the core of human happiness. It was this happiness that Jefferson expected us to pursue; its pursuit is the best guarantee that life will be constructive; that delinquency will be avoided. Such happiness is the product of a cultivated mind. It, too, requires education.

Much the same case could be made for Oregon in economic development as the King of Nepal has made for his kingdom. Oregon's economy is still in the process of development. Her day is in the future. Our Governor, at the university assembly on May 10, wisely identified Oregon's economy with her educational effort.

When a university is obligated to acquire a new man or to replace an old one, there is an inescapable financial obligation. The fixed figure required to fill the place with an ordinary man would be 80 to 90 percent of the cost required to fill the post with a man of distinction. The ordinary man is not nationally visible, nor does he have leverage on national foundations or other granting agencies. The experience of the university has been that expenditure of additional funds to assure quality personnel in teaching posts, when made in critical areas, has actually brought more money into the State than would be necessary to pay the additional costs of quality.

As an example, five men appointed at the university in the last 3 years were replacements or additions for whom the fixed budget item would have totaled approximately $10,000 less than we determined to pay in order to bring distinguished people to critical areas. Each of these men brought large teaching, research and training grants to the campus; one alone bringing over $500,000 worth of grants in a period of less than 18 months. Their effect on the remainder of the staff and the growing interest in research increased university grants from approximately $300,000 annually to $1,500,000 in the past year. This last figure excludes certain fixed income which makes the audited program supported by external funds in excess of $2 million.

The investment in quality, in other words, was not an expense but a distinct advantage to the State of Oregon measured only in money. A much more important consequence of search for quality in critical areas is the assurance that our young men and women are stimulated and inspired by brilliant minds. Their own appreciation of what is possible is expanded, and your and my expectation from them can be increased. The difference in the costs of run-of-the-mill and distinguished education is very small and the rewards are tremendous.

But Oregon's social, economic, and cultural development, as well as her security, are tightly bound to our national welfare. And our strength and vitality in each of these areas depends on how well we prepare the minds of our people. Ours is the age of education. We live in an hour of decision. We are engaged in a race not only between us and Russia, but also between education and disaster. Herein lies the full meaning of our discussion of colleges for Oregon's future.

INDEPENDENT OFFICES APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 11776) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1961, and for other purposes.

Mr. MAGNUSON. Mr. President, I ask that the first committee amendment be stated.

The PRESIDING OFFICER. The first committee amendment will be stated.

The first committee amendment was, on page 2, line 12, after "functions;" to insert "not to exceed $6,000 for emergency and extraordinary expenses to be expended under the direction of the Director for such purposes as he deems proper, and his determination thereon shall be final and conclusive;".

Mr. MAGNUSON. Mr. President, the independent offices appropriation bill for 1961, H.R. 11776, contains funds for the regulatory commissions as well as for the Office of Civil Defense and Defense Mobilization, Civil Aeronautics Board, Federal Aviation Agency, General Services Administration, Housing and Home Finance Agency with its related corporations, National Aeronautics and Space Administration, National Science Foundation, Selective Service System, and the Veterans' Administration.

As reported to the Senate, the bill totals $8,414,412,900, which is $232,345,500 over the House and $2,984,100 under the budget estimates.

The largest increase over the House is for the National Aeronautics and Space Administration, of $88,985,000, which restores $915 million as budgeted for this important work, and in addition adds $50 million over the budget estimate for the additional amount authorized by the Space Committee for research and development.

The next largest increase over the House is for the Federal Aviation Agency, of $37,138,000, which includes $21,500,000 for new air navigation facilities and $15,638,000 to assure the operation of newly constructed facilities.

The third largest increase over the House is for the General Services Administration, of $34,517,500, which provides for new public buildings construction and for operation and maintenance of presently owned buildings and leased space.

Part of this is for projects Nos. 8, 9, and 10, in the District of Columbia.

The next largest increase over the House is for the National Science Foundation, of $31,600,000, which restores the amounts needed for the support of basic research and scientific manpower.

One further item in which the committee exceeded the budget estimates is for medical research in the Veterans'

Administration, where $9 million is added to provide medical research of $26 million.

I wish to point out that for the first time in Veterans' Administration fiscal history, since I have been handling this bill, which has been for many years, medical care for veterans in the United States has reached a sum of more than $1 billion. It is going up steadily because of the time element involved. Veterans of World War II are reaching the age where they need more medical care. The committee thought that the results from previous funds voted in this field have been very beneficial. The committee also thought that with this staggering bill for the taxpayers to pay, and the fact that research in the past has paid off substantially in the medical plan, the sum of $26 million for research in some fields of medical care was a very small amount with which to undertake such medical research.

Secondly, in the field of mental health, where we have had some fine results, both in the Health Institutes and in VA, we still find this year, as we found last year, that every other bed in the 173 veterans' hospitals in the United States is devoted to a mental case. The number is going up. That is why we added this amount, because when we have added these funds they have paid off, not only in dividends of alleviating human suffering and of mental care, but also in dollars and cents.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JAVITS. When I appeared before the committee I made the point about the Northport, Long Island, Veterans Hospital, of which, I know, the Senator has heard a great deal. It is one of the largest neuropsychiatric hospitals in the Veterans' Administration system. It is located at Northport, Long Island. It is greatly overcrowded. We have the word of the area medical director at Boston, Francis B. Carroll, in substantiation of that statement. I laid the facts before the committee. My statement is found at page 612 of the committee hearings.

I know that the chairman is just as much interested in veterans as I am, and I am making no invidious implications of any kind. I should like to ask the chairman whether or not we may hope that the committee will cause its staff to take a long, hard look at this situation in order to see whether the Veterans' Administration should not be stirred into doing something about it.

Mr. MAGNUSON. I agree with the Senator from New York. I know how much interested he has been in this subject. There is no question at all about the conditions at Northport. There is no question about the tremendous increase in mental health cases—NP cases, as we call them—in the Veterans' Administration hospitals.

The Veterans' Administration last year set up what it calls a 12-year program for veterans' hospitals such as the one at Northport. Every year we are trying to get about one-twelfth of that program into operation. We can do only so much every year. We are behind in this activity. This year the priorities dictated that in that program we proceed with the hospital at Martinez, Calif., where there is a badly overcrowded condition, and also with the Cleveland hospital. Then there is also the one at Washington, D.C., which was supposed to have been located at Rockville, but was moved to the Soldiers' Home. Those are in the program this year. I would glean from the testimony that the hospital on Long Island would be included in the next fiscal year program. I believe that in the budget which will be submitted in September, this item will be one of the first included.

Mr. JAVITS. I am grateful to the Senator.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CASE of South Dakota. I know the Senator's interest in this matter. In the hearings, at page 717, there is a table of the Veterans' Administration hospitals or facilities which are included in the modernization program. Included is the modernization program, phase 3, at Fort Meade, S. Dak. I should like to ask whether the bill as reported embraces that table.

Mr. MAGNUSON. Yes; it is embraced in the bill.

Mr. CASE of South Dakota. This continues the program that was undertaken under phases 1 and 2. It completes the program. In this way, one of the best NP hospitals is being created. I appreciate the Senator's statement.

Mr. MAGNUSON. The committee added $12 million under the OCDM for matching funds with State and local organizations on civil defense to cover personnel and administrative expenses. Senators are familiar with this item. We have added it to the bill on three or four occasions. The House has always voted against the program. We have voted for it again, and we expect to go to conference on it. That is what we will have to do again. It includes matching funds. The Senator from Colorado [Mr. ALLOTT] and I, who heard all the testimony, have not changed our mind from last year. We believe if we are to have a civil defense program, local participation is the guts, so to speak, of a good program. The bill is still under the total budget estimate. As Senators know, although the total amount of the bill is somewhat staggering—$8,414 million—the bulk of it is for the Veterans' Administration and the space program and the General Services Administration, which is a big organization now; it needs more money every year. It is not added money, because the administration has been assuming more responsibility every year.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JAVITS. The Senator knows that I am very much interested in this program. My Governor, Governor Rockefeller, can be truly described as taking a very leading position in this field. I know how the Senator from Washington feels about it. I know that I do not have to back up his courage in this particular field in the negotiations in conference, because he has expressed himself very strongly before. I would rather say that I am grateful to the Senator from Washington, and I think it indicates that, although the Senator knows that this is a great deal of trouble in conference, he nevertheless is so convinced of the soundness of the program that he is willing to try again.

Mr. MAGNUSON. There may be some waste in the program on the Federal level. I do not know, of course. However, surely if the program is to be a success, the local people must participate. The Senator from Colorado, I am sure, agrees with me on that point.

Mr. ALLOTT. If the Senator will yield, I should like to say that I do feel the same way. Members of the Appropriations Committee, particularly the Senator from Florida, have expressed themselves over and over again very strongly on this point. So far as I know, at least from listening to the members of the Appropriations Committee, there is not a member who does not feel exactly as the chairman and the Senator from Florida feel about it. We are faced with a responsibility for a civil defense program. All of us feel that the only way we can make it a meaningful program is to bring it down to the local level. We have tried that several times. We tried last year. We expect to try again this year, without any diminution in determination. We are more convinced than ever, after another year's experience, that the only way to have a successful civil defense program is to bring it down to the local level.

Mr. JAVITS. I shall defer to the Senator from Florida. It seems to me that the U–2 incident, the cancellation of the Tokyo visit, the blowup of the summit conference in Paris, should certainly add tremendous arguments to the position taken by the Senator from Colorado [Mr. ALLOTT], the Senator from Florida [Mr. HOLLAND], and the Senator from Washington [Mr. MAGNUSON]. I know they will use those arguments to the full. What has been called atomic blackmail is now being rather openly and blatantly used; certainly civil defense is one of the greatest morale answers to it.

Mr. MAGNUSON. I am grateful to the Senator from New York. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I regret that I have a "bug," and that I may not be able to speak loud enough to be heard.

First, I think we all owe a debt to the Senator from Washington for his continued able leadership in this field. I am sorry the distinguished junior Senator from Ohio [Mr. YOUNG] is not in the Chamber. I heard his remarks aimed at this program but a couple of hours ago. I thought the most intriguing part in it was his statement that if a great disaster occurred, hundreds of thousands of volunteers would turn out, as they always have. The very gist of the matter is that unless there is someone to give some training, someone who knows what to do, and to have supplies ready in appropriate places, and to have such volunteers, who, of course, will be the body of workers in such a case, to

have them trained and organized there will be disorganized mob action, instead of the highly skilled action which is required.

I certainly support the distinguished Senator from Washington.

Mr. SALTONSTALL. Mr. President, I wish to add my support to the chairman and to the senior Republican member of the committee on the question of Federal contributions for civil defense. Although we have gone forward every year a number of years and provided funds, the House has resisted our action. I believe this is one of the items for which we should make provision in these difficult times. I hope that it will be possible to maintain the item in the House this year.

Mr. HOLLAND. Mr. President, since I am speaking in such a handicapped condition, I wonder if the distinguished Senator from Washington will let me take up another matter.

Mr. MAGNUSON. Certainly.

Mr. HOLLAND. The largely increased level of payments to subsidized air carriers was a matter of great concern to the committee, as the distinguished Senator from Washington knows. The committee dealing with this subject placed in the report, at the bottom of page 3, under the heading "Payments to Air Carriers," a statement of the committee's opinion on this subject. I feel strongly that Congress needs greater cooperation from the CAB in this matter. Too much granting of flights for feeder carriers which could not possibly carry the expense, much less make a profit, has been the rule in recent years. I think the Senate will find that sentiment very well expressed in the report.

Mr. President, I ask unanimous consent to have printed at this point in my remarks the section of the report to which I have referred.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

PAYMENTS TO AIR CARRIERS

LIQUIDATION OF CONTRACT AUTHORIZATION

Restoration of $8,984,000 is recommended by the committee, to provide the full budget estimate of $68,984,000 for payments to air carriers.

The committee continues to be concerned over the level of payments to air carriers; $68,984,000 is provided for payments to air carriers for fiscal 1961 and the Board has testified that over $81 million in carrier payments may in fact accrue.

The committee urges the Board to exert every effort to reverse the trend of increased subsidy. Where feasible, the Board should expedite suspension of trunkline carriers in local service-type markets, freeing the local service carriers from trunk competition, and should insert local service carriers into markets which would be profitable for them but which trunk carriers seek to abandon. To the extent possible, the Board should avoid duplication between subsidized local service carriers; also, to keep to a minimum those local service routes that cannot possibly be made to pay.

The committee believes that a most important contribution to reducing subsidy would be for the Board to permit local service carriers greater flexibility in operations in their assigned markets, permitting them to adjust their operations more freely to traffic volume.

Mr. HOLLAND. Mr. President, I should like to amplify the statement in the report by the further statement that the recommendation in the report is not intended as an approval of terminal-to-terminal nonstop operations by local carriers in direct competition with unsubsidized trunklines. The result of any such misinterpretation would be that the local carriers would put their energies into such markets instead of into the local markets they were created to serve.

In my judgment, the Board has been too generous in its granting of routes to local service carriers where there is no prospect of their being able to operate profitably. This is reflected dramatically in the figures given the Appropriations Committee in support of the budget request for subsidies. Estimated subsidy accruals for local service operations rose from $22,567,718 in 1955 to an estimated $37,504,832 for 1959. What is more dismaying, the estimated accruals for 1960 and 1961, respectively, are $49,771,000 and $55,434,000.

Mr. President, it is very evident that the feeder carrier subsidy has gotten clear out of hand. I hope that both the Civil Aeronautics Board and the aviation industry will give attention and strong consideration to our report, which I have sought to supplement at this time.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ALLOTT. Mr. President, the Senator from Florida has hit this matter on the head. It has been called to the attention of the Civil Aeronautics Board several times that perhaps they were not paying enough attention to the gist, the real purpose, of why they exist, and were involving themselves in extraneous activities.

As the report shows, and as the particular paragraph which the Senator from Florida has placed in the RECORD shows, the Board transferred from carrier relations, and specially stressed this year an increased budget.

With respect to the overall appropriation for subsidies, I think we feel, for the most part, that the Board has moved too slowly in trying to cut it down.

The committee, I feel, wants local companies to have small and big cities themselves, and does not want trunklines in cities where they provide only one or two flights a day, or carry relatively few passengers.

The Board, it seems to me, should stop considering the hairline details of these cases and get at its business.

This brings up the general question with respect to all the agencies which are confronted with bigger and bigger backlogs. We provide more and more personnel each year, and still each year they show a bigger backlog. It seems to me that what we should do is to try to get them, fundamentally, to look at their own procedures, to see if they cannot get back to doing the things which have to be done, so as to clear up the backlogs which exist in every one of the agencies.

Mr. MAGNUSON. Mr. President, before discussing some of the amendments to the bill, I wish to express my deep appreciation for the help of all members of the subcommittee on the bill. As members of the Committee on Appropriations know, this is a long and difficult bill to consider. It includes many agencies and requires the hearing of complicated testimony and figures. All members of the committee worked diligently on the bill. We heard hundreds of witnesses. The bill includes funds for all the independent agencies of the Government.

I express appreciation for the help of all members of the committee during the long hearings and the marking up of the bill.

I express, on behalf of the committee, appreciation to Mr. Earl Cooper, our very efficient staff member, who handles the bill in the Committee on Appropriations.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. LAUSCHE. The chairman will recall that several weeks ago a delegation of mayors and presidents of railroads came before the Committee on Interstate and Foreign Commerce, asking for relief by way of subsidies or loans at a low rate of interest.

At that time one of them testified to the huge subsidies, on a comparative basis, which were granted to the operators of helicopters. I notice on page 73 of the hearings that there is a discussion of the amount of money Congress has paid out in subsidies for that operation.

What are the indications as to whether the helicopter operations might become self-sustaining? Or is it likely, from all appearances, that the operation will require a permanent subsidy? The figures on page 73 of the hearings indicate that the Government paid the operators of helicopters $4,613,000 in 1960, and $4,858,000 in 1959.

Mr. MAGNUSON. The committee asked the Chairman of the Civil Aeronautics Board, and the other members of the Board present, a great deal about helicopter operations, along the lines suggested by the Senator from Ohio. The Chairman of the Board pointed out that the subsidy is in about the same amount this year as it was last year and the year before, but that the helicopter operators were providing more service; their operations were bigger. Therefore, we might assume that their operations were becoming more profitable.

Frankly, I do not see much in his testimony, from what he said to us, which will make it more profitable if they continue the type of operation they have in three places. It will be difficult to eliminate the subsidy, since they are now getting new equipment in order to be able to carry more passengers.

Mr. LAUSCHE. The Senator from Washington may recall that the representatives who appeared before the Committee on Interstate and Foreign Commerce argued vigorously against the folly of expending large sums of money to provide helicopter service for a few passengers, when we were failing to do anything to aid those who provide mass transportation.

Mr. MAGNUSON. That is correct.

In the past 3 years there have been many applications for helicopter operations, but the Board has turned them down. I think some have come from Washington, D.C. These three have been allowed to operate in the three congested centers—namely, Chicago, New York, and Los Angeles.

But surely what the Senator from Ohio has said is absolutely correct—namely, that we should first be thinking of the larger problem. For instance, the airport at Chantilly, Va., will be finished and ready for operation on July 1, 1961. Instead of thinking in terms of helicopter service around Washington, we should be thinking in terms of providing increased means of ingress and egress to the Chantilly airport, so we would not need helicopter service.

Mr. LAUSCHE. Yes.

I note that at the hearing the Senator from Colorado [Mr. ALLOTT] asked questions about this matter, and, I believe, indicated his doubts about the propriety of what we were doing in this field.

Mr. ALLOTT. Mr. President, will the Senator from Washington yield?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from Washington yield to the Senator from Colorado?

Mr. MAGNUSON. I yield.

Mr. ALLOTT. My recollection of the testimony of the Board on the helicopter service is that it still is maintained in only three places. It was initiated originally for the primary purpose of finding out how workable it was, with the idea that the air transportation development in this country was such that we would have to utilize helicopter service.

I know that when it was first begun, I was interested in it, as regards my own State. And I was told they would offer it in three places. They have now tried it for 3 or 4 years, I believe; have they not?

Mr. MAGNUSON. In Los Angeles it has been going on for 6 or 7 years; but we have had it for approximately a 4- or 5-year period.

Mr. ALLOTT. Yes, for a 4-year or 5-year period. As I recall the figures, it has not been shown that they have come any closer to finding ways and means to put it on a paying or an unsubsidized basis. All they promised, as I recall, or held out as a hope was that new developments in regard to the type of helicopter might come close to making it feasible.

I believe there is a limit to what we can do in providing this service.

Mr. LAUSCHE. The fact is that three services are operating—in New York, in Chicago, and in Los Angeles. According to the report made at the hearings, we paid them $4,858,000 in 1959, to keep them solvent. That figure appears on page 73 of the hearings.

Mr. ALLOTT. I believe the figure the Senator from Ohio has quoted is correct. At that point in the hearing I said:

> So that it would be safe to say, as we now look at the helicopter picture, that it will not be expanded to any other cities, but that the three cities—Chicago, Los Angeles, and New York—are for practical purposes on a continuing subsidy basis.

Mr. GILLILAND. I believe that New York Airways, perhaps some others, are considering some new types of equipment that we are hopeful will make some change in their requirements, so that they will be able to show a downturn.

I believe that the Appropriations Committee or the legislative committee sometime soon will have to take a hard look at this matter and decide whether the possibilities are such that it should be continued.

Mr. LAUSCHE. From the questions put by the Senator from Colorado, I judge that he is skeptical that this program of delivering passengers from the airports to the downtown cities will become financially self-sustaining.

Mr. ALLOTT. That probably correctly describes my state of mind at the moment, yes.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the committee amendments to the bill be agreed to en bloc, and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall be considered to have been waived by reason of this order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 12, after the word "functions", to insert "not to exceed $6,000 for emergency and extraordinary expenses to be expended under the direction of the Director for such purposes as he deems proper, and his determination thereon shall be final and conclusive;"; in line 16, after the word "travel", to strike out "$24,700,000" and insert "$25,200,000"; in line 17, after the amendment just above stated, to strike out the comma and "of which $185,000 shall be available for the Interdepartmental Radio Advisory Committee: *Provided*, That one contract for temporary or intermittent services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), for not to exceed one person, may be renewed annually at a per diem rate of not to exceed $75", and in line 22, after the amendment just above stated, to insert a colon and *"Provided*, That contracts for not to exceed four persons under this appropriation for temporary or intermittent services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), may be renewed annually, and one such contract, for the services of an expert or consultant for telecommunications, may provide for a per diem rate of not to exceed $75."

On page 3, at the beginning of line 18, to strike out "$10,000,000" and insert "$22,000,000"; in the same line, after the amendment just above stated, to strike out "of which none shall be allocated to the States pursuant to section 205 of said Act" and insert "of which not to exceed $12,000,000 shall be available for allocation to the States pursuant to section 205 of said Act", and in line 21, after the amendment just above stated, to insert a colon and *"Provided*, That expenditures heretofore made under this appropriation head in reliance upon a certification of the appropriate State official for obligations incurred or expenditures made by a State or subdivision thereof prior to the availability of the applicable Federal appropriation are hereby ratified and confirmed if otherwise proper."

On page 4, line 9, to strike out "$6,950,000" and insert "$11,400,000".

On page 5, line 11, after the word "diem", to strike out "$7,285,000" and insert "$7,500,000".

On page 5, line 17, after the word "Board", to strike out "$60,000,000" and insert "$68,984,000".

On page 6, line 10, after the word "amended", to strike out "$19,230,000" and insert "$19,580,000".

On page 6, line 21, after the word "States", to insert a comma and "and the Act of August 28, 1938 (49 Stat. 956), as amended by the Act of August 27, 1951 (65 Stat. 198), is hereby repealed".

On page 9, line 22, after the word "snowshoes", to strike out "$365,245,000" and insert "$380,883,000".

On page 10, line 13, after the word "of", to strike out "five" and insert "seven", and in line 17, after the word "appropriation", to strike out "$152,500,000" and insert "$174,000,000".

On page 13, line 8, after "(5 U.S.C. 55a)", to insert "not to exceed $172,000 for expenses of travel", and at the beginning of line 11, to strike out "$12,935,000" and insert "$13,135,000".

On page 13, line 19, after the word "vehicles", to strike out "$7,532,000" and insert "$7,795,000", and in line 23, after the word "individuals", to insert a colon and *"Provided*, That the Commission is authorized, subject to the procedures prescribed in the Classification Act of 1949, as amended, but without regard to the numerical limitations contained therein, to place six General Schedule positions in the following grades: four in grade GS–18, one in grade GS–17, and one in grade GS–16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said Act."

On page 14, at the beginning of line 13, to strike out "$7,415,000" and insert "$7,600,000".

On page 15, line 13, after "(40 U.S.C. 521)", to strike out "$160,850,000" and insert "$169,300,000".

On page 16, line 10, after the word "For", to insert "an additional amount for"; in line 15, after the word "buildings", to strike out "$144,836,000" and insert "$171,980,000", and in line 18, after the word "projects", to insert "subject to approval of any such project by resolutions adopted by the Committee on Public Works of the Senate and House of Representatives, respectively,".

On page 16, line 24, after the word "Arkansas", to strike out "$633,250" and insert "$655,050".

On page 17, line 2, after the word "California", to strike out "$37,286,100" and insert "$38,296,900".

On page 17, line 4, after the word "Connecticut", to strike out "$7,636,400" and insert "$7,816,400".

On page 17, line 7, to strike out "$1,094,000" and insert "$1,119,600".

On page 17, line 9, after the word "Maine", to strike out "$284,750" and insert "$297,550".

On page 17, line 10, after the word "Maine", to strike out "$254,150" and insert "$261,150".

On page 17, line 12, after the word "Michigan", to strike out "$874,650" and insert "$895,050".

On page 17, line 14, after the word "Montana", to strike out "$586,500" and insert "$615,600".

On page 17, line 19, to strike out "$3,224,050" and insert "$3,283,050".

On page 17, line 20, after the word "Ohio", to strike out "$3,867,700" and insert "$3,980,700".

On page 18, line 2, after the word "Tennessee", to strike out "$9,587,150" and insert "$10,167,150".

On page 18, line 5, after the word "Washington", to strike out "$282,200" and insert "$288,700".

On page 18, after line 5, to insert: "Federal Office Building Numbered Eight, District of Columbia, exclusive of laboratory and other equipment, $15,794,000;".

On page 18, after line 8, to insert: "Federal Office Building Numbered Nine, District of Columbia, $21,222,100;".

On page 18, after line 10, to insert: "Federal Office Building Numbered Ten, District of Columbia, $40,803,500; and".

On page 18, after line 12, to insert "United States Court of Claims and Court of Customs and Patent Appeals building, $6,491,000"; in line 17, after the word "exceed", to strike out "5" and insert "10", and in the same line, after the words "per centum", to insert a colon and *"Provided further,* That not to exceed $5,500,000 of the foregoing appropriation may be used for clearing the site and installing footings for the authorized public building project at Chicago, Illinois."

On page 19, line 2, after the word "otherwise", to strike out "$25,000,000" and insert "$19,500,000", and in line 3, after the word "expended", to strike out the colon and *"Provided,* That not to exceed $5,500,000 of the foregoing appropriation may be used for clearing the site and installing footings for the authorized public building project at Chicago, Illinois".

On page 19, after line 6, to insert:

"CONSTRUCTION, FEDERAL OFFICE BUILDING NUMBERED 7, WASHINGTON, DISTRICT OF COLUMBIA

"The appropriation contained in the Independent Offices Appropriation Act, 1959, under the head 'Construction, United States Court of Claims and Federal Office Building, Washington, District of Columbia' is hereby made available for expenses necessary for the preparation of plans and specifications for a building in Washington, District of Columbia, for use of agencies of the executive branch of the Government without provision of space for the United States Court of Claims."

On page 19, after line 22, to insert:

"CONSTRUCTION OF RELOCATION FACILITIES

"For expenses necessary for the construction of relocation facility projects protected against fallout, pursuant to the Public Buildings Act of 1959 (73 Stat. 479), but subject to approval of any such project by resolutions adopted by the Committee on Public Works of the Senate and House of Representatives, respectively, $3,800,000, to remain available until expended."

On page 20, line 9, after the word "for", to strike out "$3,716,500" and insert "$4,240,000".

On page 22, line 13, after the word "facilities", to insert a colon and *"Provided further,* That during the current fiscal year, there shall be no limitation on the value of surplus strategic and critical materials which, in accordance with section 6(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(a)), may be transferred to stockpiles established in accordance with said Act", and in line 19, after the word "sales", to strike out "or otherwise".

On page 23, after line 12, to insert:

"WORKING CAPITAL FUND

"To increase the capital of the 'Working capital fund' established by the Act of May 3, 1945 (40 U.S.C. 293), $100,000."

On page 24, line 4, after the word "exceed", to strike out "$13,000,000" and insert "$13,300,000".

On page 25, line 9, after the word "approved", to strike out "extension and conversion".

On page 26, after line 11, to insert:

"General Services Administration shall not construct any office building for any civilian agency or any Government-owned or partially owned corporation except Federal Reserve banks, nor shall any civilian agency or Government-owned or partially owned corporation, except the Federal Reserve banks, build any office building until the office building has been authorized by the Congress or its proper committees."

On page 26, after line 19, to insert:

"In disposing of surplus real estate and buildings a reasonable period of time shall be allowed for local governmental units to perfect a comprehensive and coordinated plan of use and procurement."

On page 29, line 15, after the word "only", to strike out "$19,777,000" and insert "$20,500,000".

On page 30, line 6, after the word "exceed", to strike out "$4,900,000" and insert "$5,849,000", and in line 9, after "(5 U.S.C. 2131)", to strike out "$166,500,000" and insert "$170,760,000".

On page 30, line 17, after the word "of", to strike out "forty-five" and insert "sixty", and in line 19, after the word "only", to strike out "$602,240,000" and insert "$671,453,000".

On page 31, line 1, after the word "law", to strike out "$107,275,000" and insert "$122,787,000".

On page 31, after line 8, to insert:

"Not to exceed $20,000 of appropriations in this Act for the National Aeronautics and Space Administration shall be available for scientific consultations and any emergency or extraordinary expense pursuant to section 1(f) of the legislative authorization for appropriations for the fiscal year 1961."

On page 31, after line 14, to strike out:

"NATIONAL CAPITAL HOUSING AUTHORITY

"Operation and maintenance of properties

"For the operation and maintenance of properties under title I of the District of Columbia Alley Dwelling Act, $40,000: *Provided,* That all receipts derived from sales, leases, or other sources shall be covered into the Treasury of the United States monthly: *Provided further,* That so long as funds are available from appropriations for the foregoing purposes, the provisions of section 507 of the Housing Act of 1950 (Public Law 475, Eighty-first Congress), shall not be effective."

On page 32, line 12, after the word "services", to strike out "$160,000,000" and insert "$191,600,000".

On page 33, line 13, after "(5 U.S.C. 55a)", to strike out "$8,525,000" and insert "$9,300,000".

On page 34, at the beginning of line 4, to strike out "$30,278,400" and insert "$32,778,400".

On page 35, line 9, after the word "law", to strike out "$30,000,000" and insert "$39,000,000", and in line 10, after the word "which", to strike out "$17,000,000" and insert "$26,000,000".

On page 43, line 18, after the word "exceed", to strike out "$8,141,000" and insert "$8,341,000".

On page 43, line 21, after the word "exceed", to strike out "$787,500" and insert "$800,000", and on page 44, line 18, after "12 U.S.C. 1724–1730)", to strike out the comma and "and such other obligations of said corporation shall not exceed $887,800".

On page 46, line 9, after the word "exceed", to strike out "$1,260,000" and insert "$1,400,000".

On page 47, line 3, after the word "exceed", to strike out "$477,000" and insert "$530,000".

On page 49, line 12, after the word "exceed", to strike out "$8,450,000" and insert "$8,650,000"; in line 19, after "(not to exceed $1,500)", to strike out *"Provided further,* That nonadministrative expenses of all kinds regardless of source classified by section 2 of Public Law 387, approved October 25, 1949, including all appraisal fees regardless of source or method of financing shall not exceed $50,000,000" and, in lieu thereof, to insert *"Provided further,* That nonadministrative expenses classified by section 2 of Public Law 387, approved October 25, 1949, shall not exceed $50,000,000", and on page 50, line 1, after the amendment just above stated, to insert a colon and *"Provided further,* That in addition to the foregoing limitation, there may be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, such additional amounts (not exceeding in the aggregate 15 per centum of such limitation) as may be necessary to process workload in connection with mortgage insurance applications which the Commissioner may determine to be necessary to avoid undue inconvenience of hardship to the housing industry and the public."

On page 52, line 6, after the word "services", to strike out "committees of expert examiners and boards of civil service examiners;".

Mr. CAPEHART. Mr. President, I send to the desk a point of order statement which I ask to have read.

The PRESIDING OFFICER. The point of order submitted by the Senator from Indiana will be read.

The legislative clerk read the point of order, as follows:

I make a point of order against the language appearing in lines 12 through 19 on page 26, on the ground that it is legislation on an appropriation bill.

Mr. CAPEHART. Mr. President, will the Chair rule on the point of order?

The PRESIDING OFFICER. The Chair sustains the point of order made by the Senator from Indiana. The language does interfere with the powers of the agency.

Mr. MAGNUSON. Mr. President, another Senator was talking to me in regard to another point in the bill. The point of order relates to the General Services Administration building matter, does it?

Mr. CAPEHART. Yes; and the Presiding Officer has ruled that that provision in the bill is legislation on an appropriation bill, and has sustained my point of order.

Mr. MAGNUSON. All right.

Mr. ALLOTT. Mr. President, although I do not quarrel with the Chair's ruling on the point of order, I think this matter should not be permitted to pass without calling attention to what the committee was trying to do. Certainly, it was no idle gesture.

The fact is that the Federal Deposit Insurance Corporation, which is set up for the purpose of insurance of the banks in this country, has already made plans to construct a building downtown. The chairman of the committee [Mr. MAGNUSON] asked the agency, as did I, about this item.

Mr. Coburn said:

Mr. COBURN. Our files show that since 1940 there have been various considerations given to the authority of the Corporation to build. Mr. Crowley, the original Chairman, had it in 1940. The records show that counsel then advised that the Corporation had the right and implied authority to build a building. There was a bill, I think, in 1950. Our legal files show that the principal reason the Corporation came to Congress at that time was to avoid a provision in our present act which says that the Corporation is exempt from all taxes except local real estate taxes. The bill was to avoid the local District real estate tax. At the present time we have decided that it would be appropriate for the Corporation to pay the tax to the District, and, therefore, we see no necessity for asking for legislation.

Let me ask whether the Senator from Washington recalls the amount that was proposed to be spent for construction of the building.

Mr. MAGNUSON. $11,500,000, I believe.

Mr. ALLOTT. Both the Senator from Washington and I questioned them at some length, in connection with the type of building they proposed to construct. But we could not escape the fact that this Corporation is a Government corporation. It may call the money it uses its own money, but it is not its own money. Under a law enacted by Congress—and I believe it is a good law—the banks of the country are required to pay money into the FDIC, to secure the funds of the depositors. No one quarrels with that; it is good legislation. But when Congress places that burden on the banks, Congress is also in a trust position.

In this appropriation bill, we appropriate funds to support the FDIC. I wish to call this matter to the particular attention of my friend, the Senator from Indiana, because I think it is wrong, after Congress appropriates money to support an agency, to permit the agency to say blithely, "We get our money from our depositors all over the country, and therefore we can build any building we please."

I do not agree; and I certainly intend to call this matter to the attention of the appropriate committee, next year, so that agencies which are dependent on the Government for support, and are using the taxes that are paid by the American people, will not be able to say, "We can build any sort of building for ourselves that we want—either lush or not lush; we can do as we please, according to what we, ourselves, decide."

Certainly that is wrong, and I intend to oppose it vigorously. This is a principle which I think should be brought out on the floor and put before the Senate.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. ALLOTT. Yes.

Mr. CAPEHART. I have no quarrel with the idea of enacting legislation which requires that an agency come back to the Congress for an appropriation. My point is that I do not think Members of the Senate should permit that kind of section to be put in an appropriation bill, because the Parliamentarian rules that it is legislation on an appropriation bill.

I moved to strike it out for the simple reason that I think it would be a bad precedent to have it remain in the bill. I have no quarrel with the able Senator from Colorado, or with anyone else, that enabling legislation should be enacted to require the FDIC or any other agency to go through the Appropriation Committee if it wants to construct buildings; but I do not think we should permit this sort of requirement to be a part of an appropriation bill.

Mr. MUNDT. Mr. President, I send an amendment to the desk, and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from South Dakota will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 28, line 19, before the period, to insert a colon and the following:

Provided, That of such amount not less than $150,000 shall be available, subject to the provisions of such section 202, for a loan or loans for the provision of housing and related facilities on any Indian reservation for the benefit of elderly persons who are members of an Indian tribe.

Mr. MUNDT. Mr. President, I shall discuss this amendment very briefly. I am sure anyone who is familiar with the conditions under which our Indian citizens live fully recognizes that, of all our American citizens, none face a more dismal future in old age and none are forced to live in worse surroundings than many of our unfortunate elderly Indians. It is for that reason I ask that at least a start be made under this legislation to enable our American Indians to participate in the Government's loan program to help finance resthomes for our elderly citizens. Our Indians have no capacity to provide for themselves the proper kind of housing they will need in their advanced years. Most are Indians without funds or land.

Since this is in the nature of a pilot operation, it seems to me we might provide that on one of these reservations, or in some adjacent area, not less than $150,000 be made available to ascertain whether or not, through this plan, at long last we can take some steps in the direction of doing justice to our Indian friends. Perhaps more money can be channeled into this program for Indians but my amendment insists only that not less than $150,000 be set aside for this purpose.

I have discussed the amendment with the chairman and the ranking minority member of the subcommittee. I believe they are prepared to accept the amendment. If so, I have no desire to discuss it further.

Mr. MAGNUSON. Mr. President, the amendment is well taken. The committee had no intention of not covering anyone. If there is any question about covering elderly Indian people on Indian reservations, we shall be glad to take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LAUSCHE. Mr. President, I send to the desk an amendment, which I ask to have read.

The PRESIDING OFFICER. The amendment offered by the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 11, line 6, before the period, to insert a colon and the following:

Provided, That except with respect to grants under obligations incurred prior to the date of enactment of this Act, no part of this appropriation may be used as a grant with respect to any airport wherein any obscene, lewd, lascivious, or filthy book, pamphlet, picture, print, drawing, or other similar indecent or immoral article is made available for sale to the public.

Mr. LAUSCHE. Mr. President, several weeks ago the Chicago newspapers carried a story to the effect that the transit board of Chicago had notified concessionaires that their right of occupancy would be revoked in the event they continued selling lewd, lascivious, or indecent literature.

I commented on the floor of the Senate on the action taken by that commission. The objective which they sought was obtainable without interference with the rights granted by the Constitution of free speech or otherwise.

This morning, at a breakfast meeting, I listened to Rev. Billy Graham discuss the experiences which he had in Africa. He related that the good which we have done there through our financial help has, in practically all instances, been either neutralized or destroyed by the character of moving pictures and literature which has been sold to the people of those nations by mercenary interests in the United States. He raised the question of the paradoxical nature of the problem. He stated that, on the one hand, he subscribed completely to the philosophy contained in our Constitution that the right of free speech is indispensable for the proper development of a people and for the proper exercise of the faculties given to the human being by the Lord. But he went on to say that a problem confronts the people of our Nation when we find ourselves, in our desire to maintain the right of free speech, faced with mercenary interests who are using the right of free speech for the publication of literature that is breaking down the moral fabric of our youth.

I thought he was completely right. I am sure Members of the Senate are in a constant quandary as to how we are going to solve this problem.

I do not subscribe to a program of censorship. I do not subscribe to the concept that free speech should be hindered. But I deeply feel that ways and means must be found to cope with this problem, which is causing such a severe impact on the moral fabric and fiber of the young people of our country. The book "The Ugly American" has been frequently mentioned. In some degree it may be exaggerated, but the fact is that the evaluation made of the people of our country is, in a substantial degree, related to the character of the literature and moving pictures we send out which are seen by millions of people.

I have made inquiry about the means of reaching this problem in the air terminals. Either counties or cities receive financial aid from the Federal Government for the building of air terminals. Those air terminals are leased to news and magazine agencies. The concessions granted can be attached with conditions, and the leases can contain a provision that the concession shall come to an end if the lessee or concessionaire uses the premises for the sale or distribution of any obscene, lewd, lascivious, or filthy book, pamphlet, picture, printing, drawing, or any similar indecent or immoral article.

About 2 months ago we appropriated $25 million to fight juvenile delinquency. It was thought the problem was so severe that the Federal Government would

have to step in and, in a measure, declare that the parents, the ministers, the rabbis, the priests, the schoolteachers, the policemen, the prosecutors, the judges and the parole officers were incapable of handling the problem. I thought it was a serious indictment when we declared that all of these agencies were incapable of developing a moral character in our youth sufficient to face the problems which will confront our youth in life.

Upon reflection, I can well understand the feelings of the mother and father, worried about a daughter, while they are trying to build character, when they view these news agencies, magazines and moving pictures breaking down with their material the very work which the parents are trying to accomplish.

At the proper time, Mr. President, I shall call up my amendment.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. KEATING. The Senator has not yet called up his amendment?

Mr. LAUSCHE. I have not. I have sent it to the desk.

Mr. KEATING. I am very sympathetic with what the Senator has been trying to accomplish. The situation has worried me a great deal. I have spoken upon the subject on innumerable occasions on the floor of the Senate and at public gatherings.

It seems to me this may be an area in which we can really do something about the problem. I am glad the Senator has brought up the subject.

Mr. LAUSCHE. I thank the Senator very much. I do not believe the Senator was in the Chamber when I related the statement made by Reverend Graham. He said that when he was in Africa, as well as everywhere else he went, he was told that the good we do with our aid we more than break down with the indecent, lewd, and lascivious literature and moving pictures we are sending to those naive and primitive but still clean and wholesome people.

Mr. JAVITS obtained the floor.

Mr. ALLOTT. Mr. President——

Mr. JAVITS. Does the Senator from Colorado desire to have me yield to him?

Mr. ALLOTT. If the Senator will permit, I would like to reply to the Senator from Ohio.

Mr. JAVITS. I yield to the Senator.

Mr. ALLOTT. Mr. President, I wish to say to my friend from Ohio that I sympathize very greatly with what he is trying to do. I am not quite sure whether the plan the Senator has in mind is workable. Perhaps if the Senator is not offering his amendment now we can discuss it later. There are numerous steps necessary to stop what is going on. I wish to inquire whether the Senator intends to present his amendment now, or later.

Mr. LAUSCHE. I shall present it at a later date.

Mr. ALLOTT. At a later date?

Mr. LAUSCHE. At a later time.

Mr. JAVITS. Mr. President, I yield to the Senator from Ohio. I wish to be sure that I retain my right to the floor.

The PRESIDING OFFICER. The Senator from New York has the floor, and yields to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I recognize the difficulty, from the technical standpoint, of coping with the problem, in view of what the Supreme Court has said. I feel deeply that we must start giving attention to the problem. I believe under circumstances of this type, as pointed out by the Senator from New York [Mr. KEATING] we may be able to reach the problem with the language I have in mind, although if we tried to censor the moving pictures or the books the language would not be proper.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague.

Mr. KEATING. That was the only feature about the proposal which in any way worried me. I am in complete accord with the objective of the Senator from Ohio. I doubt whether we can accomplish it by a censorship provision. I doubt that it would be advisable or desirable to do it in that way.

The only difficulty I had in regard to the proposal was with respect to the definition of what would fall within the purview of the Senator's amendment. I hope we can do something about the matter in the bill under consideration. Has the Senator submitted the language to the legislative counsel?

Mr. LAUSCHE. The legislative counsel drew up the amendment. It was stated that my doubt about the ability to do this was not justified, because the amendment does not contemplate directly or indirectly any censorship, but would merely attach a condition to the grant of money.

Mr. KEATING. Mr. President, will the Senator yield further?

Mr. JAVITS. I yield.

Mr. KEATING. Who would make the determination?

Mr. LAUSCHE. It would be the board which allocates the money.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. JAVITS. Mr. President, I have the floor. I yield to the Senator from Washington.

Mr. MAGNUSON. Like the Senator from Colorado, I am very sympathetic with the objective of the Senator. However, this is a bill which would give to the Federal Aviation Agency the money to maintain the safety of airlines in the United States. The money would be granted under a legislative formula to the different places. I do not know whether we would want to give General Quesada the job of going out and looking at all of the magazines at every airport in the United States, to see what he thought about them. He is the Director. One man is named; that is General Quesada. The CAB would have nothing to do with this.

I think the Senator from Ohio appreciates the practical problem which is involved.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. SALTONSTALL. Like other Senators, I am heartily in favor of what the Senator from Ohio is trying to do, but I sincerely believe what is proposed is not the way to do it. What is a lewd book? We know that the Postmaster General has had cases carried to the Supreme Court.

The language would provide, as the Senator from Washington has said, that General Quesada would have to go to Cleveland, Ohio, we will say, to look at the books on the newsstand——

Mr. LAUSCHE. Or to Boston, Mass.

Mr. SALTONSTALL. Or to Boston, Mass. We find there is a great deal of difficulty with respect to differences of opinion.

No one is more sympathetic than I to the objective of the Senator. I hope the Senator will seek to attach his amendment to a legislative act, rather than to an appropriation bill. I think this provision would be incapable of administration if placed in the bill now before the Senate.

Mr. LAUSCHE. I recognize all of those difficulties. I will say, however, that we had better begin to think about the problem. We cannot keep saying, "There is nothing we can do."

I realize that all of my associates recognize the seriousness of this problem.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague.

Mr. KEATING. I emphatically agree with the Senator. It has been brought to my attention that some of the most terrible material which has gone through the mails has been sent as the result of a little boy or a little girl sending in a quarter for a model airplane or something of that kind. This vile material is sent through the mails, and now is being sent through carting companies and by other means. It is a national problem. It is not a local problem. Many unsavory people are fattening their pocketbooks as a result. This is a problem we must face up to.

Fortunately, many fine groups and individuals all over the country are up in arms about this Niagara of smut which is coming through the mails and being distributed on newsstands and by other means. They are complementing the vigorous efforts of the Post Office Department to wipe out this blight of pornography.

In my view, the traffic in obscene material is one of the most serious moral and social problems confronting America today. It has contributed substantially to the rise in juvenile delinquency, in spite of the unceasing war being pursued by authorities at all levels.

I doubt that the general public has any comprehension of how serious this problem has become. It is doubtful that most people realize how extensive this filthy traffic is today.

The fact of the matter is that the pornography and obscenity business in this country has become a half-a-billion-dollars-a-year enterprise. It is big business with capital "B's" and it is high time we called a halt to its filthy machinations.

Of course, as has been pointed out, one of the very real problems involved in curbing these barons of obscenity is

simply the definition of what is pornography. What may represent pornography by the standards of most decent people may not be so classed by the courts, under some recent decisions.

We in Congress must grasp this nettle. I have sponsored legislation to help alleviate this problem, and I intend to pursue actively my studies of other means to put these dirty businessmen out of business. Certainly the proposal of the Senator from Ohio deserves careful consideration by Members of the Senate in the light of the severity of the challenge posed by obscene material.

Mr. President, it is high time Congress got cracking on this whole subject. Some helpful and informative hearings have been held and a great number of legislative proposals have been considered. I hope we can come to grips with some of these ideas. Federal action should and can be taken to effectively supplement the vigorous and wonderful efforts being undertaken by so many groups and individuals on the local level all over the Nation.

Of course, on the local and individual level, it is a matter of demanding strict enforcement of existing statutes, or reporting all violations that come to light. It is a matter of supporting authorities who are trying to do something about keeping this filth out of the hands of our children. In this connection, I want to reiterate my commendation of the Post Office Department, which has spearheaded a nationwide campaign in this field.

Concerted public cooperation and further action by Congress hold the key to stemming this flood of filth which threatens to infect so many of our young people. I am not certain whether the bill before the Senate is the proper vehicle to use in this great cause. I should like to talk with the Senator about it, because he has certainly put his finger on something with which we must come to grips.

Mr. ALLOTT. Mr. President, will the Senator yield to me?

Mr. JAVITS. I yield to the Senator from Colorado.

Mr. ALLOTT. I will say to my friend from Ohio that I am sure we all have the same purpose. I do not know whether this would represent legislation on an appropriation bill or not. I think the particular amendment would not. That is simply my opinion.

The thought I am proposing to the Senator, I think, might be more effective than the language the Senator has suggested, which I believe would be terrible in effect. One day the administrator might go to the newsstand and might find only books and magazines on Christian charity, but the minute he walked out, or the next day, the newsstand might be filled up with all the trash in the world.

As the bill now reads, such language is omitted. However, I should like to suggest to my good friend for his consideration that contracts for grants under obligations might contain or should contain such a limitation as he suggested, and it seems to me that the proposal to which I refer could easily be a better and more workable way of getting at the problem.

Mr. LAUSCHE. I thank the Senator from Colorado, and I also thank the Senator from New York [Mr. JAVITS] for his consideration in allowing us to have time for this discussion.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. COOPER. I am sorry I did not hear all of the discussion of the Senator from Ohio [Mr. LAUSCHE]. Today he told me the nature of the amendment he intended to present. I do not know its full scope, but I would like to say I approve and commend the purposes of the Senator from Ohio. I think all Senators should be very much aware of the problem he has presented, not only in this particular set of circumstances, but everywhere in our country. I shall support him.

Mr. LAUSCHE. I thank the Senator from Kentucky very much.

Mr. JAVITS. Mr. President, I am going to acquaint the Senate with a situation with which I feel it my duty to acquaint the Senate. It relates to my amendment 60–20–60—B, which has been printed and is before the Senate.

To the amazement of every traveler from foreign countries to the United States and to the amazement of people from other parts of the United States, when one gets into an airport in one of our Southern States and walks through the lobby of that airport, he sees a big bronze tablet which says, "This airport was erected with the aid of funds of the United States of America." Nonetheless he finds in that airport toilet facilities which are separately apportioned for white and colored, as the saying euphemistically goes, and waiting rooms which are classified for white and colored. The arrangement is absolutely fantastic to anyone who does not live in that part of the country and he has difficulty to account for it. As a matter of law the arrangement is completely unlawful, but there it is.

We are pretty familiar with these practices, since we are having a great national struggle concerning them, but I must say it is amazing when the practices and procedures and, indeed, the written directives of a Federal Government agency tolerate the situation. It not only tolerates it but, by implication, tells the applicant for Federal funds exactly how he can get around the fact that the Federal funds are not supposed to be made available for any such facilities.

I shall not take too much of the Senate's time in going into this matter, but for the interest of Senators who are present, as well as those who are not but will want to know how consideration of the amendment will proceed, I should like to make the following statement. I do not actually intend to call up my amendment until after I have made my presentation on it. I have been informed that at that time, when the Senate floor is again available under the rules, a motion will be made to table the amendment. I hope very much the mover of that motion will allow such modest debate and rebuttal as Members may feel moved to make on the question, and I shall seek a yea-and-nay vote after the motion to table is actually made and the debate is concluded. I so state in order that the attachés of the Senate may advise Senators as to the situation and may guide themselves accordingly.

What are the facts? The Federal Government, as is well known, under the Federal Airports Act gives an opportunity to local communities—indeed, to individual operators—to build airports with Federal aid. A practice has grown up in that situation under which I believe the basic policy of the Constitution of the United States and the law of the United States is being frustrated and circumvented in utilizing these funds to build airports within which one then finds completely segregated facilities for dining, restrooms, and perhaps in some cases even other types of facilities. Depending upon whether one is white or Negro, one is allowed or is not allowed to use certain of these facilities.

There is no segregation on airplanes but there is segregation in airports. In view of the fact that this is true, as I said, right under the cover of the activities of a Federal agency, I think it is time to bring it out into the open and to put a stop to it.

How does the Agency tolerate any such situation? What it does is to make a loan for the airport building itself, and to omit in the specifications for the building certain spaces in that building, which are left completely vacant, and for which, indeed, FAA does not put up any loan. Later, or contemporaneously, the local community which is building the airport terminal with Federal aid uses its own funds for the purpose of putting in these particular structures, whether they are restrooms or dining rooms or waiting rooms, and segregates them.

Mr. President, one understands perfectly clearly that the big costs which are involved are the costs for the building. However, once the building is constructed, once the fundamental structure is erected, it does not cost very much to put in these additional facilities. Yet this trick, this practice, which is engaged in results in having local communities which believe in segregation, segregate the facilities. They are segregated in terms of national and international travel, not just in terms of the residents of the community involved.

I said that the Agency, at the very least, tolerates it, and, at the very worst, permits it. How does it do that? I suggest that Senators should look at the regulations of the FAA, the Agency which succeeded the Civil Aeronautics Administration, particularly the regulations which were issued on April 6, 1956. They are found at page 617 of the hearings. The policy statement is entitled "Airports Policy and Procedure Memorandum No. 41." It was issued by the Administrator of Civil Aeronautics originally, but is, in effect, a regulation of the FAA. It provides as follows:

"(3) No Federal-aid airport program funds will be made available for the development of separate facilities or space in an airport building when such facilities or space are

designed for use now or in the future for separate racial groups."

The purpose and intent of the policy expressed in this programing standards is to prevent the use of Federal funds to further or to increase racial segregation in airport buildings. Under this policy, Federal-aid airport program funds will not be used in the construction or reconstruction of any areas of a building which are intended for use by separate racial groups.

This is the fundamental policy and procedure. At least that is what we are told, according to the policy and procedure memorandum of the FAA.

It goes on to provide—and this is the gimmick:

It will, therefore, be required, prior to the issuance of a grant offer for any project involving a building, that the chief executive officer of the sponsor of each building project clearly state, in writing, whether or not it is the intent of the sponsor that all of the areas and facilities in the building will be available without regard to race, creed, or color, and are intended to be operated on a nonsegregated basis.

If not, it will be necessary that the written statement describe those areas and facilities within the building which are intended for segregated use.

Just think of it, Mr. President. Here is a policy and procedure which provides that no facilities are to be used in such a way as to be segregated. Yet here is a refutation of that policy. This is a refutation of the purpose and intent of the policy expressed in the programing standard, because in the same memorandum we find the statement that it will be necessary that the written statement describe the areas and facilities within the building which are intended for segregated use.

The memorandum goes on to specify just what the written statement is to describe if there is to be this exception and exclusion.

Mr. President, how brazen can one get? Here is an agency which has the fundamental policy that these facilities shall not be segregated; yet for all practical purposes it gives instructions to the individual applicant on exactly how these facilities are to be segregated, in direct violation of the Agency's own policy.

It is inconceivable to me that this should occur right under our very noses; that we should be asked to appropriate $80 million for this program, yet should be denied the opportunity of correcting this most offensive situation which is being participated in by an agency of the Federal Government.

I will say this—and everyone knows it—that this is just inertia. In other words it was the way it was done in 1955 and 1956, and it just goes on, until someone stops it. I think it is high time to stop it.

I felt it my bounden duty to bring this matter to the attention of the Senate.

I testified before the committee on this subject. Because I know very well the concerns about so-called antisegregation amendments, and how Senators feel about them, I suggested to the committee that if we could get a statement of policy from the Agency as to how they would carry out this program, it might fully meet the requirements of the situation.

That procedure has served very well with respect to other bills. One I know of particularly is the National Defense Education Act. In that case a letter was obtained from the Secretary of Health, Education, and Welfare. However, FAA has not budged on this point. Hence the only thing I felt I could do was to propose the amendment, which I will call up, as I said, when I have concluded my remarks.

I have heard arguments against preventing proper restrictions being placed on an agency which would lend itself to this practice. The arguments are, of course, that we do not generally like to offer this kind of amendment if we can avoid it. The answer is that this is such a shocking situation that we cannot avoid it.

The second point is one to which I should like to address myself for a few minutes. It is the question of whether this is the kind of amendment which is found in the Federal aid to public school construction bill as it came to us from the House of Representatives, and which aroused considerable interest here. It was felt that if we kept that amendment in the bill it would result in defeating the whole bill. I have been asked by a number of Senators in connection with my own amendment to the pending bill, "What is the difference between your amendment and the so-called Powell amendment?"

There is all the difference in the world, and it boils down to this. If we deny money in a public school construction situation on the ground that the school has not desegregated, then we are taking action which the Supreme Court has qualified in its decision on the public school desegregation cases.

The Supreme Court has qualified it by saying that desegregation of public schools shall take place with all deliberate speed. In other words, it has qualified it in point of time. Although personally my own views may have some modified application in that situation, I must agree with the Supreme Court's ruling. It is possible to make the argument that the question of all deliberate speed should be left to the courts, and that the question of all deliberate speed should not be decided by a governmental agency which has the responsibility of disbursing funds for school aid.

That is not the case in the present situation, for in the situation before us no time lag is envisioned by any Supreme Court decree or by any law.

In the situation before us, we are frontally lending the loaning power and the authority of a Federal Government agency, whether by implication or directly, to the proposition that what is now immediately unlawful shall be used to perpetuate or to establish segregated facilities within an airport, nothwithstanding the fact that they are now and immediately unlawful—not that they will be unlawful if they are not segregated with all deliberate speed, but that they are now and immediately unlawful.

As authority for that statement, I refer to the basic law itself, which is found in title 49, section 1110, United States Code, annotated, which relates to how these funds are to be loaned, and under what conditions. I shall read the first clause of the law. It is very clear on the subject:

As a condition precedent to his approval of a project under this chapter, the administrator shall receive assurances in writing satisfactory to him that (1) the airport to which the project relates will be available for public use on fair and reasonable terms and without unjust discrimination.

If that is not clear enough, in a case decided very recently in the U.S. Court of Appeals for the Fourth Circuit, the so-called Greenville case, the court unequivocally states that it is unlawful for a State, or any governmental subdivision thereof, to maintain segregated facilities specifically within an airport. It is the unanimous decision of the circuit court of appeals.

There is no question about the fundamental law which is involved. It was sustained earlier this year in a case involving a segregated airport restaurant in Atlanta, Ga. It was sustained last year in a case involving the Memphis airport. Then we have the Greenville airport case, which is very recent, having been decided only a few months ago. The full text of the Greenville decision is printed at page 618 of the Senate committee hearings. The case is entitled "Henry Against Greenville Airport Commission."

The very point that there are very recent cases, and that this practice is directly and immediately unlawful—it does not have to wait for any deliberate speed, but is immediately unlawful—is used as an argument against my amendment, on the ground that the amendment is not really essential because a suit can be started in every case which involves segregated facilities, in order to enjoin their continuance.

It seems to me that that argument would cause us, just like the rather strange interpretation of the regulations of the FAA, which I read, to be, by implication, parties to a violation of the law and a violation of the Constitution. We would be advancing money which a Government agency is affirmatively using to help—again I say, at the very most indirectly—an illegal establishment of segregated facilities. We would be lending money, but would be telling some individual to go ahead and sue if he did not like what occurred, because we were giving the money knowing it would be used for this purpose.

I think such a use of Federal funds is inexcusable and unforgivable on the part of Congress. There is a host of declarations by the highest officials of the Government that Federal funds must not be used to establish segregated facilities. The President of the United States himself, in my hearing, during one of his campaigns, in a great rally in New York, made that absolute pledge to the American people. I simply do not see how we can possibly get away from it.

When I say this is actually going to happen, I come to another argument which is very strongly urged against my amendment, namely, that my amendment reaches situations in which the Federal Aviation Agency has already

contracted for certain facilities, and that $500,000 of the $80 million appropriated by the bill will be used for a terminal building at Birmingham, Ala., and for a similar building at Tallahassee, Fla. In both of those buildings we know now there will be segregated facilities—rest rooms, waiting rooms, and perhaps dining rooms. In both instances, the FAA has already contracted to lend the money.

In respect to that argument, I say two things. It makes it very clear, beyond a peradventure of a doubt, that if we appropriate the money, we will be helping to bring about a violation of the law and the Constitution. Second, it is hornbook law that a contract which has in it an element of illegality is an invalid contract. Certainly it is a contract which, as the lawyers say, is beyond the power—ultra vires—even of an official of the United States. We have no right to enter into a contract which flies in the face of the law. There is no morality which holds otherwise, in my view.

Finally, the argument is made against my amendment that people have committed funds on the strength of loans they expect to get from the FAA, and therefore they should not be deprived of those loans at this time. That is what lawyers call the estoppal argument. I think there are two answers.

First, we are closing a Federal loophole. We are closing a loophole by which we are quite unwittingly lending ourselves to the continuation and the establishment of new segregated facilities, rather than doing our utmost to eliminate them.

Second, it seems to me very clear that the unfairness of this kind of utilization of Federal funds for this kind of segregation far outweighs the embarrassment to an individual who has put some money into this kind of proposal in the expectation of receiving a Federal loan.

Before I call up my amendment, I should like to conclude with this observation: I have been a Member of the House and Senate for about 13 years. I know of no time when the atmosphere gets quite so chilly, and when people become quite so restless and unhappy, as when this subject is brought up. Whatever may be the deep psychological reasons for it, this is one situation with which we must live in this country. I have always been the first to affirm the sincerity of the convictions of the men and women who take the very opposite view of this situation from mine. I have never hesitated to debate it with them in the public forum and on the floor of either House. But I have always respected their views.

Notwithstanding that, in this day and age, with what we have at stake in the world in terms of our relationships with the overwhelming preponderance of people having skins which are yellow, black, or brown—not white—I simply cannot understand how we can fail to scratch the bottom of the barrel, if we have to, let alone take as obvious an amendment as this one, in a situation in which a traveler to the United States on an international carrier, if that traveler is himself a person of color, coming to an airport in the southern part of the United States, will find that he cannot sit in a waiting room with Americans; he must go into a separate waiting room for black people; that he may not use the same toilet facilities; and that in some cases he may not use the same dining room. How can we possibly justify that? It would be hard enough to justify it on moral grounds if provision as to the subject were not imbedded in our Constitution and in the law of the land. It seems inconceivable to me that we can justify it when it is actually unlawful, and so declared by the courts, so declared by the law, and so declared by the policy of the FAA itself, which at the same time, in the same memorandum, instructs people how to avoid it. It is inconceivable to me; I cannot understand it.

Finally, we must in some way get at this situation. We have tried to do it. We have had long debate. We are trying to do it now on the basis of the right to vote, as our first effort in this regard. That is all to the good. I hope we will make much progress.

But when as obvious a situation as this one hits us in the face, to use a curbstone term, and when every opportunity is given to the agency itself to do something about it, but it will not move, it seems to me that the situation calls only for the kind of remedy which, in extremis, I have proposed today. There is simply no other way out, and nothing else which can be done, much as any of us would try to do something else about it.

Mr. President, it is for that reason, and on those grounds, and in view of the complete documentation on this situation, which I have submitted both to the committee and to the Senate, that I believe there is nothing else for me to do except propose this amendment.

I believe we have worked out a procedure which will be economical of the time of the Senate and, I hope, of temper, in terms of the debate.

I repeat that I am addressing myself solely to the issue: and I shall not attempt to castigate either the Agency or any individual who is approaching this matter.

But, Mr. President, after so clearly and demonstrably proving the situation, which can be confirmed by observation by any person who goes to an airport in the southeastern part of our country, I felt that, as a Senator, I must try to do something about that situation. That is why I am about to propose this amendment.

Mr. SCOTT. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. SCOTT. I am impressed by what the Senator from New York has said; and his remarks suggest to me how I would feel if I were to enter the airport at Orly, France, or North Holton, England, or at Bonn, or at Madrid, or at Ciampino, Italy, and there read on a plaque that the airport had been built by means of the use of Federal funds, but that persons of some given nationality or color or race—which might, for example, include me, as a citizen of the United States—would be required to use facilities separate and apart from those available to other persons who made use of that international airport. In that event, I believe I would get a bad impression.

Travelers in increasing numbers now come to the United States from all over the earth; and they are of many kinds and many races and many nationalities. They come from the very ends of the earth.

I must say that I agree with the Senator from New York that we should not give propaganda material to those who are hostile to what we are proud of in the American way of life. We should not affront either our visitors or our own citizens.

Although I am of the opinion that the law already is clear, and does prohibit the separation of such facilities, nevertheless I recognize the purpose of the amendment of the Senator from New York; and I am glad to announce here that I shall be happy to support it.

Mr. JAVITS. I am very grateful to the Senator from Pennsylvania.

Mr. President, I wish to call attention to the fact that there are other airports in which exactly the same situation exists, in addition to the two—the one at Birmingham and the one at Tallahassee—that are affected by the pending bill. In addition, there is the airport at Montgomery, Ala.; the airport at Meridian, Miss.; and the airport at Natchez, Miss. There may be others; but I have cited enough to indicate that this practice is by no means a limited one which has not received much attention.

Mr. President, I now call up my amendment which deals with this matter—it is identified as "6-20-60-B"—and ask that it be stated.

The PRESIDING OFFICER. The amendment submitted by the Senator from New York will be stated.

The LEGISLATIVE CLERK. On page 11, in line 6, it is proposed to strike out the period, and insert a colon and the following:

Provided, That no part of this appropriation shall be available for the liquidation of contract obligations incurred for the construction of airport terminal buildings containing racially segregated dining or other facilities.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 250]

Aiken	Byrd, W. Va.	Curtis
Allott	Cannon	Dirksen
Anderson	Capehart	Dodd
Beall	Carlson	Douglas
Bennett	Case, N.J.	Dworshak
Bible	Case, S. Dak.	Eastland
Bridges	Chavez	Ellender
Brunsdale	Church	Engle
Bush	Clark	Ervin
Butler	Cooper	Fong
Byrd, Va.	Cotton	Frear

Fulbright	Lausche	Prouty
Goldwater	Long, Hawaii	Proxmire
Green	Long, La.	Randolph
Gruening	Lusk	Russell
Hart	McCarthy	Saltonstall
Hartke	McClellan	Scott
Hayden	McGee	Smathers
Hickenlooper	McNamara	Smith
Hill	Magnuson	Sparkman
Holland	Mansfield	Stennis
Hruska	Martin	Symington
Jackson	Monroney	Talmadge
Javits	Morse	Thurmond
Johnson, Tex.	Morton	Wiley
Jordan	Moss	Williams, Del.
Keating	Mundt	Williams, N.J.
Kerr	Muskie	Yarborough
Kuchel	Pastore	Young, Ohio

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment of the Senator from New York.

Mr. JAVITS. Mr. President, now that more Senators are present than were present previously, I wish to take 2 minutes to explain the amendment. After that I shall be perfectly ready to vote, and I shall ask for the yeas and nays.

The amendment seeks to prevent the Federal Aviation Agency from making available grant funds for the construction of airport terminals, within which there will be segregated facilities—facilities within the shell furnished by the Federal grant, substantially, which may be used for segregated dining rooms, restrooms, and waiting rooms.

Mr. President, Senators will observe upon their desks a mimeographed memorandum explaining the amendment, which carries the whole argument I have made.

The law under which the agency functions says very clearly that these grants are to be made "without unjust discrimination." The Airports Policy and Procedure Memorandum of the agency specifically states the policy is not to have segregated facilities among the facilities financed by its grants, yet in the same memorandum the people are told exactly how to go about accepting some of the grants so that the facilities can be segregated. It is very blatant, Mr. President. The memorandum is to be found at page 617 of the record of hearings before the committee. It is very clear that if one wants to provide segregated facilities the Agency tells one exactly how to go about getting the grants and still providing segregated facilities.

Mr. President, it is inconceivable in this day and age that we should lend ourselves to any such illegal operation. Certainly the court will enjoin any such thing at any airport, but that means it is necessary to take each situation to court. We should not provide Federal money, in the way of grants, to perpetuate a situation which the courts would enjoin as illegal—which the courts have enjoined as illegal as recently as the case decided in April of this year, which is referred to at page 610 of the hearings before the committee upon this subject.

Mr. President, I cannot see how in good conscience we can fail to restrict the expenditure of funds of the Federal Government on grants in respect of a matter of this character, and how we can allow any foreign or domestic traveler to come into an airport, read the plaque on the front of the building which says it is built with Federal funds, go in, and find, if he is a person of color, be he an Indian or a Ghanaian, or a person from anywhere else in the world, that he is restricted as to where he may go, where he may sit, and what facilities he may use in that airport. It is for that reason, because we could not get a change in policy from the Agency, that I proposed the amendment.

Accordingly on my amendment I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

Mr. DOUGLAS. Mr. President, I cannot let this occasion pass without expressing my approval of the amendment of the Senator from New York [Mr. JAVITS]. It seems to me that terminal buildings are organic buildings. One sees the Federal shell outside, which is supposed to be nonsegregated, and then the local or State area inside, which is segregated. This is a purely artificial method used to defeat the purpose of the law.

We remember that Solomon had a similar problem when two mothers contested for a child. Solomon's proposal was to cut the child in half and award one-half to one mother and the other half to the other, which resolved the controversy rather quickly.

A terminal building is almost as organic as a child, and this attempt to have locally segregated areas inside a building which is federally financed is equally an effort to defeat the purpose of the law. So I very much hope that the amendment of the Senator from New York will be agreed to.

Mr. MAGNUSON. Mr. President, I shall be very brief. The committee went into this subject in some great detail. It is not as simple as the description of the Senator from Illinois, because it is an appropriation bill and involves contracts that have been made previously.

The amendment should be proposed to the Federal Airport Act. I strongly favor the purpose of the amendment. This is my 24th session in Congress and I have voted for every single bill of this type. In fact, I have introduced many of them before some Senators who are sitting here today arrived. So, reluctantly, because we have had two legal opinions on this subject, I must oppose the amendment.

Lawsuits against the Government would be filed. Five small airports for which contracts were made are at present involved. I assure the Senator from New York [Mr. JAVITS] and the Senator from Illinois [Mr. DOUGLAS] and all other Senators that any amendment presented to the legislative committee involved which would require future contracts to contain clauses of the kind proposed by the amendment of the Senator from New York, would have the committee's approval.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. MAGNUSON. In present contracts provision of the type suggested is included, but the amendment of the Senator from New York involves going back to a few small contracts that were made in instances in which local authorities went ahead and built airports. Sometimes the contractors were paid monthly and sometimes they waited until the airport was completely constructed to request Federal grants. In a couple of cases that happened.

No one has been more zealous in the cause of antisegregation than has the Senator from Washington, but the present bill is not the place for this type of action. The proposal should be put on the calendar of the committee considering the Federal Airport Act. As I said, under present contracts I am assured provision is made for the situation described. I brought the subject to the attention of the committee, and the committee has instructed me to move to table the amendment, which I must reluctantly do.

Mr. CLARK. Mr. President, will the Senator yield to me?

Mr. MAGNUSON. I announce that I shall move to table the amendment of the Senator from New York.

I yield to the Senator from Pennsylvania.

Mr. CLARK. I thank my friend for his courtesy in yielding to me. I will take only 2 minutes. I regret very much to conclude that this is a clear-cut moral issue and that there is no justification that I can see for the letter of Mr. Lowen representing the CAA which appears in the record at page 617 of the hearings. it seems to me that the situation described in the letter is a clear evasion of law. I regret very much that in their wisdom my colleagues have concluded that they do not wish to be recorded on this issue. I would like the record to show that I support the Senator from New York.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks two letters from Daggett H. Howard, General Counsel of the Federal Aviation Agency to the chairman of the committee, one dated May 20, 1960, and the other dated June 22, 1960, on the legal aspects of this problem.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEDERAL AVIATION AGENCY,
Washington, D.C., May 20, 1960.

Hon. WARREN G. MAGNUSON,
Chairman, Subcommittee on Independent Offices and General Government Matters, Appropriations Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to the questions asked by the subcommittee at the hearing on May 17, 1960, concerning a proposed amendment to H.R. 11776 offered by Senator JAVITS, and is also in response to your request that the General Counsel of the Federal Aviation Agency provide the subcommittee with his written views as to the legal implications of the proposed amendment.

We appreciate very much the opportunity to submit to the subcommittee our thoughts on some of the legal problems which may arise if the amendment to H.R. 11776 proposed by Senator JAVITS is enacted into law.

At the outset, we wish to express our sympathy with the aims of Senator JAVITS. We think those aims are highly commendable. However, it should be made clear that the Federal Aviation Agency does not now provide funds for the development of segregated facilities in airport buildings. Our policy in this respect is set out in 14 C.F.R. 550.24(i)(5) in the following language:

"(5) No Federal-aid airport program funds will be made available for the development of separate facilities or space in an airport building when such facilities or space are designed for use now or in the future for separate racial groups."

We have given considerable thought to the practical problems involved if Senator JAVITS' proposed amendment is adopted. Assuming its validity, it would have the effect of denying some important safety items to the public using airport facilities over a large part of our country. For example, the Federal Aviation Agency would be prohibited from expending funds for the construction of control towers where such towers are to be a part of an airport building falling under the restrictions in Senator JAVITS' proposed amendment. Moreover, the Agency would be prohibited from providing funds to house weather reporting and communications activities in any part of such an airport building.

Aside from the obvious fact that the proposed amendment may be substantive legislation in an appropriations act, we have more serious questions regarding its legality. The funds called for in H.R. 11776 are to meet existing contractual obligations, not obligations which may arise in the future. We believe the proposed amendment would result in lawsuits against the Federal Government on the basis that an existing valid contract is property and that property rights are protected by the Constitution whether the obligor is the United States or others. The United States is subject to the due process clause of the Constitution; and, in its contractual relations with others, the U.S. rights and duties are governed generally by the law applicable to contracts between private individuals.

Even if the proposed amendment were not objectionable on legal grounds, we feel it is inherently unfair to those who have expended their funds in reliance upon financial participation by the United States, as well as disruptive of needed airport development.

Sincerely yours,

DAGGETT H. HOWARD,
General Counsel.

FEDERAL AVIATION AGENCY,
Washington, D.C., June 22, 1960.

HON. WARREN G. MAGNUSON,
Chairman, Interstate and Foreign Commerce Committee, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: A member of your staff has inquired as to our views on a reworded version of the proposed amendment to H.R. 11776 offered by Senator JAVITS. You will recall that I answered certain questions asked by the committee on the earlier version in my letter to you of May 20, 1960. The new language we were asked to consider reads as follows: "*Provided*, That no part of this appropriation shall be available for the liquidation of contract obligations incurred for the construction of airport terminal buildings containing racially segregated dining or other facilities."

We do not feel that the changes in language cure the proposed amendment of the defects we noted in our previous comments. It is still my considered legal opinion that the amendment, even as reworded, is of questionable legality and would result in lawsuits against the Federal Government. As I indicated in my previous letter, such lawsuits could be brought on grounds that an existing valid contract is property.

Accordingly, it is my legal opinion that the practical result of the proposed amendment would be to subject the Federal Government to costly administrative burdens and protracted litigation, without achieving the result Senator JAVITS seeks. The Federal Government would, in the end, be forced to make the payments, in the form of settlement of claims or judgments, even though normal payment from these appropriations were barred by the proposed amendment.

I am convinced that the present grant agreements are valid contracts in this respect, that they are not contracts made in violation of any law, and that it would be a futile gesture for the Federal Government to refuse payment thereunder on the grounds Senator JAVITS seeks to assert through the proposed amendment. If it is the wish of Congress to achieve the objective sought by the Senator, the most appropriate and least troublesome way to accomplish this is by direct amendment of the Federal Airport Act itself.

I might add at this point a few brief words of clarification as to the present law and the policy followed under it by the Federal Aviation Agency. In my previous letter, I set forth the provisions of 14 CFR 550.24(i)(5), which are to the effect that no Federal-aid airport program funds will be made available for the development of separate facilities or space in airport buildings when such facilities or space are designed for use now or in the future for separate racial groups.

I think it might be useful to point out to your committee just how this Agency's policy on this matter works and how it does have the effect of reducing Federal grants-in-aid for airport terminal building projects in which there are racially segregated facilities. For example, let us say that an airport terminal building is to be constructed for $100,000 and that $10,000 of this is to go for construction of segregated dining facilities. This $10,000 item would be completely denied as an allowable project cost. Thus, if the Federal share is to be 50 percent, the Federal grant-in-aid would be $45,000.

On the other hand, let us assume that an identical terminal building is to be constructed for $100,000, but the same $10,000 dining facility is not to be racially segregated. In this case, the 50 percent Federal contribution would be $50,000.

This policy is strictly applied in all instances by the Agency and has the effect of reducing Federal contributions, as illustrated, whenever a racially segregated facility is involved. I wish to emphasize that we guard against any bookkeeping or other adjustments anywhere else in the program which might otherwise nullify this policy. We are extremely careful not to permit any increased participation in the remainder of the project which could convert this into a mere bookkeeping exercise. The policy has teeth and is strictly administered.

If you or your committee have any further questions, we shall be very happy to answer them.

Sincerely,

DAGGETT H. HOWARD,
General Counsel.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. ALLOTT. The Senator from New York, who made the request for the yeas and nays, is present in the Senate, as are most of the other interested Senators.

I would like to call to the attention of the Senate the statement of the General Counsel of the FAA which appears on page 126 of the hearings:

Aside from the obvious fact that the proposed amendment may be substantive legislation in an appropriations act, we have more serious questions regarding its legality. The funds called for in H.R. 11776 are to meet existing contractual obligations, not obligations which may arise in the future. We believe the proposed amendment would result in lawsuits against the Federal Government on the basis that an existing valid contract is property and that property rights are protected by the Constitution whether the obligor is the United States or others. The United States is subject to the due process clause of the Constitution; and in its contractual relations with others, the U.S. rights and duties are governed generally by the law applicable to contracts between private individuals.

I would like to say to my chairman and to my friends in the Senate that there is no Senator—and I am sure the Senator from New York will agree—who supported all measures of this kind any more assiduously than has the senior Senator from Colorado and the Senator from Washington [Mr. MAGNUSON] who is the chairman of the committee, and I shall support this type of legislation in a legislative bill. But I do not think this type of provision should be put in the present bill as a limitation on contracts which have already been created.

I followed the argument of the Senator from New York, and I would like to discuss it at greater length. But I think the law needs some beefing up. I will support him and, in fact, I will join him in such proposed legislation, but I do not think this is the place for it.

Mr. JAVITS. Mr. President, will the Senator yield to me very briefly?

Mr. MAGNUSON. I yield.

Mr. JAVITS. I will take no more than 1 minute. Whatever else my reputation may be, I do not think I have acquired a reputation for long-windedness.

I was made aware of the letter of the counsel by the chairman of the committee. I answered it. My answer is found at page 615 of the record. To make it very specific, so Senators will follow my argument, my point was that when a contract of this character was made to provide a grant, the only time the matter came to us at all, because the law now permits the agency to make these contracts, was under an appropriation bill. Therefore, this occasion was the only time I could bring the subject to the attention of the Senate. I have tried to get a change in policy in the agency, and I have been completely unsuccessful for reasons which were completely beyond me. This was the only remedy I had, and the argument as to existing contracts was answered, in my view. The point is that they are ultra vires the United States, because they are unlawful. The courts have said so, and the law says so. The statute allowing the grant says so. That completely explodes the argument and gives us no other way to get out of the situation. Any contracting party can fully

qualify for the grant by not using the subterfuge suggested by the agency itself, namely, having segregated facilities.

Mr. MAGNUSON. I will join with the Senator from New York. We can get at the situation. I know where we can get at it, and get at it in the right way.

Mr. JAVITS. Allow me to say something in fairness to the Senator from Washington and the Senator from Colorado. Those two Senators are more zealous in respect to equal rights to all Americans than they are. I respect the sincerity of their views, though I deeply disagree with them in this discussion.

Mr. MAGNUSON. Mr. President, I move to lay the amendment on the table.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. JAVITS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

[No. 251]

Aiken	Ervin	McNamara
Allott	Fong	Magnuson
Anderson	Frear	Mansfield
Beall	Fulbright	Martin
Bennett	Goldwater	Monroney
Bible	Green	Morse
Bridges	Gruening	Morton
Brunsdale	Hart	Moss
Bush	Hartke	Mundt
Butler	Hayden	Muskie
Byrd, Va.	Hickenlooper	Pastore
Byrd, W. Va.	Hill	Prouty
Cannon	Holland	Proxmire
Capehart	Hruska	Randolph
Carlson	Jackson	Russell
Case, N.J.	Javits	Saltonstall
Case, S. Dak.	Johnson, Tex.	Scott
Chavez	Johnston, S.C.	Smathers
Clark	Jordan	Smith
Cooper	Keating	Sparkman
Cotton	Kerr	Stennis
Curtis	Kuchel	Symington
Dirksen	Lausche	Talmadge
Dodd	Long, Hawaii	Thurmond
Douglas	Long, La.	Wiley
Dworshak	Lusk	Williams, Del.
Eastland	McCarthy	Williams, N.J.
Ellender	McClellan	Yarborough
Engle	McGee	Young, Ohio

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the motion of the Senator from Washington [Mr. MAGNUSON] to lay on the table the amendment of the Senator from New York [Mr. JAVITS].

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Colorado [Mr. CARROLL], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Montana [Mr. MURRAY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Tennessee [Mr. KEFAUVER] are necessarily absent.

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Virginia [Mr. ROBERTSON]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Virginia would vote "yea."

I further announce that, if present and voting, the Senator from Missouri [Mr. HENNINGS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Colorado [Mr. CARROLL] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. SCHOEPPEL] is absent because of death in his family.

The Senator from North Dakota [Mr. YOUNG] is detained on official business.

The result was announced—yeas 58, nays 29, as follows:

[No. 252]

YEAS—58

Aiken	Ervin	Mansfield
Allott	Frear	Martin
Anderson	Fulbright	Monroney
Bennett	Goldwater	Moss
Bible	Green	Mundt
Bridges	Hayden	Pastore
Brunsdale	Hickenlooper	Prouty
Butler	Hill	Russell
Byrd, Va.	Holland	Saltonstall
Byrd, W. Va.	Hruska	Smathers
Cannon	Jackson	Smith
Capehart	Johnson, Tex.	Sparkman
Carlson	Johnston, S.C.	Stennis
Case, S. Dak.	Jordan	Talmadge
Cotton	Kerr	Thurmond
Curtis	Long, La.	Wiley
Dirksen	Lusk	Williams, Del.
Dworshak	McClellan	Yarborough
Eastland	McGee	
Ellender	Magnuson	

NAYS—29

Beall	Gruening	Morse
Bush	Hart	Morton
Case, N.J.	Hartke	Muskie
Church	Javits	Proxmire
Clark	Keating	Randolph
Cooper	Kuchel	Scott
Dodd	Lausche	Symington
Douglas	Long, Hawaii	Williams, N.J.
Engle	McCarthy	Young, Ohio
Fong	McNamara	

NOT VOTING—13

Bartlett	Humphrey	Robertson
Carroll	Kefauver	Schoeppel
Chavez	Kennedy	Young, N. Dak.
Gore	Murray	
Hennings	O'Mahoney	

So the motion to lay on the table Mr. JAVITS' amendment was agreed to.

Mr. MAGNUSON. Mr. President, I move that the Senate reconsider the vote by which the motion to lay on the table the amendment of the Senator from New York was agreed to.

Mr. ALLOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUMPHREY subsequently said: Mr. President, with regard to the vote relating to the tabling of the motion by the Senator from New York [Mr. JAVITS] I was in an informal hearing relating to the report on the food and drug industry of the Federal Trade Commission, with the Chairman of the Commission and the staff of the Federal Trade Commission. I wish to have the RECORD show that I arrived at the Chamber immediately after the vote was announced. Had I been in the Chamber I would have voted "nay." I regret that I was unable to arrive by the time the vote was announced. I assure my colleagues that I made every attempt to be present.

Mr. JOHNSON of Texas. Mr. President, I understand that the Senator from Ohio [Mr. LAUSCHE] has an amendment, and that he is willing to have it considered under a time limitation. Therefore, I suggest that the Senator from Ohio now call up the amendment; and I ask unanimous consent that during its consideration there be not to exceed 5 minutes to each side.

The PRESIDING OFFICER (Mr. CANNON in the chair). Is there objection? Without objection, it is so ordered.

Mr. LAUSCHE. Mr. President, my amendment is as follows: On page 11, in line 6, before the period, insert a colon and the following:

Provided, That except with respect to grants under obligations incurred prior to the date of enactment of this Act, no part of this appropriation may be used as a grant for the building of any airport facility unless the contract under which the grant is made contains recitals prohibiting the sale or distribution to the public or otherwise of any obscene, lewd, or lascivious book, pamphlet, picture, print, drawing, or other indecent or immoral article; and provided further, that if such materials are so sold or distributed, the recipient of the grant shall become obligated to repay such grant to the Federal Aviation Agency.

The PRESIDING OFFICER. The Senate will be in order.

Mr. LAUSCHE. Mr. President, under these circumstances, I could not present my amendment within 5 minutes.

Mr. JOHNSON of Texas. Mr. President, I ask that the Senate be in order.

Mr. DIRKSEN. Mr. President, I reserve a point of order on the amendment.

Mr. LAUSCHE. Mr. President, about 2 months ago the Transit Authority of Chicago issued upon concessionaires an order that if they sold lewd or indecent material on the newsstands, their rights in possession of the leased property would be terminated.

This morning, at a meeting, I heard Reverend Graham make the statement that while he was in Africa he was told repeatedly that the good we have done with our aid has been more than neutralized by the damage we have done with motion pictures and indecent literature.

I do not think I need argue to my colleagues that a grave problem is confronting the people of our country with respect to mercenaries who are intent upon making profits, even though they are contaminating the moral fabric of our youth.

I recognize that there may be a parliamentary flaw in this amendment; but I suggest to my colleagues that we cannot delay dealing with this vital problem concerning the people of our Nation. We cannot hope to survive if we tolerate

mercenaries who sell materials which we know are destroying the moral fabric of our youth.

I receive many letters from mothers who write to me, "I am worried about my children. You are allowing damaging materials to be sold. Why do not you do something about it?"

There are some who will say this amendment violates the free-speech guarantee in the Constitution. But the amendment does not do so at all. It merely provides that the U.S. Government, as a condition to the making of a grant, demands that the property which will be built out of the grant shall not be used for the purposes which I enumerate in the amendment.

I have consulted the Legislative Reference Service, and have asked the drafter of the amendment whether it would collide with the decision of the Supreme Court that language of this type is uncertain, and therefore not adequate to bring into existence an intended piece of legislation. The adviser in that department said this situation is different, because in this amendment we are not dealing with the constitutional right of free speech, but we are merely attaching a condition as a prerequisite to the obtaining of a grant.

Mr. President, that is my case. I present the amendment to the Senate, for its consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio.

Mr. MAGNUSON. Mr. President, I believe that the minority leader [Mr. DIRKSEN] has left the Chamber. A moment ago he suggested that he reserved a point of order against this amendment. I do not know whether he is soon to return or not.

I merely wish to say that I do not suppose there is any Member of this body who has any objection to the motive behind the amendment. I am perfectly willing to take the amendment to conference. Everybody wants to attach something to an appropriation bill, and nobody wants to go to the committees and go through the regular committee procedure. That is the simple way to do it. Sometimes amendments such as the last one we voted on are offered to appropriation bills. Nobody has been more in favor of civil rights than the Senator from Washington has, and I was for it long before some of my colleagues were here; but when an appropriation bill is brought to the floor, we are subjected to embarrassment by being asked to vote on a proposal that does not belong in the bill at all.

Someone has said, "Your friends hurt you more than your enemies do." Everyone is against lewd literature, or at least that should be the case. This is a local matter, of course. Grants-in-aid are sometimes predicated upon local bonds. Airports are operated wholly by local people, and I presume there are local laws. I was once prosecuting attorney in my county. We operated an airport, and we had some laws.

This is a fine amendment. I do not know how it would be enforced, however. I am sure General Quesada will not ride around in his airplane every day and thumb through articles on the newsstands and see what is there. I do not know that I would want to trust his judgment too much in deciding whether the material was lewd or obscene. What is probably considered to be one thing in Boston might not be considered to be such in Las Vegas.

Mr. SALTONSTALL. Mr. President, will the Senator yield? I merely want to ask him which way does he mean? [Laughter.]

Mr. MAGNUSON. I think Senators know which way. That is another problem that is involved. No one disagrees with the statement that there is a problem involved. I have seen some airports where conditions are bad; but all we do is give local communities money to help them build airports. Sometimes we do not give them 50 percent. In some years we have not given them anything. But, because the Federal Government gives them money, we want to dig into their affairs and tell them how to run their airports. In the case of Federal aid to education, there would be a big hue and cry around here if an amendment were attached to the bill stating what kind of books were to be used in schools, just because Federal money is spent in that field. I do not want that responsibility. We would be talking States rights from now to Christmas on that one.

I am perfectly willing to accept the amendment. I agree with the Senator from Ohio that perhaps we ought to do something about the problem, but I do not know why we do not do something about these things in the proper place.

Mr. ALLOTT. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. Yes.

Mr. ALLOTT. Was this proposal ever presented to the committee?

Mr. MAGNUSON. No; it was not.

Mr. LAUSCHE. It was not.

Mr. MAGNUSON. The Senator from Ohio has stated it was more forcefully called to his attention only recently.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MAGNUSON. Yes.

Mr. LAUSCHE. I think no Senator could conscientiously and honestly say, "I have not worried about this problem." No Senator would dare say it. No Senator would dare go before the public, seeking support, and say he is not concerned about the problem of the sale of indecent literature.

Mr. MAGNUSON. I think everyone has been concerned about it, and I think the Appropriations Committee of the Senate started activity in this field, as relates to the Post Office Department, concerning the abuse of the mails. That activity was started in the committee of which the Senator from South Carolina [Mr. JOHNSTON] is chairman.

I am not talking about the amendment of the Senator from Ohio as such. I am talking about procedure in the Senate. Senators wait until an appropriation bill shows up, and then Senators who are in favor of the proposal presented are forced to vote against it because they want to see that orderly procedure is adhered to, and that Senate business is conducted in an orderly way.

There is no objection to the amendment on the part of the Senator from Colorado or the committee. I am willing to take the amendment to conference. I will do the best I can to have the conference adopt some wording along the line the Senator from Ohio has suggested.

Mr. LAUSCHE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LAUSCHE. Mr. President, has my time expired?

The PRESIDING OFFICER. The Senator from Ohio has 1 minute.

Mr. LAUSCHE. I have 1 minute.

I recognize the strength of the argument made, but I submit to the Senate the time has come when we had better start thinking of ways and means of coping with this problem.

Mr. DIRKSEN. Mr. President, I have the highest admiration and respect for my friend from Ohio. This matter is clearly legislation. It has no place in an appropriation bill. It is affirmative. It gives direction. It is legislative in character. The problem ought to be handled in another way. We seek to do it through hearings, and through the activities of the Appropriations Committee we have carried on a great program in this field. So let us follow the customary and ordinary legislative process, rather than this kind of procedure.

Therefore, Mr. President, I make a point of order against the amendment.

The PRESIDING OFFICER. The Chair rules that under rule XVI, subdivision 4, the amendment is subject to a point of order, and the point of order is sustained.

Mr. JOHNSON of Texas. Mr. President, I understand the Senator from New Jersey [Mr. WILLIAMS] has an amendment, on which he is willing to accept a time limitation.

Mr. BUSH. Mr. President, will the Senator yield to me for a brief moment?

Mr. JOHNSON of Texas. I yield to the Senator from Connecticut.

Mr. BUSH. I should like to say to the Senator from Ohio that I think he has raised an exceedingly important issue. I urge him to prepare legislation to deal with his problem in a way that will be acceptable to the Senate. I ask him to let me join him in sponsorship of such legislation.

Mr. LAUSCHE. I thank the Senator very much.

The PRESIDING OFFICER. The Senator from Texas has the floor.

Mr. JOHNSON of Texas. I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, the Senator from Ohio feels deeply frustrated when he is left with the impression that there is indifference in this body about this problem.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Mr. President, I yield first to the Senator from Vermont [Mr. AIKEN]. Then I shall yield to the Senator from Colorado.

Mr. AIKEN. Mr. President, I wish to ask the Senator from Washington——

Mr. JOHNSON of Texas. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Texas has the floor. He has yielded to the Senator from Vermont.

Mr. JOHNSON of Texas. I yield to the Senator from Vermont, and ask unanimous consent that he may ask a question of the Senator from Washington.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. AIKEN. Mr. President, I should like to ask the Senator from Washington about an item under "Construction and Acquisition."

Under "Construction of Public Buildings," there is a planning item for a courthouse in Montpelier, Vt. Is that correct?

Mr. MAGNUSON. Montpelier, Vt., is included under the construction and acquisition portion of the bill, as well as Derby Line, Vt.

Mr. AIKEN. Is the amount of $120,000 provided for sites and expenses for the Montpelier project?

Mr. MAGNUSON. Sites and expenses, $120,000.

Mr. AIKEN. Can the Senator tell us what the amount is for Derby Line, Vt.?

Mr. MAGNUSON. $37,000 for sites and expenses.

Mr. AIKEN. I thank the Senator from Washington.

Mr. MAGNUSON. Mr. President, for the benefit of other Senators, I ask unanimous consent to have printed in the RECORD a tabulation of the sites and expenses and improvement costs in all the States.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Construction and acquisition

	Total		Detail of revised 1961 estimate reflecting proposed GSA amendments	
	In request to House	Revised estimate	Sites and expenses	Improvement cost
1. Construction of public buildings:				
(A) Inside the District of Columbia:				
Federal office building No. 8 (HEW) 2d and D Sts. SW	$23,840,000	$16,244,000		$16,244,000
Federal office building No. 9 (CSC) 19th and E Sts. NW		22,002,100		22,002,100
Federal office building No. 10 (Federal office building) (NASA-FAA) Independence and 6th to 9th Sts. SW	45,090,000	42,583,500		42,583,500
GPO field plant	627,000	627,000	$627,000	
U.S. Court of Claims and Court of Customs and Patent Appeals Bldg	7,500,000	6,591,000		6,591,000
Total, inside District of Columbia	77,057,000	88,047,600	627,000	87,420,600
(B) Outside the District of Columbia:				
Decatur, Ark., post office, Federal office building	223,000	223,000	223,000	
Camden, Ark., post office, etc	745,000	683,650		683,650
Bakersfield, Calif., Federal office building	114,000	114,000	114,000	
San Francisco, Calif., courthouse, Federal office building	43,866,000	38,996,900		38,996,900
Hartford, Conn., courthouse, Federal office building	8,984,000	7,951,400		7,951,400
Wallingford, Conn., post office, etc	263,000	263,000	263,000	
Wilmington, Del., courthouse, customhouse, Federal office building	900,000	900,000	900,000	
Gainesville, Fla., post office, courthouse	350,000	350,000	350,000	
Miami, Fla., Federal office building	8,325,000	7,076,250		7,076,250
Tampa, Fla., Federal office building	998,000	998,000	998,000	
Statesboro, Ga., post office, etc	133,000	133,000	133,000	
Thomasville, Ga., post office, courthouse	1,287,000	1,151,600		1,151,600
Boise, Idaho, courthouse, Federal office building	702,000	702,000	702,000	
Chicago, Ill., courthouse, Federal office building		5,500,000		5,500,000
Seymour, Ind., post office, etc	124,000	124,000	124,000	
Augusta, Maine, post office, Federal office building	310,000	310,000	310,000	
Jackman, Maine, border station	341,000	289,850		289,850
Van Buren, Maine, border station	335,000	322,550		322,550
Vanceboro, Maine, border station	299,000	272,150		272,150
Webster, Mass., post office	131,000	131,000	131,000	
Clarksdale, Miss., post office, courthouse	419,000	419,000	419,000	
Tupelo, Miss., post office, etc	100,000	100,000	100,000	
Billings, Mont., courthouse, Federal office building	612,000	612,000	612,000	
Sweetgrass, Mont., border station	690,000	648,600		648,600
North Platte, Nebr., post office, courthouse	312,000	312,000	312,000	
Reno, Nev., courthouse, Federal office building	469,000	469,000	469,000	
Albuquerque, N. Mex., warehouse	552,000	469,200		469,200
Bismarck, N. Dak., post office, courthouse	3,793,000	3,323,050		3,323,050
Toledo, Ohio, Federal office building	4,550,000	4,065,700		4,065,700
Tulsa, Okla., post office, Federal office building	2,495,000	2,495,000	2,495,000	
Westerly, R.I., post office, etc	274,000	274,000	274,000	
Charleston, S.C., Federal office building	248,000	248,000	248,000	
Sioux Falls, S. Dak., post office, etc	515,000	515,000	515,000	
Memphis, Tenn., courthouse, Federal office building	11,279,000	10,577,150		10,577,150
El Paso, Tex., border station	1,342,000	1,155,700	100,000	1,055,700
Ogden, Utah, courthouse, Federal office building	870,000	870,000	870,000	
Derby Line, Vt., border station	37,000	37,000	37,000	
Montpelier, Vt., post office, courthouse	120,000	120,000	120,000	
Dayton, Wash., post office, etc	332,000	301,100		301,100
Richland, Wash., post office, courthouse	582,000	582,000	582,000	
Cheyenne, Wyo., post office, courthouse	1,127,000	1,127,000	1,127,000	
Total, outside District of Columbia	99,148,000	95,212,850	12,528,000	82,684,850
Total, construction of public buildings	176,205,000	183,260,450	13,155,000	170,105,450
2. Extension and conversion of buildings:				
Nogales, Ariz., border station	509,000	509,000	509,000	
Detroit, Mich., inspection headquarters	1,029,000	925,050		925,050
Wyandotte, Mich., post office, etc	114,000	114,000	114,000	
Johnstown, Pa., post office, etc	280,000	280,000	280,000	
Philadelphia, Pa., post office, courthouse	6,814,000	5,825,500	224,000	5,601,500
Total, extension and conversion of buildings	8,746,000	7,653,550	1,127,000	6,526,550
3. Unspecified projects	49,000	5,218,000	5,218,000	
Total 1961 estimate	185,000,000	196,132,000	19,500,000	176,632,000

NOTE.—Revised May 6, 1960.

GENERAL SERVICES ADMINISTRATION

Schedule 5. Projects approved by House and Senate Public Works Committees on the basis of reports submitted pursuant to sec. 11(b) of the Public Buildings Act of 1959 for which no funds are specifically provided in 1961 bill

[See explanation in Senate report]

	Total estimated cost	Site and expenses	Improvement cost
Georgia: Winder, post office, Federal office building	$659,000	$104,000	$555,000
Hawaii: Honolulu:			
Post office, courthouse	23,500,000	1,270,000	22,230,000
Quarantine station and clinic	1,887,000	157,000	1,730,000
New Mexico: Albuquerque, post office, courthouse	10,700,000	2,045,000	8,655,000
Ohio: Cleveland, courthouse, Federal office building	47,921,000	5,176,000	42,745,000
South Dakota: Pierre, Federal office building	3,415,000	456,000	2,959,000
Total (6 projects)	88,082,000	9,208,000	78,874,000

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the question of passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from New Jersey [Mr. WILLIAMS] may offer his amendment, that the Senate have 30 minutes to discuss the amendment, and that the time be equally divided between the Senator from New Jersey [Mr. WILLIAMS] and the Senator from Washington [Mr. MAGNUSON].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. ALLOTT and Mr. MUNDT addressed the Chair.

Mr. JOHNSON of Texas. Mr. President, I yield first to the Senator from Colorado, and then I shall yield to the Senator from South Dakota.

Mr. ALLOTT. Mr. President, with regard to the literature, I think the chairman of the committee made the point very clear. What happens when such amendments are presented to the Senate is that Senators are put in the position of voting against some things in which they believe, but which have no place in the appropriation bill.

I say to the Senator from Ohio that my own interest—and I am sure this is true with respect to the interest of the Senator from Washington and of many other Senators—has not been confined to trying to stop the distribution of lewd literature in the last day or the last week. My interest has been evident over a period of years. There have been Supreme Court decisions, troubles in regard to drafting proposed legislation, and troubles in regard to the enforcement of the law. We have had many problems.

I think it is improper to present these amendments to the Senate and to try to attach them to appropriation bills.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to my friend from South Dakota.

Mr. MUNDT. May I have the attention of the Senator from Ohio, please? I am sure the Senator will be able to sleep better tonight when he learns of the fact that the Senate Committee on Government Operations today unanimously reported from the committee a bill dealing with the problem of obscene literature. We had before the committee two measures, one introduced by the distinguished Senator from Pennsylvania [Mr. SCOTT] and one which I introduced. One would provide for a White House conference. My bill would provide for a continuing commission to make a study of this problem and make recommendations effectively to deal with the problem across the board. The bill was unanimously reported. The Senator may be assured that we will be given an opportunity to deal with this problem in the present session of Congress.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. LAUSCHE. In closing my remarks, I was willing to present my argument in 5 minutes, but though I took such little time, while I was speaking my colleagues were yelling "Vote! Vote!" I do not think that is worthy conduct.

Mr. MUNDT. Mr. President, I join the Senator from Ohio in expressing the hope that we can all vote upon the measure before the session of Congress adjourns. The bill relating to obscene literature has been reported, and it will be upon the calendar before the end of this week.

The PRESIDING OFFICER. Does the Senator from Texas yield the floor?

Mr. JOHNSON of Texas. Mr. President, I yield the floor.

Mr. WILLIAMS of New Jersey. Mr. President, for myself and the Senator from Rhode Island [Mr. PASTORE] I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 28, line 19, it is proposed to strike out "$5,000,000" and insert in lieu thereof "$50,000,000".

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. JOHNSON of Texas. Does the Senator from New Jersey desire the yeas and nays on his amendment?

Mr. WILLIAMS of New Jersey. Yes.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. WILLIAMS of New Jersey. Mr. President, the amendment I have offered would raise from $5 million to $50 million the funds for the program of direct loans to private nonprofit groups for housing for our elderly citizens. I was glad to accept the limitation of time, because the Senate has already very forcefully demonstrated that it recognizes the need for this sort of program.

Last year, in recognition of the fact that those citizens in this country to whom we owe the most are getting the least, we authorized $50 million for a loan program for housing our senior citizens. This year the housing bill, as passed by the Senate, raised the authorization from $50 million for the revolving loan fund to $75 million. Notwithstanding the authorization, appropriations were not provided last year to implement the program.

This year the House passed and the Senate committee proposes $5 million, describing this as money to be used for a pilot project. I respectfully suggest that a pilot project of study and development is not needed. We know the need. We have demonstrated our recognition of these needs in many ways. The RECORD is replete with the recognition that those who have the lowest incomes, our older folks, simply do not have the money to pay the higher rents which are necessary when the housing is developed under the regular commercial interest rates.

This program, if put into operation, would provide housing with monthly payments nearly $20 less than would be possible with conventional financing.

For example, under FHA financing, a $10,000, 40-year mortgage would result in monthly payments of $54.80. Housing under this direct loan program would permit private nonprofit corporations to provide comparable facilities for $36.50 a month, or $18.30 less than under FHA.

The FHA program which we have for senior citizens is limping along because the interest rates which are charged produce rents which are out of reach for millions and millions of our older citizens.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter which was addressed to the Committee on Appropriations by members of the Subcommittee on Problems of the Aged and Aging, the Senator from Michigan [Mr. MCNAMARA], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Pennsylvania [Mr. CLARK], and the Senator from West Virginia [Mr. RANDOLPH]. It vividly documents the need for the amendment I am proposing.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 3, 1960.

Hon. WARREN G. MAGNUSON,
Chairman, Independent Offices Subcommittee, Committee on Appropriations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: A major unmet need of the elderly is the provision of safe, sanitary and congenial housing at a rental which older persons can afford. This conclusion was reached by the Senate Subcommittee on Problems of the Aged and Aging, of which the undersigned are members, after extensive hearings in Washington and in seven cities across the country. National experts in the field of aging, local administrators working with older persons in their home communities, and hundreds of older citizens themselves were heard. The subcommittee also

conducted extensive staff studies and made personal visits to the homes of older persons: In roominghouse areas, in homes for the aged, in public housing developments, and in privately owned facilities. Everywhere the conclusion was the same. The retired aged of the Nation have common problems which include low income, a need for independent living, and meaningful social activity to avoid loneliness and frustration.

As a result of these findings, the subcommittee recommended that the Congress take action, in this session, to appropriate funds authorized by the direct loan program (sec. 202, Housing Act of 1959) to assist private, nonprofit groups to provide housing and related facilities for the elderly. After seeing the nature of the problem at first hand in the course of a year's study, the subcommittee felt that the $50 million authorization, which as not even appropriated last year, is a negligible revolving fund in relation to the need. However, it would be helpful as a stimulating demonstration. The subcommittee recommended that the authorization be raised to $100 million and that this amount should actually be appropriated for use in fiscal year 1960. It called upon the Federal agencies to act quickly on this program.

The undersigned members of the subcommittee strongly urge that the Committee on Appropriations recommend appropriation of the full $50 million authorization this year as a significant start to meet the housing requirements of many of America's low-income senior citizens.

The subcommittee invites your attention to the following:

1. There are now 16 million people over the age of 65 and in just 20 years there will be 24 million. Even more significant is the fact of a rapidly growing number of those over the age of 75. There are now almost 6 million over 75 and in 20 years there will be close to 9 million over 75, the majority of whom will be women and a very large number of them will be single or widowed. One of every three, 60–64, has a parent or close relative to be concerned about.

2. Half the couples over the age of 65 have less than $2,500 a year in income. Six million people are thus below the minimum standard of living for a couple in a city today. In addition, 2 million single, or widowed persons, have less than $1,500 a year in income. In total, there are approximately 8 million people over the age of 65 today who cannot afford decent housing and still obtain proper nutrition, adequate medical care or necessary recreation.

3. The average benefit for a person presently on social security is $72 a month. The average benefit for a couple is $120 a month. An aged widow now receiving social security must subsist on an average of $56 per month.

4. In 1959, two out of every five spending units whose head was over 65 had liquid assets of $200 or less. Two out of three had less than $2,000 in liquid assets to handle emergencies or cover daily living expenses.

5. Many elderly have health problems which create special housing needs. Although the number of people over 65 is 8.9 percent of the population, they have 40 percent of all cases of heart disease. Eight out of ten of the elderly have one or more chronic conditions as reported by the National Health Survey. They have approximately 55 percent of all the chronic conditions which limit mobility. But the millions of older citizens who no longer enjoy robust health "neither want or need the full-time attention of an institution."

6. They often own and live in houses that are too old and too big for them, or rent single rooms too small for them in roominghouses.

7. A higher percentage of older persons are found in slums, either because urban blight has covered a familiar neighborhood or because the low incomes of the elderly prohibit better housing. Slum clearance activities in turn produce other hardships as older people are forced to vacate the only housing they can afford.

As we all know, the mere citation of statistics hardly begins to portray the urgency of the need. Some illustrations from the testimony of the subcommittee may be helpful to the Committee on Appropriations in considering this matter. In its visits, the members of the subcommittee talked to an aged widow who lives in a roominghouse area. She pointed out that she and the other elderly tenants in the building were virtually homebound. She said:

"We are free to go out in the daytime, but can't even sit on the benches in the sun because of the people who are drinking, and it's dangerous for us to go out of our rooms in the evening because of the hoodlums who are around. Even the doctor won't come in the evening. He turns down calls saying that it isn't safe for a well-dressed man to come alone to our neighborhood."

A citizen in a small community told us:

"I think we need a lot of housing—something must be done about it. I know of many cases where several older folks are living in just one room—cooking, eating, sleeping—and when they get sick they have no place to go."

Older persons want to be independent, they want to live alone. A white-haired widow told us:

"Every time a social worker comes to us she tells us to go and live with our children. Our children have their own problems. No man wants his mother-in-law to come and live with him, and no woman wants her husband's mother to join the family because she wants to be mistress of her own home. Therefore, we would rather have a place of our own."

Dr. Russell Lee of the Lee Clinic, San Jose, Calif., testified before the subcommittee in San Francisco on five problems, and he put housing in first place. Dr. Lee said:

"This country can ill afford the perfectly awful facilities that are provided for older people today. Many of these are just human cesspools. They have designed some of the most magnificent facilities in the world for the care of older people and they exist now. Everybody, rich and poor, who gets older should be able to live in a home of that quality. We are amply able to do it with our financial resources."

Mrs. Marjorie Borchardt, president of the Senior Citizens Association of Los Angeles, said, "Housing in the Los Angeles area is the greatest problem." Many senior citizens have to pay more than half of their income to get housing. Describing the living conditions, Mrs. Borchardt testified:

"Many thousands of them live in light housekeeping rooms where they cook, eat, and sleep, and many of them have to use the same toilet and bath facilities. So far, private enterprise in Los Angeles County has not provided the adequate low-rent housing."

We could cite many more examples from our testimony, our letters, and from our personal visits. However, the major point that we wish to emphasize is that the housing produced under the FHA mortgage insurance program generally is so costly that it can hope to serve only a small segment of the elderly housing need and too often the least urgent segment. An effective, bold program must be undertaken to provide housing for the elderly at a rental that millions of them can afford, particularly private rental housing.

Congress recognized the necessity for expanding Federal action to meet this national problem. The Housing Act of 1959, which was finally passed after two Presidential vetoes, retained the $50 million direct loan provision, included in the two earlier bills. Nevertheless, the President did not request an appropriation for this program in his fiscal 1961 budget. The House Appropriations Committee has recommended that only $5 million be appropriated for the coming fiscal year on the grounds that only a pilot program should be initiated at this time. This recommendation ignores the statistical and human data gathered by the subcommittee showing the extent and urgency of the need. In addition, various welfare, labor, and religious groups already have plans under way for construction of special housing facilities which are being held up by the lack of capital at reasonable interest rates. (See following letter as example.) There is an immediate necessity for carrying out the $50 million direct loan program without delay.

To illustrate the potential benefits of the direct loan program and the relatively low rate of interest it produces: At the present time the rate of interest applicable to the direct loan program is 3⅛ percent. This represents a cost of $3.65 per month for every $1,000 of a mortgage over a 40-year period. Under the regular FHA mortgage guarantees of 5¾ percent, the cost would be $5.48 per $1,000 per month over a 40-year period. Thus, on a $10,000 mortgage there would be a saving to the individual in the rent that he pays of $18.30 per month. For millions of senior Americans this sum represents the difference between dignified, healthful living and a demeaning slum existence.

The difficulties involved under present high interest costs were portrayed eloquently by Monsignor W. F. Suedkamp, secretary of Catholic Charities of the Archdiocese of Detroit. In testifying on the experience of the Carmel Hall project in Detroit, he indicated that the total debt service on Carmel Hall, if it were mortgaged today, would be a 7¼ percent per $1,000 for each year on the unpaid balance. This was made up of interest at 5¼ percent, amortization expenses of 1½ percent, and FHA insurance at one-half percent. He stated:

"It does not solve the low cost housing problems. The debt service charge is so high that if a nonprofit organization was to borrow money to build housing for the aged, they would have to charge exorbitant costs to live in a newly created facility."

He added:

"I think the solution is a direct lending program from the Federal Government similar to the one used in college dormitory programs."

In his testimony before the Subcommittee on Housing of the Senate Committee on Banking and Currency in Washington, on May 17, Monsignor Suedkamp described his pioneering and nationally renowned work at the Kundig Center. Here 80 persons who might otherwise have been in public institutions continue to live in the community in the main stream of life without being public charges. They pay their own way; the maximum charge is $75 a month covering room, board, social and medical needs. Their parish facilities provide a centralized living room and dining room, giving rise to what is often called a campus residency program for low income, not completely independent elderly right in the community. Monsignor Suedkamp indicated that if the direct loan funds were actually available, the Kundig Center could replace its old wornout buildings and expand its facilities.

Another witness, Mr. Martin Fine, vice-chairman of the Miami Housing Authority and of the Governor's Advisory Committee on the Aged in Florida, testified that he had studied the applications of 300 people for low rental housing. Seventy-six percent of these people had an average monthly income of $84.35. They were living in substandard rooms with high rents or doubled up with

relatives or friends. Among the other applicants, 7 percent lived in trailers, 5 percent were facing eviction, and 4 percent required first floor accommodations for health reasons. He reported that there are now 600 applications for a 64-unit low income project in Miami. Work on other projects for the elderly could be undertaken immediately under a low interest direct loan program.

While there is no single solution to the housing needs of the elderly, the problem clearly is now of such magnitude that substantial action must be taken at this session on the direct loan program. The Congress can inspire a great nationwide effort on behalf of the poorly housed aged and solve an increasingly critical problem for many aged Americans through the appropriation of the $50 million authorized in the direct loan program.

Respectfully,

PAT MCNAMARA,
Chairman.
JOHN KENNEDY.
JOSEPH CLARK.
JENNINGS RANDOLPH.

EDINA COVENANT CHURCH,
Edina, Minn., April 29, 1960.

Senator PATRICK V. MCNAMARA,
Senate Office Building, Washington, D.C.

DEAR SENATOR MCNAMARA: In a recent conference with the Reverend John M. Mason, who is head of the social welfare department of the Evangelical Lutheran Church (now the American Lutheran Church), we have learned of the direct Federal loans for housing the elderly, a bill which was recently passed by Congress. This is to be made available to nonprofit organizations, and is explained briefly in a "Summary of the Housing Act of 1959," pages 4 and 5, copy of which I have in my possession.

We are planning to build a 40-bed home for the elderly (or nursing home), just as soon as financing can be arranged. Our organization is the Colonial Acres Homes, Inc., a nonprofit, nondenominational home, of which I am to be administrator and chaplain. Members of the corporation are from my church and family who are interested in this type of ministry.

We have purchased a 7-acre site, which has been approved by the village council for such a purpose.

We understand that this bill must be signed by the President before appropriations can be made, presumably sometime in May. We would appreciate having information as to when this might be, as we are very anxious to make formal application for such financing. Would you kindly forward to me any information regarding this that you may have? We would appreciate this very much.

Very sincerely,

A. ELDON PALMQUIST,
Pastor.
EUGENE A. HAGBERG,
Assistant Pastor.

Mr. WILLIAMS of New Jersey. Mr. President, I hope the promise which went out across the land, found in the authorization we passed, will be honored by the acceptance of an amendment which will provide money to put the program into effect, to provide the first real opportunity for the United States to provide decent housing for the millions of low-income elderly families at costs they can afford.

The increase I am proposing here is itself a very modest response to an overwhelming need. It seems to me that this is the least we can do to let the millions of our elderly families know we no longer intend to neglect their very serious needs.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, it is my pleasure to rise today in support of the amendment of the junior Senator from New Jersey [Mr. WILLIAMS]. Appropriations for the purpose of providing housing for the elderly of our Nation is a must in this session of Congress. Additional public action is necessary to answer this growing problem. Stimulation of construction, taking into account the needs and capabilities of our elderly people, is necessary. The problem of housing the elderly is an acute one—especially among those of low and moderate incomes and those in need of some form of physical assistance.

Today there are 16 million Americans over the age of 65. This represents 9 percent of our population. With each passing year, this total increases, both absolutely and in relation to the total population.

Medical research has resulted in an increase in the length of life of the average person. With this increase in life span have come new and pressing problems which must be faced up to and answered.

The immediate popularity of smaller sized residences has made it less likely that families today have space for their parents in their own apartments and homes. Thus, fewer and fewer older persons live with other people, and more are required to live by themselves. Detailed statistics show that in housing a disproportionate number of our older citizens live in one room, while at the other end of the curve, an approximate number live in units of eight and more rooms. Large houses draw immensely on the strength and incomes of the elderly, both of which are declining in this segment of our population. The conditions under which the elderly live are generally poor. These are, it must be noted, the people who maintain their own homes.

The conditions under which almost one-third of the rest of the older people of our Nation live are certainly not better. Most of them live with their families or friends in a household of limited size or with younger people, resulting in physical or psychological problems for all concerned. Conditions of contemporary urban living are not conducive to a three-generation household.

Older persons have their own special housing needs. Architects and housing constructors have found that less steps, low bathtubs which are easier to get in and out of, handrails, and so on, are essential to the well-being of these people. The physical and social needs of older people have long been ignored. Commendable efforts to correct this situation are being made by private groups and certain States, but much more remains to be done.

Under the Housing Act of 1959, authorization for direct loans to nonprofit groups for rental housing for the elderly was set at $50 million. Under the bill being discussed today, only $5 million would be appropriated to this revolving fund. In the light of the pressing needs of the elderly, this amount is far too little. I am therefore more than happy to lend my support to the amendment of the Senator from New Jersey. I hope it will be agreed to.

Mr. WILLIAMS of New Jersey. I am grateful to the Senator from Minnesota for his remarks.

Mr. MCNAMARA. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield to the Senator from Michigan.

Mr. MCNAMARA. Mr. President, I congratulate the distinguished junior Senator from New Jersey on the amendment which he has offered to appropriate the full authorization for direct loans to nonprofit groups to provide housing for the elderly.

The Senate Subcommittee on Problems of the Aged and Aging received eloquent and urgent testimony in Washington, and in seven cities across the country, from experts, from administrators, and from older persons themselves as to the need for decent housing for senior citizens at a rental which they can afford.

I could quote at great length from our testimony with respect to the low incomes of our senior citizens, the desperate living arrangements which so many of them are forced to accept, and their health problems and the kind of housing which is suitable for them.

But I shall only take the time now to stress as emphatically as I can that after seeing the problem at firsthand I know $50 million for direct loans at low rates of interest is a tiny figure in relation to the need. It is the least that we can do now.

There are many religious and other groups throughout the country which would apply immediately for funds to build suitable, respectable housing for the senior citizens of this country at rentals they could afford if the interest charges were not prohibitive, as is the case today.

The Congress can take a great step forward on behalf of the poorly housed aged of this Nation by appropriating, at this session, at least the $50 million authorized in the Housing Act of 1959.

Mr. WILLIAMS of New Jersey. I thank the Senator from Michigan.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I am indeed privileged and proud to be a cosponsor of the amendment. I think the committee is to be congratulated for recognizing the principle involved.

I say this most respectfully, Mr. President, the amount of $5 million is a mere mockery compared to the needs of the aged and aging in this country today. After all, we are not appropriating money for public housing as such. All we are seeking to do is to allow the sincere people who are dedicated to the welfare of the aged and aging to borrow money to build houses to accommodate these elderly people in reasonable comfort. We are asking for an interest

rate which is comparable to the interest rate on college housing.

If we recognize the needs, and properly so, of our students attending our colleges, why should we turn our backs on the aged who cannot help themselves? The proposed amendment is an encouragement to people in private industry who will build these homes, and it provides the opportunity to borrow the necessary money at reasonable rates of interest to accommodate aged people.

When we consider the vast and increasing elderly population in this country, $5 million is a meager amount when compared to the need. We desperately need more money, and I urge Senators to pour out their hearts on this amendment, recognize the need, support and vote for it.

Mr. WILLIAMS of New Jersey. I thank the Senator from Rhode Island. I say also that the Subcommittee on the Aged had ample authority and evidence that there are groups throughout the country who are ready to apply now for money under this proposed loan program if we appropriate the money into the revolving fund.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. CLARK. Mr. President, as a member of the Subcommittee on Problems of the Aged and Aging, and as a member of the Subcommittee on Housing of the Banking and Currency Committee, I would like to add my support to the amendment of the Senator from New Jersey, which is cosponsored by the Senator from Rhode Island. Both of those committees have made studies of the problem, and I am confident that their recommendation that this appropriation should come up to the amount of the authorization is sound. I hope the Senate will support the amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. MORSE. I wish to join with the Senator from New Jersey [Mr. WILLIAMS] and the Senator from Rhode Island [Mr. PASTORE] in the arguments made this afternoon. I think they are unanswerable. Last Saturday afternoon I spoke to several thousand elderly people in the Civic Auditorium in San Francisco, Calif., at a conference of the aged, and I wish to report to the sponsors of this amendment that during this conference there was considerable discussion of the problem of finding adequate housing for the aged. A deplorable condition exists in Portland, Oreg., the largest city in my State, with regard to the housing condition of the aged.

A survey has been made, and the survey shows that we are forcing or requiring many of our aged people to live in such conditions that it is a disgrace to us as a free people that we permit such conditions to exist. I hope the chairman of the committee, who I know is one of the strongest supporters we have for the aged and aging of this country, will see fit to take the amendment to conference.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I will be glad to yield to the Senator from Texas, though I promised to yield first to the Senator from Delaware.

Mr. FREAR. Mr. President, I understand that the amendment offered by the Senator from New Jersey provides resources for the building of homes for the aged.

Mr. WILLIAMS of New Jersey. Exactly.

Mr. FREAR. Is it proposed that the loans should be in the form of mortgages?

Mr. WILLIAMS of New Jersey. Loans would be provided to nonprofit groups which, of course, would have the security.

Mr. FREAR. How much is the Senator requesting?

Mr. WILLIAMS of New Jersey. The amendment calls for $50 million to go into a revolving fund.

Mr. FREAR. Is the money to be appropriated on a repayment basis?

Mr. WILLIAMS of New Jersey. On a repayment basis; and I am sure the experience will be the same as it is under the college housing program, where every penny on every loan has been paid back.

Mr. FREAR. I think I must agree with the Senator from Rhode Island that this is a most worthy amendment that the Senator from New Jersey has offered, although perhaps it is not in a very large amount for the number of aged that we have and the deplorable conditions under which they live scattered throughout the United States. However, I must compliment the Senator from New Jersey on a good beginning.

Mr. WILLIAMS of New Jersey. I thank the Senator from Delaware.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I am happy to yield to the Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I wish to commend the Senator from New Jersey for the active interest he has manifested in this subject ever since he came to the Senate, and, for that matter, I presume, since he was a Member of the House of Representatives. I think this is a very constructive step. In view of the fact that we have $18 billion or $19 billion of loans on housing, $50 million is a mighty small amount for this group of people which represents a large percentage of the population in this country. There is no one in the Senate who is more diligent or more effective in his work for the aged people than is the distinguished chairman of the subcommittee, the Senator from Washington [Mr. MAGNUSON], and I wonder if we could get the chairman's consent to take the amendment to conference, and to fight for it in conference. I ask him if we could not have the committee accept the amendment, waive the yeas and nays, and go on to the passage of the bill.

Mr. MAGNUSON. I should be more than glad to accept the amendment. I wish to put it in the bill. The committee approved a bill authorizing $50 million, and the Director of the Housing Administration, who has been against this proposal, set up some other loan features for so-called elderly housing, so that they would not have to go after this provision. All that has been done, as the Senator from New Jersey has said, in all this time is to provide approximately 4,000 units in the whole country for these people.

So the House of Representatives suggested that we start with $5 million to make a pilot plant study, so that the program could get under way. The House inserted such provision in the bill, which Congress passed.

Mr. Mason appeared before the committee and said, "I want you to take out that provision. I don't believe in it."

The Senator from Washington asked him:

> Senator MAGNUSON. And you say the administration does not believe in that?
>
> Mr. MASON. That is right.
>
> Senator MAGNUSON. Well, who are you working for?
>
> Mr. MASON. Well, we work for both the Congress and the executive branch of Government.

I said, "Congress has passed a law, has it not?"

> Yes; but I do not believe in it.

So I am glad to take the amendment to conference. I think we should. It is well pointed out that the money will be placed in a revolving fund. I can tell the Senate why the provision is not liked. These loans are provided at a lower interest rate than what lenders can receive now, and it is spread over a longer period of time for elderly people. That is why it is not liked.

Mr. WILLIAMS of New Jersey. Will the Senator agree that it is the only practical interest rate at which we will get a housing bill?

Mr. MAGNUSON. I agree.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. JOHNSON of Texas. Will the Senator from New Jersey agree to my suggested procedure?

Mr. WILLIAMS of New Jersey. I agree.

Mr. JOHNSON of Texas. Will the Senator from Washington also agree?

Mr. MAGNUSON. I agree.

Mr. JOHNSON of Texas. Mr. President, I ask that the order for the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the order for the yeas and nays is rescinded.

The question is on the amendment of the Senator from New Jersey. [Putting the question.]

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FULBRIGHT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed,

the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. GORE], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. LUSK], the Senator from Montana [Mr. MURRAY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS] is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Wyoming [Mr. O'MAHONEY] are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. ELLENDER], the Senator from Tennessee [Mr. GORE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Arizona [Mr. HAYDEN], the Senator from Oregon [Mr. LUSK], the Senator from Montana [Mr. MURRAY], the Senator from Missouri [Mr. HENNINGS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Georgia [Mr. RUSSELL] would each vote "Yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. SCHOEPPEL] is absent because of death in his family.

The Senator from Kansas [Mr. CARLSON] and the Senator from North Dakota [Mr. YOUNG] are detained on official business. If present and voting, the Senator from North Dakota [Mr. YOUNG] would vote "yea."

The result was announced—yeas 75, nays 8, as follows:

[No. 253]

YEAS—75

Aiken	Douglas	Johnson, Tex.
Allott	Dworshak	Johnston, S.C.
Anderson	Eastland	Jordan
Beall	Engle	Keating
Bible	Ervin	Kerr
Bridges	Fong	Kuchel
Brunsdale	Frear	Lausche
Bush	Fulbright	Long, Hawaii
Byrd, W. Va.	Green	Long, La.
Cannon	Gruening	McCarthy
Capehart	Hart	McClellan
Carroll	Hartke	McGee
Case, N.J.	Hickenlooper	McNamara
Case, S. Dak.	Hill	Magnuson
Church	Holland	Mansfield
Clark	Hruska	Martin
Cooper	Humphrey	Monroney
Dirksen	Jackson	Morse
Dodd	Javits	Morton
Moss	Randolph	Stennis
Mundt	Saltonstall	Symington
Muskie	Scott	Talmadge
Pastore	Smathers	Wiley
Prouty	Smith	Williams, N.J.
Proxmire	Sparkman	Yarborough

NAYS—8

Bennett	Curtis	Williams, Del.
Butler	Goldwater	Young, Ohio
Cotton	Thurmond	

NOT VOTING—17

Bartlett	Hayden	O'Mahoney
Byrd, Va.	Hennings	Robertson
Carlson	Kefauver	Russell
Chavez	Kennedy	Schoeppel
Ellender	Lusk	Young, N. Dak.
Gore	Murray	

So the bill (H.R. 11776) was passed.

Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. MAGNUSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MAGNUSON. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. CANNON in the chair) appointed Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. HOLLAND, Mr. ANDERSON, Mr. ALLOTT, Mr. SALTONSTALL, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 2822. An act for the relief of Low Wing Quey (Kwai);

S. 2886. An act for the relief of Nikolija Lazic;

S. 2918. An act for the relief of Boris Priestley;

S. 2942. An act for the relief of Eugene Storme;

S. 2964. An act for the relief of Kang Sun Ok;

S. 2991. An act for the relief of Ah See Lee Chin;

S. 3016. An act for the relief of Walter F. Beecroft;

S. 3038. An act for the relief of Jung Hi Pak;

S. 3049. An act for the relief of Oh Chun Soon;

S. 3091. An act for the relief of Pasquale Mira;

S. 3130. An act for the relief of Anne-Marie Stehlin; and

S. 3235. An act for the relief of Cecilia Rubio.

GENERAL GOVERNMENT MATTERS APPROPRIATIONS, 1961

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1673, H.R. 11389, the general Government matters appropriation bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 11389) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1961, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce that the Senate will still have for consideration the State, Justice, and judiciary appropriation bill; the civil functions appropriation bill; the military construction appropriation bill. Do I correctly understand that this bill was marked up this afternoon?

Mr. MAGNUSON. Yes.

Mr. JOHNSON of Texas. There will also be the mutual security appropriation bill, and a supplemental appropriation bill. That makes five appropriation bills to be considered in the next 2 weeks.

JOHN R. BARKER

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1670, S. 2388, a bill relating to the separation and retirement of John R. Barker.

The bill is noncontroversial. One of the most beloved, able, and respected Members of this body is desirous of having the bill passed today, because he is leaving on an official mission of the Senate. The leadership is always glad to cooperate with the distinguished junior Senator from Iowa [Mr. MARTIN], because he has always cooperated with the leadership.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

The bill will be stated by title.

The LEGISLATIVE CLERK. The bill (S. 2388) relating to the separation and retirement of John R. Barker.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. WILLIAMS of Delaware. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the bill.

Mr. WILLIAMS of Delaware. Mr. President, may we have an explanation of the bill?

The PRESIDING OFFICER. Without objection, the bill is passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. MORSE. Mr. President, a point of order. The Senator from Delaware was on his feet, asking for an explanation of the bill.

Mr. WILLIAMS of Delaware. Mr. President, I asked for an explanation of the bill. I thought we might have an explanation before its passage. I think the Senate should reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. Yes.

The PRESIDING OFFICER. Without objection, the vote by which the bill was passed will be reconsidered.

Mr. JOHNSON of Texas. Mr. President, an explanation of the bill is as follows:

Mr. Barker was employed in the postal service from 1914 to 1918, as a rural carrier; from 1920 to 1922, as a substitute carrier; from 1922 to 1934, as postmaster; from 1934 to 1936, as substitute clerk. He was removed from duty on July 18, 1936, for alleged political activities. He was charged with transporting persons to the polls on election day and with being elected a delegate to a county political convention.

With respect to the first charge, the facts are that Mr. Barker did transport members of his own family to the polls and in addition five other elderly folks who were unable to walk and who had requested transportation of him. As to the second charge, Mr. Barker has stated:

I did not attend the caucus which selected the delegates and after the caucus I did not attend the convention to which elected.

The removal action in his case occurred prior to the enactment of the Hatch Political Activity Act of 1939. Both the Post Office Department and the Civil Service Commission state that Mr. Barker's removal "for political activity" would not be warranted under that act as it stands today so certainly was not justified prior to its enactment.

Correction of the reason for his removal will carry with it entitlement to the benefits of the civil service retirement law which would otherwise be denied to him. On the basis of his verified service, enactment of this measure would accord Mr. Barker an annuity of $54 per month commencing the first of the month in which the bill is enacted. The Civil Service Commission indicates that he may have some additional creditable service which if true would increase his annuity accordingly.

I do not have any more information on which I can plead guilty to the Senator from Delaware. When I was asked to have the bill considered, I thought the beloved Senator from Iowa [Mr. MARTIN] would be here to explain it. But he must leave tonight on an official mission at the request of the Senate. Today is the last day he will be in attendance in the Senate. I thought the request was very reasonable. I was advised there was no opposition to the bill.

No Member of the Senate has worked more faithfully and courteously with the leadership, both in the Senate and in committee, than the distinguished Senator from Iowa [Mr. MARTIN].

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Civil Service Retirement Act, John R. Barker, who served as an employee of the Post Office Department from August 15, 1920, to July 19, 1936, shall be considered to have been involuntarily separated from such service for reasons other than removal for cause. Notwithstanding any other provision of law, the benefits payable pursuant to this Act shall be paid from the civil-service retirement and disability fund. No annuity shall be paid, by reason of the enactment of this Act, for any period prior to the first day of the month in which it is enacted.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. ALLOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MRS. BETTY L. FONK

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1616, H.R. 4964.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 4964) for the relief of Mrs. Betty L. Fonk.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, the purpose of the proposed legislation is to pay to Mrs. Betty L. Fonk, of Bloomington, Ind., the sum of $5,000 as compensation for personal injuries and expenses resulting from an accident involving a United States Army vehicle in Frankfurt-am-Main, Germany, on June 22, 1955.

Mrs. Betty L. Fonk, the dependent wife of Sgt. Alvin Fonk of the United States Army and then herself a civilian employee of the Army, was struck and injured by a United States vehicle on June 22, 1955, at Frankfurt, Germany. The vehicle was assigned to the United States Army and Air Force European exchange system and was driven by an employee of that organization in the scope of his employment. The report of the Department of the Army to the committee on the bill indicates that subsequent investigation established that the proximate cause of the accident was the negligence of the driver of the vehicle.

The measure was reported unanimously by the Committee on the Judiciary. It was introduced at the request of one of the most able, respected, and popular Members of this body, the distinguished Senator from Indiana [Mr. HARTKE].

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

Mr. JOHNSON of Texas. Mr. President, I give notice that, if it is agreeable to other Senators, we may proceed to the nominations in the Civil Aeronautics Board, the Federal Maritime Board, and the Federal Communications Commission before the Senate adjourns this evening.

Meanwhile, I ask that the Executive Calendar be called beginning with routine diplomatic and Foreign Service nominations.

ROUTINE DIPLOMATIC AND FOREIGN SERVICE NOMINATIONS

The PRESIDING OFFICER. The clerk will state the nominations in the routine diplomatic and Foreign Service.

The legislative clerk proceeded to read sundry nominations in the diplomatic and Foreign Service.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations in the routine diplomatic and Foreign Service administration be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc.

UNITED NATIONS

The legislative clerk proceeded to read sundry nominations to the United Nations.

Mr. JOHNSON of Texas. Mr. President, I ask that the nominations to the United Nations be confirmed en bloc; but before they are confirmed, I call attention to the fact that two most distinguished Members of this body, highly experienced in the field of foreign relations, the beloved Senator from Vermont [Mr. AIKEN] and the respected Senator from Oregon [Mr. MORSE], are on the list; as also is our friend, Francis O. Wilcox, who served so intelligently on the staff of the committee on Foreign Relations before he was advanced to the position of Assistant Secretary of State.

The PRESIDING OFFICER. Without objection, the nominations to the United Nations are confirmed en bloc.

GOVERNOR OF GUAM

The legislative clerk read the nomination of Joseph Flores, to be Governor of Guam.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

NOMINATIONS TO THE CIVIL AERONAUTICS BOARD, FEDERAL MARITIME BOARD, AND FEDERAL COMMUNICATIONS COMMISSION

Mr. MAGNUSON. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. MAGNUSON. With respect to the nominations to the Civil Aeronautics Board, the Federal Maritime Board, and the Federal Communications Commission, reports were filed only last Monday. Although I have no objection to their consideration now, I understand that members of the Committee on Interstate and Foreign Commerce wish to make some remarks.

Mr. JOHNSON of Texas. If the Senator from Washington will notify the Senators that we desire to consider the nominations, we will take them up this evening, because I am getting inquiries as to why I am delaying them.

Mr. MAGNUSON. But they have not been on the calendar more than a couple of days.

Mr. DIRKSEN. The nomination of Vice Admiral Wilson to the Federal Maritime Board has been on the Executive Calendar for almost 2 weeks.

Mr. JOHNSON of Texas. That nomination was reported on June 10.

Mr. DIRKSEN. Today is June 22.

Mr. JOHNSON of Texas. The nomination of Robert E. Lee to be a member of the Federal Communications was reported on June 15.

Mr. DIRKSEN. Some of the nominations have been here for 10 days, some for 12 days.

Mr. MAGNUSON. Ten days is a very short period of time for nominations to be on the calendar in the Senate.

Mr. DIRKSEN. Mr. President, is there any objection?

Mr. MAGNUSON. No; but I am speaking for some of the members of my committee. Some of them wish to make some remarks.

Mr. JOHNSON of Texas. I am giving notice for the benefit of all.

The Senator from Wisconsin is interested in some of the nominations. Is he ready to proceed?

Mr. PROXMIRE. Yes; at any time.

Mr. JOHNSON of Texas. Very well.

First, let us pass the General Government matters appropriation bill.

Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER (Mr. McGEE in the chair). Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

THE HOUSING RECORD OF THE REPUBLICAN ADMINISTRATION

Mr. SCOTT. Mr. President, recently the Senate passed the 1960 housing bill. I should like to call the attention of my colleagues to the progress in this important field during the past 7½ years, as reported by the senior Senator from Massachusetts [Mr. SALTONSTALL].

The housing record under our Republican administration reveals that more families now own or are buying their homes than at any time in our history. It is of particular significance to note the great progress also made in urban renewal, slum prevention, and better housing for elderly people.

I ask unanimous consent that this fine report be printed at this point in the body of the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

THE HOUSING RECORD OF THE REPUBLICAN ADMINISTRATION, 1953–60—A STATISTICAL REVIEW IN SUMMARY FORM

(By U.S. Senator LEVERETT SALTONSTALL, Republican, of Massachusetts)

More houses built than during any similar period in history—nearly 9 million new dwellings, 25 percent more than in the preceding 7 years.

More people now own their own homes than at any similar period in history—three out of every five American families are homeowners compared to slightly more than one out of two, 10 years ago.

More housing for elderly people, and more done to house elderly people than any similar period in history—more than 20,000 private or public units especially designed for the elderly built or started in the last 3 years.

More housing for college students than any similar period in history—more than 37,000 dormitory units for students, teachers, and nurses in training, financed with loans, compared to 13,000 units before 1953.

More American cities engaged in urban renewal than any similar period in history—436 communities—more than double the previous number—have 750 renewal projects under way—four times as many as before 1953.

More done to help localities plan for sewers, water systems, schools, than any similar period in history—advances made to plan 1,300 public works projects involving a total construction cost of nearly $2 billion.

More cities and metropolitan areas engaged in planning for the future than any similar period in history—with grants made for comprehensive planning in 90 metropolitan areas and urban regions and in 1,140 smaller towns throughout the country.

HOUSING RECORDS BROKEN

During this administration, the Nation has experienced an amazing growth of homeownership—more families now own, or are buying their own homes than ever before, 62 percent—compared to 55 percent in 1950. The number of homes owned by their occupants has risen to more than 30 million in the past decade, an increase of over 30 percent.

Since January 1, 1953, until April 30, 1960, housing records have been broken in all directions, testimony to a dynamic as well as well-ordered, well-balanced economy.

Since the beginning of 1953, the number of homes and other dwelling units (apartments, etc.) constructed or started is close to 9 million—compared to 7,100,000 in the 7 postwar years before 1953.

Value of this construction since the beginning of 1953 totals $133 billion, nearly double the dollar value of new homebuilding in the preceding years. Another $45.5 billion has been spent on home maintenance and repairs.

The Federal Housing Administration alone insured more than 2¼ million mortgages on homes to a value of $24.3 billion and, in addition, insured more than 9 million FHA property improvement loans.

Turning to the field of federally assisted low-rent housing, the number of (PHA) units started was 127,000.

The administration's anti-inflation policies have paid off in housing. Construction costs in the last 7 years have risen only 16 percent, compared to 66 percent in the preceding 7 years.

During the 7 years of the Republican administration, construction was started on well over 1 million new dwelling units annually, reaching the near record of 1,553,000 units in 1958 under the revised, more complete census system of reporting.

NINETEEN HUNDRED AND FIFTY-NINE A RECORD HOUSING YEAR

These figures cover a 7-year period. But how about the recent past? 1959 was a big year for housing.

More money—$23⅓ billion—was spent on home construction than ever previously recorded, which does not include a further $7 billion spent for maintenance and repairs.

The Federal Housing Administration in 1959 wrote insurance on 549,600 housing units—the highest number for any year since FHA was established.

HOUSING FOR THE ELDERLY

One of the proudest achievements of the present administration is that it inaugurated the first Federal measures to help elderly people to get good housing.

In his state of the Union message in 1956, President Eisenhower asked the Congress to revise Federal housing laws "to meet the needs of the growing number of older people." From his proposals came a three-part program written into the Housing Act of that year.

One part of the program that is having spectacular acceptance relates to the provision of private rental housing for elderly persons by nonprofit groups such as churches, labor unions, fraternal groups, and similar associations.

As a result of President Eisenhower's recommendations, and the implementing action by the Congress in the Housing Act of 1956, such nonprofit groups have been able to obtain attractive FHA-insured mortgages—and applications have been rolling in.

In 1959, the administration carried the program a step further by sponsoring legislation to facilitate building FHA housing for elderly rental projects on a profit basis as well as the previous nonprofit basis.

As a result of these two developments, we find beautiful projects being constructed in all parts of the country.

Consider this abbreviated list of projects now in being:

Royal Oaks Manor (Presbyterian), California; Carmel Hall (Roman Catholic), Detroit, Mich.; Michigan Christian Home Association, Grand Rapids, Mich.; OEA Senior Citizens, Omaha, Nebr.; Bethel Methodist Home, Ossining, N.Y.; Evangelical Lutheran Good Samaritan Society Home, Hobart, Okla.; St. James House of Bayton (Episcopal), Bayton, Tex.; Douglas Gardens (Jewish), Miami, Fla.; Vine Court, Church Homes, Inc., Hartford, Conn.

As of April 30, 1960, more than 71 projects with nearly 9,000 living units were either completed or on the road to completion. Meanwhile, scores more were moving up into the pipeline and the number of applications coming in can be counted in the hundreds.

However, this is only one part of the program.

Other changes were made. For example, low rent public housing projects were opened to single elderly persons, 65 or older. Ever since 1937 single persons had been denied admission to such projects.

Further, elderly families were given priority of admission; and the Public Housing Administration was authorized to help local authorities build or remodel dwellings specifically designed for the elderly.

As a result, more than 12,000 units of public housing designed especially for the aging have been added to the public housing supply in 3 years—in addition to the housing of many thousands of elderly families in standard units.

NURSING HOMES

In 1959, the administration sponsored legislation to make FHA insurance available for the first time for nursing homes.

This proposal had been long in preparation. Shortly after its passage, hundreds of applications were being received by Housing Agency field offices. Unofficial sources report 2,000 or more interested sponsors hope to use the program aids to expand skilled nursing care throughout the country to provide care for the aging and for other invalid or semi-invalid persons.

URBAN RENEWAL

Before the Eisenhower administration, the term "urban renewal" was unknown. It is a new concept for solving the longstanding problem of urban deterioration and decay of our urban areas through combined use of public and private efforts in the urban community. This is not just clearing slums—it is also restoring and preserving good areas and preventing new slums from developing.

More than 1,000 towns and cities throughout the country now have comprehensive local plans, known as workable programs for community improvement, to solve their major housing, planning, traffic, and land use problems through a coordinated attack. No such total community programs existed before 1954.

At the President's recommendation, the Congress has authorized since 1953 $1½ billion in Federal grant funds to aid towns and cities to redevelop and rehabilitate their slum and blighted areas—three times as much as was authorized before 1953.

Under the present administration, the number of towns and cities carrying out renewal projects has more than doubled, totaling 436, and the number of projects is more than 750—four times the number initiated before 1953.

SLUM PREVENTION AS WELL AS CURE

Federal assistance on these earlier projects, moreover, was provided only for clearing slums already in existence.

There were no provisions for preventing slums from coming into existence. So the battle was a losing one from the beginning. It was as if we had built a hospital filled entirely with operating rooms, but with no place for patients to get well and forestall an operation.

A Republican administration and Congress in the historic Housing Act of 1954 initiated an entirely new approach to the slum blight problem—the total approach.

This total approach included the following:

Special provisions for mortgage insurance under FHA.

Section 220 for new building or rehabilitation in urban renewal areas.

Special provisions for mortgage insurance under FHA section 221 to provide low cost housing for families displaced from urban renewal areas.

Special grants for urban planning assistance.

Special grants for demonstration projects that would enlarge our fund of knowledge on urban renewal problems.

Since the problems connected with slum blight are all-inclusive, the approach to them to be effective must also be all-inclusive. Any integrated campaign must be based on a "workable program" initiated by the local community. Such a program should cover all aspects leading to urban decay—the enforcement of local housing and building codes, the rehabilitation of housing and neighborhoods, the upgrading of municipal services, the effective planning for the orderly growth and development of the community.

Communities adopt a workable program as a condition of receiving Federal financial assistance in the urban renewal field.

NEW SOLUTIONS FOR OLD PROBLEMS

Among studies made during 1959 was a survey in depth of the relocation housing program (sec. 221), designed to provide privately built housing for moderate and low income families displaced from their homes by urban renewal, code enforcement, and other forms of public action.

Since its inception in 1954, a total of 105,378 units has been certified as eligible for section 221 FHA mortgage insurance; in 1959 the number certified was 17,915. No such relocation housing assistance existed before 1954.

A search for solutions of another type took place in 18 locations throughout the country by way of the "test tube" demonstration grant program. No such grants were authorized before 1954.

The purpose of this program is to create practical "know-how" in the field of urban renewal. Through assistance given to carefully selected pilot projects, its aim is to enlarge our fund of knowledge and produce practical information of use to cities everywhere.

SUBURBAN SPRAWL

Another farsighted program introduced by this Administration in 1954 is the planning program designed to help metropolitan areas combat the new phenomenon in American life known as "suburban sprawl."

This was the first such constructive Federal legislation of its kind, and at the end of 1959 there were 94 urban and metropolitan areas receiving planning assistance.

In addition, through another provision of the 1954 Housing Act, more than 1,000 small municipalities were also receiving assistance.

THE TREATY WITH JAPAN—STATEMENT BY SENATOR MORSE

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a radio statement I made on the Japanese treaty.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RADIO BROADCAST OF SENATOR WAYNE MORSE, JUNE 22, 1960

Fellow Oregonians, as a member of the Senate Foreign Relations Committee, it has been my duty to study carefully the recent events in Japan which led to the cancellation of the President's visit to that country.

Actually, the riots and demonstrations which have been so widely publicized were not aimed at the President himself, but at the mutual defense treaty negotiated by our State Department and the Japanese administration headed by Premier Kishi.

The Senate Foreign Relations Committee has had this treaty under consideration for some time. On the face of it, and viewed from the time several months ago when it was negotiated, it would be hard to see why anyone in Japan would be opposed to it.

The treaty puts an end to the American status as conqueror of Japan in World War II. Unfortunately, this important aspect of it has been almost ignored both in Japan and in the United States. But under the treaty which is presently in effect and which remains in effect until the new one is ratified, the United States keeps military bases in Japan not so much because of the free choice of that nation, but because we are occupying Japan as a result of her defeat in World War II. That is where our present right in Japan comes from—the right of conquest.

As a matter of fact, under the existing treaty, our troops in Japan even have the power to put down riots and insurrections of the very kind the world has witnessed there in the last month. Of course, we have not exercised that power, because to do so would return Japan to the status of an American military satellite in much the way Hungary was kept under the Russian thumb in 1956.

The new treaty puts an end, however, even to the right to use American forces in that way. It puts an end, also, to the earlier requirement that Japan must depend upon the United States for its military defense, a requirement we had imposed because we wanted to root out Japanese militarism once and for all.

What we are ready to do now is to restore Japan to full sovereignty and equality among the nations of the world. It is quite true that we want to continue our military bases in that country. We also want to continue stationing troops there. But we are now ready to enter into an agreement for this purpose which will be an alliance between equals. The rights we would have in Japan under it would be the same as the rights we have in Western European countries, not rights gained by conquest but by mutual agreement.

That is why I say that taken alone, it would be hard to see why anyone in Japan should object to this treaty, particularly since the old system remains until the new one is ratified.

But something important happened between the time the treaty was negotiated in January and the time for its ratification. That something was the U–2 spy plane episode.

For the first time, the nations around the perimeter of the Communist world, nations whose territory we wish to use for American military outposts, learned that America was using them for purposes which were unknown and unsuspected by the people of those nations, and possibly even by their governments. They were being used for a type of nonviolent invasion of Communist territory.

Beyond that, the Soviet Union threatened immediate retaliation against those bases if they were ever used that way again. This threat put every country with which we have a military treaty right on the spot with its own people. It was a powerful blow in the war of nerves. America has been telling these nations which lie on the edges of the Communist world that they are in danger of being overrun by Communist aggression, and that they need our help in their defense. Now, the Communists were telling them that they are indeed in danger and will be the first to feel the missiles and bombs if they continue letting themselves be used as American military outposts.

This turn of events had particular impact in Japan. Since the end of World War II, American occupation of that country has had for a major objective the elimination of the warlike militaristic class in Japan which embarked on the conquest of Asia in the 1930's and 1940's.

We wrote into Japan's new Constitution a renunciation of war as a means of gaining a foreign-policy objective. We literally drummed into the Japanese people the idea that war was wrong, that it was futile, and that Japan should renounce it.

Reports to our Foreign Relations Committee indicate that we were remarkably successful in that educational campaign. Public opinion in Japan, and I do not mean opinion whipped up by Communist demonstrations, but opinion generally is highly pacifistic.

After the U–2 spy flight, therefore, this new treaty no longer looked like an advance for the Japanese, so much as it looked like a 10-year commitment to assume the risks of American actions taken in our own defense. Of course, we say, with truth, that what we do in our own defense is also in defense of the entire free world. But Japan and these other countries have been threatened with taking the consequences. That puts an entirely different light on the treaty, so far as they are concerned.

Of course, it was most unfortunate that ratification of the treaty coincided with the President's plans to visit Japan. Had the full extent of the opposition to the treaty been realized, his visit should have been planned later, or not at all. Having to cancel it at the very last minute gave the appearance of a great diplomatic setback, and it is being so interpreted all over the world.

But the treaty itself has been ratified by the constitutional processes of both parties, and has become effective. In supporting and voting for the treaty in the Senate, I pointed out, however, that it leaves much undone and unsettled. In the first place, many powerful groups in Japan are already urging that it be renegotiated. The Government headed by Premier Kishi is an ultraconservative group within a conservative party in Japan. It was a rightwing group with which we have been dealing. There is much opposition within his own party to Kishi, and it did the United States and our new treaty no good to be associated with his domestic liabilities. It is doubtful that he will remain in office much longer, and, under a new government, we may well be faced with demands that the treaty be revised. So there is that reservation as to its reliability to keep in mind.

A second reservation to keep in mind is the fact that it is simply one more element in our military containment policy. It deals with a link in our military defense perimeter around the Communist world. It is purely military. It makes no specific provision for the peaceful handling of disputes which might lead to war. It says nothing about trade or cultural relations with this most powerful non-Communist nation in all of Asia. Being purely military, and depending upon leadership in Japan which may not long be in power, it is a treaty which leans upon a weak reed, in my opinion, and should not be burdened with too much confidence that it will promote American interests in Asia.

A third reservation I have about it is the fact that it is bilateral. It involves only ourselves and Japan, and outlines what this country would do in case of an attack upon Japan. But what about all the other nations which would be affected by an attack upon Japan? What about our other allies in Asia, whose vital interests would be hurt by an attack upon Japan? There is no mention of them in the treaty. The only obligation is upon ourselves.

Of course, toward the close of World War II, our allies passed to us their power of attorney, in effect, and gave the United States the right to speak and act for them in all matters affecting the occupation of Japan. We have assumed their functions to the point where we do not even know for certain what their views and reactions are to this bilateral military treaty we have entered into with Japan.

A fourth reservation regarding it is the fact that it makes no mention of the status of Formosa. Never, in any negotiations we have conducted with Japan, have we touched upon the sovereignty of Formosa. Keep in mind that Japan was the last nation to hold formal sovereignty over Formosa. As a practical matter, it is now the home of the refugee government of China. But its status and its future are by no means settled. I continue to believe that should be done by international conference, preferably through the United Nations. Before long, Red China will be a nuclear power. When that day arrives, we will be in a very precarious position if we are still assuming the unilateral task of defending an area whose sovereignty has never been established by international law, but which territory certainly does not belong to the United States.

Finally, I regret that the treaty does not bring the United Nations directly into situations that could lead to war in the Far East. It recognizes the general responsibility of the U.N. but does not provide that the U.N. shall have direct participation in a dispute which threatens to bring about war.

In my opinion, these repetitious mutual defense treaties—and we are now involved in them with a total of 46 countries—do not promote peace. They are war treaties, not peace treaties. They make no provision for avoiding war, they only assure that if another country gets involved in war, we will come in on their side. I would prefer to see these treaties include sections outlining the steps that would be taken to prevent war, before they come to the part about the United States coming to the defense of someone else.

GENERAL GOVERNMENT MATTERS APPROPRIATIONS, 1961

The Senate resumed the consideration of the bill (H.R. 11389) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1961, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the further consideration of this bill there be allowed not to exceed 10 minutes on any amendment and not to exceed 30 minutes on the bill, with the available time to be equally divided.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, this bill provides funds for the Executive Office of the President, which includes the White House office, the Bureau of the Budget, the Council of Economic Advisers, the National Security Council, and the President's Advisory Committee on Government Organization. The bill also includes funds to be appropriated to the President for the emergency fund for the President, national defense, and funds for the expenses for management improvement, and funds for the American Battle Monuments Commission, the Foreign Claims Settlement Commission, and the Subversive Activities Control Board.

A new agency, added this year, is the Advisory Commission on Intergovernmental Relations, which was authorized last September.

The bill, as reported to the Senate by the Senate Appropriations Committee, calls for appropriations in the total amount of $14,397,500, which is $610,000 more than the amount voted by the House of Representatives, but is $230,000 under the budget.

Three amendments are recommended.

One amendment would restore $200,000 to the Bureau of the Budget, for its full budget estimate.

Another amendment would add $310,000 for expenses of management improvement, to bring that fund up to $470,000. The fund is used to study and bring about solutions to management problems and to make administrative improvements in the legislative branch, a matter on which a study is now in progress.

The third amendment is for the President's Advisory Commission on Intergovernmental Relations. That Commission began last year with $50,000, under the supplemental appropriation bill. It requested $175,000 this year; but the committee felt the Commission should start conservatively, and therefore the committee provided for $100,000, by means of an amendment. The House has not yet considered this item.

I know that my friends in the Senate who are members of this Commission will submit an amendment, and will have something to say about it.

Frankly, the committee did not know a great deal about the new organization, and is a little gun shy of new items. So the committee proposed that we let the Commission get started. The committee did not have the benefit of a great deal of testimony about the Commission; and the House committee has not had any testimony at all about the Commission.

So I am sure the Senate will be glad to hear from these members of the Commission.

Mr. MUSKIE. Mr. President, on behalf of the Senator from North Carolina [Mr. ERVIN] and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The committee amendments are first to be considered.

Mr. ERVIN. Mr. President, it may be that our amendment is in the nature of a perfecting amendment to one of the committee amendments. So I suggest that the chairman of the committee ask that that committee amendment be subject to this amendment.

Mr. MAGNUSON. First, Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc and that the bill as thus amended be considered as original text, for the purpose of amendment, provided that no point of order be considered to have been waived by reason of this order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The committee amendments agreed to en bloc are as follows:

Under the heading "Title I—Executive Office of the President—Bureau of the Budget—Salaries and Expenses", on page 3, line 24, after the word "exceed" to strike out "$50" and insert "$75", and in line 25, to strike out "$4,900,000" and insert "$5,100,000".

Under the heading "Funds Appropriated to the President—Emergency Fund for the President—Expenses of Management Improvement", on page 6, line 9, after the word "branch", to strike out "$40,000" and insert "$350,000".

On page 6, after line 12, to insert:

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Salaries and expenses

For expenses necessary to carry out the provisions of the Act of September 24, 1959 (73 Stat. 703–706), $100,000.

Mr. MAGNUSON. Mr. President, I am glad to have the amendment submitted by the Senator from Maine considered at this time.

The PRESIDING OFFICER. The amendment submitted by the Senator from Maine [Mr. MUSKIE], on behalf of himself and the Senator from North Carolina [Mr. ERVIN], will be stated.

The LEGISLATIVE CLERK. On page 6, in line 18, it is proposed to strike out "$100,000" and to insert in lieu thereof "$175,000".

Mr. MUSKIE. Mr. President——

The PRESIDING OFFICER. How much time does the Senator from Maine yield to himself?

Mr. MUSKIE. Two minutes.

The PRESIDING OFFICER. The Senator from Maine is recognized for 2 minutes.

Mr. MUSKIE. Mr. President, this amendment relates to one of the subjects touched upon by the distinguished Senator from Washington [Mr. MAGNUSON].

The purpose of the amendment is to increase the appropriation for the Advisory Commission on Intergovernmental Relations from the committee's recommendation of $100,000 to the amount requested by the Commission and approved by the Bureau of the Budget; namely, $175,000.

I wish to make two points, briefly, in order not to consume too much time, and to leave the maximum amount of time for any questions which Senators may have.

The first point is that the Commission was created last year, by the Congress. The field of intergovernmental relations is an extremely broad one. In submitting its budget, the Commission bore in mind that it would be impossible to cover this entire field. So its objective has been to select within this broad field an area with which it could conceivably deal in the coming year.

The Members of the Commission include three Governors, three Members of this body, three Members of the other body, and a large number of distinguished public officials and public representatives from all over the country.

Within the last 2 weeks the Commission met in Washington, with almost a full attendance, and approved a program for the coming year.

The Commission proposes to do the necessary work in three ways:

First of all, by soliciting private research organizations for such assistance as they can provide without governmental expense.

Second, to employ consultants on a part-time basis, from time to time, for special projects.

Third, to develop a very small staff, consisting of only three professional people, relative to the Commission's work, to work on a continuing basis.

The PRESIDING OFFICER. The time the Senator from Maine has yielded to himself has expired.

Mr. MUSKIE. I yield myself 1 more minute.

The PRESIDING OFFICER. The Senator from Maine is recognized for 1 more minute.

Mr. MUSKIE. I point out that the budget which has been recommended is a minimum one, not a maximum one in any degree whatsoever.

If the Commission's funds are cut to $100,000, it is very unlikely, in my judgment, that the product of its work over the next year will be worth even the $100,000. I consider the $175,000 a minimum.

We have distinguished Governors and Senators and outstanding people from all over the country serving on the Commission; and I believe we should give them the minimum tools they will require.

The other point I wish to make is that the House of Representatives has not had an opportunity to consider this item. So the figure which we shall send to conference will be the maximum one the conference can consider.

Therefore, I suggest that the $175,000 figure is the minimum which we should send to conference.

I have discussed this with the chairman of the committee, and he has agreed to accept the amendment for that purpose.

The PRESIDING OFFICER. The additional time the Senator from Maine has yielded to himself has expired.

Two minutes remain available to the proponents of the amendment.

Mr. ERVIN. Mr. President, I should like to concur in all that the distinguished Senator from Maine has said.

The three Members of the House of Representatives and the three Members of the Senate who are members of the Commission agree that $175,000 is the minimum requirement for the efficient functioning of this Commission.

Therefore, I urge the Senate to adopt this amendment, as offered by the Senator from Maine [Mr. MUSKIE] and myself.

The PRESIDING OFFICER. Is the remaining time in opposition to the amendment yielded back?

Mr. MAGNUSON. Mr. President, I yield back the remainder of the time available to those in opposition to the amendment.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Maine.

The amendment was agreed to.

Mr. SPARKMAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 8, in line 11, it is proposed to strike out "$260,000", and to insert "$410,000."

Mr. SPARKMAN. Mr. President, I yield myself 5 minutes, which I believe is the maximum time available to the proponents. However, I do not intend to use all that time.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 5 minutes.

Mr. SPARKMAN. Mr. President, the purpose of the amendment would be to increase the amount of funds made available to the Foreign Claims Settlement Commission by $150,000.

When the committee held hearings on the provision, the amount requested was $260,000, which was exactly the amount the committee allowed; but on June 1, a supplemental request was submitted of $150,000, and that amount was not added by the committee.

The Commission is in the final stage of negotiations, or perhaps negotiations have been completed—I believe they have been—whereby Poland is making a large foreign claims settlement.

The effect of the $150,000 would be to enable the Foreign Claims Settlement Commission to function at its present level. No new employees would be provided for.

I believe, in view of the great load being thrown on the Commission as a result of the Polish settlement, the Commission is entitled to this amount.

I point out this amount does not represent $150,000 that the Federal Government ultimately will have to pay. Poland, in its settlement, agrees that this much will be a charge against the Polish Government. In other words, this amount is a part of the claim itself.

The additional money will enable the Commission to function effectively and efficiently, and carry on with its present staff. I think, by all means, the amount should be allowed.

I hope the chairman will agree to take the amendment to conference, because when the bill passed the House this estimate was not available, and the House had no opportunity to pass upon it. As a matter of fact, when the hearings were held, the information was not available.

Mr. ALLOTT. Mr. President, will the Senator yield for a question?

Mr. SPARKMAN. I yield.

Mr. ALLOTT. Is there any reason why this request could not be submitted in the regular way, and provided for in a supplemental bill?

Mr. SPARKMAN. This is the regular bill. It was submitted to the committee in time to get into the bill. It seems to me this is the time to do it.

Mr. ALLOTT. I do not recall any testimony on it.

Mr. SPARKMAN. On page 118 of the hearings will be found a statement submitted by the chairman after the testimony had been received. The subject was before the committee. As a matter of fact, when the testimony was had before the committee originally, it was stated that this settlement was likely to happen; that it was imminent. The committee was warned it was imminent. Then, on June 1, the point was reached where it was necessary to handle the large claims settlement.

Mr. President, the Polish settlement will be a large one. The Commission needs the staff. If the Commission does not get this additional money, it will have to disband its staff. Most likely we shall be called on later to provide a staff.

Mr. MAGNUSON. The Commission will not have to disband the staff.

Mr. SPARKMAN. It will have to cut it in half.

Mr. MAGNUSON. I know that staff pretty well. They do not have to disband at all. They are going to add to the staff.

Mr. SPARKMAN. No. The $150,000 will not be used to add any more employees to the staff. It will merely provide the Commission with funds to carry on with its present staff.

I ask the chairman of the committee to take it to conference, so the House and Senate conferees can decide it.

Mr. MAGNUSON. We have the Chairman of the Commission, in this case, Mrs. Pace, before the committee every year, and every year they keep telling us they are going to complete their work, and every year they want more, and every year they keep coming back.

Mr. SPARKMAN. I am sorry I cannot tell the Senator what the Polish claim amounts to. There is a figure running in my mind, but I do not know how much it is.

Mr. MAGNUSON. $9 million.

Mr. SPARKMAN. I believe it is more than that. It is a big claim, and one that certainly ought to be settled.

Mr. MAGNUSON. The Czechoslovakian claim is $9 million.

Mr. SPARKMAN. Yes. I think the Polish one is much bigger than that.

Mr. MAGNUSON. The Polish claim is not mentioned.

Mr. SPARKMAN. The item is presented on page 118 of the hearings.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. SPARKMAN. Yes.

Mr. ALLOTT. The Senator has referred to a letter from Mrs. Pace. I should like to read from that letter:

> Faced with the foregoing facts and probabilities, the Commission feels that a reduction in its present skilled staff would not be in keeping with orderly good government and efficient administration. Should any or all of these programs come into being, the maintenance of our present staff would suffice to no more than enable the Commission to provide for the preparation of appropriate notices, regulations, claims applications and instructions, and to provide for their dissemination to roughly 150,000 potential claimants.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MAGNUSON. Mr. President, I yield some time to the Senator from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. President, I think what the Senator from Colorado has just read bears out the statement that it is not contemplated to add personnel, but to maintain the present personnel.

It seems to me the reasonable thing to do is to take the amendment to conference. In the meantime the committee staff can verify the facts. I think I can truthfully say that there has been a large claim settlement negotiated with Poland which ought to be handled by the Commission. Providing the additional sum of $150,000 will enable the Commission to maintain the present staff.

Mr. MAGNUSON. Every year this group is supposed to get to the end of its business. I do not have time to refer to the testimony given in previous years, but every year they say they are going to get closer to completing their business. Every year they come back and want to keep the present staff. One year the staff got down to 200. We thought they were going to complete their work, but then they said there was more business and they wanted to keep the existing staff.

The effect of this amendment would be to add employees to the staff, because the Commission was supposed to reduce the number on the staff. Now they are supposed to get out of business in 1962, but if the Senator will read the testimony, he will see that they are not sure they can make it by then.

Mr. SPARKMAN. My understanding is that the present staff is only 59. It is not a big staff.

Mr. MAGNUSON. It is bigger than necessary.

Mr. SPARKMAN. Now the Polish claim is going to be added to the work.

Mr. MAGNUSON. It does not require any more employees.

Mr. SPARKMAN. We are collecting millions of dollars for American citizens.

Mr. MAGNUSON. That does not require a big staff. Forty could handle it.

Mr. SPARKMAN. It would be cut to 29.

Mr. MAGNUSON. Parkinson must have been thinking about this place when he wrote his book. He must have had this place in mind.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. As one who has considered these matters for a number of years, I can state that the agency always wants more money and always wants to extend its work. There always seems to be more and more work coming in. If we give them a reasonable amount this year, the claims may be settled. If we provide them with a large personnel, while I am not a betting man, I have the feeling that next year they will try to hold some of their people and say they still have a great deal of work to do.

Mr. KEATING. Mr. President, will the Senator yield 2 minutes to me?

Mr. MAGNUSON. I yield 2 minutes to the Senator from New York.

Mr. KEATING. Mr. President, I support fully the amendment offered by the Senator from Alabama to provide additional funds for the Foreign Claims Settlement Commission. It is my firm conviction, based on my study of problems in this field, that there is ample justification for giving the Commission the full amount it has requested.

I am sympathetic to the view expressed by the committee in its report that this $150,000 should not be added "until more definite need may be shown later in the fiscal year." I realize that it is impossible to predict with complete certainty what will happen with regard to pending legislation and agreements in this field.

However, I feel that the evidence is sufficient, and the need so great, that we can take the little chance involved here and provide these additional funds. If we do not do so, it is possible that much of the vital work of the Commission will be delayed and the claims of many worthy people endangered.

Mr. President, according to the evidence presented to me, there are two principal reasons why this additional $150,000 is urgently needed by the Commission.

First, the workload estimate for the Czechoslovakian program has turned out to be inaccurate. Twice as many claims have been filed as were anticipated.

I ought to point out that the Czechoslovakian claims program is not financed by public funds. It is financed with proceeds of vested Czech property. Originally, it was anticipated that some 1,500 to 2,000 claims would be filed under this program. In actual operation, nearly 4,000 claims have been filed, but the magnitude of the original underestimation was not realized until the budget request for fiscal 1961 was completed.

The work of the Commission on the Czechoslovakian claims has been made doubly difficult by the failure of the Czech Government to cooperate in providing needed information and documentary evidence. As a result, the Commission has had to follow other roundabout processes to get this data—processes which have been long, slow, and difficult.

Mr. President, I am quite familiar with the very real human problems involved in these claims. Many fine people would be deprived of expeditious settlement of just claims if the already expanded workload of the Commission were further complicated by a lack of personnel and funds to pursue this work.

A second reason why these additional funds are needed is that three additional claims programs requiring immediate action by the Commission may soon come into being.

First. It appears highly probable that the Polish lump-sum settlement agreement will be signed within the next few weeks. Unfortunately, this will be too late for the Commission to make a supplemental request for funds to carry out this extensive program.

Already some 17,000 potential claimants have registered with the Commission in anticipation of the completion of the agreement. Obviously, many more claims will be filed in the future when the treaty with Poland is actually included.

Under the terms of the International Claims Settlement Act of 1949 the Commission is authorized to begin work upon the signing of an agreement without the need for further enabling legislation. Thus, although the Commission would have the authority to proceed expeditiously on these claims, they will be unable to do so if they do not have the personnel and staff to do the job.

In other words, the failure of the Congress to provide sufficient wherewithal will mean the postponement for some time of the restoration to thousands of Polish-American citizens of money to which they will become entitled. I certainly do not wish to be party to any such delay of justice.

Second. A second contingency upon which the need for more money rests is congressional approval of pending war claims legislation. Such legislation has already passed the House of Representatives and is under active consideration

right now by the Trading With the Enemy Act Subcommittee of the Senate Judiciary Committee, of which I am a member. I am hopeful—and confident—the Senate will be given an opportunity to complete action on this vital legislation before the end of this session.

It is reliably estimated that from 30,000 to 50,000 claims will be filed when this bill becomes law. That will constitute the largest claims program in history and obviously will require an expansion of the Commission staff.

The long legislative delay in approving this program makes it imperative that we avoid any undue administrative delay in processing the claims which will be filed. The job cannot be done adequately and with justice to all concerned unless operating funds are available immediately for the Commission to use. If we do not provide the needed funds now this work may be delayed for a year—which is precious time in view of the many years during which this legislation has been stalled.

Again, Mr. President, I do not wish to be party to any such delay of justice.

Third. We must also remember that proposed legislation to place the administration of the supplemental payment of Philippine War Damage Commission awards in the Foreign Claims Settlement Commission is on its way through Congress. H.R. 12378 has been reported favorably by a subcommittee of the House Foreign Affairs Committee and may in the near future gain the approval of Congress.

It is understood that many thousands of payees may be involved as a result of this legislation.

Mr. President, all the evidence I have studied indicates that the Foreign Claims Settlement Commission has done an efficient and effective job with limited personnel and limited funds. At the present time only 47 persons are employed, including the Commissioners.

It is my understanding that under the original budget request the Commission would be forced to reduce the present staff from 47 to 20 by the end of the fiscal year. The Commission feels that if it is given the additional funds included in this amendment, it can retain its present staff of 47 and carry on adequately with its work until the 87th Congress has an opportunity to provide additional assistance.

Mr. President, the work of the Foreign Claims Settlement Commission should be of great interest to every Member of this body, because it involves principles of simple justice and human problems which concern thousands of American citizens. In many cases these people cannot afford to have the settlement of their claims delayed. In other cases, delay may mean that justice will be denied for various reasons.

Because there is ample evidence that the workload of the Commission will be increased a great deal in the near future and because a clear case has been made of the need for proper personnel and funds to meet these new demands, I feel this amendment should be adopted. By adding these funds, we can insure that fair treatment will be accorded thousands of Americans in obtaining money which is rightfully theirs.

Mr. McNAMARA. Mr. President, this amendment would add $150,000 to the appropriation for the operations of the Foreign Claims Settlement Commission.

I understand that this amendment has the approval of the Bureau of the Budget.

There are a number of reasons why the Commission budget should be increased if the Commission is to efficiently carry out the duties expected of it.

In the first place, the original budget request would require the Foreign Claims Settlement Commission to reduce immediately its staff of 47 to 29.

This would be understandable if the work of the Commission was similarly decreasing.

On the contrary, however, the workload facing the Commission will be increasing, rather than decreasing.

Within the very near future it is expected that the United States and Poland will sign a war claims agreement to reimburse Americans for losses in Poland.

Already about 17,000 potential claimants have registered with the Commission in anticipation of this program.

Unless the Commission is able to keep its well-trained staff and to hire necessary additional help the processing of these claims probably would have to wait another year or until a supplemental appropriation bill can be passed next year.

The Polish claims alone can mean reimbursement of $60 million to American citizens. Certainly $150,000 is a small amount to help process these claims.

In addition, two other war damage claims bills are progressing rapidly in Congress, and these would add many more thousands of claimants to the workload.

The Commission is expected by the public to process all claims speedily and efficiently.

It seems to me only common sense that the Congress give the Commission the tools it needs to do the job we ask of it.

A little foresight now in providing the needed $150,000 will permit the Commission to keep its trained staff intact and ready to perform.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. MAGNUSON. Mr. President, I understand the Senator from Alabama desires to modify his amendment.

Mr. SPARKMAN. Mr. President, I modify the amendment to change the amount to $100,000, it being my understanding that the chairman is willing to take the amendment to conference.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The question is on agreeing to the amendment of the Senator from Alabama, as modified. [Putting the question.]

The amendment, as modified, was agreed to.

Mr. DOUGLAS. Mr. President, I wonder if my good friend from Washington is willing to yield to me so that I may ask a few questions?

Mr. MAGNUSON. I am glad to yield.

Mr. DOUGLAS. Am I correct in my understanding that the appropriations for the White House Office have been increased by $177,500 over the last year?

Mr. MAGNUSON. The Senator from Illinois is correct.

The PRESIDING OFFICER. The time is being yielded by whom to whom?

Mr. DOUGLAS. Mr. President, I am not proposing an amendment. I simply wish to ask some questions.

Mr. MAGNUSON. This is from the time on the bill, Mr. President.

The PRESIDING OFFICER. How much time is yielded on the bill?

Mr. MAGNUSON. As much time as the Senator desires.

Mr. DOUGLAS. I thank the Senator from Washington.

Mr. MAGNUSON. The Senator is correct. The budget for the White House was $2,221,000 in 1960, and it is $2,398,500 this year, an increase of $177,500, plus $100,000 for alterations and repairs.

Mr. DOUGLAS. Plus $100,000 above the 1960 figure for the so-called management improvement?

Mr. MAGNUSON. No. The management improvement goes with the Bureau of the Budget, for the studies and projects within the agencies.

I did not provide all of the figures, but the amount has been steadily increasing year after year.

Mr. DOUGLAS. The Senator from Illinois invited attention last year to the fact that the budget has gone up year after year after year. I wished to ask these questions to indicate that the budget for the White House Office is still going up.

Mr. MAGNUSON. Yes.

Mr. DOUGLAS. I should like to ask some questions about the right arm of the President, the Bureau of the Budget. Do I correctly understand that the Bureau of the Budget requested for itself an increase of $435,000?

Mr. MAGNUSON. It did.

Mr. DOUGLAS. The committee has granted that amount?

Mr. MAGNUSON. The committee granted the increase upon the basis that the Bureau of the Budget made a case as to extra workload and things of that nature. The budget for the Bureau of the Budget, like that for the White House, has been gradually going up.

Mr. DOUGLAS. Not too gradually.

Mr. MAGNUSON. The Senator is correct.

Mr. DOUGLAS. It has been going up quite rapidly.

Mr. MAGNUSON. That is correct.

Mr. DOUGLAS. The request is for the hiring of 22 more people, is that correct?

Mr. MAGNUSON. That is correct.

Mr. DOUGLAS. I noticed, in the Independent Offices appropriation bill for 1961 which has been passed, that the General Accounting Office, which is the agency of the Congress corresponding to the Bureau of the Budget, which is the agency of the President, has an appropriation for the coming year of $600,000 less than its appropriation for last year.

Mr. MAGNUSON. That is correct. The budget for the General Accounting

Office is smaller. Mr. Cooper reminds me that the General Accounting Office is the only agency covered in the entire bill which will receive a smaller appropriation.

Mr. DOUGLAS. Does the distinguished chairman of the submittee have the same high opinion of the General Accounting Office and of the Comptroller General, Mr. Joseph Campbell, as the Senator from Illinois.

Mr. MAGNUSON. I have a very high opinion of him.

Mr. DOUGLAS. Is it not necessary that we have an agency such as this to check upon the waste within the executive departments?

Mr. MAGNUSON. I think the General Accounting Office does a fine job in this respect. It has saved us a great deal of money.

Mr. DOUGLAS. It seems to me the General Accounting Office has saved us many times its appropriations in the amounts recovered from excessive contract prices.

Mr. MAGNUSON. If we have an opportunity, some day we should analyze those figures. I think the figures would be somewhat startling as to the amount of money the General Accounting Office has saved the Government, and the amount we have spent to keep the agency operating.

Mr. DOUGLAS. I am very glad the Senator from Washington has made that statement. I hope, when the next appropriation bill comes before the Senate, we may have a better sense of proportion and that we may build up the General Accounting Office, the head of which was appointed by the present President, because of its fine work. Personally, I am distressed by the increase in the appropriation for the Bureau of the Budget.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. DOUGLAS. I am glad to yield.

Mr. SALTONSTALL. I am not sure the Senator from Washington mentioned this, but the budget would permit the hiring of 33 additional employees by the Bureau of the Budget, and would provide a complement of 468 employees, which represents a 27 percent drop since 1947. In other words, the Bureau of the Budget today has 27 percent less staff than it had in 1947.

Mr. DOUGLAS. There have been some redistributions of functions. I believe it is true that certain groups connected with the Bureau of the Budget have been split off. If we consider the record from 1952 on, since 1952 there has been an increase.

Mr. MAGNUSON. The budgets have been going up ever since 1952.

Mr. DOUGLAS. So the figures which the Bureau of the Budget may have supplied to our good friend from Massachusetts I think are disingenuous. Those figures go back to 1947. That is a comparison of horse and apples, rather than the same Bureau of the Budget.

I believe the record shows that so far as the present Bureau of the Budget is concerned the increases have been very great from year to year, exactly as have been the expenditures for the White House Office and for certain other items.

Mr. President, I shall not offer any amendment. I shall not make any fight with respect to the bill or with respect to these items. I simply say that I am distressed by the increase in expenditures both for the Bureau of the Budget and in connection with certain other functions of the White House, particularly in view of the constant cry for economy which comes from both. It seems to me it might be appropriate if a symbolic protest, at least, were made.

I thank the Senator from Washington for yielding.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Washington yield; and, if so, to whom?

Mr. MAGNUSON. Mr. President, I yield to the Senator from Nevada.

Mr. CANNON. Mr. President, I am also concerned about the constant increase in the expenditures of the Executive Branch, particularly the Bureau of the Budget, as mentioned by the Senator from Illinois. One point the Senator did not raise is it appears from a study of the bill that there will be an increase in the per diem for members of the Bureau of the Budget. The increase requested is from $50 to $75.

I know that many other agencies have a rather high limit of $50 per diem, including the National Security Council, the President's Advisory Committee on Government Operations, and others. I am somewhat at a loss to understand why the representatives of the Bureau of the Budget require an additional $25 per diem to carry out their duties, particularly when it represents an increase of 50 percent in the authorized per diem from last year, in addition to the tremendous increase in the budget.

Mr. MAGNUSON. I will say to my friend from Nevada that I thought the Bureau of the Budget made a very good case in that regard. This is for payments of consultants. The request is to change the per diem from $50 to $75. Most of the Government agencies provide $75. Actually we should have a uniform provision.

In this particular case reference was made to some expert consultants. The committee agreed that these consultants should receive such an amount of money.

They do not anticipate paying all consultants $75, but to get the quality of people needed, $50 is not enough and they will pay the maximum only when it is fully justified.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. SALTONSTALL. To supplement what the Senator from Washington has said, 17 agencies of our Government pay between $75 and $100; 52 agencies pay up to $56.56. When the Bureau of the Budget asks for an increase from $50 to $75, they are simply asking for the same authority that 17 agencies of the Government now have.

May I point out that we talked about the number of positions. In 1947 the Bureau of the Budget had 599 positions; in 1952 it had 515; they now have 435. The bill will increase the number to 468, which is still under the 1947 and 1952 figures.

Mr. MAGNUSON. But the amounts have gone up.

Mr. SALTONSTALL. The amounts have gone up.

Mr. MAGNUSON. I think, rightly so, they have farmed out some.

Mr. SALTONSTALL. I will not deny that.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield such time as I have remaining to the Senator from Colorado.

Mr. ALLOTT. I would like to say to my friend from Wyoming and others that I wish to reunderline and underscore the statement made by the Senator from Massachusetts [Mr. SALTONSTALL]. Since 1947 the Bureau of the Budget has dropped 27 percent in its number of employees. It is true that the cost has gone up, but I think so far as I am concerned, because I felt that this matter had to be approached critically, I was satisfied with the statement that was made. I think the chairman was also, as he has indicated.

I thank the chairman of the committee, the Senator from Washington [Mr. MAGNUSON], and the Senator from Massachusetts [Mr. SALTONSTALL]. I think the chairman should be complimented on the very fine job he has done with these two bills. It is an extremely complicated area. Many different commissions and bureaus are involved, and his great knowledge, gained from many years of experience, and his constant attention to it, has resulted, I think, in a rather good bill.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. McGEE. I have been much interested in this particular point in the discussion of the bill, for the reason that I have been in correspondence in the last few days with the Director of the Bureau of the Budget. I commented on June 17 on the increases of the salaries of the Bureau's employees at the same time that the administration was taking a dim view of raising the salaries of other Federal employees. In a letter today, I discussed the question of his total budget figure and the bureaucratic proliferation which caused it to be so large.

The fact remains, as the committee has discovered, that the costs of running the Bureau of the Budget have gone up. The chairman has wisely observed that these are necessary increases. But that is the point some of us have been making for months, that the necessary costs of meeting our responsibilities have gone up in many other areas of government. I cannot put up with the one-eyed bookkeeper who uses one standard of judgment for his own house and tries to exercise quite a different set of standards for the rest of the agencies of the Government. For that reason I think the RECORD should show that the exchange between myself and the Director of the Budget Bureau on a matter of his Bureau appropriations shows a double standard.

Mr. President, I ask unanimous consent that my correspondence with the

Director of the Bureau of the Budget on this particular facet of the problem be included at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 17, 1960.

Hon. GALE W. MCGEE,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR MCGEE: The UPI wire service quotes you as saying, during the debate on the Federal employees pay bill today, that Bureau of the Budget employees had received since 1953 "nearly double" the amount of pay raises as employees in four other agencies of Government.

While the Bureau of the Budget has no information as to the identity of the other four agencies to which the Senator refers, you seem to have been misinformed.

The employees classified under the general schedule of the Classification Act had an average grade of GS 10.2 in fiscal year 1953. By fiscal year 1960 this average has risen only to 11. This rise reflects promotions made under the provisions of the Classification Act and the rules of the Civil Service Commission. Causing this rise are such factors as the additional numbers of supergrade positions granted by the Congress, new Civil Service Commission qualification and hiring standards (e.g., increases in college entrance level grades and secretarial grades), and the hiring of higher level specialists in the accounting and management fields. Moreover, the Civil Service Commission has periodically inspected the personnel management practices of the Bureau and has approved them.

Another factor should not be overlooked. While the grade average was increasing by only this small amount, the size of the Bureau's staff has dropped from 485 in 1953 to 435 in 1960. This in itself has necessitated a change in the composition of Bureau staff if we were to perform adequately the functions assigned to us with the reduced staff.

Finally, the Bureau's own internal standards for eligibility for grade promotions are considerably more restrictive than even the Whitten amendment would require. That amendment sets a minimum standard of 1 year for professional grade to grade promotions, whereas the Bureau's internal standard in the intermediate and higher grades is from 1½ to 3 years.

We hope that these facts will correct any misunderstanding which may have been responsible for your remarks during the Senate debate.

Sincerely yours,

MAURICE H. STANS,
Director.

JUNE 21, 1960.

Hon. MAURICE H. STANS,
Director, Bureau of the Budget, Executive Office of the President, Washington, D.C.

DEAR DIRECTOR STANS: Your letter of June 17 has aroused my curiosity. In the first place and in order that you may consider the full text of my address on the Bureau of the Budget, I am enclosing the appropriate clipping from the CONGRESSIONAL RECORD. As you will understand when you have read my remarks, the facts which you cite in your letter have not only failed to correct what you term "any misunderstanding which may have been responsible" for my comments but have raised new questions.

My statement was the result of a comparative study of the actual expenditures for 1953, as printed in the 1955 budget, and the proposed expenditures in the 1961 budget. I was interested to find out whether the agency which had been responsible for so many economies in important programs was setting the spartan example which one would expect.

In 1953, the Bureau of the Budget had $3,492,140 with which to operate. Its employees were among the highest paid in Government with an average civil service grade of 10.2 including typists and clerks. This is the agency that supposedly puts the others on the rack and forces fund requests down to reasonable levels. The following table represents the hard fact of the Bureau's record:

Bureau of the Budget—Budget

	1953	Proposed, 1961	Percent increase over 1953
Personal services	$3,215,385	$4,319,500	34
Other expenses	276,755	780,500	183
Total	3,492,140	5,100,000	46

At the outset, I wish to recognize that there have been well-deserved increases in the pay scales for Federal employees. According to the sources I have consulted, the average number of employees officially charged to this Bureau will be approximately the same in 1961, 458, as it was in 1953 when it was 464.

While this figure has remained static on paper, there has been a vast increase in duplicating personnel in the Executive Office of the President.

In addition to the Bureau personnel, we now have two new offices which are performing Budget Bureau work: The Advisory Committee on Government Organization with a $50,000 budget, and a Special Projects Group with a $1,500,000 budget. Together these agencies have 114 employees. The Organization group's function is to identify major organizational and management problems and suggest corrective action. The Special Projects Group's purpose is to give the President staff assistance on problems which cannot be considered the responsibility of an existing agency. Examples cited are coordination of the Nation's scientific effort, foreign economic policy, and coordination of public works planning.

Since this work has for years been done in the Bureau of the Budget, I wonder what the reasons are for this proliferation?

As further proof of the extent of the Bureau of the Budget's spending spree in its own interest, I cite the 183 percent increase in expenses other than salary, and call particular attention to the substantial increases in items such as travel and other contractual services and equipment. The following table illustrates my point:

Items with major increases	1953	1961	Percent change
Travel	$28,719	$120,000	319
Communication service	43,281	60,000	39
Other contractual service	2,662	45,500	1,600
Equipment	11,114	63,000	466
Total	85,776	288,500	235
Grants, subsidies, and contributions		278,800	[1]
Other	190,979	213,200	11
Total	276,755	780,500	183

[1] Contributions for Federal retirement fund.

While I am not a budget expert, I am unable to see why there should be an increase in cost averaging 235 percent in the items I have enumerated separately.

To further inform myself as to the need for vastly increased funds, I looked carefully at the Bureau's budget analysis by divisions. The following tabulation shows the changes in division costs:

	1953	1961	Percent change
Field service	$206,408	[1]	
Office of Accounting	[2]	$248,700	
Budget review	376,130	534,300	+42
Legislative reference	145,404	207,000	+42
Management and organization	320,707	616,500	+92
Statistical standards	380,022	441,400	+16
Program divisions:			
Commerce and finance	343,269	433,500	+26
International	196,367	334,700	+71
Labor and welfare	364,962	453,500	+24
Military	382,662	578,700	+51
Resources and civil works	347,241	538,200	+55
Administration	428,968	710,500	+66
Obligations, prior years		3,000	
Total	3,492,140	5,100,000	+46

[1] Abolished fiscal year 1954.
[2] Estimated fiscal year 1956.

It is my understanding that the new Office of Accounting was created by expanding a group previously in the Management and Organization Division of the Bureau of the Budget. This is of interest because the Management and Organization group cost has increased by 92 percent, even after giving birth to a new division.

The President also seeks $50,000 for the special Advisory Committee on Government Organization in addition to the Bureau of the Budget expense of $616,500 to perform a like function. I do not know of one substantial reorganization plan of more than a routine housekeeping nature that has emerged in the last few years.

This shows a mutation in bureaucratic breeding; evidently in accordance with Parkinson's law. The division with the responsibility has 92 percent more money to operate than it had in 1953, and it is shorn of its accounting improvement work and has the help of a new and special executive agency.

The International Division has its budget up 71 percent from 1953. In keeping with the administration's outlook on labor and welfare, that division has not fared so well. At least here I see something representative of the administration's philosophy. The Resources and Civil Works Division's budget is up 55 percent, and this I can only presume is to assure that less will be spent on resource development.

I call particular attention to the 66 percent increase for administration. Compared with the total agency budget for the respective years this item, which was previously 12 percent of their total expenses, now accounts for 14 percent. Is it not supposed to be true that with the growth of an agency, its cost of administration as a percentage of overall costs decreases?

Wherever one turns there is evidence that Parkinson's law is in operation.

Historically, the Congress has given the President the funds he believes he needs for the agencies composing the Executive Office of the President. I do not for a moment contend that the role of Government is unimportant or that the President should be denied adequate staff. The record of administration stewardship seems to reveal, however, painful economy in the important programs upon which the health of our economy depends and substantial increases in expenditure elsewhere.

Counting the Bureau of the Budget and its two duplicating executive office agencies, there is a 90-percent increase in their cost of operation. As I said on the Senate floor on June 17, salaries that have been increased by Congress have been given another 100 percent padding by back-door grade increases. In addition, back-door increases

totaling 22 percent have been made in the number of personnel.

What happened to the administration's crusade for economy? Where is it being practiced? Is it in less schools for our children, less roads to transport the products of private enterprise, less meaningful defense from our enemies, or less resource development for our people?

In my recent floor statement I characterized the Bureau of the Budget's record as "one-eyed bookkeeping." I did so because I believe it is the job of the Bureau to perform its functions with one eye on the national interest and the other on the ledger. The light of comprehension has long since vanished from the eye which should have been fixed on the national interest during this administration. The result has been budgets which starved and stultified programs which were in the public interest while encouraging a byzantine bureaucratic proliferation in such staff agencies as the Bureau of the Budget. One-eyed bookkeeping may contribute to the kind of record this administration wants, but I don't think it fools the people.

I would be grateful if you would comment on the questions which I have raised; and I promise to give your reply very careful attention.

Sincerely,

GALE W. MCGEE,
U.S. Senator.

Mr. McGEE. In my letter I have pointed out that, in addition to the very large pay increases granted to Bureau of the Budget employees by the process of high grade level increases, the Bureau has also indulged in forms of bureaucratic proliferation which brings some of the "facts" which Mr. Stans has cited in his letter into question.

In the first place, a comparison of the actual expenditures for 1953 and the proposed expenditures for 1961 reveals that there has been an overall increase of 46 percent in the expenditures of the Bureau. The increases in expenses not related to high salaries have been even more startling than the salary increases. These additional expenses have increased 183 percent since 1953.

In addition to these rather dramatic changes in the size of the appropriations sought for the Bureau itself, we now have two new offices which are performing work previously performed by the Bureau. These are the Advisory Committee on Government Organization with a budget of $50,000, and the Special Projects group with a budget of $1,500,000. Together these two agencies employ 114 persons. Since their functions seem to be very similar either to those previously performed by the Bureau or to functions still performed by the Bureau, it is interesting to note that the addition of 114 persons to the work force of the Bureau of the Budget itself makes it apparent that there are many more persons doing the work of the Bureau of the Budget than there were in 1953. If we added the budget for these two new agencies to that of the Bureau, there has been a 90-percent increase in the cost of operation since 1953.

Congress has usually been rather lenient with the President's requests for funds which he desires for the agencies which make up his Executive Office. Certainly this is as it should be because it is very important that the President have an adequate staff. My complaint about the two central facts that the Bureau pays larger salaries than other agencies and that it has indulged in a very substantial proliferation is that this has all occurred during what the administration has chosen to call a crusade for economy.

I think the Bureau of the Budget ought to perform its function with one eye on the national interest and the other on the ledger, but it seems that the light of comprehension has long since vanished from the eye which should have been fixed on the national interest during this administration. The result has been budgets which starved and stultified programs which were in the public interest while encouraging this byzantine bureaucratic proliferation in such agencies as the Bureau of the Budget. This is one-eyed bookkeeping. It is all the more ironic to find that it has occurred in the very agency which has the task of putting other agencies on the rack and forcing their fund requests down to reasonable levels.

The Bureau of the Budget performs a staff function. Certainly its function is necessary, but I think this administration deserves to be asked whether we have to pay so much more to have this function performed when we are so consistently asked to economize in the areas of education, defense, and resource development.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CANNON. The Senator from Colorado stated that since 1947 the personnel had been reduced by 27 percent. I wonder if he has the figures as to the percentage of cost increase during that same period?

Mr. ALLOTT. I do not have them with me. All I have before me are the hearings. I repeat these figures from page 4 of the hearings.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. Do both sides yield back all remaining time?

Mr. MAGNUSON. I yield back whatever time I have remaining.

Mr. KUCHEL. I yield back whatever time we have remaining.

Mr. MAGNUSON. The yeas and nays have been ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Alabama [Mr. HILL], the Senator from Oregon [Mr. LUSK], the Senator from Montana [Mr. MURRAY], and the Senator from Virginia [Mr. ROBERTSON], are absent on official business.

I also announce that the Senator from Missouri [Mr. HENNINGS], is absent because of illness.

I further announce that the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Wyoming [Mr. O'MAHONEY], are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Rhode Island [Mr. GREEN], the Senator from Missouri [Mr. HENNINGS], the Senator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Oregon [Mr. LUSK], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Virginia [Mr. ROBERTSON], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. SCHOEPPEL] is absent because of death in his family.

The Senator from Connecticut [Mr. BUSH], the Senator from Kansas [Mr. CARLSON], the Senator from New York [Mr. JAVITS] are detained on official business. If present and voting, the Senator from Connecticut [Mr. BUSH], the Senator from New York [Mr. JAVITS], the Senator from Kansas [Mr. SCHOEPPEL] would each vote "yea."

The result was announced—yeas 81, nays 1, as follows:

[No. 254]

YEAS—81

Aiken	Frear	Martin
Allott	Fulbright	Monroney
Anderson	Goldwater	Morse
Beall	Gruening	Morton
Bennett	Hart	Moss
Bible	Hartke	Mundt
Bridges	Hayden	Muskie
Brunsdale	Hickenlooper	Pastore
Butler	Holland	Prouty
Byrd, W. Va.	Hruska	Proxmire
Cannon	Humphrey	Randolph
Capehart	Jackson	Russell
Carroll	Johnson, Tex.	Saltonstall
Case, N.J.	Johnston, S.C.	Scott
Case, S. Dak.	Jordan	Smathers
Church	Keating	Smith
Clark	Kerr	Sparkman
Cooper	Kuchel	Stennis
Cotton	Lausche	Symington
Curtis	Long, Hawaii	Talmadge
Dirksen	Long, La.	Thurmond
Dworshak	McCarthy	Wiley
Eastland	McClellan	Williams, Del.
Ellender	McGee	Williams, N.J.
Engle	McNamara	Yarborough
Ervin	Magnuson	Young, N. Dak.
Fong	Mansfield	Young, Ohio

NAYS—1

Douglas

NOT VOTING—18

Bartlett	Gore	Kennedy
Bush	Green	Lusk
Byrd, Va.	Hennings	Murray
Carlson	Hill	O'Mahoney
Chavez	Javits	Robertson
Dodd	Kefauver	Schoeppel

So the bill (H.R. 11389) was passed.

Mr. MAGNUSON. Mr. President, I move that the Senate insist on its amendments and request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. ALLOTT, Mr. SALTONSTALL, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

Mr. MAGNUSON. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RETIREMENT OF SENATOR MARTIN, OF IOWA

Mr. JOHNSON of Texas. Mr. President, I remind the Senate that today is the last day in the Senate for TOM MARTIN, our colleague from Iowa.

He is leaving us, by retirement, after a long and dedicated career in Congress—16 years in the House of Representatives and 6 years with us here in the Senate.

During his long career he has repeatedly demonstrated devotion to his constituents in Iowa and to the principles which he espoused early in life. He has proved to be a loyal and hard-working public servant.

In his trip overseas with the American Battle Monuments Commission and later to work in Europe for the Committee on Aeronautical and Space Sciences, and in the days that lie ahead, we wish him the best of luck, health, and happiness. [Applause, Senators rising.]

Mr. YARBOROUGH. Mr. President, I extend to the distinguished Senator from Iowa, who is retiring, a sincere welcome to Texas. If he should ever change his residence from Iowa, we invite him to come to Texas.

In World War I Senator MARTIN attended the first Officers Training Camp at Leon Springs, in Texas, and became one of the first commissioned officer graduates of that camp. He served with distinction in World War I, and frequently attends the Leon Springs Officers Training Camp graduates' annual reunion in Texas.

Senator MARTIN owns two fine farms in Brazoria County, Tex. This is in the historic area where Stephen F. Austin, the father of Texas, planted the first Anglo-American colony in Spanish Texas in 1821. Senator MARTIN's farms are on some of the grants made to Stephen F. Austin's "Old Three Hundred," being the first 300 Anglo-American families to settle in Texas.

With his interest in this area of the first Anglo-American colony in Texas, in the westward expansion of the American people into Texas, Senator MARTIN has an interest in historic ground in our State. So we welcome him whenever he visits our State; and should he ever decide to change his residence, we will welcome him to Texas even more cordially.

Mr. ENGLE. Mr. President, California has more islands than Iowa has. If TOM MARTIN should decide, after retirement, that he would like to come to California, we will welcome him there, because we are certain, in the light of his retirement, that he will not run again for the U.S. Senate.

He has been a great Member of the House of Representatives and is a great Member of the Senate. I know he is retiring in order to have an opportunity to go home to Iowa and visit with his family.

But, TOM, if you decide you want to come out to California, come right along. You can join the Iowa Society of California, because its membership exceeds the total population of Iowa. [Laughter.]

Mr. JOHNSTON of South Carolina. Mr. President, in the first place, we do not like to have Senator TOM MARTIN leave us. However, now that he has seen fit to leave us, we are glad to look back upon his past record. He has been an excellent Senator. He was a member of my committee. I wish he were back there now.

Wherever he goes in the future, I know he will continue to do good work, as he has done in the Senate.

If he decides to come to South Carolina, he knows, without my telling him, that he will be welcome. We will give him sunshine and a pleasant beach upon which to play at the same time.

INCREASED PAY FOR POSTAL AND CIVIL SERVICE EMPLOYEES

Mr. JOHNSTON of South Carolina. Mr. President, information continues to pile up in support of the action taken by Congress last week to increase the pay of our postal and civil service employees.

The latest data in support of a pay raise came to the committee from the National Civil Service League. As everyone knows, the league is nonpartisan in its views; its membership is representative of private industry; its purpose is better government at the national and lower levels.

The data presented to the committee by the league is startling, to say the least. For example, in comparing present salaries with those of 1939, it shows that a GS–5 has fallen 13.7 percent behind, a GS–9 is 28.9 percent behind, a GS–11 is 32.4 percent behind, and a GS–15 is 67.1 percent behind. Other figures are just as shocking.

In view of these figures the 7.5-percent increase Congress approved last week is modest indeed.

Mr. President, I invite the attention of those in the administration who are presently engaged in reviewing the pay bill for and on behalf of the President to the data to which I have just alluded. In order that it may be available for all to see and study, I ask unanimous consent that it be printed in the body of the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JOHNSTON of South Carolina. Mr. President, I am confident a careful review of these data will serve to alert even the most doubtful to the justification of and need for an upward adjustment in the pay of Federal employees as provided in the bill now on the President's desk.

EXHIBIT 1

ANALYSIS OF TABLES RELATING TO PURCHASING POWER OF GOVERNMENT SALARIES 1939 AND 1960

The attached chart describes the purchasing power value of classified and certain statutory salaries of the Federal Government in 1960 in comparison with corresponding schedules in 1939. The "stable" year 1939 is often referred to for such purposes since immediately thereafter salary structures, along with many other elements of the economy, were disrupted by the war. They have not since been brought into even the limited degree of balance that obtained in 1939.

A somewhat similar comparison of salaries in general was made recently by the National Industrial Conference Board and presented in their series, Road Maps of Industry, No. 1267, April 8, 1960. It was titled "The Two-way 'Squeeze'—1960" and describes the impact of Federal income taxes and inflation on income between 1939 and 1960. The attached chart does not go quite as far as the NICB comparison in that the latter includes social security taxes. This chart reflects only changes in the Consumer Price Index of the Bureau of Labor Statistics and Federal income taxes. Inclusion of State and local income taxes, social security or equivalent deductions, and the like, would enlarge the indicated gaps still further.

For reference as to what has been taking place in wage board salaries, which are designed to keep pace with business and industrial practice at comparable levels, a comparison is included of the schedule median wage board rate of 1960 and 1943. Approximately half of the wage board employees are above and half are below this point. Hence it is commonly used as a general indicator. A comparable figure for 1939 was not available. The wage board increases reflect the general sharing of blue collar employees in the growth of national productivity beyond merely holding even with the increases in the cost of living.

Among the points apparent from the chart are:

1. GS grades 1 and 2 have had increases which give them slightly more purchasing power today than they had in 1939. However, they seem to have fallen behind what has been taking place in wage board schedules for blue collar workers. This may in part explain the difficulty of recruiting at the GS–1 and GS–2 levels.

2. From GS–3 to 15 there is progressive deterioration percentagewise as well as in dollar terms, with most of the grades falling behind their corresponding 1939 positions by 20 to 60 percent. For equivalence, a civil servant at the beginning of CAF–14 in 1939 would have to be paid midway between GS–17 and 18 today.

3. A precise comparison cannot be made of the supergrades 16, 17, and 18 for 1939 and 1960 because they were not authorized until 1949. However, since there was a rough equivalent to a supergrade in 1939 with a salary level of $9,000 the comparison of today's supergrades is made with that. The 1960 supergrades have much less purchasing power than did their 1939 counterpart.

4. Congressmen have come within 12 percent of holding their own between 1939 and 1960, although it is rather generally recognized that their 1939 level was too low. Assistant Secretaries on the same basis have fallen behind substantially but have also fared better than many levels of the classified service.

TABLE 1.—*Purchasing power of Government salaries, 1939 and 1960*

1939				April 1960				Lost through price increases since 1939 [2]	1960 Federal income taxes [3]	Income needed in 1960 to equal 1939 purchasing power	Percent discrepancy of 1960 salary with 1939 schedule
Grade or title	Classification Act starting rates	Federal income taxes [1]	Income after taxes	Grade or title	Classification Act starting rates	Increase since 1939					
						Amount	Percent				
CAF-1	$1,260	0	$1,260	GS-1	$2,960	$1,700	135	$1,417	$4	$2,681	+9.4
CAF-2	1,440	0	1,440	GS-2	3,255	1,815	126	1,619	83	3,142	+3.5
CAF-3	1,620	0	1,620	GS-3	3,495	1,875	116	1,822	173	3,615	−3.4
CAF-4	1,800	0	1,800	GS-4	3,755	1,955	109	2,024	254	4,078	−8.6
CAF-5	2,000	0	2,000	GS-5	4,040	2,040	102	2,249	344	4,593	−13.7
CAF-6	2,300	0	2,300	GS-6	4,490	2,190	95	2,586	487	5,373	−19.7
CAF-7	2,600	0	2,600	GS-7	4,980	2,380	92	2,924	627	6,151	−23.5
CAF-8	2,900	0	2,900	GS-8	5,470	2,570	89	3,261	767	6,928	−26.6
CAF-9	3,200	0	3,200	GS-9	5,985	2,785	87	3,598	920	7,718	−28.9
CAF-10	3,500	0	3,500	GS-10	6,505	3,005	86	3,936	1,078	8,514	−30.9
CAF-11	3,800	0	3,800	GS-11	7,030	3,230	85	4,273	1,235	9,308	−32.4
CAF-12	4,600	$15	4,585	GS-12	8,330	3,730	81	5,156	1,647	11,388	−36.7
CAF-13	5,600	47	5,553	GS-13	9,890	4,290	77	6,244	2,267	14,064	−42.2
CAF-14	6,500	76	6,424	GS-14	11,355	4,855	75	7,224	2,856	16,504	−45.3
CAF-15	8,000	124	7,876	GS-15	12,770	4,770	60	8,857	4,012	20,745	−62.4
				GS-16	14,190	5,910	58	9,945	4,919	23,708	−67.1
Supergrade equivalent	9,000	156	8,844	GS-17	15,375	6,375	71	9,945	4,919	23,708	−54.2
				GS-18	17,500	8,500	94	9,945	4,919	23,708	−35.5
Assistant Secretary	9,000	156	8,844	Assistant Secretary	20,000	11,000	122	9,945	4,919	23,708	−18.5
Congressman	10,000	188	9,812	Congressman	22,500	12,500	125	11,034	4,356	25,202	−12.0
Wage board median [4]	[4] 1,789	33	[4] 1,756	Wage board median [4]	[4] 4,722	[4] 2,933	[4] 164	[4] 1,203	65	[4] 3,024	[4] +35.8

[1] Family of 4. 10 percent deduction allowed.
[2] Increase in Consumer Price Index 1939 to April 1960 was 112.45 percent; from June 1943, 68.5 percent.
[3] Family of 4. Standard deduction allowed GS-1 to 11; 10 percent deduction allowed for persons above that level. $3,000 additional deduction for Congressman, as authorized by law.
[4] Schedule median wage board rate; equivalent to GS-4. Data not available for 1939; 1960 comparison is with June 1943.

AMENDMENT OF MINERAL LEASING ACT OF FEBRUARY 25, 1920

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1612, H.R. 10455; with the understanding that there be 20 minutes of debate, the time to be equally divided between the Senator from New Mexico [Mr. ANDERSON], the author of the bill, and the distinguished minority leader [Mr. DIRKSEN].

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (H.R. 10455) to amend the Mineral Leasing Act of February 25, 1920.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Mineral Leasing Act Revision of 1960".

SEC. 2. Sections 17, 17(a) and 17(b) of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended (30 U.S.C. 226), are further amended to read as follows:

"SEC. 17. (a) All lands subject to disposition under this Act which are known or believed to contain oil or gas deposits may be leased by the Secretary.

"(b) If the lands to be leased are within any known geological structure of a producing oil or gas field, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than six hundred and forty acres, which shall be as nearly compact in form as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary and of such royalty as may be fixed in the lease, which shall not be less than 12½ per centum in amount or value of the production removed or sold from the lease.

"(c) If the lands to be leased are not within any known geological structure of a producing oil or gas field, the person first making application for the lease who is qualified to hold a lease under this Act shall be entitled to a lease of such lands without competitive bidding. Such leases shall be conditioned upon the payment by the lessee of a royalty of 12½ per centum in amount or value of the production removed or sold from the lease.

"(d) In the event that the issuance of oil and gas leases becomes consistent with the military use of San Nicolas Island within a twelve-year period following the determination that has been made with respect to that island in accordance with the provisions of section 6 of the Act of February 28, 1958 (Public Law 85-337), the applicants whose applications for oil and gas leases on San Nicolas Island are presently pending before the Secretary shall be entitled to leases without competitive bidding, upon payment of the costs of retaining their applications in active status as determined by the Secretary, and provided that San Nicolas Island has not been classified as a part of any known geological structure of a producing oil or gas field.

"(e) All leases issued under this section shall be conditioned upon payments by the lessee of a rental of not less than 50 cents per acre for each year of the lease. Each year's lease rental shall be paid in advance. A minimum royalty of $1 per acre in lieu of rental shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased.

"(f) Competitive leases issued under this section shall be for a primary term of five years and noncompetitive leases for a primary term of ten years. Each such lease shall continue so long after its primary term as oil or gas is produced in paying quantities. Any lease issued under this section for land on which or for which, under an approved unit or development plan, actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at that time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.

"(g) No lease issued under this section which is subject to termination because of cessation of production shall be terminated for this cause so long as reworking or drilling operations which were commenced on the land prior to or within sixty days after cessation of production are conducted thereon with reasonable diligence, or so long as oil or gas is produced in paying quantities as a result of such operations. No lease issued under this section shall expire because operations or production is suspended under any order, or with the consent, of the Secretary. No lease issued under this section covering lands on which there is a well capable of producing oil or gas in paying quantities shall expire because the lessee fails to produce the same unless the lessee is allowed a reasonable time, which shall be not less than sixty days after notice by registered or certified mail, within which to place such well in producing status or unless, after such status is established, production is discontinued on the leased premises without permission granted by the Secretary under the provisions of this Act.

"(h) Whenever it appears to the Secretary that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, he may negotiate agreements whereby the United States, or the United States and its lessees, shall be compensated for such drainage. Such agreements shall be made with the consent of the lessees, if any, affected thereby. If such agreement is entered into, the primary term of any lease for which compensatory royalty is being paid, or any extension of such primary term, shall be extended for the period during which such compensatory royalty is paid and for a period of one year from discontinuance of such payment and so long thereafter as oil or gas is produced in paying quantities. The Secretary shall report to Congress at the beginning of each regular session all such agreements entered into during the previous year which involve unleased Government lands.

"(i) If, during the primary term or any extended term of any lease issued under this section, a certified statement is filed by any mining claimant pursuant to subsection (c) of section 7 of the Multiple Mineral Development Act of August 13, 1954 (68 Stat. 708), as amended (30 U.S.C. 521), whether such filing occur prior to this Act or hereafter, asserting the existence of conflicting unpatented mining claim or claims upon which diligent work is being prosecuted as to

any lands covered by the lease, the running of time under such lease shall be suspended as to the lands involved from the first day of the month following the filing of such verified statement until a final decision is rendered in the matter.

"(j) The Secretary of the Interior shall, upon timely application therefor, issue a new lease in exchange for any lease issued for a term of twenty years, or any renewal thereof, or any lease heretofore issued in exchange for a twenty-year lease, such new lease to be for a primary term of five years and so long thereafter as oil or gas is produced in paying quantities and at a royalty rate of not less than 12½ per centum in amount or value of the production removed or sold from such leases, except that the royalty rate shall be 12½ per centum in amount or value of the production removed or sold from said leases, as to (1) such leases, or such parts of the lands subject thereto, and the deposits underlying the same, as are not believed to be within the productive limits of any producing oil or gas deposit, as such productive limits are found by the Secretary to exist on the effective date of this Act, and (2) any production on a lease from an oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled within the boundaries of the lease, and which is determined by the Secretary to be a new deposit; and (3) any production on or allocated to a lease pursuant to an approved unit or cooperative agreement from an oil or gas deposit which was discovered after May 27, 1941, on land committed to such agreement, and which is determined by the Secretary to be a new deposit, where such lease, or a lease for which it is exchanged, was included in such agreement at the time of discovery, or was included in a duly executed and filed application for the approval of such agreement at the time of discovery.

"(k) For the purpose of more properly conserving the natural resources of any oil or gas pool, field, or like area, or any part thereof (whether or not any part of said oil or gas pool field, or like area, is then subject to any cooperative or unit plan of development or operation), lessees thereof and their representatives may unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of such pool, field, or like area, or any part thereof, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest. The Secretary is thereunto authorized, in his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, rental, minimum royalty, and royalty requirements of such leases and to make such regulations with reference to such leases, with like consent on the part of the lessees, in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of the public interest. The Secretary may provide that oil and gas leases hereafter issued under this Act shall contain a provision requiring the lessee to operate under such a reasonable cooperative or unit plan, and he may prescribe such a plan under which such lessee shall operate, which shall adequately protect the rights of all parties in interest, including the United States.

"Any plan authorized by the preceding paragraph which includes lands owned by the United States, may, in the discretion of the Secretary, contain a provision whereby authority is vested in the Secretary of the Interior, or any such person, committee, of State or Federal officer or agency as may be designated in the plan, to alter or modify from time to time the rate of prospecting and development and the quantity and rate of production under such plan. All leases operated under any such plan approved or prescribed by the Secretary shall be excepted in determining holdings or control under the provisions of any section of this Act.

"When separate tracts cannot be independently developed and operated in conformity with an established well-spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary of the Interior to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each such lease committed thereto.

"Any lease issued for a term of twenty years, or any renewal thereof, or any portion of such lease that has become the subject of a cooperative or unit plan of development or operation of a pool, field, or like area, which plan has the approval of the Secretary of the Interior, shall continue in force until the termination of such plan. Any other lease issued under any section of this Act which has heretofore or may hereafter be committed to any such plan that contains a general provision for allocation of oil or gas shall continue in force and effect as to the land committed, so long as the lease remains subject to the plan: *Provided,* That production is had in paying quantities under the plan prior to the expiration date of the term of such lease. Any lease hereafter committed to any such plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: *Provided, however,* That any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities. The minimum royalty or discovery rental under any lease that has become subject to any cooperative or unit plan of development or operation, or other plan that contains a general provision for allocation of oil or gas, shall be payable only with respect to the lands subject to such lease to which oil or gas shall be allocated under such plan. Any lease which shall be eliminated from any such approved or prescribed plan, or from any communitization or drilling agreement authorized by this section, and any lease which shall be in effect at the termination of any such approval or prescribed plan, or at the termination of any such communitization or drilling agreement, unless relinquished, shall continue in effect for the original term thereof, but for not less than two years, and so long thereafter as oil or gas is produced in paying quantities.

"The Secretary of the Interior is hereby authorized, on such conditions as he may prescribe, to approve operating, drilling, or development contracts made by one or more lessees of oil or gas leases, with one or more persons, associations, or corporations, whenever, in his discretion the conservation of natural products or the public convenience or necessity may require it or the interests of the United States may be best subserved thereby. All leases operated under such approved operating, drilling, or development contracts, and interests thereunder, shall be excepted in determining holdings or control under the provisions of any said Act.

"The Secretary of the Interior, to avoid waste or to promote conservation of natural resources, may authorize the subsurface storage of oil or gas, whether or not produced from federally owned lands, in lands leased or subject to lease under this Act. Such authorization may provide for the payment of a storage fee or rental on such stored oil or gas, or, in lieu of such fee or rental, for a royalty other than that prescribed in the lease when such stored oil or gas is produced in conjunction with oil or gas not previously produced. Any lease on which storage is so authorized shall be extended at least for the period of storage and so long thereafter as oil or gas not previously produced is produced in paying quantities."

SEC. 3. Section 27 of said Act, as amended (30 U.S.C. 184), is further amended to read as follows:

"SEC. 27. (a) (1) No person, association, or corporation, except as otherwise provided in this subsection, shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, coal leases or permits on an aggregate of more than ten thousand two hundred and forty acres in any one State.

"(2) A person, association, or corporation may apply for coal leases or permits for acreage in addition to that which is permissible under paragraph (1) of this subsection, but the additional acreage shall not exceed five thousand one hundred and twenty acres in any one State. Each application shall be for forty acres or a multiple thereof and shall contain a statement that the granting of a lease or permit for the additional lands is necessary to enable the applicant to carry on business economically and that it is believed to be in the public interest. On the filing of such an application, the coal deposits in the lands covered by it shall be temporarily set aside and withdrawn from all forms of disposal under this Act. The Secretary shall, after posting notice of the pending application in the local land office, conduct public hearings on it. After such hearings the Secretary may, under such regulations as he may prescribe and to such extent as he finds to be in the public interest and necessary to enable the applicant to carry on business economically, permit the applicant to take and hold coal leases or permits for additional acreage as hereinbefore provided. The Secretary may, in his own discretion or whenever sufficient public interest is manifested, reevaluate a lessee's or permittee's need for all or any part of the additional acreage and may cancel any lease or permit covering all or any part of such acreage if he finds that cancellation is in the public interest or that the coal deposits in said acreage are no longer necessary for the lessee or permittee to carry on business economically or that the lessee or permittee has divested himself of all or any part of his first ten thousand two hundred and forty acres or no longer has facilities which, in the Secretary's opinion, enable him to exploit the deposits under lease or permit. No assignment, transfer, or sale of any part of the additional acreage may be made without the approval of the Secretary.

"(b) (1) No person, association, or corporation, except as otherwise provided in this subsection, shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, sodium leases or permits on an aggregate of more than five thousand one hundred and twenty acres in any one State.

"(2) The Secretary may, in his discretion, where the same is necessary in order to secure the economic mining of sodium compounds leasable under this Act, permit a person, association, or corporation to take or hold sodium leases or permits on up to fifteen thousand three hundred and sixty acres in any one State.

"(c) No person, association, or corporation shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, phosphate

leases or permits on an aggregate of more than ten thousand two hundred and forty acres in the United States.

"(d)(1) No person, association, or corporation, except as otherwise provided in this Act, shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, oil or gas leases (including options for such leases) on land held under the provisions of this Act exceeding in the aggregate more than two hundred forty-six thousand and eighty acres in any one State other than Alaska. In the case of the State of Alaska, the limit shall be three hundred thousand acres in the northern leasing district and three hundred thousand acres in the southern leasing district, and the boundary between said two districts, shall be the left limit of the Tanana River from the border between the United States and Canada to the confluence of the Tanana and Yukon Rivers, and the left limit of the Yukon River from said confluence to its principal southern mouth.

"(2) No person, association, or corporation shall take, hold, own, or control at one time options to acquire interests in oil or gas leases under the provisions of this Act which involve, in the aggregate, more than two hundred thousand acres of land in any one State other than Alaska, or in the case of Alaska, more than two hundred thousand acres in each of its two leasing districts, as hereinbefore described. No option to acquire any interest in such an oil or gas lease shall be enforcible if entered into for a period of more than three years (which three years shall be inclusive of any renewal period if a right to renew is reserved by any party to the option) without the prior approval of the Secretary. In any case in which an option to acquire the optionor's entire interest in the whole or a part of the acreage under a lease is entered into, the acreage to which the option is applicable shall be charged both to the optionor and to the optionee, but the charge to the optionor shall cease when the option is exercised. In any case in which an option to acquire a part of the optionor's interest in the whole or a part of the acreage under a lease is entered into, the acreage to which the option is applicable shall be fully charged to the optionor and a share thereof shall also be charged to the optionee as his interest may appear, but after the option is exercised, said acreage shall be charged to the parties pro rata as their interests may appear. In any case in which an assignment is made of a part of a lessee's interest in the whole or part of the acreage under a lease or an application for a lease, the acreage shall be charged to the parties pro rata as their interests may appear. No option or assignment hereafter made, or renewal thereof hereafter granted, shall be enforcible until notice thereof has been filed with the Secretary or an officer or employee of the Department of the Interior designated by him to receive the same. Each such notice shall include, in addition to any other matters prescribed by the Secretary, the names and addresses of the parties thereto, the serial number of the lease or application for a lease to which the option is applicable, and a statement of the number of acres covered thereby and of the interests and obligations of the parties thereto and shall be subscribed by the holder of the option or his duly authorized agent. An option which has not been exercised shall remain charged to both parties until notice of its expiration, relinquishment, or surrender has been filed, by either party, with the Secretary or any officer or employee of the Department of the Interior designated by him to receive the same. In addition, each holder of any such option shall file with the Secretary or an officer or employee of the Department of the Interior as aforesaid within ninety days after the 30th day of June and the 31st day of December in each year a statement showing, in addition to any other matters prescribed by the Secretary, his name, the name and address of each grantor of an option held by him, the serial number of every lease or application for a lease to which such an option is applicable, the number of acres covered by each such option, the total acreage in each State to which such options are applicable, and his interest and obligation under each such option. The failure of the holder of an option so to file shall render the option unenforcible by him. The unenforcibility of any option under the provisions of this paragraph shall not diminish the number of acres deemed to be held under option by any person, association, or corporation in computing the amount chargeable under the first sentence of this paragraph and shall not relieve any party thereto of any liability to cancellation, forfeiture, forced disposition, or other sanction provided by law. The Secretary may prescribe forms on which the notice and statements required by this paragraph shall be made.

"(e)(1) No person, association, or corporation shall take, hold, own or control at one time any interest as a member of an association or as a stockholder in a corporation holding a lease, option, or permit under the provisions of this Act which, together with the area embraced in any direct holding, ownership or control by him of such a lease, option, or permit or any other interest which he may have as a member of other associations or as a stockholder in other corporations holding, owning or controlling such leases, options, or permits for any kind of minerals, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee, optionee, or permittee under this Act, except that no person shall be charged with his pro rata share of any acreage holdings of any association or corporation unless he is the beneficial owner of more than 10 per centum of the stock or other instruments of ownership or control of such association or corporation, and except that within three years after the enactment of this Act no valid option in existence prior to the enactment of this Act held by a corporation or association at the time of enactment of this Act shall be chargeable to any stockholder of such corporation or to a member of such association so long as said option shall be so held by such corporation or association under the provisions of this Act.

"(2) No contract for development and operation of any lands leased under this Act, whether or not coupled with an interest in such lease, and no lease held, owned or controlled in common by two or more persons, associations, or corporations shall be deemed to create a separate association under the preceding paragraph of this subsection between or among the contracting parties or those who hold, own or control the lease in common, but the proportionate interest of each such party shall be charged against the total acreage permitted to be held, owned, or controlled by such party under this Act. The total acreage so held, owned, or controlled in common by two or more parties shall not exceed, in the aggregate, an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee, optionee, or permittee under this Act.

"(f) Nothing contained in subsection (e) of this section shall be construed (i) to limit sections 18, 19, and 22 of this Act or (ii), subject to the approval of the Secretary, to prevent any number of lessees under this Act from combining their several interests so far as may be necessary for the purpose of constructing and carrying on the business of a refinery or of establishing and constructing, as a common carrier, a pipeline or railroad to be operated and used by them jointly in the transportation of oil from their several wells or from the wells of other lessees under this Act or in the transportation of coal or (iii) to increase the acreage which may be taken, held, owned, or controlled under section 27 of this Act.

"(g) Any ownership or interest otherwise forbidden in this Act which may acquired by descent, will, judgment, or decree may be held for two years after its acquisition and no longer.

"(h)(1) If any interest in any lease is owned or controlled, directly or indirectly, by means of stock or otherwise, in violation of any of the provisions of this Act, the lease may be canceled, or the interest so owned may be forfeited, or the person so owning or controlling the interest may be compelled to dispose of the interest in any appropriate proceeding instituted by the Attorney General. Such a proceeding shall be instituted in the United States district court for the district in which the leased property or some part thereof is located or in which the defendant may be found.

"(2) The right to cancel or forfeit for violation of any of the provisions of this Act shall not apply so as to affect adversely the title or interest of a bona fide purchaser of any lease, interest in a lease, option to acquire a lease or an interest therein, or permit which lease, interest, option, or permit was acquired and is held by a qualified person, association, or corporation in conformity with those provisions, even though the holdings of the person, association, or corporation from which the lease, interest, option, or permit was acquired, or of his predecessor in title (including the original lessee of the United States) may have been canceled or forfeited or may be or may have been subject to cancellation or forfeiture for any such violations. If, in any such proceeding, an underlying lease, interest, option, or permit is canceled or forfeited to the Government and there are valid interests therein or valid options to acquire the lease or an interest therein which are not subject to cancellation, forfeiture, or compulsory disposition, the underlying lease, interest, option, or permit shall be sold by the Secretary to the highest responsible qualified bidder by competitive bidding under general regulations subject to all outstanding valid interests therein and valid options pertaining thereto. Likewise, if, in any such proceeding, less than the whole interest in a lease, interest, option, or permit is canceled or forfeited to the Government, the partial interests so canceled or forfeited shall be sold by the Secretary to the highest responsible qualified bidder by competitive bidding under general regulations. If competitive bidding fails to produce a satisfactory offer the Secretary may, in either of these cases, sell the interest in question by such other method as he deems appropriate on terms not less favorable to the Government than those of the best competitive bid received.

"(3) The commencement and conclusion of every proceeding under this subsection shall be promptly noted on the appropriate public records of the Bureau of Land Management.

"(i) Effective September 21, 1959, any person, association, or corporation who is a party to any proceeding with respect to a violation of any provision of this act, whether initiated prior to said date or thereafter, shall have the right to be dismissed as such a party upon showing that he holds and acquired as a bona fide purchaser the interest involving him as such a party without violating any provisions of this act. No hearing upon any such showing shall be required by the Department unless evidence prima facie in its files indicates a possible violation of the Mineral Leasing Act on the part of the alleged bona fide purchaser.

"(j) If during any such proceeding, a party thereto files with the Secretary a waiver of his rights under his lease (including particularly, where applicable, rights to drill and to assign) or if such rights are suspended by the Secretary pending a decision in the proceeding, whether initiated prior to enactment of this act or thereafter, payment of rentals and running of time against the term of the lease or leases involved shall be suspended as of the first day of the month following the filing of the waiver or suspension of the rights.

(k) Except as otherwise provided in this Act, if any lands or deposits subject to the provisions of this Act shall be subleased, trusteed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of or are in anywise controlled by any combination in the form of an unlawful trust, with the consent of the lessee, optionee, or permittee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, optionee, or permittee or any agreement or understanding, written, verbal, or otherwise, to which such lessee, optionee, or permittee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control in excess of the amounts of lands provided in this Act, the lease, option, or permit shall be forfeited by appropriate court proceedings."

SEC. 4. (a) Upon the expiration of the initial five-year term of any noncompetitive oil or gas lease which was issued prior to the enactment of this Act and which has been maintained in accordance with applicable statutory requirements and regulations, the record titleholder thereof shall be entitled to a single extension of the lease, unless then otherwise provided by law, for such lands covered by it as are not on the expiration date of the lease, withdrawn from leasing. A withdrawal, however, shall not affect the right to an extension if actual drilling operations on such lands were commenced prior to the effective date of the withdrawal and were being diligently prosecuted on the expiration date of the lease. No withdrawal shall be effective within the meaning of this section until ninety days after notice thereof has been sent by registered or certified mail to each lessee to be affected by such withdrawal.

(b) As to lands not within the known geologic structure of a producing oil or gas field, a noncompetitive oil or gas lease to which this section is applicable shall be extended for a period of five years and so long thereafter as oil or gas is produced in paying quantities. As to lands within the known geologic structure of a producing oil or gas field, a noncompetitive lease to which this section is applicable shall be extended for a period of two years and so long thereafter as oil or gas is produced in paying quantities.

(c) Any noncompetitive oil or gas lease extended under this section shall be subject to the rules and regulations in force at the expiration of the initial five-year term of the lease. No extension shall be granted, however, unless within a period of ninety days prior to the expiration date of the lease, an application therefor is filed by the record titleholder or an assignee whose assignment has been filed for approval or an operator whose operating agreement has been filed for approval.

(d) Any lease issued prior to the enactment of this Act which has been maintained in accordance with applicable statutory requirements and regulations and which pertains to land on which actual drilling operations were commenced prior to the end of its fixed term and are being diligently prosecuted at that time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.

SEC. 5. The Act of February 25, 1920, as amended (30 U.S.C. 181 and the following), is amended by adding a section 42 thereto to read as follows:

"No action under the Administrative Procedure Act to review a decision of the Secretary involving the application for, issuance, cancellation, or forfeiture of or title to any oil and gas lease shall be maintained unless such action is commenced or taken within ninety days from and after the final decision of the Secretary relating to such matter. No such action to review such a decision of the Secretary heretofore rendered shall be maintained unless the same be commenced or taken within ninety days from and after the effective date of this Act."

SEC. 6. The last sentence of section 30(a) of the Act of February 25, 1920, as amended (30 U.S.C. 187a), is amended to read as follows: "Upon the segregation by an assignment of a lease issued after the effective date of this Act held beyond its primary term by production, actual or suspended, or the payment of compensatory royalty, the segregated lease of an undeveloped, assigned, or retained part shall continue for two years, and so long thereafter as oil or gas is produced in paying quantities."

The provisions of this section 6 shall not be applicable to any lease issued prior to the effective date of this Act.

SEC. 7. (a) Section 1 of the Act of February 25, 1920, as amended (30 U.S.C. 181), section 2 of said Act (30 U.S.C. 182), and section 21 of said Act (30 U.S.C. 341) are amended by the insertion of the words "native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried)" immediately after the words "oil shale," in the first sentence of each section. The provisions of section 21 of said Act (30 U.S.C. 241) shall be applicable to leases issued under this section, except that no person, association, or corporation shall acquire or hold more than seven thousand six hundred and eighty acres in any one State.

(b) If an offer for a lease under the provisions of section 21 for deposits other than oil shale is based upon a mineral location, the validity of which might be questioned because the claim was based on a placer location rather than on a lode location, or vice versa, the offeror shall have a preference right to a lease if the offer is filed not more than one year after the date of approval of this Act.

(c) A lease under the multiple use principle may issue notwithstanding the existence of an outstanding lease issued under any other provision of this Act.

SEC. 8. No amendment made by this Act shall affect any valid right granted under the law as it existed prior to such amendment.

Mr. ANDERSON. Mr. President, I yield myself 3 minutes.

I take this time primarily to pay tribute to two members of the committee. The preparation of the bill has been a long and tedious process. It involves the amendment of the Mineral Leasing Act of 1920.

Much of what is contained in the House bill, which is now before the Senate, was in S. 2983, which was originally introduced by the distinguished senior Senator from Wyoming [Mr. O'MAHONEY].

In my opinion, for a long period of time—in fact, practically since 1935—Senator JOSEPH O'MAHONEY has been the great authority in the United States on the subject of mineral leasing. He was the author of a mineral leasing bill as far back as 1935.

During the many years that he has been a member of the Committee on Interior and Insular Affairs, there has never been a time when he has not been interested in the subject of mineral leasing. Therefore, we were desirous to complete work on the bill while we might still have the advantage of his great knowledge and technical skill in the drafting of mineral leasing legislation.

I would certainly be remiss if I failed not only to mention his authorship of the bill which we have used as a model on which to build, but also to pay tribute to the fidelity with which he has worked on it.

I think it worth reminding the Senate that Senator O'MAHONEY, as a very young man, worked with the late Senator Kendrick on the original oil leasing bill passed by the Senate. It is rare that an individual should live through a whole cycle of legislation, as the Senator from Wyoming has been able to do. I pay high tribute to him.

Mr. President, I take this opportunity also to thank the able Senator from Colorado [Mr. ALLOTT] for the part he played in the drafting of the bill. It is always possible for a minority to cause trouble, if it desires to do so. The able Senator from Colorado worked steadfastly in trying to report a good bill. He did not agree with everything in it, and I did not agree with everything in it. But we tried to find a meeting place. We took time to make certain that the final bill was satisfactory. I compliment the Senator from Colorado sincerely on the part which he played in the preparation of the bill.

Mr. President, the bill involves some new developments. There is a title provision on tar sands. There is a possibility that tar sands may become more important. The rules and regulations which have been applied on oil and gas may become usable in the field of tar sands.

So we shall have a 10-year lease, instead of a 5-year lease and a 5-year extension.

We shall have some increases in rentals, which will be of benefit to the reclamation fund, the public school funds, and so forth.

The members of the Committee on Interior and Insular Affairs who worked upon this measure are indeed grateful for the fine work which has been done.

Mr. ALLOTT. First, Mr. President, I desire to thank the Senator from New Mexico [Mr. ANDERSON] for his very kind remarks. Only those who have worked in this field can comprehend, I am sure, how extremely complicated it is.

The Senator from Wyoming [Mr. O'MAHONEY] introduced the original bill, I believe, and he was very active. After he became ill, earlier in the year, it was my privilege to work with him on occasion, and also to work with the Senator from New Mexico [Mr. ANDERSON].

I believe this bill will bring new revenue to the United States, and I believe the bill is a step forward.

I have forfeited what I believe should be one feature of future legislation—namely, a recording act to be applicable to this field. I had offered such a measure. But because of the complication involved in working it out, I decided that rather than prejudice the overall good to be gained by the bill, I would withdraw my amendment; and I have done so.

I express my appreciation to the Senator from New Mexico [Mr. ANDERSON] and to the Senator from Wyoming [Mr. O'MAHONEY] for their extremely fine work on the bill.

Mr. LAUSCHE. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. LAUSCHE. On page 2 of the report, paragraph 3 states, in effect, that the bill substitutes a fixed 10-year lease term for the present 5-year term with automatic right of renewal for a second 5-year term. Will the right to renew carry with it the identical rental that is set forth for the first year of the 10-year term; or if a 5-year renewal is required, will there be a restudy, with the intent of ascertaining whether the rent should be raised when the renewal is made?

Mr. ALLOTT. To some extent paragraph 3, on page 2 of the report, from which the Senator from Ohio has been reading, is in error. If the Senator from Ohio will examine page 6 of the report——

Mr. ANDERSON. Mr. President, I question whether it is in error. I believe it is misleading.

Mr. ALLOTT. Yes; let us say it is misleading.

If the Senator from Ohio will examine page 6, he will see there has been a substitution of a single 10-year primary lease term.

Mr. LAUSCHE. Where on page 6?

Mr. ALLOTT. At the bottom of the page.

I now read that part of the report:

Lease terms: Substitution of a single 10-year primary lease term in the case of noncompetitive leases (i.e., leases held on lands which are not within the known geological structure of a producing field) for the present 5-year term with right of renewal will, it is believed, simplify administration and reduce costs both to the Government and the industry.

Similarly, allowance of an added 2-year term for existing and future oil and gas leases, if actual drilling is being diligently prosecuted at the end of the primary term, will provide impetus toward exploration for oil and gas and reward those who do so diligently.

To answer the second part of the Senator's question, let me say that the Senator from New Mexico, who is now on the floor, has very, very consistently taken the position, since this began—and perhaps he would like to discuss it—that the United States was not getting sufficient rentals from these properties, for which the rentals are prorated back to the States, for the purpose of education and roads. As a consequence, there is a new paragraph on minimum rentals. It is dealt with on page 6 of the report, beginning in the middle of the page, under the subhead "Minimum Rentals."

Mr. ANDERSON. Let me say to the Senator from Ohio that instead of a 5-year lease and an automatic 5-year extension, there is now to be a single 10-year lease, but no extension of that 10-year lease. The total periods, in short, are identical.

The amendment merely means that there will be one 10-year period—not 5 years followed by a second period of 5 years, with the result that additional bookkeeping would be required.

Mr. LAUSCHE. In other words, the bill does not provide for a 10-year lease and then a 5-year extension; is that correct? Of course, the act originally provided for a 5-year lease and a 5-year extension.

Mr. ANDERSON. That is correct; there is not to be a 5-year extension of the 10-year lease.

Mr. LAUSCHE. In other words, the lease is to be 10 years, and no 5-year extension.

Mr. ANDERSON. Yes; and I am very glad the Senator from Ohio has called attention to that point, because in the absence of this legislative history, someone might have construed this measure as meaning that there would be a 10-year lease and a 5-year extension. However, there will be no such extension.

Mr. LAUSCHE. How about the increase in the rents?

Mr. ANDERSON. The original provision was for 50 cents the first year, nothing the second year, nothing the third year, 25 cents the fourth year, and 25 cents the fifth year.

This measure provides for a substantially higher rental than the old one, and it should substantially increase the receipts. But in the opinion of the members of the committee, the increase represents only the drop in the value of the dollar.

Mr. LAUSCHE. Can the Senator tell me what motivated the proposal to change the law?

Mr. ANDERSON. The Department of the Interior had all kinds of troubles; and therefore a study had been made as to the desirability of changing the law.

The Department of the Interior wanted to establish higher rentals; and in dealing with the whole thing, we arrived at this measure.

Mr. LAUSCHE. Does the Department of the Interior approve this proposal?

Mr. ANDERSON. Yes; all of it.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question now is, Shall it pass?

The bill (H.R. 10455) was passed.

Mr. ALLOTT. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. GOLDWATER. Mr. President, I move to lay on the table the motion to reconsider.

Mr. ANDERSON. Mr. President, I move to lay on the table the motion to reconsider.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the vote by which the bill was passed.

The motion to lay on the table was agreed to.

Mr. ANDERSON. Mr. President, I move that the Senate insist upon its amendment, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. O'MAHONEY, Mr. ANDERSON, Mr. GRUENING, Mr. DWORSHAK, and Mr. ALLOTT conferees on the part of the Senate.

RELEASE OF RECAPTURE PROVISIONS IN CONVEYANCE OF CERTAIN REAL PROPERTY TO THE CITY OF LITTLE ROCK, ARK.

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1632, Senate bill 3319.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 3319) to authorize the Administrator of General Services to release the recapture provisions contained in the conveyance of certain real property to the city of Little Rock, Ark., and for other purposes.

Mr. MANSFIELD. Mr. President, this bill is being taken up with the concurrence of the leadership, at the request of the distinguished Senator from Arkansas [Mr. MCCLELLAN], who has informed us that the prior objection entered to the measure by the Senator from Oregon [Mr. MORSE] has now been removed, and that the Senator from Oregon is perfectly willing to have the bill brought up at this time.

Mr. LAUSCHE. Is this the Stella School District bill?

Mr. MANSFIELD. No.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. MCCLELLAN. Mr. President, I believe it was on yesterday that the distinguished Senator from Oregon came to me and stated he would not interpose any objection to this bill.

All agencies of the Government favor the bill. It is simply a bill in aid of progress. If this reservation is released, the city will be able to, and plans to, issue bonds for the improvement of the airport.

I trust that the bill will be passed.

The PRESIDING OFFICER. If there be no amendment to be proposed, the

question is on the engrossment and third reading of the bill.

The bill (S. 3319) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph numbered (2) of the concluding paragraph of the first section of the Act entitled "An Act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes", approved May 15, 1936 (49 Stat. 1292), is hereby repealed.

(b) The Administrator of General Services is authorized and directed to execute and deliver to the city of Little Rock, Arkansas, without consideration, such instrument as he shall determine to be required to release effectively to that city all right, title, and interest heretofore reserved to the United States or any department or agency thereof in or with respect to the land described in section 2 of that Act (49 Stat. 1292–1293) in compliance with the condition imposed by that subparagraph.

Mr. MORSE subsequently said: Mr. President, a few minutes ago the Senate passed Senate bill 3319, Calendar No. 1632.

I ask unanimous consent that at the appropriate point in the debate a memorandum I had prepared on S. 3319, showing it does not violate the Morse formula, be inserted in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MORSE

S. 3319 proposes to authorize the General Services Administration to release the recapture provisions contained in the 1936 conveyance of certain airport property by the Federal Government to the city of Little Rock, Ark., pursuant to Public Law 598 of the 74th Congress.

The 1936 conveyance contained the following reversionary clause:

"In time of national emergency, upon request of the Secretary of War, the municipality shall turn over complete control and operation of the entire Little Rock Municipal Airport and the property thereon, without rental or other charge, to the United States of America, for such use and for such length of time as the emergency shall require, in the discretion of the Secretary of War."

During World War II, the Army recaptured the land in question and in 1951, the General Services Administration transferred the land back to the city of Little Rock by quitclaim deed subject to the above-quoted reversionary provision.

The Little Rock Municipal Airport Commission now desires to develop the airport and to finance the development through the issuance of revenue bonds. However, bond attorneys have advised the commission that they cannot issue a legal opinion approving airport revenue bonds for Little Rock because of the national emergency recapture clause mentioned above.

S. 3319 proposes to release the reversional clause without consideration.

COMMENTS

In a letter dated June 8, 1960, the Department of the Air Force states:

"The Department of Defense has no foreseeable future requirement for that portion of Adams Field described by Public Law 598, 74th Congress, and accordingly has no objection to the release of the recapture provisions on the area conveyed by that public law. If an unforeseen requirement for an airfield should develop, it is believed that Little Rock Air Force Base could accommodate the mission."

The release of the recapture provision of the 1936 law and the improvement of Little Rock Municipal Airport pursuant to the issuance of revenue bonds will be in the interest of the Federal Government and of national defense. Because of this important benefit to the Federal Government the proposed release is not objectionable under the Morse formula.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to consider executive business, to consider the nominations on the Executive Calendar.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. If there be no reports of committees, the nominations on the calendar will be stated.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. In view of the fact that the chief opposition, as I understand, will be directed against the nomination to the Civil Aeronautics Board and the nomination to the Federal Maritime Board, would it be possible to have the Senate consider both of them, en bloc?

The PRESIDING OFFICER. Without objection——

Mr. GRUENING. I object.

Mr. McCARTHY. Mr. President, reserving the right to object——

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Then, Mr. President, we now have before us the nomination of John S. Bragdon, of the District of Columbia, to be a member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1960. We have not acted upon that nomination.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the confirmation of the nomination of John S. Bragdon, of the District of Columbia, to be a member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1960.

Mr. ENGLE. Mr. President, the Committee on Interstate and Foreign Commerce, to which was referred the nominations of Vice Adm. Ralph E. Wilson, of Maryland, to be a member of the Federal Maritime Board for a term of 4 years expiring June 30, 1964, vice Clarence G. Morse, and the nomination of John S. Bragdon, of the District of Columbia, to be a member of the Civil Aeronautics Board for the remainder of the term expiring December 31, 1960, vice James Durfee, considered the same, reported favorably thereon, and recommended that the nominations be confirmed.

Mr. President, the nominations were reported jointly by the Committee on Interstate and Foreign Commerce. The report is dated Friday, June 10, 1960. In connection with the report at that time I filed my individual views, dissenting to the confirmation of the nominations of these two gentlemen.

Though I agree with the majority view that Adm. Ralph E. Wilson and Gen. John S. Bragdon have distinguished military records and were competent witnesses before our committee, I cannot concur with the recommendation that their nominations be confirmed. This administration, and others before it, have found it easier to tap retired career officers for public service than to search further for qualified civilians. There is no doubt in my mind that in this country's great maritime and aviation industries there are many outstanding men who would be willing and honored to hold appointments on these Boards—men who have spent their lives in the business, who know it intimately, and who have the respect and confidence of their associates.

In a famous 1948 letter President Eisenhower dwelt upon the importance of keeping civilian power in the hands of civilians. He said:

> It is my conviction that the necessary and wise subordination of the military to civil power will be best sustained and our people will have greater confidence that it is so sustained when lifelong professional soldiers, in the absence of some obvious and overriding reasons, abstain from seeking high political office.

The President was, of course, talking about running for political office but in its true meaning any high appointive office is also a high political office. The President went on to say:

> In the American scene I see no dearth of men fitted by training, talent, and integrity for national leadership.

Mr. President, it must be perfectly plain to everyone that the great maritime industry of this country and the great aviation industry of this country do not have to look to retired military men, to men who have spent 30 or 40 years in a military office, in order to fill the civilian regulatory agencies.

Mr. President, the gravamen and the basis of my complaint against both of these nominations is that I do not believe we ought to fill these civilian regulatory agencies with retired military men. I am against that practice. I assert that these great industries have talent enough to provide the kind of leadership needed by the civilian regulatory agencies. The President of the United States was correct when he said that we should not select men who have spent their lifetimes in the military service to serve in these high political offices.

Mr. President, this letter clearly appreciates the distinction between both the civilian and military mind and the role than mind should play in our form of government.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield.

Mr. CARROLL. I say to the able Senator from California that I am willing to hear much more of the individual views of the Senator from California and I am perfectly willing to wait if the Senator desires to express himself further, but it seems to me that this is not solely a question of whether a man should come from the military or from the industry to be regulated.

I read from the Senator's individual views:

> There is no doubt in my mind that in this country's great maritime and aviation industries there are many outstanding men who would be willing and honored to hold appointments on these Boards.

In my opinion it is not a question of whether men may have a military background or whether these men should come from the industry which must be regulated under law. It seems to me the basic issue is: Who will really protect the public interest?

In some cases a man who has devoted himself, for example, to service in the Navy, who may be an admiral, may not know much about the public welfare. If he has devoted his life to Annapolis and to the Navy, he may not know much about the public interest or economics of maritime States as it affects the public interest.

I hope the Senator from California will not base his argument upon that thesis. I agree with the Senator that in a civilian economy we should not appoint too many of our retired military officers. Rather than to say the appointments should come from the industry or from the military, I hope the Senator from California will direct his remarks to those qualified people who ought to be appointed to serve in the public interest.

Mr. ENGLE. The Senator from Colorado makes a good point. We should not send the foxes to guard the henhouses. That is what we have done time and time again. We have selected men from the industries to be regulated and have sent them to serve on the boards which do the regulating. We have sent the foxes to guard the henhouses.

I am dealing tonight with the philosophy of selecting military men to serve on civilian regulatory agencies. I protest that upon the same ground the President of the United States expressed in his letter in 1948.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield to the distinguished majority leader.

Mr. JOHNSON of Texas. Mr. President, I have conferred with the Senator from California. I understand if we can work out n agreement to vote tomorrow at a specified time we can proceed with the debate this evening, giving Senators assurance that there will be no rollcalls this evening.

As I understand the situation, the Senator from California and those who are associated with him desire to have yea-and-nay votes on the two nominations; is that correct?

Mr. ENGLE. That is correct.

Mr. GRUENING. Three yea-and-nay votes on three nominations.

Mr. ENGLE. The Senator from California would like to have a yea-and-nay vote on the confirmation of the nominations of the two military men. These nominations were reported en bloc by the committee. They are in one sack. I would be willing to vote on the nominations together, but I understand that some Senators wish to separate the nominations, and that is perfectly all right with me. That would require two yea-and-nay votes.

Mr. JOHNSON of Texas. I am trying to take this proposal one step at a time. I thought that was what the Senator told me, and I simply stated what I believed the Senator told me.

Mr. ENGLE. The Senator is correct.

Mr. JOHNSON of Texas. The Senator from Alaska apparently states another position.

I have talked with the Senator from Wisconsin [Mr. PROXMIRE], who is downstairs eating dinner. The Senator says he would like to have about 5 minutes on the nomination, which especially interests him and would be willing to have action without a rollcall.

If the Senator wishes a yea-and-nay vote, that will be perfectly all right with me. All I am trying to do is to ascertain what is in the minds of the Senators so I can relay that information to their colleagues. Some have engagements, and some wish to leave.

What I would like to do at this time, so far as the Senator from California and those associated with him are concerned, is to ask unanimous consent that when we conclude our session today, that we stand in adjournment until 9:30 tomorrow morning, and that at 9:30 tomorrow the Senator from Montana be recognized for not to exceed an hour and a half, in order to enable him to make a very important speech on foreign policy that he plans to make; that following that speech there be 10 minutes allotted to each side in connection with the two nominations in which the Senator from California has manifested an interest.

As I understood, he would be willing not to have any debate tomorrow, but I think if we had 10 minutes to each side, we could then proceed to a yea-and-nay vote on the first two nominations shown on the calendar.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. CARROLL. In order that we can have an understanding of the parliamentary situation, as I understand there are nominations of two military men on the executive calendar. Other appointments are coming up for consideration. I think one is that of Robert E. Lee. Are there more than that?

Mr. JOHNSON of Texas. I am not aware of anymore. I do not know what will be reported tomorrow, but there are no others on the calendar now.

Mr. CARROLL. That is the point. In other words, what we shall consider are the military appointments, if I may use that expression, and the appointment of Robert E. Lee. Are there other appointments?

Mr. JOHNSON of Texas. What I am speaking of now is the appointment to the Civil Aeronautics Board and the appointment to the Federal Maritime Board. I am carrying out what I thought was agreeable to the Senator from California, that we have whatever discussion Senators wish to have tonight, as late as they wish to have it, and that in the morning we call up these nominations. The Senator from California [Mr. ENGLE] said he would be prepared to vote without any discussion. I thought we should have 10 minutes to each side, so that all Senators would know they should be prepared to vote, by, say, 11:30.

Mr. CARROLL. The able Senator from Texas made some reference to the Senator from Wisconsin [Mr. PROXMIRE].

Mr. JOHNSON of Texas. The Senator from Wisconsin [Mr. PROXMIRE] said before he left that he did not want a rollcall vote on the nominations in which he was interested, but that he would like to have 5 minutes to speak. I told him we were ready to proceed, and he said he would speak later tonight or early tomorrow. He is not here. I will speak to him as soon as he comes or as soon as I can reach him.

Mr. ENGLE. As I understand, the agreement is 20 minutes for each nomination, 10 minutes to each side for the three?

Mr. JOHNSON of Texas. I do not wish to get into the third nomination until the Senator from Wisconsin [Mr. PROXMIRE] is present. He is representing himself. I have sent word to him. He is unable to be here at this moment.

Mr. ENGLE. The Senator from Texas proposes an agreement of 20 minutes on each nomination with 10 minutes allotted to each side?

Mr. JOHNSON of Texas. Twenty minutes on each nomination, to be equally divided between the proponents and the opponents.

Mr. CARROLL. Reserving the right to object, I think it is perfectly clear, at least in my own mind, that we shall pass upon the nomination of the two nominees this evening; if not, we will vote tomorrow upon them, if necessary. But the question in my mind is whether there will be action on any other appointments on the Executive Calendar tonight, or will we discuss that subject tomorrow?

Mr. JOHNSON of Texas. I never intended that other appointments be considered tonight.

Mr. CARROLL. The majority leader has made it very clear.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. GOLDWATER. As I understand, it is proposed that there be allotted 20 minutes on each nomination?

Mr. JOHNSON of Texas. Yes, a total of 40 minutes.

Mr. GOLDWATER. With 10 minutes to be allotted to each side.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. KEATING. Is it intended that there should not be a morning hour tomorrow?

Mr. JOHNSON of Texas. No, we shall have a morning hour after we have disposed of the nominations.

For any of those who are still in doubt, we shall have a morning hour after we have disposed of the Executive Calendar, which is normal routine.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. ENGLE. Yes, I yield.

Mr. GRUENING. I should like to address myself to what seems to me a very important principle, which does not refer to the qualifications of any of the candidates. I am not opposing them as individuals. It is—or should be—a democratic principle that the Congress, 2 weeks before adjournment, a few months before a national election should not confirm men who will thereby be fastened on the next administration for a period of years.

The next President might be from the majority party in Congress. I do not wish to see him tied down to an appointment that has been made by the present administration. I should like to free the majority from the responsibility of having to keep in office a Commission member who has been appointed by the outgoing administration. I believe it is sound principle of democratic procedure that such appointments should not be confirmed at this time. The President should have the opportunity to make interim appointments 2 weeks from now after this Congress adjourns. And when the new Congress convenes and we have a new President, the new President will be able to make such appointments as he desires and not be committed to the appointments of his predecessor, of appointees who will remain in office for 5, 6, or 7 years.

Mr. JOHNSON of Texas. The Senator from Alaska [Mr. GRUENING] has made a very persuasive argument in expressing his viewpoint. I just wish to be sure other Senators who desire to speak will have the privilege to do so tonight. I am sure that no Senator wants a quid pro quo. I am not trying to get votes. Senators are for or against the nominations. I am trying to arrange the program so that every Senator can express his views.

The Senator from Wisconsin said he may not need but 2 or 3 minutes, but overnight we may have some others who would like to discuss the nominations.

I would like to modify my request by including the third nomination on the calendar in the agreement, subject to the same consideration—namely, that we have 20 minutes for the nomination, to be equally divided, 10 for and 10 against.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Is it my understanding now that the arguments for and against these nominations will be made tonight?

Mr. JOHNSON of Texas. They will be made whenever the Senators wish to make them. I will keep them here all night if they wish to remain.

Mr. LAUSCHE. But tomorrow we will have 20 minutes, to be equally divided on each of the appointments?

Mr. JOHNSON of Texas. That is correct.

Mr. CARROLL. That is, on each of the appointments in the three categories. The agreement has nothing to do with the appointment of Mr. Murphy, which may come up later.

Mr. JOHNSON of Texas. I speak of the program for tomorrow. Under the rule another nomination could not be considered.

The PRESIDING OFFICER. The question is on the proposed agreement as modified by the Senator from Texas [Mr. JOHNSON]. Is there objection? The Chair hears none, and the proposed limitation is agreed to.

The unanimous-consent agreement reduced to writing is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That effective on June 23, 1960, at 9:30 o'clock a.m., when the Senate convenes, the Senator from Montana [Mr. MANSFIELD] be recognized for 1½ hours to address the Senate.

Provided further, That, following the above address, during the further consideration of the nominations of John S. Bragdon, to be a member of the Civil Aeronautics Board, Vice Adm. Ralph E. Wilson, to be a member of the Federal Maritime Board, and Robert E. Lee, to be a member of the Federal Communications Commission, debate shall be limited to 20 minutes on each nomination, to be equally divided and controlled by the majority and minority leaders.

Mr. JOHNSON of Texas. Let it be understood that we shall come in at 9:30 in the morning. The Senator from Montana will be recognized for not to exceed an hour and a half. Then we shall proceed to the three nominations referred to, and we shall have a maximum of 60 minutes of debate, which may or may not be used, 20 minutes on each nomination. Then we will have a morning hour, and then we will proceed to other subjects which I have listed.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. MANSFIELD. As I understand what the majority leader has just said, there will be no more yea-and-nay votes tonight?

Mr. ENGLE. That is the understanding the Senator from California has, and I am certain that is what is intended.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. ENGLE. That is precisely what the Senator from California understood, in order that Senators who have other engagements may attend to them and that this debate may proceed.

Mr. President, I wish to thank the distinguished majority leader, who proceeded with his usual fairness and his usual expedition in this matter.

INDIVIDUAL VIEWS OF MR. ENGLE

As I have stated, the letter from President Eisenhower clearly appreciates the distinction between the civilian and the military mind, and the role that mind should play in our form of government, and yet we are called upon to confirm for high political office a professional military man, Adm. Ralph E. Wilson, and at the same time as head of the Maritime Administration, a retired admiral.

I ask the Senate to think of this. We have a retired admiral as chief administrator of the Maritime Board. Now they want to appoint another admiral to the Board and to make him the Chairman of the Board. I assume that if one cannot salute, he had better not go down to that Board, because after the admiral is appointed, he will have all of his friends, his old executive officers and others, in his office. They will come in. They will be there. They will be helping him. They may be competent people in the military.

Here again we will have transferred out of the Pentagon and into the civilian regulatory agency the personnel of the Pentagon. As I have said before, it is plain that we will have a little Pentagon in the civilian regulatory agencies of this Nation. I am against it. I assert that the time to stop it is now. We should not have retired military officers operating civilian regulatory agencies. That is the reason I filed the minority views. That is why I propose to ask the Senate to vote on whether or not it intends to support this kind of procedure.

We are called upon to confirm the nomination of General Bragdon to be a member of the Civil Aeronautics Board while at the same time the head of the Federal Aviation Administration is another retired general. In other words, we will have an admiral as the chief administrator of the Maritime Administration. We will have an admiral as the Chairman of the Maritime Board. We have a lieutenant general of the Air Force operating the Federal Aviation Administration. Now we are asked to put a retired major general on the CAB.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. ENGLE. I am delighted to yield to the distinguished Senator from Wyoming.

Mr. McGEE. As the Senator knows, we stood together on this matter in committee. He is rendering a great service in calling the attention of not only our colleagues but of the public in general to the emerging importance of this very serious question.

It brings into focus our whole concept of public service. It is not a new matter at all to raise the point that it is becoming more and more difficult to attract competent people from private life into public service. Therefore, it seems to me that there has been a growing tendency—even in the brief time that I have been here—to pick up castoffs as a matter of convenience, who are willing to come into public service. I do not make that characterization in a disrespectful sense.

Here we have a group of men who are retired military personnel. They receive retirement pay, upon which they can depend for their income. Therefore, they are in a position to accept Government service at a very questionable level of pay. The result is that with

those of us in Congress who are asked to select this kind of personnel, with the pressure on us from the Bureau of the Budget to save money and save more money and save still more money, it becomes a matter of convenience to turn more and more civil branches of our Government over to retired military personnel.

Mr. ENGLE. Mr. President, will the Senator yield there for just a moment? The Senator is making a very significant point. This is what has happened. We set up a retirement system for the military. They get out at a very young age. They are full of vigor and full of beans. They want to go to work. They have retired, but they do not want to sit around. They are fairly competent people. They have been in the military for 30 or 40 years. So they go into the civilian regulatory agencies. They do not know anything about those agencies. I have talked with the distinguished Senator from Mississippi [Mr. STENNIS], and I have suggested to him that the Committee on Armed Services of the Senate should review this retirement practice, because these people are getting out too early. They receive good retirement pay as military officers, and they are able people, and they are still fairly young. So we turn them loose. Naturally, they are standing around in squads, and they are being picked up and sent into the regulatory agencies, and those agencies are given a military orientation, which we ought not to have in the Government.

How do we stop it? We can stop it by changing the retirement system and utilizing the services of these people longer in the place where they are trained to serve their country. I am for that.

I am not against the military people. I think they are competent men. However, I believe in utilizing them in the field in which they have been trained, and for which the taxpayers have paid thousands of dollars to give them the kind of training that makes them valuable in these fields. So the Senator from Wyoming has stated the case precisely. These retired men are standing around waiting to be appointed.

I yield further to the Senator from Wyoming.

Mr. McGEE. While we are speaking about the encroachment on the public life of retired personnel, I believe it is only fair that we should note on our national horizon at the moment a situation which a House committee has already noted, namely, that the same encroachment is also occurring in the private sector of American life.

I do not have the figures with me tonight, but it is my recollection that the House committee's study of this same question disclosed that more than one out of four retired military personnel have now entered into boards of control and governing positions with civilian corporations. So whereas we might take certain risks as less than a serious invasion, nonetheless, it represents a pattern which the Nation will have to face up to in the judgment of the junior Senator from Wyoming. That pattern is the encroachment of military men in all elements of the American economy, of the American social strata, and of the American capital structure at the present time.

That is why I think it is an especially astute performance by the Senator from California to bring this matter to our attention. Nothing is more sacred in our constitutional framework than the way in which our founding fathers leaned over backward to make sure that there would be a separation of military influence from our civilian government, and provided for an exception only in the event of extreme national emergency; and then, of course, as we know, the President becomes the active Commander in Chief of the military.

Unless we rise with vigilance, we will surrender the civilian function of our Government for reasons of convenience, or because we have become too busy with our other concerns. The pressure to get away before the July conventions of the two political parties is merely another surface case in point of what we are doing in the name of convenience or expediency despite our responsibility as national legislators.

I need only remind my colleagues of what happened in Germany in the 1920's, where one by one the people surrendered more and more functions to the military. From this tendency the Germans harvested nazism. The same thing happened in Italy in the 1920's, which is another case in point. A similar parallel is shown by what happened in Japan with the rise of the war lords, and by the situation which prevails in Russia today. I need only remind Senators of what happened in those cases to show the danger to which the Senator from California is directing his attention tonight.

It is time for our country to become mindful of the danger, though it may be inconvenient, though it may be time-consuming, though the hour is late in the evening, though the sacred hour of adjournment may be near.

I join with the Senator from California, with all the sincerity I can command, to point out to our countrymen the danger of idle surrender to the military mind the civil functions of our Government.

Mr. ENGLE. I appreciate the statement of the Senator from Wyoming. We have a further problem with retired military personnel. I have already referred to the fact that they are getting out of the military at a very early age and are heading all over the country. The Senator from Wyoming has pointed out that they are going into private industry. They have gone into private industry in great numbers.

I have no objection to their making a living wherever they can, after they have retired from the military. But they go into the defense industries. Within recent months, in hearings held before the House Committee on Armed Services, and also the Senate Committee on Armed Services, a question has been raised about the propriety of a general getting out of the Pentagon and walking into a major defense industry having contracts with the Federal Government. The question which has been raised is whether the particular general, captain, or admiral would be talking across the line to his old comrades, who still remain in the Pentagon, and improperly influencing the decision of the Government with reference to matters vital to the national defense.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ENGLE. I will yield in a moment.

This is a problem which is hard to handle. I grant that. However, I think something should be done to make certain that there is a hiatus between the time a man leaves his uniform in the Pentagon and the time he takes a job with a major defense contractor, in order to handle their business, when their major business is with the Federal Government in defense contracts of one kind or another. However circumspect that officer may be, the implication of impropriety may exist. There is no way to avoid it. We ought to have a period of time in which that cannot occur. I hope the committees of Congress will recommend that kind of legislation. It bears directly upon the question raised by the distinguished Senator from Wyoming [Mr. McGEE].

Now I am glad to yield to the Senator from Arizona.

Mr. GOLDWATER. I merely wanted, more or less, to keep up with this subject. From the colloquy I have heard this evening, I am prompted to become of the opinion that a retired officer's pay continues when he takes a civilian job. It has been my understanding that General Quesada, for example, gave up his retirement pay when he entered the civilian service of his Government.

Mr. ENGLE. That is correct; he did; but not all retired officers do that. Further than that, let me tell the Senator about General Quesada.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ENGLE. The Senator brought up the name of General Quesada as an example of propriety. Let me put this statement plainly on the RECORD. General Quesada resigned his commission in order to take the position he now has, because the law under which he was appointed provides that no retired officer ever could serve in that civilian post. So he resigned his commission and received the appointment to the position he now holds.

Then in came a bill to reinstate him in his retired position and his retirement pay. I did not object to it. But that is what happened.

Mr. GOLDWATER. Mr. President, will the Senator from California yield?

Mr. ENGLE. I will yield further; I merely wish to say that General Quesada is an example of what happens in this kind of situation.

Mr. GOLDWATER. I was afraid that that was at the root of the Senator's objection.

Mr. ENGLE. No, it is not. It is not at the root of my objection at all. When the nomination of General Quesada was before the Senate for confirmation, I voted to confirm it. However, I said at the time that I had grave misgivings about Congress violating the law it had enacted in confirming the very first time

the nomination of a retired military officer to fill that civilian position. I raised that question then, but I have no personal animus toward General Quesada. I have cited his case only as an example of what has happened. I will deal further with it in a minute.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ENGLE. I am delighted to yield.

Mr. GOLDWATER. Will the Senator from California tell me how many retired officers or retired military personnel, who are serving on Government commissions, boards, and bureaus, are at the same time receiving retirement pay?

Mr. ENGLE. I do not know; I have not made inquiry about that.

Mr. GOLDWATER. Would the Senator say that the great majority of them are, or would he say that very few of them are?

Mr. ENGLE. As I say, I do not know; I have not checked into it.

Mr. GOLDWATER. I wanted to eliminate, if I could, point by point, the objections. If the Senator does not know how many retired military personnel are receiving retirement pay and at the same time are receiving pay in civilian posts of the U.S. Government, we must assume, then, that the fact that they might be receiving such pay does not enter into the Senator's objection.

Mr. ENGLE. I would have to say that General Quesada's appointment to the Federal Aviation Administrator would enter into it. He receives a very substantial salary.

Mr. GOLDWATER. That is beside the point. I believe the Senator would agree that men who serve their Government should be paid. In fact, I think the Senator voted, the other day, for an increase in Federal pay on the basis that we should pay more in measure with what civilian employees are receiving in comparable positions.

I remind the Senator that probably more former Representatives and former Senators than retired admirals, generals, and colonels are filling bureau posts. I have never heard any great hue or cry raised because a man who has been unsuccessful in seeking reelection is appointed as the head or a member of a commission.

Mr. ENGLE. There is one thing that can be said. The Republicans always take care of their lame ducks.

Mr. GOLDWATER. Unfortunately, in the past 30 years we have not had as many lame ducks as have the Democrats.

Mr. ENGLE. That is certainly true. When you had them, you had them in droves.

Mr. GOLDWATER. We have imposed regulations on duck hunting and issued duck hunting stamps. If ducks are to be protected, I think lame ducks should be taken care of, too.

Mr. ENGLE. I am not against that. I would not have voted against any of them. However, those who have served for years in Congress are probably the most competent men in these fields. They are much more competent than the businessmen who are brought in to fill the offices and who stay for 2 years. There are three schedules working in civilian jobs in the Pentagon today: one coming, one working, and one going.

One thing is certain. When men like Dewey Short are brought in, they serve for many years. Dewey Short, a Republican, served on the House Committee on Armed Services. He knows his business. He has been to the wars for a long time. He knows the problems of his particular agency, the Department of Defense. I think there is a great difference between civilian employees and military employees. Dewey Short is a civilian, too. He is one illustration; I could cite others.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. GOLDWATER. In the colloquy between the junior Senator from Wyoming [Mr. McGEE] and the Senator from California, a question was raised, and I think very properly so, as to why the Government cannot attract people from the civilian walks of life to these posts; or, to put it another way, why we cannot attract an abundant number.

The Senator from California has just expressed the main reason in his seeming contempt for businessmen—and I would have to include professional men in that category. I do not know where we are going to get all the civilians who are needed.

Mr. ENGLE. I never said that. Do not charge that to me; do not put those words in my mouth.

Mr. GOLDWATER. If the Senator from California will read the RECORD tomorrow, he will understand what I am talking about. This has been a source of much trouble. I may say that the Republicans will probably resort to the same tactics the Democrats have. The trouble has been that many of them do not like to give up their private lives and earnings to make a contribution to their Government and become servants of the people.

Can we not clear up this question by agreeing that most Americans are honest, whether they are civilians, whether they are politicians, whether they are a part of the military?

I believe that one of the big troubles in getting this type of men, men whom the Senator and I would like to see in the important Government posts, is that they do not want to have their lives brought into it. They do not want to give up the things for which they have worked hard throughout their lives. They do not want to be made the subject of ridicule. They do not want to come into a situation in which they get no help. Chiefly, they do not want to be subjected to the constant attacks on them which indicate that they might not be honest.

I think the Senator from California, in his colloquy with the Senator from Wyoming, was getting at the heart of the trouble we are experiencing in getting such persons to come to Washington.

They simply do not want to come here and take all of this guff. They do not want to give up what they have worked for all their lives in order to come here to work.

Mr. ENGLE. Mr. President, I did not yield to the Senator for a speech.

Mr. GOLDWATER. If the Senator does not wish to yield further, I will take my seat and wait. I will make my own speech.

Mr. ENGLE. That will be fine.

Mr. GOLDWATER. I thought the Senator from California might be willing to engage in debate. If he is not, I will take my seat. I have nothing else to do.

Mr. ENGLE. If the Senator from Arizona has a speech to make, he can make it when I have finished. I will be finished in due time.

What I am seeking to do is to have businessmen and civilians appointed to these positions. That is what I am trying to have done.

Mr. GRUENING. Mr. President, will the Senator yield for a question?

Mr. ENGLE. I yield.

Mr. GRUENING. When the Senator said he would like to have businessmen fill these posts, he meant that he would like to have businessmen who will stay on the job and show a little dedication and devotion to it, and not come here for 1 or 2 years and then go back to their own businesses, as they have under this administration.

Mr. ENGLE. That is correct.

The Senator from Arizona implied that I was making some reflection on businessmen because I said there was one squad coming, one squad working, and one squad going.

There has not been a Secretary of Defense during this administration, except the present one, Secretary Gates, who had any real training for the position.

Mr. Gates has had training, and I respect him for it.

But we have not had the kind of service we should get from the business community, if we wish to call it that, because most of those who have been appointed do not remain long enough.

I was dealing with the matter of military officers in the civilian jobs. My objection is that after nearly a quarter of a century or half a century of military service, these men do not have the training and they do not have the mental orientation to take on these civilian regulatory agency jobs and run those agencies as they should be run. That is the basis of my objection.

I like military men, including my distinguished friend, the Senator from Arizona [Mr. GOLDWATER], who is a brigadier general in the Air Force Reserve. I like them, and I think they do good jobs in places where they should be.

But, again, I say the Federal Aviation Agency presents a good illustration of a government agency in which military men have moved into the key, control positions. A brigadier general has been named Assistant Administrator of the Agency's Office of Plans and Requirements, with the responsibility for "advising the Administrator of the FAA on matters of aviation policies and objectives, and long-range Agency plans and operational capabilities."

I am saying that as soon as a general is brought into such a position, he brings in his old executive officer, who has also

retired, or perhaps is in a military post, somewhere; and very soon the agency is loaded with military officers.

I know it will be said, "Just compare the numbers; there are not very many of them"—less than 200, or something of the sort.

But the point is that they sit at the top, just like the brigadier general who has the responsibility for advising the Administrator of the FAA on matters of aviation policies and objectives, and long-range Agency plans and operational capabilities.

Will someone tell me why a brigadier general out of the Air Force should be holding that job—in a civilian regulatory agency—which is dealing with civilian flying and civilian aviation in this country?

In the Office of the General Counsel, the chief attorney for general law, in the General Legal Services Division, is a colonel. The Deputy Chief of the FAA Office of International Coordination is a Navy captain; in the same office the head of the Aviation Intelligence Branch, International Field Service Division, is a lieutenant colonel. In the Technical Assistance Division of the same organization there are a commander and a lieutenant colonel. A colonel is Deputy Chief of the Accounting Division of the Federal Aviation Agency.

They are at the top, and they give the orders; and when they go to see General Quesada, every morning, they say, "Yes, sir."

Key positions in the Office of Personnel and Training are held by a brigadier general, a colonel, and a lieutenant colonel.

Again, I ask, why should a military officer hold a key position in the Office of Personnel and Training in the Federal Aviation Agency, which deals with civilian and commercial aviation in the United States? I will tell you why: There is a retired lieutenant general up there running the shop; and he wants fellows who understand the structure of military command at the head of his various departments; and he wants no argument from them. He wants a "yes, sir" and a "how are you this morning, General?" and all that.

That is why we are getting the kind of administration down there that we are getting.

The very important Office of Plans and Requirements has, in addition to the brigadier general mentioned above, a Navy captain—which is a pretty good title—four colonels, and three lieutenant colonels.

These fellows are not sitting down at the bottom. Instead, they are at the top of the pyramid.

The Bureau of Research and Development, a most important bureau, is almost completely under military domination, I am informed. The Bureau of Flight Standards has two lieutenant colonels, and the Bureau of Air Traffic Management has a brigadier general, a Navy captain, seven colonels, and a lieutenant colonel.

This is the Bureau of Flight Standards for this civilian regulatory agency; and these jobs are not routine jobs. They are key positions in what Congress intended to be an essentially civilian agency. These men influence and mold policy in the field of civilian aviation.

Why do I bring up this issue? Here is an illustration of it: We put in a lieutenant general as head of the Federal Aviation Agency; and he called in his old comrades at arms, and they are running that agency today. Today in the Federal Aviation Agency we have a "little Pentagon."

Mr. GOLDWATER. Mr. President, will the Senator from California yield for a question?

Mr. ENGLE. In a moment.

Mr. GOLDWATER. Excuse me.

Mr. ENGLE. Mr. President, why do I bring this up? I bring it up because now an admiral is nominated to be Chairman of the Federal Maritime Board, and because we have a major general nominated to go on the Civil Aeronautics Board, and because there already is an admiral who is the Maritime Administrator. I assert that if this program continues, we shall have military men spread throughout all these civilian regulatory agencies, because the pattern is plain; it is clear to see. Can there be any dispute about it?

Now, I yield to the Senator from Arizona, for a question—but not for a speech.

Mr. GOLDWATER. My question will be very short. The Senator from California is a pilot, and he has a good understanding of the problems of aviation. Will the Senator say the Federal Aviation Agency, as it is now constituted, is not doing a better job than the job done before the FAA, as it is now constituted, came into being?

Mr. CARROLL. Mr. President, will the Senator from California yield?

The PRESIDING OFFICER (Mr. LONG of Hawaii in the chair). Does the Senator from California yield to the Senator from Colorado?

Mr. ENGLE. I yield.

Mr. GOLDWATER. But the Senator from California has not answered my question.

Mr. CARROLL. I should like to have the Senator from California yield now, because I wish to help answer the question—although I know the able Senator from California can answer it.

The question is not whether those now in that Agency are doing a good job.

I can say that in all respects General Quesada's service appears excellent. I can say the same for his staff.

But I now go back to the grassroots of democracy in my own State. I do not want retired military men running the public utility commissions of my State. I do not want generals at the head of the regulatory bodies of my State—not because there is something wrong with the military, but because we did not train them for that work. They are fine Americans, but we trained them for a specific purpose. They have served that purpose by the time they retire.

Ours is not a military government.

So we prefer the policy of having civilians who understand our problems exercise their prerogatives in our grassroots democracy in our interest. I repeat, in my State we do not want retired military men to be at the head of the public utilities commission or other public agencies. We do not want generals or other military men in our regulatory bodies. They were not trained for that purpose. They were trained to serve in military capacities, not to serve in civilian agencies close to the economic and political problems of our people. These military men were trained to serve in military capacities for the defense of the Nation. We salute them for this service and provide adequate and abundant provisions upon retirement.

My relations with the Federal Aviation Agency have been satisfactory with General Quesada. I would be willing to pat him on the back. Perhaps we may need here and there a general or an admiral for some extraordinary civil function.

But the real issue here is the supremacy of the civilians over the military.

I wish to say to the able Senator from California that I do not wish to indulge in a personal discussion about specific generals and admirals.

Indeed, this is a philosophical discussion. In a democracy such as ours, where the power is vested in the people—under the Constitution of the United States and, in my State, under the constitution of Colorado—all power is vested in all the people, not solely in the military.

If I may refer to the administration—either the present administration or any administration: There seems to have been too much influence by the military, since World War II. I served in both wars—as an enlisted man in the First World War, and as an officer in the Second World War. But there appears to have been much influence by the military; and I think the time has come—as the able Senator from California is now arguing—to effect a change. The Senator from California is not arguing against particular individuals. But he is arguing against the nomination and the predominance of the military in the civilian agencies of the Government. I commend the Senator from California for it.

Mr. ENGLE. I thank the distinguished Senator.

Now I will proceed to answer the question of the Senator from Arizona. I think in the field of commercial aviation the FAA is doing a fair job. But it ought to, considering the financial help we are giving it at the present time. I think in the field of private aviation that agency has not done as good a job, and the private pilots of the country will say so.

Mr. GOLDWATER. Mr. President, will the Senator allow me one sentence.

Mr. ENGLE. I yield for one sentence.

Mr. GOLDWATER. It will be a short one. I agree with the Senator that safety in the air has vastly improved under the FAA. I disagree with him that the FAA is unfair to the private pilots, but I shall deal later with that subject.

Mr. ENGLE. I am delighted to have the remarks of the Senator from Arizona. I have proposed some changes in the operations of the Federal Aviation Agency in the field of regulation of private and business aviation. I applaud

the effort to secure air safety. I support it. I support it with reference to commercial aviation. I support it with reference to private aviation. But there is no use having a bull in a china shop; and whenever we have a general operating an agency, that is what we get.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ENGLE. I yield.

Mr. CARROLL. Is it not a question of whether a general runs an agency or a general runs the country? This is what some of us warned in 1952. We have had a general running this country since. There were generals running many countries throughout Latin America. What has happened? We can now look back 7 or 8 years. It is not because they are unpatriotic. It is not because they are not men of ability. It is because they are compartmental-minded and do not fully understand the workings of democracy. All one has to do is look at history in Latin America, where general after general has fallen. Who can deny that democracy has suffered many setbacks?

I think the able Senator from California, perhaps even more than he fully understands, is making a splendid argument tonight to strengthen our own Government by urging us to return to sound historic constitutional government, that is civilian supremacy over the military.

We do not mean there is some insidious inference by reason of his being an admiral or a general. They are all fine Americans. That is not the question. A question of age-old philosophy is involved. The question at issue is whether the citizens of this Nation shall fully control their civilian government.

May I say to the able Senator from California, because I know his time is limited, this same decision had to be made at one time, in 1951, when a President of the United States had to remove a general who was trying to set a policy that might lead the Nation into war. It was a very difficult decision, but again, the supremacy of civilians in our form of government was the issue.

I think the Senator from California has now again emphasized it. It is not that we could not take an admiral here or a general there on some emergency occasion, but we cannot have a pattern where the military begin to support and appoint one another. Why? Because they are not fully qualified for much of anything else. They were never associated with individuals in political and economic life. Military life is primarily what they have known. May I say to the Senator from California this is why generals take colonels. This is why colonels take lieutenant colonels. That is why lieutenant colonels take majors. They do not know anyone else. They never have associated much with anyone else. They have been brought up by the American people to serve the Nation, and they have served it well, but not in this particular capacity.

I thank the Senator from California for yielding.

Mr. GOLDWATER. Mr. President, will the Senator yield so I may clear up one point?

Mr. ENGLE. I yield for a question.

Mr. GOLDWATER. The Senator from Colorado has the Senator from Arizona a little puzzled when he says that in 1951, which I think is the year he mentioned, a President had to relieve a general because he might lead us into war. Which general was that?

Mr. CARROLL. The Senator knows what general he was. Why does the Senator ask that question?

Mr. GOLDWATER. I would like to have the Senator state it.

Mr. CARROLL. Was the Senator here at that time?

Mr. GOLDWATER. No, I was not.

Mr. CARROLL. What country was the Senator in?

Mr. GOLDWATER. I was in Arizona.

Mr. CARROLL. The Senator was in this country.

Mr. GOLDWATER. That is correct.

Mr. CARROLL. The Senator knows what happened in that case.

Mr. GOLDWATER. Yes. Who was he?

Mr. CARROLL. General MacArthur.

Mr. GOLDWATER. We were in a war.

Mr. CARROLL. Yes, we were in a war, but we were not going to let that general determine the scope of the war.

Mr. GOLDWATER. I thought we were in a war. The Senator from Colorado may think it is something else, but when people are shooting at us and we are shooting at them, it is a war. If the Senator is referring to General MacArthur leading us into war, I point out that we were already in a war. That general won it once, and we denied him that victory.

Mr. CARROLL. The Senator is talking like a general now, and not like a Senator.

Mr. ENGLE. Mr. President, I refuse to yield further.

Mr. CARROLL. Will the Senator get time on his own so I can answer?

Mr. GOLDWATER. I do not have any time.

Mr. ENGLE. Mr. President, I refuse to yield further.

Mr. CARROLL. The Senator from California cannot leave it here. Someone must have control of the time in opposition.

Mr. ENGLE. I have a right to talk until I wear out, and I may do it.

Mr. CARROLL. This is very important——

Mr. ENGLE. I do not want this discussion to get into a row over whether President Harry Truman was right in firing General MacArthur. I think he was, but I do not want to get into that argument. I want to stop any more generals getting into civilian agencies.

Mr. CARROLL. Will the Senator tell me who has control of the time in opposition?

Mr. ENGLE. They will have time after I get through, and that may be midnight.

Mr. CARROLL. Will the Senator yield, if there is no control on time? He cannot let this end where it is. If the Senator will permit me 1 or 2 minutes, I understand——

Mr. ENGLE. Mr. President, I am going to be forced to say to my dear friend from Colorado that I would prefer not to have the argument about MacArthur interspersed into my statement. If he will let me complete my remarks, which will take about 10 minutes, I will be glad to yield to him, and then he and the Senator from Arizona can thresh this out to their hearts' content.

Mr. CARROLL. Will the Senator from California permit me 1 or 2 minutes to answer the Senator from Arizona?

Mr. GOLDWATER. Go ahead.

Mr. ENGLE. I yield to the Senator from Colorado.

Mr. CARROLL. I understand the natural affinity one general has for another, but what I tried to get through to the Senator from Arizona—I am sure he was in Arizona at the time, and therefore knew what was happening—was that the constitutional question involved at that time was whether a general could determine foreign policy, under the Constitution. The issue was raised by the President of the United States, who dismissed him, because, as he said, the civilian leadership in our form of government was supreme. I leave it to history as to whether or not we avoid world war III because of President Truman's decision.

We cannot have generals running us, under the Constitution, and we cannot have generals running the public regulatory bodies of this Nation. I was under the impression that was the point the Senator from California was trying to make.

It is my own personal opinion that there are too many colonels and too many brigadier generals in the U.S. Senate coming out of World War II, because they also have a strong affinity with the military.

I thank the Senator from California for yielding.

Mr. GOLDWATER. The Senator is talking to a colonel, I am sure he knows.

Mr. ENGLE. Mr. President, there is no denying that men who achieve high rank in our armed services are with few exceptions well qualified for certain positions. Industry has recognized this fact by employing many of them in responsible positions as soon as their retirements become effective.

I approve of that. Nevertheless, career officers have been trained for almost all of their adult lives in the military ideals of discipline, obedience, fulfillment of a specific mission, and arbitrariness of decision essential to maintain their hierarchy. While these qualities are virtues in the Armed Forces, they are likely to be handicaps when the nominee is called upon to perform the quasi-judicial, promotional, and regulatory functions of the agencies. The professional military man has had little or no training or experience in the economics of intensely competitive industries.

In fact, Mr. President, the military men do not know anything about it. They do not know anything about politics, either. Someone may write an

editorial, and though it may be a kindly editorial it may contain a little criticism. These military men would jump 40 feet.

General Quesada, to whom reference has been made, appeared before our committee not long ago. He was livid about some editorials. He handed them to the committee members, in high dudgeon with indignation. I read them. They were very mild editorials. They said that he was a fine man, that he had good intentions, that he was trying to do the best he could, but that he was making a mistake. He said, "These are pressure groups. These are terrible people." He denounced them.

I said to the general, "There is not a man sitting around this table, either Republican or Democrat, who has run for public office who would not be willing to reprint these editorials in his campaign literature."

But the general did not like them. He had not been told that to his face as a military officer. He could not stand it. He was thinskinned.

The military man has never had sufficient exposure to business and its practices to form any sort of personal philosophy so that he can carry out his intended role or so that Congress and the Executive can evaluate his ability to perform that new role. Not at all. It is very different and very strange for a military man to serve in an agency, since he may be battered on this floor. We stand up and tell them off. We will knock the brass until it litters the Chamber. They do not like it. They cannot take it. They are not used to it.

For 40 years these men have been in their command positions. They said "Yes, sir" to the captains when they were lieutenants. They said "Yes, sir" to the majors when they were captains. They said "Yes, sir" to the "light" colonels or lieutenant colonels when they were majors. They said "Yes, sir" to the colonels when they were "light" colonels. And they said "Yes, sir" to the generals when they were colonels. And so on up the line. There was no argument and no backtalk.

In these great civilian agencies, when men have to exchange and barter opinions, when ideas have to stand on their own, they did not like it and they cannot take it.

So they should not be asked to serve in these positions. They will not be, with my consent. I propose to oppose, as I have said before, every one of these nominations, unless there is overwhelming and clear evidence that the man is uniquely qualified for the position.

The Senate is being called upon to give its advice and consent to appointees who will be responsible for regulating multimillion dollar civilian industries in the civilian public's interest.

The committee majority in its report agrees in general with the statements which I have made and expresses concern regarding the nomination of retired military officers to head up civilian regulatory agencies. The committee refused to vote down these nominations on the ground that although we should stop, this was not the place to stop. There was a feeling, I suppose, that picking out Admiral Wilson and General Bragdon as a stopping place would cast some sort of reflection upon them personally. I do not wish to cast any reflection upon either man. On the other hand, I believe that the way to stop is to stop, and that the Senate should simply refuse to give its advice and consent to the appointment of any more military officers unless, as the President said—I am referring to President Eisenhower—in his 1948 letter, there are "some obvious and overriding reasons." I can find no such reasons in this instance. I believe that the aviation and maritime industries can produce many civilians of long experience in those industries who are thoroughly capable of taking these appointments. I believe that the President should seek out such civilians.

I believe that the Senate should refuse to confirm the nominations of any retired military officers as heads of civilian agencies unless there are some obvious and overriding reasons, and should insist as a matter of principle that the appointments go to competent and recognized civilians.

Mr. President, the report filed by the majority in this instance is a unique report, one of the strangest I have seen in over 17 years of service in the Congress of the United States. The committee report is a report of three paragraphs.

The first paragraph says that the committee reports the nominations favorably.

The second paragraph says:

> While we recommend to the Senate favorable action on the nomination of Admiral Wilson to be a member of the Federal Maritime Board and the nomination of General Bragdon to be a member of the Civil Aeronautics Board, we believe it necessary to express some substantial doubts on the wisdom of repeated appointments of retired military officers to high civilian positions, particularly in the administrative and regulatory agencies. Admiral Wilson's military record as well as his appearance before your committee show him to be a man of competence and leadership who has served his country with distinction both in war and peace.

I agree with that statement, Mr. President. Admiral Wilson made a very fine appearance before our committee.

I continue to quote from the report:

> The same holds true with respect to General Bragdon. Accordingly, we cannot agree with the individual views that if a line has to be drawn it should be drawn here.

Those were the individual views I filed.

The committee continues to belabor the point:

> However, an appointment to an agency is not an honorarium for services performed in the past. Rather, such an appointment should be based on expected future performance in the highly sensitive area of balancing and adjusting competitive forces in the public interest.
>
> Furthermore, and perhaps most important, one of the basic principles of our society is that the control of government, including the policymaking function, should be vested in civilians with the military subordinate. Continued appointments of career officers could destroy the symbol of civilian government as well as promote the unfortunate practical effects associated with almost dominant military influence.

This is not a quotation from my views, Mr. President. This is taken from the report of the majority. This is what the majority said. They said, "You should not do it. It is wrong." They advocated the best reasons why it should not be done. For two-thirds of their report they bewailed the practice. They bemoaned it. They lamented it. They condemned it. They denounced it. They said, "It should not happen again."

I assert, Mr. President, it should not happen now. I ask the Senate to stop it by voting against the confirmation of these nominations at this time.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. ENGLE. I yield to my distinguished friend from Alaska.

Mr. GRUENING. Mr. President, I wish to commend highly and unqualifiedly the very able expression of an important point of view by the distinguished junior Senator from California.

The situation which he exposes cries for relief. He has pointed out that the regulatory agencies—the Federal Maritime Board and the Federal Aviation Agency—are being loaded with military men. It might be argued that there is some relation between civil aviation and military aviation, between the Navy and merchant marine shipping. But what about such agencies as the Immigration Service, which has been loaded by the present administration with generals from top to bottom? What earthly relationship is there between a military career and immigration? Yet the administration has followed this policy all through.

However, I wish to address myself to another principle which I think is deeply involved, and is, I think, independent of partisanship. I deem it is entirely wrong on the eve of the end of an administration for the Senate to approve appointments that will handcuff and tie the succeeding administration for an indefinite period of years. I say that regardless of whether the retiring administration is a Republican administration that may be succeeded by a Democratic administration or whether the reverse is the case.

There is a certain philosophy about an administration. The philosophy of the Republican administration in its regulatory agencies is different from that of the Democratic administration. As the distinguished junior Senator from California has pointed out, the Eisenhower-Nixon administration has set the foxes to guard the chickens. The principle of having the regulatory agencies protect the public interest has been completely abandoned during the last 7 years.

We have before us, in addition to the appointments to which the distinguished junior Senator from California has addressed himself, the appointment of General Bragdon to the Civil Aeronautics Board, and the appointment of Vice Admiral Wilson to the Federal Maritime Board and other appointments, another appointment to the Federal Communications Commission of Mr. Robert E. Lee. That appointment is a reappointment, to be sure, but it is effective for 7 years.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. ENGLE. What the Senator is emphasizing is that the present administration is a dying administration.

Mr. GRUENING. That is correct.

Mr. ENGLE. It is like a piece of ripe fruit. It is ready to fall off the tree. So what are they undertaking to do? They are attemping to put their men into office. For how long? Through the administration of the next President of the United States.

Mr. GRUENING. That is correct.

Mr. ENGLE. Whether the appointee belongs to the Democrats, our side, or belongs to the side of the Republicans. So the practice of which I speak would prevent the newly elected President of the United States, regardless of his party, from choosing his own appointees. The appointees will have been chosen. They will remain for 7 years. That is 4 years plus 3.

I am against the practice. I think it is wrong. I think we ought to turn down every one of them and say, "Let us wait until the people speak, and if they throw this crowd out, we will appoint someone else."

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. GRUENING. I am happy to yield to the Senator from Arizona.

Mr. GOLDWATER. President NIXON will not object to any of these Republican appointments.

Mr. GRUENING. I am sure he will not.

Mr. GOLDWATER. I believe the Senator is touching on a principle which, regardless of which party finds itself in power, is of the utmost importance. One of the weakening factors of the Republican administration during the last 8 years has been the fact that we were saddled with appointees to schedule 16 jobs, without examinations, by the former President of that administration. Legislation was offered in this body very early in the Republican administration to remove those jobs under this, I think, very valid political assumption that if a man is to be given the job of running the country, if he is to be given command of the executive branch, he should have command of the policymaking levels.

I have been considering seriously legislation to be introduced into the next Congress that would make the schedule-16-and-above jobs subject to the will of the executive branch. I wonder if the Senator could give any expression as to how much support a Republican might gain from the Democratic side on a bill such as that?

Mr. GRUENING. I agree that policymaking positions should be changed with a change of an administration. I would not agree that people who are career people under the Civil Service Commission should necessarily change. But we are dealing here with high officials of regulatory agencies who make policy. I think very definitely, regardless of whether it is the Republican Party coming in or the Democratic Party going out, the principle is important. I think this principle should apply to both parties.

Mr. GOLDWATER. Mr. President, will the Senator yield further?

Mr. GRUENING. I yield with pleasure.

Mr. GOLDWATER. I agree with the Senator. I am not advocating for one moment that the administration be allowed to disrupt the Civil Service. I do not know whether the GSA rating today that does not require an examination is 16, 17, or 18, but, as I recall, there were a vast number of appointments made just prior to the dying days of the last Democratic administration in the field of GSA–16, without examination. Certainly many people were appointed who were competent, and certainly many people were appointed who did not and do not now reflect the views of the present administration. As I said at the outset, it is a very weak position to find oneself in when one does not find the support of the policymaking, policyforming level.

I think the Senator is touching on a very important point in American politics. I may be old fashioned, but I believe that to the victor belong the spoils, because if the victor is to be successful, he must have the ability to make decisions and have those decisions carried out, not necessarily in these regulatory agencies, because they are appointive and have always been appointive. I refer now to the thousands and thousands of jobs at the policymaking level. If the country is unfortunate enough to wake up the day after election and find itself saddled again with a Democratic administration, then it will have to face up to the same problems that the Republicans had to face when they woke up after election and found themselves in power with thousands of people who hinder their policy decisions.

I think the Senator is making a valuable contribution, and when he wishes to get ready to stop the practice, I would be very happy to help him in the general policy field.

Mr. GRUENING. I would like to modify the dictum of the distinguished junior Senator from Arizona which he has derived from ancient Roman history, that to the victor belong the spoils, by saying that I believe: "To the victor belongs the responsibility."

Mr. GOLDWATER. I think if the Senator does not recognize the first dictum, he cannot enjoy the second, with which I certainly agree.

Mr. GRUENING. I should like to cite, pursuant to these remarks, a very brief paragraph that recently appeared in one of our weeklies, the New Republic, which is entitled, "Why Come to Washington?" I think it is pertinent to the discussion, to the turnover, to the rapid change in personnel here, which is a serious problem. I read from the article:

> If anyone wonders why effective members of Federal regulatory agencies are so scarce in this administration, he need look no farther than two recent statements by the President on the departure of agency members.
>
> The first was addressed to the man departing. The President wrote: "You have served tirelessly, loyally, effectively—and with dedication. For your public service over many years * * * you have earned the appreciation of your fellow citizens and of the administration."
>
> The second comment was made by the President when he was asked why he was not planning to reappoint an agency member. In a tone of annoyance he said: "I think I can get a better man, that's all."
>
> The first statement was addressed to John C. Doerfer, who would be high on any informed person's list of the worst Chairmen of the Federal Communications Commission. Mr. Doerfer made no secret of the fact that he did not believe in regulation of television and more or less openly voted to give valuable channels to those he considered friendly to his party and himself. He quit after taking favors from a broadcaster and being caught in a lie to reporters about the episode.
>
> The man who rated the President's rude dismissal was William R. Connole, said to have been the most effective—indeed the only effective—member of the Federal Power Commission for the last 5 years. Mr. Connole fought alone to stop the rapid rise of natural gas prices, and in two major cases his solitary dissents were vindicated by a unanimous Supreme Court.

Subsequently, when the President was questioned at a press conference as to why he did not appoint Mr. Connole, he said that this man had only one interest, the public interest, and that was the President's indictment against him. So Mr. Connole was not reappointed. He was guilty of the heinous crime of being for the public interest, and that proved unique in this administration. Obviously that could not be tolerated.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. ENGLE. We divide these commissions up.

We have them so arranged in such a way that only half of them, plus one, can ever represent one party. Under the present regime, on some of these commissions there would be seven Republicans and six Democrats. Of course, the Republicans represent the big corporations, and the Democrats represent the people. Apparently they made a mistake, and they got one of them on a commission who represented the people, so they threw him off.

Mr. GRUENING. That is precisely correct. That goes to the point that there is a basic difference in the philosophy of the two parties. I happen to believe in one. I have no doubt that our good friend from Arizona believes in another. We are entitled to our opinions.

The issue is this. Here at the close of an administration—the junior Senator from California has referred to it as a dying administration, but I would not say it was necessarily dying; perhaps it is just fading away, because old soldiers—generals—do not die; they just fade away—it seems highly proper that we should not continue to saddle the next administration with an appointee of this administration. It is entirely possible that a Member of the Senate—one of our colleagues—may be the next President of the United States. It may be the distinguished majority leader, the Senator from Texas [Mr. JOHNSON]; it may be the distinguished junior Senator from Massachusetts [Mr. KENNEDY]; it

may be the distinguished junior Senator from Missouri [Mr. SYMINGTON].

I think it would be most unkind to them to compel any of them to live with an appointee of this administration for 7 years, to have as a policymaking member of his administration an official whose point of view would be clearly different from his.

Therefore, I think it should be a matter of policy that at this late stage of the administration we should not confirm any of these appointees. Not to do so would not impair the functions of these agencies, because in 2 weeks or less, when Congress adjourns, the President would have the right to make recess appointments. That would enable the agencies to carry on until January, when a new President will have taken office, and when the 87th Congress will be in session. At that time it will be possible to judge the appointees on their merits and whether their views are in harmony with those of the new administration and confirm their nominations if it seems wise to do so.

Therefore, I shall vote against the confirmation of any of these June appointees, not because I object to them individually—they may be excellent men—but because of the basic principle involved, which goes to the very root of our democratic system.

Mr. ENGLE. Mr. President, I ask unanimous consent to have included in my remarks at this point in the RECORD an editorial published in Labor entitled, "ENGLE Is Right: 'The Time To Stop Is Now'."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ENGLE IS RIGHT: "THE TIME TO STOP IS NOW"

A lively debate in the Senate last week raised the question whether "the military" are taking over the country and, if so, should this be stopped? That subject, in the opinion of this newspaper, is so important that the American people should be thinking seriously about it.

The debate began when Senator CLAIR ENGLE, Democrat of California, acting for the Senate Interstate Commerce Committee, reported on two nominations made by President Eisenhower, approved by a majority of the committee, but opposed by ENGLE.

The nominations were those of Gen. John S. Bragdon to be a member of the Civil Aeronautics Board, and Adm. Ralph R. Wilson to the U.S. Maritime Board. ENGLE emphasized he had nothing against either of them personally, but felt that Eisenhower, a military man himself, was appointing too many professional Army, Navy and Air Force officers to high Government posts.

"Can't we find anyone to serve on the boards and commissions except military men?" Senator JOHN A. CARROLL, Democrat of Colorado, asked. ENGLE said he welcomed that question, and he went on to say:

"If we are not careful, we shall have a little Pentagon in the regulatory agencies. The time to stop is now."

CARROLL pointed out that the regulatory agencies which Ike has "packed" with military men and others not renowned as defenders of the public interest "handle billions of dollars worth of cases affecting the the rights and pocketbooks of the American people." "Yes," ENGLE said, "they have the foxes watching the henhouses."

"If retired military men are the best public servants available," CARROLL commented, "we have come to a strange pass in American history." ENGLE added that "I object to retired military officers taking these positions, because I do not believe that a lifetime of military service qualifies a man to handle these great civilian regulatory agencies."

Senator GALE W. MCGEE, Democrat, of Wyoming, reminded the Senate that, in addition to the Government, big corporations also are hiring more and more generals and admirals for high and well-paid positions. One reason for all this, he said, is that military officers can retire at ages as young as 45, with good Government pensions. Thus they still are "full of beans" and look for civilian jobs which pay high salaries on top of their pensions. MCGEE said it would be better for them to stay on the military jobs for which they were trained at the taxpayers' expense.

ENGLE named some of the generals, admirals and other high-ranking officers with whom, he said, Government agencies are "bristling." He added that this is largely due to the fact that Eisenhower is bringing his "old buddies" into the Government and they, in turn, provide civilian jobs for their old military buddies.

"It may well be," CARROLL commented, "that the present general will be the last one to become President of the United States. I hope so. The people have had a chance to look at the situation. The time has come to put the military in their place."

ENGLE served notice that from now on, when the President's nominations of military men for civilian posts come up for confirmation in the Senate, he will demand rollcall votes which will put the Senators on record for and against.

Many professional military officers have high character and ability, but they should not be allowed to take over a country which, as the Constitution provided, has always been run by civilians. All history proves that, when military rule comes in, democracy goes out the window.

Mr. GOLDWATER. Mr. President, I shall be as brief as I can in my remarks. I wish to preface my remarks by saying that I share with every American, including the military, the historic concern of the military becoming supreme over the civilian. This was written into our basic laws from the Anglo-Saxon law. There has never been a free people who have not recognized the danger of the military eventually becoming superior to the civilian. In fact, if I recall correctly, in his treatise on the decline and fall of the Roman Empire, Gibbon lists as one of five or six points contributing to that downfall, the fact that the military were gaining power in the government.

However, I cannot allow any discredit to fall upon the military of this country. I cannot bring myself to believe that a military man is first and foremost and always a military man. I believe that he is first and foremost and always a citizen of the United States. I was trying to get through the entire section of our directory this evening, but time did not allow it. I did get through to the State of Connecticut. I find among the Senators of those States 24 men who have served in various branches of the military.

I do not believe anyone will deny that when legislation affecting the Marine Corps comes on the floor a Member of the Senate who has served as a marine feels a little inclined to favor the Marine Corps; or that anyone who has served in the Army, when legislation affecting the Army comes on the floor is a little concerned in that direction. I must admit that when legislation comes on the floor that pertains to the Air Force, I incline in that direction. I do not say that we have sold our souls to our particular branch of the military.

However, if the argument is to prevail that military men cannot serve their country after they are no longer serving in the military service, I suggest that down through the State of Kentucky there are 24 of us that should not be here. I do not hold with the idea that a military person cannot be of great value to his country.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. GRUENING. I agree absolutely with the statement the Senator from Arizona has just made. I believe that when a retired general or other officer is elected to Congress, he has earned the position, he has gone through the political mill, he has sought the approval of his countrymen at the polls; he has not been in the position merely of commanding support, but he has had to win it, and he has earned it. It is extremely fortunate that we have a retired general of the Air Force Reserve with us in the Senate.

Mr. GOLDWATER. I am not a retired general. I am not looking for retirement for many years. Being a Reserve officer is a little different from being a member of the Regular Establishment.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. ENGLE. That is exactly the point. The Senator spoke about going through the Congressional Directory. The Senator does not equate the position of men who were civilian soldiers at some time in their lives with men who spend their lifetime as professional solders, does he?

Mr. GOLDWATER. The Senator has been in this body long enough to observe the rightful loyalties of Members of this body to their parent organization. I have watched ex-Marine officers and ex-Marine enlisted men in the Senate vote for Marine programs that I did not agree with. I have watched former Army personnel support the Army. The Senator knows the argument that we have had over the B–70 program. Support for that has been difficult to get because I must admit that the Air Force in the Senate is on the low end of the totem pole.

I say that there is no difference in allegiance between a one-time civilian soldier and a one-time professional soldier.

I wish to read a few names that I have jotted down, without straining my intelligence too much at this late hour, because I must admit that straining it would show many inadequacies.

Winston Churchill was a military person. Franklin D. Roosevelt used to sign himself as "that naval person." Harry Truman has always been very proud of his military background, and rightly so, because he served his country with distinction.

The other Roosevelt, probably one of our greatest leaders, came out of the ranks of the civilians into the ranks of

the military and went back into the ranks of the civilians.

Gen. Charles De Gaulle is giving the world an example of leadership the like of which we have not had in many a year.

As I say, many of our colleagues in the Senate have been members of the military, and I do not believe it affects their ability to legislate, even though those of us who have been in the service may lean a little bit in the direction of our own service.

What is a military person? A military person is first a citizen of the United States. He has spent 18 or 20 or 21 years of his formative years being inculcated with the traditions of America. He goes to the Military Academy or to the Naval Academy or to the Air Force Academy, and is further imbued with these ideas of basic Americanism.

Among my wide acquaintanceship in this country I have found a no more dedicated group of men and women than I have found among professional military men. I find more deep concern in the Pentagon about what is going on in domestic politics than I find among people generally. These men are secondarily military people. Why? Why do some men become ministers? They have a purpose in life. They want to be ministers. It is not to get rich. Some people become politicians. Why? Because some of us feel we can contribute our service better in this direction than we can in any other, certainly not toward becoming materially strong. A soldier or airman or marine or sailor joins his service because he feels that that is the way in which he can serve his country. He serves as a dedicated American. The fact that these persons are getting out of the military service at a younger age than in past years speaks well for the American military system. I would like to see us devise some way of keeping these older heads in for a longer time, perhaps until they are 64 or 65 years of age. However, in the type of military that we have today, possibly the younger age is more desirable.

Mr. President, let us look a little further at those persons. Let me emphasize that I do not know General Bragdon. I do not know whether he was in the Air Force or the Army. I certainly do not know who Mr. Wilson is, or what his rank was in the service. However, generally speaking, in the field of education I do not believe we can find better educated people than we find among the officer personnel of the Armed Forces. Many of those men have attended not only one institution of higher learning, but other institutions of higher learning, as well. Among them are many doctors of philosophy, and many who have studied further in other institutions, so that their education might be broadened. Many of them speak more than one language. They have bilingual or trilingual abilities. Their experience has been very broad.

I do not agree that the career of a military man is narrow any more. I think it was prior to World War II; but since World War II, when military men have been assigned to represent the military in industry, or have been assigned to colleges, they certainly have had a very broad experience, the like of which it is very difficult to find in industry.

I know a little about the industrial side. I have been engaged in business all my life. It is no wonder to me that industry seeks men from the military. It is not the general rule, but when industry finds a competent man in the military service, he is equally competent with a similarly situated man on the civilian side, if not more competent. We have lost to industry, to our detriment, many fine personnel from the military forces, because industry recognizes their value.

It is difficult for me to understand whether the fear is of the effect which might be felt upon the spending of military funds for this company or that company, or an actual fear that a retired officer, or a number of retired officers, might be able to build up, in effect, a military regime which at some time could charge out on white horses and take over the country. I do not fear that happening, so long as we have the protection of civilians in the Department of Defense and the diligent observation and protection provided by Congress.

The other question that arises—and I know that none of us believe this—is, Is a man honest or dishonest? It has been inferred, certainly by statements coming, not from this body, but from some Members of the other body, that some military appointments might actually constitute dishonesty; that the appointees are motivated by dishonesty. I do not believe they are. I think we will find the same percentage of dishonesty in the military group as will be found in veterans' organizations, in this body, or in any other body. On the whole, by far, the great majority are perfectly honest persons.

I am sorry the Senator from Colorado [Mr. CARROLL] has left the Chamber. Earlier he said that citizens should run our agencies; that citizens want well-run agencies. I dislike to disagree with the Senator because we agree on so many points, but this may be one on which we will disagree for some time.

I think a perfect example of what can be done by, not necessarily the military personnel, but a person who is disciplined, is in the FAA. I can imagine the chaos which would exist if the same type of discipline were applied to bureaus and organizations which did not need it. However, speaking as one who has had 30 years of experience in flying—I have said this before on the floor, and I dislike to repeat it—until General Quesada took charge of the FAA, I can describe the flying conditions in this country as almost chaotic. Why thousands of persons have not been killed on the airlines, I do not know. I have observed infractions of the rules which would take me hours to relate. I have observed insufficient systems and inadequate systems. But under the chairmanship of General Quesada in the FAA, I think we have a new program which will lead to greater safety.

I well know that many private pilots disagree with me, but I believe the steps which General Quesada took were necessary steps. He had to take them. I would have agreed with him had he been an admiral, a doctor, a lawyer, or a merchant. When a man has flown, as I have, for 30 years, and has never been asked to show, first, his license; second, his medical certificate; third, a certificate of proficiency in the aircraft he is flying; or fourth, an instrument ticket indicating his proficiency to fly on instruments, I say it is time for some kind of strong action.

I do not like Government regulations. I do not like to have the Federal Government interfering. But this is one good example. The Constitution provides that the Federal Government shall have the power to regulate commerce between the States.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. ENGLE. How much safer would the Senator have been while flying if he had to show a private pilot's license, if he had to show a medical certificate, if he had to show a certificate of competency in the aircraft he was flying, and if he had to show an instrument ticket?

Mr. GOLDWATER. I think I would have been a much safer pilot. I can remember times when I have flown aircraft in which I had not been for a year or two. It is not that I would not have been safe, but I had not been in the aircraft for a long period of time.

I have friends who fly under instrument conditions but who do not have an instrument ticket. They have trained themselves. On occasions, I have known persons who obtained a medical certificate merely by picking up the phone and saying, "George, my time is up. Send me a card." One can get a card for a few dollars. But such a person might have had diabetes or a heart attack in the meantime.

I maintain that while these requirements are just as distasteful to me, as a pilot, they will nevertheless promote safety; and particularly in the minds of the people there will be instilled a desire for safety.

We are seeing in this country today a rather unusual thing. I have no better friends than those who fly the airlines of the Nation. But I am in complete disagreement with them when they strike over the matter of whether a check pilot is to look over the shoulder of the pilot or the shoulder of the copilot. To me, that is like bank presidents striking over the question of the kind of pen they will use. This step was taken in the interest of safety. No pilot likes to be checked. None of us likes to take an examination for a driver's license. But we must do it. I think this is a step in the right direction.

Today we have a new type of flight procedures for flying across the country. I am amazed, on every flight I make, at the ease with which we can report our positions with complete accuracy. The agencies know where we are located in the air.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. ENGLE. Does the Senator know that at present there is one Federal employee in some phase of this business, whether in the FAA, the Federal Communications Commission, or elsewhere, for every airplane there is in the United States?

Mr. GOLDWATER. I was not aware of that; but if the Senator wants to make an issue of it, I point out that there are almost 13,000 Federal employees to take care of 400,000 Indians. The Senator is pointing out a practice which is wrong. I agree that there are too many employees.

Mr. ENGLE. All the Indians are not up in the air.

Mr. GOLDWATER. This condition exists throughout our Government.

No; some of our Indians are not up in the air; but some Indians would be better in the air than some pilots.

I conclude by stressing again the point that there is no reason to become upset when it is suggested that retired military personnel be appointed to Federal positions. Most of them are young men, excellently trained. There is no reason why they should not be assigned to such positions if their country has need of them. I think they are highly competent persons. I would be the first to raise a question about their assuming appointive positions if they indicated a strict adherence to military discipline and could do damage to the Government. But the men I know—and there are many of them—are interested, first, in the United States. Perhaps, far down the line, they are interested in the military.

Mr. President, I hope that tomorrow, when we vote on these nominations, we will vote on them as being primarily the nominations of devoted citizens, not the nominations of persons who might have been members of this service or that service at one time or another.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, I announce the possibility that the following bills may be considered tomorrow:

Calendar No. 1553, H.R. 2565, to promote effectual planning, development, maintenance, and coordination of wildlife, fish and game conservation, and rehabilitation on military reservations.

Calendar No. 1588, S. 2692, to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys; to promote commerce and navigation, to secure the national defense; to expand ocean resources; to authorize the construction of research and survey ships and facilities; to assure systematic studies of effects of radioactive materials in marine environments; to enhance the general welfare; and for other purposes.

Calendar No. 1580, H.R. 8229, to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts.

Calendar No. 1415, S. 2581, to amend the act of June 1, 1948 (62 Stat. 281), to empower the Administrator of General Services to appoint nonuniformed special policemen.

Calendar No. 1267, S. 2131, to amend the Motor Vehicle Safety Responsibility Act of the District of Columbia, approved May 25, 1954, as amended.

Calendar No. 1178, H.R. 4251, to amend the Internal Revenue Code of 1954 with respect to the limitation and the deduction of exploration expenditures.

Mr. President, I ask that the clerk read the unanimous-consent agreement which already has been entered.

The PRESIDING OFFICER. Without objection, the agreement will be read.

The Chief Clerk read as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That effective on June 23, 1960, at 9:30 o'clock a.m., when the Senate convenes, the Senator from Montana, Mr. MANSFIELD, be recognized for 1½ hours to address the Senate.

Provided further, That, following the above address, during the further consideration of the nominations of John S. Bragdon, to be a member of the Civil Aeronautics Board; Vice Adm. Ralph E. Wilson, to be a member of the Federal Maritime Board; and Robert E. Lee, to be a member of the Federal Communications Commission, debate shall be limited to 20 minutes on each nomination, to be equally divided and controlled by the majority and minority leaders.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 22, 1960, he presented to the President of the United States the following enrolled bills:

S. 762. An act for the relief of Manuel Alves de Carvalho;

S. 2089. An act for the relief of Henry K. Lee (Hyun Kui);

S. 2106. An act for the relief of Emiko Nagamine;

S. 2528. An act for the relief of John Lipset;

S. 2639. An act for the relief of Mo Tong Lui;

S. 2646. An act for the relief of Lloyd C. Kimm;

S. 2681. An act for the relief of Yi Young An; and

S. 2768. An act for the relief of Frederick T. C. Yu and his wife, Alice Siao-Fen Chen Yu.

RECESS UNTIL 9:30 A.M.

Mr. MANSFIELD. Mr. President, I move that the Senate take a recess until 9:30 a.m., tomorrow.

The motion was agreed to; and (at 10 o'clock and 1 minute p.m.) the Senate took a recess until tomorrow, Thursday, June 23, 1960, at 9:30 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 22, 1960:

ROUTINE DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers of class 2 and secretaries in the diplomatic service, to be also consuls general of the United States of America:

To be consuls general

Herbert P. Fales, of California.

Frank Snowden Hopkins, of the District of Columbia.

W. Garland Richardson, of Nevada.

B. Winfred Ruffner to be Foreign Service officer of class 2, a consul, and a secretary in the diplomatic service of the United States of America.

The following-named Foreign Service officers for promotion from class 5 to class 4:

Zachary P. Geaneas, of New York.

Henry Hunt McKee, of the District of Columbia.

Arthur V. Metcalfe, of California.

The following-named persons for appointment as indicated:

To be Foreign Service officers of class 4, consul, and secretary in the diplomatic service of the United States of America

Lee F. Dinsmore, of Maryland.
John Eaves, Jr., of New York.
John Godlove Kormann, of Florida.
Elias C. Rodriguez, of Texas.
Royal J. Wald, of California.

To be class 5 and to be also consul of the United States of America

Gori P. Bruno, of New York.
Robert G. Cox, of New Mexico.

To be class 5, consul, and secretary in the diplomatic service of the United States of America

Chester J. Pavlovski, of Washington.
Miss Elsie M. Quick, of North Carolina.
Francis X. Ready, of Massachusetts.
Herman A. Washington, of New York.

The following-named Foreign Service officers for promotion from class 7 to class indicated:

To class 6

John P. Blane, of Alabama.

Michael Calingaert, of the District of Columbia.

Jack M. Carle, of Colorado.
Theodore B. Dobbs, of Virginia.
George B. Lambrakis, of New York.
Gerald Floyd Linderman, of Ohio.
Miss Elaine Diana Smith, of Illinois.

To be Foreign Service officers of class 8, vice consul of career, and secretary in the diplomatic service of the United States of America

Robert E. Armstrong, of Illinois.
Thomas F. Barthelemy, of Ohio.
Charles F. Brown, of Nevada.
Robert B. Duncan, of New Jersey.
Thomas P. H. Dunlop, of North Carolina.
J. David Gelsanliter, of Ohio.
Robert V. D. Griffin, of California.
Philip E. Heron, Jr., of California.
R. Allen Irvine, of Pennsylvania.
Dee Valentine Jacobs, of Utah.
Jay K. Katzen, of New York.
Moorhead C. Kennedy, Jr., of Maine.
Arturo S. Macias, of Wisconsin.
Howard M. McElroy, of New York.
André J. Navez, of Massachusetts.
Patrick T. O'Connor, of New York.

The following-named Foreign Service officers for promotion from class 8 to class indicated:

To class 7

Frederick H. Lawton, of New Jersey.
Francis Terry McNamara, of New York.

To be Foreign Service officers of class 7, vice consul of career, and secretary in the diplomatic service of the United States of America

Hypolite F. Breard, Jr., of Louisiana.
Harry M. Carter, Jr., of Virginia.
Robert J. Corcoran, of Florida.
William J. McGovern, Jr., of California.
George J. Stanger, of New York.
Miss E. Ursula Wallace, of Georgia.
Miss Anne Pinkney, of California.
Jose L. Romero, Jr., of Virginia.

To be Foreign Service officers of class 7, vice consul of career, and secretary in the diplomatic service of the United States of America

Richard C. Scissors, of Missouri.
Nathaniel B. Thayer, of Massachusetts.
Thomas M. Tracy, of Massachusetts.
John A. Warnock, of California.

To be consuls of the United States of America

Robert J. Clarke, of Connecticut.
Lawrence R. Devlin, of California.
Lion Gardiner, Jr., of Ohio.
Wilbur L. Garges, Jr., of Virginia.
Fitzhugh Green, of the District of Columbia.
Carl O. Hawthorne, of California.
William F. Keyes, of New York.
Frank A. Kierman, Jr., of Massachusetts.
Joseph Yoshio Kiyonaga, of Maryland.
James F. Shea, of Maryland.

Foreign Service Reserve officers to be vice consuls of the United States of America

Kenneth C. Cathey, of the District of Columbia.
Raymond H. Close, of New Jersey.
Charles O. Coudert, of Connecticut.
Martin C. Hawkins III, of Arkansas.
John H. Kenney, of Massachusetts.
F. Lamar King, of Maryland.
Cornelius A. McCauley, of Virginia.
John J. Reagan, of Virginia.
Arthur G. Wiley, Jr., of Virginia.

Foreign Service Reserve officers to be vice consuls and secretaries in the diplomatic service of the United States of America

Frank Ahmed, of Massachusetts.
Timothy J. Burke, of New York.
Duane R. Clarridge, of New Hampshire.
Robert Chin, of the District of Columbia.

Foreign Service Reserve officers to be secretaries in the diplomatic service of the United States of America

Robert N. Dahlgren, of California.
Sidney H. Fine, of California.
John T. Flynn, of Maryland.
Robert M. Fulton, of California.
Philip A. Heller, of New York.
James E. Hoofnagle, of Virginia.
Miss Sara Jane Jamison, of Pennsylvania.
Gordon L. Jorgensen, of the District of Columbia.
Edward Macauley 3d, of Rhode Island.
Robert J. Myers, of Indiana.
Brian T. Moran, of Texas.
Walter R. Roberts, of New York.
Richard D. Tucker, of Virginia.
John R. Wood, of Georgia.
Howard V. Bennett, of West Virginia.

Foreign Service staff officers to be consuls of the United States of America

Blake Cochran, of Maryland.
Joseph I. Krene, of California.
Reinhard W. Lamprecht, of Illinois.

Vinton Chapin, of New Hampshire, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

Leland Barrows, of Kansas, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cameroun, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Togo.

UNITED NATIONS

The following-named representatives of the United States of America to the 15th session of the General Assembly of the United Nations to serve no longer than December 31, 1960:

Henry Cabot Lodge, of Massachusetts.
GEORGE D. AIKEN, U.S. Senator from the State of Vermont.
WAYNE MORSE, U.S. Senator from the State of Oregon.
Francis O. Wilcox, Assistant Secretary, International Organization Affairs, Department of State.
Mrs. Oswald B. Lord, of New York.
Mrs. Zelma Watson George, of Ohio.
Arthur F. Lamey, of Montana.
Frederick Blake Payne, of New York.
Charles Rosenbaum, of Colorado.

Miss Frances E. Willis, Ambassador Extraordinary and Plenipotentiary of the United States of America to Norway.

GOVERNOR OF GUAM

Joseph Flores, of Guam, to be Governor of Guam for a term of 4 years.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 22, 1960

The House met at 12 o'clock noon.

Rev. William F. (Billy) Graham, D.D., Montreat, N.C., offered the following prayer:

Our Father and our God: We come to Thee recognizing our dependence and our need of Thee at this hour of our history. We bless Thee and praise Thee that Thou hast been with us these many years. Thou wast with our Founding Fathers and Thou hast been with this Nation through difficult days and through days of peace and prosperity; and now we come to Thee humbly confessing our sense of need of Thee more now than any time in many years.

We need Thy wisdom. We pray that Thou wouldst give to this body of men supernatural wisdom in dealing with the problems that they face. We pray that Thou wouldst give to them courage, courage to stand for that which is morally right regardless of consequences. Give to them faith, faith to believe that Thou art in the shadows watching, directing, and leading, that Thou art the Lord of history, and that history is in Thy hands.

Bless this Nation, we pray, and bless these men that lead us; for we ask it in the name of Jesus Christ, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 765. Joint resolution making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Vice President had appointed Mr. BRIDGES, Mr. SPARKMAN, and Mr. HENNINGS as the members on the part of the Senate of the Joint Committee on Arrangements for the Inauguration of the President and Vice President-elect on January 20 next.

CONVEYANCE OF CERTAIN PROPERTY TO THE VILLAGE OF HIGHLAND FALLS, N.Y.

The SPEAKER. The Chair recognizes the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6479) to provide for the conveyance of certain real property of the United States to the village of Highland Falls, N.Y., with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, lines 3 and 4, strike out "50 per centum of the".

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

AMENDING CIVIL SERVICE RETIREMENT ACT

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8241) to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, strike out all after line 2 over to and including line 3 on page 2 and insert: "That (a) subsection (1) of section 1 of the Civil Service Retirement Act is amended by striking out the words 'in the case of an employee separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service or a Member separated before he has completed five years of Member service' and inserting in lieu thereof 'in the case of an employee or Member separated or transferred to a position not within the purview of this Act before he has completed five years of civilian service'.

"(b) Subsection (f) of section 6 of such Act is amended by striking out the words 'Member service' where they first appear in such subsection and inserting in lieu thereof the words 'civilian service'.

"(c) Subsection (b) of section 8 of such Act is amended by striking out the words 'Member service' in the first sentence and inserting in lieu thereof the words 'civilian service'.

"(d)(1) So much of subsection (b) of section 9 of such Act as precedes the first proviso is amended to read as follows:

"'(b) The annuity of a congressional employee retiring under this Act shall be computed as provided in subsection (a) except that with respect to so much of his service as a congressional employee and his military service as does not exceed a total of fifteen years, and with respect to any Member service, the annuity shall be computed by multiplying 2½ per centum of the average salary by the years of such service:'.

"(2) Clause (1) of the second sentence of such subsection is amended by inserting after the words 'congressional employee' the words 'or Member, or any combination of such service'.

"(e) The first sentence of section 9(c) is amended to read as follows:

"'(c) The annuity of a Member, or of a former Member with title to Member annuity, retiring under this Act shall be computed as provided in subsection (a), except that if he has had at least five years' service

as a Member or a congressional employee, or any combination of such service the annuity shall be computed, with respect to (1) his service as a Member and so much of his military service as is creditable for the purposes of this clause, and (2) so much of his congressional employee service as does not exceed fifteen years, by multiplying 2½ per centum of the average salary by the years of such service.'"

Page 2, line 4, strike out "(b)" and insert "(f)".

Page 2, line 5, strike out "(5 U.S.C. 2263 (c))".

Page 4, after line 3, insert:

"SEC. 2. Section 403 of the Civil Service Retirement Act Amendments of 1956 (70 Stat. 760; 5 U.S.C. 2251 note) is amended by adding at the end thereof the following sentence: 'In the case of any Member separated from service before October 1, 1956, with title to a deferred annuity, the deferred annuity may begin at the age of sixty years if the Member had completed at least ten years of Member service, but no annuity shall be paid under this sentence for any period prior to the first day of the first month which begins after enactment thereof.'"

Page 4, after line 3, insert:

"SEC. 3. (a) Section 2(2) of the Act of June 25, 1958 (Public Law 85–465; 72 Stat. 219), is amended to read as follows:

"'(2) who (A) died before February 29, 1948, or (B), if retired under the Alaska Railroad Retirement Act of June 29, 1936, as amended, or under sections 91 to 107, inclusive, of title 2 of the Canal Zone Code, approved June 19, 1934, as amended, died before April 1, 1948; and'.

"(b) Section 4 of such Act of June 25, 1958, shall apply to annuities authorized by this section.

"(c) An annuity provided by this section shall commence August 1, 1958, or on the first day of the month in which application therefor is received in the Civil Service Commission, whichever occurs later."

Page 4, line 4, strike out "2" and insert "4".

Page 4, lines 5 and 6, strike out "the first section of".

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, as passed by the House, H.R. 8241 would facilitate the reemployment of retired Members of Congress whose services are desired in some other Federal position by amending the requirement that annuity be discontinued during such reemployment.

This discontinuance-of-annuity requirement would be retained as regards the retired Member reemployed in another regular full-time or part-time salaried Federal position. Under the bill, however, the retired Member reemployed, first on a full-time or substantially full-time basis without compensation or, second, on a paid intermittent basis will continue to receive his annuity. The Member reemployed intermittently will have his reemployment salary reduced by an amount equal to annuity allocable to the intermittent time actually worked. These provisions are necessary and desirable and place the reemployed Member of Congress under requirements similar to those which apply to reemployed annuitants generally.

The House-passed bill contained further provision—also approved by the Senate—to permit a Member of Congress who performs non-Member service, subject to the Retirement Act, after he leaves Congress to credit such service—under the non-Member formula—in the computation or recomputation of his Member annuity.

The Senate has added six amendments to the House-passed bill.

First. Section 1(a) of the Senate amendments permits Members of Congress to be credited with prior service in other Federal positions to qualify under the 5-year minimum service requirement for annuity benefits upon reaching age 62. Present law requires refund of retirement contributions in the case of any Member separated before completing 5 years of Member service. The refund is mandatory, even though the Member may have rendered other Federal service which, if added to his Member service, would give him 5 years or more of total service. On the other hand, any Federal employee who completes 5 years of service—even though several different positions are involved—is credited with all such service to qualify for annuity benefits. The amendment, in effect, grants equal treatment to Members.

Second. Under section 1(b) of the Senate amendments a Member could retire with an immediate annuity at age 62 with 5 years' civilian service, whereas 5 years of Member service are now required. This would also be in line with the existing provision applicable to employees generally.

Third. Section 1(c) would amend existing law so that a Member separated with 5 years of civilian service will be entitled to an annuity beginning when he reaches age 62. Previously, 5 years of Member service were required. This amendment will apply to Members the same titular requirement as for employees generally.

Fourth. Subsections (d) and (e) of section 1 amend the annuity formulas for congressional employees and Members.

A congressional employee's annuity is presently computed at 2½ percent of average salary for all congressional employee and creditable military service not exceeding 15 years. Annuity for any remaining service of any type is then computed independently, as follows: (a) 1½ percent of average salary for years of other service up to 5; 1¾ percent for years of other service between 5 and 10, and 2 percent for years of other service over 10.

Similarly, the annuity of a Member is now computed at 2½ percent of average salary for years of Member service, any congressional employee service—not exceeding 15 years—and creditable military service. Any other service is then considered independently under the 1½ percent, 1¾ percent, and 2 percent method.

Under subsections (d) and (e) each formula would be amended to require application of the regular three-step formula for employees generally to the total service of the retiring congressional employee or Member, with the 2½ percent formula to be used in lieu of the regular formula in respect to any years of service as indicated. In other words, for service not covered by the 2½ percent factor, 1¾ percent would be applied to years of total service between 5 and 10, and 2 percent would apply to total service in excess of 10. Retiring congressional employees would also have the benefit of the 2½ percent formula for any prior Member service, which is not true under present law.

Fifth. Section 2 of the Senate amendment amends section 403 of title IV of Public Law 84–854, which continues without change the rights acquired under prior laws by employees and Members retired or otherwise separated prior to October 1, 1956, the effective date of the Civil Service Retirement Act Amendments of 1956. This section would add an exception to afford a Member of Congress separated before October 1, 1956, with title to deferred annuity which would otherwise begin at age 62, an annuity commencing at age 60 if he has at least 10 years of Member service—as is the case for Members separated on or after October 1, 1956.

Sixth. Section 3 amends Public Law 85–465, which was intended to grant survivor annuities to unremarried widows and widowers of employees and retirees who died after 10 years of service, either in service or after retirement, prior to February 29, 1948.

Subsequent check revealed that Public Law 85–465 did not close all the gaps in survivor protection that the Congress intended. Two actual cases have arisen of pre-1948 Canal Zone and Alaska Railroad retirees who died between February 29 and March 31, 1948, without survivor protection. The amendment would place them, and the few other cases which may arise, on an equal footing with similar cases already covered.

The Chairman of the U.S. Civil Service Commission has submitted a report favoring enactment of this legislation and pointing out that, since in general the number of individuals affected will be very few, the cost involved is not material. The report also contains a detailed explanation of the provisions of H.R. 8241, as passed by the Senate.

Mr. Speaker, under unanimous consent I include at this point in the RECORD the report of the Chairman of the U.S. Civil Service Commission, dated June 1, 1960, on H.R. 8241:

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., June 1, 1960.

Hon. TOM MURRAY,
Chairman, Committee on Post Office and Civil Service, House of Representatives, Old House Office Building.

DEAR MR. MURRAY: This is in response to your request for a report on H.R. 8241 as passed by the Senate.

An explanation of the bill by sections, with attendant comment, follows:

SECTION 1

Subsection (a) relates to refund rights of Members. Section 1(1) of the present act authorizes refund of retirement deductions with interest to those employees separated or transferred to a position not covered by the act before completing 5 years of civilian service or to Members of Congress separated before serving 5 years as Member. Subsection (a) would place both in the same category so that an employee or Member separated or transferred to a position not under the act with less than 5 years of civilian service would receive a refund.

Subsection (b) would amend section 6(f) of the act so that a Member could retire with an immediate annuity at age 62 with 5-years civilian service, whereas 5 years of Member service are now required. The change would not alter the existing requirement in section 6(f) that 10-years Member service is needed for retirement at age 60 nor does it alter any of the other age-and-service retirement combinations stated therein.

Subsection (c) would amend section 8(b) of the act so that a Member separated from service on or after January 1, 1956, with 5 years of civilian service may be paid an annuity beginning upon attainment of age 62. Previously, 5 years of Member service were required. Thus, employee service can be added to the Member service to satisfy the service requirement. No change is proposed in the present requirement for 10 years of Member service at separation to support title to deferred annuity at age 60.

Public Law 85–772, approved August 27, 1958, amended the survivor annuity provisions of the Retirement Act so that survivor annuity would be payable if a Member died after completing 5 years of civilian service (rather than 5 years' Member service as theretofore). Subsections (b) and (c) of section 1 of the bill extend the same principle to the age-62, 5-year Member retirement provisions and thus make the act more uniform.

Subsections (d) and (e) would amend the annuity formulas for congressional employees and Members.

Under present law, a congressional employee's annuity is computed at 2½ percent of average salary for all congressional employee and creditable military service not exceeding 15 years. Annuity for any remaining service of any type is then computed independently as follows: (a) 1½ percent of average salary for years of other service up to 5; 1¾ percent for years of other service between 5 and 10; and 2 percent for years of other service over 10.

Similarly, the annuity of a Member is now computed at 2½ percent of average salary for years of Member service, any congressional employee service (not exceeding 15 years), and creditable military service. Any other service is then considered independently under the 1½, 1¾, and 2 percent described above.

Under the bill, each formula would be amended to require application of the regular three-step formula for employees generally to the total service of the retiring congressional employee or Member, with the 2½-percent formula to be used in lieu of the regular formula in respect to any years of service for which the special 2½-percent factor is authorized. In other words, the step or steps of the regular formula to be applied would be determined, not by the length of the service for computation under it, but by the total service of the retiring congressional employee or Member. Thus, for service not covered by the 2½-percent factor, 1¾ percent would be applied to years of total service between 5 and 10, and 2 percent would apply to total service in excess of 10. Retiring congressional employees would also have the benefit of the 2½-percent formula for any prior Member service, which is not true under present law.

Amendment to each formula would operate prospectively, applicable only to congressional employees and Members separating on or after enactment date of the bill.

These two annuity formulas were established by the Civil Service Retirement Act Amendments of 1956. We can find nothing in the legislative history of the amendments to indicate whether their design was deliberate or resulted from inadvertence. We do know that any computation formula which, for example, affords 2½ percent of average salary for each of the first 15 years of service and then provides a lesser return for additional years served is at variance with one of the generally accepted principles of a staff retirement plan. The objective of retaining experienced and valuable employees is best served by a formula of the sort applicable to employees generally, which provides increasing incentive for the middle and later years of a full career.

Subsection (f) amends the Retirement Act provisions relating to reemployment of former Members of Congress who are retired or have title to deferred Member annuity.

Present provisions, in effect since October 1, 1956, require discontinuance of Member annuity during any period of employment in an appointive Federal position, with resumption of the annuity at the same rate when the employment terminates. The bill retains these general requirements but adds new features, as follows:

1. New provision is made for computing or recomputing any former Member's annuity, at his option, to include credit for any non-Member service, subject to the Retirement Act, performed after the separation upon which Member annuity title is based. Annuity so computed or recomputed would start (a) the date Member annuity commences, (b) the first of the month after final separation from non-Member employment, or (c) the first of the month after the bill's enactment, whichever is latest.

This new provision would treat the described reemployment service as if performed prior to separation as a Member, with computation or recomputation under the terms of the law in effect at time of Member separation, and subject to the terms of the annuity election made by the Member at time of his retirement.

Present law credits non-Member service performed before, but not after, Member service. Member annuitants may be reemployed with Retirement Act coverage the same as any other appointees and when so appointed may serve to acquire title (or add to benefits under preexisting title) to a separate and additional employee annuity. However, without such separate employee annuity title, non-Member service performed after leaving Congress now produces no added retirement income for the former Member.

2. New provision is made for continuing Member annuity, with no resulting increase, during reemployment after December 31, 1958, in an appointive civilian position on an intermittent-service or when-actually-employed basis, or on a full-time or substantially full-time basis without compensation. During reemployment on an intermittent-service or when-actually-employed basis, the employing agency would be required to reduce the salary by the annuity allocable to periods of actual employment and to transfer to the retirement fund the amount so withheld.

Under existing discontinuance-of-annuity provisions, a Member annuitant accepting employment of this sort now loses his annuity over the entire period covered by his appointment even though he may draw only an occasional day's pay, or none at all in without-compensation situations. The bill would eliminate unwarranted loss of benefits where, as often occurs, the executive branch wishes to appoint a retired Member to a position (on a board or commission, for example) to serve intermittently or without compensation.

In the total of 44,514 employees and Members retired in fiscal year 1959 were 97 congressional employees and 55 Members whose annuities were computed in whole or in part under the 2½-percent formula. Since the number is only one-third of 1 percent of the total, and since not even all of these would be affected by the proposal, its cost in relation to total retirement costs would be minor.

SECTION 2

This section amends section 403 of title IV of Public Law 84–854, which provides in general for continuation of rights acquired under prior laws to employees and Members retired or otherwise separated prior to October 1, 1956, the effective date of the Civil Service Retirement Act Amendments of 1956.

The bill would add an exception to section 403 to afford Members of Congress separated before October 1, 1956, with title to deferred annuity which would otherwise begin at age 62, an annuity commencing at age 60 if the former Member has at least 10 years of Member service. While the retirement date might be moved up to age 60 in each affected case, payment of the annuity could not commence earlier than the first of the month following enactment of the bill.

Under the Member provisions of the Retirement Act prior to October 1, 1956, the deferred annuity provided at age 60 after 10 years' Member service (available now only to Members separated on or after April 1, 1954) is a reduced annuity. The reduction is one-fourth of 1 percent for each full month the Member lacks of being age 62 at retirement date. Annuities afforded under this amendment would be so reduced. Since retirement date in each case would be age 60, the age reduction in each instance would be 6 percent.

The number of former Members who will benefit is not known, but will doubtless be very limited. Cost is not material.

SECTION 3

This section amends Public Law 85–465 to extend the widow-and-widower annuities provided therein to certain overlooked cases.

The purpose of the survivor annuity provisions of Public Law 85–465 (see H. Rept. No. 1211 of August 21, 1957) was to give "annuity title to unremarried widows and widowers of employees and retirees who died after 10 years of service, either in service or after retirement, prior to February 29, 1948. Widows and widowers of retirees who died on or after February 29, 1948, already are receiving annuities under 1948 amendments to the law."

Subsequent analysis of Public Law 85–465 (and related prior legislation) revealed that it did not close all the gaps in survivor protection that the Congress intended. A legislative discrepancy resulted in no survivor protection in cases of pre-1948 Canal Zone and Alaska Railroad retirees who died between February 29 and March 31, 1948. Two actual cases in this category have arisen to date. This provision would place them, and the few other cases which may arise, on an equal footing with the similar cases already covered by Public Law 85–465.

Since the number of eligibles will be few, the cost of this provision is negligible.

SECTION 4

This section provides for payment of benefits authorized by the bill from the civil service retirement and disability fund, notwithstanding any other provision of law. Such provision would circumvent the advance appropriation requirement contained

in the paragraph headed "Civil Service Retirement and Disability Fund" in section 101 of title I of the act of August 28, 1958, Public Law 85-844, 72 Stat. 1064.

In line with Commission policy, we make no recommendation on the merits of sections 1 and 2 of this bill, since their provisions affect Members of Congress and congressional employees only. However, we may comment that the objectives of section 1 harmonize with provisions applicable to employees in general. Section 2 retroactively liberalizes certain rights vested under prior laws.

Section 3 embodies a legislative proposal initiated by the Commission. We favor enactment of its provisions into law.

The Bureau of the Budget advises that there would be no objection to the submission of this report to your committee.

By direction of the Commission.

Sincerely yours,

ROGER W. JONES,
Chairman.

Mr. WALLHAUSER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WALLHAUSER. Mr. Speaker, the distinguished chairman of the Post Office and Civil Service Committee, the gentleman from Tennessee [Mr. MURRAY], has made a very clear, extensive, and understandable report and explanation of the provisions of H.R. 8241 to the Members. This legislation will correct longstanding inequities of the Retirement Act. I wish to compliment the chairman personally, the members of the subcommittee and full committee that considered the bill, and the efficient members of the committee staff on their willingness to understand the problem, the fair manner in which it was evaluated, and the achievement of the final successful result of their efforts.

SPEAKER EMPOWERED TO DECLARE A RECESS ON JUNE 29, 1960

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that it may be in order at any time on Wednesday, June 29, 1960, for the Speaker to declare a recess for the purpose of receiving in joint meeting his majesty, the King of Thailand.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 140]

Alford	Carnahan	Fisher
Barden	Diggs	Frazier
Blitch	Durham	Jackson
Brewster	Edmondson	Lafore
Buckley	Evins	Latta
Burdick	Fenton	McSween
Milliken	Saylor	Teague, Calif.
Mitchell	Schneebeli	Wampler
Morris, Okla.	Steed	
Mumma	Taylor	

The SPEAKER. On this rollcall 403 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SOCIAL SECURITY AMENDMENTS OF 1960

The SPEAKER. The Chair recognizes the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 562 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12580) to extend and improve coverage under the Federal old-age, survivors, and disability insurance system and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such Act; and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendment shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MADDEN. Mr. Speaker, House Resolution 562 provides for consideration of H.R. 12580, a bill to amend the Social Security Act. The resolution provides for a closed rule, waiving points of order, with 4 hours of general debate.

H.R. 12580 will, among other improvements, make it possible for the States—under a Federal-State grant-in-aid program—to provide medical care for low-income aged who are otherwise self-sufficient but whom the States determine need help on medical expenses; remove the age-50 eligibilty requirement in the disability insurance program; liberalize the eligibility requirements for old-age, survivors, and disability—OASDI—benefits; extend coverage under the program to additional groups; make certain improvements in the social security benefit protection for children; make eligible for benefits certain additional widows; effectuate certain improvements in the administrative financing and solvency provisions of the unemployment compensation system as well as to extend its coverage; increase authorizations for maternal and child welfare programs; to make it possible for the States to improve medical care under their old-age assistance program; and so forth.

A new title of the Social Security Act is established which will initiate a new Federal-State grant-in-aid program to help the States assist low-income aged individuals who need help in meeting their medical expenses. Participation in the program will be at the option of each individual State and will only be effective after June 1961 upon the submittal of a plan which would meet the general requirements specified in the bill.

Persons 65 years of age, whose income and resources—taking into account their other living requirements as determined by a State—are insufficient to meet the cost of their medical services will be eligible. Persons eligible for payments under this program are not eligible under the other Federal-State public assistance programs.

The scope of benefits provided will be determined by the States. The Federal Government, however, will participate under the matching formula in any program which provides any or all of the services up to the limits specified.

The Federal Government will provide funds for payments for benefits under an approved State plan in accordance with an equalization formula under which the Federal share will be between 50 percent and 65 percent of the costs depending upon the per capita income of the State.

Contingent upon a showing of an improvement in their medical programs, States would get somewhat more favorable Federal matching, effective October 1960, for up to an additional $5 in medical payments. Over 2 million persons could be affected by this change. The cost in a full year of operation will be about $10 million to the Federal Government and about $7 million to the States.

An estimated 250,000 people—disabled insured workers under age 50 and their dependents—would qualify for benefits for the second month following the month of enactment of the bill through removal of the age-50 qualification for benefits in present law.

The bill would liberalize social security work requirements so that, to be eligible for benefits, a person would need one quarter of coverage for every four calendar quarters beween January 1, 1951, and the beginning of the calendar quarter in which he reached retirement or died, whichever first occurred.

It is estimated that this provision will make about 600,000 additional persons eligible for benefits beginning January 1961.

The bill would increase the benefits payable to children in certain cases and will provide benefits for certain widows

and children who are not now eligible for benefits. Other than as noted below, these changes would be effective for benefits for the month following the month of enactment.

Survivors of workers who died before 1940, and who had at least six quarters of coverage, would qualify for benefit payments. About 25,000 people, most of them widows aged 75 or over, would be made eligible for benefits for the first time.

Approximately 150,000 self-employed physicians would be covered on the same basis as other self-employed professional people, such as lawyers and dentists are now covered. This coverage would be effective for taxable years ending on or after December 31, 1960. Coverage would at the same time be extended to services performed by medical and dental interns.

The bill would make certain changes in the investment provisions to make the bond interest earnings of the funds more nearly equivalent to the rate of return being received by people who buy Government obligations in the open market.

These changes are generally in line with the recommendations of the Advisory Council to the Secretary of Health, Education, and Welfare on Social Security Financing.

The improvements which the bill would make in the old-age, survivors, and disability insurance system will not require any social security tax increases. This is because provision is made for modest additional receipts from interest payments on trust fund investments and since the other OASDI provisions of the bill result in either relatively negligible increases or decreases in cost. Also, it should be observed that no change is made in the taxable earnings base of $4,800.

This bill, in my opinion, is wholly inadequate to effectively legislate proper care and protection for about 16 million of our pioneer citizens who are and will be unable to get sufficient medical, surgery, and hospital care. I opposed this bill in the Rules Committee as being a feeble effort to solve a major national health problem for our older people.

Mr. Speaker, I do not oppose a rule for debate on this bill but I do hope that the legislation can be expanded and changed when it reaches the other body for consideration and enactment. The Nation needs health, medical, and hospital relief for the aged now and I hope, before final enactment, this bill will be amended so we can get an adequate program started.

Mr. Speaker, I have no further requests for time and I now yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN. Mr. Speaker, I know of no one who is opposing the rule. I have no requests for time on this side. I reserve the balance of my time.

Mr. MADDEN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12580) to extend and improve coverage under the Federal old-age, survivors, and disability insurance system and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such act; and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 12580, with Mr. ZABLOCKI in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MILLS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the social security bill, H.R. 12580, which is now before the Committee, represents the careful and considered judgment of the Committee on Ways and Means as to changes and additions that should be made at this time in the opinion of the committee to the Social Security Act.

Mr. Chairman, as Members of the House will readily agree, the soundness and effectiveness of the programs that we have under the Social Security Act are extremely important to every American family. Perhaps, and I think I can say without fear of successful contradiction, no other single piece of legislation concerned with domestic policy touches more people than the Social Security Act at the moment. Decisions with respect to changes and additions to that act, therefore, must not be made by the Congress lightly. The Committee on Ways and Means considers it has a very heavy responsibility and an obligation to Members of this House and to the American people to treat these various programs which are encompassed by the Social Security Act with the utmost care and thought with the overriding consideration always being the actuarial soundness of the system.

It was in this spirit that the Committee on Ways and Means went about its work in considering all the various proposals which had been suggested by Members of this body and others. The committee had before it over 500 bills covering all titles of the Social Security Act—public assistance provisions, OASDI provisions, unemployment compensation provisions, maternal and child welfare provisions, and so on.

Mr. Chairman, in many areas there was substantial agreement among Members of the committee as to what should be done with respect to proposals which had been made and changes which had been suggested. Likewise, Mr. Chairman, with respect to other areas there were sharp differences of opinion as to how far the committee should go and precisely what action should be recommended at this time. This was particularly true with respect to the area of health care for the aged.

In just a moment I shall describe what the committee recommends with regard not only to this important area but also with respect to other areas of the Social Security Act. However, Mr. Chairman, with respect to both medical care for the aged and other titles, let me reiterate that there were those in the committee who felt that the committee had not gone far enough; there were others in the committee who perhaps felt that the committee should not have gone quite as far as it did. This is not unusual in the committee process. The bill which is before this body represents the best thought of a majority of the committee. It represents meritorious and beneficial legislation which, if this body acts favorably upon it, should prove to be of great benefit to millions of Americans.

The bill makes a number of improvements in the existing programs under the Social Security Act, including old-age and survivors insurance, disability insurance, unemployment compensation, public assistance, and maternal and child welfare. In addition, the bill includes a new title XVI to be added to the Social Security Act, which will initiate a new Federal-State grant-in-aid program of medical services to the low-income aged.

THE NEW TITLE XVI

Mr. Chairman, let me first briefly summarize for you the proposed new title XVI on medical care for the aged.

This title of the Social Security Act will, as the gentleman from Indiana [Mr. MADDEN] said, in presenting the rule, initiate a new Federal-State grant-in-aid program to help the States assist low-income aged individuals who need help in meeting their medical expenses. Participation in the program will be completely at the option of each individual State and will only be effective after June 1961, upon the submittal of a plan which would meet the general requirements specified in the bill, and which would be approved by the Secretary of HEW.

This arrangement follows the historic Federal-State approach which is embodied in the public assistance and other titles to the Social Security Act. It is purely voluntary with the States. It does not involve a "payroll" tax. The costs would be paid from general funds. Each State will determine the extent and character of its own program.

ELIGIBILITY

Persons 65 years of age, whose income and resources, taking into account their other living requirements as determined by a State, are insufficient to meet the cost of their medical services, will be eligible, that is, people 65 years of age and over who are determined by the State to be in need of assistance with respect to medical problems and medical care. Those people who are presently

receiving medical care or who are presently in title I, the old age assistance program, will not be eligible to benefit under this new title.

SCOPE OF BENEFITS

The scope of medical benefits and services provided will be determined by the States. We say, however, in this bill, the extent to which the Federal Government will go in participating with the States in the cost of certain aspects of these medical care programs and needs. Of course, the State can exceed these limits if it wants to pay the full costs beyond them.

For example, we say that we will only participate with the State in taking care of an individual otherwise eligible under this program to the extent of 120 days of in-patient hospital service. We say that we will help the States on costs only to the extent of $200 in taking care of prescribed drugs that might be needed by one eligible under the program. We say that we will only go to the extent of $200 in helping to take care of the cost of laboratory and X-ray services that might be needed under the program. In addition, the Federal Government will participate under the matching formula for skilled nursing home services, physicians services, outpatient hospital services, organized home care services, private duty nursing services, therapeutic services, and major dental treatment, as further specified in the bill.

The Federal Government will match with the States the costs of these programs as determined by the States on the basis of a formula that is presently applicable in titles I, X, and XIV of the Social Security Act to that amount of money that is spent under these programs between $30 and $65 a month. That formula is known as a variable grant formula depending upon the per capita income of the State. We may match on a 50-percent basis in some instances—$50 out of $100—and we may put up $65 out of $100 in some other instances—65 percent in States with the lowest per capita income.

The program under the new title cannot be more liberal in providing medical care than the medical care program already in effect, under title I, Old-Age Assistance. We also provide that the title I program cannot be reduced by a State in order to establish this new program. If we are going to have the new program, if the States are to set it up, they must do this in addition to what they are already doing in taking care of medical needs of people who are under the old-age assistance programs.

COST AND NUMBER OF PERSONS AFFECTED

There is a great deal of uncertainty, I might say very frankly, Mr. Chairman, as to the cost of such a program. There is a great deal of uncertainty as to the exact number of people that might participate or would be eligible under the program. It is entirely possible that the States may include as eligibles under this program, if all of them participate, some 10 million elderly people, 65 years of age or older. Out of those 10 million people, it is generally estimated by those who are in a better position to know than I that from half a million to 1 million each year become sick or need some medical attention the entire cost of which they otherwise cannot meet themselves. It is that group of people that this new title is aimed to assist, provided, of course, that the States themselves desire to establish such a program. That is a weakness, I might frankly admit, Mr. Chairman, as contended by those who would have us do something other than this. Here we are making possible a program which will succeed only on the basis of the individual wishes of each and every State. But I remind you, Mr. Chairman, that we did the same thing with respect to four other titles of social security years ago. It has developed that to some varying extent practically all States in the Union and most of the territories and possessions have set up not just one but all of the programs which are involved in those four titles and four categories.

OLD-AGE ASSISTANCE MEDICAL PROGRAM

Mr. Chairman, there is another integral part in this bill in the area of medical care, and I refer to the action taken by the committee in proposing language that is calculated to induce the States to do more in some instances, where more is thought to be needed or required, with respect to the medical care program under title I, or the old-age assistance program.

Under the bill we are making possible the addition of money, perhaps $10,500,000 of Federal money, to the title I program when it is demonstrated by the State that the State is making better provision for the medical care of these people 65 years of age and older under the OAA program.

Contingent upon a showing of an improvement in their medical programs, States would get somewhat more favorable Federal matching, effective October 1960, for up to an additional $5 in medical payments. Over 2 million persons could be affected by this change. The cost in a full year of operation will be about $10 million to the Federal Government and about $7 million to the States.

As I have previously noted, the medical provisions of a State plan approved under title I must be at least as broad as those of the State plan approved under title XVI. States with no medical care plan in their old-age assistance program, accordingly, will need to develop such a plan before they can have a plan approved under title XVI. The incentive provisions contained in the bill are intended to encourage this development.

In addition to these provisions, Mr. Chairman, the bill instructs the Secretary of Health, Education, and Welfare to develop guides or recommended standards as to the level, content, and quality of medical care for the use and information of the States in evaluating and improving their public assistance medical care programs and their title XVI programs, and the Secretary is also required to secure periodic reports from the States on the items included in, and the quantity of, medical care for which expenditures are made under these programs. The first report under these provisions is to be submitted to the Congress not later than March 15, 1962.

There are a number of other provisions contained in the bill. I want to allude to some of them very briefly.

CHANGES IN THE DISABILITY INSURANCE PROGRAM

Mr. Chairman, this bill would make changes in the disability benefit provisions of title II of the Social Security Act.

One of these changes recommended will provide protection to a substantial number of additional individuals—an estimated 250,000—by extending the disability benefit provisions to disabled insured workers under age 50 and their dependents.

The disability benefit program has become one of the important areas of title II of the Social Security Act. This is the section that provides a disability benefit for the individual who becomes totally disabled and unable to engage in substantial gainful employment.

It will be recalled, Mr. Chairman, that at the request and suggestion of the Committee on Ways and Means in 1956 this program was initiated by the Congress. It was not a request from the administration but a decision reached with the Committee on Ways and Means, that here were a group of people who have lost opportunities for employment income to the same extent, perhaps, as those people who were at that time covered under social security, and lost income because of retirement from the work market. Here is that individual who is totally and permanently disabled. We said at that time, however, in connection with eligibility, that person had to be not only totally and permanently disabled in order to draw a benefit but he also had to be 50 years of age or older.

In 1958 we provided that this individual 50 years of age or older not only could draw a benefit but those of his dependents otherwise eligible under the law could draw a benefit, just as though he had retired under other provisions of the Social Security Act.

This year we are suggesting to the Congress that the 50-year age requirement be eliminated entirely. We also recommend that there be provided a more liberal basis for rehabilitation than we have in existing law; namely, that we not confine this trial work period of rehabilitation to those under a formal Federal-State rehabilitation program but extend the trial work period for all disabled workers who attempt to return to work.

Moreover, Mr. Chairman, the bill provides that the disabled worker who regains his ability to work and then within 5 years again becomes disabled will not be required to wait through a second 6-month waiting period before his benefits will be resumed, as is now required.

With regard to repeal of the age 50 provision, we feel, Mr. Chairman, that there is just as great a need on the part of the individual who may be 40 years of age who becomes disabled but is otherwise eligible as there is at the age of 50. We are cognizant of the fact, Mr. Chairman, that the younger the worker may be who becomes totally and permanently disabled the greater is the possibility that he has young children who are depend-

ent upon him and who cannot enter the labor market to replace wages he is losing as a result of total and permanent disability. As I indicated, there are about 250,000 people who will be immediately eligible under this provision of the bill for benefits who are not now eligible for those benefits.

CHANGES IN THE OASI PROGRAM—INSURED STATUS REQUIREMENT

Mr. Chairman, one of the important provisions in the bill has to do with the insured status requirement. As Members of the House will recall, generally present law requires, for an individual to become eligible for benefits, that the worker must have one quarter of coverage for each two quarters elapsing after 1950 and before retirement, disability or death. Under the bill, this requirement is liberalized so that individuals need have only one quarter of coverage for each four quarters so elapsing.

Let us take the case of the person who becomes 65 years of age during this year and, therefore, eligible to retire. It is necessary for him to have some 18 or 19 quarters of coverage under existing law. Mr. Chairman, we are recommending a change in that provision so that one can be eligible for benefits with one quarter out of every four quarters of employment being covered under social security. That will mean people 65 and over can establish eligibility this year with about nine quarters of coverage. It will be a very decided advantage to those people who are not quite able to establish their eligibility at the moment. It will be a benefit to those people who are about to reach retirement age. There are approximately, Mr. Chairman, 600,000 people who will have eligibility immediately under social security under this provision who would not otherwise qualify, and by January 1, 1966, there will be 1,400,000 people who will enjoy benefits who would not enjoy benefits under the provisions of existing law. The amendment would be of particular importance to the 600,000 people whose jobs would be covered for the first time under the Committee's recommendations, since it would enable them to become insured much sooner than they could under present law. It would also be important for people for whom coverage is possible under the law but who have not yet been brought under the program. Some 2½ million employees of State and local governments, and additional employees in several smaller groups, would be able to attain fully insured status under the program in a relatively short time if they now come under the program.

EXTENSION OF COVERAGE

The bill now before the Committee contains provisions to extend the coverage of the OASDI program to some approximately 300,000 additional people. These additional groups are as follows:

First. Self-employed doctors of medicine: As Members will recall, the OASDI program now covers members of all self-employed professional groups except doctors of medicine. During the past several years, the Committee on Ways and Means has received many requests from doctors for coverage. The Committee was aware, in addition, that many State medical societies have gone on record in behalf of extension of coverage to doctors. At the same time, we recognized that there were other State societies—and I may say that my own State society in Arkansas is included in this latter group—which still oppose coverage. While I voted against coverage of self-employed doctors, the majority of the Committee felt that coverage should be extended to this additional professional group on the same basis that it has been extended to other professional groups, such as lawyers, dentists, and so forth. Approximately 150,000 self-employed doctors would be brought into the system effective for taxable years ending after December 31, 1960.

Second. Additional domestic workers in private homes and others who perform work not in the course of the employer's business: The committee bill liberalizes the existing provision relating to coverage of domestic workers. Under present law, the earnings of domestic workers in private households—other than those on farms operated for profit—are covered only when they amount to at least $50 in a calendar quarter from one employer. The committee bill would cover such earnings if they amount to at least $25 from one employer. At the same time, the bill would set a lower age limit so as to exclude from coverage on earnings of domestic workers who are under age 16. It is estimated that this provision of the bill would bring into the program about 100,000 additional domestic employees, and it also would improve the situation, by including additional earnings, of others in this category who are already covered. At the same time, the lower age limit of 16 would substantially eliminate casual or intermittent workers such as lawn cutters, and so forth.

Third. Provisions relating to coverage of employees of State and local governments: The bill recommends several changes designed to facilitate the coverage of State and local government employees as follows:

(a) Retroactive coverage: In order to assist workers in improving their protection, the committee has made it possible for these groups to obtain extended retroactive coverage beginning as early as January 1, 1956. The retroactive coverage provision extending this far back expired after the end of 1959 under existing law. Whether such coverage will be utilized, of course, remains completely at the option of the States. The committee bill also contains provisions designed to add flexibility in determining the beginning date for coverage for different political subdivisions by making it possible, when a retirement system is covered, for the State to provide different beginning dates for different political subdivisions.

(b) The bill contains additional provisions designed to facilitate coverage, or to solve problems which have arisen in a variety of State and local coverage situations. For example, the State of Virginia has been added to the list of States which may, if they so choose, extend coverage to policemen and firemen covered by retirement systems; provisions relating to delegation of certain ministerial functions by the Governors, to solve administrative problems, are included; provisions to facilitate coverage of employees of municipal and county hospitals are included; and other State and local provisions are included.

Fourth. Miscellaneous additional coverage provisions: In addition to the above, the bill includes provisions to bring in workers in Guam and American Samoa; to facilitate coverage of additional employees of nonprofit organizations and to validate certain erroneous returns already filed; provisions to give ministers an additional 3 years in which to obtain coverage; provisions to cover services of parents in the employ of their sons or daughters in a trade or business; provisions to extend coverage to American citizens employed in the United States by foreign governments and international organizations; and other miscellaneous provisions.

IMPROVEMENTS IN THE BENEFIT PROTECTION FOR WIDOWS, CHILDREN, AND SO FORTH

Mr. Chairman, the Committee on Ways and Means believes there are several respects in which the protection available to the dependents and survivors of insured workers should be improved, and the bill before you would make the following improvements:

First. Increase in benefits to certain children of deceased workers—under present law the amount payable to a child of a deceased worker is equal to one-half of the benefit amount the worker would have been paid if he had lived, plus one-fourth of that benefit amount divided by the number of children. The committee bill would make the benefit for each child of a deceased worker equal to three-fourths of the amount the worker would have been paid had he lived subject to the maximum limits. About 400,000 children would get some benefit increase as a result of this.

Second. Benefits for survivors of workers who died before 1940; the committee bill recommends that benefits be paid to the survivors of workers who acquired six quarters of coverage and died before 1940. The vast majority of these are widows. About 25,000 of these would be covered.

Third. Miscellaneous benefit provisions: In addition to the above, the bill provides for benefits in certain situations where a marriage is legally invalid, although entered into in a bona fide manner; certain additional benefits for a child based on his father's earnings record even though the child is supported by a stepfather; and a reduction in the length of time needed from 3 to 1 year to acquire the status of wife, child, or husband for benefit purposes.

ADDITIONAL MISCELLANEOUS PROVISIONS DESIGNED TO MAKE IMPROVEMENTS IN COMPUTING BENEFITS, ADMINISTRATION, AND TO SIMPLIFY THE ACT

Mr. Chairman, the bill before us contains so many provisions which are designed, in one way or another, to improve the benefit structure or to facilitate payments or to facilitate administration of the act that it is not feasible,

within the time available to us, to discuss all of these provisions in detail. I should simply like to emphasize to this House that this bill does contain a large number of very valuable and beneficial provisions along these lines.

For example, there are provisions in this bill which are designed to improve the method of computing benefits. Under the present law, a person's average monthly wage on which his benefit is based is computed over a span of time that may vary with the time when he files an application for benefits or for a benefit recomputation. A person who does not understand the complicated provisions of the law or who does not know what his earnings will be in future years may find that he has not applied for benefits at a time most advantageous to him. The committee bill would substitute for the present complicated provisions on computation a provision for computing the average monthly wage, in retirement cases, on the basis of a constant number of years, regardless of when the person started to work or when after age 65 he files application for benefits. I will not go further into this provision but simply say that it should prove beneficial in many, many thousands of cases.

We have included in this bill now before you provisions to change the present law governing payment of the lumpsum death benefit; we have included provisions to eliminate a large number of obsolete recomputations; we have included provisions which should be of assistance to claimants where they have filed cases in court; and we have included a large number of other meritorious provisions.

MATERNAL AND CHILD HEALTH PROVISIONS

Mr. Chairman, I shall return shortly to a discussion of the financial status of the OASI and DI Trust Funds, but before doing so I wish at this point to briefly summarize additional changes made in other titles of the Social Security Act.

First, I refer to changes made in title V. The bill now before you would increase the amounts authorized to be appropriated for maternal and child health services, crippled children's services, and child welfare services under title V, as follows:

	Current authorization	Recommended authorization
Maternal and child health services	$21,500,000	$25,000,000
Crippled children's services	20,000,000	25,000,000
Child welfare services	17,000,000	20,000,000

A provision is also included to facilitate research projects by providing that grants may be made to public or other nonprofit institutions of higher learning for special projects of regional or national significance and for research and demonstration projects in the field of child welfare.

UNEMPLOYMENT COMPENSATION PROVISIONS

Mr. Chairman, the bill now before us contains extensive provisions making improvements in the titles of the Social Security Act relating to the unemployment compensation program. These provisions may be very briefly summarized as follows:

Title V(1) raises the net Federal unemployment tax—the tax that may not be offset by a credit for taxes paid under a State program—from three-tenths to four-tenths of 1 percent on the first $3,000 of covered wages; second, provides that the proceeds of this higher Federal tax covering the administrative expenses of the employment security program will be available to build up a larger fund for advances to States whose reserves have been depleted; third, makes adidtional improvements in the arrangements for administrative financing; and fourth, improves the operation of the Federal unemployment account by tightening the conditions pertaining to eligibility for and repayment of advances.

Title V also extends the coverage of the unemployment compensation programs to several groups not presently covered. It is estimated that from 60,000 to 70,000 additional employees would be brought under the unemployment compensation system by this extension.

Title V, in addition, provides that Puerto Rico will be treated as a State for the purposes of the unemployment compensation program.

TRIBUTE TO AIME FORAND

Mr. Chairman, before going further with the final thought I had to express to the committee, I want to take this moment to call attention to the fact that one of those who has made a major contribution over the years in the Committee on Ways and Means looking to the improvements in the social security program, one who has always had in mind a desire to bring about such changes that would be a benefit to people, one who has always been one of the strong advocates of the actuarial soundness of this program, and of the necessity of maintaining it, some time ago announced that this would be his last session in the Congress. He is retiring—far too young, I think, to make such a decision—but he has decided that he will not be a candidate for reelection. I want my friend, the gentleman from Rhode Island, to know I will miss him far more in the future in the deliberations of the Committee on Ways and Means than he can possibly imagine. I know of no friendship that has been more beneficial to me, than that which I have enjoyed with the gentleman from Rhode Island. He now sits next to me on the Committee on Ways and Means where we have served together for a number of years. His suggestions and recommendation have always been most helpful. One of the really great disappointments that I have experienced since I have been a Member of the Congress was his decision to retire at this time from the Congress.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Louisiana.

Mr. BOGGS. I want to reiterate what my distinguished chairman has said with reference to our friend and colleague, Mr. FORAND of Rhode Island. In my judgment, his leaving the House is a great loss not only to the State of Rhode Island but to our country.

Mr. MILLS. It is, indeed, a great loss to Rhode Island, but an even greater loss to the country.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Illinois.

Mr. MASON. I want to add my tribute and also my regret that our colleague has decided not to remain in the Congress. He served as chairman of a subcommittee that I have served upon. Personally, we disagreed on some things, but we got along wonderfully well. I, too, am deeply—well, shall I say sorry—and I regret that AIME FORAND is not going to be with us next year in our deliberations on the committee.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I shall be glad to yield to the gentleman from New Jersey.

Mr. CANFIELD. Mr. Chairman, I want to associate myself with the remarks that have been made here on the floor today in a hearty salute to AIME FORAND. Yesteryear he was a great secretary to a great Congressman, and he has had a tremendous amount of on-the-job training. He has proven himself a great American legislator and most certainly a loyal friend. We shall miss him immeasurably.

STATUS OF OASI AND DI TRUST FUNDS

Mr. MILLS. Mr. Chairman, I alluded earlier in my expression of thoughts to the need, in my opinion, of keeping the social security program actuarily sound. Whatever we do we must ever keep firm in our minds the requirement that there must be revenue in the fund in time and over a period of years to pay for those benefits that we think our people are entitled to receive.

Mr. Chairman, I do not know whether all my colleagues realize it or not, but at the present time we are spending around $11 billion a year to pay benefits under the social security system. I wonder, however, if Members realize that if we should stop collecting taxes and thus stop receipts of the funds as of now, and if we should discontinue making any more people eligible for benefits and pay only those benefits which we feel ourselves committed to pay to those who are presently in retirement or drawing benefits, that we would lack around $65 billion of having enough money in the fund to take care of those needs. This will not occur but if it did this would be the result.

Mr. Chairman, we are not discussing small matters when we discuss amendment of the Social Security Act; we are discussing terrifically large matters because of their application to so many people, and because of the great number of important policies that are involved in carrying on this program. It is therefore essential, and those who are most interested in social security have always pointed out, that it is most important, absolutely essential, that we keep this system as actuarily sound as possible.

Mr. Chairman, we do not do certain things in connection with this bill that many want done because of the unwill-

ingness of the committee, as I take it, to impose upon those presently working, to impose upon those presently employed, additional taxes over and above the taxes which they are already going to have to pay by 1969. At that time, Mr. Chairman, the tax on a self-employed person under this program, as it stands today, will be 6¾ percent; the tax on an employed person will be 4½ percent, and the tax on the employer will be 4½ percent—a total of 9 percent.

Mr. Chairman, I do not know what the point is at which people will begin to have great resistance to increases in social security taxes, but I think when this scheduled tax is finally fully effective in 1969 we are going to find that there is unwillingness on the part of a great number of people to see this tax go higher. We may be wrong, but until this full tax does actually go into effect in my opinion we should not bring about, as a part of social security, very great increases in the scheduled rates of tax. It is all right for us to say we can enjoy this benefit today because we will raise the tax in 1972, but we must also take into consideration what the reaction to that tax is going to be in 1972. What I am trying to say is that we must not carry this program beyond the point of willingness of the American people to support it. That has happened with respect to some of our retirement systems that are now not sound. There are those on the floor who are quite well aware of that.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BYRNES of Wisconsin. It is not only the rate of tax with which we should be concerned but we should also recognize that this is a gross income tax, that we do not have the deductions and exemptions that are available to relieve undue hardships that exist in the income tax.

Mr. MILLS. The gentleman is correct.

Mr. BASS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Tennessee.

Mr. BASS of Tennessee. Mr. Chairman, I notice on page 13 of the report under paragraph 3 that there is recommended a change in the waiting period for benefits to those whose difficulties recur. I would like to ask the gentleman if anything was done about eliminating this waiting period in the initial case?

Mr. MILLS. No; we did not make that change.

Mr. BASS of Tennessee. I would like to say to the gentlemen of the Committee on Ways and Means and to Members of the Committee of the Whole that this is a provision of the social security law that I think should be given serious consideration.

Mr. MILLS. Perhaps so, but I hope my friend will admit with me, one of the ways you distinguish between a permanent disability and a temporary disability is the duration of the disability.

Mr. BASS of Tennessee. May I say to the gentleman I am not recommending the elimination of the 6-month waiting period in order to establish disability. What I am recommending is that after the fact of disability has been established the payment then should start at the initial date of disability.

Mr. MILLS. I remind the gentleman there are more tests with respect to eligibility for disability benefits than merely the doctor saying this person is totally disabled. One of the additional tests is the inability to rehabilitate, to engage in substantially gainful activity. Another test is that he be disabled, following the other two determinations, for a period of 6 months before his benefit can begin.

Mr. BASS of Tennessee. Once that disability has been established, the first 6 months of the disability are the most costly and burdensome on the insured. I am of the opinion it should be retroactive to the date of actual disability.

Mr. MILLS. There might be some such action taken in the future; I cannot of course give assurance at this time.

Mr. FINO. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. FINO. Do I understand that the committee amendment recommends in this bill elimination of the so-called work clause?

Mr. MILLS. No. The reason we did not change that, I will say to the gentleman from New York, is that it would require an immediate increase in the payroll tax of 1 percent. The dollar cost of the elimination of the "work clause" is $3 billion.

Mr. FINO. And the elimination of the $1,200 work amount?

Mr. MILLS. Yes. At this point, if the gentleman will bear with me, I am constrained to make the following comments. Many of the changes which have been suggested in some of the bills before the committee and which have been pressed upon us from various other sources would have deeply and adversely affected the actuarial soundness of the trust funds unless substantial, and in some cases very substantial, increases in social security taxes were made to accompany the change. The committee has felt that changes which require increases in the social security tax rate should be approached with the utmost caution and constraint. We do not want this system to get out of hand and we do not want the system to become actuarially unsound. Let me give you a few examples of the cost of some of the changes which have been suggested.

First. There are those who urge across-the-board increases in benefits. Even a modest increase of 5 percent, with a $2.50 minimum, would cost about one-half of 1 percent of payroll and require that much increase in taxes; a benefit increase of 10 percent would cost nearly a full percentage point of payroll and therefore would require a one-half of 1 percent increase each on employer and employee. There are others who would urge even a larger benefit increase, perhaps as much as 25 percent. Members of this House should realize that such an increase would cost nearly 2½ percent of payroll and thus would require a drastic increase in social security taxes.

Second. There are those who have urged an increase in the exempt amount in the retirement test or an elimination of the retirement test. I doubt seriously if all Members of the House realize that to eliminate this retirement test would cost a full percentage point of payroll, as I indicated a moment ago, and therefore would require a substantial increase in taxes. Under this, the benefits would go to those who are past retirement age and who are still working and a heavy increased burden would be placed upon the younger workers to pay for this. Even to increase the $1,200 amount substantially would require an increase in social security taxes.

Third. Proposals have been made to reduce the retirement age. Some examples of costs of this are as follows: Full benefits at age 62 for all women—0.33 percent of payroll; full benefits at 62 for men and women—0.76 percent of payroll; full benefits at 60 for all women—0.84 percent.

Mr. Chairman, we cannot have it both ways; if we are to act responsibly and are to keep this system on a sound basis so that it may effectively serve its basic purposes, we must face our responsibilities and enact tax increases when we make substantial changes in the system.

Mr. Chairman, I will include at this point more detailed figures on changes in the OASDI program:

Estimated level-premium costs as percentage of payroll, according to intermediate-cost estimate, for various changes in OASDI system

CHANGE AND COST	*Percent*
Uniform benefit increase:	
5 percent ($2.50 minimum)	0.47
10 percent ($5 minimum)	.93
15 percent ($7.50 minimum)	1.40
20 percent ($10 minimum)	1.86
25 percent ($12.50 minimum)	2.33
Increase of minimum primary benefit:	
From $33 to $40	.06
From $33 to $45	.17
From $33 to $50	.23
Increase in exempt amount in retirement test:	
From $1,200 to $1,500	.11
From $1,200 to $1,800	.24
From $1,200 to $2,400	.49
Elimination of retirement test	1.00
Reduction in minimum retirement ages:	
Full benefits at 62 for all women	.33
Full benefits at 62 for men and women	.76
Full benefits at 60 for all women	.84
Increase in maximum earnings base:	
From $4,800 to $5,400	[1]—.24
From $4,800 to $6,000	[1]—.38

[1] Reduction in cost.

(Prepared by Robert J. Myers, Chief Actuary, Social Security Administration, Department of Health, Education, and Welfare, June 20, 1960.)

This was one of the most important considerations in the minds of members of the committee, I am confident, when we approached consideration of the various proposals to include a health care program under the OASI system. As I have indicated, the majority of the committee felt that we should not include such benefits under this program, with the accompanying tax increase which would have been required.

Mr. Chairman, the bill now before us is a sound proposal; it is a meritorious proposal; and it is a beneficial proposal. It makes considerable improvements in practically all phases of the Social Security Act.

I hope we dispose of it today, and send it on to the other body so that it can give further consideration to the matter.

I trust the bill may enjoy your support, and I commend it to you.

Mr. MASON. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, I am opposed to this bill, H.R. 12580. I am particularly opposed to the medical care section which is called title 16.

In my opinion, the whole program is unsound and for that reason I opposed the bill in the committee. You have listened to a clear and sound explanation of the principal items of this bill which involve 180 pages by the Chairman of the Committee on Ways and Means. He has given you a clear, sound explanation of the principal provisions of the bill. But there are many things in this bill that I do not understand, and many things in the bill that I believe are not sound. For that reason, when the time comes I shall offer a motion to recommit the bill. I am serving that notice now.

Mr. Chairman, I am opposed to the bill, H.R. 12580, which is known as the social security amendments of 1960.

I recognize that this legislation makes meritorious improvements in our social security structure. However, these improvements are to an underlying system which in my judgment is unsound actuarially and inequitable in the discriminatory and arbitrary way it makes benefits available.

The unsoundness of the program is briefly alluded to in the separate views filed by my colleague the gentleman from California [Mr. UTT] and the gentleman from Texas [Mr. ALGER] and myself, set forth on page 334 of the committee report. In these separate views we point out how, based on a maximum contribution of approximately $2,000, a benefit claim in excess of $30,000 results. We point out how a person who has paid as little as $36 into the Trust Fund may have a benefit claim in excess of $8,000.

Someone is going to have to pay taxes to make up these deficiencies between the tax contributions and benefit payments. It is no secret where this money will come from. It will inevitably come in large measure from the young people in their twenties and thirties who are relatively new additions to America's working force; it will come from the pay-roll taxes imposed on generations not yet born.

In our separate views we cite the fact that the existing unfunded obligations of the OASDI System are approximately $300 billion. We have a trust fund of $21 billion, and yet the present value of future benefit obligations owed to existing beneficiaries is $85 billion; notice that this $85 billion figure is attributable to the present beneficiaries and assumes the entrance of no new beneficiaries as they reach retirement age or achieve survivorship status. Assuming that we were to use the trust fund only to pay off the future benefit obligations owed to current beneficiaries, it would still be necessary for the present working population to pay additional pay-roll taxes in the neighborhood of $60 billion just to defray the benefit obligations owed to current beneficiaries and this payment of $60 billion would not be qualifying the payors for protection under the system.

Mr. Chairman, that is the essence of the unsoundness of the system. These are the facts that make it urgently necessary that the Congress immediately address itself to the undertaking of putting the OASDI program on a sound basis that justifies the expectations of our people that the Social Security System does in fact provide a semblance of real security and not just political security.

The discrimination and arbitrary features of the program arise from the fact that some of our citizens with only token payments into the trust fund qualify for benefit claims whereas others who have paid more into the trust fund are denied benefit eligibility. Some of our present beneficiaries achieved eligibility status by paying as little as $6 into the trust fund whereas others who have contributed considerably more are told they cannot receive benefits. I submit that the inflation of the last 30 years has struck all our citizens regardless of whether or not they worked or are working in an occupation covered by social security. This inflation has deprived the savings of all our citizens of purchasing power regardless of whether or not the savers were covered by social security. We have established in the social security program a sham and fiction which prescribe fallacious criteria to determine whether or not a person is to be privileged to receive social security benefits.

Mr. Chairman, these are the major shortcomings of the presently conceived OASDI program. It is actuarially unsound. It is discriminatory in providing benefits to our aged citizens. A program that is improperly conceived cannot be made stronger and cannot be made more adequate by more of the same. It is because I am opposed to the lack of actuarial soundness and because I reject the philosophy that some of our citizens are second class Americans who can be denied Social Security benefits while they are given to others, and I am opposed to this bill. I favor an adequately financed program that is soundly conceived and fairly available to our citizens.

My criticism of the OASDI program is not to say that there is no merit in some of the provisions of the bill that is before us today. Merit is found, for example, in the provision that would remove the age 50 eligibility requirement for disability benefits. It cannot be doubted the young man of 30 who becomes totally disabled needs the protection of the social security system at least as much as a man who has passed his 50th birthday when misfortune strikes him in the form of total disability. Therefore, the provision of the bill that removes this age 50 requirement is a desirable change. The bill also would extend benefit eligibility to survivors of workers who died prior to 1940; the bill would increase children's benefits—both of these are desirable changes in the law.

The unemployment compensation program of the Social Security Act would be strengthened by improving the administrative and financing features of this important protection against unavoidable periods of unemployment.

Mr. Chairman, H.R. 12580 would establish a new title 16 in the Social Security Act. The purpose of this title 16 is to institute statutory authority for the Federal Government to join with the States in the creation of a new program on a Federal-State matching basis to provide medical care for our aged citizens who may need governmental assistance in meeting their medical expenses. My beloved colleague and distinguished chairman, the gentleman from Arkansas [Mr. MILLS], has ably described the features of this new program. I will not take the time of the membership of the House to reiterate the details of the program. Instead, I would comment in this way—during the 3 months that the Committee on Ways and Means has devoted to the consideration of social security legislation in executive session we considered a wide range of legislative proposals dealing with the problem of providing medical care within the framework of the Social Security Act. The program that is contained in the committee bill is superior, in my judgment, to any of the other proposals presented to the committee. The program proposed in the bill would provide a broad scope of benefits so that the physician could prescribe the most efficient and economical medical treatment for his patient without being arbitrarily restricted to prescribing hospitalization, surgery, or nursing home care. This broad scope of benefits will enable our great medical profession to concentrate its endeavors to the prevention of serious illness rather than the cure of such illness once it has set in. The medical program contained in the bill will interfere less with existing methods and means of health care within the framework of free enterprise procedures than is true of any of the other proposals before our committee.

Another superior feature of the medical care proposal in the bill is found in the fact that the program will be State and locally administered and would as a result lessen the danger of further Federal bureaucratic encroachment. Mr. Chairman, I happen to believe in States' rights in fact as well as in words. I am convinced that our local community governing bodies and our State governments can more effectively meet the needs and desires of our citizens than can the Federal Government in regard to social legislation. For these reasons, briefly stated, I assert with sincerity and conviction that the medical care program contained in H.R. 12580 is better than the other proposals offered to the committee on the subject of medical care.

In somewhat commending this medical care program to my colleagues I must

in candor state that I did not in committee advocate its inclusion in this bill. My reasons for withholding approval are set forth in the separate views beginning on page 332 of the committee report. I will not restate those views at this time except to say that more adequate and more sufficient information should have been developed to determine the character and extent of need for a Government program before we undertook to recommend to the House the adoption of such a program. It is only in this way that a proper legislative remedy can be developed. We do not have that information before us at this time. As a consequence I fear that the decision to be reached will be a political decision rather than a decision as to what is best for the American people. A social program once undertaken tends never to be reversed. This program will cost in the neighborhood of $350 million annually of Federal and State revenues, but we must remember that when we talk about spending, we are not spending the dollars of Federal and States Governments. Instead, we are spending the dollars of our taxpayers. Government can give nothing to the people that it has not first taken from them, and we have in this legislative body a responsibility to spend only that which is well spent for a program that is urgently needed.

Mr. Chairman, in expressing these thoughts I realize that I expose myself to the charge by the demagogs that I am unmindful of the needs of our senior citizens. The truth of the matter is that I am genuinely interested in the problems of our aged, just as I am genuinely interested in the opportunities of our youth and in the needs and requirements of all our citizens. It is my view that the American people look to us for leadership in providing soundly conceived legislative programs dealing with the national issues confronting our polity. We can responsibly discharge this obligation to the American people only by courageous recognition of the facts and by a motivation that is not solely politically inspired. In this period of trial and challenge, we must disdain the expedient and cherish the principles that are basic to responsible government. I submit, Mr. Speaker, that if we ignore the need to strengthen our social security system we will not be fulfilling that obligation.

Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, before I begin discussing the bill I want to pay my personal respects and tribute to the gentleman from Rhode Island [Mr. FORAND]. He is a real student. He is a pleasant person to deal with. He and I have had many disagreements, but it has always been, I thought, on a high plane. I think the Congress will continue to need men like AIME FORAND, and I am very sorry to learn that he will not be with us, because he has been a real contributor in the cause of good legislation.

Mr. Chairman, I was disappointed in the committee report, because I do not believe that it has presented the work that the Committee on Ways and Means has done in this area in the full context that it should have been presented. And, one reason we have this out of balance is because so much emphasis, political emphasis, outside the Congress has been devoted to one aspect of the bill that is before us today on social security amendments of 1960.

One has to read the report quite carefully to understand that there was a subcommittee and is a subcommittee on social security of the Committee on Ways and Means, and that this subcommittee did quite extensive work last fall and presented a report to the full committee on March 9, 1960, which was a unanimous report based on the studies, and everything in this bill, with some exceptions, of course—some new things were developed, but essentially this bill, except for this very disputable item in regard to health care, were the recommendations, the unanimous recommendations, of the subcommittee on which I have the honor of being the ranking minority member. The tragedy is, in my judgment, the legislative situation is such that we are endangering a very fine piece of work on the part of the Committee on Ways and Means and its subcommittee by including in it this controversial—and an honest controversy—this controversial subject in regard to health care. But, I think the House should know that everything except the subject of health care has received the kind of study that I feel it should receive before we report a matter to the House for your consideration.

Mr. Chairman, I must take particular exception to the committee report on page 6 under III, "General Discussion of Medical Care Provisions." The statement is this:

> Your committee has given careful consideration to the subject of medical care for the aged. This has included not only public hearings on certain health care proposals which have been advanced, but also study and consideration in executive session of a great deal of information which has been brought to the attention of the committee.

I do not believe that it is a fair or accurate statement to say that this committee gave careful consideration to the subject of medical care for the aged. Indeed, our subcommittee was specifically—I would not say instructed, but it was the understanding, at any rate, that our subcommittee would not go into this subject of health care for the aged.

And the reason was a very clear one. This House passed—and I want to remind the House that it did pass almost unanimously—the Fogarty resolution which created the White House Conference on the Problems of the Aged. I want to refer if I may, for the sake of the RECORD and anyone interested in the Fogarty bill, H.R. 9822, to the debate that was held on July 29, 1958, and which will be found in the CONGRESSIONAL RECORD, volume 104, part 12, pages 15476–15481; and particularly to the statements of the gentleman from Rhode Island [Mr. FOGARTY], as to why this subject needed study and why we had to bring before us—I should not say "us"; not necessarily the Congress, because in this instance it was the executive department—but before the Federal Government the information that we needed. Mr. FOGARTY said:

> It is my thought that these recommendations from all of the States should be brought together in a national conference on aging and molded into a total program for the guidance of the Federal Government, State governments, local communities, and the hundreds of national and local voluntary associations and agencies which are involved in this matter of aging.

Then Mr. FOGARTY went on to make this very significant point, and a point that needs to be thought about and in my judgment has not been thought about properly. Do we have a health program in our society today? And, of course, the answer is yes. We have the greatest health program that any society has ever had in history, and the results show it. Mr. FOGARTY said:

> I do not wish to suggest, Mr. Speaker, that we have ignored the needs of our older citizens. We have created a system of social security and have extended its benefits to cover nearly 10 million of those who are now retired and to apply to 90 percent of those who are currently employed. We have provided steadily increasing sums for research on aging and on the chronic diseases which afflict the majority of our older citizens. We are supporting programs for the discovery and control of cancer, heart disease, tuberculosis, diabetes, and other diseases common to this age group. We are assisting the States and communities in building hospitals, health centers, and geriatric treatment and rehabilitation facilities. We have provided funds to enable the States to purchase medical care for those who are receiving public assistance. We are helping to provide special counseling for older workers in public employment offices and we have recently increased the amount of assistance to organizations and communities which are providing special housing for the elderly.

In just the last session of Congress in August, we took another big, affirmative step forward in implementing this program by extending the FHA-type of guarantee to private nursing homes, which is one of the great needs in this area. So the question is not, as so many people outside of the well of the House have been putting it, whether we are going to do nothing, or cast out the aged; indeed that is not the question. The question is, How can be improve what we are doing, how can we make it better? And indeed, Where can we move in and do things that we are not now doing?

But this approach through ignorance, this approach through lack of study, I suggest to you, and I think you will all agree, is the very thing that can damage what we have today.

I wish the debates on the Fogarty resolution that became law were read; and when we get back into the House, Mr. Chairman, I am going to ask permission to put in at this point of my remarks, a fact sheet prepared by the Department of Health, Education, and Welfare on the law, on the act of Congress that created the White House Conference on Aging, and reports the progress that has been made to date. Also, a special report of the White House Conference on Aging dated March 24, 1960, which gives further information on this subject.

FACT SHEET—WHITE HOUSE CONFERENCE ON AGING

THE LAW

By act of Congress, the first White House Conference on Aging was authorized, and President Eisenhower signed the measure into public law September 2, 1958. The act specifies that the Conference will be held in Washington, D.C., in January 1961.

DIRECTION

Under the direction of Health, Education, and Welfare Secretary Arthur S. Flemming, the HEW Special Staff on Aging is laying the foundation for the Conference in cooperation with the Federal Council on Aging, which is composed of Cabinet-level representatives of interested Federal departments and agencies, and local and State government agencies and private groups and organizations interested in the field of aging.

Secretary Flemming has announced the appointment of an Advisory Committee to the White House Conference on Aging. This Committee, which is representative of a wide variety of interested groups concerned with aging, will have overall direction of the planning, preparations and conduct of the White House Conference.

Former Congressman Robert W. Kean, of New Jersey, has accepted chairmanship of the National Advisory Committee.

The Advisory Committee has recommended that the White House Conference on Aging be held January 9 through 13 at Washington, D.C. The Committee also recommended that the number of delegates to the Conference be fixed at 2,800, with 2 out of ever 3 delegates selected being nonprofessionals in the field of aging to insure that the Conference will be a true national citizen's forum.

PLANNING

Congress has authorized and appropriated funds to provide grants from $5,000 to $15,000 to the States to help them finance the collection of facts about aging, conduct State and local conferences and develop recommendations and reports for discussion at the 1961 Conference. States will qualify for grants on submission of a plan for participation in the 1961 Conference.

The White House Conference will be preceded by a series of forums, meetings and conferences at local, State, and territorial levels. These State and local activities are expected to stimulate interest and considerable action and program development prior to the 1961 Conference in Washington, D.C.

RECOMMENDATIONS

The White House Conference on Aging will make recommendations for a course of positive action in dealing with the problem of aging. The congressional act requires the submission of a final report containing recommended action to the President no later than 90 days following the conclusion of the Conference.

OBJECTIVES

In authorizing the White House Conference on Aging, Congress declared "that the Federal Government shall work jointly with the States and their citizens to develop recommendations and plans for action which will serve the purposes of:

"1. Assuring middle-aged and older persons equal opportunity with others to engage in gainful employment which they are capable of performing, thereby gaining for our economy the benefits of their skills, experience and productive capacities; and

"2. Enabling retired persons to enjoy income sufficient for health and for participation in family and community life as self-respecting citizens; and

"3. Providing housing suited to the needs of older persons and at prices they can afford to pay; and

"4. Assisting middle-aged and older persons to make preparation, develop skills and interests, and find social contacts which will make the gift of added years of life a period of reward and satisfaction and avoid unnecessary social costs of premature deterioration and disability; and

"5. Stepping up research designed to relieve old age of its burden of sickness, mental breakdown and social ostracism."

NUMBERS INVOLVED

Between 1900 and 1950, the number of those aged 45 to 64 in the United States roughly tripled to 31 million and those aged 65 and over quadrupled to 12 million. Present estimates are that today there are 15 million Americans 65 years and older and that by 1975 this figure will climb to more than 20 million. Those aged 45 and older will be affected directly by the White House Conference since their employment, health, housing, and retirement problems will be given consideration. Also, the findings and recommendations of the Conference will have an impact on younger Americans since they inevitably share in the responsibility, directly or indirectly, of supporting the programs designed to add purpose and usefulness to the lives of senior citizens. They, too, eventually will grow older and benefit from programs recommended as the result of the White House Conference.

PREPARATION

A National Leadership Training Institute for the White House Conference on Aging, sponsored by the Special Staff on Aging of the Department of Health, Education, and Welfare, to help States, communities and national organizations in their planning for and in advance of the 1961 Conference, was held in June at the University of Michigan at Ann Arbor, Mich. At this institute, a guide for State surveys on aging and a preliminary handbook of national organizations were presented for use in the plans and preparations at community and State levels for the White House Conference on Aging.

(NOTE.—As plans for the White House Conference develop and progress, additional information will be made available by the White House Conference staff and the Special Staff on Aging of the Department of Health, Education, and Welfare. William C. Fitch is director of both staffs, room 4361, HEW Building, Washington, D.C.)

WHITE HOUSE CONFERENCE ON AGING, JANUARY 9–12, 1961—"AGING WITH A FUTURE—EVERY CITIZEN'S CONCERN"

STATE ACTIVITIES

Fifty-three States and territories are now actively participating in White House Conference on Aging preparations. Fifty-two have received Federal grants for Conference work.

Indiana has developed a statewide program for aging without requesting Federal funds. Guam has decided not to participate.

Governors have shown a great deal of personal interest, and all have appointed councils, committees, or commissions on aging. One official Governor's designee in each State is responsible for White House Conference on Aging action.

Many local and statewide surveys and fact-finding projects are underway. Forty-four States have already held local forums. Periodic newsletters on aging have been developed and are being published in the States.

Fifty States and territories have scheduled dates for State conferences on aging. Most will be held during the summer.

State factfinding reports on aging (for submission to the White House Conference on Aging) are due in Washington June 30; State recommendations, following State conferences, are due October 5.

NATIONAL ADVISORY COMMITTEE

One hundred and fifty men and women from all of the United States have been appointed to a bipartisan advisory group, under Chairman Robert W. Kean. They met June 9–10, 1959, in Washington; next scheduled meeting is May 12–13.

National Advisory Committee is organized into 20 planning committees responsible for 20 different conference subject matter areas (see attached list).

Planning committee chairmen met July 30 in Washington; next scheduled meeting is April 13.

Technical directors, assigned to each planning committee, provide professional staff service.

Ninety consultants, selected from outstanding experts are providing special professional assistance to planning committees.

Each planning committee has prepared a background paper on its particular subject to provide helpful information for the State conferences. (Two papers have been combined, reducing total to 19.)

Summaries and outlines of background papers have been distributed through regional representatives for aging in the nine regional offices of the Department of Health, Education, and Welfare to all Governor's designees.

Individual National Advisory Committee members are actively participating in program planning.

NATIONAL VOLUNTARY ORGANIZATIONS

A "Handbook of National Organizations" has been compiled and published listing all national organizations having identification with this area of interest.

These organizations have been queried about Conference participation and their wish for delegate representation.

Monthly newsbulletin Aging has been made available to participating organizations. They have been asked to contribute news material for Aging's nationwide readers.

Several have held national or regional conferences devoted exclusively to aging. Through their local affiliates many are taking active part in State and community fact-finding projects.

Representatives of major national organizations serve as members of the National Advisory Committee.

Some have held special White House Conference on Aging forums with congressional and Department of Health, Education, and Welfare speakers. Many are using house organs and other media to outline to their membership White House Conference on Aging plans and preparations.

FEDERAL COUNCIL ON AGING

President Eisenhower, in establishing this interagency group at Cabinet level on March 7, 1959, directed members to "cooperate and assist the Secretary of Health, Education, and Welfare, as may be appropriate, in planning and coordinating the White House Conference on Aging."

Members are the Secretaries of Agriculture, Commerce, Labor, Treasury, and Administrators of the Housing and Home Finance Agency and of Veterans Affairs. Secretary of Health, Education, and Welfare, Arthur S. Flemming, is chairman.

Council has prepared and published a special report to the President, "Programs—Resources for Older People," reviewing and analyzing all Federal activities in the field of aging.

Liaison officials in 12 departments and agencies have been designated to work with the Special Staff on Aging.

Regional and field representatives of council members have been helping actively in State and local planning. They are available as resource people for further program planning.

DELEGATES AND CONFERENCE PROGRAM ARRANGEMENTS

Total is 2,800 delegates, of which 1,740 have been apportioned to States and territories.

Governors will name State delegates. State quota is determined according to number of congressional districts.

National organizations with well established programs in the field of aging will be represented by 660 delegates.

Additional 400 delegates will include National Advisory Committee consultants, and others.

After February 15 meeting of National Advisory Committee's Special Subcommittee, the tentative structure for the White House Conference on Aging was developed.

Three plenary sessions to be held at Constitution Hall, one with active participation by older people.

Conference headquarters at Statler-Hilton Hotel. Two thousand hotel rooms have been reserved throughout the city.

Each subject matter planning committee will plan individual group meetings. Section meetings are to be informative and specifically to provide for decisionmaking.

Workshop and exchange meetings are also planned, to discuss topics and proposals for recommendations and to consider matters of common interest to several planning committees.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, SPECIAL STAFF ON AGING

Mr. Robert H. Grant is the Director of the Special Staff on Aging.

Dr. James Watt, Director of the National Heart Institute, is Special Assistant to Secretary Flemming for Aging.

Regional representatives have been appointed in each of Department of Health, Education, and Welfare's regional offices (see attached list).

Publications available from or through regional offices include: Flyer on the White House Conference on Aging, Selected References on Aging, an Annotated Bibliography, White House Conference of Aging Act (Public Law 85-908), Motion Pictures—Recordings on Aging, Enriching the Added Years (16-page folder), Handbook of National Organizations, Guide for State Surveys on Aging, Aiding Older People, and Aging (monthly).

PLANNING COMMITTEES AND COMMITTEE CHAIRMEN

1. Population Trends and Social and Economic Implications—Mr. John B. Martin, Jr.
2. Income Maintenance (including medical care costs)—Dean Charles I. Schottland.
3. Impact of Inflation on Retired Citizens—Mr. G. Warfield Hobbs.
4. Employment Security and Retirement—Mr. Dwight S. Sargent.
5. Health and Medical Care (including institutional)—Dr. Leonard W. Larson.
6. Rehabilitation—Dr. Howard A. Rusk.
7. Social Services—Mr. Joseph P. Anderson.
8. Housing (including congregate living)—Mr. Walter C. Nelson.
9. Education—Dr. George E. Davis.
10. Roles and Training of Professional Personnel—Dr. Wilma Donahue.
11. Family Life, Family Relationships, and Friends—Mrs. Margaret A. Ireland.
12. Free Time Activities: Recreation, Voluntary Services, Citizen Participation—Mr. Joseph Prendergast.
13. Religion—Very Rev. Msgr. R. J. Gallagher, Rabbi Marc H. Tanenbaum, the Reverend William J. Villaume.
14. Research in Gerontology: Biological [1]—Dr. Hardin B. Jones.
15. Research in Gerontology: Medical [1]—Dr. Ewald W. Busse.
16. Research in Gerontology: Social Science and Psychological—Dr. John E. Anderson.
17. Local Community Organization—Mr. Robert H. MacRae.
18. State Organization—Mr. Bernard Crihfield.
19. National Voluntary Services and Service Organizations—Mrs. Charles Hymes.
20. Federal Organizations and Programs—Mr. Harry G. Haskell, Jr.

Regional representatives for aging, Department of Health, Education, and Welfare

Name	Region	States	Regional office
James C. Hunt	I	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.	120 Boylston St., Boston, Mass.; Hubbard 2-6550.
Stanley Fioresi	II	Delaware, New Jersey, New York, and Pennsylvania.	42 Broadway, New York, N.Y.; Whitehall 3-2424.
H. Burton Aycock	III	District of Columbia, Kentucky, Maryland, North Carolina, Virginia, West Virginia, Puerto Rico, and Virgin Islands.	700 East Jefferson St., Charlottesville, Va.; 3-5181.
Miss Virginia Smyth	IV	Alabama, Florida, Georgia, Mississippi, South Carolina, and Tennessee.	50 Seventh Street NE., Atlanta, Ga.; Trinity 6-3311.
Miss Verna Due	V	Illinois, Indiana, Michigan, Ohio, and Wisconsin.	433 West Van Buren St., Chicago, Ill.; Wabash 2-8550.
Miss Amelia Wahl	VI	Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.	911 Walnut St., Kansas City, Mo.; Baltimore 1-7000.
Clarence M. Lambright	VII	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas.	1114 Commerce St., Dallas, Tex., Riverside 8-5611.
Dr. William T. Van Orman	VIII	Colorado, Idaho, Montana, Utah, and Wyoming.	621 17th St., Denver, Colo.; Keystone 4-4151.
Donald T. Sutcliffe	IX	Arizona, California, Nevada, Oregon, Washington, Alaska, Hawaii, and Guam.	447 Federal Office Bldg., Civic Center, San Francisco, Calif.; Klondike 2-2350.

GOVERNORS' DESIGNEES

Alabama, Montgomery: Mr. Alvin T. Prestwood, 64 North Union Street.

Alaska, Juneau: Mr. Paul L. Winsor, Commissioner of Health and Welfare.

Arizona, Tucson: Mrs. Donald E. Schell, Route 6, Box 317-W.

Arkansas, Little Rock: Mr. Gus Blass II, Office of the Governor.

California, Sacramento: Mr. Louis Kuplan, 722 Capitol Avenue.

Colorado, Denver: Hon. Robert L. Knous, Lieutenant Governor of Colorado.

Connecticut, Storrs: Dr. Donald P. Kent, University of Connecticut.

Delaware, Smyrna: Dr. C. J. Prickett, Care of State Welfare Home.

District of Columbia: Dr. Jack Kleh, Briggs Montgomery Building.

Florida, Tallahassee: Mr. B. R. Fuller, Jr., Florida Development Commission.

Georgia, Atlanta: Dr. John T. Mauldin, Georgia Baptist Professional Building.

Hawaii, Honolulu: Dr. Richard K. C. Lee, Box 3378.

Idaho, Boise: Mr. Bill Child, Department of Public Assistance.

Illinois, Chicago: Mr. Peter W. Cahill, 160 North La Salle Street.

Indiana, Lafayette: Dr. George E. Davis, 109 Memorial Center, Purdue.

Iowa, Des Moines: Hon. Herschel C. Loveless, Governor of Iowa.

Kansas, Topeka: Mr. Harold Smith, Kansas Department of Labor.

Kentucky, Frankfort: Mr. Jo M. Ferguson, Department of Economic Security.

Louisiana, Baton Rouge: Mr. J. W. Bateman, Post Office Box 4282, Capitol Station.

Maine, Augusta: Mr. Robert C. Russ, Treasurer, State of Maine.

Maryland, Baltimore: Mr. Gerald Monsman, 408 State Office Building.

Massachusetts, Boston: Mr. George P. Davis, room 27, State House.

Michigan, Detroit: Mr. James E. Brophy, 850 National Bank Building.

Minnesota, St. Paul, Mr. Morris Hursh, 117 University Avenue.

Mississippi, Jackson: Mr. Travis McCharen, Box 1698.

Missouri, St. Louis: Mr. Emil E. Brill, Box 396, Main Post Office.

Montana, Helena: Mr. R. B. Richardson, Western Life Insurance Co.

Nebraska, Lincoln: Mr. Frank M. Woods, Box 161 State House Station.

Nevada, Reno: Mrs. Barbara C. Coughlin, Box 1331.

New Hampshire, Concord: Mrs. Dexter O. Arnold, 6 Dearborn Road.

New Jersey, Trenton: Mrs. Eone Harger, in care of Department of State.

New Mexico, Santa Fe: Mr. Murray A. Hintz, Box 1391.

New York, Albany: Mrs. Marcelle G. Levy, in care of State Department Social Welfare.

North Carolina, Raleigh: Dr. Ellen Winston, in care of State Board Public Welfare.

North Dakota, Bismarck: Mr. Carlyle D. Onsrud, North Dakota Public Welfare Board.

Ohio, Columbus: Mrs. Mary Gorman, 85 South Washington Avenue.

Oklahoma, Norman: Dr. George L. Cross, University of Oklahoma.

Oregon, Eugene: The Rev. W. G. Nicholson, Box 5197.

Pennsylvania, Harrisburg: Mrs. Ruth G. Horting, Secretary of Public Welfare.

Puerto Rico, San Juan: Dr. Guillermo Arbona, Secretary of Health.

Rhode Island, Providence: Mrs. Roberta B. Brown, Roger Williams Building, Room A.

South Carolina, Columbia: Mrs. Martha T. Fitzgerald, South Carolina Legislature Committee on Aging.

South Dakota, Pierre: Mr. Charles Feeney, State Director of OASI.

Tennessee, Nashville: Mr. Edward J. Boling, State Capitol.

Texas, Austin: Mr. Jesse M. Irwin, Sr., Governor's Office.

Utah, Salt Lake City: Mr. Delbert L. Stapley, Office of the Governor.

Vermont, Montpelier: Mr. John J. Wackerman, Commissioner of Social Welfare.

Virginia, Richmond: Mr. John E. Raine, 511 Virginia Building.

Virgin Islands, Charlotte Amalie: Mr. Macon Berryman, Department of Social Welfare.

Washington, Olympia: Mr. George C. Starlund, State Department of Public Assistance.

West Virginia, Charleston: Mr. F. Duane Hill, Department of Employment Security.

Wisconsin, Madison: Miss S. Janice Kee, 217 North, State Capitol.

Wyoming, Cheyenne: Dr. John W. Sampson, State Office Building.

[1] Background Papers No. 14 and No. 15 have been combined.

Mr. CURTIS of Missouri. That Conference is going to meet in January. But already a great deal of work has been done. Our subcommittee did nothing in this area. We made no studies. The extent to what the full committee did was to hold rather limited, in fact, quite limited, hearings on one particular bill which was the bill the gentleman from Rhode Island [Mr. FORAND] introduced, popularly known as the Forand bill.

There were some limited public hearings held on that subject, but all the work that was done in the committee in the past 3 months when the rest of the House was reading the press reports and probably talking to some of us on the committee about "What are you doing in this area of health care?" there was no new information being brought in. Constantly I asked the committee time after time when we would reach a point where it was obvious that we did not have information on this subject, "For heaven's sake, let us get the people in here who know something about this." We did not call one State administrator before us in all these 3 months of talking to each other, and that is about what we were doing. Let me quote from the supplemental views of MASON, CURTIS, UTT, ALGER, and LAFORE appearing on page 332 of the report:

> We respectfully submit that in our judgment the House membership cannot act in an informed manner on the legislation because the Committee on Ways and Means has not developed sufficient information pertaining to the nature of the need for Government health care, the effectiveness of present day programs in meeting that need, and the ability of the proposed program to fulfill its intended purpose. This information cannot be available in the absence of comprehensive public hearings in which testimony from informed individuals would be received. The emphasis in such hearings should be directed to the development of information from State and local health and welfare administrators, religious and social welfare leaders, and authorities from the professions dealing with the sociomedical problems of the aged. We regret that such hearings have not been held and the legislation recommended by the majority cannot be evaluated as a result.

We were "examining" a minutiae of information you could say with some accuracy. As the committee report states on page 6, we were doing a lot of examining or considering in this sense, if that is consideration in executive session, but we were limited to the very limited information we had. We did not even gather together much of the information that was readily available, which I tried when I saw the way the course of events was going in the Committee on Ways and Means to bring to the attention of the House.

I made a series of speeches on the floor of the House to point out some of the problems in this area and some of the information that we did have but were not considering and where we needed further information. On March 22, 1960, I placed a speech that I made before the American Academy of General Practice Physicians in the RECORD on page 6320. On March 24, 1960, I took an hour to discuss the problem of medical and health care for the aged. That is on pages 6537–6541. On March 26, 1960, medical and health care for the aged, an insertion on this subject April 20, 1960, page 8454, medical and hospital care for the aged. Then on May 2, 1960, I took the floor again for an hour's speech on lobbying and reporting, because I felt that the reporting by the media of this country on this subject was really so bad that I just wondered that someone within the reporting profession itself has not done something to correct this situation. That is on pages 9144–9146. And on May 11, 1960, "Medical Care for the Aged," pages 10095–10096. On May 12, 1960, "Present Federal Old Age Medical Program," page 10219. On May 26, 1960, "The Voluntary Approach to Health Insurance," pages 11313–11322.

There are two particular documents that were available to our committee if we had wanted to get facts instead of just getting ourselves into a political position. I say that applying to people on both sides of the aisle, people who felt this was going to be a campaign issue this fall, and it probably will. These 3 months were almost a matter of jockeying back and forth, it seemed to me, as to which side, the Republicans or Democrats, might get some advantage from the voters on how they handled this problem.

The point I tried to make then and am trying to make now is that this is not a matter to be thrown into partisan politics at this point. It is entirely possible that the two political parties should take sides on an important issue like this if there is a fundamental disagreement, but let us get the information before us, at least before our committee, the committee of the House which is responsible to this membership, so that the debate will be on firm ground.

One of the documents, "Voluntary Health Insurance in the United States," prepared under the direction of the American Enterprise Association by Rita R. Campbell and W. Glenn Campbell, who had been, and I think it is Mrs. Campbell, a staff member of one of our first social security subcommittees back in 1953, is an excellent document and is a matter that, in my judgment, we well might have held hearings on simply to find out how accurate was the information in it. I think it is quite accurate, but no student no matter how sincere or objective can have all the answers. So this, in my judgment, was a subject for committee examination and discussion. This was not even before us. Incidentally, I placed this in the CONGRESSIONAL RECORD because I thought it was that important, for the benefit not only of Members of the House but of the other body and to people throughout the country who might be interested in this important subject.

Then a very fundamental document which was not even referred to in the 3 months that we were discussing or so-called considering this matter—"Source Book of Health Insurance Data of 1959." This gives the data of what is being done in this area.

The most significant document we have available to us just came out in the past 3 or 4 weeks but was still available to us while we were in executive session process is this background paper on health and medical care prepared by the White House Conference on Aging. The date is April 1960, but, as I say, it was not available until about 3 or 4 weeks ago. But this is a very fundamental document discussing the very problem that we are supposed to be discussing, on this subject of health care for the aged.

My position on this, I wish to advise the House, is that I do not think there should be anything in this bill—there should be no title 16 on this subject of health care for the aged because we are not in a position in the Committee on Ways and Means—the Committee on Ways and Means is not in a position to advise the House with any intelligence as to what would be really good in this area. I happen to think the proposal in this bill that is before us is ill-considered in the true sense of the phrase mainly because we do not have the information. It may be the right answer—I do not know. I do know this, though, that at least it does not do violence to the fundamental system we presently have. I, frankly, think it is inconsequential. I doubt very much that many States will avail themselves of it, and if there were any way of eliminating this from the bill, I would seek to do so. But, on balance, and this is what all of us are faced with from time to time—on balance it is my recommendation that this bill be voted up, and I am going to vote for it because I believe that. Although this one aspect of health care for the aged should not be in here, it essentially follows the format of our present OAA program, that is, the old-age assistance program and is beefing it up in that area. Actually, the real studies of this subject will show that that is the area we probably need the least help in. What we need the most help in in this problem of the aged is facilities, and then, secondly, we need techniques for those who are not indigent but who might become indigent if faced with catastrophic illness. And by techniques I am referring to forms of insurance. In that sense, the Forand bill is hitting the area where we need to do something. But, the Forand bill is unfortunately a backward step, if you follow this reasoning—and this is an argument, I think, the gentleman from Rhode Island has not perceived. When we switched to the OASI, the insurance program, from old age assistance, it was done largely on this philosophy and, in my judgment, a good philosophy that we do not want to have to budget the old people. We do not want to go in and tell them how much for rent and how much for recreation and how much for clothing and how many times a week they can go to the movies. We went on the theory of giving them cash and not getting into their budget problems. We wanted them to have the dignity of making up their own budgets. The Forand bill is a backward step. It reverses that process. It says, "We are going to give you cash for everything except to meet your health problems, and there we are going to budget you and we are going to see to it that this is what is spent here."

To do this, the Forand bill provides that the Federal Government will enter into contracts with doctors, hospitals, and other purveyors of health services to set fees and schedules. Herein lies the denial to the individual to select his own doctor and hospital, in spite of the language in the Forand bill which states the individual's choice shall be preserved, because if one's doctor or hospital does not reach an agreement with the Federal Government on fees and sched-

ules their services may not be retained. Furthermore, if the pressures upon the doctors and hospitals to reach agreements with the Federal Government are so strong that the individual's choice is preserved, then we have federally regimented health service professions.

The many other detailed objections to the Forand bill have been set out in my previous speeches on the floor of the House. Let me point up two major objections. The Forand bill leaves out all the older people not on OASDI, many of whom are those facing the greatest problems in the health care field. These are people who were born too soon to be employed in covered employment as the social security coverage developed, teachers, farmers, selfemployed and their widows, and so forth. Nor can a distinction be made between them and the people who would immediately receive benefits under the Forand bill on the grounds that those left out paid nothing for the benefits. Those receiving the new benefits would pay nothing for them. Indeed, if a distinction were to be pointed out it would be this, the present OASDI beneficiaries scheduled for more benefits have been receiving almost $100 for every $1 they as a group and their employers paid in social security taxes.

Second, many of the higher income bracket older people, and there are many in this category who are not faced with problems in this area, are OASDI beneficiaries and would be recipients of a pure windfall.

Furthermore, I would point out that the need expressed by a sizable percentage of the older people in the way of social security liberalization lies in the work clause limitation of $1,200 a year. These people say, we are able to work longer, yet we are forced out of the labor market because of this limitation. If we could earn more, they reason, they could make a go of things. Liberalizing the work limitation clause certainly is in accord with increased health care for the aged for many basic reasons. Yet, strangely, it is the Forand proponents, the COPE of the AFL–CIO, which for years has fought this socially progressive liberalization.

If the older people need the additional money in this area of health care, let us figure out what that cash increase should be and give it to them; not use their problems as an entering wedge to federally regulate the dynamic health professions or, worse still, remove the socially desirable privilege of personal choice of one's own physician or hospital. But I suggest it is not essentially that; that is not the problem of income as much as it is the lack of facilities, nursing homes, home care facilities, and such things which enable the health dollar to buy more health. The recent reports to which I referred and the techniques we are now developing may reveal something further that the Federal Government might be doing in this area. I am not sure just what it might be, but my mind is certainly receptive to any constructive suggestion.

The only thing that disturbs me is that apparently we are preparing to just pass this bill and send it over to the Senate which will not study it at all; there will be no hearings. Time in the session precludes this. They may add some amendments and then it will go to conference. That is the situation that concerns me.

Mr. Chairman, that is not in the interest of the aged people. This cannot help in the problem of the aged, and I am very much disturbed at the suggestion of some that the House be a party to such a deplorable process.

GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all Members desiring to do so, may extend their remarks on the pending legislation at that point in the consideration of the bill just before the Committee rises.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Chairman, I yield to the gentleman from Rhode Island [Mr. FORAND] 30 minutes.

Mr. FORAND. Mr. Chairman, first of all, let me express my sincere thanks to the chairman and other Members who have been so kind and have said so many nice things about me today. When I leave this Congress it will be with mixed emotions, but I do plan on having a little statement to make to you before the end of the session; so for the moment just simply accept my thanks.

Mr. Chairman, we are taking up today a bill that is a disappointment to many, many of our colleagues. It is a disappointment to many of them, in fact to the point where many have approached me and suggested that we should vote down the rule or should vote against the bill.

My answer then was and now is that we should support this bill because it contains some improvements in the existing social security law. In fact, while they are minor improvements they mean much to perhaps a good-sized number of people.

I agree with my colleague from Missouri that the medical section of the bill should not be in it. However, it will not do any harm, but it will not do any good. For that reason I say let us vote for the bill. Personally, I think it is a sham, I think it is a mirage that we are holding up to the old folks to look at and think they are going to get something. I say that because they have to depend upon 50 State governments to enact legislation to authorize them to handle the program that is listed there. I am sure all of you know enough about legislative bodies to realize that the list of items the States could provide under the plan just would never be realized.

If any of you have ever done any welfare work you will agree with me that this is a sham.

Mr. Chairman, for many years now the question of health care for the aged has been given a lot of study and a great many words have been spoken on the subject. I might say to the gentleman from Missouri who made a statement a few moments ago that no State administrator had come before the committee, that the State administrators have been on record for a long time in favor of placing health care under the social security law. The chairman read a telegram received during the course of our deliberations from administrators supporting the proposal I advanced in my bill.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. The point I was making is that a telegram means nothing in studying a very difficult subject of this nature. We needed to have those gentlemen before us so that we could interrogate them as to why they reached their conclusion, if some of them did not agree. There was considerable disagreement in this area.

Mr. FORAND. There is no question about that, but a majority of them have gone on record, and their organization is in support of the proposal I advanced.

Mr. CURTIS of Missouri. I believe that is true.

Mr. FORAND. In fact, I believe that the introduction of my bill in the 85th Congress really was the spark that lit the flames that have been burning now for quite some time. It seems to have awakened America to the great need that exists in reference to the real problem that is faced by the aged of this country. Up to the time the bill was introduced, as I said before, there was a lot of talk but very little action. Today, it seems all of us are agreed that the need exists, that some action must be taken, something must be done to relieve these aged people; yet, when we considered this subject in the committee a majority decided that either it was going too far or for some other reason they did not agree with it. In fact, the committee took practically the same position that some groups seem to be taking today. They realize the need is there, but they want to approach it by different methods to obtain the same goal. I venture to say, Mr. Chairman, that if the provisions of my bill are not enacted into law now, that next year or the year after you are bound to get it, because it is the only sound approach to this important problem.

Mr. Chairman, do not think for a moment that when I introduced that bill it was something I grabbed out of the air. Far from that. I had a group of experts working for at least 2 years trying to develop an approach to taking care of this need of the aged, and when I introduced the bill in August of 1957, from the well of this House, I made the statement that this was a base from which to work. It was introduced in the closing days of the session and, therefore, the bill was printed and made available at that time so that all interested Members, individuals, or groups would have an opportunity to study this proposal. I invited them to come in at the beginning of the next session either with alternatives or with constructive criticisms so that we could work out a decent bill and have it pass the House and become effective. Instead of that, the administration—and I say this deliberately—stalled and stalled and stalled when we asked them for assistance. It

was in 1958, about June or July, when we asked the Department of Health, Education, and Welfare to prepare a report for our committee, and we were told that it could be ready about the first of the following year when Congress was to reconvene. I kept prodding them every week or every other week, and finally in April of 1959 we got that report, and that report contains a wealth of information. If you have not read it, I beg you to read it, because you, too, will be convinced that we have got to take some action in this area.

Since that time it was possible to give some consideration to my proposal during the hearings on social security during 1958, and in July 1959 the committee granted me 5 days during which he had hearings on my health insurance bill, the Forand bill. The hearings were printed and they are available and contain, again, a wealth of information on my proposal known as the Forand bill.

Mr. Chairman, one thing I do not seem to be able to understand is how come so many Members of this Congress, and the administration from the President down, seem to prefer to take the suggestions or subject themselves to the pressure of the American Medical Association. The AMA seems to be in the saddle. The administration proposal that finally came to us after a lot of pressure was of no value; it afforded no benefits. Yet, what we have in this bill today as a medical care section is a watered-down version of a no-good bill that came from the White House. You will remember, I am sure, that the administration proposal was that people over 65 years of age could get into this new program by paying a $24 enrollment fee. Then, what benefits they would get would come only after they had paid the first $250 of their medical bills, and anything over $250 they still would have to pay 20 percent of. Then they suggested an insurance program where the Government would pay part of the premium. And, what did that amount to? The benefits were very meager. It meant practically a goose egg to the people that joined that system, but it was a bonanza for the insurance companies. The committee frowned on that. We disposed of it in very short order, although I regret to say what they have in this bill now is a watered-down version of that administration proposal.

Now, how come that some 150,000 or 200,000 members of the AMA could thwart the will of a population of 180 million or so? I just do not know. I cannot understand it, and I hope somebody can tell me how they do it. In the first place, the AMA is not representative of the medical profession as such, and I have some proof right here in this envelope. The AMA does not speak for the average doctor. I have a file of correspondence perhaps a foot high from individual doctors telling me that my bill is the proper approach; and although they are members of the AMA, the AMA is not speaking for them.

Let me cite one example of just what I mean when I say that the AMA is not representative of these doctors. The Suffolk District Medical Society of Massachusetts put out a letter to its 3,000 or so members urging them to come out to a meeting on the 9th of December last, a very important meeting, where they were to discuss the Forand bill and that a resolution was to be adopted at that time. I have that letter right here to show you how important they thought it was.

The notice was titled, "Subject: Discussion of Forand Bill—Date, December 9, 1959—Time, 4:30 p.m.—Place, 32 The Fenway, Massachusetts Medical Society Headquarters." It read:

> There will be a panel discussion of this very important legislation. The Massachusetts Medical Society has urged each district society to take action regarding this bill. It is essential that as many members as possible be present to discuss this question. At the conclusion of the meeting a resolution will be offered representing the views of the Suffolk District Medical Society. The meeting will start promptly at 4:30 p.m.
> (Signed.)

It was signed by the president and the secretary. Mr. Chairman, at that very important meeting there were exactly 28 persons present out of a membership of 3,000. There were three speakers, only one of whom had read the bill. There were two or three others in the audience who had read my bill. After their discussion the resolution was offered, to the effect that the Suffolk District Medical Society was going on record in opposition to the Forand bill. The vote was taken. It was 27 in favor and 1 against. The record shows that the AMA was notified that the Suffolk District Medical Society overwhelmingly was on record in opposition to the Forand bill. Twenty-eight members out of a membership of 3,000.

There are so many things that I would like to talk about here, but time is running so fast, I will have to skip along.

There was a great argument regarding whether or not any program for the aged should be on a voluntary or compulsory basis. Mr. Chairman, I admit that under my proposal it would be compulsory. Any tax is compulsory. But I deny that the administration plan was voluntary. The only voluntary part of it was that the individual involved was free either to take it or to leave it. But I question the constitutionality of any such proposal where I could say, "I am going to take advantage of this plan but you are going to pay the tax." That is just what it amounted to. That is how voluntary the administration proposal was.

Also, in trying to discredit my bill it was said that this would be a Government-paid bill. The newspapers, television and radio, referred to it as a Government-paid bill. I have tried to straighten them out on that a number of times. It would be administered by the Federal Government but it would be paid for by the workers and by the employers. And when I say by the employers you know that the payment is deductible as a business expense. Therefore, it would be the consumer who would be paying the bill and not the Federal Government; because not one penny under my plan would come out of the general funds of the Treasury. It would come out of the social security trust funds into which these social security taxes would go.

They talk about the cost of the plan. It was supposed to cost about $1.2 billion. I was told by the Department of HEW at the outset that that would be sufficient to meet the cost. But in later days I was told that the quarter of 1 percent tax on the employer and the employee would not be quite sufficient. I agreed that I would increase that tax to three-eighths instead of one-quarter percent because the people who will pay this tax are anxious and willing to do so, for two reasons: In the first place, they would be prepaying their own insurance so that when they reached retirement age they could get the benefit. They are willing to do that. They are willing to give up the price of a pack of cigarettes each week in order to provide for themselves at a later age. In the second place, many of those same people who would be paying this tax today have to take care of the expenses of their aged parents, who would be beneficiaries under this bill anyway.

They talked about some 4 million not being covered by my proposal. That is true. Out of 16 million my proposal would cover about 12,600,000. Of the other 4 million, I would say half of them at least are on public assistance. You could not charge them to the social security trust fund without disrupting the fund completely. You have all the military retirees and the veterans who are all getting medical attention in one form or another. Therefore, the number that would be left out is not 4 million but a few thousands.

Under this medical care plan in the bill we are considering today we are leaving it up to the States to enact legislation to take care of implementing the proposal, but I say to you that at one time in our committee when we were trying to find out how the States were handling the money we had authorized a couple of years ago as an increase in the public assistance funds for medical attention they told us there were 15 States that have not yet developed a program of medical assistance under the public assistance program. What will they do with this kind of bill?

The American Medical Association has led the fight against my bill. I want to pay tribute to the AMA for the great assistance they have given me in publicizing this bill of mine. They have done more than I ever could have done. They have spent thousands and thousands of dollars. In fact, you go to the Clerk's office today and you will find that for the first quarter of this year their lobbying expenses are higher than that of any other organization. So if they can afford to spend so much money lobbying trying to work against the welfare of the aged people in this fashion, I say to them, "Come on, loosen up, help us take care of this proposition." It was medical science that has made possible the addition of years of life for many of our aged. I say to the AMA, "Now, you have helped to give these people additional years, help us find a way to make these

years pleasant and agreeable to these old people. You have a responsibility to them."

They say my bill is socialized medicine. I wonder if they have considered just what socialized medicine is. I asked Dr. Larson, representing the AMA when they were before the committee, "Does the AMA have a definition of the term 'socialized medicine?'" After consulting with some of his colleagues he admitted they did not.

I asked him if the veterans' medical program was socialized medicine. He said it was. Was the workmen's compensation program? Yes; that is socialized also. Maybe I should have asked also, as I did one doctor that came down from New York, if he accepted fees from the Public Welfare Department. Is that socialized medicine? Is not that Federal and State funds? They accept fees not only from the welfare groups, but they also get fees from the Blue Cross and Blue Shield. The program I propose would be handled practically on the same basis. Was it socialized medicine when they accepted their schooling in the free public schools and free high schools? Is it socialized medicine when they use hospitals and the facilities of hospitals without having to pay for them? I say it is absurd.

Mr. Chairman, another thing that might be of interest is the cost of administration. When we were considering the administration proposal, we finally got down to the point of asking what would be the cost of administration of this program. Ladies and gentlemen, we were told that the administration program would cost $17 per capita per year to administer. After pressing and pressing for a comparative figure as to the cost of administering the Forand bill, I was told that the administrative costs would not be $17 per capita but $6 per capita.

One thing that is of great importance is the way that doctors have been raising money for the Republican Party. I have a letter here and on this one again I go to the State of Massachusetts, but I have several similar letters from other States, letters in the same vein. The letter is as follows:

(Curtis C. Tripp, M.D., New Bedford, Mass.; Charles C. Lund, M.D., Boston, Mass.; Archibald J. Douglas, M.D., Westfield, Mass.; David W. Wallwork, M.D., North Andover, Mass.; Lawrence R. Dame, M.D., Greenfield, Mass.; Spencer C. Flo, M.D., Greenfield, Mass.; Bancroft C. Wheeler, M.D., Worcester, Mass.)

NOVEMBER 6, 1959.

DEAR DOCTOR: The threat of socialization of medicine is more imminent today than in 1948 when Congress was considering the Wagner-Murray-Dingell bill. Congressional hearings on the Forand bill have been adjourned with no action taken; however, strong support for this legislation was indicated by many Democratic Congressmen. Labor's influence was so strong that there is every indication that medical and hospital benefits for all social security recipients will be a major issue in the 2d session of the 86th Congress and in the 1960 elections.

The Republican administration testified against this bill and all Republican members of the House Ways and Means Committee stood firm against it.

The 1960 congressional and presidential elections are crucial to medicine. We must do all in our power to see that the Democrats and the AFL–CIO do not dominate the 87th Congress. The political action arm of the AFL–CIO is well financed and is contributing millions of dollars in support of the Democratic candidates.

Doctors can and should help stem the tide toward socialism by supporting the Republican Party with dollars as well as their votes. An editorial in the July 27, 1959, AMA News stated: "One way the physician can and should support his party is through contributing to its financial support. Costs of political campaigning are far greater than even a few years ago, and the costs can no longer be met by a relatively few individuals * * * Support of the party of your choice is as much an obligation as support of the Community Fund, Red Cross or any other civic organization to which you regularly contribute."

The Massachusetts Republican Finance Committee is the official fund-raising arm of the party in this State. The income of the committee is derived solely from contributions. We urge you to support this fund.

Please fill in the contribution form enclosed, and return it immediately with your check to the Massachusetts Republican Finance Committee. An official receipt will be forwarded to you.

Sincerely,

BANCROFT C. WHEELER, M.D.

Another word regarding the cost of hospitalization. I have here an article that I cut out of the Boston Traveler where three doctors predict that by the year 1970 the cost of hospitalization will run between $65 and $70 a day. Now how can these people whom we are trying to help take care of these heavy medical expenses when it has been shown that the incomes of three-fifths of them amounts to less than $1,000 a year and it has been shown that the incomes of another one-fifth of them runs to about $2,000 a year.

Now they say that we should take care of only those who have catastrophic diseases and the question of the length of stay in hospitals has been a very prominent question. Here are the figures taken from the report of the Department of Health, Education, and Welfare. These figures show that 81.9 percent of people over 65 who are hospitalized stay in the hospital anywhere from 1 to 30 days—and no more than 30 days.

The figures show that 12.4 percent stay in hospitals from 30 to 60 days.

Three and two-tenths percent in the hospitals from 61 days to 90 days.

And only 2.5 percent remain in hospitals more than 90 days.

Those are the figures as to the number of days spent in hospitals by patients over age 65.

Another point I would like to make here is the fact that out of the 12 or 13 million aged people now receiving OASI benefits there are 1 million who receive the minimum payments of $33 a month.

Do you realize there are 700,000 OASI beneficiaries whose benefit is so low that it does not even meet their budgetary needs as figured out by the Welfare Department, and are given supplemental aid from the welfare departments of their respective communities? How can those people take care of medical expenses today?

Another thing I want to remind you of is this: It has been broadcast that the American Hospital Association is lined up with the AMA and that they are opposed to the Forand bill. I say to you that perhaps they are, because of the pressure being brought on them, but I have had any number of hospital administrators tell me: "Do not mention my name, but we want the Forand bill; we want something along that line to help us out of our dilemma."

The insurance companies have been fighting the bill. They fought the original social security law, too. And what do they sell you? Read the policies. The first part of it in large print gives you the world, but when you get down to the fine print you find there are so many exceptions that you get nothing. That is just what they are doing with the oldsters here. I have copies of policies issued by most of these companies, supposed to be decent policies to take care of these aged people. I wish I had the time to go into all the details, but I have already taken too long.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. ROOSEVELT. I want to commend the gentleman from the bottom of my heart for the very courageous fight which he has made on behalf of the aged. I just wish he might be here next year to see final victory, for I am convinced final victory is coming.

Mr. FORAND. I thank the gentleman.

Mr. ROOSEVELT. Mr. Chairman, the House has been presented with a measure that would never be before us had it not been for the clamor of public opinion. There can be no question that Congress is moving in the area of health care for the aged because 16 million senior citizens of our Nation have become politically active and have demanded our help.

I do not say this in criticism. By acting, we are again proving that we are responsive to the needs of the people. This is all to the good.

Unfortunately, we are not moving in the right direction. The best that can be said is that at long last we are at least recognizing the problem. Unfortunately this is not the Forand bill.

Not once, in all the debate over the Forand bill and similar proposals, have I heard a truly valid argument against incorporating such a program into the social security system.

The opponents have cried "socialized medicine," they have insisted that health care for the aged is only a political demand of organized labor, they have argued that expenditures for health care would be inflationary. These are the same arguments that were raised against the Social Security Act in the 1930's; they were baseless then, and they are baseless today.

Providing health care for the elderly under our social-security system can—by no stretch of the imagination—be termed "socialized medicine." Nothing in this proposal would deprive any patient of the right to select the doctor of his choice. Nothing would limit or restrict the present rights of the medical

and associated professions. All that is involved is an equitable way to provide our senior citizens with the means by which they can afford the high cost of medical attention.

Nor can this issue be characterized as something sponsored only by organized labor. Leading newspapers, religious leaders, and other prominent public spokesmen have called for meaningful action in this field. The New York Times, the Washington Post and Times Herald, and numerous other nationally read newspapers have called for a health care plan based upon social security. Both the Times and the Post and Times Herald, in editorials, ridiculed charges that the Forand bill would bring compulsion and socialism. As the Post pointed out, financing the health care needs of the aged through social security "is no more likely to socialize the medical profession than Federal provision of polio vaccine for children."

The Group Health Association of America, an organization that understands health care problems, also has spoken out in favor of a program financed through the social security system. Referring to State—rather than National—programs, this association asserted that most States are in such financial difficulty that they could not make needed contributions and "most aged people would never receive any benefits."

Even an insurance company—Nationwide—has announced its support of a Federal program based upon the social security system. Some of the data released by Nationwide in support of its position merits close attention.

According to this prominent and well-respected company, at the beginning of 1960 more than half of all Americans who are 65 or older had no health insurance protection. In addition, Nationwide stated, even those with some form of coverage are inadequately protected. The company claimed that while slightly under half of the aged can pay premiums of $100 per year, that this amount "cannot cover more than a fraction of the aged medical care needs."

Other statistics revealed by the company showed: 9 percent of aged couples receiving social security benefits had medical expenses exceeding $800 annually in 1957 and 16 percent had medical expenses of more than $500; 86 percent of couples receiving social security in 1957 had none of their medical care costs met by insurance; and nearly half of the family spending units with the head of the household over 65 had total financial assets of less than $500.

These statistics indicate the immense problem faced by our senior citizens—those Americans who are supposedly enjoying their golden years.

The bill reported out by the Ways and Means Committee contains no answer to these awesome statistics. It merely shifts responsibility to the States, when Congress knows that the States are unable to provide a remedy.

The committee proposal offers no hope to America's older citizens. These citizens must now rely upon the other body if they are to get the meaningful assistance to which they are entitled. I can only hope, along with the Nation's elderly, that the other body will come forth with the necessary amendments that will provide a firm foundation for the solution of this national problem. If not, may the people this November demand that candidates for Congress make clear their intentions to support such legislation next year.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. HOLTZMAN. The gentleman has propounded the question: How can such a small group in AMA control so many millions of people? I want to tell you that the fight against this plan was begun in the 82d Congress when HEW was created under a reorganization plan and a sop was offered at that time to the AMA by placing a doctor of wide nongovernmental experience between Mrs. Hobby and the Executive, in direct contravention to the Hoover Commission recommendation. We are reaping the results of that action today in connection with the gentleman's bill which I support and for which I commend the distinguished gentleman from Rhode Island.

Mr. FORAND. I thank the gentleman.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. SANTANGELO. I want to commend the gentleman from Rhode Island for his courageous stand on this bill. I was one of the cosponsors with him of more liberal legislation. I share his disappointment in regard to the provisions on medical care and likewise his disappointment over certain other omissions in the bill, but I want to associate myself with the gentleman's remarks and shall support the bill.

Mr. FORAND. I thank the gentleman.

Mr. HALPERN. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. HALPERN. I wish to compliment the gentleman from Rhode Island on his perceptive, well-thought opinion and observations in regard to this legislation. I am pleased to associate myself with his views on the bill before us and with the health care legislation with which he is so laudably identified, and in which I joined as a sponsor.

I intend to vote for H.R. 12580, but I do deplore its shortcomings. It is at most a step forward, but unfortunately woefully inadequate in terms of the needs to be met.

I particularly regret its failure to realistically meet or provide means for alleviating serious problems facing our senior citizens. Its omissions are glaring.

Outside earnings ceilings have not been raised to allow older people to continue gainful employment without suffering loss of social security benefits which they have earned during a lifetime of labor.

Primary benefits have not been increased to a level proportionate to today's high cost of living.

Its extended coverage fails to include many categories and services that should reasonably be contained within the scope of the act.

Numerous other aspects of the program have been left unchanged despite their incongruity with the realities of today's living.

Of special significance is the absence of provisions in the bill establishing a broad program for health care for the aged under the social security system. A golden opportunity has been let slip by. The provisions of the bill establish a medical care program which, in my opinion, does not afford assistance compatible with the needs of the aged and does not reflect the human factors involved, the maintenance by our older people of their dignity and self-esteem.

The meagerness of the program suggested, its limited application to some 1 million of our aged at the outset, the "pauper's test," and the necessity for the establishment of State plans before the provisions of the bill can become operative, are factors which, in my opinion, seriously militate against its effectiveness.

As a cosponsor with the gentleman from Rhode Island of legislation to provide for the payment, through the social security system, of the costs of certain medical expenses for those eligible for social security benefits, I cannot emphasize enough how dismayed I am at the inadequacies of the suggested plan.

Mr. Chairman, only a program based on the social security system can provide broad coverage to 70 percent of our aged now, 90 percent later on, contain adequate standards commensurate with the need and with human dignity, and be financed by the working people of the country during their productive lives.

This is not to say that there are not many commendable features in the bill. The removal of the age 50 eligibility requirement for disability insurance, the liberalizing of the provisions for insured status, the extension of coverage to additional persons, and improved benefit protection for dependents and survivors of insured workers, that is, widows, wives, and children particularly, are concrete advances.

Unfortunately, the bill does not go far enough. And since we will not be able to amend H.R. 12580, I intend to accept its provisions only as a start. I shall continue to work for an adequate program that will provide realistic assistance to the greater proportion of our older citizens.

Mr. COHELAN. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. COHELAN. Mr. Chairman, I congratulate the gentleman from Rhode Island [Mr. FORAND] for his comprehensive statement on the problem of medical care for the aged, and for his long-enduring efforts to bring this issue to the floor of the Congress.

I rise in support of the omnibus bill before us today, not because it is satisfactory in its present form, but because it offers the only opportunity for starting legislative action which I hope can result in enactment of an adequate medical care measure this year, specifically by means of amendment in the other body. Were amendments possible under

the rule, I would support a program whereby health benefits would be provided for the aged through the old-age, survivors, and disability insurance system. Should the other body amend this measure to provide such a program, I will support the conference report.

As it now stands, this omnibus bill, H.R. 12580, does improve medical care available to recipients of old-age assistance, but does not assist the great majority of the aged to meet their medical bills. Furthermore, it establishes virtual poverty as a requirement for eligibility, which means it cannot allay the older citizen's haunting fear that an expensive illness will come along to consume a lifetime's savings. Indeed, this plan only offers an alternative anxiety: the humiliation of declared poverty.

Still again, workers under the social security program are not given the opportunity to participate in a self-help, contributory insurance program to give them paid-up medical-care protection in retirement years. Instead, what assistance that would be provided would be paid for by the general taxpayer.

The many, many constituents who have written to me to express their support for a program of medical care for the aged have made it quite clear that they have in mind a contributory social insurance program. They are fully aware that only that kind of program will be genuinely adequate to the needs of the country's older people.

I am in full agreement with the recent editorial in the Washington Post entitled "Adequate Health Care," which urges a medical-care program that is "a facet of social security and can best be financed, in our judgment, through an enlargement of the social security tax, and goes on to say:

> It ought to be available, like the retirement benefits of social security, to all persons of retirement age as a matter of earned right and not on the humiliating basis of a proof of indigency. If such a measure is adopted by the Senate and if the House is given a chance to vote on it, there can be little doubt that it will be be passed in preference to the piddling bill fashioned by the Ways and Means Committee.

There is another section of the omnibus measure before us today with which I am equally concerned; namely, title V having to do with unemployment insurance.

Here is another area that needs strengthening and it is my hope that the other body will act favorably on an additional amendment to establish new unemployment compensation standards. I have specific reference to the kind of program proposed in H.R. 3547 and H.R. 3548 by the gentleman from Missouri [Mr. KARSTEN] and the gentleman from Michigan [Mr. MACHROWICZ], and in my own companion bill, H.R. 4064.

Title V of this omnibus measure opens up the problem of unemployment compensation, but does not then proceed to take up the matter of standards nor the matter of extension of benefits, except in certain very limited areas.

Enactment of an adequate medical care program based on contributory social insurance would make the final bill a major accomplishment. Enactment of this amendment and an additional amendment to provide much-needed unemployment compensation standards would make it a landmark twice over.

Mr. MASON. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Chairman, I should like to depart from the remarks I intend to make and shall come back to them. While I shall not endeavor to make a rebuttal, I would like to dwell very briefly on the remarks just presented to us by the gentleman from Rhode Island.

However, I, too, want to pay my respects to the gentleman from Rhode Island [Mr. FORAND]. As one of the newer members of this committee I wish I knew as much about this field as does the chairman. I try to do my homework but I am bewildered by the complexity of it. I trust I can stay away from those areas where ignorance could be the reason for my viewpoint.

I wish to bring up some things that to my knowledge cannot be rebutted. Before I do so I would like to point out with regard to the statement that was just made that I am among those on the committee who voted against the Forand bill. It failed by a substantial amount, 17 to 8. I am among those who do not believe that the administration has stalled. Far from it. This is a complicated field, and the very fact that the Fogarty resolution was passed to get the facts with which we can grapple with this big problem is an indication of the complexity of it. I point out that this is not stalling, this is searching for the truth, getting the facts and trying to determine which is the best. Nor shall I consider whose lobbying technique is the best, whether it be the AFL–CIO or the AMA. I think the AMA and businessmen have too long failed to lobby the Government. At best, the AMA is far behind the AFL–CIO in lobbying on legislation.

As far as socialized medicine and its definition is concerned, if no one has one, I will give mine: The Forand bill is something that would result in the registration of all medical services and people, the regulation of everybody, the control of everybody, setting fees, auditing books and providing criminal penalties for failure to live up to the law. The law once passed has to be followed. That is socialized medicine.

I recall, by the way, the head of the UAW, Mr. Reuther, and I had a go-around on this. It is in the record for anybody's perusal.

I have not begun to cover the Forand subject, of course, because I shall leave that to others. I would like to be the one to offer rebuttal to that particular solution or alleged solution to the so-called tremendous problem, if there is a problem. Rather, it seems we are going to make it a problem. We have not yet even analyzed the area of need, nor how our medical services are being provided and meeting the need. Many of you, I am sure, recognize that your own State, perhaps, does not take Federal money in some of the public assistance fields. In my own State we have fine medical aid for the needy, if you please, or free medical facilities, that are not reflected in any Federal figure at all. The HEW cannot give those figures. Why? Because they do not have them.

Yet, we, of the Ways and Means have come before you and say we want to give you a choice of voting on various solutions to the problem, while we cannot tell you what are the medical services that are provided in this country as a basis for the proper solution. As a matter of fact, the statement was made before our committee many times that no person in the United States is denied medical service on account of lack of money, and that has never been contradicted before our committee.

To get on with my subject: This is troublesome. I must divulge what I have learned. I am going to tell you what I think because my responsibility as a member of the Ways and Means Committee permits no less. I cannot pretend I do not know what I do know about the present social security program. These are not just my views. I am relaying to you what I learned from studies made by the advisory council, the trustees, and others, and I will try to present it to you on that basis.

I am opposed to the social security system as it is now constituted because it is actuarially unsound. Frankly, I am confounded by the clash of facts with our legislative action. If anyone will set me straight I will be glad to pause at the end of my statement for that purpose.

We have a moral obligation not only to today's citizens, of course, but to the folks who are going to foot the bill, the following generations. Who will foot the bill? What are the factors which make social security actuarially unsound? I hope you understand what I mean when I say that social security is unsound. The matter before us today should be as elemental as this, Can we secure the future of our people through social security? I cannot get to that one, but I can grapple with the actuarial unsoundness part of it.

What are the factors? I direct your attention to page 334 of the minority views. It is a three-page statement if you want to refer to it. Furthermore, I direct the attention of my colleagues, whether you agree or disagree, to some studies I put in the RECORD on this question, the field of actuarial soundness and what this means to the social security program.

I have the page numbers here to offer anybody that wants them. The statements were inserted in the RECORD on pages 11629–11630, 13502–13503, 13504, 13505–13506, and 13507.

Mr. Chairman, this program has been called actuarial anesthesia by some. We have set up a fiction, a fictitious actuarial basis, and then we have done our actuarial work within that framework, so we say it is actuarially sound. But, now, what are the facts? First of all, the entire program is computed on our highest earnings, into the infinite future; not on a bad or a moderate year but on the best year. The high cost, the low cost, and the intermediate cost estimates made by the actuary of HEW are computed only using high earnings, at a level of 1959. You do not allow for

any income cutback at all. We are all for high income. Fine. We want income always to be high.

But when we build a program where you have to have high income, and actuarial figures all thus figured what happens to its economic soundness if you do not have it? Further, this becomes an invitation to inflation, increased spending, and so on. Secondly, and this is the most damaging, more than just a matter of high income. Social security now is based on increasing population or new entrants into the program, because, as our chairman pointed out, we are not paying as we go. Let me quote him as best I can. Those people who are now beneficiaries will draw down without having paid in to the total of $65 billion. You and I and our children will have to dig this up. That is what the folks who are beneficiaries are owed by us until the time they die. But, how about the rest of us not yet beneficiaries, just contributors? It is estimated that this program is between $300 billion and $600 billion behind in not taking in enough money against the payout to present contributors when they become beneficiaries. But, I am ahead of myself. The point is, we make up this gap within this fictitious actuarial framework by saying we will have more tax contributions from future salaries. But, that is not the whole story. Our population is constantly getting older. We are growing older together. The average age is getting older, so more of us progressively will fall into the beneficiary class. Further, it seems that every 2 years we add new measures and more and more people are covered as beneficiaries. But, we have nothing to offset this by taxation. For the last 2 years we have run a deficit, and we are falling behind all the time rather than correcting it.

I want to read from the 20th annual report of the board of trustees. They say:

> The cost of benefits to aged persons, which constitute almost 90 percent of the total cost, will rise for several reasons. The U.S. population cannot continue to increase indefinitely; births cannot indefinitely exceed deaths. When a balance is reached or a reversal in the present trend occurs, the population as a whole will have become relatively much older.

That is what I have been trying to say:

> Another reason for the increasing cost is that the proportion of the aged population will increase.

That is the other point I was trying to make.

Then the Advisory Council in 1958 said, as any Member of this body could say, and I say now, because I am concerned, and I know you are concerned. The Council said this:

> The Council believes that the trusteeship is so large and the number of people involved so great that the defeat of beneficiaries' expectations through inflation would gravely imperil the stability of our social, political, and economic institutions.

Mr. Chairman, as our chairman has earlier said, this touches more of our citizens than any other program. It is not just the beneficiaries that will lose. It could rock the entire financial system in this country.

How about the tax burden and actuarial soundness? Mr. Chairman, I am trying to be as fair as I can. Let me cite a couple of examples—and you can criticize if you chose—actuarial examples showing the payin against the payout.

Case No. 1 is that of an employed individual who received maximum taxable earnings since the inception of the program in 1937 and he paid through 1959. He will have had a cumulative employer-employee maximum total tax contribution to the OASDI funds of $2,292. That is how much he would have paid in. Now, assuming this individual and his wife reached the age of 65, on January 1, 1960, the total amount of benefits that would be paid out, with respect to this benefit claim of $2,292, would be $31,200.

Case No. 2: Another individual who qualified for a minimum benefit entitlement on January 1, 1960, could have paid, with his employer, as little as a total of $36 into the trust funds. And, assuming that he and his wife reached the age of 65 on January 1 of the current year, the total amount of benefits that would be paid out with respect to his benefit claim is $8,600; there it is from $36 paid in to $8,600 paid out. Sure, these may be somewhat extreme cases; I do not know whether these are the most extreme. I cannot even tell you how many cases there are like these. But these are the kind of examples that ought to make all of us pause to think about this matter. We have paid in about $85 billion. We have on hand $21.8 billion. That makes a deficit of about $63 billion, which I mentioned earlier. And I mentioned the $300 billion cost that we are also behind. It is possibly even more than that. And all this deficit is in the interest of securing our future socially, if it can be done. This is the problem that needs to be faced. We are now going into a political campaign and this is a political legislative effort, every 2 years. What I am saying here probably is going to be forgotten. Probably I am not going to influence even one man here. But this is the way I see it. I am a member of the Committee on Ways and Means. I have to tell you what I think and I urge you to join me in exploring this matter.

What I am saying is that this is a little bit like Parkinson's laws, but working perhaps, in a little different direction. Bureaucracy increases and expenditures rise to meet income. It is a very interesting thing to think about. Politics is the motivating force.

Now, as to the cost of making the program sound, I cannot give you the answer. But if we are $63 billion behind in present beneficiaries and $300 billion to $600 billion behind in unfunded future benefits to be paid, our kids are going to have to pick up this cost. Of course they could vote to kill the program. If we agree that we should actually make the program pay-as-we-go, then I urge you to think about these costs. Could we pay the necessary taxes? I do not know, but we should face up to the problem.

Now, whether it is unconstitutional is something that has not been tested. I have put statements in the RECORD with regard to a number of questions, that I do not have the time to bring up today.

I am not talking about specific provisions of this bill—this would be skirting the issue. I had to oppose, in the committee, amendments that were offered which tended to increase the benefits and the coverage; not because I was against any one particular item, but rather because we were imposing these added costs on future generations, on our kids, and future taxpayers, who are not here to speak for themselves. Fortunately, they can vote to kill social security and if they do, where will our older citizens be?

It has also been said that this system is incompatible with free enterprise. It is something to think about.

It has also been pointed out that if an individual for 40 years put in $210 a year into a savings account, and left the interest in, he would have on hand $35,000 and the interest. Income from interest would be $2,000 on which to live. That is the way this country grew. That is the way this country can continue to grow. And if we do not do that, everybody is going to come to Uncle Sam with hands outstretched for support. There is not sufficient money to go around to do it that way. There's the plain truth, lack of morality of the whole thing notwithstanding.

Of course, I feel very strongly about this. I went back through all of the views that have been submitted on social security. Of course, I could not detail them all here, nor can I remember them all offhand. But I did my best to study them. Let me give you several quotations from earlier Congresses, from some of the men present on both sides and some of the men who have gone beyond.

This is from the 74th Congress:

> This bill is not to be considered a cure-all, nor a complete measure for economic security. * * * While humanely providing for those in distress, it does not proceed upon the destructive theory that the citizens should look to the Government for everything. On the contrary, it seeks to reduce dependency and to encourage thrift and self-support.

This was in the 74th Congress. I wonder if these views are true today. I think they are.

Further, the minority report went on to say they were opposed to title II providing for compulsory old-age annuities, and title VIII, providing the method by which the money was to be raised. The minority declared:

> Neither of these titles is constitutional. The Federal Government has no power to impose this system upon private industry.

By the way, I do not believe it has ever been tested.

The minority in the 81st Congress said this:

> We believe that such a form of compulsory social insurance, which unnecessarily takes from the individual funds which he would invest or otherwise use for building his own security, is incompatible with our free enterprise system. Accordingly, we do

not conceive it to be a proper function or responsibility of the Federal Government either to compensate individuals for all types of losses in earning capacity or to provide a scale of benefits which pay substantially higher amounts to those with higher income.

That reminds us we are getting into a graduated income tax on the present social security basis. I think you know about that. That brings me to the minority views in 1954 in which the gentleman from California [Mr. UTT] said:

It is my fearful belief that the social security tax is fast shaping up to become a secondary graduated income tax upon wages and salaries, a tax which, when its full impact is felt, will shake our social security system to its very foundation.

What do you think your constituents are going to say when they pay a higher social security tax, and know it, than they pay in income tax? And the amount on which the tax is payable is raised from $4800 to $6,000 or higher? The social security tax is based on first dollar earned. There are no deductions. It catches the fellow with the least income of all with the heaviest tax.

In 1955, which brings us up to the present, these were the minority views:

The tax on wages is a tax on gross wages without any allowance for personal exemptions, dependents, or other deductions. The tax on self-employment income only permits certain business deductions, such as depreciation. It is, in effect, a tax on adjusted gross income * * * the tax, as a percentage of net income, is substantially higher than the actual rates would indicate. In fact, the eventual 6½-percent rate on the self-employed would be the equivalent of a net income tax in the neighborhood of 20 percent and higher in many cases.

Then they give this example, and those of you from the farm areas ought to be particularly interested, because I know your farmers will be.

Let us take the example of a farmer with a net income from self-employment of $4,200 in 1975. Assuming that he has a wife and two children and uses the standard deduction, his Federal income tax, under present rates, will be $276.

By the way, the figure in 1975 is used because we will then have the maximum social security rate.

His social security tax, on the other hand, will be $283.50. The social security tax would be in excess of 20 percent on net taxable income. If the same individual had three children his income tax would be cut to $156 but his social security tax would still be $283.50, the equivalent of a net income tax of 36 percent.

That is the law, and that is the direction in which we are going.

In 1975, our payments out of the Social Security Fund, if we have the money to pay it, will be $20 billion, whereas, as the chairman pointed out, this year it is running at the rate of $11 billion. Where is the money coming from?

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. HARRISON].

Mr. HARRISON. Mr. Chairman, on yesterday when I asked the distinguished chairman of the Committee on Ways and Means how much time he could give me to discuss this measure he said he would give me enough time within which I could hang myself. I have been thinking that over. I realize that anyone who undertakes to cross swords with him is in serious danger of hanging himself.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. HARRISON. I yield to the gentleman from Arkansas.

Mr. MILLS. I think for the sake of posterity the RECORD should reflect that the gentleman is being facetious in that last remark.

Mr. HARRISON. No, I am being very serious. At the risk of hanging myself I have to go ahead and say that I do not like the medical provisions of this bill. In my judgment, they are completely unworkable.

If I may be allowed to comment on that a little, the distinguished gentleman from Rhode Island has said that this bill holds out a mirage to the older people of this country under which they will believe that they are going to get something, which they will not get. I certainly do agree with that statement. It seems to me, the bill undertakes in a number of ways to blow the horn through the wrong end. It starts out and gives—or, apparently, gives hospital services not exceeding 120 days, and skilled nursing home services without any limitation. We would gather from reading this bill that these hospital beds and these nursing home beds are right there ready with nice clean white sheets and that the old people do not have to do anything but to crawl into them. But, Mr. Chairman, according to the Department of Health, Education, and Welfare in the year 1959, there were 653,000 hospital beds available, of which only 587,000 were acceptable. The number of beds needed to meet the existing demands is 761,600 hospital beds. I ask the question, Should we say to people that we are going to give them hospital beds without making any provision as to where those beds may be found?

With reference to the nursing home beds, the same statistics show the existence of 245,000 beds, of which 133,000 or about half are acceptable while the need exists for 385,000 beds.

This year the distinguished gentleman from Rhode Island [Mr. FOGARTY], in connection with the report on the Hill-Burton appropriations from his committee on the appropriation bill for the Department of Health, Education, and Welfare, says:

The bill includes $150 million, an increase of $23,800,000 above the request, and a decrease of $36,200,000 below the amount appropriated for 1960. Any doubts concerning the complete inadequacy of the budget can easily be resolved by a simple review of the statistics regarding this program.

As of January 1, 1960, plans submitted by the State agencies show need for 845,402 additional hospital beds and 257,030 additional nursing home beds or a total of 1,102,432. The funds requested in the budget, when combined with funds used for hospital and nursing home bed construction outside the program will produce an estimated 43,628 beds, or less than 4 percent of the additional beds which States indicate are needed.

State agencies report that if there were no limitation on Federal funds they would have, during 1961, sufficient State and local matching funds to start work on 1,020 projects costing a total of $1.2 billion which would require Federal matching funds in the amount of $489 million.

While the amount recommended by the committee is not aimed at filling all the existing needs it will certainly do a better job than the woefully inadequate budget presented to Congress.

There is a promise in this bill of physicians services without limitation. Everybody knows there are not enough physicians. Also, we promise nurses without limitation. But, according to the American Nursing Association, there is a shortage of 56,000 nurses to meet the existing needs.

There is a promise in this bill for dental treatment which any dentist says "has seriously affected, or may seriously affect" general health. If this promise is kept, no one will get in a dentist's office within 6 months, toothache or no toothache.

There is a very interesting table in connection with this measure on page 11 of the report, in which it is estimated that the total cost of this bill will be $325 million of which $165,500,000 will be from Federal contributions. I submit that no one knows what this bill is going to cost. I submit no one knows how many States will go under this bill. The report says 10 million people could be taken care of under this bill. These figures are not based on that figure and no one seems to know what the figures are based on. But, if we assume that the table in the report is right, we come up with some remarkable results.

Four States will get over half of the money. Six States will get 68.36 percent of the money. The State of New York gets more than 30 percent and 9 times as much as 28 other States and the District of Columbia combined. But you need not worry about that because the Governor of the State of New York says the $50 million required in State contribution by New York is not available and that the State of New York will not be under this program.

The needs test in this bill is that if the income and resources taking into account other living requirements, is determined by the State to be insufficient to meet the cost of medical service, the person is eligible. Under this provision, even if a man's income were $25,000 a year and the State said he met the above requirements he would be qualified and I assume would have to be provided for. If you want to get under this program you place yourself under a doctor's care whom you select. If he certifies you are to be kept at home with three nurses a day and he comes to see you every day there can be no question by any governmental agency, State, Federal, or local.

Finally, this program has seeds in it of very dangerous expansion. All that any succeeding Congress would have to do to expand it would be to lower the State contribution, lower the age, and it would be completely financed out of the Federal Treasury without any contribution by any beneficiary.

Mr. Chairman, I submit that any plan for Federal participation in medical programs must meet the problem and meet it foursquare. Any such plan must provide for adequate beds and adequate

personnel to administer it. That is not done in this bill; it is not done in the Forand bill. It should provide for catastrophic illness only. The Forand bill does not do this at all; and this bill includes items that the person can and should pay for himself.

In addition it should have sufficient standards and machinery to protect the system from fraud and imposition. This is not done.

Also if gone into, it should be financed by contributions from the beneficiaries and those able to make contributions.

Frankly, I think we need not worry that this program will ever be in operation. The bill provides it shall not go into operation until July of next year. By that time the Congress will have opportunity to give proper consideration to a workable plan. Before we went into the social security program initiated by the late great President, Franklin D. Roosevelt, there were 2 years of study by a committee of experts from every avenue of life. It was considered by the executive departments for over another year, and it was studied by the Congress for over a year before the legislation was put into operation. Here, however, we are going into a program much more technical in nature and in an equally revolutionary field with a study by a committee of only 3 months, and the only specialist we have heard on the subject is that great specialist and expert on cranberries, Dr. Arthur Flemming.

Mr. Chairman, there is a great deal in this bill besides title XVI, the medical aid provision, which I have been discussing. There are many liberalizing provisions of the Social Security Act which can be financed without any tax increase and which will keep the system actuarily sound.

Let me discuss some of these changes.

The Subcommittee on Social Security, of which I have the honor to be chairman, has conducted a very thorough study of the operation of the disability insurance program. Over a period of months, our staff prepared and published a very excellent fact book. This was done under the direction of the subcommittee counsel, Mr. Fred Arner, and his work has met the approval of experts in government, medicine, labor, and industry. The subcommittee conducted 2 weeks of public hearings and took the testimony of experts from all walks of life. We received answers to an elaborate questionnaire from the administrators of all the States. We were greatly aided in our studies by the assistance of the General Accounting Office and we submitted a preliminary report in which the administration of the disability program was thoroughly analyzed.

As a result of these studies, I introduced a number of bills which have been included as a part of the measure now before the House.

I do not think the people of the country, or the Congress either, realize what a vast program the disability program is. Its beneficiaries as of today number some 750,000 people and the Social Security Administration is deciding 30,000 new applications per month.

We found when a person under the age of 50 became totally and permanently disabled, he was just as totally and permanently disabled as he would be if he were 50 years old. But very often in the case of a younger man the disability struck at a time when he had young children to support and the denial of the benefit to him because of age impressed us as a very arbitrary and indefensible standard. Therefore, finding that there is surplus in the disability fund, we have been enabled to wipe out that age distinction.

In addition, the bill before us includes a bill introduced by me to extend the 12-month trial work period to all beneficiaries who seek to rehabilitate themselves. Under present law, a disabled person is permitted to engage in substantial gainful activity for a 12-month period without termination of his benefits by reason of such work, provided his work is under a State-approved rehabilitation plan. In operation, this provision has worked a hardship upon many, particularly in rural areas, who are endeavoring to rehabilitate themselves. This proposal has the endorsement of the Comptroller General, the Commissioner of Social Security, the Director of the Office of Vocational Rehabilitation, and many others.

The measure before us also provides for the elimination of the 6-month waiting period for disability insurance beneficiaries who had a prior period of disability. We have found that the present provision requiring a second 6-month period is discouraging to a disabled person who has made a sincere effort to rehabilitate himself but finds that he has not sufficiently recovered to do so.

There are a number of other very significant provisions in this measure. One of them introduced by me extends for an additional 2 years the period in which ministers may elect to be covered. This will enable 60,000 ministers who, because of misunderstandings of provisions of the law, have failed to avail themselves of it.

Another bill introduced by me and included in this measure will extend coverage to widows whose husbands died prior to 1940. Under the 1939 amendments, survivors' benefits were payable only to the survivors of workers who died after 1939. This provision of the bill before us will enable about 25,000 widows, mostly over the age of 75, to become eligible for benefits.

There are many other salutary changes in the social security law covered in this measure. One of these is to increase the benefits to a child of a deceased worker to three-fourths of the worker's benefits. Another is to provide benefits for the widow and children of a marriage entered into in good faith though invalid in law. Another important change is to correct the existing injustice to parents employed in the business of their sons or daughters who henceforth will be permitted to contribute to the social security system and draw benefits therefrom, when eligible.

Not the least of the salutary changes made under the existing bill is the one that provides an improvement in the rate of return on trust fund investments so that the social security trust fund should receive interest more nearly equivalent to that paid by the Treasury and long-term money it borrows from other investors.

Mr. LENNON. Mr. Chairman, will the gentleman yield?

Mr. HARRISON. I yield to the gentleman from North Carolina.

Mr. LENNON. The State of North Carolina has a Medical Care Commission. I assume that most of the other States of the Union have organizations comparable to the Medical Care Commission in North Carolina. The question I would like to ask the gentleman, who is a distinguished member of the Committee on Ways and Means, is this: How many States having Medical Care Commissions or comparable organizations such as that put statements in the hearing record favoring this medical care to the aged?

Mr. HARRISON. I do not know. Can the chairman of the Committee on Ways and Means answer the question?

Mr. MILLS. The only thing that we can refer to as representing the position of State administrators or any commission that may be working with them is the fact that in the course of a hearing we had on Mr. FORAND's bill it was stated that these people favored Mr. FORAND's approach to taking care of the medical problems of the aged. The organization as such had been on record for some time in support of his views.

Mr. LENNON. Then the chairman of the committee cannot say that at least a majority of the States through their representatives came to Washington and appeared before the Committee on Ways and Means asking to participate in such a program as this?

Mr. HARRISON. The committee had no public hearings on this.

Mr. LENNON. The committe held no public hearings.

I note on page 154 of the bill that the States must submit plans to the Secretary of HEW in order to have such a plan approved in the respective States. There are, I believe, 17 different categories or plans that the State must submit to have it approved by the Secretary of HEW.

Mr. HARRISON. Seventeen different categories?

Mr. LENNON. Seventeen different categories that the State must list or set out in its application to the HEW for approval of the plan.

Mr. HARRISON. Is the gentleman talking about title 1 or title 16?

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. LENNON. Does the gentleman have a copy of the bill?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. HARRISON. I yield to the gentleman from Arkansas.

Mr. MILLS. There are 17 different paragraphs referring to things that would be contained in the plan submitted by the States, but I would call the gentleman's attention to the fact

that practically every one of them, not all of them, is already in the law with respect to plans submitted under title 1, under title 10, under title 14, and under title 15.

Mr. LENNON. Mr. Chairman, if the gentleman will yield further, on page 158, section 15, the State shall submit a plan "include methods for determining," and then in subsection (B), "schedules of fees or rates of payment for other medical services."

Now, does that mean that the States must make the determination as to what the maximum fees are that may be charged for medical services?

Mr. HARRISON. Yes.

Mr. MILLS. It does not mean that.

Mr. HARRISON. That is what it says.

Mr. MILLS. Well, it does not mean that.

Mr. HARRISON. It says that whether it means it or not. I think there is a lot in here that does not mean what it says.

Mr. LENNON. Would the chairman of the committee then be kind enough to tell me what that does mean?

Mr. MILLS. It means simply this, that the States have to show, in accordance with the plan, how they arrive at the payment of these things; not that they are going to fix any unreasonable limits. I call the gentleman's attention to the fact that this provision is very similar to the provision that applies at the moment with respect to the medical care programs under title I. If the gentleman will turn to page 158 of the bill, line 9, it reads "include methods for determining." That is all we are talking about. It is the method. We want some degree of understanding as to how these things are determined.

Mr. HARRISON. I understand the chairman contends that the State plans will not fix the rate of fees to be charged by doctors. Do they have to pay whatever the doctor says?

Mr. MILLS. Oh, no.

Mr. HARRISON. Then, what is the situation?

Mr. MILLS. I think the gentleman knows that the State would not be required to fix the rate of pay under this at all. What they have to do is to show the method that they arrive at in making these payments.

Mr. HARRISON. Well, but they have to file a schedule.

Mr. MILLS. I think the gentleman fails to understand this provision.

Mr. HARRISON. Either they fix a schedule or the doctor can charge whatever he wants.

Mr. MILLS. I suggest the gentleman read page 130 of the report, the technical analysis of this thing.

Mr. HARRISON. Page 130 of the report says that the State plan must "include methods for determining rates of payment for institutional services, and schedules of fees or rates of payment for other medical services, for which expenditures are made under the plan."

Mr. MASON. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. BAKER].

Mr. BAKER. Mr. Chairman, I sincerely believe in the social security system. In my second term as a Member of this body I became a member of the Committee on Ways and Means. I was fortunate enough to become a member of the Subcommittee on Social Security. We held extensive hearings. Many revisions were suggested, but none were put into effect in that particular time. Since that time I have carefully studied the social security system and, I repeat, I believe in it.

Now, down to the bill. There are 184 pages of it. It is the result of weeks and weeks and weeks of study on the part of this committee of which I am proud to be a member. It is a great improvement over existing law. It will be of benefit to millions of people.

Mr. Chairman, I do not claim it is perfect. No law is perfect. As time goes on, we will study and continue to study what is best for those people in the twilight zone of their lives that each and every one of us will soon approach.

Now, the controversial feature is title XVI. It is said that it is socialism to grant from public funds medical care for the aged. I say it is not. We have granted money for food, clothing, and lodging, a pittance, yes, for these old citizens. Is it any more socialism to grant medical care, something for the body and the brain and peace of mind for these elderly citizens than it is to grant the substance from which to obtain food and clothing from the public Treasury or from the taxpaying section—and I say that advisedly—for the medical care of these aged people?

Mr. Chairman, I support the bill in its entirety. There are many different ways to approach medical care for the aged. I do not have a closed mind. We must further study this complex problem. The committee will do so. The Forand bill is not socialism, and I care not who hears me say that, even though I voted against it in the committee.

The gentleman from Rhode Island is a fine loyal American who believes in the free enterprise system. We all regret his retirement.

This entire problem needs to be further looked into. We are making a step in the right direction. Replying to my beloved friend from Virginia, when he referred to Secretary Flemming as the "Cranberry King," I know that Mr. Flemming has worked sincerely and wholeheartedly and efficiently to solve this important problem. We have made a great, big step in the right direction, in my judgment. I support the bill in its present form in its entirety.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. IKARD].

Mr. IKARD. Mr. Chairman, I should like to clarify one particular section of the bill.

Section 531 of the bill—pages 143–146 of H.R. 12580—extends coverage under the unemployment compensation program to employees of certain Federal instrumentalities. The extension will make subject to the Federal unemployment tax any Federal instrumentality which is neither wholly nor partially owned by the United States unless it is exempt from the tax by a specific provision of law. The same section authorizes the legislature of any State to subject employment by such Federal instrumentalities to the State's approved unemployment compensation tax laws. Examples of the Federal instrumentalities thus to be covered are given on page 55 of the committee report on the bill—House Report No. 1799.

My purpose is to make it clear that there is no intention to extend coverage to an organization which is now exempt as a charitable corporation but which also is a Federal instrumentality neither wholly nor partially owned by the United States. The American National Red Cross has for many purposes been regarded as an instrumentality of the Federal Government. However, its exemption from Federal unemployment taxes is presently based on that provision of the statute which specifically exempts service performed in the employ of certain charitable corporations from such taxes. H.R. 12580 continues the exemption from unemployment taxes for such charitable corporations; hence the bill is not intended to remove the Red Cross' current exemption. Similarly, it is not the intention of the bill to remove the present exemption of Red Cross employment from State unemployment taxation.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. IKARD. I yield to the gentleman.

Mr. MILLS. The gentleman has very clearly stated, may I say, the understanding that I have of the bill in this respect. Certainly his statement is a very clear reflection of what was intended as far as I am concerned.

Mr. IKARD. I thank the Chairman very much.

Mr. MILLS. Mr. Chairman, I yield 6 minutes to the gentleman from Missouri [Mr. KARSTEN].

Mr. KARSTEN. Mr. Chairman, at the outset I should like to pay tribute to the distinguished gentleman from Rhode Island [Mr. FORAND], who has devoted many years to a diligent study of the social security system. This is not a new subject with him. He has worked at it all his life. The fact that we are not voting on his bill today is perhaps a disappointment, but I think he has rendered the country and the Congress a great service in introducing the Forand bill, H.R. 4700, and bringing to public attention, the important matter of health care.

All of us regret he has decided to return to private life. Whatever may be his future plans I would not want to let this opportunity pass without wishing him success in his new endeavors.

I am going to support the pending social security bill, which contains within its framework, a very limited beginning in the field of health legislation. Admittedly, this is a difficult area in which to legislate. In the 5 years I have been a member of the Committee on Ways and Means I know of no problem that has been more difficult than this one.

The first decision, of course, is whether we shall enter the area of health legislation at all. The Committee on Ways and Means, in reporting this bill, has made the decision that legislation is not only desirable but necessary. After

reaching that conclusion, the next decision is how shall we proceed. It was at this point the committee encountered wide differences of opinion amongst ourselves, the administration, the medical and allied professions, and other quarters.

During the public hearings last year and the executive sessions this year, which extended over a period of 3 months, we considered a variety of plans and proposals which included the Forand bill, the administration program and many variations of both. These various proposals differing in details, benefits, costs, and financing, divided themselves into two general approaches to the problem of health legislation.

The medicare plan, proposed by the Department of Health, Education, and Welfare, represented one approach. The distinguishing feature of this proposal was the payment of outright grants to the States from the General Revenue of the Federal Government. States desiring to participate would be required to match the Federal grants and limit the benefits to those whose incomes did not exceed $2,500 for a single person and $3,800 for a married couple. In addition, it provided for the payment of a nominal fee by the individual upon enrolling in the program. Before the schedule of benefits would become available to the individual, however, he would be obliged, in the case of a single person, to pay the first $250 of his annual medical expenses. In the case of a married couple the deductible amount would have amounted to $400.

While the medicare approach may have some desirable provisions, it has two principal objections: First, it calls for the taking of money from the Treasury without providing taxes to finance its cost; second, it embodies a needs test—highly refined—but nevertheless a needs test in every sense of the word. Rather than getting the Federal Government out of the relief business, the medicare plan would set up firmly in the Federal Government a large medical relief program.

There are many other features of the medicare plan about which serious questions could be raised but because of these two fundamental objections I opposed the plan in the committee. The medicare proposal was defeated by a vote of 15 to 10.

The other broad approach might be described simply as the Forand bill. This provides a system of health benefits, financed in a manner similar to the social security program. Under this approach, the employee and employer would pay about one-half of 1 percent additional social security tax and the program would be financed as it went along. It calls for no grants from the Treasury, or State matching funds, and would include all of those under the Social Security system. A prepaid insurance program of this type, of course, eliminates the undesirable needs test, or the "income" test if you prefer that term, and enables the individual to receive benefits on the basis of his contributions. The committee's efforts to include a social security health program in the pending bill were not successful and this approach was defeated by a vote of 17 to 8.

Thus, there was not a majority of the members of the committee in favor of either approach, the social security health program or the medicare proposal. The committee, therefore, was obliged to depart from both theories in order to bring the pending legislation to the House.

About all that can be said in favor of the medical provisions of this bill is that they are needed now for those in the extremely low-income brackets who would not benefit under either a social security health bill or the medicare proposal.

For myself, I confess, I am disappointed in the committee bill and I know many Members of the House share this disappointment. Under our legislative and parliamentary system, however, this bill is not in final form. Rather, it is in the nature of an incomplete document which is going to another body when it leaves the House of Representatives.

While, of course, no one can predict what will be done in the other body, one thing is certain. It would be impossible to further weaken the medical provisions of the bill without destroying them entirely. In my opinion, the course for the House to take is to pass this measure in the hope that when it reaches the other body, amendments will be added to provide a social security health program adequate to meet the needs of the people and the times.

Mr. MILLS. Mr. Chairman, I yield such time as he may require to the distinguished majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I want to announce for the information of the Members that the next order of business today will be the continuation of the consideration of the farm bill. If we are going to adjourn sine die, and it is a remote possibility still, we can do so if we do the things we are capable of doing and have to do. We will have to meet earlier, and we will have to run later in the evenings. When we are in the House, I am going to ask that the House meet at 10 o'clock tomorrow morning. I wanted to make this announcement so the Members would know what the next order of business is. I know the membership will cooperate most effectively so that we may dispose of our business so that we may adjourn sine die. I still say it is a remote possibility, but it is a goal worth striving for.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. As far as I am concerned, it is perfectly all right to come in at 10 o'clock tomorrow morning.

Mr. McCORMACK. I am going to ask for that when we are in the House.

Mr. HALLECK. I understand. But as to the legislative program for tomorrow, if the supplemental appropriation bill is ready; is it expected that that will come ahead of the continuation of the farm bill, if we do not complete the consideration of the farm bill tonight?

Mr. McCORMACK. I think we ought to continue with the consideration of the farm bill until it is disposed of. Then the supplemental appropriation bill will be the next order of business.

Mr. HALLECK. I thank the gentleman.

Mr. MASON. Mr. Chairman, I yield myself such time as I may require, and I do this because I want to ask the chairman of the committee some questions.

The first question is: Is this a medical care plan for the needy aged within the framework of our free and competitive system of private enterprise, and will it interfere with our free enterprise system?

Mr. MILLS. I would have to answer the gentleman's first question in the affirmative. I would have to answer the gentleman's second question in the negative.

Mr. MASON. Then the second question I want to ask is this: Does the "plan" preserve the beneficiary's freedom in choosing a physician or hospital and in the purchase of prescription drugs and medicine?

Mr. MILLS. It certainly does.

Mr. MASON. Under the proposed legislation, would the individual States be empowered to limit "plan" beneficiaries to the purchase of their prescriptions from certain relatively few retail drug stores, and, thus, exclude all other drug retailers from participating in the business?

Mr. MILLS. That is certainly not intended and I do not believe it is included within the purpose of this program. There would be wide discretion in the selection of dispensaries of drugs.

Mr. MASON. Would it be fair to say that the author and sponsors of the bill do not intend to sanction in any way the establishment of either Federal or State Government drug dispensaries to be operated in competition with the Nation's independent retail pharmacists?

Mr. MILLS. There is nothing in the world in this program that is intended to lead to such a development. In fact, just the contrary is intended.

Mr. MASON. My last question is as follows: On the matter of prescription drug prices, physicians' fees, and hospital charges, the Federal law will permit each State to work out its own drug pricing schedule just as it will do for physicians' fees and hospital charges. Is that correct?

Mr. MILLS. That is entirely up to the States—yes.

Mr. MASON. I thank the gentleman.

Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, I rise in support of H.R. 12580. It does not, however, in my opinion, have the broad coverage that should have been given consideration by the Congress. It is my belief, nevertheless, that it is a step in the right direction to help those who are financially unable to help themselves.

In the deliberations of the Committee on Ways and Means we had three distinct proposals offered to assist our elder citizens in the field of medical care. One was the bill introduced by my distinguished colleague Mr. FORAND, which

would have provided hospitalization and surgical care to all those eligible to receive social security benefits. The program was to be financed by a 1 percentage increase in the social security tax. However, this legislation discriminated against approximately 4 million aged citizens who have been denied the right to participate under the Social Security Act because of the fact that Congress never provided for their coverage. I believe the large majority of these 4 million citizens are in greater need of assistance in the field of hospitalization and medical and surgical care because they are not eligible to receive social security benefits, and it is doubtful as to any other income they may have outside of what little work they do in their particular field of endeavor in the remaining days of their sunset life. This proposal was defeated by the committee.

The second proposal was the plan recommended by the Secretary of Health, Education, and Welfare. This proposal offered a potential solution to the health need problems of our senior citizens within the framework of a voluntary approach. It offered comprehensive health and medical services protection while at the same time encouraging individual self-initiative to guard against the heavy economic burden of long-term illness. It would have limited Federal administrative intervention and vest principal administrative responsibility to the States with the costs being shared by the individual and the Federal and State governments. Every aged person who needed Government help to secure himself against medical costs would have been eligible for this protection and it was designed to concentrate the use of Government funds on those elderly persons who have the greatest need for protection. This proposal was also defeated by the committee.

The final proposal is the one that is before us today, which I believe is a step in the right direction, and I support its passage.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MACHROWICZ].

Mr. MACHROWICZ. Mr. Chairman, I would like to join with the other members of my committee who paid tribute to the gentleman from Rhode Island, who has decided not to be with us this next session of Congress, and I want to say honestly this: That if this Nation today is aware and cognizant of the tremendous importance of the problem of adequate medical care for the aged, if the administration has finally shown some interest in this program, and if we are considering it today, it is due in great measure to the very, very hard work the gentleman from Rhode Island and his subcommittee have done. There will be a Forand-type bill passed by Congress, if not at this, then at some other session; and when it is passed I think the credit for the bill should go to him, because he was the originator, the sparkplug, responsible for the initiation of the program.

I want to pay tribute also to our chairman, who has been most fair and considerate throughout the hearings.

Mr. Chairman, this bill that is before us today must be judged, in my opinion, by its omissions as well as by its contents. I voted to report the bill out, and I intend to vote for the bill and support it today, but I also signed the concurrent views deploring the bill's inadequacy insofar as medical care for the aged is concerned.

Mr. Chairman, 1960 is the 25th anniversary of the enactment of the Social Security Act. It was in 1935 that the Congress under the leadership of the House Ways and Means Committee wrote into law the recommendations of Franklin Delano Roosevelt, a great Democratic President who declared:

> It is my hope that soon the United States will have a national system under which no man or woman within our borders will lack a minimum old-age pension that will provide adequate food, adequate clothing, and adequate lodging, to the end of the road, and without having to go to the poorhouse to get it.

The Ways and Means Committee and the Congress were not impressed then by the charges of bureaucracy, regimentation, compulsion, and socialism that were used to oppose the provisions for a contributory social insurance system that would entitle Americans to benefits as a matter of right instead of charity. The purpose of these provisions was summed up by Justice Cardozo in the decision he wrote upholding the act's constitutionality.

> The hope behind this statute—

He said—

> is to save men and women from the rigors of the poorhouse as well as from the haunting fear that such a lot awaits them when journey's end is near.

It is unfortunate, in my opinion, that the majority of the Ways and Means Committee has rejected any program that would build upon the existing social security system and would make available to people health benefits on the basis of an earned entitlement rather than as public charity based on a needs test. It is particularly unfortunate that this body does not, today, have the opportunity to stand up and be counted on this basic issue. Nevertheless, I urge passage of this bill, because I hope that the passage of the H.R. 12580, inadequate as it is to do the job, will furnish to the other body the vehicle for the enactment of a program which will use the social insurance mechanism to provide medical care for our aged. I hope that such action will be taken and that this House will then have the opportunity to demonstrate its belief in our social security system.

On this crucial issue the American people are waiting for a decision. I know they will not be disappointed.

There are at least three major respects in which this bill falls far short of an adequate package to be offered the people of the United States on the 25th anniversary of the enactment of the Social Security Act.

It fails utterly to meet the problems of the great majority of the aged in paying for health care. It does nothing to improve benefit provisions of unemployment insurance through either minimum Federal standards or reinsurance grants to States. And, while leaving a heavy burden to public assistance, it does pathetically little to assure decent levels of living and health care.

The most grievous omission is that of health benefits for the aged through social insurance. The tremendous growth of public demand for such benefits reveals the crying need for their enactment. Letter after letter tells the tragic details of older people who had maintained their independence and managed to save for their retirement, but whose hopes as well as health have now been shattered by expensive illnesses.

I regret that only nine members of the committee have placed themselves on record as supporting the use of the social insurance system for helping the aged pay for health care. But I am proud that all nine are members of the Democratic Party.

In contrast, the Republican members of the committee voted to postpone any action on any kind of health care this year, 5 of the 10 advocated postponement in a minority report, and 3 of these have indicated their opposition to enactment of even this feeble bill because, according to them, it "compounds the weakness and actuarial unsoundness of the existing program."

It is shocking that after a quarter century of successful operation of our old-age insurance system there are those who still question its basic soundness and would still have us rely on relief and assistance, with a means test, as the only governmental approach to meeting the major economic hazards of heavy medical costs which threatens our 16 million aged citizens.

Eight members of the Ways and Means Committee, including myself, joined in "Supplemental Views on Health Benefits for the Aged" which explain the basic advantages of adding payments for health care to the OASDI system.

To quote the report:

> We believe that the 70 million workers covered under social security should be given the opportunity to contribute now, while working, toward paid-up medical-care protection in old age for themselves, their wives, and widows, so that the greatest threat to the economic security of the retired aged would be met on a planned and orderly basis—without cost to the general revenues of Federal, State, and local governments and in a way that supports the rights and dignity of the individual citizen * * *.
>
> The problem of insecurity arising from the high cost of medical care during the years of retirement is not primarily the problem of the very poor. The objective should be to remove for all the aged the haunting fear that an expensive illness will wipe out a lifetime accumulation of savings, threaten the ownership of a home, force dependence on children, or make one, after a lifetime of independence, submit to the humiliation of a test of need.
>
> Our goal is, so far as possible, to prevent dependency rather than to deal with it at the expense of the general taxpayer after it has occurred. By contributing additional small amounts from their earnings to the nearly universal social security system, workers could gain insurance protection

against medical care costs in retirement and their possible future dependency could be prevented.

Since eventually about 95 percent of the American labor force, including farmers and self-employed, will get retirement benefits under the self-financed contributory social security program, and since the wives and widows of workers are also covered, the addition of this type of protection to social security would mean that in the future almost all elderly people would be protected.

Persons already retired would receive the new health benefits, following the past pattern that when the Congress has added to cash benefits, it has made increases available to current beneficiaries.

Contributory social insurance has been applied with great success to the need for income maintenance in retirement, for survivors after the death of the chief breadwinner in the family, and for the family after the disability of the worker. The general taxpayer has been saved billions of dollars a year, and the self-respect and independence of American workers have been greatly strengthened by this approach to the problem of security planning.

There is every reason to take the same approach with regard to the expenses of medical care after retirement. The cash benefit alone is not enough to provide security. The monthly amounts paid under social security are quite modest—the average worker's benefit is now $73 a month—and most retired people have barely enough to meet everyday living expenses. The cash benefit, which in many cases scarcely serves its purpose of meeting everyday living expenses, needs to be coupled with protection against the unforeseeable costs of illness. The retirement plan cannot give security if retired persons have no protection against the cost of medical care and have to face the costs currently at a time when their incomes are greatly reduced and the incidence and cost of illness greatly increased.

The Forand bill, H.R. 4700, would give protection to young widows with surviving children as well as to the aged. It would meet substantial hospital, skilled nursing home and surgical costs, as a matter of right, and on a practical basis, with optional use by the Secretary of voluntary nonprofit plans, such as Blue Cross, in its administration.

The committee also considered other proposals for adding health benefits through the old-age, survivors, and disability insurance program. Alternatives explored included: a broad range of benefits with a large deductible; hospital benefits accompanied by skilled nursing home care and home nursing care provided through community agencies, such as visiting nurse services; the option of a supplemental cash benefit that could be chosen instead of the proposed health benefits; and limitation of eligibility to persons 68 years of age and older.

Cost estimates submitted by the agency indicated that H.R. 4700 would cost about one-half of 1 percent of payrolls in early years, with a level premium cost of about eight-tenths of 1 percent of payrolls. More modest proposals would have provided substantial protection at a level premium cost of about one-half of 1 percent of payrolls. A broad spectrum of benefits—with a large cash deductible—identical to those in the administration proposal, was estimated to cost 1.09 percent of payrolls if provided through social insurance.

It is clear, therefore, that a modest increase in the contribution rate, ranging from a few tenths of 1 percent each up to one-half of 1 percent each by employers and employees, would finance a significant amount of protection for the present aged beneficiaries as well as for almost all the aged in the years ahead.

Whatever the scope of benefits, the social insurance approach would assure that they would definitely be available, that the individual could count on eligibility for them, and that they would be supported by adequate, advance financing.

Insofar as individuals have the resources to purchase private insurance, they would then be able to build such individual protection around the basic social insurance program. Contrary to fears that have been expressed, the development of social insurance has not interfered with the growth of commercial insurance. On the contrary, a tremendous growth of private protection has accompanied the development of the old-age, survivors, and disability insurance system.

The social insurance approach can thus permit substantial flexibility in the protection obtained. It can be voluntary as to benefits if the choice of a cash equivalent is included. The tax would be compulsory, but no more than other taxes, such as those that will be required to finance title XVI or any other program paid for from general revenues. Individuals would continue to exercise whatever choice they now have in regard to the persons or institutions from whom they obtain care.

Physicians would have freedom to practice as they choose. They would still have responsibility for recommending and certifying that a given type of care is necessary, whether in a hospital, a skilled nursing home, or the patient's own home. On both physicians and hospitals would continue to rest responsibility for developing improved methods of caring for aged persons, utilizing less expensive forms of care when they would prove constructive, and speeding rehabilitation so as to avoid permanent invalidism. The alleged danger that patients would be "herded into institutions" is not valid under social insurance any more than it is under private insurance policies.

We have again heard the bogey cry of "socialized medicine." This echoes the charge of socialism which Republicans made against the original social security system, against the TVA, and other essential programs for the welfare of the people. It is the same charge which the American Medical Association has made in the past against workmen's compensation, against the voluntary health insurance plans when they were first inaugurated, against veterans' hospitals, and against other programs which are accepted as essential by the great majority of Americans.

These bogeys have been exposed recently by statements from conservative sources which support addition of health benefits for the aged through social insurance. These sources include the Washington Post, Business Week magazine, Life, the New York Times, and, most recently, Walter Lippmann, the well-known columnist. It is worth quoting three paragraphs from Mr. Lippmann:

> Among the opponents of medical insurance there seems to be a vague and uncomfortable feeling that it is a new-fangled theory, alien to the American way of life and imported, presumably, from Soviet Russia.
>
> The Founding Fathers were not subject to such theoretical hobgoblins. In 1798 Congress set up the first medical insurance scheme under the U.S. Marine Hospital Service. The scheme was financed by deducting from seamen's wages contributions to pay for their hospital expenses.
>
> If that was socialized medicine, the generation of the Founding Fathers was blandly unaware of it.

The Eisenhower administration still opposes the addition of health benefits for the aged through the old-age, survivors and disability insurance program. This opposition has been expressed by President Eisenhower, by Vice President Nixon, by Secretary Flemming, and by congressional leaders of the Republican Party.

This opposition was translated into long-continued delays in presenting an alternative plan to the Ways and Means Committee.

In 1958 the committee requested the Secretary of Health, Education, and Welfare to report on methods of providing insurance against the cost of hospital and nursing home care for old-age, survivors, and disability insurance beneficiaries. A substantial report on the matter was submitted to the committee on April 3, 1959. Testimony from a wide variety of witnesses was heard in 1958 and in July 1959. On July 13, the Secretary of Health, Education, and Welfare assured us that he would continue studying possible approaches and would report the results of his studies as soon as possible. No recommendations were received from him, however, until May 4, 1960. The committee had by then been considering health problems of the aged and other social security amendments for more than a month.

The proposals of the administration were discussed by the committee at some length but did not win its support, nor were they ever embodied in legislative language. Indeed, after the administration proposals of May 4 were given to the committee, it became clear that important aspects of their administration had not been solved. Much time was spent, for example, in considering the practicality of the income test, but it was never clear that the Bureau of Internal Revenue could effectively supply essential information on gross income that would make the approach of an income test either equitable or enforceable,

even if one were willing to accept it as a substitute for benefits as a matter of right.

Major defects in Secretary Flemming's plan of May 4 are set forth in our supplemental views. I shall not attempt to repeat them here.

What has emerged from the committee in regard to health care of the aged is not the proposal of the Eisenhower administration but a form of public assistance, called title XVI. No fine words can change this product from its essential character of welfare based on a means test with all its drastic limitations and its potential for undermining the dignity, self-respect, and self-reliance of the American people.

Public assistance is a form of social security but the least desirable form. It should be the last resort, available to those who cannot be reached by social insurance or private aid, but held to a minimum in terms of the number of people who must seek it when all else has failed.

As commonly used by Americans today, the term social security does not mean public assistance but old-age, survivors and disability insurance, the basic program on which the great majority of Americans have come to rely.

The new program added by title VI of the bill to be called title XVI of the Social Security Act, has the following in common with the older form of public assistance for the aged embodied in title I of the act:

First. It is based on Federal matching grants to the States, which will decide for themselves whether to enact the program at all, how much money to appropriate, and how strict and onerous the eligibility requirements should be. The general requirements for State plans are much like those under public assistance except that (a) no lien may be imposed against the property of any individual before his death and that of his surviving spouse, and (b) no resident of the State may be excluded. These exceptions, included as Federal standards for the State plans, are desirable but they certainly do not alter the basic welfare nature of the program.

Second. A means test must be applied and its strictness is determined by the State. The bill says that an eligible individual is one who is 65 years of age or over and "whose income and resources, taking into account his other living requirements as determined by the State, are insufficient to meet the cost of his medical services." Such a clause cannot be applied except through a series of questions and continuing investigation, presumably by the staff of the same welfare offices that administer the title I program.

Americans want the kind of security that is based on contributions during working years and avoids the necessity of applying to a welfare agency. From the point of view of the community, it is far better to have health benefits protect the savings and health of the aged so that they are not reduced to the low levels of income which mean dependency and resort to aid from general revenues.

Third. The services paid for need not include all forms or even basic forms of health care. They can be as few and meager as the State decides, with the single exception that some noninstitutional care must be included.

A broad potential scope of services is listed, with Federal matching available for them, but this is nothing new. Indeed one of the provisions specifies that a program under title XVI cannot be more liberal than the medical program under old-age assistance matched under title I, and that there can be no reduction in any of the public assistance programs to finance title XVI. These safeguarding provisions are only fair to the low-income people now dependent on assistance, but they will greatly limit the number of States, the number of people, and the kind of services which will be covered under title XVI.

It is desirable for the Congress to improve and expand public assistance, and title XVI will probably do some good in some places. But let us not deceive ourselves into thinking that it will result in generous State programs, except perhaps in a few instances.

Inherent disadvantages of the public assistance approach will be aggravated by the present fiscal problems of the States. If a progressive State is considering establishing an adequate program under title XVI, the usual arguments will be made that higher taxes will drive business elsewhere and that high payments will attract dependent people. Many States, like my own, have encountered these arguments, which have proved influential with State legislatures regardless of their conformity with the facts. The same barriers to adequacy under a State-by-State approach will be encountered as in other social welfare programs.

Many States have had to expand their services substantially and are having great difficulty raising sufficient revenues. The same is true of many local governments. State and local debts for schools and other functions have increased tremendously and so have State and local outlays and taxes.

According to estimates in the committee report, States and localities would have to provide almost $160 million a year in order to receive $165 million of Federal funds under title XVI. If they do not find such funds, then even fewer persons would be helped than the one-half million to 1 million aged estimated by the Department of Health, Education, and Welfare.

The Department's estimates as to how many persons will be aided and what Federal funds States will receive naturally involve many judgments on political, fiscal, and social factors. But it may well be true, as the Department's table on page 11 of the committee report shows, that 3 States would get 51 percent of the total Federal funds and that 16 States—including the 3—would get 95 percent. The remaining 5 percent would be split among 34 States, many of which in practice would receive little if anything.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I congratulate the gentleman on the effective speech he is making. I have listened with particular interest to his reference to the original Social Security Act. It happens that I was one of those who drafted the original Social Security Act, because I was a member of the Committee on Ways and Means at the time. I served on that committee for 10 years, at least. I remember well the cry of "socialism" that was made, and the gentleman is stating history correctly. I also remember that the insurance companies were saying that the passage of the bill would destroy the insurance business in this country. We all know now that it has been an impetus in strengthening the insurance companies by making the people of our country insurance minded. That argument "socialism" against the Forand bill is just as fallacious as it can be. There is nothing socialistic about that bill. It simply uses its provisions as an avenue for the employer and the employee to pay the expenses. They can select their own doctors; they can select their own hospitals. There is absolutely nothing socialistic about it. When the gentleman recalls the cry of "socialism" against the original Social Security Act, which included unemployment compensation and other important provisions, the gentleman is absolutely correct. It is one of the soundest bills that ever passed any Congress, and legislation now along the line of the Forand bill should be enacted into law. And, I hope that the constructive vision of the House conferees, under the chairmanship of our friend, the gentleman from Arkansas [Mr. MILLS], will prevail and that when the bill comes out of conference, the Senate improving it considerably, we will have a real, effective bill.

Mr. MACHROWICZ. I thank the distinguished majority leader. I want to say that his contribution to the establishment of the social security system and its development are well known to this Congress and the entire Nation.

Mr. Chairman, the proposed improvements in title I, the present old-age assistance program, are desirable but all too limited. They make additional Federal funds available if States expand their own appropriations. The 27 States that now pay an average of at least $65 a month to old-age assistance recipients will be able to get 25 cents more per person per month for medical care; other States may get up to $3.50 a month more Federal matching funds looking to a total extra expenditure of $5 a month. Since many recipients are very old and ill, these sums will not remedy the grave inadequacy of medical care under many State programs today.

Congress has already made substantial Federal matching grants available to the States for public assistance, and much money is spent each year from general revenues to help dependent people. But 24 States do not now take advantage of all the Federal matching funds available to them.

The Advisory Council on Public Assistance, created by the social security amendments of 1958, reported to us at

length on "the serious gaps and inadequacies that still remain in coverage, inadequacy of public financial assistance, and in availability of high-quality services." I recommend that report to those who think that a new public assistance title, such as is proposed, plus other changes in public assistance will meet the great health needs of the aged in a satisfactory manner. The report points out, for example, that "not many States provide assistance for comprehensive medical care. Some pay only for a single item."

If the great majority of the aged, including the 12 million who have old-age, survivors, and disability insurance protection, can receive health benefits through the social insurance system, then the load on public assistance will be smaller and States and localities will be able to do a better job for persons dependent on this program of last resort.

A two-pronged approach is necessary, and this bill deals with only one: public assistance, based on a means test.

Surely our Nation with a gross national product of more than $500 billion can do better by our aged citizens.

I hope this bill will pass, because otherwise the other body will have no vehicle through which to exercise its will on this issue, but I hope also that there will be in that body a sufficiently adequate improvement of the bill to meet the urgent needs of the people of our country.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, I should like to propound a question to the chairman of the Committee on Ways and Means.

The State of Colorado has an old-age assistance program which also provides for medical care to those who are eligible to receive old-age assistance. My question is, will this bill, when enacted into law, permit the State of Colorado to set up a separate plan to provide for the aged and those whose income may be such that they are not eligible under the old-age assistance program? Could the State of Colorado set up such a plan?

Mr. MILLS. The gentleman has described the purpose of title XVI, to enable his State and all other States desiring to do so to set up such a plan.

Mr. ROGERS of Colorado. What could be the extent of the plan by the State? For example, as to anyone who is past the age of 65 and whose income is less than $200 a month, could the State say that he would be entitled to participate in the State program and then the Federal Government would match it?

Mr. MILLS. Yes, sir; it is entirely up to the State. The State is given the greatest latitude here in determining who is eligible when it comes to medical needs just as it is under the other public assistance titles. The program is designed to meet these needs of low income aged who are otherwise self-sufficient.

Mr. ROGERS of Colorado. Am I to understand, also, that the State could not give more under the plan provided in this legislation than is provided in the old-age assistance medical plan that is now in operation?

Mr. MILLS. The gentleman is correct.

Mr. ROGERS of Colorado. And if the State of Colorado, for example, wants to increase the benefits for medical care to those on old-age assistance, it may do so?

Mr. MILLS. It may do so.

Mr. ROGERS of Colorado. But this plan would not permit the State to pay more than they give to those who now receive old-age assistance or will receive old-age assistance in the future?

Mr. MILLS. The gentleman is correct.

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, the social security amendments of 1960, as reported by the Ways and Means Committee, in addition to other changes, make two very important forward steps by, first, removing the requirement that applicants for disability benefits must be age 50 or over; and, second, recognizing that the States will require more Federal help if they are to meet more adequately the heavy and unpredictable costs of providing health care for those of our older men and women, otherwise self-sufficient, who are in need when they become ill.

All of us are agreed, I am sure, that the vast improvements in medical care which have occurred even within the last decade, must be made more widely available to all of our people. The resulting change in life expectancy—which has made the astonishing increase from only 47 years in 1900 to nearly 70 years today—is but one of the reasons why we must make better provision for the health needs of our older men and women.

Complicating the problem is the fact that the cost of this improved medical care has greatly increased. In a very graphic way this is illustrated by a recent article in the U.S. News & World Report which shows that, while the cost of living across the board in the United States has increased 24.8 percent in the last 10 years, by comparison medical costs have skyrocketed. For example, medical costs in general have increased by almost twice this amount to 47.5 percent, a semiprivate hospital room is up 88.3 percent, and the cost of hospital insurance premiums has spiraled to 108.1 percent. Now are there any indications that these costs will not continue to rise.

Another change in our pattern of medical care which we have not fully recognized as a nation is the paradox that our successes in modern medicine tend to bring about a demand for more medical services since, obviously, there is more reason for buying services if they can do some good. Doctors' visits now average about five a year per person whereas, as recently as the 1920's, they averaged a little over two per person. Hospital admissions have also climbed. In the 1920's, 1 out of 17 persons in the population went to a hospital during a year whereas today 1 out of 8 enters a hospital during a year.

The appalling tragedy which faces us is that older persons in our country still generally have incomes so low that they cannot afford to meet the staggering costs which can arise from a prolonged illness. In spite of the fact that aged persons drawing benefits from social security and related public programs has increased from 20.2 percent in 1948 to around 70 percent today and despite the vast increase in the amount of benefits now being paid there were still 8.8 million aged persons in 1957 with cash incomes of less than $1,000. This, we can be sure, is one reason why the 1957 survey of social security beneficiaries showed that only 14.4 percent of married couples and 9.2 percent of unmarried beneficiaries had some of their medical costs met by insurance. The simple truth, which we must recognize, is that too many of our senior citizens simply do not have the money to buy the kind of comprehensive insurance coverage which they need. The minimum payments under social security should be raised from the present $33 so that they will be no less than $50 per month. This can be done without increasing the social security tax and it certainly cannot be considered inflationary.

A very important point appearing in the "Summary of Findings and Recommendations of the Kentucky Commission on Medical Care for Indigent Persons in Kentucky" is that, while free services are provided for many of these people, by certain hospitals and physicians, this does not always meet the need. In the words of the report:

> Physicians and other persons frequently are willing to give of their time and professional skills to the indigent without compensation. However, this burden falls heavily on some and lightly on others.
>
> In order to avoid deficits which free services to the indigent would create, hospitals must pass the costs of such services on to hospital patients who are able to pay. It is not fair for the patients who are able to pay their hospital bills to carry the burden of financing the care of indigent persons. It adds to the paying patient's burden at a time when he is already facing heavy medical care costs.
>
> Although physicians and other professional people and general hospitals provide a considerable amount of free service for the indigent, other groups of suppliers, including operators of proprietary nursing homes, registered nurses, druggists, and some physicians and dentists are unable to provide free service.
>
> Thus it is clear that the present arrangements are not equitable; they place an unjust burden on some suppliers of medical care and on the nonindigent sick in the hospitals.
>
> Furthermore, under this system many thousands go without needed medical care because through pride or ignorance they fail to ask for free services.

I am proud to say that Kentucky will inaugurate a new and better medical care program beginning with the calendar year 1961. The Kentucky Medical Assistance Act, which was passed this year, provides for vendor payments for medical care not only for people on public assistance but also to include care for those people who are not receiving payments for subsistence but who need help in meeting their medical care costs. The

new legislation is, indeed, roughly comparable to the new title XVI which is established by the bill before the House today in that it specifies that the kind of medical care to be provided shall include but not necessarily be limited to, first, hospital care, including drugs and medical supplies and services during any period of actual hospitalization; second, nursing home care, including medical supplies and services and drugs during confinement therein on prescription of a physician or dentist; and third, drugs, nursing care, and medical supplies and services during the time when a recipient is not in a hospital but is under treatment and on the prescription of a physician or dentist.

The scope of medical benefits, as determined by the States, in the committee bill would permit the Federal Government to participate, through an equalization formula favorable to low-income States, in any or all of the following services—where limits are applicable they are specified—provided both institutional and noninstitutional services are available: (a) Inpatient hospital services up to 120 days per year, (b) skilled nursing-home services, (c) physicians' services, (d) outpatient hospital services, (e) organized home care services, (f) private duty nursing services, (g) therapeutic services, (h) major dental treatment, (i) laboratory and X-ray services up to $200 per year, and (j) prescribed drugs up to $200 per year.

It is important to note, too, that the bill gives incentives, particularly to the low-income States, to improve their medical programs for people on old-age assistance.

Kentucky cannot easily pay for the cost of its new program already scheduled to go into effect next year. We have hard times in our State as I have frequently pointed out. But I believe our experience shows that, when the true dimensions of the medical problems facing older people are studied thoroughly and understood—as has happened in Kentucky—most States will be willing to follow the same course. The legislation before us today will encourage such a development and I can assure you that the increased assistance in Federal money provided by the bill will be a source of further encouragement to my State.

I want also to congratulate the Committee on Ways and Means for expanding the scope of what I have always believed to be one of the most important segments of our social security plan—our disability insurance system. Although I would make other changes in the plan in the direction of liberalizing the very strict definition of disability in existing law, I want the record to show that I am in complete agreement with the provision in the committee bill which removes the present requirement that people must be at least 50 years of age before they are entitled to these benefits.

You will recall that the original disability benefits program established in the 1956 amendments was described as a "conservative" program because of the limited experience under the disability freeze, or waiver of premium, provision adopted in 1954 and also because of the lack of definitive information on the costs of paying disability benefits. All evidence now seems to indicate that we have now had ample experience with the program to make it possible for us to extend it to the younger workers. This was amply demonstrated during the course of hearings conducted last fall by the Harrison Subcommittee on the Administration of the Social Security Laws with respect to the disability insurance plan. According to the report issued by this subcommittee, the evidence before it is:

First. There is no administrative or other justification for continuation of this purely arbitrary distinction.

Second. The distinction can be eliminated without an increase of the tax or impairment of the soundness of the trust fund, according to the Department of Health, Education, and Welfare.

It is good to know that an estimated 125,000 disabled workers and an equal number of their dependents would qualify for benefits immediately upon the removal of the age 50 restriction, effective for the second month after the enactment of the law. For, as the Committee on Ways and Means report points out:

> The need of younger disabled workers and their families for disability protection is, in some respects, greater than that of older workers. They are more likely to have families dependent upon them than is the case with respect to workers aged 50 and over. Many who would be eligible for disability benefits except for the age limitation are now receiving payments under the public assistance programs. With insurance benefits available to them and their dependents, some of these individuals would no longer need assistance payments. As a result, the first-year saving in public assistance funds is estimated at $28 million and it is expected that more would be saved in later years.

I also applaud the change in the disability plan, which stresses the rehabilitation aspects of the program by continuing benefits for 12 months to all disabled workers who seek to rehabilitate themselves or be rehabilitated through private or other governmental agencies. This provision should not be limited, as under existing law, only to those who are seeking rehabilitation through a State-approved vocational rehabilitation plan.

I am aware that there are a number of problems in the disability program. Some very distinguished members of the Kentucky bar have written to me as to the necessity of providing proper representation for the average applicant who is sick and often destitute. They also emphasize the problem facing lawyers and claimants in understanding the standards which govern the determination of disability under the act. I am aware of the fine work which the Subcommittee on the Administration of the Social Security Laws has done in this area. Their recommendation that the Department expand their regulations so as to spell out in some detail the criteria—hitherto unavailable to claimants or their representatives—which govern determinations of disability and give increased attention to protecting claimant's rights at all stages of the disability determination and appeal process, is an important forward step. Failure of the Department to act in this regard will leave the Congress no alternative but to lay down more explicit legislative guidelines.

In conclusion let me say that I am glad to see that the concern which all of us have for providing adequate protection under the social security plan for our widows and children is also reflected by two changes contained in the bill. The first would increase benefits for about 400,000 orphaned children of workers who have died, or for the dependent children of retired workers, to 75 percent of the primary benefit, subject to the family maximum of $254 a month. The second would give new protection to some 25,000 people, most of them widows aged 75 or over, who are the survivors of workers who died before 1940 but had at least 6 quarters of coverage. The bill would make them eligible for benefits for the first time.

I am convinced that the bill before us represents a good base of operations upon which we can build the program of the future. Moreover I believe it will enable us to obtain more and better information with regard to the amount and kind of medical care now available in this country for our older men and women. I am sure that when we have these facts, as we found them in Kentucky, ways will be found to provide our senior citizens with their proper share of medical care. Even though it does not accomplish all of the improvements I had hoped for, therefore, I am happy to support the committee bill and urge its immediate passage.

I would like to ask a question concerning the minimum benefits that are paid to social security retirees in this country today where the vast majority have no income other than their social security benefits. I wonder if the committee took into consideration raising the minimum benefits from $33 up to some realistic figure, such as approximately $50, which could have been done, in my judgment, without jeopardizing the fund in any way; and certainly it would not have been inflationary.

Mr. MILLS. The committee did give consideration to the gentleman's suggestion and discussed it for several hours at different times. The fact is all of us would have liked to have done this but it would require an increase in the payroll tax of .23 percent.

Mr. PERKINS. For increasing the minimum benefits only?

Mr. MILLS. Yes, sir; to $50.

Mr. PERKINS. I should like to ask the gentleman another question in connection with the administration of the disability provision that was enacted in 1956. At that time it was estimated by the Social Security authorities that there were more than 400,000 disabled people who would become eligible when that law was enacted and would be eligible by July 1, 1957. As the gentleman well knows much evidence has been brought before his committee to the effect that many disabled people have not been able to get benefits, and then maybe on the second and third try on reconsideration, some have been granted

benefits. I am asking whether or not the committee considered any guidelines for the Administration to follow in considering these applications such as redefining or attempting to liberalize the definition of disability?

Mr. MILLS. Let me point out to the gentleman that we did not make changes with respect to eligibility except the elimination of the 50-year age limitation. We did include a slight amendment, but it had a very limited application. However, I want the gentleman to recognize that in spite of what we said in 1956 there are 750,000 now drawing disability benefits.

The CHAIRMAN. The time of the gentleman from Kentucky has expired

Mr. MILLS. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I rise in support of the legislation. I think it is unfortunate in that the legislation is grossly inadequate to meet the desperate need that it seeks and purports to meet.

Mr. Chairman, I rise to address myself to one phase of this legislation, one which in my opinion has high priority among the people of this country, and which is not adequately treated in the bill before us.

I refer to the health needs of our senior citizens—those who are 65 or older.

I hope there is no one in this House who denies the existence of this problem. For that matter, I do not know of anyone who denies it. Even the American Medical Association does not deny it.

But the AMA says to us, "Don't do anything about it. If you just let us alone, we will work it out."

I am sorry to see the attitude of the AMA reflected in the legislation adopted by the Ways and Means Committee.

If the Congress had taken the advice of the AMA over the last 25 years, we would not have much to show in the way of social welfare legislation.

Frankly, Mr. Chairman, I sometimes get impatient on this question. We know that our old folks, the men and women who have earned the right to honorable retirement, cannot afford to be sick—cannot afford to be hospitalized—in view of today's medical costs.

In my own district and my own State, there are pensioners who not only receive social security benefits, but are also protected by supplementary pension programs negotiated by their unions. They might be called the aristocrats among the retired workers. Their income does not approach that of the retired executives, but it is far higher than they would get from social security alone.

I know these people. I go to their meetings. I talk with them about their problems. And I can assure you, one serious, prolonged illness would wipe them out. They would lose everything they own—everything they have worked for—their homes, their cars, their TV sets, all the hard-won possessions they have slowly accumulated through years of toil and years of thrift.

Is this what we mean by "social security"? I do not think so.

I submit, Mr. Chairman, that this issue is a very simple one in basic concept. We as a nation are committed to the principle of social security; if, as in this case, a problem is standing in the way of achieving this principle, we need to find a solution. It is obvious to me that the solution must arise through the social security system itself.

That is why I gladly introduced in the House a bill identical to that of my distinguished colleague the gentleman from Rhode Island [Mr. FORAND] and supplemented this with other proposals of my own.

There are those who have said, on this floor and elsewhere, that the Forand bill goes too far. I do not claim the Forand bill is perfect, but I have a different kind of complaint—it does not go far enough.

Very frankly, Mr. Chairman, I am not terrified by those who raise the cry of "socialized medicine." I am interested in preserving and improving the health of the American people, old and young alike. If, in order to do this, we must resort to measures that AMA calls "socialized medicine"—or, to use the latest slogan, "political medicine"—then I say, so be it. And I predict that these measures would not only be good medicine for the country, but good political medicine for those of us who support them.

Let me turn to the so-called health program for the old folks that is contained in the bill before us.

What does it amount to?

First of all, it rejects the social security approach. It rejects the proposal that this should be truly a national and universal program. It rejects the conception of health care for the aged as an insurance program, paid for over the working life of the beneficiaries.

Instead, it proposes to set up an enlargement of the public assistance program. It proposes to spend $325 million a year out of the Public Treasury; out of the budget, if you will.

And for what purpose? What is the great good that will be accomplished?

The whole achievement of this program will be to give a certain amount of help to perhaps a million old folks—or perhaps only half that many—concentrated in a few States, provided they are willing to meet a means test. And even this much will only come about where the States are willing to match or almost match the Federal funds.

So all together, counting State and Federal funds, we will spend some $600 million a year to help a million people. And we will do it by enforcing conditions that in some States may require that those who are helped must first be paupers.

What a bargain. If this is an economy measure, I do not know a nickel from a dollar.

Let me remind the House that the Forand bill, the plan that was supposed to be so extreme and so radical, would have made help available to more than 11 million people, at a cost of only a little over $1 billion. And all the money would have been raised through a small increase in the social security tax. There would have been no cost to the Treasury whatever.

I am well aware, Mr. Chairman, like all of us, that this bill cannot be amended from the floor. I am not quarreling with the wisdom of a closed rule on legislation of this kind. Too often, on some matters, the passions of the moment have prevailed over the considered wisdom of committees when bills have been offered under an open rule.

Nevertheless it is unfortunate that a weak and unworkable program on health care for the old folks should have been written into the general social security bill. I have no doubt, Mr. Chairman, that a majority of this House would stand up and be counted in support of applying the social security principle to this area. I regret to say that in some respects the absence of that principle from this legislation is an indictment of our committee system, worthy though it may be in other respects.

However, I am not without hope. It is my hope that the other body, in its wisdom, will correct the error in the bill before us, and return it to this House for further consideration. I would have much preferred that the credit should be given to us, for we in this House conceived and refined this great social advance. But I am less concerned with credit than with results. I am sure I express a majority opinion of this honored House when I look forward to the help of the other body in making health care for the aged within the social security system a reality this year.

Mr. MILLS. Mr. Chairman, I yield such time as he may desire to the distinguished gentleman from Rhode Island [Mr. FOGARTY].

Mr. FOGARTY. Mr. Chairman, the decision of our distinguished colleague and my good friend, AIME FORAND, to retire from public life upon the conclusion of this session of the Congress has left me with a feeling of personal loss. For almost 20 years we have worked side by side here in the House attempting to effectively represent the good people of our great State of Rhode Island. In all these years, I have looked upon AIME FORAND as a source of experienced knowledge and a fountain of good commonsense. We have shared many moments of triumph and some of defeat. Through it all, he has kept his good disposition and humor, and has never lost sight of our common objective—good government for all the people of this Nation. He has forged ahead with a patience and diligence that has truly been an inspiration to me as, I am sure, it has been to all of you.

I think we can all profit from his good example. I know that I and all the citizens of Rhode Island take great pride in his outstanding record of achievement in public office. I note, of course, that AIME was born in the Bay State—right in JOE MARTIN's district, at Fall River, Mass. But upon attaining the age of reason, he followed the path of Roger Williams, and came to our great State, which he was destined to represent so nobly here for many years.

Following overseas service in World War I and subsequent business pursuits, he acquired valuable House experience as the secretary to several of his prede-

cessors, Congressmen Jeremiah O'Connell and Francis Condon, both of whom became outstanding jurists on the Rhode Island supreme court. The lessons he learned then he learned well. It was not long before AIME had a chance to demonstrate their practical application because on November 3, 1936, he was elected to the 75th Congress. Were it not for the countrywide landslide in 1938 which cost him his seat in the 76th Congress by a handful of votes, he would now have a record of 24 consecutive years in the House instead of the still impressive record of 22 years broken by that one gap.

I will not attempt to detail the record of his service on the Ways and Means Committee. Many of you who have served on that committee with him can recount it much more intimately than I can. But the hours, days, and months which he has devoted, with painstaking care, to the complicated and important measures in that committee are beyond computation. In this task he has brought to bear a sound, wise, and sympathetic outlook on legislation as it affects the average man and woman in this country. He has always been ready to champion a just cause—and to lead it well.

One facet of his character that has always impressed me is his true humility. He has never sought acclaim for his many achievements and he has performed his duties in a quiet, effective manner—like the valuable ballplayer on the team who makes the hard plays look real easy. In recognition of his services as an outstanding legislator, in 1951 Providence College bestowed on him the honorary degree of doctor of laws, noting in that citation his integrity as a gentleman and his virtues as an elected official.

Over the years, our fellow citizens in Rhode Island have returned him to the House again and again, with ever-increasing pluralities. There is no doubt that he could reasonably expect to go on for many years to come. He has merited such confidence and given so much of his time and labor to the affairs of Government that his services could be deemed by most of his constituents as indispensable.

His knowledge of the intricate procedures of this House and his coherent sense of impartiality has made him an outstanding presiding officer of this body on the frequent occasions when our distinguished Speaker has called upon him to serve in such capacity. I need not mention the courtesy and kindness that he has always extended to his colleagues, young and old, who have been privileged to serve with him. So it remains for future history to write his name high on the scroll of those who have served in the Congress of the United States. As for me, I write it now in the top echelon.

AIME FORAND has long had a particular interest in the welfare of the aged. Perhaps the greatest push toward national prominence for our esteemed colleague was his sponsorship of a proposal to do something about the medical needs of our older citizens. The Forand bill, which he fought for so ably and with such devoted effort will alone assure him a very special place in the minds and hearts of all the elderly throughout the country. He will rightfully take his place among the great protagonists of social legislation such as President Roosevelt and Senator Wagner. Truly he has deserved the reference which is often made to him as "the champion of social security."

However, he has now made a free and uninfluenced choice to return to private life. With deep regret we respect the reasons which dictated that decision. Yes, we will all miss AIME FORAND tremendously—and I, in particular, will feel his absence keenly. May he enjoy the rich rewards that flow from a sense of having discharged a public trust to the full measure of his great ability—discharged it well and honestly. And may he and his gracious and charming wife, Gertrude, have years of health, happiness, and success in the pleasant road of private civic life that lies ahead.

So, I say to my dear friend, AIME FORAND—Dr. AIME FORAND—hail and farewell, the people of this great Nation will never forget you.

Mr. ALBERT. Mr. Chairman, I desire to join the distinguished gentleman from Rhode Island [Mr. FOGARTY] in his tribute to our beloved colleague, AIME J. FORAND. Congressman FORAND has been a tower of strength in this House ever since I have been a Member. There is no finer representative in this or any other legislative body. His service here has been characterized by devotion to the best interests of the people. He is a great, progressive Democrat and a loyal American.

AIME FORAND is also a gentleman. His courteous consideration of others at all times, his helpful attitude, his friendly smile, have brought joy to every person who has ever had any association with him.

We wish him well as he leaves us. We hope he will have a long and useful life in the years ahead. We hope also that he will be a frequent visitor to this chamber during the years of his retirement.

Mr. McCORMACK. Mr. Chairman, Representative AIME FORAND'S retirement will leave a gaping hole in our ranks. Ever since his election to the 75th Congress in 1936, AIME FORAND has epitomized devotion to duty. His foremost concern, at all times, was people—not rich and influential people, but average people, people who needed help. It is a fitting tribute to Congressman FORAND that his name has become and always will be inextricably intertwined with the hopes and prayers of our Nation's elder citizens. Those whose voices are no longer strong, those who can no longer scream and shout at the top of their lungs, know that in AIME FORAND they had the most steadfast champion in Congress that they have ever had.

The gentleman from Rhode Island already had a distinguished record of service to his fellowmen when he came to Washington. He had been a newspaperman, a veteran of World War I who had seen action in France, and Chief of the Rhode Island Division of Soldier's Relief as well as commandant of the State soldiers' home.

As a Member of this House, he contributed immeasurably to the achievements of every Congress since 1937. His service on the Democratic Steering Committee and on the all-important Ways and Means Committee was outstanding.

The people of the First Congressional District of Rhode Island have given us a colleague who will serve as an inspiration for every Member of Congress for generations to come. He, in turn, has given them incomparable representation in Washington. I am immensely grateful to the voters of Rhode Island's First District for having sent AIME FORAND to Congress in 1937 and for having kept him here for an uninterrupted period of 23 years. I am even more grateful to AIME FORAND himself for his invaluable contribution to the achievements of the U.S. Congress. I am certain that I express a unanimous sentiment when I say that all our best wishes go with him as he prepares for retirement.

Mr. MASON. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. BENNETT].

Mr. BENNETT of Michigan. Mr. Chairman, one of the most pressing problems in our Nation today is the plight of approximately 16 million Americans, or 9 percent of our total population, who have reached the normal retirement age of 65 and over. They are faced with problems of major proportions with respect to health, finances, housing, and employment.

These persons have the usual diseases associated with age, diseases which are long in duration and frequently require expensive medical care in hospitals and nursing homes. By and large, they do not have the income to pay for such care. Taking all aged individuals including those fully employed, almost 60 percent had less than $1,000 in money income in 1958. Another 20 percent had income between $1,000 and $2,000 in that year. The average income for a retired family is about half of that of all families.

Equally pressing are the problems faced by several million American citizens who are about to retire on pensions which are completely inadequate to maintain a decent standard of living.

There are many retired people today in every State of this Union whose social security pensions are so small they must seek assistance from various welfare and charitable organizations to maintain the barest type of existence. No sound reason has been advanced for permitting this lamentable situation to continue any longer.

There are those who argue that we cannot afford to increase social security pensions and liberalize other benefits because of the great cost. But I feel certain most working men and women throughout the country would be willing to absorb a part of this cost if they were assured they would receive a pension at the time of retirement which would enable them to live decently and comfortably without other assistance.

We have been very generous in our aid to foreign countries to enable them to improve their economies and provide better living conditions for their people. We can ill afford to neglect those at

home to whom we owe our first and primary duty.

Basically our social security system is one of the soundest in the world. It is consistent with our free enterprise system where the worker, the employer, and the Government all join together in contributing to a plan which will assure a high standard of living for those who are no longer able to pursue gainful employment. Congress has made many improvements in this basic law since it was first adopted about 25 years ago. But the program cannot stand still. It must be geared to changes in our economic growth and progress in order to meet constantly changing conditions and particularly to keep pace with increased costs of living. The last pension increase in January of 1959 averaged only about $4.20 per month and was completely inadequate. That is the reason it is so desperately important for Congress to take action now to make further increases and adjustments before the adjournment of this session.

It is all very well to discuss the matter and present theories for a solution—but this is a slow and tedious process. The time has come when we must do something practical about the problem. Let us look to those affected by this law.

As of the beginning of this year, 13,704,000 individuals were receiving social security benefits; 7,526,000 were old-age beneficiaries; 2,160,000 were wives or dependent husbands of retired workers; 1,394,000 were widows or dependent widowers; 35,000 were parents of workers who have died; 1,753,000 were fatherless children; 376,000 were the widowed mothers of these children; 334,000 were disabled workers aged 50 to 64 years; and 126,000 were the wives and children of disabled workers.

The amount of benefits paid to all of the above classes of beneficiaries in December 1959 amounted to $845,100,000, and this amount is increasing monthly by an average of $7,100,000. For the calendar year 1959, the benefits paid amounted to approximately $9,700,000,000.

Expenditures under this program will continue to grow in future years because of the growth of the labor force, the higher benefit rates at which people come on the benefit rolls, and because of the disability benefits provided under the 1956 amendments. Furthermore, the proportion of older people in our population is increasing, and when the insurance program has been in operation longer, more individuals who reach retirement age each year will be able to qualify for benefits.

Our social security system is based on the sound principle that workers and their employers should contribute a share of earnings each year during their working life toward a source of income when they can no longer work. It recognizes that, for most American families the paycheck represents a place to live, adequate food and clothing, and necessary medical care. When that paycheck stops—because of death, retirement, or disability—the social security benefit indeed becomes the difference between a life of dignity and self-respect and one of humiliating destitution.

Because I am concerned with maintaining a sound and fair social security system I introduced H.R. 8442 on July 29, 1959, providing principally for hospital, nursing home and surgical services to all those eligible for old-age and survivors insurance benefits, facilitating retirement at an earlier age, and increasing benefits. My bill has seven principal points which I now wish to explain.

First. Add a program which will provide for the costs of hospitalization, surgery, and nursing home care for the retired worker and his wife, whose total family income is inadequate within the income limitations specified in the bill.

Second. Reduce the retirement age to 62—now 65—for men and to 60—now 62—for women, paying full benefits at these ages, thus eliminating the present reduced benefits for wives and women workers who elect to apply at age 62. An additional one-half million women and three-fourths of a million men could immediately become eligible to draw benefits as a result.

Third. Widows who have remained at home to care for their minor children and who presently become ineligible for a mother's benefit after the children have reached the age of 18 years, would become eligible at age 50—now 62—so that they can qualify for benefits at an earlier age.

Fourth. Raise the minimum benefit from $33 to $50 to help reduce the need for supplementation of social security benefits through the "needs test" public assistance program. Over 2 million people would be affected by this change.

Fifth. Increase present benefits generally, by 5 percent. The increase for those getting the minimum would be from $33 to $50, or approximately 50 percent. The new maximum benefit would be $155.40, but this would not become effective for several years to come because a person would have to have an average monthly wage of approximately $500 to receive the maximum benefit.

Sixth. Raise the wage base for tax and benefit purposes from $4,200 to $6,000 per year.

Seventh. Liberalize the definition of total and permanent disability and the qualifying period in present law so more people can qualify for benefits under this program.

1. MEDICAL, NURSING, AND HOSPITAL CARE

One of the most important features of my bill is a provision for medical, nursing, and hospital care for those people who are on the social security retirement rolls.

The rising cost of medical care, and particularly hospital care, over the past decade has been felt by everyone, but especially by older people. They have larger than average medical needs. As a group, they use approximately 2½ times as much hospital care as the average for persons under 65 years of age, and many have special needs for long-term institutional care. Their incomes are generally much lower than those of the working population, and in many cases are either fixed or declining in amount. They have less opportunity than employed persons to spread the cost of medical and hospital care through health insurance. A large number of our older citizens must, therefore, turn to public assistance for payment of their medical and hospital bills. It is imperative that a satisfactory solution to this pressing problem be found.

My bill recognizes the inability of numerous retired people to pay for the cost of medical care associated with hospitalization on meager pensions which are now available to them. My plan would pay the cost of hospital care and surgical services provided in the hospital up to 60 days for people eligible for social security benefits. If further care in a nursing home is indicated by the physician, additional costs up to 120 days of combined hospital and nursing home care would be provided.

The method of confining payments to those hospital services where cost schedules have already been tested by Blue Cross plans, also preserves the professional independence of doctors. It is designed simply to provide a form of insurance protection for those people on social security whose income is so limited that they cannot afford to pay the premiums for this kind of prepaid care.

We must make this forward step because I am convinced our older people are not getting their share of the modern but increasingly costly miracles of medical care. The high cost of medical care is felt more acutely by older people, moreover, because their illnesses are usually of longer duration.

According to the most recent nationwide survey of medical needs and costs, conducted for the Health Information Foundation in 1957 to 1958, the average annual cost for private care for people 65 and over was $177 as compared with $94 a year for the general population. Of the total of over $16.2 billion spent for private personal health services, 17 percent, or $2.7 billion was required for these older people. In other words, men and women 65 years of age and over were faced with charges 88 percent greater than was the general population.

The wider application of preventive measures which we are setting today will lead to less infirmity in older years in the future. This is one of the reasons why I am not persuaded by the argument sometimes presented that my proposal would lead eventually to excessive medical costs. Another is that I am confident the doctors of this country are competent enough, and honest enough, to insure against any abuse of this provision.

While progress is underway toward the goal of providing better voluntary prepayment coverage for older people, the fact still remains that although 71 percent of our people under 65 have some form of prepayment insurance, only 40 percent of people 65 and over are now insured. Moreover, among these older people, the proportion with insurance declines with advancing age so that fewer than 30 percent are insured among those aged 75 and over.

Many older people are without adequate medical care protection not because of negligence. It is simply because it is not available to them at a price they can pay. Thus, my plan is

designed specifically to meet the medical care needs of people with a low retirement income who would otherwise be self-sufficient. We will not only be preserving individual self-respect, but we will also be helping hospitals to meet the mounting costs of providing the best kind of medical care for people who cannot now afford it.

Mr. Chairman, at this point in my remarks I would like to digress for a moment to comment on the provisions for a medical care program proposed in the bill reported by the Committee on Ways and Means, H.R. 12580. The majority of that committee urge a new Federal-State grants-in-aid program to help the States assist low-income, aged individuals who need help in meeting their medical expenses. Participation in this program would be optional with the States, with each State determining the extent and character of its own program, including standards of eligibility and scope of benefits.

While I agree that such a program would be helpful to the medically indigent in those States which eventually adopt such a program, I am strongly of the opinion that the better approach to the problem of hospitalization and medical care for our senior citizens is through the social security program as provided for by my bill. My approach would make unnecessary the humiliation of a need test contemplated by the bill reported by the Committee on Ways and Means and the cost of health benefits under my bill would be financed by small contributions of employees during their working lives rather than by taxes levied upon the public generally, which is contemplated by the committee bill.

2. REDUCTION OF RETIREMENT AGE

My second change—reduction of the retirement age from 65 to 62 for men and from 62 to 60 for women—is also one of the most important features of my bill. It will reach down to provide social security benefits for millions of men and women today who have been arbitrarily retired from their jobs and must now wait months and often years, a period during which savings are depleted, assets are liquidated, and often charity must be solicited from friends, relatives, or public funds, until they can qualify for their social security benefits. For the truth of the matter is that, even under the present law, less than 10 percent retire voluntarily to qualify for social security benefits. Most people retire because of company retirement provisions or because of ill health.

Too often the eligibility age for social security is confused with a compulsory retirement age. Yet almost 25 years of experience with the system has shown us that the man or woman who is able to work beyond retirement age—and is allowed to work beyond that age—will almost invariably continue on the job. The fact that the average social security benefit for the retired worker today is $73 a month is one understandable incentive.

Another compelling reason for lowering the retirement age is the tragic fact that older workers, who are the special victims of plant relocations and retooling operations, find it almost impossible to secure new jobs or the opportunity to develop new and marketable skills. It is an anomaly of our times that the new machines which add so greatly to our productivity as a nation are viewed with fear and apprehension by older men and women who, after a long working life, find their jobs threatened by the age of electronics. One necessary way of adjusting to this fact is by lowering the floor for eligibility so that the displaced workers of our modern productive plant can begin to receive benefits at an earlier age if they have been forcibly retired before they are 65.

3. ELIGIBILITY OF WIDOWED MOTHERS

My third proposal—to make widowed mothers eligible at age 50, instead of requiring them to wait until they are 62 as in present law—will round out the purpose of the 1939 amendments which took special account of the fact that the widows and orphans of workers who die prematurely are entitled to protection against wage-loss caused by the death of the family breadwinner. Under this provision each child was made eligible for a benefit during his minority and the widowed mother received her own benefit until her youngest child reached the age of 18. The purpose of the amendment was to make it possible for the widowed mother to remain in the home and care for her children—in the same way she would have done had her husband not died—by providing social security benefits in lieu of his wages. This is, indeed, a laudable purpose and one which I heartily endorse. But it does not go far enough. Too often, I am afraid, the cancellation of the benefit check because the children are grown works a cruel hardship on the mother who, having raised her family, finds herself, in middle age, thrown off the social security rolls. According to the most recent figures available—for the end of the year 1958—approximately 40 percent of the women receiving mother's benefits were between the ages of 40 and 50. After age 50, as could be expected, the number of eligible mothers tapered off abruptly.

My proposal would accomplish two purposes:

First. For those mothers who are 50 or over when the youngest child reaches 18, the benefit would be continued for the rest of their lives.

Second. For those mothers who are younger than 50 when the youngest child reaches 18, the waiting period for benefits would be cut by 12 years because they would be eligible for benefits at age 50 instead of age 62.

Mr. Chairman, I submit that all evidence shows it is extremely difficult for women without work experience to find a job after 50. Over 46 percent of the women age 45 to 54 are in the labor force today and of those who have jobs, the great majority are in the low-pay service jobs in private households, business establishments, and industry. Therefore, this change is of the most urgent importance.

4. INCREASE MINIMUM BENEFIT

The fourth improvement I propose would increase the amount of the present minimum benefit from $33 to $50 per month—a change which would be of particular importance to those people who can qualify for social security only on the basis of low wages—especially domestic workers and those agricultural workers who do day work. Obviously the present minimum benefits of $33 a month cannot even be described as a subsistence income in our high-cost economy of today, yet about 10 percent of the people now receving social security benefits receive this minimum amount. Because this benefit is so low, it is necessary for the public assistance agencies to supplement these social security benefits to bring them up to the barest minimum required for existence. As of March 1959, 27 percent of people on old-age assistance were receiving social security benefits so small they required such supplementation, and this figure has been rising over the years.

5. CHANGING BENEFIT FORMULA

The fifth provision would make a related increase in benefits for all people now receiving benefits and those who will apply for them in the future.

As I have previously stated, the minimum under my proposal would be $50, or a 50 percent increase over the present minimum of $33. This percentage would gradually decrease until those who are now receiving $48 and over would receive a 5-percent increase. Moreover, since my bill would credit earnings up to $500 a month—instead of $400 under present law—the maximum old-age benefit which eventually could be paid when the new $6,000 annual wage base goes into full effect would be $155.40 per month instead of the present maximum of $127.

This revision in the benefit formula recognizes the fact that social security benefits must reflect the increases that have taken place in the cost of living since January 1, 1959, when the last increase in benefits was made. I am sure I do not need to emphasize the fact that a cost-of-living adjustment is urgently needed by our older people. For they are the special victims of the sharp rise in the price of meat, and milk, and medical care. They are trying to exist on a fixed income which buys less and less with each passing day.

6. INCREASE IN SOCIAL SECURITY WAGE BASE

The sixth change proposed in the system is to bring the social security wage base, for benefit and tax purposes, more closely in line with modern price and wage levels. The original wage base of $3,000 covered the full earnings of 97 percent of all workers in covered employment in 1939. For the wage base of $4,200 the figure was only 72 percent, and for the present wage base of $4,800, the figure is 75 percent. Of men with earnings during the whole year, only 47 percent have all their earnings covered under the present ceiling of $4,800. Thus, for a majority of men who are regularly employed, the present ceiling puts a dead stop to further benefit increases no matter how much their earnings rise. Under my proposed $6,000 wage base, 90 percent will have their entire wages covered.

7. LIBERALIZATION OF PERMANENT AND TOTAL DISABILITY

My seventh proposal would establish a more liberal definition of permanent and total disability for the benefits which were authorized by the 1956 amendments and modify the stringent length of service requirements. These more realistic provisions would not only apply to the benefits payable to people aged 50 and over, but also to the disability freeze which applies to workers at any age.

I presume that every Member of Congress has received mail from people who have considered themselves qualified for these payments but have been rejected by the Social Security Administration. The definition of disability in the law is strict and it is even more strictly administered.

This conclusion seems to be borne out by the facts. In September 1956, right after the Act was passed, it was estimated that about 400,000 people would qualify the first year. The President's budget message in January 1957 dropped the figure to 380,000 and later in the year the Bureau of Old-Age and Survivors Insurance issued a revised estimate of 275,000. Actually as of December 1959, some 460,000 disability beneficiaries were on the rolls.

The change I propose would modify the requirement in present law that the disabled person must be unable to "engage in any substantial gainful activity" by stating that he must be unable to "engage in a substantial gainful activity which is the same as or similar to the occupation or employment last performed by him on a regular basis before the onset of such impairment." This latter terminology is closer to what Congress really intended in passing the 1956 amendments and will insure administration of the Act in a way that will give the American worker real protection against crippling injury or disease.

My bill will also reduce the quite stringent requirements that an individual to qualify, must have 20 out of the last 40 quarters of coverage before he is disabled. I propose that this period be reduced to 15 out of the last 30 quarters. Such a revision, I believe, will take care of some of the tragic cases of middle-age workers who are incapacitated in the early years of their coverage under this system.

Another bill which I introduced, H.R. 10955, would further improve the administration of the social security disability program and eliminate certain discriminatory provisions in the present law.

First, the bill provides that a disabled individual could qualify for disability benefits at any age—not at the arbitrary age of 50 as required under present law—if he meets all other requirements of the law. There is no logical reason for granting disability benefits to a disabled employee who is 50 years of age or older and denying such benefits to an employee similarly disabled who is under age 50. Both individuals may be equally in need of benefits. In fact, the younger man often has the greater need for disability benefits because he usually is the sole support of a growing family whereas the older man is likely to have fewer dependents.

Second, the bill would eliminate the requirement of a second 6-month waiting period before disability benefits may be paid again in cases where the disabled person, who has unsuccessfully tried to return to work, is coming back on the disability rolls. Hearings before the Committee on Ways and Means have disclosed that the present requirements in this respect are discouraging people who are on the disability rolls from taking the step toward rehabilitation. This provision should, therefore, be repealed.

Third, the bill provides for an extension of the 12-month trial work period for individuals drawing disability benefits to workers under all types of rehabilitation programs. Under present law, the 12-month trial work period is only available to workers under the State-Federal Vocational Rehabilitation Act programs. Thus, a strong incentive for achieving rehabilitation is denied a disabled worker who attempts such a rehabilitation program on his own or with the assistance of his family and friends.

In conclusion, let me say that we must keep our social security system up to date because we believe in the inherent dignity and worth of each individual.

If the welfare and security of our social security beneficiaries is to be properly protected, the Congress must no longer postpone action on these vital matters. My bills embody the much-needed changes presently required in our social security program. I sincerely hope the Members of this Congress will enact this program into law.

Mr. MASON. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I rise in support of this bill, and wish to comment particularly on the new title establishing a Federal-State program, based on the historic principle of Federal-State cooperation, to assist elderly persons who do not have sufficient means to pay their medical bills when illness occurs or continues.

The costs of good medical care continue to rise. Despite widespread opinion to the contrary, the fees of doctors have not risen as rapidly in the last two decades as have the charges of most other groups providing personal services for people. During the same period when the general level of prices, including the costs of food and clothing, has more than doubled, the fees of general practitioners have risen only 73 percent. The fees of some specialists, such as obstetricians, have risen more; while those of others, such as general surgeons, have risen less.

Other medical costs have risen more steeply. Hospital costs are up sharply. Wages paid to hospital employees were long substandard. More than 70 percent of the charge per hospital day now goes to labor. Obviously hospital rates cannot be substantially reduced.

Other reasons for the increased costs are the more extensive use of costly drugs and of expensive laboratory, X-ray, and other specialized examinations. Also, under the various private insurance plans there has been a marked increase in use of hospitals for diagnosis and for prolonged convalescence as well as for treatment.

PEOPLE LIVING 20 YEARS LONGER

The success of doctors and researchers in inventing new cures and perfecting old ones has also increased the number of years during which people need medical care. People on the average have 20 years more to live than was the case half a century ago. Unfortunately the additional years have to be added at the end of life, most of them after retirement. Even if the elderly are able to work, where can they get jobs? How are they to make a living? What are they to do to keep their minds and bodies active and healthy? How can they avoid increasing anxiety as they see the value of their savings, their insurance, their pensions, their social security benefits, gradually shrinking because their own Government has not succeeded in keeping stable the value of the dollars on which they were counting to live in deserved security and serenity during their declining years?

Again, they often have more illnesses, and longer ones, in these additional decades.

How are the steadily increasing total costs of medical care to be met?

There are many who do it by saving systematically for illnesses just as they save for purchase of a home or an automobile. Almost half of those over 65 years today have private health insurance. They recognize that they must pay higher rates for health insurance and prepare for it—just as they recognize they must pay higher rates for their automobile insurance.

The medical profession has been promoting an overall program to improve the situation:

First. More extensive and noncancellable insurance policies by private companies.

Second. Reduction by doctors of their fees to elderly patients—urging reduction by one-third to one-half.

Third. Reduction of medical costs by improving nursing homes and expanding home care programs as alternatives to the more expensive hospital care.

Fourth. Better education in health maintenance—by doctors, nurses, and employers—of those approaching or already in retirement.

But there still is a large number of retired persons whose total resources simply are not sufficient to enable them to get good medical care when expensive sickness occurs. It is estimated that somewhere between 500,000 and 1 million each year will have illnesses whose costs they will have to have outside help to meet. It is for these that this bill will make provision through Federal-State financing.

WHAT THIS BILL WILL DO

The main services authorized include, when determined by a physician to be necessary: Hospitalization up to 120 days a year; physicians' services; major dental services; nursing-home services; organized home care services; outpatient hospital services; private duty nursing services; laboratory and X-ray services up to $200 a year; and prescribed drugs up to $200 a year. It will assure some 10 million retired persons that they have

such protection each year in case they should have to have assistance.

Under this bill it can be said that no person in our country above 65 years of age will be denied good medical care because of inadequate financial resources. It does not pretend to be a complete solution to the problem. But it is a reasonable and fair beginning. It will take considerable experience in this field to be sure just what more or just what different should be done. It is hoped that out of the White House Conference on the Aging scheduled for next January will come solid information and data to guide future steps.

INADEQUACIES OF FORAND BILL

Various other proposals have been studied conscientiously by the Committee on Ways and Means. Each has some advantages and some disadvantages. The greatest pressure has been for adoption of the bill sponsored by our distinguished colleague, the gentleman from Rhode Island [Mr. FORAND]. Millions have been led to believe that enactment of the Forand bill would give all retired persons full and free medical care all the rest of their lives. It is not so. To begin with, it would provide no benefits at all for about 4 million retired persons who are not on social security, which includes the million and a half who have least resources and need help most.

Second, it would give no help at all with such important items as costs of physicians' services, drugs, laboratory and X-ray services, home-care services. Many older people do not have to go to a hospital but they do have to make frequent calls on their doctor or have home-nursing services or buy expensive medicines.

Among the 12 million for which the Forand bill provides only hospital, nursing home, and surgical benefits, it gives the same benefits to all, to those who do not need outside help as well as to those who do.

Again, the Forand benefits begin the first day of hospitalization, thereby inevitably inviting pressure on the doctors to send patients to the hospital when they do not need to go or to keep them in the hospital when they do not need to stay. This same defect existed in some Blue Cross plans and led to excessive costs and almost prohibitive premiums to pay for the costs. If a conscientious doctor will not recommend hospitalization just because the patient, having paid for hospitalization, wants it, the patient goes to a less good doctor who will recommend it. A veritable racket develops. The patient uses up more money out of the fund but gets poorer care. And the more of the total funds that goes to those who do not need help, the less there is for those who do need it.

When confronted with a difficult problem like this, the temptation is to grab the first bottle of medicine available or the one with the most glowing promises on the label. But the problem is too complicated and too important to too many of our citizens for the Congress to adopt hastily some plan that may not work as intended. This bill is a good first step and I trust something carefully worked out can be adopted in the next Congress.

UNABLE TO GET $1,200 LIMIT INCREASED

Mr. Chairman, there is one other point I should like to mention. My proposal to increase from $75 a month to $1,200 a year the amount a person on social security can earn without losing benefits was adopted in the 1954 amendments. I introduced in 1957 a bill to increase the ceiling on earnings to $1,800 a year and have hoped for its adoption. But it has not been possible to get favorable action because the experts say that it would take one and a half to two billion dollars more a year out of the social security fund which is already not quite in balance. It would require an immediate additional tax on all covered workers and employees of one-half of 1 percent each. The committee believes that is too great an additional load to impose on the gross earnings of all workers. I am sorry, because it would be a better and sounder way to help more retired people, if it were feasible.

Mr. MASON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of H.R. 12580. This bill makes a number of improvements in the Social Security Act which are highly desirable. It removes the limitation of 50 years for those who would otherwise qualify for benefits on the grounds of total disability. It extends the coverage of the program to an additional 300,000 people. It increases the benefits payable to children in certain cases and would provide benefits for certain wives, widows, widowers and children of insured workers who are not now eligible for benefits.

There is some question as to whether the medical care provisions go far enough. However, this bill recognizes that this problem is extremely important and should be solved. The provisions of the bill on medical care are a step in the right direction.

Mr. MASON. Mr. Chairman, I yield 8 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, it is not my purpose to discuss this bill in detail. Most of the provisions have been covered during the course of this debate. I rise, however, to express my support for the legislation. In fact, at the time the chairman introduced the bill, H.R. 12580, I introduced a companion bill to it. No program of the Government can ever be static. We know that times change. We know, in the first instance, we can never expect to write perfect legislation. Therefore, our objective always must be in any governmental program to improve the program and to remove inequities and to keep the legislation in tune with the times, consistent always, of course, maintaining the soundness of the legislation and not interfering with the basic objectives of the fundamental program with which we are dealing. Mr. Chairman, the provisions contained in this bill are in general sound provisions. They move in the direction of trying to remove inequities that have come to our attention. Certainly, nobody will contend the pending bill is a perfect piece of legislation and that we will not have to have any more amendments to the act. I think there are some things in this bill that may not stand the test of time and which are going to prove to be not only aggravations but which will create problems. Generally speaking, however, I think the committee in its endeavor through these long weeks showed a splendid determination to try to write a sound and reasonable bill taking into consideration all the divergencies of opinion that one runs into in any committee composed of 25 members.

One very good thing that I think this bill does is to move farther along the road of trying to get universal coverage. It seems to me there is still one basic defect in our general social security system, and that is we still do not have a situation where all of our people can be considered as eligible for coverage under it. It seems to me, Mr. Chairman, if the program is a good program, we must move in the area of making certain that all of our people are eligible to come under it.

I would like to call attention, Mr. Chairman, to one of the things I think is the most serious defect in the present social security system in our treatment of the aged, and that is the fact that today in the age group over 72 years of age, there are approximately 2 million of our older people, who we could either say were born too soon or Congress acted to late to give them the benefits that other people have under this program. I have proposed that we cover these people—at least those over the age of 72. I take the age 72 because it is at this point that the social security system, in effect, becomes an annuity system rather than a retirement system; it is at this age that we do not look to any work clause as a limitation on their rights to receive benefits. The committee did not see fit to provide for coverage of these people. It is still my hope, Mr. Chairman, that in the not too distant future, the committee and the Congress will deem it proper on the basis of justice and equity that these people who have been forgotten be given the consideration they deserve and that they be given at least the minimum benefits of the OASI program.

Mr. Chairman, let me address myself briefly to the matter of health care which is the item on which we experienced, I suppose, the greatest controversy and the greatest uncertainty as the committee considered this legislation. Let me suggest to the Members and to all who might hear my voice that they should bear a degree of tolerance toward the committee and its efforts in this area.

The original social security proposals received a great deal of study before it was enacted into law. Those in the Congress and also people out of the Congress and people in the Federal Government spent over 2 years working out the basic social security system. It certainly was anything but perfect, even after 2 years of intensive effort. But in that effort, Mr. Chairman, they were dealing with dollar benefits which is cer-

tainly a much more simple matter than trying to provide services for people. The ramifications of the problem of providing medical service are almost unlimited. So I would ask the Members of Congress and of the House to be tolerant of those who have been wrestling with the problem. We have much to learn and much to know about this area of either insuring against medical catastrophe or methods of meeting medical costs. We have much to know about that subject but I think the committee in title 16 has come up with a program that should warrant the support of every Member of this House. This can be said about this new title: if the States act to carry out the objective of title 16 providing medical care for the aged it can be said that no older person needing medical care will be denied that care by reason of his inability to pay for the required medical treatments. By enactment of this bill we express on the part of the Federal Government a willingness of the Federal Government to assume from 50 to 65 percent of the cost of such medical care for such people, and by this action I think we carry out to a very high degree any responsibility that can properly be attributed to the Federal Government in this particular area.

I think it is a sound step; I think it is a reasonable step, and I think, frankly, that the committee is to be complimented for coming forth with this proposal to meet the most crying need as far as medical care and assistance of the old people are concerned.

I could not close, Mr. Chairman, without paying tribute to the gentleman from Rhode Island [Mr. FORAND]. I feel this personally; I would like him to know that I personally feel that it is a great loss to the Congress and to the Nation that he will not be back. We differed, and differed violently, for instance, on the bill relating to the medical insurance under the social security system, but let me say, Mr. Chairman, he is a man always to be admired, a man of sincere conviction, a man with whom one can differ who respects the differences on the part of others without holding it as a personal affront. I certainly want to express to him my hope for a most pleasant and well-deserved rest as he retires from the Congress of the United States.

Mr. MASON. Mr. Chairman, I yield 3 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Chairman, I asked for this time in order to propound a question of the distinguished chairman of the Ways and Means Committee.

On page 5 of the committee report the statement is made that no new social security taxes are incorporated in the bill and that even with increased benefits the trust fund will remain actuarily sound.

Mr. MILLS. Is the gentleman referring to this language with the figure "7" at the beginning of the paragraph?

Mr. JONAS. Yes.

Mr. MILLS. The gentleman will notice we say there are minor increases in cost with these improvements. There are also minor increases on the plus side and it is possible for us to bring to the House this recommendation without a percentage increase in the payroll tax. I would not want the gentleman to believe that in the process we are making the program more actuarily sound because that is not the case. I can say to the gentleman that the program is, according to our actuaries, actuarily sound and after this bill is enacted it will be the same as it was before the bill was enacted.

Mr. JONAS. Am I to understand the gentleman is saying that the increased benefits provided in the bill and the other liberalizations are adequately financed within the framework of the existing payroll tax?

Mr. MILLS. I can assure the gentleman that the best information obtainable by the committee convinces me that that is the case.

Mr. JONAS. Another question: I understand that the medical care program is not to be financed by social security taxes or paid for out of the social security trust fund, but out of the general funds in the Treasury?

Mr. MILLS. The general funds and the State.

Mr. JONAS. Matching?

Mr. MILLS. Yes.

Mr. JONAS. The estimated Federal share is $165 million per year plus $160 million each year from the States.

Mr. MILLS. I tried to explain in the course of the remarks I made that this is a very difficult area for estimation. I doubt that these figures are going to prove correct. They may be on the high side, and they may be somewhat on the low side; but, whatever it is, the relationship between the Federal and State money is pretty close.

Mr. JONAS. I have one other question. Will the financing of the medical care program follow the so-called backdoor approach to the Treasury and bypass the budget and appropriation processes?

Mr. MILLS. No. I appreciate the gentleman from North Carolina raising that question. This authorization contemplates an appropriation each year by the Appropriations Committee. The Appropriations Committee under this program is not bypassed at all.

Mr. JONAS. If the States submit plans which are approved by the Federal Government, is that a contract that we are obligated to carry out?

Mr. MILLS. There can be no payments made under any circumstances out of the general funds of the Treasury without an appropriation enacted by the Congress.

Mr. JONAS. I thank the gentleman.

Mr. MASON. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. BOSCH] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois

There was no objection.

Mr. BOSCH. Mr. Chairman, I rise in support of H.R. 12580. This bill, in my opinion, omits several items which I had hoped would be included. The retirement test, I am convinced, should be liberalized so that our citizens who have paid for protection under social security could continue to engage in more realistic partial employment after they reach age 65. The present limitation of $1,200 is ridiculous and unrealistic and should have been increased, if not completely removed. There were more than 175 bills before the Committee on Ways and Means to liberalize the retirement test so as to allow beneficiaries to earn more than the $1,200 yearly without loss of benefit entitlement. The AFL–CIO opposed this liberalization and, in my opinion, is responsible for the fact that no such liberalization is included in H.R. 12580.

Medical care for the aged has been one of the most talked about issues before our committee. We have had to deal with the issue of Government intervention in the health care of our senior citizens. In considering this matter, I have had to take into account not only our creditable accomplishments in this area in New York State but also the circumstances and conditions existing in other areas of our Nation. I have had foremost in my mind a determination to protect and preserve the free enterprise concept under which the standard of quality for health care in our Nation has reached a preeminence not equaled anywhere else in the world.

It is my considered judgment that the Federal-State program contained in the legislation before us is the most satisfactory solution to the matter that could be found at this time. It is a compromise between the approach advocated by the supporters of the Forand bill, H.R. 4700, and the plan proposed by Secretary Flemming of the Department of Health, Education, and Welfare. The present proposal does not go as far as many would have us go in this all-important field of medical care for our senior citizens. It must be recognized however that there is still very much information which is necessary and essential to deal intelligently in this field. It is my hope that such studies will be conducted and we will in all probability have constructive recommendations made as a result of the White House Conference on the Problems of the Aged scheduled for January 1961. By vesting administrative responsibility in the States we have minimized Federal bureaucratic intervention in the physician-patient relationship. By providing a wide range of benefits we have given to the physician the opportunity to prescribe for his patient the type of medical service that is most economical and most efficacious from the standpoint of producing a curative or preventive effect.

I would have liked to see the monthly benefits increased, coverage for Federal employees if they desire it—they are now about the only large group of employees not under social security—and reduction of the retirement age to 60 years. All of these proposals were fully considered but the actuary experts of the Social Security Administration felt that none of these could be done without substantial increase in the rate of tax, effective immediately. Under these circumstances, it was deemed necessary to give this further consideration in the next Congress rather than further extend the coverage offered in this legislation.

Primarily, this legislation corrects many of the inequities in various phases

of social security and will perfect this legislation to the benefit of the beneficiaries under the social security system and in that respect deserves the support of this Congress.

Mr. SISK. Mr. Chairman, early this month, many of us greeted with great pleasure the news that our colleagues on the Ways and Means Committee had at last been able to bring their social security struggles to an end and that we would shortly have a social security bill before us. This bill has a number of commendable features, including the elimination of the age requirement for disability benefits, and some strengthening of the medical care program for public assistance recipients and for the so-called medically indigent.

But how long, Mr. Chairman, how long must we wait until we, the Members of this House of Representatives, are given the opportunity to vote for a program to help the great majority of America's aged with their health needs—to help our older people cope with their medical expenses before their staggering medical bills make them eligible for the committee's program, by driving them into medical indigency or onto the public assistance roles?

How much more evidence of the need for Government help to the aged must we pile up? We have heard from the people—the aged and the young—through their letters, their telegrams, their post cards, their mass rallies in New York, in Detroit, in Hartford. They ask us, very simply, why cannot the Government provide the means whereby we can contribute during our working lifetimes for paid-up health insurance when we retire? We have heard from the public welfare and the social work organizations: Use the social security system, they say, to help the aged finance their health care. Use the social security system, says the immediate past president of the national organization of Blue Cross plans, Dr. Basil MacLean.

Here is what Dr. MacLean wrote, and I quote:

> A lifetime's experience has led me at last to conclude that the costs of care of the aged cannot be met, unaided, by the mechanism of insurance or prepayment as they exist today. The aged simply cannot afford to buy from any of these the scope of care that is required, nor do the stern competitive realities permit any carrier, whether nonprofit or commercial, to provide benefits which are adequate at a price which is feasible for any but a small proportion of the aged.

Those are the words of a respected expert. And more recently, Mr. Chairman, comes word from an insurance company, Nationwide Insurance, an insurance company which is itself offering health insurance policies to the over-65 group, that basic hospital and medical care for people over 65, according to a vote of its board of directors, can best be provided through legislation using the social security system.

The need is clear enough. And it has been proven beyond a reasonable doubt that the need can be met only through the use of the social security mechanism for financing benefits. Let us speed the bill before us on its way to the other body, in the hope that it will be returned to us with the necessary amendments so that before this Congress adjourns, we shall have met our responsibility to add a greater measure of dignity to the lives of many millions of Americans.

Mr. DENT. Mr. Chairman, in line with the expressions offered by my colleague, Congressman AIME J. FORAND, I will support this legislation in order that we can give the Senate a House bill upon which they can operate to bring forth a more worthwhile piece of legislation.

In my humble opinion, the medical care provisions hold forth but an empty promise in our fight for a realistic program of medical care for the aged.

This must not be the ending, but perhaps it can be a significant beginning in our admission that aid along this line is needed now and tomorrow.

Mr. DANIELS. Mr. Chairman, although I rise to support this legislation, I regret that its coverage is limited.

I am well aware, Mr. Chairman, that we cannot vote on the Forand bill at this time. We must take this legislation as it is, in the hope that the other body will give us an opportunity to make amends.

There is not the slightest doubt in my mind that if the opportunity were offered to this House, the vote in favor of the Forand bill would be overwhelming.

I doubt that the differences between the Forand plan and the proposals contained in this bill need further examination from a technical point of view. But to keep the record clear, I will try to state them in layman's language.

The Forand bill offers to all social security pensioners, as a matter of right and not of charity, a degree of protection against the overwhelming costs of long and serious illness. And this protection would be provided through a Federal insurance program.

The proposals contained in the bill before us wold protect more than 10 percent of the aged, in only a handful of States, provided they first exhausted their own modest resources and were reduced to utter poverty. And the cost would be borne by all the taxpayers in all the States.

There you have it.

I say that social security based on a means test is no security at all.

Our Federal pension program covers all wage earners because our Nation decided it was in the national interest to do so.

Disability benefits were extended to all workers on the same basis—the national interest.

It is time we added health protection for the aged on the same basis and for the same reason.

Mr. Chairman, it is obvious that we must vote for the omnibus social security bill as it stands. But let us urge our friends in the other body to do what we ourselves would do today if it were possible, and incorporate a health plan for the aged into the social security structure itself.

Mr. KOWALSKI. Mr. Chairman, I rise to join my colleagues in expressing—in the strongest words at my command—my earnest belief that this Congress will be derelict in its duties if it does not enact a real form of health care for the aged that will make them first-class citizens of this Nation.

It seems strange indeed that we should find ourselves at a legislative juncture where those who oppose improvement of our social security machinery to provide for medical care have temporarily stilled the voice of a majority of the Members of this House, who are anxious to enact such legislation.

It seems strange indeed that there should be such a frightening campaign being waged by opponents, who seek to discredit the proposal advanced by my good friend from Rhode Island—and who, at the same time, attack the entire social security structure—by their reckless charges that this is socialism and that it involves a compulsion that is alien to America.

It seems strange indeed that these same opponents, forced by the overwhelming evidence of real need, have conceded that something must be done—but who offer nothing to meet that need.

But the strangest spectacle of all, Mr. Chairman, is that offered to us by those who somehow believe that Government-paid medical care for the members of our Armed Forces or our Government is perfectly proper, but that the financing of medical care for the aged through social security taxes is strangely indecent and un-American.

I am appalled, Mr. Chairman, at the substitute proposals that have been offered in an effort to block passage of the Forand bill. One of these would grant Federal and State subsidies to the private insurance carriers. The other would give Federal grants to State welfare programs—but only for the most impoverished of the Nation's elderly. And both of them have a basic, irremediable fault—for they depend on added State revenue which would have to be appropriated by State legislatures which the record shows are either unwilling or financially unable to make such appropriations.

Our aged have asked for bread—these proposals would give them nothing but a stone.

The American people will not be fooled, Mr. Chairman. They are watching us—their elected representatives—and they demand of us that we act responsibly and without further delay.

This body is temporarily deprived of the chance to act. It is up to the other body, therefore, to amend the social security bill, attach provisions similar to those of the Forand bill, and send it back to this body for its concurrence. There can be no doubt that we have the votes necessary to insure this concurrence, and I trust the opportunity will be afforded to us.

Mr. BURKE of Massachusetts. Mr. Chairman, I rise to express my regret that adequate health insurance provisions have not been included in the social security legislation and to indicate my hope that they will be included before this act finally leaves the Congress.

I think it is obvious that elderly people are more likely to have serious illnesses or accidents than young people. The expense of medical attention, hospitals, and nursing care has risen astronomically. Retired persons on limited

and often static incomes are not able to meet these extra costs. Sixty percent of them have total incomes of less than $1,000 per year. They have no room in their budgets for health disasters.

These well-recognized dangers produce a chain reaction that leads to other mental and physical defects. By that I mean that the risk of illness without money leads to worry. This strain—this fear—can itself cause illness or aggravate chronic illness or an injury or disease.

We all loved F.D.R.'s saying that "there is nothing to fear but fear itself," but this is only partly true for the aged person. He knows that although his fear is poison itself, it is also not groundless. He knows that his own physical and financial resources are not equal to an emergency. He cannot help being afraid.

For example, an older person knows that someday he is likely to fall. He may trip over a rug, or lose his balance, or get his feet mixed up. Or a leg may give way. Whatever the cause, the result is usually a broken hip. That is a major disaster. It means weeks in the hospital and months in bed. This may bring on other problems such as bedsores, incontinence, frozen joints, and general atrophy. It may be the beginning of the end.

Of course, if it is not a fall, it may be an accident. Decreased hearing, eyesight, and alertness make all accidents more likely. Or it may be the attack of a disease, the faltering of body organ, or the developing of some deficiency that brings trouble.

The aged person fears not only the physical impairment but also the bills that come with it. Doctors' bills, nurses' bills, drug bills, hospital bills, consultants' bills, laboratory bills. They all seem unbelievably high. A few days in the hospital for a checkup can cost $50. Longer confinements run into the thousands. Most aged persons know that they cannot meet such expenses. They will have to go without some of the services, or reduce themselves to poverty, or pile up debts for their children to inherit.

An older person is naturally more cautious and that is perhaps desirable or unavoidable. But fear can turn normal caution into worry or even terror. This is what is unnecessary.

In our great country, with its riches and progress in the physical and social sciences, it is not necessary for an aged person to fear that he will be helpless and abandoned when emergency illness strikes. He can have insurance. If he cannot afford adequate private insurance—and most people cannot—the Government can utilize its own experience and organization to enable him to purchase protection through the social security system.

We do not want to rely on handouts. We cannot rely on State matching. We can act in this Congress to limit disability expenses and thus to reduce fear, one of the most terrible of all impairments.

Mr. PELLY. Mr. Chairman, I may be bending over backward unnecessarily, but it could be as a stockholder in a company providing health and medical protection that I have a personal conflict of interest with parts of this bill.

Therefore, when the vote on passage of H.R. 12580 is taken I shall feel constrained under clause I of rule 8 of the House rules to answer "present" when my name is called.

Mr. DOOLEY. Mr. Chairman, the bill H.R. 12580, while by no means a perfect solution to the problem of medical care for the aged, is at least a step in the right direction.

The bill contains several improvements in the social security law. Fortunately the measure does not place too heavy a burden on the social security fund, which annually is dispensing $11 billion to its beneficiaries. The fund must be kept in balance, not only because of current demands, but because of the impact which the requirements of future years will have on it.

In order to implement the provisions of H.R. 12580, if enacted into law, it will be necessary for a State to take affirmative action. To participate in the program and receive Federal matching funds for health care for the aged, a State must volunteer.

There is some doubt as to how many States will participate, in view of the requirement that they provide matching funds.

The need for assistance to the aged, in the field of medical care, is so obvious that there is no need to belabor the point. But much study is needed before all the points of dispute can be clarified and resolved, and before a sound, equitable and economical program can be developed.

The White House Conference on Aging which will hold its sessions in January of 1961 will undoubtedly develop data useful in arriving at a proper solution to the problem.

H.R. 12580 is not the complete answer by any means. It does firm up and advance the efforts to help the aged without unbalancing the social security fund, and for that reason I will support it.

Although it is an irrefutable fact that much is already being done for the health of our aging population, much more must be done. Today, millions upon millions of dollars are being poured into research on cancer, heart disease, arthritis, et cetera, which plague so many of the aged, but the struggle to solve medical enigmas is an unending one. In the meantime the Government is helping the States to build hospitals, clinics, nursing institutions, et cetera.

Mr. PORTER. Mr. Chairman, I rise in support of H.R. 12850 as it has been approved by the House Ways and Means Committee. There are serious omissions to this bill, but it does provide us with certain improvements among them removal of the requirement that a disabled worker must be 50 years old in order to receive benefits. I have long felt that requirement was unjust. I am glad the committee has eliminated it.

I am sorry the committee did not take the major step so many of us have advocated. I refer to adequate health benefits through social insurance.

Earlier this year I sent a questionnaires to 131,000 residents of the Fourth Congressional District, which I have the honor to represent. More than 20,000 persons participated in the poll.

I asked several questions. One of them was: Do you favor legislation as proposed in the Forand bill which provides medical care for social security retirees?

The endorsement of the legislation as proposed in the Forand bill was overwhelming. By a vote of 13,410 to 5,028 my constituents said "yes." The percentage vote was 73 percent in favor, 27 percent opposed. There are seven counties in the Fourth Congressional District of Oregon. Voters in each county favor medical care for social security retirees. Let me quote the vote:

	Yes		No	
	Number	Percent	Number	Percent
4th district	13,410	73	5,028	27
Coos County	1,597	81	364	19
Curry County	420	79	114	21
Douglas County	1,608	70	676	30
Jackson County	2,038	70	888	30
Josephine County	999	76	311	24
Lane County	5,526	72	2,147	28
Linn County	1,212	70	528	30

I cite these statistics to prove that medical care for social security retirees is not the figment of the imagination of humanitarians such as my friend and colleague, the gentleman from Rhode Island [Mr. FORAND].

Statistically it would be possible for a man to pay now for the medical care he will need in his later years. As I said on this floor June 13 the greatest objection I have to the medical care plan proposed in the bill we are considering today is the pauper approach whether you call it a needs test or an income limitation or medical indigency. Because of the rising costs of medical care it is necessary, morally, socially, and economically that we help people help themselves. We cannot wait for the millenium before we act. Millions of people desperately need, want and deserve action.

The Harvard Business Review for January–February 1960, carried an article by Gaston V. Rimlinger entitled "Health Care of the Aged: Who Pays the Bill?"

Author Rimlinger writes, in part:

> The question of what can be done to provide adequate medical care for retired employees is a nagging problem to businessmen.

His impartial discussion of the factors involved deserves careful attention.

I believe Walter Lippmann probed to the core of the problem recently when he asks in his column:

> What is so wrong about its being compulsory that a man should insure himself against the needs of his old age? What is so wonderful about a voluntary system under which a man who doesn't save for his old age has to have his doctors' and his hospital bills paid for by his children or public welfare funds?

Let us therefore today approve H.R. 12580, realizing as we do that it is truly only a small step toward what is part of our national purpose. And let us hope

that the other body, tied by no closed rule such as we are working under today and which precludes amendments, will make further improvements to bring this bill closer to the Forand proposals.

Mr. KARTH. Mr. Chairman, I am aware that no amendments can be made on the bill submitted to the House by the Ways and Means Committee regarding amendments to the Social Security Act. Nevertheless, I wish to express my considered opinion of that part of the amendments dealing with medical services for the aged.

I will not take up the time of my colleagues in order to document in detail the need for truly special—and truly effective—action on the health problems of our aged population, which now numbers 16 million if we use the age of 65 and over. A reading of the special reports prepared by the experts within the Department of Health, Education, and Welfare, by the various schools of public health in the universities across our country, and especially by the Senate Subcommittee on Problems of the Aged and Aging, headed by Senator PAT MCNAMARA—all of these extensive studies would suggest how hollow—how mocking—is the proposal now before the House. The hopes of the millions of senior citizens and their families to remedy this travesty now lie in the Chamber on the other side of the Capitol Building, since they are not hog-tied by the rule against amending the present bill on the floor.

I want to take this occasion to point out to my colleagues here just what are the glaring defects and tragic implications of this legislative farce.

First. The program provided in the bill actually would result in virtually no program at all, since its implementation hangs on the scrawny, flimsy reed—or should I say weed—of State matching funds. Even for the piddling numbers of elderly men and women theoretically eligible for benefits under this bill, there is no firm assurance that every State would vote the funds for even the minimum level of medical benefits cited in the bill.

Second. Some of the States will never vote any appropriation to come under the Federal-State matching program contemplated in this shameful amendment.

Third. Many States will delay action on their part for several years to come.

Fourth. Few States, if any, will legislate funds necessary to provide the full complement of health benefits theoretically available through this callous paper gesture. Nearly one-half of our States still do not take full advantage of the Federal funds available now for old-age assistance programs.

Fifth. Like the other forms of old-age assistance, the States would not necessarily appropriate each year the required funds to make the program work. Each year, such programs would run the risk of getting the short end of the stick.

Sixth. The eligibility requirements consist of miserly and almost punitive conditions regarding not only the income of the elderly applicant for this degrading charity medicine, but also his other living arrangements. As a matter of fact, each State can set up its own criteria of need as it sees fit.

Seventh. To me the most disheartening aspect of the proposed amendment is that it requires no improvement of standards now existing in old-age assistance medical care—and offers help to a limited number of senior citizens only after such men and women become pauperized, instead of creating conditions for the financing of medical care which would prevent such inhuman medical indigency.

Eighth. While there are many other serious objections to this empty posture of problem-solving, the one simple but overriding fault is the bill's disappointing rejection of the genuine use of the social security principle—although the authors of the amendment call it an amendment to the Social Security Act. Actually it is a betrayal of the ethical principle involved in the original Social Security Act of 25 years ago, when Democrats were proud and anxious to advance such legislation.

What I mean is the contribution of working men and women, during their years of employment when they could afford it, to a fund that would provide paid-up benefits—as a right and not as charity—when they are retired from the labor force. Such a simple, but efficient and rational method insures a sound method of financing basic medical costs—including costs for much of preventive medical services. Such a simple and practical approach places no burden on Federal, State or local, or private resources. Such a simple but profoundly just solution to the problem would relieve the anxieties of the total population about their health protection in future years when they join the ranks of the increasing population of older citizens.

What frigid irony lies in the fact that under this current proposal, elderly citizens will still be required to pay taxes, on a Federal and State level, in order to finance the program.

Ther are now 16 million so-called older Americans today; nearly 6 million alone are over the age of 75. In 10 years, there will be at least 20 million persons over 65. Pitifully few will share in the benefits supposedly made possible by this particular legislation. Pitifully few can afford the premiums for truly adequate private health insurance—read the record of the Senate Subcommittee on the Aged.

All of them, however, are over the age of 21. Most of them have become sophisticated, informed citizens on the issue of how best to arrange for the financing of their medical needs in retirement.

For example, when the Minneapolis Star and Tribune conducted a recent poll in Minnesota concerning medical care for the aged, 55 percent of those interviewed preferred to pay higher social security taxes to care for sick people over 65 while 40 percent wanted to keep social security as it is. Despite the emphasis in the survey questions on the costs involved the majority of Minnesotans who were polled wanted medical care for the aged as part of their social security.

I should like to close my remarks by referring to the attached table, indicating certain population statistics of selected States around the country. They show the percentage that the over-65 population is, relative to the total population, as of 1958, and also their proportion of the population aged 21 and over. I close my remarks with the question, How well are we truly responsible to the emerging needs of our constituents? What do we intend to do, here in the House of Representatives, when the issue completes its round trip to and from the floor of the Senate?

Senior citizens, as percentages of total population, and of population 21 and over, in selected States (as of July 1, 1958, Census Bureau estimates)

State	65-plus population as percent of total population	65-plus population as percent of 21 and over population
Arkansas	10.8	18.6
California	8.4	13.9
Florida	10.2	16.8
Illinois	9.2	14.5
Kentucky	8.9	15.4
Louisiana	6.8	12.3
Michigan	7.6	12.8
Minnesota	10.0	16.7
Missouri	11.0	17.4
Montana	9.4	16.2
New York	9.4	14.4
Ohio	8.8	14.4
Pennsylvania	9.4	14.7
Rhode Island	10.0	15.5
Tennessee	8.0	13.6
Texas	7.2	12.6
Virginia	6.8	11.9
Wisconsin	9.7	16.0

Mr. FRIEDEL. Mr. Chairman, there are many reasons for us to regret the absence from this bill of the Forand proposals to include medical, hospital, and nursing home payments in the benefits or our social security legislation. I wish to emphasize one of those reasons.

We Americans have always been proud of our traditional desire to improve upon the present, to seek something better and to raise our living standards even higher.

This opportunity exists today in the field of medical services for the aged. With the pioneering and creative work that Johns Hopkins does in medicine and surgery, I hope it is appropriate for a Representative from Baltimore to call this to your attention.

In the past it was believed that mental vagaries, senility and many physical disorders were an unavoidable part of the aging process. But now we know that most of the mental disturbances are due to physical breakdowns. Consider, for example, the effects upon the brain from inadequate blood circulation, or from blood that accumulates poisons because of kidney or prostate problems.

Research indicates that many physical disorders, previously considered inevitable, are amenable to treatment and sometimes to prevention if caught in time. For example, unattended glaucoma may develop to the point of blindness, undetected diabetes may lead to vascular complications and amputation of a limb, protracted abdominal pain may be diagnosed as a metastic cancer, and a neglected cardiac condition may lead to disabling secondary complications.

There are about 500,000 people living in America's nursing homes and homes for the aged. Most of them are just vegetating. By that I mean that they are sitting in their chairs—sometimes tied—or lying in their beds without any hope of recovery. They are waiting, waiting, waiting for their bodies to atrophy and decay until some vital organ stops functioning. There is nothing more depressing than to walk through the rooms of such institutions and to visit with the patients, knowing in your own mind that "this is a death house."

In my own State of Maryland and more particularly in Baltimore city, the medical capital of the world, the majority of the inhabitants of nursing homes are welfare patients. Because they are welfare patients the fee paid for their care is the bare minimum and consequently they can be given only the minimum essentials of food, medical attention and rehabilitation. They need something to occupy their long days—some kind of occupational therapy—something to give them purpose. And these are only the ones who can qualify for public welfare. God knows how many exist who cannot.

But the Senate subcommittee report on the problems of the aging finds that nearly half the patients in the nursing homes could be largely rehabilitated.

Why are these people so cruelly abandoned to protracted decay? Because there is not enough money available in this rich country of ours to give them the needed medical facilities. It is as sample as that. Nearly half of the skilled nursing home beds are considered substandard. Payments for patients under old-age assistance are insufficient to cover registered nursing services, routine medical care, rehabilitative and recreational activity.

Consider for a moment the progress that we all know about and the cost involved. Not too many years ago, people with mental disorders were locked in padded rooms, tied down with ropes or even chains. Now, thank God, we can give them tranquilizers. But this takes money. I know of one tranquilizing pill that is taken once every day at a cost of $0.20 each. A drug bill of $40 per month is not unusual. Even the rather common vitamin pill, multecebrin, costs over $0.04 each at the ordinary retail outlet.

While I recognize that the Forand bill is no panacea, it is a step in the right direction for the salvation of some of our fellow human beings. Furthermore, they provide a method by which all of us may contribute, while we are working, to a fund for better care and happiness when we have passed into retirement. With a quarter of a million "human vegetables" now in our institutions unnecessarily, it is time for us to take action.

Therefore, in deploring the unfortunate decision of the Committee on Ways and Means, I am speaking in behalf of humanity, rather than in terms of a political issue. It is without reflection upon the intentions of the committee that I hope the other body gives this House a chance to reconsider the matter and reach a sounder conclusion.

Before concluding, I would like to call to the attention of the Members of the House a most timely article printed in the Baltimore Evening Sun of June 20, 1960, pointing up the very real and growing problem of Baltimore city's sick, aged and homeless. And I'm sure this same problem is duplicated in every major city in the country. Surely the conclusion is inescapable that legislation in the nature of the Forand bill is called for to aid this unfortunate segment of our population.

Mr. LANE. Mr. Chairman, this is a "shotgun" health insurance bill for the aged. Either we vote for it, knowing that it will provide very little medical security for the 16 million Americans over 65, or do absolutely nothing for them at this session.

Confronted with this very narrow choice, we have no recourse but to vote for H.R. 12580, in the hope that it will become the entering wedge for a genuine health insurance bill in the next Congress.

We believe that the whole approach of H.R. 12580 to the problem of health insurance for the aged is wrong. The humiliating means test merely increases somewhat the number of those who would qualify as medically indigent, thereby placing health insurance on a charity basis, rather than a dignified insured right, through the Federal old-age, survivors, and disability insurance system.

This is not primarily the problem of medical care for the very poor, who are cared for under welfare and old-age assistance programs. The purpose we had in mind was to remove for all the aged the dread fear that an expensive illness would wipe out a lifetime of slender savings, threaten the ownership of a home, force dependence on children, or make one, after a lifetime of independence, submit to the bureaucratic test of pauperism.

Almost $400 million a year is now being spent by Federal, State, and local governments for medical care under the old-age assistance program. The committee bill will inevitably increase this amount, placing an unfair burden on State and local governments. This would put off for years, in some States, the implementation of health insurance for the aged, even on the restricted "public assistance" definition.

This bill is in the nature of a delaying action, and one that might beguile wishful thinkers into the belief that it is a bargain-basement method of securing health insurance when in fact, because it is financed from general revenues, it would compel some of the aged to pay for health insurance they would be ineligible to receive.

Bear in mind that, under existing old-age assistance provisions, 24 States fail to match all the Federal funds at their disposal. Only the social security system can provide medical care insurance for the aged on a sound, contributory foundation, financed by the payment of modest amounts on the part of employer and employee during the beneficiary's working years.

Eventually, we must come to this solution: 1960 was the year to make a real beginning instead of a false start. If put to the vote of the American people, they would overwhelmingly agree to fractional payroll deductions in order to finance health insurance in their old age as a matter of right and not as charity.

Because this bill will improve unemployment compensation provisions, extend coverage under the Federal old-age, survivors, and disability insurance system, and provide disability benefits to additional individuals, I shall vote for it.

However, I am very much disappointed because it takes only a feeble step toward providing health insurance for the aged.

The solution to this problem is a major responsibility that cannot be postponed much longer.

Mr. RIVERS of Alaska. Mr. Chairman, I rise to add my voice to those of my distinguished colleagues in impressing upon this chamber the urgency of action to alleviate the financial burdens of the elderly through improving our system of social insurance.

Coming as I do from the Union's last great frontier, and representing as I do the pioneering spirit of all of Alaska's brave citizens, I would urge my colleagues to show the same pioneering spirit in developing a bold new program that would help to insure to the older citizens—to the pioneers of another day—the type of medical care which they need but which they presently cannot afford.

Here in the Congress we have one of the greatest opportunities ever presented to a governing body in the 20th century to pioneer in this medical care field. This is no place for weakness or timidity—not when we stand here on this frontier and gaze at a promised land in which our senior citizens will have an opportunity to live out their days in good health and personal dignity.

The Forand bill, Mr. Chairman, is an outstanding example of the pioneering spirit of which I speak. By using the social security system as the vehicle for financing old-age insurance for medical and hospital care the element of self reliance is maintained, and the concept of doles postulated on demonstrable pauperism is abandoned. At this point I cannot be sure of all the details, and the extend to which the employed people of America and their employers are willing to be taxed under the Forand-type of legislation, but I do feel sincerely that it is the right approach. I do not see that there would necessarily be a deprivation of freedom of choice in the selection of doctor or medical institution. The Government's role could be kept at the job of collecting and disbursing the funds, and otherwise administering the program for those who are eligible. Afterall, the social security system has demonstrated its worth through 25 years of insuring an honorable retirement for millions of our citizens. On the other hand I do not think that we can solve the medical problems of the aged by Federal subsidies to State welfare programs, except on a temporary basis pending effectiveness of the Forand-type program, which should be initiated and

put into operation as soon as possible, for it will be many years before all of the persons to become eligible for benefits under the program will have paid their respective shares of the tax involved. Neither do I think that any general or adequate solution of this problem can be attained by Federal and State payments to insurance companies in the form of partial payments of premiums upon health insurance policies.

Although our hands are largely tied under the committee bill presently under consideration, I hope that the other body can add the Forand bill's principles to the social security amendments embodied in the bill before us and send it back for our approval.

Mr. PUCINSKI. Mr. Chairman, I wish to associate myself most forcibly with the views already expressed in this Chamber concerning the need for prompt action to alleviate the financial burdens of our senior citizens through enactment of social security medical care.

It is most regrettable, Mr. Chairman, that as of this date the Members of this House are not in a position to record their support for health care legislation that would become a part of our social security system—for it is my earnest belief that there is overwhelming sentiment in this body for such legislation.

No issue in modern times—certainly not since the enactment of the great social legislation of the 1930's—has inspired the imagination of the American people as has the health care bill introduced by our distinguished colleague, the gentleman from Rhode Island and cosponsored by many us, of including myself. Each Member of this House must be acutely conscious of that fact, for the proof that this issue has aroused the American people is nowhere more evident than in the volume of mail which has poured into each of our offices expressing concern on this issue. And the tenor of this mail has been overwhelmingly in favor of prompt action by the Congress in adopting health care legislation which would be a broadening of the social security program of which we are so justly proud.

The American people are not indifferent to the needs of our senior citizens. They are watching us, they are depending on us, to discharge our obligations as their elected representatives. They will not be placated by stopgap plans; they will not settle for a program that, even if it were in effect ratified by each of the 50 States, nevertheless would provide health care for the most medically indigent. The American people will not accept halfway measures—indeed, they should not be asked to settle for anything less than the maximum in medical care which we, as the richest nation on the face of the earth, can in our wisdom devise.

We in this distinguished body should be proud, indeed, of the gentleman from Rhode Island [Mr. FORAND] for the excellent program which he has devised and so carefully shepherded through 3 difficult years. It is indeed regrettable that, despite the fact that this very sound plan for health care for the aged originated in this Chamber, we in the House cannot be the first in the Congress to vote on this issue because of the parliamentary situation we find ourselves in.

Because of the situation, those of us who believe in the principle of medical care for the aged as part of our social security system—and I submit, Mr. Speaker, that a majority of this body supports this principle—are temporarily foreclosed from voting on this issue. It is our sincere hope that the Members in the other body of the Congress will substitute a more effective health care program for the pitifully inadequate provisions of the bill now before this body. When that happens, I am confident their amendment will receive a warm reception in this House.

I have said repeatedly that we should not compel the senior citizens of America—the people who built this wonderful country of ours—to be reduced to a pauper status before a greatful nation will provide them adequate hospital and surgical care in their advanced age. There is another aspect of the Forand bill which is not included in the bill now pending before us. This is the provision that would have permitted hospital and surgical benefits to widows and underaged children receiving social security benefits when the family's breadwinner has died. These children should be provided better than pauper's care.

I know that the Ways and Means Committee has worked very hard in trying to find a solution to this difficult problem of hospital or surgical care for our aged citizens. I believe the committee deserves our commendation for its sincere effort. Since the committee in its wisdom believes it has gone as far as it can, I do hope the other body will write in the necessary amendments to make this a really effective program and I shall support such amendments when they are returned here for our consideration.

Mr. THOMPSON of New Jersey. Mr. Chairman, after months debate in committee and throughout the country, the House of Representatives is now preparing to vote on a bill which supposedly includes a program to provide the Nation's aged with health care.

The program before us, however, does not meet—nor does it seriously attempt to meet—the needs of America's elderly. Under the guise of doing something for our older folk, it seeks to reap political rewards while at the same time stifling the only type of program that can do the job in this important area.

Congressional testimony has proven—without a shadow of a doubt—that our older citizens are unable to meet their health needs. No one, on either side of the aisle, would attempt to claim that our 16 million people aged 65 and over do not need help if they are to maintain their health.

So shocking and unshakable has this testimony been, that even an indifferent administration was forced to call for some type of legislation in this field. As might have been expected, the administration proposal was grossly inadequate. It may have contained political benefits for the Republican Party, but it would have produced few benefits for the elderly.

Many of us hoped that the program adopted by the Ways and Means Committee would be of a different nature. As proponents of the Forand bill, we had long recognized that any aid-to-the-aged health care program—to be effective—would have to be based on the social security system. The Ways and Means Committee, apparently, did not grasp the importance of this essential prerequisite.

After studying the committee proposals in this area, I can only conclude that the great weight of this testimony presented to the committee has been in vain. And I can only conclude that the many meetings of senior citizens that have been held throughout the country also have been in vain.

The committee's plan provides no health care for the aged. In simple terms, it provides charity and nothing but charity. Even this charity, I might point out, is contingent upon the action of the separate States.

I do not believe for 1 minute that this proposed legislation will fool the American people. Surely the elderly will quickly realize that their needs have not been met. Even worse, while this bill gives verbal support to the health problems of the aged, in practice it denies to those 65 or over any hope of obtaining effective assistance while they are still capable of benefiting from it.

I am convinced that should this bill be enacted into law, it will prove to be inadequate. By placing health care needs solely on the foundation of relief, rather than social security, this measure could create a near-insurmountable obstacle, possibly blocking passage of future—and more practical—legislation.

Every thinking Member of the House must recognize that this proposal will confuse public opinion and—at worst—will tragically delay the chances of the aged to obtain the care they desperately need.

America's aged do not seek charity. They are not down on bended knee begging for the opportunity to go on relief rolls. Nor do they look forward to taking a pauper's oath, declaring themselves poverty-stricken and wards of the State.

No one likes to be poor. No one likes to be old. Certainly, no one likes to be both. But statistics show that a substantial percentage of our elderly cannot afford the high cost of medical care. Living on small pensions, sometimes solely on social security, and sometimes only on painfully gathered life savings, it is little wonder that those who have reached retirement age are in constant fear of serious illness

These are the people asking us for help. They are not asking for a means test. They are asking for legislation that will permit them to live out their years free from the threat of penury caused by ill health.

When I was a young boy, I remember seeing the many Civil War veterans who were living out their lives with no place to go. They sat in the parks and sunned themselves, they sat on the front porches of their children and they sat on benches in front of neighborhood grocery stores. In many ways, they were honored and respected, but even then they belonged

to another era and their usefulness had past. They were honored, but for the most part they were dependents. They had lost the freedom they fought for.

The Civil War veterans are no longer with us. And something else has changed. Our people no longer accept the philosophy that once man has become full of years, he has no further purpose. Today, we believe that when our older citizens retire after making their contribution to society, they are entitled to enjoy their "golden years" in dignity and independence.

We believe that men and women of 65 and more have the right to lead constructive lives, to enjoy their retirement, to hold up their heads with pride.

Medical science has played a major role in making this humane concept possible. It has developed the medicines and the drugs that prolong life, ease its miseries and make possible happy and healthy years of retirement. Unfortunately, social science has not kept up with physical science. While we have learned how to cure physical ailments, we have not—as a nation—learned how to cure social ailments.

We have provided medicines to alleviate heart trouble, blood diseases and other physical infirmities, but we have provided no relief against insecurity and indignity. It is these social problems that we are attempting to solve through health-care-for-the-aged legislation.

All of us know that the miracles of modern science are not cheap. We recognize that the availability of the new wonder drugs is often conditioned by a high price tag. Sometimes I wonder who is in a more pitiful position—the man who is dying from a yet-incurable disease, or the man who knows that the drug that could save him is available, but is beyond his means.

If all of us—on both sides of the aisle—did not recognize the seriousness of this health care problem for our senior citizens, I would not be talking about humanity; I would be talking statistics. But all of us do recognize the problem—even, I might add, if some of us only see it in a political context.

The bill now before the House clearly avoids our social responsibilities to the aged ill.

Not only is it grossly inadequate in the amount of aid proposed, but the mechanism for granting this aid runs completely contrary to the desires of the people the measure is supposed to help.

If enacted, America's elderly would only find that they have been given one more category under which they can apply for relief.

If enacted, those too old for gainful employment would only find that their health needs must forever be secondary to their financial needs.

If enacted, even those senior citizens eligible for assistance—the majority would not be eligible—would find their needs further subjected to individual State budgets.

If enacted, all of our citizens would be denied the opportunity of contributing to their old age health insurance coverage while employed and would be forced to rely upon charity after their working days are over.

While I will, of course, vote in favor of this legislation as part of the omnibus bill, let me make it clear that I do so only in the hope that the other body will recognize the real problems faced by the elderly and come forth with an amendment that solves these problems rather than ignoring them through a bald and hypocritical political maneuver.

Mr. Chairman, a further problem which will be caused by the enactment of this bill is set forth in the following statement by the New Jersey Education Association and the New Jersey Civil Service Employees Association:

If H.R. 12580 is enacted in its present form it will reduce the retirement allowances of approximately 2,130 New Jersey teachers and 1,300 other New Jersey public employees. The average cut in allowance will be approximately $1,300 per year for retired teachers and approximately $960 per year for other retired public employees.

The people affected by this legislation are members of the New Jersey Teachers Pension and Annuity Fund and the New Jersey Public Employees Retirement System. They have retired under a plan which permits the State of New Jersey to reduce the retirement allowance payable by the State pension fund if the employee earned a social security benefit through New Jersey public employment. Any social security benefit earned in this way is used to relieve the State of all or a portion of its obligation to pay a pension to retired public employees.

Many of the persons affected by this legislation have purposely advanced the dates of their retirement in order to avoid earning a social security benefit through public employment in New Jersey. If H.R. 12580 is enacted in its present form section 204(a) will reduce the number of quarters of coverage required to attain fully insured status to such a degree that all of these people will be considered as having earned their social security benefits through New Jersey public employment.

The effect on these people will be a substantial reduction in income through loss of pension from the State of New Jersey.

When teachers were asked to accept integration of their pension fund with social security, many older teachers were hesitant to go along. Some of these were already entitled to social security benefits in addition to State pensions as a result of work in private employment or as dependents of social security beneficiaries. The argument which convinced many of these people to vote "yes" for integration was that under the terms of the proposal anyone who wanted to avoid integration could do so by retiring from New Jersey public employment before earning fully insured social security status.

The New Jersey Education Association and the New Jersey Civil Service Association are not asking for any extension of social security benefits for these people. We are asking that the benefits they were promised when they retired will be paid.

We are not asking that regulations be changed specially for these people. We are asking that the requirements for attaining fully insured status which existed when these people retired be preserved for them.

Mr. FARBSTEIN. Mr. Chairman, although I am going to vote for this bill, I do so because I have no choice. I favor the amendment to the social security measure as represented by the Forand bill rather than the amendment presently before us. It is my earnest hope that the Senate will amend the present bill in keeping with the Forand bill.

Home, hospital, and medical care for those on social security as represented by the Forand bill is a must so far as I am concerned. It will assist those who need help most and can afford the expense least. It is my opinion that the 70 million workers presently covered by social security should be permitted to contribute, while they have the opportunity, for paid-up medical care protection for themselves and their dependents when their years of productive earning capacity have ceased, especially when they clamor for the opportunity to do so. In this fashion, a planned and orderly basis without cost to the general revenues of Government can take care of the cost.

The administration plan and the plan presently proposed by the Committee on Ways and Means and incorporated in the social security bill depends upon the States passing legislation to effectuate any plan of assistance to the aged insofar as home, hospital, and medical care is concerned. It is put on the basis of a means test rather than on actuarial or insurance basis. This I do not think is a salutary basis for this great need of our senior citizens. The program of assistance under the bill before us differs very little from old-age assistance and it would place a burden on some of the States which are financially unable to meet this new obligation. The result of this would be that there will be no legislation whatsoever to aid those who we feel should be assisted in certain areas of the country.

The official estimate of cost to the Federal Government is about $185 million and approximately $140 million to the States. This, I understand, is based on providing medical service for only an estimated one-half to 1 million persons during the year.

Experience under our present public assistance programs indicates that Federal matching grants, along either the old or new lines, will not make good health care generally available even for the small minority of the aged theoretically being aided.

The problem of insecurity arising from the high cost of medical care during the years of retirement is not primarily the problem of the very poor. The objective should be to remove for all the aged the haunting fear that an expensive illness will wipe out a lifetime accumulation of savings, threaten the ownership of a home, force dependence on children, or make one, after a lifetime of independence, submit to the humiliation of a test of need.

Our goal is, so far as possible, to prevent dependency rather than to deal with it at the expense of the general taxpayer after it has occurred. By contributing additional small amounts from their earnings to the nearly universal social security system, workers could gain insurance protection against medical care costs in retirement and their possible future dependency could be prevented.

Only the social security system can provide medical care insurance for the

aged in a satisfactory manner. If medical care costs are not met by social insurance, increasingly they will be met through relief. Almost $400 million a year is now being spent by Federal, State, and local governments for medical care under the old-age assistance program; the committee bill would increase this over three-quarters of a billion dollars, and this would be just the beginning. In the absence of social insurance protection this drain on general revenues will more than double in the next several years.

Under the Forand bill health benefits, added to old-age and survivors insurance would next year provide benefits to approximately 12 million of our senior citizens; this is a goal for us to pursue.

Mr. MULTER. Mr. Chairman, much has been said emphasizing the wisdom of devising a meaningful health care program for our millions of retired citizens within the framework of the social security system, and I wish to associate myself with these views.

A quarter century ago, when the Congress first enacted the social security system, President Roosevelt made it abundantly evident that we were at the beginning—not at the end—of the program of caring for those citizens who had contributed so much to their country during their productive years. The Congress has many times endorsed this view by constant reappraisal and improvement of the social security system.

Now we come to the point where we can make perhaps the greatest improvement since the system was first founded—the incorporation into its provisions of a plan to underwrite those medical expenses which come more frequently with advancing age and weigh so cruelly on our senior citizens, whose financial resources are still only at a marginal level despite the great advances we have made in our social security program these last 25 years.

It is regrettable, in the light of the great public interest in this program, that we in this body should find ourselves at a point where we are temporarily without the power to stand up and be counted on this great issue. It is even more regrettable when it appears, as it does to me, Mr. Chairman, that there is overwhelming support in this Chamber for exactly the kind of program that our senior citizens want and deserve. This is brought about by the parliamentary situation prohibiting any amendments by the House to the bill before us.

It is now up to the Members of the other body to rectify the situation in which we find ourselves. They can do this through the simple process of amending the social security measure which we shall shortly send to that body. In doing so, it is my fervent hope that there will be no attempt to satisfy the needs of the millions of retired citizens by adopting little more than a Madison Avenue slogan wrapped around a billion dollar subsidy for the insurance companies. In doing so, it is my hope that the other body will not attempt to degrade our older citizens in their golden years by forcing upon them a cruel program that would compel them to take "paupers' oaths" before they can receive the medical care they deserve.

There is a simple solution to the problem: The other body need only substitute, for the totally inadequate medical care provisions now in this bill, a program of the type sponsored by the gentleman from Rhode Island and by so many other Members of this distinguished body. If that is done, Mr. Chairman, I know this House will not be derelict in discharging its responsibilities. If then we are given legislation of the type offered by the gentleman from Rhode Island, this body will swiftly and overwhelmingly add its stamp of approval.

I am supporting the bill in its present form for the reasons stated.

Mrs. GREEN of Oregon. Mr. Chairman, it is my intention to vote for H.R. 12580, in spite of the fact that the rule prevented the Committee of the Whole from amending it so as to make more adequate provisions. My vote for the rule and for the bill are to be interpreted only as giving voice to my opinion that the bill should be passed to the other body where, it is to be hoped, meaningful medical care amendments will be added to it.

The question of medical care for the Nation's senior citizens, Mr. Chairman, is not one which can much longer be left in the realm of "things to do tomorrow, or next year, or in the next Congress." The aged are not getting any younger, they are not becoming less numerous, their health problems, despite smug assurances from some private insurance companies, are not becoming less acute.

Mr. Chairman, the distinguished gentleman from Rhode Island [Mr. FORAND] will soon leave the service of this House, after a long and distinguished career, typified by concern for the welfare of the people of this Nation. The medical care bill which bears his name is only one proposal among many of great merit which were presented to the Ways and Means Committee. Yet this crusade has been led so ably by the gentleman from Rhode Island that this whole issue has become identified by his name. "Are we or are we not going to have some kind of Forand bill?" This is the way in which most of us think about this issue. It is my earnest hope that the 86th Congress will not adjourn without sending to the President some kind of Forand bill, no matter whose name is attached to it. Such action, will be, I trust, a fitting climax to the distinguished career of the able and dedicated gentleman from Rhode Island.

Mr. Chairman, the senior citizens of this Nation have been waiting for the Congress to act for many years now. This is not a new issue. The Ways and Means Committee has studied it, the Special Subcommittee on Problems of the Aged of the Labor and Public Welfare Committee of the other body has studied it with great care. Private organizations have studied it. Individual members have studied it. This subject has been studied in every way, from every angle and by every group which could possibly have an interest. Even the administration has given the problem careful attention. Yet the best the Ways and Means Committee can come forth with is the present bill, while we are urged by the AMA to "wait until the White House Conference can study the problem." Mr. Chairman, there has been plenty of study. What we need now is action.

The Forand bill, Mr. Chairman, would give the senior citizens of the Nation much-needed assistance with the insurmountable costs of health care; it would give to those not yet ready for retirement a means of helping themselves to prepare for the time when high medical costs and low income will simultaneously loom before them. We have been told in the same breath that this bill would "ruin the moral fiber of the American people" and that, "if they cannot afford to pay the costs, they can always get a doctor's help, just by asking." Mr. Chairman, which is more ruinous to a nation's moral fiber—setting up a way by which the people themselves can pay for future medical costs, or urging them to accept the charity which most Americans are too proud to accept? The Forand bill takes the former approach—one which is, I think, more in keeping with the very American traditions of self-reliance that we all believe in.

The Ways and Means Committee has reported to the House some medical care provisions. But these provisions are far from what is needed to meet the challenge. Under the committee's bill, the States may—if the individual States so choose—institute a program of what amounts to medical public assistance. The decision to leave the problem to the States will, undoubtedly, be defended as showing devotion to "States rights." But just to make sure that "States rights" are not used to help too many people, the State is forbidden to make its medical care available to people who, in the judgment of the State, have adequate funds available. "States rights" here, as in so many places, seems to be largely a device to make sure that we don't give too much aid to too many people. A State, under this bill, has the right to be conservative, even stingy. But it is denied the "right" to be liberal, to throw away means tests, and to make medical care available on a broad basis.

The administration, led by the President and the Vice President, urges that health care for the aged ought to be voluntary rather than compulsory.

I suppose what we have in the bill before us is also voluntary in that sense. Perhaps it is more so, because there is no assurance that anyone will get any help at all.

What is compulsory about the Forand bill, and similar proposals to place old-age health care under the social security system?

What is compulsory is the social security tax. All persons who will some day have a right to draw benefits must pay premiums, which might be as high as $12 a year. That is compulsory. As far as the benefits are concerned, they are voluntary. No one has to apply for them or accept them.

Now let us look at the so-called voluntary plans. They are not under the

social security system; they are paid for out of general tax revenues, collected from all Federal taxpayers. Does anyone who refuses the benefits get a rebate on his taxes? Not at all. Can anyone foreswear benefits in the future in return for lower taxes? Not a chance.

Then what is voluntary about these plans? Only that no one has to apply for benefits.

What is the difference? In both cases, taxes are compulsory—except that under the Forand bill, everyone who paid the taxes would be entitled to benefits if he wanted them. In both cases, benefits are voluntary, except that under the administration and committee plans everyone who sought benefits would have to be dead broke first.

Where is the real difference? Is one approach really voluntary and the other compulsory? Of course not.

Neither one is voluntary when it comes to paying the bill. Both are "voluntary" when it comes to refusing benefits.

The real difference is that the Forand bill is voluntary when it comes to drawing benefits. Under a Forand-type plan, tied in with social security, the benefits would be ready and waiting for those who needed them. Under the phony substitutes, it would be voluntary with the States and the communities whether benefits were available at all.

These are just a few of the weaknesses I can see in this bill, Mr. Chairman. There are others, the chief of which is its inadequacy. I shall vote for the bill, as I said before, but solely in order to speed it on its way to the other body where, I hope, it can be turned into legislation of the epochal kind we need to meet this crisis.

Mr. MEYER. Mr. Chairman, I am going to support the social security amendments bill in hopes that it can be improved before it becomes law. However, I would have preferred to support the Forand bill with some strengthening additions and changes. I also want to commend the gentleman from Rhode Island [Mr. FORAND] for his great effort in behalf of medical care for elderly people.

Mr. STRATTON. Mr. Chairman, I intend to vote for the committee bill, although there are several aspects on which I believe the bill is inadequate, particularly with respect to its provisions for medical care for our senior citizens. The provision included in this bill in no way meets the real need of our people for a satisfactory system of medical insurance which they can make use of with dignity. Instead, it requires the most glaring kind of means test—virtual financial destitution—before the funds provided can be utilized. Hundreds of thousands of our retired citizens in need of health care would go without it first because they would be too proud to go to this extreme to get the medical and hospital care they really required.

After careful study I am convinced that the Forand kind of approach to this great problem—that is, making this insurance available through an expansion of the existing social security system—is the only adequate way to deal with the problem. Because of the gag rule under which this bill has come before us to the floor, it is impossible, of course, for those of us who feel as I do, Mr. Chairman, to make our views known.

I am supporting the bill notwithstanding that fact, however, in the hope and expectation that when it goes over to the other body, with their less restrictive rules of procedure, a Forand-type of plan will be substituted for the one contained in this bill. Then a revised and improved bill will come back to this House, and I will certainly support such a new bill, and feel confident that a majority of my colleagues will do likewise.

Mr. HALPERN. Mr. Chairman, earlier in this debate I pointed to the glaring inadequacies of this bill. Among these I cited its failure to provide a realistic health care program for the aged. With the indulgence of the House I would like at this time to express in more detail my views on this subject.

Everyone, Mr. Chairman recognizes the need for some form of health protection for our elderly citizens.

Everyone admits that the aged are more subject to illness than younger persons, and that they are less able to meet the costs of their ailments and hospitalization. The Department of Health, Education, and Welfare has put this general conviction into figures. The Department says that, on the one hand, the medical requirements of persons over 65 are two and a half times that of the average person. And, at the same time, 74 percent of the aged have no income at all or receive less than $1,000 a year; 11 percent of those over 65 have between $1,000 and $2,000 a year.

These figures tell a tragic story. They represent sad facts—the facts of elderly couples who have to struggle to exist on meager incomes, but who are anxious to maintain their dignity, who do not want to have their lifetime savings wiped out by the cost of extended illness, who fear having to go on relief.

We cannot desert these old people. We cannot abandon them, nor delude them with tragically false promises. We cannot proffer plans that we know will not work, plans that depend upon approval by others, and that would not relieve the old folks of the financial burden of their illness. Furthermore, we should not make these elderly citizens the victims of political warfare.

It is for these reasons that I introduced a companion bill to that offered by my good friend and colleague from the other side of the aisle, Congressman FORAND. This cosponsorship is a means of eliminating politics from an issue that I think is too important and too urgent for party divisions. I introduced a bill identical to that of Congressman FORAND for another reason—because I believe that the social security approach to the problem is the most logical, the most direct, the most economical.

My bill would provide insurance against the cost of hospitalization, nursing home care and surgical services. It would provide up to 60 days in a hospital; it would provide an additional 60 days in a nursing home, a total of 120 days if that is necessary. And it would not require that these old folks pay for this insurance out of their meager funds during the years of their retirement. Instead, the cost of the insurance would be spread over all the years of contribution to the social security trust fund, with those who have retired today being immediate beneficiaries of the insurance if and when they need it.

The cost will be light, but the sum would be adequate because it is contributed over many years. The very most that anyone would pay for this protection would be 25 cents a week. That would be for persons whose wage base is $4,800 a year or more. For those who make less, the cost would be less. For instance, for those whose wage base is $2,400 a year, the cost would be half as much as for those who make $4,800.

I support the principle of coverage under the social security system because this country has accepted this means of meeting our individual social needs. We use it now to pay old-age pensions. Why not include old-age health insurance? I see no logical reason for using any other than an established and proven means.

I know that many who oppose using the social security system take this stand because they never did like this principle. They have fought against every advance made in social security. Could it be that some of these persons do not want health insurance for our elderly citizens at all? That they offer a substitute only to obscure or defeat the issue?

The organized groups of doctors are among those who oppose health insurance under the social security system. I do not believe, however, that the organized groups reflect the views of the average doctor. I say this sincerely because I have talked with many of them. I have listened to many doctors as they testified before the Ways and Means Committee. I have read many of their views. And I am thoroughly convinced that the average doctor is convinced that the stand of his association is not good for his profession, but that the social security approach would be good for his profession, and for America.

Some of those persons who oppose the social security approach charge that it would be socialistic. This is a wild phrase and grossly misapplied in this instance. The fact is that the social security means of providing health insurance for retired persons is far from being socialized medicine. There is complete freedom of choice of doctors under this system. Anyone who gets such health insurance can choose any doctor he wishes, including, of course, the family doctor known and trusted for so many years. The rates are not fixed by the Government. They are decided by the doctors themselves through their societies and associations. The doctor assigns persons to a hospital, if he believes that advisable. The doctor decides when a person should leave a hospital, when he should go to a nursing home, if necessary.

Approval of health insurance for elderly persons under the social security system will enhance the medical profession because it will make the public more cognizant of their health problems. They will seek medical advice and medical care where heretofore the lack of

funds and the lack of available facilities have prevented it. I think passage of this bill will be the greatest boon to the free medical profession.

What is more, approval of health insurance for recipients of social security old-age benefits will give the people of America what they demand. I know this is the case not only from the mail that pours into my office from my constituents and people all over the Nation, but because of the answers to a questionnaire that I sent to the people in my district. I sent out 100,000 questionnaires to my constituency. It represents a good cross section of American thinking. Urbanites who have moved to Queens in the population shift that takes place in all large metropolitan centers are in my district. People of low, middle, and high income are in the district. A cross section of ethnic and religious groups, the small home owner, the owner of a large home, the man who pays high taxes and the one who pays an average tax, are all among my constituents.

Of the 100,000, I received returns from 15 percent, and my advertising friends tell me that is remarkably good. Ten percent is high. I asked the 100,000 about the bill that the gentleman from Rhode Island has offered and which I also introduced. I asked not just in general terms. I broke down the features of the bill. And 78 percent, about 4 in every 5, were in favor of the bill unqualifiedly. Only 10 percent were opposed. About 10 percent were undecided.

Mr. Chairman, I am convinced that the Congress must meet a need that all of us admit exists, that we should adopt the most logical, most direct, and most economical means—using the facilities of the social security system—and that we should not delay our action. It is evident that there is powerful opposition to this measure, but I say that those who are blocking the way are not heeding the demands of the people. And therefore I hope that this bill will be amended in the other body, so as to put health care for the aged into the social security system, where it belongs.

Mr. BOLAND. Mr. Chairman, I rise in support of H.R. 12580, the Social Security Amendments Act of 1960, which, among other improvements, will make it possible for the States, under a Federal-State grant-in-aid program, to provide medical care for low income aged persons who are otherwise self-sufficient but whom the States determine need help on medical expenses.

FAVORS SOCIAL SECURITY CONTRIBUTIONS SYSTEM

However, I am convinced that eventually the means of providing adequate health, hospitalization, and surgical benefits for elderly citizens living on small, fixed incomes will have to be met through the framework of the social security tax system. Contributions during years of earnings, matched by employer payroll taxes, would provide an assured method of financing, without placing a burden on Federal, State, or local revenues.

Mr. Chairman, I do not believe that this would lead to socialized medicine. All of the testimony and evidence I have studied in the printed hearings published by Senator MCNAMARA's Subcommittee on Problems of the Aged and Aging clearly and emphatically show that private insurance companies cannot provide low premium policies to meet the medical needs of America's senior citizens of low fixed income. Such a program can be provided only within the framework of the social security contributions system.

NEW YORK TIMES ENDORSED PLAN

The New York Times editorially endorsed such a plan on May 10 when discussing alternate proposals. Said the Times:

> We believe that the arguments for using social security are overwhelming. Governor Rockefeller has done well to say that the administration plan could result in a very serious fiscal situation, very high costs, and cumbersome administration, and to urge that medical care for the aged be an added health feature of the social security system, with those who benefit contributing to their own protection.

Mr. Chairman, my colleagues are fully aware that this is an issue which has generated volumes of mail from the people back home, pleading with their Congressmen and Senators to do something to help resolve the prospects of burdensome hospital and medical costs when illness strikes. I would like to read just two of the hundreds of letters I have received on this subject:

> NORTHAMPTON, MASS., *April 16, 1960.*
> Congressman EDWARD P. BOLAND,
> *Congressional Office Building,*
> *Washington, D.C.*
>
> DEAR CONGRESSMAN BOLAND: Now that you are considering some sort of medical care for the aged I would like to tell you that we both live on the lowest scale of social security payments. It is impossible for us to continue our present Blue Cross and Blue Shield payments much longer.
>
> We believe that we are among the many in our age group (78 years) for whom an illness would be a financial disaster. In this matter as old people, we wonder if a little foreign aid money couldn't be best spent at home.
>
> We hope that you will let us know what your feelings are in this matter and will watch to see how you vote on such a bill.
>
> Sincerely yours,
>
> Mrs. EMILY DONOVAN.
> DANIEL J. DONOVAN.

> SPRINGFIELD, MASS.
>
> Hon. EDWARD P. BOLAND,
> *Washington, D.C.*
>
> DEAR CONGRESSMAN BOLAND: I am a senior citizen of 68 years old. My husband will be 70 years old in November.
>
> Since he has retired at 65 years old our problems have been getting worse every day. With the high cost of living upon us such as food, fuel, rent, clothing, medicines, and sickness, which we are having a lot of lately, as my husband is in the doctor's care at the present time, we absolutely cannot get along with the amount we receive from the social security checks which is $147 monthly.
>
> Our living expenses are much more than we receive in social security income. We had a small life savings which is all gone now.
>
> So, my dear Congressman, you can easily see that the future is not very bright for us. We have no children to go to for help which makes it more difficult for us. It makes us very unhappy to have to beg, and complain to you and our country for help for the aged and feeble. So, in you we trust that you may succeed in getting help for the poor old people of this country in your official duty.
>
> I hope I have not taken too much of your time in reading about my problems.
>
> Thanking you for your kind attention, I am,
>
> Sincerely,
>
> Mrs. FRED GOYETTE.

ELDERLY DESIRE TO PAY THEIR WAY

Mr. Chairman, many of America's senior citizens unfortunately become indigents at a time in their lives when their earning capacity is nil, and they are trying to live in dignity principally on the benefits of private or social security pension plans. They do not ask anyone to pay their way in retirement. Hundreds of them in my congressional district have told me personally that they worry about the day when they might require hospitalization, the cost of which would wipe out their savings of a lifetime, or put them deeply in debt. The Washington Post editorially expressed the same concern on February 29 in these words:

> Everywhere in its travels around the country, Senator MCNAMARA's Subcommittee on Problems of the Aged and Aging heard anxiety expressed by older citizens as to how they would pay for medical care in their retirement. How can anyone with foresight, old or young, fail to be anxious about this problem? While a man is employed, he can enjoy the protection of some sort of group or private insurance program to cover medical and hospital bills if he becomes ill. The chances are, however, that when he retires he will no longer enjoy such protection; yet this is the time, obviously, when he will need it most—when, indeed, he is certain to need it sooner or later, which is what makes the cost of such private insurance prohibitively high for the aged.
>
> The McNamara subcommittee came to the conclusion that this problem "should have top priority for legislative consideration in 1960" and recommended in its report an expansion of the system of old-age, survivors, and disability insurance to include health service benefits for all persons eligible for OASDI. We think this conclusion is inescapable. The essence of it is embodied in the Forand bill which would cost about $1 billion a year to be financed with one-fourth of 1 percent increase in social security taxes. Like other old-age benefits, this would be paid for by a citizen throughout his wage-earning years, with a matching contribution by his employer. It would relieve retirement of one of the worst of its nightmares.

And, again on March 24, the Washington Post editorially pointed out:

> Old age is the time of life when, generally, income is lowest and potential and actual illness is at its highest. Why should it be called socialistic for Americans to provide for the health hazards of their retirement years by paying insurance premiums through taxation during their wage-earning years? This is not socialism; it is simple commonsense. It is a practical scheme for enabling citizens to face old age with confidence and self-respect—to know that they need not depend upon the charity of doctors and hospitals for whatever medical care they may require. This is no more socialistic than any other form of social security.

Mr. Chairman, the distinguished columnist, Mr. Walter Lippmann, went to the heart of the issue in his article appearing in the Washington Post, on June

16. I would like to read Mr. Lippmann's column to my colleagues:

MEDICAL CARE FOR THE AGED

(By Walter Lippmann)

Almost everyone realizes that a great mass of the old people do not have the savings, and cannot depend upon their children, to pay for the doctors, hospitals, nursing homes, and drugs which, because they are aging, they need more than do younger people.

There are a few eccentrics, professing to be conservatives, who think that in a truly rugged individualism these ailing old people would do without medical care if they can't pay for it, or would make their children mortgage the future to pay the medical bills.

But the country is not that ruggedly obtuse to the facts of life, and accordingly both the administration and the Democratic opposition are agreed that the need, which is obvious and urgent, must be met by Government measures.

Thus, this administration has prepared a program which the Director of the Budget, Mr. Stans, says will cost $1.5 billion by 1964 and $2.5 billion by 1970. For the Democrats, Senator MCNAMARA and some 19 Senators, including KENNEDY, SYMINGTON, and HUMPHREY, have introduced a bill that would add medical insurance to the existing old-age insurance. After the first year, the cost of this program would be $1.5 billion. Thus the two programs are approximately of the same size.

But between the two programs there is a basic issue of principle. On one side are the President and his advisers. On the other side are the preponderant mass of the Democrats and also a considerable minority of the Republicans led by Governor Rockefeller. They differ essentially on how the program shall be financed.

Shall it be financed by compulsory insurance, which means that throughout a person's working life he and his employer will be taxed to provide an insurance fund for his medical needs when he is retired and is no longer earning an income? This is the principle of the McNamara bill in the Senate, as it was of the Forand bill in the House, and it has the support of the leading Democrats and of Governor Rockefeller.

Or shall the program be financed, as the administration proposes, by charitable doles to the very poor, paid for out of compulsory taxes collected by the National and State Governments?

For reasons which he has never explained, the President regards compulsory social security taxes as unsound, socialistic, and rather un-American; on the other hand, he regards compulsory taxes to pay for doles based on a means test as somehow more "voluntary," sounder, more worthy of a free society, and more American.

Under the McNamara bill, medical insurance would be added to the existing old-age insurance system. During his working life, each person covered by the social security system would contribute an additional amount, as would also his employer, to supplement his retirement income to include medical services.

It is true that during the first few years benefits would be received by persons who had not contributed because the system did not exist when they were earning their living. These benefits would be paid for by the younger people. But as the younger people would be buying their own insurance, there is little inequity in this. Nobody will lose anything although those who are already too old to have been contributors to an insurance plan will benefit. In a few years everyone receiving the benefits will have paid his share.

Why does the President feel so strongly opposed to the principle of compulsory insurance for medical care to supplement the insurance, which already exists, for old age? What is wrong about its being compulsory that a man should insure himself against the needs of his old age? What is so wonderful about a voluntary system under which a man who doesn't save for his old age has to have his doctors and his hospital bills paid for by his children or public welfare funds? There is nothing un-American in the principle that the imprudent shall be compelled to save so that they do not become a burden to their families and the local charities, so that they can meet the needs of their old age with the self-respect which comes from being entitled to the benefits because they have paid the cost out of their own earnings.

The President has been led to think, he says, that compulsory insurance is "a very definite step in socialized medicine." Why? In a system of compulsory insurance the Department of Health, Education, and Welfare, which would administer the program, could and should use as its agents private organizations like the National Blue Cross Association in negotiating with hospitals and nursing homes and in dealing with claims and complaints. The system would be financed as insurance. But it would be worked not by a new Government agency but by the kind of private voluntary association which the President otherwise believes in.

In this connection it is interesting to remember that in the early 1930's when voluntary health insurance plans were inaugurated, our old friend, the American Medical Association, was declaring that they were communism and socialism and socialized medicine. Today, the American Medical Association is pointing to these same voluntary insurance plans as the solution of our present need and the proper alternative to compulsory old-age medical care insurance.

Among the opponents of medical insurance there seems to be a vague and uncomfortable feeling that it is a newfangled theory, alien to the American way of life and imported, presumably, from Soviet Russia.

The Founding Fathers were not subject to such theoretical hobgoblins. In 1798 Congress set up the first medical insurance scheme under the U.S. Marine Hospital Service. The scheme was financed by deducting from seamen's wages contributions to pay for their hospital expenses.

If that was "socialized medicine," the generation of the Founding Fathers was blandly unaware of it.

Finally, Mr. Chairman, Business Week has endorsed the principle of medical assistance for the aged with the framework of the social security contributing system. Certainly no one can accuse this highly respected magazine of advocating something socialistic. Let me read you the Business Week article of April 16, entitled "A Challenge That Can't Be Ducked":

Health insurance for the aged is fast becoming the No. 1 issue facing Congress this year. And there's political dynamite in it: Any candidate suspected by the millions of old people (and those concerned about their health problems) of taking a cold or know-nothing attitude toward the issue is likely to be in serious trouble this election year.

One thing about the issue is clear: Although plenty of politicians may see it as a vote-catching device, there is nothing synthetic or phony about the problem. Everyone who has seriously studied the situation has concluded that the provision of better health care for the aged is a serious—and growing—problem. Thanks to medical progress, the number of aged is increasing rapidly. In 1930, there were 6 million people over 65 in the United States; today there are 16 million.

For far too many of these, long life has meant shrunken incomes, increased sickness, loneliness, and the shame of being a candidate for a handout from society. Health, Education, and Welfare Secretary Flemming, in his thorough report to the House Ways and Means Committee last year, concluded that three out of every four aged persons would be able to "prove need in relation to hospital costs." That is to say, they would be able to prove that they simply could not afford to pay for the care they needed when taken seriously ill.

The issue, then, is not whether there is a problem but rather how to meet the problem.

TWO APPROACHES

Representative AIME FORAND, Democrat, of Rhode Island, has proposed to deal with it through a system of compulsory Federal insurance within the framework of the Social Security Act. The Forand bill would provide insurance covering 60 days of hospital care, or 120 days of combined hospital and nursing home care, together with surgical services, to all those eligible for old-age insurance benefits. It would be financed, initially, by boosting social security payroll taxes one-half percent—divided equally between employees and employers.

The Forand bill has been attacked for a number of reasons by various groups, especially the American Medical Association, which sees it as the camel's nose of socialized medicine coming under the tent.

But the main weakness of the Forand bill, as specialists in the health field see it, is not that it does too much but too little. They condemn it as too narrow and as an encouragement to "hospitalitis"—the tendency, inherent in many of our present voluntary insurance programs, to put the sick into hospitals because there are no provisions for covering treatment at home or in doctors' offices.

The bill sponsored by Senator JAVITS, Republican, of New York, strikes at this weakness. As JAVITS points out, though hospitalization costs comprise a large part of an aged person's annual medical bill, the average older couple spends $140 a year on health costs unrelated to hospitalization. "One out of every six persons 65 years and older," says JAVITS, "pays over $500 in medical bills annually." Yet 60 percent of the old people have annual incomes under $1,000 and can't afford home or office care that might cut down the length of hospitalization or eliminate it altogether.

JAVITS would deal with the problem by a voluntary program that would combine Federal and State subsidies, contributions scaled to income by the aged themselves, and both commercial and nonprofit insurance companies such as Blue Cross and Blue Shield. The program would not become operative in any State until the State put up the money, arranged with the insurance carriers, and agreed to certain standards for the program.

Although the Javits bill makes a hard effort to provide a voluntary (and heavily subsidized) program, it does not appear to meet the test of practicality. The program would take a very long time to negotiate with 50 individual State governments and with the insurance carriers—assuming that it would be possible at all to get them involved in a program whose costs are unpredictable.

Indeed, after studying Flemming's able report, and the arguments on all sides of this issue, we are forced to conclude that the voluntary approach simply will not do the job.

The problem basically is that the aged are high-cost, high-risk, low-income customers. Their health needs can be met only by themselves when they are young or by other younger people who are still working. The only way to handle their health problem, therefore, is to spread the risks and costs widely. And that can best be done through

the social security system to which employers and employees contribute regularly. By comparison with the heavily subsidized schemes, this approach has the advantage of keeping old people from feeling that they are beggars living off society's handouts.

Wo do not pretend to know all the answers to the problem of enlarging the social security system to include a health insurance program for the aged. Even a modest study of the problem immediately convinces anyone of its difficulty and complexity. At this point, we don't think that the complete answer to it has emerged.

Nevertheless, no democratic government can refuse to grapple with a problem of such demonstrated urgency and importance. The issue cannot be evaded and, before it becomes a political football, the politicians of both parties should accept responsibility for finding the best possible answer in the shortest possible time.

Mr. METCALF. Mr. Chairman, providing medical and health insurance for our elderly citizens is a must for this session of Congress. We have delayed too long already in facing up to the tragic fact that our elderly citizens have doctor and hospital bills which they cannot meet. We must no longer avoid our responsibility to our retired constituents. I am sorry indeed that the bill we are voting on at present does avoid this responsibility.

We should not try to meet this problem half way. We should not go at it piecemeal. We should go all the way. We should, of course, see that the recipients of social security old-age pensions should get insurance covering hospital and nursing home costs, but we should also cover the 6 million persons 65 and over who are not covered by the social security program. They, too, are in difficult financial straits. They, too, must be considered.

I believe that the quickest, surest, and most economical way to meet the problem is to enact a bill along the lines of the Forand bill with the addition of a program to take care of the elderly outside the social security program. Basically, however, the Forand bill is the answer.

I say this because our social security structure is sound and proven. It is solvent. The money within the fund is in excess of what we are paying out. In fact, we can undertake to put health insurance for our retired people under the system by providing for only a little additional tax.

There is a trend in many sections of the Nation toward the metropolitan centers where there are more jobs and where there is more income. This is understandable, but when these people leave the farming and economically marginal areas, they make the problems of these regions more acute.

Most of those who leave are the young. Those left behind are the elderly. I do not mean that they are all 60 or 65 years of age, but employment drops when the youngest go. Income chances are cut for those who remain. Those who get social security old-age benefits have little or no chance of supplementing their social security checks. They are by no means likely to earn anywhere near the $1,200 allowed to them each year. And so, for the most part, they must subsist on the checks they get from social security.

Let us take an example of one such couple. They are receiving, say, $150 a month in security checks as husband and wife. They probably have their home paid for. I am talking about the average elderly couple. They do not have any savings. They have to get by on their social security check of $150 a month, $150 for husband and wife.

They find that if they stretch the $150, they can buy food, they can buy clothing, they can buy their fuel, they can pay their taxes on their property—but let some sickness come along and they are in dire straits. Suppose the husband or wife is hospitalized for 2 weeks, or a month, or 2 months, and they run up a doctor bill of say $500 or $600, a hospital bill of $300 or $400. That couple will be ruined. They cannot get the money they need out of their social security check of $150 a month. They need that to live on. It is only enough for them to exist.

It is evident that these people can be helped only by a complete program of hospital and medical care. I do not see any other way out. And for the life of me, I cannot understand why the American Medical Association opposes such a program. Recently a doctor in my district told me, "So and so can't afford to pay his bill. I know his situation. He's only getting a social security check of $70 a month; his wife is getting a check of $35 a month. That's only $105 a month. They need that for their food, their fuel, their clothing, their taxes. In fact, I don't understand how they get by. And they owe me a doctor bill for $300. I don't know how I'm going to get it."

I do not think the American Medical Association speaks for all the doctors. I do not think the American Medical Association speaks for all the doctors when it comes out against another proposal—social security for doctors. I find in talking to my doctors that the AMA as such has never taken a poll to find out if doctors want to be included under the social security program. I have talked to doctors, and 9 out of 10 doctors in my district want to come under social security.

Let me say one more thing: The cost of the administration of most of the programs proposed—except for the social security principle plans—would be enormous. A lot of additional taxes would be drained from the people and the people would not be directly benefitted. Most of the money would be lost in the administration of the program.

On the other hand, making health insurance for the elderly a part of the social security system is ideal. The cost of administration would then be minute. In fact, one of the most striking features about the social security program is its low cost of administration. Less of the social security funds are paid for administration than in any other program of our Federal Government. Ninety-nine percent of the money we collect for social security goes to benefit the people, and I think the program of hospital and medical care would work in the same way.

On May 25 I introduced a bill, H.R. 12418, which provided basic health benefits as a matter of right to all persons aged 68 or over. This bill sought to answer the objection to the Forand bill that many people in between the public welfare group and the social security group were not covered.

The Republican proposal, the so-called Medicare program did take care of this middle group but at a high cost to the Federal Government, to the States and to the people affected.

My proposal was founded on the principle of social security but the people who were left out of the Forand bill were included in the coverage and at the same time costs were held down. My bill would have provided for the 9 million persons aged 68 or over who are eligible for old-age survivors and disability insurance monthly benefits, medical and institutional care, or, if they preferred, a $4 increase in their monthly cash payments. The benefits would accrue as a matter of right without a means test. Persons aged 68 or over, not eligible for old-age survivors disability and insurance benefits would receive identical treatment through a parallel program financed out of general revenue.

By adding this latter proposition to the Forand bill we can achieve coverage for all the persons in the retired age group and at the same time utilize tried and tested techniques which we have found to be fiscally responsible.

I am deeply disappointed, therefore, in the proposal before us. I do not think it makes sense. It is an evasion. What we ought to have before us is a Forand-type plan.

We should enact such a program in this session of Congress. I do not know of any greater domestic problem facing the people of the United States, and I hope that before this Congress adjourns, the other body will give us a chance to incorporate in this measure something like the Forand bill, a bill that uses the principle of social security, and I would also hope it would take care of those not under the social security program. This is the best, most practical, most economical answer to a problem of real importance to the Nation.

Mr. HOLLAND. Mr. Chairman, there are many changes in the social security laws contained in this bill which are needed by recipients of social security payments. However, it does not begin to settle the problem of bringing health to those in their elder years who need health and medical care.

The men and women of America who have grown old in their labor to make this country the richest nation in the world are shunted aside and are told by our Government "You must meet the requirements of those who are receiving public assistance before you can secure hospitalization and medical care."

In our State of Pennsylvania at the present time, we are taking care of our indigents by supplying them hospital and medical care, and in some cases, nursing home care. These are individuals who under our constitution have proven they have no other source of income, and are paupers, in order to secure this help.

The State's bills for these services amount to $38,100,000.

In the county in which I live—Allegheny County—we pay out of local taxes $6,582,311 to take care of indigent people. It is estimated that over 70 percent of these patients are 65 years of age and older.

One of the most pitiful sights which has come to my attention is to see an old man over 65 who has lived all his life, paying his own way, being forced to beg for hospital and medical attention. I have had men and women come to me and state they wish the good Lord would take them before they are forced to beg for help.

Some of the letters I have received in connection with the Forand bill, and some of the editorials appearing in the newspapers, spoke about the Forand bill increasing taxes, while at the same time they favored the Federal Government and the State government joining together and paying into the insurance company large payments to cover the aged. The aged are not asking to be paid out of current taxes. They are willing to pay their own way by increasing social security deductions. They do not want to be a burden to the county, or the State or the Nation, or even to their own families. They want to maintain their dignity and pay their own way.

These recipients would have no portability, for if they moved out of the State, they would have to return to Pennsylvania to receive help.

The complicated plan contained in this bill to give hospital and medical care to the aged is unworkable. It would require millions of dollars to administer. When it is compared to the social security proposal under the Forand bill, it is not acceptable to the States—and above all, it is not acceptable to the aged who would resent being investigated and investigated as to their eligibility.

The only economic way that this can be arranged is through the social security system. The social security system of giving medical help and hospitalization to our aged is preferable and has the following advantages: First, simple administration—already basically established; second, collection during years of employment when payment is easy; third, no drain on general tax revenue; fourth, continued coverage even if the recipient moves to another State; and, fifth, preservation of dignity—no means test.

This, Mr. Chairman, is what we want for the aged. I am voting for this bill for the many improvements pertaining to the social security program which it contains. I am also in hopes that the Senate will amend this bill properly and place the medical and hospital care under social security where it belongs.

In mutual aid to foreign countries we appropriate millions of dollars to help better the health of people throughout the world. Let us help our own.

Mr. RHODES of Pennsylvania. Mr. Chairman, while I intend to support this bill to improve the social security program, I am disappointed in the inadequacy of the proposal in meeting the needs of our retired aged and handicapped citizens.

It seems to me that there should have been an increase in social security benefits. This is particularly true of the present $33 minimum, which is unrealistic and shameful.

I was, however, pleased that the proposal which I made for removing the age 50 requirement for disability benefits was approved by the committee and is a part of the present bill.

But I was disappointed that my proposal for lowering the age requirements was not included in the bill. The difficulty of aged persons in finding gainful employment indicates the need for lowering present age requirements from 65 to 62 for men and from 62 to 60 for women.

The approach in the present bill to meeting the needs of health and hospitalization is inadequate and unrealistic. I fear, along with many of my colleagues, that this will lead to a great deal of confusion and do little or nothing in helping our aged citizens to cope with costly medical and hospital services.

Even though the bill is inadequate, I will support the proposal, which we must accept if there is to be any advance in the social security program this year. It leave us little choice—we either vote for an inadequate bill or no bill at all.

It is my hope that the House bill will be improved by the Senate so that when the final decision is made we will have a chance to vote for something better than the proposal now before us.

We cannot, in good conscience, ignore the need for substantial improvements in our social security program. We owe this to the people. If we pass no other major legislation before this Congress adjourns, passage of an adequate and realistic social security bill would be a constructive and real achievement.

Mr. KEOGH. Mr. Chairman, I join in expressing regret that my colleague on the committee and my friend, AIME FORAND, has made a decision to retire. We will miss sorely his advice and counsel on the committee. I know of no one who has had a deeper concern for humane and sound social legislation or who has contributed more to the improvements which have been made over the years in the Social Security Act. We will miss his warm friendship, his wise counsel, and his great contributions to the work of the committee.

Mr. ZABLOCKI. Mr. Chairman, I wish to join with my colleagues in extending my sincere congratulations and commendation to our distinguished friend from Rhode Island [Mr. FORAND] for his untiring efforts in support of legislation to promote the welfare and to solve the health problem of our people, and particularly of our elder citizens.

In introducing the Forand bill to provide medical care insurance under the social security system, and in championing other constructive measures, our distinguished colleague from Rhode Island has won a special place in the hearts of the American people.

We receive his decision to retire upon the completion of the work of this Congress with deep regret. His experience, his sage advice, and his leadership in social welfare legislation will be missed in these Halls. I want to take this opportunity, however, to extend to him my best wishes for a happy, restful retirement in the circle of his family and of his many friends.

Mr. Chairman, I want to add that I was honored when the gentleman from Rhode Island invited me in 1957 to join him in sponsoring legislation to provide medical care insurance on a prepayment, funded basis for our older citizens. I became a cosponsor of the Forand bill, and I had hoped that it would be reported to the full House for consideration and a vote. The medical care provisions of the bill before us, containing the Social Security Act amendments of 1960, fall considerably short of the proposal outlined in H.R. 4700. I will, however, support this legislation for two reasons: First, because the medical care needs of our older citizens are pressing, and we must make a start somewhere and in some way in meeting those needs; and, secondly, because I have hope that the House conferees, led by the able chairman of the committee, Mr. MILLS, and with the assistance of Mr. FORAND, guided by the expressions made here today, will bring back to the House a more effective program for helping our elder citizens to secure needed and adequate medical care.

I know that my good friend from Rhode Island [Mr. FORAND] and many of my colleagues will support this position. To me, there is little alternative in view of the facts which confront us.

It is a fact, for instance, that 80 percent of our 16 million citizens over 65 years of age have incomes of $2,000 or less and cannot afford adequate medical care.

It is a further fact that the majority of our elder citizens are not covered by any type of hospitalization or medical care insurance.

It is a still further fact that the cost of medical care has continued to rise at a sharp rate, and that our older citizens—spending, on the average, twice as much per year for medical care as the average spent for this purpose by our population as a whole—cannot look forward to meeting their needs in this area through their own effort.

Because of these facts, I feel that we must continue to seek a comprehensive and effective solution to this problem, beyond the very limited provisions in the bill before us. I intend to continue to work to this goal. It is my hope that this Congress will enact legislation which will meet the needs of the aged. Such legislation would be a lasting tribute to the efforts of our beloved colleague from Rhode Island [Mr. FORAND].

Mr. VANIK. Mr. Chairman, although I am completely dissatisfied with the inadequacies of H.R. 12580, as reported by the Ways and Means Committee, I will support this legislation, because it appears to be the only opportunity this year to provide medical care for the aged and to improve the social security laws by removing the age 50 eligibility requirement for disabled insured workers and their dependents and to provide an increase in children's benefits.

The provisions made in this legislation to provide for a Federal-State

grant-in-aid program to help the States assist low-income aged individuals who need assistance in meeting their medical expenses is certainly desirable for those who can qualify. However, we face a critical problem in the widening gap between medical services and care available to the indigent as distinguished from the low income or near indigent.

This widening gap destroys highly desirable incentives for low-income families to try to "go it alone" on their low incomes. Thousands of these families in my community, unable to qualify under public programs which provide health and medical care, struggle along without necessary services to the detriment of family and community health.

The only sound approach to this problem can be found in the principles of the Forand bill which would make it possible for the average worker to provide medical and health care for his family during his working years as a matter of earned right. Thus the payment of premiums during the period of good health would build up a reserve to cover such medical and hospital care as he and his family may need in later years when income is reduced or completely eliminated in retirement.

In observing thousands of families in my community, who live on social security and other pensions, I am constantly impressed by how well they get along, even receiving a partial social security payment. If these families own their own modest homes the pension program usually produces enough income to permit these families to continue living in the family homestead without outside help either from the family or any public agency. However, when critical and extended and prolonged illness, particularly the illnesses of old age, involve one of the members of these families, the entire family unit is plunged into a hopeless catastrophic financial dilemma from which there is no chance of survivorship. These are provident working people who have contributed to the growth and to the strength of America and who cannot under any circumstances meet the tremendous medical burdens that are imposed by the diseases of old age. These people must not be cast upon a social trash heap or be permitted to die prematurely for lack of decent medical care.

It is of these families we must also think in terms of this legislation. It is my hope that this shortcoming in the House legislation can be corrected in conference, so that this positive and necessary step forward in social security can be accomplished in this session.

Mr. SANTANGELO. Mr. Chairman, I support H.R. 12580, the Social Security Amendments of 1960, which is designed to extend and improve the coverage under the Federal old-age, survivors, and diability insurance system and to remove hardships and inequities, and for other purposes. I support this bill because on balance it removes inequities in our social security system, but I am sorely disappointed in what the Committee on Ways and Means has submitted to the Congress without opportunities to amend the bill and to improve its provisions.

This bill provides for a program of medical care for the aged and establishes a new title of the Social Security Act, title 16, which would initiate a new Federal-State grants-in-aid program to help the States low-income aged individuals who need assistance in meeting their medical expenses. This proposal is not the Forand bill, which 16 million aged persons were looking forward to with anxiety and with anticipation. The bill known as the Forand bill, H.R. 4700, and which I cosponsored, was in essence rejected by the committee. The rejection of the Forand bill is a sad blow to all of us who were seeking an effective program upon trustworthy machinery, the social security trust fund. The failure to pass the Forand bill is a disappointment to me. The medical care program which the committee submitted for consideration provides for a Federal-State program and is completely optional with the States, with each State determining the extent and character of its own program, including standards of eligibility and scope of benefits. The State sets forth the eligibility requirements, and those persons 65 years of age and over whose income and resources—taking into account their other living requirements as determined by a State—are insufficient to meet the cost of their medical services, will be eligible under the program. Persons on public assistance will not be eligible under the provisions of the instant bill.

The scope of medical benefits and services provided for will be determined by the States. The Federal Government will participate by matching funds with the State in accordance with a formula which runs along the lines of Federal contributions to States for the administration of public welfare. The States may provide institutional and noninstitutional services. The services which the State program must provide if it is to meet the Federal standards will provide 10 major items: First, inpatient hospital services up to 120 days per year; second, skilled nursing-home services; third, physicians' services; fourth, outpatient hospital services; fifth, organized home care services; sixth, private duty nursing services; seventh, therapeutic services; eighth, major dental treatment; ninth, laboratory and X-ray services up to $200 per year; and, tenth, prescribed drugs up to $200 per year.

Experience discloses that in the administration of the old-age assistance program as opposed to the old-age and survivors insurance program, 15 States have failed and neglected to set up programs for medical assistance for the aged people on public welfare. In those programs, the Federal Government provides most of the moneys with little contribution from the States, and yet 15 States have failed to make any provisions for the granting of medical services to the aged people receiving public assistance. If 15 States refuse to contribute at least 10 percent of the funds for providing medical care for those receiving public assistance, is it reasonable to expect that these 15 States will provide 50 percent of the cost for senior citizens who are not on public assistance and who cannot afford to pay for their medical care?

This bill improves upon the 1958 amendments as to persons who are disabled and who cannot pursue any gainful occupation. This bill eliminates the age requirement which was fixed at 50 years and provides that if a person of whatever age has the necessary period of employment, he may receive benefits if he is permanently disabled and cannot work at any gainful occupation. This bill also reduces for some people the number of quarters to become eligible for benefits. This bill extends coverage to self-employed doctors and interns, certain domestic help and certain State and local government employees. This bill increases the benefit provisions for children of widows who are entitled to benefits under the social security system.

This bill provides also that a disabled worker who regains his ability to work and then within 5 years again becomes disabled will not be required to wait through a second 6-month waiting period before his benefits will be resumed as is now required by law. This bill also provides that survivors of workers who died before 1940 and who had at least six quarters of coverage would qualify for benefit payments.

I have been disappointed in the medical care program and benefits which this bill provides for. The effectiveness of this program will depend upon the State governments availing themselves of the opportunity. In my opinion, this program is a mirage and vanishes when we seek to reach it. I trust that the States will take the opportunities provided for, but in view of past history, I doubt very much that State governments will embark upon this humane program.

I have been disappointed in two other major respects. These are defects of omission and failure to act rather than defects of commission. I am disappointed that the committee did not recommend an increase in the permissible earnings which a retired worker may earn before losing retirement benefits. The law at present provides that retired workers may not earn in excess of $1,200 per year. If they do earn in excess of $1,200 per year, they lose a proportionate part of their pension benefits. If they earn in excess of $2,400, retired workers lose entirely their pension benefits. Experience has disclosed that with the high cost of living, pensioners must supplement their pension benefits by obtaining employment. Many of them earn in excess of $1,200 per year and are penalized by reason of their diligence which has brought to them gross earnings in excess of $1,200. It is my hope that the committee would raise the limitation to at least $1,800 per year or to any other reasonable figure. This the committee failed to do.

I was also sorely disappointed in the failure of the Committee on Ways and Means to correct an inequity affecting thousands of service workers, such as waiters, beauticians, taxicab drivers, porters, pin boys, maritime service employees, who depend upon tips as part of their wages. Under the present law,

tips which these service workers receive are not included in the computation of social security benefits, notwithstanding the fact that these tips are included for purposes of income tax. It is unfair that the tips should be subjected to taxes and yet not be included in the basis for determining pension benefits. The Committee on Ways and Means rejected the provisions of my bill which would have provided for contributions on tips by the employee as well as the employer. The committee also rejected to grant service employees to pay on their tips on a voluntary basis without joint contribution by the employer. This failure on the part of the committee has not only disappointed me, but millions of persons throughout the United States. I shall continue my efforts to correct this inequity in future congressional sessions provided I have the opportunity of representing my district.

I wish to commend several members of the Committee on Ways and Means, especially my colleague, Mr. EUGENE J. KEOGH, in his support to include a provision to cover service workers with respect to their tips as part of wages in the computation of social security benefits. I also commend Mr. AIME J. FORAND, the Representative from Rhode Island, who is retiring at the end of this session and whose bill has brought to the attention of the Nation the crying need for a solution of the problem concerning medical care for the aged of our country.

I, therefore, am voting for this bill and trust that it will pass with an outside hope that the Senate in conference with the House Members will embody those features which are lacking and will improve upon those features which attempt to solve the program, but which, in my opinion, do not adequately do so.

Mr. REUSS. Mr. Chairman, of all the civilized democracies under the sun, we are the only one that has failed to act publicly on a national basis to meet the problem of health care for the aged. Yet, America's senior citizens are no less subject to the ills the flesh is heir to than are older persons elsewhere in the world. The medical and hospital needs of people over 65 are several times greater than those of the average American. And retired people, living on social security or other pensions, are less able than at any time in their adult lives to pay even modest hospital or doctor bills.

What is often overlooked is that an adequate system of health care for the elderly, financed under the social security system by the contributions of workers and employers, would benefit many people other than the direct recipients of such assistance.

If my mail received in Washington is an indication—and I am sure that it is—the great majority of Milwaukeeans recognize the serious financial difficulties which confront retired persons in time of illness, and favor the establishment of a national program to underwrite basic health care costs. The signs point clearly to the wisdom of using our social security system as the foundation for assuring adequate health care for our senior citizens in a dignified way. We now have 25 years of experience with the social security system, and although it has inadequacies and imperfections, the system works.

I hope the parliamentary course of H.R. 12580 will permit amendments so as to set up the kind of health program for the aged that this country needs.

Mr. RABAUT. Mr. Chairman, I join in the remarks which my good friend, the Honorable AIME FORAND, has made on the floor today in connection with medical care for aged individuals. I have expressed to him personally that he should enlarge upon his remarks under his request to extend them. He should make known the attitude of certain groups toward this humane and beneficial legislation.

At this point, I would like to express my deep regret that he is leaving us. His absence from this body will be a major loss to many of his colleagues, to his congressional district, to his fine State of Rhode Island, and the Nation as a whole. He has been an inspiration to me. He is not only humble and sincere but has a great devotion for his fellow man. And, although he is retiring from public service, I am sure that in his retirement his efforts to assist others in need will continue.

Mrs. DWYER. Mr. Chairman, I support the pending legislation because I believe it makes an important contribution toward updating and improving our social security system and permitting that system to be as useful and helpful as possible to the elderly, the retired, the disabled and the dependent.

The economic and social circumstances which affect the lives of our people are constantly changing. It is essential that Congress keep up with these changes, understand the way in which they affect the people concerned, and act accordingly so that social security laws and regulations reflect these changes and are adapted to the real needs of real people.

To a great extent, the present bill does this:

By removing the age 50 eligibility requirement of the disability insurance program, we shall bring badly needed help to an estimated 250,000 insured workers and their dependents who—despite their disability—have not been allowed to qualify for the benefits they need and deserve.

By providing a 12-month period during which benefits are continued for all disabled workers who attempt to return to work, we shall strengthen the rehabilitation features of the disability program and encourage, rather than discourage, workers to overcome their handicaps and resume their places as constructive and productive forces in our national life.

By eliminating the 6-month waiting period for disabled workers who have returned to work and then become disabled again, we shall ease these workers over a particularly trying time when they need help the most.

By liberalizing the insured status requirement, about 600,000 persons will be eligible for minimum social security benefits immediately, and ultimately about 1.4 million will be eligible who would not otherwise have qualified. This liberalization will help especially the older workers who come under the program in the later years of their working lives.

A number of amendments will remove inequities in the present law which have worked to the disadvantage of widows, especially those over 75, and the children and other survivors of insured workers.

The bill will also extend coverage, and protection, to about 300,000 additional people who do not now participate in the Social Security System, including self-employed doctors and domestic workers, thereby making it possible for them to provide necessary survivorship and disability protection for themselves and their families.

In a related field, the bill would provide the authorization for increased appropriations in the important maternal and child welfare programs, including services for crippled children.

The legislation also would improve the existing Federal-State program of employment security by, among other things, building up the fund from which advances to States are made when their reserves have been depleted in times of heavy unemployment. This will further strengthen the whole unemployment compensation program.

In the vital field of medical care, the legislation is designed to encourage States to make improvements in their medical payment programs for old age assistance recipients.

Of all the changes and improvements made by this bill, unquestionably the most important and controversial is the proposed new program of medical services for the aged. The committee has recommended a voluntary program, similar in many respects to the kind of program envisaged in legislation I introduced earlier this year. Ten million persons over 65 with relatively low incomes would qualify for assistance in the event they incur extensive medical expenses. This program would be voluntary, with Federal and State Governments sharing the cost under an equalization formula in which the Federal share would range from 50 to 65 percent. The medical services which would be included in the program are especially designed for older persons. An estimated 1½ million people over 65 each year require the kind of medical services specified in the bill.

The committee's recommendation of such a program, Mr. Speaker, marks a major step ahead in helping older people meet the often catastrophic impact of serious illness. The problem is universally acknowledged to be one of the most serious which our country faces. The controversy exists only in relation to the best means to meet the need.

Proponents of the plan to make medical care for the elderly an integral part of the social security system will not be satisfied by the committee recommendation. Yet, the House must either accept or reject this program, at this time, as it is. Whatever may be one's views about the Forand bill, the present proposal is a constructive and forward-looking one. For this reason, I support it.

Mr. DONOHUE. Mr. Chairman, unfortunately it is quite evident there is much fear and distressing doubt, in the minds of a goodly number of Mem-

bers here that this proposal, H.R. 12580, the Social Security Amendments of 1960, is as reasonable and realistically responsive as it could and should be, to the needs and the desires of the great majority of American citizens. Under such circumstances we are, unhappily, because of the closed rule under which we are operating, permitted to vote only for or against the whole bill, without modifications.

Being restricted, then, to these two choices, I intend to support the bill because it does provide an extension and expansion of a limited number of benefits to those people whose needs are most urgent.

For instance, the bill removes the age 50 eligibility requirement for disability benefits; it liberalizes the eligibility requirements of old age, survivors and disability benefits; it makes certain improvements in the social security benefit protection for children and extends benefit eligibility to more widows; it effectuates certain improvements in the administrative financing and solvency provisions of the unemployment compensation system, as well as extending its coverage; it extends coverage to groups that were not before included. All these improvements are good and they have already been carefully and thoroughly explained by the distinguished chairman of the House Ways and Means Committee.

Unfortunately, the committee has not seen fit to recommend other advances and improvements which a great many of us have been advocating with the earnest hope that they would be included in this measure. Chief among these would be provisions to reduce the retirement age, especially for women, and particularly for widows; to increase the minimum benefits in accord with rising living costs; and realistically raise the outmoded and outdated basic income limitations.

Of course, the major fears and doubts about the substantial worth of this measure are concentrated on the most controversial new title XVI, which would initiate a new Federal-State grants-in-aid program to help the States assist low-income aged individuals who need help to meet their medical expenses. In my own opinion this title, and its provisions, fall far short of adequately and equitably assisting our older citizens in the desperate financial distress they tragically encounter from the ills and the sicknesses so common in the later stages of life.

It is my earnest hope, that after this measure is considered, and probably changed, in the Senate, we may yet have the opportunity to repair and strengthen this title so that a far more equitable and effective program of medical service and hospitalization treatment assistance may be granted to the millions of aged Americans so desperately and despairingly in need of it.

Mr. GALLAGHER. Mr. Chairman, as we have taken up H.R. 12580, Social Security Admendments of 1960, it is apparent that the need for a liberal medical care for the aged bill is clearly and strongly supported by factual statistics that highlight the plight of so many of the country's senior citizens.

I vote for this bill despite the fact that I do not feel the provisions of the bill go far enough in attempting to give relief and a feeling of security to elderly citizens. Defeat of this proposal would kill off any chance of a medical care bill being enacted this year. I am hopeful that the Senate will amend and liberalize the provisions.

The following statistics highlight and emphasize the seriousness of the problem and the need for a more adequate program:

Persons over 65 have two to three times as much chronic illnesses as the remainder of the population.

The average hospital patient over 65 stays 15 days, twice the national average for all age groups.

The cost of medical care has increased 49 percent, since 1947. Hospital costs are up 300 percent since before World War II.

Four out of every five persons over 65 are not employed.

Half of those over 65 have incomes of less than $1,000 per year.

Only 40 percent of persons over 65 carry some form of commercial health insurance as compared to the national average of 70 percent.

We have come to a critical juncture in this tremendously important matter, either this Congress is going to provide necessary assistance to our senior citizens, who certainly have earned the right to such aid, or we are going to ignore the plight of the elderly.

I introduced a bill early in the year to amend the social security laws to make health benefits part of the social security system.

Mr. CARNAHAN. Mr. Chairman, the Social Security Act is of importance to millions of Americans today. It is for this reason that I am highly gratified that the Committee on Ways and Means has spent these past several months giving close study to many proposed amendments aimed at improving and strengthening this act. While this bill may not incorporate some of the features many of us might have liked to have seen presented to the House, it does recognize the fact that laws dealing with social security need almost constant attention in order to determine whether or not in these changing times the law meets the basic needs for which it was originally designed. I believe that there are some good proposals in this bill.

However, I am frank to admit, Mr. Chairman, that I was disappointed to have the committee fail to report favorably the Forand bill which would have placed the problem of medical assistance for the aged under our social security system. I wish to put myself on record as still favoring such an approach to this most pressing problem.

One significant amendment to the present law is the removing of the requirement that disabled workers must be at least 50 years old to receive benefits. This would be removed and although the present strict definition of eligibility would remain it does liberalize the law with respect to disability eligibility.

I for one am tired of having the threadbare cliche of "socialized medicine" thrown into the picture every time the problem of America's senior citizens and their medical problems are discussed. I seem to recall that something of the same bogeyman was thrown up as a diversion way back in the days when the first social security law was enacted. The Washington Post in an editorial of February 20, 1960, rather effectively demolished this alarm cry of socialized medicine when it says in part:

> That the American Medical Association would offer its usual doctrinaire opposition to this proposal was as much to be expected as a bill from a doctor after a visit to his office. Senator MCNAMARA has observed that the American Medical Association had nothing to offer but tired abuse. This is not, by the wildest flight of the most neurotic fancy, socialized medicine or political medicine. It is simply a system, if the AMA could but calm its nerves long enough to realize it, which like Blue Cross or Group Hospitalization or any other insurance program, would enable a patient to go to the doctor and the hospital of his choice and pay the bills resulting from the care he needs in old age. It would help doctors, hospitals and medicine in general. And it would enable American men and women to retire in their old age with more security and self-respect.

There are other reasons why I favor the placing of this program within the framework of the Social Security Act. By placing this program under social security most older persons would benefit and could be assured of hospital care, additional skilled nursing care, and surgical benefits. Around 13 million men and women would get lifetime protection—all of those eligible for old-age benefits under social security. By placing this program under social security it would mean that old people not entitled to old-age benefits would be helped indirectly if they turn to public assistance for, since smaller numbers would be forced to seek such aid, each one could be given more adequate assistance from the limited funds available to existing welfare agencies.

By placing this program under social security young workers would gain, since their aging parents would be protected at once and they and their families would have similar protection on retirement or if the wage earner dies leaving young children. The most any employed person would have to pay in the early years would be a dollar a month or 23 cents a week—one-fourth percent of earnings up to $4,800. For farmers and other self-employed people, the maximum contribution would be 35 cents a week.

Mr. Chairman, few persons over 65 have now nor can they afford good health insurance protection through any other means than within the framework of the social security setup. According to Government published figures only about two out of five have any such protection now and much of that is inadequate, can be canceled, has lifetime ceilings and is very costly. The best-known policies cost from $6.50 to $8.50 a month per person and pay only part,

perhaps not even half, of hospital costs for up to only 31 days.

It is my firm contention that by approaching this problem of medical aid for the aged from the angle of our social security setup, we would actually strengthen our welfare agencies, hospitals and Blue Cross. Such an approach would relieve these agencies of the high-cost load of the aged. Many hospitals today have large and growing deficits. Blue Cross keeps raising rates partly because it includes retired people without charging them more than the community rate. As a result, Blue Cross is increasingly threatened by competition from commercial companies selling such insurance. Public welfare agencies now spend $300 million a year for health care for the aged. In many communities a large part of the old-age assistance costs are for medical care, which is an ever-growing burden. A dependable system of financing health costs for the aged, such as would be provided through the social security system, would help these community agencies to improve and extend their services. High quality, skilled nursing homes would be assured of revenues. A speedy return to independence and home care could be stressed.

Now the costs of all this would be very moderate. According to the Secretary of Health, Education, and Welfare the cost would be only about $1 billion the first year and these new benefits can be financed on a sound basis through the social security payroll tax and without endangering present cash benefits. The Secretary of Health, Education, and Welfare estimates that the long-range cost of such a program under social security would be only about four-fifths of 1 percent of taxable payrolls. Therefore, it seems to me, Mr. Chairman, that insurance through the social security system is the best insurance buy available.

When over 10 million Americans—and the estimate runs as high as 16 million oldsters—stand in need of big medicine, it is no time to come up with an aspirin tablet. To use the standing joke of the veteran of the past war, an APC—all purpose capsule—is not the solution to specific and pressing medical needs for these elderly citizens and we of the Congress should not hold this out to these people.

While I shall vote to enact the provision in H.R. 12580 concerning medical care for the aged, I must state that I am not at all satisfied with it. This dissatisfaction points up sharp differences now existing in the approach to the health problems our senior citizens are facing. This proposal in H.R. 12580 would leave the elderly liable to heavy outlays. Also, instead of being operated by one agency as would be the case under social security, this plan would be either operated by those of the 50 States which adopted it, or by commercial insurance companies which the States paid to do the job. Not only would such an administrative program be expensive and relatively inefficient, but the plan would require adoption by the individual State legislatures, and many feel that there would be heavy pressure from various quarters against such adoption. It is further recognized that many States are already in critical financial condition and would be extremely hard put to pay their share of the program. In addition, this program under consideration by us here today is designed to cover only about one-half million to one million persons—leaving ignored the millions who need such insurance and who would be eligible under social security arrangements. Let us hope, Mr. Chairman, that the Senate will see fit to incorporate into its consideration of this bill the social security approach to this matter.

I support the other amendments to the Social Security Act and believe these changes are in the direction of liberalization and that in spite of the limitations I have discussed the bill deserves support.

COMMENDATION OF CHAIRMAN MILLS, HOUSE WAYS AND MEANS COMMITTEE

Mr. DERWINSKI. Mr. Chairman, the purpose in my remarks this afternoon on the subject of the 1960 social security bill is not to reiterate the words that were uttered by many Members during the discussion of the legislation, but I feel that it is proper to pay tribute to the distinguished chairman of the Ways and Means Committee, the Honorable WILBUR D. MILLS, whose dedication to the soundness of the social security system protects the citizens of this country from the irresponsible measures advocated each election year, which if enacted would bring actuarial ruin to the social security fund.

Mr. Speaker, I especially wish to commend the chairman and the members of his committee on the soundness of the provision which eliminated the disability benefit provision to disabled insured workers 50 and over, since statistics show us that wage earners under 50 who are disabled very often have families in need, and actually are more in need of this legislation than only those who had been previously covered.

And surely, the provision for medical care for older folks in need is a practical approach to a problem designed to assist those needing this protection without impairing, as I indicated earlier, the basic strength of the social security fund. All of us recognize the responsibility of our society to provide for people truly in need, but we must resist the attempts of the socialistically inclined Members who would force compulsory Government regimentation upon our medical profession and our citizens, to the detriment of all concerned.

Mr. Chairman, may I repeat that Chairman MILLS is entitled to our respect and admiration for his constant interest in maintaining the fiscal integrity of the Federal Government.

Also, I would be remiss at this point if I did not remind one and all of our obligation to point out to the citizens we represent that you never get something for nothing from Government.

Mr. MILLS. We have no further requests for time.

Mr. MASON. I have no further requests for time.

The CHAIRMAN. Under the rule the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments offered by direction of the Committee on Ways and Means. Are there any committee amendments?

Mr. MILLS. Mr. Chairman, there are no committee amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ZABLOCKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill—H.R. 12580—to extend and improve coverage under the Federal Old-Age, Survivors, and Disability Insurance System and to remove hardships and inequities, improve the financing of the trust funds, and provide disability benefits to additional individuals under such system; to provide grants to States for medical care for aged individuals of low income; to amend the public assistance and maternal and child welfare provisions of the Social Security Act; to improve the unemployment compensation provisions of such act; and for other purposes, pursuant to House Resolution 562, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that if a rollcall is asked for on a motion to recommit or on the passage of this bill, that it be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. MASON. Mr. Speaker, reserving the right to object, may I inquire if we can make a motion to recommit tomorrow?

The SPEAKER. Yes.

Mr. MASON. Then, I have no objection to it going over until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, my request was "if." Mr. Speaker, I think under the unanimous-consent request, the gentleman ought to offer his motion to recommit now.

The SPEAKER. The gentleman may.

Mr. MASON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MASON. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MASON moves to recommit the bill H.R. 12580 to the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BYRNES of Wisconsin. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. Under the unanimous-consent agreement, the rollcall will go over until tomorrow.

AUTHORIZING AN EXCHANGE OF LANDS BETWEEN THE UNITED STATES AND THE MASSACHUSETTS PORT AUTHORITY

Mr. VINSON submitted a conference report and statement on the bill (H.R. 5888) to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Mass., in exchange for certain other lands.

HUMANE SLAUGHTER OF LIVESTOCK

Mr. JENNINGS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 12705) to delay for 60 days in limited cases the applicability of certain provisions of law relating to humane slaughter of livestock.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not object, the matter has been cleared with me. As I understand, it is simply a 60-day extension of the time within which the processors may get the machinery with which to comply with the law that was recently passed.

Mr. JENNINGS. That is correct, I will say to the gentleman, except it is applicable only to those processors and packers who have heretofore made application and through no fault of their own the equipment has not been delivered.

Mr. HALLECK. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the first sentence of section 3 of the Act entitled "An Act to establish the use of humane methods of slaughter of livestock as a policy of the United States, and for other purposes", approved August 27, 1958 (7 U.S.C. 1903), during the period from June 30, 1960, to August 30, 1960, any agency or instrumentality of the United States may contract for or procure livestock products produced or processed by a slaughterer or processor which slaughters or handles for slaughter livestock by methods other than those designated and approved by the Secretary of Agriculture if such slaughterer or processor has contracted for the purchase of the equipment necessary to enable him to adopt such methods but such equipment has not been delivered to him. The last sentence of such section shall not apply in the case of such a slaughterer or processor until August 30, 1960.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. FOGARTY. Mr. Speaker, I ask unanimous consent that I may revise and extend the remarks I made in Committee of the Whole on the retirement of our colleague, the gentleman from Rhode Island [Mr. FORAND], and that all Members may be permitted to extend their remarks at that point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

SUBCOMMITTEE ON INDIAN AFFAIRS

Mr. HALEY. Mr. Speaker, I ask unanimous consent that the Subcommittee on Indian Affairs be allowed to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

CALL OF THE HOUSE

Mr. ARENDS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 141]

Alford	Fisher	Mumma
Bailey	Frazier	Powell
Barden	Gavin	Saylor
Blitch	Hess	Schneebeli
Buckley	Jackson	Smith, Miss.
Burdick	Kearns	Smith, Va.
Diggs	King, Calif.	Steed
Durham	Lafore	Taylor
Edmondson	McSween	Zelenko
Evins	Milliken	
Fenton	Morris, Okla.	

The SPEAKER. On this rollcall 400 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON EDUCATION AND LABOR

Mr. WIER. Mr. Speaker, due to the 10 o'clock meeting of the House tomorrow morning and a regular meeting of the Committee on Education and Labor, I ask unanimous consent that the Committee on Education and Labor may have permission to sit during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

PUBLIC WORKS COMMITTEE

Mr. FALLON. Mr. Speaker, I ask unanimous consent that the Public Works Committee may have permission to sit in executive session tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit tomorrow during general debate in the House.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

COMMITTEE ON HOUSE ADMINISTRATION

Mr. BURLESON. Mr. Speaker, I ask unanimous consent that the Committee on House Administration may have permission to sit during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMITTEE ON AGRICULTURE

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have permission to sit during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FARM SURPLUS REDUCTION ACT OF 1960

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 12261) to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House

on the State of the Union for the further consideration of the bill H.R. 12261, with Mr. IKARD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read through section 101, ending in line 24, page 2 of the bill.

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: Page 2, line 1, after the words "of producers", strike out the balance of line 1; and on page 2, line 2, strike out "of wheat" and insert in lieu thereof the words "eligible to vote under subtitle A of this title."

Mr. QUIE. Mr. Chairman, the amendment which I am offering will enable all producers who would be subject to quota under subtitle A to vote in the referendum on whether they desire to be under subtitle A or subtitle B. The effect of this amendment would allow about 70 percent of the wheat farmers to vote who are not allowed to vote under the present wording of the bill.

According to the present wording of the bill all farmers who would be subject to quotas under subtitle A could vote on whether they wanted to be under the quotas if subtitle A won in the first referendum, but only 30 percent of the wheat farmers would have the right to vote in deciding whether they wanted subtitle A or B.

Mr. Chairman, in all fairness every wheat farmer who would be subject to the control imposed under subtitle A ought to have the right to vote. Out of fairness I cannot see how we could deny him that right to vote.

Previous to this time we only allowed the farmers who were subject to quotas to vote.

Previous to this bill, under the present law, anyone who produced more than 15 acres is subject to the quota and therefore could vote, while those who produced less than 15 acres had a choice of coming under or staying out. So, we never gave them a right to vote. Now, if we are going to be consistent with the past, I think that every wheat farmer who would be subject under this bill should have his franchise. This is a very simple amendment, and for that reason I will not take any longer time to explain it, since I think you all understand it.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Under the present law, the farmers who have an allotment and who are growing less than 15 acres can still vote and vote in this referendum already without your amendment.

Mr. QUIE. If a person raised less than 15 acres and stayed within the allotment, he could.

Mr. LEVERING. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Minnesota [Mr. QUIE], my colleague on the committee. In fact, I have an amendment at the desk to accomplish the identical objective sought by the gentleman's amendment—that of giving a majority rather than a minority of the wheat growers of the Nation the right to decide by vote in a referendum which of the alternative plans provided in the bill shall be adopted.

Mr. Chairman, the existing provision in the bill to which the amendment is directed, in my opinion, discriminates against thousands of small farmers in my district. Because I believe they should have the right to be heard on matters that affect their interests, I shall vote for the amendment.

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the amendment.

In reply to my inquiry, the gentleman from Minnesota stated that under the present law, people who have allotments and who stay within those allotments, although it is under 15 acres, can vote, and they would be able to vote in this referendum. Under this 15-acre allotment, the 15-acre grower was given a bonus, so to speak. While we have a very severe control program for the production of wheat, and impose those controls on the people who have reduced their production of wheat, who were depending on wheat for their livelihood, we were permitting anybody who wanted to grow 15 acres to have that minimum without complying with anything, and in addition, they were getting the benefit of the support.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Did I understand the gentleman to say that under the present law as it now exists the farmer who has an allotment of less than 15 acres is permitted to vote?

Mr. JONES of Missouri. If he has an allotment and stays within the allotment, he is eligible to vote. The gentleman from Minnesota just confirmed that a minute ago.

Mr. BELCHER. Anybody that has less than 15 acres is not permitted to vote?

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Minnesota.

Mr. QUIE. Coming back and checking with the committee clerk, I find that my statement was not correct. Those under 15 acres would not have the right to vote.

Mr. JONES of Missouri. I was just depending on the answer the gentleman gave.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The present law is that anyone subject to marketing quotas and marketing penalties is permitted to vote. If your allotment is less than 15 acres, you are not subject to marketing penalties. If you plant less than 15 acres, you are not subject to marketing penalties. The right to vote is based upon the penalty angle. We could not penalize a farmer without giving him the right to vote, and that is the very basis of the privilege. Now, the theory of this bill and the soundness of this bill is based on the fact that those who are subject to marketing penalties cast the first vote, and then they make it possible for those under 15 acres to subject themselves to marketing penalties, after which time they have the right to vote. The procedure in this bill is sound; it is consistent with the practice that has been in effect ever since the allotment program started, the marketing program started. That is the basis, as I see it, for the legislation as it exists, and it is a sound basis.

Mr. JONES of Missouri. I thank the gentleman from Oklahoma for explaining that. We have gone into this in committee, and as I was saying a minute ago, what we have done with the 15-acre grower, he has been getting a bonus, and what we have tried to do is to give an opportunity to the wheat producers to determine whether they want to accept the Farm Bureau plan without any limitation and with low-support prices or whether they want to have a strict limitation which would bring the supply in line with the anticipated demand and give an adequate or at least a higher price support than they now have and which they would have under the Farm Bureau plan. So there is nothing wrong with the bill as it is written and I think for that reason the amendment should be defeated.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. QUIE. At the present time it is recognized that those who are subject to marketing penalties have the right to vote, and only if a person certifies that he will produce more than 15 acres will he be under marketing penalties. Under this bill, under subtitle A, all wheat farmers would be subject to marketing penalties no matter what, because all would have a quota, which would be the highest of his acres planted to wheat in the last 3 years, if he was under 15 acres. So under subtitle A of this bill all wheat farmers would be subject to marketing penalties where now only those over 15 acres are subjected. If we are going to continue under the present theory of letting all who are subject to marketing penalties vote we ought to allow all these farmers to vote.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. JONES] has expired.

Mr. ALBERT. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in answer to the statement made by the gentleman from Minnesota [Mr. QUIE] with respect to giving those having allotments of less than 15 acres a vote in the first referendum, may I point out that if program A is adopted, those having allotments of less than 15 acres then will have the right to vote before they can be subjected to marketing penalties. The program must be adopted by two-thirds of all those subject to marketing penalties which includes not only those who are now subject to marketing penalties, but those who would be subject to marketing penalties under plan A. That includes all

wheatgrowers. We cannot subject these people to marketing penalties without giving them the right to vote, either under this bill or under the present law.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield.

Mr. QUIE. What the gentleman has said is correct. But does he not believe that all these farmers who raise wheat, if subtitle A were adopted, have an interest in both programs, whether they raise more or less than 15 acres?

Mr. ALBERT. I think they have an interest, but the right to vote has always been based upon the fact that we do not want to subject anyone to marketing penalties without giving him the right to vote. This bill preserves that principle.

Mr. QUIE. That is right. But this bill goes one step further. This gives farmers who raise wheat a choice, whether they want to have one type of program or another. It is the first time we would really have a clear-cut choice and in doing this we are letting a majority vote decide. Does not the gentleman believe that the 70 percent who raise less than 15 acres have an interest in this and should be allowed to choose?

Mr. ALBERT. I think they do. But I think their main interest, those who raise less than 15 acres, is not as between these two programs; because, if they do not like plan A, they can throw the program out and plant as much as they want to plant. I do not see where the choice is jeopardized materially by keeping the franchise exactly as it is in the bill.

Mr. QUIE. If the gentleman will yield further, under subtitle A, if more than one-third of the farmers do not choose to come in under the quotas they would not get any support at all, which would be 50 percent of parity, if they did not stay within their allotments.

Mr. ALBERT. That would be almost as much as they would get under program B, anyway.

Mr. QUIE. But if they planted outside their allotments, which they could do under program B, they would get supports; but under program A, they would not get the 50 percent of parity for the crops that they raise unless they stayed within their allotments even though they would have previously voted against quotas.

Mr. ALBERT. That is true, but it seems to me if we are going into this business of letting everybody vote whether he is subject to marketing penalties or not, we might as well let everybody vote that might ever grow any wheat. We need some basis upon which to predicate the referendum right. I think the theory in the bill is a sound one. I do not think it will injure anyone, because no wheatgrower, large or small, under this bill or under present law, can be subject to marketing penalties unless he has the right to vote.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from North Carolina.

Mr. COOLEY. Was not this proposition thoroughly discussed in the House Committee on Agriculture before we reported the bill?

Mr. ALBERT. I think it was thoroughly discussed.

Mr. Chairman, I think the amendment should be defeated. I think we are going far afield if we adopt this amendment, and I ask for its defeat.

Mr. HOEVEN. Mr. Chairman, I rise in support of the amendment.

It seems to me that every wheatgrower has the right to vote in both referendums. There is no discrimination as far as the cottongrowers are concerned. They all vote.

In the first place, the bill prevents the small wheatgrowers from voting in the first referendum, but they are permitted to vote in the second referendum but have nothing to say about the format or the substance of the question that is presented to them in the second referendum. This means that approximately 70 percent of the wheat farmers in the United States will be ineligible to vote. The bill limits voting to those farmers subject to quotas on the 1960 crop. Last year according to the Department of Agriculture there were an estimated 3,020,000 farmers who raised wheat. Of this total, 886,000 farmers actually voted. Of those voting 169,000 favored quotas and 41,000 opposed quotas. When these figures are applied to the bill before us we clearly see the tail wagging the dog. The 169,000 eligible wheat farmers voting for quotas would only be 5 percent of the wheat farmers of America. Only 30 percent would even be eligible, and only 5 percent would decide upon a sweeping program involving millions of dollars and affecting thousands of other farmers and consumers.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman mentioned the fact that all cotton farmers are entitled to vote, but all cotton farmers are subject to marketing penalties if I am correctly informed. If program A is adopted, all wheat farmers will be subject to marketing penalties. The marketing quota program cannot be put into effect unless all farmers subject to marketing penalties are allowed to vote and unless two-thirds of those voting approve the referendum.

Mr. HOEVEN. That may be true, but I cannot quite see why a small group of large wheat producers, 5 percent of them, can get together and formulate a proposal to be submitted in a referendum in which all growers later would have the right to vote. It seems to me that a lot of growers are being disenfranchised.

Mr. ALBERT. They are not disfranchised because they have a privilege which is an exception under the law.

Mr. HAGEN. If the gentleman will yield, all cotton farmers are not subject to that. There is a 10-acre limit on that.

Mr. ABBITT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have heard a lot of talk in this body about the right to vote. This bill deprives approximately 60 percent of the wheatgrowers of the right to participate in the referendum which decides which of the two programs is to be put into effect. The bill states that the first referendum if they decide on program A will deprive two-thirds of the wheat farmers east of the Mississippi of the 15-acre limit they now have. Even those who raise less than 15 acres have no right to vote. It seems to me that some of the people over here on the left may be interested in referring this proposition to the Civil Rights Commission to see whether or not civil rights are being denied.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from North Carolina.

Mr. COOLEY. The people you are talking about have the right to vote now.

Mr. ABBITT. What this bill does is it takes from them the 15-acre exemption that they have.

Mr. COOLEY. It does not. It provides for a reduction in the 15 acres and puts it in line with other reductions.

Mr. ABBITT. You will not have any 15-acre farms.

Mr. COOLEY. If all these people vote that you want to vote, you will not have any program.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. ABBITT. I yield to the gentleman from Ohio.

Mr. LATTA. I concur in everything that the gentleman has said. I would point out that in the State of Ohio, we have 153,000 wheatgrowers and 123,000 of them are now operating under the 15-acre exemption, which means that automatically if this bill passes and under the present law, 123,000 out of the 153,000 wheatgrowers will be disenfranchised and will not be entitled to vote. The last time we held a referendum, 3,000 out of the 70,000 who were eligible to vote actually voted. So there will only be a handful of large wheatgrowers telling the Nation what kind of a wheat program we are going to have. I suggest that it is absolutely wrong. This Congress went on record for the civil rights bill and I think we ought to give the right to vote to the wheat farmers of the Nation.

Mr. ABBITT. Maybe I ought to get some of the people in the minority group from my district to write to the Civil Rights Commission to see if they cannot get the right to vote.

Mr. Chairman, this is actually a big growers' bill and it will deprive the vast majority of my wheat farmers not only of the right to vote but the right to have the years of planting of 15 acres of wheat for their own use taken into consideration.

Mr. Chairman, I hope the amendment is approved.

Mr. AVERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope the Members of the Committee this afternoon will take stock to see who is in support of what side of this issue. I do not think it would be entirely inappropriate, either, to take into account the remarks made in respect to the Civil Rights Commission. There is just about as much justification for bringing the Civil Rights Commission into this issue this afternoon as there is for bringing the cotton

farmers of Virginia and the tobacco farmers of North Carolina and the corn farmers of Iowa and the new wheat farmers, if you please, in Ohio. That is what has gone wrong with this whole wheat program. In the first place, somebody sold the Wheat Belt down the river and I mean probably down the Mississippi River, and back up the Ohio River. Now they are raising wheat all over the United States and they have preempted the wheat production that historically belongs in the Middle West.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. AVERY. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I am certainly glad to have you join me against the 15-acre exemption.

Mr. AVERY. That will be determined immediately when we vote and I hope the gentleman will be pleasantly surprised. The justification for the provision in the present law is this. Virtually every grower of wheat in the historical wheat-producing area has a marketing allotment, and, therefore, is entitled to vote. There is just as much justification to enfranchise the wheatgrowers to vote in the next cotton referendum as there is for bringing the new wheatgrowers in Mississippi, Ohio and all the other States that traditionally have not raised wheat into the wheat referendum.

Mr. Chairman, this amendment should certainly be voted down in the interest of stabilizing and retaining what is left of the wheat producing market for the great States of the Middle West.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE].

The question was taken, and on a division (demanded by Mr. QUIE) there were—ayes 50, noes 68.

Mr. QUIE. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

Mr. THOMSON of Wyoming. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMSON of Wyoming: Beginning on page 1, line 6, strike out all of section 101.

Mr. THOMSON of Wyoming. Mr. Chairman, yesterday when the rule was under consideration, I announced my intention of amending H.R. 12261 to strike everything except subtitle B of title I. The parliamentary situation that prevails is such that this cannot be done by a single amendment. It is necessary, under the parliamentary situation prevailing at this time, to strike each section in turn. This amendment proposes to strike section 101, the first substantive section of the bill. If it prevails, subsequent amendments will be offered to strike the other sections. Therefore, the vote on the pending amendment is really a vote to determine whether or not all other provisions of the bill should be eliminated except for the provisions of subtitle B.

Mr. Chairman, in the first place we should recognize that wheat is our major agricultural problem. We should do something constructive to solve that problem in this session of Congress. The chances for doing this should not be jeopardized by including in the same bill provisions such as the feed grain proposal of title II or the food distribution plan of title III. The reasons which make these sections objectionable have been adequately covered. I will therefore confine my remarks to the provisions of the bill relating to the wheat sections.

The wheat problem is a problem of overproduction and surpluses. We now have on hand in Government storage over 1,300 million bushels of wheat and the amount continues to grow year by year. The cost to the taxpayers of storage on this alone is over $1¼ million per day. The cost of the wheat price stabilization program is over $600 million per year. Yet with all of this expenditure of money, the effect has actually been to harm, rather than to help, the individual wheat farmer in the wheat-producing area.

Price supports were set high to encourage production, and the result was exactly that. Stimulated by these high price supports, farmers all over the Nation began to grow wheat for delivery to the Government. Production reached the point that acreage controls were imposed. Primarily because of the 15-acre exemption, production continued to increase outside of the historic wheat producing area. This shifted wheat allotments from the historic wheat producing areas and imposed further acreage cuts on the wheat farmer in the historic producing area. Our wheat farmers in historic areas have had imposed upon them acreage cuts of almost 40 percent, while production increases. They cannot divert to other crops. Net income is price times production, less expenses. No law can change that. This cut in production has meant a cut in their net income to the point that it threatens to put them out of business.

This has been particularly harsh on wheat farmers in the State of Wyoming. They followed good soil conservation practices and summer fallowed their land. As a result of the law and regulations, their land that is actually in production in any given year is substantially less than half. This simply does not allow them to earn a living.

With the surplus production of wheat confronting the Nation, the 55-million-acre minimum cannot be continued.

The farmers themselves realize that if they are going to have high price supports, then they must accept tight production controls with strict cross-compliance to hold production in line. The other choice open to them is no controls and a price support which would be sufficiently low to keep production in line with demand.

If the committee bill actually provided such a choice to the farmers, then I would wholeheartedly support it. The fact is, though, that it does not.

The first and perhaps most important reason that the committee bill does not present such a choice is that the provisions of subtitle A are such that the bill could never become law, and therefore the farmer would never be given the opportunity to vote on anything.

The wheat farmer has already been misled too often, to his detriment. The provisions of the committee bill, it is argued, would reduce wheat production by 25 percent. Experience proves that such definitely would not be the fact. By increasing the support price to 85 percent, they further stimulate the incentive to raise more wheat on the acres left in production. Growers in the more humid areas will simply put on more fertilizer and take other steps to further increase their yields. This is further encouraged by the fact that the payment-in-kind is based on the annual yield per harvested acre. It is estimated that the actual reduction in wheat production would be 17 percent or less.

Furthermore, the domestic consumption of wheat is only 629 million bushels. As to the more than 400 million bushels which we have been exporting, the subsidy is already over 50 cents per bushel. The effect of this increase in price support would be to increase that by 50 percent. The increased cost to the taxpayers, assuming that we were to continue to export it at the same level, is estimated at $115 million. There are already complaints with regard to this subsidy. The effect could very well be to reduce the exports, and thereby further increase the surplus.

Further, there is no effective cross-compliance.

All this could ever hope to accomplish would be to delay the day of really facing up to the wheat problem. There has already been too much delay. The result is only to make the situation more difficult.

Under these circumstances, I think that Congress should face up to its responsibility and legislate a sound wheat program that will be in the long-term best interests of the wheat farmer, agriculture in general and the taxpayer.

That is what this amendment and those to follow would accomplish, if adopted.

By adopting these amendments, only the provisions of subtitle B of the bill would remain. The program provided therein is the one that has been proposed by the American Farm Bureau Federation. It is a plan that has been developed in conformity with the manner of operation of this fine organization—by farmers themselves, meeting at community level, district level, State level, and then in national convention. I think that this farm organization and the farmers who belong to it are to be congratulated for proposing a realistic long-term solution to the wheat problem, based upon sound economic principles, and one which will be in the long-term

best interest of wheat farmers and agriculture in general.

I will review for you the provisions of this proposal. First, all acreage allotments and marketing quotas would be eliminated, effective with the 1961 crop of wheat. This would leave the farmer free to manage his own business, rather than to be dictated to by bureaucrats from Washington. This would permit each wheatgrower to determine for himself the acreage of wheat on his farm which would make the most efficient use of his land, labor, and machinery. The traditional wheatgrower would be able to regain his markets.

Second, price supports for wheat, beginning with the 1961 crop, would be based on the support level for corn, with upward adjustments to reflect differences in weight, nutritional value, and buyer preference. However, for the 1961 crop of wheat the price support would be not less than 120 percent of the price support for corn. This would result in a wheat price support for 1961 of at least $1.27 per bushel, with corn supported at $1.06 per bushel. This price support policy would restore the pricing of wheat to supply-demand conditions as reflected in the marketplace. This does not mean that market prices of wheat would fall into the exact relationship indicated by differences in feeding value. The relative market value of corn and wheat are affected by domestic and foreign demand for milling wheat, which normally price wheat higher than corn, and by the fact that wheat is produced in areas where corn prices reflect substantial transportation costs. Good milling wheat would bring a substantial premium over its feed value.

Determining price supports in this way would expand the use of wheat for livestock feed, without creating unfair subsidized competition for the producers of corn and other feed grains.

The incentive for further expansion of wheat production in the humid areas, where alternative crops can be grown successfully and more economically, would be removed. The incentive for these producers to increase yields through heavy use of fertilizer would be reduced.

Growers in traditional wheat areas would regain their markets. Export markets would be increased.

A third provision of the proposal would provide adequate protection for all farmers from competition of the Commodity Credit Corporation sales from accumulated wheat stocks. No wheat could be sold for domestic use from surplus at less than 150 percent of the effective support price, plus reasonable carrying charges. Foreign sales of wheat from surplus stocks under Public Law 480 would be restricted. There would be no limit on foreign donations of Commodity Credit Corporation wheat for famine and disaster relief. Domestic prices would be free to rise with market demand, unhampered by competition from surplus Government stocks.

Fourth, the total amount of land in the Conservation Reserve would be raised to 60 million acres at the end of 3 years. This would cushion the adjustment of the grower who is farming marginal land in traditional wheat areas and the grower who has become a wheat producer under the 15-acre exemption and who may choose not to grow wheat under the new program, as well as the effects upon the producers of all feeds.

Adoption of this amendment would restore the wheat economy of this Nation to a firm economic basis. It would restore the wheatgrower to a position in the free enterprise system. It is in the best interests of the wheat farmer, agriculture in general, and the taxpayer. As such, it is in the public interest. I urge its adoption.

Mr. MICHEL. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Wyoming [Mr. THOMSON] to strike everything in H.R. 12261 except subtitle B. By this action we would free up the acreage of wheat and extend the conservation reserve program. Both of these proposals are sound.

I would like to review briefly the recent history and the current situation with regard to corn, feed grains, and hogs. This program is vital to my area of Illinois, and I think we should keep the record straight.

Corn producers are now operating under a new program which provides for price support, without production controls, at the higher of (a) 90 percent of the average price received by farmers in the 3 preceding calendar years, or (b) 65 percent of the parity price.

This new program came into effect as a result of a November 1958 referendum in which farmers were given a choice between the new program and the old allotment program. More than 71 percent of the 357,169 farmers who voted favored the new program.

I supported the principles of the legislation that authorized the present corn program and I continue to do so. I opposed the provisions for a 65 percent of parity floor under corn supports, as such a floor is inconsistent with the idea of basing price supports on a percentage of average market prices.

Those who want to keep farmers subject to Government control programs, and those who lack faith in the ability of farmers to prosper in a market economy, have been attempting to smear the new corn program.

It is being said, first, that corn production reached a record high in 1959 because farmers boosted production to make up for lower prices; second, that the removal of corn allotments created the greatest corn surplus in history; and, third, that the new program has depressed the price of hogs.

Here are the facts:

First. The support price was raised not lowered, in 1959 for approximately 90 percent of all corn produced in the United States.

In 1958 there were three support prices—$1.36 per bushel for commercial area farmers who complied with acreage allotments; $1.06 for those who did not comply; and $1.02 for the noncommercial area. Only about 12 percent of the corn produced in the commercial area was eligible for the compliance rate of $1.36. Since the commercial area accounted for about 82 percent of the total crop, less than 10 percent of the 1958 crop was eligible for support at a rate in excess of $1.06. In 1959 all corn was eligible for support at an average rate of $1.12.

Second. The removal of corn allotments did not create the greatest corn surplus in history. The great bulk of our present corn surplus was created before corn allotments were removed. In evaluating what happened to corn production in 1959, the following facts should be considered:

A. In 1958 approximately 6.7 million acres of land allotted to corn were held out of production under the acreage reserve program. With the expiration of the acreage reserve, most of this land presumably was returned to corn in 1959.

B. Support price for grain sorghums, barley, oats, rye, and soybeans—all of which compete with corn for acreage—were reduced substantially in 1959.

If farmers were inclined to increase acreage to offset lower prices, they should have increased the acreage seeded to sorghums, oats, barley, rye, and soybeans, rather than acreage seeded to corn in 1959. Actually, there was a small increase in barley acreage, but a net reduction of at least 4.5 million acres in the total acreage devoted to grain sorghums, barley, oats, rye, and soybeans. The acreage released from the acreage reserve, plus the reduction that took place in the acreage devoted to crops for which support prices were lowered, more than accounts for the increase that took place in corn acreage.

It is also interesting to note that prices of barley, oats, rye, and soybeans have been well above support levels during the current marketing year. Prices of oats, rye, and soybeans have actually been higher than a year earlier—when price supports were at a substantially higher level—even though soybean prices have been held down by CCC sales. This must be a great surprise to those who predicted that prices of the coarse grains and soybeans would drop to the new support levels.

C. The removal of allotments had little or no effect on the total acreage of cropland planted to corn, other coarse grains, and soybeans. The principal effect of the old allotment program was to force some farmers to shift land from corn to other crops that are used primarily for feed. With the expiration of allotments, growers were able to allocate acreage to corn, other feed grains, and soybeans on the basis of their own best judgment.

D. Weather contributed to the achievement of the record 1959 corn yield. Farmers have made great progress in overcoming natural hazards, but they have not yet completely isolated crop yields from the effects of wind, hail, drought, floods, and unseasonable freezes. None of these was a serious problem over an extended area in 1959.

E. The ultimate effect of the new program will be affected by utilization as much as by production.

The utilization of corn declined in the early 1950's when prices were supported at 90 percent of parity. Utilization has increased in recent years as support prices have been lowered. Here are the figures:

Crop year beginning Oct. 1—	Support price per bushel	Utilization (million bushels)		
		Domestic	Export	Total
1949	$1.40	3,095	112	3,207
1950	[1] 1.47	3,064	117	3,181
1951	1.57	3,097	82	3,179
1952	1.60	2,866	145	3,011
1953	1.60	2,957	103	3,060
1954	[1] 1.62	2,841	103	2,944
1955	[1] 1.58	2,981	120	3,101
1956	[1] 1.50	3,017	184	3,201
1957	[1] 1.40	3,175	199	3,374
1958	[1] 1.36	3,513	229	3,742
1959	1.12	[2] 3,602	[2] 240	[2] 3,842

[1] Compliance rate for commercial corn-producing area only. Noncompliance rates were $1.25 in 1956, $1.10 in 1957, and $1.06 in 1958.
[2] Estimated on the basis of the latest information available from the U.S. Department of Agriculture.

The utilization of corn in the 1958–59 marketing year was larger than our total production for any year prior to 1958. Utilization in the 1959–60 marketing year will exceed our production for any year prior to 1959. The disappearance of corn from all storage positions during the October-to-December quarter of 1959 was 1,067 million bushels in comparison to 985 millions bushels in the final quarter of 1958. This indicates an increase of 8.3 percent in utilization in the first quarter of the current marketing year. Although we still have some problems with corn, our real problem is the stocks accumulated under past programs—not what has happened since the program was changed.

Third. The lowest monthly average farm price thus far recorded in the present downward phase of the hog cycle was $11.20 per hundredweight in mid-December 1959. This is 60 cents per hundredweight higher than the average price of $10.60 per hundredweight reported at the bottom of the last downswing in December 1955, when corn acreage allotments were still in effect.

The hog price cycle is well understood by hog farmers and adjustments are already underway. The fall pig crop was 2.1 percent larger in 1959 than in 1958, although earlier surveys of farmers' intentions had indicated a 9-percent increase. The December 1959 pig crop survey indicated that the spring pig crop would be 11 percent smaller in 1960 than in 1959. The latest report of the Department of Agriculture, dated Tuesday, June 21, actually showed there were 16 percent fewer pig farrowings this spring than last spring and the price of hogs yesterday on the Chicago market brought a top of $18.35.

We are demonstrating once again that livestock is the balance wheel of American agriculture—a mechanism that can be used to adjust our output to the capacity of our markets.

Mr. POAGE. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I wanted to ask the gentleman from Wyoming when he felt he could not yield as to whether he believed in giving the option which he described—a choice between controls with a relatively high support, on the one hand, and no controls and a low support on the other hand.

Out of my time, I will ask the gentleman if he believes it is sound policy to give the farmer that choice.

Mr. THOMSON of Wyoming. I think it is a sound policy provided it is not loaded in one direction or another. I think the committee bill does tip it. It offers the wheat farmer something on a temporary basis which cannot endure, and he will end up as he has in the last 4 or 5 years, in a worse condition. Furthermore, it, in my opinion, gives him no choice at all, because the bill could not become law.

Mr. POAGE. Then the gentleman now suggests that instead of giving the farmers any choice this Congress should decide what is good for the farmer without giving him any choice. When he complains that the committee proposes a temporary basis, nothing could be more temporary than the Farm Bureau bill he proposes. The Farm Bureau bill proposes to give him $1.27 for his wheat this coming year and something less than that every year thereafter.

You talk about temporary. There is only a 1-year price support in the bill, and that is $1.27. After that it is $1.15 the next year, and something less than $1.15 the next year.

A good many years ago—and I am not going to say how many—I used to run a bundle wagon at the thresher. I had my own team. I got $3 a day for myself and team. If you did not have a team you got $1 a day. Wheat was selling at $1 a bushel.

Now, it is perfectly true that when wages are down to $1 a day, the farmer can operate on $1-a-bushel wheat, but when wages are $8 a day—and I want to see them stay there—you cannot grow $1 wheat and sell it at a profit anywhere in the United States. The gentleman suggests that we should lower the price of wheat to $1 a bushel, for that is the ultimate result of his amendment. That is exactly what it proposes, $1.27 the first year, $1.15 the next, and something less every year thereafter. It soon reaches $1 a bushel, and when it gets down to $1 a bushel, what can you expect in regard to farm wages?

This House will shortly be discussing a bill for farm labor. How are you going to pay decent farm wages out of $1 wheat. It cannot be done. When you pass this bill, you are voting for wages of $1 a day all over the farm country of the United States, because there is not any money to pay any more. This is just the plain economics of things.

The gentleman suggested that he believed in giving the farmers an opportunity to make a choice. So did his candidate for President. So did Mr. NIXON in his political speech night before last. I read it yesterday, and I will read it again: "A method must be developed whereby the farmers themselves have a greater opportunity to choose the kind of farm program they want." That is what the Republican Party is running on. At least that is what you are telling the farmers. Now, let us see if you agree with your candidate. Let us see how many of you are going to stand with your candidate for the Presidency. Let us see how many of you are going to back the pronouncement which was made in North Dakota night before last. We are putting it up to you square.

Someone says "Louder." I am glad you hear me over there, because I sure want you to remember this. Here is the issue, a clear-cut issue of letting the farmers make one of these decisions which your candidate for the Presidency says they should make. And, in this instance, I agree with Mr. NIXON. I just want to see how the NIXON followers are going to vote when it comes down to voting like he talks. Now, you are either for your candidate or against him. I want to see the color of your eyes by the way you vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming [Mr. THOMSON].

The amendment was rejected.

The Clerk read as follows:

SEC. 102. Notwithstanding any other provision of this title, any program herein authorized for wheat shall terminate with the 1965 crop.

Mr. CARNAHAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I support H.R. 12261 as a step in the proper direction for bolstering the farm economy, reducing Government holdings of farm commodities, and bringing down the cost of farm programs. On April 19, 1960, I introduced H.R. 1180, a bill to accomplish these purposes. I congratulate the distinguished chairman of the House Committee on Agriculture for the most commendable job this committee has accomplished this session in studying this most serious problem and in reporting this bill to the House.

This is probably one of the most acute domestic problems facing America today. Faced with mounting surpluses of farm commodities, increased storage costs, higher farm operations cost, and lower farm income, the Congress is faced with the compelling need to tackle this problem and come up with a solution designed to alleviate this problem. There is one at least very important element of our national life seriously involved in this matter and that is the small farmer. He is hanging precariously in the balance at this very moment. Many of these small operators who have been tilling relatively small acreages have been forced to cease production and turn elsewhere to seek ways and means to make a living.

I believe, Mr. Chairman, that the program as outlined in H.R. 12261 will most certainly be a giant step in the right direction by helping to restore family farm living as a satisfying and profitable way of life. It will undoubtedly avoid some of the burdensome and costly expenditures of the past. This bill will go a long way toward eliminating one real danger confronting American agri-

culture today as it seeks to operate under our present program—namely, that the free enterprise system of farming we have developed might be lost to some giant corporation-controlled method of farming.

The three major parts of this bill deal respectively with wheat, feed grains, and the distribution of protein foods.

Under the wheat section of the proposal, farmers would have an opportunity to express their preference for one of two programs: First, a revision of a program approved by both Houses of Congress and vetoed by the President last year, which would provide for a level of price supports at 85 percent of parity, payment-in-kind of 55 percent of the average yield per acre for wheatland taken out of production, including the "15-acre" producers who would be given allotments and the privilege of voting in the referendum; and, second, the wheat program proposal which would repeal all acreage allotments and marketing quotas, and set the price support at about $1.27 per bushel in 1961 and about $1.15 in 1962.

It seems to me, Mr. Chairman, that this choice would give farmers an opportunity to express themselves on the two most widely divergent views, and would actually give farmers their first opportunity to make a real choice.

In addition to the wheat section, the section of this bill dealing with grain—including corn—authorizes the election of a farmer committee to develop, with the assistance of the Department of Agriculture, a program of feed grains which would bring production in balance with demand, return feed producers between 85 and 100 percent of parity, and authorize the retirement of up to 50 percent of cropland on the farm in return for payment-in-kind in feed grains. A salient feature of the feed grain section of the bill is that it would prohibit any program entailing Government purchase or storage of grain and would limit the overall cost of such program to not more than 10 percent of the value of the crops involved.

The third section of this bill authorizes a substantially increased program for distribution of dairy, poultry, and meat products to the needy, to charitable institutions, and through the school lunch program. This proposed program would be carried out under the general direction of the Secretary of Health, Education, and Welfare, but supplies would come from the Commodity Credit Corporation or from purchases made by the CCC as the agent of HEW.

Mr. Chairman, this bill does not deal as broadly with the supply and price problems of agriculture as I would like but I do agree with the statement of the distinguished chairman of this committee that it "establishes the guideposts on the road back to farm stability, by providing the means for dealing with the crops which occupy more than 60 percent of all cultivated crops in the United States, and which account for a much larger part of our farm surplus stocks."

I feel confident, Mr. Chairman, that if this bill is passed it will definitely, first, reduce surplus stocks which are costing more than a million dollars a day for storage; second, reduce costs of administering the present program, and, third, improve the economic position of these farmers who produce wheat and feed grains. Perhaps this provision of payment-in-kind will provide the most sensible solution to the problem of surpluses and that once we get these surpluses reduced to a manageable reserve, then the Congress can move to enact an effective overall farm bill. At that time perhaps we can move in the other vital areas affecting four other basic commodities—rice, cotton, peanuts, and tobacco.

I urge favorable action on this bill.

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD: Page 3, line 2, after the word "crop" insert the following new section:

"SEC. 103. Notwithstanding any other provision of this title the Soil Bank Act is amended as follows:

"(a) Section 108(b) is amended by adding at the end thereof the following:

" 'Effective beginning with 1961, the Secretary shall give special consideration to those States and regions where it is desirable for soil conservation or production adjustment purposes to discourage the production of wheat and other surplus crops as determined by the Secretary.'

"(b) Section 109 is amended:

"(1) by amending subsection (a) to read as follows:

" '(a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the eight-year period 1956–1963 to be carried out during the period ending not later than December 31, 1972, except that contracts for the establishment of tree cover may continue until December 31, 1977.'

"(2) by amending subsection (c) to read as follows:

" 'In carrying out the Conservation Reserve Program, the Secretary shall not at any time enter into contracts which together with contracts then in effect cover more than 65 million acres. The Secretary shall not at any time enter into contracts which together with contracts then in effect cover more than 25 percent of the cropland in any county or community.'

"(c) Effective beginning with contracts entered into after the date of this Act, Section 107(b)(2) is amended by adding at the end thereof the following:

" 'The Secretary is authorized to provide for payment of the annual payment through the issuance of certificates which the Commodity Credit Corporation shall redeem in wheat or feed grains in accordance with regulations prescribed by the Secretary. Notwithstanding any other provision of law, no producer shall be paid an annual rental payment, or its equivalent in such certificates, of more than $7,500.' "

Mr. LAIRD. Mr. Chairman, the amendment which has just been read would make changes in the existing law applicable to the conservation reserve program as follows:

First. It would extend for 3 additional years the authority for entering into and the carrying out of contracts under the conservation reserve program.

Second. It would increase the amount of obligations which may be incurred under the program to an amount sufficient to cover 65 million acres.

Third. It would provide specific authority for giving special consideration to those States and regions where it is necessary or desirable to discourage the production of wheat and other surplus crops for the purposes of soil conservation, in distributing the National Conservation Reserve goal, and allocating the funds to the States.

Fourth. It would provide authority to use wheat and feed grains for making payments in kind under the conservation reserve program.

Fifth. It would provide a limitation of $7,500 on the payment to any one producer.

Sixth. It would provide that no more than 25 percent of the land in any community or in any county could be devoted to the conservation reserve program.

Mr. Chairman, the conservation reserve program for the past 2 years has been very effectively directed by Mr. Tom Hamilton, of Westfield, Wis., in my congressional district. I am proud of the work he has done to get this program back on a sound basis.

The conservation reserve program has proven to be an effective attack on the source of the surplus problem. Much excellent cropland is now on a standby basis. Experience with this program has shown that farmers will voluntarily cooperate in bringing about needed production and land-use adjustments.

In 1960 over 28 million acres of our producing cropland will be in the conservation reserve and devoted to protective soil, water and wildlife-conserving uses. All of this land otherwise would have been adding to our already burdensome surplus. In my State of Wisconsin over three-fourths of a million acres of fine producing cropland will be out of production for the 1960 crop year.

Land held in reserve, with its value and production potential preserved against the eventual time of need in our dynamic expanding economy, is a good investment for all our people.

Under this sound, sensible program, over 8 million acres in 423 problem Great Plains counties, which produced wheat needed for the winning of two wars, have been returned to the native grasses of the plains. Small rental payments have made it possible for farmers to make this desirable shift leading toward a better use of land often subject to periods of wind erosion.

In the Southeast States, tree planting ranks highest among the conservation uses of the program. Here we find that trees can be grown faster and more profitably than in any other part of the country. The conversion of large acreages of cropland in the old Cotton Belt to forest trees provides a sound, long-lasting, land-use adjustment. Another section where tree planting has had much attention is in the Great Lakes area. In Wisconsin, over 27,000 acres were planted through 1959 with more to be added this year. Nationwide, over 2 million acres of producing cropland is now being planted to this long-time crop of trees. This is a diversion for a very long period from crop production

and to another very desirable use. The future forests will provide a continuing income starting at the expiration of the conservation reserve contract period.

Practices designed especially for wildlife protection have gained wide acceptance by participating farmers and have won the general approval of sportsmen and wildlife organizations. Over 225,000 acres have been planted to specific wildlife uses, such as food patches, and cover, which will give better protection to birds and animal life. Some rather spectacular results have drawn much attention to this phase of the program.

Both urban and rural people are concerned with our future water supply. We are all alarmed with falling water tables, silted streams and floods caused by unimpeded water runoff. The millions of acres of trees and grass, together with the thousands of water storage structures under the conservation reserve, are trapping our valuable water where it falls and retarding the runoff. They also provide expanded recreational opportunities for both rural and urban folks of all ages.

Studies made of the production history of the estimated 28 million acres of cropland under contract in 1960 indicate that 4.6 million acres were formerly devoted to corn; 3.1 million acres to wheat; 4.1 million acres to oats; 3.8 million acres to sorghum grain; 1.6 million acres to barley; 1.1 million acres to soybeans; 660,000 acres to cotton; 600,000 acres to flaxseed; 148,000 acres to peanuts; 15,000 acres to tobacco, and 5 million acres to cropland hay and pasture. The 28 million acres in the 1960 conservation reserve will retain in the soil, instead of bins, the fertility elements otherwise used for the production of these crops.

Approximately three-fourths of the land in the reserve is on farms where owners placed all their eligible acres in the program. On those farms, all the cropland is out of production—including the allotted acres of major surplus crops.

When all eligible land on a farm is placed under contract, the farm usually goes out of production entirely. Livestock is often sold and much of the pastureland and other noncropland is retired voluntarily at no cost to the Government. As a matter of fact, of the 9,536 conservation reserve contracts in Wisconsin through 1959—82.8 percent are whole-farm units. Since the use of cropland on a farm is normally required in connection with a livestock or dairy enterprise, such enterprise is also closed out or drastically reduced upon retiring all the cropland on the farm into the conservation reserve. Dairy cattle numbers in Wisconsin dropped approximately 34,000 head in 1959, compared to 1958, and total milk production in 1959 for the State was reduced by 275 million pounds during the last year, as compared to the total milk output in 1958.

From a national point of view, for the same period, dairy cow numbers dropped 451,000 and total milk production was reduced by 487 million pounds. Preliminary findings of a study of whole-farm conservation reserve contracts in Wisconsin on farms which had a dairy operation, prior to the land being placed in the conservation reserve, reveal that there has been approximately an 85-percent reduction in dairy cow numbers on these farms. In analyzing participation in many other leading dairy States, we find a high percentage of conservation reserve contracts are for whole-farm units. Undoubtedly, the same livestock reduction trends are taking place in these States. It appears evident that the present conservation reserve is a significant factor and has contributed to improving the production situation in the dairy industry. This points up the fact that the impact of the conservation reserve goes beyond crop reduction and land-use change by bringing about desired adjustments in all aspects of agricultural production.

Mr. Chairman, several questions have been raised in this debate which have gone unanswered. I shall attempt to answer those on the conservation reserve program at this time.

1. QUESTION

Is it true that the conservation reserve is not having any effect upon agricultural production?

ANSWER

It is not true. Cropland which has been producing substantial quantities of surplus crops in recent years is being held out of production under conservation reserve contracts. Of the 28.4 million acres expected to be under contract in 1960, it is estimated that 4.6 million acres were formerly devoted to corn; 3.8 million to grain sorghums; 4.1 million to oats; 3.1 million to wheat; and nearly 14 million acres to other crops, cropland hay and pasture and special uses.

At recent average yields appropriate for the quality and location of the land under contract, the conservation reserve acres in 1960 would produce about as much corn as the annual crop of the State of Ohio; nearly as much wheat as Oklahoma produces in a normal year; more cotton than the annual crop in North Carolina; and substantial quantities of other surplus crops, such as peanuts, tobacco, oats, barley, soybeans, sorghum grain, and flax.

Particularly effective in checking crop surpluses is the retirement of whole farms—including all eligible cropland on the farm—which is encouraged by annual payment rates that may run as much as 10 percent higher than regular rates. Approximately 70 percent of the 1960 conservation reserve acreage is in the form of whole farms. Production adjustment is assured under whole farm contracts since it removes the possibility of intensifying production on a part of the farm.

The average conservation reserve contract covers a period of 6 to 7 years, thus the land put into the reserve will not be producing any crops for that length of time on the average. This helps in holding down surpluses and also reduces price support expenditures, since the volume of crops eligible for price support is reduced.

2. QUESTION

How true is the charge by the General Accounting Office that nearly one-fourth of the land placed in the conservation reserve is not cropland and therefore one-fourth of the funds are being wasted?

ANSWER

As the General Accounting Office states in its report, the congressional language on eligible land is extremely broad. The act says that land must have been "regularly used in the production of crops" and specifically directs that land devoted to such crops as "tame hay, alfalfa, and clovers" is to be eligible.

In administering the act, land which is in a regular crop rotation on the farm is regarded as being "regularly used in the production of crops" and eligible for the conservation reserve even though it may have been in summer fallow, temporary pasture, tame hay, or other normal crop-rotation use at the time the contract began. Such cropland is part of the regular cropping pattern of the farm and would unquestionably produce crops during the contract period if it were not in the conservation reserve.

It is not logical to exclude such land from a program of this type, nor to exclude land which is customarily cropped but suffers crop failure in 1 or more years because of drought, flood, or a similar disaster.

3. QUESTION

Are farmers placing only their poorest land in the conservation reserve?

ANSWER

Nearly 70 percent of all the land now under contract was placed in the conservation reserve in 1959 and 1960, through a procedure which tends to bring average quality land under contract.

At least three factors contribute to this tendency:

First, the procedure for entering into contracts provides for the establishment of a basic rate which is related to the quality of the land. Since the payment rate per acre is thus related to quality, there is no particular advantage in placing poor land in the reserve as the payment rate is lower for the poor land.

Second, the program during 1959 and 1960 has included incentives for placing whole farms under contract. When all the eligible land on the farm is placed in the reserve the good land and the poor land are both included. Consequently the land under contract cannot be far from average. During 1959 and 1960 over 70 percent of all the contracts were for whole farm units.

Third, it has been found that most contracts are with older farmers who are withdrawing from farming because of advanced age, physical condition, or because of a wish to retire. It is logical to assume that these farmers own average quality land for their area and as a result the land being offered is average land.

It is worth noting in this connection that one factor in the law acts in a manner to bring somewhat better than aver-

age land into the reserve. The law requires protection of tenants and sharecroppers and because of this protection the program has been more attractive to owner-operators of farmland. Owner-operator farms are normally the better managed, more productive farms and to some degree this has tended to bring farms into the reserve that are even better than average.

4. QUESTION

Has the conservation reserve developed a major weed problem?

ANSWER

The Soil Bank Act itself contains a requirement that the Secretary include provisions in all conservation reserve contracts relating to control of noxious weeds. It is a violation of the contract for a producer to fail to take the steps prescribed by the county committee for the control of noxious weeds. We are confident that the county committees have exercised the best possible judgment in requiring all contract signers to control noxious weeds when this is required. While there have been a few weed control violations, this has not been widespread.

While neither the law nor the regulations require control of weeds other than those listed as noxious weeds in each State, the State and county committees have generally required mowing of the conservation reserve when this was needed to maintain the approved cover. This requirement has been conducive to controlling the spread of all weeds.

A good grass-legume cover once established upon the reserve, will crowd out the annual weeds which normally spring up when land is left idle. In the long run we believe that the ecologic succession of perennial grasses will crowd out most annual weeds and within a few years, the conservation reserve will be more weed free than the surrounding land. In carrying out the weed control measures, the Department has at all times, attempted to do this with the least possible adverse effect upon wildlife.

5. QUESTION

Is paying farmers for doing nothing contrary to the normal American concepts?

ANSWER

The opinion that farmers are being paid for doing nothing under the conservation reserve program is erroneous. Basically, the farmer diverts land from the production of crops to conservation purposes. It is in the public interest to achieve these crop adjustments and conservation objectives. Federal payments for conservation are an accepted use of Government funds. The farmer receives an annual payment in lieu of the crop or the normal rent which he might receive from another farmer for the cropping use of his land. For this annual payment, he foregoes the use of the land. He also must control weeds, keep his fences in repair and maintain the conservation cover on the designated acreage.

6. QUESTION

Is the conservation reserve having an adverse effect upon business?

ANSWER

In the long run, the achievement of parity of income for the Nation's farmers will tremendously improve the welfare of farmers, of businessmen dealing with farmers, and the national economy. The unsatisfactory prices farmers have received for their products is a result in a large part from too many farmers producing too much. The achievement of stability in agriculture requires the removal of some of the inputs of land, labor and material in order to reduce production.

The conservation reserve provides a means for farmers to voluntarily remove land from production and to reduce their labor and material inputs. As they do so there will be a reduction in the amounts of things they buy for production, including things such as farm machinery, fertilizer, gas and oil. As a result of this there will be a reduction in production which will reduce the amount of farm produce to be handled by local elevators, cotton gins, creameries, and so forth.

To lessen any impact this may have upon a local economy, the Department has placed a ceiling upon the amount of land which may be placed in the reserve in any county or community. Within a short period of time, however, the reduced production will tend to stabilize prices. The improved economic condition of farmers will inevitably make them more prosperous, better customers for local businessmen and, in the final outcome, all segments of the economy will benefit.

7. QUESTION

Has the conservation reserve program caused a breakdown in the smaller communities with resultant unemployment?

ANSWER

There is little evidence that the Conservation Reserve is having any direct effect upon churches, schools, employment, or labor supply. The long-term trend has been toward consolidation of farm units and rural-to-urban movement of people as the result of the mechanization of agriculture. The Conservation Reserve has speeded up this trend slightly but it is worth noting that by far the majority of participants in the program are farmers with a physical problem or farmers of advanced age, who are retiring from agriculture but not moving to urban centers and entering the labor market. A study by the Department shows the following preliminary findings. The average age of contracting farmers is 58. A total of 94 percent of the farm building on Georgia farms placed in the reserve are still occupied. The annual payments permit these farmers security and gives them the opportunity to continue to live in their home community and take part in the affairs of the locality. While some may seek employment in the vicinity, it is usually in the type of jobs for which it is difficult to secure adequate labor force. There is no evidence of a large-scale unemployment problem having developed in urban centers which can be correlated with the conservation reserve program.

8. QUESTION

What effect has the conservation reserve program had upon land availability and prices?

ANSWER

Since the purpose of the program is to divert land from agricultural production to conservation purposes, it is true that there is less land available for agriculture now that over 28 million acres are under conservation reserve contract. That is the purpose of the program. It is not true, however, that the conservation reserve has had any effect upon land prices. The price of agricultural land has been increasing ever since the advent of World War II. Between 1950 and 1959, this increase has averaged between 9 and 12 index points per year. During the last year, the rate of increase dropped to 5 index points.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, at the request of Mr. BYRNES of Wisconsin, Mr. LAIRD was permitted to proceed for 3 additional minutes.)

Mr. LAIRD. Mr. Chairman, the voluntary aspects of the conservation reserve approach provide the greatest freedom of choice for those farmers having difficulty with farming because of age or health, labor shortages, or other factors. These farmers have an opportunity to reduce or change their operations. Unlike the previous adjustment programs, it also provides equal freedom for those whose situation is best suited to continue an efficient operation.

I should like to emphasize that the production adjustment to the degree needed would be practically impossible to achieve through the conservation reserve unless the policy of bringing more land into the conservation reserve program is pursued with real vigor; nor can it be achieved without continuing to retire additional land to the reserve in an orderly manner. This can be done if we allow this program to continue on an efficient, effective basis. Unless this amendment is enacted into law, we have no assurance that the conservation reserve program will continue. I believe the task can be accomplished by this less costly manner, preserving the independence of our agriculture and guaranteeing the future food and fiber supply of this Nation through good stewardship of our soils.

Studies indicate that avoiding surplus production through a conservation reserve program costs much less than disposing of surpluses from the same land under present methods. The President has recommended that the conservation reserve authority should be extended as a means of helping to achieve the desired production adjustments and put the retired land to conservation uses. Placing

land not presently needed for production in the reserve is a practical means of meeting the surplus problem in agriculture.

Extending and expanding the program will result in a diminishing need for huge expenditures of public funds to support the prices of farm commodities for which there is no market and which pile up in Government warehouses.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Iowa.

Mr. COAD. If the gentleman's amendment is adopted it does not take away subtitle A or subtitle B?

Mr. LAIRD. It does not. The only method by which the conservation reserve program could be continued under subtitle A, and subtitle B, as the gentleman from Iowa, I am sure, well knows is for a vote to be taken, and if title A was adopted the conservation reserve, of course, would be destroyed. My amendment gives only a 3-year-extension.

Mr. COAD. In the event your amendment prevails and if subtitle A were adopted in a referendum, we would have the payment in kind on acreage reduction; would we not?

Mr. LAIRD. My amendment provides for a payment in kind, that is correct.

Mr. COAD. If we adopted subtitle A, there would be then two programs actually of conservation reserve; would there not?

Mr. LAIRD. My amendment provides for the conservation reserve program and it would be up to the individual farmer to make that decision on his own.

Mr. COAD. That would be in addition to subtitle A or subtitle B whichever one is adopted; is that correct?

Mr. LAIRD. My amendment does not amend subtitle A or subtitle B.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Oklahoma.

Mr. ALBERT. I believe under the language of subtitle A, any participation in the payment in kind would, to that extent eliminate that particular farmer.

Mr. LAIRD. It does not under the wording of my amendment because I put in the words "notwithstanding any other provision of law" and I have tried to provide for that through the amendment as drafted.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. LAIRD. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Do I understand that your payment in kind as far as wheat is concerned requires the farmer to reduce his present allotment? Or could he put his excess acres into the payment in kind program?

Mr. LAIRD. He could put any new acres that were devoted to the conservation reserve program under a contract and the payment could be made on the basis of certification for the particular production he was actually reducing.

Mr. BELCHER. If you take wheat out of the present storage under the market, above what is going to be produced on the 59,400,000 acres, you are going to completely depress the wheat market.

Mr. LAIRD. It would not have that effect.

The gentleman well knows this will only take into account the wheat acreage reduction which is brought about on each individual farm that cooperates.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am sure all Members of the House must be taken by surprise by the amendment which has just been presented. I thought most of us wanted to forget all about the soil bank, especially when we realize how much money has been spent on the soil bank. I have the current figures showing that we have spent on the soil bank to date, that is as of April 19, 1960, $2,098,355,000 and we are obligated in outstanding conservation reserve contracts to spend another $2,060,000,000, making a total in round figures of $4,100,000,000.

Notwithstanding all of that gigantic expenditure and this tremendous obligation, the farm problem has been intensified and aggravated with the harvest of every crop, and we are accumulating surplus upon surplus. Everyone knows we must do something about it. Certainly, we should not go on with this expensive experiment which already has cost the taxpayers so much. I would like to ask the gentleman from Wisconsin if he can give the House any ideas as to what his proposal would cost the taxpayers of America.

Mr. LAIRD. Mr. Chairman, if the gentleman will yield, first, I would like to state that the provision I have introduced in this bill is contained in subtitle B of the committee bill. As you know, there is an extension of the conservation reserve under subtitle B in the committee bill. This is not any great departure from that. The only provision this amendment makes is to give temporary authorization for 3 years regardless of the voting on the two proposals contained in the committee bill. The committee bill that has been reported from your committee could contain the soil conservation program, you understand that. There is no additional cost involved under my proposal than there is under the committee bill in the event that subtitle B is adopted.

Mr. COOLEY. If I may interrupt my colleague, I think the gentleman has made the observation he wanted to make. The fact remains there has been an effort made here to knock out this alternative choice we are giving the wheat farmer—and not by the gentleman from Wisconsin, I grant you that.

As pointed out by the gentleman from Texas [Mr. POAGE] the vice presidential candidate, I think even the President himself, has indicated that he wanted the farmers to have a voice in the selection of the program they want. I think that the effort to strike this program down is prompted and motivated by fear on the part of advocates of this alternative program that the farmers will repudiate it in the referendum.

This business of giving the farmers freedom, freedom to plant all they want, does not appeal to me, because it only means the freedom to go into bankruptcy and to bury themselves underneath the abundance that will be harvested from the fields of America. We must be realistic here and give to the farmers the instruments which will enable them to control production adequately.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. LAIRD. My particular amendment is on a voluntary basis for each individual farmer. Subtitle A alternative provides for payment in kind, but your committee subtitle B provides only for cash payments.

Mr. COOLEY. You are talking about the alternative.

Mr. LAIRD. But under your alternative the only people who can vote on the conservation reserve program are the wheat producers.

Mr. COOLEY. I do not think our committee has expressed exclusive interest in any particular program. We submitted the programs that are provided in the bill, but I am willing to accept other workable alternatives.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. Is it not a fact that this amendment would continue a program which has resulted in one-third of the entire available acreage of the State of New Mexico going into the soil bank and the State still growing more salable crops than ever in its history?

Mr. COOLEY. I think the gentleman is right.

Mr. Chairman, I ask that the amendment be defeated.

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would just like to point out to Chairman COOLEY that the President in his special farm message to the Congress did request an expansion of the conservation reserve program. I introduced a bill to implement the President's request for not to exceed a 60-million-acre expansion of the program.

Mr. COOLEY. The President recommended continuation of the soil conservation program in connection with the wheat program only. In his farm message to the Congress on February 9 the President said "if the Congress should so act" upon an effective wheat program, "I urge an orderly expansion of the conservation reserve program up to 60 million acres." I grant you that we have a bill before our committee that would take out 80 million acres of acreage.

Mr. HOEVEN. The President did not limit his recommendation to wheat. He asked for a general expansion of the conservation reserve program.

Mr. COOLEY. The President actually specified 60 million acres in his message.

Mr. HOEVEN. He did not set any special limitation as to wheat.

Mr. COOLEY. I do not think we should expand the soil conservation reserve that already is costing us $4 billion.

Mr. MARSHALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has been said that confession is good for the soul. I have a confession to make. I helped as one of the originators of the soil bank program which was introduced in the Congress. It was one of the first bills along the soil bank line that was introduced in this Congress. My good friend and colleague, Congressman ANDERSEN of Minnesota, joined with me in introducing the bill. We sent it to the Committee on Agriculture; and the Committee on Agriculture, always cooperative, sent down to the Department and asked for a report on my bill. The report on my bill came back adverse. Do you know what the adverse report said? It said that for this program to be workable it would cost $500 million annually. That is what it said.

So, because it cost that much money the Department recommended against it. It was not long after that, much to my surprise, the Department came out with a soil bank bill. The soil bank bill that the Department came out with was no more like the soil bank bill that my good friend and colleague from Minnesota [Mr. ANDERSEN] and I introduced than day is like night. There was no comparison at all. The only comparison you could make is you were saying they were both soil banks.

Mr. Chairman, when we introduced that bill we were in a much different situation than we are today. It was before we had this huge buildup of surplus. The surplus Commodity Credit stocks in those days was a drop in the bucket compared with what we have now.

What was the bill that my friend and colleague from Minnesota and I recommended? We recognized immediately that if the soil bank was going to bring about an adjustment in production that adjustment had to come from good, fertile acres. You do not cut out production by taking out the marginal acreage. You cannot take out enough marginal acres to more than dent the total production. That was driven home to me just a short time ago when we visited the great State of Illinois.

What was going on in the corn storage program? We went to one of the greatest corn-producing counties in the United States, McLean County, Ill. Those people who are interested in agriculture ought to go to McLean County, Ill., to see what they have out there. We saw corn stored in that area that amazed me. We saw a million bushels of corn stored in one location. We saw bin after bin after bin overflowing with corn. The farm rotation of crops in that area was being disrupted. Planting clover and oats in a crop rotation was greatly curtailed. Many were putting every acre of ground into corn. Do you know how many farms they had in the soil bank in that county? Six farms.

That is pretty much true in the Corn Belt. You are not going to bring production in line with that kind of program, particularly when you have the surpluses the way they are today.

I think we are making a big mistake when we talk about acreage control only. We have a serious problem in this country. I wonder sometimes how many realize how serious it is. One of the things that is fundamental in this agricultural situation that we have is that you do not control production any more through acreage control. We have found so many, many ways that we can step up production on the tillable acres that we have that I would not want to guess how much we could retire and still maintain present production. In fact, we are on the threshold of increasing production more. Our research people point that out to us in things we can do.

If we are going to face up to the matter of bringing production in line with demand, we are going to have to get away from acreage control. We are going to have to talk in controlled production terms of bushels, pounds, and bales. The Secretary of Agriculture made that statement to us in our committee.

There is another thing I would like to say while I am here, and I regret to say it. It seems to me that every time we get into a discussion of the agricultural program we are trying to switch around here to find a painless easy way out. If we are going to face up with the problem of making production meet demand and the amount of production our market will absorb, in my estimation there is no painless or easy way. Every person involved, farmers, consumers, processors, Department of Agriculture personnel, and the Congress will need to face hard facts and make difficult decisions. I hope the Congress is not reluctant in providing leadership and doing its share to solve the difficult problem.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. SCHWENGEL. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, I hesitated to take this time to talk to you because I felt that I was completely inadequate to talk on this subject, but the more I hear of this argument and the more I see of what is going on in the Congress in an attempt to try to do something about this very serious and important problem for the farm economy, I have come to believe maybe a boy born on an Iowa farm might have an observation or two that would be worthwhile.

First, I would like to talk in a general vein, and I want to direct what I say to the opposition. I want to point out that the opposition that sits on this side of the aisle say they are not for flexible support. Yet, when it comes to presenting answers to the problem—and I underscore this—political answers to the farm problem, the record shows that they have been and are a most flexible and vacillating organization. If inconsistency is a jewel, they have in their midst some gems in an election year, more than ever has been presented by a political organization in the history of this Nation.

To prove this, let me point out that the flexible support was recommended by leaders on this side of the aisle and heralded as the real answer to the farm problem in 1938. Then when we had some real problems and a world war, we found this whole Congress agreeing that we had to do something to encourage production of agricultural products to help feed our own armies and to help feed the world, as we were contending with some forces that were challenging us in that very critical time. So, they adopted a 90 percent program to produce more, and the plan worked. Then they found themselves in bad shape several years after the war and it was difficult to get out of the mess, created by yearly extensions after the war, so year by year, 3 or 4 years—I do not know how many years—they extended the 90 percent plan until they could work out some better plan, and never allowed themselves to get into the plan that they said in 1938 was the real answer. So, finally the same group began arguing, as they now contend, many of them, that the 90 percent support plan to produce more during the war is also the answer to produce less. Obviously the record shows this is not true. Then finally, what do we find? A recommendation on this side described briefly as the Brannan plan production payments. Well, nobody talks too much about that now. And then last year we tried the Cooley plan, and nobody got too excited about it when it failed to pass. It did not seem to have any real answer. Then we started with the Brannan plan this session, and I understand we had the Poage bill No. 1. Leaders from all over the country came in and testified that this was the answer. Here is the answer to the problem that plagues the farm economy. Well, that did not go over too good, so we had the Poage bill No. 2. I do not know what happened to that, but they got into the Poage bill No. 3, and here we are on Poage bill No. 3.

Now, I contend that here is abundant evidence that somebody really does not know what the score is, and I think the farming public is going to find out pretty soon, too, that we do not know what the answers are; the real answers. I think it is about time we think about the economics of the problem rather than the politics of the problem.

Now, I said earlier that I wanted to rise in support of the amendment offered by the gentleman from Wisconsin. I do so after considerable thought and study of this problem, and I have come to believe that this is the real answer to the farm program in the long pull.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. SCHWENGEL] has expired.

Mr. SCHWENGEL. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. SCHWENGEL moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. SCHWENGEL. Mr. Chairman, the adoption of farm legislation is important now. It is unfortunate that the provisions of my bill, which are similar to that which is being offered by the gentleman from Wisconsin, have not been considered by the committee. Therefore, I am glad it is before this body for your consideration now.

I would like to point out that the use of our cropland to produce agricultural commodities far in excess of the amount which can be satisfactorily marketed is not only a waste of one of the Nation's most priceless assets; it is the major cause of agricultural economic distress. The adoption of this legislation could do more in the long run to resolve the farm problem than any legislation we have had under consideration to date. It should be noted that the retirement into protective conservation status of the acreage presently unneeded is good insurance for the future of the 179 million and more people of our country.

Some 460 million acres of U.S. land are now in productive status, cleared and put under the plow by hardworking and devoted American farmers. These producing citizens have met every need for food and fiber for our people and for starving, fighting people all over the world, including the winning of two World Wars and, more recently, the Korean conflict. Without these farmers they would not have been won. Without them it would have been either Hitler or communism.

There can be no real defense for the continued use of any extensive acreage beyond that which is currently needed. Shortsighted and wasteful use of the soil and other natural resources should be discouraged.

And history books record many examples of the disintegration and disappearance of great Nations which permitted the ravaging of their soils and other natural resources. It is time that we learned from them.

Retiring the unneeded acreage into protective conservation use can only result in manifold benefits for posterity.

These include protection of the soil from deterioration; more adequate supplies of water for domestic, industrial, and recreational use; a return of large acreages to forests; and improved conditions for all forms of our diminishing wildlife resources.

During the short time that the conservation reserve program has been in operation, about 28.5 million acres of cropland have been retired from crop use into preserving conservation cover.

Under the program, nearly 7.7 million acres of the Great Plains area, including the Southwest Dust Bowl, have been restored to native and other adapted grasses, and protected from the recurring ravages of severe wind erosion—a tremendous accomplishment for an area where many temporary relief measures have been tried and vast sums of money expended in recognition of the seriousness of the problem.

Under the program, too, more than 2 million acres of cropland are being returned to forests—land which was forcibly wrested from forests and cultivated by our ancestors.

In addition to the improved wildlife conditions brought about by the retirement of cropland into forest trees and other protective cover, nearly one-third of a million acres are being devoted to specific wildlife habitat, such as food and cover, and water impoundment for waterfowl, fish, and other forms of wildlife. Sportsmen's and conservation organizations, which have been specifically concerned with our diminishing wildlife, are convinced that the decline has already been stopped in some areas as a result of the acreage retired into the conservation reserve.

Nor is the conservation of natural resources the only benefit resulting from the retirement of unneeded cropland.

Retirement of this land from production conserves all the factors of production, including capital, labor, machinery, fertilizer, and seed which would otherwise be wasted in the growing of unneeded agricultural commodities.

Continued use of this unneeded land also causes financial distress to farmers, with consequent adverse effects on the Nation's total economy.

The conservation reserve program provides an opportunity for the farmer to voluntarily reduce the size of his farming operation and to shift all or part of his energy and other resources to other fields of endeavor, thus providing a more favorable economic situation for himself while continuing to live in his farm home.

The adoption of a sound conservation reserve program would not only be a good public policy for the protecting of natural resources for the benefit of all our people, but would, by reducing the size of the agricultural plant, to provide a sound method of bringing about the needed downward adjustment in the production of agricultural commodities, with resultant and necessary improvement in the agricultural economy.

We will find, I am sure, that to the extent that such unneeded land is retired from production, the products of the remaining land will more readily respond to free market prices since the specter of ever-increasing surpluses will have been removed.

Continuing the production from unneeded acres promotes waste and only postpones the required adjustment.

Let us remember, too, that in the long run this plan will be less costly to the taxpayers.

Let us remember, too, that food stored this way becomes more valuable and food stored under the present plan becomes less valuable as we pay the storage cost from which the average farmer receives little or no benefit.

Mr. Chairman, to show that there is a ray of hope for some of the farmers in the corn-hog economy today, I should like to refer the membership to the recent pig crop report released by the USDA today:

PIG CROP REPORT

The 1960 spring pig crop totaled 49,103,000 head, down 16 percent from the 1959 spring crop, according to the Crop Reporting Board. Number of sows farrowing during spring months totaled 7,060,000, 15 percent below spring of 1959. Number of pigs saved per litter was 6.95, compared with 7.07 for spring of 1959. Reports on breeding intentions indicate 5,889,000 sows will farrow between June 1 and December 1 this year, drop of 4 percent from 6,138,000 litters during fall months of 1959. If these farrowing intentions are carried out and number of pigs saved per litter is equal to average, with allowance for upward trend, 1960 fall pig crop will be 41.5 million head. Combined spring and fall pig crops for 1960 would then be 90.6 million head, down 11 percent from 1959 pig crop and 1 percent below 1949–58 average. Number of hogs 6 months old and older on farms and ranches June 1 was 7 percent less than corresponding date year ago.

Mr. GOODELL. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GOODELL. Mr. Chairman, I consider the Poage Democratic farm bill a legislative and constitutional monstrosity. It moves toward more regimentation of our farm economy and does not face reality. Let me read a letter I received from a respected farmer in my district recently. It is a breath of fresh air that all of you deserve in this stale atmosphere of "governmentitis" with which our whole farm economy is affected:

DEAR CHARLIE: It is no wonder you are dismayed over the farm problem. It has grown into such a mess that there is no sure cure except cutting out price supports and controls entirely. The potatogrowers are an example of what happens when governmental interference is removed. The potatogrowers asked to have the Government get out of their business and they have gotten along very well ever since. The price of potatoes this spring has given them a very nice return. It seems that the potatogrowers like a little speculation in their operations. Fixed prices take the zest out of agriculture. Good and bad years are expected and farmers have learned to live with it. The wheat, cotton and all the supported crops would naturally go down in price if all supports were removed but that would be temporary and growers would adjust their production to the market. During that process some would be hurt of course but there would be only comparatively few as compared with the thousands and thousands that are injured by the present system of supports.

Mr. Chairman, the Poage bill is an abdication of responsibility by the Congress. It would delegate to a nine-man group the determination of farm policy. We do not know what we are voting for today. Have we, the elected representatives of all the people, reached such a stage of intellectual and moral bankruptcy? We need a farm program which will bring freedom and good sense back into the farm picture, not this political poultice.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, certainly I wish to identify myself with my colleague from Minnesota [Mr. MARSHALL], who spoke earlier in connection with this amendment. I am in agreement with him that actually we will never solve the farm problem as long as we try to deal with it by acreage control.

In addition to the points the gentleman from Minnesota has made, I would point out that to limit acres is an incentive to get as much production per acre as possible. That leads to two very serious ill effects, in my opinion: First, instead of the farmer giving attention to the best type, the best quality, the best grade he can raise, we have followed for a number of years a policy which in effect is an invitation to the farmer to produce the most prolific variety to produce the greatest volume, at an increased cost to the Government, and actually to the detriment of foreign sales. The other really bad effect is that when you limit the number of acres you invite the farmer to increase greatly the amount of cash investment he makes which he must charge against himself at the end of the year, thereby pulling his net income down. So I have to say for the record that while the bill before us represents the best our colleagues can agree on, and we all differ among ourselves, it does represent a start in the right direction. But I would have to say for the record that as long as we approach it from an acreage standpoint we do not solve the problem and we do increase the farmer's outlay in cash; we decrease his net income position at the end of the year, and in addition to that we are inviting him to grow less desirable types and qualities in order to get volume.

I take this time to point out to you that if, as history has shown, you cannot control production by limiting the acres that can be used, it follows that you cannot control production by the acres you take out.

I have here some figures from the Department of Agriculture. We have spent and are committed to spend about $4 billion in this nefarious soil bank. It has served to inflame the American people against agriculture, because they say, with much basis, that you are paying the farmer for nothing. Many, many farmers think we have been ridiculous. After spending or committing ourselves to $4 billion, our total production has greatly increased and the Commodity Credit holdings have greatly increased. So I do not see how anyone in the world could think this would solve anything, except perhaps get the farmer's vote in November.

May I quote from our committee report on agricultural appropriations which cites the Department's figures:

In 1955, the soil bank was offered as a solution. Acreage was rented from farmers and taken out of production, though the record shows 23 percent had not been in production. The cost of the soil bank to date has been approximately $2.7 billion. It is estimated that an additional $1.6 billion will be required in future years to meet long-term conservation reserve commitments entered into under existing legislation. This estimated total cost of $4.3 billion would be further increased if this program were to be extended beyond the present year.

The production records of the Department show that the program has been relatively ineffective in bringing production in line with need (pp. 373–375, pt. 3, 1961 hearings). There seems to be little benefit from this program, unless considered as a means of offsetting loss of farm income at the marketplace. The past record proves conclusively that this program offers no future solution to the problem of overproduction, even if billions of dollars are spent each year.

As shown by the Department's testimony, 2.6 million farms are classified as small farms. These represent 56 percent of the total farms in the United States, which include about 275 million acres, but produce only 9 percent of the commercial production. Therefore, if all such farms were removed from production at an average of $10 per acre, it would cost $2,750 million a year and would reduce production only 9 percent—assuming large farms did not offset such reduction. These figures cannot be misunderstood.

You would be giving the farmers $2,700 million to be used for fertilizer to increase production on the rest of our acreage.

So I say to you that anybody who argues that we should rent 60 million acres, which is less than one-fourth of the small farms, you would be dealing with less than 2½ percent of the commercial production and farmers would take their money and increase commercial production on the rest of it. Whatever the answer is, and there is a wide variety of answers in this body, certainly this soil bank offers less than anything I know of.

May I say of this distinguished Committee on Agriculture that I have some different viewpoints from those they have. I can name you 12 people, in my opinion, who could write a farm bill, and my friend the gentleman from Minnesota [Mr. MARSHALL] would head the list, but I do not know that I could name 12 who could collectively agree on so many things. Do not go for any soil bank. It has almost ruined us now.

Really there is so much difference of opinion, fixed opinion, between farmers, farm groups, Congressmen, between Senators and House Members, that I truly believe we must have a period of adjustment and an outside study group to bring together all our various views if we are to solve this problem.

I quote here the statement of our Subcommittee on Agricultural Appropriations, which gives the views of our group as to what we think is necessary:

NEW APPROACH TO PRODUCTION CONTROL NEEDED

The most serious problem facing agriculture today is the continued overproduction of crops already in surplus supply. Yields per acre for nearly all crops have increased steadily in recent years. Total production has also increased, despite acreage controls and the soil bank.

When the present system of acreage controls was placed into effect over 20 years ago, it was fairly effective, since acreage yields were limited by this type of agriculture used at that time. In recent years, however, this means of control has become completely ineffective due to improved methods of cultivation and increased use of machinery, fertilizer, insecticides, and improved seed.

It is apparent to the committee that something has to be done. Correction must be made, both for the welfare of the farmer and the Federal Treasury.

In seeking a solution, several facts are evident:

(1) What we have been doing hasn't worked. After spending or committing ourselves to spend nearly $26 billion, the record shows the situation to be three to four times worse in terms of surplus inventories of CCC.

(2) Farm income is now so low, even with the sale of the overproduction to the Government, that farm purchasing power must be protected from a further drop.

(3) Any future farm program must provide that farm income shall come from the production of that quantity of product necessary for domestic and foreign markets. In the interest of the overall national economy, such production must reflect farm costs plus a reasonable profit. Such income should come from the marketplace.

(4) To bring about correction, we have one factor which should enable us to scale back overproduction without injury to farm income or further cost to the taxpayer during the period of adjustment. This is the $9.2 billion of CCC commodities on hand which are already paid for. Commodities from these stocks should be offered to farmers in consideration for cutting back farm production.

If such a plan were put into effect, there would be a number of important benefits to the national economy—(a) the Government would save storage costs, (b) price support costs would be reduced in line with production actually eliminated, (c) farmers would save the cost of producing extra units of production for which there is no market. Further, no additional outlays of funds would be required to accomplish this objective, since commodities to be used are in Government stocks and will otherwise be given away under Public Law 480.

Once production and demand are in reasonable adjustment under this program, it would appear that fair and reasonable price supports should be provided for the farmer's share of the domestic market. Any overproduction should be eligible for foreign markets at world prices. If this course were followed, the cost to the Government would be negligible.

The other course which might be followed would be to continue price supports on total production, limited to domestic and foreign markets. If this approach were used, the Government would continue to pay the cost of the difference between the support price to offset high American costs and the world market.

Whichever course is followed, or if some other answer is to be found, it is the belief of a majority of this committee that the

Department and the Congress should get together without delay on a plan to use surplus commodities on hand to get farmers to cut total production of wheat and feed grains—the area of greatest difficulty at the present time—which commodities must be considered together. Merely cutting acreage will not work, as shown by the record.

The Department should be authorized to immediately institute a program which will encourage each producer of wheat, corn, and feed grains to curtail his production up to 25 percent in any one year in return for the transfer to him from CCC stocks of an equal quantity of the commodity for which reduction was made.

Under such a plan, the Secretary of Agriculture would transfer from Government stocks of wheat, corn, grain sorghum, or other feed grains, which are otherwise available for shipment to foreign countries under Public Law 480 and similar programs, to any U.S. producer of said grains upon the following terms and conditions:

(1) The producer must reduce his total production of wheat, corn, grain sorghum, or other feed grain below his average production of all said grains for the 3 preceding years.

(2) The Secretary shall first enter into an agreement for a period of from 1 to 3 years with any such producer of wheat, corn, grain sorghum, or other feed grain, or any combination thereof, which will require upon the part of such producer that he reduce his total production of all of said grains below his average production of the 3 preceding years before such producer can qualify to receive Government stocks.

(3) The Secretary shall determine the amount of such transfer of said feed grains to be offered for transfer in any year to any one producer, but in no case shall the amount exceed 25 percent of the average production of said producer for the 3 years next preceding the date of such agreement. Such transfer may be made by transferring warehouse receipts.

(4) To obtain such Government stocks, each farmer must (a) file notice with the county committee that he expects to avail himself of such offer, (b) agree in writing to reduce his total production of all or any combination of such grains for the years included in such agreement, (c) submit a statement of his production of all of said crops for the 3 preceding years, together with such additional proof as may be required by the Secretary, (d) certify that he will not increase his production of other commercial crops, and (e) supply such proof of reduced production as the Secretary may require.

(5) Insofar as practical, grain so transferred shall be of the same type and kind as that for which reduction in production was made by such producer. When not practical, such transfer shall be in quantities of grains of equivalent monetary value.

(6) The Secretary of Agriculture would be authorized to issue such rules and regulations as may be essential to carry out this provision.

As a part of such a plan, a commission could well be appointed to study and prepare a farm plan for submission to the Congress after adjustment of production has been made. Such plan should be based on protecting farm income at the marketplace and keeping production in line with domestic and foreign markets. This approach is deemed necessary because of wide differences which now exist between farm organizations and between farm leaders, including those in the Congress.

It is believed by a majority of the members of the committee that this proposal is a start in the right direction, that is, toward a program of balancing production with market demand and the long time need to maintain soil and water resources. It would provide an effective means of controlling production through production quotas on the quantity of a commodity which may be produced and marketed. In addition, it would save farmers their present cost of production on that part of their production eliminated, and would save the Government the price support and storage and handling costs on the surplus which otherwise would be produced. It is to be noted that, under this plan, the Government would save storage costs of from 11.68 cents per annum for oats to around 16.5 cents for corn and 17.885 cents for wheat and flax, for each bushel removed from storage. Also, it should be remembered that it would cost the Government little, if anything, for commodities transferred to farmers in payment for reduced production, since such commodities are now on hand and will otherwise be given away under the "foreign aid" Public Law 480 program.

Whether you agree with that or not, for goodness sake do not place this albatross of a soil bank around the necks of American farmers once again.

The CHAIRMAN. The question is on the motion offered by the gentleman from Iowa [Mr. SCHWENGEL].

The motion was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. SMITH].

(By unanimous consent, the time allotted to Mr. WHITTEN was granted to Mr. SMITH of Iowa.)

Mr. SMITH of Iowa. Mr. Chairman, I wonder if the gentleman from Wisconsin would answer a couple of questions. Does your amendment provide for payment in cash as well as payment in kind?

Mr. LAIRD. The amendment provides for a payment of cash or a payment in kind, if a wheat farmer reduces his wheat acreage under this 3-year extension period and he could have his choice of receiving a wheat certificate or receiving cash. He could if he reduced corn have an opportunity to receive a corn certificate or receive cash.

Mr. SMITH of Iowa. But the program, as I understand it then, does not necessarily require a reduction of an acreage allotment before receiving cash or payment in kind?

Mr. LAIRD. He would have to reduce the acres.

Mr. SMITH of Iowa. He would have to reduce an acreage allotment that he is given.

Mr. LAIRD. He would have to reduce—it does not apply only to wheat or only to these particular commodities—he would have to reduce his acreage in order to get a contract, whatever the crop might be.

Mr. SMITH of Iowa. That is, his total tillable acres, but is he given an acreage allotment on corn, for example, and then permitted only to reduce those acres or can he just reduce any acres he has?

Mr. LAIRD. In order to receive payment in kind in corn, he would have to reduce his corn acres. Payment in kind would be based on the amount of average production that he got from those acres over the last 3 years.

Mr. SMITH of Iowa. But he could put land in the conservation reserve that would otherwise not have been corn, but he would not have to reduce his corn acreage.

Mr. LAIRD. It could be any one of the other agricultural commodities. But, payment in kind is tied up with the particular commodity and the reduction in acres of that commodity.

Mr. SMITH of Iowa. I just wanted to point out in this very brief period that there is a limitation here of 65 million acres. A recent publication of the Department of Agriculture, ARS 43115, shows according to their computation that about one-third of the acres that were put in the conservation reserve did not reduce the acreage of those crops. In other words, they figure the 14 million acres in 1959 would have been in corn or one of these crops, out of the total amount in the conservation reserve. This means there is a minimum of one-third of slippage in order to get 65 million acres out of grain production and this is what I said shows we need, as a minimum, in order to get that out you would have to put at least 100 million acres in the conservation reserve.

According to the studies made by our State university you will have to pay $20 an acre for that. That means a minimum of $2 billion. I am not necessarily against the program, but we should realize what it is going to cost.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, on yesterday I think the gentleman from Minnesota [Mr. NELSEN] put his finger on the basic problem, and that is that we have to start dealing in terms that it is arable acres that produce crops, that create the surplus. Until we start attacking that problem we will get no place.

It was amazing to hear the gentleman from Minnesota [Mr. MARSHALL] and the gentleman from Mississippi [Mr. WHITTEN] saying that acreage controls accomplish nothing, that you did not do anything with acreage, and yet I suspect we are going to vote for a bill which does just that, reduces acreage.

Mr. Chairman, to me the one basic program that makes some sense is taking acres out of production and putting them into conservation practices in reserve for future emergencies. That is what this amendment offered by the gentleman from Wisconsin proposes to do. Let me suggest to the gentlemen of the committee and others: You have 28 million acres now in the soil bank. You are letting that expire. What are you going to do with the surplus that will be produced on those acres when they again go into production?

Mr. Chairman, I hope we will adopt this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I yield back my time.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, this shows the difficulty of trying to pass agricultural legislation which will in some way control production. Many times in the past I have heard the statement made that certain commodity groups have controlled their production, that the tobacco people have controlled their production, that the cotton people have controlled their production. In reality they may be able to control production of a specific crop when they are restricted to that one crop but it never reduced total production. When the corn farmers were restricted in acreage they planted the restricted acres to wheat and soybeans. When the wheat farmers were restricted they planted other crops. When cotton farmers have their cotton acres reduced, they plant wheat or grain sorghums. They have never had cross compliance. The reason is that the principal business of the farmer is producing, and if his acres cannot be used to produce one crop which he likes, he will produce another crop; if he cannot produce wheat he will produce grain sorghums and so on with other so-called control programs. The farmers evidently are opposed to the control of total production. Town and city people do not like it. This is why there is so much opposition to cross compliance or the conservation reserve. The only control program acceptable to some so far has been the control program that didn't control. Subtitle A of this bill leaves many loopholes. The farmer would not have to completely idle his acres if he does not want to. If he plants a price-supported crop on the reduced acres he will not get price support on his wheat, for instance, but he can plant the rest to some other crops that are not price supported and get this higher price support on his remaining acres.

The only plan that offers hope of success is a payment in kind program which will induce a farmer to reduce production by paying him with some of the surplus.

The CHAIRMAN. The Chair recognizes the gentleman from Vermont [Mr. MEYER].

Mr. MEYER. Mr. Chairman, I have been a professional soil conservationist and forester, and I have been intimately concerned with the operation of the soil bank. Regardless of how this originated and with whatever good intentions, I can only report that it has been a tremendous boondoggle that has not achieved its objectives. It has not been based on sound principles in mathematics, economics, finance, or even in proper land use. As far as I am concerned it is something like building a bridge across a river that may be suitable for the passage of an automobile and then attempting to run a railroad train across it.

I cannot support the amendment to increase or expand the coverage of the soil bank program.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as having been read and printed in the RECORD and open to amendment at any point in the bill.

Mr. HOEVEN. Mr. Chairman, reserving the right to object, is it the purpose of the chairman to conclude debate today and have the vote on tomorrow?

Mr. COOLEY. Mr. Chairman, I would like to get this request out of the way, then I am going to make another unanimous consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The balance of the bill follows:

SUBTITLE A

SEC. 111. Title I of the Agricultural Act of 1949, as amended, is amended by adding the following new section:

"SEC. 106. Notwithstanding the provisions of section 101 of this Act, for each of the crops of wheat beginning with the 1961 crop and ending with the 1965 crop price support shall be made available as provided in this section. The support price for each such crop shall be 85 per centum of the parity price therefor. Wheat of any such crop shall be eligible for price support only if (1) the farm on which the wheat is produced is in compliance with the farm wheat acreage allotment for such crop, and (2) the total acreage on the farm devoted to the production of crops supported under the Agricultural Act of 1949, as amended, which would normally be harvested in the calendar year in which the wheat crop for which the producer applies for price support is normally harvested, does not exceed the total average annual acreage on the farm devoted to the production of such price supported crops for harvest in the first two of the immediately preceding three crop years, less an acreage equal to 25 per centum of the farm acreage allotment for the crop of wheat for which application for price support is made which would be in effect for the farm except for the reduction thereof as provided in section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended: *Provided, however,* That a farm shall be deemed in compliance with the foregoing requirements for price support for wheat if no crop other than wheat supported under the Agricultural Act of 1949, as amended, is produced on the farm for harvest in each of the crop years to which this section is applicable, and the farm is in compliance with the farm wheat acreage allotment. In accordance with regulations prescribed by the Secretary, the acreage of such price supported crops for previous years may be adjusted for abnormal weather conditions, established crop-rotation practices for the farm, diversion under soil bank programs, and to reflect history acreage preserved under section 377 of the Agricultural Adjustment Act of 1938, as amended, to the extent of any unused allotment not diverted to the production of such price supported crops. For the purposes of this section a producer shall not be deemed to have exceed the farm acreage allotment or the acreage of permitted price supported crops for the farm unless the producer knowingly exceeded such allotment or permitted acreage. In addition, for the crops of wheat beginning with the 1961 crop and ending with the 1965 crop, if marketing quotas for the particular crop are in effect and the producers on the farm meet the foregoing requirements for price support and, in accordance with regulations prescribed by the Secretary, designate an acreage on the farm at least equal to the 25 per centum reduction in the farm acreage allotment required under section 334(c)(3) of the Agricultural Adjustment Act, as amended, for the particular crop of wheat but not in excess of 40 per centum of such allotment or 15 acres, whichever is greater, and do not produce any crop thereon which is normally harvested in the calendar year in which the particular crop of wheat is normally harvested and do not graze such acreage during such year, such producers shall be entitled to a wheat payment in kind from Commodity Credit Corporation stocks equal in value to 55 per centum of the average annual yield in bushels of wheat per harvested acre on the farm for the three years immediately preceding the year in which the designation is made, adjusted for abnormal weather conditions as determined under regulations prescribed by the Secretary, multiplied by the number of designated acres. Such wheat may be marketed without penalty but shall not be eligible for price support. The payment in kind shall be made by the issuance of a negotiable certificate which the Commodity Credit Corporation shall redeem in wheat equal in value to the value of the certificate in accordance with regulations prescribed by the Secretary. The certificate shall have a value equal to the number of bushels determined as aforesaid multiplied by the basic county support rate per bushel for number two wheat of the crop normally harvested in the year for which the acreage is designated and for the county in which the designated acreage is located. The wheat redeemable for such certificate shall be valued at the market price thereof as determined by Commodity Credit Corporation at the point of delivery. The Secretary shall provide by regulation for the sharing of a certificate among producers on the farm on a fair and equitable basis. The acreage on the farm which would otherwise be eligible to be placed in the conservation reserve program shall be reduced by an amount equal to the required reduction of 25 per centum under section 334(c)(3) of the Agricultural Adjustment Act of 1938, as amended, for the wheat crop of the corresponding year plus any acreage voluntarily retired pursuant to the provisions of this section. Price support at 85 per centum of parity under this section shall be made available only to cooperators and only if producers have not disapproved marketing quotas for the crop. In case marketing quotas are disapproved, price support shall be made available to cooperators at 50 per centum of parity.

SEC. 112. (a) In lieu of the provisions of item (1) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the crops of wheat beginning with the 1961 crop and ending with the 1965 crop:

"(1) If a national marketing quota for wheat is in effect for any marketing year, farm marketing quotas shall be in effect for the crop of wheat which is normally harvested in the calendar year in which such marketing year begins. The farm marketing quota for any crop of wheat shall be the actual production of the acreage planted to such crop of wheat on the farm less the farm marketing excess. The farm marketing excess shall be an amount equal to double the normal yield of wheat per acre established for the farm multiplied by the number of acres planted to such crop of wheat on the farm in excess of the farm acreage allotment for such crop unless the producer, in accordance with regulations prescribed by the Secretary and within the time prescribed therein, establishes to the satisfaction of the Secretary the actual production of such crop of wheat on the farm. If such actual production is so established

the farm marketing excess shall be such actual production less the actual production of the farm wheat acreage allotment: *Provided, however,* That the farm marketing excess shall be adjusted to zero if the total actual production on the farm does not exceed the normal production of the farm wheat acreage allotment. Actual production of the farm wheat acreage allotment shall mean the actual average yield per harvested acre of wheat on the farm multiplied by the number of acres constituting the farm acreage allotment. In determining the actual average yield per harvested acre of wheat and the actual production of wheat on the farm any acreage utilized for feed without threshing after the wheat is headed, or available for such utilization at the time the actual production is determined, shall be considered harvested acreage and the production thereof in terms of grain shall be appraised in accordance with regulations prescribed by the Secretary and such production included in the actual production of wheat on the farm. The acreage planted to wheat on a farm shall include all acreage planted to wheat for any purpose and self-seeded (volunteer) wheat, but shall not include any acreage that is disposed of prior to harvest in accordance with regulations prescribed by the Secretary."

(b) Notwithstanding the provisions of item (2) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(2), the rate of penalty on wheat of the 1961 crop and thereafter shall be 65 per centum of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested.

(c) In lieu of the provisions of item (3) of Public Law 74, Seventy-seventh Congress, as amended, the following provisions shall apply to the crops of wheat beginning with the 1961 crop and ending with the 1965 crop:

"(3) The farm marketing excess for wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts of wheat to be delivered to the Secretary shall be computed upon double the normal production of the excess acreage. If the farm marketing excess so computed is adjusted downward on the basis of actual production as heretofore provided the difference between the amount of the penalty or storage computed on the basis of double the normal production and as computed on actual production shall be returned to or allowed the producer or a corresponding adjustment made in the amount to be delivered to the Secretary if the producer elects to make such delivery. The Secretary shall issue regulations under which the farm marketing excess of wheat for the farm shall be stored or delivered to him. Upon failure to store, or deliver to the Secretary, the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary the penalty computed as aforesaid shall be paid by the producer. Any wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce."

(d) Item (7) Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340 (7)) is amended to read as follows:

"(7) A farm marketing quota on any crop of wheat shall not be applicable to any farm on which the acreage planted to wheat for such crop does not exceed 15 acres: *Provided, however,* That a farm marketing quota on each of the crops of wheat beginning with the 1961 crop and ending with the 1965 crop shall be applicable to any farm on which wheat is planted.

SEC. 113. Item (12) of Public Law 74, Seventy-seventh Congress, as amended (7 U.S.C. 1340(12)) shall not be applicable with respect to the crops of wheat beginning with the 1961 crop and ending with the 1965 crop.

SEC. 114. The Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) Section 334 is amended by inserting "(1)" after "(c)" and adding two new subparagraphs following subparagraph (c)(1) to read as follows:

"(2) In establishing farm allotments for the wheat crops of 1961 to 1965 inclusive any allotment determined under subparagraph (1) hereof which is less than fifteen acres shall be increased, if necessary, to equal the highest wheat acreage on the farm (planted acreage as adjusted pursuant to section 374(c)) for any one of the 1958, 1959, or 1960 crops or fifteen acres whichever is smaller: *Provided, however,* That no wheat acreage planted on a farm covered by an exemption under section 335(f) shall be taken into account in making such increases. The acreage necessary to make such increases shall be in addition to the national, State, and county allotments. The provisions of this subparagraph shall also apply to a farm having wheat acreage in 1958, 1959, or 1960 for which no allotment is determined under subparagraph (1). In such cases the farm shall be considered to have a zero allotment under subparagraph (1).

"(3) Notwithstanding any other provision of law, each old or new farm acreage allotment for the crops of wheat beginning with the 1961 crop and ending with the 1965 crop as determined on the basis of a minimum national acreage allotment of fifty-five million acres plus such other acres as may be necessary under subparagraph (2) above shall be reduced by 25 per centum. In the event notices of farm acreage allotments for the 1961 crop of wheat have been mailed to farm operators prior to the effective date of this subparagraph (2) new notices showing the required reduction shall be mailed to farm operators as soon as practicable."

(b) Subsection (f) of section 335 is amended by striking out the semicolon at the end of item (1) and adding "and shall not apply to other farms with respect to the crops beginning with the 1961 crop and ending with the 1965 crop;".

(c) Section 362 is amended by deleting the second sentence thereof.

SEC. 115. Subsections (b) and (c) of section 335 of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed and subsection (d) of said section is repealed effective beginning with the 1961 crop of wheat.

SUBTITLE B

SEC. 121. The Congress hereby finds the present agricultural program to be inadequate to meet the present problems of wheatgrowers. Surpluses are continuing to mount despite the subsidized disposal of huge quantities of wheat abroad and the application over the past several years of the strictest production controls permitted by law; at the same time, markets for wheat are diminishing; domestic food use of wheat per capita has declined to the lowest level in recorded history; the market for wheat as livestock feed has been greatly reduced as the price differentials between wheat and other feed grains have widened. There is an urgent need to achieve a balance between the production of wheat and our ability to move wheat into domestic consumption and export. The alternatives are to reduce drastically the acreage of wheat, which would have serious consequences for traditional wheat areas, or to provide greater opportunity for market prices to guide the production and consumption of wheat. In order to solve the existing surplus without further impairing the right of traditional wheat areas to grow wheat, it is hereby declared to be the policy of Congress and the purpose of this Act to encourage the expansion of markets for wheat, reduce unrealistic production incentive, minimize the economic hardship of wheatgrowers, and avoid shifting the burden of making the necessary adjustments to the producers of other commodities.

SEC. 122. The Agricultural Adjustment Act of 1938, as amended, is hereby further amended by adding at the end of part III thereof the following new section:

"SEC. 99. Notwithstanding any other provision of law, acreage allotments and marketing quotas shall not be established for the 1961 and subsequent crops of wheat."

SEC. 123. Title I of the Agricultural Act of 1949, as amended, is hereby further amended by adding at the end thereof the following new section:

"SEC. 106. Notwithstanding any other provision of law, the level of price support for the 1961 and subsequent crops of wheat shall be based on the support level for corn for the same crop year, with reasonable adjustments, as determined by the Secretary of Agriculture, for differences in weight, nutritive value, and buyer preference, with the objective of restoring the pricing of wheat to market conditions as rapidly as possible: *Provided,* That the level of price support for wheat of the 1961 crop shall not be less than 120 per centum of the level of price support for corn of the 1961 crop."

SEC. 124. Section 407 of title IV of the Agricultural Act of 1949, as amended, is hereby further amended by adding the following at the end thereof:

"Notwithstanding the foregoing, the Secretary of Agriculture shall institute adequate measures to protect producers of wheat and feed grains from competitive sales of wheat owned or acquired by Commodity Credit Corporation, which measures shall include the following: (1) Effective July 1, 1961, and continuing in subsequent years or until Commodity Credit Corporation stocks have reached 'normal' as defined by law, the Corporation shall not make any net sales of wheat from stocks for domestic use at less than 150 per centum of the then current support price for wheat, plus reasonable carrying charges; (2) annual sales of wheat from Commodity Credit Corporation stocks under the provisions of Public Law 480, Eighty-third Congress, as amended, or similar export programs in the 1961 and subsequent marketing years shall not exceed the average level of such sales in the marketing years 1957, 1958, and 1959; (3) Commodity Credit Corporation stocks may be used for donations to friendly nations and to friendly people who are found by the President upon recommendation of the Secretary of Agriculture to be in urgent need of such wheat and unable to pay a substantial portion of its value."

SEC. 125. Section 108 of the Soil Bank Act is hereby amended by adding a new paragraph (d) as follows:

"(d) In addition to the acreage that might be placed in the conservation reserve pursuant to the above provisions, the Secretary is hereby authorized to enter into additional contracts with producers under subtitle B of the Soil Bank Act so that in the three-year period 1961–1963 the amount of land in the conservation reserve would be sixty million acres by the end of the year 1963, with the greatest emphasis on getting additional acreages contracted under the first year of this additional authorization."

TITLE II—NATIONAL STABILIZATION PROGRAM FOR FEED GRAINS

SEC. 201. As used in this part, the term "fair price" means a price not more than the

price defined in section 301(a)(1)(A) of the Agricultural Adjustment Act of 1938 and not less than 85 per centum of such price, as may be provided in any program established under the authority of this title, and the term "feed grains" means corn, barley, grain sorghums, oats, and rye.

SEC. 202. (a) Within ninety days after the enactment of this Act, the Secretary of Agriculture (hereinafter in this title called "the Secretary") shall conduct, pursuant to regulations issued by him, an election of a feed grain program development committee (hereinafter in this title called "the committee") to be composed of representative producers of feed grains. Only persons who are agricultural producers and who obtain more than 50 per centum of their income from production of feed grains (including feed grains fed on the farm) shall be eligible to serve on the committee.

(b) In order to assure appropriate regional representation on the committee, the production areas of feed grains in the United States shall be divided into not less than nine geographic districts to be designated by the Secretary. In designating such districts, the Secretary shall give consideration to (1) complete geographic representation of the production area or areas of feed grains in the United States, (2) the designation of districts so that districts will be areas having approximately equal annual production of the feed grains involved, and (3) representation of producers of each feed grain respectively in proportion to its economic importance.

(c) Each such district shall be assigned one place on the committee. The producers of feed grains in each district shall by ballot elect one member and one alternate member for its place on the committee. The Secretary shall prescribe the procedure for nomination of candidates and for their election and shall conduct the balloting for election of such members and alternate members. Members shall serve for a term of four years, except that prior to the first election the Secretary shall designate districts from which members shall at that election be elected for terms of one, two, three, and four years, respectively, in order to provide continuity of committee membership. The Secretary, or an official of the Department of Agriculture designated by him, shall meet and confer with the committee but shall not be entitled to vote or to receive compensation. If a vacancy occurs in the membership of a committee, the alternate member elected for such place shall serve the unexpired portion of the term, and in the event the alternate is unable to serve, the Secretary shall designate a qualified producer from the district to serve the remainder of such term.

(d) Each member of the committee, except the Secretary or his designee, shall receive a per diem of $40 for each day's attendance at meetings of such committee and while traveling to and from such meetings, together with actual and necessary travel, subsistence, and other expenses incurred in the discharge of his official duties without regard to other laws relating to allowances which may be made on account of travel and subsistence expenses of officers and employees of the United States, said per diem and expenses to be paid from Commodity Credit Corporation funds.

(e) The committee shall elect a chairman from among its members and shall meet at least once each year or on the call of the chairman. A majority of the members of the committee shall constitute a quorum, and action may be taken by majority vote of those present at a regular or special meeting at which a quorum is present.

(f) Elected members of the committee are hereby exempted with respect to their holding of such office, from the operation of sections 281, 283, 284, and 1914 of title 18 of the United States Code, and section 190 of the Revised Statutes of the United States, except that this exception shall not extend—

(1) to the receipt or payment of salary in connection with the member's service on the committee from any source other than a private employer of the appointee at the time of his appointment, or

(2) during the period he is in office, and for the further period of two years after the termination thereof, to the prosecution or participation in the prosecution, by any such person, of any claim against the Government involving any matter concerning which the member had any responsibilities arising out of his holding such office during the period he held such office.

SEC. 203. The committee shall develop, with assistance provided by the Secretary, and recommend to the Secretary a proposed national stabilization program for feed grains in conformity with principles provided in this part and shall observe and evaluate the operation of such program and publicly report to the Secretary prior to the beginning of each production and marketing year and from time to time as it deems proper within any production and marketing year such adjustments in such program as it determines necessary to achieve the purposes of this part.

SEC. 204. (a) Whenever such program, which shall have a termination date not later than the expiration date of this title, has been recommended to the Secretary, he shall submit the proposed program to the Congress with such recommendation and comment as he may deem appropriate. Upon the expiration of the first period of thirty calendar days of continuous session of the Congress following the date on which the proposed program is received by the Speaker of the House of Representatives and the President of the Senate the Secretary shall proceed with the referendum as provided in subsection (b); but only if between the date of transmittal and the expiration of such thirty-day period there has not been passed by either of the two Houses a resolution stating in substance that that House does not favor the proposed program.

(b) If such proposed program is not disapproved by either House of Congress as provided in subsection (a), the Secretary shall conduct a referendum of the producers of feed grains to determine whether they favor effectuation of the proposed national feed grain stabilization program. Such referendum shall be conducted in accordance with regulations prescribed by the Secretary. The Secretary shall, by regulations issued by him, provide the opportunity and eligibility to vote in such referendum to all producers the value of whose annual production of feed grains, in at least three of the immediately preceding five years, as determined by the county farmer committee, has been not less than $500 or amounts to more than 50 per centum of the value of all commodities produced on the farm. Such referendum may be made effective for any number of production and marketing years not extending beyond the expiration date of this part.

(c) If two-thirds of the producers voting in such referendum vote in favor of such program, the Secretary shall declare the proposed program to be in full force and effect at the beginning of the next succeeding production and marketing year.

SEC. 205. Any national feed grain stabilization program effectuated under the provisions of this part shall—

(a) establish the necessary production or market supply adjustment procedures to balance supply and demand in accordance with the provisions of section 206 and necessary market stabilization procedures for the commodities concerned;

(b) establish regulations for adjusting quotas or goals among States, counties, and producers; and

(c) utilize, as may be necessary for the effective administration of such program, any alternative income stabilization methods, individually or in combination, in order to achieve a fair price to producers at the lowest possible cost to consumers and taxpayers, but shall include no provisions which will result in Government acquisition or storage of any agricultural commodities: *Provided*, That the cost to the United States as estimated by the Secretary in any production and marketing year for any such program established under this part, other than payments in kind for reducing the acreage of cropland as provided in subsection (d), shall not exceed an amount equal to 10 per centum of the estimated value of such commodity in such year;

(d) permit producers, at their option, to reduce by not to exceed 50 per centum the acreage on the farm normally devoted to the production of nonconserving crops, designate an acreage of cropland on the farm equal to such reduction to be devoted to conserving crops or uses or allowed to remain idle, and not harvest a crop from or graze such designated acreage except in the case of drought, flood, or other disaster, and receive as compensation therefor negotiable certificates entitling the producers to payments-in-kind from Commodity Credit Corporation's stocks of feed grains. The value and manner of redemption of such negotiable certificates and the designation of crops as "nonconserving" for purposes of this subsection shall be determined in accordance with provisions of such program.

SEC. 206. Any national marketing quota or other marketing supply adjustment program for feed grains for any production and marketing year for which a stabilization program is effectuated pursuant to section 204 shall be that quantity of feed grains which the Secretary estimates will supply domestic and foreign markets in such production and marketing year and leave a reasonable carryover for protection against less than normal production, less that amount which the Secretary estimates will be paid to producers in kind under the provisions of this title and less 10 per centum of the stocks of feed grains held by Commodity Credit Corporation at the time the stabilization program goes into effect. The Secretary is authorized and directed to establish and carry out such acreage allotments, marketing quotas, or other marketing supply adjustments as may be necessary to effectuate programs established under this part. Any such acreage allotment or marketing quota shall provide alternatives in direct ratio to the feed value of each feed grain.

SEC. 207. The Secretary shall use funds of the Commodity Credit Corporation or any other funds available to him for the purposes of implementing this part.

SEC. 208. Any provision of the Agricultural Act of 1949, as amended, or any other act, providing for acreage allotments or price supports for any feed grain shall remain in full force and effect until the effective date of a program established pursuant to the provisions of this title, and shall become ineffective with respect to any such feed grain on the effective date of any such new program.

SEC. 209. The provisions of this title shall terminate on December 31, 1965.

TITLE III—DISTRIBUTION OF PROTEIN FOOD

SEC. 301. (a) Title IV of the Agricultural Act of 1949 is amended by adding at the end thereof the following new section:

"SEC. 421. The Secretary of Health, Education, and Welfare (hereafter in this section called "the Secretary") shall undertake a program to increase the amount of

dairy, poultry, and meat products distributed to the needy, to institutions, and through the school lunch program. In carrying out such program, the Secretary shall purchase any of such products which are not in the stocks of the Commodity Credit Corporation through the Commodity Credit Corporation as his agent and in such manner that such purchases will help to effectuate the price policy goals of programs undertaken pursuant to title I. Such products may be purchased on the local market in accordance with regulations promulgated by the Secretary. The Secretary shall obtain such assurance as he deems necessary that recipients will not diminish their normal expenditures for food by reason of such donations. There are hereby authorized to be appropriated to carry out the purposes of this section such sums as the Congress shall from time to time determine to be necessary."

(b) The fourth sentence of section 407 of the Agricultural Act of 1949 is amended by striking out "and (H)" and inserting in lieu thereof the following: "(H) sales of feed grain, including wheat for feed, to the extent of one bushel of corn or a unit of other grain of the same comparable feed value for each $2 expended for increased purchases of dairy, poultry, and meat products under this Act; and (I)." The Secretary shall make certain that wheat sold for feed under this subsection is not used for human consumption.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close in 1 hour.

Mr. ANDERSEN of Minnesota. Mr. Chairman, reserving the right to object, what is the request?

Mr. COOLEY. That all debate on the pending bill and all amendments thereto close in 1 hour.

Mr. ANDERSEN of Minnesota. It is getting rather late in the day.

Mr. COOLEY. Well, we could use 30 minutes today and 30 minues tomorrow.

Mr. HOEVEN. It is the understanding that we will finish debate on all of the amendments submitted and any vote will be taken tomorrow?

Mr. COOLEY. No. The unanimous consent request was that debate be fixed at 1 hour on the bill, and all amendments thereto, and that we consume 30 minutes of that hour this afternoon and reserve 30 minutes to be used tomorrow. That means the Committee will rise at approximately 5 minutes after 6.

Mr. QUIE. Mr. Chairman, reserving the right to object, would this preclude the offering of the many amendments that are pending?

Mr. COOLEY. Oh, no. We will consider all of the amendments that are here within the hour that will remain.

Mr. QUIE. That does not give much time for each amendment.

Mr. COOLEY. Does the gentleman know how many amendments there are?

Mr. QUIE. There were about 18 up there, so I am informed.

Mr. COOLEY. I might say that the leadership on both sides of the aisle have conferred about the time limitation and I understand this is accepted on both sides of the aisle. We can dispose of many of these amendments this afternoon.

Mr. QUIE. There is no restriction on the time that can be spent on each amendment. There will be a half hour today and a half hour tomorrow.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

The amendment was rejected.

Mr. ANDERSEN of Minnesota and Mr. QUIE rose.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. QUIE].

Mr. QUIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. QUIE: On page 15, line 15, after the words "TITLE II", strike out the rest of line 15, lines 16 through 26, all of pages 16, 17, 18, 19, 20, 21, 22, and lines 1 through 15 on page 23, and insert in lieu thereof the following:

"FEED GRAINS

"SEC. 201. This Act may be cited as the 'Payment-in-Kind Act of 1960'.

"SEC. 202. Effective beginning with the 1961 crops, the Secretary is directed to formulate and carry out a payment-in-kind program with respect to wheat, corn, rye, oats, barley, grain sorghums, soybeans, and flaxseed. To be eligible for such payment-in-kind, the producer shall reduce the total acreage on the farm devoted to the production of such commodities in the aggregate by not less than 10 per centum below the average acreage devoted to the production of such commodities and diverted under this title during the previous three years. The producer shall also designate an acreage of cropland on the farm to be devoted to conserving crops or uses, in addition to the average acreage on the farm devoted to conserving crops and uses or allowed to remain idle during the previous three years, equal to the reduction in the acreage devoted to the production of the commodities included in this title. The producer shall be required to establish a protective vegetative cover or other conservation practice on the designated acreage. Nothing in this Act shall be construed to impair the eligibility of such acreage for agricultural conservation program payments. The producer shall not harvest any crop from or graze such acreage and shall take such steps as may be prescribed by the Secretary to prevent the designated acreage from becoming a source of spreading noxious weeds.

"SEC. 203. The payment-in-kind shall be made by the issuance of a negotiable certificate which Commodity Credit Corporation shall redeem in the commodities included in this title, such commodities to be valued at their market price. The certificate shall have a value determined as follows:

"(1) First, determine the number of acres with respect to which the producer is eligible to receive payment, which shall be the smaller of (i) the number of acres by which the total acreage of the commodities included in this title is reduced below the average acreage devoted to the production of such commodities during the previous three years, or (ii) the number of acres devoted to conserving crops or uses as provided in section 202.

"(2) Next, determine the average yield per acre actually produced for the year of each commodity on which the producer applied for a payment-in-kind. The producer may elect to receive the payment on any one or more of the commodities produced by him which are included in this title.

"(3) Then, for each commodity on which the producer applies for a payment-in-kind, multiply the yield so determined for the commodity by the smaller of (i) the number of acres of such commodity produced for such year, or (ii) the number of acres for which the producer is eligible to receive payment as determined under (1) above (not used in the calculation of the payment on some other commodity). This is the quantity of the commodity for which a payment-in-kind will be made.

"(4) Multiply the quantity of each commodity so determined by a rate not less than the difference between (i) the basic county support rate for such commodity, and (ii) the parity price of such commodity nor more than the basic county support rate for such commodity. The resulting figure is the amount of the payment which will be made on such commodity.

"(5) The sum of the resulting figures for all of the commodities on which payment is made is the value of the certificate. The certificate may be redeemed in such commodities included in this title as the Secretary designates as being in surplus and such redeemed commodities shall not be eligible for price support. Notwithstanding any other provision of this title, certificates shall be issued only as long as the Secretary designates as being in surplus any one or more of the commodities included in this title.

"SEC. 204. The payment-in-kind program may include such terms and conditions, in addition to those specifically provided for herein, as the Secretary determines are necessary to effectuate the purposes of this title and to facilitate the practical administration of the program.

"SEC. 205. Section 407 of the Agricultural Act of 1949 is amended by adding, at the end of the third sentence, the following: *'Provided further,* That effective with the beginning of the marketing year for the 1961 crops of wheat, corn, rye, oats, barley, grain sorghums, soybeans, and flaxseed, the Corporation shall not sell any such commodity for less than 5 per centum above the parity price for such commodity, plus reasonable carrying charges.'

"SEC. 206. Notwithstanding any other provision of law as long as payment-in-kind certificates are issued price support shall be made available to individual producers of wheat, corn, rye, oats, barley, grain sorghums, soybeans, and flaxseed only if such producers voluntarily participate in the payment-in-kind program set forth in this title."

Mr. QUIE. Mr. Chairman, this amendment would delete the words of title II, and substitute the payment in kind for feed grain amendment, which my colleague from Minnesota [Mr. NELSEN] and I have developed. Under the present title II of the bill there would be no help to feed grain farmers, I believe, for at least 2 years. It would take time for development of regions, election of the committee, development of some program, acceptance by Congress and a final referendum. I have an amendment here which would have an immediate beneficial effect on feed grain farmers. This amendment would provide that a farmer who reduced his feed grain acres by between 10 and 50 percent voluntarily would be able to receive payment in kind. If he did not do this, he could not receive price supports. My amendment does not change the present price supports on feed grains. I believe this would be a tremendous help to the feed grain farmer. Many would be willing to do this if they could receive some

of these surpluses that are now lying in storage and use them on their farms to feed their livestock instead of raising those crops.

The Secretary of Agriculture under the amendment would be allowed to set the payment in kind at some level which would be an inducement to the farmers to take land out of production but not cause a feedback, which means to feed back more than he would have produced in the first place. Under this program it would be a great saving to the taxpayers of this country, because we already have a substantial volume of corn, for instance, and grain sorghums in storage, which is costing the taxpayers a considerable amount of money to store each year. This amendment would greatly reduce feed grain surpluses. This would not only aid the taxpayers but the farmers as well since it would enable them to secure higher prices. I believe it would be of immediate help to the feed grain farmers, because in another portion of my amendment it would not allow the Commodity Credit Corporation to sell stocks back onto the market for less than 105 percent of parity. The way the law reads presently, the CCC can turn back into the market feed grains as soon as they can receive 105 percent of the going support level plus reasonable carrying charges.

We have this situation in oats. Last year there was a tremendous reduction in oats production, but the price of oats did not increase as it should have because the CCC kept feeding back oats into the market and preventing the price from going up. I think the farmer should be allowed to bargain and get a higher price for his feed grain commodities if he can secure it in the marketplace, which the present law prevents. If my amendment is adopted, it will allow the price to go up, and the present support level prevents it going lower than it is now. I think it would be of tremendous help in the feed grain areas, and the farmers would soon be receiving a decent price for what they are raising. It would also help toward reducing this overproduction that is now in surplus and in CCC stock. Unless we do something like this, the production of feed grains will exceed demand each year, holding prices down, and we will have the same untenable position on feed grains as we do for wheat at the present time. The farmer will never be able to see his way clear until we get surpluses down to some controllable level. The people in deficit feed producing areas do not have to worry about this kind of a program, and the farmer can decide himself what crops he will raise, how much he should raise, whether he goes into the payment-in-kind program or not. No one can decide better than the farmer himself about how to manage his farm, and under the amendment it would be possible for the farmer to make all decisions himself.

Mr. ANDERSEN of Minnesota. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSEN of Minnesota as a substitute for the amendment offered by Mr. QUIE: On page 15, after line 16, insert:

"SEC. 201. (a) As soon as practicable after the enactment of this Act, the Secretary shall conduct a referendum of producers of corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed to determine whether to offer such producers a choice between the program set forth in subtitles A and B of this title. To be eligible to vote in referendums under this title a producer must have produced one or more of such commodities in at least three of the years 1956–1960.

"(b) Notwithstanding any other provision of law, if less than a majority of producers voting in the referendum conducted pursuant to subsection (a) hereof favor a program provided by subtitle B, such subtitle B shall become inoperative, and as soon as practicable thereafter the Secretary shall conduct a referendum of producers of corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed to determine whether such producers favor a program as provided in this subtitle. If two-thirds or more of the producers voting in the referendum favor a program as provided in this subtitle, such program shall be in effect with respect to the 1961 and subsequent crops.

"(c) Notwithstanding any other provision of law, if less than a majority of producers voting in the first referendum conducted pursuant to such section (a) hereof favor a program as provided by subtitle A, such subtitle shall become inoperative, and the program as provided in subtitle B shall be in effect.

"SUBTITLE A

"SEC. 211. (a) Beginning with the 1961 crop, producers who have produced one or more of the commodities covered by this Act in at least three of the years 1956–1960 shall divert from the production of nonconserving crops, as determined by the Secretary 20 per centum of the total cropland on the farm (excluding cropland in the conservation reserve program). The land so diverted from production shall be devoted to conserving crops or uses, including wildlife practices, and shall be used only for hay or pasture (such acreage is hereinafter referred to as the 'green acres'). Any producer who knowingly fails to comply with the requirements of this section shall be subject to a marketing penalty on the entire production of nonconserving crops on the farm at a rate equal to 50 per centum of the average market price for such commodities for the immediately preceding marketing year. The production of crops on the farm shall be regarded as available for marketing and the amount of the penalty shall be computed upon the normal production of the acreage planted to nonconserving crops.

"(b) All penalties provided for in this section shall be collected and paid in such manner, at such times, and under such conditions as the Secretary may, by regulations, prescribe. The Secretary shall provide, through the county and local committees, for measuring farms and for ascertaining whether there has been compliance with this section. Notice of any marketing penalty due under this section shall be mailed to the producer. Any producer who is dissatisfied with his marketing penalty may within fifteen days after mailing to him of such notice have such marketing penalty reviewed by a local review committee composed of three farmers from the same or nearby counties appointed by the Secretary. Such committee shall not include any member of the local committee which determined the total cropland, the production of nonconserving crops subject to the penalty, or the marketing penalty for such farm. Unless application for review is made within such period, the original determination of the marketing penalty shall be final. If the producer is dissatisfied with the determination of the review committee, he may within fifteen days after a notice of such determination is mailed to him by registered or certified mail file a complaint against the review committee as defendant in the United States district court sitting in the county or the district in which his farm is located, for the purpose of obtaining a review of such determination. Bond shall be given in an amount and with surety satisfactory to the court to secure the United States for the costs of the proceeding. The complaint in such proceeding may be served by delivering a copy thereof to any one of the members of the review committee. Thereupon, the review committee shall certify and file in the court a transcript of the record upon which the determination complained of was made, together with its findings of fact. The review by the court shall be limited to questions of law, and the findings of fact by the review committee, if supported by evidence, shall be conclusive. The jurisdiction conferred by this section to review the legal validity of a determination made by a review committee pursuant to this section shall be exclusive. No court of the United States or of any State shall have jurisdiction to pass upon the legal validity of any such determination except in a proceeding under this section.

"SEC. 212. The Agricultural Act of 1949, as amended, is amended by adding the following new section after section 105:

" 'SEC. 106. Notwithstanding the provisions of sections 101 and 105, beginning with the 1961 crop, the level of price support for corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed shall be not less than 75 per centum of the parity price.'

"SEC. 213. (a) Effective beginning with the 1961 crops and continuing until such time as the Secretary determines that the stocks of corn, oats, rye, barley, grain sorghums, soybeans, and flaxseed have been reduced to a level required for carryover or reserve (1) to protect agricultural and consumer interests, (2) to meet export demands, and (3) for food for peace, the Secretary is directed to formulate and carry out annually a payment-in-kind program as provided herein with respect to such commodities. After stocks of such commodities have been reduced to the level specified above, a payment-in-kind program as provided herein shall be carried out by the Secretary as may be needed to correct any imbalances in production between such commodities. To be eligible for such payment-in-kind the producer shall reduce the total acreage on the farm devoted to the production of such commodities below the average acreage devoted to the production of such commodities and diverted under this Act during the immediately preceding 2 years. The producer shall specifically designate the land so withdrawn from production, shall establish a protective vegetative cover or other conservation practice, including wildlife practices, on the designated acreage, shall not harvest any crop from or graze such acreage (except that the Secretary may permit the designated acreage to be grazed or hay to be cut therefrom if the Secretary determines that such action is necessary to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster) and shall prevent the designated acreage from becoming a source of spreading noxious weeds. The acreage diverted under this subsection (a) shall be in addition to the green acres. The acreage diverted under this subsection

(a), together with the green acres, shall not exceed 50 per centum of the total cropland on the farm.

"(b) The payment-in-kind shall be made by the issuance of negotiable certificates which Commodity Credit Corporation shall redeem in the commodities included in this Act in accordance with regulations issued by the Secretary. The amount of such compensation shall be equal to 80 per centum of the average annual yield of the commodity or commodities being reduced times the basic county support rate for the commodity or commodities. The Secretary shall provide for the sharing of a certificate among the producers on the farm on a fair and equitable basis. The commodities redeemable for such certificates shall be valued at the market price thereof as determined by Commodity Credit Corporation. The commodities redeemed with such certificates shall not be eligible for price support. To the maximum extent practicable the commodities redeemed with such certificates shall be from Commodity Credit Corporation stocks in bin sites or other Government facilities before such commodities are redeemed from Commodity Credit Corporation stocks in commercial warehouse facilities.

"(c) A producer shall be eligible to receive payments-in-kind as described in subsection (b) on any or all of the green acres if, in addition to complying with the requirements for green acres under section 3, he also complies with the requirements against harvesting or grazing such acreage and of all the other requirements applicable to acreage eligible for payments-in-kind under subsection (a) of this section, except that the rate shall be 25 per centum of the average annual yield of the commodity or commodities being reduced.

"(d) Any producer who knowingly grazes or harvests any crop from any acreage for which a payment-in-kind is paid or payable shall be subject to a civil penalty equal to 50 per centum of the amount of the payment-in-kind. Such penalty shall be in addition to the amount of the payment-in-kind which shall also be forfeited or refunded, and shall be in addition to the amount of any marketing penalty required to be paid under section 3.

"SEC. 214. The acreage diverted under this subtitle shall be in addition to any acreage devoted to the conservation reserve program.

"SEC. 215. Nothing in this subtitle shall be construed to impair the eligibility of any acreage diverted hereunder for agricultural conservation program payments.

"SEC. 216. In administering this subtitle the Secretary shall utilize the services of local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

"SEC. 217. The Secretary shall transmit to the Congress annually a report on the program for the preceding year including an evaluation of the operation of the program together with recommendations as to any necessary adjustments in the percentage of cropland acres required in the green acres program to assure a reasonable balance between annual production and annual demand and consumption. Any increase in the percentage of cropland acres required in the green acres program shall not be put in effect, however, without legislation by the Congress and approval of the increase by producers voting in a referendum as provided in section 201.

"SEC. 218. The activities authorized under this subtitle are supplementary to the acreage allotments and marketing quotas authorized under the Agricultural Adjustment Act of 1938, as amended.

"SUBTITLE B"

Mr. ANDERSEN of Minnesota (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in full in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. ANDERSEN of Minnesota. Mr. Chairman, this is the so-called green acres amendment.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield.

Mr. COOLEY. Do I understand that this amendment would give an additional alternative?

Mr. ANDERSEN of Minnesota. That is correct. This will give to the farmers of America an additional alternative under this particular title.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman.

Mr. KYL. At the outset, I hope the gentleman will point out to the Members of the House that the amendment he is proposing as a substitute comes closer to being a bushel and pound control than anything we have talked about in the House so far.

Mr. ANDERSEN of Minnesota. That is correct. That issue has been brought up today in payment-in-kind discussions. Mr. Chairman, I shall not go into the details of the green acres bill now because Members have heard me discuss it for 2 months.

Payment in kind under my proposal is based on the producing ability of the land taken completely out of production and retired under this additional 30 percent which is permissible under the green acres bill. It is based absolutely upon the average productive ability of the land and consequently this is based on bushelage.

Take the case of a farm on which the average production is 50 bushels to the acre. The county committeeman will say: "If you want to take out 60 acres and put it under the 30-acre provision, it is based on that average production of 50 bushels to the acre, which is a proven production." And as the gentleman from Minnesota [Mr. MARSHALL] says, it should be done and it must be done that way—take the actual production into consideration. The green acres provision will automatically take out 34 million acres of land, presently cultivated land, take it out of production, according to Department of Agriculture statistics. The green acres proposal will relieve the load of the taxpayers to the extent of $750 million below the present cost of the price-support system. It will protect the taxpayers all through America.

Remember, under green acres, the farmers will contribute that land. They are not getting a dime for that. The regular payment in kind comes under the 30-percent additional if and after they vote upon themselves mandatorily to take out the 20 percent green acres. Then they can offer to retire any or all of the additional 30 percent, but not to exceed 30 percent, because we do not want to make the mistake that was made by the present Secretary of Agriculture of insisting on whole farms going out of production.

Responsible farm leaders in the State of Illinois have been back of this. It has tremendous support in Iowa. I discussed the question with 400 producers in the State of Minnesota and as the gentleman from Minnesota [Mr. MARSHALL] well knows, it has general acceptance as being the kind of a commonsense proposal that we should have.

After all, it leaves it up to the farmers to say whether they want to do this or whether they want to do as the committee bill says, go along the line of appointing a committee of nine men nationwide to bring in a program. It gives the farmers alternatives. It will save the taxpayers hundreds of millions of dollars. It will utilize stocks that we have already paid for as the incentive for the farmers in order to get a fair price for what they do produce. It will give them an incentive to take land out of production, which all agree is absolutely essential. We are trying to lift up the general price level of agriculture throughout the great feed grain area. We are trying to and will through this proposal chisel away in 5 years' time the bulk of these tremendous Commodity Credit stocks that today hang like a dark cloud over all of us.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. ANDERSEN of Minnesota. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I want to reiterate what my good friend has said. My good friend has talked this over with farm people, he has talked it over with people who have administered farm programs. It is a program that they have said to my friend will work. It actually has the approval of farmers, and I commend the gentleman from Minnesota [Mr. ANDERSEN] and the gentleman from Iowa [Mr. JENSEN] for the forthright manner in which they have presented this legislation.

Mr. ANDERSEN of Minnesota. I thank my good friend the gentleman from Minnesota [Mr. MARSHALL], who has himself done so much for agriculture and farm people during his service in the Congress.

Mr. WOLF. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLF to the substitute amendment offered by Mr. ANDERSEN of Minnesota: On page 5 of the Andersen substitute amendment, in line 4, change "75" to "80", and after the period add the following: "For the 1963 and 1964 crops, the level of support shall be not less than 85 per centum of the parity price. For the 1965 and subsequent crops, the level of support shall be 90 per centum of the parity price."

Mr. WOLF. Mr. Chairman, in the original green acres bill that was offered by the gentleman from Minnesota and the gentleman from Iowa [Mr. JENSEN] this 90-percent amendment was included. I wondered if at this point the gentleman from Minnesota might want to discuss why he removed that section from the pending amendment.

Mr. ANDERSEN of Minnesota. Basically I have always felt throughout the 22 years I have been in Congress that the farmers of America are entitled to 90 percent of parity for what they produce. I have examined this whole question carefully and, as the gentleman knows, we did have in our original bill a graduated scale from 80 to 85 percent after 2 years and to 90 percent thereafter. The gentleman from Iowa [Mr. JENSEN] and I figured that the disappearance of the stocks from the Commodity Credit Corporation would warrant it, and that the extra price support would not cost the Government too much, if anything. But I have very good authority to believe that if this 75-percent change is made in our original bill, a change which we are offering today, to 75 percent, we can get this bill signed. That is my only reason. I am afraid that with the 90-percent feature in it, much as I would like to have it in there, from a practical viewpoint it would not become law. We want a public law, not just an issue. Regardless of that, if we can raise it to 75 percent we have achieved a 10-percent increase for every farmer in America in the price level of his corn and 15 percent on his other feed grains. I think that would be a wonderful accomplishment. Furthermore, the able and distinguished conferees will have an opportunity to perfect what we do today.

Mr. WOLF. I thank the gentleman. I want to make it clear he has no emotional opposition to the amendment but that it is a matter of tactics, of getting the President's support of the amendment.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Iowa.

Mr. JENSEN. I rise just to say that I support the contention of the gentleman from Minnesota who has just spoken.

Mr. WOLF. I thank the gentleman.

May I point out that our job here, as I see it, is to face the question of whether we want to achieve 90 percent of parity eventually. By adding this section to it, we by 1965 will have achieved this goal. We do not do it directly, we do it over a period of time, so that this is a gradual increase. If we went to 90 percent directly, and I would like to do it, it would have a deleterious effect on the livestock producers.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Iowa.

Mr. KYL. In regard to the gentleman's amendment, if the provisions of this substitute were put into effect, there would be a natural increase in prices within the 3-year period that it would take under the gentleman's amendment.

Mr. WOLF. I am hopeful that this would be the case. I just want to be sure that it is not only natural but that it is legally set up and will take place. I would like to state I have introduced the amendment that the gentleman has offered as a bill this way on the floor. I think it is important when we talk in terms of 90 percent of parity and I, frankly, feel that any farm Congressman can support this in good conscience and I am hopeful that the conference committee will see fit to leave this in. I am hopeful that this amendment to the Andersen amendment will be adopted and then that the Andersen amendment will be adopted.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Texas.

Mr. POAGE. I want to state I think the gentleman has offered a constructive suggestion here. I think the gentleman from Minnesota has offered a fair proposition to let the farmers determine for themselves what they want, and the gentleman from Iowa has offered to make it a more meaningful choice. I would like to see the gentleman's amendment adopted to the substitute and then see the substitute adopted.

Mr. WOLF. May I say I think what the gentleman from Minnesota [Mr. ANDERSEN] and myself, are doing here is being consistent with title I of the bill. We have given the wheat farmers a referendum choice and now we are giving the feed-grain farmers the same choice in title II.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa.

Mr. Chairman, I would like to ask the gentleman from Minnesota [Mr. ANDERSEN] a few questions about the impact of his amendment. Under your amendment, the farmers would have a choice between the committee title II and your green acres bill; is that correct?

Mr. ANDERSEN of Minnesota. That is correct.

Mr. QUIE. The choice they would have under the committee title II would enable them to choose whether they want to elect a committee to decide their program for them or take your program; is that correct?

Mr. ANDERSEN of Minnesota. The choice is between the green acres program and what is now in the bill.

Mr. QUIE. In other words, the choice is between your program and what is now in the bill, which just allows them to pick a committee of nine men to work out some program for them; is that correct?

Mr. ANDERSEN of Minnesota. The gentleman from Minnesota [Mr. ANDERSEN] is not defending what is now in the bill.

Mr. QUIE. You still offer an amendment giving them a choice to pick what is in the bill, if they so desire?

Mr. ANDERSEN of Minnesota. I still believe the farmers are entitled to a choice. I would be willing to see a still further choice put in here, if you can do so. In other words, a third alternative giving the farmers the right to vote upon the gentleman's suggestion along with the others.

Mr. QUIE. There is nothing enabling them to keep what they have right now either; is there?

Mr. ANDERSEN of Minnesota. I do not understand the gentleman's question.

Mr. QUIE. There is nothing in the bill which enables them to keep their present program, their present price support level allowing them to raise whatever they want to raise on their farm. My amendment will allow freedom of choice to the farmer to take my payment-in-kind program if he wants to.

It is completely voluntary.

Mr. ANDERSEN of Minnesota. I would suggest that the amendment offered by the gentleman from Minnesota [Mr. QUIE] would open wide the production of feed grains.

Mr. QUIE. Any farmer can raise all the feed grains he desires right now.

Mr. ANDERSEN of Minnesota. It would keep the support level as it is, that is my understanding.

Mr. QUIE. That is correct.

Mr. ANDERSEN of Minnesota. Of course, it has already been proven in the case of corn that that is disastrous. As the gentleman from Minnesota [Mr. QUIE] well knows, we produced 20 million acres of corn last year unnecessarily and I, certainly, cannot agree with the gentleman that we should open wide on all other grains and just use the Commodity Credit Corporation as a storage house. But I would like nevertheless to give the farmers a choice and let the gentleman shape up his language so that we can have a second alternate choice in a referendum.

Mr. QUIE. The gentleman knows that the payment-in-kind provision of his bill which is in addition to the green acres portion of his bill and my bill are practically the same.

Mr. ANDERSEN of Minnesota. The payment in kind of the green acres plan is on the additional 30 percent, above the 20 percent of green acres and is based on 80 percent of the average proven production of that particular land offered by the producer to be taken out of production.

Mr. QUIE. That is correct.

Mr. ANDERSEN of Minnesota. I do not recall whether the gentleman's amendment called for 80 percent also.

Mr. QUIE. My amendment gives the Secretary of Agriculture leeway up to 100 percent.

Mr. ANDERSEN of Minnesota. Yes, the gentleman gives the Secretary of Agriculture altogether too much authority in his amendment, and that I would have to oppose.

Mr. QUIE. Mr. Chairman, the choice we have before us right now, if we accept the amendment of the gentleman

from Iowa, is the choice between high price supports and the Brannon plan.

Under the proposal of the gentleman from Iowa, in 3 years we would have 90 percent supports on feed grains. Under title II of the bill no program could be initiated which would result in the Government purchasing or storing commodities as they presently do. About the only thing left for them to work out is some type of Brannan plan. So we have before us in this amendment a choice of whether they want high-priced supports with controls or the Brannan plan.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the Quie amendment, which unfortunately was not presented to either the subcommittee or to the House Committee on Agriculture during deliberation of this important matter. I doubt very much if any Member of the House except the author of the amendment knows what it is all about.

I have no objection personally, as I said during the course of the debate, to the green acres amendment offered by our distinguished friend from Minnesota [Mr. ANDERSEN]. I express this view as my own and do not, on this amendment, speak on behalf of the Committee on Agriculture. I have no objection personally to that amendment.

As to the pending Quie amendment there are three propositions before the House now, and I hope, Mr. Chairman, that we may have a vote at this time and then follow the regular procedure.

Mr. NELSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to support the Quie amendment. As I mentioned before, we have about 156 million acres of land in the United States on which crops are produced and fed on the farm. Seventy-five percent of the farms in Minnesota produce crops that are fed on the farm. In a referendum they would, in all likelihood, vote against being put in a straitjacket. They would cooperate in idling acres if they could do so on a voluntary basis; they would put land idle and take some crops out of surplus continuing with their dairy herd, steers, pigs, and chickens.

But now we have a situation where if the Green Acres proposal is lost in a referendum we then get the bill presently before the House. Seventy-five percent of farmers such as my neighbors have no opportunity to participate voluntarily in a program. I think it is a shame that we should limit debate on a program as important as this to such a short time. It is too important to run over lightly.

I would like to see a third alternative put in the bill if that could be done; I would like for my son and my neighbor, as well as myself, to have some say in whether or not they are forced to accept a plan that will give nine men such tremendous power and control. I believe we should have more thought given to voluntary participation. I believe in so doing we would have greater participation and would have more idle acres. We would reduce the surplus to a greater degree than we do now. I think the only way we can bring agriculture up is to get the surplus drawn down that hangs over our heads and depresses the market.

Mr. ANDERSON of Montana. Mr. Chairman, will the gentleman yield?

Mr. NELSEN. I yield.

Mr. ANDERSON of Montana. If there are three questions on the ballot would the 34 percent of the voters who voted for one program outweigh the 66 percent who voted for the other two?

Mr. NELSEN. The gentleman's question is getting rather complicated. I want the farmers to have a chance to participate voluntarily in the mechanics of this process that has already been started. I would like to have the point of view of 75 percent of the farmers in Minnesota considered and 156 million acres of productive land in the United States given due consideration.

The only thing I have ever done in my life is to farm. I would not like to see this thing lightly gone over, and some of the major problems of agriculture not considered at this session of the Congress.

Mr. JENSEN. Mr. Chairman, I rise in support of the substitute amendment offered by the gentleman from Minnesota [Mr. ANDERSEN].

Mr. Chairman, I know we can all agree that we must reduce acres in order to get a reduction in bushels. The Andersen-Jensen green acres bill provides not only for acreage reduction but, in effect, it also will tend toward a bushel reduction for this reason: Every ASC county office in America knows exactly how many bushels of grain was produced or have been produced on each farm during the past several years.

Our bill provides that the farmer shall be paid in kind for the number of bushels that his farm is capable of producing. So you have there a bushel allotment as well as the acreage allotment.

I do not think it necessary for me to take too much time to explain our bill. It has been explained many times on the floor of the House. I must say, however, that since we introduced the green acres bill I have had letters from all over America and, with rare exception, the letters that came from farmers, from merchants, from people interested in this vexing problem, have said "this looks like the plan that will really do a job for the farmers of America."

Mr. Chairman, when you help the farmers of America you help all of America. This is a plan which will take the necessary acres out of production. In the first year, according to the best expert advice we have had from the Department of Agriculture, if and when the green acres farm bill is put into effect, it will balance production with consumption, the first year it operates, and that is exactly what everyone wants to do. It will cost about exactly nothing compared to what the present program is costing, while it is greatly increasing our farmers' income.

Mr. Chairman, as I said before, the ASC office in every county knows exactly what the historical production record is of every farm in that county. So the administrative cost under our bill will be just about the same as now. When we use the commodities in storage to pay the farmers for their reduction in production in lieu of cash outlay, then, certainly, we are doing all the taxpayers of America a great service, including our farmers, for they too pay a lot of taxes, of every nature, especially when they make a profit. We can afford to pay liberally in kind, as our bill provides, because we are using a commodity to pay the bill.

Mr. BERRY. Mr. Chairman, with the production from a good many million acres of land in these United States being supplanted by the importation of agricultural products, and with the Government being faced with the choice of either protecting against imports through reciprocal tariffs, or by purchasing the production from these acres, I would like to give to the House a rundown on what the taxpayers have been required to pay in preference to reciprocal protective tariffs.

Since the House is involved in the wheat problem, let us take a look at several commodities under the purchase program, beginning with wheat.

Wheat: In its latest report the financial conditions of the Commodity Credit Corporation indicated there were 1,211,179,000 bushels of wheat valued at $3,084,512,000. During the past 10 years the Commodity Credit Corporation paid out in grower loans on wheat $5,924,900,000 and then went to Congress to be reimbursed for a loss of $871,691,000 after they disposed of the wheat and wheat flour they had processed, but they still have a peak inventory on hand valued at $3,084,512,000 in storage on which no loss is yet counted.

Corn: The last report showed there were 1,198,799,000 bushels of corn valued at $2,131,944,000. That net payment to producers during the past 10-year period has been $3,968,400,000 on corn loans. The Commodity Credit Corporation loss was $1,138,622,000 with a near record inventory as of today valued at $2,131,944,000.

Cotton: As of the last report there were 5,341,000 bales of cotton valued at $937,036,000. During the past 10 years the producers have been paid $7,835,200,000 with a loss during that period of $1,045,887,000, and with cotton valued at $937,036,000 in storage at the end of the period.

Tobacco: The Commodity Credit Corporation had on hand 2,041,000 pounds of tobacco valued at $1,417,000. During the past 10 years the net outlay to producers has been $360,800,000. The Commodity Credit Corporation loss has been $10,902,000.

Dairy products: At the last report, dairy products in storage included 59,101 pounds of butter valued at $34,674,000, 8,784,000 pounds of cheese valued at $3,146,000, and 239,133,000 pounds of dried milk at $34,150,000, for a total value of $71,970,000. During the past 10 years the Federal Government paid out $2,542,100,000 in dairy support programs.

Sugar: We produce a deficiency supply of sugar in the United States of America because of Government controls to permit foreign countries to share the United States market. Counting the mainland cane areas, including Louisiana, Florida, and the offshore areas of Puerto Rico, Hawaii and the Virgin Islands, plus our domestic areas, the United States produced 4,886,000 tons, raw value, during 1959.

That same year we imported a total of 4,474,000 short tons, raw value. Of this total 3,215,000 tons came from Cuba and 980,000 tons from the Philippines. Under the Sugar Act which expires at the end of 1960 we paid Cuba 5.35 cents a pound in Cuba before shipping, which is 2.38 cents a pound more than she got in the world market for her other sugar. Out of total exports last year, Cuba shipped 3,215,000 tons to the United States and 2,206,000 tons to other countries.

The way it multiplies out, the United States paid the Castro outfit a subsidy in Cuba of $153,034,000 over the world price, plus a $25,077,000 freight bill, to get it to the mainland, making a total of $178,111,000. American growers were prohibited from getting through American production at the price paid in the United States.

In 1959 we produced about 2.33 tons of raw sugar per average cane and beet acre in the United States mainland areas. That means that if the United States growers were to be allowed to produce the sugar for the United States mainland market, it would require more than 1,920,000 additional acres to supply the need. Cuban exports to the United States alone displace 1,380,000 potential United States sugar producing acres.

The latest United States Department of Agriculture figures show it takes approximately 77 man-hours per acre on the average to produce sugar on the mainland, at an average earning rate of 94 cents an hour—outside Louisiana, which is 69 cents. So imported sugar has not only displaced 1,920,000 acres but it has displaced a farm payroll of $138,969,600 annually. Cuban sugar alone keeps workers in the United States from getting a payroll of nearly $100 million.

SOIL BANK

In an effort to reduce the production from acres made surplus by foreign imports Congress has gone into a program of renting land and taking it out of production. There would, of course, be no need for this program if the American farmer were permitted to produce the food and fiber eaten and worn by the American people rather than importing it from abroad.

During the 5 years the soil bank program has been in effect my State of South Dakota has received $92,449,079. The rental program nationwide has cost the taxpayer $2,457,161,706.

The cost to the Department of Agriculture to administer the program between May 28, 1956 and June 30, 1960 was $146,376,480. If we compute the acres thus under soil bank control we find that it has cost the American taxpayer $1.22½ per acre just to administer this method of reducing production.

On a simple pro rata basis of figuring it means that the Federal Government has spent $8,363,993 to administer the land and take it out of production.

Mr. Chairman, these figures are presented today because this cost to the taxpayer is completely unnecessary if we simply stop competitive agricultural imports because, as of today, there are not acres in America to feed and clothe our people. We need no soil bank—we need have no surplus. American agriculture could be thriving if it were given an equal opportunity to meet foreign competition.

Mr. McDOWELL. Mr. Chairman, I rise in opposition to H.R. 12261, known as the Poage farm bill. This legislation is supposedly designed to alleviate the overproduction of wheat.

There are a number of reasons why I am opposed to this legislation, but my main opposition is because it is nothing more than a continuation of the present costly farm subsidy program. I can see no benefits to any farmer from this legislation and it would further aggravate the already excessive burden of the taxpayers in support of handouts to the big farm operators.

Provisions of the bill would create an unfavorable balance in the feed-grain ratio by dumping millions of bushels of wheat into the commercial market at a price lower than its market value due to the Government subsidy.

The legislation is detrimental to the best interest of Delaware farmers in every respect. The best which can be said for the legislation is that it is a last-ditch attempt at stop-gap legislation in the closing days of Congress. We have waited in vain for the past 2 years for Secretary of Agriculture Benson to recommend farm legislation to the Congress. In spite of his plea for time, time has now run out. Benson did not recommend any farm legislation to the Congress and the Committee's attempt to foster this bill, H.R. 12261, upon the Congress at this time is a farce and not acceptable to me. I am not in favor of any legislation at this time which will increase the cost of the farm subsidy program. Not a single national farm organization supports this legislation.

No legislative proposal will solve the basic problems of our farmers unless it encourages market expansion, reduces incentives for overproduction, minimizes economic hardships, and avoids shifting the burden of adjustment to producers of other farm commodities and to the taxpaying consumer. Any farm program which does not take into consideration the final cost of food to the consumer is unfair to both the farmer and the consumer. Falling farm prices and rising consumer prices require something more than this type of hastily conceived scheme to continue an already discredited farm subsidy program.

Section 101(a) of H.R. 12261 authorizes a referendum to determine whether wheat producers prefer a wheat program similar to the one vetoed by the President last year, but less than 40 percent of the farmers who grew wheat for harvest in 1960 would be permitted to vote.

The proposed referendum would go into such matters as production controls, land retirement, export subsidies, and farm program costs.

I do not think that a referendum of such vast national scope can be defended, particularly in view of the fact that under the terms of this bill it would be decided by a minority of the producers of a single commodity.

The American Farm Bureau Federation opposes H.R. 12261 because, among other reasons, under it—

> Eligibility to vote * * * would be restricted to the wheat producers who harvested more than 15 acres in 1960. This means that 823,412 of the 1,391,819 farmers who had wheat allotments in 1960 would be disenfranchised, even though important changes would be made in the wheat program for all producers—regardless of the outcome of the referendum.
>
> It is a well-known fact that the present 15-acre exemption was adopted as a means of justifying voting eligibility rules that were calculated to insure a favorable vote for marketing quotas on wheat. If the 60 percent of all wheatgrowers who are now exempt from marketing quotas are to be deprived of their exemption, the decision to do this should be made by the Congress and not by a bare majority of the 40 percent of all wheatgrowers who are now subject to quotas.
>
> I am particularly concerned with the provisions of title II of H.R. 12261, since this title would authorize a commodity committee to develop a new program for feed grains which I consider unsound and therefore unwarranted.
>
> It would be most unfair to the producers of livestock, poultry, and dairy products if the Congress were to turn responsibility for developing a feed grain program over to a committee of feed grain producers.

FARMERS NEED FREEDOM, NOT FEDERAL HANDOUTS

Mr. BROOMFIELD. Mr. Chairman, during the past 2 days of debate on these proposed plans for future wheat price supports, a great many thousands of words have been let loose upon the American public.

In fact, it would seem as if the surplus of words could almost match the surplus of farm goods which now jam storage facilities throughout the length and breadth of our Nation.

All of us, I am sure, wish that the bushels of wheat we have accumulated over the years in unsuccessful and unworkable farm programs would disappear as quickly as the words uttered on this subject today and yesterday.

These words might be forgotten after next November, but I am sure that the mountains of wheat will still be with us.

The main theme of almost all the plans advanced so far is a simple one. It is a case of telling the farmer how to solve his own private, personal problem of making a living as he sees fit. Some use the carrot approach to try to lure the farmer along a path lined with verbal primroses. Others use the stick approach to beat the farmer into submission and to stop any inclination toward

balking in his forced march toward a completely planned economy for himself and his family.

Other plans would accomplish their purpose through minority action, in which less than a majority of wheat farmers would be permitted to vote on a wheat plan, and this vote would be carefully limited to those who need help least and would stand to gain the most.

Still other schemes would absolve Congress from all responsibility from this problem, would turn over all future farm plans to a committee completely divorced from Congress. In this manner, Members of Congress could alternately point with pride or view with alarm as the situation demanded, with the happy prospect that Members of Congress could dodge all responsibility for any actions taken by the committee if it so desired.

All of us who are fathers, I am sure, have encountered situations in which one of the offspring has toppled over a jar of pickles or a bottle of root beer at the supermarket. The immediate reaction is to turn our backs and say, "that is not my baby." But as responsible individuals, we do not say it. We face up to the fact that this is our baby, and that we must take some responsibility for the creature we have helped to create.

Today, we are faced with the same sort of a problem, except that the baby is not a baby anymore. The farm program has grown to be the third largest expenditure in the Federal budget. It has been in existence for almost three decades. Yet, we intend to treat the farmer as a baby. We spoon feed him. We make his decisions for him. We shelter him from the cruel facts of economic life. If attempts are made to permit him to walk or even creep, they are met with rebuffs and admonishments that the child is a sickly one and that it is best to just let him lie there, spoon feeding him with funds from the Federal Treasury.

At the same time, we turn to our offspring and tell him how free he is, how wonderful he is, how strong he is, when the only freedom we permit him is to roll his eyes.

Would it not be much kinder, much more humane, to tell this 25-year-old offspring that it is time he stood on his own two feet, to tell him that he was free to make his own decisions? Would it not be saner to take away his bottle of Federal funds and tell him it is time he started to earn his own living?

I believe it would, for a number of reasons.

First of all, I do not believe that the American farmer is the weakling which some of his so-called advocates picture him to be. I believe he is capable of coming up with his own solutions to his own problems if Congress will but give him the chance.

Arguments have been put forth that freedom from restraint, from parental domination by Congress, will lead to chaos. I do not believe it will lead to any more chaos than Congress, as a well meaning but dictatorial parent, has already imposed upon the farmer.

Let us face the facts. The farmer and his problems is well past the voting age. Earlier this year, Congress passed and the President signed into law civil rights legislation designed to give the right to vote to all our citizens. Yet we are being asked today to deny equally basic economic rights to a large segment of our Nation's population, the farm population.

May I urge my colleagues to permit the farmer to step out in the world, to capture world markets through his own energy and initiative, to compete for domestic and world markets, to grow what he wants to grow when he wants to grow it.

If the farmer fails in the competitive world around him, then Congress, like a good parent, will always be around to give him a hand.

But let us at least give the farmer the chance to find out his strengths as well as his weaknesses. I believe that we, as proud parents, will be even more proud of his accomplishments if he stands as a free man among free men.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments do now close, and that we have a vote on the three amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Iowa.

Mr. WOLF. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLF. Is it my understanding this is my amendment, the 90 percent of parity amendment that has been supported by the committee?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa to the substitute.

The question was taken; and on a division (demanded by Mr. WOLF) there were—ayes 61, noes 29.

So the amendment was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Minnesota [Mr. ANDERSEN] as amended.

The substitute as amended was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Minnesota [Mr. QUIE] as amended by the substitute.

Mr. ANDERSEN of Minnesota. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ANDERSEN of Minnesota. The vote here really is on green acres, is it not?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. QUIE] as amended by the substitute.

The question was taken; and on a division (demanded by Mr. QUIE) there were—ayes 68, noes 23.

So the amendment was agreed to.

Mr. QUIE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. QUIE. Would this now be known as the Quie green acres plan?

The CHAIRMAN. That is hardly a parliamentary inquiry.

Mr. ANDERSEN of Minnesota. Mr. Chairman, a parliamentary inquiry. I would be honored to have Mr. QUIE's name on green acres.

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. IKARD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 12261) to amend the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended, with respect to market adjustment and price support programs for wheat and feed grains, to provide a high-protein food distribution program, and for other purposes, had come to no resolution thereon.

SUPPLEMENTAL VIEWS

Mrs. GRANAHAN. Mr. Speaker, I ask unanimous consent that I may file supplemental views to accompany House Report No. 1929 on the bill H.R. 12595.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS ON H.R. 12261

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks during consideration of the bill H.R. 12261.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries have until midnight tonight to file a conference report on the bill H.R. 10644.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMITTEE ON AGRICULTURE

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture have until midnight tonight to file a report on the bill H.R. 12759.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

FEED GRAIN PRODUCERS

Mr. WOLF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WOLF. Mr. Speaker, I today introduced the bill, H.R. 12773, which is designed to do for the feed grain producers of America what we propose to do for the wheat producers; namely, to give them a choice in a referendum between alternative approaches to a solution to their problem. The bill I have introduced has as its objective: First, a reasonable balance between production and consumption at no cost to the public other than the costs of administration; and second, a surplus liquidation program through payments in kind for further voluntary reductions in production below the national market demand.

On the all-important question of prices, the bill proposes that price supports on all feed grains produced in the next crop year shall be supported at not less than 80 percent of parity and the bill further provides that as we balance production and liquidate price-depressing surpluses the level of price supports automatically goes up in successive steps to 90 percent of parity.

As a practical matter, if we bring prices up to 90 percent of parity immediately it would have a seriously disruptive effect on the feed grain users because at the present time the parity is 60 percent and they could not adjust immediately to a 50-percent increase. It is for this reason that we are readjusting this parity formula over a period of 4 years. For 1963 and 1964 crops it shall not be less than 85 percent and for the 1965 and subsequent crops the support shall be 90 percent.

I would like it clearly understood that from my point of view it was regrettable that the parity formula has dropped as low as it has and that we now have to use this method of returning it to the 90-percent level.

At the very least, we are attempting in 4 years to climb back up the economic ladder to the point from which we departed 7 years ago.

However, I hope that the next administration will propose a comprehensive farm program which will make unnecessary this 4-year wait.

May I remind our able colleagues from the livestock-producing feed-deficit areas that their concern over feed grain prices may be short-sighted because long-term inbalance in farm commodity prices will lead to expanded livestock production in the feed surplus areas which would be far more disastrous to the livestock interests on the east and west coasts than any moderate and fair increase in the price of feed.

May I also call to the attention of advocates of freedom and free enterprise that this approach guarantees to producers the greatest measure of freedom in the planning and operation of their farms of any proposal being seriously considered at this time.

This is, in my judgment, a progressive step in the direction of farmer participation in the development of the programs he believes to be not only in the best interest of himself and his family but also of the farm unit he operates.

This farm program will aid the national interests by serving the consumers as well as the farmer because it will protect the land, assure an abundant supply of food at reasonable prices to consumers, protect the competitive market, and, finally, will stabilize our rural economy.

A distinctive feature in this bill, Mr. Speaker, is the fact that it will not continue the soil bank suicide which is making ghost towns of our small communities in the rich farmlands of rural America because it has a maximum 50-percent retirement of any farm unit.

JANE ADDAMS AND INTERNATIONAL PEACE

Mr. MEYER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. MEYER. Mr. Speaker, as we mature, the scope of our vision and the depths of our perceptions grow. It is significant that the last 20 years of Jane Addams' life were devoted to furthering the cause most urgently and universally needed by all peoples: Peace.

It became more and more obvious to her that social justice, civil rights, and liberties, for which she had been striving in her settlement work, could not be achieved without the permanent removal of war as a method for settling disputes between nations. She saw that to the extent that a nation engaged its youth and capital in warlike efforts, to that extent the youth learned fear, and went back to the basic necessity of self-preservation in a hostile atmosphere. So, too, the capital that was spent in preparing for war was lost, and with it the potential it had to encourage people to self-betterment and happiness.

Jane Addams' vision of a world at peace grew from her observations of people from all over the world learning to live peacefully in one section of her great city. Many of the immigrants in Chicago had escaped from warring states to find themselves living close to old national and cultural rivals. Often with difficulty, they made peace among themselves, learned to respect each other, while their pride in themselves grew.

Shortly after the outbreak of the First World War, Jane Addams presided over a conference of women at The Hague. The women came from 12 countries, including some belligerents, and met to try to work out a plan to end the war.

Of this group Jane Addams later wrote:

> A moment of great interest was the entrance of the two Belgian delegates, who shook hands with the German delegation before they took their places beside them on the platform, dedicated to "a passionate human sympathy, not inconsistent with patriotism, but transcending it."

In May and June 1915 the conference sent delegates to 14 nations, neutrals and belligerents, to press for peace, and arbitration. They were welcomed everywhere, but wherever they went they were met by a rigid sense of national honor. In "Peace and Bread," Jane Addams wrote:

> As women, it was possible for us, from belligerent and neutral nations alike, to carry forward an interchange of question and answer between capitals which were barred to each other. Everywhere we heard the same opinion expressed by these men of the governments responsible for the promotion of the war; each one said that his country would be ready to stop the war immediately if some honorable method of securing peace were provided; each one disclaimed responsibility for the continuance of the war; each one predicted European bankruptcy if the war were prolonged, and each one grew pale and distressed as he spoke of the loss of his gallant young countrymen; two of them with ill-concealed emotion referred to the loss of their own sons.

Yet they seemed to choose this way. Jane Addams returned home, the war still raging, and her mission of peace, with its bright vision still before her, unaccomplished.

As the war progressed, its fever grew higher. Propaganda took hold, planted the seeds of fear, and incited to militarism even people who had been pacifists before they were put to the test. With many of its old supporters gone, peace became a most unpopular cause. America joined the war, was caught up in the fever of this war to end wars. Jane Addams watched the sons of the immigrants who had made peace among themselves go to war.

She remained a pacifist throughout, and bore the insults and abuse of the militant. The newspapers attacked her, called her pacific views unpatriotic, un-American; and many of her friends, disagreeing with her, failed the test of friendship.

As the war continued, she was appalled by the reports of starvation and need in the European countries. She was greatly heartened at the setting up of the Food Administration. Sharing desperately needed food was an activity that could rebuild and unite a divided and shattered world. She threw all her efforts into this work. She soon saw the responsibility of peace as largely women's responsibility; women who envision bloodshed and hunger at the thought of war.

The Hague Conference of 1915, though unsuccessful in ending the war, was successful in that from it grew an organization of women devoted to the aim of eliminating war as a means of settling national disputes—the Women's International League for Peace and Freedom,

whose members have dedicated themselves to carry on the work that Jane Addams helped begin, substituting world disarmament and mediation for war.

GLOATING AND BOASTING?—HISTORIC A-BOMB MODELS FOR SMITHSONIAN

Mr. PORTER. Mr. Speaker, I ask unanimous permission to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, the Atomic Energy Commission and the Department of State believe that the display at the Smithsonian Institution of the models of the Hiroshima and Nagasaki bombs would be contrary to the best interests of the United States.

So John A. McCone, Chairman of the Atomic Energy Commission, wrote me on June 11, 1960.

This confirmed an AEC decision which I received in 1958.

Such displays—

I was then informed by the AEC—

would give the appearance of gloating or boasting about the weapons side of atomic energy and use, and would afford an opening for anti-American propaganda around the world.

ONLY THE MISGUIDED WOULD GLOAT

I disagree with the AEC and the Department of State. It would be a rare and sadly misguided American who would be inclined to interpret such a display at the Smithsonian as gloating or boasting.

Such a conclusion tells more about the men in charge of the AEC and the Department of State than it does about the visitors to the Smithsonian. Perhaps they are projecting their own emotions.

MISSILES DESIGNED FOR ATOMIC WARHEADS ARE ON DISPLAY

Visitors right now can observe many displays of missiles at the Smithsonian, including the mighty Atlas. Almost all of these missiles on exhibition there are designed for atomic warheads.

Furthermore, the *Enola Gay*, the B–29 bomber that delivered the fateful atomic bombs at Hiroshima and Nagasaki, now sits at Andrews Field, a few miles from Washington, waiting for installation as a display at the Smithsonian. Will this also give the appearance of gloating or boasting? I think not.

It is shocking, I believe, that high officials in the AEC and the Department of State could consider that a display of the historic Hiroshima and Nagasaki bombs "would give the appearance of gloating and boasting." Who in the United States aside from these officials could have any such feeling about those bombs? How did the AEC and the Department of State officials arrive at any such opinion?

OFFICIALS ARE FAR OUT OF TOUCH

Their judgment was not a casual one. This makes my chagrin all the greater. These officials must be far out of touch with the average American.

The two pioneer bombs are very puny when compared to the multimegaton devices available today, but I am not conscious of any "gloating or boasting" by Americans or anyone else about the new ones. Rather the usual and rational response is deep apprehension merging quickly into cold fear. These weapons are too big for fallible, error-prone human beings to handle.

In these massive explosives the scientists today find a merciless monster that makes the scientist Frankenstein a piker. If anyone is on the verge of gloating or boasting about these bombs, he needs his head examined.

A PART OF HISTORY

I would like my children to look at models of the two "primitive" atomic bombs that were dropped on Japan by the American Air Force. It is no secret that we dropped them. The data on their physical appearance is no longer classified. The event belongs to history. Whether we honestly face up to it and its implications, in the Smithsonian Institution as well as in the White House, in the Congress and in the United Nations, will decide whether mankind will survive its terrible weapons. The genie will not go back in the bottle just because we turn our backs.

Under unanimous consent, I am including hereafter my correspondence with the AEC on this matter:

APRIL 28, 1958.

ATOMIC ENERGY COMMISSION,
Washington, D.C.

GENTLEMEN: It has come to my attention that the model of the Hiroshima atom bomb has recently been declassified. It occurred to me that this might be properly included in the Smithsonian collection and I am writing you to ask that appropriate arrangements be made.

Very truly yours,

CHARLES O. PORTER,
Member of Congress.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 30, 1958.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: This is in reply to your suggestion of April 28 that a model of the atomic bomb used at Hiroshima be given to the Smithsonian Institution for public display.

There have been earlier propasals for public display of our first atomic weapons. It is our belief that official inclusion of replicas of the Hiroshima or Nagasaki bombs in such displays would be detrimental to the interest of the United States. Such displays would give the appearance of gloating or boasting about the weapons side of atomic energy development and use, and would afford an opening for anti-American propaganda around the world.

I would not recommend that the members of the Commission support such showings in the Smithsonian Institution or in the other sites proposed.

Sincerely yours,

MORSE SALISBURY,
Director, Division of Information Services.

JULY 7, 1958.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

GENTLEMEN: On April 28 I suggested to you that a model of the Hiroshima atomic bomb be made a part of the Smithsonian collection and be put on public display. On June 30 Mr. Morse Salisbury, Director of your Division of Information Services, kindly replied. He said it was "our belief" that such a display would be "detrimental to the interest of the United States." Do I understand by that that this is the Commission's official policy or his personal opinion?

He goes on to say, "Such displays would give the appearance of gloating or boasting about the weapons side of atomic energy development and use, and would afford an opening for anti-American propaganda around the world." Does this represent the opinion of the Commission?

Finally, I should like to know whether it is a fact that the model of the Hiroshima bomb has been declassified and that there is no security question involved here, but merely one of policy on the basis alleged by Mr. Salisbury?

My own comment is that such a display need not give the appearance of gloating or boasting, but would tend to inform the American public and the world about the nature of the bomb at that time and that this is strangely contradictory to the Commission's official attitude with respect to making the United States look reckless and aggressive because of our secrecy about the Hardtack series of tests.

I hope that I may have an answer to these questions promptly and that your decision will be to reconsider Mr. Salisbury's decision.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., August 26, 1958.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: This is in reply to your letter of July 7, in which you refer to an Atomic Energy Commission communication of June 30, signed by Mr. Morse Salisbury, Director, Division of Information Services.

Mr. Salisbury stated in his letter that the inclusion of replicas of the Hiroshima or Nagasaki bombs in public displays of atomic weapons would be detrimental to the interests of the United States. You asked whether this statement was Mr. Salisbury's personal opinion or official Commission policy. This statement accurately reflected the opinion of the Commission at that time, and, after a recent review, this policy has not changed.

The bombing of Hiroshima and Nagasaki has evoked a more lasting emotional reaction throughout the world than the bombings of Rotterdam, Warsaw, London, Berlin, Bremen, and Tokyo and other cities in World War II. This is probably because Hiroshima and Nagasaki were each hit by a single new type bomb of unprecedented destructive power, and, in consequence, these new bombs—the so-called A-bombs—have been stigmatized, particularly in the minds of the people of Asia, as horror weapons the use of which resulted in the deaths of thousands of civilian inhabitants of the cities attacked. It is the Commission's judgment that public display of models of these two bombs at this time involves considerations different from those in the case of displaying conventional weapons and would arouse antagonisms abroad that would far outweigh any benefits that might accrue from informational or historical considerations.

Incidentally, these two bombs were not identical with the Trinity device which was used in the first atomic test explosion at Alamogordo, N. Mex., in July 1945. Therefore, neither has historical significance from the standpoint of being the first device used to produce an atomic explosion.

The second question you ask is—does the following quotation from Mr. Salisbury's letter represent the opinion of the Commission:

"Such displays would give the appearance of gloating or boasting about the weapons side of atomic energy development and use, and would afford an opening for anti-American propaganda around the world."

Although some of the Commissioners feel they might have chosen different words to express their views, this quotation does represent the sense of the Commission's current opinion.

The third question raised in your letter is whether the model of the Hiroshima bomb has been declassified and whether this is a question of security or merely a policy question as indicated by Mr. Salisbury.

It is a fact that the size, weight, and shape of the Hiroshima and Nagasaki bombs have been declassified. However, the Commission's policy is not based on security as it pertains to military information but rather on broader considerations of the national interest.

Sincerely yours,

PAUL F. FOSTER,
General Manager.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 12, 1959.

ATOMIC ENERGY COMMISSION,
Washington, D.C.

GENTLEMEN: I refer to your letter to me dated August 26, 1958.

I am astounded that you believe that public display of models of the Nagasaki and Hiroshima bombs would arouse antagonisms abroad that would outweigh any benefits that might accrue from informational or historical considerations. I point out to you that such display would not be a flaunting of these terrible weapons, nor certainly not give the appearance of gloating or boasting considering the information that we have concerning the progress of the Soviet Union along these lines. I marvel that you could hold such opinions. Certainly no one of you has any feeling of gloating or boasting about these terrible weapons, so why would you believe that any such appearance would result from the public display of these models?

It is my opinion that if there were a display of these models at the Smithsonian Institution, along with pictures of the devastation they wrought and perhaps reproductions of newspapers containing stories about their use, the average person would enter the room with feelings of wonder and curiosity and leave it without any feeling of boasting or gloating. I sincerely hope that the Commission will reconsider its opinion in this respect and agree to release these two models for public display as I have several times proposed.

I note that you state that the size, weight, and shape of the Hiroshima and Nagasaki bombs have been declassified. Will you please send me the information that has been declassified, including designs, pictures, and any other data about these bombs.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., April 15, 1959.

Hon. CHARLES O. PORTER,
House of Representatives.

DEAR MR. PORTER: This is in response to your January 12, 1959, letter again asking (1) for public display of models of the Hiroshima and Nagasaki bombs, preferably at the Smithsonian Institution, (2) information on size, weight, and shape of these bombs, and (3) as an alternative to (1), public display of the Trinity device which was detonated at Alamogordo, N. Mex.

The Atomic Energy Commission has reviewed your most recent request and the Commission's judgment, concurred in by the Department of State, is that, at this time, public display of the bomb models mentioned above and release of the information requested would be contrary to the best interests of the United States.

On point (1) of your request:

Nothing has occurred which would lessen the concern we expressed in our August 26, 1958, letter to you. On the contrary, since then the United States has started, and is continuing, negotiations with the Soviet Union and the United Kingdom on the question of a cessation of nuclear weapons testing. Such a display as you suggest could, and probably would, aid the anti-U.S. propaganda efforts of the Soviet Union, or its satellites, especially in Asia. Furthermore, publicity on the use and effects of these bombs, particularly when such issuances apparently would have Government sanction, could negatively affect the U.S. position in the Geneva negotiations and jeopardize the prospect for their success.

On point (2):

Release of data on size, weight and shape of the Hiroshima and Nagasaki bombs would make possible production of artists' conceptions, or even models, of the weapons for public display. Use of such representations could produce the same unfavorable results for the United States as are mentioned above.

On point (3):

The Trinity device detonated at Alamogordo was a device and not a weapon and therefore differed somewhat in appearance from the Hiroshima and Nagasaki bombs. However, all three are so closely associated in the public mind that, in our view, public display of the Trinity device would also be objectionable for the reasons stated above.

May we reiterate and reaffirm the Commission's judgment as expressed in our August 26, 1958, letter to you "that public display of models of these two bombs at this time involves considerations different from those in the case of displaying conventional weapons and would arouse antagonism abroad that would far outweigh any benefits that might accrue from informational or historical considerations."

If there should be any change in the Commission's views, we will be happy to so inform you.

Sincerely yours,

A. R. LUEDECKE,
General Manager.

MAY 11, 1959.

ATOMIC ENERGY COMMISSION,
Washington, D.C.

GENTLEMEN: With reference to your letter of April 15 and your refusal of other requests made in my letter of January 12, 1959, I am now inquiring as to the statutory basis for your refusal.

I can understand security classification but it seems to me that these matters are far afield.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

[No answer was ever received to this letter.]

MAY 9, 1960.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C.

GENTLEMEN: I should appreciate your attention to these two requests:

1. That I be advised whether the information contained in the following quotation is all right for me to use publicly:

"Some of the practice bombs dropped at Wendover, after previous secret testing at Inyokern, were called pumpkins by the men. They were fatter than the normal high explosive bombs then whistling down on Germany. Only Tibbets and a few scientists and weaponeers at Wendover know the reason. What the 509th bombardiers were dropping was the shell of the fat man, or plutonium bomb. Inside the bomb casing, blocks of plutonium were to be formed in a loose sphere, to be compressed by 64 detonators at the instant of implosion. The fact that no such bomb ever had been assembled, except on the drawing boards of theoreticians at Los Alamos, made no difference. The entire Manhattan project was that way: one section was always learning to use something that another section was still not sure it would ever be able to make.

"Actually the fat man was not shaped like a pumpkin, but like a teardrop. The bomb's forward end was bulbuous, tapering away gradually to the fins. Each bomb weighed about 13,000 pounds and wore a casing of such highly polished metal that crew members could use it as a mirror to comb their hair."

2. I should like to renew my request that models of the Hiroshima and Nagasaki bombs be made available for display at the Smithsonian Institution. Certainly these are historical items and, obviously, there is nothing secret about them anymore.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

[NOTE.—The quotation is from the book, "No High Ground," by Fletcher Knebel and Charles W. Bailey II, Harper & Brother, New York, 1960.]

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 11, 1960.

Hon. CHARLES O. PORTER,
House of Representatives,
Washington, D.C.

DEAR MR. PORTER: This is in response to your letter of May 9, 1960, renewing your request that models of the Hiroshima and Nagasaki bombs be made available for display at the Smithsonian Institution, and asking our views as to whether it would be appropriate for you to use publicly a statement quoted in your letter describing the "Fat Man."

As you know, data on the size, weight, shape, and external characteristics of these weapons are no longer classified. However, I must advice you that it is my judgment, concurred in by the Department of State, that public display of the bomb models or public description of their size, weight, shape, and external characteristics would still be contrary to the best interests of the United States.

Public use of your referenced statement concerning the "Fat Man" presents an additional problem which I will be glad to have Mr. Charles Marshall of our staff discuss with you at greater length at your convenience.

If there should be any change in our views, I will be happy to so inform you.

Sincerely yours,

JOHN A. MCCONE.

NEED FOR ADEQUATE SERVICE STANDARDS FOR LOCAL SERVICE CARRIERS

The SPEAKER. Under previous order of the House, the gentleman from Nebraska [Mr. BROCK] is recognized for 10 minutes.

Mr. BROCK. Mr. Speaker, the local service airline industry is composed of 20 carriers—13 operating within the

boundaries of the original 48 States and 7 operating in the States of Alaska and Hawaii.

These airlines were created by the Civil Aeronautics Board to provide a network of air service for small and medium-size communities which would connect these smaller communities with the large business and transportation hubs throughout the country. The feeder-line character of these carriers is described by the CAB in the certificate of public convenience and necessity which is the document that gives these airlines legal authority to operate:

The services authorized by this certificate, as amended, were originally established pursuant to a determination of policy by the Civil Aeronautics Board that in the discharge of its obligation to encourage and develop air transportation under the Civil Aeronautics Act, as amended, it is in the public interest to establish certain air carriers who will be primarily engaged in short-haul air transportation as distinguished from the service rendered by trunkline air carriers. In accepting this certificate, as amended, the holder acknowledges and agrees that the primary purpose of this certificate, as amended, is to authorize and require it to offer short-haul, local or feeder, air transportation service of the character described above.

The scope of local service operations is immense. These carriers in 1959 served 511 cities in the United States and 327 military bases. The importance of this coverage is heightened by the fact that 300 of the cities served and 59 of the military bases served rely exclusively on these feeder airlines for commercial air service.

The scope of local service operations is and has been expanding at a rapid rate. More than 6,000 route miles have been added to local carrier systems in the past 3 years, and the CAB is presently conducting further proceedings which will undoubtedly result in a substantial extension of local service routes.

The extension of local service routes has been attended by significant increases in all types of traffic. Passenger traffic on the feeder lines has increased fivefold in the decade 1949–59 and 25 percent in the period from 1958 to 1959. Mail, express and freight traffic has tripled during the past decade.

Despite these impressive strides the local service industry has required increasing amounts of Federal subsidy. In 1955 the feeder subsidy within the continental United States totaled $21.3 million. During the present session of Congress the CAB told the House Appropriations Subcommittee for Independent Offices that $66.8 million would be required in fiscal 1961 for the feeders—including the Alaskan and Hawaiian operators. Later, before the Senate Appropriations Subcommittee this figure was revised upwards, and the current estimate of the CAB is that approximately $77 million will accrue in fiscal 1961.

Mr. Speaker, I want to make it crystal clear that I am not quarreling with the payment of subsidy to help these feeder lines. I am completely convinced that subsidy is necessary to keep these services in operation, and I am confident that the public derives important, indeed indispensable, benefits from these services.

However, I am frankly alarmed at the rapid and substantial increases in the amount of this subsidy. I believe it is important to determine whether these increases are necessary or whether they represent inefficient management and waste.

I am familiar in detail with one feeder operation, that of Frontier Airlines which operates in the State of Nebraska and throughout the congressional district I represent. The subsidy for this company totaled $2.5 million in 1955—Service Mail Pay and Subsidy for U.S. Certificated Air Carriers, an official CAB publication. The Aviation Daily for June 2, 1960, indicates Frontier has requested a subsidy of $6.9 million for the year beginning May 1, 1960.

Undoubtedly part of this increase has been caused by the expansion of Frontier's routes throughout the State of Nebraska. But I am equally certain that a great part of this increase is the result of inefficiency and poor service which has discouraged patronage and lost incalculable amounts of revenue.

I do not intend to go into the details of the poor service and passenger hardship which have occurred in Nebraska. Rather, Mr. Speaker, I include at this point the following editorial published in the June 16 issue of the Norfolk Daily News, Norfolk, Nebr., which portrays a detailed account of the inadequacy of this service:

HOW FRONTIER SERVES ITS PATRONS

A copy of the State Aeronautics Department's latest report to the Civil Aeronautics Board relative to service in Nebraska by Frontier Airlines has been delivered to the Norfolk Chamber of Commerce office. The record would be a joke if it weren't that the joke is on us.

The report, nearly an inch thick, contains some 30 affidavits of personal experiences in trying to travel over Nebraska via Frontier. The prize exhibit is a 30-page documentation by Rush Clarke, special assistant attorney general for the State Aeronautics Department.

Mr. Clarke's job calls for him to travel the State by air and Frontier could hardly have been more irritating had it set upon a purposeful campaign of harassment. And he is the one man they should have on their side.

In 27 flights Mr. Clarke logged 73 separate incidents of poor service. There were late flights (almost inevitably), missed connections, lost baggage, canceled reservations, changed schedules, failure to confirm reservation, selling more tickets than seats, and uninformed and misinformed employees.

The line seemed to play no favorites. Among those stranded or given poor service were John Cooper, Republican candidate for governor; Federal Judge Richard Robinson, Joseph Brown of the State Railway Commission, the wife of the chairman of the State Aeronautics Board—dumped off in North Platte on her way to Scottsbluff—and three State senators, invited on the line's inaugural flight from Lincoln to Kansas City and ordered off the plane in Beatrice.

The affidavits are astonishing. And most of them come from passengers on the central and southern routes. This is significant to Norfolkans because the action before CAB involves abandonment only of the northern route, serving Norfolk. The fight started as an effort to preserve service in Norfolk but service is so poor in the other communities that they want relief, too.

Nebraskans should realize that Frontier's poor performance is more than something that may inconvenience a few hundred air passengers in 14 communities. It strikes at the very heart of our economy. Businessmen often must fly but so unreliable is Frontier that many gave up, according to the affidavits.

Out-of-State visitors must be amazed at the kind of service we Nebraskans are given as a matter of course. They can only conclude we are satisfied with poor service or don't know any better.

But Senator CARL CURTIS, Representative LARRY BROCK, and the State Aeronautics Department know better. They are urging the CAB to provide us with competent feeder airline service. The CAB hearing will take many months to complete but Nebraska's business climate requires the proper decision.

Nor do I intend, Mr. Speaker, to discuss the extent to which this service has discouraged travel and thereby increased the subsidy expense. The State of Nebraska and many of the cities affected by the substandard service have filed extensive proof with the CAB and have requested a prompt hearing and prompt relief. I sincerely hope the CAB will take prompt action in this particular case, and I emphatically urge them to do so.

Apart from any individual case, I believe that we face a broader question of national scope and importance. There can be no doubt that inefficient operations and poor service that discourage feeder-line patronage result in substantial amounts of unnecessary subsidy.

The question is: How do we insure that our subsidy dollar is well spent? What procedures can be instituted which will reasonably guarantee that adequate service will be rendered by the feeder-line carriers?

The Federal Aviation Act of 1958 contains certain provisions defining the duty of all air carriers with respect to adequate service for the public. Section 404 of this act provides:

(a) It shall be the duty of every air carrier to provide and furnish interstate and oversea air transportation, as authorized by its certificate, upon reasonable request therefor and to provide reasonable through service in such air transportation in connection with other air carriers; to provide safe and adequate service, equipment, and facilities in connection with such transportation; to establish, observe, and enforce just and reasonable individual and joint rates, fares, and charges, and just and reasonable classifications, rules, regulations, and practices relating to such air transportation; and, in case of such joint rates, fares, and charges, to establish just, reasonable, and equitable divisions thereof as between air carriers participating therein which shall not unduly prefer or prejudice any of such participating air carriers.

(b) No air carrier or foreign air carrier shall make, give, or cause any undue or unreasonable preference or advantage to any particular person, port, locality, or description of traffic in air transportation in any respect whatsoever or subject any particular person, port, locality, or description of traffic in air transportation to any unjust discrimination or unreasonable prejudice or disadvantage in any respect whatsoever.

Under the authority of this section the CAB has recently issued a number of so-called service-adequacy decisions—the Toledo Adequacy Investigation, Docket No. 8851; the Washington-Baltimore Adequacy Investigation, Docket No. 7184; the Fort Worth Investigation, Docket No. 7382; and the Flint-Grand Rapids Adequacy Investigation, Docket No. 9177.

Apart from the fact that these cases are new developments and constitute an only recently evidenced interest on the part of the Board to enforce adequate service, and apart from the fact that none of these cases relate to feeder-line adequacy questions which are quite different, there is a severe inherent limitation on these section 404 cases which renders them relatively useless in the local service situation. I would like to explain in some detail why section 404 proceedings are relatively inefficient in most feeder-service situations.

The feeder-line air service authorized in the State of Nebraska is temporary. It was authorized on a use-it-or-lose-it basis. Under the terms of this CAB policy, a community is awarded air service and then after 6 months of preliminary operations the following year is used as a test period to determine whether the community generates a minimum traffic quota of five enplaned passengers per day, or an average of seven on the segment, this, of course, in the absence of unusual and abnormal circumstances. Also, the policy of the Board, following the policy of the Congress to establish an adequate air transportation system in the United States has been to take into account the isolation of communities and the inadequacy or total lack of other public transportation facilities.

Obviously the use-it-or-lose-it program can be easily defeated by the carrier providing inadequate service during the test period thereby discouraging or thwarting traffic development. This has actually happened in the State of Nebraska and in my congressional district.

Mr. Speaker, in these circumstances the normal section 404 adequacy of service proceedings are completely inadequate to cope with the problem. These cases take between 2 to 4 years to process and in the interval the inadequate service has killed any inclination to patronize air service on the part of the public. Long before the adequacy proceedings can be processed the experimental period has expired and the community is confronted with a certificate renewal case in which the outcome is a foregone conclusion by reason of the artificially depressed traffic record.

This is clearly inequitable. It contravenes the spirit and purpose of the Federal Aviation Act in which the interests of the public convenience and necessity are paramount.

However, there is a convenient and practical way to avoid this inequity. The CAB should augment their "use it or lose it" program by promulgating regulations that spell out in detail what constitutes adequate service on any given route for purposes of testing the traffic potential of the route. Such regulations would spell out such matters as the frequency of service required, the routings, connections, commuter service, its on-time performance, the practicability of its schedules, its dependability and other factors that relate to public service.

Failure to comply with these service precepts would automatically disqualify the period during which the inadequacies prevail and it would not constitute a portion of the test period. This would effectively compel the carrier to provide adequate service for the test period without resort to the cumbersome, expensive, and time-consuming proceedings under section 404. The carrier could no longer count on weeding out the small cities and keeping the terminals because the test period would not start until the carrier had provided adequate service for the requisite period. There is, unfortunately, a strong tendency on the part of some feeder lines to desire to change the nature of their operation by dropping small cities and seeking rich markets.

Mr. Speaker, I know of no reasonable objection to the proposal I am advancing. These local service carriers are heavily dependent upon Federal subsidy—indeed, without it they could not exist. The amount of that subsidy is directly affected by the quality of the service since commercial revenue that is lost due to bad service must be replaced by subsidy dollars. Consequently, these carriers cannot expect to exercise relatively unchecked discretion as to the quality of service they provide. Even the self-sufficient, nonsubsidized parts of the airline industry are held accountable to the public for the quality of service they provide. This is done by section 404 proceedings. Since—as I have demonstrated—the section 404 proceedings are inadequate to cope with the feeder use-it-or-lose-it services, then I see no alternative to the adoption of my proposal.

We in Nebraska have daily seen, at close range, the abuses and hardship that result when a feeder abdicates its duty to the small towns. I have read dozens of affidavits from passengers outlining unbelievably irresponsible and unreliable service provided by this subsidized airline. Cities that once had good traffic records have withered away to a fraction of their former patronage due to this treatment. It is not too much to say that the entire air service pattern in Nebraska is endangered. Not only the public but the Government which pays this subsidy is being shortchanged.

Of course, it may be too late to do any good in Nebraska even if my proposal were adopted. However, it is my hope that the CAB will give immediate consideration to setting a prehearing conference and an expedited hearing to provide relief for Nebraska before it is too late. I see no reason, legal, or otherwise, why as a part of the relief granted Nebraska, the CAB should not rule that no fair test has yet been accorded Nebraska under the "use it or lose it" program, then spell out service adequacy requirements, and then resume the experiment dating from the inauguration of adequate service.

Or, in the alternative, since public good will for Frontier has waned to the vanishing point, the CAB could substitute a new feeder line for Frontier and start the experiment over, only this time providing a full regulatory pattern of what constitutes adequate service so that a fair test can be assumed.

As a matter of national transportation policy I believe that this proposal is the only means by which Congress can be certain its subsidy dollars are being well spent. In view of the alarming increase in subsidy—which will have nearly quadrupled in the interval between 1955 and 1961—I can see no other reasonable course to pursue. Therefore, I am calling on the CAB to study this proposal and if legislation is required I will be glad to introduce it and have confidence that it would receive wide support in Congress.

ARGUMENTS FOR AND AGAINST THE ITEM VETO

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, during the past 3 weeks, I have had the privilege of taking the floor to present some background material in support of the three resolutions which I have offered to give the President the item veto authority.

On two previous occasions, I have dealt with the history of the item veto and the use of the item veto power in the States. Today, I wish to review the arguments, pro and con, concerning the item veto.

My own convictions about the need for this authority have led me to direct considerable research in this field. My legislative assistants at the State University of Iowa, under the direction of Dr. Russell Ross, have worked on all aspects of the issue for over a year.

They have provided me with the substance for these remarks and laid the groundwork for the three resolutions which have been offered to grant this authority to the President. I am particularly indebted to D. T. Doan for his work on the history of the veto power; to Robert Downer for this study of the item veto power as exercised in the 42 States which provide this authority; and to Tom Scheuerman for today's treatise on the pros and cons of the issue.

In offering these resolutions and in taking the floor to support them, it has been my hope that I can generate support—not only among the Members who should be concerned with this problem—but among their constituents. It is my feeling that we need an educational program before we are going to get the necessary action in Congress. If we can get the people aroused and encourage them to write and speak their own convictions about this obvious need, we will eventually get action at this level.

There have arisen many arguments both for and against the item veto since it was first requested by President Grant in 1873. The purpose of these remarks is to examine the most important of these arguments, and try to apply them to the present day situation. While many of these pro and con arguments attempt to rationalize for or against the item veto on the basis of some theoretical motive, it seems to be much more important to examine the item veto and see just what good or bad would actually result from its use.

There seem to be four basic arguments which have been advanced as concrete reasons why the Executive should have the power to veto certain items of a general appropriation bill. The first of these is that 42 of our 50 States have the item veto, and have used it with much success. No State has ever taken away this power once it has been instituted, a good indication that the Governors have used it with proper discretion. This point will not be labored, but should definitely be considered.

Second, the use of the all-inclusive general appropriation bill has resulted in many complications which could be avoided by the power of the item veto. Most appropriation bills are presented to the President very near the end of the session, and thus put unnecessary pressure upon him. He must either veto the bill in its entirety and prevent the passage of some very valid project, or he can pass the bill which may include many projects which are just thrown in with the more valid ones. There is no need for this type of situation. As exemplified by the last public works bill, the President can be forced to use his veto when he is known to support certain parts of the bill. The result of such veto is that these important projects may be held up until the next session. The item veto would allow the President to slow up the progress of the unnecessary items, and still pass those items which are of prime importance. We all know that our legislative process is very cumbersome, and the vetoing of an entire bill just adds to this problem. When Congress is faced with the possibility of an item veto, it would make them present their appropriation bills earlier in the session so that there would be an opportunity to override such veto if they saw fit. The practice of presenting appropriation bills at the latest possible time benefits no one when the entire bill is vetoed.

The third argument raised in favor of the item veto is that it would help to eliminate some of the unnecessary programs which often find their way into these all-inclusive general appropriation bills. It is no hidden secret that many items are added to these bills which could not possibly pass a majority of Congress if they were considered on their own merits. These "pork" or excess items are added to the general bill to gain support from Members by adding features which are favorable to them, with the knowledge that the President would have to veto the entire bill if he wanted to prevent such "pork" legislation. Many times these items are widely separated, either in their nature, or in the locality with which they are concerned. Looking at this problem realistically, this type of legislating is going beyond the function of Congress to make and pass those laws which are necessary to run the Government. While Congress may look upon this so-called logrolling as a secret weapon to get legislation past the President, it has often resulted in spending large sums of money on projects which would have little chance of being passed if considered alone. This should not be, and was not intended to be, within the power of Congress.

The fourth and, in my opinion, the most important argument for giving the President the use of the item veto is that this would be one positive step toward controlling our Government spending and keeping the budget within balance. It is very difficult to say just how effective the item veto would be in maintaining Government spending, but it would, at least in some instances, require Congress to reconsider those appropriations which are not absolutely necessary during the coming year. The use of the item veto by the California Governor in 1913 enabled him to cut 15 percent of the total appropriations, none of which was repassed by the legislature. With the right to override any use of the item veto by the President vested in Congress, it would not be a case of losing some projects which are valid and important. The difference in effect, would be that instead of the possibility of the President vetoing the entire bill and losing some valid and necessary projects or passing a bill which includes several or many items that are not in the public interest, the item veto would enable both the President and Congress to consider each item separately so that the needed ones remain and the others are weeded out.

The continued use of pork barrel legislation and the resulting increased Government spending without the item veto, allows Congress to place an undue burden upon both the President and the taxpayer. It is the President who shoulders the responsibility for a stable economy. He cannot afford to ignore the effect of continally increased Government spending, while the Congressman may ignore this as long as he gets his share of the "pork." When the taxes increase as they do with Government spending, the taxpayer looks to the President for help. With these two parties sharing in the adverse conditions which thus result, the use of the item veto would give the President the right to try and contain the Government spending for which he is primarily responsible. Again it must be reiterated that this item veto is not a complete cure for this problem, but it at least gives the President the right to consider each item separately and thus takes one positive step toward handling the problem. We must also consider the effect which these appropriations have upon the future Government spending. While the pork barrel legislation presents a very troublesome problem in and of itself, these appropriations are often 2- or 3-year projects, which means that more money must be appropriated next year. This further shows the need for a careful examination of the individual items, and an all-out effort to appropriate the taxpayer's money only where there is a valid and necessary project.

Many arguments have been raised in opposition to the item veto since President Grant first requested this power in 1873. In considering these arguments, it is important that they be viewed with respect to today's problem of increased Government spending and the resulting rise in taxes. One argument against the item veto is that it would lessen the responsibility of Congress to the voters, as they would depend on the President to veto all the unnecessary appropriations. As long as they receive their demands in the bill, they could tell the voters back home that they tried, even though the President vetoed the item. This argument seems to say that what Congress is presently doing through its pork barrel legislation illustrates a responsibility of Congress which cannot be taken away. It is difficult to see where Congress would lose any legitimate responsibility by the use of the item veto. If the Congressman has a valid project in the eyes of the rest of the Members, it will succeed if he presents this need in a proper manner not only to Congress but to the President. If it is necessary that the President take the responsibility to veto the unnecessary provisions in order to curtail Government spending, it should be done, as pork barrel legislation is a good indication that Congress is not always concerned with Government expenditures.

A second argument often raised against the item veto is that it would strengthen an already powerful Executive. There is no doubt but that the item veto would have to be used with much discretion by the President. It is doubtful that the use of the power could become abusive, as long as Congress made use of its right to override the veto. The threat of overriding would tend to keep the President from using the item veto, except when absolutely necessary. The reports of the States further show that the item veto has been very useful, with very little evidence of abuse by the Governors. Assuming, therefore, that the item veto is used with much discretion by the President, it would usually be confined to those projects which are unnecessary and could not stand in Congress if considered on their own merits. Since the President is held responsible to the people for the ever-increasing Government spending, this so-called increased power to the President would really be one small way in which he might be able to slow down Government spending, especially on projects which are unnecessary.

A third argument against the item veto is that it would destroy the checks and balances provided in the Constitution, in that Congress would lose its power to tack on measures to a bill which

the President would like to pass if considered separately. However, it should be remembered that Congress' check upon the President is through the right to override the veto. By presenting the appropriation bills earlier in the session, Congress could force the President to veto those items of which he disapproved and there would still be time for reconsideration by Congress. The truth of the matter is that most of those items which would be vetoed are those which Congress—and everyone else—knows could not pass if considered separately, and this is precisely the problem which the item veto seeks to cure. The only change in the real "check and balance" set up by the Constitution is that the item veto would allow the President to check those items which would probably not have been passed by Congress if considered separately.

One of the biggest problems confronting the United States right now is the control of Government spending and keeping the taxpayers happy. The need for the item veto must be considered in the light of today's problems. The responsibility for our budget lies primarily with the President, and yet he is deprived of a power which would help him to handle this responsibility. He should be allowed to consider each item on its own merits, subject, of course, to Congress right to override the vetoed items. The presence of the item veto would compel Congress to present the appropriation bills earlier in the session so that the items could be reconsidered if vetoed by the President. This seems to be a much faster way of legislating than by vetoing the entire bill and requiring a new bill to include only the acceptable items. This whole concept is predicated upon sound discretion by the President, so that the power is used only where it is absolutely necessary. If used with this idea in mind, this is a positive step toward handling one of the main problems confronting our Government, an ever-increasing budget which can only be balanced by increased taxes.

Before leaving the arguments which have been presented pro and con on the item veto, permit me to offer them in summary:

The arguments for the item veto are primarily concerned with giving the President some means of cutting down the unnecessary spending by our Government. By considering each item of an appropriation bill separately, the President could eliminate those items which would never be passed if examined on their own merits. The taxpayer is the one who suffers by the increased Government spending, and he looks upon the President to do something about it. Yet the President, who should be able to eliminate the unsound and unnecessary expenditures, is instead placed in a position where he is almost powerless. In considering a general appropriation bill, the President must either veto the entire bill and slow up the passage of some very valid items which must then be put in a new bill unless the veto is overridden by Congress, or he may sign the whole bill and thus put into effect many items which would never be passed if considered on their own merits.

The success of the item veto would depend upon the President. If he made use of it only on those items which are obviously unnecessary and invalid, the item veto would serve its purpose of eliminating those projects which are not needed and are included in the bill in order to keep a certain Congressman or a group of Congressmen happy. The check upon the President would obviously be by Congress right to override any veto of the President.

This right to override the President's veto would probably induce Congress to speed up its work on these appropriation bills so that they would still be in session to consider any possible veto by the President. Under the present system, these bills are presented at the end of the session so that the pressure is on the President to approve them in order to get the valid projects into effect. This, of course, brings with it those unnecessary items which the item veto seeks to eliminate and which results in increased taxes to the taxpayer.

The main arguments against the item veto are centered around Congress' unwillingness to relinquish any of its power to the President. If the item veto is used properly, however, the only thing Congress would be giving up is those projects which could not be passed if considered on their own merits. If the vetoed projects are needed, they could be passed by overriding the veto. The Congress, as well as the President, has a duty to the taxpayer to prevent unnecessary increases in taxes, and the use of the item veto would be a positive step toward solving such a problem.

Now, Mr. Speaker, as I stated at the outset, I have introduced three joint resolutions—House Joint Resolution 691, House Joint Resolution 692, and House Joint Resolution 693—which offer three approaches Congress might follow in authorizing the item veto for the President. One would permit him to approve or disapprove separate items in any bill; another would authorize him to disapprove or reduce items in general appropriation bills; and the other would permit the President to approve or disapprove separate items in bills except in those instances where the items had been approved by the interested departments and agencies of the executive branch and by the appropriate committees of Congress.

It is my contention that Congress could act favorably on any one of these resolutions, or a modification of them, without giving away any of its authority, because there is provided in each of them the right for Congress to act separately upon any of the items, disapproved or reduced by the President, and to reinstate them through a two-thirds vote of the House or Senate.

Each item would then be asked to stand on its own merit. This is what we require when anyone comes to us seeking an appropriation. We ask that they either have Bureau of the Budget approval, or that the proper committee weigh all the facts in hearings so that the items can be judged by the Members who are experienced in these matters.

This is the only way we can have any fiscal stability in the Federal Government. Pursuant to our system of checks and balances, whenever Congress deserts its responsibility and includes riders which are not in the public interest, the President should be empowered to exercise some control over these matters. By the same token whenever the Executive requests items which the Congress does not feel are in the public interest, they can be adjusted or eliminated accordingly.

People tell me that I am butting a stone wall in trying to get Congress to grant the item veto authority. I admit that it is not the easiest thing in the world to get recognition for the obvious, but I am convinced that we can get people at the grassroots level thinking about this just as they did about inflation and a sound dollar during the 1st session of the 86th Congress. When they start making their position known, Congress will listen and we will get this needed reform on the books. I assure you that I am going to keep the pressure on and I welcome any and all support my colleagues and the taxpayers want to give me.

COMMENCEMENT ADDRESS AT MILTON ACADEMY BY MRS. FRANCES P. BOLTON

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. BOLTON] may extend her remarks at this point in the RECORD and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mrs. BOLTON. Mr. Speaker, it was my pleasure and privilege to give the commencement address at Milton Academy, Milton, Mass., on June 11.

It follows:

ADDRESS OF HON. FRANCES P. BOLTON, BEFORE THE GRADUATING CLASS, MILTON ACADEMY, MILTON, MASS., JUNE 11, 1960

Mr. Perry, members of the board, of the wonderful teaching staff of Milton, alumni and friends, and above all others, the graduating class of 1960.

I say with St. Matthew, "It is good for us to be here."

It is a peculiarly challenging assignment given me for this June morning. To have two grandsons in the graduating class and two others coming up is exciting in itself. And then to realize that Boltons have been at Milton over long, long years gives one a deeper sense of what it means to have such a school as this, implanting in one generation after another traditions whose roots go deep, representing as they do the very cornerstones of this great land of ours.

The first generation of Bolton Miltonians sent the twins Irving and Newell who confused everyone. Then Julian—an utterly beguiling creature who sang and danced and generally gayed up the place. The second generation brought Charlie (according

to his housemaster, the freshest boy that ever came to Milton) and Kenyon II who never learned much from books but had a terrific way with him. I seem to remember that there were growls: "Why he's just ruining the school," when the glee clubs got together a bit. And then Ollie. He wasn't here but a few weeks before he was on close bounds—and he stayed on them rather indefinitely that first year.

Nor has the distaff side been without its Boltons. There was Julia who graduated and Polly who didn't. Perhaps there will be others—who can tell?

And now in this generation, Tom and Charlie graduating with KC III and Phil hot on their trail. All these are just one family into which Milton traditions have found their way, and as the matriarch of the lot, I am glad to have opportunity to thank this school here and now for the job done.

And there are many such families represented here today, some larger, some not yet so large, and I am certain that all are deeply grateful for the physical, mental and spiritual disciplines this school has been and still is able to give. For myself, I am proud of every one of my ever-growing group of Milton Boltons.

At one time a very wonderful physician, Dr. Zinsser, worked at the Peter Bent Bingham Hospital with Dr. Harvey Cushing. The two of them could be found in the noon hour at the end of a long and winding cellarway playing violin and flute duets by the light of a candle. It was some 30 years ago that Dr. Zinsser walked up to this place as I have done just now, a bound speech to which he had given much care in his hand. He reached this spot and very quietly laid his manuscript down. Looking about him with a wonderful smile, he spoke of the beauty of the June day with its soft fragrance-laden breeze, of the bird-songs, and the humming of the bees. And he spoke of the hundreds of commencement addresses that so many thousands of boys were having to listen to and then he suggested that we might well find a better season than the exquisite days of spring in which to confine our young people within walls with books and examinations, for spring, said he, is a season when a lad should be free to dream. And then he said something like this: Don't let anyone make you think that your dreams are not true—for verily, they are the essence of truth. It is but for you to make them visible.

Gentlemen of the graduating class, this is a wonderful day and age to have been born into—to my mind the most wonderful in all known history, for everything is so on the move. The glaciers of the polar icecaps are melting far faster than the wisemen of 50 years ago anticipated. So what? you say. The oceans must of necessity rise and encroach unduly rapidly upon the land mass. Will Florida be under water in 20 years, or will it take 5 years or a hundred? And what of all our seacoasts with their great cities? I shan't be here to see but most of you will be. Are you beginning to think about the implications of such changes of the very earth on which we live? I hope so, for you will have to contend with the hardest part of such a period: the actual changes. You will have to find ways to deal with them, will you not? Ways based upon the certainty that there is one changeless law of our universe: the law of change.

And this amazing space age, we are catapulting ourselves into. What of that? Here we are sending missiles of all sorts and sizes into the blue up yonder—piercing the various layers of protection given to earth, and increasing the density of others. Is it not true that the gases we are exploding into our atmosphere accumulate, forming denser ceilings which of necessity hold heat in? And isn't it probable (as some of the scientists tell us) that every time we pierce these surrounds that lie about us there is leakage that brings into our atmosphere bits and pieces of the immeasurable still little known or understood cosmic force which both creates and destroys under universal laws of which we as yet know next to nothing?

You must surely have become aware that the external physical world is demanding more knowledge from you than it did from my generation. Your eyes must be sharper, more observing and the mind to which they bring their observations must be more alert to the implications. Your horizons can no longer be limited by what you actually see. They must expand to the unlimited areas of all those implications.

In the 15th century men looked at the sea's rim and said: "There it ends." It took a Columbus to dream of what might lie beyond and then to inspire a few to build him ships and make it possible for him to finance his voyage. To be sure, others had talked of a passage to India, but Christopher took the chance and as is so often the case, found something very different from his expectations. But his dream was made visible.

We know too that far to the north such men as Leif Ericson, with an equal curiosity and a spirit of bold adventure crossed the seas and found the new world. And there New France was born to the north of us, and along the Gulf of Mexico. And Spaniards settled in Florida and the Southwest and on the Pacific coast. While Russia had outposts in the Alaska we bought from her, making it first a territory and now a State even as the cluster of islands we know as Hawaii has become an integral part of this amazing Union of many States, a Nation conceived in a dream and born of a vision.

Let me ask you, what is a nation? Surely it is not something built of bricks and mortar that will crash to ruins at the first strong blow. Rather, is it an echo from the past and a whisper from the future, the whole bound together by the hopes and fears, the dreams and endeavors, the joys and the anguish in the lives of millions of men and women. It is never static. It is constantly evolving, changing, moving now out, now in, now up, now down, but moving, moving, moving.

We have believed that this Nation of ours came into being with a great destiny. That our Declaration of Independence and especially our Constitution and the Bill of Rights are documentary written under the inspiration of great, overshadowing spiritual forces.

We like to think of ourselves as worthy of all that was given us to do. We like to believe we have upheld the principles laid down in those documents. Yet, "it is for us to prove," as Mr. Lincoln said, "whether that nation, or any nation so conceived and so dedicated, can long endure."

Nearly a century has passed since he spoke those words. How much have we proven? How true have we been to those profound principles that were expressed so all embracingly in our great documents? How true are you and we going to be in the onrushing future? Dare you be true? Or have the words upon your shield had little meaning? Surely it is such schools as Milton that help keep the torch of freedom alight as one class after another meets the challenge here given and steps over the threshold of boyhood into the maturer years of college life.

You have been bits and pieces of the process of the preparation for the living of life as you are going to find it which we call education. You will continue in that process for yet a few years. You still have a little time when you can gather into your minds such knowledge as seems useful to you to fill the need only your own heart knows to be vital to you, the individual, responsible for your actions and above all for the thoughts and dreams which you will transform into action as life opens before you.

You today are closing the door of your childhood and opening the gateway to manhood. Four years of college lie ahead of most of you, years when you still have the opportunity to seek the knowledge you instinctively know you will need if you are to play the part your Milton forebears have played in the many areas of your country's progress. What have you made your very own? For that is all you have to take with you.

Gentlemen of the graduating class of 1960 you come into your manhood at a moment when everything your forebears believed in, every principle they tried to express is being challenged. We are a Union of States, one Nation under God with freedom as our watchword. Once we fought for it and won. Now one fears we take it all too much for granted, though when the freedom of the world was in danger we fought again and again and once again. Nor is the battle won—only the field has been moved to the minds of men and to their economic needs.

What is this freedom that we take so much—too much—for granted?

Back in 1944 when millions of our young men joined up to fight for it again—the Milton roster is a part of the background of your life here—there was written by Russell W. Davenport a poem of America which he called "My Country." I bring you bits and pieces of what he says of freedom.

"Freedom as we live it here in America is
an inheritance from ages past;
Freedom is a spark, whose origin is lost in
ancient times,
A spark that was nourished in Athens,
A spark that was fanned to flame in Galilee
by Him who announced the great and
single law of freedom, that men
should love each other.

Thereafter this flame survived through dark
and dangerous centuries,
And emerged in England, where common
men like you and me learned how
to assert their rights against the
power of kings;
From England this flame was carried across
the Atlantic and lighted in the great,
dark forests of the New World.

Freedom is not an empty word: it springs
From lands in Arkansas and Illinois.
Its being is in men and thoughts and
things.
Forever borne on keels and silver wings.

Freedom is not to limit, but to share;
And freedom here is freedom everywhere."

These are tense days in and through which we are living—testing the mettle of our very souls—testing the quality of the men in government—days of great anxiety not just for ourselves, but for all the free world. So it was good to have a southerner, the dynamic majority leader of the Senate say on May 10 just after the U–2:

"Mr. President, this is certainly a time in which Americans—and people everywhere—must keep their heads. We cannot afford hysteria, panic, or hasty and ill-advised action. There are many unanswered questions about the incident of the American plane that was shot down (not proven) over the Soviet Union. These are serious questions that will have to be considered very carefully by the Congress and by the American people."

On that same day in the House of Representatives, the distinguished gentlemen from Missouri [Mr. CANNON], chairman of

the Committee on Appropriations said in part as follows, and I quote:

"Mr. Chairman, on May 1 the Soviet Government captured, 1,300 miles inside the boundaries of the Russian Empire, an American plane, operated by an American pilot, under the direction and control of the Central Intelligence Agency, and is now holding both the plane and the pilot. The plane was on an espionage mission authorized and supported by money provided under an appropriation recommended by the House Committee on Appropriations and passed by the Congress.

"Although the Members of the House have not generally been informed on the subject, the mission was one of a series and part of an established program with which the subcommittee in charge of the appropriation was familiar, and of which it had been fully apprised during this and previous sessions.

"The appropriation and the activity had been approved and recommended by the Bureau of the Budget and, like all military expenditures and operations, was under the aegis of the Commander in Chief of the Armed Forces of the United States, for whom all members of the subcommittee have the highest regard and in whose military capacity they have the utmost confidence.

"The question immediately arises as to the authority of the subcommittee to recommend an appropriation for such purposes, and especially the failure of the subcommittee to divulge to the House and to the country the justifications warranting the expenditure and all details connected with the item at the time it was under consideration on the floor.

"The answer of the subcommittee is—absolute and unavoidable military necessity, fundamental national defense."

Since then we have been subjected to a shocking exhibition of falsehood and anger from the head of the Communist state. But in our President's dignity and restraint we have seen strength and decency and honor. It was he who said a bit ago:

"The peace we seek is nothing less than the practice and fulfillment of our whole faith among ourselves and in our dealings with others.

"More than an escape from death, it is a way of life.

"More than a haven for the weary, it is a hope for the brave.

"If this be our faith, I humbly believe that we may ask the blessing of God upon our labors."

Many will say to you: We are on the brink of a war which will bring annihilation. But I say to you with great earnestness that this is not so. I say to you that man will not be permitted to destroy the kingdoms of earth in his madness. I would remind you again very quietly that "the earth is the Lord's and the fullness thereof. The world and they that dwell therein." At most we are here but a little while. If we read history as it is written in the rocks, the forests, the plains, the jungles, the deserts, the great river valleys, the mountain chains, man becomes a very tiny part of God's universe, his life but a breath, his death the opening of a door. Yet man builds his own tomorrow. Build well, men of Milton, build well.

But I would say to you on this June morning when you leave your school years behind you: These dark prophecies can, and I believe will be blown away by such as you who will say such things do not have to be. Let us find better ways, certain that the desire of men's hearts and minds differs little and that a bit of commonsense combined with mutual understanding can and will see us through.

Back in the early forties when Europe was bathed once more in blood a young partisan of Yugoslavia whose name was Peter left his wife to fight in the woods against the Nazis. On his body several weeks later was found a letter he had written to his unborn son:

"May you seek always and strive always in good faith and high courage, in this world where men grow so tired.

"Keep your power to receive everything; only learn to select what your instinct tells you is right.

"Keep your love of life but throw away your fear of death. Life must be loved or it is lost; but it should never be loved too well.

"Keep your delight in friendship; only learn to know your friends.

"Keep your intolerance; only save it for what your heart tells you is bad.

"Keep your wonder at great and noble things like sunlight and thunder, the rain and the stars, the wind and the sea, the growth of trees and the return of the harvests, and the greatness of heroes.

"Keep your heart hungry for new knowledge; keep your hatred of a lie; and keep your power of indignation.

"Now I know I must die, and you must be born to stand upon the rubbish heap of my errors. Forgive me for this. I am ashamed to leave you an untidy, uncomfortable world. But so it must be.

"In thought, as a last benediction, I kiss your forehead. Good night to you—and good morning and a clear dawn."

You will not remember much of what I have said, but I hope there may be planted within your hearts and minds a tiny seed that will become a strong tree of understanding as you reach out for more and more knowledge of this earth which is indeed the Lord's of which every one of you is a steward. I hope you will become more and more aware of its magnificence.

I find myself impelled to give you (with one word changed) words spoken by Pericles about 440 B.C.

"Fix your eyes on the greatness of America (Athens) as you have it before you day by day. Fall in love with her, and when you feel her great, remember that this greatness was won by men with courage, with knowledge of their duty."

These men dared to be true even as you will dare, God keeping you.

THE 330TH ANNIVERSARY OF DORCHESTER, MASS.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, this year marks the 330th anniversary of the settlement of Dorchester, Mass. The group destined to settle Dorchester gathered in Plymouth, England, and organized a church fellowship with the Reverend John Warham and the Reverend John Maverick as their ministers. On March 20, 1630, they boarded the *Mary and John*, a vessel of 400 tons, and set forth across the Atlantic.

Between May 30, the date of the landfall, and June 6, the settlers landed with their belongings to the south of the neck called Mattapannock by the Indians. Crossing to higher land they raised crude huts of boughs and canvas to serve them as shelter through the summer, and they were already building their new homes when Winthrop in the *Arbella* reached Salem Harbor.

In 1631, as soon as the settlers had erected simple thatch-roofed cabins, they built their first meetinghouse. This meetinghouse, located on a section later known as Allen's Plain, in the heart of Old Dorchester, served as a place of worship, a civic center, a school, a place for the storage of valuables, and a powder magazine. In 1645 a larger and more comfortable meetinghouse was built on the same spot. The first houses were built along a road running from the meetinghouse to the Rock Hill of the settlers, the Savin Hill of today, where a fort was located.

On September 7, 1630, the colonial authorities ordered that the community at Mattapan should be called Dorchester. The settlement was no longer nameless but it still lacked any organized local government. The clergymen, with the advice of the magistrates, Roger Ludlow and Edward Rossiter, settled the strictly local problems that arose. On October 8, 1633, however, it was ordered that "the men of the colony should meet on every Monday evening, at the meeting house, there to settle and set down such orders as may tend to the general good, and every man to be bound thereby without gainsaying or resistance." On this evidence is based Dorchester's claim to having founded the system of local government by town meeting which has so strongly influenced the development of our American system of government.

A source of pride to citizens of Dorchester is the leading part taken by the town in the development of public education. According to the explicit directions of the Reverend John White, the settlers provided for the education of their youth as soon as possible. In 1639, close to their first meetinghouse, they built their first school. By vote of the town on May 30, 1639, it was provided that the salary of the master be paid by the town from the income derived from fees assessed upon the freemen who pastured sheep on Thompson's Island. As over 70 freemen were affected by this ordinance, Dorchester has a valid claim to having established the first school in America to be supported by a direct tax upon the inhabitants. As the town's appropriation was not sufficient to meet all the expenses of maintaining a school, a small sum was charged each pupil for tuition, payable in either money or firewood. Girls were not admitted until 1784, although the original law left to the discretion of the town officials the question of "whether maids shall be taught with the boys or not." The first master was the Reverend Thomas Waterhouse, who later became headmaster of a school in Colchester, England.

The people of Dorchester, although strongly attached to the mother country, were determined to defend the liberties sought by their ancestors in the New World. The town records show that in 1765 Representative John Robinson was instructed to work for the repeal of the Stamp Act, and in 1770 resolutions pledging the townspeople to refrain from

using goods of British origin were adopted. When armed resistance became a possibility, a committee of correspondence was appointed to consult with committees of other towns. In 1774 Dorchester played an important part in the drawing up of the Suffolk Resolves, which anticipated by their tone the more famous Declaration of Independence adopted at Philadelphia 2 years later. In all, 350 Dorchester men fought in the Revolution. Dorchester militia joined the patriot army after Lexington, fought at Bunker Hill, were furloughed the following autumn, but were mustered into service again in February 1776, in time to take part in the masterly maneuver by which Washington drove the British from Boston. With the British menace gone, the town continued its loyal support of the Revolutionary cause, and on May 23, 1776, passed a resolution pledging its aid if the Continental Congress saw fit to declare the independence of the colonies.

Dorchester's first industry was a mill for grinding corn erected on the Dorchester side of the Neponset in 1634. A powder mill built on the south side of the Neponset in 1675 was later expanded to the Dorchester side. The manufacture of paper, chocolate, tinplate, britanniaware, and textiles were other early industrial enterprises of the area.

During the Civil War, Dorchester's sons rallied nobly to the flag. With a population of only 10,000, the town sent 1,342 men to war, 97 of whom lost their lives. Company K of the 11th Massachusetts was recruited in the town and saw 3 years of service.

In 1869 the people of Dorchester voted, 928 to 726, for annexation to Boston, and on January 4, 1870, the political existence of the town ended. But spiritually Dorchester lives on. In its contribution to the development of the rest of our country and in its own steadfast devotion to education and to representative government, Dorchester represents all that is finest in our American heritage.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. RIVERS of Alaska.

Mr. DADDARIO in two instances.

Mrs. KEE.

Mr. KING of Utah.

Mr. MASON.

Mr. HOSMER.

Mr. FORAND, to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. CURTIS of Missouri, also to revise and extend his remarks made in Committee and to include extraneous matter.

Mr. FLYNN.

Mr. PORTER (at the request of Mr. McCORMACK) and to include tables with his remarks on H.R. 12580.

Mr. KARTH (at the request of Mr. McCORMACK), his remarks on H.R. 12580 and to include tables.

(At the request of Mr. CHAMBERLAIN, and to include extraneous matter, the following:)

Mr. SCHWENGEL.

Mr. SPRINGER.

(At the request of Mr. McCORMACK, and to include extraneous matter, the following:)

Mr. BOWLES.

Mr. JOHNSON of Colorado in five instances.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 765. An act making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 762. An act for the relief of Manuel Alves de Carvalho;

S. 2089. An act for the relief of Henry K. Lee (Hyun Kui);

S. 2106. An act for the relief of Emiko Nagamine;

S. 2528. An act for the relief of John Lipset;

S. 2639. An act for the relief of Mo Tong Lui;

S. 2646. An act for the relief of Lloyd C. Kimm;

S. 2681. An act for the relief of Yi Young An;

S. 2768. An act for the relief of Frederick T. C. Yu and his wife, Alice Siao-Fen Chen Yu;

S. 2822. An act for the relief of Low Wing Quey (Kwai);

S. 2886. An act for the relief of Nikolija Lazic;

S. 2918. An act for the relief of Boris Priestley;

S. 2942. An act for the relief of Eugene Storme;

S. 2964. An act for the relief of Kang Sun Ok;

S. 2991. An act for the relief of Ah See Lee Chin;

S. 3016. An act for the relief of Walter F. Beecroft;

S. 3038. An act for the relief of Jung Hi Pak;

S. 3049. An act for the relief of Oh Chun Soon;

S. 3091. An act for the relief of Pasquale Mira;

S. 3130. An act for the relief of Anne-Marie Stehlin; and

S. 3235. An act for the relief of Cecilia Rubio.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H.R. 1543. An act for the relief of Angela D'Agata Nicolosi;

H.R. 2007. An act for the relief of May Hourani;

H.R. 3242. An act for the relief of Mrs. Virginia Lee Sage;

H.R. 5530. An act for the relief of Leila Bernstorff Grauert;

H.R. 5738. An act to authorize the Secretary of the Army to transfer to the Waukegan Port District the commitment of the city of Waukegan, Ill., to maintain a public wharf in Waukegan Harbor on land conveyed to the city in 1914, and for other purposes;

H.R. 5850. An act for the relief of the borough of Ford City, Pa.;

H.R. 6149. An act for the relief of Wesley C. Newcomb;

H.R. 6456. An act concerning payment of debts out of compensation for trust land on the Lower Brule Sioux Reservation taken by the United States;

H.R. 6498. An act concerning payment of debts out of compensation for trust land on the Standing Rock Sioux Reservation taken by the United States;

H.R. 6529. An act concerning payment of debts out of compensation for trust land on the Crow Creek Sioux Reservation taken by the United States;

H.R. 7480. An act to amend the Federal Food, Drug, and Cosmetic Act, with respect to label declaration of the use of pesticide chemicals on raw agricultural commodities which are the produce of the soil;

H.R. 7847. An act to make the uniform law relating to the record on review of agency orders (Public Law 85–791) applicable to the judicial review of orders issued under the Federal Aviation Act of 1958 and the Food Additives Amendment of 1958;

H.R. 8457. An act for the relief of Richard Schoenfelder and Lidwina S. Wagner;

H.R. 9028. An act to provide that certain funds shall be paid to the Kickapoo Tribal Council of Oklahoma;

H.R. 9226. An act for the relief of Pietro Mela;

H.R. 9652. An act for the relief of Lt. Col. Alonzo C. Tenney;

H.R. 10631. An act for the relief of George T. Moore, Carl D. Berry, and Dr. Harold J. Heck;

H.R. 10639. An act to amend section 3(b) of the act of May 9, 1958 (72 Stat. 105), relating to the preparation of a roll of the members of the Otoe and Missouria Tribe and to per capita distribution of judgment funds;

H.R. 10840. An act to amend Public Law 85–626 relating to dual rate contract agreements;

H.R. 11161. An act to donate to the pueblos of Zia and Jemez a tract of land in the Ojo del Espiritu Santo grant, New Mexico;

H.R. 11615. An act to amend section 4 of the Watershed Protection and Flood Prevention Act;

H.R. 11706. An act to authorize an extension of time for final proof under the desert land laws under certain conditions;

H.R. 11952. An act to repeal the act of May 29, 1958, which authorized and directed the Administrator of General Services to provide for the release of restrictions and reservations contained in an instrument conveying certain land by the United States to the State of Wisconsin;

H.R. 11985. An act to make American nationals eligible for scholarships and fellowships authorized by the National Science Foundation Act of 1950;

H.R. 12115. An act to extend the minimum national marketing quota for extra long staple cotton to the 1961 crop;

H.J. Res. 696. Joint resolution to provide for the designation of the month of September 1960, as "National Wool Month"; and

H.J. Res. 765. Joint resolution making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1960.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 19 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, June 23, 1960, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2287. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Federal Housing Administration, Housing and Home Finance Agency, for the fiscal year ended June 30, 1959 (H. Doc. No. 430); to the Committee on Government Operations and ordered to be printed.

2288. A letter from the Acting Secretary of the Interior, transmitting a report on the Western Division, The Dalles project, Oregon, pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 431); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

2289. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "a bill to amend the act of June 19, 1948, relating to the workweek of the Fire Department of the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

2290. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in the cases of certain aliens who have been found admissible to the United States, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BROOKS of Louisiana: Committee on Science and Astronautics. Report on Army lunar construction and mapping program (Rept. No. 1931). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Seventeenth report pertaining to electric power contract for Yellowstone National Park; without amendment (Rept. No. 1932). Referred to the Committee of the Whole House on the State of the Union.

Mr. BARDEN: Committee on Education and Labor. H.R. 12677. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes; without amendment (Rept. No. 1933). Referred to the Committee of the Whole House on the State of the Union.

Mr. HARMON: Committee on Post Office and Civil Service. H.R. 11531. A bill to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty," approved March 17, 1882, as amended, and for other purposes; with amendment (Rept. No. 1934). Referred to the Committee of the Whole House on the State of the Union.

Mr. VINSON: Committee of conference. H.R. 5888. A bill to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Mass., in exchange for certain other lands (Rept. No. 1935). Ordered to be printed.

Mr. FORRESTER: Committee on the Judiciary. H.R. 12622. A bill to amend chapter 85 of title 28 of the United States Code relating to the jurisdiction of the U.S. district courts, and for other purposes; without amendment (Rept. No. 1936). Referred to the House Calendar.

Mr. COOLEY: Committee on Agriculture. H.R. 12705. A bill to delay for 60 days in limited cases the applicability of certain provisions of law relating to humane slaughter of livestock; without amendment (Rept. No. 1937). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'BRIEN of Illinois: Committee on Ways and Means. H.R. 9240. A bill to amend the Tariff Act of 1930 to authorize informal entries of merchandise where the aggregate value of the shipment does not exceed $400; without amendment (Rept. No. 1938). Referred to the Committee of the Whole House on the State of the Union.

Mr. TOLL: Committee on the Judiciary. S. 1321. An act to authorize the Attorney General to consent, on behalf of the Library of Congress Trust Fund Board, to a modification of the terms of a trust instrument executed by James B. Wilbur; with amendment (Rept. No. 1952). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee of conference. H.R. 10644. A bill to amend title V of the Merchant Marine Act, 1936, in order to remove certain limitations on the construction differential subsidy under such title (Rept. No. 1953). Ordered to be printed.

Mr. COOLEY: Committee on Agriculture. H.R. 12759. A bill to amend title V of the Agricultural Act of 1949, as amended, and for other purposes; without amendment (Rept. No. 1954). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WALTER: Committee on the Judiciary. S. 598. An act for the relief of Anthony Di Giovanni; without amendment (Rept. No. 1939). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1409. An act for the relief of Donald B. Thurston and other employees of the Fish and Wildlife Service; without amendment (Rept. No. 1940). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 1600. An act for the relief of Grace L. Patton; without amendment (Rept. No. 1941). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 2548. An act for the relief of Henry C. Larson; without amendment (Rept. No. 1942). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2585. An act for the relief of Josephine Lue Fan (also known as Josephine Fook-Lau), Joseph Lue Fan (also known as Joseph Lew-Fan), and Aura Joan Lue Fan; with amendment (Rept. No. 1943). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2689. An act for the relief of Hwachii Lien; without amendment (Rept. No. 1944). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. S. 2855. An act for the relief of Brenda Nicholson Miller; without amendment (Rept. No. 1945). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 3105. An act for the relief of William Y. Allen, Jr., Donald Baldwin Quintero, Johann Friedrich Stapelfeld, and Kenneth Gordon Woods; without amendment (Rept. No. 1946). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. S. 3125. An act for the relief of Robert William Neal, Robert J. Naumann, Charles LeRoy Van Slyke, and Franklin Jordan; without amendment (Rept. No. 1947). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 5284. A bill for the relief of Christine Fahrenbruch, a minor; without amendment (Rept. No. 1948). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 6767. A bill for the relief of Raymond Baurkot; without amendment (Rept. No. 1949). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 7035. A bill for the relief of Hattie and Joseph Patrick, Sr., and for the legal guardian of Betty Ann Smith and the legal guardian of Stanley Smith, and for the legal guardian of James E. Harris, Jr.; with amendment (Rept. No. 1950). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H.R. 12617. A bill for the relief of Robert Finley Delaney; without amendment (Rept. No. 1951). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BASS of New Hampshire:

H.R. 12769. A bill relating to the reporting by Members of the House of Representatives of expenditures from the contingent fund of the House of Representatives and of expenditures of counterpart funds by Members of Congress; to the Committee on House Administration.

By Mr. FARBSTEIN:

H.R. 12770. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer a deduction from gross income for loss of earnings resulting from jury duty; to the Committee on Ways and Means.

By Mrs. MAY:

H.R. 12771. A bill for the allocation of costs on the Wapato-Satus unit of the Wapato Indian irrigation project; to the Committee on Interior and Insular Affairs.

By Mr. OLIVER:

H.R. 12772. A bill creating a commission to be known as the Commission on Noxious Printed and Pictured Material; to the Committee on Education and Labor.

By Mr. WOLF:

H.R. 12773. A bill to authorize a program of balanced agricultural production, to assure producers a fair economic return and consumers an adequate supply of commodities at fair prices, to conserve soil, water, and wildlife resources, and for other purposes; to the Committee on Agriculture.

By Mr. BECKWORTH:

H.R. 12774. A bill to amend title II of the Social Security Act to permit the payment of disability insurance benefits to an individual otherwise qualified therefor, from the beginning of such individual's disability; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H.R. 12775. A bill to increase the relief or retirement compensation of certain former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the U.S. Park Police force, the White House Police force, and the U.S. Secret Service; and of their widows, widowers, and children; to the Committee on the District of Columbia.

By Mr. MITCHELL:

H.R. 12776. A bill to authorize the enlargement of the Arlington National Cemetery and to provide that land therein shall be reserved for the interment of persons who have served with greatest distinction and valor in the Armed Forces of the United States as a memorial to the preservation of our freedoms and the ideals of democracy, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ZELENKO:

H.R. 12777. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes; to the Committee on Education and Labor.

By Mr. CLARK:

H.R. 12778. A bill relating to the application of section 481 of the Internal Revenue Code of 1954 to taxable years to which the Internal Revenue Code of 1939 applies; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H.R. 12779. A bill to increase the salaries of officers and members of the Metropolitan Police force and the Fire Department of the District of Columbia, the U.S. Park Police and the White House Police, and for other purposes; to the Committee on the District of Columbia.

By Mr. FASCELL:

H.R. 12780. A bill to expand and extend the saline water conversion program under the direction of the Secretary of the Interior to provide for accelerated research, development, demonstration, and application of practical means for the economical production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. CELLER:

H.J. Res. 768. Joint resolution to provide for the determination of U.S. participation in the New York World's Fair to be held at New York City in 1964 and 1965; to the Committee on Foreign Affairs.

By Mr. DELANEY:

H.J. Res. 769. Joint resolution to provide for the determination of U.S. participation in the New York World's Fair to be held at New York City in 1964 and 1965; to the Committee on Foreign Affairs.

By Mrs. KELLY:

H.J. Res. 770. Joint resolution to provide for the determination of U.S. participation in the New York World's Fair to be held at New York City in 1964 and 1965; to the Committee on Foreign Affairs.

By Mr. MILLER of New York:

H.J. Res. 771. Joint resolution to provide for the determination of U.S. participation in the New York World's Fair to be held at New York City in 1964 and 1965; to the Committee on Foreign Affairs.

By Mr. BARING:

H. Res. 567. Resolution expressing the sense of the House of Representatives with respect to the administration by the Secretary of Commerce of the Federal-aid highway program; to the Committee on Public Works.

By Mr. THOMPSON of New Jersey:

H. Res. 568. Resolution expressing the sense of the House of Representatives with respect to the administration by the Secretary of Commerce of the Federal-aid highway program; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MADDEN:

H.R. 12781. A bill for the relief of Dinko Dorcik; to the Committee on the Judiciary.

By Mr. WIDNALL:

H.R. 12782. A bill for the relief of Ido Enrico Cassandro; to the Committee on the Judiciary.

Mr. MADDEN:

H.R. 12783. A bill for the relief of Janiana Tekla Gruszkos; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

504. By Mr. MONAGAN: Petition of Veterans of Foreign Wars of the United States, Department of Connecticut, recommending the continued support of an identifiable veterans' employment service and that Congress appropriate sufficient funds to continue this program; to the Committee on Veterans' Affairs.

505. By the SPEAKER: Petition of Alan G. Freeland, Lions International District No. 50, Lahaina, Maui, Hawaii, relative to applauding the State Department for its selection of Hawaii as the site for an international center known as the East-West Center, and requesting sufficient appropriations to provide for the operation, administration, scholarships and grants, and capital improvements thereof; to the Committee on Foreign Affairs.

506. Also, petition of Peter Petrusaitis, secretary, Lithuanian American Council, Inc., Racine, Wis., relative to protesting the forcible occupation of Estonia, Latvia, and Lithuania by Soviet Russia 20 years ago; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Alaska Shipping

EXTENSION OF REMARKS
OF
HON. RALPH J. RIVERS
OF ALASKA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 22, 1960

Mr. RIVERS of Alaska. Mr. Speaker, my purpose is to submit for the consideration of my colleagues a much needed clarification of the extension of remarks of Hon. THOMAS M. PELLY of Seattle, Wash, published in the CONGRESSIONAL RECORD on Tuesday, June 21, under the title of "The Alaska Shipping Crisis." In speaking of the proposal contained in S. 2669 to extend for 2 years existing provisions of law which exempt from Coast Guard inspection and manning requirements certain vessels operated by a merchants' cooperative association between Seattle, Wash., and Alaska, Mr. PELLY creates the impression that the exempted ships operate throughout the Alaska trade and are ruining the principal common carrier in the Alaska trade, to wit: his constituents, the Alaska Steamship Co. of Seattle, Wash.

In fact, these small vessels are operated to accomplish only two round trips weekly through the inland waters of the Pacific coast from Seattle to Alaska and serve only the communities of the southeastern panhandle of Alaska, wherein live from 15 percent to 20 percent of the people of Alaska. As regards the southeastern portion of the Alaska trade, the Alaska Steamship Co. is without competition from any other common carrier except a minor amount of air freight delivered by airplane. As to these small boats operated by the merchants' association, such competition as they can afford is limited within their small capacity to a few principal ports in southeastern Alaska. The most important function of these small vessels is to deliver cargo to many small towns and villages which are not given any service by Alaska Steam, or only infrequent and intermittent service, thus relieving Alaska Steam of many calls which would be uneconomical for its big freighters.

The bulk of the Alaska trade is to the westward, including the railbelt, and covers about 80 percent of the people of Alaska, and is served by Alaska Steam and two barge lines. This major portion of the trade is not affected in the least by the small vessel operations in question. I can, therefore, say positively that these small boat operations to southeastern Alaska have had very little to do with the fact that Alaska Steam has increased its freight rates 26 percent throughout the Alaska trade during the last 2½ years.

As further clarification, I wish to point out that the first editorial from the Anchorage Daily Times included by Mr. PELLY in his extension of remarks on the subject of a possible widespread cur-

tailment of service to Alaska by the Alaska Steamship Co. has proved to be a false alarm. Under date of June 10, 1960, there was transmitted to me a press release denying the rumor of such curtailment of service, reading as follows:

Alaska Steamship Co. has never considered abandonment of service as reported out of Washington, D.C., by the Anchorage Times. It is true that we face serious problems: competitive conditions, rising operating costs, possible loss of mail revenue, and difficulties in trying to make a reasonable return. However, the thought of eliminating service to all ports but Seward and Whittier has never crossed our minds. Depending on our ability to cope with the problems faced, it may become necessary to consider some curtailment of service. That time has not yet come.

Economic Recovery Does Not Require the Stimulus of Increased Defense Spending

EXTENSION OF REMARKS
OF
HON. BYRON L. JOHNSON
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 22, 1960

Mr. JOHNSON of Colorado. Mr. Speaker, the other day, in the course of consideration of the tax-extension bill, it was alleged that it required the Korean war to bring the economy out of the depression into which it had slipped during 1949. I replied at the time, using annual data.

Upon my return to my office I happened to pick up an article entitled "Underwriting Prosperity" by Harold I. Lunde, an associate professor of economics at Macalester College, who reviews the economic situation between 1948–49 and 1949–50, comparing the peaks and troughs of 1948, 1949, and 1950 on the basis of quarterly data. Professor Lunde establishes, on the basis of an analysis of the data on a quarterly basis, that there was a $17 billion gain, or recovery, before Korea. His analysis is as follows:

Economic changes in 1948–49 (in billions of dollars)

Gross national product	−9
Consumption	+3
Private investment	−14
Houses	+1
Factories and Tools	−5
Inventories	−10
Foreign investment	−1
Federal Government	0
State and local	+3

High: 1948 4th quarter GNP equals 266.
Low: 1949 4th quarter GNP equals 257.

This was a modest 3½ percent recession. GNP fell $9 billion from a peak of $266 billion. The recession lasted 1 year from top to bottom. Unemployment reached 4.6 million or 7 percent of the labor force.

Business spending for factories, tools and inventories fell $15 billion. Net foreign investment decreased by another billion. This gross decline of $16 billion was offset by a $3 billion rise in consumption, a $1 billion increase in housing, and a $3 billion gain in State and local government spending. Federal spending did not change. The gains add up to $7 billion. Thus the decline in GNP was held to only $9 billion.

1949–50 recovery before Korea

[In billions of dollars]

Gross national product	+17
Consumption	+6
Private investment	+17
Houses	+3
Factories and tools	+3
Inventories	+11
Foreign investment	−1
Federal Government	−5
State and local	0

Low: 1949, 4th quarter GNP=257.
High: 1950, 2d quarter GNP=274.

GNP increased $17 billion in 6 months after the bottom of the recession was reached. This recovery, in only half the time taken by the decline, was almost twice the size of the recession.

Government spending did not bring the recovery. Federal expenditures fell $5 billion while State and local spending remained unchanged. Foreign investment declined another billion dollars. This total decline of $6 billion was overpowered by a $17 billion growth in private investment and a $6 billion gain in consumption.

Mr. Speaker, this reinforces my view that economic recovery did not, and does not, require the stimulus of increased defense spending.

Afghan-Pan American Agreement

EXTENSION OF REMARKS
OF
HON. CHESTER BOWLES
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 22, 1960

Mr. BOWLES. Mr. Speaker, the gentleman from New York [Mr. ROONEY] and others have strongly praised the efforts of Pan American World Airways in helping the Government of Afghanistan to modernize its air transportation system. I would like to endorse Mr. ROONEY's views and to add my hope that the unique relationship that has been worked out in this instance between an American corporation and a foreign government may be considered as a model for similar agreements.

One of our greatest national assets is the drive and ability of many of our business leaders. It is essential that we develop new means by which this know-how and experience can be used to help new underdeveloped countries to build up their economies.

Under the Afghan-Pan American Agreement, the Government is able to take advantage of the experience of Pan American through a management contract and to offer further incentives through a minority stock interest.

In many cases American companies will invest their own capital abroad in plants which they own and control. In other cases the new ground pioneered by Pan American may help bring to bear American executive skills which otherwise would not be available.

Defense Appropriations and the Bomarc Program

EXTENSION OF REMARKS
OF
HON. DAVID S. KING
OF UTAH
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 22, 1960

Mr. KING of Utah. Mr. Speaker, as the conference committee of the House and the Senate meet today to resolve the differences between the House bill and Senate bill on the defense appropriation for fiscal 1961, I call upon the House Members participating in that conference to accept the action of the other body on the procurement of Bomarc missiles.

I do so because the Senate bill reflects the latest and best clarification of the importance of the Bomarc program in the maintenance of a strong continental defense system.

When the other body approved in full the Air Force request for Bomarc funds, it enjoyed the benefits of, and was acting upon, information which was not available at the time the House passed its defense appropriation bill. At the time the House acted on this appropriation, the Bomarcs had not entirely proved themselves to be effective weapons. Even so, the Air Force felt that its Bomarc request represented its best judgment on the importance of the Bomarc missile in the defense of this Nation and our neighbor to the north, Canada. The judgment of the Air Force has since been confirmed by several completely successful performances which the Bomarcs have made in test flights against simulated enemy aircraft, and in the recent Senate action restoring the cut by the House made in Bomarc funds.

In my judgment the Senate action represents the practice of sound economy, because the Bomarc program, as projected by the Air Force, would be less costly than the alternative which the House approved. When the House cut the Bomarc request, it authorized expenditures for the procurement of additional F–106 jet fighters to do the defense job which the Air Force has intended that the Bomarcs do. At a greater cost, the F–106's cannot do the job which the Bomarcs would do, simply because the F–106's cannot be constructed and integrated into a continental defense system as quickly as the Bomarcs can.

If the conferees of the House and the other body reach agreement today on the defense appropriation, their report may reach the House floor tomorrow. I urge not only that the House conferees endorse the action of the other body on the

Bomarc request, but also that the House itself concur in this action for these reasons: First, as I have already observed, the Senate action represents the best judgment not only of its Members, but of our military experts on the proper and necessary role of the Bomarcs in our defense program. Second, that the Bomarcs will give us a greater overall defense capability at less cost than would the alternative of using jet fighters which, at the same time, cannot be procured as quickly as Bomarcs. And last, that the approval of the Bomarc request will permit the Air Force to fulfill our obligation to our Canadian allies to provide the Bomarcs to fill the launching sites which the Canadian Government already has under construction.

Highway Safety

EXTENSION OF REMARKS
OF
HON. CRAIG HOSMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 22, 1960

Mr. HOSMER. Mr. Speaker, in the late 1930's it was recognized that the nonuniformity of traffic control devices throughout the country posed dangers to life and property for the country's increasingly mobile population. By December 20, 1944, Federal legislation was passed implementing uniformity as recommended by the Bureau of Public Roads and a joint committee composed of representatives of the American Association of State Highway Officials, the Institute of Traffic Engineers, and the National Committee on Uniform Traffic Laws. The joint committee now also includes representatives of the American Municipal Association and the National Association of County Officials.

A manual on "Uniform Traffic Control Devices for Streets and Highways" was issued for nationwide guidance by the Bureau of Public Roads. The last edition was published in 1948 and amended in 1954.

A general revision of the basic manual, approved by the organization represented on the joint committee and by the Bureau of Public Roads, the American Standards Association, and other national organizations, will soon be issued. It will be an up-to-date guide covering modern standards for signs, signals, and pavement marking for all classes of roads and streets. Included for the first time will be standards for modern expressways, including the Interstate System. Also included for the first time will be standard signs for safe traffic control during construction and maintenance operations.

It has been generally accepted that these uniform standards have been a big factor in traffic safety in this Nation. This is one of the important findings of the Bureau of Public Roads recent report to Congress on "The Federal Role in Highway Safety."

The longstanding and meticulous attention which has been paid to this matter of uniform standards is undoubtedly responsible for the avoidance of many thousands of fatal and nonfatal highway and road accidents.

In fact, today the principal cause of automobile accidents is recklessness, which includes violation of traffic laws and inattentiveness. In this connection, Senator CLIFFORD P. CASE, of New Jersey, has pointed out the way in which effective Federal action should again be employed to eliminate today's major cause of highway and street accidents. His article on the subject, recommending a national clearinghouse for major traffic offenses, the equivalent of the FBI's criminal files, appeared in the RECORD on June 6 at page 11862.

Senator CASE has embodied his ideas in the bill S. 3635, now pending before the Senate Interstate and Foreign Commerce Committee. It deserves the support of all.

Urgent Need for National Fuels Policy

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 22, 1960

Mrs. KEE. Mr. Speaker, under unanimous consent to extend my remarks in the CONGRESSIONAL RECORD, I include copy of my newsletter released on Monday of this week:

K-E-E-N-O-T-E-S

(By Representative ELIZABETH KEE)

One of the big disappointments of the present session of Congress has been the failure to face up to the urgent need for a national fuels policy.

The future security and welfare of this great Nation depends upon the availability at all times—in times of peace as well as in times of emergency—of a dependable supply of fuel to feed an ever-growing industrial plant. Yet, in spite of this stark reality with which no one can seriously disagree, Congress has dragged its feet because, apparently, of a distortion by some groups of the purposes of a study which has been proposed to prepare such a policy.

It simply does not make sense for the United States to squander its vital fuel resources as we have done in past years. We allow low-cost residual fuel oil to be imported into this country and dumped along the east coast at a price that is always just a little below the cost of coal.

We permit gas to be imported into this country and then dumped at below cost prices in slack seasons to fire steam boilers—a most wasteful and uneconomic use of a good fuel. Both of these things result in decreased markets for coal.

Almost all other major industrial nations have a unified fuels policy. They do not permit a shameful waste of a valuable resource. They have studied their needs and the supply of fuels. They have come up with a cordinated program that uses the fuel supply in the most efficient, economic manner possible.

I am among those Members of Congress who are sponsoring a bill calling for the creation of a joint committee of Congress to thoroughly investigate all factors affecting America's fuel needs, giving full consideration to the national welfare, the defense needs of the Nation and the economic well-being of all domestic industries, and to come up with specific recommendations to Congress.

This simple, plain proposal has been opposed on the ground that it will lead to Government control of how the end-use product will be used. Unfortunately, this argument, based entirely upon a misrepresentation of the purposes and meaning of the resolution, has succeeded in blocking consideration or even congressional debate on this vital issue.

It now appears we will not be able to obtain approval of the resolution this year. But I can assure you that when the 87th Congress convenes next year a proposal for the study of a national fuels policy will be one of the first measures introduced.

DEVELOPMENTS IN JAPAN GREAT TRAGEDY

The cancellation of the President's trip to Japan because of the inability of the Japanese to control street rioters could be the forerunner of serious trouble in this heretofore stable ally country of the Orient.

It appears that the present Japanese Government has lost control of the situation. Obviously, the President would have been in grave personal danger had he made his scheduled trip to Japan.

This development is doubly tragic. Not only is it a severe diplomatic blow to this country and to the West in general, but it places democracy in Japan in jeopardy. Should the worst happen and a Communist-inclined government take over in Japan, we will have suffered a major defeat.

Japan's resurgence since the war has been miraculous. A genuine democratic government has been successfully installed. The nation has made great economic progress. Japan has been a stanch ally in the fight for freedom which we can ill afford to lose. In fact, the loss of Japan would unhinge our entire defensive system in the Far East.

We in this country simply must not lose patience with Japan as a result of this unfortunate development. We need to encourage and strengthen the forces there which believe in freedom.

The Scottish Highlanders of the State University of Iowa Leave on European Tour

EXTENSION OF REMARKS
OF
HON. FRED SCHWENGEL
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 22, 1960

Mr. SCHWENGEL. Mr. Speaker, today the 73 members of the world famous Scottish Highlanders, all-girl bagpipe band from the State University of Iowa, sail aboard the *Queen Elizabeth* for England, as the first oversea stop on a 54-day tour abroad.

The Highlanders will perform in London on June 30 and July 6. Then they will travel to Scotland and perform in Edinburgh, Elgin, Aberdeen, Falkirk, and Dumferline during the period of July 7 through July 17. Their tour will take them to Paris on July 18, after which they will travel to Amsterdam, Cologne, Mainz, Frankfort, Rome, and Berne be-

fore returning to Paris on August 4. On this same day they will sail from Cherbourg and arrive back in the United States August 9.

As one of the first stops on this year's tour, the Highlanders spent 2 days last week in Washington, D.C. They presented a public performance at Sylvan Theater last Thursday night. On Friday, they were welcomed to the White House and left a memento for President and Mrs. Eisenhower. After a tour of the Capitol and a visit to the Senate, where they were officially recognized from the floor by Iowa's Senator HICKENLOOPER, they were met by Vice President NIXON and members of the Iowa congressional delegation.

The Highlanders captivate audiences wherever they go. They are excellent good-will ambassadors, not only for the Hawkeye State, but for the entire United States. They are first-rate examples of the alert, good-looking, wholesome, and intelligent American college girls who attract attention and praise everywhere. They contribute to the image of America where outright friendliness is one of our greatest attributes.

This group is the largest bagpipe band in the world. Since its formation in 1937 the hundreds of student members of this group have traveled over 80,000 miles and appeared before 5 million persons, not including television appearances.

The Scottish Highlanders have appeared in 32 States, visited both U.S. coasts, performed twice in the Rose Bowl, and have twice—1952 and 1956—toured Europe, including England, Scotland, France, Germany, Holland, and Switzerland.

This unique bagpipe band was formed in 1937 as an all-male military—ROTC—unit. The change from men to coeds came in 1943 when the wartime shortage of men on the Iowa campus threatened the existence of the band. Director Adamson invited the coeds to continue the organization "until the boys come back," but the feminine membership has proved so popular that the girls continue to wear the kilts. No academic credit is given for participation in the Highlanders.

In addition to playing traditional Scottish tunes, the Highlanders are noted for their colorful marching maneuvers, intricate Scottish dances, and a cappella chorus, directed by Judy Croft of Norwalk, Iowa, who also doubles as a piper. In the "Drum Dance," a novelty number originated by the Highlanders, Nancy Henderson, senior in elementary education from St. Joe, Ark., dances the highland fling atop a bass drum held aloft on the shoulders of six of her fellow Highlanders.

Making the tour this year are the director of the Highlanders, William Adamson; Mrs. Adamson and their children, Heather and John; Mr. Adamson's secretary, Nadine Thornton; Phyllis Fleming; the drum major, Margaret Ladd, and the following members of the band. Their hometowns are in Iowa unless otherwise indicated.

Miriam L. Avey, Marshalltown; Emilie Blume, Sioux City; Barbara Broholm, Wilmette, Ill.; Beveraly Jo Bruce, Newton; Gale Chandler, Rockford, Ill.; Sharon J. Conger, Riceville; Judy Ann Croft, Norwalk; Virginia Mary Dunn, Columbus Junction; Eleanor Firzlaff, Dubuque; Elizabeth Ann Frew, Dearborn, Mich.; Ruth Carol Guildner, Oxford; Joselyn Hartwig, Clarence; Allene M. Hays, Grinnell; Nancy Sue Henderson, Ottumwa; Nancy Hopp, Glenwood; Jeanne Hughes, Lenox; Jane Ann Jinkinson, Sheldon; Donnia Kempenaar, Oskaloosa; Judy Kelmesrud, Thompson; Margaret Ladd, Iowa City; JoAnn Lesch, Osage; Malinda Jane Baker, Cresco; Ardith Broka, Parkersburg; Barbara Brown, Waterloo; Mary Camille Case, Grinnell; Judith Ann Clark, Cedar Falls; Harriett Dianne Cook, Oskaloosa; Kay Jane Croft, Norwalk; Marcia Kaye Fennema, Mount Ayr; Caroyln Ann Foote, Belle Plaine; Judith Ann Gardner, Waterloo; Martha Harris, Bloomfield; Carol Ann Hathaway, Muscatine; Gail Hemenway, Cedar Falls; Phoebe L. Hewlett, Pomeroy; Brenda Hughes, Iowa City; Mary Kathleen Hughes, Lenox; Janet Kainz, Elkader; Nancy Ann Kennedy, West Liberty; Nancy Kramer, Remsen; Jeannette Laughlin, Harlan; Margaret MacDonald, Chicago, Ill.; Janet Mast, Waterloo; Beth McDermott, Muscatine; Diana Merrill, Ida Grove; Mary Milnes, Burlington; Mary Morrison, Carroll; Carol Nelson, McNabb, Ill.; Sybil Norton, Spencer; Jeane Peckumn, Jamaica; Susan Powers, Melbourne; Suzanne Kay Raymond, Des Moines; Nancy Lee Ross, Marion; Alice Silletto, Des Moines; Mary Ellen Stalcup, Storm Lake; Mary Wlater, Lakeview; Carol Ann Wetzell, Sterling, Ill.; Mary Young, Washington; Sue Mast, Waterloo; Joan Carol McNeil, Sterling, Ill.; Lorranie Miller, Syracuse 6, N.Y.; Myra Jo Mixson, Cedar Rapids; Barbara Munro, Bettendorf; Nancy Nelson, Clinton; Mary Ossian, Shenandoah; Sandy Phillips, Cedar Rapids; Barbara Ratcliffe, Burlington; Rita Rosenberger, Altoona; Brenda Shirley, Perry; Patricia Smith, Elmhurst, Ill.; Patricia Steenrod, Iowa Falls; Kathleen Warren, Leon; Janet Wetzell, Sterling, Ill.

Statement by Hon. Thomas J. Dodd, of Connecticut

EXTENSION OF REMARKS

OF

HON. EMILIO Q. DADDARIO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1960

Mr. DADDARIO. Mr. Speaker, on Saturday, June 18, 1960, the Democratic State convention was held in Hartford, Conn. Because the U.S. Senate was in session, Senator THOMAS J. DODD was unable to be present and had his remarks read by his son, Thomas J. Dodd, Jr. I have known young Tom Dodd for many years, and was proud to see how ably he read his father's message. He is a boy of great promise and capacity. The remarks he read will be of interest to the Members of the House:

STATEMENT OF SENATOR THOMAS J. DODD TO BE READ TO DEMOCRATIC STATE CONVENTION AT HARTFORD, CONN., SATURDAY, JUNE 18, 1960

I deeply regret that I cannot attend our State convention because of the heavy schedule on the floor of the Senate for Friday and Saturday. Much as I would like to be with you, I think I can best serve by making whatever contribution I can to the enactment of a program that will be good for our country and the building of a record that our candidates can run on this fall with pride.

This is a critical hour in the life of this Congress and in the realm of international affairs. The Japanese Security Treaty, which looms so large in the news of the hour, may be brought to the floor of the Senate at any time. And such vital questions as flood control, adequate pay for Federal employees, medical research, aid to education, and my committee work on the foreign aid and military assistance bill—all are on the agenda for Senate action this weekend. Under these circumstances, I cannot leave Washington.

I am particularly sorry to miss this opportunity to personally tell the convention of the magnificent work done in Congress by FRANK KOWALSKI. He has been an able, dedicated, effective Member of Congress who has served the Nation admirably and reflected great credit upon Connecticut.

During the campaign of 1958, people of our party and of our State soon came to recognize that we had nominated for Congressman at Large an unusually fine public servant. All of the promise which he demonstrated during his energetic campaign has been completely fulfilled by his action of the past year and a half. We do our party a great service when we renominate FRANK KOWALSKI and I am confident that the people of our State will give him the overwhelming vote of confidence that his record in Congress and his lifetime of service to our country deserve.

Each of the other Members of our congressional delegation, who will soon be renominated by our district conventions, has done an excellent job in Washington. The good impression which our House delegation has made has been remarkable. I have heard nothing but good about our Representatives.

I know that Speaker RAYBURN and House Majority Leader MCCORMACK are counting on the leadership of all six of our Connecticut Representatives in the crucial session beginning in 1961 when a new Democratic President, working with a Democratic Congress, will attempt to give the Nation the greatest program of progressive legislation in the history of our country.

In the past 2 years the Democratic-controlled Congress has tried, and in some measure succeeded in, enacting a broad program of good legislation. But the will of the Congress has been frustrated, thwarted, and hindered by an administration which has dragged its feet in every great area of challenge. I believe that the American people have come to realize that the decade of the 1960's must be a decade of action or our country, and the great causes it represents, will perish.

Each of us has a part to play in this crucial election contest. One of the principal national objectives of the Republican Party this year is to recapture the six congressional seats they lost in Connecticut in 1958. We can expect them to put on a tremendous campaign, a campaign which will utilize all the money and resources which are always available to the Republican Party.

It is therefore of vital importance that the Democratic Party of our State make a tremendous effort on behalf of the reelection of each of our Congressmen. In our understandable enthusiasm for the presidential contest, we must never forget for a moment that the capacity of a Democratic President to carry out the platform of our party will depend upon the size of the majority he will have in the next Congress.

The Democratic Party of Connecticut has come a very long distance since 1952. We have gained victories that few thought possible in the dark hours following our defeat of that year. We now have before us the opportunity to complete our victory by preserving our gains in the Congress and in our State legislature and by making a vital contribution to the election of a Democratic President.

I look forward to working with each of you in the winning of a great victory for our party and for the people of America.

Our Unsound Social Security Setup

EXTENSION OF REMARKS
OF

HON. NOAH M. MASON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1960

Mr. MASON. Mr. Speaker, in the committee report accompanying H.R. 12580, three of us included our joint statement with respect to the actuarial unsoundness of the present program.

This statement pointed out the actual trusteeship vested in the Congress over the contributions or taxes, and the benefits of the old age, survivor, and disability provision of the social security law.

It is my purpose to provide the Congress and the American people with some of the pertinent information of what is actually happening under existing law, and what is presently proposed that we do about safeguarding these benefits under the pending bill. To this end, I shall not in this statement make any remarks respecting either the unemployment or the grant-in-aid provisions of H.R. 12580—either those for child welfare services, or those for medical care for the aged.

We have, over the years, done everything anyone could think of to lead the American people to believe that Uncle Sam has established a gigantic and actuarially solvent insurance system on which they can rely for protection against disability, death and retirement.

Back in 1939, first the Ways and Means Committee, and then the Congress assumed a special obligation to the American people when we adapted insurance terminology to the title VIII payroll taxes we had levied, and the title II benefits we had provided under the Social Security Act which we adopted in 1935.

We renamed the benefits which had been designated old age and lump sum benefits. We added dependents benefits. We called these various benefits old age and survivors insurance benefits in the 1939 law. We renamed the taxes and called them "Federal Insurance Contributions." We renamed a contingent fund that the taxes went into. We called it the "Federal Old Age and Survivors Insurance Trust Fund."

When we added disability benefits in 1946, we followed the same procedure. We earmarked an added one-fourth of 1 percent of social security payroll taxes, imposed on employers and the same amount imposed on employees, and three-eighths of 1 percent imposed on self-employed, as belonging to a new account, which we set up in the Treasury and labeled the "Disability Insurance Trust Fund."

We likewise established trustees of these accounts we had designated as "insurance trust funds." These trustees are, first, the Secretary of the Treasury, second, the Secretary of Labor, and, third, the Secretary of Health, Education, and Welfare. We likewise have named the Commissioner of Social Security as the Secretary of these trustees.

We have required these trustees to file an annual report to the Congress on both the short- and long-range aspects of these funds we have designated as "insurance trust funds."

While Congress has done all this reassuring labeling of "insurance," "trust fund," "trustees," and the like, the Congress has not in any respect abrogated its responsibility to the American people. The Congress itself has the continuing responsibility of prescribing benefits and benefit conditions, the social security wage base and tax rates, and all the other conditions determining the soundness of the system we have officially designated as insurance.

To be certain that the Congress has full and entire control of the entire program, we have specifically reserved the right in section 1104 of the Social Security Act—

to alter, amend, or repeal any provision of this act.

With this entire control of the provisions we have labeled "Old Age Survivors and Disability Insurance" goes the entire responsibility of seeing that it lives up to the "insurance" label we have fixed to it.

This is our inescapable responsibility to the American people. It is a responsibility involving directly or indirectly the economic security of 180 million Americans and generations yet unborn. It is a solemn trusteeship which by nature should be, like patriotism, above political considerations.

Mr. Speaker, I, like the great mass of my colleagues, feel deeply the aspersion that is cast upon us by a mere recital of the dates on which we have acted in performing our trusteeship. Count back the years when we have acted to modify the Social Security Act—1958, 1956, 1954, 1952, 1950, 1948, 1946—each an election year. And here we are again proposing to liberalize the benefits in 1960.

I am particularly reminded of the great similarity of today's insurance proposals with our action in 1952—when there was also a major political contest. It is particularly distressing that our critics can point out that we are again proposing to increase our benefit commitments without increasing the social security taxes. We again are acting on the theory that prior estimates have overstated benefit costs and that with some increase in trust fund interest, we can increase expenditures without increasing the presently scheduled taxes.

But in 1952 we had more basis for our action than we have today for the presently proposed liberalization.

Mr. Speaker, in the 3 years before 1952 the OASI trust fund had grown $4.8 billion to a total of $15.5 billion—and grew nearly $2 billion in 1952.

In the 3 years preceding 1960 the trust fund has shrunk some $2.3 billion to $20.1 billion—and last year's shrinkage was over $1.7 billion.

Back in 1958 when the tax base was broadened and the tax rate schedule stepped up, the Ways and Means Committee made a statement in its report that is highly pertinent today. This is the statement:

This year for the first time in the 18 years since benefits were first paid, the income to the old age and survivors insurance fund is slightly less than the expenditures from the fund. If no changes are made, outgo will continue to exceed income in each year until 1965. Your committee believes that a situation where outcome exceeds income for 7 or 8 years is one that should not be permitted to continue. We believe that public confidence in the system—so necessary if it is to provide real security for the people—may be impaired if the trust fund continues to decline.

The committee at that time thought it was correcting the situation by its tax increases—but again its estimates proved low. The trust fund was to be nearly $21 billion at the beginning of this year. It turned out to be $20.1 billion. The recent OASI report estimates that at the end of 1962 the trust fund will be $7 million lower.

But that report estimated OASI taxes for 1960, 1961, and 1962 at $33,958 million while the present report estimates taxes for this period with the proposed additional coverage at $33,221 million—$737 million lower. This would mean that for the period we face not a $7 million, but a three-quarter of a billion dollar deficit without liberalizing benefits.

It seems to me that we are facing at least a billion dollar deficit for the period 1960–62 inclusive, if we liberalize benefits. I do not see how we can rely on the estimate in the bill that with the liberalized benefits the benefit cost will be hundreds of millions less than we were advised would be the cost of present benefits by the trustees report filed in March of this year. Even so, the committee report is that under the bill the deficit will be $554 million—over a half billion dollars further in the red.

Mr. Speaker, this steady and rapid decline in the trust fund for a six or more year period is proper cause for

much soul searching among us responsible for the system. I can but again quote from what our committee said in 1958:

We believe that public confidence in the system—so necessary if it is to provide real security for the people—may be impaired if the trust fund continues to decline.

And I likewise wonder, if we enact the proposed liberalizations without adding higher taxes, and make this decline even more precipitous, if public confidence in the Congress may not also be impaired?

If time permitted, I should like to point out how the proposed vast liberalization of the disability system is likewise leading us down this same road—the committee's own report admits that the bill likewise heads these benefits toward a certain red ink future.

In my long service on the Ways and Means Committee, this is the first time I have seen huge unfinanced social security liberalizations knowingly voted out for the consideration of the Congress.

If I had the power to do so, I should like to amend the bill to strike out the word "insurance" wherever it appears and insert the word "politics." Then, at least, we would be honest in what we were voting on.

Ceremony Opening the James River Bridge, Blue Ridge Parkway

EXTENSION OF REMARKS
OF
HON. HARRY FLOOD BYRD
OF VIRGINIA
IN THE SENATE OF THE UNITED STATES
Wednesday, June 22, 1960

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a speech made by me on June 11 at the Peaks of Otter, Va., in connection with the ceremonies opening the James River Bridge on the Blue Ridge Parkway.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The ceremony today, opening the bridge over the James River, completes another link in the great Blue Ridge Parkway connecting the Shenandoah and the Great Smoky Mountains National Parks. This truly may be called a royal road of our mountain empire in Virginia.

It will soon be completed and the parkway will be 469 miles in length—the longest continuous scenic highway in the world.

If, from this pleasant place, you will let your eye follow the panorama, you will be reminded that half the population of the United States is fortunate enough to be within overnight driving distance from some point on this wonderful drive.

Think of the natural scenery there is to see, the pleasant recreational things there are to do, and the historic sites there are to visit. They are all around us here; they abound throughout Virginia's 41,000 square miles ranging from the mountains to the sea.

It is no wonder that newspapers within the month have reported that Virginia has more visitors than any other State in the Union. And for them to use, we are proud to present our billion-dollar State highway system of more than 52,000 miles.

The State department of highways recently announced that nearly 39 million visitors entered Virginia last year by automobile. Perhaps the total number of visitors approached 45 million. By the most conservative estimate Virginia's visitors are spending "in excess of $600 million a year."

Our attractions for people outside of Virginia are among our greatest assets. And this asset is enhanced by our accessibility. Cross-country highway Route 60 terminates in Virginia, and two other major highway routes—1 and 11—traverse the State north and south.

And this is not all. Nature is our partner. Our temperatures are moderate. Our rainfall is good. Our topography is favorable. We are gifted with the shores of the sea, the rolling country of the Piedmont, and the mountains with their valleys.

Our history is vivid and traceable. Our scenery and natural assets lend themselves to preservation and use. Our progress is sound and steady. Our transportation and facilities are good and safe. And, perhaps, our greatest asset is the hospitality of our people themselves.

The National Park Service has given magnanimous recognition to our scenery, our recreational possibilities and our history in the form of this parkway, the Shenandoah and the Cumberland Gap National Parks, the Colonial National Historical Park, and five national battlefield parks.

The State itself has established a system of nine State parks offering recreational facilities characteristic of every section of the State. Virginia pioneered in marking her highways with attractive signs telling the story of points of interest for the benefit of passing motorists.

And I venture no State in the Union has more to tell, or does it more concisely. We have the cradle of the Republic in Jamestown, Williamsburg, and Yorktown. We have the homes of Presidents Washington, Jefferson, Madison, Monroe, Harrison, Tyler, Taylor, and Wilson, along with those of Mason, Henry, Lee, and countless more of the Nation's great.

We have the battlefields of the Revolution and the War Between the States. We have one of the capitals of the Confederacy. We have the ports and military sites of World Wars I and II. We have the Tomb of the Unknowns. We have historic churches, colleges, and mansions.

We have some of the wonders of the world, such as the great stalagmites and stalactites of our nine caverns, our Natural Bridge, our Natural Tunnel, our Natural Chimneys, and our Mountain Lake.

We have two great national forests. We have beautiful gardens, wild flowers, and flowering trees. We have waterfalls and beautiful springs. We have the ocean, and our bays and rivers.

Streams come into existence in nearly all areas of the State. We have inland lakes—some natural, and some made—in nearly every section. With our woods and waters, hunting and fishing is unsurpassed.

There are more than 100 good golf courses in the State. Hunt races and horse shows are numerous. We have annual festivals at Winchester, Norfolk, Claytor Lake, Charlottesville, Richmond, and in other places. There is wild pony penning at Chincoteague, jousting at Natural Chimneys, and the dog mart at Fredericksburg.

We have the Barter Theater at Abingdon, and the arts and crafts festival at Waterford. There is the Common Glory at Williamsburg. There is the Virginia Museum of Fine Arts, with its mobile units. Virginia is, indeed, a place for the Nation to enjoy.

I think the Nation is doing it more and more. I believe we are seeing only the beginning. Some $26 million was spent in the State last year on construction of about 150 motels. All of us can be for expansion of an industry which makes people happier and healthier and more appreciative of their country and the principles for which it stands.

Nixon Text on Farm Ills

EXTENSION OF REMARKS
OF
HON. WILLIAM L. SPRINGER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, June 22, 1960

Mr. SPRINGER. Mr. Speaker, I attach herewith an excerpt from the Washington Post of June 21, which contains that portion of Vice President RICHARD M. NIXON'S address at Minot, N. Dak., dealing with his farm proposals.

In this speech, the Vice President took note of the fact that the American farmer needs real and active help in 1960. The Vice President also faced up to the fact that the real problem in American agriculture is the surplus on hand.

I think we all realize that a part of the answer to this problem is taking out of production acreage which provides for a portion of the surplus. However, far better do we understand the need to further expand our markets to increase consumption of our agricultural products in markets abroad. The underdeveloped countries are the greatest area for the consumption of American surplus products. As one of the authors of Public Law 480, it appears to me to be clearly the path of wisdom. In this last 6 years, more than $9 billion in surplus food has been distributed to hungry people in other lands, people who could not afford to pay for food in the commercial marketplace. One-third of the world's population still remains hungry. Expansion of this human market will not only benefit our farmers, but it will increase good will for America abroad, a valuable contribution to our foreign policy. And I am sure we all realize the need to strengthen our foreign relations today more vitally than at any other time in history, in any and every way we can.

This method of disposal of our surplus additionally benefits in the amounts exchanged in foreign countries for which we receive currencies of those countries. This not only promotes further agricultural market development of definite income return to the American farmer, but it, too, is an important cog in our relations with the free nations of the world. It permits the economic development of such friendly nations through loans to private U.S. and foreign businesses in the currencies of those countries. To so help such countries to expand their own economies and better their standards of living will go a long

way in our fight for world freedom and world peace, a long way in erasing the insidious Communist propaganda that seeks to picture the United States as an avaricious power seeking only its own self-aggrandizement.

When we help our farmers, we help ourselves, we strengthen the veritable backbone of our Nation, we bring the nations of the free world closer to our orbit in the cause of lasting peace. Let us not risk damage to this multifaceted program by any curtailment of it. Let us, instead, expand the program within Public Law 480, to our everlasting credit.

The Vice President has hit on the real solution to the American surplus agriculture problem—in everexpanding markets abroad with people who can consume this surplus. Continuation and expansion of this idea will get approval not only at home but also with friendly peoples all over the world.

The excerpt follows:

NIXON TEXT ON FARM ILLS

(MINOT, N. Dak., June 20—The following is that portion of Vice President RICHARD M. NIXON'S address here today dealing with his farm proposals:)

The solution of the farm problem does not lie in simply doing more of what we have been doing, since our present programs have aggravated rather than solved the problem.

We should reject any program which would put the farmer in a Government straitjacket in which what he plants, how much he can sell, and the price he receives is determined by bureaucrats in Washington.

While the parity price program on which we have placed such great reliance in the past has proved useful in stabilizing farm prices, we must recognize that a parity formula at its best treats the symptoms and not the cause of the farm problem.

URGES INFLATION FIGHT

A method must be developed whereby the farmers themselves have a greater opportunity to choose the kind of farm program they want.

Let us turn now to some of the specific proposals which I have asked the Republican Platform Committee to consider. I want to emphasize at the outset that these proposals are not intended to be all-inclusive. For example, I shall not discuss the problem of parity at this time since it is currently before the Congress. But, the proposals I shall make are ones designed to deal with the causes and not just the symptoms of the farm problem.

To help the farmer to get out of the cost-price squeeze, we must wage an effective fight against inflation. In a period of inflation, with surpluses overhanging the market, the prices of the products the farmer grows are the last to go up and they never catch up with the prices of the things he buys.

There should be a sharply expanded program of research in the marketing of farm products, designed to reduce the gap between what the farmer receives for his crops and what the consumer pays for his food.

To bring supply more directly into relation with demand, we must recognize the necessity for taking acreage which produces crops in surplus out of production. In administering this program, we must take every possible precaution to avoid creating ghost towns in the traditionally agricultural areas.

WOULD EXPAND MARKETS

The rural development program, which has been so successful, should be expanded so that marginal farmers can supplement their income and not be forced to move from the rural communities in which they live.

Our major aim and our major effort must be, however, not to reduce production but to expand the markets for farm products and to increase consumption. There are three proposals in this area that I think are among those worthy of consideration.

First, Governor Rockefeller, in his recent appearance in North Dakota, proposed that a year's supply of food for the Nation be set aside against the eventuality of an atomic attack. This is a sound and constructive proposal, and I would only add that because a 1- or a 2-year reserve would represent an enormous permanent storage burden in its present form, a research program should be undertaken to find economically feasible ways to convert surplus gains into storable form.

Second, I believe the amount of effort we are presently devoting to research for expanding the commercial uses of farm products is inadequate.

It is an established practice in business to allot funds for basic research which bear a proper relationship to the overall magnitude of the problem to be dealt with. It doesn't make sense to spend only $16 million a year on finding new uses for agriculture products when we are spending $5 billion a year in financing and storing surplus farm products.

There is a third area which provides by far the best opportunity for making our food surpluses a national asset rather than a liability as they tend to be today. I refer to the use of our foods in the humane, as distinguished from the commercial, market abroad.

It has been estimated that a third of the world's population, approximately a billion people, go to bed hungry every night. Everybody agrees that it doesn't make sense to have huge surpluses at home and millions of hungry people abroad. How can we bring our surplus food and hungry people together?

NINE BILLION-DOLLAR DISTRIBUTION

The United States has been doing a great deal in this field. In the past 6 years, under Public Law 480, over $9 billion of surplus food has been distributed to people in other countries who could not afford to purchase this food in the commercial market.

There are two potential objections to the program. Since it is unilateral in character, we do not get the credit that we might from our generosity because of the criticism in some countries that the sole purpose of the program is to further selfish U.S. objectives in the cold war.

Second, we have good friends and allies, the Canadians, Australians, French, and Argentinians who produce the same foods that we have in surplus. This means that whenever our surpluses are distributed without adequate regard to the effect on the normal commercial markets, the effect is potentially disastrous as far as these countries are concerned and in the long run would be detrimental to our own interests as well.

Immediately prior to the summit conference, the President, in discussions with his staff in which I participated, developed a proposal which meets these objections and which can lead to a major breakthrough in getting surplus food to hungry people abroad. He was considering presentation of this proposal for the first time at the summit conference in Paris.

The first step would have been to call a conference of all the surplus-producing nations, including the Soviet Union. These nations would then work out a joint proposal for a multilateral program under which the food surpluses of all nations which desired to participate would have been turned over to United Nations agencies for distribution to the hungry people of member nations.

The recipients of the United Nations food would be those unfortunate people who still are unable to supply themselves with an adequate diet either by their own agriculture efforts or by exchange of goods. The distribution would be handled in such a manner as not to disturb commercial markets.

Since Mr. Khrushchev's actions in Paris have ruled out the U.S.S.R.'s participation in such a program at this time, the only course of action left open to us is to explore with other surplus-producing nations their attitude toward joining us in such a program.

Let me emphasize that I do not suggest that this proposal is a cure-all for the farm problem or for the world's problems. It does, however, have these obvious merits: It will not be harmful to our friends and allies since they will participate in the program. It will not be subject to the criticism directed against unilateral United States aid since it will be administered through the United Nations.

Slovaks Commemorate 1,100th Anniversary of Sts. Cyril and Methodius

EXTENSION OF REMARKS

OF

HON. GERALD T. FLYNN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1960

Mr. FLYNN. Mr. Speaker, there are in my First Congressional District of Wisconsin, many groups of descendants of the fine racial stocks of middle-European peoples. Many of these fled oppression and tyranny. Many of them migrated to this country because their great skills as craftsmen were known and they came to help in the building of our young country. For whatever reason they came, they and their descendants have made great and wonderful contribution to the building of this country, to the framing of its doctrines of freedom, the forming of its attitudes of charity and love of peace, to the development of its rugged and forthright character, and to its religious nature and faith. They have made great contribution to our culture, to our music, our dancing, and our folklore. The United States of America is truly blessed in history to have been able to provide the land and the haven to these fine people, amongst them, the tremendously colorful and robustly freedom loving, deeply religious Slovaks.

There are many Slovaks in my district. Their contribution to Wisconsin and to the Nation as a whole has been great, yet they have retained much of the culture of their native land. Colorful Slovak costumes are still worn at weddings and christenings. Their dances are beautiful, sometimes lively and lusty, sometimes slow and graceful, always exciting. Their musicians play most wonderful Slovak music. I had the greatest pleasure recently of witnessing these folk expressions at the National Folk Festival here in Washington last month—and I tell you it was an experience long to be remembered.

Mr. Speaker, the purpose of my rising today to address this House, this symbol of the free United States, is to join in the commemoration of an anniversary precious in the hearts of this stout and rugged people who, for more than a thousand years have fought for freedom, and through the greatest tribulations have held fast to their aspirations and their deep religious fervor. The Slovaks on July 4, National Slovak Day, whether at home or abroad, whether free or still in bondage, will commemorate as they have for centuries, that great moment in history when the intrepid and beloved Saints, Cyril and Methodius, left Macedonia to bring the religion of Christ to this group of Western Slavs in the shadows of the Tatra Mountains, more than 1,100 years ago. Just as the Irish venerate St. Patrick, the Poles cherish St. Stanislaus, and the Welsh revere St. David, so do the Slovaks pay honor and tribute to Methodius, first bishop of their beloved Nitra, and to his scholarly brother Cyril, the inventor of the first Slavic alphabet.

It is particularly fitting that the Slovaks' "great day" should be a religious anniversary. Anyone who is familiar with their magnificent history and has drunk deeply of their folklore in song and story, could not expect it to be otherwise. For, to a Slovak, religion and freedom are concomitant; love of country and devotion to God go hand in hand. In all of their turbulent and colorful history, Slovaks have held steadfastly to their faith, and no amount of oppression, however long or arduous, has been able to stamp out their yearning for liberty and freedom.

I would like to quote briefly from a short history of Slovakia written by nostalgic Slovakians in this country:

Along the northern shore of the central Danube where the eastern slopes of the Alps touch the western slopes of the Carpathian Mountains lies a country unknown to many Americans.

It was the first organized state in central Europe, a busy, noisy crossroads for nations seeking a home in the early centuries of the Christian era.

The country and its people from these earliest times to the present have had to deal with conquerors and tyrants, to win the necessities of life from a stubborn soil and through it all hold on to their growing culture, freedom of spirit, and way of life.

The Slovaks belong to the group of western Slavs and are one of the oldest historical nations in that sector of Europe. Already in the ninth century, they developed the first independent statehood known as the Kingdom of Great Moravia (A.D. 830–907). Even at the time of their subsequent incorporation into the Kingdom of Hungary, their Christian faith and political endurance was tested many times during the incursions of the Tartars in the 13th and of the Turks during the 16th and 17th centuries. In these struggles for national soil and cultural heritage they developed strong aspirations for independence. * * *

Even though its beautiful land serves as a huge prison behind the Iron Curtain, the Slovak Nation has not lost, but continues to confess fearlessly, its faith in God as the source of its strength and hope.

When the forefathers of our Slovak fellow citizens came to this country, it was not, therefore, just by chance that they were endowed with solid potentials for fine American citizenship. For one quality they had in abundance—faith. Religion for them was not just an isolated phase of their lives. Their devotion to God was an integral part of their lives and the more than 300 parishes in America founded by Slovaks and their descendants serve as eloquent testimony to their rich spiritual heritage. And it was this very heritage, coupled with the Slovakian love for liberty that has made it possible for them to integrate themselves so firmly in our American democracy and to understand so well the essentials of loyal citizenship. A good Slovak could not help but be a good American because he has always known his true relationship with God, that man is a creation of God and is graced with qualities that are his, at birth, as a special gift from God.

In these days of intellectual and moral confusion, we ought to ponder the lustrous words of the Declaration of Independence. "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness."

In all history, of all the nations, the real national strength has been powered by a spiritual dynamism. The decay of nations is rarely the product of material deterioration or defeat in armed conflict. These are results, not causes. A nation really decays when it begins to weaken in its spiritual motivation. To continue strong, a nation must have faith in its traditions if it is to have faith in itself, and each citizen must feel he partakes of these traditions. All lovers of liberty can well emulate the doughty inhabitants of Slovakia today and for centuries past, who have refused to live under enslavement by the Turks and Magyars, and who will in the end repudiate the hammer and sickle for the torch of liberty. Each Slovak identifies himself with these traditions of love of liberty, knowledge of man's creation by and in the image of God, and, therefore, an inviolable entity not to be enslaved by other men. Each Slovak cherishes the memory of the great Sts. Cyril and Methodius, who taught and led his ancestors into the ways of faith and knowledge of freedom's meaning.

Our Slovak fellow citizens are possessed of a magnificent heritage, one which we all can cherish and take to ourselves with pride as part of the tradition which makes the United States great. We can take pride, with them, in a tradition which rejects enslavement of the spirit by whatever means, and in these turbulent days, hold on to this simple faith, holding our heads high, humbly proud in the knowledge of the heritage that is America. That heritage is in good hands when it is entrusted to the likes of the more than 1½ million Americans of Slovak descent. We have no nobler destiny than this, as Americans, to follow in the footsteps of such as these free spirits. I, too, and you, can thus cherish and take for our own, the great inspiration of wondrous men and great spiritual leaders such as the saints, Methodius and Cyril, whose lives the Slovaks are memorializing on July 4, our own Independence Day.

Vice President Richard Nixon's St. Louis Speech Before the Junior Chamber of Commerce

---

EXTENSION OF REMARKS
OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1960

Mr. CURTIS of Missouri. Mr. Speaker, I am placing in the CONGRESSIONAL RECORD a splendid speech that Vice President RICHARD NIXON delivered in St. Louis, Tuesday, June 21, 1960, at the 40th anniversary national convention of the junior chamber of commerce.

There is much meat in this speech for all Americans whether they are Democrats, Republicans or independents. The Vice President received an outstanding round of applause when he appeared to deliver the speech which was overshadowed by the ovation he received at the conclusion of the speech. I believe that anyone reading this speech would agree that the ovation was well deserved.

The speech follows:

REMARKS OF THE VICE PRESIDENT OF THE UNITED STATES, AT THE 40TH ANNIVERSARY NATIONAL CONVENTION OF THE JUNIOR CHAMBER OF COMMERCE, ST. LOUIS, MO., JUNE 21, 1960

We are now engaged in what will become, before this year is out, a major national debate over the subject of economic growth. This is as it should be because this is an issue which points up sharply the difference between two opposing philosophies of government in this country. It is an issue which transcends party lines.

The question is not one of ends but of means. Everybody is for growth. The issue is how can we best achieve it. More specifically, what should the role of government be in stimulating economic activity and growth?

Why are we especially concerned at this moment about our growth? To begin with it is a concept which commands the attention of the greater part of mankind in this second half of the 20th century.

For ourselves it is a question of building a better and greater America with widening opportunity for all of our citizens.

For the peoples of Asia, Africa, and South America, it is a question of emerging from a way of life based on human and animal muscle power to the technological maturity we of North America and Europe already enjoy.

For the Communist states it represents a challenge to catch up with and pass America. This is the goal, the final achievement which Mr. Khrushchev asserts will be the ultimate proof of the superiority of his Communist faith.

We in this country must recognize the serious nature of this challenge. We must never forget for a moment that the Soviets mean business. We must never underestimate their fanatical purpose.

On the other hand, it is no service to America or the free societies to overestimate

Communist achievements. The critics of our present economic policies say that the Soviets are achieving their objectives of overtaking us. They claim that we are falling behind and in the foreseeable future will become second to the Soviet Union in economic strength.

They back this up by citing statistics to the effect that the Soviet economy is growing at a rate of 8 percent a year as compared with our own long-term economic growth which has been running about 3 percent a year and now appears to be accelerating toward 4 percent.

The critics argue that if we would just adopt their pet economic philosophy we too would grow like the Soviets. They invite us to join them in playing what is rapidly becoming the most fashionable political parlor game of our time—a game we might well call "growthmanship."

Before playing the game, let us look at the facts. There are, I believe three major fallacies in these statistical comparisons between the Soviet economy and our own.

The first fallacy is the vast difference in the maturity of our two economies. The Soviets, in the first place, have had to cope with an enormous postwar program of reconstructing the damage inflicted on them by Hitler's armies. But even more importantly, their economy is still primitive in comparison with our own. They are still concentrating primarily on building steel mills and the beginnings of a transportation system. These we already have. We are building major new industries around transistorized circuits and synthetic fibers and rearranged molecules.

Comparing their rate of growth with our own is, in a sense, like comparing the rate of growth of a child's body with an adult's brain. The very dimensions are incompatible.

The second fallacy is the fundamental difference between our society and theirs. We are a free people, free to produce and consume what we like and possess what we can afford. An enormous portion of our national capital is represented in the American home. Most of our millions of homes are, in effect, miniature factories, heavily equipped with capital equipment such as refrigerators, television sets, and cars. None of this is revealed as capital plant in comparing growth rates.

It sometimes is argued that this personal capital equipment represents no national asset but a collective self-indulgence of shameful proportions. The epithet most commonly flung out by the growthmanship school is "tail fins."

Without either defending or quarreling with my neighbors' taste, I urge these anti-production economists to be more explicit. What sort of society are they proposing?

Do they want a Federal agency empowered to regulate the design of automobiles? Or are they proposing tax rates which will make the manufacture of new cars academic?

The third fallacy is suggested by the behavior of the absolute gap between our economies. Just before World War II the total production of goods and services in the U.S.S.R. was less than half that in the United States. To be exact, it was 44 percent. Twenty years later, in 1959, the total production of goods and services in the Soviet Union is still just about 44 percent of the United States. In terms of currency, the U.S. lead is substantially larger than the entire value of Soviet production. Mr. Khrushchev boasts that he will catch and pass us economically in 7 or 10 years. By any projection that can be applied, there is no possibility that the Soviet economy will overtake our own at any time in this century.

Mr. Khrushchev has described the competition between our two systems as a horse race. In referring to the American economic system, he said recently, "There was a horse but now it is old and worn out, limping along at half speed. On the other hand, our Communist horse is young and strong, running much faster and certain to catch up and pass the Americans."

Is he right? The answer is no, provided we stay on our horse and don't make the mistake of trying to get on his.

That is why in considering growth the question of means becomes all important. What and how much should the Government do to insure a maximum rate of expansion for our economy?

The growthmanship school argues that the Government should plan and manipulate the economy to arrive at an arbitrary, fixed percentage rate of growth. They believe that any kind of Government activity directed toward this objective is good. Generally, they have greater faith in Government action than in private enterprise as a creative force in insuring economic progress.

For example, they believe the Government should peg interest rates at artificially low levels to assure growth. They admit this would be inflationary but they say "Inflation is a small price to pay for progress." We say that this policy in the long run would wreck the economy, not expand it.

They believe that Government spending regardless of its purpose spells growth and, therefore, is good in and of itself. We say that the way to achieve maximum growth in this country is not by increasing the size and cost of Government but by expanding the opportunities for investment and creative productivity for millions of free American citizens.

We believe that the way in which Government can best promote real growth is by building a sound economic framework in which the private economy can operate at maximum levels.

We must never forget that growth is only one objective of national policy, though admittedly a vitally important one. Among our other objectives are freedom and security. We must not and need not sacrifice either freedom on one hand or security on the other simply to achieve growth.

Under the philosophy of government to which we subscribe, these objectives are not incompatible. What best promotes freedom best promotes growth. What best promotes growth best promotes security.

What then should the role of Government be in promoting growth?

To begin with, Government should avoid, as much as possible, interference with the decisions that are made in the private sector of our economy.

The Government must pursue a sound fiscal policy, so that values remain stable and the upward pressure is toward true growth and not inflation.

Government must act vigorously against those abuses of economic power by management or labor which restrict competition or put roadblocks in the way of increased efficiency and productivity.

Our tax structure must be designed to stimulate rather than frustrate new and creative enterprise. Reform of the obsolete and jerry-built features of our Federal tax system must be a first order of business for a new administration once we have provided adequately for our needs in the national security area.

Government must pursue economic policies abroad which are compatible with domestic philosophy. We believe in freedom, in creative enterprise, and in competition. Our foreign policies should be framed to cultivate a climate favorable to these principles throughout the world.

Finally, government has a responsibility to prevent and correct wide swings in our levels of economic activity by intelligent application of fiscal policies and by sensible provisions against the personal tragedy and national misfortune of widespread unemployment.

These are the things government should do to promote a proper climate for creative private activity.

There are other appropriate areas of government economic activity in what we might call the public sector of our economy. While we put our primary faith in creative private enterprise as the major dynamic force in assuring growth of our economy, we recognize that where private enterprise can't or won't do the job, government activity is not only justified but essential. By government activity, I have in mind not only the Federal Government, but State and local governments as well.

It is foolish to assume, as some of those of the growthmanship school seem to, that government activity is in itself good. But it is just as wrong to assume that government activity is in itself bad.

Many elements of our national establishment are beyond the capacity of private enterprise. These must be kept apace with our overall growth, or the economy would soon develop a lopsided shape.

If we are to grow at a maximum rate, we must recognize the continuing need for investment in the public sector—in our public education establishment, in our national transportation system, in the renewal of our rundown urban areas, in the development of our natural and human resources, in providing imaginative, new leadership for the exciting scientific and technological revolution which will dramatically change the whole character of life in America and the world in our lifetime.

Timidity in these areas would be as detrimental to the national interest as timidity in private investment.

The important test to apply always to investment in the public sector is—will the benefit exceed the cost? Because it is just as easy to waste the public money as it is to squander private and personal funds.

Above all, whether we are considering investment in the public or private sector, let us be guided by these principles:

America must never settle for second best in any field.

We are a young country with our greatest years ahead of us—not behind us.

We will not hesitate to resort to government action where it provides the best road to progress.

But we will always remember that the primary source of progress in America has been and will continue to be the dynamic, creative productivity of private rather than government enterprise.

Remarks of Hon. Thomas J. Dodd, of Connecticut, at Wheeler High School Commencement Exercises

---

EXTENSION OF REMARKS

OF

HON. EMILIO Q. DADDARIO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 22, 1960

Mr. DADDARIO. Mr. Speaker, graduation day is an important day in the lives of all our young people. Those students who graduated from Wheeler High School, North Stonington, Conn., have special reason to remember their commencement exercises because of the

fine expressions made by Senator THOMAS J. DODD, of Connecticut. I feel that Senator DODD's thoughts are important and instructive:

REMARKS OF SENATOR THOMAS J. DODD AT WHEELER HIGH SCHOOL COMMENCEMENT EXERCISES, NORTH STONINGTON, CONN., FRIDAY, JUNE 17, 1960

I am deeply grateful that you have invited me to speak at these graduation exercises. I know the significance of this moment in the lives of the graduating class and of their families and I appreciate the privilege of being asked to come here and share it with you.

For about 10 years I have been spending as much of my time in North Stonington as my public duties permit. I was, of course, born in eastern Connecticut and have spent a large part of my life here. Those of us who have been lucky enough to live in this part of our State and in this wonderful town of North Stonington have much to be thankful for.

We have lived in an area filled with natural beauty and in an atmosphere close to the realities of life, an environment of close family ties and sound traditions, an environment of neighborliness, of honest work, of pleasant homes and good people.

And so the first thing I want to say to the members of this graduating class is that you have begun your lives with the priceless advantage of a good heritage.

This day marks off a great dividing point in the life of each of you. I am sure that you are very much like I was during my school days. Through the years of your childhood, your imagination must have been filled with thoughts on the nature of your life after this day, what you would do, what you would be, what kind of a future you would make for yourself. Now you are about to step into that future.

Up to now you have been largely on the receiving end of all the care and indulgence that your family and your community could bestow. Now you must begin to give something. From this day forward, as you enjoy more and more freedom, and wider and wider opportunities, you must assume deeper and deeper responsibilities.

I would like to discuss today some of the obligations and the opportunities that await you.

First is the tremendous obligation to your families. It has taken years of sacrifice, worry, self-denial, and care on the part of your parents to bring you safely to this day.

I well understand the mixture of joy and sadness in the hearts of your parents as they sit here this evening. I have seen four of my own children graduate from high school and I know what this moment means. It signifies the end of those childhood years so precious to parents. It means that the family circle is soon to be broken as you go away to school or to work or to marriage.

And so as you start to make your own way, remember the devotion and sacrifice and care that have brought you to this point and given you this opportunity. The future happiness of your parents is all wrapped up in you. This is a time to quietly dedicate yourselves to act in the years ahead in a manner that will justify the hopes, the sacrifices, and the expectations of your parents. They ask very little of you. Be faithful to the values learned in your home, be upright, be honorable, be hard working, be conscientious in whatever you undertake and that will be enough.

Another obligation waiting to be met is your debt to your community. The greater part of the activities of any American community is dedicated to the welfare of its young people. I refer not only to such matters as schools, recreational facilities, public health activities, and traffic safety. Almost all of our activities on the local level are really aimed at building the kind of community in which youngsters can grow up in health, safety, and happiness.

It is now the time for you to begin to assume your fair share of the burdens of running a free government at the local level. You must prepare yourselves to take the place of those who spend a good part of what could otherwise be their leisure hours working for the benefit of your town. You must prepare yourself now to take your place in the ranks of these fine civic associations, parent-teachers groups, and church organizations that make our towns pleasant, decent places to live.

You don't have to be a Member of Congress or a delegate to the United Nations or a Cabinet member to make an important contribution to your times. In the final analysis, our free society will stand or fall on the strength of democracy at the local level. Those who carry on the task of making our system work at the community level, those who work in modest ways to make our towns better places in which to live, those who give of their time and effort to dozens of worthy causes are rendering greater service than they know.

This leads me to the discussion of another obligation, the great debt which each of us owes to his country.

You will carry throughout your life an obligation to show a very special kind of loyalty to your country. In this sophisticated age it seems somewhat out of place to speak of patriotism.

In some quarters patriotism is scorned today. It has gone out of fashion. And there is even a fuzzy notion current that patriotism stands in the way of the development of an international order of peace and justice.

When I speak of patriotism I do not mean merely Fourth of July oratory or flag waving, or the hollow veneration of mere symbols.

If this were all there were to it, then patriotism would indeed be a rather empty thing. Our loyalty is not to the symbols, but to the ideals and traditions of our country and to the causes it represents.

Love of country is one of the deepest and most abiding of human instincts. Strange indeed is the man or woman who does not feel a special love for his homeland. As often as not, it is the most humble, the most abused, and the most misgoverned who will, in an hour of crisis, display the fiercest and most selfless loyalty to their country.

So it can be said that the instinct of patriotism is almost universal.

Americans have a special reason for a special kind of loyalty that goes far beyond the love of things that are familiar. I do not say this merely because we have been given more advantages and privileges than people of other lands.

I say it because our country, its institutions, its traditions, its strength today compose the sustaining force which preserves government based on freedom and respect for human decency.

Whatever may be the faults and weaknesses of our people as individuals, and they are many; whatever may be the mistakes and weaknesses of our Government, and they have been many, the United States of America as a nation has historically acted with honor, with courage, with charity, with justice and with idealism.

Perhaps we are too close to the scene to appreciate the significance of the role of our country and of our generation. A distinguished foreign visitor to Washington said recently:

"Washington has become the fountainhead of freedom. We may well say that the road of freedom, of democracy, of self-determination of peoples, and the respect for human personality leads us today to and from Washington and it is to a large degree in the United States that the hopes for the survival of human freedoms rest."

No nation has ever carried such an awesome burden as this. I sometimes think that our entire history has prepared us for and guided us toward this crucial role that we now play.

Surely a sense of national mission and destiny has moved our country from its earliest days. The opening paragraph of the Federalist papers, pleading for the adoption of our Constitution, said:

"It seems to have been reserved to the people of this country, by their conduct and example, to decide whether societies of men are capable of establishing good government. Failure on their part would be the general misfortune of mankind."

All of the forces that have shaped our history, all of the good fortune, all the noble aspirations, all the blessings of material strength, have combined to give us the means and the obligation to preserve the temple of Western civilization from the barbarism of first nazism and now communism.

Why do I say all this? I say it because our country and its ancient ideals are more in need of the loyalty, the devotion, the understanding and the unselfish help of its young men and women than ever before. Never has a nation been so in need of a generation that recognizes its destiny, represents its ideals and embraces it traditions.

And so I hope that you will carry in the years ahead and throughout your lives a sense of duty and obligation to your country. Don't be ashamed of patriotism. Don't join those misguided college students who are today objecting to pledging allegiance to their country when they apply to their Government for loans to finance their college education.

If you are called upon to serve in the Armed Forces of your country, do so not reluctantly or cynically but willingly and devotedly, with pride in the knowledge that you are carrying out a great and necessary duty in order that our country might remain free and might preserve freedom in the world.

Be prepared to support your Government and not be supported by it. Be prepared to give up your time and your peace of mind and to take part in the political life of your Nation by actively supporting candidates and parties and issues that you feel are in the national interest. And when your turn comes to assume the role of teacher and parent, I hope that you will impart to those under your care that love of country which has been imparted to you.

The final obligation that I would like to discuss is your obligation to yourself, your duty to do full justice to your talents, your training and your hopes.

Each of us has the obligation to make the most of whatever talents and abilities God has given us. If we fail to do so, we not only let ourselves down but we fail in the contribution that we ought to make to others and to those who will come after us.

This is a very decisive time in your lives. The decisions you make now about your future will go a long way toward determining just what that future will be.

Every right decision you make now opens broad vistas of opportunity. Every wrong decision closes off your horizons and closes the door on opportunity.

So this is the time to think things through.

If you do not yet know what you want your life work to be, make it your first object to find out. Don't drift along letting events shape your life until the opportunity for you to do what you really want to do has passed you by.

And if you know what your vocation is, if you know deep down what you really want

to do in life, then start to take the steps that will lead you to it. In the words of Abraham Lincoln, "Determine that the thing can and shall be done, and then we shall find the way."

This is a time in your life when the freedom that we enjoy in America means more than perhaps it does at any other time. You are free to pick out your career. You are free to go wherever you have to go and to do whatever you have to do to develop a competence in that field.

The last written words of Franklin D. Roosevelt were, "The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith." Don't allow your doubts or fears to hold you back from doing what you want to do and what you feel it is in you to do.

If you want to go to college but don't have the money to do so, get a scholarship if you can, and if not you can borrow that money at very easy terms under a Government loan program and pay it off several years from now when you are started in your career.

If you can't find the work you want around here, take advantage of your freedom to go where you can find it.

The future belongs to the man or woman who is prepared for it. If you do not plan to go on to higher education, then develop a technical mastery and a special competence in whatever field you do go into.

Give yourself a chance.

The opportunities that await you and the thousands of other young men and women who are graduating from high school this year are greater by far than at any time in history. The young people of today ought to feel a greater sense of excitement and adventure as they enter adult life than any young people have felt since the discovery of the New World in the 15th century.

When I was a boy, the thought of traveling to the moon was the sheerest fantasy. But I have lived to sit on a committee of the U.S. Senate which is today making plans and appropriating money for Project Mercury, a program concerned with the first travel of a human being into outerspace.

The incredible achievements of the past few years in the nuclear submarine mean that within a very short time all the secrets and mysteries of life underneath the seas, which have been the object of man's imagination since prehistoric times, will be solved.

The continuing discoveries in science and medicine mean that you will live in an age in which bodily pain and disease will be largely eliminated, and in which life will be immeasurably lengthened. Twenty years have been added to the average life expectancy since I was a young man. We may expect a similar advance in the decades ahead.

As for labor, you will live in a world in which the burdensome and boring toil of life is done more and more by machines and less and less by human labor. You will work less hours, enjoy more leisure and receive a higher material reward than at any time in history.

A hundred years ago it was not uncommon for a person to live and die in the town of his birth without ever venturing beyond its immediate neighborhood. In your lives you will find that travels to the capitals of the world will be a commonplace occurrence for almost everyone. It will be easier to go from here to Paris or Rio or Honolulu than it used to be to travel from Norwich to Hartford 50 years ago. It is almost that easy today.

Our economists confidently predict that the standard of living enjoyed by the average American will double in the next 20 years. You will some day live in houses elegant beyond your imagining as youngsters. You will enjoy conveniences that you have not believed possible.

All of these developments can make the pursuit of happiness more of a reality for your generation than it has been for any other that has ever lived.

But in themselves, these material advances will not bring happiness to you. As you grow older you will realize that the only thing that brings real satisfaction is worthwhile personal achievement and the only thing that brings real joy is dedication to the welfare of others.

It takes some people a lifetime to understand this, and then their understanding comes only through disillusionment, through despair, through the failure of material things to give them satisfaction. You can save yourself a lot of grief and add immeasurable meaning and significance and accomplishment to your lives if you will accept this truth now.

And this need for personal achievement and for devotion to the welfare of others leads me to another great opportunity awaiting your generation. And that is this:

You are entering the national life of your country at a time when it is locked in mortal combat with a deadly enemy, world communism. Communism today hovers like a great black cloud over the happiness and freedom of two-thirds of the people of the world and the other third it has already enslaved. It has fallen to our country to throw back this tyranny.

I believe that in your time America will bring to fulfillment its great mission, its historic mission of resisting tyranny and extending freedom throughout the earth. You can help in this struggle. You have the opportunity to help our people fulfill the Biblical injunction inscribed on the Liberty Bell so long ago, "Proclaim liberty throughout all the land unto all the inhabitants thereof."

Thus the greatest opportunity for service given to any generation is offered to yours. If you fail, a new era of impenetrable darkness will come over the world.

If you succeed, a new age of freedom, of justice, of human achievement will be ushered in. And at last man will defeat his age-old enemies—poverty, disease, war, aggression, injustice. Even natural disasters will come under the control of man.

This is the future that we can have and that, with God's help, we shall have.

Whenever I return to North Stonington from Washington and have an opportunity to spend some time with the people here, I gain renewed confidence that America will meet its challenge successfully. Our people are good. They are strong. They are able. They are just. They have high purposes.

If we remain true to those purposes, if we set our goals high enough, if we get political leadership equal to our tasks, we will win this struggle and we will gain an era of human advancement for all the people of the world such as has never been known or imagined.

I envy your journey ahead. Good luck to each of you.